ISCTE Business School
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FOOD FOR WINE LOVERS – A RESTAURANT REPOSITIONG

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Resumo

A presente tese de mestrado é um projeto-empresa em cooperação com o Clara Chiado, um restaurante, wine bar e loja gourmet destinado à classe média-alta, localizado no coração de Lisboa cujas receitas mensais diminuíram consideravelmente ao longo dos dois primeiros anos de negócio.

Depois de identificado o problema, foi analisada toda a envolvente macro-económica externa, o sector, a concorrência e o consumidor de forma a identificar as oportunidades existentes. Foi igualmente feita uma exaustiva análise interna, que permitiu a identificação da principais lacunas do restaurante, e uma revisão de literatura, que permitiu a extração de importantes conclusões.

Apesar da atual crise económica, o consumidor-tipo do restaurante manteve o seu poder de compra e o gosto pelas refeições fora de casa pelo que o problema não estava relacionado com os preços praticados mas sim com a falta de diferenciação e os fracos benefícios percebidos pelo cliente.

A solução encontrada para aumentar o valor e a notoriedade da marca, reconquistando um maior número de clientes e valor médio de compra foi um reposicionamento do conceito. Assim, foi elaborada toda a componente estratégica associada ao reposicionamento e proposta uma adaptação operacional do Marketing Mix dos Serviços, maioritariamente focada na área do produto, serviço e comunicação externa/interna.

O reposicionamento resultou no desenvolvimento de um conceito assente na experiência associado a um produto inovador para um *target* exigente. A proposta vem reforçar as principais forças encontradas e criar novas vantagens competitivas, sem esquecer a concorrência e as limitações monetárias inerentes a qualquer pequena empresa.

Key words: Reposicionamento, Sector Restauração, Marketing de Serviços, Marketing Estratégico

Abstract

The present master thesis is a company project made with the cooperation of Clara Chiado, a middle-up class restaurant, wine bar and gourmet store located in Lisbon, which monthly revenues have been decreasing during the first two years of the business.

After identifying the problem, it was analysed the macroeconomics environment, the sector, main competitors and consumers to detect the major trends and opportunities. It was also made an exhaustive internal analysis, where the main gaps creating the problem were identified, and also a literature review that allowed extracting important conclusions

Despite the current economic crisis, Clara Chiado target kept its buying power and the pleasure of dinning out, thus, the restaurant problem was not correlated with its price policy but with the lack of differentiation and low benefits perceived by the clients.

The solution found to increase the brand awareness and equity and conquer a bigger number of clients and higher average purchases was the concept repositioning.

Thus, it was made the whole strategic component associated to the repositioning and proposed a correspondent operational adaptation to the Services Marketing-Mix, mainly focused on the product, service and on the external and internal communication.

The repositioning resulted in the development of an experiential concept associated to an innovative product focused on the demands of an exigent target. The proposal reinforces the major strengths found and creates new competitive advantages, without forgetting the competitors' positioning and the monetary limitations typical of any small enterprise.

Keywords: Repositioning, Restaurant Sector, Services Marketing, Strategic Marketing

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Executive Summary

After visiting Portugal, it’s impossible to forget the huge coast, temperate and sunny weather, breathtaking landscapes and undiscovered villages lost in time.

Notwithstanding, there are three things that almost everybody recalls even if had never visited Portugal: great wine, great food and great hospitality.

Yet, the current economic crisis and the fast pace of technology development have influenced the way both Portuguese and tourists spend money in leisure activities. Despite continuing to do it, people are becoming more exigent, demanding for differentiation and the creation of remarkable experiences that make them return.

To attract and, most important, to retain customers in the current competitive and changing market, restaurants must communicate and deliver effective and relevant competitive advantages to its target, never forgetting the market surroundings.

Clara Chiado Restaurant is just one more case of a restaurant that registered a decrease in its monthly revenues starting seven months after the opening, despite its high potential.

The data collected and the conclusions of the extensive macro-environmental, sector, consumer and internal analysis, further consolidated and proved by the literature review, allowed identifying the company’s major strengths and the sector’s major opportunities and threats. The first accomplishment was that the answer to increase the business profits lies on the senses stimulation to provide a remarkable customer experience that surpasses the expected value.

Having this in mind, it was concluded that the best solution to regain customers and purchase volume was the repositioning of Clara Chiado, taking advantage of its misused competitive advantages to create a differentiated and significant concept that adds value to the restaurant.

Clara Chiado new concept aims to be a unique and highly customized experience, to an equally unique customer. It will be delivered through a highly customized human and technological service that allows reinventing the ordinary HORECA meal ritual, where clients usually choose the dish and then ask for suggestions on wine.

Customers are demanding for recognition and for escapism; they want to be part of the brands and to create their own story on them. Clara Chiado will provide them that.

Patrons will be presented to an electronic menu where there is no food selection. In the first stage not even wine, only stories. Each customer will then have the power to choose by its own the story he wants to live that night, only knowing that all of them will be remarkable.

After choosing the story, the correspondent wine portfolio will appear, selected by the device based on a flavor-emotion connection. Customers are allowed to choose the one they want to drink, whether bottle or by the glass.

Based on the wine choice, will then appear three pictures showing just the main ingredient of three dishes, and nothing more.

After customers select the one they prefer, the chef will secretly confection it. The customer only sees the dish the moment it is brought by the waiter to the table, when it is finally explained the name and main ingredients.

The concept is supported on a portable touch-screen software that, besides the menu, allows customers to occupy the time with other activities while waiting for the food. Despite this, the human resources behavior is still fundamental.

After a certain number of visits, the software will be able to enhance the customization, presenting the dishes according to customer previous choices.

Clara Chiado repositioning aims to build a consistent message that identifies and differentiates the brand, associating it to emotional values and to a truly escapist experience. The objective is to become a referenced restaurant in the city, benefiting from high brand awareness and equity and a wallet full of usual customers.

"The most serious mistakes do not result from wrong answers,
but from asking the wrong questions."
Peter Drucker - Men, Ideas & Politics

1. Introduction

The history of cooking has been accompanying the mankind history since the early days when the men realized that even simply a cooked meat tasted a lot better than the raw one. Yet, the first restaurant fitting the current model was born only in 1782, in Paris. According to the "legend", its owner, Monsieur Beauvilliears, had an outstanding memory, welcoming all its clients in the door by their names and remembering their personal tastes. (Costa *et al.*, 2006)
Despite the markets and consumers constant evolution, these basic principles of the restaurant service are still up to date and continue to be one of the most claimed. Still, in the currently extremely fragmented and competitive Portuguese restaurant market, with several small companies offering their product to a customer with low switching cost, Monsieur Beauvilliears would need a lot more than the customer recognition to be remembered.
The survival in the market can become a seven-head snake for many due to the extremely fragmented market, strong competition context and the economic crisis, that make it harder to attract and retain customers.

Perhaps a consequence of its multicultural past, the Portuguese cuisine presents a wide variety of traditional dishes able to delight both Portuguese and foreigners. With a significant impact on the country's economy, gastronomy and wines are currently considered by Turismo de Portugal (2009) one of the main strategic assets of the country. Despite the current economy contraction and the decrease of private consumption eating out is still one of the most common leisure activities, and the main activity sector where households spend their money. However, due to the highly demanding consumers, only a differentiated offer, capable of joining the satisfaction of hunger with a social and even cultural happening, would be able to stand out among the crowd by creating a truly dinning experience that conquers and retains customers.
Having this in mind emerged the already existing restaurant Clara Chiado. A two-floor place targeted for a middle-upper Portuguese and tourist consumer that joins a restaurant, wine bar and gourmet store located in a privileged area in the heart of Lisbon. It was here identified a great potential, which concept was not being correctly tapped to its target, making it urgent to

identify the main restaurant gaps so that a new positioning could be created, which was thought to be the best solution to allow the continuing of the business.

1.1 Problem Presentation

The restaurant opened in October 2009 in an historical building in Chiado, a highly qualified area near important touristic attractions and one of the main nightlife streets. Its concept pretended to rely on a wide wine list and on the quality of a Portuguese-gourmet menu focused on offering dinners, since during the lunchtime it is closed. Despite the initial idea, after some months the concept was diluted and after a great start in October 2009 and a good first half of 2010 - with an average monthly sales around 42.000€ and an average purchase around 30€ per person until May 2010 - Clara Chiado started to register a decrease in the number of restaurant clients. At the same time, the number of clients of the secondary business unit, the Wine Bar, registered an increase, nevertheless since it is a different concept based just on small appetizers and wine – implying lower average purchases - it was not enough to avoid the decrease of the monthly global revenues. The manager was not able explain the problem causes and, consequently, to solve the problem.

1.2 Objectives of the Study

As the problem was identified by the manager, this study aims to identify the internal reasons provoking it and the current external specificities that might contribute to boost it, so that most profitable and sustainable solution to overcome it can be proposed.

In order to achieve this, it will be firstly made an external analysis to the macro-environment, to the sector, competitors, consumer and consumption trends that will provide the main information about the macro influencers, sector competitiveness, competitors' concepts and the main preferences and dining-out buying behaviour of the Portuguese population and, most specifically, the target consumer. It will also be made an internal analysis to Clara Chiado, where the main strategic and operational gaps of the business are going to be identified. After understanding the brand positioning in the market, it will be made a literature review based on relevant topics of the prior analysis, allowing extracting significant conclusions on what is the best strategy to propose.

The knowledge here obtained will be used to shape a new concept proposal, which was concluded to be the best strategy to overcome the gaps identified in the prior analysis and increase the value of the brand.

Therefore, the final chapter of this thesis is a concept repositioning that maintains the same target but creates new companies values, mission, vision and objectives. The main operational tools will consequently be adapted to create a relevant offer with perceived benefits to tourists but also to the Portuguese target.

Thus final objective is accomplished if created a positive association in consumers' minds capable to increase the brand awareness and brand equity, leading to the customer loyalty.

1.3 Importance of the subject

The Restaurant sector in Portugal is one of activities generating more employment, however it is composed by small and micro enterprises and registers a high number of bankrupts in the country. The repositioning of the companies image and strategy is sometimes underestimated by these companies that don't recognized the need to adapt its offer to the changing environment and customers demands and profiles, ending in the lost of clients and, in a last stage, in the lost of the business.

This study is based on a real case of a restaurant, evidencing the importance of a proactive adaptation of the strategic and operational marketing tools to maintain brands that consumers continue wishing to use.

It not only provides value to Clara Chiado as it can also be used as a guiding instrument to the other companies in the restaurant sector, proving the utility of the marketing tools to recover a business when it seems it is entering in a dead end.

Besides that, the external analysis made remembers the potential of the restaurant and wines market, both representing some of the most important assets of Portugal.

"A problem clearly stated is a problem half solved."
Dorothea Brande

2. Problem External Context

To survive in the competitive market, companies need to be aware of the macro-environment dynamics. The success of the business depends on how quickly and efficiently the company adapts the business strategic and operational decisions to the external changes, taking advantage of new opportunities and avoiding new threats.

2.1. Mediate Analysis - PEST

The following analysis examines the last data concerning the main external political/legal, economical, socio-cultural and technological factors influencing the restaurant sector.

2.1.1. Political Environment

Although being a stable country in the Euro area and belonging to UE for more than twenty years, the existing global economical crises deeply affected the Portuguese political and legal environment, obliging the government to create new laws and increase taxes.
The directly affecting the sector was the raise of the restaurants VAT in January 2012 from the reduced VAT (13%) to the normal VAT, which was also increased from 21% to 23%.
This resulted in a real raise of 10% in the VAT charged to the sector, increasing the pressure on managers to reduce costs or to raise prices in order to maintain the previous profitability.
Portugal is now the 5th country, along with Greece and Finland, with the highest VAT in restaurant sector, while Spain or France hat a VAT inferior to 10% (European Commission).
As consumer's buying power is currently lower than usual, to avoid a reduction in the number of clients most restaurants opted to absorb a part of this raise, increasing the prices less than 10% as confirmed by Associação da Hotelaria, Restauração e Similares de Portugal (AHRESP) president, Mário Pereira Gonçalves.
Aiming to brighten the entrepreneurial panorama, the government created new financing tools, such as "PME Crescimento", a credit line to micro and SME's, that has 250 million euros available with lower spreads just for micro enterprises to use, this means that more than 96% of the restaurant sector companies will be able to use this tool
Lastly, it should be referred the existence of entities as AHRESP or APHORT that represent and support restaurant and tourism businesses on its constitution, licensing and financing.

2.1.2. Economical Environment

Banco de Portugal (BdP) projects a contraction of the economic activity in 2011 (-1,6) and a worse 2012 (-3,1) followed by a "virtual" growth that will establish the GDP in 0,3 in 2013. These values reflect the latest decrease in the private consumption, that weights 66% of the GDP, and the prediction of it to continue to decrease in 2012, growing again in 2013 to achieve -1,8, still not reaching the desired values (Annex 1.1).

Regarding the household annual expenditures, "Hotels, Restaurants, Cafes and similar" sector represented in 2010/2011 10,3% of the total private consumption in Portugal, being Restaurant, Cafés and Similar 95,7% from this value (INE, 2011). These services appear just after the three compulsory ones, meaning that despite the crisis they still absorb a significant amount of money (Annex 1.2).

Lisbon is the region with the highest global household expenditures - 9,7% above the country value - being 10,8% of these spent in the Hotel, Restaurant and Cafés sector (INE, 2011 - Annex 1.3). It also has the highest GDP per capita, higher than the average national GDP per capita and also higher than the average of UE27 (Annex 1.4), despite Portugal remains with a buying power around 20% lower than the UE27 (Eurostat Annual Report, 2010) (Annex 1.5).

The average unemployment rate achieved 14% in the 4º trimester of 2011, however it was only 10,6% (the lowest) in people with superior degrees, and among these, even lower in Lisbon (6% in 2010) (INE, 2011 - Annex 1.6 and 1.7).

Despite the national crisis, Lisbon and its population seem to be swimming against the current, being able to keep a higher lifestyle that allow more expensive choices.

2.1.3. Socio-Cultural Environment

The socio-cultural context is one of the biggest influencers on the number and type of clients.

In 2011, 55,11% of Portuguese population has between 25 and 64 years old (INE, 2011). Lisbon's inhabitants density (943,3) is much higher than any other and, according to INE (2001), Great Lisbon area gathers 2.042.326 habitants (19,34% of the total population) from which 1.136.938 (55,7%) is aged between 25 and 64 years old: Clara Chiado's age target (Annex 1.8 and 1.9).

Between 2006 and the first trimester of 2010, social class AB and C1 were the less represented in Portugal, with 17,4% and 24,9%, respectively (Annex 1.10). Contrariwise, 37,2% of Great Lisbon population belongs to class AB and more than 50% of the population belongs to class AB and C1 (Marktest Social Atlas, 2011). It is also the region with the highest percentage of graduates (22,6%), and the highest average monthly earning: 1508,8€, 474,6€ above the national average (INE, 2011 - Annex 1.11 and 1.12).

Internet has confirmed its presence in Portuguese life. According to Marktest (2011), its usage augmented from 6,3% in 1997 to 59% in 2011 (Annex 1.13). In 2010, Lisbon had the highest usage rate, mainly from students and middle and senior management (Marktest, 2010 - Annex 1.14). Social networks usage increased 19,7% in four years, to reach 36,8% in 2011. Although youngsters and students are its main users, the increase of this activity was bigger between women and inactive population, growing five times among people with more than 35 years old (Marktest Bareme Internet 2011).

Besides usage, internet influence is confirmed by an IBM survey (IBM Annual Consumer Research, 2011 on HiperSuper) in Italy, France and Germany where over 50% of the respondents confessed the influence of social networks on their buying decisions and a Nielson/NM Incite Report (2011) held that 63% of the social media users consult consumer ratings before go further on a purchase. In the same line, Turismo de Portugal identified in 2011 Facebook, Tripadvisor and LonelyPlanet, among others, as being largely used tools to communicate, share and search for touristic information.

This data confirms the viability of a restaurant targeted to the middle-upper/upper class in Lisbon and also helps to understand if the customer is used to and would able to work easily with an interactive device in restaurant.

- **Tourism in Portugal**

In 2010, Tourism consumption represented around 11% of the Portuguese GDP, however the last PENT[1] sets the objective for it to achieve 15% in 2015 (PENT, 2007).

The touristic activity in the country in 2011 generated a 8.145.556€ income, a Δ7,2% to the 2010 income (Turismo de Portugal Annual Statistics, 2011), mainly caused by an increase on international tourists, whose overnight stays increased 12,1% in the first 9 months. Lisbon is responsible for 21% of the total touristic GDP, generating 29% of the income of the sector. (Turismo de Portugal, 2011)

The national airports registered 3,4M international passengers in the second trimester of 2011 (+17% than in the previous year)[2] and Lisbon remained the main touristic destiny, receiving 1.133,2 guests, 8% more than in the previous year, once again motivated by the 17% increase

[1] Plano Estratégico Nacional do Turismo

[2] Mainly from U.K., Spain, Germany and France. Brasil was the 5th with an increase of 30,7% passengers.

in foreigners (67% of the total), since he number of national tourists decreased 4%.
As a result of this, Lisbon is the 2nd city in Europe with more tourists' nights spent per habitant (12,6) having the highest tourism income (164,6M€) and the highest growth rate in the continent, even in summer season (Turismo de Portugal, results of the 2º trimester 2011)
Tourists aged between 40 and 59 are the group that grew the most in Europe between 1992 and 2001 (4% average), having an average annual holiday expense per capita of 640€ in 2001. These, plus the age group 30-39 represent 58% of the total European tourists (UNWTO, 2003 - Annex 1.15)
Tourists visiting Portugal are now more sophisticated, looking for more quality and are able to spend more money on the country. (Study on the satisfaction of tourists, Turismo de Portugal, 2011). Thus, the Tourism of Lisbon's Strategic Plan for 2011-2014 identifies tourists aged between 26 and 55, travelling with their mates, friends or families as the main strategic targets to point at. It also considers gastronomy and wines one of the strategic tools to be strengthened in all targets, confirming the importance of the conclusions of the Observatory of Tourism in 2009, when 83,3% of the Lisbon tourists spent their time having contact with the gastronomy and wines and on dinner nights (81,6%) mainly in "Baixa" (86,6%) and "Chiado" area (83,5%), the most visited places.
Yet, the business tourism continues to represent one of the strategic products of the capital. Lisbon was included in the *Great Hostels of the World*'s list of the 10 best places to Business Tourism of 2011 and this tourism represents around 40% of its touristic income.

- **Internal Tourism**

According to Eurostat (2011), in 2010, 37,4% of the Portuguese population (ca. 4 millions) made around 15,4M travels (-2,7 p.p. than in 2009), being 90% of them inside the country (Annex 1.16)
The main reason for Portuguese internal travels was "Leisure, Recreation and Holidays" (39,2%) and then "Visit Friends/Family", being "Business" just 7,2% (Turismo de Portugal, 2011). As it happens with the international tourists, the biggest percentage of the out-of-home accommodation was registered in August (32,4% of the total) and July. During these months 71,8% were for "Leisure, Recreation and Holidays" and despite Centro e Norte being the favorite areas during the year, Algarve and Centro revealed to be the preferred destinies of Portuguese in the summer (Turismo de Portugal, 2011)
In Lisbon, Portuguese represented 28,32% of the total hotel accommodation in 2010, having

the city registered 2.461,3 inbound travels, just 17,89% of the total national trips. This confirms that although Clara Chiado might consider national tourists, in a short-term it should continue to target mainly locals, foreign tourists and businesses.

2.1.4. Technological Environment

Although technology is usually laid aside in the restaurant sector, its use might signify easiness, quickness and cheapness of processes, not to mention that it can, and should be used as a differentiator on the service, resulting in a competitive advantage to attract and retain customers (AHRESP, Restaurant of the Future 2012)

On the back office it is already common to use management and CRM software systems. Winrest FrontOffice Pro (1.250€) is one example, allowing to control employees and service.

To preserve the quality and characteristics of wines served by the bottle, there are now available in Portugal professional dispensers, such as Enomatic[3], that allows to serve wine directly from the bottle to the glass through a nitrogen technology that keeps the original taste of an opened bottle for up to three weeks.

Conclusion

Portuguese economy, society and the restaurant sector are still suffering with the effects of the international crisis, however some social indicators suggest that the reality in Lisbon is slightly different, existing a clear opportunity for a concept as this one, that might also take advantage of some facilities created by the government.

2.2 Immediate Analysis

The further chapter is divided in three topics covering the main issues related to the restaurant sector and its consumer, which although being external, directly influence the Restaurant performance:

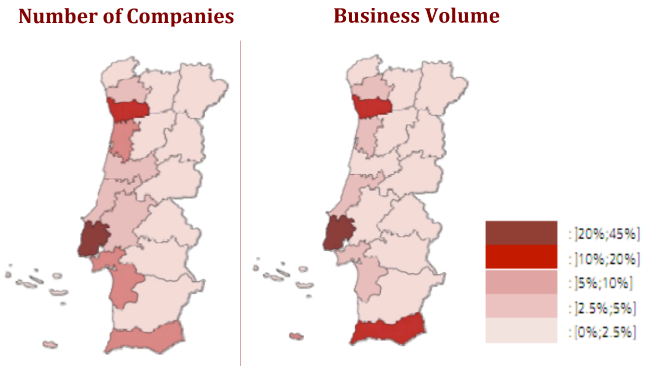
1) A broader image of the market current structure, characteristics and evolution, according to the nomenclature rules of the Economic Activities Classification (CAE). And further considerations on some of the most important sector trends emerging in the national and international scenery.
2) A narrow analysis to the direct and indirect competitors of Clara Chiado.

[3] Enoline Classic, 4 bottles, Serie Basic P.V.P March 2011, 3.053€

3) Consumer’s main habits affected to the restaurant activity and, once again, new trends influencing demand and dinning out habits.

2.2.1. Sector

Figure 1 - Accomodation. Restaurant and Silimar (2009)



Source: Turismo de Portugal

In 2009, the Accommodation, Restaurant and Similar sector represented 2% of the national business volume, mainly concentrated in Lisbon, and 9% of the national companies.

Concerning just the restaurant sector, it is extremely fragmented and geographically dispersed. 28.387 companies share the market, employing just ca. 121.000 workers, since that 93% of the firms have less than 10 workers and just 2,7% more than 19 workers. This discrepancy can also be seen in the Traditional Restaurants[4] – Clara Chiado sub-sector – where 91% of the companies have also less than 10 workers (Annex 1.17) with no brand assuming particular relevance in the national economy besides the food chains Ibersol (65% market share) and Cervejaria Portugália (22%) (Euromonitor, 2011).

Fast food is the most concentrated sector - five companies share 49% of the market – and the one who registered the biggest increase in 2011, around 5% (DBK, 2011).

According to the most recent data provided by INE (2011), the number of restaurant enterprises fell less in Lisbon (2,05% to 6.824 firms) in 2009 than in Portugal (3,6%). In the same line, the number of traditional Restaurants grew more in Lisbon than in Portugal (1,145% and 0,056%, respectively) (INE, 2011 - Annex 1.18). This type of restaurants is the most common, representing 43,98% of the total restaurant offer in Portugal in 2009 - 1.2484 Traditional Restaurants. Lisbon gathers 3.092 Traditional Restaurants (24,8% of the total), which is almost 50% of the region’s restaurant, offer (INE, 2011 - Annex 1.18A).

In 2009[5] the birth rate of food and beverage enterprises increased, reaching 12,80% in Portugal. Lisbon registered a bigger increase (1,56 p.p.), but still remained lower than

[4] CAE rev.3 nº 56101- Preparation, sale and service through the traditional process (table service) to be consumed in the restaurant. Includes seafood, vegetarian, and macrobiotic and international restaurants.

[5] Last data available on INE in March 2012

Portugal average (Annex 1.19). Contrariwise, the survival rate of companies with more than two years decreased both in Portugal and in Lisbon. However, Lisbon remains with a survival rate of 54,39%, 2,13 p.p. above the national one (Annex 1.20).

The traditional restaurant sector registered a negative growth on the sales turnover both in Portugal and Lisbon. But contrariwise to what happens in the general restaurant sector, in this sub-sector Lisbon is the area where the business volume most suffered, having decreased 2,14% to reach 619.744.613€, while in Portugal the decrease was just 1,81% (Annex 1.21).

Despite this, Traditional Restaurants continue to be the sub-sector with highest turnover, especially in Lisbon that concentrates 24,77% of these restaurants, representing 32,21% of the total turnover of this sub-sector (INE, 2011).

The numbers collected reveal a fragmented sub-sector that also represents more competition, further detailed in the competition analysis. However, since the enterprises are the reflection of the consumer demand trends, this analysis also suggests that there is a greater consumer market for traditional restaurants.

To attract and retain loyal customers and beat the competition in a sector with low switching costs for the consumer, restaurants must create a differentiated and valued proposal.

2.2.1.1 Sector trends

Just as in fashion, every year emerge novel trends on restaurant sector. However, a research on the topic reveals that most of them are minor yearly changes concerning just menu ingredients and food offer, thus the sector is still considered traditional and obsolete with no place for structural innovations. Yet, this reality has been changing. On this topic are presented some critical trends that, anchored by the consumer trends, are arising to the sector and available for Clara Chiado[6].

- **"Screen Dinning"** – Digital technology to create an "experience"

So far, technology has been used in the restaurant sector mainly in the back-office to increase processes' efficiency but technological tools are now finally starting to appear and being pointed out by sector experts, as American Restaurant Association (ARA) in 2011 or by the Restaurant Magazine (2011), as one of the hottest trends to improve restaurant service

[6] Predicted by sector experts and trends researchers: JWT Intelligence, Trend Hunters, TrendWatching, American and British Food Associations and AHRESP

differentiation, as part of the concept, visible and available to be controlled by consumers. Because adding value is more effective than lowering costs:

- Touch software menu – Already used by some restaurants, the iPad food and wine menu is predicted to become a strong trend in 2012. A survey made by ARA (2011) held that this is one of the hottest technology trends for ca. 25% of the American restaurant owners, proved to increase the sales and loyalty on restaurants where it was implemented (Dinheiro Vivo, 2011). The willingness of the consumers is confirmed by the own conducted survey results, where 84,40% of the respondents confess to approve the possibility of selecting the own food in an electronic device (Annex 3.3.4. b)). A percentage that, although high is still expected to grow along with the proliferation of portable devices and Internet access, that increase the familiarity with this devices.
  An attractive display allows customers to be informed, choose, order, pay and even give feedback on the restaurant. Having an iPad menu, especially on wines, eases the processes, dispensing a Sommelier, and enhances the customer experience.
  This tool also helps in back-office stock management and CRM, remembering customers' preferences on their next visit and suggesting them events nearby.
  A search on technological stores as FNAC, Worten, Amazon, Apple Store and others reveals that the apps that allow these interactive menus are multiplying at a fast pace, making this technology an affordable one. Although still not common in Portugal, Portuguese apps for these menus are now appearing. *My Menu*, is one of them, being already used by the restaurant *Faz Figura*, in Lisbon.

- E-tables – Integrated digital interfaces in the tables allowing consumers to visualize choose and order the food. After that, is still possible to watch the cooker preparing the meal, surf on the Internet or play some interactive games while waiting (Annex 1.22).

- **"Finally, dialoguing" -** Active presence and two-way communication on social media

The Portuguese restaurant sector seemed to be reluctant in consider social media as one of the most effective and cheap marketing tools despite the buzz around it. The virtual presence with own websites was already an old reality but the effective virtual interaction with the customer only grew stronger in the last months of 2011. Through social networks, restaurants are finally humanizing their brands, giving them a personality and embracing a daily two-way communication with customers that can finally "be friends" and "talk" daily with their restaurants and chefs, easily knowing the news, as stated on Ink Foundry 2011 report.

- **"Do not sell. Serve" -** The importance of the augmented product

According to Trend Watching (2010), this not a new trend for other businesses - i.e., the Parisian jeweller "Van Cleef & Arpels" has an iPhone app to guide its customers on 'a poetic ballad' through the romantic venues of Paris. Restaurants are now starting to use it, as they understood that the best strategy to retain customers and increase worth-of-mouth and awareness is to ensure a meaningful and positive place in their minds. Thus, restaurants are extending the lifestyle and value chain they represent to the consumers' everyday life suggesting activities or creating interactive utilities that reflect it, such as partnerships with Theatre Companies, Concert Halls or other cultural offers nearby by fancy restaurants.
Also AHRESP (2012) alerts for the importance of rather than just food, provide entertaining experiences, giving access to culture, leisure or other information.

- **"Thinking of YOU"** - Customized Meals and Flexible Formats

Meals can be chosen and ordered in the computer, on the street, through smartphones, or in the restaurant, through iPad menus. Customers can avoid or add ingredients, choose the grill intensity or even suggest new flavour combinations. The idea is to give the patrons a unique and personalized meal, made by a brand that cares and listens to them, which, according to Trend Watching is one of the major consumer demands.
In the same line, other restaurants - mainly in countries with olive oil tradition, as Italy or Greece - are letting customers opt on the olive oil to accompany or even to cook the meal. In Portugal some restaurants are adopting it, following the pioneer city of Mirandela that created a special olive oil menu for some restaurants in 2011 during the Festival of Olive Oil.
This goes far with the new "Bring your own Bottle" concept, whose advantages are not so unanimous. It allows customers to bring their own wine to the restaurant paying just a "cork-tax" that varies according to the price positioning of the restaurant, for example in *Salsa e Coentros* there is no tax, in *Tavares* is 15€ and in *Eleven* 9€ (Author's research)

Finally, Technomic[7] alerts for the importance other kind of flexibility: it previews the hourly adaptation of the restaurant's format according to consumer demand as a mandatory trend for restaurants to survive. Restaurants are predicted to switch between fast casual during the day and full-service at night, which Clara Chiado is already doing.

2.2.2. Competitors

The further analysis solely considers the competitors of Clara Chiado main SBU: the Restaurant. Wine Bar will not considered since this SBU presents a positive evolution with no need of repositioning; the Gourmet Store will also not be considered since it is a complementary activity and not part of the core business.

As confirmed by the sector analysis, the restaurant sector is extremely fragmented, with a high number of small restaurant enterprises with similar type of services and value proposals, making difficult the identification of the direct competitors.

To determine which restaurants could be considered as direct competitors and to what extent it was created a table pondering a set of previously established key factors (Annex 1.23): price range, quality and type of food, wine list, location and accessibilities, physical environment, reputation, size, events and communication, schedules - identified according to four different sources:

- Data collected on the interviews with the Clara Chiado manager, that pointed out the most direct competitors and the factors of competition;
- Results of the own conducted survey to the target; (See Annex 3)
- Critical success factors of the restaurant sector and differentiation factors of Clara Chiado, concluded on the external analysis.
- Literature review

Despite being unanimously considered as an important factor, the service quality was not pondered in the table due to the difficulty in establishing a quantitative evaluation.

The competitors were identified and pondered after a field research among those targeted to serve a medium/medium-high class in Lisbon, preferentially close to Clara Chiado. Restaurants that although located in other touristic areas as Docas or Belém but not in the surrounding area, were excluded based on the manager knowledge (Annex 1.24).

[7] USA research and Consulting firm in the food and foodservice area

The final sample is composed by eight restaurants: ‘Clara Jardim Restaurante’ and ‘Aqui há Peixe’, ensured to be strong competitors by the manager; ‘Aura’, recently opened restaurants that, according to the manager, affected the affluence of Clara Chiado; ‘Bistro 100 Maneiras’, ‘Lisboa à Noite’ and ‘Sacramento do Chiado’, pointed without sure by the manager and further confirmed by the survey (Annex 3.3.6); ‘Faz Figura’, suspected by the manager and mentioned in medium degree by the consumers in the survey (Annex 3.3.6).

They all share high similarities with Clara Chiado on the ten attributes, having in common the communication of a superior quality of Portuguese/Mediterranean slow food offers and emphasis on the quality of the wine portfolio having similar price ranges. They also use their servicescape environment and décor and the remarkable service as differentiators. It is frequent the organization of events, extra-services and live music.

After having identified the main competitors, it will be deeply analysed the ones that most concern for this study. ‘Aqui Há Peixe’ will not be further considered since its similarity is mainly resulting from the geographical proximity.

Bistro 100 Maneiras

Opened just for dinners in September 2010 just one street away from Clara Chiado. This is the second restaurant of a high-reputed chef Ljubomir Stanisic, jury of ‘Masterchef Portugal’ contest.

It is targeted both for tourists and Portuguese couples, friends and companies - having, a private room for the last ones - from class A/B, that look for a historical and urban place in a trendy area offering high quality food and wines.

The idea is to create an informal place, which can be seen in the menu nomenclature, in the website and also in the house DJ and the Bar concept after dinner.

The food offers are more traditional, being mostly Portuguese-based, and cheaper than the chef’s first restaurant, Restaurante 100 Maneiras, being however still slightly higher than Clara Chiado price range in some proposals. The “gourmet low cost” menu is small (10 starters and 14 main courses). The proposals are not so traditional as the ones from Clara Chiado, having all of them a notorious author touch despite using Portuguese based ingredients. It has a wide wine menu, with 120 national and international brands starting in the 17€, divided by origin. As Clara Chiado, it has two floors able to receive 80 people also smokers. The décor is clean, with old recycled furniture painted in black and white tones justifying the brand name “Bistro”, which means, “light and clean” in Serb. The walls have some pictures representing the Italian cinema and Lisbon histories and the historical illustrations that were previously on the place. As differentiators, it has its own bakery in the second floor that provides the bread for the starters, which, along with the view to the river in the same floor, is one of the main differentiation points used in the communication.

Clara Jardim Restaurante

The first restaurant of António Clara, co-owner and brand inspiration of Clara Chiado. Located in Campo dos Mártires da Pátria (with private parking) it beneficiates from high brand recognition.

It was sold in the 80's however it is still though to belong to the same group, since the actual owners did not change the brand name and the website is still similar.

It serves a Portuguese based food, having similar proposals to Clara Chiado although slightly expensive. It has also a good cellar, however the wine is not the core of the restaurant, being left aside from the main communication.

It is targeted mainly to Portuguese couples and companies from class A/B, but a more conservative type of customer that enjoys the traditional and "heavy" decoration with carpets, old style and worked furniture, big chandeliers and round tables.

It also has a catering service to weddings and external events.

As main differentiators the place has a room with a fireplace, a private room, and an interior garden, having place to serve 120 patrons. As Clara Chiado, it has also live music and special days events.

Lisboa à Noite

Opened in 2003 to serve only dinners in an old stable that allows around 100 patrons, in Rua das Gáveas, Bairro Alto, preserving the old brick arches and the Portuguese tiles.

The décor is in an urban style, carefully contra pointing the old style of the building and in consonance with the employees that wear t-shirts.

The Food menu much larger than Clara Chiado's and slightly higher priced than Clara Chiado, although having similar proposals, clearly Portuguese-based. Fish dishes, are the biggest range, having also five Bacalhau dishes, in a separated range.

The deserts are also typically Portuguese, coming to the table in a small car to allow the consumers' to see it and create desire.

Although never mentioning the chef, the restaurant was already awarded with the food award "Boa Cama, Boa Mesa" in 2008 and 2009.

Besides the regular menu, as Clara Chiado, Lisboa à Noite has also group menus.

The wine list was carefully chosen, having a wide variety of superior quality brands divided by type (white, red, green and rosé) and each type further divided by flavour. Lisboa à Noite wine list is one of the best of Lisbon, serving also wine by the glass.

The target is composed by couples, groups and companies mainly tourists, that are recommended by the hotels, and then Portuguese from class A/B and C1. The service is one of the most pointed pluses of the restaurant.

Sacramento do Chiado

Located between Bairro Alto and Chiado, Sacramento do Chiado works as a restaurant, café and bar, depending on the hours.

It has a wide space that can receive simultaneously 200 patrons. It is divided in five rooms with different ambiences but all of them mixing the modern/trendy décor in red tones with the traditional and old style place.

It is targeted mainly for groups of companies or friends but the ambience also aims to conquer the most romantic, both Portuguese and tourists.

It has a lunch buffet menu with the same price as Clara Chiado.

For dinner it offers a wide menu mostly Portuguese-based cuisine but also mixed with international cuisine, as *Rosbife*. During the afternoon it offers mainly scones and tea.

It promotes wine tasting sessions and other events related to wine, being the wine list one of the restaurant's core product.

The service of the restaurant is pointed as being extremely professional and according to Clara Chiados's manager, it enjoys from some word-of-mouth reputation, especially after having won the award "Boa Cama, Boa Mesa" in 07, 08, 09 and 2010.

Aura

Opened in February 2011 in Patio da Galé, Terreiro do Paço. Since then, Aura is opened everyday from dust till dawn as wide room and outside tables, that work as a restaurant, lounge and café, serving breakfast, lunch, snacks, dinners and cocktails. As Clara Chiado, Aura organizes several events, however they have more impact, since the place is managed by a reputed PR and is able to receive much more than 100 patrons, having VIP guests always among the crowd. As Clara Chiado, the ambience mixes the traditional with the modern, however, in Aura, the gold joins the white and every detail counts. From the big mirrors until the Venus de Milo statue or the plenty of velvets, the place is full of particular elements.

The target are mainly tourists and Portuguese couples, groups (including big groups of more than 100 people) or companies, from class A/B and C1, that look for a fashion/trendy and cosmopolite place in a historic location.

