

**Building an Integrated Communication Strategy for *Spausa Portugal* – A Beauty Care line in the Portuguese Market**

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## **SUMÁRIO**

O objetivo deste trabalho é desenvolver um plano de comunicação integrada para a marca Portuguesa, Spausa Portugal para o mercado Português de cuidados de beleza. Spausa Portugal é uma marca recentemente lançada no mercado Português com recursos limitados e por isso ainda com pouca notoriedade. O objetivo deste plano de comunicação é sobretudo aumentar o grau de conhecimento desta nova marca mas com recurso a meios de comunicação e instrumentos que permitam minimizar o investimento, tais como canais de media social, e outros meios, tais como relações públicas, venda pessoal e promoção de vendas, a fim de atingir os consumidores em potencial.

Para apresentação de um plano realista e exequível para Spausa Portugal o poder implementar é necessário compreender e analisar o sector dos cuidados de beleza, nomeadamente os principais intervenientes no mercado e desenvolver pesquisas de mercado para entender a percepção dos produtos e Spausa da marca entre os consumidores potenciais. É um desafio estratégico a entrada recente desta empresa num mercado em fase de maturidade e onde várias marcas consolidadas competem com elevada intensidade concorrência Assim para além da análise dos agentes de mercado, ainda se passou em revista o estado da arte da literatura sobre os principais domínios científicos que contextualizam os condicionalmente deste Plano de Comunicação, a saber: gestão da marca e comunicação integrada, nomeadamente com recurso a redes sociais.

### Palavras-chave e abreviações

***Media social, Redes sociais, Comunicação Integrada de Marketing; Marca, Lançamento de novos produtos; Sector dos cuidados de beleza***

**JEL: M3 - Marketing e Publicidade; M31 - Marketing; M37 - Publicidade**

## **ABSTRACT**

The objective of this work is to develop an integrated communication plan for the Portuguese brand, Spausa Portugal for the Portuguese beauty care market. Spausa Portugal is a brand that was recently launched in the Portuguese market with limited communication resources and with low awareness to its brand. The purpose of this communication plan is mainly to increase the degree of knowledge of this brand through the use of low cost media instruments in order to minimize the investment, such as social media channels, and other means. These means include, public relations, personal selling and sales promotion in order to reach potential customers.

To present a realistic and achievable plan for Spausa to implement in the Portuguese market it is necessary to understand and analyze the beauty care sector, including the key players in the market and develop market research to understand the perception of the brand's products and Spausa's brand among potential consumers. It is a challenge for Spausa Portugal to enter a mature market, such as the beauty care sector. It is a challenge because, there are several established brands competing for market share. In addition to the analysis of the market, this dissertation project will also review literature that focuses on main areas that will contextualize the result of a communication plan, namely brand management and an integrated communication, through the use of social networking.

### Key words and Abbreviations

***Social media; Social networking; Integrated Marketing Communication; Branding; New product launch; Beauty care sector***

**JEL: M3 - Marketing and Advertising; M31 – Marketing; M37 - Advertising**



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## **EXECUTIVE SUMMARY**

This dissertation is project based and focuses on developing a communication strategy for an already existing, but unknown Portuguese brand, Spausa Portugal. The goal of this dissertation is to fortify the brand and the communication strategy of Spausa Portugal. In order to create a communication plan it is necessary to firstly understand the market in which the company is in, discover who is the target audience and analyze the benefits and aspects of the company that differentiate it from other similar companies in the market place. After understanding all of these aspects it is then possible to develop a communication plan that is a fit for the brand, calls the attention of the target audience and stands out in the beauty care market.

For Spausa Portugal this project is important, because they are a newly founded company of only a year old and with little experience in the area of communication and marketing. As any company wishes they too want to succeed, become a household name and grow. With a strong communication strategy they will be able to grow their brand awareness, which in turn creates more sales and helps make them more successful.

However, when developing a communication strategy for the Portuguese market it is important to consider that the market is saturated. It is a saturated market, because there are several competitors with similar products in the market place fighting for the same consumers. It is a saturated market in the sense that there are several competitors, however consumers continue to buy beauty care products and even with a crisis it is a sector that does not get affected, because several of these products are perceived as necessities for one's well-being. In order for a company to succeed in a market with several competitors and competitors with strong consumer loyalty it is crucial for a new brand to have a niche and a strong mission to deliver to the market and the consumers.

A communication plan is necessary in order for Spausa Portugal to compete in a saturated market so that it can successfully transmit its key offers and mission to its target audience. To be given the opportunity to undergo this project is an honor, because it gives me the possibility to advise a company that is growing and wishes to succeed.

# **1. Dissertation Introduction and Methodology**

This chapter focuses on the structure of the dissertation project. The sub-sections that will be presented in this chapter are, research objectives, problem statement, dissertation structure and data collection. Through this chapter the reader will be able understand what are the objectives, the methods that were used and why and the methodology behind the project. This is a chapter that structures the layout of the dissertation for the reader.

## **1.1 Research Objectives**

The main objective of this project is to develop a communication strategy for Spausa Portugal that will allow for the brand to gain notability in the Portuguese market among women consumers. In order to develop a communication plan it is crucial to undergo an analysis of the beauty care market and an analysis of consumer buying behaviours in this sector. It is also important to analysis Spausa Portugal as a company and how it's products and brands are perceived among its target audience.

Other objectives for this project include developing a cost effective, realistic and low budget plan, since Spausa Portugal is a new company with a very limited budget allocated towards communication and marketing activities.<sup>1</sup> It is also hoped that some if not most suggestions delivered during this dissertation be implemented and or further researched for use by Spausa Portugal.

## **1.2 Problem Statement**

The cosmetic market is highly competitive and companies in this market need to be constantly innovating and upgrading their products. Constant and rapid change in any sector makes it challenging for a new company to gain a competitive advantage in the market, because it might not have all of the possibilities and resources that other more stronger and known brands have.

The cosmetic market has grown over the last 15 years on average by 4% -5 % (AC Nielsen Report, 2007) and it will continue to grow and constantly change according to

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<sup>1</sup> Spausa Portugal's marketing budget was not disclosed by the company. However, it can be assumed that it is very limited.

the demands of consumers, however on average it has not fluctuated drastically or more than 1 % according to the Health Beauty and Personal Grooming: A Global Nielsen Report. With such a rapid, constant and an ever growing need among consumers this market has shown the ability to achieve sustainable growth and shown a capacity for resilience in an unfavorable economic environment. The difficulty of promoting a new brand in the beauty care sector is that it is a difficult one to penetrate, because most consumers are already loyal to a certain brand(s) thus making it more difficult to gain market share when the economy is unstable, which is the current situation in Portugal. In order for a business to compete in the cosmetic market it is necessary to provide something different, a niche making the brand stand out from competitors.

In order for a company and its brand to gain a competitive advantage in a market one needs a strong communication and awareness strategy, this is possible through key and focused marketing activities. According to Tomlinson (2002) as cited in Kotler and Keller (2006, p. 6), “marketing is used in order to create, communicate, and deliver value to customers”. Kotler and Keller (2006) through this aimed to show how essential marketing is to a company in order to reach its target audience and to make them conscious of their products and of the company’s mission and symbolism.

Spausa Portugal is a beauty care brand that is 100% Portuguese and its products promote the activity of having a Spa experience without leaving your home, by using their products. However, Spausa’s spa experience selling point is not the only variable that is necessary in order to become a leading brand among Portuguese consumers. It is important that a brand have a good product and a strong communication plan in order to promote their products and create awareness of the brand. Whenever a new company enters a market place there are several barriers that it needs to overcome in order to become a preferred and used brand among consumers. Some, companies succeed and over come such hurdles such as acceptance of new products, choice of location and other aspects concerning the perception of the product among consumers. However, other companies fail. In order to prevent Spausa Portugal from failing a communication plan needs to be implemented and directed towards the correct target audience. In order to succeed a company must target the correct

audience and aim their products towards a group of people that need what the company has to offer.

This dissertation will focus on helping Spausa Portugal prevail through usage of a correct and strong communication strategy.

### **1.3 Dissertation Structure**

This dissertation is divided into six main chapters. This first chapter is this chapter and it describes the dissertation. Chapter one aims to define the dissertation problem, structure, methodology and objectives. It is intended to organize the dissertation and explain the reason for choosing this topic and what are the main objectives of the dissertation.

Chapter two focuses on the beauty care market both in Europe and in Portugal. It also analyzes the economic situation in both Europe and Portugal, since this plays a direct impact on buying behaviors and effects companies. This section also aims at identifying and analyzing the key competitors for Spausa in Portugal. For the competitor analysis each six competitors will be analyzed by their company background mission and marketing and communication strategies. It is important to understand each competitor's communication strategy in order for Spausa Portugal to understand how its competitors are perceived in the market place and take from this section good practices to also implement in their strategy.

Chapter three is an analysis of Spausa Portugal. This section consists of information taken from Spausa's website and from two interviews that were conducted with the Director of Spausa Portugal and with a Spausa sales representative. This section also included key information retrieved from the two questionnaires that were conducted to obtain primary information. Questionnaire I was conducted to understand the perception of beauty care products and buying behaviors. Questionnaire II was aimed towards understanding the perception of Spausa's products and brand. There is a sub-chapter in this chapter that refers to Spausa changes, during the period working on the thesis Spausa Portugal underwent some changes to the image and company; these changes are explained in this sub-chapter. In chapter three there is also a competitive

analysis of Spausa Portugal, this section focuses on Spausa's strengths, weaknesses, opportunities and threats in the Portuguese market.

The fourth chapter of the dissertation is the analysis of readings; the literature review chapter. This chapter is divided into two sub-chapters branding and marketing communications. The marketing communications sub-chapter focuses on the integrated marketing communications mix, which is the basis for the creation of the Spausa communication plan.

In chapter five the Spausa Portugal communication plan is presented. This plan is based on the integrated marketing communication mix and the four categories, sales promotion, public relations, advertising and personal selling. This chapter gives examples of activities and campaigns that Spausa Portugal should conduct in order to increase its brand awareness in the Portuguese market. This chapter also presents an action plan calendar and a simple budget plan, because Spausa Portugal has a low and undisclosed budget allocated towards marketing initiatives.

The final chapter is the conclusion of the dissertation and the further recommendations for Spausa Portugal. The goal of this dissertation is to understand the Portuguese beauty care market and present a realistic communication plan that Spausa can easily and quickly implement in order to gain brand awareness among its target audience.

#### **1.4 Data collection**

Both primary and secondary data has been used for this project. The primary data consisted of information taken from two questionnaires that were conducted among random samples of people who answered the questionnaire either online or in person. Primary data was essential for the outcome of this project, because it gave first hand insight to buyer behaviours and allowed to gain a perception of Spausa in Portugal. The two surveys were of different scopes, namely respondents profile and objectives.. The choice and use of two questionnaires for this project was chosen in order to gain two perceptions of two distinctive categories, one of beauty care market perceptions and the second to understand the perception of Spausa Portugal as a brand among



potential consumers. The first questionnaire received 155 respondents and it was conducted in order to understand the buying behaviours of consumers, their perception of buying online, through catalogue and opinions and usage of spas and beauty care products. The second questionnaire was directed towards understanding the perception of Spausa' brand and products among the 70 respondents who answered. The use of a questionnaire gives qualitative information and data referring to the Portuguese market; information that is not possible to receive through secondary data measures.

The first questionnaire consisted of twenty questions and divided into three parts. The first part consisted of general questions pertaining to the person answering the survey, such as age and gender. The second part asks questions regarding the competition (other beauty care brands in the market) and it's products, as well as understanding what are women's perspectives on beauty care products. Lastly, the third part of the questionnaire looked at understanding women's opinions about Spa's and preferred shopping channels. This third part, about Spas was incorporated in the questionnaire, because Spausa's products are directed towards creating a spa experience at home, this is what they promote differentiates them from other competitors in the market.

The first questionnaire reached 155 people and 90% of this sample consisted of women. From these women 78% were Portuguese and the highest percentage (37%) of age range that responded was between the ages of 33-57. The questionnaire was delivered through Facebook, e-mail, LinkedIn, schools and stores. The 3 schools that were chosen were in different locations, Montijo, Lisbon and Sintra. The store where the questionnaire was distributed was in Vila Franca Xira a city outside of Lisbon. It was important to have the questionnaire delivered in various areas of Portugal, because Spausa is sold online and it is not focused on selling to just one region or area of Portugal.

The second questionnaire conducted, focused on Spausa Portugal, in order to gain first hand information on the perception of the brand. The survey was solely through online channels such as Facebook, LinkedIn and e-mail. This questionnaire aimed to discover how many women had heard of or knew of the brand, if they ever used the products, and the overall opinion of the brand and it's products amongst women who

use and know Spausa and also from those who are unaware of the Spausa brand. In total 70 women were surveyed, 88% had never heard of the brand and 81% were Portuguese.

Internal interviews to Spausa Portugal were also conducted for this project. This consisted for two written interviews, one for the Director of Spausa Portugal and the second one for a Spausa Portugal representative. These two interviews were crucial for this project, because it gave first-hand information and objectives of Spausa Portugal. It was also possible, through these interviews to understand what is the Spausa Portugal brand and what the brand wishes to portray to the Portuguese beauty care market.

The Secondary data that was used consisted of several textbooks with a focus on branding, integrated marketing communication, marketing concepts and social media and networking. The magazines and articles used came from Portuguese magazines such as Briefing and Marketer. Most of the data shown in the market analysis was taken from AC Nielsen reports referring to the status of the beauty care market both in Portugal and in Europe.

Data is key for any dissertation, both primary and secondary. Primary in order to understand the market's needs and perceptions and secondary in order develop theory based assumptions.

## **2. Beauty Care Market Background**

This chapter analyzes the market background of the beauty care sector, both in Europe and in Portugal. Sub-chapters in this chapter include the beauty care market background, the current economic crisis and the key Spausa competitors in the Portuguese market. This chapter is key in order to understand the market environment in which Spausa Portugal is located. Through this chapter it is possible to understand the opportunities in the market and also understand what are the good, practical examples that competitors have implemented in their communication and marketing strategies.

The beauty care market is a large sector with several different products and brand names, and thus consumers are more pushed towards the brands and products that are more highly advertised or to the products that are given a prime visibility on the store shelf. This large market value is very much associated to strong consumer loyalty seen in this sector. Customer loyalty makes it difficult for new brands to grow and gain market share. Brand loyalty according to the business dictionary is, “The extent of the faithfulness of consumers to a particular brand, expressed through their repeat purchases, irrespective of the marketing pressure generated by the competing brands.”<sup>2</sup> Product loyalty is very important in the beauty care sector and this is mainly because there are so many brands and products that advertise the same functionalities and thus in order for a consumer to know which product to buy they rely on the name brand.

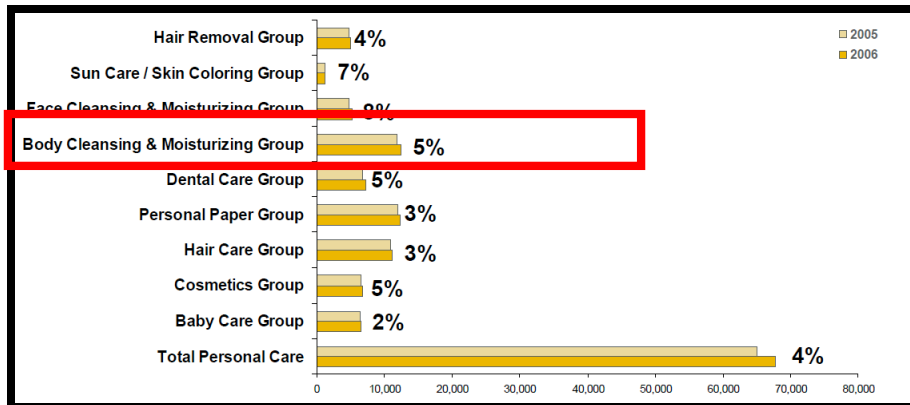
### **2.1 The European Market**

The beauty care sector in the EU27 countries is valued at €63.5 billion (Global Insight, 2007).

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<sup>2</sup> [www.businessdictionary.com](http://www.businessdictionary.com)

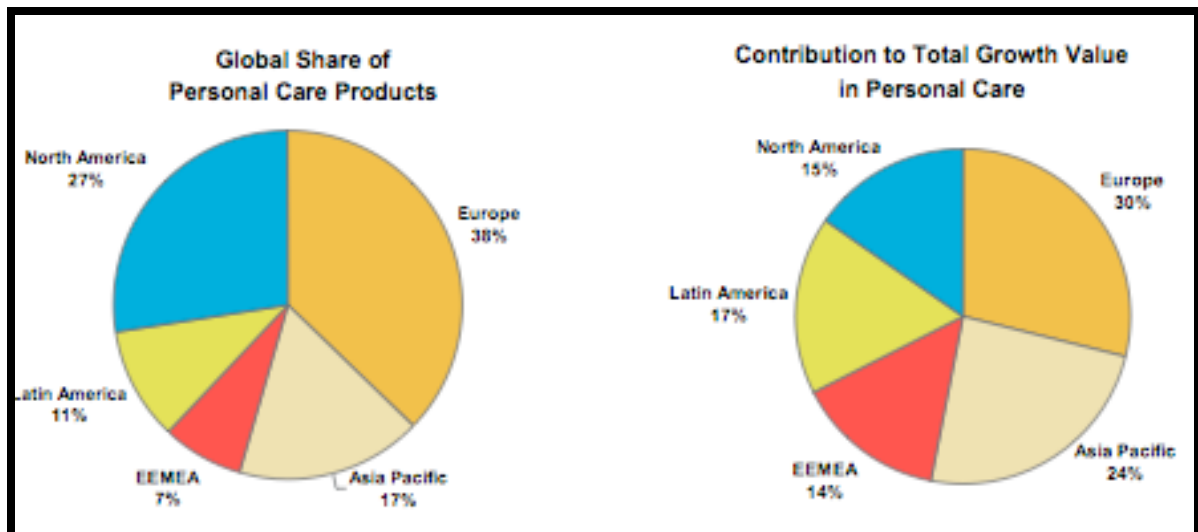
**Figure # 1: European Market Growth by Product Area – Europe (\$ Million)**



AC Nielsen Report, 2006

Europe’s largest share of value sales is in the Personal care products sector. Europe is also the region with the highest amount of contributions to this sector worldwide. The graph below shows that the European consumers are true followers and advocate users of beauty care products. Several consumers use beauty care products in order to make themselves feel better and enhance their daily lives.

**Figure # 2: European Market growth in Personal care Products by Region**

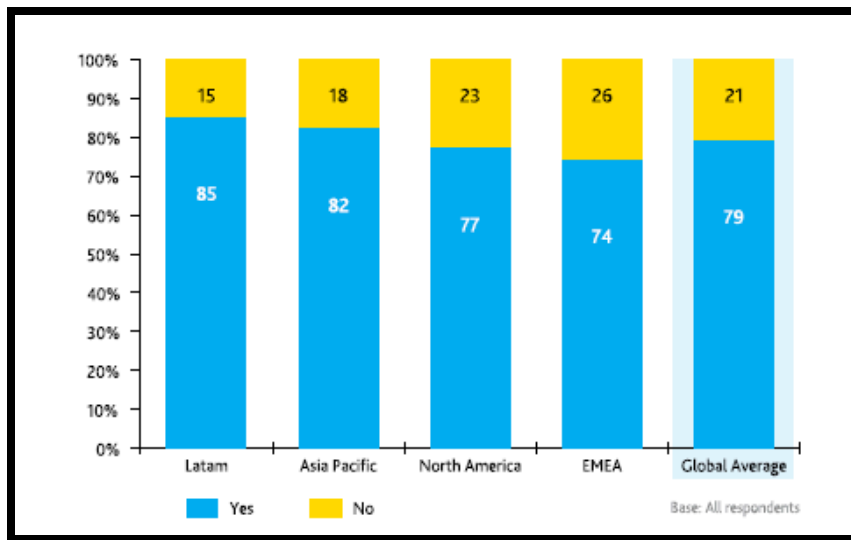


AC Nielsen Report, June 2007

Figure number 3 was taken from an online survey of 25,408 people, conducted by the Nielsen Company conducted in order to test how many consumers buy health and beauty care products and how many do not use beauty care products according; the

graph below is divided by world regions. In the region of EMEA, Spain takes the lead with 93% of the Spanish population purchasing beauty care products. However, EMEA has a rather low overall buying percentage due to the low buying power from the Nordic country. For example: 43% of Norwegians do not buy among several others with high percentages and this average effects the overall results for the EMEA region. (Health Beauty & Personal Grooming: A Global Nielsen Report, 2007)

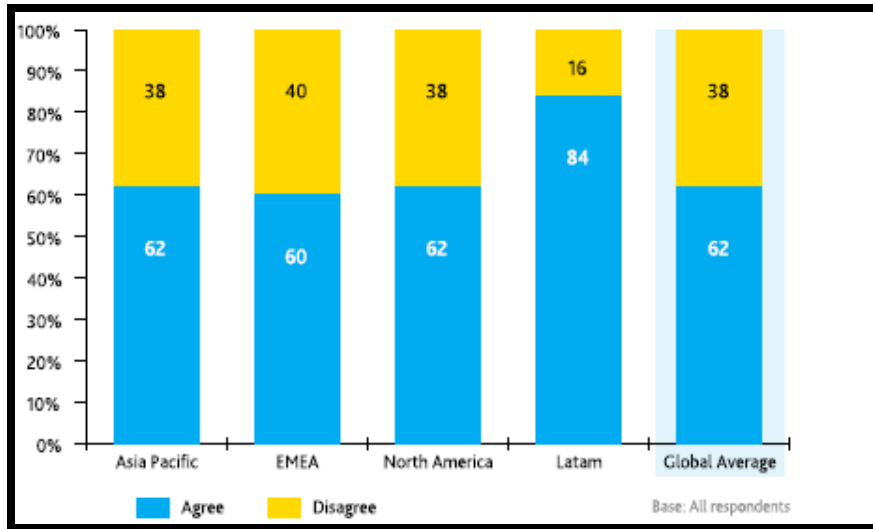
**Figure #3: World Regional average – those that buy health and beauty products**



