UNIVERSIDADE CATÓLICA PORTUGUESA

The Outcomes of Brand Repositioning Measured by Consumer Perception

From Modalfa to MO

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Católica Porto Business School
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From Modalfa to MO

Master's Final Assignment – Written Assignment Presented to *Universidade Católica Portuguesa* to obtain a Double Master's Degree in Management and International Brand Management

by

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Abstract

In recent decades, it has been observed that several private labels seek to move away from being perceived merely as low-cost alternatives and are beginning to establish themselves as autonomous, modern brands with their own identity.

It is in this context that MO emerges, a Portuguese fashion brand originally launched in 1995 under the name Modalfa in Continente hypermarkets. Since then, it has pursued a gradual repositioning process aimed at consolidating its identity as an independent and modern brand, reflected in a brand value of €26 million in 2024. Considering that brand positioning ultimately takes shape in the minds of consumers, this study seeks to answer the research question: *to what extent is the success of MO's repositioning strategy reflected in consumer perceptions and responses?*

To address this question, a mixed-methods approach was adopted, combining two interviews with brand managers and a consumer survey, which yielded 333 valid responses. The findings indicate that consumers recognize improvements in MO's image, particularly in terms of modernity, proximity, and accessibility. Results also show that the more positive the perception of the brand's evolution, the greater the levels of trust and purchase intention, with attitude and trust partially explaining this relationship. Nonetheless, challenges remain: MO's historical association with Continente continues to influence perceptions, acting both as an advantage, by transmitting trust and convenience, and as a limitation, by hindering MO's full affirmation as an independent brand.

Overall, the results show that MO's repositioning has generated concrete progress, but remains a gradual and unfinished process, requiring consistent communication, stronger differentiation and reinforcement of strategic values. The study contributes to academic discussion by positioning consumer perception as a critical measure of repositioning success and by providing managerial implications for private label managers seeking to achieve symbolic legitimacy and independence in competitive markets.

Key-words: Brand Repositioning, Consumer Perception, Consumer Trust, Purchase Intention, MO

Resumo

Nas últimas décadas, tem-se verificado que várias marcas próprias procuram deixar de ser vistas apenas como alternativas de baixo custo e começam a afirmar-se como marcas autónomas, modernas e com identidade própria.

É neste contexto que se enquadra a MO, uma marca de moda portuguesa originalmente lançada em 1995 sob o nome Modalfa nos hipermercados Continente. Desde então, tem vindo a realizar um reposicionamento gradual para se afirmar como uma marca independente e moderna, refletido num valor de marca de 26 milhões de euros em 2024. Considerando que o posicionamento de uma marca só se concretiza na mente dos consumidores, este estudo procura responder à questão de investigação: *em que medida o sucesso da estratégia de reposicionamento da MO se reflete nas perceções e respostas dos consumidores?*

Para responder a esta questão, foi adotada uma abordagem mista, combinando duas entrevistas a responsáveis da marca e um inquérito aos consumidores, que obteve 333 respostas válidas. Os resultados indicam que os consumidores reconhecem melhorias na imagem da MO, sobretudo em termos de modernidade, proximidade e acessibilidade. Observa-se, também, que quanto mais positiva é a perceção da evolução da marca, maior é a confiança e a intenção de compra dos consumidores, sendo a atitude e a confiança fatores que explicam parcialmente esta ligação. Contudo, persistem desafios: a ligação histórica ao Continente continua a influenciar as perceções, funcionando simultaneamente como uma vantagem, ao transmitir confiança e conveniência, e como uma limitação, ao dificultar a plena afirmação da MO como marca independente.

No geral, os resultados evidenciam que o reposicionamento da MO gerou resultados positivos, mas continua a ser um processo gradual e inacabado, exigindo comunicação consistente, maior diferenciação e reforço dos valores estratégicos. O estudo contribui para a discussão académica ao posicionar a perceção do consumidor como medida crítica do sucesso do reposicionamento e ao oferecer implicações práticas para gestores de marcas próprias que procuram alcançar legitimidade simbólica e independência em mercados competitivos.

Key-words: Reposicionamento da Marca, Perceção do Consumidor, Confiança do Consumidor, Intenção de Compra, MO

Contents

Number of Words: 10 000

List of Abbreviations and Acronyms

MBO - Management Buyout

POD - Points of Difference

POP - Points of Parity

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1. Introduction

1.1 Background of the Topic

The success of brand repositioning depends not only on the clarity and coherence of the internal strategy but, crucially, on how consumers perceive, interpret and adopt the change (Muzellec & Lambkin, 2006). Therefore, a brand transformation only truly takes effect when the new value proposition is recognized and appreciated by those who engage with it daily. Consequently, consumer perception is a central measure of strategic success.

Repositioning has become increasingly common among private labels, particularly those that originated in large food retail chains. Initially these brands were focused on convenience and low cost, but now they face the challenge of evolving toward more sophisticated offerings capable of competing with established fashion brands. According to Muzellec & Lambkin (2006), repositioning is vital to overcoming negative associations inherent to these brands and building symbolic legitimacy and emotional relevance.

In this context, the Portuguese brand MO is a relevant case. Originally launched as Modalfa in Continente hypermarkets, MO has since been progressively repositioned, making it possible to analyze how consumers perceive this change.

1.2 Research Question

Under these circumstances, this research is guided by the following central question:

To what extent is the success of MO's repositioning strategy reflected in consumer perceptions and responses?

1.3 Motivation and Objectives

The choice of MO as the subject of this study is based on its significance in the national context, reflected in its recognition in 2024 among the 100 most valuable brands in Portugal with an estimated value of €26 million[1], and on the interest in exploring a Portuguese case framed by reference to successful international brand repositioning examples.

This research is motivated by the need to understand the effectiveness of this transformation from the consumer's perspective, whether the values the brand aims to convey are recognized and valued by its audience. This analysis is particularly relevant in today's market, where symbolic and emotional differentiation increasingly determines competitiveness, especially for brands seeking to shed limiting associations.

Moreover, this study intends to contribute to the academic discussion on how consumers respond to changes in brand identity, highlighting consumer perception as a crucial indicator of success in repositioning processes.

The main objectives are to:

1. Identify the core elements of MO's repositioning strategy as the basis for evaluating its success;
2. Assess how consumers perceive the brand's evolution and whether these perceptions reflect the intended repositioning;
3. Examine the extent to which consumer perceptions translate into behavioral responses, such as trust, attitudes, and purchase intention;
4. Evaluate the degree of alignment between the values communicated by MO and those perceived by consumers;
5. Analyze how behavioral and sociodemographic factors influence consumer perceptions and responses to the repositioning.

[1] Specific financial indicators such as market share or turnover for MO are not publicly disclosed and were not obtained through interviews. For this reason, brand value is used as a proxy to illustrate the company's relevance in the Portuguese market.

1.4 Structure of the Dissertation

This dissertation is organized into seven chapters.

This chapter introduces the research by presenting the context, the research problem, the objectives, and the justification of the study.

The second chapter reviews the literature, addressing branding, brand positioning and repositioning, consumer perception, and international case studies that frame the analysis.

The third chapter focuses on the MO case study, outlining its background, evolution and role in the Portuguese fashion retail sector.

The fourth chapter describes the methodology, including the research plan, data collection procedures and analytical techniques.

The fifth chapter presents the results obtained from the interviews and consumer survey.

The sixth chapter discusses these results in light of the literature reviewed.

Finally, the seventh chapter summarizes the main conclusions, contributions and implications of the study, as well as its limitations and suggestions for future research.

2. Literature Review

2.1. Brand

The brand is one of the most enduring assets of any organization regardless of whether it operates in product or service sectors, or whether it has a profit-oriented or nonprofit orientation. More than a name or logo, it should guide strategic and operational decisions (Clifton & Simmons, 2003).

Although it is a ubiquitous presence in consumers' daily lives, the concept of a brand is complex. Maurya & Mishra (2012) note that it requires an interdisciplinary approach involving economics, sociology, semiotics and philosophy. Despite the conceptual diversity, there is consensus that the primary function of a brand is to identify and differentiate offerings in a competitive market (Kapferer, 2008).

2.1.1 Brand Concept

According to the World Intellectual Property Organization (2024), a brand is a sign that identifies and distinguishes a company's products or services, a definition also supported by Instituto Nacional da Propriedade Industrial (2024) and the American Marketing Association (2024).

Similarly, Aaker (1991) highlights its role as a distinguishing name or symbol, while Farquhar (1990) adds that visual and symbolic elements, such as packaging and design, add value beyond utility.

Kotler (2003) defines the brand as a complex symbol that combines functional attributes with emotional and cultural values. In a complementary approach, J. L. Aaker (1997) introduces the concept of brand personality through which brands adopt human-like traits that foster emotional connections. In turn, Kapferer (2008) further defines the brand as a set of mental associations that enhance perceived value and shape consumer preference.

Christodoulides & de Chernatony (2010) critique traditional brand models for being overly management-centered, arguing that they underestimate the active role of consumers in co-creating and shaping brand meaning.

2.1.2 Brand Equity

Brand equity refers to the added value that a brand brings to a product or service beyond its functional attributes. For this dissertation, which focuses on the consumer perspective about a brand, the Customer-Based Brand Equity (CBBE) approach is especially relevant.

Aaker (1991) defines it as a set of assets and liabilities - including awareness, loyalty, perceived quality and associations - that shape consumer choices.

Keller (1993), in turn, focuses on how brand knowledge influences consumer responses, distinguishing between awareness (recognition and recall) and image (the set of brand associations). For Keller, strong brands are those that generate favorable, strong, and unique associations in consumers' minds.

Although influential, these approaches are not without limitations. Christodoulides & de Chernatony (2010) argue that Keller's model is overly cognitive, neglecting the emotional and relational aspects of brand value.

2.1.3 Brand Identity

Brand identity refers to how a brand intends to be perceived. Aaker (1996) defines it as a unique set of brand associations that express what the brand stands for and promising specific values to consumers.

Building on this, Kapferer (2008) offers a complementary perspective through the Brand Identity Prism, which outlines six dimensions - physique, personality, culture, relationship, reflection and self-image - and highlights the importance of alignment between internal identity and external perception, ensuring that consumers interpret the brand as intended.

2.2 Strategic Brand Management

According to Keller (2003), strategic brand management is the process of building, measuring and managing brand equity. This section therefore examines positioning and repositioning as central elements of that process.

2.2.1 Brand Positioning

Brand positioning is a core element of strategic brand management, as it defines the unique space a brand occupies in the consumer's mind. More than a slogan or an advertising message, it is shaped through consistent experiences and communications over time (Keller, 2003). Through it, the brand's narrative is established, shaping the way it presents itself, behaves and evolves within the competitive landscape.

For this positioning to be credible and sustainable, it must rest on a coherent foundation: the brand’s identity. As Kapferer (1992) argues, positioning should not be an artificial or externally imposed construct, but emerge naturally from the brand’s essence - values, mission and core purpose. Without this internal coherence, any positioning effort runs the risk of being perceived as forced or disconnected from the brand’s reality. Aaker (1996) similarly notes that effective positioning must be anchored in attributes that are distinctive, relevant and believable.

In this context, Keller (2003) introduces a framework based on two core concepts: Points of Parity (POP) and Points of Differentiation (POD). POPs represent the essential attributes that enable a brand to be considered within a category, while PODs are the distinctive traits that make it unique and memorable. The articulation between these two dimensions allows brands to achieve a balance between competitiveness and differentiation.

Over recent decades, the symbolic and experiential dimensions of positioning have gained growing relevance. Schmitt (1999) emphasizes that a brand's value does not lie solely in its functionality, but also in the sensory, emotional and cognitive experience it provides. Tong & Hawley (2009) demonstrate that successful positioning integrates rational attributes such as quality and price with emotional and symbolic ones such as style and belonging. However, Sharp (2010) challenges the long-term effectiveness of differentiation strategies, arguing that salience and mental availability may be more decisive in consumer choice than unique associations. This raises a relevant debate, questioning whether symbolic differentiation alone is sufficient to sustain strong positioning over time.

Positioning does not occur in a vacuum. As Ries & Trout (1981) stated, the real battle between brands takes place in the mind of the consumer, a limited, selective and overstimulated space, where relevance requires consistency, clarity and persistence. Building on this, Da Silveira et al. (2013) argue that brands capable of condensing their value proposition in an emotionally engaging and culturally relevant way are more likely to stand out and cultivate meaningful consumer relationships. Yet Holt (2002) counters that excessive emphasis on consistency may restrict cultural adaptation, suggesting that brands need a degree of flexibility to remain relevant in fast-changing environments.

Kapferer (2008) warns that incoherent changes that contradict core values may erode trust and equity. In line with this, Keller (2003) emphasizes the importance of maintaining equilibrium between innovation and continuity. Brands must modernize their language to remain relevant, without betraying the original promise that first captured the consumer’s trust. Sustained coherence in values and messaging is critical for reinforcing positive associations and maintaining the emotional connection developed over time (Iglesias et al., 2019).

