



“Andorinha in Brazil and its later Flight Back Home”

Mariana Kol de Carvalho Eiras Antunes

Dissertation submitted in partial fulfillment of requirements for the degree of MSc in Business Administration, at the Universidade Católica Portuguesa, January 2012

ACKNOWLEDGEMENTS

Firstly I would like to thank my family for all the support given during this difficult and extremely work demanding period of my life. Thank you Dad for your initial guidance and brainstorming on how could my thesis bring extra value to other people. I also thank my Mother and sisters for all the encouragement during the most challenging times of my thesis.

However, writing my thesis would not be possible without the help, feedback, commitment and advices of my supervisor, Professor Pedro Celeste. Therefore, all my gratitude goes to him, for its tireless patience and total availability to answer my questions and doubts, no matter what time it was. Without him I would probably not attain my objectives.

I also owe a special gratitude to Professor Rita Coelho do Vale which has given me some hints in order to start writing my thesis in the initial research seminars and to Professor Fernando Machado, who was the responsible for teaching me how to conduct a market research study. Even if it was not what I most liked during the master degree, I am sure that, thanks to him, I am now able to work with SPSS and developed an extra technical competence that can be a differentiator factor in the future.

I am also grateful for having such great colleagues during my master degree that have helped me to develop critical thinking and hard-working capabilities, extremely used when writing my thesis. Here, I have to underlie Ricardo Borges Lloret. Thank you Ricardo for all your help with SPSS during my master thesis. Without you, things would not be as easy and I am proud of being part of your academic and personal life.

Finally, my master thesis would not be feasible without the help of Sovena, especially Dr. Nuno Miranda that provided me all the information to write an interesting case study and was always available to answer my questions. A grateful thank you for your time and kindness.

ABSTRACT

Dissertation Title: “Andorinha in Brazil and its later Flight Back Home”

Author: Mariana Kol

Sovena is the second worldwide olive oil player, just behind the Spanish Carbonell. In order to achieve this position, Sovena started expanding its business to international markets by acquiring or creating local brands in order to adapt to local communities' tastes. In line with the company's strategy, many brands emerged. Andorinha is one of Sovena's portfolio brands and the one immediately related to the Brazilian market. Being a success and growing at twice the market, Andorinha is seen as a phenomenon. For its quality, communication strategy and packaging design, Andorinha has been receiving many awards and compliments. In 2009 it was considered the best olive oil in the Brazilian market and in 2010, received the 3rd consecutive gold medal in the Monde Selection international contest as well as the 2010 gold medal for the best packaging design in Los Angeles International Extra Virgin Olive Oil contest, among others. Although the company has continued to grow sustainably in the Brazilian market, it had recently made a risky move. In 2010, Andorinha was introduced in the Portuguese market among values of tradition, quality, hospitality and family. Since this was a very recent move, the brand is still having low notoriety and has not achieved the predicted market share. The aim of this thesis is, firstly, to illustrate the prestigious success of Sovena's international paths, more precisely Andorinha's importance and success in the Brazilian market and its future steps, as well as suggesting strategies in order to improve brand awareness and notoriety levels in the Portuguese market. I believe this is an opportunity for teachers and students to understand how companies can expand worldwide by acquiring local brands, even if some repositioning strategies have to take place, and to understand that sometimes companies have to re-work on a brand's positioning in the market to attain their objectives. The first goal is achieved through a case study with relevant information about the olive oil market, Sovena and Andorinha. Moreover, in order to accomplish the second goal, I wanted to go far beyond and provide insights of how could Andorinha improve its image in the Portuguese olive oil market. This was possible through an online survey, developed for the purpose of the case. As so, a marketing research case study was conducted finishing with some conclusions to address the problem. The literature review and the teaching notes will help teachers to conduct an in-class discussion of the case study.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	i
ABSTRACT	ii
1. INTRODUCTION	4
2. LITERATURE REVIEW	6
2.1. Internationalization	6
2.1.1. Internationalization as a Strategic Process	6
2.1.2. Internationalization Process	6
2.1.3. Factors Influencing Internationalization Process and the Company's Performance	7
2.1.4. International Branding	8
2.1.5. Internationalization of the Olive Oil Industry	9
2.2. Repositioning Strategies	10
2.2.1. Defining Positioning and Positioning Strategies	10
2.2.2. Re-launching a Brand in the Market and its Repositioning Strategy	10
2.2.3. Why do Brands Decline?	11
2.2.4. Rejuvenating the Dead Brand	11
2.2.5. Steps to Rejuvenate a Brand	11
2.2.6. Repositioning Strategies of the Olive Oil Industry	12
3. CASE STUDY (PART I)	13
“Andorinha in Brazil and its later Flight Back Home”	13
3.1. How Everything Started...	13
3.1.1. Company Background	14
3.1.2. Sovena in 2011	15
3.2. Andorinha Olive Oil: From a Weakened brand to a Market Leader in Brazil.....	16
3.2.1. Industry Trends and Internationalization as a Strategic Move.....	16
3.2.2. Andorinha's first Successful Flight	17
3.2.3. Repositioning Strategy in Brazil.....	17
3.2.4. Second Repositioning of Andorinha: A Successful Move.....	18
3.2.5. Andorinha Today – Fighting for a Leading Position in the Brazilian Market	18
3.3. Andorinha Olive Oil: Back to Origins.....	20
4. CASE STUDY (PART II)	22
4.1. Research Methodology	22
4.2. Data Collection Method	22
4.3. Population	23
4.4. Analysis of Results	23
4.4.1. Survey Sampling.....	23
4.4.2. Consumptions Habits	24
4.4.3. Research Questions.....	24
1. Do Portuguese consumers recognize the brand?.....	24
2. What are the main elements of the Logo and Packaging affecting purchases of Andorinha olive oil?	25
3. Is the positioning of the brand in Portugal well-perceived by consumers?.....	27
4. Based on Andorinha's image, are Portuguese consumers willing to buy Andorinha olive oil? Is there a special market segment that values Andorinha olive oil in Portugal?.....	28
EXHIBITS CASE STUDY (PART I)	30
EXHIBITS CASE STUDY (PART II)	47
5. TEACHING NOTES	66
6. CONCLUSIONS AND LIMITATIONS	72
7. REFERENCES	75

1. INTRODUCTION

When I was thinking about the subject of my thesis, I wanted to tell something never told already and specially about a brand that did not have any presence in the market before and that, through an effective positioning and other marketing strategy variables, was able to achieve one of the leading positions in the marketplace. Moreover, I believe that the olive oil industry really characterizes the Portuguese culture. The country has a strong position in this business being almost self-sufficient. As so, my case study had the aim of giving the example of how can Portugal succeed and make the difference in international markets.

In order to achieve my objectives, I started by writing a classical case study about Andorinha's success in the Brazilian market. I had a large amount of secondary data provided by the company and I thought that it was the most adequate way to explain how Sovena was able to implement its fruitful strategy in Brazil. With the information provided in this part of the case study, research questions 1 and 2 were answered. Moreover, it was not possible to conduct a marketing research study in the country since I would have no control under the sample and would incur in some marketing research bias. However, although Andorinha is being an immense success in Brazil, I wanted to give my contribution in this area, by exploring why the same trend did not happen when the brand was introduced in the Portuguese market. As so, the first part of the case study ends with a typical managerial problem: the product was recently launched in Portugal and has not achieved the forecasted market share. Thus, like in other typical case studies, no conclusions are achieved, and the discussion ends open about what can the company do in order to overcome the problem. The first part of the case study is considered to be the basis for the classroom discussion. Students will only read the research analysis after discussing and analyzing what can Sovena do in order to increase Andorinha's market share in Portugal.

After discussing the problem, students can be giving the solutions for it, which in part, are contained in the second part of the case study where I was able to give some hints about future developments of Andorinha in Portugal. In my opinion, I believed that, since the brand was very recently introduced in Portugal, and no brand image or consumer's awareness studies were done before, this analysis could bring extra value to the company's future building strategy in the country and to stimulate the students' reasoning about real brand problems. However, since my objective was also to illustrate how can a company build a successful strategy in other countries, some research questions were immediately related to this topic, and were answered in the conclusions chapter, without the help of any research study (here, I had so many data in the case study that, I believed it was sufficient to answer those questions). Regarding the first part of the case study, there was a first exploratory step, through an interview with the Andorinha's marketing director in Brazil. Moreover, constant contact was maintained with this last one via email, where all the secondary data about the company was provided. For Andorinha's problem in the Portuguese marketplace, an online survey was conducted and further research analysis was made through SPSS.

Problem Statement

The aim of this study is to understand how Sovena was able to make a difference in the Brazilian market and why the forecasted values for Andorinha in Portugal were not achieved.

Research Questions

Brazil

1. Did Sovena succeeded in its internationalization strategy?
2. Was Sovena able to build a prosperous strategy for Andorinha?

Portugal

3. Do Portuguese consumers recognize the brand?
4. What are the main elements of the Logo and Packaging affecting purchases of Andorinha olive oil?
5. Is the positioning of the brand in Portugal well-perceived by consumers?
6. Based on Andorinha’s image, are Portuguese consumers willing to buy Andorinha olive oil? Is there a special market segment that values Andorinha olive oil in Portugal?

2. LITERATURE REVIEW

2.1. Internationalization

2.1.1. Internationalization as a Strategic Process

In 1980, international trade grew at an astounding rate of 21% and it is not surprising that the world is moving closer to an economic global village. Through exportations, a company can generate higher profit margins than domestic sales while offering exciting challenges not found in domestic markets (Walvoord, 1983). According to Mintzberg (1987), a strategy implies changing perspectives and/or positions. The term international usually refers to either an attitude of the firm towards foreign activities or to the actual carrying out of activities abroad (Johanson and Wiedersheim, 1975). As so, internationalization, as being the process of increasing involvement in international operations across borders (Welch and Luostarinen, 1988), is a way of changing perspectives and positions through gradual development taking place in distinct stages and over a relatively long period of time (Melin, 1992). There are marked differences in the way companies face internationalization process. Knowledge-intensive firms establish a significant international network in a short period of time and, in contrast, traditional firms enter fewer markets (especially geographically and psychologically “closer” countries) over a longer period of time (Bell et al., 2004)

2.1.2. Internationalization Process

Johanson and Valhne (1977), developed a framework to the internationalization process. The firm, which gradually increases its international existence, is described as being sequential from the initial export activities to the setting of foreign production units. Each firm pursues a number of logical steps based on gradual acquisition, integration and use of knowledge about foreign markets and operations and on its increasing commitment to foreign markets. Focusing on market knowledge and commitment enables the firm to overcome the psychic distance (differences between any two countries in terms of language, culture, education level, business practice and legislation) (Johanson and Vahlne, 1990).

The firm first develops in the domestic market and the internationalization is the consequence of a series of incremental decisions (Johanson and Wiedersheim, 1975). According to Nieto and Llamazares (1998), firms start exporting accidentally, after they assume the *direct export* formula. Afterwards, the firm decides to cooperate with other companies to go abroad and lastly, the firm takes its risky decision and establishes some manufacturing production centers abroad. Ibeh (2004) says that international enterprises with market-focused strategies can obtain better performance than those countries that are not internationalized. Johanson and Wiedersheim (1975) also defined that, firms first make contact with an independent representative in the foreign market and, later,

they set up sales subsidiaries and after that, in some cases, they start producing in those countries.

2.1.3. Factors Influencing Internationalization Process and the Company's Performance

Launching new products in the global marketplace has become a major consideration for firms that want to increase their performance in a more diversified competition context. International launch is an important innovation for the firm and it is considered as a sequential and gradual process (Johanson and Vahlne, 1977). When evaluating global markets, managers run into a broad set of issues that need to be addressed and require the assessment of potential market attractiveness and firm capabilities (Yeniyurt, Townsend and Talay, 2007). Launching brands in the international market requires a deep understanding of the factors that influence the strategic process of a firm in foreign countries.

Market attractiveness is the first factor to be examined when taking into consideration the foreign market product launch perspective. According to Yeniyurt, Townsend and Talay (2007), the greater the size of the host market, the higher the likelihood of a brand's launch in the market. Moreover, Johanson and Vahlne (1977) state that, due to the uncertainty in the environment, firms will enter markets that are similar to the home market and then, will gradually expand to other markets. They call it, *psychic distance* and it includes things such as differences in language, education, business practices, culture and industrial development. In accordance, the language element plays also a role when choosing the countries through which the company is going to internationalize. As so, the companies tend to select a market entry mode that will overcome language and cultural barriers.

In their study, Yeniyurt, Townsend and Talay (2007), also conclude that the size of the host market impacts the effect of *psychic distance* on the likelihood of a brand's launch in a market by weakening this last one. The acquisition of knowledge is an important assumption of the internationalization process, as it is considered that it is important to have a sufficient understanding of a country before start operating in it (Johanson and Vahlne, 1977). Moreover, according to the same authors, the global geographic scope has a positive effect on the likelihood of a brand's launch in a market (the greater the global geographic scope – number of country markets and diversity and spread of these locations - of a brand, the easier it will be for the company to launch the brand in a new country market). Financial resources also play a role, especially if a company needs to invest a large amount of money to start exporting to foreign markets (Walvoord, 1983).

The lack of knowledge and resources are reduced through incremental decision-making and learning about the foreign markets and operations (Johanson and Wiedersheim, 1975). The key is to stay flexible, to keep in close touch with changes in the market-place while recognizing and respecting the foreign customer's unique needs

(Walvoord, 1983). According to Yeniyurt, Townsend and Talay (2007), companies should focus on acquiring local experience while expanding globally, which can be enhanced by having global dispersion and geographic scope, as well as strong near-market presence and host-market presence for brands. By doing it, it will be easier to overcome uncertainties of foreign market launch. Finally, international decisions can determine the strength of some strategies and their consequences for the firm. The results indicate that the relationships analyzed are stronger in firms that go abroad (Kuster and Vila, 2011).

2.1.4. International Branding

“Brands play a critical role in a firm’s international expansion”. As the market is globalizing and companies are facing competition on a global scale, companies are setting up or acquiring companies in other countries, or making alliances with foreign partners. As so, they have to integrate their marketing strategy across different markets (Douglas, 1999). Branding can be a solution to reduce the competitive threat and enhance consumer perceptions of a company’s product (Onkvisit and Shaw, 1987). A strong brand can help the firm to establish its identity in the market place and develop strong customer relationships (Aaker, 1996).

“International branding is a field within international marketing concerned with the challenges that companies face when their brands cross national borders. These challenges relate to the essence of the brand in terms of brand name, brand visual (e.g. logo, colors) and sound elements (e.g. jingles, music) and brand personality” (Whitelock and Fastoso, 2007). “The central role of branding in defining the firm’s identity and its position in international markets means that it is critical to develop explicit international brand architecture. This implies identifying the different levels of branding within the firm, the number of brands at each level as well as their geographic and product market scope”. In international markets, the firm has two options. It can use the same brand in different countries (which can help to leverage brand strength across boundaries), or even maintain local brands (which can help answering local consumer requirements). Choosing which strategy to develop depends on the way the company has chosen its international entry mode, how it has organized its operations within foreign countries (Douglas, 1999) but also, on the brand equity value (factors which create source of value), (Aaker, 1996).

According to Laforet and Saunders (1994), brand structures can be divided in three categories: corporate brands (where corporate brand name is used and house brands are the product division names – Ola Ice Cream brands of Unilever); mixed brands (where a product-level brand is endorsed by a corporate name or two or more brands are given equal prominence – Nestlé Kit Kat or Colgate Palmolive); brand dominant (single product level brands where the corporate identity is omitted – Darkie toothpaste that belongs to Colgate Palmolive).

2.1.5. Internationalization of the Olive Oil Industry

Over the past decade, the agribusiness industry has experienced rapid internationalization. The gradual increase in production and the relative stability of consumption of the olive oil sector, especially in traditional markets, have encouraged olive oil producers to look abroad in order to improve profits and take advantage of the potential demand outside their home country. Increase of income in developed and developing countries, change of food habits toward healthier products, growth in prestige of the Mediterranean diet outside the Mediterranean region were the main factors influencing the fast internationalization of the sector (Mili, 2006; Walburg et al, 2002). Since the beginning of the new century, olive oil internationalization has taken shape. The main reasons for this new scenario were the improvement of cultural practices through technological innovation and increase in demand following healthier consumption patterns (Mili and Rodríguez, 2002). Aggregate demand will continue to grow in most countries, which gives place for expansions in per capita consumption levels in both developed and developing countries (Anania and D’Andrea (2007)).

To enter new markets, the most suitable method of penetration are partnerships with import and distributive organizations or companies at the destination country (joint ventures, strategic alliances, networks), the purchase of a company with a market share at the destination or the creation of commercial subsidiaries at the destination (Mili and Rodríguez (2001)). After entering the market, companies have to consolidate their position and gain competitive edge. To do it, the company can adopt a cost leadership strategy, product differentiation strategy or even specialize its offer to a particular segment (Porter, 1990). In an imperfectly competitive market, where the main competitive advantage is product quality of the olive oil sold, the opportunities to compete in cost are limited. As so, a brand can only attain competitive edge through differentiation and segmentation strategies. Here, the company is worried about offering unique and superior products to specific customers (Mili, 2006). The increase in consumption is the result of demand from a segment that is concerned about the quality of its diet rather than the relative price level (Mili and Rodríguez, 2001). As so, prices cannot decrease, because consumers will become suspicious of the quality of the product. In addition, a sudden increase in price would result in a loss of market share (Blery and Kapsopoulou, 2007).

Regarding the product, in the marketing mix strategy, consumers are most interested in being sure that the product has quality, in the oil type they are buying and in which packaging the olive oil is stored (Mili and Rodríguez, 2001). Meeting consumers’ expectations regarding those three variables would be a key to increase competitive advantage.

2.2. Repositioning Strategies

2.2.1. Defining Positioning and Positioning Strategies

In order to define the term repositioning, we have to understand first what does positioning means and what is the positioning strategy concept. Positioning is the effort to modify the tangible and intangible characteristics of a product in relation to its competitors. Moreover, positioning is the deliberate, proactive and interactive process of defining, measuring, modifying and monitoring consumer perceptions (Arnott, 1993). Positioning is supposed to induce consumer choice by linking a brand name to some desired benefits (Aaker and Shansby, 1982). As so, positioning means the place of a brand in customer’s minds in comparison to competition. It has also to do with the way customer perceive brand attributes which enables the company to build customer base and increase its brand value. As the same author says, a positioning strategy should be defined by setting up clear objectives the company wants to transmit (“defining the dimensions of a particular perceptual space that adequately represents the target audience’s perceptions”) to its customers and then, by developing the appropriate marketing communication strategy through which the consumer will perceive this same message. Product positioning decisions involve choosing a few number of attributes from a brand which will then be highlighted through marketing communication channels (Aaker and Shasby, 1982). Effective positioning is built upon positioning strategies that modify consumer’s perceptions about the offering which will have a later impact on the product’s marketing mix (Arnott, 1992). Finally, positioning strategies can impact firm performance variables (Blankson, 2009).

2.2.2. Re-launching a Brand in the Market and its Repositioning Strategy

“When a firm decides to reposition a brand, it is attempting to achieve two results. First, the firm is expecting that a stronger association will emerge between the brand-name node and the new-positioning-attribute node. Second, the firm is expecting that consumers will fail to retrieve the old positioning that the brand has cultivated in the past. Thus, successful repositioning requires that both the old positioning is weakened and the new positioning is learned” (Jewell, 2007).

As Aaker (1991) said, revitalizing a brand is less costly and risky than introducing a new one. Dead brands can still have brand equity. When a brand has strong brand awareness and image and consumers have positive associations toward it, it is considered that it still having strong brand equity (Keller, 1999). People connect emotionally with a brand that reminds them of a specific time, place or experience and those existing brands have a reputation of reliability that new brands cannot match. Moreover, revitalizing a dominant brand can be a highly profitable strategy under the right circumstances. “Branding gives the customers reasons to buy and use the products. Brand rebuilding dives a second life for a brand”. Sometimes, brands need to be transformed in order to communicate category leadership and energized new visual. Revamp packaging design, including the brand logo, may be necessary when the old

one fails to communicate the desired attributes the brand wants to be perceived by customers (Chen).