The Restaurant has a Portuguese based food menu, (i.e., *Robalo com Migas de Tomate),* having the ranges (starters, fish, meat and deserts) always 7 items, related to the Lisbon 7 Hills. The price range is similar to Clara Chiado, having a lunch buffet for 11€.

The wine list has 18 white wines, 29 red wines and 6 champagnes, being smaller than Clara Chiado one but with relevant brand names.

Faz Figura

Located in Alfama (with valet parking), having outside tables and a room with an excellent view to Tejo, Faz figura opened under a new management in 2006, having won several food and wine awards since then.

The décor is simple and clean, with straight lines in modern style.

The Portuguese based food menu has a high-confirmed quality. It has a contemporary gourmet touch by the chef that is also the responsible for the tasting menu.

As Clara Chiado, despite having fixed proposals, it is changed seasonally.

It has also a wide variety of group menus for friends and companies. The price range is highly similar to Clara Chiado, with some proposals more expensive and others, as the group menus, cheaper.

The wine menu is wide and has a high quality. It is divided by region, type and it has also the recommended wines. It is one of the main differentiating points, frequently communicated.

It was the first Portuguese restaurant with an iPad menu, strongly communicated.

The communication is based on the wine and food, being regular and done in every platform, with a strong presence in the social networks, where the restaurant offers discounts to fans every week. Several events in every special days and a Gourmet Club "to the ones who appreciate a great food" also more examples of the restaurant wide communication.

Conclusion

Although Portuguese based, the menus have different concepts in the restaurants, going from the traditional to the author, passing by the contemporary.

The quality of wine list, the service and the servicescape are the common differentiators; the décor and the differentiating points (i.e., landscape view) are not always the same.

Thus, despite having similar ambiences and being all targeted to the same consumer group, restaurant concepts are not all equal.

This might lead to the conclusion that what attracts consumers to the restaurants is the global perception of value delivered and differentiation in the concept, and not only the food, the wine or the location.

Their reputation and the variety and quality of wine menu is, in the majority, currently above the Clara Chiado, leading to conclude that the initial positioning of Clara Chiado, based on the wine list, has been lost. This conclusion is further confirmed by the inability of the manager to confirm all the competitors, showing doubts in the positioning. A weak positioning and a value not correctly communicated might explain, once more, the loss of clients.

2.2.3. Consumer

In a sector where there is a big rivalry on substitute products, consumers have low switching costs and a currently high price sensitivity, it is mandatory for companies to keep aware of the size and changing characteristics of the consumer in order to ensure an offer capable to attract and retain the most profitable target. Although clients' individual consumption does not have a determinant influence on the revenues, every customer must be valued because he represents a group of new potential customers if the experience is appreciated.

First of all, it is important to understand the demand. According to Marktest (2005) 36,4% of the Portuguese population does out-of-home meals during the week and 42,3% during the weekend. Lisbon is the area where this most happens - above 50% on weekends - and population from class A/B (53%) mainly middle and senior working classes and service employees are the ones who do it the most (Annex 1.25).

Although in minor percentage, this phenomenon has similar contours concerning just dining out (Marktest, 2006) when Lisbon has again the highest average (11%), and consumers are mainly middle and senior working classes and technicians from class A/B (Annex 1.26).

This information matches the results obtained in the author's survey, where the respondents showed a prevalence of dinners out "2/3 times a month" (41%) or "once a week" (25%) (Annex 3.3.2 a)). The main reasons are "special days with the family" followed by "friends/work gatherings" and "romantic dinners" (Annex 3.3.2. c)), all collecting the biggest rate of "with frequency" answers, having still 34,4% of survey respondents answered "almost always" in the first.

According to AHRESP, the average monthly number of clients per restaurant in September 2011 was 82,6 during lunch and 72 during dinner. Both increased compared to the homologous period in 2009 (8,76% dinners and 8,68% at lunches) having dinners registered the bigger increase from 2010 (5,4%) (Annex 1.27). Although still lower than in 2008, Euromonitor previews a growth with the recovery of the economy, especially on full-service restaurants' dinners.

Despite the higher lunch-out frequency, the percentage of clients paying more than 10€ for a meal is 17,7% higher on dinners, on what is concluded that, on average, clients are willing to spend more on dinner (AHPORT/Multidados, 2009).

These conclusions are additionally confirmed by the author's survey, where the results show that the average price paid per person on dinners out is 25€. Business registered a higher average price paid than leisure dinners (25€/30€ and 20€/25€, respectively) (Annex 3.3.2. f)). However, these dinners happen with lowest frequency (Annex 3.3.2 c)) and despite the average price p.person in leisure dinners (20/25€), the 25€/30€ range is the one collecting a bigger rate of common answers (28,13%) (Annex 3.3.2. f)).

On what respects the influencers on dinning out and choosing restaurants, 48,7% of consumers said that friends/family suggestion was the most influential factor on their choice. Also the will of meeting new places, looking for new flavours, and suggestions of specialized guides were the most nominated. Networking and children pressure appear as the last ones (AHPORT/Multidados, 2009 - Annex 1.28).

These results come in the same line as the ones concluded in the own conducted survey, where respondents confirmed that the main external influencers on the restaurant awareness and choice were the family/friends for 90,63%, followed by experts' critiques and suggestions (i.e., *Time Out*, *Fugas*) on-line and off-line for 53,10% and the eye catching restaurants or restaurants guides suggestions, both collecting 40,60% of the answers (Annex 3.3.2. g)).

After being in the restaurant, the three most influential factors on the positive evaluation and willing of return or recommend the restaurant are the attentiveness of the service, the fair price and the efficiency of the service. Low cost appears only in 15th place in 19 factors, allowing the conclusion that customers evaluate the value of restaurants based on the experience rather than on the lower price (Annex 3.3.2. b)).

- **Wine Consumption**

According to INE (2011), in 2005/2006 49% of the Continent population with more than 25 years old drank alcohol regularly[8]. The highest average percentage (58,3%) is on population aged between 35 and 55, more precisely 77% on men and 40,75% on women (Annex 1.29).
In 2011 more than 50% of the Portuguese population saw themselves as "wine consumer", mainly red wines (87%) and more from Alentejo region. From those who admit to consume red wine 44% do it everyday or almost everyday (GfKTrack.Wine barometer, 2011).
Still, the wine consumption per capita had shortly decreased in the last years, being 44,1L/inhab. in 2010/2011 (INE, 2011 - Annex 1.30). Yet, in 2009 Portugal was still in 5th place on the world wine consumption per capita rank by the Wine Institute. Spain, UK, France, Italy and Germany, the main outbound markets in Lisbon, are also among the 27 first positions.
Wine consumption decreased mainly in the HORECA segment, representing 23% of the total wine consumption in 2008. However, in the same year, the decrease in the quantity (-11%) was not totally accompanied by a decrease in the value consumed (-5%) (ACNielsen, 2005/2008 - Annex 1.31). This confirms the trend "quality over quantity" identified by Turismo de Portugal.
A 2008 strategic study by ViniPortugal concluded that wine consumers associate Portuguese wines with Elegance, Tradition, Prestige, Romance, Joy and Sensory Full. This can explain why wine collects just 6,9% of the preferences at lunch, but is the second most chosen drink during dinner (16%) right after juices and sodas (18%) (AHPORT/Multidados, 2009).
The results of the author's survey to the Clara Chiado target profile (Annex 3) also show that the wine list is not the most influential factor in the restaurant choice (Annex 3.3.2. d)), however, it is the common differentiator of the large majority of the recalled favourite restaurants (Annex 3.3.2 e)). This result might suggest that Wine, *per si,* is not a factor of attraction, assuming medium-upper importance on the perceived appreciation of the experience and recommendation of a restaurant. Therefore, it might be used as a distinctive offer to improve the food and the dinning perceived value experience.
In fact, wine is the most consumed beverage on dinners out (46,9%), ex-aqueo with water (Annex 3.3.3 a)) for the Clara Chiado target profile, being consumed half of the times or more by 62,5% of the survey respondents and "frequently" consumed by 28,10% (Annex 3.3.3. b)).
According to ViniPortugal (2008), 95% of the consumers drink wine in restaurants, being 80% to 95% on special occasions and 57% to 67% in business cocktails. The preference for

[8] The question asked who had drank alcohol at least once in the week prior to the interview

wine instead of other drinks is linked to gastronomic reasons, health and social component and the place, being classical restaurants more appealing for its consumption due to its refinement and elegance. More information on the choice and wine-food pairing suggestions, would also lead 60% of the consumers to drink wine more often (ViniPortugal, 2008).

The same study reveals that although price is one of the main reasons for consumers to avoid wine, for those who drink it the price appears just on the 5th place - after flavour, brand, origin and food - being around 60% of the respondents available to pay more than the double for a bottle or 1€ or 2€ more for a glass of wine in special occasions. These results are apparently contradicted by the ones obtained through the own conducted survey, where the flavour, year and brand appear as the least influential factors (Annex 3.3.3. c)) and knowing the wine, price and friends recommendation appear as the main factors influencing wine choice. Although not confirmed, these results might be interpreted as being the reflection of what happens in the restaurant - lack of information on flavour and wine characteristics (Annex 3.3.3. c)) – thus, since they are not currently provided they are not pondered as choice influencers: "*If I had asked my customers what they wanted they would have said a faster horse*." (Henry Ford)

2.2.3.1. Consumer Trends

- **"Having the world in the hands"** - Mobile Technology

The price decrease and technology evolution led to the boom of mobile gadgets with access to Internet, Android software, iPhones or iPads (Time Magazine). Consumers are no longer online only at home but on the streets and constantly using mobile technology to get information on the closest and best restaurants, schedule a table, read and give real-time reviews, post real time photos, rate the dishes or update the Facebook status with the location (Trend Watching, 2011; Dinheiro Vivo, 2011) (Annex 1.32).

"EatOut Lisboa", a restaurant guide app for iPhone with Facebook connection, reached more than 5.000 downloads in just four days, being the number one app of App Store.

Now off-line (physical restaurants) needs to be on-line to continue existing and stay relevant easing and improving customers' experiences, by sharing the "access to positives of the digital world: convenience, control, choice, information, etc" with them (Euromonitor Global Consumer Trends, 2012).

To be on the most important crowd-sourced and touristic sites, on Facebook or Google Maps, are key strategies for restaurants in 2012 (Livebookings, 2010). This leads to the next topic on this master thesis.

- **The "F-Factor"** – Family, Friends, Fans and Followers' influence

Consumers are not alone on purchases. If since we can remember friends/family suggestions influenced the decisions – as supported in the own conducted survey (Annex 3.3.2. g)) – more recently consumers are searching, discovering and deciding on products or services based on the number of likes or reviews of other consumers. It is an on-line behaviour that influences the off-line consumption. (Trend Watching, IBM and QSR Report, 2011) New consumer-based reviews' websites - such as Yelp or OpenTable - appear every day, merging general consumer reviews with personal Facebook friends' reviews. Even the wine has now a Facebook with 2500 users sharing information about it (http://www.vinthink.com) and Trip Advisor, the main touristic crowd-sourced website, has more than 92.000 restaurants with consumers' reviews and almost 19 million monthly visitors,

- **"My own brand"** : Demand for Information, Recognition and Personalization

This trend is directly connected with some of the above mentioned sector trends, as "Meals Customization" or "Augmented Product". Consumers do not only want to enjoy of customized products but also to interact and participate in the brand construction, visible to others (Trend Watching, 2011). Surveying new flavours or even the décor is becoming usual (i.e., Matutano new flavour contest). A brand free consultancy while increase the interaction and consumer attachment.

In the information era, patrons also want to know more about the products they are consuming: where do they come from, what are the main ingredients (AHRESP, 2011) or what is their story (Hipersuper, 2012). Restaurant *Tavares* used this trend to create small engaging histories around creative dishes' names to add value to the product.

The consumers' willingness for customization and unique experiences is mentioned by AHRESP (2012) and is also reflected on the results of the author's survey, where the recognition of the customer preferences, the provided information on wines and food and the possibility of experimenting innovative flavours appear on top of the most important factors list positively influencing the remarkability of the restaurant. (Annex 3.3.2. b)) Also the possibilities of reserving a private room or enjoying from thematic dinners in the restaurant appear as the favourite extra-services for consumers in the own conducted survey (Annex 3.3.4. c)). Finally, when asked about the willingness of enjoying of a surprise meal, totally personalized according to they preferences, 87,50% of the respondents answered yes (Annex 3.3.4 a)).

According to Trendwatching, (2008) "Perks" were starting to be a major consumer trends. It is the recognition and differentiation of good customers, giving them the possibility of enjoying exclusive benefits that are not price reductions but extra services. Several companies on other sectors are already providing this: exclusive entertainment activities, exclusive seats, priority entrance in flights are just some examples (Trend Watching, 2008). The Portuguese restaurant sector is now starting to do it, having some restaurants created exclusive "Clubs" providing the best customers access to restricted dinners, group events outside, or best table reservation.

- **"One more glass of wine, please"** – Wine trendy consumption

As concluded in the previous chapter, wine is the issue of the moment associated to leisure and relaxing moments and no longer as just one drink: wine tastings, wine dinners or small oenology courses are proliferating.

The social class of consumers went up likewise the quality of wine consumed. A new target composed by women and young adults under 35 years old, of which 37% are weekend consumers, is arising, (Vini Portugal, 2008) to which the communication efforts of wine brands and associations have a key role, relating the drink to events as *Moda Lisboa* or *Fashion Night Out*, where a glass was offered in the stores of Avenida da Liberdade. Also non-alcoholic wines are appearing, directed to those who want "wine status", but not the alcohol associated with it. Despite the criticism in the production sector, the Portuguese non-alcoholic wine "Lancers" has proved to be a success, selling more than 250.000 bottles in two years

Concerning just the restaurant sector, AHRESP (2012) forecasts the "menus harmonized with wines" as a competitive advantage for the sector in 2012.

- **"The good old days again"** – Value of national traditions and cultural heritage

Technomic (2011) forecast the acceptance of new flavours, if incorporated into comfort food[9] and familiar formats, rather than international cuisines: "contemporary menus with traditional bonds" (AHRESP, 2012). Also the U.S.A. National Restaurant Association and JWT (2011) forecast the penchant for the local, traditional and artisan products.

In Portugal the words "traditional" and "typical" are also becoming trendy. Brands as Gallo, Pingo Doce, Compal or Continente already embraced that on their communication and products, frequently referring the Portuguese typical dishes and associating their products to a story (Hipersuper, 2012).

2.3. External Opportunities and Threats

After having analysed the external environment affecting Clara Chiado's business, it will now be identified the main opportunities and threats inferred from the current context.

Opportunities	Threats
Wine and Gastronomy considered strategic touristic offers by Turismo de Lisboa	Increase on costs due to the higher VAT charged
Communication/Promotion efforts on wine by national tourism entities	Decrease in the Traditional Restaurants sales turnover
Increase of outbound tourism and Lisbon is the main destiny the whole year (no seasonality)	Highest competition (number of companies) in Traditional Restaurants sector in Lisbon
Main outbound touristic markets are countries with wine consumption tradition	Growth of fast-food and chain restaurants market share
New targets on wine consumption	Restaurant companies' survival rate relatively low (54%)
Wine attached to status and new positive links	Decrease on private consumption
Quality of wine preferred to quantity of wine	Decrease in out-of-home meals
Wine is the second beverage on dinners out	Higher percentage on lunches out
58,3% of the Portuguese population between 35 and 55 years old – the restaurant target – drinks wine regularly	Low consumer loyalty
	Decrease on wine consumption in HORECA
Consumers demand for information	Cost of wine as the main factor leading to the non-consumption of it
Wine by the glass as a trend	Influence of social networks and crowd-sourced websites in the decision making
Lisbon has the highest eating out rate and the highest average monthly household spending in "Hotels, Restaurants, Cafés and Similar"	"Bring your own bottle" as a way for consumers to spare money on wine
Clara Chiado's target is the less affected by crisis and more than 50% of the Lisbon population (AB and C1 class)	

[9] A food prepared traditionally that may have a nostalgic or sentimental appeal to a specific culture

Clara Chiado's target is the one that eats out and drinks wine most frequently
Traditional Restaurants in Lisbon as the subsector with the highest sales turnover
Consumers pay more for dinners than for lunches out and even more in special occasions
Sophisticated consumers prefer added value and experience than to have a price decrease
Low cost as one of the less influential factors in restaurant positive evaluation
Interest and value of traditional food and wines by both tourists and locals
Consumers demand for interaction, recognition and personalization
Increase on mobile, internet and social network usage by population
Cheapen of technologic hardware and software
Technology as a differentiator plus
Use of front-office technology is still not common in Portuguese restaurants
Will of personalization and unique experiences
Restaurant seen as entertaining place
Consumers dinner out mainly on special occasions, where they are able to pay more
Seasonal menus based on Portuguese food (trend)

3. Internal Analysis

3.1 Company's History

Clara Chiado is a familiar business co-owned and managed by Natalia Clara, who is the main responsible for the controlling of the operations, management and communication.

The concept joins a restaurant, a wine bar and a gourmet store in the same place and is the third restaurant owned by António Clara, a well-known entrepreneur in the sector since the 80's when opened it first restaurant, Clara Jardim, in Lisbon

Clara Jardim was sold in 1985 but after 27 years the restaurant still remains with the same name and concept in Largo de Santana, in Lisbon.

After that, António Clara took part in the successful Clube dos Empresários until the year 2000 when left to live and work in France.

This new and autonomous concept, Clara Chiado, was thought after the return of António Clara in 2007, before the economic crisis exploded in Portugal.

Clara Chiado opened its doors for the first time on the 12th of October 2009, two years after the idea and one year after the beginning of the works to adapt the place.
After the opening and even without any previous communication, Clara Chiado proved to be a winner concept, with 17 000€ of sales revenues right on the very first month.

3.2. The Concept

The global service offer of Clara Chiado is composed by a traditional restaurant, a wine bar and a Portuguese gourmet store that occupy 400 m2 divided in two floors of an extraordinary building in the historic centre of Lisbon.
The restaurant has around 120 m2 and works in the first floor, divided in two main rooms for smokers and non-smokers, having a global capacity for 80 people. It serves a Mediterranean Gourmet menu based on Portugal traditional dishes mixed with French cuisine flavour influences - reflex of the past experience of António Clara - and an exquisite touch, that is added to every dish by the Chef Paulo Pereira, co-responsible for the menu composition. Since the summer of 2011 the dishes are also available to be taken home by those who wish a more practical meal.
The Wine Bar and the Gourmet Store occupy around 90 m2 of the ground floor and work in a larger daily schedule. The objective of the Wine Bar is to be more informal, with less complex menu proposals, allowing clients to taste some well-known Portuguese appetizers prepared with a sophisticated touch and accompanied by a whole bottle or just a glass of some of the great wines stated on the menu.
The Gourmet Store, with its wooden shelves full of wines, homemade jams, gourmet olives, olive oils and other products can be seen from outside, calling for those who pass in front of Clara Chiado. Its products are destined to home consumption, only the wine can be directly consumed in the wine bar or be taken home.

3.2.1 The strategy: Mission, vision and objectives

Although being the basics of a strategic plan, by the time of its opening and so far Clara Chiado has not clearly defined its business mission, vision and objectives, being them, in the words of the manager, "just be able to survive".

3.3 The Strategic Business Units

Before opening, Clara Chiado identified a strong market niche to which it was profitable to provide a food service and the business focused on that opportunity, which was believed to gather all the characteristics to become a strong profit making area.

Despite providing four different services - restaurant, take-away food, wine bar and gourmet store - the company considers only two Strategic Business Units: the Restaurant and the Wine Bar. The take-away and the gourmet store have no significant expression among the global profits, being integrated in the restaurant and in the wine bar business units, respectively.

The main Strategic Business Unit of Clara Chiado is the restaurant, to which is dedicated the entire first floor and also the brand name. The Wine Bar appears as a secondary business unit, to take advantage of the beautiful "but not private enough" ground floor.

No longer than one year after the business opened, the main SBU - the 1st floor restaurant - begun to be surpassed by the secondary one - the wine bar - that started to register a monthly increase in the number of clients, while the restaurant was registering the opposite reality.

This phenomenon had its climax in July, August and September of 2011, when the number of clients of the wine bar started to represent more than 50% of the global number of clients.

3.4. The Marketing Mix of the two SBU - Restaurant and Wine Bar

3.4.1 Product

3.4.1.1. Brand

1.1.1.1.1 Name

The brand name "Clara Chiado" was chosen to make the connection between the new brand with the already reputed family name in the sector: "Clara". This would allow the new restaurant to take advantage of the previous conquered brand equity of the name, to which some client segments already associated with a set of attributes and benefits from the previous projects. Thus, the company was hoping to catch the old frequent customers of the upper-level restaurants where António Clara had taken part.

Yet, this brand image and reputation recall strategy is only applicable to previous clients or to local Lisbon inhabitants familiarized with the name.

The other part of the brand name, "Chiado", was chosen to emphasise the premium location of the restaurant in the heart of Lisbon, valid for both locals and tourists.

1.1.1.1.2 Logo

The logotype is the visual identity representing Clara Chiado, composed by the logo and by the lettering with the brand name.

Figure 1 - Clara Chiado Logotype

Source: Clara Chiado

The logo is a symmetric flower in pink and purple colours, that, along with the lettering, was chosen in accordance with the architect's idea for the decoration: a modern and clean place, sober and trendy at the same time, that would not be connected with any haughtiness.

This logo does not have any value *per si,* existing just to strengthen the brand name, that appears always on top with the "Clara" written bold, assuming a major notoriety.

The logotype also refers the concept - Restaurant and Gourmet Place - giving the brand added value and making already a customer selection with the word "gourmet".

Together, the elements reflect an image of a modern and upper-level restaurant.

3.4.1.2. Core Product

Service

The typical consumer of the majority of the medium/upper-class restaurants does not look for the satisfaction of a biological need, but to fulfil the need of escape and self-achievement. In this type of restaurants, service assumes a highlighted importance, as it was confirmed by the author's survey where the kindness of the service was evaluated as the most important factor influencing the remarkability of the dinner for 46,9% of the respondents and the aspects related to the quickness and efficiency of service occupied the third, fourth and fifth most valued aspects (Annex 3.3.2 b)).

More than to influence satisfaction, clients are opened to pay a higher price for a core product that delivers more than the food. This fact was also further confirmed by the own conducted survey, where the respondents confessed to be able to pay more than what they currently pay in leisure dinners for a restaurant that offers an improved experience in special occasions (Annex 3.3.4 d) and e)).

Clara Chiado restaurant and wine bar pretends to have an offer suitable to satisfy the needs of this target, composed by either Portuguese and foreign clients.

According to Kotler (1991; 2000), a service is "essentially intangible and does not result in the ownership of anything; its production may or may not be tied to a physical product."

Despite Clara Chiado service being directly connected with the food provided, the intangibility of the first difficult the establishment of what should be its value. Clara Chiado tries to overcome this and add value to its product through a philosophy that defends an attentive service of polite and available waiters that help in the choice of the dishes explaining its origin, tradition and flavours. However this description does not exactly correspond to the daily reality of the restaurant, where the waiters do not show any remarkable competences, providing no more than an ordinary service. Consequently, although Clara Chiado does not have a bad reputation, its service is also not highlighted by customers, and does not work as a factor of differentiation (Annex 3.3.5. c)).

Food

Despite having the same foundations, the restaurant and the wine bar food menus are substantially different, being the second one less complex, destined to those who do not come during the meal hours or just want to taste some Portuguese appetizers in a more relaxed and informal environment.

Restaurant Menu

The restaurant menu is fixed and the current food offer can be divided into four ranges: appetizers, soups, main plates – also divided into different lines - and deserts (Annex 2.1).

The nomenclature chosen (i.e., "Our Daily suggestions", "From out butcher", "Our Italian Touch" or "To end your meal") tries to establish a closer relation with the customer without losing its main functionality, which is the identification/explanation of the dish.

Despite being able to identify the most requested dishes, the manager does not possess any accurate data on the percentage of orders of each dish.

According to the data collected through the interviews with the manager, the traditional Portuguese plates – mainly the fish-based ones - are the more requested, being the " 'Clara Chiado' codfish", "Tornedó" and the Codfish Specialties the *ex-libris* of the menu. Since the summer 2010, a significant percentage of clients started avoiding appetizers and almost stopped ordering deserts, thus, despite being possible to identify the range best sellers, these ranges have a minor significance on sales (Annex 2.2 and 2.3).

Besides the regular menu, the restaurant has a special lunch menu with reduced price during the week and Group Menus. Both include desert, drinks and coffee – and Group Menus include also Soup and Appetizers as a strategy to increase prices and stimulate the sales of these products.

Wine Bar Menu

The wine bar menu is a sort of extended version of the restaurant menu appetizers, divided in three ranges: “Out Treats”, “To accompany” and “Deserts” (Annex 2.4).
It has easy-going options to be consumed in a more informal way at any time of the day, being the Portuguese-based ones, once again, the most requested (Annex 2.5).
During lunchtime, the wine bar has a Buffet Menu with restaurant plates (soup, main dishes and deserts) that are not stated in the regular wine bar menu.

Beverages

Wine assumes a key significance in Clara Chiado’s positioning and sales, being one of the competitive advantages of the restaurant, always present in the communication.
It is the most requested drink and has its own menu.
The restaurant started with around 150 wine brands chosen under the advice of wine specialists and after a research on the best suppliers and a benchmarking. The brands were chosen aiming a diverse offer with a superior quality cellar that would work has a remarkable and differentiating plus among the competitors.
However, according to the manager, “two years later we still have plenty of the old bottles in the cellar, especially the less known because employees usually introduce the ones to which they are more familiarized with and if they do not introduce the others, customers do not order them”.
The restaurant has currently 89 wine brands in the menu, organized by type (red, white/green/rosé) and region, being all Portuguese, mainly red wines and mainly from Douro and Alentejo (Annex 2.6). Consumers can opt for the bottle or by the glass, having 14 different wines available for that. Wine by the glass is currently the most popular request.

The most sold wines are the less expensive and the most popular ones, mainly from Douro and, in second, from Alentejo.

There is not any specific *best seller*, since the waiters, under management instructions and to better control the existing stock, intentionally influence the orders.

According to the manager, the less sold is clearly the Champagne, due to its high price and luxury connection. Similarly, the sparkling wine is not a common order, being an option just in specific celebrations and, once again, only if suggested by the waiter. Thus, it is possible to conclude that along with the price and brand reputation, the waiters' suggestions are one of the biggest influencers on Clara Chiado's customers wine choice.

<u>Gourmet Store</u>

Although sharing the same physical place with the wine bar, the gourmet store core service is not to prepare and deliver home signature food, but to sell third-parties gourmet goods, as honey, cookies, jams, olive oils and wines, to be consumed at home, being wine, once again, the core product of the store.

Despite never been considered as a main SBU, the concept had a reasonable success in the beginning, however it quickly decreased. The products rotation was discontinued and now only mainly wines and olive oils continue to be reasonably sold.

3.4.1.3. Schedules

In the first month, Clara Chiado was opened everyday so it could be identified the lower frequency days and settled up the weekly schedule according to them. After recognizing a pattern, it was decided to close on Sundays and Tuesdays, being opened the rest of the week.

Until July 2011, the restaurant was opened during the lunch period - 12H30 to 15H30 - and for dinners - 19H00 to 23H00; correspondingly, the gourmet store and the wine bar were opened from 11H00 until 00H00 without closing during the day.

Reflecting the business decrease, the restaurant is currently closed for lunches (since July/11), opening just the smaller room when the wine bar is full or to pre-scheduled groups; the wine bar and gourmet store also open one hour later, at 12H00, and close at 17H00 on Saturdays.

This decision was supposed to be seasonal but became permanent, being now the official working schedule of Clara Chiado.

3.4.2. Price

The pricing strategy adopted by Clara Chiado is in accordance to the identified direct competitors on the same target market. This allowed Clara to enter in that market segment with competitive prices that fit also the product concept and the marketing strategy, or, in other words, enabling Clara Chiado to communicate its positioning through the price strategy.
Comparing to the totality of the Portuguese restaurant sector, Clara Chiado has prices above the average, having used a skimming strategy when entered the sector[10]. This price policy above the average communicates *à priori* the quality of the restaurant, creating a psychological impact on the target consumer's expected value and increasing also the perceived value through the *feeling of status* associated to those who frequent the restaurant.
Having said this, one might conclude that this price strategy not only works as a revenue tool but also as a strategy tool of non-price competition that differentiates the restaurant for the quality of food and service and helps to straighten the offer to the chosen target that values the benefits more than the costs.
But that is not happening. Despite being in the same price range as its direct competitors, sometimes even lower, Clara Chiado does not deliver the correspondent value to the customer. This can be concluded through the results collected on the own conducted survey, where the respondents perceived Clara Chiado as being "too expensive", suggesting that the perceived value of the costs is higher that the perceived value of the benefits (Author's Survey, Annex 3.3.5. c)).

3.4.2.1 Restaurant Prices

Appetizers, Soups and Deserts

There is no correspondence between the most requested dishes and the price, being they either under the average price or the most expensive ones

Main Dishes

- *Fish*

[10] According to AHRESP (Barómetro nº23), the average price of a fish dish in restaurants in 2010/2011 is around 14€ and the meat around 10,6€. The most expensive cost on average around 23€ (fish) and 14€ (meat).

The average price of fish dishes is 16,16€. '"Clara Chiado' codfish" is the most expensive on the fish list (19,00€); nevertheless it is the most requested fish and also the most requested dish of the restaurant. Curiously, the less expensive fish dish is also the less requested one.

- *Meat*

The meat dishes' sales do not assume significant importance in the global restaurant menu.

- *Pastas and Specialties*

These ranges do not show any specific trend on prices. The most requested pastas are both the cheapest and the most expensive and the most requested specialties are around the average price of that range, which is 19.53€[11].

- *Steaks*

Clara Chiado's most requested steak is also the most expensive one. The pork steak is the cheapest of the whole menu but, still, the less requested from the whole available dishes.

Conclusion

According to the data above, the most frequent average price for a meal[12] in the restaurant is 34,98€[13], without starters (that register low rates of orders) this price would be 29.81€, which corresponds to the average price range paid in business dinners, but higher than the average un leisure dinners, according to the own survey. (Annex 3.3.2. f))

As a trend, it can be identified that the most requested main dishes, " 'Clara Chiado' codfish", " 'Clara Chiado' Tornedo" and "Roasted codfish with maize bread", are more expensive than the main dishes' global average price (15,94€) and that there is no price pattern on Appetizers, Soups and Deserts' requests, being the most requested items both the cheapest and the most expensive.

Having said this, one might conclude that price has no influence on clients' choice, being the most important factors the food origins, on which, as previously stated in the Product analysis, the Portuguese typical dishes have prominence.

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[11] Values calculated from the '1pax' price, and average value excluding the upper outlier that costs 28,00€

[12] Appetizer or soup, main dish, desert, coffee and a glass of wine

[13] Sum of the most requested products' average prices in each range plus the cheapest glass of wine. Meal: 5,165€ + 17,06€ + 6,25€ + 1,50€ + 5,00€, according to the order stated in the previous footnote

3.4.2.2 Wine Bar Prices

Treats and Accompanies

The most requested dishes on these ranges are both around the average range price.

Deserts

Despite similar to the restaurant's deserts, wine bar's deserts have different prices, being the average price in the wine bar 4,78€ - around 1€ lower than in the restaurant.
One of the most requested items, "Strawberry Soup", is also the most expensive one (8€).

3.4.2.3 Price Discrepancy between Restaurant and Wine Bar similar Items

As it is already stated, some items appear duplicated in both menus, however restaurant prices are, on average, higher than those from the wine bar (Annex 2.7).
Although this difference is assumed in Clara Chiado's price policy and justified by the different positioning and service offered, the manager is not able to justify the incoherence in the price variation rate since it does not respond to any rule. The average variance on price is 16,57%, however, there are items with an outstanding price variance of 94,4% (the "Covert") and others with just a variance of 3,57% ("'Cataplana' of prawns").

3.4.2.4 Wine Menu Prices

Similarly to the food, the wines listed in the restaurant menu are more expensive than the same brands in the wine bar. However, concerning wine, the price is not established according to the place of consumption but to the ordering process.
In the restaurant, clients are obliged to pay the price listed on menu, but on the wine bar clients can chose a wine from the menu list, paying the same as in the restaurant, or choose a wine available on the shelves, paying the "cellaret-price", even in the same brand. The most affected are the tourists, who ignore this policy and order always from the list, paying a higher price.
This price policy is valid also for wine by the glass, which costs 5,00€ but only 4€ if it is ordered through the wine bar exhibitors.

3.4.3 Place

One of the characteristics of the services marketing is the reduced number of intermediaries in the distribution chain, being usually just one for the raw materials or even none. Thus, the place of consumption is also the place of production and the place of bought.

In Clara Chiado almost all products are destined to restaurant consumption and almost all are produced in its kitchen. Nevertheless, as in the majority of rules, there is always an exception. Clara Chiado has two minor exceptions: the take away service and the gourmet store. The first implies that the house products are to be taken and consumed at home and the second sell products that were not homemade.

"Location, location, location" is one of the most well known quote in Marketing, assuming major importance in the service marketing for the reasons above mentioned.

Clara Chiado is located in Largo Rafael Bordalo Pinheiro, a well-known place in the heart of a touristic neighbourhood of Lisbon behind the famous square where the historic revolution of 25th April 1974 that ended with the Portuguese dictatorship took place.

It is a visible place, inserted in the historical route, close to several monuments, as Teatro da Trindade, and also close to one of the city's nightlife trendy centres, "Bairro Alto".

Beyond that, the place that hosts the restaurant today is the former-house of the famous ceramist and caricaturist Rafael Bordalo Pinheiro.

However, being in the centre as also its disadvantages:

- Bigger Competition - Two restaurants targeted to the same market are just about 100 meters distance and the surroundings – Bairro Alto e Chiado – are also full of restaurants.
- Traffic Jam and Lack of Parking Facilities – Despite being close to the underground station of Chiado, clients who travel by car might have to face the sometimes-chaotic traffic in the surroundings and are obliged to pay for parking anywhere close to the restaurant area if they want to enjoy a meal in Clara Chiado. This can represent a problem mainly for Portuguese clients, since the average tourist does not have a car.

On-line Booking

Although through outsourcing companies, clients are able to e-book a table in Clara Chiado. The restaurant is present in the two main Portuguese sites of on-line restaurant booking: besttables.com and mytable.pt, having the last one also available other customers' reviews. Clara Chiado has also its own web site, whose main purpose is to communicate the restaurant, thus, this site further considered in the promotion topic.

3.4.4 Promotion

Clara Chiado is a small business with an also relative small service capacity (80 people max.). Its modest average revenues do not allow and its precise target does not justify the use of the most expensive above the line communication tools that aim to reach a wider market.
Thus, the Restaurant follows a Pull Strategy, centred on below-the-line tools to communicate directly with the target. It is an integrated marketing strategy focused on short-term sales results at the same time that tries to create long-term reputation using tools as Social Media - the only above the line tool - Sales Promotion, Public Relations and a great percentage of Worth-of-Mouth effort. The only tools that are not used by the restaurant communication are Advertisement, Direct Marketing or Personal Selling.
Despite using almost all the available tools, Clara Chiado's brand awareness is incredibly low, with just 37,5% of the respondents of the author's survey having heard about the brand and just 15% having gone at least once to the restaurant. (Annex 3.3.5.)
All the tools direct the communication to the same target profile using different tones of voice to deliver the message. These aspects will be further analysed on each tool.

3.4.4.1 Internet

Social Media

Clara Chiado is present on the social media through a corporate page on Facebook. With more than 900 fans and regular daily updates, this is one of the most used and most interactive communication tools for Clara Chiado.
Through an informal, kindly and "tasty-adjectivized" tone of voice the restaurant communicates to its fans the daily dishes – complemented with photos –, the seasonal menu changes - inviting fans to try it - and punctual changes in the Restaurant working hours.
Fans can comment and ask for information directly on the page, receiving an answer usually within 24 hours.
Clara Chiado Facebook page is the leading virtual showcase of the business, through the photos that exhibit the place, the events promoted and also the news clipping.

As a tool of the restaurant communication, this page also reflects the business, therefore, if in the beginning the restaurant dishes were almost daily promoted, since May 2011 they started to share the prominence with the wine bar promotion.

Although interactive, Clara Chiado's updates do not go further than the Restaurant information, what might not be enough to engage fans or to attract new visitors.

User-generated content, touristic sites and on-line media

A quick research through the Internet reveals that Clara Chiado is referred in several touristic sites, as Lifecooler, Sair+, Feeling Lisbon, Allgarfo, Go Lisbon, Lisbon Lux, among others, with different descriptions that go from brief keyword descriptions about the menu, prices and schedules to more elaborated explanations in some. To what matters to this project, the two of the most important for Clara Chiado are further analysed:

- Trip Advisor:
    - Clara Chiado is present with only 50% rate, being the negative reviews mainly related to the food quality and waiting times. This result assumes higher importance since this is one of the worlds most used touristic information tools its bad word-of-mouth can culminate in client avoidance.
- Restaurantes aos pontos:
    - An e-evaluation and e-reservation place that also has user-generated content in the form of consumers reviews. It scores the restaurants according to some pre-determined criteria, having score Clara Chiado with 18 points.

