A Work Project, presented as part of the requirements for the Award of a Masters Degree in Management from the NOVA - School of Business and Economics.

Beauty and Personal Care in Mass Market: A strategic Analysis of Perfumery and Cosmetics at Sonae MC

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A Project carried out on the Internship at Sonae MC under the supervision of:

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January 2013

Abstract

Purpose - The present study aims to understand the reality of the beauty sector in Portugal with the purpose of developing strategies that create value to the Perfumery and Cosmetics category in Continente® hypermarkets. To support the proposed strategies a study with Continente® and Well's® clients is developed with the intention of segmenting each subcategory of articles (Body Care, Hand and Foot Care, Face Care, Makeup, Fragrances and Sun Care) by the point of sale (Coiffeur, Catalog, Pharmacies, Parapharmacies, Perfumeries and Super and Hipermarkets), understanding the source of business of each subcategory and also the factors that customers value the most.

Methodology – To understand the beauty market as a whole, the role of Continente® hypermarket in the sector and the new trends, Sonae®'s internal data was used, along with research developed by suppliers as well as national and international data published in specialized magazines and websites. To support this study, academic publications regarding market segmentation and brand loyalty were used. The conclusions achieved are based on the answers of 290 customers.

Findings – We concluded that customers identify Convenience and Promotional activities as the most relevant factors when purchasing at Continente®, that Fragrances and Makeup are the subcategory that customers less acquire. Customers identify pharmacies and super and hypermarkets as the place where they most acquire Body Care, Hand and Foot Care, Face Care and Sun Care products, and perfumeries as the place where they most acquire Makeup and Fragrances.

Practical Implications – As beauty and personal care is one of the most sacrificed sectors by the economical crisis it is crucial to understand the market trends and develop rational actions that allow companies to keep a strong position in the market. This study aims to explore the consumer behavior in this sector and the strategies that Continente® could follow to keep its interesting position in the market.

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1. Introduction

According to the U.S. Food and Drug Administration, which is the institution responsible for regulating the cosmetic industry in the United States, cosmetics are defined as products designed “to be applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance without affecting the body’s structure or functions” .

Research suggests that, throughout history, cosmetics were transversal to every society in the world and its beginning carry us to 10,000 B.C., to the Egyptian civilization, where cosmetics were used for hygiene and health purposes. For centuries, several societies also used them in rituals to enhance beauty, to protect skin of potential damages caused by harsh environments, and to imply social status (Cosmetics Info Organization, 2012). However, the way cosmetics are perceived changed completely throughout centuries with a focalization in beauty purposes. The implementation of the Federal Food, Drug and Cosmetic Act in 1938 was also an important event to the cosmetic market because it started a new era of consumer protection and public health through regulation and harmonization of products’ quality standards (U.S. Food and Drug Administration, 2012).

1.1 Research Significance and Objectives

In Portugal, the beauty market is facing a difficult period since 2009, when its growth reversed. After that, in 2010, the market remained stable and, in 2011, it decreased almost 6%. Furthermore, recent forecasts predict that 2012 will be a difficult year for this sector, which should face results similar to the ones of 2011 (Nielsen 2012). The performance of each channel, in 2011, does not follow the behavior of the market as whole - Mass Market registered a steady growth and was the channel with a highest weight in the market, being Continente® the most relevant supermarket with a significant advantage in terms of market share, relatively to its direct competitor, Pingo Doce® (Nielsen and TNS 2012). Perfumeries, Pharmacies and Parapharmacies together had the same quota as Mass Market. However, Perfumeries showed a negative growth, while Pharmacies and Parapharmacies had the most significant market growth. Nonetheless, by decomposing the performance of these two points of sales, it is interesting to understand that they had an opposite behavior – while Parapharmacies registered a remarkable growth, Pharmacies followed the market trend and suffered a decrease in its performance. Coiffeur and Catalog Sales were the channels with lower weight in the market and both revealed a steady growth (L'Oreal 2012).

This study will contribute to segment clients according to the type of products they buy in each store, and to better understand the motivations of Well's® and Continente®'s clients towards their perfumery and cosmetic purchases. According to the results, the feasibility of attracting new clients to Continente®, that nowadays are buying in specialized stores like Well's®, and the viability of increasing their average spending will be evaluated and suitable strategies to achieve these objectives will be presented.

Beauty Categories are extremely valuable to Sonae®, which is understandable, given their growing relevance in the company – in Well's®, through the increasing number of stores and beauty brands and services, and in Continente®, due to its TV exposure, location, and improved space in store.

Continente®'s leading position in the market, along with the several constraints that this category is expected to face (e.g. the category value reduction due to the decrease of average PVPs, the purchase frequency reduction and the downgrade to cheapest products due to less purchasing power) justify the need of exploring the opportunities of the market and assessing new ways of helping Continente® reinforcing its credibility near the customers and, consequently, its predominance in the market.

2. Literature Review

2.1 Overview of Portuguese Economy

According to the Fall 2012 Economic bulletin of Banco de Portugal, a significant contraction of internal and external demand, including consumption and investment, is predicted which will have a negative impact in the economic activity as a whole. The retail sector, where Continente® operates, is especially influenced by the private consumption fluctuations, which are expected to contract by 5.8% in 2012 and 3.6% in 2013. These negative economic forecasts will cause a necessary decrease in the consumers' purchasing power and in its economic confidence index.

2.2 Beauty Market in Sonae®

According to the internal business data provided by the Client Card accumulated until August 2012, Sonae Parapharmacie Well's® has been reporting an extraordinary sales' growth, especially driven by the Beauty category, which is composed by several subcategories common to the Perfumery and Cosmetics Category in Continente® (Body Care, Hand and Foot Care, Face Care, Make up, Fragrances and Sun Care). Well's interesting performance is derived from the increase of clients due to the dissemination of stores throughout the country. Moreover, the Perfumery and Cosmetics category in Continente® has been facing a steady sales' growth only positively influenced by the marginal increasing number of clients. In fact, the category is facing some difficulties concerning the average spending per transaction and the purchase frequency.

2.3 Market Segmentation

The concept of market segmentation was only defined almost twenty years later of John Frederick made the first considerations about the subject, by Wendell Smith, who stated that it "consists of viewing a heterogeneous market as a number of smaller homogeneous markets in response to differing product preferences among important market segments" (Canning et al., 2008).

