A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

# HOW TO INCREASE ONLINE SALES OF COMPORTA PERFUMES BRAND? BRAND MANAGEMENT AND MARKETING MIX

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Group Part

Abstract:

As the niche perfumery market thrives and trends in e-commerce escalate, Comporta Perfumes aims to optimize its online platform as a sales channel. This work project elaborates on a commercial strategy to increase the brand's online sales, supported by a literature review, two surveys, and eight interviews. Against the dynamic Beauty industry, characterized by innovative products and intensifying competition, Comporta Perfumes aspires to emerge as a distinguished brand, leaving a lasting mark in Portugal and beyond.

Keywords: Niche Perfumery, Brand Management, Marketing Mix, Product Assortment, Strategic Positioning

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Group Part

## 1. Introduction

This work project endeavors to delve deep into online sales and e-commerce platform optimization, examining the strategies, techniques, and tools that can empower Comporta Perfumes to boost sales performance in the online sphere.

The project lasted 4 months, being carried out in collaboration with the entire Comporta Perfumes' internal team. The project developed will have an impact on stakeholders, as well as a role in guiding the restructuring of the marketing and digital department. The implementation of the explored ideas is expected.

The project encompasses a thorough review of existing academic publications, industry reports and case studies to draw upon established concepts and build a framework for recommendations. The strategy will be outlined through an initial literature review, followed by the chosen methodology, linking powerful insights into customers' shopping habits with the company overview. Moreover, the market analysis will provide a more comprehensive view of the beauty market and niche luxury perfumery brands.

Furthermore, the analysis will make it possible to outline the commercial strategy for Comporta Perfumes on several fronts (brand management and marketing mix; customer acquisition and conversion; e-commerce platform and purchasing journey; and customer retention), as well as the final financial proposal, to fulfill the main objective of this work project: to increase online sales on the Comporta Perfumes E-commerce platform.

## 2. Literature Review

In order to better understand e-commerce and the importance of digital marketing, a literature review was conducted. E-commerce (electronic commerce) has become an important element, as companies have recognized the immense potential of the online marketplace to drive sales and revenue growth, through the dissemination of products and expansion of customer networks *(Miceli et al, 2021).* Online marketing, as part of a modern and contemporary marketing plan,

is a crucial tool for companies to reach a vast network of customers and adapt strategies depending on behavioral and performance metrics *(Chaffey and Chadwick, 2019)*.

### 2.1. Online Promotion

**Search Engine Marketing** (SEM), social media marketing, and email marketing are techniques widely used for online promotion in digital marketing. SEM encompasses Search Engine Optimization (SEO), which makes a website appear at the top of a search engine's organic results list, due to keyword optimization and improvement of the website's content quality and codes *(Panchal et al, 2021)*. Moreover, Pay-Per-Click Advertising (PPC) is also a complement of SEM, establish

hed as an online advertising model in which the advertiser pays the publisher or company responsible for the ad every time an advertisement is "clicked on" *(Suganya et al, 2020)*. Google, Instagram, and Facebook are examples of advertisement platforms.

**Social media marketing**, dominant these days, is aimed at brand awareness and engagement. To thrive, there must exist an alignment of the brand's digital strategy with its positioning (in terms of content creation, paid advertising, and partnerships), assertiveness in choosing the right target audience, and close contact with the follower, which will enable efficient and credible communication *(Evans and McKee, 2011) (Ford et al, 2019)*.

Finally, **email marketing** represents an efficient way of contacting customers *(Desai, 2019)*. Implementing automated email sequences, personalization, monitorization of metrics, especially the opening rate *(Singh et al, 2019),* study of spam effects, and categorization, can nurture leads and guide them toward making a purchase.

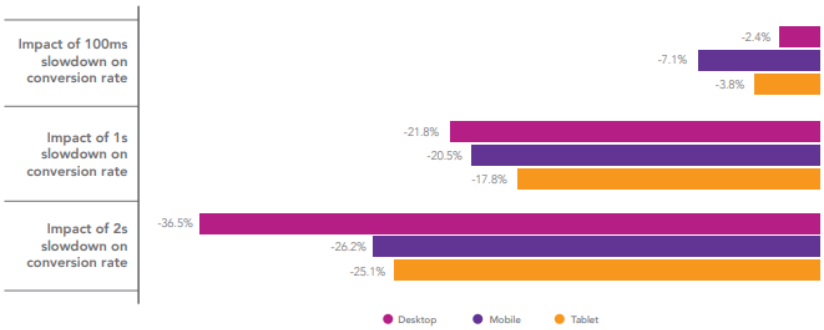
### 2.2. Consumer Behavior in Online Shopping

Factors such as convenience, trust, security, and price affect consumer behavior when deciding to buy online *(Petcharat and Leelasantitham, 2021)*. For a customer, it is more convenient to access an e-commerce platform rather than go to a physical store. By filtering and comparing

products, it is possible to shop anytime and anywhere. However, security is a necessary component since the development of technology brings protection but also vulnerability to cyber-attacks. Financial risk and non-delivery risk have negative effects on consumer's perceptions. Finally, the prices practiced on online commerce platforms may or may not be the same as those implemented in physical stores, oftentimes being lower, constituting a greater incentive to spend. *(Petcharat and Leelasantitham, 2021)*

### 2.3. E-commerce Strategies and Best Practices

A **responsive website design** that adapts to various devices (mobile or desktop) is crucial for a positive user experience since it improves the effectiveness and efficiency of data retrieval. A website should be easy to read, easy to navigate, easy to find, consistent in layout, and consistent in design (by assessing color, texture, typography, and imagery) *(Ghalmat, 2020)*. Therefore, a **user-friendly navigation** structure involves essential elements like an intuitive and easy-to-use product search, and fast website loading times. Slow loading times can impact up to 7% on the conversion rate, not being beneficial for the performance of the digital platform *(Akamai, 2017)*.




*Graphic 1 – Impact of slow loading times on conversion rate (by device type). Source: Akamai 2017*

Furthermore, **product presentation** requires high-quality images and videos (impactful on purchase decisions and increased conversion rates *(Di et al, 2014)*), and detailed descriptions (build trust and credibility along with informing and educating consumers *(Hassan, 2023)*).

### 2.4. Challenges in Online Sales

There are several challenges regarding online sales such as facing competition; the need to stand out and be ahead of other brands; technological limitations, like obsolescence and scalability

issues; and unpredictable changes in consumer expectations, like personalization and sustainable preference *(Rust and Lemon, 2014)*.

### 2.5. Data Analytics in Sales Optimization

By tracking and analyzing the customer journey on a website or e-commerce platform using metrics, businesses can identify pain points, drop-off stages, and opportunities for improvement *(Kumar and Garg, 2018)*. Data-driven decisions like applying **A/B testing** ("two variants of a piece of software are compared in the field from an end user's point of view" *(Quin et al, 2023, 1)*) to evaluate the impact of changes on sales; and **assessing the performance** of marketing campaigns, product listings, and website content *(Chaffey and Patron, 2012)* are crucial to optimize sales and thrive in current competitive atmosphere.

## 3. Methodology

The empirical aspect of the following approach involves quantitative and qualitative research methods. For this project, two surveys (consumer purchasing experience and customer insights on Comporta Perfumes) and eight in-depth interviews were conducted regarding the brand's website, brand awareness and perception.

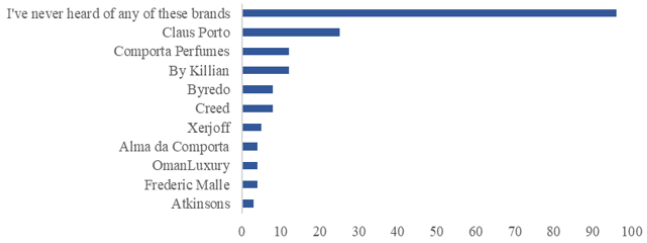
### 3.1. Surveys

#### 3.1.1. Survey I: Consumer Purchasing Experience

The first survey was conducted between October 20th and November 3rd of 2023 to evaluate and assess the general public's perception of niche perfumery and its purchasing experience within the perfumery market, home fragrances, and candles. Moreover, the method was based on random sampling, and all possible ethical issues regarding the survey were considered so that the sample was aware of their anonymity and data protection. The survey was conducted using Microsoft Forms and all answers were saved, making a total of 140 submissions.

### 3.1.1.1. Data Analysis and Interpretation

A significant majority of respondents (62%), confessed to never having heard of niche perfumery, with a striking 53% asserting ignorance of niche perfumery brands. However, 15% demonstrated a potential awareness, and 22% claimed familiarity with the concept. Notably, the word most frequently associated with niche perfumery was "small," highlighting the perception of "smaller brands", "small target" and "a small number of perfumes." This recurring theme emphasized the intimate, exclusive nature often attributed to niche perfumery.




| | |
|---|---|
| Not knowing niche brands | 45% |
| Perceived high prices | 19% |
| Limited availability of niche brands compared to mainstream alternatives | 11% |

*Figure 1 – Awareness of niche perfumery brands as the main deterrent to never purchasing from brands. Source: own analysis*

When exploring alternatives to niche perfumery, a substantial 44% leaned towards designer perfumery, hinting at the formidable influence of aggressive marketing strategies and celebrity associations in the mainstream perfume market. In the realm of niche perfumes, there existed a willingness among 38% of respondents to spend €50-100. Interestingly, this aligned with the actual spending behavior. Contrasting with the perfume segment, the market for niche home fragrances and candles exhibited a perceived lower value in the €2-20 range. Nevertheless, this also mirrored the actual spending behavior. This harmony in responses suggested a tangible connection between consumer willingness and real-world actions within this price bracket.

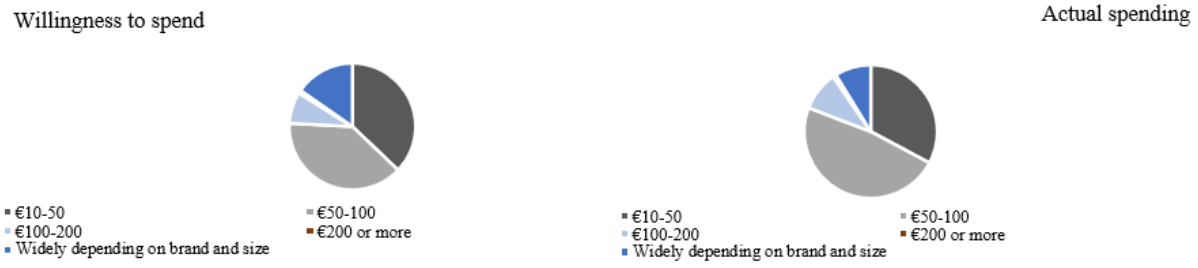



*Figure 2 – Willingness to spend vs, actual spending for perfumes. Source: own analysis*

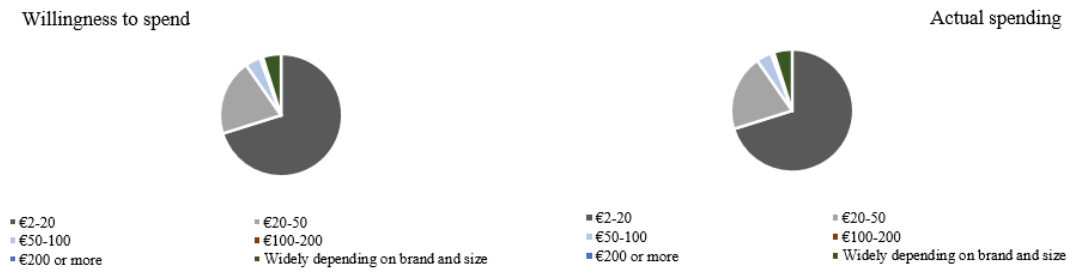



*Figure 3 – Willingness to spend vs, actual spending for home fragrances and candles. Source: own analysis*

#### 3.1.1.1.1. Shopping Habits

The seasonal change in perfumes, favored by 36% of respondents, suggested a dynamic relationship with scents. This aligned with the occasional purchase pattern, reflecting a desire for variety and adaptation to different moods or occasions. The occasional purchase pattern for home fragrances and candles (59%) indicated that consumers view these products as non-essential luxuries, bought for specific occasions or to enhance the ambiance rather than as daily necessities. The emphasis on product quality for perfumes (40.8%) underscored the importance of the sensory experience. The greater importance of price and discounts for home fragrances and candles (52.9% and 51.7%) suggested a more pragmatic approach, possibly influenced by the perceived disposable nature of these items.

