Meal Solutions at Jerónimo Martins: Leveraging the Take-Away section through consumers' convenience perceptions

Constança Moreira Rato de Sousa Roque

152115059

Dissertation written under the supervision of Professor Rita Coelho do Vale

Dissertation submitted in partial fulfilment of requirements for the MSc in Management with Specialization in Strategic Marketing, at Católica Lisbon School of Business and Economics, April 2016.

Abstract

This thesis refers to Jerónimo Martins, a 200 year-old Portuguese retailing group, and its most recent business, the take-away meal solutions of Pingo Doce, its main supermarket chain. More specifically, it focuses on presenting the challenge Pingo Doce faced in 2016 when its ready-meal business reached maximum production capacity and was facing increasing demand and rising national competition. Once empowered with higher production capacity, the Meal Solutions Department had to develop new strategies to leverage its business' area performance and maintain the leading position in the Portuguese market of Retailing Ready Meals. Given the essence of the business, new strategies regarding packaging, communication and points of purchase were proposed envisioning the contribution towards consumers' convenience perceptions. Appropriate research on existent literature was conducted and the proposed alternatives were tested in a sample of 356 individuals. Results point towards a heat-sealed label as preferred ready-meal packaging method; highlight the importance of food presentation and display of product information (nutritional facts and instructions of preparations) regardless of the packaging adopted; indicate product points of differentiation and quality guarantees as the main communication focus; and the need for both refrigerated exhibitors with "ready-to-go" products as well as the service section with ready-meals in bulk.

A presente tese está centrada no grupo Jerónimo Martins, um grupo de retalho Português com mais de 200 anos, e a sua mais recente área de negócio, a secção de take-away do Pingo Doce. Mais concretamente, irá estar focada na apresentação do desafio que o Pingo Doce enfrentou em 2016, quando o seu negócio de take-away atingia níveis máximos de capacidade de produção e enfrentava uma procura e competição a nível nacional crescentes. Uma vez reestabelecida a capacidade de produção, o departamento de Meal Solutions desenvolveu novas estratégias para potenciar o seu negócio e manter a posição de liderança no mercado de refeições prontas de retalho. Dada a essência desta área de negócio, as novas estratégias referentes a tipos de embalagem, estratégias de comunicação e pontos de vendas teriam que promover as perceções de conveniência dos consumidores. Foi realizada uma pesquisa de literatura académica sobre a temática de conveniência e as alternativas propostas foram testadas numa amostra de 356 indivíduos. Os resultados apontam para a preferência sobre embalagens Termo seladas para produtos de comida pronta; destacam a importância da apresentação da comida e da divulgação de informação referente ao produto (tabela nutricional e instruções de preparação) independentemente da embalagem; indicam como foco de comunicação estratégica os pontos de diferenciação dos produtos Pingo Doce e a comunicação de garantias de qualidade; e por último, salientam a necessidade dos dois tipos de ponto venda já existentes – linhas de livre serviço com produtos prontos a levar e balcão com comida avulso.

Acknowledgements

The completion of my Master thesis represents the end of my academic journey and I would like to express my gratitude and appreciation towards everyone you directly and indirectly contributed to my personal and professional development during my journey at Católica Lisbon School of Business and Economics.

I would like to thank the institution, dear professors, cherished employees and empowering colleagues for all the inspiration, knowledge, support, strength and friendship that I received during the past two years.

More specifically, I would like to thank my thesis advisor Rita Coelho do Vale for the support, availability, constructive feedback, motivation and patience throughout the past months. Hardly would I have completed this thesis without her guidance and commitment both at the exciting and hard times.

I would also like to thank Jerónimo Martins, the Meal Solutions Department and the Knowledge Research Centre for the support and delivery crucial information for the completion and accuracy of the Case Study. A big thank you to João Freitas, Sandra Brito Pereira and Fábio Vitorino for the technical support throughout the writing process and to Vitor Esteves, Luis Ribeiro, Carlos do Carmo, Carla Prieto and Guilherme Pimentel for sharing internal insights and their commitment towards their business.

Last but not the least, I would like to show my deepest appreciation and gratitude for my family and friends which have unconditionally loved and supported me for the past 23 years and without whom I had not become the person I am today and that I envision to be in the future.

Table of Contents

1. Introduction

1.1 Topic Presentation

In the competitive world of retailing, one may excel by following different types of competition models. Whilst some retailers are able to outperform their competitors through pricing strategies, others are willing to sacrifice a "low price" positioning over outstanding quality and product assortment or even over exceptional quality of service.

However, regardless the competitive strategy chosen, all retailers strive to meet their consumer's demands and preferences and thus be successful in the long term. In recent years, some of the biggest challenges concerning retailers have been the evolving consumer preferences and the new customer characteristics. For instance, the latest technology boom has led to a better and faster access to information allowing consumers to more easily compare prices and become more knowledgeable of their purchases and, consequently, more demanding. Furthermore, this increasingly demanding consumer adds another factor to the retailers "competitive" equation – nowadays consumers urge for convenience. Whether in terms of time, price, location, lead-time or even practicality, today's consumers' choices are highly dependable on the convenience offered throughout the purchasing process[1].

The world has been adapting to this new trend and retailers have tackled this challenge by, for instance, developing their e-commerce webpage, extending opening hours and even offering delivery and take-away services. One of the most prominent convenience features of the latter are that it saves time and reduces the effort of food provisioning and preparation[2].

It was precisely the added value of this service that made Pingo Doce, one of the major players within the Portuguese retailing industry, invest in this type of business. Belonging to the Jerónimo Martins Group and holding 36,4% of market share in the supermarket category in 2015, Pingo Doce put a lot of emphasis in becoming the top of mind brand in terms of fresh produce, competitive prices and proximity location, being convenience the main focus in its value creation process. In line with this positioning, the chain has broadened its product offers and created the ready-meal solutions business area.

This thesis aims to present the challenge that Pingo Doce is facing right now in its ready-meal section, studying new ways to develop this new business area whilst taking into consideration the role of consumer's convenience perceptions.

[1] Pan and Zinkham, 2006
[2] Van der Horst et al., 2011

1.2 Academic Relevance

Jerónimo Martins is a renowned group in the Portuguese market and has had a remarkable path and performance. It is daring to say that it sets an example in the Portuguese retailing and wholesaling market and having a description of the internal logistics and business practices of the company is of great value. Moreover, this research will propose a solution for a real company challenge, which may be helpful in sharing insights and make statistically supported suggestions regarding the preferable course of action in this situation and used in future case studies and internal training.

Furthermore, retailers' take-away and all its inherent specificities are a relatively recent topic of analysis and thus few studies have been conducted over this matter. The in-depth study performed throughout this thesis will share new insights over this topic and propose new topics for analysis.

1.3 Managerial Relevance

From a managerial perspective, this thesis will be of great value in terms of consumer analysis, more specifically regarding preferences over packaging, communication strategies and points of purchase, information that is valuable for all existing retailers. Moreover, insights from the present thesis may be used as a benchmark by other retailers offering (or planning to offer) take-away solutions in the Portuguese context. Lastly, this case study will serve as a benchmark of best business practices that may be used in internal JM training activities.

1.4 Problem Statement

The present thesis will focus on studying the specific challenges that Pingo Doce is currently facing in its take-away sections and analysing which set of measures can be implemented in order to increase the level of utility and convenience perceived by consumers thus driving sales and leveraging this business area in terms of performance.

This thesis will focus on specific issues that have been outlined by Pingo Doce as possible points of improvement in their take-away sections. These points refer to variations in packaging format (different package labelling formats); in communication strategies for this section (what type of predefined message impacts consumers the most); and in-store points of purchase (POP) of ready-meals (what is the most customer-oriented POP for take-away products). These challenges will be further analysed and tested.

1.5 Scope of Analysis

This study will focus mainly on the take-away sections of Pingo Doce, present in 98% of the 410 stores[3], independently of the store size. Only two formats of take-away POP – service counter and refrigerated exhibitors - will be taken into consideration.

1.6 Research Questions

In order to propose a solution for the challenges referred to before, a set of specific issues need to be answered:

RQ1: What is the labelling style of ready-meal packages that most positively impacts consumers?

This question aims at identifying the labelling style that best fits consumers' preferences, most influences consumers' perceptions over convenience and quality and best drives to purchase. The new labelling alternatives that will be considered are the paper-sleeve and heat-seal.

RQ2: Is the current communication focus, based on traditional cooking methods, the one consumers' respond to the most in the take-away section?

This research question will allow to unveil the type of communication that best fits take-away consumers' expectations and ultimately the message that best drives purchase. It will allow to analyse whether, for instance, focusing on the excellence of the central kitchen's production processes is more effective than focusing on the quality of the product.

RQ3: What is the POP of take-away products that best serves consumers in terms of their specific needs?

Since take-away products meet a very specific and demanding type of consumer – looking for a ready and quick solution – and Pingo Doce wants to be a reference in terms of convenience, this research question will allow to understand consumers' preferences regarding the existing POP - service counter and refrigerated exhibitors - and identify specific requirements that may be currently overlooked.

[3] "Food in Pingo Doce", October 2016.

1.7 Thesis Organization

This first chapter focused on the presentation of the topic, the clear statement of the main purpose of the thesis and the introduction of the research questions.

The following section, Chapter 2, will be the most extensive one, as it will present the historical background of the bi-centenary company, its current business structure and portrait the international and national competition environment. Besides this, it will introduce the Meal Solutions department and details and specifications of take-away sections. Lastly, the main challenges regarding this new business area will be identified.

Already in Chapter 3, a review of the existent literature will be presented. Then, using the knowledge acquired, the procedures and methodologies used to tackle the challenges will be thoroughly explained in Chapter 4 as well as the results of the analysis and studies performed.

As this thesis will serve as a presentation of a real challenge and best course of action, Chapter 5 – Teaching Note, will be devoted to present the essential topics that ought to be exposed to promote a discussion.

Finally, in the sixth and last chapter, based on the conclusions derived from the previous studies, a set of recommendations will be drawn in order to propose the best course of action for Pingo Doce.

2. Leveraging the Take-Away Section

2.1 The Meal Solutions Challenge

In June 2016, when appointed as the new Pingo Doce's Meal Solutions Director, João Freitas hardly realized he had been given a "poisoned" gift. It was a fact that Pingo Doce, belonging to the Jerónimo Martins Group and one of the main Portuguese retailers, was a leader in the retailing take-away business with a 52% market share in this market and had been growing year over year[4]. However, after several years of growth and outstanding performance, this new business area was very close to its maximum production capacity, challenging its potential future growth. Hence, what at first instance seemed as a gift, soon revealed its shortcomings.

In 2015, Pingo Doce's central kitchen confectioned more than 8 million kilograms of food (annually) and delivered it daily to the 400 stores across the country[5]. Consumers soon adhered to this new offer and the take-away sections became not only a successful differentiating factor within Pingo Doce's supermarkets but also an important sales driver in its stores. In the same year, the food and soup categories altogether registered a sales growth of 20% and were expected to maintain that growth rate throughout the following year. Thus, in order to keep up with the increasing demand, the take-away services were in need of extreme investment and development.

Despite being the leader in the Portuguese retailing take-away market, Pingo Doce was facing growing competition in this category from its national competitors (52% of market share against its main competitor's rising 27%). In addition, an international benchmark study conducted by Daymon International revealed that there was also a gap between Pingo Doce and foreign modern retailers in what regarded take-away offers and general business practices, which increased the urgency of addressing this issue.

Thus, besides the need for a higher production capacity, it was crucial to identify new mechanisms that allowed Pingo Doce to continue outperforming in the Portuguese retailing take-away market and to offer the best service possible in its ready-meal sections. João Freitas and the Meal Solutions team were therefore bound to study new alternatives to boost and maximize sales in their take-away sections and propose a course of action for the short and long term.

[4] Meal Solutions Business, June 2016.
[5] Meal Solutions Business, June 2016.

2.2 Jerónimo Martins – The Business

In 1792, the young Galician Jerónimo Martins could not even imagine that two centuries later, the small groceries store he had just opened in Chiado, a central area in Lisbon (Portugal), would have grown into an international retailing group (Exhibit 1). After entering the manufacturing business (1938), closing a joint venture with Unilever (1949) and opening its first Pingo Doce supermarket (1980) and Recheio store (1988), Jerónimo Martins (JM) reached a strong and consolidated market position in Portugal that enabled the group to expand to Poland (1995) and Colombia (2011).

In 2016, after years of consecutive success and many generations later, JM offered its food distribution expertise in three different countries and was part of the daily life of the majority of Portuguese, Polish and Colombian people, through its leading supermarket brands: Pingo Doce (in Portugal), Biedronka (in Poland) and Ara (in Colombia). As of 2015, the Group had a network of 3 605 stores, 89 027 employees and a daily inflow of 3 800 000 people in their stores that generated more than 13 728 million euros in annual sales[6].

Although its core business in all three geographies is Food Retailing (distribution), up until 2016 the group operated in 4 business sectors – Distribution, Services, Manufacturing and Agribusiness (Exhibit 2). However, in late 2016, the group rearranged its composition, having allocated its manufacturing (Unilever JM and Gallo Worldwide) and services businesses (JMD, JMRS and Hussel) to another group subsidiary, allowing the JM group insignia to become strictly related to distribution.

Distribution

Under the distribution branch, the Group owns: two Portuguese insignias, Pingo Doce in the super and hypermarket formats and Recheio Cash & Carry in the wholesaling industry; two Polish brands, Biedronka's supermarket chain and Hebe drugstores chain; and Ara's neighbourhood stores in Colombia. JM claims that the winning formula for its distribution services are a strong focus in offering food solutions aligned with current consumption trends, the guarantee of competitive prices, proximity locations for consumers, excellence in fresh produce offers and high quality private brands[7].

[6] Corporate Presentation, Jerónimo Martins, 2016.
[7] Corporate Presentation, Jerónimo Martins, 2016.

Agribusiness

The agribusiness sector was the most recent introduction to JM's business areas. It was only in 2014 that the group dared to enter this sector in search of direct access to supply sources in order to fulfil the group's internal needs, mainly on the area of dairy products, beef and aquaculture. The group started building a dairy factory that aims at producing up to 40 million litres annually and an Angus Beef Cattle Fattening Unit with capacity for 1000 thousand cattles[8].

2.3 The Pingo Doce Retail Chain

The main JM insignia in the Portuguese market (Exhibit 7) has been operating since 1980 and in 2015 held the leading position in the supermarket segment with 36,4%[9] of market share. It is known for its expertise in fresh produce, for the quality standards of its private label (weighing 34,5% of total sales[10]) and more recently, for its ready-meal solutions. Moreover, it strives for competitive prices, to be aligned with current consumption trends and is highly focused on building a network of neighbourhood stores, adopting a proximity strategy and becoming even more a staple in convenience.

Pingo Doce (PD) operates primarily in the supermarket segment (stores with less than 2000 square meters of area) and mainly commercializes food products. In fact, it was its strong focus on food that led the brand to expand its business towards the take-away services and also to the creation of branded restaurants inside the stores.

As of 2015, PD's 399 stores generated more than 3 400 million euros in annual sales revenue[11]. In the first semester of 2016, the number of stores increased to 404 and accounted for 1 687 million euros in sales, registering an increase of 3,9% in total sales like for like[12].

In the last decades, PD has been a dynamic brand in terms of market positioning. Until early 2000, the supermarket chain kept a strong focus on customer service and positioned itself in the market as a high-end retailer. However, in 2002, PD shifted its strategy towards an "everyday low price" (EDLP) scheme whilst still providing an excellent customer service, a commercial strategy that had a huge impact in the company's market share. In 2007, it re-positioned the brand as a fresh produce specialist and launched its own ready-meal solutions. Lastly, since 2012, PD has introduced heavy promotions into its business model (for instance, in 2012 PD offered a 50% discount in all purchases made during Labour Day and created a

---

8 Corporate Presentation, Jerónimo Martins, 2016.
9 Nielsen Household Brand Consumption Panel, 2016
10 2015 Annual Report, Jerónimo Martins.
11 Corporate Presentation, Jerónimo Martins, 2016.
12 Aggregate Financial Report, 1º Semester 2016, Jerónimo Martins.

tremendous buzz around the brand), as a way of raising its protection against hard-discount competitors that were gaining expression in the market[13]. In addition, to enhance customer knowledge and proximity, it launched in 2013 a loyalty program card – Poupa Mais (in English: Save More) - that registered a big adhesion from its consumers who valued the advantages offered in PD products and BP gas[14].

As a whole, PD's brand always reflected the innovative and pioneering mindset of the JM Group. For instance, it was one of the first retailers worldwide to invest in an e-commerce channel. It launched the first virtual supermarket in Portugal - Pingo Doce Compra Directa in 1998 (in English: Pingo Doce Direct Shopping), way before most retailing chains were even considering entering into such channel. However, like many first innovators, its website did not turn out successful as in 1998 the internet was still in its infancy and the rate of penetration was very low. Summing up, it was not launched in the right timing.

In a market flooded by promotions, PD's biggest priority for 2016 was to consolidate its competitive positioning as a food specialist by promoting and developing its private label brands (just in 2015 it introduced 214 new brand owned products and product reformulations) and investing in enhancing customers' shopping experience by remodelling its stores[15].

