How can Modelo Continente Hipermercado, S.A. conquer the Millennial generation?

Catarina Almeida

Dissertation written under the supervision of João Simão Pires

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Abstract

Title: How can Modelo Continente Hipermercado, S.A. conquer the Millennial generation?

Author: Catarina Almeida

Continente Modelo S.A. has been the leading retailer in Portugal for several years, due to its ability to successfully engage consumers. As the approach of just trying to influence consumers' habits was no longer effective, Continente changed its focus in 2011, to a customer-centric one, taking on a prompt and effective response to their wishes as its main objective. However, a different challenge emerged, a new generation of consumers with different values, views, beliefs and lifestyles than the previous ones. Commonly known as Millennials, this generation is permanently connected through several social media platforms due to the digital world they were born in, turning them into trend setters and the most ever informed generation, posing a new challenge for companies as traditional advertising is no longer as effective. Millennials are important for Continente as they are aged from 18 to 34, and in Portugal, on average, young adults move out from their parents' houses at 29 years old, making them "the" new target customer. Being such a unique type of consumer, marketing strategies needs to be improved in order to engage them.

This case study presents an overview of Continente's current strategy, as well as a brief analysis of the competitive environment, and of the characteristics of Millennials plus their impact on the retailing industry, finally presenting possible and viable solutions in order to conquer this new generation.

Key-words: Millennials, Retail, Segmenting, Targeting

Resumo

Título: Como pode o Modelo Continente Hipermercado, S.A. conquistar a geração Milénio?

Autor: Catarina Almeida

Continente Modelo S.A. é o líder de mercado em Portugal há vários anos, devido à sua capacidade de satisfazer as necessidades dos consumidores com sucesso. Como a abordagem de apenas tentar influenciar os hábitos dos consumidores estava a perder a sua eficácia, o Continente mudou o seu foco em 2011, centrando-o no cliente, assumindo como principal objetivo uma resposta rápida e eficaz aos seus desejos. Contudo, surgiu um novo desafio, uma nova geração de consumidores com valores, opiniões, crenças e estilos de vida diferentes dos anteriores. Conhecidos como *Millennials*, esta geração está permanentemente conectada através de várias redes sociais devido ao mundo digital onde nasceram, transformando-os nos principais definidores de tendências e na geração mais informada, representando um novo desafio para as empresas, sendo que a publicidade tradicional já não é tão eficaz como em tempos foi. Os Millennials são importantes para o Continente uma vez que têm idades compreendidas entre os 18 e os 34 anos, e a média de saída de casa dos progenitores é aos 29 anos de idade, tornam-se assim no novo consumidor-alvo. Sendo um tipo de consumidores ímpar, surge a necessidade de melhorar as estratégias de marketing existentes para os cativar.

Este *case study* apresenta uma visão geral da estratégia atual do Continente, uma breve análise da concorrência e das características dos *Millennials*, assim como seu impacto sobre a indústria de retalho alimentar, apresentando por fim soluções possíveis e viáveis para conquistar esta nova geração.

Palavras-chave: Geração Milénio, Retalho, Segmentação, Targeting

Contents

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List of Abbreviations

Continente: Modelo Continente Hipermercados, S.A.

FMCG: Fast Moving Consumer Goods

App: Downloadable mobile application

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Case Study

Introduction

After Baby Boomers and Generation X, a new generation is taking over the world. Known as Millennials, this group has different values, concerns, and is permanently connected through several social media platforms due to the digital world it was born in. They are trend setters and when it comes to making big purchases, they will search for reviews and opinions first, not only analysing the product or service but also the company. Therefore, there is a new challenge for businesses, as traditional advertising has become less effective: the adaptation of marketing strategies and business models to the newest buyer generation.

Millennials are aged from 18 to 34 and, taking into consideration that, on average, Portuguese young adults move out of their parents' homes at the age of 29[1], we can conclude they are doing or about to do their own grocery shopping, becoming the new target consumer for retail companies. However, this generation of consumers is different: it has a lower income, prefers experiences over material goods, considers brands as a form of self-expression, worries about ethics, environment and healthy lifestyle and uses mobile devices while shopping.

This case will focus on how the market leader Modelo Continente Hipermercados, S.A. (Continente) can maintain its prime position by initiating a relationship with this new generation of consumers. So far Continente has been focused on the traditional family household, mostly due to the fact that it was the first hypermarket chain in Portugal. In order to attract this costumer segment, Continente needs to design a new engagement strategy.

This case starts by analysing the industry and providing a brief overview of the company, followed by an analysis of the Millennial generation in regards to characteristics and consumer behaviour. It also incorporates questionnaire designed to analyse Portuguese actual consumption patterns. Finally, some suggestions for a strategy improvement for the company to engage this new generation of consumers are presented.

The Competitive Environment in the Food Retail Industry

Global Statistics and Trends for the Portuguese market

INDUSTRY DEFINITION

Continente operates in the retail industry, which includes all businesses that sell goods or services to consumers and comprises department stores, discount stores, specialty stores, and seasonal retailers.[2] For this case, the research will be analysed from Continente's perspective, as regards the characteristics of grocery shopping by Millennials.

MARKET ANALYSIS

There are approximately 4 million households in Portugal which, on average, means 2.6 individuals per family. More than half of these families do not have dependent children (63%) and 21.4% of the households are comprised of only one person (usually older than 65 years). 70% of the Portuguese families live in predominantly urban areas, while 13,5% live in predominantly rural areas. Regarding their expenditure profile, on average each household spent 1,580€ on fast moving consumer goods (FMCG) in 2015 (around 15.7€ per shopping trip), spending most of it on food (1,401€).[3](Exhibit 1)

During the 2011 economic crisis, severe austerity measures were implemented and the unemployment rate increased (Exhibit 2). Consumers saw their purchasing power diminish and budgeted in order to be able to acquire essential goods, turning mostly to private label products (Exhibit 3). Despite managing to keep growing from 2011 to 2013, in 2014 the sales of FMGC suffered an overall decrease of 1%. The food retail was the most affected industry with a decrease of 1.2%, explained by the decline in prices (0.6%), shopping acts (4.5%) and the shopping expenses (1%).[4] [5] However, in 2015 the sales of FMCG increased 1.4% in comparison to 2014, reaching €8.2 billion[3], showing a significant economic improvement.

Discounts and special offers increased over the past few years, accounting for 41% of the sales of 2015. These are used as a way of fighting the growing popularity of the *discounters* ([i]), and take the form of discount/loyalty cards, coupons, vouchers and in-store promotions.[6]

With the increase of purchasing power, consumers are switching back from private labels (decrease of 3.3% – Exhibit 3) to manufacturer labels (increase of 3.4%)[3] and are starting to indulge again in non-essential products, such as fashion, electronics and comfort related products. This might

([i]) Companies that sell low cost/discount products, such as Lidl, Aldi and Minipreço.

be explained by an increase in both the consumer confidence index and in positivity regarding the future of the Portuguese consumers' financial situation (19% to 30%).[7]

The food retail industry is at a mature phase, rivalry is intense, and the threat of substitutes high, thus leading to a need to innovate and tap new markets. For example, the recent launch of Continente Negócios, the new brand branch that aims to compete with the market leader Staples on office supplies, increase the presence of the company on the business to business sector and join the houseware segment for restaurants and hotels.[8][9] Costco, Walmart and Target are also good examples, as they are now selling furniture, in response to the rising trend of lifestyles focused on the home, caused by demographic changes and lower interest rates.[10]

Moreover, critical success factors for the food retail industry include: customer focus and satisfaction, smart use of technology, stock control, effective forecasting and high safety/quality standards.[11]

Trends

Fresh and local products

The increasing concerns with health and ethical issues leads to a more conscious purchasing behaviour, with consumers preferring healthier choices that simultaneously support local producers/suppliers. This presents two big opportunities: to expand the healthy food section and to communicate the partnerships with national producers, emphasizing the freshness and quality of the products.[12] [13]

Personalized attention

Consumers want to feel unique; and expect to be treated as such. In order to do so, retailers need to know their preferences and interests, taking customer data beyond simple marketing strategies: facilitating shopping trips, personalizing discounts promotions, e-mails, recommended products, and so on.

These strategies have several positive effects for the retailers: besides the increase of customer satisfaction, it becomes easier to manage inventory, increase revenue, improve margins and define specific strategies for each store.[13]

Shopping as a social activity

Searching for reviews, ratings or opinions about a product, a service or a company before making a purchase is common nowadays. This means everyone is talking about products (or services) online, in highly visible places. Retailers must become part of this conversation, not only by creating relevant content, but also by giving detailed information and answering questions about their products and encouraging customers to share their experiences online in order to create a positive wave of word-of-mouth.[14] Social media platforms such as *Facebook*, *Twitter*, *Instagram* or *YouTube* are great as they promote a space for customer feedback, rating and review. The allowance of pictures increases the conversion rate by giving more credibility to the opinion shown.[15] This type of engagement increases brand loyalty and long lasting relationships with customers.

Millennials are the new consumers

Millennials trust their peers more than brands, which leads them to be more apprehensive regarding the marketing activities of companies. Nevertheless, having positive reviews and opinions is not enough to ensure a purchase, Millennials buy from companies who mirror their beliefs, values and personality, and that are aware of their social responsibilities.[14]

Omni-channel, but mobile first

Digital presence is not a novelty and retailers are aware that shopping can occur anywhere. The main focus here is not only the easy shopping experience, but consistency across all channels. Consumers can start filling their shopping cart on their work computers, add more products through their smartphone on their way to the store and crossing them off as they collect them. Consumers want to be able to do all of this effortlessly across devices, everything running smoothly. Most use their smartphone or their tablet while shopping to look for products, their location, store information, reviews, discounts and to compare prices. This means small things such as receiving offers automatically on their device as they enter the store, being able to easily access the internet, having QR codes on each product and an online review system are mandatory to succeed in the Internet of Things ([i]) era.[14]

([i]) "The Internet of Things has been defined as a global infrastructure for the information society, enabling advanced services by interconnecting (physical and virtual) things based on existing and evolving interoperable information and communication technologies." (ITU, 2016)

Leading companies

The leading companies of the food retail industry are the following:

Table 1. Main players[16][17][18]

		Continente	Pingo Doce	Intermarché	Jumbo	Lidl	Minipreço	Supercor
	Market share	26.2%	23.5%	8.3%	5.8%	7.4%	6.6%	—
	Number of stores	224	380	241	33	240	630	6
	Sales in millions (2014)	3,461€	3,234€	1,350€	1,500€*	977.5 €**	876.1€	—
Cheaper supermarket*	**Total basket**	3rd	2nd	5th	1st	4th	5th	—
	Private labels	3rd	2nd	4th	1st	6th	5th	—
	Main competitor****	Pingo Doce	Continente	—	Pingo Doce	Pingo Doce/ Continente	—	Continente
	Frequency of grocery shopping****	Weekly	Weekly	—	Weekly	Weekly	—	Weekly
Millennials**	**Main reason for shopping there**	Convenience/ Variety	Convenience	—	Convenience/ Product quality/Variety	Convenience/ Low prices	—	—
	What could change	Product quality	Price	—	Customer service	Customer service/ online shopping	—	—
	Scored highest	Customer service	Product quality	—	Low prices/ Product quality/Variety	Low prices	—	—
	Scored lowest	Quality of online shopping	Superior level of technology innovation	—	Customer service	Quality of online shopping	—	—
Previous generations**	**Main reason for shopping there**	Convenience	Convenience	—	Convenience/ Product quality	Convenience	—	Variety
	What could change	Price	Price	—	Price	Price/ product quality	—	Price
	Scored highest	Variety	Product quality	—	Variety	Variety	—	Customer service/ Product quality/Variety
	Scored lowest	Customer service	Online shopping	—	Low prices	Superior level of technology innovation	—	Low prices

**Includes sales value of Prio petrol stations*
***Estimated value*
****Deco Proteste data*
*****According to questionnaire results*

Pingo Doce – Jerónimo Martins group

Pingo Doce launched its first stores in 1980, but only initiate a low price policy in 2002, developing several campaigns to communicate this strategy and reposition the brand in consumers' minds. Since then Pingo Doce has promoted various discount campaigns; such has the 50% on all products (for purchases higher than 100€). This particular promotion lead to a fine of over €30 million by the Competition Authority.[19] However, due to the campaign success, this did not stop the company to do similar promotions afterwards.[20]

Pingo Doce has several achievements: pioneering the online shopping concept in Portugal in 1998, launching their private label coffee machines in 2010 and developing programmes targeting children like the fairy tales' application (app) or the children's literature award. Recently the company won the international award for fight against food waste, as a result of its work in introducing poor looking vegetables (previously left in the fields) into their prepared meals, as well as in the brand's private label of pre-washed and pre-cut vegetables for salads and soups. Furthermore, the company regularly donates food either about to expire or that cannot be sold to several charities.[21]

More recently, Pingo Doce has been promoting its selection of exotic fruits by providing clients with an "instruction" sheet on how to use the product and its benefits. A representative of the company stated: "customers have shown a great curiosity, not only towards the distinctive shape and texture, but also towards their flavour and nutritional properties" adding "customer reception is increasing, which is proved by the increase in sales volume."[22]

Jumbo e Pão de Açúcar – Auchan group

The group started its operations in Portugal in 1996 with the acquisition of the Pão de Açúcar supermarkets and is, currently, according with Deco Proteste, the food retailer with the lowest prices.

One of the most relevant strategies of Auchan was the creation in 1996 of the educational programme – Rik&Rok Club – designed for children between 4 and 10 years old, which combines entertainment and teaching through fun ways. Members, have advantages like regular communication about recreational and educational products or services and discounts/offers on Rik&Rok products or from Club partners.