#### 3.1.1.1.2. Shopping Experience

The preference for physical store experiences (66% for perfumes, 90% for home fragrances and candles) highlighted the importance of sensory engagement in the purchase decision.

From this part of the questionnaire, respondents were divided into three groups:

| | Number of respondents | |
|---|---|---|
| | **Perfumery Section** | **Home Fragrances and Candles Section** |
| Those who chose "online" | 10 | 0 |
| Those who chose "physical" | 82 | 78 |
| Those who chose "physical and online" | 33 | 9 |

*Table 1 – Number of respondents per section. Source: own analysis*

For **online shopping**, having 8% of consumers buying perfumes online exclusively showed a growing comfort with online fragrance shopping. However, none of the respondents confessed to buying home fragrances and candles exclusively online.

The relatively small percentage (37%) of problems reported in online shopping indicated a relatively smooth online purchasing experience, contributing to the positive sentiment toward online shopping in these categories. Most reported problems were related to delivery issues.

The emphasis on testing and sampling products in **physical shopping** (for both perfumes and home fragrances/candles) highlighted the importance of the sensory element. Consumers value the opportunity to experience scents firsthand. Problems reported for physical purchases in both categories were more concerning (70% for perfumes, and 60% for home fragrances/candles), and were mainly directed to product availability and accessibility, and store-specific problems such as long wait lines and bad experiences with staff.

For perfumes, 26% of respondents do their **shopping both physically and online**. The majority of consumers prefer to buy physically, being the main factors in favor: the possibility of testing and sampling products, and the immediate availability of those. For home fragrances and candles, the low number of respondents that buy in both channels made the results not statistically relevant.

For the **ideal online shopping experience**, the emphasis on secure payment options for both perfume (70.4%) and home fragrances/candles (60.9%) indicated that consumers prioritize trust and security in their online transactions. On the other hand, the lower emphasis on a brand's mobile application suggested that consumers prioritize the purchasing process over additional features.

#### 3.1.1.1.3. Brand Preferences

The preference for "Carolina Herrera" in perfumery (10%) and "Rituals" in home fragrances and candles (44%) highlighted the influence of established brands. Consumers tend to gravitate towards familiar names, potentially driven by brand reputation, product consistency, or past positive experiences. Price concerns were what primarily drove the discouragement from purchasing lesser-known brands, in both perfume (38.4%) and home fragrances/candles

(43.7%). This suggested that consumers associate established brands with quality assurance. However, motivations to buy from lesser-known brands focused on price competitiveness, indicating a willingness to explore new options when the perceived value is compelling.

#### 3.1.1.2. Demographic Information

For demographic purposes, information was also collected on gender, nationality, country of residence, age, current occupation, and comfortability with technology, to compare and contrast the participants **(Appendix 1)**.

The results of the survey provided nuanced insights into consumer behavior, emphasizing the importance of sensory experiences, trust in online transactions, and the impact of established brands in the niche perfumery and home fragrances market.

### 3.1.2. Survey II: Customer Insights on Comporta Perfumes

The second survey was conducted between November 9$^{th}$ and November 17$^{th}$ and was designed to respond to a more specific need: to gain insight into customers' opinions about Comporta Perfumes and the performance and experience of using its only online sales platform. Furthermore, this method was based on random sampling within the company's database of subscribers, with the integration of qualitative and quantitative questions, and guaranteeing the same conditions of anonymity. The survey was conducted using Microsoft Forms and all answers were saved, making a total of 7 submissions, out of an address list with 389 subscribers.

#### 3.1.2.1. Data Analysis and Interpretation

The low number of submissions (7 out of 389) revealed poor customer affection and loyalty held by Comporta Perfumes, also highlighting the lack of engagement with the brand through this channel.

Firstly, around 42.9% of respondents recognized the brand for its emotional significance and sophistication, due to its possession of unique, innovative, and high-quality products as well as

the presence of strong alignment with their personal values. Furthermore, 57% of respondents admit recommending the brand to a friend or family member.

Additionally, the **interaction with the brand** is done mainly through the Instagram page and occasional visits to the E-commerce platform. However, it was found that 43% of the respondents had never purchased on the website. They visit the website of Comporta Perfumes, but only to consult the information about products, not complete a purchase, which suggests a huge lapse in the newsletter's effectiveness and communication. Considering those who actually purchase, the diagnosis regarding **shopping habits and experience** was summarized in the table below:

| | |
|---|---|
| Shopping Habits | **100%** like to explore new smells and use different fragrances<br>**71%** buy perfume occasionally<br>**57%** purchase on Comporta website<br>**88%** never bought a product from Home Stories Collection |
| Shopping Experience | **85%** consider send testers before a purchase crucial<br>**50%** value secure payment options on the website |

*Table 2 – Shopping habits and experience. Source: own analysis*

For demographic purposes, information was collected on the same parameters as Survey I **(Appendix 1)**.

The results of this survey provided nuanced insights into the brand and, despite having less than 30 answers, the information gathered by this small sample was a useful additional perspective.

### 3.2. Interviews: Consumer Experience on Comporta Perfumes Website

To comprehensively evaluate the consumer experience on the Comporta Perfumes website, eight interviews were conducted, focusing on two tasks. The selection of interviewees considered alignment with the brand's target characteristics **(Appendix 2)**. Furthermore, the assessment included factors such as time spent, task completion analysis, and user impressions measured through Single Ease Questions (SEQs) and the System Usability Scale (SUS). **SEQs** were employed immediately after task completion, where interviewees had to rate the difficulty on a scale from 1 (Extremely Difficult) to 7 (Extremely Easy). **SUS**, a 10-statement

questionnaire, is a simple, industry-standard method to assess system usability (*Sauro, 2011*) with responses ranging from 1 (Strongly Disagree) and 5 (Strongly Agree).

### 3.2.1. Data Analysis and Interpretation

Starting with the **first task**, the interviewees were given a hypothetical situation where they wanted to buy the perfume "Will", but they didn't take too long investigating the product. According to the **SEQ**, while not considered extremely easy, users managed to complete it **(Appendix 3).** On average, participants took **01:57min** with a standard deviation of around 1 minute. A project member (expert) completed the task in 20 seconds, indicating that the current path to completion is inefficient **(Appendix 4)**.

The paths to completion were through the "Shop the Collection" button on the homepage (preferred method), and then through each of the collections' corresponding tabs. The effectiveness of calls to action (CTA) is evident in the first approach, while the latter highlights the current poor user experience on the website. Additionally, half of the interviewees noticed the absence of a navigation search tool. After finding the perfume, when adding the product to the basket, four users encountered the error in the image below, due to not selecting the free sample.

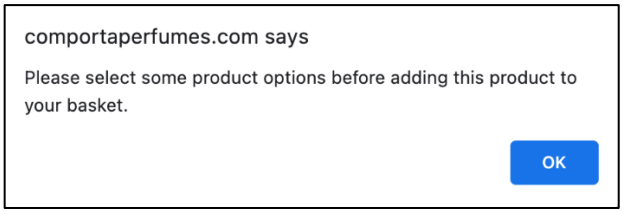



*Figure 4 – Error when a user tries to add a perfume to the basket without selecting the free sample Source: Comporta Perfumes website*

To evaluate Comporta Perfumes' **online product listing effectiveness**, a few questions were asked about the perfume "Will" and their experience in simulating its purchase. "Will" was chosen for the fact that it does not disclose the scent categories or pyramid of notes. Although intentional, this can be troubling for a customer in the context of online purchasing. Some

described it as a modern, innovative, and complex fragrance, but not all grasped the concept. The absence of fragrance notes' descriptions was noticed and resented. Many overlooked the scent description and imagery at the bottom of the page, preventing them from gathering insights into the perfume. Those who did notice it found the section insufficiently insightful. In conclusion, the interviewees mostly agreed that they would not have made this purchase if they had never smelt the perfume "Will" before and if the product listing was as is.

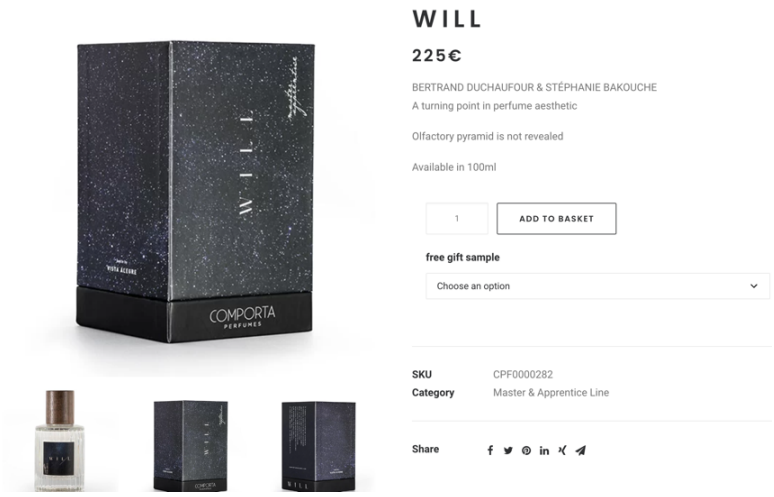



*Figure 5 – "Will" images and product information. Source: Comporta Perfumes website*

In the **second task**, the interviewees were asked to explore the candles at their own pace and purchase one. According to the SEQ, users found it extremely easy to complete **(Appendix 3)**. Regarding the purchase path, half of the users utilized the "You May Also Like" section, highlighting its significance. Another user employed the quick view option to quickly compare the candles, along with popularity sorting, influencing their ultimate product choice.

Continuing the assessment of the **product listing**, a few questions were asked about the candles and their experience simulating a purchase. In general, interviewees seemed to be more satisfied with the product. Nonetheless, some noticed that all candles had the same imagery which didn't necessarily relate to the accompanying text. Users were surprised that candles with names matching the perfumes had different scents, accusing false advertising. Notably, the "Mosquito" candle has a warning, while "Bravo" does not.

Group Part

Outside of the set tasks, the interviewees were asked to **explore the website**. The aim was to understand how users **interact with the website's content and functionalities**, as well as if they understand the concept of the brand.

Interviewees were able to understand the brand's concept, with most immediately associating with its namesake location and defining it as a niche and luxury brand. One described it as "innovative, forward-thinking, and edgy". On the other hand, there were contrasting views, where some interviewees found the brand's communication strategy confusing. One interviewee said, "When I think about Comporta I associate it with nature, but I don't get that feeling from the brand."; another pointed out that it was confusing to read on the website "amazing natural, white sand, infinite beaches, with that Atlantic Sea breeze, bordered by vast green rice fields" *(Comporta Perfumes, n.d.)* when the color scheme is dark and moody. The packaging was commonly praised, as for the partnership with Vista Alegre, and noted that it contributed to the brand's luxury positioning. Additionally, interviewees were very interested in the potential of the bundle of samples.

Concerning the **website**, it was frequently described as slow, counterintuitive and the unavailability of a Portuguese language setting was noted. Several interviewees were confused by the landing page's picture of the horse and its purpose on the website. Besides that, one of the interviewees, a Comporta Perfumes' client, complained that it had been the same for more than a year and it was noted that there were no details regarding the specific points of sale. Moreover, two interviewees were confused by the focus on the creator of the brand in comparison to the focus on the brand itself.



*Figure 6 – Candles' imagery. Source: Comporta Perfumes website*

More focused on the **product listings**, interviewees called attention to the lack of details regarding the products, especially the lack of photo diversity, like using real-world settings or photos with the main

ingredients, for example. Furthermore, interviewees condemned the lack of descriptions and context of product lines, with nothing to identify them by besides the name. Additionally, one was bothered by the fact that the candles were all visually very similar.

Regarding the **purchase experience,** the lack of shipping information was noticed. Most interviewees said that they only purchase perfumes online if already familiar with them, expressing a lack of confidence otherwise. Moreover, it's important to highlight the fact that the brand's client and also a passionate perfume enthusiast, showed significantly more sensibility in understanding the brand and familiarity with niche perfumes, perfumers, and online shopping. This emphasizes the difference in segments of the perfume industry, and how the target of Comporta Perfumes shows distinct behaviors and love for perfumes compared to a regular day-to-day perfume wearer.

To finalize, the analysis of the results obtained in the **System Usability Scale** (SUS) was conducted. The website was able to reach a **score of 70.3**, with a **standard deviation of 14.8,** meaning that some individual users' SUS scores are far from the final SUS score **(Appendix 5)**. Nonetheless, it was possible to conclude that it reached an acceptable result, suggesting that **improvements should be made to enhance the user experience,** as verified in the usability tests previously performed.

