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Master of Science in Business Administration

ACH BRITO: THE ACQUISITION OF SABOARIA & PERFUMARIA CONFIANÇA

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ABSTRACT

Dissertation Title: Ach Brito: the acquisition of Saboaria e Perfumaria Confiança

Author: Margarida Ramos

Ach Brito is a successful family-owned company founded in 1887 in Oporto responsible for the production of about 40,000 soaps among other products per day that are commercialize in the national and international markets.

On the last day of 2008, this traditional firm acquired Saboaria e Perfumaria Confiança. In this sense, the aim of this paper is to explain the synergies and changes occurred during the past three years, as they were rivals for 100 years with similar products in the same segments (mass-market and premium/luxury)

Ach Brito, a familiar firm that struggles to assume a leadership position in the competitive soap market, is an interesting case for management students in its acquisition challenges of the rival Confiança. Due to the guidance of teaching notes, case study, literature review and market research divisions, teachers could use this case as class discussion by explaining some topics (brand positioning, product, price, place and promotion) in the field of Marketing Strategy.

ABSTRACT

Dissertation Title: Ach Brito: the acquisition of Saboaria e Perfumaria Confiança

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A Ach Brito é uma empresa familiar bem sucedida fundada em 1887 na cidade do Porto e é responsável pela produção de cerca de 40,000 sabonetes, entre outros produtos, por dia que depois são comercializados no mercado nacional ou a nível internacional.

No último dia de 2008, esta empresa adquiriu a Saboria e Perfumaria Confiança. Nesse sentido, o objectivo da tese é de explicar as mudanças e sinergias criadas nos últimos três anos, dado que a Ach Brito e a Confiança eram rivais há mais de 100 anos com produtos similares nos mesmos segmentos (mass-market and premium).

Ach Brito, como empresa familiar que tenta assumir uma posição de liderança no competitivo mercado de sabonetes, é um caso interessante para alunos de gestão, devido ao seu desafio ao adquirir a rival Confiança. Devido à ajuda das teaching notes, case study, revisão literária e market research, os professores podem usar este caso para discussão em aula ao explicarem alguns tópicos (posicionamento de marcas, produto, preço, canais de distribuição e promoção) na área do Marketing Estratégico.

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1. INTRODUCTION

The focus of the thesis is a familiar Portuguese company, Ach Brito, founded in 1887 in Oporto, producer of soaps, among other products, commercialized in national and international markets such as USA, Asia, Australia, Europe and Africa. Its success was achieved by the quality of its products sold in prestigious stores via the premium/luxury brand Claus Porto or in supermarkets/pharmacies through the mass-market brand, Ach Brito; appealing packaging inspired in vintage and retro branding designs; and tradition of using ancient recipes and methods.

PROBLEM STATEMENT

On December 31, Ach Brito acquired Saboaria e Perfumaria Confiança – its main rival for 100 years. In this sense, the goal of this thesis is to describe and understand what changes occurred during the past three years in terms of brand positioning as both firms had brands in the same segments, introduction and/or discontinuity of product lines, distribution channels, pricing, promotion, packaging as well as allocation of plants and workforce. Besides, it also aims to explain if consumers perfectly know the firm regarding brand positioning and the acquisition strategy itself.

The thesis is divided into six main areas: literature review, where theoretical approaches are described in three distinct concepts (positioning, branding and packaging); case study[1] with a description of soap industry (worldwide and in Portugal), followed by a narrative of Ach Brito, before and after the acquisition that will essentially used to answer to the key research questions; market research, in which two surveys (to consumers and company) were done in order to help replying to some research questions; teaching notes, whose goal is to formulate a teaching plan to be discussed in class; and conclusion with all elements correlated.

KEY RESEARCH QUESTIONS

In order to comprehend all topics, four research questions will be studied:

1. What were the reasons behind the acquisition of Saboaria e Perfumaria Confiança? How was the situation of Confiança before the purchase?

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[1] All information provided by Ach Brito

2. What has changed in Ach Brito since the acquisition?
3. What was modified in Confiança regarding brand positioning? Are customers aware of the acquisition strategy?
4. Do customers successfully associate each brand (Ach Brito, Claus Porto and Confiança) to its positioning? Which are the consequences of an inappropriate brand positioning?

METODOLOGY

Two surveys were developed in order to answer the proposed research questions: an online survey for consumers, and a shorter version for Ach Brito. The results will be further on discussed on the market research section.

Survey for consumers

The type of survey chosen for consumers was an online survey (**Appendix 1**) as it is a faster way to collect a higher number of responses, easier approach to collect data and posterior analysis, eliminates the potential bias from interviewers, permits more privacy due to confidentiality and allows everyone, besides location, to answer at a preferable time. As a result, it was executed at Question Pro and was composed by 22 questions that took approximately 5 minutes to complete. Both surveys were composed by closed questions, and differed from multiple choices to yes/no questions, being this last kind of questions specially related to Ach Brito, Confiança and the acquisition strategy (for the online one).

There were three main goals: first, to understand the shopping habits and buyers preferences, when it comes to soaps; second, to check customers knowledge about Ach Brito and Confiança; and finally, to assess if consumers could properly position the three brands (Ach Brito, Confiança and Claus Porto) in the right segments.

The survey was divided into five sections. The first one was related to the shopping habits, brand awareness and purchase behaviour of consumers, where questions related to key buying factors, frequent distribution channels and awareness of several brands were asked. The second had to do with Ach Brito, and only customers who were familiar with the company could continue. In here, the major point was to understand which were the characteristics associated to Ach Brito. The third introduced the acquisition strategy topic and Confiança in order to comprehend if the brand was well perceived, and if the acquisition strategy was already known. The fourth is one of the most important parts and is related to brand positioning. The main idea, at this stage, was the associate each brand (Claus Porto, Ach Brito and Confiança) to a segment (Premium, Mass-market and Intermediary). The final section aimed to the study the demographic an educational profile of consumers.

Survey for Ach Brito

Several questions were posed to Ach Brito's CEO, José Fernandes. There were similar to some of the online survey, whose goal was to compare and see if Ach Brito truly understands buyers' minds. In this sense, the survey was adapted into a shorter version (**Appendix 2**).

2. LITERATURE REVIEW

2.1 INTRODUCTION

This section is divided into three main topics – positioning, branding and packaging – that will be sub-divided in distinct parts, aiming to explain each one's importance in beauty industry.

2.2 BRAND POSITIONING

"The positioning decision is often the crucial strategic decision for a company or brand because the position can be central to customers' perception and choice decisions."

Aaker & Shansby, 1982

"Positioning starts with a product, but it does not refer to the product" because the most important aspect is what can be done to change consumers' opinions, that is, "how to position the product in their minds" (Ampuero & Vila, 2006). It has distinct meanings to "different people". Some defend that "segmentation decision" is what counts; others, the "image question"; several, the "lifestyle"; while for others, "selecting which product features to emphasize" (Aaker *et al.,* 1982). As a result, it is crucial to comprehend the lines of reasoning behind buyers' preferences in order to implement the suitable positioning strategy, which is considered a key point for a firm or brand. (Aaker *et al.,* 1982; Zhu, Wang, Yan and Wu, 2009).

Brand positioning is "the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market" and begins by setting up a certain position in the market, indicating what consumers can obtain when the brand is used (Kotler, 2003). For that reason, it is important to decide which are "the types of associations that will function as points of parity and points of difference" (Keller, Sternthal & Tybout, 2002), since the main goal of brand positioning is, effectively, to build a "customer-focused value proposition" that leads customers and motivates them to purchase the good (Kotler, 2003). "A brand's positioning should be constant at every level" (Czajkowski & Long, 2007).

Nevertheless, there are certain "pitfalls to watch out for" regarding brand positioning (Keller *et al.,* 2002):

- Firms very often seek to create “brand awareness” before knowing exactly what is its brand positioning strategy;
- Now and then, companies encourage buyers to buy products based on “attributes” that are meaningless for them;
- Occasionally, firms spend a lot of money in “points of difference” that can be effortlessly imitable by rivals;
- Sometimes, companies are so focused in competing with their rivals that start to “walk away from their established positions”;
- Repositioning strategies are “nearly always difficult and sometimes impossible”.

Diamantopoulus & Fuchs (2010) defend that there are three brand positioning natures: intended, actual and perceived. Intended positioning concerns the way a company aspires to have its brand recognized/known by the addressed customers. “The actual positioning is reflected in the positioning information actually presented to the consumers”, done essentially via advertisement campaigns. Perceived positioning happens when “buyers form their own perceptions of the brand and position the latter in their minds” after catching the actual positioning in ads and past knowledge. In this sense, firms that decide to implement an inappropriate intended positioning can damage their products’ perceived positioning and consequently reduce revenues. There is an equal difficulty “if the intended positioning is well chosen, but its execution fails to result in an effective perceived positioning by consumers”.

CONSUMERS’ AWARENESS ON POSITIONING

Haig (2005) defends that “consumers make buying decisions based around the perception of the brand rather than the reality of the product”. Furthermore, according to Guthrie and Kim (2009), there is “strong evidence” that buyers with different stages of “product involvement” perceive beauty brands in distinct ways, which supports the idea that “diverse marketing approaches” should be developed build upon the potential customers’ impressions and involvement with these types of goods.

Essentially because beauty goods help improving “the personal appearance and style of consumers”, so they tend to provoke attachment “in both the purchase and usage process” (Guthrie *et al.,* 2009). Additionally, according to Kosenko and Krishnan (1990), the name of a brand influences buyers’ perception on price. This happens since “branded products” are expected to be more expensive than “unbranded products”. As a consequence the “well-known brand name should be positioned in the upper acceptable price range and the not so well- known brand names in the lower acceptable price range”. Thus, price is a crucial division of every branding strategy since it establishes “the product's position in the product line, the marketplace, its competition, and its use patterns”. For that reason, marketers should comprehend the “acceptable price range” of their consumers because introducing or discontinuing a good “will affect perceptions of other products in that product line”.

Given that “perception is a fragile thing”, a strong and caring bond between buyers and brand should be created because “one step out of the line and the customer may not be willing to forgive” (Haig, 2005). Above all, marketers need to comprehend all the attitudes, feelings and perceptions that each “consumer type” has towards beauty brands, so that a suitable “beauty brand marketing strategy” could be successfully achieved (Guthrie *et al.,* 2009). This is essential to study buyers’ perceptions, since they are the ones responsible for leading to the firm’s strategic positioning of its goods (Aaker and Shansby 1982; Ampuero & Vila 2006).

2.3 BRAND STRATEGY

“Branding has become so strong that today hardly anything goes unbranded […] Building and managing brands are, perhaps, the marketer’s most important task.”

Kotler, Armstrong, Wong & Saunders, 2008

“A brand is a name, term, sign, symbol, or design, or combination of them”, whose aim is to be associated with a certain seller and, at the same time, be different from its main rivals (Kotler, 1991). In all industries, the main goal of branding is similar: to improve profitability. Nonetheless, in order to achieve this objective, it is crucial to “include a focus for awareness” by allowing consumers to know the brand; to be distinct from competitors; to build “positive perceptions” for buyers through its superiority and high quality; and to increase “value to products and services” (Hague & Jackson, 1994).

According to Kotler *et al.* (2008), branding is a helpful tool for both “buyers” and “sellers”. For the previous, it helps consumers in three different ways: by correlating the goods that could be advantageous for them; linking the brand name to the “quality and consistency” of the product; and as a mean to “increase the shopper’s efficiency”. For the latter ones, it helps suppliers in three distinct manners too: by allowing companies to base “the whole story” of its strategy upon the brand name; “providing legal protection for unique product features”; and, as a consequence, avoiding rivals’ imitation and “increasing innovation by giving producers” courage to try different things.

A brand name is a symbol of a company’s position in the market. Accordingly, a name should express optimistic and encouraging values and a “good sound” as it will be an advantageous point for a recent company. In fact, an inadequate or unsatisfactory name can compromise the firm’s success. That is why it is considered “absolutely everything”. Its choice is frequently intuitive since in the majority of times, the name results from an emotional aspect and not from deep researches that guarantee the appropriateness for the target buyers. However, some attention must be paid in order to avoid major problems when a brand name is translated in international markets (Hague *et al.,* 1994).

In beauty, branding is not only the consumer’s perception about a certain brand, it is also the “emotional connection and a consistent relationship” (Hill, 2009). “A brand is not the product” but “the visceral reaction a person has to that product” (Hill, 2009). “If a brand has a value, then it should be possible to transfer those values to additional products, so enabling a company to broaden its range”, specially if the brand is already well established and known in the market (Hague *et al.,* 1994).

According to Martínez & Pina (2003), “in recent years, companies have been using brand extensions as a strategy for launching new products” because it appears to reduce the probability of failure, as consumers at first tend to believe in goods “marketed under known brands”. This way, there will be an advantage for the extending brand since it will be constantly associated to the parent one, creating the umbrella effect (Hague *et al.,* 1994).

Nonetheless, this strategy could not be suitable for every brand and could negatively affect the company’s image (Martínez *et al.,* 2003). Besides, when this occurs, “it's easy – and dangerous – to shortchange points of parity” between the two brands (Keller *et al.,* 2002). However, Aaker and Keller (1990) defend that “potentially negative associations” between extended and original "can be neutralized" if instead of keep associating both brands, the company decides to focus on the features of the extended one.

Note that according to Aaker and Keller (1992), "high quality brands stretch farther than average quality brands" as they have "more opportunities for extension". Though, every brand can only extend up to a certain point, having each one its own boundary.

Hill (2008) defends that in beauty industry the image of a brand should transmit an idea of "living" and/or "expression" rather than simply being a "thing". As a result, there are several aspects to take into account in order to develop a "successful lifestyle" brand: keep "changing, evolving and growing" so as to achieve a desired position in the market and at the same time build an "emotional connection" with buyers since simply "communicating product benefits and quality" is insufficient. Besides, nowadays, "branding is simply the public's perception of a product, service or company".