2.2.3. Why do Brands Decline?

Normally the death of a brand is preceded by a slow decline over a period (Semans, 2004). For Thomas and Kohli (2007), managerial actions (not meeting customer’s expectations), environmental factors (changes in legal environment) and competitive actions constitute the three main causes of brand’s failure. In Chen’s article, the main causes of brand’s rejuvenation are the loss of market share due to competition, the lack of product differentiation, the declining of product’s category, the spike in promotion activity and the lack of product understanding by customers.

2.2.4. Rejuvenating the Dead Brand

The last sign that the brand is declining is a continuous decrease in units sold during a prolonged period. Managers try to fix those problems by rising prices or introducing brand extensions but it is not worth it since the brand is already dead. However, there is something that can be done to reverse this situation. There are three key elements in a brand’s equity and by being able to modify only one of them, a manager can avoid the fatal destiny. The three key elements are: brand differentiation, brand knowledge and customer response. Lack of differentiation, would lead to decline. As so, managers should not only monitor but also articulate it with some creativity. Secondly, once brand differentiation is created, the market has to be aware of it, and the brand knowledge concept emerges. Marketers should pay attention to top-of-mind recall and constantly monitor brand awareness levels through effective marketing strategies. Finally, sales are the measure of customer’s response. If brand switching rates are increasing, a brand performance is certainly in a weak position. In today’s marketplace, where introducing a new brand costs tens of millions of dollars, revitalizing existing brands is a worthwhile exercise”. (Thomas and Kohli, 2007). A brand can overcome rejuvenation only if it has the potential to come back powerfully and if it stills having significant residual value in one or more brand equity components. A long term perspective is imperative. Reviving a brand, as launching it or seeing it declining, is a process that takes time (Chen; Thomas and Kohli, (2007).

2.2.5. Steps to Rejuvenate a Brand

Prolonging a brand life cycle requires the adequate use of marketing techniques. It starts with the creation of a brand re-development team. After this, managers need to understand how customers use, perceive and choose the brand. Expanding brand awareness comes immediately after. There is a need to increase breadth of brand awareness, making sure that the consumers do not overlook the brand and will think about it as a possible option to satisfy their need. In order to increase the frequency of usage, for example, additional uses of the product, within or outside the category, can influence the increase of sales. Moreover, a new marketing program is necessary to

improve favorability, uniqueness and prestige of the brand. A new image may be developed and communicated through communication channels. Another step to be done is the change in brand elements. One or more brand elements have to be changed in order to provide new information or even to communicate that the brand has taken on new meanings (packaging and logo are two brand elements that can be changed). Lastly, entering new markets and capturing other consumers, not targeted before, can be a strategy to increase sales of the rejuvenated brand. (Chen). But the crucial point here is to understand and recognize the value of customer feedback. This last one will help the company to meet consumers' expectations and increase sales by creating word of mouth buzz in the market (Shoppel and Davis (2011)).

2.2.6. Repositioning Strategies of the Olive Oil Industry

Despite a rapid expansion of olive oil consumption recently, its culinary use is still unknown for most consumers, especially in non-traditional markets. Sunflower oils are used as everyday cooking oils instead of olive oil, especially the extra virgin category, which is seen as a specialty product. As a result, the olive oil industry is looking for new marketing strategies in order to conquer broader market segments (Martínez et al., 2002). Standard olive oil is expensive as everyday cooking oil and suffers from customer lack of information about product usage or even understanding of the different product categories (Foods from Spain, 2000).

Through repositioning strategies, olive oil categories could be defined and distanced from each other, giving customers different cues to revise their opinions and consumption habits. As said before, in order to reposition a brand, the company has to be aware of its actual positioning. In UK, for example, the olive oil is positioned as having a premium quality, premium price, luxury packaging and sophisticated image. However, although this image might fit with the extra virgin olive oil positioning, it is inappropriate for other olive oil categories. In order to repositioning a brand, in regard to olive oil brands, a brand has to manipulate three key elements: packaging (which widens the gap between different types of olive oils), size of the container (the smaller the packs, the higher the sophistication perceived) and price. In addition to the marketing mix attributes, information and persuasion is crucial to reposition a brand. Advertising has to be informative in order to educate customers (Martínez et al., 2002).

3. CASE STUDY (PART I)

“Andorinha in Brazil and its later Flight Back Home”

3.1. How Everything Started...

In December 2011, the CEO of Sovena Group, one of the largest Portuguese agribusiness holding companies, was sited at his desk in the company’s Portuguese headquarters. He was looking at the last year’s financial performance in an attempt to draw a strategy to continuously and sustainably increase the results of the group. As so, he was thinking about last year’s Sovena Group results and suddenly was faced with 2009 Annual Report, founded in the middle of a pile of documents that were supposed to be already archived. However, he decided to take a brief look:

During 2009, we have achieved the highest EBITDA of the last six years representing about 40 million euros and a turnover of 771 million euros. We recorded 768 million euros in sales, and around 70% were made outside Portugal. Moreover, this is not everything. I can see here, in the breakdown of consolidated sales per business area, that the main responsible for such positive results is the Consumer Goods business area, especially its Olive Oils department, that has achieved a total number of sales of 402 million euros during that year, representing more than 50% of the total sales of the group.

*This is not surprising, since we bet heavily on expanding our business to different international countries and constantly innovated and improved our production process to increase olive oil quality delivered. This was done in order to address the increasing trend in worldwide olive oil consumption as a consequence of the extension of the Mediterranean diet. (See **Exhibit 1** for Company Financial Statements 2003-2009).*

After developing some analytical reasoning about Sovena’s 2009 achievements and evaluating deeply the company’s results in the Consumer Goods business area, Sovena’s director became astonished when he noticed the latest stunning performance of a recent acquired brand called Andorinha, sold mainly in Brazil, and decided to take a look on internet news, in order to understand what others were saying about this brand and Andorinha’s operating market:

“Brazil is the main destiny of Portuguese olive oil exports. Brazil’s economic growth helped Portuguese domestic brands to increase their weight in this market: in 2010, those brands held a share of 55,2% of the Brazilian market. About 65% of Portuguese olive oils exports have the country of samba as major destination and companies like Sovena are benefiting from this local boom, with its brand Andorinha maintaining an exceptional performance and growing at twice the olive oil Brazilian market”.

According to the financial statements consulted previously, it was not surprising seeing this type of news in many internet websites. When reading such news, the

group’s CEO felt even most motivated and with the desire to raise even more consumer expectations and make Sovena’s brands, especially Andorinha, prestigious and distinguishable iconic brands in the market, able to represent the commitment, effort and dedication that the company’s employers were making to lead the group achieve the next step.

But, how was he going to do this? What were the next steps Sovena had to proceed in order to achieve success? What were the opportunities encountered for Andorinha’s future in Brazil and Portugal? How was Sovena going to maintain the position of second biggest worldwide player in the olive oil sector?

3.1.1. Company Background

Sovena Group is a Portuguese company owned 100% by the De Mello’s family. In the beginning of the 20th century, Alfredo da Silva created the Companhia União Fabril (CUF), the largest industrial, commercial and financial Portuguese group, covering many business areas such as textiles, vegetable oils, shipbuilding, among others. Later, his grandson, Jorge de Mello was awarded the agri-food business and after the 1974 revolution, he decided to make some strategic moves in order to consolidate the family agri-food business in Portugal. In the 1980 and 1990 decades, many companies, within the vegetable oils industry, were acquired such as Sociedade Alco, Fábrica Torrejana de Azeite, Lusol, Tagol and Sovena. Some companies were in charge of extracting and refining vegetable oils, producing soaps or even commercializing oils and soaps.

In the 21st century, since the global market was expanding, the company saw the necessity to increase its operations outside the country. It acquired a factory in Seville, responsible for vegetable oil refining and bottling, especially olive oil. This move allowed the company to attain a leading position in the Iberian Peninsula but, however, the group saw the extreme necessity of delivering its products to a larger number of consumers, countries and cultures. As so Simão & Companhia, the company holding Andorinha’s olive oil, was acquired as well as East Coast Olive Oil (USA), Exoliva, a Spanish company devoted exclusively to the preparation and packaging of olives and consequently exportation to Russian, Middle East and Ukrainian markets and companies such as Tagol Ibérica de Aceites (Spain), Biocolza, Sovena Middle East & North Africa (Tunisia), Elaia or even Soprolives (Morocco) were created in order to give the group higher access to those markets. The objective was to have a higher control over olive oil production process, refinement and extraction activities as well as its packaging and commercialization. In 2007, the group also entered in the biodiesel business creating a company called Agrodiesel, later integrated in Tagol.

In 2008, the companies of the group were reorganized and named under a single identity, Sovena Group, in order to have a more unified corporate image. In 2010, Sovena was able to close its olive oil value chain while inaugurating the Largar do Marmelo, one of the biggest bets of private investment in agriculture held in Portugal in

the last 20 years. With more than 5000 m², the mill would serve the production needs of the company, directly promoting Sovena’s olive oil brands. With this innovation, Sovena forecasted to produce 20 million liters of olive oil, two thirds of the olive oil domestic production in 2005.

3.1.2. Sovena in 2011

By facing such an impressive development, the group had achieved the position of the largest olive and seeds oil bottler in the Iberian Peninsula and, at the time, was the second largest olive oil company in the world. Moreover, it was the first world bottler of olive oils for retail private labels, the largest importer of olive oil to the USA and the first Spanish exporter of olive oil (*See Exhibit 2 for the Activity and Structure of Sovena group*). Although the oil business was the company’s strategic focus, Sovena strategy covered also other areas of activity from which it was able to achieve significant synergies and complementarities. Namely: crushing of oilseeds and respective refinement, biodiesel, oil blending and packaging, preparation and packaging of table olives, bottling of vegetable oils as well as production of soaps and, since 2007, exploitation of olive groves. With this latest investment, the Group ensured Sovena’s greater presence in the olive oil value chain and its easier access to raw materials.

Furthermore, the company had a “glocal” policy. By doing this, it attempted to reach global markets by having a local presence in each one. That’s why the company did not have one single brand that it exported to the entire globe (*See Exhibit 3 for Sovena’s Main Portfolio Brands*). It understood that different customers in different regions had different alimentary habits and desire different flavors. As so, it opted to satisfy those consumers by continuously adapt to local community tastes. In only 10 years, the group had become one of the biggest companies worldwide with representations in Spain, Portugal, USA, Brazil, Angola, Tunisia and Morocco and exported to more than 70 countries worldwide. Brands like Oliveira da Serra could illustrate the great success of the company, being awarded with many international prizes for its exceptional quality and innovativeness. And, Sovena’s Marketing Director seemed to have an opinion about this:

Founded upon values such as integrity, competitiveness and innovation, Sovena believes in tomorrow’s Portuguese agriculture and new production techniques. If we had looked over the future thinking about obstacles, we would have never been able to achieve what we actually were able to achieve. And despite being our great business star, Oliveira da Serra is not alone. We have been able to create many brands which are building promising steps abroad. We have brands such as Soleada, imposing increasingly itself in the Spanish origin olive oil segment or even Andorinha, growing twice the market and conquering Brazilian consumers. We believe in tomorrow. We are a future-oriented company that does not stop to look behind. We believe in innovation and construction of a prosperous future for Portugal.

3.2. Andorinha Olive Oil: From a Weakened brand to a Market Leader in Brazil

3.2.1. Industry Trends and Internationalization as a Strategic Move

By being a Mediterranean country and having olive oil embedded in their daily alimentary routine, European countries such as Spain, Italy, Greece and Portugal, were the ones, not only producing, but also showing higher levels of olive oil consumption per capita. At the moment, Europe was responsible for 71% and 63% of worldwide olive oil production and consumption, respectively. Furthermore, most of the countries bathed by the Mediterranean Sea were responsible for 92% and 75% of olive production and consumption, respectively. With the improvement of olive oil processing techniques and with the worldwide expansion of the Mediterranean diet, due to the fact that consumers were becoming more concerned with their healthy alimentary habits, producer countries saw an opportunity drain their production by increasing exportation rates to non-traditional olive oil countries. Those countries showed low consumption per capita levels, able to be optimized by olive oil producers. In fact, worldwide production levels increased 103% since 1990, as a consequence of a growth of 79% in worldwide olive oil consumption. Furthermore, since non-traditional olive oil consumer countries were constantly demanding for olive oil, worldwide imports grown around 70% in those countries since 1990 (See *Exhibit 4 for Consumption per Capita of Major Olive Oil Consumers, Brazil and United States (2011)* and *Exhibit 5 for Worldwide and European Production, Consumption, Imports and Exports data*).

And Portugal followed the trend. Despite consumption levels have grown exponentially since 1990 at a rate of 224%, production levels outperformed the growth rate of olive oil consumption, presenting a growth rate of 238% since 1990. Furthermore, with such an improvement of olive oil processing techniques, Portuguese companies started exporting olive oil. Those market tendencies illustrated the auspicious future of the industry and the huge opportunity that foreign countries represented to the olive oil Portuguese market. In fact, Portugal has become almost self-sufficient to what concerned olive oil trade. Exports grew at an average annual growth rate of 12,8% since 2006 and Portugal decreased its importation's average annual growth rate in 7,2% since 2006 (See *Exhibit 6 for Portuguese Olive Oil Consumption and Production and Trade Balance of Olive Oil in Portugal*). Due to linguistic and cultural proximity, Brazil was the major importer of Portuguese olive oil (representing a share around 65% of olive oil exports in 2010), immediately followed by Spain (20%) and Angola (6%) (See *Exhibit 7 for Top 15 clients of Portuguese Olive Oil Exports*).

And Sovena did not get behind the trend. In 2004, the company was making one of the biggest decisions since the existence of the group. The persistence, commitment, optimism and ambition marked Sovena's leaders' visionary spirit at the time. And, they knew, they were not committing a mistake.

3.2.2. Andorinha’s first Successful Flight

In 1927, Andorinha, a Portuguese export-only brand was launched by the family Simão in Abrantes, Portugal. The brand name, meaning swallow, soared beyond the country’s boundaries looking for success in international markets, namely, in Brazil. Andorinha olive oil was first packaged in its famous little red canister and remained unchanged during many decades.

As the Mediterranean diet became a trend, the Brazilian population was becoming increasingly concerned with its healthy habits. In order to profit from this boom demand, many olive oil companies entered the market and, consequently, Andorinha struggled to keep its small 2,5% volume market share. Simão & Companhia started to face serious difficulties and the company was near bankruptcy. The brand’s identity looked outdated, unable to face the sophisticated competition. In the Portuguese market Sovena was one step ahead, thinking about solutions and opportunities to overcome the olive oil Portuguese market limitations. In a 2003 quarterly meeting with the board of directors, Sovena’s CEO finished with some inspiring words:

We have to think out of the box. Operating only in the Portuguese market would not bring medium-long term growth to our company. When we stare at the global landscape of olive oil, we can see that there is a huge growth potential in several countries such as USA and Brazil. Those countries represent the future of our business with such low levels of olive oil consumption per capita. There is a “positive wave” surrounding olive oil. And we can make the difference in those markets. Our role is to discover what are the best opportunities to start operating there. Our deadline was yesterday.

3.2.3. Repositioning Strategy in Brazil

And so it happened. The company discovered Andorinha, a brand that had already a great presence and notoriety in the Brazilian market, and acquired it in 2004. The brand was seen as a quality brand but had been losing relevance in recent years. However, it had an enormous potential to be revitalized and, by doing so, Sovena would be able to operate and conquer a strong and notorious position in the Brazilian market. In the first year, the main objective of Sovena was to increase the brand’s notoriety and consumers’ quality perceptions. As so, the packaging, which had remained the same since 1927 and was a little bit outdated, was renewed (*See Exhibit 8 for Andorinha’s Packaging*). The distribution was extended through a partnership made with a national distributor, Bunge. Andorinha’s target was, essentially, A and B classes that were more affluent and thus, able to buy an imported product with a relatively high price in Brazil. In the first three years, the communication was essentially made by the presence in food and social magazines, point of sales tasting events and sampling distribution.

However, this first rebranding did not correspond to the intended goals. The results of the first rebranding remained static at 8,7% volume market share in 2006. It

was found that the brand had lost the authenticity of a brand designed in 1927. Thus, Sovena, faced with another obstacle, had to rapidly think about a solution to not destroy the investments it had been doing in the last two years.

3.2.4. Second Repositioning of Andorinha: A Successful Move

As a consequence, Sovena opted for a second rebranding. The rebranding objectives were to recapture the authenticity of a “Since 1927 brand”, to increase premium cues for an iconic design with worldwide relevance, increase on-shelf impact and brand recognition, increase sales and bolster market share. The new look of Andorinha was launched in the country, in January 2007 (See *Exhibit 8 for Andorinha’s Packaging*). The new design was able to bring richness and quality to this olive oil brand. Premium cues were introduced with a vibrant gold, etched olive branch detailing and the fine crafting of the swallow logo and typography. In addition, navigation was improved through the emerald green of the traditional (virgin) and ruby red of extra virgin, clearly signifying the different ranges. The dominance of the revamped logo helped on-self standout and strengthened Andorinha’s heritage quality, authority and origin.

After the redesign, the volume sales grew 50%, from 2 million to 3 million liters in just two years (more than twice as much as the total market growth) and Andorinha’s volume market share climbed into double figures, to 10,6 in 2008. In the same year, Andorinha became the fastest growing olive oil brand in Brazil. Research proved that the design improved in terms of “beauty”, “sophistication”, “visibility”, “perceived naturalness, lightness and healthiness” and these good accomplishments immediately set Andorinha apart from its competitors. Regarding the return on investment, for every 1€ spent on brand redesign, Andorinha gained 75€ of sales in the two years that followed the brand repositioning strategy. From 2007 to 2008, distribution increased from 2000 stores to 3000 stores, giving the brand more visibility around its target consumer group. From 2006 to 2008, Andorinha’s volume market share grew 21,8%, reaffirming and strengthening its position as the second largest olive oil brand in Brazil (See *Exhibit 9 for Andorinha’s Results in Brazil*). Volume sales increases have been recorded in all Andorinha’s markets. South Africa grew 280%, France grew 102% and Macau, USA and Canada, had grown 90%, 36% and 25%, respectively. As those markets were relatively small, no marketing investments were done and sales relied only on consumers’ packaging perceptions.

3.2.5. Andorinha Today – Fighting for a Leading Position in the Brazilian Market

Since 2008, Andorinha had grown twice the market and forecasts to achieve a volume market share of 15% in 2013 (See *Exhibit 9 for Andorinha’s Results in Brazil*). However, this was achieved with a consistent and sustainable strategy. Consumers were demanding glass packaging instead of tin packaging and extra virgin olive oil instead of traditional olive oil (See *Exhibit 10 for Andorinha Today*). Thus, the brand strength was

targeted to a more sophisticated side and the company invested in glass packaging and bet heavily on the extra virgin olive oil segment. After the second rebranding, the brand has opted to use a glass bottle with an exclusive and unique design, leaving behind the standard packaging model called Marasca. Though, Andorinha wanted to go far beyond. The Portuguese brand prepared an innovation in order to increase consumer’s satisfaction levels. In the second semester of 2009, the brand launched its pop-up cap across all the supermarkets, called bico doseador Vai-e-Vem in Brazil which had an immense impact on sales growth, pointed to be the main brand differentiator factor, and which later received many international awards such as the packaging design gold medal in Los Angeles International Extra Virgin Olive Oil contest. The new product, consisting of a single mechanism patented worldwide, had the objective of preventing the oil drain out of the bottle and had a mechanism retractable system that collected automatically when the cap of the bottle was closed, leaving the container sealed, preserving the taste and quality of the olive oil. This innovation also had a mechanism that allowed air to enter in the container, providing total control of the amount of olive oil required, avoiding waste (*See Exhibit 8 for Andorinha’s Packaging*).

According to research studies, the brand had been recalled by a crescent number of consumers as a top of mind brand (1% in 2008 against 9% in 2010 consumers were able to recall Andorinha as the first olive oil brand coming to their mind), experimentation rates had evolved 9% in 2008 to 39% in 2010 as well as the frequency usage that was 2% in 2008 and increased to 9% in 2010 (*See Exhibit 10 for Andorinha Today*).

