



# TERRA DELYSSA : A Visual Heritage to Triumph in Contemporary Markets



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## **Acknowledgments**

This dissertation is the result of a passionate work that marks the completion of my Master Degree. As I was evolving in my researches I get passionate by this subject as well as the industry of olive oil in Tunisia and in the world.

It will never have been possible without the trust, the support, and the motivations of my family. They always found the right words to cheer me up during challenging moments. For that I would like to dedicate them my work, and express my profound admiration to my parents.

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## **Abstract**

Dissertation Title: Terra Delyssa: A Visual Heritage to Triumph in Contemporary Markets

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Terra Delyssa is a leading exporter brand of olive oil in Tunisia, indeed it represents 20% of Tunisian total exports. This case presents the strategies and the actions implemented by this company to achieve this position.

The focus of this study is to introduce a marketing strategy tool that aims to revitalize a brand, through the Terra Delyssa case. The marketing strategy is the new design of the product's packaging.

Since its creation, this olive oil brand never found necessary to refresh its visual identity, until 2011 when the company decided to penetrate the European Market. To give itself the best possible odds, Terra Delyssa took the challenging decision to operate its first change: modernize the brand. Mr. Abdelaziz Makhloufi the CEO believes that the new packaging will reinforce the brand image, differentiate the product, and give a competitive advantage to Terra Delyssa.

For the sake of understanding this rebranding strategy and its effectiveness; it is essential to gather primary and secondary data. Primary data were collected through an online survey to assess the perception and the awareness of consumers using a sample of Portuguese and Tunisian individuals. Secondary data is mainly provided by the company officials.

The survey results indicate that the sample perceives positively the change of Terra Delyssa. However, the company should support this strategy with more communication action in order to attain its goal to be in the top 10 olive oil brand in the world by 2020.

## Resumo

Título da Dissertação: Terra Delyssa: A Imagem do Património à Conquista dos Mercados Contemporâneos

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Terra Delyssa é uma marca de azeite tunisina líder no mercado de exportação, representando 20% do total de exportações da Tunísia. Este trabalho apresenta as estratégias e acções implementadas por esta empresa para atingir esta posição de sucesso. esta posição de sucesso.

O objectivo deste estudo é dar a conhecer uma ferramenta de marketing estratégica que permita revitalizar uma marca, neste caso a Terra Delyssa. A estratégia de marketing em causa é o novo *design* da embalagem do produto.

Desde que foi criada, esta marca de azeite nunca sentiu necessidade de reinventar a sua identidade visual, até 2011, ano em que decidiu entrar no Mercado Europeu. Para maximizar a possibilidade de sucesso, a Terra Delyssa decidiu fazer a sua primeira mudança: modernizar a marca. Mr. Abdelaziz Makhloufi, CEO, acredita que uma nova embalagem reafirmará a imagem da marca, diferenciará o produto e dará uma vantagem competitiva a Terra Delyssa.

Para entender esta estratégia de *rebranding* e a sua eficácia, é necessário recolher dados primários e secundários. Os dados primários foram recolhidos através de um questionário *online*, feito a uma amostra de indivíduos portugueses e tunisinos, e que pretendia avaliar a percepção e consciência dos consumidores. Os dados secundários foram disponibilizados pela empresa.

Os resultados do questionário indicam que a amostra encara positivamente a alteração da Terra Delyssa. Contudo, a empresa deverá consolidar esta estratégia com mais acções de comunicação, para atingir o seu objectivo de integrar o top 10 mundial de marcas de azeite em 2020.

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# **1. Introduction**

For my thesis subject, I felt it was important to put the light on a Tunisian Company which is above all internationally successful. Tunisia is the 5<sup>th</sup> world producer of olive oil and Portugal is the 4<sup>th</sup>. It motivates me to focus my study on the olive oil industry. In 2015, Tunisia was extremely proud to present itself as number one country exporter of olive oil (-on regional level Europe is the first one).

CHO is a group founded by Mr. Abdelaziz Makhloufi in 1996. As most Tunisian olive oil producers the company is 100% exporter. Nevertheless, the group innovated and created its own brand name Terra Delyssa.

Terra Delyssa evokes the history of Tunisia. When the Queen Elyssa arrived in Carthage from Tyre, she was carrying with her what became afterwards the “yellow gold” of Tunisia: an olive tree. Proud of its origin and confident about its product, CHO expanded to new territories: North America, where it faced a positive reception. Indeed it became the main target of the company. At the beginning the company was still risk averse. Moreover their packaging was ordinary and, very similar to other local market leaders.

In 2011, the company decided to enter the European market, which is the most competitive one as it includes the major world producers of olive oil. To be able to position itself, it had to give itself the resources to face this fiercely competitive market (the aggressiveness of that market). After discussions and debates the management team took the decision to rejuvenate its image through a new packaging design. This strategy is intended to differentiate itself in order to attract the customer’s eyes in supermarkets/ to differentiate the brand image in order to be more attractive to consumers.

The purpose of this research thesis is to determine if the level of effectiveness of a rebranding strategy via packaging.

## **1.1. Purpose Statement**

The aim of this study is to understand how a rebranding strategy (Packaging) can boost a brand and become a competitive advantage relying on the Terra Delyssa Case.

## **1.2. Research Question**

In order to assess how a company can influence its image awareness and how packaging may be a strategic tool to compete in aggressive markets. Here are the questions that will direct us to our conclusions:

- What is the effect of the visual stimuli on the consumer's mind?
- Does the packaging influence the purchase decision?
- Are Portuguese and Tunisians sensitive to the extrinsic attributes of an olive oil bottle?
- What is the impact of the new design on the brand Terra Delyssa?

## **1.3. Methodology**

In order to answer the research question as well as the purpose statement it was essential to collect more information than the one provided by the company, therefore, primary and secondary data researches were conducted.

I collected primary data from an online survey that was designed on Qualtrics for the Portuguese and Tunisian markets. The questionnaire's purpose is to decrypt the awareness and the perceived image of the olive oil in both markets (Portuguese and Tunisian). There are 3 different approaches in the questionnaire: the first approach is the demographic one, the second is the habits and behaviors of the respondents, and the third investigate Terra Delyssa brand perception. The survey was launched on a social media platform. This method is easy and efficient. However, it was challenging to collect the same ratio of Tunisian and Portuguese answers. The results were then analyzed using Qualtrics' survey's report as well as the software Statistical Package for the Social Sciences (SPSS) that relies on frequencies, descriptive statistics and cross-tabulation.

On the other hand I collected secondary data from academic articles related to my initial subject, as it is crucial for the Literature review. Other secondary data were obtained from websites, magazines newspapers and radio talks. A company visit and an interview with the CEO of CHO, allowed me to complement my data and obtain further documents to support my research.

## **2. Literature Review**

### **2.1. An artistic approach to branding:**

#### **2.1.1. Branding Definition:**

“An appropriate branding strategy is crucial as it would reinforce the desired positioning and hence influence purchase behavior” affirms McDonald and al (2001). The Business Dictionary defines branding as the process of creating a single name and image of a product in the consumer’s mind. It is a logo, a symbol, a name, a design that will distinguish a product from another (Knox and Bickerton, 2003).

At its origin, branding was only a manner to differentiate a product from another and claim its ownership. Since then, consumers’ perception has evolved and branding became a strategic marketing tool (Xie and Boggs, 2006) that supports companies to compete successfully in their environment (Biedenbach, 2012). McDonald et al (2001) believe that a company can enhance its positioning and influence the purchase behavior by adopting the right branding strategy. Brand’s role is to create an indelible impression (The Pocket Oxford Dictionary of Current English, 1934).

#### **2.1.2. From Traditional marketing to Experiential Marketing:**

The Professor Bernd Schmitt has a specific appreciation of branding; according to him consumers are buying “experiences” rather than simple products or services. This terminology was also used by B. Joseph Pine II and James H. Gilmore in their article “Welcome to the Experience Economy” (1998). There is though a distinction between “Traditional Marketing” and “Experiential Marketing».

The Traditional Marketing focuses more on the rationality. In that sense, Schmitt pointed out four main characteristics: (1) a focus on functional features and benefits (overall utility of the product/ service); (2) Product category as well as competition are closely determined; (3) Customer decision-making process is considered to be rational and related to problem solving (Engel, Blackwell, and Miniard, 1994) (4) and the fourth characteristic is that tools used are analytical, quantitative and verbal.

Dissimilarly, Experiential Marketing aspires more to customer experiences that create sensory, emotional, cognitive, behavioral, and relational values. It also defines consumption

as a holistic experience, where marketers analyze the meaning of the specific consumption situation in its broader socio-cultural context and macro environment. A further feature of Experiential Marketing is that a customer is both emotionally and rationally driven. Thus this practice is considered eclectic as opposed to the Traditional Marketing strategy which is analytical and quantitative. Based on this eclectic aspect of Experiential Marketing, Schmitt and Simonson, came up with a strategic concept: SEM (Strategic Experiential Modules).

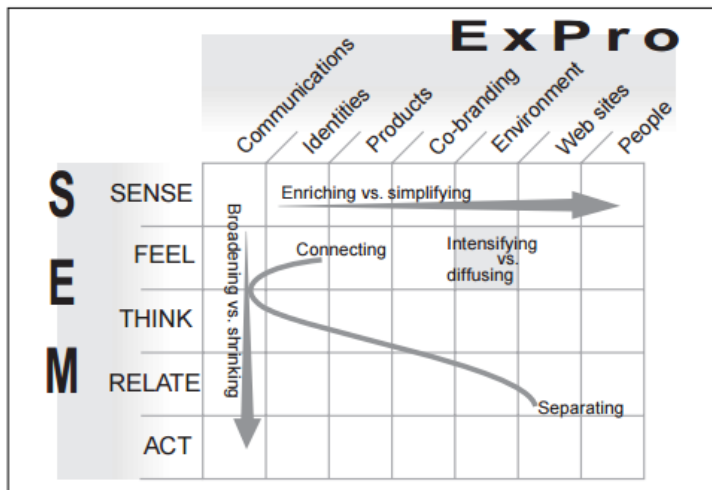


Figure 1: Strategic Experiential Modules (SEMs)

In SEM there are 5 modules that direct consumer's experiences SENSE, FEEL, THINK, RELATE and ACT.

In March 2015, the Harvard Business review published an article: "The Science of Sensory Marketing", it explores the actual trends and emphasizes the importance of the "embodied cognition". Through aesthetic and enthusiasm SENSE marketing can generate motivation.

Moreover, (Schmitt and Simonson, 1997; Schmitt, 1999; 2009) assert that aesthetics, which enhance emotional aspects of the brand experience, are recognized as important economic drivers and key differentiators in the market. Indeed, a brand is the relation between the product and its user. And to nourish it aesthetics, brand symbolism, and cultural elements, create desire in people minds and hearts (Fournier, 1998; Kozinets, 2002; Holt, 2004).

## 2.2. Power of vision

In order to compete on an international level, companies from emerging countries found their strength in building strong brand images and therefore equity (Henderson, A.Cote, Leong and Schmitt, 2003). A study was conducted by these last four researchers in Asia and argued that

a strong brand has the advantages of being more sustainable through time, more effective in distribution, more competitive while having a low turnover and, most importantly, more profitable.

To strengthen brand perception, visual stimuli are essential. They are principal elements of the branding strategy as mentioned above. Üffing (2009), Hutton (1997) as well as Schmitt and Simonson (1997) confirmed that visual imagery contributes to the long lasting sustainability of the brand (and thus the company) by providing a source of differentiation, allowing a price premium, encouraging customers' loyalty and finally increasing the company's value.

Those last years, authors investigated more deeply this approach and agreed on its importance and role. Aradhna Krishna is an author who is considered to be an expert in the field of sensory marketing. In 2013, she wrote a book entitled "Customer Sense: How the 5 Senses Influence Buying Behavior", where she elaborates on the "visual sensory signatures" or visual identity. These stimuli represent the logo, signage, packaging, product design, advertisements, and web sites but also patterns, shapes and pictures. Under the same context, Tunyarut Jinkarn and Prisana Suwannaporn wrote recently in 2015 that a positive image will generate a feeling of satisfaction and this perception may increase sales.

### **2.2.1. Corporate Aesthetic Management:**

#### *a. Definition:*

The Corporate Aesthetic Management (CAM) is a framework designed by Bernd H. Schmitt, Alex Simonson and Joshua Marcus. It is a "strategic framework for managing a full range of visuals (aesthetics) output in the form of products, logos, packaging, buildings, showrooms and advertisements."

#### *b. Advantages:*

When the visuals have an attractive attributes and characteristics, they reinforce marketing communication. If the framework is well adapted to the company's mission it will lower the communication budget since aesthetic is also a tool to differentiate, and a way to influence decision and encourage purchases. Those benefits aim to add value to the company and therefore, provide a competitive advantage (Schmitt, Simonson & Marcus, 1995).

*c. Stages of the CAM framework:*

The authors named in the previous paragraph elaborated a clear framework that any company can apply when it comes to the creation level or the rebranding strategy in a later step. The output of this framework is strategic since it can modify the corporate image and the brand identity of the company.

<b>Stage 1:</b>	<b>Situation Analysis</b>
<b>Stage 2:</b>	<b>Designing the aesthetics-strategy</b>
<b>Stage 3:</b>	<b>Building the collection of design elements</b>
<b>Stage 4:</b>	<b>Aesthetics quality control</b>

**Figure 2: Stages of CAM framework**

There are four independent stages in the CAM framework; the first is “Situation Analysis” which analyzes the status quo of the company’s image. In order to assess the first stage, company managers should determine the 4 Ps of aesthetic management: properties (physical assets), products (the goods), presentations (packaging/ labeling) and publications (advertisement catalogues). They should also identify the breach between the corporate expression and the consumers’ impression. The corporate expression is the image that the company aspires to convey; while customers’ impression is the company’s image in reality or as seen by its customers. In this first stage, the company should assess an “aesthetic” competitive analysis. The second stage is designing the aesthetic strategy. It aims to elaborate an aesthetic image and identity in consistency with the firm’s mission, vision and goals. The third stage in the CAM framework is Building the Collection of Design elements. It is the implementation point where the management and the experts should choose the design elements and plan the future project. Finally, the fourth stage is the Aesthetic Quality Control. It involves a regular “monitoring, tracking and adjusting” of aesthetics adopted. This stage evaluates the performance of previous assessments. The tool used is the aesthetic impact tracking: a quality-control instrument aimed to gauge the evolution of customer impressions.