However, in Aaker´s view (2003), brands have to overcome some challenges: "overcapacity", price and subsequently margins' reductions, risk of rival's copies and products that constantly need to be remodelled since "the competitive terrain for most brands today is difficult to brutal". All in all, a company should choose to retain or to keep innovating on the aspects that differentiate them from competitors as these key features are considered "one of the main drivers of brand strength". This is particularly important when consumers do not notice or understand the particularities of a brand and have the tendency to choose others.

Today, beauty products are "being scrutinized" by consumers that "are becoming more and more exigent" and, therefore, hard to please. One possible way to overcome this challenge could be to use fragrances so as to attract consumers during the decision process by leading them to connect scent with some "positive memories". Nevertheless, companies should take into account that associations between potential clients and fragrances diverge "from person to person" since people comprehend and/or experience beauty products in different manners. Moreover, fragrances need to be updated as they are "constantly evolving" (Penning, 2011).

Furthermore, firms instead of simply maintaining or changing the differentiator should brand it like a "feature, service, programme or ingredient" (it is more effective if a company decide to be present in the four areas) that ought to be "meaningful", "pertinent and substantial enough" for clients. Thus, if it is copied, the company has the possibility to "actively managed" it in order to build "a lasting point of difference in the customer's mind". Actually, this strategy has four major advantages: it increases the consumers' reliability in the differentiator and allows people to better comprehend if there is a brand name, in these situations, that is linked to the "parent brand"; besides it facilitates communication in a "more effective and efficient" way and also can be considered a starting point for a company that wants to become "sustainable" (Aaker, 2003).

SUCCESSFUL BRAND MANAGEMENT IN BEAUTY INDUSTRY

According to Czajkowski *et al.* (2007), in beauty industry, "brands at any point of development" need to combine five essential aspects – business plan, point of difference, appealing packaging, market positioning and retail execution – in order to send an appropriate idea to buyers that should be reliable to its general strategy and have at the same time "the ultimate retailer and consumer in mind".

Business plan

In this point, it is crucial to firstly understand the added value that the brand gives to the market as well as its positioning among industry. Afterwards, as soon as both aspects are comprehended and developed, it is relevant to "identify, evaluate and quantify the elements of a successful beauty's launch", which comprises some knowledge about the "target market, […] marketing strategy, […] packaging, retail pricing and positioning, and establishing a point of difference". If possible this step should be done before any spending.

Point of difference

"A brand's point of difference lies in its inherent benefits, ingredients, technology and innovation", all those mixed together catch the attention of consumers. In this sense, this step should be "well-communicated" – nor too complicated or extremely easy – so that it can be comprehended.

Appealing packaging

"Some would say" that packaging "accounts for up to 70% of the equation"; that is why it justifies a major responsibility in a company's brand success. A package should not only be appellative, but also transmit the brand's core values as well as its high quality. After all, "a brand has one chance to make a first impression".

Market positioning

"Successful positioning is the consistent thread weaving through every element of a brand". Hence, it should be reliable and constant, so consumers can, without failing, understand the position of the brand in the market. In this sense, a discrepancy or contradiction "can create a lack of clarity" and might induce retailers to choose another brand to place in their shelves.

Retail execution

Initially, it is crucial to choose the right distribution channel to start with and "all decisions in brand development must have this eventual retailer in mind". Essentially, since the majority of them "may have distinct views on which products are befitting for their clientele", it is not so relevant to specify particular retailers from commence.

REBRANDING STRATEGY

A rebranding strategy occurs when a "brand is reborn", with "a slightly different concept". Somehow, it can be controversial with "standard marketing practice in product branding" that defends that "long-term investment in and commitment to a brand" (Stuart and Muzellec, 2004).

In beauty business, rebranding can merely imply "either a refresh, a marriage or a full rebrand" so that a brand can be successful, by continuously revolutionize, go forward and rise. (Hill, 2008)

Fresh outlook

A brand's refresh "is like a modest face-lift" that alters the look for something up-to-date, actual and contemporary. This particular need for change occurs due to the time factor. It frequently starts "with an identity update, including logo design and colour scheme".

Happy marriages

“In the instance of corporate mergers, acquisitions or new management, a brand marriage may be appropriate” since it usually does not account for major rebranding revisions due to some brands’ similarities. Even so, the same might not happen in other types of companies such as “small to mid sized”.

New direction

This type of strategy happens when there is “a shift in the overall company leadership, evolution or change in product line-up, or expansion into new consumer markets”. In this sense, it is necessary to change both concepts and strategic course of the brand.

Stuart *et al.* (2004) defend that there are several reasons that lead companies to implement rebranding strategies. “Mergers, acquisitions and divestitures” that take place as an increasing trend nowadays and, as a result, might imply modifications in the rebranding strategy due to “a new focus or vision for the company”; changes in the rivals’ structure and position that influence the strategy of other companies; brand image that needs to be modernize and updated or as a consequence of “a new more socially responsible image” that is growing more and more in today’s world and direct firms to eventually adapt this kind of reasoning.

In conclusion, the main reason for rebranding is essentially “to send a signal to stakeholders that something about the organization has changed”. Hence, it is extremely relevant that something has really changed or is new; otherwise the strategy will fail (Stuart et al., 2004).

2.4 IMPORTANCE OF PACKAGING IN BEAUTY INDUSTRY

“The best packaging invites, reassures and delights. The best packaging both acknowledges and elevates the consumer.”

Jennifer Karsh, 2011

Packaging “is the container that is in direct contact with product itself, which holds, protects, preserves and identifies the product as well as facilitating handling and commercialization”. There are three types of packaging: primary, secondary and tertiary. Primary packaging touches directly in the product; the secondary “contains one or more primary packages and serves to protect and identify them and to communicate the qualities of the product", it usually can be thrown away when the good is utilized; while the tertiary one has the function of joining and protecting the product during all "the commercial chain" (Ampuero & Vila, 2006).

The main goal of packaging is to catch the attention of consumers in the confusing shelves (Underwood, Klein & Burke, 2001). Underwood and Klein (2002) defend that packaging could also have an image of the good in the package and, as a consequence, introduce product's features that should be meaningful for the consumer. This will "significantly improve brand beliefs" and create a positive impact in potential clients' minds. Above all, packaging is considered to have "a brand-building role" (Underwood, 2003).

"It is estimated that 73 percent of purchase decisions are made at point of sale" (Rettie & Brewer, 2000). Hence, packaging ought to "create differentiation and identity" due to its particular features and details that can influence consumers' choices (Ampuero *et al.,* 2006) since it "is often the first contact a consumer has with a brand".

Therefore, firms in beauty industry have a propensity to spend more in this component than in others (Hill, 2011). Alongside, it can also be referred as a way to effectively communicate the brand and to reinforce the relationship with clients (Underwood *et al.,* 2001; Underwood, 2003).

Hill (2011) defends that besides being complex to associate consumers to packaging, as "there is no formula" for it, some features in packaging (visual, verbal and tactile) can actually help communicating the brand.

Visual

The visual component of every package is the most important aspect of brand communication strategy by far. It should transmit a unique appearance "both product benefits and emotional benefits", as well as brand's character, quality, core values and features.

Verbal

"Since most packaging can't talk, this is mostly done through naming […] descriptions and taglines" that should be the focus of most companies since this verbal component might help the brand to differentiate and positioned itself in a different level.

Tactile

Nowadays, as a result of the "print media" trend, packaging became "one of the only brand touch points" that allows consumers to actually feel the product. Moreover, researches confirmed that if a person touches a certain product, there are higher chances for a purchase. "Women in particular are incredibly tactile and appreciate and respond to detail" as it happens in beauty industry through "visual or literal texture".

CONSUMERS' PERCEPTIONS ON PACKAGING

According to Ampuero *et al.* (2006), perceptions of buyers differ when some packaging strategies are implemented, essentially in four different types of components ("colour, typography, form and illustration") that should be jointed all together to influence the mind of consumers.

Packaging Colour

It appears that high society tends to prefer "dark coloured (mainly black) packaging", while "price sensitive consumers required light (mainly white) coloured packaging".

Packaging Typography

It is preferable to be written in "bold, large, roman, upper case letters with expanded characters" in premium products, whereas in more reachable goods, it is related to "serif and sans serif typographies".

Packaging Graphic Forms

Products that are affordable by high society should have "vertical straight lines, squares, straight outlines, and symmetrical composition with one single element". In the opposite side, goods tend to be purchased by "price sensitive consumers" should have "horizontal and oblique straight lines, circles, curves, wavy outlines, asymmetrical compositions".

Packaging Illustrations

Premium products are supposed to have "pictures showing the product", while for "price sensitive consumers", packages should have "illustrations showing people".

3. CASE STUDY

3.1 INTRODUCTION

On March 7, 2012 José Fernandes – CEO of Ach Brito – has just begun another meeting with a management student when suddenly she asked what had changed in the past three years, after the acquisition of Saboaria e Perfumaria Confiança. At first, he laughed and then answered: "Well, in three years, many decisions were made and modifications occurred, but let me start by the beginning of Ach Brito's history."

At the end of 2008, Ach Brito acquired Saboaria e Perfumaria Confiança – the firm's main competitor for a century. This way, the company was responsible for managing and maintaining the recognition of another ancient Portuguese firm alongside with Ach Brito (targeted for the mass-market segment) and Claus Porto (targeted for the premium segment). In the past three years, several aspects were modified and others are planned to be: the high-qualified products from Confiança were repositioned from a premium to an intermediate segment; the famous Offenbach soap was reintroduced in the production line of Braga; a store with Ach Brito, Confiança and Claus Porto products was opened in Vila do Conde; an internationalization strategy is being developed for Confiança; and about 140 references of products from Claus Porto are going to be introduced in the market.

3.2 SOAP INDUSTRY

SOAP INDUSTRY WORLDWIDE

This industry is commonly segmented into bar and liquid soaps, which are not very easy to diversify, as this market is in the mature stage of the product life cycle. Nonetheless, some product features can be modified such as fragrances or packaging, in terms of design and shape.

Globally, the soap market is dominated by a few multinationals with strong brand recognition, like Unilever, Procter & Gamble, Colgate Palmolive and Johnson & Johnson (in Europe, Beiersdorf is a key player too) that are known for investing a lot of money on advertising. Consequently, national soap producers need constantly to evolve through understanding consumers' wants and needs to gain competitive advantage as they get to know the market.

SOAP INDUSTRY IN PORTUGAL

The Portuguese soap market is reducing in last years: in 2009 both market value and market volume decreased respectively by 2,4% and 3,5%, reaching a total of 23,9 million euros and 24,8 million units of soaps (Figure 1). Moreover, it is forecast that it will shrink even more in the future, as it is estimated to achieve the small amount of 20,4 million units by 2014 (Figure 2).

Figure 1: Portugal soap market value (in million euros) and market volume (in million units); 2005-2009

YEAR	MARKET VALUE (€ MILLION)	MARKET VALUE (% GROWTH)	MARKET VOLUME (MILLION UNITS)	MARKET VOLUME (% GROWTH)
2005	26,7	-	28,8	-
2006	25,8	-3,4%	27,7	-3,8%
2007	25,1	-2,7%	26,7	-3,6%
2008	24,5	-2,4%	25,7	-3,7%
2009	23,9	-2,4%	24,8	-3,5%

Source: Data Monitor

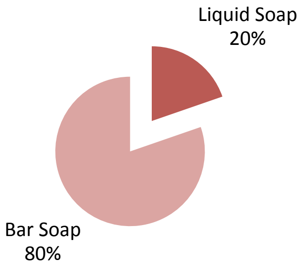
Figure 2: Portugal soap market volume forecast (in million units); 2009-2014

YEAR	MARKET VOLUME (MILLION UNITS)	MARKET VOLUME (% GROWTH)
2009	24,8	-3,5%
2010	24	-3,2%
2011	23,1	-3,8%
2012	22,4	-3,0%
2013	21,4	-4,5%
2014	20,4	-4,7%

Source: Data Monitor

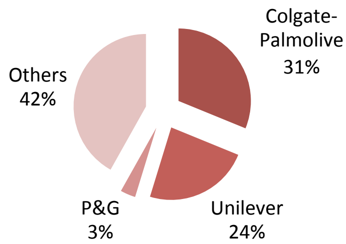
In Portugal, consumers undoubtedly prefer to use bar to liquid soaps. In this way, bar soap has about 80% of the market's total value (Figure 3). Regarding competition (Figure 4), this industry is highly concentrated in two major players: Colgate-Palmolive (leading with 31% of market share) and Unilever (24%). These multinationals have a highly diversified product portfolio, which allow them to be more independent and less concerned about soaps' sales that are the only source of revenues of local manufacturers like Ach Brito, Castelbel, Confiança and Feno de Portugal.

Figure 3: Portugal soap market segmentation by value (2009)



Source: Data Monitor

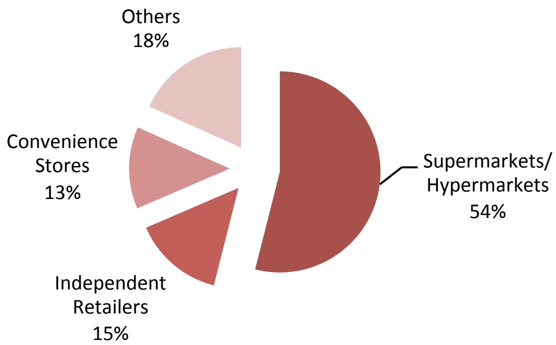
Figure 4: Portugal soap market share by value (2009)



Source: Data Monitor

The main distribution channels in Portugal are supermarkets/hypermarkets, accounting for about 54%, followed by others like pharmacies, perfumeries and specialized stores (Figure 5).

Figure 5: Portugal Soap Market Distribution by Value (2009)



Source: Data Monitor

3.3 THE HISTORY BEHIND ACH BRITO

The history of Ach Brito (**Exhibit 1**) began in 1887, when two German brothers (Ferdinand Claus and Georges Ph. Schweder) founded the first Portuguese plant of soaps and perfumes in Oporto, named Claus & Schweder. At that time, the products were commercialized under the brand FPC (Fábrica de Produtos Chimicos Claus & Schweder) and were simply affordable by the upper class, used to consume international products. The conservative and appealing packaging alongside with the foreign name, contributed to its recognition and acceptance. However, there was a turnaround in 1913 when, the two mentors were obliged to leave Portugal and close the plant due to the involvement of Germany in 1st World War.

