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[ALO CASE STUDY]

Entering a new market – Getting back on track after getting lost.

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During the past semester I developed the thesis presented, and to make it possible I had to put a great effort and dedication, otherwise I wouldn't have been able to finish this project. Having this into consideration I can say that I am definitely proud of myself. However, no good work can be finished and well finished by one person and one person only.

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Last but not least, this chapter wouldn't be complete without referring my family and friends for supporting me during the past months, by understanding my regular absence, but at the same time for listening to my doubts concerning this project and for helping me clearing them out and reaching a better output.

Abstract

The purpose of this thesis is to study the influence of ALO's positioning and targeting on its business, and how it can compromise the entire activity.

ALO is an American brand, launched in 2008 in the USA, with the goal of selling natural beverages produced directly through the well-known Aloe Vera plant, providing the consumer with several health and dietary benefits, together with a great taste. In 2013 ALO was already the number 1 best-selling brand within the Aloe Vera beverage segment, and the number 2 best-selling brand within the functional beverage segment, among the markets of USA and Canada.

It was also during this same year of 2013 that António Lopes decided to introduce ALO in Portugal and give the opportunity to the Portuguese population to include this amazing drink in their lives and daily activities. While people's minds are changing towards a healthier and balanced life associated with healthier products' consumption, the success and acceptance of ALO can't be considered "black in white".

To make this thesis possible, a complex and thorough study and research was performed and tools used include a Literature Review where the concepts and theory were studied to better address the following parts of the thesis; a Case Study written including a proposal of analysis to be used during class discussions; and a Market Research involving interviews with the company, Survey and Focus Groups.

Being ALO a 100% natural beverage with healthy and dietary benefits, António's first approach was to focus on the part of the population that practise sports on a regular basis and on places dedicated to natural products, ending up with an unsustainable business. With the objective of giving people the opportunity of gathering the pleasure and taste together with the health and dietary benefits, ALO reached the conclusion that the consumer is the average Portuguese citizen, above 15, looking for a balanced life style, trying to keep a healthy life. ALO drink needs to be seen first as a great drink, with the bonus of being healthy and having great benefits – the consumer is more worried with the image, and benefits are the differentiation.

Abstract (Portuguese)

Esta tese foi realizada com o objectivo de estudar a influência que o posicionamento e o target da bebida ALO têm no seu negócio, e de que forma podem comprometer o mesmo.

ALO é uma bebida americana, introduzida nos EUA em 2008, com o objectivo de vender bebidas naturais produzidas diretamente da planta Aloe Vera, providenciando ao consumidor diversos benefícios de teor saudável e dietético, aleados a um óptimo sabor. Em 2013 a bebida já era considerada o #1 de vendas entre as bebidas de Aloe Vera, e o #2 de vendas no segmento de bebidas funcionais, no mercado Americano e Canadiano.

Durante o mesmo ano de 2013 António Lopes decidiu introduzir a bebida em Portugal dando aos portugueses a oportunidade de incluírem uma excelente bebida nas suas vidas. Apesar da mentalidade da população registar uma mudança para uma vida mais saudável e equilibrada, o sucesso e receptividade da bebida ALO não pode ser considerado "preto no branco".

Para tornar esta tese possível, foi realizado um estudo e uma pesquisa de elevada complexidade e rigor, recorrendo a diversas ferramentas, incluindo uma Literature Review onde conceitos e teoria foram estudados de forma a contribuir para uma melhor resolução dos problemas; um Case Study juntamente com uma proposta de análise do mesmo para ser usado durante discussões de perfil académico; e um Market Research integrando entrevistas com a empresa, inquéritos e Focus Groups.

Sendo ALO 100% natural com diversos benefícios, a abordagem de António foi focar-se na parte da população que pratica desporto regularmente e em locais dedicados a produtos naturais, acabando por obter um negócio insustentável. Com o objectivo de proporcionar à população a oportunidade de juntar o prazer e o sabor aos benefícios da bebida, ALO chegou à conclusão que o seu consumidor é o cidadão português, mais de 15 anos, em busca de um estilo de vida equilibrado e saudável. A bebida precisa, primeiramente, de ser vista como uma excelente bebida, que tem como extra benefícios de saúde e dieta – o consumidor mantém uma maior preocupação com a sua imagem, sendo os benefícios apenas um factor de diferenciação.

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1. Introduction

We are in September 2009, and several reasons are given to Portuguese young people to go abroad, especially when looking for a successful career. António Lopes is an example of one of these students. When choosing his University, António decided that an experience outside his country would definitely give him new perspectives on how to build his career.

We are now in September 2013, and after living in some of the largest countries in the world, António decides to return to Portugal, but not with empty hands. António finds what he believes to be a great opportunity – ALO Drink – a drink he had the opportunity to taste while travelling.

ALO is a 100% natural drink produced from the very well known plant Aloe Vera. The idea had its origin in the USA, where the company first launched its product in late 2008. In 2013 ALO was already the number 1 best-selling brand within the Aloe Vera beverage segment, and the number 2 best-selling brand within the functional beverage segment. However, this is not the first Aloe Vera drink on the market, so what is there so especial about this one? – Contains 25% Aloe Vera pulp and juice content, other juices, natural ingredients and water, and the pulp and juice is extracted directly from the plant, what means that it is not reconstituted from powder, and there is nothing artificial in it, not even thickeners or emulsifiers. But most important to explain its attractiveness is its taste. While other drinks produced with the same purpose are not associated with a good tasting, ALO is considered a great-tasting drink, and that was definitely what aroused António's interest.

When getting back to Portugal, António had already established contact with the company in order to understand their interest and what it would take to bring this drink to his home country. They were definitely interested in having António representing them in Portugal, and after setting up some details everything was ready to start – everything was now in his hands.

However, António, with very little or none experience in the market or in the beverages' sector, wasn't quite sure where to start from. He started contacting places that he considered to be associated with healthy lifestyles and natural products in order to have them to sell his product, but not too many accepted, and he needed much more to guarantee the sustainability of his business, and that is when the big questions arise – How should I position the drink in Portugal? Who is exactly the consumer? - Portuguese people are without a doubt getting more opened to these kind of healthy products, and those are becoming part of their lives. But who are exactly these people? People who practice sports? Old people? Young people? Or maybe hipsters? And more important, should this drink be positioned as a premium one, and be distributed only in a few places associated with this sort of products, or should it be sold as a normal functional drink with a mass distribution to reach everyone?

All these doubts definitely needed to be cleared out, otherwise that was a huge risk of jeopardizing the entire business. A product that had everything it needed to succeed could be a big failure due to a wrong decision.

1.1 Problem Statement

To analyze what is the right positioning and targeting for ALO drink and its importance, how it can influence a business, how to make such decision and the steps needed to make a good decision and not jeopardize an entire business.

1.2 Key Research Questions:

1 – What were the main reasons that lead ALO to a repositioning and retargeting?

2 – What were the main key success factors that allowed this drink to be a success in the USA?

3 – Analyze the Portuguese market, with special focus on the natural beverages segment.

4 – What is the new current targeting and positioning for ALO drink?

1.3 Methodology

In order to develop an analysis as the one I am proposing for, I need to gather as more data as possible. Having this into consideration, I will use primary and secondary data.

Primary data will be essential to perform this analysis. As so, I will use different tools in order to get information, such as interviews with the company, and market research by using surveys and focus groups. In order to do it, I will work together with the company to get to a sample as larger as possible. With this data I intend to answer questions such as who is the consumer, what is the consumer looking for, how the consumer sees the product, where the consumer would like to buy the product, and so on.

As secondary data, I will collect information provided by the company, articles and news published regarding the product. With this type of data I intend to understand what was done in other countries, what went wrong and right, and gather numbers regarding the sector and competitors.

1.4 Relevance of Study

The healthy products are becoming more and more important worldwide, and they are becoming part of the daily choices of people. The healthy food is already spreading, and the healthy beverages are starting to. As so, the growth of this kind of products will increase exponentially, meaning that they will become a greater part of our future.

Having these factors into consideration, studying the introduction of such a product in this early stage of the market is definitely a challenge, and the increasingly importance of this issue tend to be higher, day by day, what consequently turns this analysis into an essential and important one, that will become even more important as the market grows.

2. Literature Review

In this chapter the main goal is to analyse theoretical data concerning important aspects related with the issue studied in this thesis. Having this into consideration, this literature review will focus on three main subjects – brand, positioning and targeting. The three concepts referred are the sub-topics that compose this chapter.

During the research performed to develop this literature review, a big effort was made in order to find information directly related with beverages industry, more specifically functional beverages and natural drinks. However, there was a considerable limitation in what concerns finding articles of this specificity. As so, an having all the obstacles into account, the study was performed with relation to FMCG (Fast Moving Consumer Goods) and Consumer Packed Goods (CPG), which were considered to be the most related topic.

2.1 Launching a new product or brand

All the concepts we can imagine are attached to different definitions and opinions, and that is a relatively normal issue considering the free world and the capacity of thinking that is integrated on every human being. Defining brand can be among the hardest concepts to define, depending on the person's perspective, whether you see it from a financial point of view or marketing one, for example. By trying to bring both perspectives together, it is possible to say "a brand is, at the same time, an intangible asset and a conditional asset" (Jean-Noel Kapferer 2012). By thinking through a financial point of view, brands are considered intangible assets, a group that includes assets that don't exist on a physical matter, but ones that can have a much higher value then the biggest tangible assets. On the other hand, brands are conditional assets as there is no way a brand can create value by being only "a brand". A brand only has financial value, and value for the consumer, when seen together with products, services, infrastructures, and so on. A brand by itself has no meaning. It is all the rest that creates brand value.

Brand assets →	Brand strength →	Brand value (financial equity)
Brand awareness Brand reputation (attributes, benefits, competence, know-how, etc). Emotion Perceived brand personality Perceived brand values Reflected customer imagery Brand preference or attachment Patents and rights	Market share Market leadership Market penetration Share of requirements Growth rate Loyalty rate Price premium Percentage of products the trade cannot delist	Net discounted cashflow attributable to the brand after paying the cost of capital invested to produce and run the business and the cost of marketing

Source: The New Strategic Brand Management; Advanced Insights Strategic Thinking (J N Kapferer 2012)

When launching a new product in the Fast Moving Consumer Goods (FMCG) market, only two out of 10 products succeed, and "the most common reason for failure is as simple as marketing strategy (statement of target market, desired positioning, and marketing mix)" (Pauwels, K. 2007). This step must be completed before the concrete launch of the product, as a poorly planned marketing strategy has a big probability of ruining an entire business. Missing this point is missing the whole point, and this step is becoming more important each day. However, several companies still miss it, and that is why we talk so much about repositioning, retargeting, and so on.

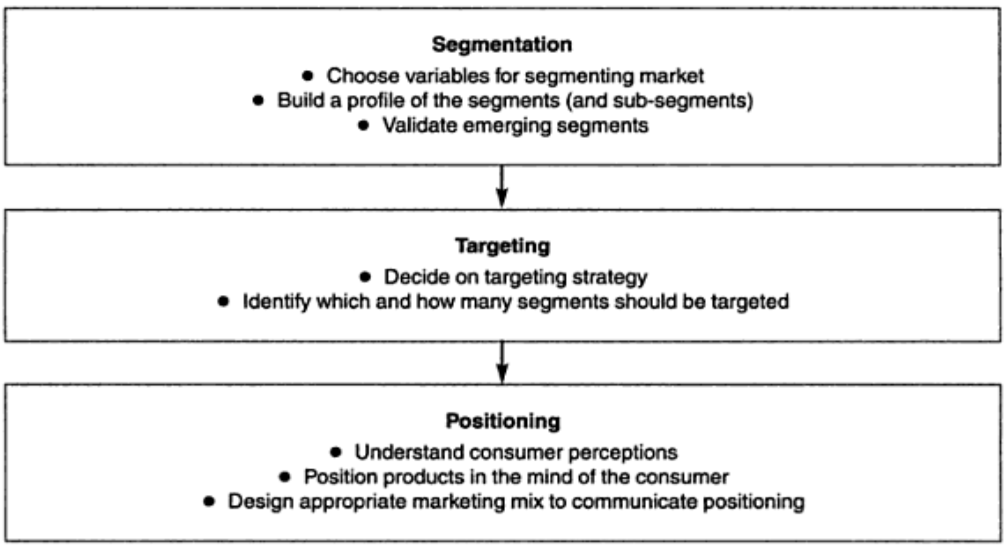


Figure 5.1 The STP schematic
Source: Dibb (1998).

