ISCTE Business School
Instituto Universitário de Lisboa

# ALCOBAÇA
# ROUTING CERAMICS

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Projecto de Mestrado
em Marketing

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## Thanks

To my parents whose permanent effort allowed me to be where I am. To my sister who keeps pushing me straight forward. To my dearest friends that have always been there for me Daniela Catarino, Lígia Mateus and Telmo Paulino. To ISCTE for giving me the chance of being part of it. To Universidade do Minho for helping me to find my own path. To all those who have crossed my life in any moment, contributing a bit for what I am nowadays. To the available companies that participated in this project. To my grandmother, love of my life, who never doubted of my capacities.

## 1. Abstract

The current project aims to know the idiosyncrasies of ornamental ceramics sub-sector, from Alcobaça (Portugal). Later, it will be suggested a set of actions to improve it, trying to refrain its negative trend.

This paper applies the idea of cluster, from Michael Porter, to the analyzed factories showing how they compete and cooperate at the same time. Consequently, it extends the referred concept to the possibility of an inter-firm umbrella brand, where all those enterprises can join efforts under a common strategy. This is particularly relevant, once many of them lack marketing pro-activity.

Thus, based in the differential advantages of this industrial agglomeration, it will be presented several actions to make it more competitive and attractive to investment.


**Key-words:** cluster, Porter's diamond, cooperation, inter-firm umbrella brand.


## 1. Resumo

Este projeto pretende analisar o aglomerado industrial do sector da cerâmica decorativa de Alcobaça (Portugal) para melhor compreender as suas dificuldades e potencialidades. Nesse seguimento, irá propor um conjunto de atividades que visa a melhoria do mesmo combatendo a atual tendência negativa.

Aplicando o conceito de *cluster*, largamente estudado por Michael Porter, será possível verificar que as fábricas observadas vivem num ambiente ambíguo de cooperação e competição. Assim sendo, na extensão efetiva das suas idiossincrasias, será sugerida a junção de esforços sob a alçada de uma marca umbrela inter-firmas. Tal proposta é particularmente relevante num contexto com pouca pro-atividade em marketing.

Finalmente, serão tomadas em conta as vantagens diferenciais deste *cluster* para que essas ações o possam tornar mais competitivo e atrair mais investimento.


**Conceitos-chave:** *cluster*, diamante de Porter, cooperação, marca umbrela inter-firmas.

## 2. Executive Summary

The current paper is the master's final project of Diana Rodrigues, student at ISCTE – Lisbon Business School. It was monitored by Eng. José Azenha e Silva, supervisor at the said institution, and it is meant to be a project for a specific local sub-sector of activity: ornamental ceramics from Alcobaça, Portugal.

In spite of the very strong tradition and know-how of this small town in pottery production, its factories had faced better days in past. As this document will show, there are several factors responsible for such negative performance on the last 20 years. All them are based, though, in a reactive strategy, supported by a low cost strategy and a lack of knowledge about the international market where they are competing. Thus, the author aims to understand what is not being well done and to suggest ways to better its performance.

Being geographically close and working in the same sector of activity, it is believed that it would be possible and interesting to join efforts and to develop a common strategy for all these factories. However, most of the local entrepreneurs see that possibility as not reliable once it seems not to have agreement between personal and collective interests. It is also argued that effort was made before but did not work and that even the representative associations of the sector do not do their job properly enough to be effective.

Therefore, it is suggested here a new attempt of association through an umbrella brand that represents this sub-sector in terms of marketing-mix, specially distribution and communication. The idea is to gain structure to be better able to compete internationally under a common entity and brand identity.

This being said, on the following of that idea, the objective is to attract both retailers and final consumers. It will be offered new services to increase the perceived value and to improve the product at other levels besides the actual one and the core benefit and all the strategy will be thought in agreement with that, in a way to increase demand and to create awareness. It will also be recommended a higher control of the distribution chain.

For its special bet in online communication crossed with offline communication, it is believed that this project can make the difference and present useful solutions for

these entrepreneurs. Being together, they can also take advantage from economies of scale in terms of market prospections and advertising costs.

This will allow those factories to be known and to be found easier and to become more than just a set of firms “stuck in the middle” in terms of positioning and to gain space in consumer’s minds.

The promoter of this project studied Sciences of Communication at Universidade do Minho and has special interest for that matter. On that context, she has already developed several communication and plans. The master in marketing aims to complement her earlier education and provide a stronger and wider preparation for the market.

## 3. Definition of the context of the problem

Alcobaça is a Portuguese town whose municipality has about 55.000 inhabitants, where it is placed the Mosteiro de Santa Maria de Alcobaça – one of the oldest monasteries of Portuguese History.

Since the 19-20$^{th}$ centuries, this city has deepened its tradition on ceramics industrial crafting, although there are earlier historical references about artisanal pottery linked to the monks. Such sector has always represented an important economic and business incoming for the region.

After European integration, in the 80s, this business activity became one of the most representatives of this municipality, both in employment and number of factories. Thanks to the European funds it was possible to improve technology of some companies, it was possible to increase their performance and dynamism. On one hand, this reduced the dependence of manufactured work, but on the other hand, it opened the door to a competitive market that those firms were not prepared for[1].

Consequently, in the 90s with the **reinforcement of competition** coming from Asian and other European countries, many enterprises could not deal with such pressure what drove them to bankruptcies and unemployment (Feio; 1996:4). Also, the level of exportation has been reducing since then.

Although this **negative trend** (not only related to Portugal) this country was still the fourth biggest producer of decorative ceramics in European Union (EU), along with German, Italy and United Kingdom (UK) as it will be shown forward[1].

Nowadays, it is believed Alcobaça has about 36 pottery factories that represent 15% (€47M) of the turnover of this subsector. Following the general tendency, this industry is mostly composed by micro, small and medium companies (SMEs) and includes also 11% of the existent employment in the ceramic sector (1.215 employees)[1].

Therefore, considering the **considerable importance of ornamental ceramics sub-sector** to the economic performance of Alcobaça, in particular, and Portugal, in general, it seems evident the **need of improvement** of this industry in the referred municipality.

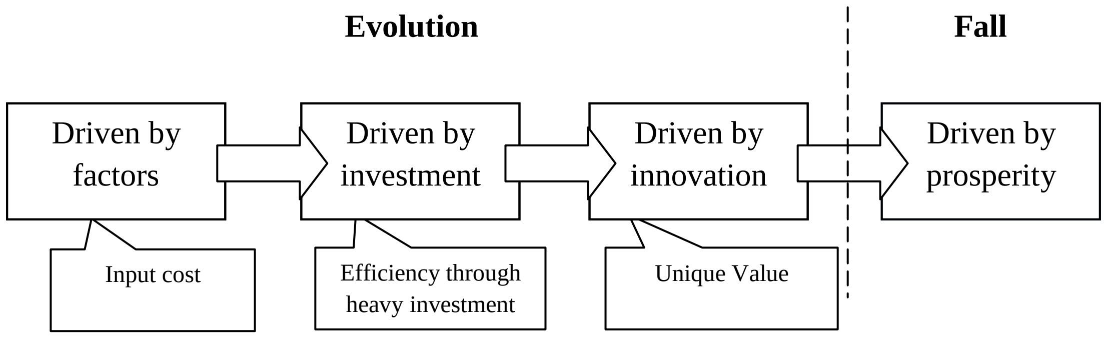
[1] SDO Consultoria, *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009)

# 4. Theory Background

## 4.1. Porter's diamond

According with Porter (1993), there are certain steps of competitive development that represent the origin of the (inter)national competitiveness of each country. Although it is not mandatory that all nations pass through every step, some levels are more desirable than others:

**Scheme 1 – Steps of competitive development**

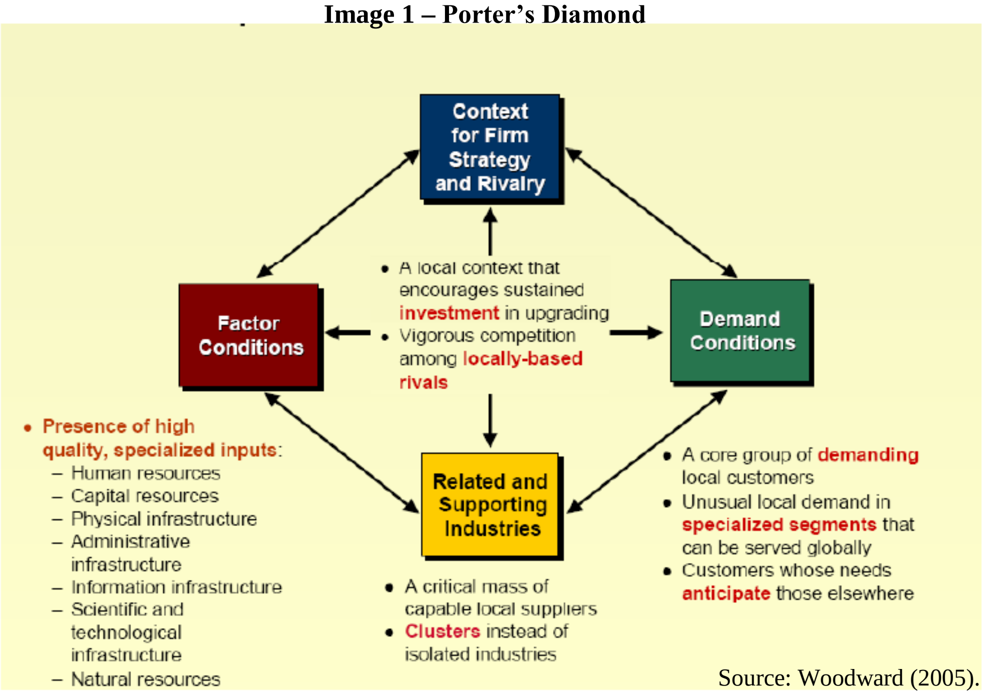



Source: The author, based in Porter (1993) and Woodward (2005).

Thus, the author believes that this pattern will be reflected in the industries in which the country's enterprises can compete with success, as well as in their strategy. Plus, he suggests that the determinants of national advantage will appear repeated in several industrial activities of that country, even if the conditions of each one of them are singular.

The set of those determinants is also called "**diamond**" and consist in four important variables: 1) local demand; 2) related and supporting industries to support the export industry; 3) resource conditions; 4) competitive and strategic climate that influences firm productivity (Woodward; 2005:9). Finally, it can also be influenced by two other factors: chance (random events that companies cannot prevent) and government policies.

**Image 1 – Porter's Diamond**




Source: Woodward (2005).

Regarding **factor conditions**, those can be distinguished as 1) basic factors – that includes raw materials, weather and non-specialized labor-force – and as 2) advanced factors – digital infra-structures, educated personnel and universities – (Porter; 1993:93). Although basic factors are an important support for the development of advanced ones, they do not constitute a competitive advantage by themselves. That advantage must be based on the second ones, through knowledge centers. Therefore, Porter suggests that internal rivalry and strategic context is, much likely, the most important influencer variable towards factor conditions. His argument says that strong competition will make companies invest more in specialized factors and in the development of educated human resources (Porter; 1993:164).

About **demand conditions**, the author explains that a selective internal demand will require higher quality from companies, which will make them work harder in their own improvement. That demand will be consequence of social rules, weather, population and a combination of other industries (Porter; 1993:166). However, he also assumes that internal rivalry is, once more, the most important variable here, because the presence of several aggressive rivals contributes for customers' education, sophistication and exigency. As well, this competitive background might be able to increase innovation and, consequently, external demand (Porter; 1993: 167).

When talking about **correlated industries**, Porter (1993:168) points the level of specialization of these industries are reinforced by the growth of the internal demand and also by the presence of qualified factor conditions. Though, the most important influencer is, again, the rivalry and strategic context. A group of successful rivals can attract to them the attention of better suppliers. In fact, it can also generate the creation of new companies and businesses.

Finally, related to **rivalry and strategic background**, Porter argues that the internal demand will reinforce competition, through consumers' selective willingness. Besides that, the existence of related industries and advanced factors will facilitate the entrance of new firms in the sector and, consequently, increase the rivalry.

Therefore, rivalry and strategy seem to be the variable that detains a stronger influence over the others. It has a "*direct role stimulating improvement and innovation*" (Porter; 1993: 174):

- It encourage new competitors;
- It changes factor conditions, creating and attracting new ones;
- It rises up demand;
- It increases dynamism of related industries;
- It reinforces government policy.

The author adds that these diamonds tend to be locally concentrated, which means those national advantageous industries are more able to be grouped in the same geographical area. Those groups are what Porter calls **clusters**: a geographical concentration of some sectors of activity and related firms (Deodato and Leitão; no reference:4) that will develop and (at the same time) be pushed by their own system (the already spoken diamond).

Additionally, the Organization for Economic Cooperation and Development (OECD) defines cluster as production networks with added value, formed by companies strongly interdependent (Chorincas; 2001:44). This organization also states that the cluster perspective offers a set of advantages towards modernization, because it helps to remove existing imperfections of the innovation system itself and improve its performance (sig.). As example, Porter exposes the Italian tiles' industry, where despite the local demand was imperious, it was the constant renovation and innovation (caused by an intense rivalry) that allowed this cluster to re-new itself every time and to find more and better solutions for its challenges. The advantage of this tiles' business was not something static, but in the contrary, it was the dynamism and the permanent change promoted by powerful demand, great distribution channels and huge local competition (Porter; 1993:264).

Thus, the way the cluster can be developed is strongly dependent on how companies compete on their domestic market, because that drives them to boost competitive means and to step up their strategies (Porter quoted by Deodato and Leitão; no reference:5). This background creates pressure that will force the companies to innovate and grow, influencing not only the direct competitors but the whole production and value chain of the industry. It boosts innovation, excellence and contributes to new businesses and to better advanced factors, as already said. And, even being influenced by governmental procedures, in long-term it might be able to persuade governmental intervention.

Summing up, clusters have the ability to lead to a development path that will need less stimuli to locate. That is possible because they can boost "*competition, productivity, new business formation, and innovation*" (Woodward; 2005:9).

Considering all this, Chorincas (2001:45) explores the existence of four different kinds of clusters – each one with different objectives in terms of innovation (Attachment 1)

- Micro-cluster – it is a geographic conglomeration of related companies linked by common factors and acting in the same sector or segment. These enterprises compete among them but can also support each others, contributing to the competitiveness of the industry;
- Industrial Cluster – set of interrelated companies developing their activities in different fields, that includes suppliers, related industries, commercial associations and associated organizations (such as Universities). Their technologies are different but complementary and create benefit to them all;
- Regional cluster – very similar to the industrial cluster but under a regional location. In this case, the geographic proximity is what feeds the inter-relations, competitiveness and innovation among players (regional clusters can be formed by many micro-clusters);
- Mega-cluster – array of distinct activities that satisfy the same final demand.

### 4.2. Business cooperation

In the past few years, many companies have been working to become technologically more competitive and to gain size on the market through cooperation (Bacic and Campos; 2006:26). This approach is especially effective if applied to SMEs, bringing advantages as lower costs of administration, knowledge maximization and better regulation (Bennett; 1998:244). The same author argues that these "*collective bodies*" can work as "*intermediary between individual business action and state action*" (sig.).

Following Bennett's reasoning, Chatterjee (2002:27) points out an array of pros on cooperation and cons on acting isolated, as shown in the chart:

**Table 1 – Advantages and disadvantages of cooperation**

| **Cooperation (advantages)** | **Isolation (disadvantages)** |
|---|---|
| Deepen technology | Lack of update |
| Assure supply and demand | Suppliers pressure |
| Negotiation power compensation | Ineffective representativeness |
| Higher ability to execute diversification | Clients detachment |
| Creation of entry and mobility barriers | Clients pressure for innovation |
| Possibility of higher turn-over | Expensive and inaccessible credit |
| Defense against possible shutdown | Loss of financial participation |
| Business' joint promotion | Stronger competition |
| Sales power gain | Low purchases volume |
| Cost reduction | Market prices unawareness |
| Updated market prices analysis | Self-referential posture |
| Local advantage reinforcement | Self-potential unawareness |
| Introduction of a brand (network's name) | Discontinuity |

Source: Chatterjee (2002:27)

Nevertheless, "*the theoretical literature has differentiated two broad categories of demand for associations: the logic of services and the logic of influence*" (sig.). On one hand, the logic of services is related with a certain collective or individual service-oriented need. "*In effect the association becomes a business service company*" (sig.); on the other hand, the logic influence aims to gain dimension on lobbying issues, once being bigger makes possible to claim louder the interests of the whole.

### 4.3. Inter-firm umbrella brand

To compete internationally, it is important to develop a strong positioning on consumers' minds. That is only possible if there is a strong brand that can make them identify, differentiate and (hopefully) chose those products, despising the competitors'. However, small and medium enterprises by themselves do not usually have the means to achieve such space in the international market.

To make such success happen, it has been proven already that it is possible, for SMEs, to build some brand equity based on strategic alliances with local or foreign companies: through **inter-firm umbrella brands** (Dentoni and Gow; 2009). These collective bodies aim to "*transfer equity to the individual members' brands*", under an umbrella brand's logic (Dentoni and Gow; 2009:12). Consequently, similarly to a singular umbrella brand, it uses its intangible values to exceed their own products and influence the consumer behavior just (Ruão; no reference:7).

