CATÓLICA LISBON
BVSINESS & ECONOMICS

NEW CHALLENGES IN THE ARTISANAL ICE CREAM MARKET

THE MARKETING STRATEGY TO ENHANCE ARTISANI'S BRAND AWARENESS

Inês de Castro e Brito Ferreira

Dissertation written under the supervision of Professor Pedro Celeste.

Dissertation submitted in partial fulfilment of the requirements for the MSc in Business, at the Universidade Católica Portuguesa, June 2017.

Acknowledgments

The past four months were possibly the most challenging of my academic life, yet the most rewarding. Being solely dependent on myself to think, strategize, plan and produce a Master dissertation was undoubtedly one of the most enriching experiences so far. As I finish this incredible journey, I would like to express my greatest gratitude to the people that were always here to support me during this thesis' process or throughout the entire Master's degree.

Firstly, I would like to thank my parents and my sister Sara for being an inspiration and for the continuous guidance and encouraging words throughout my whole student life. To the rest of my family, especially to my aunt Fernanda, thank you for the all the help and support.

I would also like to thank my boyfriend, Ricardo Gonçalves, for always being so patient, for constantly motivating me and for encouraging me to step outside my comfort zone.

I am also truly thankful for Francisca Lotra, my great partner in this entire journey, and for António Matos and Madalena Medeiros, for your relentless help in this last stage of my Master's degree and for always keeping me focused. To the rest of my friends, thank you for your continuous support and encouragement.

I would also like to thank my dissertation supervisor, Pedro Celeste, for providing me the right tools and advice throughout these challenging months, and to Isabel Moreira, for always being available to support me.

Finally, I am truly grateful to Artisani, especially to Luísa Lampreia and João Gaspar, for being so enthusiastic about this project and for making it possible, by being extremely available at any occasion and by providing all the information needed to produce this thesis.

Abstract

Title: New Challenges in The Artisanal Ice Cream Market: The Marketing Strategy to Enhance Artisani's Brand Awareness

Author: Inês de Castro e Brito Ferreira

This study aims to find a suitable solution to Artisani's real-life challenge regarding the lack of brand awareness, theoretically and practically addressing subjects like consumer behavior, brand knowledge, positioning and promotion.

Artisani is a Portuguese company, operating in the artisanal ice cream industry for eight years. Recently, Artisani was able to improve its production capacity, so the firm is now focused on increasing brand awareness to raise new customers. Despite having conquered a relevant place in the market, the path to grow and to more closely compete with the market leader must include a strategy that boosts brand knowledge in consumers' minds.

Considering the opportunities brought by the digital environment, Artisani is ready to improve its online presence. Therefore, the problem statement this thesis strives to address is if a digital strategy is the most suitable way to enhance Artisani's brand awareness. To accomplish this matter, primary and secondary data were collected.

It was found that social media is very present in Portuguese consumers' daily routine and that their purchasing decisions are increasingly influenced by digital factors: consumers are more connected and knowledgeable than ever. While Artisani has strived to be innovative and different, the aimed positioning was not achieved yet. Therefore, a digital strategy proves to be the best way to improve awareness and create unique associations to the brand: not only will it create exposure and engage the target audience, but it will also build trust and loyalty.

Resumo

Título: Novos Desafios no Mercado do Gelado Artesanal: A Estratégia de Marketing para Aumentar a Notoriedade de Marca da Artisani

Autor: Inês de Castro e Brito Ferreira

O presente estudo pretende encontrar uma solução adequada para o desafio enfrentado pela Artisani relativamente à falta de notoriedade, abordando, numa vertente teórico-prática, temas relacionados com o comportamento do consumidor, conhecimento da marca, posicionamento e comunicação.

A Artisani é uma empresa portuguesa que opera no mercado do gelado artesanal há oito anos. Tendo conseguido melhorar a sua capacidade produtiva, a Artisani está agora focada no aumento da notoriedade para atrair novos consumidores. Apesar de ter conquistado um lugar relevante no mercado, o caminho a percorrer para crescer e mais estreitamente competir com o líder de mercado terá de incluir uma estratégia que crie conhecimento sobre a marca na mente dos consumidores.

Considerando as oportunidades presentes no ambiente digital, a empresa sente-se preparada para melhorar a sua presença online. Neste sentido, o problema que esta tese pretende abordar é se uma estratégia digital será a forma mais adequada para aumentar a notoriedade da Artisani. Para esse propósito, foram coleccionados dados primários e secundários.

Concluiu-se que as redes sociais estão muito presentes na rotina diária dos portugueses e que as suas decisões de compra são, cada vez mais, influenciadas por factores digitais: os consumidores estão mais conectados e informados do que nunca. Apesar do esforço para ser uma marca inovadora e diferente, o posicionamento ambicionado não foi ainda conseguido. Uma estratégia digital será, então, a melhor forma de melhorar a notoriedade e criar associações únicas à marca: não só aumentará a sua exposição e envolverá o público-alvo, como criará confiança e lealdade.

Table of Contents

Introduction

Sun, hot temperatures and a relatively mild winter are characteristics of the Portuguese weather that would put the national ice cream consumption as one of the highest in Europe. However, Portugal's annual average is only 4 liters per person, below the European average of around 6 liters (Costa, 2011).

Strongly impacted by seasonality, the Portuguese ice cream industry is worth around €600 million annually, led by Unilever Jerónimo Martins, with the Olá brand (Canadean, 2015). Despite being divided into four categories (impulse ice cream, take-home, artisanal and frozen yogurt), the artisanal category shows very different specificities regarding quantity and quality, which make it a more niche market, thus having higher prices than industrial ice creams.

Founded in 2009, Artisani is a company in the artisanal ice cream business, currently operating in seven stores and three franchising restaurants in the Greater Lisbon. Working in this specific business, Artisani has a clear competitor, Santini, the market's leader, already in business for almost seventy years and usually the brand most Portuguese consumers recall when thinking about artisanal ice cream.

In 2015, Artisani was able to double its production, maintaining the quality ingredients and the artisanal methods. Therefore, its owners are now engaged in developing a marketing strategy to improve brand awareness and reduce the off-season sales breakdown, as they truly feel this lack of knowledge in consumers' minds may slow down or jeopardize their growth. With this issue in mind, the firm is currently starting to focus on engaging in the digital world.

The overall aim of this research is to understand if investing in digital marketing is the most suitable strategy to enhance brand awareness in the ice cream industry, specifically in the case of Artisani, in the artisanal ice cream market, and what should their next steps be in order to improve brand knowledge in consumers' minds.

1. Key Research Questions

To answer the problem statement "Is a digital strategy the most suitable way to enhance Artisani's brand awareness?" the Key Research Questions (KRQs) will be:

1. Is Artisani's positioning consistent with what the brand wants to be perceived as?
2. What is the impact of Artisani's current marketing mix on the brand's positioning?
3. Is the digital presence a source of equity to the brand?
4. How is the online interaction between consumers and ice cream brands?
5. What should be Artisani's strategy to improve brand awareness?

2. Academic and Managerial Relevance

Artisani's presence in the Portuguese market is worth studying as it is a relatively recent company in a market with very specific characteristics. The results of this study may be relevant in an academic perspective as they reflect the threats and opportunities that a real-life enterprise faces when establishing itself in the market, bearing in mind the existent competitors, consumers' habits and behaviors and the market's characteristics. On a managerial perspective, this study will provide useful information about the digital world and brand's positioning and familiarity in the ice cream market, specifically in the case of Artisani, which may be used when developing future marketing plans for the company.

3. Methodology

Both primary and secondary data were used to answer the research questions:

- Primary data:
  - In-depth interview: an interview with Artisani's founder and managing partner, Luísa Lampreia was conducted, to get further insights about its history, identity and positioning, and past challenges they had to overcome. It also aimed to understand the main plans for the future and potential threats and opportunities (Appendix 1);
  - Focus group: a focus group was questioned about its ice cream consumption habits and knowledge regarding this specific brand. It also intended to learn about the group's digital interaction with brands, namely with ice cream brands;
  - Survey: a survey was conducted to draw some objective and quantitative conclusions about ice cream consumption, the awareness and associations of consumers towards Artisani and also the respondents' online habits and preferences.
- Secondary data: online and paper research was collected to create a more informed context of the case study and the market in study, as well as some more theoretical subjects that can be applied to this specific research regarding brand positioning and awareness, as well as digital marketing.

Keywords: Consumer Goods, Ice Cream, Brand Strategies, Consumer Behavior, Digital Marketing Strategies, Online Communication.

Literature Review

1. <u>Trends in Consumer Behavior: The Path to Purchase in General Goods</u>

Throughout the years, several studies have tried to understand the way humans' minds function when making decisions. Consumer decision-making is a process that aims to solve a need or desire. Engel and Blackwell designed a model to explain this process for the purchase of general goods in five stages (as cited in Babu & Shams, 2013): the recognition of the need, the search for alternatives, and its consequent evaluation, the purchase of the chosen alternative and the post purchase evaluation. However, the authors had to further adjust this model, as they disregarded impulsivity, which involves emotional processes that might appear right after the recognition of the problem. If impulsivity is stronger than self-control, the search stage and the alternative evaluation are ignored from process (Appendix 2).

Researchers have also recognized the relevance of consideration sets in understanding brand choice and switching behavior. The consideration set is the array of brands that receive serious consideration for purchase by consumers (Keller, 1993). Brand choice is mainly induced by the marketing mix variables and the choice context (Nowlis & Simonson, 2000).

1.1. Trends in Consumer Behavior in the Ice Cream Market

The buying decision regarding food products is an intricate phenomenon influenced by several factors that may be product-related (intrinsic and extrinsic food attributes), consumer-related (demographic, personal, psychological and physiological characteristics) and marketing environmental-related (economic, cultural, technological, political and social situations). In the current fast developing food markets, consumers are faced with more choice options than ever, therefore the suppliers must cover their intrinsic and extrinsic attributes by considering consumers' socioeconomic characteristics (Topcu, 2015).

Although previous research regarding the ice cream market is scarce and not focused on the artisanal sub-market, studies have stated that the main selection criteria in this product category are brands. Therefore, its consumption is, indeed, mostly induced, not only by intrinsic ice cream attributes, such as taste and creaminess, but also extrinsic ones, like price, country of origin, product image and quality, brand, packaging and convenient location (Topcu, 2015; Babu & Shams, 2013). Besides product attributes, demographic profile, situational, social and economic factors, the complexity of decision and psychological features also affect consumers' buying behavior for ice cream (Babu & Shams, 2013).

2. Brand Trends in Consumer Goods

Kotler (1991) defined brand as “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services (…)” (as cited in Keller, 1993). Even though relevant information about brands may be understood through those who work with them, the true meaning of brands “can only be seen through the eyes of the beholder”: the consumer (Grace & O'Cass, 2002). It is, then, crucial to understand the content and structure of consumers’ brand knowledge, as it influences what comes to mind when they think about a brand. Moreover, the same authors state that the effectiveness of marketing stimuli is dependent on the knowledge consumers have about the brand.

Since the goal of any marketing strategy is to rise profits, it is primarily crucial to establish knowledge structures for the brand to have a favorable response from consumers to its marketing activity (Keller, 1993). There are several conceptual models of branding developed by academics. Keller’s model is a widely-recognized methodology to understand the relationship between consumers and product brands. According to this model, there are two relevant dimensions of brand knowledge that affect consumer response: brand awareness and brand image (Appendix 3).

2.1. Remembering the Brand: Awareness in Consumer Goods

Brand awareness refers to how easy it is for consumers to remember the brand: whether they can recall or recognize it. It is measured by the strength of the brand node in consumers’ memory and their ability to identify the brand under different conditions: brand recognition is the consumers’ ability to confirm that they have previously seen or heard about the brand, whereas brand recall relates to “consumers’ ability to retrieve the brand” when given some information. Brand recall is the most common measure of brand awareness.

Awareness is, indeed, one of the most important goals of brand managers, as it strongly affects consumer behavior and the decision-making process (Kim & Kim, 2016), especially for low-involvement packaged goods (Huang & Sarigöllü, 2012). A higher awareness makes the brand more likely to be part of the consideration set of consumers.

Generally, to plan an effective strategy, it is primarily needed to acknowledge the level of awareness for the given brand and consumers’ overall evaluations of it, which will ultimately influence brand choice (Kim & Kim, 2016). However, for low involvement purchases, consumers may not invest much time and effort searching for information and comparing brands, and consumers’ behavior may be directly influenced by situational or environmental conditions. Moreover, product usage experiences also increase brand awareness, as the more the consumer buys a product, the greater the brand awareness. In this case, “brand purchase and usage drive brand awareness” (Huang & Sarigöllü, 2012).

2.2. Brand Associations: Brand Image in Consumer Goods

Brand awareness is also relevant in the decision-making process, since it influences the formation and strength of associations in the brand image. Keller’s model explains that the creation of brand image is rooted in the existence of awareness about the brand, as it is necessary that a brand node has been established in the consumer’s memory.

Although there are different definitions for the concept of brand image, Keller describes it as the “perceptions about a brand”, based on the “associations held in consumer memory”. There are three types of brand associations: attributes, benefits and attitudes. Attributes may be product related or not, according to the way they are connected to product performance. Benefits are the advantages consumers associate with the product and brand attitudes, the consumers’ overall evaluations of the brand, which highly influence consumer behavior, namely brand choice. Within the model, brand image is also a result of the way these associations vary according to their favorability, strength and uniqueness.

2.3. The Impact of Familiarity: Brand Equity in Consumer Goods

Customer-based brand equity refers to the “differential effect of brand knowledge on consumer response to the marketing of the brand” (Keller, 1993), meaning, the impact of brand awareness and brand image on consumer preferences and behavior, resulting from the marketing mix activity. The more favorable the reaction to the product, price, promotion, or distribution of the brand, the more positive is the customer-based brand equity, when compared to the same marketing mix if it is attributed to a fictitious or unnamed version of the product. Brand familiarity creates brand associations in memory: the more positive and unique these associations are, the greater the level of brand equity. A high brand equity has significant impact on consumer behavior: “(…) building share in customers’ hearts and minds indeed translates into improved marketplace performance” (Srinivasan, Vanhuele & Pauwels, 2010).

3. Marketing Strategies in Consumer Goods

The old Ps of the Marketing Mix assume that the product, price, placement and promotion elements are mainly determined by the firm. However, as information becomes easily accessible and used by consumers, their decision-making and purchase behavior are increasingly impacted by consumer-generated content (Clemons, 2008).

3.1. Brand Positioning in Consumer Goods

Brand positioning is a key tool when implementing a brand in competitive markets. It is "the act of designing an organization's offering and image to occupy a distinctive place in the target market's mind", as defined by Kotler, 2000 (cited in Wang., 2015). The process begins with differentiating the company's marketing offer so it gives consumers more value.

All established brands have a certain position, however, the actual position may or may not be clear in the market and for its target, and may or may not be matched with how the brand itself wants to be perceived (Urde & Koch, 2014). "Positioning is based on consumers' perceptions and is therefore only partly within the control of marketers", as supported by Dibb et al., 1997 (cited in Blankson & Kalafatis, 2004). This means that it is crucial to understand the consumers' perception of the products and the brand. A customer-driven marketing strategy seeks to build the right relationships with the right customers.

3.2. New Challenges in Brands' Communication Strategies

As previously mentioned, a successful brand management implies the creation of desirable brand knowledge in consumers' minds. For this purpose, marketing communication strategies are key, since their goal is to inform, persuade and remind consumers about the brand (Delgado-Ballester, Navarro & Sicilia, 2012).

The rise of new media has absolutely changed the way consumers use the different media outlets. There is an evident and profound shift in consumers, brands and the media, which will ultimately be reflected in the way consumers use and search information and how they choose brands. In this changing environment, "the optimal integration of marketing communications takes on increasing importance" (Batra & Keller, 2016). Creating brand knowledge is becoming more challenging with an increasing variety of communication options and a growing fragmented audience, thus being imperative to design Integrated Marketing Communication programs (Delgado-Ballester et al., 2012; Batra & Keller, 2016). The same authors conclude that these will ensure that brand messages from every source are coordinated and designed to be consistent, complementary and to have cross-effects (by creating a mix of communication options that enhance communication effects on consumers).

Briefly, the changes in media usage patterns have allowed the growth of different communication courses: "consumer-to-firm, consumer-to-consumer and consumer-about-firm communication" (Batra & Keller, 2016). Consumers are affecting brand equity as never before.

3.3. Online Communication Strategies in the Age of Interactions

Marketing communication is crucial to create and maintain brand image in the mind of consumers (Baxi, Panda & Karani, 2016), and this technological progress has brought several instant communication processes and channels to complement the traditional ones (Tălpău, 2014). More importantly, "digitally mediated communications are enabling a shift from traditional, centrally produced and distributed marketing to more 'conversational', collaborative marketing relationships" (Cairns, 2013).

Prior to these technological progresses, mass media communication channels were used as a way for companies to speak to customers, however, the use of social media, in the marketing communication strategies of brands has clearly changed the flow of communication, allowing the development of close relationships with consumers and among consumers, creating means to improve its awareness and image (Platon, 2016). On the other hand, it also withdrew the brand's control, as parallel communication grows and word-of-mouth is perceived to be the most trustworthy and credible form of advertising (Cairns, 2013; Levy & Gvili, 2015).

3.4. The Impact on Promotion Strategy

The digital environment has become a relevant element to the promotion strategy, since it provides new tools to reach consumers and deliver the company's message, stimulating certain consumer behaviors (Cairns, 2013). It has also been the cause for a change in consumers' expectations regarding branded communication. Consumers are "the new brand ambassadors" (Booth & Matic, 2011).

