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THE CULTURAL DIFFERENCES BETWEEN THE PORTUGUESE AND SPANISH CONSUMER: SCIENCE4YOU'S STRATEGY

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Project submitted as partial requirement for the conferral of Master in Management

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To my maternal grandfather.

Acknowledgments

My grandfather was born and grew up in Madeira Island, and all his life was spent as a farmer, planting and growing banana trees. Illiterate, he only went to school to learn how to write his name.

Uneducated, he always pushed my mother to study and follow her dreams. Today, she is a software engineer in an international company. Like her father, she also inspired my sister and me to never fell shorter than our biggest ambitions.

This Master's Degree represents not only my effort, but also the dreams and ambitions my grandfather once had my mother to pursue.

To all of them, I am forever grateful.

Global expansion is not just a decision to venture abroad,

it is a commitment to learn from experience.

Gillespie and Hennessey

Global marketing, 2016

Abstract

Cultural issues are more and more taken into consideration by managers in the context of the internalisation of their businesses. However, a comprehensive study on consumer preferences was not carried out when Science4you opened their points of sales in Madrid, Spain in 2011. The aim of this master's thesis is to know the characteristics of the consumers of Science4you in Spain, in order to recommend to their managers the required adaptations to the management and marketing strategy, adapting them to the Spanish market, which may differ from the Portuguese due to particularities of the market itself.

For this achievement, primary data were collected through surveys and interviews, to characterise the profile of Spanish consumers; also, secondary data on trends in the toy market (as pointed out by experts of the market). The socio-demographic profile, the preferences of the Spanish consumer of educational toys; and market trends that have raised evident differences, when compared with the Portuguese one according to the research conducted, support the management and marketing suggestions for the Science4you's product portfolio; distribution and customer service; price and promotions; and, marketing and brand identity. Essential, the main strategical advice about Science4you's business in Spain is to setup a global identity, adapting business aspects to foreign markets that require differences. This project is a starting point: managers should recognise the importance of the study to follow the reasoning for further international markets.

Keywords: Consumer behaviour, Culture, International management, Marketing

JEL classification system

M16 – International Business Administration

M31 – Marketing

Sumário

As questões culturais são cada vez mais tidas em consideração por gestores de empresas no contexto de internacionalização dos seus negócios. No entanto, a Science4you não levou a cabo um estudo compreensivo sobre as preferências dos consumidores quando abriram os seus pontos de venda em Madrid, Espanha em 2011. O objetivo desta tese de mestrado é conhecer as características dos consumidores da Science4you em Espanha, para recomendar aos seus gestores as adaptações requeridas à estratégia de gestão e de marketing, adequando-a ao mercado Espanhol, que poderá diferir do Português devido a particularidades do próprio mercado.

Para chegar a esta conclusão, foram recolhidos dados primários através de inquéritos e entrevistas, para desenvolver o perfil dos consumidores Espanhóis; e, (2) dados secundários sobre as tendências do mercado de brinquedos (apontadas por especialistas do mercado). O perfil sociodemográfico, as preferências dos consumidores espanhóis de brinquedos educativos, e as tendências de mercado que levantaram diferenças evidentes, quando comparadas com as portuguesas, de acordo com as pesquisas realizadas, sustentam as sugestões de gestão e de *marketing* no que diz respeito ao portfólio dos produtos da Science4you; à distribuição e à atenção ao cliente; ao preço e promoções; e, ao marketing e identidade da marca. Essencialmente, o maior conselho estratégico acerca do negócio da Science4you em Espanha é estabelecer uma identidade global, adaptando os aspetos do negócio aos mercados estrangeiros que exigem diferenças. Este projeto é um ponto de partida: os gestores deveriam reconhecer a importância do estudo e seguir o raciocínio para mercados internacionais futuros.

Palavras-Chaves: Comportamento do consumidor, Cultura, Negócios internacionais, Marketing

JEL classification system

M16 – International Business Administration

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Executive Summary

The aim of this master´s thesis is to know the characteristics of the consumers of Science4you in Spain, in order to settle some recommendations for the Science4you's managers about management and marketing strategy addressed to the Spanish market. The cultural factor is one of the biggest risks when companies go international and, the way managers lead to their implications on the consumer behaviour is the key to success of the business abroad. Nevertheless, the importance of adapting the strategy to the new context is often devalued. If one recognises that consumer behaviour is not the same everywhere and that international businesses must lead to that, managers will understand and respect different lifestyles and consumption. This will impact the development of the products, communication, prospection and, selection of partners. At the end of the day, companies that take care of the cultural factor tend to increase efficiency and competitiveness.

To this extent, Science4you should not neglect the importance of understanding the preferences and tastes of Spanish consumers, which may differ from the Portuguese ones, in order to adapt to the international strategy. The suggested adaptation should be carried out in terms of product portfolio (following the trends societies that emerge), communication (messages are differently accepted by each cultural value system) and partnerships (adapting to the way of doing business in the respective country). So, overall the management and marketing strategy requires special attention from the managers who intend leveraging their business internationally. This line of reasoning fits the Science4you case in their internationalisation in Spain, even though their target shows some apparent similarities in tastes and preferences due to the proximity of both markets. To test this assumption, it was conducted a primary research about Spanish and Portuguese educational toys consumers, through consumer surveys and interviews with Science4you's shopkeepers, to mainly know their target's characteristics. The study was further developed to understand the international strategy applied by Science4you in Spain so far. For this purpose, interviews with Science4you's managers were carried out.

Having all the results from the application of the methodology, the drawn profile of the Spanish consumer of educational toys shows the main factors valued by them concerning educational toys, evidencing the differences when compared with the

Portuguese. Undoubtable, the Science4you's international strategy for the Spanish market should be in accordance with the characteristics of their target, which implies an adaptation to the strategy followed in Portugal.

Apart of the study of the target's characteristics, Science4you was contextualized in the educational toy sector. Overall, a global and European approach to the toy market was made to prepare an understanding of the Spanish and Portuguese market. The potentialities and main drivers were disclosed to further support recommendations as the first goal of this master's thesis. The main sources of information that supports the data and experts' trends for market were TIE – Toys industry of Europe – which presents some general market data in the past and present; the NPD Group which is a company specialised in analysis and consultancy in Spain; and, the GfK Portugal, a worldwide market research company, specialized in Retails Panels of Long-term's Consumer Goods, in which toys are part.

Considering the drawn profile of the Spanish consumer of educational toys based on primary data collected during the study research, and, the contextualization of the toys market, especially the Spanish one, a list of recommendations was created for the Science4you's managers to implement, in order to improve the positioning of their product in the Spanish market. Supported by the literature and current reality of Science4you, suggestions were made closely related to the aspects most affected by cultural factors in international business, namely: the product portfolio; distribution and customer service; price and promotions; and, marketing and brand identity. These suggestions consider my knowledge and the situation of Science4you at the date of this research and cover the areas in which Science4you can improve their business archiving a most efficient position in the competitive market.

Overall, this study fulfils its propose if at least a manager (although written mainly for the Science4you's managers) understands the importance of consumer behaviour subject in the international business, in a practical means, if a manager recognises the huge asset that is to know their target, in order to adequate the strategy of the business when it goes international. Thus, the recommendations given to the Science4you's managers are ideas that can be put in practice, but also, they are the motivation to managers get understanding the evolution of consumers trends, and constantly adequate and innovate the presence of Science4you in Spain.

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CHAPTER 1 - INTRODUCTION

The first chapter of this work addresses its subject, master's thesis typology, objectives and structure.

1.1. Subject

Tomás (2017) defends that one of the biggest risks of the internationalization of businesses and the key to the success of the process is the *cultural factor*, notwithstanding is often devalued. The author refers to the 'cultural intelligence' as a very important and decisive soft skill in international businesses: the understanding and respect for the different ways of living and consumption is crucial to the success of the implementation of the strategy, since this ability affects the development of the products, the communication, the prospection and selection of partners. By way of conclusion, Barney (1986) states that companies that care about culture can increase efficiency and competitiveness.

In accordance, the internationalised company is under several pressures. One of the most notable dimensions of this is the trade-off that manifests itself among the advantages derived from global integration and those that emanate from strategies of adaptation to the different local markets (Simões & Crespo, 2017).

Based on this approach, this project aims to explore, to some extent, the unavoidable issues that Science4you deal with consequently from their business in Spain.

To this date and to my knowledge, there is no research on the profile of the Spanish consumers of educational toys which could support Science4you's strategic decisions in that market. The present study aimed to fill this research gap.

1.2. Project

Mitigating the cultural risk requires an understanding of the implications concerning differences in consumer behaviour and the influencers behind decisions-making. Firms that consider it positioning their product or services in international markets have a much better opportunity of being positively accepted by consumers (Amudha & Sumathi, 2011; Solomon *et al*. 2006; East *et al*. 2017).

Marketing matters in taking care of these issues. International marketing researchers, in particular, warn that an efficient advertising strategy in one country does not grant the same success somewhere else (Agrawal, 1995; Mooij, 2003). According to Mooij (2003), to achieve effective marketing strategy, an adaptation to culture values must be undertaken.

Although Spain is a country bordering Portugal, any Portuguese company should carry out a detailed analysis considering the last assumptions when strategically decide to go with their business to Spain. Considering consumers with different nationalities the same way, in terms of preferences, is not an assumption supported by scholars. After 10 years in the Spanish market without further study of their consumers, the Science4you's managers are not fully agree about the characteristics of their target.

The Spanish toy market is in potential growth, more than the Portuguese one; and Spanish consumers understand the benefits of educational toys, willing to pay more for them than ordinary ones (compared to the Portuguese consumer). So, an efficient positioning of Science4you's products in that market requires an adequate strategy in order to take advantage of this dynamic market.

This project engaged with Science4you managers aims to study the untapped potential of Science4you's Spanish business due to the devaluation of the cultural factor and its consequences translated into the consumer behaviour that claims an efficient adaptation in the international strategy.

1.3. Objectives

The main objective of this project is to understand the differences in consumer behaviour, as well as its causes, which may arise from different cultural context. For this achievement, the profile of the Spanish consumer of educational toys will be drawn, highlighting the main characteristics when compared to the Portuguese ones. The profile will inspire and support the advices orientated for Science4you improves their positioning in Spain. The chapter coming later – the contextual analysis of toys market - will be considered to this end as well.

The final recommendations aim to enforce Science4you's presence abroad through an efficient positioning of their products, considering minor details of adaptation in Science4you's international and marketing strategy.

These suggestions will cover: the assortment products that fulfil consumers' expectations and follow market tendencies, the best-structured distribution of the product, charged prices and practice promotions campaigns that meet a balance ratio of price/quality without forgetting the importance of the perception of the product's quality; and, the adequate communication targeted the Spanish consumers' values.

Finally, the paramount interest of this thesis is itself a starting point to encourage further attentions to the preferences of the Spanish consumers since they will change; and the consumers' characteristics of markets in prospection of internalisation.

1.4. Structure

The Literature Review – chapter 2 – initially conducted addresses a comprehensive exploration of the relevant subject to the purpose of this thesis. This relates the impact of cultural factors on consumer behaviour in which marketing strategy in context of business internationalization should be adequate. Limitations on the field of study were referenced.

Then, chapter 3 contextualizes the project which was inserted in Science4you's company. The global and European toy market has been studied, in particular the evolution of their products in the market as well as the trend in consumer demands. The Spanish and Portuguese markets deserve special attention, praising the main differences.

Next a chapter is reserved, the fourth, to present Science4you as a company together with the main relevant information about their presence in the Spanish market.

The Methodology – chapter 5 – explicates the appropriate research methods to collect primary data to draw the profile of the Spanish consumers of educational toys. Surveys and interviews were carried out and the respective supporting tables about the content and structure are presented.

The next chapter, the sixth, studies the profile of Spanish consumers of educational toys. It gives an introduction about consumers, *i.e.* their sociodemographic characteristics, and their main preferences and habits of purchase.

Finally, the culminating purpose of this work is presented in the chapter 7 – Implementation Strategy – where the suggestions for Science4you's managers to consider are listed. All the suggestions guide the management and marketing strategy to

better positioning the product Science4you in the Spanish market, following closely the outcomes achieved in the research and exposed in the profile of Spanish consumers of educational toys.

The final chapter 8 – Conclusion – gives an overview of the whole project: the main limitations of this research but also, the headlights of the given recommendations.

CHAPTER 2 - LITERATURE REVIEW

The literature review inspires knowledge about Consumer Behaviour, specifically the factors that influence cross-cultural consumer's decision-making as the basis for advocating the present thesis which defines the mentioned research problem for further study.

2.1. The Consumer Decision-Making's Field of Study

What is Consumer Behaviour about?

A wide range of consumer behaviour definitions can be found in the many studies released about the field of study. A contemporary definition of consumer behaviour was presented by Solomon *et al.* (2006: 6) in their book *Consumer Behaviour* as "the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires".

The field of consumer behaviour study is complex and covers a lot of ground: apart from the understanding of the selection, use and disposal of goods, the study aims to comprehend the wide range of factors that influence how consumers are purchasing, *i.e.* how consumers react to prices, advertising, stores interiors and, even more relevant to managers, figure out the underlying mechanisms operated to produce these responses (Bray, 2008; Amudha & Sumathi, 2011; East *et al*. 2017).

Thus, given the nature and extent of the field of study, it is consensus the close affinity between marketing and consumer behaviour (East *et al.*, 2017), in which 'an understanding of consumer behaviour is therefore crucial to make marketing activity more successful' (Horner & Swarbrooke, 2016). Subject to be further explored.

Roots and Current Approach of Consumer Behaviour study

Early interest in consumer behaviour study was triggered by economists who addressed a comprehensive model of the purchase decision process. In the Cognitive Model, when a need emerges, consumers evaluate the cost-benefit for all the alternatives based on the products' information attended and make a purchase. Further purchases reviewed the

satisfaction or dissatisfaction perceived from the usage of the prior product purchased (Bray, 2008; East *et al*. 2017).

Even though, the Cognitive Model had been viewed as the dominant decision-making approach (Richarme, 2005), comprehensive models of the purchase decision process are not in their prime. One of the most criticized aspects has always been the difficulty to measure all the components that made it complex to test (Ehrenberg, 1988). Another weakness is that the models overstate the rationality of how consumers do the search process where they identify every alternative before choosing one they prefer (Solomon *et al.,* 2016*;* East *et al.* 2017), mainly due to lack of experience (Beatty & Smith, 1987). Still, Richarme (2005) notes the difficulty that consumers have estimating relative frequencies of events into probabilities that help them to choose the best option that will secure benefits and avoid costs. This shortcoming was outlined by Simon (1957), an early scholar who previously described the tendency to simplify decision-making in the market; and, years later, Klein (1989) tested Simon's hypothesis giving them consistency.

Current approach of decision-making models considers incomplete rationality in the process; *i.e.* it is accepted that mostly purchase occurs as a habit or influenced by some conditioned *stimulus*, by falling continuous research, mainly in purchase of durables as found Beatty and Smith (1987). The other two models of consumer decision, that explain 'partial' decision-making based on rationality, are The Reinforcement Model and The Habit Model, which have different implications for managers despite being connected.

Relevance of the Consumer Behaviour study for strategic management and marketing

On the whole, it is consensual among scholars that the nature and extent of the consumer behaviour study, as well as their implications, helps firms to make their management decisions, specifically marketing strategies, more efficient. Horner and Swarbrooke (2016) defend organizations should lead with consumer as the central focus to their marketing activities. The authors still add that to carry out them effectively, an understanding of consumer behaviour is vital.

In practice, what matters to managers is the long-standing interest in understanding issues such as how the consumer thinks, feels, reasons and selects different alternatives (e.g., brand, products); how the consumer is influenced by surrounding environment (as the culture, family, signs, media) (Amudha & Sumathi, 2011; Solomon *et al*. 2016; East *et al*. 2017); and, the ability to predict how the last will change in the future (Horner & Swarbrooke, 2016). Ultimately, this understanding will allow firms "to persuade the consumer to choose their products and services, rather than those offered by the competition". In sum, the benefit for companies knowing their consumers is the development of products and services which are "correctly positioned for their target market" (Horner & Swarbrooke, 2016: 6).

In that sense, the study of consumer behaviour oriented to the improvement of a firms' marketing strategies lead us to visit all the elements and context that influence consumers at the decision-making process.

Different decision-making models consider different sources of influencers as also they have different implications for the study of consumer behaviour. As the first, The Cognitive Model, presents questionable underlying principles regarding total rationality of consumers, managers who aim for positive acceptance from consumers about their products or services need to consider 'partial' rationality on the part of consumers and, thus identify and understand the surrounding conditions that influence decision-making of consumers. Solomon *et al.* (2006) explain that influencing factors arise in the criteria used by consumers to evaluate products and services in the consumer behaviour process which make them decide differently from the others in consumption act and according to the particular 'play'[1].

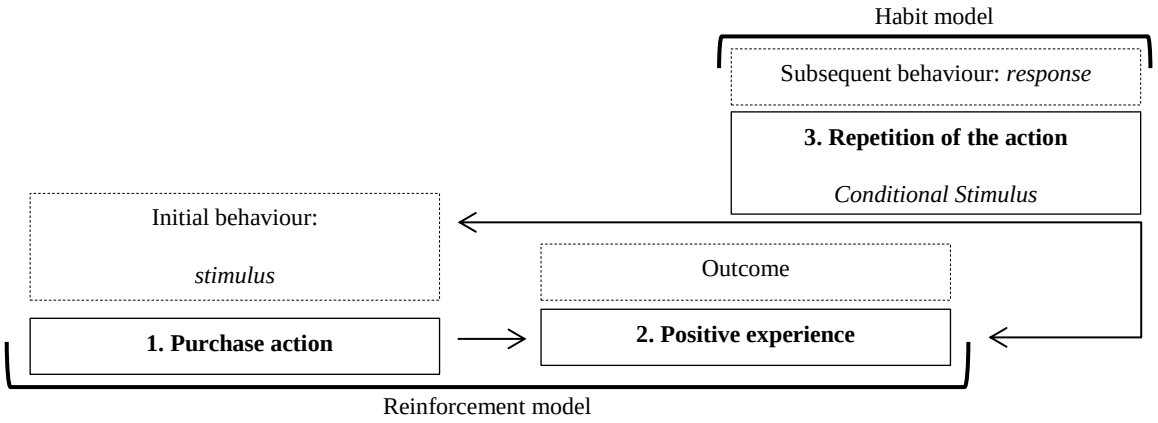
Influences on consumer decision-making

The argument that decisions are made by people acting independently is not valid within the study of consumer behaviour. Many approaches defend that choices are influenced by referential groups (e.g. family, friends and idols), mass media (e.g.

[1] "The perspective of role theory, which this book emphasizes, takes the view that much of consumer behaviour resembles actions in a play, where each consumer has lines, props and costumes that are necessary to a good performance" (Solomon et al., 2006: 6). According the author, the term 'play' was also used by Erving Goffman (1959), George H. Mead (1934) and Michael Solomon (1983).

advertising, newspaper, television and internet reviews) and/or stimulus (e.g. colour, size and shape of the packet) (Kotler, 1998). Even when none of those directly exert any impact on purchase decision, simply personal factors - as age, life cycle stage, occupational and economic conditions, style of life and personality (the last comprises of, according to Richers (1984), values, attitudes, beliefs, motives, intentions, preferences, opinions, interests and cultural norms) – seems to have influence when consumers decide between alternative products or services (Kotler, 1998; Medeiros & Cruz, 2006; Stávková *et al.* 2008; East *et al.* 2017).

The reinforcement concept (from The Reinforcement theory of East *et al*, 2017) relies on the assumption that experiences generate and change the frequency of responses associated with them; for instance, when actions lead to a positive outcome they are more likely to be repeated (cf. Schema 1). For this reason, the reinforcement effects on behaviour have been examined in Learning Theory (this is related to the relationship between initial behaviour, its outcomes and subsequent behaviour). The reinforcers may be rewards or reduction in cost, so that way, in practical terms, the principles of Reinforcement are applied in many sales promotions.



Schema 1- The Reinforcement and Habit model: The Learning theory

As Learning Theory is relevant to both the Reinforcement and Habit models, also the association between stimulus and response analysed by Reinforcement model is important for Habit Model (cf. Scheme 1). The Habit Model contrasts with The Cognitive and The Reinforcement model because it does not emphasise the modification on consumer behaviour or explain the changes that occur in purchasing but gives evidence of the idea that consumption has a settle form: people buy the same

brands and use the same stores over long periods on encountering a particular stimulus. The repetitive behaviour on purchase is of great value to firms, however, even when responses to conditioned stimulus seem to be automatic (it is related with one type of learning called Classic Conditioning studied by Palvov (1927) – cf. Schema 1), *i.e.* exclusion of consumer planning before the action, but this does not mean that consumers never think about their habitual behaviour, they do it after the purchase in context of discussions with others or thinking about the good or bad outcomes. The conditioned stimulus may help in identification and add to purchasing tendency, though the understanding of which types of marketing interventions work best for different customer groups in different environments, *i.e.* which colours and pack shape marketers have to adopt to better position their product (East *et al.* 2017).

To the matter of the further study, 'partial' decision-making based on rationality seems to be the more adequate to achieve the aim of the research proposed on this thesis. It will try to figure out which reinforcers are the most valued by the educational toys consumers and what should be the stimulus to lead the consumer to having a purchasing habit with Science4you, in the Spanish market.

2.2. Cultural Differences in Consumer Behaviour

The Cross-Cultural Consumer Behaviour study and its inputs to Marketing Strategy

Over the years, there has been a wide agreement among consumer behaviour scholars about the significant link existing between culture[2] and consumer behaviour (McCraken, 1988; Schütte & Ciarlante, 1998; Kotler, 1998; Luna & Gupta, 2011; Solomon *et al.*, 2006); not only, due to the indirect implications related to *cultural norms* expressed in consumer personality as mentioned by Richers (1984), but, also by the influence that culture exerts on the context surrounding the consumer, guiding social actions and productive activity and so specifying the behaviours and objects that issue from both (McCraken, 1988). In that vein, consumption choices cannot be understood

[2] "Culture is the sum of learned beliefs, values and costumes that create behavioural norms for a given society" (Schütte & Ciarlante; 1998:7).

without considering cultural context in which they are made, since both are constantly interacting with each other (Kotler, 1998; Solomon *et al.*, 2006).