2.2 Functional Products

"Functional products are a new category of products that are marketed as having health benefits. In comparison to a conventionally healthy diet as recommended by nutrition experts, the idea of health effects associated with functional products is based on one single product and its functional components."

(Lahteenmaki, 2003)

The functional market is a quite recent one, created due to the fact that consumers want products that provided positive benefits for themselves and their health. With this need recognized several products were created in order to satisfy the population. Nowadays, this market changes on a very fast pace and is one of great competition, "where the fight to become consumers' favour is becoming harder and harder each day" (Menrad, 2003). Functional market is quite comparable to the soft-drinks market – huge offer and demand.

In order to enter in the market, "a product needs to fulfil the consumer needs for convenience, health and great tasting" (Gray, Armstrong, and Farley, 2003). It is impossible to just launch a product in the market and succeed without fulfilling the three factors referred, each one as much important as the others. It is a fact that consumers aren't ready, and probably will never be, to forget the taste due to health benefits. People are "looking for healthier products to substitute their old daily products, but taste won't definitely be forgotten" (Verbeke 2006).

Having a product that satisfies the consumer for convenience, health and taste is almost 100% of the road, but it isn't enough to reach the end. Manufacturers must observe consumers' attitudes, preferences and minds, in order to understand if its new products or projects are really fulfilling expectations. In addition to this, and being health such a sensitive issue in every society, "a perfect communication of the products' information, in an honest way, is absolutely essential for its success" (Shepherd, Sparks, Bellier & Raats, 1991; Eagly & Chaiken; Willcock, Pun). When it comes to products that are associated with functional benefits, and not just taste, people expect a 100% transparent company, and a 100% transparent description of the product. Hiding a detail, as smaller as it might be, can totally compromise the investment done.

In a study performed is 2004 concerning the functional products' market, there were four dimensions concluded as essential for the consumer, and consequently for a product's success: "Reward from using functional products; Necessity for functional products; Confidence in functional products; Safety in functional products." (Nuna Urala). By just putting ourselves in the consumers' place, and some of us are already there, we can simply think of the same four dimensions as of great importance in our minds.

2.3 Positioning

When a brand is looking for repositioning in a competitive marketplace as FMCG it means that it wants to create a stronger perspective on the consumers' minds and consequently achieve a higher success. Such situation is only possible "if the old positioning is weakened and the new positioning is learned" (Jewell, R. D. 2007), otherwise it will be a failure. Old positioning needs to be forgotten due to the strength of the new one. But first things first, positioning is an issue that must be addressed in the correct way in the very first beginning, and mistakes can jeopardize an entire business.

Defining positioning can be quite difficult, as there is no single explanation, and several opinions converge into several different definitions. Having this into consideration, and analysing different possibilities, "positioning is the art of selecting, out of a number of unique selling propositions the one which will get you maximum sales" (Rosser Reeves 1986). This can be considered one of the best descriptions, as in one simple sentence it refers to how complex the process of selecting the right position can be, and the main goal and most important for a company, which depends on the positioning defined.

"To succeed, the first step is to position or "situate" the brand in the target consumer's mind in such a way, that in his or her perception of the brand, it is distinctive and offers a persuasive customer value better than its competitors. This is called competitive advantage."

(Sengupta, S. 2005)

Finding the right positioning can be compared to gold – it will definitely decide how successful a product can be. "Positioning is the battle for a place in the consumer's mind" (Sengupta, S. 2005). When deciding which is the right positioning for a certain product, what a company must be really looking for is a unique position, and not a conventional idea. "What you must do is look inside the prospect's mind" (Sengupta, S. 2005).

It is quite often to see companies that want to change their positioning, and focus on changing their package. One thing is not directly related to the other, as positioning isn't what a company can do to its product, but what the company can do with the consumer's perception of that same product. Several brands along the pass have changed their positioning several times without even touching their packaging. The only thing they focus on was the message they were transmitting to the consumer through their promotion and propaganda. "Positioning is a matter of the perception of our brand that we wish to create in the consumer's mind, and its relation to other brands."

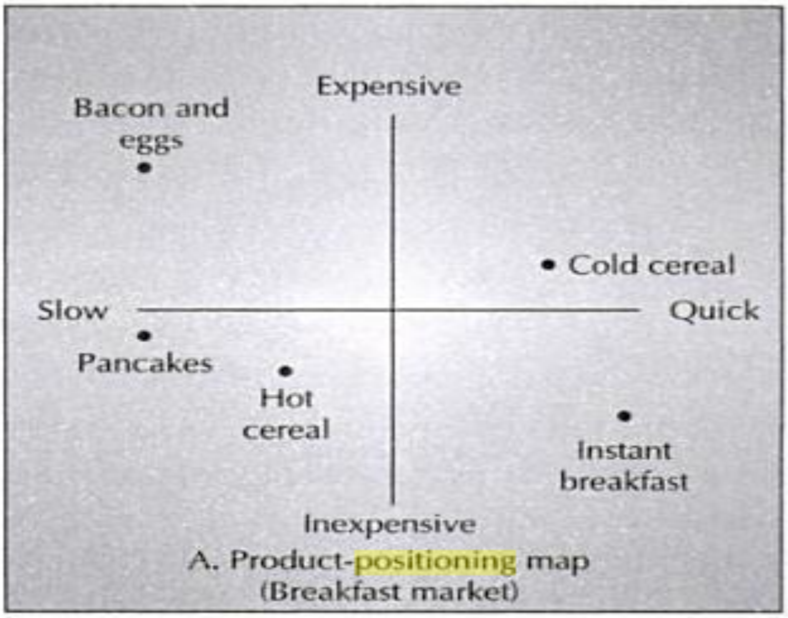
"Product Positioning by behavioural Life-styles – This approach to "product positioning," or drawing a profile of the users of competitive brands, goes beyond the usual demographics and is based on consumer patterns of purchasing and product-use designated "behavioural life-styles." "

(Alpert, Lewis & Gatty, Ronald 1969)

Positioning is not based on such factors as demographics or physical aspects. It is instead based on the behaviour of the consumer and the characteristics of its daily life-style. A company may want to try to find a profile based on where the consumer is, and its age, for example, but it won't be able to decide on the right positioning based on this. The behaviour of the consumer is the most important part of it. It is not who the consumer is, but what the consumer does and thinks. And this is the behavioural life-style.

"Once the core product concept is chosen, it defines the character of the product space in which the new product has to be positioned. An instant breakfast drink means that this product will compete against bacon and eggs, breakfast cereals, coffee and pastry, and other breakfast alternatives…"

(Philip Kotler 1989)



Source: Brand Positioning – Strategies for Competitive Advantage (Second Edition) (Subroto Sengupta, 2005)

When referring to healthy products and natural ones, consumers are starting to have a positive image on their minds, "starting to understand that these products are essential for their well being" (Landstrom et al., 2007). Having this in mind, consumers seek for natural products, and become fans of the "naturalness" and "well being" categories. People are trying to "destroy" artificial products, and welcome with open arms the natural food and drinks. Even when trying to solve a health issue, "the natural and functional product is starting to become the solution, rather than the pill" (Williams et al., 2004). Barring this in minds, the need and want is created, but the positioning is the key. In the consumer mind there is a need to find the right product to fulfil its needs, however this products always needs to be quite special. It isn't just about being healthy or natural. It is about the taste, the image that the consumer have and the image that the consumer thinks other people have, but most of all, the way the consumer feels when buying and carrying "that" product.

When it comes to competition in a certain market among consumer packaged goods (CPG), "one brand often has a large local share advantage over the other despite the similarity of the branded products" (Bart J. Bronnenberg, 2007). And this share advantage is almost entirely about the way the brand is seen among consumers, what lead to a simple concept – positioning. In a CPG market where there are several similar products, being able to create a differentiation perspective in the consumers' minds is the key to success, especially in big sized markets that "often lack meaningful products differentiation on attributes other than brand labels and would be difficult to correctly identify based on taste tests alone" (Carpenter et al. 1994; Trout and Rivkin 2000).

2.4 Targeting

"A want is the method by which people would like the need to be satisfied. Demands are wants for specific products backed by an ability to pay."

(Kotler, 2000)

Nowadays, everything evolves at the "speed of sound", and one of those things is the Functional beverages market itself. New brands are launched on a daily basis, and existent brands tend to last for a short period of time due to the competition that can be cut throat. The only way to survive is through marketing strategy, and "this is why marketing is so important when a company is struggling to survive in such a competitive environment" (Dr. Kiran Mor).

"Market segmentation is to divide a market into smaller groups of buyers with distinct needs, characteristics, or behaviour who might require separate products or marketing mixes" (Charles W.Lamb, 2003) and when it comes to Functional Beverages it is essential to understand what is the target audience looking for, what are its needs and wants in order to understand the best way to "hit" the target. When we find a need or want that we might be able to fulfil by providing our product or service, than we definitely need to go deep in the relation with the target, and get to know it. Selling a product without defining its target is like driving with no destiny, till the gas is over, and it will certainly be over. It is essential to know what a company is working for, or more specifically, "who a company is working for" (WE Deming 2001).

Segmentation is directly related to targeting. Actually, it is the exact previous step to defining targeting. "By dividing the market into sub groups of consumers that have preferences, needs or wants in common, and than by choosing which ones we want to fulfil, a product is created with the goal of fulfilling the group's needs" (Blythe, 2003). That group will be the target. This concept seems much simpler than it really is, and nowadays, being most of the basic needs fulfilled, companies work towards one objective – innovation. Innovation can be associated with innovating existent products, or it can be create new products that will fulfil needs that don't exist yet. Meaning that either way, companies create wants in the consumers' minds, and those wants will become needs, and this is a simple vicious cycle.

Defining a target is no longer a simple task of understanding what is the small group of people that are looking for the product we are selling. Sometimes, defining the target can be based on finding the people that we will focus our attention on, as we consider them the ones who will be interested in our product. This might seem confusing, but is quite simple. Instead of looking for people's needs and try to fulfil them, "companies create products and look for people that might become attracted to the product" (Best, Roger J., 2004).

3. Case Study

We are in September 2009, and several reasons are given to Portuguese young people to go abroad, especially when looking for a successful career. António Lopes is an example of one of these students. When choosing his University, António decided that an experience outside his country would definitely give him new perspectives on how to build his career.

We are now in September 2013, and after living in some of the largest countries in the world, António decides to return to Portugal, but not with empty hands. António finds what he believes to be a great opportunity – ALO Drink – a drink he had the opportunity to taste while travelling.

ALO is a 100% natural drink produced from the very well-known plant Aloe Vera. The idea had its origin in the USA, where the company first launched its product in late 2008. In 2013 ALO was already the number 1 best-selling brand within the Aloe Vera beverage segment, and the number 2 best-selling brand within the functional beverage segment. However, this is not the first Aloe Vera drink on the market, so what is there so special about this one? – Contains 25% Aloe Vera pulp and juice content, other juices, natural ingredients and water, and the pulp and juice is extracted directly from the plant, what means that it is not reconstituted from powder, and there is nothing artificial in it, not even thickeners or emulsifiers. But most important to explain its attractiveness is its taste. While other drinks produced with the same purpose are not associated with a good tasting, ALO is considered a great-tasting drink, and that was definitely what aroused António's interest.

When getting back to Portugal, António had already established contact with the company in order to understand their interest and what it would take to bring this drink to his home country. They were definitely interested in having António representing them in Portugal, and after setting up some details everything was ready to start – everything was now in his hands.

However, António, with very little or none experience in the market or in the beverages' sector, wasn't quite sure where to start from. He started contacting places that he considered to be associated with healthy lifestyles and natural products in order to have them to sell his product, but not too many accepted, and he needed much more to guarantee the sustainability of his business, and that is when he understood that the business was a much more complex one than he thought.

António had now very tough decisions to make. Although the product was already created and had everything to succeed, the right positioning and targeting were definitely issues that he needed to go through.

These doubts needed to be cleared out, otherwise there was a huge risk of jeopardizing the entire business. A product that had everything it needed to succeed could be a big failure due to a wrong decision.

3.1 The Company

A drink produced from the Aloe Vera plant? A few years ago, for most of the people, Aloe Vera was associated to skin creams or to something that would help curing that small wound that you made when falling down the stairs. But as the world evolves so do the products inside of it, and SPI West Port Group definitely became a part of it when decided to create ALO.