Finally, the effectiveness of positioning must be evaluated through monitoring of consumer perception. Aaker (1996) and Keller (1993) recommend tools such as perceptual maps, surveys, focus groups and brand image assessments to detect discrepancies between intended and perceived positioning.

2.2.2 Brand Repositioning

Brand repositioning is a strategic process aimed at changing how a brand is perceived by consumers (Aaker, 1996). Kotler & Keller (2012) frame it as an adaptation of value proposition and target focus to maintain relevance, while Kapferer (2008) distinguishes it from rebranding, which involves more radical changes such as renaming or redesigning identity.

Although repositioning often entails significant adjustments, it does not imply abandoning the brand's core identity. As Aaker (1996) explains, repositioning should be seen as a way of adapting the brand's expression and communication to evolving market realities, rather than replacing what the brand stands for.

Repositioning efforts are driven by several factors, such as shifts in consumer behavior (Aaker, 1996), image deterioration or brand aging (Kotler & Keller, 2012), competitive intensity (Kapferer, 2008), the pursuit of new market segments (Blankson & Crawford, 2012), innovation (Wang & Shaver, 2014) or the need to respond to reputational crises (Ries & Trout, 1981).

The effectiveness depends on several critical success factors, including: a clear and compelling value proposition, consistent messaging across channels, internal alignment, coherence between identity and experience and clear differentiation from competitors (Kotler & Keller, 2012). However, repositioning is not without risks. It may face resistance from existing customers, generate confusion through inconsistent communication or conflict with prior brand associations (Keller, 2003). Kapferer (2008) also warns that a lack of differentiation can lead to similarity with competitors, undermining credibility and impact. To reduce these risks and because consumer perceptions are shaped by prior experiences (Zinkhan & Pereira, 1994), repositioning should be treated as a gradual transition rather than a rupture (Muzellec & Lambkin, 2006).

Nevertheless, Sharp (2010) challenges the centrality of differentiation itself, arguing that brand growth is driven more by salience and availability than by the creation of unique associations. This perspective introduces a broader debate on if symbolic differentiation alone is sufficient to sustain competitiveness over time.

Communication plays a decisive role in consolidating new positioning. According to Keller & Lehmann (2006), associations are built through multiple touchpoints - advertising, packaging, point of sale and social media. To be effective, communication must highlight relevant benefits (Keller, 2003), ensure consistency across time and formats (Kotler & Keller, 2012), avoid contradictions that erode credibility (Keller, 2003) and be supported by monitoring mechanisms that track consumer perception (Fuchs & Diamantopoulos, 2010). Iglesias et al. (2019) argue that clarity, consistency and authenticity are essential.

Finally, although repositioning is often seen as a one-time strategic decision, Wang & Shaver (2014) argue that under certain conditions, brands may benefit from multiple repositionings over time, particularly when these are executed with strategic consistency and clarity.

2.3 Consumer Perception

Far from being a passive reception of information, perception is an interpretive process through which individuals select, organize and assign meaning to stimuli associated with products, services, or brands (Schiffman & Wisenblit, 2019). This process is shaped by a complex interplay of personal experience, motivational factors, cultural background, and socio-economic context (Solomon, 2018).

Schiffman & Wisenblit (2019) structure this process into three sequential stages:

- Exposure: the initial contact with a stimulus;
- Attention: the selective focus on what is considered relevant;
- Interpretation: the attribution of meaning based on prior experiences.

Perception is influenced by multiple variables, including prior experiences with the brand (Keller, 2003), design and visual identity (Aaker, 1996), messaging and tone, value congruence between brand and consumer (Kapferer, 2008), cultural and social influences (Solomon, 2018), and cognitive shortcuts such as brand familiarity, reputation or the halo effect (Kahneman, 2011).

Zeithaml (1988) defines perceived value as the consumer’s overall assessment of a product’s utility, derived from a subjective comparison between perceived benefits and perceived costs. Aaker (1996) further elaborates that brand value is not built solely upon the objective features of a product or service but is intimately linked to the consumer’s perception of the brand - particularly the strength and coherence of its associated meanings.

Misalignment between projected identity and consumer experience is particularly relevant in the context of brand trust, which refers to the consumer’s confidence that the brand will behave in a reliable, predictable, and honest manner (Munuera-Aleman et al., 2003). Trust plays a key role in reducing perceived risk and fostering consumer loyalty, especially in highly competitive environments.

Perception also directly influences purchase intention, understood as the consumer’s conscious plan to acquire a particular brand. Ajzen (1991) states that behavioral intentions are shaped by attitudes, perceived control and subjective norms. In the context of branding, positive attitudes - often shaped by favorable perceptions and brand trust - lead to a higher likelihood of purchase. Yoo & Donthu (2001) further demonstrate that high brand equity, grounded in strong consumer perceptions, is positively associated with greater purchase intention. However, this causal link has been contested by East et al. (2016) demonstrating that while favorable perceptions may support intention, actual buying behavior is frequently driven by situational and habitual factors. From this perspective, perceptions and trust remain important, but they are not always sufficient to predict consumer choice in real market contexts.

2.4 Empirical Evidence: Successful Repositioning Cases

Repositioning has emerged as a strategic imperative for private label brands in the food retail sector (McKinsey & Company, 2024), as they seek to overcome long-standing associations with low cost and inferior quality. According to Marques et al. (2020), this transformation involves innovation, communication and emotional resonance to alter consumer perceptions.

This section presents four cases that illustrate different approaches but share the goal of moving beyond the stigma of "supermarket fashion" and building credible, independent labels.

F&F (Tesco)

F&F was initially launched by Tesco to offer accessible and functional clothing within its retail environment. However, as fashion consumers became increasingly style-conscious, Tesco redefined the strategic direction of F&F to align more closely with mainstream fashion retailers. F&F distanced itself from the Tesco grocery identity and emphasized autonomy in brand image, seeking to establish credibility in the fashion segment.

In this process, Tesco invested heavily in omnichannel infrastructure, launching a dedicated e-commerce platform and opening stand-alone stores in the UK and abroad (FashionNetwork, 2025). Such actions were instrumental in fostering an emotional connection with consumers, helping them reinterpret F&F not as an extension of Tesco, but as a legitimate fashion brand in its own right. These symbolic and operational changes contributed to reshaping consumer perceptions, reinforcing the brand's differentiation, and enhancing its cultural capital in the market (Kantola & Hautamäki, 2016).

TU Clothing (Sainsbury's)

TU Clothing followed a similar trajectory. Launched by Sainsbury's in 2004, the brand initially offered basic apparel with an emphasis on affordability and utility. Over time, however, Sainsbury's recognized the need to reposition TU to appeal to more style-conscious consumers, particularly among female shoppers aged 25 to 45. Through modernized visual campaigns and partnerships with influencers, the brand began crafting a narrative that emphasized fashionability and emotional relevance.

The campaign "Tu Be You," for instance, reflected an intentional departure from traditional supermarket fashion communication, promoting individuality and style (Magnetic Media, 2020). As Marques et al. (2020) observe, TU's repositioning hinged on a clear innovation strategy in product design and communication, aimed at aligning the brand with mid-tier fashion retailers rather than grocery competitors. By adopting these measures, TU succeeded in altering consumer perceptions, presenting itself as a stand-alone, style-oriented brand with its own identity and value proposition (YouGov, 2025).

George (Asda)

George, created in collaboration with designer George Davies in 1989, was one of the first supermarket clothing brands to actively pursue a fashion-forward positioning. The acquisition of Asda by Walmart allowed George to scale its operations and invest in brand-building initiatives that distanced it from its grocery roots. In-store environments were redesigned, collections became trend-focused, and the brand consistently communicated its affordability without compromising style (TheIndustry.Fashion, 2025).

Zielke & Dobbelstein (2007) emphasize that George effectively addressed consumer doubts around quality and brand credibility by offering fashion products that met evolving aesthetic and functional expectations. This repositioning, coupled with marketing campaigns and coherent brand architecture, contributed to reshaping how consumers perceived George - as a label offering value and relevance within the broader fashion landscape. Kantola & Hautamäki (2016) support this interpretation by showing how George achieved symbolic differentiation, becoming a benchmark for supermarket fashion transformation.

3. Case Study

3.1 MO

MO is a Portuguese clothing brand founded in 1995 under the name Modalfa. Initially conceived as part of the non-food retail strategy of the Continente hypermarkets, the brand aimed to offer accessible and convenient fashion for the whole family (Marketeer, 2018). Its portfolio includes clothing and accessories for women, men, children and babies, combining basics and seasonal collections at affordable prices.

The brand's repositioning began in the early 2010s, with the gradual opening of dedicated MO stores and efforts to modernize the product offering and shopping experience. The rebranding from Modalfa to MO in 2013 marked a key milestone in this strategic shift, consolidating a distinct identity. Since then, MO has adopted a more contemporary and customer-centric positioning, combining fashion trends with comfort and functionality.

Currently, MO operates through a multichannel model that includes stand-alone MO stores, sections within Continente hypermarkets and an e-commerce platform.

3.2 Corporate Structure

Sonae is one of Portugal's largest and most diversified business groups, operating across food retail, fashion, telecommunications, shopping centers, financial services and technology. Food retail is managed by Sonae MC and the fashion and lifestyle portfolio - which included MO, Zippy, Salsa and Losan until July 2025 - was overseen by Sonae Zeitreel. MO was initially created under Sonae MC and later transferred to Sonae Zeitreel.

In July 2025, Sonae sold MO and Zippy to a consortium led by MO's CEO and the investment fund Mercúrio, managed by Oxy Capital, in a €20M Management Buyout (MBO) (ECO, 2025). The MBO preserves leadership continuity and grants MO full autonomy, enabling more agile and independent strategic development.

3.3 History and Evolution of MO

The evolution of MO reflects broader shifts in consumer expectations and the competitive landscape of the fashion retail sector. Initially rooted in a utilitarian model focused on affordability and convenience, the brand gradually adapted to meet changing consumer demands. The rebranding in 2013 marked a definitive break from its origins as Modalfa, initiating a phase of investment in store modernization, seasonal collections and improved customer experience.

Digitalization and the COVID-19 pandemic accelerated MO's omnichannel strategy, resulting in a stronger online presence and deeper integration of digital tools across its operations.

Recognition has followed: in 2024 MO ranked among Portugal's 100 most valuable brands with an estimated value of €26M and a "Robust" strength rating (Creative News, 2024). It also won two consumer-voted awards - "Best Physical Store for Women's Fashion" and "Best Online Store for Men's Fashion"- in the "Best Store in Portugal 2024" awards (FashionNetwork, 2024) and has been awarded Superbrand status for four consecutive years (2022–2025) (Marketeer, 2025).

Over the past decade, Sonae's fashion division - now consolidated under the Sonae Zeitreel umbrella - has demonstrated a significant turnaround. In the first half of 2013, the division reported a turnover of approximately €518 million, alongside recurring negative EBITDA, reflecting a challenging phase for fashion operations (Sonae SGPS S.A., 2013). By the first quarter of 2023, Sonae Zeitreel had delivered a notably resilient performance, recording €96 million in turnover for the quarter and returning to underlying EBITDA profitability (Sonae SGPS S.A., 2023)[2].

Table 1 - Key facts about MO

Foundation Year	1995
Business Model	Multichannel (standalone stores, sections in Continente and e-commerce)
Number of Standalone Stores	127 (2025)
Launch of Online Platform	2015
International Presence	Spain, Andorra, Italy, Czech Republic, Azerbaijan, Morocco (2025)
Brand Value	€26 million (2024)
Recognition	Portugal's 100 most valuable brands (2024)

[2] The figures refer to Sonae's fashion division (initially under Sonae SR, now Sonae Zeitreel), encompassing multiple brands including MO. Specific financial results for MO alone are not publicly available nor obtained through interviews. The most recent Zeitreel specific data are from 2023; subsequent reports integrate these figures into broader consolidated categories.

4. Methodology

4.1 Data Collection Method

This research adopts a case study design, that is, an empirical investigation that examines a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and the context are not clearly defined (Yin, 2009).

According to Yin (2018), case studies can be exploratory, explanatory or descriptive. This research is classified as exploratory, as it aims to investigate a phenomenon that is still underexplored in Portugal: how consumers perceive the repositioning of a Portuguese fashion brand.

The brand MO was selected as the case study due to its repositioning journey in the Portuguese fashion sector, marked by the transition from a brand closely associated with food retail (Modalfa) to an independent identity with distinct strategic objectives.

Given the nature and objectives of the research, a mixed-methods methodology was adopted, combining both qualitative and quantitative data collection and analysis in a single investigation.

The quantitative approach involves the manipulation of variables and experimental treatment. It is objective, explanatory and measurable, allowing for the identification of relationships between variables defined in operational terms (Oliveira & Ferreira, 2014).

The integration of these approaches enables the use of multiple sources and types of data, providing a more comprehensive and robust understanding of the phenomenon under study (Flick, 2004).

4.2 Data Collection Technique

To address the research objectives, the study combined two interviews and a questionnaire survey.

Table 2 summarizes the data collection techniques, which are described in detail below.