In 2011, the brand was present in the market in an extensive portfolio of olive oils: Oliva, Extra Virgem, Vintage, Seleção and Orgânico, the last two launched in 2010 and 2011, respectively and with an average selling price of 22,7Reais, which placed the brand as an average price brand in the Brazilian market. With such portfolio, the company was able to meet all consumers’ expectations (even the lowest social classes started consuming the product due to its health benefits). In addition, at the end of March 2011, the company started its most daring marketing campaign with Swallow Dorinha. Dorinha was a way to humanize the brand, transmit the brand values, creating a closer relationship with the Brazilians. The character acted as Louro José girlfriend, in Mais Você TV program from TV Globo, which was a character beloved by the population. The TV viewers were able to follow Dorinha and Louro José romance throughout the year as well as they could know more about Andorinha’s olive oils, its benefits and qualities. Dorinha, considered a phenomenon since the beginning, also interacted with consumers through social media networks having more than 58.000 facebook fans in November 2011, entering in the top 100 most liked Facebook pages. And even the youngest ones could play with swallow Dorinha thanks to the paper toy launched by the marketing team in the same year. Furthermore, the brand had been seen as quality brand and was always the second most cited brand in notoriety studies. Andorinha is pointed to be the most Brazilian olive oil brand in the market, transmitting

values of positivity, expression and freedom. (See *Exhibit 11* for Swallow *Dorinha Pictures*).

3.3. Andorinha Olive Oil: Back to Origins

In 2009, Sovena’s CEO was sited around the table, having dinner with his family in Portugal. In fact, they were having dinner in a cold Christmas night, fulfilled by traditional values, and were remembering old family histories. They were all laughing and, specially, enjoying being together. The year had been so difficult that, even Sovena’s CEO could barely remember the last date on which they had been enjoying such a great time together. The dinner, of course, was a tender codfish watered in olive oil. It would be surprising if the olive oil did not taste as Oliveira da Serra. However, the CEO, which was now a simple family man, took some minutes of silence while thinking about this Oliveira da Serra olive oil bottle placed right next to him in the table. And he started whispering:

How have I never thought about this before? All it took was a single, comfortable and pleasant moment around the table with those I loved the most to further delineate a strategy for a prosperous future for Sovena. How could I never been able to understand that Sovena is a potential market leader if it combines a bigger brand portfolio able to reach all market segments?

However, his thoughts were suddenly interrupted by his youngest child who was demanding to sit on his lap. But the intention that emerged from a small family dinner remained. With 83 years old, the olive oil that had been making history in international markets was launched in Portugal. Andorinha was back to the country for two main reasons: it did not make sense to have a Portuguese brand with such a great representativeness in Brazil and not selling the brand in Portugal and, as a consequence of innovation, Portuguese olive oil brands had lost their truly antique and traditional positioning. Thus, by launching Andorinha, the aim of the group was to try to occupy the traditional and back to origins empty space in the market, and to create a more directed competitor to Gallo, a brand closer to values such as tradition and hospitality. Since Oliveira da Serra was occupying a more future-oriented and innovative position in the market (it was the only one brand with a pop-up cap in the market), Sovena believed that there was no market shares cannibalization danger between the brands. In fact, they would act as complementary, trying to weaken Gallo’s position in the market, making Sovena achieve the leading position.

According to that, Andorinha adopted a completely different positioning from the one in Brazil. In Portugal it was seen as a brand based on values such as “tradition”, “history”, “family”, “sharing”, “conviviality around the table”, “hospitality”, “prestige”, “premium quality” and “back to origins”. In Portugal, it was directed to a consumers’ market niche. In order to symbolize the home return, Andorinha’s logo was adapted to the Portuguese market as well as packaging, with sober colors and no pop-up cap,

representing tradition and quality and the swallow was turned to the reverse side, representing Andorinha’s flight back home.

All these changes were accompanied by a marketing campaign, with a budget proportional to market share’s expectations that had the aim of revealing not only a product but giving back to Portuguese consumers, conviviality habits around the table. As so, a website with many different addresses such as *www.bem-vindo-sejas.com* or even *www.bendito-azeite.com* was created. The objective was to develop a sensory experience by making the consumer inviting someone for dinner, automatically sending by mail a small bottle of Andorinha’s olive oil jointly with the invitation to the guest. After receiving the invitation, the guest had to bring the olive oil bottle received to the dinner, instead of the traditional wine. Together with the website marketing campaign, many places in Lisbon were decorated with threes and swallows in them. More than 3 million swallows were offered to the population with many different website addresses on their back, redirecting consumers to the sensory experience website (See **Exhibit 12** for *Andorinha Marketing Campaign in Portugal*).

When Andorinha was launched in Portugal, Sovena expected it to have a 1,5% market share. Two types Andorinha’s olive oil were sold in Portugal, the normal extra virgin and the premium extra virgin 1927 (See **Exhibit 8** for *Andorinha’s Packaging*). Regarding Andorinha’s market share in the olive oil Portuguese market, Sovena did not attain its objectives. In 2010 the brand only attained a market share of 0,12% and in the year-to-date of 2011, this market share declined to 0,09%. However, the brand had a greater market share of 0,15% in the year-to-date of 2011 in the extra virgin olive oil segment, despite its negative evolution since the previous year. Furthermore, a telephone survey showed that Andorinha had little awareness (See **Exhibit 13** for *Andorinha Results in Portugal*).

However, since those results were very limited, Sovena’s marketing team ordered a more deep and consistent market research study to an external company in order to study Andorinha’s brand awareness and notoriety in the Portuguese market.

4. CASE STUDY (PART II)

Two months after Sovena has ordered the research study about Andorinha’s notoriety in the Portuguese market, the company’s CEO received the final report of the study. Curious about the results attained, Sovena’s leader started reading carefully the document. The report had a profound analysis on the olive oil Portuguese market, especially Andorinha’s brand awareness in Portugal and customer perceptions about the recent launch of the brand in the country. By reading it, Sovena’s CEO was able to understand how the little swallow was been seen in Portugal

As a research always starts with the identification of research questions, the marketing team defined 4 major questions they wanted to answer through the study:

1. Do Portuguese consumers recognize the brand?
2. What are the main elements of the Logo and Packaging affecting purchases of Andorinha olive oil?
3. Is the positioning of the brand in Portugal well-perceived by consumers?
4. Based on Andorinha’s image, are Portuguese consumers willing to buy Andorinha olive oil? Is there a special market segment that values Andorinha olive oil in Portugal?

4.1. Research Methodology

After doing some exploratory research with the company’s marketing director, it was believed that descriptive research was the most adequate form to understand who were the Portuguese consumers that recognized Andorinha brand and what were consumers’ perceptions about Andorinha’s brand image. By doing so, the external company team believed that, through the results, it would be possible for Sovena’s directors to understand what had to be done in the future in order to correct or even to improve the brand’s positioning in Portugal.

4.2. Data Collection Method

The team opted for an online questionnaire due to the higher flexibility in the process of collecting data and the ability to collect data about different aged consumer ranges. Furthermore, it corresponded to a way of allowing responds to answer the questionnaire at a convenient time for them and, as a consequence, the percentage of accurate answers would be higher. Moreover, the online survey was a way to meet Sovena’s budget limitations to this research study and through which answers’ information were effectively transported into SPSS format (which consequently enabled time saving when introducing survey’s results into the statistical analysis tool) and a way to get a higher response rate, due to its privacy policy. In fact, in a 10 day period

the team was able to collect 275 responses. However, due to respondents’ dropouts in the middle of the questionnaire, it decided only to take into account, responses covering the entire questionnaire. As so, the research analysis was done with a sample of 220 people. Additionally, the online questionnaire was a way to eliminate any type of bias happening when there was an interviewer asking questions (See *Exhibit 1 for Brand Awareness and Brand Associations of Andorinha Olive Oil in Portugal Survey Template*).

4.3. Population

Since the objective was to study an olive oil brand’s notoriety in the consumers’ market, the target population was every customer above 15 years old. When determining the sampling frame, the team made the assumption that the universe it wanted to analyze was, at least, higher than 1.000.000 of individuals (which corresponded to 1/10 of the total Portuguese population). In accordance to the *Ibermarketing* table of analysis of relevant sample sizes in statistical terms, to get a 95% confidence level sample, it had to collect a minimum of 171 responses. This same number was maintained even with a universe of 10.000.000 individuals (corresponding to the total Portuguese population). In order to disseminate the online questionnaire, Facebook pages were used as well as e-mail to divulge the survey.

4.4. Analysis of Results

4.4.1. Survey Sampling

The demographic variables the team had chosen to analyze were age, gender, number of members of the household and household monthly income. Those last ones were chosen in order to understand the average monthly consumption level (a household consumption of two individuals was probably not the same as the household consumption of six individuals, if they had the same olive oil consumption frequency). Moreover, the type of olive oil consumed and even Andorinha’s purchase intentions would probably depend on the monthly income of the household (a family with a short monthly income has higher price sensitiveness and thus, would opt for the consumption of olive oil private labels).

Regarding gender, 52,7% of the respondents were females and 47,3% were males. 60% of the total population had a household composition between 3 to 4 members. The distribution of household with more than 4 members and with less than 3 was almost the same. To what concerned the ages of the respondents, we can see that they are well distributed among 15 to 60 years’ ranges. Customers with ages between 15 and 24, represented the higher range of respondents (36,8%). The range of customers aged between 25 and 34, represented 17,7% of the total population, the range of 35-44 years old and the range of 45-60 years old, represented 18,2% and 25%, respectively.

Consumers below 15 years old and above 60 years old, represented a much diminished part of the sample. Moreover, 30,9% answered that their monthly household income was between 2000€ and 5000€. The segments belonging to <1000€, 1000€-2000€, 5000€-7000€ and >1000€, represented 6,8%, 16,8%, 21,4% and 24,1%, respectively, of the total of respondents (*See Exhibit 2 for Demographic Analysis of the Population*).

4.4.2. Consumptions Habits

Regarding the consumption regularity levels, a great number of the population (66,2%) answered that they consumed olive oil on a day-to-day basis. There was only 3,7% of the population consuming olive oil at weekly low levels (occasionally). As so, one of the conclusions was that the Portuguese consumers were high level users of olive oil. Furthermore, 61,6% of the respondents answered that they consumed on average one to two bottles of olive oil and 27,9% were the ones consuming 3 to 5 olive oil bottles a month. This is not surprising since the Mediterranean diet is completely embedded in the Portuguese culinary culture. However, in a comparison of means (ANOVA), females, with 0,001 significance, were the ones consuming olive oil at high rates (which was expected since females are the ones normally cooking and thus, men are not aware of their household olive oil monthly frequency). High aged people were the ones consuming a higher number of olive oil bottles per month and high number of household members family were also the ones affecting higher percentages of olive oil bottles bought (0,001 and 0,000 significance levels, respectively). The most consumed olive oil category was the extra virgin olive oil (with a consumption rate of 79,5% - 175 respondents), which is the one with high quality and flavor, extremely valued by consumers (*See Exhibit 3 for Consumption Habits*).

4.4.3. Research Questions

1. Do Portuguese consumers recognize the brand?

Regarding brand recognition, the team tried to study which were the main brands consumers were able to recognize in the Portuguese market. In the traditional olive oil category, Oliveira da Serra and Gallo, direct competitors and market leaders were the most recognized brands by consumers even though, Gallo seemed to be the main recognized brand with a rate of 91%. Condestável and Private Labels were identified by 42% and 37% of the consumers, correspondingly. In the extra virgin category, the same ones seemed to occupy the two first places but Herdade do Esporão and Condestável represented also high levels of brand recognition. Regarding Andorinha olive oil, 23 individuals of the sample were able to recognize the brand, corresponding to a rate of 10% of the total population. To what concerned olive oil consumption, Gallo occupies the first place in both traditional and extra virgin olive oil categories, immediately followed by Oliveira da Serra. Even though Condestável was a brand recognized by consumers, it is not a brand they usually consume. However, Herdade do Esporão was able to retain some consumers and is a brand bought by 30%

of the sample. Lastly, Andorinha was only consumed by 8 survey respondents, representing a consumption rate of 3,6% within the population.

Furthermore, in Q7 of the survey, respondents, when faced with Andorinha’s logo, were asked if now, they were able to recognize the brand. The objective was to give an extra hint in the recognition process. Improvements were achieved, 15,5% of the respondents did recognize Andorinha’s logo, even if recognition rates remained quite low (*See Exhibit 4 for Brand Recognition*). In a cross tabulation analysis, between demographic variables and Q7, some conclusions were drawn. Aged respondents were the ones that most recognized the brand, especially males. Regarding the monthly household income, richer individuals were the ones showing higher brand recognition levels. However, individuals belonging to the first household income category (<1000€) were also able to recognize Andorinha’s logo (*See Exhibit 5 for Cross Tabulation analysis of Brand Recognition within different Demographic Variables*).

In conclusion, Andorinha was not fully recognized in the market, representing low recognition rates. Two main factors explained this tendency. Andorinha was a brand belonging to a group with an olive oil brand, Oliveira da Serra, already occupying a notorious position in the Portuguese market. As so, their value propositions were completely different and Andorinha had a completely distinct positioning in the market, being more traditional and completely directed to a market niche, attempting to rescue the vintage olive oil style lost over time. As so, Andorinha’s results are not spectacular since Sovena has already its main jewel in the market. Furthermore, the brand was recently introduced in the country and, for this reason, it takes some time to persuade consumers and increase consumption and loyalty levels.

2. What are the main elements of the Logo and Packaging affecting purchases of Andorinha olive oil?

The survey question related to this topic was Q8. However, in order to have deeper analysis about this subject, a question about the importance of some attributes in general olive oil purchases was introduced (Q6).

Firstly, the team started by analyzing the frequencies table of Q6. Based on each variable mean and with a scale of “1-Totally Unimportant” to “5-Extremely Important”, the most important attributes determining olive oil purchasing behaviors were “Healthier product than its substitutes” (with a mean of 4,20), “Flavor” (with a mean of 4,51), “Degree of Acidity” (with a mean of 3,87) and “Better flavor than its substitutes” (with a mean of 3,99). This confirmed the healthy trend around olive oil consumption and consequently, the increased demand for quality (based on flavor and olive oil degree of acidity). In second place, there were attributes such as “Price” and “Color” which helped the team categorizing consumers as being price sensitive and once more quality demanding (this last one is also affected by the olive oil color) (*See Exhibit 6 for Analysis of Question 6*).

For question 8, a factor analysis on attributes the logo and packaging transmitted by Andorinha olive oil was run. The team started by conducting a factor analysis with eigenvalues superior to one (one factor analysis related to the logo and one related to the packaging). However it decided not to include the two purchase intentions' variables (“Through the values the logo/packaging transmits I would buy Andorinha” olive oil and “Through the values the logo/packaging transmits I would buy Andorinha olive oil at a higher price than competition”) since those ones did not relate to logo and packaging attributes). Regarding the logo, an initial factor analysis was run. However, despite KMO and Bartlett’s Test of Sphericity indicated that it was appropriate to apply the factor analysis to the data set, with eigenvalues above 1, communalities were very low and thus, the amount of variance lost, explained by all the factors jointly in some variables, would be extremely high. As so, a model with 3 factors was adopted. Eigenvalues would remain really close to 1, communalities would become relevant and the total amount of variance explained by the model would be higher. The team ended up with an output of three factors, with a KMO value of 0,789 and a Bartlett’s Test of Sphericity with a p-value of 0,000, which were good indicators, since in the case of the KMO it was higher than 0,6 and the p-value of the Bartlett’s Test of Sphericity allowed to reject the null hypothesis that the variables in the population correlation matrix were uncorrelated. Two communalities were under 0,6 but the team decided to maintain them since the value was very close to 0,6 and because the amount of variance explained lost would be extremely higher if the attribute was eliminated. According to the values of the rotated component matrix, factor 1, with high loadings on “The logo transmits quality”, “The logo plays a role in brand differentiation”, “I associate the logo with a premium brand” and “The logo is too traditional” was named Quality. Factor 2, which had high loadings on “The logo transmits modernity” and “The logo transmits sophistication”, was named Innovativeness. Finally, factor 3, with high loadings on “Through the logo I perceive the product as healthy” was called Healthiness.

Regarding the packaging, a factor analysis with 3 factors was run with the last eigenvalue of 0,997, which was very close to one and allowed to not lose a great amount of variance explained by the model. Communalities under 0,6 were eliminated and the new model was adequate since the KMO was 0,747, the Bartlett’s Test of Sphericity proved that the variables of the correlation matrix were correlated and the total variance explained by the model was 73,662%. According to the rotated component matrix, factor 1 was named Distinction (with high loadings on “The packaging is innovative”, “The packaging is sophisticated” and “The packaging plays a role in brand differentiation from competition”), factor 2 was named Quality Fit (with high loadings on “The packaging transmits quality” and “The packaging is suitable to my needs”) and lastly, factor 3 was named Modernity (with high loadings on “The packaging is modern” and “The packaging is too traditional”). (See *Exhibit 7 for Factor Analysis results of Question 8*).

After, a regression model on the factors scores was estimated with one variable of Q8- “Through the values the logo/packaging transmits I would buy Andorinha olive

oil”. The regression on the logo factor scores had a medium fit with a R square of 0,419 and an adjust R square of 0,410. The standard error of estimate is 0,538 which meant that the predicted model was not extremely accurate. However, the hypothesis that all the coefficients of the independent variables were 0 was rejected. Moreover, all β coefficients had a significance level under 0,005 and thus, were statistically significant in predicting the model. As so, the β coefficients were 0,312 for Quality, 0,132 for Innovativeness and 0,302 for Healthiness, meaning that those three factors affected the consumer’s likelihood of buying the product. Thus, this was expected that the Healthiness transmitted by the logo played a crucial role in consumer’s buying decision, followed by Quality perceived and Innovativeness, respectively. As so, consumers valued products capable to fit into their healthy habits and as a consequence demanded extreme quality from them.

Concerning the packaging, the regression remained significant but, relatively less accurate with a R square of 0,374 and an adjusted R square of 0,364. The standard error of estimate is 0,565 but, however, the hypothesis that all coefficients of the independent variables were 0 was rejected. Two of the β coefficients were statistically significant in predicting the model, with p-values of 0,000. As so, Distinction and Quality fit of the packaging, with β coefficients of 0,298 and 0,307, correspondingly, determined the purchase likelihood of Andorinha. Consequently, when buying Andorinha, the Quality Fit transmitted by the packaging, which meant, the quality offered by the product and its adequacy to consumers’ needs, was the first responsible for purchases, immediately followed by the sophistication, differentiation and innovativeness perceived through the packaging (Distinction). (See *Exhibit 8 for Regression Model on Factor Scores of Question 8*).

3. Is the positioning of the brand in Portugal well-perceived by consumers?

Firstly, according to Sovena’s marketing team, Andorinha was launched in Portugal over the following values:

- Tradition
- History
- Family
- Sharing
- Conviviality around the Table/Hospitality
- Prestige
- Premium/Quality
- Back to Origins

By analyzing responses of Q9, the main values characterizing Andorinha’s olive oil were “Tradition” (chosen by 62,7% of the population), “Quality” (36,4%), “Family” (33,2%), “Hospitality” (27,7%), “Health/Natural” (23,2%) and “Distinct” (20,9%). The less associated with Andorinha olive oil were “Sensuality” (0,9%), “Magic” (0,9%) and “Joy/Fun” (0,9%). However, those responses were given by all the population, including respondents that did not know the brand or did not consume it. A more

accurate overview about the real values that characterized Andorinha olive oil, could be given by consumers that in question 4 and 5, answered that they consumed the product or, at least, were able to recognize it. As so, the team decided to analyze the descriptives statistics and frequencies of only those 23 people by splitting the SPSS data into the ones that had selected “Andorinha” in Q4 (the ones selecting Andorinha in Q5 were included already in Q4). In conclusion, almost all the positions were maintained and even became more significant, being associated with Andorinha olive oil by a high percentage of the respondents. Furthermore, the value “Cosmopolitan” was associated with Andorinha by a higher percentage of the population and the percentage of respondents believing that Andorinha olive oil was “Vulgar-Common” decreased more than twice. Thus, the positioning of the brand was well perceived by the population and even more by Andorinha’s recognizers and consumers (*See Exhibit 9 for Values Associated with Andorinha Olive Oil*).

4. Based on Andorinha’s image, are Portuguese consumers willing to buy Andorinha olive oil? Is there a special market segment that values Andorinha olive oil in Portugal?