SPI West Port Group is a distributor, importer/exporter, manufacturer, and sourcing agent of premium products in China and America. The company was created in 1994, and was responsible for the distribution of several products (food and beverage from the U.S. and Europe) in Asia. Before launching ALO in the U.S., SPI was already importing Aloe Vera based beverages from Korea to the U.S. for around five years, before launching its own drink. Started by selling only to Asian and Hispanic grocery channels, and then started to expand and sell around 200 containers per year, when they concluded that they were able to create a better drink and have their own brand. “We wanted to spread the goodness of the Aloe Vera ingredient to the American consumer”, Henry Chen, president and owner of SPI, said in an interview to Beverage Innovation magazine, and this was when they started working on their new project.

ALO was the name chosen for this drink, and no doubts that it comes from the plant's name. But what made it special? ALO is 100% natural. Contains 25% Aloe Vera pulp and juice content, and it is guaranteed not to have any artificial flavour, emulsifiers, preservatives or thickeners. And most important, it is considered a great-tasting beverage, factor that is not very common among this sort of drinks.

As a natural and healthy drink, SPI decided to start by targeting the US natural channel. Usually the buyers that go to this type of stores are those who like to try new products, and so it was almost guaranteed that they would try ALO, and if the owners liked, why shouldn't the client?! Not much time passed when SPI started to spread their product to the traditional channels where it was quite well accepted.

Primarily launched ALO with two flavours, but nowadays the offer is much larger, with numerous flavours and sizes available to the consumer. In 2013 ALO revealed itself as a great success, being the number 1 best-selling drink among the Aloe Vera beverage segment, and the number 2 selling brand in the functional beverage segment, the segment where drinks like ALO are considered.

3.2 Functional Beverages Market

Such drinks as ALO are considered as part of the functional beverages' market. This market is composed by drinks characterized as being non-alcoholic, satisfy thirst and that are ready to drink. Functional beverages contain non-traditional ingredients (herbs, vitamins, fruits/vegetables raw ingredients, minerals, and so on) and are designed to provide health benefits. The well-known sports and energy drinks and enhanced water are included in this group.

This concept is a very complex one, as it is still being discussed weather some drinks should or should not be included. Several drinks have components that make them fall into this category, however they have added sugars, colours, and other ingredients, making them soft-drinks, and not functional ones.

3.3 Picture the future

The global functional drinks market is growing in a very fast pace (exhibit 9), and this is happening mainly due to the fact that people are seeking for products associated with health benefits, more and more each day. Projections performed for this market estimate an increase at a Compound Annual Growth Rate (CAGR) of 8,7% for the period comprehended between the year of 2011 and the year 2016. Concerning revenues, it is expected to reach approximately $90 billion by 2016 (around €65 billions) against the $59 billion registered in 2011, according to the study 'Functional Drinks: Global Industry Guide'. Between 2007 and 2011 the growth was represented by a CAGR of 5,6%, which compared with the 8,6% estimated for the future show that this market is going to be a great portion of the global beverages market.

"One thing I noticed is that we only need to look around for five minutes, talk with friends or observe people's attitudes to understand that habits are changing. Nowadays people are getting more worried as they have much more information concerning health problems, and they seek for healthy options to substitute their old habits. But one thing is guaranteed: they will never ignore the taste. People want great-tasting products. People want options that still give them pleasure to consume, and this is what ALO is all about" – António Lopes says during our interview.

When referring to Portugal, the market experienced a decrease between 2009 and 2010, however it has been recovering since then, and it is estimated to accelerate significantly till 2017. Spain, a market considered very similar to the Portuguese one, registered a growth of 36,1% in the healthy drinks segment, among the period of 2008-2013. Sales were hit by the recession, and so was Portugal, but it didn't stop this market from growing exponentially, and it won't stop it in the future.

3.4 From USA to Portugal

"When you find something you believe in, you need to go get it, you need to work hard and fight for it. Even if there is a chance of failure, we need to try. Either way, we only learn and grow with our experiences." - António states during an interview in a television program, with his eyes sparkling.

It is definitely true, and it was the main reason for António Lopes to move on, and "fight" for ALO. After discovering what he considers to be his silver, António made his own research as best as he could, given all the conditions and his knowledge, and when he considered himself prepared he contacted SPI West Port Group – someone was already chasing his silver, but António Lopes was able to convince them he was the right choice. And so it began…

After arriving to Portugal, the first order needed to be done – five thousand bottles was the optimal number considered to start the business, and three flavours were chosen to start. Delivery done, and António started contacting places associated with healthy lifestyles such as natural supermarkets, gyms, sports' clubs – he considered this was the way to go, as ALO was a natural drink, associated with health benefits, and usually people that practice sport are the ones more worried about this sort of issues. A few places received his drink with open arms; however others didn't, stating that the drink wasn't known in Portugal, and others not believing it would be a success.

Having into account the success ALO has in several countries in Europe, and the positive feedback he had concerning the drink, António started thinking that maybe he started with the wrong foot. Maybe sports' clubs and natural groceries weren't the right place to start, or maybe they weren't the only places to invest in.

The tree grew, and doubts started to rise in its branches. António stopped and started thinking about the best plan.

3.5 ALO Drink

ALO is the number 1 Aloe Vera ready-to-go drink in the USA and Canada. It is 100% natural, containing pulp and Aloe Vera juice mixed with other juices such as mango, mangosteen, peach, watermelon, and so on. It is very refreshing, and consists on a great source of hydration. No colorings, flavorings or preservatives are added to the drink, and neither is Aloe artificial powder.

In its “home town” – USA – this drink is available in nine flavours (exhibit 1):

- ESCAPE – Aloe Vera + pineapple + guava + sea buckthorn berry
- EXPOSED – Aloe Vera + honey
- AWAKEN – Aloe Vera + wheatgrass
- ENRICH – Aloe Vera + pomegranate + cranberry
- COMFORT – Aloe Vera + watermelon + peach
- APPEAL – Aloe Vera + pomelo + pink grapefruit + lemon
- ENLIVEN – Aloe Vera + twelve fruits & vegetables
- ALLURE – Aloe Vera + mangosteen + mango
- ELATED – Aloe Vera + olive leaf tea

All the bottles have a great design (see appendix…) and a very stylish image, and so do the names. In the USA, besides the original drink with nine flavours, the company is already selling a light version of ALO drink, and a new one with Coconut water (COCO). In Portugal, António decided to start only with three flavours due to the complexity and investment needed to entering in a market alone. As so, he chose the three best-sellers:

- ALO COMFORT, having watermelon, which contains a great amount of vitamins and minerals, and peach offering calcium, magnesium and vitamin C.

- ALO ALLURE, with mangosteen containing high levels of ACE vitamins and anti-inflammatory benefits, and mango rich with dietetic mineral, minerals and vitamins.
- ALO APPEAL, with grapefruit containing folic acid, potassium, calcium, iron and A vitamin, and lemon being a great source of C vitamin and zinc.

Although several fruits are added to these drinks, Aloe Vera still is the main ingredient and the greatest attraction. Sometimes people don't trust this drinks and think there are always some secrets behind it, and sometimes there definitely are, but ALO is so natural that you can find some Aloe Vera pieces inside – which, by the way, are weird in the first time you drink it, but great after all – that consist on the actual pulp extracted directly from the leaf.

Depending on the flavour, calories are within an interval of 50 to 80, so there is no need to worry about getting fat after drinking a few bottles, and a person making a diet can definitely consume it. Plus, the drinks are sweetened with real sugarcane of honey.

One of the greatest characteristics of ALO consists on the fact that it can be a drink that you have with you during the entire day. Bottles are sold in a 500ml size, and you don't need to drink it all at the same time. After opening a bottle, the drink will remain fresh for a period of 10 days, so "just grab a bottle and drink whenever you feel like to. A little bit after this, a little bit after that, and at the end you drank only in the moments you wanted it the most, not like a can" – António refers with pride of his product.

3.5.1 Is ALO alone?

ALO, and any other drink in the market, faces an enormous competition, and that is something quite simple to assume as the beverages market has quite a big dimension. However, ALO is a functional drink, so maybe we should consider only the competitors considered among the functional beverages market… or maybe not! When it comes to competition, anyone that might threat our product is a competitor, and is someone that we should pay attention to. Very close attention. And a product that might threat ours' is a substitute product – a product that substitutes another one. Although ALO is a natural and healthy drink, produced from Aloe Vera, we cannot assume that our competition is only healthy and natural drinks. Maybe in a few years, but not now.

As previously referred, the segment integrated by ALO is a relatively recent one that started to grow in the past few years. ALO's consumers are people who are worried about health, weight, and other issues, and people who enjoy natural products. However, these characteristics are starting to reach the entire world, and people's minds are changing towards a more careful consumption. What this means is that the person who consumes ALO in one day, is the same person that buys a Coca-Cola in the next day; the person who has been drinking Fanta for ten years, is the same person we want to consume ALO, and is the same person who is looking for a healthier product; and finally, a person who buys ALO can be one that likes it better than Iced-Tea. As so, ALO's attack goes in every direction, but here we are going to focus in those competitors that have a similar product as ALO when it comes to characteristics or benefits. And to reduce the Universe to a very small sample we will refer only to one competitor – Pleno Tisanas.

Pleno Tisanas (exhibit 4) is a drink produced and sold by Lactogal, a Portuguese company and a big player in the beverages market, producing and selling products with the purpose of providing a natural and balanced alimentation, being the milk one of the most important in the company's portfolio.

Launched in 2001, gathering the purity of spring water and the characteristics of teas and medicinal herbs, Pleno Tisanas is now the second biggest player in its segment. In 2011 the company decides to present its new fruit version of Pleno Tisanas, maintaining all the characteristics it had before, but adding juice with no pulp and natural fruit sugar only. By gathering the need of the human being to ingest water every day with the health and dietary benefits provided by the herbs and juice, Pleno Tisanas was a concept quite well accepted in the market.

When it comes to comparing Pleno with ALO, we easily see common points between both – health benefits, dietary benefits, 100% natural, juice and other ingredients, and this is what makes these drinks direct competitors – the fact that they serve the same purpose.

3.5.2 How was it launched?

Lactogal was already a big company with several products in the market, what made it easier to launch a new one. However not that easy as it was a completely new concept in the market. When it comes to the promotion and target of the product, the company concluded that every people who is worried about having a relatively balanced life is a possible consumer for the product, and that is almost the entire population. As so, the consumer can be everywhere, but how should the present their drink? Simple. Just think about the places that people worried with balanced life usually frequent – green places, beaches and health clubs. In a general way this is it. And so it was. The company decided to promote its new concept in events in gardens, in beaches and health and sports' clubs, and this way they were able to present what Pleno Tisanas' purpose was and what to expect from the drink, and through an easy way the drink was positioned and well positioned in the market.

When it comes to sales it wasn't hard to. The type of consumer considered for the drink could buy in almost every place, as it is the same consumer who buys cereals in the supermarket. And, again, so it was. Pleno Tisanas started selling everywhere – supermarkets, restaurants cafes, groceries, and every place you can think about, and where the consumer could be.

Sold with a price at the market level, a little more expensive than the normal products due to all the benefits provided by the drink, and always taking into account how much the consumer would be more to acquire such benefits. In 2013 Pleno Tisanas was already the 2nd in its segment, and ready to grow.

3.6 Consumer trends

Obesity and excessive weight reached a ridiculous point all over the world, and people's mentality is starting to change in order to face those problems.

More than 1,7 billion people in the world are considered obese, and a big part of this number concerns American people (around 213 million people) (exhibit 5). When it comes to Portugal:

- Approximately 14% of the people is considered to have morbid obesity, but to get treatment they will face a 4 year waiting list, as 4% of the total health costs in the country are related with obesity problems, due to the excessive number of people with this sort of health problems;
- More than 50% of the population has excessive weight.

These reasons are in the origin of the increasing preoccupation in consuming healthy products. During the last years, the beverages market suffered several changes, mainly a decrease of the "unhealthy" food and drinks consumption, compensated by an increase in the consumption of healthier products, as a result of the increase in concerns with health and weight. This mentality led people to starting to cut in such drinks as Coca-Cola, and starting to drink less caloric ones, and sometimes with health benefits.

While some companies or products are suffering with this change in people's habits, others are benefiting, and there is now opportunity for the creation and introduction of new drinks in the market, such as ALO drink, and others.