## 4. Company Overview

### 4.1. History

The Portuguese village of Comporta is a well-kept secret along the Atlantic coast, and it has long captured the attention of travelers. Pedro Simões Dias, the mind behind Comporta Perfumes, sensed the town as a source of fragrance inspiration, in addition to the lack of new construction work that allows for no air contamination, which increases the sensorial experience. Pedro decided to launch his niche perfumery brand by developing a line of fragrances that would replicate the events and feelings that shape this location. The fragrances'

unique composition is one of the characteristics that the founder highlights: “These perfumes are made based on natural molecules. They differ from perfumes made from synthetic molecules” *(Lisbonne Idée, 2016)*. Comporta Perfumes was created in 2017, with the collaboration of four esteemed perfumers: Luca Maffei, Béatrice Aguilar, Daniel Josier, and Stéphanie Bakouche. Pedro developed a narrative that included the elements and olfactory notes that should be present in essential oils used in perfumes. They created a set of six intimate scents, making up the Original Line of Comporta Perfumes. Each of these original fragrances acts as aromatic chapters, that all together tell the story of Comporta and of who wears the perfumes. This is the main goal of the company and is accompanied by the slogan “Storytelling on your skin” *(Commercial Book, 2023).*

Comporta Perfumes has been on a trajectory of innovation and growth, having expanded its perfume portfolio and developing important partnerships. In 2021, the company ventured into the world of home fragrances and expanded in terms of market presence, with retail points from Portugal to Australia. Recently, Comporta Perfumes has received well-deserved acclaim and recognition in the fragrance industry. The Digital Beauty Awards 2023, which honor the top businesses, individuals, and efforts in digitalization and e-commerce, have proudly recognized it as the first Portuguese niche perfume company to be nominated in the “Best Digital Perfume Brand” category *(AICEP, 2023).*

### 4.2. Strategic Sales and Marketing Objectives

As mentioned earlier, Pedro Simões Dias is the CEO and the mind behind the sensory experience of the brand. Inês Noronha is the Marketing and Operations Manager, making all the connections necessary with the logistics, accounting, and marketing teams, which are all outsourced. Recently, Bernado Simões Dias, son of the CEO, joined the company as an e-commerce strategist and computer engineer. That being said, Comporta Perfumes consists of a rather **small internal structure**, whose focus is mainly directed at the product itself.

To sustain growth through **international distributors** in Comporta Perfumes' primary sales channel, the company is keen on global expansion to tap into new markets. Looking at the **direct sales channels**, Comporta Perfumes aims to elevate its e-commerce platform as the primary sales channel, given its profitability when compared to intermediaries. Improving the online customer experience is crucial for achieving this goal, and the focus is on increasing website traffic, newsletter sign-ups, and online sales. Simultaneously, there is an effort to enhance brand awareness and highlight the brand's unique features, including luxury packaging, premium aesthetic, and distinctive formulas, while also noting that engagement on social media and in email marketing must maintain a delicate balance between communication and discretion.

Due to the small internal structure, Comporta Perfumes lacks Key Performance Indicators (KPIs) and marketing metrics, limiting the measurability of the effectiveness of marketing strategies and campaigns. Moreover, the lack of access to customer information through indirect channels makes it challenging to track KPIs such as conversion rate, customer acquisition cost, ROI, and customer lifetime value. Additionally, budget constraints allocate a significant portion to product-related aspects (90%), leaving minimal resources for sales and marketing activities.

### 4.3. Customer Segmentation and Targeting

Comporta Perfumes adopts a "Simple Segment Concentration" targeting strategy where the company focuses its marketing efforts and resources on a single, well-defined market segment *(Lewison and Hawes, 2006)*. It concentrates on a specific group of customers who share common characteristics or needs and can be especially effective for businesses with limited resources or looking to make a strong impact in a particular niche, which is the case of Comporta Perfumes *(Lewison and Hawes, 2006).*

Comporta Perfumes only defines its target audience based on demographic criteria; thus, its target consumer base comprises *(Commercial Book, 2023)*:

| | |
|---|---|
| Gender | Men and women |
| Age Group | 30-55 years old |
| Income | High-income |
| Class | A1 and A2 classes (upper-middle class,) |

*Table 3 – Demographic criteria (class supported by the SEC classification criteria). Source: Commercial Book Comporta Perfumes*

This age group is chosen due to great purchasing power; brand loyalty, maturity, career, and social engagement; and its substantial representation in the market *(Statista, 2023)*.

Clients are distinguished by their sophisticated, exclusive, and refined lifestyle with a touch of boho chic mood and urban style, as well as an interest in sensory experiences and pleasures. They have a high willingness to pay and high loyalty, aiming to make a statement through their fragrance choices. Overall, they prefer high-end fashion magazines, luxury lifestyle publications, and exclusive events. “People demanding exclusivity on cool luxury vibe” is the brand's main motto. *(Commercial Book, 2023)*

### 4.4. Product Portfolio and Partnerships

Before going into detail about Comporta Perfumes' creations, it is important to know that different types of fragrance concentrations may be sold (*Scent Store, 2023)*:

| | Eau de Cologne | Eau de Toilette | Eau de Parfum | Extract de Parfum or Pure Parfum |
|---|---|---|---|---|
| Concentration: | 2-5% | 5-15% | 15-20% | 20-40% |
| Durability: | Up to 2h | Up to 8h | 8h to 12h | More than 12h |

*Table 4 – Types of fragrance concentrations. Source: Scent Store*

Comporta Perfumes portfolio **(Appendix 6)** encompasses three perfumery lines: The Original Line, The Millésime Line, and the Master & Apprentice Line. All these lines have in common unique, meaningful, and high-quality “Palafitico” bottles, produced by Vista Alegre, a distinguished porcelain brand. Together with Comporta Perfumes, they came up with the “ideal niche perfume bottle”, that captures the wooden pilings of Comporta’s historic port (Cais Palafitico da Carrasqueira). Firstly, at the core of the brand lies **The Original Line**, presenting four distinct Eau de Parfum fragrances that embody the essence and initial emotions associated with Comporta:

| A Olhar Trancoso | Areia Salgada | Mosquito | Muda |
|---|---|---|---|
| Tropical twist, coco bliss, marine | Literal smell of joy, classic, non-conceptual Ozonic, citrus, green | Transparency, simplicity Clean, light floral, musk, ozonic | Intensity Rose, fresh spicy, aromatic |




*Figure 7 – The Original Line. Source: Comporta Perfumes website*

**The Millésime Line** is based on extrait de parfum, with each of the products made from rare oils and exclusive raw materials:

| Mosquito Man | Ocaso | Palafitico | 50 – The anniversary Article |
|---|---|---|---|
| Ozonic, musky, green, salty, light floral. | Sexual notes, carnal, intensity, exclusivity, conceptual. White floral, spicy, oriental, luminous | Woody, balsamic, powdery | Aldehydic, musky, salty, fresh spicy, powdery, light incense, metallic |




*Figure 8 – The Millésime Line. Source: Comporta Perfumes website*

The **Master & Apprentice Line** is a great representation of the direct dialogue between the creator and the masterpiece. Currently featuring three fragrances, the line is under development with plans to launch new products:

| Bravo | Femme Fougere | Will |
|---|---|---|
| Imperceptible, powerful Balsamic, herbal, aromatic, fresh spicy, bitter | Beauty and female empowerment Classy aromatic, fruity, floral, sweet, gourmand | Powerful, the legacy for the brand in perfumery, mysterious (its notes are not revealed) |




*Figure 9 – The Master & Apprentice Line. Source: Comporta Perfumes website*

Finally, the only parfum created is called "**Sela Parfum**", a new interpretation of the discontinued Eau de Parfum «Sela», belonging to The Original Line. With a floral aroma, it aims to reveal the sensuality of darkness and the mystery of the night.




*Figure 10 – Sela Parfum. Source: Comporta Perfumes website*

Furthermore, Comporta Perfumes developed high-end packaging, with stickers, magnetic closure, UV on the logo, anti-wrinkle, and anti-damage premium cardboard **(Appendix 7)**.

Finally, the **Home Stories Collection** includes scented candles and home scents like "Mosquito", "Camellia", "Chama", and "Bravo", expressing luxury, comfort, and sensuality. It is important to highlight the differences in the scents between candles and perfumes with the same name: the "Mosquito" candle has notes of lily of the valley and sandalwood, while the perfume is lighter floral and ozonic. The "Bravo" candle has touches of marine and fig, but the "Bravo" perfume is spicier and more aromatic.

Comporta Perfumes and Vista Alegre also worked together to develop a distinctive piece for the Home Stories Collection that was inspired by the stilt pier and the sea's waves. The unique item is a porcelain candleholder with the name AL-qasr, which is Arabic for "fortress" or "palace" (*Avelar, 2021)*.



*Figure 11 – Home Fragrances and Al-Qasr. Source: Comporta Perfumes website*

At the **merchandising level**, perfume samples, olfactory strips (mouilletes), and shopping bags are available to customers. Samples of a perfume of the consumer's choice are offered when purchasing a perfume online, aiming to foster curiosity about other fragrances.

Another impressive partnership that sticks out is the brand's affiliation with the renowned luxury resort Vila Vita Parc. Comporta Perfumes and the resort collaborated to produce the "Al Sul" perfume, which is exclusively sold there. This perfume was carefully created to capture the peculiar scents of the Algarve, bringing back fond memories, and capturing the distinct beauty of this seaside paradise (*Sul Informação, 2022)*.

### 4.5. Pricing Strategy Analysis

Comporta Perfumes employs a **Competitive Pricing Strategy**, setting their prices according to competitors, while also following their costs (**Mark-Up Pricing Strategy**), so perfumes that need more expensive raw materials are also priced at a higher price point.

In addition, each product line is priced differently, but products within each product line are priced equally. This occurs in The Millésime Line and The Master & Apprentice Line, with an exception for the one product that is deemed premium within each line. Comporta Perfumes does this on its best-performing product lines (Master & Apprentice and Millésime Line) but does not employ it in other categories within the portfolio, such as the Home Stories Collection, where it utilizes a **Captive-Product Pricing Strategy**, selling candles at a lower price, making a profit from the sale of the AL-qasr, the complementary product (*Octoviany, 2023)*. Consumers gain the perception of getting a "deal", and once satisfied they will perform additional purchases (single candles), at a higher price.

Overall, the price range of Comporta Perfumes is €62-€225 **(Appendix 8)**.

### 4.6. Current Financial Situation

The financial assessment was based on sales information made available by the company and a public financial report of unconsolidated accounts, from 2017 to 2022 (*SABI report, 2023*).

The overall financial situation of Comporta Perfumes from 2018 to 2022 was favorable, as the company tended to grow over the years. In 2022 the company achieved new billing records with net revenues of €235,209, 2.2% above the previous year. However, profits were negative, indicating that Comporta Perfumes had substantial cash outflows for 2022. Comporta Perfumes is expected to continue growing, as the EBITDA, EBIT, and gross margin showed a positive trend, within normal parameters, indicating the company's ability to generate operational profits, defending a strong performance. The discrepancy in values for 2020 and 2021 was possibly due to the significant impact of the COVID-19 pandemic.

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Net revenues | €85,154 | €94,066 | €217,335 | €230,231 | €235,209 |
| Revenue growth rate | 30.3% | 10.5% | 131% | 5.9% | 2.2% |
| Profits | €743 | €27,663 | €15,148 | €-6,517 | €-40,984 |
| Gross margin | 55.2% | 9.7% | 82.1% | 82.7% | 80.3% |
| EBITDA margin | 1.7% | -55.2% | -16.8% | 5.1% | 3.3% |

*Table 5 – Comporta Perfumes net revenues and key ratios from 2018 to 2022. Source: SABI Report*

Furthermore, the company is entirely financed through equity, with no financial debt.

Regarding working capital, the number of inventory days is high, suggesting that stock remains idle in the warehouse for a long time (probably due to the frequency of sales, both to retailers and direct customers). The company needs to reduce third-party payment flexibility, as the number of receivable days also exceeds 90 days. Finally, the number of payable days calculated is above normal, as the company takes 221 days to pay debts to i.e., suppliers. It is unusual for the other party to wait for such a long time, however, there can be a great relationship of trust between both parties.