The digital environment has clearly impacted the communication between buyers and sellers, encouraging individuals and companies to "share information easily and spread electronic word-of-mouth (e-WOM)" (Levy & Gvili, 2015). Although brands are aware that this may be threatening if negative feedback arises, the correct use may result in an increased brand exposure, as well as in an improved firm's performance, since customers seem to be more likely to make purchasing decisions based information found on social media (Killian & McManus, 2015; Kumar, Choi & Greene, 2017).

In fact, corporate management is witnessing the rise of a new influential element: the ordinary consumers. Not only are they more informed and sharing experiences online, social media also promoted the emergence of a new community that highly impacts the perceptions of companies in the audience they communicate to. Booth & Matic (2011) state that these new "somebodies" are gaining a voice in the market due to the power of the Internet, that brings together people who share the same interests. These influencers are now getting the attention of communication professionals who seek constant engagement with consumers.

While businesses are not able to control the conversations in social media, they may influence them. Interactive digital marketing engages consumers in the "co-creation of marketing communications" (Cairns, 2013). Both firm-initiated marketing and user-generated content may impact consumer's decision process (Batra & Keller, 2016).

However, despite bringing new technologies that create new business rules and strategies, online marketing should be viewed as a part of the firm's long-term strategy, always regarding the basic business principles (Yannopoulos, 2011).

Case Study

In 2015, six-year-old Artisani was struggling to respond to the market's demand. The factory that existed at the time was only able to produce 400kg of ice cream per day, which eventually was not able to satisfy the needs. Despite the ambition to grow, Artisani was forced to concentrated its efforts in finding a sustainable way to overcome this issue, having a third shareholder added to obtain the required capital to expand its production capacity.

The new factory was launched in April 2016, being able to double the previous production volume, while maintaining the artisanal processes. Since the opening of the factory was already during Spring season, the true impact of the improvement is only being felt in the present exercise, as the firm is now able to raise new customers and improve performance.

Therefore, Artisani is now focused on addressing the lack of credibility, an essential factor in a market that is highly affected by seasonality and competition, according to Luísa Lampreia, the company's founder and managing partner. The effort is in finding the most efficient approach to increase awareness in consumers' minds and more effectively share the company's culture and differentiation. As the market grows, Artisani faces several competitors, including market leader, Santini, often the brand recalled by consumers when thinking about artisanal ice cream.

1. Get the Scoop: The Ice Cream Market in Portugal

Despite the lack of data about this market in Portugal, it is generally divided into four sub-markets: the impulse, the take-home and bulk, the artisanal and the frozen yogurt. Being the latest to enter the market, this last category is not taken into consideration in most reports about Portuguese ice cream consumption, therefore, for the purpose of this case study, it will not be contemplated as well (refer to Appendix 4 for each sub-market's meaning).

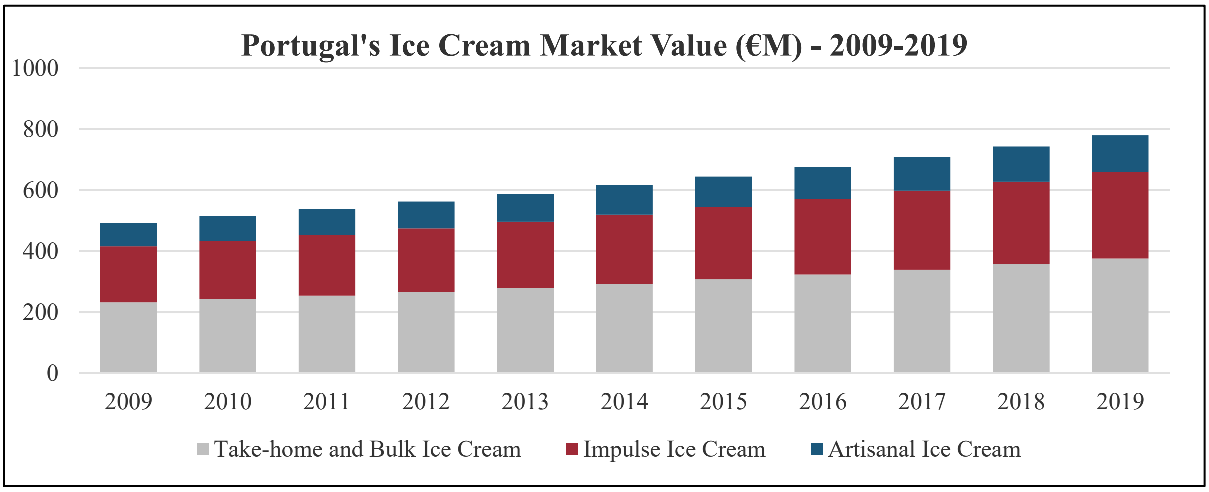
Being a country strongly characterized by its warm weather, the conventional wisdom would put the Portuguese ice cream consumption as one of the highest in Europe, yet the annual average is only 4 liters per person, below the European average of around 6 liters. This difference is further evident during winter, as Portuguese consumers still eat much less ice cream during this season and summer sales account for about 60% of year-round sales[1].

Until recent years, the Portuguese ice cream consumption had been more oriented to the impulse sub-market[2], however, the latest data shows that the Portuguese consumers are starting

[1] Costa, 2011;
[2] Marktest, 2007.

to follow the European trends, as take-home and bulk is the current most consumed category.

In 2014, the ice cream market accounted for 3,7% share by value of the overall Portuguese food market[3]. From 2009 to 2014, the national ice cream market grew steadily, both in value and volume, being worth €615.4 million in 2014, forecasted to grow up to €780 million in 2019, as shown in the table below. The table is also illustrative of the market share. The take-home and bulk had the largest share of the market in 2014, accounting for 47,6%, and impulse, for 36,8%. This trend is expected to continue in the period 2014-2019, being the only category that will present a growth in terms of market share (0,5%): the impulse category is forecasted to lose 0,4% and the artisanal, 0,1% (refer to Appendix 5 for the detailed evolution of market value and share by category).



Graph 1: Portugal's ice cream market value, by category (€Million), 2009-2019.

The volume consumption was 59.5 million kilograms (forecasted to grow to 70.8 million kilograms in 2019), of which the take-home and bulk sub-market accounted for 53,9%, while impulse accounted for 33,6% (Appendix 6). Unilever's brand, Olá, is the market leader in both categories[4].

1.1. The Specificities of the Artisanal Sub-market

- Artisanal vs. Industrial Ice Cream

There are three main differentiation factors between artisanal and industrial ice cream:

- Firstly, artisanal ice cream is produced in much smaller quantities, on a daily basis, avoiding being subjected to long periods of freezing, which strongly affects the texture and flavor;

[3] Research and Markets, 2016;
[4] Canadean, 2015.

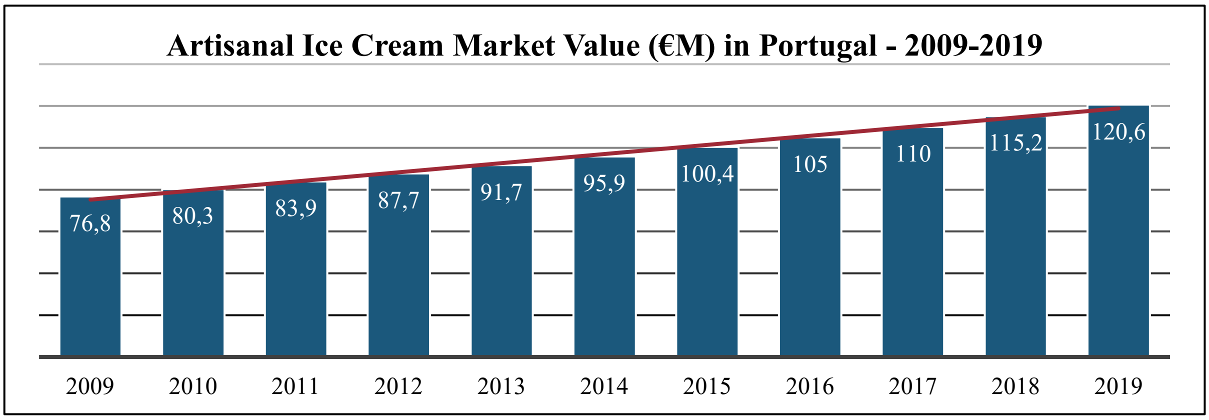
- The amount of air incorporated also differs, as the artisanal process strives to have a much lower percentage (10% to 20%) than the industrial ice cream (around 50%). The air increases volume in any frozen desert, so industrial producers often take advantage of this method. Less air results in a richer and creamier texture and lower fat content;
- The quality of the ingredients also highly influences the taste and quality of the overall product, as the artisanal ice cream is typically produced using fresh ingredients, following the recipes of the great Italian gelato masters. Unlike industrial ice cream, the artisanal method does not include food additives, making it a healthier and tastier.

These particularities concerning the product (quantity and quality) also make it a very different market regarding other marketing mix variables, such as price and distribution:

- Regarding price, the artisanal sub-market presents the highest price: the average per kilogram is 12,9€, while impulse ice cream's is 11,3€, and take-home and bulk, 9,1€;
- The distribution channels also differ, as artisanal ice cream is solely made by artisanal producers and sold in the HORECA[5] channel or in food&drinks specialists, while industrial (both take-home and impulse) is mostly produced by brands (and private labels) and mainly distributed on hypermarkets and supermarkets.

- The Present and Future of the Artisanal Category

As previously mentioned, in 2014, the artisanal category was worth €95.9 million, expected to reach €120.6 million by 2019 (from 15,6% to 15,5% of market share).



Graph 2: Evolution of the Portuguese artisanal ice cream market value (2009-2019).

In terms of volume sales, the artisanal sub-market accounted for 12% (7.4 million kg) of overall ice cream sales (Appendix 6).

[5] An abbreviation used to refer to *Hotels, Restaurants and Cafes*, also known as the on-trade channel.

The brand Santini is the long-time market leader, however, there are no previous studies on brands' market share in this sub-market in Portugal.

Despite being the smallest category in terms of market value and share, it encompasses much potential due to the new consumer preferences for quality and exclusive products and the growth of niche markets. In fact, the American National Restaurant Association included artisanal ice cream as one of the Top 20 Food Trends in 2017 forecast.

1.2. New Trends Redefining Consumer Eating Habits

A report launched by Deloitte in 2017 addressed five big trends redefining consumers' eating habits in Portugal, revealing a more rational, connected and demanding consumer:

- There is a tendency to a smarter and more weighted purchase, a smart shopping behavior, with less impulsivity and more sensitive to the price. The purchasing path is increasingly influenced by digital factors, when searching or comparing alternatives. The consumer is more informed and able to access a large variety of information, making him/her more participative and demanding;
- There is also a greater awareness of health and well-being, which is increasing the demand for more beneficial eating alternatives. Consumers are increasingly opting for diets that allow them to eat organic, low-fat, low-carb, or eliminate ingredients based on food sensitivities, medical conditions or personal convictions[6]. 60% of the Portuguese population states that their daily choices are strongly influenced by their concern with health and well-being. The easily accessible information creates knowledgeable and educated consumers, more sensitive to a healthy lifestyle. Some are even willing to pay more for foods they consider more beneficial;
- Gaining trust is key to food companies as well, since consumers are more curious about the origin and the composition of the products, expecting transparency and simplicity regarding the open disclosure of information about the ingredients, procedures and the promised benefits of the product, as well as the core values and the ethical and environmental impact of the firm;
- The demand for convenience is also growing, since the new consumer strives to reduce the time spent on the purchase (buying close to home or online);
- The experience associated with the purchase is, by itself, a differentiation factor, often impactful in the decision-making process. Consumers value a purchasing experience

[6] Most common specialized diet choices according to Nielsen, 2016.

that is exciting and customized, and expect a constant and genuine communication, through innovative channels, that aims to improve customer experience.

2. Artisani – *Gelado Artesanal*

2.1. Company Overview

Artisani was founded in 2009, by Luísa Lampreia, and quickly became a reference in the artisanal ice cream market in Portugal.

During the past nine years, the company has made great efforts to work in a bigger scale, remaining faithful to its foundation roots. Although some brands start to include industrialized procedures and processed ingredients as the business grows, Artisani's main goal is to mature maintaining the artisanal process. The recent improvements in the factory allowed the company to achieve this objective.

Despite entering the market when artisanal ice cream was not so common in Portugal and the biggest player was already in business for around sixty years, Artisani's sales have grown steadily, showing a double-digit growth in the last two years:

	Sales (€)	Growth (%)
2013	1.115.000	-
2014	1.090.000	-2,2
2015	1.550.000	42,2
2016	1.830.000	18,1

Table 1: Artisani Sales' Evolution (2013-2016).

This evolution is expected to further continue and be stimulated in 2017, by the improvements made in the factory.

Nevertheless, Artisani's managing partners still feel that their main weakness is the lack of credibility and engagement, as they believe the brand does not have a strong presence in consumers' minds yet. This makes consumers opt for other brands, whether in the artisanal sub-market or even in the industrial categories. This fragility is further enhanced during winter, as seasonality strongly affects Artisani's business, forcing the company to have most of its stores closed during week days.

2.2. Background Note – The Firm's DNA

Artisani did not start from scratch. When restaurant chain Fritz was closed, Luísa, the business owners' daughter, decided to keep one of the segments alive. Passionate about ice cream since an early age, she decided to learn more about this market and quickly started to work on new recipes, purchased the equipment from her parents' firm and developed a new brand. In 2009, Luísa founded *Sabores do Dia*, focused on resale, both in restaurants and hotels.

As the firm grew and new clients were added, Luísa also invested in acquiring more knowledge and learned new techniques in Italy. Strategically, her main goal was to create a brand that was innovative, different from the ones in the market, hence the immediate focus on the recipes. The good response prompted Luisa's desire to bring the product directly to the final consumer. Artisani was born in mid-2009, with the first store in Doca de Santo.

However, 2009 was also the beginning of the economic crisis and banks were reducing financial aid. Diogo Saraiva e Sousa, a new managing partner, was added to the firm, bringing the required capital to create new stores and managerial know-how. In the following years, Artisani consecutively opened new stores and created the By Artisani partnerships (structured as a franchising of the original brand) with establishments in the HORECA channel. In 2015, the need to improve the factory made the current shareholders search for a third partner. José Pinto Gaspar joined the firm, allowing the crucial factory renovation.

Luísa's academic background in Finance, her previous experience and her growing knowledge about ice cream gave Artisani the foundation to start its path on a high level, being a premium brand right from the beginning. Eight years ago, the national artisanal ice cream industry was stagnant, with a major player (Santini) monopolizing the market. Nowadays, Luísa proudly says that Artisani was pioneer and has caused the competition to improve to fight this new entrant. The brand's dynamism and resilience caused the boost in the market, that is currently made up by several players.

2.3. The Focus on the Product

Bearing in mind Artisani's DNA, the product is the most important element of the marketing mix for the brand. Besides the constant drive to offer new products, Artisani is committed to guarantee its quality and freshness. As Luísa alerts, in the case of ice cream, the consumer is often eating something that is not cooked, thus being extremely important that it is fresh and obeys the strict food safety requirements.

Artisani offers three ice cream lines: the ice creams, the sorbets and the light ice creams and sorbets. Each month, they come up with a new flavor, that may stay temporarily or more permanently depending on consumers' response. Continuous novelty is one of Artisani's main commitment (Appendix 7).

The brand is also concerned with health and well-being, namely by creating ice creams that are possible to include in restricted diets. Artisani was, in fact, the first brand to inform the composition of its products to consumers, having this data displayed in all selling points. This not only prevents food intolerance reactions, but has also been valued by customers that are concerned with their diet by personal choice. The brand was also pioneer in the creation of light flavors and is currently launching a new line of reduced glycemic index flavors (with half the calories, appropriate for people with diabetes, some being vegan) – Appendix 8.

All ice creams and sorbets are made from scratch and, most importantly, are 100% natural. All produce used is fresh and all other ingredients are premium quality and carefully chosen. Nevertheless, Artisani offers much more than ice cream: there are also ice cream cakes, popsicles, shakes, waffles and crepes, coffee, drinks and chocolates. In their main store, in Avenida Álvares Cabral, they even serve quick lunch meals. These products, not only diversify Artisani's product portfolio, but are also a way to fight seasonality.

2.4. Where to Find Artisani's Ice Cream

After the ice cream base is produced in Artisani's factory, there are two possible paths: the mixture is either transported to each store and By Artisani partner and finished there in an appropriate machine, or it is completely finished in the factory to be sent to external resellers.

There are currently seven stores and three franchising restaurants in the Greater Lisbon, all following a similar layout. Even though they feel it would be important to open a store in a more tourist area to further fight seasonality and increase awareness, the current stores are able to bring different customers depending on the location (refer to Appendix 9 for the location and typical purchase type of each store). The brand also provides a home delivery service through an external company, however this channel is not very relevant in Artisani's overall sales.

B2B strategy is also imperative, as resale is a key distribution channel. Not only because this is how the brand started, but also because it allows the firm to counterbalance the decline in sales during Winter. People may not visit the stores, but, if they are in a restaurant, they may order a desert that includes an ice cream scoop. Being a way to be more present in the HORECA channel, resale has a big impact on overall sales. Artisani is able to be very well placed, facing almost no competition. It represents its largest distribution channel in terms of kilograms.

