ISCTE 🐼 Business School Instituto Universitário de Lisboa

DEVELOPMENT OF A MARKETING PLAN TO LAUNCH THE BRAND "LOVE YOUR DOG"

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Project submitted as partial requirement for the conferral of Msc in Business Administration

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"The world woud be a nicer place if everyone had the ability to love as unconditionally as a dog." M.K. Clinton

Abstract

The present project aims to be a Strategic Marketing plan for a lifestyle clothing brand, Love Your Dog. The main objective is to allow the successful launch of the brand in the market, thus claiming a relevant position in the Portuguese e-commerce market. Given that e-commerce has its particular characteristics, the company needs to develop a marketing strategy that allows for an effective adaptation to the digital environment.

Love Your Dog was born with a clear mission: Create a better world for dogs. This mission will be translated to the donation of part of the sales profit to help save dogs needing medical assistance. Besides helping dogs, the company has the priority of making it easier for dog people to show how much they love and support dogs through their clothing.

The brand will launch in February 2020 and, just like any other brand, faces entry barriers that are important to overcome. An external, industry and internal company analysis will be done, followed by a survey that will be made to characterize the broad profile of consumers. The branding strategy will be created as well as the Marketing plan implementation.

Keywords - Marketing plan; Branding strategy; Clothing; Dogs.

Resumo

O presente projeto pretende ser um plano estratégico de Marketing para uma marca de roupa "lifestyle", Love Your Dog. O principal objetivo é permitir o lançamento bem-sucedido da marca no mercado, reivindicando uma posição relevante no mercado de comércio eletrónico Português. Tendo em conta que o comércio eletrónico tem as suas características particulares, a empresa precisa de desenvolver uma estratégia de Marketing que permita uma boa adaptação ao ambiente digital.

A Love Your Dog nasceu com uma missão bastante clara: criar um mundo melhor para os cães. Esta missão será traduzida para o mundo através da doação de parte dos lucros das vendas para ajudar a salvar cães que precisem de assistência médica. Além de ajudar os cães, a empresa tem a prioridade de permitir às pessoas mostrar o quanto amam e estão dispostas a apoiar os cães através das suas roupas.

A marca será lançada em Fevereiro de 2020 e, como qualquer outra marca, enfrenta barreiras de entrada que devem ser superadas. Será feita uma análise externa, da indústria e interna da empresa, seguida de um estudo de mercado para avaliar o perfil dos consumidores. A estratégia da marca será criada, assim como a implementação do seu plano de marketing.

Palavras-chave: Plano de Marketing; Estratégia de marca; Vestuário; Cães.

Glossary

- ACEPI Associação do Comércio Eletrónico e da Publicidade Interativa
- APCA Associação Portuguesa aos Cães Abandonados
- ASAE Autoridade de Segurança Alimentar e Económica
- B2B Business-to-business
- B2C Business-to-consumer
- CAE Classificação Portuguesa das Atividades Económicas
- CTT Correios de Portugal
- DRTV Direct Response Television
- ECB European Central Bank
- FAQ Frequently Asked Questions
- **GDP** Gross Domestic Product
- **GDPR** General Data Protection Regulation
- **KPIs Key Performance Indicators**
- PESTEL Political, Economic, Social, Technological, Ethical, and Legal
- SAF-T(PT) Standard Audit File for Tax Purposes: Portuguese Version
- SWOT Strengths, Weaknesses, Opportunities, Threats
- TOWS Dynamic SWOT
- TTT Três Tristes T-shirts
- UGC User Generated Content
- UVP Unique Value Proposition
- USA United States of America
- VAT Value Added Tax

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Executive Summary

This master thesis aims to develop a marketing plan for Love Your Dog brand. The brand aims to pursue an opportunity currently present in the market to explore a niche market in the clothing industry with the creation of quality clothing aimed at dog lovers.

Nowadays there are more and more people concerned about animal welfare, with dogs being the most popular and beloved animal species. It is also true that consumers today greatly value the fact that companies are socially responsible and that this factor is very important in their buying decision. Consumers identify themselves with brands that have a purpose aligned with their values, which ultimately increases the likelihood of brand loyalty and helps to decrease price sensitivity.

The brand founder's passion for dogs coupled with these insights led to the birth of Love Your Dog, a brand that wants to "create a better world for dogs, one at a time".

Love Your Dog wants to make a positive impact in the market, providing a concept that is not developed in Portugal yet. The brand wants to make it easier for dog people to show how much they love and support dogs through their clothing, providing its consumers with products that go far beyond their physical characteristics, allowing them to be part of a dog-loving community while also adopting a lifestyle characteristic of dog lovers.

The brand needs a marketing strategy that allows it to enter the market, gain notoriety and consequently make sales.

In order to be able to analyze this opportunity present in the market an external analysis was performed, through the study of several factors of the Portuguese online clothing market, Political and Legal, Economic, Social, Ethical and Environmental and Technologic, in order to assess the external environment of the company at a macro level.

After that, an industry analysis was performed in order to define the online clothing industry, defining the market segment where the brand will be inserted, the lifestyle clothing segment, and analyzing the online clothing market in terms of growth, value and leading companies. The model of Five forces helped to assess the attractiveness of this market and understand how each force will shape the brand strategy. The key success factors, that define the success, or failure, of the brand in the online environment were identified: trust, loyalty and corporate responsibility. Thereon was made an analysis of the direct, national and international, and indirect competition that allowed the identification and superficial understanding of some of

the Love Your Dog main competitors that may be useful to learn good practices and to closely track their actions.

Regarding the internal analysis of the company, a SWOT analysis was constructed in order to identify the company's strengths, weaknesses, opportunities and threats and then a dynamic SWOT, known as TOWS, was created with the goal of identifying how the company may turn the negative points into positive points.

In order to avoid a subjective analysis that supports the decision-making process regarding the elaboration of this marketing plan, a survey was designed to understand who the potential customers are, the brand's target market, and what their preferences are. It was important as it helped to understand consumer behavior towards the online clothing market, factors that influence their decision to buy and what is their acceptance of the brand, the brand's mission and its products. In addition, it was also investigated the use that the consumer would give to the products: whether for personal use and / or to offer as a gift.

After that, the brand strategy delineation began. The brand identity was developed and included the definition of the following: brand essence, vision, mission, values and brand promises.

The brand identity was then divided into verbal and visual identity. Regarding the verbal identity, the following topics were defined: naming, slogan, tone of voice, editorial angle and brand story. And regarding the visual identity, the following visual pieces were created by a professional designer: logo, typography, color palette, stationery set design and clothing designs.

After defining the branding, the implementation of the marketing plan implementation began. All the previous analysis allowed to define what will be the strategic objectives to pursue. The delineation of the marketing strategy was started with the definition of the segmentation, targeting and positioning, followed by the development of the Marketing-mix where the Product, Price, Distribution and Promotion were delineated.

Regarding the product, the product line, the base product and the two levels of the augmented product were projected. Regarding the price, the competitor's pricing strategy, the customer sensibility and the cost's margin were defined which allowed the definition of a skimming price strategy to enter the market. In terms of distribution, the distribution chain was thought and designed. In relation to the communication, or promotion, its objectives were first defined. Then the message was designed, followed by the construction of a communication plan with the

setting of several communication actions that were properly budgeted. In the end, with the action plan to be implemented, specific KPI's were attributed to each action in order to monitor and evaluate each action performance.

1 Introduction

The project to be developed consists in a strategic marketing plan for a lifestyle clothing brand, Love Your Dog. The brand was born from a passionate desire of creating a positive impact in dog's lives and is committed to treat animals with kindness and compassion, standing for the animal rights, their welfare, and customer satisfaction.

Love Your Dog believes that every dog should be treated with respect, love and have access to good medical and housing conditions. Having as a priority and commitment the welfare of dogs, the brand decided to create clothing for dog people that allow them to live accordingly to a lifestyle of people that really love dogs.

The brand's mission and values will be translated with the donation of 10% of the profits to pay for medical treatments of dogs in need and the establishment of partnerships with dog rescue organizations to raise awareness for the incredibly high number of homeless dogs that need help.

The idealized products are quality clothes with a clean and dog related design, a good fit, that are comfortable and fashionable. Clothes that make it easier for dog people to show how much they love and support dogs. By wearing them, customers can feel good about helping dogs, spreading the brand's mission and being part of a community of dog lovers.

The company will sell its merchandising exclusively through its website and has as its primary audience people who love dogs, focusing on young people, especially women between 15 and 31 years old.

Thus it is important to have a marketing plan that allow the company to understand the opportunity available in the market, to analyze the aspects the company must have in order to succeed in the market, how will the company act in the market and to define the marketing-mix of the business.

This project aims to address the following questions:

- Define the branding strategy
- Define the brand's positioning
- Propose the marketing-mix of the brand and its products
- Create brand implementation and control proposals

It is important to note that no cash-flow financial analysis will be presented, as this work is about understanding what is the most appropriate marketing strategy for the business and not to develop, at least at this stage, a detailed business plan.

2 Literature Review

2.1 Methodology

A short introduction to the concept of Marketing will be made and then the theme around the Marketing Plan will be explored, allowing to understand the process of elaboration of a Marketing Plan and the importance of each of its phases.

Subsequently, the concepts inserted in the context of the elaboration of a Marketing Plan will be developed, namely market segmentation, targeting and brand positioning. It will also address the different variables that constitute the Marketing-mix that should be taken into account in the Marketing Plan.

Finally, literature about the concept of a brand will be presented, and the impact that certain parameters such as value and identity have on it.

2.2 Marketing

Marketing can be defined as the "set of technical actions aimed at implementing a business strategy in its various aspects, from market research and trends to actual sales and after-sales technical support" (Dicionário Infopédia da Língua Portuguesa, 2019).

Hanssens and Angeles (2016) refer to the concept of "Marketing" as a consumer-focused management philosophy and as an organizational function with regard to the marketing department and as a set of specific activities and programs, the marketing-mix (Hanssens, 2016).

In other words, marketing allows the anticipation of consumer needs and combine a company's products in order to satisfy those requirements and generate profit for the company during that process.

Successful marketing involves making the product available at the right time and place and ensuring that the customer is aware of the product. Briefly, it is the process that brings together the skills of the company and the requirements of its customers. Companies need to be flexible to achieve this balance in the marketplace. They must be prepared to trade products, introduce new products or enter new markets. They must be able to read and interpret their customers and the market.

Company skills can be shaped by the marketing function. It can control four key elements of a company's operation, often referred to as the "marketing-mix", also known as the "four Ps"

(Westwood, 2006). That said, the effectiveness of a marketing action depends on the management of the aforementioned order, that is, firstly it is necessary to study the customer's needs and, afterwards, the company will make the decision of the effective action.

Kotler & Armstrong (2012) in the book entitled Principles of Marketing highlight the importance of developing an innovative customer value structure and establishing a customer relationship to capture the essence of marketing (Kotler & Armstrong, 2012).

This dynamic can be based on five phases:

1. <u>Creating value for customers in order to get value from customers</u>. Nowadays, good marketers must attract customers by creating value and maintaining the brand-customer relationship. Also, good marketers understand market behavior and can detect the needs of potential customers; they outline marketing strategies that fit these needs while creating value; they also develop integrated marketing programs that add value and create customer satisfaction that helps to build a solid customer relationship. By contrast, the effectiveness of marketing strategies is converted into value from customers in the form of sales, profits and through their loyalty.

2. <u>Build and manage solid, value-creating brands</u>. The good positioning of a brand favors its value in the market. These are key points for building a brand to be consistent, they reflect its value to the customer and favor its profitable relationship with it.

3. <u>Measure and manage the return on marketing</u>. Marketing managers must ensure that marketing investments are well spent. This recent concept is called "Responsible Marketing" and has become an important factor in strategic marketing decision making.

4. <u>New marketing technologies</u>. The dynamics of consumption have undergone huge changes with technological innovation. This phenomenon has direct implications on the way consumers and marketers relate. Note the importance of digital marketing, social networking and personalized marketing.

5. <u>Sustainable marketing worldwide</u>. Awareness must be present in marketing strategies. Marketers must be good at marketing their brands globally and sustainably by meeting the needs of today's consumers and businesses while preserving and enhancing their ability to meet the needs of future generations. Figure 1 shows the creation and capture of consumer value (Kotler & Armstrong, 2012).



Figure 1: Simple Marketing Process Template. Source: Adapted from Kotler and Armstron (2012).

2.2.1 Marketing Plan

"The marketing plan is the central tool for directing and coordinating the marketing effort" Kotler & Keller (2006).

According to John Westwood (2006), planning is critical in management to achieve business success. The business plan concerns business, while a company's marketing plan is synonymous of key inputs to the business plan. The elaboration of a marketing plan is a determinant step. Thus, the marketing plan should recognize the most auspicious business opportunities for the company and describe how to enter, seize and hold positions in previously identified markets. It is a communication tool that articulates all elements of the marketing-mix in a coordinated action plan. This tool clarifies who will do what, when, where and how to achieve the proposed goals (Westwood, 2006). The company may have an overall marketing plan consisting of several smaller marketing plans that target individual products or areas. These smaller plans can be prepared as and when the occasion demands (Westwood, 2006).

Without an effective marketing plan, the customer is unlikely to feel committed to the brand, since one of the key marketing roles is to assist in the customer identification, satisfaction and retention (Burnett, 2008).

That is, it is necessary to convince potential customers that what the brand offers is the most suitable thing that meets their specific needs or wants at that time. The marketing plan allows to consistently offer this advantage so that the customer does not consider other alternatives and buys the product and / or service and creates a habit (Bunett, 2008).

According to Jonh Westwood (2006b), the term marketing plan is used to specify the methods of applying marketing resources to achieve the proposed marketing objectives. Although initially sounding simple, it is a complex process. First, it is crucial to realize that resources are variable from business to business and that, additionally, resources are unstable over time (Westwood, 2006). For these reasons, the marketing plan must involve constant monitoring and

appropriate responses to change. In addition to this need to be flexible, the marketing plan must follow a standardized sequence (Bunett, 2008).

A marketing plan is an essential tool in market segmentation as well as in identifying market position, predicting market size and planning viable market share in each market segment (Westwood, 2006).

According to Westwood (2006) the process of developing a plan involves the following steps:

- Conducting a marketing research inside and outside the company;
- Analyzing the strengths and weaknesses of the company;
- Making assumptions;
- Forecasting;
- Setting marketing objectives;
- Generating marketing strategies;
- Defining programs;
- Defining budgets;
- Review of results and review of objectives, strategies or programs (Westwood, 2006);

Figure 2 outlines the process of preparing a phased Marketing Plan.



Figure 2: Steps of a Marketing Plan. Source: Adapted from Westwood (2006).

The marketing plan encompasses the choice of marketing strategies that allow the company to achieve the proposed strategic objectives. Each company, product or brand needs a detailed marketing plan. According to Kotler & Armstrong (2012) the marketing plan may contain the sections detailed in table 1.

Section	Purpose
Executive Summary	Provides a brief summary of key plan goals and recommendations for a quick understanding of the product / company. An index should follow the executive summary.
Current marketing situation	The target market and a company's position in it are detailed in this section. Contains information about market, product performance, competition and distribution.
SWOT Analysis	Evaluates the key threats and opportunities the product may face. This analysis allows the anticipation of important strengths and / or weaknesses that have repercussions on company strategies.
Objectives and problems	Includes the marketing objectives that the company intends to achieve during the plan execution period and discusses the main threats to its implementation.
Marketing Strategy	A detailed description of the marketing approach adopted is aimed at creating value, establishing a product / company-customer relationship, the particularities of the target market, positioning and, finally, the budget for marketing expenses. This section also explores strategies specific to each element of the marketing-mix and explains how to respond to threats, opportunities, critical issues, etc.
Action Programs	Explains the process that turns marketing plan into marketing actions to achieve strategic marketing goals. It answers questions such as: What will be done? Who will do it? When will it be done? How much will it cost?
Budget	Financial projection of profits and losses forecast in the marketing budget. It presents the difference between the expected revenues and the costs of production, distribution and marketing, that is, it allows a projection of the expected profit.
Control	It infers how the plan monitoring process will be done.

Table 1: Contents of a marketing plan. Source: Adapted from Kotler & Armstrong (2012).

Fundamentally, pursuing the marketing plan provides the opportunity to: make better use of company resources by identifying market opportunities; Encourage team spirit and corporate identity creation and help the company move forward to achieve its corporate goals. In addition, marketing research undertaken as part of the planning process will provide a solid foundation of information for present and future projects.

As the marketing plan is an interactive process, it should be reviewed and updated as it is implemented (Westwood, 2006).

2.2.2 Marketing Strategy

Given the global economic environment, strategy is a focal point for formulating a set of mechanisms that provides organizations with a competitive advantage (Prasetyo & Lo, 2016). Some authors state that strategy is a concept while others believe that strategy is the mean by which the organization can implement actions that lead to the achievement of goals and objectives (Prasetyo & Lo, 2016).

Mintzberg (1987) speaks about the relevance of projecting for an organization strategy. He defined some key points to justify the importance of a strategy. According to this author, adjusting the direction is one of the main points to define in a strategy. Some scholars argue that organizations need a strategy to define their direction / focus, increase their competitive advantage to outperform the competition, or, at least, give them room for maneuver in threatening environments. If the strategy of the organization is good, it may make some mistakes, or in some situations be in a more fragile position and still perform well in the end (Mintzberg, 1987).

Another aspect to keep in mind is the need to focus effort so as to avoid dispersion, that is, when observing an organization, it is necessary to concentrate effort and promote coordination of individual activity so that it works as a whole and individuals complement each other. Otherwise, the organization would be just a collection of individuals, each one going their own way without direction (Mintzberg, 1987).

Strategy is also needed to define the organization, it gives the company / brand / product a meaning, an identity, providing people with a simplified way to perceive and differentiate it from others. Strategy making minimizes ambiguity and provides consistency to assist learning, meet intrinsic needs and promote effectiveness under stable conditions (Mintzberg, 1987).

According to *Kotler & Armstrong* (2012), a marketing strategy comprises specific target market strategies, positioning, marketing-mix and marketing expense levels. The marketing strategy explains how the organization intends to create value for its target customers in order to gain value in return. Therefore, the strategy must act on threats, opportunities and weaknesses. It should also include an action program for implementing the marketing strategy, like moving from plan to action, just as it should contain the details of a marketing budget. The whole process must be supervised by a control system that can measure the return on marketing investment and implement correct actions (Kotler & Armstrong, 2012).

Kotler & Armstrong (2012) argue that strategic planning prepares the organization for the rest of the company's planning. Strategic planning involves developing a strategy for the long-term survival and growth of the company. It comprises four steps listed below:

- 1. Defining the mission of the company;
- 2. Setting objectives and goals;
- 3. Designing a business portfolio;
- 4. Developing functional plans.

When the previously proposed objectives are not achieved, it should be analyzed what did not go as expected and focus on the solution to be adopted thereafter, that is, it is imperative to make the necessary changes in the marketing strategy, otherwise better results will not be expected in the future.

In this context Luke (2013) outlined five steps that he believes should be followed to develop a marketing plan.

- **Establishing Goals and Objectives:** The elaboration of the marketing plan should be started with the ultimate goal in mind. Choosing too many goals is detrimental as it leads to dispersed efforts.
- <u>Identify strategies and tactics:</u> It is necessary to reflect on strategies and tactics (one to five for each goal or objective) that can be well executed and impact on the business in order to sustain the goals and objectives previously set.
- **Defining a budget:** It must be the budget needed to implement the entire marketing plan. The amount available to spend on marketing depends on the size and stage of the business, ranging from 0 to 10% of annual revenue.
- <u>Create a schedule:</u> The accomplishment of each tactic must be ordered by means of a schedule. It's important that timing is realistic, otherwise it will be counterproductive to the success of the marketing plan.
- <u>Measure results:</u> It is part of the final stage of the marketing plan process. An analysis of the results and a readjustment for better results in the future is essential. The results of marketing efforts can be seen in real time by tracking down the source of all potential consumers, building dashboards and reporting (Luke, 2013).

Marketing and its marketing strategy should complement each other, like generating and encouraging good behavior on potential consumers in order to drive demand. At the same time,

increased demand translates into increased sales, which in turn generates increased profits for the company, giving it a competitive advantage so that it is able to establish its position in the market, and ultimately, increase its financial value (Rust *et. al*, 2004).

In a marketing strategy, the focus should not just be on products, prices and / or customers, it should capture brand-valued marketing assets that contribute to immediate short-term profit generation and provide a more sustained growth potential and profits to marketing expenses such as marketing communications, promotions and others (Rust *et. al*, 2004).