	<b>Objective</b>	<b>Key Issue</b>	<b>Methodology</b>
<b>Situation Analysis</b>	Analyzing corporate expressions and customer impression	Determining perceptions of the firm's and competitor's aesthetic outputs	Customer expressions/ customer impressions research
<b>Designing the Aesthetics-Strategy</b>	Creating distinctive, impactful aesthetic impressions	Selecting strategically appropriate style and themes	The style and themes inventory
<b>Building the Collection of Design Elements</b>	Implementing the strategy with 3 rules of balance	Organizing and managing the implementation	The aesthetic balance sheet
<b>Aesthetics quality control</b>	Monitoring, tracking and adjusting corporate aesthetic over time	Evaluation of prior outputs in the framework and fine-tuning; including updating and upgrading	Aesthetics impact tracking

Figure 3: Details of the four different stages of the CAM framework

*d. When to use the CAM framework:*

Schmitt, Simonson & Marcus, (1995) identified three different purposes where the stages mentioned formerly may be used efficiently.

The first aim is when a company desires to create Aesthetics-Based Mission and Strategy Statements. This case is suitable for Airline companies or Hotels. Those industries invest massively in their image and aesthetic with the objective to ensure their competitive advantage. Two of the 4 stages were applied: the first stage where the situation analysis has to be assessed and, the second stage is to define a new aesthetic strategy and integrate it to the mission and business strategy of the firms.

The second case where CAM is useful is when designing a global identity. In this case, it is important, in the first stage, to identify similarities (in aesthetics preferences) in different cultures. And from that, themes can be distinguished for the elaboration of the second stage. In order to minimize costs and have a coherent image through the markets, the implementation (third stage) of the new brand characteristics" (brand name, colors, packaging) should be the same across countries. The fourth stage is important when the company has to update and upgrade its aesthetic as a result of an expansion strategy.

### **2.2.2. How visual perception can shape customer's choice:**

“Vision deals with the role of the visual sense of human beings in influencing their consumption decisions” Sharad Agarwal, (2015).

This statement is true also for Erdelyi & Kleinbard (1978) who are claiming that visual stimuli are more effective than verbal stimuli because they are processed more rapidly, learned faster and above all remembered by consumers.

For the sake of clarity of the previous section, it is important to note that visual stimuli are clearly a part of the sensory marketing. Visual stimuli create emotions and enhance perceptions; therefore, a reaction toward the product occurs. Furthermore our experiences and our senses are guiding our thoughts and behavior. That helps companies draw directions to influence the “consumers’ consumption-related decision” (Krishna, 2012).

Nowadays, hypermarkets are facing major trends in the consumers’ behaviors. Indeed, in developed countries consumers became experts in sales technique used in supermarkets. This major development is explained by both an ultra-rapid decision-making with a much more critical eye. Consumers also exhibit a lower product involvement, and the questioning of popular brands. The result is that switching from one brand to another is increasingly prevalent and the failure rate in new product launches is staggering (Eric Singler, 2006). In sum, these developments mean that the instant time of purchase has become a critical and decisive step. Eric Singler, co-founder and CEO of IN VIVO European Marketing Research, renowned expert in the packaging field, author of the book “Packaging of mass-market products”, claimed in an interview “to have a positive impact, packaging has to have a good ability to visual emergence and communicate instantaneously a compelling message.”

Moreover, well designed products induce positive feelings of “familiarity and affinity” (Cohen, 1986), and communicate clearly the identity and the message of the brand.

A good design may shape consumers decision making, Hoyer & Brown (1990) and Leong (1993) support the suggestion that a positive “affect” to a visual image is a hint to differentiation. For example when the consumer likes a logo, he/she most likely will associate quality to the product (induce a positive perception). Schechter (1993) affirms that the clarity of the logo determines its power to impact consumers. Clear logos result in a stimulus and transmit a message as opposed to ambiguous ones. To sum up, clear logos (those which stimulate affection) are processed faster and are positively perceived and easier to recognize.

Other authors believe that complex stimulus (ambiguous) may also have a positive impact, because customers will spend more time interpreting and processing the images and the person may also recognize the product more easily in the future (Berlyne, 1974) .

## **2.3. Packaging as an Influencer in Purchase decision:**

### **2.3.1. Packaging definition:**

Tony Allen and John Simmons argued that visual identity is an area of branding, and emphasized on its importance and its weight. The visual identity is what we see, and so is packaging. For some authors, product packaging has brought positioning. Considering the elements of the marketing mix (price, place, product, promotion) the aim of positioning is to reach a notable level of awareness and status in the consumer's mind (Maggard, 1976; Aaker, 1996; Bigne' and Vila, 2000). It is commonly said that one should not assess a book by its cover, but Harckham (1989) did not share the same view. According to him, packaging is the window of the product because most of the time it "projects the initial impression customers form about a brand, its quality or value". The role of Packaging is to attract the attention and result in the first purchase.

It is a common knowledge that the packaging is the container; as it holds physically the product and protects it from the external environment. Vidales Giovannetti (1995) came up with three types of packaging: the first type is the one in direct contact with the product; the second identifies preserves and informs on the product; the third packaging comprises the two first types and ensures the product distribution.

### **2.3.2. Packaging attributes:**

There are three different research streams that authors have discussed. According to Evans and Berman (1992) there are those who believe that packaging is an intrinsic attribute (part of the product characteristics), while others assume that it is an extrinsic attribute (Olson and Jacoby 1972, Underwood et al 2001, Keller 1998) and another group considers both of the streams extrinsic and intrinsic (Zeithaml 1972).

First, we should identify and understand both intrinsic and extrinsic cues (*as the figure below suggests*). Those attributes are guiding consumer's perception on the product's quality. In order for a brand to attract new customers, the first impression is crucial because it will influence, at this specific stage, their decision to opt for the product or not.

<i>Intrinsic</i>	<i>Extrinsic</i>
Appearance	Price
Color	Brand name and familiarity
Shape	Label (packaging design)
Size	Advertisement
Structure	Nutritional information
Aroma	Production information (environment, organic)
	Origin (country)
	Store name
	Convenience

**Figure 4: Intrinsic & extrinsic sensory attributes of food products**

On one hand, intrinsic attributes of products are present on the product itself or represent a special feature. These include colors, designs, shapes and symbols.

Packaging offers extrinsic attributes to the brand such as the price, the origin, the nutritional information, the production information, and the brand identity.

When products are put on the shelves without assistance between the final consumer and the product to guide their choice, packaging has a matchmaker role or is a “silent salesman” as Vidales Giovannetti called it. Underwood (2003) believes that companies should focus more on “product” decision than communication activities. He explains that for low involvement products (or “perishable ones”) the purchase decision is mainly made at the point of sale. Moreover, to compete for the buyer’s attention the extrinsic cue: packaging is the most obvious proof (Richarsson et al., 1994).

### **2.3.3. Role of Packaging in the marketing mix:**

McNeal and Ji (2003) qualified the packaging elements (those appointed above) as the negotiator between the customer and the product in itself. That makes it an essential feature in communication. As Behaeghel (1991) and Peters (1994) justified: packaging “reaches almost all buyers in the category; is present at the crucial moment when the decision to buy is made; and buyers are actively involved with packaging as they examine it to obtain the information they need”. Besides that, it is also a tool to communicate the company’s identity and image (Schoormans & Robben, 1997).

### **2.3.4. Packaging & Positioning:**

Blankson and Kalafatis designed 8 positioning statuses in accordance to consumer’s perceptions: status, value, safety, elegance, country of origin, excellence and noble principles

and services. A positioning based on status reflects luxury products or premium ones. Excellent positioning demonstrates high priced goods. Additionally, a third positioning is based on elegance and sobriety. A safe positioning is one where products are accessible and have affordable prices. A safety location is “patriotic products and products based on guarantees”. Another positioning strategy that can be adopted is the ethnic and patriotic strategy which puts forward the country of origin. And the last strategy consistent with packaging is the noble principles positioning, that refers to middle class target.

#### **2.3.5. Packaging Perception:**

Olga Ampuelo and Natalia Vila (2005) conducted an experiment on 46 individuals to test consumers’ perceptions on graphical components, which are: colors, typography (design of typeface), shapes and images. The results of this study showed the different packaging characteristics resulting in 4 positioning strategy. The first targets premium products consumers. It considers cold and dark colors to be associated with high priced, elegant, and premium products. In addition, consumers are susceptible to bold, and expanded typography and the packaging should represent an image. However, no specific shape has been identified to be especially impactful.

The second strategy involves price sensitive consumers. For this customer segment white and light colors, as well as illustrations are correlated to the value positioning (price sensitive consumers). There is no specific graphic form expected here as well. A third strategic positioning is one that is based on safety and guarantee of the quality. This is conveyed by a packaging that has warm colors (red, yellow, orange), no specific typography, vertical and straight line shapes and a picture. The patriotic identity is a fourth positioning strategy that is affiliated to red colors and straight graphics. Finally the author reports that for a positioning that conveys “noble principles” targeting the middle class consumers, graphical characteristics are not relevant except for the shape which is correlated to wavy and asymmetric forms.

Those findings may be used by the managerial team to adopt “strategic packaging decisions” (Tunyarut Jinkarn , Prisana Suwannaporn ,2015).

Schroeder (2002) states that “visual consumption is a key attribute of an experience economy organized around attention”, where images are “designed to capture eyeballs and build brand names.”

### 3. Case Study

#### 3.1. Olive oil Industry trends:

Virgin Olive Oil and Extra Virgin Olive oil are increasingly acknowledged worldwide, for their health benefits and their taste. Covas (2007) reported that olive oil consumption has antioxidant and anti-inflammatory benefits. On top of that the European Food Safety Authority (EFSA) endorsed a claim, in 2011, regarding the effectiveness of olive oil phenolic compounds (5 mg/day) in protecting blood lipids from oxidative damage. By virtue of its assets, the global consumption is rising as suggests *Exhibit 1*.

The traditional producers, from the Mediterranean Basin (Spain, Italy, Greece, Portugal, and Tunisia) are the principal consumers. According to the International Olive Oil Council (IOOC), in 2006, the EU counted 80% of world production and 70% of world consumption. But in 2006, the trends were evolving as it is shown in *Exhibit 2*. This drop in EU consumption is explained by the economic crises and the new demand from non-traditional producers/consumers. Such changes in the international market of olive oil have also caused the rise of prices.

The non-traditional consumers of olive oil are non IOOC members; USA is classified as one of them. From the IOOC analysis, the US had an explosive growth in consumption those last decades (*see Exhibit 3*).

Today, Tunisia has established a prominent place on the global olive oil market by exporting about 75% of its production and being ranked the second biggest worldwide exporter after the European Union with an average of 115,000 tons per year during the last five years.

Globally, there have been more than 150 consumer countries of olive oil. This number is clearly changing every year. The main importing countries of olive oil are: Italy, France, the USA, Canada, Japan, Australia, China, Korea, the Nordic countries, Germany, England, and Gulf countries (*see Exhibit 4*).

The senior researcher Samir Mili (Tunisian agricultural economist) wrote that the traditional olive oil producers should maintain or even improve the product quality, diversity and image. Olive oil operators have to focus on communicating these advantages to consumers, especially in non- traditional markets. By using an adequate marketing mix, competitiveness may be enhanced.

The same researcher and his confrere Rodríguez noted that in the olive oil market consumers are more sensitive to the guarantee of quality, the oil type and its packaging (2001).

### **3.2. Company Overview**

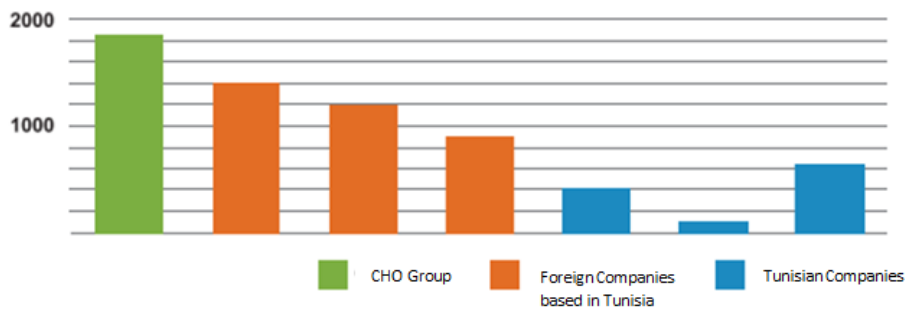
CHO group (Société de Conditionnement des Huiles d'Olives) is a Tunisian company specialized in collecting, crushing olives and exporting olive oil. It is now classified among the largest olive oil exporters in Tunisia. In 20 years of existence, CHO has grown from a small traditional oil mill to one of the greatest references among the units of production and packaging of olive oil in Tunisia.

The small oil mill of Sakiet Daier, a village in the industrial city of Sfax, was acquired in 1996. Shortly after transformed into a modern industrial unit with an international vocation that has a turnover of over 3 378 million € in 2013, mainly from exports. Such positioning has been made thanks to an optimal management of human capital and material resources, a structured organization, an advanced information system, high technology investment, a total mastery in technical know-how and last but not least an advanced marketing strategies.

With its certifications ISO 22000, ISO 9001, ECOCERT, STAR K, IFS (International Food Standards), USDA Organic and Food BRC as well as the experience gained during 20 years of activity, the company could penetrate the European, the American and the Asian markets alongside the great Italian and Spanish producers (*see Exhibit 13*).

CHO has a crushing capacity of 300 tons a day, a bottling capacity of 24,000 bottles per hour and an annual production of 50 million bottles. Its production process is fully automated, making it one of the best mills in its sector. Besides it has two dedicated product lines: Organic and Extra Virgin Olive oils.

Unlike any other Tunisian Olive oil producers, CHO focuses on two types of exports: in bulk and in bottle; all of which account for 20% of Tunisian exports of olive oil; making it the most important exporter (see Chart 1 below).



**Chart 1: Tunisian exports of conditioned olive oil in tons in 2010 (source: CHO Group)**

The CEO Mr. Abdelaziz Makhloufi and his team built major assets to ensure the sustainability of the company's activities. We can qualify the strategy used as cautious with its supply and distribution policies, which are based on a direct presence in foreign markets through their own representations. The company was able to circumvent numerous risks and managed to anchor a continually strengthened image, which constitutes a valuable tool and an undeniable growth driver.

CHO GROUP carries several complementary activities: it is at first an olive oil mill which selects stores and refines olive oil and olive-pomace oil. CHO Company manages the packaging and bottling process; IGEHUILE is the olive-pomace oil extraction plant; OLIVOLIO produces Biomass; Savonnerie de Carthage provides a full line of Olive oil based cosmetics; and OLIVA distributes and provides services for agricultural equipment and olive oil mills (*see Exhibit 5*).