3.6.1 Money-maker or money-taker?

We have seen the functional beverages' market projections and consumer trends, so we could conclude that this is a gold mine, as the market is growing fast, and people's minds are changing in favour of healthier products. And maybe, by reading this we should be thinking – What am I doing here. I should go and create my own functional product so I can become rich! Ok. Not that fast.

New beverages are launched more or less on a daily basis, and approximately 99% of those beverages turn into failures. Why does this happen? Several reasons – sometimes distribution, positioning, targeting, promotion, and so on. But more than 70% of these failures are justified by a simple thing – wrong positioning and wrong target definition.

"How is it possible?! Even I know about these issues, and wouldn't have any problem with them." – That is what you are probably thinking. Well, actually is not like that. In fact, this market is somehow a new one, or at least it is now starting to show up, what creates a great amount of doubts and questions, as can't take advantage of previous experiences that succeed or failed as they almost don't exist. It is essential to get to know the consumers in order to understand the best way to launch a new product. And getting to know the consumer is not only about talking with some friends, as the consumer behaviour is one of the most complex things, and if you fail to perceive it, you might as well put your new product in the garbage.

"Ok, so why don't they get to know the consumer?" – A great part of the new beverages launched come from small entrepreneurs with low financial capabilities, what means that they don't have money to invest in everything. The problem is that the money invested goes to less important parts of the business, by mistake, than the consumer behaviour. However making this money management is very tough, and sometimes even the best businessman fails.

When it comes to functional beverages, more specifically, beverages with health benefits such as ALO, people are looking for a product to substitute the ones they have been drinking during the last decade. What this means is that people won't change from the day to the night. The consumer has several requirements, and for a beverage to succeed it definitely needs to fulfil those. Those requirements are, in a general way, related with the package of the beverage, how people perceive the product, its taste and where you can find it.

It is true that we are looking for healthier solutions than the products we are consuming today, but one fact is undeniable – we will never change to a new product that has an awful package, and this is more or less common when it comes to healthy products. Not only because we don't feel like buying them if we don't like the package, but also, and not less important, because we don't want to look "uncool" when drinking this beverage. Image is what people care about! If people perceive a certain drink as one that cures diseases and nothing else, it will never sell, or at least it will never reach its maximum success. Why is this? What do you think other people will think if you ask such drink when having a coffee with your friends? Probably they will question you if everything is ok. Of course people want healthier products, and with less calories and crap, but they still want a drink well accepted and like every other when it comes to image. The consumer wants a drink that makes him look like a person who worries, but still cool.

The taste, as previously referred, is an essential characteristic. No one will pay for a product that they need to put on a huge effort to consume, and they won't definitely do it every day. No taste, no success! And finally, the product needs to find the consumer, and not the opposite. This might happen on a later stage of the business, when every single person in the world knows and loves the product – when this happens they will find the product. However, it is not the case here. In our discussion, products need to be available where the consumer is. The consumer needs to "bang his head" in the product when he less expected, and the rest will just come. This is a case of being in the right place, at the right time; otherwise, the optimal point will never be reached.

3.6.2 Show me numbers, please!

It all comes down to numbers. We might have ideas and thoughts, but we always need to check the numbers in order to be able to make a good evaluation of an issue. That's what we did.

By using one of the most powerful tools to reach the consumer – survey – it was possible to get some conclusions through the answers of approximately 300 people, being 58% men, and all of them over eighteen years old.

When it comes to being careful with what you eat, 81% are on the positive side, and when it comes to healthy drinks this number turns into 71%, what shows how people are becoming more and more worried with what they ingest. However, sometimes we might thing that healthy products are consumed at home. Well, maybe that is not the most correct thought, as most of the people eats almost one time a day on the outside, and most of them still care about what they buy.

If we look directly to the drinking part, 82% of the people consume natural beverages, and more than 30% do it more than once a week, and during all these times it could be ALO.

When it comes to connections, we tried to find one between sports and healthy products, and we came to the conclusion that it is not that obvious. While most of the people that practice sports are worried on a daily basis, we also concluded that almost the same percentage of people that don't practice sports, or at least on a regular basis, are also worried with what they eat and drink. With this, we might highlight the fact that the consumer is not the fit man or woman, but the consumer in general. And stop saying that being careful is women stuff because it isn't – 54% of the people who claimed to be worried about what to eat and drink were man. That's right, man, so again, ALO is for both, men and women, fit or not fit, sportsman or not.

Is ALO making a good job spreading the brand in Portugal? Well, maybe there are some doubts in that issue. Around 74% of the people never heard about ALO, but 90% of those would love to try it, when they find it. When they find it? Yes, that's right. 40% of the people stated that their low consumption of natural drinks is associated with the distribution of the products, as they are not available to buy in the places that the consumer frequents on a daily basis.

Last but not least, the consumer is starting to value these sorts of products for what they are and its benefits. More than 75% of the people is willing to spend more than 1€ in ALO drink, and 23% is ready to spend between 1,5€ and 2,5€. People want it and are ready to pay for it!

3.7 Where should I turn my head to?

We are in the middle of February 2014, a few months after the launch of ALO in the Portuguese Market, and António Lopes just arrived from a meeting with ALO's representatives in several countries across the world. He was able to hear a few opinions and experiences, each one different from the others, as each market is special. Each one with different positioning and targets, each one with different stories and numbers.

4am, sitting in his small office in Avenida da Liberdade, António gathers all the information he has, but each minute that passes the decision becomes harder and harder, but after all, the business still in its very beginning, and these decisions are easier now than ever. António stands up and rights in his board – who is the consumer? Who should I target? Who is the possible buyer? How do I want to ALO to be perceived? Should ALO be seen as a special and premium drink you only buy in specific situations? Only available in specific stores? Or should it be treated as a beverage for every situation and available everywhere?

The time flies, and the market grows. New beverages are introduced, and the competitive advantage is getting smaller. The time is now, and the right decision needs to be done. Tomorrow is the day – the day to implement the new plan. António has to decide.

3.8 Exhibits

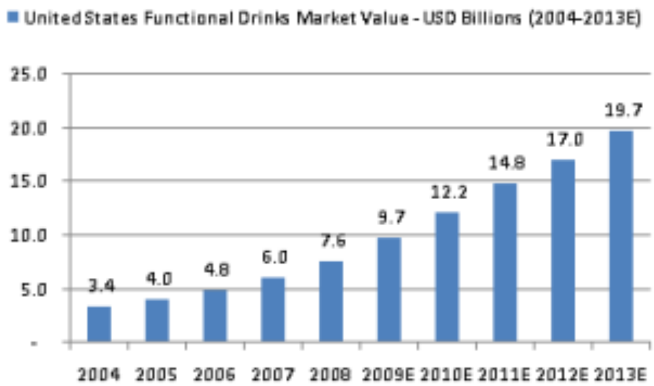
Exhibit 1 – ALO's packages and flavours

Source. Company's website

Exhibit 2 – Functional Drinks Market Value in United States

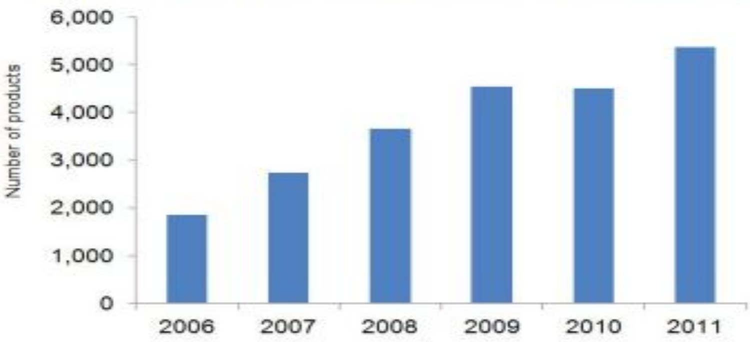
United States Functional Drinks Market Value - USD Billions (2004-2013E)

Year	Value	Yearly Growth
2004	3.4	
2005	4.0	17.6%
2006	4.8	20.0%
2007	6.0	25.0%
2008	7.6	26.7%
2009E	9.7	27.6%
2010E	12.2	25.8%
2011E	14.8	21.3%
2012E	17.0	14.9%
2013E	19.7	15.9%
2009-2013E CAGR		15.2%



DATAMONITOR: Functional Drinks in the U.S. (December 2008)