They should also take into account the potential return on these expenses, what impact they have on the market and how they influence consumer behavior. It is critical to understand that marketing actions such as advertising, service improvements or new product launches can help create long term assets such as brand value and customer value. This sequence of events was named "The Chain of Marketing Productivity".

This model, according to the authors Ruste *et al.*, (2004), allows the study of the influence of tactical and strategic marketing and its implications. It also highlights the relationship between specific actions (marketing actions) as branding and market positioning (Rust *et. al*, 2004).

The SWOT Analysis is a very handful tool that helps to evaluate the internal strengths and weaknesses and the external opportunities and threats that affect a company. While the internal analysis allows the identification of resources, capabilities, competitive advantages and core competencies, the external analysis is helpful on the identification of market opportunities and threats by studying the external environment (competitors, industry and general) (Sammutbonnici & Galea, 2014).



Figure 3: SWOT Analysis. Source: Sammut-bonnici (2017).

2.2.2.1 Segmentation and Targeting

Each person, as a consumer, has different needs. The buying motivation of each one is variable and, consequently, do not require the same benefits for a particular product / service. In this way, market segmentation allows the consideration of markets in which the company is currently, and in which markets the company is supposed to be. Thus, it is necessary to divide the customers based on their needs. Each of these groups constitutes a market segment (Westwood, 2006).

Consumer segmentation vary according to a number of characteristics: demographic (gender, age, etc.), psychographic (attitudes to self and others, financial status, etc.), behavioral (brand preference, loyalty, etc.). Market segmentation and the development of different marketing programs is always based on this division (Keller, 2001).

The individual characteristics of each consumer affects and influences their buying motivation, which means that they are also differently influenced by marketing communications (MacInnis and Jaworski, 1989).

Similarly, some of these features of each consumer may be related to key factors that have a major impact on the effectiveness of marketing communications that are affected by the individual characteristics of each consumer (Keller, 2001).

In a highly competitive market environment, companies are driven to focus on the customer. As a result, companies must conquer their competitors' customers, making them happy in order for them to stay, and then increase their numbers by offering more value. However, this sequence will only begin if, firstly, the company understands the needs and wants of the consumer. So, a solid marketing approach requires careful customer analysis (Kotler & Armstrong, 2012).

There are different types of consumers with different types of needs, so companies are aware that they cannot profitably serve all consumers in a particular market, not all in the same way. Just as well, companies can realize that they are in a position to serve some market segments better than others. Thus, the total market must be broken down so that each company chooses the best segments and designs strategies to profitably serve the chosen segments.

According to Kotler & Armstrong (2012), the segmentation process includes market segmentation, market targeting, positioning and differentiation (Kotler & Armstrong, 2012).

- Market segmentation: Dividing a market into separate groups of people with different needs, characteristics or behaviors.
- Market segment: A group of consumers who respond similarly to a set of marketing efforts.
- Market targeting: The process of assessing the attractiveness of each market segment and selecting one or more segments for entry.
- **Positioning:** Organization of a product with a clear, distinct and desirable place in the minds of consumers.
- **Differentiation:** Really differentiating market supply to create superior customer value (Kotler & Armstrong, 2012).

In the marketing process targeting is key, however, smart targeting has become more complex. However, the emergence of databases provided the tools needed to divide and segment consumers (Romaniuk, 2012). A brand has a greater ability to influence the consumer in the buying process the more accurate segmentation and targeting (Court *et al.* (2009)).

2.2.2.2 Marketing-mix

Marketing-mix is a convenient analysis and decision tool for businesses as it can be used to influence consumer responses at the time of purchase. The marketing-mix consists of four variables, called the "four P's":

- Product: It integrates the combination of goods and services that the company offers to the target market. (it implies what will be produced, what technical specifications, what level of quality, how it will be packaged, etc.);
- Price: Expresses the amount of money customers are willing to pay to get the product. (encloses the pricing of the product as well as the structure of promotions, comparison with competitors etc.);
- Promotion: Indicates that communication with customers is required (includes the decision as to the form, place and instruments required to carry out such communication);
- Placement: corresponds to the place of business of the company that makes the product available to the target consumers (it covers the choice of the type of distribution to be made, the channels to use, the structure of the sales force and how to manage it, etc.) Marketing-mix is a big draw for companies as it is a relatively simple yet effective analytical tool (Kotler & Armstrong, 2012).

Marketing-mix is the company's tactical toolset for establishing a strong positioning in the target markets. At the core of the strategy and marketing plans are value and customer relationships. The company divides the total market into smaller segments through segmentation, targeting, differentiation and market positioning, then selects the segments it can best serve and decides how it wants to add value to target consumers in the selected segments. As a consequence it creates an integrated marketing-mix to produce the answer a company wants to see in the target market (Kotler & Armstrong, 2012).

Decisions on marketing-mix variables are interrelated, and each of the marketing-mix variables must be coordinated with the other elements of the marketing plan (Bunett, 2008).

2.2.2.2.1 Product

The product represents the link between the organization and its customers, in which the needs and wants of the consumer are understood (Bunett, 2008).

All products have a life cycle.: Introduction, Early growth, Rapid growth, Mature stage, Saturation and Decline (Westwood, 2006). Even well-established products on the market may need modification to extend their maturity as a result of more competitive strategic changes or changes in other elements of the organizational environment. Thus, unsuccessful products should not be kept on the market after a certain period of time (Bunett, 2008).

There are situations in which the product determines the price, but in reality both act interchangeably, like the product assuming the position of price taker, but may also act as a price maker (Prasetyo & Lo, 2016).

The product can be divided into three levels of market offer: core costumer benefit, actual product and augmented product (Kotler & Armstrong, 2012).

✤ Core Customer Benefit:

This is the most basic level. At this level products and services are purchased to provide some perceived benefits to the consumer. Marketers, designers, and product planners should ask themselves: "What is the customer actually buying?". For example, a wristwatch may give the customer the ability to be on time for meetings and appointments, but certain watches, such as a Rolex, can also convey social status (Schmidt, 2010).

✤ <u>Actual Product:</u>

The main benefit to the customer is the product and / or service itself. The current product is made up of its attributes as well as various features, design features, brand name, quality level and packaging (Schmidt, 2010).

✤ <u>Augmented Product:</u>

Corresponds to the highest level. Augmented product refers to products, services and benefits that differ from the market offering. At this level they are integrated into extraordinary products, services and benefits that enable their purchase (such as credit terms and delivery), use and disposal of the product (for example the after sales service, warranties and technical assistance) (Schmidt, 2010).

2.2.2.2. Price

Price is a reflection of all the activities of an organization (Bunett, 2008), therefore it represents one of the vital points of the market. Historically, price represents the main factor affecting buyer choice (Kotler & Armstrong, 2012). Thus, the price determines the rules. The breakeven point is established between the quantity sought and the negotiated price. If the bargaining power of the customer is poor, the willingness to buy the product at a certain price will be diminished, and a new break-even point will be found (Prasetyo & Lo, 2016).

The pricing of products/services should convey to customers that the value they are paying is a fair value. This instrument determines the attractiveness of a product or service to the potential consumer. Finally, it is a competitive tool that can be used as a basis for comparing the product and its perceived value in different organizations (Bunett, 2008).

Prices have a direct impact on a company's financial results. A small percentage of price improvement can generate a large percentage increase in profitability. Price plays a key role in creating customer value and building customer-organization relationships (Kotler & Armstrong, 2012).

Pricing strategies adapt to the phase of the product's life cycle. Preliminarily, when launching a product, companies face the challenge of setting prices for the first time and can do so in two ways: market scarcity price and market penetration price (Kotler & Armstrong, 2012).

<u>Skimming Pricing</u>: It consists in setting a high price for a new product. In this way, the maximum revenue of the segments willing to pay the highest price is restricted; The counterpart of this strategy is that the company makes smaller but more profitable sales. Ex: Iphone.

<u>Penetration pricing</u>: It consists of setting a low price for a new product. This strategy allows to attract a large number of buyers and a large market share. Ex: IKEA (Kotler & Armstrong, 2012).

Pricing strategies aim at pricing and the subsequent profit maximization. Pricing strategies can be classified as defensive and offensive. The defensive strategy aims to discourage the potential challenger and the attack of a challenger. In contrast, offensive strategies are designed to gain competitive advantage and / or greater market shares from key competitors (Li *et al.*, 2019).

According to Li *et al.* (2019), strategies for price leadership, price penetration, and price curve experience usually arise as a result of the emergence of competition.

The price leadership strategy is often adopted, especially when the market has a price leader. Normally, it will be applied to the market when new products are expected to be continuously introduced, so that competing companies cannot share profits by increasing market prices (Li *et al.*, 2019).

The price curve experiment strategy is an offensive strategy to discourage competition, not profit. Only the dominant market company can practice this strategy. This strategy translates into the steep fall in price, which can fall to a quarter as long as some profit is achieved. However, the price may come out of control so significantly that neither the dominant company nor the competition profit in the first period. However, due to greater efficiency or market acceptance, the dominant platform eventually becomes profitable again after this period. The second price drop may occur if competition is resilient (Li *et al.*, 2019).

The penetration pricing strategy is based on pricing below market expectations by the price leader to reach a larger portion of the network. After attracting a large number of new consumers the leader raises the price to collect market profits. This strategy is suitable for companies that want to reap great network value quickly (Li *et al.*, 2019).

2.2.2.3 Distribution

The distribution process of any organization enables products to reach the end consumer. There are a number of distribution channel alternatives available today, and it is up to marketers to select the distribution channel that best fits their business, so they need to understand clearly what types of distributors and the trends that influence these distributors and how distributors are perceived by customers (Bunett, 2008).

Following this thought, having a good product in the right place will create more profit (Prasetyo & Lo, 2016). Kotler & Armstrong (2012) also defend this thesis. They believe that good distribution strategies impact customer perception and, in effect, creates competitive
advantage for the company and increases value for the customer. For this reason, companies must cooperate with others in order to create a larger value delivery network.

Distribution channels are a set of interdependent organizations that help make a product or service available for consumer use or consumption. Distribution channels can be classified according to the number of intermediaries until the product reaches the final consumer. Thus, the direct marketing channel has no intermediate level and the company sells directly to the consumer. For example, selling products door to door or through online platforms (Kotler & Armstrong, 2012).

The remaining channels are indirect marketing channels that have one or more intermediaries between the company and the end consumer. In other words, the business marketer may sell directly to corporate clients, or it may sell to various intermediaries who will sell to those consumers. The higher the number of intermediate levels the more complex the channel and the less control the producer has over it (Kotler & Armstrong, 2012).

The technology and internet revolution has led to an explosive growth in direct and online marketing, and these changes have had a disruptive effect on the structure of distribution channels, giving rise to the concept of disintermediation (Gielens and Steenkamp, 2019).

This occurs when producers suppress middlemen and address the final buyer directly, or when new middlemen appear instead of traditional ones. But disintermediation not only presents opportunities but also causes problems for producers and dealers. Innovative channels find new ways to add value to the channel without resorting to traditional resellers. On the other hand, traditional intermediaries must continue to innovate to avoid being left behind (Kotler & Armstrong, 2012).

Promotion means getting the right message to the right people. The process involves personal sales, advertising and sales promotion. However, before planning advertising and sales, it is necessary to select which channels are appropriate for the product and company from those available. This is part of the distribution plan, which will always be part of any marketing plan (Westwood, 2006).

Marketing channels are the means by which a company can choose to contact their potential customers. If potential customers are unaware of the product, they will not buy it. There are a wide variety of different channels that a company can use. Figure 4 shows a typical selection of available marketing channels.

Direct Sales	•	Direct face-to-face contact
Distributors		
Telemarketing		
Websites		
E-mail/e-marketing		
Direct Mail	¥	No personal contact

Figure 4: Marketing channels. Source: Westwood,(2006).

Direct sales are an expensive channel to operate in and are mainly limited to high value industrial goods. Most advertising spending is spent on particularly low-value consumer goods such as food and consumer goods. Consumer goods are commonly sold through wholesale distributors (Westwood, 2006).

2.2.2.2.4 Promotion

Consumers are changing. They are increasingly aware and informed, so brands must align with that and understand that building a good customer relationship requires more than just developing a good product, pricing it and making it available to potential consumers. In this digital, wireless age, consumers are better informed and communicate better. They look for information about the brands since they usually don't trust the information provided by the marketer (Kotler & Armstrong, 2012).

Also marketing strategies are changing. Like mass markets in the process of fragmentation, marketers are increasingly focused on targeted marketing plans designed to tighten customer relationships in narrower micro-markets (Kotler & Armstrong, 2012).

Finally, significant advances in communications technology are driving noticeable changes in the way companies and customers communicate. The digital age has spawned a host of new information and communication tools - from smartphones and iPods to the Internet (e-mail, social networks, blogs, brand websites and much more). These explosive developments have had a dramatic impact on marketing communications (Kotler & Armstrong, 2012).

Organizations can add value to the product or service they provide through effective, clear and persuasive communication. They can also communicate their value propositions to the customer. However, any communication should be planned before on carefully integrated platforms (Kotler & Armstrong, 2012).

That said, good communication is the key to any relationship, and the business-customer relationship is no exception (Bunett, 2008). This relationship must be built and preserved to realize all the company's efforts to create value and establish a profitable relationship with its customers (Kotler & Armstrong, 2012).

In this context, emerges the promotion mix or marketing communications mix that represents the combination of a set of promotion tools that the company uses to persuasively communicate the value to the customer value and build relationship with the customer. For the message to be conveyed clearly, consistently and convincingly, each tool must be carefully coordinated under the concept of integrated marketing communications. The top five promotion mix tools are:

- <u>Advertising</u>: any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
- <u>Sales promotion</u>: short-term incentives to encourage the purchase or sale of a product or service.
- <u>Personal selling</u>: personal presentation by the company's sales force with the goal of making sales and building customer relationships.
- <u>Public relations</u>: building good relationships with the company's various audiences, obtaining favorable publicity, building a good corporate image and dealing with or facing unfavorable rumors, stories and events.
- <u>Direct Marketing</u>: direct connections with carefully identified individual consumers to get immediate response and foment lasting customer relationships (Kotler & Armstrong, 2012).

While the promotion tools indicated above are important, marketing communication goes far beyond these tools. Parameters such as product design, price, shape, the color of the packaging and the stores where the product / service is sold convey something to buyers. So, while promotion mix is the company's primary communications activity, every marketing-mix (promotion and product, price and placement) - must be coordinated for the greatest impact (*Kotler & Armstrong*, 2012).

For all levels of the product life cycle, promotion is necessary to raise awareness or remember its existence in the marketplace (Bunett, 2008).

In the Internet era, the way consumers evaluate and their buying decisions has changed significantly (Prasetyo & Lo, 2016). Nowadays, consumers are very up to date and are able to

control how, when and where they shop on the Internet. The Internet addresses the urgency of meeting the need when the opportunity is presented (Bunett, 2008).

Regarding the Internet, there is still a lot to be learned about how it influences consumers. Roughly speaking, the nature of the relationship between marketing business and the customer is influenced in ways not yet understood by increased computing and communication capabilities. In short, a broader understanding of customer impact is likely to result from studying customer behavior in response to new phenomena and new environments (Rust *et al.*, 2004).

New technologies have revolutionized communication. In turn, organizations were forced to develop new promotion mix combinations to reach the target audience effectively. Additionally, the Internet and digital technologies have enabled new and more interactive forms of communication. As a result, the promotion mix has evolved so that the original emphasis on above-the-line mass media campaigns has given way to direct, highly consumer-driven promotional activities through direct marketing and other mix tools (Fill & Jamieson, 2011).

Today, however, with the trend towards a narrower segmentation and the rise of digital technology, many companies are embracing direct marketing. Direct marketing is about connecting directly with carefully targeted consumers, often on an individually interactive basis. The main forms of direct marketing include personal selling, direct marketing, catalog marketing, telephone marketing, direct response television (DRTV) marketing, kiosk marketing, new digital direct marketing technologies, and online marketing (Kotler & Armstrong, 2012).

The Internet has become a distribution channel and a means of communication that enables consumers and organizations to communicate in totally different ways. In addition, it enables interactivity, which is probably the best mean of dialogue. Communication is characterized by being bidirectional, interactive and very fast, in real time, allowing companies and individuals to find information and enter into foreign exchange transactions so that some traditional communication practices and purchasing patterns are being reconfigured (Fill & Jamieson, 2011).

Mass Media Advertising	
Above the line	
Direct	
Marketing	
Below the line	
Sales promotion, public relations, personal selling	

Figure 5: Above and below the line communication. Source: Fill and Jamieson, (2011).

Traditional mix marketing tools cannot continue to be considered the most effective form of communication, therefore the communication mix is undergoing transformation. Briefly, some key features that identify promotion mix are: the degree to which each element is controllable; if it is paid by the sponsor; and whether communication is done in bulk or in person. An additional feature concerns the perception of the credibility of the message origin. If the credibility factor is high, messages from this source are more likely to be accepted by the recipients (Fill & Jamieson, 2011).

Millenials, born between 1977 and 2000, constitute a huge and very attractive market in financial terms. All of them have in common their total fluency and comfort with digital technology. They do not just adopt technology, it's their way of life. Millennials were the first generation to grow up in a world full of computers, mobile phones, satellite TV, iPods and online social networks (Kotler & Armstrong, 2012).

2.2.3 Branding

With a huge number of brands in the market, the consumer needs to connect and engage with the brand. However, this only happens if the brand develops an authentic differentiating factor, creates its own identity, otherwise it will be just one more brand in the market. Brand differentiation alone is hard enough to achieve, achieving authentic market differentiation is even harder, but this is the way a brand needs to go in order to build for its personality along the timeline (Kotler *et al.*, 2010). The perception that is conveyed to the consumer is extraordinarily important, so brands should try to be realistic and provide experiences that live up to expectations. They must not show a false reality, otherwise they will lose credibility and inevitably consumer confidence, like losing a network of potential buyers (Kotler *et al.*, 2010).

Branding has become so relevant that today almost everything is associated with a brand (Kotler & Armstrong, 2012).

The figure below shows the parameters of the most important decisions regarding marketing and development of individual products and services. Decisions focus on product attributes, branding, packaging, labeling and product support services.



Figure 6: Individual Product Decisions. Source: Kotler & Armstrong (2012).

Developing a product or service involves defining the benefits it will offer and that information is provided by product attributes such as quality, features, style and design (Kotler & Armstrong, 2012).

Regarding branding, any brand name, symbol, design or combination thereof constitutes a branding strategy. Branding is essential to the process of identifying and differentiating the brand / product from the competition. From a consumer perspective, consistency in quality and satisfaction is enough to increase value creation by translating into return, that is, it promotes purchasing efficiency and draws attention to new products. From a merchant's perspective, brand name represents one of the key decisions for new products and reflects the overall position and desired marketing program (Bunett, 2008).

It is important to choose a brand name that allow a product to be significantly widespread and distinguished among substitutes, making the task easier for the consumer to track the brand / product and that is suitable of receiving legal protection. In addition, branding often provides an interesting transition effect as satisfied customers associate quality products with an established brand name (Bunett, 2008).

In the past, packaging was designed solely to wrap and protect a particular product. Today, design has changed and evolved to make packaging an important marketing tool. Fierce competition and the "fight" for space on the best shelves on the market have spurred packaging innovation. Thus, packaging must perform sales tasks such as attracting attention and describing the product (Kotler & Armstrong, 2012).

Labels can range from simple labels attached to products to complex graphics that are part of the packaging. One of the main functions is to identify the product or brand. In addition, the

label also contains various information about the product, including who created it, where it was manufactured, when it was manufactured, its contents, how it should be used and how to use it safely. Finally, the label can help promote the brand, support its positioning, and build customer relationships. Imperatively, for many companies, labels have become genuine broader marketing campaigns. In this way, brand labels and logos can help brand positioning and add a personality to it (Kotler & Armstrong, 2012).

Lastly, customer service is another element of the product strategy. The follow-up offer typically includes some support services, which may be a minor part or an important part of the total offering. It is services that increase the actual products (Kotler & Armstrong, 2012).

2.2.3.1 Brand Equity

Waltor Landor once said that "*Products are created in the factory, but brands are created in the mind*". This quote represents what branding is all about. Trademarks are limited to names and symbols. The representativeness of a brand is in the perceptions and feelings able to develop in consumers' minds through a product or performance (Rust *et al.*, 2004).

Brands are more than just names and symbols. They are a key element in the company's relationship with consumers. Brands represent consumers' perceptions and feelings about a product and its performance. The true value of a brand lies in its differential effect and its ability to capture consumer preference and loyalty to a wide offer. This combination determines a measure of valuation of a brand value. In addition, brand awareness is also crucial for the development of brand value measures (Rust *et al.*, 2004).