However, CHO's most important brand dedicated exclusively to the export, TERRA DELYSSA, is successfully facing the tough international competition. The management is targeting consumers in non-producers markets. The first foreign market entered was Northern America, where CHO Company created in 2006 a customer service oriented subsidiary: CHO America. CHO America now has two distribution centers in New Jersey and Quebec that serve retailers across America. The group has since expanded and created other subsidiaries in Canada, China and France.

In addition to the continual presence with the subsidiaries, CHO paid a special attention to its presence on international fairs. In fact, the company participated to SIAL event (the Global Food Marketplace); a trade fair specialized in the food processing industry; for the purpose to create Business to Business relationships and networks. Those events are essential to

reconnect with partners, to secure their presence on the market and tackle new business opportunities (*see Exhibit 6*).

### **3.2.1. CHO Vision:**

The group's vision is to present a product line with international standards that follows the strictest rules of food safety. Secondly, offering quality products to consumer and actively participating to his/her gustative education. The group also aspires to place itself as a major player in the olive oil industry and as a leader in its sector. In the same spirit, the management team aims to create brand synergy in several countries. To attain those ambitions, CHO group planned to work hand by hand with most prestigious retailer's brands with the financial help from the IFC (International Finance Corporation) amounting to 23M € in June 2015. Thanks to that support the company is aiming to be in the Top 10 olive oil brands in the world by 2020.

### **3.2.2. Strategic moves:**

The strategic focus of CHO group is to continue to ensure significant revenues with the sale of bulk olive oil and create in the meantime, its own network of packaged products. According to Tunisian Olive Oil Office (ONH) there is a 40% difference in price per 1 kg of oil sold in bulk compared to bottles (in May 2015). Needless to say that bottled olive oil is the most profitable one.

In an interview held with the CEO in October 2015, he claimed that "*creating a good brand image is crucial to secure the group's position and enjoy markets that were unattainable to Tunisian companies*" (*see Exhibit 28*). As mentioned in the literature review and as Hirvonen and Laukkanen, (2011) affirmed successful firms are more brand-oriented, and so more attentive to their perceived image.

This study will particularly focus on the unique olive oil brand CHO possesses: Terra Delyssa.

## **3.3. Beginnings:**

From 1996 to 2000, the group was aiming to gain production and distribution knowledge and to start exporting in bulk. A network was created to ensure a good flow between markets and consequently assure the quality. In order to avoid obstacles from a harsh competition, the

company first did not target the European market, but opted for new markets. In 2006, CHO started to turn its dream into reality, by building subsidiaries in their targeted markets. This strategic move had the purpose of using the bargaining power of local distributors to impose the group's brand name.

Three markets were at that time pointed: North America, Japan and Russia, non-traditional consumers who were seduced by the Mediterranean diet and who were greedy for olive oil.

In order to penetrate those markets where the consumers' papillae are not used to olive oil, the marketing strategy of the management team were centered on the origin, the know-how, the biological agricultural techniques and its subtle and delicate milder flavor that would not overpower any food. With regards to the brand image, managers did not dwell on that subject; they rather decided to do like successful brands and leaders.

Visual identity differentiation was not a priority for the growing traditional mill; all their marketing efforts were focused on trade. Indeed, the marketing team acknowledged a considerable budget to participate and organize international fairs in order to build strong relationships and to integrate a multitude of distribution networks. This plan of action had valuable results. In fact, those initiatives were awarded in 2006 by "The Export of the Year Award", the price of the largest exporter to the United States. This award, as being the first Tunisian brand exported is a victory against professionals and competitors who were suspicious about it.

However, that award did not encourage Mr. Makhloufi to refresh Terra Delyssa's image. Its packaging at that time was similar to the leaders'. It was by security and comfort to not take the risk to be different; it was more reasonable to align alongside successful brands. It is true that Tunisia is recognized as being a major player in the olive oil industry but only by professionals, not by lambda consumers.

As we can see in *the Exhibit 7-9* the logo had an olive fruit illustration, the colors were green to represent the olive and red to symbolize the Tunisian red flag. The shape of the bottle had rounded angles and the typography was a formal script type style.

### **3.4. The initiating effect of change:**

Through the years with a constant effort of improvements in production and distribution techniques, and with a special attention to guarantee quality, Terra Delyssa built up a strong

image and a solid position specifically in the United States, which became the company's pillar as well as an important source of revenues. In an interview held in 2015 on a Tunisian radio channel, the CEO claimed that Terra Delyssa ranking in USA is evolving from being the 87<sup>th</sup> in 2012 to the 12<sup>th</sup> best sold olive oil in 2015.

However, the firm did not rest on its laurels and did not forget its vision to be a global brand and strove to expand more and more. Contrary to their initial decision, in 2011 CHO decided to enter the European market.

Mr. Makhloufi and his managers adopted a selection criterion to target markets that consume the most and that are not producers. Here came the decision to penetrate the European market. Though, the company excluded the option to enter Spanish, Italian, Portuguese or Greek markets for 4 main reasons: first, those countries represent the total European production mass; second, they possess over 300 brands according to the International Olive Council (a considerable number of them are labeled A.O.C.); third these markets are self-sufficient. Fourth as Mr. Khalil Kammoun CHO's Business Development Manager highlighted, these countries have "patriotic consumption habits".

"*Seize market opportunities*" is the CEO's watchword. In 2011-2012 olive oil prices (between 4 main producers countries: Spain, Italy, Greece and Tunisia) dropped, as it is shown in *Exhibit 10*, from an average of 250 Euro/100kg to an average of 220 Euro/100kg respectively. It is in this market breach where CHO was determined to tackle the French market.

It is important to mention the strong economic and cultural relation between France and Tunisia. This alliance was a lever of development that has facilitated its entry. But in reality, the French market turned out to be much more complicated. Indeed, the market is run by powerful leaders: Puget, Bertolli and Carapelli (*see Exhibit 11*).

Despite this, CHO planned to have the same entrance strategy: to build a subsidiary and have an assigned team to penetrate the market by creating relations and negotiating with retailers. Medolio is the French subsidiary. When Mr. Makhloufi shared his plans to penetrate the French market with the current brand Terra Delyssa, Medolio managers were doubtful of its success.

What distinguishes Terra Delyssa from its competitors? Why will consumers trust its quality? And what should be done to push consumers to buy our products? These were the questions raised when the team met for the first time.

Rebranding and modernizing the image was a solution proposed by a member of the team, but it was not everyone's vision. Mr. Makhloufi questioned why rebranding would be necessary if the current brand has showed positive results and enabled the company to acquire a respectful position. Moreover, he believed that being visually similar to leaders is an asset, first because those brands have already acquired a high position in the industry, and secondly because consumers will consider it familiar (since they have the same graphic codes).

After further discussions, meetings and brainstorming with all the subsidiaries, the Headquarter was finally convinced by the relevance of this strategy.

### **3.5. Terra Delyssa nowadays:**

It was in 2012, when Mr. Makhloufi and his representative in the US took the final decision to rejuvenate Terra Delyssa. It was a tough decision; and they recognized the importance of this issue. It is not just a marketing plan; it is bigger than that and riskier. This is in fact the reason why the board of directors is the one who took the decision to initiate the project.

Considering this delicate challenge, CHO group called out a professional designer Bruce Hale. He is founder of a design firm specialized in launching, strengthening and transforming brands. To understand the Terra Delyssa brand identity, he first did some historical research.

#### **3.5.1. Terra Delyssa, a brand inspired by history:**

The brand is named after the Phoenician Queen Elyssa, founder and first queen of ancient Carthage in 814 before J-C. Elyssa fled Tyre, her origin land, with a few faithful allies and carried with her the agricultural knowledge of her country as well as many "treasures", such as the olive tree.

Thanks to Elyssa, the olive cultivation started to develop throughout the region, as well as almonds, figs, wheat, pomegranates and grapes. These products are exported all over the Mediterranean region and Carthage became a commercial, maritime and agricultural bastion.

To immortalize this installation in this new land and in memory of Elyssa, the Carthage coins were stamped with her effigy and that of the horse's head, evoking strength and prosperity (see here after).



Figure 5: Coins of Carthage between 460 BC and 100BC.

In tribute to this history, the management and the designer Mr. Bruce Hale have chosen to take the emblem of the horse as a logo, with an olive branch as a mane, and the name TERRA DELYSSA to create the brand, a symbol of olive oil quality, simple and proud of its origins.



Figure 6: New Terra Delyssa logo

With the purpose of redefining the brand presentation, the designer's goal was to keep Terra Delyssa heritage; in its aesthetic and in its story, in a contemporary market. And the company's goal was to have an unconventional bottle that distinguishes itself by its originality.

### 3.5.2. Terra Delyssa Graphic description

It was important to visualize shelves to design the packaging since the intermediaries between the company and the final consumers are retail stores. Therefore, an adapted packaging to both parties was taken into consideration. In order to adjust the bottles to shelves, different sizes have been created: 1L /0.75L /0.5L all at the same height (*see Exhibit 12 and 17*).

After the transformation, the brand image became easily recognizable. It is represented by original color codes compared to the market competitors and an engraved bottle that stands out from others (*Exhibit 13*).

The yellow color of the label gives a luminous effect and symbolizes the power of the sun over the olive trees in Tunisia. The black letters and logo bring elegance to the bottle.

### 3.5.3. Transformation Impact

Now the board of directors and the management team are very proud of their brand and its identity. As a consequence they adopted accordingly their marketing and communication strategies.

*“We now believe in power of visuals, and we are convinced that the first contact with the final consumer is the appearance”* stated Mr. Kammoun when I interviewed him.

Terra Delyssa built strong Firm Specific Advantages through the years which makes it unique and inimitable. Firm Specific Advantage, according to John Dunning definition of OLI paradigm, is the advantage that results from its resources and its long existence. The firm specific assets (or key success factors) are:

- An oil obtained from a sustainable agriculture ( no extra use of water and no use of pesticides)
- A fully integrated production that enables them to have 100% traceability and 100% quality control.
- An oil quality that is awarded several prestigious aggregations (*see Exhibit 14*)
- A packaging adapted to retailer’s shop
- An Inimitable bottle ( engraved with the logo and the name, trade marketed mold )
- The providence a large product line (*see Exhibit 15*)
- A delicate milder flavor, appropriate to European and US tastes.
- A digital presence ( websites and Facebook pages for each country ) ( *see Exhibit 16*)

Thanks to their confidence, their 5 operational branches (Canada, US, France, China and Tunisia) and the firm specific assets, the brand is now present in 20 countries, as shown in *Exhibit 18*. Since the refreshing in 2012, the bottle is present in more than 11,000 locations between US (Walmart) and Canada, over 2000 in Brazil, and represented in major grocery retail chains in France ( Monoprix, Auchan, Carrefour , Leclerc, Intermarché and Super U).

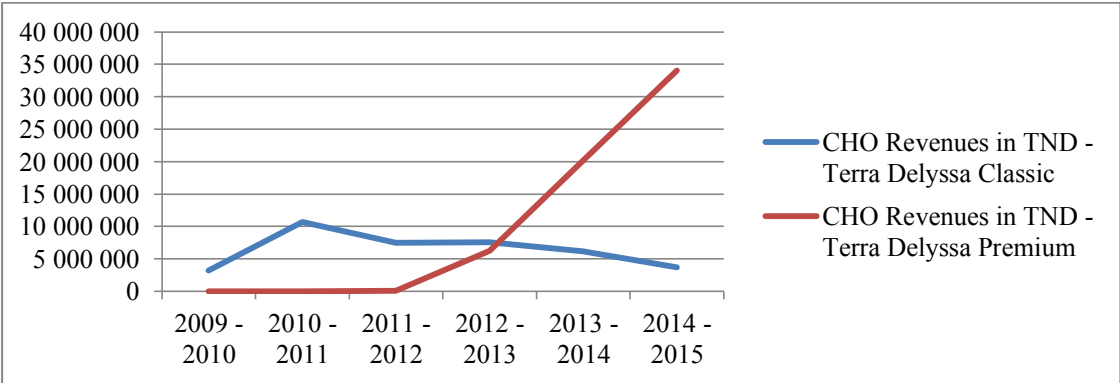
Terra Delyssa does not position itself as a premium olive oil but as an adequate olive oil for an everyday usage. In each market, the team identify the leaders in the middle range products and according to their prices Terra Delyssa is sold up to 5-10% less.

We can notice that the brand does no longer position itself as patriotic; indeed, during the meeting I had with the CEO Mr. Abdelaziz Makhoulfi, he insisted on the fact that the brand

does not represent Tunisia “we no longer identify our brand with ethnicity.” The design execution budget to rejuvenate the brand amounted to \$70 000. This amount was dedicated to the conception of the new identity of Terra Delyssa.

The managers of the company provided me with the revenues of Terra Delyssa Classic (old packaging) and Terra Delyssa Premium (new design) from 2009 to 2015 as well as the volumes sold to measure the effectiveness of the rebranding on the revenues volumes. The table shown in *Exhibit 19* presents the evolution of the sales of Terra Delyssa Classic, which is the old packaging, from 2009 to 2015. We can see in details the volume of sales in each country exported and distinguish the top demanding 3 destinations: Canada with total revenue of 19 851 294 TND, second Russia 12 550 785 TND, and thirdly USA 3 051 011 TND. France is also worth mentioning because of its role in Terra Delyssa history from 2010 to 2013 with a total revenue of 273 344 TND for the classic product line.

From the *Exhibit 19* and from the chart below we can understand the strategy that the company used to introduce the new line. CHO decided to smoothly withdraw Terra Delyssa Classic from the market since 2011 revenues were null in most of the countries targeted. However, among the aforementioned markets, Canada is the exception where the company did not remove Terra Delyssa Classic as radically as for the other markets as it represented 51% of CHO’s market distribution (*see Exhibit 20*).



**Chart 2: Evolution of CHO revenues for Terra Delyssa Classic & Premium from 2009 to 2015 ( source: CHO Group)**

In order to replace and introduce with prudence the new packaging, the company focused on two major markets in 2012, USA and France as shown in *Exhibit 21*. CHO targeted more specifically the French market which now represents 29% of its market distribution exactly like USA. However, the company still holds its largest market distribution in Canada, even with the premium line weighting 40% of sales on the global market. Moreover, we can notice

from the graph above that the revenues of Terra Delyssa premium are extremely high in comparison with the highest revenues of Terra Delyssa Classic between 2009 and 2015. We may deduce that the company decided to push its production and made a higher inventory available.

In point of fact, on the table below we can see clearly the moves of CHO and how the volume in tons sold for the classic bottle decreased by 61.20% through the years while the volume sold of the Premium line increased exponentially by 36511.80% from 2011 to 2015. This confirms our previous hypothesis.