2.5. The Highest Price in the Market

Even though the price was established according to the value charged in direct competitors, Artisani has the highest price in the artisanal market. This decision was mainly based in two aspects: to more evidently position the brand in the premium segment, but also because the managing partners feel that it is a fair price in terms of price/quality, since the firm has many expenses regarding the factory, the development of new and improved flavors, the stores and the daily distribution to stores and resellers. This price also creates a bigger margin that allows the brand to occasionally organize price promotions and campaigns (Appendix 10).

Artisani has noticed that the brand's typical customer is not very price sensitive and does not respond to price promotions, except when these campaigns offer an ice cream for free. Moreover, by using Artisani's Loyalty Card, the customer is able to enjoy an immediate 10% discount.

2.6. Positioning – To be Premium, Natural and Trendy

Entering a market dominated by one player, Artisani is a brand that, right from the beginning, positioned itself as a premium brand, whether due the products' quality, the relatively high price and the overall image of the brand and its stores.

However, Luísa is quick to explain that the positioning in the mind of consumers is still a work in progress for the firm, since she believes they are not completely aware of the brand and its differentiating characteristics yet. In the culture of the company, innovation and concern with health and well-being have always been very important pillars, as they continuously strive to create diversified and original products, 100% natural and finished in store for a superior freshness and creaminess. This is Artisani's aimed positioning: for the customers to feel that they are eating a premium product, that is produced every day with the best ingredients, by a fashionable and trendy brand.

2.7. Targeting "Everyone"

Artisani has two types of customers due to its strategy: businesses (B2B) and consumers, where mainly age and social class variables are considered when defining the target (B2C):

B2B
HORECA channel

B2C
Middle or upper-middle class Between 8 to 60 years old Lisbon residents and tourists

Table 2: Artisani's target markets.

The typical Artisani final consumer lives in Lisbon, has a high purchasing power and constantly pays attention to premium products, reflecting his/her concern with eating food that is prepared with quality ingredients and an accurate production method. As the brand is aware that ice cream is a product that pleases mostly everyone, they divide their target into children, young adults (often parents) and older adults (often grandparents).

2.8. A Recent Commitment to Improve Communication

Until the present year, there was no one internally in charge of the brand's communication: all strategies were developed and executed by an outsourced company (Mediaway). It was solely in 2017 that a new member was added to the team and is now focused on this matter, tightly working together with Mediaway.

If up until now the firm was more concentrated on the production, communication is now a primary issue, in order to increase awareness and more actively compete with Santini. Since February, the strategy is internally designed and Mediaway is focused on finding the best approach and executing it. The 2017 marketing budget is €29.7 thousand, divided into three types of investments: specialized work[7] (82%), advertising[8] (15%) and office material[9] (4%) – refer to appendix 11 for the detailed marketing budget.

Since the beginning, the brand has been intensively sending press releases to acquire media exposure all year-round, and improving in-store stimuli with posters and frames. These are often promoting the latest products or the ones that make sense to communicate at each season. More recently, in the end of 2016, Artisani has also started to work the brand's exposure in Internet blogs, by sending bloggers the same press kits sent to the press.

The firm's website is also very important to the brand because, although consumers do not visit it regularly, Artisani highly values the fact that it is always up-to-date, making available all relevant information in a very transparent way (Appendix 12). They also have a page in the most used social media networks, such as Facebook, Instagram and Twitter, being these the most used channels to directly communicate with customers (Appendix 13). However, the brand's presence in these platforms is still weak[10], presenting a low number of followers, likes and comments. In fact, from the advertising account in this year's marketing budget, only 4% is related to promotion on social media, namely through Facebook ads. Most Instagram posts are the same as the ones on Facebook, except when the brand reposts pictures shared by customers. Consumers seem to be more engaged in posts about new products.

Luísa is quick to state that, right now, Artisani's main goal with communication is to grow by attracting new customers, thus being imperative to find the most effective way to reach potential clients and engage both the new and the existent in a more interactive communication.

[7] Refers to the investment in work that is done in an outsourcing regime;
[8] Refers to all investments in advertising;
[9] Refers to the investment in physical supports;
[10] A comparison with the main competitors will be presented further along in this study.

It is also important to note that Artisani's recent efforts are also focused on the B2B communication: an online newsletter is being developed to inform the latest news, the most recent products available and suggestions on how to use the ice cream in deserts.

2.9. Competitive Analysis – A Cold War

Despite being aware of the relevance of industrial brands, due to their convenience, Artisani does not feel much threatened by this segment. The artisanal market is currently very developed and fragmented, having several players with different characteristics and procedures. The brand highlights two direct and one indirect rivals:

- **Direct Competitors**

▪ Santini: considered by Artisani the main competitor at every level, Santini is a family business that greatly impacted the artisanal market in Portugal, being founded in 1949. For some time, Santini was the only player in the market, therefore the experience of eating an artisanal ice cream has been strongly linked with this brand in consumers' minds, mainly due to the weight of tradition and word-of-mouth. In 2009, 50% of the company was sold to an external shareholder, allowing a growing investment in new stores and communication. More focused on the traditional flavors, Santini currently owns seven stores: six in Greater Lisbon and one in Porto;

▪ Nannarella: founded in 2013 by an Italian couple, Nannarella solely owns one store in Lisbon, in São Bento, thus being considered a direct competitor mainly in terms of location (near Artisani store in Av. Álvares Cabral). Nannarella is also known by its good quality at a very low price when compared to the rest of the market.

- **Indirect Competitors**

▪ Olá: included in the industrial segment, it is the leading brand in both impulse and take-home and bulk categories. Luísa mentions Olá, since, in her own words, "their products are everywhere". Being part of the Unilever Jerónimo Martins Group, it is mainly sold in hypermarkets and supermarkets and in the HORECA channel. Olá includes a large variety of products and it is well-known not only by the classic products in consumers' life since their childhood, but also by a continuous innovation. Olá is already presenting healthier and more artisanal options.

In a brief comparison, Olá, in the industrial segment, mainly competes with Artisani in the impulse sub-market as their products are sold almost everywhere. As far as the other two artisanal brands are concerned, it is pertinent to highlight Santini's territorial expansion, having stores in the two main cities in Portugal, and the fact that Nannarella solely operates in one store. The price variable is also relevant, as Artisani is the most expensive brand, yet it provides customers a way to purchase the products at a lower price using the free loyalty card, making their ice cream prices lower than Santini's[11]. Besides having an advantage regarding location, Santini is also very strong when it comes to communication and brand awareness. By measuring the social media followers, it is observable that Santini has the strongest online presence in the artisanal market, hence being the top of mind brand. It is also worth mentioning that Nannarella is the only brand with no website (refer to Appendix 14 to a comparison table regarding each brand's product, distribution, price and promotion variables).

2.10. What's Next? – Artisani's Challenge

As Luísa seats in the meeting room, she lists three key factors to succeed in the artisanal ice cream market: stores' location, product's quality and brand's credibility. Even though she is aware that the firm is lacking a store in a more tourist area, she is completely sure the product is the best it can be, using the most quality ingredients and suitable procedures. "We have what it takes, we just need to communicate more, to engage", says the managing partner.

In a highly seasonal and competitive market, especially due to a powerful and long-time market leader, Artisani is swimming right next to a big shark. However, with only eight years of existence, the brand has already conquered its place in the market and may aim to grow. The constant innovation and response to consumer trends, the growing sales and strong presence in the HORECA channel are factors that create a strong competitive advantage and differentiation. Thereupon, the path to grow must include an investment that boosts the brand's awareness in consumers' minds, which will ultimately get new customers and increase revenue.

So, what's next? How can Artisani enhance its awareness? How can they reach new customers and engage the current ones? How can they improve the brand's image, so that it reflects its true differentiation and culture, achieving the aimed positioning?

[11] Except for complementary products, not included in the card discounts. Santini also provides customers a loyalty card, however, it works differently: the card costs 29€ and includes ten ice creams and an extra one for free.

Market Research

In order to assess and find a possible solution to Artisani's challenge, it is necessary to understand ice cream consumption patterns, especially in the case of artisanal ice cream, as well as to evaluate consumers' habits regarding brands and the digital environment. It is also relevant to understand consumers' knowledge about Artisani. The aim of the following research is indeed to understand the brand through the eye of the consumer: namely, to establish if a digital strategy is the best tactic to increase Artisani's brand awareness, attracting new customers and sharing the brand's culture.

1. Methodology

1.1. Focus Group

A focus group was organized to question participants about their digital interaction with brands and their knowledge regarding the artisanal ice cream market, specifically about Artisani. These answers were useful to take more qualitative and subjective insights concerning Artisani's positioning and to better structure the questionnaire, further enriching the research findings. The 10 participants belonged to different age groups, with ages ranging from 20 to 64, and were both male and female. The topics discussed covered (1) the interaction with brands online, (2) the artisanal ice cream market, (3) Artisani as a brand, and (4) Artisani's presence in the digital environment (Appendix 15).

1.2. Survey

An online survey was conducted to gather more quantitative data and further address the KRQs. A pilot test was performed before the survey launch to prevent possible mistakes and to guarantee each question was perfectly understandable. The questionnaire was created using the digital platform Qualtrics.com and made publicly available between April 18th and May 2nd, being mainly distributed via e-mail and through Facebook (Appendix 16).

In total, 246 responses were collected, from which 176 were complete and valid, a number that enables to reach conclusions. The data was analyzed using IBM's SPSS Software and graphics built from Microsoft Excel.

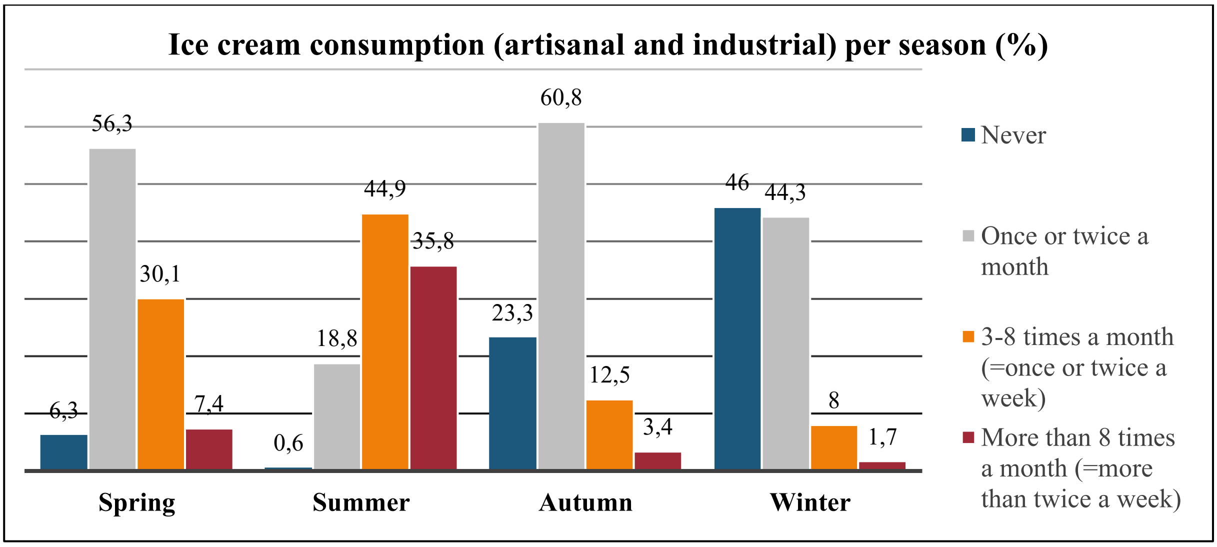
- Sample

The sample was randomly composed by **176 individuals living in Portugal**, mostly **Portuguese** (98%). Given the scope of Artisani's target, the sample for this study was purposely quite diverse. As far as age is concerned, **a large part of respondents belonged to the 20-29 age group** (44%), followed by 40-49 (17%), 50-59 (15%), 30-39 (10%), 10-19 (7%) and 60 or more (7%). Regarding **gender, the sample was more evenly distributed**, as 56% were female and 44% male. Most respondents were **employed** (55%), 35% were students, 7% retired and 3% unemployed. The family growth income of the sample was somewhat consistently distributed, **as 35% was included in the 21.000€-40.000€ range**, followed by the "up to €20.000" group (32%), "41.000€-60.000€" (20%) and "more than 60.000" (13%). Most respondents **lived or worked in Lisbon, Cascais or Oeiras** (78%) – Appendix 17.

2. Research Findings

2.1. Consumers' Purchase Behavior Toward Ice Cream

The impact of seasonality was a main issue highlighted by both consumption reports and Artisani. In line with their findings, the results seem to show that the predominance is to eat ice cream **once or twice a week during Summer** (45%), once or twice a month in Spring and Autumn (56% and 61%, respectively), and **never in Winter** (46%). Results are indeed completely opposite when Summer and Winter are compared:



Graph 3: Overall ice cream consumption per season (%).

When specifically analyzing the **artisanal ice cream** consumption, respondents state to eat it **frequently** (38%) or **sometimes** (40%). Only 4 participants affirmed to had never eaten artisanal ice cream.

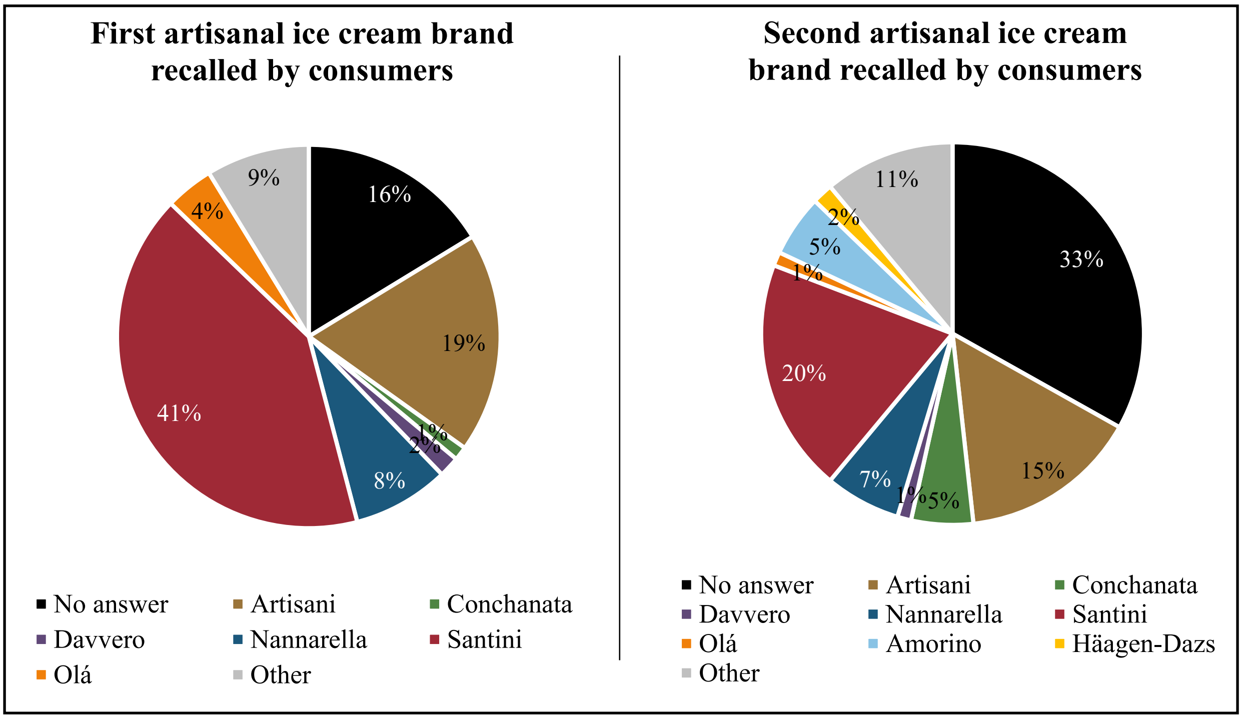
When selecting a brand, the results show that they mostly value the **quality of the product** (83%), but also a **good experience in a previous purchase** (47%), the **price** (45%), **location** (43%) and **peer recommendation**, either in person or on social media (40%).

2.2. Consumers' Knowledge and Preferences in the Artisanal Ice Cream Market

Except for the 4 respondents that answered they had never eaten artisanal ice cream, all other 172[12] were asked to write the first two brands that came to their mind, in order to analyze brand recall. It is mention worthy that only 67% of respondents could recall two brands: **16% was not able to remember any brand** and **17% was only capable of recalling one**.

Santini seems to be the top of mind brand, as 41% of the respondents referred this brand first and 20% wrote it secondly. This trend is in line with the results from the focus group, as all participants associated this market to this specific brand.

According to the same survey results, **Artisani is the second most <u>recalled</u> brand**, being referred as the first remembered brand by 19% of the respondents and by 15% as the second. It is also relevant to note that despite being specifically asked about artisanal brands, Olá and Häagen-Dazs, included in the industrial category, were also mentioned by some consumers, as shown in the following graph[13].



Graph 4: Brands recalled by respondents (in the artisanal ice cream market).

To analyze brand recognition, the names of six artisanal brands available in Portugal[14] were presented in the survey. **The top 3 brands <u>recognized</u> by the respondents were Santini** (94%), **Artisani** (66%) and **Amorino** (51%). In the case of these brands, out of the respondents

[12] Refer to Appendix 16 to understand the skip logics and filters used throughout the questionnaire;
[13] The variable "Other" in the graphs refers to all brands only mentioned by one respondent;
[14] Besides Artisani, the brands displayed in the survey were Amorino, Conchanata, Davvero, Nannarella and Santini, as they were the main players in the market mentioned by Luísa during the interview.

that recognized them, 96% had already tried Santini, 74% had already tried Artisani and 68% had already tried Amorino (Appendix 18).