The cultural meaning perspective holds that consumers are cross-culturally different in both their preferences for products and their behaviour (Schütte & Ciarlante, 1998). To the purpose of the study of these cultural differences on consumer behaviour seems that values are the manifestation of culture most often studied by scholars and it has long been considered as a central construct in an individual's cultural identity (Luna & Gupta, 2001), *i.e.* the fundamental element underlying homogeneities and dissimilarities among societies (Douglas & Craig, 1997).

Solomon *et al.* (2006: 113) defined values as a "belief about some desirable end-state that transcends specific situations and guides selection of behaviour". Those beliefs play a role as oriented on consumer decision, because every culture has a representative set of core values imparted among its members and thus, an individual's behaviour is a result of that cultural value system for a particular context (Solomon *et al.*, 2006; Luna & Gupta, 2001). Much before, Schütte & Ciarlante (1998) found out in their study that individuals originating from the same societies and cultures tend to reveal similar behaviour and ways of thinking, different from others.

Thus, still following the Schütte & Ciarlante (1998) study, the authors pointed out that the cross-cultural transportability of consumer behaviour theories must be questioned, ever more if the research aims to understand consumers, in order to maximise marketing success. Figuring out the meaning of individual motivations in the act of consumption for each cultural context (*i.e.* the culturally based meanings that are embodied in a product and the consumption act) can greatly help marketeers correctly anticipate, to some extent, consumer reaction decisions regarding every element of the marketing-mix - advertising, positioning and product features -, and consequently, support managers to predict circumstances under which a given product or idea trend is accepted in society. The outcomes of consumer behaviour study for target culturally distinct orient marketeers in appropriating messages 'communication to reach consumers in an effective manner (Schütte & Ciarlante, 1998; Sheth & Sethi, 1977).

Globalisation and the hypothesis of Consumer Behaviour convergence

Recent issues that have surfaced about the transculturalism of the consumer behaviour study arise with the challenge of considering the globalization[3]'s evolution of cultures on the design of research and their practical implications for managers (Douglas *et al.*, 1997; Luna & Gupta, 2001; East *et al.* 2017). According to Douglas & Craig (1997) research, globalisation is mutually related with a large range of changes that emerged by massive waves of migration, diffusion of new products and ideas, and patterning of markets in the forces of moulding consumer behaviour. Recently, Lasserre (2018) agglomerates those factors that push globalization into political (reduction of trade barriers), technological (reduction of cost of co-ordination and increase economies of scale), social (encouragement of the standardization and global branding) and competitive (induction of integrations and co-ordination) factors.

The influenced changes in consumer behaviour by globalisation settle in approach that culture is not static in time, *i.e.* it is constantly in evolution, switching old ideas with new ones (Solomon *et al.*, 2006). However, this goes against the earlier ideas fortified by some authors as Douglas & Craig (1997) who defended that transmission of values and identity happens from one generation to another; Elinder (1965) who advocates European homogeneity in consumer patterns supported by similar living conditions of European citizens; and, yet Levitt (1993) highlighted the homogenized markets around the globe. Indeed, the international markets with a single currency and converging incomes, media and technology – which are also consequences of globalisation – would expect, as economist do, cultural values and habits will also converge, and consumers become more similar accordingly, but this is not the reality (Mooij; 2000, 2003). Hereby, it is noticed that a world of more modern cultures does not necessarily mean a more homogenous world. Actually, this is not out all different from the Schütte & Ciarlante predictions made in their study about Asian consumer behaviour in 1998, where they defend that cultures will respond differently to the process of modernisation and will remain unique. Years later, Mooij & Hofstede (2011) demonstrated empirical evidence that culture is a powerful variable to explain the differences in country-level

[3] "Globalization is the process by which people, products, information and money can move freely across borders." (Lasserre, P., 2018)

behaviour about the use of fast-moving consumer goods, in which differences start at a certain level before countries converge with respect to GNI per capita.

Following the discussion along the years, the Lassere (2018)'s current approach settles societies around the globe *still* differ (in terms of political and economic activities) and, thus people's behaviour and organizations are influenced by *'culture'* [in italic by the author[4]], which means that global corporations have to address the interaction with different national cultures in the context of their cross-cultural management competences.

Standardization vs. Adaptation on Marketing-Mix

The controversy of globalisation as the major debate in the international marketing literature matters, in the business world practical terms, to understand how a company's international marketing strategy can be standardized (Zou et al., 1997).

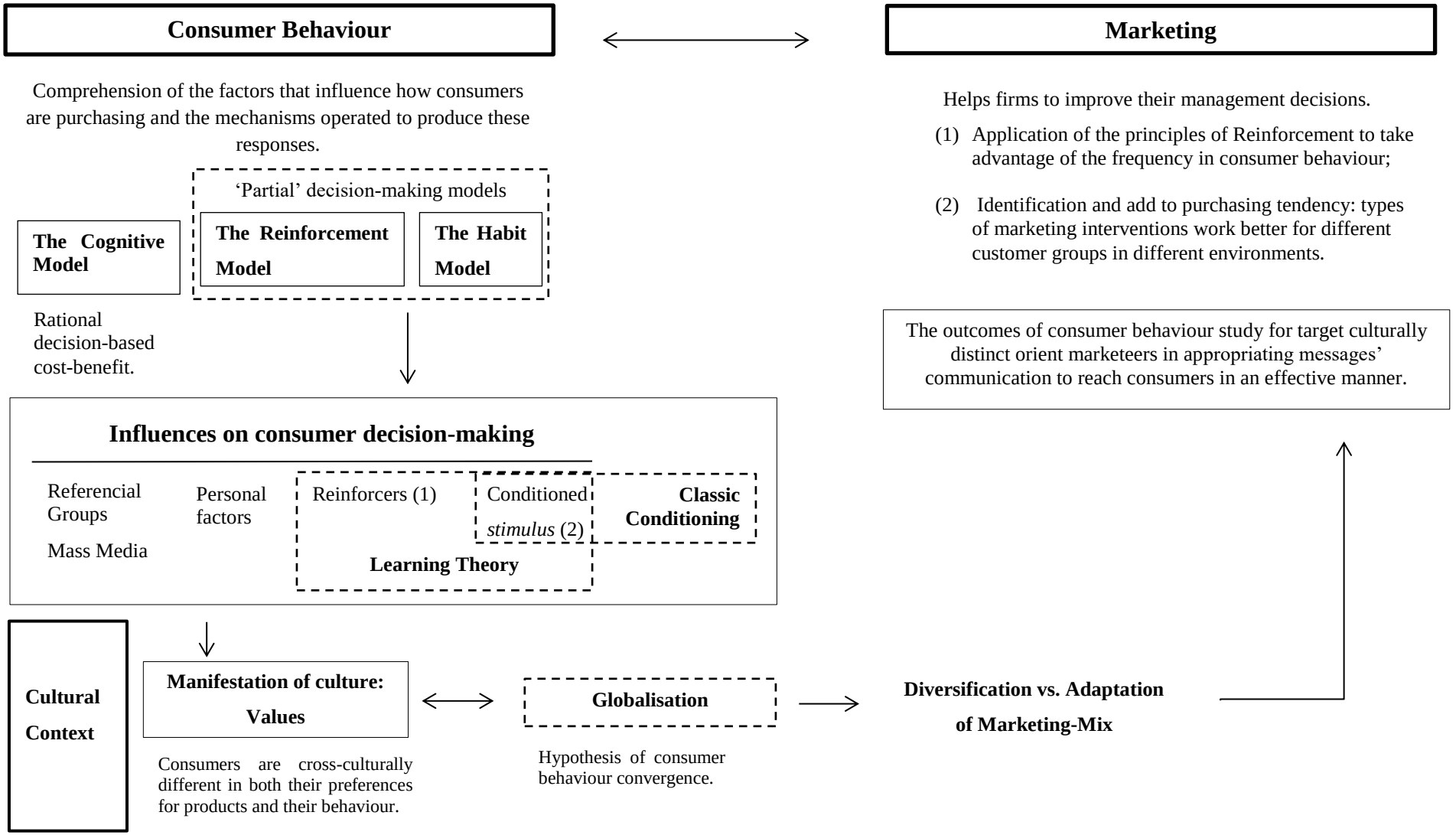
Participants in the discussion defend that, in the context of globalisation, the homogeneity of the consumer's needs and tastes, boosted by economic developments, would facilitate standardisation of marketing and advertising (Mooij, 2000) and centralization of operations (Mooij, 2003). Significant benefits are associated with this approach: cost savings, consistency with customers and in their messages worldwide, increasing efficiency in planning and greater control across national borders (Zou *et al.*, 1997; Mooij, 2003; Mooij & Hofsted, 2011).However, the persistence of opinions that defend the opposite, *i.e.* cultural variety of countries worldwide, detaching Europe; causes a stir to the influence of culture on performance of marketing and advertising campaigns, and, in turn, firm's profitability, which was something ignored from an early age by companies for reasons of lack of knowledge (Mooij, 2003).

Actually, marketers were adopting a standardized strategy for the region, however in a recent multi-country study, Shukla, Singh and Banerjee (2015) show that this assumption is erroneous (East *et al.* 2017). Global advertising and particular aspects of branding have been battled by international marketing researchers, in which most of them defend that an efficient advertising strategy in one country does not grant the same success somewhere else, even though the product or service may be the same or fulfil

[4] Lassare (2018) recognises the nonexistence of universal definition of culture.

the same need in both contexts (Agrawal, 1995; Mooij, 2003). Thus, the approach of cultural impact on consumer behaviour may lead managers to consider a marketing plan preserving the mote “Effectiveness in marketing means adapting to cultural values” (Mooij, 2003:190).

2.3. Conceptual Framework



2.4. Major challenges in Cross-Cultural Consumer Behaviour's Study

The most elementary and relevant limitation in the study of cross-cultural consumer behaviour arise on *culture*'s concept, which is considered by Mooij (2003: 190) as "a fuzzy concept" and a term with "ambiguity surrounding" (Douglas & Craig, 1997: 384); in sum, according, Lassere (2018), there is no universal concept of culture. The same last authors alarm to the inexistence of clear a demarcation line that identifies where one culture begins and another ends, whereby influences from one country or culture are constantly permeating others. Following the assumption, it is not recommended that managers use boarders as a faithful line to split homogenous trends in consumer behaviour.

Manrai & Manrai (1996) extend the same line of criticism mentioning the abundance of abstract terms [other beyond *culture*] and constructs presented in making-decision models, which lead existing models to fail due to not explaining in-depth how specific cultural dimensions affect specific consumer behaviour components (Luna & Gupta, 2001).

This leads to dubious results concerning the relationship between marketing-mix and culture that warrant further research (Luna & Gupta, 2001).

Another additional limitation heavily acknowledged by researchers is the lack of existing models of the effect of culture on consumer behaviour in framework that firmly rooted an adequate integration of literature in theory (Luna & Gupta, 2001). Indeed, most of the scholars claim for developments in conceptual pillars of research and a new review to the design of cross-cultural consumer research (Douglas & Craig, 1997) given the limited ability of research designs to capture the changing dynamics of consumer behaviour and the increasing complexity of culture influences on behaviour (Douglas & Craig, 1997), in which existing models are often too complicated to put in practice (Manrai & Manrai, 1996).

Despite all of the above mentioned, the awareness of constraints in the field of the study and the importance of the implication of its outcomes in strategic and marketing plans of the firms by current scholars lead them to sophisticate and improve validations and the applicability of the research conducted. Indeed, cross-cultural consumer behaviour study is a flux which begs further developments.

CHAPTER 3 - THE TOY MARKET

This chapter gives an overview of the evolution of the toy industry over the last years; the most relevant global and European facts currently, with particular attention to the Spanish and the Portuguese market; and the most recent predictions made by the experts about the industry trends.

3.1. A Global and European Overview of the Toy Market

Since the 1980's, the toy market has been succumbed to substantial changes that have driven the companies to redesign their strategies to respond to the new competitive conditions. The subsequent adaptation to the productive process allowed the specialization, and a productive process in outsourced phases with lower productive costs or greater technological skills, which favoured in the 90's, a growth cycle with sustainable increases in revenue, even though with a difference in external balance between countries (Ybarra *et al.*, 2009).

In 2011, the European Union (EU) was the largest toy market in the world, with a total consumer spending of €16,5 billion (TIE, 2013), followed by the United States with 15,6 billion euro. Current news and industry publication confirm this lead with EU on the head. Statistical data of 2015 released United States the second largest toy market in the world (€23,4 billion), followed by China (€8,7 billion) and Japan (€ 5,5 billion) (the most recent data available). The top three European markets are United Kingdom (€4,6 billion), France (€3,4 billion) and Germany (€3 billion) (Statista, 2018[5]).

As a matter of fact, the European toy sector has a significant weigh in the European economy: around 5,550[6] toy companies employ approximately 60,000 people (and over 130,000 workers play an indirect role), generating employment at the local level and therefore boost the growth of the local economy; around €18 billion toys were sold in 2016 (TIE, 2017).

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[5] My own currency conversion (Dollar to Euro) based on the exchange rates provided by ECB to the date 31/12/2015.

[6] In Europe, according to TIE (2013), the toy sector counts 5,000 toy companies. The next TIE publication, in 2017, states that "500 new companies have joined the sector since 2013".

Recently, a range of factors triggered several changes in the European toy market. Firstly, the demand for toys in the EU (and other mature markets) has been influenced by demographic changes such as falling birth rates, ageing population and acceleration of children maturation (Esperança *et al.* 2017). Secondly, a dramatic growth of new technologies in the households has changed games preferences of the younger generation, so that electronic games, smartphone applications and tablets have created a significant competition to the traditional toy market. On the supply side, the EU toy market is strongly marked by seasonality in sales, most notably at Christmas time, which requires additional efforts from manufacturers and retailers to ensure workforce availability, production capability and warehousing. The European toy market faces other relevant challenges: the regulation of toy safety, with physical, mechanical and chemical compliances requirements, as well as environmental regulations, trade barriers for toys in non-EU countries, and the updates on logistics and production manufacturing process (Ybarra *et al.*, 2009; Esperança *et al.* 2017).

As an industry response to face the whole evolution of the toy market, it is evident that one of the most required ability of this sector is the adaptability to continuous changes, redesigning production and distribution structures to keep competitiveness and avoid flattening (Ybarra *et al.*, 2009). The contingency was confirmed by Juli Lennett, Senior Vice President and Industry Advisor Toys at The NPD Group in the NPD release of January 25th, 2018: "In the current retail environment, it is more imperative than ever to be able to react quickly to changing tastes and fast-moving trends. Toy companies, whether they are big or small, who are nimble enough to react faster and get to market more quickly are the ones who will win in the long term" (The Toy Association, 2018).

The constant and fast demand by consumer influences negatively the sector in terms of competitiveness of the European production costs, in particularly for Small and Medium-sized Enterprises (SMEs) with limited resources (Ybarra *et al.*, 2009). In fact, approximately 88% of toy companies in Europe are micro enterprises with less than 10 employees (TIE, 2017), but even when core manufacturing takes place abroad (the large proportion of manufacturing takes place in China) activities such as Research and Development (R&D), design, testing and marketing are primarily carried out in Europe, as well as a substantial number of toys are also manufactured in European countries (TIE, 2013).

Despite a challenging market, the global toy industry sales grew by 1% in 2017 across the 12 countries tracked by The NPD Group[7] and in Europe a compound annual growth rate[8] by 0.8% until 2021 is expected, estimated by Statista (Statista, 2018). In 2017, Netherlands, Belgium and Spain sales increased more: 2% each, but Netherlands with an increase of 3%, while the USA only registered a growth of 1%. The United Kingdom and France experienced declines, while sales were flat in Germany and Italy (The NPD Group, 2018).

The global toy industry is dominated by five main players: Lego (Denmark), Mattel (U.S.), Mamco Bandai (U.S.), Hasbro (U.S.) and Jakks Pacific (U.S.), in order of highest up to lowest revenue in 2017 (Statista, 2018). However, the European traditional toy industry is fragmented, despite Lego, Hasbro and Mattel own 27% market share (Esperança *et al.*, 2017).

Many consumers still prefer to experience the purchase at the physical sales point, mainly in specialised toy stores and supermarkets, although the market share of online sales is substantially increasing. According to the analysis of JuguetesB2B which valuated the retailers' opinions, one of the tendencies that will lead the demand of the market in 2018 is the convenience of online purchase (TIE, 2013; Juguetes B2B, 2018). Indeed, the toy sector is not at the margin of the huge impact of the electronic commerce. According to the sector's manufactures, the e-commerce considerably increases each year and they point to the consolidation of an online purchase's culture, already integrated in the modern society, with improvements in delivery services (JuguetesB2B, 2018).

In 2016, pre-school toys were the biggest category in Europe and the popularity of building sets, games and outdoor toys is growing fast (TIE, 2017). Yet, in February 2018, at New York Toy Fair, the Toy Industry Association experts highlighted five main trends of the toy sector this year, known as:

a) Unboxing (the surprised element and the big revelation oriented to satisfy the curiosity of the kids);

[7] NPD's Global Toys footprint covers Australia, Belgium, Canada, France, Germany, Italy, Mexico, Netherlands, Russia, Spain, United Kingdom, and United States.

[8] The Compound Annual Growth Rate (CAGR) is the mean annual growth rate of an investment over a specified period of time longer than one year.

b) Millennial Nostalgia (the parents recover toys from their childhood to their kids);
c) Table Games;
d) Imaginative Games;
e) Educative Toys.

Adrienne Apelle, specialist at the association, marked the trend of the demand to products that allow the kids to create and explore new worlds, and those products with value added, for instance toys that teach values to the kids to be better citizens in their future world. Thus, in the words of the last, the big challenge for the year is to offer enriched, valued and funny toys on the part of the industry (JuguetesB2B, 2018).

3.2. The Spanish and Portuguese Toy Markets

While it is important, the technology does not replace the toys' role. However, perhaps it might complement it. Indeed, in the context of 2018 Paper Gift[9] event, Pedro Marques (Brinka) evidence that "Toys were, are and will be a fundamental part of the development of children at an entire level" and add accordingly that the toy market potential growth is one of the highest in Europe[10].

Spain and Portugal are emerging on this potential: according to NPD Group's [11] data (82% of the total market covered), in 2017, sales of toys in Spain increased by 1.7%, to 1,158 million euro, with respect to the 1,139 million euro of the previous year. Although the moderation verified on the growth (6.1% in the last year), it is the fourth consecutive year of growth (Alimarket, 2018). Concerning the Portuguese market, in 2017, the 2,200 retail stories audited by GfK Portugal[12] (represent 90% of the market) had revenue of 205 million euro, with 16 million toys sold, that is more 12 million euro;

[9] The Paper Gift (Portugal) is the biggest national event dedicated to the professional sectors of Stationery, Office, Scholar, Toys and Gifts' Supply and Services.

[10] papergift.fil.pt/ [available at April 2018]

[11] The NPD Group is an expert industry analysis and advisory services that help retailers and manufactures to identify market trends to make smarter business decision in Spain; it provides Beauty, Foodservice, Sports and Toys' data for clients doing business.

[12] GfK Portugal is a worldwide market research company, specialized in Portugal in the Ad Hoc Studies and Retails Panels of Long-term's Consumer Goods.

a consecutive growth of 3%, in comparison with previous year, and 52 million euro more in comparison to 2013[13].

The seasonality that characterizes the sector and that generate about 48% of the annual revenues between December and the first week of January – the highest value of seasonality in Europe - was even more marked last year. In Spain, the Christmas time is the most significant in terms of sales, followed by the two weeks before Children's Day (3.7%) and Easter (2.6% of sales). Also, in Portugal, the Christmas time – December - concentrates 28% of the sales of 2017 (61% at the fourth quarter).

As analysing the main toys categories of the sector[14], in 2017, The NDP Group highpoints the increase in sales of 20% in dolls, both in traditional (as Nenuco, Barbie or Nancy) and in novelties (for instance, Sylvanian Families, L.O.L. Surprise! or Ladybug). Indeed, Spain is the European country that sells more dolls recording a market share of 16% of the total market, while the other European countries oscillate a share market between 7% and 12% (the last are accumulated values of 2017 till August to the same year). Yet concerning 2017, in Portugal, dolls category had an increase in value of 13% comparing with the previous year; but, cuddly toys had the highest increase: 18% regarding 2016. Vehicles are the second category which increased more, with a 16% of increment. At the time when the market needs to deal with the challenge of the new wage of electronic and technological entertainment gadgets, it is interesting verified a return to the traditional toys. In Spain, games and puzzles had an increase of 9.2% till October last year; 12% for the Portuguese case (the increment for the all-year). Both countries verify a decrease in sale of licensed toys (JuguetesB2B, 2018).

According to an article of Europa Press, the Spaniard's children received less (in quantity), but more expensive toys, compared to other European children. Each toy sold for Spaniard's children had a median price of €18 - the double of the €9 on average of each British toy (Europa Press, 2017) and substantially above to the €12.8 of medium price for Portuguese toys.

The toys' manufactures in Spain (which are mostly concentrated in Alicante) have a significant weight on the national economy (Spain has 60 toys manufactures register on

[13]papergift.fil.pt/ [available at April 2018]

[14]Toys categories: Cuddly toys, Vehicles, Dolls, Games and Puzzles, Characters, Arts and Work Neatly, Electronics, Infantile and Pre-school, Sports and Outdoor, Construction Toys and Other Toys.