Minipreço – Dia group

Minipreço open its first store in Portugal in 1979 and was acquired in 1998 by the Dia group, the pioneer in the *discount* sector in Portugal.([i])

In order to compete with the hypermarkets, Minipreço has launched a new store concept "Minipreço Family", with new stores outside the cities that are more spacious, consequently having more products and brands, as well as new sections such as fresh food (meat and fish), bakery, take-away, cafeteria and even a perfume section.[23][24]

Intermarché – Os Mosqueteiros group

Present in Portugal since 1991, the Os Mosqueteiros group differentiates itself from other retail groups due to its unique management style, where each store is owned and managed directly by independent entrepreneurs, with common structures, logistics and quality controls. The retailer

([i]) Institutional information from Minipreço recently launched a marketing campaign to emphasise how close it is to its clients and how personalize the experience provided is, presenting itself as the neighbourhood's grocery store.([i])

Lidl

The German *discount* chain is present in most European countries, appearing in Portugal in 1995. Lidl recently started an investment strategy in order to distance itself from the *discount* concept, but ensuring low prices are still a priority. The improvements include both the store design with larger corridors and more luminosity and the store layout, greeting the customers with the bakery area, intending to make bread purchase something consumers cannot resist, and highlighting the fresh food section.[25]

The company is also committed to identify itself more with the Portuguese public, by having 100% national meat as well as the majority of the fruit and vegetables, with a total of 300 suppliers. Furthermore, these changes leveraged the exports of the Rocha pear variety and watermelon to countries such as the United Kingdom, France and Germany.[26] Another particularity of this retailer is the weekly newspaper *Dica da Semana*, which is edited by Lidl and, according to Bareme-Marktest, it has 2.2 millions of readers per week.

Supercor – El Corte Inglés

The Spanish group opened the first Supercor in Lisbon in 2001, offering a variety of brands and services, and the possibility to pay with the El Corte Inglés card.

In 2015 the brand got a lot of media attention due to the launch of its online shopping app. It is simple and intuitive, allowing the customer to browse the different supermarket aisles, to pick and drag items into the virtual shopping basket, and to compare characteristics and prices. This app won the innovation on eCommerce and one for the best website/mobile app Navegantes XXI awards.[27]

([i]) Recent commercials include an employee driving an old lady home with several grocery bags or an employee opening the supermarket in the middle of the night to sell powder milk to a newly young father.

The Millennials

Definition

Also known as Generation Y, Global Generation, Boomerang Generation (as they go back to their parents' house) or Digital Natives, the Millennials are the children of Generation X and the grandchildren of Baby Boomers. Although many studies about this generation have been carried out, there is no consensus on its data of birth range, being the extremes 1977 and 2004. In this case study, Millennials are considered to be the people born between 1982 and 1998 (18 to 34 years old). In Portugal this corresponds to 2.4 million inhabitants, making it the second biggest generational group, accounting for 22.7% of the population, being only surpassed by the Baby Boomers (25.7%).[28]

TABLE 2. MAIN DIFFERENCES BETWEEN GENERATIONS[29][30]

	Silent Generation	Baby Boomers	Generation X	Millennials
Birth Years	1925 – 1945	1946 – 1964	1965 – 1981	1982 – 1998
Age (2016)	71 – 91	52 – 70	35 – 51	18 – 34
Historic Events	Great Depression & WWII	Economic Prosperity & Growth of Suburban Middle Class	Vietnam War Fall of the Berlin Wall Moon Landing & Energy Crisis	Globalisation 9/11 & Internet Age
Career Goals	Build a lifetime career with one employer or in a single field	Build a stellar career	Build skills for a portable career	Build simultaneous parallel careers
Work-Life Balance	Support me in shifting my balance	Help me balance everyone else and find meaning myself	Give me balance now, not when I'm 65	Provide flexibility so I can balance my many activities. Work isn't everything
Workplace Feedback	No news is good news	Provided annually with lots of documentation	Seek frequent feedback	Seek instant feedback at a push of a button
Main traits	Patriotic, dependable, conformist, respects authority, rigid, socially and financially conservative and a solid work ethic	Workaholic, idealistic, competitive, loyal, materialistic, seeks personal fulfilment, and values titles and the corner office	Self-reliant, adaptable, cynical, distrusts authority resourceful, entrepreneurial and technologically savvy	Entitled, optimistic, civic minded, close parental involvement, values work-life balance, impatient, multitasking and team-oriented

Characteristics

PREFER EXPERIENCES

This generation is less materialistic and cherishes more the values linked to happiness, passion, discovery and sharing,[28] especially because experiences are essential to the forging of their identity.

Share instead of buying

Due to the degraded economical state, this generation postpones big purchases and requires higher value from the brands they buy.[31] They rather borrow or rent instead of buying, as the experience is the same, opening doors to a new sharing economy in which several companies are already operating (car sharing, laundry services, house sharing/renting, clothing rentals and websites that share movies, music, TV series, among others).[28]

Gender neutral

From the 350 thousand students enrolled in higher education in Portugal during 2015, more than half are women (187 thousand)([i]) and more men are taking responsibilities traditionally assigned to women, such as stay at home dads and other household and purchasing responsibilities.

Live on a budget

Both the global recessions and the current financial situation created a new mix of traditional and non-traditional values for this generation, meaning a new type of consumer. Despite being a better prepared generation and the one with the better and innovative ideas, the current job market condition is not responding to their needs.[32]

Badly perceived by previous generations

Millennials are often called lazy, self-entitled and disrespectful among other adjectives. However, Millennials are growing and starting their lives in one of the toughest economic and social environments the world has experienced. Aligned with this situation there are some other reasons why they are so criticised:

Seek work-life balance: work is no longer seen as the main character of life, Millennials see things in life at an equivalent matter instead of a sequential one, so they look for a balance that allows them to experience life while succeeding in their professional life.[33]

Are uninterested about politics: 57.3% of Portuguese people between 15 and 24 years old state they have no interest at all regarding politics and 87% of people between 25 and 34 said that have little or no interest at all. This is mostly due to the belief they cannot change the world and because their lack of trust both on politicians and institutions, aligned with the lack of knowledge from the traditional political parties on how to interact with this generation.[28][33]

([i]) *Pordata* data

Have weak job prospects: the society has made promises to this generation that were not fulfilled. Although ambitious, there are not enough jobs that match their background and/or level of studies.[33][32]

Are multitaskers preferring 'and' instead of 'or': having a lot of extracurricular activities is the norm, not only because it enhances their curriculum but also because they enjoy it and want to experience as much as they can. Millennials want to have a relevant and fulfilling career but also a well-paid job. However, the job market is also asking more from them, requesting more versatility, and since most are not able to get a job in their area of studies, they adapted, having their job descriptions going beyond their area of expertise.[28]

Are connected 24/7: more than 60% of Millennials access social platforms daily, seeking and enjoying instant gratification. They want the 'now' and value the speed and convenience of access to goods and services. However, having the world at a distance of a click made Millennials impatient and with an increasing Internet addiction, since it is where they can find the effectiveness and immediate feedback they seek, that cannot be found in school or workplace, which may lead to complications in their offline life.[28]

Optimistic & with traditional aspirations

Despite their challenges, and taking into consideration the high youth unemployment rate (Exhibit 2), Millennials remain optimistic, 62% of Portuguese students are confident that when they finish their studies, they will be able to get a good job on their area of expertise with a good salary and 66% believes that, within a year, work opportunities will improve.[34]

Their aspirations are still the traditional ones: owning a home, having a family, achieving a high-paying career, providing for extended family, helping others in need, traveling, having an important position at work, earning enough money to buy luxury items and experiencing different things as a young adult. But having also non-traditional ones such as having a job with a purpose matching their personal passion and starting their own business.

Entrepreneurial

Having their own business is a common desire among Millennials, 17% of Portuguese students want to develop their own business, and 31.2% showed willingness to do so in the event of unemployment.[28] According to young Portuguese entrepreneurs, the main reason to start a business is a matter of personal fulfilment (58%), followed by the lack of attractive job opportunities (39%).[34]

As the entrepreneurial behaviour can easily be learned, universities and other entities (such as the Associação Nacional de Jovens Empresários, Association Internationale des Etudiants en

Sciences Economiques et Commerciales and Federação de Júnior Empresas de Portugal) support and influence this generation by providing knowledge and competences, encouraging them to take this opportunity.[35] Besides this, opening a business in Portugal is relatively easy. According to the World Bank, Portugal ranks 23 out of 189 in regards of *Starting a Business*. For example, one can do it within an hour at an “Empresa na hora” counter by paying 360€ for the business registration.[36]

Health conscious

The body is seen as part of their identity and something they can change and adapt, translating into healthy eating, more sports and more body concerns (for instance, they smoke less).[28] This makes this generation more willing to spend money on health-related items, and some companies are already taking advantage of this trend by including a “healthy” section and the number of healthy, vegetarian/vegan, bio and natural stores is increasing.

Influencers

Millennials influence previous generations' decisions. Often because they are the ones better informed and more technological savvy, so other generations frequently ask Millennials for advice on what to buy and where to buy it. [28]

As consumers

Shopping is a social activity

Millennials shop with friends and have a tendency to not make a purchase if their peers disapprove.

Value two-way dialogue

Millennials feel like it is their responsibility to share feedback and give inputs to companies after good or bad experiences with the brand.

Information seekers

42% of Millennials searches for information from at least 4 different sources before purchasing from a new brand.[37] They have low average daily spending costs due to the constant online search, 69% visit retail sites and most of them uses their smartphones when they enter a store to search for a specific product and find the best offer. This means Millennials are demanding consumers as they are highly informed about prices and their rights.[28]

Even though most of the information gathering process is online, 43% of people under 30 years old still prefer the physical store as the purchasing place. This shows that touching, testing and doing some final comparisons are still consumer reflections,[38] a conclusion validated by the questionnaire results, where 34% of the respondents who do not buy their groceries online stated the inability to touch the products as their main reason.

Cautious where they spend their money

Due to their low budget, Millennials pay a lot of attention and are extremely careful on what they spend money on. As mentioned before, the sharing economy is rising, mostly due to the fact that this generation is no longer buying products that they only use once or twice, or that are extremely expensive for them as they are not willing to postpone their vacations for ten years in order to a buy a house now.[33] They prefer to spend more money on health, experiences and technology.

Expect something extra from brands

Providing products and/or services is no longer enough, Millennials want more, they want brands to provide benefits in other areas of their lives. Some of the most requested benefits are financial assistance (grants, scholarships, …), opportunities for more life experiences (trips, lessons on relevant subjects, useful life hacks, …), mentorship and connection with others that have similar interests, ideas and lastly, that share their message.[39]

Willing to engage with brands

Despite common belief, Millennials are quite brand loyal, they are just more skeptical towards brand messages and advertisement. In order to catch their attention, brands need to surprise and delight them, be authentic when showing the brands worth, allow Millennials to influence their products, be prompt to answer questions and comment, sponsor events (NOS Alive, Rock in Rio, SuperBock Super Rock, …) and create relevant online content (videos, photos, blogs, games, …), among other things.[39]

Success cases among Millennials

Some retailers have been marketing to Millennials since they were kids, and now feel like they should keep pursuing this segment as it matures. Opening new concept stores is a popular strategy among companies. For example, Abercrombie & Fitch launched Ruehl No. 925, a more expensive new brand, with a retail environment described as “cross between a New York brownstone and a swanky boutique hotel”, targeted at 20 to 35 year olds.[40]

A lot of food retailers also managed to successfully win over this generation. Trader Joe’s is perceived as a cool and hip brand, it uses humour and casualness to attract Millennials by having its staff wearing Hawaiian shirts, ensuring they relate to customers in an efficient and easy-going way, and by giving unconventional names to its products. The company also offers the organic products Millennials love at accessible prices, and manages to keep the “neighbourhood feel despite being a chain," as one CultureQ participant stated.[41] Another great example is Costco, a warehouse that offers a wide selection of merchandise, and it is popular among older generations. However, appealing to Millennials was a challenge for Costco due to the size of the majority of its merchandise, the lack of shopping bags to carry purchases and its location (the suburbs), as the majority of this generation does not own a car and prefer to live in urban areas. To overcome this, Costco partnered with the Google Shopping Express same-day delivery service, that now handles all the pickup and delivery issues, allowing Millennials to take advantage of the bulk-sized products without the transportation hassle.[42] The questionnaire results show that Portuguese Millennials also consider the lack of same day delivery a deterrent to online shopping.

Whole Foods is another retailer loved by Millennials, mainly as a result of their fresh and organic food offering. It also suggests healthy recipes and engages customers through social media by encouraging them to share photos of the final product.[43] Even though this company is pretty successful among this generation, it is planning on opening new stores specially for Millennials, the concept consists not only on offering more affordable organic products and maintain the quality standards, but also on including other businesses inside the stores, namely record and tattoo shops.[44]

Publix is also taking advantage of the Millennials' health concerns with the Aprons brand, which promotes Simple Meals (30-minute recipes). The recipes developed are usually driven by the ingredients the store wants to promote at a certain time. Even though the brand was launched ten years ago, the experience it provides is a compelling element in attracting this new generation. The brand ensures the recipes are all that it says they are; employees are encouraged to try the recipes to give feedback on the taste and to do the meals at home to make sure that they are done in 30 minutes. As Sandeep Malhotra, an industry consultant, said "convenience for several decades has been the goal they're trying to solve. The new part of the last few years is that you can't sell convenience in the form of a canned soup or a box of dry pasta that you mix with powdery cheese." After all the tasting and testing, the top 5 recipes are chosen and sent to the stores that include the Apron stand (around 85% of them) and the ingredients are made available. But the main goal for Publix is to make costumers come back for more, as Amber Pruett, the director of recipe development, states "it's about giving customers an experience, giving them ideas about ingredients they may or may not have tried, and getting those in their carts, it's not so much that recipe, that time, but are they going to come back and buy it again without a recipe?" A valid concern when considering that analysts estimate the value of the meal-kit delivery services industry to soon be worth in US $3 billion to 5$ billion.[45] Publix also has a successful app, where customers can view specific store sales, coupons, products, nearest stores and create shopping lists, where the aisles for each product are also indicated.