Google Places

Simple but truly important for local businesses in the touristic and hospitality sector, this tool connects directly to Google maps to identify the location, brand name and customer reviews of the service in a on-line map with a red tag.

A research made on "Restaurants Chiado, Lisbon", shows that Clara Chiado is not clearly identified, appearing in a minor tag and with the corporative name. This might beneficiate some nearby direct competitors that are clearly identified in this tool, as "Aqui há Peixe", that appears highlighted (Annex 2.8).

Web site

Clara Chiado Website - www.clarachiado.net - is here considered as a communication tool and not as a Marketing-Mix Place because it has no direct option to make a table reservation, existing only as a virtual communication tool.

As it happens with the restaurant physical place, also the website is light and clean, in black and white tones and the purple logo, being only connected with the modern part of the concept and not with the Portuguese-based cuisine and wines. However, the same happens in direct competitors' websites, being the truly typical Portuguese or Regional restaurant, the only adopting the "Portuguese Theme".

The site explains the whole concept in a direct way having a small description of the history of the company. It has also photos of the servicescape – bar and restaurant – photos and descriptions of the food dishes and respective prices, last and upcoming events description and the news clipping, all through an easy and intuitive navigation between tabs.

Although user-friendly, the site does not bring anything new. It communicates the information in one way, and only in Portuguese, leaving no place for the interaction with the customer and also lacks the connection with the main social networks as Facebook, Twitter or Google +, that would allow clients to share it. As it communicates in a soulless tone of voice it becomes too impersonal, without any connection with the user or any sense of cosiness, therefore, not creating any special arousal to go to the restaurant (Annex 2.9).

3.4.4.2 Sales Promotion

It began to be adopted by Clara Chiado mainly since the middle of 2010 as a strategy to stimulate purchase and also the trial of new clients. This would contour the sales decrease in the off-season of summer and increase short-medium term results, due to the enlargement of the spectrum of clients reached by the restaurant communication.

The actions were on-shelve coupons for a 10% discount in the next visit; price discounts or extra offers on special days; partnerships with private enterprises, offering a discount to its workers on the global price of the meal; partnerships with the main group discount platforms, as Groupon and Clube Fashion, and gift boxes, as A vida é Bela, Smartbox or Odisseias, establishing lower prices to the customers that bought a meal in Clara Chiado through these intermediates (Annex 2.10).

Despite attracting more customers, promotions dos not influence the perceived value and the degree of recommendation of the restaurant, as concluded in the author's survey (Annex

3.3.2. b)). Furthermore, a part of the attracted clients does not belong to the restaurant's main target, contributing to a low return rate. Thus, despite this communication tool effectively increases the number of clients in a short-term, it might affect negatively the long-term image reputation of the restaurant, decreasing the perceive quality and the number of effective and most valuable customers.

3.4.4.3 Public Relations, Experiences and Events

This is the most used communication tool by Clara Chiado. The manager brings dynamics, tries to build a stronger corporate image and improves the positive relation with the stakeholders by promoting events, in store experiences, communication with the media, and partnership with some institutions This has also the objective to create buzz around the Restaurant and spread its reputation through positive Word-of-Mouth.

Respecting the restaurant's flagship, the wine, Clara Chiado has seasonally winery dinners and wine tasting events.

As a strategy to maintain the perceived-value of the restaurant and to increase/built reputation among a medium-high social class profile customer that usually appreciates and values culture and art, the restaurant already established partnerships with free-lancers jazz and piano bands, with the Music Conservatoire and also with book authors or speakers to promote music, literary or spoken events. However, they are not frequently promoted.

Besides its own events, the Restaurant participates in externally organized events, like Chiado After Work or Chiado Moda, both to promote Chiado, and the Lisbon Restaurant Week, an event joining the best restaurants in town and challenging them to create 20€ gourmet menus. After an extremely positive assessment of the first edition Clara Chiado continued its participation during the next two editions and the intention is to continue to be part of it.

In the first months Clara Chiado appeared in some wine, food, tourism, decoration and women magazines, however this activity was quickly stopped.

Despite being seen as well frequented by the author's survey respondents, the results also reveal that respondents perceive Clara Chiado as having "No Events" (Annex 3.5.5. c)). This might lead to the conclusion that despite the abundance, the actions are not being well communicated, what would be fundamental for Clara Chiado to try to be more talked and reach a higher brand awareness and recognition, essential to stimulate trial and purchase.

3.4.4.4 Word of Mouth

Word of Mouth is one of the most influential communication tools in customers' trial and purchase decision, assuming greater importance to attract new clients especially in services where the consumer has the necessity to establish some tangibility through the establishment of a preconceived expected value. Moreover, word of mouth is also free. This is held by the own conducted survey, where consumers admitted the "friends/family recommendation" and the "experts' critiques/suggestions" to be the most influential tools in getting to know a new restaurant. (Annex 3.3.2. g))

In general people tend to give more credibility to informal but informed sources, not connected to any form of paid advertisement and whose assessment results only from the direct contact with the product. Their message's influence degree is directly proportional to its recognized expertise, emotional proximity and confidence level with the customer.

As it appears spontaneously and spreads easily and quickly, word-of-mouth can also be dangerous due to the difficulty in controlling it. It can either build or destroy a business and the only strategy for a company to guarantee a positive word of mouth is simply to preserve the quality of service and exceed the expectations of the customer.

Clara Chiado word of mouth communication started even before the restaurant opened through friends and prior customers who spread the news to their contact list. Currently, to increase the word-of-mouth, one of the most important strategies adopted by Clara Chiado is to become visible to the community. The company does it on-line and off-line with the already mentioned daily presence on Facebook and with the PR events.

Customers also do it spontaneously and to a bigger group than their relatives through Internet blogging or other online platforms. Thus, sponsored pages – as the Facebook fan page or the official website - appear alongside with this uncontrolled communication, as it happens with Trip Advisor, the perfect example of the inability to control this kind of communication: it is the first non official site that appears under the search "Clara Chiado" and contains only 50% of positive recommendations having so really negative comments.

Apart from this, a deeper search shows that Clara Chiado appears in several restaurant blogs of anonymous people that post on-line critiques being most of them positive thus working as a non-official crisis management

3.4.5 Process

The process of Clara Chiado restaurant and wine bar is comparable to the standard process of another ordinary middle/upper class restaurant.

Although this process accomplishes the essential, it has not any differentiating point probable to be remarkable. Still, to perform this process various human resources are needed, and the expenses with supervision, training, salaries and incentives are significant.

3.4.6 People

For the matter of this thesis, in this topic there will only be analysed the Human Resources of Clara Chiado.

Human Resources

Until the summer of 2010, when according to Natália Clara "the clients queued up", worked in Clara Chiado 16 daily front-line employees, plus the cleaning personnel and the accountability personnel. Today, as a consequence of the decrease in the revenues, despite the back-office staff remains the same, Clara Chiado employs only ten daily front-line people: four in the kitchen (one chef and three assistants), five in the room (all regular waiters, having neither a sommelier nor a head waiter) and one in the full-time management (Natália Clara).

There is no particular age pattern, being the employees between 24 years old 56 years old. Their majority have low or none academic skills related to the restaurant sector, including the chef, whose theoretical knowledge comes from the small professional courses and whose practical knowledge comes from a large working experience of 41 years in restaurants.

Clara Chiado does not promote work incentives or training, being given to the employees just the major highlights and recommendations regarding the house working-flow on the first day.

3.4.7 Physical evidence (ambience)

The servicescape is a key aspect in a restaurant and bar business. The author's survey confirms the importance of this aspect, where the Décor/Physical Environment were considered one of the most important aspects influencing the restaurant choice whether in leisure or in business dinners, (Annex 3.3.2. d)) supporting once more that the client values not only the food, but the whole experience.

It is one of the most visible and most important aspects of the positioning, being a silent but effective communication tool. It must embody the state of heart of the concept, in accordance with the company's mission and vision and helping to differentiate the offer according to the target's preferences. In a wide definition, the physical evidence should also contribute to increase customer's loyalty.

Clara Chiado's physical evidence is extremely versatile, allowing the restaurant to quickly adapt the space to different occasions, if needed. Despite this, the target customer recognition of Clara Chiado has having a differentiated decoration is dangerously close to the neutral value (Annex 3.3.5 c)).

Restaurant

The restaurant area is composed by one entrance hall and a reception area on top of the stairs, one toilet and two dinning rooms with different sizes. The main room, hosts a maximum of 50 non-smoker clients; the smaller one, with capacity for 30 people, is for smokers, which, according to Natália Clara, are in a considerable minor number.

The restaurant decoration is in minimalistic black and white style: rectangular black tables, white towels, black glasses, white light and clean and naked walls. Its objective was to differentiate the restaurant area from the wine bar, creating a completely different atmosphere that reflected the quality and sophisticated positioning, connecting the modern part of the proposal, with the traditional food and wine-based menu options (Annex 2.11).

However, naked walls might contribute to give the space a cold atmosphere that is only interrupted by some shelves of wine at the bottom of the main room and wine wood boxes in the corner of the stair steps.

Wine Bar

The Wine Bar and Gourmet Store occupy the whole wide room that is the ground floor keeping the old building characteristics, with brick arcs, stone walls, a great old style fireplace and an old register machine - despite this last one being not easily seen by the customers.

The yellow toned lights help to create a cosy atmosphere and, to complete the scenario, big wood shelves full of wines, gourmet jams and cookies to sell cover one entire wall of the bar.

Contrasting to the restaurant, the wine bar clearly establishes a connection with the Portuguese tradition and also with the wine culture being able to keep, at the same time, the gourmet and upper-class style (Annex 2.12).

3.5 Client/Target Analysis

Understanding who are the customers and know their profile (lifestyle, habits and preferences) is essential to develop an effective marketing strategy that adapts the consumption experience to the target market.
According to the data gathered through the interviews with the Clara Chiado manager, the restaurant actual target consumer for dinners can be divided in:

1) Foreign adult tourists, with more than 30 year-old, from class A/B and C1. They are mainly couples, international companies recommended by travel agencies and, lastly, friends, coming from England, Nordic countries and more recently from Russia, that look for a sophisticated place where they can taste traditional Portuguese-based food with a gourmet twist and regional wine, in the historical heart of the town. They request dishes with typical ingredients and mainly white and green wine, also by the glass. To them, the price is not determinant as long as the offer has the correspondent quality and the expected benefits.

2) Lisbon young-adult inhabitants, with more than 30 years old, from social class A/B and C1. Also predominantly constituted by companies and then couples and groups of friends that come by friends' recommendation mainly on special occasions or to organized events, being, however substantially less than the tourists. Their main concern is not the price but the value of the experience and the benefit they took from it. They look for an urban, relaxing and sophisticated place, where they can enjoy from great food and wine in an adequate atmosphere with a professional service, either fun and unpretentious or classic and charming. Red wine is the most requested, also by the glass.

In the beginning the restaurant had mainly national clients, however, its number decreased significantly since the summer of 2010, and they appear now in second plan. Tourists' visits occur during the whole year with no specific pattern, while Portuguese customers opt to Clara Chiado just to celebrate especial occasions, not choosing the restaurant or wine bar lunch buffet to frequent meals. According to manager's opinion, this happens due to a wrong preconceived evaluation on an average price more expensive than it actually is, that does not fit with what is offered.
The restaurant is more casual during lunchtime, being targeted mainly for workers in the surroundings and tourists that want to enjoy a softer meal. The core business is the dinner, when Clara Chiado presents a more sophisticated offer with higher prices and special events

as live music, having more clients and covering a bigger geographical area - no longer just workers in the surroundings. Monday and Friday are the days with more clients.

To better understand the national potential market, it was quantified the target according to data available on the resident population: Great Lisbon has 2.042.324 habitants in 2011. (INE) In 2010, 37,2% of Lisbon's population belongs to class AB (Marktest). Applying this in 2011 population, we achieve to 763.829 inhabitants from class AB in Great Lisbon. Still in 2011, 1.136.938 people in Great Lisbon were between 25 and 64 years old (55,7%). Since this is the typical "active population" group, considering the same reasoning here, 425.241 of its inhabitants are between 25-64 years old and belong to class AB will be Marktest 2006 data stated that 11,7% of class AB usually dinners out, considering that this rate remains unaltered until 2011, there will be 89.367 people of this social class dinning out in Lisbon, and, applying the same reasoning, 49.753 Lisbon inhabitants between 25 and 64 years old from class AB usually dinner out, representing Clara Chiado potential target (Annex 2.13). This target represents the age and social class group of the majority of the Lisbon population and 58% of the total tourists in 2001 - as previously stated in the social-cultural analysis.

3.6 Sales Evolution

Clara Chiado entered in the business with its right foot in October 2009, registering 17.000€ in sales in that month and a continuous growing until the end of the year due to an increase both in the number of clients and in the average price paid per meal. Sales reached 59.000€ in December, being the most lucrative month since the business started. The first three months summed 109.000€ revenues, of a total of 4056 clients, from which 78%, on average, were restaurant customers (Annex 2.14).

The global average price paid per person per meal shows a clear growth tendency between the opening month and December 2009, when it reached 29,47€. During the first five months of 2010, prices are stabled around 30€, having only an upper outlier of 33,13€, in April. Contrariwise to the number of tourists in Lisbon, the summer months of June, July and August 2010 registered a decrease on price paid, going under the 29,50€ barrier. After that and until the end of the civil year[14] the prices register a new increase having a global average

[14] The first three months of Year 2

higher than the correspondent months on Year 1, surpassing the 30€ barrier once more in December (32,47€) (Annex 2.15).

Although it cannot be precisely identified a trend, graphs show a tendency of higher expenditures in December and January and lower expenditures during the summer months. The first phenomena can be justified by the higher number of especial dinners of enterprises (one of the main target customer), and the second one might be the consequence of the tendency to a decrease in the percentage of restaurant clients in the total number of clients.
Despite this variation in customer average expenditures, there is no direct correlation between the price paid per customer and the monthly sales revenues of the Restaurant (Annex 2.16). This suggests that although some months might register a relation, in general the price paid per person per meal is not the only variable directly affecting Clara Chiado sales revenues, existing even months where the two variables have a negative correlation (i.e., April 2010)
Annex 2.17 reinforces this conclusion if analysed having in mind Annex 2.15. The discrepancy can be seen especially on January Year 2, an May of both years when the average price p.p. is slightly higher than in the homologous month in Year 1 but the monthly sales are significantly low.
In both years, also March registers a discrepancy, but on the opposite site: the average prices paid per person decrease, but monthly sales grow exponentially.

Thus, number and type of clients are other key variable on the restaurant sales.
Concerning their number, in the Year 1 the summer months can be considered the off-season, however it cannot be identified a precise trend on Year 2.
Excluding the opening month, in the Year 1 the number of clients was higher than in Year 2 until March. This justifies the similar value of monthly sales in both years even when the price paid per customer was inferior in those months in Year 1 (Annex 2.18).
Annex 2.19 shows the weight of restaurant clients in the total number of Clara Chiado clients, revealing a significant decrease in the number of restaurant clients in the Year 2.
This explains why March has registered an increase in the number of clients of 34% in Year 1 and 30% in the Year 2 but, despite the increase in the monthly sales in both years, Year 1 registered a much higher increase on the sales revenues, 32,5% in comparison to 17,24% in the Year 2. That happened due to the decrease of the average price paid per person per meal in the Year 2, which has a direct connection with the verified decrease in the percentage of Restaurant clients in the global clients of restaurant in Year 2 that is not verified in Year 1.

In February of Year 2 monthly sales did not registered a higher value because despite the increase in the percentage of Restaurant Clients, there was not a real increase in the number of these clients when compared to the year 1, as showed in the Annex 2.14.

April proves this theory further, having more clients in Year 2 than in Year 1 but a lower percentage of restaurant clients, registering, thus, an average price paid per person an monthly sales revenues higher in Year 1 than in Year 2. (Annex 2.19)

In conclusion, despite the business has registered an increase in the total number of clients in the second Year, from 15.164 to 16.134 in the Year 2, in the first year of business Clara Chiado registered a total of 443.000€ in sales, more 9.000€ than in Year 2, even having less 12 days than the Year 2.

This contradiction can be justified by an 11,28% decrease in the relative number of Restaurant customers in the global customers, fact that might justify the decrease of 1,94€ in the average price paid per person per meal. And the tendency is the bar clients to increase in comparison to the restaurant ones. (Annex 2.20)

3.7 Main strengths and weaknesses

After had been stated the opportunities and threats of the market and been analysed Clara Chiado business, will be now presented the head conclusions on it's main strengths and weaknesses, as the remaining part of the SWOT Analysis.

Strengths	Weaknesses
Owner with experience in the sector	Lack of a business strategy
No correlation between price and sales (some best-sellers are the most expensive)	Initial wine-base positioning was diluted – current lack definition of the concept
Quality and presentation of food	Still confused with "Clara Jardim"
Flexible concept (group menus; lunch buffet)	Low cash available to investments
Quality and size of wine menu	Customer perceived costs higher than the perceived benefits – "Too expensive"
Wine by the glass available	Decrease in the number of restaurant clients
Dynamic Place (two floors, three rooms; gourmet store)	Decrease on appetizers and deserts consumed
Touristic location and good visibility to the passers	Seasonality of clients (despite being a non-seasonal city)
Price range according to the price range most accepted by the target profile	Emphasis on wine without waitress with formation
Social network daily interaction	Does not have a remarkable service
Partnership with "Lisbon Restaurant Week"	Does not has a relevant differentiation to the

– visibility	competitors
Main clients are companies and groups on special occasions – the main reasons for consumers to dinner out	Does not provide distracting elements/activities while consumers wait for the food
Promotion of in-store experiences (life music, wine dinners)	Lack of faces in the communication (no chef, no names)
Wine is the restaurant most consumed beverage	Basic Website
	Lack of brand awareness and recognition
	Small number of on-line reviews
	Lack of brand actualization due to relying on past success
	No parking or traffic facilities
	Low employee commitment
	Ambience not recognized as remarkable

4. Conclusion

4.1. Critical Success Factors of the Sector

The identification of the critical success factors of the sector is fundamental to help determining the most important differentiators on which the company should focus in order to create major competitive advantages in relation to its competitors.

Hence, the quality of the food; the attentive and efficient service, able to establish a good relation with the client; the servicescape; the location, accessibilities and facilities provided; and, finally, the brand awareness and recognition, appear as the key factors for any restaurant to be successful and achieve the best profit objectives in this sector.

Furthermore, on the own conducted survey it was concluded that the positioning of the majority of medium-upper class restaurants mentioned as “favourites” by the consumer (Annex 3.3.2. e)) is made highlighting the wines list, the menu and physical environment, leading to conclude that these variables can also be assumed as competitive advantages for the sector.

4.2 Competitive Advantages

Although having important strengths that could be improved by the substantial number of opportunities in the market, the lack of a strategic plan resulted in a low number of competitive advantages for Clara Chiado. The restaurant touristic and central location, the events related to wine, that the manager considers to attract a higher number of customers, and the flexible place able to mix three different concepts with different targets according to the meal-time are currently the main competitive advantages. Despite having a superior quality on food and wine menu, the low brand awareness and inefficient communication impede considering them as competitive advantages.

"The art of being wise is knowing what to overlook"
William James

5. Literature Review

On this topic it will be presented the most important considerations supported by the review of scientific articles and documented sources, on topics directly or indirectly related to the profitability and success of a restaurant concept.
Thus, the following literature review concern topics as the importance of branding and effective brand repositioning; service efficiency and differentiation as a determinant for satisfaction; other factors determining the perceived value, perceived quality, satisfaction and loyalty of restaurant consumers and experiential marketing as the most profitable way to achieve those factors.

5.1 Brand(ing) – Power, Objectives and Consequences of an Effective Brand Strategy

Brands do not only identify companies, they deliver information about their products or services to the customer (Aaker, 1991), differentiating them and provide positive and relevant associations related to their emotional and functional benefits (Keller, 1998). They enable the delivery of a promise about a "unique relevant and welcomed experience" (Chernatony, 2009, cited by Jevons in Malhotra, *et. al*, 2011 : 8) that is the reason for customers to buy it instead of buying the competitors' ones (Aaker 2001; Keller, 2003) .
Quinteiro (2008) summarizes a brand in a name that identifies it, a mission that differentiates it and an image that should be connected with positive associations in the consumer's mind.
The brand associations derive from the company's communication (employees, logo, advertising), from the direct customer experiences with the brand and from assumptions made from non-controlled brand related communication (as word-of-mouth) (O'Cass and Grace, 2004; Keller, 1998; Berry, 2000). They are related with the brand delivered attributes, functional, experiential or symbolic perceived benefits or attitudes (Keller, 1993; Keller, 1998). Thus, these associations are not just product related. In a restaurant these could be the hunger elimination (functional) tasty food and great servicescape (experiential) and social connection/self-esteem (symbolic) (Park, Jaworski, and MacInnis, 1986 cited by Njite, 1995).
Njite (1995) and Biel, (1991, cited by Njite, 2005) held that according to the majority of brand theory, the most powerful and lasting brand associations are not related with the functional or tangible attributes of the product ("hard associations") but with its intangible and emotional characteristics ("soft associations").

Whatever the associations are they need to be strong, favourable and unique to positively influence the brand image and awareness, resulting in the customer-based brand equity (Keller, 1988; Berry, 2000) that directly influences the customers' intention of using brand (O'Cass and Grace, 2004). In other words, the positive brand associations are assumed to be "positively related with attitudes toward the branded service, and attitudes are positively related to intention to use it" (O'Cass and Grace, 2004 : 264).

Despite recognizing their overall influence, Berry (2000) distinguishes different degrees of influence in the brand awareness and in the brand meaning according to the source of brand associations. Thus, for Berry (2000) the official communication is the only direct contributor of brand awareness and the customer direct experience with the brand is the most effective influence of brand meaning, which is what the brand means to the consumer. For the author, this is the most important influencer on brand equity because even if a brand has great awareness, any week experienced service could be rescued through the brand communication because customers believe more in their feeling than in advertising (Berry, 2000).

A brand should reflect the company's positioning and culture. (Lencastre 2007). A well defined identity – internally and externally – improves the communication, strengths the mission and the benefits offered by the brand, and eases the brand adaptation to market evolutions (Quinteiro, 2008). It also gives companies a communication advantage, whether internal or external (Chang, 2009)

In fact, effective branding (brand equity) is particularly important in services because solid brands reduce customers' search costs and perceived risk in doing "invisible purchases" (Berry, 2000). They increase customers' trust on the purchase (Berry, 2000) by providing a "credible guarantee" about the products or services they sell (Murphy, 1998 cited by Chang, 2009; Lindon *et. al,* 2004).

In a financial perspective, they represent an additional cash flow by increasing the product's value (Temporal, 2000 cited by Chang, 2009; Raggio and Leone, 2009, cited by Malhotra *et. al,* 2011), allowing companies to establish higher price margins (Lindon *et. al,* 2004). Costs reduction is also easier in strong brands mainly on human resources, since strong brands easily attract better employees (Lindon *et. al,* 2004) at lower prices (Raggio and Leone, 2009, cited by Malhotra *et. al,* 2011).

To conclude, in order to create consumer-based brand equity it is essential that more than transmit positive associations, brands do it in relevant aspects (Johns and Pine, 2002). This results in higher loyalty, availability to pay higher prices and more openness to brand extensions (Keller, 1998) and this can be seen not only among consumers but also on potential employees, distributors and other stakeholders. (Raggio and Leone, 2007 cited by Malhotra *et. al,* 2011)

5.2 Brand (Re)Positioning – The communication and deliver of a better service

The literature review on repositioning is sparse, focusing more on how to improve the communication of the message and the company's image than on how to recreate it.

As it is previously stated, is commonly accepted that strong brands with high brand equity are those who emphasize the most significant values for customers by communicating better/faster solutions for them to achieve their goals. These values should answer not only to consumers' physical and emotional needs but also be adapted to occasion on which those needs occur (Copeland, 2001 cited by Quinteiro, 2008).

Thus, a brand revitalization implies that the prior associations must be changed or created new ones (Aaker, 1991), by doing it, companies establish "a strong link in consumer memory between a brand-name node and an attribute node" (Jewell, 2007 : 232) creating new positive brand associations with added value in consumers' minds, that will make them recommend the brand (Njite, 1995). In other words, positioning is the communication of the superior qualities the brand believes to be prized by the target, relating the brand to a set of expectations, needs and demands of consumers (Aaker, 1992; Kapferer, 1992 : 172 both cited by Serralvo and Furrier, 2004). Repositioning is its adjustment during the times, because brands should be actively managed through the years, reinforcing the superiority of the brand image (Keller, 2003).

Lovelock (1991) cited by Chacko and Marcel (2008) resumes the essentials of positioning into the prevention of direct competition with stronger competitors; of the non-recognition of the message by the target market due to the absence of clarity and focus; and of the lack of an identity and consequent lack of customer demand, that do not feel identified.

Thus, a good positioning is able to guide the company strategy by helping consumers and employees to memorize and understand it, by creating a competitive advantage and by making an effective opposition to competitors (Aaker, 1996 cited by Serralvo e Furrier, 2004).

It should consider product's attributes and price/quality, users, product class and also competitors. Thus, to successfully build a repositioning strategy, marketers must analyse the internal and external environment of the company (Aaker and Shansby, 1982 cited by Chang, 2009).

The competitiveness of service brands is “most frequently” associated with a clear, simple and focused position, of “a well-specified, but limited number of selected benefits” (Chernatony and Segal-Horn, 2003: 1113) because brands are not able to attract all type of customers in all type of circumstances (Umesh, U., 2011 cited by Malhotra *et. al,* 2011).
Its success is often related with the effectiveness of the internal and external communication that makes the desired positioning be the same as the perceived positioning (Kaczynski *et. al,* 2005, cited by Quinteiro, 2008). It is mandatory to deliver a consistent message that must fit to what is promised (Chernatony and Segal-Horn, 2003). This consistency inside and outside the company is almost so important as having a focused positioning (Chernatony and Segal-Horn, 2003) and it is also related with company’s values, frequently referred as a source of differentiation and also staff motivation. These values should not be imposed but felt (Chernatony and Segal-Horn, 2003).
These factors are just effective if the positioning statement delivered by the company is relevant to the consumer and better than the one of its direct competitors, because consumers perceive the brand regarding its competitors (Bridson and Evans, 2004 cited by Chang, 2009). Any brand’s positioning is weakened when exist competitors “who share linkages to the same positioning attribute” (Jewell, 2007 : 232), that is why is so important for brands to find a unique attribute. This opinion is shared by Aaker (1996) cited by Serralvo and Furrier (2004) that affirms that the importance of positioning varies according to the market and the more the competitors, the less options for a differentiated positioning statements.
Whatever the differentiating points are, they must identify the firm inside the product category it offers and must differentiate it from the others in the same category through a “desirable, relevant, sustainable, believable, distinct and communicable” choice (Kotler and Keller, 2006)

Besides delivering utilitarian benefits, the “unique selling proposition” of firms should also concentrate in their symbolic capabilities related to the representation of self-image, self-expression, psychic value and icon to better differentiate their products (Bridson and Evans, 2004 cited by Chang, 2009). The differentiation that restaurants seek is the transformation of commodity products and simple primary necessities into customized products and unique offerings (Muller, 1999). For Sisodia and Rajendra (2011, cited by Malhotra *et. al,* 2011 : 23) differentiated products are not better products, "they simply point to a market niche and move products from competing on price to compete on nonprice factors"

Good supporting systems will also "soon be hygiene factors, necessary, simply to remain competitive" (Chernatony and Segal-Horn, 2003 : 1110).

Serralvo and Furrier (2008) defined a repositioning process in three stages:

1) Diagnosis of the brand identity and positioning, of the target preferences and of the competitors;
2) Decision and definition of the value proposal and repositioning strategies
3) Implementation that guarantees that the promise is efficiently communicated and delivered to the customers.

On the same line, Yakimova and Beverland, (2005) cited by Chang, (2009) defend that to successfully update a brand, companies must have a market-oriented vision that will allow them to collect, learn and apply the information (generative learning) about the consumer, the competitors and the own company in a brand-supportive logic. Through it, companies can "reflect on past experience constantly and proactively review the current branding strategy" based on a "customer knowledge advantage" that will allow them to fulfil customer needs and achieve better customer perceived quality, perceived value and perceived levels of service (Kaplan and Norton, 1992 cited by Chang 2009 : 28).

Voss and Zomerdijk, (2007) held that competition it is the driver for innovation. Thus, leveraging the distinctive skills of the company is a competitive advantage that is only sustainable if companies do it prior to their competitors, thus, it is imperative to have a proactive market orientation that discovers and fulfils both the expressed and the latent needs of the customers (Narver *et. al,* 2004; Grinstein, 2008 and Urde, 1999, all cited by Chang, 2009). In such a dynamic marketing environment, repositioning the brand is currently so important as the first positioning statement (Kumar and Gupta, 2003).

There is a need to continuously evaluate and change positioning over time to match consumer requirements (Umesh, 2011 cited by Malhotra, *et. al*, 2011)

To be market oriented can increase companies financial gains, customer and innovation benefits and is "likely to increase employee loyalty, job satisfaction, organisational commitment and team spirit (Siguaw and Honeycutt, 1995 cited by Chang 2009) because there is more information share and participation in the decision-making process toward the achievement of common and shared goals (Jaworski and Kohli, 1996 cited by Chang 2009).

5.2.1. Repositioning considerations

Four considerations in the creation and development of **service brands** emerge out of O'Cass and Grace research (2004): the importance of place (location, aesthetics, facilities); people (employees efficiency, customer-employees relation, brand personification); process (efficiency and outcome generation); and past experience (customer evaluation, word-of mouth).

In the same line, Burton and Easingwood, (2006) suggest a positioning framework defending that when (re)positioning a brand companies should not only satisfy customers' utilitarian demands, as productivity, simplicity, convenience, financial risk reduction and environmental friendliness but also hedonic needs as social risk reduction, emotional and image benefit from the product usage and also sensual benefit coming from the affection with the product, these factors will be further analyzed in the next topic.

Berry (2000) goes further, giving four guidelines to build strong brands:

1) "Dare to be different and find new paths to reach customer satisfaction"
2) "Determine your own fame", the unique, differentiated and, above all, relevant reason for the company to exist, which might be to fill and underserved need or perform the service better than competitors.
3) "Make an emotional connection", taking the selling paradigm to an upper level because "brands that connect with customers' emotions are those that reflect customers' core values" (Berry, 2000 : 134)
4) "Internalize the brand" because brands are not only for customers. Employees' actions "transform brand vision into brand reality for better of for worse."

In conclusion, despite the different (re)positioning definitions of service brands it is possible to identify common key words in all of them: differentiation, uniqueness, focus, process, target market, competitors, attributes, benefits, value and internal and external communication.

According to Blankson (2001, cited by Serralvo and Furrier, 2004) there are two different mindsets that complement and explain the study of repositioning: the consumer-based perspective and the organizational-based perspective. The first, defines the positioning as a marketing communication tool while for the second the positioning is a strategic tool that integrates the consumer demands into the product/service policy. If applied together, analyzing the brand and product (perceptual, consumer-based positioning) and the company's position in the competitive environment (organizational, strategic positioning) they can be long-term influentiators of the company's success (Blankson 2001, cited by Serralvo and Furrier, 2004).

Companies which strategy is primarily focused on consumer satisfaction, service quality and generation of revenue may have more profits than those who focus on cutting costs or those who attempt to do both at the same time (Rust *et. al*, 2002 cited by Malhotra et. al, 2011).

5.3 Service differentiation and effectiveness – Turning relevant promises into reality

As previously stated, one of the most important assets of the positioning is the establishment of a differentiated proposal that, in an upper level restaurant must be focused on the service excellence, because differentiating merely on traditional elements as price, delivery or waiting times is no longer a sustainable business strategy. (Shaw and John, 2002) Products are easily copied, but service is "perhaps the most sustainable differential advantage" and part of the reason for service brands to fail is lack of consistency in the staff work. (Doyle, 1989 cited by Chernatony and Segal-Horn, 2003 : 1096).

Parasuraman and Berry (1985) developed a framework defending that the main reason for services to fail is to do not meet the customer expectations and that happens because of the existing four gaps in the service quality. Thus, in their "gaps model of service quality" - that is the basis of the SERVQUAL framework - the authors defend that firms should start by closing the customers' gap guaranteeing them assurance (knowledge and ability of employees to inspire trust), empathy (the good relationship with the customer, such as learning their names), reliability (delivering the expected and promised service by interacting, listening and understanding consumers demands), responsiveness (willing to help customers) and tangibles (development of engaging services and great physical facilities).

The quality of service should then be measured not only according to the company's previously defined goals but also in a customer-basis, because to be considered a quality service is the consumers' expectations it has to meet (Parasuraman and Berry, 1985).

5.3.1 The importance of Human Resources for the service quality

Employees are one of the vertices of the strategic framework that defines services as a triangle (Bitner, 1995; Kotler, 2000). Their work is considered essential to deliver the expected service, being helped by the equipment and technology. Company management and the customers form the other two

Company's external marketing makes the promise to consumers and the company and employees (internal marketing) enable the service promise to be kept (Kotler, 2000).

Vertical communication, training and motivation are mandatory in order to create in the workers a customer-oriented perspective that will impact on the service (interactive marketing) (Malhotra *et. al,* 2011) and on the customer satisfaction (Heskett *et. al*, cited by Voss and Zomerdijk, 2007). The brand should always be internally sold, helping employees to see the company's values and to be more realistic to what they can promise to consumers (Malhotra *et. al,* 2011).

All the process stages on services rely heavily on people and technology that must work together if the firm wants to achieve service excellence. Technology eases both consumers' role and employees mission, evolving the first more effectively and increase the efficiency of the second (Bitner, 1995; Kotler, 2000). CRM helps not only on the identification of the most profitable customers, where companies should focus, but also on collecting customer feedback and trend (Malhotra *et. al,* 2011) and the longer the relationship the more will customers spend on the service, increasing the will to pay more for that connection, buying more extra services and recommending the services (Zeithaml *et. al*, 1996 cited by Ladharia *et. al*, 2008).

Despite agreeing on the importance of the service quality, some other authors defend that this is not the key attribute to encourage the repurchase: "other restaurant attributes, together with relationship marketing strategies have greater impact'' (Kivela *et. al,* 2000 : 28 cited by Johns and Pine, 2002 : 123).

5.4 Consumer behavior – the key to the success of service design

5.4.1 Consumer Preferences – Adding Value for Customers

"Marketing activity or process of creating, communicating, delivering and exchanging offers that have value for the consumers clients, partners, and society at large" (AMA, 2007, accessed in 2012) and value is the key for businesses to convert consumers into customers and retain them (Uslay *et. al*, 2008 cited by Malhotra *et. al,* 2011). Firms "must be viewed as a customer-creating and customer-satisfying organism" (Levitt, 1960 cited by Malhotra *et. al,* 2011).

Customer satisfaction, service quality and perceived value are all considered key aspects to create competitive advantage (Tam, 2004; Marković *et. al*, 2010). Thus, once a significant value for customer is created and sustained, the company has a competitive advantage (Babin and Harris, 2011 cited by Malhotra *et. al,* 2011). If added value is a consumer relative perspective, managers must identify what do each type of consumer values and his perceptions in order to improve the service promises and thus, to built and maintain long customer relationships (Groenroos, 1990 cited by Bitner, 1995).

- From Satisfaction to Loyalty

Customer satisfaction is directly related with service perceived quality, perceived value and also with the perceived costs (Tam, 2004). For Reicheld (1993) and Heskett *et. al,* (1997) both cited by Tam (2004), the three are a *sine qua non* condition for customer loyalty and customer loyalty a determinant influencer of profits. Services can increase customers' perceived value by delivering extra benefits or reducing the costs (financial and non-financial) associated with the purchase or use of the service (Lovelock, 2001 cited by Tam, 2004).

For Ladharia *et. al*, (2008); Yüksel and Yüksel, (2002) and Wu and Liang, (2009) it is the customer satisfaction the ultimate responsible for service recommendation, loyalty and availability to pay more, thus, for these authors, increasing customer satisfaction will increase the profits directly (by increasing the availability of raise the prices) and indirectly (by increasing the number of customers).

- Influencers of customer perceived value and satisfaction

Customers perceived value is the result of customers' evaluation of the service, pondering the costs and benefits to obtain it. Higher value is perceived when quality received highly exceeds the costs to obtain it (Tam, 2004). There are internal and external influencers on the value customers perceive to receive from services. It might depend on its own perception, memory, personality, socio-demographic characteristics and lifestyle but also on the social and situational occasions of consumption (Srinivasan and Srivastava, 2010).

In fact, customers make different associations on different aspects related to the product characteristics, perceived value and image of the company and its employees, organization of the service, atmosphere, human interaction and others (Njite, 2005). These associations mixed with the socio-demographics of consumers and other situational factors as the type of restaurant and occasion of consumption build the final restaurant preference and consequent loyalty (Njite, 2005).

Customers might be seen as co-creators of the service. They influence their own satisfaction and contribute to the firms' productivity when willing to perform as expected (Kelley *et. al*, 1990, cited by Bitner, 1995).