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Inventory days | 141 | 64 | 273 | 415 | 356 |
| Receivable days | 73 | 74 | 41 | 62 | 130 |
| Payable days | - | - | - | 106 | 221 |

*Table 6 – Working Capital. Source: SABI Report*

### 4.6.1. Sales Invoice Analysis

In interpreting the sales data provided by Comporta Perfumes, the invoicing data helped understand the brand's client base and overall sales activity.

**Portugal** leads the sales figures (~49% of total gross revenue), indicating a significant customer base in Comporta Perfumes' home country. The USA appears next, with a noteworthy but comparatively lower total sales figure of almost 15%. France joins the top three with practically 12% of total gross revenue. Countries like Spain, and the United Arab Emirates also have an important role in global sales, yet with a total percentual of only one digit. Although there are sales in 15 other different countries, the top five account for >90% of total gross revenue.

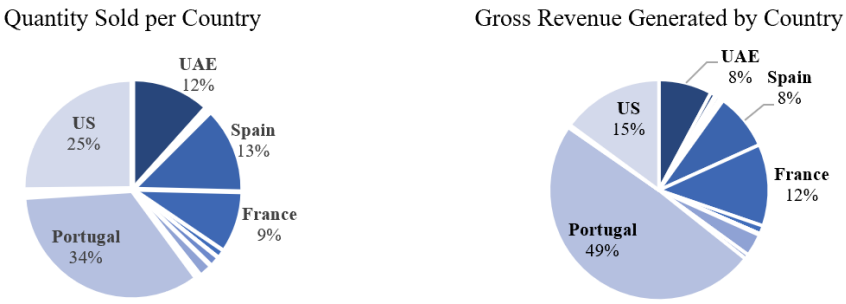
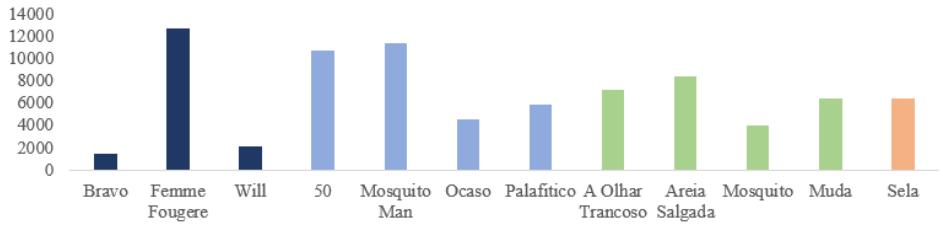



*Figure 12 – Top five countries where Comporta Perfumes sells regarding quantity sold and gross revenue generated. Source: Comporta Perfumes Sales Invoice Document*

Examining the monthly invoiced amount for Comporta Perfumes, it can be noted **seasonality**, with a substantial 81% concentration in August. This aligns with the peak holiday season in Comporta, where heightened brand awareness intersects with regional exposure. Once again, this analysis is purely made by using the invoice's value, meaning that sales could have happened in one month and only have been invoiced in another. **(Appendix 9).**

Moving on to the analysis of **sales by product**, it was possible to infer that "Perfumes" is the star product collection, accounting for 92% of the company's sales, leading both in terms of quantity sold and gross revenue generated. Within this category, it is possible to observe that the newest line, "The Millésime Line" is the one that carries the portfolio, having the greatest quantity sold and gross revenue generated. On the other hand, the Home Stories Collection is the one that sells the least amount of quantity and generates the least gross revenue as well, accounting for only 8% of the total gross revenue generated. However, these are the products that generate the most for the least number of products sold. **(Appendix 10)**




*Graphic 2 – Perfume product performance by gross revenue generated. Source: Comporta Perfumes Sales Invoice Document*

### 4.7. Digital Marketing Activities

The company's digital marketing (website and social media) is assigned to an outsourcing team and presented to Inês Noronha (Marketing & Operations Manager), who subsequently provides her approval. The budget allocated for this activity is €750, diluted in a monthly fee.

The brand contacts its customers mainly through the digital domain, using the website (created in 2020), social media marketing (Instagram, Facebook, and LinkedIn), and email marketing.

**Email marketing** is activated from the moment a user subscribes to the brand's newsletter. Comporta Perfumes uses MailChimp as its main platform to send emails to its 389 subscribers. However, Comporta Perfumes does not pay for advanced analysis of metrics, which is a downside, and again highlights the inability to make accurate assessments.

The overall content of email campaigns is based on product information and updates. Some campaigns allude to themed days and others to collection advertisements:

| Seasonal campaigns: | Collection Campaigns: | Other campaigns: |
|---|---|---|
| Valentine's Day | Home Stories Collection | Two sprays, same essence |
| Mother's Day | The Master & Apprentice Line | Are you ready to start this journey with us? |
| Happy holidays | | |
| Trying to find the perfect gift? | | |
| Will 50 be the new black? | | |
| New Season scents | | |

*Table 7 – Comporta Perfumes campaigns*




*Figure 13 – Campaigns visuals*

Comporta Perfumes uses emotional narratives to address subscribers, but the approach lacks effectiveness and engagement. The email content fails to clearly communicate the perfume concept, and product information is poorly conveyed.

The company doesn't track metrics regarding email marketing, but there are some automatically revealed for each campaign, including a reference to the ROI generated itemized. It is noticeable that, on average, only fifty percent of emails are opened per campaign, with only a small percentage clicking on the attached links. In terms of return on investment per campaign, it is residual or almost non-existent **(Appendix 11)**.

**The Instagram page** is used to create closer contact with the target audience, sharing retailers, events, press releases, product ranges, and future releases. However, posts are not consistent and there's no apparent commitment to maintaining a planned schedule. On top of that, the desired luxury and refinement positioning is not conveyed through its Instagram page: the photos are not coherent or appealing; the image quality is not the best; the use of stories is amateur distancing from the aesthetic of the brand; and the reposts on the stories lack a discernible criterion, referencing to the "Friends" highlight. While it aims to foster a close relationship with followers, the approach appears disorganized. Statistical analyses of the Instagram page have been infrequent, with the last one conducted between January and April 2023 **(Appendix 12)**.

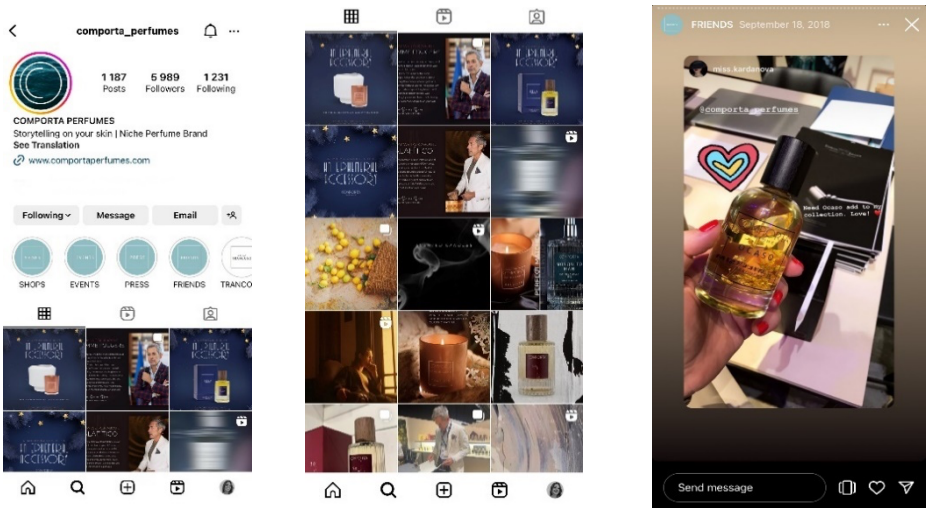



*Figure 14 – Instagram page of Comporta Perfumes*

To date, few paid channels have been used. Facebook and Instagram Ads for posts were implemented, with a total monthly investment of approximately €50. Furthermore, the cultivation of relations with the media is part of the brand's identity, originating worldwide online press releases and media that are earned, voluntary and organic **(Appendix 13)**.

### 4.8. E-commerce Platform Performance and User Experience

Comporta Perfumes' e-commerce channel is its website which is currently being hosted on WordPress. However, the tool is not being used to its full potential, only on a hosting capacity, and no further e-commerce tool or platform is in place. Consequently, it was not possible to perform any web analytics on the website as is. Online sales are reportedly not relevant to the brand's revenue, but no data was provided to be able to access its specifics. Furthermore, Comporta Perfumes recognized that the current website is not optimized, since it was a low-budget solution and is now actively working on a replacement. To evaluate the current situation of the website an in-depth analysis was performed, including an analysis of the website's performance, navigation, product listings and content, and user flow.

#### 4.8.1. Performance

On the 26th of September of 2023 through **Page Speed Insights** (PSI), the user experience of the main page and the perfumes page, on both desktop and mobile devices, were tested.

In general, the **main page** obtained good results, however, this could be due to the current simplistic approach to the display, that has a low number of features in place. Nonetheless, because of the negative impact of slow loading times on the conversion rate, the current poor performance of the website could significantly harm the brand's online sales.

| Parameters | Results (26th of September 2023) out of 100 | Classification | Evaluation |
|---|---|---|---|
| Performance | Desktop: 79 **(Annex 14)** | Poor | Servers' initial response time is slow; Text is not visible during the web front load. |
| | Mobile: 39 **(Annex 15)** | Poor | Performance issues related to the main thread cause slow page load times; Unresponsive user interfaces; General poor user experience. |
| Accessibility | Desktop: 90 Mobile: 90 | Good | Background and foreground colours do not have sufficient contrast ratio; Links don't have a discernible name (limits the navigation experience for screen reader users) **(Annex 16)** |
| Best Practices | Desktop: 100 Mobile: 100 | Good | |
| SEO | Desktop: 100 Mobile: 97 | Good | Tap targets are not appropriately sized. |

*Table 8 – Page speed index results of the main page*

The **perfume page** results were generally less successful, particularly in loading time and accessibility parameters.

| Parameters | Results (26th of September 2023) out of 100 | Classification | Evaluation | |
|---|---|---|---|---|
| Performance | Desktop: 73 **(Annex 17)** | Poor | Poor speed index; Text is not visible during the web front load; Inefficient cache policy. | |
| | Mobile: 31 **(Annex 18)** | Poor | | Third-party code is significantly impacting load performance. |
| Accessibility | Desktop: 87 Mobile: 87 | Need Improvements | Background and foreground colours don't have sufficient contrast ratio; Links don't have a discernible name (limits the navigation experience for screen reader users); Heading elements are not in a sequentially descending order. | |
| Best Practices | Desktop: 95 Mobile: 100 | Good | Images being served have poor resolution. | |
| SEO | Desktop: 92 Mobile: 93 | Good | Lack of a meta description in the document (It may be included in search results to concisely summarize page content) | |

*Table 9 – Page speed index results of the perfumes page*

### 4.8.2. Navigation

Addressing website navigation, the evaluation included assessing the menu structure, tools, and pages for intuitive and evident calls to action (CTAs).

**Language:** The website is presented only in English, creating friction in the navigation for users whose that is not their first language.

**Navigation bar:** The sub-tabs of the "Perfumes" tab can create some friction in

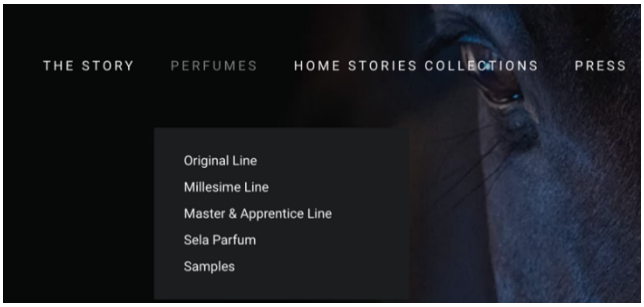



*Figure 15 – Perfumes tab in navigation bar. Source: Comporta Perfume website*

the shopping experience of a visitor who does not know the brand. To go to the page with all the perfumes, the client must click on the main "Perfumes" tab, which is not very intuitive once the sub-tabs open up. There is no navigation search bar, making it impossible for a visitor to quickly access a specific product or collection page he is already aware of.

**Main page:** When entering, the website does not present any relevant information or CTAs, instead it has a still picture of a horse that does not necessarily relate to the core of the business. It does have a button for the visitors to shop the collection, however, since it is associated with the picture previously mentioned, the CTA is not as effective as it could be. The rest of the page is focused on storytelling and information about the brand, which does not engage the visitor to make a purchase. Moreover, the various pictures of the perfume bottles do not provide any tool to promote navigation of the platform. Additionally, the perfumers' pictures are given with no context as to who they are and what is their role in Comporta Perfumes.