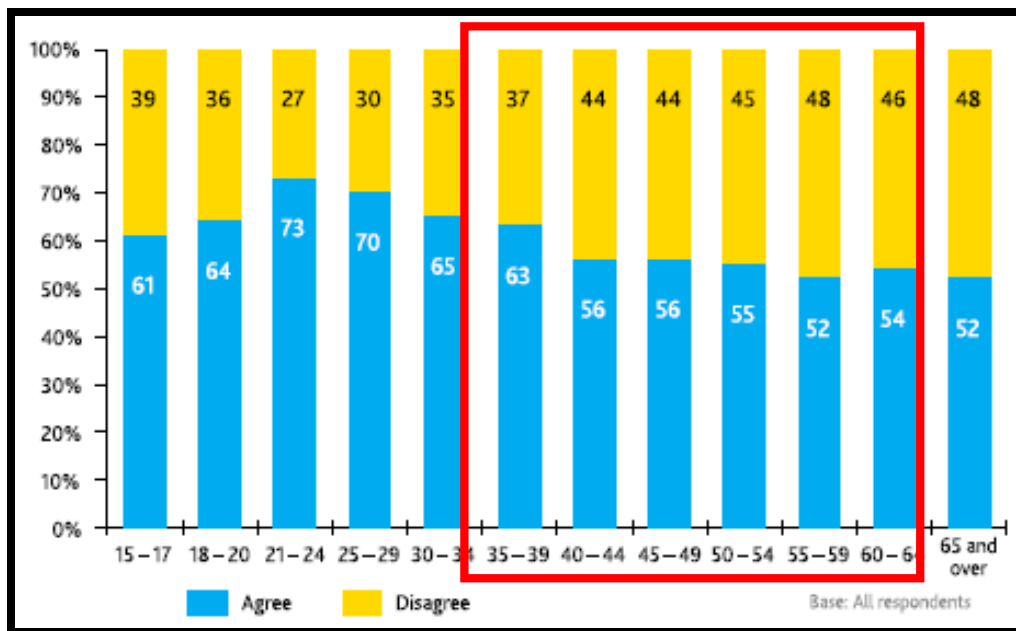
AC Nielsen Report,2007

When analysing the beauty care market it is important to discover what are the reasons that push a consumer to purchase beauty care products. The beauty care market continues to be strong and exists because there is a constant need in the market from consumers to feel good about themselves. Below are two graph also from the Nielsen Survey that analyse the percentage of consumers divided by region and age, which buy beauty care products in order to feel good about themselves. (Health Beauty & Personal Grooming: A Global Nielsen Report, 2007)

**Figure # 4: World Percentage of consumers who invest in personal grooming because it makes them feel better**



**Figure # 5: World Analysis ranked by age - Percentage of investing in personal grooming because it makes the consumer feel better.**



AC Nielsen Report, 2007

As, it is shown in the two figures four and five, for EMEA, 60% of the respondents agree that they use beauty care products in order to make them feel better about themselves. The highest age group that agree with this statement are between the ages of 21 to 24. However, the age group that is important to this analysis are the age groups circled in red in Figure #5. These are the key age groups to focus on, because they Spausa Portugal’s target age groups. From the second graph it can be deduced

that the older the respondent the less they agree with the statement, that they use beauty care products to make them feel better. Even though several countries are facing an economic crisis in Europe it still maintains one of the strongest regions for the sale of beauty care products.

## **2.2 The Portuguese Beauty Care Market**

The Beauty care market is a sector that is constantly innovating and developing alongside with the trends in the fashion industry and the desires and needs of women consumers. For example in 2010 the new trend of herbal and natural based products reached the Portuguese consumers. This new trend appeared due to consumers becoming better informed about the benefits of natural and botanical products and using these products to better their well-being.<sup>3</sup> Because, consumers are constantly evolving and becoming more and better informed it is necessary that a company move forward with the evolution of a consumer in order for the company to succeed in the market.

For the past two years the Portuguese economy has been undergoing drastic changes. These economic strains have not just been affecting the Portuguese economy, but also other countries around the world. Due to the economic crisis shopping trends have been changing and many analysts, such as the Nielsen Company have questioned if consumer brand loyalty is still growing or if it is starting to decline such as the economy. In 2008 several preferred brands in the beauty care market lost market share to lesser expensive brands. At least 14% of sales from known brands were lost between the years of 2008 and 2010 to less popular brand names. (Nielsen Confidence Index: Consumer Confidence Index Portugal – Global Survey 3Q, 2010) Even though there was a 14% drop, consumers still continue to prefer premium brands. Premium brands are those that invest strongly in marketing and promotion activities in order to increase their market share amongst consumers. Private label brands, such as those products that are bought at a supermarket or pharmacy without a known name are starting to grow in market share. The private label brands are very popular amongst consumers with low economic possibilities and also popular amongst those consumers who want to buy bargains. ([www.marketingcharts.com](http://www.marketingcharts.com))

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<sup>3</sup> <http://www.euromonitor.com/skin-care-in-portugal/reportt>

During 52 weeks in March of 2010 the Nielsen Company underwent a study to discover how largely the private label sector was growing on average this segment captured 20% or higher of the market in all categories within a supermarket, however in those categories with strong marketing support such as beauty care and hygiene products the store brand share continued to be low and weak. (Nielsen Confidence Index: Consumer Confidence Index Portugal – Global Survey 3Q, 2010)

Portugal is in the top three countries in the world to spend the most on personal care; the top areas of spending are in facial cosmetics (growth in 2006, 17%) and facial and eye moisturizers (growth in 2006, 15%). The spending per capita in the beauty care sector in Portugal has an average of 121 euros per year. (Global insight, 2007) The Portuguese population also feels the greatest pressure to look their best. In a study completed by the AC Nielsen Company it showed that the world's region with the biggest share of value sales in personal care products came from Europe, 38% in 2007. In this personal care sector the body cleansing and moisturizing group had the largest value in growth, 5%, as seen in figure # 1 below. (What's Hot in Personal Care, AC Nielsen, 2007)

Currently, in Portugal 85% of the respondents questioned during the AC Nielsen survey said they feel pressured to look good by society. This greater pressure to look good is much higher in the 21<sup>st</sup> century than in the generation before. This result shows that the beauty care market in Portugal is highly important for the younger generation, because the population feels a great pressure to maintain and enhance their appearance. However, for the older generation the pressure to better ones' beauty is not as high and the need to spend on such products is much less. (Global Ageing Attitudes, 2006)

There has been an ever-growing concern among consumers to have healthier looking skin. This trend is playing an important role in consumer's buying habits due to the growing pressures for people to take care of themselves and also because consumers are becoming better informed about the long-term effects of the sun. In Portugal woman who are concerned with ageing is an ever-growing number and concern. Women want products that will improve and enhance their lives. (What's Hot in Personal care, 2007) Women, 60% now believe that your 40s are the new 30s and



60% of women believe that the 60s are the new middle ages. With the older women changing their beliefs in regards to age this also changes the way companies aim their products towards their target audiences. (Global Ageing Attitudes, 2006) However, the older the consumer is the less the consumer will spend on products to enhance her appearance or delay in the ageing process and this is because the consumer is already too old for such products to make in changes or enhancements. Woman over the age of 40 also have different reasons for why they chose to use beauty care products compared to younger women. One third of women over the age of 40 say they use beauty care products to attract a partner; where as 56% of women over 40 say they use such products because it makes them feel better about themselves. (Personal Grooming, 2007)

Facial creams are positioned and targeted towards older women who are concerned with anti-ageing methods. The facial creams sector has been steadily growing annually. From the years 2003 to 2004 it grew 3%. From the years 2004 to 2005 it grew 6% and from 2005 to 2006 there was a growth of 13%. In 2005 anti-ageing creams grew by 18% and eye contour creams grew in sales by a 22%. Totalling the sales of anti-ageing beauty care to reach 1,8 billion euros in Portugal in 2006.<sup>4</sup>

With the ever-growing ageing population in Portugal it is important to focus on this target group, because the gap between the young and older generations are increasing. Portugal's current population growth is 0.21% and the average age for women is 42 years old, with 65% of this population being between the ages of 15 to 64 and 18% of woman in Portugal are 65 years of age and older.<sup>5</sup> Anti-ageing creams and anti-cellulite skin care products are in high demand between the ageing populations.

The Portuguese market shows that even though Portugal is small country with a low population it is still in the top 3 countries with the highest value of market share in the personal care sector; following after Greece and Brazil. (What's Hot in Personal Care, 2007) This observation proves to existing and new beauty care brands that there is a strong opportunity for growth in Portugal and that the Portuguese women are perceptible and accepting of beauty care products and avid shoppers when it comes to taking care of their skin and well-being.

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<sup>4</sup> [http://www.hipersuper.pt/2006/03/17/Cosm\\_tica\\_consolidada\\_valor\\_de\\_mer/](http://www.hipersuper.pt/2006/03/17/Cosm_tica_consolidada_valor_de_mer/)

<sup>5</sup> [www.cia.gov.com](http://www.cia.gov.com)

### **2.3 The effect of the Economic Status on the Beauty Care Market**

*“The point of a crisis is that it is connected to self-esteem. People will not stop investing in themselves just because they won’t have as much money to buy other things they want...”* Miguel Kringsner, President O Boticário

When an economic crisis occurs several big multi-nationals cosmetic companies believe that the recession can be measured with an index coined, the lipstick effect. When the economy is doing badly consumers stop spending large sums of money on luxury goods and instead buy other items that make them feel confident but are cheaper, such as lipstick. Companies such as L’Oréal, Beiersdorf and Shiseido have in the past confirmed this theory. In 2010 the term lipstick effect was heard once again due to the downturn in the global economy. In 2010 L’Oréal showed a 5.3% growth in its lipstick/ lip gloss products and overall in Europe the lipstick grew 45% in sales in 2010.<sup>6</sup>

Social media during an economic crisis tends to grow and become ever more important amongst consumers and companies. Using social media as a platform to promote your product is a cheap way to promote your product and to get the product known among consumers. On-line product forums are also much more trustworthy in the eyes of the consumers than case studies or testimonials left on the product website. Using the Internet as a distribution channel, in order sell the products is a more cost effective channel rather than having a physical store or door-to-door based selling model.

#### ***2.3 - 1 Europe and the crisis***

The crisis has affected as well the cosmetics industry especially the luxury market and the supply end of the industry. Due to the crisis companies have been relocating their production to cheaper areas. This move of production locations is affecting the companies that do not have the resources to relocate their production and supply

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<sup>6</sup> <http://technorati.com/women/article/the-lipstick-effect-alive-and-well/>

systems.<sup>7</sup> 2010 was a bad year for the cosmetics industry and it felt a strong hit from the economic crisis. During this year the luxury market hit a great fall. Also during this year consumers showed that they preferred beauty care products that gave them more value for their money. Consumers did not want to pay high prices for products that they did not trust or know. Consumers demanded value and preferred brands they were loyal to. Big company brands caught on quickly to the new consumer trends and thus started to take actions to give consumer value for money. For example, the brand Alberto Culver purchased the brand Simple Health and Beauty from the private equity, Duke Street and the company Shiseido bought American brand Bare Escentuals. In 2011 Beiersdorf bought the premium skin care company, philosophy among several other companies and Beiersdorf did this in order to make its company more profitable and competitive in the economic crisis and also because there was a need from its consumers to diversify and offer products more pertaining to their current needs.<sup>8</sup>

The facial skin care sector is very popular among European consumers and during the years of 2010 and 2011 it was an area that did not encounter any economic constraints. The anti-blemish products grew 6% in just one year, from 2010 to 2011 and cleansing wipes also grew by 4.9%. These products did not decrease in market share because they are products that are always in need and in use by consumers, they are not considered to be luxury products, and instead they are products used on an everyday basis in the European market.<sup>9</sup>

The economic turmoil in Europe has increased the number of at-home spa products being purchased by consumers in order to try to recreate the often-costly spa experience in their own homes. Even day spas and medical spas have been producing product lines to be sold out of their spa locations in order to give their consumers the opportunity to have the same experience in a more affordable way.<sup>10</sup>

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<sup>7</sup> <http://www.cosmeticsdesign-europe.com>

<sup>8</sup> <http://www.cosmeticsbusiness.com>

<sup>9</sup> <http://www.cosmeticsbusiness.com>

<sup>10</sup> <http://www.cosmeticsbusiness.com>

### ***2.3 - 2 Portugal and the Crisis***

Companies new and old in Portugal are battling a strong and serious economic crisis. Portugal's current economic crisis is affecting several industries and the beauty care line is one of the sectors being most affected, due to the austerity measures being taken by the Portuguese government the Portuguese population is being forced to cut back on unnecessary wants and in these times the products seen as unnecessary are the beauty care products. The economic crisis in Portugal also creates fear of uncertainty in the population, which in turn reduces the incentive to take risk and in this case test and buy new products that are unknown. When referring to expanding brand awareness of an unknown brand to the Portuguese beauty care market the need of risk among consumers is necessary in order for them to buy and try the new product. However, if the population is risk averse it becomes a challenge to generate more and new loyal consumers to buy products. <sup>11</sup>

In Portugal the cosmetics and personal care industry has not been protected from the economic downturn and some of the buying behaviors and changes that consumers have started to practice are believed to be habits to stay even after the economic crisis, this creates a new lifestyle and can affect several companies. <sup>12</sup>

When there are changes in the economy, environment and consumers, companies need to adapt to these changes in order to answer to the requests of consumers. An economic crisis can make any company fail, however if a company chooses to take advantage of the crisis and listen to what the consumers are asking for from the market and the company adapts and provides what is needed it can succeed and survive the crisis.

### **2.4 Key Competitor Analysis**

With the beauty care market being such a large one and so congested with so many different products and brand names it is important to focus on only a few strategic and key competitors of Spausa Portugal. Being that Spausa is a new brand entering the market place all beauty care and personal care brands are in their own way

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<sup>11</sup> <http://technorati.com/women/article/>

<sup>12</sup> <http://technorati.com/women/article/>

competitors. Most of the other brands in the Portuguese beauty care market are stronger competitors and brands than Spausa, because they have much more notability and greater brand awareness in the market. In order to gain consumer brand loyalty it is important that the players in the market know their competitors and are aware of their tactics.

In this competitor analysis for Spausa Portugal, six players will be analyzed. These six players were strategically chosen each for their own reason. Avon and Oriflame were chosen, because they are the two biggest players in the direct selling market, which is Spausa Portugal's selling channel as well, making these two brand direct competitors. L'Oreal is another brand that will be analyzed in this section because it is one of the biggest beauty care brand worldwide. It is difficult to find a consumer who has yet to hear of this name. Due, to its great brand name notability both in Portugal and worldwide it is a big competitor for a new beauty care name that consumers have rarely if never heard of. O Boticário is the other brand name that will look at in this section, because even though they are not a mass brand such as L'Oreal it is a brand name that is rapidly growing in the Portuguese market. O Boticário has also recently launched a new product line focused solely on Spa inspired products with very competitive and affordable prices. Lastly, this analysis will focus on white labels such as the brand from Continente, MyLabel and Pingo Doce, Skino. Even though the white labels in Portugal still have a relatively low market share they are growing and mostly due to the economic crisis that Portugal is facing and the ever-growing incomes in households.

Almost all beauty care brands present in the Portuguese market are competitors to Spausa Portugal. However, it is important to focus on the direct competitors that have greater market share and show a greater threat to growing possibilities for Spausa.

This competitor analysis will look at these six competitors both in the Portuguese market and also at a worldwide view. The analysis will focus on comparing market share, sales, company history, company mission, product positioning, consumer perception, advertising and communication techniques of each brand in this section in order to reach a well rounded perception of each brand in the Portuguese market and what each brand does in order to gain market share and consumer loyalty.

## **2.4 - 1 Avon**

### 2.4 – 1.1 Company Background, Mission and Dimension

Avon is a 125-year-old American brand and one of the oldest and first companies to create a direct sales business model. It is also a brand symbolizing women's emancipation and even before women could vote in the United States they were selling Avon door to door. It is a brand with hundreds of years of experience and a brand that promotes women's rights and well-being. It is a brand that promotes women to be leaders in their communities and offers the opportunity for women to be CEOs of their own businesses and control their economic choices.<sup>13</sup>

Avon also invests greatly in initiatives focused towards corporate responsibility such as fundraising for breast cancer, making it the largest corporate supporter of the cause. Avon also supports institutions fighting to end and prevent violence against woman. Over the years Avon Corporation and its sales representatives have raised over 800 million US dollars in causes to better women lives. Avon started an organization, Avon's Hello Green Tomorrow program, that's aim is to restore the Atlantic Rain Forest in South America. This program has planted over 2 million trees in the region. Even though Avon is very aware of the importance of corporate responsibility and the impact it plays on communities it is however, listed on Peta's list of brand that test their products on animals.<sup>14</sup>

The Future for Avon and its growth depends greatly on the outcomes of the economic environment. The economic downturn and recession has affected Avon and in some geographic locations it is more serious than others. In economic crisis consumers have less money to spend on themselves and companies also cut back due to these causes. If the economy continues to worsen Avon could start to experience declines in revenue, profitability and cash flows due to reduced costs, payments and supply disruptions and delays. However, Avon's message to its consumers and sales representatives is not to show weakness in times of trouble and thus they are aware that in order to continue to be successful they need to act. Avon is known for anticipating

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<sup>13</sup> <http://imagensdemarca.sapo.pt/emissoes/?id=1948>

<sup>14</sup> [www.avoncompany.com](http://www.avoncompany.com)

the needs and trends of consumers and developing products to fill these needs by creating a favourable mix of appealing products.

In 2010 worldwide Avon had revenue of over 10 billion US dollars and Avon is present in over 100 countries, operates in six regions and has approximately 6.5 million independent sales representatives and these sales representatives have over 300 million customers worldwide. However, in 2010 there was a decrease in its active representatives. In 2010 there was a growth of 4% in representatives, but in 2009 a 10% growth. Due to this decrease in recruitment of new representatives Avon in 2011 decided to shift some of its budget away from advertising and invest money in programmes that enhance the value proposition of Avon representatives. They have implemented a program called Representative Value Proposition (RVP) that helps ensure representatives are making the best business decisions and succeeding in achieving their personal goals. (Avon Annual Report, 2010)

With over 1,000 products, strong brand awareness and an ever-growing client base and Avon sales representatives, Avon is truly a strong competitor in the direct selling beauty care sector. Avon's product brochure is used as a store for the sales representatives since they do not have physical stores. This brochure is constantly updated and a new issue is released on a monthly basis. In 2011 it became one of Avon's main goals to restore growth in skincare products with its Avon Care line. This line, Avon Care is a comprehensive line of skincare and body products developed to target consumers on developing markets. Also, in 2011 Avon took its Avon Solutions products, which are focused on the mass segment and revitalized the brand, product formulas and packaging in order to appeal more to the masses. (Avon Annual Report, 2010) With its strong brand awareness Avon invest highly in celebrity ad campaigns and sponsorships. By having celebrities associated with Avon products it creates trust and increases loyalty for the brand, which makes it difficult for other brand in the beauty care sector to compete.

Figure number six, represents Avon's net sales by product category. The beauty care market has the greatest percentage.

**Figure #6: Avon’s net sales by product category**

	2010	2009	2008
Beauty	71%	72%	72%
Fashion	19%	18%	18%
Home	10%	10%	10%

(Avon Annual Report, 2010)

In the figure below is Avon’s consolidated financial statement of 2010, showing growth since 2006. In 2010 revenues increased 6%. (Avon Annual Report, 2010)

**Figure #7: Avon’s 2010 financial statement**

	2010	2009	2008	2007 <sup>(1)</sup>	2006
<b>Income Data</b>					
Total revenue	\$10,862.8	\$10,205.2	\$10,507.5	\$9,759.3	\$8,571.0
Operating profit <sup>(2)</sup>	1,073.2	1,005.6	1,324.5	874.7	757.7
Income from continuing operations, net of tax	595.2	619.2	882.5	533.2	473.1
Diluted earnings per share from continuing operations	\$ 1.36	\$ 1.43	\$ 2.03	\$ 1.21	\$ 1.07
Cash dividends per share	\$ 0.88	\$ 0.84	\$ 0.80	\$ 0.74	\$ 0.70
<b>Balance Sheet Data</b>					
Total assets	\$ 7,873.7	\$ 6,823.4	\$ 6,074.0	\$5,716.2	\$5,072.2
Debt maturing within one year	727.6	137.8	1,030.7	929.4	615.5
Long-term debt	2,408.6	2,307.2	1,456.0	1,167.7	1,170.5
Total debt	3,136.2	2,445.0	2,486.7	2,097.1	1,786.0
Total shareholders’ equity	1,672.6	1,312.6	712.3	749.8	827.4

<sup>(1)</sup> In 2007, we recorded a decrease of \$18.3 to shareholders’ equity from the initial adoption of the provisions for recognizing and measuring tax positions taken or expected to be taken in a tax return that affect amounts reported in the financial statements as required by the Income Taxes Topic of the FASB Accounting Standards Codification (the “Codification”).

<sup>(2)</sup> A number of items, shown below, impact the comparability of our operating profit. See Latin America Segment review on page 31-33 and Note 15, Restructuring Initiatives, to this 2010 Annual Report for more information on these items

(Avon Annual Report, 2010)

**2.4 – 1.2 Communication and Brand Awareness Strategy**

Avon’s communication strategy is directed towards gaining new representatives to the brand in order to sell the products and it’s brand awareness through word of mouth. Recently, in Portugal Avon launched a new television advertisement in order to reach more women and show them the benefits of becoming an Avon reseller. The key message in this 20second advertisement is that joining Avon you will earn two times as much as you earned in your previous job and you will be working with the best of the best in the market.