Toys1.com[15]), in contrast to Portugal (11). Yet, the international success of Spanish toys is proved by the sales made outside the boundaries; indeed, according to *Asociación Española de Fabricantes de Juguetes* (AEFJ), 40% of the national revenue is destined for the foreign market (Alimarket, 2018). Spanish exports reached 600 million euros, recording an increase of 13.6% with respect to the previous year; the traditional toys are those more sold abroad with a 7% of growth (JugueteB2B, 2018). The European market is the main destination of Spanish toys, with Portugal leading the ranking (7.8%), followed by France (5%), Italy, Germany and United Kingdom (AEFJ, 2010; JuguetesB2B, 2018). Regarding Portuguese market, there is no statistical data available about national exported toy's destination. For an idea, Science4you, the main Portuguese toy's exporting company – "60% of all the toys are to export"[16]- recorded high sales volume, in 2017, to the following foreign markets (decrease order by sales volume): Spain, UK, Poland, France, Denmark, United States, Italy and Russian (Consolidated Statement of Accounts 2017, Science4you).

Following the general tendency of the above-mentioned, the online sales are still meagre in this sector for both countries according to NPD Group and GfK Portugal but growing. In Portugal, the online channel weighed 2.5% (2017) which represents an increase of 32% regard to the previous year; only under half of the annual growth of toys sold on the Internet in Spain, according to the last published data by The NDP Group that is referred to 2016. That research showed that ever more of Spanish consumers made online purchases; and, Fernando Pérez, General Director of The NPD Group, highlights the sustainable increased in online sales' growth that is being strong, by bringing Spain closer to the surrounding countries (The NPD Group, 2017).

[15]Toys1.com is the international website for the worldwide toy industry.

[16]Miguel Pina Martins' interview to *ECO 24* (TV show at *TVI 24*). Article available on eco.pt [August 2018].

CHAPTER 4 - SCIENCE4YOU

"Excellence, commitment and efficiency,

the values by which we govern the company."

Miguel Pina Martins, CEO of Science4you

Report by Ver Portugal.

4.1. The Science4you's Roots, Mission and Value

The Science4you's roots sprout, in 2007, in the context of an academic project developed in partnership with students and professors of ISCTE-IUL and FCUL[17]. The finalist students of Finance at ISCTE-IUL created a Business Plan for *physics kits* which consisted in the commercialization of physics labs equipment to high schools. The *elevator pitch* presented to risk capital representatives and business angles won the second place.

Fourth months after starting working in a bank, Miguel Pina Martins (a Science4you's founder) decided to take a risk and ran with the idea that was in the academic project, the genesis of Science4you, and the start-up was born in January 30th, 2008.

Today, Science4you, a Portuguese company, is engaged in the development, manufacturing and commercialization of educational and scientific toys, and as a complement of their products provided pedagogical activities for kids, such as: birthday parties, holiday camps and scientific workshops. The strong adherence noted on these initiatives is mainly due to the innovative component in the market.

Science4you's mission is improving the levels of education in society through the toys and games' development to enable children to learn in various areas (chemical, physic, biology and astronomy) while they play.

Currently, the company is being led by the CEO and their founder, Miguel Pina Martins, assisted by John Harper who performs the *chairman* functions, and the two vice-Presidents, João Simões and Tiago Alves, responsible for Finance &

[17] Faculdade de Ciências da Universidade de Lisboa.

Administrative area and International, respectively. In addition, the organogram shows division into five departments: Lab4you (Design & Multimedia and R&D, Supply Chain, Purchasing and Marketing & Communication), Sales4you (Portuguese, Spanish and international market), Fab4you (Operations, Production, Logistics and Expedition) and Human Resources.

4.2. The Science4you's Business Performance and their Value Chain

Science4you was a precursor of the scientific toys market in Portugal, which helped the success of the business and the exponential sales growth, at the beginning, by overlapping the initial annual growth's prediction of the entrepreneurs (Esperança *et al.*, 2017).

The company's sales are consistently growing, leaving a consolidated total global revenues value of €20,962,533 in 2017, and a growth of 52% in relation to the previous year (Consolidated Statement of Accounts 2017, Science4you). Despite of the main activities of the company of development and commercialization of toys, the complemented activities mentioned before representing a 1.5% of the revenue in 2017.

Production

The innovation process and the development of the new toys are carried out in Portugal. The I&D team is composed mainly of professional with different educational backgrounds such as Psychology, Chemistry, Engineering and others. Science4you offers a vast range of scientific toys, catering to different ages.

The manufacturing of most of the toys is taking place in Portugal (at MARL factory). However, the *Tech Toys Range* and some other toys as Plams Globe or Lava Lamp are manufactured abroad. The main raw-materials (90%) coming from national suppliers, except for some which are from intra-Community countries, such as United Kingdom (mainly for soap-base), Belgium, Italy and Spain.

Currently, the Portuguese Science4you's portfolio counts 413 own toys[18] within different categories, namely: Science Toys & Kits, Cosmetic Science Kits, Telescopes & Microscopes, Build & Play Toys, Ecology & Renewable Toys, Chemistry Kits, Physics Kits and Games & Puzzle Toys. In 2017, the top three bestselling Science4you toys at the Portuguese market were:

1- Lava Lamp (with 3,258 units sold, approximately €51,000 revenue);
2- Junior Building 4 in 1 (3,051 units, about €36,000);
3- Plasma Globe (2,525 units, about €49,000).

The Drone4you Nano was the toy that collected most revenue, €59,588.48, with 1,496 units sold.

The partnership with museums bestow added value to the Science4you's toys. Most of the Science4you's toys have a ticket voucher to museums (available to museums in Portugal and Spain) inside their box, which offer a ticket to purchase of another ticket. The goal is to promote and encourage education amongst the younger generation through the acquisition of culture and knowledge.

Distribution

The Science4you's sales channels are multiple; the company is present in direct, indirect, physical and online channels (Esperança *et al.*, 2017). Apart from Science4you's store chain, which counts 24 points of sales in large stores, across Portugal during the year, and about 52 at the Christmas time; the large-scale retail distribution's partners are Auchan, Pingo Doce, Sonae, Bertrand, FNAC, Media Market, Staples, El Corte Inglés, CTT – Correios de Portugal, E.Leclerc, Dia Portugal, Lidl and Intermarché. The Science4you's products are also distributed by specialized retailers as Brinka and *Sr. do Brinquedo*. their online presence is represented on their own website to the Portuguese market; and, on Amazon and online channel of Toys R Us, FNAC, DRIM and Boabab to the Spanish market.

[18] The 413 does not include the licensed toys, for instance Animal Planet (203 references), *Canal Panda* (4), Nutri Ventures (12), SID Science Books (24) and other activities' books (6), Fungus Amungs and Chico.

One of the major concerns of Science4you is the good conditions of delivering, mainly with respect to long distance transport logistics and the warehousing, due to the company offering a post-sale service and ensures customer satisfaction by providing free servicing (Esperança *et al.*, 2017).

Communication

Science4you develops a promotion strategy to their target without incurring in significant costs. To efficiently achieve that, the company carried out some actions as: active media coverage, *press releases* and actions with public figures from TV, press and social networks (for instance, the toy *Experiências Loucas do Nilton*[19] or the promotion of Cupcakes Factory made by Ana Guiomar[20]).

The company pursuing actions of sales force and promotion in shopping centres; as also, the design of the products' exposition space has been improving and getting bigger at the retail stores and own spaces.

The adjacent field of the business (*i.e.* the leisure activities with a pedagogical component) also has an important impact on the promotion of the brand and products. These events activate the revenues and help to test and approve the potential new products (Esperança *et al.*, 2017).

Awards

Science4you has been internationally distinguished by their respected quality and growth. The awards listed further illustrate some of that recognition:

- Award Product of the year in 2015 and 2016 within the category Educative Toys (Portugal);
- Chairman's Selection Award, Ruban d'Honneurs and National Champion Award at European Business Awards 2016 (United Kingdom)[21];

[19]Nilton is a Portuguese humourist and writer.

[20]Ana Guiomar is a Portuguese actress and the founder of 'Mãe, já não tenho sopa!' food project.

[21]Science4you was the only European company receiving the three awards of 2016 EBA edition.

- Silver Medal at Independent Toy Awards 2016 within the category Ecology with Fruit Greenhouse Strawberries (United Kingdom);
- Prize of the Jury at Scientific Toys Fair G! Come Giocare with Ecological Greenhouse, in 2015 (Italy);
- IBERTOY 2015 Audience Award within the category Constructions, Craft and Scientifics with the toy Slippery Slugs (Spain);
- Award Start Up of the Year 2014 by Portugal Ventures (Portugal);
- Business Internationalization Award by the British Government in 2013 (United Kingdom);
- First Award in European Enterprise Awards 2011 within the category Internalization at the national level (Portugal);
- 2010 Entrepreneur of the Year Award by European Commission.

4.3. Science4you Competitors

Although competition was weak at the beginning, it soon started to increase (Esperança *et al.*, 2017). According to the registered companies on Toys1.com, among the 6,416 toys manufactures, in Europe, 11 have activity in Portugal (including Science4you). The most relevant ones are: Concentra (Prior Velho), Eudactica (Alcabideche), Lego (Algés) and Plastisol (Porto) (Toys1.com, 2018). Since Portugal has not got a representative weigh in manufacture sector toys and no one is specialized in scientific toys, currently, the main competitors of Science4you are foreign companies: Clementoni (Italy), Educa (Spain) and Diset (Spain)[22].

In Science4you's Consolidated Statement of Accounts 2017, it was announced that a goal project of 2015 was achieved: making Science4you one of the most important players in the Iberian market. The objective was aimed by keeping the position in Portugal and by increasing the distribution in Spain, where for the first time the company entered to the top 50 of manufactures and cemented the second Iberian position as a scientific toy fabricant, overlapping the Spanish player Cefa Toys (Consolidated Statement of Accounts 2017, Science4you).

[22]Information pointed out by Science4you from benchmarking.

4.4. The Internationalization of Science4you

According to Miguel Pina Martins, the internationalization is a way to combat against the limitations faced in the national market. So, soon the CEO of Science4you figured out the international vocation of the business. Science4you aimed their *strategic jump* to increase sales and establish a reliable brand abroad. To this end, this strategy held up European countries based on the similarity with the Portuguese market to facilitate the process of entering into the markets and to avoid high investment and risks.

Thus, Science4you started to sell in the Spanish market, in October 2009, through an agreement with FNAC. Such partnership allowed the firm to achieve an easy integration and a speedy process in their internationalisation by taking benefits of the power of FNAC as a distributor. After a year, Science4you was exporting to Angola, Mozambique and Brazil; and, in 2011, the first foreign office was opened in Madrid, at Scientific Park of *Univerdad Autonoma de Madrid*. In 2012, France, Cape Verde and Greece were the followed destination of exportation. A partnership with *Jerónimo Martins* group allowed the selling of some Science4you's products in Poland, in 2013. The process of internationalisation continued and these days Science4you distribute in more than 20,000 points of sales in Europe around 42 countries.

The currently international investment goes beyond the exportation of toys or the businesses at the foreign offices: Science4you has participated in some international sectorial fairs, with opportunities to network with players of the market. The first participation was in 2011, in Nuremberg Toy Fair; and, in 2012, at London Toy Fair. Since then, Science4you has participated in more of such relevant events. In 2017, the most relevant participation was: at HKTDC Hong Kong Toy&Games Fair and London Toy Fair, in January; at Nuremberg Toy Fair and Toy Fair New York, in February; and, at Mega Show, Hong Kong, in October.

The pursuit of international strategy of Science4you was evident last year. Indeed, in 2017, the company started to export to ten new market destinations – Morocco, Dominican Republic, Latvia , Estonia, Slovenia, Croatia, Serb, Taiwan, Russia and Belarus. Another biggest achievement was the entering in Target, the second bigger north-American retailer (Consolidated Statement of Accounts 2017, Science4you).

To conclude, in the words of Miguel Pina Martins the objective for the future would be to reinforce and strengthen Science4you's position in the current markets with a strong focus to the European market and United States.

4.5. Science4you in Spain

Science4you is operating in Spain since 2011 and has been undergoing significant changes. The company started with only one employee responsible for the Commercial Area (Front-Office), Financial and Administrative Area but was growing by hiring two interns on average every year.

The first big change took place in 2016, with the centralisation of the Administrative, Financial and BackOffice departments in the headquarters, in Lisbon.

Currently, the Spanish office of Science4you includes Tiago Alves, vice President of International Sales; João Jesus, Sales vice Manager in Spain; and Belén Royo, Responsible for the Activities Channel. This team is supported directly by employees who are working in the Spanish business from Lisbon. Moreover, an average of 20 entertainers is part of Science4you activities team.

Science4you hired John Harper, the ex-CEO at Hasbro Europe, as a mentor on the international strategy of the company. In the words of Miguel Pina Martins, his hiring was one of the best investments made since the foundation[23]. John Harper helps fundamentally in the marketing strategy, branding and campaigns.

In terms of sales, a strategical option drives Science4you closing all their fixed stores chains, in Spain, in January 2018, but is still present at the main large-scale retail points. Science4you, in Spain, sells in Alcacus Cooperativa, ToysManiatic (Jugatoys), JugueteiLandia, Panre, Toy Planet, VIPS, Baobab, Toys R Us, Casa del Libro, Correos, Drim, Jac, Juguettos, Super Juguete, DonDino, Juguetes Toy Sur, Animal Party, EurekaKids, Carrefour, Alcampo, FNAC and El Corte Inglés.

Nevertheless, the presence of Science4you in the international market - which is challenging but has a high potential - has positively contributed to the company's total sales: €4,530,661 total sales was generated by Science4you's activity in Spain, a

[23]Interview to *O Jornal Económico*, in March 2017.

variation of 52% in respect to the previous year. The entrance in Carrefour in 2017 has driven a sales' growth by 115% compared to the previous year (Consolidated Statement of Accounts 2017, Science4you).

The Spanish portfolio has 245 Science4you's toys (not including the licensed toys sold); and, 36 toys in the Catalan portfolio (with the supportive books written in Catalan).

Last year, the top three bestselling Science4You's toys in the Spanish market were the following scientific toys:

1- Slime Factory (it sold 909 units and generated about €15,000 in revenue);
2- Soap Factory (780 units, €12,000 in revenue);
3- Lava Lamp (505 units, €7,000 in revenue).

Analysing all the toys sold in 2017, it emerges that the Scientific toys category is the leader in sales and revenues in Spain, as well as in Portugal, but with a slight potential in comparison.

Also, in Spain, Science4you provides the pedagogical activities for children. The birthday parties are very successful, counting a mean of 215 parties per year (including approximately 4,000 children). Last year, Science4you released a toy in partnership with *El Hormiguero*[24] - *La Ciencia de El Hormigueiro* which provided a presence in the television channel in Spain.

[24] *El hormiguero* is a well-succeed TV talk-show, premiered in 2006, leader in audience in Spain. Its contents spin around humour, magic, interviews and scientific experiments.

CHAPTER 5 - METHODOLOGY

This chapter describes the method through which primary and secondary data were collected in the present research. The information collected will support a descriptive and exploratory analysis.

5.1. Research Approach

The purpose of this master's thesis research is to know the profile of the Spanish consumer of educational toys and ascertain to which extent they differ from Portuguese one – differences found will be understood as deviations in consumer behaviour justified by cultural factors. To this aim, it will be investigated consumers' characteristics to both nationalities and created a profile of the Spanish consumer explaining to what extent their conduct can be justified by specific characteristics.

An exploratory research will be conducted to briefly raise the implications of the effect of culture in the behaviour of the consumer of educational toys, the most appropriated design, according to Stebbins (2011): exploratory work has long been characterised as a brief, fleeting stage in the research process that gives way to the real thing.

The final analysis results into a list of recommendations which may improve some dimensions of Science4you's international business and enforce the brand position abroad, specifically in Spain; *i.e.* what should be done different in comparison to the strategy applied to the Portuguese market. The advices matter to the Science4you's international and marketing strategy to the Spanish market.

5.2. Primary and Secondary Data Collected

'To collect data, social scientists make use of a number of different data collection strategies" (Hox & Boeije, 2005: 593). Both primary and secondary collection data are rolled on the curse of the research.

The Literature Review chapter, focused on Consumer Decision-Making with special attention to Cultural Differences in Consumer Behaviour approach, allowed to locate data sources that were useful given the research problem in hands. Retrieving the relevant data and evaluating how good the data will meet the quality requirements to

explain the current research and the methodological criteria are good scientific practice (Hox & Boeije, 2005).

In addition to that, the chapters about the toy market (global and European) and Science4you, chapters 3 and 4, respectively, highlight data made available by auditors and experts within the sector; and, by Science4you (historical, operational, and financial information about the company).

The secondary data collected to the above mentioned chapters was sourced out on reports, journals publications, books, market studies, and Science4you's documentation.

5.3. Methods for Study Research

First of all, to collect data in order to draw the Spanish and the Portuguese consumer profile, a questionnaire to both nationalities of consumers will be put in role.

The questionnaire aims to determine personal, economic and lifestyle characteristics of educational toys consumers, as well their habits and preferences. Results will be processed to develop a profile of the Spanish consumer and compare it with the Portuguese results by analysing the lines of convergence and divergence.

Interviews to the Science4you's board of managers and shopkeepers will be made in order to understand international management and marketing strategy applied to the Spanish market and to raise room for improvements; but, also, to confirm, to a certain extent, the questionnaires results and to ascertain the awareness of Science4you's managers about their targets.

The interviews have two main goals:

(1) to understand the internationalisation process of Science4you in Spain, as well as the profile of the Spanish consumer considered in strategic decisions on the Spanish market;
(2) to know characteristics of the Spanish and Portuguese consumers perceived by Spanish and Portuguese shopkeepers, respectively.

The questionnaires and interviews' guides were drawn based on the literature quoted in Chapter 2 by closely following the main outcomes in force with research methods of consumer behaviour models; and, articles about consumer trends by industry experts –

Chapter 3. Both were design in order to collect descriptive data and explanatory justifications to the data results.

Questionnaire

The questionnaire target is the educational toys consumers. Question 1 serves to verify this necessary condition of the respondents.

The Portuguese questionnaire was lunched March 1st and the Spanish one 7th of the same month and closed at the same time - May 19th. Both versions were launched online using LinkedIn social network to be published.

The English version of the questionnaire and respective results collected are presented in Annex 1; and, the table with the respective design supportive is in Annex 2.1.

Interviews

The interviews with Science4you's managers aim to achieve the first mentioned goal.

The interviews will be with the following managers:

(1) Tiago Alves, vice President of International Sales since May 2015;
(2) Filipe Silveira, Country Manager of Science4you Spain since January 2015;
(3) João Jesus, Sales vice Manager in Spain since June 2016.

The interviews with shopkeepers intend to achieve the point two of interviews' goal. Also, the information shared by João Jesus will help to complete this purpose. The shopkeepers to interview will be:

(1) Yolanda Galán, shopkeeper at *La Gavia* and *Alcalá Magna*, in Spain, for 3 years;
(2) Carla Gouveia, shopkeeper at *Forum Aveiro*, in Portugal, during a year.

The interviews' design is presented in Annex 2; specifically, the design of the interview with Tiago Alves and Filipe Silveira in annex 2.2.; and, with João Jesus in Appendix 3.2.

The full transcription of the five interviews is available in English in Annexes 3 and 4, managers and shopkeepers interviews respectively. The information provided by the interviewees will be exclusively used in the context of this master thesis.

The interviews were made by email, due to the difficulty of appointment with the respondents.

CHAPTER 6 - THE EDUCATIONAL TOYS CONSUMER PROFILE

This chapter presents a descriptive analysis of the profile of the Spanish consumer of educational toys with emphasis on the Science4you consumer. The relevant consumer's characteristics discrepant of the Portuguese will be highlighted.

6.1. Sociodemographic Characteristics

Age, Gender and Education

The Spanish Science4you's consumer of educational toys age ranges around 30-50 years old. The assumption is based on age group of most of the survey sample that is 30-39 and on the information given by Science4you manager: "they are parents with children aged 5-12 years, (…) grandparents, uncles and friend's parents" (Interview, Tiago Alves, VP of International Sales). The dominant genre is undoubtable the feminine: "The dominant sex when making purchases focused on children's needs and entertainment remains by far the female role" (Interview, Yolanda Galán, shopkeeper at Science4you in Spain). The age range and gender are features on the consumer profiles show being similar for both countries, Spain and Portugal.

In respect of education, Spanish Science4you's consumers present a medium - higher level of education: "all of them being of a cultural scale high enough to understand the advantages of an educational and didactic toy over another merely idle"; detailing, consumers recognise the value-added of manual and social[25] toys which teach something to kids while they play, making them think and ratiocinate or allay them from technological toys that absorbed them in an inactive way (Interviews, Yolanda Galán and Tiago Alves).

There are not clearly evidences about of the nationalities of Science4you consumers present higher level of education based on interviews conducted. However, according the survey's sample characteristics (*i.e.,* the characteristics of educational toys consumer in general), the Spaniards showed a higher level of education – *Master level*, equivalent to 'University education, third cycle" – compared to the Portuguese – *Bachelor's degree*

[25] Term used by Yoland Galán which means toys designed to be played with other people.

(5 years of education). The Spanish Science4you's consumer is likely more educated than the Portuguese one.