Meanwhile, Claus & Schweder became insolvent and its manager Achilles Brito (**Exhibit 2**) founded in 1918 Ach Brito & Co and acquired Claus & Schweder in an auction, renamed afterwards as Claus Porto. Since then, both brands are living together side-by-side and being highly desired by consumers.

In 1953, the company decided to implement a different strategy by integrating a lithography section in the plant to assume the production process control, from manufacturing and labeling to packaging (**Exhibit 3**). Moreover, the labeling part was handmade, which brought a customized, distinct and original aspect to the packages that differed immensely from what competitors were offering.

In the 1980s, as a result of modern distribution channels appearance, Ach Brito was in a sensitive and critical condition. On that occasion, the leadership was carried by the 4th generation (**Exhibit 2**), represented by Aquilles and Sónia Brito, two brothers that rapidly began a restructuring procedure in the production process, brands' repositioning and in human resources department to constantly try to save the firm's legacy. By 1995, the plant was shifted from the city center of Oporto (**Exhibit 4**) to a smaller place in Vila do Conde.

3.4 ACH BRITO BEFORE THE ACQUISITION: THE LAST DECADE

Today, Ach Brito is an example of a successful family-owned business. However, in the last decade, the company had several challenges and problems that ought to be overcome.

In 2000s, the national soap industry was experiencing a difficult position: the loss of several Portuguese colonies shrank substantially the market and the entrance of foreign firms increased the level of competition. Both aspects influenced significantly Ach Brito's financial situation that was becoming more fragile each day.

In addition, since the majority of sales came from Portugal, the market had faced a drastically decline. The manufacturing equipment required urgent maintenance or even substitution. The previous plant in Vila do Conde measured 1500 m^2 and needed to be relocated to a bigger area with enough space to raw materials, machines and storage. The administrative offices only had five computers and only one person knew how to use them. Some employees were working there for more than 40 years, which affected the level of productivity (only one was graduated). However, the main problem was the lack of recognition of Ach Brito among younger consumers, as it was only familiar to older generations due to the glorious 60s decade.

THE TURNOVER STRATEGY

As a result of the critical situation, in which Ach Brito was living, several measures were implemented by the time José Fernandes entered the firm, in 2001, regarding communication and recognition of both brands as well as some organizational and operational aspects.

Communication Plan

The main priority was to promote effectively both brands by associating the product with its core values: history, quality, authenticity and genuineness.

This way, according to its low budget, some Claus Porto's product lines were modified in terms of sizes (varying from small, medium and large), fragrances and colours by using the same moulds and equipment than before with slightly different raw materials. Thus, the "personal stamp" was present and value was created.

The company also decided to communicate and establish Claus Porto in Portugal, where the brand was not recognized, in design and decoration stores, such as Empório Casa and Loft, by offering excellent agreement conditions, or in events, like Moda Lisboa, by giving samples of soaps. Since Ach Brito did not have the means to hire a communication agency to advertise its goods, a box with three different Claus Porto*'s* products with no return address was sent to all *media*. In this sense, they would be able to test the quality of products and become curious about the company's history. This strategy ended up being a success as approximately six journalists inquired Ach Brito with the goal of writing an article.

In addition, by taking advantage of the existing partnership with Lafco, Ach Brito understood two different ways to penetrate into new markets: being present in decoration fairs (**Exhibit 5**) or having products in the best specialized stores.

In order to increase the level of awareness, a website for Claus Porto was developed, in which all references from Ach Brito were redirected for this page, instead of building two different websites.

Organizational & operational aspects

In 2007, the plant was shifted to a bigger industrial area (10 000 m^2, being 4000 m^2 covered) nearby Vila do Conde (**Exhibit 6**) suitable for production, storage and administrative offices, with an appropriate parking lot for suppliers and customers. In here, the process of renovating the production equipment started by substituting the most needed. Regarding the aged staff, many arrangements began to be implemented and continued after the acquisition, with the objective of increasing the level of productivity.

As a result of the turnaround strategy, Ach Brito increased its total sales volume by 23% between 2005 and 2008 and regarding international markets, there was an augment of 48% (**Exhibit 7**).

BRAND PORTFOLIO & POSITIONING

Claus Porto

Both Claus Porto and its sub-brand Musgo Real (**Exhibit 8**) (founded in the 20s and targeted for male consumers) were being repositioned in the premium/luxury segment due to the internationalization plan that was being developed. This brand was only commercialized in international markets: firstly in the USA throughout Lafco NY and secondly in the UK via Natural Products (NP). Despite having only five lines of products at that point, Claus Porto and Musgo Real quickly began to be a success in the competitive luxury market in these countries due to its unique, vintage and appealing design, and also because people from high-classes started using soaps as gifts and decorations for their homes. Its core values are: exclusivity, authenticity, luxury and tradition. Nowadays, famous celebrities like Oprah Winfrey, Nicholas Cage, Hillary Clinton and Kate Moss assume being fans and even publicly recommend Claus Porto's products (**Exhibit 9**). Besides, it appears frequently in the international press (**Exhibit 10**).

Ach Brito

At that time, Ach Brito accounted for approximately 86% of the firm's sales and was positioned in the mass-market segment, where it had about 5% of market share. It was essentially sold in Portugal through a single distributor (Mbb Teixeira) that allocated the majority of the products in hypermarkets and supermarkets. However, in the past, consumers did not clearly associate some firm's brands (like Patti, Lavanda and Luxo Banho) with Ach Brito, which was a disadvantage since the company always had a higher level of recognition. As a consequence, the name Ach Brito was registered as a brand, and the sub-brands now have in their packages the name Ach Brito written below (**Exhibit 11**).

Private Label

Ach Brito also started manufacturing private label soaps for the retailer Spanish market so as to create synergies and take advantage of its scale economies.

DISTRIBUTION CHANNELS

Mass-market segment

Mbb Teixeira was the only one distributor that delivered Ach Brito's goods to the main retailers in Portugal, such as Sonae, Jerónimo Martins and Auchan Group. As a result, all bargaining power was extremely concentrated and dependent on him.

Premium segment

An advantageous partnership with the distributor Lafco NY was established in 1994 when the passion and enthusiasm of Lafco's manager, Jonathan Bresler, towards the company's Musgo Real products led to a distribution agreement. As a consequence, Ach Brito was able to positioned Claus Porto as a premium brand in the USA and subsequently in the UK due to Lafco's mediation. Both of these partnerships have been part of the company's strategy to be present in the most exclusive and prestigious stores in the world (**Exhibit 12**), so that Claus Porto's products could be perceived as luxurious and high qualified.

3.5 THE HISTORY BEHIND SABOARIA E PERFUMARIA CONFIANÇA

In 1894, Silva Almeida and Santos Pereira founded in Braga Saboaria e Perfumaria Confiança, widely known for its famous Offenbach soap (white and blue or pink, used for cloth cleaning) that contributed to a desired reputation in the market. At that moment, the products were essentially sold in Portugal and Portuguese colonies.

In the beginning of 20th century, the majority of the company's products were imported due to the lack of conditions and know-how to manufacture them in Portugal. However, due to the increase of soap's acceptance, they reversed this situation by producing themselves the goods in their plant in Braga. This way, Confiança surprised the market with qualified products "made in Portugal".

By 1910, the first brands with exclusive unique designs and formulas were launched. The signal of high-quality and reputation aligned with the end of 1st World War led to the development of new businesses and penetration in new markets. In 1919, the product lines enlarged from soaps with fragrances and colognes to oils that came from colonies. As a result, nine years later, about 150 different goods were produced.

In the 80s, the company decided to adapt and offer new types of products, specially soaps in the liquid format by taking into consideration the new trends and life-styles that were appearing in the market. Besides, for Confiança was crucial to keep investing in the development of new products (packaging and new launches) and at the same time respects the traditional manufacturing processes that were passed from generations.

THE FRAGILE SITUATION OF CONFIANÇA IN 2005

The weak situation of Confiança started in 2005 when the production of Offenbach soap was discontinued due to shift of plant location from the city centre of Braga to a smaller industrial area nearby, where there was not enough space to produce this soap.

This kind of soap was then produced abroad and afterwards packed in the plant to be sold in Portugal. Nevertheless, the main problem was that distributors (the company was only present in Sonae Group) began to realise this scheme and began to follow the same tactic. As a result, sales declined significantly and led the firm to a difficult and unstable position.

By the end of 2005, a Portuguese venture capital named Change Partners acquired Confiança through the Real Change funding in order to try to restructure the company.

3.6 ACH BRITO MEETS CONFIANÇA

For more than a century, Ach Brito and Confiança lived in the same shields side-by-side, as both were targeted for identical consumers in similar segments. This way, it was common to notice that if Ach Brito launched a new lavender soap, Confiança would react by creating a lavender one and vice-versa.

THE REASONS BEHIND THE ACQUISITION STRATEGY

When Ach Brito acquired Confiança, in the last day of 2008, the purchased company was in a troubled situation, as it did not have profits for a long time. The value of the firm was severely affected, not only by the financial performance but also by the beginning of one of the deepest financial crisis that began in the same year. As a consequence, Confiança worth much less and the strategy of acquisition was an opportunity that Ach Brito could not definitely waste.

In addition, several synergies could be created. The sales volume could easily be increased (**Exhibit 13**) due to the diversification of products' portfolio. Confiança had the know-how to build technical soaps[2], for example, which could become a huge competitive advantage. Some production equipment, like moulds, could be used in the manufacturing process of several types of soaps. Better conditions in the agreements with suppliers could also become more favourable given that the company would have a higher degree of control.

Besides, both companies had a similarity of profiles that enabled them to have almost an identical "personal stamp" until today: ancient history, constant search for qualified products as well as appealing and handmade packages based on vintage designs.

REPOSITIONING OF BRANDS

In 2009, both companies had similar products in the same segments: mass-market through Ach Brito and Confiança and premium with Claus Porto and Confiança's high-qualified products.

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[2] Specific soaps with medicinal characteristics

The brands positioned in the mass-market segment were kept because there are enough clients for Ach Brito and Confiança together. In here, the main competitors are Dove, Nivea, Palmolive, Vasenol, Jonhson & Jonhson and Sanex (**Exhibit 14**). Due to their position in the market, these brands are able to create trends, especially for private labels (introduction of fruit fragrances, for example). However, some arrangements were made in the Confiança's product lines (**Exhibit 15**) in order to avoid direct competition. For instance, similar products were discontinued, such as lavender soaps, and others were reintroduced.

Regarding the premium segment, the strategy for Claus Porto was maintained and was more focused on Confiança's positioning. As a result, Ach Brito lost about 16% of sales volume internationally (**Exhibit 13**). At that time, an intermediate segment for the high products of Confiança was created (**Exhibit 16**) since this brand neither had achieved a premium position, nor had been perceived as luxurious by its customers during lifetime. Additionally, an internationalization strategy has been developed for this brand by taking advantage of markets in which Claus Porto is already established. Until today, the brand is already present in Netherlands, France, Italy, Spain, Japan and Angola. While Claus Porto's main rivals are Portus Cale, Molton Brown, Acqua di Parma and Roger & Gallet; L'Occitane and Castelbel are the ones from this segment of Confiança (**Exhibit 14**).

PRODUCT LINES: INTRODUCTION OR DISCONTINUITY?

During the past three years, all products have been studied in order to understand if there were any to be discontinued, reformulated or even introduced, always taking advantage of synergies generated after the acquisition.

The majority of product lines that were abandoned belonged to Confiança, especially in the mass-market segment, due to the similarities with some goods from Ach Brito. The Lavanda sub-brand was one of many cases, whose product line was ceased so that direct competition could be avoided. However, this process cannot be done overnight and it should take approximately one year for consumers to be familiar with this idea. This way, in 2010, the level of sales of Confiança shrank by 10,5% in the national market (**Exhibit 17**).

Other products from Claus Porto, such as candles, liquid soaps and shower gel, are supposed to re-enter the shelves of specialized stores until the end of the year. These goods that were reformulated in terms of packaging (colours, label disposition and materials) and new formulas (composition, ingredients, recipes) have been in the market for many years without being modified.

The famous white and blue or pink Offenbach soap was an example of a re-launch strategy of Confiança to the mass-market segment. Consequently, this well-known soap traditionally used not only for personal hygiene, but also for washing clothes, dishes and floor was reintroduced in the production line. It was forecasted to sell about 300 tons during the first year, nonetheless, in the first month; about 170 tons were already sold, which shows that there is still market for this kind of soap in Portugal.

The Confiança's gourmet collection was an example of a product line created for the intermediary segment. This innovative product line has six different soaps (honey, rosemary, pomegranate, olive, clove and clementine) that are sold in pairs. It has in its composition hazelnut oil, which is specialized for sensitive skin. Another soap that was introduced in the same segment was Confiança Chocolate – a limited edition –, whose fragrance is composed by chocolate and vanilla perfumes. It is targeted for the greedy consumers that love this particular aroma.

As a result of the discontinuity of alike products and launch of 70 new products, the level of production increased by 53% since 2008 (**Exhibit 18**).

PRICE STRATEGY

In the past three years, some prices in the mass-market segment (especially in Confiança's products) were readjusted so that neither discrepancies nor direct competition between similar goods from different brands should happen. Some goods had a reduced margin that ought to be increased. Other prices were wrongly calculated, which had a negative impact on the financial performance of the firm. While others suffered from raw materials' prices raise, and as a consequence needed to be adjusted (**Exhibit 19**).

According to Fernandes, a monitoring process is done constantly based on several variables, in order to set up a fair price: the actual price of primary and secondary raw materials that tend to be fixed, as well as electricity, water and labour costs that usually are modified every year.