2.3. Consumers' Online Behavior – Relationship with Brands

To learn if a stronger digital presence would help Artisani increase its awareness and consumer knowledge regarding the brand, it is crucial to learn their current online behavior.

According to the respondents, the **most frequently used online platforms are Facebook and e-mail** (respectively, 92% and 91% state to use them at least once a day). **Instagram is also frequently used**, as 57% said to use it at least once every day, however, the results show a bigger deviation since 23% have never used this social network.

To understand if information on social media influences consumers' purchasing habits, a new variable was developed using the results from a Likert scale where respondents were asked to indicate the level of agreement to several statements[15]. For this purpose of reducing data to a smaller summary variable (Social Media Influence), an Exploratory Factor Analysis was run. Although the three items were included in the same component, it was observable that the correlation between the first and second statements was stronger (total variance explained of 73%). The new variable was created by using these two items. For further confirmation, a Reliability Analysis was also conducted, as presented (Appendix 19):

Reliability Statistics

Cronbach's Alpha	N of Items
0,634	2
0,601	3

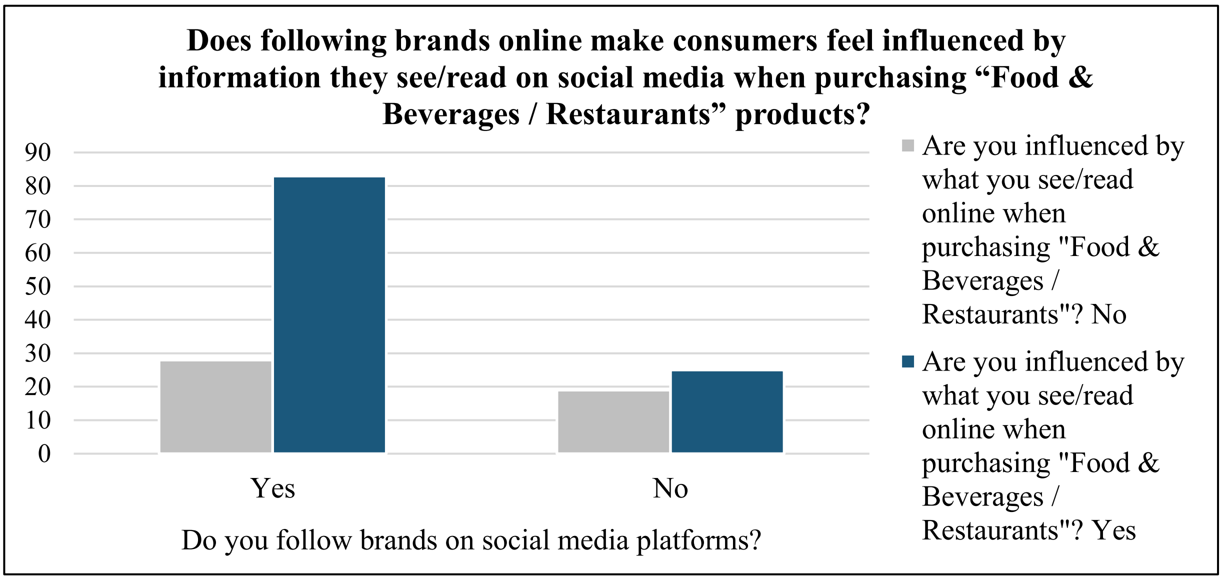
Table 3: Cronbach's Alpha coefficient for both factor possibilities.

By analyzing the new variable, **the sample seems to feel somewhat influenced by information displayed on social media** (M=3,4; SD=1).

Except for the ones that absolutely do not consider to be influenced by information online[16], all other respondents were asked to indicate the type of products they feel the most influenced to purchase when seeing/reading opinions on social media. The top three choices were "Food & Beverages/Restaurants" (61%), "Travel" (40%) and "Movies, Music and Games" (39%). These results seem to show that **consumers are especially influenced by information on social networks regarding food products**. Through the Chi-square test it is

[15] From now on, all Likert Scales presented ranged from 1 - "Strongly Disagree" to 5 - "Strongly Agree";
[16] Includes the respondents that answered "Strongly disagree" to "*I believe I am somewhat influenced by social media (either by friends, influencers or companies)*" and the ones that answered "Strongly agree" to "*I never believe what I see/read online*".

possible to verify how following brands on social media platforms may influence this tendency. Through the rejection of the null hypothesis (p=0,028<0,05), it is observable that **consumers who follow brands online are more likely to be influenced by what they read/see on social media when purchasing "Food & Beverages/Restaurants" type of products** (Appendix 20).



Graph 5: Feeling influenced to purchase food products by information on social media is induced by following brands online.

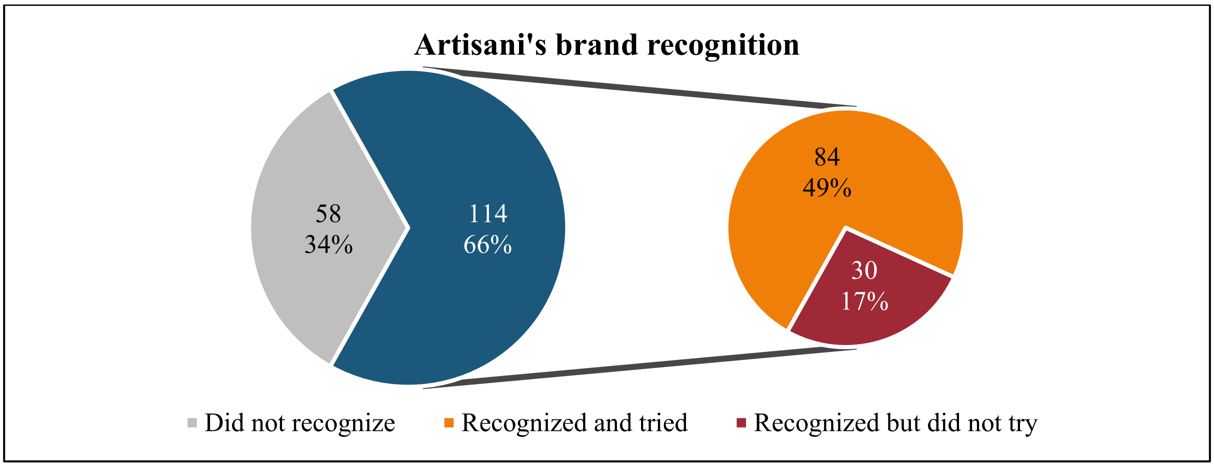
In fact, when it comes to the online relationship between brands and consumers, **66% of the respondents follows brands on social media platforms**, mainly valuing the possibility to **get to know the latest products and news** (74%) and to **get discounts and price promotions** (71%). The focus group also mentioned these possibilities when specifically addressing ice cream brands. Although most did not follow this type of brands on social media, the 2 that did so stated that they enjoyed seeing the latest products on their Facebook feed, even if they do not actively visit the page. One participant also mentioned that, even though she does not follow these brands, she often tries new food products and restaurants based on Instagram posts published by friends, foodies, or restaurant recommendation pages.

2.4. Consumers' Relationship with Artisani: Brand Knowledge in Consumers' Minds

As previously mentioned, out of the 172 respondents that had already tried artisanal ice cream, Artisani was recalled, in both first or second place, by 34% of respondents. As far as brand recognition is concerned, Artisani was familiar to 66%, being already tried by 49% of the survey respondents. This puts **Artisani has the second brand in consumers' minds**, yet strongly behind the leading player in the market[17].

[17] As seen on Graph 4 and Appendix 18.

Nevertheless, it is also important to focus on the **34% of respondents that did not recognize the brand** when shown the name and on the **17% that knows the brand but never tried it**. The firm is not only striving to engage the current customers but mainly focused on reaching new ones.



Graph 6: Artisani's recognition in consumers' minds.

- Non-Artisani Consumers[18]

By analyzing the 51% of respondents that never tried Artisani, it is verifiable that they seem to have a **very strong online presence, namely on Facebook and e-mail** (93% and 91%, respectively, uses these platforms at least once a day), following the general trends previously mentioned. Their presence on Instagram is weaker, as even though 45% visits the network daily, 32% never uses it. **53% of these respondents follows brands on social networks** and, by analyzing the variable Social Media Influence, **they seem to feel somewhat influenced by information displayed on these platforms** (M=3,2; SD=1,1).

Regarding **artisanal ice cream consumption**, these participants seem to eat it less regularly, stating to purchase it **sometimes** (43%) or **rarely** (31%). However, when selecting brands, it is important to highlight the fact that **72% of these respondents values the quality of the product**, being the factor that undoubtedly mostly weighs on their decision-making process. Being near the places they usually go to and having a good experience in a previous purchase are also both mentioned by 47%.

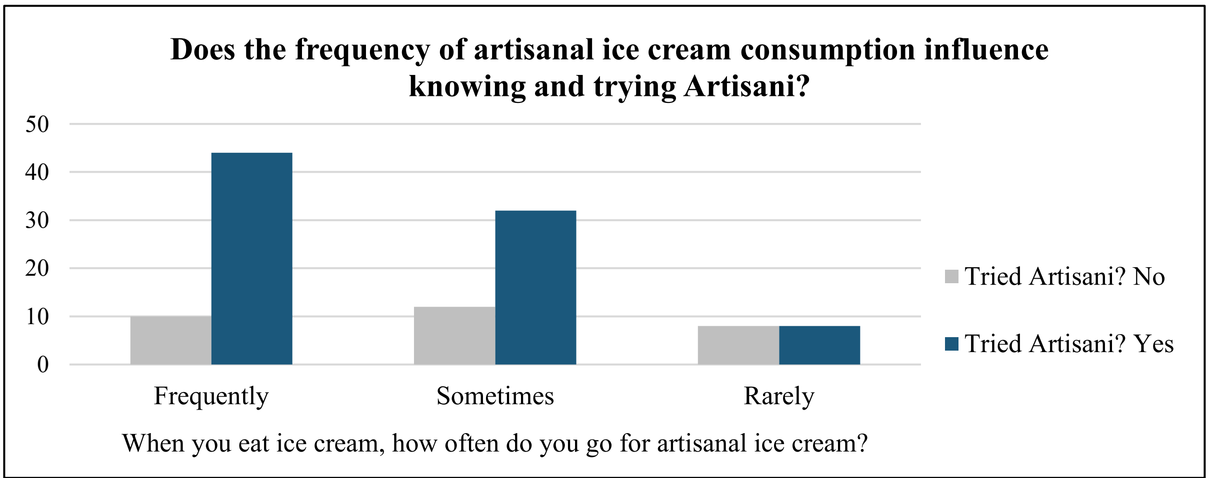
In the focus group it was possible to more subjectively understand why some consumers recognize the brand but never purchased from it. Even though all participants recognized Artisani, 4 were included in this type of consumer. The main reason was that **they already feel an established relationship with another brand** and one participant also had the **perception**

[18] Includes all respondents that "Did not recognize Artisani" and the ones that "Recognized but never tried it";

that Artisani is not so natural as other brands ("Even though I have never tried it, Artisani has an industrial feel that I do not get from Nannarella"). It is also relevant to mention that one participant thought **Artisani was an Italian brand**.

- Artisani Consumers[19]

It is also crucial to understand who are Artisani's customers by analyzing the 49% of respondents that has already tried the brand's ice cream at least once. These consumers seem to be **the most frequent buyers of artisanal ice cream**, as 52% eats it frequently and 38% sometimes. By conducting a Chi-square test, it is possible to observe that there is a statically significant association between the frequency of artisanal ice cream consumption and having already tried Artisani: rejection of the null hypothesis ($p=0{,}042<0{,}05$). It is observable that **those who are more frequent consumers of artisanal ice cream are more likely to eat Artisani's products** (Appendix 21).



Graph 7: Influence of artisanal ice cream consumption on the consumption of Artisani products.

When deciding which brand to choose, these respondents **mainly value the quality of the product** (88%), but also the **price** (54%) and **peer recommendation in person or through social media** (53%).

Artisani consumers also seem to have a **very strong presence online**, especially on Facebook and e-mail (92% affirm to use these platforms at least once every day). Moreover, these appear to be **the most active Instagram users**, as 70% states to use it daily. These are also **more influenced by information on social networks than the overall sample** ($M=3{,}6$; $SD=0{,}9$) and **73% follows brands on these platforms**.

[19] Includes all respondents that "Recognized and Tried Artisani".

Nevertheless, Artisani is only followed on social media (either on Facebook, Instagram or Twitter) by 15% of the respondents who are Artisani consumers, being Facebook the most prominent network (13% follows its Facebook page).

When analyzing with which frequency these customers visit Artisani stores, it is observable that **41% visits them occasionally throughout the year** (in line with the seasonality issue), yet **52% states to having only visited once or doing it rarely**.

Moreover, **Artisani is not the usual chosen brand** when these consumers are craving **ice cream**: only 17% chooses Artisani[20]. The main reasons stated by the respondents in the open-ended question to prefer a different brand are location and perceived quality.

Regarding quality, respondents seem to perceive Artisani as having **good quality** (M=4,2; SD=0,7), being natural (M=3,8; SD=0,8) and somewhat healthy (M=3,3; SD=0,9), with an **overall fair price regarding price-quality** (M=3,4; SD= 0,9). Using the same scale, respondents also commented on the price, stating that **they find Artisani expensive** (M=3,5; SD=0,8), however **this is not the main reason why they prefer a different brand** (M=2,8; SD=1,1). In fact, according to the results, they believe other brand(s) have/has more quality (M=3,7; SD=0,9). During the focus group, it was also visible than only 2 participants knew that the ice cream was finished in store and was 100% natural.

It is also relevant to understand subjective brand associations in Artisani consumers' minds. This topic was further developed during the focus group with the participants that stated to have tried it at least once. These **associate Artisani to warmer and sweeter flavors** rather than fruit sorbets. They also perceive it as a **premium brand**, mainly due to the price, however, two respondents concluded that this factor might jeopardize Artisani's future as they witness the market's growth, with **very competitive and lower priced brands**. All participants agreed that, even though the stores and the brand itself **feel clean and appealing**, there is **missing a more comfortable and intimate atmosphere** that connects the brand to consumers and illustrates their artisanal process.

[20] Out of the 84 respondents that said they had already tried Artisani's ice cream;

Conclusions

In this chapter, the main conclusions of the research will be presented aligned with the initial KRQs proposed, in order to address the problem statement of this thesis.

1. What is the impact of Artisani's current marketing mix on the brand's positioning?

Artisani has been highly focused on the product since the beginning. Not only there is a strong concern with the quality of ingredients, there is also a constant drive to offer innovative products. Although Artisani is considered to have good quality, consumers believe there are superior brands, as far as this dimension is concerned. This is an important issue Artisani must address, since the feature that mostly weighs on consumers' decision-making process when buying ice cream is indeed the quality.

However, when specifically analyzing non-Artisani consumers, one may assume that the perceived lack of quality might be directly linked to a lack of knowledge about the brand, as it was possible to conclude through this study that some consumers have misconceptions regarding the product: that it is an Italian brand or that its products are more industrialized than others in the market. Being specific perceptions of consumers who had never tried Artisani, these reflect mental associations and not real preferences, linked to communication deficiencies. It is also worth mentioning that a relationship with brands is expected by consumers, as it is one of the reasons stated to prefer others for these consumers.

Moreover, although consumers seemed interested in the new segment of vegan and no-sugar ice creams, no one from the focus group was aware of this line of products by Artisani. This probably happened because none of them followed Artisani on social media and there is still not a lot of word-of-mouth about the brand among consumers.

On the other hand, the price variable also affects Artisani's positioning, as it is perceived as a premium brand, mainly due to its high price. While consumers do not seem to be extremely price sensitive, mainly valuing other features, it is also mentioned as an important variable. Some consumers believe there are other brands with the same/similar quality but lower priced.

2. Is Artisani's positioning consistent with what the brand wants to be perceived as?

Artisani is aware that it is necessary to more intensively work on developing the correct positioning to keep up with the leading player in the market, as they believe consumers are not fully conscious of its differentiating features. Artisani's aimed positioning is to be perceived as a premium product as far as quality is concerned, but also a fashionable and trendy brand.

Although it has always strived to be different, the results seem to show that the actual positioning does not match with how the brand itself desires to be perceived, hence the need to develop brand awareness and image. However, as mentioned by the founder, Artisani is positioned in consumers' minds as a premium brand, yet this seems to happen mainly due to its high price, since consumers state to prefer other brands as far as quality is concerned.

It is also important to note that they perceive that, even though the stores and the brand itself are appealing, they do not portray the artisanal method that Artisani is proud to maintain throughout the years, having a more distant and industrial feel. Moreover, most of the focus group participants did not know the ice cream was 100% natural and finished in the stores to ensure a superior quality. This seem to further illustrate the impact of awareness on the perception of quality, which might be linked to the short investment in promotion so far.

3. How is the online interaction between consumers and ice cream brands?

To understand if an active digital presence would help Artisani improve consumer knowledge regarding the brand, it was crucial to learn their current online behavior. According to the findings, people have a strong presence online, mainly using Facebook, e-mail and Instagram at least once every day. Moreover, most respondents follow brands on social media, valuing the possibility to get to know the latest products and news and to get discounts. These are the most immediate communication channels between firms and consumers.

These results seem to be in line with previous research on the topic that reveals a more informed, rational and connected consumer, which ultimately makes him more participative and demanding. Consumers are expecting an interactive and transparent communication that aims to improve customer experience and trust between consumers and firms. This becomes increasingly relevant to food companies, as consumers are now more concerned with what is in their food and where it comes from.

It was also highlighted the fact that the opinions that arise in the informal social networks among consumers (including friends and influencers) are also key factors that weigh on the decision-making process in the purchase of food-related products.