The brand encompasses a name, term, sign, symbol or design or the combination of these variables gives the brand / product / service an identity. Generally, the brand has the power to add value to the product by looking at the product as an extension of the brand. Brands have a meaning far beyond the physical attributes of a product. Brands have the ability to give consumers meaning and develop relationships with them (Kotler & Armstrong, 2012).

First, consumers may differ in their prior knowledge, especially in terms of what they know - from general to specific:

1) the product or service category, 2) the company or organization that produces the product or provides the service for the brand, 3) the brand, and 4) prior communications to the brand. For example, product content, key attributes or benefits, or the evaluation of particular brands, past experiences with the company, product, brand, and / or its marketing communications (Alba e

Hutchinson 1987, Olson 1978). What consumers know about a product can have a good or bad impact in their minds about a specific brand (Keller, 2001).

2.2.3.2 Mission, Vision and Values

The **<u>mission</u>** can be defined as the statement that expresses the branch in which the company operates. The mission must have a more permanent character, such as the reason of being of the company. The mission must express the basic purpose of the very existence of the company. It is fundamental as it will determine the sustainability of the company (Kotler *et al.*, 2010). It should mirror the overall values of the organization. What does it mean? How does it define integrity? How does it perceive the people its audience? (Westwood, 2006).

The company's mission must be market oriented but it must also be realistic, specific, motivating and consistent with the market environment. A mission can be transformed into supporting goals and objectives, which in turn guide business plan decisions. Thus, the mission must be aligned with the company's overall plan (Kotler & Armstrong, 2012).

The <u>Vision</u> can be defined as what we want the company to be in the future. It explains what the company wants to be and what it wants to accomplish. To define this, a company needs to create a future picture based on the definition of corporate mission (Kotler *et al.*, 2010).

<u>Values</u> can be considered patterns of behavior of the organization. Generally, companies are guided by the same value cycle. The wheel is the representative symbol of the values. The values of a company help to articulate a set of corporate priorities and management attempts to include in their institution's practices in order to strengthen behaviors that benefit the company and the communities inside and outside it, which in turn will strengthen the institution's values (Kotler *et al.*, 2010).

3 Methodology

This project was carried out according to the methodology designed by Westwood (2006b) that defines the development of a Marketing Plan.

The content of this Marketing Plan has six main sections: External Analysis, Industry analysis, Internal Analysis, Broad customer profiling, Branding strategy and Marketing plan implementation.

With the support of a literature review and with the project objectives already defined, it will be analyzed the company external environment with the use of a PESTEL analysis that study the following external factors: Political and Legal, Economic, Social, Ethical and Environmental and Technologic.

Then an analysis of the online clothing industry will be conducted with the definition of the industry and the market, a market analysis will be done and then assessment of the attractiveness of the industry using Porter's five forces, which are: Threat of New Entrants, Bargaining Power of Suppliers, Bargaining Power of Customers, Threat of Substitute Products and Competitive Rivalry Within the Industry. After that, key success factors will be investigated and a careful analysis of direct and indirect competition will be made.

An Internal analysis of the company will be performed using two simple and very useful strategic tools. SWOT analysis allows the identification of company strengths, weaknesses, opportunities and threats while TOWS analysis allows the perception of how external opportunities and threats can be adjusted with the internal strengths and weaknesses of the company in order to draw beneficial corporate strategies.

After that, a broad customer profiling will be made in order to identify a target market and gather insights about online behavior and buying habits, the general concept of the brand and its mission and, last but not least, about people's opinion of dogs.

Subsequently, the Branding Strategy will be designed with the creation of the brand identity that in turn includes the verbal and visual identity of the brand.

Then it will be analyzed the Marketing Plan Implementation which includes the definition of the strategic objectives, the marketing strategy and the Marketing-mix. The marketing strategy includes the Segmentation, Targeting and Positioning. The Marketing-mix section consists in the analysis of the set of actions that the company can use in order to promote its brand in the market, with regard to Product, Price, Distribution and Promotion.



Figure 7: Methodology of the Marketing Plan. Source: Author (2019).

4 External Analysis

4.1 Market Analysis

Taking into consideration that Love Your Dog's products will be sold exclusively online from Portugal, it is important to take into account the Portuguese market and its ecommerce environment.

4.2 PESTEL Analysis

It is important to analyze the external environment that will surround the company to evaluate the outside factors that may affect the business. This way it will be possible to make decisions based on the understanding and awareness of the changes that may occur and have an impact over the business performance.

The factors under study are: Political and Legal, Economic, Social, Ethical and Environmental and Technologic.

4.2.1 Political

The political factors can represent serious constraints, as well as eventual opportunities that may have an impact on every business. It is therefore important to assess its impact in the coming years.

4.2.1.1 The Portuguese Political Situation

Between 2011 and 2014, Portugal faced a difficult political scenario with a debt crisis and the implementation of austerity measures. In November 2015, after a month of political drama, Socialist Party leader António Costa formed a center-left government that intended to put an end to the fiscal austerity. The government is focused on stimulating the economy through several measures, namely the exploitation of the exports potential of the Portuguese products that are seen as with quality, incentivizing and helping the creation of new companies (BBC News, 2019).

4.2.1.2 Startup Environment

In 2016, The Ministry of Economy launched Startup Portugal, the National Strategy for Entrepreneurship, with the goal to support every branches and sectors among the dynamic Portuguese entrepreneurial environment that is seen as one of the most Europe's vibrant entrepreneurial ecosystems, which is due to the investments made over the past decade in human resources, infrastructure and technology training that provide enormous opportunities for those looking to launch or invest in new businesses.

This program focuses on three areas of action: ecosystem, financing and internationalization, having established the following objectives:

- create and support the ecosystem on a national scale;
- improve and foster startup funding at all stages of their development;
- promote and accelerate the growth of Portuguese startups in foreign markets (IAPMEI, 2019).

4.2.2 Economic

There are certain factors regarding the economic environment that influence an organization's ability to compete and consumer's ability and willingness to purchase products and services. The state of the economy is not stable and goes through fluctuations. Interest rates, inflation and consumer's willingness to purchase are always changing. Two of the most important economic aspects to analyze in a marketing research are:

- Consumer's buying power focus on the consumer's ability to make purchases. Some of the aspects influencing this ability are: income, disposable income, discretionary income, credit, wealth, willingness to spend and consumer spending patterns.
- Business cycle it is composed by fluctuations in the economy that affects supply and demand, depending on which of the four phases it is: prosperity, recession, depression or recovery (Burnett, 2008).

4.2.2.1 . World's Economic Situation

According to the Bank of Portugal, world's GDP was expected to grow by 3.6% in 2018 and around 3.3% between the years of 2019 and 2021. By 2021, the world economy is expected to grow at a more moderate pace due to the United States economic policies and the deceleration in the Chinese economy. In the European Union, activity was expected to decline in 2018 (from 2.5% to 1.9%). The slowdown of exports in the first half of 2018 was common to the European Union area due to the decline of the global activity (Banco de Portugal, 2018b).

4.2.2.2 . The Portuguese Economic Situation

After the recent recession that strongly affected Portugal over the last years, the Portuguese economy performance is improving, given by the increase on the GDP growth rate over the last years. According to Banco de Portugal, the Portuguese economy is expected to continue on an

expansionary path over the period from 2018-2020, following the euro area growth predictions by the European Central Bank (ECB). The GDP increased 2,7% in 2017 and was expected to grow 2,3% in 2018, 1.9% in 2019 and 1.7% in 2020 (Banco de Portugal, 2018b).

However, the real growth of the Portuguese economy in 2018 was 2.1%, a reduction that was justified by the deceleration of national exports. This deceleration of growth can also be explained by the slower tourism growth, a trend that can also be observed in other southern European countries. External demand for the Portuguese economy also slowed down (from 4.6% to 3.4%), reflecting the decrease in European Union imports. More recently, by the end of 2018, a new prediction confirmed, that over the period between 2018 and 2021, however at a slower pace than predicted before, GDP is expected to slowdown gradually from 2.1% in 2018 to 1.8% in 2019 and 1.6% in 2021 (Banco de Portugal, 2018a).

4.2.2.3 Gross National Disposal Income per Capita

Analyzing the Gross National Disposable Income per capita (Annex 1) it is possible to observe that after a decrease in 2012, it shows a sustainable growth from year to year (INE, BP, & PORDATA, 2019a). This increase over the years indicates that the Portuguese population has more money available to save or to spend. That decrease can be explained by Portugal's massive debt that forced the country to request external financing, in order to recover and stimulate the national economy, which had a huge impact on the national incomes.

4.2.2.4 Private Consumption

Private consumption measures people's spending on goods and services and includes all purchases made by consumers, such as durable goods, like cars, and non-durable goods like food and clothing. Household purchases, however, are excluded from this component and are considered in the household investment analysis.

The Portuguese total private consumption between 2008 and 2018 (Annex 1) registered a big increase starting in 2013(INE, BP, & PORDATA, 2019b). Non- durable goods are considered as essential goods which helps explain the bigger growth when compared to durable goods, which are considered as an investment. The latter ones have a lower impact in the economy and are more susceptible to the economy performance.

4.2.2.5 Imports and Exports of Goods and Services

Exports were the component of global demand that most contributed to the recovery of the Portuguese economy that started in 2013, and should present, by the year of 2021, an average

annual growth between 3.5% and 4%, by 2021. Imports in 2018 represented 4,1% and are expected to grow by around 5% by 2020 (Banco de Portugal, 2018a).

4.2.3 Social

Before introducing a new brand in the market it is important to evaluate the social environment and take into consideration all factors and trends related to groups of people (number, characteristics, behavior and growth projections). Taking into account that each consumer market has its specific needs and problems it is clear that changes in this environment will affect each one in different ways. Trends in the social environment are responsible for increasing or decreasing market sizes and even the creation of new ones. The two main components of the social analysis are the demographic and the cultural environment (Burnett, 2008).

4.2.3.1 Ageing indicators and age groups

The Portugal Population Pyramid of 2019 (Annex 1) clearly shows a demographic pyramid of a developed country with more adults than children. It shows that the age bracket between 35 and 45 years has a higher number of people, both male and female (World Population Review, 2019).

According to World Population Review, the 2019 population of Portugal is around 10,23 million people, with a median age of 42,2 years of age. In terms of age groups, 15% are under the age of 15, 40% between 25 and 54 and 20% are over 65 years. Average life expectancy in 2018 was of 79,4 years. The aging of the population can be explained due to the increase of average life expectancy allied to the decrease in the birth rate, where families tend to have fewer children (World Population Review, 2019).

4.2.3.2 Education

In terms of education, despite the decline in the number of students enrolling in a higher education in the year of 2011 to 2016, the number of students pursuing a higher education has seen a constant growth since then (Annex 1) (PORDATA, 2019a).

The increase of skilled workers means that more consumers will have the knowledge and sophistication to expect more information about product attributes and benefits before making a purchase (Burnett, 2008).

4.2.3.3 Unemployment Rate

When the unemployment rate is higher than the natural rate of unemployment of 5 % for a long period of time the purchasing power of the population decreases. This decrease makes people choose cheaper products to reduce expenses and increase savings, which has a more negative impact in the business performance of organizations selling luxury goods. Overall, the risk of company's going bankrupt increases (Mankiw, 2016).

The unemployment rate in Portugal in 2019 in the first quarter of 2019 was around 6,7% which shows a significant decrease relatively to the second quarter of 2016 where it was around 10,8% (Annex 1) (Trading Economics, 2019).

Looking back, Portugal unemployment rate reached its highest value of 17,5 % in 2013 due to the economic crisis and saw it low record of 3,7 % in the year of 2000 (Trading Economics, 2019).

After the economic crisis in 2008, the unemployment rate rose every year until 2012 and we can see that from 2012 onwards it is steadily decreasing until this date (Annex 1) (IEFP/MTSSS & PORDATA, 2019).

After the crisis there was a huge problem regarding youth unemployment that found it difficult to find a stable job. However, through the analysis of the annex 5 it is possible to see that the unemployment rate of people under 25 years old it is steadily decreasing since 2013 (Annex 1)(INE & PORDATA, 2019c).

4.2.3.4 Social class composition

According to Euromonitor the medium lower class, represented as social class D, was prevalent in Portugal by the year of 2016, with 4,3 million people. Lower social class (E) was represented by 2 million people followed by the medium class (C) with 1,5 million, the upper class (A) with 0,6 million and the medium upper class (B) with 0,5 million (Annex 1) (Euromonitor Communications, 2017).

4.2.3.5 Gini Index and Human Development Index Rank

According to PORDATA (Eurostat, National Entities, & PORDATA, 2019), the Gini Index "Measures the extent to which the distribution of income within a country deviates from a perfectly equal distribution. A coefficient of 0 expresses perfect equality where everyone has the same income, while a coefficient of 100 expresses full inequality where only one person

has all the income". The Portuguese Gini Index has remained stable in the recent years, as well as the average of the European Union (Annex 1).

The Human Development Index rank was created with the intention of focusing on people and their capabilities to assess the development of a country, instead of only analyzing economic growth. It is the "measure of average achievement in key dimensions of human development: long and healthy life, being knowledgeable and having a decent standard of living". As of 2018, Norway stays as number 1 in this rank with an index value of 0,953 while Portugal ranks in the 41 position with 0,847 (United States Nations Programme Development, 2018).

4.2.3.6 Clothing expenditure

To have an idea of where the Portuguese population is spending their money, the next step is to analyze the Household expenditure. Analyzing the data of 2016, the last year provided in the statistical study, it is possible to observe that the majority of the money spending is on Food and non-alcoholic beverages, with 20,5%, while clothing and footwear represents 6,6% of the expenditure (Annex 1) (INE & PORDATA, 2019a).

The variation on clothing and footwear expenditure between 1995 and 2016 demonstrated a notorious trend of sustainable increase of expenditure among this category since 2012 (Annex 1) (INE & PORDATA, 2019a).

Comparing the expenditure on clothing and footwear on 2017 (the last year with data provided) between Portugal and the European Union it is possible to observe that the first spent 8289,9 million against 408751,2 of the latter. Comparing to 1995, where the expenditure was of 4164,2 million, the expenditure on clothing and footwear in 2017 almost doubled (Eurostat, NSI, & PORDATA, 2018).

4.2.4 Technological

The evolution of technology does not come without a creative destructiveness as a price of progress. The appearance of new technologies stimulate the economy's growth rate and history is the living proof that fighting or ignoring new technologies can bring old industries and businesses to decline. It facilitates the appearance of competitors with a product with superior cost advantage or performance that make other companies lose their competitive advantage. However, the long-run impact of these technological innovations are not easily predicted, which reinforces the importance of monitoring the following technology trends (Kotler *et al.*, 2016).

This section assumes a great importance to the company due to its online orientation. The technological progress of a society, as the access to electronic devices, good communication and internet services, is crucial to every business that wants to sell products online.

4.2.4.1 Technology and clothing industry

Within the clothing industry technology was very important to develop the production process, achieving economies of scale that pushed down the prices and made clothing a very accessible product (Godley, 1997).

4.2.4.2 Internet Access by the Portuguese Population

According to a study developed by Marktest (Marktest Group, 2017), in 2017 there were 5,9 million internet users in Portugal, which represents 68,8 % of all people living in the Portuguese Continent that are 15 years of age or more. The number of internet users increased 11 times in the last 20 years, from 6,3 % in 1997 to 68,8 % in 2017 (Annex 1).

However, the internet usage varies according to the user's profile since that younger people, students, young adults and high class people have an extremely high internet usage against the elderly, retired, low class people where the internet usage does not exceed 31%. (Marktest Group, 2017).

Analyzing the internet usage by platform, the access through mobile phone surpassed computer for the first time in 2018, with 57,9 % and 55,2 % respectively (Annex 1), which confirms the trend of the increase in popularity of these devices to access the internet. Also, 19,1 % of the Portuguese population uses a Tablet for the effect (Marktest Group, 2017)) This reinforces the theory that having a mobile responsive website is extremely important nowadays.

4.2.4.3 Social Media and the Portuguese Population

Almost 5,3 million Portuguese were using social media in 2018. These sites are among the most popular ones to the Portuguese population. Social media usage in Portugal experienced a growth of three times and a half, increasing from 17,1 % in 2008 to 61,9 % in 2017. In 2018 there were only 770 thousand people using the Internet without accessing social media (Annex 1) (Marktest Group, 2017).

Facebook enjoys a higher success among the Portuguese population with 95 % of social media users claiming to have a Facebook account. Instagram comes in second, with 60 % of social media users having an account. The latter is extremely popular among the young community,

where 91 % use Instagram. Whatsapp, Youtube and Linkedin complete the list of the five social media platforms that are most used in Portugal (Annex 1). (Marktest Group, 2017).

4.2.4.4 The profile of Portuguese e-buyers

The three main reasons why the Portuguese people buy products or services online are the lower prices, the ease of purchase, promotions and the convenience of being able to buy at any time.

There is a balance of representativeness between the two genders with female representing 52% and male 48 % of the e-buyers. Within the global universe of Portuguese e-buyers, those with a bachelor's degree represent 67.2%. In terms of territorial distribution, Lisbon and the center region lead with three out of ten e-buyers, followed by Porto with two out of ten. Autonomous young people (27,6%) and mature couples (32,1%) demonstrate a greater adhesion to ecommerce than young couples (17,9%), due to financial reasons, and senior people (5%), due to lower digital skills.

Also, older age groups are more reluctant to the adoption of online shopping when compared to other markets in Southern Europe like Spain which makes it harder to target this segment group online.

One third of e-buyers has a wage higher than 1600€. On average, the internet browsing time of Portuguese e-buyers is of 2.5 hours (CTT, 2018).

4.2.4.5 The status of Portuguese Ecommerce

According to CTT Ecommerce Report 2018, electronic commerce in Portugal keeps growing, year by year, with e-buyers buying more frequently although with a lower average value for each purchase when compared with recent years, which is due to a greater confidence of e-buyers towards e-sellers that results in the increase of impulse purchases. However, this growth is lower than other markets in Southern Europe (CTT, 2018).

Being more precise, in 2017, ecommerce in Portugal grew 12,5 %, more 2% than in 2016, reaching a total value of 4145 million euros (CTT, 2018).

ACEPI states that, in 2017, Portuguese ecommerce was worth 75 thousand million euros, representing more than 40% of the 2017 Portuguese GDP. B2C purchases represented 4,6 thousand million euros, growing 11,3% relatively to 2016. Predictions for 2025 point to an

ecommerce growth increase which in turn will have a higher positive impact on the country's GDP (ACEPI, 2019).

On average, e-buyers spend 51,49€ per purchase and 80% of the purchases are associated with the acquisition of products where the average of products bought on each purchase is of 2,1. Six out of ten e-buyers purchases 17,3 times a year (heavy-buyers) while the rest of one (non-heavy buyers) purchases 4,9 times a year (CTT, 2018).

Half of e-buyers claim that they have bought, in 2018, products belonging to the clothing and footwear category, which is the most popular category among the Portuguese online purchases (CTT, 2018).

In terms of future prospects for e-commerce, everything points to the increase of online purchases in the short term, five out of ten will increase the number of products purchased online, four out of ten will increase the expenditure on online purchases as well as the purchase of a higher number of categories, online purchases through mobile devices will increase, there will be an increased expectation of shorter delivery times (CTT, 2018).

Four out of ten e-buyers abandon the purchase due to one or more of the following reasons: expensive final price, unclear and/or insufficient information about the product and mistrust regarding the delivery service (CTT, 2018).

Six out of ten uses web browsers as the main tool to search for products online while three out of ten privilege social networks (CTT, 2018).

Most of them buy at home with the most popular payment methods being Multibanco, Paypal, credit and debit cards. Low prices, free shipping and simple payment methods are pointed as important factors for website loyalty (CTT, 2018).

The unpredictability of the delivery time, the refund policy and the delivery costs are some of the major concerns among Portuguese e-buyers. The acceptable delivery time window stands between 2 and 10 days, however, they claim that waiting for clothing items is more acceptable when compared with other categories (CTT, 2018).

4.2.4.6 The importance and benefits of selling online

Selling online allows companies to expand their market, grow their business and reach new segments of people. Having an ecommerce platform is extremely important and is seen as a strategic channel for larger companies and a cheaper way of small companies entering the market (CTT, 2018).

4.2.5 Ethical and Environmental

4.2.5.1 The environmental impact of the clothing industry

Clothing industry is considered to be the second most polluting of the world. It is inherently unsustainable as it has a negative impact on the environment, in which each step of the clothing life cycle has a huge potential of leaving a pollution footprint. One of the most used fibers in this industry, polyester, is made from petroleum, and, just like other synthetic fabrics, results from an energy-intensive process that requires large amounts of crude oil and releases polluting components as well as acid gases which can cause or aggravate respiratory diseases. Many clothing factories are considered to be hazardous waste generators. Cotton is also a very popular fiber in this industry. Cotton crops demand extremely high amounts of water, the use of several pesticides and chemicals that are harmful to the lands and contaminate water courses. In developing countries, like India, it is very associated with very poor working conditions allied to very low wages ((Babu *et al.*, 2007); (Claudio, 2007); (Muthu, 2014)).