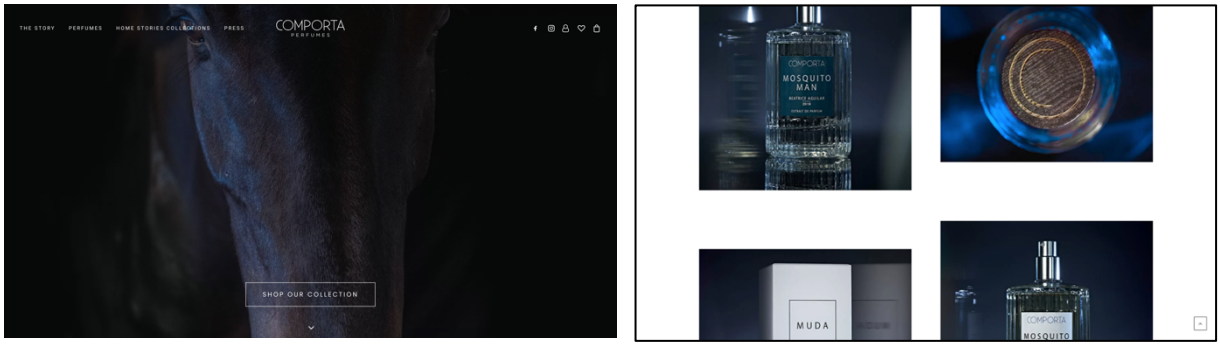



*Figure 16 – Main page at two different points. Source: Comporta Perfumes website*

**Wishlist tool**: There is a button to go to the Wishlist page on the Navigation Bar which is working. However, there is no way of adding products to the list.

**"Perfumes" page:** Product images are cohesive, making it easy for the visitor to see the product name and price. By hovering over the picture there is a CTA, "Select Options", nevertheless the only option the visitor will




*Figure 17 – "Perfumes" page. Source: Comporta Perfumes website*

need to select is regarding the gift sample. This item may mislead the user into thinking they can customize the order, such as the bottle size. Additionally, there is a button with an icon of a magnifying glass that allows the user to have a quick view of the product. This is important since it allows for a faster browsing experience throughout the brand's portfolio. However, the button in question can be easily missed due to its sizing and coloring.

**"Samples" product page**: The page has the selection boxes under the "Add to Basket" button and it's not possible to go directly to the corresponding products. The lack of seamless navigation in this selection makes it hard for the customer to create the bundle of samples.

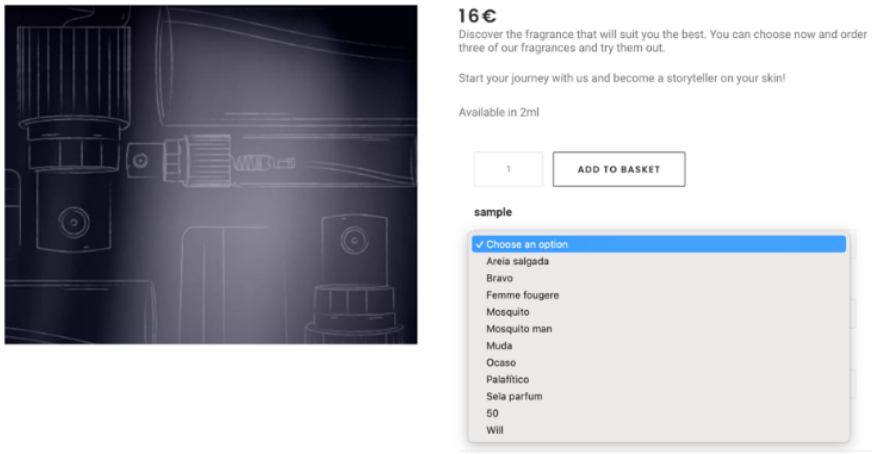



*Figure 24 – Sample selection. Source: Comporta Perfumes website*

**Products page number navigator**: This navigation system is not sufficiently highlighted, making it easy to be overlooked by customers, leading to important information or products being missed.




*Figure 25 – Number navigator on product pages. Source: Comporta Perfumes website*

**Footer:** It has information regarding the location of the headquarters and showroom, and has a customer area with the return policy, privacy policy, and terms and conditions. The footer also includes the payment methods available, and information regarding co-financed funds. However, this area is not present on all pages of the website, particularly on the product pages.

### 4.8.3. Product and Content Analysis

Previously, the company's product offering was analyzed, however, in this case, it is also necessary to analyze how it affects the user experience. All products are listed and designed similarly but incoherencies were found between the brand's different lines and categories. Each product category will be evaluated according to product image quality, product information, and product description **(Appendix 19 and 20).**

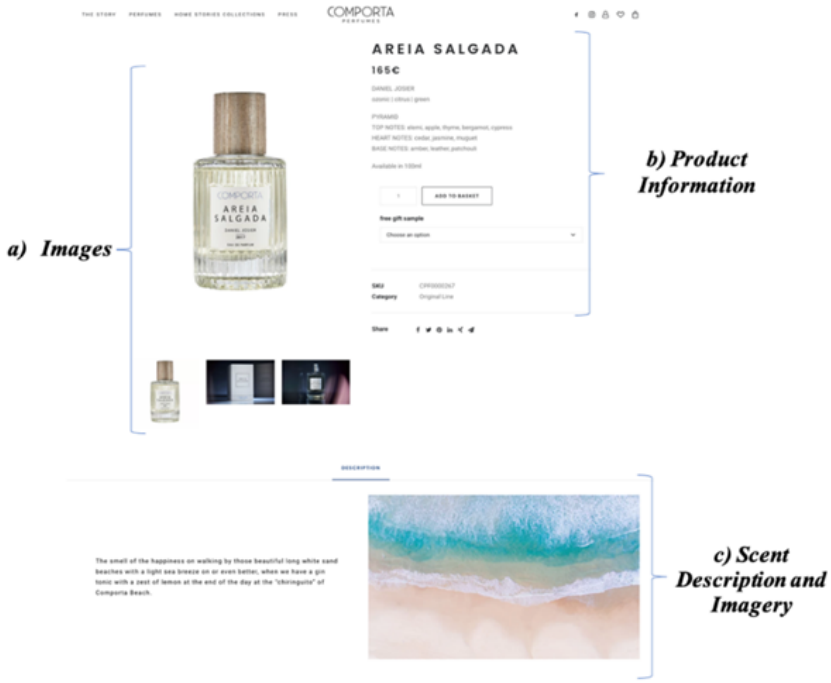



*Figure 26 – Example of product listing with a legend for analysis. Source: Comporta Perfumes website*

In terms of **image quality** (**figure 26a)**, it varies depending on the products. Generally, in terms of resolution users experience a drop in image quality when viewing the images. The quantity of images affects their quality in representing a product. However, Comporta Perfumes does not seem to prioritize this aspect. Moreover, when there are multiple pictures, many lack coherence, altering the user's viewing experience during the consideration stage of the buyer's journey. Regarding **product information (figure 26b)**, in terms of text formatting, besides title

and price, the consistent grey color creates difficulties in readability and does not highlight the relevant information. When mentioning the creators of the fragrance, no context is given as to whom the names represent. This means that unless the visitor has any prior knowledge, they will not recognize this element or its value. Moreover, contrary to the perfumes category, the homeware category has a detailed description focused on storytelling (Figure 27), which is done again in the following section, creating a redundant user experience.

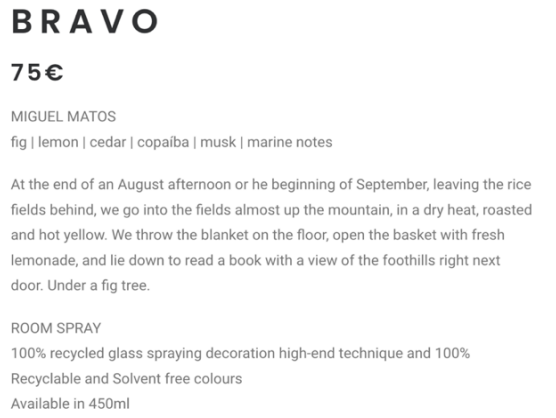



*Figure 27 – Product information of the candle "Bravo". Source: Comporta Perfumes website*

Finally, regarding **scent description and imagery** (Figure 26c), it weaves a narrative, fostering emotional connection and deeper user engagement by providing additional context to the product concept. The home fragrances have no images accompanying the descriptions and all of the chosen images for the different candles are the same, preventing the user from creating a distinctive visual representation for each of the scents.

Furthermore, the perfume descriptions exhibit inconsistencies, elaborated in **Appendix 19**, largely stemming from a lack of coherence in the chosen written communication style.

To conclude the product analysis, the unique case of the **samples**. The samples page is where a customer can purchase a set of three samples of any of the brand's perfumes. However, the page has only one image with a drawing of a sample bottle, there is no title in the product information, the description is short, lacks enthusiasm, and does not create any narrative for the advantages of purchasing the set (Figure 24).

Finishing this analysis, currently the website only has two pages that are not focused on selling products, besides the main page, **"The Story"** page and **"Press"** page**. "The Story" Page** is concise and gives interesting insights into Comporta Perfumes' journey and concept. However,

the prioritization of the information being given is highly focused on the founder as opposed to the concept. The **"Press" Page**, which provides brand credibility to customers, combines the articles written about the brand with small summaries as well as hyperlinks to the full articles. However, users are forced out of the website when opening them.

### 4.8.4. User Flow

Previously, during the interviews, it was possible to gain insights related to the User flows, which map out the users' paths and provide valuable insights into their behaviors and preferences *(UXPin, 2023)*. By delving into user flows, it is possible to gain a deeper understanding of the user journey, allowing to identify pain points, streamline processes, and optimize key pathways. Therefore, with the data provided by the interviews and the analysis performed by the group, several main bottlenecks were identified that are harming the user flow on the Comporta Perfumes website:

| Bottlenecks | Consequences |
|---|---|
| Slow load times | Disrupt the user experience. |
| Lack of search bar | Prevent the customer to quickly find the desired product. |
| The sample selection box (mandatory) after the "Add to Basket" button | Promotes a bad sequence flow since and generates an error when user does not select a sample **(Appendix 21).** |
| There is no quantity adjustor in the basket pop-up overview | The user cannot change the quantity and so has to either go to the basket page to do it or delete it and add it again to the basket. |
| In the basket page, in order to change the quantity of the product, the user has to click on a "Update Basket" button | It is not visible enough or common practice that visitors are used to, which can lead to confusion and mistakes. |
| No information regarding delivery | Can lead to consumer feel unsafe with its purchase and contact the company for help. |

*Table 10 – Bottlenecks and their consequences on user flow*

## 4.9. Customer Relationships

For the purpose of customer relationships and interactions, **two consumer segments** were identified based on purchasing behavior: customers who have already purchased through the website and customers who purchase through retailers. For customers who buy from international distributors, Comporta Perfumes does not communicate, either pre- or post-purchase. It is up to the distributors to contact the final client, making it difficult for Comporta

Perfumes to control whether and how the consumers are being approached. Regarding customers who make online purchases, there is a lack of follow-up communication with no tracking system in place. In addition, deliveries can sometimes take longer than expected, leading to customer dissatisfaction.

Regarding **feedback**, the company previously introduced "Storytelling on Your Skin" for customers to share experiences. However, much of the feedback relies on Word-of-Mouth (WOM) recommendations and informal customer discussions.

For customer **engagement and communication** besides email and social media, the company does not employ specific CRM software or tools, which limits its ability to provide a more comprehensive customer experience. Moreover, there is no specific information available regarding the use of satisfaction metrics. In addition, specific information regarding how the company handles customer complaints is not given, making it hard for customers to express concerns and give feedback.

### 4.10. Supply Chain and Logistics

Within the process of making sales, there is a need to analyze what happens to get to different retailers around the world, as well as what happens when a product is ordered on the website and has to find its way to the consumers' hands. Therefore, the supply chain of Comporta Perfumes needs to be taken apart and analyzed through its different stages *(Indeed, 2022)*.

#### 4.10.1. Conceptualization

The journey starts with the creative process necessary for the formulation of the products, which is overseen by the CEO, Pedro, and the job of formulating the samples is done by a team of perfumers. It takes **2 to 4 months**, from the first briefing Pedro provides perfumers, to the exchange of feedback between him and the team, until they finally achieve the perfect sample.