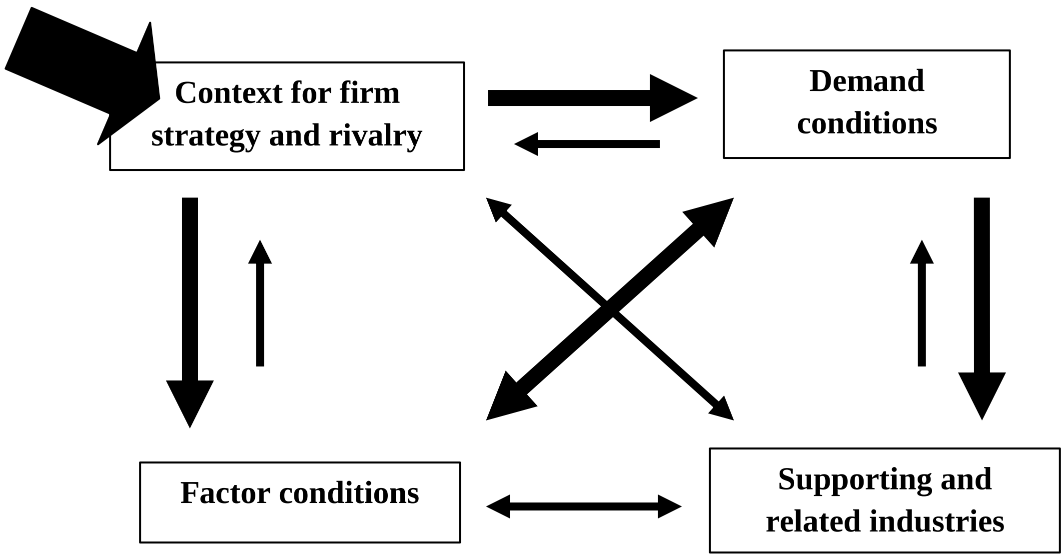
Nevertheless, this type of brand is different from an umbrella brand of a single corporation, a regional brand or a cooperative brand: "*their organizational structure allows the individual brands to co-exist with while remaining independent from the collective*" entity (Dentoni and Gow; 2009:12). Simultaneously, they have to respect a set of rules to allow a good and coordinated function of the whole. They need to understand they are a strict membership that shares common strategy and capital. As example, Dentoni and Gow named "*Cellars of Canterbury*", umbrella brand of wineries from New Zealand that seeing the opportunity of growing on their business, decided to join efforts to enter in the international market. That way, they could share marketing costs and differentiate them as wine producers, rising public expectations (2009: 20-21).

Therefore, under the insight created by the mother brand, they can extend it to their own individual brands and incentive the perception of high quality producers (Hakenes and Peitz; 2004).

## 5. Conceptual Framework

Considering the exposed theory background, it is possible to understand that Porter's diamond is a dynamic system, where several factors matter. The later ones should be as balanced as possible and will influence each others in the process. Porter refers rivalry and strategy as one of the most important topics, once it leads to innovation. More competition will create the need of better products and services. However, this requires a certain context among the members of the cluster, where demand can also play a fundamental role, because the higher the demand, the stronger the rivalry. Thus, if the background of business gets changed to increase demand, it will also lead to a stronger rivalry that, consequently, will stimulate factor conditions and supporting industries and, finally, improve the performance of the whole cluster.

**Scheme 2 – How strategy and rivalry influence other variables of the diamond**

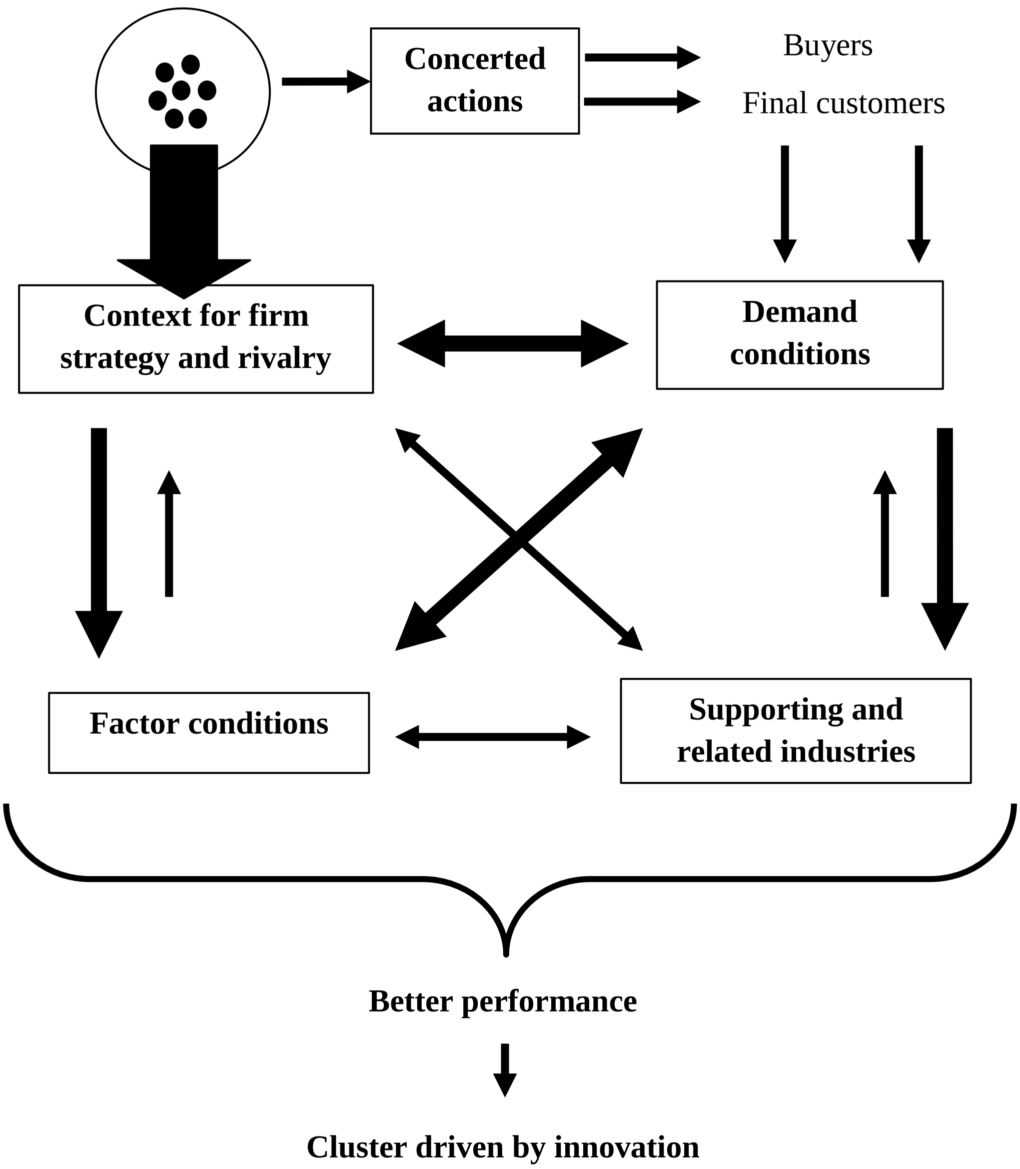



Source: The author

And how can this "pressure" on demand be achieved? The purpose of this study is exactly to propose a strategy to pull it. It is believed that if the parts of the cluster can join forces and cooperate, through a pro-active approach, they will be able to attract customers to them. Joining efforts, the members are strengthening each others and taking advantages of what they cannot do by their own due to their small size. That can be executed by several means, such as an umbrella brand.

Through that umbrella brand, it will be applied a coordinated push-pull strategy to persuade customers to purchase and to incentivize retailers to buy. Such mark would allow these firms to speak at one voice only and to work under a common image and plan.

**Scheme 3 – How umbrella brand influences other variables of the diamond**




Source: The author

Therefore, working out the context and the demand, through cooperation, it will be possible to improve the cluster's performance. It will also augment the need of more efficient factor conditions and it will attract supporting and related industries. This will allow the constitution of a unique value, once it will lead to the evolution from cluster a driven by factors to one driven by innovation.

## 6. Methodology and data collection techniques

As already explained, the discussed matter is Alcobaça's cluster and the improvement of its performance. Thus, the current project aims to answer to the question: How can this improvement be achieved? What means by?

To serve that function, this paper exposes, mainly, Porter's theory on cluster matter and its connection with other authors. It will also be crossed with the concept of a common brand representing that local agglomeration.

Nevertheless, to understand what causes the present problems on Alcobaça's decorative ceramic sub-sector, it was essential to execute some research to get what is the real dimension of the situation. Thus, it took place an analysis to the background and to the committed fails.

Regarding that, it was executed and primary research based on literature review of some already existent studies on the matter. As part of that are reports like "*Análise SWOT ao Sector da Cerâmica Decorativa da Região de Alcobaça*", from SDO Consultoria, or "*CBI Market Survey: The Home Decoration and Accessories Market in the EU*", from DCT BV. Additionally, it was required some data about ceramic sector to APICER (Associação Portuguesa da Indústria da Cerâmica).

As secondary research it will be taken in account the data from the earlier referred SWOT Analysis to Alcobaça's region, where it was said that this cluster is composed for 36 firms. Therefore, this was the taken universe in this study.

From this universe, were interviewed ten factories, two of them had already shut down activity, five others were not able to be contacted and the rest of them were not available/interested in participate on the current project. It was also interviewed Alberto Guerreiro, anthropologist, museologist, director of Raul da Bernarda's Museum and representative of the local Government on this subject.

The interviews (Attachment 2) had questions of open and closed answers, spread for five different groups: 1) Product, 2) Price, 3) Distribution, 4) Promotion and 5) Sector. They aimed to evaluate the performance of each factory, in particular, and the sector, in general. They were made in person (when possible) or by telephone or e-mail. Alberto Guerreiro's one had a different structure though (Attachment 3). This last one was meant to characterize the idea the Municipal Government has from: 1) the sector, 2) the existence of a local identity and 3) the impact from correlated sectors.

The collected data from ten of those 36 factories was, then, treated in Microsoft Office Excel and analyzed to allow reaching diagnostic of the sector. Due to anonymity request from a few of them, names will not be referred. If any of them as to be cited in particular, it will be attributed a random letter to it (example: A, B, C, etc).

Finally, it was elaborated an array of actions to be applied on the improvement the performance of this cluster, where due to the specificity of this kind of "industrial agglomerations" it will be focused the distribution and the promotion with some attention on the augmented product.

# 7. Information analysis and related conclusions

## 7.1. PEST Analysis

### Political/Legal

European Union (EU) is a supranational organization that "*transcends national boundaries or governments*"[2] and its regulative role cover several domains, such as agriculture, external commerce or consumers. Its members share a common and tariffs-free market. This organization together with International Monetary Fund (IMF) is helping Portugal to overcome its debt crisis.

Currently led by a neoliberal Government, the industrial policy of this country is transversal and not sectorial, which means there is no strict regulation for specific sectors. Such regulation is mostly adapted from European policy regarding energy and sustainability[3]. Nevertheless, in the past few years, were created incentive systems as:

- Operational Competitiveness Program (Programa Operacional Temático Factores de Competitividade) which relates with investigation, innovation and qualification incentives when regarding collective efficiency;
- Human Potential Program (Programa Operacional Temático Potencial Humano) thought to provide training about innovation and management to SMEs.

### Economic[4]

EU members share a common market and, in most cases, a common coin: the euro. With a GDP of 1.8% and an unemployment rate of 9.8% in 2011, this region means 20% of the total trades made in the world. EU's inflation rate on May of 2011 was 2.6% although OECD predicts a drop to 1.6% to 2012.

On this context, and according with INE (Instituto Nacional de Estatística), in 2011, Portuguese GDP was €80M (at constant prices - €86M at current prices), with a

[2] Definition from online Oxford Dictionaries (http://oxforddictionaries.com/definition/supranational)

[3] INTELI, *Análise SWOT do Sector da Cerâmica na Região do Oeste* (2009)

[4] *Portugal – Indicadores Económicos* (http://www.ccilb.net/img/pdf/indicadoreseconomicosPT.pdf)

downgrade prediction of 1.8 by Banco de Portugal (BP). This negative trend is justified by its public debt, which represents about 100% of Portuguese GDP. Due to this deficit, it is now receiving economical support from IMF and European Commission (EC) and consumer's confidence has fell about 10% in the last year[5].

**Social[6]**

In 2010, EU-27 had about 500M inhabitants. From those, Germany, France and United Kingdom (UK) are the most populated countries with approximately 82M, 64M and 62M people, respectively, in 2009. Portugal, on its hand, contributes with about 11M citizens.

When it comes to education, "*in 2009, there were approximately 93 million pupils and students enrolled in educational establishments in the EU-27*".[7] Again on this matter, Germany, France and UK lead the table of school attendance. In Portugal, the levels of education with more students are elementary and secondary ones with 1.782 thousand pupils.

As it is stated in *Information Society as seen by EU citizens* (Eurobarometer; 2008)[8], European citizens enjoy keeping themselves informed everyday or almost everyday (78%), 44% meet their friends at least once a week and 36% meet them (almost) everyday (like Portugal). 32% have a daily hobby and practice sport during the week.

**Technology**

In EU-27, "*the proportion of citizens who had used the Internet ranged from 41% in Romania to 91% in Denmark*" (sig. p. 6). Portugal, Greece and Bulgaria are the ones with less internet users. The main reasons to use this medium (94% and 92% respectively) are looking for information and checking e-mails. 60% of them use it to do purchases.

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[5] Banco de Portugal, *Indicadores de Conjuntura* (2012), p. 11

[6] Based in Marcu, M. (2009). *Population and Social Conditions*, EUROSTAT

[7]EUROSTAT, *School Enrolment and Levels of Education* (http://epp.eurostat.ec.europa.eu)

[8] http://ec.europa.eu/public_opinion/flash/fl_241_sum_en.pdf

On this field, social networking has been increasing substantially[9]: at the end of 2010, the percentage of these users was 84%. On that field, Google owns 90% penetration in Europe while Facebook is the most used one on younger audiences. Consequently, advertising on these networks has also increased lot, rising up 102% in Germany, for instance.

[9] *Online trends in Europe: A digital review of 2010* (http://www.multilingual-search.com/online-trends-in-europe-a-digital-review-of-2010/02/03/2011/)

## 7.2. Market Analysis

**European Scope**

"*The EU-27 ranks among the leading markets for home decorations and accessories in the world, besides the Asian market*"[10]. Although the first one counted an amount of €13 billion in 2007, the last one has grown up even more than European's, in the past 10 years, according with the same source. In Europe, decorative ceramic ornaments are very required and have the highest growth, the same does not happen in Asia and America, where wooden and artificial flowers are the most sought (sig).

According with *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009:20), the five biggest European producers of ceramic accessories are Germany, Italy, UK, Portugal and France with a turnover slice of about €1.9M (80% of the total), in 2007 (Table 2). As it can be also observed, the first one increased its production considerably since 2005 although with a slightly diminishment in 2006. The sum of all these countries reaches 2.3M with Portugal representing about 10% of the total production, in the last referred year.

**Table 2 – Main ceramic ornaments producers**

| Countries | 2005 | 2006 | 2007 |
|---|---|---|---|
| | Thousands of Euros | | |
| Germany | 545200,0 | 484835,0 | 622153,3 |
| Italy | 469501,0 | 472736,0 | 457496,0 |
| UK | 437284,3 | 369955,8 | 329945,6 |
| **Portugal** | **257150,0** | **228996,7** | **233616,8** |
| France | 162054,0 | 264274,0 | 221960,0 |
| Spain | 157837,3 | 148920,5 | 143344,9 |
| Poland | 114643,9 | 98435,5 | 104222,1 |
| Czech Republic | 53207,3 | 51804,8 | 59052,8 |
| Finland | 45930,7 | 50561,0 | 48530,5 |
| Romania | 37244,2 | 30339,1 | 53812,3 |
| Hungary | 37720,4 | 35096,7 | 34885,1 |
| Denmark | 39681,4 | 23989,4 | 32245,2 |

Source: *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009:20)

Germany is actually the main exporter of utilitarian and ornamental earthenware, representing about 17% of European exportations on this field, followed by Portugal, Holland, Belgium and Italy (Attachment 4). From these, 20% correspond to ornamental

[10] *CBI Market Survey: Home Decoration and Accessories Market in the EU* (2009), p. 5

earthenware[11]. Germany is also the core importer in this market, meaning 18% of the total and ahead of France, UK, Italy and Holland (Attachment 5).

Most of these trades occur inside EU, once the majority (56%) of the destinations for them is EU itself (Table 3). The same does not happen with its origin, linked mostly to Asia (sig. p. 62).

**Table 3 – EU destination markets in 2007 (€)**

| Destination Markets | 2007 | | | |
|---|---|---|---|---|
| | Tones | % | Thousands of Euros | % |
| EU | 358.582 | 73% | 1.100.576 | 56% |
| America | 50.592 | 10% | 305.350 | 16% |
| Other European countries | 41.056 | 8% | 232.495 | 12% |
| Others | 35.697 | 7% | 189.047 | 10% |
| Asia | 8.538 | 2% | 126.162 | 6% |
| Total | 494.465 | 100% | 1.953.630 | 100% |

Source: *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009:20)

Regarding the traded products, in what concerns statues and decorative pottery, the most significant are porcelain and faience (for both exportations and importations), followed by common clay (Attachments 6 and 7).

**Consumers and other publics**

The buyers of this kind of goods are usually females. As Huddleston and Minahan (2011:104) explain "*women seek creative expression in a variety of setting including interior design and decoration*". Regarding this, Solomon *et al* (2006:411) explains that even in couples, this kind of choices is women's responsibility.