4.2.5.2 The sustainable clothing trend

Sustainable fashion is moving from a trend to a permanent style. Both brands, designers, retailers, and manufacturers are becoming more aware of the environmental impact that fast fashion is creating in the surroundings. Sustainable fashion is rapidly emerging also because of the upcoming demands of conscious consumers that have become educated about the materials and manufacturing process which grew the demand for socially responsible choices when selecting clothes and brands. Nowadays more and more fashion brands are focused on adopting an ethical approach, being transparent about their sourcing and manufacturing processes. This shift towards a more sustainable and socially responsible fashion is now present all around the globe (Khandual & Pradhan, 2018).

The Portuguese textile industry is committed to reduce its ecological footprint through circular economy and the adoption of a sustainable production where factories are evolving in order to incorporate biodegradable and sustainable fibers, with lower environmental impact, in its production lines (Direção Geral das Atividades Económicas, 2018).

4.2.6 Legal

4.2.6.1 Ecommerce legislation

According to Decree-Law no. 7/2004, the implementation of an online store must include the name identification, address, email address and fiscal number of the promoting identity (Diário da República, 2004).

Online transactions in Portugal are legislated by the Decree-Law no. 24/2014, that refers to distance contracts and outside of a commercial establishment. The consumer has the right to terminate the contract by returning the product within 14 days with the exception of personalized products or other products where the seal of guarantee of inviolability of the product has been compromised. The company must refund the customer, including the shipping costs, within 14 days after receiving the product through the same payment method used in the purchase. In case the costumer chooses to have a different delivery method, the online store may not incur in additional costs (Diário da República, 2014).

Online businesses, according to Decree-Law no. 198/2012, must create an invoice immediately after the payment of an online product or service and send it to the customer. It is also mandatory to communicate all invoices to the tax authority every month, that can be communicated with SAF-T(PT) files that are usually extracted from the billing software integrated in the online store. Apart from that, every invoice must contain a digital signature of the company (Diário da República, 2014).

Every commercial activity that involves a price reduction is legislated by the Decree-Law no. 70/2007. When prices are reduced, the following information must be present: sale type (sales, promotion, liquidation), the type of the product, the percentage of the reduction, the beginning date and the duration period. It is forbidden to use expressions like "opportunities" or similar ones. Sales cannot surpass the 4-month duration in one year and they must be communicated to ASAE 5 working days before the beginning (Diário da República, 2014).

Since May 2018 that every company in the European Union is under the new General Data Protection Regulation (GDPR) in which the consumer must give a previous authorization to receive unsolicited communication (Peixoto (2019); Artsoft Blog (2019)).

4.3 Definition of the industry

The industry analyzed in this Marketing Plan can be defined as ecommerce fashion since the focus of this company is to commercialize clothing, with a single focus on the Business to

Consumer (B2C) segment, with a placement via e-commerce, selling clothes to customers through the website.

Clothing sales are inserted in the category "CAE 47711 – Retail sale of adult clothing in specialized stores" and the activity of selling products over the internet in the category CAE 47910 - includes retail where consumers are offered the option of ordering by mail, telephone, television or other media, goods or services advertised through catalogs, magazines"(INE, 2007).

4.4 Definition of the Market

Online clothing industry is enormous and its market can be divided into several segments. Love Your Dog can be framed as a lifestyle clothing brand which reinforces the importance of, for later study, the consideration of the lifestyle clothing brands segment which will help to narrow down the market.

This section intends to examine several factors which can affect the business performance of our company. Considering that the company's clothes are marketed directly to fit a narrowed down niche segment in the clothing industry, appealing to people that love dogs, there is only a few information related directly to it. This can lead to a more subjective market analysis, taking into consideration the clothing industry in general.

4.5 Market Analysis

According to CTT Ecommerce Report (2018), electronic commerce in Portugal keeps growing, year by year, with e-buyers buying more frequently although with a lower average value for each purchase when compared with recent years, which is due to a greater confidence of e-buyers towards e-sellers that results in the increase of impulse purchases. However, this growth is lower than other markets in Southern Europe.

Overall, in 2017, ecommerce in Portugal grew 12,5%, more 2% than in 2016, reaching a total value of 4145 million euros (CTT, 2018).

ACEPI states that, in 2017, Portuguese ecommerce was worth 75 thousand million euros, representing more than 40% of the 2017 Portuguese GDP. B2C purchases represented 4,6 thousand million euros, growing 11,3% relatively to 2016. Predictions for 2025 point to an ecommerce growth increase which in turn will have a higher positive impact on the country's GDP (ACEPI, 2019).

The "clothing and footwear" category is always in the top of the bestselling categories and it is possible to observe that the amount of products among this category grew from 2017 to 2018 (Annex 1) (CTT, 2018).

The growth rate of the market is expected to increase in the next years since at least half of ebuyers claim that they buy clothes and shoes online and the number of people buying through the internet is increasing (CTT, 2018).

According to Statista, the revenue generated by selling apparel online, in Portugal, will increase over the years, with the particularity that in 2023 (983,7 million dollars) the revenue generated will be close to double the year 2017 (511,9 million dollars) (Annex 1).

Considering the overall market of fashion in Portugal, the leading companies in terms of revenue are Zara (48,2 million dollars), Bershka (31 million dollars), Stradivarius (23,4 million dollars), Sport Zone (21,5 million dollars) and Pull & Bear (21,4 million dollars) (Statista, 2019).

4.6 Forces of competition

A company strategy must be based on the perception of the external forces that may act as threats or opportunities and therefore have an impact on the company's success. Observing and recognizing the competitive environment and the broader perspective where a company stands allows a company to assess the attractiveness of a market and to observe how the five competitive forces identified by Porter (threat of new entrants; bargaining power of suppliers; bargaining power of customers; threat of substitute products; competitive rivalry within the industry) will shape the company strategy (Porter, 1979).



Figure 8: Forces of competition. Source: Baburaj & Narayanan (2016).

4.6.1 Threat of New Entrants

According to Porter (1985), the higher the competitiveness in an industry, the higher will be the desire to gain market share that in turn will create pressure over prices, costs and the rate of investment necessary to compete (Porter, 1985).

Johnson *et al.*, 2008 states that this threat depends on the number of companies in the industry as well as how high the entry barriers are (Johnson *et al.*, 2008).

There are plenty of mature indirect competitors that enjoy large economies of scale while, on the other hand, direct competitors are usually small companies and are disseminated in the market.

<u>Economies of scale</u>: the clothing industry is very prone to the achievement of cost reduction through economies of scale. There is a negative correlation between the unit price and the order quantity, where the unit price decreases when the order quantity increases. This has a positive effect on both parties where the company may have its costs reduced and suppliers earn more money through the increase of sales volume.

<u>Product differentiation and brand identification</u>: products that lead to a purpose, that allow people to give back, allow companies to build a good reputation among its community and increase engagement with customers. Love Your Dog's UVP will surely allow a strong and positive brand image and a differentiation of its products in consumers' minds against other players on the market.

<u>Difficulty of access to distribution channels</u>: nowadays it is very easy to establish an online presence (website and social media), which will be the only distribution channel of Love Your Dog. However, this channel demands a greater attention on how to establish a personalized contact with the audience and customers in order to gain a differentiation factor.

<u>Access to raw materials</u>: Having access to raw materials to manufacture clothes is very easy nowadays. Portugal is a country recognized for the quality and size of its clothing manufacturing industry. In addition to that, there is a wide range of customizable clothing that can be purchased directly from distributors. At an early stage of the company, buying customizable clothing presents itself as a more advantageous solution over manufacturing as it avoids the technical work inherent in making molds for manufacturing and allows the purchase of smaller quantities.

<u>Trend in the future</u>: The trend is to increase. The clothing market is a very attractive one, which can be explained by the fact that everyone must wear, and buy, clothes. On top of that, nowadays the trend of being socially responsible is becoming more important than ever to consumers and will result in an increase of direct competitors.

4.6.2 Bargaining Power of Suppliers

Companies depend on suppliers to have access to inputs such as raw materials, technology and all the components necessary to manufacture their final products (Baburaj & Narayanan, 2016).

Most of the companies have more than one supplier. The main suppliers of the company are customizable clothing distributors and clothing customization companies. In most cases, distributors also provide the customization service.

<u>Number of suppliers in the industry, their dimension and degree of concentration</u>: The number of suppliers in Portugal is very big. They have a strong presence in Portugal which increases competition among suppliers and reduces their bargaining power. Also, since they are not diversified suppliers, their bargaining power will be lower.

<u>Switching cost of supplier</u>: The cost of change is very low. After working with a supplier, the company will already have samples and access to all the technical work involved in the manufacturing process which will ease the switching process.

Degree of differentiation of the products purchased by the industry: Since every clothes the company will buy are customizable and sold by plenty of distributors, the degree of

differentiation is very low in terms of raw material. However, after the clothing customization, the final product will be differentiated.

<u>Importance of the quality of products purchased</u>: Given that one of the company's objectives is to provide customers with quality, durable and comfortable garments, the quality of suppliers' materials will always be of very good quality.

<u>Trend in the future</u>: Change. The growth of the company will allow the investment in the creation of garments from raw materials, which is a higher investment, which will make the main suppliers become garment factories.

4.6.3 Bargaining Power of Customers

Customers may have an influence over an industry or companies by demanding higher quality products, lower prices and by threatening to switch to competition's products (Baburaj & Narayanan, 2016).

In the short run, Love Your Dog will have a Business to consumer (B2C) approach to the market and in the long run, it aims to focus also on the B2B sales.

Weight the costs of products sold by the industry in the total cost to the client: Given that the concern of purchasing products that stand for a cause is becoming more popular, these kind of products are able to present a higher price point and an increasing volume in sales, increasing the weight that our products can have in the client's budget.

<u>Degree of communication of customers in relation to industry</u>: Customers are much more concentrated on indirect competitors due to the high number of indirect competitors.

<u>Availability of substitutes for customers</u>: There are no products on the market that can be considered as a substitute for clothing, which makes the competition the one and only "substitution".

<u>Availability to clients of information about the industry</u>: Nowadays there is plenty of information about the clothing industry and its environmental impact.

<u>Trend in the future</u>: Increase. Brands and products that stand for a cause tend to be more successful since customers enjoy different and positive experiences and express their opinions with other potential customers.

4.6.4 Threat of Substitute Products

Products that are able to fulfill the same purpose as the products of one industry can be considered as substitute products (Front Matter, 1995).

<u>Cost of switching to substitute products:</u> This cost is high considering that sustainable fashion implies a greater fabric labor cost which in turn increases its prices.

<u>Price/performance ratio</u>: Sustainable clothing, being generally more expensive, generally achieves the same results in terms of quality, however the perceived benefits from customers are higher.

<u>Aggressiveness of suppliers of substitutes</u>: Concern for the environment is increasing, which makes suppliers more aggressive, especially in terms of communication strategy, trying to attract more consumers by communicating that their products respect the environment.

4.6.5 Competitive Rivalry Within the Industry

The profitability of an industry is affected by a significant competitive rivalry within an industry that may lead to measures like price discounting, new product introductions and advertising campaigns. The frequency of these actions is determined by the intensity of the competition and the way the industry is affected by several factors (Porter, 1985; Hubbard *et al.*, 2011).

In Portugal, the direct competition are low scale manufacturers of products similar to ours and as indirect competitors we have large scale manufacturers with a wide range of clothing products that appeal to our target.

<u>Number and diversity of competitors</u>: There are several companies selling similar products to ours. However, our products have an important factor of differentiation since they are tailored for a specific small target niche.

<u>Degree of concentration of the market</u>: There are plenty of brands selling their clothes online, however, narrowing down the market to the brands that appeal to our target market and that create products that stand for a greater cause, it is possible to observe that they are only a few and they tend to be small businesses.

<u>Market growth</u>: The majority of *millennials* prefer brands with a purpose and it is clear that the "purpose" market is growing more than ever, as well as the online market, which can be interpreted as a great opportunity and timing to enter the market.

<u>Fixed costs</u>: The fixed costs inherent to Love Your Dog business model are low, which can be great to the company's finances but will ease the appearance of competition.

<u>Stock ownership costs</u>: once the stock has to be ready for the end consumer before selling it, this can represent a decrease of the attractiveness in this industry.

Exit of the market: Taking into account that the initial investment is not that high when comparing with the investment of some competitors, the barrier to exit this market will be low.

4.7 Key Success Factors

Key success factors define and ensure the development and growth of a brand in a specific market category. These are the factors that define the success, or failure, of our brand in the online environment:

- <u>Trust</u> it is very important that customers feel confidence and trust in our brand. This requires a strong relationship between customers and our brand. Among the factors that may affect our customers' trust and customer satisfaction are security and privacy, word-of-mouth, a great online experience, transparency, responsibility for the services provided, product and service quality and a fast dispatch of orders.
- <u>Loyalty</u> it helps to strengthen the relationship with our customers and reduce the impact of our competition. Customer loyalty comes with more sales and more brand recommendations. In order to achieve it, it is advisable to take into account these factors: promotions; a good and detailed product presentation; a strong and interactive digital presence and communication; a personalized and quality customer service.
- <u>Corporate Responsibility</u> nowadays consumers prefer to associate themselves with brands that have similar beliefs and that support communities beyond the financial aspect of the business. This is extremely helpful for small brands that are able to tailor their market strategy towards a target niche that shares the same values.

4.8 Analysis of Competition

4.8.1 Direct Competition

4.8.1.1 National Direct Competition

In terms of direct competition with a small scale of production in Portugal, three main competitors were found:

Le Mot

Le Mot is a Portuguese brand that was founded in 2017. The brand states that is was born in Paris and created in Lisbon. Le Mot designs and sells high quality unisex clothing with clean aesthetics and a distinctive French touch. All of their clothing is crafted in 100% cotton and is manufactured in Portugal.

Le Mot's product portfolio includes t-shirts, tank tops, sleeveless shirts, hoodies and sweatshirts. Some of their pieces are made out of organic cotton.

It positions itself as a brand "for all t-shirt lovers with a sense of humor who like to wear their favorite words right where they belong: on their chests, close to their hearts" that provides highquality clothing "inspired by the effortless Parisian elegance and that very gallic "*je ne sais quoi*" (Curado, 2019).

The target identified was the feminine Portuguese Population, between 18 and 36 years old that appreciates clean and stylish fashion. Besides this, kids can be defined as a secondary target.

Their communication is based on the unique lifestyle the brand provides its consumers, the online portfolio of products and some occasional promotions. Their communication channels are their website, Instagram, with 16 thousand followers, Facebook, with 1.422 likes.

Their distribution is based on their online store and retailers in Portugal, Spain, United Kingdom, France and South Korea.

Regarding pricing, was identified a premium pricing strategy, applying a high price due to the differentiated lifestyle the brand provides.

TTT (Três Tristes T-shirts)

Três Tristes T-shirts is a Portuguese brand that was founded in 2018. TTT designs and sells basic t-shirts that look good for both a more professional look and a relaxed look. All T-shirts are manufactured in Portugal and made out of 100% cotton.

TTT product portfolio includes T-shirts. The brand's collection started with three different T-shirts and they are working on a new collection.

It positions itself as a brand "that believes that every shirt they make is much more than just a printed shirt. It's a T-shirt that tells a story, and inspires someone every morning, and never makes anyone sad. The phrases TTT creates are statements that any woman can identify with" (Mata & Monteiro, 2019).

The target identified was the feminine Portuguese Population, between 15 and 23 years old that appreciates minimalist and stylish fashion and likes to express mood and personality through inspirational phrases.

Their communication intends to target irreverent women who like to express their particularly feminist personality in a stylish and differentiated way. Their communication channels are their website, Instagram, with 951 followers and Facebook, with 238 likes.

Their distribution is based on their online store.

According to the quality of their products, their pricing strategy can be considered as of average.

Respiramor

Respiramor is a lifestyle vegan Portuguese brand founded in 2016. Respiramor designs and sells apparel with simple and meaningful designs. Their products are manufactured in Portugal and are made out of cotton and polyester.

Respiramor product portfolio includes t-shirts, sweatshirts, tote bags and mugs.

It positions itself as a brand that aims to make people value the positive side of life with great gratitude and love with designs that feature veganism, sustainability, and animal rights.

The target identified was the Portuguese vegan girls between 15 and 32 years old who stand for animal rights and the environment.

Their communication is based on the vegan lifestyle the brand provides its consumers, the online portfolio of products and some occasional sales forces at vegan fairs.

Their communication channels are their website, Instagram, with 5229 followers, Facebook, with 1.601 likes.

Their distribution is based on their online store and 13 retailers in Portugal.

According to the quality of their products, their pricing strategy can be considered as of economy.

4.8.1.2 International Direct Competition

Pawz

Pawz is a USA brand that was born with the mission of ending euthanasia of dogs and cats worldwide, giving part of their profits towards the protection, prevention and awareness of

animal euthanasia. Pawz designs and sells clothing with unique designs related with dogs, with different patterns, phrases and bright colors.

Pawz product portfolio includes t-shirts, tank tops, sleeveless shirts, hoodies, sweatshirts, accessories and clothing and accessories for dogs.

The brand has decided to position itself as a brand that allows its consumers to wear stylish clothing with the benefit of feeling they are contributing to a great cause.

Their primary target are young women between 13 and 21 years old who love dogs and like to contribute to their welfare

Their communication focus on entertaining content across their social media pages, the differentiated lifestyle the brand provides its consumers, the online portfolio of products and some occasional promotions. Their communication channels are their website, Instagram, with 1,5 million followers, and Facebook, with 610 thousand likes.

Their distribution is based on their online store and 8 retailers across the USA.

According to the quality of their products, their pricing strategy can be considered as of good value.

The Dogist shop

The Dogist is an USA brand that was created in 2013 by a dog photographer whose goal was to create a happy online place for dog people. After photographing over 30.000 dogs across the world, Elias Weiss Freidman leveraged the success of its project and created The Dogist shop. Their products are manufactured in the USA using high ethical standards and, for every item purchased, they feed a shelter dog. They sell products with designs related with dogs, with a very clean and simple aesthetic.

The brand's product portfolio for dog people includes t-shirts, sweatshirts, hoodies, tote bags and for dogs it includes collars, leashes, cookies and poop bag holders.

The Dogist shop positions itself as a brand for people that want to let everyone know they're a dog person while being cool at the same time

Their target audience is very broad and it focus on young male and female adults that love dogs and want everyone to know that they do.

Their communication is based on their mission of helping rescue dogs and on the lifestyle the brand provides to dog people, on their products and on some occasional promotions. Their

communication channels are their website, Instagram, with 13,7 thousand followers, Facebook, with 195 likes. However, "The Dogist" social media accounts have an impressive 3,6 million followers on Instagram and 182 thousand likes on Facebook.

Their distribution is based on their online store.

According to the quality of their products, their pricing strategy can be considered as of high value.

4.8.2 Indirect Competition

Although the target of Stradivarius and Bershka is somewhat similar to ours, the range of products other than clothing is very large, their revenue goal is not even comparable, their production scale is incomparably larger, with much lower prices and feature a huge chain of physical stores.

Stradivarius

Stradivarius is a women's fashion brand that was bought by Inditex in 1999 and has over 500 stores across the world, with 33 stores in Portugal.

In their product portfolio it is possible to find a wide range of feminine products, ranging from clothing to accessories.

It positions itself as a brand that "seeks to understand and interpret the latest trends and developments in fashion to allow young men and women to express themselves comfortably regardless of the occasion. Stradivarius' embraces change, translating current trends into new and innovative styles that excite and inspire" (Inditex).

The target goal complies women between 20 and 35 years old that enjoy a urban style and embrace a young and free spirit that likes to adopt the latest fashion trends.

The brand adopts a minimalist communication strategy, focusing the efforts on communicating the brand lifestyle and product portfolio through online advertising and their social media pages and website. Their Instagram page has 6,2 million followers and their Facebook page has 5,1 million likes.

Their distribution is based on their online store and over 500 stores across the world.

Their pricing strategy, according to the quality of their products, is considered to be of good value.

Bershka

Bershka's is a fashion brand that was created by the Inditex group in 1998 as a retail fashion concept and has over 500 stores across the world, with 33 stores in Portugal.

The product portfolio is extremely wide, is designed according to street trends and includes evening wear, casual, basics, sport jeans, footwear and accessories.

It positions itself as a brand that "is uniquely tailored to meet the tastes of an adventurous next generation".