7-Eleven has also joined the healthy club. The company is trying to attract Millennials and has already designed and implemented a strategy to do so. From a new logo to new store interiors that give a Whole Foods vibe, the brand wants to position itself as a healthy option, with granite floors, white tiles, green furniture and healthy products in an attractive display.[46]

In terms of store technology Kroger is making significant progress, especially with the introduction of QueVision in 2012, a technology platform that provides access to real-time data to managers by using sensors and predictive analysis. All the information collected allows for better control and organization of the stores at all times, meaning it is possible to predict when the queues will be longer allowing to take measures before it even happens. With QueVision, the average waiting time was reduced from 4 minutes to 30 seconds.[47]

In order to engage better with customers and to increase its satisfaction, Starbucks developed in 2008 the "My Starbucks Idea", a community website. The space allows customers to provide suggestions, feedback[48], and rate other users' ideas, actions that earn them points in order to be recognized on the platform's leader board each month. There is even a section for customers to follow the stage of their ideas, if they are being reviewed, put into action or were already launched. A simple idea that satisfies two different Millennials' requests, two-way dialogue and involvement in the creation of new products/services.[49]

A key element in engaging Millennials is connecting with them through social media. Creating sharable content is crucial to succeed in this department and although it is difficult to create something new and exciting, some companies have succeeded in doing so. For instance, Barnes & Noble created an appealing Twitter campaign during the holidays, #BNGiftTip, where customers were encouraged to ask for book ideas to gift their friends.[50] Carter's is another example, the brand took advantage of the fact that Millennial parents love to share pictures of their babies, and encouraged them to do so, by dressing their kids in the brand's clothes and posting the pictures using the hashtag #lovecarters. The best pictures were also featured in the brand's website.[43]

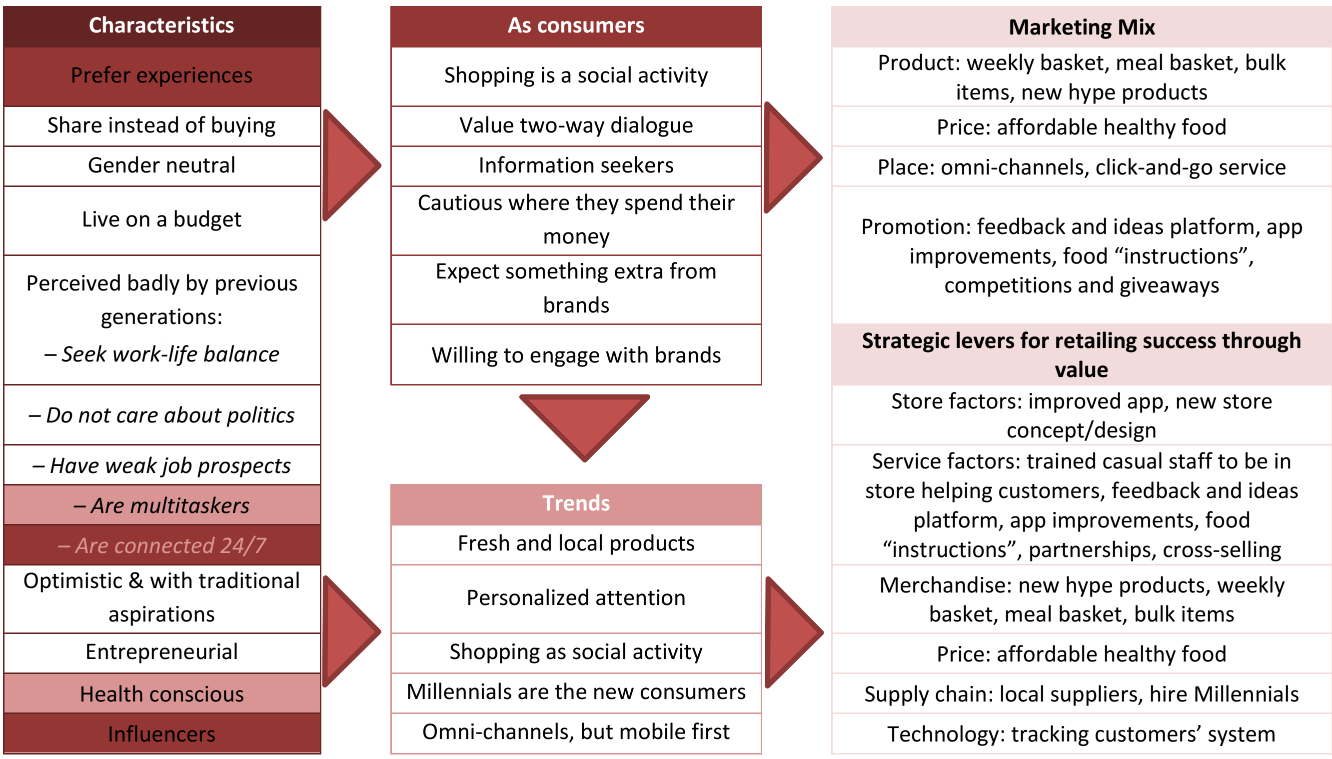
TABLE 3. THE TOP 25 BRANDS FOR MILLENNIALS 2015[43]

Brand	2015	2014	Main reasons
Apple	1	2	Apple has an incredible number of fans, many of them Millennials. Its products are popular worldwide.
Nike	2	1	Health concerns make exercise a priority for Millennials, and when it comes to apparel Nike is the first choice, as it is not only fashionable, but it is extremely innovative and incorporates state-of-the-art technology.
Samsung	3	3	Samsung's phones and tablets are extremely popular among this generation.
Sony	4	4	Highly linked to technology, Sony's PlayStation is one of the main reasons for its popularity.
Microsoft	5	7	Millennials are fans of Microsoft's mobile apps, cloud and holographic computing.
Target	6	6	After creating the "cheap chic" concept, Target is now repositioning its grocery segment to attract Millennials, and is also trying to position itself as the first-choice retailer to purchase back-to-school college goods.
Amazon	7	11	With the introduction of new services, such as one-hour delivery, the Dash Button and the extension of the grocery delivery service to New York City, Amazon is highly regarded by Millennials'.
Google	8	12	Being part of Millennials' everyday life is a privilege, and Google has done it through its smartphone apps and its e-mail service, Gmail.
Walmart	9	5	Walmart is aligning its values with the ones Millennials follow, pledging to practice more humane standards for its meat, opening smaller neighbourly stores and developing an app that accompanies consumers in the store, helping them find the best deals.
Nintendo	11	13	Nintendo brings up nostalgic feelings for this generation because they used to play its games as kids, so they remain brand loyal. Nintendo also engaged their customers during the celebration of the 30th anniversary of *Super Mario*.
Coca-Cola	10	8	Coca-Cola still haves a strong positioning in Millennials minds, especially due to its marketing campaigns, like "Share a Coke" and "Tweet a Coke" that have a high engagement with customers.
Forever 21	12	36	Millennials use clothing to express their personality, so having a brand providing fast fashion at affordable prices is the main reason for engaging with Forever 21.
Adidas	13	14	In a battle with Nike, Adidas is trying to win over Millennials by offering customized shoes and by reducing production time.
Jordan	14	9	Having limited editions appeals to the sense of uniqueness Millennials desire, Nike's Jordan sneakers manage to do just that, which also leads them to the billion-dollar reselling market.
Pepsi	15	10	Appealing to the health concerns of Millennials, PepsiCo launch a new soda naturally sweetened with stevia and removed the artificial ingredient aspartame from its Diet Pepsi. Pepsi also managed to create a viral marketing campaign "Unbelievable", getting more than 7 million views on YouTube.
Starbucks	16	22	Starbucks has been growing and expanding over the years, opening in new locations, expanding the food menu, as well as drive-thrus. The main competitive advantage of Starbucks is the ability to integrate consumers' ideas and suggestions.
American Eagle	17	—	In an industry where low prices are the rule, American Eagle was able to avoid the same fate, conquering Millennials by introducing a new lingerie line, using Photoshop-free ads.
Converse	18	20	Millennials are wearing sneakers in several occasions, including work, and Converse is taking advantage of it, as it is considered a timeless brand, and also by engaging consumers with their "Made by You" campaign.
Ford	19	19	Trying to reposition itself as a luxury brand, Ford is liked by Millennials due to the new line of compact sedans and the social media engagement.
LG Corporation	20	48	Its marketing campaign #MomConfessions appealed to Millennials through humour and social media.
Disney	21	—	Disney's campaign "Disney Side" was a huge social media success.
Hot Topic	22	—	Being the clothing shop of choice for Millennials, Hot Topic is becoming a lifestyle, focusing on the pop culture and the music industry.
Old Navy	23	—	The brand's digital campaigns have been a tremendous success.
Kohl's	24	—	In addition to the inviting low prices Kohl's managed to create an attractive reward program, ensuring loyalty without the need of a store card.
Victoria's Secret	25	38	Being the leader in the lingerie market with 35% of share, the brand's Angels marketing strategy is one of the most successful in history.

Zappos tried a different approach to engage Millennials: it went beyond product line adjustments and decided to create a company culture that would earn their admiration. The company believes happy employees perform better, so it offers coaching sessions to help employees with their personal and professional goals, makes hundreds of books available and rewards employees who read them, allows employees to have fun during work (dress up, sing karaoke, take a nap, play bowling, etc.), and encourages friendships between co-workers. In order to create connections and meet new people, something Zappos considers necessary to improve creativity, the company encourages employees to explore other work-friendly places, such as coffee shops and co-working places. Zappos also believes transparency, autonomy and full collaboration (by having a flat organization) are key elements to win over this generation, but giving back to community and having a clear mission are the fundamental pillars for success.[51]

In sum, these are some successful strategies to achieve a good relationship with Millennials: share recipes and encourage them to try new products and foods, create new store concepts and designs, promote organic and natural products, improve delivery services and omni-channel, design marketing campaigns that encourage sharing, develop new technologies to understand better each client and their shopping patterns, create platforms where clients can share ideas, suggestions and feedback, ensure casual but well trained staff, hire Millennials, and pursue more social and environmental actions.

FIGURE 1. MILLENNIALS: CHARACTERISTICS, AS CONSUMERS, MARKETING MIX AND STRATEGIC LEVERS IMPLICATIONS



Modelo Continente Hipermercados S.A.

The brand is part of the Sonae group, but, despite common belief, Continente was not created by the group. The first supermarkets of the group were named "Modelo" and "Continente" brand was owned by the French group Promodès. Continente opened its first store in 1985, being the first chain of hypermarkets in Portugal. A partnership between the two groups was established and the Modelo Continente S.A. insignia was born. In 2004 Carrefour announced the sale of its 22.37% share in Modelo Continente and Sonae purchased it. Later, in 2007, Sonae bought the 12 Carrefour hypermarkets existing in Portugal, and on the 4th of January of 2008 these hypermarkets reopened under Continente's insignia.[52]

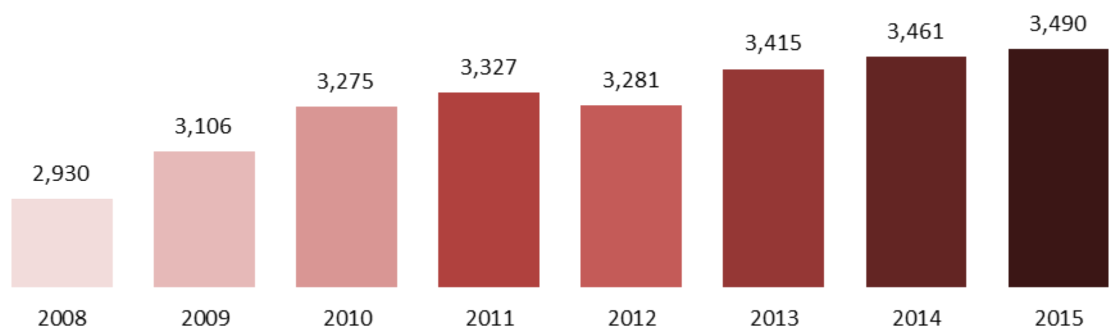
TABLE 4. CONTINENTE STORES (i)

	Continente	Continente Bom dia	Continente Modelo
Number of stores	41	55	128
Characteristics	Hypermarkets of present in large population centers.	Convenience supermarkets in urban locations, aiming for more frequent purchases of everyday life	Hypermarkets of proximity present in medium-sized population centers.
Size	9000m²	800m²	2000m²

Almost all stores are certified by ISO 14001 Apcer regarding its environmental friendly measures (reduced energy, water and gas consumption, and recycled paper, polystyrene, cooking oil, electronic waste, cork, lamps, hazardous waste and organic waste).

Continente has over 2000 Portuguese suppliers and was elected 11 times in a row a "trusted brand" (*Marca de Confiança)*, which is reflected on its sales.

FIGURE 2. SALES OF SONAE MC IN THOUSANDS (ii)



Source: Sonae

(i) Institutional information from Continente
(ii) Sonae MC: Continente, Continente Modelo, Continente Bom Dia, Meu, Bom Bocado, Note!, Well´s and ZU.

Current strategy

In 2011, Continente shifted its focus in order to be more customer-centric and developed the processes needed to incorporate this change. Besides knowledge, that is now shared between all departments, creating a relationship with the customer became a responsibility of all employees.

The first step of this new strategy was defining customer segments, resulting in seven types of consumers:

TABLE 5. CONTINENTE PRESENT SEGMENTATION AND ITS CHARACTERISTICS[53]

		Convenience with no kids	**Young families with kids**	**Fans & Healthy**	**Economic Families**	**Rational Families**	**Traditional Seniors**	**Active Aspirationals**
	% of clients*	10%	8%	16%	17%	17%	17%	10%
Decision making criteria (valued 1 – not important to 4 – extremely important)	***Price***	2	2	1	4	3	4	1
	Promotion	2	2	1	2	4	4	1
	Variety	2	2	4	1	1	1	4
	Fresh products	3	2	3	2	2	3	3
	Convenience	4	2	3	3	2	3	1
	Main categories & products	Alcoholic beverages (beer, wines) & pet care	Child food, baby products, toys, child yogurts & cookies	Prepared fruits and vegetables, frozen fish and seafood, gourmet products, diet products & charcuterie	Pork and poultry meats, easy kitchen, fruits & vegetables	Yogurts, basic ingredients, milk, sodas & hot drinks	Cod, fresh fish, butcher's, vegetables & fruits	Yogurts, perfumes, cosmetics, oral and body hygiene, hair products, house cleaning & laundry products
	Competitors	Jumbo & Pingo Doce	Jumbo & Lidl	Pingo Doce	Minipreço & Intermarché	Minipreço & Intermarché	Lidl, Minipreço & traditional retail	Pingo Doce & Jumbo

**5% of clients do not fit in any of these segments*

The second step consisted on the creation of store clusters, which resulted in three types: economic, standard and quality. The economic stores target Rational Families, Traditional Seniors and Economic Families, and the quality stores the Active Aspirationals and Fans & Healthy. The standard stores have a better balance in the distribution of their usual costumers.