In order to simplify the answer of this question, it was decided to recode the 4 purchase intention variables of Q8 in order to better understand who were actually the potential buyers of the product. The team wanted to divide the sample in a way that it would be easier to understand who were the potential and non-potential customers of Andorinha olive oil. As so, regarding those 4 variables, it decided that, respondents that answered “I completely disagree” and “I disagree” would be non-potential customers of the brand and, respondents that answered “I completely agree” and “I agree” would be categorized as potential customers of Andorinha. Thus, according to the frequencies tables, the team concluded that, through the values the logo and packaging transmitted, 63,2% and 66,4% of the population, respectively, were willing to buy Andorinha olive oil. However, if the price of Andorinha was higher than competition, customers’ willingness to buy the olive oil would be completely different. 74,1% and 68,6% of the total sample, corresponded to the customers that did not want to buy Andorinha by the values transmitted through the logo and packaging (*See Exhibit 10 for Andorinha’s Purchase Intentions*).

In order to understand if there was a special market segment that valued Andorinha olive oil in Portugal, the team decided to compute an ANOVA analysis to understand if there were differences in the purchase intentions, affected by the image of the brand (logo and packaging), between different demographic factors. However, those differences were not significant but p-values of variable “Through the values the logo transmits I would buy Andorinha olive oil” for different age ranges and gender were very close to 0,05. Through a cross tabulation analysis, it was clear that there was a tendency for higher purchase intentions of respondents aged between “15-24” (74,1%) and “35-44” (67,5%) and of female respondents (69,0%) (*See Exhibit 11 for Differences among Respondents’ Purchase Intentions*).

Finally, and in order to conclude the answer of the research question, the team used Q10 in order to understand if, if there was an innovation in the packaging design that added value to the customer, the same was now interested in buying Andorinha olive oil. This innovation was a pop-up cap, being already the brand differentiator factor in Brazil. According to consumers’ responses, a paired sample T-test was done in order to understand if there were significant differences between the means of Q8 variable, “Through the values the packaging transmits I would buy Andorinha olive oil” and Q10. Since “Yes” answer of question 10 was coded as “1” and “No” answer of the same question was coded as “2”, the team had to recode another time the variable “Through the values the packaging transmits I would buy Andorinha olive oil” coding “I Completely Disagree” and “I Disagree” as “2” and “I Completely Agree” and “I Agree” as “1” in order to have the same answers coded with the same values. Through the paired sample T-test, it concluded that, although both variables were correlated (the null hypothesis saying that the variables were uncorrelated was rejected), there was no significant difference between the means of the two variables (the significance value was above 0,005). In order to complement my analysis I observed the frequency table of both variables. Even if the number of potential customers had increased (from 66,4% to 70,9%), and consequently the means of Q10 were closer to “1”, this difference was not so significant since there was not a major increment in the percentage of Andorinha’s potential buyers.

Regarding the non-potential buyers, the main reasons pointed by them to not purchase the brand were, their brand loyalty toward another brand, the fact that Andorinha was not available in places where customers usually do their purchases and finally, the fact that consumers did not know about Andorinha’s brand promotions (See *Exhibit 12* for Differences among Respondents’ Purchase Intentions when Packaging Innovations are introduced).

EXHIBITS CASE STUDY (PART I)

Exhibit 1 – Financial Statements of Sovena Group

Consolidated Income Statement – Sovena Group (thousands of euros) – 2003-2009

	2003	2004	2005	2006	2007	2008	2009
Operating Income	389,675	467,45	595,311	773,971	800,394	1,008.587	771,206
Consumption of raw materials and merchandise	319,932	393,371	595,097	670,326	677,017	861.303	633,768
Personnel costs	14,367	15,386	18,676	21,146	24,029	29.236	26,832
Amortisations and provisions	9,199	9,319	11,525	12,73	15,113	19,872	17,430
Other operating expenses	31,739	32,855	46,847	52,04	61,507	79,349	69,825
Costs of exploration	374,636	450,93	582,144	756,243	777,666	989,76	474,855
Results of exploration	15,039	16,52	13,167	17,729	22,729	18,828	23,352
Results before taxes	11,758	9,425	5,945	7,272	7,586	2,695	8,694
EBITDA	24,125	25,194	24,022	30,325	37,277	38,699	40,102
EBITDA/ Operating Income	6.19%	5.29%	4.04%	3.92%	4.66%	3.84%	5.20%
Net debt	65,115	75,338	116,087	101,257	178,18	206,778	182,125
Net debt/EBITDA	2.7	3.9	4.8	3.3	4.8	5.3	4.5

Breakdown of Consolidates sales per Product of Sovena Group (thousands of euros) – 2003-2009

	2003	2004	2005	2006	2007	2008	2009
Seed Oils	165,874	180,666	199,945	209,47	281,488	390,1521	249,66
Olive Oils	202,02	263,952	390,181	500,622	436,619	467,876	402,848
Soaps	6,321	6,507	4,725	5,086	4,187	5,54	4,703
Services	11,085	8,739	10,975	10,806	18,014	14,331	14,952
Biodiesel							21,574
Other Products							
Olives					9,244	41,492	21,546
Blended Oils (USA)					10,204	25,474	23,616
Vinegar (USA)					1,109	(*)	(*)
By-products							
Flours	(*)	(*)	(*)	(*)	11,368	17,861	23,723
Olive Pomace	(*)	(*)	(*)	(*)	3,382	(*)	(*)
Other	332	327	13151	49,216	5,717	23,587	14,085
Total	385,632	460,191	618,978	775,2	781,332	986,315	776,667

(*) Included in Other

Breakdown of Consolidates sales per Destination of Sovena Group (thousands of euros) –2004-2009

	2004	2005	2006	2007	2008	2009
Portugal	186,600	186,400	213,100	245,400	277,200	227,200
Spain	193,600	231,700	302,900	260,840	360,000	281,900
Abroad	80,000	104,700	122,400	163,920	204,700	212,200
USA	0	96,200	136,800	111,170	144,400	137,300
Total	460,200	619,000	775,200	781,330	986,300	767,600

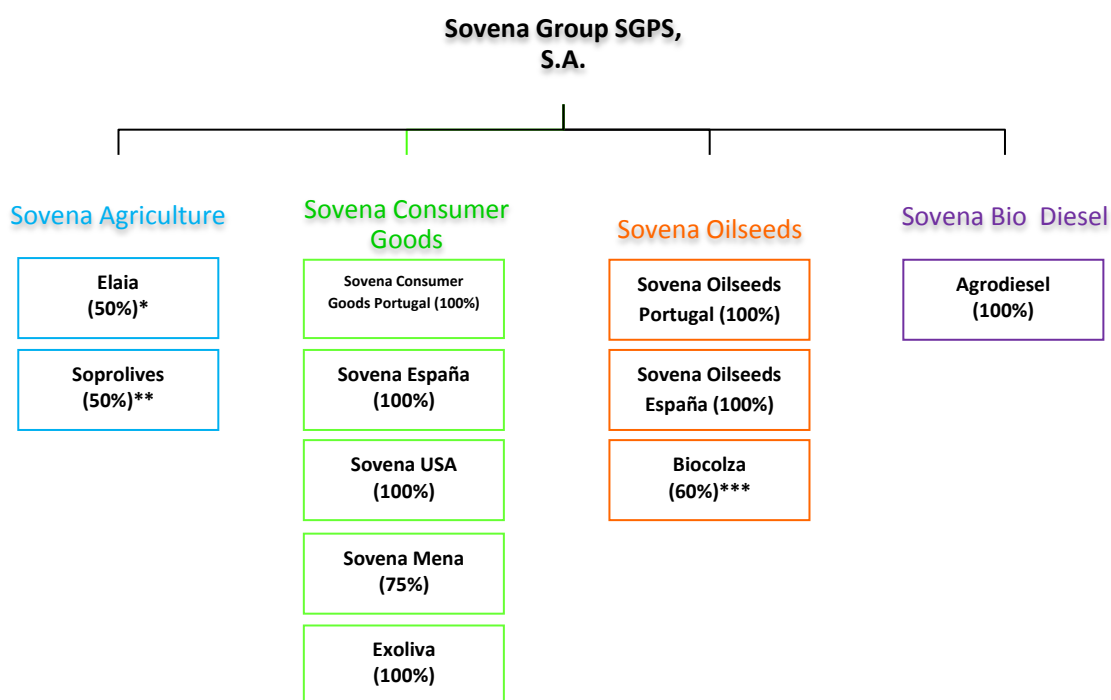
Portugal	40.5%	30.1%	27.5%	31.4%	28.1%	29.6%
Spain	42.1%	37.4%	39.1%	33.4%	36.5%	36.7%
USA	0.0%	15.5%	17.6%	14.2%	14.6%	17.9%
Other Markets	17.4%	16.9%	15.8%	21.0%	20.8%	15.8%
Total	100%	100%	100%	100%	100%	100%

Exhibit 2 – Activity and Structure of Sovena Group

Main Activities of Sovena Group



Structure of Sovena Group



*- Sovena has 50% and Societé Maroc Arabes de Développement the remaining 50%.

**- Sovena has 50% of Soprolives and Atilán Capital SGCR, S.A., the remaining 50%.

***- Sovena has 60% of Biocolza (Óleos e Farinhas de Colza S.A.) and Bunge Ibérica, S.A. has the remaining 40%.

Exhibit 3 – Sovena’s Main Portfolio Brands

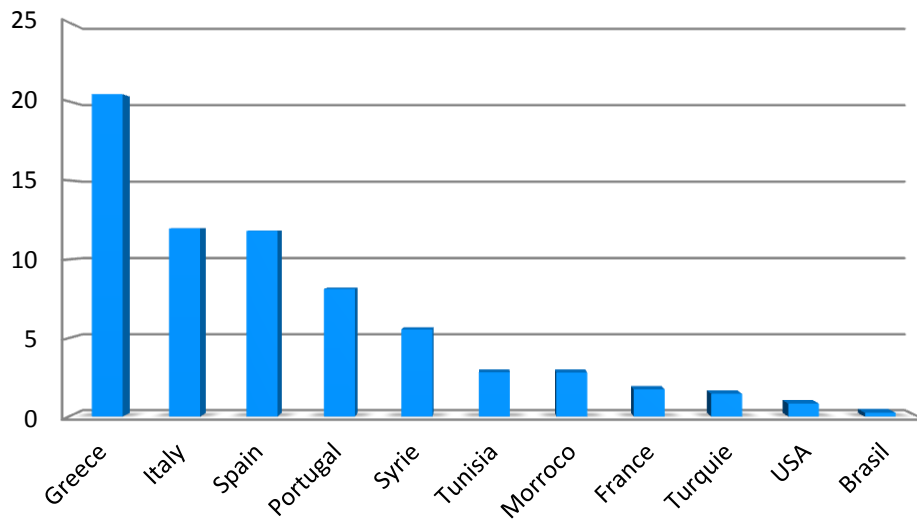
Brand	Markets	Positioning
Olive Oils		
	Portugal Brazil Angola Mozambique Old Portuguese Colonies	Retail Portuguese Quality Oil Average Price Quality guaranteed from the olive (own olive groves and mills) Innovation: Pop-up Cap
	Brazil Angola Mozambique Portuguese Colonies	Retail Portuguese Quality Oil Average Price Tradition, Trust
	Ecuador Colombia Venezuela China Japan Australia South Korea Nordic Countries	Retail Spanish Quality Oil Average Price Modernity
	USA Middle East Eastern Europe South Africa	Retail Mediterranean Oil Average Price Mediterranean diet, health and flavor combination
	Spain Europe Eastern Europe	Retail Spanish Oil Lowest Price
	Western Europe Russia Ukraine Scandinavia Arabic countries	Retail/Food Service (Catering) Quality Olives High range of types: green, black, stuffed, pitted, sliced and seasoned olives Adaptable to every necessity
Seed Oils		
	Portugal Old Portuguese Colonies	Quality sunflower and seeds oil Medium-high price
	Portugal Old Portuguese Colonies	Sunflower and Seeds Oil Value for money
Blended Oils		
	USA	Olive, vegetable and blended oils For cooking (all purpose) with trust Value for money
Soaps		
	Portugal Angola	Low Price

* Sovena has also other smaller brands with an important role in its portfolio and in customers’ lives, such as Finóleo, Vitóleo, Frigi, Santé, Santoliva, Corcel, Ouro D’oliva and Córdoba.

Exhibit 4 – Consumption per Capita of Major Olive Oil Consumers, Brazil and United States (2011)

Country	Population 2011*	Consumption in Kg**	Consumption per Capita
Greece	10760136	220000000	20,44
Italy	61016804	730300000	11,96
Spain	46554784	550000000	11,81
Portugal	10760305	87500000	8,13
Syrie	22517750	125000000	5,55
Tunisia	10629186	30000000	2,82
Morroco	31968361	90000000	2,81
France	65102719	113000000	1,73
Turquie	78785548	115000000	1,45
USA	313232044	260000000	0,83
Brazil	203429773	51000000	0,25

Olive Oil Consumption per Capita



*Population 2011 corresponds to an estimated number delivered by internetstats.com

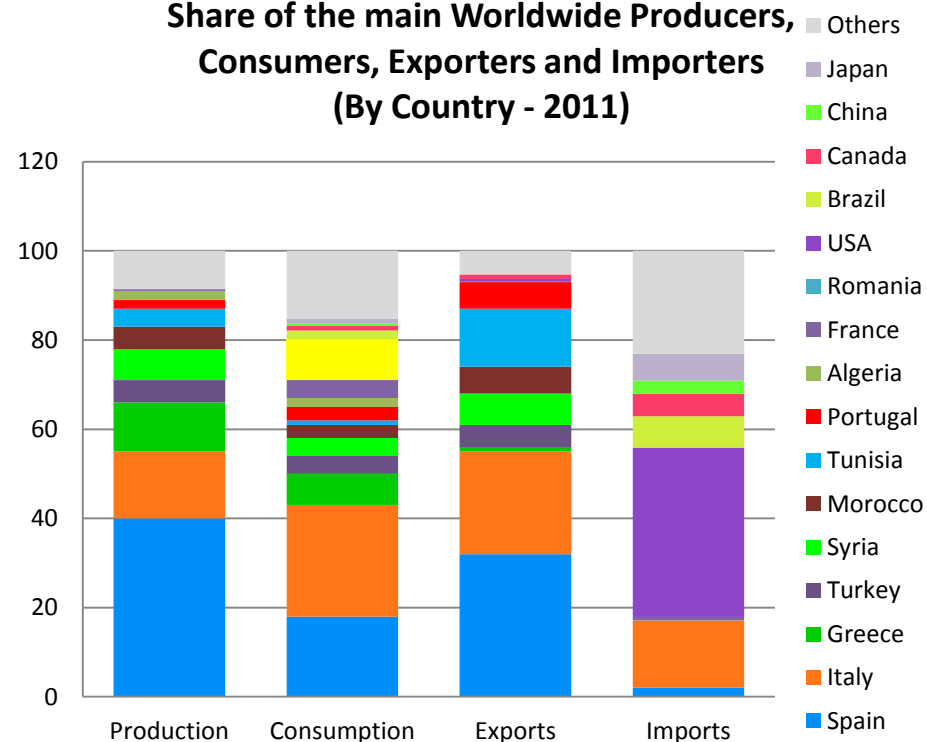
** Consumption in Kg was taken from 2010/2011 Previsions of International Olive Oil Council Data

Exhibit 5 – Olive Oil Worldwide and European Consumption, Production, Exports and Imports

1. World (1990-2011)

	2010/11 Prevision (1000t)	2009/10 (1000t)	% Variation from 2009/10 to 2010/11	%Variation from 2000/1 to 2010/11	%Variation from 1990/91 to 2010/2011	Min. from 1990/91 to 2010/11 (1000t)	Max. from 1990/91 to 2010/11 (1000t)	% Average Annual Growth from 2000/01 to 2010/2011	% Average Annual Growth from 1990/91 to 2010/2011
Production	2948,0	3024,0	-2,5	14,9	102,9	1453,0	3024,0	1,4	4,9
Consumption	2978,0	2873,0	3,7	15,0	78,7	166,5	2978,0	1,4	3,8
Exports	707,0	673,0	5,1	79,2	109,8	256,5	707,0	7,2	5,2
Imports	684,0	664,5	2,94	32,3	120	310	704,5	2,9	5,7

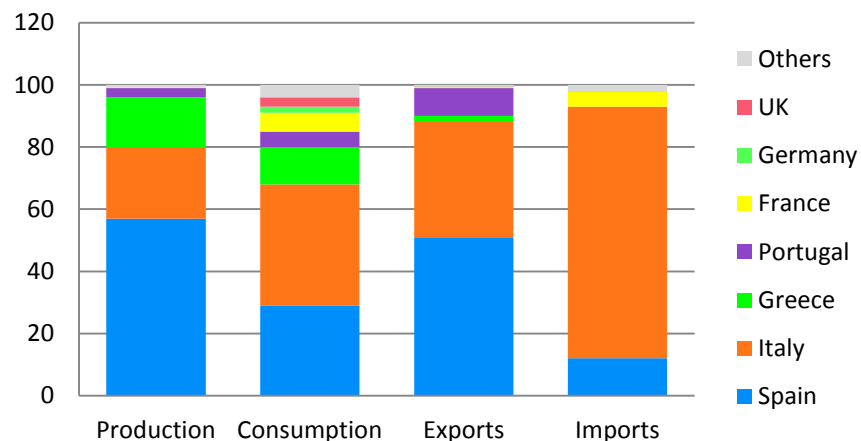
Share of the main Worldwide Producers, Consumers, Exporters and Importers (By Country - 2011)



2.Europe (1990-2011)

	2010/11 Prevision (1000t)	2009/10 Provision (1000t)	% Variation from 2009/10 to 2010/11	%Variation from 2000/1 to 2010/11	%Variation from 1990/91 to 2010/2011	Min from 1990/91 to 2010/11 (1000t)	Max from 1990/91 to 2010/11 (1000t)	% Average Annual Growth from 2000/01 to 2010/2011	% Average Annual Growth from 1990/91 to 2010/2011
Production	2094,0	2245,5	-6,7	7,9	110,7	993,7	2245,5	0,7	5,2
Consumption	1882,0	1831,5	2,8	2,6	55,0	1214,5	1997,3	0,2	2,6
Exports	437,7	424,5	3,1	50,4	200,0	146,1	437,7	4,6	9,5
Imports	124,2	109,3	1,4	-2,3	-1,0	42,4	225,6	-0,2	-0,1

Share of the main European Producers, Consumers, Exporters and Importers (By Country - 2011)



*Adapted from International Olive Oil Council data about Worldwide and European Olive Oil Consumption, Production, Imports and Exports.

** Values of 2009/2010 correspond to provisions and values of 2010/2011 correspond to previsions.

Exhibit 6 – Portuguese Olive Oil Consumption and Production and Trade Balance of Olive Oil in Portugal

Portuguese Olive Oil Consumption and Production in thousands of tonnes (1990-2011)*

	1990/ 1991	1991/ 1992	1992/ 1993	1993/ 1994	1994/ 1995	1995/ 1996	1996/ 1997	1997/ 1998	1998/ 1999	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010 (Provision)	2010/ 2011 (Provision)
Portugal - Consumption	27.0	45.0	49.9	59.0	58.0	58.4	62.0	69.3	66.1	66.5	60.5	61.5	69.4	67.0	74.5	71.6	76.8	75.8	87.5	87.5	87.5
Portugal - Production	20.0	52.0	22.0	32.1	32.2	43.7	44.8	42.0	35.1	50.2	24.6	33.7	28.9	31.2	41.2	29.1	47.5	36.3	53.4	58.7	67.5

Trade Balance of Olive Oil in Portugal (Thousands of Euros)**

	2006	2007	2008	2009	2010	Var %a 06/10 (%)	Var %b 09/10
Exports	99.928	115.108	141.826	136.225	159.258	12,8	16,9
Imports	221.177	181.847	190.834	150.729	158.171	-7,2	4,9
Balance	-121.249	-66.739	-49.008	-14.504	1.088	-62,4	-107,5

*Adapted from International Olive Oil Council data about Worldwide and European Olive Oil Consumption and Production. Values of 2009/2010 correspond to provisions and values of 2010/2011 correspond to previsions.