In the specific case of Artisani, the brand has the lowest number of followers on social media when compared to competitors and only 7% of the sample followed it on these platforms. Consumers indeed seem to be more engaged in posts about new products.

4. Is the digital presence a source of equity to the brand?

Customer-based brand equity refers to the impact of brand awareness and image on consumer behavior. Creating desirable brand knowledge in consumers' minds is essential to a successful brand. As it was possible to understand by the research findings, Artisani is the second most recalled and recognized brand, yet it seems to be strongly behind Santini, deeply rooted in consumers' minds as a representation of the market itself. It is relevant to highlight the fact that Artisani was not recognized by 34% of the respondents and more than half had never tried it, which illustrates the need for a stronger strategy, that improves brand familiarity, through awareness and unique associations to incentivize the purchase.

Consumers are affecting brand equity as never before, since the rise of new media profoundly changed the way consumers use, search and share information and, ultimately, how they choose brands. The ordinary person is an influential element to a company's performance and the research findings confirm that consumers' opinions and purchasing habits are indeed influenced by information displayed on online outlets, mainly social media. This becomes particularly important for Artisani, as the type of products people feel the most influenced to purchase based on what they see/read online is the "Food & Beverages/Restaurants" category.

Word-of-mouth is easily spread in the digital environment and, in fact, according to several studies, customers are more likely to make purchasing decisions based on opinions they find on social media than traditional advertising. Businesses cannot control these conversations, yet they can influence them by engaging consumers in the co-creation of content. The emergence of an influencer online community that strongly influences the perceptions of brands further confirms the relevance of a digital presence to improve brand knowledge and, consequently, brand equity.

5. What should be Artisani's strategy to improve brand awareness?

It is crucial to establish knowledge structures for the brand so that there is a favorable response to its marketing mix. This is especially critical in the case of ice cream, where the main selection criteria are brands. The artisanal market is expected to continue growing, and although it is an industry with specific particularities, they seem to be in line with the new consumer mindset: the preference for exclusive and quality products, the greater awareness for health and well-being and the interest in niche markets support this market's potential.

Aiming to establish bigger partnerships and to attract new customers, Artisani's journey must include an investment that develops brand knowledge, as it strongly affects consumer behavior and decision-making. A higher awareness makes the brand more likely to be part of the consideration set. The findings show that, even though it already conquered a place in the consideration set of some consumers, to keep up with the leading player in the market, the brand must improve its awareness and image, so that it truly reflects Artisani's culture and differentiation, not yet fully understood by consumers.

By analyzing consumers' ice cream consumption habits, their relationship with brands, and their presence in online platforms, it is possible to conclude how consumers appreciate being approached and how they respond to brands' communication. Not only are consumers interested in what others (friends and influencers) are saying, but also on companies' genuine and exciting communication. Even if they are not actively visiting brands' social media pages, consumers appreciate the possibility of getting to know the latest products on their Facebook feed. As previous research concluded, they seem to be more likely to make purchasing decisions based on information found online, paying special attention to user-generated content, prompt by the easily spread electronic word-of-mouth. The influence of digital factors is increasingly relevant as the population ages and the digital native generations ascend to consumer markets.

Summing up the answers to all KRQs, a strong digital presence is the best way to improve Artisani's brand knowledge. A customer-driven marketing strategy seeks to build the right relationships with the right customers and, not only is the digital environment an immediate channel to reach new consumers, but also an important mean to engage the already existing customers. Despite this conclusion, one cannot forget that the content shared is also fundamental, therefore it should address consumers' interests when following brands online, but also keep in mind their online habits and preferences.

Conclusion: Is a digital strategy the most suitable way to enhance Artisani's brand awareness?

As a more rational and demanding consumer appears, firms who dismiss the Internet tools are already at a disadvantage. The new consumer is more connected and knowledgeable than ever before, increasingly influenced by digital factors.

As mentioned in the answers to KRQ 4 and 5, social media seems to be very present in Portuguese consumers' daily routine and most respondents follow brands on these platforms. The dependence shown in the statistical tests computed in the analysis gives an overview of the importance of this digital environment in shaping consumers opinions and purchasing decisions, especially in food products.

While Artisani invested to be different from the existing brands, its actual brand positioning is not so clear in the market and for its target customers yet. Therefore, this digital strategy must actively work on the creation of brand knowledge in consumers' minds, increasing its awareness and creating unique and valuable associations to the brand, to promote the brand's differentiation and match the aimed positioning to the actual one. Throughout these analyses, it is possible to conclude that a digital strategy, mainly involving a strong presence in social media, is the most suitable way to engage and conquer consumers. Not only does it create awareness and engage the target audience, but it also builds trust and loyalty.

1. Recommendations

- Main insight: When choosing an ice cream brand, Portuguese consumers seem to highly value the quality, a good experience in a previous purchase, price, location and peer recommendation. Overall, they are more demanding and concerned with well-being, expecting full transparency from companies and an engaging relationship with brands. Digital factors are increasingly influencing the decision-making process, especially when it comes to food products, as consumers are more connected to brands and among each other. Firm-initiated and user-generated content on online platforms is affecting consumers' path to purchase.

To give some guidelines on how Artisani may leverage the digital environment to improve brand knowledge, a **set of recommendations**[21] is proposed:

<u>Choose the right networks to develop communication</u>

Despite existing multiple digital platforms, there were three that mainly stood out for the Portuguese consumers: Facebook, Instagram and e-mail. Facebook, being the most popular and heterogeneous in terms of user-base, is the most suitable platform to increase brand awareness. Instagram, despite reaching a narrower target, is widely used by Artisani consumers and proves to be a relevant platform to promote the brand, heavily relying on images, a big trend being on food pictures[22]. Restaurants are working on being Instagram-friendly, not only investing on their own pages, but also on creating the right aesthetics to please the Instagram crowd. As Artisani is mainly seeking a way to increase awareness, social media proves to be more efficient than e-mail since it has a higher engagement rate and is better for branding. Artisani should focus on these platforms, giving it a relevant portion of the marketing budget,

[21] The recommendations were based on content from Forbes.com and Entrepreneur.com (see References), as well as on this study's findings and conclusions;
[22] According to Financial Times, "208 million posts have been tagged on the photosharing app with the "food" hashtag since it was founded in 2010".

as not only are they the most frequently used, but also because they support the brand's image and goals. E-mail is a more low-funnel channel, driven towards taking an action.

<u>Create valuable and shareable content (and evaluate it)</u>

For the posts to be viewed and shared by many, Artisani must communicate in a way that involves consumers, leading to positive word-of-mouth and awareness to the brand.

It is crucial to focus on useful and exciting content that followers and other social media users will appreciate. Artisani must ensure that every post supports the brand's image and is relevant to the brand and its audience, rather than posting just to meet publishing calendars.

For this matter, evaluating previous social media posts the brand has shared is vital, as it will uncover which content is most likely to be appealing to the target audience and to gain visibility. An analysis through Artisani's past content seems to confirm the research findings, as consumers especially engage in posts addressing the latest news and products. More recently, and corroborating the new eating habits' trends, its followers were also very interested in the new healthier and vegan product line. In fact, this line truly illustrates Artisani's aimed positioning (innovative and concerned with quality, but also health and well-being). Actively promoting this type of products in social media may be helpful in building brand knowledge structures that allow the brand to reach this positioning in consumers' minds.

Measuring and learning from analytics allows brands to understand what works for one brand. It is also crucial to master the ability to adapt as consumers and their preferences change.

<u>Engage and leverage influencers</u>

To a brand that is still seeking to gain awareness and be familiar to consumers, it is essential to stand out from the crowd. Influencers give quick exposure and drive awareness, building credibility. Even though they are not costless, the close relationship they have with their audience is worth a slice of Artisani's marketing budget.

Since Artisani aims to be perceived as a premium, innovative, natural and trendy brand, it firstly needs to find the ones that are aligned with the brand's image and then co-create content and get them to share it in their social media platforms with their followers. This supports the need to have valuable and shareable content, so that these influencers are also eager to recommend Artisani's products to their follower-base. For example, to the promotion of the reduced glycemic index line, influencers should be leveraged, since there is now a strong community of influential consumers that usually promote a more beneficial lifestyle and healthier eating options to their followers. Influencers must post pictures eating Artisani's products, not only to give a good exposure to the brand, but also to deliver key messages to the audience about Artisani, promoting credibility and the aimed trendier and cooler image.

Use paid social media ads to promote content

The same rule of constant evaluation applies to the metrics regarding the paid ads, as Artisani is already starting to use on Facebook. Each advertisement campaign on these platforms comes with a score revealing the level of engagement of the audience. It is important to analyze the communalities between the high score ads versus the low ones. Given the investment involved, Artisani must select which posts are relevant enough to be paid promoted.

As Facebook is reducing brands' organic reach[23], paid campaigns are increasingly relevant to gain awareness, as they give the opportunity to select the target audiences and reach potential new customers if used properly. The quality of the content is, once again, crucial to drive higher clicks, incentivize user engagement and bring value to consumers.

The level of reach and engagement that is possible to obtain through social media platforms is worth the investment as a priority in Artisani's marketing budget. No other medium has the same influence and promotes such a relational approach, while giving the ability to carefully target using demographic/behavioral/interest-based parameters.

[23] More information in Appendix 22.

Limitations and Future Research

Despite having obtained substantial evidence to address the research problem, there are certain limitations to consider and keep in mind in future research.

Firstly, although it was possible to gather some quantitative data, there is a lack of information regarding the ice cream market in Portugal. In the case of the artisanal sub-market this situation is further enhanced, being an industry with smaller players. Overall, the data used to contextualize the case study was collected from sample reports produced by market research companies[24], which mostly use historic data and estimations. However, these estimations might not correspond to reality. Additionally, due to confidentiality issues, some financial data of the company is also not addressed in the case study.

Regarding the market research, a third limitation might be mention, as, even though there was a concern to have a diversified sample (illustrating the broad Artisani target), by being distributed through Facebook and e-mail, there is a skew as far as age and occupation are concerned, as a large part was included in the 20-29 age group and employed. This might have resulted in biases on respondents' habits concerning Internet usage and artisanal ice cream consumption.

As Artisani's awareness was deeply understood through this study, future research on this company could address more specific information regarding brand image and positioning in consumers' minds, through a data collection method focused on measuring and evaluating more subjective brand associations. This way, brand equity could be further acknowledged and improved. This future research suggestion would be increasingly relevant as Artisani continues to grow its exposure and to be included in consumers' consideration sets.

[24] The full version reports cost between €800 to €1000.

Teaching Notes

1. Target Audience and Relevance of Study

The case study aims to be used as a learning tool in both undergraduate and graduate Marketing courses. Addressing topics such as brand strategies and trends (awareness, image, equity and positioning), consumer behavior and digital promotion, it becomes relevant in an academic perspective as it reflects the threats and opportunities that a company faces in a seasonal and competitive industry, that is highly influenced by the ever-changing consumers' preferences and habits.

2. Teaching Objectives

The case study describes the real-life challenge of an existing company in business in the artisanal ice cream market for eight years. By expecting a practical solution to the problem, students will be incentivized to use and improve their strategic thinking. There are no specific right or wrong answers.

The main goal in an academic context is to present students to the relevance of the brand element in a company's performance, to the importance of knowing the target's decision-making influences and purchasing habits and to the weight of the promotion variable in creating brand awareness and image in consumers' minds, influencing the response to the entire marketing mix and positioning.

3. Teaching Plan

Before analyzing the case study, students must be advised to read the following articles to complement the knowledge regarding the topics discussed in the case (see references for further details):

- *Factors Influencing Consumers' Choice Of Ice-Cream: A Study On Impulse Buying Behavior*, by Babu & Shams, 2013;
- *Conceptualizing, Measuring, and Managing Customer-Based Brand Equity*, by Keller, 1993;
- *How brand awareness relates to market outcome, brand equity, and the marketing mix*, by Huang & Sarigöllü, 2012;
- *Integrating Marketing Communications: New Findings, New Lessons, and New Ideas*, by Batra & Keller, 2016.

After reading the case, students must consider all information given and apply the knowledge gathered with strategic thinking in order to answer the following questions (refer to Appendix 23 for suggested analyses to each question):

1. Present a SWOT Analysis of Artisani based on the information given in the case study;
2. Discuss how the lack of knowledge structures about a brand influences consumers' response to marketing mix variables. Exemplify using Artisani's case;
3. Explain the main differences between promotion on traditional media and on the online environment. How may Artisani leverage the latter to overcome its current challenge?.

References

Journal/ Academic Articles:

Babu, S. H., & Shams, S. (2013). Factors Influencing Consumers' Choice Of Ice-Cream: A Study On Impulse Buying. *D.U. Journal of Marketing*, *16*(1), 226–243;

Batra, R., & Keller, K. L. (2016). Integrating Marketing Communications: New Findings, New Lessons, and New Ideas. *Journal of Marketing: AMA/MSI Special Issue*, *80*(November 2016), 122–145;

Baxi, B., Panda, R., & Karani, A. (2016). Community Marketing: an effective Marketing Strategy. *Romanian Journal of Marketing*, (3), 2–12;

Blankson, C., & Kalafatis, S. (2004). The Development and Validation of a Scale Measuring Consumer/ Customer-Derived Generic Typology of Positioning Strategies. *Journal of Marketing Management*, *20*(516), 5–43;

Booth, N., & Matic, J. A. (2011). Mapping and leveraging influencers in social media to shape corporate brand perceptions. *Corporate Communications: An International Journal*, *16*(3), 184–191;

Cairns, G. (2013). Evolutions in food marketing, quantifying the impact, and policy implications. *Appetite*, *62*(March 2013), 194–197;

Chu, S., & Kim, Y. (2011). Determinants of consumer engagement in electronic word-of-mouth (eWOM) in social networking sites. *International Journal of Advertising*, *30(1),* 46–75;

Clemons, E. K. (2008). How Information Changes Consumer Behavior and How Consumer Behavior Determines Corporate Strategy. *Journal of Management Information Systems*, *25*(2), 13–40;

Costa, J. F. (2011). Market Driving or Market Driven? A Case-Study in The Portuguese Ice-Cream Industry. Revista Portuguesa de Marketing, 26, 5–14;

Delgado-Ballester, E., Navarro, A., & Sicilia, M. (2012). Revitalising brands through communication messages: the role of brand familiarity. *European Journal of Marketing*, *46*(1/2), 31–51;

Ferreira, J. (2015). Santini: A Scoop of Expansion;

Gaspar, J. (2016). Trabalho Final de Mestrado – Plano De Marketing Para A Empresa Sabores Do Dia - Gelado Artesanal Lda. – Artisani;

Grace, D., & Cass, A. O. (2002). Brand associations: looking through the eye of the beholder. *Qualitative Market Research: An International Journal*, *5*(2), 96–111;

Huang, R., & Sarigöllü, E. (2012). How brand awareness relates to market outcome, brand equity, and the marketing mix. *Journal of Business Research*, *65*(1), 92–99;

Keller, K. L. (1993). Managing Customer-Based Brand Equity. *Journal of Marketing*, *57*(January 1993), 1–22;

Killian, G., & McManus, K. (2015). A marketing communications approach for the digital era: Managerial guidelines for social media integration. *Business Horizons*, *58*(5), 539–549;

Kim, D. K., & Kim, M. (2016). Influence of Brand Awareness and Brand Attitude on Purchase. *Journal of Marketing Thought*, *3*(1), 16–26;

Kumar, V., Choi, J. B., & Greene, M. (2017). Synergistic effects of social media and traditional marketing on brand sales: capturing the time-varying effects. *Journal of the Academy of Marketing Science*, *45*, 268–288;

Levy, S., & Gvili, Y. (2015). How Credible is E-Word of Mouth Across Digital-Marketing Channels? - The Roles of Social Capital, Information Richness, and Interactivity. *Journal of Advertising Research*, (March), 95–109;

Nowlis, S. M., & Simonson, I. (2000). Sales Promotions and the Choice Context as Competing Influences on Consumer Decision Making. *Journal Of Consumer Psychology*, *9*(1), 1–16;

Platon, O. (2015). An Exploratory Study Regarding the Brand-Consumer Relationship in Social Media. *Global Economic Observer*, *3*(1), 135–140;

Schultz, D. E., & Malthouse, E. C. (2017). Interactivity, Marketing Communication, and Emerging Markets: A Way Forward. *Journal of Current Issues & Research in Advertising*, *38*(1), 17–30;

Srinivasan, S., Vanhuele, M., & Pauwels, K. (2010). Mindset Metrics in Market Response Models: An Integrative Approach Mind-Set Metrics in Market Response Models: An Integrative Approach. *Journal of Marketing Research*, *XLVII*(August 2010), 672–684;

Tălpău, A. (2014). The Marketing Mix in The Online Environment. *Bulletin of the Transilvania University of Braşov*, *7*(2), 53–58;

Topcu, Y. (2015). Turkish Consumer Decisions Affecting Ice Cream Consumption. *Italian Journal of Food Science*, *27*, 1–12;

Urde, M. & Koch, C. (2014). Market and brand-oriented schools. *Journal of Product & Brand Management*, *23*(7), 478–490;

Virvilaite, R., Saladiene, V., & Bagdonaite, R. (2009). Peculiarities of Impulsive Purchasing in the Market of Consumer Goods. *Inzinerine Ekonomika-Engineering Economics*, 62(2), 101–108;

Wang, H. (2015). A new approach to network analysis for brand positioning. *International Journal of Market Research*, *57*(5), 727–742;

Yannopoulos, P. (2011). Impact of the Internet on Marketing Strategy Formulation. *International Journal of Business and Social Science*, *2*(18), 1–7.