Exhibit 3 – Global Functional Product Launches 2006 – 2011



Source: Mintel GNPD

Exhibit 4 – Competitor – Pleno Tisanas package

Source: Company's website

Exhibit 5 – Global Obesity Problem

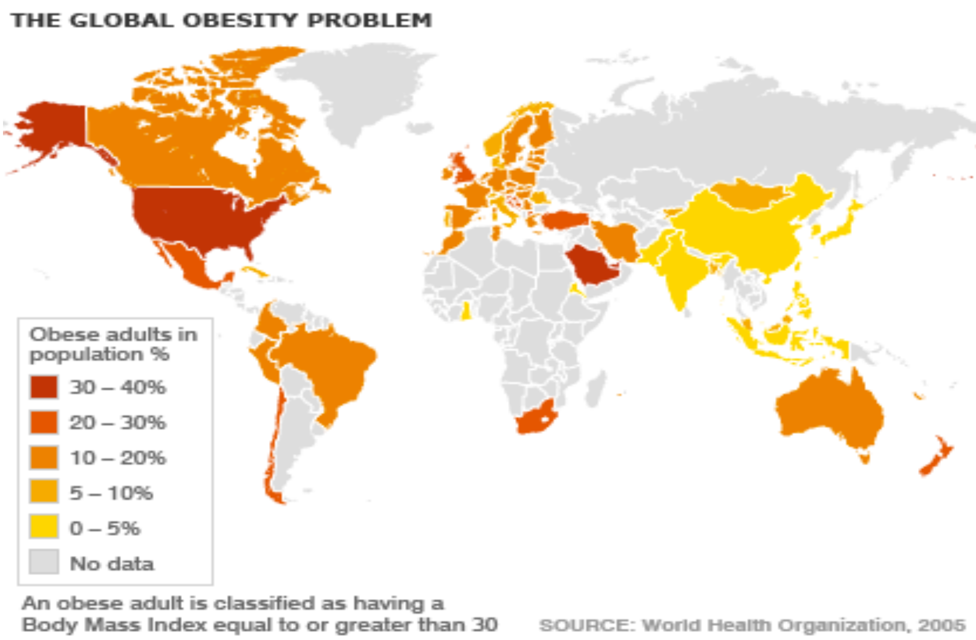


Exhibit 6 – Europe functional drinks market category segmentation, 2012

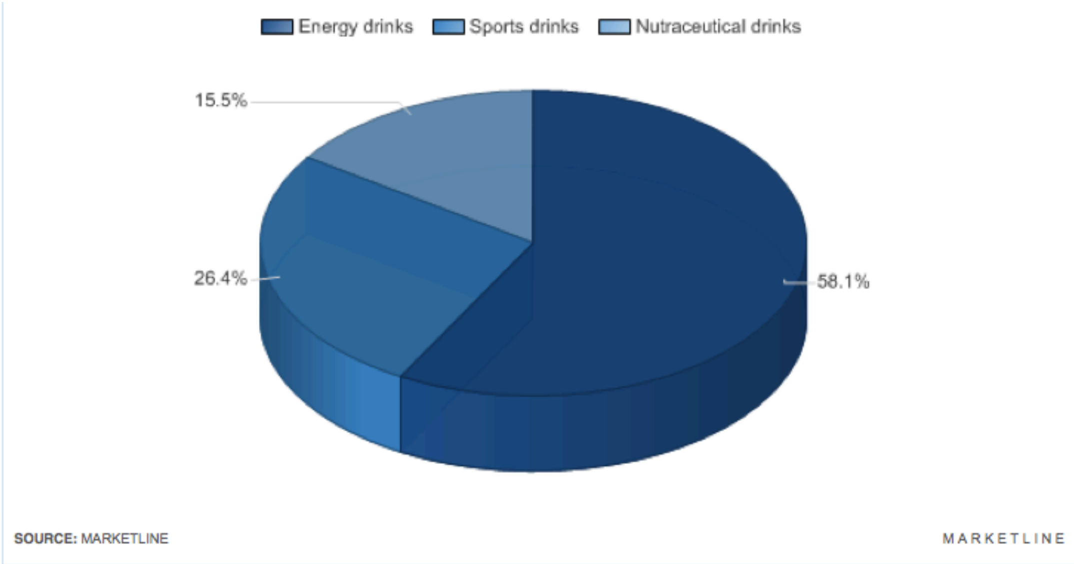


Exhibit 7 – Europe functional drinks market geography segmentation, 2012

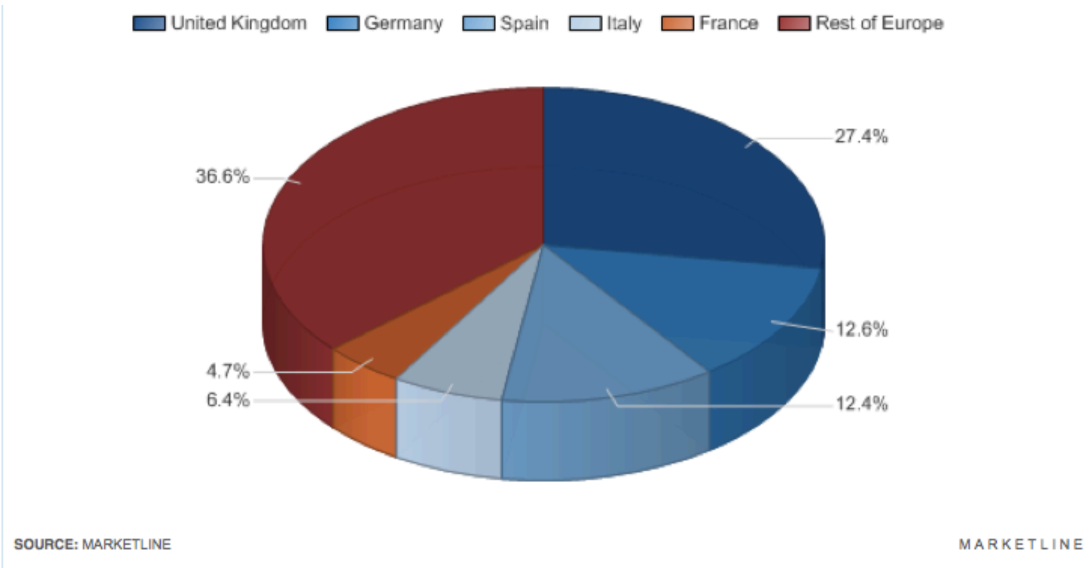
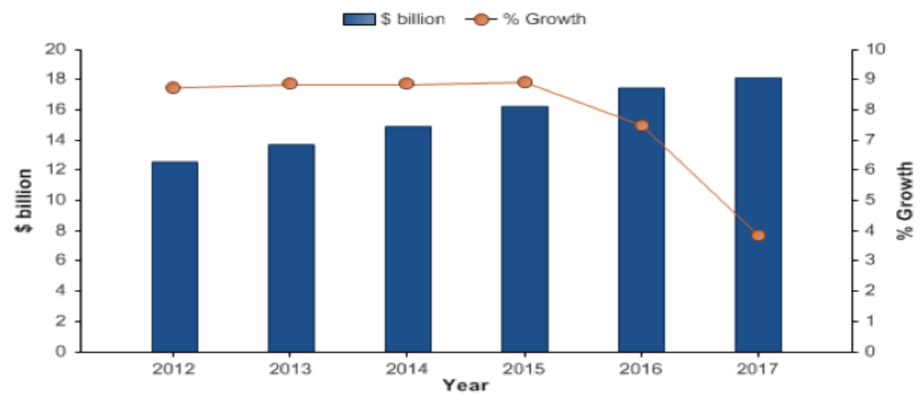


Exhibit 8 – Europe functional drinks market distribution, 2012

Channel	% Share
Supermarkets / hypermarkets	33.6%
On-trade	29.3%
Independent Retailers	11.9%
Convenience Stores	7.7%
Other	17.4%
Total	100%

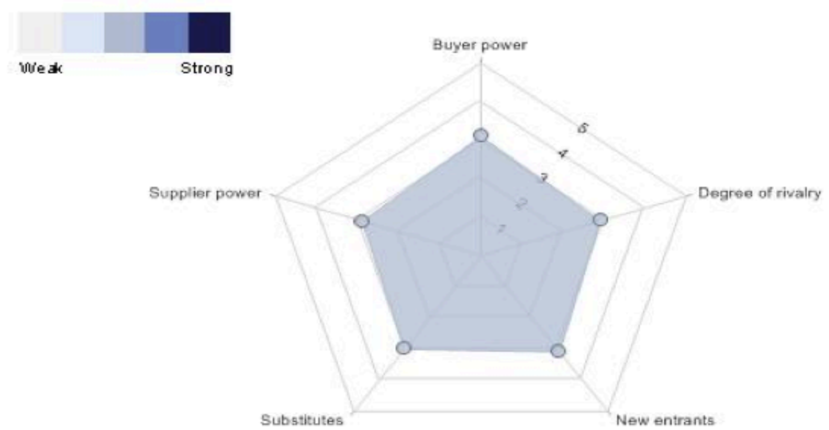
SOURCE: MARKETLINE MARKETLINE

Exhibit 9 – Europe functional drinks market value forecast, 2012



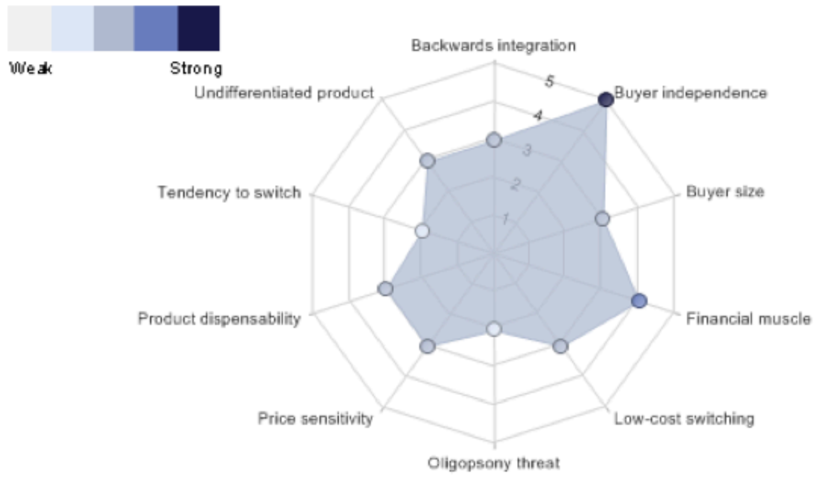
SOURCE: MARKETLINE MARKETLINE

Exhibit 10 – Forces driving competition in the functional drinks market in Europe, 2012



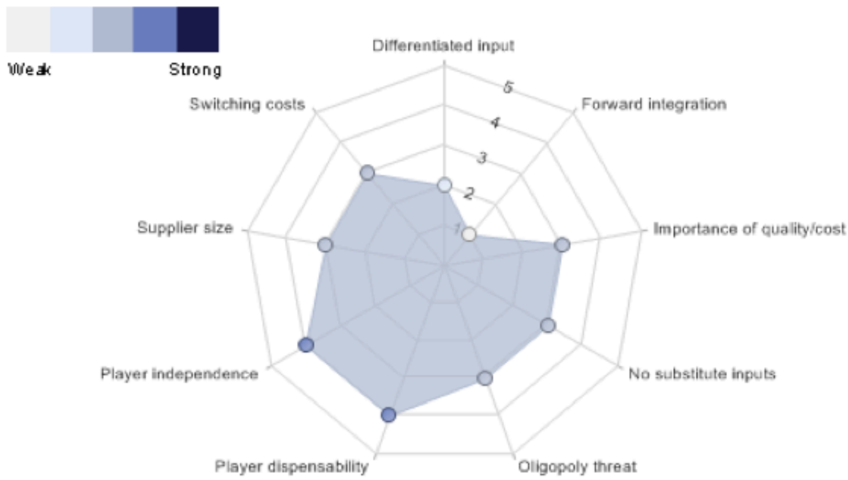
SOURCE: MARKETLINE MARKETLINE

Exhibit 11 – Drivers of buyer power in the functional drinks market in Europe, 2012



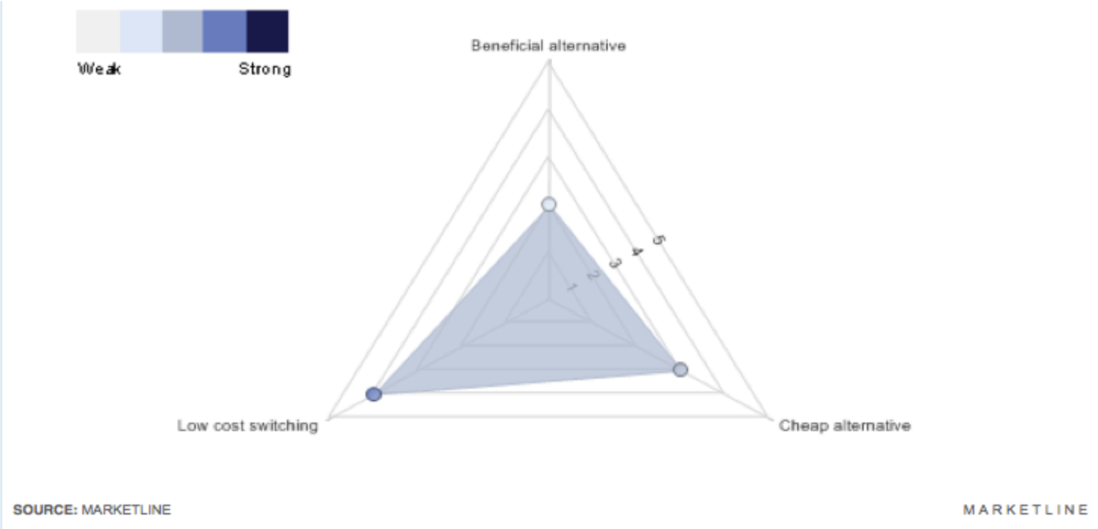
SOURCE: MARKETLINE MARKETLINE

Exhibit 12 – Drivers of supplier power in the functional drinks market in Europe, 2012



SOURCE: MARKETLINE MARKETLINE

Exhibit 13 – Factors influencing the threat of substitutes in the functional drinks market in Europe, 2012



4. Market Research

4.1 The Interview

When referring to the market research performed, the first step was to interview the person responsible for ALO – António Lopes. As previously referred, this interview was essential in order to understand the company, the product, goals, and most important the problems and decisions it is going through. The information collected through this tool is described in the previous sections, including the business case.

Overall, the launch of the product in question, ALO, by a Portuguese entrepreneur that just came out of the University was a big step that involved numerous decisions. The drink has all the characteristics needed to succeed, but all the process needed after having the product was quite a question mark. The company had doubts and issues concerning the best way to distribute and position the drink, and having into account the short budget available this was quite a big decision. Being the product associated with a relatively new concept in the mind of the consumers, but at the same time being a product inserted in a highly growing market where several new beverages are launched every day, it was essential to conclude what the right positioning and distribution for the product. António had only one goal – having as much success as possible, not matter what the meaning is. As so, and in order to reach this short but huge goal, it was essential to understand the consumer.

4.2 Online Survey

4.2.1 Description

As part of the market research, an online survey was distributed with the main goal of understanding the consumer, its preferences and perceptions concerning natural beverages and ALO drink, and also possible future choices.

The survey was distributed through the online channel, by using email and social networks. Having into consideration the issue being studied, the survey was directed to the Portuguese population, and consequently distributed in Portuguese language (an English version is available in appendix 1).

During a month period the questionnaire was intensely distributed, in order to reach a sample as more representative as possible. As so, 279 people answered the online survey (answers in Appendix 2).

4.2.2 Sample's Characterization

4.2.2.1 Demographics

Several demographics were considered in order to be able to find possible connections between different variables, such as gender, age, level of education and annual income.

Concerning gender, the survey reached a relatively well-mixed sample, having 57,7% of male participants, and the remaining 42,3% of female participants. Concerning ages, the participants were comprehended among the ages above 18 years old, however with a much higher intensity in the age group of [18-24], including 71,3% of the participants. The other 29,7% were distributed in the age groups of [25-34] with 17,2%, [35-54] with 8,6%, and [>55] with 2,9%. In terms of age, the sample was influence mainly by younger people, however it wasn't considered an issue as it allows to make conclusions concerning the future tendency, and still have a clear idea of older people's minds when it comes to the theme being studied.