Nowadays these objects have lost their use-value and are, instead, an extension of peoples' sense of taste. Maybe because of that and due to faster fashion cycles, nowadays consumers change decoration more according with trends and seasons (Huddleston and Minahan; 2011:104). In fact, in agreement with the quoted source, expenses with home decoration and renovation have been increasing since the 90s as

[11] APICER, *A Indústria de Cerâmica Utilitária e Decorativa – O sector em Portugal e o contexto internacional*, p. 8

consequence of better living standards. "*Decorating and gardening are the fastest growing products categories for Michael's and Home Depot*" (Huddleston and Minahan; 2011:105).

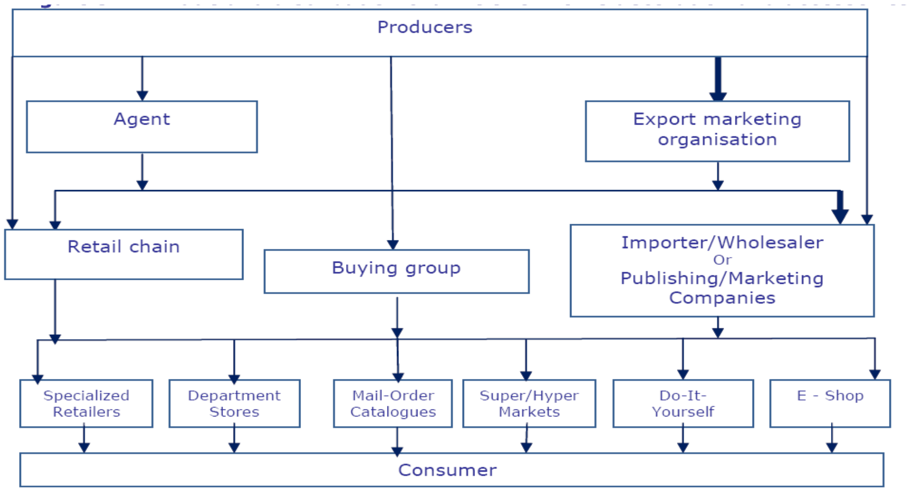
Nevertheless, with some internet research, it is possible to find testimonials (especially in forums) of men who enjoy decoration, especially as collectors. Also, it is important to retain that (regardless the gender), in 2002, concerning EU-25, 11% of the households were composed by one adult living alone (Solomon; 2006:406), who will be more likely to feel the need of decorating their house by themselves.

About consumer habits after the recession, *CBI Market Survey: Home Decoration and Accessories Market in the EU* (2009:5) states that [in Western Europe] "*low and middle segment consumers buy less furniture and change their interiors in small steps when they buy home decoration* [while] *high segment consumers still buy furniture but search longer for special, unique items*". Eastern Europe does not show such a mature market on this category due to lower available incomes.

Finally, unless the selling brand has market value by itself, the importance of the retailer on this matter is an extremely important detail to retain. People buy at IKEA, Home Depot or any other renamed furniture/decoration store not for the brands they sell but because they recognize the value created by those retailers, whether it is on the price, on the roll of products or on the design.

## The distributors

**Scheme 4 – Home decoration market distribution channel**



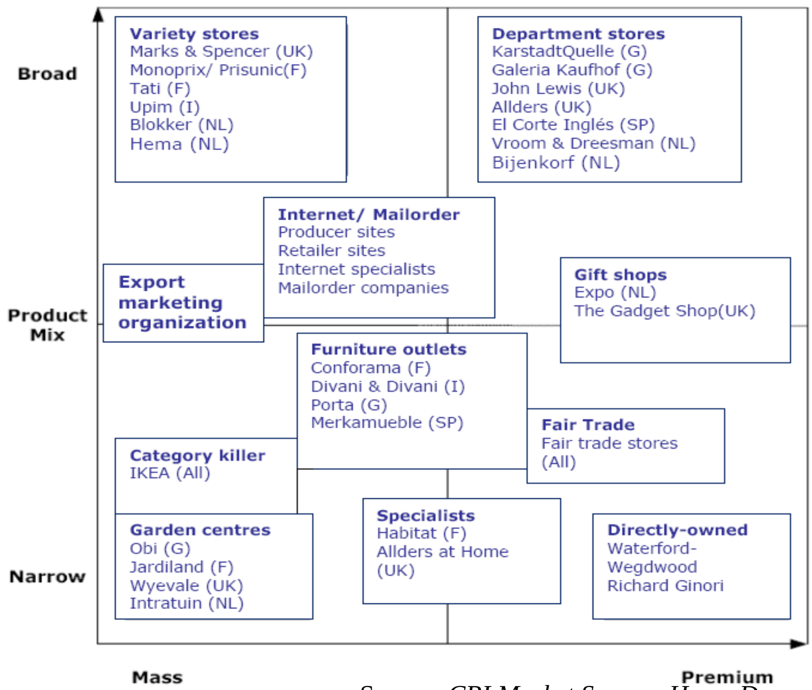

Source: *CBI Market Survey: Home Decoration and Accessories Market in the EU (2009:20)*

As many other product categories, home decoration market might have several intermediaries (Scheme 4). It is possible to sell through an agent, export marketing organization or a buying group (or through them all). Those will sell, finally, to specialized or department stores, hyper markets or online retail. This means a three or four levels chain, depending on the distribution policy. In this market, importer/wholesaler might be the main intermediary (sig.). They know local markets and contact with both, producer and buyer.

Regarding buying groups and agents, the earlier ones use scale economies on their favor, grouping to buy in larger amounts. These are especially important in countries like Germany and Netherlands (sig. p. 22). The later ones receive commission from producers for providing the connection between seller and buyer. According with the same source, these are more recommended for companies with export tradition and that include more than one factory under the same brand (sig. p. 21).

When it comes to retail, in spite of the existence of specialized stores, most of them sell decoration ornaments to balance their range of products because the obtained profit is quite considerable, "*with margins often 12-15% higher than furniture margins*" (sig. p. 22-23). This explains why department stores and larger retailers are so significant. They buy their products directly from the suppliers, cutting an array of intermediaries, which reduces part of the costs.

**Scheme 5– Distribution of home decoration by format**




Source: *CBI Market Survey: Home Decoration and Accessories Market in the EU (2009:23)*

As it can be observed (Scheme 5), distribution can be more or less selective according with the used strategy, the positioning and the target. It is easy to conclude that 1) when it comes to narrow ranges of products driven to masses, garden centers, Ikea and, eventually, furniture outlets are the most used. However, 2) if those narrow ranges are thought to reach a premium target, directly-owned and fair trade appear to fulfill the requirements. Specialists can reach both kinds of public with a strait diversity of formats.

About broader sets driven to masses, 3) variety stores and internet/mail-order are referred as the most accurate. 4) Regarding a premium audience and a broader range, department stores seem to be the best option, once they are usually located in the downtown, "*they are more brand-orientated and they offer almost all product categories under one roof*" (sig. p. 24). Gift shops can contain a narrower or a broader set, but they are usually thought as for a premium audience.

**Competitors**

As already observed, the main competitor on this market is Asia, especially China, which exports 640 tones to Europe, as the table shows (Attachment 8).

Their main competitive advantage is their low cost production. Besides, those producers are slightly easy to find within a fast internet research, due to their Google ad-words from the B2B platform "*Made-in-China.com*"[12]. This online display allows each individual to look for Chinese manufactures by sector of activity, to check their portfolio and main information and to contact them directly through there. Such detail makes importers' work much easier and Chinese companies even more attractive to work with.

**Substitutes**

Any object that seeks decoration purpose can be considered a competitor. Therefore, materials like steel, plastic, glass-ceramics or wood can be glazed-ceramics substitutes in decoration market. On this matter, *CBI Market Survey: The Home decoration and accessories market in EU* (2009:5) states that ceramic ornaments

[12] http://www.made-in-china.com

demand is growing in Europe, but in Asia and America formats like wood and artificial flowers win.

This same report (29-32) analyses a set of nine product groups regarding EU-imports for home decoration "*in terms of absolute value (€)*". Those are the following:

**Table 4 – List of substitute products in home decoration market**

| Products | Performance (from 2003 to 2007) |
|---|---|
| Plastic ware | +25% |
| Candles | +34% |
| Ceramics | +9.6% |
| Glassware | -38% |
| Wood ware | +24% |
| Paper ware | -24% |
| Metal ware | +15% |
| Artificial flowers and fruits | +1.2% |
| Wickerwork | +9.7% |

Source: The author based in *CBI Market Survey: Home Decoration and Accessories Market in the EU (2009:29-32)*

As it can be observed, among substitutes the main competitors are candles, plastic ware (which can be explained by lower prices), wood ware, metal ware, artificial, wickerwork, due to the trend for natural and healthy look products and flowers and fruits because people have less time to take care of their natural plants (sig. p. 44-45).

### 7.3. Local market analysis

**Short national scope**

Although Portugal's tradition in earthenware manufacturing is considerable, ornamental pottery has been facing deep problems in the past decade. From a turnover of €267M and an amount of 405 companies with about 11 thousands employees, in 2008[13], this sub-sector decreased to a turnover of €214M, 226 firms and about seven thousand workers, in 2010 (Attachment 9).

[13] SDO Consultoria, Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça (2009), p. 29

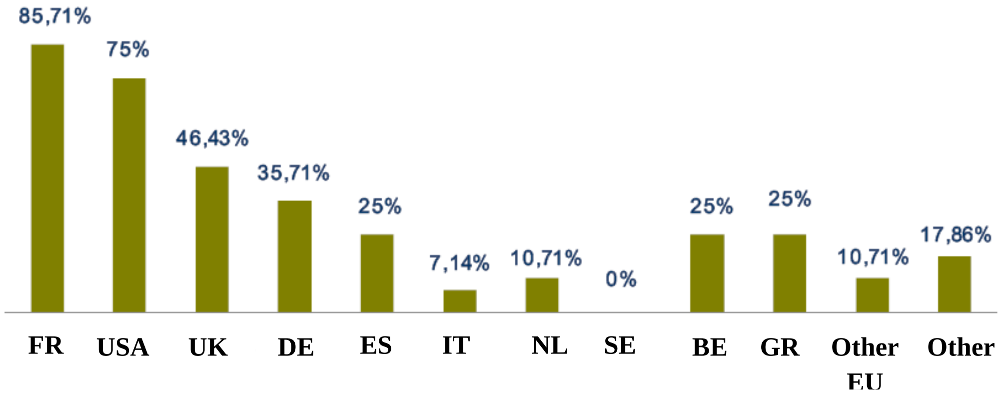
This sub-sector is regionally divided by two main concentrations at *Baixo Vouga* – which includes *Aveiro* and *Ílhavo* – and at *Oeste* – with special relevance to *Caldas da Rainha* and *Alcobaça* (Feio; 1996:8).

**About Alcobaça**

Although *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009) assures the existence are **36 pottery factories,** some of them have already closed their activity by the time of this research. Those 36 units represent 15% (€47M) of the national turnover of this sub-sector. Following the national and European trend, this industry is composed by SMEs (many of them are familiar businesses) and means 11% of the existent employment in the ceramic sector (sig. p. 53).

In 2008, more than 66% (€32M) of the referred value ended up being exported to countries like France, United States of America (USA), UK and German. Spain, Belgium and Greece were, at that time, important markets too (Image 6). In fact, for 40% of these units, exportation means 90% of their turnover (sig. p. 60). Those are also the ones better succeeded.

**Chart 1 - Percentage of Exporter Factories by Destination country, in 2008**




Source: *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009:60)

**Product**

Most of Alcobaça's cluster produces decorative faience objects. Faience is a kind of ceramics crafted at a considered low temperature (from 900 to 1280 degrees), glazed with tin oxide. It is porous and very resistant. Once the production process of this kind of products is not much complex, it is easy to copy their design or concept, which will not allow the existence of a differentiation by themselves.

These goods will be used for decoration purpose and they can have many shapes, colors and sizes, depending on the last trends. The product-mix includes jars, bowls, plates, basis for lamps, pots, ornaments, balloons, portraits and fruit supports, among other things.

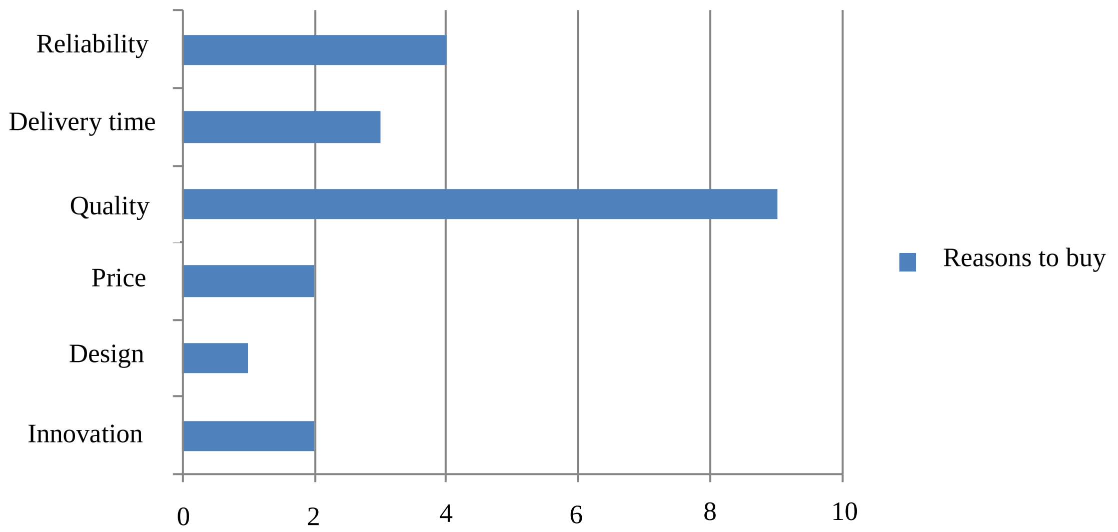
**Image 2 – Ceramic ornaments from Alcobaça's factotries**


Source: The author

Only ¼ of these companies assume to have their own brand (sig. p. 83), which means that most of the products here manufactured will be sold as belonging to others with higher perceived value whom will re-sell them at higher prices. The producers are not the final seller or branders. In fact, many of them leave the factories with the re-seller brand already printed on them. Thus, the design of many of them depends on what the buyer wishes to sell. This ability to execute products for other parties makes extremely important to be able of being flexible on their molding departments so they can answer to the clients demand.

Regardless that, 14 firms of the region say they have design department and assume special concerning with it (sig.). When interviewed the most referred characteristic (Chart 2) that makes clients to buy these products is quality (nine references), followed by reliability (four) and by delivery time (three). They assume they produce and sell qualitatively trustable objects. That is what they believe to be their main differentiation towards Asian competitors. However, this seems not to be enough to enable the creation of identification and differentiation on this cluster.

**Chart 2 – Reasons to buy these products**




Source: The author

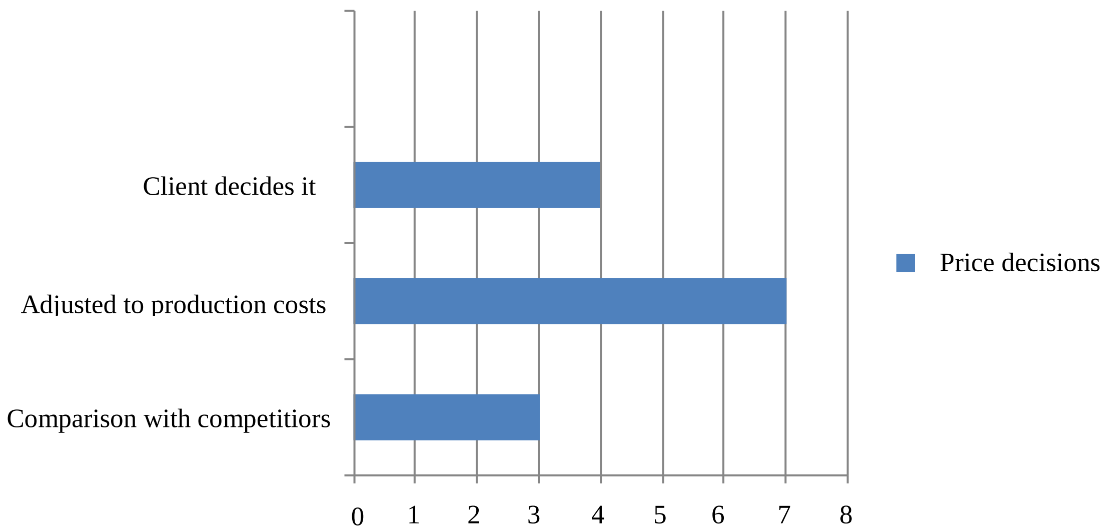
**Price**

The price decisions are taken crossing the production costs, the space – in m$^3$ – the pieces occupy in the oven, and the limit proposed by the costumer (Chart 3). About the interviews, the most referred options were that they are adjusted to the production costs (seven) although in many of those cases client has the bargain power (four).

When asked about the applied prices to their own lines, company B – whose believes its prices are similar to the local competitors – informs that in one collection, they can have values that go from €2.99 (a small vase) to €8.70 (jar). It happens, in some cases, the goods suffer a clear mark-up, leaving the factory already with the re-seller prices. For example, a pot whose production would cost about seven Euros is already priced at about £30 when it reaches the retailer. This shows that the profit margins from the producer are way lower than the margin the re-seller will obtain.