News Articles:

Agius, A. (2015, April 23). The 4 Essentials to Building Your Brand on Social Media. Entrepreneur, Retrieved from https://www.entrepreneur.com/article/244677;

Weinswig, D. (2016, October 5). Influencers Are The New Brands. Forbes, Retrieved from https://www.forbes.com/sites/deborahweinswig/2016/10/05/influencers-are-the-new-brands/#df6a82f7919b;

Lovasz, A. (2016, October 14). Facebook Friends And Family: Is This The End Of Organic Reach?. Forbes, Retrieved from https://www.forbes.com/sites/forbesagencycouncil/2016/10/14/facebook-friends-and-family-is-this-the-end-of-organic-reach/#5f5dabf613b7;

Baasiri, D. (2016, December 15). How To Boost Your Brand Through An Effective Social Media Strategy. Forbes, Retrieved from https://www.forbes.com/sites/forbescommunicationscouncil/2016/12/15/how-to-boost-your-brand-through-an-effective-social-media-strategy/#94bdc3f73349;

Farmiloe, B. (2017, February 24). The Foundation Of A Strong Social Media Strategy: Creating A Great Screenplay. Forbes, Retrieved from https://www.forbes.com/sites/forbesagencycouncil/2017/02/24/the-foundation-of-a-strong-social-media-strategy-creating-a-great-screenplay/#7a2b069874fe;

Whittle, N. (2017, April 7). A square meal: how restaurants are courting the Instagram crowd. Financial Times, Retrieved from https://www.ft.com/content/16d6e63c-1984-11e7-9c35-0dd2cb31823a.

Reports:

Canadean. (2015, April). Consumer and Market Insights: Ice Cream Market in Portugal. Retrieved from https://www.marketresearch.com/product/sample-9053423.pdf;

Deloitte. (2017, April). Have you met the new consumer?. Retrieved from https://www2.deloitte.com/content/dam/Deloitte/pt/Documents/consumer-business/Deloitte_Analise%20as%20tendencias%20de%20consumo%20alimentar_04Abr17%20(2).pdf;

Nielsen. (2016). What's in Our Food and On Our Mind Ingredient and Dining-Out Trends Around the World. Retrieved from http://www.nielsen.com/content/dam/nielsenglobal/eu/docs/pdf/Global%20Ingredient%20and%20Out-of-Home%20Dining%20Trends%20Report.pdf;

Research and Markets. (2016, December). Consumer and Market Insights: Ice Cream in Portugal.

Other sources:

Artisani. (n.d.). Feed [Instagram page]. Retrieved May 2nd 2017 from https://www.instagram.com/gelados_artisani/;

Artisani. (n.d.). Sobre a Artisani. Retrieved from http://www.artisanigelado.com/artisani/sobre-a-artisani.html;

Artisani. (n.d.). Timeline [Facebook page]. Retrieved May 2nd 2017 from https://www.facebook.com/Geladaria-Artisani-96950422546/;

Marktest (2007, November 27). Consumo de gelados no lar duplica em cinco anos. Retrieved from http://www.marktest.com/wap/a/n/id~f6f.aspx;

Marktest (2014, July 29). *Cerca de dois terços da população refere ter consumido gelados*. Retrieved from http://www.marktest.com/wap/a/n/id~1d8a.aspx;

Nannarella. (n.d.). Feed [Instagram page]. Retrieved May 2nd 2017 from https://www.instagram.com/gelateria.nannarella/;

Nannarella. (n.d.). Timeline [Facebook page]. Retrieved May 2nd 2017 from https://www.facebook.com/GelateriaNannarella/;

National Restaurant Association. (2016, December 8). Chefs Predict "What's Hot" for Menu Trends in 2017. Retrieved from http://www.restaurant.org/Pressroom/Press-Releases/What-s-Hot-2017;

Olá. (n.d.). Timeline [Facebook page]. Retrieved May 2nd 2017 from https://www.facebook.com/Olagelados/;

Santini. (n.d.). Feed [Instagram page]. Retrieved May 2nd 2017 from https://www.instagram.com/geladosantini/;

Santini. (n.d.). Timeline [Facebook page]. Retrieved May 2nd 2017 from https://www.facebook.com/geladoSantini/;

Zhel, M. (2016, May 9). Email Marketing vs Social Media Performance in 2017. [Blog post]. Retrieved from https://www.mailmunch.co/blog/email-marketing-vs-social-media/.

Appendices

Appendix 1 – In-depth interview script

Interview details
Address: Artisani Headquarters and Factory (Lisbon, Portugal)
Date: March 22nd 2017 | **Duration:** 90 minutes
Interviewees: Luísa Lampreia (Artisani's founder and managing partner) and João Gaspar (Sales and Marketing Trainee)

Questions

1. Concept & Structure
   a) Please describe the story of the company, how Artisani came to life and how you uncovered the opportunity for the brand in the market.
   b) What were your main concerns and difficulties when entering the market?
   c) How has the company evolved from the start (2009) until today?
   d) How does the company organize itself? How many shareholders?
2. Industry
   a) How would you characterize the Portuguese ice cream industry? How would you compare it with the global ice cream industry?
   b) What are the main specificities of the artisanal ice cream market?
   c) Who are Artisani's main competitors? Who would you say is the most direct one?
   d) What is Artisani's market share? How do you create competitive advantage?
   e) What are the key factors to succeed in this market? Does Artisani have these competencies?
   f) Which are Artisani's main strengths and weaknesses compared to its competitors?
3. Targeting & Positioning
   a) Who are Artisani's customers (customer profile)?
   b) Is there any segmentation in the ice cream market to help you select the target?
   c) Why do think customers buy from Artisani? (impulse purchase, reflected purchase, close location, reputation, etc.)
   d) How does Artisani want to be perceived by consumers? What is your aimed positioning? Is there any study about brand positioning in this industry?
4. Product Portfolio & Production
   a) Regarding the production process, where and how is Artisani's ice cream made? (Briefly describe the production process)
   b) How do you come up with new flavors? (Briefly describe the creative process)

c) What other products does Artisani also offer (besides ice cream)?
d) How would you characterize your service? How does Artisani differentiate itself?

5. <u>Pricing</u>
   a) Could you briefly describe Artisani's pricing strategy? Has it changed throughout the years? (Please include the price table for each item available in store)
6. <u>Sales & Distribution</u>
   a) Which are Artisani's distribution channels? (own stores, franchising branches, etc.)
   b) In the case of the *By Artisani* partnerships (similar to franchising), are there any specific rules present in contract concerning the exposure of the products?
   c) How does the home delivery partnership with *NoMenu* works? Do you believe home delivery is an important feature for Artisani's customers?
   d) Which channel is the most used by customers (% of sales of each channel)?
   e) How is sales' evolution throughout the past years?
   f) What was the impact of doubling the production (2015) on sales?
   g) What are Artisani's biggest difficulties and challenges regarding seasonality? How do you try to cope with these problems?
7. <u>Communication</u>
   a) Briefly describe Artisani's communication strategy today. How did it change from the beginning?
   b) Which are the main communication vehicles used?
   c) What are Artisani's main goals of communication? (e.g.: recall current customers of the brand, call attention of new customers, etc.)
   d) Do you try to create a relationship with your customers? If yes, how?
   e) How does seasonality influence campaigns?
   f) How do you allocate the marketing budget?
8. <u>Store</u>
   a) How are the locations of the stores chosen?
   b) Describe the stores' layout and decoration? Does the layout change across stores?
   c) Do you use any in-store stimuli to enhance purchase?
9. <u>Employees</u>
   a) Are there any core values that employees must have to enter the company? What is valued when hiring new employees?
   b) How many employees does Artisani have in total (in the factory, in the headquarters, in each store)?

10. <u>Present & Future</u>

a) What are the new challenges in the ice cream industry?

b) In your opinion, what are the biggest challenges specifically faced by Artisani?

c) In your opinion, what are the biggest opportunities for Artisani?

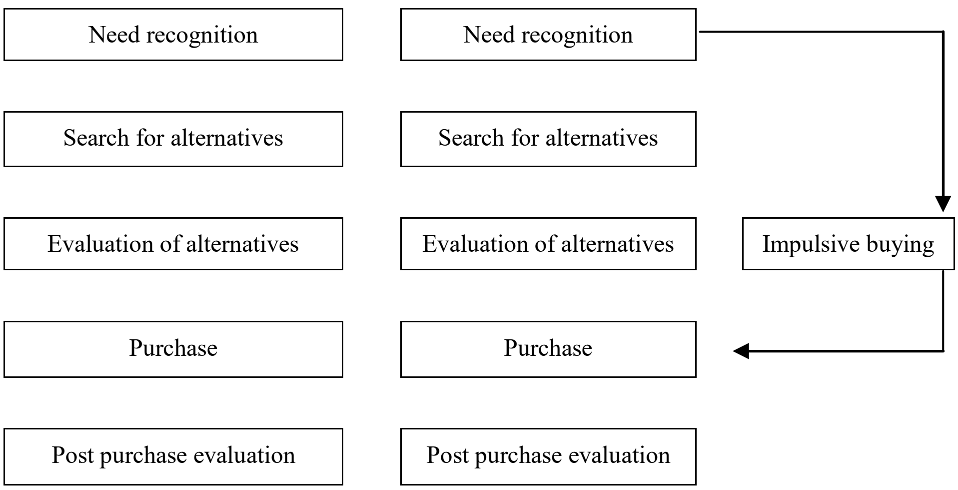
d) Do you feel the Internet and the new strategies in E-Marketing are an opportunity or a threat for the artisanal ice cream market? And for Artisani?

e) Does Artisani have any specific difficulty in terms of growth?

f) Is there anything you would change in the business model or brand?

g) Where do you see Artisani in five years? How do you plan to get there (future strategy)?

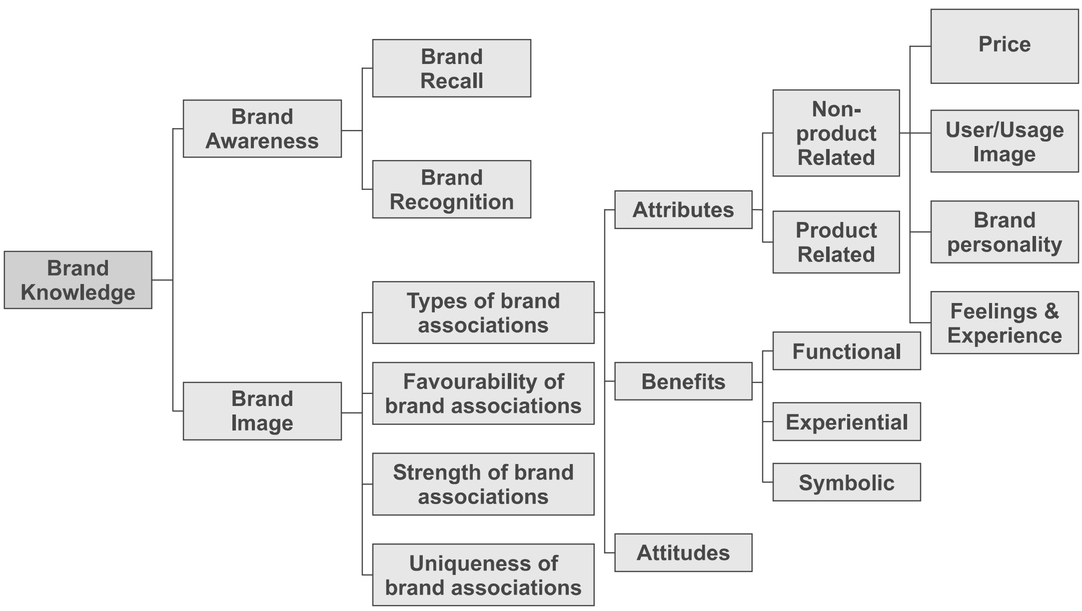
Appendix 2 – Engel and Blackwell's Consumer Decision Making Model



Source: Engel & Blackwell (1982).

Source: Engel & Blackwell (1982).

Appendix 3 – Keller's Brand Knowledge Model



Appendix 4 – Ice cream categories: brief definitions

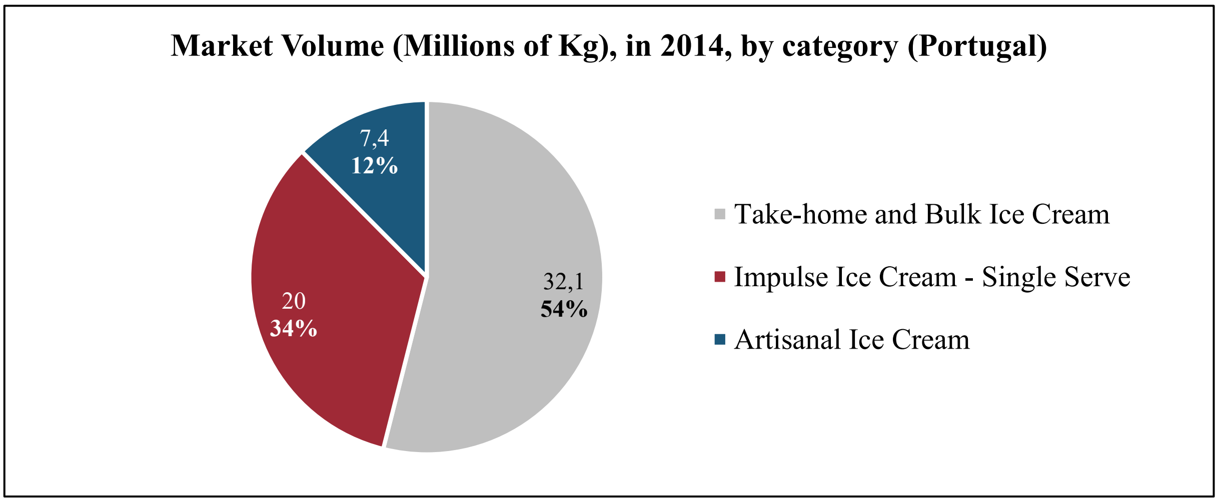
Take-home and Bulk	Includes all diary and water-based ice cream products sold for take-home and bulk consumption. Includes multiple-serving ice cream tubs (e.g. Ben&Jerry's, Carte d'Or, Häagen-Dazs) and ice cream cakes (e.g. Vienetta)
Impulse	Dairy and water-based, including single-serve tubs, packaged cones (e.g. Cornetto) and ice cream sandwiches and chocolate-coated ice creams (e.g. Magnum)
Artisanal	Traditionally produced in smaller quantities per day by small local producers, with the freshest ingredients, according to the recipes (both dairy and water-based) and techniques of the great Italian gelato masters

Appendix 5 - Portugal's ice cream market value (€Million) and market share in value terms (%), by category (2009-2019)

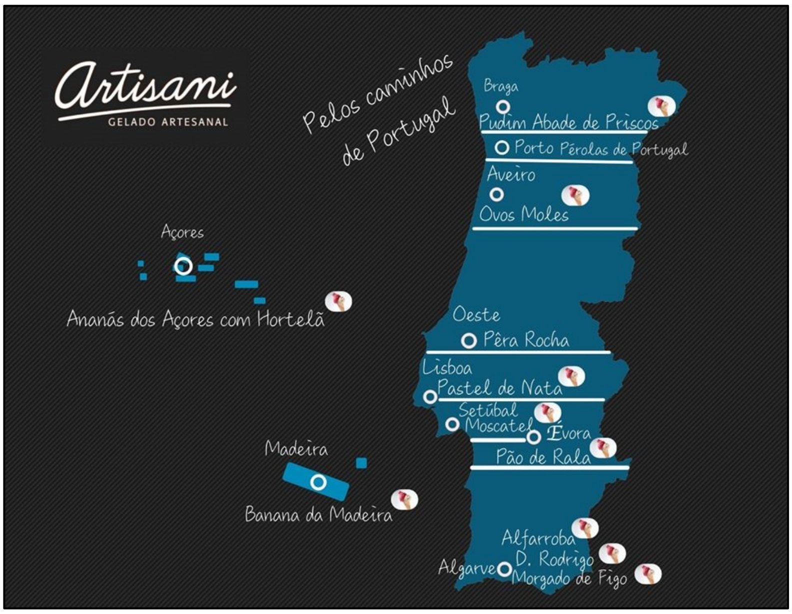
	2009		2010		2011		2012		2013		2014	
Past Values	€M	%	€M	%	€M	%	€M	%	€M	%	€M	%
Take-home and Bulk Ice Cream	231,8	47,1	242,7	47,2	254,2	47,3	266,4	47,4	279,4	47,5	293,1	47,6
Impulse Ice Cream	183,7	37,3	191,3	37,2	199,3	37,1	207,9	37,0	216,9	36,9	226,4	36,8
Artisanal Ice Cream	76,8	15,6	80,3	15,6	83,9	15,6	87,7	15,6	91,7	15,6	95,9	15,6
Total	492,3	100	514,3	100	537,4	100	562	100	588	100	615,4	100