The level of education among the participants was mainly distributed in two groups – Masters and Undergraduation, with 46,6% and 39,8%, respectively. The remaining participants were integrated in High School (8,2%), Graduation (4,7%), and Basic School (1,1%). As occupation style, and as a short description, 44,8% of the participants is students, 49,5% is professionals, and the remaining part has other sort of occupation. Finally, when it comes to annual income a considerable part of the participants has no income or rejected to answer (26,9%). The larger group of answers, with

38,4%, turned out to be annual incomes below 14.000€, followed by [14.001€ - 20.000€] with 15,8%, and the higher income groups - [20.001€ - 30.000€] with 6,8%, [30.001€ - 50.000€] with 4,7%, [50.001€ - 75.000€] 3,2%, and [>75.000€] with 4,3%. For analysis' purposes, the annual income below 20.000€ was considered as low income, and, on the other side, annual income above 20.001€ was considered as medium-high income.

The variables described above were selected as being relevant for the study in question, and no other demographic variables were considered.

4.2.2.2 Lifestyle Habits

In terms of lifestyle, one variable was studied with the main goal of understanding the existence of any relation between sports and healthy products' consumption. As so the participants were asked about their sports' habits, more specifically "how often you practise sports".

Non-regular practisers were considered to be the ones who only practise sports once a week or never, and they composed about 35,5% of the sample. When it comes to the regular practisers, being the participants who practise sports more than once a week, 64,5% of the sample was here included, however, 44,8% were included in the group "1 to 3 times a week". Through this question it is possible to conclude concerning the tendency to make exercise, and increase this intensity more and more in the future, as the older people are also included in the regular practisers, as a proof that age isn't the decision factor here.

4.2.2.3 Healthy-food Perception & Consumption Habits

Perceptions and consumption habits among the participants was extremely important in order to understand how a careful consumption is related with the consumption of such drinks as ALO.

The tendency to be worried with food consumption is clearly reflected in the sample, as 80,6% of the participants claimed to worry about the products ingested. Another interesting fact was that 67,7% of the participants claimed to be worried about eating healthy products when on the outside, what confirms that the mind-set is maintained even when out of home.

When asked about the regularity of healthy-food consumption, the largest part claimed to eat healthy food more than once a day, with 43,7% of the answer in this group, what represents a tendency to consume healthy products on a daily basis. Another interesting fact was that no participant answered “never” in this question, showing that despite the fact that some people are not clearly worried about consuming healthy-food they still consume from time to time. The remaining answers were distributed on the following order – 4 to 7 times a week (21,1%), once a day (19,4%), 1 to 3 times a week (15,3%), once a week (0,7%).

Being careful with healthy-food consumption and regular consumption of healthy-food are definitely two characteristics among the Portuguese population.

4.2.2.4 Natural Beverages Perception & Consumption Habits

The consumption of healthy beverages was considered important in order to make a direct relation with ALO drink, which is included in this segment. As so, when asked about the consumption of healthy beverages, 71,0% of the participants claimed to be worried about their consumption. On the other side, 81,4% of the sample claimed to consume natural beverages, what in comparison with the previous question leads to the conclusion that even some people that are not considerably worried with healthy beverages consumption still drink natural beverages. Regarding the negative answer, those participants were asked about reasons to justify the non-consumption, and the “sales points” was the main issue with 40,1% of the answer. Taste, not liking and trust occupied the next three positions, with 33,7%, 27,6% and 23,3%, respectively. Brand and package were also considered, and compose the remaining 7,9%.

Concerning the regularity of natural beverages consumption, and considering regular consumption all the answers comprehended between 1 to 3 times a week and more than once a week, and non-regular consumption all the answers comprehended between once a week and never, 69,2% are regular consumers, and among the regular consumers the larges9 slice consumes natural beverages from 1 to 3 times a week, followed by 4 to 7 times a week, and being the group of once a day and more than once a day on an even position.

Concerning the consumer habits and natural beverages, the last question was related with consumptions situations (parts of the day). As expected, 42,7% of the participants referred morning as the preferred part of the day to drink natural beverages. However, “during meals” and “any part of the day” were next main answers, with 34,4% and 31,2% of the answers, leading to the conclusion that natural beverages can be part of most of the situations and part of the day. 21,9% referred “afternoon”, 11,5% claimed to drink before / during / after practising sports, and the remaining part referred to “evening” as their preferred part of the day.

4.2.3 ALO Perception

The first question and an essential one was the knowledge that the participants had concerning the brand ALO. 26,5% of the answers were positive, what is considered a good factor as the brand was launched in Portugal very recently, and 73,5% claimed to not know the brand, making a proof that there is still some work to do. Despite the fact that some people already know the drink, not all of them tried it, as only 14,0% claimed to have tried the drink, what might lead to the conclusion that some people know the brand but, possibly, they didn’t have the possibility to buy it due to unavailability.

Concerning those who claimed not to be interested in trying the drink, 57,0% referred “lack of trust” as the main reason, and 28,3% referred the fact that they don’t like natural beverages. Package and feedback from friends and family were the other two reasons.

The price is always a very sensitive factor in the mind of the consumer, so it is essential to analyse it. As so, the participants where asked how much they would be available to spend on a bottle of ALO, having into consideration its size and benefits. There aren't many doubts concerning this issue, as more than half is in the interval [1€ - 1,5€] (54,8%), leading to the conclusion that the consumer is ready to pay over the usual price of drinks, due to its benefits and size. However, not too much, confirming the sense that the consumer is looking for healthy solutions to substitute its usual drinks, but it is not ready to pay a very high price. 23,3% claimed to be ready to pay [1,5€ - 2,5€], and 17,6% are ready to pay [0,5€ - 1€], showing that some people give high value to health benefits, and others not so much. The remaining part referred that wouldn't buy the drink.

4.2.4 Connecting the dots

It is definitely possible to understand that people who practise sports on a regular basis has more tendency to worry about its products' consumption and healthy lifestyle, however people who do not practise sports on a regular basis have as much tendency to worry about it as the other. 79% of the participants who are non-regular practisers claimed to worry about what they eat, and 70% claimed to worry about healthy beverages consumption. As so, the consumer is not only the sport type, but also the average person.

By comparing the participants' level of education and annual income with their consumption habits it was possible to conclude that there is not direct relation, as being worried about what to eat and drink was an unanimous answer among the different levels of education and income, and so was the answers concerning ALO's price. One more time, it leads us to the conclusion that consumption habits and perceptions are well integrated in the society, disregarding education and income.

4.3 Focus Groups

Focus groups are always great tools to use when it is important to get a personal opinion and to understand the consumer reactions when in front of the product and the rest of the group. Although focus groups can be difficult to use due to budget limitations, I was able to work together with the company, and once we both had interests in performing this studies it was easier and we were able to manage two focus groups. In order to perform this study without monetary issues we were obliged to gather people that were more convenient.

Both focus groups were performed in Portuguese, and people with different characteristics were selected in order to get a discussion as more interesting as possible (Focus group guide in appendix 3).

4.3.1 Focus Group 1

The first group was composed by younger people, and mixed genders. More specifically, 8 people, with ages between 18 and 25, being 4 males and 4 females. When it comes to daily habits, 2 males and 1 female practice sports on a regular basis; 2 females practice sports but not on a regular basis, and the other 3 people don't practice sports at all.

When asked about their consumption of natural beverages, all the participants claimed to consume, and 5 of the 8 participants consume on a regular basis. Of these 5, 2 didn't practice sports at all, what contributes to the conclusion that sports might help increasing the careful concerning food and beverages, but it is not a 100% match.

Home, restaurants and beach were the three main places referred to when asked where they consumed these kinds of beverages. When it comes to where they buy it, the answer was supermarket and restaurants, without any preference between the two, as it depended on the situation where they wanted to drink. Pleno and orange juice were the two drinks more consumed among the group, justified by the well-known benefits and the taste.

When it comes to the 3 participants that don't consume on a regular basis, the main reasons were the fact that several drinks claimed as natural are not so natural, and also the sale points, as several times natural drinks are not available, or at least not well exposed.

Concerning changes on their consumption habits, specially regarding beverages, 6 out of the 8 participants claimed to be much more worried in drink more natural beverages and water, and much less sodas. Reasons referred for this changes were mainly "getting conscientious about health" and "work creates the feeling that we have to compensate with everything we ingest as we are less active". The other two referred to drink more natural beverages at home, but not so worried about not drinking sodas and out of home having lunch, for example.

After these questions, we gave each participant an ALO drink and asked for their opinion concerning the package. All the 8 participants pointed the package as one the best they saw among natural beverages, and that it seemed a "cool" one, and no changes were suggested. The next step was to try the drink, and the answers were very positive, as only one person didn't enjoy the drink, considering it not fresh enough and "weird" due to the Aloe Vera pieces inside it. However, the opinion concerning the freshness of the drink didn't seem like a firm one as it started to change while the discussion was moving. When it comes to the other 7 participants, all of them enjoyed the drink, and considered the Aloe Vera pieces "weird" at first, but amazing after drinking the second and third sips.

When asked about their opinion concerning the right positioning for a product like ALO, the discussion took a little longer but came to an unanimous conclusion: beverages such as ALO need to be treated like "normal" drinks. As so, they considered that ALO's benefits should definitely be highlighted, but the drink needed to be more than that – "It needs to look cool, and not to expensive, and available for everyone, as we all tend to drink more less the same drinks when in a group or that our friends drink, for example".

Finally, concerning the price that the participants considered reasonable, 2 of them said they wouldn't have problems with paying a top price of 2€ due to the size of the drink, while the rest of the group was in favour of a maximum price of 1.5€.

4.3.2 Focus Group 2

A second focus group was performed with older people, in order to understand the differences in opinions among different age groups, if any. As so, the group was composed by 8 people as the first one, but with ages comprehended between 45 and 60 years old. 50/50 mix concerning men and women, being five of the eight participants regular sports practisers, and the other three participants non-practisers.

The consumption of natural beverages was a common point among the entire group, as all the members claimed to drink natural drinks on a regular basis, what might lead us to think that the careful with what you eat and drink is somehow influence by age. However, when it comes to favourite places to consume these drinks, home and restaurants were the ones referred. When it comes to home consumption, the products were all bought at supermarkets, and all the participants shop at the usual supermarket. When it comes to consumption in restaurants, it is mainly during breakfast, and some times during lunch.

Two of the participants claimed to consumer these drinks only when home, as so they were asked for justifying this habit, and the main reason was the lack of trust in such products, and the only drinks they would drink while on the outside were orange juices, and only when they knew they could trust. However, while the discussion moved on, these two people claimed not to be aware of natural products available on the market, and that some of them could be actually good solutions. This information led me to consider that natural beverages are not having the correct exposure in the market.

When asked about changes in their consumption habits 5 out of 8 participants referred that the only changes they remembered were the fact that they started to drink more water and natural beverages as they become older, but it wasn’t a drastic change. The other 3 participants claimed to have similar consumptions habits since their youth.

Next, the participants were asked for their opinion concerning ALO's package, which everyone considered a good package, with the right size and colours. As so, the conclusion was that the package had all the right characteristics in order to satisfy the customer.

When it comes to taste, all the participants enjoyed the drink, and three of them were even surprised how a 100% natural drink with such health benefits could taste so good. Concerning the positioning and distribution of ALO, the main suggestions referred were the following:

- Should be available in every supermarket and restaurants, exposed in a place where the customer will definitely see it
- Its health benefits need to be highlighted, but its taste and coolness needs to be highlighted even more

When it comes to price, after a short discussion among the group, the conclusion reached was a maximum price of 1,99€ but only due to the size of the bottle, as it is a 50cl package. However, 1,5€ was referred as the "perfect" price by the participants.

5. Conclusions

1 – What were the main reasons that lead ALO to a repositioning and retargeting?

After launching ALO in the Portuguese market, António started to contact places more focused on sports and natural products. Most of them were accepting his drink and interested in selling it due to its characteristics, however, little time passed before he understood that selling only in those places wouldn't allow building a sustainable business.

In addition to this factor, António started to understand that the population's mind was changing, and this was happening with the entire population, and not just a part of it. People were starting to be more worried with what they eat and drink, and were looking for healthy solutions to substitute their usual products. This mindset was hitting not only people that are regular sports' practitioners and natural products' lovers, but also all the other part of the population. Looking for healthy products, or healthier product was a common issue among people with all kinds of characteristics, and ALO was not going to reach all its possible consumers by selling just in sports clubs and natural products' sellers.

Having all these factors into consideration, António understood that ALO wouldn't be able to strike in Portugal by being sold only in the places he started with. As so, a repositioning and retargeting was definitely a step that needed to be considered.