Therefore, to make these products worth the profit, they would have to be sold in huge quantities to compensate the lower margins. This does not necessarily happen, once most firms are not working at their maximum capacity and complain about few orders.

**Chart 3 – Price policy**




Source: The author

This being said, 1) the price/quality ratio seems to be one of the competitive advantages from this cluster and 2) this region does not have a high perceived value by itself, so if those prices were raised to compensate the lack of requests that would much likely hold off the costumers. Considering this, the advisable would be increase the production through a stronger demand.

### Distribution

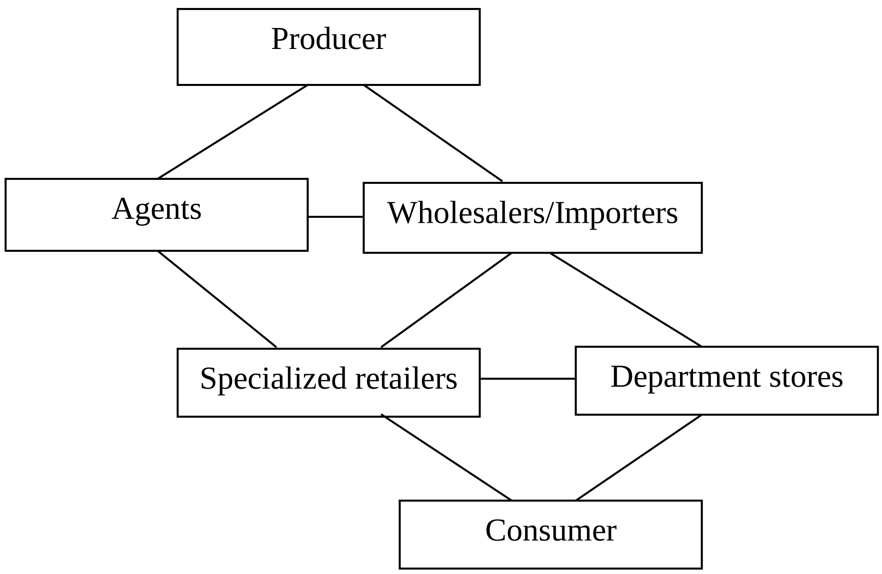
As shown in *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009: 81-82), this sector depends a lot of intermediaries to commercialize and, even, to promote their products. This is a direct consequence of the small size of the companies and their production oriented strategy. If final costumers wish to buy these products, they need to go to their factory's store or through a merchant or a broker. 56% of the firms (sig.) have site but they do not allow orders or purchases.

33% and 37% of the analyzed companies on the quoted paper attend to national and international fairs, respectively (sig.). In the past few years though and due to lack of funds, the main international fair is the Ambiente Messe fair, at Frankfurt, on February every year.

Because all these factories have different distributors, it will be taking in account the company B, once it produces for other brands but also has its own production line and was the one who gave more specific information. B sells its own line of products through department stores that vend direct to the final consumer (36% to Holland, 7% to Spain, another 7% to UK, 6% to France, another 6% to Belgium and 5% to USA). The rest is sold to another brands and that info is not known by the factory. 60% of the business is made through the intermediary, once B could not afford to do it by its own. The factory is one of the few that has website, although it does not allow online purchases.

Considering this, it would be advisable reinforce and extend it by other ways (online for example).

**Scheme 6 – Alcobaça's cluster distribution channel**

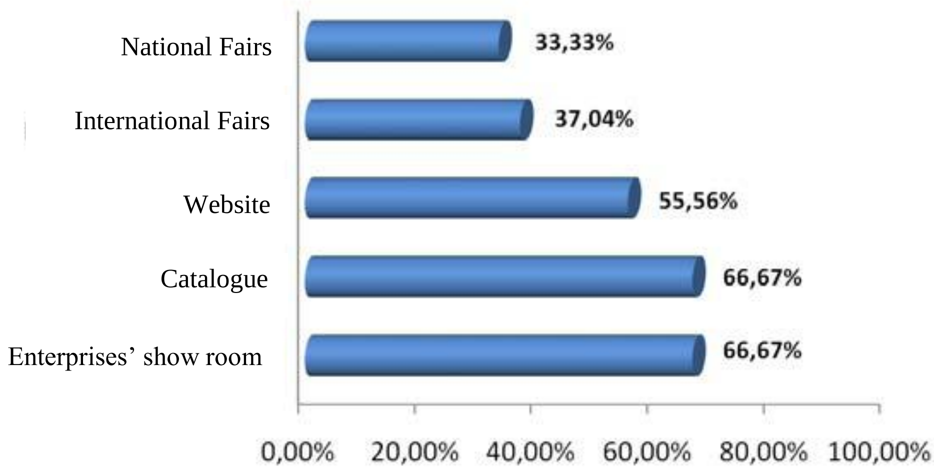



Source: The author

**Communication**

To promote their products they use the companies show-room located in the factory, the catalogue – also available online – (66,67% out of 100% both of them) and the website (55,56% out of 100%)[14].

**Chart 4 – How producers promote their**




Source: *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009), p. 64

Due to their small dimension and the associated cost with activities like marketing or advertising, from the interviewed none of them detain these departments which will be reflected in the final production.

Besides that, there is no common language or message although many of factories cooperate with each others and sell to the same markets. Also the similarity of their dimension, type of products and location would open to consideration the creation of some regional feeling of membership.

[14] SDO Consultoria, *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009), p. 64

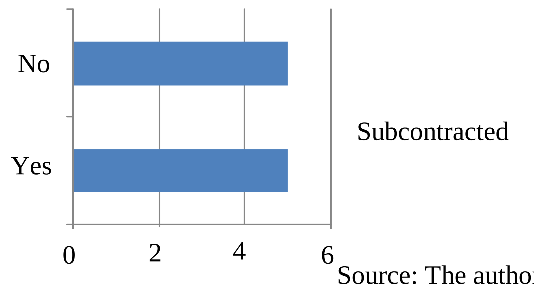
### Alcobaça's Business Model

For many years these companies have based (and in some cases, still do) their competitive advantage in products' price, taking benefit from local basic factors (resources) and from reduction costs strategies (Feio; 1996: 10). However, nowadays, such strategy is not possible anymore due their costs structure**.** The costs linked to the employees' salaries, raw materials and energy associated to the instability of fuel's price, made that impossible. This structure is based on the need of intensive manufacture, due to the specificities of the pieces that cannot be totally machine made.

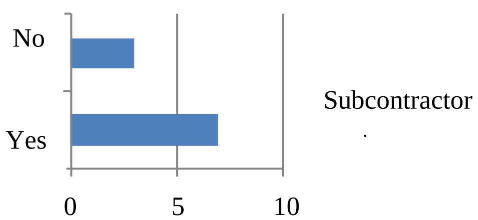
Additionally, companies themselves do not seem to stimulate the need of formal education either. Workshops are reduced and those that exist are related to hygiene and safety at work. Such lack is reflected on the almost absence of certified companies. In the only two that own one, that diploma is connected to environment or quality management.

Finally, it is possible to understand that there is a cooperation web on this cluster. All factories contract or have been contracted by others when there was excess of work on them (Charts 5 and 6). This means that, if many of them have higher demand, the others will be more likely to make part of that and augment also their own production.

**Chart 5 and 6 – Enterprises that subcontracted or were subcontracted**




Source: The author




Source: The author

### Differential advantage

Analyzing the answers from questionnaires, it is clear that quality at a lower price and Portugal's location are the main reasons to choose it as ceramics supplier. Once it is located inside EU and close from the main importers it is easier to meet desired deadlines, which does not happen with Asian suppliers. However, such fact is not enough to distinguish it from other European main suppliers once this is a common differential advantage to them.

**Competitors**

On this context and because for long time, Alcobaça have competed by price, Asian market is the main competitor, according with 80% of the interviewed factories[15], followed by Eastern European market. While only 27% consider they have national competitors.

### 7.4. SWOT Analysis

A SWOT analysis is an analytical tool used for strategy. It allows the marketer to identify a possible strategy to follow, crossing internal and external variables. Thus, it is important to analyze internal strengths and weaknesses and external opportunities and threats.

According with the exposed data, the identifiable <u>strengths</u> are **know-how** and (local) **tradition** in the production process, which leads to good **quality** products and to a big ability to export their products.

Regarding <u>weaknesses</u>, those refer to their **reactive** and **no market oriented strategy**. Their use of **new technologies** is also limited, once many of them do not even possess a web page and their **innovation** is also **low** due to the fact they do not have money to invest in it. Finally, **there is not** a special **concern in knowing their final customer**.

About <u>opportunities</u>, those are many. Its **closeness** towards Europe allow these factories to be able to deliver their production faster. Also, due to the variety of products, it is important to work on **brand loyalty and reputation**, to make the choice easier for the client. Related to this, **retailer brands** are also becoming very considerable, once they are the chosen place to buy what individuals need. Their location, notoriety and target are important details to retain. Especially because, as stated before, **home decoration market is evolving positively**.

[15] SDO Consultoria, *Análise SWOT ao Sector da Cerâmica Utilitária e Decorativa da Região de Alcobaça* (2009), p. 63

Moreover, the **relevance of universities** as innovation and investigations centers, the tendency to exist more people with **higher education** levels and the increasing importance of **internet** seem to be trends to keep in mind for short and long term strategies. Last, but not least, **synergies** with other sectors of activity such as tourism or construction is an important tool to increase business dynamics.

Finally, threatens are more linked to **few available credit** and the **low attractiveness** of this cluster for investors. The emergence of **lower priced and/or more resistant substitutes** is also something to consider on this topic. The **raise of production and energetic costs** are another concern that producers keep in mind.

**Table 5 – SWOT Analysis**

| | |
|---|---|
| **S**<br>**Know-how in the production process**<br>**Tradition as ceramic producers**<br>**Quality**<br>**Exportation potential** | **W**<br>**Reactive strategy**<br>**Scarce use of new technologies**<br>**Low level of innovation**<br>**Ignorance about their final consumer** |
| **O**<br>**Closeness**<br>**Increasing of brands importance**<br>**Growth of home decoration market**<br>**Relevance of universities**<br>**Internet**<br>**Synergies with other sectors of activity** | **T**<br>**Absence of available credit**<br>**Low attractiveness**<br>**Lower priced and more resistant substitutes**<br>**Raise of production costs** |

Source: The author

However, Freire (2000) suggests that threats are potential opportunities. So, he changes the T of “Threats” to “time” (SWOt) and divides it in opportunities of short-medium term and medium-long term:

**Table 6 – SWOt Analysis**

| | **Opportunities&Time** | |
|---|---|---|
| | **Short-Medium term**<br><br>Closeness<br>Increasing trust in brands with strong notoriety;<br>Growth of home decoration business;<br>Ecommerce trend;<br>Increasing importance of retailer brands. | **Medium-long term**<br><br>Importance of universities;<br>Bigger interest in industrial tourism;<br>Synergies with hotelary and construction;<br>Higher education levels. |
| **S**<br>**Know-how in the production process**<br>**Tradition as ceramic producers**<br>**Quality**<br>**Exportation potential** | Add value through umbrella brand;<br>Reinforce the presence in home decoration retailers; | Partnerships with universities in projects and internships;<br>Invest in hotels and “ready-to-live” houses; |
| **W**<br>**Reactive strategy**<br>**Scarce use of new technologies**<br>**Low level of innovation**<br>**Ignorance about their final consumer** | Investment in online marketing;<br>Online B2B platform; | Extend industrial tourism to all ceramic factories: “Alcobaça’s ceramic route”;<br>Creation of an investigation center in association. |

Source: The author

## 7.5. Diagnostic

Alcobaça has a micro-cluster (local cluster): set of geographically close companies that work in the same sector, that compete and collaborate among them at the same time (Chorincas; 2001:3). This means that, in terms of innovation, it is recommendable to keep its actual profile and/or to explore relates activities based on the current ones (Attachment 1).

Many of those factories **compete in similar markets** but they also work as a **production network**, where factories contract other firms from that cluster when they have excessive work. They also share the same suppliers.

For long time, they competed by low price. Nowadays, this is an impracticable and fruitless strategy against the crescent influence of Asian market, whose prices are way lower due to less labor-related bureaucracy. Because of what was just said, competitors can make better prices and **Alcobaça's cluster does not possess a reputation crystallized in a positive image** to overcome it by other means.

Although demand has increased on this sector, as seen before, Portuguese production has decreased, which means they might be **losing market for competitors**. Consequently, most of them are not working in their maximum capacity, which leaves space and ability to increase production.

**Low investment in marketing, innovation and market prospection** do not make their work easier either. There is **not a relevant brand** in consumers' minds and there is not a general interest in knowing the final consumer although there is some caution in being aware of the latest trends in colors and shapes. Also the **weak use of information and communication technologies** shows the technological illiteracy of many of them.

Besides that, they work, mostly following retailers' or intermediaries' whishes, they do not produce thinking of the final consumer but, instead, on the retailers who might want to negotiate with them.

It seems, as well, to have some kind of **reluctance in working as one**, due to bad experiences in past. Even regarding the APICER, the sector representative association, entrepreneurs do not feel it is supportive enough. Finally, for them, it is **important to keep the autonomy** of each one of the elements.

This being said, it is necessary to take advantage from this growing market demand and to challenge competitors, incentivizing consumers to buy more.

Therefore, with this document it is meant to:

- Stopping the decreasing tendency on demand;
- Reaching new publics;
- Attracting investment.

## 8. Looking for solutions

From this point, it will be provided a guide with policies to improve the discussed cluster. This set of actions will consider the use of an umbrella brand and extend it to the whole marketing mix, with special relevance to distribution and communication.

### 8.1. Port's wine example

To overcome fragmentation and to take advantage from collective strength, other clusters have joined efforts to regulate their sector of activity and to guarantee economies of scale in areas like communication.

One of them is, for instance, Douro's wine cluster. Port's governmental regulation exists, since century 18$^{th}$, through an autonomous institution. It was, at that time, Companhia do Douro and it is, nowadays, Instituto dos Vinhos do Douro e do Porto (IVDP). Although there are others, this is the most relevant.

IVDP has been created to control and protect Port's quality and geographic origin. Even though it is ruled by Government, it is administrative and financially autonomous. Under the law 47/200, from February 27$^{th}$, its performance includes objectives such as[16]:

- Providing strategic orientation and know-how about the whole value chain;
- Promoting common and general interests;
- Monitoring and punishing infractions to the law;
- Controlling and promoting the origin denomination;
- Boosting the best practices on production and technology;
- Guaranteeing seals emission;
- Ruling packaging.

Regarding Alcobaça's cluster, Government regulation and interest was never relevant or felt, maybe because faience is not a product-category and, therefore, it is not unique by itself.

[16] www.ivp.pt

Consequently, it cannot be followed the exact same model of Port's cluster, but it can be used as an inspiration to suggest another type of concentrated efforts, if not, at least, in its objectives.

### 8.2. Alcobaça's joint-venture

As the title suggests, it will be proposed a local corporate inter-firm umbrella brand to improve the performance of this cluster. Thus, local companies would join efforts to create a third entity, with its own juridical identity through the creation of a shares society.

**Legal issues**

As the law dictates, its capital is divided in quotes and each individual will have right to detain only one of them. This means that each one of its members will be represented only once in every taken decision. Such condition helps to reduce the risk of interest games, once each individual equals to only one vote.

This society can be represented and administrated by one of more managers, whom do not necessarily need to be part of it. Besides that, it has to have or fiscal council or, at least, an auditor.

It is needed a minimum initial social capital of €5.000 and although shares value can be diverse, it cannot be less than €100, that is, 2% of the initial value.

**Money issues**

To assure an annual money flow inside this new organization, it is recommended that the shares of each member equals to 5% of its annual turnover. This means that, for instance, if the annual turnover of firm X is €1M, it will have to donate €5.000 per year and so on. Therefore, if the society has five members, each one with a turnover of €1M, they will provide an annual donation of €2.5M.

**Intervention areas**

- Augmented product – adding value to the actual product through parallel services and guaranteeing quality standards;

- Distribution – assuring presence in certain markets and finding the best distributions practices;
- Brand management – creating and managing an umbrella that represents the involved firms and emphasizing its denomination origin;
- Communication – promoting the brand positioning and incentivizing its consumption next to its publics.

**Objectives:**

- Increasing sales;
- Defending the group interests;
- Protecting denomination origin;
- Reinforce presence in the markets;
- Providing strategic orientation for distribution purposes;
- Assuring quality standards;
- Communicating its products;
- Collecting market information.

All these aspects must be referred on the Memorandum of Understanding that all the members must sign when joining the society.

## 8.3. Segmentation, Targeting and Positioning

**Segmentation**

It is essential for each organization to know its audience to be able to better adapt and act towards them (Dionísio et al; 2004:138). Thus, segmentation aims to create subsets of public as homogeneous as possible. This method can be applied using demographic, geographic, lifestyle, social and economical criteria.