In "New Criteria for Market Segmentation", Daniel Yankelovich (1964) concluded that the general observable criteria that characterizes Macro segmentation, including age, gender, education or income, does not provide consistent information to develop extremely valuable marketing strategies. On the contrary, he finds that specific consumer characteristics such as preferences or values intrinsically influence customers to define a particular behavior towards a product, and, consequently, are crucial for managers to understand if costumers are interested in the value propositions that a precise message communicates (Yankelovich et al., 2008). In fact, according to Shapiro and Bonoma (1984) the application of market segmentation helps managers to acquire a better market knowledge and also to understand consumers' behavior and their purchasing motivations.

2.4 Brand Loyalty

Brand Loyalty is characterized by a "preference that customers develop towards a brand and is usually connected with a positive attitude and repeated purchases" (Solomon et al., 2006). Amine (2011) analyzed two different approaches of brand loyalty; the downstream approach, which is translated in repeated purchases of a brand, and the upstream approach, which takes into account customer motivations that justify a preferable behavior towards a specific brand. Jacoby et al. (1973) reinforce this concept by arguing that the "analysis of brand loyalty should not focus solely on the repeated purchasing pattern, because it gives limited information about the intentional attitudes developed by customers."

The motivations that customers develop towards a brand and that are translated in loyalty create several benefits to companies, such as positive word-of-mouth (Liao, 2012), reduction of price sensitivity (Mao Junjun, 2010), reduction of expenditure due to strategies that attract new customers and, consequently, the increase of the company's profitability (Rowley, 2005). The relevance of these issues is crucial to justify a deep study of the factors that contribute the most to create loyal customers. According to Lau et al. (2006) they are "brand name, price, product quality, promotion, service quality and store environment". In what concerns brand name, which is the "value that a name provides to the brand" (Pappu et al., 2008), it helps customers to build an image of a specific brand, that influences the evaluation they make of products linked to this brand (Mishra et al., 2011). Furthermore, price is decisive in influencing customers to develop a loyal behavior towards a brand (Anuwichanont, 2011). Nonetheless, customers with high degree of brand loyalty are usually more willing to pay higher prices for their preferable brands because they are less interested in developing prices' comparisons. (Yee et al., 2008). In what concerns product quality, it is considered one of the most important criteria to influence customers to repurchase an item (Liao, 2012). When a match occurs between a product's performance and a customer' expectation the probability of creating a high degree of consumer satisfaction and loyalty is enhanced. As for promotions, when they become a common practice, customers, tend to be more price sensitive and especially the non-loyal ones, tend to be more aware of the promotions available in the market, and the search for the best deals makes it more difficult to develop a loyal behavior (Mela et al., 1997). Service quality occurs when the "attributes delivered by firms are perceived by customers" (Golder et al., 2012). As this factor implies direct interactions between sellers and buyers, its performance influences the satisfaction and the general opinion that customers build about a store, which determines their degree of loyalty. Relatively to store environment, it is comprises every single aspect of the store that constraints the image that customers develop and thus influencing their shopping behaviors. (Lam, 2001).

3. Customer Study

A study of Well's® and Continente®'s clients was performed to identify where the customers are buying, the specialization level of the place of purchase according to the product specification, and the motivations that influence their buying choices.

The research was conducted through a questionnaire (see appendix 1), developed by taking into account the conclusions of Brand Loyalty proposed by Lau et al. (2006). The study was applied to a representative sample to generalize conclusions (Malhotra, 2007).

3.1 Sample Composition

The present study was conducted with 290 customers: 160 of Continente® hypermarket and 130 of Well's® Parapharmacies.

Three different realities were analyzed according to the customer's profile. The first one was focused on customers that already buy perfumery and cosmetic products in Continente® and Well's®, with the purpose of segmenting these products according to the place where customers make their purchases, understanding the most relevant purchase motivations and the source of business. The second one was focused on customers that do not buy perfumery and cosmetic products in these two stores but are willing to do it, with the purpose of understanding what customers' value and what they would like to see in the stores. The third one was focused on customers that do not make perfumery and cosmetic purchases in the stores analyzed and that do not seem willing to do it, in order to understand what strategies could be used to attract them.

3.2 Measures and Procedures

A pre-test was conducted with 10 customers in order to evaluate if the language applied was clear and if the interpretation made by individuals was aligned with the goals of each question. It was clear that people were confused about which items integrated the perfumery and cosmetics category. This observation led us to add some examples and an image of each type of products comprised in the category. In the question where customers were invited to state what products they buy in the stores in analysis, the option of reporting they did not buy those products was added.

3.3 Results Discussion

Relatively to customers that already buy perfumery and cosmetic products, to analyze the most relevant factors that lead them to make purchases in Continente® and Well's®, it was applied a Pearson's Chi-squared test to evaluate if the frequency distribution between the different factors were statistically independent.

To Continente®'s customers, five motivations were mentioned: convenience, product quality, promotional activities, store environment and price. According to the Chi-squared it was possible to conclude that the null hypothesis should be reject because the χ^2_{cal} value is higher than the critical value $\chi^2_{(0.05,4)}$ (see appendix 2), which means that clients' motivations are statistically independent. From a frequency analysis, it was observed that convenience, promotional activities and price of the products were the most relevant factors for customers making purchases of perfumery and cosmetics in Continente®. By applying a cross analysis between motivations and demographic characteristics, we concluded both women and men prefer convenience. Moreover, unemployed and employed customers value promotional activities, showing the importance that society is giving to savings. In what concerns the number of family members, only families with two people choose promotional activities over convenience.

Relatively to Well's®, seven motivations were suggested: specialized brands, convenience, product quality, promotional activities, specialized advice, store environment and price. By applying a Chi-squared test it was concluded that the null hypothesis should be rejected because the χ^2_{cal} value is higher than the critical value

$\chi^2_{(0.05,6)}$, meaning the motivations are statistically independent. With an analysis of frequencies, it was observed that the existence of specialized brands and specialized advice were the most relevant referred factors.

To analyze the type of products that customers buy in Continente® and its frequency, a Chi-squared test was applied to every subcategory. As χ^2_{cal} value is greater than the critical value $\chi^2_{(0.05,3)}$ for all the cases, we should reject the null hypothesis, which implies that the purchase frequency in each subcategory is statistically independent. By analyzing the frequencies, Makeup and Fragrances are the subcategories from which customers buy less in Continente®. Moreover, Sun Care is the subcategory with a higher percentage of new customers.

Relatively to Well's customers, by applying a Chi-squared test to all the subcategories of products, it was possible to conclude that for each case the null hypothesis should be rejected because the χ^2_{cal} value is greater than the critical value $\chi^2_{(0.05,3)}$. So the purchase frequency in each subcategory is statistically independent, meaning that customers are not equally distributed among all the points of purchase. By applying a frequency analysis it was possible to conclude that, similarly to what happened with Continente®, Fragrances is the subcategory from which customers less buy and Sun Care is the subcategory with a higher percentage of new customers.