Different theories emerged trying to identify the sources of satisfaction degree. Some authors, as Johns and Pine (2002) and Buchanan (2001) support the "disconfirmation theory" that states that consumers evaluate their experience in a restaurant based on the weight and evaluation they give to its set of attributes, chosen according to the customer. In the end, if value obtained confirms or disconfirms, exceeding their expectations prior to the experience, the real consumption experience will result in real satisfaction. Thus, communicate higher benefits that do not correspond to the real benefits delivered can be a dangerous strategy, since it might increase the perceived costs for consumer (Buchanan, 2011).

However, this theory does not answer to which what are the most important attributes of a restaurant to consumers, since that even on the same socio-demographic segment and similar restaurant concepts studies relate different customers' expectations.

Kivela et al. (1999 and 2000), Clark and Wood (1998) and Auty (1992)'s different results regarding the influencers of customer satisfaction are cited by Johns and Pine (2002), the first defending that customer satisfaction depends on the customer characteristics, on the occasion, on the customer involvement and on the time and money available; the second defends that the weight of the attributes varies according to the restaurant type and finally Auty (1992 cited by Johns and Pine, 2002), defends that they change according to the dinning occasion.

In leisure activities, such as restaurants, the hedonic value is more present than the utilitarian one (Babin and Harris, 2009 cited by Malhotra *et. al,* 2011)

O'Cass and Grace, (2004) concluded that the most important dimensions to consumers when they make a decision upon service brands were the staff, the facilities, the experience provided and word-of-mouth communication. Meng and Elliott (2008) and Johns and Pine (2002) held the same results in different studies, arguing that physical environment (atmosphere convenience and location), food and beverage quality, customer orientation (quality of service), communication, relationship benefits and price fairness have impact on the service perceived quality, being the most important factor for Meng and Elliott (2008) the quality of food and beverages.

Marković *et. al*, (2010) concluded that restaurants should focus on providing a clean and well-designed servicescape; an efficient service, quick, competent and error free; a customer personalized care; accurate prices; and pay attention to customer overall satisfaction and recommendation of the service because the restaurants main dimensions of perceived service quality were the "overall dinning experience" and "the restaurant ambience."

A reasonable price has also impact on customer retention (Ranaweera and Neely, 2003 cited by Meng and Elliott, 2008). Price was the first influential brand association in quick service restaurants but the last one in fine dining (Njite, 2005). In fact "price only become an issue when it was felt that the service received was not worth the money" (O'Cass and Grace, 2004 : 261), however it is an important indicator of quality and expected value in the pre-purchase (Tam, 2004). This confirms the relativity of the concept "price" and its direct relation with the perceived value.

The human resources are in the centre of a significant amount of literature regarding consumer preferences. A customer-oriented team is able to provide a more efficient, pleasant and courteous service, that is believed to enhance customer satisfaction and influence the relationship quality (Kim *et. al*, 2006 cited by Meng and Elliott, 2008) the trust and the commitment (Bove and Johnson, 2000 cited by Meng and Elliott, 2008) and physical facilities, as décor, comfort or cleanliness not only influence the entry of customers as also the customer experience inside the building (Darley and Gilbert, 1985 and Russel and Snodgrass, 1987 both cited by Njite, 2005).

The servicescape is critical in industries as restaurants to communicate the service, being a metaphor of company's values, to ease both consumers and employees activities and to make the entire experience pleasurable (Parsuraman and Berry, 1985).

For some, "dining experiences start through their eyes and other senses, even before they begin to enjoy the establishment's food and beverage" (Alonso and O'neill, 2010 : 263) Cleanliness, music, temperature, lights might have an impact on consumers' emotions, influencing their overall evaluation of the experience, their satisfaction with the service and might also "inspire them to spend more time and money" than an unpleasant restaurant atmosphere (Ladharia *et. al*, 2008; Yüksel and Yüksel, 2002; Backstrom and Johansson, 2006; Kotler, 1973).

Environment acts as a moderator in the customers' ultimate satisfaction with the service (Bitner, 1990 cited by Njite, 2005) also improving the social interaction and the relation customer-employee (Njite, 2005)

Collison and Turner (1988) cited by Johns and Pine (2002) identified a difference in the consumers' most valued attributes whether the meal experience was in an everyday occasion or a special day. In the first one, the food was the dominant factor influencing the perceived quality; while in the second the environment and atmosphere were the most important. Although it is usually assumed that food quality and variety are the key factors in a restaurant, "it is the holistic and the intangible that really matter" in a consumer experience (Riley, 1994 : 16 cited by Johns and Pine, 2002 : 127). But the intended atmosphere is different from perceived atmosphere, which differs according to target consumer (Kotler, 1973). Thus, companies must keep in mind who is their target and what do they demand, in order to represent it in every components of the service (Kotler, 1973).

In fine dining restaurants customers demand higher level of customization and expertise that will allow customers to satisfy various needs that go "far beyond the physiological need of hunger and thirst" (Njite, 2005 : 76) and the food service industry is "flexible, artisan-focused and context-dependent enough to offer a high degree of customization (Peacock, 1992 cited by Johns and Pine, 2002). Restaurants can be seen as an extension of the consumers' social position, a place where the "consumers experience excitement, pleasure and a sense of personal well-being" (Finkelstein, 1989 : 3 cited by Johns and Pine, 2002 : 128).

To keep a relation, both company and consumers must need to perceive the benefits (Berry, 2000). Gwinner *et. al,* (1998), cited by Meng and Elliott, (2008) found that risk reduction, friendship, personal recognition, and special treatment were all customer perceived benefits of keeping a long-term relationship with an organization.

All the interactions during the dinner experience might be evaluated for the consumer in a cognitive and affective way (Ladharia *et. al*, 2008).

Thus, to stimulate repurchase and for customers perceive the benefits restaurants should focus on identifying the most valued factors and better deliver it, increasing customers perceived value (Tam, 2004; Wu and Liang, 2009; Zimmerman, 2006) and satisfaction that, on its turn will increase the restaurant profits (Bernhardt *et al,* 2000 cited by Tam, 2004). The service provided should be frequently evaluated, to provide clues for a continuous improvement and development of new services (Voss and Zomerdijk, 2007) and increase of experiences.

5.5 Experiential Value – Turning Commodities into Experiences

"The sound and smell of a steak on the grill, the tone of voice… are all clues that envelop the functionality of a product or service. Each clue carries a message, suggesting something to the customer. The composite of all the clues makes up the customer's total experience" (Berry *et. al*, 2002 : 1).

Buying and experience is buying the opportunity to enjoy from a highly personalized memorable events, performed according to what the customers want (Pine and Gilmore, 1999).

According to Pine and Gilmore (1998) cited by Johns and Pine (2002) Western economy is changing from having a "service base" to have an ''experience'' base, where the central objective is to establish an emotional connection with the guests through tangible and intangible events (Pullmand and Gross, 2004 : 551, cited by Voss and Zomerdijk, 2007).

Companies have understood that designing and managing customer experiences are an effective strategy to improve their perceived value and differentiation from competitors influencing also the customer loyalty and positive worth of mouth (Pine and Gilmore, 1998 cited by Voss and Zomerdijk, 2007).

Experience is believed to be the sustainability of the services in the future. To prove it Shaw and John (2002 : 2) cite the former chairman of Ford Motor Company: "In the 80's quality was a differentiator. In the 90's I think brand was a differentiator. My own view is that for the 00's, the customer experience will be the differentiator".

For Shaw and John (2002) being able to create a customer experience is a source of long-term competitive advantage for the company that, on this way, will consistently exceed cy the customers' expectations. It will be able to stimulate their emotions through happy and fulfilled employees, managed an inspirational leadership that makes them embody the brand. If the company is able to do it by designing an experience "outside in" rather than "inside out" it will end up in a revenue generating and cost reduction (Shaw and John, 2002).

<u>Emotional Based</u>

But these elements are not enough *per si.* Shaw and John, (2002) defend that a truly customer experience does not rely in the product or in the service but on how it makes customers feel. Both positive and negative emotions are a major component of the consumption experience" (Chaudhuri, 2002 cited by Burton and Easingwood, 2006) and it is the emotional connection that personalizes the customer experience, making it more positive and more memorable (Voss and Zomerdijk, 2007).

According to Muller (1999) the future of services is not to sell goods but to charge for the effect those goods have on the consumer because “anyone can sell a chicken, transforming it into a Sunday Dinner with the family is what creates lasting value” and increases price (Muller, 1999).

It is because the majority of managers are still focused on delivering tangible and intangible attributes that evoking emotions across all moments of contact is one of the key differentiators of the company (Shaw and John, 2002).

New technologies and the increasing competition incentivize the establishment of new experiences that do not need to entertain customers, instead, they just need to engage them personally and memorably (Pine and Gilmore, 1999).

Ali-Knight and Pitt (2001) argue that restaurants can engage consumers by delivering them experiences that, in order to become unforgettable, should provide: entertainment, that implies the consumer involvement with the experience, (i.e., seeing a performance in a winery); educations, that implies his active involvement and absorption of the knowledge (i.e., a wine seminar); escapism, the complete involvement and immersion of consumer in the experience (i.e., blending the own wine); or aesthetics, a visual or artistic experience (i.e., a wine tour).

Mathwick *et. al* (2001, cited by Wu and Lian, 2009) divides the experiential value of consumers into a broader distinction that also concerns the utilitarian value for consumers. Thus, besides considering the escapism and the aesthetics, Mathwick also mentions the efficiency and the excellence values. Arnould and Thompson, (2005) cited by Frow and Payne, (2007) also defend that despite the experience being based on the evoked emotions, it has to have an utilitarian value while consuming it.

The perfect experience would be the one turning a regular customer into a company’s lawyer (Wolf, 2007 cided by Frow and Payne, 2007)

Experiential services are often seen as a “customer journey” that starts before and ends after the real transaction. There are created multiple touch points with potential for constant innovation to improve the efficiency, comfort and emotions provoked during the journey (Voss and Zomerdijk, 2007). For the authors, innovation is precisely one of the keys leading to successful experiences, since that innovation is what allows companies to keep exceeding customers’ expectations.

If the service would be a theater, Voss and Zomerdijk (2007) identified five areas where it could be continuously improved: the "stage" (physical environment), the representation of the "actors" (service employees); the "script" flow (service delivery process); the "audience" (the fellow customers) where interference should be turned into an enjoyable socialization; and finally the "backstage", that supports the front stage experience. The authors apply this model also to restaurants, defending that it proves that the dining experience surpasses the quality of the food and drinks, instead it strongly relies on the "atmosphere and comfort of the venue, behavior of the staff, presence of other guests and waiting times" (Voss and Zomerdijk, 2007 : 9).

Since the restaurants' main product (food) and the majority of concepts can be easily copied, restaurants must guarantee a remarkable experience in order to captivate and retain customers (Muller, 1999). Since the perceived value coming from the experiences is more symbolic than functional (Njite, 1995), one might conclude that in a restaurant experience the food ends up being a subordinate aspect of the "buffet of sensations" provided. (Pine and Gilmore, 1999; Alonso and O'neill, 2010; Njite, 2005).

Customers are looking for "new flavours, comfortable ambiences and pleasant memories" (Marković *et. al*, 2010). If the food is assumed to be an important variable in the restaurant choice, the atmosphere and the slyle are the differential elements leading consumers to prefer one restaurant over another (Auty, 1992 cited by Alonso and O'neill, 2010).

"They want dinning experiences that satisfy their expectations as a form of entertainment". They want to be part of a modern spectacle in a precise atmosphere with the correspondent social relations, and this "is a far remove from the sensations of ingestion"(Finkelstein, 1989: 2 cited by Johns and Pine, 2002 : 128). Consequently, in the future restaurants will start thinking as "custom retailors" and not "meal factories" because the worst thing for a restaurant is to be considered just another commodity (Muller, 1999).

"Some chains, as Marriot Hotels, believe that the first moments of a service experience are determinant contributors to customer loyalty" (Bitner, 2005). Customers evaluate the companies' service quality on every encounter. If positive, these encounters will result in the development of a strong, trustworthy and committed relationship (Morgan and Hunt, 1994 cited by Bitner, 1995).

Negative customer experiences are difficult for a company to overcome, in the same line as superior customer experiences are difficult for competitors to imitate (Berry, 2000).

The impossibility to determine which are the critical encounters, companies must make every encounters memorable because they might all be determinant (Bitner, 1995).

Giving tangibility to the service works positively both for customer and for employees that can better understand and embrace the company's values, delivering a better and more consistent service (Berry, 2000)

Njite (2005) defends that experience is the best source of information o the consumer in the restaurant sector.

More than an average good performance, positive peaks contribute to customer satisfaction (Verhoef *et. al,* 2004 cited by Voss and Zomerdijk, 2007).

A strong end has more impact on the consumer perceived value, to prove it Voss and Zomerdijk (2007) give the Guiness Storehouse example, where the final activity is to drink a Guiness in the sky bar, the highest pint in Doublin.

The price of sold goods or services varies according to the value attached to it by he customers (Pine and Gilmore, 1999). Consumers started saving on goods to be able to spend on services, that are now becoming more commoditized making the consumers opt for the experiences, where they can spend the time and money enjoying from unique experiences. (Pine and Gilmore, 1999).

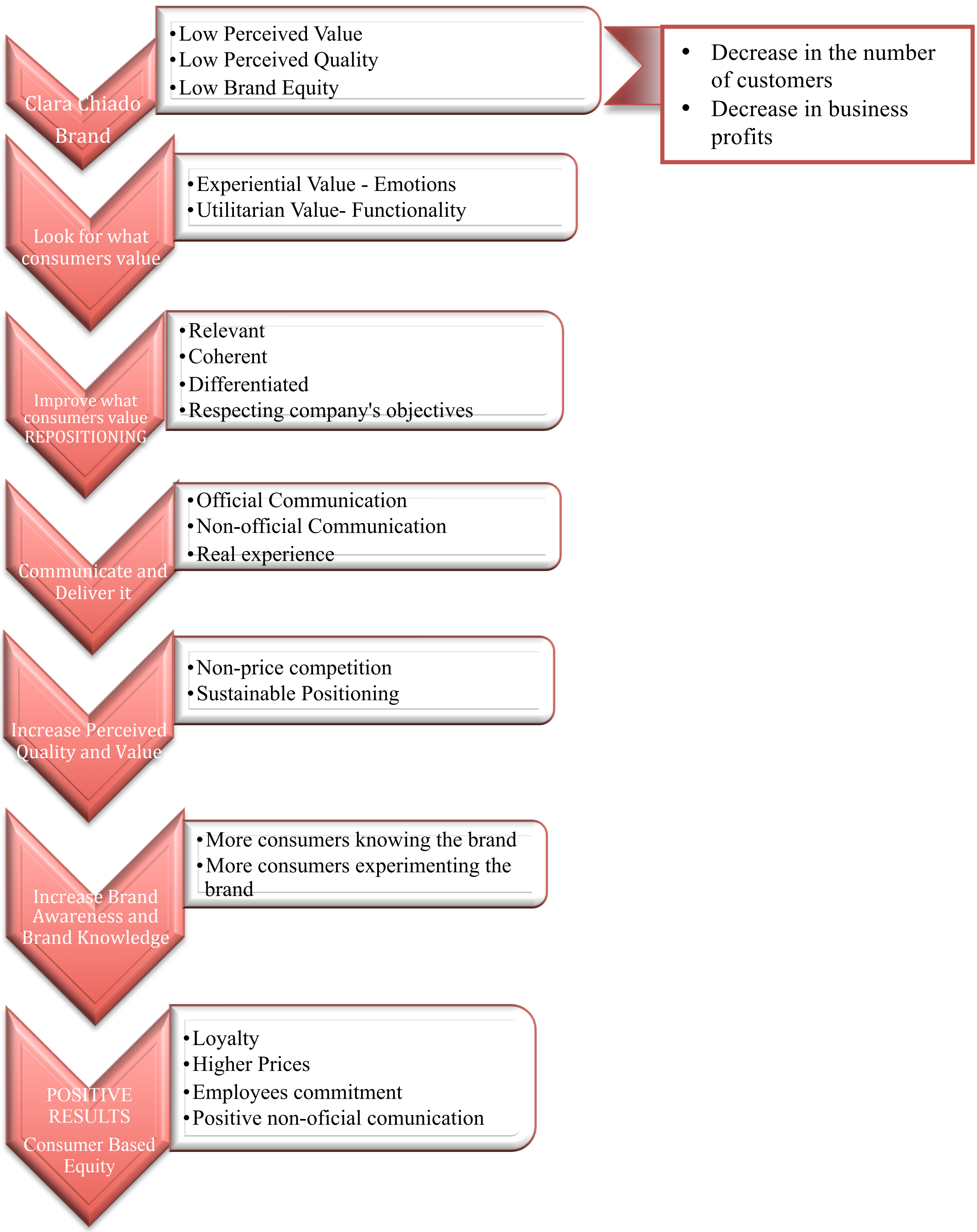
Thus, providing consumers with experiences allows the business to charge a higher price, and thus earn higher revenues. This is because the consumer is paying not for the product or service, but for the experience, which is unique. (Srinivasan and Srivastava, 2010)

Even goods value can be increased if the communication is focused on the experiences provided through the usage of it. It is "experientializing the goods" (Pine and Gilmore, 1999).

Voss and Zomerdijk, 2007 go further than Doyle (1989, cited by Chernatony and Segal-Horn, 2003) - who argued that products could easily be copied but services could not – defending that the even individual elements of the service can also be copied, instead, what is difficult to replicate is the total customer experience. Even if all the service elements would be copied, it would be impossible to recreate the experience, since it depends on how they are set together and how they are adapted to the continuous interactions with the customer (Gupta and Vajic, 2000 cited by Voss and Zomerdijk, 2007)

Despite being proved that an improvement in the customer experience has impact on the company's performance, it is still difficult to predict financial outcomes and measure the success of the service quality improvements. This might lead to a lack of investment or to an over-invest. (Voss and Zomerdijk, 2007). The aim should not be the cost control, instead, it should be to expand demand by applying their knowledge on consumer past experiences into future events (Muller, 1999). But the customer experience varies according to the customer expectations. Thus, an outstanding experience does not need to imply a cost increase to the company as long as it keeps its promises real. (Frow and Payne, 2007)

5.5 Conceptual Framework



"Failure is simply the opportunity to begin again, this time more intelligently"
Henry Ford

6. Repositioning Strategy – Choose, Provide and Communicate a new value

After having analysed the external and internal context, identified the strongest competitors, acknowledged the sector's critical success factors and also after having documented what does the consumer most value when choosing a new restaurant or returning to it and the service major assets it was concluded that there is a gap between consumers and market demands and Clara Chiado Restaurant current concept. Despite having strong advantages, as the location or the servicescape and an accurate price, Clara Chiado is not able to take advantage of them and enhance its value.
Hence, it will be proposed in this chapter a repositioning strategy for Clara Chiado aiming to improve the experience delivered to customers.
The product and the promotion will be strongly changed as also the Process technology and the People. This is believed to be the most effective way for the restaurant to increase the customer satisfaction and achieve brand equity, culminating in the profits increasing, by increasing the number of customers and the price they are able to pay.

6.1 Strategy Formulation

As previously stated, Clara Chiado does not have a clearly stated strategy, resulting in a poor internal and external communication and inconsistent service.
Thus, the starting point of the repositioning is to set the company's vision, mission and objectives, which must be known by every employee and experienced by every customer.

6.1.1 Vision

The vision reflects the long-term objective of the company, helping to drive it towards its achievement. Clara Chiado's vision is:
To be referenced as the best dinning experience in Lisbon, the restaurant that creates the most remarkable moments for its target consumers.

6.1.2 Mission

The mission is the reason for the company to exist. It is what turns the aspirations into reality determining and justifying the daily workflow. To set it, companies must understand what does the business want to represent in the market, to whom, and what is the added value it wants to deliver to them. As the vision, the mission must be direct and clear. A good mission is the one able to motivate the company's employees to perform according to the vision.

Clara Chiado is a restaurant that aims to provide a completely different and memorable five senses dinning experience to customers through an innovative way to introduce a high quality food product and an attentive and personal service in a pleasant atmosphere. This must be achieved in a way that each customer will leave smiling, talking about and recommending the restaurant so the profitability of the concept is ensured.

This means that waiters' job is to serve, but their mission is to serve in a way that makes the meal a memorable experience and every company employee must feel this mission.

6.1.3 Corporate Culture and Values

The corporate culture is formed by the beliefs, values and goals of the company that drive its actions. It guides the way the company establishes relationships with every stakeholders, thus, it must be compatible with the company's strategies and all must feel identified.
A strong company culture is the one able to guide employees, increasing their commitment and efficiency.

Clara Chiado's values are:

- *Customer Orientation* - Exceed customers expectations in every marketing operational segments;
- *Horizontal and Vertical Communication* - Empower the staff to solve customer minor concerns during dinners;
- *Team work* - Staff are company's collaborators, not employees and can and should participate in the service set;
- *Compromise* - Maintain the high quality of food and a pleasant servicescape;

- *Fairness* – Charge fair and equal prices to every customer, that correspond to the value of the experience delivered;
- *Passion* – Do everything with the heart, feel the experience along with the customer;
- *Performance* – Do not forget that the final goal is the business profitability; Love your company

6.1.4 Objectives

The objectives are the short-term financial and non-financial guidelines of the company.

Financial Objectives

Reach a sustainable income that allows the restaurant to have a high-level performance by:

- Make sure customer average expenses remain close or superior to 30€ per person despite the financial crisis;
- Grow 20% in 2013, to re-achieve the 2010 revenues of 473.000€;

Customer Objectives

- Maintain the Gourmet Bar customer growth rate;
- Have a 25% customer growth in the first six months of 2013 (meaning average 1000 monthly clients) and 20% growth in next six months (1200 clients)
- Achieve again a weight of 70/80% restaurant clients in the total number of clients – as it happened during the first ten months of the business;
- Make Clara Chiado Restaurant brand name be recognized and familiar for 75% of the Lisbon population belonging to the restaurant target;
- Have a rate of repurchases superior to 50%;

Corporate Objectives

- Increase the employee satisfaction rate;
- Create place to receive a six month internship of a graduate from the Estoril Tourism School;

6.1.5 Competitive Advantages/ Strengths of the Concept

The success of the repositioning is highly dependent on how good the critical success factors of the sector are accomplished and embed in the proposal design, being transformed into competitive advantages of the restaurant.

As it was concluded on the prior analysis, Clara Chiado possesses a strong potential to develop new competitive advantages that were misjudged until now.

Hence, Clara Chiado has capacity to successfully:

- Improve the communication of a location of excellence and the flexibility of the servicescape;
- Provide technological facilities that decrease the consumer perceived costs;
- Be sold as a touristic product;
- Recruit skilled human resources and to provide them customized consumer-oriented training to improve the service;
- Build a strong value chain and communicate it (internal and external)
- Establish long-term relationships with the clients by recognizing them and their preferences and by making an effective CRM prior, during and post purchase;
- Retain the target customer;
- Guarantee the quality, variety and capacity of conservation of the wine selection on every price ranges;
- Maintain the quality of a Portuguese based food menu, with seasonal adaptations;
- Do a more effective communication of the concept to increase brand awareness and recognition;
- Achieve customer-based brand equity;
- Create an experience based concept – decreases eventual perceived costs and adds differentiation, increasing the perceived quality and the perceived benefits;
- Provide entertainment and co-creation of something to consumers;

6.2 Strategy Selection

The current Clara Chiado non-price competition strategy will be maintained and reinforced by emphasising the concept differentiation and the provision of highly relevant added value for the customers through an immersive dinning experience.

6.3 Strategy Definition – Segmentation, Target and Positioning

6.3.1 Segmentation and Targeting

The external and internal environmental analysis prior presented on this work confirmed the viability of maintaining Clara Chiado's current target (previously described on the Internal Analysis chapter).

This target was segmented based on the classical geographic, demographic, psychographic and behavioural criteria and divided in two bigger groups of Portuguese and foreign customers:

The Portuguese Clara Chiado target consumer proved to be effective because:

- It is the one with more buying power in Portugal
- It is the biggest percentage of Lisbon inhabitants
- It is the one who dinners out more often
- It is the one used to pay 25€ or more for a dinner out (author's survey)
- It is the one used to make a high quality restaurant choice (author's survey)
- The competition is rising mainly in the fast food sub-sector

Clara Chiado target consumer that is composed by the tourists also reveals to be effective since:

- It is currently the majority of customers
- It is the age and social class range with more buying power
- It is the majority of tourists segment-type visiting Portugal

Despite this effectiveness, the consumer analysis discovered the profitability to extend the Portuguese primary target to a group of newly wine consumers composed by women and young adults between 25 and 35 years, from class A/B, newly employed, aware of new technologies and wanting to enjoy their life and money with small pleasures, to whom the wine drinking is related with status and social occasions.

In conclusion, Clara Chiado Portuguese and tourist target were chosen for being the ones to whom the new concept is going to fulfil a need in the most valued way and, simultaneously, in the most profitable way for the company.

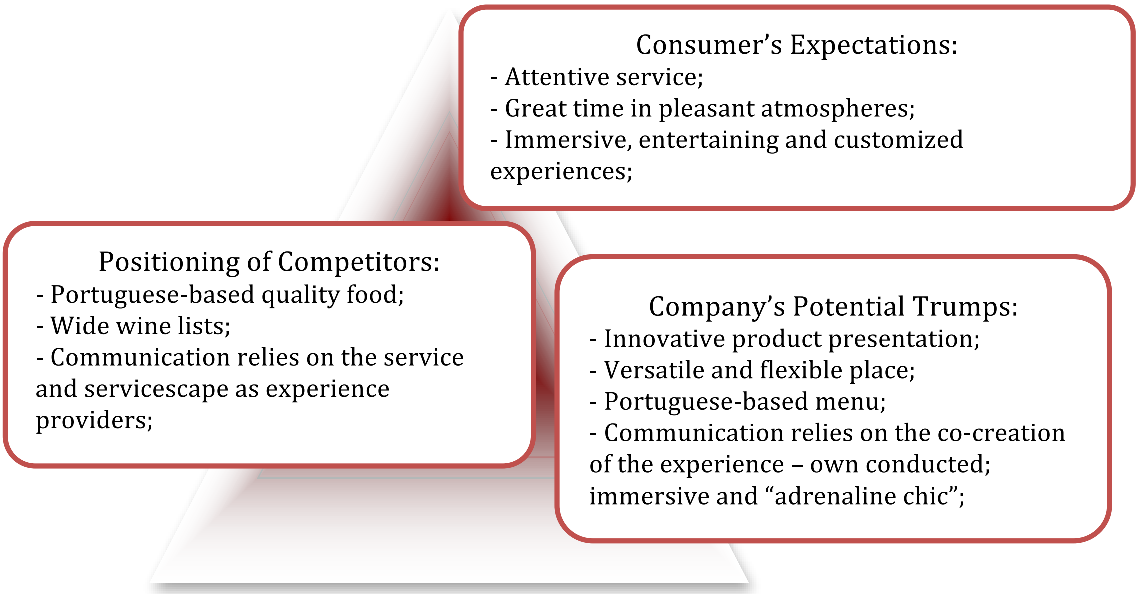
6.3.2 Positioning

Perceptual Map

Since the direct competitors present comparable concepts, emphasizing similar attributes - as the experience provided, the service, the food quality or the ambience – to the same target, it was concluded that the construction of a perceptual map would not provide any relevant input. The impossibility to locate the competitors distant enough in the perceptual map let to conclude the unlikelihood of taking determinant conclusions influencing the repositioning.

Positioning - Golden Triangle

Figure 2 – Golden Triangle of Positioning



Source: Authors's Analysis

- Consumer's expectations were concluded on the consumer research, on literature review and through the author's survey conclusions (Annex 3.3);
- Competitors' positioning was concluded after the analysis to the competitors (Annex 1.23 and 1.24);

- Company competitive advantages that respect the strategic and operational objectives of the company without forgetting the most important identified needs of the target, that competitors still do not provide;

Identification

A Portuguese-based gourmet restaurant, wine lounge bar and gourmet store in the heart of Chiado that offers an experience thought to satisfy the latent and the expressed needs of a medium and high class of Portuguese and tourist consumer.

Differentiation

The differentiation might rely on any tangible or intangible aspects provided by the company as long as the chosen ones are definitely relevant for the consumer, different and difficult for the competitors to copy and achievable and profitable for the company.
Every aspect of the new Clara Chiado concept were thought to create a perfect symbiosis able to enhance the emotional perceived benefits and improve the functional and the self-expressive ones. Therefore:

Clara Chiado differentiation relies on its innovative product presentation based on a surprising food division that results in a highly customization and co-creation of the menu. To complete the experience, the food is delivered by an attentive service, in a versatile place with a cosmopolite atmosphere in the heart of Lisbon.
More than to meet, Clara Chiado wants to exceed its customer's expectations by providing unique moments in a 3 in 1 place, where great food and great wine turn out being just one more garnish of a remarkable experience.

As it was concluded on the literature review, the positioning must respect company's long and short-term objectives, being profitable and sustainable. It should also be credible, attractive and relevant for the chosen target and be distinct from the direct competitors.
Its statement should be simple, concise, and clearly stated.
It might be communicated in a short an appellative sentence: the slogan

Slogan

"Each life has a story and now stories can have a taste. Dare to try it."

6.4 Strategy Implementation – Value Delivery

The repositioning strategy objective is to create or to change the current diluted associations to Clara Chiado in the target consumers' mind.

The aforementioned strategic alteration is going to be implemented through an operational adjustment mainly in the product delivery, service, process and communication that will allow Clara Chiado's to deliver what the consumers most desire: experience.

The emotional benefits to consumer are provided already in the new product presentation concept that creates an entertaining and escapist experience.

The service and the ambience improvement will also be focused on the provision of emotional benefits of perceived status and prestige, by communicating values of modernity and tradition, exclusivity, elegance and customization.

Similarly, the functional benefits will continue to be delivered by the product, through the quality and variety of food offers and by a decrease on the perceived costs, achieved through some new facilities.

To ensure the effectiveness of the repositioning, the internal and external communication will also be improved.

6.4.1 Product

6.4.1.1 Brand

Since it was not proved any relation between the current logotype and the brand name and the decrease on sales, these will be maintained.

Although associated with "Clara Jardim", the current brand name "Clara Chiado" connects two significant competitive advantages of the company - location and tradition in the business – that are important to maintain. Therefore, the brand and logotype will not be altered and will be used along with the new slogan to leverage the communication and create new associations, far from the Clara Jardim.

6.4.1.2 Service

As referenced on the literature review and further confirmed in the consumer research, service is one of the most valued benefits that a restaurant can provide (Annex 3.3.2. b)). However, it was previously concluded that Clara Chiado service is not a differentiator factor of the restaurant. An improvement on its delivery could result in a higher perceived quality and perceived value, justifying the price paid and eventually resulting in a increase in customers repurchases and new customers by positive word-of-mouth.

Hence, it is essential to design an attentive, empathic, reliable, efficient and responsive service that delivers what consumers most value, so they feel impelled to report it as remarkable, turning to be one of the company's competitive advantages.

In line with this Clara Chiado will:

- **Give the clients the possibility to reserve the small room for smokers in the first floor (max 30 p.) for leisure or work group dinners with 20 or more people**. - The most valued extra-service for the author's survey respondents (Annex 3.3.4 c)), confirming the trend of personalization and exclusivity;

- **Communicate to its customers cultural and leisure activities to do after dinner or in other occasions** – In line with the sector trend of serving, rather than just selling. The activities would be communicated as the "extension of Clara Chiado's lifestyle" and could be checked by consumers on the iPad menu (process technology improvement).

- **Recognize and add permanent extra-benefits to the best customers** – Answers to some of the top remarkable factors for customers in a restaurant: attentive service, recognition and differentiation (Annex 3.3.2. b)). This would be made through:
    - **Partnerships with other leisure services for discounts or free tickets for the best customer of the month** (i.e., theatre companies, Concert Halls, Spa) that would work once more as the extension of the "Clara Chiado" lifestyle;
    - **Decreasing costs on visiting the restaurant by paying the park** to regular customers - those who come at least two/three times a month (the most verified frequency in the author's survey to the target – Annex 3.3.2 a)) and to customers that spend more 20% than the average price of 30€ (36€ per person), that represent the most growable customers, who have the buying power to increase the number of visits or to spend more on each visit. Therefore, it is important to conquer them.

- **Welcoming regular customers or customers that generated a significant revenue during the visit with the presence of the Chef in the table at end of the meal -** Waiters will be given the power to identify who are these customers (most profitable or most growable) and according to this criteria the Chef can personally suggest a desert, offer a small treat or ask for suggestions to present in future visits.

- **Transform the Wine Bar into a Lounge Bar with a Jukebox commanded by the customers after 22H –** "Having a Lounge Bar" was the third most requested extra service according to the author's survey. To extend the visit and the consumption, after 22H customers are invited to stay in the lounge bar where they can have more drinks while listening to own selected music (among those available in the playlist) that can be chose just clicking in jukebox button. The lounge bar pretends to create a familiar but cosmopolite and trendy atmosphere, since the décor already fills the "Portuguese-style".

The remaining assets that characterize a remarkable service but are exclusively achieved through a process update and an enhancement on the human resources commitment (i.e., recognition of customers' preferences, explanations on menu and wines, quick service) will be further explored in the topics concerning these matters.

6.4.1.3 Food and Beverages

It was concluded in the author's survey that the type of cuisine is one of the top reasons influencing the restaurant choice whether for leisure or for work reasons (Annex 3.3.2. d)). Also the presence of innovative dishes is the 6th most influential factor on the remarkability of a restaurant (Annex 3.3.2 b)). In the same line, the environmental analysis identified the importance of having traditional elements in the restaurant food menu mixed with new flavours and equilibrated nutritional table to give the nostalgic feeling of comfort food with a twist of something different, but always healthy.

For that reason, Clara Chiado will not change its menu offer since that it is "Portuguese-based gourmet food", fitting precisely on consumer demands.

The previous research allow concluding that the consumers' most expressed demands can be resumed in willingness to be part of engaging experiences and individualized customization of dinners where the wine has an important and frequent presence.

Consequently, for Clara Chiado to have a differentiated and sustainable ingredient that allows the product to stand out among its direct competitors it is necessary to give the customers rather than just the tangible food, but an intangible story that customers could live around, in a particularly immersive experience.

Clara Chiado is going to materialize this conclusion by creating a pioneer menu organization that will subvert the ordinary ritual of choosing and ordering food. Under this new organization is the innovative digital touchable support (i.e., iPad or Android) through which the menu will be presented, allowing the concept delivery.[15]

New Menu Organization

More than to be part of the story, Clara Chiado will allow customers to create their own story in an extremely personalized way, always different and always surprising.

The objective is to create unique moments where consumers can escape the routine of their daily lives and enter in a different world, tasting the flavour of the unknown in a new concept of “adrenaline chic”.

According to this, Clara Chiado menu will not have any food dishes, just wine that is primarily divided into seven ranges presented in the form of stories.

Customers will be firstly invited to choose among their preferred story (the menu range), which is the only thing appearing in the menu in the first stage. By doing it, are revealed the just wines (the menu lines) chosen by the device based on a flavour-emotion connection between the wine and the story. On this phase, customers can only check the price of each story (that varies according to the wine chosen and includes the price of the dish that comes with it), other customers’ reviews and the flavour description of the presented wines when clicking on them (Annex 4.1).

Each wine will have a correspondent selection of three dishes (items) that perfectly match its flavour. Customers can then chose the dish based only on its main ingredient, which, along with the waiters’ suggestions, are the only tip given. They are not allowed to see the plate before it comes to the table, knowing just that it will match the feeling they wanted to try.

While waiting for the dishes customers can see what to do later nearby, play games or know more about the concept or about wines.

[15] More information on this topic is further provided on the Process Chapter.

In the line with some of the identified trends - need for information, healthy concerns and serve clients rather than just selling food - after the dish comes to the table, clients are allowed to see its full description, check its ingredients, its nutritional table and look at small tips on "How to do it at home".

They are also invited to leave their comments and reviews on service, food and experience – star model - either in the restaurant menu or connected with the Facebook and with on-line booking sites. Rather than adding interactivity, this tool will allow the restaurant to identify eventual problems that need to be improved.

Without dramas, the menu stories are:

- **Fairy Tail,** *"A **gentle** girl, whose softness enchanted everyone around"* – Soft and gentle wines, mainly rosé, green and white, that will be served with soft foods as grilled fish or pastas;

- **Happiness Around the Corner,** *"Because sometimes the major pleasure can come from the unexpected s**implicity** of the story"* – Young and fresh wines, that can be rosé, greens and sparkling but also red. Make the perfect connection with simple dishes as the meat with special sauces. This range pretends to be the preferred option when the time to enjoy the story is short;

- **Romance**, *"When they look each other **deep** and they understood the **power** of the warm feelings*" – Warm fruity and seductive wines, preferably mainly red wines that will be served with elegant and sophisticated dishes;

- **Adventure,** *"And they tried the most s**urprising** things of life with **no fear** or regrets"* – Strong wines with different and remarkable flavours that match dishes with exotic and exquisite flavours mixed with Portuguese ingredients;

- **Saudade ,***"Because there is no place like **home** and no story as the ones from our childhood"* – The most traditional wines that will be the pair of old-style Portuguese specialties as Roupa Velha or Petingas com Arroz de Grelos, never forgetting the glamour that only an exclusive feeling;

- **The Masterpiece**, *"The beauty of the details. That non mainstream story that only some are allowed to try"* – The best wines with the most exquisite dishes. A gourmet menu with unique flavours, more expensive than the others and including desert and appetizers;

- **Create your Own History,** *"Because is always good to start from the beginning"* – This range pretends to satisfy both the consumers who do not want to drink wine and those who prefer to chose it from the regular list, in the traditional way: by type (red, white/green, rosé, sparkling) and region (Douro, Minho, Alentejo, Ribatejo, Algarve, Foreign).