### 4.10.2. Sourcing and Procurement

Once the perfumers have Pedro's consent, they are responsible for the production of the concentrate. This takes place wherever they are located, usually France, Italy, or Spain, taking **3 to 6 months** to be completed. The perfumers are responsible for sourcing and procuring the raw materials necessary to produce the concentrate, meaning Comporta Perfumes is not loyal to a single supplier and therefore acquires the necessary raw materials following the needs of the concentrate being created. Subsequently, producing the concentrate takes about **3 weeks** and is then transported to the factory in Barcelona *(Perfums Bachs, n.d.)*, in case it is destined to be a perfume, or to the factory in Castro Daire in case it will be a candle or home fragrance. In the factory, it will then go through a series of processes to reach its final output. **Each concentrate** can result in up to **500 bottles of perfume**, depending on its concentration.

### 4.10.3. Manufacturing

Depending on whether the final product is a perfume, a candle, or a home fragrance, it will be diluted so that its final formula can be attained.

In the case of perfumes, the product is **filtered** (4 to 5 weeks), **macerated** (2 months), and then **assembled**. The bottle, produced by Vista Alegre, is shipped from Portugal to the factory for assembly, taking a whole of 1 week. After that, the product is taken directly to Watec, a company responsible for packaging, to be wrapped in cellophane, which takes about 2 days.

In the case of home fragrances and candles and having the formulas ready, the products are then manufactured in order to reach their final stage, assembled, and are then wrapped in cellophane.

### 4.10.4. Delivery

Once wrapped, the products are collected from Watec by a carrier (Go Logistics) and taken to the company's logistics center in Sintra, which takes about **2 days.** The products are then shipped as orders come in, whether from retailers or direct consumers, who purchase on the company's website.

Because perfumes contain alcohol in their formula, they are considered hazardous materials, and must therefore comply with several policies. Most countries do not allow these materials to be shipped on air freight services, which increases barriers to a worldwide reach and increases transportation costs, so Comporta Perfumes resorts to transportation through truck or train. In addition, the product's containers are made of glass, increasing the chances of breaking and spilling the contents if mishandled.

Regarding their **points of sale**, Comporta Perfumes chooses to partner with retailers that align with the company's positioning, such as Janes Concept Store in Braga, Nº50 Store in Lisbon, and Vila Vita Parc in Algarve. The company has a policy that allows retailers to order a minimum quantity of 6 bottles of each perfume from Comporta Perfumes' collections, and if they choose to reorder, they can receive promotional items or testers for free on the first order. Once reordered, the retailer can have access to one tester or 5% of the order value for free testers.

As seen, the whole process from conception to sale takes about **10 to 13 months** and the whole cost of producing an average of **500 units of bottled perfumes** ranges from **6,5k to 12k euros**.

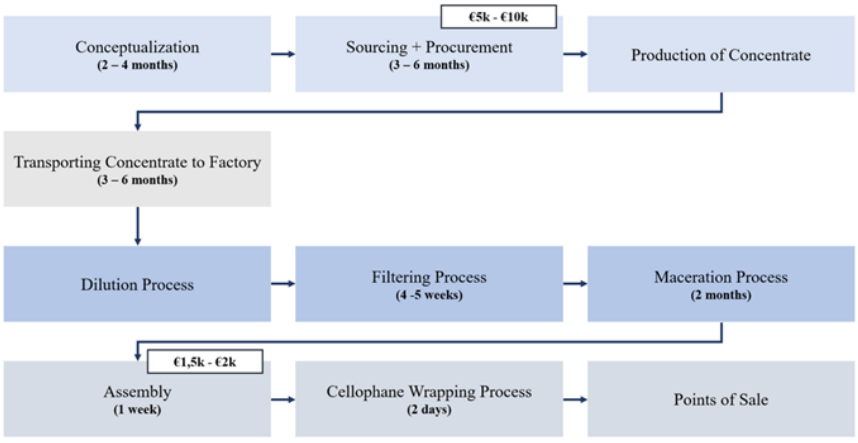



*Figure 28 – Supply Chain and Logistics of Comporta Perfumes*

### 4.10.5. Gartner's Five-stage Logistics Maturity Model

Comporta Perfumes outsources for almost every stage of the supply chain and from different third-party companies with different functionalities, thus operating with disconnected systems.

The process of stock management and order fulfillment is not automated nor coordinated, and demand is met as necessities occur. Therefore, it is possible to infer that, according to Gartner's five-stage logistics maturity model *(Meulen, 2017),* Comporta Perfumes is at the first, that is, the “React” Stage, where there is no standardization of logistics and little coordination.

## 5. Market Analysis

### 5.1. Beauty Industry

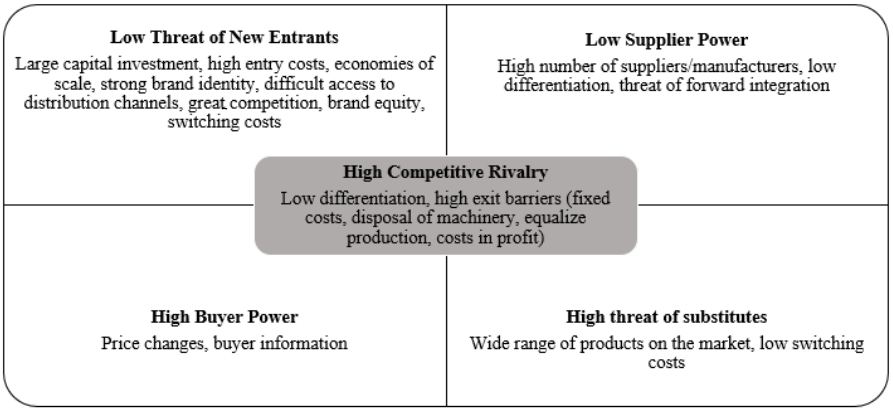
Comporta Perfumes is a niche perfumery brand that is covered by the beauty industry. In its entirety, the beauty industry includes cosmetics like skincare products, fragrances, makeup, and haircare products. This is a market that in 2022 generated around €399.2 billion, with the majority of revenue attributed to Europe *(Petruzzi, 2023) (Whittington et al, 2020)*. Additionally, it is considered to have a projection of growth of 6% per year **(Appendix 22)** and is projected to generate revenue of approximately €538.5 billion by 2027 *(McKinsey, 2023) (Petruzzi, 2023)*.

In the past few years, there has been an increasing demand for natural and organic ingredients, as well as an increasing popularity in e-commerce, which quadrupled its market share value from 2015 to 2022, and online purchases, accompanied by the increase in comfort when buying products online, as many brands offer free samples and employ free return policies *(Ignition, n.d.) (Petruzzi, 2023)* **(Appendix 22)**. Still, within the scope of online purchasing of beauty products, studies conducted in the second quarter of 2023 indicated that millennials have been the group of global consumers that stands out the most, with an advantageous percentage of 48% *(Statista, 2023)*.

#### 5.1.1. Porter’s Five Forces

The attractiveness of the beauty industry can vary in the long term. Comporta Perfumes must stay aware of the environment to assess its position. Porter's Five Forces is the appropriate

framework to use here because it evaluates industry attractiveness based on five competitive forces. *(Whittington et al, 2020)*.




*Graphic 3 – Porter's five forces analysis of the beauty industry*

In conclusion, the market's current competitive landscape shows **highly competitive rivalry** and an overcrowded market, with established premium brands such as Dior and Chanel, as well as emerging brands that are starting to stand out due to their unique value proposition *(Kotler and Keller, 2016) (David, 2011)*.

### 5.2. Quiet Luxury, Niche Luxury Brands and Distinction from Designer Perfumery

**Quiet luxury** is a fashion movement focused on minimalism and high quality, with timeless appeal, and celebrates the power of subtlety *(Toit, 2023)*. In fact, it has been a growing trend, with Google Searches for the term growing by a staggering 614%, with terms such as "old-money aesthetic" gathering more than 74,000 searches.

In recent years, there's been a growing trend with **niche luxury brands** targeting a narrow customer segment, offering products to a very selective audience with a strong emphasis on quality and status *(That Agency, 2022)*. An important characteristic of these brands is their storytelling. Niche brands, like Comporta Perfumes, cater to a discerning clientele, prioritizing unique formulas and a premium product experience over aggressive marketing campaigns.

In designer perfumery, production targets the masses, with broader dissemination and greater accessibility. Typically, more financing is available, prices are lower, fragrances are classified

as commercial, and the marketing strategy involves contentious product promotion, often featuring well-known personalities to appeal to consumers *(Perfumes Originais, 2016)*.

### 5.3. Competitive Analysis

Within the group of competitors, there are direct competitors, companies that are "offering the same products or services to the same target market", as well as indirect competitors that offer a substitute to the product of Comporta Perfumes but can cater to the same needs and offer the same benefits to the same target group *(Dovetail, 2023)*.

It is then possible to find that the main direct competitors for Comporta are Alma da Comporta, OmanLuxury, Atkinsons, Creed, By Killian, Frederic Malle, Byredo, and Xerjoff (**Appendix 23)**. However, a closer examination was performed for the most relevant competitors only.

Regarding **Alma da Comporta**, the similarity in the concept is notable, especially to a potential consumer who is not familiar with both brands, as it also claims to capture the essence of the coastal elegance of Comporta. Furthermore, Alma da Comporta and Comporta Perfumes products are sold side by side in retailers and appear together on search engine results, which makes it impossible not to consider the brand as a direct competitor **(Appendix 24)**.

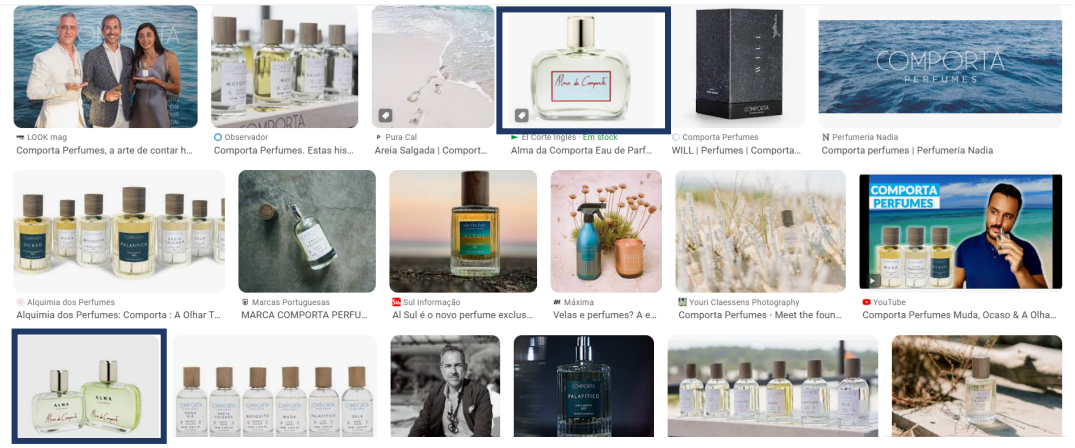



*Figure 29 – Search Engine results when searching "Comporta Perfumes" Source: Google Search*

Regarding OmanLuxury, Creed, and By Kilian, they no longer have an identical concept as Alma da Comporta, but they are also distinguished by other points:

| Oman Luxury | Creed | By Kilian |
|---|---|---|
| Showcase the essence of Omar and its culture through refined ingredients, high quality sourcing and bespoke scents. | Historic brand with distinctive brand identity and prestigious name in the world of luxury fragrances. | Commitment to storytelling, and eco-conscious practices sets it apart in high-end perfumery. |
|  |  |  |
| **Values**: authenticity, modernity, refinement, culture heritage | **Values**: exclusivity, sophistication, high-quality ingredients, timelessness, classic | **Values**: opulence, extravagant, luxury, sustainability, inclusivity, personalization, artistry |

*Table 11 – OmanLuxury, Creed, and By Kilian. Source: OmanLuxury, Creed, and By Kilian websites*

Furthermore, and delving deeper into indirect competitors, it is possible to infer that the main products that qualify are soaps, body wash, shampoos, or body sprays. This may include brands such as **Claus Porto** (**Appendix 25)**, L'Occitane, Aesop and Diptyque.

### 5.3.1. Brand Identity

This leaves the question as to what makes Comporta Perfumes stand out to a potential consumer, and what is the Unique Selling Point that can set the brand apart from its competitors and persuade the consumer to buy the product **(Appendix 23)**.