To understand the source of business, new customers were asked from which stores they previously bought the products that they now buy in Continente®. By applying a Chi-squared to each subcategory of products, it was possible to conclude that the null hypothesis should not be rejected in the cases of Body Care, Face Care and Makeup because χ^2_{cal} value is lower than the critical value $\chi^2_{(0.05,6)}$, which implies that the locals of purchase are statistically dependent. For all the other subcategories the null hypothesis should be rejected. From a frequency analysis, it is possible to conclude that, before buying in Continente®, the majority of the customers previously bought Body

Care, Hand and Foot Care, Face Care and Sun Care in pharmacies, and Fragrances and Makeup in perfumeries.

Relatively to Well's customers, by applying a Chi-square to each subcategory, it was possible to conclude that the null hypothesis should not be rejected in the cases of Hand and Foot Care and Fragrances because the χ^2_{cal} value is lower than the critical value $\chi^2_{(0.05,5)}$, which implies that the locals of purchase are statistically dependent. For all the other subcategories the null hypothesis should be rejected. Using an analysis of frequency, it was possible to conclude that the majority of customers that now buy these products at Well's, previously bought Body Care, Hand and Foot care and Sun Care in pharmacies, Face Care in parapharmacies, and Makeup and Fragrances in perfumeries.

With the intention of evaluating the main reasons that led new customers to buy in Continente®, seven motivations were considered: convenience, product quality, lower prices, promotions, price-quality relationship, diversity and budget. By applying a Chi-squared it was possible to conclude that the null hypothesis should be rejected because the χ^2_{cal} value is greater than the critical value $\chi^2_{(0.05,6)}$, which implies that the motivations are statistically independent. By developing a frequencies analysis, it was possible to conclude that lower prices and attractive promotions were the principal reasons pointed by new customers. By applying a cross analysis, it was possible to conclude that men recognize Continente® has a better price-quality relationship, while women believe that the store has more attractive promotions.

Well's® clients faced the same sentences as the ones presented to Continente®'s clients. By applying a Chi-square it was possible to conclude that the null hypothesis should be rejected because the χ^2_{cal} value is greater than the critical value $\chi^2_{(0.05,6)}$, which implies that the motivations are statistically independent. Using an analysis of frequencies, it was possible to conclude that Well's®' customers favor the same aspects as Continente®'s clients, which are lower prices and attractive promotions. These motivations can be justified by the high promotional activity developed by Sonae® stores, which resulted as a pull factor to customers.

With the intention of segmenting products by the local of purchase, customers were asked where they buy each subcategory of products. By applying a Chi-square to all the subcategories of products, it was possible to conclude that the null hypothesis should be reject for all the cases because the χ^2_{cal} value is greater than the critical value $\chi^2_{(0.05,6)}$, which implies that the locals of purchase are statistically independent. By applying an analysis of frequency, it was possible to conclude that customers prefer to buy Body Care, Hand and Foot Care, Face Care and Sun Care products in pharmacies and super and hipermarkets, and to buy Makeup and Fragrances in perfumeries.

Relatively to Well's® clients, the analysis of frequency indicates the same results as the ones registered with Continente®'s clients, although customers from the first store also identify perfumeries as the main place to purchase Face Care products.

To identify the factors that customers value the most when buying a product, an ANOVA test was used to understand if the means of the different factors were all equal. By applying this test to all the point of sales, it was possible to conclude that the null hypothesis should not be rejected for coiffeur because the F value is lower than the critical value of $F_{(0.05,7,32)}$, which implies that the average of all the sentences are equal. For all the other point of sales, the null hypothesis should be rejected - the average of all the sentences in each cases are not equal. With an analysis of frequency we could conclude that coiffeur clients value the personal advice, the catalog clients value the promotions, the pharmacy, parapharmacy and perfumery clients give more importance to the quality of the products, and the hypermarket clients focus on the price.

Relatively to Well's®, by applying the ANOVA test to all the point of sales it was possible to conclude that the null hypothesis should be rejected because the F value is always greater than the critical value of F, which implies that the average of all the sentences in each point of sale are not equal, for all the cases in analysis. With an analysis of frequencies we can conclude that Well's® customers' preferences are aligned with the ones observed in Continente®'s customers.

Continente®'s clients that currently do not buy perfumery and cosmetic products but are willing to do were asked where they perform their purchases for each subcategory. Afterwards, a Chi-square test was applied to each subcategory of products. As for all the cases, the χ^2_{cal} value is greater than the critical value $\chi^2_{(0.05,6)}$, the null hypothesis should be rejected, which implies that the distribution is not equal among the different points of sale. By performing an analysis of frequencies, it was possible to conclude that the segmentation of the subcategories by each point of sale follow the same pattern as the one described for Customers that buy perfumery and cosmetics.

Applying the same question to Well's® Clients and running the same test analysis, we obtain the same results, however in this case customers also value catalog along with perfumeries as a place to acquire Makeup.

In order to understand the major motivations that customers have to acquire Perfumery and Cosmetic products in Continente®, an analysis of frequencies was performed, and we concluded that customers mostly referred the offer of lower prices, specialized brands and the better knowledge of the brands and products being sold. Applying a cross analysis we can conclude that men, young customers and large families value lower prices, while women, middle aged customers and medium and small families prefer the offer of more specialized brands.

According to an analysis of frequencies, Well's® customers referred lower prices, better price-quality relationship and promotions the most.

To confirm customers' motivations and evaluate the importance given to each of them, nine sentences were presented. By applying an ANOVA test in order to evaluate if customers value every aspect equally, we concluded, because the value of F test is higher than the critical value of $F_{(0.05,8,396)}$, that we should reject the null hypothesis, which implies that the average of all the sentences are not equal. By analyzing the means of each sentence we are able to conclude that the ones regarding lower prices and promotional activities registered the higher averages, 5.6 and 5.5 out of 7, respectively.

Furthermore, Well's clients faced seven sentences. By applying an ANOVA test and by analyzing the means of each sentence we achieved the same results as for Continente®.

In addition, we asked customers that do not buy perfumery and cosmetic products at Continente® yet and do not seem willing to do so the reason why they were not interested in acquiring those products in the store. The most frequent motivations were the fact that they prefer to buy these sort of products in specialized places and the fact that Continente® does not supply their favorite brands.