  For the children to be able to accompany their parents without feeling excluded from the experience and without drinking wine, there will be provided natural apple, strawberry or red fruits juice (the same colour as the wines) in wine glasses;

The new concept is based on wine not only because it was the core of the restaurant by the time it opened but also because wine was also the beverage which collected the biggest number of identified opportunities in the environmental analysis, being one of the favourite beverages in dinners out. The wines are presented with price, other customers' review and according to its flavour reasoning and food pairing, which according to ViniPortugal (2008) and to the author's survey are some of the most important factors for customers to opt for and chose the wine.

Since Clara Chiado has currently 89 wine brands, each story (range) will present around 14-15 different brands that must include all types and vary from the less expensive to the most expensive range, in order to fit the personal conditionings of the majority of the target.

The waiter will personally suggest the appetizers to consumers after the choice of the main dish and according to the story chosen, to stimulate the purchase. Deserts will be shown in a tray that waiters bring to the table in the end. To accompany the desert a small digestive will be offered by Clara Chiado to consumers.

The lunch menu is going to keep the current profile, since the target is the nearby workers or tourists that look for a quicker proposal so they can continue their day.

Why the new menu organization[16]?

- Exclusivity of trying a pioneer concept;

[16] The reasons justifying the choice of the Menu Technology are stated in the Process chapter

- Target acceptance:
    - 87,5% of the inquired would like to try a “surprise meal”;
    - 84,4% would like to chose the meal through an electronic device;
    - 60% affirmed that having more information on wine and wine-food pairing would lead them to drink wine more often;
- Entertaining provider – Interactive way of presenting the menu; Distracts consumers while waiting;
- Didactic experience - More information about the wines and its taste;
- Escapism/Immersive experience – Excitement of the unknown; Engaging stories around dishes;
- Customers as co-creators of the meal / Personalized Kitchen – They can interactively influence the final product, choosing the “end of the story”;
- Personal Service - Recognition of customers and its preferences by introducing their names and open their personal file in the beginning of their experience;
- Highly customized experience – Surprising offer based on the path they create; recommendations according to the choices made on prior visits;
- Capacity to influence the customer wine choice to better control the sales;
- Improvement in the stock controlling by possibility of the restaurant to command the rotation of products in the kitchen;

Since the majority of the food offer is going to be maintained, the costs of the new menu organization will be minimal:

- Sommelier/ Wine Expert to provide assistance in pairing the food with the wines
- Cost of the Equipment – further explained on the process analysis

<u>Seasonal Changes in the Portuguese-gourmet Menu:</u>

New proposals will be seasonally introduced in order to preserve the high differentiation of the experience that relies on the surprise. As the objective is not only to attract new customers but also to retain the current ones, the best sellers will be kept in the menu. These seasonal alterations prevent customers to be served repeatedly with the same dish, when choosing a specific type of wine, adding, at the same time, some dynamism to the communication.
Any new proposal has to fit in the concept, giving an indulgent twist and a gourmet presentation to classic dishes.

In line with the forecasted trend of population concerns (AHRESP, 2012) the proposals will all be chosen based on the Portuguese Mediterranean diet, with functional and nutritionally equilibrated ingredients (Annex 4.2).

6.4.1.4 Schedules

Clara Chiado schedules will be maintained in a first phase to test the concept.
After a three-month test to its viability and to identify the percentage of customer growth, the restaurant might start operating in a larger schedule, first closing just once per week and then opening for lunches in the identified most profitable days.
This measure would have an impact on the restaurant operational fixed and variable costs, increasing the salaries and the costs with raw materials, electricity, gas and water and sales commissions, respectively. These costs would have to be minor than the generated revenues to justify the change.

6.4.2 Price

The results obtained in the author's survey demonstrate that the potential target's opinion about the current prices ("too expensive" - Annex 3.3.5. c)) is not related with the financial costs since it was verified that the average price paid for a dinner in Clara Chiado is in the same range as the restaurant direct competitors and it also corresponds to the average price usually paid for consumers in leisure dinners, which is lower than is business dinners (Annex 3.3.2. f)).
As reflected on the own conducted survey results, fair price is one of the most important factors influencing the recommendation of a restaurant, while low cost appear as one of the least influencers, confirming the existence of a market for the non-price competition policy of Clara Chiado (Annex 3.3.2 b)).
Therefore, the price range of Clara Chiado will be maintained and its value for money will be ensured by the augmented product/service offered. The objective is to decrease customer perceived costs and match or overcome the customer expected value, increasing customer's availability to spend more. This fact was proved in the author's survey (Annex 3.3.4 d)), where just 12,5% of the respondents affirmed that would pay less than 25€ for a regular visit to a restaurant with a different experience and some extra services - an increase of 12,5% and of 34,36% in the minimum price paid, when compared to the values obtained in the prices paid during a regular work or leisure dinner, respectively (Annex 3.3.2 and 3.3.4).

The new concept will be introduced keeping the skimming strategy when compared to the average restaurant prices of the Portuguese market. The objective is to allow the restaurant to faster recover the operational costs in creating the concept, to transmit its differentiator value and to more efficiently target the offer by associating the restaurant with the status it wants to be connected with.

Following this reasoning, the prices will be set on the lines - the type of wine chosen by customers inside each story – according to if it is by the glass or the whole bottle, and correspond to the price of the whole experience (wine and main plate).

With the exception for "The Masterpiece", it was opted not to go for the bundle pricing - which would include appetizers or deserts, currently with low sales -, since customers could regard it has an obligation for them to spend more, increasing the perceived financial costs. Therefore, in a first phase, these ranges will be sold exclusively trough a service improvement.

Since the majority of customers are companies, available to pay more for the possibility of enjoying a full-customized service experience, Clara Chiado does not deny the possibility of raising the prices in a medium/long-term vision to increase profits. However, the current economic instability does not allow it in a short-term due to the higher price sensibility of customers.

6.4.3 Place

As identified in the company internal analysis, Clara Chiado is located in highly visible position in a premium area, where there is a high volume of tourists and daily pedestrians.

The only identified disadvantage it might present for customers is the high traffic jam and the lack of free parking facilities. Therefore, to decrease the perceived costs in the accessibilities to the restaurant, Clara Chiado will pay the parking as an extra-service to previously identified customers, as already specified in the service repositioning proposal.

6.4.4 Promotion

Despite communicating a different positioning, the target and the main characteristics of the company are the same. For that reason, the company will maintain the current integrated marketing strategy mainly centred on below-the-line tools and on the direct communication with the target through a Pull Strategy. As it is a restaurant the actions must be kept cheap and simple. Although Chiado already performs a wide variety of actions regarding its low budget available and the narrow target, the current promotion budget will register an increase resulting from the new actions performed to promote the new experience-based positioning. However, it is believed that this value remains close to the same percentage of the sales, since these are also expected to increase.

The promotion of the new Clara Chiado positioning will have two moments with different timings and different messages that aim to achieve different objectives:

- Phase A – Small actions happening just in the first two months, focused on communicating the new concept, with the objective to:
    - Create Buzz and Curiosity around the new concept
    - Increase Brand Awareness
    - Incentivize the product trial
    - Make the restaurant an offer suitable for the Portuguese consumer
    - Create a positive association to Clara Chiado positioning
- Phase B – To start simultaneously to the Phase A but with on-going actions to:
    - Increase customer loyalty
    - Increase the sales (number of customers and purchase volume)
    - Create long-term reputation and brand equity

The actions directly related with the service permanent improvement (i.e., events and promotions to special customers) are previously described in the Service Chapter.

6.4.4.1 Phase A – Meeting the New Concept

6.4.4.1.1 Press and Internet Publicity (Above -the-Line)

- Press releases to communicate the concept and invite experts to experiment and critique the new Clara Chiado concept in specialized magazines (on-line and on paper) targeted to the same consumer profile: Time Out, Fugas (Público) or Escape (Expresso)

6.4.4.1.2 Merchandising and Sales Promotions (Bellow-the-Line)

- Send to Lisbon companies empty wine bottles printed with the Clara Chiado logo and the description of the new concept in the back label, that will also have a QR code directly opening the site to the e-reservation of a table with 15% discount in the first meal – Incentivize the trial and create brand awareness (Annex 4.3)

- Spread cork seals in the places usually frequented by the target - Lisbon downtown (tourists) and the main working places (Av. Da Liberdade, Amoreiras) - with a small paper laying on it with the Clara Chiado logo asking, “Fell the taste of a different surprise” “Surprises have a taste. You are invited to try it”

6.4.4.1.3 Public Relations and Events (Bellow-the-Line)

- Offer a Clara Chiado glass of wine and a business card to the customers while they are experimenting in the medium/high class targeted stores – Both the store and the restaurant will be connected with a upper lifestyle; the stores add value to their service and Clara Chiado increases the brand awareness;
- Opening dinner with pre-selected opinion-makers as food critiques, VIP’s, press, companies’ managers – One of the most expensive actions since the dinner is going to be offered, however it has also the possibility to be the one with more impact, through above-the-line free publicity (i.e., photos with VIP’s) and positive word-of-mouth;

6.4.4.2 Phase B – Communicating Clara Chiado Brand

6.4.4.2.1 Internet

Internet will be the place for Clara Chiado to know and be known by its consumers: talk with them, know their demands and suggestions and check on their consumer trends and reviews.

Social Media

As previously identified, the F-Factor is one of the major consumer trends. Clara Chiado already possesses a dynamic Facebook page that will not be discontinued since it is essential to communicate the new positioning and to increase the restaurant awareness and word-of-mouth. However, the message is going to change: Facebook is going to be used by Clara Chiado to communicate the “adrenaline chic” concept: a restaurant with great wines and great food that the client discovers just when they come table.

The restaurant dishes will continue to be posted on the Facebook timeline accompanied by photos. Nevertheless, in order to stimulate the trial, instead of just identifying the dish name, the photos will challenge fans that liked to discover how could they end up eating it in a menu

where there is no food. In the same line, wine bottles will also be posted on the timeline, challenging fans to discover which is the dish that better pairs with it.
To engage customers and increase the number of visits to the page, Clara Chiado will communicate indoor events but also happenings and curiosities parallel to the restaurant that are believed to match with the target living profile.

Google Places

Clara Chiado will improve the brand identification in Goggle Places. A once in a life action that can better communicate the restaurant worldwide.

Web site

As previously identified, the website is used as a communication tool, yet, to better achieve this mission it is mandatory to enhance its interactivity and give it sense of a personality.
Firstly, as one of the main targets are tourists, it is mandatory to have the website also in English. Then, to improve the restaurant two-way communication and to increase the tangible elements of evaluation to help hesitant customers to decide it will be created a new tab, where the consumer reviews made in the restaurant by the customers will be displayed. To complement this tool, it is of major importance to allow the connection with the main social networks as Facebook, Twitter or Google+.
Finally, also to incentivize the trial, a virtual visit to the place will also be possible through the restaurant web site.

6.4.4.2.2 Merchandising

- Create new business cards to give to the clients: cork seals with the Clara Chiado logo, a QR code to the site (in accordance with the mobile consumer trend) and main information about the restaurant printed on it.

6.4.4.2.3 Sales Promotions

Clara Chiado will continue to communicate the restaurant through sales promotions, however, instead of making it to a larger spectrum of customers (that do not always belong to the target) it is going to focus on the target-customer retention.

Since the attentive service was the first influencer on the restaurant positive recommendation (Annex 3.3.2. b)), Clara Chiado will try to create nano-segmented promotions according to the customers personal profile with the objective to stimulate the purchase volume, repurchase and the loyalty, especially of the most profitable customers:

- Product offerings (i.e., deserts, digestives that fit in the customer eating profile and products that need rotation) to frequent customers or to customers who spend higher than the average on the meal – Stock management and increase of the perceived value of the experience by offering something unexpected and more personal to the client than a price discount.
- Unexpected experiences on random days as “red wine night”, where the customers using any tone of red are offered a glass of wine; “Friday 13th night”, the customer number 13 is offered a desert with lots of strawberries – Keep a high frequency in low seasons
- Partnerships with private enterprises, offering a discount or suggesting to be a non-financial reward to its workers
- Partnerships with gift boxes will continue, because they point to Clara Chiado target profile
- Partnerships with the Lisbon 4-star Hotels and Travel Agencies to recommend/include a dinner in Clara Chiado in their travel/stay packs – Companies who recommend will be associated with great experiences and a negotiated percentage of the meal can be shared with the company who recommends.

6.4.4.2.4 Public Relations / Events

More than to sell the product, public relations and events want to establish the brand image and to form favourable opinions among the target consumer, increasing its brand notoriety and equity. Clara Chiado already promotes own events and participates in several community events. These participations will be continued and besides them, other Public Relations and Events will be performed both external and internally:

<u>To customers:</u>

- Donation of 1€ per meal to Charity in Christmas time; Special Dinners to help Special Causes – Increase brand equity and establish an image of social commitment to the community;

- Monthly thematic dinners (wine tasting; live cooking; regional dinners**)** – One of the most important consumer demands (Annex 3.3.4 c)); Attract a wider number of customers to spend a different time; press releases to specialized press;
- Experiences for the consumers to participate actively (cuisine/wine tasting workshops; small oenology courses) – Consumer engagement; brand equity; communicates the lifestyle;
- Promote live acts on weekends (Friday and/or Saturday) mainly music based but also with possibility to extend it to theatre through partnerships with the conservatoire or amateurs– Stimulate different senses rather than just the palate; low impact on costs; commitment with the community;
- Send a bottle of wine to home on the anniversary of the most frequent customers – Customer recognition (one of the most important aspects for the restaurant remarkability) and also a covered message for them not to forget that they can celebrate their birthday in Clara Chiado;
- Send two wine bottles to some Lisbon enterprises known for making working dinners with the message "Every wine bottle opens a story, come to Clara Chiado and chose yours"– Action centred in Christmas and low-seasons to increase brand awareness and stimulate the trial;
- Create a Clara Chiado club that associates the pleasure of good food with the pleasure of enjoying the great things of life, that Clara Chiado will promote:
  - Private dinners joining the club members, that can increase their network
  - Members can celebrate anniversaries in the private room
  - Private wine tasting with the wine producers
  - Discounts on the lounge bar
  - Special food editions

<u>To Human Resources:</u>

- Create the "Happy Staff" concept:
  - Birthday Gifts
  - Internal Challenges with awards (best idea of the month)
  - Happy dinners joining the team

Globally, the promotion strategy will be based on three vertices: inform the consumer about the concept; create a positive image around the brand; establish an emotional connection that aroused feelings of joy, excitement and life-quality.

6.4.5 Process

Despite being electronic based, the work of human resources is essential to perform an effective process that supports the consumers' purchase, being one more positive added value to the restaurant.

As the technology allows consumers to order alone and connects the requests with the kitchen it gives the waiters extra free time to enhance its performance on small details that personalize the process of serving.

It starts from the entrance door, where the waiter meets the customer, says its name and accompanies the customers to the table. The same waiter serves the customers until the end of their experience, giving it an exclusivity touch. It is his duty to explain to the fresh customers what is the experience they are about to live and how does it works.

Since the dishes are unknown until they come to the table, it is up to the waiter to provide all the information (i.e., name, main ingredients) when the dishes are being brought to the customer. The same is expected to happen on the deserts introduction.

After the meal waiters give the bill and invite customers to stay longer in the lounge room or, in case of negative answer, accompany the customers to the door.

To better perform their mission, waiters will be given training and internal communication will also be improved. More information on these topics is further provided in People Chapter.

6.4.5.1 Technology

Technology eases, cheapens and enhances the process of both serving and managing the restaurant.

The main obstacle for its implementation would be the investment costs on the equipment; however, the price of electronic devices is decreasing substantially due to its rapid development and costless e-menu applications are becoming common.

Since the most important feature is the design and the functionality of the device - appellative and user friendly -, it was concluded that it is not mandatory for Clara Chiado's new concept success to implement the electronic menu on a iPad, being more cost effective to opt for devices with Android software (from Google) that are cheaper than the Apple iPad[17] and also allow using free applications (i.e., vMenu Digital Menu Restaurants).

Why the electronic menu?

- Still a pioneer concept in Portugal
- A new trend – screen dining
- Acceptance of the target superior to 80%
- Consumer engagement through entertainment - decrease of perceived waiting time by extra-activities: possibility to check other customers review, to give the own review, to know more about the restaurant, the concept and its events, to be suggested other activities after the restaurant;
- Improvement on CRM promoting customer loyalty (remember names, recognizes preferences, collects feedback;
- Improve frequent customer's experience by shaping the offer - suggests stories and wines according to their previous choices;
- Provides more information to consumer (i.e., wine flavour, nutritional table, history of the dishes) – some of the verified trends;
- Eases the information provision – more dynamic and user-friendly;
- Flexibility and format adaptation (i.e., changing the background on special days);
- Decreases the error probability, meaning more efficiency and quickness - one of the most influential factors in the restaurant remarkability for the author's survey respondents (Annex 3.3.2 b));
- Increases the impulsive buying for the "fun" of the concept;
- Released the Human Resources by allowing customers to order alone, ask for the bill and make the payment;
- Helps in back-office management:
    - Checks the trends of the requests
    - Identifies less preferred dishes
    - Ease of operations and stock controlling
    - Cheaper and easier to introduce changes in the menu offers and prices

[17] M72 II Tablet PC 7 Android 2.3 1ghz 4gb from 85€; Memup Tablet Pc Minipad 4.3 8gb Wi-Fi Android from 65,95€

The optimal number of needed devices was estimated around 11.
It was firstly made a benchmark on Faz Figura - the only direct competitor using electronic menu - that revealed that the restaurant has only 8 iPads for a place that is able to serve 90 patrons in the main living room. However, as the majority of the restaurants, the iPad contain just the wine list, therefore this number cannot be used as a reference to Clara Chiado investment since the objective is that the iPad menus completely substitute the traditional menu support.

The conclusion on the number of needed devices is based on the number of expected monthly customers (1000), which divided by the number of opened days per month (22) results in 45 customers per day.
Supposing that these customers frequent the restaurant in two different dinner schedules (19H-22H / 22H-24H) Clara Chiado would have around 23 customers on each schedule. As usual, two customers share the same menu, which leads to the final number of 11/12 iPads as initial investment already previewing the customer increase.

6.4.6 People

Despite being a much broader topic, on the present master thesis the "People" chapter will focus exclusively on the restaurant human resources, with emphasis on the front-office workers, one of the main ingredients responsible for the success of the business – as concluded in the prior analysis – and also the group where the management strategy can impact the most.
Since Clara Chiado is a small business, there is no need to establish a complex hierarchy organogram of the human resources, which would only increase the inefficiency in the internal communication. For this reason, the employee structure will not be changed: Clara Chiado will keep the same organizational hierarchy and number of employees, opening just one place to receive an internship of a student from the Tourism School: a fresh face with high skills, will of work and new ideas that can increase the innovation pace of the restaurant.
The management strategy will be focused on training and internal communication to increase the employee engagement, commitment and productivity.
The manager continues to be the major responsible for the upper and highly determinant decisions impacting the business but it will be given to the employees the power to decide on

the front-office customer related issues. This implies that both the recruitment and the training focus on assets as flexibility, reactivity, attentiveness and pro-activity and customer-orientation to have employees capable to face unexpected daily situations, to remain calm and give immediate answer to customers' problems and to look for improvement opportunities in the service. Following this reasoning of giving power to every collaborator, Clara Chiado will promote weekly meetings with the entire staff where the guidelines for the upcoming week will be set and communicated (i.e., products that should be suggested to increase its rotation and sales objectives per worker).

Besides that, monthly bigger and more casual meetings will happen, where workers are invited to point gaps and give their suggestions on service improvements in a more relaxed environment, being rewarded for great ideas that become implemented. This will increase the internal communication and improve service quality by joining forces on immediately identifying gaps and rewarding the great efforts.

In these monthly meetings will also be recognized and rewarded the best workers for their outstanding services with personalized financial and non-financial rewards, that will stimulate them to continue performing with excellence. These meetings will be guided under a friendlier environment so they are faced as a team happening after work, where bones can be strengthen and the commitment grows stronger.

More than employees, Clara Chiado wants to create motivated collaborators and more than selling food, Clara Chiado wants their collaborators to serve experiences. For this reason, the management message will also be focused on increasing the staff customer-orientation. The closest to the customer the staff becomes the easiest it is to interact, understand and inspire trust, adding value to a truly personalized experience and engaging customers.

This strategy is flexible and can easily be updated as long as it maintains the global objective of the training, which is to make everyone in the company aware, connected and deeply committed with its mission, vision and values (Annex 4.4).

6.4.7 Physical Evidence (ambience)

As previously stated in the environmental analysis, the ambience is a key aspect in the restaurant business, directly influencing the restaurant choice of consumers.

The physical evidence is part of the communication of the restaurant, for that reason, it must be in perfect symbiosis with its concept having in count the positioning it wants to transmit and to whom it is targeted to.

Clara Chiado decoration achieves the objective of joining the traditional (mainly in the ground floor) with the gourmet and cosmopolite style (in the first floor). However, its decoration is close to having a neutral impact on the target consumer (Annex 3.3.5 c)) and the wine presence was almost forgotten in the first floor.

Firstly, to catch the eye of the passers to the restaurant – the 3rd most important external attractive of restaurants according to the author's survey (Annex 3.3.2 g)) – it will be placed wine-bottle chandeliers in the balcony (Annex 4.5). A relatively cheap solution that allows illuminating the restaurant with a warm and cosy design light that communicates a confortable and distinct place with a wine-based concept.

To increase the wine connection and to add extra elements of interior design in the first floor, sophisticated wine racks will be placed in the walls (Annex 4.6 – Figure 7,8,9) and wine-bottle vases in the tables from 21,22€ each (Annex 4.6 – Figure 10).

The illumination of the place must be warm and sufficiently lightened to help creating a cosy atmosphere that invites customers to stay longer. Wine-candles made from used bottles can add an exquisite touch from 29€ each (Annex 4.6 – Figure 11).

Regarding the music, besides the special live-music days Clara Chiado will have a medium-slow tempo music, mainly jazz style to complete the cosy and cosmopolite atmosphere it wants to provide.

The stairs will remain as the connector element maintaining the wine wood boxes on the steps. In the corner will be placed a big wicker basket full with all the cork stoppers of the bottles opened in the restaurant to increase customers' curiosity to unveil the stories of the first floor.

7. Conclusion

Located in the middle of a highly touristic street, in the heart of Lisbon - the Portuguese city with more buying power, with more cultural offer, more tourists and where more people usually eat-out-, Clara Chiado already had a great basis to create an outstanding restaurant proposal. However, the company did not posses any strategic definition regarding its positioning or communication and did not adapt the business to the market since the restaurant opened. Therefore, it was mandatory to define a strategy and adapt the offer to main consumer and market trends.

With this reasoning in mind, Clara Chiado new concept aims to create a restaurant with a unique dimension that joins the entertainment and escapist demands of the target consumer in a cosmopolite and cosy atmosphere. The consumers will be invited to create and live their own story, whose leading actors will be the great wines and Portuguese-based gourmet cuisine helped by an electronic and a human cast playing to make it remarkable.

It is important to refer that the wines will be divided based on a flavour-emotion, which is a completely innovative idea.

The success of the concept is supported by the author's survey, where the target consumers affirmed to be able to pay, on average, between 25€ to 30€ for a meal and would visit the restaurant mainly on special occasions or with the same frequency they go now to a restaurant they like (Annex 3.3.4 d) and e)).

Despite the visit frequency might seem a negative result, a deeper analysis allows concluding that it is a positive input, since "special occasions" are the main motivation leading customers to dinner out (Annex 3.3.2 c)). An overview of these results matched with the results of the previous question (average price paid 25-30€) allow concluding that customers are able to pay more if they recognize an improvement in the services delivered/experience, since the average price paid in the new concept would be higher than the current price paid in leisure dinners, that, according to the results of the present question, would be the most common occasions of frequency of the restaurant.

This project proves the importance of the strategic tools in defining the most profitable corporate culture and determining the operational tools that will characterize the business and make it more competitive.

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Annexes

Annex 1 – External Analysis Chapter

Annex 1.1 Economic Projections of *Banco de Portugal*

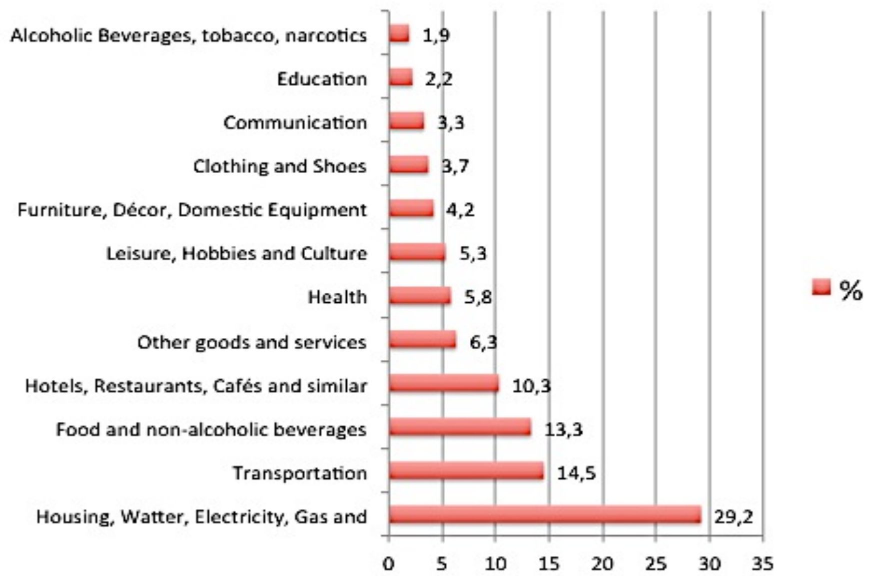
2011-2013 – Annual Variance Rate (%)

	Weight (2010)	EB Winter 2011			EB Autumn 2011	
		2011(p)	2012(p)	2013(p)	2011(p)	2012(p)
GDP	100.0	-1,6	-3,1	0,3	-1,9	-2,2
Private Consumption	66.0	-3,6	-6,0	-1,8	-3,8	-3,6
Public Consumption	21.6	-3,2	-2,9	-1,4	-3,3	-4,1

EB – Economic Bulletin
(p) – preview

Source: Boletim Económico Banco de Portugal, Winter 2011

Annex 1.2 Average Annual Family Expenditures by COICOP in Portugal 10/11



Source: Pordata, 211

Annex 1.3 Annual Average Household Expenditures (€) by region (NUTS II)

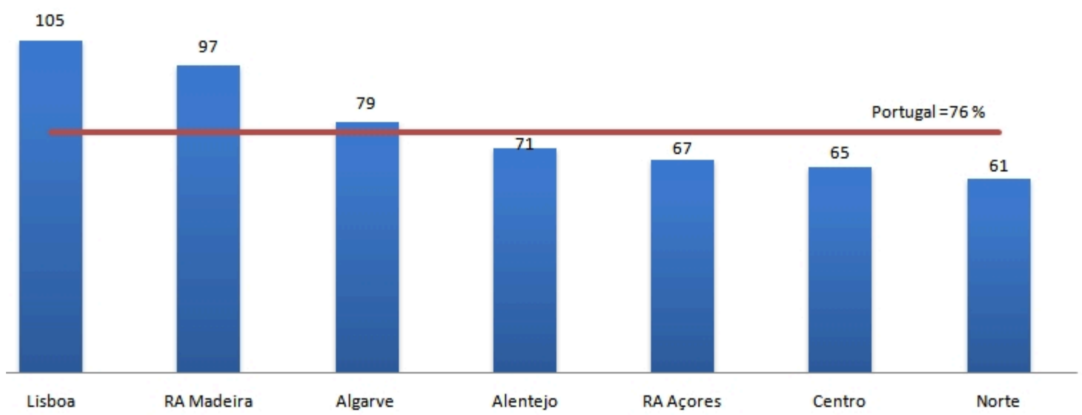
01- Food and Non Alcoholic Beverages; 2 – Alcoholic Beverages, Tabaco, Narcotics/Drugs; 3 – Clothing and Shoes; 4 – Home, Water, Electricity, Gas and other Combustive Materials; 5 – Furniture, Décor, Domestic Equipment and Expenses with manutention of the home; 6 – Health; 7 – Transportation; 8 – Communications; 9 – Leisure, Free-time and Culture; 10 – Education; 11 – Hotels, Restaurants and Similar; 12 – Other goods and services

	COICOP	Portugal	Continente	Norte	Centro	Lisboa	Alentejo	Algarve	R. A. Açores	R. A. Madeira
	Despesa anual média por agregado	**20 400**	**20 493**	**20 671**	**19 183**	**22 384**	**16 774**	**19 967**	**18 037**	**18 586**
01	Produtos alimentares e bebidas não alcoólicas	2 712	2 697	3 006	2 529	2 550	2 480	2 552	3 504	2 641
02	Bebidas alcoólicas, tabaco e narcóticos / estupefacientes	384	385	397	289	445	376	407	421	299
03	Vestuário e calçado	757	763	851	715	757	617	649	522	687
04	Habitação; despesas com água, eletricidade, gás e outros combustíveis	5 958	5 955	5 477	5 646	6 940	5 142	6 132	6 095	5 975
05	Móveis, artigos de decoração, equipamento doméstico e despesas correntes de manutenção da habitação	864	870	887	830	970	630	716	723	741
06	Saúde	1 186	1 184	1 313	1 171	1 128	985	997	1 194	1 257
07	Transportes	2 957	2 975	3 136	2 972	2 918	2 555	2 866	2 161	2 922
08	Comunicações	680	679	626	612	808	622	681	705	704
09	Lazer, distração e cultura	1 073	1 089	1 063	897	1 400	592	1 090	617	807
10	Ensino	441	446	433	356	624	194	286	216	423
11	Hotéis, restaurantes, cafés e similares	2 111	2 152	2 217	1 885	2 429	1 512	2 321	1 136	1 274
12	Outros bens e serviços	1 277	1 298	1 264	1 281	1 416	1 070	1 269	743	856

Source: Survey to household expenditures 2010/2011 (INE)

Annex 1.4 Regional (NUTS II) differences of GDP per capita in PPS (%) in 2008

(UE 27=100%)



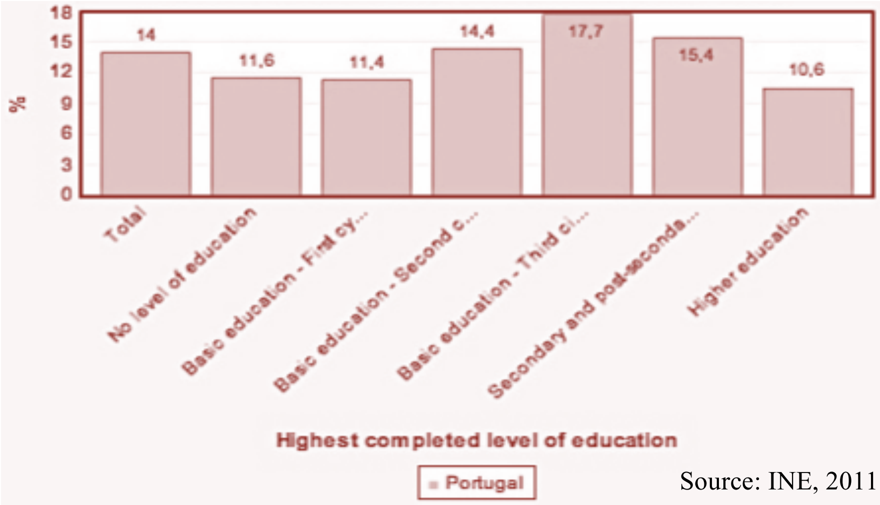
Source: Observatório das Desigualdades - Regional Accounting 2008

Annex 1.5 Historic Rate of Portuguese GDP in PPS (UE 27 = 100%)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
81	80	80	79	77	79	79	79	78	80	80

Source: Euromonitor, 2011

Annex 1.6 Unemployment rate in Portugal by level of education in the 4th quarter 2011



Source: INE, 2011

Annex 1.7 Regional (NUTS) unemployment rate of active population with high education in 2010

Source: INE, 2011

Annex 1.8 Portuguese Population Main Age Groups Distribution in 2010

Age Group	2011		
	Portugal	Lisboa	Grande Lisboa
Total	10561614	2821699	2042326
0 - 14 years old	1572546	437963	314143
15 - 24 years old	1145770	294547	214441
25 - 64 years old	5820794	1571120	1136938
65 and more years old	2022504	518069	376804

Source: INE – Censos 2011

Annex 1.9 Population and Population Density by Region – NUTS (2010)

Regions (a)	Population Thousands	% of total	Density (inhab./km2)
North	3,738.8	35.2	176.0
Lisbon	2,835.0	26.7	943.3
Centre	2,379.5	22.4	84.4
Alentejo	751.0	7.0	23.8
Algarve	437.9	4.1	86.9
Madeira	247.6	2.3	308.8
Azores	245.9	2.3	105.7
Total	**10,635.8**	**100.0**	**115.4**

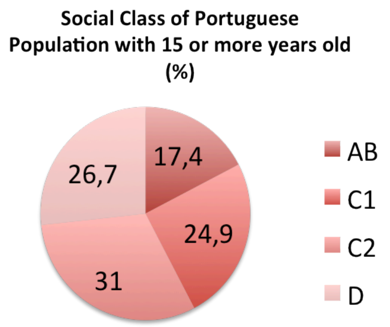
Source: INE, 2011

Annex 1.10 Portuguese Social Class Distribution (%) between 2006 and 1st trimester 2010

Figure 1 - Table presentation of social class distribution

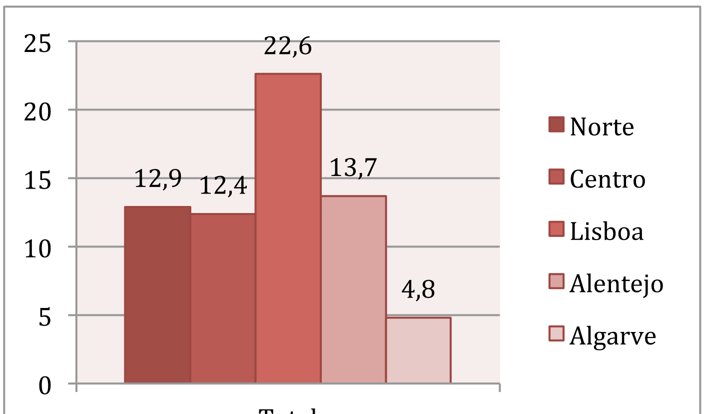
Portugal	
Social Class	**Population >15 years old**
AB	17,40%
C1	24,90%
C2	31%
D	26,70%

Figure 2 - Graphic Presentation of social class distribution



Source: Social Atlas of Portugal, Marktest 2011

Annex 1.11 Rate of higher education schooling per region (NUTS) in 2010



Source: INE, 2011

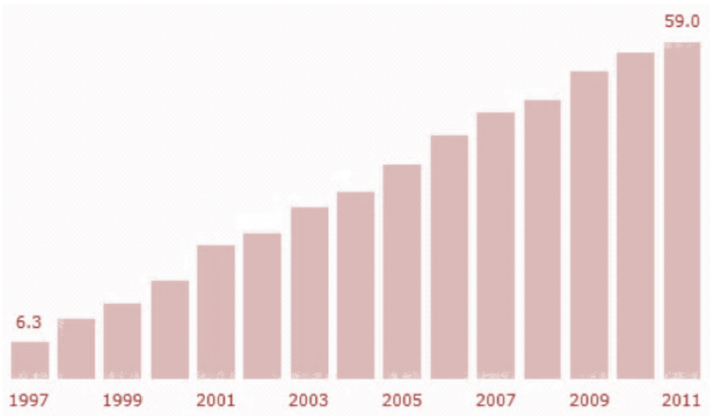
Annex 1.12 Average Monthly Earnings (€) in Portugal and Lisbon in 2008/2009

Geographic localization (NUTS - 2002)	Average monthly earning (€) by Geographic localization (NUTS - 2002);	
	2009	2008
Portugal	1034,2	1008
Grande Lisboa	1365,4	1347,3
Lisboa	1508,8	1496,1