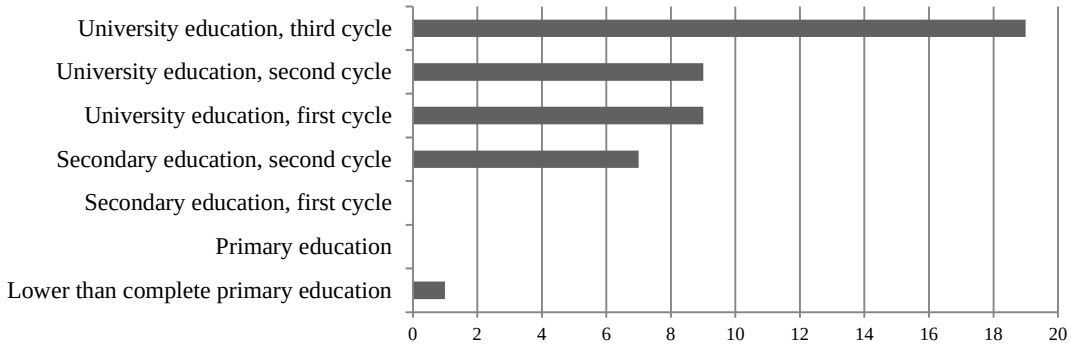

Table 1 - Education level of the Spanish sample

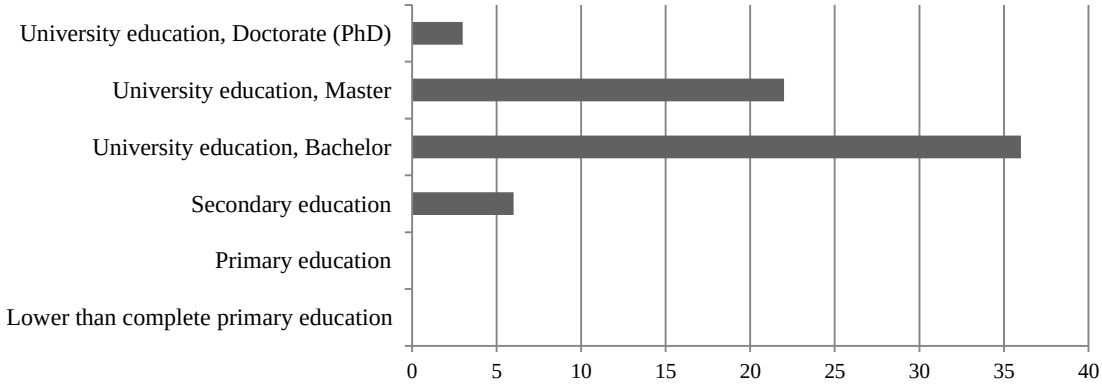

Table 2 - Education level of the Portuguese sample

Family Disposable Income

The purchasing-power of Spanish consumer is higher than the Portuguese; this is reflected on the educative toy market. Indeed, Science4you cash flow in Spain has a higher impact (Interview, Filipe Silveira, Country Manager in Spain), due to Spanish Science4you's consumer "easily chooses to spend €20/25 on a toy to offer on a birthday party, while the Portuguese consumer does not exceed €10" (Interview, João Jesus, Sales vice Manager). In fact, the survey's results show that the average price of each educational toy bought by Spanish consumer is €27 (67 answers) as against the €22 (91 answers) spent by the Portuguese consumer.

The abovementioned revel that overall Spanish consumers of toys have significant willingness to pay for educational toys, fact that could be intrinsically related with the

medium-high education level that characterise those consumers. Indeed, when asked about willingness to pay for an educational toy, the Spanish consumers point out a value around €29 and Portuguese consumer around €25. The higher purchase willingness is reflected on the spent budget per educational toys: in which, in the case of Spanish Science4you's consumers is higher when compared with the Portuguese, as presented before.

Noteworthy, in the Madrid region, it is observed different purchasing-power levels of Science4you's consumers according to geographical areas. Apparently, consumers of sales' point in Alcalá Magna (placed in Alcalá de Henares, Madrid northwest) have less purchasing-power than the consumer in Plaza Norte (Alcobendas, Madrid north) (Interview, Yolanda Galán).

In addition to that, many mothers in Spain have a degree, but do not work and dedicate entirely to their children. This is something normal in that country but not in Portugal, because the economic reality of the country does not allow it (Interview, João Jesus, Sales vice Manager in Spain).

Leisure Time

Nueno and Bennett in their paper *The changing Spanish consumer* state that "The Spaniard's live for their free time" and go ahead quoting De Miguel (1993) who said, "the dominant mentality is that employment is a means of getting money to spend on leisure activities" (Nueno & Bennett, 1997: 22). The Sales vice Manager, who is living in Madrid, agrees with that and defies to walk around the city at the weekend and observe families purchasing in the shopping centre, walking, eating, doing sports (Interview, João Jesus).

Parents spend a lot of time on family activities and learning to play is not a new concept (Interviews, João Jesus and Yoland Galán). The fact is, in Spain, Science4you can explore the Birthday Parties service at Friday unlike in Portugal, because they have a greater demand (Interview, Filipe Silveira).

Leisure activities of Spaniards seem to be related to the education level: apart from the outdoor activities and time spent with family, their personal hobbies are reading and exploration about subject to own interest (Interview, Yolanda Galán).

6.2. Characteristics of Consumer Behaviour

The main overall conclusion through the analysis of the interviews carried out to Science4you's managers and shopkeepers is the evident lack of agreement concerning to the behaviour of their Spanish target. Aspects linked how informed, impulsive and claimed is the Spanish Science4you's consumer raised some disparate outcomes on the interviews, even more when compared with the Portuguese consumer. This evidence was not noted in the outcomes of basic sociodemographic characteristics, which seems being a consensus topic.

The Spanish and the Portuguese as Educational Toys Consumers

The overall educational toys consumers are those who understand the value-added of this specific category of toys over the ordinary ones. In general, educational toys provide the development of abilities and interests of children while they are playing; however, consumers evaluate differently some aspects of the product.

Based on the survey[26], the Spanish and Portuguese consumers state that *Quality* and *Price of the toy*, by this order, are the most valued factors (of a range of five) at the moment of choosing among various educational toys. This means that the Quality/Price ratio is the factor that most influence the educational toys consumer behaviour.

Following the analysing of the ranking (results), the dissimilarities appear: the Spanish consumer points out *Recommendation of somebody/some communication channel* as being the third factor that most influences them. For the Portuguese consumer, this factor is the least valued. This stay in line with consumers' responses about the level of influence of the people/channel of communication/social network classified from *1-Little influence* to *4-Much influence*. Spanish consumers evaluated the influence exercised, on average, in 3.15 points, while the Portuguese consumers indicated an average of influenced around 2.64.

The third position on the ranking of the Portuguese consumers goes to *Attention to the customer in store*. This factor was classified by the Spanish the least valued. Thus, in

[26] Question 2: Value the following elements that influence you in a toys' purchase (order from the least valued for the most value). Elements: Quality of the toy, Price of the toy, Attention to the customer in the store, Toy brand recognition, Recommendation of somebody/some communication channel.

Portugal, companies that have their own sales outlets should be careful of the service provided in shop; something not much valued by the Spanish consumer.

Finally, the factor that achieved the fourth position of the ranking is the *Toy recognition*, in both surveys.

	Quality of the toy	Price of the toy	Attention to the customer in the store	Toy brand recognition	Recommendation of somebody/some communication channel
The most valued	32	5	0	0	8
Very valued	10	17	5	5	8
I do not value or devaluate	2	10	7	10	16
Little valued	1	8	14	18	4
The less velued	0	5	19	12	9
Total	**45**	**45**	**45**	**45**	**45**

Table 3 – Results of the Spanish survey – Question 2

	Quality of the toy	Price of the toy	Attention to the customer in the store	Toy brand recognition	Recommendation of somebody/some communication channel
The most valued	46	13	3	5	0
Very valued	15	31	5	12	4
I do not value or devalue	2	15	19	18	13
Little valued	3	4	18	23	19
The less valued	1	4	22	9	31
Total	**67**	**67**	**67**	**67**	**67**

Table 4 – Results of the Portuguese survey - Question 2

Consumer Knowledge about Toy Market

There is no consensus among Science4you's managers and shopkeepers about how much the Spanish consumer is informed about educational toys. The survey's outcomes show that the percentage of Spanish consumers of educational toys who search for information before buying an educational toy is greater than the Portuguese one: 92% and 32%, respectively.

Trying to clarify this point, first consider the large slice of the Spanish consumer of educational toys who admitted searching for information against the smaller slice

Portuguese doing it; and, secondary, the recognition of the educational toys' benefits by Spanish consumers shown by the higher willingness to pay for them. Thus, Spanish consumers of educational toys seem to know more about to education toys market when compared with the Portuguese.

Indeed, the Spanish Science4you's consumer knows what wants, *i.e.* "asks directly for a toy to make x, or with x qualities" (Interview, Yolanda Galán) - unlike the Portuguese consumer, who generally: "do not know the brand or other competing brands" (Interview, Carla Gouveia, shopkeeper at Science4you in Portugal). This reinforces the idea that the Spanish consumer knows more about toys offer in the market, although "does not usually ask for a specific brand" (Interview, Yolanda Galán).

The channels most used by the surveyed people of both countries to get information about the educational toys are the online channels – the most referred was *Internet*[27], among them are: *Facebook*, being the social media in which respondents admitted making more searches; and, the *Site of toy's brand,* very relevant in Portugal. This result seems to fit particularly the Science4you's consumer behaviour – "The most used platform by the Portuguese consumer is without a doubt the Science4you's web page" (Interview, João Jesus). Also, *Blogs, Television, Newspapers/Magazines, YouTube, Instagram* reveal an equal importance for respondents of both nationalities.

The *Amazon* channel is, in Spain, both a toys' sales channel and a browser used to search information according some respondents. Science4you's consumers do not dismiss the channel: "In Spain, Amazon also works a lot as a search engine" (Interview, João Jesus).

In addition, the shopkeepers of both countries emphasize their (and their co-workers) key role as providers of information to the consumer. The fact is that most customers go to stores without a concrete idea of the product they want to buy, even when they know the desirable features/functions of it. That way, most shopkeepers provide suggestions on the options available, explanations on product content and functions, and workshops on how to play with the toy: "it pleases them to be guided and explained about the properties of the products of their interest, even being showed other possibilities or other items related" (Interview, Yolanda Galán).

[27] Term used by the respondents.

External Influence in Consumer Making-Decisions

Except the four Portuguese respondents who affirmed that are not influenced at all in their toy purchase making-decision, all the remain respondents and the entire Spanish sample identified someone or channels of communication that exert influence on them at the moment to take a decision about an educational toy purchase.

Based on the information collected through surveys, Spanish consumers of educational toys state *Internet* as the main channel which influenced their choices, namely: *Blogs, Facebook, Instagram, Amazon* and *YouTube*; in contrast the Portuguese consumer highlights the role of *Television* as the main influencer. For both countries *Friends* are the second greatest influencer, as well as the *Family* is relevant, especially the *Sons* for the Portuguese case.

Internet	9
Friends	8
Blogs	5
Facebook	4
Instagram	4
Family	3
Siblings	3
Spouse	3
Amazon	2
Sons	2
Youtube	2
Newspapers/Magazines	1
Site of toy's brand	1
Teachers	1
Television	1

Table 5 - Results of the Spanish survey – Question 2.1.

Television	14
Friends	12
Son	7
Internet	5
N/A	4
Family	3
Children	3
Siblings	2
Partner	2
Social Media	2
Blogs	2
Facebook	2
At the shop	2
Co-workers	1
Parents	1
Grandparents	1
Nephews	1
Godson	1
Canal Panda	1
Youtube	1
Instagram	1
Newspaper/Magazine	1
Kindergarden teacher	1
Paediatrician	1

[28]

Table 6 - Results of the Portuguese survey – Question 2.1.

Switching the analysis from the generality of the educational toys consumer to Science4you's consumers, specifically: they are "influenced enough by friends" (Interview, Yolanda Galán) and their children - "When parents are accompanied by the child, the child's choice prevails" (Interview, João Jesus).

Also, relevant and observed by managers and shopkeepers is the influence that shopkeepers exert on the Science4you's consumers of both countries at the purchase phase. Apart from the explanations and answers to questions of potential customers, which could result in a clear suggestion, shopkeepers can limit the consumer choices based on a non-subjective interpretation of the consumer's need and consequently present a conditioned range of products options: "Regarding the child's profile that it is perceived through the conversation with the customer, we suggest the most indicated toy for the kid" (Interview, Carla Gouveia). This, in line with conclusion taken in the Review Literature, demonstrate that even those Portuguese educational toy consumers

[28] The sum of the answers to all the elements exceeds the sample, because some of the respondents gave more than one option. Consumers who said that their choice was not influenced by any external factors/people, were coded as N/A.

who said not suffer any influence by communication means or people are ultimately influenced, by *cultural context* where they are insert, without even realising it.

This help given by shopkeepers is perceived being accepted positively by Science4you's costumers: the Spanish consumer "reacts very well, regardless of whether the product is taken or not" (Interview, Yolanda Galán) and for Portuguese consumer "all the suggestions are welcomed" (Interview, Carla Gouveia). By way of conclusion: "Usually both the Portuguese consumer and the Spanish consumer follow the recommendation given by the shopkeeper" (Interview, João Jesus).

The Impulsivity at the Consumer Purchase

The interviews' outcomes concerning the impulsivity of the Science4you's consumer find distinct directions. However, the following can be considered:

(1) The Spanish Science4you's consumer *easily* buys two toys for a son, since he/she has a larger budget when compared with the Portuguese one (Interview, João Jesus);
(2) The Science4you's consumers "do not hesitate to take an attractive product when the occasion comes", mostly the consumer knows 'more or less' what they want and goes out for looking for it, sticking "to a budget or primary idea of spending" (Interview, Yolanda Galán). Note, as previously mentioned, the consumer budget varies according to the area of residence which is intrinsically related to the economic level (Interview, Yolanda Galán). However, without occasion/event as a reason to buy, the consumer can do it if he finds a "product for the development and fun of their children, nephews" (Interview, Yolanda Galán).

The most impulsive behaviour noted in the Portuguese Science4you's consumer is restricted to lower price products, as could be the case of the *Toy of the Week* or other product with an attractive promotion. Except for that kind of purchase that happen without being planned "they do not go beyond" (Interview, Carla Gouveia).

The Complaint Habit of the Consumer

In contrast with Filipe Silveira's opinion ("I think both countries are equated"), Tiago Alves, João Jesus, and Yolanda Galán agree that the Spanish Science4you's consumer is a costumer who complains for justified reasons mostly because he/she is demanding

(Interview, João Jesus and Yolanda Galán); actually, "much more demanding than the Portuguese consumer" (Interview, João Jesus and Tiago Alves). The main reasons for complains is the lack of instructions or because they are not in Spanish; lack of components or supportive items, such as glasses, stickers, *etc*. (Interview, Yolanda Galán).

The main difference between Spanish and Portuguese consumers is that the latter generally prefer buying the missed component instead of returning the toy to the store; while the Spanish consumer, "in 90% of the cases" complains even if it is a toy charged by €5 (Interview, João Jesus).

Sensibility to the Price

There is no clear conclusion about the consumer' sensibility to the price: "If the variation in the price is small, it usually does not have an impact" (Interview, Yolanda Galán) (not much sensitive), but despite that "We note the Spanish consumer is more price sensitive" than the Portuguese consumer (Interview, Tiago Alves). The Spanish consumer "accepts more expensive toys" – "Apparently, the average number of toys offered per year in Spain and Portugal is similar (9-12 [units] vs. 30 [units] in the UK, for example); however [in Spain] the average price is higher" (Interview, Tiago Alves). In fact, according to The NPD group a Spaniard's kid receives on average 9 toys against the 21 received by French children or 23 by Germans, for instance; but, the average price per toy bought in Spain (€19) is one of the highest compared with France (€16), Italy (€15), or German (€13).

It seems that, when the price increase is large, consumers "need a plausible explanation", for example, "improvement of qualities, more quantity of product, more game possibilities etc.", otherwise they do not accept well the rise "with conviction" (Interview, Yolanda Galán).

Regarding the Portuguese consumer, they "call our products expensive toys" (Interview, Carla Gouveia).

The Promotions Preferences of the Consumers

The analysis of the data collected from the interviews concludes that both Spanish and Portuguese consumers of Science4you prefer *Direct discount* rather than any other kind

of promotion – such as: *Direct discount at the second unit, Ticket discount (in the next purchase), Voucher Discount, Contests* or *Temporary reductions on prices* - following the preferences of the general educational toys consumers (conclusion of the surveys).

	Direct discount	**Direct discount in the second unit**	**Ticket discount (in the next purchase)**	**Voucher discount**	**Contests**	**Temporary reduction on prices**
1	21	2	6	1	11	1
2		13	6	3	6	7
3	2	5	11	9	2	8
4	1	9	6	14	3	8
5		3	6	11	7	9
6	1	10	9	4	0	11
7	20	3	1	3	16	1
Total	**45**	**45**	**45**	**45**	**45**	**45**

Table 7- Results of the Spanish survey – Question 9

	Direct discount	**Direct discount in the second unit**	**Ticket discount (in the next purchase)**	**Voucher discount**	**Contests**	**Temporary reduction on prices**
1	34	7	10	4	10	6
2	3	17	9	12	8	20
3	0	17	16	13	15	2
4	1	10	17	23	3	11
5	2	12	12	11	13	19
6	27	4	3	4	19	9
Total	**67**	**67**	**67**	**67**	**68**	**67**

Table 8 - Results of the Portuguese survey – Question 9

The assumption is supported by João Jesus: "We did several experiences such as 3x2, 50% in the second unit, and ticket discount. What worked best was always the direct discount on the first unit" (Interview, João Jesus).

In respect to other promotions, in terms of preference, there is not much concordance between surveys' respondents and shopkeepers' opinion: "of worse reception are the discounts for upcoming purchases" (Interview, Yolanda Galán). However, according to the Spanish sample this promotional event is the second most preferred, followed by

Discounts in ticket. On the Portuguese side, the second most preferred is the *Temporary reduction price* and not the *Promotional vouchers* (Interview, Carla Gouveia). Indeed, the *vouchers* were ranked fourth in the respondents' preferences; and the *Contests* are those less preferred by respondents of both countries.

Promotional campaigns in the Science4you shops have different acceptance among Spaniards and Portuguese. "In the Spanish market, *Black Friday* is a success": the discounts vary between 20-30%, and "it is the favourite and most adherent promotion in Spain" (Interview, João Jesus). On the other side, *KABOOM*, a Science4you's promotional campaign ("buying 1 article a 15% ticket discount, 2 articles 25%, 3 articles 35%, 4 or more articles 50%" (30-day redemption period for the ticket) has very interesting data in Portugal with almost 15% of the tickets claimed.

The Relationship of Science4you's Portuguese origin and their Consumers

The way Spanish and Portuguese consumers deal with the origin of Science4you brand differs slightly, according to the interviewees comments: "The Portuguese consumer vs. Spanish consumer has a completely different behaviour towards our product" (Interview, Filipe Silveira).

"In Portugal, we have a greater impact for being a Portuguese brand" (Interview, Filipe Silveira). Undoubtedly Science4you managers agree that the impact of a "100% Portuguese company" of toys in Portugal is higher than in Spain – "The Portuguese consumer is proud to buy Portuguese products" (Interview, João Jesus). In fact, most of the Portuguese respondents choose the option *I value Portuguese brands*, which describes their relationship to the Portuguese origin of Science4you.

The impact of the culture of "contributing to" a national company and consequently to national economy has been benefited the business in Portugal, especially positive in the early years, which coincided with the financial crisis. This impact is not being felt in Spain (Interview, Filipe Silveira).

Crossing the border, "the Portuguese product is undervalued" as the Spanish consumers of educational toys do not associate *goodwill* with a Portuguese brand, contrary to the French and Italian brands (Interview, Filipe Silveira). One of the most successful French and Italian toys brands are Janot and Chicco, respectively. The vice President of International Sales adds that "we do not have a corporate history as

strong as in Portugal" (Interview, Tiago Alves). It seems that the ratio Quality/Price is one of the factors that leads Spanish consumer to choose a Science4you toy (Interview, João Jesus).

Although the weak link of the Portuguese origin of Science4you brand and the Spanish consumer, apparently this consumer feels Portugal "like a "brother" country", due to "our peninsular companion". Despite being a foreign product, the Spanish consumer gets the product "more "from here" than if it were from another country, including France even if it also makes border with us" (Interview, Yolanda Galán). Overall, the largest slice of Spanish consumers of educational toys questioned admitted that *I do not care if it is Portuguese* as the best description for their feeling for the Portuguese origin of the brand.

I value Portuguese brands	47	70%
I do not mind if is it Portuguese	4	6%
I would prefer if it is not Portuguese	0	0%
I do not care if is Portuguese	16	24%
	67	**100%**

Table 9 - Results of the Portuguese survey – Question 6

I value Portuguese brands	4	9%
I do not mind if is it Portuguese	12	27%
I would prefer if it is not Portuguese	0	0%
I do not care if is Portuguese	29	64%
	45	**100%**

Table 10 - Results of the Spanish survey – Question 6

CHAPTER 7 - IMPLEMENTATION STRATEGY

This chapter presents some strategical management actions strongly recommended to reinforce Science4you brand position in the Spanish market. These cover the four key elements of Marketing: product, promotions, placement or distribution, and price (Nagle & Müller, 2016).

All the suggestions are supported by (1) the profile of the Spanish customer of educational toy presented in the previous chapter; and (2) the analysis of tendencies expected by experts, especially in the toy sector in Spain, for which JuguetesB2B is the specialised media for the toy and game sector – chapter 3.

The optimism of Global 2018's Consumer and Spanish Consumer

The PwC survey on tendencies of consumers for 2018 pointed out that "Globally, consumers are upbeat about the economy and their personal spend" (PwC, 2018: 4): a third of the survey respondents said this year the economy will perform better than in the previous year, and nearly three-quarters of these predict that their personal spending in the next 12 months will be greater than or equal to the last 12 months. This fact may boost the educational toy sector, and it is even more likely when considering the particular characteristics and the main tendencies of the Spaniards, such as: (1) a good understanding and valorisation of the benefits of educational toys in contrast to other ordinary toys; (2) a great willingness to pay for educational toys; and, (3) the increasing demand for toys that foster family relationships (Aiju, 2017).

In conclusion, the following strategical management actions may be widely accepted by the consumers based on the evidences abovementioned.