2.4 Market Analysis – The Portuguese Market

Although being the leading retailer in the supermarket format (36,4%) in 2015, PD faced a stronger competition at a national level. Mainly competing against 4 players – Continente (from the Portuguese SONAE group), Intermarché (from the French Les Mousquetaires group), LIDL (German hard discount chain) and Jumbo (from the French Auchan group) – PD was second in the market of all retailing formats, with a market share of 25,9% in 2015 (Exhibit 8). Continente, brand from SONAE group, held the leading position (Exhibit 8) but operated mainly in the hypermarket format.

Although Continente was PD's biggest competitor in terms of volume of sales and market presence, LIDL was in fact the retailer in the Portuguese market that most resembled PD in terms of value proposition – a discount retailer with fresh produce, always at low prices, following a proximity strategy and also giving a great emphasis to private labels[16]. Hence, LIDL was PD's biggest threat in the Portuguese marketplace due to close substitution. In 2014, LIDL initiated a repositioning strategy focused on improving the brand's quality perceptions and

[13] BPI Equity Research Portuguese Retail, October 2014.
[14] 2015 Annual Report, Jerónimo Martins.
[15] 2015 Annual Report and Aggregate Financial Report, 1º Semester 2016, Jerónimo Martins.
[16] BPI Equity Research Portuguese Retail, October 2014.

implemented major changes in its stores based on Portuguese consumer preferences (created a fresh bakery area, increased the fresh products section and enlarged the services available in-store)[17]. In addition, it also increased its number of stores, highlighting its proximity positioning and becoming an even more threatening competitor for PD.

In 2016, PD held 52,2% of the market share in the Retailing Ready-Meal Solutions (Exhibit 9), against the 27% detained by its major competitor – Continente. Despite having similar take-away business practices, PD was able to maintain its leading position in this new sector as it benefitted from a wider variety of product categories and a strong location strategy.

2.5 The Meal Solutions Department

In the early 90's, Feira Nova (the hypermarket chain that was later acquired by JM), started producing soup in every store as a way of taking advantage of unused store space. Besides constituting a high margin product with low additional production costs, soup is a staple dish in the Portuguese cuisine. Served both as a starter and as a main dish, every Portuguese meal is likely to include soup since it is believed to heal/prevent the flu and be part of a healthy diet.

After merging with Feira Nova's hypermarket chain and amazed with the success and profitability of its take-away practices, PD was also bound to offer ready-meal solutions to its consumers. Therefore, PD began producing take-away meals in 1999, initially only offering cold meal options (due to food safety concerns) and gradually transitioning to hot meal offers. At that time, the production processes were still store-based and thus there was no guarantee of quality consistency between stores.

Always focused in positioning itself as a food specialist, PD decided to develop this business area and make it a general practice. Besides extending it to the entire PD store network, the group started building central kitchens meant to supply all the stores and to guarantee the consistency in quality lacking initially. As of 2016, there were three kitchens spread throughout the country (in Odivelas, Gaia and Aveiro).

Given the early growth and investment in this business area, from 2006 onwards an independent department started managing it. The Meal Solutions Department became responsible for managing the operations of the central kitchens, its distribution logistics, supplying external clients and supervising the take-away sections and branded restaurants.

[17] BPI Equity Research Portuguese Retail, October 2014

Regional Central Kitchens

The central kitchen in Odivelas (close to Lisbon) was inaugurated in 2011 and is the one with the largest production capacity. It produced 8,6 tons of meals only in 2015, from which 97% were distributed to PD stores and 3% sold to external clients (200 to 300 tons of soup).

Despite its overwhelming size (6.000 m^2) and complex production flow (Exhibit 10), the kitchen's production still follows traditional cooking methods - manual preparation of the food, using fresh products with no conservatives nor additives and guaranteeing high quality standards. All PD kitchens are certified in terms of food safety and are closely and frequently monitored in order to guarantee rigorous processes to meet the high standards both promised by PD and expected by its customers.

The Odivelas Kitchen has also been awarded with "Prémio Excelência – Inovação no Retalho"[18] that recognizes the best sustainable practices used at the kitchen. From the usage of unstandardized vegetables[19] and the reduction of salt and sugar during its production process, to the commitment and compliance with the reduction of water and energy usage and the reduction of waste volume (mainly in packaging), Odivelas Central Kitchen has since the beginning put an effort in reducing its environmental print.

Close Competitors

Hardly considered as major players in any market competition analysis, traditional barbecue stores and large pizza chains do increase the competitive tension in the ready-meals market. Although not a relevant threat to PD as a retailer, it is to PD's take-away business. The speed, proximity to consumers and convenience inherent to these non-retailing ready-meal businesses are what make them a strong competitor against PD. In an ultimate analysis, one may also consider PD's pizzas as a competitor. According to a study from Nielsen[20], consumers do opt for a pizza whenever they look for a quick and easy way to prepare a meal, increasing the number of options that compete with the take-away solutions, even inside PD stores.

2.6 The Take-Away Section – Description

PD decided to invest in the take-away services since 1) the chain started playing an increasingly important role as a food supplier, 2) it was a clear profit driver business and 3) was seamlessly aligned with PD's ideals of convenience (Exhibit 11).

---

18 Translated to "Excellence Award – Innovation in Retailing".

19 Also called "ugly veggies". Vegetables not suitable to be sold in the supermarkets (for not respecting existing imagery criteria and regulations) that would otherwise be thrown away.

20 Meal Solutions Study – Consumer Insights, Nielsen Study, 2016.

As it rapidly became a differentiating factor and also a loyalty and sales driver, PD soon developed different POP formats: the take-away service counter, the refrigerated exhibitors with pre-packaged products, the take-away"-in" and the branded restaurants (see Exhibit 12).

According to Carla Prieto, Supervisor of PD's restaurants, the main consumer segments of ready-meals are the elderly, families and workers with tight schedules (Exhibit 13).

The take-away sections in PD have a wide array of product categories (Exhibit 14) and it is mandatory that a minimum product mix is present in every store. However, this mix is adjusted according to the stores' sales forecast, location (urban and suburban) and format (super, mega or hypermarket).

Although PD offers a wide range of meal options, Guilherme Pimentel, Take-Away Category Manager, highlights the three menu alternatives that actually have an impact on the business' profitability – roasted chicken and two typical Portuguese dishes: Duck Rice and Cod fish with potatoes and cream – hence their mandatory presence in all stores.

Categories	Unit Sales (YTD Set-16)	Sales Weight
Roasted Chicken	24 993 549	50%
Fresh Food + Soup	11 699 820	25%
Pastry	4 612 833	9%
Roasted Suckling Pig	2 436 672	5%
Sandwiches	2 273 823	5%
Grilled Pork	1 939 029	4%
Pizza	1 262 618	3%
Total	**50 352 735**	**100%**

Table 1: Sales per Product Category (YTD September 2016).

Despite being the responsibility of each store, the display of the products is expected to follow the guidelines established by PD in order to deliver a consistent product image and service (Exhibit 15). In addition, guidelines have also been set regarding package formats for all product categories and cold and meal options (Exhibit 16).

2.7 International Benchmarking

By ordering an international benchmark study to gather information regarding main international retailers also offering ready-meals, João Freitas and its team could more easily elaborate a strategy to develop PD's national differentiation strategy by leveraging on existent premium market knowledge.

The major players in the retailing take-away meal industry are Whole Foods Market, Marks & Spencer, Tesco, Waitrose and Sainsbury's (Table 2). Based on this set of retailers, the benchmark study pointed out each brands' competitive advantage and differentiating points as well as an overview over its packaging, labelling formats and communication strategies.

Categories	Country	Main Differentiating Point
Whole Foods	United Kingdom	Exquisite fresh food display; (non)self-service paper packaging; gourmet design and labelling; packaged fresh food in transparent containers; Organic category.
Marks & Spencer	United Kingdom	Many ready-meal options; paper sleeve with a lot of information (nutrition facts, consumption instructions); Woodfire (grill) and Healthy category.
Tesco	United Kingdom	**Most similar to PD**; Tesco finest – "just heat" meal; labelling through colours; individual and large doses; Fresh food display (meals and also pastry).
Sainsbury	United Kingdom	Paper sleeve; only packaged options; colour labelling; different categories – Health and Gourmet.
Waitrose	United Kingdom	Bagged food – ready to prepare; Big grill and hot section; Gourmet products; mainly Asian cuisine.
Albert Heijn	Netherlands	Big counters with packaged food; simple/clear label; consumption instructions on package's hidden facet.

Table 2: International Benchmark Analysis

2.8 Future Challenges

Once empowered with a higher production capacity and a stronger distribution logistics, the Meal Solutions department will be able to operationally tackle its increasing demand. However, since the take-away service was ultimately created to meet consumers increasing demand for convenience, sustainable growth will only be achieved if consumer loyalty is built upon changes that take into account consumers' convenience perceptions.

Thus, three main challenges were identified by João Freitas and his team:

1. The need to improve the packaging of their take-away products, making them more attractive and consequently enhancing consumers' overall experience and desire to consume the products.
2. The need to improve the style of communication that is present in the take-away sections, making it more consistent with the product offer and better fitted with consumers' sought benefits.
3. The need to rethink in-store POP, adapting it to consumers' mindset and turning the shopping process more efficient for consumers.

Challenge 1: Packaging Improvement.

25% of PD's take-away clients pointed out that the food presentation should be improved[21], supporting that specific sensory product attributes, such as appearance and odour, impact the overall liking of the meal[22]. However, PD's take-away products only lack an attractive appearance due to the obligation of being displayed cold for food safety concerns. The meals' high quality is shadowed by its uninviting appearance which influences 1) the overall customer experience, 2) the liking of the product, 3) the impulsiveness of the purchase and 4) the inclusion of the product in consumers' evoke set. Since packaging is known to impact consumers' product quality perceptions, João Freitas believed that new package formats ought to be considered and adopted. Based on the international benchmark study, the alternatives considered for testing were the paper-sleeved and heat-sealed packages, found to improve conveyance of information and the overall attractiveness of the product.

Challenge 2: Communication Strategies

Currently focusing the take-away communication on the excellence standard of the central kitchen – "Da nossa cozinha para a sua mesa"[23] – João Freitas found that the message did not resonate as desired. Since consumers resort to PD's convenience food as an alternative to homemade meals, João Freitas wondered whether consumers would react better if the focus of the message was centred on the quality of the products offered and its natural and traditional preparation processes – an irresistible flavour with fresh ingredients and no conservatives nor preservatives – two factors consumers might recognize as a "want".

Challenge 3: In-store Points of Purchase

54% of the consumers mentioned "Convenience" as the main reason behind the consumption of take-away products in PD (either in terms of easiness of purchase or time saving)[24], highlighting the importance of the existence of a fast checkout alternative. However, as consumers' product quality perception of the refrigerated exhibitors' items is low, sales are driven towards the service counter where the product quality is perceived as higher. In line with PD's commitment to improve consumers' in-store experience and to be a staple in convenience, thoroughly analysing the POP that most benefit consumers was essential.

---

21 Meal Solutions Study – Consumer Insights, Nielsen Study, 2016.
22 Olsen, N. V., Menichelli, E., Sørheim, O., & Næs, T. (2012). Likelihood of buying healthy convenience food: An at-home testing procedure for ready-to-heat meals. Food quality and preference, 24(1), 171-178.
23 Translated to "From our kitchen to your table".
24 Meal Solutions Study – Consumer Insights, Nielsen Study, 2016.

3. Literature Review

In order to leverage the take-away sales, PD ought to implement measures that focus on delivering convenience. Convenience products have been a rising trend due to their competitive advantage: they are able to deliver a similar service or experience to common alternatives, whilst requiring less time and effort (Hicks, A. L., 2017).

By keeping the new changes aligned with the section's value proposition, an increase in the adoption and retention rate of customers may be expected, guaranteeing customer loyalty in the long-term.

The present literature review will mainly explore previous insights on convenience related to packaging, communication and POPs but will also refer to store convenience and store loyalty.

3.1 Convenience Packaging

Convenience packaging goes beyond the essential purpose of preserving and protecting products. Packaging features focused on convenience are those enhancing ease of use/handling and disposal, avoiding excess packaging, providing an easy opening and resealing option and focusing on portability and one-hand use. Additionally, details such as using lighter materials, dispensers, travel-sizes, scoops for portion control, cutlery in salad packs and zippered pouches are also convenience features (Alliance, 2016; Berry, 2002; Connolly, 2014; Gerrard, 2016; Pira, 2016).

Convenience food packages are the ones providing single serves and minimizing the effort necessary to prepare and serve foods, without compromising quality and freshness (Connolly, 2014; Marsh and Bugusu, 2007). Microwave and oven-safe material, indication of proper holding temperature and instructions of preparation are other packaging features that enhance convenience (Brody et al., 2008; Craig, 2016; Gnatoka, 2015; Marsh and Bugusu, 2007).

Clear on-pack information, re-sealable packs and product visibility are also valued by convenience-seekers. Increasingly active lifestyles mean that consumers are looking for just enough information for an informed purchasing decision as well as for balance between convenience and perceived freshness (Gerrard, 2016; Pira, 2016).

Nowadays' consumer is used to shop under high time pressure (Silayoi and Speece, 2007), thus the presence of graphics and colours in packaging is ever more important in order to draw attention towards the products in the point of sale (Loose et al., 2013; Silayoi and Speece, 2007). Visual inputs help consumers visualize how the product will look, taste, feel, smell and/or sound, facilitating the decision and impulsiveness of the purchase. Allowing a faster and easier purchase process will improve efficiency and convenience perceptions (Loose et al., 2013; Underwood et al., 2011).

Lastly, it is important to note that the influence of packaging on consumers' decisions depends on consumers' involvement level, time pressure and individual characteristics (Kuvykaite et al., 2015).

3.2 Communicating Convenience

Since the growth of interest in convenience that the focus of promotional and advertising strategies has been adjusted and marketers have generated marketing strategies involving approaches such as time oriented benefits, health and quality indicators, location and accessibility and easiness of acquisition (Berry, 2002; Brown, 1989; Hanks et al., 2012).

Motivated by convenience, consumers are interested in conserving time and effort whenever buying products or using services, and thus a communication focused on time-saving benefits would be more successful as consumers' perceptions on time and effort costs decrease (Berry, 2002).

In the context of food, convenience is commonly associated to unhealthy alternatives. However, offering healthy and quality options and communicating those benefits would actually promote sales, instead of leading to false marketing associations. This communication strategy would be successful not only due to the current healthy lifestyle trend but also because convenience and taste are the strongest determinants in convenience food choice (Hanks et al., 2012).

Another strategy to promote convenience food would be to focus on promoting aspects that would aid consumers in overcoming barriers when consuming it. Consumers may face either bottom-up dilemmas – regarding aspects such as sensory and health perceptions, economic power and relationship management – and/or top-down value dilemmas - related to traditions, quality of life and environmental barriers (Veflen Olsen, 2012).

Convenience in communication may also be considered as how promptly and user-friendly information is put available in the package (Liyana and Noorhidawati, 2017). Users who adopt convenience seeking use minimal amounts of effort to satisfy their needs and the same applies when it comes to information seeking (as first delineated by Zipf (1949) as the Principle of Least Effort). In order to best communicate information in time pressure (saving) situations, verbal inputs are more effective than imagery (which are more effective in drawing attention) (Silayoi and Speece, 2007; Kuvykaite, 2015). Verbal inputs communicate the product information more objectively and consistently and explicit product information allows a better assessment of, for instance, healthiness and other aspects of quality.

Lastly, communicating convenience is also related to communicating clear waiting expectations and filling customers' inactive time in order to decrease perceptions of inconvenience (Weissman, 2012).

3.3 POP and Convenience Perceptions

Given the general increase in demand for convenience – whether regarding time, effort or goods – the focus on its delivery has been a must. However, to fully understand service convenience, one has to understand consumer perceptions (Berry, 2002; Weissman, 2012) and in order to offer a product/service that best meets these perceptions, one ought to analyze and understand its customers' journey and design its product/service based on consumers' core needs (Weissman, 2012).

One of the critical points of consumer journeys are the products' POP as they are an indicator of the products' positioning (Ampuero et al., 2006). Although POP advertising does not substitute media advertising, it can easily reinforce and remind consumers about the messages they have seen outside the store, at a considerably lower cost, and is easily adapted to local/regional preferences (Quelch, 1983). However, POP are not only useful to communicate brand/product information efficiently, they can also impact consumers' shopping experience. Large shelf spaces draw consumers' attention, facilitate product inspection and selection, increase the accessibility to the product to several consumers at once, inform (and might entertain) and stimulate unplanned purchases. By providing a strong visual impact of the product, it offers consumers the convenience of easy product selection and "one-shelf shopping" (Chandon et al., 2009; Quelch, 1983).

Additionally, it is argued that store design elements such as the layout of the store facilities (aisle width, shelf positioning according to consumers' knowledge of product location), the store size and the joint shelf display of complementary products also contribute indirectly to convenience perceptions (Baker et al., 1992).