Table 2 - Summary of data collection techniques

	Qualitative		Quantitative
	Interview 1	**Interview 2**	**Survey**
Data Collection Instrument	Semi-structured interview	Exploratory interview	Questionnaire
Source of Information	Inês Rocha, Area Coordinator of Brand, Digital Activation & Creative (MO)	Raquel Santos, Area Manager of E-commerce and Customer Relation (MO)	333 respondents (with prior MO purchase experience)
Date	19 February 2025	19 August 2025	19 July to 6 August 2025
Duration	42 minutes	35 minutes	-
Mode	Online	Online	Online

4.2.1 Interviews

The interview is a privileged method of data collection, particularly useful when the goal is to deeply understand the perceptions and experiences of someone. This method enables direct interaction between interviewer and interviewee, encouraging the exploration of meanings and experiences otherwise difficult to capture (Quivy & Campenhoudt, 1992).

Both interviews were audio-recorded, transcribed and subsequently analyzed.

4.2.1.1 Interview 1

The first interview is a semi-structured, guided by a prepared script (Appendix 1), while remaining flexible enough to allow the questions to be adapted to the natural flow of the conversation and to explore relevant emerging topics (Rubin & Rubin, 2011). This approach fosters proximity between interviewer and interviewee, allowing observation of reactions that could yield meaningful insights (Galletta, 2013; Barriball & While, 1994).

The interview lasted 42 minutes and was conducted with Inês Rocha, the Area Coordinator of Brand, Digital Activation & Creative at MO (Appendix 2).

The interview script followed a logical sequence. It began with questions about the brand's origin, evolution and the milestones in the transition from Modalfa to MO, aiming to understand the rationale behind the repositioning and the construction of a more independent identity. It then focused on the attributes currently associated with MO - convenience, proximity, modernity and price-quality balance - as well as the communication channels and consumer touchpoints. Changes in consumer behavior were also addressed, together with the growing role of digital marketing, social media and influencers in the brand's transformation. Finally, the conversation explored strategic directions such as international expansion, store renovation and investment in digital communication, concluding with the identification of success factors, particularly customer proximity, convenience and coherence between brand values and their expression across touchpoints.

4.2.1.2 Interview 2

The second interview had an exploratory and informal character and it was conducted after the analysis of the survey results, with the aim of sharing the main findings and gathering internal perceptions that could support their interpretation. This open format, as noted by Flick (2009) and Van Campenhoudt et al. (2017), is particularly useful in studies on brands and business strategies, as it allows for the collection of spontaneous and contextualized insights derived from the direct experience of the professionals involved.

The interview was conducted with Raquel Santos, Area Manager of E-commerce and Customer Relation and lasted approximately 35 minutes. It followed a conversational style, without a predefined script and was later transcribed and analyzed (Appendix 3).

The discussion focused mainly on perceptions of the brand's evolution and the influence of its association with Continente, highlighting both the benefits of visibility and customer loyalty, as well as the prejudices still present around purchasing clothing in a supermarket context. Differences between sales channels were also addressed, with the point being made that consumers who engage with the brand through its website tend to hold a more positive image compared to those who purchase mainly at Continente.

Although shorter, this interview provided relevant contributions to clarify some of the survey results and to reinforce the interpretation of consumer perceptions, functioning as an element of methodological integration and thus strengthening the validity and depth of the analysis (Denzin, 2017).

4.2.2 Questionnaire Survey

The questionnaire was made available through the Google Forms platform between July 19 and August 6 2025 (Appendix 4). Participation was voluntary, anonymous and unrestricted by age, with a filter question ensuring only respondents with prior MO purchase experience could proceed.

The online format was chosen for its speed, accessibility and low cost, as well as for its ability to reach a geographically dispersed audience, as noted by Mooi & Sarstedt (2011). The survey was mainly distributed via social media.

The questionnaire combined closed-ended questions, Likert-type scales and open-ended questions, adopting a mixed-methods approach. According to Oliveira & Ferreira (2014), this methodological combination enriches data collection.

4.2.2.1 Pre-test of the questionnaire

Before final implementation, the questionnaire was pre-tested with ten participants to evaluate clarity, coherence, structure and completion time. This procedure, recommended by Carmo & Ferreira (2008), ensured that questions were understood consistently by different respondent profiles. Based on the feedback received, improvements were made to the wording, order of presentation and response options. Responses from the pre-test were excluded from the final sample.

4.2.2.2 Organization and content of the questionnaire

The questionnaire is structured into six sections, organized in a sequential way that follows the consumer's journey (Table 3). The first five sections are directly aligned with the research objectives, while the last enables segmented and comparative analysis by profile.

In Section 1, consumer identification is carried out through a qualifying question, which serves as a filter. Only participants who had previously purchased MO products were allowed to continue.

Section 2 focuses on the consumer's experience with MO, including frequency of purchase and preferred channels. It also includes a question on whether MO is perceived as an independent brand, contributing to the analysis of the brand's perceived autonomy within the context of its repositioning.

In Section 3, perceptions of the brand's evolution are assessed using a series of Likert-type statements on trust, perceived quality, identification, image and intention to repurchase.

In Section 4, the questionnaire explores three key dimensions of consumer behavior: attitude, trust and purchase intention, using Likert-type statements - a technique widely validated in consumer behavior literature to capture perceptions and behavioral predispositions (Croasmun & Ostrom, 2011).

Section 5 explores brand values and purchase motivations, assessing how strongly respondents associate MO with the values such as trust, sustainability, proximity and modern style. An open-ended question on perceived brand differentiation is also included, enriching the qualitative analysis.

Finally, Section 6 focuses on the sociodemographic profile of the participants.

Table 3 - Structure and Purpose of the Questionnaire

Section	Main Theme	Relevance to the Study
Section 1	Consumer Identification	Filters exclusively those who have had contact with MO, ensuring that the responses genuinely reflect real experiences with the brand.
Section 2	Experience with MO	Helps understand purchasing habits and brand interactions, crucial for assessing consumer engagement and the role of Continente as a channel.
Section 3	Perception of Brand Evaluation	Assesses the perceived impact of MO's repositioning in terms of image, trust, and consumer identification.
Section 4	Attitude, Trust, and Intention	Measures fundamental consumer behaviour variables that help understand the strategic success of MO following the repositioning.
Section 5	Values and Motivations	Explores the extent to which MO's strategic values are recognized and valued, and how the brand differentiates itself in the market.
Section 6	Sociodemographic Profile	Enables characterization of respondents and segmentation of data by groups, which is essential for statistical cross-analysis and perception studies by profile.

4.2.2.3 Sample

The questionnaire yielded a total of 402 responses. Of these, 333 met the qualification criteria by confirming prior purchase of products from the MO brand and were subsequently included in the analysis. A non-probabilistic convenience sampling method was used, a technique defined by Carmo & Ferreira (2008) as practical and easy to apply, though limited in terms of representativeness.

Although this method does not allow for statistically generalisable conclusions, it is effective in exploratory studies of consumer attitudes and behavior (Mooi & Sarstedt, 2011).

The sample is predominantly composed of female individuals (80.5%), with a significantly lower representation of males (19.2%).

Regarding age distribution, the 45 to 54-year-old group is the most represented (26.7%), followed by three age groups with similar percentages: 15 to 24 years (20.4%), 35 to 44 years (19.8%), and 25 to 34 years (18.9%). The group aged 65 and over accounts for a very small proportion of the sample.

In terms of educational attainment, there is a high level of academic qualification: the majority hold a bachelor's degree (43.2%) or a master's degree or higher (31.2%). A considerable portion completed secondary education (23%), while very few participants have only basic or technical education.

Concerning region of residence, the sample is largely concentrated in the northern part of the country (85.6%). Lisbon (6.9%) and Central (3.9%) regions have a smaller presence, as do the Azores, Madeira and Algarve.

Regarding clothing purchase frequency, most participants report buying regularly: about one third purchase clothing once every three months (33%), followed by those who buy monthly (28.2%) and more than once a month (21.6%). A minority purchase less frequently (Table 4).

Table 4 - Sample Characteristics

Gender	
Feminine	268 (80.5%)
Masculine	64 (19.2%)
Non-Binary	1 (0.3%)
Age Group	
15 to 24 years old	68 (20.4%)
25 to 34 years old	63 (18.9%)
35 to 44 years old	66 (19.8%)
45 to 54 years old	89 (26.7%)
55 to 64 years old	38 (11.4%)
65 years old or older	9 (2.7%)
Education Level	
Basic Education	5 (1.5%)
Secondary Education	75 (22.5%)
Professional Higher Technical Course (CTeSP)	5 (1.5%)
Bachelor's Degree	144 (43.2%)
Master's Degree or Higher	104 (31.2%)
Region of Habitual Residence	
North	285 (85.6%)
Centre	13 (3.9%)
Lisbon	23 (6.9%)
Alentejo	2 (0.6%)
Autonomous Region of Madeira	3 (0.9%)
Autonomous Region of Azores	7 (2.1%)
Clothing Purchase Frequency	
More than once a month	72 (21.6%)
Once a month	94 (28.2%)
Once a quarter	110 (33%)
Less than once a quarter	57 (17.1%)

5. Results

5.1 Interviews

The two interviews with MO managers together offer complementary perspectives on the brand's strategic repositioning process.

Table 5 summarizes the main themes identified in the interviews, organized into five key areas: brand identity and positioning, communication and channels, strategic implementation, brand experience and consumer relationship and challenges and future directions.

Table 5 - Findings from the interviews

Main Topics	Key Conclusions	Individual Contributions
Brand Identity and Positioning	The 2013 shift from Modalfa to MO represented a pivotal strategic moment, designed to modernize and simplify the brand's identity. The brand book[3] played an essential role in aligning communication and product development guidelines, supporting a clearer positioning. However, the transformation did not fully take hold in the market. A significant share of consumers still colloquially refer to the brand as "Modalfa", a phenomenon identified in MO's internal focus groups. This persistence highlights the strength of legacy associations and the difficulty of detaching from supermarket origins. In this sense, the rebranding is perceived as lacking the necessary intensity to fully overwrite past perceptions.	**Inês Rocha:** stressed the importance of the brand book as a tool for alignment and strategic consistency. **Raquel Santos:** emphasized that the name change did not consolidate, as consumers and focus groups continue to use "Modalfa".
Communication and Channels	MO's communication has undergone a significant transformation, marked by the growing weight of digital channels. Investment in social media and influencers has made it possible to approach younger segments and respond to new consumer dynamics. However, a clear divergence persists across touchpoints. While the website projects a more modern, trend-oriented brand, the presence inside Continente	**Inês Rocha:** highlighted the growing role of digital tools and defended the need for coherence between online and offline. **Raquel Santos:** underlined the perceptual split between the website (more

[3] Brand book is a document that gathers the brand mission, vision, values and guidelines for both internal and external use, according to Inês Rocha.

Main Topics	Key Conclusions	Individual Contributions
	tends to reinforce utilitarian and convenience-based associations. This duality was also confirmed in focus groups, where consumers valued the accessibility linked to Continente but often questioned MO's independence as a brand. Such evidence points to the need for greater coherence across all communication platforms.	fashion/trend-oriented) and Continente (more utilitarian and convenience-driven).
Strategic Implementation	MO's repositioning has consistently been described as gradual and adaptive. The strategy follows a "test-and-learn" approach, with initiatives rolled out incrementally and refined based on consumer response. At the same time, the brand frequently relies on perception studies and pilot projects to validate strategic directions before wider implementation. This approach, also confirmed in focus groups, means that consumers perceive MO's evolution as progressive rather than disruptive. Overall, repositioning is understood as a long-term transition rather than a one-off event.	**Inês Rocha:** described the process as "test-and-learn", with gradual implementation adjusted to feedback. **Raquel Santos:** added that perception studies and pilot projects are central to validating directions before expansion.
Brand Experience and Consumer Relationship	The brand experience is rooted in proximity, familiarity and accessibility - qualities particularly valued by family-oriented customers. These attributes constitute one of MO's main competitive advantages in physical retail. However, perceptions of the brand vary according to the purchase context. At Continente, MO is mainly associated with convenience and price, while the website conveys a more fashion-forward image. Focus groups confirmed this	**Inês Rocha:** emphasized the relevance of proximity and accessibility in physical stores, especially for families. **Raquel Santos:** stressed that perception depends on the channel - Continente

Main Topics	Key Conclusions	Individual Contributions
	duality, describing MO as accessible and familiar but less clearly associated with modern fashion compared to specialized retailers.	(convenience/price) vs. website (fashion/trend).
Challenges and Future Directions	Despite progress in modernizing the brand and strengthening closeness to consumers, significant structural challenges remain. First, there is a need to reinforce differentiation in a highly competitive market, where MO is still perceived as less innovative than competitors. Another challenge concerns consolidating emergent values such as sustainability and trend alignment, which remain weak in consumer perception. Finally, managing the ambivalent link to Continente is central: on the one hand, it conveys trust and reach, but on the other, it limits the consolidation of an independent identity. Focus groups confirmed this reality, recognizing MO's convenience and affordability while pointing to its lack of distinctiveness and innovation compared to other retailers.	**Inês Rocha:** acknowledged progress but pointed to weaknesses in differentiation and in anchoring emergent values such as sustainability. **Raquel Santos:** reinforced the ambivalent nature of the link with Continente - both an advantage (trust) and a limitation (independence).