Bershka's target audience can be defined as young men and women ranging from 18 to 34 years old that are bold, aware of the latest trends, interested in music, social networks and new technologies.

The brand's communication and distribution strategy is similar to Stradivarius. Their Instagram page has 8,2 million followers and Facebook page has 11 million likes.

Their pricing strategy, according to the quality of their products, is similar to Stradivarius and is considered to be of good value (Inditex, 2019).

5 Internal Analysis

5.1 SWOT Analysis

The SWOT analysis presented in the Figure X helps to synthesize the internal and external analysis of the company. The internal analysis is composed by strengths and weaknesses while the external analysis helps to identify the opportunities and threats that may arise from the external environment of the company.

Internal Analysis	External Analysis		
Strenghts	Opportunities		
Creation of strong sense of community among the target audience	Rise of animal welfare concern		
Brand differentiation (personality, communication and purpose)	Increased demand for products of brands with purpose		
Quality products	The enormous growth of pet industry		
Quality customer service	Expansion of product portfolio in terms of variety and categories		
Strong online presence	Importance of social media brand engagement to customers		
Online distribution			
Weaknesses	Threats		
Low budget	The potential emergence of a new economic crisis		
Low amount of stock on hand	The huge saturation of the online and physical clothing market		
Very short product line range	The possible distrust about the true purpose of the brand		
Lack of human resources	Replicable business idea		
New brand in the market with no brand awareness	Sustainable clothing increasing trend		
Lack of expertise in the online clothing market			

Figure 9: SWOT. Source: Autor (2019).

5.2 Dynamic SWOT

Analyzing the SWOT analysis, it is now possible create a dynamic SWOT (TOWS) that complements the latter. It has the goal to make an analysis of the negative points in order to turn them into positive points. This is done by crossing the information obtained in the four quadrants of SWOT. That is, it has the role of showing how external opportunities and threats can be adjusted with the internal strengths and weaknesses of the company, so that it can draw interesting strategies for it. TOWS is not considered a planning tool but an action tool.

		Strenghts	Weaknesses
		Challenges	Restrictions
s		Develop new categories of clothing and accessories	Difficulty expanding the brand and penetrating the market
	litie	Develop a dog accessories line of products	Increase effiencey in business processes and supply chain
	tur	Create a sustainable clothing line	Hire ecommerce/digital marketing oriented people
	Opportunities	Improve social media presence	
	op	Effectively communicate the brand's purpose	
		Risks	Warnings
2	ts	Inability to apply a competitive price	Improve brand awareness
	rea	Difficulty of gaining market share	Reduce threat of competition
	Threats	Adjust stock according to consumer needs	Generate profit in the short term
	· · ·		

Figure 10: TOWS. (Source: Author, 2019).

Given that the brand is still present in the market and, knowing its budget limitations, this TOWS analysis allows the company to unravel its path in the long run.

6 Broad Customer Profiling

Customers are the most important actors in a company's microenvironment and it is fair to say that an organization cannot survive without them.

6.1 Survey

In order to avoid a subjective analysis that supports the decision-making process regarding the elaboration of this marketing plan, a survey was designed to understand who the potential customers are and what their preferences are. Having in mind that the brand wants to add value to customer's lives, it is important to understand how people look at the online clothing market, but also their acceptance of a brand like Love Your Dog in this market segment.

6.2 **Purpose of the Survey**

The survey was designed in order to understand consumer behavior towards the online clothing market, factors that influence their decision to buy and with a special focus on what is their acceptance of the brand, the brand's mission and its products. In addition, it was also investigated the use that the consumer would give to the products: whether for personal use and / or to offer as a gift.

6.3 Methodology

The survey was created through an online platform and distributed across different online channels like Facebook, email and animal related forums. Before the questionnaire was made public, pilot tests were conducted to ensure its conformity and clarity, and detected anomalies were corrected and pretest responses were eliminated.

The survey was live from June 7th to August 18th of the year 2019 and, in total, 281 respondents completed this survey.

Regarding the information gathering technique, a structured questionnaire was used, which included yes / no questions, multiple choice questions, and scale questions. All responses to the questionnaire were kept confidential.

The sampling method chosen to study the population was the convenience sampling method. This was the method selected due to the lower cost and time to obtain answers, which at the same time makes possible bias errors and potential lack of representativeness.
6.4 Survey Composition

This survey is divided into three main sections. The first section consists of a group of questions of segmentation variables: gender, age and occupation. The second section contains questions aimed at understanding online behavior as well as the habits and factors involved in online clothing shopping. The third section aims to understand people's opinion and behavior regarding the welfare of dogs as well as their willingness to help those in need. The last section explores people's opinion about the acceptability of the brand, of one of its products, their sensibility to prices and what use would they give to the products.

The full structure of the survey can be found in Annex 2.

6.5 Characterization of the Sample

The sample is composed mostly of women, with 66.2%, while 33.8% of respondents are men.



Chart 1: Survey presentation: segmentation by gender.

Regarding age, 39.6% of respondents are between 20 and 26 years old, 31.7% are between 15 and 19, 58% are between 27 and 31 and, finally, 7.8% are over 31 years of age.



Chart 2: Survey presentation: segmentation by age.

Regarding occupation, almost all people are either students or employees.



Chart 3: Survey presentation: segmentation by occupation.

6.6 Survey Results

6.6.1 Online Behavior and Buying Habits

How many hours do you spend online a day on average?



Chart 4: Survey presentation: average number of hours spent online per day.

The majority of respondents spend, on average, two or more hours online a day. It can be seen that the time spent online by young people today is considerable, which opens a window of opportunity for online brands to interact with this audience.

Have you ever bought online?



Chart 5: Survey presentation: online buying behavior.

Almost all respondents said they have already bought online.

These results show that almost all of the respondents know how to buy and trust the online shopping process.

How often do you shop online for clothes?



Chart 6: Survey presentation: online clothing buying behavior.

Only 2.1% say they do not buy clothing online. It can be concluded that people have the habit of buying clothes online.

What source(s) of information influence your decision to buy clothes?



Chart 7: Survey presentation: factors influencing the purchase of clothing.

143 respondents stated that online influencers influence their decision to buy clothing. This reinforces the need for the brand to work closely with online influencers.

120 said they greatly value past experience. This can be a big challenge for a new brand and demonstrates the need to find ways for consumers to try the products.

99 said promotions influence their decision to buy which underlines the importance of developing promotion campaigns throughout the year.

97 place a high value on recommendation from family and friends. This demonstrates the importance of always guaranteeing the consumer a quality product and service to make their recommendation viable, but it also highlights the positive impact that a referral program would have on product sales.

Only 37 reported that advertising had an impact on their decision. This data only reinforces the need to create differentiated and original advertising campaigns that captivate people's interest in buying.

What four things do you like the most about an online brand that makes you want to follow it on social media?



Chart 8: Survey presentation: factors influencing brand following on social networks.

The fact that a brand is entertaining, its products are of interest to people and its purpose is good are the three factors most valued by respondents when it comes to following brands on social networks.

6.6.2 Dog Related Questions

Do you like dogs?



Chart 9: Survey presentation: evaluate affection for dogs.

Almost all respondents said they like dogs, which is very positive because we have an audience that is interested in the main focus of our brand.



Do you have dogs?

Chart 10: Survey presentation: evaluate the ownership of dogs

Only 26.7% say they don't have dogs while the rest of the respondents say they have or would like to have.

These results suggest that although most people like dogs, not everyone would like to have one or simply might not have the necessary conditions to have them.

Do you consider dogs as a ...



Chart 11: Survey presentation: evaluate consideration of dogs.

Regarding the debate over whether dogs are to be considered family members or pets, most respondents state that a dog is an integral part of the family.

Have you ever adopted a dog or thought to do so?



Chart 12: Survey presentation: evaluate the existence or consideration of dog adoption.

Comparing the answers to this question with the previous one, it is possible to assume that people who consider dogs as a family member have already adopted or thought of adopting a dog.

Have you ever shared or exposed information about abandoned and / or mistreated dogs?



Chart 13: Survey presentation: evaluate sharing of abandoned / mistreated dog's information.

Although most people like dogs and consider them family members, it is also true that 61.9% of respondents stated that they have never shared information about abandoned and / or mistreated dogs.

Have you ever volunteered or made a donation (money or food) to help stray dogs?



Chart 14: Survey presentation: evaluate dog help in the past.

Only 16.4% of respondents say they have never volunteered or donated to help dogs while 22.4% say they have done so.

It is very interesting to note that 61.2% never did help but would like to, what is somewhat related to the insight into creating this brand, the fact that many people want to help dogs but do not know how, do not have the time, or do not find a practical way to do it.

6.6.3 Brand Related Questions

At the beginning of this section, a brief introduction of the brand, its mission and the features of its products was made.





Chart 15: Survey presentation: brand opinion.

Most people consider the idea of the brand excellent, 34.2% consider it very good and 23.1% consider it good, so it can be concluded that the majority of the respondents, 96.1%, consider the brand idea positive. 3,2% consider the idea reasonable and 0,7% consider it bad.

How much do you identify with this brand?



Chart 16: Survey presentation: degree of brand identification.

On a scale of 0 to 5, almost half, 45.2%, of the respondents completely identify with the brand. 36.3% state that level 4 defines their degree of brand identification while 14.9% think level 3

defines it well. 3.2% chose level 2, 0.7% defined level 1 and 0.4% considered level 0 to be the most appropriate to define their degree of brand identification.

It can be seen that the majority of respondents, 81.5%, have a very positive brand identification score, between 4 and 5.

Would you buy something from this brand?



Chart 17: Survey presentation: assess acceptability to buy.

7.9% of respondents were adamant that they would not buy products from this brand. 63.3% said they would buy while 28.8% said they might buy.

It can be concluded that 92.1% of these respondents could be potential buyers.

How much were you willing to pay for a good quality 100% cotton T-shirt?



Chart 18: Survey presentation: sensibility to price.

38.8% responded they would be willing to buy a t-shirt for 25 € while 35.2% considered 20 € as a more appropriate price. 21,4% and 21.4% said €30 would be adequate price. 4.3% answered that 15 € would be the fair price and only 0.3% thought that 35 € would be an adequate price.

It can be considered that the adequate price could be between 20 and 30 euros, given that 95.4% of the answers fall within this range.

What would be the fair price for this product?



Chart 19: Survey presentation: price sensitivity range.

In descending order of percentage of responses, the best price ranges for the respondents were: $25 - 30 \notin$ with 34,9%, 20 - 25 with 32,7%, $15 - 20 \notin$ with 28,1%, less than $15 \notin$ with 4% and $30 - 35 \notin$ with 0,3%.

Once again, the price that respondents consider fair is somewhere in the range of 20 to 30 euros.

How much importance do you give to the fact that the brand donates part of its profits to save dogs in the buying decision?



Chart 20: Survey presentation: importance of brand mission on buying decision.

The overwhelming majority of respondents consider the brand donating part of its profits to help dogs in need as a very important factor in their buying decision by choosing the maximum score of 5 while 19.9% chose the score of 4, 4.3% selected the level 3, 5.3% chose the level 2 and 0.4% selected the minimum level of 1.

These results convey confidence that the brand mission is greatly appreciated and will have a positive impact on sales.



What three aspects would you value the most?



Brand purpose, price and quality are the most valued aspects when deciding to buy Love Your Dog products.

The importance given to pricing by respondents reinforces the importance of applying a good pricing strategy when deciding on the marketing-mix strategy.

Quality is also highly valued, which should be taken into account when deciding on product quality parameters.

The high appreciation of the brand's purpose in the decision to buy reinforces the need to include it in the brand communication strategy but also the importance of increasing brand recognition among people that love dogs.





Chart 22: Survey presentation: evaluate product usage after purchase.

This question aimed to understand how people would use the products if they were in their possession and it can be seen that 48.8% say they would use, 35.2% say that in addition to using them would offer them and 16% answered that they would only offer them.

It can be concluded that many people would like to wear the products but also that they have a great potential to be offered as a gift.



In what occasions would you wear them?

Chart 23: Survey presentation: evaluate potential product use occasions.

Respondents were able to choose up to three occasions when they would wear the clothes. Using the clothes occasionally in everyday life was the most preferred option, followed by the two occasions involving dogs such as walking and photography.

It is very positive that people want to wear their clothes in every life day because the brand's clothes would not only be worn at dog events but also as part of the daily outfit.

This demonstrates that people understand the concept of this brand, realizing its goal of providing a specific lifestyle to dog people. It also demonstrates that people want to be part of the community and help spread the brand message.

Also, the fact that people enjoy wearing our clothing on occasions involving dogs should be taken into account in the development of this marketing plan, especially in positioning and communication strategy.

7 Branding Strategy

According to Brand the Change (Miltenburg, 2018), Branding is "an inherent human practice of all ages and all cultures, a way of showing who you are and what you stand for", and a strong brand has measurable qualities as following:

- 1. Recognizably different
- 2. Based on a strong "why"
- 3. Has a story people can remember
- 4. It is clear in its communication
- 5. It is a living brand
- 6. Has a strong name and face
- 7. It is realistic and trustworthy

7.1 Brand Identity

The Brand Thinking Canvas will be used in order to create Love Your Dog's Brand Identity.



Figure 11: Brand Thinking Canvas. Source: Miltenburg (2018).

The **brand essence** is the brand's reason for being, expressed in a compelling way, that will be the driving force that will inspire all brand actions and decisions.

- To create and to share a world full of happy dogs
- Part of the profits donated to save dogs needing medical care
- Advocating for adoption by showcasing the benefits of rescuing a stray dog

- Quality and well-designed apparel
- Fun and approachable communication

A **vision** is used to describe the change that a brand wants to see in the world. Love Your Dog was born after realizing that plenty of dogs are needing help and that something had to be made in order to "inspire a world where every dog is treated like family".

A **mission** helps in explaining how the vision will come to life. It allows brands on describing how they will work in order to create the change they want to see in the world. It must be concise, clear and guide everyone in that pursuit of change.

The following questions must be answered in order to define the brand's mission:

1. <u>What is the problem Love Your Dog is addressing?</u>

Plenty of dogs are homeless and the number continues to rise. It's difficult to help them as there are a huge number of dogs in need. There must be a creative and effective solution that allows us, as a brand, to help more dogs.

2. <u>Who are you, as a brand?</u>

We are a team of dog people who are passionate about making a difference in dogs' lives.

3. What do Love Your Dog do?

Apart from spreading our message about the importance of helping dogs in need, and actually donating money to help them, Love Your Dog designs and creates fashion apparel for dog people.

4. Why does it matter?

Our products allow our clients to stay in style while spreading our message and donating funds to dogs in need.

Love Your Dog mission statement is: "Change the world for dogs, one at a time".

Just like human beings, every brand is driven by values. Those with stronger values perform better than others due to the guidance that those values provide in every course of action/decision. Values help on the creation of personality and culture and companies tend to stick to those principles independently of market changes. It is also true that when values fail the business can get hurt.

- <u>Integrity</u>: We are consistently open, honest, fair and genuine. People trust us and engage with our message.
- <u>Respect</u>: We embrace respect among everything that surrounds us and: planet, animals, customers, suppliers, and partners.
- <u>Transparency</u>: Love Your Dog is an open, honest, fair and genuine brand.
- <u>Sharing</u>: Enabling the largest number of animals to have access to good health and housing conditions is Love Your Dog's greatest concern.
- <u>Quality</u>: Whether it be in terms of products or customer service, Love Your Dog always has quality as a very important goal.
- <u>Kindness</u>: The compassion we feel for all dogs and our willingness to demonstrate it, both in words and actions, is perhaps the most relevant value that drives Love Your Dog's brand. This way of being is transversal to all customers and partners with whom we interact.
- <u>Customer satisfaction</u>: Go beyond customer expectations, surprising them with meaningful gestures and finding new and hyper-personalized ways of surprising them every time.

Brand promises help to define what a brand commits to deliver to its audience, as well as what value is delivered to the customer. The goal is to present the audience with the brand's offer at its best value, answering the most relevant question that each customer subconsciously asks: "What's in it for me?".

- <u>Community of dog people</u> the goal is to create a place of inclusion among the common interest of the audience, the love for dogs, where the audience can create relationships with each other, as well as with the brand. A place where everyone can give feedback about the brand and share new ideas, meet new "dog" people, talk among them and sharing details about their passion for dogs, while contributing to dog's welfare. In short, this community adds a lot of value to customers. The ultimate goal is to create a strong sense of community that leads to the "birth" of brand ambassadors that advocate for the brand and its mission.
- <u>Movement to improve dog's lives</u> Love Your Dog is much more than a clothing brand. It is a movement to create a better world for dogs and for that to happen, there will be a lot of fundraising campaigns, incentives for adoption and combating animal abandonment, among others. In short, whatever helps our four-legged friends.

- <u>Quality clothing</u> always strive for quality in terms of clothing material but also in terms of clothing customization (seams, prints, labels) and designs, which will always be elegant and appealing to the target audience.
- <u>Fun, positive and approachable personality</u> every piece of content and interaction with the audience will denote the fun and positive personality of the brand. Although the problem the brand is trying to solve is a source of sadness, the goal is to create a positive and funny attitude among the audience in order to position our brand as a source of joy, entertainment and fulfillment.
- <u>Customer-oriented</u> the goal is to consistently check in with costumers in a friendly manner, listening to them, asking for feedback and actually using that feedback, being extremely responsive, showing respect and saying thank you. We believe that their experience reflects the quality of our work.

7.1.1 Verbal Identity

The words used by a brand, as well as the way it communicates is extremely important and has influence on the way the audience thinks about the brand. A strong and consistent verbal identity must be designed in order to be aligned with the way we want to position the brand on consumer minds (Miltenburg, 2018).

The **name** chosen for the brand is Love Your Dog. The choice of an English name was based on the fact that the company intends to operate beyond its primary market, Portugal, and also on the fact that in Portugal the majority of the population speaks or understands the English language well. In addition, English names turn out to be more attractive and recognized worldwide. Also, it is a memorable name that reasons with the audience and gives a hint about the brand essence, has a positive connotation, it is simple and easy to spell, has acceptable social media handles and domain name.

The main intention was to choose a name that could translate the purpose of the company, the reason for its existence.

"Love" is a powerful and strong word that appeals to a full range of positive and unique emotions. It is a word people often use to describe what they feel about their dogs.

As a result, the combination of "Love" with "Your Dog" words came to reinforce the idea that the brand is dedicated to the love of dogs. The combination of these words came to reinforce the idea that the brand is dedicated to the love of dogs. It also has a subliminal message to raise awareness about the fact that all dogs should be loved equally, regardless of their breed,

personality, health, age and physical traits/condition. This message is even more important when it comes to shelter dogs that depend even more on people's love and support.

A **slogan** gives an extra description about what the brand has to offer and is often seen very closely to the brand's name, in the form of a sentence.

Love Your Dog's slogan is as follows: Creating a better world for dogs, one at a time.

This slogan incorporates a description about the brand's purpose in an emotional and aspirational way.

A brand's **tone of voice** denotes its personality and says a lot about the kind of brand you are. It's all about the way a brand decides to communicate with the audience and the words it chooses. A good tone of voice that is consistent and suitable for the brand's activity is a very effective way to build strong relationships with the audience.

Love Your Dog's tone of voice is summarized below:

- Fun, kind and approachable personality
- Use of words that reason with our target: pup, snoot, paw, etc.
- Positive attitude: showing compassion and love for dogs, always with a cheerful speech and demonstrating how grateful Love Your Dog is for all customers that helps its mission come to life.

The **editorial angle** covers the topics a brand wants to talk about and it must be very well aligned with its essence.

Love Your Dog content will only cover some topics in the dog niche, especially the entertainment section. The goal is to bring happiness to all followers and making them want to engage with the brand. With this in mind, the strategy adopted is the curation of viral content (stories, photos, videos) in this matter and also to share Love Your Dog' own photography's and stories. Additionally, we will share visuals and information on dogs we managed to help and dogs that need to be adopted. Taking into account that every dog is unique, we will share a different story for each dog picture or video we share, speaking as the dog himself.

All promotional content will be as genuine as possible, sharing the lifestyle of our brand while featuring happy customers/models using our products alongside with their happy dogs.

Also, Love Your Dog's mission will be present in every communications and interactions with its audience

Each brand has its own **story**, and it usually includes the person who founded it and the reason behind it. The articulation of that story into a compelling and humanized way is a smart way of making people relate with your brand.

Love Your Dog's brand story will be described as follows:

"Love Your Dog believes that every dog should be treated with respect, love, and have access to good medical and housing conditions. Plenty of dogs are struggling every day, crying for help. Most of the times they can't get help due to financial reasons. Having faced this problem almost every day, Love Your Dog decided to find a most effective way of helping them as we believe that every single dog must be treated like family and you can help us creating a positive impact in their lives. Love Your Dog was born with the goal of changing the world for dogs, one at a time, and we would love you to join our movement".