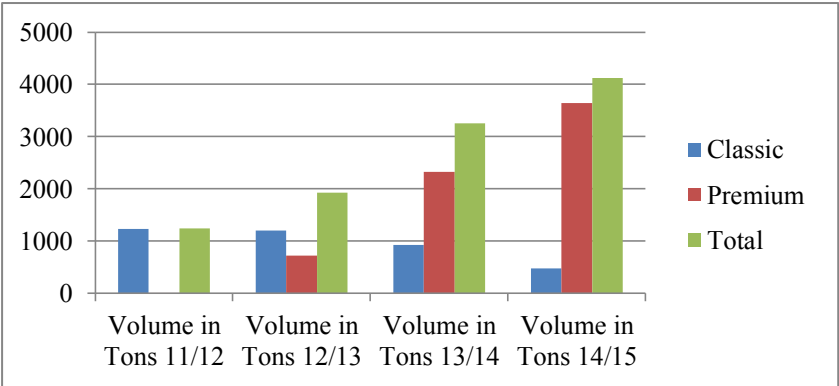


Chart 3: Evolution of sales volume in tones from 2011 to 2015 (source: CHO Group)

The revenues have the same shape we can observe an increase in revenues for the new bottle of 41509.73% and a decrease of 50.60% for the classic bottle.

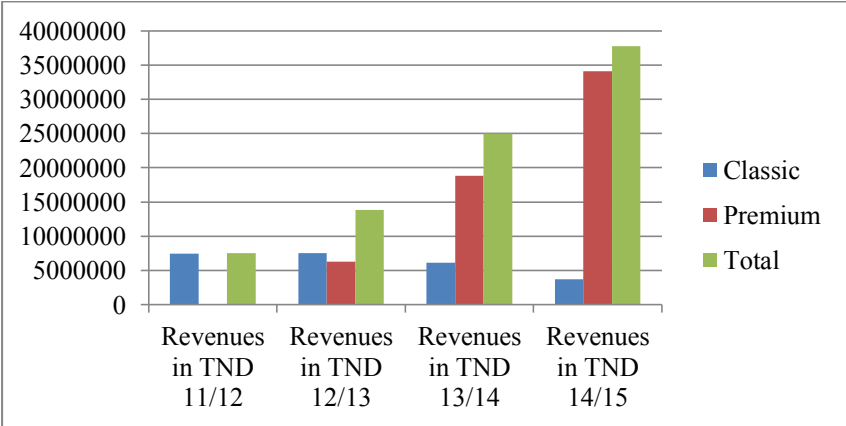


Chart 4: Evolution of CHO revenues from 2011 to 2015 (source: CHO Group)

**3.6. CHO challenge:**

Mr. Abdelaziz Makhloufi , the group’s CEO had the vision to be a global exporter of Tunisian olive oil, like the majority of Tunisian olive oil producers. But he has a bigger dream; the one

building his own brand. This project, 20 years ago, was considered a very risky initiative. Indeed, in the local market, the importance of distribution and marketing of olive oil in bulk and the consumers' habits to purchase olive oil in this format do not encourage the practice of packaging and bottling it. In the international market, Tunisia traditionally used to sell its "yellow gold" in bulk to Mediterranean Countries (Spain, Italy) which are responsible for bottling would reap the gains.

It is noteworthy to say that the sale of olive oil in bulk is prohibited in European countries; all sales to consumers should be conditioned. This requirement is dictated by considerations of hygiene, health control and promotion. Consequently, the Tunisian olive oil brands could not develop themselves in the bottles field. This barrier is also due to the absence of A.O.C. products (Controlled designation of origin) and the absence of marketing strategies. Fierce competition from large European brands (Global leader and First world exporter); the lagging in promoting Tunisian olive oil and its image to new markets (US, Canada, Japan...), further contribute to this barrier. Moreover, the marketing of packaged olive oil is held by large commercial brands (Carpelli, Carbonell, Agra, Bertolli, Puget etc.). They invested massively on the marketing level and on labeled products (A.O.C.).

## **4. Market Research**

In order to tackle the problematic of my thesis on how a packaging strategy may be a competitive advantage and thus boost the brand, I firstly had to act on the research questions addressed previously by collecting primary data. For that sake I launched an online survey with the aim of better understanding the consumer behavior and perception toward olive oil packaging and more precisely Terra Delyssa packaging.

### **4.1 Online Survey**

Three weeks after the launch of the survey, I gathered 148 completed answers. The objective was to gather the perceptions from people that are neutral toward the brand Terra Delyssa; which means people who have no experience or knowledge about the brand but who have a basic understanding of olive oil in general. I launched the survey on a social network platform targeting Portuguese and Tunisian. In order to have a more diversified panel, the survey was also sent to acquaintances in order to seek a wider age range and to have more various answers.

The survey provides situations where the respondents have to choose, or order by preference, olive oil bottle (all not marketed in both countries). This situation put the participants in a visual and feelings decision making context.

#### **4.1.1 Sample Description:**

My purpose is to study the reaction, the perception and the attitude of a consumer toward an olive oil design, and more specifically toward the brand Terra Delyssa. Since Terra Delyssa is exclusively sold in supermarkets (meaning that there is no intermediary between the final consumer and the product) it was essential to examine a sample that has no experiment with the final product but with olive oil in general. Portuguese and Tunisians were the two populations targeted. Both populations have no experience with that brand (even Tunisians do not know Terra Delyssa as it is a 100% exporter).

My sample was more or less equally distributed regarding my focus, indeed it is composed by 48.99% of Tunisian and 42.95% Portuguese. The remaining 8.05% are French, Italians and Germans (*see Exhibit 22*).

40.27% of my sample was aged between 15-24 years old, 35.57% aged between 25-34 years old and 18.12% aged between 45 and 60 years old.

Over the 148 respondents 46.98% are employed full time and 43.62% are still students. The majority of my sample (43%) have a monthly family income that vary between 2000€ and 5000€ followed by respondents who have a monthly family income between 1000€-2000€ (28.2% of all respondents).

30.9% of the segment noted their household composition of 4 members and 22.8% of the respondents have a household composed of 3 members. Those demographic measures and figures help us analyze deeply the attitudes and behaviors of my sample.

**4.1.2 Attitude analysis**

The survey was designed in a way I can interpret and identify the respondents' behavior toward the olive oil in general and their sensitiveness toward intrinsic and extrinsic attributes when it comes to purchase decisions.

On a first hand from all the participants, 93% consider themselves as olive oil consumers 43.5% among them are Portuguese and 48.6% Tunisian.

**Crosstab**

			Do you consider yourself as an Olive oil consumer ?		Total
			Yes	No	
Nationality	Portuguese	Count	60	4	64
		%	43,5%	40,0%	43,2%
	Tunisian	Count	67	5	72
		%	48,6%	50,0%	48,6%
	Other	Count	11	1	12
		%	8,0%	10,0%	8,1%
Total		Count	138	10	148
		%	100,0%	100,0%	100,0%

**Table 1: Cross-tabulation: Nationality and consumption of olive oil**

On a second hand, it is interesting to see that only 22.2% of participants who qualify the olive oil as a commodity are Portuguese compared to 73.3% of respondents who characterize it as that are Tunisians (see Exhibit 23). In addition, we can say that more males consider the olive

oil as a luxury product. In fact 15.4% of males consider olive oil a luxury product against only 7.2% females. This may be related to cultural facts (*see Exhibit 24*).

Regarding the frequency of use, 61.5% of my sample is using olive oil on a daily basis. It can be explained by the fact that both countries have the Mediterranean diet and consume olive oil as a basic condiment (for cooked and uncooked dishes). 29.1% of participants are Portuguese and use it on a daily basis and 27.7% are Tunisians.

In the 9<sup>th</sup> question of the survey, (*see Exhibit 22*) a panel of foreign (non-Portuguese and non-Tunisian) olive oil brands was presented. The participants had to rank them from the -more likely to buy- to -less likely to buy-. The respondents had to judge according to their own perception provided visual stimuli. The question is followed by a set of elements that may or may not help the participants make their choice. The question has as objective to identify which attributes the sample of consumer is most sensitive to. The results presented in question 10 of the *Exhibit 22* show the average value of each element. Based on that, the highest mean is Color with an average of 65.64; followed by the Relevance of the information and the Shape of the bottle (respective averages are 54.58 and 54.10). The Logo has a mean of 52.80 and the Typography 52.22. We can see that those averages are close to each other. The last element that may influence participants is the Brand name with a mean of 42.84.

With the same objective as the previous one, question 15 of the survey helped determine the most important factors during the act of purchasing 1L of Olive oil in a supermarket. There are 3 factors that emerge as extremely important for the participants: Quality (63.51%), Type of olive oil (41.22%) and the Origin (39.19%). The majority of the sample rated the Price factor as being moderately important with 39.86%. Thus, the participants are moderately sensitive to the price.

Regarding the diversity of products the participants are divided, 40.23% think that this factor is moderately important in the purchase decision of 1L of olive oil; but a considerable 20.95% think that diversity is not at all important.

The least important factor to the respondents is the product's place on shelves; this is the opinion of 33.11% of the participants.

To conclude on the habits and attitude of my survey's participants, I ended it by asking if participants would be more inclined to purchase a product according to its aesthetic than a

cheap one. 37.16% agree somehow with this statement and 27.03% agree completely. 100% of participants who strongly agree with the fact that they are more inclined to purchase a product according to its aesthetic regardless of its price consider themselves as olive oil consumer. However 66% of the samples who strongly disagree with this allegation are aged between 15 and 24 years old, while the age range who agrees the most (33%) are aged between 25-35 years old.

## **5. Conclusion**

This report intends to study the effect of a new packaging which is, in Terra Delyssa's case a rebranding strategy. The Literature review, the Case study and the Market research helped answering the purpose statement and the research questions.

### **RQ1: What is the effect of visual stimuli on consumer's mind?**

The 5 senses have an influence on consumers' perception, opinion and experience. Professor Schmitt (1998) asserts that customers are driven by emotions, and marketers should develop those influential factors with the experiential marketing.

Vision is a sense that may provoke positive or negative feelings. If it is a positive feeling, Jinkam and Suwannaporn (2015) believe that it generates satisfaction and enhances perception. Meanwhile, Schmitt and Simonson (1997) believe that in consumer behavior stimulating the senses is the initial step that initiates a feeling, a thought, an association and a reaction. As a matter of fact, a visual stimulus is the logo, the packaging, the product design, the pattern, the shapes and the pictures. Together those attributes induce a subconscious reaction of familiarity or affinity; they also shape consumers' opinions and expectations and may represent a proxy for quality. Additionally, consumers associate graphical components as colors, typography, shapes and images with packaging characteristics. As Ampuelo and Vila (2006) conclude in a study, cold and dark colors with bold typography are connected in consumers' minds with elegance and premium products; light and white colors with illustrations are associated to accessible products; whereas, warm colors and vertical lines and shape are perceived as being representative of quality.

According to the 10<sup>th</sup> question of the survey we can see that the majority of the sample based its choice of purchase of an unknown olive oil brand on Colors.

### **RQ2: Does packaging influence purchase decision?**

In this particular case of Food products where they are sold in supermarkets, the consumers are usually unattended during their purchases. In line with Vidales Giovanetti (1995), the packaging is the “silent salesman” or the matchmaker. It is also a way to differentiate from competitors, which gives a key competitive advantage especially when it comes to commodity products.

Moreover, Terra Delyssa’s CEO Mr. Abdelaziz Makhoulfi and his team strongly believed that the visual appeal is the main factor that generates the first purchase. When the decision to rejuvenate the brand image was taken, the company was more confident toward its future by expanding to riskier countries (France) and it paid off. With the information provided by the company we can notice that there is an exponential growth of the revenues since the rebranding in 2012. In fact between 2011 and 2015, revenues increased by 41509% of the Premium bottle. This is further reflected by the survey results given that 32.43% of the survey’s participants believe that the design and the packaging are moderately important, and 64.19% agree -or somewhat agree- with the statement that they would be more inclined to purchase a product because of its aesthetic than its low price.

Moreover I used cross tabulation to identify an existing relationship between Gender and the factors “Design and Packaging” that may influence the purchase decision of 1L of olive oil in the supermarket: this relation is significant since the expected frequencies in each cells of the table are 20% less than 5 cells (*see Exhibit 25*).

### **RQ3: Are Portuguese and Tunisians sensitive to extrinsic attributes of an olive oil bottle?**

Packaging design is considered as being an extrinsic sensory attribute of food products. I investigated if both nationalities are responsive to these stimuli on the olive oil bottles in general. From *Exhibit 26* we can notice that Tunisians are more receptive than Portuguese to the Design and Packaging factor during their purchase decision of 1L of olive oil in the supermarket, 18.2% of participants are Tunisians and believe that the Design and packaging factor is very important while 17.6% of respondents are Portuguese and think that this factor

is moderately important. It is essential to say that both indicators represent the majority. In this sample, 21.6% are Portuguese and are somewhat more inclined to purchase a product because of its aesthetic whereas 16.2% of participants are Tunisians and agree that they would be more inclined to purchase a product because of its appearance than its low price (*see Exhibit 27*).

Both nationalities are responsive and sensitive to the extrinsic attributes. However we can notice a slight difference in involvement.

#### **RQ4: What is the impact of the new design on the brand Terra Delyssa?**

As stated earlier, the company is more confident and proud about its product and dares to enter new markets. CHO's guarantees the good quality of its olive oil by using the best method of extraction; its know-how is a prerequisite. Nevertheless the management team relies nowadays on its aesthetic (packaging) as an added value, and consequently turned their marketing communication strategies toward that.

To analyze thoroughly the real impact of the new design, the survey presented a part where respondents had to give their opinions and preferences on the classic bottle of Terra Delyssa (the old one) and the premium one (the new one). Photos of the product and the logo were presented and according to that, participants had to answer the questions. This method has as purpose to catch the brand perception now and before.

On the question 13 of the questionnaire pictures of the new product line and logo were introduced. Participants had to rank their first impression on an average base. The impression that stands out the most and was ranked the highest with an average value of 67.57 is that this specific packaging will allow recognizing the brand more easily. The second highest average is 64.57 and reports the added value of having different packages size. With an average of 54.85, respondents believe, from what they see that the brand is a premium one. It is important to note that participants with an average of 48.30 state that they are -moderately likely to buy the product-. Based on that question, 48% of respondents consider the price range of Terra Delyssa to be between 6€ and 9.45€. If we compare with the real market price of 1L of Terra Delyssa Extra Virgin 5.99€, we can notice that the sample believes it has a higher price. This is in accordance to their belief that it is a premium product. In reality, the product positions itself as a middle range product. According to the questionnaire results, we

can assume that respondents had a strong positive perception of Terra Delyssa. It is exactly the signal that CHO wants to convey in order to attract consumers.