Making these clusters provided Continente with a better knowledge not only because it is able to know the different profiles of their clients, but also the days and times they visit each store and how they spend their money, allowing Continente to identify each client's potential.[53]

With this information, Continente was able to take the third step: defining target segments by type of store. Aligned with this, came the fourth step: managing product categories based on the information provided by their loyal customers, the number of clients that acquires a certain product, the average shopping basket size and the average annual store attendance. The clustering also defined the range of products offered in each store. For example, in a quality cluster, the range of manufacturer products is larger than the one found in the economic cluster.[53]

The final steps derive from all of the previous ones, and consist in the optimization of the price strategy and the improvement of promotional strategies, which are directly linked to the loyalty card, coupons, leaflets, and online and television commercials.[53] Investments on the healthy food were also made, a market segment that is growing above 10%.([i])

To complement and integrate this strategy, the Customer-Centric Retailing (CCR) team recognized that their own website, a part of the company's internal web, needed some improvements. In order to make all information easily accessible and understandable by all departments, training documents, files of each store, opportunities, action plans and success cases were made available.[53]

Continente has also developed several apps in order to be closer to its customers. And even though the usage rate is low, the consumers' awareness about the apps is high, as 76.5% of respondents who stated they knew a supermarket app mentioned at least one of Continente's apps (Exhibit 5).

TABLE 6. CONTINENTE APPS

	Features	Downloads	% users
Listas Continente Pt	Add items to Continente online shopping list by scanning them	—	—
Cartão Continente	Check card balance, available coupons, current promotional flyers, the purchase history from the last 30 days, search for products and information on its characteristics, search for the nearest store, create shopping lists	450 000	29%
Continente – Chef Continente	Access to 200 video recipes	—	—
Continente	Online shopping	80 000	31%
Continente Popofun	Popota themed games (children)	—	—
Tira-vez Continente	Take a number for the store services and get notified when it's the clients turn	—	—
Leopoldina e o Lince Ibérico	Leopoldina themed game (children)	—	—
Continente – Universo do Bebé	Tips and information for pregnant and newly mothers	—	—
Yämmi	Access to 300 recipes cooked on Yämmi	—	—
Continente Magazine	Digital access to Continente Magazine (recipes, information on nutrition, …)	—	—

([i])Information provided by the Director of Continente Colombo Luís Tomás

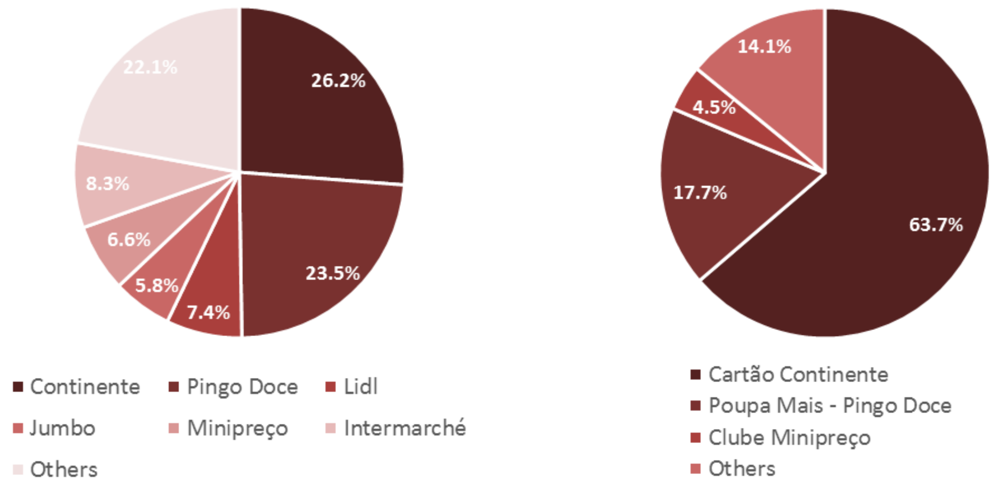
Cartão Continente

With more than 3.1 million active cards[54], Continente has the leading loyalty card in the country. The concept is quite simple, each card has two other cards associated, allowing the whole family to own one, and discounts can be accumulated through several options: by shopping at Continente, by being a member of TAP Victoria (miles can be exchange for card balance) or by having their gas or electricity supplied by Galp or fuelling their car at its petrol stations.([i]) Then that card balance or other product discounts can be used in any Continente store (Continente, Continente Ice, Continente Online, Note!, Pets & Plants, Bom Bocado, MO and Well´s) or at Galp. Furthermore, card owners are mailed coupons every two months, with tailored discounts based on their purchase history, interests and preferences.[55] Also a Cartão Continente app complements the use of the card.

The card was launched in 2007, reaching a million subscribers in the first twelve days, at an average rate of 700 clients per minute[56]. This card not only allows a direct relationship with the consumer (over 90% of sales use the card [54]), but it also gives a competitive advantage to Continente, as it can easily track and study the consumption patterns, needs and wishes of each client, enabling the possibility to design individually targeted marketing campaigns (as the mentioned mail coupons), promotions, and to better control inventories. As the sociologist Carlos Liz said[56]:

> *The card holds a unique volume of information on consumption in Portugal, allowing high definition mappings of the major trends emerging in the food retail universe. With this in mind, it will be a magnificent prospective tool, contributing to the design of development scenarios of the best relations between demand and supply, in the always necessary logic of gains for both sides of the equation.*

FIGURE 3. MARKET SHARE FOOD RETAIL INDUSTRY VS. MARKET SHARE LOYALTY CARDS



Source: Nielsen

Source: MultiDados

([i]) Institutional information from Continente

Cartão Universo

In October 2015, Continente launched a new loyalty card, the Cartão Universo. This new card aggregates several others from stores belonging to the Sonae group, such as Worten and SportZone, and also works as a credit card.[57] The card also provides discounts at Galp and every purchase made with the card will benefit from a 1% discount. Subscribing to the card implies opening an account at Sonae Financial Services.[58]

Continente Online

Launched in 1999, the website took two years in order to become a distribution channel, and evolved into an online store.[59] Even though the market share of online shopping of FMCG in Portugal is only 0.6%[60], Continente is the market leader, with a share of approximately 70%.[61] The majority of its users are between 25 to 35 years old, and use the platform, on average, 1.6 times per month.([i]) The company intends to keep growing its online sales, stating it wants Continente Online to be a marketplace. In order to do so, the company recently decided to open a warehouse near its store in Telheiras, which is intended to serve all Lisbon customers, and, if it goes well, already has plans to open one in Porto.[62]

The online platform offers several delivery options and services, such as EntregaZero, that, for a 26,90€ fee, allows customers to have unlimited deliveries (over 25€) for 4 months, SMSEntrega, a texting service that notifies customers about the delivery times, and Click&GO, where customers place their order online and then pick up at the store.([ii])

Conclusion

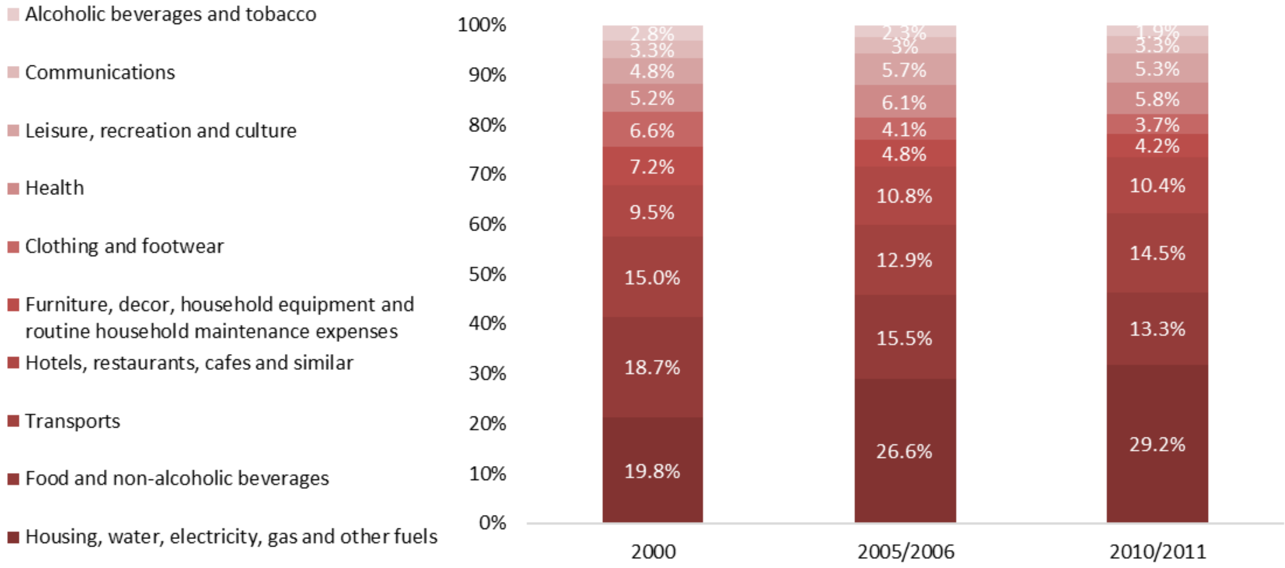
In order to maintain its position as a market leader, Continente needs to be able to engage with the Millennial consumer. To continue to be successful and profitable in the long run, the company needs to improve its approach and communication with Millennials, defining which strategies to implement and when to do so, considering the resources available, as well as the success cases of other businesses.

([i]) Information provided by the Director of Continente Colombo Luís Tomás
([ii]) Information retrieved from www.continente.pt

Exhibits

Exhibit 1:

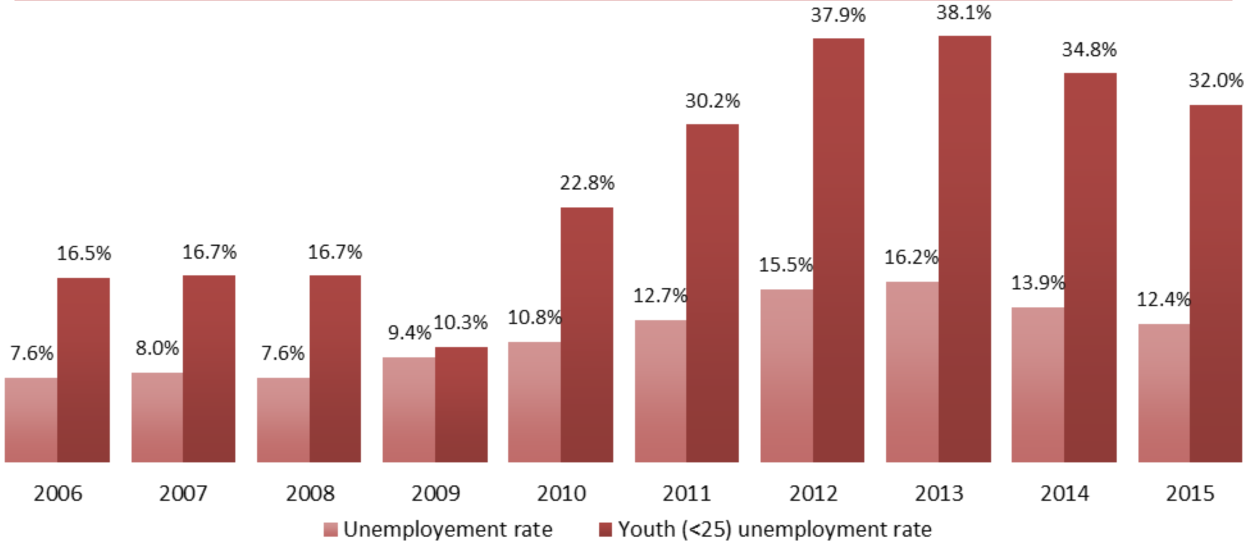
EXPENDITURE PATTERNS PORTUGUESE FAMILIES



Source: INE

Exhibit 2:

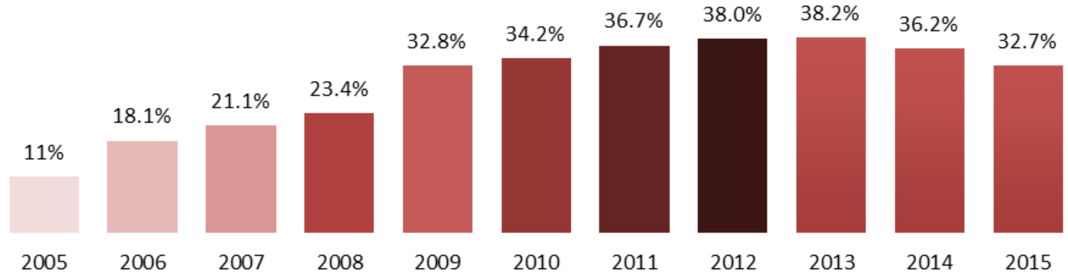
UMEMPLOYMENT RATES IN PORTUGAL



Source: Pordata

Exhibit 3:

MARKET SHARE OF PRIVATE LABELS IN PORTUGAL



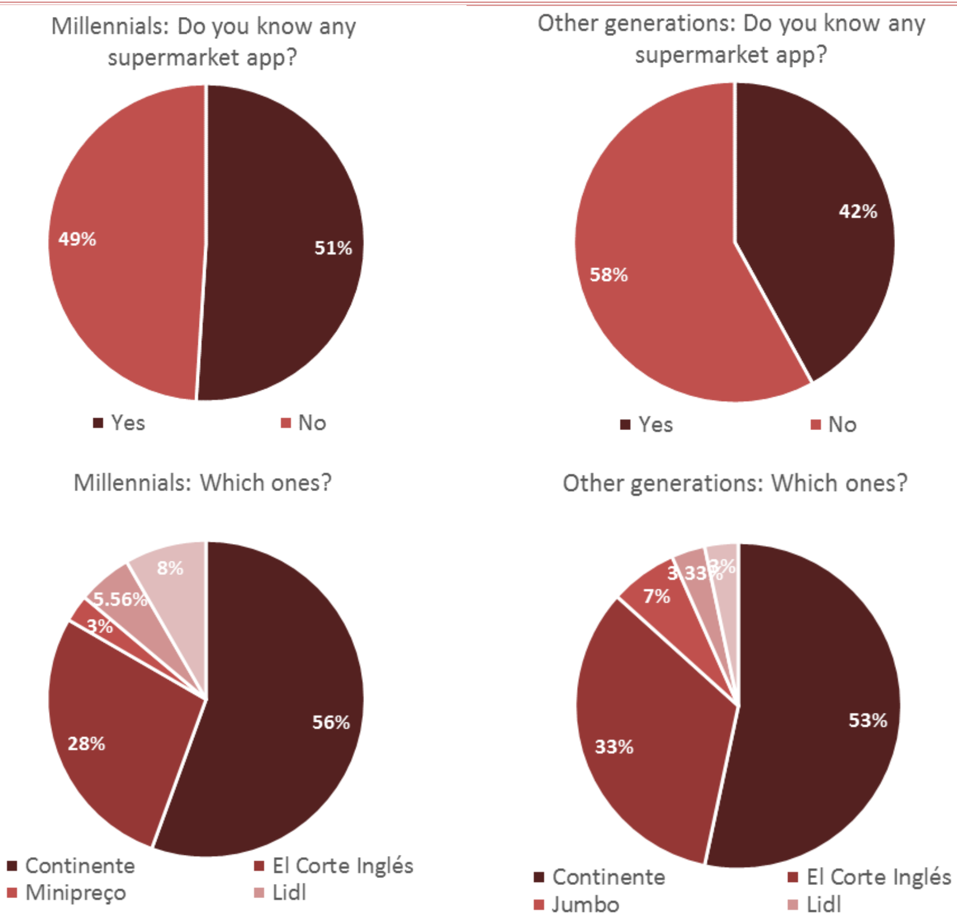
Source: Kantar Worldpanel

Exhibit 4:

PINGO DOCE'S EXOTIC FRUIT INSTRUCTIONS

Exhibit 5:

APP AWARENESS MILLENNIALS (49 RESPONDENTS) VS OLDER GENERATIONS (52 RESPONDENTS)



Literature Review

Segmentation, Targeting and Positioning

Since companies cannot profitably reach everyone, market segmentation is extremely important. This consists on splitting the existing market into smaller segments of consumers, with different needs, characteristics or behaviours, each one requiring specific marketing strategies, with distinct mixes, addressing different profiles. In order to be effective, the segmentation must have the following characteristics: identifiability, substantiality, accessibility, stability, responsiveness, and actionability (Wedel and Kamakura, 2000).