DISTRIBUTION CHANNELS

Given that Ach Brito has brands in three segments (mass-market, intermediate and premium), the products are usually sold in different places. Claus Porto, for instance, is nowadays the most internationalized brand of the company and is present in 50 so distinct countries as USA, Italy, Sweden, New Zeeland, India, Japan and Hong-Kong. In this specific case, Ach Brito chooses to be in the most prestigious and specialized stores (**Exhibit 11**) of the entry market, and after being there for two or three years, tries to find a distributor to deliver the products to those stores. Nonetheless, according to Fernandes, this is a process that takes a long time and sometimes is risky. Today, as a result of this strategy, Claus Porto is located in the most luxury stores in the world: Galleries Lafayette (Paris), Harrods (London) and even in Saks Avenue (New York). Confiança's intermediary segment is now also present in some foreign markets (Netherlands, France, Italy, Spain, Japan and Angola) due to an internationalization strategy that has begun three years ago. This brand was relocated from decoration and design stores to perfumeries (like Barreiros e Faria) as it was repositioned to a lower segment than Claus Porto. In Portugal, both brands are also commercialized in traditional and prestigious pharmacies, such as Farmácia Sá da Bandeira and Farmácia Lemos, which are located in Oporto.

In supermarkets and hypermarkets, a fee is paid to a distributor, who has the responsibility to deliver Ach Brito's goods. However, the company has control during the negotiation process since the agreements are negotiated between Ach Brito and each retailer. For Confiança's products, there is no distributor, so every good leaves the plant directly to the shelves of supermarkets. As a result, the firm is able to have a higher power in the process and lower degree of risk.

In 2009, the first store, Loja da Fábrica (**Exhibit 20**), was launched in Vila do Conde. In here, all products of every brand and sub-brand are placed in the same area, with considerable lower prices, which quickly became a success due to its frequent promotional campaigns (every discontinued product line has a discount) and a suitable parking lot for customers.

PROMOTION

Since the beginning, Ach Brito has never invested in an advertising campaign. Word-of-mouth is believed to be the most positive, credible and the best way to communicate the quality and authenticity of products. This way, there was no exception when Confiança was acquired. Ach Brito keeps doing directional promotion targeted to some people. That is why the strategy is based on offering some products during events (like Moda Lisboa), congresses, sport races and marathons (**Exhibit 21**), so that consumers can have direct contact with the final good. As a result, these partnerships can be mutually beneficial: for Ach Brito, it involves product's trial and consequently promotes word-of-mouth; for the other side, samples are given to participants without any cost. This month, for example, was the 75th year celebration of Sagres and Creoula, who asked Ach Brito to produce a soap illustrating the occasion (**Exhibit 22**).

In addition, everyone who wants to know more about the company, usually the *media* and students, have an interview with the CEO, as he considers to be an investment for the future. Besides, three products (each one from the three brands: Ach Brito, Claus Porto and Confiança) and a catalogue are offered to them, so that their family, friends and public may know what Ach Brito truly is.

PACKAGING

In terms of packaging, almost everything remained the same since both companies always had very similar styles. Ach Brito and Confiança have constantly invested in extremely appealing packages with influences of retro branding, whose goal was to create a feeling of nostalgia and relate the products with the glorious 1920s, one of their best times. Some products are still wrapped manually with recoveries of ancient labels that were designed by artists from the end of 19th century until the beginning of 20th century (**Exhibit 23**). Even today, when a product line of Claus Porto is launched, its packaging will certainly be related to some past labels with a certain history.

PLANTS, WORKFORCE & SUPPLIERS

At that point, some organizational aspects were done regarding what could be done with the two plants, how to allocate workforces effectively since the cultures were perceived to be very different from each other and how to deal with suppliers.

At first, the plant in Braga was supposed to be sold since the management team agreed that one plant was enough. However, due to the deep financial crisis in real estate market, the plant was not sold. As a result, there are two distinct industrial zones apart by 50 kilometers: one in Vila do Conde, producing all solid soap for personal hygiene and another in Braga, responsible for manufacturing liquid soap, shower gel, colonies, candles, bath salts, talc, shaving creams, aftershaves and the famous Offenbach soap alongside with all soaps used for washing clothes and dishes. The administrative offices as well as the store, Loja da Fábrica, are placed in Vila do Conde.

Besides having different cultures, the employees' reaction was extremely positive and started getting along really well. Since Confiança was in an unstable position and did not have profits for a long time, the workforce received Ach Brito as someone who could actually rescue them from that fragile situation. They perceived the acquisition as advantageous for both sides as synergies could emerge. Due to the positive results of 2010, the firm delivered bonus to 97% of its workforce and increased the level of salaries to reduce some existent discrepancies. Given that Confiança did not have a hierarchical structure, another measure was to give some leadership positions to Confiança's employees so that they could become more involved in all decision process.

At the time of acquisition, Ach Brito and Confiança had 90 employees, which meant that some had to be retired from their positions since synergies were created and some jobs functions were repeated. Thus, the strategy was to do a human resource analysis, whose goal was to understand who could be dismissed and receive better conditions. Regarding the aged staff, retirement proposals were offered to the "older bad professionals", arguing that they could stay at home and receive a salary without working. While, the "older good professionals" were kept since they could teach everything they knew to new employees. As a consequence, the productivity level has increased and the number of graduated has reached 14 out of the actual 56.

Another crucial aspect that Ach Brito needed to deal with was all the agreements with suppliers as some of them were the same used by Confiança. When the acquisition took place, the company increased its dimension in the market and consequently its volume of sales, which resulted in higher power and pressure towards suppliers that were somehow obliged to offer better conditions to maintain the same level of deals.

In fact, since 2009, many aspects in both companies were modified and José Fernandes just realized that took him almost three hours to remember precisely the history of Ach Brito until now, by specially focusing on the last events.

4. MARKET RESEARCH

In this section, two surveys were developed, whose goal was to help answering to some topics presented in the research questions that are not described in the case study division.

4.1 ANALYSIS OF RESULTS

SURVEY FOR CONSUMERS

This online survey **(Appendix 1)** was intended to achieve three main goals: firstly, to comprehend which are the shopping habits and buyers preferences regarding soaps; secondly, to check knowledge and awareness on Ach Brito and Confiança; and finally, to assess if customers could position the three brands (Ach Brito, Confiança and Claus Porto) in the appropriate segments.

Concerning target population, all Portuguese families were considered to have soap at their homes, which were, according to INE, approximately 4 millions in 2011. With the help of Facebook and mailing contacts, about 558 people viewed the survey, 353 started and only 235 completed, which means a confidence level of 95% in this sample.

Shopping habits, brand awareness & purchase behaviour of consumers

According to the survey, 56% of consumers prefer liquid to solid soap and tend to buy soap for its “Fragrance” (30%) and “Quality” (25%) on average once a month (67%). However, the great majority (65%) does not always purchase the same soap, as they prefer “to try new and different soaps” (68%), being the preferable place to buy soaps “Supermarkets/hypermarkets”, followed by “Pharmacies”.

In the mass-market segment, the three most well known brands are: Dove (8,8%), Nivea (8,7%) and Palmolive (8,2%), being the first two the most purchased. In this segment, “Accessible to everyone” is the main characteristic of a brand for 49% of people. While in the premium/luxury segment, “High Quality” (62%) is the principal characteristic in such brand. L’Occitane (5,6%), Roger & Gallet (3,2%) and Claus Porto (1,2%) are the three most recognized and commonly sold in perfumeries, specialized stores (design and decoration) and pharmacies.

Ach Brito, Confiança & acquisition strategy

In order to comprehend the brand awareness of Ach Brito's clients, questions 8 (*"Conhece a Ach Brito?"*) and 8.1 (*"Já alguma vez comprou produtos da marca Ach Brito?"*) were chosen as pivot and as a result correlated to other questions. Despite 42% having heard about Confiança, just 9,9% is familiar with the acquisition strategy.

From 44% of people who know Ach Brito, 77% have already bought something from Ach Brito and 32% from Claus Port and perceived "History/tradition" (35%), "Quality" (30%) and "Appealing Packaging" (19%) as the main characteristics of this company.

As the main focus of Ach Brito is solid soaps, question 1 (*"Que tipo de sabonete usa?"*) was set as a pivot to compare consumers who used this kind of soap and its preferences and brand awareness towards the company. From 13% of customers in this situation, about 69% admits knowing the company and 82% had already bought a product from this brand before, which demonstrates the firm's target. Nonetheless, only 31% of solid soaps' consumers recognizes Confiança, which implies a low level of brand awareness in this sample.

Since appealing packaging is a major concern for Ach Brito, question 2 (*"Quais as principais razões na escolha de um sabonete?"*) was pointed out as a pivot to understand if "Packaging" was related to the knowledge of Ach Brito and Confiança. It was concluded that only 36% was familiar with the first one and 19% with the second one, demonstrating that this feature might not be so relevant for consumers when choosing soap.

Brand positioning

According to brand positioning, 44% of consumers already associate Claus Porto to a premium brand; however, Ach Brito is only perceived as a mass-market brand by 27% of people, which clearly shows that clients do not entirely understand the right positioning of Ach Brito.

Regarding Claus Porto, it was crucial to study if customers perceive this brand as premium, and what is a premium brand for them. For this purpose, question 8.2 (*"Já alguma vez comprou produtos da marca Claus Porto?"*) was marked as pivot this time. It was revealed that about 70%

of customers associate Claus Porto to a premium brand and define high quality as the main characteristic of a premium brand, which is extremely positive.

When Question 9 (*"Conhece a marca de sabonetes Confiança?"*) was targeted as a pivot, it was accomplished that the great majority of clients correctly perceive this brand as intermediary.

Demographic & educational profile

The majority of respondents was about 18 to 25 years old (49%), female (75%) and had an undergraduate degree (59%).

Concerning the profile of Ach Brito's clients, it was confirmed that 52% of customers were 45-60 years old and 85% were female, when questions 8 (*"Conhece a Ach Brito?"*) and 8.1 (*"Já alguma vez comprou produtos da marca Ach Brito?"*) were set as pivot.

SURVEY FOR ACH BRITO

The survey for Ach Brito **(Appendix 2)** was a shorter version of the survey for consumers and intended to compare and analyse if there is a discrepancy or mismatch between both surveys. Besides, it was also relevant to comprehend if Ach Brito truly knows its customers and preferences.

According to Fernandes, "Packaging", "Quality" and "Price" are the most relevant key buying factors of soap for consumers, who tend to buy these products in supermarkets/hypermarkets in first place, followed by pharmacies, online orders through websites and at last specialized stores (decoration and design).

To Fernandes, customers characterize Ach Brito as "History/tradition", "Quality" and "Appealing Packaging", and position each brand in its right segment: Claus Porto in the Premium/Luxury, Confiança in the Intermediary and Ach Brito in the Mass-market. To him, consumers consider "Exclusivity" as the major attribute of a premium brand and "Accessible to everyone" the main one for a mass-market brand.

4.2 MAIN CONCLUSIONS

Firstly, the survey revealed the profile of clients from Ach Brito. The majority of them are female (85%) and about 45 to 60 years old (52%), which emphasizes, once more, that this company is more recognized and well known by elderly generations due to the glorious 60s decade.

Secondly, in both surveys, "History/tradition", "Quality" and "Appealing Packaging" are perceived as the main characteristics of Ach Brito, which is an extremely positive aspect as it implies that core values are being well transmitted to clients. However, when it comes to brand positioning, the situation is different. To Fernandes, the three brands are being associated perfectly (Claus Porto/Premium, Confiança/Intermediary and Ach Brito/Mass-market). Nevertheless, customers besides associating Claus Porto and Confiança to the right positioning, fail to associate Ach Brito to a mass-market brand, which can be harmful, as consumers ought to comprehend the proper characteristics of the brand. Moreover, it also observed that from 19% of clients who are familiar with Confiança, only 24% knows about the acquisition strategy, which is a great disadvantage as Confiança could take advantage of Ach Brito's recognition in the soap market.

Thirdly, in terms of soap preferences, there is a slightly discrepancy between what Ach Brito thinks and what consumers prefer. According to Fernandes, "Packaging", "Quality" and "Price" are the most relevant key buying factors of soap. Nonetheless, for 30% of buyers "Fragrance" is considered the main crucial aspect. This way, Ach Brito could take advantage of this topic by allowing customers to have direct contact with the aroma of the product, before purchasing it.

Fourthly, multinational brands, such as Dove (9%), Nivea (9%), Palmolive (8%) and Vasenol (8%), still are the most well-known and preferable soap brands for consumers, which is understandable, as these types of companies invest hugely on advertising campaigns. In this situation, Ach Brito should continue focusing on primary quality and enforce in recruiting new customers as according to the online survey: 65% admits buying different soaps in order to try a new/distinct one (68%).

Finally, regarding new trends, it was observed that there is a new tendency for using liquid (56%) rather to solid soap (15%). In this sense, Ach Brito could start developing new liquid soaps (like shower gel, for example) for each product line. Nevertheless, 81% of consumers who prefer solid soap has already purchase a product from Ach Brito, which implies that the focus of the firm for solid soaps is being well perceived. Whereas, only 31% of people who buy solid soap has bought a product from Confiança, which means that this brand has a low level of awareness in the soap market.

5. TEACHING NOTES

5.1 ACH BRITO'S SYNOPSIS

Ach Brito is a family-owned Portuguese company founded in Oporto in 1887. Nowadays, about 10 million products are produced yearly at plants located in Vila do Conde and Braga, such as soaps, candles and colognes, to commercialize in the national and international markets like USA, India, Taiwan, Greece, Australia and Turkey. Through the years, Ach Brito has been known for having excellent products sold in prestigious stores (decoration) via the premium/luxury brand Claus Porto or in supermarkets/ pharmacies through the mass-market brand, Ach Brito.

The firm's main competitor for 100 years has been Saboaria e Perfumaria Confiança that besides selling soaps for personal hygiene is also a specialist in producing soaps for clothes cleaning, dishes and floor, such as the famous Offenbach soap. On December 31, 2008, Ach Brito acquired Saboaria e Perfumaria Confiança and since then several aspects in both companies have been modified in terms of repositioning of brands and distribution channels, introduction and discontinuity of some product lines and other organizational aspects.