7.1. The importance of tailoring Science4you's strategy in Spain

"Understanding and adapting to cultural differences will continue to play a major role in successful marketing strategies across the globe, while the need to successful coordinate strategies across countries will continue to increase" (Gillespie & Hennessey, 2016: 12). This passage of Gillespie & Hennessey's book (2016) draw a light on two fundamental

approaches: (1) worldwide marketing strategies adapted to cultural differences; and (2) coordination of strategies between countries.

This chapter follows the premise that global marketing strategy must be efficient and locally adapted regarding tinny aspects, *i.e.* closely following different profiles and preferences of the target. In the context of Science4you, this is crucial in the Spanish market, due to (1) the toy sector being challenging and having potential to grow, as previously mentioned (adding the fact that Science4you's business performance in Spain has currently a positive impact on total sales, and it is being growing in recent years) (Science4you Financial Statements, 2017); and (2) in general, the Spanish consumer having greater purchasing-power in comparison to Portuguese consumers, which, in turn, reflects itself in the educational toy sector.

Thus, the growth of the Spanish toy market and the characteristics of the consumer make this an overseas potential market for Science4you.

Therefore, a good positioning of the Science4you's product in the Spanish market is mandatory to achieve a positive acceptance by the consumer, and consequently take advantage of the market. In this sense, Science4you is suggested to consider the following marketing strategy: "global firms must constantly balance the unique needs of national markets with global imperatives" (Gillespie & Hennessey, 2016: 2). By doing so, Science4you will achieve a cost-effectiveness of the marketing adaptations required by each market.

7.2. Toys and Games offer at the market and Science4you portfolio in Spain

The European toys and games sector experiences sharp fluctuations in the yearly demand – a rise in revenue between December and the first week of January (cf. chapter 3). Thanks to the feedback received from manufacturers and retailers, JuguetesB2B described the Spanish consumer of toys as a consumer who constantly requests new products: "We are facing a consumer ever more demanding who changes his tastes and preferences more than ever before" (JuguetesB2B, 2018).

Faced with this situation, professionals try to catch the attention of kids with constant offers of innovations that might spark the interest in different phase of their lives. This could be somewhat counterproductive in the sense that high levels of innovation and

quality leads the market to be complex and oversupplied in Spain, whilst demand is unable to absorb most of the innovations presented in the industry.

Dealing with the educational toy as a tool for the development of children's abilities instead of a mere gift, professionals of the sector can surpass the fluctuations and oversupply, and contradict in terms of sales the negative effect of non-festive periods (JuguetesB2B, 2018).

In fact, Spaniards generally assign great importance to leisure time, which means spending time with their family and friends, mostly outside. Due to Science4you's portfolio not being rich in outdoor products, marketing strategies need to more effectively communicate the benefits of their range of offers in terms of the children's cognitive development. Indeed, the categories of toys that most contributed to sales increase in Spain last year were dolls and novelties (which are not outdoor toys or games) – cf. chapter 3. In a similar way, looking at Science4you sales last year in Spain, *Slime Factory*, *Soap Factory* and *Lava Lamp* were the top three bestsellers, *i.e.* the Scientific Toys and Cosmetic Science categories are the leaders of sales in that market.

So, a marketing strategy that values not only the product line, but also the benefits of using them *in family* can significantly improve the company sales. In this sense, Science4you needs to emphasise the Scientific Toys and Cosmetic Science categories, that are products with a good price/quality ratio and suitable for playing in a familiar environment. Actually, the Cosmetic Science category is Science4you "European leader" (Interview, João Jesus).

At the same time, the R&D department should strategically be aware of the importance of the trend and maintain a certain level of innovation in those categories, considering:

(1) the development of a range of toys focused on different phases of children's cognitive learning processes (*i.e.* targeting all the skills that need to be developed at each age). In this sense, "instead of pulling out different versions of the same product (e.g. Soap Factory, Science of Soap, Pocket Science Soaps Kits, *etc.*) that do not add any value, Science4you should offer an innovative range of toys, such as Universe or Mathematics related, currently not largely available in the market" (Interview Yolanda Galán);

(2) the potentiality of these toys for being played in a familiar context or with friends (e.g. a "toy to be played with in a pyjama party"). The Spaniards are

aware of the importance of spending time with their children, so innovations of Science4you needs to follow that trend.

With that in mind, a suggestion about Birthday Parties sector in Spain is given. This complementary service has a very positive acceptance by Spanish consumers; however, the service is not wisely promoted and the information available is not clear. Currently, information about optional p*acks* or party's *themes* is available on the Science4you website, however availability and pricing must be required via email or phone. Thus, in addition to the suggestion to better promote the Scientific Birthday Parties of Science4you – on the webpage, Instagram and Facebook and for instance, on the packaging – it is recommended to explore similar services like that Holidays Camps, already developed in Portugal – since there seems to be demand for these. To do so, one more person should join the activities department.

Science4you's needs to constantly innovate in a strategic way, taking into account demand and offer trends of the Spanish market (cf. chapter 3). In order to have a cost-benefit advantage in the investment of new products, an adaptation to the positioning and communication of products in the Spain needs to be reformulated.

7.3. Science4you's product Distribution in Spain and Customer Service

The strategy implemented by Science4you since January 2018 - closing points of sale - led to a redefinition of the distribution channels in the Spanish market.

The focus seems to be on large-scale retailers as Carrefour, Toys R Us and El Corte Inglés (cf. chapter 3) (Interview, João Jesus). However, some strategic challenges may come up accordingly.

a) Spain is the second largest producer of toys and games in Europe. This poses a huge barrier to Portuguese brands wishing to penetrate the Spanish market (cf. chapter 3), especially because Portuguese branded toys do not have "an associated goodwill, contrary to what happens with other brands (French, Italian, *etc.*)" (Interview, Filipe Silveira); but also, because the negotiation with retailers is particularly difficult when in general the economy does not favour the country's industry, retailers simply "did not give us any opportunity" (Interview, Tiago Alves); in short, it is hard to establish beneficial trade relations between the two parties;

b) The Spanish consumer of educational toy prefers the specialised store to hypermarkets or other types *all products*' stores (Interview, Tiago Alves) – [the Spanish consumer] is "more accustomed to buying in a specialised store and not in the hypermarket – therefore more focused on quality, service, *etc.*". Consequently, in Spain is possible to count a handful of specialised store in toys and games, unlike Portugal.

To face these two major challenges, Science4you is advised to establish strategic steps to lead with.

Regarding the first challenge, Science4you can lead a *two hands* strategy: (1) hire a sales agent to manage all the negotiations with Spanish large-scale retailers; and, (2) set up a strong e-commerce strategy.

The first strategy mentioned closely follows the suggestion given by the vice President of International Sales and the Country Manager in Spain: hire a sales agent who represents Science4you brand in Spain and establishes international negotiations into that market. Managers are aware of the strong competition that Science4you has to face in the Spanish market: "Spanish toys market is four times larger than the Portuguese market" (Interview, Filipe Silveira) and the difficulty coming from that reality. Thus, it is strongly recommended an investment in an experienced professional, a proactive Spaniard, who knows the market in depth and is able to negotiate with the Spanish retailers. As Spanish retailers do not work as Portuguese do, the agent's negotiation skills must be aligned with the way to trade in Spain, in order to eliminate any other barriers that could come up beyond existing ones. This Science4you's agent would be responsible for:

a) continuously managing the relationship with large-scale retailers, thus consolidating the presence of Science4you in the Spanish market;
b) participate in trade fairs in Spain - for instance, IberToy (Barcelona 2018), Promogifht, Juguetes Pre-Show by AEFJ, *etc*. - which are a potential trade-market place for doing businesses: negotiating seasonal pre-sales, introducing new products/innovations and promoting the Science4you brand. This strategy should additionally involve a team of sales agents spread across the country: local agents would be responsible for local distributors, while the representative sales agent would be responsible for carrying out large scale retailers and

managing the team performance, taking into account global and individual objectives, orientating/supervising and motivating the team.

The second challenge suggested is in line with generalised change in consumer's habits and the fateful growing tendency on online sales. The Spanish consumer is indeed increasing his confidence in e-commerce as reported by a study carried out by *Showroomprive* and *Confianza Online* (JuguetesB2B, 2018). This trend is also having an impact on the toys and games sector; according to The NPD Group (cf. chapter 3) and JuguetesB2B - "The toys industry is also noting the impact of e-commerce, which according the manufactures is increasing and can growth even more" (JugueteB2B, 2018).

Currently in Spain, the Science4you's online sales channel is only provided by Amazon following the market trend: the "e-commerce is still ample in Spain and Amazon is the main actor" (JuguetesB2B, 2018). Notwithstanding the importance of Amazon, not just to buy products, but also to search for information; it is advised that Science4you develop their own online sales.

In a 2018 study on Global Consumers obtained through survey data collection, PwC showed that "mobile commerce more than doubled, from 7% to 17% - and will likely soon surpass the PC-based buying" (PwC, 2018). Considering this new reality, Science4you is suggested an e-commerce approach provided by a mobile application. Specifically, a global mobile application suitable to the user's nationality and with a good performance to satisfy the demand of national and international markets.

Considering this strategy will represent a considerable investment; Science4you can start with an application to the Portuguese and Spanish markets. Then in the coming years, the application could cover all the relevant Science4you markets, by taking advantage of synergies. The mobile application should be designed to be an information channel about the Science4you's portfolio – promotional videos, description of product features, information about the Science4you Birthday Parties service *etc.* - as well as, a Science4you's extra-services provider - Science4you mobile games, advices of products usage, order tracking, open space for suggestions, and claims. The provision of information about products, or even about company's corporative history, responds to the demand of transparency demanding by consumers: "the lack of transparency is the ballast of the companies, a fact that, according to the study carried out by London

Research and Truth worry the marketers, since it damages the image of the companies" (JuguetesB2B, 2018).

This Science4you's online platform would lead to the potential e-commerce benefits indicated by professionals of toy and games industry: "the online sales help to 'unseasonalise' the sales within the sector, since they allow to reach more people", the experts even said that "the e-commerce was one of the keys that help the sector" during the last Christmas and *Reyes* campaigns (JuguetesB2B, 2018). Even, online sales might be boosted due to the increasing of the value chain potentiated, in turn, by the automation of e-commerce - "it seems inevitable that automation will play an increasing role in all aspects of the value chain" (Forbes, 2017).

The investment in online sales channels requires, in turn, an investment in supportive services, namely: the delivery and provision of secure payment services.

According, to Juguetes B2B the online consumer demands a "purchase experience even more quick and simple" (JugueteB2B, 2018). Indeed, by dint of the trend of e-commerce rising, the requirement on the delivery services provided with quality is therefore being claimed. A study drawn up by Zebra Technologies - 'Future of Fulfilment Vision Study'- comes up with "78% of the logistic companies enquired believe that in 2023 orders could be delivered in the same day, while 40% trust that could do deliveries in 2 hours from 2028" (Juguetes B2B, 2018).

The business in Spain can take advantage of the proximity with Portugal especially on the reduced delivery times (Interview, Filipe Silveira). By doing so, Science4you would deliver convenience, which is currently a purchasing criterion: "44% [of the sample] value the speed of the process" report Showroomprive and Confianza Online in their study (JuguetesB2B, 2018).

Lastly and concerning the payment, it must be mentioned the remarkable results found by PwC in their study about the preferences of consumer of 2018: "Half of all respondents use smartphones to complete payment at a bricks-and-mortar store, either through customised orders in advance, in-store apps, or a mobile payment platform at checkout" (PwC, 2018). The analysis goes further stating that a quarter of respondents admit preferring mobile payment (PwC, 2018). And, particularly to the Spanish consumer, the same report by Showroomprive and Confianza Online, states that "71%

affirm that their e-commerce level of confidence is high or very high" (Puericultura MarketB2B, 2018).

All of the above show the likelihood of the positive acceptance of a Science4you mobile app by the consumers. More than ever, the question of security regarding online payments is assured and recognized by clients. Thus, the Science4you application should provide a payment service with certificate of security.

Returning to the threats presented at the beginning, the suggested strategy to deal with the second challenge follows the further line of reasoning. Firstly, consumers who prefer specialised stores are expected to be those who will prefer specialised online platforms: the Science4you application would be a means to attend the demand of these consumers. Secondly, the positive effects of demonstrations of the use of products and, advices/suggestions given by shopkeepers, would be performed occasionally in each retailer space. These recommendations are orientated to the launch of new products as an action of promotion. Being a sporadic investment, it might be hired a "trained professional by Science4you" instead of "an *affordable* type of staff (…) that is not skilled and that is learning by doing". In a way of conclusion, this last recommendation, can replicate, the *own-physical store* of Science4you in the Spanish market, so may trigger the incentive of purchasing not only to the product launch but also other toys.

The last suggestions are focused on Science4you's product distribution. An efficient post sales service is a *must have* within the context of products businesses providers. For this reason, it is strongly recommended: (a) to set up a place where costumers could share their reviews and evaluate satisfaction of the purchased product, (this should be available in the application); and, (b) provide quality product warranty by replacing any damaged product or incomplete order (either in terms of instructions or components) - since these are the main causes of complaint pointed out by the Spanish shopkeeper – preferably in a short time frame.

7.4. Science4you's Pricing Strategy and Promotional Campaigns

Esperança *et al.* (2017) state in their chapter about Science4you that "consumers are in general sensitive to the price" while are also "avid for innovation" (2017: 298). Despite of the sensibility indeed noted by Science4you managers, the Spanish consumer "accepts more expensive toys than the Portuguese consumer. Consequently, the Spanish

Science4you's consumer does not mind paying more for educational toys (against other types of toys) – in fact, 96% of the Spanish sample state 'true' to the statement *I do not mind paying more to obtain an educational toy* (survey to the Spanish consumer). However, significant rise in prices must be justified (in terms of quality improvements or product's features) to be well accepted by them (Interview, Yolanda Galán).

Two proposed actions follow:

a) Revisiting Prices: since the Spanish consumer has higher power-purchasing compared to the Portuguese consumer, the prices charged in both markets should be reviewed. Currently, the prices charged in Spain and Portugal differ from three-quarters in a universe of 300 toys, for instance the *Fabrica de Pintalabios* in Portugal costs €19.99, while in Spain is charged €24.99 (Interview, João Jesus). The suggestion is that managers think strategically, taking into account bestselling toys in each country and thus reconsider the price charged in both markets. However, if Science4you decides to rise prices in the Spanish market, the company needs to justify it.

   Also, worth mentioning, that the current price dispersion is high and not adequate to the quality and features of the products (Interview, Yolanda Galán). Customers will not resent the rise by 20 percent on bestsellers (such Science Cosmetic Kits) which "would be more than adequate" and will still maintain the good ratio quality/price, in comparison to Cefa Toys (their greater rival) (Interview, Yolanda Galán).

b) Developing promotion campaigns: the preferred campaign is the *Direct Discount* (survey to the Spanish consumer), which is also the most successful discount in the Spanish market (Interviews to Science4you managers and shopkeepers). The promotion should be presented in the following format: *"Factory soaps €19.99, today €15.99"* has a greater visual and direct impact to the purchase, against this version: *"Factory soaps €19.99 with 20% discount"* (Interview, Yolanda Galán): it "may seem ridiculous because we are saying the same", but in the first approach customers do not need to calculate the final price as it is explicitly presented (Interview, Yolanda Galán).

The suggestion should be considered to both *Juguete de la Semana* and *Black Friday* promotional campaigns, which are campaigns offering direct reductions on prices and the most successful in both markets.

The *Toy of the week* is a Science4you promotional campaign for discontinued products. The direct product discount ranges from 60 to 75% and the promotion is only available when purchasing also a full price product. The campaign goals are to increase revenue, sell the out-off-stock toys and achieve customer loyalty. During *Black Friday* campaign the entire product catalogue suffers a direct reduction in prices. For bestselling products, the maximum discount applied is 20%, for the top 40-50 is 30% and to discontinuous products the percentage can reach 80%. The campaign aims to have a large volume of sales, without losing sales margin in bestselling products. The other two promotional campaigns practiced by Science4you in Spain are the *KABOOM* and *3-for-2 Campaign.* The *KABOOM* campaign offers *discount on ticket*: 20% on ticket for one unit; 30% for two units; 40% for three units and, 50% for four or more units. The money-off coupons can be discounted in a posterior purchase of a higher value than the accumulated. This aims to motivate a second visit to the shop.

The *Black Friday* is more successful in the Spanish market, while KABOOM is more relevant in Portugal (Interview, João Jesus). This leads to the next suggestion which is to set up a marketing timeline, *i.e.* promotional actions.

Thus, knowing the success of several promotional campaigns and the consumers' preferences on the type of discounts in both countries, the Marketing department, which is the same for both markets, should manage priorities taking into account those matters: (1) figure out the best way to advertise in each market; and, (2) define in which time of the year the department may concentrate more effort/time and resources for each market, based on the better return expected.

According to the João Jesus (Sales Country Manager of Spanish Market), in Portugal the festivities that have the highest impact on sales are: Christmas, Black Friday, Children's Day, Easter and, Back to School; while in Spain they are: *Los Reyes Magos*, Christmas, Black Friday, First Communion, and the Back to School (Interview, João Jesus).

The ending of Science4you's point of sales is not a reason to cease the promotional campaigns. The Juguete *de la Semana, KABOOM* and *3x2* campaigns which are part of Science4you's identity, (particularly the first two), should be carried out in the App – in an attractive way, since we are dealing with discontinued products and considering the suggestions related with the presentation of reduction in prices. Although *Black Friday*

campaign is likely practiced by large-scale retailers, in which Science4you products are included, the campaign should be also carried out in the Science4you App.

One last remark about promotional campaigns: constant or very frequent campaigns may not have the desired return, because "it gives the impression of weakness of the company or product". Therefore, the ending of Science4you's point of sales gives managers the opportunity to re-think the promotional strategy to be followed thereafter.

7.5. Science4you Brand Identity and Marketing

1. Transparency

An unavoidable tendency towards information access, boosted by technological developments, is raising the demand for greater company's transparency. A new study by KRC Research "The company behind the brand II: we trust in which is good", explains that more than ever consumers are getting more exigent with companies by watching their actions (JueguetesB2B, 2018). Mintel in his report about European trends for 2018 highlights that brands "*must* be more accessible and transmit transparency". Thus, is recommend brands take advantage of their portals and platforms online to demonstrate that (JuguetesB2B, 2018).

For that reason, is suggested Science4you to provide clear and relevant information to their consumers to follow the trend: (1) historical information about Science4you background; (2) corporate information; (3) supply chain (including production and suppliers, *etc.*); (4) human resources; (5) customers' reviews; etc. The information might be integrated in the Science4you mobile App.

2. Balancing online and offline

The combination and harmony of offline and online channels is on the agenda. The study "EMpowering the Data-Driven Customer Strategy" by CMO Council and Red Point, highlights the importance of companies interacting with clients in a omnichannel and personalised way. It is also indicated that this kind of interaction allows a customer retention ratio of 89%, a percentage that drops to 33% for those companies which do not use this interaction (JuguetesB2B, 2018). Kantar Worldpanel España, a specialised market research consultant, adds another advantage to perform "campaigns that

integrate both channels which is the increase by 40% in the ROI, against the reach of campaigns which use those channels separately" (JueguetesB2B, 2018).

Considering the inexistence of Science4you's own physical points of sale in Spain, the interaction with offline and online should be *thought out of the box*. A connection between the product packaging and the Science4you application may be created to the effect. The online marketing is done through Amazon, Websites, Blogs, Instagram, Facebook, and YouTube. To boost the Omni-channel experience for costumer in points of sales, a QR-code for an informative and promotional content URL should be provided on the product's packaging. This code should be readable by the Science4you application. Advertising videos, information of products and promotions should be available on the content page indicated by the product code. Advantages of automated e-commerce should be gotten from here, for instance, suggestions of related products, including those that are not available in the physical space, but online, allowing costumer to choose the product that better fits his needs.

The potential of a Science4you mobile App are enormous. It represents a relevant investment, but this strategic decision is necessary to face all the market demands and trends of costumers' preferences.

3. Adapting to the Spanish market

Focusing on Science4you presence on promotional online channels - Facebook, Instagram, YouTube and Blog – consider the following suggestions on marketing adaptation.

The adaptation already done on the content published on each Spanish and Portuguese channel, namely on Instagram and Science4you's blog, is extremely relevant; but, this practice should be applied to all channels, *i.e.* Facebook and YouTube. Notice that the principal online channel specified by the Spanish sample, used as a search engine, is Facebook (Question 3.2.1. of the survey).

Also, the inexistence of a channel on YouTube specific to the Spanish market (there is only a folder with videos in Spanish on the YouTube channel of Science4you) results in the loss of knowledge about consumer preferences, which can be obtained by tracking the visualisations of the streaming services (JugueteB2B, 2018). According to JuguetesB2B, the consumption of audio-visuals is changing, and these new windows of

consumption can change the dynamic of some industries, especially those orientated to the entertainment world. The creation of a Science4you channel on YouTube Kids should be considered as a way to consequently approaches families and children as they are the main target (JuguetesB2B, 2018).

4. Review Packaging

The last point, addresses the need for redesigning the product box. This suggestion is supported by the impressions from sales agents: "95% of our commercial agents say that the printed image on the boxes are not enlightening or appealing when compared to brands as Clementoni or SentoSphère" (Interview, João Jesus).

In addition, the indication of origin of the product *Made in EU* instead of *Made in Portugal* should be considered for the foreign markets such as Spain, where the Portuguese origin is not recognised as a value-added: just a few number of Spaniard (9%) responds *I value Portuguese brands* to indicate their relationship with Portuguese origin of the Science4you brand. A European origin would have a stronger impact on the mind of customers, especially when the Portuguese toy sector does not have goodwill associated (Interview, Filipe Silveira).

Thus, in a way of conclusion, it is suggested to Science4you to reconsider the information provided on the boxes, as well as their design to make them more attractive.

CHAPTER 8 - CONCLUSION AND LIMITATIONS

The last chapter presents the main conclusions and the limitations tackled by the conducted research.