Currently, in Portugal, Avon is celebrating it’s 30<sup>th</sup> anniversary and with this it has launched a new campaign, an Avon Road show that is present in several cities all over Portugal

**Figure #8: Avon’s marathon flyer in Portugal**





from the months of April until the end of June 2012. The goal of this Road show is to gain new consumers through distributing free samples, hosting games where the players win Avon products and hosting beauty workshops and makeovers in several shopping malls. However, this Road show is not just directed towards gaining new customers but it is also aiming at reaching new Avon representatives.<sup>15</sup>

Other activities that Avon is very passionate about are bettering women's lives such as running donations and campaigns for the battle against breast cancer and violence against women. In Portugal every year Avon organizes a marathon in order to raise money for cancer research. Usually this activity receives a lot of visibility because it is a run for women and important women athletes also usually participate. Avon's communication strategy is not an aggressive one, it focuses more in being present in the community in order to gain representatives to sell and promote the Avon products. Since, Avon is one of the oldest and first direct selling company in the beauty care market in relies a lot on it's strong brand name and devoted Avon representatives.

## ***2.4 - 2 Oriflame***

### **3.4 – 2.1 Company Background, Mission and Dimension**

Oriflame is an over 40 year old Swedish brand, founded by the brothers Jonas and Robert af Jochnick and Bengt Hellsten in 1967. Oriflame's main core mission is to produce high quality cosmetics based on natural ingredients. The products are based on the natural beauty that Sweden is so well known for and the company wishes to inspire women's natural beauty through their products by promoting the Swedish heritage and its products. In order to portray this message of a strong Swedish heritage they developed a new logotype in 2010 that incorporates the word Sweden as a symbol of the company's inspiration. The company decided to do this because they believe that a brand is becoming ever more important in the purchasing decision amongst consumers and having a logo that promotes a company heritage builds a global brand loyalty among customers. (Oriflame annual report, 2010)

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<sup>15</sup> <http://www.avonroadshow.com/#>

Their business model is focused on direct selling largest European direct selling companies that sells not only in Europe but also in other countries around the world. A direct selling business model creates a friendly selling environment and this is exactly Oriflame's message to the public, "sell products you trust to your friends".

<sup>16</sup>Oriflame's ecosystem consists of over 3.5 million consultants, 8,000 employees and is present in over 60 countries worldwide it also has a product range of approximately 1,000 products. Many of the products are based on natural ingredients and no product is tested on animals. Oriflame also has annual sales of 1.5 billion euros coming solely from independent sales representatives. <sup>17</sup>Oriflame is very popular in recruiting new sales representatives and present in over 60 countries because their business strategy consists of seven key attractive points:

- 1) Low entrance fee, credit is offered and no stock is required to join
- 2) Wide portfolio of natural, high-quality and innovative products
- 3) Catalogues are updated on a monthly basis and always with a new theme
- 4) Flexible and reliable ordering, delivery and payment systems
- 5) Sales representatives are given constant knowledge on how to better sales and grow become part of the SARPIO (Sales and Recruitment Process in Oriflame). As well as given help with personal growth.
- 6) Offered unlimited earnings and career opportunities
- 7) The company offers a sense of belonging, is energetic and a global community.

(Oriflame annual report, 2010)

With the Oriflame product line being sold in over 60 countries, the Portuguese market is in Oriflame's top ten largest markets and the company is market leader in more than half of these 60 countries. For such a small country it is something for Oriflame Portugal to be greatly proud of, however this makes Oriflame a very strategic and strong competitor to other beauty care brands. It is the leading direct sales company in the Portuguese beauty care market. Oriflame in 2011 was also in the top 24 brand name in Portugal, and it was the only personal beauty care brand that made it in the Super brands awarding. Oriflame until 2014 in Portugal will grow drastically. Currently they have 40,000 employees and representatives and they want to grow to

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<sup>16</sup>[www.cosmetica-beleza.webnode.pt](http://www.cosmetica-beleza.webnode.pt)

<sup>17</sup> <http://www.oriflame.com>

85,000 in 2014 in Portugal alone. In order for Oriflame to attract more representatives it has created the slogan, “Make money today and fulfil your dreams tomorrow”. It is a company predominantly dominated by women representatives and they believe it is important to pass the message that Oriflame helps reach your dreams and goals.

Oriflame Portugal also plans to grow tremendously in revenue until 2014, from 31 million euros to 50million euros. However, in 2010 the macro conditions in central and southern Europe affected Oriflame’s overall profit and revenue.<sup>18</sup>

The company has developed several partnerships and sponsors and supports several non-government organizations and charities. For example, one of Oriflame’s largest sponsorships of 2011 was with the Women’s Tennis Association (WTA). The company chose to sponsor this association due to women’s tennis combining a perfect balance between athleticism and glamour. It is a successful sponsorship that has brought a lot of visibility to the brand, because in 2010 five million people attended tennis events and hundreds of millions of people watched 7,000 hours of the television dedicated to this support. Some of Oriflame’s international charities include, the World Childhood Foundation that helps young women through educational initiatives. Another charity is Bethel located in China it is a NGO that provides foster care for Chinese orphans that are visually impaired. In 2010 Oriflame started working with the Rainforest Alliance in order to help develop a responsible global paper sourcing strategy. Being that the brand is a strong advocate if animal rights it also supports several social and environmental causes and organizations all over the world. However, each headquarters in each country focuses on causes locally and bettering the environment they are located in. In Portugal Oriflame is in the outskirts of Lisbon in Oeiras and thus supports local organizations and charities such as, Criança Diferente, Junta de Freguseia de Porto Salvo, Ajuda de Mãe, CERCI Oeiras among many others in Oeiras and around Portugal.<sup>19</sup>

With over 1,000 products, Oriflame sells products for both man and woman and for all ages. Oriflame’s products offer high standards at affordable prices. Oriflame’s products are not tested on animals and this corporate choice has created lots of consumer support towards the product and brand. The products use high purity

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<sup>18</sup> <http://imagensdemarca.sapo.pt/dossier/detalhes.php?id=3122>

<sup>19</sup> [www.cosmetica-beleza.webnode.pt](http://www.cosmetica-beleza.webnode.pt)

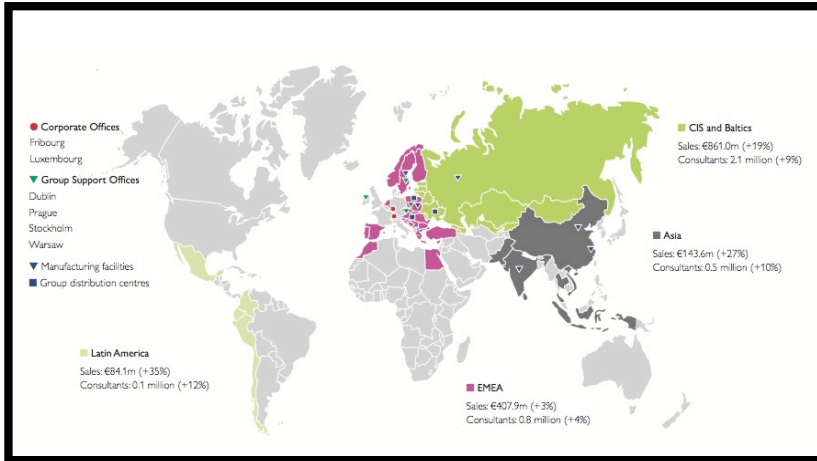
ingredients; strict manufacturing standards and the company has high ethical standards and environmental policies. Being a brand from Sweden there is a large focus on Spa products, Swedish Spa. This Spa line included products such as exfoliating scrubs, body oils, shower gels, hand cream and massage bars. Oriflame is also a brand that has products aimed for more mature women and all of its products are ranged at affordable prices, which make it a very competitive brand and Portugal's direct sales leader. Oriflame's products are very competitive in the beauty care market because it is a company that invests a lot of its budget in research and development in order to ensure that it has innovative products that meet the needs of their consumers and that the representative feel proud to sell. With over 40 years of experience in the beauty care sector Oriflame is able to bring to the market knowledge and products with the best ingredients and the latest scientific achievements.

(Oriflame Annual Report, 2010)

Long-term plans for Oriflame's future includes to over the next five years continuing to invest in its internal and external growth with represent ivies. Invest its capital expenditures on existing and new manufacturing facilities and penetrate into new merging market that it is not currently present. Oriflame also has a goal to achieve local sales growth of 10% and achieve an operating margin of 15%. Oriflame is aware that social networks are becoming significant tools to use for sales activities and to recruit new sales representatives. Almost 50% of Oriflame's sales force uses online services in order to increase their sales opportunities. Oriflame has created smart phone and iPad applications, virtual stores on Facebook along with Facebook pages, twitter accounts and a channel on YouTube. New media is an area that Oriflame wants to continuing investing its time on improving and expanding. (Oriflame Annual Report 2010)

Oriflame is present worldwide and has a large market share in each region where it is sold. Below, the figure of the map, the other 2 smaller figures represent Oriflame's regional sales, EMEA, 27% and in the other figure the operating profit by region, EMEA 28%.

**Figure #9: World map of Oriflame’s geographical locations**



**Figure #10: EMEA Regional sales**



Oriflame Annual Report, 2010

**Figure #11: EMEA Operating profit by region**



Oriflame Annual Report, 2010

Oriflame is one of the largest direct selling companies in Portugal and in Europe with great market share. The table above shows that even during the economic downturn in Europe Oriflame continues to grow in revenue and sales. This analysis shows that when a brand is well known, trusted and used by consumers the sales continue to grow and occur no matter what state the economy finds its self.

2.4 - 2.2 Communication and Brand Awareness Strategy

In Portugal Oriflame’s communication strategy is simple and similar to that of Avon’s, which is to gain more representatives of the brand in order to grow in sales. Online Oriflame is very present due to its resellers there are several oriflamme Facebook pages and blogs dedicated solely to the brand and the products. One-way Oriflame communicates its brand through sponsorships. Every year Oriflame is present at the Estoril Open sport’s event. Oriflame believes that tennis is strong powerful sport that has several big and strong women sports players, thus making it a sport to support and follow. Oriflame’s sponsorship at this event consist of outdoors and stalls where women can go to buy products, inform themselves about becoming an Oriflame re-seller and get beauty tips and makeover all with the Oriflame products.<sup>20</sup>

**Figure #12: Oriflame at the 2011 Estoril Open**



Oriflame in order to be closer to its consumers also participates in music festivals such as Optimus Alive. Being present in activities such as these expand its brand name to new consumers that might not know the brand its products. Also, during this festival Oriflame was present with stands and giving out free samples.<sup>21</sup>

**Figure #13: Oriflame’s Portugal ambassador – Diana Pereira**



In regards to outdoors and television advertisements, Oriflame does not allocate much budget or investment in such activities. However, last year in 2011 Oriflame celebrates its 26<sup>th</sup> anniversary in

<sup>20</sup> <http://pt-oriflame.blogspot.pt/2012/04/blog-post.html>

<sup>21</sup> <http://pt.oriflame.com/about-oriflame/show.jhtml?tag=OptimusAlive>

Portugal and thus decided to launch a campaign with the Portuguese model, Diana Perreira and she became the face and ambassador of Oriflame Portugal, transpiring beauty and simplicity with the use of Oriflame beauty care products.<sup>22</sup>

Oriflame believes that it is important to be present amongst its future representatives and consumers and by doing this it is also creating a brand personality. Being present at sports activities or musical festivals shows what are its core beliefs and interests and consumers can associate themselves more easily to the brand.

## **2.4 - 3 L'Oreal**

### 2.4 - 3.1 Company Background, Mission and Dimension

L'Oreal is one of the worlds most well known beauty care brands and in the Portuguese market it is also no exception. L'Oreal was founded in 1909 and being over a century old it started as a hair dying company transforming brunettes in to blondes, with the company's original name being, Société Française de Teintures Inoffensives por Cheveux, later becoming the name the whole world knows as L'Oreal. By 1912 L'Oreal had already expanded into the international market and from the beginning of the company's creation it was focused on research and development and being in the forefront of new inventions in the beauty care and cosmetics sector. Today L'Oreal is present in 130 countries, owns 27 international brands, has 68,900 employees and holds 613 registered patents. L'Oreal in 2011 reached 20.34 billion euros in sales and sustained growth of 5.1%. It is also a company that has solidarity programs and has raised over 40 million euros for its L'Oreal Foundation that was created to improve the well-being of populations in local communities. L'Oreal also started, raises awareness and donations for the Hairdressers against AIDS charity. (L'Oreal Annual Report, 2011)

L'Oreal was not just innovative with its products but it was also innovative in the area of publicity and marketing. In the 1930s the company launched the first ever jingle, before L'Oreal no other company had ever created an advertisement that was sung rather than spoken. L'Oreal is a strong competitor because it is strong advocate in

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<sup>22</sup> <http://marketeer.pt/2011/02/07/diana-pereira-em-campanha-da-oriflame/>

aggressive advertising and consumers are constantly being exposed to L'Oreal's publicity. In 2010 L'Oreal Portugal was ranked number 2 in Media Monitor's top 10 advertisers, with advertising expenditures of 183.583,00 million euros.<sup>23</sup> L'Oreal's division of its brands is broken into five groups; L'Oreal Luxe, consumer product which are the mass products found in supermarkets, professional products, active cosmetics, which are found in pharmacies and the last group is the Body Shop.

Through out the years L'Oreal has bought several companies in order to expand its product portfolio, making it ever more competitive in the beauty care and cosmetics market. In 1955 the company acquired Vichy Laboratories also a French company specialized in dermatological products and is only sold exclusively in pharmacies and drugstores. This brand has products ranging from skin toners, acne creams to anti-ageing and rejuvenating face creams and eye contours.<sup>24</sup> Other companies along the years that L'Oreal has acquired include, The Body shop and YSL Beauté the Yves Saint Laurent cosmetics line, Kiehl's and Maybelline.

One of the company's brand Skinceuticals is a brand that is in the front line of medical spa trends with over 150 medical spas opened worldwide with Skinceuticals products. The brand Skinceuticals reached Portugal in 2011 and the products can be found in pharmacies, however most of the products are prescription only. This brand is part of the Active Cosmetics sector in L'Oreal and is one of the most popular brands in the group with a growth rate of 17.6% in 2011. (L'Oreal Annual Report, 2011) This brand like Spausa Portugal focuses on bringing the Spa experience to consumers, however this brand is at a much higher price range and also has the L'Oreal trustworthy brand name behind the Skinceuticals products.

L'Oreal acquired companies in order to gain a competitive advantage. It was able to grow in a competitive environment, because it launched and created several new beauty lines in order to reach and please all target audiences. In 1982 it launched the Plénitude brand which comprises of a complete line of products for skin care both body and facial and for all age groups including more mature women. Then in 1996, L'Oreal launched its Revitalift line focusing solely on targeting a more mature and feminine target audience. This line is a direct competitor with Spausa because the line

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<sup>23</sup> [www.meiospublicidade.pt](http://www.meiospublicidade.pt)

<sup>24</sup> [www.mundodasmarcas.com](http://www.mundodasmarcas.com)



includes anti-ageing and rejuvenating products, ranging from crèmes to lotions to capsules. In 2011 L'Oreal's skincare sector grew 20.8%.<sup>25</sup>

L'Oreal's product success comes from its high investment in research and development. In 2011 the company developed the LR 2412 molecule, which is an active anti-ageing ingredient with remarkable properties and one of a kind in the market that combats the signs of ageing. Not only does L'Oreal invest in research in development it has also created several evaluation centres in order to evaluate the safety and efficacy of ingredients and products. In 2011 Thomson Reuters ranked L'Oreal one of the worlds top 100 most innovative company's. (L'Oreal Annual Report, 2011)

L'Oreal along with other brands in the market place is moving into the digital arena with 45% of their budget moving towards the digital media activities growth. And, in 2011 L'Oreal achieved a 35% sales growth in e-commerce channels. (L'Oreal Annual Report, 2011) L'Oreal is a major competitor for Spausa even though it does not have a direct selling business model it is a brand that is synonymous with women and beauty care products.

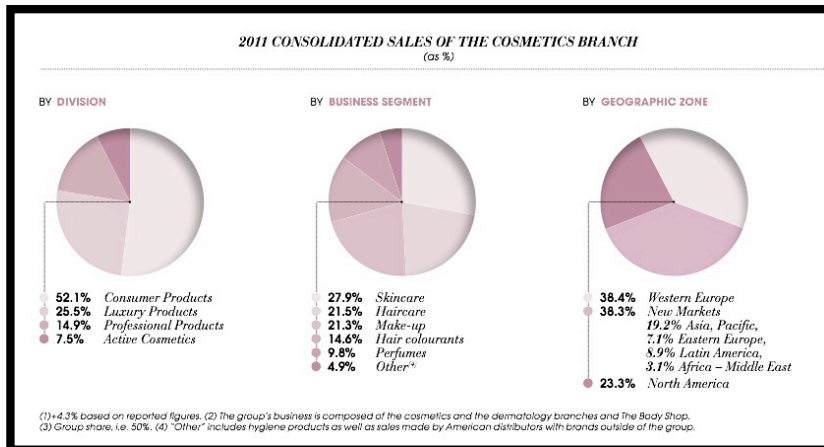
The highest geographic market share area is Western Europe with 38.4% of consolidated sales in 2011. In this region the skincare segment holds the highest product sales with 27.9%. L'Oreal's consumer products, which are the mass market products found in supermarkets, are the most popular amongst the consumers, with 52.1% of the sales in 2011.

Figure eleven, shows L'Oreal's consolidated sales in the cosmetics market by division, business segment and geographic area.

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<sup>25</sup> [www.mundodasmarcas.com](http://www.mundodasmarcas.com)

**Figure #14: L’Oreal’s sales by region and business segment**



(L’Oreal Annual Report, 2011)

### 2.4 - 3.2 Communication and Brand Awareness Strategy

L’Oreal is one of the biggest brand names worldwide and it is also a company known for its advertisement campaigns and slogan, “Because I’m worth It”. Most of L’Oreal’s advertisements consist of a famous celebrity, by using this tactic they

generate trust. A consumer who watches their icon celebrity talking about the wonders of L’Oreal products makes people buy the products, because people trust celebrities.

**Figure #15: L’Oreal’s Women’s Day advertisement in Portugal**



Worldwide and in Portugal celebrities are who make up most of L’Oreal’s advertisements such as Jane Fonda,

representing anti-ageing products, Jenifer Lopez for her beautiful skin and Scarlett Johanson for her long and lusher locks of hair. In Portugal the L’Oreal ambassador is Barbara Guimarães she promotes L’Oreal’s hair products and consumer good products that are found in local supermarkets. It was a strategic step for L’Oreal Portugal to start using a Portuguese celebrity in their campaigns because it makes the advertisements local and perceptible among the Portuguese women consumers.<sup>26</sup>

<sup>26</sup> <http://www.briefing.pt/publicidade/11600-barbara-guimaraes-protagonista-de-nova-campanha-da-loreal.html>

In Portugal in 2009 L’Oreal was announced to be the biggest user of publicity in Portugal by Media Monitor with a air time share of 4.2% it is the entity in Portugal that most invested in publicity.<sup>27</sup> And, in 2010 L’Oreal was the largest investor in all communication and advertising channels in Portugal, including radio, television, outdoors, cinema and press with a total expenditure of 2.9 million euros and reached a share of voice of 5.5% a full 1% increase from the previous year. Television was the largest communication channel, with 73% of L’Oreal’s advertising budget aimed towards that channel.<sup>28</sup>

**Figure #16: L’Oreal’s Portuguese brand ambassador – Barbara Guimarães**



L’Oreal is known for its aggressive advertising and it is a brand that is known by all and has a strong consumer loyalty. It is difficult for other brands in the beauty care market to compete with the L’Oreal brand and its advertisements.

## **2.4 - 4 O Boticário**

### **2.4 - 4.1 Company Background, Mission and Dimension**

O Boticário is a Brazilian brand founded in 1977 and it is mainly aimed towards teenagers, children and baby products however they do have a product line for more mature woman over the age of 40. This line however is not as notable as their other product lines that they have had since the beginning of O Boticário.

This is a company that for several years was only present in Brazil and grew rapidly within the country due to word of mouth advertising. Their main messages that they spread to consumers are that their products are affordable and have high quality and their consumers agree with this message. In 1985 the company decided to go internationally and its first store opening outside of Brazil was in Portugal in Lisbon

<sup>27</sup> <http://www.marktest.com/wap/a/n/id~1518.aspx>

<sup>28</sup> <http://www.marktest.com/wap/a/n/id~14c2.aspx>

in the Amoreiras Shopping centre. Once, O Boticário opened one store in Portugal the brand quickly started to expand and become known among the Portuguese consumers and currently there are over 80 stores opened all over Portugal. In 2002 the company had opened 2,100 stores worldwide.<sup>29</sup>

With O Boticário's ever-growing success they restructured their stores and business model in the late 80s and early 90s. O Boticário became a pioneer in the creating interactive stores. Instead of have tills they placed their sales desks in the middle and all around the stores with their products, the employees became consultants and were encouraged to interact with the clients have the clients test and try the products. With this re-design in just one year the company increased in sales by 25%, the company new it had to undergo drastic changes in order to compete in the international market and in 2002 they launched their online shop. In 2006, the 30<sup>th</sup> anniversary of the company they won the International Retailer of the Year award, awarded by the National American Federation of Retailers and this award was mainly due to its business model and because of the strong consumer attention that they have.<sup>30</sup>

O Boticário's product line consists of over 600 products and they have products for men and women, body, face, sunscreen, make-up, perfumes, soap and hair products. They also have a product line that is solely dedicated towards spa treatments and it allows for the consumers to enjoy their own spa experience at home, Native Spa. This line, Nativa Spa was launched in 2006 and is also present in the Portuguese market and has 31 products ranging from massage oils to bath and body creams. The other products that O Boticário has are make-up, hair care products and fragrances and most of the company's products are directed towards a younger consumer audience between the ages of 13 and 25.<sup>31</sup>

The company has a strong consumer focus and since 1999 they have implemented a Client Fidelity Program. This program consists of a client card, which allows the consumers to add and win points when purchasing at the store, which is then later used in exchange for store discounts or gifts. This model of a client-shopping card

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<sup>29</sup> [www.boticario.com.br](http://www.boticario.com.br)

<sup>30</sup> [www.mundodasmarcas.com](http://www.mundodasmarcas.com)

<sup>31</sup> [www.mundodasmarcas.com](http://www.mundodasmarcas.com)

creates a loyalty bond between client and company and at the moment the program has 3 million clients all over the world. They also have a corporate social responsibility plan in which they support and promote the protection of the environment. Since 1990 that O Boticário has founded the O Boticário for the Protection of Nature Foundation and they contribute in bringing equilibrium in the ecological environment all over Brazil. Each year the company contributes with 1% of its revenue towards this cause.<sup>32</sup>

O Boticário is not a direct competitor to Spausa however it is one of the largest franchises in the beauty care sector in Portugal with over 12,000 employees worldwide, present in more than 20 countries, profit yearly of 100 million reais and market value of 1.04 billion reais and thus a company to be aware of and not ignored.<sup>33</sup>

#### 2.4 - 4.2 Communication and Brand Awareness Strategy

The brand O Boticário is growing in Portugal, especially with the company's new brand strategy and company restructuring of the brand. More stores are opening in Portuguese shopping malls and they all have a vibrant and colourful atmosphere that invites customers to walk in, shop, ask questions and test their products.