5.2 Questionnaire Survey

The analysis of data collected through the survey was conducted using descriptive and inferential statistical techniques. Descriptive statistics were used to characterize participants and summarize key variables. Given the non-normality of the data[4], hypotheses about differences and relationships were tested with non-parametric methods at a 5% significance level.

Regarding the mediation analysis, the traditionally parametric procedure was adapted to non-normal data through aggregated indices, ensuring robustness. The method was chosen due to software constraints but still yielded relevant insights into the phenomenon under study.

5.2.1 Descriptive Statistics

Brand Experience and Shopping Behaviors

Concerning purchase frequency at MO, most respondents reported buying from the brand occasionally (46.9%; n=155) or rarely (45%; n=150). Only a small portion of respondents shop frequently at MO (8.4%, n=28). The median purchase frequency is 2 ("Occasionally") (Table 6, Figure 1).

Table 6 - Purchase Frequency at MO

Purchase Frequency	Rarely (1)	Occasionally (2)	Frequently (3)	Median
	150 (45%)	155 (46.9%)	28 (8.4%)	2

[4] Standard deviations suggested a relatively balanced distribution; however, as the variables were measured on Likert-type scales, which are ordinal in nature, the assumption of normality was not considered appropriate.

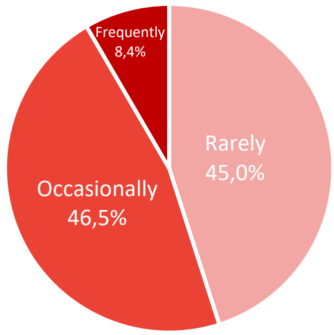

Figure 1 - Purchase Frequency at MO.

The analysis of purchase preferences reveals an almost equal distribution between the independent MO store (weighted average = 1.90) and the MO section within Continente, both strongly positioned as consumers' top choices (123 and 124 first-place votes, respectively). The online store appears as the least preferred option (2.37), with the majority of rankings placing it in third place (211), highlighting the dominance of physical channels in the shopping experience (Table 7, Figure 2).

Table 7 - Consumer Preferences for Purchase Locations

	1st Place	2nd Place	3rd Place	Weighted Average
MO Store	123	119	91	1.9039
MO Section in Continente	124	118	91	1.9009
Online Store	88	34	211	2.3693

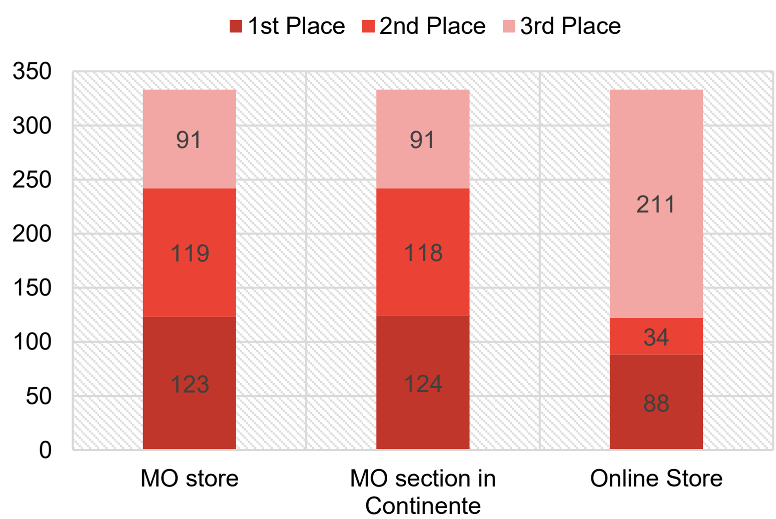

Figure 2 - Consumer Preferences for Purchase Locations.

Regarding where consumers notice MO's advertising most, the majority indicate they see MO's communications primarily in physical stores (57.1%; n=190), confirming the importance of the point of sale as the main vehicle for brand contact. Social media ranks second (30.3%, n=101), reinforcing the growing role of digital marketing. A notable share (27.6%; n=92) claims not to see MO advertising, suggesting room to increase brand presence. Digital influencers (16.2%; n=54) and the official website (9.3%; n=31) show more modest figures but represent channels with potential for growth and communication diversification (Figure 3).

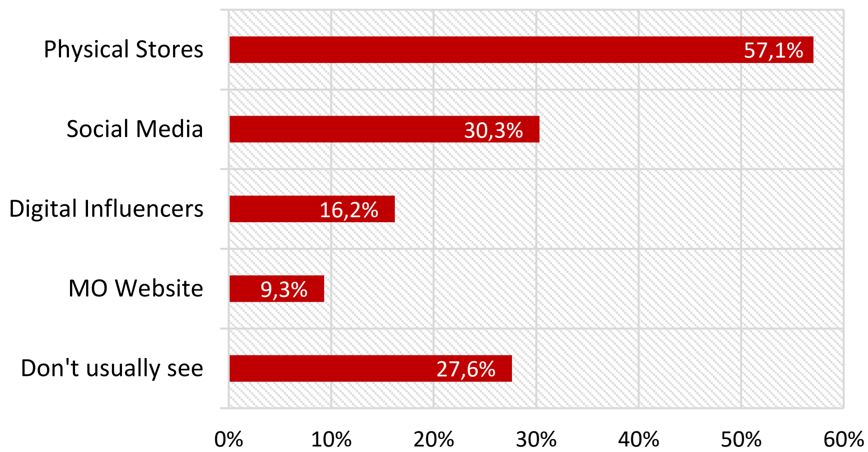

Figure 3 - Main Locations Consumers Identify MO Advertising/Communications.

Regarding brand familiarity, over half of respondents report that other family members also purchase MO clothing, with occasional buying (42.7%; n=142) being more common than regular buying (35.5%; n=118). About 21.8% (n=188) state that no other family members purchase from MO (Figure 4).

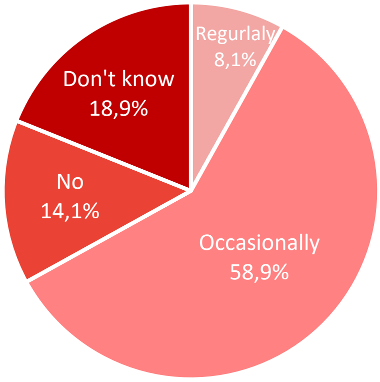

Figure 4 - Family Members' Frequency of Shopping at MO.

MO in Relation to Continente

Among consumers, 56.6% (n=188) state that MO's presence within Continente stores positively influences their purchase decisions. The most cited reasons among these respondents include the convenience of buying clothing and food products in the same location (72.6%; n=137), the possibility of benefiting from combined promotions or Continente card discounts (58.9%; n=111), having been introduced to the brand through Continente (41.1%; n=77), and the perception of more affordable prices in this context (37%; n=70). Only a small percentage expressed negative reasons regarding this influence, reinforcing that the connection to Continente is generally seen as a strong and differentiating factor in the shopping experience (Figure 5 and 6).

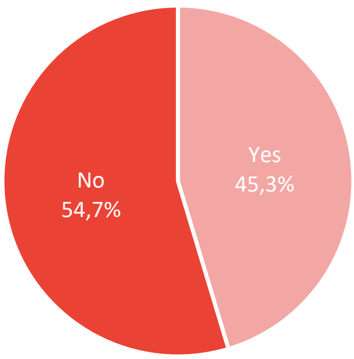

Figure 5 - Influence of MO's Presence in Continente on Consumer Purchase Decisions.

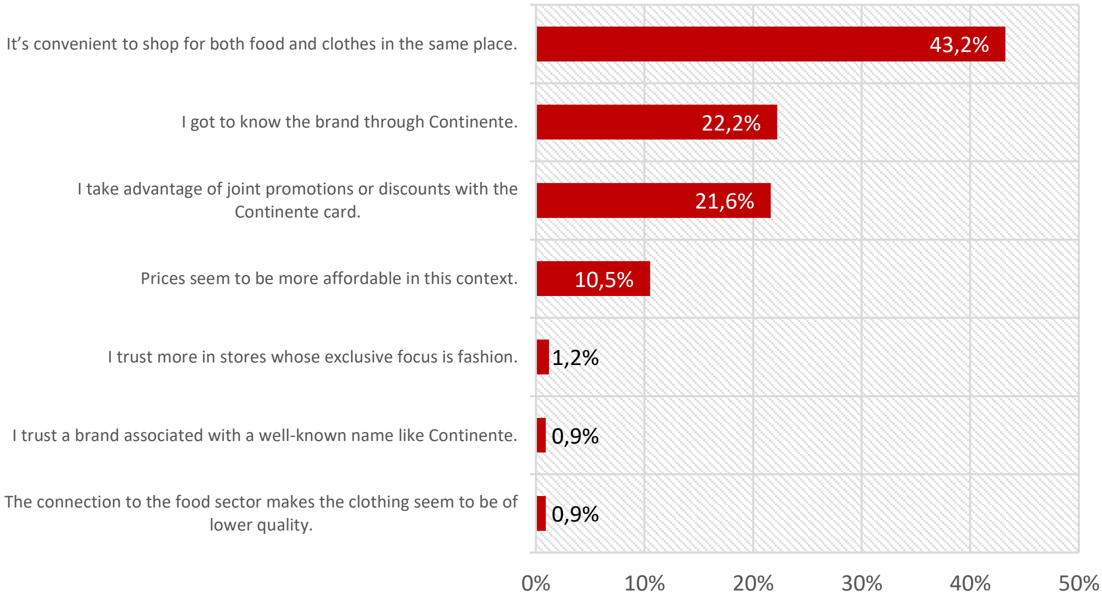

Figure 6 - Reasons Why MO's Presence in Continente Influences Purchase Decisions.

Regarding the perception of MO's independence from Continente, 41.6% (n=138) consider it an independent brand, while 34.2% (n=113) disagree, and 24.2% (n=80) had never considered the question before (Figure 7). These results indicate that the historical connection to Continente still influences the perceived brand identity.

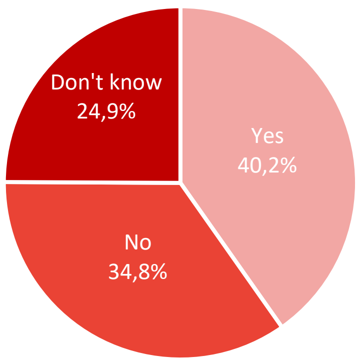

Figure 7 - Consumer Perception of MO's Independence from Continente.

General Brand Perception and Evolution

In terms of brand evolution, consumers tend to slightly agree that their trust in MO has increased ($\bar{X}$=3.23) and that product quality has improved ($\bar{X}$=3.28).

Similarly, they hold a neutral stance regarding identifying more with the brand ($\bar{X}$ = 3.17) and being more inclined to purchase from MO ($\bar{X}$=3.14). On the other hand, they agree that MO's overall image has become more modern and appealing ($\bar{X}$=3.53) and that the brand feels closer to the consumer ($\bar{X}$=3.34). The scale used ranged from 1 to 5, where 1 means "Strongly Disagree" and 5 means "Strongly Agree" (Table 8).

Table 8 - Perception of MO's Brand Evolution

	Average	Standard Deviation
My trust in MO has increased.	3.23	0.743
I believe MO products now have better quality.	3.28	0.743
I feel that I identify with MO more than I did before.	3.17	0.879
I am more inclined to purchase from MO.	3.14	0.864
MO's overall image is now more modern and appealing.	3.53	0.893
I feel MO is closer to me as consumer.	3.34	0.879

Regarding attitudes toward MO, respondents tend to like the brand ($\bar{X}$=3.54) and believe its image is consistent with its products and communications ($\bar{X}$=3.53). However, they are more neutral about identifying with MO ($\bar{X}$=3.22) or considering it a brand close to them ($\bar{X}$=3.21) (Table 9).

Table 9 - Consumer Attitudes Toward the MO Brand

	Average	Standard Deviation
I like the MO brand.	3.54	0.738
I identify with MO.	3.22	0.774
MO's image is consistent with its products and communications.	3.53	0.722
I feel that MO is a brand that is close to me.	3.21	0.848

Concerning trust in MO, consumers trust the quality of its products ($\bar{X}$=3.57) and believe the brand delivers on its promises ($\bar{X}$=3.57) (Table 10), with relatively low response variability, suggesting consistent perceptions.

Table 10 - Consumer Trust Toward the MO Brand

	Average	Standard Deviation
I trust the quality of MO products.	3.57	0.693
I believe MO delivers on what it promises.	3.57	0.657

Regarding purchase intention, results indicate moderate agreement about the intention to buy clothes from MO in the future ($\bar{X}$=3.60) and the willingness to recommend the brand to friends and family ($\bar{X}$=3.68) (Table 11).