Source: INE, 2011

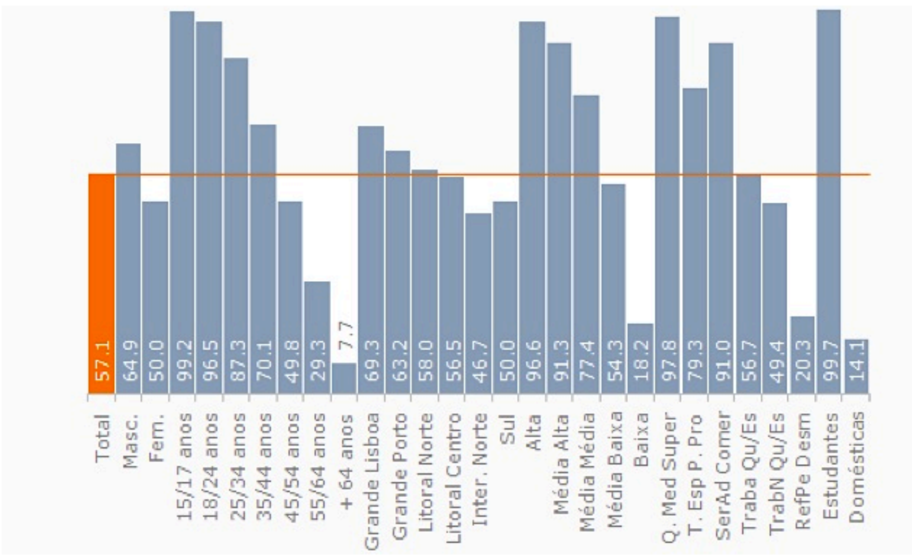
Annex 1.13 Nine times growth of population that usually uses the Internet (%)

Population (%)



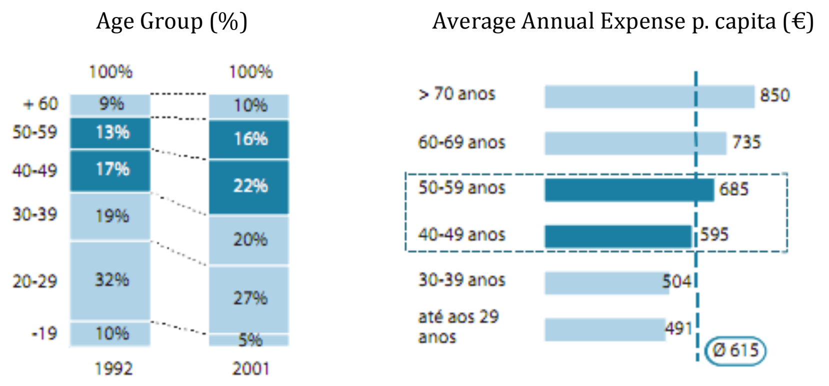
Source: Bareme Internet, Marktest 2011

Annex 1.14 Segmentation of Portuguese Population that usually uses Internet (%)



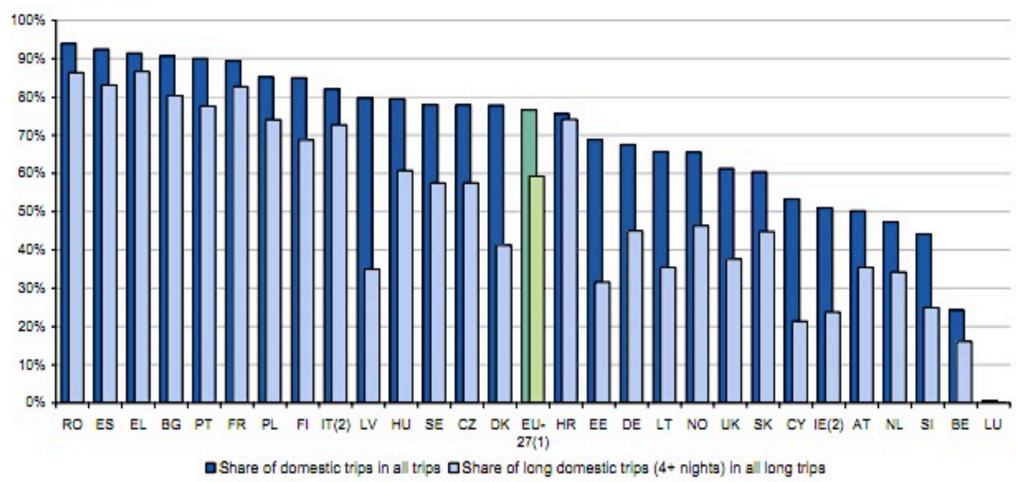
Source: Bareme Internet, Marktest 2010

Annex 1.15 European Tourists by Group Age (%) and Average Annual per capita Expense (€) during Holidays in Europe between 1992 and 2001



Source: UNWTO, 2003

Annex 1.16 Share of domestic holiday trips in all holiday trips of Portuguese in 2010



Source: Eurostat, 2011

Annex 1.17 Division of restaurant enterprises by size (employees number) in 2009

Economic activity (CAE Rev. 3)	Employment size class	Number
Restaurants (include mobile food service activities)	Less than 10 persons	26380
	10 - 19 persons	1390
	20 - 49 persons	477
	50 - 249 persons	128
	250 and more persons	12
Traditional restaurants	Less than 10 persons	11366
	10 - 19 persons	794
	20 - 49 persons	256
	50 - 249 persons	65
	250 and more persons	3

Source: INE, 2011

Annex 1.18 Distribution of Restaurant enterprises in Portugal and Lisbon in 2008-2009

NUTS	Economic activity (CAE Rev. 3) - 2008							
	Total	Traditional rest.'s	Snack-bars	Self-service rest.'s	Typical rest.'s	Rest.'s with dance floor	Take away eating places	Rest.'s , n.e.c. (include mobile food)
Portugal	29496	12477	6114	442	1018	217	708	8520
Grande Lisboa	6967	3057	1241	122	209	47	175	2116

Source: INE 2011

NUTS	Economic activity (CAE Rev. 3) - 2009							
	Total	Traditional rest.'s	Snack-bars	Self-service rest.'s	Typical rest.'s	Rest.'s with dance floor	Take away eating places	Rest.'s , n.e.c. (include mobile food)
Portugal	28387	12484	5553	492	992	214	762	7890
Grande Lisboa	6824	3092	1153	136	196	47	189	2011

Source: INE 2011

Annex 1.18A Distribution of restaurant enterprises by type (%) in Portugal and in Lisbon in 2009

Chart 1 - Distribution of Restaurants in Lisbon

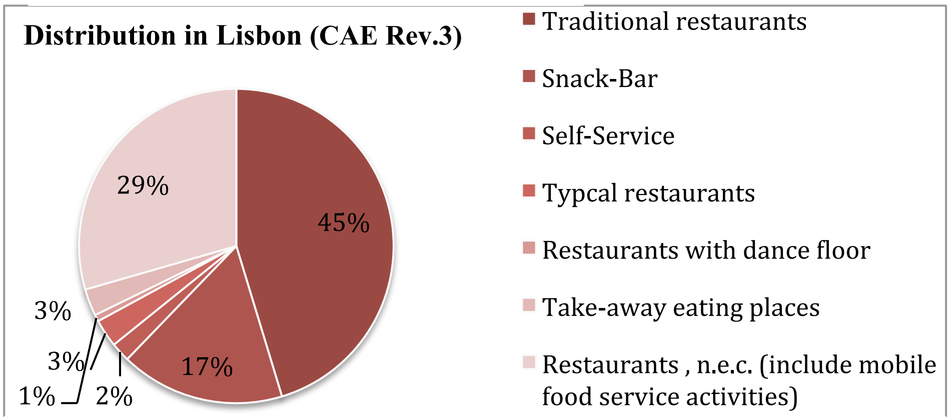
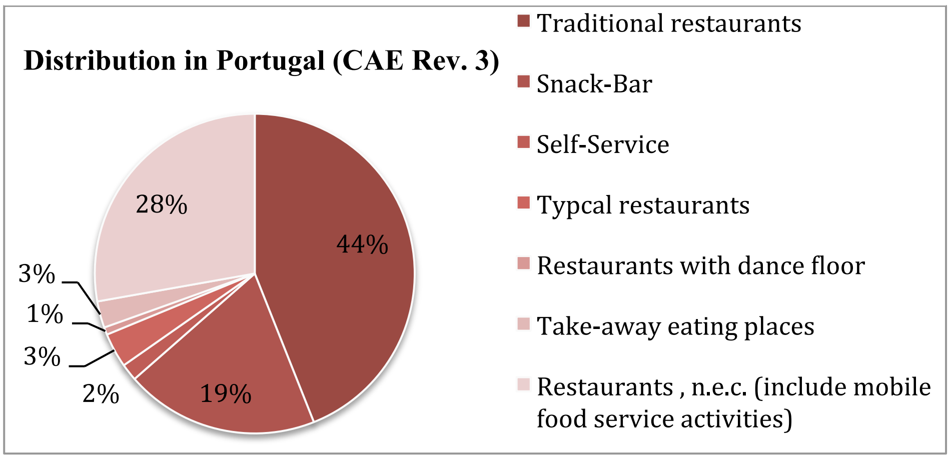


Chart 2 - Distribution of Resturants in Portugal



Source: INE, 2011

Annex 1.19 Birth rate (%) of food and beverage enterprises in Portugal and Lisbon between 2008 and 2009

Geographic localization (NUTS - 2002)	2009	2008
	Food and beverage service activities	
	%	%
Continente	12,80	11,94
Grande Lisboa	11,41	9,85

Source: INE, 2011

Annex 1.20 Survival rate (%) of food and beverage enterprises with two years in Portugal and in Lisbon between 2008 and 2009

Geographic localization (NUTS - 2002)	2009	2008
	Food and beverage service activities	
	%	%
Continente	52,26	56,31
Grande Lisboa	54,39	55,59

Source: INE 2011

Annex 1.21 Turnover (€) of Restaurants and Traditional Restaurants in Portugal and Lisbon between 2008 and 2009

Geographical Location NUTS – 2002	2009		2008	
	Restaurants (include mobile food service activities)	Traditional restaurants	Restaurants (include mobile food service activities)	Traditional restaurants
Portugal	4.012.864.171	1.923.824.169	4.062.920.344	1.958.719.808
Grande Lisboa	1.379.358.873	619.744.613	1.376.283.929	633.320.631

Source: INE, 2011

Annex 1.22 E-table Restaurants

Figure 1 - Inamo Restaurant, London

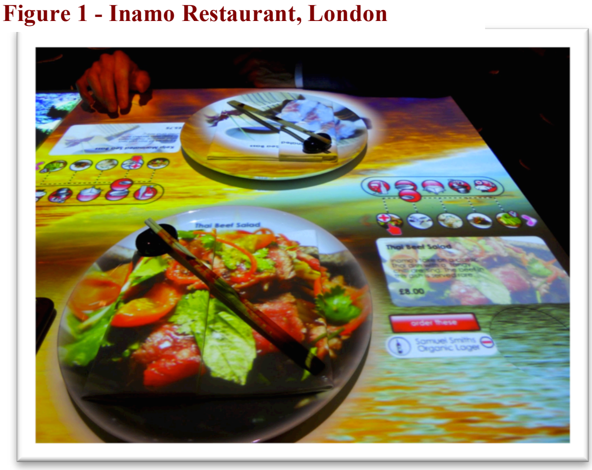


Figure 2 - Clo Wine Bar, New York

Annex 1.23 Criteria used to evaluate competitors' similarity to Clara Chiado

Criteria of Similarity	Terms of Comparison (based on Clara Chiado)
Type of Food Menu	Food basis of Portuguese inspiration
Variety of Wine Menu	Good menu choice of medium/big size
Location/Accessibilities/Parking	Proximity to Chiado/Bairro Alto; poor facilities
Communication/Events/Differentiation	Dynamism on the communication; Wine based events; Live Music
Price	Average Meal Price around 30€ - 35€ *
Servicescape/Ambience	Urban and clean décor in a traditional place; Attentive service; Great Ambience
Reputation	Good reputation among the clients; lack of awareness
Number of Places	80 people
Schedule	Opened just for dinners; Closes twice a week
Target	Tourists and Portuguese companies, groups and couples; Clas A/B and C1

* Prices with higher discrepancy are rated with 4 or less

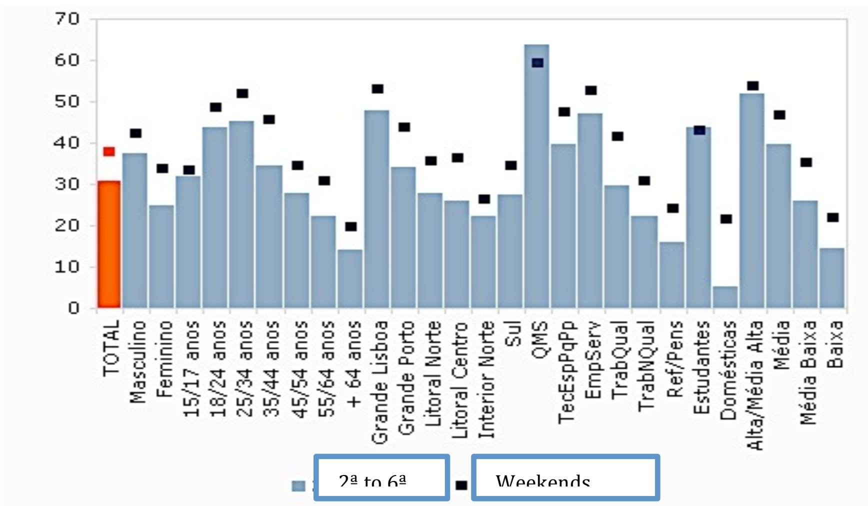
Source: Author's Analysis

Annex 1.24 Table of Competitors (weighting factor: 1 to 5)

Restaurants/ Variables	Aqui Há Peixe	Aura	Clara Jardim	Faz Figura	Sacramento do Chiado	Bistro 100 Maneiras	Lisboa à Noite
Type of Food	2	5	5	4	5	3,5	5
Variety of Wine	2	3	4	3,5	4	3,5	3,5
Location/Accesses/ Parking	5	4	2	3	5	5	5
Communication/Events /Differentiation	1	3,5	3	3,5	5	3	4
Price	4	4	3	4	3,5	4	5
Servicescape/Ambience	2,5	3,5	3	4	3,5	4	4
Reputation	4	3,5	4,5	3	3,5	3,5	4
Number of Places	2	1	2	4	1	5	4
Schedule	3	1	3	2	1	5	5
Target	4	4,5	4	5	5	4,5	5
Total	29,50	33	33,5	36	36,5	41	44,5

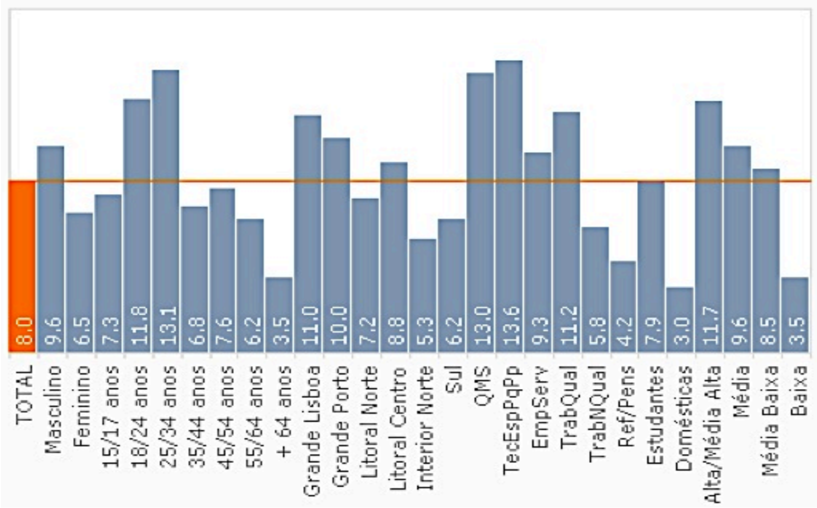
Source: Author's Research

Annex 1.25 Portuguese population (%) out-of-home eating out profile in 2005



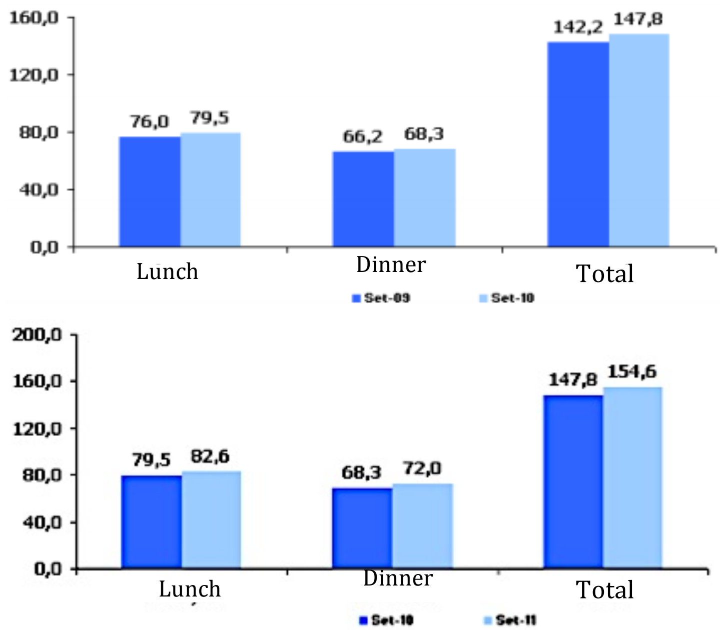
Source: Marktest – Consumidor 2005

Annex 1.26 Portuguese population (%) out-of-home dining profile in 2006



Source: Marktest Consumidor, 2006

Annex 1.27 Evolution of the average number of clients per restaurant in 2009 – 2011



Source: Barómetro AHRESP, nº 24, 2011

Annex 1.28 Weight of Factors Influencing Consumers' Restaurant Choice

				%					
	N/A	1	2	3	4	5	6	7	8
Friends Suggestion	2,3	**48,7**	15,0	9,2	6,9	4,2	2,9	2,9	7,8
Guides Suggestion	3,9	4,9	8,8	16,0	**19,6**	17,0	13,7	8,2	7,8
Meet new places	2,6	15,7	**34,0**	15,7	9,2	10,1	5,2	4,2	3,3
Kids pressure	6,5	10,8	3,9	4,6	6,2	8,8	8,2	7,8	**43,1**
Gastronomic Festivals	4,2	4,6	4,6	14,4	14,4	19,3	**20,3**	13,4	4,9
New flavours	2,6	15,7	13,4	**19,6**	19,3	12,7	10,1	3,3	3,3
Networking	4,3	5,6	4,2	5,9	10,5	12,7	15,4	17,6	**23,9**

Contest's Winner	4,9	5,9	5,6	6,5	6,9	11,8	18	**22,2**	18,3

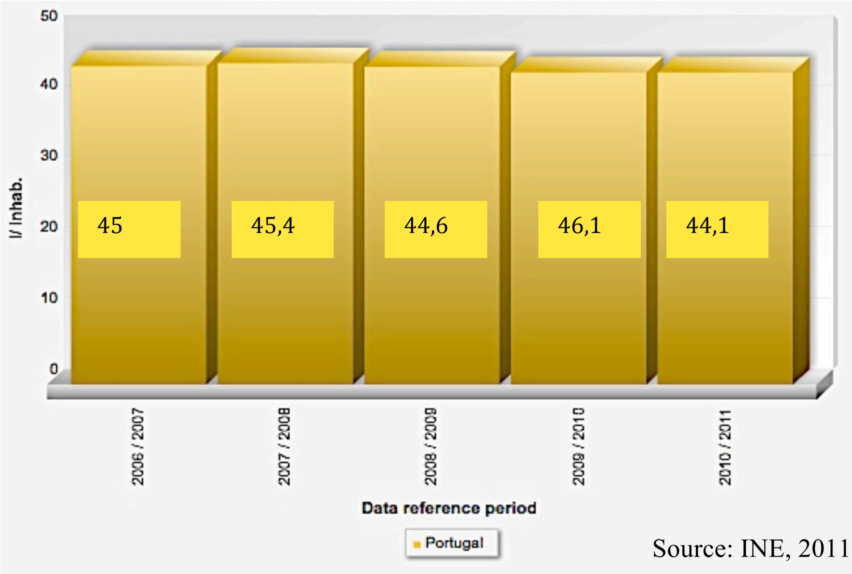
Source: AHRESP on-line inquire 2009

Annex 1.29 Age and Gender Distribution of Alcoholic Consumption in one week (2005-2006)

Sex	Age group	Drinked at least one alcoholic beverage in the last week (%)
MF	Less than 15 years	0,3
	15 - 24 years	23,8
	25 - 34 years	43,2
	35 - 44 years	55,6
	45 - 54 years	61
	55 - 64 years	58
	65 - 74 years	49,5
	75 - 84 years	42,3
	85 and more years	33,2
M	Less than 15 years	0,4
	15 - 24 years	33,8
	25 - 34 years	59,4
	35 - 44 years	73,5
	45 - 54 years	80,5
	55 - 64 years	79,3
	65 - 74 years	71
	75 - 84 years	63,5
	85 and more years	58,2
F	Less than 15 years	0,1
	15 - 24 years	13,4
	25 - 34 years	26,8
	35 - 44 years	38,1
	45 - 54 years	42,5
	55 - 64 years	39
	65 - 74 years	32
	75 - 84 years	28,4
	85 and more years	21,3

Source: INE, 2011

Annex 1.30 Annual Growth of Wine Human Consumption per capita (l/hab) in Portugal



Source: INE, 2011

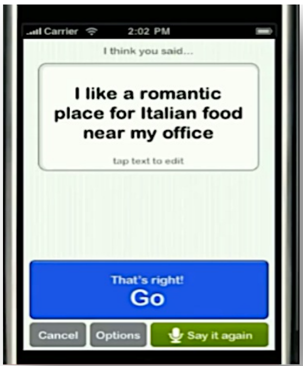
Annex 1.31 Portuguese wine consumption profile (Lt. and €) per Distribution Channel

	2005	2006	2007	2008
Total of Wine Consumption (L)	86.415.348	90.117.717	91.700.000	90.966.400
Growth of Wine Consumption		4,28%	1,76%	-0,80%
Total value of Wine Consumption (€)	332.812.912	355.861.280	372.000.000	395.808.000
Wine Consumption (L) in HORECA	23.289.199	24.218.843	23.492.278	20.911.123
Weight of HORECA in the total wine consumed (L)	27%	27%	26%	23%
Growth of wine consumption (L) in HORECA	-4,00%	4,00%	-3,00%	-11,00%
Value of Wine Consumption (€) in HORECA	157.630.032	173.722.320	180.862.307	170.001.472
Growth of value of wine consumption (€) in HORECA	-12,00%	10,00%	4,11%	-5,00%

Source: AC Nielsen correspondent Annual Reports

Annex 1.32 Mobile Technology applied to Restaurant services

Figure 1 - Example of consumers' use of mobile technology



Source: Restaurante do Futuro, 2012

Annex 2 – Internal Analysis Chapter

Annex 2.1 Clara Chiado Restaurant Food Menu

OUR MENU	
Couvert (Bread, Olives, Butter, Olive Oil)	€ 3,50
Plate of Cheese or Ham	€ 5,00
Tempura of Green Beans	€ 4,50
Fish Spawn Salad with Vinagrete	€ 7,00
Salad with Fried Cod Fish Pieces	€ 4,50
Shrimps and Sea Scallop Salad	€ 7,50
Shrimp Cocktail	€ 7,50
Fried Brie With Stewed Pumpkin and almond crisp	€ 5,50
Foie Gras "Sauté" With Grapes	€ 11,50
mushrooms au gratin	€ 6,50
"Cataplana" of Clams	€ 14,50
Octopus Fillets With Avocado Coulis	€ 6,00
Shrimps Salad with Orange and ginger and vinaigrette	€ 7,50
Our soups	
Seafood Soup	€ 5,00
Gaspacho	€ 4,50
Watermelon Soup With Basil	€ 4,50
Soup of the day	€ 3,00
Our Daily Suggestion	€ 12,00
Our suggestion for fish	
Fillet of Swordfish Mediterranean 's Way	€ 14,00
Clara Chiado's Cod Fish	€ 19,00
Codfish with Roasted potatoes, olive Oil and Coriander	€ 17,00
Squid and Prawns Kebab	€ 14,50
Fried Fillets of Sole With Tomato Rice	€ 17,00

Octopus "Lagareiro" grilled with roasted potatoes, olive oil and garlic	€ 15,50

From our butcher

Duck breast-magret served with Lime	€ 17,00
Grilled Pork Tenderloin	€ 15,00
Lamb Cutlet Fried in a Portuguese Way	€ 16,50
Chicken Breast in a Rafael Bordalo Pinheiro's Way	€ 14,50
Mixed Grilled Meat	€ 15,00

Our Italian touch

Spaghetti Carbonara	€ 14,00
Ricotta and Spinach Ravioli With Cream Sauce	€ 13,50
Black Spaghetti with Prawns Sautéed, Tomato Sauce and Basil Pesto	€ 15,50
Vegetarian Tagliatelle	€ 14,00

Desserts

Macerated Fruit in syrup of spices and Ice Cream	€ 5,50
White Chocolate Surprise	€ 7,50
Vanilla Ice cream with coffee Cream	€ 5,00
"Farófias" with Raspberry	€ 5,00
Crème brulée	€ 4,50
Strawberry soup	€ 8,00
Soufflé at your choice (Grand Marnier, chocolate, vanilla) – Min.15 mn	€ 8,00
Caramelized Banana With Vanilla Ice Cream	€ 5,50
Fruit	€ 4,00
Pie of the day	€ 4,50

And to end your meal - Nespresso at your choice	€ 1,50

OUR STEAKS

Loin Steack	€ 17,00
Contrefilet	€ 14,00
Pork Steak	€ 12,00

Choose the way you like it:

In a Portuguese Way

"Marrare"

Grilled

With Aromatic Herbs

With Cheese Sauce

With Pepper Sauce

With Cream and Mushrooms

Red Wine and onions sauce

Mustard Sauce

Beer Sauce

Pickles

Included: Fried Potatoes and Spinach

- You can choose, instead, Rice, Salad, or Mixed Vegetables

- (With Egg (€ 1.00)

OUR SPECIALITIES	P/1 Pax	P/ 2 Pax
Açorda de Camarão	€ 16,00	€ 29,00
Clara Chiado'S Tornedó	€ 20,00	€ 38,00
Lion Steak With Tiger Prawn	€ 22,50	€ 43,00
Pasta With Fish and Seafood	€ 20,00	€ 38,00
"Cataplana" from the Algarve	€ 22,00	€ 40,00
Cod-Fish with Crackling of Corn-Bread	€ 19,00	€ 35,00
Tiger Prawn Grilled With Rice	€ 28,00	€ 52,50
Shrimps Kebab	€ 16,00	€ 29,00

Annex 2.2 Clara Chiado Restaurant's Most Sold Dishes

Appetizers	
"Peixinhos da Horta" / Tempura of green beans Octopus fillets with avocado coulis Cataplana' of prawns	
Deserts	
Crème Brulée Soufflée	
Soups	
Seafood cream	
Main Dishes	
Fish	**Clara Chiado Codfish** Codfish with roasted potatoes, olive oil and coriander Octopus "lagareiro" (grilled with roasted potatoes, olive oil and garlic)
Pastas	Ricotta and spinach ravioli with cream sauce Black spaghetti with prawns sautéed, tomato sauce and basil pesto
Meat	No specific dish
Steak	Loinsteak in Portuguese way
Specialties	Clara Chiado's Tornedo (beef steak) Codfish with crackling of corn bread
Group Menus	
"Codfish with crackling of corn bread"	

Source: Author's Research

Annex 2.3 Clara Chiado most sold dish

Figure 1 - Clara Chiado Codfish

Annex 2.4 Wine Bar Menu

OS NOSSOS PETISCOS

Couvert (Pão, Manteiga, Azeitonas) € 1,80

Peixinhos da Horta / Tempura of Green Beans	€ 4,50
Casca de Batata Frita / **Barked Fried Chips**	€ 3,20
Pimentos Padron / **Hot and Spicy Green fried Padrón Peppers**	€ 5,00
Pastéis de Bacalhau / **Cod Fish patties**	€ 5,60
Pataniscas de Bacalhau / Salad with Fried Cod Fish Pieces	€ 5,60
Pataniscas de Polvo / **Fried Octopuss Pieces**	€ 6,10
Salada de Polvo / **Octopuss Salad**	€ 6,00
Salada de Ovas com Vinagrete **/ Spawn Fish Salad with Vinagrete**	€ 6,40
Ovos Mexidos c/Bacon ou c/Farinheira / **Scrmabled Eggs W/ Bacon**	€ 5,00
Chamuças de Queijo Cabra (4 Peças) **/ Goat's Cheese Samosas**	€ 4,50
Prato de Queijos Diversos (3 variedades) / **Plate of Cheese**	€ 6,50
Prato de Charcutarias (3 variedades) **/ Plate Of Ham**	€ 6,50
Chouriço Assado /**baked Sausage**	€ 5,80
Presunto Fatiado / **Smoked Ham**	€ 8,00
Espetadinhas de Camarão c/maionese / **Little Kebab of Shrimps w/Mayonnaise**	€ 14,00
Gambas Salteadas c/ Alho / **Fried Shrimps With Garlic**	€ 9,50
Lulas Fritas / Fried Squids Rings	€ 4,80
Panadinhos de Peito de Frango laminado / **Chicken Breast Breaded**	€ 6,50
Salmão Fumado c/ Alcaparras / **Smoked Salmon**	€ 9,00
Cataplana de Ameijoas / **"Cataplana" of Clams**	€ 14,00
Salada de Abacate c/Camarão e Emulsão de manjericão / **Avocado Salad**	€ 8,40
Cogumelos Recheados c/ Presunto e Queijo / **Stuffed Mushrooms w/Bacon**	€ 5,20
Cogumelos Salteados c/ Bacon / **/ mushrooms Sauté W/Bacon**	€ 4,80

A Acompanhar

Dose Arroz, Batata/ **Rice or Potatoes**	€ 2,00
Dose Arroz de Feijão, Coentros ou de Tomate / **Rice w/Beans, or Tomato**	€ 3,00
Dose Esparregado / **Spinach**	€ 2,00

Dose Legumes / **Vegetables**	€ 2,50
Salada Alface ou de Tomate/ **Green or Tomato Salad**	€ 2,00
Salada Mista**/ Mixed Salad**	€ 2,50
Ovo Estrelado / **Fried Egg**	€ 1,00

SOBREMESAS / Desserts / Les Desserts

Leite-creme **/ Crème brulée**	€ 4,00
Sopa de Morangos / **Strawberry soup**	€ 8,50
Gelado **/ Ice Cream**	€ 4,50
Baunilha, Framboesa, tangerina ou Nata (2 bolas)	
Bolo de chocolate / **Chocolate Cake**	€ 4,50
Fruta Macerada em Calda de Especiarias c/ Gelado	€ 4,50
Macerated Fruit in syrup of spices and Ice Cream	
Fruta da Época / **Fruit**	€ 3,50
Tarte do dia / **Pie of the day**	€ 4,00

Para terminar…

Café	€ 1,10

IVA incluído: 13%

Annex 2.5 Clara Chiado's Wine Bar Most Sold Food Items

Treats
Tempura of Green Beans
Salad with Fried Cod Fish Pieces
Scrambled Eggs with Bacon
Plate of Cheese
Plate of Ham
Fried Squids Rings
Stuffed Mushrooms w/Bacon
To accompany
Rice with Beans or Tomato
Mixed vegetables
Deserts
Crème brulée
Strawberry Soup

Source: Author's Research

Annex 2.6 Wine List

The red wines of our cellar

Douro

Aneto 2008	€ 25,00
batuta 2007	€ 85,00
Casa da Palmeira 2007	€ 17,50
Crasto 2008	€ 17,50
Crasto Superior 2009	€ 22,50
Diálogo 2008	€ 15,00
Duas Quintas 2008	€ 22,50
Duas Quintas Reserva 2006	€ 45,00
Marka 2008	€ 22,00
Pedro Milanos Reserva 2006	€ 18,00
Quinta do Vallado Colheita 2008	€ 17,50
Quinta do Vallado Reserva 2006	€ 40,00
Quinta dos Acipprestes Touriga Franca 200	€ 70,00
Quinta dos Acipprestes Colheita 2007	€ 17,50
Redoma 2007	€ 67,50
Roquette & Cazes 2007	€ 30,00
Torna Grande 2008	€ 25,00
Vertente 2008	€ 24,00
Vinha Grande 2008	€ 24,00
Xisto (Roquette e Cazes) 2005	€ 45,00

Dão e Bairrada

Casa de Santar 2008	€ 19,00
Garrida Reserva 2004	€ 18,00
Munda 2006	€ 40,00
Quinta dos Carvalhais 2008	€ 18,00
Quinta de Baixo Colheita 2006	€ 15.00
Quinta do Encontro 2008	€ 12,50
Quinta da Fata 2007	€ 12,50

Lisboa e Tejo

Falcoaria Reserva 2007	€ 27,00
Quinta da lagoalva reserva 2009	€ 18,00
Quinta da lagoalva 2008	€ 22,50
Casa cadaval 2007	€ 25.00
Fonte das Moças 2008	€ 21,00
Quinta de Pancas (Selecção Enólogo) 2008	€ 17,50
Quinta de Pancas Reserva 2007	€ 22,50

Terras do Sado

Herdade da Comporta 2007	€ 22,50
Má Partilha - Merlot 2007	€ 24,00
Periquita Reserva 2008	€ 15,00
Quinta da Bacalhoa 2008	€ 27,00

Alentejo

Alabastro Reserva 2005	€ 15,00
Altas Quintas Crescendo 2007	€ 18,00
Altas Quintas Reserva 2005	€ 42,50
Altas Quintas Mensagem Trincadeira 2007	€ 30,00
Barão de B Reserva 2005	€ 45,00
Cartuxa 2008	€ 25,00
Herdade dos grous reserva 2007	€ 46,00
Herdade da Malhadinha 2007	€ 45,00
Herdade das Pias Reserva 2004	€ 42,00
Inevitável 2005	€ 40,00
Lima Mayer 2006	€ 20,00
Monte da Ravasqueira 2008	€ 17,50
Mouchão 2005	€ 37,50
Petit Verdot 2006	€ 50,00
Quinta do Mouro 2004	€ 42,50
Quinta do Mouro Touriga Nacional 2006	€ 45,00
Tapada do Chaves 2002	€ 25,00

Our White, Green and Rosé Wines

Minho

Allo 2008	€ 14,00
Alvarinho Poema 2007	€ 25,00
Muros Antigos 2009	€ 19,00
Muralhas 2009	€ 13,00
Casa do Valle Grande Escolha 2010	€ 16,00
Casa do Valle – Vinho Verde Tinto	€ 14,00

Douro

Duas Quintas 2010	€ 15,00
Maria Mansa 2008	€ 15,00
Marka 2009	€ 15,00
Pedro Milanos 2009	€ 16,00
Pó de Poeira 2008	€ 23,00
Quinta da Pacheca 2008	€ 11,00
Redoma 2009	€ 26,00

Dão

Casa de Santar 2008	€ 12,00
Quinta dos Carvalhais 2008	€ 15,00
Quinta da Fata Encruzado 2009	€ 12,50

Lisboa e Tejo

Casal d'Além 2009	€ 14,00
Morgado Sta. Catherina R. (Bucelas) 2008	€ 22,50
Prova Régia (Arinto Chardonay 2009)	€ 15,00
Quinta de Pancas 2010	€ 13,00
Sottal 2010	€ 13,00

Terras do Sado

BSE 2010	€ 12,50
Catarina 2009	€ 12,00
João Pires 2010	€ 11,00
Verdelho 2008	€ 18,00

Alentejo

Alabastro 2008	€ 14,00
Altas Quintas crescendo 2008	€ 16,50
Quinta do Carmo 2009	€ 15,00
Rúbrica	€ 20,00

Rosés

Lima Mayer 2008 (Alentejo)	€ 14,00
Monte da Ravasqueira 2008 (Alentejo)	€ 18,00
Olho de Mocho 2008 (Alentejo)	€ 13,00
Periquita 2008	€ 13,00
Quinta do Cardo 2008 (Beiras)	€ 12,50

Our Wines by the Glass

The Red

Daily suggestion	€ 5,00
Alabastro Reserva 2005 (Alentejo)	€ 5,00
Castello d'Alba 2009 (Douro)	€ 5,00
Casa de Pancas 2009 (Estremadura Bucelas)	€ 5,00
Quinta do Encontro 2007 (Bairrada)	€ 5,00
Cartuxa 2007 (Alentejo)	€ 9,00
Quinta de Pancas 2007 (Estremadura)	€ 9,00

The White

Casal d'Além (Bucelas)	€ 500
Castello D'Alba 2009 (Douro)	€ 5,00
Sottal (Região de Lisboa)	€ 5,00
Prova Régia 2007 (Estremadura)	€ 5,00
Catarina 2008 (Sado)	€ 5,00

The Rosé Wine

Lima Mayer 2008	€ 5,00
Quinta do Cardo 2008 (Beiras)	€ 5,00

The Flutes

Champagne Flute Moët & Chandon Brut Imperial	€ 16,00
Champagne Flute Bollinger	€ 16,00

Any other wine can be served by the glass. Please ask for the advise of one of our waiters that will indicate you other wines and prices.