The brand shares key **Points of Parity** with competitors, emphasizing a high-quality customer experience, a sense of exclusivity and luxury, and a focus on storytelling, but also distinguishes itself from competitors through unique attributes, its **Points of Difference**. The brand fosters a nature-infused tranquility sensation and promotes a quiet luxury lifestyle, inferred not only in their communication across digital platforms but also in their packaging.

### 5.3.2. Product and Price Comparison

When compared to most of its competitors **(Appendix 23)**, apart from Alma da Comporta, Comporta Perfumes has a much smaller product portfolio, perhaps since it is the most recent brand out of them all. In addition, competitors also present a wider breadth of product lines, offering products such as body care and a vast range of beauty products.

| Direct Competitors | Comporta Perfumes | Alma da Comporta | Oman Luxury | Creed | By Kilian |
|---|---|---|---|---|---|
| Portfolio (perfumes) | 12 | 2 | 14 | 40 | 34 |
| Pricing Strategy | €62-225 | Narrower range €89-140. | Broader range: €213.68-442.10. | Broader range: €244.84-574.44 | Broader range: €122.42-805.16 |

*Table 12 – Product and price comparison with main competitors. Source: Alma da Comporta, OmanLuxury, Creed, and By Kilian websites*

### 5.3.3. Positioning

When analyzing the brand's competitors **(Appendix 23)**, it is possible to observe that **Alma da Comporta** has a similar customer segment in terms of range and gender, despite looking for a consumer that is not as well versed in perfumery and niche brands as a Comporta Perfumes consumer would be. In addition, they employ a lower price range, catering to customers with a slightly lower disposable income.

In the table below, it is possible to observe the differences in target, by different competitors:

| Direct Competitors | Alma da Comporta | Oman Luxury | Creed | By Kilian |
|---|---|---|---|---|
| Target Audience | Luxury nature and environment enthusiasts; Portuguese and International Market; Ages 25-60 | Perfume enthusiasts; exclusivity seekers; local Middle Eastern market and international clientele | Perfume Connoisseurs; tradition, exclusivity, and craftsmanship enthusiasts; | Luxury and artistry enthusiasts; sustainability-conscious; gender-inclusive; emotionally connected. |

*Table 13 – Target audience of main competitors. Source: Alma da Comporta, OmanLuxury, Creed, and By Kilian websites*

Another important aspect to take into consideration is the **geographic reach** of each of these companies. Comporta Perfumes does not own a physical store, relying heavily on retailers for distribution. Their products are also globally available through online retailers, leading to exposure alongside competitors. In foreign countries, especially in Spain, there is a convergence with brands such as By Kilian and Creed, and less so with OmanLuxury, whereas in Portugal, Alma da Comporta is the competitor which is most often showcased in the same stores as Comporta Perfumes **(Appendix 26).**

To preserve the quiet luxury image, Comporta Perfumes has avoided incorporating promotions into its advertising strategies. On the contrary, competitor Creed employs a discount for a consumer's first purchase, as well as OmanLuxury, which uses a point system to give rewards to customers.

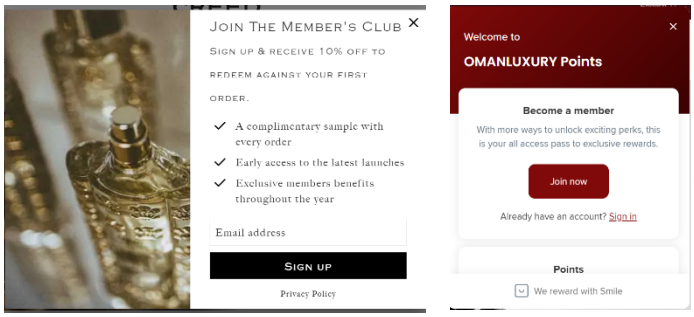



*Figure 30 – Promotional Strategies of Creed, and OmanLuxury. Source: Creed and OmanLuxury websites*

In conclusion, in the market landscape, By Kilian stands out as the premium choice with a high-price, high-range portfolio, while Creed and OmanLuxury offer a balance between affordability and portfolio offering. Finally, Comporta Perfumes and Alma da Comporta have lower prices and smaller product portfolios.




*Graphic 4 – Positioning map*

### 5.3.4. E-commerce Evaluation

To identify website best practices carried out by competitors, two were selected, *By Killian* and *Atkinsons*. These brands were selected since both use distinctive features and approaches to

their advantage. They were evaluated regarding performance and speed scores, navigation practices, user flow, product and content analysis.

Firstly, **By Kilian** and its evaluation of the **performance and speed** of the website. Its Main Page was put through the Page Speed Insight (PSI) to evaluate it. The results showed some serious problems with the website as seen below, but it is important to note that the pop-up that shows when opening the website may be interfering with the results.

| Parameters | Results (5th of November 2023) out of 100 | Classification | Evaluation |
|---|---|---|---|
| Performance | Desktop: 48<br>Mobile: 17 | Poor | Display of off-screen images |
| Accessibility | Desktop: 80<br>Mobile: 62 | Need Improvements | Buttons, images, and links do not have accessible names. |
| Best Practices | Desktop: 91<br>Mobile: 91 | Good | |
| SEO | Desktop: 83<br>Mobile: 82 | Needs Improvements | Links are not crawlable and lack of alternative texts in images and |

*Table 14 – Performance and speed of By Kilian's website*

In terms of **navigation** analysis, several of the features may seem overwhelming due to extensive content and visual use for category and collection distinction. Visuals are also paired with CTAs to engage users and immerse them in various collection and campaign concepts. Furthermore, a newsletter form is always accessible at the footer throughout the website's pages. The website offers seamless navigation and a cohesive organization, providing users with easy access to information about products and associated processes.

Continuing with the analysis of the **user flow**, the purchase flow is seamless from the moment the client has chosen what to buy. Users might rush the decision to choose a sample during the payment step, as information about perfumes is lacking at this point. Moreover, there is constant and clear information regarding delivery throughout the process.

Product **analysis reveals** a cohesive and detailed presentation across all products, regarding imagery, fragrance notes, and product information. The website's **content** is diverse and engaging, fostering a sense of exclusivity within the community.

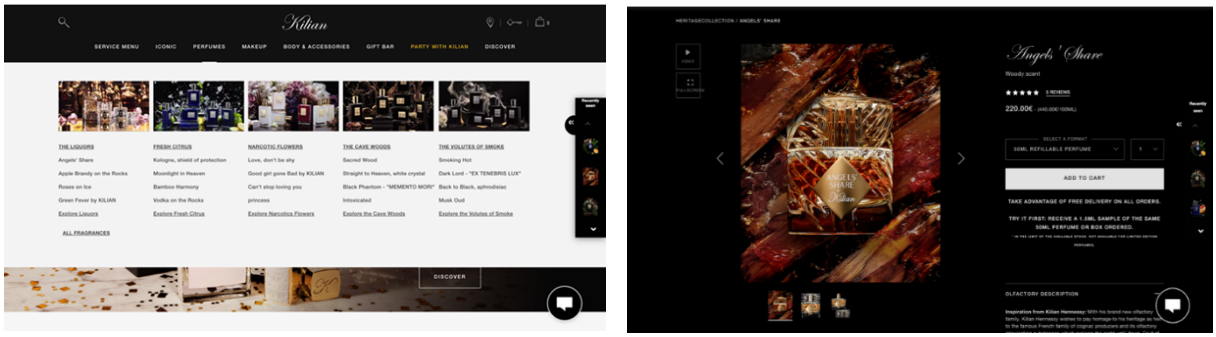



*Figure 31 – Navigation bar and product listing example. Source: By Kilian's website*

In the case of **Atkinsons**, as for the previous competitor, a test was run on the Main Page to evaluate the **performance and speed**. It obtained better results, evaluated in all parameters as "needs improvements" with similar critics to the last competitor (**Appendix 27).**

Continuing with **navigation**, the website is clean and focused, avoiding distractions with a well-organized structure that clearly highlights campaigns and products. In this case, images are not as integral as in By Killian's website, to guide visitors on the scents of the fragrances.

Regarding **user flow**, the visitor may have to adapt to the website's product organization to feel comfortable exploring the product listing, but the information is easily accessible.

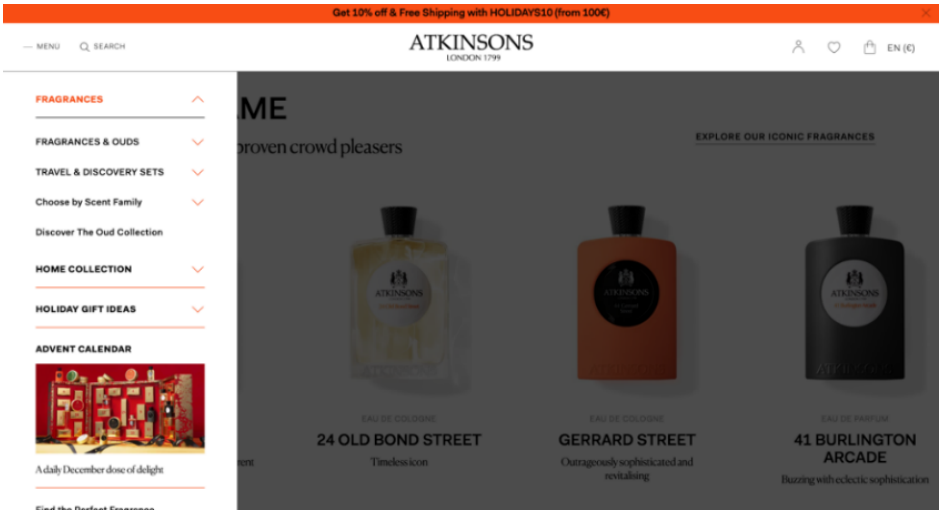



*Figure 32 – Atkinsons' navigation menu highlights a seamless navigation and organized structure. Source: Atkinson's website*

It is optional to select two samples in the basket before payment, allowing customers to further explore before purchase. Samples closely resemble the original for quick recognition. Smooth purchase flow with clear delivery information, but slow loading times are evident. In **product analysis**, the display is cohesive, featuring bottle and packaging images.

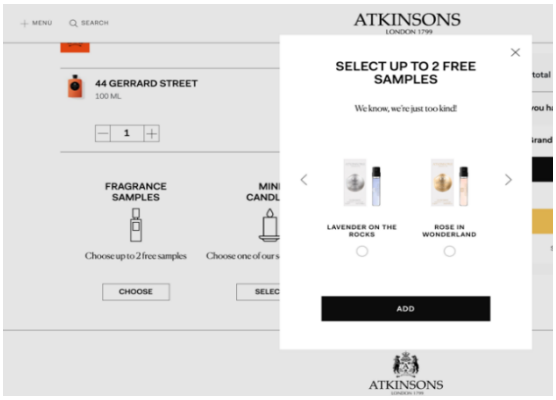



*Figure 33 – Atkinsons' sample Selection. Source: Atkinson's website*

Unlike By Killian, there are no visuals for the scents. Atkinsons relies on storytelling to evoke emotions and "set the scene" for each fragrance. Concerning **content analysis**, the website includes pages dedicated to the brand and its concept, providing a well-rounded understanding of Atkinsons. It also has a questionnaire that, through engaging and quick choices with visuals, suggests the best fragrance for the user. This approach quickly connects a client with a product, creating an emotional relationship between the two. Moreover, The FAQ page ensures customer security and prevents the need for unnecessary clarification, saving brand resources.

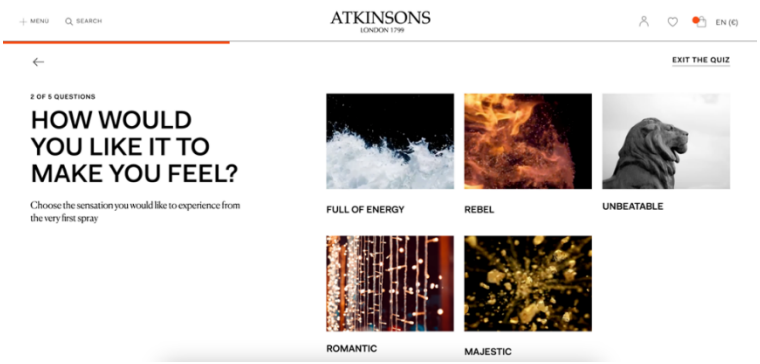



*Figure 34 – Atkinsons' questionnaire to "Find the perfect fragrance". Source: Atkinson's website*

### 5.3.5. Social Media Evaluation

Instagram is the social media platform most used by the brand's competitors. Content quality, audience engagement, consistency, and use of hashtags were evaluated for the Instagram pages of Alma da Comporta, OmanLuxury, Creed, and By Kilian. **(Appendix 28)**

Regarding **content quality**, OmanLuxury detains the lead for their engaging, and valuable content. The majority of posts have useful information about products and their production, story, and ingredients. Still in this category, the brand presents a consistent tone and messaging that aligns with its values of exclusivity, class, luxury, and elegance.