Table 11 - Consumer Purchase Intentions Toward the MO Brand

	Average	Standard Deviation
I intend to purchase clothes from MO in the future.	3.60	0.798
I would recommend MO to friends and family.	3.68	0.777

Values and Purchase Motivations

For consumers, the value most associated with MO is "Affordable Fashion" ($\bar{X}$=3.84), indicating that the perception of MO as a brand offering accessible fashion is the most valued attribute. Next is "Closeness to the Consumer" ($\bar{X}$=3.67), highlighting the importance of the brand's proximity to its customers. The value "Trust" received a moderate rating ($\bar{X}$=3.52), reflecting reasonable trust in the brand. "Trend Alignment" averages $\bar{X}$=3.41, while "Sustainability" is the least valued attribute among those assessed, with $\bar{X}$=3.26. These results suggest that although sustainability is recognized, it is not currently a core value associated with MO (Table 12).

Open-ended responses reinforce these perceptions. Many respondents emphasize price accessibility and value for money, while others mention the simplicity and modernity of stores, the friendliness of employees, and the convenience of exchanges and returns as signs of closeness and trust. References were also made to solidarity campaigns, collaborations with influencers, the availability of plus sizes, product variety (including children's and sportswear) and inclusivity as distinctive values. In terms of sustainability, respondents noted packaging reduction and the use of cotton in some products, although this value is not yet central to the brand.

The scale used ranged from 1 to 5, where 1 means “Much Lower” and 5 means “Much Higher.”

Table 12 - Perceived Brand Values of MO

	Average	Standard Deviation
Trust	3.52	0.619
Sustainability	3.26	0.710
Affordable Fashion	3.84	0.701
Closeness to the Consumer	3.67	0.672
Trend Alignment	3.41	0.762

Compared to competitors, MO scores below 3.5 on evaluated values, indicating a generally balanced perception. "Customer Service" is the highest-rated attribute ($\bar{X}$=3.14), suggesting that service is one of the brand’s strengths. "Closeness" is also relatively well-rated ($\bar{X}$=3.20), reinforcing MO’s connection with consumers. Conversely, "Price" ($\bar{X}$=2.67) and "Brand Image" ($\bar{X}$=2.54) have the lowest averages, indicating less favorable perceptions in these areas. "Quality" received a rating of $\bar{X}$=2.87, suggesting a slightly lower quality perception compared to competitors (Table 13).

The scale used ranged from 1 to 5, where 1 means “Not at all” and 5 means “Completely.”

Table 13 - Consumer Perception of MO’s Brand Values Compared to Competitors

	Average	Standard Deviation
Price	2.67	0.775
Quality	2.87	0.669
Customer Service	3.14	0.634
Closeness	3.20	0.762
Brand Image	2.54	0.777

About 47.1% (n=157) of consumers believe MO differentiates itself from competitors, highlighting attributes such as competitive pricing (59.8% of these cases; n=94), convenience of location in Continente stores (54.7%; n=86), offered style and fashion (42.6%; n=67), and perception of closeness to customers (36.2%; n=57). Some respondents also point to product quality and durability as distinguishing factors (31.9%; n=50). On the other hand, 33.8% (n=113) do not perceive relevant differences compared to other brands, and 19.1% (n=64) have no formed opinion, suggesting that while MO already possesses valued elements, there is room to strengthen the communication of these attributes more clearly and consistently in the market (Figure 8).

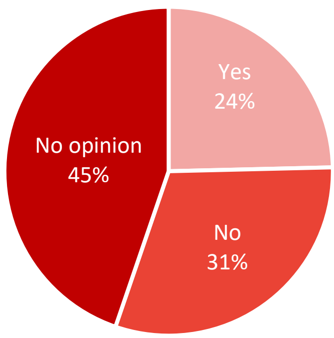

Figure 8 - Consumer Perception of MO's Differentiation from Competitors.

When asked about the most valued aspects when purchasing at MO, consumers highlight price (65.4%; n=218), material quality (54.1%; n=181) and style/fashion (48.7%; n=163) as the main decision factors. Accessibility, resulting from MO's presence in Continente stores, is also relevant for 42.9% (n=142) of respondents. Attributes such as sustainability (27.6%; n=91) and brand image (21.3%; n=70) have a lower relative weight but represent niche interests that the brand can leverage to foster loyalty within specific audience segments (Figure 9).

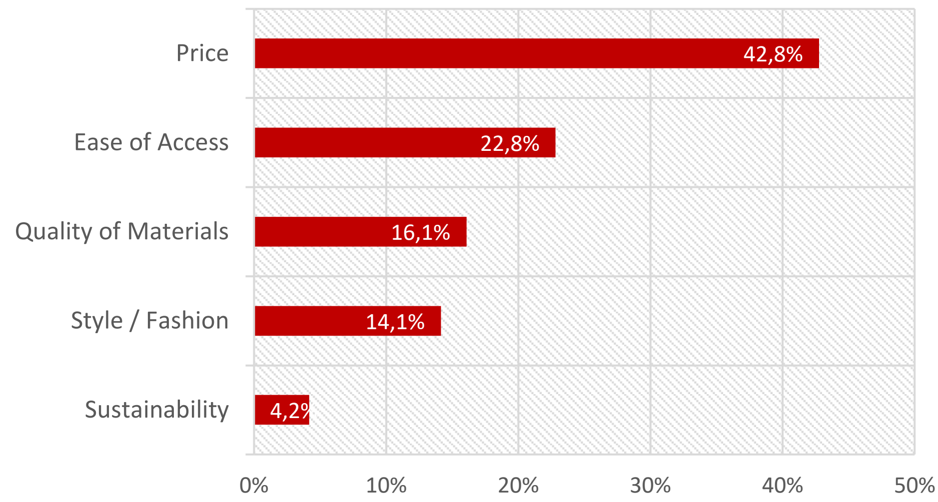

Figure 9 - Most Valued Attributes of the MO Brand by Consumers.

5.2.2 Inferential Stastistics

Test 1 - Correlation between the perception of the brand's evolution and purchase intention (Spearman's ρ)

The objective of this test is to assess the relationship between the perception of MO's evolution (Q7) and future purchase intention (Q10). For this, two variables were used: Perception Index (Q7, excluding the item "I intend to buy MO clothing in the future.") and Purchase Intention Index (Q10).

H_0: There is no relationship between perception of MO's evolution and purchase intention ($\rho=0$).

H_1: There is a relationship between perception of MO's evolution and purchase intention ($\rho\neq0$).

Table 14 - Spearman's ρ between perception of MO's evolution and purchase intention

Variables	Spearman's ρ	p-value	N
Perception x Intention	0.546	<0.001	333

p-value $< 0.05 \rightarrow$ Reject H_0.

There is a moderate to strong positive correlation between perception of MO's evolution and purchase intention. Consumers with more positive perceptions of the brand tend to show a higher intention to buy MO products in the future (Table 14).

Test 2 - Correlation between attitude toward MO and trust in MO (Spearman's ϱ)

The objective of this test is to assess whether consumers with a more positive attitude toward MO also have higher levels of trust in the brand. The variables used were the Attitude Index (Q8) and the Trust Index (Q9).

H_0: There is no significant correlation between consumers' attitude and trust ($\varrho=0$).

H_1: There is a significant correlation between consumers' attitude and trust ($\varrho\neq0$).

Table 15 - Spearman's ϱ between attitude toward MO and trust in MO

Variables	ϱ de Spearman	p-value	N
Attitude x Trust	0.563	<0.001	333

p-value $< 0.05 \rightarrow$ Reject H_0.

There is a moderate to strong positive correlation ($\varrho > 0.5$) between consumers' attitude toward MO and their trust in the brand. This means that consumers with more favorable attitudes toward MO also tend to exhibit higher levels of trust in it (Table 15).

Test 3 - Differences in purchase intention and recommendation between groups of comparative perception of MO versus competitors (Kruskal-Wallis)

The objective of this test is to evaluate if the comparative perception of MO against competitors (Q13) influences purchase intention and recommendation to friends and family. The variables used were: Comparative Perception Index versus Competitors (Q13), Purchase Intention (Q10.1), and Recommendation (Q10.2).

H_0: There are no significant differences in purchase intention and recommendation among the groups of comparative perception of MO versus competitors.

H_1: There are significant differences in purchase intention and/or recommendation among the groups of comparative perception of MO versus competitors.

Table 16 - Mean ranks of purchase intention and recommendation by comparative perception groups

Group	N	Mean Rank (Recommendation)	Mean Rank (Intention)
Worse	167	146.84	141.28
Equal	69	168.40	173.78
Better	97	200.71	206.47

Kruskal-Wallis test:

Table 17 - Kruskal-Wallis test results for differences in recommendation and intention by comparative perception groups

Variable	H(2)	p-value
Recommendation	23.93	<0.001
Intention	35.04	<0.001

Post-hoc (Dunn-Bonferroni):

Table 18 - Post-hoc Dunn–Bonferroni pairwise comparisons for recommendation and intention

Comparison	p-value (Recommendation)	p-value (Intention)
Worse < Equal	0.197	0.019
Worse < Better	<0.001	<0.001
Equal ≈ Better	0.023	0.017

p-value < 0.05 → Reject H_0 for both variables.

Groups with a more positive perception show higher purchase intention and recommendation. Significant differences occur especially between "Worse" and the other groups. The "Equal" group only shows a significant increase in intention, not in recommendation. Consumers perceiving MO as equal to competitors already show greater willingness to buy again, though recommendation tends to increase more strongly when MO is perceived as "Better"(Table 16-18).

Test 4 - Differences in perception and attitude depending on predominant purchase frequency (Kruskal-Wallis)

The objective of this test is to assess whether the frequency of purchase influences the perception of the brand's evolution (Q7). Variables used: Perception Index (Q7, excluding the item "I am more willing to buy again at MO") and Purchase Frequency at MO (Q2).

H_0: The perception of MO's evolution does not differ among levels of purchase frequency (distributions are equivalent).

H_1: The perception of MO's evolution differs in at least two levels of purchase frequency.

Table 19 - Mean ranks of perception of MO's evolution by purchase frequency groups

Purchase Frequency	N	Mean Rank
Rarely	28	219.18
Occasionally	155	183.59
Frequently	150	140.12

Kruskal-Wallis test:

Table 20 - Kruskal-Wallis test results for perception of MO's evolution by purchase frequency

Variable	H(2)	p-value
Perception	24.86	<0.001

Post-hoc (Dunn-Bonferroni):

Table 21 - Post-hoc Dunn–Bonferroni pairwise comparisons for perception by purchase frequency

Comparison	p-value
Rarely ≈ Occasionally	0.181
Rarely < Frequently	<0.001
Occasionally < Frequently	0.001

p-value < 0.05 → Reject H_0.

Perceptions of MO's evolution rise significantly as purchase frequency increases. The largest difference is between rare and frequent buyers, but an additional improvement is also observed between occasional and frequent buyers. This indicates that perceptions continue to improve with more frequent purchases, rather than stabilizing at the occasional level (Table 19-21).

Test 5 - Differences in perception and attitude depending on predominant purchase channel (Kruskal-Wallis)

The objective is to assess if the predominant purchase channel (Own store, Continente Store, Online Store) influences both the perception of MO's evolution and attitude toward the brand. Variables used: Predominant Purchase Channel (Q3), Perception Index (Q7, excluding the item "I am more willing to buy again at MO"), and Attitude Index (Q8).

H_0: There are no significant differences in perception and attitude among consumers who predominantly buy at own store and at Continente.

H_1: There are significant differences in perception and attitude among consumers from the two channels.

Table 22 - Mean ranks of perception and attitude of MO's evolution by predominant purchase channel

Purchase Channel	N (Perception)	Mean Rank (Perception)	Mean Rank (Attitude)
Own Store	147	161.92	173.55
Continente Store	125	149.36	150.04
Online Store	61	177.94	185.98

Kruskal-Wallis test:

Table 23 - Kruskal-Wallis test results for perception and attitude by purchase channel

Variable	H2(2)	p-value
Perception	4.41	0.110
Attitude	7.11	0.029

Post-hoc (Dunn-Bonferroni) for Attitude:

Table 24 - Post-hoc Dunn–Bonferroni pairwise comparisons for attitude by purchase channel

Comparison	p-value
Continente Store < Online Store	0.040
Continente Store ≈ Own Store	0.137
Own Store ≈ Online Store	1.000

For perception, $p > 0.05$ → Do not reject H_0.

No significant differences in perception between purchase channels (Table 22 and 23).

For attitude, $p < 0.05$ → Reject H_0.

Attitude toward MO differs by channel, with consumers who mainly buy online reporting significantly higher attitudes than those who buy at Continente. No significant differences were found between other channel pairs. (Table 22-24).

Test 6 - Mediation of the effect of MO's evolution perception on purchase intention through attitude and trust (Baron & Kenny (1986) mediation model and Sobel test)

The objective of this test was to evaluate if the perception of MO's evolution influences purchase intention indirectly through the mediating variables attitude and trust, checking whether these mediators explain part of the relationship between perception and intention. Four variables were used:

- Perception index (Q7 except "I am more willing to buy again at MO")
- Attitude index (Q8)

- Trust index (Q9)
- Purchase intention (Q10).

H_0: The perception of MO’s evolution does not influence purchase intention indirectly through attitude or trust (indirect effects = 0).