O Boticário in Portugal decided to use celebrity endorsements in order to promote its brand and improve its communication. A new campaign with actress and presenter Claudia Vieira was launched in

April of 2012 in order to promote consumers to buy O Boticário products for mother's day. Even after Mother's day on May 6<sup>th</sup> campaigns with Claudia Vieira and O Boticário continue, this is because she is an active and well-known celebrity in Portugal and also a recent mother. The actress promotes the Active 30 product line of O Boticário. These are products that include face and body lotions for women of the

**Figure# 17: O Boticário's Advertisement for the product Idade'30**



<sup>32</sup> [www.mundodasmarcas.com](http://www.mundodasmarcas.com)

<sup>33</sup> [www.boticario.com.br](http://www.boticario.com.br)

age of 30 and older. This product line is for women who are concerned about their ageing skin and wish to turn back the hands of time with quality-based products. Claudia Vieira is known among all age groups from teenagers due to her participation in teen television shows and older women, because of her work as presenter in shows such as “Idols”.<sup>34</sup>

Online O Boticário is not so present as other brands are on Facebook or Twitter, this brand focus is to promote its products through the attractiveness of its stores and celebrity campaigns.

## **2.4 - 5 *Continente***

### **2.4 - 5.1 Company Background Mission and Dimension**

The Sonae Group, Continente in 2004 launched their first beauty care and hygiene line, name MYLABEL. This label includes six categories; hair, shaving, face, body, nail polish and products for men.

The Sonae group says that the decision to launch their own beauty and hygiene line was in order to fill the gap in the market with products that are affordable to all clients. With white labels becoming more and more the first choice of consumers it was important for Continente to also have beauty care products to offer their consumers and with an economic crisis and more families cutting back in unnecessary goods buying a cheaper, white label product makes it still possible for consumers to indulge themselves. In 2011 Continente decided to re-launch the line MYLABEL turning it into a clean and more modern looking product in order to attract consumers. The new branding also wished to show the products quality even though the price is affordable and below average. The re-launch was also an attempt in bringing the product closer to the needs of the consumer; the word “My” was chosen in order to make the client feel like it is their “label”. This is emotional marketing and allows the consumer to feel connected with the brand. Also, with the new re-launch they expanded their product portfolio to also have products for men.<sup>35</sup>

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<sup>34</sup> <http://caras.sapo.pt/famosos/2012/05/01/claudia-vieira-revela-os-segredos-da-sua-beleza-adoro-cuidar-de-mim>

<sup>35</sup> <http://www.hipersuper.pt/2011/>

The average Continente client, 80% of the consumers buy at least one white label product per month, however buying white-labelled beauty care products is still an activity that consumers are reluctant to do. The average consumer does not trust white labelled beauty care products and this is because the activity of taking care of ones beauty is a process that both women and men treat with importance and they are also very loyal to the brands that they use.

MYLABEL's target audience are all Continente consumers, but especially those that have a concern in caring for their beauty and well-being. MYLABEL is Continente's newest project and it is a brand exclusive to Continente, and it was a strategic choice for the SONAE Group to create a white label beauty care line in order to gain greater market share, loyalty of consumers and make beauty regimes available to all consumers.

According to AC Nielsen white labels represent 12,5% of the beauty care and hygiene sector market share in Europe and in Portugal known brand names in January 2012 decrease 2,7% of market share.<sup>36</sup> With the ever-growing awareness of the economic crisis amongst the Portuguese consumers and cuts in salaries, unemployment increasing and other drastic measure being taken due to financial aid from the international community the Portuguese consumers have become more product wise and thrifty.<sup>37</sup>

#### 2.4 - 5. 2 Communication and Brand Awareness Strategy

When Continent's MyLabel Beauty products were launched in 2011 they decided to use a celebrity in their media and communication channels. MyLabel was communicated through all channels, television, press and Internet. Continent believed it was important to strongly promote their new launch because it was an area that they were not in yet and it was important that consumers come to know their new products and its brand.

**Figure # 18: Advertisement for Continente's MyLabel**



<sup>36</sup> <http://www.ionline.pt/dinheiro/>

<sup>37</sup> <http://www.ionline.pt/dinheiro/>

The actress Mariana Monteiro was chosen to endorse the MyLabel brand and all of the products that make up this brand such as hair, body and facial beauty care products.<sup>38</sup>

After the launch of this campaign MyLabel has not come out with a new campaign, being that it is a white label price is the main selling point and the consumers who buy this brand is because they are price oriented.

## **2.4 - 6 Pingo-Doce**

### 2.4 - 6.1 Company Background Mission and Dimension

Due to the crisis the Jeronimo Martins Group, Pingo-Doce has been the most successful in white label sales, with a 40% growth in 2010.<sup>39</sup> Skino, in Pingo-Doce's white-labelled beauty care brand and it has four product lines; bath care, face care, body care and men's line. The products are all affordable and below the average price of brand name labels, they are also 100% made in Portugal making this a unique selling point and benefiting factor for consumers when buying or comparing products. Skino also has several face and body care products that are made with natural products, such as Aloe Vera.<sup>40</sup>

The most popular product line of Pingo-Doce's Skino label is the men products and the least popular being that of the hair products in the bath line. Pingo-Doce's white labels have such a high market share in Portugal, making Skino products a valid competitor in the Portuguese market. However there are still several consumers that prefer to buy the brands that they feel loyal to, know and trust.<sup>41</sup>

In 2010 white label sales in Portugal grew on average 34% compared to the previous year. However, compared to other European countries Portuguese consumers still continue to buy less white-labelled brands than, for example the United Kingdom in which white-labelled brand have 45,6% of the market share. With the continuing of the economic crisis in Portugal analysts believe that white labelled products will

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<sup>38</sup><http://www.dinheirovivo.pt/Buzz/Artigo/CIECO000453.html>

<sup>39</sup><http://economico.sapo.pt/noticias/>

<sup>40</sup> <http://madeinportugal.tumblr.com/post/6353782044/>

<sup>41</sup> <http://www.hipersuper.pt/2008/>



continue to increase market share in Portugal, creating a threat to more expensive name brands.<sup>42</sup>

#### 2.4 - 6.2 Communication and Brand Awareness Strategy

Pingo- Doce's white label brand, Skino does not have a communication strategy and it has never launched a campaign in order to increase its brand awareness. The buyers of the Skino brand are price sensitive, Pingo-doce shoppers.<sup>43</sup>

### **2.5 Market Analysis Conclusion**

The Portuguese market and its consumers are currently suffering economical strains due to the economic situation in Portugal and in Europe. However, Portugal still remains one of the most fruitful geographical locations for companies dedicated towards beauty. The Portuguese population is an ageing one and thus the consumers are very accepting of anti-ageing products and of products that enhance one's beauty in an environmentally friendly way or through natural and botanical products.

There are several competitors in Portugal and most of these companies have a strong customer loyalty, which makes it difficult for new products to penetrate the market and gain market share. They are international name brands that have been present in the Portuguese market for several years and they are brands that change with the needs of the consumers and the adapt to the Portuguese market. Portugal is a small country with a small population and with so many strong and well-known competitors it is difficult for a new and unknown brand to grow. The beauty care sector revolves and depends upon consumer loyalty and without consumer's trust it becomes difficult for a brand to succeed.

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<sup>42</sup> <http://isabe.ionline.pt/conteudo/>

<sup>43</sup> <http://www.hipersuper.pt/2008/04/29/jm-certifica-marcas-proprias/>

### 3. Company Background – Spausa Portugal

The focus of this chapter is Spausa Portugal. This chapter will analyze Spausa Portugal through information taken from their website, through internal interviews with the Spausa director and representatives and also information retrieved through the two questionnaires that were conducted. The objective of this chapter is to better understand the Spausa brand and gain a perception of how it accepted and seen among potential consumers in order to later adapt the communication plan to the needs of the consumers and the future goals and plans of Spausa Portugal.

*Spausa Portugal* started in early 2011 and wishes to position their brand as a leader in the beauty care industry. During a questionnaire that was conducted in order to understand better the perception of the Spausa brand among consumers and to gain

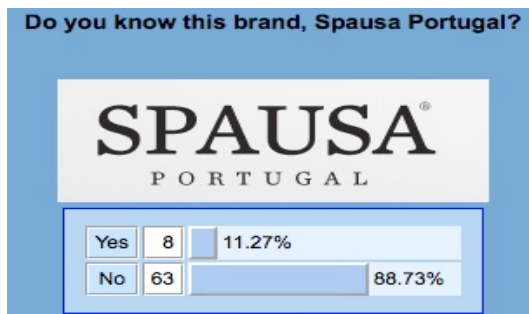
**Figure # 19: Spausa Portugal logo**



primary data for analysis, only one respondent out of 70 had ever used Spausa products and 88% had never heard of the Spausa brand. The communication channel with the greatest percentage was word of mouth, 40%.

The other communication channels included company Facebook page, 20% and magazine advertisements, 20%. Spausa, being a 100% Portuguese brand, they wish to grow popularity and demand among the Portuguese consumers. Being 100% Portuguese is a unique selling point for the company, because with several other competitors in this market they have the ability to attract the “Made in” Portugal advocates. However, among the 155 people questioned in a second questionnaire, regarding the beauty care market in Portugal, 69% of the respondents answered that buying country of origin products was not a deciding factor and it does not affect their buying choices. (See Appendix, page 100) For some promoting the country of origin on products can be a motivator and decision maker for a consumer to buy the product, however for the respondents in this questionnaire it was not an important factor. It is crucial when competing in such a saturated and competitive market such as the beauty care sector that products have a unique selling point in order to differentiate from other brands.

**Figure #20: Questionnaire result of brand awareness for Spausa Portugal**



*Spausa* is an environmentally friendly label and some of the brands products are based on natural and pure ingredients. Many of its products are produced with natural plant extracts, essence of oils and marine elements. All of the brands products are not tested on animals and the plastic packaging that is used to contain the creams and lotions are 100% recyclable.

*Spausa* is a brand that wants to differentiate its self from other brands in the market and it does this by promoting its country of origin and transmitting the core objective of the brand, which is allowing everyone to have a spa experience in the comfort of their home. It is important for *Spausa* that the consumer who uses *Spausa* has a true spa experience. With *Spausa* everyone can have a spa sensation and that is both the objective and meaning of the name. *Spausa* can be broken into two words; Spa and pausa, which in English means break and joining the two words together it becomes Spa break (*Spausa*= spa, pausa). *Spausa*'s core message to consumers is that all women who use *Spausa* products have the luxury of a spa in their own home at a price that they can afford and gain an experience that is the same sensation and relaxing feeling that they would have if they were in an actual spa in some of the best hotels and spas in Portugal.

**Figure #21: Spausa Portugal Questionnaire: Why potential clients will not buy Spausa**



The Spausa products are sold through two channels, online via their website and through direct selling, with Spausa representatives using the product catalogue. Currently, the products are not sold in a physical store, which for a new brand makes it difficult for consumer to become aware of the products. From the one hundred and fifty-five respondents questioned regarding the buying habits and perception of the beauty care market, 88% of the sample said they do not buy products from online channels and 69% of the respondents answered that they do not buy products through catalogues. Out of the seventy respondents regarding the perception of the Spausa brand, 28% said they would not buy Spausa products, because they do not shop online. This is a big disadvantage for Spausa, because from this research it is visible to see that consumers do not tend to buy products online or via catalogues which are the only selling channels Spausa is active in.

Spausa's product line is vast and it has product options available for all aspects of a woman beauty care treatment, such as products for women's face and body. There are four product lines and each one different. The slimming & toning line is based on products produced from chocolate and the revitalizing line is a wine based therapy line. The other two lines are more directed towards the ageing effects and concerns of women. One of the anti-ageing lines consists of products based on gold and trylagen and, the rejuvenating line in the fourth and it consists of Botox-based products. The most popular Spausa products amongst the consumers are; the Eye contour gel, chocolate cream, chocolate exfoliate and the cosmetic Botox face cream. Depending on the product *Spausa's* prices range from 19 euros to 45 euros. In the questionnaire to understand the perception of Spausa, 67% of the respondents said they would not buy Spausa products because the price of the products is too expensive. Many of the respondents said that the most of the products they currently use are either cheaper or the same price, however they do not mind spending that value on the products they currently use, because they are loyal to them and know the products and brand, which is not Spausa's situation.

The figures 28 through 31 show each product line is presented with product names, details and price. Most of Spausa's products are directed towards women aged 30 and older, because the products are focused on reducing anti-ageing signs, wrinkles and facial lines.

**Figure #22: Spausa Portugal’s Anti-ageing line**

Product Name	Product details	Price
Sublime Gold Day Cream	reduces wrinkles and facial lines	37,90€
Gold Sublime cream	reduces wrinkles and facial lines	36,90€
Sublime Gold Facial mask	reduces and energizes	34,90€
Gold Sublime Body	tones and heals full body cream	47,90€

**Figure #23: Spausa Portugal’s Slimming line**

Product Name	Product details	Price
Chocolate cream	reduces cellulite, use on legs and thighs	29,90€
Chocolate and Amazon oils exfoliator	full body anti-oxidant	22,90€
Hypothermic Gel	anti-cellulite a body firmer gel	23,90€
Thermic Gel	reduces cellulite, warm gel	23,90€

**Figure #24: Spausa Portugal’s Revitalizing line**

Product Name	Product details	Price
Wine Therapy cream	full body, tones and firms skin	29,90€
Exfoliator Wine Therapy Gel	anti-ageing for all skin types and full body	22,90€
Amazon Oil	full body toner	21,90€
Wine Therapy Oil	hydrating and toner for full body	24,90€

**Figure #25: Spausa Portugal’s Rejuvenating line**

Product Name	Product details	Price
Cosmetic Botox cream	reduces wrinkles and and restores	37,90€
Eye Conture Cream	firnes and refreshes skin around eyes	27,90€
Retional capsules	anti-ageing wrinkle in capsule form	39,90€

In interviews conducted with the Owner of Spausa Portugal and sales representative I asked them to depict who is “The *Spausa* client” and the answers were; they are women who care about their well being and the treatment of their skin. The sales representative also added that the *Spausa* client is someone who is price sensitive and who wants high quality products. *Spausa*’s target audience is typically a woman between the ages of 30 to 55 and of a middle social class (B grade). She is also either a working woman or a very busy mother who finds it difficult to find time for her self, however values the importance of taking care of her self; body and soul.

Spausa Portugal is aware that they are competing in a fierce market and they are also aware that all brands are their competitors. However, because they are aware of this they also know they have to be constantly innovating and discovering what are the consumer's needs and wants. In order for them to do this successfully and gain market share it is vital they be constantly aware and investigate the current brands and new brands that enter the market and differentiate themselves and most importantly gain consumer loyalty.

Spausa has a strong opportunity to grow among Portuguese women consumers. From the questionnaire directed

towards understand the perception of the Spausa brand, 50% of the respondents had a good reaction to the packaging and Spausa overall image from photos presented. Out of the 70 questioned 67% said that Spausa seems to be

**Figure# 26: Spausa Portugal's Products**



a trustworthy brand and 76% of the respondents would recommend the brand to family and friends if they themselves tried sampled the products and were pleased with the outcomes. Currently, Spausa's communication strategy is limited and due to their short time in the market they have not yet been able to obtain communication-measured results. The communication channels that they do use are actively updating their Facebook page and partnerships with fashion and beauty blogs. They have also released articles in well-known Portuguese magazines such as, LuxWoman, GQ and Visão. As Spausa continues to grow so will their activity and noticeability in communication channels and new media, such as social media sites.

The future plans for Spausa, being that it is a recently new brand they wish to expand the number of their target audience and increase brand awareness and product demand. They have already developed partnerships such as a temporary promotional event with Compal (the Portuguese beverage company), however they plan to develop

more partnerships such as with hotels and Spa's across Portugal. They are also starting with the development of new products and studying the possibility of creating a partnership with a third party that will allow for exportation and open the doors for internationalization.

A second questionnaire that was conducted for primary research was used in order to gain perspective of the beauty care market in Portugal. For this questionnaire 155 people responded. One of the sections in this questionnaire was aimed towards understanding the importance of Spa routine or lack of need of a spa. Out of the 155 respondents 76 people have gone to spas however of these 41 of the people have gone to spas, because it was offered to them as a gift. 44% of the people questioned said they do not go more often because it is too expensive and also because they have a lack of time, 33%. Since, most people do not go to Spas due to lack of money and time Spausa wishes to be the answer for the women who enjoy relaxing and taking care of themselves, however do not have the income to go regularly to Spas.

### **3.1 Changes to Spausa Portugal**

Spausa Portugal in the past months since December has been investing more in enhancing its brand awareness and bringing its products to the Portuguese market. The name its self in the past months has changed from Spausa Kosmética to Spausa Portugal. This change in name has allowed for Spausa to create a niche in the market, it is promoting its heritage. It is becoming ever more important to promote the nationality of the products. Oriflame promotes that it is from Sweden, O Boticário from Brazil and now Spausa from Portugal. Other changes that Spausa has made in the past months include investments and appearances in press releases and public relations activities in order to grow their brand. To date they have been present in magazines such as TimeOut Lisboa, GQ, Happy and Saúde e Beleza.

They have also changed their color pallets from grey and white tones to brown and beige tones, giving their packaging a more natural and classy feel. They have also enhanced their website site and adhered to the new Facebook timeline layout. Spausa's new website layout is much cleaner and has a more modern feel to it. However, it continues to not be easy to access, information is missing and there are no

activities to retain customers on their website or pages. They are also working on making their website mobile phone use friendly. This function will allow users to shop for products using their mobile or tablet device and it will also keep customers on their site for longer periods of time and on the go.

### **3.2 Spausa Portugal's Competitive Market Analysis**

Even though Spausa Portugal is a new brand in the Portuguese beauty care market it does have some strengths that give it a competitive advantage. It is a brand that has a clear vision of what is its concept and what is its value to the consumers. Spausa's core message and niche market is to create and allow for all women to have a spa experience at home. The brand's products are also good quality with a low price. Spausa has good quality products because it has a strong knowledge of the beauty care market due to the fact that it is a sub-brand of Tecnocosmética a developer and distributor of beauty care products in Portugal. Due to this connection with Tecnocosmética it has access to and undergoes product research and development. Spausa's products are 100% Portuguese appealing to consumers that prefer national products and creates a country of origin demand within the market. Some of the products are natural with is an aspect that consumers are searching more for within other competitor brands and its several product lines target women of all ages.

Spausa's products and brand also show weaknesses such as its lack of experience as a brand, because it is new to the market place. It also has a lack of brand awareness creating difficulties to penetrate a saturated market. Selling solely via direct selling implicates greater difficulties in expanding the brand name than if it were to have a physical store in a location frequently visited by potential consumers. It is a company with underdeveloped expertise such as; marketing experience, advertising, public relations and it has a small consumer database and low number of loyal customers. These weaknesses make it difficult to grow in sales and awareness. Spausa has not developed any strong partnerships in other sectors but focused on the same target audiences such as beauty salons or spas and its products are solely aimed towards women.



In this new era of social media there are several opportunities that Spausa should be taking advantage of such as spending little of its budget on marketing activities and brand growth through social media sites like Facebook, twitter and creating forums for the brand such as a company blog. The beauty care sector in the EU27 countries is valued at €63.5 billion. The spending capita in the beauty care sector in Portugal on average is 121 euros per year one of the highest in Europe; ranking Portugal in the top three countries with the highest value of market share in the personal care sector (AC Nielsen). There is an ever-growing ageing population in Europe, creating a demand for specialized products for these consumers. Several companies are moving into international markets and emerging markets are in high demand of products that will better their lifestyles. There is also a rapidly growing necessity for a strong new sector aimed towards men's toiletries and their needs and wants.

Threats for Spausa in the beauty care market are that it is a sector that is very saturated and competitive and consumers are loyal to their beauty care products and brands. Consumers are not likely to test new products when they are happy with the ones they are currently using. With the economic crisis, consumers become more risk averse and are changing their spending habits sue to less per capita and they are less likely to buy products that they do not see as a basic need. White labels or private labels are becoming more in demand because they are affordable alternatives to customers. The beauty care industry's demand-price ratio is not balanced. Prices are invariable and promotion budgets are growing this affects brand and creates greater competition in the market place. There is an ever-growing popularity towards cosmetic surgery and thus the need for anti-ageing products are not needed for the customers that opt for the other more drastic alternative. Consumers are more knowledgeable making them more demanding of companies which requests that companies invest more time and money in a rapid product development and innovation in order to follow the customers needs and requests.