Following this reasoning and according with *CBI Market Survey: Home Decoration and Accessories Market in the EU* (2009:7), preferences, demographics and income are some of the criteria do consider:

**Table 6 – Home decoration market segmentation**

| **Segment** | **Age** | **Occupation** | **Income** | **Behavior towards home decoration products** |
|---|---|---|---|---|
| **Youngster** | 18-29 | Students (or single young workers) | Lower | Functional and low priced products |
| **Singles** | 20-45 | Single mothers, divorcees, independent career men/women | Lower to high | Practical and multifunctional; Interested on the latest trends |
| **Couples (without children)** | 20-35 | Both partners are employed | High | Very sensitive to fashion; More responsive to new trends. |
| **Household with children** | 25-45 | Both partners employed | High | Not so sensitive to fashion as the earlier couples; Prefer functional, resistant and not so high priced products. |
| **Older couples** | 45-65 | Both employed | High | No children; Enjoy socializing at home; Less sensitive to fashion; Prefer more traditional and functional objects; Also like garden decorations; Are currently replacing their current interior; Value-for-money. |
| **Seniors** | +65 | Retired | Getting more important due to the recent cuts in Europe | Prefer high quality and more traditional products; Value for money; Value expert advice; Enjoy collectables. |

Source: *CBI Market Survey: Home Decoration and Accessories Market in the EU* (2009:7-8)

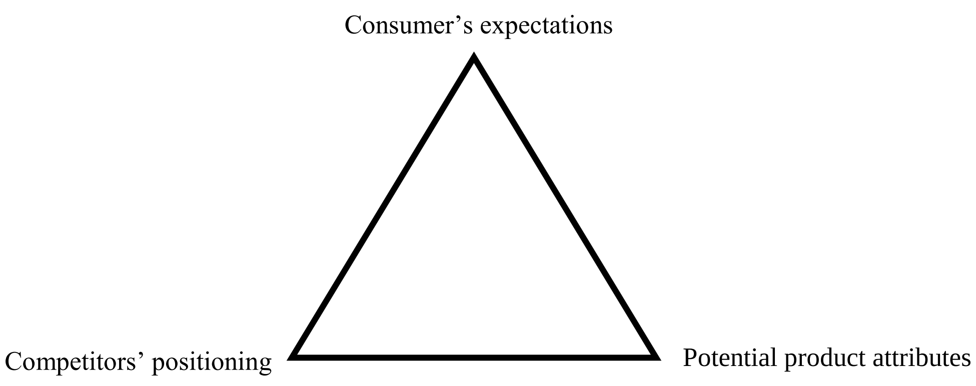
**Targeting**

Considering out objectives the earlier exposed objectives, the chosen targets are 1) “singles”, because they need to (re)decorate their houses and, if they enjoy it, are more likely to become loyal to the product even after getting married; 2) “childless couples”. These groups are more vulnerable to home decoration and to fashion. They should belong to classes A, B and C1, once higher incomes and educational levels will raise the probability of being a trend follower.

**Positioning**

According with Dionísio et al (2004:158), to find the tools that will be the basis of the positioning, it is important to consider three factors: 1) public expectations towards the product category, 2) competitors current positioning and 3) the potential advantages of the product in its category. This is called the “positioning triangle”:

**Image 3 – Positioning Triangle**




Source: The author

a) <u>Public expectations</u>

The first chosen target **follows the latest trends** and enjoy objects that can also be **multifunctional/adaptable**, at an attractive price;

The second target value **fashionable** articles and do not mind to spend more money on them, once they have higher incomes;

In one case or another, who enjoys decorating their home, do it to feel more comfortable, but also to improve the atmosphere. In a way or another, it is always to feel better at home. Another aspect that customers might expect is the **quality** of this cluster, due to its huge tradition producing ceramic articles. Finally and, as said, before, decorating their home is a way of expressing themselves (especially for women), so when buying these products consumers can expect to find an extension of their personality and creativity.

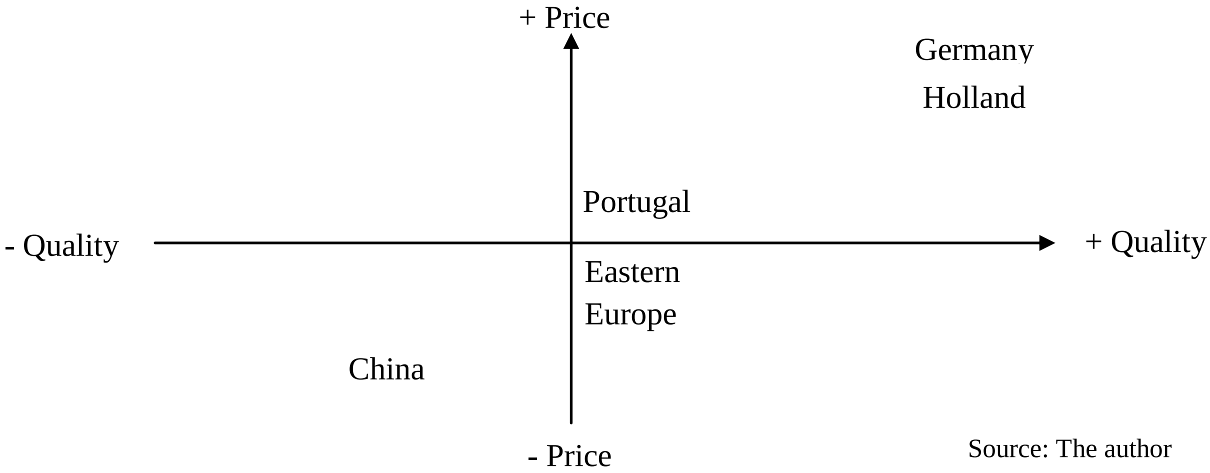
b) Potential attributes of the product

According with the interviews, entrepreneurs point the ratio **price/quality** as the main reason to buyers purchase their products, followed by good **molding** and **closeness** from European market and, thus, speed on the deliver. **Trust** in B2B relations and **know-how** in the production process are also one of the justifications.

c) Competitors' positioning

As seen earlier, China competes by its low priced products, while main European exporters, like Germany or Holland, compete by quality. Regarding this, when asked why clients buy their products, Alcobaça's entrepreneurs answer price/quality ratio, which could led to the following perceptual map:

**Scheme 7 – Perceptual map of Alcobaça's positioning according with producers**




Source: The author

Like China, for long time, Alcobaça competed by price, which is no longer a reliable strategy due to the labor and production costs. Besides that, the perceived value of these products is undefined to the final consumer, especially because, many times, they work for other brands. So, it is important to keep the quality, but to increase perceived value and approach final consumer more directly and closely. In spite of its importance, price is not a differential advantage anymore.

Therefore, it is recommendable to keep working on quality and improve the augmented product. Functionality is another important detail, once it makes the products more desirable. Finally, proximity, not only on the speed with which deliveries are made, but also on a close and interested relationship with final consumers.

However, these factories work mostly for B2B public and not so much for B2C, that positioning also has to change if they want to reach the final consumer more effectively.

This being said, it seems important to keep the emphasis on quality and know-how, although in European market that is not a differential condition anymore, due to the large and high quality offer. It is interesting, then, to remember that decoration is seen, by women, as part of their own creative, therefore, an extension of themselves, part of their identity. Thus, it is advised that the positioning work out that need of self expression, a positioning based on that subjective gratification.

Therefore, keeping the relevance on quality, the chosen position is: "adaptable to you" pointing the idea of adaptation to each one's identity. The intention is to add value and increase the involvement.

### 8.4. The brand

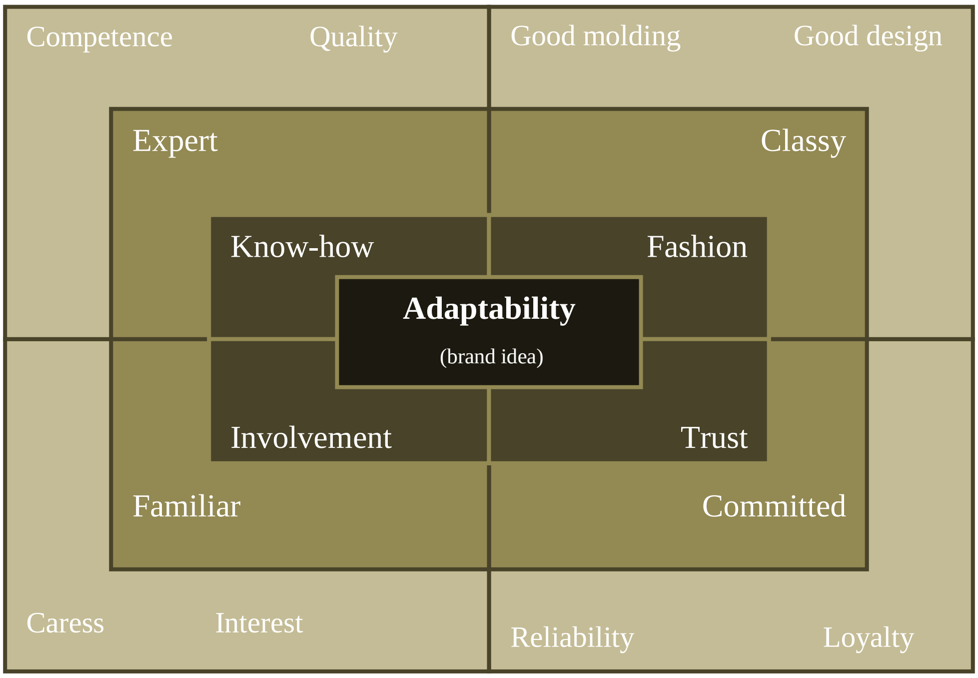
A brand is a contract, an identifier and a differentiator (Dionísio et al; 2004:169): it makes a promise to the customers and allows them to recognize the desired object in an easier way. Once the product of this cluster does not represent a differential advantage by itself and the parts that compose this set are not very strong, it seems important to create a common entity that can add value to the final product and strength the positioning from the whole.

To create the brand identity, were considered the proposed positioning, the differential advantages pointed by the entrepreneurs on the questionnaires and a brand model taught by the professor João Faria Gomes on his classes, at ISCTE. This model includes four rectangles inside each others. The central one represents the brand idea (the promise/positioning), the second one represents the values of the brand, the third one refers to its attitude (thus also its own language) and, finally, the fourth one, the offered benefits. On the case of this last one, the up concepts point functional benefits and the ones underneath are emotional.

Using this model applied to this brand, we reach the following scheme:

**Scheme 8 – Brand model**

**Functional benefits**




**Emotional benefits**

Source: The author, based in Prof.
João Faria Gomes teachings

**The name**

The name of a brand should be short (no more than three syllables), without undesirable connotations, international (not difficult to be spelled by foreign people), available and defensible by law, non-limiting – allowing the brand to be extended to other product ranges – (Dionísio et al; 2004:177-178).

Nevertheless, considering this is an umbrella brand from a local cluster, it is advisable to keep the geographic name, so it can be lately extended to other sectors like tourism. “Alcobaça”, however, is a difficult name to be spelled by foreigners, not only because it is a big one, but especially due to the sound “ça” (which is very difficult to anglo-saxonic countries). Besides that, there is also a city named “Alcobaça”, in Bahia, Brazil.

Thus, it should be considered a name that relates with the local symbolism. The suggested one is “**Alcôa**” – the name of a local river that is part of the origin on the city’s denomination. It should be present in every label, next to the factories/brand name.

### Brand elements

The ***logo*** is the image that allows the identification of the brand when the name is not present, it is the “*brand’s flag*” (sig.). Thus, once this brand represents ceramics, it makes sense that the chosen logotype is a traditional ceramic plate from Alcobaça. Because it has a very characteristic shape, it becomes easier define it into a cleaner design. Many of them also have spots inside them, which can be replaced by the letter of the name.

**Image 4 – Alcôa’s logo**


Source: The Author

Regarding the **colors**, the advisable ones are golden and pink. Golden relates with excellence and wealth. Besides that, together with pink both are connected to Alcboaça’s traditional ceramics.

The suggested brand **signature** is “Perfectly shaped to you”, pointing the perfect relation between the excellence of the products and its compatibility with people’s identity, at a competitive price.

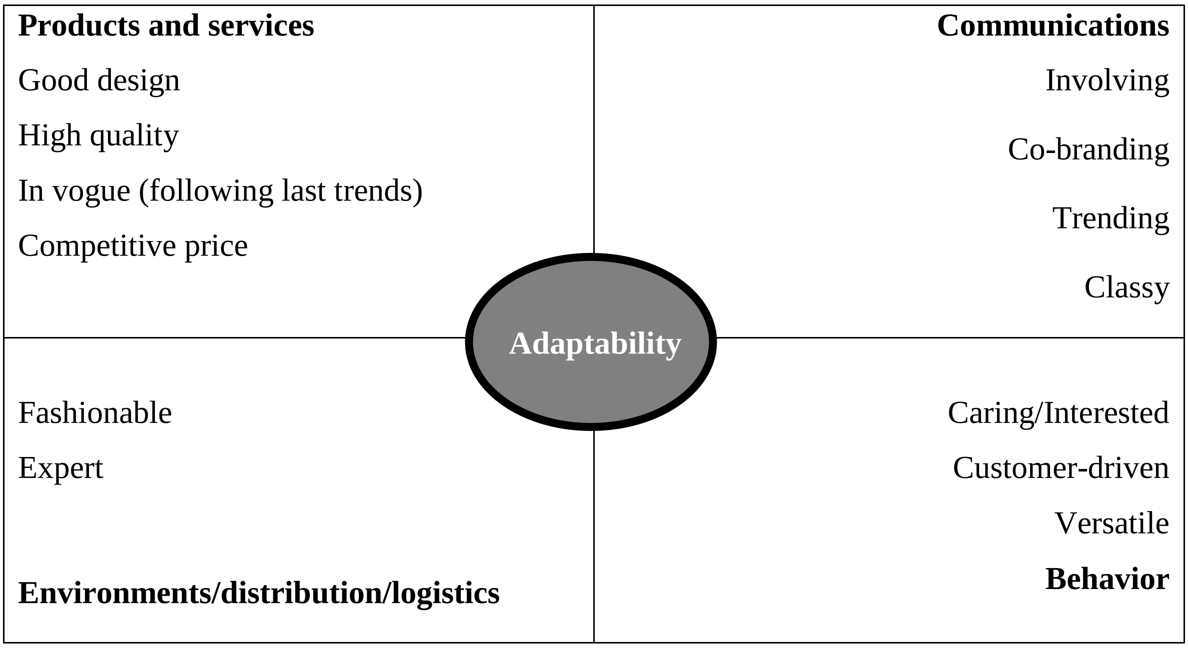
**Table 7 – Brand elements**

| | |
|---|---|
| **Logotype** | Traditional Alcobaça's ceramic plate (clean design) |
| **Colors** | Golden and pink |
| **Tone of voice** | Classy; Involving |
| **Key-messages** | We are perfect for you<br>You and your home deserve the best |
| **Brand architecture** | Co-branding with factories' names<br>(Alcobaça as the dominant brand) |

Source: The Author

Using another scheme also taught by Professor João Faria Gomes, it is possible to extend the brand to the objects of it identity: Products and services, distribution and environment, communication and its behavior. This can be shown in the following scheme:

**Scheme 9 – Brand's extension of identity**




Source: The author, based in Prof. João Faria Gomes teachings

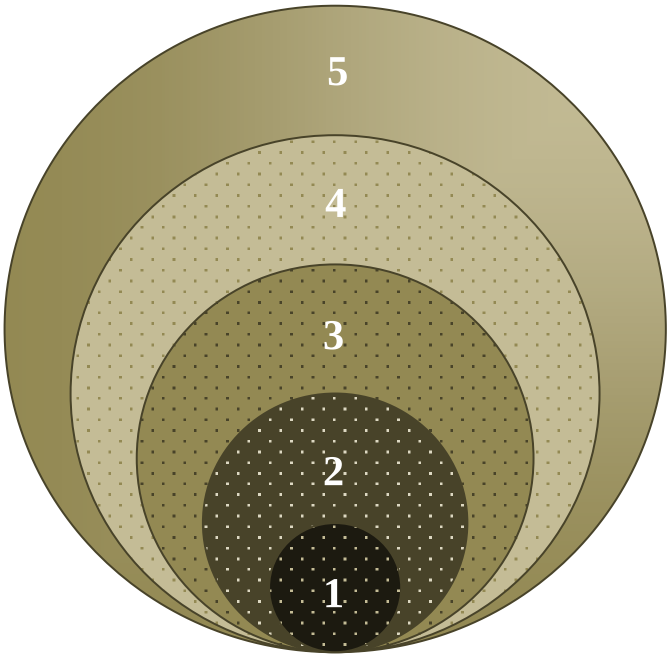
## 8.5. Marketing-mix

### 8.5.1. The levels of product

A product is more than the actual object it sells. It is linked with some kind of benefits and perceived value, "*generally the purchaser is buying much more than juice or a vehicle*" (Dibb et al; 2011:253). One buys according what is perceived but also with what is expected, so if the observed good does not represent any differentiation by itself, it is important to develop another related details, such as the consumer's expectations or the augmentation and potential of the product.

Those 5 different levels of a product are the following[17]:

**Scheme 10 – Levels of product**




Source: The Author

1. Core benefit: the real need/want fulfillment that it is achieved with the acquisition of the product;
2. Generic product: it relates with the strictly necessary for its function;
3. Expected product: attributes a consumer expects the product to have to fulfill its purpose;

[17] http://www.provenmodels.com/16

4. Augmented product: additional benefits whose increase the differentiation of a good, such as personnel, delivery, customer service, etc;
5. Potential product: all the future transformations a product may go through.

**The five levels of product from Alcobaça's faience**

In the case of this cluster, the good has as core-benefit the beautification/decoration of people's house, embodied in an ornamental ceramic object (the generic product). In a general way, it is only fairly developed till the expected product (good quality and price) and even this last one is quite limited. The proof for that is that only a few companies have their own brand and/or marketing department. They seem to have a close relation with their B2B clients, although they do not appear to have after-sales support, customer service or delivery service, in a general way. So, their augmented product is not as well developed as it could be. Also, about the potential product, there is one factory that allows (and has a registered brand on) industrial tourism, but many others admit not to have the conditions to do it.