After defining the segments, the company selects one or more segments to enter, based on its attractiveness, this is known as targeting. Finally, comes positioning, which consists of where the company wants to be in the consumer's mind and which attributes it wants to be associated with (Kotler and Armstrong, 2011).

"The formula – segmentation, targeting, positioning (STP) – is the essence of strategic marketing" (Kotler et al, 2009), and aims to create value for targeted customers.

Marketing Mix

Originally, the Marketing Mix consisted of twelve elements that encompassed the main areas of marketing activities involving management decisions. In order to have a successful marketing program, the elements need to be adjusted according to the market forces that influence them (Borden, 1984). Later on, these elements were reduced to the four simple elements used today: Product, Price, Promotions and Place (McCarthy and Brogowicz, 1960).

The goal of combining all of these elements is sales (Khan, 2014), and these are considered essential by marketers in order to develop a complete and functional marketing plan (Grönroos, 1994). Despite this, many authors believe this approach is either incorrect (Ohmae, 1982, Robins, 1991, and Bennett, 1997) or incomplete (Kotler, 1984, and Doyle, 1994), and several elements have been proposed, like the fifth P regarding people (employees and consumers) proposed by Judd (1987), linked to the need to focus on the customer.

Food retail

The disproportional increase in retailers compared to population growth is increasing rivalry in the industry and, in order to stay competitive, retailers need to differentiate themselves. The world's top leading retailers do so by having innovative supply chain management (Walmart), by having specific operations according to the country they are in (Carrefour, METRO Group), and by having unique retailing strategies like Costco, that uses the value-based pricing method, meaning it does not mark-up its merchandise more than 14%, while other supermarkets do so by up to 25%, and creates buzz by providing limited collections of prestigious products (Grewal et al, 2006).

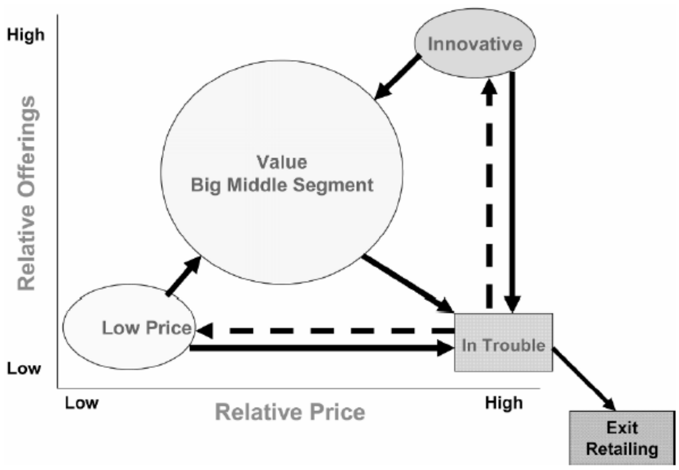
One of the biggest challenges retailers are currently facing is having five generations of shoppers and four generations of employees. Adding to this, Millennials, are up to five years behind other generations both in work and in life-experience, meaning they are postponing everything from college degree and first jobs to marriage and having children, being the latest, important milestones in defining the shopping behaviour of a consumer (Dorsey, 2013). Moreover, unlike previous generations, Millennials have a low retailer loyalty, being more loyal to manufacturer brands (due to higher awareness) and more likely to shop around in multiple stores, looking to get the best deals and discounts, when previous generations would rely and trust on the advice of their usual retailer (Parment, 2013).

A general decline in customers' loyalty and the increase of their demand for value (Davis, 1997), lead businesses to start focusing on customers. (Dwyer et al, 1987; Wray et al, 1994; Juttner and Wehrli, 1994; Berry, 1995; Fontenot and Wilson, 1997; Gwinner et al 1998). This relationship can be cultivated in several ways, rewards being one of the most used strategies (Parment, 2013). However, it has been proven that tangible rewards are unlikely to generate a sustainable competitive advantage, except when integrated in a larger loyalty strategy (O'Brien and Jones, 1995), since competition can do the same thing (Berry, 1995; Christy et al, 1996; Dowling and Uncles, 1997).

All of these rising challenges lead retailers to be more innovative and entrepreneurial. This means new information and communication systems are created, improved, and new formats designed, which translates into competitive advantages and cost reductions. An example is the Seven Eleven branch in Japan, where the 12,105 stores scan its customers' baskets, then sends the information to the headquarters that aggregates it by region, product and time, making it available for all stores and suppliers in the next morning (Grewal et al, 2006).

As a way to characterize the new retail landscape, due to its most recent alterations as a response to the rising challenges, Levy et al (2005) divided in four segments (Fig. 4): Innovative, Low-price, "Big Middle" and In-trouble. The Innovation segment focus on quality and its strategies are directed to the consumers that seek premium offerings, aiming to increase the value of the shopping experience, making it fun and easy through "helpful staff, unique product selection, a sense of discovery from finding something new on the shelf, and tasty samples" (Grewal et al, 2006). The Low-price segment retailers usually have smaller stores, either on lower income urban or rural areas, appealing to consumers who are price-conscious. These are considered extreme value retailers offering good value through low prices. However, most successful retailers want to compete long-term in the next segment, the “Big Middle”, because it means consumers value their offers and that they were able to establish their brand as a hybrid retailer in consumers’ minds. Combining these two attractive factors (low prices and innovative products), leads to a larger customer base and therefore more chances for bigger profits, which also makes this segment extremely competitive. Lastly, the In-trouble segment, includes the retailers who were incapable of providing good and stable value when compared to their competitors (Grewal et al, 2006; Levy et al, 2005).

FIGURE 4. RETAIL LANDSCAPE (GREWAL ET AL, 2006)



Furthermore, retailers in the “Big Middle” need to quickly respond to market changes by taking advantage of new opportunities. Grewal et al (2006) stated that this means being able to effectively and efficiently manage key elements that influence the consumers’ perceptions of value during the offering process, and therefore identified the six main “strategic levers impacting on retailing success through value”: store factors, service factors, merchandise, price, supply chain and technology (Grewal et al, 2006).

Store factors include everything that improves shopping experience, often underestimated, such as store design, music, scent, colour, ambience and even the crowding, which adds value and makes it exciting and different from other competitors (Grewal et al, 2006).

To succeed in terms of service factors, retailers need to ensure their store staff is properly trained to help customers, touching all the five sources of convenience, namely decision convenience (providing customers with all the information for informed buying decisions), access convenience (know where all the products are and help customers find them), transaction convenience (knowledge and capacity needed to run all transactions smoothly and quickly), benefits convenience (explain the benefits of the merchandise to customers, making their shopping experience more enjoyable), post-benefit convenience (ability to provide support and solve any post-purchase situations) (Grewal et al, 2006).

Regarding merchandise, there are two key points: first, it is essential to have unique products that appeal to the target customers and second, to make sure that the right products are in the right place and quantities. Nevertheless, having or producing innovative merchandise can be difficult, but if a retailer is able to accomplish both, it is more likely to provide superior value to its clients.

Intuitively, having a larger product variety leads to higher levels of sales, however, having vast stocks in the long-term is unfeasible, so its accurate management is essential. Aligned with this, there is the need to have a smooth and coherent supply chain, achievable through the adequate integration of suppliers, manufacturers, warehouses, stores and transportation intermediaries, ensuring the merchandise is in the right quantities, in the correct places and in the proper time.

Closely associated with the supply chain is the technology lever, regarding systems of data collection and aggregation, such as the Customer Relationship Management schemes. However, in order to prosper, real time information is vital (Grewal et al, 2006).

Lastly, price is the only strategic lever that generates revenue, which led to the creation of sophisticated software for price optimization. Nonetheless, prices should match the value perceived by potential customers, which not only includes the product itself, but also the effort involved in the purchasing decision (time, energy, …) (Grewal et al, 2006).

An example of this is the recent customer attraction towards ethical and sustainable merchandise, creating the need to connect a philanthropic message to the products offered, improving the perceived value and reputation of the company and making customers feel like they are directly making a difference, improving their retail experience (Grewal et al, 2006).

Millennials

Millennials are the largest population group in the United States (DeVaney, 2015) and they are expected to constitute 50% of the workforce by 2025 and make up 30% of retail sales by 2020 (Knobler, 2015). Even though they belong to the same generation, there are visible differences between younger Millennials and older ones, as the first ones are still studying or starting to enter the job market, while the latter entered the job market during or at the end of the economic recession (DeVaney, 2015), but both came of age during the boom of technology. Studies have proven that cataclysmic social events, such as assassinations, wars, great technological advancements and economic or political changes, have a great impact on creating values for those coming of age, which occurs between the ages of 17 until 23 (Parment 2013).

This generation faces two major challenges: the slow job market and college debt (DeVaney, 2015), a situation that leads them to being more unattached to politics, delay big decisions (such as marriage and buying a house) and to be more risk taking in starting their own business (DeVaney, 2015; Knobler, 2015). Aligned with all of these issues, the level of purchase involvement of this generation is highly influenced by how the purchase impacts their financial situation and how it will influence the perception of others (Parment, 2013). With this new mentality and an incredible capacity of filtering and accessing information (Parment, 2013), that allows them to always know the latest news and developments, Millennials are big influencers of their household purchases, as they are considered the experts in the latest products (White, 2003).

Growing up in the current highly technological world, this generation, also called the “Digital natives” (Prensky, 2001), have a great influence on the creation of new technology, some examples are Facebook, YouTube, Twitter, Foursquare, Instagram and Groupon, all companies founded by Millennials. These tools make communication easier and quicker, so they expect companies to accept and integrate feedback on their products and services (DeVaney, 2015; Weinstein, 2015; Schawbel, 2015).

Three quarters of Millennials are online, making the internet the ideal place to communicate with them. “Online advertising spend continues to grow at a rate five times faster than other media combined” (Flosi, Fulgoni, & Vollman, 2013), which means that it is extremely important to create relevant content to get through the noise and encourage sharing (Weinstein, 2015). Furthermore, Millennials uses several devices and expects content to be synchronized between them. Since Millennials check their phones roughly 43 times a day, mobile is clearly the most used device (Knobler, 2015).

Another aspect is that Millennials are more visual than previous generations, learning most things through videos on platforms such as YouTube. Counterintuitively, this generation spends roughly less one hour watching prime-time TV than previous generations (Valentine and Powers, 2013), and are usually multi-tasking while watching it, like using phones, computers or tablets. This poses a challenge in catching their attention. In order to do so, it is fundamental to include four emotional drivers in every message directed to this segment: value, trend, safety and coolness.

This generation is more concerned than the previous ones, at the same age, with how they spend their money, they want to make “smart” purchases and want to be informed rather than convinced (Barbagallo, 2003). This leads them to spend a considerable amount of time researching. Personal blogs have become key, as Millennials value authenticity more than content (Schawbel, 2015).

In spite of all these challenges, Dorsey (2013) believes this generation is more predictable than ever before and that it is quite easy to reach and engage them, since it is only a matter of understanding their mindset, keeping up with their different and evolving lifestyles (Weinstein, 2015) and appealing to their sense of uniqueness (Van Boven and Gilovich, 2003). Dorsey (2013) also claims that, despite common believe, Millennials are not “tech savvy” but instead are “tech dependent” as they do not care how technology works, they just want it to be user friendly and cannot live without it.

Despite the complexity of this generation, there are several companies succeeding in targeting and conquering it, providing some key elements on how to have success with Millennials. Weinstein (2015) presented some guidelines to help out companies: first Millennials prefer experiences over possessions; Van Boven and Gilovich (2003) conducted a study on “having versus doing” and the conclusions were clear, as the novelty of new possessions wears off quite quickly, and the expectations of getting new and better things keep rising. Experiences, however, stay with the person for the rest of their life, becoming part of their identity. This means companies are more likely to succeed if they create experiences in which Millennials can participate, providing the opportunity for them to live the story with the brand, meaning they want to engage with the “why” more than the “what” and the “how” (Sinek, 2009). So it is also important to ensure that the brand is aligned with a cause that speaks to the Millennials. Environment is one such concern (Smith, 2010; Muralidharan et al, 2016; Knobler, 2015) and associating the brand with eco-friendly and sustainable products is a smart decision, as according to a study by The Guardian (2012), 36% of interviewed Millennials stated that they "buy as many green/eco-friendly products as they can". This concern is mainly due to two reasons: first this was the first generation educated about sustainability and environment preservation in school, second because it is coming of age during the climate crisis (Rogers 2013). This means the perception of being a green brand is a key factor in captivating interest (Henrichs, 2008).

Case Analysis and Teaching Notes

Introduction

The purpose of this section is to serve as a guide plan for the instructor towards the relevant case issues. It includes a brief synopsis of the case, a suggestion of questions to explore it and a detailed analysis, linking relevant theory to possible answers, to be used as a guideline.

Case Synopsis

Continente Modelo is an insignia of super and hypermarkets that belongs to Sonae MC. It was the first hypermarket chain in Portugal and it has been, in its 31 years, the market leader, despite aggressive competition.