2 – What were the main key success factors that allowed this drink to be a success in the USA?

By analyzing the product itself, it is possible to understand that the drink has all the characteristics needed to succeed – good looking package, great-tasting drink, great health and dietary benefits, several flavors available to face different preferences, and finally a fair price. Having all this factors into consideration, being able to succeed with ALO was a matter of marketing strategies.

American population is definitely a much wider population than the Portuguese one, however, seeking for healthier products is something there is reaching most of the populations, as more information is available nowadays and people tend to be more worried. As so, ALO, after performing a profound study and a rigorous market research, reached the conclusion that their drink should be available to everyone. This decision was probably an easy one as the company had already great experience in the business before creating ALO.

Having this into consideration, ALO targeted the population with ages above 15 years old, as it was considered that people below 15 years old don’t take decisions most of the times and/or are not worried about what to eat and drink. With this, the benefits of the drink were well shared among the consumers, however the main goal of the brand was to make ALO a “cool” drink to have wherever and whenever the consumer is. As so, ALO was showed to the consumer as a great-tasting drink with a great package, with the bonus of having health and dietary benefits, that would allow the client to consume it not only if he is just looking for a good drink but also if he was looking for a drink to keep fit or healthy.

In addition to these factors, ALO is distributed in every store that sells drinks and supermarkets. With this, ALO was available to everyone, and it was easy to show the drink to the consumer, and consequently for the consumer to spread it through “word of mouth”.

Understanding whom the consumer was, and where he was absolutely essential to succeed.

3 – Analyze the Portuguese market, with special focus on the natural beverages segment.

In order to analyze the Portuguese market it was essential to collect data through survey and focus group, otherwise it wouldn't be possible to understand the natural beverages' market.

Through the data collected, it was possible to see that being worried with what to eat and drink is a tendency verified equally among men and women, although women may take it more seriously. 71% of the people that answered the survey claimed to be worried with its drinks' consumption. 82% of the people consume natural beverages, and more than 30% do it on a regular basis, what shows how natural products are being implemented in people's daily lives.

When trying to find a direct relation between people that practice sports regularly and healthy habits, it was possible to reach the conclusion that such relation does not exist. Most of the people that practice sports are worried with what to eat and drink, but on the other side, approximately the same percentage of people that don't practice sports are worried with what to eat and drink. With this, it is possible to understand that the consumer is the average person. Moreover, 68,2% of the people claimed to seek healthy products when out of home, what shows that natural products are not only consume at home, but also on the outside, showing how people tend to trust in natural products, more each day.

When it comes to the acceptance of ALO, 73% of the people that answered the survey never heard about ALO, however, 90% of those said that would love to try it, but only when they find it, as 31% of the people stated that their low consumption of natural beverages is associated with the distribution of the products.

Finally, concerning prices, it was possible to see that people are valuing the package's size and health benefits as when asked about the price they would be available to pay it was definitely above the market's average price, what can also represent the consumer willing to find a great solution for their usual beverages.

4 – What is the new current targeting and positioning for ALO drink?

Having into consideration the study performed, as so as the market research, it was possible to understand better the consumer and its preferences and with that, take the best decision possible with the information available. Moreover, António decided to redefine ALO's targeting and positioning for the Portuguese market.

When it comes to targeting, António decided to focus on the average person. The average person is a person who is worried about having a balanced life in all its daily habits. As so, almost everyone is a possible consumer. Considering this, and considering the fact that older people tend to be more worried with the products consumed, but also the fact that young people's mind are changing as more information is becoming available, the consumer is every person above 15 years old, that has capacity to choose its products and that is worried about having a balanced lifestyle.

Positioning can be directly related with targeting. Through the research performed, it was possible to conclude that people want solutions for their usual beverages, healthier solutions. However, they still care about the image, the price and the taste. Being ALO a great-tasting drink the problem is solved. When it comes to price, people want healthier beverages but won't pay much more that their usual drinks, however, as previously concluded, the consumer is willing to pay a little more as it still value the benefits obtained from a drink like ALO. As so, ALO can't be considered a premium beverage, but somehow in the middle, as it can be considered like other normal beverages but priced a little above those normal beverages. Last but not least, the image. People tend to be more worried with their image, and probably being worried about what to eat and drink is a consequence of that. By saying so, people want a drink associated with a "cool" image, that doesn't make them look like less than they want to or think.

In general, ALO is now being targeted for the entire population above 15 years old worried about having a balanced lifestyle. The drink is being positioned as a cool drink with the bonus of being healthy, with a great price for the value, being distributed in the same places as soft drinks, meaning that can be found almost everywhere. ALO is even showing people how they can mix the drink with other drinks to get a cocktail tastier than everything they tried before, in order to be associated with a cooler and relaxed image.

As a conclusion, António decided that the right thing to do was to work towards giving the client the opportunity of buying ALO whenever he wants to, wherever he wants to, and most of all, making it an easy decision for the consumer to make. One thing is certain – the business has been improving considerably since the retargeting and repositioning were implemented.

6. Study Limitations

During the process of developing this thesis several limitations were found. One of the main issues concerns the fact that the drink and the market studied are relatively new, and due to this fact getting trustable information and clear historical data was a quite hard task. However, this limitation can be also seen as a challenge, as one of the main focuses of this thesis was to learn how to make decisions when launching a new product in a growing market.

Regarding the literature review, the articles available concerning position and targeting among this industry were very little, and were even less when it comes to the specific sort of drinks being studied in this thesis.

Concerning the research performed, the sample used in the survey might not be 100% representative of the universe, due to the fact that despite the considerable high number of answers, the ages reached were all above 18 years old what didn't provide the opportunity of getting clear conclusions among people aged below 18.

Finally and regarding focus groups, one of the main issues faced concerns the people used in order to be possible to used this method, as they were contacted on a convenience basis, due to monetary and time constraints. As so, efforts were made in order to get a sample as diversified as possible.

6.1 Future Research

Given the conditions and limitations that didn't allow for developing the research even more, it wasn't possible to collect important data that could definitely benefit the brand.

By not having into consideration the existent limitations, the research can be improved even further by increasing the number of participants in the online survey, as with no time limitations it could have been possible to build a more representative sample of the population. The same issue could be improved in focus groups, as more should be performed, including more representative groups of people (a group including mixed ages can be an example of an important research).

Concerning comparisons with other countries, it would be important to perform the same research in similar countries and markets, such as Spain, in order to understand how the strategy implemented in Spain could be considered in Portugal.

As last tool to improve the research performed, observation experiences should be used in order to get a better perspective of the consumers' real reactions when trying ALO. This experiment should be performed in different areas associated with different people, in order to better understand consumers' reactions among different places and lifestyles.

7. Teaching Notes

7.1 Synopsis

ALO drink was launched in Portugal on late 2013, with the objective of giving the Portuguese population a 100% natural beverage, produced directly from the Aloe Vera plant, and associated with several health benefits.

Given the tendency of the market and the people's mind changing towards being more careful with what you eat and drink due to health and diet reasons, ALO came to fulfil this need of a drink to carry with you during the entire day.

Launched by António Lopes, a recently undergraduated student, entering in the entrepreneur world with no experience and low budget, several issues started to arise. Being a natural and healthy beverage, the founder decided to target people with healthy lifestyles, trying to sell the product in sports' clubs, natural supermarkets and other places with the same characteristics, however sales weren't being sufficiently representative in order to be able to sustain the business. As so, António decide to revise its positioning and targeting approach, in order to understand how it could be changed to reach success and being able to create a sustainable business.

By changing the plan, and adapting a new positioning and targeting perspective, in 2014 the results started to improve and the business started to grow. Despite the fact that ALO drink is not a number 1 product in Portugal, it is a sustainable product, but still with a great future ahead a lot to grow.

7.2 The reality

Having into consideration that the company considered that its plan wasn't the right one, mainly due to wrong positioning and targeting, ALO decided the perform a market research in order to understand the consumer.

Through all the conclusions, ALO decided in 2014 to target its product to every consumer looking for a balanced lifestyle and concerned about health. Forgetting about sports and natural products, ALO started selling thinking about all the consumers among the ages of 18 to 65, trying to be seen as a great drink, with a cool image, and associated with great health benefits and a balanced lifestyle.

Considering numerous factors, including the customers' preferences and the economic crisis Portugal was going through, António decided to position its drink as a functional beverage with no premium image, but instead as a drink that was able to substitute the beverages consumed by people during any part of the day. The goal "was to make ALO easily available for every customer like any other drink, and give the opportunity to the customer to choose a healthy drink without being affected in taste, price or any other issue", António stated.

Implemented on the year 2014, ALO increased its sales considerably, and the company is happy with its results. It is possible, nowadays, to find ALO in many supermarkets and restaurants. However, there is still a long road to go, and it still is just in the beginning.

7.3 Target Audience

The case study represented consists on a great tool for courses associated with marketing, strategy or entrepreneurship, as it involves numerous concepts concerning these themes. In terms of level of education, it is suited for undergraduate and masters' students, but it can also be adapted for higher levels of educational programs.

7.4 Teaching Objectives

The main objective of the case study is to present the students the complex process of launching a new product/company, and all the problems that might arise from it. The main issues presented in the case are associated with positioning and targeting of a new product, being the main goal to teach students the importance of these steps and the best ways to go through them by looking at the practical side.

By using all the information available, including the case study and respective exhibits, the student will have the opportunity of understanding the problems and obstacles that exist in a business situation, and by looking at a real case situation students can better understand the connection between the theory studied and the real situations, improving their preparation for a future career.

The case study presented involves the following themes:

- Launching a new product / company
- STP (Segmentation, Targeting and Positioning)
- Marketing Strategies
- Market Research
- Functional Products' Market

7.5 Teaching Plan

In order to obtain a better use of this case study, students should have the opportunity to read and analyse it prior to the discussion class, in order to better understand all the issues presented, but also to be able to read articles and textbook associated.

During the discussion class students might or might not have the opportunity to reread the case, and questions should be handed during the class or prior to the class, to allow for a better in-class discussion. This in-class discussion should be complemented with teacher's opinion.

Concerning the group assignment, given its complexity, and depending on the class time, it can be handed during the class to present at its end, or to be presented on the following class.

Among the articles available to contribute for a better analysis of the case study, the following are suggested:

- Sengupta, S. (2005). *Brand positioning: Strategies for competitive advantage*. Tata McGraw-Hill Education.

- Siro, I., Kapolna, E., Kapolna, B., & Lugasi, A. (2008). Functional food. Product development, marketing and consumer acceptance—A review.*Appetite*, *51*(3), 456-467.

- Urala, N., & Lähteenmäki, L. (2007). Consumers' changing attitudes towards functional foods. *Food Quality and Preference*, *18*(1), 1-12.

7.6 In-class Discussion (Questions and answers)

1 - Studying the consumer is vital when launching a new product. Explain why, having into consideration ALO's situation prior to its repositioning and retargeting.

Launching a new product isn't only about having an idea that we consider amazing and with great future. We are one person inside an entire market, and what we think is not what people think. Launching a new product can be a very complex process that requires rigorous analysis and studies.

One of the most important analysis before deciding to launch something, or before making decisions concerning how to introduce a product in the market, is to get closer to the market and study the population preferences, needs and wills. The market is full with products and services, and sometimes people have to much choice. As so, when launching a product we need to understand if there are any possible consumers, if our product will fulfil any need or preference. This process involves studying who our consumers can be, where they are and do they want our product.

When having into consideration ALO's situation at the beginning, it is easy to conclude that the drink was launched in Portugal somehow with some precipitation, as decisions were made in a basis of "what António thinks about the market", and as it was possible to verify things weren't going in the right direction. The business could have been compromised if António didn't decide to retake decisions in the right moment.

Students must be able to refer the complexity of the process of studying the consumer when launching a new product. They should refer the importance of a market research and how it can be vital for a new product's success. It is important to identify the mistakes during the launch of ALO drink, and how it should have been done. ALO wasn't being able to gain sustainability without getting to know the market in the right way, and the market research was an essential step to achieve this and make the right decisions concerning marketing strategies. The process of defining targeting and positioning are themes that students must refer and comment on.

2 – If you were in António's position, would you introduce ALO in Portugal? Explain why having into consideration the Portuguese market characteristics.

This question involves not only a personal opinion, but also an opinion based on the numbers presented on the case study and respective exhibits.