Considering this, it is proposed the set of the following improvements for levels three, four and five:

1. Expected product: good design and excellent quality at a competitive price;

2. Augmented product: Each piece should have its own personality, bringing its instruction manual with it. This manual should describe its tangible and intangible characteristics and also its cleaning and handling methods. With this, it would become easier to find which ones is the best object for someone's home or gift.

3. Potential product: Decoration advice service/magazine; Industrial tourism.

### 8.5.2. Price

Due to the sensitiveness of the topic and producers autonomy, price policy will not be deeply developed. Instead it will only be made a few recommendations:

- It should consider a premium price, although competitive enough even for this niche.
- It is suggested that price is chosen according with the positioning and with competitors' prices.

### 8.5.3. Distribution

These factories, as assumed earlier by B, cannot afford to distribute to every single store by themselves due to little money and storage incapacity on the destination countries. Otherwise, "*all producers would have to deal directly with retailers or consumers, so that every producer would have to keep voluminous records and hire enough personnel to deal with a multitude of customers*", which would be noticed on the final prices and on the needed personnel (Dibb et al; 2001:354-355). Thus, the existence of "middlemen" seems to be essential to allow a more effective and cheaper distribution and to perform eventual promotional functions in a more successful way.

**Offline distribution**

Due to the specific target, Alcôa wants to reach and its positioning, the desired distribution should be selective. This kind of distribution is aims dispose the product in some specific places and it is recommended for the type of shopping products were considering (Dibb et al; 2001:364). On this context, once it is aimed to reach young-adults, in active life time, that follow the last trends, it was considered to chose department stores in some of the most populated cities of the said countries.

<u>Department stores</u>

This kind of shops is usually well located in towns and assures and is driven to a younger and with mid-higher income audience. Department stores have special relevance for decoration accessories sector[18], they also have a larger variety of products located in the same space. Additionally, they have available important brands, but also their own products, offering a wider range of both (sig). Besides that, being located in urban areas they are more likely to reach the intended target – young-adults, trend

[18] *CBI Market Survey: Home Decoration and Accessories Market in the EU* (2009), p. 24

followers with medium-high income. Therefore, to match the wished positioning, it will be chosen the main department store chain of the destination countries.

Destination

Considering the given data it will be suggested a distribution policy applied to only three of the referred countries. This policy is aimed to be extended and applied to all the potential or actual others. With the objective of reinforce presence in Europe, the chosen markets for Alcobaça's distribution are department stores from Germany (the main market according with APICER's info), United Kingdom and Netherlands (taking as example two of the main destinations from company B).

Retailers[19]

**Table 8 – Chosen retailers**

| Name | Country | Owned stores (number) |
|---|---|---|
| **Galeria Kaufhof** | Germany | 109 |
| **Debenhams** | United Kigdom | 148 |
| **Vroom&Dreesman** | Neetherlands | 62 |

Source: The Author

Galeria Kaufhof – this chain is located in Germany and Belgium. It owns 109 stores spread all over 80 German cities and it has an annual revenue of €3,4 billion. The assumed positioning is driven to a mid-high segment, offering a large set of international brands;

Debenhams – this brand owns 148 stores all over UK and international 61 franchise shops. Its revenues in 2011 were reached €3.2 billion (£2.7 billion). This business has been running for 230 years, which assures its strong presence over British land;

Vroom&Dreesman – V&D counts on 62 stores in the Netherlands that receive 500 thousand clients per week. They care about last trends and about to make customers shopping more comfortable.

[19] The present info was taken from these brands respective websites

In common, they all have offer gift list service and pay special attention to foreigners. They also believe in the future of online retailing, so they have been increasing their interest on that field, creating the possibility of purchasing online.

**Table 9– Slected cities**

| Store | Cities (number of stores) | Total |
|---|---|---|
| **Galeria Kaufhof** | Berlin (5); Hamburg (2); Munich (4); Cologne (4); Frankfurt (3); Dortmund (1); Stuttgart (3); Düsseldorf (3); Bremen (1); Hanover (2); Duisburg (1); Nuremberg (2); Leipzig (1). | 25 |
| **Debenhams** | London (3); Birmingham (2); Leeds (2); Glasgow (2); Sheffield (2); Liverpool (1); Edinburgh (2); Manchester (2); Bristol (1); Wakefield (1). | 18 |
| **Vroom&Dreesman** | Amsterdam (3); Rotterdam (2); Den Haag (2); Utrecht (1); Eindhoven (1); Tilburg (1); Groningen (1); Breda (1); Apeldoorn (1); Nijmegen (1); Enschede (1); Almere (1); Harleem (1); Zaanstad (1). | 19 |

Source: The Author

<u>The intermediaries</u>

As already stated, these factories cannot afford to contact directly all these stores. So, there is the need of contacting intermediaries. There are some types of those that could be included on this chain: wholesalers, export marketing organizations, buying groups, importers and agents, among others. However, in this case it is intended to have as much control as possible over the distribution chain.

Thus, considering it is being dealt with department stores, it is important to know that they department's stores activity includes, many times, the use of a selling [or buying] agent[20]. This agent will have the pull function of promoting Alcobaça's products next the retailers, incentivizing them to purchase them.

<u>About agents</u>

Agents usually have a good general knowledge about the market, either they are the retailers/distributors or the final consumer. They are legally allowed to represent the producer, without possessing their property[20]. Their task is to approach the buyer, bringing him into business with the producer, charging commissions for that. This kind of intermediary is better recommended combined small and medium factories like the ones in Alcboaça's cluster.

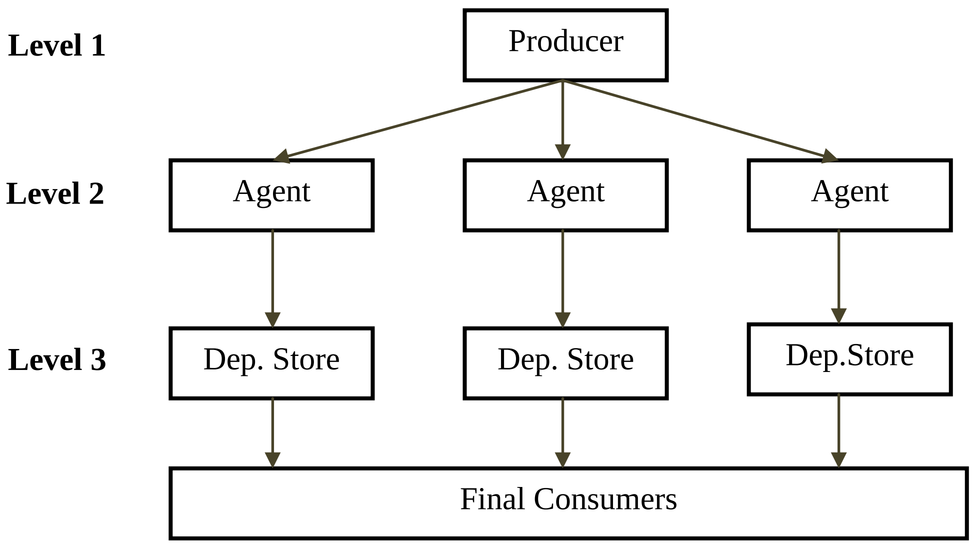
<u>Agents' profile</u>

- Specialized in department stores and high quality products;
- Related with the business of home decoration and accessories;
- Available to follow according with Alcobaça's communication policy:
- Know the last trends in the market and customers' preferences;
- More than five years of experience working with the wanted retailers;
- Should cover the referred cities.

[20] *CBI Market Survey: Home Decoration and Accessories Market in the EU* (2009), p. 21-22

This would leave us with a distribution channel of 3 levels:

**Scheme 11 – Levels of product**




Source: The Author

**Online distribution**

It is also proposed the creation of an online platform (Attachment 10) that brings together all the interested brands and adds info about them. This website should include history, data, contacts and catalogues from each one of them. The idea is not to create a place to purchase but, instead, a space where it becomes easier to communicate with the producers (following the example of made-in-china.com).

Therefore, buyers can see the work of these companies and, if interested, can find contact them though that page. This would help to end with the difficulty that it is to find some of these factories online.

Additionally, it is suggested, in the same site, the creation of a “producer’s area” where they can visualize the latest researches about their field and know the last tendencies, in materials, process and design. Such “online library” could be achieved with partnerships with national universities that study the area and APICER. They would allow make those researches available for these producers and, at the in return, internships would be incentivized – making stronger the bridge between universities and enterprises.

### 8.5.4. Communication

**Objectives:**

- Creating awareness;
- Acquiring notoriety;
- Collect new clients/members;
- Increasing involvement.

**Targets:**

- Producers of this cluster (already described) – that should be able to understand the reasons and advantages of this brand;
- Retailers/department stores (already characterized) – whom knowing the present communication strategy and the main reasons to buy the attributes of the product should be interested in buying and re-selling these products;
- Final consumers – that should end up interested in buying Alcobaça's ceramic ornaments. These are:
  - Young-adult and adult women (20-45);
  - Trends followers;
  - Enjoy receiving people at home;
  - Appreciate decoration;
  - Classes A, B and C1.

<u>After this action, targets should see the promoted products as</u>:

- Good business opportunity (potential members and retailers);
- An attractive product;
- A brand that can provide the best solutions to home decoration to its customers;
- Synonym of quality;
- A reference on decorative ceramics accessories;
- An essential good to create the perfect atmosphere;
- The perfect gift for someone.

**Main arguments:**

- It is a high quality product at a competitive price;
- It follows the last trends in warehouse fashion;
- Decoration activity is a way of express one's creativity, therefore it is important to make the individuals feel their home as an extensions of their identity;
- It looks for the satisfaction of their customers and aims to be part of their lives.

**Communication axis:**

The communication axis of this campaign is "*perfectly shaped to you*". Such idea follows the adopted positioning and brand signature and aims to underline an involvement intention from the brand towards its publics.

Thus, it will be used actions that enhance customers' interactivity and emphasizes how these products are essential to make each one's house to be an extension of their personality.

**Actions**

<u>Targeted to producers</u>

- Objective: collecting members

  Meetings to explain the nature of the project:

  · Those would be carried out by relevant people from the sector and from the local.

  Personalized brochures:

  · To inform about the advantages of this inter-firm umbrella brand (communication and marketing expenses, financial incentives for collective projects such as the one in matter, partnerships with universities, etc).

  Press accountability:

- Press buzz about the topic on local radio and newspapers (interviews, press releases).

<u>Targeted to retailers (department stores)</u>

- Objective: Collect new retailers

This kind of marketing aims to increase customer satisfaction, therefore, his loyalty and, consequently, obtain higher profits (Sorce; 2002:7). This closer relationship management shows that it is cheaper to deepen already existent trade relations than to create new ones, anchored customers are more likely to pay higher prices and will spread the word-of-mouth (sig.).

On this context, it is suggested the following set of actions:

- Follow up through phone-call and/or e-mail;
- After-sales support;
- Customers data-base with respective information and statistics;
- News-letter with latest events, existent project and new products;
- Personal visits (once or twice a year);
- Sharing Alcobaça's communication strategy with them.

<u>Targeted to final consumer</u>

- Objective: creating awareness:

Advertising campaign:

- Regarding the creative strategy, it is suggested to create an identity focusing on consumers' attitudes and not so much in a specific benefit. It is recommended when it is difficult to create an unique selling proposition.

  <u>Reasons why:</u> As already said, home decoration is a way of expression of people's (especially women's) creativity. So, similarly as it happens in fashion ware, the house décor is an extension of one's culture and personality. Then, missing the perfect decoration ornament is the same as missing an earring or the exact outfit to that specific occasion. It will be noticed by the ones around us.

Promise: It is based on the identified gratification that will self-fulfill and, at the same time, provide social approval – Your house will look as perfect as yourself.

Tone and campaigns identity: Emotional – the campaign should appeal to one's emotions.

Christmas campaign:

- Its concept will be the apparently random distribution of flyers containing the "personality" of a piece (according with the suggested augmented product). Each one of those flyers will also be a discount voucher when buying one of these products.

Press conference:

- Announcement of the birth of the new brand.

- Objective: Increasing notoriety

Fairs:

- Stand in the most important fairs and trade-shows.

Alcobaça – Routing Ceramics:

- A week of activities related with ceramics – workshops, exhibitions and special guests.

  Place: Alcobaça

Annual report:

- The existence of an annual report is important so all stakeholders understand the real performance of this brand.

Press accountability:

- Press updates about the actions and the performance of the cluster in;

Sponsorships – material support (decorative) to some local events:

- It will be proposed to local Government the decoration of rooms in case of press conferences, meetings, etc.

Partnerships – establish partnerships with universities and local government:

- With this it will be possible to increase the advanced factors of the cluster, allowing the producers to access to specialized literature and to develop trainee programs with those students.

- Objective: Increasing involvement

Show-room on the retailing points:

- Decorate other stores of the department store where those products are for sale.

Online contests:

- Signature campaign – it will be drawn the name of a person , from the ones who bought Alcobaça's ceramic, during December/January, whom name will be used to name a piece from the new collection. The decision will be announced on Facebook;
- "Valentines' day – The best love declaration" – the person who writes, on the Alcôa's Facebook wall, the most voted ("liked") love declaration for his/her soul mate earns a free home decoration (products must be included on the catalogue);
- "Innovation and Design" – it will be asked to the interested parties to submit projects of design concept or/and product innovation;
- "Mom's day" – it will be randomly chosen one person that has bought an Alcobaça's gift to his/her mom (through a code that will come with the piece when bought).

Decoration blog:

- Online platform to give advice and to keep clients updated with the last trends.

**Promotions**

Christmas promotion:

- The flyers from Christmas campaign will work as vouchers that customers can use to have a discount of ten percent.

Gift promotion:

- In case of being purchased for gift purpose, it should contain a card congratulating the receiver for the respective occasion (ex: anniversary, birthday, Christmas, etc). This same card would give a discount of 30% in the next purchase of an Alcobaça's product.

Instructions and limitations:

- The campaign should contain brand's logo and signature in all the suggested formats.

## 8.6. Chronogram

| Actions | Date | Media | Evaluation |
|---|---|---|---|
| **Primary contacts with retailers** | September | Phone<br>E-mail<br>Personal visits | Amount of new clients |
| **Meuble Paris (Fair)** | | Press-releases to Newspapers (Decoration) Magazines | Number of new clients/interested entrepreneurs<br><br>Sales performance |
| **Media announcement of the new brand (press conference)** | October | Press-releases to Newspapers (Decoration) Magazines | Media references (clipping) |
| **B2B online platform** | | Web site | Amount of contacts through the platform |
| **Release campaign** | November | Radio<br>Posters<br>Brochures<br>Social networks | Awareness rate<br>Sales performance |
| **Christmas campaign** | December | Posters<br>Flyers<br>Radio | Awareness rate<br>Collected vouchers<br>Sales performance |
| **Signature campaign** | December/January | Radio<br>Social networks<br>In store flyers | Number of participants |
| **Release of a online decoration platform** | January | Blog<br>Social networks | Number of visits<br>Comment analysis |
| **Ambiente Frankfurt (Fair)** | | Press-releases to Newspapers (Decoration) Magazines | Amount of new clientes/interested entrepreuners<br><br>Salles performance |

| **Actions (cont.)** | **Date (cont.)** | **Media (cont.)** | **Evaluation (cont.)** |
|---|---|---|---|
| **Valentines' day** | February | Social Networks | Number of participants |
| **Show-rooms on retail places** | March | Brochures | Sales performance<br>Customers' opinion |
| **International Furnishing Accessories** | April | Press-releases to<br>Newspapers<br>(Decoration) Magazines | Amount of new clientes/interested entrepreuners<br><br>Salles performance |
| **Mother's day** | May | Social networks<br>Radio | Number of participants |
| **Design and innovation contest** | June | Social networks<br>Posters<br>Radio | Amount of participants |
| **Routing ceramics** | July | Workshops<br>Conferences<br>Press<br>Social networks<br>Web site | Number of participants<br>Awareness rate<br>Clipping |
| **Evaluation and preparation of the new season** | August | Annual report<br>Press | Clipping<br>Turnover |

## 9. Conclusions

Alcobaça's cluster shows structural difficulties, not only due to the small size of its factories, but also to their mostly reactive strategy. Consequently, since the 90s, firms have been closing one after the other leaving only about 36 currently.

For many years these micro and small enterprises competed basing their differential advantage on price (similar at what China does currently). However, such positioning is no longer effective or efficient, once it is socially and financially impossible insisting on it. Their small dimension does not help either, because they do not have budget to act alone against bigger producers competing in the international market. Then, it seems urgent to change the pattern to make this local cluster more competitive.

The creation of an umbrella seems to be a good way to follow once it allows a collective action without smash each one of the present identities. It makes possible to work (especially) distribution and communication in a coordinated way. It will also make available market information in a less expensive way. Additionally, it will augment demand, to add expected value and to increase notoriety to those products and the respective region.

This will be possible due to a coordinated effort under a logic of relationship marketing with retailers to persuade them to buy and resell those products and a communication strategy that aims the involvement of final customers. This strategy will include advertising, public relations, promotions and online marketing. In addition, this project proposed measures to improve the augmented product, once it was not well developed.

The current project showed that the differentiation should be based on the augmented product and in a market oriented strategy and not in a cost-production reasoning. Only then it will be possible to make higher profits both rising margins and increasing purchases frequency. It is important that entrepreneurs understand that, so they will not depend so much on intermediaries and market fluctuations.