In order to maintain and strengthen its position, Continente must be able to continue to seize the costumers' needs, engaging the new generation of consumers, the Millennials. This implies strategic changes both in the short and long-term. Continente needs to evaluate how it can approach this new segment and how it can effectively and efficiently communicate to this generation.

Suggested Questions

This section provides recommended questions for students to study and discuss after a comprehensive reading of the case in order to address the strategic issues faced by Continente. There is one core question and three additional ones to complement it:

CORE QUESTION: Which marketing mix/strategic levers should be considered to attract Millennials?

COMPLEMENTARY QUESTIONS:

1. How should the sub segmentation of this generation be done? (Demographics, psychographics, behaviours, values and beliefs, etc.)
2. Which strategic decisions should be made in the short and long-term?
3. How to ensure the present segments are not neglected?

Teaching Objectives

The case study was prepared with the following teaching objectives:

1. To analyse the current industry situation, its trends and challenges.
2. To understand the importance of future generations in the current marketing communication strategy.

3. To strengthen the knowledge regarding the customer segmentation, targeting and positioning, as well as to grasp the importance of the marketing mix in acquiring a new segment.
4. To design elaborated and well justified segments and choose which ones to target and which strategies to implement.
5. To understand the strategic implications involved when targeting a new segment, both on the long and short-term.

Use of the Case

This case can be taught in strategy, marketing and/or innovation courses (Strategy, Strategic Management, Innovation Management, Marketing Management, Consumer Psychology), for both undergraduate and master students.

Analysis and Discussion

How should the sub segmentation of this generations be done? (Demographics, psychographics, behaviours, values, beliefs, etc.)

The main objective of this question is for the student to understand that Millennials are at different stages of life, which will influence their shopping behaviour.

Despite the fact the generation by itself covers several ages and life stages, the changes in society are also important when determining each segment. In the past, people would leave home, get married and have children. This was the logical order, but today people do not leave their parents' house exclusively for this. Millennials are postponing big life decisions (page 26), as they do more gap years and get more degrees, but also due to high unemployment rates (Exhibit 2). Also, getting a job does not always grant autonomy, meaning even employed Millennials are likely to still live at their parents' home, mostly due to low salaries and high costs of living alone (Exhibit 3). Because of this, segments should be divided by life stages, the proposed segmentation is the following:

TABLE 7. PROPOSED SEGMENTATION

	Life phases	Students at Home	Flatsharing/ First job	First Home	Working No Kids	Young Families
	Age	18 – 25	18 – 27	26 – 31	28 – 34	28 – 34
	Dependency	Dependent on parents	Dependent on parents / independent	Independent	Independent	Independent
	Grocery shopping	When on vacations (besides that, usually go along with their parents)	Either weekly or on an arranged schedule with housemates	Weekly	Weekly or every two weeks	One or more times per week
	Psychographics	Extremely price sensitive, receptive to new ideas and trials, outgoing, spend disposable income on socializing, image conscious. Live with their parents.	Values price and convenience over quality. Live with housemates or at their parents' house.	Values price over quality. Live by themselves or with their partner.	Values time with group of friends, and good quality-price relation. Live by themselves or with their partner.	Find fulfilment in career and family, sacrifices own wishes and choices for the children.
Decision making criteria (valued 1 – not important to 4 – extremely important)	***Price***	4	4	4	2	2
	Promotion	1	4	3	2	2
	Variety	1	2	2	3	2
	Fresh products	1	2	3	4	3
	Convenience	3	3	3	3	3

Some of these segments are already part of Continente's current strategy, namely the Working No Kids segment, which is integrated in the Convenience With No Kids, and the Young Families, integrated in the Young Families With Kids segment. Other segments, such as First Home and Flatsharing/ First job, have similarities with already established Continente segments, as price is their main decision making criteria, followed by convenience and fresh products. Students at Home is not included in any of the Continente's segmentation due to the fact that this segment rarely shops on its own. Also due to the lack of loyalty this segment has towards retailers, Continente should not be targeting this segment at first, and wait until its next life stage.

Which marketing mix/strategic levers changes should be considered to attract this segment?

The main objective of this question is for the student to understand in which segment on the retail landscape, Continente is and which of the strategies presented make sense for Continente and why.

Being in the "Big Middle", Continente needs to ensure its position as market leader, and since a low price strategy is easily imitated and not sustainable in the long-run, the company needs to innovate. After analysing characteristics and success cases among Millennials, various ideas can be presented that integrate both their shopping characteristics and trends, as purposed on the case:

FIGURE 5. POTENTIAL APPROACHES AND INITIATIVES

Marketing Mix
Product: weekly basket, meal basket, bulk items, new hype products
Price: affordable healthy food
Place: omni-channels, click-and-go service
Promotion: feedback and ideas platform, app improvements, food "instructions", competitions and giveaways
Strategic levers for retailing success through value
Store factors: improved app, new store concept/design
Service factors: trained casual staff to be in store helping customers, feedback and ideas platform, app improvements, food "instructions", partnerships, cross-selling
Merchandise: new hype products, weekly basket, meal basket, bulk items
Price: affordable healthy food
Supply chain: local suppliers, hire Millennials
Technology: tracking customers' system

Weekly basket

Millennials' need to balance their work and personal lives means they have less time to grocery shop, making trips to the supermarket on their way home bothersome, buying what they need for the next couple of days. As Continente is a hypermarket, it is not seen as a daily option. To overcome this and to become present more frequently in consumers' minds, Continente should make addictions to their delivery system, such as an offer of fresh products that are bought every week, for a small fee. Customers that subscribe are able to define a standard basket, and be informed 24 hours before the delivery in order to make changes if needed.

The main target for this strategy is the Working No Kids segment, as this segment already has a better financial situation than the younger segments and values spending time with friends and loved ones, so Continente can offer this as an alternative to the weekly shopping trips.

Meal baskets

Due to their concerns in having a healthy lifestyle and a low budget, Millennials often prepare meals to eat at home. However, looking for recipes and then for the ingredients at the store can be extremely time consuming. Continente can take advantage of this, like Publix and Whole Foods did (page 14) and assemble dinner or lunch baskets that include all the needed ingredients for the recipe suggested. As the saying goes "a picture is worth a thousand words", so a video is worth a million, and the first thing one should see when looking at the basket is a picture of the cooked meal and the instructions should not only be written, but also available online in a video through a QR code (or on the Chef Continente app) in order to make it "Millennial friendly", as this generation is more visual than the previous ones (page 30). As in Apron, recipes should take 30 minutes or less and should include ingredients Continente is promoting at the time. As this generation has ethical concerns, Continente should take this opportunity to promote its use of national suppliers. The retailer should also encourage its clients to share their final product, as Whole Foods did, in order to increase word-of-mouth and brand engagement.

The target for this strategy should be the First Home, Working No Kids and Young Families segments, as they value convenience and fresh products.

App improvements

Continente has several apps (page 20), but a low rate of monthly usage. Therefore, the company should try to understand the reasons behind this and act accordingly. Awareness does not seem to be the issue as 76.5% of respondents who said they knew a supermarket app mentioned at least one of Continente's apps. As Millennials value convenience, one of the problems could be having too many apps, so the company should consider joining Cartão Continente, Continente and Tira-vez Continente apps into one, this would allow the same store experience without having to switch apps. The company should also take the Publix example and provide the aisles for the goods on the list, along with the store map.

This strategy should target all segments, as the apps are susceptible to be used by all segments.

Food "instructions"

This is a strategy used by Continente's main rival, Pingo Doce, and even though it is working, Continente should introduce the exotic fruits and other "new" foods into the meal baskets to strengthen that competitive advantage, instead of just copying what Pingo Doce is doing.

Bulk items

Jumbo and some local minimarkets already sell some products in bulk, such as seasonings, herbs, grains and nuts. Consumers like this option mostly due to the fact that is less expensive and because it allows them to try more things since they can buy smaller quantities. Continente should invest in a bulk aisle in order to attract the Flatsharing/First job and First Home segments, as they value price above all.

Competitions and giveaways

Millennials want companies to do more for them than just selling (page 12). Continente as a large company can invest on this side of the relationship, through competitions and giveaways, the retailer can provide its customers with the something extra they seek. Continente can develop several campaigns, but the aim should be to link these competitions to existing strategies, for example with the meal baskets.

This strategy can target all segments by offering experiences or by being more specific and offering products targeted at each segment, for example the First Home segment might need house appliances, and Young Families baby related items.

In order to be able to truly engage this generation, campaigns need to be well thought. Continente should have in mind Millennials likes and dislikes: how much they like customizable products, how they like humour related campaigns or how newly parents love to share their babies' photos.

Ideas & suggestions platform

Millennials feel that there should be a two-way dialogue between them and the companies (page 12), and expect feedback on their complaints and suggestions, therefore Continente should have a similar platform to the My Starbuck Idea (page 15) in order to engage its Millennial customers.

Hire Millennials

Currently, on average, 145 Millennials work at each Continente store, so the company should continue to invest on hiring this generation, because if they want to work at Continente they are more likely to engage with the brand and be loyal to it. But just hiring Millennials is not enough as they are a generation unlike others when it comes to work. They do not see themselves working 9 to 5 sitting all day at the desk, and seek instant feedback and work-life balance. Just like Zappos did, Continente should create a company culture admirable to Millennials, where they feel accomplished and their inputs are valued.

Which strategic decisions should be made in the short and long-term?

The main objective of this question is for the student to understand that not all strategies can be implemented right away, and why.

Meal baskets, app improvements, competitions, giveaways, and hire Millennials should start to be implemented right away, as they are simple and need feedback from customers to be constantly improved. The bulk items strategy should also be implemented as soon as possible, but should start small to test the receptivity of clients and then keep growing using their feedback on the products they would like to buy in bulk.

The weekly basket strategy should be implemented when the online grocery shopping has reached at least a share of 10%, otherwise it will be difficult to ensure the profitability of the service.

The ideas & suggestions platform should be strategically developed over the next year. This is mainly due to the fact that it has a probability of backfiring, meaning it could have no users, or it might have a lot of them using the platform for things the company did not expect. Something that has already happened to big brands such as McDonalds with its #McDStories campaign and British Airways that only responds to its tweets from 9 to 5 while operating a 24-hour service. [63] In order to avoid this, Continente needs to clearly define a strategy and foresee all possible outcomes and have a contingency plan.

How to ensure the present segments are not neglected?

The main objective of this question is for the student to understand that Continente needs to still be able to cater to other age segments while catering to Millennials.

Reaching a new segment can always be tricky as previous targets may feel left out or that the brand no longer satisfies their needs. Even though Millennials and previous generations have some similarities, communication should be done mainly on channels mostly affecting this generation, meaning a digital strategy should be developed. Continente should also be present at key events that attract Millennials, such as festivals and conferences. This is where data collection comes in, as the company knows who and where they are, it is possible to create tailored messages for the different segments, reaching them without alienating others. Data also allows the company to test different publics and messages, communicate with smaller segments, and then measure and adjust until the best strategy is found.

Summarizing:

FIGURE 6. CONTINENTE'S FUTURE STRATEGY

Strategies	**Weekly basket**	**Meal baskets**	**App improvements**	**Food "instructions"**	**Bulk items**	**Competitions & giveaways**	**Ideas & suggestions platform**	**Hire Millennials**
Implement now		•	•		•	•		•
Implement in future	•						•	
Do not implement				•				
Related Millennials' characteristics	Connected 24/7	Health conscious	Multitaskers	Health conscious	Live on a budget	Expect something extra from brands	Value two-way dialogue	Willing to engage with brands
	Health conscious	Live on a budget	Connected 24/7	Information seekers	Health conscious	Prefer experiences	Entrepreneurial	Influencers
			Information seekers				Connected 24/7	Traditional aspirations

Appendices

APPENDIX 1: QUESTIONNAIRE

1. **Do you live by yourself?**
    - Yes
    - No, I live with my parents / other relative
    - No, I have housemates
    - No, I live with my significant other and/or my kids
2. **Do you do your own grocery shopping?**
    - Yes
    - No
    - Sometimes
3. **Which supermarket do you go to more often?**
    - Continente Modelo
    - Jumbo / Pão de Açúcar
    - Pingo Doce
    - Lidl
    - Intermarché
    - Minipreço
    - Aldi
    - Spar
    - Other (please specify)
4. **Why do you shop there? (You may choose more than 1)**
    - It's convenient (near or on the way to your house)
    - My parents shop there
    - Low prices
    - Quality of the products
    - Quality of the service
    - Variety of products
    - Has online shopping
    - Other (please specify)
5. **Do you go to more than one supermarket?**
    - Yes. Which one?
    - No
6. **How often do you go grocery shopping?**
    - More than once a week
    - Once a week
    - Every two weeks
    - Once a month
    - Less than once a month
7. **Do you usually do your grocery shopping online?**
    - Yes
    - No

    7.1.1 If yes, why? (You can select more than one)

- It's more convenient
- Saves me time
- I do not enjoy going to the physical store
- No till queues
- Other (please specify)

7.1.2. If yes, how often?

- More than once a week
- Once a week
- Every two weeks
- Once a month
- Less than once a month

7.2 If no, have you ever tried the service?

- Yes. Please specify why you did not used it again.
- No. Please specify why.