7.1.2 Visual Identity

Visual Identity is the face of every company. It is a very valuable intangible asset that allows brand recognition over time and helps to "stand out from the crowd".

Every pieces of visual identity created for Love Your Dog brand such as logo, typography, color palette, stationery set design and clothing designs were created by a professional designer. The final decision on each piece involved the opinion and feedback of several people who fit the brand primary target. These visual identity pieces can be found in the Annex III.

8 Marketing Plan Implementation

Love Your Dog's main goal is to provide a lifestyle through its clothes that makes dog lovers feel good about wearing them. We aim for our clothes to be fashionable and attractive to young girls who love dogs, because in addition to being quality, comfortable, clean and beautifully designed clothes, they allow them to be a part of a community who is committed to helping save dogs.

8.1 Strategic Objectives

In the short term the brand intends to:

- Increase brand awareness and recognition;
- Creation of a community over our brand;
- Establish of new partnerships with non-profit partners;
- Establish strategic partnerships with brand ambassadors and digital influencers;
- Enhance online impact and online audience;
- Expand the products' portfolio.

8.2 Marketing Strategy

A target marketing strategy is customer-centric and helps businesses breaking down the market into segments in order to target the most profitable ones. This strategy is based on costumers needs and wants and, as a result, every single tactic implemented on the marketing-mix (product, price, distribution and channels) will suit the requirements of individual segments of costumers (Camilleri, 2018).

8.2.1 Segmentation and Targeting

We will use the <u>micro-segmentation strategy</u> that uses certain groups of variables that allow to segment the market. The criteria used to decide were the previous market research, offline and online, and the hints given by the survey.

1. Demographic

Love Your Dog's products are mainly targeted to women between 15 and 31 years old that love dogs. However, both men of the same age and women of other age status can be considered as a secondary target, especially as customers rather than consumers.



Figure 12: Demographic target market of Love Your Dog's brand in terms of age and gender. Source: Author, (2019).

Regarding the quantification of the primary target audience it is possible to observe in the chart below that approximately 20% (1.104.847) of Portuguese female population fits inside our target criteria in terms of age, in the year of 2018, and can be considered as potential customers.

	Total	Representation
Portuguese female population	5.424.251	100%
Age 15 - 19	270.414	5%
Age 20 - 24	265.978	4,90%
Age 25 - 29	274.710	5,06%
Age 30 - 34	293.745	5,42%
Target population (15 - 34)	1.104.847	20,38%

 Table 2: Quantification of the number of women who fall within the primary target of the brand. Source:INE & PORDATA (2019b).

Regarding the education, these are people who have a reasonable level of education and, in most cases, have or opt for a higher level of education.

In terms of social-economic class, Love Your Dog products will be targeted to medium (low and high) and upper classes. The reason behind this broad spectrum of social strata is that there are many people who love dogs and are willing to contribute to their welfare, even in the lower classes.

2. Geographic

Love Your Dog will focus its efforts on its primary market, the Portuguese one, however, taking into account that the brand will sell exclusively online, allowing sales from anywhere in the

world, the company considers the European Union and the rest of the world as its secondary markets.

3. <u>Psychographic</u>

Love Your Dog products are designed and created thinking on dog people, people that really love dogs and really love dogs and stand for animal rights, regardless of whether they have a dog or not. Also, these people also like fashion and to support brands that have a strong purpose that is aligned with their interests and values. They love to shop online and constantly look for new products and brands that allow them to fulfill their expectations, feel good, being part of a community and at the same time contributing to a better world.

4. <u>Behavioral</u>

The targeted customers have a lower price sensitivity regarding products and brands that stand for something they believe in, such as the need to save dogs, which is considered a strong benefit they get through our brand's products. On top of that, they also perceive the possibility to spread the brand's message and advocate for the brand as another benefit they get. However, they also look for other tangible benefits like good quality and the design of the clothes. When they can find a brand that can provide them with all these benefits, they are usually loyal to that brand and its products.

8.2.1.1 Target Persona

In order to deepen the understanding of Love Your Dog's primary target audience, some fictional but representative representations of this group of people were built, the target personas. They are three in total and their profiles can be found in Annex IV.

8.2.2 Positioning

According to Keller (2013), "Brand positioning is the act of designing the company's offer and image so that it occupies a distinct and valued place in the target customer's mind". A good positioning allows a company to obtain and maintain a competitive advantage through brand differentiation. This process allows a product or a brand to become more significant to the costumer through the establishment of positive and strong brand associations (Keller, 2013).

It is mandatory to know the market and the audience's point of view. Also, finding a unique positioning that allows the company to redefine the characteristics of a market and consequently, creating an innovative approach, will allow it to stand out from the crowd (Miltenburg, 2018).

8.2.2.1 Identification

The brand aspires to be a fashion lifestyle brand for dog people that allows them to stay in style while showing their love for dogs. In order to that, the brand will create quality and elegant designed clothing that the audience can wear like any other outfit with the benefit of allowing them to feel good about helping to save dogs and being part of a community that has an important message to spread.

8.2.2.2 Differentiation

There are some factors that allow the brand to achieve differentiation.

Love Your Dog has a very strong mission and values, <u>putting dog's happiness in first place</u>, solving a huge and frustrating problem of its audience. On top of that, the <u>genuine</u>, <u>transparent</u> <u>and positive personality</u> of the brand along with a <u>special relationship with its customers and</u> <u>the sense of community</u> allows the creation of an emotional bond with its audience.

In short, the fact that the brand sells quality, well-designed clothing while actively solving a major problem that dogs are suffering from is undoubtedly the major factor of Love Your Dog's differentiation.

8.2.2.3 Golden Triangle of Positioning

<u>Customers' Expectations</u>: Clients expect a product that has a good quality and fit, is durable, comfortable, available in a variety of sizes, provides them a seamless experience. Also, they expect to have all the information regarding the product and a good customer service before and after the purchase.

<u>Competitiveness positioning</u>: In general, all competitors seek to ensure a good quality of their products but choose different pricing strategies. Some offer a wide range of products and are able to achieve competitive costs due to their bigger investments.

Potential triumphs of the product: Our products are special as they are of great quality and provides several benefits to consumers as it allows them to demonstrate their love for dogs in a stylish and cool way and to feel good about contributing for a good cause. Our products allow the creation of an emotional bond and the sense of belonging to a community of people that really love dogs. Also, our customers feel they are wearing products from a brand that is willing to go the extra mile to meet their needs, that provides an amazing customer service and that help dogs in need.

8.2.2.4 Position Statement

Love Your Dog products are directed to women between 15-31 years old, that love dogs, are students and young-on-the-go workers that have an active lifestyle and spend a lot of time online.

Love Your Dog designs and creates fashion apparel for dog people. These products allow them to stay in style while spreading our message and donating funds to dogs in need, thus providing them with a positive and cool experience.

8.3 Marketing-Mix

8.3.1 Product

Love Your Dog is a new fashion company that customizes and sells clothes directed to dog people. Wearing Love Your Dog clothes, dog lovers can stay in style with quality and creatively designed clothing while supporting and showing their love for dogs. All products are created according to dog people's preferences and in order to enable them to spread the brand message.

Unlike most of the brands in the market, Love Your Dog's products are created with the goal of being able to create social good and raise awareness for the need to save dogs in need. These products are intended to satisfy customer needs. Also, they are creatively designed to be conversation starters and have a strong meaning, encouraging an emotional experience and sense of being part of a community. Our products are meant to develop a sense of trust and positive feeling among customers and even people interacting with them.

Love Your Dog apparel is always made with good quality materials, with the aim of providing the customer with a product that is comfortable and long lasting, even after several uses and washings.

In terms of materials, the main raw material used is ring spun cotton, which is, as the name says, previously shrunk, reducing the residual, and inevitable, shrinkage to a lower percentage. Among the many advantages of this type of material are: it is super soft, providing a comfortable feeling on the skin, breathable, making it good either for warm and cool conditions, naturally odor resistant, easy care material, easy to wash and hypoallergenic, avoiding skin irritation and allergies.

In order to customize the clothes, one of the following processes will be used, depending on the type of design and texture intended: screen printing and embroidery.

Screen printing will always be made using water-based inks which, unlike plastic-based inks that contain plastic and harmful chemicals to people and the environment, are water based, soak into fabrics providing a better end product, avoiding the cracking and fading with wear, and are environmentally friendly and safer for people.

Embroidery technique will be used in some of the designs and has the advantage of creating a high quality design and provide a very long durability.

All pieces will have a customized neck label with our logo, mission and sizing.

All these characteristics acknowledge costumer needs in factors such as quality, comfort and emotional benefit.

8.3.1.1 Product Line

The starting product lines categories will be short sleeve tees, sweatshirts and hoodies. All of them will be created according to the criteria defined before.

As stated in the brand strategy, the diversification of the products portfolio is a medium term goal, and new product lines can be created, depending on audience feedback, in order to extend the product lines such as long sleeves, tank tops, outerwear, bottoms, hats, bags and other accessories, and dog accessories like clothing to match with owner, leashes, collars, poop bag holders and dog toys.

8.3.1.2 Base Product

8.3.1.2.1 Intrinsic Characteristics

As all clothing, the intrinsic characteristics of our products is to cover people's bodies. However, our clothes are intended to do much more than that. They are quality products that allow a comfort feeling and fit to whoever wears them. They have intangible characteristics that set them apart from other type of clothing, bringing the love for dogs through its prints and designs and creating a positive emotional experience that encourages customers to feel good about wearing them and motivates them to raise awareness for the brand's mission. These kind of products are often purchased to use on a daily basis or societal events and activities.

8.3.1.2.2 Extrinsic Characteristics

Our products are targeted to a segment of people that loves dogs and are willing to pay more in order to acquire clothes that contribute to dog's welfare.

According to our current business model, our vendor buys clothes in bulk and customizes them upon our order requests. We deliver our designs to the vendor so that he can prepare each one of them, which takes a short time, between one and two days, and then we are able to order whenever we want to without further work.

The customization process follows very strict rules of security and quality, in which every clothing is tested by the vendor and ourselves in order to ensure compliance with brand quality standards.

8.3.1.3 Augmented Product – 1st Line

8.3.1.3.1 Design

The products were inspired by the joy that dogs bring to our lives. This way, the goal since the beginning was to create designs that are able to educate and inspire people to demonstrate their love for dogs in an attractive, funny and positive way.

Our brand is driven by minimalist design, allowing our brand to create stronger and more emotional connections with our audience. It also allows Love Your Dog to be considered as a more approachable brand, to engage better and resonate faster with people. With simple, clear and essential designs our products are able to strive for the clarity of our message.

As a result, all of the designs created were based on statement sentences, words and images related to dogs. Always with a minimalistic design, some are more elaborated and other contain only the company logo. Some of the clothing designs can be found in the Annex III.

8.3.1.3.2 Dimension

The size of the clothes varies between the extra-small and the extra-large. All models are unisex and are intended to be used with a loose fit that is trending especially in the female audience. Customers that prefer a regular fit should, in some cases, order a size down.

8.3.1.3.3 Packaging

A hanging card label will be attached to each piece of clothing. Besides that, products need to be packed in mailers before shipping. Customized mailers are expensive and demand a large minimum quantity order. In order to avoid that big expense, we decided to postpone that option and opt for non customized mailers. Besides caring about dogs, Love Your Dog also cares about the environment and that is why all packaging must be plastic free, prioritizing those made out of environmentally friendly materials. Before shipping, every order will be packed in a biodegradable mailer from "Noissue.co", a mailer that is compostable and made of plant

materials such as corn and wheat straw. After unpacking, customers can put the mailer in the trash or compost it in the backyard. Either way, our packaging will not create any kind of environmental impact.



Figure 13: Noissue mailers. Source: noissue (2019).

Although there is no reference to our brand in packaging, we believe this decision is in line with what the brand values are and the great importance our customers give to protecting the environment.

These mailers have three different sizes: 260mm x 385mm, 300mm x 420mm and 370mm x 480mm.

8.3.1.3.4 Quality Sensations

Unwrapping an online order feels like opening a gift. People already know what's inside but are eager for the "unboxing" experience and to discover the real use of what they bought. This psychology of unboxing presents a golden opportunity for our brand to stand out.

And this is how Love Your Dog will take advantage of it in order to provide clients with a magical experience:

Whenever a client receives a package he notices it is from biodegradable material. He opens the soft package and comes across his clothes wrapped in tissue paper as if it were a gift. After opening he notices that he has an unexpected branded postcard with a handwritten thank-you message explaining how important his order was to helping save dogs and encouraging him to share photos with the brand along with a branded sticker. After that he tries on his clothes and notices the quality of the materials and their softness, which allow him a feeling of well-being on his skin. He then looks in the mirror and observes the way the clothes fit him, as well as the design. If he likes what he sees, then the sensory quality chain that we aim for is only halfway through. He decides to walk his dog with his new branded tee and people start reaching him to compliment his outfit and asking about the brand. He feels good about the compliments and the interaction provided by his new clothing, taking the opportunity to advocate for the brand. He decides to take a picture with his dog and sends it to us, asking if we can feature him in our social media pages. We then thank him again for his order and make compliments about the lovely outfit and dog and end up sharing his picture that in turn gets positive interactions.

This description has the goal of demonstrating that the quality sensations that our products provide go far beyond the physical characteristics. Intangible quality sensations are just as important and help create a magical experience for our customers.

8.3.1.4 . Augmented Product – 2nd Line

8.3.1.4.1 Information

The hanging label that comes with each piece of clothing is designed according to the branding visual identity and provides information about the product and the brand's mission, with our logo and slogan. The neck label will contain our logo and slogan as well but it will also include information about sizing. The information about the clothing material, the care instructions and where the clothing was made can be consulted on its back.

8.3.1.4.2 Delivery

Our brand products will only be available through our only sales channel, the website. All orders are sent with a business card including a thank you note and further information and/or instructions and a sticker.

8.3.1.4.3 Customer Service

This is an area where we want to be excellent and, as such, the company will always be available to speak with customers and potential customers about any questions they may have regarding our brand, our partnerships or our products as well as any issues related to them that needs our help to be surpassed. People will be able to contact us through our website, email, social networks and telephone.

8.3.2 Price

This variable is very important as it influences the positioning, product image and economic future of the company through margins, sales volume and profit. A bad decision in terms of pricing strategy can hurt the company overall performance by decreasing sales and warp the product image to consumers. A very high price may drive consumers away and a low a price may indicate a poor product quality.

The pricing must take into account three different factors: competitors' pricing strategy, customer sensibility and the total cost to the company throughout the value chain.

8.3.2.1 Competitors' Pricing Strategy

In order to be able to make a balanced comparison between the various competitors, this analysis will take into account a 100% cotton t-shirt and the prices found on each company website.

Direct and Indirect Competition	Competitor	Average price (€/100% cotton t-shirt)
	Le Mot	42
National direct competition	Três Tristes T-shirts	25
	Respiramor	17
	Pawz	24,95
International direct competition	The Dogist shop	25
	Stradivarius	12,99
Indirect competition	Bershka	12,99
Market average		22,8

 Table 3: Direct and Indirect Competitors' Pricing Strategies. Source: Author (2019).

8.3.2.2 Customer Sensibility

In order to evaluate the customer sensibility to price, the data collected from the survey will be analyzed.

As seen in the table 5, it is observed that the average price considered adequate by consumers is $23,90 \in$. This result is slightly above the competition market average of $22,8 \in$.

							Total	Mean price
Price (in euros)	15€	20 €	25€	30€	35€	45 €		
Answers in relative terms	4,30%	35,20%	38,80%	21,40%	0,30%	0%	100%]
Frequency of answers in absolute terms	12	99	109	60	1	0	281	
Price times the answer frequency	180	1980	2725	1800	35	0	6720	
								<u>23,90 €</u>

Table 4: Analysis of survey results in relation to consumer price sensitivity. Source: Author (2019).

As seen in the table 4, it is observed that the price range considered appropriate by consumers is somewhere between $15-30 \in$, given that this is the range in which most responses are concentrated.

Price (in euros)	< 15	15-20	20-25	25-30	30-35	30-40	
Answers in relative terms	4,00%	28,1%	32,7%	34,9%	0,3%	0%	100%
Frequency of answers in absolute terms	11	79	92	98	1	0	281

Table 5: Analysis of survey results in relation to consumer price range sensitivity. Source: Author (2019).

Through the questionnaire it was also possible to realize that 208 respondents (74%) consider price to be one of the main factors influencing their buying decision which leads to the assumption that if the price is outside the range they consider fair, they will not buy.

From the survey it also possible to observe that the overwhelming majority of respondents consider the brand donating part of its profits to help dogs in need as a very important factor in their buying decision which allows the assumption that the purpose of the brand helps to reduce consumer price sensitivity.

8.3.2.3 Costs' Margin

The main costs to have in consideration so that it may be possible to establish a fair price are the price of clothes, customization and packaging.

In order to take advantage of the quantity discount the company will place bulk orders with its supplier. In the table X we can check the unitary cost of a T-shirt after it is ready to ship to the end consumer, after ordering 500 units.

Description	Cost values		
500 T-shirts			
Cost	<mark>1</mark> 080 €		
Customization			
Printing	240 €		
Labeling and application	461.25€		
Packaging			
Mailers	220€		
Business card	50€		
Transportation			
From supplier to Love Your Dog	0€		
Total cost	2 051 €		
Total cost per unit	4.102€		

Table 6: Calculation of the total cost per unit of 500 T-shirts after being packed and are ready to ship to the end consumer. Source: Author (2019).

Applying the average price resulting from the questionnaire of $23,90 \notin$, retrieving VAT value (23 %) of 5,497 \notin and unitary cost of 4,102 \notin , each sale would provide 14,301 \notin of profit margin.

8.3.2.4 Pricing strategy

The fact that the brand is new and the market is very competitive underlines the importance of defining a good pricing strategy. Considering the fact that the brand aims to position itself as a quality brand for its target, a <u>skimming strategy</u> will be adopted, with a slightly higher price than the average market price. The brand does not want to compete on price but rather differentiates itself from other brands through a higher quality perception since the price is linked to the product's image. The purpose of the brand, as analyzed in the result, is a factor that supports this strategic decision. This strategy has the advantage of allowing the decrease of prices whenever necessary, as in the case of promotions. However, this higher price should not exceed consumer sensitivity to price of consumers analyzed in the survey results so as not to drive them away with an inappropriate price.

8.3.3 Distribution

Every brand must define its distribution strategy according to the positioning it wants to have in the market. Therefore, it must take into account various aspects such as company objectives, product characteristics and price as well as market dynamics. This implies that brands select a selective distribution of their products to be consistent with their previously defined positioning. This implies that companies choose a selective distribution of their products to be consistent with their previously defined positioning and to allow products to reach their target and, as a result, enhance sales.

Love Your Dog aims to initially focus its national distribution strategy and solidify its position in the domestic market before moving forward with a distribution strategy more focused on expanding its presence in other markets.

Our products will be sold exclusively through our website. Our products will be sold exclusively through our website, where potential customers and customers may ask any questions about product or brand policies such as refund policy. Our website will be mobile responsive, suitable for enabling and facilitating users to navigate from any digital device.

The reason behind the brand's decision of selling exclusively online are: the easier, and faster, access to the market with less capital investment; the better control over final price and the higher profit margins due to the lack of intermediates; the reduced overheads that allow a better investment in marketing and customer experience; the potential for rapid growth; the widen of the market; the convenience it provides to customers; the highly specific segmentation of the market. However, this decision comes with some disadvantages that, and although they are

relevant, have a much smaller impact and measures will be taken to reduce it. Some examples are: website and digital software costs; customer trust; security and fraud; advertising costs; logistical processes.



The distribution chain of Love Your Dog is illustrated in the Figure X.

Figure 14: Distribution Chain. Source: Author (2019).

After receiving the products from the supplier and packaging them, the orders will be shipped to the final consumer through the national courier service, either to national or international territory, by registered mail.

In the long term, and in order to solidify the brand's presence in international markets, website subdomains will be created with the translation of the website into several languages and agreements will be made with private carriers to improve national and international transportation service and reduce transportation costs that are associated with a higher volume of orders.

8.3.4 Communication

Communication has the goal of, as the name says, promoting a product to customers through a planned communication plan that originates various means of advertising, reducing the gap, in terms of communication, between the company and the client, taking the opportunity to attract and persuade them to buy (Nuseir & Madanat, 2015).

The type of communication to develop by our brand is essentially below the line.

8.3.4.1 Objectives

The main goal of promotion is to raise awareness of the brand, communicating the brand's mission to people, talking about the quality of our products and how every single purchase helps save dogs in need.