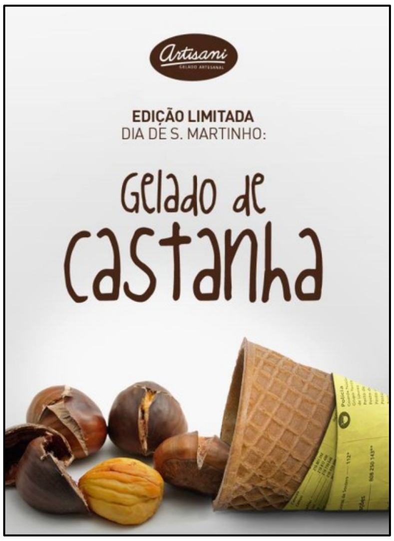
	2015		2016		2017		2018		2019	
Forecasted Values	€M	%	€M	%	€M	%	€M	%	€M	%
Take-home and Bulk Ice Cream	307,6	47,7	323,1	47,8	339,6	47,9	357,1	48,1	375,7	48,2
Impulse Ice Cream	236,6	36,7	247,3	36,6	258,7	36,5	270,8	36,4	283,6	36,4
Artisanal Ice Cream	100,4	15,6	105	15,5	110	15,5	115,2	15,5	120,6	15,5
Total	644,6	100	675,4	100	708,3	100	743,1	100	779,9	100

Appendix 6 – Portugal's ice cream market value (Millions of Kg), in 2014

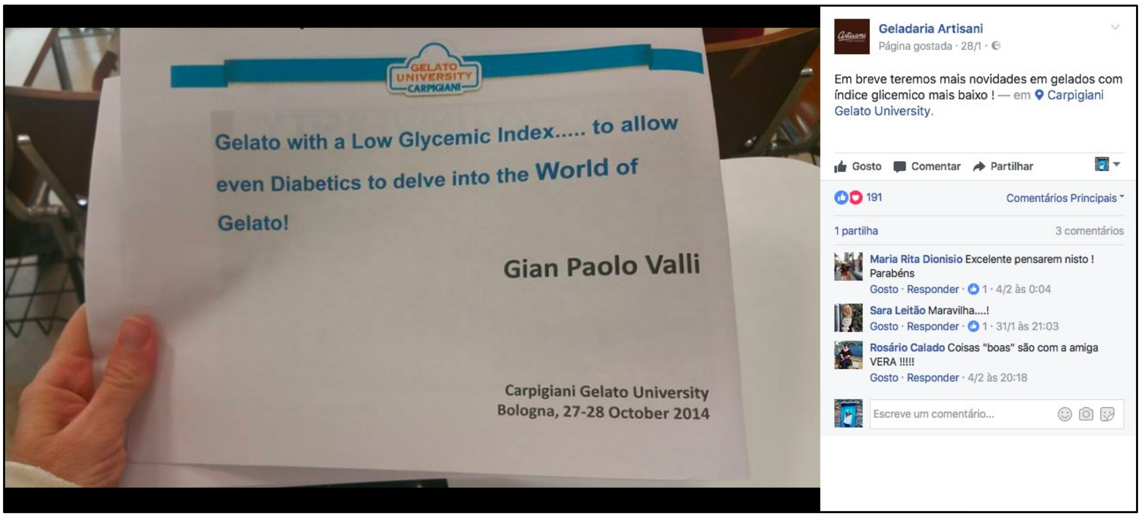


Appendix 7 – Examples of the innovative flavors and designs





Appendix 8 – The new reduced glycemic index flavors (Promotion on Facebook)



Appendix 9 – Artisani's typical consumer and purchase type of each store

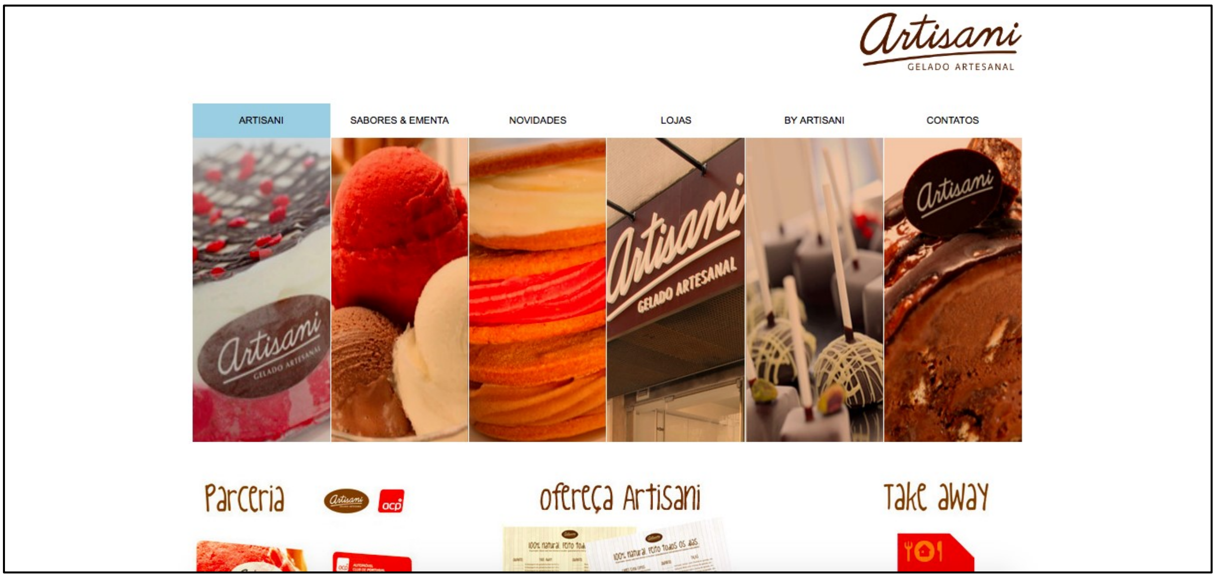
Cascais (Praia da Duquesa)	Being a store near the beach, it is the one benefiting the most from the tourism wave that is happening in Portugal	These stores are located in crowded sites, especially during summer weekends, being characterized by the occasional, impulse purchase
Doca de Santo	Located in a restaurant and bar area near the river, it is also able to attract tourists (although in a smaller scale) and families, especially during the weekend	
Avenida Álvares Cabral	The main store, on top of the factory. Located in a transit site when accessing the city center, surrounded by several enterprises and near Estrela garden, thus being the only store opened all year round, during week days and weekends	It is the store with the most customer loyalty and repeated purchase
Markets (Mercado de Campo de Ourique, Mercado de Algés, Mercado de Cascais)	These three stores are located in food markets in Greater Lisbon, which has increasingly become a trend in Portugal	Also characterized by the occasional, impulse purchase
Telheiras	Despite being a riskier option, as it is a dormitory neighborhood, yet mainly frequented by middle or upper-middle class consumers, the typical Artisani customer	The goal is to have a store located in an area with customers with purchasing power, yet it is highly affected by seasonality

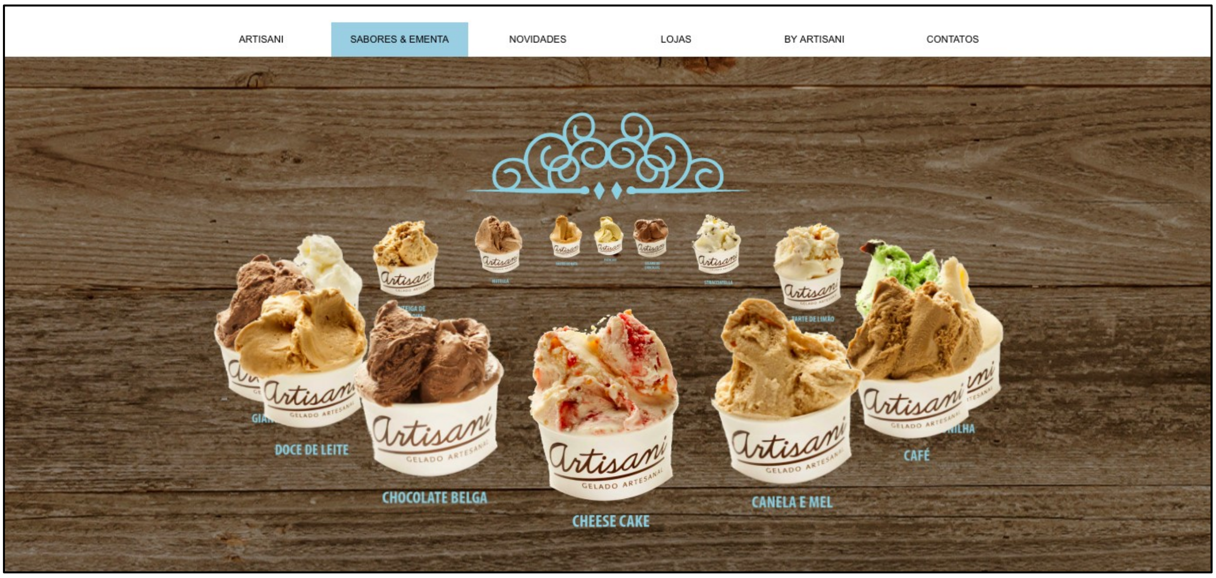
Appendix 10 – Occasional price promotions and campaigns (retrieved from Artisani's Facebook Page)

Appendix 11 – Marketing Budget 2017 - Overview

	Total	%
Specialized work - Monthly payments to outsourcing services; - Photography services for advertising; - Graphic design work; - Press kits; - Newsletter (B2B); - Events (launch of the new factory).	**24 285,02**	**82**
Advertising - Facebook ads; - Promotional gifts for special occasions; - Promotional video; - Sponsorship (surfer Rodrigo Lebre).	**4 375,00**	**15**
Office material - Printing of physical supports (posters, frames, tags, etc.).	**1 120,14**	**4**
Total	**29 780,16**	**100**

Appendix 12 – Artisani’s website (overview)





SABORES DE GELADO	Glúten	Sacarose	Gema de ovo	Lactose	Gordura
Gelado de After Eight		●		●	●
Gelado de Avelã		●	●	●	●
Gelado de Avelã com cardamomo Light			●	●	●
Gelado de Bauninha com vagem		●	●	●	●
Gelado de Café	●	●	●	●	●
Gelado de Canela e Mel		●	●	●	●
Gelado de Caramelo		●	●	●	●
Gelado de Cheese Cake	●	●	●	●	●
Gelado de Chocolate Belga		●	●	●	●
Gelado de Chocolate Ligth	●				
Gelado de Côco		●		●	●
Gelado de Doce de Leite		●	●	●	●

Appendix 13 – Promotion on Facebook and Instagram (examples)

Appendix 14 - Comparison table between Artisani and its main competitors, regarding product, distribution, price and promotion

		Artisani		Santini	Nannarella	Olá
Category		Artisanal		Artisanal	Artisanal	Industrial
Number of stores		7 + 4 franchising		7	1	NA[25]
Location (regional expansion)		Greater Lisbon		Greater Lisbon + Porto	Lisbon	All territory
Price[26]	**Ice cream (1 scoop)**	3,00€	2,70€	2,90€	2,00€	NA[10]
	Take-away (1 liter)	24,00€	21,60€	22,70€	16.00€	NA[27]
	Complementary (crepe/waffle with 2 ice cream scoops)	7,70€	NA	5,00€	NA	NA
Online Presence	**Likes on Facebook**	15.200		147.577	10.393	8.037.791
	Followers on Instagram	619		10.900	794	NA
	Website	Yes		Yes	No	Yes

[25] Even though Olá owns 29 stores, the distribution channel that mainly competes with Artisani is the HORECA outlets, in the impulse - single serve ice cream;
[26] To compare the price variable, three types of products were chosen as an example. Artisani presents two different prices for each product, as the loyalty card is available for every customer for free and provides a 10% immediate discount in all products, except complementary products;
[27] Although Olá offers scoop and take-away options in their own stores and in hypermarkets & supermarkets, the distribution channel that mainly competes with Artisani is the HORECA outlets in the impulse – single serve ice cream category.

Appendix 15 – Focus group script

Online Interaction with Brands
▪ Do you follow brands online (social media)? ▪ Do you follow ice cream brands online (social media)? ▪ What would you be interested to see in an ice cream social media page? ▪ Have you ever visited an ice cream brand website? If yes, what for?
Artisanal Ice Cream Market
▪ What comes to your mind when I say ice cream? ▪ What comes to your mind when I say artisanal ice cream? ▪ Which brands do you recall in this market? ▪ What is the brand you purchase the most?
Artisani as a Brand
▪ Do you know this brand (show logo)? ▪ What comes to your mind when you think of Artisani? ▪ Have you ever tried any Artisani product? If not, why? ▪ What do you like the most about the brand? And the least? ▪ Did you know that their ice cream is finished in store to ensure its freshness? ▪ Did you know the ice cream is 100% natural and produced with fresh ingredients, using no pre-prepared products or food additives? ▪ Do you consider these important attributes to the product? ▪ Would you associate Artisani with innovation? ▪ How likely are you to consider Artisani the next time you are craving ice cream?
Artisani in the Digital Environment
▪ In your opinion, do you believe that having online exposure would add value for Artisani? ▪ Do you think a digital presence fits the brand or is against the brand's image? ▪ Do you follow Artisani in any social media network? ▪ In your opinion, what should Artisani communicate more? What would you be interested in listening/reading about? ▪ Which channel do you think is the most suitable for Artisani to communicate with its customers? ▪ In your opinion, overall, what should Artisani do to improve its place in consumers' minds and attract new customers?

Appendix 16 – Survey (designed in Qualtrics Survey Software)

Dear participant,
Thank you for taking the time to complete this survey for my Master Thesis.
The questionnaire will only take 5 minutes and will significantly contribute to my Master's degree. I am, therefore, asking you to state your choice and preference based on what you truly feel and perceive.
Please be ensured that all your answers are completely anonymous and that they will be treated with absolute discretion.
Thank you very much in advance for your help!

The following questions are about **online platforms**, mainly social media.
Briefly, social media is "a category of online media where people are talking, participating, sharing and networking", such as Facebook, YouTube or Instagram.

How often do you visit/use the following online platforms?

	Never	Less than once a week	Once or twice a week	3 - 6 times a week	Every day	More than once every day
Facebook						
Instagram						
Google+						
YouTube						
Blogs						
Online news						
E-mail						

To what extent do you agree with the following statements?

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
I believe I am somewhat influenced by social media (either by friends, influencers or companies)					
Whenever I see a good review online, I am more willing to purchase a certain product					
I never believe what I see/read online					

Condition: I believe…Strongly disagree Is Selected. Skip To: Do you follow brands on social media ....
Condition: I never...Strongly agree Is Selected. Skip To: Do you follow brands on social media ....

"I am <u>influenced</u> by what I see/read on social media when purchasing the following type of products...". Please select <u>two</u> options

☐ Books
☐ Food & Beverages / Restaurants
☐ Movies, Music & Games
☐ Clothing, Shoes & Jewelry
☐ Sports & Outdoors
☐ Makeup & Skincare
☐ Travel

Do you follow brands on social media platforms?

○ Yes
○ No

Condition: No Is Selected. Skip To: End of Block.

What do you value the most when you follow a brand online? Select two options

☐ Discounts & Price promotions
☐ Being able to know more about a product
☐ Being able to interact with the brand
☐ Contests
☐ Getting to know the latest products and news of the brand

The following questions are about your **ice cream consumption**.
The questions are particularly focused on **artisanal ice cream** brands.
Simply put, this type of ice cream is traditionally produced in smaller quantities per day, with the best and freshest ingredients, according to the recipes and techniques of the great Italian gelato masters.

How often do you usually consume ice cream (either industrial or artisanal) during each of the following periods?

	Never	Once or twice a month	3-8 times a month (=once or twice a week)	More than 8 times a month (=more than twice a week)
Spring (1)				
Summer (2)				
Autumn (3)				
Winter (4)				

When you eat ice cream, how often do you go for artisanal ice cream?

○ Frequently
○ Sometimes
○ Rarely
○ Never

Condition: Never Is Selected. Skip To: End of Block.

Write down the first artisanal ice cream brands that come to your mind

1
2

Please select the brands you recognize (you may have never tried the ice cream itself)

☐ Amorino
☐ Artisani
☐ Conchanata
☐ Davvero
☐ Nannarella
☐ Santini

Carry Forward Selected Choices from "Please select the brands you recognize (you may have never tried the ice cream itself)"

From the previously selected brands, indicate the ones you have already tried at least once

☐ Amorino
☐ Artisani
☐ Conchanata
☐ Davvero
☐ Nannarella
☐ Santini

Carry Forward Selected Choices from "From the previously selected brands, indicate the ones you have already tried at least once"

Now, from the previously selected brands, order them according to your preference (your favorite at the top and your least favorite at the bottom)

_______ Amorino
_______ Artisani
_______ Conchanata
_______ Davvero
_______ Nannarella
_______ Santini

Carry Forward Selected Choices from "From the previously selected brands, indicate the ones you have already tried at least once"

Select the adjective(s) that best describe(s) each brand (you may choose more than one per brand)

	Premium	Fresh	Fashionable	Natural	Industrial	Expensive	Innovative
Amorino							
Artisani							
Conchanata							
Davvero							
Nannarella							
Santini							

Where do you normally base your decision on, when purchasing ice cream? (You may choose <u>more than one</u> if applicable, but <u>no more than six</u>)

☐ Price
☐ Company reputation
☐ Peer recommendation (in person or social media)
☐ Location (store near places you usually are)
☐ Advertisement
☐ Previous purchase (good previous experience)
☐ Quality of the product
☐ Online reviews (news, blogs posts, etc.)

Artisani

This block only shows up to respondents that mentioned to have already tried Artisani before ("From the previously selected brands, indicate the ones you have already tried at least once")

The following part of the survey is about **Artisani**

How frequently do you visit an Artisani store?
- ○ I only visited an Artisani store once in my life
- ○ Rarely
- ○ Sometimes per year
- ○ Every month
- ○ Every week

When you visit Artisani, to which store do you usually go?
- ○ It depends
- ○ Álvares Cabral
- ○ Cascais (Paredão)
- ○ Doca de Santo
- ○ Mercado de Algés
- ○ Mercado de Campo de Ourique
- ○ Mercado de Cascais
- ○ Telheiras
- ○ Other (in restaurants)

When you are craving ice cream, is Artisani the place you usually go to?
- ○ Yes
- ○ Maybe
- ○ No

Condition: Yes Is Selected. Skip To: To what extent do you agree…

What makes you choose a different store?