8. Your perception about the supermarket you go to more often (from 1 – totally disagree to 7 – totally agree):

- Has low prices
- Has high quality products
- Is technologically updated
- Is technologically innovative
- Has high quality services
- Has a big variety of products
- Offers online shopping quality
- Has a great customer service

9. Do you know any supermarket mobile apps?

- Yes. Which ones?
- No

9.1 Do you use any of them?

- Yes
- No

10. If you can change one thing about the supermarket you go to more often what would it be?

- Prices
- Product quality
- Customer service
- Online service
- Delivery service
- New/improved mobile app
- Other. Please specify

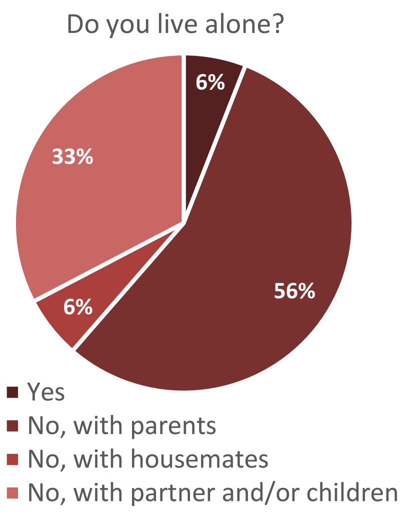
11. Please specify your age

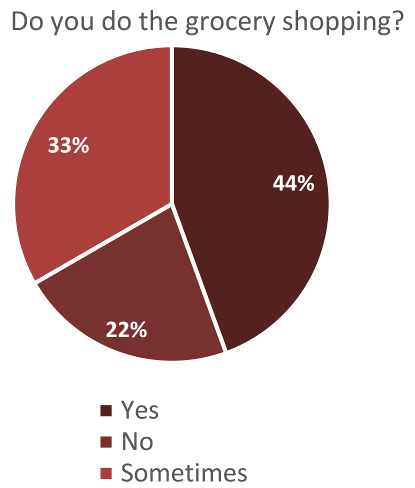
12. Please specify your gender

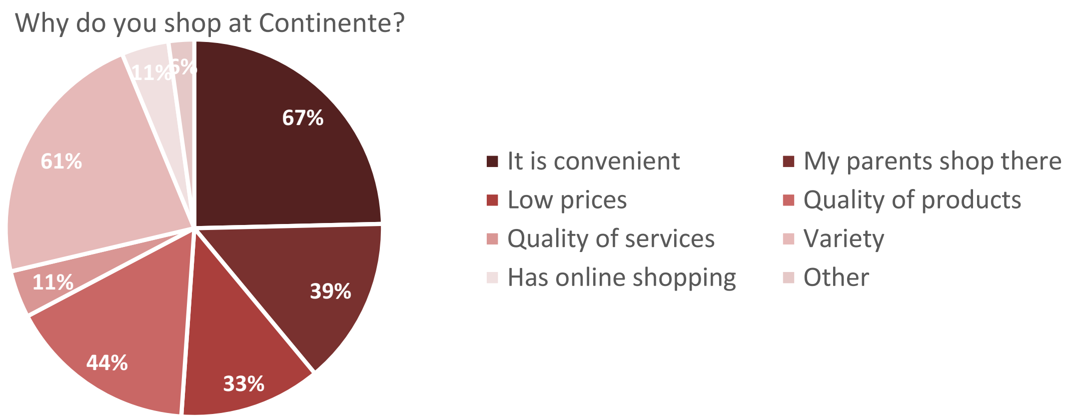
- Female
- Male
- I'd rather not say

13. Please specify the city you live in

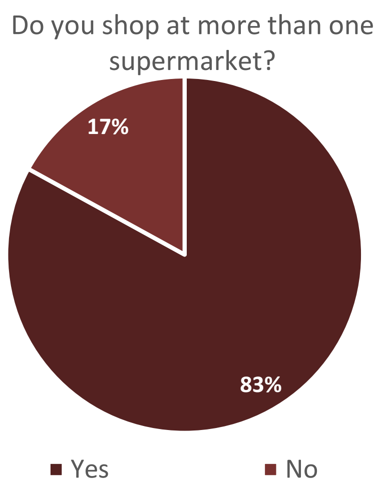
Millennials that go to Continente (18 respondents)

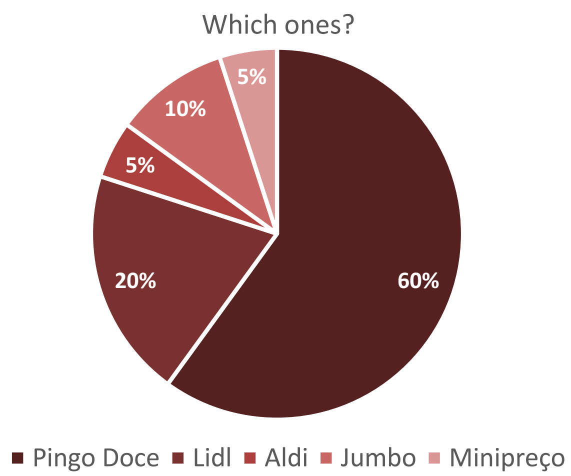


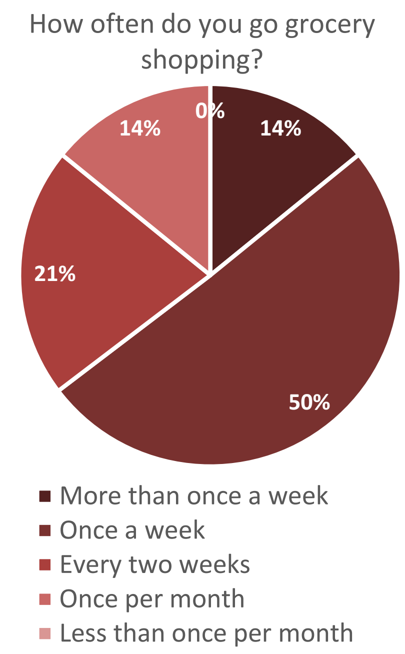


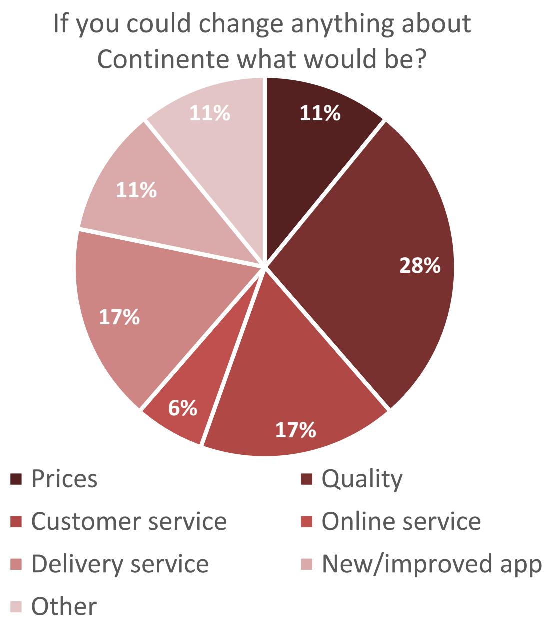


Other: (1 person) Cartão Continente

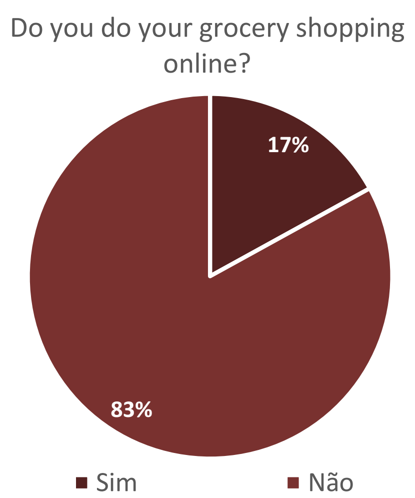


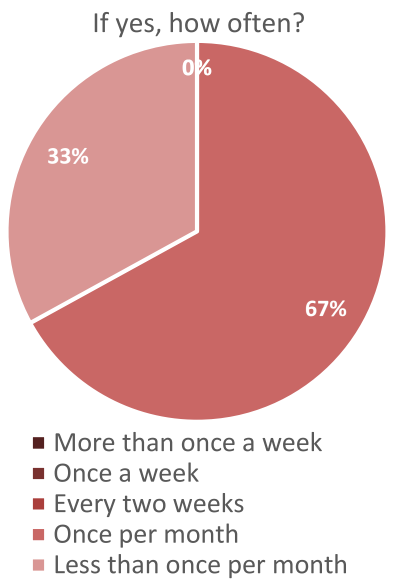




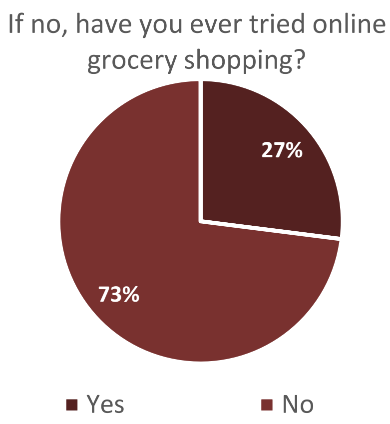


Other: (1 person) variety of bio and vegan products, product conservation





Yes. Why? (3 people) Because it saves me time.

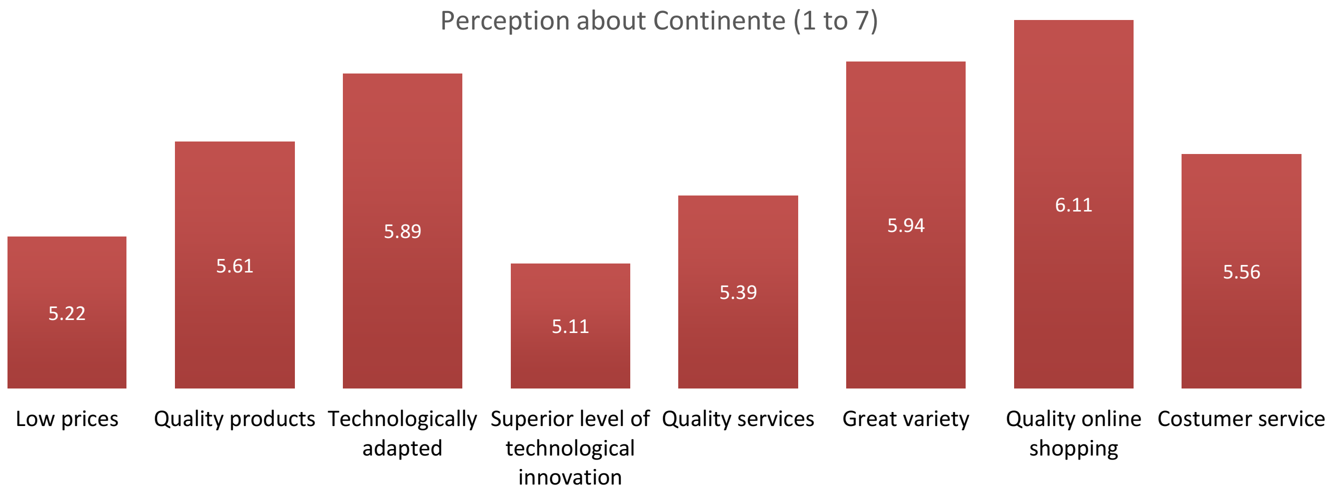


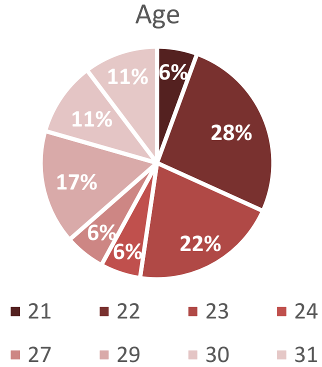
Yes. Please specify why you did not used it again.

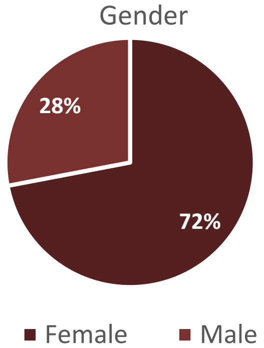
- Only use the service for products not available in Portugal;
- I live in an area where they do not offer this service;
- Continente has a bad online service. I might happen have a huge shopping list and at the end not being able to complete the request. Besides, online delivery implies waiting a long time for it to be delivered;
- It concerns me not being able to check the quality of ordered products.

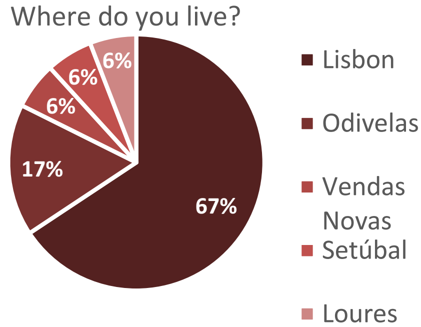
No. Please specify why.

- I rather choose the fresh products myself;
- I like to touch the products before buying them;
- I do not buy many products, so it is more convenient to go to the supermarket and bring the products right away, instead of waiting
- I buy to eat on the day, so I rather go to the store and pick the vegetable, fruit, etc.
- Because I shop when I need and the online shopping does not arrive on the same day, so I rather go directly to the store
- I like to go to the store and choose the products
- Delivery costs

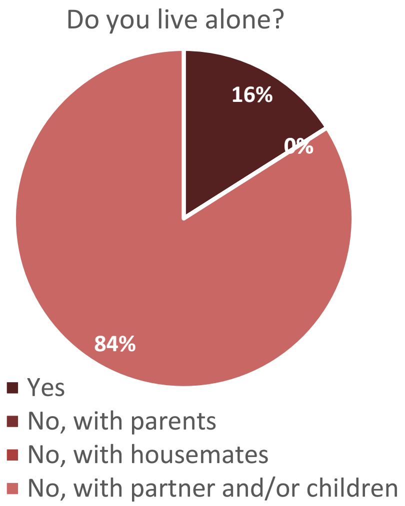


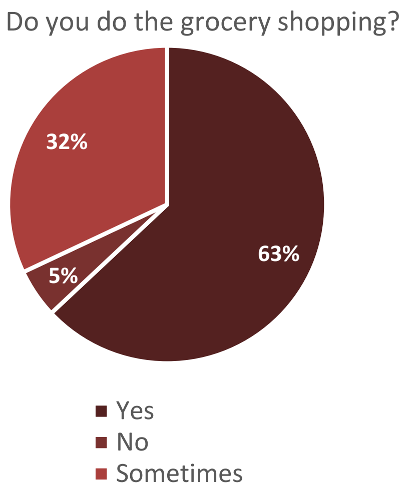


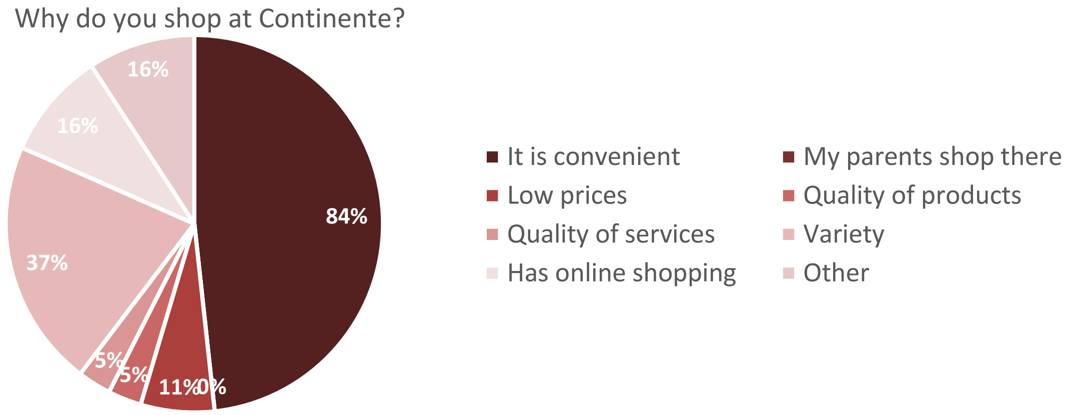




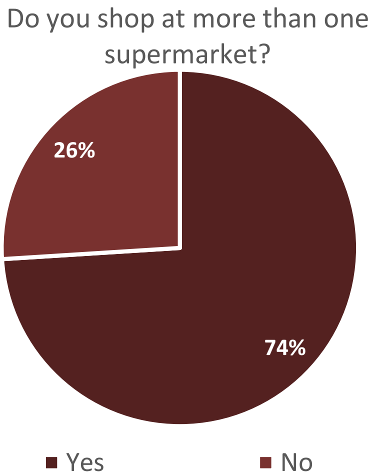
Other generations that go to Continente (19 respondents)