3.4 Conclusions

With this study it was possible to understand that Continente®'s customers value the convenience of the stores and their promotional activities. As the subcategories from which customers buy the less in Continente® are Makeup and Fragrances (which is confirmed by internal data), and where the front office margins are higher, Continente® can focus its attention in capturing new clients that nowadays value perfumeries to acquire this type of products. Moreover, Sun Care is the subcategory with a higher percentage of new customers that are coming from pharmacies because of the lower prices and the attractive promotions. In order to decrease the customer dependency of promotions, Continente® should bet in strategies to create other pull factors more correlated with product quality and satisfaction, to generate more loyalty. It was also possible to determine that customers that currently do not buy these products in Continente® would be willing to change their place of purchase if better knowledge of the brands and products and if more specialized brands were offered there.

4. Strategies

The beauty and personal care industry has a fast pace and leads, in some categories, to a short product life cycle, which makes innovation an important key to achieve success and keep the usual sector's attractive margins. (Kumar et al., 2006).

The strategies presented below were developed according to the study's results concerning Well's® and Continente®'s clients and are organized according to the 4 P's framework.

4.1 Product

Many customers develop a trust relationship with pharmaceutical products with specialized purposes and believe that they provide better solutions for their needs. In order to attract this type of clients, a similar concept could be developed by offering brands with a pharmaceutical approach that are not sold in Portugal yet (brands that are in the Portuguese pharmaceutical market are not interested in changing their positioning by selling in the mass market). Besides, by looking at international brands, it is possible to find solutions that combine the intended positioning with competitive prices, easily accepted in the mass market. Another possibility Continente® has, is to follow the strategy pursued by El Corte Ingles in reinforcing its private label offering with premium cosmetics by developing partnerships with Derex laboratory in 2012 and with Maesa Creative Beauty Solutions in 2011, with a new face and body dermatological line. With a brand of reference, products with a recognizable quality and a broad spectrum of clients, Continente® can consider, in future, an internationalization of its own brand MyLabel®. With that approach Continente® can be able to attract new potential customer for the most critical subcategories (Makeup and Fragrances).

To enlarge the makeup offer, Continente® could develop efforts in attracting CoverGirl®, a Procter and Gamble® brand, already distributed in Australia, Canada and

USA. The brand has nearly fifty years of history and, according to a Beauty survey conducted by the Market Force Information Inc., was considered, in 2010, the U.S. customers' favorite cosmetics brand. In the past, the company was not interested in entering the Portuguese Market due to its limited dimension and several barriers, such as the mass market package that increment substantially the product costs. However, with the innovations that Continente® has been developing in the last months in some hypermarkets, by implementing new atmospheres in the beauty and personal care areas, as well as by offering advice service and make up without packaging, a new door is open to reestablish the negotiations. The attraction of this brand could create several opportunities to Continente® due to its exclusivity in Europe and also due to the promotional activity carried out in several American TV shows that are distributed in Portugal. Besides that, the brand has a positioning focus in young customers that are not currently covered by any other brand, which can contribute to attract new customers.

4.2 Place

Stores within a store is a concept that has become popular all over the world, as retailers understand the benefits that they can achieve in terms of space profitability and clients attraction with these partnerships. The concept comprises, according to Mintel®, a rental space to a retailer, wholesaler or manufacturer that can use it to sell their own goods. The rental space should be easily perceived as a distinct part of the store (Mossinkoff, 2001). This approach creates interesting results, in terms of building sales: according to a study developed by RetailWire in 2011, 72% of retailers said the concept was "successful", 17% said "very successful" and only 7% "somewhat unsuccessful".

By applying the structural principles of stores within stores, Continente® can expand the concept beginning in Cascais with the creation of differentiated atmospheres according to products' category. This strategy gives customers the perception that by entering in the hypermarket they are, instead, inside of a universe of different shops. This strategy is especially important in the perfumery and cosmetics categories, where it is fundamental to create a different predisposition in clients – when people come to a hypermarket they identify as an indulgency the purchase of a food item such as a cake or a chocolate, not a moisturizer or lip gloss to make them beautiful. When they need this type of products for themselves, they generally search for a specialized shop due to the emotional connotation associated with a purchase made there. By creating a differentiated environment it is easier to show customers that the store is becoming specialized in the category, which gives them a higher perception of quality and specialization. The creation of stores inside a store is most common in the cosmetics category, where consumers perceive differences between brands (Jerath et al., 2010). This can also be applied to brands that have recognizable lines of products but that are not distributed in Portuguese hypermarkets such as the cosmetic line of Mercadona®, Boots®,Yves Rocher® or Sonia Kashuk®. The implementation of this strategy would allow to attract more clients that are currently Continente®'s clients but do not buy perfumery and cosmetics products there.

Nowadays, any company that wants to thrive, invests in its web presence, through its website and social networks (In the study conducted by Marktest Consulting in September of 2012, "Os Portugueses e as Redes Sociais" it was found that the Portuguese users spend almost 88 minutes per day in social networks and 61.5% follow the profiles of brands and companies). According to Kumar et al. (2006), the use of online interactions as a market channel, in the cosmetic industry, is growing, at the same time that the traditional marketing channels are decreasing. The online platform became an extraordinary way to get close to the customer and to deliver specific messages according to their profile or preferences. Recognizing this importance, Continente® has its online shop since 2001. However, the way products are communicated is not appealing and does not induce costumers to benefit from the virtual visit and consequently make impulse purchases. So, by following the concept of rendering Continente®'s Perfumery and Cosmetic category a reference in this area, an individual website should be developed (according to a study conducted by Com Store in 18 European countries, perfumery and cosmetics websites are the most frequented by women, with 70.9% of the total time spending by users in these websites). The idea is for clients to be sent to a page with a completely different environment (like Sephora® CoverGirl® or KIKO®'s website) when they choose the hygiene category from Continente®'s general website. Also, the idea is to offer different contents, such as product reviews, tutorials to "get the look", tips, new trends and a different buying experience, relatively to Continente® online, with a more appealing exposure of items. Simultaneously, by developing an attractive platform, new partnerships could be created with more sophisticated products, such as fragrances of premium brands that are not interested to get exposure in Continente® physical shops. The promotional strategies of Continente® aligned with reference brands are able to create successful results that could be transported in specific seasons such as Christmas, to the physical shop. By complementing this strategy and generalizing to all Continente® customers, a client area could be developed. With a login and a password, clients could have access to every promotion available, receive mailings, consult past purchases, edit their next shopping list and receive newsletters with weekly booklets. This strategy could reduce the costs incurred with the distribution of promotional activities and get customers close to the brand. According to the Media Monitor September of 2012, Continente® continues to be the higher investor in advertising above the line (TV, Radio, outdoor, cinema and newspapers and magazines). So, in order to increase its ROI, Continente® should complement the strategies in the physical shops with the creation of synergies with the online platforms, which comprises the dynamization and innovation of all the possible points of sale.