8.3.4.2 Message

Love Your Dog's message will have a strong emotional appeal. It is crucial to create a sense of trust and transparency in order to prevent people from distrusting our motives. It is crucial to create a sense of trust and transparency in order to prevent people from distrusting our motives. For this to happen we will always be careful to document all our social activity, including the donations we make.

The fact that 10% of the proceeds from each purchase is donated to save dogs in need will be a central point of our message and will be communicated at various points of communication with our customers. The goal is to make people feel good about purchasing quality products from our brand.

Our communication will focus on communicating the brand's purpose and the quality of its products, letting customers know that buying our products is a magical experience that benefits them and, of course, dogs in need of help.

8.3.4.3 Communication Plan

Nowadays brands are facing a huge challenge of how to attract consumer's attention. Consumers usually search for a lot of information before deciding to buy something, especially online. They are facing a lot of information from a lot of different sources and that leads to information overload and even confusion. So, earning consumer's attention or paying for it are the two choices brands have. The market is increasingly digital, leading brands to increasingly focus on digital communication channels to communicate with their audience.

For our communication to be effective, we need to adapt it according to the targets of our communication and their interests. Our communication will be focused on the same target defined in the positioning, women between 15 and 31 years old that love dogs. However, in specific occasions we will also promote to our secondary target, which we call buyers due to the fact that they are more prone to buy our products to offer as a gift. We are talking about young men in general and older women like mothers and grandmothers.

So, as a way of clarifying the communication targets, Love Your Dog has two types of target regarding the communication:

• Marketing targets: buyers (women from 15-31 years old and as a secondary buyer young men and older women) and consumers (women from 15-31 years old)

• **Communication targets**: all the people who influence, buy, as well as the decision makers/consumers.

The brand has as its main communication objectives:

- Create brand awareness and recognition
- Create understanding of how the project ties to its relevant mission
- Create understanding of the attributes and benefits of the company's products
- Establish a desire within our audience regarding our products

All content of the communication plan for the brand should be:

- 1. Relevant it must be what our target is looking for
- 2. Differentiator it must be different from what already exists
- 3. Quality it must deliver value
- 4. Aligned with the company's mission and objectives

	Means			Resources involved	Goals	Strategy	Target
	Wieans	Action	Description	Involveu	Increase brand awareness and	Below the	Buyers and
	Sales force	Brand presentation by	Promoters introducing the brand and its	Promoters	communication of its mission as well as	line	consumers
1		promoters	products	11011101010	its product range.		Consumers
2	Public relations	Partnership with Portuguese Association for the Protection of Abandoned Dogs (APCA)	Partnership with a dog rescue association with na active presence at APCA events	Volunteers	welfare of dogs and attract media coverage		Participants of APCA events
3	Digital marketing	Social networks launch	Beginning of the brand's social networks, Facebook and Instagram, to become the main channel for direct communication with consumers / buyers;	Marketing	Close communication with th audience; increase brand awareness; crate a loyal fan base; convert social followers into qualified leads	Below the line	Community building
4	Digital marketing	Social networks management	Daily management of social networks, with the creation of entertainment and promotional content; monthly content plan; brand and product communication.	Marketing	Close communication with th audience; increase brand awareness; crate a loyal fan base; convert social followers into qualified leads	Below the line	Community building
5	Digital marketing	Social media challenges	Contests in which followers can participate in exchange for prizes	Marketing	Establish a connection with followers, create engagement through a fun and creative activity, increase followers	Below the line	Buyers and consumers
6	Digital marketing	Digital influencers	Instagram micro-influencers campaign	Marketing	Increase brand recognition, generate interest in our products across Instagram	Below the line	Community building
7	Digital marketing	Social media paid advertising	Creation of social media advertising campaigns	Marketing	Increase social media following and engagement; Generate sales	Below the line	Specific target audience
8	Digital marketing	Ambassador program	Partnership with micro-influencers on Instagram	Marketing	Increase brand awareness, social media presence and engagement, become a source of content; Acquire new customers	Below the line	Community building
9	Digital marketing	Email marketing	Sending of promotional and non-promotional messages	Marketing	Generate website traffic and provide sales support; Establish a close connection with newsletter subscribers	Below the line	Newsletter subscribers
10	Digital marketing	Landing pages	Creation of landing pages on the internet	Marketing	Increase number of newsletter subscribers; Generate sales	Below the line	Buyers and consumers
11	Digital marketing	Blog	Creation of blog posts	Marketing	Increase website visitors and engagement across social media followers and newsletter subscribers	Below the line	Buyers, consumers and newsletter subscribers

 Table 7: Communication Plan. (Source: Author, 2019).

In order to better understand what each of these actions consists of, a more detailed explanation follows:

Action 1: Brand presentation

The brand will hire a team of promoters that will be responsible to make a brand presentation, communicating what the mission of the brand as well as its product range. People will have the opportunity to try our products and to participate in a giveaway where they can win free products or a 10% discount on their first purchase through the brand's website. This type of activity will take place near schools, universities, beaches, music festivals and dog-related events.

Action 2: Partnership with Portuguese Association for the Protection of Abandoned Dogs (APCA)

Our company will create a partnership with a Portuguese rescue association that aims to create animal charity events in which people are encouraged to participate and where they can receive awards, especially those who decide to adopt dogs looking for owners or donate material and food to the association. These events will be created in a dynamic way, trying to attract people with nice events like dog runs, dog meetings at the park, dog parties, etc. A photographer will be hired in order to document these events and to take good looking pictures of rescue dogs, pictures that we will share on our digital channels in order to find a home for them.

Action 3 and 4: Launch and management of social networks

Love Your Dog will have an active and strong presence in two social media platforms: Instagram and Facebook. Through the use of social networks, the company aims to achieve the following objectives: <u>close communication with the audience</u>; <u>increase brand awareness</u>, since our brand is new in the market it is very important that people start recognizing it and social media allows our brand to establish and maintain a close relationship with customers and the chance of being found by new leads; create a loyal fan base, as social media provides a great opportunity to build promoters and brand advocates. These people are willing to share and build awareness about our brand in a passionate way; <u>convert social media followers into qualified leads</u>, since the presence on social networks must be converted into sales and leads as the company needs sales to grow the business; <u>screen customer feedback</u>, as social media makes it very easy to "listen" to what customers have to say about the brand in general and to collect

customer feedback about existing products and potential future products. All of this done in an easy and fast way and allows the company to gain customer and market insights.

The following are some of the **strategies** we will use on social networks:

We'll send a <u>welcome message</u> to all new followers to thank them and tell them what Love Your Dog's mission is.

Being **visual appealing** is mandatory for our brand to succeed on social media, that is why we will carefully curate, or create, any kind of visual material intended to be shared. Needless to say that all visuals will be aligned with the brand visual identity. We want people to stop scrolling and look at our content. Knowing that being outside is a core need, we aim to play with people's psychology and their connection to land and nature, implementing a positive and nature vibe with bright and colorful pictures along with beautiful landscapes and, of course, showcasing dogs, their owners and our products. We will also analyze all User generated content (UGC) in terms of visuals in order to decide if it is according to our visual standard.

At least **two posts will be shared every day at optimal times of the day**, according to the follower's activity. In addition to the two daily posts, additional posts (or stories on Instagram) will be shared without an exact frequency with reference to blog updates, promotions, discounts, dog interaction videos and volunteer events with dogs.

In order to create an authentic and positive brand awareness, Love Your Dog social media content will follow the **Pareto rule where only 20% of the posts will be promotional**, avoiding the feeling of our feed becoming a sales pitch. The focus will be on publishing entertaining content that creates a positive engagement within our audience and that allows our brand to bring its positive and fun personality to life.

Getting followers to interact with our brand through the sharing of UGC, creation of challenges, participating in discussions and communicating with them are among some of the tactics Love Your Dog will use to turn followers into fans by nurturing a genuine, and long, relationship with them.

Among some of the growth strategies Love Your Dog use are: like and comment relevant pictures on dog related top hashtags (Instagram) and accounts relevant to our niche market, the use of relevant hashtags for our audience (Instagram), post every day at optimal time, invite people who engaged with us to like the page (Facebook).

Action 5: Social media challenges

Every two weeks a **giveaway** challenge will be created with the aim of exponentially increasing the brand awareness and recognition. There will be three kind of giveaways and in all of them people need to interact in one, or more, of the following ways: liking the page/post, sharing, mentioning, etc.

- 1. <u>Brand giveaway</u> we offer free products in exchange for some interaction;
- <u>Collaboration giveaway</u> we create a partnership with another brand that appeals to the same target and both offer free products in exchange for people interaction with both brands;
- 3. <u>Ambassador giveaway</u> we create a partnership with an ambassador where we send him free products and he showcases the giveaway offering free products in exchange with interaction with his account and ours.

A monthly series of **contests** will be created in which every month will have a specific challenge. All of them will have a different dog-related theme in which to participate people need to share a photo with at least one of our products and their dog, marking the picture with the specific hashtag of each contest. Contest themes include sharing dog-hugging photos (#hugyourdogcontest), coolest dog and owner (#meandmydogthecoolest), among others.

Action 6: Digital influencers

Influencers are an extremely effective way to reach interested customers and usually provide a high return on investment. However, those who have a large audience usually charge a lot of money. As a way to avoid such expenses, Love Your Dog will prioritize micro-influencer marketing. We are talking about more focused niche experts that manage to establish a deeper connection with their audiences that are able to get higher engagement rates, higher conversion rates and are more affordable. We will approach micro-influencers appealing to our target, ranging from 1000 to 100.000 followers, and make an introduction of our brand in order to hear about them and start a conversation. establish a relationship before asking for promotion. If the conversation evolves into a relationship, then we will talk about the opportunity to promote our brand in exchange for free products. Our payment method will always be through free products instead of money given that we want to avoid generating large expenses, reaching the largest number of influencers. Offering products becomes even more attractive because of influencers great ability to generate beautiful and attractive photographs that can then be shared on our
pages. Each promotion of this kind will be thought out in terms of timing so that we can measure the specific engagement and return on investment that each influencer provides us.

Action 7: Social media paid advertising

With the decrease of organic reach on social channels, it has become a "pay-to-win" environment. Through paid advertising brands can pay for advertising that allows them to reach a very large number of highly targeted audience at an affordable price. For our advertising and paid campaigns we will target saved, custom and lookalike audiences.

Saved audiences allow us to target people according to our defined criteria. Supposing we were targeting our primary audience, our saved audience would be as following:

- Location Portugal
- <u>Demographics</u> 15-31 years old, female, Portuguese language
- <u>Interests</u> dogs
- <u>Behaviors</u> mobile device user

Custom audiences are probably the most high-value target audiences. They allow us to adopt a remarketing strategy where we will retarget people who engaged with us on social media or people who visited our website in the past.

- <u>Based on engagement</u> we will target everyone who engaged with our social media pages. Sometimes we may have to choose other variables like everyone who visited our page or people who clicked a call-to-action button but as a general rule it will be everyone who engaged with us.
- <u>Based on website traffic</u> depending on the specific goal, we will target everyone who visited our website, people who visited specific website pages or people who haven't visited our website in a while.
- <u>Based on customer files</u> by uploading our email list into Facebook we will be able to target our newsletter subscribers.

Lookalike audiences allows us to target people similar, in terms of demographics and interest, to our current customers. This way we will be able to target highly-qualified leads that we wouldn't be reaching otherwise. This segmentation tool allows the optimization of advertising expenses by decreasing the cost of customer's acquisition.

Action 8: Ambassador program

This program has the goals of naturally increasing our social media presence, becoming a source of content and the creation of a community. The micro-influencers with the best results will be invited to participate in the brand ambassador program and in the creation of partnership giveaways. We will establish an effective communication with all of them, only asking them to promote products they trust, keeping them happy and managing their expectations. We want them to feel like the brand is also theirs. All of them will have the brand's ambassador guide with tips and advices on how to be successful marketing our products.

Love Your Dog ambassadors will have the goal of spreading the brand's mission across social media, family and friends, and creating attractive photography's showcasing our products.

They will have access to special benefits like: participation in <u>access to products before the</u> <u>general public</u> where they can also give their feedback; <u>special discounts</u>; a higher chance of being featured in our social media accounts; <u>free products and brand material</u> (business cards, stickers) they can use to promote our brand; a <u>commission of 10% for every</u> sale originated by their unique ambassador link.

Action 9: Email marketing

Love Your Dog will take advantage of email marketing in order to achieve the following objectives: <u>drive traffic to the company's website</u>; <u>lead acquisitions</u>, since not every website visitor is ready to take action and make a purchase, making it important to capture their emails and start communicating with them regularly through email, avoiding them forgetting about our company the minute they exit the website; <u>customer retention</u> where those who take action and make a purchase will receive regular communication in order to stay in touch and turn them into loyal customers. Those who abandon their carts will receive an abandoned cart email; <u>increase sales</u> through the communication with subscribers on a regular basis, establish a long-lasting relationship.

In terms of strategies and tactics, the first step is to define <u>how can we grow the brand's email</u> <u>list</u>. It is vital to capture the email address of everyone that engages with our brand, either through our website or social media, and may be interested in what we do and what we have to say. And although we want to grow a big email list, we prefer to capture only those people's email addresses and that is why we will have to take that into consideration when crafting the message and offer to incentivize people to sign up to the brand's newsletter.

Every website visitor will find an email sign up form in the footer along with the following caption: "We are creating a better world for dogs. Join our movement and get cute dogs straight to your inbox". Assuming that a lot of people won't bother to write their email down or won't even get to the footer to see the sign up form, the website will have an app that will create a pop up after a few seconds on the website or right after a people intention to abandon the website. This popup will ask people to write their name and email address for a chance to spin a wheel where they can get prizes like discount codes or free shipping that they can claim by checking their email and confirming they want to receive marketing communication from us.

Both <u>Instagram and Facebook</u> are great channels to capture emails from followers. Giveaways will be used as a lead magnet on these two platforms in order to incentivize people to give their email addresses in exchange for a chance to win prizes appealing to our target.

Every contact information will be stored in the email delivery service associated with the online store, Mailchimp, which allows to send mass email communication to subscribers, either in an automated (welcome and abandoned cart email) or manual way (newsletter and promotional emails). It also allows to send targeted emails where it is possible to segment the message and the offer according to the subscriber profile. On top of that, every email will be automatically personalized with the subscriber's name to keep it more personal.

In terms of timeline and schedule of the email communication, only the brand's newsletter will be sent on a regular basis. Other types of email communication will be sent whenever surges the need to communicate sales, events, promotions or any other subject that may be relevant to communicate to subscribers.

Communication	Audience	Format	Purpose	Frequency
Welcome email	New	Text message	Welcoming and thanking people	One time only, after
	subscribers	from owner	for joining our family; Tell them	subscribing.
			what they can expect from us	(automated email)
Newsletter	All	Formatted	Establish a frequent relationship	One per week
	subscribers	template	with subscribers with the delivery	
			of entertaining and exclusive	
			email content	
Promotional	All	Formatted	Communicate sales, events,	As needed
emails	subscribers	template	holidays' promotions, events, etc	
Targeted emails	Segmentation	Formatted	Same as above with the difference	As needed
	of	template	of segmenting the message	
	subscribers		according to people's	
			demographics, psychographics,	
			etc	
Abandoned cart	Customer	Formatted	Remember they left something	A series of 3 emails in the
emails	prospects	template	behind, with a call to action to	3 following days a person
	that		recover their cart	abandons their cart
	abandoned			(automated emails)
	their cart			

Table 8: Love Your Dog email communication chart. (Source: Author, 2019).

Love Your Dog's website will have a detailed FAQ question with the goal of reducing incoming emails with repetitive questions. For every incoming email it will be created an automatic response with a link to the FAQ section and a message stating that they will get a reply as soon as possible. This will be done in order to give customers or prospects a piece of information that may help them get the information right away or to give them a feel that they will get a reply any time soon. Every incoming email will also have a human response, however, there will be a template response created for the frequently asked questions in order to reduce the workload.

Action 10: Landing pages

A landing page will be created for every campaign. The idea behind a landing page is to convert visitors into leads. The landing pages created will always follow these previously stated factors and visitors will be incentivized to subscribe with their email address in order to get a chance of winning one of the prizes of the giveaway. After subscribing they will be directed to a "Thank you" page where they will be given the possibility to increase their contest entries through the sharing of our contest to their friends, where each subscriber will win a new entry for every

referral that subscribes. This has the objective of taking advantage of the virality of referral campaigns by increasing the number of people actively sharing our contest.

Action 11: Blog

Love Your Dog blog pretends to increase the amount of content shared across social media in order to increase engagement and the amount of website visitors.

In terms of content, our blog posts will focus providing our followers with genuine and entertaining content, content that they want to consumer but wouldn't if our blog didn't exist. They will focus more in visual rather than text content. Among the several categories of our blog posts are: <u>stories</u>, where we will share stories about specific dogs and donations to dogs; <u>photography</u>, where we will share pictures of dogs according to a specific subject, such as blue-eyed dogs, snow dogs, etc.; <u>interviews</u>, where we will share the conversations we had with dog people, whether they are celebrities, brand ambassadors, influencers or dog owners. These conversations will revolve around their life with their dogs, interesting situations spent with their dogs, etc.

We aim to create partnerships with other blog and create content for them about our brand and also give the opportunity of customers, social media followers, ambassadors, freelance writers or other blogs to create guest post for us to share in our blog.

Two blog posts will be created and published per week since the beginning of social media launch.

8.3.4.4 Action Schedule

In order for the brand to have an overview of all actions to be taken throughout the year, a monthly schedule must be made that allows the brand to visualize the timeline of those activation moments. This proposal takes into account the ideal timings for each action and also the great moments of the brand already described.

		Feb	Mar	Ap	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
	Below the line				•			0					
	Brand presentation by												
Sales forces	promoters												
Digital	Events with APCA												
marketing													
Digital													
marketing	Social networks launch												
Digital	Social networks												
marketing	management												
Digital													
marketing	Social media challenges												
Digital	Digital influencers												
marketing													
Digital	Social media paid												
marketing	advertising												
Digital													
marketing	Ambassador program												
Digital	Email marketing												
marketing													
Digital	Landing pages												
marketing													
Digital	Blog												
marketing													

 Table 9: Action plan for Febrary 2020 until January 2021. (Source: Autor, 2019).

8.3.4.5 Budget

Love Your Dog's marketing budget in its first year of activity is expected to be around 5030 euros. As can be observed from the following table, social media advertising and digital influencers account for much of this investment.

	One year budget (Feb	2020 - Jan 2021)
	Activities	(in euros)
	Total Below the line	5430
	Sales forces	500
1	Brand presentation by promoters	400
	Digital Marketing	5030
2	Events with APCA	250
3	Social networks launch	0
4	Social networks management	0
5	Social media challenges	240
6	Digital influencers	1000
7	Social media paid advertising	3000
8	Ambassador program	240
9	Email marketing	0
10	Landing pages	300
11	Blog	0

Table 10: One-year communication budget. Source: Author (2019).

It is relevant to explain the assumptions that made it possible to calculate the budget of each action.

Action 1 (400 €) - One promoter working four days a month for 20 euros a day over five months

Action 2 (400 \in) - Five events in five months with an expense of 50 euros each to pay for a photographer and to offer branded material.

Action 5 (240 \in) - Every month there will be two giveaways, over twelve months. Each will have an expense of 10 euros on products to offer.

Action 6 (1000 \in) - Over 10 months we will partner with 10 micro-influencers each month offering each one free products with a total cost of 10 euros.

Action 7 (3000 €) - Investment of 300 euros each month, over 10 months.

Action 8 (240) - The program will start six months after the company's start-up, and over the next six months we will partner with 5 ambassadors per month, which will cost 5 euros each for creating and sending branded material to them. In addition to that, the application used to create the program has a monthly fee of 15 euros.

Action 10 (300 \in) - The landing page hosting service we will use across 10 months has a monthly fee of 30 euros.

8.3.4.6 Monitoring and Evaluation

With the action plan to be implemented, each action must be monitored through the evaluation of specific KPIs, in order to assess what impact and return the brand is getting after investing time and money. With this monitoring the company will have the clairvoyance to understand which actions should be the target of a greater investment, which ones should be maintained and which ones should be discontinued.