### **3.3 Company Background Conclusion**

Spausa Portugal is a new brand in small market, which is Portugal with several other companies also fighting for market share and consumer loyalty. In order for a brand to succeed it needs to have a niche and differentiate its self from other brands. Spausa

Portugal believes that its niche of creating a Spa experience at home through its products is a valid enough niche for there to be a demand of Spausa products. However, the Spausa name is unknown and consumers will not buy products that they do not know. The packaging, name and products seem trustworthy and appealing to potential clients however without testing, smelling and touching the products the products will not be purchased.

Spausa Portugal during its first year of launch has undergone several changes in order to become more appealing to the market. It is a brand that has several benefits such as being 100% Portuguese, natural based products and affordable. However, it is also a brand that has several flaws such as that it is unknown, few product options and difficult to purchase, because it is only available through two distribution channels online or via catalogue. Spausa needs to promote its positive aspects and improve on its flaws.

Several new companies do not succeed in the first few years, however Spausa is a brand that has potential according to the questionnaires conducted during this dissertation. However, in order for a company to succeed it needs to be aware of the market's demands and what its target audience needs and it must adapt to the requests being made

## **4. Literature Review**

The literature review's main topics explained in this section are branding and marketing communications. Sub-section one, branding looks at how to grow, create and maintain a brand with a particular emphasis on new product launches. The second sub-section is marketing communications which focuses on marketing 3.0 a new theory coined by Philip Kotler, integrated marketing communications which analyzes sales promotion, public relations, advertising and personal selling and lastly how to analyze and ensure that your marketing activities are generating profit and leads for your company. The main focus in this section is the integrated marketing communication models, which build a basis for the development of the communication plan in the following chapter.

### **4.1 Branding**

#### ***4.1 - 1 Importance of a Brand***

The dictionary definition of a brand is a registered brand; identification made with a hot iron; (verb) to brand with a hot iron or designation of a commercial item. (Oxford American Dictionary). A brand is the most important asset of a company. A brand is what gives identity, characteristics and a personality to the company. It is what allows customers to associate themselves to the company and what makes consumers loyal to the company's products. "A brand whether for products or a service needs to be at the center of a company and the reason for why each decision is made." (Clifton and Simmons, p. 2, 2003) For a company to have a strong a brand it must be able to generate values and create a personality in the minds of people, being a set of attributes that are consequently associated to the company due to the message and image of the brand. (Pickton and Broderick, 2005:242) A product's brand defines clearly to the consumer what is the company's promise and mission to the market. A brand can not deceive the consumers of what it has to offer, because if it does the consumer will lose all trust and not return purchasing products from that brand. (Lendrevie, 1992:176)

There are several ways to express a brand to the market; it can be through a name, design, jingle or sound, lettering or slogan. Whichever aspect is chosen to create a brand it is important that it be distinctive from others in the market in order for the consumer to create an automatic association when seen or heard. (Lendrevie, 1992:178) However, the name is the most important, it is what makes it distinctive from other brands and other companies in the market. Some, brands are known by their name and their symbol or logo. For example, Nike has a strong brand both with the name and the “swoosh” symbol. Brands are not currently changing, because the importance for consumers to automatically associate the name or symbol is of the utmost importance. But, as years pass, brand do become more updated and undergo a refresh in order to stay current with the modern ages, such as the Pepsi Cola logo. However, the actual change in name of the brand is very rare to occur and only happens if the current name has gained a bad reputation, impossible to alter or due to a change in owners. (Clifton and Simmons, 2003: 16-17)

A brand should not be seen as a cost to company, it is a very valuable asset, that when well created it is what makes all the sales of the products or services and it becomes what the consumer buys. It is an investment that can be seen as being costly, however it brings profit and strength to the company. A company without a brand has no value to investors, the market and consumers. A company that has a strong brand has a lot of value to investors and consumers and it also differentiates it from its competitors, creating the sensation that the company is better than the others. (Clifton and Simmons, 2003:25) To be differentiated company with a unique brand in a saturated market, such as the beauty care market is extremely necessary in order to stand out among consumers and gain loyalty. When a brand is known in the market it allows for consumers to make buying choices, “If you have a brand you know and trust, it helps you make choices faster, more easily”. (Pickton and Broderick, 2005: 252)

A company’s brand is important, because it creates equity and strength for the company, “the strength, currency and value of the brand, the description and assessment of the appeal of a brand to all the target audiences who interact with it” (Pickton and Broderick, 2005:254) The brand equity is the value of a brand and these is measured in different ways such as the competitive advantage, market share,

knowledge of the brand in the market, the perceived quality, presence, product performance, user satisfaction among several other elements. Overall, it is what the brand represents to the people in the environment where the brand is present. If the brand is popular, the sales and product awareness will grow, which increases revenue and creates worth for the company.

When a company is new to a market it is essentially important that it create a success brand, because it is the brand that defines the company among potential consumers and a bad initial impression can effect the company's life cycle and duration. If branding for a new company is not done properly it can make it difficult for people to understand the company's core message and objective. "A brand is a company's face to the world."<sup>44</sup> If the brand's image and principles do not match that of the company, the services offered or products, the consumers will not trust the company or what it has to offer. The importance of a brand is as strong as the amount of importance that the company places in investing time, dedication, thought and investment in producing a brand that defines the company's mission with one symbol or word to the market.

#### ***4.1 - 2 Developing a Brand for Success***

Several new companies may be aware of the importance of a brand, however they do not know how to develop a successful brand, which transmits their company's mission and personality to the correct target audience. In order to build a brand it needs to be present in the market and public in the consumer's day-to-day routine. If the brand is present in people life's then it needs to promote a company that the target audience feels familiar to in order to draw in these potential clients.

Building a brand requires brand and company awareness. Some ways to create awareness to your brand are to advertise and this does not need to be costly it can be as simple as using Google Adwords or Facebook advertising. Public relations is another aspect that is important for the growth of a brand, such as making sure that the customers do not get disappointed with the products or services, a company must do what it promises. Thirdly, be active and present on the Internet. If a company can

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<sup>44</sup> [http://www.nytimes.com/allbusiness/AB4019474\\_primary.html](http://www.nytimes.com/allbusiness/AB4019474_primary.html)

not be found on Google it does not exist and if it is not present on social media channels it does not have an opinion and without a website customers do not have a place to go to discover more about the company. In order to be present in all of these channels on the Internet is vital that the company have a strong brand in order to transmit the company's personality.<sup>45</sup>

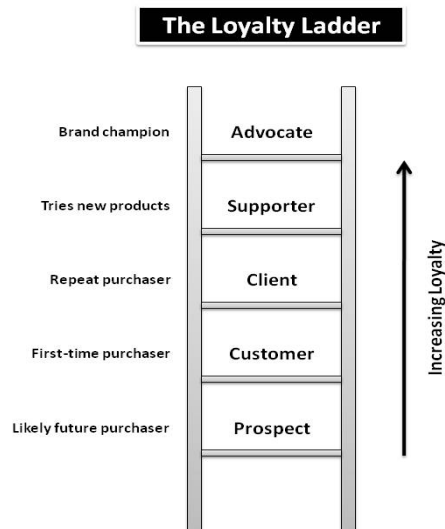
In order to create a successful brand, the brand needs to portray values to the consumers. These values need to stand out from the other values that the competitors in the market have to offer the consumers. For a company to succeed in a saturated market it needs a unique selling proposition and the brand needs to transmit this message to the consumers. It is an "uncommon term, used to describe a key element of a brand's personality". (Pickton and Broderick, 2005:448) A brand also needs to have a convincing idea or a unique selling point. A unique selling proposition (USP) could be that the products are from a specific country and the brand promotes the country of origin. Choosing country of origin as a USP can be very beneficial and work towards the advantage of the company, because brands have the ability to cross borders and bring people together due to a common interest. Country of origin creates a culture among consumers and unites them, because they all buy or use the products or services of the same, common reason. (Clifton and Simmons, 2003:5) "When a brand brings transformation, the consumers will unconsciously accept the brand and let it play a part of its every day life" (Kotler, 2012:69) A brand that has a unique selling point and creates a transformation in the market place is a brand that will not be forgotten and it fills the need of a group of segmented consumers. For a brand to be successful it is also important that the business revolve around the brand and make decisions always keeping the brand culture in mind and present. For a brand to succeed the company must never forget the brand and when making questions the personality of the brand always needs to be protected. The president of the company Ogilvy and Mather, Shelly Lazarus believes that, "When the company starts understanding the brand the company will be in the right direction and all questions will be answered. The company will know which products they should produce and which should go. They will know how to answer the phone. They will know how to

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<sup>45</sup> <http://www.entrepreneur.com/article/35446>

package the products. A series of principles will be established for the whole of the company”. (Clifton and Simmons, 2003:69)

**Figure #27: Brand loyalty ladder<sup>46</sup>**



According to Chuck Brymer, president of the Interbrand Group for a brand to be leader they must have five key attributes. The first one is that a brand needs to be honest and keep a promise that it makes to the consumers. Dishonesty and not holding true to the company’s values and ideas can dramatically harm and destroy a brand. Secondly, a brand cannot be just talk but also action. The products or services that are being sold need to have quality and superior to the other competitors in the market. Customer experience is key. Potential consumers enjoy testing the products and make judgments of the products before they purchase. Creating a positive customer experience will ensure that they return and purchase the products or use the services. For a brand to be a leader it is important to also pay attention and value the opinions and needs of the employees. Employees are also customers and they are the face of the brand and products. Finally the fifth attribute in creating a leading, successful brand is to ensure that the brand maintains always relevant and present in the life’s of the consumers, through attaining brand loyalty. (Clifton and Simmons, 2003:71-73)

<sup>46</sup> <http://www.eightleavesmedia.com/2010/04/the-loyalty-ladder-a-sideways-look/>

One of the elements to measure a brand's success is to measure its future; whether it has one or not. For a brand to survive several years a create it future the company needs to ensure that the brand just like the company and the market change together in order to adapt to the changes, such as technology, legislation, customer buying patterns and needs. Strong loyalty helps ensure a future for a brand. The loyalty ladder is a concept that helps understand at what stage the brand is, in regards to the perception among consumers. According to the loyalty ladder there are four levels of customers. The advocate of the company and of its products, these are who ensure a strong future, for the brand and company. The client, a customer who repeats their buying patters. A customer or also known as a trialist and the prospects. The prospects are who are at the bottom of the loyalty ladder, since they have never purchased any products in the past. (Pickton and Broderick, 2005:261)

## **4.2 Marketing Communications: An Online and Offline strategy**

### ***4.2 - 1 Marketing 3.0***

Marketing throughout the years has been constantly changing and adapting to the environment and to the constant changes in consumers. When the marketing concept was first explored in the 1930s, it was considered Marketing 1.0. This marketing was used, because products were basic and one product served great masses, such as the example of the Henry Ford Model T automobile. During these ages you marked a simple product that was basic and it was the consumers that had to adapt to the product and accept it the way it was; there was no possibility for customization. Later came marketing 2.0. Marketing 2.0 surged during the Internet and mass information era. Marketing 2.0 is what most company's practice. The consumer defines the product, the market is segmented and the consumer is always right.

In Marketing 2.0 products are designed in order to reach and adapt to the needs of a target audience and consumers have the possibility to customize their products and make choices. (Kotler, 2010:17-18) A consumer has various needs when purchasing a product(s) and companies need to adapt and reply to the consumer needs.

1. Utilitarian need – These are needs tat fill an objective that is required, for example a certain pair of jeans are bought, because the consumer knows they will last long. These are needs, which are tangible.



2. Hedonic need – These are subjective needs and needs that filled to better one’s confidence or fantasy, for example beauty care products better one’s self-esteem. (Solomon, p.159, 2009)

When consumers purchase a new product it is important that their needs be filled when using the product or service. If the company is able to fill the needs of the consumers, they will most likely purchase the same products again. Sensory marketing is when companies create product experiences through their products. When a consumer purchases a new product all sensory systems are used, vision, smell, hearing, touch and taste. (Solomon, 2009:82-89)

Recently, Philip Kotler has defined a new Marketing strategy; Marketing 3.0. This strategy originated in Asia in 2005 and focuses on the spirituality, the bettering of humanity and gives importance to values and morals. Marketing 3.0 does not see a person as buyer, but instead tries to look at each consumer as a human being with spiritual beliefs and strong body and minds. The objective of this marketing tendency is to help create a better world that makes consumers want to live in. It helps satisfy consumers socially, environmentally, through emotional marketing and promoting values and a strong vision. Marketing 3.0 during an economic downturn is relevant for consumers, because it brings hope to consumers and the companies are able to differentiate themselves through promoting their values. (Kotler, 2010:18-19)

The following figure shows the three marketing tendencies throughout the years, Marketing 1.0, 2.0 and the most recent one 3.0.

**Figure #28: Marketing tendencies and comparisons between Marketing 1.0, 2.0 and 3.0<sup>47</sup>**

	Marketing 1.0 – Marketing focused on the product	Marketing 2.0 – Marketing oriented towards the consumer	Marketing 3.0 – Marketing moved by values
<b>Objective</b>	Sell products	Satisfy and retain consumers	Transforming the world into a better place
<b>Why it came about</b>	Revolutionize the industry	Information technology	New age media and technology
<b>How is it seen by companies in the market place</b>	Mass market buyers	Consumers are more intelligent and use their minds and hearts when buying	Human beings are complete, act with their mind, heart and spirit
<b>Key marketing concept</b>	Development of the Product	Differentiation	Values
<b>Business direction/ focus</b>	Product specification	Corporate positioning of the product	Mission, vision, and business values
<b>Value proposition</b>	Functionality	Functional and emotional	Functional, emotional and spiritual
<b>Consumer interaction</b>	Transaction – one to many	Relational – one to one	Collaboration – many to many

<sup>47</sup> Philip Kotler, Marketing 3.0, 2010

The origin of Marketing 2.0, originated due to the ever-growing importance of social media and the rapid growth and change in technology. In order for a company to adapt to the consumers and their growing presence online, collaboration is key. That is what Marketing 3.0 promotes, collaboration and the possibility for different groups and people with the same vision and values to connect and come together. Marketing 3.0 originated, because there is a need from consumers to have marketing campaigns and activities to be personalized and more emotional. Globalization has changed the marketing culture and has allowed for a more creative society to exist. Consumers are not as aware of new products through old media channels, such as radio television and outdoors. They are more perceptible towards online, Internet channels such as what is being said about the product on blogs or company websites or profile pages. (Kotler, 2010: 19&35) Over 90% of consumers questioned during a survey conducted by the AC Nielsen Company said that they trust product recommendations given by people they know. And, 70% of these people surveyed said they trust product recommendations that they see and read online, whereas the trust in product advertisements completed by company's is demining. Consumers trust more in people that they do not know rather than business that are selling the product. (Kotler, 2010:42) This change in consumer's actions is one of the reasons that brought about Marketing 3.0 and collaborative marketing. Marketing 3.0 promotes other methods of reaching consumers and company's that practice Marketing 3.0, do so because they believe that marketing is not a sales tool, but instead a tool to reach the consumers and be at proximity with the market. Peter Drucker believes that a good company and brand is not based on the success of their selling techniques but instead believes that, "a good business needs to start with a good mission". (Kotler, 2010:65)

The objective of Marketing 3.0 for a company is to bring together and attract consumers that share a common interest and support the attributes and vision of the company and their products through dialogue. Marketing 3.0 gives the opportunity for company's to interact and collaborate with their consumers through values and messages with a vision that differentiates companies from their competitors in the market by gaining trust and loyalty from consumers.

### 4.2 - 3 Integrated Marketing Communications Model

Philip Kotler describes Integrated Marketing Communications as, “a way of looking at the whole marketing process from the viewpoint of the customer”. (Philip Kotler in Pickton and Broderick, 2005:3) It is a process that allows for a company to deliver and transmit a constant and cohesive message through all needed channels in order to reach the consumers, so that they receive a compelling message about the company’s mission, values and products or services. (Philip Kotler in Pickton and Broderick, 2005:3)

There are three models that support integrated marketing communications (IMC). These three models are the Integrated Marketing Communication Model, the IMC RABOSTIC Planning Model and the IMC Model. In the chapter of the communication plan for Spausa Portugal parts of all three models mentioned above will be incorporated, thus making it important to analyze and describe the key aspects of each model in this chapter. The IMC Process Model analyzes all aspects of marketing communication within a business. It starts with defining who is the sender and source of the communication, defining the message, targets the receiver and target audience. Also defines what are the media channels, the marketing communication context. And, finally analyzes all the aspects post consumer purchase such as the receiver response, brand equity, image and brand management and lastly the customer relationship management. (Pickton and Broderick, 2005:13)

Below is a table showing in detail what are the concepts that make up the IMC Process Model.

**Figure #29: Integrated Marketing communication Process Model<sup>48</sup>**

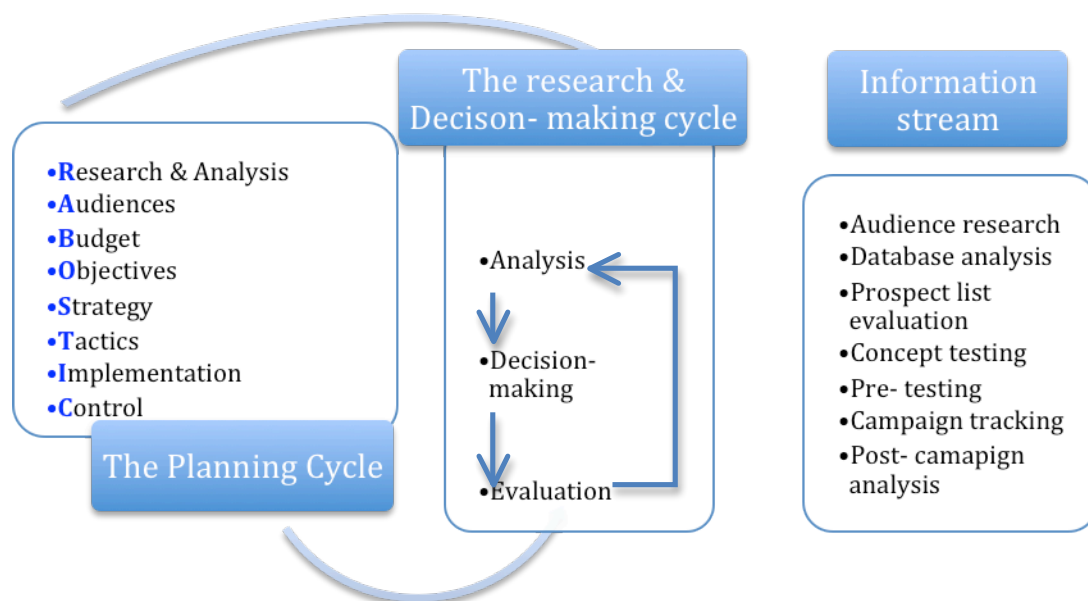
Key elements of IMC Process Model	Description
<b>Sender</b>	What /who is the source of the communication
<b>Message</b> <b>The communication loop</b>	Content of the communication Defines the possible errors between the communication processes from sender to receiver.
<b>Receiver</b>	Who is the target and receives the message
<b>Media</b> <b>The marketing communication context</b>	Carrier of the marketing communications The environment where the communication takes place
<b>Receiver response</b>	The attitudes, associations and behaviors from the receiver of the message(s)
<b>Brand equity</b> <b>Image and brand management</b>	The value of the company’s name The strategic and tactical tasks involved in the management of a positive and successful brand
<b>Customer / Audience relationship management</b>	The tasks involved in maintain a positive and personal communication between the business and its audiences.

<sup>48</sup> Pickton and Broderick, 2005

The IMC RABOSTIC Planning Model focuses on the management aspect of marketing communications. This model shows the planning cycle involved in marketing campaigns and communication activities. In this model it is very important that the business be receiving constant feedback from its consumers in order to understand if the activities that are being conducted are successful or if changes need to be made. The planning cycle involved in this model help create a communication plan that is adapted and adequate for the target audience in order to achieve the utmost success. (Vesna, 2006:443-444)

The chart below shows the RABOSTIC Planning model and the steps that occur during the planning cycle for marketing communications.