In order to spread the presence of perfumery and cosmetics category and especially Continente®'s private label, MyLabel®, the concept of vending machines that was developed for Continente® in Cascais, where MyLabel® products without package are sold at small prices, could be applied to the other stores. Following the strategy already made by Sephora®, vending machines could be spread in subway stations or additionally in bathrooms of nightclubs and restaurants, where an occasional need and a small price could be combined to increase impulse purchases.

4.3 Price

Price is nowadays a crucial factor to determine purchases, which is confirmed by the study's findings. More than ever, customers are willing to search for the best deals, especially in items that are not essential, which are the majority of the products comprised in perfumery and cosmetics category. Following this trend, Continente® could adopt electronic price tags. Currently, the price reactions to other retail chains occur every day, along with the constant promotions and discounts, so the possibility of existing price discrepancies increases. With the electronic prices, the pricing errors can be reduced or eliminated because the information charged in the system can be automatically uploaded to the price tag. This strategy can reduce the situations where the price tag does not correspond to the price of the product and consequently, reduce the necessary losses and complaints, also contributing to the increase in customer confidence in the service provided by Continente®. Besides, fixed costs can be reduced by decreasing paper and printing costs, and collaborators can be reallocated to other activities. Combining this electronic innovation with the information provided by the client card, Continente® can improve its promotional strategies. One current trend is the customized service (Remolina, 2008). More than ever, customers value the messages specifically designed for them, that take into account their preferences and needs. (Datamonitor, 2008). By taking into account the advantage of instant price adjustments, Continente® can design specific promotions according to the period of the day or of the week that each identifiable segment frequents Continente® shops the most. For instance, assuming that Nivea® is the brand that traditional seniors buy the most and that they generally shop in the morning and by the end of the week (Client Card 2011), specific promotions or shopping activity related to this brand should occur in these periods (i.e., periods when, on average, this type of customers frequent these stores the most). This price dynamics can be easily applied with an automatic engine and will result in better outcomes and in more loyal customers.

4.4 Promotion

By nature, hypermarkets are a place where customers make their purchases without any support, however this reality is changing and Continente® bets in the formation of professionals to help customers. However, this reality comprises several costs due to the frequent required training and to the allocation of collaborators to these functions. Besides, the results of the study indicate that customers would like to have more information about the products but they did not point the advice service as the most relevant factor to determine their purchases. So, Continente® can develop an electronic device like an interactive tablet for customers to use in stores to get information and advice about products. The concept is to provide a guide to customers when they are making their choices. For that, when suppliers register the products in the “workflow”, they should include information about the product, such us: properties, characteristics, benefits and recommendations of use. The system could give customers the opportunity to make an advanced search by choosing the type of product, the price range and the type of skin. Then, the results should give customers the chance of comparing similar products and read the recommendation of complementary products. With this strategy, Continente® is able to better inform customers that should consequently be more satisfied. Besides that, with the suggestion of the range extension, the possibility of increasing the average spending is higher. In any case, if Continente® understands that the value added by the presence of beauty advisors is higher than the costs incurred, the digital advice can be a complement to the service provided by professionals when they have some doubts related to a costumer request. L'Oreal skin care brands (La Roche Posay and Vichy Laboratoires) and Target with its "beauty concierge program" launched similar strategies last summer, which indicates a tendency of the market to ally the personal service with electronic devices. In order to complement the online service, the concierge system could also be applied to online customers that before performing their purchases can receive some guides according to their preferences. Other categories can benefit from this system (e.g. with hard drinks where the huge variety is proportional to the lack of knowledge that the majority of customers have).

Although the majority of retailers provide a good variety of beauty care products, "the top-of-mind consumer awareness of these selections is not always high" (Litwak, 2011). Customers continue to perceive the differentiation of mass market products is achieved only by low prices and not quality. Sometimes this perspective is a consequence of the lack of information about new brands with a good positioning, or even with the launches of innovative products that directly compete with premium brands. For instance, Continente® has, for almost a year, one of the most reliable brands in the USA, Sally Hansen, and has recently began to offer Essie, another brand with a relevant position worldwide, both nail brands. However, these launches were not promoted and a lot of customers are not aware of them. In order to make customers aware of what Continente® is offering, and following the idea created for Christmas, in which a catalog was designed, several booklets could be created during the year, almost following the concept of brands that sell their products by catalog (e.g. AVON and Yves Rocher). The catalogs could be launched in every season (four per year), in order to get the opportunity to communicate seasonal collections and products – sun protection in summer, Christmas packages in winter, for instance. This strategy could be complemented with the creation of a different point of sale, which is the selling by catalog. The unemployment rate in Portugal is increasing every month, registering 15.8% in the third quarter of 2012, an increase of 3.4p.p. compared to the homologous period (INE, 2012). Furthermore, the wage cuts and the increase in taxes lead people to pursue an extra source of income. Combining the economic reality and Continente®'s necessity of increasing its sales, the company can develop contracts with promoters that, in return of a margin, can sell articles based on the catalog. This concept could be more successful in regions where the density of hypermarkets is not high, such as in the up-country where fast access of products is more difficult. If the sale by catalog would be developed, different partnerships with suppliers should be created to offer brands with high margins that are able to support the mechanism of the business. To attract clients to this concept, a discount in Continente®'s Client Card could be provided based on the total value of purchases or in specific products. Once again, the main purposes of this strategy are making clients aware of Continente®'s product diversity and creating more opportunities of purchase.

To complement the promotional strategies of Continente® and to reinforce the tendency of individualisms (Datamonitor, 2008) due to the creation of personalized messages, a device with an electronic LCD that identifies, through the bar code of the client's card, the person using the cart, could be created and added to the shopping cart. This way, clients could register the products to facilitate the payment (as already occurs with the self-service device available in stores), at the same time they could get information about the product and check their shopping list (already registered in their personal area of Continente®'s website). Furthermore, this device could be useful in displaying promotions and special discounts aligned with the consumer's profile. This system could have the same function as mailings without the associated distribution costs.