	Means	Action	KPI's
1	Sales force	Brand presentation by promoters	No. of contacts established; No. of days; No. of discount codes given vs No. of discounts used on website; Customer feedback.
2	Public relations	Partnership with Portuguese Association for the Protection of Abandoned Dogs (APCA)	No. of events per year; No. of participants; No. of contents generated; No. Of contacts established; References in the press.
3	Digital marketing	Social networks launch	Reach (Impressions; Audience growth rate; Post reach); Engagement (Applause rate; Avg. engagement rate; Amplification rate; Virality rate); Conversions (Conversion rate; Click-through rate; Bounce rate).
4	Digital marketing	Social networks management	
5	Digital marketing	Social media challenges	Participation rate; No. of interactions; No. of comments; No. of clicks; No. of publications; Increase in social media following; Engagement rate.
6	Digital marketing	Digital influencers	No. of interactions; No. of comments; No. of clicks; No. of publications; Increase in social media following; Engagement rate.
7	Digital marketing	Social media paid advertising	No. Of impressions and reach; No. Of clicks; Click-through rate; Conversion rate; Customer acquisition cost).
8	Digital marketing	Ambassador program	No. of interactions; No. of comments; No. of clicks; No. of publications; Increase in social media following; Engagement rate; No. of content generated; No. of referral sales.
9	Digital marketing	Email marketing	Open rate; Click-through rate; Conversion rate; No. Of unsubscribers; List growth rate; Spam complaints; Engagement over time; Mobile open rate; Mobile click rate.
10	Digital marketing	Landing pages	Landing page views; Traffic source breakdown; Conversion rate; Average time on page; Bounce rate; Email subscribers.
11	Digital marketing	Blog	Blog visits; Traffic source breakdown; No. of posts; Top viewed posts; Avg. views per post; Avg. comments per post; Social shares per post; New blog leads; Lead source breakdown; Conversion rate; Email subscribers.

Table 11: Monotoring and evaluation. Source: Author (2019).

9 Limitations

Throughout the development of this project, some limitations were found.

One of the main limitations is related to the questionnaire. An effort was made to make the sample as representative as possible of the universe, but it was applied to a convenience sample as it was disseminated online through friends, which only allowed it to be a purely indicative study. and not representative of the universe. Overall, the questionnaire itself could better address the concept of the brand and its communication strategy, but it would make it even more extensive and there could be the possibility of generating fewer answers.

The fact that there is very little information about the online clothing market in Portugal, as well as a lack of knowledge of reference processes of competing companies that could guide the brand's strategic thinking, led to the brand strategy being based on what is most appropriate for the company without the reference of an external entity.

Also, the fact that Love Your Dog is a new brand, with no relevance in the market, has led to various assumptions that had to be assumed in order to make it possible to implement this marketing plan.

10 Conclusion

The objective of this master's dissertation is to create a marketing plan with the development of an implementation proposal in the form of an operational and communication plan. The plan is to be implemented from February 2020. To achieve this objective, several analyzes were elaborated: market analysis (in macro and micro terms), broad consumer profiling and a marketing strategy which allowed the creation of strategic decisions for the creation of the operational marketing plan.

So, the main purpose of this project is now completed as it allowed the identification of a market opportunity and the design of a plan that allows the creation of a brand that can effectively respond to that opportunity and become profitable over the year, making a positive impact in dogs and consumer's lives.

Online clothing market, besides being a very competitive one, is a very attractive market to be in, especially due to the low entry barriers and the constant growth, that can yield a good return on investment and help the brand gaining its market share.

It was possible to analyze the potential of this business idea to scale over the long term and become a benchmark within its niche market.

It would be a great pleasure if Love Your Dog could achieve its strategic objectives but, fundamentally, the objective that comes from its mission: "To create a better world for dogs, one at a time".

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12 Annex

12.1 Annex I – PESTEL Analysis

12.1.1 Gross National Disposal Income per Capita

Years	Gross national income <i>per</i> <i>capita</i>	Gross disposable income per capita
2000	12,246.9	12,495.8
2001	12,844.3	13,103.0
2002	13,449.3	<mark>1</mark> 3,621.8
2003	13,799.2	13,908.9
2004	14,316.2	14,454.0
2005	14,872.4	14,937.0
2006	15,297.7	15,412.6
2007	16,112.6	16,246.5
2008	16,282.2	16,453.6
2009	15,993.6	16,079.7
2010	16,445.4	16,550.2
2011	16,364.8	16,490.4
2012	15,627.1	15,773.1
2013	16,062.9	16,238.3
2014	16,355.7	16,566.9
2015	16,882.3	17,104.4
2016	17,643.4	17,884.0
2017	Pro 18,481.4	Pro 18,781.8
2018	Pre 19,104.5	Pre 19,409.8

Table 12: Gross National Disposal Income per Capita. Source: INE et al. (2019a)

12.1.2 Private consumption



Chart 24: Portuguese total private consumption between 2008 and 2018 ource: INE et al., (2019b).



12.1.3 Ageing indicators and age groups



12.1.4 Education

	Level of education				
Years	Total	Higher Education			
2009	2,435,665	373,002			
2010	2,406,098	383,627			
2011	2,329,401	396,268			
2012	2,241,756	390,273			
2013	2,139,977	371,000			
2014	2,081,827	362,200			
2015	2,0 <mark>61,81</mark> 3	349,658			
2016	2,027,483	356,399			
2017	2,020,494	361,943			
2018	2,006,479	372,753			

Chart 25: Level of education from 2009 to 2018. Source: PORDATA (2019b)).



12.1.5 Unemployment Rate



Years	Total (in December)	Total (annual average)
2000	326.0	327.4
2001	324.3	324.7
2002	380.3	344.6
2003	452.5	427.3
2004	468.9	461.0
2005	479.4	477.2
2006	452.7	459.5
2007	390.3	410.2
2008	416.0	394.5
2009	524.7	495.5
<mark>20</mark> 10	541.8	555.8
2011	605.1	551.9
2012	710.7	667.2
2013	690.5	707.8
2014	598.6	639.2
2015	555.2	560.8
2016	482.6	523.2
2017	403.8	434.5
2018	339.0	357.3

 Table 13: Portuguese Unemployment Rate from 2000 to 2018. Source: INE & PORDATA (2019c).

		Age gro	oups	
Years	Total	Less than 25	25-54	55-64
2000	3.9	8.6	3.5	3.2
2001	4.0	9.4	3.5	3.1
2002	5.0	11.7	4.5	3.6
2003	6.3	14.6	5.8	4.3
2004	6.6	15.4	6.0	5.5
2005	7.6	16.2	7.2	6.1
2006	7.6	16.5	7.3	6.3
2007	8.0	16.7	7.8	6.5
2008	7.6	16.7	7.2	6.6
2009	9.4	20.3	9.2	7.6
2010	10.8	22.8	10.7	8.9
2011	⊥12.7	⊥30.2	⊥11.9	±10.8
2012	15.5	37.9	14.7	12.7
2013	16.2	38.1	15.5	13.7
2014	13.9	34.8	12.7	13.5
2015	12.4	32.0	11.2	12.4
2016	11.1	28.0	10.0	11.0
2017	8.9	23.9	7.9	8.6
2018	7.0	20.3	6.1	6.5

Table 14: Portuguese Unemployment Rate according to age groups. Source: INE & PORDATA (2019c)).

12.1.6 Social Class Composition



Social Class Distribution: 2016

Figure 16: Portuguese Social Class Distribution in 2016. Source: Euromonitor Communications (2017).

12.1.7 Gini Index

	Index Number - % Gini index				
Years	EU28	Portugal			
2010	30.5	33.7			
2011	30.8	34.2			
2012	30.5	34.5			
2013	30.5	34.2			
2014	31.0	34.5			
2015	31.0	34.0			
2016	30.8	33.9			
2017	30.3	33.5			

Table 15: Gini Index of Portugal and Europe from 2010 to 2017. Source: Eurostat et al. (2019).

12.1.8 Clothing expenditure

Years	Total	Food, beverages and tobacco	Clothing and footwear
2000	91.8	18.4	6.0
2001	91.8	18.9	5.9
2002	91.5	18.6	6.2
2003	91.4	18.8	6.0
2004	93.1	18.8	6.1
2005	93.7	18.2	6.0
2006	95.5	18.5	6.2
2007	96.7	18.2	6.1
2008	96.7	18.4	5.9
2009	92.0	17.9	5.6
2010	94.6	18.1	5.8
2011	95.3	18.9	5.6
2012	94.6	19.5	5.3
2013	95.7	20.2	5.6
2014	99.3	20.4	6.2
2015	99.6	20.1	6.4
2016	100.0	20.1	6.4
2017	101.9	20.2	6.3

 Table 16:
 Household final consumption expenditure by types of goods. Source: INE & PORDATA (2019a).

Final consumption expenditure in total of disposable income of families: total and by goods and services type (%)



Figure 17: Final consumption expenditure in total of disposable income of families: total and by goods and services type. Source: INE & PORDATA (2019a)).

12.1.9 Internet Access by the Portuguese Population



Chart 27: Percentage of Portuguese people that use Internet from 1997 to 2017. Source: Marktest Group (2017).



Chart 28: The Internet Usage by digital platform of the Portuguese Population. Source: Marktest Group (2017).

12.1.10 Social media and the Portuguese population



Chart 29: Comparison of the number of Portuguese people that access the Internet with those that use Social Media from 1997 to 2017. Source: Marktest Group (2017).



Chart 30: Assessment of which social networks people who have social media accounts use. Source: Marktest Group (2017).



12.1.11 Market Analysis

Chart 31: Categories purchased in the year 2018 and 2017 in Portugal, through the internet. Source: CTT (2018).



Chart 32: Fashion ecommerce revenue from 2017 to 2023 in Portugal, in US \$ million. Source: Statista (2019).

12.2 Annex II – Survey

This survey was created within the framework of the Master's thesis in Business Administration at ISCTE Business School. It has the purpose of complementing the development of a marketing plan for a lifestyle fashion brand with the goal of understanding the acceptance of the brand idea and what the buying habits of consumers are.

All information collected is confidential and is intended for statistical purposes only.

The questions on this questionnaire take about 3 minutes to answer.

Thank you very much for your participation.

14.2.1. Segmentation

14.2.1.1. Gender

a) Female

b) Male

Figure X – Survey presentation: segmentation by gender

14.2.1.2. Age

- a) 15-19
- b) 20-26
- c) 27-31
- d) > 31

14.2.1.3. Occupation

- a) Student
- b) Employed
- c) Self-employed
- d) Unemployed

14.2.2. Online Behavior and Buying Habits

14.2.2.1. How many hours do you spend online a day on average?

- a) 1
- b) 2
- c) 3
- d) 4 or more

14.2.2.2. <u>Have you ever bought online</u>?

- a) Yes
- b) No

14.2.2.3. How often do you shop online for clothes?

- a) 1 per year
- b) 2 per year
- c) 3 or more
- d) Never

14.2.2.4. What source(s) of information influence your decision to buy clothes?

- a) Family and friends
- b) Online influencers
- c) Advertisements
- d) Past experience

- e) Promotions
- f) Other

14.2.2.5. What four things do you like the most about an online brand that makes you want to follow it on social media?

- a) Strong personality
- b) Interest in their products
- c) Good imagery
- d) They have passion about something I like
- e) They have a good purpose
- f) More genuine content instead of promotional content
- g) They're entertaining
- h) Interest in their industry
- i) Listen and engages with audience
- j) Originality
- k) Transparency

14.2.3. Dog related questions

- 14.2.3.1. <u>Do you like dogs</u>?
- a) Yes
- b) No

14.2.3.2. Do you have dogs?

- a) Yes
- b) I would like to
- c) No

14.2.3.3. Do you consider dogs as a ...

a) Family member

b) Pet

14.2.3.4. <u>Have you ever adopted a dog or thought to do so?</u>

a) Yes

b) No

14.2.3.5. <u>Have you ever shared or exposed information about abandoned and / or mistreated</u> dogs?

a) Yes

b) No

14.2.3.6. Have you ever volunteered or made a donation (money or food) to help stray dogs?

a) Yes

b) No, but I would like to

c) No

14.2.4. Brand Related Questions

Imagine a fashion lifestyle brand for dog lovers that was born with a clear mission: to change the world for dogs. The brand believes that dog people can stay in style with quality and welldesigned clothing while showing their love for dogs.

The brand's mission will come to life through:

- The donation of 10% of its profits to help save dogs needing medical assistance
- Raising awareness for dogs needing to be adopted

The brand would create good quality clothes (durable, comfortable, with a clean, yet attractive, design) and by wearing these clothes you were able to join the brand's movement and spread the message about the importance of saving dogs in need.

14.2.4.1. What's your opinion about this brand?

a) Terrible

b) Bad

c) Reasonable

d) Good

e) Very good

f) Excellent

14.2.4.2. How much do you identify with this brand?

- a) 0
- b) 1
- c) 2
- d) 3
- e) 4
- f) 5

14.2.4.3. <u>Would you buy something from this brand</u>?

- a) Yes
- b) No
- c) Maybe

14.2.4.4. How much were you willing to pay for a good quality 100% cotton T-shirt?

- a) 15
- b) 20
- c) 25
- d) 30
- e) 35
- f) 40
- g) 45

14.2.4.5. <u>What would be the fair price for this product</u>?

a) < 15

b) 15-20

- c) 20-25
- d) 25-30
- e) 30-35
- f) 35-40

14.2.4.6. How much importance do you give to the fact that the brand donates part of its profits to save dogs in the buying decision?

a) 1
b) 2
c) 3
d) 4
e) 5
14.2.4.7. What three aspects would you value the most?
a) Price
b) Aesthetics (look, colors, fit)
c) Brand purpose
d) Quality
e) Comfort
f) Durability
g) Advertising and promotion
h) Other
14.2.4.8. What would you do with the products of this brand?
a) Wear them
b) Offer them

c) Both

14.2.4.9. In what occasions would you wear them?

- a) Occasionally in everyday life
- b) To walk my dog
- c) To take pictures with my dog
- d) To go to school
- e) To match with my friends/family
- f) To go to parties, events.
- g) Other

12.3 Annex III – Brand Visual Identity

14.3.1. Logo



14.3.2. Color Palette



#84c1ff • #add6ff • #d6eaff • #eaf4ff • #f8fbff

14.3.3. Typography

abcdefghijkimnopqrstuvxyz ABCD8FGHIJKLMNOPQRSTUVXYZ !"#\$蠢を/()=?電ロ`시ロ__;>

ABCDEFGHIJKLMNOPQRSTUVXYZ ABCDEFGHIJKLMNOPQRSTUVXYZ !"#\$%&/()-?*A``|Ç_:;>

abcdefghijklmnopqrstuvxyz ABCDEFGHIJKLMNOPQRSTUVXYZ !"#\$%&/()=?*^{a*}^|Ç_:;>

abcdefghijklmnopqrstuvxyz ABCDEFGHIJKLMNOPQRSTUVXYZ !"#\$%&/()=?*a`^|Ç_:;>

abcdefghijklmnopgrstuvxyz ABCDEIGH19KLMNOP2RS7UVX43 !"#\$%&{()=?**-^|Ç_:;>

14.3.4. Brand Stationery



14.3.5. Some of the Clothing Designs

14.3.5.1. Design 1



14.3.5.2. Design 2



LOVE YOUR DOG!

14.3.5.3. Design 3

SAVE ALL THE DOGS $\heartsuit \heartsuit \heartsuit$

14.3.5.4. Design 4



14.3.5.5. Design 5



ask me about my dog!

14.3.5.6. Design 6

SAVES DOGS

12.4 Annex IV – Target Persona Profiles

14.4.1. Ana

Her name is Ana, she is 24 and she lives in an apartment in Lisbon with her dog, Wolfie, that she adopted after finding him abandoned on the street. She decided to go vegan two years ago because she's a big advocate of animal rights and wants to be healthier. After completing her Bachelor degree in Marketing and communication she has just entered a new company as a Marketing trainee with an income of 900 euros.

A day in the life of Ana

- She wakes up early every day and goes to work during week days
- She always travels by public transportation
- She walks Wolfie two times a day. Wolfie is her best friend and they spend some quality time together.
- During the weekends she volunteers at a dog rescue association

Personality traits and lifestyle

- Goal orientated
- Organized
- Active
- Strong beliefs
- Driven by her passion for life, family and animals

Hopes and dreams

- Being promoted after completing her professional internship
- Live in a house with garden where Wolfie can play freely.
- Help fight animal abandonment and abuse
- Wants to make new friends and travel more

• Wishes to adopt more animals in the future

Decision making

- Always busy, works long hours
- She gathers information online, especially on social media
- Believes in product referrals of her favourite bloggers
- Loves to support brands with a purpose. Especially brands that stand for animal rights and the environment.
- Prefers to interact with genuine brands that share content that she finds relevant, interactive, emotional and funny.
- She loves when a brand or product makes her feel special and tend to buy those kind of products that make her feel really good

Fears, challenges and problems

- Wolfie being home alone when she leaves for work makes her very insecure. She would love to be able to bring Wolfie to the office.
- She can't understand why her landlord makes her pay a security deposit of over 300 euros for having a pet in her house.
- She knows that she needs to work hard in order to get that promotion
- She feels that her volunteer work makes a difference but is constantly frustrated that she cannot contribute more due to her heavy workload

How can Love Your Dog help Ana find a solution to her problem(s)?

Love Your Dog is the kind of brand Ana likes to support and engage with. She loves the company mission. Wearing the brand's clothes makes her feel good about herself because she is able to help save dogs and spread the message about the importance of caring for every single dog.

14.4.2. Margarida

Her name is Margarida, she is 18 years old and lives and lives in Coimbra with two university colleagues in a rented house. She is a very organized, determined and autonomous young woman. She is studying Veterinary Medicine, as she loves animals. Her dog, Lucas, stayed at her parents' house in Viseu. Her parents give her 450 euros a month to pay for the rent and other expenses.

A day in the life of Margarida

- Has classes every day of the week;
- She walks to the university every day;
- She volunteers 2-3 times a week in veterinary associations and clinics;
- On weekends she goes to Viseu to visit her parents and Lucas;
- Loves healthy brunches with friends and walking Lucas;
- Loves to take pictures and share them on Instagram.

Personality traits and lifestyle

- Organized
- Decided
- Autonomous
- Animal lover

Hopes and Dreams

- Her biggest dream is to contribute to the welfare of all animals, especially those who are abandoned;
- Be a veterinarian to help suffering animals;
- Be financially independent;
- Having a space of her own so that Lucas can live with her.

Decision making

- She searches for information online, on social networks and blogs and groups related with animal welfare;
- She prefers to buy cruelty free products
- She loves and engages a lot with brands that stand for animal rights and defend noble causes;
- She highly values the aesthetic and style of clothes.

Fears, challenges and problems

- She is sad to spend so much time away from Lucas
- Daisy can't manage her feelings whenever she can't save an animal;

• She knows there is a lot to be done for animal welfare, she contributes how she can, however, she would like that more people to think like her.

How can Love Your Dog help Ana find a solution to her problem(s)?

Love Your Dog reflects all Daisy's wishes in one brand. She loves Love Your Dog's mission and wants to be an ambassador. She is happy about being able to advocate for a brand that helps dogs in need and really loves the brand's minimalist designs that she can use to spread the brand's message.

14.4.3. Carlota

Her name is Carlota, she is 15 years old, and lives with her parents in Braga along with her brother and her dogs, Yara and Diva, that has been adopted two years ago. She is currently in high school. She still doesn't know if she wants to be a psychologist or a lawyer. she receives a sixty euro's allowance from her parents.

A day in the life of Carlota

- She goes to school during the week;
- She usually studies at the end of the day;
- She practices figure skating twice a week in the evening, alternating with piano lessons on the other days;
- She likes to update her Instagram every day. Carlota loves taking selfies and making stories with her friends and their bitches;
- On Friday evenings she usually goes out with her friends until midnight.

Personality traits and lifestyle

- She is vain and has a good aesthetic sense;
- She loves fashion;
- Active
- She is hardworking and studies hard;
- She follows many influencers on Instagram that influence some of her decisions;
- She likes to save money to shop online, always with parental consent.

Hopes and Dreams

• Get good grades to enter university;

- She wants to be able to reconcile her passion for figure skating with the university;
- Being able to be more independent, having more time for herself and more freedom to be with friends and being able to go out later on weekends;
- She would love to be an Instagram influencer;
- Convincing her parents to adopt one more pet.

Decision making

- Instagram and Youtube influencers have a huge impact on Carlota's life in terms of decisions;
- She loves everything that is stylish and trending;
- She loves to interact and buy products from brands recommended by her favourite influencers, especially those that respect the animals and the environment;

Fears, challenges and problems

- Carlota studies hard to get good grades for college because she is afraid of not being able to attend the course she wants;
- Schools exams make her nervous;
- She liked to have more time to play with Yara and her friends.

How can Love Your Dog help Ana find a solution to her problem(s)?

Carlota loves Love Your Dog brand because they help dogs and allow her to wear stylish clothing with which she can take pictures with Yara and Diva and share on Instagram. She loves to get compliments about her new outfit every time she goes to school or walk her dogs.