**Figure #30: RABOSTIC Planning Model<sup>49</sup>**



The third marketing model is the Integrated Marketing Mix Model. This marketing model includes all of the communication aspects part of the marketing mix, such as, public relations, advertising, sales promotion and personal selling. Each one of these categories consists of several activities. Public relations includes activities such as, the corporate identity, publicity, sponsorship and lobbying. Personal selling consists of direct sales, counter sales, customer services and telemarketing. Advertising involves

<sup>49</sup> Pickton and Broderick, 2005

activities such as, product and corporate advertising as well as direct response advertising and Internet activities such as using social media. Finally, sales promotion includes packaging, point of sale, merchandising and promotions. (Pickton and Broderick, 2005:17)

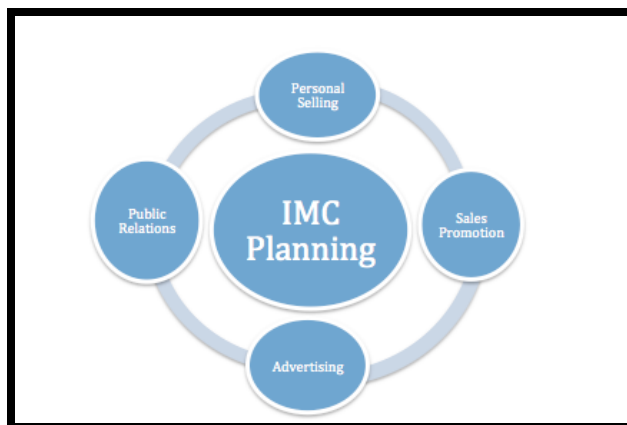
1. *Public Relations* – There are several reasons why a company requires public relations; most importantly, because it helps protect the company's brand and products. This is a communication channel that grows with word of mouth and buzz marketing. For buzz marketing to be successful it must not be generated from the company, but instead from satisfied customers that pass on the positive message of the use of the company's products. Other activities involved in public relations include, events, fund-raising, press releases and newsletters. (Keller, 2003:321-322)
2. *Personal Selling* – This is a face-to face activity between the company (sales representative) and the consumer. Personal selling includes activities such as how and where the products are sold, whether it be online, in store or direct selling. This is a key activity in order to create a relationship with the consumer, because the buying process can be tailored and accompanied by the sales representative alongside the consumer. (Keller, 2003:324)
3. *Advertising* – This is a paid form of delivering communication messages to the public, providing a message of reasons to purchase the products. Most of the time it is associated as being a costly channel and controversial, because it is difficult to predict and quantify and for this reason several smaller and new businesses chose not to invest heavily in this channel. Some advertising mediums include magazine ad placements that can reach several readers and can be easily segmented. Newspapers are a lower costing medium, however little attention by readers is given. Outdoors and television allow for mass coverage and a high reach, however are very costly. Radio is a good medium for local coverage at a low cost. (Keller, 2003:290)
4. *Sales Promotion* – This is a short-term medium in order to promote the test and buy of a company's products. Through sales promotion a company can encourage consumers to change their buying behaviors. For a brand that is virtually unknown in the market sales promotion is an important strategy to implement, because it helps increase the brand awareness. Some mediums are distribution of samples,

conducting product demonstrations and price promotions or product temporary sales. (Keller, 2003:309-312)

The concepts within the IMC Mix Model overlap each other. For example activities that are part of personal selling such as merchandising are also found in the sales promotion category. This model shows a flow between the categories and the activities that are shared within the IMC Mix Model. The categories Advertising, public relations and personal selling are activities that are communicated one to many. Sales promotion is one to one communications, however personal selling also overlaps and activities in personal selling can also be transmitted to the receiver through one to one communication.

The cycle chart below shows how what is each category and how in the IMC Mix Model each category overlaps the other.

**Figure #31: Integrated Marketing Communications Mix Model<sup>50</sup>**



The key benefits for a business to use these models when developing a communication plan or marketing activity are that these models allow for the business to create a consistent message, define which are the best media channels, allow for better marketing accuracy, save costs, present marketing recommendations and create better and more efficient working relations between the business and the consumer. (Pickton and Broderick, 2005:27) All of these marketing communication models join together the marketing communication activities for a business to consider when

<sup>50</sup> Pickton and Broderick, 2005

developing a delivering a message. IMC simplifies the ability to create a common communication message throughout the target audience in order to create a strong brand image.

#### **4.2 - 4 Measuring ROI of Marketing Activities**

Before detailing how to measure marketing activities online, this section will firstly focus on which are the social media channels that will be analyzed. It is important to know which are the key benefits of each social media for the company, because each social media has a different goal and mission that it presents to the user.

- *Facebook* – It was launched in 2004, and was initially only meant for college students to use, however over the past years it has become highly popular and all communities and age groups can create an account. It is a social networking site that allows for people to connect with one another around the world. Information can be shared through Facebook in all forms such as posts, videos and pictures. There are both personal profiles and company profiles. The company profiles are used in order to create a stronger relationship between the company and consumer. (Vaughan, 2011:5)
- *LinkedIn* – This social networking site is directed towards the business world and not used for personal use as other social networking sites are. This site allows for people to recommend one another, look for jobs and network. For businesses, LinkedIn is important, because it is a professional forum where groups can be created and connections can develop debates and give their opinions on articles and status posted by the company.<sup>51</sup>
- *Twitter* – It is a form a blogging, or in other terms micro-blogging. Each comment, or tweet can only have 140 characters and because of this it has become a very popular tool to use with mobile devices, such as smart phones or tablets. This social media tool is key for companies who wish to build relationships with user, because people tweet about what is occurring in their lives and their opinions. Companies also enjoy using twitter because it can be used to give live updates on events or conferences allowing for followers to participate and always be aware of what the company is doing.<sup>52</sup>

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<sup>51</sup> <http://homebusiness.about.com/od/socialnetworking/tp/Linkedin-Guide.htm>

<sup>52</sup> <http://learning.hubspot.com/blog/bid/121543/How-to-use-Twitter-for-business>

- *Blogs* – For some companies in order to save on costs they develop a blog and use it as a website. A blog is like a website however it is regularly updated with posts regarding company news, updates and information about the products. It is important that marketers be aware to the blogging world, because it is on blogs that people comment about products and gives their opinions about other companies. Monitoring what is being said on blogs is a great way for a company to understand how it's company and products are perceived among consumers. (Scott, 2011:59)
- *YouTube* – This is social media site that all business should be using and monitoring, “YouTube gets 30 million views a month. That’s a really big market to tap into and there are no placement costs. It’s low cost and high potential”. Companies use YouTube to promote their products, create advertisements or upload customer testimonials. It is a free site and it is much more cost effective than a television advertisement, if it used properly. YouTube works due to word of mouth, it is important for companies to upload videos that call attention to views in order to increase subscriptions to the company’s YouTube channel.<sup>53</sup>
- *Pinterest* - This is a new social media channel, which was launched in January of 2011, it allows for users to visually share, add and find new interests, photos or videos through “pinning” from people’s pin boards onto their own pin board. These photos can be uploaded by the user or pinned from websites or blogs, always maintain the original *url*, which takes the pinner back to the original source of the photo if clicked. (Georgieva, 2012:8)

The goal for each marketer after conducting a campaign or activity is to measure how many new customers he or she was able to generate through a campaign. One of the ways return on income is measured for marketing activities is to measure the amount of customer the company gained, lost or retained. There are several channels that must be analyzed such as blogs, social media channels, emails and landing pages when verifying how efficient a marketing campaign was. (Eridon, 2012:60) It is vital to track all of these channels in order to reach and gain important information on whether the campaigns that are being conducted are successful or should be cancelled and not repeated.

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<sup>53</sup> <http://technology.inc.com/2008/08/01/marketing-your-business-on-youtube/>



This section will focus on the importance of landing pages, blogs and social for marketing campaigns and how to measure and track consumer usage and perception of such campaigns. For each of these channels in order to analyze whether the activities are successful the company needs to retrieve analytics from these sources. Analytics are software programs that generate metrics to be analyzed and measured. By using the measurements a company can then create benchmarks that help reach the desired results. (Ledford, 2010:10)

A landing page is also known as a website page which allows for the company to visualize who is the visitor of the page and his or her information which is transformed into a lead form. Landing pages need to be specifically targeted for the correct audience in order to be successful, because through a landing page the company retrieves leads (prospect clients) that are then transformed into actual clients.<sup>54</sup> A landing page is used when running a campaign and the company wishes to measure the specific activity for that campaign. Instead, of streaming the customer traffic to the company website or homepage the customer is directed to the landing page. From the landing page the company is able to measure who and how many people were actually targeted through the campaign. A landing page allows for a company to see the percentage of visitors and visits, which of these visitors turned into leads and finally who of these became customers. From the analytics attained for the landing page the company is also able to define call to actions and next steps to improve company – client relationship. (Eridon, 2012:9)

Blogs are becoming a powerful communication channel for individuals and for companies as well. It is becoming more apparent that consumers do not trust as much advertisements and publicity shown on company websites, consumers are skeptical to these communication channels. However, using a blog to create a personality and transmit the company's opinions is becoming a mainstream communication vehicle. If a company has a blog it is important to track the blog activity and if the blog is getting views and who are the people that are viewing and subscribing to the blog. For consumers a blog serves as a great search engine and thus it is important that a

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<sup>54</sup> <http://blog.hubspot.com/blog/tabid/6307/bid/7177/What-Is-a-Landing-Page-and-Why-Should-You-Care.aspx>

company takes advantage of this and indexes their posts so it is easier for potential consumers to find and contact the company if needed. (Scott, 2011:327-329) There is so much competition among blogs that consumers have immense amount of information to search through and so for a company to differentiate the blog needs to be specific, interesting and relevant for the target audience. “About 100,000 new blogs are created every day, which means that, on average, a new blog is created every second of every day.” (Technorati in Scott, 2011:239)

It is important when analyzing a blog’s traffic to understand and discover where the traffic to the blog is coming from. Such as Facebook, Google, Twitter among other search engines and social media. This is important, because to know where the traffic comes from allows for the company to focus on those channels to continue to grow and deliver traffic. (Eridon, 2012:32) For a blog to be successful the company needs to ensure that through the blog they are posting about relevant information and topics, create call to actions and make compelling offerings to the blog visitors. A blog can be a strong channel for a company to explore in order to gain more consumers and brand awareness, however if poorly managed it can also create negative publicity.

Social media includes several websites such as Facebook, LinkedIn, Twitter, YouTube, Pinterest and several others, however these are the most known and popular among companies. “Social media provide the way people share ideas, content, thoughts, and relationships online. Social media differ from so-called mainstream media in that anyone can create, comment on, and add to social media.” (Scott, 2011:38) For a company to have company profiles, boards and pages on all of these social media sites it allows for the company to collect massive amounts of information, social media channels are seen as large focus groups where the company can understand the consumers needs, preferences and personalities and then target their products to them.

If a company is present in social media it needs to analyze and measure the information that is being generated from being associated to these channels such as the engagement and interaction from consumers, the traffic and from where is it coming from and lastly the percentage of visitors to the pages that turn into leads and which ones turn into new customers. It is not just important that consumers engage with the company online, but it is also crucial that the company engages with the

consumers and also with other companies with similar values, however not direct competitors. By doing this the company is creating free awareness and advertising on other pages and reaching out to a greater number of potential clients bring the traffic back to the initial page to retain the clients. (Eridon, 2012:39) Social media campaigns do not need to solely run on one social media channel at a time, they can run across several channels allowing the company to reach several different target audiences, because not always is the same consumer on LinkedIn also following the company on Facebook.

Social media and online marketing activities are ever-growing channels for companies to get their messages across. However, if a company is present and active in these channels but not measuring the impacts and results that that these channels are giving the company might as well not be using such communication strategies. It is important to measure and focus on the results behind the social media channels, because through understanding the results decisions can be made on whether to keep the campaigns, drop or change.

#### **4.4 Literature Review Conclusion**

The main results of this literature review were the readings on the integrated marketing communication models. The IMC model is what defines and structures the communication plan for the success of the Spausa Portugal Brand. Marketing and communication for any company is key. Without a marketing and communication strategy and brand becomes unknown in the market place. It is the communication strategy that defines and promotes the brand to public. The activities that are involved in each category of the IMC model are what are conjured in order reach the target audience and gain brand awareness and a relationship between the company and the consumer.

Philip Kotler's concept of Marketing 3.0 is key for this dissertation and thus was analyzed in the literature review, because it focuses on the transmission and promotion of a company's values, objective and mission. Because, Spausa Portugal is a new company, not focused on mass marketing it needs to reach the consumers in a different and more appealing way in order to differentiate it from other players in the

beauty care market. It needs to promote its values and focus on the needs and bettering of consumer lifestyles through the promotion of its products and values, as Marketing 3.0 promotes.

## **5. Presentation of Communication Plan for Spausa Portugal**

The objective of this chapter is to present Spausa Portugal with a push and pull promotional communication strategy. Push strategies presented in this plan include, trade shows, direct selling and point of sales display. Pull strategies given in the plan are, word of mouth, customer relationship management and product promotions. The activities detailed in this plan are activities that will create a consumer demand for the products and the Spausa brand. It is divided into four sub-sections; sales promotion, public relations, advertising and personal selling. For each of these sub-sections, activities will be presented for Spausa Portugal to implement if it so wishes in order to increase its brand awareness. Also, in this chapter a calendar of activities and a budget plan are given for each activity presented in the plan.

The Spausa Marketing communication plan is divided into four sections, each section is taken from the integrated marketing communications model. For each of these categories: sales promotion, public relations, advertising and personal selling, this section will outline all the activities that are incorporated in each category and which are the communication and media vehicles that will be used to deliver these activities to the target audience. For this communication plan, the media and communication channels will be focused on online activities, such as promoting the brand through social media channels, such as Facebook. Spausa Portugal, being a new brand with a low budget allocated towards increasing its awareness and developing a communication plan wishes to focus on activities that are cost effective and that do not require a high expenditure.

### **5.1. Sales Promotion**

Sales promotion in a saturated market such as the beauty care sector can be a very important way to make a company differentiate its self from other competitors in the market. When a market is saturated and also going through an economic crisis like Portugal is consumers tend to become more aware of promotions and of the companies that are practicing special offers.

For a brand that is unknown it is important that the company promote its brand among potential consumers and create a pull for potential clients to test and or purchase the products, through promotional techniques.

1. *Free samples in magazines* - In the Spausa questionnaire that was used in order to determine the perception of the brand among consumers, some respondents mentioned that they would want to sample the products before purchasing, “If I got free samples and I liked what I tried”. Being, that almost all of the respondents had never heard of the Spausa brand, either through experience or friends and family they said that they would not buy a product for the price that it is without having ever tried it. In order to answer to the request of the respondents during the questionnaire, Spausa should offer free samples in magazines in order to reach its target audience and allow for consumers to try a sample of the products. Magazines such as Happy Woman and Lux Woman usually offer free samples of beauty care products, which are usually competitors of Spausa Portugal. Spausa should use this media channel as a form of advertising where it offers a sample of its product within the article of the magazine. For each sample placement there needs to be a call to action, such as the information of where the product can be purchased.
2. *Gift with purchase* – When a client purchases a product it is a great opportunity to offer another product for the customer to test and next time instead of buying just one product if the customer enjoyed the gift he or she will also buy the other one that was offered as well. This technique allows for consumers to test and try new products, opens their possibility to buy more products and also develops a positive reaction of the brand among the client and to the other potential consumers that the clients will speak to about Spausa Portugal, creating positive word of mouth. This action also helps retain the customer, because they gain a wider visibility of the product catalogue and what Spausa has to offer to its consumers.
3. *Limited time campaigns through Social Media channels* – Using social media to promote a product is a cost effective way to reach a larger number of consumers and to save money. Clients are online and before they visit a company website they visit the company’s Facebook page or Twitter account. For potential clients

to receive a company's and product updates through social media channels it is imperative that the person follow the company online or have "liked" their page.

- Facebook – Spausa already has a Facebook account,<sup>55</sup> with over 2,800 likes. However, It is important that through Spausa's social media channels, such as Facebook it continue to build a fan base and this can be done by inviting friends of friends and also developing Facebook campaigns that draw new people to their page and to liking the page. With the new Facebook Timeline, companies can now create a greater engagement with their consumers and develop more interesting campaigns, through the new app tab section, below the cover photo. The new app section allows for companies to create personal pages, such as Events, an online shop or questionnaire form app, where visitors can click on, fill out or browse through. Currently, Spausa is not exploring the app tab area to it's fullest, as shown below.

*Figure #32: Spausa Portugal's Facebook page – app tab section<sup>56</sup>*



One, of the campaigns that Spausa can create for it's Facebook page in order to increase its likes is request that customers create a mock TV advertisement promoting the benefits and products of Spausa Portugal. In order for someone to be eligible for this campaign they need to have liked the Spausa Facebook page and the winner of the best video wins a number of Spausa products. By doing this consumers promote the products for Spausa and it also creates videos that Spausa can use to create a Company Youtube channel and free advertisement.

- Pinterest – Being a new social network site, several companies still do not use this channel and Spausa Portugal is one of the companies that do not. However, several of its competitors do, such as Dove and L'Oreal. The goal of Pinterest is to

<sup>55</sup> <http://www.facebook.com/spausa.pt>

<sup>56</sup> <http://www.facebook.com/spausa.pt>

gain brand recognition and drive traffic to the company website, blog or other social networking site. Since, Pinterest is a visual social networking site it is important that the boards created on Pinterest draw interest and a personality for the brand. Visual content creates emotion and allows for customers to feel connected and associate themselves with the brand. Spausa can use Pinterest to host a contest, by asking pinners to create a pin board with Spausa’s products, where they will write descriptions below the images of how the products make them feel. Other boards to create for these contests are photos or videos of where would the contestant use Spausa products and images that show how the products make them feel. This contest allows for the pinner to demonstrate what they love most about the brand and the products. This contest can be promoted through Spausa’s Facebook page, Twitter and website.

## **5.2 Public Relations**

Public Relations consist of activities that promote the corporate identity and brand. It is a form of awareness that companies use in order for consumers to become aware of their products, mission and objectives through a positive form.

1. *Press Releases*<sup>57</sup> – This is an activity that Spausa Portugal has already been very active in. It has been present in magazines such as TimeOut Lisboa, Lux Woman, Saber Viver and Happy. Some examples of these press releases are shown in image #14. It is important that Spausa continue to deliver press releases and be present in Portuguese magazines, because the more it is present the more awareness it will create to the brand.

***Figure #33: Spausa Portugal press releases in Portuguese magazines***



However, Spausa does not have blogs promoting the products. Blogs are key among consumers, because it is a channel

<sup>57</sup> The imge#14 is a collage of several Spausa Portugal press releases in magazines such as TimeOut and Lux, among others.



where potential clients go to discover feedback and opinions of products. Below is a table showing the top ten blogs in Portugal, with the most daily visits. The three blogs highlighted in red are the ones that Spausa should contact for them to promote the Spausa products. These three blogs are each written by women between the ages of 30 – 40, who write about fashion, style, beauty and promote other products. In order for blogs to promote Spausa Portugal products, Spausa should offer two to three products for the authors of the blogs to test and comment the results and their perceptions on the blog for their followers to read and also better understand the products benefits. Blogs should be used a testimonial for companies, because they have a closer relationship with readers and they can easily gain their followers trust.

**Figure #34: Top 10 blogs with the average daily visits in Portugal**<sup>58</sup>

pos.	nome	total visitas	média visitas	total páginas	média páginas
1	<a href="#">obvious (stats)</a>	61299404	30820	113492218	54337
2	<a href="#">Visão de Mercado (stats)</a>	15529358	30085	19975622	36709
3	<a href="#">A pipoca mais doce (stats)</a>	19145647	26509	22332665	30177
4	<a href="#">TV Portugal - Televisão ONLINE (stats)</a>	15153239	15870	17546321	18121
5	<a href="#">Portugal Séries (stats)</a>	37377076	14757	78698189	34193
6	<a href="#">Cocó na Fralda (stats)</a>	7453116	12793	9281502	15227
7	<a href="#">Pirata Mania (stats)</a>	8044976	12098	21836650	34209
8	<a href="#">Super Sporting (stats)</a>	2690527	12005	5407943	22656
9	<a href="#">As Minhas Receitas (stats)</a>	8172231	12002	14733051	20286
10	<a href="#">mini-saia (no sapo) (stats)</a>	7767472	11583	13910012	19903

2. *Product / Spausa Brand Event* – Recently, Spausa changed it’s brand’s appearance from the packaging to the logo to the color scheme. This new change is a good opportunity for Spausa Portugal to hold an event in order to promote its products and it’s new image. Spausa should invite its current customers and potential customers, making it an event for its fans on Facebook. By, creating this event it also shows appreciation for the customers and it builds customer – company relationships. The current and potential clients will be able to see and test the products as well as meet the people behind the Spausa Portugal brand. Seasonal events could also be hosted for the most devoted customers and Spausa employees in order to help create a company – customer relationship. Christmas

<sup>58</sup> <http://weblog.com.pt/portal/blogometro/>

party events are practiced by several companies and could be something that Spausa Portugal could also adapt.

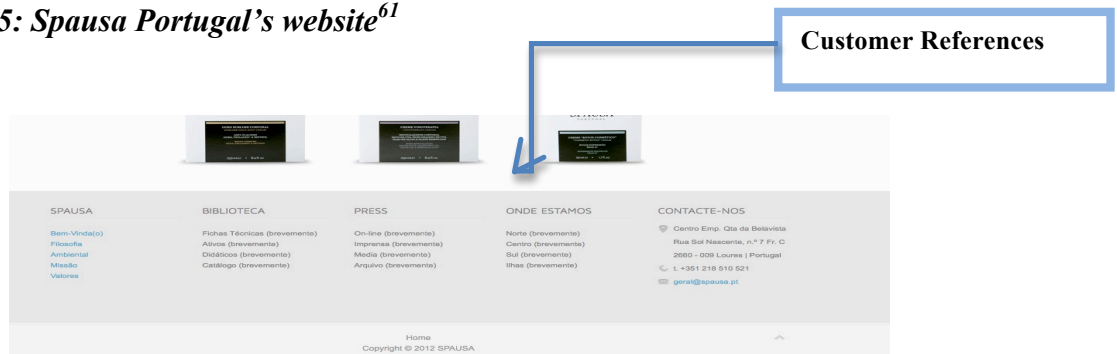
3. *Volunteer work / Social Responsibility*– Being that Spausa is a brand that also promotes the well-being of the environment it should be active in local activities. This creates positive awareness of the Spausa brand and also calls the attention of environmentally friendly consumers. Since, Spausa is a brand that has products directed towards women it should also be a part of associations that better and improve the life of women in need. Several of Spausa’s competitors are involved in activities that better the environment and social causes.
  - Projeto Limpar Portugal – This is an organization part of AMO Portugal (Associação Mãos à Obra) that has the objective of promoting and educating people on the importance of being environmentally friendly. They hold annual events where volunteers help clean areas of Lisbon, beaches and other locations in Portugal.<sup>59</sup>
  - Ajuda de Mãe – this is an association that helps pregnant women who do not have the economic possibility to care for child. The institution Ajuda de Mãe educated women on how to take care of their newly born, promotes school education and gives them family support.<sup>60</sup>
4. *Customer testimonials* – These are either videos or posts that customers write giving positive feedback and explaining the experience that they have had with the products. Spausa could also chose two to three loyal Spausa customers and create customer references, where after a few months the clients participate in a video or article detailing how the use of Spausa products has bettered their skin. These customer testimonials and success stories should be places on Spausa’s website, on the homepage where they have the section, “biblioteca”, “press” and “onde estamos”, as shown in the figure below, as an example.