5. Discussion and Conclusion

According to Novak (2009), companies already understand that innovation is one of the most important factors to acquire value besides the traditional factors as efficiency and price leadership. Based on that, to keep a leading position in the market and to acquire new potential clients, Continente® should pursue the new trends of the market and "think outside the box". Also, in a period where people are rethinking their indulgency expenses, it is important to get the opportunity and show them that the Mass market is able to provide a valuable offer. Without this concept, there are a high number of potential customers that will simply leave the market, translating into higher generalized losses for every intervenient. The big advantage of retailers such as Continente®, is that potential clients are already in stores so it is up to the retail chain to design promotional strategies to attract clients and persuade them to purchase (Litwak, 2001)**.**

According to the results obtained in the study of Continente® and Well's clients, Fragrances and Makeup are subcategories in which Continente® should bet due to the small penetration rate and to the high margins. The findings also suggest that customers value the purchases in Continente® especially due to the convenience, lower prices (compared to other locals of purchase) and attractive promotions. As for beauty products, customers, sometimes, tend to correlate low prices with bad quality, it is important to reinforce other attributes to increase the perceived value that customers have about products sold in Continente®. Besides, it was also pointed by customers that they would value finding specialized brands and acquiring better information about the products and brands in order to support their purchasing choices. Finally, the strategies suggested took into account the results of the study and the world trends. Especially, the electronic solutions are expected to reduce costs and create value, by attracting new clients with strategies designed to surprise them and to reinforce their opinion about the category's quality offered.

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7. Appendixes

7.1 Appendix - Questionnaire

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Pergunta de Seleção

Compra Artigos de Perfumaria e Cosmética no hipermercado Continente®/na parafarmácia Well's®?

Sim ☐ **Não** ☐

1

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Questionário aplicado a inquiridos que responderam "Não" na pergunta de seleção – não compram artigos de perfumaria e cosmética no hipermercado Continente®/na parafarmácia Well's®.

1 - Sexo:

Masculino		Feminino	

2 – Idade:

15 a 24		45 a 64	
25 a 34		Mais de 65	
35 a 44			

3 – Como classifica o seu estatuto laboral:

Desempregado		Estudante	
Empregado		Reformado	

4 – Por quantas pessoas é constituído o seu agregado familiar:

1		4	
2		5	
3		Outro	

5- Estaria disposto a comprar artigos de perfumaria e cosmética nesta loja?

Sim		Não	

➔ **Se respondeu "Sim" passe para a pergunta 7. Se respondeu "Não" Passe para a pergunta 6**

6 - Se respondeu "Não", Quais os motivos pelos quais não está disposto a comprar artigos de perfumaria e cosmética no hipermercado Continente®/na parafarmácia Well's®?

____
____
____
____

Sugestão: Ausência de marcas de preferência, Preço, Ausência de Aconselhamento, Qualidade dos Produtos, Ausência de testers, etc.

Obrigada. O seu Inquérito Acaba aqui.

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7 – (Se respondeu Sim na questão 5) Onde compra normalmente os seguintes artigos?

	Cabeleireiro	Catálogo	Farmácia	Parafarmácia	Perfumaria	Super+Hipermercado	Não Compro
Cuidado de Corpo (ex: Body Lotion, Body Butter, Anti-celulítico)							
Cuidado Mãos e Pés (ex: Creme de mãos, creme de pés, acetona)							
Cuidado de Rosto (Creme de dia, Creme de Noite, Tónico, Sérum, Exfoliante)							
Maquilhagem (ex: Rosto, Lábios, Olhos, Unhas)							
Perfumes							
Proteção Solar (Protetor, Bronzeador, After Sun)							

8 – Quais os motivos que o fariam comprar no hipermercado Continente®/na parafarmácia Well's®?

____
____
____
____

Sugestão: Promoções, Preço, Aconselhamento, Qualidade dos Produtos, Ausência de testers.

9 – Numa escala de 1 a 7 classifique as seguintes afirmações. (1 não compraria de certeza, 7 compraria de certeza)

	1	2	3	4	5	6	7
Se a loja estivesse mais próxima da minha casa/trabalho							
Se conhecesse melhor as marcas disponíveis							
Se existisse aconselhamento especializado (Não aplicado a Well's)							
Se existissem mais promoções							
Se existissem marcas especializadas (Não aplicado a Well's)							
Se o espaço de loja fosse mais apelativo							
Se os preços fossem mais baixos							
Se pudesse experimentar							
Se tivesse mais informação sobre os artigos e a sua qualidade							

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Questionário aplicado a inquiridos que responderam "SIM" na pergunta de seleção – compram artigos de perfumaria e cosmética no hipermercado Continente®/na parafarmácia Well's®.

1 - Sexo:

Masculino		Feminino	

2 – Idade:

15 a 24		45 a 64	
25 a 34		Mais de 65	
35 a 44			

3 – Como classifica o seu estatuto laboral:

Desempregado		Estudante	
Empregado		Reformado	

4 – Por quantas pessoas é constituído o seu agregado familiar:

1		4	
2		5	
3		Outro	

5 – Quais as razões mais relevantes para comprar no hipermercado Continente®/na parafarmácia Well's®? (Selecione as opções que melhor caracterizam as suas motivações)

A existência de marcas especializadas (opção aplicada apenas às lojas Well's)	
A proximidade da loja à minha casa/trabalho	
A qualidade dos artigos	
As atividades promocionais	
O aconselhamento especializado (opção aplicada apenas às lojas Well's)	
O espaço de loja	
O preço dos artigos	
Outro	

4

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6– Que artigos compra no hipermercado Continente®/na parafarmácia Well's®??

6a) Há quanto tempo compra?

	Não Compro	Sempre Comprei	Compro Pontualmente	Compro há menos de 6m.	É a 1ª Vez
Cuidado de Corpo (ex: Body Lotion, Body Butter, Anti-celulítico)					
Cuidado Mãos e Pés (ex: Creme de mãos, creme de pés, acetona)					
Cuidado de Rosto (Creme de dia, Creme de Noite, Tónico, Sérum, Exfoliante)					
Maquilhagem (ex: Rosto, Lábios, Olhos, Unhas)					
Perfumes					
Proteção Solar (Protetor, Bronzeador, After Sun)					

➔ **Se respondeu "Compro há menos de 6m" ou " É a 1ª vez" para algum dos artigos passe para a pergunta 7. Se respondeu "Não Compro" ou "Sempre Comprei" passe para a pergunta 9.**

7 – Se respondeu "Compro há menos 6m" ou "É a primeira vez", onde compra os artigos de perfumaria e cosmética que agora compra no hipermercado Continente®/na parafarmácia Well's®?
Obs: Pergunta condicionada à resposta da questão 6 (artigos que compra nesta loja)