Store design elements are visual cues that impact the overall shopping experience (e.g influence store associations regarding "Tidiness and organization", "Well-stocked and variety" (Maggioni, 2016); influence customer expectations of efficient movement through a store (Gosh et al., 2010; Titus and Everett, 1995)), which improves shopping mood (Berman and

Evans, 2007), consumer satisfaction (Baker et al., 1992) and consequently convenience perceptions.

3.4 Store Loyalty

Despite the lack of universal agreement over its conceptualization – whether it is a reflection of frequency of store visits and volume of purchase or is more closely related to consumers' intentions to repeat purchases at the store (Vale et al., 2016) –, it seems to exist consensus in the existent literature as to the factors that influence store loyalty. Some point out store image, store atmospherics, physical facilities, merchandising and technology as potential store loyalty drivers (Gosh et al., 2010; Padhye and Sangvikar, 2016) whilst others refer to economic and hedonic benefits as influencers of store choice and store evaluation and thus critical patronage factors (Maggioni, 2016; Martos-Partal and Gonzaléz-Benito, 2013; Vale et al., 2016).

In an overview analysis, Mesquita and Lara (2008) argue that store loyalty is built through the presence of store attributes that are deemed important for a given consumer. Many consumers make their decisions at the point of purchase (Sarel, 1981) and thus immediate in-store elements have a higher impact in the decision making process than other marketing inputs not present at the point of purchase (Baker et al., 1994). Interestingly, Maruyama and Wu (2014) also highlight that the presence of a specific attribute is not sufficient by itself and that the consumers' perceived importance of an attribute should also be taken into account, reflecting the importance of consumers' mental constructs on measuring store loyalty.

Other factors that are shown to affect store loyalty are store atmospherics, merchandizing, service quality, price, time pressure, loyalty programs and private labels (Gosh et al., 2010; Guéguen and Petr, 2006; Maggioni, 2016; Martos-Partal and Gonzaléz-Benito, 2013; Mattila and Wirtz, 2001; Meyer-Waarden, 2015; Pan and Zinkhan, 2006; Sethuraman and Gielens, 2014; Vale et al., 2016).

3.5 Store Convenience

Convenience first became a topic of interest in marketing literature when Copeland (1923) classified convenience goods as "intensively distributed products that require minimal time and physical and mental effort to purchase" (Berry et al., 2002, Page 1).

In the retailing context, store convenience may be characterized by distance, location, availability of parking, variety of product assortment, delivery services, opening hours, multi-payment alternatives, self-checkout systems; overall, it includes every store characteristic that may smooth and improve the efficiency of consumers shopping experience whilst minimizing perceived time and effort costs (Maruyama and Wu, 2014; Orel and Kara, 2014; Pan and Zinkham, 2006; Vale et al., 2016).

In a modern environment, adopting a convenience orientation is key to attract shoppers (Pan and Zinkham, 2006). Convenience oriented consumers were found to greatly value their time as well as give great importance towards utilitarian and economic value. (İpek et al., 2016; Maruyama and Wu, 2014; Pan and Zinkham, 2006). Given these characteristics, retailers may resort to specific strategies to better align their offers with the needs of these customers such as opting for simple and clean shelf design and display and self-checkout systems. Since they tend to reduce their shopping time and consequently their store visits, the latter would not only prevent consumers' loss of time and decrease shopping effort but also decrease possible bottlenecks (e.g information overload; checkout delays) (İpek et al., 2016; Maruyama and Wu, 2014; Orel and Kara, 2014).

By improving time and effort expectations, retailers would enhance customer experiences and positively manipulate convenience perceptions, which consequently lead to consumer satisfaction that in turn induces store loyalty (Maruyama and Wu, 2014; Orel and Kara, 2014; Pan and Zinkham, 2006). Furthermore, East et al. (2000) suggest that convenience impacts directly store loyalty in the sense that half of the reasons identified to impact store retention were related to store accessibility.

Maggioni (2016) has also explored potential unconscious customer loyalty drivers and has identified "Convenient", "Fast and Easy" and "It knows what I want" as frequent descriptors of stores that consumers' patronize the most. Shedding light on these unconscious store associations has revealed consumers' search for an agile, fast and comforting store experience and feeling of identification/sense of belonging with the store they are more loyal to.

4. Methodology and Results Analysis

4.1 Research Goals

The present research aims at responding to the challenges outlined in the case study. Therefore, it will analyse how different packaging alternatives impact consumers, which communication strategy best reaches consumers specific “needs and wants” and the in-store POP that is best aligned with take-away consumers’ mindset.

Regarding packaging alternatives, the international benchmark identified a trend towards the usage of kraft paper both for packages and labelling formats, highlighting a possible preference of this material over the current plastic alternatives.

To what respects communication strategies, a new focus on product quality and freshness will be tested since the focus on the excellence standards of the central kitchen was jeopardizing consumers’ involvement with the section - consumers found it hard to believe that food produced in a central kitchen was not industrialized.

Considering in-store POP of take-away products, it is important to analyse nowadays time-constrained consumer and its specific purchasing habits in order to identify the POP that best fits their specific needs.

4.2 Methodology

To answer to the main research questions, an online survey was conducted. Some of its advantages and limitations are presented below.

Despite being one of the most cost effective, easy to distribute and less time-consuming research method, a successful collection of information depends largely on its target audience’s age and living area since they compromise not only the easiness and access to digital means but also the openness to input personal information online. Moreover, as the survey is answered in a non-controlled environment, respondents are more likely to suffer distractions and quit before the end of the survey.

Nevertheless, these disadvantages are balanced by it being distributed remotely, through more channels than other research methods, the user experience being improved by more interactive response options and being less time consuming to collect and analyse data from a larger number of respondents since all the process is automated.

Survey - Sample and Structure

Before being distributed, the online questionnaire was submitted to a pre-test, by four unbiased individuals, and a few corrections and adjustments were made.

The questionnaire (Exhibit 17) was divided in four sections – 1. profiling of the participants, 2. analysis regarding packaging, 3. communication strategies and lastly regarding 4. POP and purchasing habits. Prior to all questions, participants were given an introduction to the main topic – retailer ready-meals. No specific retailer brand was mentioned.

The first section aimed at analysing participants' groceries shopping habits and spending, retailer preferences and consumption of ready-meals.

The second section focused on packaging and participants were asked about the *weight packaging had in their purchase decision* (3 bipolar items, 5 point scale; e.g Irrelevant - Relevant) and the relative *importance of different ready-meal packaging elements* (6 items; e.g Colour, Label Design; 1="Not important at all", 5="Very Important") and of *food presentation* (1 item; e.g Food Presentation; 1="Not important at all", 5="Very Important") (Exhibit 18).
To analyse packaging preferences, it was conducted a three group design with three labelling variations: a control option, a paper-sleeve label and a heat-seal label. It followed a between-subject design and participants were randomly allocated to only one of the conditions. The *control* condition showed the current packaging of Pingo Doce's ready-meals; the *paper-sleeve* condition presented a regular package with a paper-sleeve label; the *heat-sealed* condition showed a regular package with a heat-sealed lid with a printed label.

Images 1: Packaging Conditions – Control (top), Paper-sleeve (bottom left) and Heat-sealed (bottom right).

After being presented the packaging picture, participants were asked to perform a simple evaluation of the *image* (4 items; e.g Labelling, Food Presentation; 1="Do not like it at all", 5="Like it very much") and of items such as induced *arousal* (3 items; e.g. This package made me excited about the product; 1="Totally Disagree", 7="Totally Agree"), consumer *affluence* (1 item; e.g. I will remember this package the next time I buy from the same category; 1="Totally Disagree", 7="Totally Agree"), *perceived benefits* (3 items; e.g. This product is of good quality; 1="Totally Disagree", 7="Totally Agree"), *product trust* (2 items; e.g This product is a safe choice; 1="Totally Disagree", 7="Totally Agree") and *exclusiveness* (1 item; e.g This package was made for people like me; 1="Totally Disagree", 7="Totally Agree"). Lastly, respondents were told the average price range of that type of product (3€ to 6€) and asked to indicate how much, on average, would they be *willing to pay* for it (1 item; e.g How much would you be willing to pay for the product?; slider scale from 0 to 10 euros).

The third section was related to communication strategies and it was also used a three group design to analyse the different messages: control, "no coloring nor preservatives" and "fresh vegetables and irresistible flavour".

Images 2: Communication – Control (top), "No coloring nor preservatives" (bottom left) and "Fresh vegetables and irresistible flavour" (bottom right).

Once more, participants were randomly allocated to one of the conditions and asked to evaluate the following constructs: *attractiveness* (1 items; e.g The message is appealing; 1="Totally Disagree", 7="Totally Agree"), *originality* (2 items; e.g The message is original; 1="Totally Disagree", 7="Totally Agree"), *trust* (1 items; e.g The message communicates trust; 1="Totally Disagree", 7="Totally Agree"), *intangible associations* (2 items; e.g The message communicates traditional cooking methods; 1="Totally Disagree", 7="Totally Agree"), *perceived product quality* (1 item; e.g The message makes me believe the product used in the ready-meals are of good quality; 1="Totally Disagree", 7="Totally Agree"), *purchase driver* (1 item; e.g The message influences my purchasing decision; 1="Totally Disagree", 7="Totally

Agree") and *fit with the take-away section* (1 items; e.g The message makes the difference in a take-away section; 1="Totally Disagree", 7="Totally Agree").

Regarding the fourth section - in-store POP - the analysis was based on participants' shopping habits rather than on the evaluation of different alternatives. Participants were asked to rank their *preferred POP* (3 items, Service counters, Refrigerated Exhibitors, service counters outside the store limits; 1="Most used", 3="Least used") and about their individual *purchasing habits* (2 item; e.g I prefer buying ready-meals in bulk rather than pre-packaged products; 1="Totally Disagree", 7="Totally Agree"), *waiting tolerance* (2 items; e.g I have very little tolerance regarding waiting lines; 1="Totally Disagree", 7="Totally Agree"), *time constraints* (1 items; e.g I look for ready-meals when I have less time available; 1="Totally Disagree", 7="Totally Agree"), preferences regarding *customer service* (2 items; e.g I prefer sections with customer service rather than refrigerated exhibitors; 1="Totally Disagree", 7="Totally Agree") and *planning of purchases* (2 items; e.g I often do supermarket lists before shopping; 1="Totally Disagree", 7="Totally Agree").

Lastly, a demographics section was introduced in order to complete the profile of the participants (Exhibit 17).

4.3 Results Analysis

Information was collected from 356 participants, however, only 256 answers were fully answered. All data was analysed through SPSS (Exhibit 19).

63.0% of the respondents were female and 36.9% were male. Although 49.8% of the sample had between 18 and 25 years old, 58.63% was already employed. In addition, only 14.4% of the sample never went groceries shopping or went once or less than once a month, thus a big share of the sample was representative of groceries shopping responsibilities/habits. 35.3% of respondents were still studying and the majority had completed either a Bachelors' Degree (43.5%) or a Masters Degree (36.3%). The average household composition was of 4 elements (30.7%) with a monthly disposable income between 1000€ and 2000€ (38.1%).

Regarding groceries shopping, the average respondent stated it did it once a week (37.8%), either in Continente (42.2%) or Pingo Doce (40.6%) and spent up to 50€ (70.7%). As to ready-meal purchasing habits, only 14.9% indicated buying ready-meals once or more per week, 9.2% stated they had never purchased ready-meals before and the majority (38.6%) bought ready-meals less than once a month.

The respondents that had already consumed ready-meals (n=226) stated that 58.4% of the times they did it in supermarkets rather than in specialized establishments (41.6%) and 62.3% stated to more often buy individual doses rather than larger doses.

Before starting reviewing the data collected, a reliability analysis was performed for every scale included in the survey (Exhibit 20). The majority of the scales revealed a reasonable Cronbach alpha (for 3-item scales) and a significant Pearson correlation (for 2-item scales) and were considered from then onwards.

Packaging

When analysing the *impact of packaging in the purchase decision of ready-meals*, results indicated that packaging features had a moderate effect (M=3.42).

Moreover, the features identified as most important in ready-meal packages were the *Information Available*, the *Size* and the *Type of Material* used (Table 3). However, the aspect consumers stated as most impactful in the moment of purchasing ready-meals was not packaging-related – it was the *Food Presentation* (M=4.51).

Variable	Items	Mean
Relative importance of different ready-meals' packaging elements	Information (nutritional facts/ preparation instructions)	3.92
	Size	3.72
	Type of material	3.45
	Format	2.87
	Label Design	2.80
	Colour	2.58
Relative importance of food presentation	Food Presentation	4.51

Table 3: Order of importance of packaging features (n=256).

In order to understand which type of packaging generates a more positive impact on consumer perceptions, the differences in the evaluation of the three conditions were analysed. Results from an ANOVA analysis showed that there was no significant evidence indicating a difference between conditions in terms of *Information Available*, *Food Presentation* and *Type of Material*. However, significant difference was found in the evaluation of the *Labelling* style ($F(2, 284)= 3.09$, $p<.05$) and independent t-test analysis confirmed that the most preferred labelling method was the heat-sealed ($M_{Control}=2.87$, $M_{Heat}=3.26$, $t(188)=2.44$, $p<.05$) (Table 4). All other t-tests were non-significant.

Variable	Control	Paper-sleeve	Heat-sealed
Information available	3.23^{a}	3.17^{a}	3.21^{a}
Food Presentation	3.12^{a}	3.30^{a}	3.15^{a}
Material	3.24^{a}	3.32^{a}	3.04^{a}
Labelling	2.87^{a}	$3.12^{a,b}$	3.26^{b}

Table 4: Independent t-test results for packaging constructs.
Note: numbers in the same row with different superscripts differ significantly.

Regarding *Arousal*, there was significant evidence indicating differences between conditions ($F(2,176)=3.85$, $p<.05$) and an independent t-test confirmed that the paper-sleeve was the one with highest score ($M_{Control}=3.40$, $M_{Paper}=4.21$, $t(117)=-2.70$, $p<.01$) (Table 5). All other t-tests were not significant.

To what concerns *Perceived Benefits*, the ANOVA test did not highlight any significant differences between constructs. However, the item *I prefer this product over its substitutes* did show significant differences between packages ($F(2,176)=5.02$, $p<.01$) and an independent t-test confirmed that the paper-sleeve option was the one with the lowest score ($M_{Control}=4.02$, $M_{Paper}=3.03$, $t(117)=3.06$, $p<.01$) ($M_{Paper}=3.03$, $M_{Heat}=3.87$, $t(118)=-2.57$, $p<.05$) (Table 5).

Variable	Control	Paper-sleeve	Heat-sealed
Arousal	3.40^{a}	4.21^{b}	$3.98^{a,b}$
I prefer this product over its substitutes	4.02^{a}	3.03^{b}	3.87^{a}

Table 5: Independent t-test results for packaging constructs.
Note: numbers in the same row with different superscripts differ significantly.

The ANOVA analysis run for the remaining constructs – *Exclusiveness*, *Trust*, *Affluence* and *Willingness to pay* – did not identify any significant differences.

It was also conducted a comparative analysis regarding packaging between age sections: Young Adults (up to 25 years old) and Adults (older than 25) (Exhibit 21.3). For Young Adults, an ANOVA showed significant differences in the *Labelling* scale ($F(2,123)=.840$, $p<.05$), *Arousal* scale ($F(2,67)=5.32$, $p<.01$) and in the item *I prefer this product to substitutes* ($F(2,67)=5.85$, $p<.01$). Independent t-tests confirmed that young adults' preferred label method was the heat-seal ($M_{Control}= 2.70$, $M_{Heat}=3.40$, $t(85)=-2.76$, $p<.01$), they were equally aroused by the paper-sleeve and heat-sealed conditions ($M_{Control}=2.92$, $M_{Paper}=4.36$, $t(46)=-2.93$, $p<.01$) ($M_{Control}=2.92$, $M_{Heat}=4.11$, $t(46)=-2.53$, $p<.05$) and that they preferred both the control and heat-sealed over its substitutes ($M_{Control}=4.46$, $M_{Paper}=2.64$, $t(46)=3.40$, $p<.001$) ($M_{Paper}=2.64$, $M_{Heat}=4.14$, $t(42)=-2.83$, $p<.01$). For Adults there were no significant differences.

A comparative analysis between Light and Heavy ready-meal consumers was also performed in order to test if results would differ among these two different groups of consumers (consume less than once a month vs at least once a month) (Exhibit 21.4). Results indicated significant differences only for Heavy Consumers, more specifically, in the *Labelling* ($F(2,14)=3.64$, $p<.05$) and *Arousal* constructs ($F(2, 91)=3.67$, $p<.05$). As shown in independent t-tests, heavy consumers preferred the heat-seal label ($M_{Control}=2.80$, $M_{Heat}=3.41$, $t(97)=-2.63$, $p<.01$) and were most aroused by the paper-sleeve label ($M_{Control}=3.53$, $M_{Paper}=4.54$, $t(60)=-2.81$, $p<.01$).