H_1: The perception of MO’s evolution influences purchase intention indirectly through attitude and/or trust (indirect effects ≠ 0).

Table 25 - Mediation analysis coefficients

Path	B	p-value
c (Q7 → Q10)	0.679	<0.001
a_1 (Q7 → Q8)	0.535	<0.001
a_2 (Q7 → Q9)	0.472	<0.001
c′ (Q7 → Q10 ∣ P8, P9)	0.222	<0.001
b_1 (Q8 → Q10)	0.559	<0.001
b_2 (Q9 → Q10)	0.335	<0.001

- c = total effect of Q7 on Q10 (without mediators)
- a_1 = effect of Q7 on mediator Q8 (attitude)
- a_2 = effect of Q7 on mediator Q9 (trust)
- c′ = direct effect of Q7 on Q10 controlling for Q8 and Q9
- b_1 = effect of Q8 on P10 controlling for Q7 and Q9
- b_2 = effect of Q9 on Q10 controlling for Q7 and Q8

Table 26 - Indirect effects

Effect	B
Indirect via attitude ($a_1 \cdot b_1$)	0.299
Indirect via trust ($a_2 \cdot b_2$)	0.158
Total indirect	0.457

Sobel Test:

Table 27 - Sobel test results

Path	H2(2)	p-value
Attitude	7.02	<0.001
Trust	4.59	<0.001

p-value $< 0.05 \rightarrow$ Reject H_0.

The perception of MO's evolution shows a significant positive total effect on purchase intention. Part of this effect is transmitted indirectly via attitude and trust. The direct effect of perception on purchase intention, controlling for attitude and trust, remains significant, indicating partial mediation (Table 25 and 26). The Sobel tests confirm that both attitude and trust play a significant mediating role in the relationship between perception and purchase intention (Table 27).

6. Discussion

Regarding the **first objective**, the results point to a repositioning strategy based on three main pillars:

- the standardization of visual identity;
- the reinforcement of communication authenticity;
- the enhancement of the shopping experience.

The creation of a brand book emerges as an essential measure, allowing the **standardization of visual and communication codes** and increasing coherence across all points of contact. This idea is consistent with Kapferer (2008), who emphasize that clarity and identity coherence are indispensable in processes of repositioning. Keller (2003) also argues that visual consistency contributes to memorability and strengthens brand equity, ensuring that brand evolution does not compromise recognizability.

The shopping experience is also a central element. The modernization of physical spaces and the investment in more appealing environments reinforce perceptions of quality and proximity. This result is consistent with Grewal et al. (2009), who identify the point of sale as a determining factor in shaping value perceptions, particularly in the fashion retail sector.

The reinforcement of communication authenticity reflects MO's attempt to align its communication with the actual brand experience, narrowing the gap between the modern, trend-oriented image conveyed online and the more utilitarian associations present at Continente. Strengthening authenticity is essential for building credibility, as Gilmore and Pine (2007) emphasize that authentic brands communicate consistently with their practices and values. In

MO's case, the brand book, together with the growing use of social media and influencers, represents a step toward greater coherence.

However, one fragility must be acknowledged: the rebranding from Modalfa to MO (2013) was not communicated effectively. The interviews revealed that many consumers still do not associate MO with the former Modalfa, indicating a lack of clarity in the transition. Although the gradual nature of the change reflects DiMingo (1988) argues that phased alterations reduce resistance, the low visibility of the rebranding limited its effectiveness.

A recurring point in the interviews was the role of Continente. **This channel** operates as **a complement to the network of own and digital stores**, providing convenience, loyalty and reach. At the same time, the association with the hypermarket retains ambiguities: for some consumers, it reinforces accessibility and proximity; for others, it conveys more utilitarian perceptions and even some prejudice. Thus, while ensuring visibility, Continente still challenges brand autonomy.

This dual perception is also observed in international cases such as F&F (Tesco) and TU Clothing (Sainsbury's), which initially struggled to separate from their supermarket origins. Both only achieved greater legitimacy in fashion after reinforcing independent communication and developing stand-alone stores. MO thus faces a comparable challenge of balancing retail visibility with the consolidation of brand autonomy.

Regarding the **second objective**, the results show that consumers recognize a generally positive but moderate evolution of MO. Modernity and appeal stand out as the most valued dimensions ($\bar{X}$=3.53), confirming the impact of visual and communication changes, in line with Keller (1993), who emphasizes the central role of image associations in brand value creation. Trust ($\bar{X}$=3.23), quality ($\bar{X}$=3.28), proximity ($\bar{X}$=3.34), and personal identification ($\bar{X}$=3.17), however, show more contained progress, accompanied by a significant number of neutral responses. This reflects both the gradual nature of the repositioning process and the difficulty of retrospectively evaluating past experiences, as noted by Schiffman & Wisenblit (2019) regarding the limitations of consumer memory.

In terms of **current perceptions, the brand is largely evaluated positively**. Consumers recognize quality ($\bar{X}$=3.57), proximity ($\bar{X}$=3.34), and identity consistency ($\bar{X}$=3.23 in "the brand delivers on its promises"), confirming the relevance of the strategies of product modernization, communication, and customer experience. But affective bonds, such as identification ($\bar{X}$=3.17) and purchase intention ($\bar{X}$=3.14). This difference between cognitive evolution and emotional consolidation aligns with Keller (2003), who argues that rational perceptions evolve more quickly than durable emotional ties.

The association with Continente reinforces this ambivalence: while many consumers recognize convenience and related benefits, others perceive less autonomy and link the brand to a more utilitarian context. This duality confirms the importance of carefully managing different points of contact, as suggested by Keller (2003).

In comparison, TU Clothing strengthened its repositioning with campaigns that emphasized style and individuality. By contrast, MO is still primarily perceived through in-store contact, which limits the impact of its digital and influencer strategies on consumer perceptions of modernity and differentiation.

Concerning the **third objective**, the statistical tests confirmed significant relationships between consumer perceptions and behavioral responses. Consumers who perceive MO as more modern and appealing also show greater trust in the brand, a stronger predisposition to recommend, and higher purchase intention. These results corroborate Keller's (1993) model, which establishes that favorable perceptions influence attitudes and consumption behaviors.

A particularly relevant aspect was the mediating role of trust. Respondents who perceived higher quality and proximity reported stronger trust, which in turn led to greater purchase predisposition. This evidence confirms the contributions of Munuera-Aleman et al. (2003), who identify trust as an essential link between perceptions and loyalty, and Yoo & Donthu (2001), who consider it one of the central pillars of brand equity.

This emphasis on affordability and convenience parallels the trajectories of George (Asda). Both combined competitive prices with accessible style. MO aligns with this approach but still lacks stronger symbolic attributes, such as modernity and sustainability, to achieve clearer differentiation in consumer perceptions.

It was also found that the perception of MO's competitiveness in relation to competitors is associated with higher purchase intention: consumers who consider the brand competitive in quality, price, and style expressed more favorable behavioral responses. This finding reinforces Keller's (2003) theory of points of parity and differentiation: while minimum credibility (parity) must be ensured, distinctive associations are needed to strengthen preference.

Regarding the **fourth objective**, the results show a **high degree of coherence between the values communicated by MO and those perceived by consumers**. Values such as accessible fashion ($\bar{X}$=3.84), proximity ($\bar{X}$=3.67) and trust ($\bar{X}$=3.52) were most strongly associated with the brand, coinciding with the identity defined internally and highlighted in the interviews. This correspondence confirms Kapferer's (2008) principle of identity consistency, according to which effective positioning depends on the brand's ability to align projected identity with perceived image.

However, sustainability presented a lower average ($\bar{X}$=3.26). The interviews indicated that MO has implemented several initiatives in this field but acknowledged that these are not yet sufficiently visible in communication. As a result, this value is not perceived as central by consumers, even though it forms part of internal practices. This misalignment supports the concerns Fuchs &

Diamantopoulos (2010), who warn that poorly communicated attributes may fail to shape external perceptions.

Finally, regarding the **fifth objective**, the statistical tests showed that **behavioral factors exert a relevant influence on perceptions and responses to MO**.

Purchase frequency revealed significant differences in perceptions: consumers who buy frequently evaluate MO more positively than both rare and occasional buyers. This suggests that repeated contact strengthens favorable associations, in line with the mere exposure theory (Zajonc, 1968).

With respect to sales channels, a significant difference was found between consumers who mainly shop through the official website and those who purchase mainly at Continente. **Online buyers reported significantly higher attitudes than Continente buyers**, while no differences were observed between the other groups. This difference can be explained by greater exposure, in digital contexts, to a carefully managed and updated brand image, contrasting with the more utilitarian perceptions linked to Continente.

The analysis also revealed that consumers who perceive MO as superior to competitors in terms of lower price, quality, style, and customer service express more favorable attitudes and stronger purchase intentions. These results reinforce the centrality of differentiation as a strategic element (Porter, 1985), confirming that MO's repositioning has been effective in securing attributes that support competitiveness in the sector.

In conclusion and directly addressing the research question - to what extent the success of MO's repositioning strategy is reflected in consumer perceptions and responses - the findings indicate a **partial but meaningful success**. Consumers clearly recognize progress in dimensions such as modernity, appeal and accessibility, which are positively associated with trust, purchase intention, and recommendation. At the same time, limitations remain evident: emotional identification is weaker, the link to Continente constrains perceptions of autonomy and the rebranding from Modalfa has not been fully assimilated. Overall, the strategy's success is more evident in cognitive and functional perceptions than in affective and symbolic ones, showing that MO has advanced significantly but still requires further consolidation to secure long-term differentiation and loyalty.

Table 28 - Summary of Objectives and Key Results

Objective	Summary
Objective 1: To analyze MO's repositioning strategy in terms of its main pillars and implementation measures	The strategy is structured around three main pillars: the standardization of visual identity (brand book), the reinforcement of communication authenticity, and the enhancement of the shopping experience. These measures improved coherence and quality perceptions, though the rebranding from Modalfa to MO was not fully assimilated. The partnership with Continente ensures visibility but continues to limit autonomy.
Objective 2: To evaluate consumers' perception of MO's evolution over time	Consumers recognize progress in modernity and appeal, while trust, quality, proximity and identification show moderate improvement. A significant number of neutral responses reflects both the gradual nature of the repositioning process and the difficulty of evaluating past experiences. Cognitive perceptions advanced more strongly than emotional ties, indicating moderate consolidation.
Objective 3: To examine the relationship between consumer perceptions of MO and their behavioral responses	Positive perceptions of modernity and appeal are associated with higher trust, recommendation and purchase intention. Trust mediates the link between quality/proximity and loyalty, reinforcing its central role in brand equity and consumer predisposition to purchase.
Objective 4: To assess the degree of coherence between MO's communicated values and consumers' perceived values	High alignment was observed in accessible fashion, proximity and trust. However, sustainability achieved lower recognition, indicating that although present in internal practices, it is not yet sufficiently visible in communication, creating a perception gap.

Objective 5: To analyze the influence of consumer behavior factors on perceptions of MO	Frequent buyers evaluate MO more positively (mere exposure effect). Website shoppers report more favorable attitudes than Continente shoppers. Perceived competitiveness in price, quality, style and service strongly influences purchase intention.
Research Question: To what extent is the success of MO's repositioning strategy reflected in consumer perceptions and responses?	The repositioning shows partial but meaningful success: consumers value modernity, appeal, and accessibility (linked to trust and purchase intention), but emotional identification, autonomy and the rebranding remain fragile. Success is clearer in cognitive and functional dimensions than in affective and symbolic ones.

7. Conclusion

7.1 Main Conclusions

This study assessed the effectiveness of MO's repositioning from the perspective of consumer perception. The results indicate that the repositioning contributed to the modernization of the brand image and to the reinforcement of attributes such as **proximity, convenience, and accessibility**, confirming the importance of **both functional and emotional benefits** in shaping brand perception (Kapferer, 2008).

However, the historical link with Continente continues to play an ambivalent role in how the brand is perceived: on the one hand, it constitutes an advantage by transmitting trust, proximity, and convenience; on the other, it represents a limitation by hindering MO's consolidation as a fully independent brand. This duality confirms that repositioning is a gradual process that requires communicational and experiential consistency (Muzellec & Lambkin, 2006). This finding is in line with the literature that highlights the influence of pre-existing associations in the interpretation of brand identity (Ries & Trout, 1981).

In addition, the statistical analysis revealed significant correlations between positive perceptions of the brand's evolution and behavioral variables such as trust, attitude, and purchase intention, reinforcing the notion that consumer perception acts as a central mediator between projected identity and behavior (Keller, 1993).

Overall, **MO has become a more modern and competitive brand**. Yet challenges remain in consolidating differentiation, reflecting the risks of insufficiently distinctive or credible repositioning (Iglesias et al., 2019). Furthermore, emerging attributes such as **sustainability and trend alignment** remain **weakly established** in consumer perception, despite being increasingly recognized as critical factors for competitiveness in the fashion retail sector (Marques et al., 2020).