8.1. Conclusion

The interest in consumer behaviour has been revealed in the literature and in different models of decision-making raised to address factors that influence consumer decisions. The link between culture (influencing factor) and consumer behaviour brings with it divergences in preferences for products and behaviours of consumers inserted in different cultural contexts.

Managers should understand why the behaviour of their target consumer to project the internationalisation of their business. With this is mind, Science4you should have done a comprehensive work about the Spanish target before starting their business in that country. The present thesis serves as a recommendation.

The contextualisation, secondary data research, aimed to understand the current situation of the global and European toy market, as well as their expected trends on. The EU is the global largest toy market, followed by the United Stated, and has a significant weigh in its economy. Overall, the toy market sector is potential in terms of growth but challenging: seasonal revenues and demand for constant innovations. In line with global tendencies, the Spanish and Portuguese markets are growing. Particularly, the Spanish toys industry has a tradition with manufacturing being one of the five largest toy markets in Europe.

Then an approach about the Spanish business of Science4you required some attention, especially the profile of the Spanish consumers of educational toys drawn from the information collected in the surveys and interviews with the Science4you's managers and shopkeepers. To date, the Spanish business of Science4you contributes positively to the global business performance and is growing. The Spanish consumer of educational toys, with a higher purchasing-power when compared to Portuguese, is willing to pay more for an educational toy because he understands the value-added and the benefits of them in the development of child. Science4you has a potential product to these consumers; also, they recognise that the brand offers a good quality/price ratio in

comparison to other brands. The consumer is mostly female, high education, demanding and claimed.

The previous chapter revisited all the information collected concerning trends of the Spanish toy market, the Spanish consumer of educational toys and the business of Science4you in Spain, to recommend to Science4you about the performance of their business in that market. The main suggestion touches the marketing strategy that should follow an adaptation to the cultural context, understanding the particularities of the behaviour of the Spanish consumer, however globally coordinated, *i.e.* find the optimal balance of necessary adaptation of national markets with the imperatives of the global company. The Spanish toy market is full of opportunities and a successful position of the product is crucial in terms of successful sales. Thus, the advices meet the particular characteristics of the Spanish consumer of educational toys and cover the 4 P's of marketing and brand identity.

1. Science4you product

To reverse the seasonality of toys and take advantage of the importance that Spaniards give to leisure time, especially in a familiar context, Science4you should develop toys designed to play in family and that develop cognitive skills according to the different phases of kid's life from infancy to adolescence. The main goal is to chance the idea that educational toys do not need to be necessarily the 'special' gift to impress, but rather a learning tool to be enjoyed in family.

The scientific birthday parties of Science4you are very successful in the Spain. This gives a chance to develop more services similar to this, as Holidays Camps, thus following the service in Portugal.

Focusing on packaging, two suggestions were given: (a) improve the design of the product box, balancing the size and content written on that; and, (b) emphasis the origin 'Made in EU' instead of 'Made in PT' in markets where the Portuguese roots are not a valuable factor by consumers, as seems to be in the case of the Spanish market.

2. Place and Costumer Service

Since Science4you's point of sales has closed in January 2018, the online channel of sales and the relationship with large-scale retail have gained importance for business in

Spain. Following these new incomes and the tendency of growth of e-commerce, it is suggested a development of a mobile application for Science4you to perform sales and connect online experiences to offline, thereby leveraging the consumer's user experience. With concern for large-scale retail, hiring a sales agent seems to be the most effective option: someone with professional experience who knows the market and knows how to do business in Spain.

The customer service may not be ignored: (a) the Science4you application should reserve room to the consumer share their reviews and experience; and, (2) a customer service should be provided, replacing any product damaged or incomplete.

3. Price and Promotions

The higher purchasing-power and education level of Spaniards comparing to Portuguese lead to the suggestion of revisiting the of price list charged in Spain. On the one hand, currently ¾ of toys (in a universe of 300) have different prices among the two markets. Managers should re-think this percentage. To the other hand, the dispersion of prices does not seem to be adequate in terms of the quality and characteristics of products. In case of adjustment of prices, please take into account that radical changes should be justified to be better accepted by consumers. Increasing product quality is a justification, for instance.

Regarding promotions, the direct discount is the most preferable in Spain. Knowing that, the *Juguete de la Semana* and *Black Friday* campaigns deserve attention and reinforcement in the marketing strategy.

The communication of the price discount seems to influence the consumer, so displaying the final price rather than just informing the discount percentage, may be clearer and more attractive. The promotional campaigns applied during the year require balancing: constant reductions in prices, ticket discounts or '2 by the price of 1' may generate an image of poor quality of the product and company itself.

4. Marketing and Brand Identity

Adjusting the business considering the trends of the market is strongly recommended. To do so, some suggestions are presented: (1) combine user's online and offline experiences – through a URL code readable by the Science4you application; and, (2)

collect strategic decision-making data through streaming services; *i.e.* create a YouTube channel for Science4you specifically for the Spanish market, which allows to know consumer's preferences through video visualisations.

In addition, a calendar was suggested to be followed by the marketing department to adjust to the requirements, consider the importance of different annual festivities by each country.

Lastly, a recommendation about the exposure of brand identity: the information about Science4you toys and services may be available and clear in order to meet the transparency demanding by consumers.

Overall, to succeed in international business some products' details should be undertaken. The suggestions given are just ideas that could be followed, and even complemented. The main outcome of this project is to evidence the emergence of the understanding the target's characteristics and preferences of the country where the business goes international, which are unavoidably different due to cultural contexts.

8.2. Limitations of the research

Collecting primary data for this project research was a challenge. In fact, it is possible to point out some limitations resulting from the methods applied.

First, despite efforts to collect a significant number of surveys, the first question has limited the sampling only to those consumers of educational toys in the last 12 months. In addition, the gap between the collected surveys in Portuguese and Spanish is significant (more than double, to be specific): 131 and 59 respectively, which were reduced to 67 Portuguese and 45 Spanish samples due to that limitation. Nevertheless, the sample is satisfactory and the gap is not so worrying in an exploratory research context.

Also, since face-to-face interview were not possible, they were conducted by email, which is not the best approach for collecting detailed information because it is not possible to introduce spontaneous questions that may arise during the interview.

Although, in the way of conclusion, the foundation of the research limitations in an exploratory study and the chosen solutions to deal with, do not compromise the feasibility of the results.

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ANNEX 1 - QUESTIONNAIRES' ENGLISH VERSION AND COLLECTED RESULTS

1. Did you buy educative toys in the last 12 months?

Portuguese consumers

Yes	67	51%
No	64	49%
	131	**100%**

Spanish consumers

Yes	45	76%
No	14	24%
	59	**100%**

2. Value the following elements that influence you in a toys' purchase:

Order of recovery (from the least valued for the most valued). Match a row to a column.

Portuguese consumers

	Quality of the toy	Price of the toy	Attention to the customer in the store	Toy brand recognition	Recommendation of somebody/some communication channel
The most valued	46	13	3	5	0
Very valued	15	31	5	12	4
I do not value or devalue	2	15	19	18	13
Little valued	3	4	18	23	19
The less valued	1	4	22	9	31
Total	**67**	**67**	**67**	**67**	**67**

Spanish consumers

	Quality of the toy	Price of the toy	Attention to the customer in the store	Toy brand recognition	Recommendation of somebody/some communication channel
The most valued	32	5	0	0	8
Very valued	10	17	5	5	8
I do not value or devaluate	2	10	7	10	16
Little valued	1	8	14	18	4
The less velued	0	5	19	12	9
Total	**45**	**45**	**45**	**45**	**45**

2.1. Mention the degree of affinity with the person, channel of communication or the social network who/which tends to exert influence on your purchase of educational toys.

The sum of the answers to all the elements exceeds the sample, because some of the respondents gave more than one option.

Portuguese consumer

Television	14
Friends	12
Son	7
Internet	5
N/A	4
Family	3
Children	3
Siblings	2
Partner	2
Social Media	2
Blogs	2
Facebook	2
At the shop	2
Co-workers	1
Parents	1
Grandparents	1
Nephews	1
Godson	1
Canal Panda	1
Youtube	1
Instagram	1
Newspaper/Magazine	1
Kindergarden teacher	1
Paediatrician	1

Spanish consumer

Internet	9
Friends	8
Blogs	5
Facebook	4
Instagram	4
Family	3
Siblings	3
Spouse	3
Amazon	2
Sons	2
Youtube	2
Newspapers/Magazines	1
Site of toy's brand	1
Teachers	1
Television	1

A cataloguing of the answers was made to be interpreted. Some invalided answers were not considered, such as *'Yo mismo, me informo mucho antes de comprar*[29].

The consumers who said that their choice was not influenced by any external factors/people, were coded as N/A.

2.2. Choose from 1 to 4 the influence that person/channel exerts on a purchase of educational toys. 1 – Little influence; 4- Much influence.

The average of the influence exerted on the Portuguese consumers is **2,64** approximately.

The average of the influence exerted on the Spanish consumers is **3,159** approximately.

[29] English translation: I myself inform before I purchase.

3. When do you think about purchasing a toy, are the educative toys a planned purchase?[30]

Portuguese consumers

Yes	36	80%
No	9	20%
	45	**100%**

Spanish consumers

Yes	59	89%
No	7	11%
	66	**100%**

3.1. On average, how much do you plan to spend in each educative toy?

The willingness to pay for educative toys on average of the Portuguese consumers is **25.38€** per toy.

The willingness to pay for educative toys on average of the Spanish consumers is **28,54€** per toy.

3.2. Do you search for information before buying an educative toy?

Portuguese consumers

Yes	40	32%
No	19	68%
	59	**100%**

Spanish consumers

Yes	33	92%
No	3	8%
	36	**100%**

3.2.1. Which means of communication / social network do you use to search for information?

The sum of the answers to all the elements exceeds the sample, because some of the respondents gave more than one option.

Portuguese consumers

Internet	20
Site of toy's brand	10
Facebook	5
Newspapers/Magazines	2
Blogs	2
Youtube	2
Instagram	1
Television	1

Spanish consumers

Internet	13
Facebook	11
Blog	3
Television	3
Amazon	2
Instagram	1
Newsleter by email	1
Newspaper	1
Site of toy's brand	1
Twitter	1

[30] Yes (Go to question 3.1); No (Go to question 4).

4. When do you buy educative toys (being a planned purchase or not), on average, how much do you spend in each toy?

Average price of each education toys bought by Portuguese consumers is **22.91€**.

Average price of each education toys bought by Spanish consumers is **27,67€**.

5. Have you ever bought a toy of Science4you's brand?

Portuguese consumers

Yes	49	73%
No	18	27%
	67	**100%**

Spanish consumers

Yes	18	40%
No	27	60%
	45	**100%**

6. In which way the Portuguese origins of the Science4you's brand influence you?

Portuguese consumers

I value Portuguese brands	4	9%
I do not mind if is it Portuguese	12	27%
I would prefer if it is not Portuguese	0	0%
I do not care if is Portuguese	29	64%
	45	**100%**

Spanish consumers

I value Portuguese brands	47	70%
I do not mind if is it Portuguese	4	6%
I would prefer if it is not Portuguese	0	0%
I do not care if is Portuguese	16	24%
	67	**100%**

7. If there were more ads/if you feel more informed, would you consider purchasing more educative toys with Science4you's brand?

Portuguese consumers

True	46	69%
False	21	31%
	67	**100%**

Spanish consumers

True	28	62%
False	17	38%
	45	**100%**

8. I do not mind paying more to obtain an educative toy.

Portuguese consumers

True	64	96%
False	3	4%
	67	100%

Spanish consumers

True	43	96%
False	2	4%
	45	**100%**

9. When you buy an educative toy, what kind of discount do you prefer?

Evaluate from 1 (more preferred) to 7 (less preferred). Match a row to a column.

Portuguese consumers

	Direct discount	Direct discount in the second unit	Ticket discount (in the next purchase)	Voucher discount	Contests	Temporary reduction on prices
1	34	7	10	4	10	6
2	3	17	9	12	8	20
3	0	17	16	13	15	2
4	1	10	17	23	3	11
5	2	12	12	11	13	19
6	27	4	3	4	19	9
Total	**67**	**67**	**67**	**67**	**68**	**67**

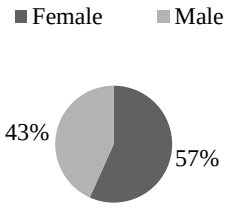
Spanish consumers

	Direct discount	Direct discount in the second unit	Ticket discount (in the next purchase)	Voucher discount	Contests	Temporary reduction on prices	Regalos y prémios
1	21	2	6	1	11	1	**5**
2		13	6	3	6	7	**6**
3	2	5	11	9	2	8	**7**
4	1	9	6	14	3	8	**6**
5		3	6	11	7	9	**6**
6	1	10	9	4	0	11	**8**
7	20	3	1	3	16	1	7
Total	**45**	**45**	**45**	**45**	**45**	**45**	**45**

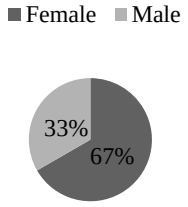
Sample Sociodemographic Information

Gender

Portuguese sample

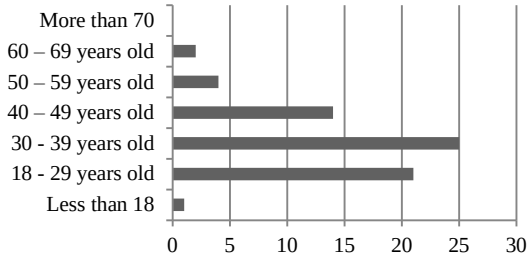


Spanish sample

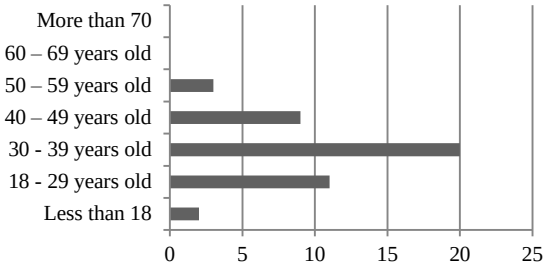


Group of age

Portuguese sample

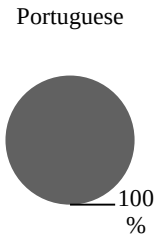


Spanish sample

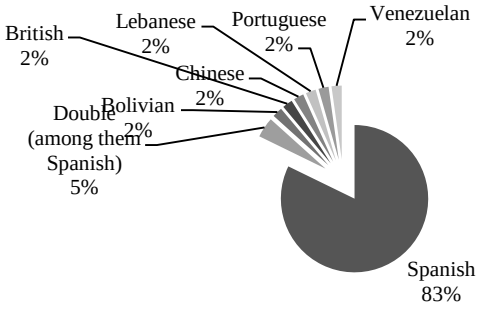


Nationality

Portuguese sample

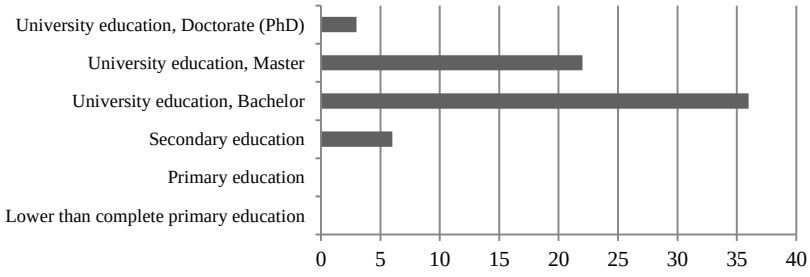


Spanish sample

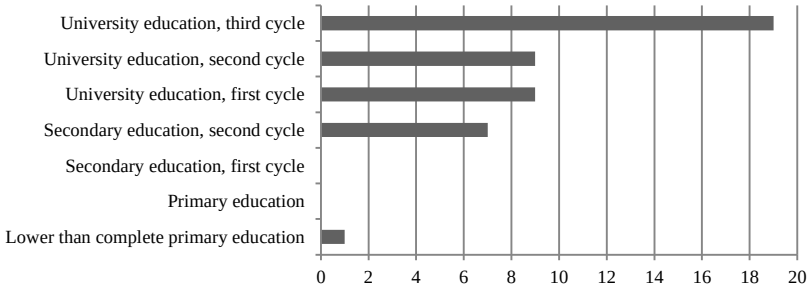


Education

Portuguese sample

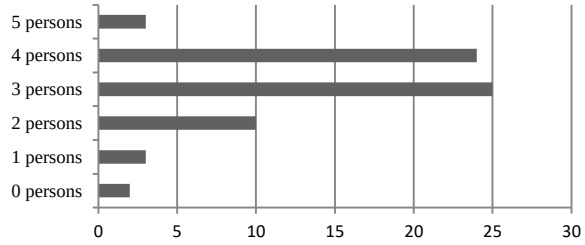


Spanish sample

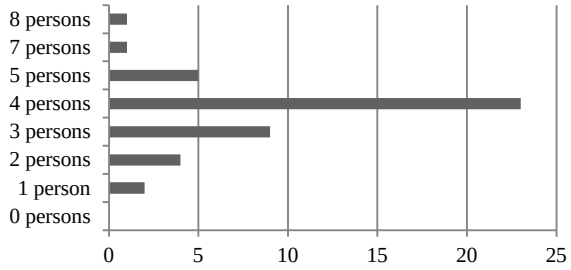


Number of family members in your household

Portuguese sample

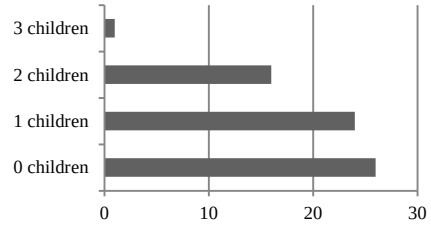


Spanish sample

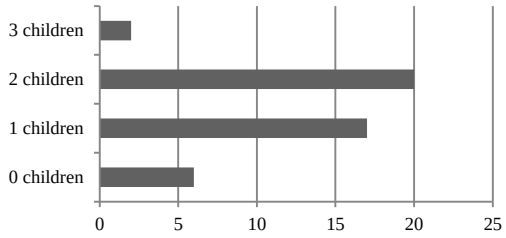


How many people in your household are less than 18 years-old

Portuguese sample

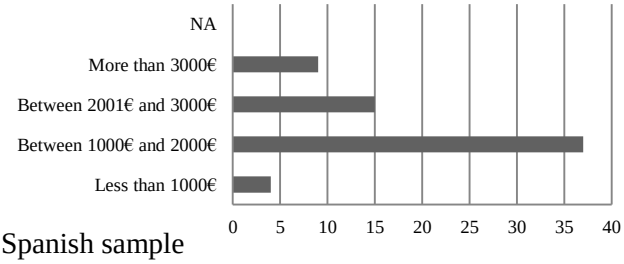


Spanish sample

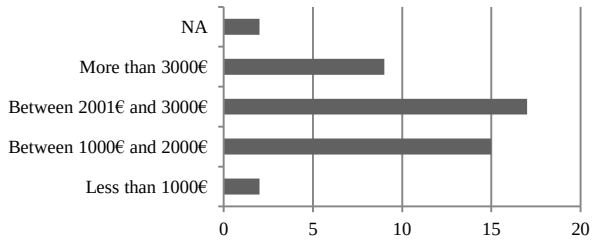


Net monthly family income

Portuguese sample



Spanish sample



ANNEX 2 - QUESTIONNAIRE AND INTERVIEWS' DESIGN

Questionnaire's design

<table>
<tr><th>Original questionnaire</th><th>Source</th><th>Main purpose of the question</th><th>Questionnaire questions</th></tr>
<tr><td colspan="4">Selection of the sample</td></tr>
<tr><td></td><td></td><td>Select the educational toy consumers as a sample for further study.</td><td>1. Did you buy educational toys in the last 12 months?
o Yes
o No

(If the response is 'No' the questionnaire is redirected to the last section, which consist in providing the email for those who are interested in participating in the raffle of a Science4you's toy.)</td></tr>
<tr><td colspan="4">Characterisation of the educational toy consumers</td></tr>
<tr><td>What is more important at the moment of choosing building materials? Why?</td><td>Medeiros & Cruz, 2006: 184</td><td>Literature Review argued that the study of values is the best way to understand the manifestation of culture, and they are the fundamental element underlying homogeneities and dissimilarities among societies. So, for this question it will create a Portuguese and Spanish rank of values to be compared.