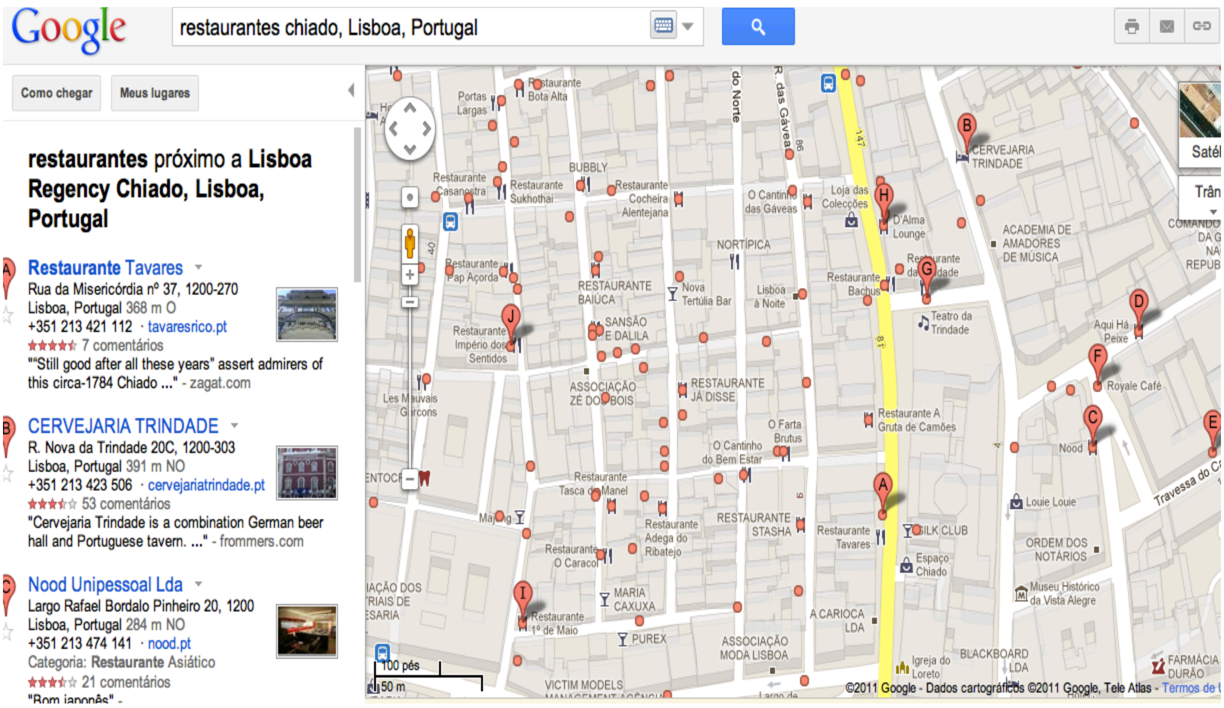
Clara Chiado has also a Bar Menu available for you after dinner

Annex 2.7 Restaurant/Wine Bar Price Discrepancy

Dishes	Restaurant Price	Wine Bar Price	Restaurant prices variation in relation to WB prices (%)
Covert	3,50€	1,80€	+ 94,4%
Tempura of Green Beans	4,50€	4,50€	=
Salad with Fried Codfish Pieces	4,50€	5,60€	-19,64%
Spawn Fish Salad with Vinaigrette	7,00€	6,40€	+9,38%
“Cataplana” of prawns	14,50€	14,00€	+3,57%
Crème Brule	4,50€	4,00€	+12,5%
Strawberry soup	8,50€	8,50€	=
Fruit	4€	3,50€	+14,29%
Pie of the Day	4,50€	4€	+12,5%
Macerated Fruit in syrup of spices and Ice Cream	5,50€	4,50€	+22,22%
Coffee	1,50€	1,10€	+36,36%

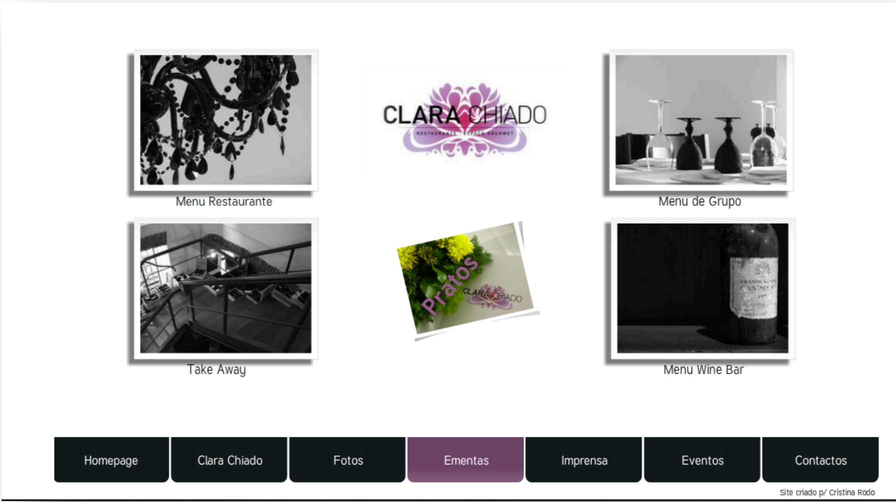
Source: Author Analysis

Annex 2.8 “Chiado’s Restaurants” search results



Source: Google Maps/ Author’s Research

Annex 2.9 Clara Chiado Website



Source: Author's Research

Annex 2.10 Sales Promotions Actions

Figure A) 'Groupon' Discount for a meal

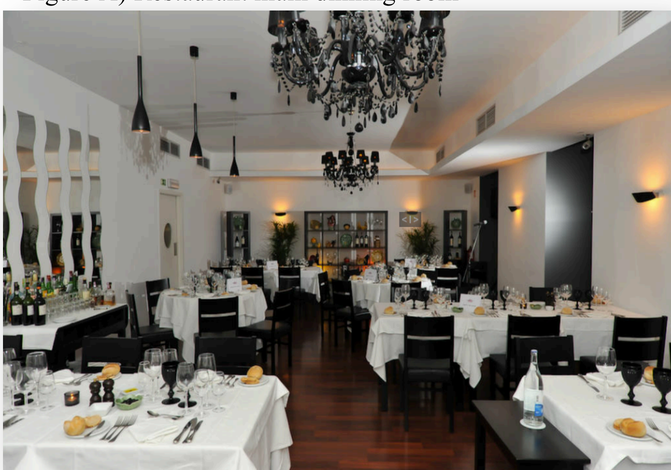
Source: Author's Research

Figure B) Wine Tasting Experience in 'A Vida é

Source: Author's Research

Annex 2.11 The Servicescape

Figure A) Restaurant main dinning room



Source: Author's Research

Annex 2.12 The Wine Bar Ambience

Figure B) Wine Bar main room

Source: Author's Research

Annex 2.13 Clara Chiado potential target quantification

Great Lisbon population in 2011	**2.042.324**
Great Lisbon population belonging to Class AB in 2010 (%)	37,4%
Great Lisbon population belonging to Class AB[18]	763.829
Population belonging to Class AB dinning out in 2006 (%)	11,7%
Great Lisbon population belonging to Class AB and dinning out[19]	89.367

Great Lisbon population between 25-64 years old	**1.136.938**
Great Lisbon population between 25-64 years old belonging to class AB[20]	425.241
Great Lisbon population between 25-64 years old belonging to class AB dinning out[21]	49.753

Source: Author's Analysis

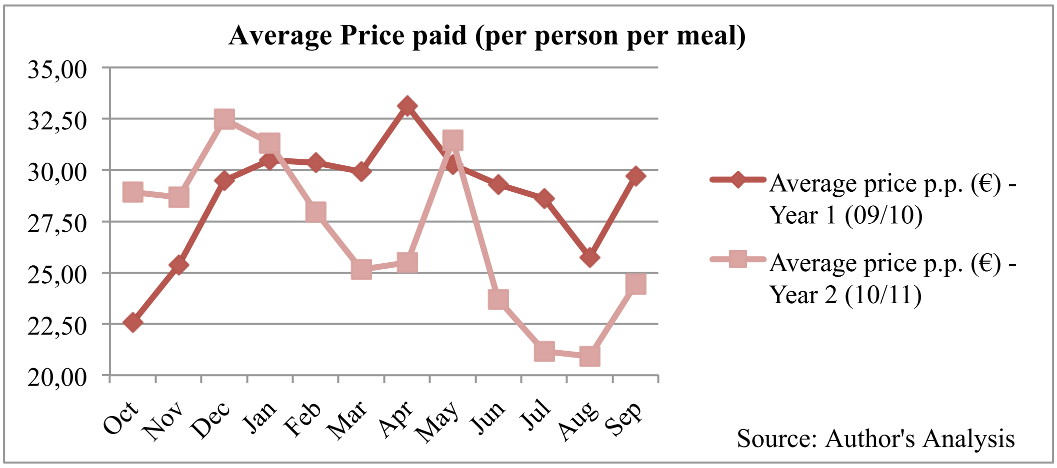
Annex 2.14 Clients' Purchases Analysis

[18] Applying the 2010 social class percentage in 2011 population.
[19] Considering that the rate remained unaltered and applying it to Lisbon's AB population.
[20] If in the total Lisbon population (2.042.324) class AB represents 763.829, in the 24-64 years old population (1.136.938) class AB will represent 425.241 habitants.
[21] Same reasoning as number 3.

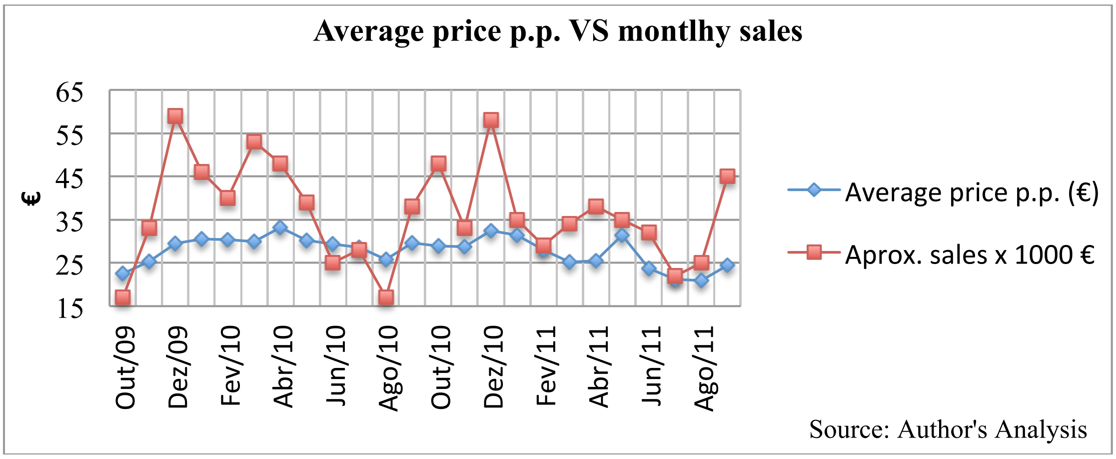
	Months	Sales	Homologous % of sales	Clients			% of restaurant clients	Average price per client
				Restaurant	Bar	Total		
YEAR ONE	Oct/09	17 000,00		648	105	753	86,05%	22,58
	Nov/09	33 000,00		892	409	1301	68,56%	25,37
	Dec/09	59 000,00		1569	433	2002	78,37%	29,47
	TOTAL	109 000,00		3 109,00	947,00	4 056,00		
	AVERAGE	36 333,33		1036	315	1352	77,66%	25,80
	Jan/10	46 000,00		1139	370	1509	75,48%	30,48
	Feb/10	40 000,00		933	385	1318	70,79%	30,35
	Mar/10	53 000,00		1315	456	1771	74,25%	29,93
	Apr/10	48 000,00		1096	353	1449	75,64%	33,13
	May/10	39 000,00		993	296	1289	77,03%	30,26
	Jun/10	25 000,00		665	188	853	77,96%	29,31
	Jul/10	28 000,00		689	290	979	70,38%	28,60
	Aug/10	17 000,00		437	223	660	66,21%	25,76
	Sep/10	38 000,00		950	330	1280	74,22%	29,69
YEAR TWO	Oct/10	48 000,00	282%	1136	524	1660	68,43%	28,92
	Nov/10	33 000,00	100%	713	438	1151	62,95%	28,67
	Dec/10	58 000,00	98%	1178	608	1786	65,96%	32,47
	TOTAL	473 000,00		11 244,00	######	15 705,00		
	AVERAGE	39 416,67		937	372	1309	71,61%	29,80
	Jan/11	35 000,00	76%	721	396	1117	64,54%	31,33
	Feb/11	29 000,00	73%	771	266	1037	74,35%	27,97
	Mar/11	34 000,00	64%	884	468	1352	65,38%	25,15
	Apr/11	38 000,00	79%	1013	477	1490	67,99%	25,50
	May/11	35 000,00	90%	845	268	1113	75,92%	31,45
	Jun/11	32 000,00	128%	973	378	1351	72,02%	23,69
	Jul/11	22 000,00	79%	486	554	1040	46,73%	21,15
	Aug/11	25 000,00	147%	610	585	1195	51,04%	20,92
	Sep/11	45 000,00	118%	815	1027	1842	44,25%	24,43
	TOTAL	295 000,00		7118	4419	11537		
	AVERAGE	32 777,78		790	491	1282	62,47%	25,73

Source: Clara Chiado's official data

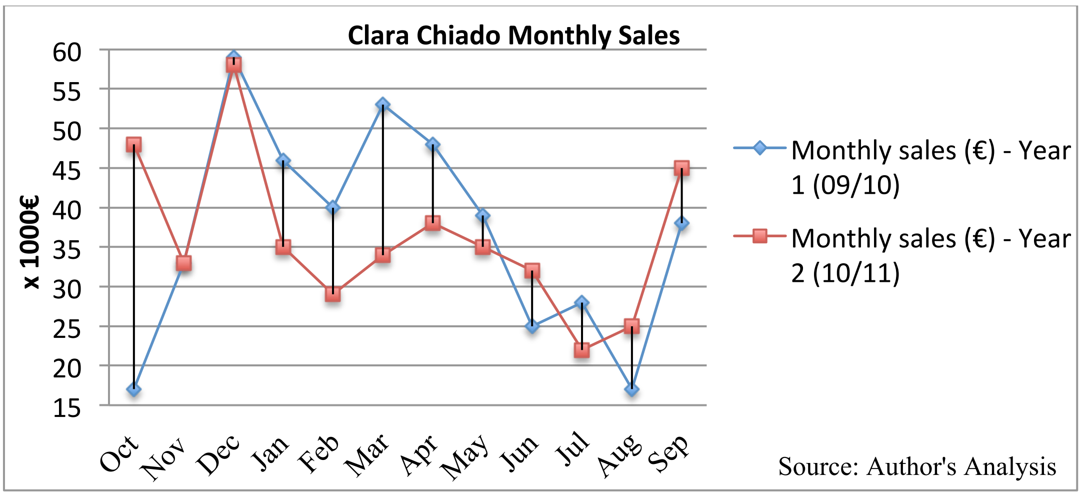
Annex 2.15 Monthly Variation on the Average Price Paid in Year 1 and Year 2



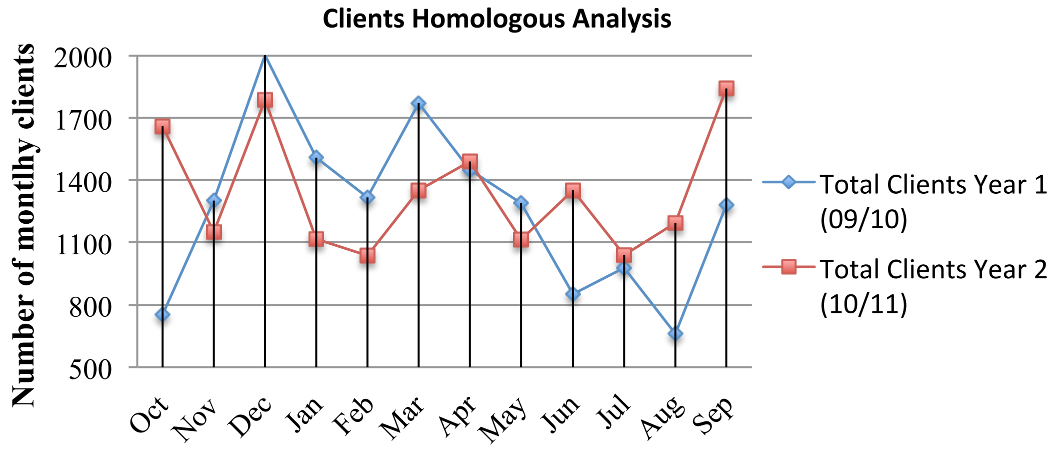
Annex 2.16 Lack of correlation between average customer expenditures and monthly sales



Annex 2.17 Clara Chiado homologous monthly sales revenues

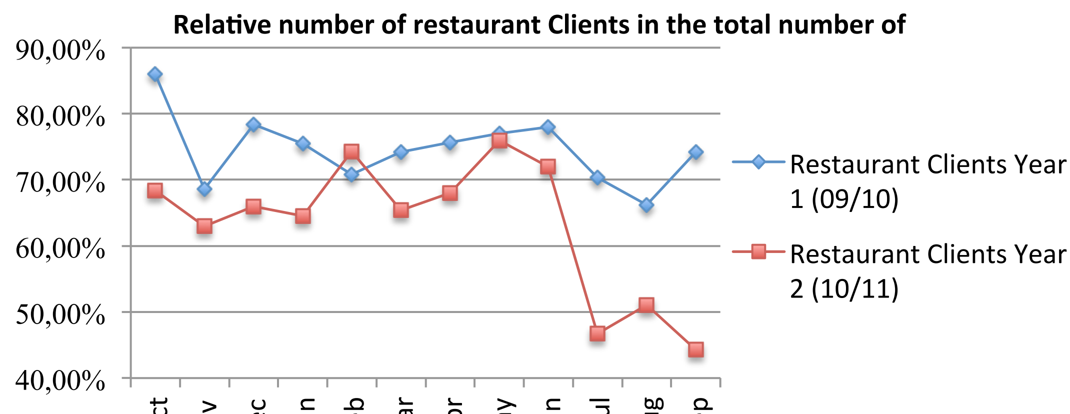


Annex 2.18 Homologous comparison of Clara Chiado's monthly clients



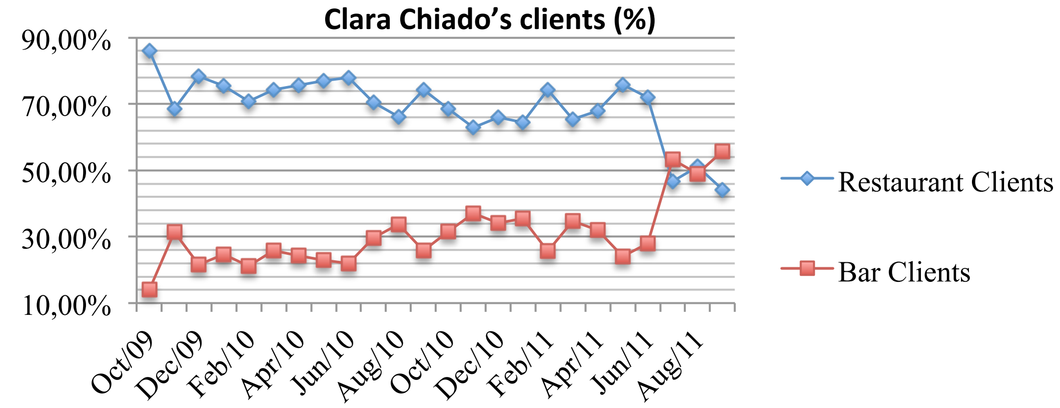
Source: Author's Analysis

Annex 2.19 Weight of restaurant clients in the total number of Clara Chiado clients



Source: Author's Analysis

Annex 2.20 Clara Chiado Bar and Restaurant Clients Distribution



Source: Author's Analysis

Annex 3 – On-line Survey to Target Consumer developed by the Author

Annex 3.1 Survey

Survey to Consumers – Consumption habits on eating-out

This survey is anonymous and the data collected will be exclusively used in an academic context to collect statistical information that corroborates further conclusions of my master thesis.
It is destined to people with 20 or more years that live and/or work in the Lisbon area and like to/usually dinner out enjoying of a good time.
I will be very grateful if you could answer conscientiously to all the questions.
Thank you in advance for your cooperation.

- **Part 1 - Personal Info**

1. Sex
- Masculine
- Feminine

2. Age: ______

3. Average monthly income of the household (after taxes deduction)

- 1000€ - 1500€
- 1500€ - 2000€
- 2000€ - 2500€
- 2500€ - 3000€
- 3500€ - 4000€
- 4000€ – 4500€
- > 4500€

4. What is the composition of your household:

- 1
- 2
- 3
- 4
- 5
- >5

5. What is your profession:

____

- **Part 2 - Considering your average habits only on dining out:**

1. How often do you usually dinner out?

- Rarely/ Once or Twice a Year
- Once month
- 2-3 times month
- Once a week
- 2-3 times week
- More than 3 times per week

2. On which degree do the following situations positively influence your dinning experience making you return or recommend the restaurant?

(rank it from 1 to 7, being 1 the "less important/don't influence" and 7 the "most important/influence a lot")

	1	2	3	4	5	6	7
Quick Service with short waiting times							
Considerate and attentive service							
Personnel presentation (equal uniforms)							
Knowledge and capacity of waiters to explain and answer about the menu offers and wines							
Being given suggestions on the food and wines							
Being recognized and waiters know you preferences when you return							
Differentiated decoration according to the concept							
Variety of options to choose on the menu							
Seasonal Menu							
Dishes presentation/decoration							
Innovative dishes and flavours							
Having unknown "chief's choice" on the menu							
Quality/Variety of Wine Menu							
Appearance of the other customers/ Frequency							
Low cost							
Fair price according to quality							
Clients Card or Special Promotions							
Events							
Live Music							
Others							

3. Having in count the number of times you usually dinner out, with which frequency do you dinner out in <u>the following circumstances/reasons</u>?

(Name it in order of frequency: 1 never, 2 rarely, 3 frequently, 4 the most frequent)

	1	2	3	4
For any special reason (when I want; to avoid cooking; to relax)				
To celebrate a special day with the family (anniversaries, graduation, etc.)				
With my better-half/Romantic Dinner				
Friends/Working gatherings				
Business Reasons (with clients; chiefs)				
Social reasons/To see and be seen by my peers in a good restaurant				
To Socialize with new people				
Taste new flavours				
To feel that I am being served				
Other: ________________________________				

4. Rank the weight of influence of the following factors when <u>choosing</u> a restaurant to <u>dinner</u> out in the presented occasions.

(from 1 to 6 being 1 the most important/1st to be looked at, and 6 the less important)

	Type of Cuisine (PT, Italian)	Wines	Location (close, touristic, river…)	Price VS quality	Décor/ Physical Environment	Reputation	N. A.
Leisure							
Work							

5. Name 2 of your preferred/usual restaurants to go on a:

Romantic dinner ____

Business dinner ____

Leisure Dinner ____

6. What is the average price per person for a three-dishes meal including beverages, when you are dinning out? (answer N.A. only if you do not eat out on the situation)

	< 15€	**15€ - 20€**	**20€ - 25€**	**25 – 30€**	**30€ - 35€**	**>35€**	N.A.
Business dinners							
Leisure Dinners							

7. **How do you usually get to know new restaurants?** (choose up to three)

    __ Friends Recommendation
    __ Facebook
    __ Restaurant's Website
    __ Consumer-based online rankings (tripadvisor, lifecooler)
    __ Experts' Critiques/Suggestions off-line and on-line (as Time Out, Escape)
    __ Restaurants' Guides
    __ Promotions
    __ When you pass and it catches your attention
    __ Other ____________

Part 3 – Dinner Beverages

1. **What do you drink more often when <u>dinning in a restaurant</u>?** (choose maximum two)

    - Water
    - Natural juice
    - Wine
    - Beer
    - Soda
    - Cocktails
    - Other ___________________

2. **With which frequency do you drink wine when dinning out?**

*if you answer ***Never*** go to next part

    - Never
    - Seldom
    - Half of the times
    - Frequently
    - Always

3. **On which level do the following factors influence your wine choice when dinning out? (1 – Does not influence; 5 – Influence a lot)**

	1				5
Flavour description	o	o	o	o	o
Year and region description	o	o	o	o	o
Being of a famous brand	o	o	o	o	o
Price	o	o	o	o	o
Recommended by friends	o	o	o	o	o
Recommended by the waiter	o	o	o	o	o
Already knowing the wine	o	o	o	o	o

Part 4 – New Concept

Imagine now a new restaurant concept located in the heart of Lisbon, with a quality cuisine that emphasises the food and also the wine, through a "surprising list" that comes to you in a iPad

1. **Would you like to enjoy of a personalized surprise meal chosen by the chef according to some of your own previous choices (also knowing beforehand the ingredients you don't like)?**
   - Yes
   - No
   - Why (optional)

   ____

2. **Would you like to have the possibility to choose/adapt you meal and beverages in an electronic device with interactive pictures, prices and descriptions?**
   - Yes
   - No

3. **In general, how much you like to have/see the following on a restaurant, besides regular service?**
   (rate the degree of importance from 1 – indifferent to 5 – I would really like)

	1				5
Differentiated decoration according to the type of restaurant	o	o	o	o	o
Lounge bar to enjoy a drink after/before dinning	o	o	o	o	o
Private dinning rooms	o	o	o	o	o
Live music	o	o	o	o	o
Thematic dinners (ex. wine tastings)	o	o	o	o	o
Paintings on the walls/ Art exhibitions	o	o	o	o	o
To see the chef	o	o	o	o	o
Others	o	o	o	o	o

4. **If you answer "Others", which: ________________________________**

5. **According to what you said you regularly pay, how much would you pay on average for a meal per person (3 dishes+ drinks) in a restaurant with this conditions: "surprising" menu of Portuguese based food, electronic device and some extra services of the last question?**
   - < 25€
   - 25€-30€

- 30€-35€
- 35€-40€
- 40€- 45€
- > 45€
- N.A.

6. **With the price range and the variables that you chose, how often would you consider visit that restaurant?** (choose one)

   - Never
   - Just in very special occasions
   - With the same frequency as I go now to restaurants that I like
   - With the same frequency as I go now to my favourite restaurant
   - More frequently than I go to any other restaurant

- **Part 5 – Clara Chiado**

  To conclude, I would like to ask you to focus on Clara Chiado Restaurant

1. **Have you ever heard about Clara Chiado Restaurant?**
   *If not, this questionnaire ends here

   - Yes
   - No

2. **Have you ever been to Clara Chiado Restaurant?**
   - Yes
   - No

3. **Even if you were never there, what is your opinion about it?**

(1 completely disagree; 5 totally agree; NS)

	1	2	3	4	5	
Compensates the price paid			.			Too expensive
Great Food			.			Food with no taste/low quality
Big choice			.			No choices
Fast Service			.			Inattentive and inefficient service
Differentiated décor			.			No decoration
Well frequented			.			Bad frequency
Great events			.			No events

4. **If you have more considerations to do, which:**

   ____

5. **How much would you compare the following restaurants to Clara Chiado <u>during dinner time?</u>** (1 not similar at all; 2 might be compared; 3 really similar; N.A.)

	1	2	3	NA
Faz Figura				
Solar dos Presuntos				
100 Maneiras				
Largo				
Faz Gostos				
Gemelli				
Pedro e o Lobo				
Sessenta				
Alma				
Império dos Sentidos				
Lisboa à Noite				
Tágide				
Taberna dos Arcos				
Farta Brutos				
Sacramento do Chiado				
Clara Jardim Restaurante				
Other_________________				

This survey ends here.
Your contribution was determinant.
Thank you.

Annex 3.2 Survey Analysis - Methodology

Data Collection

In the following chapter it will be described the objectives of the research and the variables under study; the chosen methodology and the tool selection; and, finally, the population and reasoning that lead to its type and dimension.

Further, it will be presented the results of the conducted investigation and the main conclusions

1) Objectives and Methodology

The leading objectives of the study can be divided in:

a) Identification of the main determinants of the dining out profile of Clara Chiado target (frequency, place of consumption, price elasticity, motivations, and so on.)
b) Analysis of the perceptions and intentions of the target towards a new concept of restaurant in Lisbon.

To fulfil those objective it were analysed the current habits, the (un)fulfilled demands and the reactions towards the new concept. It was created an on-line survey[22] with 26 mainly closed questions – the number of qualitative opened answers was minimized to increase the viability of the application of the statistical analysis.

2) Universe and Sample

The enquiry was made to a universe composed by individuals belonging to young adults and adults groups, from class A/B or C1, living in Lisbon and that like to/usually dinner out in good restaurants.

The size of the universe implied the establishment of a non-probabilistic sample collected by convenience. This was considered the most adequate to achieve the proposed objectives of extrapolation of valid conclusions to confirm/refute the general data held on the external analysis and to provide solid clues on the best implementation politics.

The sample obtained was formed by 40 individuals, from which 8 were excluded by insufficient number of answers, arriving to a final number of 32 valid respondents.

[22] In http://www.studentenforschung.de/ platform, from 17 January to 17 February 2012

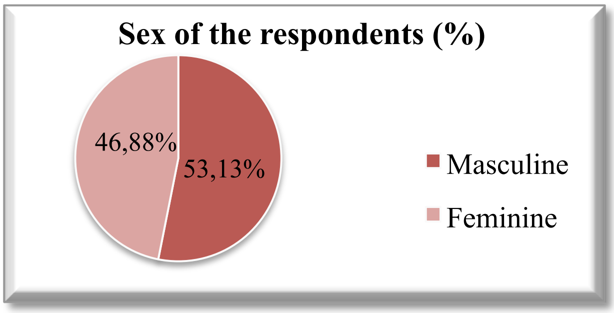
Annex 3.3. Survey Results Analysis

Annex 3.3.1 Socio-demographic characterization

a) Sex and Age

The sample shows a relative equilibrium of 53,1% men and 46,9% women (Chart 1).

Chart 1 - Sex Distribution of the Sample



Source: Authors' Analysis

Although having respondents between 20 and 61 years old, the average age of the sample is 34 years old and 40 years old is the most common age (Table 1).

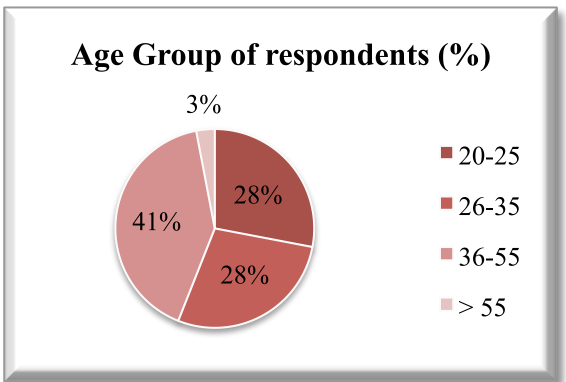
Table 1: Age Distribution

Age	
N Valid	32
Missing	0
Mean	34
Mode	40
Minimum	20
Maximum	61

Source: Authors' Analysis

Dividing the sample in big age groups, it shows a prevalence of individuals aged between 26 and 55 years old (41%), the primary target of Clara Chiado (Chart 2).

Chart 2 - Age Structure of the Sample by Big Age Groups



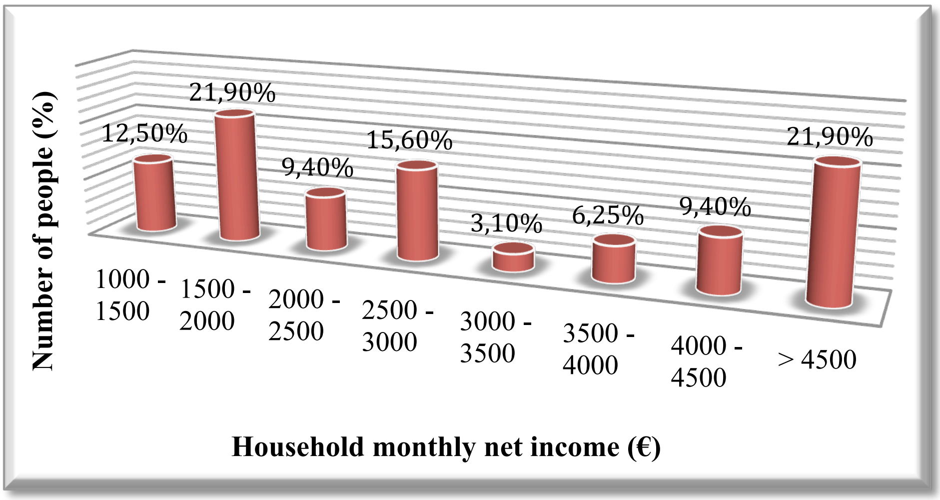
Source: Authors' Analysis

b) Household

Monthly Household Net Income

The two biggest answer groups are those which registered household income between 1500€ and 2000€ or more than 4500€" per month. 15,6% of the sample receives between 2500€ and 3000€ per month, being the second most observed value and also **the average value** of the sample monthly household income (Chart 3).

Chart 3 – Montlhy Household Net Income Distribution (%)

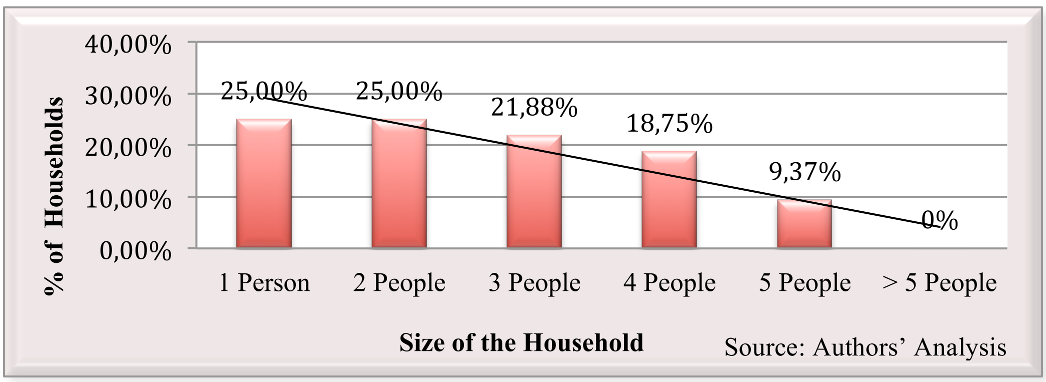


Source: Authors' Analysis

Size of the Household

To better understand the relative dimension of the income it was asked the constitution of the household. Half of respondents belong to households with one person or two people, and starting here the occurrence is inverse to the size of the household, as the trend line shows (Chart 4).