Communication

Regarding communication messages, an ANOVA test only highlighted significant differences in *Intangible Associations* ($F(2,132)=5.36$, $p<.01$) and *Purchase Drivers* ($F(2,130)=3.63$, $p<.05$) (Exhibit 22.2). Independent t-test analysis showed that regarding *Intangible Associations* both the control and "no coloring nor preservatives" messages worked the best ($M_{CP}=4.53$, $M_{FF}=3.67$, $t(88)=3.05$, $p<.01$)($M_{Control}=4.43$, $M_{FF}=3.67$, $t(89)=2.49$, $p<.05$) and regarding *Purchase Drivers* the "no coloring nor preservatives" was again the one with highest score ($M_{CP}=4.36$, $M_{FF}=3.43$, $t(88)=2.66$, $p<.01$) (Table 6).

Variable	Control	No Coloring & Preservatives	Freshness & Flavour
Intangible Associations	4.43^{a}	4.53^{a}	3.67^{b}
Purchase Driver	$4.02^{a,c}$	4.36^{a}	$3.43^{b,c}$

Table 6: Independent t-test results for communication section.
Note: numbers in the same row with different superscripts differ significantly.

Variations in construct means were also found when considering different age sectors. Young Adults revealed a significant difference in the *Intangible Association* item ($F(2,89)=4.76$, $p<.05$) and an independent t-test proved that both the control and the "no coloring nor preservatives" messages were the ones with highest scores ($M_{CP}=4.37$, $M_{A}=3.55$, $t(67)=2.50$, $p<.05$)($M_{Control}=4.60$, $M_{Heat}=4.31$, $t(250)=-2.49$, $p<.05$). No significant differences were found in the Adults segment.

The same analysis was performed for Light and Heavy ready-meal consumers (Exhibit 22.4) and significant differences were only found in the Heavy Consumers segment, more specifically in the *Intangible Associations* item ($F(2,68)=4,31$, $p<.05$). Similar to the above results, the control and "no coloring nor preservatives" messages were the ones with higher

Intangible Associations (M_{CP}=4.83, M_{FF}=3.79, t(46)=2.79, p<.01) ($M_{Control}$=4.63, M_{FF}=3.79, t(45)=2.26, p<.05).

Points of purchase and general shopping habits

Regarding POP preferences, whenever respondents went for ready-meals, 5/10 times they would primarily resort to the counter inside the store limits, 4/10 to the refrigerated exhibitors and only 1/10 to the counter outside the store limits as a first option.

As to individual characteristics and preferences (Exhibit 23.1), the sample was composed by individuals with high *Time Constraints* (M=5.76) and low *Waiting Tolerances* (M=5.23), which may lead to a high time management focus. Given this, it was expectable that the respondents also scored high in *Pre-planning of Purchases* ($M_{SupLists}$=5.24, $M_{KnowPurch}$=4.74). Moreover, the sample also valued *Customer Service* (M=4.48) and stated that besides not going to the supermarket solely to buy ready-meals (M=5.16), they also prefer choosing ready-meals from the counter rather than pre-packaged options (M=4.64).

The independent t-test run to identify significant differences between age sectors deemed significantly different the *Customer Service* item, being the Adults the most appreciative of *Customer Service* (M_{YA}=4.15, M_A=4.81, t(253)=-3.61, p<.001).

The analysis made between Heavy and Light consumers highlighted as significantly different the *Purchasing* (M_{LC}=4.50, M_{HC}=5.06, t(226)=-3.07, p<.01) and *Pre-planning habits* (M_{LC}=4.80, M_{HC}=5.46, t(228)=2.75, p<.01) where Heavy consumers scored the highest.

4.4 Research Questions Analysis

RQ1: What is the labelling style of ready-meal packages that most positively impacts consumers?

Although packaging is known to influence consumers' perceptions and purchase decision, in what regarded ready-meals, participants responded more to the food presentation rather than to any packaging feature, a result that should be highlighted. In fact, food presentation proved to be more important than packaging, which had a neutral score, in the purchase decision. It is also important to note that regardless of the packaging, the information available - nutritional information and preparation instructions - was the feature respondents valued the most in terms of additional labelling inputs, a result that is in line with the growing trend towards healthy and more conscious food choices.

From all three packaging alternatives, the type of label consumers most appreciated was the heat-sealed package. This result goes against the international trend towards kraft paper but is a clear indication that simple and clear labels, an effortless opening method and the extent of visibility of the food are impactful factors.

Despite the paper-sleeve label being considered the most appealing, sophisticated and exciting, it was the one with the highest substitution rate. When asked to compare between substitutes, respondents equally preferred the control and heat-sealed conditions the most. This result may be explained by the control and heat-sealed greater perceived value for money when compared to the paper-sleeve condition. The latter's sophisticated packaging might have led respondents into thinking it would be unnecessarily more expensive than the other options.

The preference over the heat-sealed label and the attractiveness of the paper-sleeved package were further confirmed by both the Young Adults' and the Heavy Consumers' segment who also shared the same results.

Lastly, regarding packaging size, it should also be mentioned that there was a prevalence of individual/small doses over large doses in the sample.

RQ2: Is the current communication focus, based on traditional cooking methods, the one consumers' respond to the most in the take-away section?

Consumers generally consider ready-meals as a close and good value for money alternative to a home cooked meal. However, these type of products are often associated to "fast food" rather than to traditional home cooking methods. The control and "no coloring nor preservatives" messages were the ones that best avoided associations to industrially produced food and, furthermore, the "no coloring and no preservatives" message was the best driver to purchase in the take-away context. These results indicate that a clear statement of the products' differentiation points from the general associations (in this case: lack of harmful components vs fast food) was what best influenced respondents' trust towards convenience foods.

These results were also corroborated by the evaluations of the Heavy Consumers and Young Adults segments of the sample.

RQ3: What is the POP of take-away products that best serves consumers in terms of their specific needs?

Whenever consumers resort to ready-meals, two of the key aspects they are looking for are to spend as less time as possible and to buy a product with the best quality possible.

On the one hand, respondents stated they looked for ready-meals when they had less time available and that they were sensitive to waiting lines, indicating a preference over refrigerated exhibitors. On the other hand, respondents also highlighted their preference towards buying ready-meals from the bulk section, even when buying small/individual doses, and showed appreciation towards having customer service, two preferences that are best met in the service counter.

This bias led to an almost insignificant difference between the counter with customer service and the refrigerated exhibitors as to the preferred POP. The slight predominance of the counter with customer service may be explained by the respondents' perception of better food quality and freshness and willingness to forgo a faster checkout on behalf of customer service.

The low usage of the service counter outside the store limits may be explained by the low number of stores that have this type of POP implemented.

5. Teaching Note

5.1 Synopsis

In 2016, the retail take-away business was blooming in the Portuguese market and PD was looking forward to maintain its leading position. However, PD was facing growing competition from other national players and, according to an international benchmark study, there was still a gap between foreign modern retailers and PD's general business practices, indicating there was space for improvement in this section. With this in mind, João Freitas, Director of the Meal Solutions Department, and his team had to develop new strategies in order to boost and maximize take-away sales.

The case aims to illustrate the type of challenges that were being faced by PD in its take-away section, offering a guide of discussion about what could be the best strategies to develop.

5.2 Learning Objectives

After a full analysis and discussion of the case, students should be able to:

- Demonstrate full comprehension of PD's current business situation and identify relevant company and market factors;
- Understand the importance of market research and market analysis and recognize the implications of different marketing strategies on the firm's performance;
- Apply acquired knowledge - on Marketing Mix concepts and other management tools - on the development of a revised marketing strategy;
- Elaborate on the information given and develop alternative suggestions;
- Propose a short and long-term action strategy plan to allow the development of a differentiating positioning of PD take-away section.

5.3 Position in Course

This case is meant for Jerónimo Martins' general management and marketing training sessions. It is to be lectured to recent employees but also in more specific training sessions targeting current employees and managers. Attendees ought to be comfortable and knowledgeable of general management practices, marketing mix concepts and market research and analysis tools.

5.4 Recommended Readings

For better comprehension of Marketing Mix and Services Marketing concepts:

- Armstrong, G., Kotler, P., Harker, M., & Brennan, R. (2012). Marketing: an introduction. Pearson Prentice-Hall, London;
- Wilson, A., Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2012). Services marketing: Integrating customer focus across the firm. McGraw Hill;
- http://marketingmix.co.uk
- https://www.mindtools.com/pages/article/newSTR_94.htm;

For better comprehension of Retailing Customer Relationship Management (CRM) Strategies:

- TESCO: The Customer Relationship Management Champion (2003), Ref 503-108-1.

5.5 Discussion Questions

The following are suggested discussion questions that ought to guide the class discussion:

A. Identify Pingo Doce's sources of competitive advantage in the national context. In your opinion, what are the factors that positively distinguish Pingo Doce from its national competitors?

B. Perform a SWOT analysis for Pingo Doce's take-away sections. What are the main strength and weaknesses of this new service? Are there any available opportunities in this industry? What about emerging threats?

C. Identify the main drivers and critical factors of the take-away sections. In the customers' perspective, what are the factors that positively and negatively influence the take-away shopping experience?

D. Build a Marketing Mix strategy to leverage Pingo Doce's take-away sections. In your opinion, what changes could be made in terms of "product, promotion, place and price"? And what could be improved regarding "people, physical evidence and processes"?

E. Propose a strategy plan for Pingo Doce. What do you advise the management to change/improve in the short term? And in the long term?

5.6 Teaching Plan

A. Identify Pingo Doce's sources of competitive advantage in the national context.

The purpose of this question is to analyse the overall market position of PD, before specifying over the take-away sections. Given the information in the case study, the following topics should rise as main sources of competitive advantage for PD:

- Proximity location strategy – being available in several locations improves customer accessibility, increases brand awareness and ultimately improves customer loyalty;
- Mainly operating in Supermarket format – enables the retailer to be present in more locations (not only large shopping areas) and still offer a diversified product assortment;
- Private Label penetration strategy – the high standard quality that Pingo Doce committed to deliver through its private labels has revealed to be not only a great source of customer loyalty but also a close substitute of manufacturer labels (weighing 34,5% of total 2015 sales);
- Promotion Strategy – everyday low price (EDLP) strategy to compete with hard discount retailers;
- Excellent Customer Service – improves relationship with customers and enhances customer's trust in the retailer.

B. Perform a SWOT analysis for Pingo Doce's take-away sections.

This questions aims at narrowing down the analysis perspective (from PD in general to take-away sections) and encourages participants to methodically think, in group of 3-4 people, about the strengths and weakness of this business area as well as identify potential pitfalls and opportunities. Based on the information revealed on the case, participants SWOT analysis should identify the following factors:

- Strengths – Service Quality; Traditional confection at scale; Product Assortment; Branded restaurants; In-store dining areas; Meal/Shopping combination; Proximity Location.
- Weaknesses – Cold display of products; Waiting time in counters plus waiting time in checkout lines; industrial packaging; Communication Focus; Sales rely on Roasted Chicken and Grill products.
- Opportunities – Home Delivery; Development of self-service counters; development of product categories.
- Threats – LIDL's investment in repositioning strategy and take-away business;

Continente's investment in terms of shelf space and product development (significant increase in ready-meals); changing consumption habits.

C. Identify the main drivers and critical factors of the take-away sections.

This questions aims at forcing participants to thoroughly think about the consumers' in-store experience and identify the critical factors that may influence it. Both positive and negative factors should be identified and attendees should restrict their analysis to take-away consumers. By considering the information regarding take-away sections available in the case study, attendees should identify some of the following points:

Main Drivers:

- Food quality;
- Refrigerated Exhibitors with both hot and cold meal options;
- Take-away sections outside stores decrease waiting time and entering the store;
- Wide variety of product categories;
- Dining area inside the store;
- The product sections are well identified throughout the store (E.G frozen food, packaged food, dairy products, household items, drinks, take-away).

Critical Factors:

- Waiting lines in section counters;
- Delay in checkout lines (doubling the waiting time);
- Different take-away products displayed in different counter formats.

D. Build a Marketing Mix strategy to leverage Pingo Doce's take-away sections.

With this question, attendees are asked to recall basic marketing mix concepts and develop a complete marketing strategy that would improve Pingo Doce's take-away sections in all facets. Attendees should also take into consideration the factors identified in the previous SWOT analysis.

Attendees can follow two of the three approaches below:

1) Consider the regular "4 P" approach and act on Product, Promotion, Place and Pricing considerations;

2) Consider a "4 C" approach[25] and propose changes taking into consideration the consumers' perspective and evaluation of Customer Solution, Communication, Convenience and Cost;
3) Use a services marketing perspective and consider the 3 extra P's to be developed: People, Physical Evidence and Processes.

In order to guarantee a coherent and solid integrated marketing strategy, all 4 P's/4 C's/3 P's ought to be revised simultaneously and with the same purpose in mind – enhance the level of convenience delivered to consumers' in its take-away business. Note that the take-away pricing strategies ought to be in line with the rest of the store and thus should not be heavily manipulated.

Given the "4 P" approach:

- Product – variety, quality, design, features, brand name, packaging, accessories, technology and services;
- Promotion – advertising, public relations, sales promotion, special offers, free trials and endorsements;
- Place – distribution channels, coverage, location, inventory, sales force and logistics;
- Price – discounts, bundle offerings, production cost, pricing strategy (skimming, penetration) and psychological price.

Given the "4 C" approach:

- Customer Solution – offer a product that meets customers' wants and needs and that is different from the competitors'.
- Communication – open a cooperative communication between customers and brands in order to best address their demands.
- Convenience – products should be readily available and placed in several visible distribution points.
- Cost – brands should for product cost but also consider customers' price sensitivity, opportunity costs and switching costs.

Given the Services' "3 P's" approach:

- People – customer service personnel (professionalism, availability, response time, friendliness, knowledge about product/service, efficiency) and employees' attitude towards the business.

[25] Robert F. Lauterborn, 4 C's Model, 1990.

- Physical Evidence – branding concept, visual layout of the product, service and merchandize and even the practical setup and installation of the store;
- Processes – company procedures used to deliver the product/service (sales, payment and distribution processes) and policies regarding emergency/contingency situations.

E. Propose a strategy plan for Pingo Doce.

In this final question, attendees are expected to consider the short and long term perspective, being the main criteria the urgency of the implementation and also the ability to implement immediately.

For instance, packaging and labelling modifications would more easily be implemented than a home delivery distribution network or the remodelling of the take-away sections, hence the importance of short and long term division/planning.

However, considering the long-term implementations above, one should be aware of the possibility that despite being a costlier and lengthier process, the remodelling of the take-away sections should be given higher priority than the establishment of a Home Delivery service, since the former is more valued by consumers.

Participants should develop a marketing plan to deal with the challenges that the take-away section has faced. A special attention should be given to details and practical solutions. Students can also be asked to develop a marketing research proposal, which comprises the type of studies they would like to develop.

Bear in mind that this type of decisions should always be supported by concrete data and results obtained either through market research or consumer analysis.

5.7 Case Conclusion

Despite the several strategies proposed in this case study, no definite strategy had yet been decided upon as of the conclusion of the writing of the case study.
After finishing this first discussion participants can then be asked to read Case Study (B). In this follow up case study, participants will be exposed to results of the marketing research study conducted to tackle the three main challenges presented at the end of Case Study (A).

6. Main Conclusions and Recommendations

6.1 Conclusions

Despite not being the most attractive and sophisticated method, the heat-sealed label is the recommended type of labelling. It is the alternative that combines a great visibility of the product (stimulating impulse buying behaviours), with an easy opening method (promoting convenience perceptions), a clear display of product information (enhancing the selection process) and a good value for money perception (decreasing the gap between perceptions and expectations of value).

It is also important to note that the food being visible (especially in the refrigerated exhibitors where the perceived quality is lower) and the presence of a complete nutritional information table and preparation instructions in the label are highly valued by consumers and should be guaranteed regardless of the package used.

Given that one of the main barriers to the consumption of convenience food is the perceived lack of quality, the communication strategy should focus on the points of differentiation of the products offered. If PD wishes to position its ready-meals as high quality convenience products that are worthy of being "part of every family moment" (meal time), then its communication should leverage on quality guarantees, promoting unique benefits and being transparent.

Lastly, the optimal POP of ready-meals ought to combine a fast checkout, customer service and, most of all, good food presentation, since these are the factors consumers' value and react to the most. Having a variety of POP options is advised in order to meet different types of consumer preferences. However, it is essential that all POP are able to meet customers' demands over time saving and perceived good quality.

Moreover, most consumers purchase individual/small doses hence the importance of guaranteeing its availability across all POP.

6.2 Recommendations

As noticed in the international benchmarking study, there is a current trend for kraft paper packages and although the heat-sealed label is preferred and more convenient for heating purposes, PD could leverage on the paper-sleeve's arousal and use that type of package to offer dry products (that do not need heating and without sauce) in the refrigerated exhibitors.

Also, to guarantee a better food presentation and conditioning, the preparation of individual doses (the format consumers buy the most) could be done at the central kitchen thus preventing asymmetries in food display and guaranteeing quality. Another rising issue is guaranteeing that the same type of packaging is offered in all POP. It would aid in communicating that all products come from the same source, mitigating the lack of quality associated to the refrigerated exhibitors' packaged products.