5.2 LEARNING OBJECTIVES

The presented case study aims to explain students the following topics:

- Realize that Ach Brito has an ancient history with relevant core values behind (history, quality, authenticity and genuineness), which ought to be associated with the brands and products;
- Recognize that Ach Brito is a family-owned business since the beginning of its existence. As a result, it frequently does not have the required budget for new investments in comparison with Multinationals like Unilever, Procter & Gamble, Johnson & Jonhson and Biersodorf;
- Understand what were the reasons behind the acquisition strategy;
- Recognize, which were the synergies and changes that occurred in both companies after the acquisition strategy, as they were rivals for 100 years and as a consequence had very similar products competing in the same segments (mass-market and premium);
- Distinguish all brands (Ach Brito, Confiança and Claus Porto), regarding its actual targeting and positioning;

- Be familiar with some topics within the field of Marketing Strategy such as brand positioning, product, price, place and promotion.

5.3 TEACHING PLAN

The proposed teaching plan comprehends three steps. Firstly, during class, students should be divided into groups of 3 or 4. Secondly, all groups should prepare a written assignment (regarding the assigned questions) at home to be delivered in the following class. Thirdly, a class discussion should be done, in which all students should participate in order to present and defend the ideas of each group.

RELEVANT THEORY

In order to answer the assigned questions, students should read the case study, the market research as well as the following two articles:

- Keller, L., Sternthal, B. & Tybout, A., (2002), "Three questions you need to ask about your brand", *Harvard Business Review,* Vol. 80, pp. 80-86;
- Aaker, D. (2003), "The power of branded differentiator", *MIT Sloan Management Review*, pp. 83-87.

ASSIGNMENT QUESTIONS

Students should answer the following questions at home, in groups of 3 or 4 elements, to be delivered as a written assignment.

1. Which pitfalls should a company take into account when positioning a brand? What is the relevance of branding the points of differentiation?
2. Which synergies have emerged after the acquisition of Confiança?
3. What can Ach Brito learn from the market research results? And how do they differ from Ach Brito's point of view?
4. What would you recommend to be the main priorities for Ach Brito in the medium/long run?

ANALYSIS

1. Which pitfalls should a company take into account when positioning a brand? What is the relevance of branding the points of differentiation?

This question is divided into two parts. For both, it is mandatory to read the suggested articles. The first one is discussed in "Three questions you need to ask about your brand", in which managers should be aware of five relevant aspects when a brand positioning strategy is defined:

- Establish a transparent/comprehensible brand position before persuading consumers to buy the products through advertising campaigns, for example;
- Understand consumers wishes and tastes and only afterwards promote the most desired features for buyers;
- Determine appropriate and difficult to imitate points of difference;
- Focus on pre-defined positioning rather than following other rivals moves, which tend to deviate from the target;
- Realize that brand repositioning is really hard to achieve.

(Keller, Sternthal & Tybout, 2002)

The second part is defended in "The power of branded differentiator". A differentiator is something that should be branded like a "feature, service, programme or ingredient" (it is more effective if a company decide to be present in the four areas) that ought to be "meaningful", "pertinent and substantial enough" for clients. This is particularly important given that consumers when do not understand any particularity of a brand tend to choose others. In this sense, there are four advantages of branding the differentiator:

- Increase of consumers reliability in the differentiator;
- Allow the comprehension between a brand name and a "parent brand";
- Facilitate communication in a "more effective and efficient" way,
- Can be considered as a starting point for a company that wants to become "sustainable".

(Aaker, 2003)

2. Which synergies have emerged after the acquisition of Confiança?

Initially, it is relevant to mention the fragile position in which Confiança was living in 2005 (mainly due to the shift of the plant's location, which had not enough space to the Offenbach soap production, which was one of the firm's competitive advantages).

Synergies

- Confiança had the know-how and expertise of producing soap (for washing clothes and dishes);
- Possibility to increase the sales volume due to the diversification of product portfolio;
- Opportunity to use some production equipment and moulds from Confiança;
- Improvement of conditions in agreements with suppliers on account of a consequent higher degree of power;
- Identical profile recognized by consumers (ancient history, quality of products and appealing packaging).

3. What can Ach Brito learn from the market research results? And how do they differ from Ach Brito's point of view?

Firstly, it is important to consider that two surveys were made. One to consumers, in order to understand which were their habits related to soaps, their knowledge about Ach Brito and Confiança, and if they could position the three brands (Ach Brito, Confiança and Claus Porto) correctly. And another short version to the company, whose goal was to compare some questions with the ones answered by consumers for the purpose of finding out if Ach Brito truly understood the buyers' mind.

- Profile of Ach Brito's customers: 85% are female and 45-60 years old (52%);
- In both surveys, "History/tradition", "Quality" and "Appealing Packaging" are perceived as the main characteristics of Ach Brito;
- Regarding brand positioning, Fernandes agreed that the three brands are being perfectly associated to each segment. However, clients besides associating Claus Porto and Confiança to the right positioning failed to associate Ach Brito to a mass-market brand;
- From clients who know Confiança (19%), only 24% is familiar with the acquisition strategy;
- Concerning soap preferences, buyers considered "Fragrance" (30%) as the main crucial aspect, but for Fernandes, "Packaging", "Quality" and "Price" are the most relevant key buying factors of soap, demonstrating there is a slightly discrepancy between what Ach Brito and consumers perception;

- Multinational brands like Dove (9%), Nivea (9%), Palmolive (8%) and Vasenol (8%) are the most well-known and preferable soap brands for consumer, probably due to high investments on advertising campaigns;
- In terms of new trends, there is a tendency for using liquid (56%) rather to solid soap (15%).

4. What would you recommend to be the main priorities for Ach Brito in the medium/long run?

This in an open question whose goal is to observe if students are able to think strategically.

Suggestions

- Build a website for Ach Brito and reformulate the ones from Confiança and Claus Porto;
- Continue the internationalization strategy for Confiança;
- Enlarge the distribution channels for the premium/intermediary segment and be present in more prestigious stores in Portugal;
- Register a suitable name for Confiança’s mass-market segment and another one for the intermediary segment so consumers would not become confused;
- Maintain the strategy of remodelling the products (formulas and packaging);
- Keep introducing new product lines for every brand in order to offer more variety to customers' demands;
- Open a store in Oporto and/or in Lisbon with all products from each brand available, by choosing a location where no direct competition would take place;
- Invest in new business areas, by exporting some products from Lafco NY, for instance;
- Acquire another Portuguese soap company (for example, Feno de Portugal and Foz).

6. CONCLUSIONS, LIMITATIONS & FUTURE RESEARCH

In this section, a correlation between literature review, case study and market research will be made in order to answer the problem statement (understand what changes occurred in Ach Brito after the acquisition of Saboaria e Perfumaria Confiança since there were three distinct brands in two segments) and the four research questions addressed.

Conclusions

The first research question aims to explain the reasons for the acquisition as well as the situation of Confiança before the acquirement: **"Which were the reasons behind the acquisition of Saboaria e Perfumaria Confiança? How was the situation of Confiança before the purchase?"** It is described in the case study that the situation of Confiança became severely affected when, in 2005, the plant was shifted to a smaller location, where there was not enough space to produce the Offenbach soap. For this, the well-known product line was discontinued. This type of soap started to be produced abroad and then wrapped at the plant. Afterwards it was sold in the national market. Meanwhile, distributors realized the scheme and followed the same tactic. As a result, the level of sales declined significantly and Confiança was left in a troubled situation.

Concerning the reasons, there were essentially three motives for this strategy. Firstly, when Ach Brito acquired Confiança, on December 31, 2008, the value of the purchased company was severely affected by the financial performance and also by the beginning of a deep financial crisis. As a consequence, it was worth much less and the strategy of acquisition was a huge opportunity for Ach Brito. Secondly, both companies had a similarity of profiles and nearly an identical "personal stamp": ancient history/tradition, quality of products and appealing/handmade packaging based on vintage 20th century designs. And thirdly, there was the possibility to develop synergies: sales volume could increase due to the diversification of products' portfolio; Confiança knew how to manufacture the Offenbach and technical soaps; some equipment (moulds, for example) could be re-used; better conditions in agreements with suppliers could also become favourable to Ach Brito, given that the company would have a higher degree of control.

The second research question is related to the brand positioning modification that occurred in Confiança, and if clients were already familiar with the acquisition strategy **("What was modified in Confiança regarding brand positioning? Are customers aware of the acquisition strategy?")**. Regarding the first part of the question, it is explained in the case study that the primary concern of Ach Brito, after the acquisition, was to reposition the high-segment of Confiança. This way, as high products from Confiança neither had never achieved a luxury position (like Claus Porto), nor had been perceived as premium by its customers, an agreement was made to create an intermediate segment for these goods. So this segment was relocated to perfumeries and less prestigious stores, since it did not belong any more to the same segment of Claus Porto. An internationalization strategy is also being developed for the same segment by taking advantage of the markets in which Claus Porto is already established.

Regarding consumers knowledge on the acquisition, the market research section demonstrates that only 9% of people have heard about this strategy. Furthermore, when question 9 (*"Conhece a marca de sabonetes Confiança?"*) was targeted as pivot, it was concluded that about 79% knew Ach Brito and only 24% was familiar with the purchase of Confiança. This clearly demonstrates that this strategy is still not well known, which is a drawback for the company that could take advantage of the recognition of Ach Brito in the soap market.

The third research question is: "**What has changed in Ach Brito (product, place, price and promotion) since the acquisition? Were synergies created?"**. It intends to describe the modifications in Ach Brito in the past three years and is stated in the case study section. When it comes to products, some were introduced, several reformulated, while others were discontinued. About 70 new product lines were launched, such as the reintroduction of the Offenbach soap, the Gourmet collection, technical soaps and reintroduction of body creams. Whereas, others from Confiança's mass-market segment were discontinued (like the lavanda sub-brand that was equal to an existing one from Ach Brito) to avoid direct competition. Concerning place, the major issue was to relocate the new segment of Confiança into perfumeries and less prestigious stores as this segment is now repositioned in a lower segment than Claus Porto. It was also launched the first store (Loja da Fábrica) in Vila do Conde, in 2009, with all manufactured products available at considerable lower prices. During these years, some prices in the mass-market segment (specially in Confiança's products) were readjusted for several reasons: some goods had a low margin; many were wrongly calculated, which had a negative impact on the financial performance of the firm; while others needed to be adjusted due to frequent raise of raw materials' prices. Above all, the main goal of these recalculations was to avoid any discrepancies between similar products from different brands. Regarding promotion, since the beginning, Ach Brito has believed that word-of-mouth is the best way to communicate the quality and authenticity of the products. Thus, it has never invested in an advertising campaign and there was no exception when Confiança was acquired. Until now, directional promotion is still done by offering some products during events like congresses, sport races and marathons so that consumers can have direct contact with the good.

Many synergies were created after the acquisition. Since Confiança had the know-how and expertise to produce soap (for clothes and dish washing), Ach Brito reintroduced this line in its production by 2010. The diversification of product portfolio also enabled the company to increase sales. There was the opportunity to use some production equipment and moulds from Confiança, which allowed Ach Brito to launch several product lines during the last three years. Besides, the fact that the firm now has the control of three brands gives a higher power status when agreement conditions are being negotiated with suppliers.

The fourth research question deals with brand positioning: **"Do customers successfully associate each brand (Ach Brito, Claus Porto and Confiança) to its positioning? Which are the consequences of an inappropriate brand positioning?"** The first part of the question is developed in the market research and table of appendixes sections, where it is stated, according to the CEO, that the three brands are being perfectly associated (Claus Porto/Premium, Confiança/Intermediary and Ach Brito/Mass-market). However, the great majority of people, misleadingly, associate Claus Porto and Ach Brito to an intermediate positioning (48% and 51%, respectively), whereas Confiança is correctly associated by 72% of consumers. Nevertheless, when questions 8 (*"Conhece a Ach Brito?"*) and 8.1 (*"Já alguma vez comprou produtos da marca Ach Brito?"*) were set as pivot, 44% of customers already associated Claus Porto to a premium brand, while Ach Brito was only perceived as a mass-market brand by 27% of people. Concluding, consumers, besides associating Claus Porto and Confiança to the right positioning, fail to associate Ach Brito to a mass-market brand, which can be harmful, as consumers should comprehend the proper characteristics of a brand.

The second part is described in the literature review division, where it is stated what brand positioning is. According to Kotler (2003), it is “the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market” and begins by setting up a certain position in the market, indicating what consumers can obtain when the brand is used. That's why it is crucial to comprehend the preferences and choices of buyers (Aaker *et al.,* 1982; Ampuero *et al.,* 2006; Zhu *et al.,* 2009), as they are the ones who “make buying decisions based around the perception of the brand rather than the reality of the product” (Haig, 2005).

Besides, firms must be aware that there are three types of brand positioning. Intended positioning is what a company wants to deliver to its target consumers. Actual positioning is the sign of information given to buyers, mainly through advertising campaigns. Whereas perceived positioning is referred as the way consumers perceive a certain brand and consequently “position the latter in their minds” (Diamantopoulus *et al.*, 2010). The intended positioning of Ach Brito is in the mass-market segment, but customers failed to associate this brand to this segment, by considering it as an intermediate brand. As a result, and according to Diamantopoulus *et al.* (2010), there is a difficulty “if the intended positioning is well chosen, but its execution fails to result in an effective perceived positioning by consumers” as it might affect severely the sales. That is why a company should decide clearly which are “the types of associations that will function as points of parity and points of difference” (Keller *et al*., 2002) to lead and motivate consumers to purchase the good (Kotler, 2003).