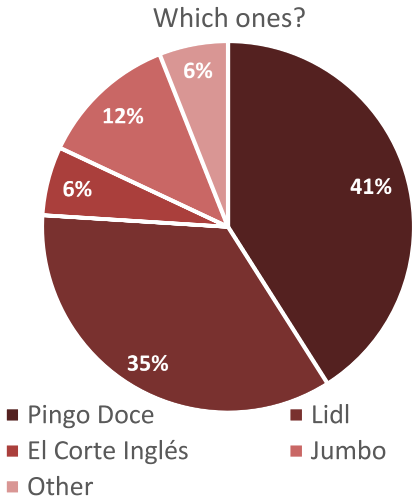


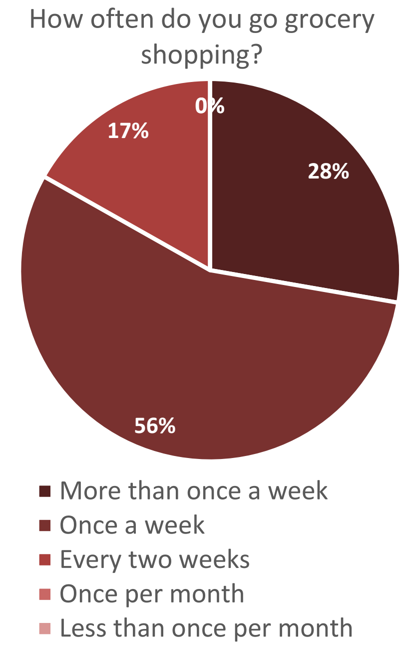


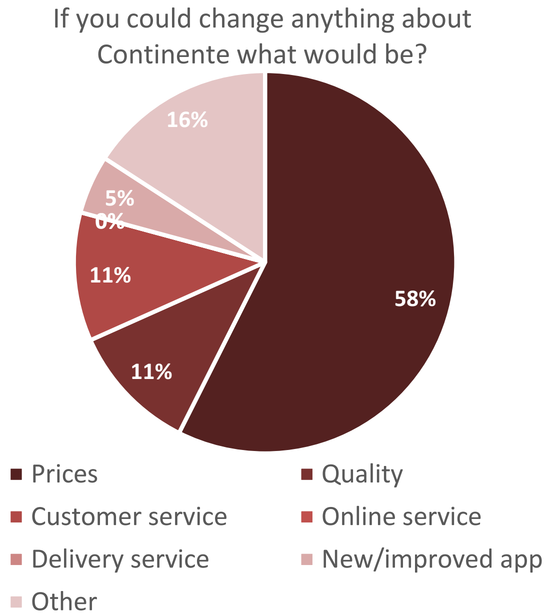


Other: (3 people) Cartão Continente, company discounts, Galp discounts, discounts in general

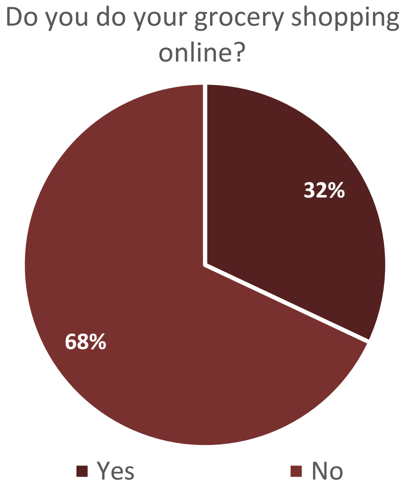


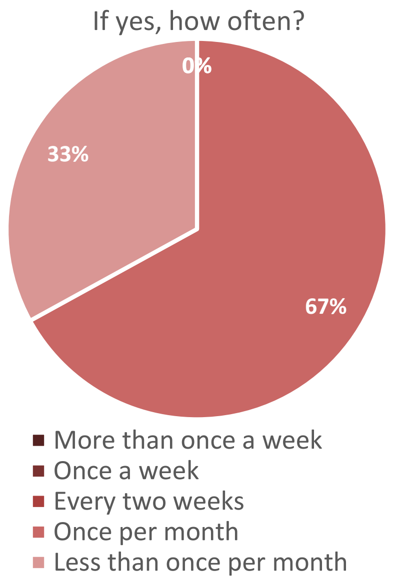




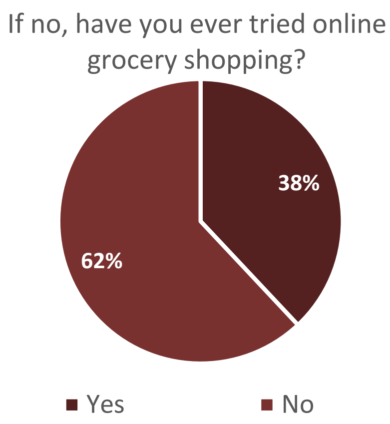


Other: (2 people) quality of fresh products, such as fruit and vegetables, more product variety, avoid competition with private label





Yes. Why? (6 people) more convenient and saves me time.

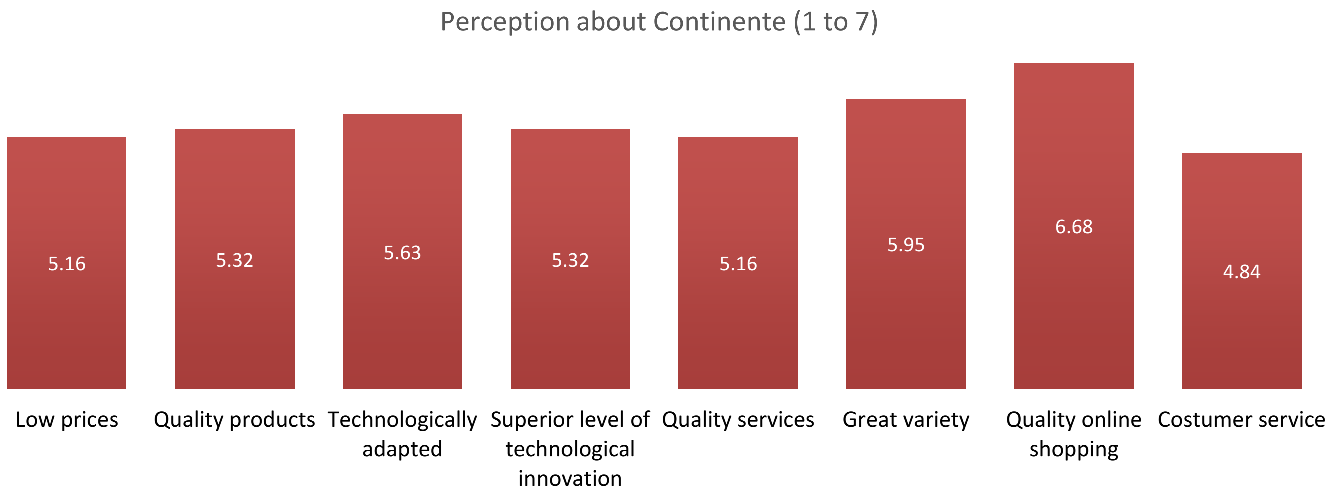


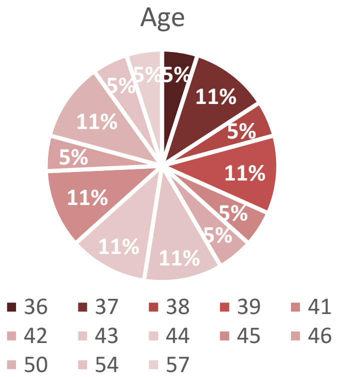
Yes. Please specify why you did not used it again.

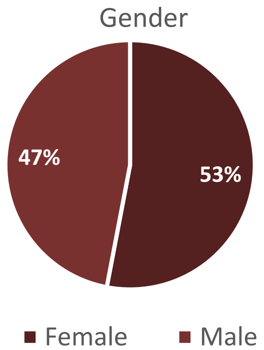
- I have a supermarket in front of my house;
- I like to shop on the store;
- I rather do the shopping in person.
- The store is close to me;
- Delivery costs.

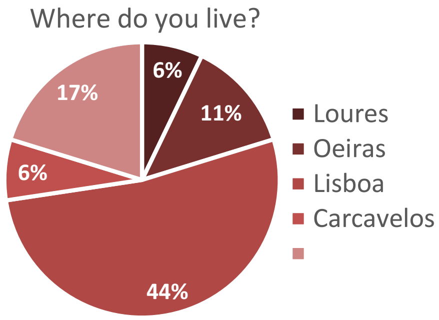
No. Please specify why.

- I like the store experience, choosing the products, promotions;
- I do not have the patience to choose the product online and pick delivery hours;
- I like the store contact;
- I buy to eat on the day, so I rather go to the store and pick the vegetable, fruit, etc.;
- I don't like to;
- I like to go see what I'm buying;
- Continente is right outside my door;
- I like to go to the store.

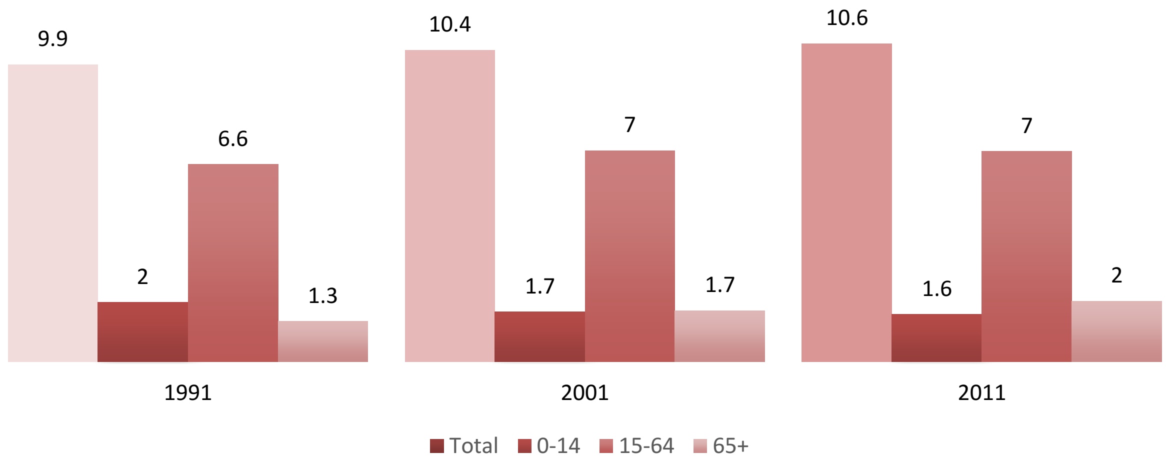






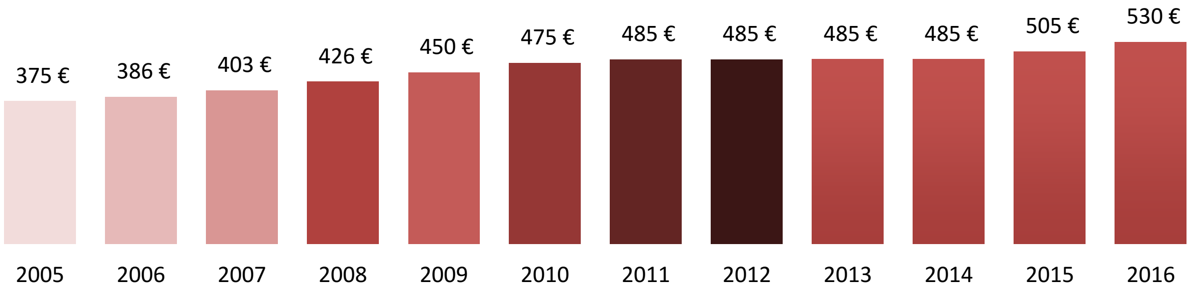


APPENDIX 3: DEMOGRAPHICS PORTUGUESE POPULATION IN MILLIONS



Source: Pordata

APPENDIX 4: MINIMUM WAGE IN PORTUGAL



Source: Pordata

APPENDIX 5: BULK ITEMS AISLE AT JUMBO

Source: Hipersuper

PPENDIX 6: AVERAGE AGE OF YOUNG PEOPLE LEAVING THE PARENTAL HOUSEHOLD IN THE EU (2013)

	Females	Males	Total
EU	**25**	**27.2**	**26.1**
Belgium	24.1	25.8	24.9
Bulgaria	26.8	31.3	29.1
Czech Republic	25.6	27.8	26.7
Denmark	20.5	21.4	21
Germany	22.9	24.8	23.9
Estonia	23.5	25.1	24.3
Ireland	24.8	26.5	25.6
Greece	27.9	30.7	29.3
Spain	27.9	29.8	28.9
France	22.8	24.5	23.6
Croatia	30.2	33.7	31.9
Italy	28.7	31	29.9
Cyprus	26.7	28.9	27.8
Latvia	23.7	25.2	24.5
Lithuania	24.8	27	25.9
Luxembourg	25.9	27	26.4
Hungary	26.6	29	27.8
Malta	29.2	31	30.1
Netherlands	22.6	24.3	23.5
Austria	24.2	26.6	25.4
Poland	27	29.3	28,2
Portugal	28	30	29
Romania	26.2	30.7	28.5
Slovenia	27.5	30.1	28.8
Slovakia	29.3	32.1	30.7
Finland	21.1	22.8	21.9
Sweden	19.3	19.9	19.6
United Kingdom	23.1	25	24.1

Source: Eurostat

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