Choosing the elements:
"Resume of the obtained answers: quality</td><td>2. Value the following elements that influence you in a toys' purchase:
Order of recovery (from the least valued for the most valued). Match a row to a column.
<table><tr><th></th><th>The Less valued</th><th>Little valued</th><th>I do not value or devalue</th><th>Very value</th><th>The most valued</th></tr><tr><td>Quality of the toy</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Price of the toy</td><td></td><td></td><td></td><td></td><td></td></tr></table></td></tr>
</table>

<table>
<tr><th>Original questionnaire</th><th>Source</th><th>Main purpose of the question</th><th>Questionnaire questions</th></tr>
<tr><td></td><td></td><td>was the most cited attribute by everyone – the first factor to consider in a purchase; following by price and service. Identified factors of influence: Referential group, perception and learning." (Medeiros & Cruz, 2006: 184)

“Surveys of clothes buying behaviour show that quality is the most important buying criteria followed by fashion and price. Recognised brand name scores below these three criteria across all age groups.” (Nueno & Bennett, 1996: 25)</td><td><table>
<tr><td>Attention to the customer in the store</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Toy brand recognition</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Recommendation of somebody/some communication channel</td><td></td><td></td><td></td><td></td><td></td></tr>
</table></td></tr>
<tr><td></td><td></td><td rowspan="2">Check the veracity of the affirmations:
“The nuclear family unit remains an important influence on Spaniard’s life” (Nueno & Bennett, 1996: 22)

According to Kotler & Keller (2006: 177), “the members of family form the most important primary group of reference” (Medeiros & Cruz, 2006: 171)</td><td>2.1. Mention the degree of affinity with the person, channel of communication or the social network who/which tends to exert influence on your purchase of educational toys.</td></tr>
<tr><td></td><td></td><td>2.2. Choose from 1 to 4 the influence that person/channel exerts on a purchase of educational toys.
1 – Little influence; 4- Much influence.</td></tr>
<tr><td>Is there planning to buy building materials?</td><td>Medeiros & Cruz, 2006: 184</td><td>Perceived the openness of the consumers to educational toys.</td><td>3. When do you think about purchasing a toy, are the educational toys a planned purchase?
o Yes (Go to question 3.1)
o No (Go to question 4)</td></tr>
</table>

Original questionnaire	Source	Main purpose of the question	Questionnaire questions
On average, how much do you expect to spend in each gift this Christmas?	Survey about intentions and purchase behaviour to this Christmas, prepared by Science4you.	Ascertain which of the two nationalities of consumers have higher willingness to pay for educational toys.	3.1. On average, how much do you plan to spend in each educational toy?
		Validate the following general hypothesis about current consumer: 'The current consumer is more informed due to the facility to search for information and its availability'.	3.2. Do you search for information before buying an educational toy? o Yes (Go to question 3.2.1.) o No (Go to question 4)
		Identify the tendency to use social networks and/or means of communication. Check if they match with those used by Science4you.	3.2.1. Which means of communication / social network do you use to search for information?
		Ascertain which of the two nationalities of consumers have higher purchase power for educational toys.	4. When you buy educational toys (being a planned purchase or not), on average, how much do you spend in each toy?
Relationship between consumers and Science4you			
		Identify the percentage of educational toy consumers who know and buy Science4you. Look in detail for the percentage of Spanish consumers. Reflect about: *How much efficient is the communication in Spain?*	5. Have you ever bought a toy of Science4you's brand? o Yes o No

<table>
<tr><th>Original questionnaire</th><th>Source</th><th>Main purpose of the question</th><th>Questionnaire questions</th></tr>
<tr><td></td><td></td><td>Validate the fact identified in 1996 about Spaniard; and understand the relationship between Portuguese/Spanish consumers and Science4you’s brand.

“whilst the Spaniard are predominantly in favour of increased European integration, they are nationalistic and regionalist.” (Nueno & Bennett, 1996: 32)</td><td>6. In which way the Portuguese origins of the Science4you’s brand influence you?
o I value Portuguese brands
o I do not mind if it is Portuguese
o I would prefer if it is not Portuguese
o I do not care if is Portuguese</td></tr>
<tr><td></td><td></td><td>Understand if Instagram, Facebook, the Blog and Site are channels of communication enough to reach both consumers (Portuguese and Spanish).</td><td>7. If there were more ads/if you feel more informed, would you consider purchasing more educational toys with Science4you’s brand?
o True
o False</td></tr>
<tr><td></td><td></td><td>Ascertain the consumer acceptance to buy educational toys although they are more expensive than regular toys.</td><td>8. I do not mind paying more to obtain an educational toy.
o True
o False</td></tr>
<tr><td></td><td></td><td>Study the consumer acceptance and preference of all the possible discounts in both national markets.

Understand if, in the case of educational toys, discounts on the second unit are well accepted as it is in grocery sector, in Spain.</td><td>9. When you buy an educational toy, what kind of discount do you prefer?

Evaluate from 1 (more preferred) to 7 (less preferred). Match a row to a column

<table><tr><td></td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr><tr><td>Direct discount</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table></td></tr>
</table>

Original questionnaire	Source	Main purpose of the question	Questionnaire questions
			Direct discount in the second unit Ticket discount (in the next purchase) Voucher discount Contests Temporary reduction on prices
Sociodemographic data about consumers			
10. Please, indicate your gender: Male Female	Survey about intentions and purchase behaviour to this Christmas, prepared by Science4you.	Confirm the relevant percentage of women as a dominant buyer of educational toys.	Gender ○ Female ○ Male
9. Please, indicate your age: Lower than 18 years old 18-29 years old 30-39 years old 40-49 years old 50-59 years old 60-69 years old	Survey about intentions and purchase behaviour to this Christmas, prepared by Science4you.	Understand the most relevant interval of ages of Portuguese and Spanish consumer, to adapt the communication to them.	Group of age Less than 18 ○ 18 - 29 years old ○ 30 - 39 years old ○ 40 – 49 years old ○ 50 – 59 years old ○ 60 – 69 years old ○ More than 70

Original questionnaire	Source	Main purpose of the question	Questionnaire questions
More than 70 years old			
		Validate the nationality in each survey. The goal of applying this survey to Portuguese and Spanish consumer is the possibility to compare them and create a profile for each consumer. "In the ambit of market scenery, Kolter (1998, 162) affirm that 'culture is the most fundamental determinant of the desires and behaviour of a person.' (…) Kotler (1998. 162) says that 'each culture consists in smaller sub-cultures whom provide identification more specific and socialisation to their member.' The subcultures include the nationalities, religions, and geographic regions." (Medeiros & Cruz, 2006:170)	Nationality o Spanish o Portuguese Other:
11. Por favor indique o seu grau de escolaridade: Primary school (until the 9th year of schooling)	Survey about intentions and purchase behaviour to this Christmas, prepared by Science4you.	Understand if there is a strong discrepancy in respect to education between Portuguese and Spanish consumer. Ascertain the veracity of the following	Education (in the Portuguese version) Lower than complete primary education Primary education

Original questionnaire	Source	Main purpose of the question	Questionnaire questions
Secondary education University education – Bachelor University education – Graduate program, Master or Doctorate		approach: "The most attractive market will be the middle aged, who despite having restricted free time, will have the highest disposable income level, will be well educated, and have been raised to appreciate the importance of leisure time." (Nueno & Bennett, 1996: 30) The social factors, namely 'Social roles and positions', and the personal factors ('Occupations, Economic conditions and Lifestyle') ended up influencing the purchase behaviour. All of these factors are themselves influenced by the education of each individual (Cf. Medeiros & Cruz, 2006).	Secondary education University education, Bachelor University education, Master University education, Doctorate (PhD) (in the Spanish version) Lower than complete primary education Primary education Secondary education, first cycle Secondary education, second cycle University education, first cycle University education, second cycle University education, third cycle
			Number of family members in your household ○ 1 ○ 2 ○ 3 ○ 4 ○ 5 Other:

Original questionnaire	Source	Main purpose of the question	Questionnaire questions
			How many people in your household are less than 18 years old ○ 1 ○ 2 ○ 3 Other
Net monthly family income Less than 1000€ Between 1000€ and 2000€ Between 2001€ and 3000€ More than 3000€ Don't Know	Dados Sociodemográficos da la amuestra: Castro, E. M. & Nogales, Á. F. 2004. Las marcas de distribuidor y el consumidor español: un estudio empírico. ***Distribución y Consumo***, 12-25.	Understand if there is a strong discrepancy in respect to family income between Portuguese and Spanish consumer, to detect profit opportunity. Ascertain the veracity of the following approach: "The most attractive market will be the middle aged, who despite having restricted free time, will have the highest disposable income level, will be well educated, and have been raised to appreciate the importance of leisure time." (Nueno & Bennett, 1996: 30)	Net monthly family income Net monthly income means family income after taxes. ○ Less than 1000€ ○ Between 1000€ and 2000€ ○ Between 2001€ and 3000€ ○ More than 3000€ Other:

Interview's design with João Jesus, Sales vice Manager

Supportive bibliography	**Source**	**Main purpose of the question**	**Interview question**
Regarding the profile of the Spanish consumer: "The most attractive market will be the middle aged, who despite having restricted free time, will have the highest disposable income level, will be well educated, and have been raised to appreciate the importance of leisure time" (Nueno & Bennett, 1996: 30)	Nueno, J. L. & Bennett, H. 1997. The changing Spanish consumer. ***International Journal of Research in Marketing***, 14: 19-33	Develop a profile of Spanish consumer of educational toys and attempt to understand the differences and similarities comparing to the Portuguese consumer.	Describe the Spanish consumer of educational toys in respect to: - Age - Dominant genre - Education - Disposable income - Hobbies Please, try whenever possible to highlight each point of the characteristics that are similar and/or differ with the Portuguese consumer.
"it is evident that education system influence on the determination of cultural values by moulding, among other aspects, the conduct of the individuals at the head of the consumption acts (Alonso y otros, 2000, p.100)." (Cerdeño, 2003: 25) Informs about Spanish consumer trends: "In 2018, the consumers are going to take a critical attitude, asking everything. 'They are using the available tools to watch what the companies are doing'." (JugueteB2B, 2018) "The toys sector finds nowadays in front of a	Cerdeño, V. J. M. 2003. El consumidor español. Factores que determinan su comportamiento. ***Distribución y Consumo***, 11-29. JuguetesB2B. 2018. ¿Como es el perfil del consumidor europeo en 2018? Juguetes B2B. 2018. El	Regarding Education variable: understand the influence of education level on all stages of purchase (pre, during and post).	Is the Spanish consumer well-informed? (Auxiliary questions: Does the Spanish consumer look for information before making a purchase? If so, which channels of information/media are used for that?) Is the Spanish consumer an impulsive consumer? (Does the Spanish consumer purchase beyond those arranged purchases? Does he/she react positively to any kind of suggestions given by shopkeeper?) Is the Spanish consumer a demanding

Supportive bibliography	Source	Main purpose of the question	Interview question
consumer much more demanding[31], with more access to information and Omni channel." (JuguetesB2B, 2018)	consumidor actual, más exigente e informado.		consumer? (More than the Portuguese one?) Is exigent? Can you exemplify? Tell me the main differences comparing with the Portuguese consumer (if you know).
Inform about Spanish consumer trends: "The existing consumer (…) is willing to pay a bit more, if the relation price-quality is optimal.	Juguetes B2B. 2018. El consumidor actual, más exigente e informado.	Regarding Disposable Income variable: compare the willingness to pay for educational toys between Spanish and Portuguese consumers; and ascertain any opportunity of sales within this niche.	Comparing Spanish and Portuguese consumers of educational toys, who have higher willingness to pay for educational toys? May you justify your response? (Which of the two consumers purchase more? Which of the two purchase the more expensive items?) Is the Spanish consumer sensitive to price? (*i.e.* Do little price changes have a strong impact on sales volume?) How about the Portuguese consumer?
"Promotions and discounts so far operating with relevance have become obsolete. It is no long advantageous to the image transmitted to the toy and only brings forward the sales diminishing the profit." (JugueteB2B, 2018)	JuguetesB2B. Reflexionamos sobre el sector del juguete.	Assess the type of discounts and promotions applied in the Spain market and the impact of them on sales volume. Understand the differences between discounts and	Which of these discount/promotions campaigns have a better return rate in the Spanish market? - Direct discounts (first unit) - Discount at the second unit purchased - Ticket discounts (to deduct in the

[31] "The toys industry, (…), described an omnichannel and demanding – who claim constant news - consumer."

Supportive bibliography	Source	Main purpose of the question	Interview question
		promotions comparing with the Portuguese market.	next purchase) - Other (?) Can you evaluate the same for the Portuguese market? (Please, specify the other campaigns not mentioned.) Which of those campaigns is mostly used by Science4you, in Spain and in Portugal?
"En los últimos años se ha producido un enriquecimiento del consumo de actividades de esparcimiento tanto en cantidad (incremento sensible del número de horas anuales dedicadas a las distintas actividades) como en calidad (se ha pasado de un menú pobre y monótono centrado en la radio y la televisión a otro más variado, plural y diversificado" (Nueno & Bennett, 1996: 26) "their [the parents] investing more and more in long-hauls toys and games which provide added value and help in the development of their children. (…) In addition, they look for products that allow share moments of quality between parents and children." (JugueteB2B, 2018)	Nueno, J. L. & Bennett, H. 1997. The changing Spanish consumer. ***International Journal of Research in Marketing***, 14: 19-33 JugueteB2B. El consumidor actual, más exigente e informado. JugueteB2B. Las 5 motivaciones del consumidor.	Regarding Hobbies variable: analyse the opportunity in sales of educational toys considering the importance given to leisure time by Spaniards.	The consumer associated with free time is typically related to eating out, shows (concerts, circus, theatre, cinema, art …), and fashion, among others. Is there openness to lead the consumption to educational toys, even though it requires free time from the parents to be with their kids?

Supportive bibliography	Source	Main purpose of the question	Interview question
"The nuclear family unit remains an important influence on Spaniard's life and parental view remains a key conditioner of children's attitudes." (Nueno & Bennett, 1996: 22) "mayor participación de todos los miembros de la familia en las decisiones de consumo" (Cerdeño, 2003: 25) Study carried out by Webloyalty Brookes University: "Regarding to the consumers motivated by opinions of third parties and according to the study, those persons who correspond to the profile are used to act as an advocate of the brand: 65% state that recommend their favourite shops to others, in comparison with 38% of the consumers motivated by the price." (JuguetesB2B, 2017)		Assess which are the most relevant reference groups and channels of information that influence the Spanish consumer. Understand the influence of family at the purchase decision act (parents-kids and kids-parents).	Do the Spanish consumer purchase on a recommendation by someone or by some channel of information? (Who? and/or Which?) And, the Portuguese one? When kids are present during the purchase act, do they influence the buyer? Or, contrarily, does the opinion of the buyer tend to prevail? (How about for the Portuguese consumer?)
"whilst the Spaniards are predominantly in favour of increased European integration, they are nationalistic and regionalist." (Nueno & Bennett, 1996: 32)	Nueno, J. L. & Bennett, H. 1997. The changing Spanish consumer. ***International Journal of Research in Marketing***, 14: 19-33	Understand the acceptance from the Spanish consumers regarding the Portuguese origin of Science4you.	How does the Spanish consumer react to the Portuguese origin of Science4you? How about the Portuguese consumer? (Does he feel pride by purchasing a national brand? Or, does it feel as an obligation to contribute to the national economy?)

Supportive bibliography	Source	Main purpose of the question	Interview question
			Try to develop your argument, please.
		Detect the opportunities of improvement in the Strategic and Marketing Plan of Science4you in Spain.	Which are plans of action that you would suggest improving the Plano of Internationalisation of Science4you in Spain? - Communication - Customer service - Prices / Discounts - Relation with large-scale retail
		Try to create a *ranking* of values that characterise the Spanish consumer.	To conclude, if you need to choose five words to characterise the Spanish consumer of educational toys, which would be? (Please, indicate the words from major importance to minor.)

Interviews' design with Tiago Alves, VP International Sales; and, Filipe Silveira, Country Manager in Spain

Bibliography of support	**Bibliography**	**Main purpose of the question**	**Interview question**
Regarding the profile of the Spanish consumer: "The most attractive market will be the middle aged, who despite having restricted free time, will have the highest disposable income level, will be well educated, and have been raised to appreciate the importance of leisure time" (Nueno & Bennett, 1996: 30)	Nueno, J. L. & Bennett, H. 1997. The changing Spanish consumer. ***International Journal of Research in Marketing***, 14: 19-33	Develop a profile of the Spanish consumer of educational toys and attempt to understand the differences and similarities comparing to the Portuguese consumer.	Describe the Spanish consumer of educational toys in respect to: - **Age** - **Dominant genre** - **Education** (Please, also comment: Is the Spanish consumer well-informed? More than the Portuguese consumer? Does he/she demand? Is he/she an impulsive consumer?) - **Disposable income/Power-purchasing** (Comment the sensibility that the Spanish consumer has to price. Which of the two consumers – Portuguese or Spanish – buys more in volume? And, in value?) - **Hobbies** (Can Science4you take advantage of the importance given to leisure time by Spaniards? In which way?) - **Influence of communication channels/referential groups** Please, try whenever possible to highlight each point of the characteristics that are similar and/or differ with the Portuguese

Bibliography of support	Bibliography	Main purpose of the question	Interview question
			consumer.
"whilst the Spaniards are predominantly in favour of increased European integration, they are nationalistic and regionalist." (Nueno & Bennett, 1996: 32)	Nueno, J. L. & Bennett, H. 1997. The changing Spanish consumer. ***International Journal of Research in Marketing***, 14: 19-33	Understand the characteristics of the Internationalisation Plan of Science4you in Spain: success and issues.	Which are the main differences between the business plan implemented in Portugal and Spain? How does the Spanish consumer react to the Portuguese origin of Science4you? (To what extent the 'Spanish regionalism' hamper the international strategy of Science4you in Spain? If it so ...) How about the Portuguese consumer? (Does he/she feel pride by purchasing a national brand? Or, does it feel as an obligation to contribute to the national economy?) Try to develop your argument, please.
Investigation developed by Kantar World panel about the trends that could change the consumer by 2025: "In a globalised world, the local large-consumer brands are increasing 50% more than the global ones, bring about 72% of market growth. The multinational should adapt their offer and strategy to the demand of each region." (JugueteB2B, 2018)	JuguetesB2B. 10 tendencias que pueden cambiar el consumo de aquí a 2025.	Analyse the positioning of Science4you in the Spanish market, considering the competitors; and, understand the adaptations of the Marketing Strategy given the Spanish culture.	How is the market position of Science4you given at the Spanish market? 1- the main characteristics of Spanish consumer? (Which are the main differences between Portuguese and Spanish strategy regarding communication, channels of sales, adds, etc.); 2-is there strong competition at the market? (comparing with the Portuguese sector).
		Detect the opportunities of improvement in the Strategic and Marketing Plan of Science4you in Spain.	Which plans of action would you recommend improving the Plan of Internationalisation of Science4you in

Bibliography of support	Bibliography	Main purpose of the question	Interview question
			Spain to face the main competition? (Please, start by enumerating the main competitors of Science4you in Spain and Portugal.) - Communication - Customer service - Prices / Discounts - Relation with large-scale retail
		Try to create a *ranking* of values that characterise the Spanish consumer.	To conclude, if you need to choose five words to characterise the Spanish consumer of educational toys, which would be? (Please, indicate the words from the major importance to the minor.)

ANNEX 3 - INTERVIEWS' RESPONSES WITH SCIENCE4YOU MANAGERS

The responses of the interview were given in Portuguese. This translation tries to be as faithful as possible regarding original interviewer's words.

APPENDIX 3.1 - INTERVIEW WITH JOÃO JESUS

Question 1

Undoubtedly the available budget differs considerably between the Spanish Consumer (SC) and the Portuguese Consumer (PC) (clearly higher in Spain). If we focus on the most important dates/events of the year, there are the following:

Portugal

- Easter
- Children's Day
- Back to School
- Black Friday
- Christmas

Spain

- Frist Communion
- Back to School
- Black Friday
- Christmas
- *Los Reyes Magos* (6th January Day)

In Portugal, the consumer chooses to spend more on Christmas time, while in Spain, there are three moments in which occurs: Communion, Christmas and *Los Reyes Magos*.

Black Friday is an increasingly important event in both countries, however what happens are that there are many people to buy and a few people who buy a lot.

The SC easily chooses to spend €20/25 on a toy to offer on a birthday party, while the PC does not exceed €10.

Christmas/*Los Reyes Magos* also notice this difference, because the SC can buy 2/3 toys (€65/80). The PC, on average, only purchase 1/2 toys (€40/50).

Regarding age and gender, there are similarities. The dominant gender is the feminine, no doubt. Usually, consumers are mothers, in the age group 30-45. The main difference between the SC and the PC are most likely the hobbies. In the SC case, there are many mothers who have studied, have a degree, but do not work and dedicate themselves to their children. It is something common in Spain. In Portugal this does not happen, because the economic reality of the country does not allow it.

Question 2

The PC informs himself/herself more than the SC, no doubt. One of the reasons is because the brand is Portuguese, and the PC identifies more with it, since she/he feels that she/he is buying a Portuguese product and helping a Portuguese company. It is natural PC looks for more information when buying. In Spain there are more brands of educational toys and Science4you needs more knowledge about the SC. The most used platform by the PC is without a doubt the S4Y web page. In Spain, Amazon also works a lot as a search engine.

Usually both PC and SC follow the recommendation given by the shopkeeper, however when there is an associated promotion, such as The Toy of the Week (this promotion consists of the purchase of a second toy at a much-reduced price, between €2 and €5), the PC buys much more than the SC.

The SC is much more demanding than the PC and naturally complains more. Once again, I think this happens because it is a Portuguese company and the PC accepts the explanation given by the shopkeeper and do not to complain. The SC is demanding, even if it is a €5 toy. For example, PC and SC buy a Soap Factory and one of the components, glycerine, is missing. The PC chooses to buy this component instead of returning the toy, while the SC, in 90% of cases, claims a return of the toy or the money back.

Question 3

The SC does not follow the brand's price evolution. However, the PC no doubt does, because he/she looks for more information. When there are mega sales made by hypermarkets, the PC stops buying in S4Y's point of sales, due to the discounts of 50/60/70%.

The SC has more budget to buy educational toys, easily buying 2 toys for the same child. In the case of educational toys with technological component (drones, tablets, *etc.*), the PC stands out in the purchase. The prices are good, and the brand is Portuguese.

In such cases, the SC chooses other kind of brands (more well-known) and the security of buying in physical stores (in Spain, there were only stands of the brand, the majority seasonal).

Question 4

Undoubtedly the direct discount is the most sought after in the Spanish market. We did several experiences such as 3x2, 50% in the second unit and ticket discount. What worked best was always the direct discount on the first unit.

In the Spanish market, Black Friday is a success. During the week this promotion takes place, in the days before the beginning, the revenues goes down a lot, many customers ask if there will be discounts these days and prefer to wait. We are talking about discounts between 20-30%, not much, but it is the favourite and most adherent promotion in Spain.

In Portugal, Black Friday is also very good, but there is another promotion that has very interesting data, the KABOOM. This promotion consists of the following: when buying 1 article a 15% ticket discount, 2 articles 25%, 3 articles 35%, 4 or more articles 50%. There is a 30-day redemption period for the ticket. The use of these tickets is about 15%, which means that we guarantee customer returns to the points of sale.