Then, the old packaging and logo were presented. 67% of participants perceive that this bottle expresses tradition while, 47% believe that it reflects the content of the bottle. In a supermarket, the rate of failure is extremely strong, especially for low-involvement product. Hence it is crucial to be distinguishable and recognizable in order to secure second time purchases and customer loyalty. For the old packaging, 23% of respondents think that it is easy to recognize. We can discern the clear difference between the old and the new bottle. The sample considers that with the new packaging the brand is more recognizable.

Finally 61% of my sample (a large majority) opt for Terra Delyssa Premium over Terra Delyssa Classic (39%). 32% of respondents who preferred Terra Delyssa Premium chose it because of its modernity, and 36.1% of respondent who picked Terra Delyssa Classic made that choice because it inspired tradition to them.

**Choice Premium/ Classic\*\$AttributesChoicePremiumClassic Crosstabulation**

			Attributes between Choice 1 and 2 <sup>a</sup>						Total
			Modernity	Tradition	Simplicity	Sophistication	Authenticity	Creativity	
If you had the choice between the first and the second product, which one will you choose?	Terra Delyssa Premium	Count	58	8	24	36	19	36	181
		% within Q4_4	32,0%	4,4%	13,3%	19,9%	10,5%	19,9%	
		% within \$AttributesChoicePremiumClassic	93,5%	18,6%	53,3%	85,7%	42,2%	87,8%	
		% of Total	20,9%	2,9%	8,6%	12,9%	6,8%	12,9%	65,1%
	Terra Delyssa Classic	Count	4	35	21	6	26	5	97
		% within Q4_4	4,1%	36,1%	21,6%	6,2%	26,8%	5,2%	
		% within \$AttributesChoicePremiumClassic	6,5%	81,4%	46,7%	14,3%	57,8%	12,2%	
% of Total		1,4%	12,6%	7,6%	2,2%	9,4%	1,8%	34,9%	
Total	Count	62	43	45	42	45	41	278	
	% of Total	22,3%	15,5%	16,2%	15,1%	16,2%	14,7%	100,0%	

Percentages and totals are based on responses.  
a. Dichotomy group tabulated at value 1.

**Table 2: Cross-tabulation Attributes of choice between Terra Delyssa Classic and Premium**

In conclusion, the new packaging is impacting positively on the brand and enhancing its brand image. Its modernity makes it recognizable, which is an essential attribute in a retail store where the visual is the only vis-à-vis with the final consumer. This rejuvenation pulls up consumers’ perception: for some, it is considered as a premium olive oil set in a higher price range.

According to the researchers, the special case of Terra Delyssa and the survey’s outcomes, I can draw the conclusion that in the Food industry the first impression is crucial for the

sustainability of the product. Indeed, if the brand image is carefully designed and managed following a predefined framework such as the Corporate Aesthetic Management framework or by targeting specific positioning statutes as suggested by Blankson and Kalafatis based on consumer's perception. Terra Delyssa refers to the "noble principle" positioning that targets middle class.

CHO group dedicated 70 000\$ for the design execution budget, they believed in the power of packaging and its role in competitive markets. The financial results of the company prove the positive impact of this strategy.

## **5. 2 Limitations and Future Research**

During the elaboration of the dissertation, which has the purpose of studying how packaging can boost a brand and be a competitive advantage, I faced some constraints. This case treats packaging as being a marketing strategy in the Food industry. Through research, I came to understand that this industry is extremely competitive, and strategies are not divulged. Even academic research on food industry is not accessible which restrains my finding fields. Regarding the availability of information, in relation with the previous reasons, the company was initially hesitant to provide quantitative information.

Another challenging constraint that I faced was during the launch of the questionnaire. In order to avoid any bias and have complete objective answers, my survey targeted Portuguese and Tunisians. The objective was to have equally distributed answers. Yet, collecting answers from was difficult. Moreover, despite the efforts to ensure diversity the sample was mostly composed of people aged between 15 and 24 years old.

Regarding future research, it would be recommended to study the evolution of the brand's positioning in current markets. In this extremely competitive industry, 4 years of existence is not sufficient to build a recognized brand in the market. It is also possible to assess the perception of consumers after tasting sessions.

## **6. Teaching Notes**

### **6.1 Synopsys**

Terra Delyssa is a Tunisian olive oil brand belonging to CHO group; it was founded in 1996 by Mr Abdelaziz Makhloufi. The group is specialized in collecting and crushing olives, it

exports all its production in bulk and in bottle. It is a premiere in Tunisia to have an exported brand of olive oil; in general Tunisian producers sell their “yellow oil” in bulk to European countries with no brand name.

Terra Delyssa is today present in 20 countries and represents 20% of total Tunisian export of olive oil. This was possible thanks to their presence in international fairs and lately thanks to their rebranding strategy: new packaging design.

USA and Canada are the pool markets of the brand. Terra Delyssa is targeting exclusively countries that are not producers of olive oil but that are nonetheless consumers. Moreover it took advantage of the global trend of the Mediterranean diet.

In 2011, the company had the objective to penetrate the French market and it is at this point where transformation occurred. Actually, a rebranding strategy was adopted. Its objective was to differentiate the product and make the brand more appealing.

The focus here is to study if this strategy is effective, and what are the drivers that led the company to adopt this approach.

## **6.2 Target Audience**

The case study “Terra Delyssa: A Visual Heritage to Triumph in Contemporary Markets” is suitable for both Undergraduate and Master students in Business Administration, Marketing or Strategy. More specifically, Terra Delyssa case is adequate to courses such as Marketing Management, Strategic Marketing, Brand Management, Consumer Behavior, and Advanced Strategic Management.

## **6.3 Teaching Objectives**

The case presents relevant approaches and modern theoretical concepts that are constructive for students:

- 1- Food industry and more specifically Olive oil industry trends: How is it evolving
- 2- How to rejuvenate a brand that has a low involvement, and why is that important
- 3- What can be the causes of a rebranding strategy
- 4- Senses as influencers on the customers’ purchase decisions
- 5- Introduction to Experiential Marketing
- 6- According to the case study and questionnaire findings, understand to what extent does a new packaging change brand perception.

## 6.4 Teaching Plan

It is important that students come prepared to the class, for that sake 2 readings are recommended: the first presents the concept of CAM Framework and the second one is which packaging attributes can influence perception:

- Bernard Schmitt, (1999),"Experiential marketing: a new framework for design and communications", Design Management Journal
- Olga Ampuero Natalia Vila, (2006),"Consumer perceptions of product packaging", Journal of Consumer Marketing, Vol. 23 Iss 2 pp. 100 – 112

### 6.4.1 In Class Discussion

At the beginning of the class a summary of the case should be made in order to ensure that students have a clear idea about the challenges that Terra Delyssa had faced and the measures that were taken to counter those challenges.

#### 1- Identify the trends of the Olive oil industry

- Globalization of the Mediterranean diet;
- Increase in number of importing countries, especially non-traditional countries ( USA, Canada, Russia and China are non IOOC members);
- Because of the 2006 economic crisis and the epidemic of the bacteria Xilella Fastidiosa in Italy , Europe imports fell;
- Europe is ranked as first producer ,exporter and in the world;
- Tunisia is the world's second largest exporter.

#### 2- Define and determine the stages of the Corporate Aesthetic Management Framework

##### Definition:

- Framework designed by researchers: Schmitt, Simonson and Marcus.
- CAM framework is a set of strategies that manage a full range of visuals in the form of product, logo, packaging, advertisement and showrooms;

##### Advantages:

- Reinforce marketing communication
- Lower the communication budget
- Influence decision and encourage purchases

- Add value to the company
- Create a competitive advantage

Stages of the CAM framework:

- 1°) Situation Analysis: assess 4P's of aesthetic management ( Physical asset, product, packaging/labeling, publication);
- 2°) Designing the aesthetic-strategy: image and identity consistent with the vision, mission goals of the firm;
- 3°) Build collection of design elements: implementation phase
- 4°) Aesthetic quality control: monitoring, tracking and adjusting.

**3- What are the causes of the rebranding strategy of Terra Delyssa**

- Competing on traditional markets in Europe , mainly France
- Differentiation
- Push the first purchase
- Boosting its image (rejuvenate)
- Market opportunities ( 2011-2012) drop of 13,63% in olive oil price of 100kg

**4- What is Terra Delyssa internationalization strategy?**

- Build subsidiaries in order to get a reliable knowledge of the new market
- Invest in international Fairs
- Build strong networks
- Target purely consumer-countries with a high growth rate as opposed to producer-countries.

## 7. Exhibits:

Exhibit 1: Trend of olive oil consumption (000t) (1990/91-2014/15)

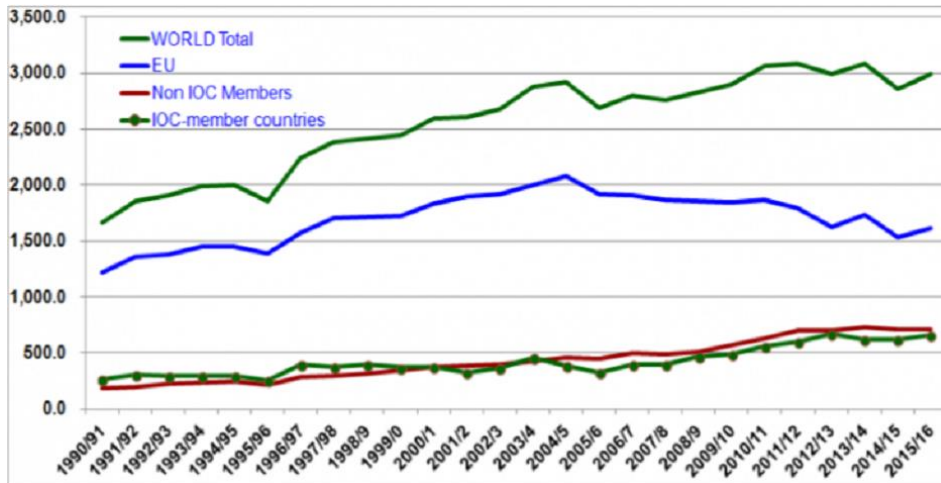


Exhibit 2: Trend of olive oil consumption in EU countries (000t)

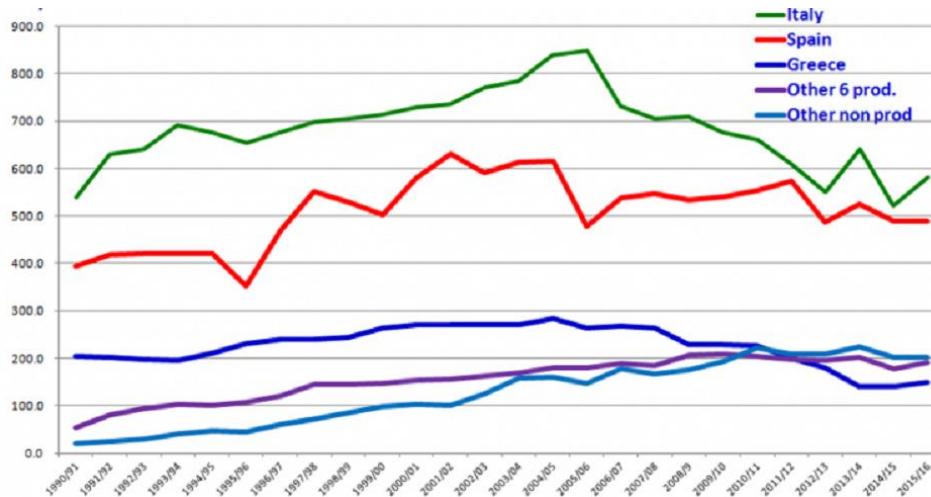


Exhibit 3: Consumption (000t) in non-IOC countries

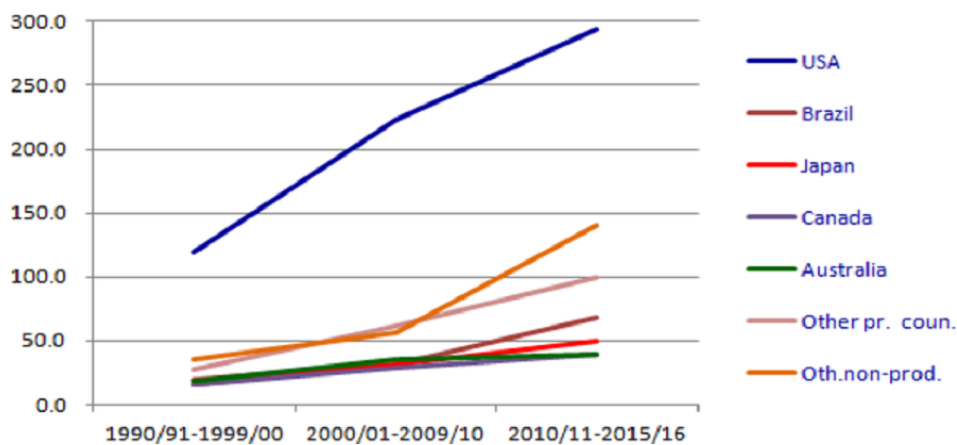


Exhibit 4: Global consumption in (000t)

Country	1990/91	2015/2016 (PREV)	Difference
Japan	4,0	60,0	1400%
United Kingdom	6,8	58,7	763%
Germany	10,3	58,2	465%
Brazil	13,5	66,5	393%
Russia	5,0	21,0	320%
France	28,0	103,0	268%
United States	88,0	308,0	250%
Portugal	27,0	74,0	174%
Turkey	55,0	124,0	125%
Spain	394,1	490,0	24%
Italy	540,0	580,8	8%
Greece	204,0	150,0	-26%
China	-	6,0	-
<b>Total</b>	<b>1.666,5</b>	<b>2.989,0</b>	<b>79%</b>

Exhibit 5: CHO GROUP activities







	<ul style="list-style-type: none"> <li>• Olive oil mills</li> <li>• Selection and storage of olive oil</li> <li>• Refining olive oil and olive-pomace oil</li> </ul>
	<ul style="list-style-type: none"> <li>• Packaging and bottling of olive oil</li> </ul>
 	<ul style="list-style-type: none"> <li>• Olive-pomace oil extraction</li> <li>• Production of Biomass</li> </ul>
	<ul style="list-style-type: none"> <li>• Full line of Olive oil based cosmetics</li> </ul>
	<ul style="list-style-type: none"> <li>• Distribution and service for agricultural equipment and olive oil mills</li> </ul>

Exhibit 6: SIAL Paris 2014, Terra Delyssa stand of 68 m².