Limitations

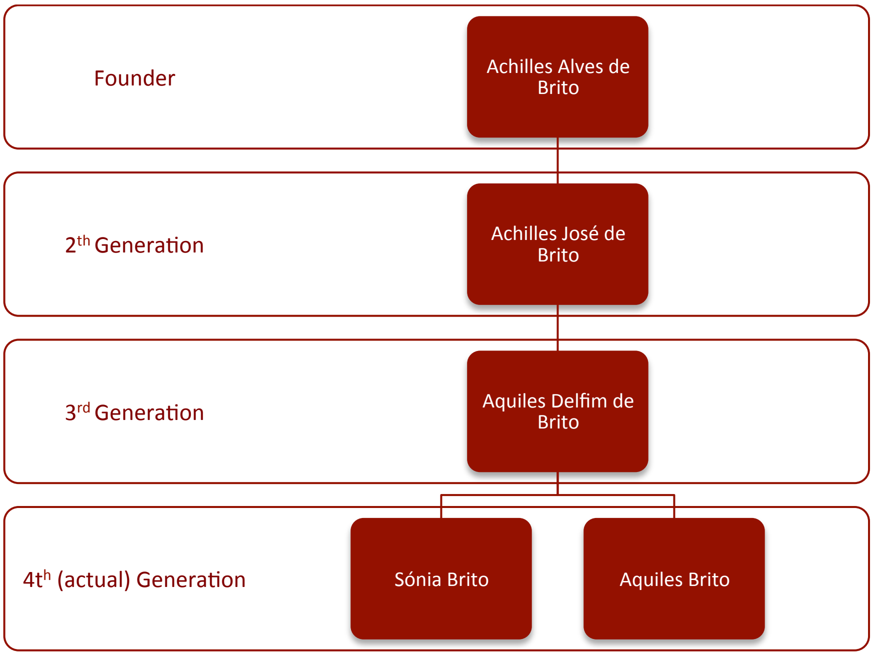
There were some limitations regarding methodology that could have biased the sample. Firstly, since the online survey reached consumers through Facebook and mailing accounts, the profile of consumers tend to be younger and from an university environment, which is a great disadvantage because Ach Brito is more recognized by elder generations who might not have had access to the survey. Secondly, the online survey was available for a shorter and limited period of time (about three weeks), which might have influenced the number of further answers. Finally, all management team (marketing and communication, sales, human resources and production planning departments) should have answered the survey and not only the CEO, José Fernandes, in order to have a varied range of results.

Future research

In terms of future research, my suggestion is to conduct a deeper marketing research in order to understand more precisely if there are differences in the consumers' profile (shopping habits, preferences and purchase behavior) of both companies. In addition, it would be also interesting to perform a focus group session so as to comprehend consumers' knowledge about the acquisition of Confiança – their opinion about the repositioning strategy – and to study if it makes sense in the future to continue with two similar brands in the mass-market segment. In both situations high importance should be given to the sample so that it would be perfectly representative of the target population.

7. TABLE OF EXHIBITS[3]

Exhibit 1 – Genealogy Tree



Source: Facebook of Ach Brito

Exhibit 2 – History of Ach Brito

YEAR	
1887	Two Germans (Ferdinand Claus and George Schewder) open the first national soap and perfume plant under the name Claus & Schweder. D. Manuel II visited this plant.
1918	The two founders leave Portugal due to the entrance of Germany in 1st World War. Meanwhile, Achilles Brito and his brother create Ach Brito.
1934	The company is award several times. Presence in "I Exposição Colonial Portuguesa".
1953	Introduction of a lithography section to have control in all production process (manufacturing to labelling)
1968	50th anniversary of the company. Visit of President Almirante Américo Thomaz.
1994	Ach Brito is now managed by the 4th generation (Achilles and Sónia Brito). Partnership with Lafco NY is created.
2002	Development of an internationalization strategy for Claus Porto. Presence in international fairs and events
2007	The plant is shifted to Vila do Conde
2008	Acquisition of Confiança

Source: Catalogue of Claus Porto

[3] Related to the Case Study section

Exhibit 3 – Production Process of Soap

Source: Facebook of Ach Brito

Exhibit 4 – First Plant in Oporto

Source: Facebook of Ach Brito

Exhibit 5 – List of Fairs

Maison & Objet (Paris)	Ambiente (Frankfurt)
NY Gift Fair (New York)	Life in Style (Sydey)
Filda (Luanda)	Formland (Herning)
Natalis (Lisbon)	Moda Lisboa (Lisbon)
Portugal Fashion (Lisbon)	

Source: Catalogue of Claus Porto

Exhibit 6 – Actual Plant in Vila do Conde

Source: Facebook of Ach Brito

Exhibit 7 – Sales Volume of Ach Brito (2005-2008)

	2005	2006	% Var.	2007	% Var.	2008	% Var.
Portugal	1 206 583€	1 291 268€	7,02%	1 455 378€	12,71%	1 278 263€	-12,17%
Rest of the World	785 336€	846 891€	7,84%	976 891€	15,35%	1 164 905€	19,25%
ACH BRITO	**1 991 919€**	**2 138 159€**	**7,34%**	**2 432 269€**	**13,76%**	**2 443 168€**	**0,45%**

Source: Information provided by Ach Brito

Exhibit 8 – Musgo Real (Sub-brand of Claus Porto)

Source: Claus Porto website

Exhibit 9 – Collections from Claus Porto

Floral

Violeta

Fantasia

Clássico

Source: Claus Porto website

Exhibit 10 – Presence in International Press

Oprah Magazine (June 2011)

Source: Facebook of Ach Brito

Monocle (April 2012)

Source: Facebook of Ach Brito

Exhibit 11 – Sub-brands from Ach Brito

Source: Facebook of Ach Brito

Exhibit 12 – Specialized stores in the World

USA ***Italy***

Spain ***India***

Hong Kong

Australia

Source: Facebook of Ach Brito

Exhibit 13 – Sales Volume of Ach Brito (2008-2010)

	2008	2009	% Var.	2010	% Var.
Portugal	1 278 263€	1 435 504€	12,30%	2 156 273€	50,21%
Rest of the World	1 164 905€	770 308€	-33,87%	977 529€	26,90%
ACH BRITO	**2 443 168€**	**2 205 812€**	**-9,72%**	**3 133 802€**	**42,07%**

Source: Information provided by Ach Brito

Exhibit 14 – Main Competitors

	ACH BRITO & CONFIANÇA (Mass-market)	**CONFIANÇA (Intermediary)**	**CLAUS PORTO (Premium)**
MAIN COMPETITORS	- Dove - Nivea - Palmolive - Vasenol - Sanex - Jonhson - Fa - Lux - Feno de Portugal - Foz - Beija-flor - Le Petit Oliver - Le Petit Marseillais	- L'Occitane - Castelbel	- Portus Cale - Roger & Gallet - Molton Brown - Acqua di Parma

Source: Information provided by Ach Brito

Exhibit 15 – Sub-brands from Confiança (Mass-market segment)

Source: Facebook of Ach Brito and Confiança website

Exhibit 16 – Sub-brands from Confiança (Intermediary segment)

Source: Confiança websire

Exhibit 17 – Sales Volume of Confiança (2008-2010)

	2008	2009	% Var.	2010	% Var.
Portugal	1 154 468€	1 301 006€	12,69%	1 163 305€	-10,58%
Rest of the World	-	39 777€	-	23 783€	-40,21%
CONFIANÇA	**1 154 468€**	**1 340 983€**	16,16%	**1 187 088€**	-11,48%

Source: Information provided by Ach Brito

Exhibit 18 – Annual Production (2008-2011)

	2008	2009	2010	2011
Annual Production (Millions)	-	9,0	10,0	10,0
Annual Production (tons)	320	450	490	490

Source: Information provided by Ach Brito

Exhibit 19 – Price comparison

	CONTINENTE	JUMBO	PINGO DOCE	EL CORTE INGLÊS
ACH BRITO				
Alfazema	1,09€			
Lavanda	1,09€	1,07€	1,09€	1,15€
Luxo Banho	3,39€		3,29€	
Musgo Real	1,72€	1,57€	1,50€	
Pop	2,89€	2,95€	2,99€	
Rosa Alface	1,99€		1,99€	
Patti suave	0,99€	0,99€	0,88€	
Patti revitalizante	1,13€			
Patti hidratante		0,87€		
Frutas	2,28€			1,35€
Glicerina		2,49€		
Técnicos (pedra pomes/ alcatrão)		1,10€	1,29€	
Malhas e sedas				1,69€
CONFIANÇA				
Veleiro	1,19€			
Glicerina	1,50€			
Hidratante (coco)	1,46€			1,65€
Chipre Imperial	1,37€			
Chipre Flores	1,08€			
Frutas	1,12€			1,19€
Técnicos	1,05€			0,99€

Source: Continente online, Jumbo online, Pingo Doce and Supercor online

Exhibit 20 – Loja da Fábrica

Source: Facebook of Ach Brito

Exhibit 21 – Partnership with Sport Zone marathon & kite surf event

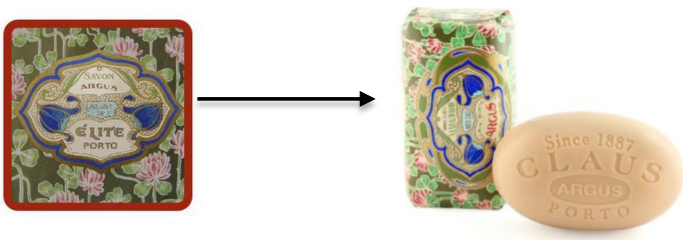
Source: Facebook of Ach Brito

Exhibit 22 – Partnership between Ach Brito and Sagres/ Creoula

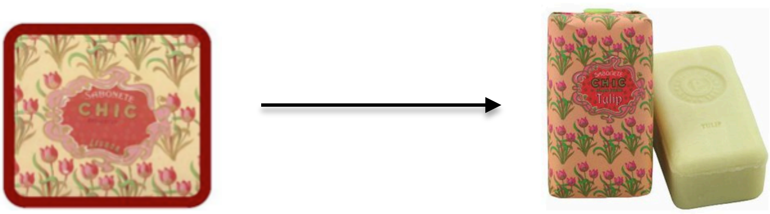
Source: Facebook of Ach Brito

Exhibit 23 – Packaging Evolutions

Claus Porto



Ach Brito



Source: Facebook of Ach Brito

8. TABLE OF APPENDIXES[4]

APPENDIX 1: Survey for Consumers

UNIVERSIDADE CATÓLICA PORTUGUESA

Sou aluna finalista do Mestrado de Gestão na Universidade Católica de Lisboa e neste momento estou a elaborar a minha tese sobre o actual posicionamento das marcas da Ach Brito após a aquisição da rival Confiança.

Nesse sentido, gostaria de pedir a sua colaboração para responder a este questionário, que demorará aproximadamente **5 minutos** e cujas respostas são estritamente confidenciais.

Obrigada desde já pela sua ajuda.

1. **Que tipo de sabonete costuma usar?**

- ☐ Sabonete sólido (clássico, barra azul e branco, glicerina)
- ☐ Sabonete líquido
- ☐ Ambos

2. **Quais as principais razões na escolha de um sabonete? (Escolha no máximo 3)**

- ☐ Lealdade à marca
- ☐ Qualidade
- ☐ Aroma
- ☐ Embalagem (packaging)
- ☐ Preço
- ☐ Composição do produto
- ☐ Recomendação de amigo/ familiar/ vendedoras

[4] Related to Methodology and Market Research sections

3. **Quais as marcas que conhece da lista seguinte?**

☐ Ach Brito	☐ Confiança
☐ Claus Porto	☐ L'Occitane
☐ Castelbel	☐ Portus Cale
☐ Beija-Flor	☐ Roger & Gallet
☐ Feno de Portugal	☐ Le Petit Oliver
☐ Le Petit Marseillais	☐ Foz
☐ Kappus	☐ Heno de Pravia
☐ Palmolive	☐ Nívea
☐ Dove	☐ Johnson's
☐ Vasenol	☐ Sanex
☐ Fa	☐ Lux
☐ Corine de Farm	☐ Natural Honey
☐ Bourjois	☐ Outra:__________________

4. **Quais as 3 marcas da lista seguinte que costuma comprar mais frequentemente? (Sendo 1 a que costuma comprar com maior frequência e 3 com menor frequência).**

☐ Ach Brito	☐ Confiança
☐ Claus Porto	☐ L'Occitane
☐ Castelbel	☐ Portus Cale
☐ Beija-Flor	☐ Roger & Gallet
☐ Feno de Portugal	☐ Le Petit Oliver
☐ Le Petit Marseillais	☐ Foz
☐ Kappus	☐ Heno de Pravia
☐ Palmolive	☐ Nívea
☐ Dove	☐ Johnson's
☐ Vasenol	☐ Sanex
☐ Fa	☐ Lux
☐ Corine de Farm	☐ Natural Honey
☐ Bourjois	☐ Outra:__________________

5. Costuma comprar sempre o mesmo sabonete?

☐ Sim

☐ Não

5.1. Se respondeu que não, porque costuma mudar de sabonete?

☐ Aumento do preço

☐ Não gostei do produto anterior

☐ Recomendaram-me outro

☐ Gosto de experimentar produtos novos e diferentes

☐ Não estava disponível

☐ Outra:________________

6. Onde costuma comprar mais frequentemente? (Sendo 1 com maior frequência e 4 raramente ou nunca)

☐ Supermercados/ hipermercados

☐ Farmácias

☐ Lojas decorativas/ especializadas

☐ Encomendas através dos sites das marcas

7. Em média, quantas vezes compra sabonetes por mês?

☐ 1 vez ☐ 2 vezes

☐ 3 vezes ☐ > 4 vezes

A Ach Brito é uma empresa portuguesa sediada em Vila do Conde que fabrica e comercializa sabonetes em embalagens apelativas desde 1918, através de duas marcas: Ach Brito e Claus Porto. Tem vindo a desenvolver uma forte estratégia de expansão a nível internacional, estando neste momento presente em mais de 50 países (como EUA, Canadá, Hong Kong e Austrália) através da Claus Porto.