	Cabeleireiro	Catálogo	Farmácia	Parafarmácia	Perfumaria	Super+Hipermercado
Cuidado de Corpo (ex: Body Lotion, Body Butter, Anti-celulítico)						
Cuidado Mãos e Pés (ex: Creme de mãos, creme de pés, acetona)						
Cuidado de Rosto (Creme de dia, Creme de Noite, Tónico, Sérum, Exfoliante)						
Maquilhagem (ex: Rosto, Lábios, Olhos, Unhas)						
Perfumes						
Proteção Solar (Protetor, Bronzeador, After Sun)						

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8 – Se respondeu "Compro há menos 6m." ou "É a 1ª Vez", qual o principal motivo para começar a comprar no hipermercado Continente®/na parafarmácia Well's®? (Selecione as opções que melhor caracterizam as suas motivações)

Esta loja está mais próxima da minha casa/trabalho	
Esta loja tem artigos com maior qualidade	
Esta loja tem preços mais baixos	
Esta loja tem promoções mais atraentes	
Esta loja tem uma maior relação qualidade preço	
Esta loja tem uma melhor seleção de artigos	
Esta loja tem uma oferta mais adequada ao meu atual orçamento	
Outro	

9 – Para além do hipermercado Continente®/da parafarmácia Well's®, onde compra normalmente artigos de perfumaria e cosmética?

	Cabeleireiro	Catálogo	Farmácia	Parafarmácia	Perfumaria	Super+Hipermercado	Não Compro
Cuidado de Corpo (ex: Body Lotion, Body Butter, Anti-celulítico)							
Cuidado Mãos e Pés (ex: Creme de mãos, creme de pés, acetona)							
Cuidado de Rosto (Creme de dia, Creme de Noite, Tónico, Sérum, Exfoliante)							
Maquilhagem (ex: Rosto, Lábios, Olhos, Unhas)							
Perfumes							
Proteção Solar (Protetor, Bronzeador, After Sun)							

6

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10 – Quando realiza as suas compras quais os fatores que mais valoriza? Numa escala de 1 a 7 (1 discordo totalmente, 7 concordo totalmente) classifique as seguintes afirmações para cada tipo de loja. Quando considerar que não se aplica, pf escolha a opção NA.
Obs: Pergunta condicionada aos locais onde realiza as suas compras de perfumaria e cosmética

	Cabeleireiro	Catálogo	Farmácia	Parafarmácia	Perfumaria	Super+Hiper mercado
A Diversidade dos artigos é muito importante para mim						
A Existência de Testers é muito importantes para mim (não aplicado a Super+Hipermercado)						
A Proximidade da loja é muito importante para mim						
A Qualidade dos artigos é muito importante para mim						
As Marcas Existentes são muito importantes para mim						
As Promoções são muito importantes para mim						
O Aconselhamento especializado é muito importantes para mim (não aplicado a Super+Hipermercado)						
O preço é muito importante para mim						

11 - Quais as Marcas que mais utiliza? Quando considerar que mão se aplica escolha a opção NA.
Obs: Pergunta condicionada às respostas das questões 6(artigos que compra nesta loja) e 9 (artigos que compra noutros pontos de venda)

	Cabeleireiro	Catálogo	Farmácia	Parafarmácia	Perfumaria	Super+Hipermercado
Cuidado de Corpo (ex: Body Lotion, Body Butter, Anti-celulítico)						
Cuidado Mãos e Pés (ex: Creme de mãos, creme de pés, acetona)						
Cuidado de Rosto (Creme de dia, Creme de Noite, Tónico, Sérum, Exfoliante)						
Maquilhagem (ex: Rosto, Lábios, Olhos, Unhas)						
Perfumes						
Proteção Solar (Protetor, Bronzeador, After Sun)						

7

7.2 Appendix – Continente® Customers' Results

Results of the study apply to Continente® Customers that already acquire Perfumery and Cosmetics Products		
Variables	**Results**	**Decision**
Factors to Acquire perfumery and cosmetics products in Continente®	χ2cal = 22,677 χ2(0.05,4)= 9,488	Reject H0
Body Care*Timing of Purchase in Continente®	χ2cal = 74,313 χ2(0.05,3)= 7,815	Reject H0
Hand and Foot Care*Timing of Purchase in Continente®	χ2cal = 47,925 χ2(0.05,3)= 7,815	Reject H0
Face Care*Timing of Purchase in Continente®	χ2cal = 51,269 χ2(0.05,3)= 7,815	Reject H0
Make up*Timing of Purchase in Continente®	χ2cal = 64,403 χ2(0.05,3)= 7,815	Reject H0
Fragrances*Timing of Purchase in in Continente®	χ2cal = 163,269 χ2(0.05,3)= 7,815	Reject H0
Sun Care*Timing of Purchase in Continente®	χ2cal =55,806 χ2(0.05,3)= 7,815	Reject H0
Body Care*Continente® 's Source of Business	χ2cal = 4 χ2(0.05,5)= 11,07	Accept H0
Hand and Foot Care*Continente® 's Source of Business	χ2cal =14,5 χ2(0.05,5)= 11,07	Reject H0
Face Care*Continente® 's Source of Business	χ2cal = 4 χ2(0.05,5)= 11,07	Accept H0
Make up*Continente® 's Source of Business	χ2cal = 7 χ2(0.05,5)= 11,07	Accept H0
Fragrances*Continente® 's Source of Business	χ2cal = 15 χ2(0.05,5)= 11,07	Reject H0
Sun Care*Continente® 's Source of Business	χ2cal =15,5 χ2(0.05,5)= 11,07	Reject H0
Factors to start to acquire perfumery and cosmetics products in Continente®	χ2cal = 17,053 χ2(0.05,6)= 12,592	Reject H0
Body Care*Local of Purchase	χ2cal = 116,657 χ2(0.05,6)= 12,592	Reject H0
Hand and Foot Care*Local of Purchase	χ2cal = 45,211 χ2(0.05,6)= 12,592	Reject H0
Face Care*Local of Purchase	χ2cal = 21,116 χ2(0.05,6)= 12,592	Reject H0
Make up*Local of Purchase	χ2cal = 66 χ2(0.05,6)= 12,592	Reject H0
Fragrances*Local of Purchase	χ2cal = 242,514 χ2(0.05,6)= 12,592	Reject H0
Sun Care*Local of Purchase	χ2cal = 103,133 χ2(0.05,6)= 12,592	Reject H0