In summary, the study confirms that MO's repositioning has generated positive outcomes, but also shows that its full consolidation will depend on the brand's **ability to balance the heritage associated with Continente with the affirmation of its autonomy, strengthen differentiation, and convincingly integrate emerging attributes valued by consumers.**

7.2 Contributions and Theoretical and Managerial Implications

This study contributes to the literature on the repositioning of brands originating in food retail, providing empirical evidence from a Portuguese case and deepening the understanding of the role of consumer perception in evaluating the effectiveness of such strategies.

At a theoretical level, the results confirm that repositioning should be understood as a gradual process, shaped by pre-existing associations that influence how brand identity is interpreted. In this sense, the study adds nuances to the debate on the relationship between projected identity and brand perception, underlining the importance of communicational and experiential consistency.

From a managerial perspective, the study provides MO with practical insights by identifying the attributes most valued by consumers - **affordable price, perceived quality, style and proximity** - which should remain central to its value proposition. It also underscores **the need to reinforce independence and differentiation while managing the association with Continente, preserving the advantages of trust and convenience without compromising autonomy.** In addition, The company itself expressed interest in the research, as its internal studies had not been fully conclusive regarding the evolution of brand perception, and the results of this study are expected to serve as a complement to those analyses.

7.3 Limitations

This research presents some limitations that should be acknowledged.

First, the sample used was based on convenience, with a predominance of female participants, residents in Northern Portugal and with higher levels of education, which limits the generalization of the results.

Second, the cross-sectional design does not capture changes over time, which is particularly relevant in repositioning processes, and consumer memory also constrains evaluation (Schiffman & Wisenblit, 2019).

Additionally, contact with the company was more limited than initially expected due to the company's sale process and subsequent internal restructuring, reducing access to complementary information.

In methodological terms, the mediation analysis was constrained by the absence of the PROCESS macro for SPSS, which limited the detail of the outputs.

Another limitation concerns the scarcity of publicly available financial data for MO, which required the use of brand value as a proxy indicator of market relevance.

Finally, it should be emphasized that as a brand born in a supermarket context, MO's characteristics restrict the generalization of findings to other markets.

7.4 Future Research

Based on the limitations identified, several avenues for future research can be suggested.

First, it is recommended that more heterogeneous and representative samples be used, thereby allowing for greater generalization of results.

Second, longitudinal studies would be particularly relevant to capture the evolution of perceptions over time and to better understand how consumers gradually assimilate repositioning strategies.

Also, future studies could compare consumer perception with financial indicators such as revenue, profitability, or brand value. This would help determine whether improvements in brand image and trust are effectively reflected in economic performance.

In addition, it would be useful to extend the study to non-consumers, in order to analyze their perceptions and identify the reasons behind the absence of purchase or interest in the brand, thus enabling a comparison between external barriers and the current customers' perceptions.

During the preparation of this work the author used ChatGPT in order to consultation and language support. After using this tool, the author reviewed and edited the content as needed and takes full responsibility for the content of the publication.

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Appendices

Appendix 1 - Interview 1 Guide

Section 1 - Introduction and Brand Context

1. How would you describe the evolution of the MO brand from its creation to today? What would you highlight as the key milestones?

Section 2 - Positioning Strategy

2. According to the article "A queda de um sufixo elevou a MO" published in Marketeer magazine (September 2018), the MO brand underwent a transition over time, and consumers now perceive a certain distancing between MO and the Continente brand. If this distancing exists, was it strategically planned or did it emerge naturally?

If the distancing was planned:

3. What was the main objective behind MO's separation from Continente?
4. How did MO communicate this change to consumers?
5. Was there any resistance from customers regarding the separation from Continente? How was it managed?
6. How did the brand define its new visual and communication identity to reinforce its independence?
7. Are there criteria used to differentiate/select the product range available in MO stores versus Continente stores?

If the distancing was not planned:

8. What was the reason for creating stand-alone MO stores?

Section 3 - Consumer Perception and Differentiation Strategies

9. The transition from Modalfa to MO was a decisive moment in the brand's history. Were market studies conducted to understand consumer perception before and after the transition? What were the main insights?

9.1 What aspects of the brand were most impacted by the change?

9.2 What are the key attributes MO currently aims to associate with the brand, and how do they differ from those originally linked to Modalfa?

9.3 What aspects of MO's new identity were most valued by consumers?

9.4 Were there perceptual differences between different customer segments?

9.5 What changes in behavior or shopping habits were observed after the transition?

10. What strategies were used to reshape consumer perception of the brand and its products?

11. What role did digital marketing and social media play in this transformation?

Section 4 - Competitive Advantages and MO's Future

12. How is MO currently positioned in the fashion market in comparison to its competitors?

13. How does the brand measure the impact of the change in consumer perception on customer loyalty and sales?

14. Are there plans to continue evolving MO's brand identity in the future? If so, what are the strategic directions?

Final Reflection

15. If you could highlight one key factor that contributed to MO's success as an independent brand, what would it be?

Appendix 2 - Interview with Inês Rocha

C: Could you start by introducing yourself? How long have you been with the company?

I: I'm Inês. I have a degree in Communication Sciences and also completed the General Management Program at Universidade Católica Portuguesa. I have about 12 years of experience in the textile retail sector. I initially worked for two and a half years at Salsa in the Marketing department, mainly focused on social media, influencer marketing, public relations, and events, supporting the brand communication efforts across digital platforms.

I've been at MO for nearly nine years now, leading and coordinating a team of three people in areas such as brand, digital activation, events, creative direction, and the photographic studio.

The Creative Direction team develops all the moodboards for product collections at key commercial moments and is also responsible for all the graphic design elements - whether for our physical stores, digital assets, or international hypermarket formats, since MO has been expanding internationally with hypermarket partners, particularly in Spain, Italy, more recently the Czech Republic, and Azerbaijan. The Photographic Studio handles all product shootings, both for creative campaigns and for the online store, including what we call "live models" and flat product photography.

So in terms of my role, I oversee all things related to brand, digital activation, events, creative direction, and the photographic studio at MO.

C: How would you describe the evolution of the brand, from its inception until today? What are the most important milestones?

I: The brand is turning 30 this year, which reflects a solid and remarkable journey at the national level. I would even say MO is the largest fashion brand in Portugal. We currently have more than 120 stores spread across the country. Thanks to this wide coverage, we are present in regions where other brands in the same sector do not reach, ensuring a strong national presence.

I believe MO's evolution has been very consistent. The brand started, as you may know, inside Continente hypermarkets, next to cheese, sausages - basically when Continente began exploring textile retail and realized that people enjoyed shopping for fashion items while doing their grocery shopping. Over time, the brand grew and began to develop outside hypermarkets - though not entirely. MO still exists within hypermarkets to this day, but it began opening its own stores inside shopping galleries.

This allowed us to keep the proximity and convenience associated with Continente, but develop MO as a more independent and mature brand. We're still present in galleries near Continente stores and continue to benefit from the traffic those stores generate. But on the other hand, we've worked hard to solidify MO as a brand with its own consistent identity. Today, we have a brand book - something that would have been unthinkable back then.

If you're not familiar with the term, a brand book is essentially the brand's Bible - it contains our mission, vision, values, and guidelines for both internal and external teams. I believe MO's evolution has been about preserving some of the core values that define us - such as proximity and convenience - while at the same time developing and asserting the brand's independence from the hypermarket.

We don't deny our origins, but we aim to go further. We've also worked on achieving brand neutrality. In 2019, we conducted a customer study which showed increased perceptions of neutrality, largely due to our strong marketing and digital efforts. We've invested heavily in digital and influencer marketing to reach more people at a lower cost.

This year, we're repeating that customer study - it should be completed around April - not to create a brand-new brand book, but to update and consolidate it based on the insights we gather.

C: Was the distancing from Continente something planned, or did it happen naturally?

I: It was a bit of both. On one hand, we realized that customers were expecting more from us. On the other, we saw an opportunity to consolidate and build a stronger, more independent brand.

It's still very important for us to be inside hypermarkets, because we continue to perform well in that context. But we also realized we could grow the brand beyond that. Interestingly, our ability to grow internationally - in hypermarkets across Spain, Italy, the Czech Republic, Azerbaijan - is precisely because we started and matured inside a hypermarket model. So we now bring that know-how to international partners.

We operate through what we call a category management model - we sell the product, the know-how, and the communication strategy. My team, including Creative Direction and the Photographic Studio, creates turnkey content packages that are used by our international partners. They receive ready-to-use visuals, product content, and brand communication materials. We even send marketing and visual teams to those countries to support the launch and setup of the MO sections inside the local hypermarkets.

C: Was there a formal communication plan when MO started opening stores outside of Continente?

I: It was a very gradual process, almost organic. MO started growing from the Modalfa brand, and the rebranding to MO took place in 2013, which was probably the moment when the brand truly asserted itself. By that point, there were already stores outside of Continente, but the rebranding marked a more visible phase of independence.

That said, I personally think the rebranding communication could have been stronger. Modalfa, at the time, actually had more brand recognition than MO, and I believe the transition could have been more widely communicated. But the way we work is very pilot-based - we don't launch something across 120 stores all at once. We always start with a smaller group, collect insights and data, and then scale. That's how we approach everything - whether in Portugal or abroad. The perception change for consumers also followed this gradual approach, without any abrupt shifts.

C: Is there a difference in the products sold in MO stores versus those sold in Continente?

I: Yes, absolutely. We have dedicated market managers, both for national and international markets, who are responsible for defining the product mix per channel. They make decisions based on sales history, key product bets, and local performance.

As a result, the assortment varies. In hypermarkets, the focus is more on basics and entry-level pricing, aiming to provide the best quality-price ratio for everyday items.

C: What are the main attributes MO wants consumers to associate with the brand today?

I: It's hard to compare directly with what was true back in the Modalfa days, but we've maintained key values very consistently: convenience, proximity, and good value for money.

For example, going to a MO store is very different from going to a Zara. In Zara, it can be hard to find someone to help you, and that's not necessarily due to staff shortages - it's just not part of their customer service model. At MO, our customers tend to be very recurrent, partly because they regularly go to Continente for groceries. This creates steady traffic and familiarity - store staff recognize faces and customers feel seen.

Our locations are often in smaller galleries, not in huge urban malls, which fosters a more human scale of interaction. That familiarity, that personal connection, is part of what defines MO.

C: Have consumer habits changed since then?

I: They remain very convenience-driven. Our stores are designed with that in mind - wide aisles, for example, to accommodate supermarket carts. Our product range covers all family categories - men, women, children, babies, and some childcare articles.

We want our brand values to be reflected in everything: the store architecture, the price point, the visual communication, the product, the service. If we say we are a brand for families, offering accessible basics with good quality, that has to come through in every touchpoint, from store layout to how our employees interact with customers.

C: How have digital marketing and social media supported this transformation?

I: They've played a huge role, particularly from 2015 onwards, when we launched our e-commerce store. Social media and influencer marketing have helped us gain brand visibility beyond borders at a lower cost than traditional advertising.

That said, things were very different not long ago. I started university in 2009, and Facebook was just starting to gain ground. Back then, social media wasn't seen as a brand-building or sales-driving tool. Now, of course, things are very different.

We're planning to run another customer study this year, the last one was in 2019, to better understand the role of digital in brand perception. I'll be able to share some insights once the study is complete.

C: How does MO position itself compared to the competition?

I: We stand out for our price-quality ratio and convenience. Our products are well-priced without compromising on quality, and the shopping experience is more personal. We're also very consistent and committed to our brand promise.

C: What are your future plans for the evolution of MO's brand identity?

I: Our strategic directions have remained relatively consistent in recent years. We'll continue investing in the category management model, expanding into more international hypermarkets, and in strengthening our digital presence abroad, especially in Spain, where we currently have limited digital investment.

We're also renovating our store network in Portugal, modernizing the customer experience and implementing smarter solutions. So yes, digital growth, international expansion, and physical store innovation are our three main strategic paths.

C: When you operate internationally through hypermarkets, do you always use the MO brand?

I: Yes, always. We maintain the MO branding across all markets. We've created international brand guidelines — not quite a brand book, but a set of mandatory standards — to ensure consistency across cultures and retail environments. Of course, there's some flexibility depending on local needs, but the MO identity is always preserved.

C: And finally, if you had to highlight one key factor behind MO's success, what would it be?

I: Definitely convenience and proximity. Speaking as someone who's been with the brand for nine years and who has worked in stores myself, I can say that the closeness between staff and customers is truly unique.

I believe our success lies in not trying to be like other brands. Of course, we pay attention to trends and competition, but we stay true to what works for us. The fact that we're in hypermarkets, in less urban areas, and that our people know our customers well — that's a real advantage.

Digital has been a great tool, yes, but we truly believe in a hybrid model. People shop online, but they also want to visit the store after seeing something in a newsletter. The modern customer is omnichannel, and our job is to deliver a consistent, seamless experience across all touchpoints. I think we're on the right track. We've been making consistent, thoughtful steps and it's paying off.

Appendix 3 - Interview with Rita Santos

[Beginning of the interview with greetings and interviewer introduction omitted]

C: Could you start by introducing yourself?