**From Comércio Internacional Português de Azeite”, 2006-2010, aicep Portugal Global (INE)

Exhibit 7 – Top 15 Clients of Portuguese Olive Oil Exports

	2006	2007	2008	2009	2010
Total (%)	100,00	100,00	100,00	100,00	100,00
Brazil	59,17	59,39	61,55	56,72	65,25
Spain	13,75	13,85	15,02	20,30	14,59
Angola	4,08	4,16	4,75	5,77	4,48
Venezuela	4,51	3,56	3,74	2,91	3,34
United States of America	4,63	3,93	3,48	2,62	2,90
Italy	N/a	0,34	2,30	2,27	1,28
Cape Verde	2,15	1,92	1,21	1,53	1,26
Mozambique	1,07	1,37	0,55	0,85	0,92
Canada	1,64	1,31	0,91	1,05	0,78
France	1,55	1,59	1,51	0,53	0,69
Netherlands	0,20	0,14	0,14	0,11	0,57
China	0,13	0,02	0,00	0,22	0,53
South Africa	0,74	1,20	0,47	0,68	0,50
Switzerland	0,55	0,42	0,40	0,49	0,37
Luxemburg	0,80	0,55	0,50	0,43	0,35
Other	5,02	6,25	3,45	3,51	2,18

*From Comércio Internacional Português de Azeite, 2006-2010, aicep Portugal Global (INE)

Exhibit 8 - Andorinha’s Pakaging

Before (since 1927)



First Rebranding Brazil (2004)



Second Rebranding Brazil (2006-2007)

Marasca Design of Glass Bottles



Exclusive Design of Glass Bottles



Andorinha Bico Doseador Vai-Vem (Pop-up Cap 2008)



Andorinha Introduction in Portugal (2010)

Logo

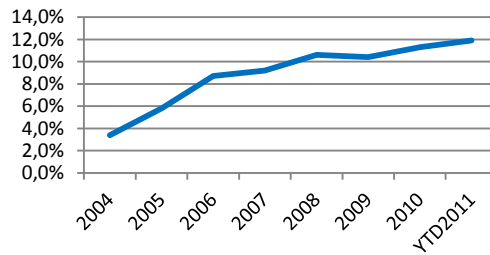


Packaging



Exhibit 9 - Andorinha’s Results in Brazil

Andorinha (Market Share Evolution -Sell Out)



**The performance of sell-in sales was substantially better than the sell-out sales performance due to the fact that, external companies who record the retailer’s sales to consumers do not measure some sell-in sales (sales to those retailers who are the intermediaries between the company and final consumers) to supermarkets and furthermore, Sovena also sold its products to distributors responsible for selling products to convenience stores or even to the food service market (restaurants and bars). Once more, those external companies do not account those sales when calculating the brand’s market share, which gives even more emphasis to the positive results attained by the brand.*

Market Shares of Olive Oil Brands in Brazil (Based on Volume Sales Evolution – Sell Out (2003-2013))

	2003	2004	2005	2006	2007	2008	2009	2010	YTD 2011	Prevision 2012	Prevision 2013
Gallo	13,3	15,9	18,6	18,8	22	23,8	23,2	25,2	24,1	28,8	30,3
Andorinha	4,8	3,4	5,8	8,7	9,2	10,6	10,4	11,3	11,9	14	15
Serrata	3,3	2,4	2,5	3,3	4,8	4,9	4,5	2,9	3,6	N/a	N/a
Borges	1,8	2,5	3,2	4,1	6	5,8	6,2	7,1	6,9	N/a	N/a
Cocinero	0,9	1,2	1,8	3,1	1,3	3,7	3,6	4,2	3,2	N/a	N/a
Carbonell	9	7,4	6,5	5,1	5,1	4,3	3,8	3,5	3,1	N/a	N/a
Other Brands	66,9	67,3	61,6	56,9	51,6	46,9	48,3	45,8	47,2	N/a	N/a
6 Biggest Brands	33,1	32,7	38,4	43,1	48,4	53,1	51,7	54,2	52,8	N/a	N/a
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Andorinha’s Growth Rates compared to the Average Growth Rates of the market (Based on Market Shares – Sell Out)

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Andorinha	-29,17%	70,59%	50,00%	5,75%	15,22%	-1,89%	8,65%	5,58%
Market (6 Biggest Brands)	-1,18%	17,26%	12,29%	12,27%	9,71%	-2,64%	4,84%	-2,66%

Andorinha Evolution (2003-2011)	177,92%
Andorinha Forecasted Evolution (2003-2013)	212,50%

Exhibit 10 – Andorinha Today

Andorinha’s Market Shares in Traditional and Extra Virgin olive oil Segments (Based on Volume Sales)

	YTD'10	YTD'11	Evolution		YTD'10	YTD'11	Evolution
Traditional (Total)	5.118,9	4.938,0	-4%	Extra Virgin (Total)	9.395,6	11.394,7	21%
Andorinha	8,4	9,4	8%	Andorinha	12,2	13,1	30%
Gallo	37,0	36,9	-4%	Gallo	22,5	20,6	11%
Borges	0,7	0,7	1%	Borges	9,2	9,6	27%
Carbonell	4,8	5,3	6%	Carbonell	2,6	2,1	-3%
Cocinero	N/a	0,1	N/a	Cocinero	6,9	4,6	-29%
Other Brands	49,1	47,7	-6%	Other Brands	46,7	50,1	30%

Importance of Olive Oil Type in Brand’s Portfolio

		2004	2008	2009	2010	YTD2011
Total (Brazil)	Extra Virgin	N/a	52,4%	59,3%	66,4%	69,7%
	Traditional	N/a	47,6%	40,6%	33,4%	30,2%
Andorinha	Extra Virgin	37,0%	64,0%	N/a	76,0%	N/a
	Traditional	63,0%	36,0%	N/a	24,0%	N/a

Importance of the Packaging formats in Brand’s Portfolio

	2004	2005	2006	2007	2008	2009	2010	YTD 2011
Tin Packaging	82%	75%	70%	63%	52%	42%	34%	29,4%
Glass Packaging	17%	23%	26%	35%	44%	54%	62%	67,0%
Other	1%	2%	3%	2%	4%	4%	5%	3,6%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Average Prices (Reais) of Olive Oil Brands in Brazil (2004 – 2011)

Price (TT Brazil)	2004	2005	2006	2007	2008	2009	2010	YTD'11
Gallo	32,0	33,2	35,8	33,5	31,1	29,6	27,4	26,7
Andorinha	28,5	29,3	31,2	29,5	26,7	25,6	24,8	22,7
Carbonell	31,4	33,3	35,9	33,6	31,3	29,5	27,9	25,0
Borges	32,5	32,8	32,5	28,6	27,3	24,3	23,4	21,1
Cocinero	24,1	24,2	24,3	25,0	22,6	21,8	20,2	19,4

Study of Andorinha’s Brand Awareness

	Jun-08	Dez-08	Out-10
Top of Mind Awareness	1%	3%	9%
Experimentation	36%	46%	70%
Frequent Use	9%	17%	39%
Preference	2%	4%	9%
	1%	4%	9%
Coef. Awareness in Experimentation	25%	37%	56%
Coef. Experimentation in Preference	11%	24%	23%
Gallo Top of Mind	33%	26%	69%
Gallo Awareness	92%	95%	100%

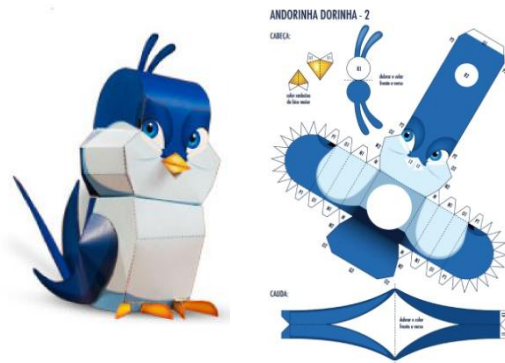
*This study also concludes that, in 2010, between the consumers that were aware of the brand, 56% really experimented the olive oil and, from the ones trying Andorinha olive oil for the first time, 23% identified Andorinha as their preferred olive oil brand

Exhibit 11 – Swallow Dorinha Pictures

Swallow Dorinha with Louro José and Sovena’s Marketing Director



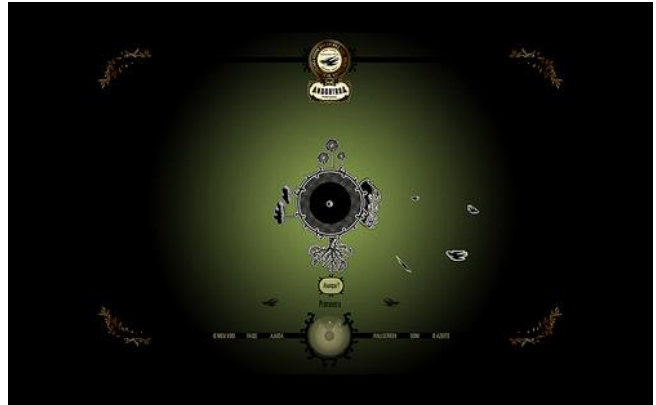
Dorinha Paper Toy



Swallow Dorinha Facebook Page

Exhibit 12 – Andorinha Marketing Campaign in Portugal

Website



Invitation Received by the Guest



Invitation Text

“Lembras-te do primeiro olhar, do segundo beijo (nunca é só um, lembras-te?), de dizeres que me amavas, uma, dez, cem vezes sem conta e eu a fingir que não gostavam da tua cabeça a dormir no meu ombro, ao meu colo, a meu lado, de esconder tudo dos meus amigos, dos teus amigos, eles sentados à mesa a fazer do robalo grlhado a saber a mar e azeite e nós a escondermos as mãos que tínhamos dadas debaixo da mesa – do que somos, do que fomos, do que queríamos ser quando ainda não eramos, de tudo aquilo que, desde esse dia, faz de ti e de mim... nós?”

E se não nos esquecermos de nada, Domingo, 25 de Dezembro às 21:00, ao jantar?

Traz o azeite.”

Street Campaign



Exhibit 13 – Andorinha Results in Portugal

Market Share of Different Olive Oil Brands (Based on Volume Sales)

	2010	YTD 10	YTD 11	Var.
Oliveira da Serra	17,07%	16,00%	19,69%	368,73%
Gallo	21,60%	21,60%	19,75%	-184,89%
Condestável	4,79%	4,95%	4,00%	-95,23%
Moura	2,92%	2,91%	2,41%	-50,21%
Serrata	2,69%	2,78%	2,93%	15,90%
Andorinha	0,12%	0,12%	0,09%	-3,27%
Other Brands	6,91%	6,96%	8,12%	115,95%

Market Shares in the Extra Virgin Segment (Based on Volume Sales)

	YTD 10	YTD 11
Oliveira da Serra	18,24%	21,29%
Gallo	18,62%	16,95%
Condestável	6,18%	4,53%
Serrata	2,36%	2,42%
Andorinha	0,21%	0,15%
Other Brands	11,60%	12,76%

Telephone Survey with 433 Respondents

	Gallo	Oliveira da Serra	Andorinha
Top of Mind	226	115	2
Spontaneous Notoriety	325	222	4
Total Notoriety	431	430	56

*Top of Mind – “What are the first olive oil brand you are able to remember?”; Spontaneous Notoriety – “What are the olive oil brands you are able to remember?”; Total Notoriety – “From the brand I am going to state, are you able to recognize it?”

EXHIBITS CASE STUDY (PART II)

Exhibit 1 – Brand Awareness and Brand Associations of Andorinha Olive Oil in Portugal Survey Template

O meu nome é Mariana Kol e estou neste momento a finalizar o mestrado de marketing na Católica Lisbon School of Business and Economics. O seguinte questionário visa estudar a notoriedade da marca de azeite **Andorinha**, lançada em Portugal em 2010, que servirá de objecto de estudo para a minha tese. O questionário será confidencial e anónimo e não demorará mais de 5 minutos. Muito Obrigada pela sua disponibilidade.

1. Com que regularidade consome azeite?
 - 1- Diariamente
 - 2 -1 vez por semana
 - 3- 2 a 3 vezes por semana
 - 4 -Aos fins de semana
 - 5- Ocasionalmente

2. Qual o número de garrafas de azeite compradas pelo agregado familiar, em média, por mês?
 - 1- Nenhuma
 - 2- 1 a 2 por mês
 - 3- 3 a 5 por mês
 - 4- 5 a 10 por mês

3. Que tipos de azeite consome? (Assinale todos aqueles que consome)
 - Azeite Tradicional
 - Azeite Virgem Extra
 - Nenhum

4. Que marcas conhece? (Assinale todas aquelas que conhece dentro de cada categoria)

Azeite Tradicional

- Oliveira da Serra
- Gallo
- Condestável
- Serrata
- O Português
- Marca Branca
- Outro

Azeite Virgem Extra

- Oliveira da Serra
- Gallo
- Andorinha
- Herdade do Esporão
- Vila Flor
- Quinta do Bispado
- O Português
- Arribas do Douro
- Ouro d’Elvas

- - Condestável
- - Serrata
- - Marca Branca
- - Outro

5. Que marcas consome? (Assinale todas aquelas que consome dentro de cada categoria)

Azeite Tradicional

- - Oliveira da Serra
- - Gallo
- - Condestável
- - Serrata
- - O Português
- - Marca Branca
- - Outro
- - Nenhuma

Azeite Virgem Extra

- - Oliveira da Serra
- - Gallo
- - Andorinha
- - Herdade do Esporão
- - Vila Flor
- - Quinta do Bispado
- - O Português
- - Arribas do Douro
- - Ouro d’Elvas
- - Condestável
- - Serrata
- - Marca Branca
- - Outro
- - Nenhuma

6. Numa escala de 1- Totalmente sem importância a 5- Extremamente Importante, que atributos considera importantes na compra de azeite?

	1.Totalmente sem importância	2.Pouco Importante	3.De alguma importância	4.Muito Importante	5. Extremamente Importante
Design do Packaging	○	○	○	○	○
Imagem do Produto	○	○	○	○	○
Preço	○	○	○	○	○
Sabor	○	○	○	○	○
Cor	○	○	○	○	○
Marca	○	○	○	○	○
Grau de Acidez	○	○	○	○	○
Variedade de produtos da mesma marca	○	○	○	○	○
Adaptabilidade do produto ao tipo de uso que lhe quero dar (ex: para cozinhar ou para saladas)	○	○	○	○	○
Melhor sabor do que os produtos	○	○	○	○	○

substitutos					
Produto mais saudável que os seus substitutos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A marca de azeite Andorinha, marca de grande sucesso no Brasil, foi introduzida em Portugal em 2010 pela Sovena.



7. Reconhece este logo?
 - 1- Sim
 - 2- Não

8. Classifique os seguintes atributos relativamente ao logo e ao packaging do azeite Andorinha numa escala de 1 a 4 (1-Discordo Totalmente, 2- Discordo, 3- Concordo, 4- Concordo Totalmente).

LOGO



	1.Discordo Totalmente	2.Discordo	3.Concordo	4.Concordo Totalmente
O logo da marca transmite modernidade	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O logo da marca transmite qualidade	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O logo permite diferenciar a marca	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Associo o logo a uma marca premium	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O logo transmite sofisticação	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Percepciono o produto em questão como saudável através do logo	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O logo é tradicional demais	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Através dos valores que o logo me transmite, estaria disposto a comprar o azeite Andorinha	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Através da percepção que tenho do logo, compararia o azeite Andorinha mesmo que o preço fosse relativamente superior ao da concorrência	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Packaging



	1. Discordo Totalmente	2. Discordo	3. Concordo	4. Concordo Totalmente
O packaging é moderno	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O packaging transmite qualidade	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O packaging é inovador	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O packaging é adequado às minhas necessidades	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O packaging é sofisticado	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Percepciono o produto como saudável através do packaging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O packaging é muito tradicional	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O packaging permite diferenciar a marca da concorrência	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Através dos valores que o packaging me transmite, estaria disposto a comprar o azeite Andorinha	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Através das percepções que tenho do packaging, estaria disposto a comprar a marca Andorinha mesmo que a um preço superior ao da concorrência	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. Da lista que lhe vou apresentar, e apenas se conhecer ou já tiver consumido a marca Andorinha, escolha os atributos que para si melhor caracterizam este azeite. Caso nunca tenha ouvido falar da marca, baseie-se na imagem do produto para descrever os atributos que caracterizam a marca.

Moda/Fashion		Família		Saúde/Natural	
Tradição		Hospitalidade/Arte de Bem Receber		Cosmopolita	
Paixão/Romance		Energia/Vitalidade		Distinto	
Vulgar/Comum		Sensualidade		Magia	
Criativo/Inovação		Qualidade		Alegria/Divertimento	

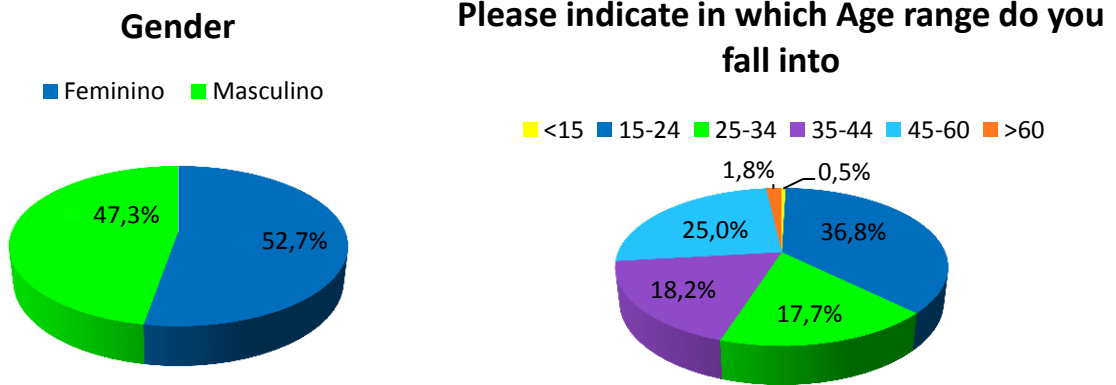
A marca Andorinha decidiu apostar em inovação e introduziu nas suas embalagens a tampa pop-up no Brasil. A especificidade desta tampa reside no facto de contar com um sistema de doseador retráctil incorporado na garrafa, que possibilita a utilização do azeite sem pingos ou salpicos e um fio de azeite mais fino e preciso que elimina o desperdício.