In order to increase the sense of convenience through flow of purchase and leveraging on the conscious food choices trends, product bundles representing a complete meal (soup + main dish + fruit/dessert) could be offered on an "on-the-go" basis.

Given that the biggest obstacle to purchase is the low perceived product quality due to the food being presented cold, the communication of quality could be improved through food sampling. Food sampling campaigns would be effective in helping consumers overcome the lack of quality perception, proving PD's ready-meals tastefulness. Also, knowing that PD aims at being part of every "family moment", communication could be improved by focusing not only on quality but also on family aspects.

The creation of self-service counters – similar to the normal counter but in a self-service approach – would enhance the customers experience in terms of time convenience, product customization and customer service in an advising perspective.

The development of rewards programs and a higher focus on digital strategies (for instance, communication of promotions and the weekly menu) would also contribute to customer loyalty and retention.

Lastly, in order to manipulate time loss expectation and thus increase convenience perceptions, interactive screens could be displayed in the service counters showcasing parts of the production process of the meals that resorted to traditional cooking methods and even the confection of the recipes offered in the take-away section. This would not only help tackling possible waiting lines by providing a visual distraction but also communicating the quality guarantees and product benefits necessary to further promote the take away sections.

6.3 Limitations and Future Research

As limitations, it could be pointed out the low number of respondents and the majority of the respondents being under 25 years old. This not only impacted the viability of the analysis of the different constructs (significant differences were not found in the majority of the constructs used) but may have also biased the results regarding groceries shopping and habits.

It is also important to mention that the conclusions driven from the study were based on data collected mainly in the area of Lisbon. Different preferences and habits are certainly found in less urban and metropolitan areas.

As to further research, it would be of great value to perform an in-depth profiling of the consumers and a segmentation analysis in order to best identify the different segments' preferences and habits. Despite all of them being motivated by convenience, their preferences may focus on different aspects and weigh differently.

Another interesting research focus would be to perform a GAP analysis to more deeply evaluate the performance of PD's current service and how well it matched consumers' expectations.

Lastly, performing A/B testing for communication alternatives and POP would allow a more thorough and conclusive analysis of the optimal conditions for both factors.

References List

Alliance, S. P. (2016). Towards sustainable packaging: A discussion paper.

Ampuero, O., & Vila, N. (2006). Consumer perceptions of product packaging. Journal of consumer marketing, 23(2), 100-112.

Baker, J., Grewal, D., & Parasuraman, A. (1994). The influence of store environment on quality inferences and store image. Journal of the academy of marketing science, 22(4), 328-329

Baker, J., Levy, M., & Grewal, D. (1992). An experimental approach to making retail store environmental decisions. Journal of Retailing, 68, 445–460.

Bearden, W. O., & Netemeyer, R. G. (1999). Handbook of marketing scales: Multi-item measures for marketing and consumer behaviour research. Sage.

Berman, B. and Evans, J.R. (2007) Retailing Management: A Strategic Approach, 8th edition. New Delhi: Pearson Education.

Berry, L. L., Seiders, K., & Grewal, D. (2002). Understanding service convenience. Journal of marketing, 66(3), 1-17.

Brown, Lew G. (1989). The Strategic and Tactical Implications of Convenience in Consumer Product Marketing. Journal of Consumer Marketing, 6 (3), 13-19

Connolly, K. B.. (2014). Convenience Drives Food Packaging Innovation. Available: http://www.foodprocessing.com/articles/2014/convenience-drives-food-packaging-innovation/. Last accessed 1st April 2017.

Chandon, P., Hutchinson, J. W., Bradlow, E. T., & Young, S. H. (2009). Does in-store marketing work? Effects of the number and position of shelf facings on brand attention and evaluation at the point of purchase. Journal of Marketing, 73(6), 1-17.

Craig, N. (2016). Millennials impact trends in foodservice packaging industry. Available:https://www.packworld.com/packagefeature/convenience/millennials-impact-trends-foodservice-packaging-industry. Last accessed 1st April 2017.

East, R., Hammond, K., Harris, P., & Lomax, W. (2000). First-store loyalty and retention. Journal of Marketing Management, 16(4), 307-325.

Gerrard, J. (2016). Packaging trends emphasize convenience, ergonomics and customization. Available: http://www.foodengineeringmag.com/articles/95867 -packaging-trends-emphasize-convenience-ergonomics-and-customization. Last accessed 1st April 2017.

Ghosh, P., Tripathi, V., & Kumar, A. (2010). Customer expectations of store attributes: A study of organized retail outlets in India. Journal of Retail & Leisure Property, 9(1), 75-87.

Gnatoka, V. (2015). Communicating Convenience in Personal Care Packaging. Available:http://www.mintel.com/blog/personal-care-marketnews/communicating-convenience-in-personal-care-packaging.

Guéguen, N., & Petr, C. (2006). Odors and consumer behaviour in a restaurant. International Journal of Hospitality Management, 25(2), 335-339.

Hanks, A. S., Just, D. R., Smith, L. E., & Wansink, B. (2012). Healthy convenience: nudging students toward healthier choices in the lunchroom. Journal of Public Health, fds003.

Hicks, A. L.. (2017). Environmental Implications of Consumer Convenience: Coffee as a Case Study. Journal of Industrial Ecology. 10.1111/jiec.12487.

İpek, İ., Aşkın, N., & İlter, B. (2016). Private label usage and store loyalty: The moderating impact of shopping value. Journal of Retailing and Consumer Services, 31, 72-79.

Kuvykaite, R., Dovaliene, A., & Navickiene, L. (2015). Impact of package elements on consumer's purchase decision. Economics and Management, (14), 441-447.

Liyana, S., & Noorhidawati, A. (2017). How graduate students seek for information: Convenience or guaranteed result?. Malaysian Journal of Library and Information Science, 19(2).

Loose, S. M., Peschel, A., & Grebitus, C. (2013). Quantifying effects of convenience and product packaging on consumer preferences and market share of seafood products: The case of oysters. Food Quality and Preference, 28(2), 492-504.

Maggioni, I. (2016). What drives customer loyalty in grocery retail? Exploring shoppers' perceptions through associative networks. Journal of Retailing and Consumer Services, 33, 120-126.

Marsh, K., & Bugusu, B. (2007). Food packaging—roles, materials, and environmental issues. Journal of food science, 72(3), R39-R55.

Martos-Partal, M., & González-Benito, Ó. (2013). Studying motivations of store-loyal buyers across alternative measures of behavioural loyalty. European Management Journal, 31(4), 348-358.

Maruyama, M., & Wu, L. (2014). Multiple store patronage: the effects of store characteristics. Journal of Retailing and Consumer Services, 21(4), 601-609.

Mattila, A. S., & Wirtz, J. (2001). Congruency of scent and music as a driver of in-store evaluations and behaviour. Journal of retailing, 77(2), 273-289.

Mesquita, J. M. C., & Lara, J. E. (2007). Attributes determining store loyalty: a study of the supermarket sector. CEP, 30, 240.

Meyer-Waarden, L. (2015). Effects of loyalty program rewards on store loyalty. Journal of Retailing and Consumer Services, 24, 22-32.

Orel, F. D., & Kara, A. (2014). Supermarket self-checkout service quality, customer satisfaction, and loyalty: Empirical evidence from an emerging market. Journal of Retailing and Consumer Services, 21(2), 118-129.

Padhye, G., & Sangvikar, B. V. (2016). Understanding the Repatronage Intentions of Supermarket Customers: A Cluster Analysis. Journal Marketing Management,15(2), 46.

Pan, Y., & Zinkhan, G. M. (2006). Determinants of retail patronage: a meta-analytical perspective. Journal of retailing, 82(3), 229-243.

Pira, S. (2016). The Brand Owner Trends Report: Consumer Packaging to 2018. Available: http://www.smitherspira.com/resources/2013/september/five-consumer-packaging-industry-trends. Last accessed 1st April 2017.

Quelch, J. (1983). Better Marketing ate the Point of Purchase. Available: https://hbr.org/1983/11/better-marketing-at-the-point-of-purchase. Last access 1-04-17.

Sarel, D. (1981). Advances in Environmental Psychology: New Perspective on Consumer Behaviour. The Changing Market Environment, American Marketing Association, Chicago, IL, 135-8.

Sethuraman, R., & Gielens, K. (2014). Determinants of store brand share. Journal of Retailing, 90(2), 141-153.

Silayoi, P., & Speece, M. (2007). The importance of packaging attributes: a conjoint analysis approach. European Journal of Marketing, 41(11/12), 1495-1517.

Titus, P. A., & Everett, P. B. (1995). The consumer retail search process: a conceptual model and research agenda. Journal of the Academy of Marketing Science, 23(2), 106-119.

Underwood, R.L., Klein, N.M. and Burke, R.R. (2001). Packaging communication: attentional effects of product imagery. Journal of Product & Brand Management, 10 (7), 403-22.

Vale, R. C., Matos, P. V., & Caiado, J. (2016). The impact of private labels on consumer store loyalty: An integrative perspective. Journal of Retailing and Consumer Services, 28, 179-188.

Veflen Olsen, N. (2012). The convenience consumer's dilemma. British Food Journal, 114(11), 1613-1625.

Weissman, A. (2012). 7 Essentials of Customer Experience. Available: https://uxmag.com/articles/convenience. Last accessed 1st April 2017.

Zipf, G. K. (1949). Human behaviour and the principle of least effort: An introduction to human ecology. Psychological Bulletin. 47 (2).

Appendixes

Exhibit 1 – Jerónimo Martins' Historical Background

1792 – The Lisbon Store

Despite coming from abroad, the young Galician entrepreneur rapidly turned its small business - Jerónimo Martins & Filho[26] - into the most in vogue store of the Portuguese capital, delighting its consumers with its imported products, often regarded as exquisite and unique. It soon became the official supplier of both the Royal House and of the embassies in Lisbon and his business continued thriving throughout the XIX century.

1921 – A new management

Due to the economic and social crisis undermining the country and Europe, the charismatic Lisbon store's prosperous era came to an end and in 1921 was acquired by two Portuguese businessmen, Francisco Manuel dos Santos and Elysio Pereira do Vale. This acquisition marked the starting point of nowadays Jerónimo Martins Group (JM).

1938 – From Retailing to Manufacturing

The group started investing in the manufacturing sector and bought the first Portuguese margarine and cooking oil factory - FIMA (Fábrica Imperial de Margarina, Lda)[27], in 1938. This was a strategic turning point in the group's path as it started shifting from mere retailer to manufacturer, a position consolidated through the Joint Venture with Unilever in 1949. During the following 30 years the group grew steadily and acquired several Portuguese manufacturing companies, benefitting from its close strategic partnership with Unilever.

1968 – A new leader, a new focus

In 1968, Alexandre Soares dos Santos[28] was granted full administrative power over the group and found himself managing a company that, despite holding a strong position in that sector, was utterly focused and solely relying on the manufacturing business. Alexandre was convict that the evolution and growth of JM depended on reinvesting in the distribution business and thus re-routed the towards its initial business focus: distribution and retailing.

[26] Translated to "Jerónimo Martins & Son".
[27] Translated to "Imperial Margarine Factory, Lda".
[28] Alexandre Manuel dos Santos is Francisco Manuel dos Santos's grandson and was CEO of the Group from 1968 to 2013.

1980 – The launch of Pingo Doce

In order to comply with the new business strategy, the group promptly started restructuring its operations and creating an extensive network of supermarkets, opening the first Pingo Doce store in 1980. The Pingo Doce chain was set to be a network of small supermarkets focused on fresh produce and following a proximity strategy. In 1985, JM established a partnership with Delhaize Group, a reference in the retailing industry, which was essential in the training of managers and store employees. Already empowered with excellent knowledge and tools, the continuous acquisition of new stores allowed Pingo Doce to reach the leading position in 1987.

1988 – Expanding to the Wholesaling sector

In 1988, JM decided to enter the wholesaling sector and acquired the Recheio Cash & Carry chain and later on, in 1990, the largest wholesaler in Portugal, the Cash & Carry Arminho, which substantially strengthened the group's presence in the Portuguese wholesaling market. To further reinforce this position, JM established a Joint Venture with the Booker group, United Kingdom's largest wholesaler, in 1991. However, the expansion into the wholesaling sector led to the cease of the partnership with Delhaize which defended a specialized approach focused on supermarkets, a line of though not shared by JM that aimed at being present in all retailing formats – supermarkets, hypermarkets and wholesalers.

1992 – The Group's 200th birthday

In this year JM established a joint venture with the Dutch Royal Ahold Company, one of the largest food retail companies worldwide. The partnerships with Booker and Ahold allowed JM to evolve in both the wholesaling (Recheio Cash & Cary) and supermarket (Pingo Doce) segments. The group continued following an economy of scale strategy and acquired supermarkets and cash and carry stores from north to south of the country. Also in 1992, the group entered the hypermarket format through the acquisition of the Feira Nova insignia.

1994 – From Portugal to the World

To continue growing at a time of crisis in the Portuguese distribution sector, the group decided to expand its business to Poland, a strong candidate as an international geography due to its market size and growth potential. In 1995, through a joint action with Booker, JM acquired Euro Cash, a Polish cash & carry chain, and started developing its new international insignia, the Biedronka supermarket chain. In Portugal, the group launched an innovative banking service – Expresso Atlântico - in its Pingo Doce and Feira Nova stores, through a partnership with BCP[29]. To reinforce its presence in international markets, the group also acquired Lillywhites, a very prestigious sports retailer in the United Kingdom and, in 1997, the Sé supermarket chain in Brazil. In the following years, the group continued growing its number of stores in Portugal, Poland and Brazil.

2001 – The Downturn Period

After several years of strong investment, the group found itself in need of an urgent debt-restructuring plan and thus, in 2001, decided to immediately sell all its assets outside the food business (the Sé Supermarket chain, Lillywhites, EuroCash and their participation in Expresso Atlântico). However, in 2004, the group had recovered from its financial downturn and returned to the market with a more focused core business and stronger value proposition.

2004 – The Recovery

The group acquired the Plus supermarket chain, both in Portugal and Poland, thus increasing its two supermarket insignias' coverage and reaching the supermarket leading positions. In 2007, Biedronka opened its 1000th store at the same time that Pingo Doce opened its first branded restaurants and, as well as Recheio, first had its private brands certified. To consolidate its competitive advantage in private brands, in 2009 the group created Amanhecer, a Recheio's private label brand focused on low end/traditional shops and boosting the local economy. In the same year, the group created its foundation - Fundação Francisco Manuel dos Santos[30] (FFMS) – and in 2010 Pingo Doce officially created the Meal Solutions Department.

2011 – Going Abroad. Again.

16 years later, the company was once again considering an internationalization process and decided to invest in a third geographic location - Colombia. After building a distribution centre in Colombia, the group opened its first Ara store in 2013 and has since then gradually increased its neighbourhood stores network. In 2012 the Group created Hebe in Poland and carried out a very controversial Pingo Doce campaign on the 1st of May of 2012[31].

---

[29] Translated to "Portuguese Commercial Bank".

[30] Translated to "Francisco Manuel dos Santos Foundation".

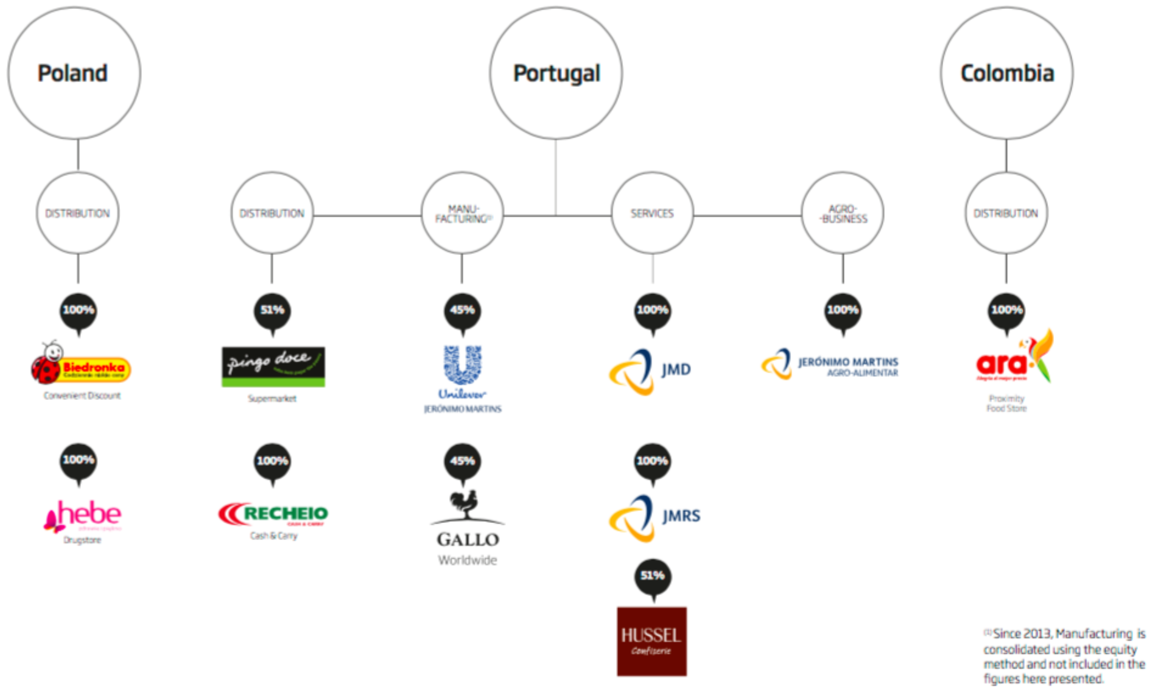
[31] Pingo Doce launched a holiday campaign with 50% discount in all products and was accused of Dumping, a illegal commercial practice in Portugal.