Variables	Results	Decision
Coiffeur*Evalution of customers' preferences	Fcal = 1,113	Accept H0
	F(0.05,7,32)= 2,313	
Catalog*Evalution of customers' preferences	Fcal = 11,443	Reject H0
	F(0.05,7,136)= 2,078	
Pharmacie*Evalution of customers' preferences	Fcal = 15,419	Reject H0
	F(0.05,7,264)=2,044	
Parapharmacie*Evalution of customers' preferences	Fcal = 2,777	Reject H0
	F(0.05,7,120)=2,087	
Perfumery*Evalution of customers' preferences	Fcal =10,013	Reject H0
	F(0.05,7,440)= 2,030	
Super+Hipermarket*Evalution of customers' preferences	Fcal = 25,804	Reject H0
	F(0.05,7,528)= 2,027	

Results of the study apply to Continente® Customers that do not acquire Perfumery and Cosmetics products but are available to do it		
Variables	**Results**	**Decision**
Body Care*Local of Purchase	χ2cal = 42,889	Reject H0
	χ2(0.05,6)= 12,592	
Hand and Foot Care*Local of Purchase	χ2cal = 27,022	Reject H0
	χ2(0.05,6)= 12,592	
Face Care*Local of Purchase	χ2cal = 23,911	Reject H0
	χ2(0.05,6)= 12,592	
Make up*Local of Purchase	χ2cal = 80,844	Reject H0
	χ2(0.05,6)= 12,592	
Fragrances*Local of Purchase	χ2cal = 194,4	Reject H0
	χ2(0.05,6)= 12,592	
Sun Care*Local of Purchase	χ2cal = 72,756	Reject H0
	χ2(0.05,6)= 12,592	
Evalution of customers' preferences	Fcal = 5,101	Reject H0
	F(0.05,8,396)= 1,962	

7.3 Appendix – Well's® Customers' Results

Results of the study apply to Well's® Customers that already acquire Perfumery and Cosmetics Products		
Variables	**Results**	**Decision**
Factors to Acquire perfumery and cosmetics products in Well's®	$\chi2cal = 16{,}182$ $\chi2(0.05,6) = 12{,}592$	Reject H0
Body Care*Timing of Purchase in Well's®	$\chi2cal = 31{,}5$ $\chi2(0.05,3) = 7{,}815$	Reject H0
Hand and Foot Care*Timing of Purchase in Well's®	$\chi2cal = 42$ $\chi2(0.05,3) = 7{,}815$	Reject H0
Face Care*Timing of Purchase in Well's®	$\chi2cal = 52{,}5$ $\chi2(0.05,3) = 7{,}815$	Reject H0
Make up*Timing of Purchase in Well's®	$\chi2cal = 34{,}5$ $\chi2(0.05,3) = 7{,}815$	Reject H0
Fragrances*Timing of Purchase in Well's®	$\chi2cal = 121{,}5$ $\chi2(0.05,3) = 7{,}815$	Reject H0
Sun Care*Timing of Purchase in Well's®	$\chi2cal = 10{,}5$ $\chi2(0.05,3) = 7{,}815$	Reject H0
Body Care*Well's® ' Source of Business	$\chi2cal = 12$ $\chi2(0.05,5) = 11{,}07$	Reject H0
Hand and Foot Care*Well's®' Source of Business	$\chi2cal = 7{,}5$ $\chi2(0.05,5) = 11{,}07$	Accept H0
Face Care*Well's®' Source of Business	$\chi2cal = 21$ $\chi2(0.05,5) = 11{,}07$	Reject H0
Make up*Well's®' Source of Business	$\chi2cal = 21$ $\chi2(0.05,5) = 11{,}07$	Reject H0
Fragrances*Well's®' Source of Business	$\chi2cal = 7$ $\chi2(0.05,5) = 11{,}07$	Accept H0
Sun Care*Well's®' Source of Business	$\chi2cal = 39$ $\chi2(0.05,5) = 11{,}07$	Reject H0
Factors to start to acquire perfumery and cosmetics products in Well's®	$\chi2cal = 20$ $\chi2(0.05,6) = 12{,}592$	Reject H0
Body Care*Local of Purchase	$\chi2cal = 105{,}352$ $\chi2(0.05,6) = 12{,}592$	Reject H0
Hand and Foot Care*Local of Purchase	$\chi2cal = 99{,}5$ $\chi2(0.05,6) = 12{,}592$	Reject H0
Face Care*Local of Purchase	$\chi2cal = 64$ $\chi2(0.05,6) = 12{,}592$	Reject H0
Make up*Local of Purchase	$\chi2cal = 62{,}667$ $\chi2(0.05,6) = 12{,}592$	Reject H0
Fragrances*Local of Purchase	$\chi2cal = 170{,}118$ $\chi2(0.05,6) = 12{,}592$	Reject H0
Sun Care*Local of Purchase	$\chi2cal = 94{,}435$ $\chi2(0.05,6) = 12{,}592$	Reject H0

Variables	Results	Decision
Coiffeur*Evalution of customers' preferences	Fcal = 0	
	F(0.05,7,0)= 0	
Catalog*Evalution of customers' preferences	Fcal = 41,010	Reject H0
	F(0.05,7,88)= 2,115	
Pharmacie*Evalution of customers' preferences	Fcal = 7,677	Reject H0
	F(0.05,7,208)= 2,054	
Parapharmacie*Evalution of customers' preferences	Fcal = 11,594	Reject H0
	F(0.05,7,376)= 2,034	
Perfumery*Evalution of customers' preferences	Fcal = 14,967	Reject H0
	F(0.05,7,304)= 2,040	
Super+Hipermarket*Evalution of customers' preferences	Fcal = 25,858	Reject H0
	F(0.05,7,328)= 2,038	

Results of the study apply to Well's® Customers that do not acquire Perfumery and Cosmetics Products but are available to do it		
Variables	**Results**	**Decision**
Body Care*Local of Purchase	χ2cal = 123,156	Reject H0
	χ2(0.05,6)= 12,592	
Hand and Foot Care*Local of Purchase	χ2cal = 63,111	Reject H0
	χ2(0.05,6)= 12,592	
Face Care*Local of Purchase	χ2cal = 21,957	Reject H0
	χ2(0.05,6)= 12,592	
Make up*Local of Purchase	χ2cal = 58,571	Reject H0
	χ2(0.05,6)= 12,592	
Fragrances*Local of Purchase	χ2cal = 81,045	Reject H0
	χ2(0.05,6)= 12,592	
Sun Care*Local of Purchase	χ2cal = 83,043	Reject H0
	χ2(0.05,6)= 12,592	
Evalution of customers' preferences	Fcal = 18,731	Reject H0
	F(0.05,6,308)= 2,128	