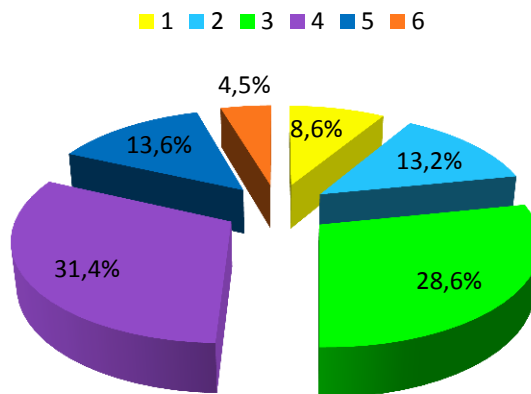
10. Tendo em conta esta informação, estaria disposto a comprar azeite da marca Andorinha se as mesmas tampas fossem introduzidas em Portugal?
- 1- Sim
 - 2- Não
11. Porque razões não compraria azeite da Marca Andorinha? Assinale todas as respostas que considerar indicadas.
- Falta de variedade de azeites
 - Preço elevado
 - Baixa qualidade percebida
 - Sou leal a outra marca
 - Imagem não transmite requinte e sofisticação
 - Imagem da marca é tradicional demais
 - Não conheço promoções da marca que me levem a optar pela mesma
 - Não existe à venda nos locais onde vou às compras
12. Por favor, indique em que intervalo de idades se insere:
- 1- >15
 - 2- 15- 24
 - 3- 25 – 34
 - 4- 35 – 44
 - 5- 45 – 60
 - 6- > 60
13. Género
- 1- Masculino
 - 2- Feminino
14. Número de Elementos do Agregado Familiar
- 1- 1
 - 2- 2
 - 3- 3
 - 4- 4
 - 5- >5
15. Rendimento Mensal do Agregado Familiar
- 1- <1000€
 - 2- 1000€ - 2000€
 - 3- 2000€ - 5000€
 - 4- 5000€ - 7500€
 - 5- > 7500€

Muito Obrigada pela sua disponibilidade

Exhibit 2 – Demographic Analysis of the Population



Number of Household Members



Household Monthly Income

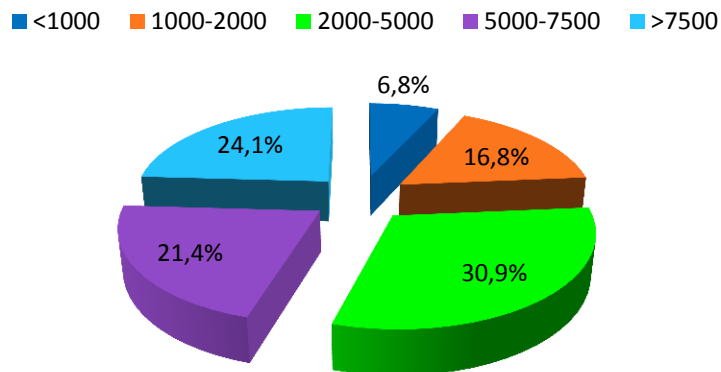
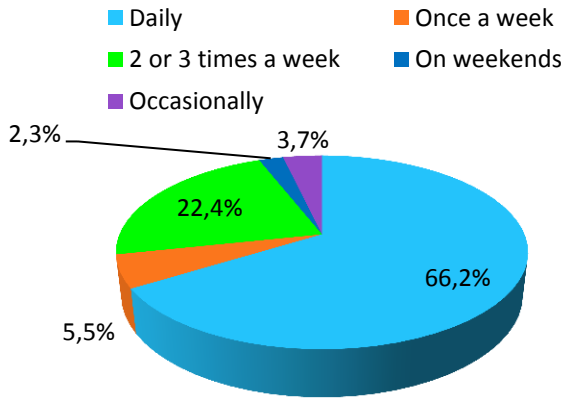
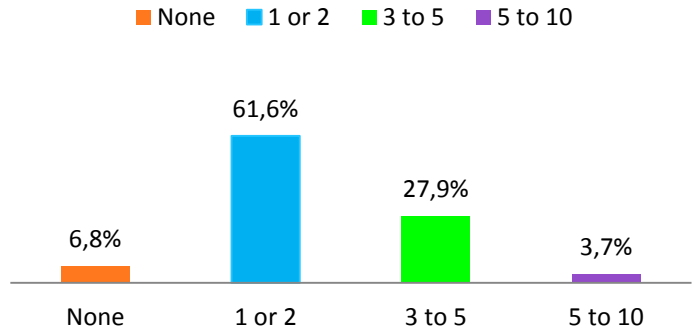


Exhibit 3 – Consumption Habits

How regularly do you consume Olive Oil?



How many Olive Oil bottles do you consume, on average, per month?



Differences in Olive Oil Consumption Frequency among Respondents

ANOVA

Age

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	,791	5	,158	,126	,986
Within Groups	267,657	213	1,257		
Total	268,447	218			

ANOVA

Gender

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13,521	1	13,521	11,509	,001
Within Groups	254,927	217	1,175		
Total	268,447	218			

ANOVA

Monthly Household Income

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	17,114	4	4,279	3,643	,007
Within Groups	251,333	214	1,174		
Total	268,447	218			

ANOVA

Household Members

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10,371	5	2,074	1,712	,133
Within Groups	258,077	213	1,212		
Total	268,447	218			

Descriptives

Gender (Olive Oil Consumption Frequency)

	N	Mean	Std. Deviation	Std. Error	Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Female	116	1,48	1,000	,093	1,30	1,67	1	5
Male	103	1,98	1,171	,115	1,75	2,21	1	5
Total	219	1,72	1,110	,075	1,57	1,86	1	5

Differences in Olive Oil bottles bought, on average, per month among Respondents

ANOVA

Age

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8,033	5	1,607	4,152	,001
Within Groups	82,414	213	,387		
Total	90,447	218			

ANOVA

Gender

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	,429	1	,429	1,035	,310
Within Groups	90,018	217	,415		
Total	90,447	218			

ANOVA

Household Members

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	18,413	5	3,683	10,889	,000
Within Groups	72,035	213	,338		
Total	90,447	218			

ANOVA

Monthly Household Income

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1,761	4	,440	1,062	,376
Within Groups	88,686	214	,414		
Total	90,447	218			

Descriptives

Age (Number of Olive Oil Bottles Bought)

	N	Mean	Std. Deviation	Std. Error	Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
< 15	1	3,00	3	3
15 - 24	81	2,40	,665	,074	2,25	2,54	1	4
25 - 34	39	1,97	,537	,086	1,80	2,15	1	3
35 - 44	40	2,15	,622	,098	1,95	2,35	1	4
45 - 60	55	2,38	,593	,080	2,22	2,54	1	4
> 60	3	3,00	1,000	,577	,52	5,48	2	4
Total	219	2,28	,644	,044	2,20	2,37	1	4

Descriptives

Household Members (Number of Olive Oil Bottles Bought)

	N	Mean	Std. Deviation	Std. Error	Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1	19	1,89	,315	,072	1,74	2,05	1	2
2	28	2,00	,544	,103	1,79	2,21	1	3
3	63	2,22	,580	,073	2,08	2,37	1	4
4	69	2,23	,573	,069	2,09	2,37	1	3
5	30	2,87	,629	,115	2,63	3,10	2	4
> 5	10	2,80	,919	,291	2,14	3,46	1	4
Total	219	2,28	,644	,044	2,20	2,37	1	4

Which type of Olive Oil do you consume?

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Traditional Olive Oil	97	1	1	1,00	,000
Extra Virgin Olive Oil	175	1	1	1,00	,000
None	0				
Other	16	1	1	1,00	,000
Valid N (listwise)	0				

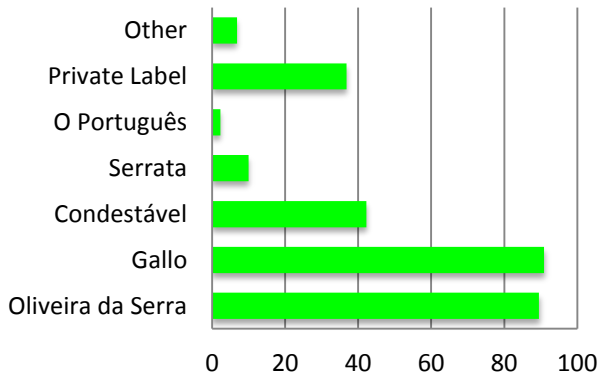
Exhibit 4 – Brand Recognition

Do you recognize Andorinha through its logo?

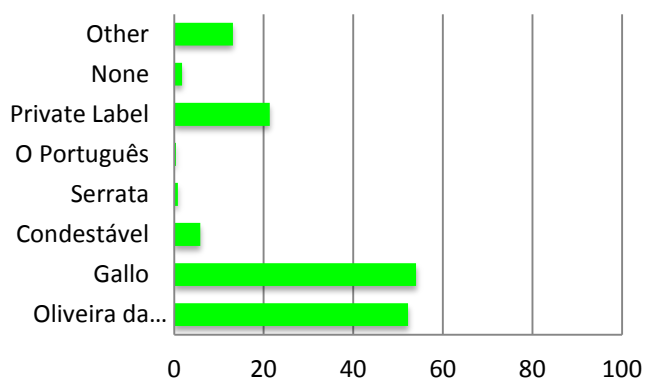
Andorinha, a brand with great success in Brazil, was recently introduced in Portugal.
Do you recognize this logo?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	34	15,5	15,5	15,5
	No	186	84,5	84,5	100
	Total	220	100	100	

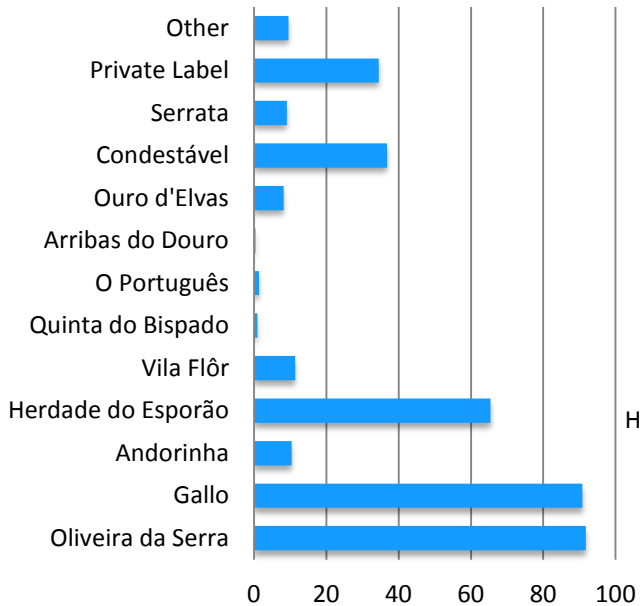
Brand Awareness - Traditional Olive Oil



Consumption Habbits - Traditional Olive Oil



Brand Awareness - Extra Virgin Olive Oil



Consumption Habbits - Extra Virgin Olive Oil

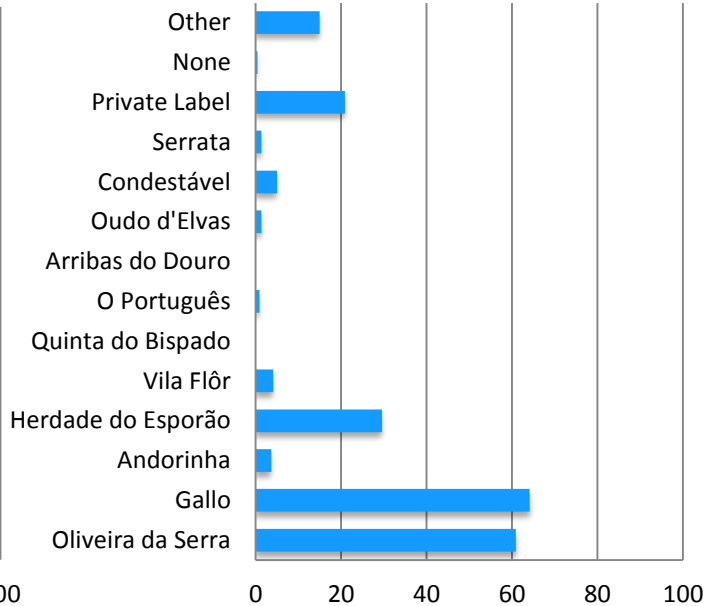


Exhibit 5 – Cross Tabulation analysis of Brand Recognition within different Demographic Variables

Crosstab

			Do you Recognize the Brand?		Total
			Yes	No	
Please indicate in which age range do you fit into	15	Count	0	1	1
		% Please indicate in which age range do you fit into	,0%	100,0%	100,0%
15 24	Count	10	71	81	
	% Please indicate in which age range do you fit into	12,3%	87,7%	100,0%	
25 34	Count	4	35	39	
	% Please indicate in which age range do you fit into	10,3%	89,7%	100,0%	
35 44	Count	10	30	40	
	% Please indicate in which age range do you fit into	25,0%	75,0%	100,0%	
45 60	Count	9	46	55	
	% Please indicate in which age range do you fit into	16,4%	83,6%	100,0%	
60	Count	1	3	4	
	% Please indicate in which age range do you fit into	25,0%	75,0%	100,0%	
Total	Count	34	186	220	
	% Please indicate in which age range do you fit into	15,5%	84,5%	100,0%	

Crosstab

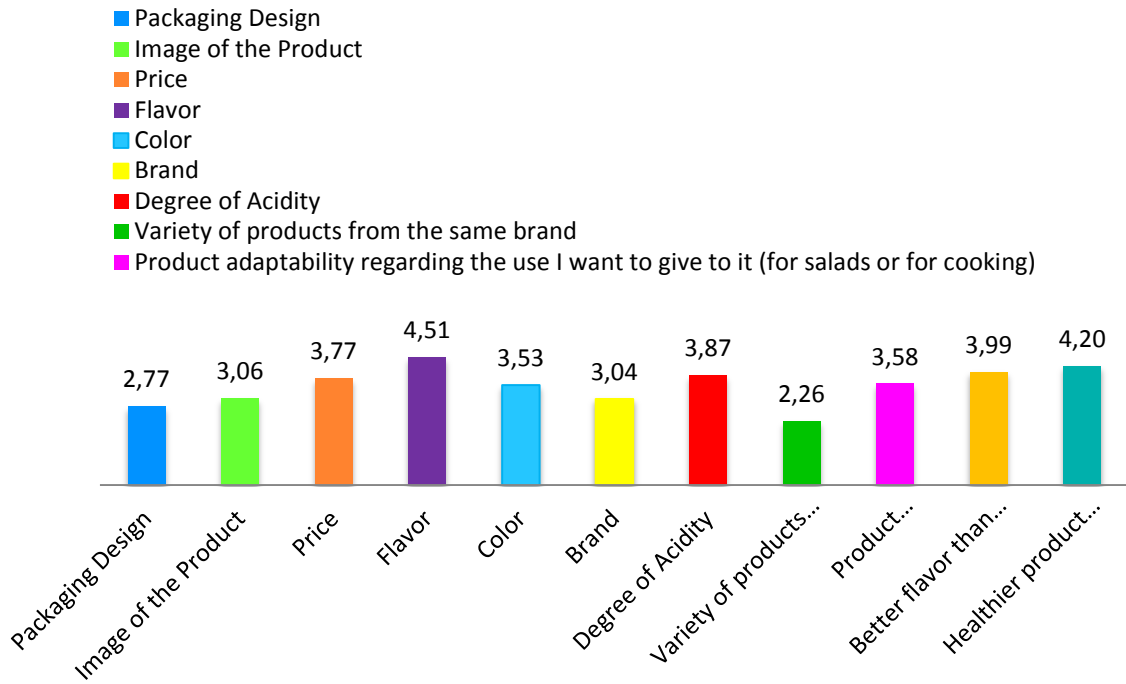
			Do you Recognize the Brand?		Total
			Yes	No	
Gender	Feminino	Count	13	103	116
		% within Gender	11,2%	88,8%	100,0%
	Masculino	Count	21	83	104
		% within Gender	20,2%	79,8%	100,0%
Total	Count		34	186	220
	% within Gender		15,5%	84,5%	100,0%

Crosstab

			Do you Recognize the Brand?		Total
			Yes	No	
Household Monthly Income	1000	Count	3	12	15
		% within Household Monthly Income	20,0%	80,0%	100,0%
1000 2000	Count	3	34	37	
	% within Household Monthly Income	8,1%	91,9%	100,0%	
2000 5000	Count	7	61	68	
	% within Household Monthly Income	10,3%	89,7%	100,0%	
5000 7500	Count	11	36	47	
	% within Household Monthly Income	23,4%	76,6%	100,0%	
7500	Count	10	43	53	
	% within Household Monthly Income	18,9%	81,1%	100,0%	
Total	Count		34	186	220
	% within Household Monthly Income		15,5%	84,5%	100,0%

Exhibit 6 – Analysis of Question 6

Attribute Means



Attributes Importance

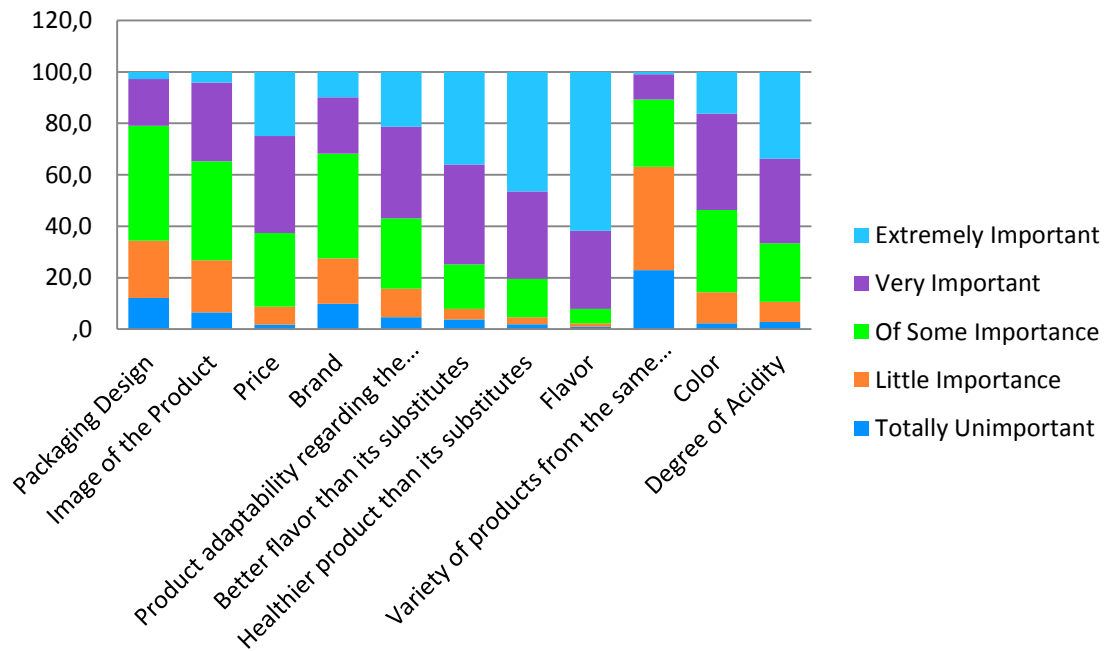


Exhibit 7 – Factor Analysis results of Question 8

Logo

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling		,789
Bartlett's Test of Sphericity	Approx. Chi-Square	263,929
	df	21
	Sig.	,000

Communalities

	Initial	Extraction
The logo transmits modernity	1,000	,759
The logo transmits quality	1,000	,601
The logo plays a role in brand differentiation	1,000	,593
I associate the logo with a premium brand	1,000	,577
The logo transmits sophistication	1,000	,632
Through the logo I perceive the product as healthy	1,000	,866
The logo is too traditional	1,000	,619

Total Variance Explained

Component	Initial Eigenvalues			Loadings			Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,766	39,521	39,521	2,766	39,521	39,521	1,984	28,344	28,344
2	,971	13,868	53,388	,971	13,868	53,388	1,437	20,526	48,869
3	,909	12,987	66,375	,909	12,987	66,375	1,225	17,506	66,375
4	,765	10,934	77,310						
5	,627	8,958	86,267						
6	,495	7,067	93,334						
7	,467	6,666	100,000						

Rotated Component Matrix^a

	Component		
	1	2	3
The logo transmits modernity	-,031	,844	,215
The logo transmits quality	,608	,328	,351
The logo plays a role in brand differentiation	,738	-,154	,158
I associate the logo with a premium brand	,598	,251	,395
The logo transmits sophistication	,451	,654	-,028
Through the logo I perceive the product as healthy	,101	,107	,919
The logo is too traditional	-,705	-,303	,173

Packaging

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,747
Bartlett's Test of Sphericity	Approx. Chi-Square	412,686
	df	21
	Sig.	,000

Communalities

	Initial	Extraction
The packaging is modern	1,000	,696
The packaging transmits quality	1,000	,669
The packaging is innovative	1,000	,751
The packaging is suitable to my needs	1,000	,849
The packaging is sophisticated	1,000	,662
The packaging is too traditional	1,000	,772
The packaging plays a role in brand differentiation from competition	1,000	,757

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3,007	42,959	42,959	3,007	42,959	42,959	2,110	30,145	30,145
2	1,152	16,464	59,423	1,152	16,464	59,423	1,566	22,367	52,512
3	,997	14,239	73,662	,997	14,239	73,662	1,481	21,150	73,662
4	,619	8,839	82,501						
5	,475	6,790	89,291						
6	,471	6,726	96,016						
7	,279	3,984	100,000						

Rotated Component Matrix^a

	Component		
	1	2	3
The packaging is modern	,372	,401	,630
The packaging transmits quality	,438	,672	,161
The packaging is innovative	,712	,146	,473
The packaging is suitable to my needs	,012	,921	-,033
The packaging is sophisticated	,737	,281	,199
The packaging is too traditional	,050	,072	-,874
The packaging plays a role in brand differentiation from competition	,853	,025	-,171

Exhibit 8 – Regression Model on Factor Scores of Question 8

Logo

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,647 ^a	,419	,410	,538

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42,160	3	14,053	48,490	,000 ^a
	Residual	58,544	202	,290		
	Total	100,704	205			

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,617	,038		69,757	,000
	Quality	,312	,038	,445	8,290	,000
	Innovativeness	,132	,038	,188	3,502	,001
	Healthiness	,302	,038	,431	8,030	,000