8. Conhece a Ach Brito?

☐ Sim

☐ Não

8.1. Já alguma vez comprou produtos da marca Ach Brito?

☐ Sim

☐ Não

8.2. Já alguma vez comprou produtos da marca Claus Porto?

☐ Sim

☐ Não

8.3. De acordo com o que conhece da Ach Brito , quais são suas 2 principais características?

- ☐ Qualidade
- ☐ “História”/ tradição
- ☐ Cunho pessoal/ originalidade
- ☐ Embalagens coloridas “retro”
- ☐ Muito internacional/ produtos usados por celebridades como *Oprah Winfrey*
- ☐ Nunca testa os produtos em animais
- ☐ Uso de ingredientes naturais e 100% biodegradáveis

Em 2009, a Ach Brito adquiriu a Confiança que era a sua maior concorrente de há mais de 100 anos, passando agora a estar presente no mercado através de 3 marcas em 3 segmentos distintos (Mass-Market, Intermédio e Premium).

8.4. Tinha conhecimento desta estratégia de aquisição?

- ☐ Sim
- ☐ Não

8.4.1.1. Se sim, como teve conhecimento?

- ☐ Imprensa
- ☐ Amigos/ família
- ☐ Blogs
- ☐ Ponto de venda
- ☐ Página do Facebook da Ach Brito
- ☐ Site da Empresa

9. Conhece a marca de sabonetes Confiança? (<u>NOTA:</u> recomeçar aqui o questionário para quem tenha respondido NÃO na pergunta 8)

- ☐ Sim
- ☐ Não

10. Associe cada marca ao seu respectivo posicionamento:

	Mass-Market	Intermédio	Premium
Claus Porto			
Confiança			
Ach Brito			

11. Qual é para si a principal característica que melhor define uma marca Premium? (Escolha apenas 1 opção)

- ☐ Preço superior
- ☐ Qualidade superior
- ☐ Embalagem luxuosa
- ☐ Exclusividade
- ☐ Vendida em lojas exclusivas
- ☐ Usada por pessoas famosas

12. Qual é para si a principal característica que melhor define uma marca Mass-Market? (Escolha apenas 1 opção)

- ☐ Preço inferior
- ☐ Qualidade inferior
- ☐ Embalagem simples
- ☐ Acessível a todas as pessoas
- ☐ Vendida em grandes superfícies

13. Qual é a sua faixa etária?

- ☐ < 18
- ☐ 18 - 25
- ☐ 25 - 30
- ☐ 30 - 45
- ☐ 45 - 60
- ☐ > 60

14. Género:

- ☐ F
- ☐ M

15. Nível de Escolaridade:

- ☐ Ensino Básico
- ☐ Ensino Secundário
- ☐ Licenciatura
- ☐ Mestrado/ Pós-Graduação
- ☐ Outro: ________________

16. Rendimento anual do seu agregado familiar:

- ☐ Inferior a 5.000€
- ☐ 5.001€ - 10.00€
- ☐ 10.001€ - 25.000€
- ☐ 25.001 a 50.000€
- ☐ Superior a 50.001€
- ☐ Prefiro não responder

Obrigada pela sua colaboração.

APPENDIX 2: Survey for Ach Brito

1. **Quais as principais razões que levam um consumidor a escolher um sabonete? (Escolha no máximo 3)**

   - ☐ Lealdade à marca
   - ☐ Qualidade
   - ☐ Aroma
   - ☐ Embalagem (packaging)
   - ☐ Preço
   - ☐ Composição do produto
   - ☐ Recomendação de amigo/ familiar/ vendedoras

2. **Porque é que acha que os consumidores costumam mudar de sabonete?**

   - ☐ Aumento do preço
   - ☐ Não gostei do produto anterior
   - ☐ Recomendaram-me outro
   - ☐ Gosto de experimentar produtos novos e diferentes
   - ☐ Não estava disponível
   - ☐ Outra:________________

3. **Onde é que acha que os consumidores compram mais frequentemente? (Sendo 1 com maior frequência e 4 raramente ou nunca)**

   - ☐ Supermercados/ hipermercados
   - ☐ Farmácias
   - ☐ Lojas decorativas/ especializadas
   - ☐ Encomendas através dos sites das marcas

4. **De acordo com o que os consumidores conhecem da Ach Brito, quais são suas 2 principais características?**

☐ Qualidade

☐ "História"/ tradição

☐ Cunho pessoal/ originalidade

☐ Embalagens coloridas "retro"

☐ Muito internacional/ produtos usados por celebridades como *Oprah Winfrey*

☐ Nunca testa os produtos em animais

☐ Uso de ingredientes naturais e 100% biodegradáveis

5. **Como acha que os consumidores associaram cada marca ao seu respectivo posicionamento:**

	Mass-Market	Intermédio	Premium
Claus Porto			
Confiança			
Ach Brito			

6. **Qual é para os consumidores a principal característica que melhor define uma marca Premium? (Escolha apenas 1 opção)**

☐ Preço superior

☐ Qualidade superior

☐ Embalagem luxuosa

☐ Exclusividade

☐ Vendida em lojas exclusivas

☐ Usada por pessoas famosas

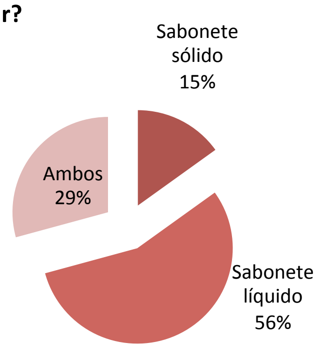
7. **Qual é para os consumidores a principal característica que melhor define uma marca Mass-Market? (Escolha apenas 1 opção)**

- ☐ Preço inferior
- ☐ Qualidade inferior
- ☐ Embalagem simples
- ☐ Acessível a todas as pessoas
- ☐ Vendida em grandes superfícies

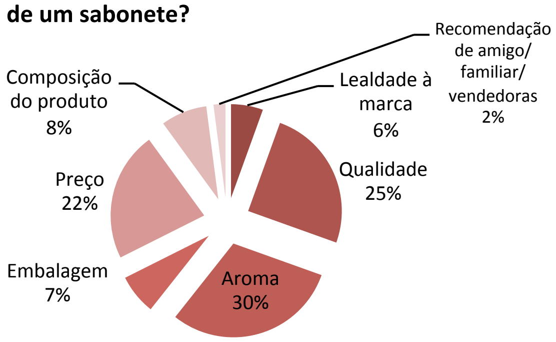
Obrigada pela sua colaboração.

APPENDIX 3: Survey Results (Consumers)

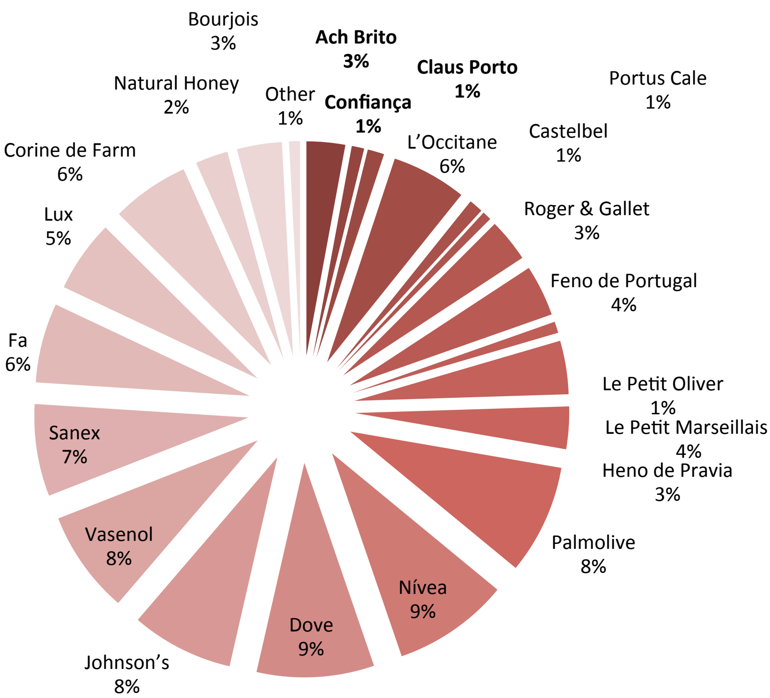
Question 1: Que tipo de sabonete costuma usar?



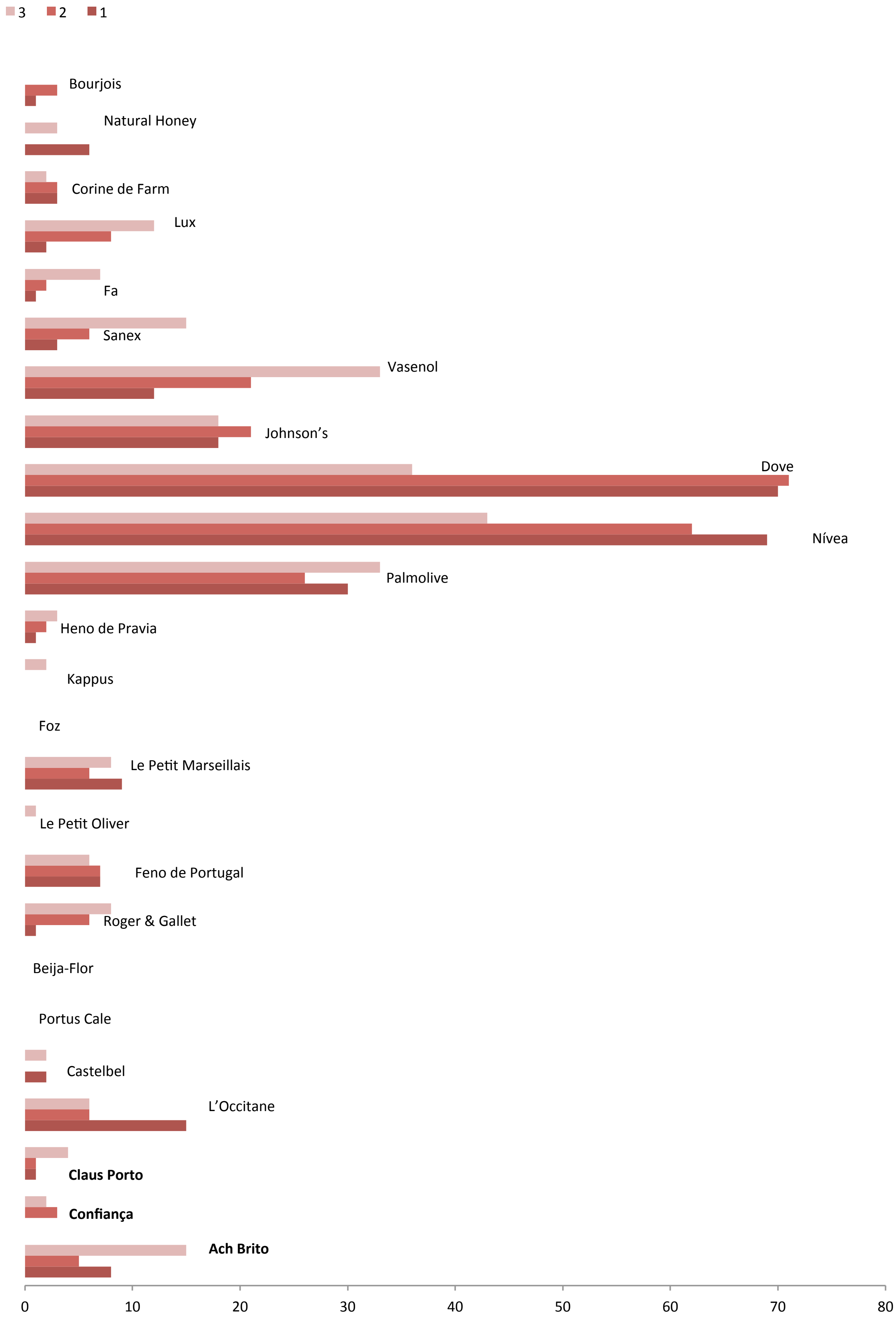
Question 2: Quais as principais razões na escolha de um sabonete?



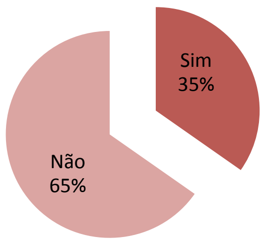
Question 3: Quais as marcas que conhece da lista seguinte?



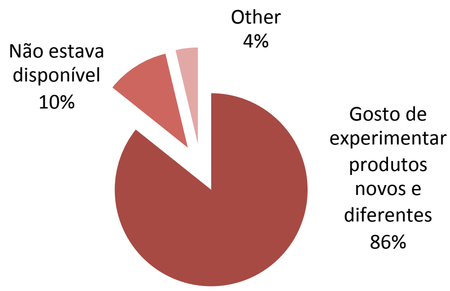
Question 4: Ordene (1-3) as 3 marcas que costuma comprar mais frequentemente (Sendo 1 a que costuma comprar com maior frequência e 3 com menor frequência):



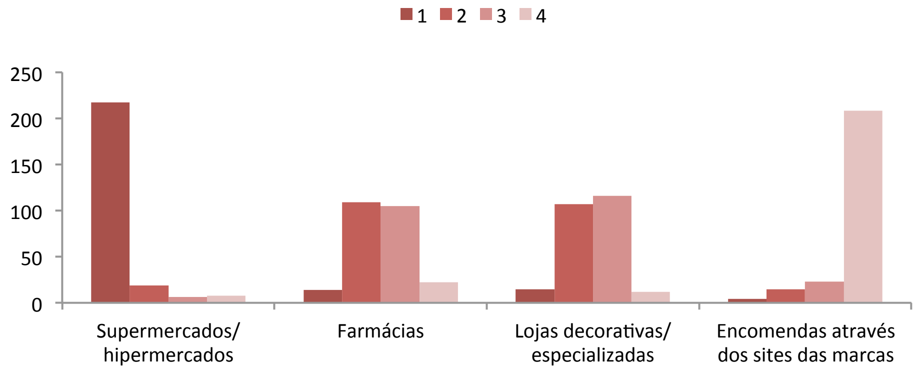
Question 5: Costuma comprar sempre o mesmo sabonete?