2013 – The Successor and Sustainable Growth

Pedro Soares dos Santos[32] was appointed CEO of the Jerónimo Martins Group in 2013 and took the lead on the group's commitment to grow sustainably by strengthening its presence in all three geographies - it continued increasing the number of stores of all its insignias and expanded its Meal Solutions Business to Poland in 2016 through the construction of a soup factory that aims at supplying all Biedronka stores with their first ready-meal product. Moreover, in 2016 the group sold its manufacturing and services businesses to a subsidiary in order to guarantee a strict focus on distribution and retailing.

Alexandre Soares dos Santos's final note to its successors was "What the group is today comes from hard work, huge determination and an astonishing and much needed speed. The only thing we need now is to keep that speed and the desire of being more and better. And I am sure that you will accomplish these results as we have always wanted to."[33].

Exhibit 2 – Jerónimo Martins' Business Structure



Source: 2015 Annual Report, Jerónimo Martins.

Note that in late 2016, the Portuguese Manufacturing and Services business sectors were allocated to a group subsidiary and thus are no longer under the control of the Jerónimo Martins insignia.

[32] Son of Alexandre Soares dos Santos.
[33] In the video "220 Anos JM", 2013.

Exhibit 3 – Triple Bottom Line

Source: Corporate Presentation, Jerónimo Martins, 2016.

Exhibit 4 – Corporate Social Responsibility Pillars

5 Pillars	Supporting Initiatives
I. Promoting good health through food	Creation of health related product lines.
II. Respecting the environment	Fighting waste and pollution in its operations.
III. Sourcing responsibly	Creation of the agribusiness sector.
IV. Supporting surrounding communities	Donations and educational initiatives.
V. Being a benchmark employee	Employee Scholarships, benefits and training.

Source: Corporate Presentation, Jerónimo Martins, 2016.

Exhibit 5 – Jerónimo Martins' Awards and Achievements

2015 Corporate Awards

1. Ranked 59^{th} largest retail company in the world according to the Global Powers of Retailing 2016 ranking. The study, conducted by Deloitte, in partnership with the North American magazine "Stores", was based on 2014 financial information and shows that the Jerónimo Martins Group jumped eight places in just two years;

3. Founder Award by Junior Achievement, in recognition of the role it has played in founding and promoting the institution's success since it was created in Portugal, in 2005;

4. Awareness on the fight against waste, won various awards attributed by the magazine "Meios & Publicidade", by the North American Content Marketing Institute, by the SPD Awards and by the SPD Awards and Pearl Awards;

5. National Champion and Ruban d'Honneur by the European Business Awards in the category "The Award for Environmental & Corporate Sustainability" for its strategy to combat food waste mainly in the Meal Solutions' production processes;

6. Euronext Lisbon Awards, in the "Listed company - Best Performance – Compartment A" category.

Source: 2015 Annual Report, Jerónimo Martins; Corporate Presentation, Jerónimo Martins, 2016

Exhibit 6 – Alexandre Soares dos Santos statement regarding FFMS

"It is a concrete application of the principle of civil responsibility. (…) I desired the creation of a project that would awake civil society by transmitting knowledge to it. (…) The subjects developed by FFMS go from justice to health and are meant to be shared and discussed with the government and universities and, ultimately, to be shared with the entire population. It is a way of giving back to the country what the country had given to us"

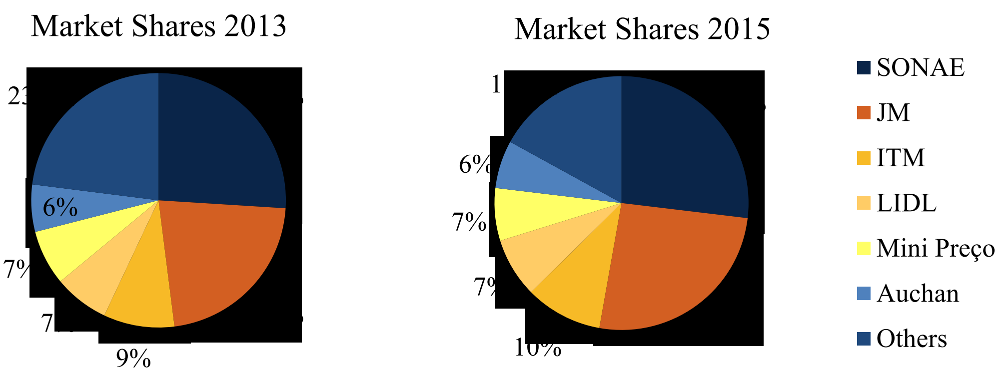
Source: Alexandre Soares dos Santos in an interview to Grupo José de Mello.

Exhibit 7 – Pingo Doce Stores

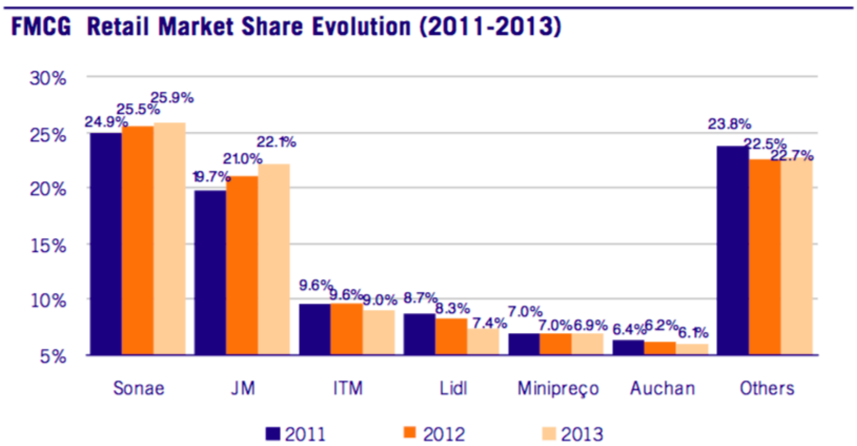
a. Pingo Doce Logo (Slogan – "It feels good to pay so little")

b. Pingo Doce – several store sections

Exhibit 8 – Market Shares in Portuguese Retail Market (for all retailing formats)

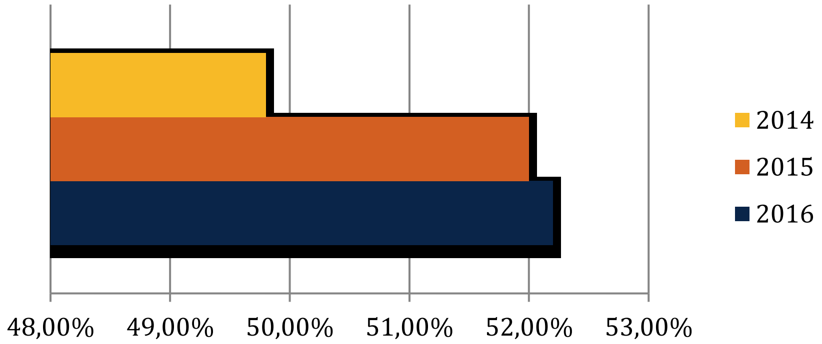


Source Graph 2013: BPI Equity Research Portuguese Retail, October 2014
Source Graph 2015: Nielsen Household Brand Consumption Panel, 2016



Source: BPI Equity Research Portuguese Retail, October 2014

Exhibit 9 – JM Market Shares in the Portuguese Retailing Ready-Meals' Market



Source: "Food in Pingo Doce", October 2016.

Exhibit 10 – Kitchen Blueprint

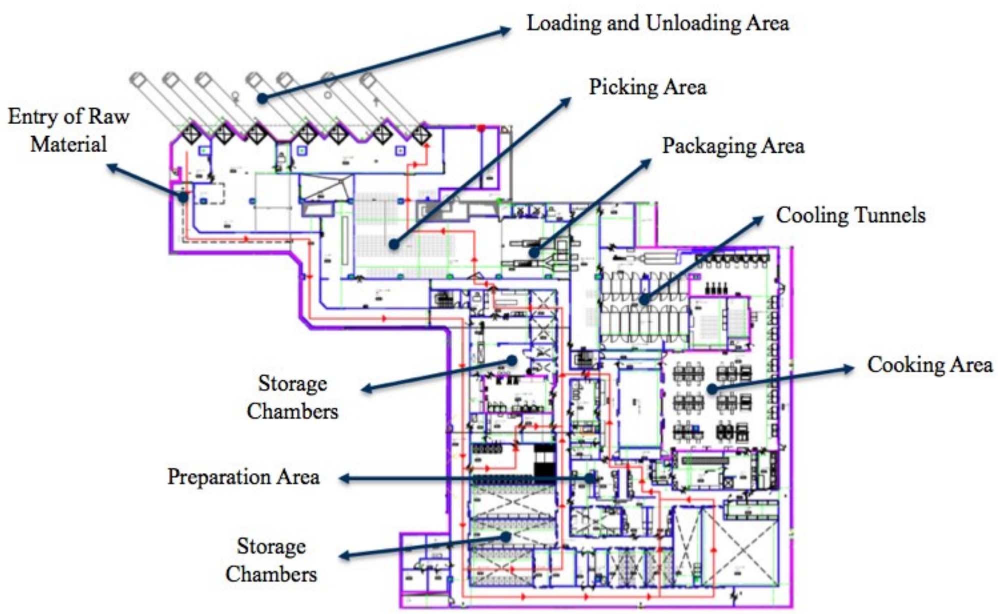


Exhibit 11 – Take-Away and Pingo Doce

"The Take-Away business came as an opportunity that perfectly fitted the company's positioning. All the services provided by Pingo Doce are focused on convenience – from the size of the stores (80% of its stores are Supers, not Mega or Hiper), the location (in all kinds of neighbourhoods) and the in-store atmosphere translated by the close relationship between Pingo Doce's employees and the customers, remembering the old groceries stores. The Take-Away section is just another business area that complies with the company's overall value proposition."

Source: Diogo Baptista, Project Manager of Take-Away's Ordering Platform.

Exhibit 12 – Several Formats of Take-Away Sections

Take-Away counter: The take-away counter is undoubtedly the biggest take-away sales driver since it is the POP that offers all types of take-away product categories – from fresh food, pastry and soup to packaged meals and grill products. Moreover, it is the main POP of Roasted Chicken, the category responsible for 50% of the total take-away sales[34]. However, the take-away sections are adjacent to other store sections and thus often share the employee responsible for the adjacent section and also the counter space.

Refrigerated Exhibitors: Besides the "on-the-counter" service, Pingo Doce still provides additional self-service options throughout the store. The company recognizes that consumers are ever more looking for convenience and thus it is increasingly important to have a wide range of ready-to-go products available. Aligned with this knowledge, Pingo Doce has developed a strategy in terms of shelving across the store that would offer packaged fresh food, both cold and hot. Moreover, the size of the packages have been adapted for this type of shelf and been reduced to individual doses, restricting the larger quantities to the counters.

Take-away In's: This concept resembles a regular take-away counter in terms of customer service and product display being the only difference the offer of an in-store dining area, allowing consumers to enjoy their hot meals right after purchase. In 2016, Pingo Doce had already implemented take-away-ins in 64 stores and astonishingly it represented 50% of the total take-away sales of those stores[35]. The key growth factor of these sections is indeed the price advantage offered to consumers through several menu bundles.

[34] Meal Solutions Business, June 2016.
[35] Meal Solutions Business, June 2016.

Branded Restaurants: Created as part of a plan to increase store dynamics, Pingo Doce's restaurants – Refeições no Sítio do Costume[36] - have been operating since 2007 and have become an in-store social area. Offering costumers the opportunity to enjoy freshly cooked meals at a very affordable price, it is not rare to find these spaces fully occupied during lunch and dinnertime.

Exhibit 13 – Take-Away Consumer Segments

Consumer Segments	Purpose	Time spent in store
Elderly	Going to the supermarket is part of their **daily/social routine**; consuming take-away products is part of their journey, not their final purpose.	**High**; consumes several meals during the day.
Families	Avoid cooking during the weekends; family gathering perspective.	**Medium**; Only on weekends, more time available for meals.
Workers	With tight schedules; look for **quick and economic** meal alternatives.	**Quick Visits**; lunch hours or after working hours.

Source: Interview with Carla Prieto, Supervisor of Pingo Doce's Restaurants.

Exhibit 14 – Take-Away Product Category

Categories	Some Examples (*Star Dish)	Preparation
Soup	Vegetable Soup, Pumpkin Soup, with/without potato, fish soup.	Central Kitchen
Pastries and Pies	Portuguese Traditional pastry, fried pastry, Chicken/Spinach/Bacon pie.	In-store
Salads	Vegetable and pasta based with chicken, shrimps, tuna, fruit and nuts.	In-Store
Sandwiches	Chicken, Tuna, Roast Beef, Ham and Cheese.	In-store
Fish Dishes	Codfish with cream*, grilled fish, fish pies.	Central Kitchen
Meat Dishes	Duck Rice*, Roast Beef, Tenderloin, Meatballs.	Central Kitchen
Grill Dishes	Roasted chicken*, Steaks, Sausages, Skewers.	In-store
Side Dishes	Rice, mashed spinach, pasta, vegetables, mashed potatoes.	Central Kitchen
Pasta	Chicken/Shrimp/Salmon Penne, Bolognaise.	Central Kitchen
Pizzas	Hawaiian, Pepperoni, Tuna.	In-store
Desserts	Tiramisu, Chocolate Mousse, Cheesecake, Crumble	Central Kitchen

Source: Meal Solutions Business, June 2016.

[36] Translated to "Meals in the Usual Place".

Exhibit 15 – Pingo Doce's Take-Away display

Exhibit 16 – Packaging Guidelines

Categories	Counter	Refrigerated Exhibitors
Soup	Black plastic container with transparent cover	Transparent plastic container
Pastries and Pies	Black plastic container, paper bag or white foam tray	Transparent or white foam tray
Salads	-	Transparent container
Sandwiches	Paper bag	White Foam tray and plastic wrap
Food	Black plastic container with transparent cover	Black plastic container with transparent cover
Grilled Products	Aluminum Container	Black plastic container with transparent cover

Source: Meal Solutions Business, June 2016.

Exhibit 17 – Questionnaire Script

Introduction

Dear participant,

I would like to thank you in advance for your collaboration in this survey for my Dissertation for the degree of MSc in Management with Specialization in Strategic Marketing at Católica Lisbon School of Business and Economics.

The questionnaire will take approximately 10 minutes. As all answers are extremely important for this study, I appreciate your honesty while going through the questions. Please note that there are no right or wrong answers and that all responses will be kept confidential, anonymous and used for study purposes only.

Thank you once again for your time and collaboration.

Section 1: General Habits and Preferences

Throughout the questionnaire you will be exposed to several situations regarding **ready-meals**. Please consider as ready-meals, meals that are <u>ready to consume</u> (cooked and suitable to consume right away) or <u>semi-prepared meals</u> (no other preparation required other than heating). Please note that **none** of the following scenarios **includes home delivery**. The purchase always has to be made personally in the store.

Q1. How frequently do you go to the supermarket for household grocery shopping?

- ❍ More than twice a week;
- ❍ Twice a week;
- ❍ Once a week;
- ❍ Once every two weeks;
- ❍ Once a month;
- ❍ Less than once a month;
- ❍ Never.

Q2. To which supermarket chain do you go more often?

- ❍ Continente;
- ❍ Pingo Doce;
- ❍ Jumbo;
- ❍ Lidl;
- ❍ Intermarché;
- ❍ Minipreço;
- ❍ Other ____________________

Q3. How much do you spend, on average, each time you go to the supermarket?
❍ 0 - 25€;
❍ 26 - 50€;
❍ 51 - 75€;
❍ 76 - 100€;
❍ More than 100€.

Q4. How frequently do you buy ready-meals?
Please consider as ready-meals, meals that are ready to consume (cooked and suitable to consume right away) or semi-prepared meals (no other preparation required other than heating). Please note that **none** of the following scenarios **includes home delivery**.
❍ Never;
❍ Less than once a month;
❍ Once a month;
❍ Once every two weeks;
❍ Once a week;
❍ Twice a week;
❍ More than twice a week.

Q5. For every ten times you bought ready-meals, how many of them were in a supermarket and how many were in other establishments? Distribute ten points between Supermarket and other establishments.
Example: if out of ten ready-meals, seven were bought in supermarkets, mark supermarket with 7 and other establishments with 3.
______ Supermarkets (ready-meals (with packaging or not), pizzas, frozen food)
______ Other Establishments (barbecue pit, take-away stores)

Q6. How much food do you usually buy? You may choose more than one option.
❑ Small/individual doses, just for one meal for me;
❑ Large doses, for more than one meal for me/one meal for many people;
❑ Other____________________

Section 2: Packaging
In this part of the survey you will be evaluating the importance of the **packaging of ready-meals** and of some of its features. Once again remember that there are no right or wrong answers and that your honesty is crucial.