Packaging

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,611 ^a	,374	,364	,565

ANOVA^b

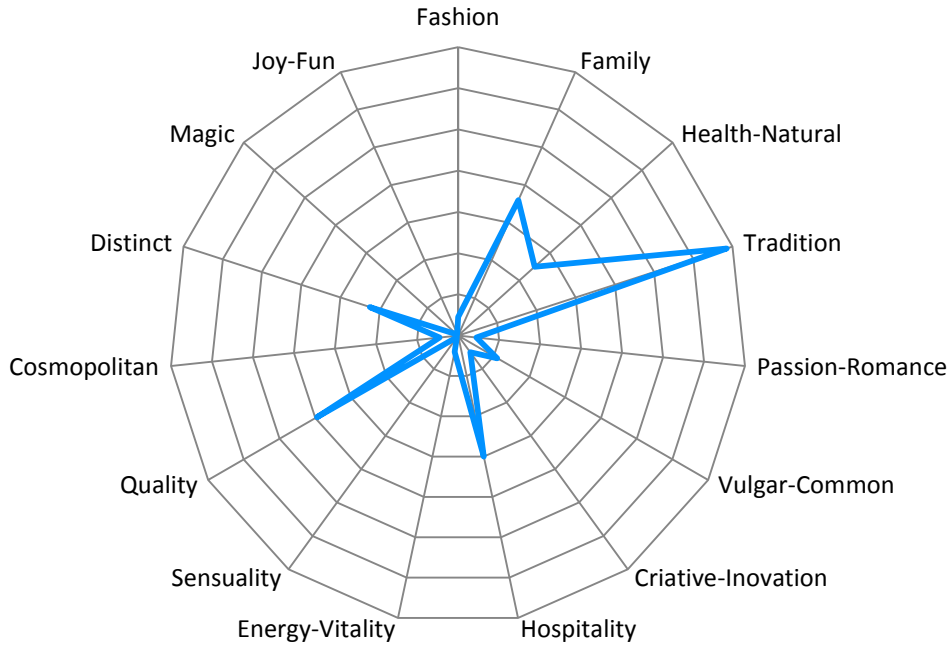
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38,987	3	12,996	40,750	,000 ^a
	Residual	65,377	205	,319		
	Total	104,364	208			

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,636	,039		67,491	,000
	Distinction	,298	,039	,420	7,599	,000
	Quality Fit	,307	,039	,434	7,852	,000
	Modernity	,066	,039	,093	1,688	,093

Exhibit 9 – Values Associated with Andorinha Olive Oil

Values Associated with Andorinha Olive Oil (based on the answers of the total sample)



Answers from the 220 Respondents

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Frequency (%)
Fashion	10	1	1	1,00	,00	4,5
Family	73	1	1	1,00	,00	33,2
Health-Natural	51	1	1	1,00	,00	23,2
Tradition	138	1	1	1,00	,00	62,7
Passion-Romance	10	1	1	1,00	,00	4,5
Vulgar-Common	23	1	1	1,00	,00	10,5
Criative-Inovation	11	1	1	1,00	,00	5,0
Hospitality	61	1	1	1,00	,00	27,7
Energy-Vitality	9	1	1	1,00	,00	4,1
Sensuality	2	1	1	1	,00	0,9
Quality	80	1	1	1,00	,00	36,4
Cosmopolitan	10	1	1	1,00	,00	4,5
Distinct	46	1	1	1,00	,00	20,9
Magic	2	1	1	1,00	,00	0,9
Joy-Fun	2	1	1	1	0	0,9
Valid N (listwise)	0					

Answers from the 23 Respondents that were able to identify Andorinha in Question 4

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Frequency (%)
Fashion	1	1	1	1,00	,00	4,3
Family	14	1	1	1,00	,00	60,9
Health-Natural	8	1	1	1,00	,00	34,8
Tradition	20	1	1	1,00	,00	87,0
Passion-Romance	1	1	1	1,00	,00	4,3
Vulgar-Common	1	1	1	1,00	,00	4,3
Criative-Inovation	1	1	1	1,00	,00	4,3
Hospitality	14	1	1	1,00	,00	60,9
Energy-Vitality	1	1	1	1,00	,00	4,3
Sensuality	0					0,0
Quality	16	1	1	1,00	,00	69,6
Cosmopolitan	2	1	1	1,00	,00	8,7
Distinct	10	1	1	1,00	,00	43,5
Magic	1	1	1	1,00	,00	4,3
Joy-Fun	0					0,0
Valid N (listwise)	0					

Exhibit 10 – Andorinha’s Purchase Intentions

Statistics

		Through the values the logo transmits I would buy Andorinha olive oil	Through the values the logo transmits I would buy Andorinha olive oil at a superior price than competition	Through the values the packaging transmits I would buy Andorinha olive oil	Through the values the packaging transmits I would buy Andorinha olive oil at a superior price than competition
N	Valid	220	220	220	220
	Missing	0	0	0	0
Mean		1,6318	1,2591	1,6636	1,3136

Through the values the logo transmits I would buy Andorinha olive oil

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non-Potential Customers	81	36,8	36,8	36,8
	Potential Customers	139	63,2	63,2	100,0
	Total	220	100,0	100,0	

Through the values the packaging transmits I would buy Andorinha olive oil

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non-Potential Customers	74	33,6	33,6	33,6
	Potential Customers	146	66,4	66,4	100,0
	Total	220	100,0	100,0	

Through the values the logo transmits I would buy Andorinha olive oil at a superior price than competition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non-Potential Customers	163	74,1	74,1	74,1
	Potential Customers	57	25,9	25,9	100,0
	Total	220	100,0	100,0	

Through the values the packaging transmits I would buy Andorinha olive oil at a superior price than competition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non-Potential Customers	151	68,6	68,6	68,6
	Potential Customers	69	31,4	31,4	100,0
	Total	220	100,0	100,0	

Exhibit 11 – Differences among Respondents’ Purchase Intentions

ANOVA (Age)

		Sum of Squares	df	Mean Square	F	Sig.
Through the values the logo transmits I would buy Andorinha olive oil	Between Groups	2,512	5	,502	2,209	,055
	Within Groups	48,666	214	,227		
	Total	51,177	219			
Through the values the logo transmits I would buy Andorinha olive oil at a superior price than competition	Between Groups	1,084	5	,217	1,127	,347
	Within Groups	41,148	214	,192		
	Total	42,232	219			
Through the values the packaging transmits I would buy Andorinha olive oil	Between Groups	1,543	5	,309	1,388	,230
	Within Groups	47,566	214	,222		
	Total	49,109	219			
Through the values the packaging transmits I would buy Andorinha olive oil at a superior price than	Between Groups	1,407	5	,281	1,310	,261
	Within Groups	45,952	214	,215		
	Total	47,359	219			

ANOVA (Gender)

		Sum of Squares	df	Mean Square	F	Sig.
Through the values the logo transmits I would buy Andorinha olive oil	Between Groups	,821	1	,821	3,554	,061
	Within Groups	50,356	218	,231		
	Total	51,177	219			
Through the values the logo transmits I would buy Andorinha olive oil at a superior price than	Between Groups	,446	1	,446	2,327	,129
	Within Groups	41,786	218	,192		
	Total	42,232	219			
Through the values the packaging transmits I would buy Andorinha olive oil	Between Groups	,000	1	,000	,000	,996
	Within Groups	49,109	218	,225		
	Total	49,109	219			
Through the values the packaging transmits I would buy Andorinha olive oil at a superior price than	Between Groups	,239	1	,239	1,104	,294
	Within Groups	47,120	218	,216		
	Total	47,359	219			

ANOVA (Number of Household Members)

		Sum of Squares	df	Mean Square	F	Sig.
Through the values the logo transmits I would buy Andorinha olive oil	Between Groups	1,861	5	,372	1,615	,157
	Within Groups	49,316	214	,230		
	Total	51,177	219			
Through the values the logo transmits I would buy Andorinha olive oil at a superior price than	Between Groups	1,341	5	,268	1,403	,224
	Within Groups	40,891	214	,191		
	Total	42,232	219			
Through the values the packaging transmits I would buy Andorinha olive oil	Between Groups	1,146	5	,229	1,023	,405
	Within Groups	47,963	214	,224		
	Total	49,109	219			
Through the values the packaging transmits I would buy Andorinha olive oil at a superior price than	Between Groups	1,576	5	,315	1,473	,200
	Within Groups	45,783	214	,214		
	Total	47,359	219			

ANOVA (Household Monthly Income)

		Sum of Squares	df	Mean Square	F	Sig.
Through the values the logo transmits I would buy Andorinha olive oil	Between Groups	,436	4	,109	,462	,764
	Within Groups	50,741	215	,236		
	Total	51,177	219			
Through the values the logo transmits I would buy Andorinha olive oil at a superior price than	Between Groups	1,133	4	,283	1,482	,209
	Within Groups	41,099	215	,191		
	Total	42,232	219			
Through the values the packaging transmits I would buy Andorinha olive oil	Between Groups	,226	4	,057	,249	,910
	Within Groups	48,883	215	,227		
	Total	49,109	219			
Through the values the packaging transmits I would buy Andorinha olive oil at a superior price than	Between Groups	1,321	4	,330	1,543	,191
	Within Groups	46,038	215	,214		
	Total	47,359	219			

Por favor indique em que intervalo de idades se insere * Through the values the logo transmits I would buy Andorinha olive oil Crosstabulation

			Through the values the logo transmits I would buy Andorinha olive oil		Total
			Non-Potential Customers	Potential Customers	
Please indicate in which age range do you fit in	15	Count	0	1	1
		% Please indicate in which age range do you fit in	,0%	100,0%	100,0%
	15 24	Count	21	60	81
		% Please indicate in which age range do you fit in	25,9%	74,1%	100,0%
	25 34	Count	17	22	39
		% Please indicate in which age range do you fit in	43,6%	56,4%	100,0%
	35 44	Count	13	27	40
	% Please indicate in which age range do you fit in	32,5%	67,5%	100,0%	
	45 60	Count	28	27	55
		% Please indicate in which age range do you fit in	50,9%	49,1%	100,0%
	60	Count	2	2	4
		% within Por favor indique em que intervalo de idades se insere	50,0%	50,0%	100,0%
Total		Count	81	139	220
		% Please indicate in which age range do you fit in	36,8%	63,2%	100,0%

Genero * Through the values the logo transmits I would buy Andorinha olive oil Crosstabulation

			Through the values the logo transmits I would buy Andorinha olive oil		Total
			Non-Potential Customers	Potential Customers	
Gender	Female	Count	36	80	116
		% within Genero	31,0%	69,0%	100,0%
	Male	Count	45	59	104
		% within Genero	43,3%	56,7%	100,0%
Total		Count	81	139	220
		% within Genero	36,8%	63,2%	100,0%

Exhibit 12 – Differences among Respondents’ Purchase Intentions when Packaging Innovations are introduced

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	With this packaging innovation, would you buy Andorinha olive oil?	1,29	220	,455	,031
	Through the values the packaging transmits I would buy Andorinha olive oil	1,3364	220	,47354	,03193

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	With this packaging innovation, would you buy Andorinha olive oil? & Through the values the packaging transmits I would buy Andorinha olive oil	220	,412	,000

Paired Samples Test

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	Interval of the				
					Lower	Upper			
Pair 1	With this packaging innovation, would you buy Andorinha olive oil? - Through the values the packaging transmits I would buy Andorinha olive oil	-,04545	,50362	,03395	-,11237	,02146	-1,339	219	,182

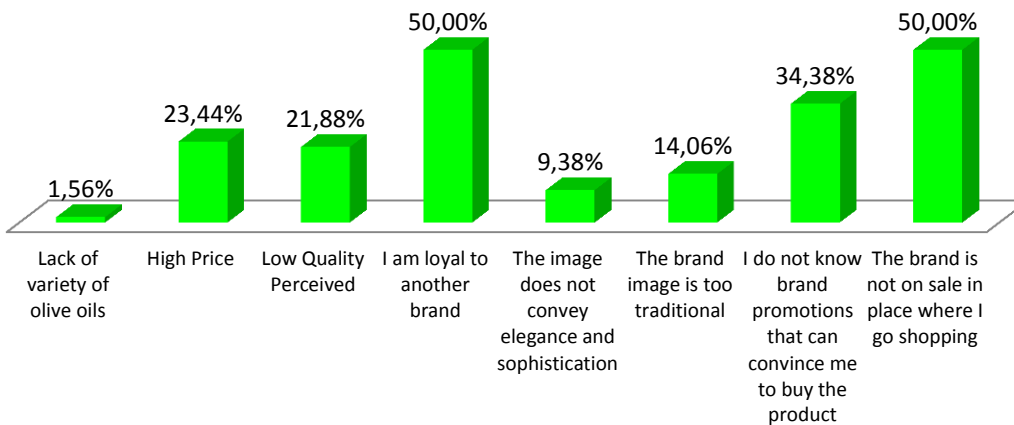
With this packaging innovation, would you buy Andorinha olive oil?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	156	70,9	70,9	70,9
	No	64	29,1	29,1	100,0
	Total	220	100,0	100,0	

Through the values the packaging transmits I would buy Andorinha olive oil

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Potential Customers	146	66,4	66,4	66,4
	Non-Potential Customers	74	33,6	33,6	100,0
	Total	220	100,0	100,0	

Reasons to not purchase Andorinha



5. TEACHING NOTES

Case Focus

The case study above focuses on the internationalization of an olive oil Portuguese company called Sovena that acquired Andorinha in order to expand its olive oil business in Brazil. After consecutive repositioning and brand redesigning strategies, Sovena was able to make Andorinha one of the biggest players in the Brazilian olive oil market. In 2010, the company decided to introduce Andorinha in Portugal but the goals established for the brand were not achieved.

Learning Objectives

The case study can be used as an opportunity to show students how the international process can enrich a brand, what companies must do in order to build a sustainable marketing strategy for a brand in the market and what must be done when the brand is facing difficulties and, finally, it represents a useful tool to illustrate marketing research theoretical concepts and to understand how can a company solve a problem by resorting to statistical methods. This last objective is a way for teachers to explain in a clearer and simpler way how students have to conduct a marketing research study.

Class Plan

This case study is targeted for university students (undergraduate, master or MBA) and can be used in Marketing, Brand Management or Marketing Research courses. The case is divided in two parts that should be discussed in different classes. Part II should be delivered as a possible solution for the problem stated in Part I. Furthermore, Part II entails basic statistical knowledge (SPSS).

Part I consists of a typical case study able to illustrate the olive oil industry, show Sovena’s activities, brands and markets as well as introducing the history and success of Andorinha’s brand in Brazil. After the analysis of Sovena’s international strategy, namely Andorinha’s successful paths in the Brazilian market, one problem is left open waiting for students’ suggestions in order to solve it. The analysis of this case study comprehends two assignments. The first one is to be delivered in the day the teacher will discuss Part I of the case study, and includes more summarizing questions related to the case study so that all the students are well prepared for the class discussion. After the class discussion, a second assignment is given and has to be delivered and prepared for the following class discussion. Now, the objectives will be different and the main purpose is that students can give useful insights in order to answer the problem presented in Part I. Here, the class will be confronted with Part II which, as I said, can be used as the problem solution.

Assignment Questions (Part I)

1. Describe the Internationalization process of Sovena. What do you think were the main reasons for Sovena’s internationalization and entrance in the Brazilian market with the acquisition of a brand facing such difficulties?
2. Evaluate Andorinha’s marketing mix strategy so far (Brazil and Portugal). Explain why the brand had to repositioning itself in the Brazilian market and how it was able to do it. Explain also under which values it was introduced in Portugal.
3. Identify the strengths, weaknesses, opportunities and treats for Andorinha in Brazil and for Andorinha in Portugal.

Resolution

In my opinion, since the first assignment was delivered, the teacher will assume that everyone has read the case study (no introductory questions are needed) and is able to start making a deeper analysis about it.

1. In the first question, teachers have the literature review as teaching guidelines. According to this, the main reasons for companies’ internationalization can be:

Internationalization Reasons

-Launching new products in the global marketplace has become a major consideration for firms that want to increase their performance in a more diversified competition context (Johanson and Vahlne, 1977).

-The key is to stay flexible, to keep in close touch with changes in the market-place while recognizing and respecting the foreign customer’s unique needs (Walvoord, 1983)

- Innovation in the olive oil industry and increase in olive oil demand due to the worldwide extension of the Mediterranean diet; increase in demand following healthier consumption patterns (Mili and Rodriguez, 2002)

Why Brazil?

-When evaluating global markets, managers run into a broad set of issues that need to be addressed:

-Potential market attractiveness: the greater the size of the market, the greater the likelihood of brand’s launch (Yeniyurt, Townsend and Talay, 2007)

-Firm capabilities (Yeniyurt, Townsend and Talay, 2007)

-Financial resources (Walvoord, 1983)

-Knowledge about the country; geographic scope (the greater the number of country markets of a brand, the easier it will be for the company to launch the brand in a new country market), (Johanson and Vahlne, 1977)

-Similarity to the home market (language, education, business practices, culture, industrial development) – companies tend to select a market entry mode that will overcome language and cultural barriers (Johanson and Vahlne, 1977)

-International brand architecture: identifying the different levels of branding within the firm, the number of brands at each level as well as their geographic product and market scope. The firm has two options: it can use the same brand in different countries or maintain local brands (which can help answering local consumer requirements), (Douglas, 1999)

2. By analyzing the marketing mix variables, the objective is that students understand that the brand has completely different positioning in Brazil and in Portugal. The core market is the first one, reason why the company is more diversified and active in Brazil.

	Brazil	Portugal
Product	Extra Virgin Olive Oil More Variety (Andorinha Oliva, Extra Vigem, Vintage, Seleção e Orgânico)	Extra Virgin Olive Oil Only two types (Andorinha 1927 and Andorinha Virgem Extra)
Price	Premium (for being an imported brand)	In line with competition
Packaging	Tin and Glass (More diversity)	Glass
Promotion	Above the line (TV, Muppies, Magazines) Facebook: Andorinha Dorinha Mais Você Tv Program	Restricted Budget: Sensory experience web site and launching campaign in 2010
Actual Positioning	Quality (Premium brand); Positivity; Expression; Freedom; Joy; Naturalness; Healthiness, Lightness	Tradition; History; Family; Sharing; Hospitality; Prestige; Premium Quality; Back to Origins; Healthiness; Heritage

- Guidelines to talk about the repositioning strategy in Brazil where the brand was seen as outdated, unsophisticated and non-authentic (based on the literature review):

- Positioning is the effort to modify the tangible and intangible characteristics of a product in relation to its competitors (Arnott, 1993); Positioning is supposed to induce consumer choice by linking a brand name to some desired benefits and product positioning decisions involve choosing a few number of attributes from a brand which will then be highlighted through marketing communication channels (Aaker and Shansby, 1982)

- When repositioning a brand in the market, the firm is expecting that a strong association will develop between brand-name node and the new-positioning-attribute node. Second, the firm is expecting that the consumer will fail to retrieve the old positioning that the brand has cultivated in the past (Jewell, 2007)

- Revitalizing a brand is less costly and risky than introducing a new one; dead brands can still have brand equity (Aaker, 1991); revamp packaging design may be

necessary when the old one fails to communicate the desired attributes the brand wants to transmit (Chen)

- Steps to reposition a brand: understand consumers’ needs; increase breadth of brand awareness (innovate, give additional uses for the product – ex: Pop-up cap); change brand elements (packaging or logo); strong marketing program in order to improve favorability, uniqueness and prestige (ex: Mais Você TV program and swallow Dorinha), (Chen)

- Key elements that must be manipulated to reposition an olive oil brand: packaging, size of container (different container packs which enables sophistication perceived) and price (Martinex et al., 2002); Regarding the product, in the marketing mix strategy, consumers are most interested in being sure that the product has quality, in the oil type they are buying and in which packaging the olive oil is stored (Mili and Rodríguez, 2001).

3. The SWOT analysis will be used as a summarizing conclusion of what was discussed, so that students can start assignment II by understanding that there are many differences between the brand in Brazil and Portugal.