Exhibit 7: Terra Delyssa first logo ( classic)



Exhibit 8 : Terra Delyssa Classic 0,5l



Exhibit 9 : Terra Delyssa Classic :advertisements



Exhibit 10: Movements in Producer Prices Average Extra Virgin Olive Oil

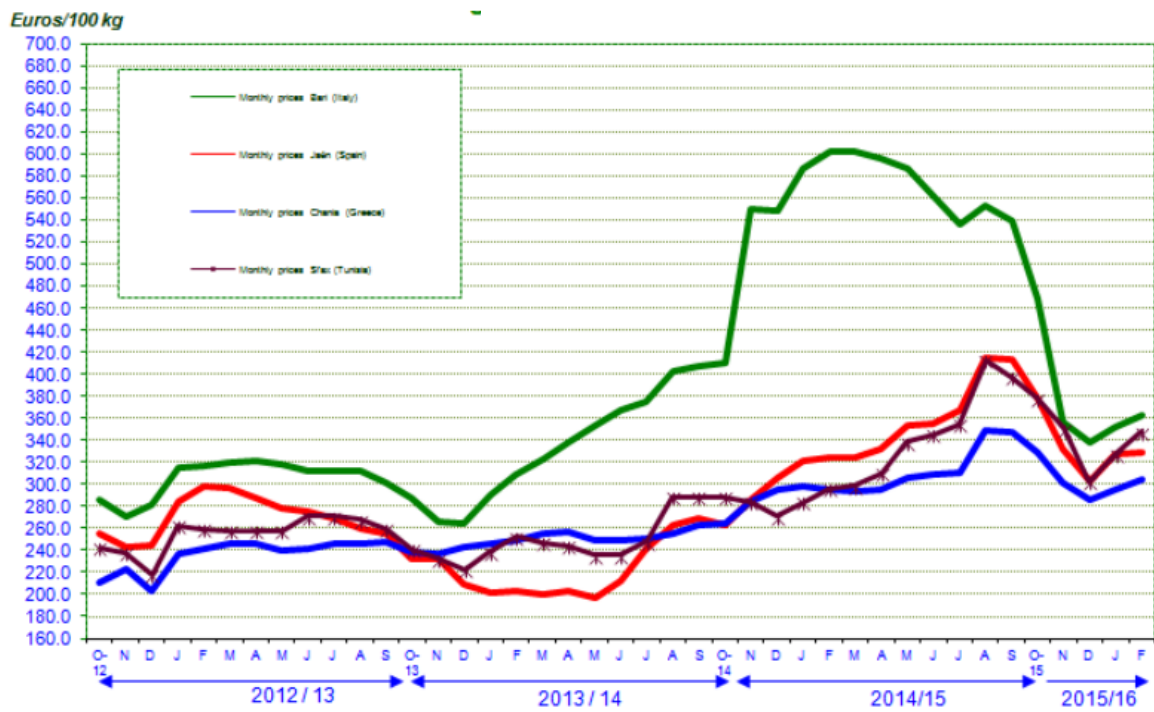


Exhibit 11: European Competitors



Bertolli Extra Virgin Olive Oil Packaging



Carapelli Extra Virgin Olive Oil Packaging



Puget Extra Virgin Olive Oil Packaging

Exhibit 12: Terra Delyssa new product line: Premium



Exhibit 13: Terra Delyssa Premium bottle details



Exhibit 14: CHO aggregations



Exhibit 15: Terra Delyssa Premium product line

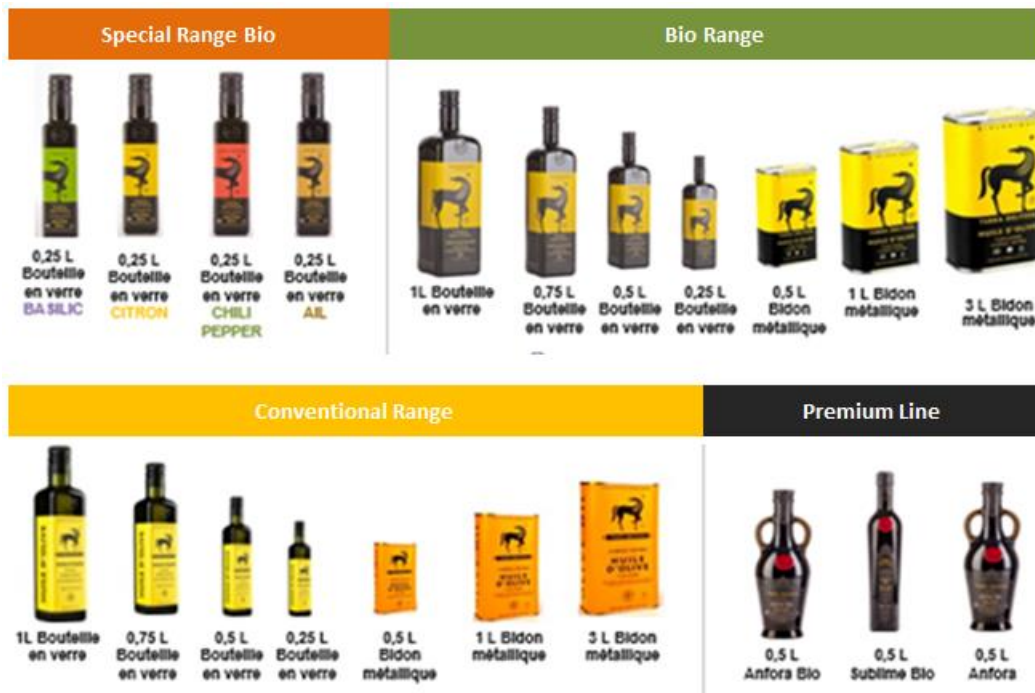


Exhibit 16: Facebook page and website



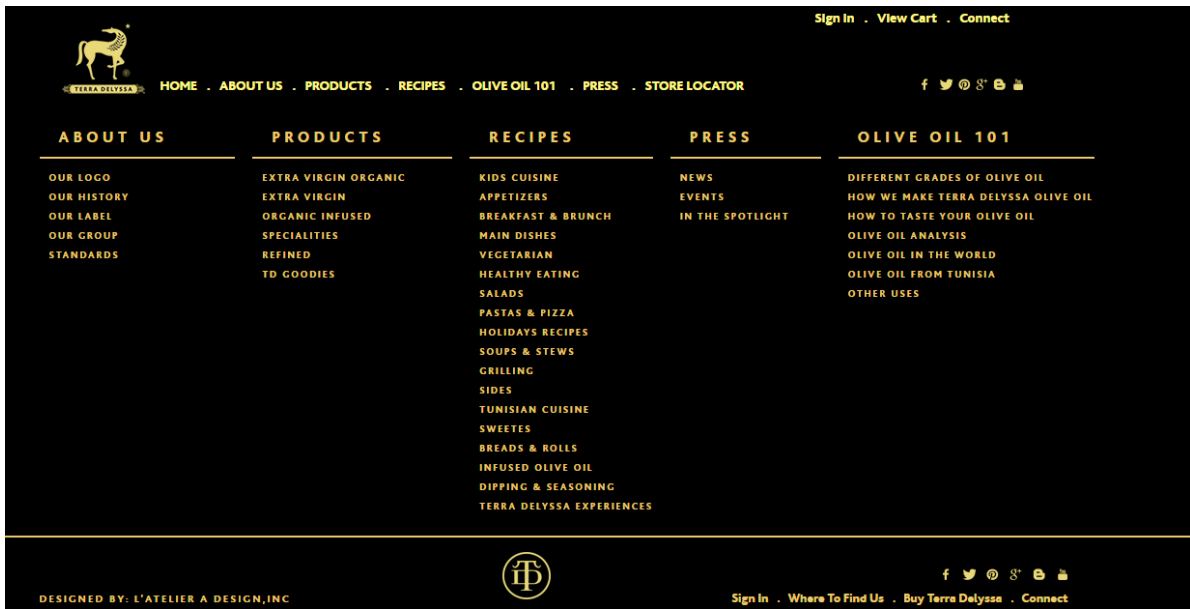


Exhibit 17: Photo of a retail shelf in France (5th level)



Exhibit 18: CHO World presence



Exhibit 19: Volume in Sales of Terra Delyssa Classic (2009- 2015), source CHO company

Volume in Sales (in TND) of TERRA DELYSSA CLASSIC from 01/10/2009 to 30/09/2015									
		2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	TOTAL Revenues in TND	Weight of Country Sales in Global Market
Brand	Customers by Country	Revenues in TDN	Revenues in TDN	Revenues in TDN	Revenues in TDN	Revenues in TDN	Revenues in TDN		
TERRA DELYSSA CLASSIC	Algeria	36 014	41 759	48 395	0	0	0	126 168	
	Austria	0	0	25 628	0	0	0	25 628	
	Canada	1 284 668	3 393 368	2 813 565	4 211 633	4 456 333	3 691 727	19 851 294	51,28%
	China	0	239 031	310 812	225 305	0	0	775 149	
	France	0	37 010	115 748	120 586	0	0	273 344	1%
	Gabon	0	0	14 028	0	0	0	14 028	
	India	0	0	20 652	0	0	0	20 652	
	Italy	0	80 556	0	0	0	0	80 556	
	Kingdom Saoudi Arabia	0	0	51 774	0	0	0	51 774	
	Koweit	0	5 921	0	0	0	0	5 921	
	Lybia	154 342	371 234	166 965	121 815	0	0	814 355	
	Oman	0	38 291	77 246	0	0	0	115 537	
	Qatar	0	58 669	27 597	0	0	0	86 266	
	Russia	1 304 878	4 596 576	2 456 608	2 505 176	1 687 547	0	12 550 785	
	Switzerland	1 020	0	6 908	0	0	0	7 928	
	Sweden	575	33 467	0	0	0	0	34 042	
	Taiwan	47 682	0	0	0	0	0	47 682	
	Tunisia	338	1 557	0	0	0	0	1 895	
Ukraine	153 860	92 301	207 696	361 833	0	0	815 690		
USA	228 555	1 699 628	1 122 828	0	0	0	3 051 011	7,87%	
<b>Total</b>		<b>3 211 933</b>	<b>10 689 367</b>	<b>7 466 450</b>	<b>7 546 349</b>	<b>6 143 880</b>	<b>3 691 727</b>	<b>38 749 705</b>	
Canada		40%	32%	38%	56%	73%	100%	51%	
France		0%	0%	2%	2%	0%	0%	1%	
USA		7%	16%	15%	0%	0%	0%	8%	

Exhibit 20: CHO Market Distribution

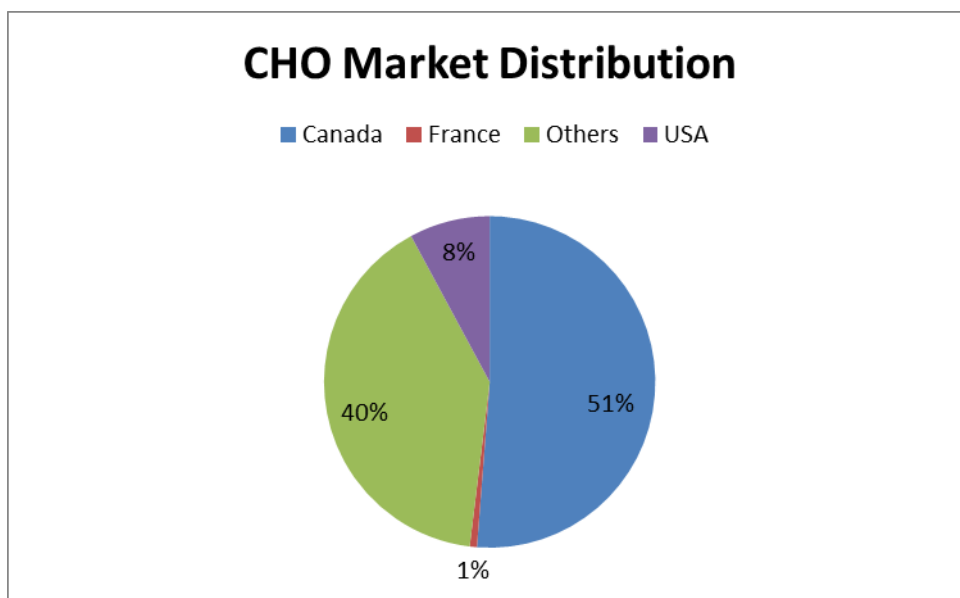
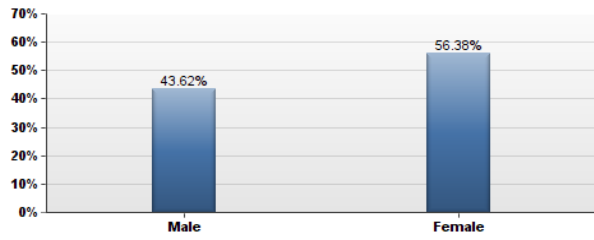


Exhibit 21: Volume in Sales of Terra Delyssa Premium (2011- 2015)

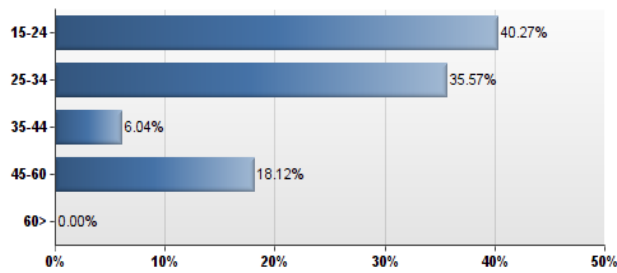
Volumes in sales ( in TND) of TERRA DELYSSA PREMIUM since rebranding at 30/09/2015								
		2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015		
Brand	Customers by Country	Revenues in TND	Revenues in TND	Revenues in TND	Revenues in TND	Revenues in TND	TOTAL Revenues by Country	Weight of Country Sales in Global Market
TERRA DELYSSA PREMIUM	Germany	0	0	580	0	0	580,323	
	Canada	0	0	1 927 578	7 940 085	14 202 895	24070558,552	40%
	China	0	0	197 159	9 880	0	207038,828	
	South Korea	0	0	0	0	4 436	4436,471	
	Republic of the Ivory Coast	0	0	0	0	0	0,000	
	France	0	48 282	2 733 450	6 525 950	8 355 634	17663316,216	29%
	Irak	0	0	0	123 355	0	123354,594	
	Russia	0	0	0	32 164	0	32164,106	
	Serbia	0	0	0	0	64 515	64514,608	
	Taiwan	0	0	0	0	121 387	121386,768	
	Tunisia	948	2 810	15 336	20 446	4 400	43939,076	
	Ukraine	0	0	0	446 557	0	446557,307	
USA	0	30 798	1 397 723	5 083 289	11 265 359	17777168,918	29%	
<b>Total</b>		<b>947,52</b>	<b>81889,78294</b>	<b>6271826,799</b>	<b>20181725,35</b>	<b>34018626,31</b>	<b>60555015,768</b>	
<b>Canada</b>		<b>0%</b>	<b>0%</b>	<b>31%</b>	<b>39%</b>	<b>42%</b>	<b>40%</b>	
<b>France</b>		<b>0%</b>	<b>59%</b>	<b>44%</b>	<b>32%</b>	<b>25%</b>	<b>29%</b>	
<b>USA</b>		<b>0%</b>	<b>38%</b>	<b>22%</b>	<b>25%</b>	<b>33%</b>	<b>29%</b>	