However, some limitations have to be considered too. The lack of updated data about this sector makes a precise analysis very difficult. There is no official registration of how many factories operate or information about the performance of the registered ones. Even the enterprises themselves do not have an exact notion about their performance. Thus, it extremely difficult to find accurate data, such thing can have eventual negative consequences on the researchers' work.

Furthermore, the fact most entrepreneurs do not believe in the reliability of a collective project shows how extremely difficult to persuade them to try it. As main argument it is the fact that each one of them will look first to fill up personal interests instead of try to achieve better solution for them all. Most of them assume they are able to work together if that means an improvement for the sector, but they are faithless about it.

Specific Governmental regulation and interest is also scarce and makes difficult to claim rights and laws. Plus, these are smaller factories with financial problems (in many cases), so the available budget might be quite short when compared with the needs of the business.

The current paper launches just an option to start a joint-venture on this sub-sector. Nevertheless, such option can be the beginning of something bigger and that might represent changes even in the way these factories buy raw-materials and influence the Government. The important is to be open to ideas like these and apply them to the reality. Even if it starts with only a few companies, it will make the difference and, maybe, influence others to pursue the same idea.

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# 11. Attachments

Attachment 1 – Types of cluster and most recommended innovation policy

| TIPOS DE *"CLUSTER"* | PRINCIPAL UTILIDADE PARA A POLÍTICA DE INOVAÇÃO |
|---|---|
| *"MICRO CLUSTER"* OU *"CLUSTER"* LOCAL | Identificar as necessidades de inovação que permitam ao "*cluster*" ou manter-se competitivo no seu actual perfil de produtos e/ou iniciar uma exploração de actividades conexas assente nas competências básicas existentes. |
| "*CLUSTER* INDUSTRIAL" OU *"CLUSTER"* | Identificar as oportunidades de especialização, diversificação, expansão e densificação de actividades e complementaridades no interior do "*cluster*", por forma a deslocar o seu centro de gravidade para actividades menos susceptíveis à concorrência de economias emergentes ou a eventuais decisões de deslocalização de operadores empresariais com um papel chave no *"cluster"*.<br>Identificar actividades emergentes que possam ter vantagem na "clusterização". |
| "*CLUSTER* REGIONAL" | Identificar as possibilidades de um maior aproveitamento das economias de aglomeração nos *"clusters"* mais enraizados numa região; identificar as oportunidades de diversificação a partir das competências básicas e da exploração de sinergias entre dois ou mais "*clusters* regionais". |
| *"MEGA CLUSTER"* | Identificar a posição do País ou da região no conjunto de actividades que materializam uma dada Área Funcional, facilitando o diálogo entre os actores empresariais, o Estado, as Universidades e institutos tecnológicos sobre eventuais concentrações de esforços para reforçar posições numa Área Funcional com procura dinâmica e /ou para ascender na cadeia de valor e enriquecer a presença já existente numa Área Funcional. |

Source: Chorincas (2004)

Attachment 2 – Questionnaire to Companies

**Informação básica do entrevistado:**

Data: Local:

Nome do/a entrevistado/a:

Função que desempenha: Formação:

**Informação básica da empresa:**

Nome da empresa:

Volume de negócios da empresa:

Nº. de trabalhadores actual__ Nº. Max. de trabalhadores__

Capacidade máxima da fábrica__

## Grupo I – Produto

1. **Que tipo de produto produz?** (seleccione com X os que se adequarem)

   Porcelana__ Faiança__ Grés__

2. **Quais considera serem as razões que levam os seus clientes a escolher os seus produtos?** (escolha com X os que mais se adequam)

   Inovação__ Design__ Preço__

   Qualidade__ Prazo de entrega__

   Outro? (Qual)__________________

**2.1. De que modo procuram inovar nos vossos produtos?**

## Grupo II – Preço

1. **Como define os preços dos seus produtos?** (seleccione com X as que melhor se adequam)

   Em comparação com os dos concorrentes__

   Em função do custo de produção__

   É o cliente que define o preço__

   Outro (qual?)________________________

2. **Como caracteriza os seus preços quando comparados com os dos concorrentes?** (seleccione com X as que melhor se adequam)

   Muito baixos__ Baixos__ Semelhantes__

   Elevados__ Muito elevados__

## Grupo III – Distribuição

1. **Para que mercados vende?**

   **1.1. Qual é o mercado com maior importância para o seu negócio?**

2. **Como efectua a venda dos seus produtos?** (seleccione com X as que melhor se adequam)

   Isso é responsabilidade do cliente__

   Tem agentes exclusivos__

   Tem loja(s) própria(s)__

   Outro (qual?)_____________________________

## Grupo IV – Promoção

1. **Tem departamento de marketing?**

   Sim__ Não__

   1.1. **Qual o valor do investimento que disponibiliza para esse fim**?

2. **Tem marca própria?**

   Sim__ Não__

   2.1. **Se sim, qual?**

3. **Tem slogan próprio**?

   Sim__ Não__

   3.1. **Se sim, qual?**

   3.2. **Se não, como definiria a sua empresa numa frase?**

4. **Quais os meios que utiliza para divulgar os seus produtos?**

   Site__ Catálogo__ Lojas próprias__

   Publicidade__ Eventos__ Revistas da especialidade__

   Feiras__

   4.1. **No caso das feiras:**

   Em quantas participa por ano? __

   4.1.1. **Tem stand próprio?** Sim__ Não__

   4.1.1.1. **Se sim, qual o tamanho do espaço do stand?**

## Grupo V – Sector

1. **É subcontratado por outras empresas de cerâmica da região?**

   Sim__ Não__

   **1.1. Se sim, quantas? __**

2. **Subcontrata outras empresas de cerâmica da região?**

   Sim?__ Não_

   2.1.1. Se sim, quantas?

3. **Considera que o desempenho da sua empresa é melhor ou pior que o dos seus concorrentes?** (seleccione com X a que melhor lhe convier)

   Pior__ Semelhante__ Melhor

   **3.1. No caso de ser pior ou semelhante, quais os aspectos que poderiam melhorados para melhorar o desempenho da sua firma?**

   **3.2. No caso de ser melhor, quais considera serem os pontos fortes que permitem essa performance?**

4. **Quais considera serem as principais dificuldades do sector da cerâmica decorativa?**

**4.1. Como poderiam ser reduzidas?**

**5. Quais as principais potencialidades deste sector?**

**6. Qual considera ser o caminho mais assertivo para melhorar o desempenho do sector da cerâmica decorativa, da região de Alcobaça?**

**7. Na sua opinião, que sectores poderiam ajudar na projecção da cerâmica de Alcobaça?**

Turismo

Decoração

Outros (quais?)____________________________________

**8. Estaria disponível para trabalhar em conjunto com outras empresas da região para atingir melhores resultados?**

Sim__ Não__

**Obrigada pela sua colaboração!**

**Diana Rodrigues**.

## Attachment 3 - Model Interview to the local Government representative

### Entrevista

Esta entrevista é realizada no âmbito do projecto final do MsC Marketing, intitulado de "Alcobaça – Routing Ceramics" e elaborado pela estudante do ISCTE-IUL, Diana Rodrigues.

A versão aqui apresentada não é a final, uma vez que esta ainda não foi revista pelo coordenador do projecto, o Eng. José Azenha e Silva. Nesta medida, poderá estar sujeita a eventuais alterações, que não ficaram, porém, muito além das questões adiante expostas.

Agradece-se, desde já, o tempo e a colaboração disponibilizados pelo Dr. Alberto Guerreiro, enquanto porta-voz Câmara Municipal de Alcobaça nesta matéria

Objectivo do projecto: Unidade/Marca Alcobaça

Estudante: Diana Rodrigues

Entrevistado: Alberto Guerreiro || Formação: Antropólogo/Museólogo

Função: Director do Museu Raul da Bernarda

<u>Objectivo: Caracterizar o sector</u>.

1. Há registos camarários relativos ao desempenho do sector?
2. Quantas empresas abriram nos últimos 5 anos?
3. Quantas fecharam durante to mesmo período?
4. Quantas pessoas emprega?
    a. Em quantas famílias isso se traduz?
    b. E em que percentagem de população activa?
5. Quais considera serem as maiores dificuldades dos diversos players envolvidos?
    a. Grandes empresas (Spal):
    b. Medias, pequenas e micro empresas:
    c. Artesanato:

6. Quais considera serem as maiores facilidades dos diversos players envolvidos?
    a. Grandes empresas (Spal):
    b. Medias, pequenas e micro empresas:
    c. Artesanato:
7. Sabe quantas destas empresas funcionam sob subcontratação?

<u>Objectivo: Percepcionar a existência de uma identidade local.</u>

8. Considera que existe, de facto, reconhecimento nacional e internacional pela chamada "louça de Alcobaça"?
    a. Como o caracteriza (quatro palavras)?
    b. Há um esforço camarário (ou de outras entidades locais) no sentido de promover essa identidade?
        i. De que forma?

| Acção | Investimento | Resultado |
|---|---|---|
| | | |
| | | |
| | | |

    c. Tencionam dar-lhes continuidade?
9. Como vê a hipótese de uma colaboração entre empresas para atingir essa identidade?
    a. Qual considera serem os caminhos possíveis para atingir esse objectivo?
    b. Como se materializou esse esforço, até ao momento (feiras/investimento/reunião com as empresas)?
    c. De que modo é que a CMA se envolveria num projecto desta natureza?
    d. Quais lhe parecem ser as maiores dificuldades para a concretização desta meta?

Objectivo: Perceber o impacto dos sectores relacionados.

10. De que modo pensa que o turismo ou os eventos locais contribuem para a projecção do sector cerâmico?
    a. Que participação tem a CMA na concretização destas sinergias?
11. Que outros sectores pensa serem importantes para uma maior projecção da cerâmica de Alcobaça?

# Attachment 4 - European Union Exportations in 2009

| PAÍS | Toneladas | % | Milhares de Euros | % |
|---|---|---|---|---|
| Áustria | 9.584 | 2,06% | 28.440 | 1,73% |
| Bélgica | 50.241 | 10,82% | 116.438 | 7,07% |
| Bulgária | 584 | 0,13% | 1.017 | 0,06% |
| Chipre | 13 | 0,00% | 69 | 0,00% |
| República Checa | 13.080 | 2,82% | 94.563 | 5,74% |
| Alemanha | 77.811 | 16,76% | 410.301 | 24,90% |
| Dinamarca | 7.037 | 1,52% | 54.665 | 3,32% |
| Estónia | 623 | 0,13% | 2.595 | 0,16% |
| Espanha | 21.605 | 4,65% | 82.689 | 5,02% |
| Finlândia | 1.292 | 0,28% | 12.711 | 0,77% |
| França | 25.546 | 5,50% | 162.955 | 9,89% |
| Reino Unido | 28.330 | 6,10% | 158.856 | 9,64% |
| Grécia | 1.321 | 0,28% | 4.106 | 0,25% |
| Hungria | 2.125 | 0,46% | 18.864 | 1,14% |
| Irlanda | 424 | 0,09% | 2.238 | 0,14% |
| Itália | 33.693 | 7,26% | 109.043 | 6,62% |
| Lituânia | 2.060 | 0,44% | 4.410 | 0,27% |
| Luxemburgo | 52 | 0,01% | 346 | 0,02% |
| Letónia | 517 | 0,11% | 1.321 | 0,08% |
| Malta | 1 | 0,00% | 25 | 0,00% |
| Holanda | 54.559 | 11,75% | 116.927 | 7,10% |
| Polónia | 22.483 | 4,84% | 62.340 | 3,78% |
| Portugal | 69.057 | 14,88% | 130.296 | 7,91% |
| Roménia | 28.790 | 6,20% | 32.869 | 1,99% |
| Suécia | 7.900 | 1,70% | 30.005 | 1,82% |
| Eslovénia | 1.522 | 0,33% | 4.123 | 0,25% |
| Eslováquia | 3.968 | 0,85% | 5.534 | 0,34% |
| TOTAL | 464.215 | 100,00% | **1.647.745** | 100,00% |

Source: EUROSTAT, given by APICER

# Attachment 5 – European Union Importations in 2009

| PAÍS | Toneladas | % | Milhares de Euros | % |
|---|---|---|---|---|
| Áustria | 31.135 | 2,70% | 95.911 | 4,47% |
| Bélgica | 73.853 | 6,41% | 131.658 | 6,14% |
| Bulgária | 6.186 | 0,54% | 6.791 | 0,32% |
| Chipre | 3.264 | 0,28% | 7.049 | 0,33% |
| República Checa | 19.347 | 1,68% | 42.760 | 1,99% |
| Alemanha | 208.389 | 18,09% | 371.977 | 17,34% |
| Dinamarca | 24.471 | 2,12% | 48.443 | 2,26% |
| Estónia | 1.387 | 0,12% | 4.758 | 0,22% |
| Espanha | 71.816 | 6,23% | 121.119 | 5,65% |
| Finlândia | 7.818 | 0,68% | 27.265 | 1,27% |
| França | 159.566 | 13,85% | 304.392 | 14,19% |
| Reino Unido | 151.633 | 13,16% | 266.485 | 12,42% |
| Grécia | 25.598 | 2,22% | 46.650 | 2,17% |
| Hungria | 8.195 | 0,71% | 15.096 | 0,70% |
| Irlanda | 11.809 | 1,03% | 37.458 | 1,75% |
| Itália | 116.776 | 10,14% | 256.092 | 11,94% |
| Lituânia | 4.077 | 0,35% | 7.058 | 0,33% |
| Luxemburgo | 1.164 | 0,10% | 9.650 | 0,45% |
| Letónia | 2.285 | 0,20% | 6.147 | 0,29% |
| Malta | 1.023 | 0,09% | 2.855 | 0,13% |
| Holanda | 112.934 | 9,80% | 150.354 | 7,01% |
| Polónia | 31.037 | 2,69% | 50.722 | 2,36% |
| Portugal | 13.213 | 1,15% | 24.808 | 1,16% |
| Roménia | 22.829 | 1,98% | 18.762 | 0,87% |
| Suécia | 30.607 | 2,66% | 63.832 | 2,98% |
| Eslovénia | 5.106 | 0,44% | 12.080 | 0,56% |
| Eslováquia | 6.530 | 0,57% | 15.319 | 0,71% |
| TOTAL | 1.152.048 | 100,00% | **2.145.491** | 100,00% |

Source: EUROSTAT, given by APICER

Attachment 6 – Total EU exportations, in 2009, by countries and products (€)