To what extent do you agree with the following statements?

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
Artisani's ice cream has good quality					
Artisani has a fair price regarding price-quality					
Artisani is my favorite brand of ice cream					
I believe other brands have more quality than Artisani					
I usually visit Artisani because the store is near me					
Artisani's ice cream is natural					
I believe Artisani is expensive					
Artisani's ice cream is healthy					
I value the fact that Artisani offers a big variety of flavors					
I visit Artisani whenever I feel like having a good quality ice cream					
I prefer other brands because they are more inexpensive					
I never leave the house on purpose to buy Artisani's ice cream					
I value brands that use ingredients produced in Portugal					

Do you follow Artisani on social media? (You may choose more than one answer)

☐ Yes, on Facebook
☐ Yes, on Instagram
☐ Yes, on Twitter
☐ No

Condition: No Is Selected. Skip To: End of Block.

Have you ever liked or commented any post made by Artisani on social media?

○ Yes
○ Maybe, but I do not remember well
○ No

Age
- O Under 10
- O 10 - 19
- O 20 - 29
- O 30 - 39
- O 40 - 49
- O 50 - 59
- O 60 or more

Gender
- O Male
- O Female

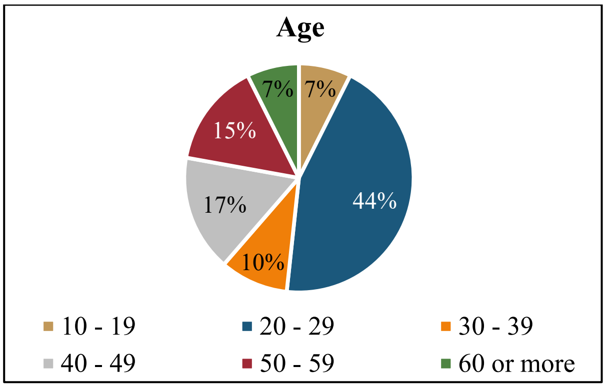
Nationality
- O Portuguese
- O Other ____________________

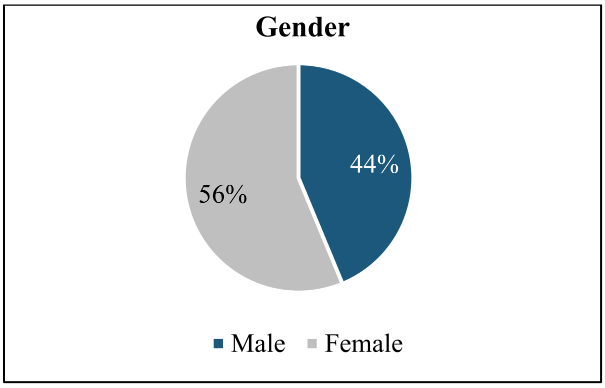
Do you live or work/study in Lisboa, Cascais or Oeiras?
- O Yes
- O No

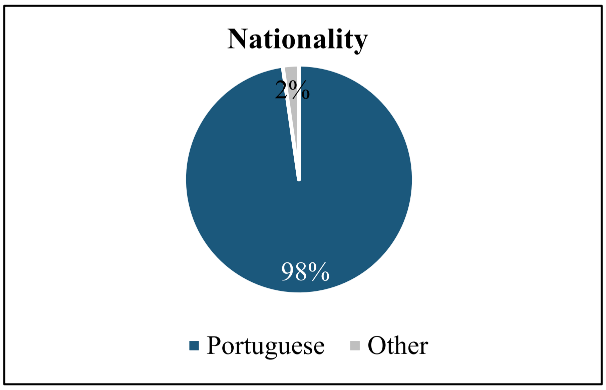
Current Occupation
- O Student
- O Unemployed
- O Employed
- O Retired

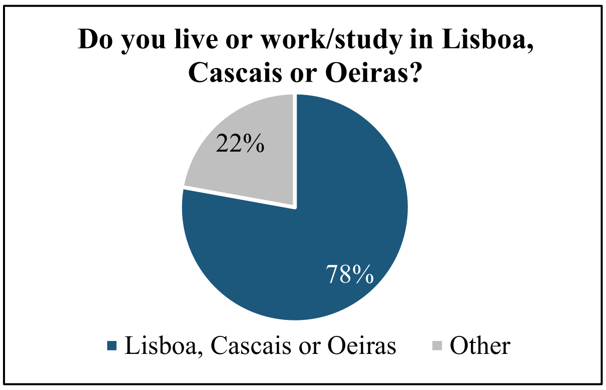
Family <u>annual</u> gross income
- O Up to 20.000€
- O 21.000€ - 40.000€
- O 41.000€ - 60.000€
- O More than 60.000€

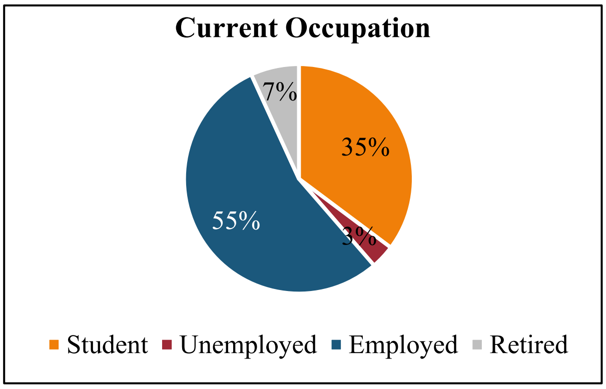
Appendix 17 – Sample description (N=175)

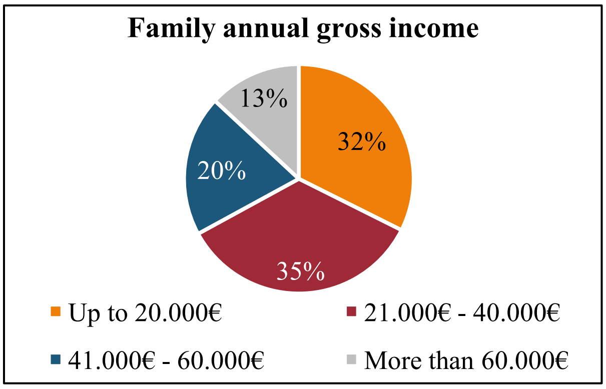












Appendix 18 – Brands recognized and tried by respondents

	Recognize the brand N=172		Already tried the brand				
	Frequency	Valid %	Frequency	N (All)	Valid %	N (Recognized)	Valid %
Amorino	87	50,6	59	172	34,3	N=87	67,8
Artisani	114	66,3	84		48,8	N=114	73,7
Conchanata	86	50	60		34,9	N=86	69,8
Davvero	32	18,6	9		5,2	N=32	28,1
Nannarella	70	40,7	47		27,3	N=70	67,1
Santini	161	93,6	155		90,1	N=161	96,3

Appendix 19 – Analysis of Total Variance Explained in Exploratory Factor Analysis and Reliability Analysis (Case Processing and Cronbach's Alpha)

Exploratory Factor Analysis - Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1,467	73,356	73,356	1,467	73,356	73,356
2	0,533	26,644	100			

Extraction Method: Principal Component Analysis.

Case Processing Summary			
		N	%
Cases	Valid	176	100
	Excluded [a]	0	0
	Total	176	100

[a]Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
0,634	2
0,601	3

Appendix 20 – Chi-square Test: Impact of following brands online on feeling influenced by these platforms when purchasing "Food & Beverages / Restaurants" products?

			Influenced by what they see/read online – Food & Beverages / Restaurants		Total
			No	Yes	
Do you follow brands on social media platforms?	Yes	Count	28	83	111
		% within Do you follow brands on social media platforms?	25,20%	74,80%	100,00%
		% within Are you influenced by what they see/read online – Food & Beverages / Restaurants	59,60%	76,90%	71,60%
		% of Total	18,10%	53,50%	71,60%
	No	Count	19	25	44
		% within Do you follow brands on social media platforms?	43,20%	56,80%	100,00%
		% within Are you influenced by what they see/read online – Food & Beverages / Restaurants	40,40%	23,10%	28,40%
		% of Total	12,30%	16,10%	28,40%
Total		Count	47	108	155
		% within Do you follow brands on social media platforms?	30,30%	69,70%	100,00%
		% within Are you influenced by what they see/read online – Food & Beverages / Restaurants	100,00%	100,00%	100,00%
		% of Total	30,30%	69,70%	100,00%

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4,809[a]	1	0,028		
Continuity Correction[b]	3,996	1	0,046		
Likelihood Ratio	4,647	1	0,031		
Fisher's Exact Test				0,034	0,024
Linear-by-Linear Association	4,778	1	0,029		
N of Valid Cases	155				

[a] 0 cells (0,0%) have expected count less than 5. The minimum expected count is 13,34 | [b] Computed only for a 2x2 table

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	-0,176	0,028
	Cramer's V	0,176	0,028
N of Valid Cases		155	

Appendix 21 – Chi-square Test: Influence of artisanal ice cream consumption on the consumption of Artisani products

		Tried Artisani?		Total
		No	Yes	
When you eat ice cream, how often do you go for artisanal ice cream?	Frequently	10	44	54
	Sometimes	12	32	44
	Rarely	8	8	16
Total		30	84	114

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6,342[a]	2	0,042
Likelihood Ratio	5,91	2	0,052
Linear-by-Linear Association	5,706	1	0,017
N of Valid Cases	114		

[a]1 cells (16,7%) have expected count less than 5. The minimum expected count is 4,21.

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	0,236	0,042
	Cramer's V	0,236	0,042
N of Valid Cases		114	

Appendix 22 – Forbes article excerpt regarding Facebook Organic Reach

Facebook Friends And Family: Is This The End Of Organic Reach? by Andrew Lovasz
OCT 14, 2016
Facebook recently made several big updates to its news feed algorithm that will impact the way businesses, organizations and all other "non-friends" engage with Facebook users around the world. (…) After the recent algorithm updates, the average reach for a branded post dropped by 42% over the course of four months. The numbers may sound grim, but don't crumple up your Facebook page and toss it in the metaphorical waste bin just yet. This isn't the end of organic reach. It's simply the beginning of a new age of digital relationships between brands and consumers (…).

Read more: https://www.forbes.com/sites/forbesagencycouncil/2016/10/14/facebook-friends-and-family-is-this-the-end-of-organic-reach/#5f34cbb213b7

Appendix 23 – Suggested analyses/answers to the Teaching Notes' questions

1. <u>Present a SWOT Analysis of Artisani based on the information given in the case study</u>

The answer to this question is spread throughout the case. A SWOT analysis is crucial to understand and solve Artisani's current challenge. Here are some topics worth mentioning:

	Strengths	Weaknesses
Internal Factors	▪ **Quality and freshness**: products are made with the freshest and premium ingredients, using the most suitable production and storage methods; ▪ **High dynamism**: pioneer, constantly striving to improve and be different; ▪ **Innovation and variety**: new products every month, including original and creative flavors for everyone; ▪ **Concern with restricted diets**: offers products suitable for customers with food intolerance or allergies or any other diet concern (vegan, diabetes, etc.); ▪ **New and improved factory**: bigger production capacity; ▪ **Number of stores**: strong presence in Greater Lisbon; ▪ **Resale and Franchising**: other selling points that allow a stronger presence in the HORECA channel; ▪ **Loyalty Card (discount)**: customer engagement method and a way to compete with the prices fixed by rivals; ▪ **Large variety of complementary products**: a way to attract customers more times a day and during off-season; ▪ **Relatively recent brand with strong market implementation**: despite being a newer brand, it already left a mark.	▪ **Location**: lack of stores in more tourist areas of Lisbon; ▪ **Investment capacity**: impossibility of investing in large projects and strategies; ▪ **Price**: higher price than competitors (to customers without loyalty card); ▪ **High fixed costs**: costs due to the factory, R&D, the high number of stores, the daily transportation to each store and resellers; ▪ **Social media presence**: weak presence in social media networks (few followers, likes, tags and interactions); ▪ **Brand image**: lack of a strong and individual image, easily recognizable by consumers and adaptable to other formats (van, carts, etc.); ▪ **Brand awareness and credibility**: lack of promotion strategies, which ultimately affects the position of the brand in consumers' minds and the associations they make with the brand.
	Opportunities	**Threats**
External Factors	▪ **Expected growth of the ice cream market**: room for internal growth and expansion; ▪ **New trends in eating habits**: greater demand for artisanal and gourmet products, healthier and more natural options; ▪ **Social media growth and relevance**: a way to increase and improve the communication with current and potential customers; ▪ **Tourism wave in Lisbon**: more potential customers; ▪ **Warm Weather**: in such a seasonal industry, Portugal is a good market due to its typical high temperatures.	▪ **Seasonality**: strong decrease in sales during winter season; ▪ **Competition in a fragmented market**: there are strong direct competitors, and new entrants in the market are frequent; ▪ **Average ice cream consumption**: the national average is still below the European average; ▪ **Fierce market leader**: Santini's recent rebranding investment further boosted its expansion and credibility; ▪ **Competitors' price**: some rivals offer cheaper options; ▪ **Smart purchasing behavior**: customers tend to think more - less impulsivity and more sensitive to the price.

2. Discuss how the lack of knowledge structures about a brand influences consumers' response to marketing mix variables. Exemplify using Artisani's case.

To answer this question, students should have read the first three recommended articles to have a more structured knowledge regarding the theoretical subjects addressed. The idea is to promote a discussion based on Artisani's challenge described in the case study, keeping in mind all marketing mix variables and the competition analysis also presented. Some ideas that should be mentioned:

- Consideration sets are an important dimension of brand choice, as it includes the array of brands that retrieve serious consideration for purchase by consumers;
- As the goal of any marketing strategy is to increase the firm's performance, it is crucial to create knowledge structures for the brand to have a positive response to the marketing activity: the effectiveness of marketing stimuli is dependent on the knowledge consumers have about the brand;
- Brand choice is highly induced by the marketing variables, especially in the case of the ice cream market, where the main selection criteria are brands. Customer-based brand equity refers to the impact of brand awareness and image on consumer preferences and behavior. Creating desirable brand knowledge structures in consumers' minds is essential to a successful brand;
- The artisanal ice cream market is highly seasonal and competitive, strongly impacted by a powerful and long-time leader. Santini is usually the brand recalled by consumers when thinking about this specific market, heavily investing in territorial expansion and promotion strategies to further improve its awareness and credibility;
- As mentioned by Artisani's founder and managing partner, the firm is aware that communication is lacking, as it was not a business priority up until now. It is necessary to more intensively work on developing the correct positioning to keep up with the leading player in the market, as they believe consumers are not fully conscious of its differentiating characteristics;
- Artisani's challenge is indeed to find the most suitable way to improve the brand's awareness in consumers' minds, in order to increasingly be part of their consideration set, which will ultimately get the firm new customers and higher revenues;
- Artisani's journey must include an investment to develop brand knowledge (awareness and image) as it strongly affects the decision-making process: consumers purchase from familiar brands.

3. Explain the main differences between promotion on traditional media and on the online environment. How may Artisani leverage the latter to overcome its current challenge?

To answer this specific question, students should have read the last two recommended article, as they summarize the opportunities and threats of new media and the need for an Integrated Marketing Communications' strategy. It is an open-ended question that should mix previous knowledge, with the information from the recommended articles and the data from the case study, mainly regarding Artisani's promotion strategy (chapter 2.8). Some ideas that may be mentioned:

- Prior to the rise of new media, mass media communication channels were used as a way for companies to speak to consumers: communication was mostly unidirectional;
- The recent technological progress has absolutely changed the way consumers search, use and share information, profoundly shifting consumers, brands and the media, which will ultimately be reflected on how consumers choose brands;
- However, consumers are becoming increasingly fragmented and less attentive due to growing variety of communication options and multitasking. Therefore, creating brand knowledge is becoming more challenging, so an optimal integration of marketing communication is crucial to succeed. Messages must be consistent, complementary and effective;
- The digital environment provides tools to reach consumers and deliver the company's message in an immediate and interactive manner, such so that promotion is becoming largely outside of the firms' direct control;
- New media, especially social media networks, have created new communication flows between consumers and firms and among consumers, allowing the development of close relationships. Actually, consumers are now expecting the creation of this relationship with brands and an interactive, creative and genuine communication (collaborative marketing relationships);
- On the other hand, these new informal networks and flows of communication have also withdrew the brand's control, as parallel communication grows;
- In fact, word-of-mouth communication in the informal online social networks among consumers (e-WOM) is now easily shared and spread, becoming the most credible and trustworthy form of advertising: this exchange of opinions and recommendations is influencing the path to purchase;
- Ordinary consumers are now major influential elements, especially the new influencer community that strongly impacts the perceptions of brands in the audience they communicate to through these networks. Businesses cannot control these conversations, yet they may influence them;
- Firm-initiated and user-generated content is affecting consumers' purchasing decisions;
- (Relate this question to the second one regarding brand knowledge);
- A customer-driven marketing strategy seeks to build the right relationship with the right customers and the digital environment is an immediate channel to reach new and potential consumers, to track consumers' preferences (through a careful analysis of the social media analytics) and to engage;
- Artisani must choose the right networks to communicate to its target audience, must create valuable and shareable content and constantly evaluate its metrics, should engage consumer influencers and take advantage of the highly targeted and powerful social media ads.