Q7. Please evaluate the **importance of packaging when purchasing ready-meals**, according to the scale below.

	1	2	3	4	5
Irrelevant for purchase decision (1) / Relevant for purchase decision (5)	❍	❍	❍	❍	❍
Not a critical element in p. decision (1) / Critical element in p. decision (5)	❍	❍	❍	❍	❍
Does not influence perceptions(1) / Influences product perceptions (5)	❍	❍	❍	❍	❍

Q8. Please specify in a scale of 1 star = “Not Important at all” to 5 stars = “Very Important”, how **important** are the following **packaging attributes** when purchasing ready-meals.
______ Material type
______ Color
______ Size
______ Shape
______ Label design
______ Information (nutritional table, consumption/preparation information)
______ Food presentation

<u>Packaging Conditions (only one of the conditions was presented to each respondent)</u>
Q9.1. Please imagine yourself in a supermarket looking for ready-meals, more specifically duck rice. There are several types packaged ready-meals on a refrigerated shelf. There, you find the following package – black plastic container, transparent cover and a usual sticker label.

Q9.2. Please imagine yourself in a supermarket looking for ready-meals, more specifically duck rice. There are several types packaged ready-meals on a refrigerated shelf. There, you find the following package – black plastic container, transparent cover and a paper sleeve label.

Q9.3. Please imagine yourself in a supermarket looking for ready-meals, more specifically duck rice. There are several types packaged ready-meals on a refrigerated shelf. There, you find the following package – black plastic container, heat-sealed with transparent plastic and a printed label on the plastic.

(All participants had to answer the Q10 to Q12 according to the image they were presented)

Q10. Please evaluate the package's details using a scale from 1 star = "Terrible" to 5 stars = "Excellent".

_______ Labelling
_______ Information
_______ Food presentation
_______ Packaging Material

Q11. Please indicate the extent to which you agree with the following sentences, using a scale from 1 to 7 (1= "Totally Disagree" and 7= "Totally Agree").

	Totally Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Totally Agree
The package is appealing.	❍	❍	❍	❍	❍	❍	❍
The package is sophisticated.	❍	❍	❍	❍	❍	❍	❍
This package was made for people like me.	❍	❍	❍	❍	❍	❍	❍
I would buy this product with no hesitation.	❍	❍	❍	❍	❍	❍	❍
This product is of good quality.	❍	❍	❍	❍	❍	❍	❍
I prefer this product over its substitutes.	❍	❍	❍	❍	❍	❍	❍
This product is a safe choice.	❍	❍	❍	❍	❍	❍	❍
I will remember this package the next time I buy from the same category.	❍	❍	❍	❍	❍	❍	❍
This product has a good price-quality ratio.	❍	❍	❍	❍	❍	❍	❍
This package made me excited about the product.	❍	❍	❍	❍	❍	❍	❍

Q12. The average price for this type of product is between 3€ and 6€. How much would you be willing to pay for this product?

_______ Average price (€)

Section 3: Communication Strategies
In this section you will be evaluating different **communication strategies** regarding ready-meals. I would appreciate your deepest attention over the image presented below.

<u>Communication Conditions (only one of the conditions was presented to each respondent)</u>
Q13.1 Please imagine yourself waiting for your turn in your usual supermarket's ready-meal counter. While you are waiting, you notice the following advertising panel:

(Translation: From our Kitchen to your table)

Q13.2 Please imagine yourself waiting for your turn in your usual supermarket's ready-meal counter. While you are waiting, you notice the following advertising panel:

(Translation: No Coloring, nor preservatives)

Q13.3 Please imagine yourself waiting for your turn in your usual supermarket's ready-meal counter. While you are waiting, you notice the following advertising panel:

(Translation: Fresh vegetables and an irresistible flavor)

(All participants had to answer the Q14 according to the image they were presented)

Q14. Please indicate the extent to which you agree with the following sentences, using a scale from 1 to 7 (1= "Totally Disagree" and 7= "Totally Agree").

	Totally Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Totally Agree
The message is appealing.	❍	❍	❍	❍	❍	❍	❍
The message is original.	❍	❍	❍	❍	❍	❍	❍
The message is conservative.	❍	❍	❍	❍	❍	❍	❍
The message communicates trust.	❍	❍	❍	❍	❍	❍	❍
The message communicates traditional cooking methods.	❍	❍	❍	❍	❍	❍	❍
The message makes the difference in a take-away section.	❍	❍	❍	❍	❍	❍	❍
This message makes me believe that ready-meals are not confectioned in an industrialized process.	❍	❍	❍	❍	❍	❍	❍
The message makes me believe the product used in the ready-meals are of good quality.	❍	❍	❍	❍	❍	❍	❍
The message influences my purchasing decision.	❍	❍	❍	❍	❍	❍	❍

Section 4: Points of Purchase of Ready-Meals and Purchasing Habits

In this section you will be evaluating different **points of sale of ready-meals** inside a supermarket. Remember that there are no right or wrong answers and that your honesty is crucial.

Q15. Please rank the type of counter from which you usually buy ready-meals in the supermarket according to your experience. In first place should be your most frequent point of purchase and in last the least frequent.

_______ Counter with customer service (ready-meals in bulk)
_______ Self-service refrigerated shelf (pre-packaged meals)
_______ Counter with customer service outside the store limits (ready-meals in bulk)

Q16. Please indicate the extent to which you agree with the following sentences, using a scale from 1 to 7 (1= "Totally Disagree" and 7= "Totally Agree").

	Totally Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Totally Agree
I look for ready-meals when I have less time available.	❍	❍	❍	❍	❍	❍	❍
I often do supermarket lists before shopping.	❍	❍	❍	❍	❍	❍	❍
I prefer buying ready-meals from the bulk section rather than pre-packaged products.	❍	❍	❍	❍	❍	❍	❍
I have very little tolerance regarding waiting lines.	❍	❍	❍	❍	❍	❍	❍
I usually give up on buying products from sections with big waiting lines.	❍	❍	❍	❍	❍	❍	❍
I prefer sections with customer service rather than refrigerated exhibitors.	❍	❍	❍	❍	❍	❍	❍
When I buy ready-meals I usually know what I am going for beforehand.	❍	❍	❍	❍	❍	❍	❍
Customer service is more valuable than a fast checkout.	❍	❍	❍	❍	❍	❍	❍
I never go to the supermarket just to buy ready-meals.	❍	❍	❍	❍	❍	❍	❍

Section 5: Demographics

Thanks for your answers! This will be the last section of the questionnaire and we would appreciate if you answered some questions about yourself. All information is anonymous and confidential, analyzed only by myself and used for study purposes only.

Q17. Age:
- ❍ Less than 18 years old;
- ❍ 18 - 25 years old;
- ❍ 26 - 35 years old;
- ❍ 36 - 45 years old;
- ❍ 46 - 55 years old;
- ❍ 56 - 65 years old;
- ❍ More than 65 years old.

Q18. Gender
- ❍ Male;
- ❍ Female.

Q19. Education Qualification:
- Primary School;
- High School;
- Professional School;
- Bachelor Degree;
- Master Degree;
- PhD.

Q20. Occupation:
- Student;
- Employed;
- Unemployed;
- Retired;
- Self-employed.

Q21. Household Composition:
- 1;
- 2;
- 3;
- 4;
- 5;
- More than 5.

Q22. Lastly, monthly household disposable income:
- Less than 1000€;
- 1001 - 2000€;
- 2001€ - 3000€;
- More than 3000€;
- I would rather not answer.

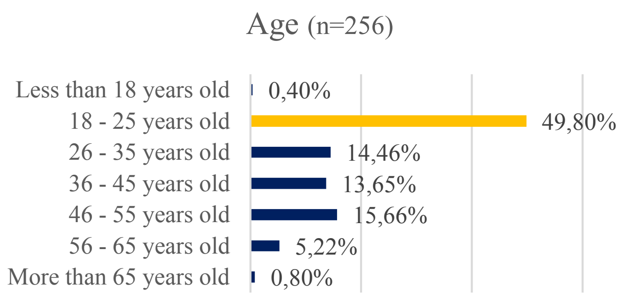
Thanks for your time and dedication! Your contribution was essential for the results of my dissertation.
Thank you very much.

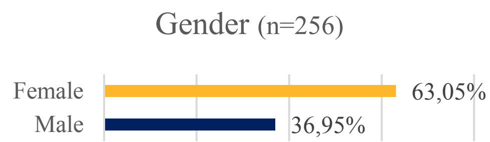
Exhibit 18 – Variables analysed and respective items and scales

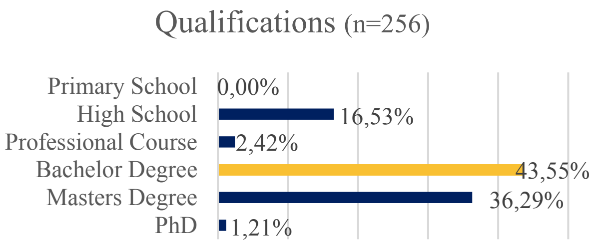
Variable	Items	Scale	Adapted From
Impact of ready-meals' packaging features on purchase decision	Relevant for purchasing decision; Critical element in purchase decision; Influences perceptions of product.	1="Not at all", 5="Very"	
Relative importance of different ready-meals' packaging elements	Type of material; Color; Size; Format; Label design; Information (nutritional facts/preparation instructions).	1="Not important at all" 5="Very Important"	Widaningrum, 2014; Silayoi and Speece, 2005
Relative importance of food presentation	Food presentation;	1="Not important at all" 5="Very Important"	
Packaging Package presentation	Labelling; Information available; Food presentation; Material.	1="Do not like it at all" 5="Like it very much"	Silayoi and Speece, 2007, Kuvykaite, R. et al., 2015
Packaging Arousal	The package is appealing; The package is sophisticated; This package made me excited about the product.	1="Totally Disagree" 7="Totally Agree"	Holmqvist and Lunardo, 2015
Packaging Affluence	I will remember this package the next time I buy from the same category.	1="Totally Disagree" 7="Totally Agree"	Holmqvist and Lunardo, 2015
Packaging Perceived Benefits	This product is of good quality; This product has a good price-quality ratio; I prefer this product over its substitutes.	1="Totally Disagree" 7="Totally Agree"	
Packaging Trust	I would buy this product with no hesitation; This product is a safe choice.	1="Totally Disagree" 7="Totally Agree"	Bearden and Netemeyer, 1999
Packaging Exclusiveness	This package was made for people like me.	1="Totally Disagree" 7="Totally Agree"	
Packaging Willingness to Pay	How much would you be willing to pay for the product?	0 to 10 euros slider scale	
Communication Attractiveness	The message is appealing.	1="Totally Disagree" 7="Totally Agree"	
Communication Originality	The message is original; The message is conservative.	1="Totally Disagree" 7="Totally Agree"	
Communication Trust	The message communicates trust.	1="Totally Disagree" 7="Totally Agree"	
Communication Intangible Associations	The message communicates traditional cooking methods; This message makes me believe that ready-meals are not confectioned in an industrialized process.	1="Totally Disagree" 7="Totally Agree"	
Communication Perception of product quality	The message makes me believe the product used in the ready-meals are of good quality.	1="Totally Disagree" 7="Totally Agree"	
Communication Purchase Driver	The message influences my purchasing decision.	1="Totally Disagree" 7="Totally Agree"	

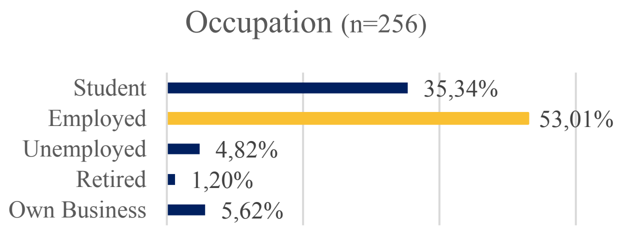
Communication Fit with Product	The message makes the difference in a take-away section.	1=”Totally Disagree” 7=”Totally Agree”	
Profiling Purchasing Habits	I prefer buying ready-meals from the bulk section rather than pre-packaged products; I never go to the supermarket just to buy ready-meals.	1=”Totally Disagree” 7=”Totally Agree”	
Profiling Waiting Tolerance	I have very little tolerance regarding waiting lines; I usually give up on buying products from sections with big waiting lines.	1=”Totally Disagree” 7=”Totally Agree”	
Profiling Time Constraint	I look for ready-meals when I have less time available.	1=”Totally Disagree” 7=”Totally Agree”	
Profiling Preference on Customer Service	I prefer sections with customer service rather than refrigerated exhibitors; Customer service is more valuable than a fast checkout.	1=”Totally Disagree” 7=”Totally Agree”	
Profiling Pre-planning of purchases	I often do supermarket lists before shopping When I buy ready-meals I usually know what I am going for beforehand.	1=”Totally Disagree” 7=”Totally Agree”	

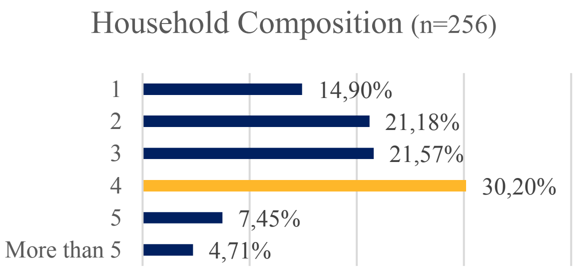
Exhibit 19 – SPSS Outputs

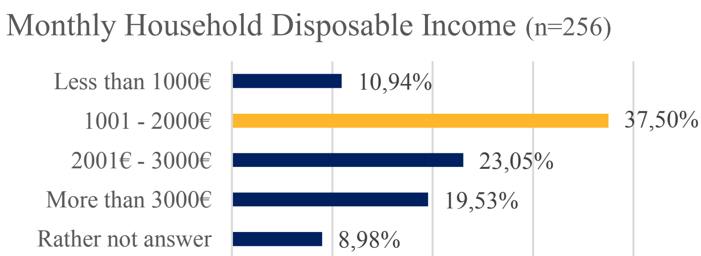


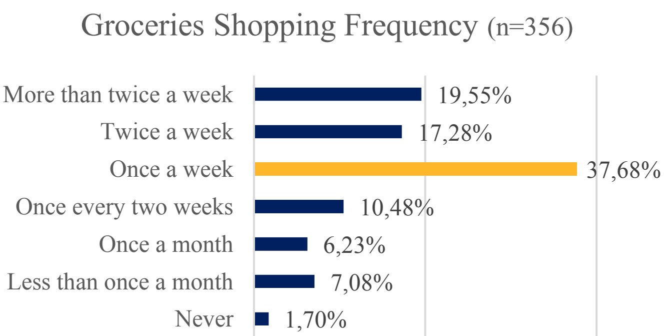


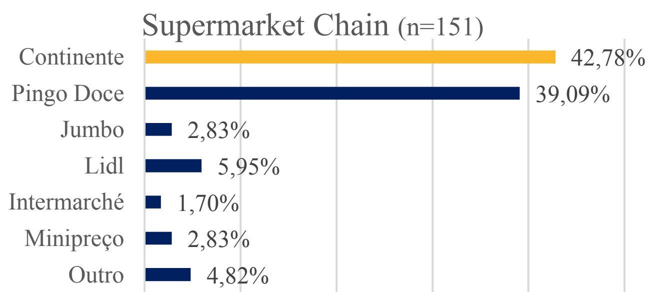


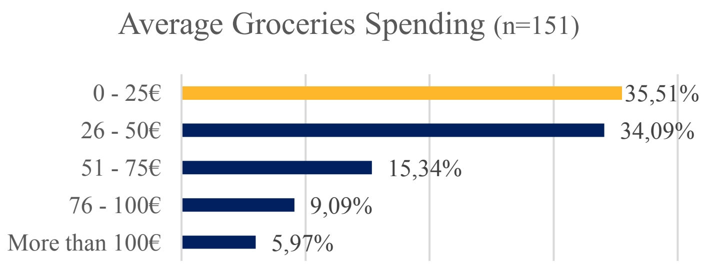


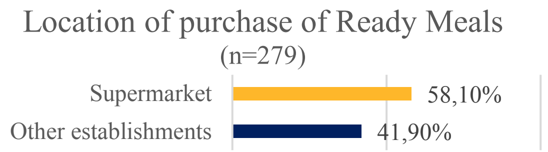


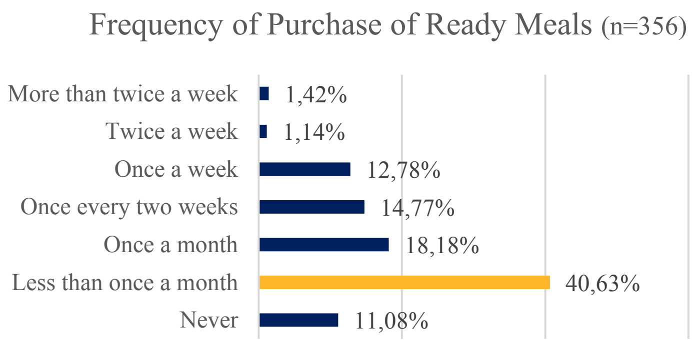







Average Groceries Spending (n=151)
0 - 25€
26 - 50€
51 - 75€
76 - 100€
More than 100€
35,51%
34,09%
15,34%
9,09%
5,97%