## Exhibit 22: Survey's Results

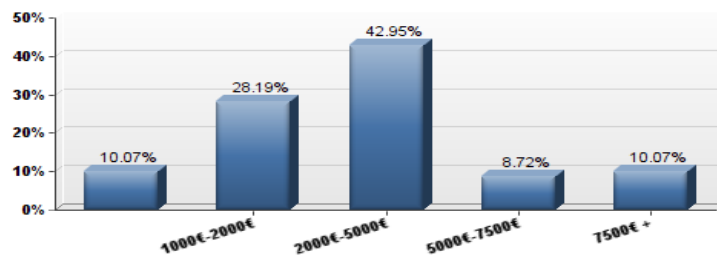
### 1- Gender



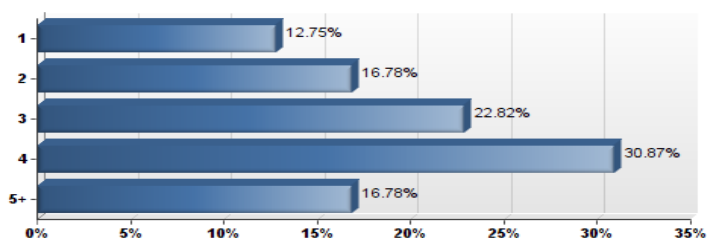
### 2- Age



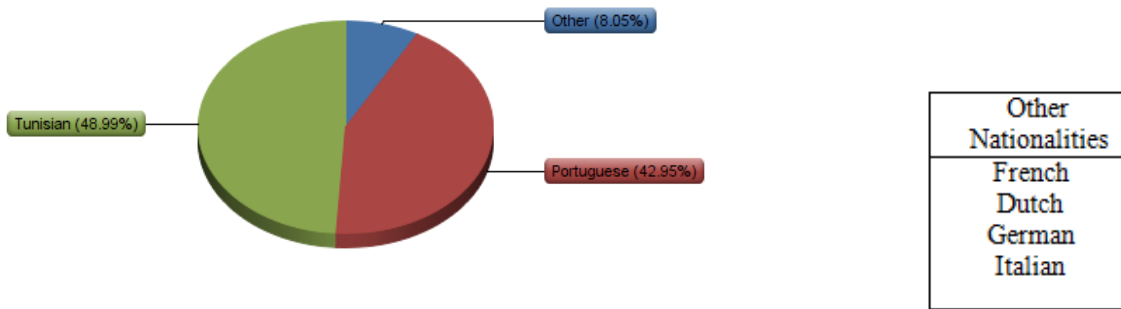
### 3- Family income per month



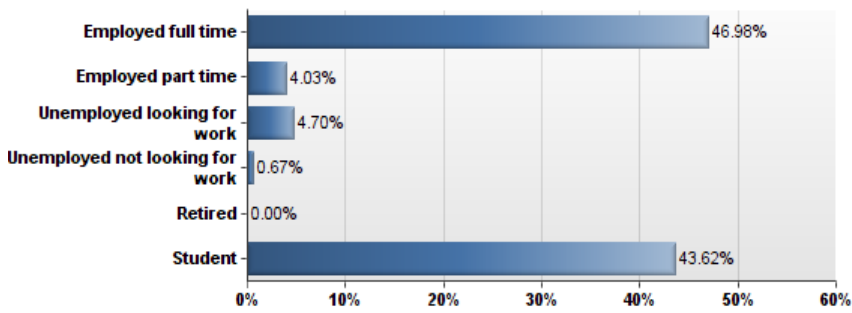
### 4- Members in the household



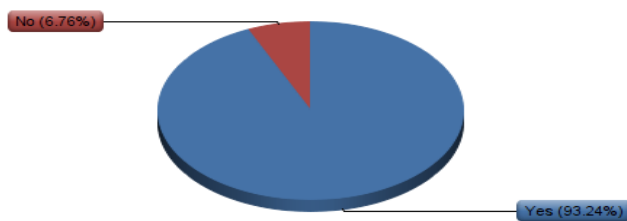
### 5- Nationality



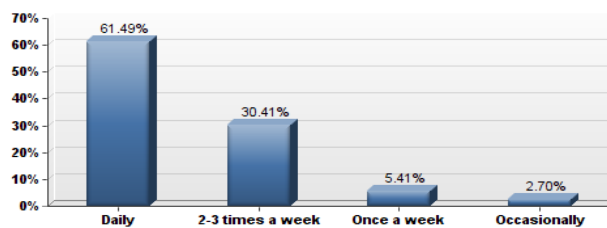
### 6- Professional Statute



### 7- Do you consider yourself as an olive oil consumer?



### 8- What is your frequency of use of olive oil?

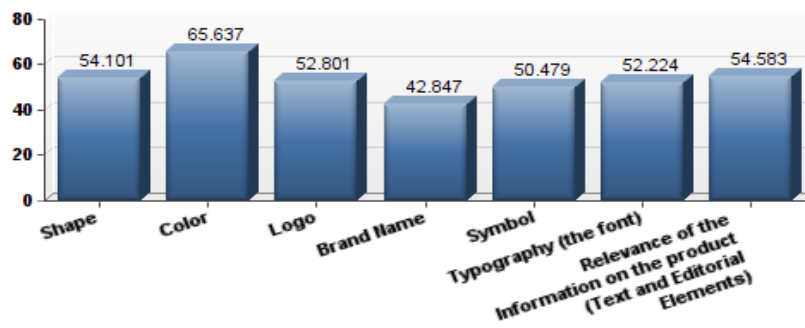


9- Hereby are foreign olive oil brands, all in the same range price, can you please rank by order of preference? ( 1 most likely to buy to 8 less likely to buy)

#	Answer	1	2	3	4	5	6	7	8	Total Responses
1		37.84 %	22.97 %	14.19 %	10.81 %	5.41 %	4.73 %	0.68 %	3.38 %	148
2		10.81 %	21.62 %	6.76 %	6.76 %	6.08 %	11.49 %	12.84 %	23.65 %	148
3		12.16 %	14.19 %	31.08 %	16.22 %	15.54 %	7.43 %	2.70 %	0.68 %	148
4		6.76 %	10.81 %	8.11 %	20.95 %	9.46 %	11.49 %	19.59 %	12.84 %	148
5		10.14 %	5.41 %	6.76 %	14.86 %	35.81 %	15.54 %	6.08 %	5.41 %	148

6		4.05 %	9.46 %	14.19 %	13.51 %	10.14 %	29.05 %	15.54 %	4.05 %	148
7		7.43 %	4.05 %	6.76 %	2.70 %	7.43 %	12.84 %	35.14 %	23.65 %	148
8		10.81 %	11.49 %	12.16 %	14.19 %	10.14 %	7.43 %	7.43 %	26.35 %	148
Total		148	148	148	148	148	148	148	148	-

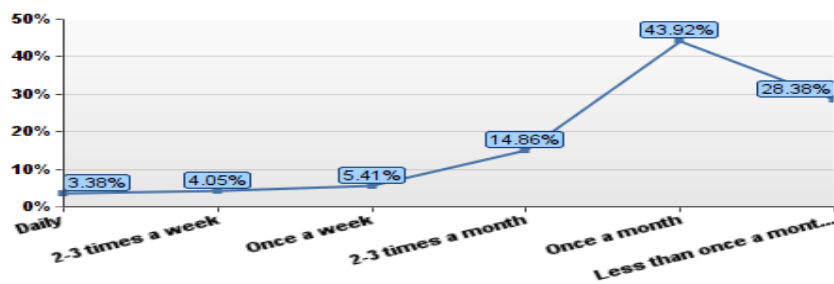
10- Based on which elements did you do your choice for the last question : ( using average values)



11- Do you sort Olive oil as:

#	Answer	Response	%
1	A commodity	45	30%
2	A normal good	87	59%
3	A luxury product	16	11%
	Total	148	100%

12- How often do you shop olive oil?



Here below are the product line and the logo of an olive oil brand: Terra Delyssa originated in Tunisia

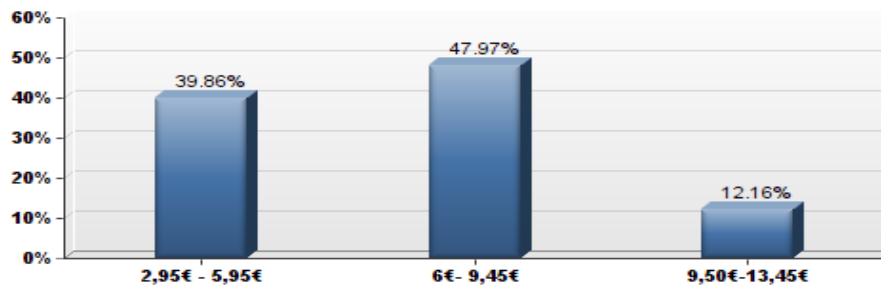


13- What is your first impression about this brand ? Please rank from 0 to 100

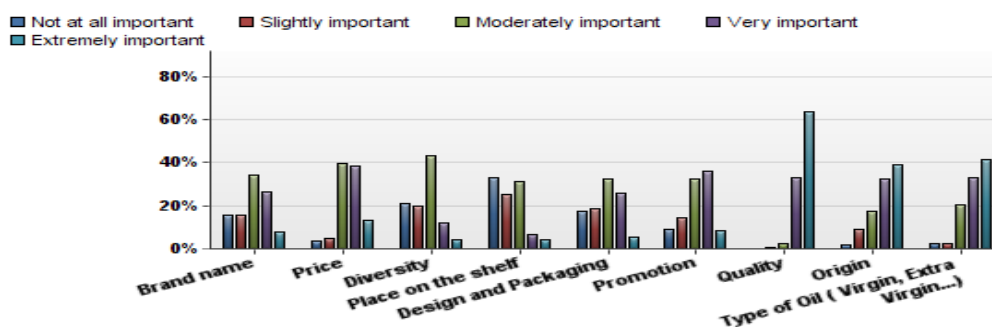
#	Answer	Min Value	Max Value	Average Value	Standard Deviation	Responses
1	I think that the product is appealing	0.00	100.00	53.55	25.84	148
2	I think that colors and illustrations (logo) does reflect the product	0.00	100.00	47.17	29.27	147
3	I think that the packaging emanate a good image of the product	0.00	100.00	56.98	28.44	146

4	From the packaging I think that the product is a premium one	0.00	100.00	54.85	28.94	147
5	I think that the design is innovative	0.00	100.00	49.92	28.04	143
6	This packaging will allow me to recognize the brand easily	0.00	100.00	67.57	27.17	143
7	The design packaging express the brand values	0.00	100.00	44.59	26.97	143
8	I think that the different packages size is an added value	0.00	100.00	64.57	25.49	143
9	I will buy Terra Delyssa	0.00	100.00	48.30	30.54	143

14- Please select in which price range do you think Terra Delyssa belongs? (Consider the 1L ExtraVirgin bottle)



15- How important are those factors in your purchase decision of 1L of olive oil in the supermarket?

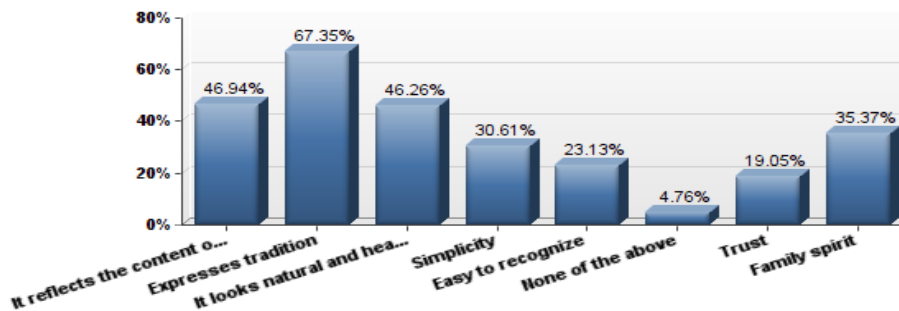


#	Question	Not at all important	Slightly important	Moderately important	Very important	Extremely important	Total Responses	Mean
1	Brand name	15.54%	15.54%	34.46%	26.35%	8.11%	148	2.96
2	Price	3.38%	4.73%	39.86%	38.51%	13.51%	148	3.54
3	Diversity	20.95%	19.59%	43.24%	12.16%	4.05%	148	2.59
4	Place on the shelf	33.11%	25.00%	31.08%	6.76%	4.05%	148	2.24
5	Design and Packaging	17.57%	18.92%	32.43%	25.68%	5.41%	148	2.82
6	Promotion	8.84%	14.29%	32.65%	36.05%	8.16%	147	3.20
7	Quality	0.00%	0.68%	2.70%	33.11%	63.51%	148	4.59
8	Origin	2.03%	8.78%	17.57%	32.43%	39.19%	148	3.98
9	Type of Oil (Virgin, Extra Virgin...)	2.70%	2.70%	20.27%	33.11%	41.22%	148	4.07

Below is another packaging of the brand Terra Delyssa:



16- What does this packaging suggests you?



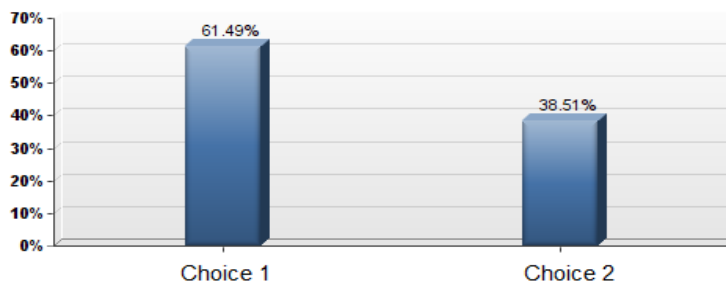
17- If you had the choice between those two elements below, which one will, you choose?



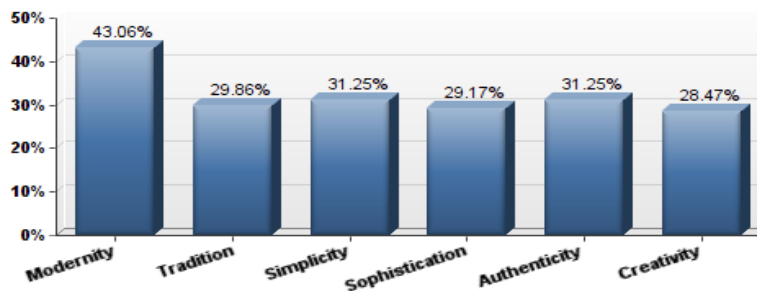
Choice 1



Choice 2



18- For which of the following attributes did you do your previous choice?