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<sup>59</sup> [http://www.voluntariado.pt/tpl\\_intro\\_destaque.asp?1416](http://www.voluntariado.pt/tpl_intro_destaque.asp?1416)

<sup>60</sup> <http://www.ajudademae.pt/quemsomos/missao>

Figure #35: Spausa Portugal's website<sup>61</sup>



### 5.3. Advertising

Spausa Portugal does not wish to invest largely in advertising, especially because it is a new brand that has been launched into the market with low budget to spend. This section will focus on a below the line communication mix and namely alternative advertising methods such as using social networking site, rather than more expensive communication channels such as outdoors and television advertisements.

1. *Social Networking* – Spausa already has a Facebook page, however it does not have any other form of social networking channel. It should create a Twitter and Pinterest account and a blog. LinkedIn is a professional social networking site and for this channel it would be best for the owner of Spausa to create a group in his name where on a weekly basis articles and discussions could be launched in order to spark interest on beauty care topics. Twitter should be used on a daily basis and at times even more than once. It can be used to announce behind-the-scenes occurrences in the Spausa offices and keep clients constantly updated on news and personal opinions. Pinterest, is a social networking based on visuals, here photos of new products, events, customers and the Spausa office should be uploaded in order to create a personality for the Spausa brand. Blogs are important for a company to have, even more important than a website, because it blog is perceived as a personal outlet where the company connected

<sup>61</sup> <http://spausa.pt/>

closer to the consumers and it allows for consumers to interact with the company, by replying to the posts and also giving their opinions on the topics.

Using social networking is a quick and cost effective way to promote, advertise and create awareness of a product. If a company is not found online it does not exist, the consumers are online and the company needs to be where the consumers are.

2. *Word of Mouth* – This is key, positive word of mouth can go a long way for a start-up business. In order to give customers a topic to talk about the products need to be good and Spausa needs to create content of interest on all communication channels, magazine press releases, social networking sites and YouTube videos.
3. *Webinars and online beauty consultations* – Creating videos allows for Spausa to create a company YouTube channel where consumers can go and watch videos of how to take care of their skin and discover new beauty regimes with using Spausa products. The new Facebook Timeline also has a new apps tab sections, which allows the creator of page to upload homemade videos, creating a form of YouTube on Facebook. Spausa should also create a section on its website where consumers can go and watch these “quick-tips” videos and webinars. It is important that Spausa take advantage of these new techniques and tools in order to increase its visibility, returns to its page and develop interest among consumers. By creating informational webinars Spausa will not only be known for its products but it will also be consulted when women have questions and doubts regarding beauty.
4. *Flyers* – Every two months it is important to remind people of the Spausa Brand and distributing flyers are a way for people to start becoming aware and noticing the name Spausa Portugal. All flyers need to have a call to action, where it directs people to visit the Spausa Portugal website to shop online or to visit Spausa’s Facebook page. A promotional campaign or temporary discount or coupon for Spausa Portugal can be placed on the flyer in order to increase the level of interest

in the flyer and brand. A trust worthy and cost effective partner is Print24. Prices per delivery of 1,000 units can be found in the budget plan in section 5.5.<sup>62</sup>

#### **5.4. Personal Selling**

1. *Direct mailing (e-mail)* – Spausa should create a Newsletter that is launched to its client database every one time every two months. This newsletter is to be sent through the mail with the product catalogue, via e-mail and uploaded on the website for download. Having the newsletter on available on the website make it possible for clients not on the database to also receive the information. The newsletter's content should consist of Spausa news and other relevant news that is not directly regarding Spausa, but still about beauty care topics. Creating a newsletter that is released always at the same time creates a routine with the company and the consumer and it also helps create loyal customers, because they know that every two months they will receive an update of Spausa Portugal. It is also important to inform the client base about new product offerings and changes to the product catalogue, this information should also be sent out through e-mail and post
2. *Trade shows* - Spausa Portugal needs to be active in trade shows, because since they do not have a physical store location, being present at a fair or expo dedicated to beauty care allows for potential consumers to test and get-to-know the Spausa brand. It is also a way to find potential partners, such as hotels or beauty care salons that could sell the Spausa Portugal products. Spausa Portugal should focus on fairs in the Lisbon area, because later it will be suggested to open a physical store in Lisbon and creating partnerships in the area where they should open a physical store will help them succeed. However, since Spausa Portugal products are sold online and through a catalogue they have no boundaries for location of sale, thus they should also be present in some fair in the north, Porto in order to create a wider online shopper basis.

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<sup>62</sup> <http://print24.com/pt/>

- Fórum Estética Viva - This forum takes place once a year at the FIL in Expo, Lisbon and is open to consumers and has several known beauty care brands present. The date for this forum is still no confirmed. <sup>63</sup>
  - Exposição Internacional De Saúde, Beleza E Bem-Estar – This is also an annual event, which takes place at the FIL, however currently the date of the forum is still not confirmed. This is one of the biggest fairs in Portugal and it takes place also in the North, Porto. The fair is open to the public and also for professionals. <sup>64</sup>
  - Feira Internacional do Artesenato (FIA) – This is an international fair that occurs every year in the month of June for a period of one to two weeks. It is one of largest fairs in Portugal and it consists of Portuguese artisan and international products. It is a fair directed towards the public and not for professional visitors, thus it would allow for Spausa to create more end users. <sup>65</sup>
3. *Physical store location* – During the Spausa questionnaire respondents mentioned that they do not know the brand and thus they would not buy the products. Most respondents questioned also do not buy beauty care products online; out of the 155 questioned 122 or 88% of respondents do not shop online. In order for Spausa to over come these barriers it should open a physical store. By opening a physical store people would be able to try the products and physical test, smell and see the products before purchasing. All of these senses are very important when deciding which products to buy. When buying products online or through a catalogue the customer is not able to use all their senses before purchasing.
- Location – Lisbon, preferably in a shopping mall, Dolce Vita Tejo or Oeiras Parque. Dolce Vita Tejo is the largest shopping mall in Portugal and in Europe and during its first days half a million shoppers visited the mall. It is located in the district of Amadora, which is outside of the center of Lisbon. Its location makes it easy for shoppers who are located in Lisbon and cities outside of Lisbon such as Loures, Alverca and Belas to reach. The shopping center has 300 stores and seven of these are beauty care or cosmetics stores, several are privately owned names, however there are known stores represented as well such as Sephora and O Boticário. The shopping center Oeiras Parque is also another possible location

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<sup>63</sup> <http://www.destinosludosos.com>

<sup>64</sup> [www.destinia.com](http://www.destinia.com)

<sup>65</sup> [http://www.artesanato.fil.pt/?lang=pt&page=expor/porque\\_expor.jsp](http://www.artesanato.fil.pt/?lang=pt&page=expor/porque_expor.jsp)

option to open a physical store. It is a shopping center located in the district of Oeiras, outside of the Lisbon area and near the Cascais district, which is one of the areas in Portugal with the highest class of socio-economic habitants. In the questionnaire most respondents answered that the average price of 30euros for Spausa Portugal products is too expensive, 67%, thus if they were located in an area of Portugal with a higher purchasing power their products will not be perceived as costly. Oeiras Parque in 2009 had nine million visitors and the population of the district of Oeiras is 1750,000 people. The shopping center has 163 stores and 7 of these stores are beauty care and cosmetic stores, some known names consist of O Boticário, Lush and Perfumes e Companhia. <sup>66</sup>

- Kiosk<sup>67</sup> – Initially, Spausa Portugal should rent a temporary Kiosk in one of the shopping centers, in order to get a perception of if its products are well accepted among the consumers and if the shopping center it is in is the best option. The kiosk should be similar to one in the picture on the right- hand side. The Kiosk should allow for consumers to test all of the products and use their senses to trail the products. The sales

**Figure# 36: Mock Spausa Portugal temporary Kiosk**



people in the stall need to be informed of the benefits of all of the products, in order to successfully promote and transmit the products core benefits and brand values. There should also be a station that allows for the employees of the kiosk to test the products on the consumers and make them feel pampered and develop a spa experience in the kiosk, allowing Spausa to transmit to its clients the ease and comfort of using Spausa Portugal products to create a spa experience. The rent for the Kiosk per month is between 2,000 to 3,000 euros. <sup>68</sup>

<sup>66</sup> <http://www.oeirasparque.com/acontece/noticias/noticia.aspx?id=3267>

<sup>67</sup> Image# 15 is a mock Kiosk that Spausa Portugal could create.

<http://marianafeitoborboleta.blogspot.pt>

<sup>68</sup> These are the prices in Cascais Shopping, Colombo and Alegro shopping. First-hand information obtained from a kiosk renter of the Merry Cupcake Company.

- Timing - Being, that it will be a temporary kiosk, Spausa Portugal should open its physical kiosk during the months of October through December in order to reach consumers during the seasonal sales. Three months is a sufficient amount of time for Spausa to create a marketing buzz and generate new consumers and leads. The summer months of June through August should be spent preparing the kiosk design and choosing the best location.
4. *Smart Phone application* – Creating a smart phone app for Android or iPhone are free of charge. An app should be created during seasonal and crucial periods for sales such as the Christmas season, December and Woman’s Day in March. An example for app for the month of December could be an Christmas calendar in which each day that is opened a new Spausa product is presented. The inspiration for this idea is the chocolate Christmas Advent calendar, usually given as gifts during this season. iBuild App is a free app builder tool that can be used to created public and free applications for any smart phone.<sup>69</sup>

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<sup>69</sup> <http://ibuildapp.com/>



**Figure #37: Integrated Marketing Communication Mix Model for Spausa Portugal**

IMC Mix Model	Actions/ activities / deliverable
<b>Sales Promotion</b>	<ul style="list-style-type: none"> <li>- Use FB to increase sales with adding competitions (call to action). Ex: customer must like FB page and then post a video or photo using the products. The most creative post wins Spausa products or spa treatment or other gift.</li> <li>- Promote FB &amp; website on all packaging and company collateral</li> <li>- Use emotional language when writing, describing products</li> <li>- Free samples &amp; discount products</li> <li>- Gift w/ purchase (create partnerships)</li> </ul>
<b>Public Relations</b>	<ul style="list-style-type: none"> <li>- Products event</li> <li>- New image/ Spausa re-launch event / seasonal events</li> <li>- Customer testimonials</li> <li>- Write company story, how it began and promote it on social media, blogs and website</li> <li>- Press releases</li> <li>- Have fashion blogs and top blogs in Portugal write about the products</li> <li>- Chat rooms &amp; message boards</li> <li>- Volunteer at charities / environmental causes</li> </ul>
<b>Advertising</b>	<ul style="list-style-type: none"> <li>- YouTube video, vimeo / create Spausa channel (how to use products &amp; beauty care tips)</li> <li>- Products in other events goodie bags – product placement (ex: Moda Lisboa)</li> <li>- Social media, be where the customers are: FB, Twitter, LinkedIn, Pinterest, stumbleupon, company blog</li> <li>- Webinars and free online beauty care consultations</li> <li>- Word of Mouth</li> <li>- Flyers</li> </ul>
<b>Personal selling</b>	<ul style="list-style-type: none"> <li>- Always have a call to action on all activities and campaigns, “for orders go to, spausa.pt”</li> <li>- Direct mailing/ e-mail (1 time every 2 months newsletter, product offering in the mail, call to action to shop on-line, join FB page)</li> <li>- Direct sales (brochure)</li> <li>- Trade shows</li> <li>- Sell products in other locations (not competitors); physical stores/ kiosk</li> <li>- Create smart phone application</li> <li>- Make website user friendly for mobile use (be part of foursquare)</li> </ul>

**Figure #38: Spausa Portugal’s Communication Plan**

In the table below the main communication activities to increase Spausa’s brand awareness are detailed. This communication plan below focuses on public relations, knowledge- based activities for internal and external use, marketing technology and information marketing activities. The table is divided into 6 sections; the deliverable, the type of activities, what is the target audience and who will see or use the deliverable, the means and channel in which the deliverable will reach the target audience, how many times will Spausa update or conduct said deliverable and ho within the organization is responsible for the maintenance and control of the deliverable.

Category/ Description	Type (Public relations/ MKTG/ Info/ communication)	Target Audience(s)	Delivery Method	Delivery Frequency	Who’s Responsible within Spausa Portugal?
<b>Press Release / PR activities</b>	PR	Local community, target audience, online web consumers, customers, all users	-Press releases/ articles/interviews: Timeout Lisboa, Happy Woman, Visão, Sábado, LuxWoman -Fashion & beauty Blogs promoting the brand (test & comment)	Monthly	Director
<b>Above the line Advertising</b>  Inform people of the project and the deliverables that will impact them.	Info/ MKTG/ Communication/  Awareness building	Customers, and stakeholders, online web consumers	-Out door flyers -Webinars of beauty care tips -Create YouTube channel for Spausa -Newsletter	Outdoors- every 2 months WOM- Always Webinars & YouTube – 1x month Newsletter – every other month	Marketing manager /Lead analyst
<b>Personal Selling</b>	MKTG/ Info	Customers and online web consumers	-Phone app (iPhone & android system) -Create website to be phone user friendly -Website updates - Tradeshows	- Seasonal updates - Tradeshows –Every 5-6 months	IT Manager & Marketing manager
<b>Below the line Advertising</b>	Info/ MKTG/ Communication/  Awareness building	Customers and online web consumers, target audience	-Facebook, LinkedIn, Twitter, Pinterest -Chat rooms & message boards - Word of mouth (WOM), viral, “word of mouse” -Company blog	FB – 4-5 x week LinkedIn – 1-2x week Twitter – 4-5x week Pinterest – 1-2x week Chat rooms – 1-2x week Blog – 4-5x per week	Community manager

**Figure # 39: Action Plan / Calendar of Activities**

In the action plan there are certain activities that need to occur every month such as press releases in order to ensure that the brand, Spausa Portugal is always active in the market. Other activities such as posts on social networking sites should be updated on a daily basis, because these are the channels where the customers are present and also use on a daily basis, thus it is vital that the company also update these channels regularly in order to ensure that the customers return for novelty.

Activities such as social media campaigns, website updates and free sample distribution only need to be updated on a seasonal basis. Update the company website with promotions and limited edition products for holidays such as Christmas (December), Women’s day (March) and Mother’s Day (May).

Category	Activity	2012						2013					
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Public Relations</b>	Press releases	■	■	■	■	■	■	■	■	■	■	■	■
	3rd party blog appearances	■	■	■	■	■	■	■	■	■	■	■	■
<b>Above &amp; below the line Advertising</b>	Flyers			■			■			■			■
	webinars/ Youtube	■		■		■		■		■		■	
	Facebook	■	■	■	■	■	■	■	■	■	■	■	■
	LinkedIn	■	■	■	■	■	■	■	■	■	■	■	■
	Pinterest	■	■	■	■	■	■	■	■	■	■	■	■
	Twitter	■	■	■	■	■	■	■	■	■	■	■	■
	chatroom	■	■	■	■	■	■	■	■	■	■	■	■
	Company Blog	■	■	■	■	■	■	■	■	■	■	■	■
<b>Personal selling</b>	Phone App						■			■		■	
	Trade shows							■					■
	Newsletter			■			■			■		■	
	Physical store location				■	■	■						
	Website updates			■			■		■			■	
<b>Sales Promotion</b>	social media campaigns			■			■			■			■
	Free samples in magazines			■			■			■			
	4-5x a week	■											
	1-2x a week	■											

### 5.5 Budget Plan

All of these prices are subject to change, depending on who the partners that Spausa Portugal wishes to work with and promotions that could be in place with these partners. Spausa Portugal might also have the ability to produce and implement some of these activities internally without allocating budget to external sources, such as the website updates. The boxes marked in green are activities that have no cost, such as using social networking channels such as Facebook and Twitter. The boxes marked in red are estimated values without a partner proposal. The values marked in pink are actual values and the original proposal can be seen in the appendixes.

**Figure # 40: Spausa Portugal communication and brand awareness budget plan for 2012-13**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<b>Marketing/ IMC Activities</b>													
Website (updates)	€ -	€ -	€ 300.00	€ -	€ -	€ 300.00	€ -	€ 300.00	€ -	€ -	€ 300.00	€ -	€ 1,200.00
phone App	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Direct marketing (Flyers)	€ -	€ -	€ 83.70	€ -	€ -	€ 83.70	€ -	€ -	€ 83.70	€ -	€ -	€ 83.70	€ 334.80
Internet marketing (social networks, blogs, webinars)	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Temporary Kiosk	€ -	€ -	€ -	€ 3,000.00	€ 3,000.00	€ 3,000.00	€ -	€ -	€ -	€ -	€ -	€ -	€ 9,000.00
Trade shows	€ -	€ -	€ -	€ 1,133.80	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 1,133.80	€ 2,267.60
Public Relations - Presse releases (magazines)	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Public Relations - Blogs (product samples)	€ 50.00	€ -	€ 50.00	€ -	€ -	€ 50.00	€ -	€ -	€ 50.00	€ -	€ -	€ -	€ 200.00
Public Relations - Events	€ -	€ 1,000.00	€ -	€ -	€ -	€ -	€ -	€ -	€ 1,000.00	€ -	€ -	€ -	€ 2,000.00
Marketing activity Analysis (google analytics)	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
<b>Total Marketing Budget</b>	€ 50.00	€ 1,000.00	€ 433.70	€ 4,133.80	€ 3,000.00	€ 3,433.70	€ -	€ 300.00	€ 1,133.70	€ -	€ 300.00	€ 1,217.50	€ 15,002.40
activity occurs during this month & does not have a cost													
no activity for this month													
activity occurs this month & there is a cost													
average cost assumption													

## **6. Conclusion & Recommendations for Spausa Portugal**

Spausa Portugal is a brand with a strong potential to grow within the Portuguese beauty care sector. However, the brand and the products continue to be largely unknown among consumers. The communication plan designed will allow for Spausa to grow and create a demand in the market of its products among potential customers. Using social networking channels such as Facebook, Twitter and Pinterest allow for Spausa to increase its brand awareness without any cost and these are channels where consumers are always present. The suggestion of opening a temporary kiosk will allow for people to trial and buy the Spausa products with the help of a sales representative in a physical location rather than through a catalogue or online shop. A physical point of sale will increase the awareness of the brand create relationships and later direct consumers towards buying the products online or through a catalogue.

For all of the activities presented in the communication plan it is imperative that the Spausa mission – create a spa experience in the comfort of your own home with Portuguese brand products be always present and communicated. This is what differentiates Spausa Portugal from other products in market and it is the motivating factor for consumers and potential customers to buy Spausa Portugal. Since, Spausa Portugal is a new company many of the activities that it chooses to launch are test and trial in order better understand the market and perception that the market has in regards to Spausa Portugal. In order for Spausa to conduct successful and focused campaigns in needs to closely analyze the activities generated results during and post campaign launches.

The biggest limitation to this project was that Spausa Portugal could not divulge its allocated budget towards marketing and communication activities, nor share any financial data. Not being given a budget for a communication plan created some barriers in what to present in the plan and may also limit the actions that Spausa Portugal choses to take in regards to the plan presented.

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## Appendixes

### Appendix 1: Interviews

#### **1.1 Interview with Owner of Spausa – (Portuguese)**

1. Quando é que a Spausa começou?

*A Spausa iniciou a sua actividade em 2011.*

2. Inicialmente quais eram os objectivos para a empresa?

*O nosso core business está dividido em duas vertentes, em primeiro lugar o consumidor final, queremos que seja fácil o acesso ao produto spa, que o cliente final faça o seu próprio tratamento no conforto da sua casa, comprometendo-nos em facultar didácticos para melhor compreensão e uso dos nossos produtos. A segunda vertente destina-se para o uso profissional (SPA's, centros de estética, etc...).*

3. Têm um plano implementado para obter os objectivos iniciais? Se sim quais?

*Confidencial (estratégia interna de empresa)*

4. Quais são os canais de venda utilizados?

*Grandes perfumarias, SPA's, parafarmacias, centros de estética e internet.*

5. E qual é o canal do qual mais beneficia?

*Perfumarias e internet.*

6. Que canais de comunicação é que utilizam para chegar aos consumidores?

*(internet, meios sociais, blogs, publicidade, etc.)*

*Imprensa, blogs e internet.*

7. Têm maneiras de medir se estes canais de comunicação estão a ter sucesso e a chegar aos vossos consumidores? Se sim pode por favor elaborar (números)?

*O tempo de comunicação ainda não nos permite obter resultados, estamos numa fase inicial de comunicação da marca.*

8. Que parcerias é que já criaram com outras empresas (Compal, Sheraton, etc.)?

*Parcerias de fornecedor com grandes perfumarias, alguns Spas, centros de estética e outras mais em negociações.*

9. Quais são as parcerias que querem criar no futuro?

*Principalmente parcerias que permitem a exportação.*

10. Como é que descreve o vosso parceiro ideal?

*Um parceiro que na vertente comercial e financeira seja bastante positivo, e que vá de encontro com a filosofia da empresa (Marca).*

11. Como é que descreve o vosso cliente-alvo?

Alguém que procura o seu bem-estar, e que tem consciência e se preocupa com a prevenção e tratamento do seu maior órgão (Pele).

12. Recentemente contrataram 3 delegados comerciais, esta decisão foi tomada para obter que resultados?

*O resultado pretendido é a divulgação da marca junto dos profissionais, como estreitar o relacionamento da marca com os profissionais da área (SPV serviço pós-venda).*

13. Os valores de venda têm vindo a crescer?

É possível divulgar os valores de vendas que têm feito desde do início da Spausa, até agora? E têm alguma previsão sobre o valor de vendas futuras?