	Brazil	Portugal
Strengths	Strong product portfolio Product quality Position in the market (market share) Brand awareness Pop-up cap	Product quality Occupation of the traditional olive oil segment
Weaknesses	Low levels of coefficients experimentation in preference (low loyalty levels)	Brand competing in an extremely competitive market Customers are loyal towards other brands Low budget spent on communication – customers are not aware of the brand Recent introduced brand with low notoriety and brand awareness levels
Opportunities	Increase usage frequency through effective marketing campaigns Constant increase in demand	Innovation (differentiation) in the market in order to increase market share (ex: Pop-up cap) Increase marketing campaigns budget to increase awareness and promote experimentation
Threats	Competition from the leading brand – Gallo Price competition from substitutes	Intense competition from leading brands, mainly Gallo, which is the more traditional brands Competition from substitutes

Assignment Questions (Part II)

1. From a marketing research perspective and in order to solve the problem statement of Part I, explain in detail how would you do to solve the problem. Furthermore, the team told you that the budget is limited and you can only opt for an online survey or a focus group in order to study the problem. Explain why and which one would you opt for.

2. Imagine the marketing team opted for conducting a questionnaire in order to address the problem. Write a draft of the questionnaire with a maximum of 10 questions.

Resolution

For the questions above, as well as for questions of assignment I, there will not be a single right solution. However, in question 1 and 2, points will be given for:

Question 1

- Definition of Research Problem
- Definition of Research Objectives
- Definition of Research Questions
- Research Design (explanation of the qualitative and quantitative methods adopted and why the students opted for them, explanation of the data collection method and the main concepts the research method will cover)
- Accurate marketing research language including concepts like exploratory research, descriptive research, casual research, primary and secondary data, demographic questions, psychographic questions, qualitative and quantitative research, surveys, focus groups, panels, depth interviews.
- Reasons for adopting:
 - Online Surveys: Advantages: large number of sample; lower cost; direct access; less time costly; results can be downloaded and immediately converted into an SPSS file; clearer analysis through statistical methods (quantitative method); can contact hard-to-reach people; Disadvantages: no control over the sample (this one can be unrepresentative); over the identification of the respondent and whom the respondent consults; no control over the speed of response, opportunity to clarify questions and percentage of people quitting the survey without answering it; statistical analysis is complex and takes time
 - Focus Group: Advantages: synergism; snowballing effect; stimulation; security; spontaneity; structured; speed; specialization; ability to get more insights and completed answers (qualitative method); less time to evaluate results; Disadvantages; Misuse; misjudge; need of moderator; messy; misrepresentation of population

Question 2

- Appropriate questionnaire design (ensure the questions will provide information to fully address all the components of the problem)
- Use of methods to overcome inability and unwillingness to answers (ex: use filters, give aids such pictures or description to help respondents understand the questions, minimize effort required from respondents by making a simple and clear questionnaire)

- Choose appropriate question structure (use whenever as possible closed response; open-ended questions are used only in particular circumstances. ; in multiple choice questions, the response alternatives should include the set of all possible choices and should be mutually exclusive; in a dichotomous questions, if a substantial proportion of the respondents can be expected to be neutral, include a neutral alternative; if the response alternative are numerous, consider using more than one question to reduce the information processing demands on the respondents)
- Choose appropriate question wording (words should match the vocabulary level of the respondents; avoid ambiguous words, avoid leading questions that clue the respondent to what the answer should be)
- Accurate determination of the question ordering (general questions should precede the specific questions; questions should be asked in a logical order; sensitive questions at the end)
- Right definition of the questionnaire form and layout (questions should be numbered; the questionnaire should be pre-coded, numbered serially, have a professional appearance; the tendency to crowd questions to make the questionnaire look shorter should be avoided)
- Right development of measuring scales (correct use of itemized category scales (where the scale should be balanced to obtain objective data), odd/even number of categories (if a neutral or indifferent scale response is possible from at least some of the respondents, an odd number of categories should be used), forced/non-forced categories (in situations where the respondents are expected to have no opinion, the accuracy of the data may be improved by a non-forced scale), correct use of multi-item rating scales and semantic differential scales

6. CONCLUSIONS AND LIMITATIONS

Before answering the research questions immediately related with Andorinha in Portugal, since I also had 2 research questions related with Andorinha in Brazil, I believe that in this part of the thesis, I also have to make my conclusions about the 2 first research questions.

I believe that a single, consistent and clear answer can illustrate how Sovena succeeded in its internationalization strategy and how was it able to build a prosperous strategy for Andorinha in Brazil. Firstly, the company expanded to international markets by acquiring companies in different countries and by focusing its business in the olive oil market. As so, barely all the attentions and efforts were given to this type of product. Sovena’s board of directors studied what was the most effective strategy for expanding the business and adopted an acquisition strategy worldwide. They strengthen Sovena’s position by acquiring local brands and were convinced that, in order to satisfy every customer tastes, they had to have a “glocal” presence – being everywhere but pleasing anyone with different brands of olive oil. This is why the company today has a large portfolio of olive oil brands directed to specific countries. Sovena was able to create a leading position in the market by being the second worldwide player of olive oil. Beside the olive oil is the strategic focus of the group, Sovena’s activities cover other areas from which the company was able to achieve important synergies and complementarities (crushing and refining of oilseeds, biodiesel, oil blending and packaging, preparation and packaging of table olives, bottling of vegetable oils, production of soaps exploitation of olive groves). Consequently, the group was able to ensure a greater presence in the olive oil value chain as well as easier access to raw materials. Following this trend, Andorinha is an example of a local brand bought by Sovena in order to access the Brazilian market. In the beginning no big results were achieved since the main objective was to increase brand’s notoriety and quality perceptions in the market. Many investments had to be done such as brand’s redesign and distribution strategy redesign. After this first rebranding the company started to grow but, in 2008 Andorinha’s market share remained static. A second repositioning strategy had to take place. With the packaging redesign and total modification of the marketing communication strategy, Andorinha is growing twice the market and forecasts to preserve this tendency. Dorinha, the little swallow representing the olive oil brand, is being a phenomenon. Notoriety and brand awareness levels are giving the brand wings to fly. As so, I can conclude that Sovena was effectively able to create a strong strategy in order to succeed in international markets. It is present in more than 70 countries and products like Andorinha olive oil are the reason of Sovena’s notoriety.

The second part of the problem statement stated in the beginning of the thesis was answered though a market research study directed to research questions number 3, 4, 5 and 6. I started by analyzing the population in terms of demographic profiles and consumption habits. Here, it was clear that Portuguese consumers were heavy users of

olive oil, especially extra virgin olive oil due to its quality and flavor. This first statement helped to understand that Andorinha’s fits completely into consumers’ tastes since it is positioned in the extra virgin olive oil category. Regarding brand recognition, my analysis helped me to understand that consumers show low levels of recognition towards Andorinha compared to other brands in the market. This is somewhat normal since the brand was recently introduced in the market and since Sovena did not make many marketing investments in order to increase Andorinha’s brand awareness. Furthermore, when faced with the packaging and logo of Andorinha, consumers stated that the elements that mostly affected their purchase behavior toward the brands were the quality transmitted by the logo, the healthiness and the innovativeness perceived through the logo, respectively. Regarding the packaging of Andorinha, its quality fit and distinction are the factors determining purchase intentions.

Furthermore, I also tried to analyze the positioning of Andorinha in Portugal. However, consumers seemed to identify values such as Tradition, Quality, Family, Hospitality, Health/Natural and Distinct as the main values associated with the product. However here, I thought that, the customers that actually consumed Andorinha were the ones that could better describe the values they associated with Andorinha olive oil and not only with its packaging and logo. However, the same values were maintained and became even more significant. Thus, I can conclude that customers were able to perceive the positioning of Andorinha in Portugal (even if the Distinction and Health/Natural factors remained under expectations).

Finally, regarding the purchase intentions of Andorinha, more than 60% of the population was actually willing to buy Andorinha’s olive oil which, in part, demonstrates that the brand is able to meet customers’ needs. However, when the population was asked if it was willing to buy the product at a superior price than competition, this percentage decreased exponentially. Here, I was able to understand that, customers really valued the price of olive oil when deciding which olive oil they want to buy and, actually, the price has an important role in determining sales. However, I was not able to conclude that there was a special segment demanding Andorinha olive oil. There were, though, tendencies for higher purchase intentions of female respondents belonging to low age ranges. This is not surprising since younger customers are the ones showing higher variety seeking behaviors and women represent the household member responsible for cooking meals. Finally, purchase intentions would increase if the pop-up cap was introduced in the product which also fits with the importance given to the Distinction factor of the packaging design. Customers pointed reasons such as loyalty towards other brands, non-availability in the place where they usually make purchases or non-awareness of brand’s promotions, for not buying the brand.

The above analysis helped to draw some suggestions to the company in order to increase its market share. At the first hand, Sovena should increase the budget spent on advertising in order to increase brand recognition levels. Here, facebook and swallow Dorinha can also be used due to its great success in Brazil and, furthermore, facebook does not evolve any monetary investment. This would create an impact on experimentation levels and purchases. Furthermore, since young women are the ones

showing high purchase intentions toward Andorinha, the marketing communication should be based on values immediately related to them. Another factor that could make Andorinha increase its market share is the improvement of quality, healthiness and innovativeness of the logo or even quality fit and distinction of the packaging. However, I believe that the brand was somewhat able to communicate its position. Here, what has to be worked are values such as Distinction and Healthiness, that showed low fit with Andorinha’s positioning. The communication of the brand should focus on the healthiness benefits provided though the consumption of olive oil and the distinction factor could be enhanced though the introduction of the pop-up cap in Andorinha’s olive oil. Despite knowing that this innovation is exclusively used in Oliveira da Serra in Portugal, I believe it would be worth to increase sales. Regarding the price, Sovena has to pay attention to not put the price above competition, since purchase intentions will significantly decrease. Finally, Andorinha’s market share can increase if Sovena puts the product available in more distribution channels as well as if it develops a promotion campaign in order to promote brand’s experimentation.

The limitations of the project were, firstly, the fact that some questions were somewhat exhaustive and thus respondents did not take time to answer. This made me loose sample size. Even if, it remained significant, it could be even more accurate and encompass a high distribution of the sample. As so, due to lack of information about respondents, before putting the questionnaire online, I was not able to get all the information in equal proportions of the samples I have planned to study. As several barriers prevented the access to a large number of potential buyers, the number could be improved to ensure a clearer perspective of the reality. The insight from potential buyers is clearly important to provide guidelines for future communication efforts. Furthermore, there was no question determining the psychographic profile of the respondents, and thus, when analyzing if there was a special segment interested in buying olive oil, I could only use the demographic characteristics. Finally, due to the fact that the thesis had to be delivered in December2011/January2012, about one year after the introduction of Andorinha in Portugal, the information gathered is very close to the action being evaluated and as people tend to take some time to create an image of the brand, the number of potential customers could be improved if the study was done 3 or 4 years after the brand’s introduction in the market. However this study can provide a preliminary evaluation and complement further studies.

For future research, I believe that a broaden study about customers’ purchase intentions could be conducted since this last one practically examines brand awareness, brand image and notoriety levels. Even if it analyzes purchase intentions, most of them are only related to the values perceived through the logo and packaging. Furthermore, a focus group could give more insights about specific actions to take in order to improve the brand’s image, more precise opinions about Andorinha’s olive oil and to define the a clearer profile of Andorinha’s customers. Later hypothesis could be taken from the focus group in order to generate a new questionnaire. However here, some attention should be given to the sample in order to achieve an equal distribution and a relevant sample.

7. REFERENCES

Articles

- Aaker D. (1996), “Building Strong Brands”, New York: The Free Press
- Aaker, D. (1991), “Managing Brand Equity: Capitalizing on the Value of Brand Name”, New York: The Free Press
- Aaker, D. A. and Shansby, J. G. (1982), “Positioning your Product”, *Business Horizons*, 25, pp.56-62
- Anania, G. and D’Andrea, M. R. (2007), “The Global Market for Olive Oil: Actors, Trends, Policies, Prospects and Research Needs”, paper prepared for presentation at the 103rd EAAE Seminar on “Adding Value to the Agro-Food Supply Chain in the Future Euro Mediterranean Space”, Barcelona
- Arnott, D. C. (1992), “Bases of Financial Services Positioning in the Personal Pension, Life Assurance and Personal Equity Plan Sectors”, Ph. D. Thesis, Manchester Business School, The University of Manchester, U.K.
- Arnott, D. C. (1993), “Positioning: Redefining the Concept”, *Warwick Business School Research Papers*, 81, pp.24-25
- Bell, J., Crick, D. and Young, S. (2004), “Small Firm Internationalization and Business Strategy”, *International Small Business Journal*, Vol. 22(1), pp. 23-56
- Blankson, C. (2009), “Positioning Strategy and Impact on Firm Performance: A Qualitative Approach”, American Marketing Association, University of North Texas, Denton, USA, pp.19-24
- Blery, E. and Kapsopoulou, K. (2007), “Marketing Olive Oil: A Case Study from Greece”, *Journal of Food Products Marketing*, Vol. 13(4), pp. 39- 55
- Chen, M. L., “A Study of Brand Rebuilding”, General Education Center, Hsin Sheng College of Medical Care and Management
- Douglas et al. (1999), “International Brand Architecture: Development, Drivers and Design”, New York University
- Ibeh, K. I. N. (2004), “Furthering export participation in less performing developing countries”, *International Journal of Social Economics* 31(1/2), 94-110
- Jewell, D. R. (2007), “Establishing Effective Repositioning Communications in a Competitive Marketplace”, *Journal of Marketing Communications*, Volume 13, No. 4, pp. 231-241
- Johanson J. and Wiedersheim F. P. (1975), “The Internationalization of The Firm – Four Swedish Cases”, *Journal of Management Studies*, pp.305-322

- Johanson, J. and J. E. Vahlne (1990). “The mechanism of internationalization”, *International Marketing Review* 7(4), pp. 11-24
- Johanson, J. and J. Vahlne (1977). “The Internationalisation process of the firm: a model of knowledge development on increasing foreign commitments”, *Journal of International Business Studies*, pp.23-32
- Keller, K.L. (1999), “Managing Brands for the Long Run: Brand Reinforcement and Revitalization Strategies”, *California Management Review*, 41, 102-124.
- Kuster, I. and Vila, N. (2001), “The market-orientation-innovation-success relationship: The role of Internationalization Strategy”, *Innovation: Management, Policy & Practice*, 13, pp.36.54
- Laforet S. and Saunders J. (1994), “Managing Brand Portfolios: How the Leaders Do it”, *Journal of Advertising Research*, 64-76
- Martínez, M., Aragonés, Z. and Poole, N. (2002), “A Repositioning Strategy for Olive Oil in the UK Market”, *Agribusiness*, Vol. 18 (2), ‘. 163-180
- Melin, L. (1992), “Internationalization as a Strategy Process”. Department of Management and Economics, Linköping University
- Mili, S. (2006), “Market Dynamics and Policy Reforms in the EU Olive Oil Industry: An Exploratory Assessment”
- Mili, S. (2006), “Olive Oil Marketing in Non-Traditional Markets: Prospects and Strategies”, published in *New Medit*, 5(1), pp. 27-37
- Mili, S. and Rodríguez, Z. M. (2001), “Exploring Future Developments in International Olive Oil Trade and Marketing: a Spanish Perspective”, *Agribusiness*, 17(3), pp.397-415
- Mili, S. and Rodríguez, Z. M. (2002), “The Olive Oil Sector Facing New International Market Challenges: A Demand-Driven Perspective”, *Journal of International Food & Agribusiness Marketing*, pp. 35-54
- Mintzberg, H. (Fall 1987). “The strategy concept I: Five PS for strategy”. *California Management Review*, 30, pp 11-23.
- Nieto, A. and Llamazares, O. (1998), “Marketing International”, Pirámide, Madrid.
- Onkvisit S. and Shaw J. J. (1987), “The International Dimension of Branding: Strategic Considerations and Decisions”, *International Marketing Review*, p.22-33
- Porter, M. (1990), “ The Competitive Advantage of Nations”, Free Press, New York
- Seamans, D. (2004), “The Brand You Save”, *Marketing Management*, 13(3), pp.29-32

Shoppel, M. and Davis, P. (2011), “The Five Secrets of a Successful Launch”, BetaSphere

Thomas S. and Kohli C. (2007), “Reviving Weak and Dead Brands: Insights from Theory and Practise”

Walburg, U., Kratz M. and Cullen, P. (2002), “Mediterranean diet, olive oil and health”, European Journal of Lipid Science and Technology, 104 (9/10), pp. 698-705

Walvoord, W. R. (1983), “Foreign Market Entries”. Advanced Management Journal, pp. 14-26

Welch, L. S. and R. Luostarinen (1988), “Internationalization: Evolution of a concept”, Journal of General Management 14(2), pp. 34-35

Whitelock J. and Fastoso, F. (2007), “Understanding International Branding: Defining the Domain and Reviewing the Literature”, International Marketing Review, Vol. 24 (3), pp. 252-270

Yeniyurt S., Townsend J. D., Talay M. B. (2007), “Factors Influencing Brand Launch in a Global Marketplace”, Journal of Product Innovation Management, 24, 471-485

Reports

Olive Oil Worldwide and European Consumption, Production, Exports and Imports tables, International Olive Oil Council (November 2010)

Comércio Internacional Português de Azeite (2006-2010), aicep Portugal Global (INE)

Foods from Spain (2000), El Mercado del Aceite de Oliva en el Reino Unido, Embajada de Espana en Londres, Oficina Comercial, London.

Andorinha Olive Oil – Packaging Branded (Food and Drink), Pearlfisher (2009)

Olive Oil Brands Notoriety Study (September 2011), Fone Bus

Sovena Group: Olive Oil for The World (May 2011), Instituto Internacional San Telmo

Nielsen Tables of olive oil industry in Portugal and Brasil

Websites

Corporate

Sovena Group Website

<http://www.sovenagroup.com/pt>

News

Sovena Relança Azeite Andorinha (19/01/2010)

<http://www.marketeer.pt/2010/01/19/sovena-relanca-azeite-andorinha/>

Azeite, um Mercado em Expansão (9/9/2010)

<http://www.marketeer.pt/2010/09/09/azeite-um-mercado-em-expansao/>

Azeite Andorinha está de Regresso (19/01/2010)

<http://www.hipersuper.pt/2010/01/19/azeite-andorinha-esta-de-regresso/>

Andorinhas já chegaram a Portugal (29/01/2010)

<http://imagensdemarca.sapo.pt/dossier/detalhes.php?id=1906>

Brandia Central cria experiência sensorial para lançar azeite Andorinha (25/01/2010)

<http://www.briefing.pt/marketing/7427-brandia-central-cria-experiencia-social-para-lancar-azeite-andorinha.html>

Azeite Andorinha com Edição Especial (22/11/2010)

<http://www.briefing.pt/marketing/6258-azeite-andorinha-com-edicao-especial.html>

Bico dosador Vai-e-Vem (24/06/2009)

<http://www.absoluta.com.br/escolhasshow.php?notID=845&sec=Escolhas%20Absolutas>

Brasil - O azeite Andorinha inova mais uma vez em sua campanha de marketing (21/11/2011)

<http://www.portaldoazeite.com/2011/11/brasil-o-azeite-andorinha-inova-mais.html>

Brasil: Azeite Andorinha cresce 36% nas vendas do último bimestre (28/07/2010)

<http://www.portaldoazeite.com/2011/07/brasil-azeite-andorinha-cresce-36-nas.html>

Portugal já exporta mais azeite do que importa (04/05/2011)

http://economia.publico.pt/Noticia/portugal-ja-exporta-mais-azeite-do-que-importa_1492580

Andorinha (06/10/2009)

<http://mundodasmarcas.blogspot.com/2009/10/andorinha.html>

Azeite Andorinha volta a bater recordes com prêmios nacionais e internacionais (25/10/2011)

<http://refrescante.com.br/azeite-andorinha-volta-a-bater-recordes-com-premios-nacionais-e-internacionais.html>

Louro José ganha uma namorada em relação azeitadinha pela marca andorinha (28/03/2011)

<http://www.portaldapropaganda.com/promocao/2011/03/0003>

Azeite Andorinha aplica investimento em marketing (28/03/2011)

<http://colunistas.ig.com.br/consumoepropaganda/2011/03/28/azeite-andorinha-realiza-acao-inedita-presenca-de-marca-na-tv/>

Azeite Andorinha é fenômeno nas redes sociais (13/06/2011)

<http://agregario.com/azeite-andorinha-fenomeno-redes-sociais>

Other

Ibermarketing table of analysis of relevant sample sizes in statistical terms