19- Would you be more inclined to purchase a product because of its aesthetic in comparison to a cheaper one?

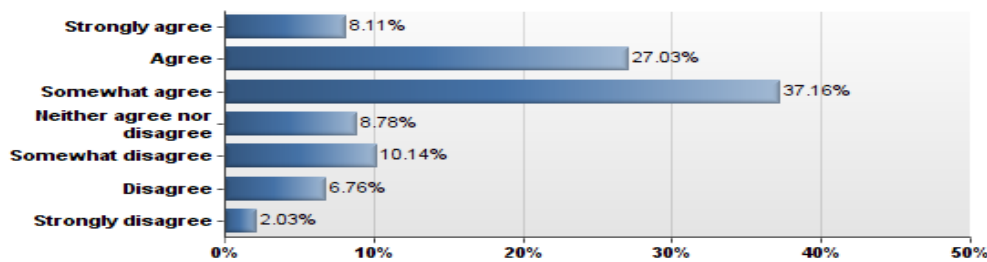


Exhibit 23: Cross Tabulation and Chi-Square Test: Nationality\*Sort of Olive Oil

**Crosstab**

			Do you sort out the Olive oil as :			Total
			A commodity	A normal good	A luxury product	
Nationality	Portuguese	Count	10	50	4	64
		% within Nationality	15,6%	78,1%	6,3%	100,0%
		% sort of Olive oil :	22,2%	57,5%	25,0%	43,2%
		% of Total	6,8%	33,8%	2,7%	43,2%
	Tunisian	Count	33	32	7	72
		% within Nationality	45,8%	44,4%	9,7%	100,0%
		% sort of Olive oil :	73,3%	36,8%	43,8%	48,6%
		% of Total	22,3%	21,6%	4,7%	48,6%
	Other	Count	2	5	5	12
		% within Nationality	16,7%	41,7%	41,7%	100,0%
		% sort of Olive oil :	4,4%	5,7%	31,3%	8,1%
		% of Total	1,4%	3,4%	3,4%	8,1%
Total	Count	45	87	16	148	
	% within Nationality	30,4%	58,8%	10,8%	100,0%	
	% sort of Olive oil :	100,0%	100,0%	100,0%	100,0%	
	% of Total	30,4%	58,8%	10,8%	100,0%	

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	30,047 <sup>a</sup>	4	,000
Likelihood Ratio	26,095	4	,000
Linear-by-Linear Association	,065	1	,799
N of Valid Cases	148		

a. 2 cells (22,2%) have expected count less than 5. The minimum expected count is 1,30.

Exhibit 24: Cross Tabulation and Chi-Square Test: Gender\*Sort of Olive oil

**Crosstab**

			Do you sort out the Olive oil as :			Total
			A commodity	A normal good	A luxury product	
Gender	Male	Count	17	38	10	65
		% within Gender	26,2%	58,5%	15,4%	100,0%
		% within sort Olive oil:	37,8%	43,7%	62,5%	43,9%
	% of Total	11,5%	25,7%	6,8%	43,9%	
	Female	Count	28	49	6	83
		% within Gender	33,7%	59,0%	7,2%	100,0%
% within sort Olive oil:		62,2%	56,3%	37,5%	56,1%	
% of Total	18,9%	33,1%	4,1%	56,1%		
Total	Count	45	87	16	148	
	% within Gender	30,4%	58,8%	10,8%	100,0%	
	% within sort Olive oil:	100,0%	100,0%	100,0%	100,0%	
	% of Total	30,4%	58,8%	10,8%	100,0%	

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2,934 <sup>a</sup>	2	,231
Likelihood Ratio	2,927	2	,231
Linear-by-Linear Association	2,399	1	,121
N of Valid Cases	148		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7,03.

Exhibit 25: Cross- tabulation and Chisquare test

**Crosstab**

			How important are those factors in your purchase decision of 1L of Olive Oil in a supermarket?-Design and Packaging					Total
			Not at all important	Slightly important	Moderately important	Very important	Extremely important	
Gender	Male	Count	12	12	19	17	5	65
		% within Gender	18,5%	18,5%	29,2%	26,2%	7,7%	100,0%
		% Importance of factor: Design and Packaging	46,2%	42,9%	39,6%	44,7%	62,5%	43,9%
		% of Total	8,1%	8,1%	12,8%	11,5%	3,4%	43,9%
	Female	Count	14	16	29	21	3	83
		% within Gender	16,9%	19,3%	34,9%	25,3%	3,6%	100,0%
		% Importance of factor: Design and Packaging	53,8%	57,1%	60,4%	55,3%	37,5%	56,1%
		% of Total	9,5%	10,8%	19,6%	14,2%	2,0%	56,1%
	Total	Count	26	28	48	38	8	148
		% within Gender	17,6%	18,9%	32,4%	25,7%	5,4%	100,0%
% Importance of factor: Design and Packaging		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	
% of Total		17,6%	18,9%	32,4%	25,7%	5,4%	100,0%	

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1,564 <sup>a</sup>	4	,815
Likelihood Ratio	1,559	4	,816
Linear-by-Linear Association	,120	1	,730
N of Valid Cases	148		

a. 2 cells (20,0%) have expected count less than 5. The minimum expected count is 3,51.

**Exhibit 26: Cross-tabulation : Nationality\* Design & Packaging factor of purchase decision of 1L Olive oil**

**Nationality \* How important are those factors in your purchase decision of 1L of Olive Oil in a supermarket?-Design and Packaging Crosstabulation**

			How important are those factors in your purchase decision of 1L of Olive Oil in a supermarket?-Design and Packaging					Total
			Not at all important	Slightly important	Moderately important	Very important	Extremely important	
Nationality	Portuguese	Count	10	17	26	9	2	64
		% Nationality	15,6%	26,6%	40,6%	14,1%	3,1%	100,0%
		% Design & Packaging	38,5%	60,7%	54,2%	23,7%	25,0%	43,2%
		% Total	6,8%	11,5%	17,6%	6,1%	1,4%	43,2%
Tunisian	Tunisian	Count	16	9	15	27	5	72
		% Nationality	22,2%	12,5%	20,8%	37,5%	6,9%	100,0%
		% Design & Packaging	61,5%	32,1%	31,3%	71,1%	62,5%	48,6%
		% Total	10,8%	6,1%	10,1%	18,2%	3,4%	48,6%
Total	Total	Count	26	28	48	38	8	148
		% Nationality	17,6%	18,9%	32,4%	25,7%	5,4%	100,0%
		% Design & Packaging	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% Total	17,6%	18,9%	32,4%	25,7%	5,4%	100,0%

**Exhibit 27 : Cross-Tabulation : Nationality\*Would you be more inclined to purchase a product because of its aesthetic than its low price**

**Nationality \* Would you be more inclined to purchase a product because of its aesthetic in comparison to a chea... Crosstabulation**

			Would you be more inclined to purchase a product because of its aesthetic in comparison to a chea...						Total	
			Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree		Strongly disagree
Nationality	Portuguese	Count	1	13	32	6	7	4	1	64
		% Nationality	1,6%	20,3%	50,0%	9,4%	10,9%	6,3%	1,6%	100,0%
		% Aesthetic & low price	8,3%	32,5%	58,2%	46,2%	46,7%	40,0%	33,3%	43,2%
		% Total	,7%	8,8%	21,6%	4,1%	4,7%	2,7%	,7%	43,2%
Tunisian	Tunisian	Count	9	24	18	7	6	6	2	72
		% Nationality	12,5%	33,3%	25,0%	9,7%	8,3%	8,3%	2,8%	100,0%
		% Aesthetic & low price	75,0%	60,0%	32,7%	53,8%	40,0%	60,0%	66,7%	48,6%
		% Total	6,1%	16,2%	12,2%	4,7%	4,1%	4,1%	1,4%	48,6%
Total	Total	Count	12	40	55	13	15	10	3	148
		% Nationality	8,1%	27,0%	37,2%	8,8%	10,1%	6,8%	2,0%	100,0%
		% Aesthetic & low price	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% Total	8,1%	27,0%	37,2%	8,8%	10,1%	6,8%	2,0%	100,0%



**Dear Mr. Makhloufi thank you for receiving me, can you first explain me what are the activities of the CHO?**

*“CHO is an olive group operating since 1996; we started little but with high ambitions. The olive tree is in our roots and in our traditions too. We caught this opportunity to be here in Sfax, the city is known for its savoir-faire and for its fertile soil, to proudly perpetuate this work. Through centuries its people (from Sfax) grew this fruit in the most respective way and we are till now using the same techniques. And now thanks to a dedicated team and passionate people CHO evolve; the group is specialized in several fields, first in the installation and maintenance of cold extraction units and modern oil-mills, second in the extraction, analysis, storage and refine of different varieties of olive oils and pomace, third in the bottling and packing the olive oils under different wrapping (glass, metallic, PET), and lastly we started producing soap.”*

**What is your targeted market? Is Tunisia and Portugal one of them?**

*“We are 100% exporter for our bottled olive oil: Terra Delyssa. We decided to opt for this strategy simply because it is not in the Tunisian consumer behavior to buy olive oil from the supermarket, families use to go directly to the mill and buy liters of olive oil in bulk that will*

*last for the year or half the year. Beside the fact that Tunisia is recognized globally for the quality of its olive oil by professionals, olive oil is more and more acknowledge ( in the non-Mediterranean countries ) for its health benefits and the Mediterranean life style. Thanks to those parameters and to our know-how we are targeting markets that are consumers but NOT producers, and it is for that reason that we are not targeting Portugal neither Spain nor Italia, at least for our brand Terra Delyssa. However we do export our olive oil in bulk, our customers may be Spanish or Italian but our name do not appear on the final product. We are now present on approximately 20 countries and North America is our resource’s pool. Indeed it is the biggest market in the world and there is an exponential curve in US olive oil consumption. ”*

**Why did you decide to create your own brand, and not selling only in bulk?**

*“Well did not want to be like all the other Tunisian producers, I had bigger dream: to have my bottle on shelves in the biggest world retailers. From that idea came up Terra Delyssa, we started exporting it in 2000 mainly in United-states, Canada and Russia. In order to be more reactive to the demand, closer to the customer and more efficient in terms of logistic we opened a subsidiary there CHO-America. We had so an available stock which enables us to gain time, yet all the production process (from extraction to bottling) is done in our premises here in Sfax.”*

**As it sounds it was easy to enter those markets, how did you do?**

*“Not at all, it was extremely hard and harsh to compete against products from Italy, Spain or Greece; those countries are famous everywhere in the world as being olive oil producer. Moreover we had an image deficit and a clear deficiency in the export. So it was not easy to implement ourselves, we had to build our image, and our brand, independently from the origin of the product, we are not promoting Tunisia, we are promoting Terra Delyssa. And here the quality of the product and the service should be as good as our competitors. Besides our subsidiaries are our main strength to be more credible et to penetrate smoothly the market.”*

**What was your communication strategy though?**

*“Fairs: investing and grant a consequent budget to participate to worldwide fairs: olive oil or food industry. We pay a special attention and care to have an attractive stand. Our mission during those manifestations is to seduce professionals and to create B2B relationships. We also are conveying a message that defends the quality and the brand and our subsidiaries are ensuring that in putting forward the know-how: always go back to the heart of our business.”*

**Do you consider it a success?**

*“CHO represents 20% of total olive oil’s exportation in Tunisia, we are present in 20 countries, 5 subsidiaries and we dealt with the biggest retailers: Wal-Mart in the US, City Shop the largest chain store in Shanghai, Auchan and Géant in Europe. And we are also very proud to having brought modernity and sophisticated touch to our product. There are always*

*improvements to do of course but I will consider it a success.”*

**What changes / improvements did you brought?**

*“Product’s presentation. In the beginning only the product, the oil matters; the packaging was only designed to be riskless during transportation, an ordinary bottle. But with that first design we were meeting our objectives, we were competitive. Indeed we are not providing a gourmet product ,Terra Delyssa is aiming to be sold on big retailers’ shelves (hypermarkets , supermarkets) and the price are 5 to 10% cheaper than the leaders , so the packaging and design was not in our priorities. Until we finally decided to enter the French market in 2012, where the competition is extremely harsh and where the final consumer is familiar to the product. We had to be different, we had to stand out. Our target in France is not the North African communities, so promoting the origin was not the solution. And we cease this opportunity to change, to rejuvenate and so we called a professional in this field, an American designer specialized in the branding and the food packaging: Mr. Bruce Hale. He did an amazing work, for that he immersed in the history of Carthage and the final result is perfectly reflecting our spirit: traditional know-how and modernity.*

*Now we have a modern bottle, we had to have a coherent communication, we created so Facebook pages Terra Delyssa for each country we are selling in, we collaborate with bloggers, chefs from each country and they are helping in animating the social image. We also decided to*

*innovate in terms of tastes and we diversified our products: 4 flavored olive oils and Bio olive oils”*

**What this change represents to you?**

*“This new packaging was essential, even if I was not convinced about its power at the beginning. One day my team where organizing the shelves in a known supermarket in France, the retail’s manager said: “the bottle is nice, very original but sad that it comes from Tunisia”. Our whole marketing strategy changed and focused on the uniqueness of our product. Indeed the contrast of the bottle (dark green) and the stick-on label in hot yellow are a combination that I believe is attracting the eye. In my opinion the first contact between the consumer and the product is the visual. On top of that the bottle is customized, indeed the mould is engraved and we trade marketed it. So for me this change represents the opportunity to reach new consumers and new markets and it became our sales argument.”*

**What are the challenges in rebranding?**

*“Definitely, the lack of information concerning the trends in packaging and the culture of design.*

*It was not an easy decision, also because the budget required to do so is very high and the risk to loose current customers even more. Apart from that when it came to create the bottle we had to take into consideration international norms of hygiene where special techniques should be used, and the engraving. For our traditional supplier of bottle in Tunisia our requests are details with no importance and so why doing them, we had though to explain the strategy behind and the necessity to do so, we clearly faced a gap between us. But then he finally did what we asked for and we are very satisfied of the result.”*

**What is the next step?**

*“Build awareness in our current markets and gaining market share, by that we are doing all in our power. On trade actions with tasting sessions, being more present on social networks, having QR codes on the bottles that will direct you to the website , and last but not least we just recorded a TV ad , that will be launched very soon in France.”*

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