| NC / PAÍS | Louça de uso doméstico | | | | | | Estatuetas e louça ornamental | | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Porcelana | | Barro comum | Grés | Faiança ou barro fino | Outros | Porcelana | Barro comum | Grés | Faiança ou barro fino | Outros | |
| | mesa ou cozinha | outros | | | | | | | | | | |
| | 69111000 | 69119000 | 69120010 | 69120030 | 69120050 | 69120090 | 69131000 | 69139010 | 69139091 | 69139093 | 69139099 | |
| Áustria | 13.059.360 | 1.850.956 | 634.201 | 1.839.398 | 2.370.446 | 3.388.647 | 555.368 | 1.971.069 | 264.067 | 928.434 | 1.577.698 | **28.439.644** |
| Bélgica | 45.448.962 | 1.631.648 | 4.261.024 | 17.779.925 | 10.320.354 | 7.703.704 | 5.374.027 | 12.224.726 | 1.269.888 | 6.391.518 | 4.032.196 | **116.437.972** |
| Bulgária | 204.708 | 715 | 96.266 | 0 | 233.931 | 59.933 | 387.722 | 1.932 | 2.574 | 21.189 | 8.403 | **1.017.373** |
| Chipre | 65.167 | 0 | 20 | 4 | 544 | 0 | 0 | 397 | 2.000 | 0 | 600 | **68.732** |
| República Checa | 88.316.657 | 330.915 | 2.433.514 | 284.691 | 183.598 | 421.366 | 1.142.307 | 598.292 | 73.555 | 65.764 | 712.360 | **94.563.019** |
| Alemanha | 279.465.095 | 3.097.400 | 5.640.814 | 22.549.558 | 16.938.721 | 9.185.871 | 24.141.203 | 12.180.931 | 3.378.801 | 30.553.994 | 3.168.937 | **410.301.325** |
| Dinamarca | 27.040.989 | 1.919.866 | 1.098.956 | 5.302.295 | 1.174.660 | 6.721.953 | 6.753.864 | 2.011.489 | 342.064 | 1.347.938 | 950.966 | **54.665.040** |
| Estónia | 1.214.981 | 8.696 | 8.667 | 439.942 | 63.035 | 679.608 | 27.477 | 119.238 | 363 | 13.015 | 20.450 | **2.595.472** |
| Espanha | 16.318.590 | 1.108.978 | 4.386.025 | 5.633.307 | 3.909.838 | 5.448.471 | 38.762.328 | 1.287.020 | 740.001 | 1.684.259 | 3.410.333 | **82.689.150** |
| Finlândia | 2.933.551 | 58.023 | 27.922 | 8.178.665 | 225.317 | 977.763 | 48.556 | 138.200 | 66.926 | 32.280 | 23.906 | **12.711.109** |
| França | 77.106.729 | 6.736.025 | 13.552.855 | 7.205.017 | 12.900.254 | 15.491.338 | 7.827.416 | 3.530.190 | 441.117 | 2.347.770 | 15.816.455 | **162.955.166** |
| Reino Unido | 67.548.041 | 5.074.516 | 8.143.713 | 26.219.927 | 26.408.482 | 5.177.464 | 8.706.329 | 944.040 | 658.747 | 2.183.760 | 7.790.891 | **158.855.910** |
| Grécia | 2.082.122 | 194.887 | 39.047 | 70.548 | 304.631 | 304.985 | 49.589 | 536.155 | 4.546 | 92.268 | 427.001 | **4.105.779** |
| Hungria | 13.544.905 | 82.617 | 670.357 | 9.144 | 192.278 | 27.383 | 3.780.253 | 102.983 | 32.609 | 418.430 | 2.603 | **18.863.562** |
| Irlanda | 713.876 | 138.050 | 230.407 | 47.544 | 492.061 | 397.656 | 151.300 | 16.705 | 0 | 15.250 | 35.081 | **2.237.930** |
| Itália | 41.543.092 | 7.762.143 | 10.714.318 | 2.232.209 | 6.681.297 | 16.121.434 | 5.004.944 | 5.558.070 | 682.467 | 2.928.799 | 9.814.595 | **109.043.368** |
| Lituânia | 1.351.458 | 104.196 | 215.612 | 63.656 | 65.991 | 931.158 | 89.882 | 1.302.549 | 4.411 | 17.032 | 263.795 | **4.409.740** |
| Luxemburgo | 0 | 44.557 | 178.754 | 3.142 | 67.480 | 8.511 | 441 | 18.455 | 94 | 7.459 | 17.052 | **345.945** |
| Letónia | 657.378 | 21.899 | 126.784 | 97.788 | 108.320 | 152.248 | 21.674 | 64.777 | 6.284 | 53.709 | 9.640 | **1.320.501** |
| Malta | 0 | 0 | 2.051 | 603 | 0 | 0 | 22.335 | 0 | 0 | 0 | 0 | **24.989** |
| Holanda | 33.049.011 | 620.006 | 10.481.141 | 6.154.163 | 9.117.250 | 3.895.626 | 12.654.639 | 16.260.334 | 1.120.214 | 17.030.274 | 6.544.726 | **116.927.384** |
| Polónia | 41.908.553 | 508.219 | 5.520.976 | 6.497.284 | 2.591.382 | 902.075 | 286.097 | 2.623.212 | 65.166 | 825.963 | 611.211 | **62.340.138** |
| Portugal | 30.064.917 | 491.616 | 2.196.386 | 29.523.054 | 39.456.097 | 4.426.059 | 742.998 | 7.552.379 | 13.715 | 13.342.845 | 2.485.503 | **130.295.569** |
| Roménia | 6.620.229 | 401.710 | 1.328.677 | 60.979 | 21.133.919 | 470.391 | 219.352 | 52.501 | 143 | 1.793.994 | 786.756 | **32.868.651** |
| Suécia | 17.347.448 | 149.582 | 166.215 | 5.405.733 | 984.110 | 197.911 | 925.755 | 2.453.185 | 417.892 | 1.498.100 | 458.921 | **30.004.852** |
| Eslovénia | 1.836.351 | 328.399 | 102.143 | 10.235 | 740.508 | 221.061 | 127.119 | 157.244 | 23.811 | 238.022 | 337.829 | **4.122.722** |
| Eslováquia | 2.607.183 | 6.399 | 542.619 | 1.203.620 | 268.657 | 169.957 | 33.012 | 105.972 | 1.002 | 189.779 | 405.738 | **5.533.938** |
| **TOTAL** | **812.049.353** | **32.672.018** | **72.799.464** | **146.812.431** | **156.933.161** | **83.482.573** | **117.835.987** | **71.812.045** | **9.612.457** | **84.021.845** | **59.713.646** | **1.647.744.980** |

Source: EUROSTAT, given by APICER

Attachment 7 – Total EU importations, in 2009, by countries and products (€)

| NC / PAÍS | Louça de uso doméstico | | | | | | Estatuetas e louça ornamental | | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Porcelana | | Barro comum | Grés | Faiança ou barro fino | Outros | Porcelana | Barro comum | Grés | Faiança ou barro fino | Outros | |
| | mesa ou cozinha | outros | | | | | | | | | | |
| | 69111000 | 69119000 | 69120010 | 69120030 | 69120050 | 69120090 | 69131000 | 69139010 | 69139091 | 69139093 | 69139099 | |
| Áustria | 52.785.903 | 2.364.735 | 2.572.267 | 4.294.404 | 4.348.373 | 4.440.747 | 4.623.630 | 5.735.360 | 1.349.291 | 6.583.689 | 6.812.167 | **95.910.566** |
| Bélgica | 52.582.814 | 3.489.986 | 7.415.661 | 17.697.675 | 12.101.706 | 7.865.728 | 6.197.355 | 12.952.055 | 1.009.665 | 5.312.832 | 5.032.786 | **131.658.263** |
| Bulgária | 3.653.533 | 90.463 | 186.705 | 90.224 | 1.154.455 | 545.876 | 161.186 | 175.114 | 5.971 | 346.494 | 380.729 | **6.790.750** |
| Chipre | 2.891.908 | 106.879 | 223.327 | 996.501 | 487.940 | 472.048 | 212.990 | 491.449 | 230.603 | 331.805 | 603.638 | **7.049.088** |
| República Checa | 21.837.037 | 394.106 | 6.273.947 | 2.731.030 | 2.664.317 | 1.924.638 | 1.158.898 | 2.583.633 | 158.483 | 1.982.800 | 1.051.229 | **42.760.118** |
| Alemanha | 167.040.447 | 3.138.814 | 7.829.058 | 42.432.249 | 22.140.456 | 16.212.074 | 19.268.871 | 37.010.447 | 8.694.015 | 34.843.458 | 13.366.974 | **371.976.863** |
| Dinamarca | 21.763.479 | 798.323 | 1.407.483 | 8.026.592 | 1.898.332 | 1.515.455 | 2.421.615 | 3.324.218 | 409.701 | 4.303.939 | 2.573.600 | **48.442.737** |
| Estónia | 2.663.770 | 52.603 | 193.035 | 212.012 | 364.315 | 646.378 | 93.045 | 234.215 | 22.284 | 132.163 | 144.065 | **4.757.885** |
| Espanha | 59.047.513 | 3.419.872 | 2.461.022 | 11.942.263 | 14.972.112 | 9.817.949 | 6.470.768 | 3.846.669 | 842.411 | 4.023.090 | 4.274.920 | **121.118.589** |
| Finlândia | 8.914.200 | 76.189 | 531.002 | 10.056.519 | 1.055.005 | 1.481.419 | 1.330.761 | 1.461.540 | 755.982 | 957.868 | 644.135 | **27.264.620** |
| França | 111.936.265 | 10.655.777 | 8.612.444 | 51.310.711 | 36.728.039 | 19.391.314 | 15.375.180 | 26.081.717 | 4.075.522 | 13.229.493 | 6.995.753 | **304.392.215** |
| Reino Unido | 95.373.107 | 6.684.520 | 18.259.556 | 66.467.898 | 20.183.526 | 11.761.689 | 10.414.706 | 8.719.419 | 5.195.402 | 16.337.365 | 7.087.382 | **266.484.570** |
| Grécia | 26.648.304 | 2.082.563 | 1.697.200 | 2.908.188 | 3.270.832 | 1.805.088 | 2.293.735 | 1.196.192 | 395.447 | 2.867.632 | 1.484.953 | **46.650.134** |
| Hungria | 7.792.346 | 115.629 | 1.188.423 | 1.355.159 | 800.258 | 356.727 | 151.098 | 710.016 | 83.597 | 2.221.030 | 322.044 | **15.096.327** |
| Irlanda | 11.062.389 | 1.266.917 | 3.214.111 | 3.497.888 | 2.822.047 | 2.157.420 | 5.860.653 | 1.116.459 | 157.760 | 925.883 | 5.376.085 | **37.457.612** |
| Itália | 130.285.579 | 4.929.692 | 3.842.929 | 15.045.610 | 8.719.682 | 22.716.799 | 12.416.557 | 7.906.325 | 1.225.382 | 34.556.086 | 14.447.681 | **256.092.322** |
| Lituânia | 3.708.078 | 78.710 | 489.250 | 195.162 | 466.094 | 451.195 | 177.137 | 218.803 | 40.445 | 189.035 | 1.043.811 | **7.057.720** |
| Luxemburgo | 5.831.395 | 294.117 | 155.405 | 198.452 | 822.580 | 288.579 | 468.179 | 633.310 | 17.416 | 471.798 | 468.988 | **9.650.219** |
| Letónia | 4.185.343 | 148.818 | 208.949 | 189.059 | 358.190 | 292.760 | 144.156 | 118.463 | 43.358 | 165.311 | 292.714 | **6.147.121** |
| Malta | 1.161.314 | 201.519 | 142.979 | 170.995 | 80.418 | 193.824 | 396.491 | 105.357 | 88.109 | 75.826 | 238.527 | **2.855.359** |
| Holanda | 47.305.468 | 1.718.923 | 7.045.461 | 8.679.627 | 18.583.958 | 3.856.900 | 9.193.824 | 19.318.647 | 1.667.589 | 28.838.237 | 4.144.974 | **150.353.608** |
| Polónia | 17.099.788 | 793.136 | 11.052.773 | 5.487.221 | 3.136.929 | 2.889.749 | 1.116.345 | 5.043.206 | 363.480 | 2.242.176 | 1.497.519 | **50.722.322** |
| Portugal | 11.978.887 | 613.311 | 383.259 | 1.031.248 | 3.635.114 | 1.331.313 | 1.893.550 | 424.290 | 165.265 | 1.627.585 | 1.724.657 | **24.808.479** |
| Roménia | 5.148.449 | 330.398 | 3.706.638 | 386.157 | 6.129.057 | 579.652 | 210.472 | 708.437 | 81.313 | 1.059.433 | 422.052 | **18.762.058** |
| Suécia | 23.746.229 | 5.228.842 | 1.065.136 | 14.051.225 | 3.583.554 | 1.046.450 | 1.807.481 | 8.579.271 | 667.148 | 3.516.251 | 540.575 | **63.832.162** |
| Eslovénia | 6.337.795 | 137.312 | 820.328 | 118.579 | 628.961 | 743.855 | 1.057.886 | 686.357 | 61.668 | 1.237.837 | 249.773 | **12.080.351** |
| Eslováquia | 6.055.312 | 560.520 | 1.070.837 | 3.008.819 | 669.567 | 1.408.222 | 338.613 | 517.239 | 400.586 | 484.949 | 804.388 | **15.319.052** |
| TOTAL | **908.836.652** | **49.772.674** | **92.049.185** | **272.581.467** | **171.805.817** | **116.193.848** | **105.255.182** | **149.898.208** | **28.207.893** | **168.864.065** | **82.026.119** | **2.145.491.110** |

Attachment 8 – Market origins from UE importations (2009)

| Mercados de Origem | 2009 | |
|---|---|---|
| | Toneladas | Milhares de euros |
| União Europeia | 323.454 | 924.945 |
| China | 640.251 | 908.501 |
| Tailândia | 32.702 | 69.150 |
| Vietname | 65.638 | 50.825 |
| Turquia | 29.726 | 49.225 |
| Bangladesh | 4.428 | 13.918 |
| Outros | 55.848 | 128.928 |
| TOTAL | 1.152.048 | 2.145.491 |

Source: EUROSTAT, given by APICER

Attachment 9 – Importance of decorative ceramics sector

APICER
associação portuguesa da indústria de cerâmica

# Cerâmica utilitária e decorativa

A fabricação de artigos cerâmicos de uso doméstico e ornamental, incluindo a olaria de barro, faiança, porcelana e grés fino, corresponde às subclasses 23411, 23412, 23413 e 23414 da CAE - Rev.3.

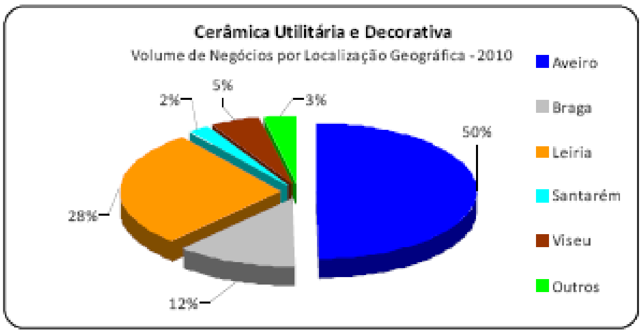
No ano de 2010 existiam 226 empresas, das quais 196 se encontravam activas.
O n.º de trabalhadores ao seu serviço era de 6.576

O total das vendas e prestação de serviços ascendeu a 213,5 milhões de euros, dos quais 139,3 milhões de euros (65,2%) constituíram exportações.
De entre as exportações, 75,6% foram destinadas ao mercado comunitário e 24,4% ao mercado extra-comunitário.

Em 2010 os principais mercados de destino foram a França, Estados Unidos da América, Alemanha, Espanha e Reino Unido.

O valor acrescentado bruto (VAB) deste subsector foi de 98,1 milhões de euros.

A análise do volume de negócios por localização geográfica, mostra que a produção de cerâmica utilitária e decorativa tem como principal origem o distrito de Aveiro (49,6%), seguido de Leiria (27,7%) e Braga (12,2%).



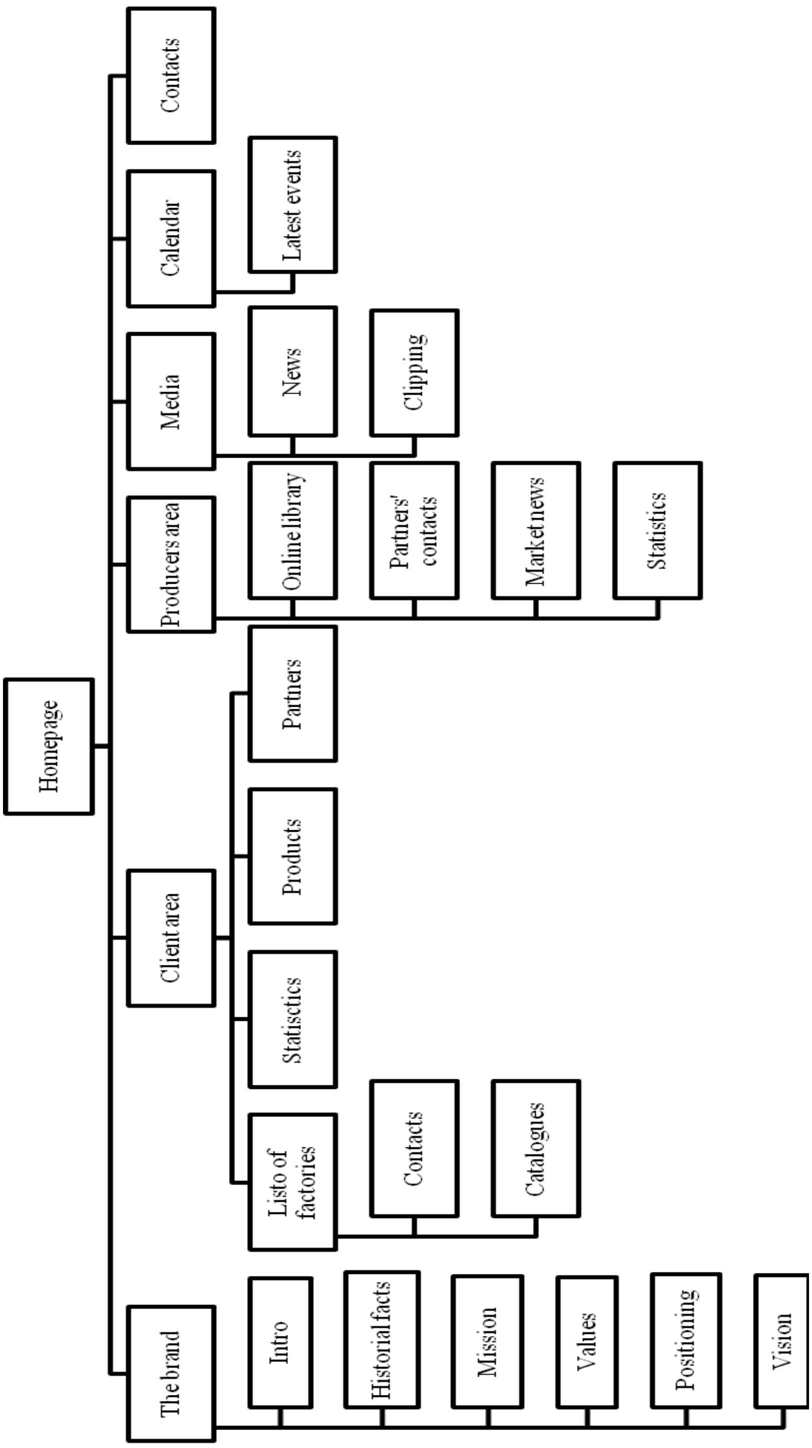

*Fonte: APICER, a partir dos dados das Declarações Anuais IES entregues em 2011 (relativas a 2010)*

Relativamente à dimensão das empresas activas deste subsector, 105 empresas têm menos de 10 trabalhadores, 66 empresas têm entre 10 e 49 trabalhadores, 21 empresas têm entre 50 e 249 trabalhadores e 4 empresas têm mais de 250 trabalhadores.

Em termos de concentração, as 10 maiores empresas são responsáveis por 55,4% do volume de negócios total deste subsector. Se considerarmos as 25 maiores empresas, a sua representatividade atinge os 74,2%.

Source: APICER

Attachment 10 – Site's map proposal




Source: the Author