R: I am responsible for the e-commerce and customer area at MO. We have the customer support part, but also strategy, so all customer studies go through my team. This year we did a study in March and have just received the results. The goal was to understand customers' perception of MO: how they feel about the brand's evolution, what they value. We had already done a similar study in 2021/2022 and, from time to time, we listen to customers to understand the evolution that is taking place.

Complementing what you feel as a consumer, we also feel that there has been an evolution. That's why it was particularly interesting to see your survey. Also because our administrator wanted the study to make it clearer why some customers don't buy MO - whether it is because of its association with the supermarket. We have positives and negatives from being born in Continente and being present in its galleries, unlike other brands that are in large shopping malls. We gain because when the customer visits Continente, they also visit the gallery, and that gives us exposure. The fact that our loyalty program is the Continente card is also very good, because it generates greater reach and volume. But we know that there are customers who have some prejudice about the brand being associated with the supermarket or about the act of buying clothes in the supermarket itself, even though the collection is the same.

We wanted to better understand what the customer sees and whether they feel the evolution that, internally, we know is happening: communication, product, store renovation. That is why we found your survey particularly relevant.

C: I prepared a small presentation to organize the logic of the survey and to discuss the ideas. The survey was open for three weeks, and the condition to respond was to have already purchased from MO, either in a stand-alone store or in Continente. We obtained 402 responses, of which 333 had already purchased from MO. The sample was mostly female (80%), mainly from the north. Most had a bachelor's degree or higher.

R: When you say buying MO products, does that include buying in Continente?

C: Yes, both in stand-alone stores and in Continente. I also added the former Modalfa, because I realized that many customers still associate MO with that name.

R: Yes, that's interesting. In our study, that perception came up a lot: for customers it is Modalfa, not MO. Even in focus groups, when they were told that now it is MO, many would say: "For us, it will always be Modalfa."

C: Regarding frequency of purchase, most buy occasionally. In terms of channels, stand-alone stores and Continente differed by just one response, and the online store came third. Half consider that the presence in Continente influences them, half do not. Those who say it influences almost always point to positive reasons. As for MO being perceived as an independent brand, responses were very divided.

Raquel: It is very interesting to see that the presence in Continente is, most of the time, positive.

C: Regarding the brand's evolution, the results were positive, although many answered "neither agree nor disagree." This is perhaps the most difficult analysis, because it is hard for people to remember, in a non-biased way, what they felt years ago compared to what they feel today.

R: Did you analyze if there were differences in those responses between customers who buy in Continente and those who buy online? Because, for example, in Continente we have little power to influence product display. We are now testing some things in some stores, but, generally, what happens is that Continente buys the products from us and then sells them. In our stores we can control things. We are in the middle of renovations, and the visual guideline is different. It would be interesting to see if any discrepancy could be observed in those values.

C: I tested that. Regarding brand perception, there was not much difference. In terms of attitude, yes: there are significant differences between online and Continente, with online being more favorable.

R: That makes sense.

C: Regarding competition, respondents did not feel major differences between MO and brands such as Zara, H&M, C&A, and Lefties.

R: In an exercise we did in focus groups, we asked customers to group brands. We always ended up in the H&M and C&A family. This year we were no longer placed next to Lefties and Primark, which are truly low-cost.

C: In comparative terms, MO stands out first for price, then for ease of access, followed by material quality, modernity, and lastly, sustainability.

R: Yes, that makes sense because of the locations. It is aligned. Even though we try, we don’t consider sustainability a core value.

C: Some conclusions from the statistical tests: customers with a positive perception of the brand trust it more; positive perception increases purchase intention and willingness to recommend; those who consider MO as good as or better than competitors also show higher purchase intention and recommendation; the higher the purchase frequency, the more positive the brand perception; and the online channel shows more favorable attitudes than Continente.

R: That also came up in our studies. Especially among non-regular customers. In focus groups, when the moderator asked “Why don’t you buy from the brand?” many answered: “I don’t like it,” “I only buy pajamas,” or “I only buy basics.” Then the moderator would show the website and ask: “And now, what do you think?” and they would reply: “Oh, there are some nice pieces.” I think this may be related to the fact that our website, even if it still needs improvements, conveys a more polished image than some physical stores and Continente. Many stores are old, the display may not be well done, the clothes may even look a bit wrinkled. And, as for Continente, we have no control over the display. This was strongly felt in the focus groups: “It doesn’t even look like MO,” “I would even buy this,” when they saw the website.

C: Yes, I also noticed this in conversations about the survey: either people know the brand and like it, or they only see it as a convenient brand because it is in Continente.

R: We also feel that. Those who know the brand see the evolution. Those who don’t know it often keep the prejudice of the association with Continente. It is aligned.

[End of the interview with closing remarks and farewell omitted]

Appendix 4 - Questionnaire

Section 1 - Identification of MO Consumers

1. Have you ever purchased clothing from the MO brand (including when it was called Modalfa or from MO spaces within Continente stores)?

   ☐ Yes

   ☐ No

   If "No," end the survey.

   If "Yes," proceed to the next section.

Section 2 - Experience with the Brand

2. How often do you usually purchase clothing from MO?

   ☐ Rarely

   ☐ Occasionally

   ☐ Frequently

3. Rank the places where you usually buy MO clothing, from most frequent (1) to least frequent (3):

   ☐ MO store (independent)

   ☐ MO space inside Continente

   ☐ Online store (mo-online.com)

4. Where do you usually see MO advertising or communication? (select up to 3 options)

   ☐ Social media

   ☐ Physical store (MO or Continente)

   ☐ MO website

   ☐ Digital influencers

   ☐ I usually don't see any

5. Do other members of your household also purchase MO clothing?

☐ Yes, regularly

☐ Yes, occasionally

☐ No

☐ I don't know

6. Does MO's presence within Continente influence your purchase decision?

☐ Yes

☐ No

A. If you answered "Yes," why? (select up to 3 options)

☐ Convenience of shopping for food and clothing in the same place.

☐ Because I first discovered the brand through Continente.

☐ Because prices seem more affordable in that context.

☐ Because I take advantage of joint promotions or Continente card discounts.

☐ Because I trust more in a brand associated with a well-known name such as Continente.

☐ Because the link to a grocery retailer makes the clothing appear of lower quality.

☐ Because I trust more in stores whose exclusive focus is fashion and accessories.

☐ Other: ____________

B. Do you consider MO to be an independent brand from Continente today?

☐ Yes

☐ No

☐ I don't know / I've never thought about it

Section 3 - Perception of MO's Evolution

7. Indicate your level of agreement with the following statements about MO, compared to your previous experience.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
My trust in MO has increased.					
I believe MO products now have better quality.					
I feel that I identify with MO more than I did before.					
I am more inclined to purchase from MO.					
MO's overall image is now more modern and appealing.					
I feel MO is closer to me as consumer.					

Section 4 - Attitude, Trust, and Purchase Intention

8. Attitude toward MO

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I like the MO brand.					
I identify with MO.					
MO's image is consistent with its products and communication.					

I feel that MO is a brand close to me.					

9. Trust in MO

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I trust the quality of MO products.					
I believe MO delivers on what it promises.					

10. Purchase Intention

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I intend to buy MO clothing in the future.					
I would recommend MO to friends or family.					

Section 5 - Values and Purchase Motivations

11. In your opinion, to what extent does MO represent the following values?

(1 = Not at all; 5 = Completely)

	1	2	3	4	5
Trust					
Sustainability					
Affordable fashion					
Closeness to the customer					
Trend Alignment					

A. Can you give an example (in-store or online) that clearly demonstrates MO's values?

(Open-ended response)

12. Do you consider that MO differentiates itself from other clothing brands?

☐ Yes

☐ No

☐ I don't have a clear opinion

A. If you answered "Yes," why do you think MO differentiates itself from other brands?

(Open-ended response)

13. Compared to other brands you know (e.g., Zara, H&M, Primark, Lefties, C&A), how would you rate MO on the following aspects?

(1 = Much worse; 5 = Much better)

	1	2	3	4	5
Price					
Quality					
Customer service					
Closeness					
Brand image					

14. What do you value most in MO when deciding to buy? (select up to 3 options)

☐ Price

☐ Style / Fashion

☐ Quality of materials

☐ Sustainability

☐ Ease of access (through Continente)

☐ Brand image

☐ Other: ____________

Section 6 – Sociodemographic Profile

15. Age: (Open-ended response)

16. Gender:

☐ Female ☐ Male ☐ Non-binary

17. Education:

☐ Secondary education

☐ Bachelor's degree

☐ Master's degree or higher

☐ Other: ___________

18. In which region of the country do you live?

☐ North

☐ Center

☐ Lisbon Metropolitan Area

☐ Alentejo

☐ Algarve

☐ Autonomous Region of Madeira

☐ Autonomous Region of the Azores

☐ Prefer not to say

19. How often do you usually buy clothing (in general)?

☐ Once a month

☐ More than once a month

☐ Once a quarter

☐ More than once a quarter

Annex

Annex 1 - Financial Highlights Extract (Sonae Results Report 1st Half 2013)

The figures below were extracted from the Sonae Results Report 1st Half 2013 and present the financial figures of Sonae SR (currently Sonae Zeitreel).

Turnover Million euros	1H12	1H13	Var
Turnover	**2.531**	**2.540**	**0%**
Sonae MC	1.535	1.584	3%
Sonae SR[1]	560	518	-8%
Sonae RP	60	62	4%
Sonaecom	407	399	-2%
Investment management	49	50	1%
Eliminations & adjustments	-80	-73	9%

(1) Sonae SR turnover in 2012 was restated, in order to include internal revenues (mostly related to Sonae SR's Fashion division) of the wholesale to Sonae MC.

Sonae SR with 518 M€ turnover (-8% or -10% on a "LfL" basis), reflecting particularly the impact of the macroeconomic evolution in the non-food Iberian market over the last quarters. Nevertheless, international sales reached 148 M €, representing 29% of total SR sales, which was further strengthened during the 2Q13, via new franchising agreements for Zippy brand in Turkey and Saudi Arabia. In this format, sales in franchised stores represented almost 20% of total store sales, compared to 13% during the 1H12. It is worth to highlight the agreement signed to export Berg brand to Israel and Egypt. In Portugal, Sonae SR's sales decreased by 6%, mainly due to the strong result achieved in the electronic segment in the comparable period of last year, driven mainly by the sale of many products related to the start of the digital television in Portugal in 2Q12. Nevertheless, Worten continued to strengthen its leadership in the Portuguese market, with an estimated market share gain of 1.5pp[4].

Figure 10 - Turnover by Business Segment (2013).

Recurrent EBITDA
Million euros

	1H12	1H13	Var
Sonae	**269**	**281**	**4%**
Sonae MC	95	106	12%
Sonae SR	-19	-17	12%
Sonae RP	54	55	2%
Sonaecom	125	128	3%
Investment management	2	2	0%
Eliminations & adjustments	13	7	-48%

Recurrent EBITDA
% of turnover

	1H12	1H13	Var
Sonae	**10,6%**	**11,1%**	**0,4 p.p**
Sonae MC	6,2%	6,7%	0,5 p.p
Sonae SR	-3,5%	-3,3%	0,2 p.p
Sonae RP	91,1%	89,9%	-1,2 p.p
Sonaecom	30,6%	32,0%	1,4 p.p
Investment management	4,3%	4,2%	0,0 p.p

Sonae SR contribution totalled -17 M€, an improvement of 2M€ against the same period of the previous year. In the 2Q13, compared to the 1Q13 EBITDA recovered by 5M€. These improvements reflect particularly the implementation of new business models sustained by a stronger focus on the turnaround of this business. It is worth to highlight the successful implementation of the new store concept at Sport Zone as well as in fashion, namely with the rebranding from Modalfa to MO, to orient us closer to our customers. Moreover, the significant cost savings measures implemented enabled us to obtain efficiency gains in all formats. All this was made possible despite the negative behaviour of non food retail market in the Iberian Peninsula and the consequent effect in the turnover.

Figure 11 - EBITDA by Business Segment (2013).

Annex 2 - Financial Highlights Extract (Sonae Results Report 1st Quarter 2023)

The figure below was extracted from the Sonae Results Report 1st Quarter 2023 and presents the financial figures of Sonae Zeitreel.

31 Mar 2023	Turnover	Depreciation and amortisation [3]	Provisions and impairment losses [3]	EBIT [3]	Financial results [2]	Income tax [2]
MC	1,469,385	(67,586)	(5,157)	50,722	(23,207)	(6,292)
Worten	284,052	(10,380)	48	(2,244)	-	-
Sierra	31,809	(824)	234	18,021	(1,857)	(621)
Zeitreel	95,816	(8,467)	(73)	(8,146)	-	-
Universo	1,082	(98)	(89)	(1,948)	-	-
BrightPixel	589	(327)	(13)	(1,571)	1,744	109
NOS	-	-	-	11,946	-	-
ISRG	-	-	-	4,818	-	-
Other, eliminations and adjustments (1)	(9,655)	(2,072)	1	(4,918)	(5,476)	745
Total consolidated - Direct	**1,873,078**	**(89,755)**	**(5,049)**	**66,680**	**(28,795)**	**(6,059)**

Figure 12 - Financial Performance by Business Segment (2023).