Location of purchase of Ready Meals (n=279)
Supermarket
Other establishments
58,10%
41,90%


Frequency of Purchase of Ready Meals (n=356)
More than twice a week
Twice a week
Once a week
Once every two weeks
Once a month
Less than once a month
Never
1,42%
1,14%
12,78%
14,77%
18,18%
40,63%
11,08%

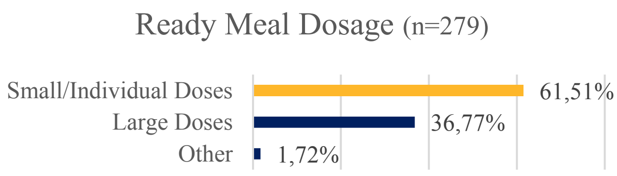

Ready Meal Dosage (n=279)
Small/Individual Doses
Large Doses
Other
61,51%
36,77%
1,72%

Exhibit 20 – Scales Reliability

Cronbach Alpha (α) – 3 or more items

Scale	Nº Items	Item Description	α	α if item deleted
Importance of Packaging in Purchase Decision	3	Irrelevant in purchase decision.	.826	.650
		Non-critical element in purchase decision.		.767
		Does not influence product perceptions.		.842
Packaging Arousal	3	The package is appealing.	.675	.600
		The package is sophisticated.		.585
		This package made me excited about the product.		.556

Pearson Correlation (ρ) – 2 item scale

Scale	Nº Items	Item Description	ρ
Packaging Trust	2	I would buy this product with no hesitation. This product is a safe choice.	.266***
Packaging Perceived Benefits	2	This product is of good quality. This product has a good price-quality ratio.	.184*
Message Originality	2	The message is original. The message is conservative. (reverse)	.001***
Message Intangible Associations	2	The message communicates traditional cooking methods. This message makes me believe that ready-meals are not confectioned in an industrialized process.	.480***
Purchasing Habits	2	I prefer buying ready-meals from the bulk section rather than pre-packaged products. I never go to the supermarket just to buy ready-meals.	.193**
Waiting Tolerance	2	I have very little tolerance regarding waiting lines. I usually give up on buying products from sections with big waiting lines.	.474***
Preference on Customer Service	2	I prefer sections with customer service rather than refrigerated exhibitors. Customer service is more valuable than a fast checkout.	.504***
Pre-planning of purchases	2	I often do supermarket lists before shopping. When I buy ready-meals I usually know what I am going for beforehand.	.094

Note: ***significant at $p < .001$, **significant at $p < .01$, *significant at $p \leq .05$.

Exhibit 21 – Analysis of Packaging Constructs

Table 21.A - Overall analysis of packaging constructs

Scale	Field	Mean (Std. D.)
Package presentation (n=287)	Information available	3.20 (1.12)
	Food Presentation	3.19 (1.21)
	Material	3.20 (1.02)
	Labelling	3.08 (1.13)
Arousal (n=179)	Arousal Scale	3.86 (1.65)
Perceived Benefits (n=179)	Perceived Benefits Scale	4.42 (1.47)
	I prefer this product over its substitutes.	3.64 (1.87)
Trust (n=179)	Trust Scale	4.00 (1.52)
Exclusiveness (n=179)	This package was made for people like me.	3.55 (1.94)
Affluence (n=179)	I will remember this package the next time I buy from the same category.	4.03 (2.06)
WTP (n=179)	Willingness to Pay	3.23 (1.06)

Table 21.B - ANOVA analysis of packaging constructs by condition

Scale	Field	Control (n=97)	Paper-S. (n=99)	Heat-S. (n=96)	F-test	df
Package presentation	Information available	3.23^{a}	3.17^{a}	3.21^{a}	.089	(2,284)
	Food Presentation	3.12^{a}	3.30^{a}	3.15^{a}	.633	(2,284)
	Material	3.24^{a}	3.32^{a}	3.04^{a}	1.89	(2,284)
	Labelling	2.87^{a}	$3.12^{a,b}$	3.26^{b}	3.09^{*}	(2,284)
Arousal	Arousal Scale	3.40^{a}	4.21^{b}	$3.98^{a,b}$	3.85^{*}	(2,176)
Perceived Benefits	Perceived Benefits Scale	4.21^{a}	4.6^{a}	4.46^{a}	1.02	(2,176)
	I prefer this product over its substitutes.	4.02^{a}	3.03^{b}	3.87^{a}	5.02^{**}	(2,176)
Trust	Trust Scale	4.05^{a}	3.84^{a}	4.11^{a}	.508	(2,176)
Exclusiveness	This package was made for people like me.	3.32^{a}	3.50^{a}	3.83^{a}	1.07	(2,176)
Affluence	I will remember this package the next time I buy from the same category.	3.83^{a}	4.05^{a}	4.22^{a}	.522	(2,176)
WTP	Willingness to Pay	3.38^{a}	3.08^{a}	3.22^{a}	1.18	(2,176)

Note 1: ***significant at $p < .001$, **significant at $p < .01$, *significant at $p \leq .05$;
Note 2: numbers in the same row with different superscripts differ significantly.

Table 21C - Analysis of packaging constructs between age groups (young adults vs adults)

Scale	Field	Young Adults (n=126)			Adults (n=130)		
		Ctrl	PS*	TS**	Ctrl	PS*	TS**
Package presentation	Information available	3.03^{a}	3.26^{a}	3.33^{a}	3.32^{a}	3.00^{a}	3.07^{a}
	Food Presentation	2.98^{a}	3.23^{a}	3.14^{a}	3.29^{a}	3.42^{a}	3.30^{a}
	Material	3.35^{a}	3.20^{a}	3.05^{a}	3.21^{a}	3.46^{a}	3.11^{a}
	Labelling	2.70^{a}	3.13^{a,b}	3.40^{b}	2.89^{a}	3.04^{a}	3.16^{a}
Arousal	Arousal Scale	2.92^{a}	4.36^{b}	4.11^{b}	3.90^{a}	4.05^{a}	3.85^{a}
Perceived Benefits	Perceived Benefits Scale	4.48	5.09	4.81	4.01^{a}	4.41^{a}	4.39^{a}
	I prefer this product over its substitutes.	4.46^{a}	2.64^{b}	4.14^{a}	3.81^{a}	3.18^{a}	3.77^{a}
Trust	Trust Scale	4.52^{a}	3.77^{a}	4.00^{a}	3.73^{a}	3.93^{a}	4.12^{a}
Exclusiveness	This package was made for people like me.	3.31^{a}	4.09^{a}	3.82^{a}	3.62^{a}	3.21^{a}	3.74^{a}
Affluence	I will remember this package the next time I buy from the same category.	3.88^{a}	4.23^{a}	4.14^{a}	3.96^{a}	4.03^{a}	4.03^{a}
WTP	Willingness to Pay	3.23^{a}	2.85^{a}	2.89^{a}	3.57^{a}	3.21^{a}	3.34^{a}

*Paper-sleeve condition; **Heat-sealed condition.
Note: numbers in the same row with different superscripts differ significantly.

Table 21.D - Analysis of packaging constructs between consumption habits (light vs heavy ready-meal consumers)

Scale	Field	Light Consumers (n=149)			Heavy Consumers (n=145)		
		Ctrl	PS*	TS**	Ctrl	PS*	TS**
Package presentation	Information available	3.34^{a}	2.87^{a}	3.23^{a}	3.13^{a}	3.51^{a}	3.18^{a}
	Food Presentation	2.98^{a}	3.00^{a}	3.09^{a}	3.23^{a}	3.64^{a}	3.20^{a}
	Material	3.22^{a}	3.15^{a}	2.98^{a}	3.25^{a}	3.51^{a}	3.10^{a}
	Labelling	2.93^{a}	3.09^{a}	3.10^{a}	2.80^{a}	3.15^{a,b}	3.41^{b}
Arousal	Arousal Scale	3.23^{a}	3.89^{a}	3.73^{a}	3.53^{a}	4.54^{b}	4.18^{a,b}
Perceived Benefits	Perceived Benefits Scale	4.14^{a}	4.68^{a}	3.96^{a}	4.27^{a}	4.50^{a}	4.89^{a}
	I prefer this product over its substitutes.	3.88^{a}	2.74^{a}	3.32^{a}	4.12^{a}	3.34^{a}	4.34^{a}
Trust	Trust Scale	3.84^{a}	3.58^{a}	3.50^{a}	4.21^{a}	4.12^{a}	4.64^{a}
Exclusiveness	This package was made for people like me.	3.38^{a}	3.45^{a}	3.57^{a}	3.27^{a}	3.55^{a}	4.06^{a}
Affluence	I will remember this package the next time I buy from the same category.	3.65^{a}	4.16^{a}	3.75^{a}	3.97^{a}	3.93^{a}	4.63^{a}
WTP	Willingness to Pay	3.15^{a}	2.84^{a}	3.23^{a}	3.56^{a}	3.33^{a}	3.20^{a}

*Paper-sleeve condition; **Heat-sealed condition.
Note: numbers in the same row with different superscripts differ significantly.

Exhibit 22 – Analysis of Communication Constructs

Table 22.A - Overall analysis of communication constructs

Scale	Field	Mean (Std. D.)
Attractiveness (n=259)	The message is appealing.	4.83 (1.32)
Originality (n=255)	Originality Scale	3.73 (1.03)
Trust (n=258)	The message communicates trust.	4.76 (1.36)
Intangible Associations (n=260)	Intangible Associations Scale	4.26 (1.33)
Product Fit (n=259)	The message makes the difference in a take-away section.	4.6 (1.54)
Purchase Driver (n=258)	The message influences my purchasing decision.	4.07 (1.63)
Product Quality (n=260)	The message makes me believe the product used in the ready-meals are of good quality.	4.72 (1.40)

Table 22.B - ANOVA analysis of communication constructs by condition

Scale	Field	Control (n=44)	Color./ Preser. (n=46)	Fresh./ Flavor (n=46)	F-test	df
Attractiveness	The message is appealing.	4.93^{a}	4.67^{a}	4.98^{a}	.721	(2,132)
Originality	Originality Scale	3.88^{a}	3.52^{a}	3.37^{a}	2.64	(2,128)
Trust	The message communicates trust.	4.86^{a}	4.75^{a}	4.83^{a}	.076	(2,131)
Intangible Associations	Intangible Associations Scale	4.43^{a}	4.53^{a}	3.67^{b}	5.36^{**}	(2,132)
Product Fit	The message makes the difference in a take-away section.	4.73^{a}	4.93^{a}	4.22^{a}	2.68	(2,132)
Purchase Driver	The message influences my purchasing decision.	$4.02^{a,c}$	4.36^{a}	$3.43^{b,c}$	3.63^{*}	(2,130)
Product Quality	The message makes me believe the product used in the ready-meals are of good quality.	4.36^{a}	4.80^{a}	4.83^{a}	1.42	(2,132)

Note 1: ***significant at $p < .001$, **significant at $p < .01$, *significant at $p \leq .05$;
Note 2: numbers in the same row with different superscripts differ significantly.

Table 22.C - Analysis of communication constructs between age groups (young adults vs adults)

Scale	Field	Young Adults (n=126)			Adults (n=130)		
		Ctrl	CP*	FF**	Ctrl	CP*	FF**
Attractiveness	The message is appealing.	5.22 ^{a}	4.53 ^{a}	4.89 ^{a}	4.65 ^{a}	5.00 ^{a}	5.33 ^{a}
Originality	Originality Scale	3.84 ^{a}	3.31 ^{a}	3.33 ^{a}	3.91 ^{a}	4.00 ^{a}	3.50 ^{a}
Trust	The message communicates trust.	5.22 ^{a}	4.75 ^{a}	4.73 ^{a}	4.60 ^{a}	4.75 ^{a}	5.22 ^{a}
Intangible Associations	Intangible Associations Scale	4.60^{a}	4.37^{a}	3.55^{b}	4.37 ^{a}	4.92 ^{a}	4.16 ^{a}
Product Fit	The message makes the difference in a take-away section.	4.78 ^{a}	4.69 ^{a}	4.11 ^{a}	4.60 ^{a}	5.54 ^{a}	4.67 ^{a}
Purchase Driver	The message influences my purchasing decision.	3.87 ^{a}	4.03 ^{a}	3.32 ^{a}	4.32 ^{a}	5.25 ^{a}	3.89 ^{a}
Product Quality	The message makes me believe the product used in the ready-meals are of good quality.	4.61 ^{a}	4.81 ^{a}	4.81 ^{a}	4.20 ^{a}	4.77 ^{a}	4.89 ^{a}

*No Coloring nor preservatives condition; **Freshness and Flavor condition.
Note: numbers in the same row with different superscripts differ significantly.

Table 22.D - Analysis of communication constructs between consumption habits (light vs heavy ready-meal consumers)

Scale	Field	Light Consumers (n=149)			Heavy Consumers (n=145)		
		Ctrl	CP*	FF**	Ctrl	CP*	FF**
Attractiveness	The message is appealing.	5.19 ^{a}	4.71 ^{a}	5.09 ^{a}	4.70^{a}	4.63 ^{a}	4.88 ^{a}
Originality	Originality Scale	4.09 ^{a}	3.57 ^{a}	3.36 ^{a}	3.67 ^{a}	3.47 ^{a}	3.37 ^{a}
Trust	The message communicates trust.	4.81 ^{a}	4.60 ^{a}	4.77 ^{a}	4.91 ^{a}	4.88 ^{a}	4.88 ^{a}
Intangible Associations	Intangible Associations Scale	4.21 ^{a}	4.19 ^{a}	3.54 ^{a}	4.63 ^{a}	4.83 ^{a}	3.79^{b}
Product Fit	The message makes the difference in a take-away section.	4.67 ^{a}	4.57 ^{a}	4.18 ^{a}	4.78 ^{a}	5.25 ^{a}	4.25 ^{a}
Purchase Driver	The message influences my purchasing decision.	3.90 ^{a}	4.14 ^{a}	3.41 ^{a}	4.14 ^{a}	4.57 ^{a}	3.46 ^{a}
Product Quality	The message makes me believe the product used in the ready-meals are of good quality.	3.95 ^{a}	4.52 ^{a}	4.95 ^{a}	4.74 ^{a}	5.04 ^{a}	4.71^{a}

*No Coloring nor preservatives condition; **Freshness and Flavor condition.
Note: numbers in the same row with different superscripts differ significantly.

Exhibit 23 – Analysis of Individual Characteristics and Preferences

Table 23.A - Overall analysis of individual characteristics and preferences

Scale	Field	Mean (Std. D.)
Purchasing Habits (n=252)	Purchasing Habits Scale	4.87 (1.40)
Waiting Tolerance (n=254)	Waiting Tolerance Scale	5,23 (1.30)
Time Constraints (n=255)	I look for ready-meals when I have less time available.	5,76 (1.27)
Customer Service (n=255)	Customer Service Scale	4,48 (1.50)
Pre-planning (n=255)	I often do supermarket lists before shopping.	5,24 (1.80)
	When I buy ready-meals I usually know what I am going for beforehand.	4,74 (1.69)

Table 23.B - Analysis of individual characteristics and preferences between age groups (young adults vs adults)

Scale	Field	Young Adults (n=126)	Adults (n=130)	t-test	df
Purchasing Habits	Purchasing Habits Scale	4.90	4.85	.281	250
Waiting Tolerance	Waiting Tolerance Scale	5.10	5.36	-1.63	252
Time Constraints	I look for ready-meals when I have less time available.	5.82	5.71	.655	253
Customer Service	Customer Service Scale	4.15	4.81	-3.61***	253
Pre-planning	I often do supermarket lists before shopping.	5.10	5.37	-1.23	253
	When I buy ready-meals I usually know what I am going for beforehand.	4.65	4.83	-.843	253

Note: ***significant at $p < .001$, **significant at $p < .01$, *significant at $p \leq .05$;

Table 23.C - Analysis of individual characteristics and preferences between consumption habits (light vs heavy ready-meal consumers)

Scale	Field	HC (n=170)	LC (n=93)	t-test	df
Purchasing Habits	Purchasing Habits Scale	5.06	4.50	3.07**	226
Waiting Tolerance	Waiting Tolerance Scale	5.26	5.31	-.284	227
Time Constraints	I look for ready-meals when I have less time available.	5.81	5.95	-.930	228
Customer Service	Customer Service Scale	4.62	4.38	1.18	228
Pre-planning	I often do supermarket lists before shopping.	5.46	4.80	2.75**	228
	When I buy ready-meals I usually know what I am going for beforehand.	4.76	4.93	-.777	228

Note: ***significant at $p < .001$, **significant at $p < .01$, *significant at $p \leq .05$;