*Sim, tem sido progressivo. Em relação a uma previsão/estatística de vendas, é complicado avançar valores, pois o mercado está em constante mutação devido à conjuntura económica nacional.*

14. Quem é que vêm como vossos competidores?

*Todas as marcas de cosméticos. Sendo este um mercado “feroz” qualquer marca que queira estar na vanguarda do mercado, tem que estar numa constante pesquisa, só assim é que sabemos o que as outras marcas estão a investigar, divulgar, e qual a sua colocação no mercado.*

## **1.2 Interview with Spausa Sales Representative – (Portuguese)**

1. Descreva como é o cliente Spausa.

*O cliente final da Spausa, é uma pessoa que se preocupa com o seu bem-estar, procurando o melhor produto a melhor preço, sendo essa a nossa arma de vendas.*

2. Qual é a percepção do produto entre os consumidores?

*Tem sido bastante positiva, tanto ao nível da qualidade como ao nível do preço. Acima de tudo tem sido a surpresa de encontrarem uma marca portuguesa de alta cosmética, lado a lado com as marcas francesas, suíças, alemãs e italianas.*

3. Sente que o nome Spausa está a ser cada vez mais conhecido?

Se sim, pode dar exemplos e porque?

*Sim sinto, em primeiro lugar porque cada vez mais recebo telefonemas de clientes a pedirem informações e amostras de produto para uma eventual parceria, ao contrário de ser o comercial a fazer o contacto de divulgação.*

4. Qual ou quais são os produtos mais populares/vendidos?

*Ao nível do consumidor final são: Gel Contorno de Olhos, Creme de Chocolate, Esfoliante de Chocolate e o Creme de Rosto “botox cosmético”.*

5. Qual o produto menos popular/vendido?

*Não temos menos populares, temos sim gamas que são mais utilizadas pelo profissional e outras mais utilizadas pelo consumidor final. A relação de vendas das gamas que dispomos está muito aproximada.*

6. Qual é a maior necessidade que os consumidores têm?

*De estarem informados dos benefícios, da composição do produto, finalidade e sua utilização. O preço é sempre uma questão referenciada.*

7. Quais são as barreiras que existem para vender os produtos Spausa?

*A conjuntura financeira nacional, e o estigma que o produto estrangeiro é melhor que o produto nacional. Estaremos cá para mudar essa mentalidade, longe da verdade.*

8. Qual é o discurso que utiliza para vender o produto Spausa ao consumidor?

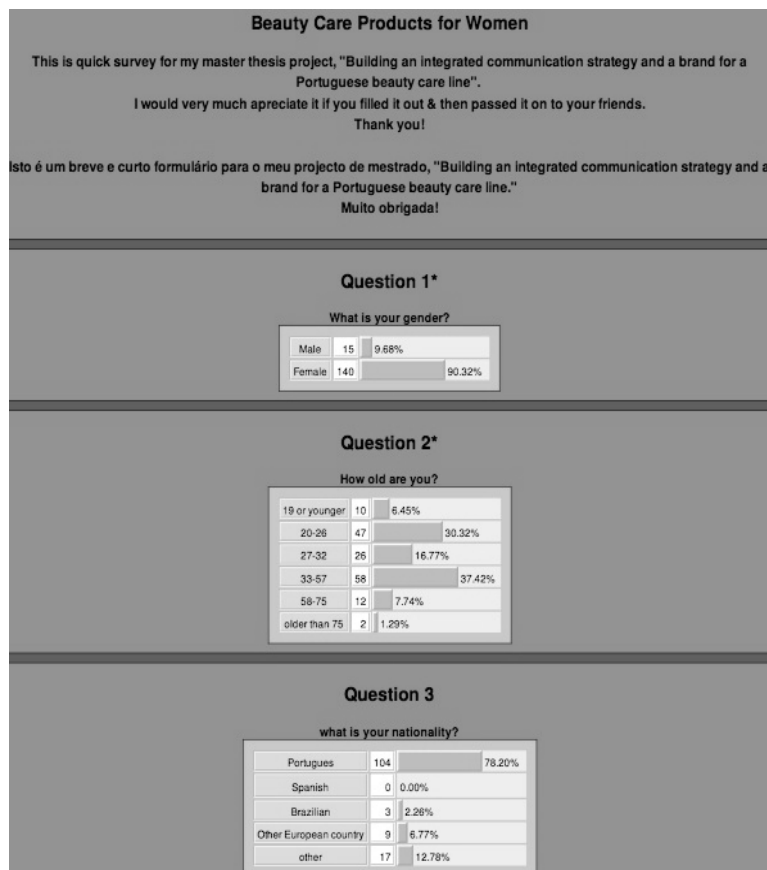
*Que é produto nacional de alta qualidade, com preços convidativos. Após de obter a atenção do cliente o próprio produto fala por si, a textura, o aroma e as suas características excepcionais.*

9. Quem são os competidores Spausa?

*Todas as marcas espanholas que invadiram o mercado nacional, ao nível dos centros de estética, SPA's. A pouco e pouco temos conseguido entrar no mercado devido à qualidade do produto/preço e ao SPV intenso e cooperativo que temos com os nossos clientes.*

## **Appendix 2: Primary Research – Questionnaires**

### ***2.1 Questionnaire I: Beauty Care Products for Women- Beaut care market perception***



Where are you currently living & will be living for the next 3 years?

Portugal	100	75.76%
Spain	3	2.27%
Brazil	1	0.76%
other European country	9	6.82%
other	19	14.39%

Question 5

Do you use beauty care products?

Yes	135	93.75%
No	9	6.25%

Question 6

Place in the box the top 3 main reasons why you use beauty care products:

	1	2	3	4	5	6	Responses	Total
To enhance my beauty	62.64%	19.78%	16.48%	1.10%	0%	0%	91	25%
Cover up imperfections	32.43%	51.35%	16.22%	0%	0%	0%	74	20%
Recommended by a dermatologist	22.22%	33.33%	40.74%	0%	3.70%	0%	27	7%
Makes me feel good	27.84%	35.05%	36.08%	1.03%	0%	0%	97	27%
Pressure from society	0%	8.33%	83.33%	0%	0%	8.33%	12	3%
It's a daily routine	34.43%	31.15%	34.43%	0%	0%	0%	61	17%

If you have other reasons that were not mentioned above please list in comment box below:

prevent future signs of aging

Question 7

On average how many times a week do you use beauty care products?

7 days a week	90	67.16%
5 days a week	19	14.18%
3 days a week	20	14.93%
1 day a week	4	2.99%
never	1	0.75%

Question 8

Place in the box the top 3 type of beauty care products you use:

	1	2	3	4	5	6	Responses	Total
Body moisturizing lotion	72.13%	17.21%	9.54%	0%	0.82%	0%	122	31%
massage oils	22.22%	44.44%	11.11%	0%	0%	22.22%	9	2%
hand/foot cream	9.88%	54.32%	35.80%	0%	0%	0%	81	21%
anti-ageing creams/lotions	21.54%	46.15%	32.31%	0%	0%	0%	65	17%
eye contour cream	15.63%	21.88%	59.38%	3.13%	0%	0%	32	8%
Shower gel/scrubs	23.81%	32.14%	41.67%	1.19%	1.19%	0%	84	21%

If you have others that were not mentioned above please list in comment box below:

Hair products
face moisturizing cream
moisturizing facial cream
Face wash and tonic
make-up
Facial Lotion
fat reduction
Hair treatment
make-up
máscara hidratante

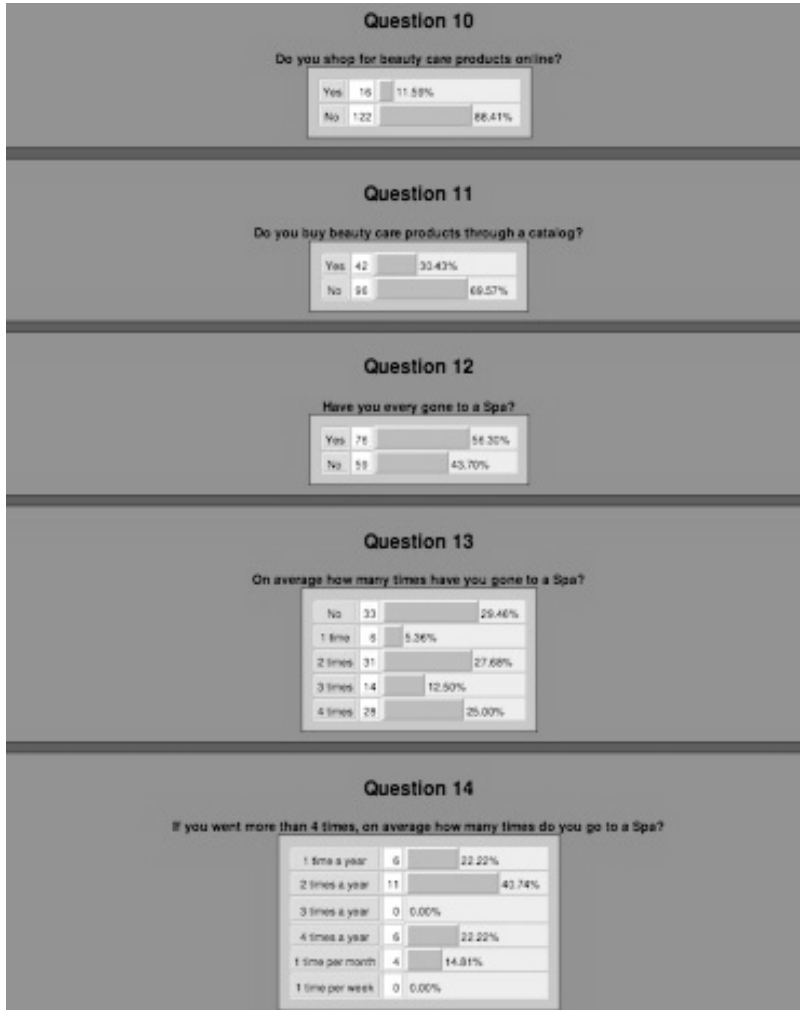
Question 9

Place in the box the top 3 beauty care brands you use:

	1	2	3	4	5	6	7	Responses	Total
Orflame	80.00%	15.00%	25.02%	0%	0%	0%	0%	22	7%
L'oreal	40.63%	32.81%	26.56%	0%	0%	0%	0%	64	23%
Avon	36.36%	36.36%	27.27%	0%	0%	0%	0%	22	8%
Dove	28.00%	46.00%	26.00%	0%	0%	0%	0%	50	18%
White (store) label brands	43.59%	30.77%	25.64%	0%	0%	0%	0%	39	14%
Clean & Clear	14.29%	57.14%	28.57%	0%	0%	0%	0%	7	2%
High-end brands (Lancôme, Clinique, Vichy, Roche)	85.82%	20.25%	13.92%	0%	0%	0%	0%	79	28%

If you have others that were not mentioned above please list in comment box below:

caudale
Nivea
Nivea
Organic Products such as Greenland
Neutragene
Boréado
Nivea
LDC
yes rocher
Rituals



**Question 15**

Place in the box the 3 main reason why you go to the Spa:

	1	2	3	4	5	6	Responses	Total
It's relaxing	76.00%	22.67%	1.33%	0%	0%	0%	75	37%
Enjoy the idea of leaving the house to relax	15.22%	52.17%	32.61%	0%	0%	0%	46	23%
Impossible to relax at home	7.69%	30.77%	61.54%	0%	0%	0%	13	6%
Going to the Spa is a routine for me	33.33%	33.33%	33.33%	0%	0%	0%	3	1%
A social activity	16.00%	16.00%	68.00%	0%	0%	0%	25	12%
Go when offered as a gift	43.90%	31.71%	24.39%	0%	0%	0%	41	20%

If you have other reasons that were not mentioned above please list in comment box below:

good for wellbeing and get treatments I cannot get at home
I love to be pampered by professionals
I bought a 10 day pack

**Question 16**

If you have never gone or rarely go to the Spa, place in the box the reasons why:

	1	2	3	4	5	6	Responses	Total
Expensive	83.13%	13.25%	3.61%	0%	0%	0%	83	44%
lack of time	27.27%	51.52%	21.21%	0%	0%	0%	33	18%
Don't enjoy Spas	68.75%	31.25%	0%	0%	0%	0%	16	9%
I have never gone to a Spa	50.00%	36.36%	13.64%	0%	0%	0%	22	12%
I do not have a beauty care regime/routine	40.00%	30.00%	30.00%	0%	0%	0%	20	11%
I prefer to relax at home/or in an environment I know	23.08%	38.46%	38.46%	0%	0%	0%	13	7%

If you have other reasons that were not mentioned above please list in comment box below:

rather spend extra money elsewhere
almost never go? or you go or you don't!

**Question 17**

When shopping for beauty care products what is most important for you?

Brand name	8	5.94%
Price	26	18.98%
Quality	65	62.04%
Loyalty you have to the product/brand	8	6.57%
Enjoy testing new products	8	6.57%

**Question 18**

Would you buy a beauty care product with a brand name that you did not know?

Yes	78	56.93%
No	59	43.07%

**Question 19**

Would you buy a beauty care product with a brand name that you did not know, if the price was low?

Yes	65	48.79%
No	74	53.24%

**Question 20**

When buying products do you prefer to buy Portuguese brands, or take into account if the product was "Made in Portugal"?

Yes	42	30.66%
No	85	69.34%



**2.2 Questionnaire II: Spausa Portugal – Perception of the brand and products**

Page: 1/1

**SPAUSA PORTUGAL**

This survey aims to understand the perception of the brand and products of Spausa Portugal among women consumers.

Este questionário tem o propósito de perceber a percepção da marca e produtos da Spausa Portugal.

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**Question 1\***

What is your gender?

Female	95	92.86%
Male	5	7.14%

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**Question 2\***

How old are you?

19 or younger	5	7.14%
20-26	25	50.00%
27-32	11	15.71%
33-57	17	24.29%
58-75	2	2.86%
more than 75 years old	0	0.00%

---

**Question 3\***


What is your nationality?

Portuguese	57	91.43%
Spanish	1	1.43%
Brazilian	1	1.43%
Other European	4	5.71%
Other	7	10.00%

---

**Question 4\***

Do you know this brand, Spausa Portugal?



Yes	8	11.27%
No	63	88.73%

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**Question 5**


If yes, how did you come to know about this brand?

Company Facebook page	2	20.00%
Company website	1	10.00%
Product catalog	0	0.00%
Magazine advertisement	2	20.00%
Magazine article (press release)	1	10.00%
Blog (a blog you follow)	0	0.00%
Word of mouth	4	40.00%
Campaign or partnership (ex: Blog of the year Portugal)	0	0.00%

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**Question 6\***

Have you ever used Spausa Products?



Yes	1	1.43%
No	99	98.57%

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**Question 7**

If you answered yes, to the previous question above: Do you like their products?

Yes	1	50.00%
No	1	50.00%

**Question 8**

If you do not like the products, why?

Bad quality	0	0.00%
Not easy to get access to products quickly	0	0.00%
Expensive	1	100.00%
They do not have what I need	0	0.00%
Had a bad experience	0	0.00%

---

**Question 9**

If you do like the products, why?


Good quality	1	100.00%
Good price	0	0.00%
Like the products	0	0.00%
Saves me time with being able to have a spa experience at home	0	0.00%

---

**Question 10**

You do not know the Spausa brand or products:

Looking at the images below would you use or pass on this brand to a friend or family member?



Yes	50	76.92%
No	15	23.08%

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**Question 11**

How favorable is your reaction to the Spausa Portugal brand?

Poor	2	3.13%
Fair	13	20.31%
Good	32	50.00%
Very good	16	25.00%
Excellent	1	1.56%

---

**Question 15**

Spausa Portugal is a Portuguese brand that has several product lines: Anti-ageing, rejuvinating, sliming and revitalizing. Several of the products are made with natural oils and products and it is a brand 100% Portuguese and made in Portugal. The key message of the Spausa brand is to create an affordable and enjoyable Spa experience in the confort of your own home with good quality products.

Based on the product description, how interested would you be in buying these products if it were within your budget?

Not at all interested	2	4.49%
Not very interested	5	7.46%
Not sure	11	16.42%
Somewhat interested	36	53.73%
Extremely interested	12	17.91%

---

**Question 16**

Do you trust Spausa Portugal as a brand?

Yes	43	67.19%
No	21	32.81%

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**Question 17**

Being that the average price for a Spausa product is 35 euros would you consider buying it?

Yes	22	32.84%
No	45	67.16%

---

**Question 18**

If you answered NO, you would not buy it; why?

Too expensive	18	53.96%
The products I normally use are cheaper	15	28.32%
I do not want to spend that amount on a product I do not know	20	37.74%
Dislike the product	2	3.96%

Other reason:

I'm a student without money lol

I don't know the product, and I've never heard of it before. If it were sold in stores I might consider it, but I have little trust for unknown brands sold online. I would need to know a lot more about the products the brand offers and the ingredients, etc., before I would invest that much in them.

what is use is a little more expensive, but it is a well known brand

**Question 19**

Do you have any suggestions on how Spausa can improve it's products, pricing or packaging?  
If so, please write your suggestions below.

**Text Answers (15)**

I don't live in Portugal, so maybe that is why I have never heard of this name. But, it is very important to publicize your brand name always, that is the only way people will buy it. Even if it's not good people will buy because they want to try it, because they are curious.

the name is not very good

keep it simple, people trust the most in products that do not seem artificial or cheap. I personally enjoy the design and the colors used, though I think the products I actually use are cheaper and nowadays people buy the cheapest even if it's not the best.

a) I never heard about this brand before, so I guess you should invest more into promotion. b) I would not buy Spausa because it is Portuguese (no specific associations with quality cosmetics from Portugal) but rather for being natural + affordable.

Most, if not all, good beauty products tend to be of that price, so I'm not certain the issue is in the price. The issue is in brand confidence. People want a brand they've seen before, one that's been shown to them in adverts on television, or in stores. The packaging is really professional, along the same look as such products as Olay so that too isn't the issue. From the survey I've come to the conclusion that it's sold exclusively online. If at all possible, I would suggest trying to get the product into a well-trusted store (such as Perfumes e Companhia or something similar) and have advertisements made (Avon is sold online and through representatives, so if you market it properly and manage to build a reputation it might help). Maybe had free samples or little stalls set up in shopping centres. Just make sure people know what it is and they know they can trust it.

It should say if it has been tested on animals or not. if it is organic or not.

They should have more ads, make their brand more known

Too expensive. Would not buy such an expensive product without knowing anything about it. Nonetheless, the fact that it is Portuguese is the number one reason I would ever try it. Força Portugal!

change the name. it seems like products to be used by menopausal women.

advertisement, make sure people hear about this product on magazines or tv

Concerning the LABEL APPEARANCE: The SPAUSA LOGO uses a type (or font) that has low weight in relation to the text below. It should be highlighted by: - increasing the text's size; or - using bold; or - giving more margins around the logo; or - trying a combination of the above suggestions - you can also improve the label by giving more contrast between the font sizes in the description, which can give more space to let the logo breathe.

Concerning ONLINE SHOPPING, with an innovative, honest and well targeted marketing (being it online and/or through other means), it would make me buy it online. Concerning the PRICE, even though my body lotion and face cream last more than a month, sometimes getting to 3 months, to give at once 30€+15€ (so to say) is too much if I am not planning to buy it and see it for sale. But it's okay if I plan to spend it in advance, and I'll buy it again if it makes a relevant difference in my skin. It might be relevant that I'm unemployed right now (but not planning to remain unemployed) and have a strict control of my expenses.

-Send free samples

If they only sell online, they should increase their distribution to physical retail channels. If I would see SPAUSA in a shop, with good point of sale material (nice shelves, background music at the shelf, mellow lighting), I would be enticed to try out the product, and even if I wouldn't buy it for myself, maybe I would buy it as a gift. However, the key issue is: TRIAL. I don't buy any products if I don't know how they feel on my skin, how they smell, how they are, etc... Perhaps these products could be distributed in spas, or massage locations, so that customers know that they can extend their spa experience at home. In this sense, having an online shop would make it easier to get SPAUSA, because after purchasing it at the SPA I go to, or want to go to, I can buy the product from my home. Another idea is that when a product is bought online, a sample of another one is sent, so that I know what else I can buy - and have the possibility to try it out, and feel better buying it again. Good luck :D

Packaging looks quite similar to other brands same prioritange.

I do not like the name or understand it.

## Appendix: 3 Budget Plan Cost Proposals

### 3.1 Flyers proposal requests– Print24

**Seleção de produtos** *Novo!* Resumo

Flyers (Panfletos/Folhetos)

**Páginas**

Só frente

**Formato** *Formato especial*

105 x 210 mm DIN comprid

**Orientação da página**

Vertical

**Papel**

100 g/m² Offset (cópia/próprio para impressora a laser)

**Cores** *Cor especial Novo!*

2/0-Cor preto + Ouro

**Vinco**

Seleção

**Perfuração**

Seleção

**Amostra digital** *Veja uma demonstração*

Seleção

**Quantidade**

1000 Exemplares

**€ Preço/Prazo de entrega**

68,07 | 83,73 Normal 6 dias até 27.06. 9

85,45 | 105,10 Expressa 4 dias até 25.06. 11

126,22 | 155,25 Urgente 2 dias até 21.06. 13

SIVA | CIVA inc. entrega

### 3.2 Flyers final cost proposal – Print24

Produto	Nome do objecto	Entrega efectuada por	Editar produto	Preço
Flyer	spausa portugal	27.06.2012	  	Líquido 68,07 €
				s/ IVA 68,07 €
				23% IVA 15,66 €
				<b>Valor líquido 83,73 €</b>

**Appendix: 4 Cost at FIA (Fieira Internacional do Artesanato) 2012**

PREÇÁRIO/m <sup>2</sup>	1 Frente		2 Frentes		3 Frentes		4 Frentes	
	Com carta artesão	Sem carta artesão	Com carta artesão	Sem carta artesão	Com carta artesão	Sem carta artesão	Com carta artesão	Sem carta artesão
(IVA não incluído)	80,29€	101,82€	84,97€	107,89€	89,34€	113,38€	94,25€	119,43€

Acréscimo IVA à taxa legal em vigor