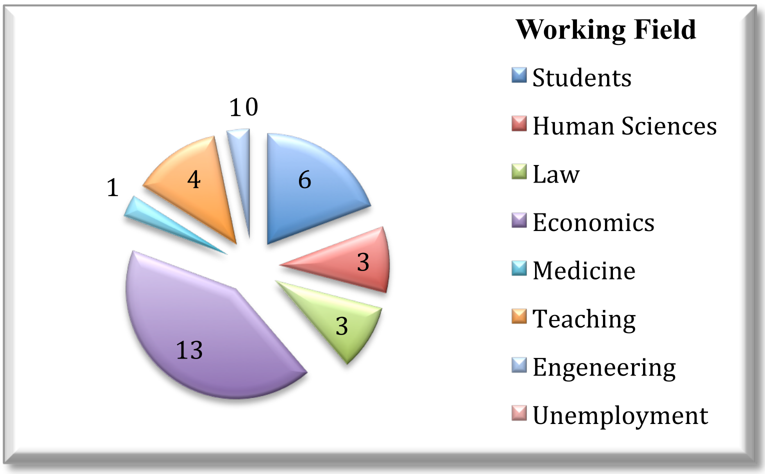
Chart 4 - Household size (% of respondents)



Comparing the middle number of the average income of the sample (2750€) with the average size of its household (2,56) it is possible to conclude that, on average, the respondents have 1037,74€ monthly available per each family member, thus, belonging to the same social group as Clara Chiado target.

c) Professional Area

Chart 5 - Working field distribution of the respondents

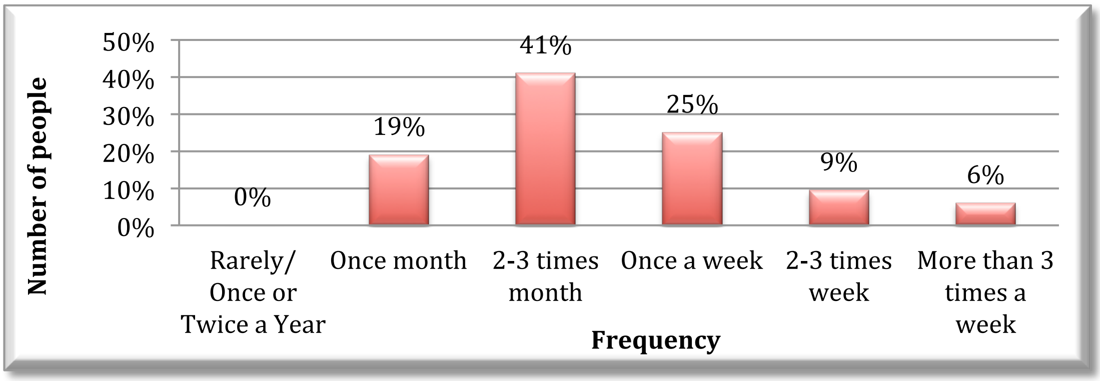


Source: Authors' Analysis

Annex 3.3.2 Dining out profile

a) Frequency

Chart 6 - Dining Out Frequency



Source: Authors' Analysis

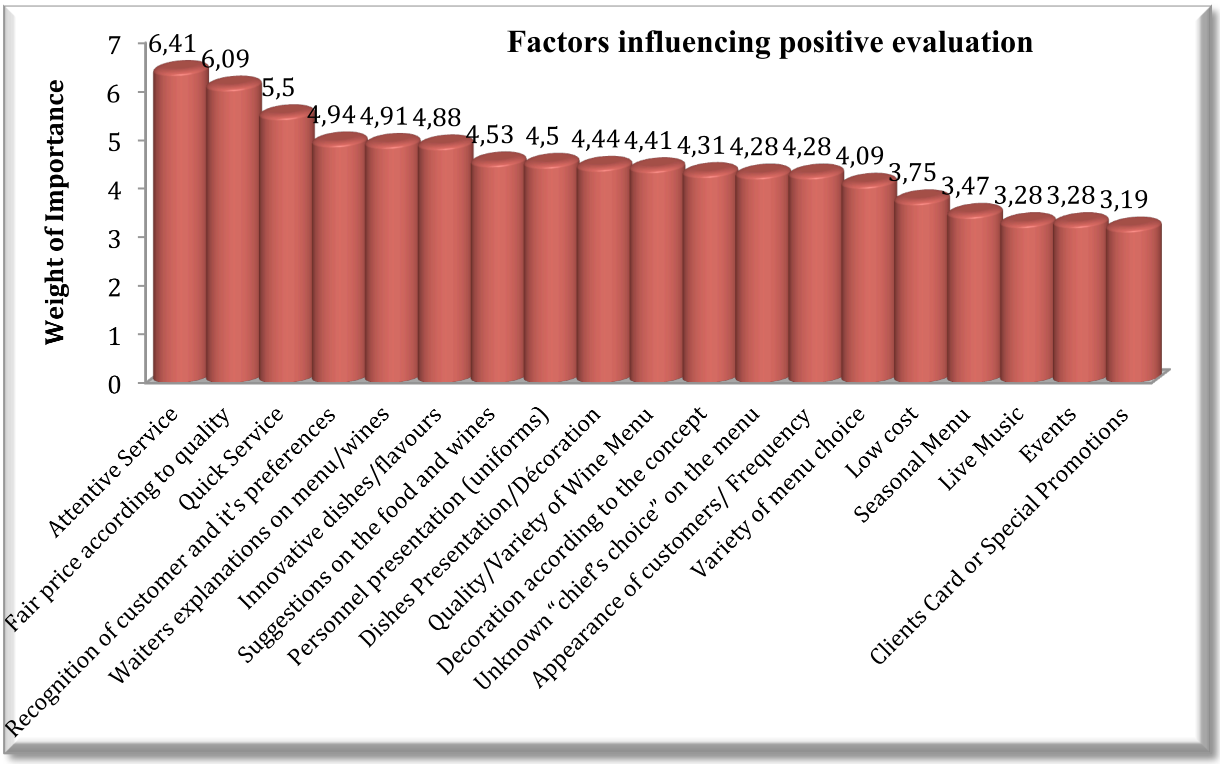
b) Restaurant remarkable Factors

To understand the most influential contributors to make a dinning out remarkable, it was asked to the respondents to rank from 1 to 7 (being 1 the less influential and 7 the most influential) 19 given factors according to the degree of its influence during a dinning out experience in order **to make customers return or recommend the restaurant**.

Chart 7 ranks the factors according to the average results of the respondents' answers.

The results weight the topics related with the service and the experience in the first position, being the sales promotion policies the last ones in the list.

Chart 7 - Weight of positive influence of given factors



Source: Authors' Analysis

c) Motivation/Reasons to Dinner Out

Results show the frequency of dinners out (from 1 to 4) on the following reasons/in the given circumstances, compared to the total number of dinners out of the respondents.

Table 3 - Weight of Motivation Factors to Dinner Out

	Most verified weight (%)	Average Rank	Position
Special day with the family (anniversary, graduation, etc.)	3 (37,5%)	3	1º
Friends/Working gatherings	3 (46,9%)	2,78	2º
With my better half/Romantic Dinner	3 (43,4%)	2,63	3º
Taste new flavours	3 (43,4%)	2,56	4º
For any special reason (whenever; avoid cooking; relax)	3 (46,9%)	2,48	5º
Business Reasons (with clients; chiefs)	2 (50%)	1,84	6º
Social reasons/To see and be seen by my peers	1 (65,6%)	1,5	7º
To Socialize with new people	1 (78,75%)	1,41	8º
To feel that I am being served	1 (87,5%)	1,13	9º
Other:	N.A.	N.A.	10º

Source: Authors' Analysis

d) Internal Influencers of Restaurant Choice

It was asked the respondents to rank the influence of six factors[23] in a choice of a restaurant to dinner out whether in leisure time or for work. The results were obtained by calculating the average level given by the respondents' on each factor.

Although without higher discrepancy, the respondents demonstrated to weight differently the same factors, depending on the dinning situation. Price Quality, Type of Cuisine and Décor appear in the pool in both occasions, however with different weights. (Table 4)

Table 4 - Weighted Internal influencers on the Restaurant Choice according to the occasion

	Type of Cuisine (PT, Italian)	Wines	Location (close, touristic, river…)	Price regarding quality	Décor/ Physical Environment	Reputation
Leisure	**3** (3,94)	**6** (4,65)	**4** (4,03)	**1** (3,38)	**2** (3,44)	**5** (4,60)
Work	**2** (3,34)	**5** (3,81)	**6** (3,94)	**3** (3,59)	**1** (3,25)	**4** (3,76)

Source: Author's Analysis

e) Brand Recall

Although having similar socio-demographic and geographic profiles, when asked to name the preferred restaurant to go out either on Romantic, Leisure or Business dinners, respondents' answers revealed not having any relevant tendency on the recall of any specific brand.

It were suggested many different brands, from which only "Portugália" appears nominated on the three occasions and twice nominated on business dinners, which can be explained by the number of existing restaurants.

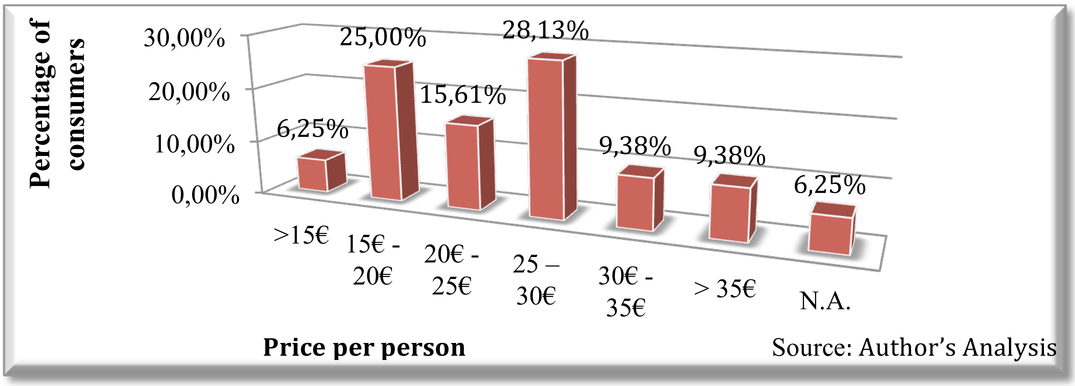
Despite the dispersion in the results, it is possible to conclude that mostly "well-known" and reputed restaurants are nominated, such as "Faz Figura", "Guilty" and "Estado Líquido" for romantic dinners; "Solar dos Presuntos", "Lisboa à Noite", "Varanda de Lisboa" or "Olivier" for Business Dinners; "Estado Líquido" and "Casa Nostra" for leisure dinners; and "Alma", "Capricciosa", "Gemelli" and "Painel de Alcântara", nominated in different dinner occasions.

f) Average dinner price

The average price consumers **usually** pay per person for a three-dishes dinner including beverages is different, fitting the dinner motivations.

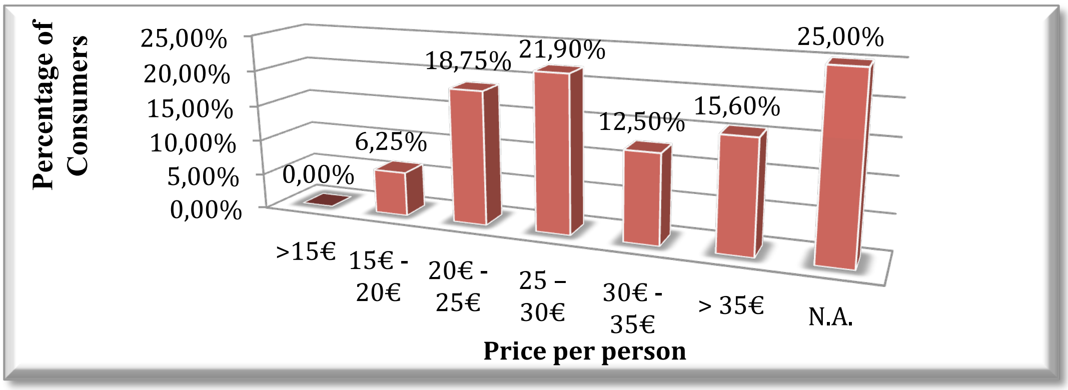
[23] The factors were pre-chosen based on those considered as the most important factors distinguishing a restaurant by the official institutions' on their surveys and reports and also by the literature review; the wine was further added to the list, since it was intended to be the core of Clara Chiado by the time the restaurant opened.

Chart 8 - Average Price Range of Leisure Dinners



The rate of N.A. respondents in business dinners might either confirm the results obtained in the question of Annex 3.3.2 c) or suggest that these dinners are not so frequently paid by the respondents.

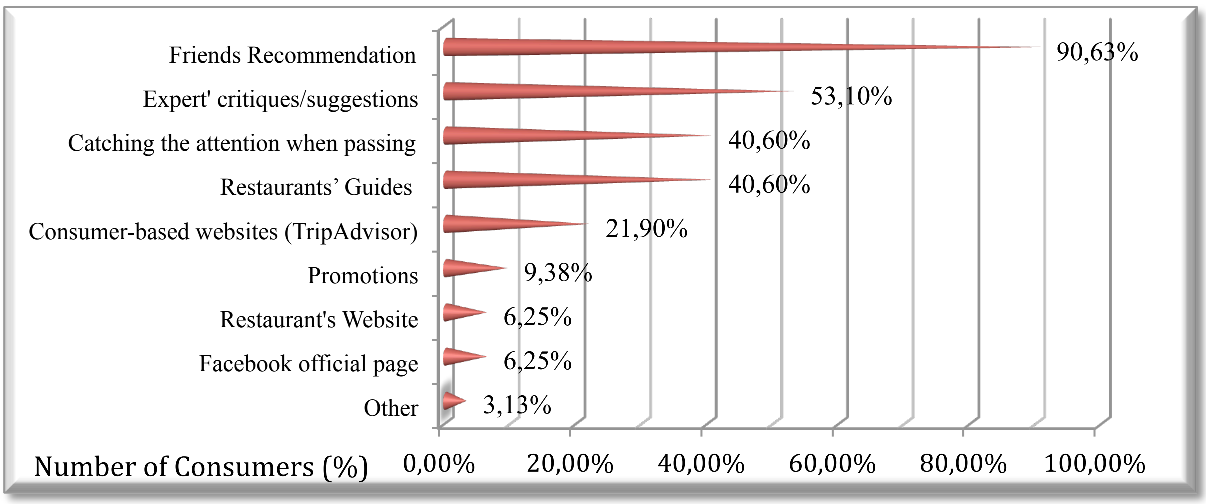
Chart 9 - Average Price Range on Business Dinners



Source: Author's Analysis

g) External Influencers of restaurant choice/awareness

Chart 10 – External Influencers on Restaurant Choice

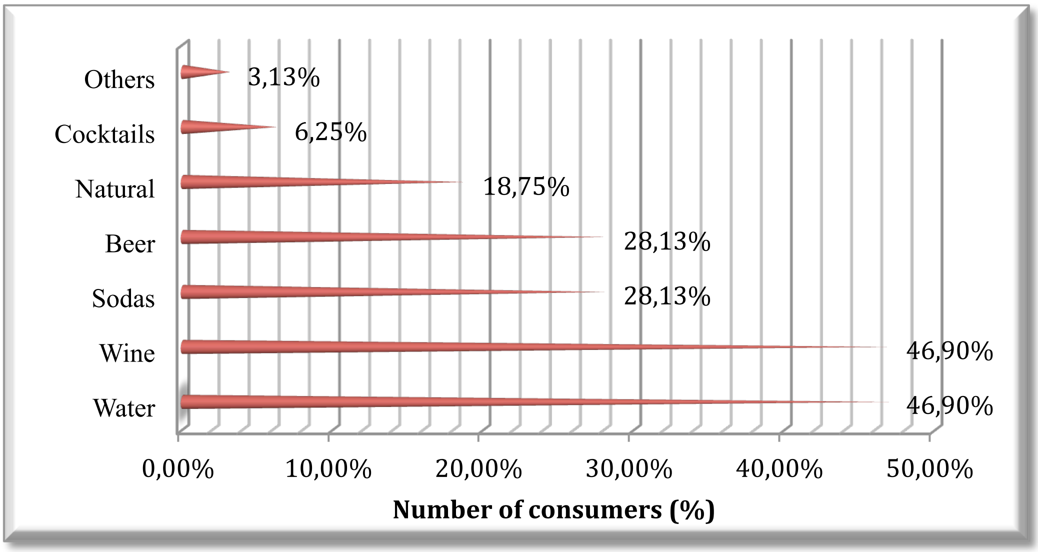


Annex 3.3.3 Beverages preference

a) Most consumed

In order to understand what is the preferred beverage on restaurant's dinners, it was asked the respondents to choose maximum two beverages they most consume when dinning out.

Chart 11 - Most Consumed Beverages on Dining Out

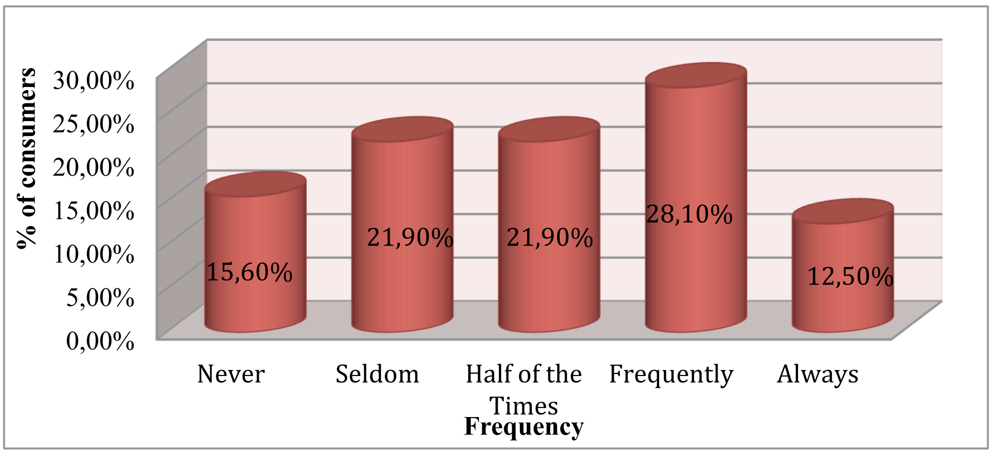


Source: Author's Analysis

b) Frequency of wine consumption

The global percentage of people drinking wine "Frequently" or "Always" reaches the 41%, however, it is still important to observe that although the question was focused only on dinners - where, according to the institutional data, most consumers drink wine - still 37,5% of the sample admitted drinking wine seldom or never. (Chart 12)

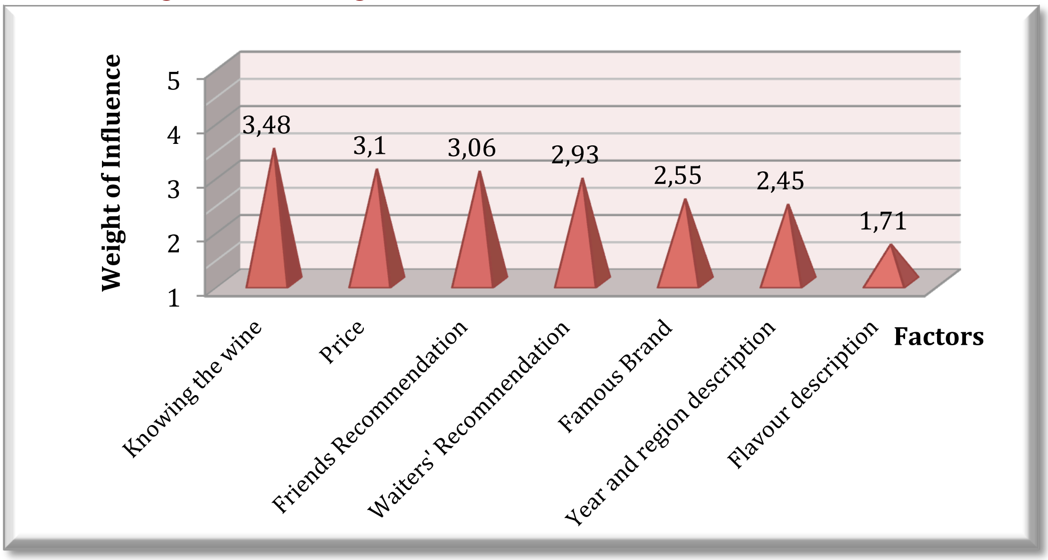
Chart 12 - Frequency of Wine Consumption



Source: Author's Analysis

c) External and Internal Influencers on wine choice

Chart 13 – Weight of Influence of given factors in Wine Choice



Source: Author's Analysis

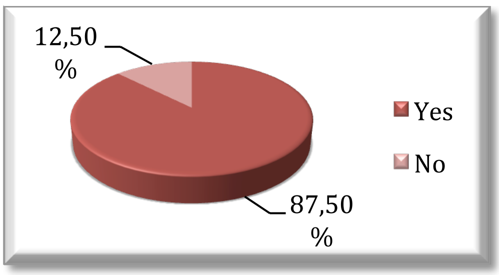
Annex 3.3.4 Sensibility to the new concept

This topic corresponds to the last part of the survey, which was introduced by a small text to present the idea in general terms: **"Imagine now a new restaurant concept located in the heart of Lisbon, with a quality cuisine that emphasises the food and also the wine, through a "surprising list" that comes to you in a iPad"**

a) Acceptance of the "surprising" concept

The results show that a relevant majority would like to try the surprise menu, leading to conclude that this would be a profitable concept (Chart 14).

Chart 14 - Customers willing to try the surprising menu

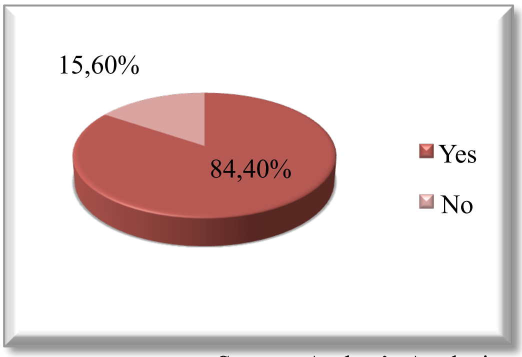


Source: Author's Analysis

b) Acceptance of electronic menu

In the same line as the previous question, although in minor degree than the "surprising meal" possibility, it is still verified a high predominance of respondents willing to use an electronic device in the restaurant (Chart 15).

Chart 15 - Acceptance of the Electronic Menu (%)

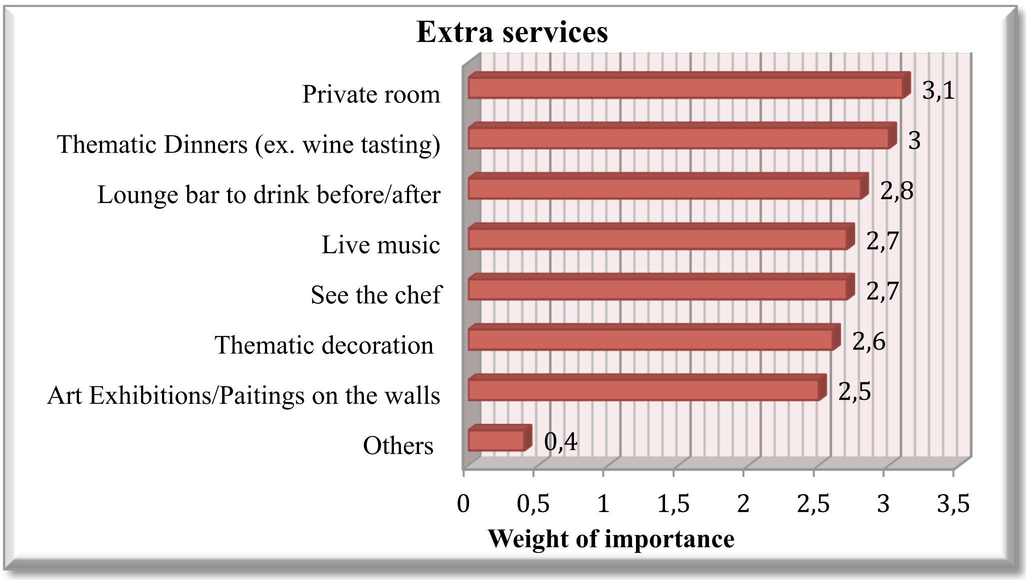


Source: Author's Analysis

c) Willingness for Extra services

In order to identify how much would the customers value the possibility of enjoying some pre-determined[24] extra services in the restaurant, it was asked the respondents to rate from 1 to 5, the satisfaction that the availability of those services would provide them (Chart 16).
On "Others" it was evoked the "personalized service".

Chart 16 – Weighed Importance of Extra Services



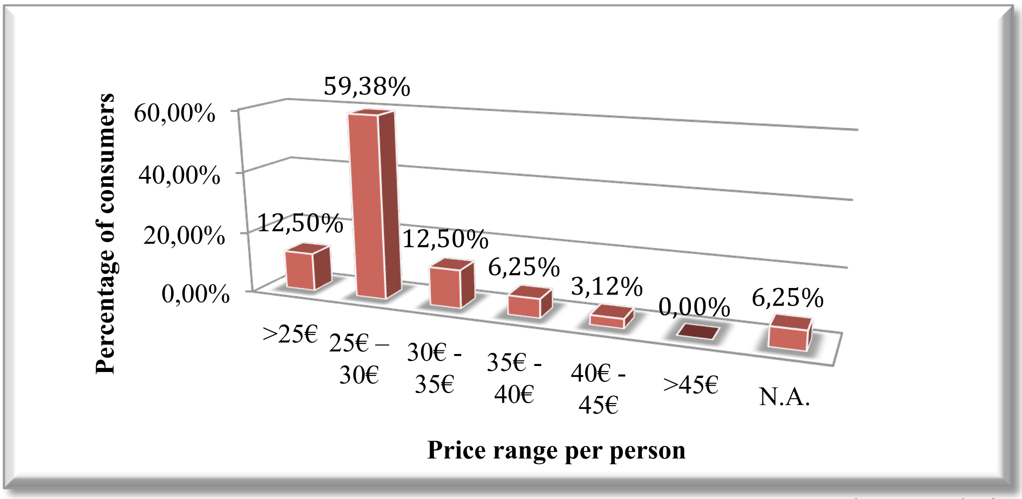
Source: Author's Analysis

[24] Just those which could be implemented in Clara Chiado

d) Price range sensitivity

This question was made to understand the consumer price elasticity and confirm the best price range to the new concept, revealing that the target is able to pay a higher price than in regular leisure dinners.

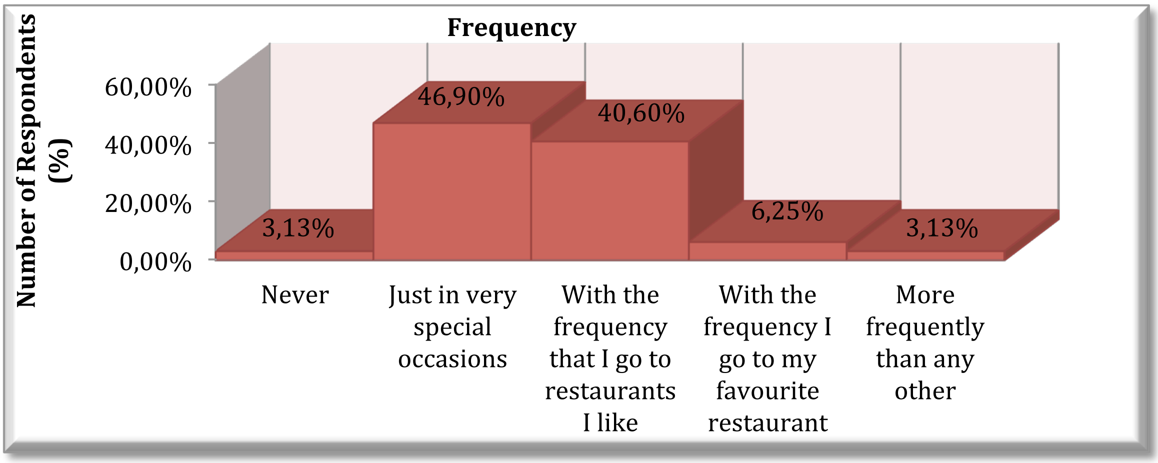
Chart 17 - Price Sensitivity for the Future



Source: Author's Analysis

e) Frequency of Visit

Chart 18 - Rate of Visits Frequency

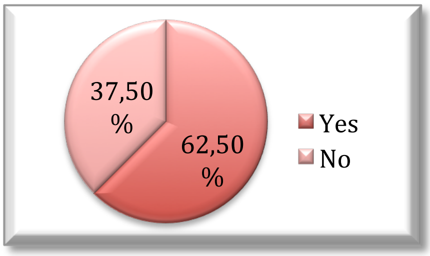


Source: Author's Analysis

Annex 3.3.5 Clara Chiado Brand Equity

a) Brand Recognition

Chart 19 - Clara Chiado Brand Recognition

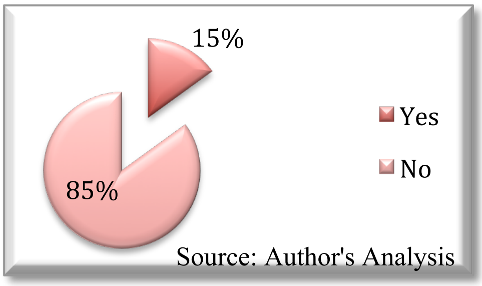


Source: Author's Analysis

The question "Have you ever heard about "Clara Chiado", collected a significant percentage, of negative answers (37,5%), suggesting a critical problem of communication. (Chart 19)

b) Brand Experimentation

Chart 20 - Real Contact with the Service

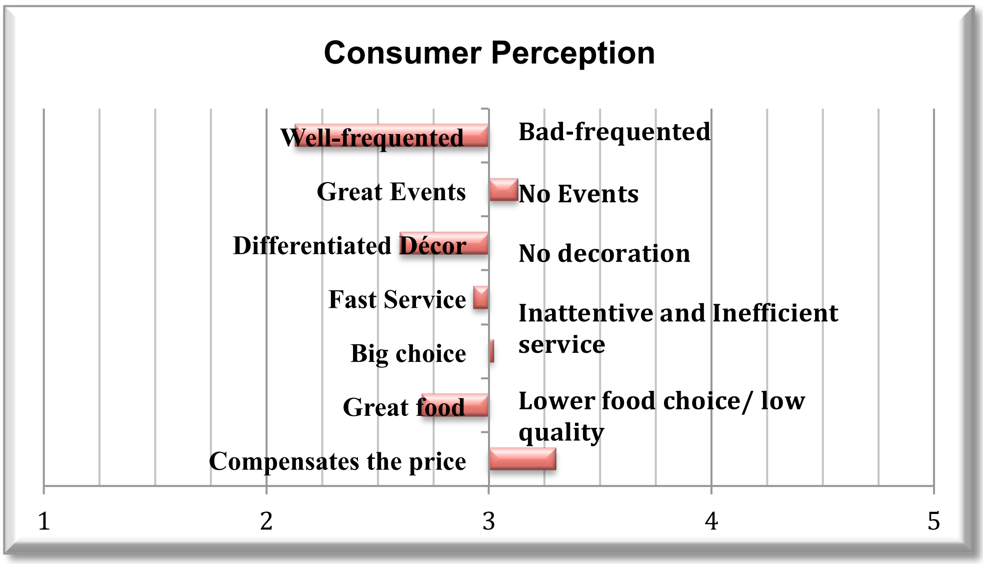


From those who said to know "Clara Chiado" just 15% has ever been in the restaurant (Chart 20), proving the low brand awareness of the restaurant even among the target consumer

c) Restaurant Perceived value

None of the evaluated factors revealed to arouse strong opinions, which might suggest that a big percentage of respondents never had real contact or tried Clara Chiado – as shown on the previous question – and, even in case they already had it, they do not have any strong memory about it (Chart 21).

Chart 21 - Clara Chiado Perceived Value



Source: Author's Analysis

d) Further Considerations on the brand by the Respondents

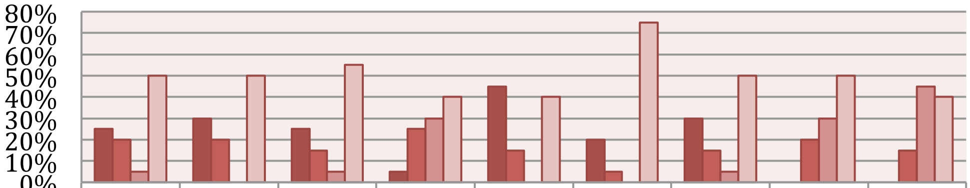
One respondent confessed not liking "Clara Jardim, another restaurant of the group", confirming the confusion still existing between "Clara Jardim" and "Clara Chiado".

Annex 3.3.6 Competitors' Identification

The rate of valid answers on this question was extremely low, consequence of less 12 respondents that revealed to ignore the existence of "Clara Chiado" in the first question of the last part and also consequence of the number of respondents that do not possess any comparison term to answer (N.A.)

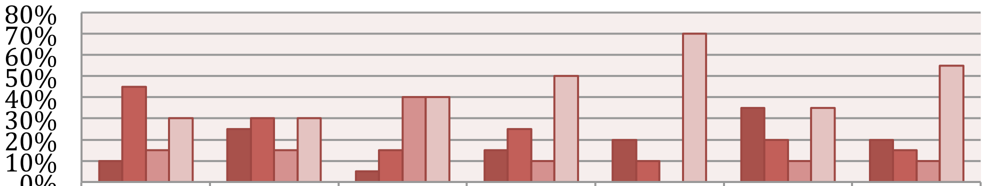
Sacramento do Chiado, Bistro 100 Maneiras, Lisboa à Noite and Clara Jardim were the ranked as the most similar ones. In minor degree, but still able to be considered highly was "Faz Figura" (Chart 22 and 23).

Chart 22 - Rank of Similarity of Competitors



	Pedro e o Lobo	Alma	Império dos Sentidos	Lisboa à Noite	Tágide	Taberna dos Arcos	Farta Brutos	Clara Jardim	Sacramento do Chiado
Dissimilarity	25%	30%	25%	5%	45%	20%	30%	0%	0%
Might be compared	20%	20%	15%	25%	15%	5%	15%	20%	15%
High Similarity	5%	0%	5%	30%	0%	0%	5%	30%	45%
N.A.	50%	50%	55%	40%	40%	75%	50%	50%	40%

Chart 23 - Rank of Similarity of Competitors (cont.)

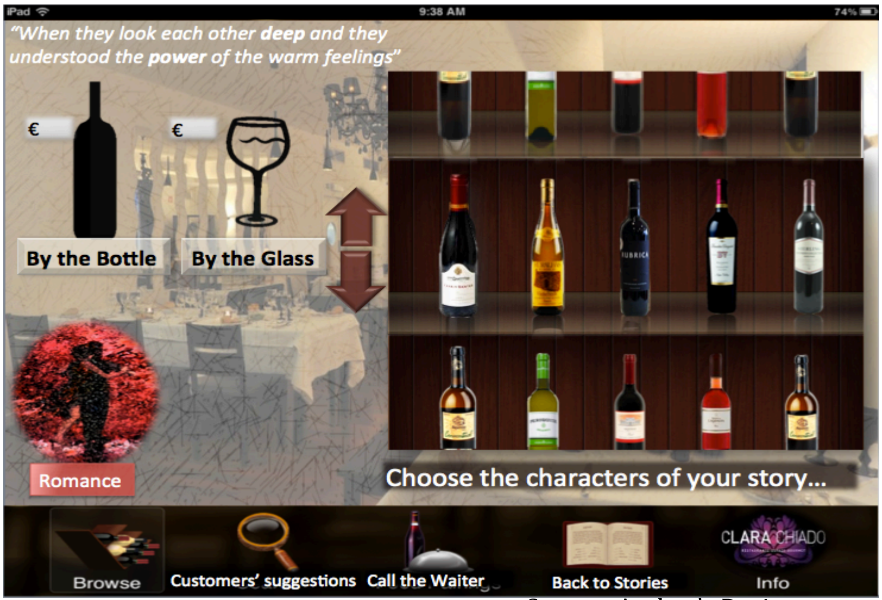


	Faz Figura	Solar dos Presuntos	Bistro 100 Maneiras	Largo	Faz Gostos	Gemelli	Sessenta
Dissimilarity	10%	25%	5%	15%	20%	35%	20%
Might be compared	45%	30%	15%	25%	10%	20%	15%
High Similarity	15%	15%	40%	10%	0%	10%	10%
N.A.	30%	30%	40%	50%	70%	35%	55%

Source: Author's Analysis

Annex 4 – Repositioning Strategy

Annex 4.1 Clara Chiado Electronic Menu Design



Source: Author's Design

Annex 4.2 New Dishes Suggestion based on AHRESP Guide and Benchmarking

Appetizers:

- Salad of grilled codfish with peppers
- Poultry Liver sautéed with grapes and Port

Soups:

- Kale and potato Soup – The one and only "Caldo Verde" served with warm bread
- Sopa de Entulho – Lisbon Regional

Specialties:

- "Cozido à Portuguesa"/ Portuguese Pot-au-feu (A mixture of the most traditional pork, lamb and chicken pieces, Portuguese sausages, cabbage, carrots, baked potatoes and a very special rice)
- "Caldeirada" – Portuguese traditional fish mixture
- "Alheira" with egg sauce

Fish:

- Stuffed sole with shrimp sauce, accompanied with mashed potatoes – Lisbon region typical
- Cod-fish à Brás (A medley of fine chips, onion, cod-fish and egg)
- Sardines Rice

- Tuna Steak Tartar
- Table of 1Kg of Different Grilled Fish

Meat:

- Veal scallops with *Serra da Estrela* cheese
- Pheasant with Quince Puree
- Portuguese Delicacy (Loin Steak rolled in Portuguese ham and round fried potatoes in a special sauce)

Deserts:

- Fig Dessert “Cheese” – Algarve Regional
- Fruits in Port Wine lake
- Fondant with red fruits and whisky (soft flavor)

Annex 4.3 Communication Actions

Figure 1 - Front label of the promotional action (Phase A)

Source: Author’s Design

Annex 4.4 Human Resources Policy

Clara Chiado Board of Commitment

Collaborators' Duties:

- Smile – because smile is the universal language
- Pay attention on details – communication is not only verbal
- Appear when you are needed, not when you want, not when customers have to call and wait you
- Clients are not clients, they are our guests, make them feel comfortable
- Turn your customer into a friend, you know what an enemy can do, right?

Management Duties (feel free to protest if you feel they are not being respected):

- Listen to the collaborators
- Ask, "How are you?"… and listen to the answer!
- When the staff is recognized to provide memorable experiences to customers, provide memorable experiences to the staff – give each one the award he would like to receive
- Teach the collaborators on a daily basis
- Find time to meet with your collaborators and listen to their suggestions
- Keep constant communication with the team telling the waiters which products they should recommend more in order to better manage the stocks
- Promote happy hours with all your collaborators outside work - increase bones
- Be happy – only happy leaders create happy employees

To know:

- You will always be recognized and rewarded for your good services based on customer, co-workers' and management reviews – 360º Evaluation
    - Rewards will be either financial or non-financial and will be personalized according to your preferences and wishes

Annex 4.5 External Design Elements

Figure 1 - Wine-Bottle Lamps

Source: http://www.gerardotandco.com/

Annex 4.6 Internal Design Elements

Figure 1 - Wooden Wine Rack (140€)

Source: Home Decorators

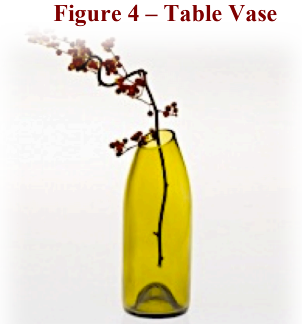
Figure 2 - 6-Bottle Wine Rack (112€)

Source: Earth Deco

Figure 3 - Umbra Design Wine Rack (175€)

Source: Umbra Design

Figure 4 – Table Vase



Source: Green Wine Bottles

Figure 5 - Wine-Bottle Candle

Source: Green Wine Bottles