Having into consideration the market research performed, the Portuguese population has been changing their minds concerning healthy drinks during the past few years. It is clear that people have more information available and that is leading to a more careful decision-making when it comes to buying food and beverages. This tendency refers not only to in house consumption but also when on the outside, what gives a great opportunity for a product like ALO.

Through the market research it was possible to conclude that the consumer is not only the one who practise sports regularly or the one who is following a diet program, but also people that want to find healthy products to consume on their daily life that are also associated with great-tasting. The fact that people are looking for a solution to substitute their usual products shows that there is still some space for healthy beverages to grow, and being the people interesting in consuming this kind of products on a daily basis shows that this products have no seasonality issues.

When it comes to ages, the population above 15 years old is more worried and looking forward to get a tasty and healthy beverage to carry during their lives, what means that almost the entire population is interested in such drinks.

The students must be able to state their opinions based on data concerning the Portuguese market, however these data should also be confronted with their own opinion and preferences related to these products. It is also important to make a comparison with external markets as referred in the case study, and compare the results on those countries with the data available for Portugal. Having into account the main goals of ALO, the tendency of consumers' minds among different ages, their perceptions concerning healthy and natural beverages and personal opinion are issues that the student should address to answer this question.

3 – António considered the repositioning an essential step. Explain what is Positioning and why António considered the repositioning an essential step.

Positioning is quite a complex theme. In a general way, positioning concerns the image and perception that the consumers have concerning a product or service, meaning that it is how the consumer sees you. However, defining positioning can be quite a complex process. First of all, some question should be answered before defining positioning, such as what is really being sold here, how it differentiates from competitors and why is it so unique. In order to be able to answer this strategic questions it is essential to perform a market research, as previously referred, and after that, defining positioning involves the target audience, ways of reaching the consumer, the product that they are actually acquiring and how unique is it (unique selling proposition).

Concerning ALO situation in Portugal, António started by selling his drink as a healthy one for people that want to be fit to consume, and for people who only acquire natural products. This was definitely the wrong way to start, as it positioned the drink by misleading what it really is, who the target is, how to reach them and why it is so unique. By starting with the wrong foot, António reached a point in time when the business wasn't sustainable and it wasn't possible to keep going. By this point, António, after performing a market research, realized that ALO wasn't transmitting the image that it should be, because the consumer wasn't the one previously thought, and consequently the way of reaching the client wasn't the correct one either.

Reaching a point when you realize the consumers don't see your product as they should due to the way you are selling it shows how vital positioning strategy is for sustaining a business, otherwise you are working in the wrong direction.

While in this question the student must be able to give a clear and concise definition concerning positioning and what it involves and how it is vital to differentiate a certain product, the student should also be ready to comment on how important it is based on ALO's experience described on the case study.

7.7 Group Discussion

Imagine yourself as a successful consultant, always on the road to get new projects. You met António on a social dinner and, later, he decided to hire for your consultant services. He wants you to advise him on the path he should take in order to make the right decisions concerning the repositioning and retargeting of the brand. (You are expected to design a guide explaining the steps António should take in order to get what it takes to make the right decisions. Explain the pros and cons of the path chosen.). ***Each group has 5 minutes to present.***

In this question students aren't expected to provide an answer concerning the correct positioning and targeting. Students are expected to provide a guide describing the steps that António should take in order to get the information and data that is essential to make the right decisions. Summing up, the students should present the methodology considered to be the most appropriate, and conclude concerning the pros and cons of using the methodology chosen.

Considering that there is no right or wrong answer in this question, students should analyse the qualitative and quantitative methods available, and decide which they consider more adequate. Qualitative methods include focus groups, interviews, and others as such. These methods give the opportunity of getting more detailed information about the market, and preferences of consumers, however its biggest con consists on the fact that it is hard to get a representative sample of the universe by using qualitative methods. On the other side, an example of a quantitative method is the survey, with the great advantage of allowing to reach a representative sample of the universe being studied, but on the other hand the information is of much less detail than the qualitative methods referred.

Students are expected to show knowledge concerning the methods available for situations as the one described, and they should be able to clearly justify their options, by presenting advantages and disadvantages. At the end of presentations, the methodologies used in this thesis might be used as an example for an answer to this group discussion.

8. References

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8.2 Online Sources:

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- www.alodrink.eu
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- http://www.nearof.com/?p=601

- www.wikipedia.com
- http://www.lactogal.pt/homepagemarcas.aspx?menuid=47

8.3 Other Sources:

- ALO's confidential / internal documentation

9. Appendix

9.1 Appendix 1 – Online Survey Guide

The present survey was performed as part of a project of the Master program of Católica Lisbon School of Business and Economics. This project has the main goal of studying the national market with the objective of contributing in the decision-making concerning the launch of a natural and healthy beverage, in order for the same to become available on the conditions that please the Portuguese consumer.

We would like to kindly ask for your honesty when answering this survey. It is important to refer that this is an anonymous survey, and the answers will only be used for the purpose described above.

We would like to thank you in advance for your collaboration.

1 - How often do you practise sports?

More than once a day □

Once a day □

4 to 7 times a week □

1 to 4 times a week □

Once a week □

Never □

2 - Are you careful with what you eat?

Yes □

No □

3 - Are you careful with what you drink?

Yes □

No □

4 - When on the outside, do you consume healthy food?

Yes □

No □

If your answer was No, please move to question 6.

5 - How often do you consume healthy food?

More than once a day □

Once a day □

4 to 7 times a week □

1 to 4 times a week □

Once a week □

Never □

6 - Do you consume natural beverages?

Yes □

No □

If your answer was No, please move to question 9.

7 - How often do you consume natural beverages?

More than once a day □

Once a day □

4 to 7 times a week □

1 to 4 times a week □

Once a week □

Never □

8 - In which situations do you consume natural beverages? (Select a maximum of 2 answers)

Morning □

Meals □

Afternoon □

Evening □

Before / during / after practising sports □

Every period of the day □

9 - In case you don't consume natural beverages, what are the main reason/s? (Select a maximum of 2 answers)

Taste □

Brand □

Package □

Trust □

Sale's points □

Don't like □

ALO is a 100% natural drink recently launched in Portugal. Produced directly from the Aloe Vera plant, it contains 25% of pulp and Aloe Vera Juice, other juices, natural ingredients and water. The pulp and juice are directly extracted from the plant, leading to no reconstitutions through any kind of powder, and it doesn't contain any artificial ingredient. But most important is its great-tasting, and all the health benefits that this drink provides.

10 - Are you familiar with ALO drink?

Yes □

No □

11 - Have you already tried ALO?

Yes □

No □

12 - In case you never tried ALO, would you like to try it?

Yes □

No □

13 - In case you wouldn't like to try it, what is the main reason?

Package □

Lack of trust □

Don't like natural beverages □

Colleagues / friends / family opinion □

14 - How much would you consider spending to buy an ALO drink of 50cl, having into consideration its benefits and the fact that usually drinks are sold in a 33cl package?

0,5€ - 1€ □

1€ - 1,5€ □

1,5€ - 2,5€ □

Wouldn't buy □

15 - Gender:

Male □

Female □

16 - Age:

10 – 15 □

15 – 18 □

18 – 25 □

25 – 35 □

35 – 55 □

>55 □

17 - Education level:

Basic school □

High school □

University □

Graduation □

Masters □

PhD □

18 - Occupation:

Student □

Professional □

Other □

19 - In which of the following is your annual income considered:

<14.000€ □

14.000€ - 20.000€ □

20.000€ - 30.000€ □

30.000€ - 50.000€ □

50.000€ - 75.000€ □

>75.000€ □

No answer □

THANK YOU FOR YOUR COLABORATION!
ALO PORTUGAL THANKS YOU FOR YOUR CONTRIBUTION!

9.2 Appendix 2 – Online Survey Answers

1 -How often do you practice sports		
More than once a day	4	1,4%
Once a day	17	6,1%
4 to 7 times a week	34	12,2%
1 to 3 times a week	125	44,8%
Once a week	58	20,8%
Never	41	14,7%
	279	**100,0%**

2 - Are you careful about consuming healthy food?		
Yes	225	80,6%
No	54	19,4%
	279	**100,0%**

3 - Are you careful about consuming healthy drinks?		
Yes	198	71,0%
No	81	29,0%
	279	**100,0%**

4 - When out of home, do you consume healthy food?		
Yes	189	67,7%
No	90	32,3%
	279	**100,0%**

5 - How often do you consume healthy food?		
More than once a day	122	43,7%
Once a day	54	19,4%
4 to 7 times a week	59	21,1%
1 to 3 times a week	42	15,1%
Once a week	2	0,7%
Never	0	0,0%
	279	**100,0%**

6 - Do you consume natural beverages?		
Yes	227	81,4%
No	52	18,6%
	279	**100,0%**

7 - How often do you consume natural beverages?		
More than once a day	33	11,8%
Once a day	33	11,8%
4 to 7 times a week	41	14,7%
1 to 3 times a week	88	31,5%
Once a week	79	28,3%
Never	5	1,8%
	279	**100,0%**

8 - In which situations do you consume natural drinks? (Please select a maximum of 2 answers)		
Morning	120	43,0%
Meals	96	34,4%
Afternoon	61	21,9%
Evening	5	1,8%
Before/during/after practising sports	32	11,5%
Any part of the day	87	31,2%
	401	**143,7%**

9 - In case you don't consume natural drinks, what are the main reason/s (please select a maximum of 2 answers)		
Taste	94	33,7%
Brand	11	3,9%
Packaging	11	3,9%
Trust	65	23,3%
Sales' points	112	40,1%
Don't like	77	27,6%
	370	**132,6%**

10 - Are you familiar with ALO?		
Yes	74	26,5%
No	205	73,5%
	279	**100,0%**

11 - Have you ever tried ALO drink?		
Yes	39	14,0%
No	240	86,0%
	279	**100,0%**

12 - Would you like to try ALO drink?		
Yes	250	89,6%
No	29	10,4%
	279	**100,0%**

13 - In case you wouldn't like to try ALO drink, what is the main reason?		
Packaging	13	4,7%
Lack of trust	159	57,0%
Don't like natural beverages	79	28,3%
Colleagues/friends/family feedback	28	10,0%
	279	**100,0%**

14 - What is the price you would be ready to spend on ALO's 500ml drink, having into consideration its benefits and the fact that usually drinks are sold in 330ml packages?		
0,5€ - 1€	49	17,6%
1€ - 1,5€	153	54,8%
1,5€ - 2,5€	65	23,3%
Wouldn't buy	12	4,3%
	279	**100,0%**

15 - Gender:		
Male	161	57,7%
Female	118	42,3%
	279	**100,0%**

16 - Age:		
10 - 14	0	0,0%
15 - 17	0	0,0%
18 - 24	199	71,3%
25 - 34	48	17,2%
35 - 54	24	8,6%
>55	8	2,9%
	279	**100,0%**

17 - Level of education:		
Basic school	3	1,1%
High school	23	8,2%
Undergraduation	111	39,8%
Graduation	13	4,7%
Masters	129	46,2%
Phd	0	0,0%
	279	**100,0%**

18 - Occupation:		
Student	125	44,8%
Professional	138	49,5%
Other	16	5,7%
	279	**100,0%**

19 - In which of the following levels is your annual income considered?		
<14.000€	107	38,4%
14.001€ - 20.000€	44	15,8%
20.001€ - 30.000€	19	6,8%
30.001€ - 50.000€	13	4,7%
50.001€ - 75.000€	9	3,2%
>75.001€	12	4,3%
No answer	75	26,9%
	279	**100,0%**

9.3 Appendix 3 - Focus Group Guide

Introduction:

- Participants' presentation
- Presenting focus group's purpose and main goals

Natural beverages' consumption

- Describe your consumption of natural beverages in terms of:
    - Do you consume?
    - If yes, how often?
    - If no, describe your reasons?

- Which are the main places where you consume natural beverages?

- Which natural beverages / brands do you usually drink?

- Which are the main places where you buy natural beverages?

- Did you feel a change in your consumption habits? How so?

ALO Drink

Several bottles of ALO are placed on top of the table.

- What is your opinion concerning the package?
    - Positive characteristics
    - Negative characteristics

Each participant has the opportunity to try ALO.

- Participants are asked for their opinion concerning the right image / positioning of ALO in the market.

- Participants are asked for their opinion in terms of the places where they would consider buying ALO.

- Participants are asked for their opinion concerning the price they would consider spending on a bottle of ALO.

Conclusions / Suggestions

- Participants are free to add value / suggestions.