Question 5

There is no doubt about it! To prove this, just go out and see that it is very common at the weekend to see families in a shopping centre buying, strolling, eating, and doing sports.

It is the same with educational toys. Parents spend a lot of time on family activities.

If you do a quick search for hotels in Spain for families with children, you will find dozens of them with great conditions and prices that are not for all wallets. This demonstrates how important children are for their parents.

Learning to play is not a new concept and Spain is following this evolution.

Question 6

In both cases, the most powerful mean of communication is the shopkeeper's opinion. The shopkeeper is someone who knows the product very well and the customer, many times, follow his/her suggestion.

When parents are accompanied by the child, the child's choice prevails. He/she, more than him/her parent, exhaustively searches the toy because he/she has a very clear idea of what wants. She/he rarely changes his/her mind.

Question 7

PC is proud to buy Portuguese products. I remember when I was a commercial I used to travel around the country prospecting for new clients, one of the most attractive characteristics was that it is a Portuguese brand toy, made in Portugal by Portuguese and by a 100% Portuguese company. It is not by chance that all the stores and stands are identified with quite prominence with the logo "Made in Portugal - Buy what is ours". Some may feel that they are helping the Portuguese economy, others because they really like what they are buying, and the price/quality ratio is very good.

The SC does not have this feeling. There are many brands selling educational toys that are practically the same, they only differ in price and quantity of the product. The quality/price ratio of S4Y´s toys helps the SC choose our product, especially the Cosmetic Science Kits and Science Kits, with the Cosmetic Science Kits line being more prominent, since we are a European leader.

Question 8

At moment, the most important thing is to start working on the toy packaging design. 95% of our commercial agents say the image on the packaging is not enlightening or appealing when compared with brands such as Clementoni or SentoSphère. The name of the toy takes up too much space in the packaging, sending the most relevant information to the background.

The S4Y's packet weighs less than most, which can tell the customer that there is less content, though it is not true, and it is already being improved. This can have a lot of influence when a customer wants to buy a Perfume Factory and he/she can access to those brands, although there is a difference in prices.

Our website is being renewed, it is 90% complete. This was a huge handicap (still presents the catalogue of 2016! and several outdated toy packaging).

Question 9

Demanding, Safety, Learning, Discount, Price.

APPENDIX 3.2 - INTERVIEW WITH TIAGO ALVES

The references correspond to explanations asked subsequently, to understand the answers given in a properly way.

Question 1

The consumer covers all ages, from parents with children aged 5-12 years to grandparents, uncles and friends' parents. We note that the educational toy is not the toy parents usually give their children at Christmas or birthday yet, because it is not usually asked by children. They are the remaining universe of offerors, either for the price or to 'be nice'[32], who offer an educational toy since at least parents like. They are therefore of all ages, perhaps predominantly 25-45 years old, mostly women (as the average consumer) and with a medium to high level of education. Notice people are concerned about their child either 1) learns when playing or 2) keeps away from technological toys.

The Spanish consumer is now much more informed, he/she is very attentive to trends (e.g., Slime in the end of 2017), and prices (searches on Amazon and El Corte Inglés online) and compares toys. He/she is not particularly impulsive (does lots of searches and the impulsive products never worked very well in the shop) and generically complains more than the Portuguese consumer.

We note the Spanish consumer is more price sensitive, but he/she accepts more expensive toys than the Portuguese consumer. While in Portugal a toy of €19.99 is a Christmas toy, in Spain this value starts at €29.99 minimum, and a toy of €19.99 can be 'bought all over the year'. Apparently, the average number of toys offered per year in Spain and Portugal is similar (9-12 vs. 30 in the UK, for example) however [in Spain] the average price is higher.

We do not have a very good product for this because we have a few outdoors. Usually this free time is really enjoyed, at least in Madrid, outdoors, leisure, *etc.* And our toys, not technological though, are more indoor.

In Spain, we have a much smaller capacity to reach the Spaniards, due to the required investment, especially on average, and because we do not have a corporate history as strong as in Portugal.

[32] The expression is interpreted as *to impress*.

Question 2

a) At the beginning it was very similar, namely the main pillars: a) quality toys with innovative scientific themes; b) local partnerships (museums, the Science Park); c) total and extended sale strategy: sale of services to companies, schools and the final consumer; sale of toys to companies, retail, hypermarkets, online and final consumer (through shops).

b) The Portuguese origin, with no tradition of making toys, when contrasted with Spain, the second largest toy producer in Europe, raised some barriers, especially at the beginning, when many Spanish manufacturers were in difficulties, and retailers did not give us any opportunity because they were reducing. A well-known Spanish customer came to us saying "[Science4you's] products are good but at this moment of crisis we are not betting on new suppliers ... and if we were, we would have many to choose from in Spain". Even today we do not work much with him.

c) Not much[33], there are some Portuguese companies in Spain and I think the *portugalidade* (Portuguese way of being) helped us to provide for them on several occasions, but never in large scale. The consumer is difficult to measure[34], but we do not feel special penetration in the market of *saudade* (homesickness).

Question 3

a) It seems to be a more informed consumer (especially at the online search level), more suspicious (hence the importance of local partnerships to make the brand more credible), and more accustomed to buying in a specialised store and not in the hypermarket – therefore more focused on quality, service, *etc*.

   This made us create several sale support materials, provide scientific animators in the field to do activities, train several shop managers to do experiences, sent more materials and samples.

b) There is only one competitor in Portugal, the Clementoni (the Italian, European leader). In addition to this, in Spain there is Cefa Toys (which only operates in Spain) and is practically

[33] Regarding in which way the Spanish regionalism hamper the strategy of internationalization of Science4you.

[34] Tiago means: 'We have no data, in other words we cannot reach data about the consumer. I do not know who buy Science4you products in Carrefour or in Toys R Us.

equivalent to a *classic brand*[35] in Spain, with great recall for consumers. Actually, their star product - Quimicefa - *is confused with the brand itself*: sometimes the final customers were told that our games were Quimicefas, but cheaper and better.

Question 4

- Communication: more advertising in the media and events of great magnitude that attract consumers and the media;
- Customer Service: I think it has been working well but we need more structure in Spain, namely a technological centre and more products to quickly make an online sale or replace returns;
- Our price list is adequate, since most of the competitors have lower price/quality ratio, perhaps because they have higher investment in TV;
- Relationship with the large-scale retail: we should have started looking for personalities and agents[36] with relevant contacts in the industry earlier, instead of having spent two or three years trying to sale and make S4Y known. In other countries, with more investment, we have skipped more steps.

Question 5

Informed; Disloyal[37]; Claiming; Suspicious[38]; [He/She has] purchasing-power.

[35] Tiago Alves is equating Cefa Toys in the Spanish market to global competitors in the toy industry, such as Chicco, Famosa and Playmobil.

[36] Interpreted as a Sales Agent.

[37] 'The consumer is little loyal, he/she compares a lot, is price sensitive and impulsive. If he/she does not purchase S4Y, he/she will buy anything else that wishes or is cheaper. If it is Clementoni does not matter, if Clementoni toys have a price close or equal to Science4you toys, it is fine.' (Tiago Alves)

[38] 'The term is related with Claimant: the consumer asks a lot.' (Tiago Alves)

APPENDIX 3.3 - INTERVIEW WITH FILIPE SILVEIRA

Question 1

The consumers of educational toys:

a) Age: from 35 to 65 years
b) Dominant gender: female
c) Education: higher
d) Available budget / purchasing power: The higher purchasing power in Spain is reflected in the educational toy market. The volume (cash flow) has more impact on the Spanish side.
e) Hobbies: The services (birthday parties) have a greater demand (we can explore this even on Fridays afternoon unlike in Portugal). The didactic toy has some difficulty competing with the outdoor toy.
f) Influence of communication channels / reference groups: In Portugal, we have a greater impact for being a Portuguese brand, which is very present and has always aroused great curiosity. In Spain, this effect is not felt because it is distinct and the impact very localized.

I do not think he/she is more informed; however he/she is more impulsive. Regarding the complaints, I think both countries are equated.

Question 2

a) Our firm's headquarters (factory, development, financial, etc.) is in Portugal. All supportive areas are centralised in Portugal and the support on sales has always been higher to Spain and to UK. The strategy is to identify a distributor[39] who represents the S4Y brand and has their business set up locally. The competition in Spain, which is much higher than in Portugal, is also a very important factor in the introduction of the product into large-scale retailers. At the end of the day, the Spanish toys market is four times larger than the Portuguese market. It has been a longer process.
b) The Portuguese consumer vs Spanish consumer has a completely different behaviour towards our product. In Portugal, there is the culture of "contributing to the national economy" and we have been benefited from that, especially in the early years, which coincided with the financial crisis. In Spain, the Portuguese product is undervalued

[39] The term "distributor" will be interpreted as a Sales Agent.

because in this industry[40] we do not have associated goodwill, contrary to what happens with other brands (French, Italian, *etc*.).

Question 3

S4Y has been making a gradual adjustment to the perception of the Spanish consumer, which has been taking for over years. Examples:

(i) in the points of sale and on the products, we have been giving less visibility to the "made in PT" and more to the "made EU";

(ii) there has always been a big bet on the product demonstration in the retail, points of sale, schools and other events

(iii) (prices (which are same to those in PT) have been always used as a value-added to access to the Spanish market.

Question 4

Educational brands in Spain (example: 4M, DJECO, Janod, SentoSphère, Miniland, Clementoni)

Examples here: http://www.ladidacteca.es/tienda

The main opportunities of the Spanish market:

- Proximity of both markets (delivery times very reduced compared to other markets, mainly outside EU)
- Promotional campaigns in points of sale (price, quantity and merchandising)
- Product demonstrations
- TV campaigns/YouTube

Question 5

Preening; Pretentious; Vain; Opportunist; Saved.

[40] In the industry of toys.

ANNEX 4 - INTERVIEW GUIDE AND RESPONSES OF SCIENCE4OU SHOPKEEPERS

APPENDIX 4.1 - INTERVIEW WITH YOLANDA GALÁN

The responses of the interview were given in Spanish. This translation tries to be as faithful as possible to her words.

1. Try to create a profile of the Spanish consumer of educational toys regarding to the following aspects:

a) **Dominant genre:** the dominant sex when making purchases focused on children's needs and entertainment remains by far the female role.
b) **Age:** the average age of the consumer of educational toys is between 35-45 years old.
c) **Education:** the academic level is very varied; all of them being of a cultural scale high enough to understand the advantages of an educational and didactic toy over another merely idle.
d) **Family income:** monthly income of a person/family consumer of educational toys purchased in point of physical sale are directly related to the location of the same and the *per capita* income of the place, so the conclusion, relating all points of sale extended by different areas of the country or even province can be the most varied. E.g.: a user from the point of sale *Alcalá Magna* has a much lower purchasing power than a user of *Plaza Norte*, both from the province of Madrid.
e) **Willingness to pay for educational toys:** in general the predisposition is good, since they understand the differences and advantages over another type of product, besides being tired of the extreme raid of technology in children's entertainment, feeling that is too absorbent and inactive for the little ones, preferring for their education another type of toy more manual, social and capable making them think and reason as part of the game.
f) **Hobbies (free time, activities):** these are people who spend a large part of their free time focused on family enjoyment, spouse and children, brothers, nephews *etc.* ... being included in this group, friends. On the other hand, they have personal hobbies such as reading, sports and "research" at the user level of topics of self-interest.

2. Do you think that the Spanish consumer is an informed consumer? I mean, do they know the different brands, the average price, as well as Science4you?

As a general rule, the user who arrives at a physical point of sale knows what they want, asks directly for a toy to make x, or with x qualities but does not usually ask for a specific brand, unless it is habitual user of it, although they have certain reference brands for "explaining" that although they remain in force they remember from their own youth or childhood, example, the lines of educational games of Nova and Cefa.

2.1 Does the consumer usually look for information before buying?

Not as a rule general is not usually informed, is based on having had the opportunity to see the product by chance or have news and opinions from it by word of mouth.

2.2 What are the information channels where the search is done?

As I mentioned before, they are not informed, simply go out in search of what they want to the places where it is understood that you can find it, toy stores, supermarkets *etc*. and that is where he asks for information and guidance about the products. Another part is the online purchase, which is obviously direct but with a profile of user very different from the one that goes to physical points of sale.

2.3 Is it a consumer who usually complains? Is it demanding? (Can you give examples?)

Yes, he/she is a demanding consumer who looks conscientiously at the part of content and does not hesitate to claim for more and less significant things: lack of instructions for the development of the game, or that these are not in Spanish, lack of a component, *etc.*, and of less relevance the lack of support items included in some games (glasses, stickers, *etc.*)

3. Is the Spanish consumer influenced in purchasing decisions?

Yes, when not informed thoroughly, they let themselves be advised.

3.1 If yes, who influences them? What are the channels of information that influence? (Degree of influence: a lot? a few?)

He/She is influenced enough by friends or people who know the product and especially by the seller.

3.2 How does the consumer react to suggestions from store personnel?

It reacts very well, regardless of whether the product is taken or not, it pleases them to be guided and explained about the properties of the products of their interest, even being showed other new possibilities or other items related.

4. Is the Spanish consumer an impulsive consumer?

Yes, any social person often has children's events that require presents and do not hesitate to take a product that is interesting for when the occasion comes, and of course without occasion or event just for the fact of finding an interesting product for the development and fun of their children, nephews, *etc.*

4.1 Do they plan their purchases?

For the most part I would say yes. They have a need and think of "more or less" what they want and from there go out to look for it but without informing much.

4.2. Do they buy more than you initially thought?

Normally sticks to a budget or primary idea of spending, but this varies depending on the area of residence of the user and the point of sale that usually is related to the economic level.

4.3. Is it a price sensitive consumer?

(That is: the small variations in the price have a great direct impact on the volume of purchases?) If the variation in the price is small, it usually does not have an impact. He/She it is greater, yes, they need a plausible explanation (improvement of qualities, more quantity of product, more game possibilities *etc.*) to assume that rise with conviction.

5. How does the Spanish consumer see that the origin of Science4you is Portuguese?

From my experience, with a smile of pleasure. To my understanding and in my surroundings, Portugal feels like a "brother" country perhaps because it is our peninsular companion and somehow, I think the feeling is that even being a foreign product, it is more "from here" than if it were from another country, including France even if it also makes border with us.

6. What are the promotional campaigns that have the most positive impact on the Spanish consumer? (Try it, please.) (Discounts on the first unit, discounts on the second unit, discounts on ticket, others)

Always direct discounts, example: factory of soaps €19.99 with 20% discount and even more if we remove the percentages, "Factory of Soaps €19.99, today to €15.99", it may seem ridiculous because we are saying the same, but the visual impact is greater and more direct, so the impulse to purchase is also greater, there is no need to think, savings are clearly seen. The customer is often lazy to calculate how much 20% is. And on the contrary, of worse reception are the discounts for upcoming purchases.

7. What are the action plans that I would recommend improving the Plan International Science4you in Spain?

a) **Communication:** much more and better advertising of science4you products, including betting heavily on a surely expensive, but surely very fruitful television campaign (preferably at Christmas). It was this form and not another, as already mentioned brands such as Nova and Cefa they made a very important hole in that market more than 3 decades ago and has succeeded in being reborn 30 years later in the same way and with the unconditional support of the users (already adults) of then. I am aware that my proposal is tremendous, but I am sure that it has the potential to create an imprint of the company equal to those mentioned.

b) **Customer service:** the very important customer service in the points of sale should be provided by personnel trained exquisitely in the subjects and competences of the products that are sold. There is nothing that customers like more than a "counselor" who knows what he/she is talking about, who leads them to discover things not know, about what they want to buy or admire. But I have to say that sadly an "affordable" type of staff is opted for, one that is not educated and that is learning on the fly, therefore there often are simple doubts that we do not know how to solve if it is not through our own research of the subject and this is not good for any of the parts.

c) **Prices / Discounts:** the prices are very different, there are products too expensive for what they are and for their quality and others the best-selling (I think) Soap Factory, Pegamonstruos, Perfumes *etc*., that are too cheap for their relevance in sales and for their demand by the public, a 20% rise would be more than adequate and I believe that sales would not resent, on the contrary I think they would approach without reaching, at the prices of greater rival that is Cefa €29.99, thus giving to understand, that is of equal quality, but something more economical and therefore more interesting. As for

discounts, I would limit them to the Tech Toys Range, which has too much competition in terms of prices and benefits and to special occasions as Black Friday for example, but not at any time for free as it gives the impression of weakness of the company or the product.

d) **Other:** after-sales or telephone service for problem solving. A great brand has to be until the last moment and Science has to work more on it, with a specific staff for these issues and not the first to pick up the phone in the office. And in the product lines, I would suggest, instead of pulling out different versions of the same product (Soap Factory, Science of the Soaps, Pocket Science Soaps etc.) that do not make any contribution, develop products that users request, such as the Universe, or Mathematics, of which there is hardly a vague selection or the much-requested Ant Farm in addition to many other possibilities, science is immensely broad, there is no need for repetition.

8. To conclude, if you had to describe the Spanish consumer using 5 adjectives, what would they be? (Order them from greater to lesser importance.)

Interested; Flexible; Grateful: Economizer; Impulsive.

APPENDIX 4.2 - INTERVIEW WITH CARLA GOUVEIA

The responses of the interview were given in Portuguese. This translation tries to be as faithful as possible to her words.

1. Try to create a Portuguese consumer of educational toys profile regarding to the following aspects:

a) **Dominant genre:** feminine, although the decision could be made by the couple. It could be related with the predominance and the role of women in children's activities (birthday parties, familiar walks, school life)
b) **Age:** over the age of 30
c) **Education:** high school level/higher Education
d) **Family income:** above those *OMN*[41] (more than €580 per month)
e) **Willingness to pay for educational toys:** the majority up to €20 to gifts and up to €50 for own children
f) **Hobbies (free time, activities):** strolling with family around the shopping centre or city at the weekends and public holidays.

2. Do you think that the Portuguese consumer is an informed consumer? I mean, do they know the different brands, the average price, as well as Science4you?

Generally, they do not know the brand or other competing brands. They are curious within the shop and about the products, they ask information to the shopkeepers, show interest in the explication/demonstration.

2.1. Does the consumer usually look for information before buying?

Yes.

2.2. What are the information channels where the search is done?

Through Science4you's employees who address them and inform them when they approach to the shop. They all or 90% tourists. Some of them know the brand due to the Iberian market.

2.3. Is it a consumer who usually complains? Is it demanding? (Can you give examples?)

[41] ONM – Ordenado Mínimo Nacional, National Minimum Income

No.

3. Is the Portuguese consumer influenced in purchasing decisions?

Yes.

3.1 If yes, who influences them? What are the channels of information that influence? (Degree of influence: a lot? a few?)

I do not know if it is influence or advisement/indication. The presence in schools, birthday parties, *Fábrica da Ciência*[42] and in media is a stimulus. Children receiving Science4you's gifts from other kids and the "by word of mouth" between teachers/parents are another stimulus. But the presence at the shop and the employee's posture making experiences and show how, for instance the Plasm Globe works for kids and adults serve also as attractive.

3.2 How does the consumer react to suggestions from store personnel?

Under a first approach, there are some who only search and cut off any approximation. But when this approximation is possible, all the suggestions are welcomed. Regarding the children's profile that it is perceived through the conversation with the customer, we suggest the most indicate toy for the kid. On the other hand, if the customer does not know the children, we suggest some toys within various areas and the bestselling products. This happened always there is a sell. 99% of the sales occur through shopkeepers' suggestions.

4. Is the Portuguese consumer an impulsive consumer?

Yes, to lower price products.

4.1 Do they plan their purchases?

Yes

4.2. Do they buy more than you initially thought?

Despite of taking advantage of the Toy of the Week[43] or other beneficial promotions, they do not go beyond.

[42] Science Factory

[43] A weekly promotional campaign.

4.3. Is it a price sensitive consumer? (That is: the small variations in the price have a great direct impact on the volume of purchases?)

A lot. Sometimes, they named our products expensive toys. The effect of putting the most expensive toys at the front-line drives customers off, who for curiosity and from a greater distance walk through our storefront. Partnerships and promotions help to sell.

5. How does the Portuguese consumer lead with the national origin of Science4you?

It is a very positive factor in the sales to the Portuguese who also show interest about the company. Factor which counts in the product's choice. The Spaniard just considers interesting.

6. What are the promotional campaigns that have the most positive impact on the Spanish consumer? (Try it, please.) (Discounts on the first unit, discounts on the second unit, discounts on ticket, others)

Discount percentage. In a product of €20, they prefer, for instance, an immediate discount, rather than discount vouchers, and 3 for the price of 2. In preferential order: 1st Immediate discount (they think they take €20 and only will pay €10, this leads not only to the increase in satisfaction but also to the purchase of another toy); 2nd Promotional vouchers (it obligates to buy what they do not need) and 3rd 2 for the price of 1 (it obligates them to take more than they plan ahead).

7. What are the action plans that I would recommend improving the Plan International Science4you in Spain?

a) **Communication:** focus in local media. Regional newspaper and actions in visible campaigns.
b) **Customer service:** quicker and more rigorous response to complaints. Open to suggestions.
c) **Prices / Discounts:** for instance, some customers object to the price of the Animal Planet in general and in particularly (e.g.: price of the Orca in relation to its size).
d) **Relationship with large-scale retail:** the large-scale retail hampers a lot the sales in shops. When we have at *Glicínias Plaza* (Jumbo) high promotions in our toys we have no sales in our points of sales. It is incomprehensible. The large-scale retail does not give the attention deserved to Science4you's customers. They harm the sales performance, the growth of the company and the personality/identity/differentiation.
e) **Others:** -

8. To conclude, if you had to describe the Portuguese consumer using 5 adjectives, what would they be? (Order them from greater to lesser importance.)

ATTENTIVE to the quality vs price; EXIGENT; SAVER with costs; Do not like to the direct approach; frontal and aggressive (DISCREET and INDEPENT).