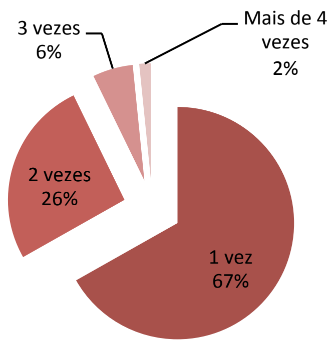
Question 6: Se respondeu que não, porque costuma mudar de sabonete?



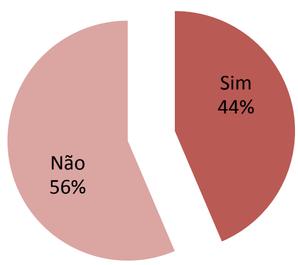
Question 7: Ordene (1-4) os locais onde costuma comprar sabonetes por ordem de frequência. (Sendo 1 com maior frequência e 4 raramente ou nunca)



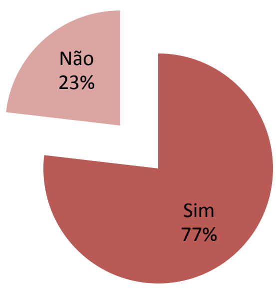
Question 8: Em média, quantas vezes compra sabonetes por mês?



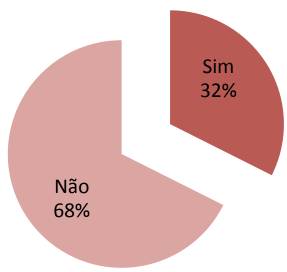
Question 9: Conhece a Ach Brito?



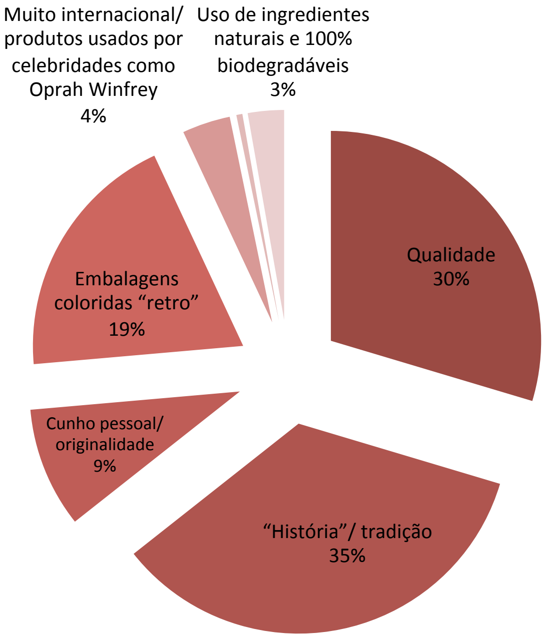
Question 10: Já alguma vez comprou produtos da marca Ach Brito?



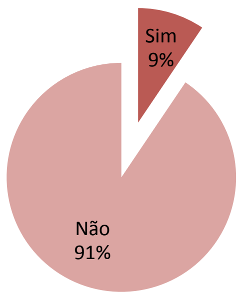
Question 11: Já alguma vez comprou produtos da marca Claus Porto?



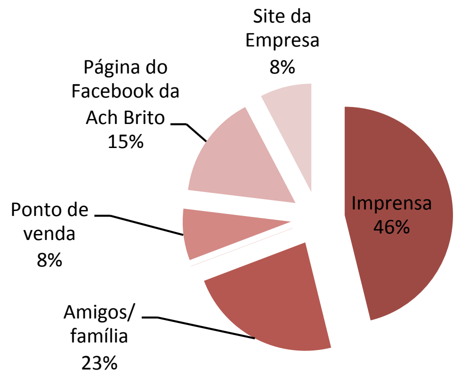
Question 12: De acordo com o que conhece da Ach Brito , quais são as suas 2 principais características?



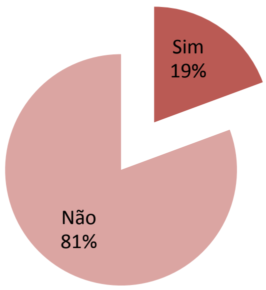
Question 13: Tinha conhecimento desta estratégia de aquisição?



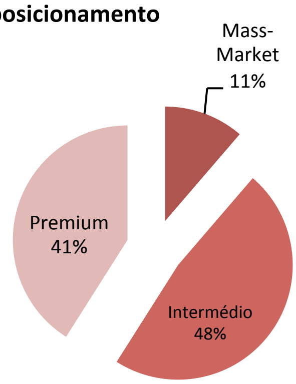
Question 14: Se sim, como teve conhecimento?



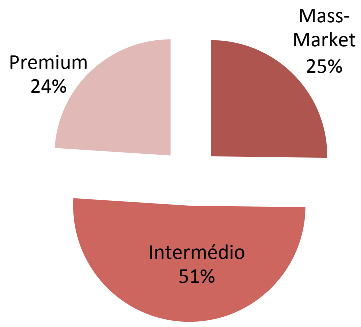
Question 15: Conhece a marca de sabonetes Confiança?



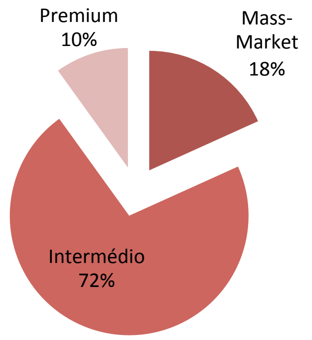
Question 16A: Associe cada marca ao seu respectivo posicionamento (CLAUS PORTO)



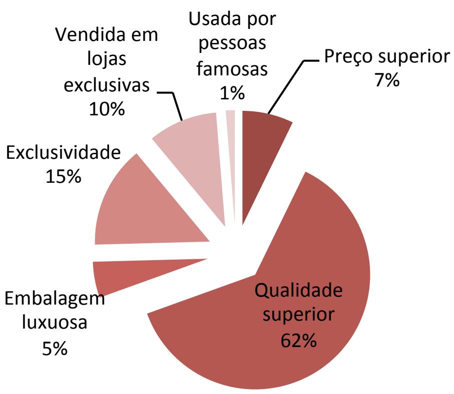
Question 16B: Associe cada marca ao seu respectivo posicionamento (ACH BRITO)



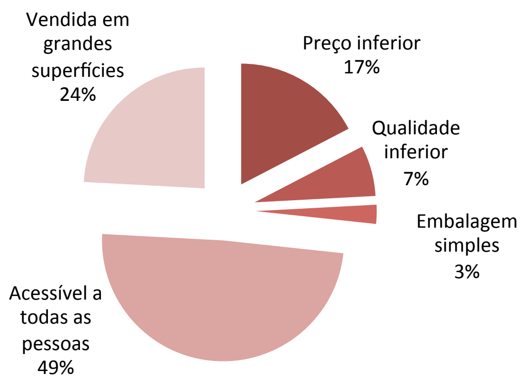
Question 16C: Associe cada marca ao seu respectivo posicionamento (CONFIANÇA):



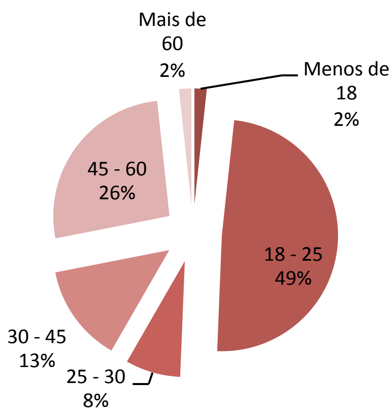
Question 17: Qual é para si a característica que melhor define uma marca Premium? (Escolha apenas 1 opção)



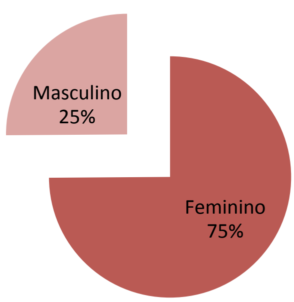
Question 18: Qual é para si a característica que melhor define uma marca Mass-Market? (Escolha apenas 1 opção)



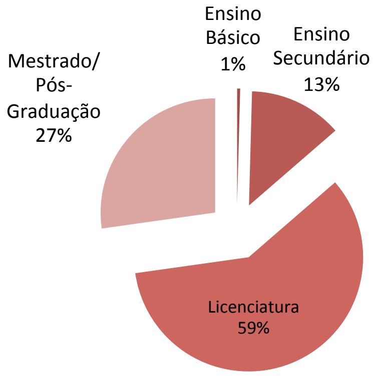
Question 19: Qual é a sua faixa etária?



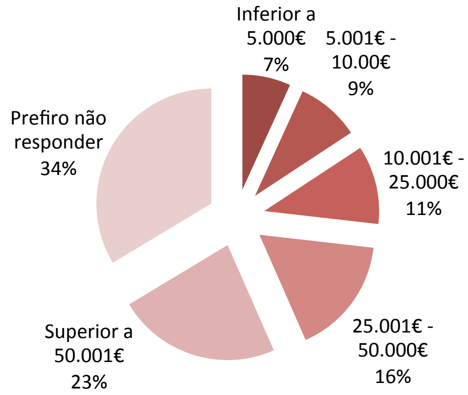
Question 20: Género



Question 21: Nível de Escolaridade



Question 22: Rendimento anual do agregado familiar:



APPENDIX 5: CROSS-TABULATION (*"Que tipo de sabonete costuma usar?"*)

Conhece a Ach Brito?	Overall	Sabonete sólido (clássico, barra azul e branco, glicerina)
Sim	43,64%	68,75%
Não	56,36%	31,25%

Já alguma vez comprou produtos da marca Ach Brito?	Overall	Sabonete sólido (clássico, barra azul e branco, glicerina)
Sim	76,70%	81,82%
Não	23,30%	18,18%

Conhece a marca de sabonetes Confiança?	Overall	Sabonete sólido (clássico, barra azul e branco, glicerina)
Sim	19,41%	31,25%
Não	80,59%	68,75%

APPENDIX 6: CROSS-TABULATION ("*Quais as principais razões na escolha de um sabonete*?")

Conhece a Ach Brito?	Overall	Embalagem (Packaging)
Sim	43,64%	35,71%
Não	56,36%	64,29%

Conhece a marca de sabonetes Confiança?		Overall	Embalagem (Packaging)
	Sim	19,41%	19,05%
	Não	80,59%	80,95%

APPENDIX 6: CROSS-TABULATION (*"Conhece a Ach Brito*?" & *"Já alguma vez comprou produtos da marca Ach Brito?")*

Que tipo de sabonete costuma usar?		Overall	Conhece a Ach Brito & Já comprou produtos da marca Ach Brito
	Sabonete sólido	12,66%	21,43%
	Sabonete líquido	55,70%	38,10%
	Ambos	31,65%	40,48%

Conhece a marca de sabonetes Confiança?		Overall	Conhece a Ach Brito & Já comprou produtos da marca Ach Brito
	Sim	19,41%	41,98%
	Não	80,59%	58,02%

Tinha conhecimento desta estratégia de aquisição?		Overall	Conhece a Ach Brito & Já comprou produtos da marca Ach Brito
	Sim	9,71%	9,88%
	Não	90,29%	90,12%

Associe cada marca ao seu respectivo posicionamento (Claus Porto):		Overall	Conhece a Ach Brito & Já comprou produtos da marca Ach Brito
	Mass-Market	11,34%	5,00%
	Intermédio	47,90%	51,25%
	Premium	40,76%	43,75%

Associe cada marca ao seu respectivo posicionamento (Ach Brito):		Overall	Conhece a Ach Brito & Já comprou produtos da marca Ach Brito
	Mass-Market	25,31%	26,83%
	Intermédio	51,04%	50,00%
	Premium	23,65%	23,17%

Qual é a sua faixa etária?		Overall	Conhece a Ach Brito & Já comprou produtos da marca Ach Brito
	Menos de 18	1,70%	0,00%
	18 - 25	48,94%	22,78%
	25 - 30	7,66%	7,59%
	30 - 45	13,62%	15,19%
	45 - 60	26,38%	51,90%
	Mais de 60	1,70%	2,53%

Género:		Overall	Conhece a Ach Brito & Já comprou produtos da marca Ach Brito
	Feminino	74,89%	84,81%
	Masculino	25,11%	15,19%

APPENDIX 7: CROSS-TABULATION (*"Já alguma vez comprou produtos da marca Claus Porto?"*)

Associe cada marca ao seu respectivo posicionamento (Claus Porto):		Overall	Já comprou produtos da marca Claus Porto
	Mass-Market	11,34%	0,00%
	Intermédio	47,90%	30,30%
	Premium	40,76%	69,70%

Qual é para si a característica que melhor define uma marca Premium?		Overall	Já comprou produtos da marca Claus Porto
	Preço superior	7,23%	3,03%
	Qualidade superior	62,55%	66,67%
	Embalagem luxuosa	5,11%	9,09%
	Exclusividade	14,47%	15,15%
	Vendida em lojas exclusivas	9,36%	6,06%
	Usada por pessoas famosas	1,28%	0,00%

APPENDIX 8: CROSS-TABULATION *("Conhece a marca de sabonetes Confiança?")*

Conhece a Ach Brito?		Overall	Conhece a marca de sabonetes Confiança
	Sim	43,64%	79,17%
	Não	56,36%	20,83%

Tinha conhecimento desta estratégia de aquisição?		Overall	Conhece a marca de sabonetes Confiança
	Sim	9,71%	23,68%
	Não	90,29%	76,32%

Associe cada marca ao seu respectivo posicionamento (Confiança):		Overall	Conhece a marca de sabonetes Confiança
	Mass-Market	18,33%	14,58%
	Intermédio	71,67%	72,92%
	Premium	10,00%	12,50%

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Facebook Page of Ach Brito

Claus Porto website: http://www.clausporto.com/

Saboaria e Perfumaria Confiança website: http://www.confiancasoaps.com/