If the criterion is the use of visuals, such as images and videos, to enhance the overall appeal, By Kilian has a prominent position, with captivating and coherent images in chromatic terms.

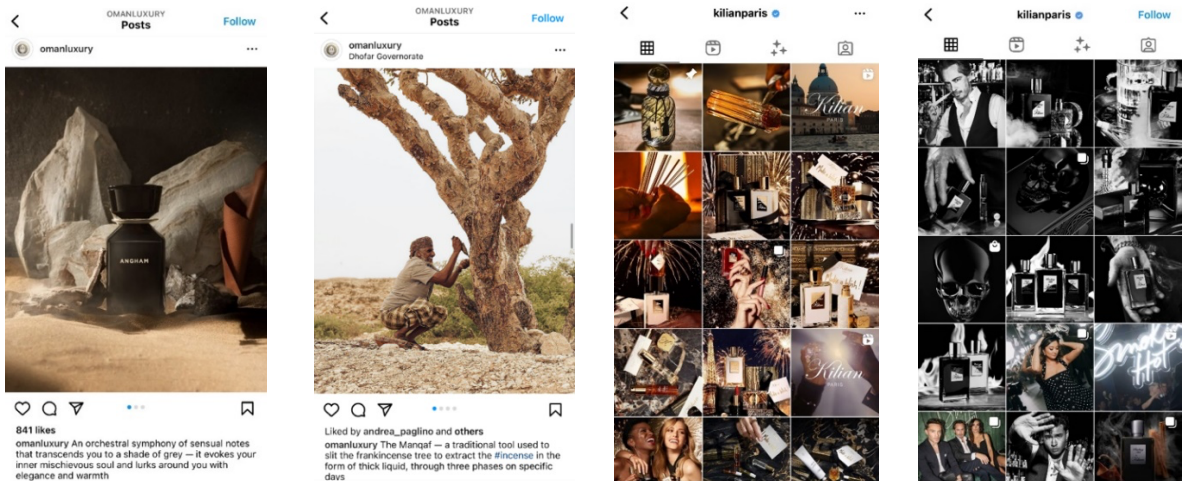



*Figure 35 – OmanLuxury's engaging content and By Kilian's captivating feed. Sources: OmanLuxury's and By Kilian's Instagram page*

Creed detains the platform with more **followers** than the other competitors. Finally, when it comes to **posting consistency**, By Kilian is the most regular, with around 15 posts made per month. All evaluated competitors use **hashtags**, denoting recognition of their efficiency and relevance when it comes to increasing the discoverability of content.

### 5.4. SWOT Analysis

Considering everything previously described and to make it easier to develop a coherent online sales optimization strategy, a summary of Comporta Perfumes' strengths, weaknesses, opportunities, and threats was prepared. The company's strengths remain few in relation to the identified weaknesses and opportunities that could be seized **(Appendix 29)**.

## 6. Commercial Strategy

### 6.1. Brand Management and Marketing Mix

Brand Management has regained a lot of importance in what concerns the customer experience and the creation of value around the products of a brand, and when improved, is sure to result in a boost in sales *(Urquhart, 2023).*

Upon the analysis performed regarding the way Comporta Perfumes positions itself, its performance, and how it is perceived by potential consumers and its overall customer base, it is possible to infer that there are a few aspects of improvement that are relevant in boosting online sales. Thus, the following recommendations will focus on how Comporta Perfumes could build a strong brand considering **Keller's Brand Equity Model** *(Keller, 2013)* **(Appendix 30),** focusing on the building blocks where it could improve the most and that would have a more significant impact regarding their online sales, such as**:** Brand Identity, Brand Imagery, and Brand Performance. It is important to first understand how luxury brands can **build customer-based brand equity** on their website, and the relevance of online channels for customers to collect information on brands throughout their shopping experiences.

Since having a strong Brand Equity makes a company recognizable, reliable, and trustworthy, this translates into shoppers increasing their willingness to pay. If Comporta Perfumes can present a good online reputation, people will seek out the company, search it directly on Google, and follow the company account on social media (*Channel Sight, n.d.*). In fact, with the right brand metrics, companies can predict the impact of brand-equity growth on revenues, and eventually experience a high ROI. This will be especially relevant to Comporta Perfumes since their brand-growth strategy must be aligned with their performance strategy, to create greater and more sustainable sales (*Stenger et al, 2023*).

### 6.1.1. Brand Identity

When assessing a brand's presence online, comparison is immediate, and competition to be the most relevant is intense. Therefore, having a clear identity helps brands express their characteristics and encompass all the deliberate and positive associations they want to impose, and that is key to instigating the relationship between the brand and the consumer.

#### 6.1.1.1. Developing a Unique Selling Proposition

Comporta Perfumes very clearly positions itself as the first Portuguese niche perfume brand, but it does not inform its customers about what it does well and how that specifically caters to their wants and needs *(Sheldon, 2022).* Therefore, it is possible to infer that in between the balance of the **consumer** and the **company**, there is a lack of focus on the consumer side of the equation. In fact, during the research process, it was brought up a few times the fact that throughout the website of Comporta Perfumes, there was a lot of focus on the creator of the brand as opposed to a focus on the brand and the products themselves. By developing a well-rounded unique selling proposition (USP), the company could ensure that there will be a match in how it is perceived by customers and how it perceives itself.

Additionally, being a **luxury cannot be a USP**. If people can't afford it, they won't buy it. If they can afford it, they'll likely consider similar luxury items. Therefore, the luxury the brand is offering is unlikely to be unique. *(Munday, 2018)*

Thus, a possible USP for Comporta Perfumes could be *"Immerse yourself in our exquisite collection and be transported from the cosmopolitan urban life to the breathtaking landscapes and captivating stories of Comporta. Each fragrance, made from natural molecules, is carefully crafted to tell unique stories that will leave a lasting impression."*

Within this suggested USP, it is possible to identify:

- **A major benefit**: the fragrances' unique composition is one of the characteristics that makes the brand unique and differentiates it from perfumes made from synthetic

materials, “Each fragrance, made from natural molecules (…)”. Additionally, it subtly references the product's durability, “(…) lasting impression”.

- **Something the customer wants:** the company aims to provide a unique way to connect with nature and the cultural heritage of Comporta, and can convey a compelling storytelling experience, where the product becomes more than a fragrance, and rather a journey, “(…) be transported from the cosmopolitan urban life to the breathtaking landscapes and captivating stories of Comporta”.

#### 6.1.1.2. Adjusting Target Consumer Segmentation

The question that remains is to what customer is the brand appealing to. As seen before, Comporta Perfumes seems to have defined their target based mostly on demographic criteria, and despite describing their audience well, they do not show a deep understanding of them, such as where they are, what channels they use, and what they care about.

Therefore, an additional recommendation would be for **Comporta Perfumes** to sharpen and focus its approach within the broad segment already identified. By understanding the specific needs of a narrower subset of their target customer segment, they would be able to develop targeted and personalized marketing campaigns and communications, which could in turn optimize conversion rates. As of right now, Comporta Perfumes seems to target the "**Quiet Luxury Lifestyle Seeker**", the type of person who has a boho chic mood, but who lives within the urban area, and is on the lookout for premium offerings that could transport them to that specific lifestyle. However, there are other segmentation criteria to take into account, given the ultimate goal to increase online sales.

Firstly, as online sales and digital channels have increased exponentially, brands have adapted and continue to evolve in order to cater to this new preference from consumers *(Pat, 2023).* Therefore, it could be interesting for Comporta Perfumes to focus on online shopping behaviors,

what customers prefer when selecting fragrances online rather than in-store, and what triggers and engages them to perform a purchase.

In addition, and regarding **Geographic Segmentation**, it has been studied that sales benefit from proximity to the city of origin and increased offline brand availability. (*Son a et al., 2017*) Thus, Comporta Perfumes could benefit from expanding and focusing its offering in the Comporta region as well as partnering with retailers that are located there.

Finally, and taking into consideration **Psychographic Segmentation** criteria, it is highly relevant that the brand understands and utilizes the emotional connections their products evoke, such as **exclusivity** and **timelessness,** as well as the lifestyle they uphold, their **sophisticated simplicity**, is in line with what the consumer is looking for.

With these considerations, it is possible to identify a few possible market segments the brand could leverage, which would need to be validated through in-depth research.

| | Existing Customer Segment | New Customer Segment | |
|---|---|---|---|
| | Quiet Luxury Lifestyle Seeker | Digital Savvy | National and Local Enthusiast |
| Demographic | 30 - 55 years old<br>High income | 25 – 40 years old<br>Tech savvy, content creators, digital entrepreneurs<br>Medium to high income | 30 – 55 years old<br>Community focused professions |
| Geographic | Urban area | Urban area | Smaller towns and regions with strong cultural identity |
| Psychographic | Boho-Chic Mood | Digital lifestyle and trends | Increased awareness on values and representation |
| Behavioral | | Prefers digital channels when buying.<br>Close contact with digital influencers and recommendations and reviews online<br>Values convenience, fast-pace, instant gratification | Seeks fragrances that evoke heritage and tradition<br>Enjoys local brand support and events, community engagement<br>Responds well to limited editions |

*Table 15 – New customer segments that Comporta Perfumes should target (Digital Savvy and National and Local Enthusiast)*

### 6.1.2. Brand Imagery

Brand Imagery refers to the more abstract associations people have with the brand and is often linked with extrinsic intangible factors (*Dorskind, 2019*). Imagery associations become linked to a brand, thus striving for a favorable response, and creating unique and positive associations is vital to build customer-based equity, as brand imagery can influence a customer's purchase

intention *(Agmeka et al, 2019)*. One crucial aspect of Brand Imagery is the definition and communication of Brand Values.

#### 6.1.2.1. Defining and Communicating Brand Values

Brand Values are what the company stands for, and so far, Comporta Perfumes has yet to define and communicate what their values are. By doing so, the company would create a positive public image and build long-lasting relationships with stakeholders, retailers, and customers. This becomes an essential aspect of increasing online sales as customers are becoming more conscious about the brands they support. In fact, a study found that 46% of participants **research brand values while shopping** in stores and **49%** do the same while shopping online *(Savat-Wustl, 2021)*. Moreover, another study found that brands saw **profits grow nine times more** than their counterparts when they communicated their brand values around making a positive impact (*Sweeney, 2019*).

As brand values are not a "one-and-done" activity, it is suggested that Comporta Perfumes defines its company values and communicate them externally through the following recommended steps. Firstly, the brand must ensure the chosen values will be easy to understand and memorize. The recommended practice is to **establish four to five core values** so that they stay at the customer's and employee's top of mind, so as to remain authentic as well. (*Dorskind, 2019*)

Then, the company must choose the values that best apply to their culture and communicate them formally. Therefore, a good starting point would be to review previously published press releases and search for recurring expressions or words that stand out. In the case of Comporta Perfumes, a few suggestions for their company values would be "Authentic to Comporta", "High-Quality Ingredients" and "Nature Infused Tranquility".

### 6.1.3. Brand Performance - Improving the Marketing Mix

Brand Performance refers to how well the product is meeting customer's needs on a functional level. Therefore, it would be relevant to perform an analysis of the primary characteristics and features of the brand's product portfolio, as well as a revision of Comporta Perfumes' brand visuals. This way, there is a need to develop an improved product assortment strategy that would promote profitability and would be better adjusted to the targeted consumer segments. This would include products available, as well as how they are organized in product lines, how they are priced, promoted, and distributed, and finally how they are presented to the customer.

#### 6.1.3.1. Product

After reviewing the products' sales and obtaining feedback from the interviews performed, there is a need to revise the product assortment Comporta Perfumes employs to reach an optimal product mix for the company. There are two components to an assortment strategy: product line depth and breadth and currently Comporta Perfumes has a wide breadth and a smaller depth.

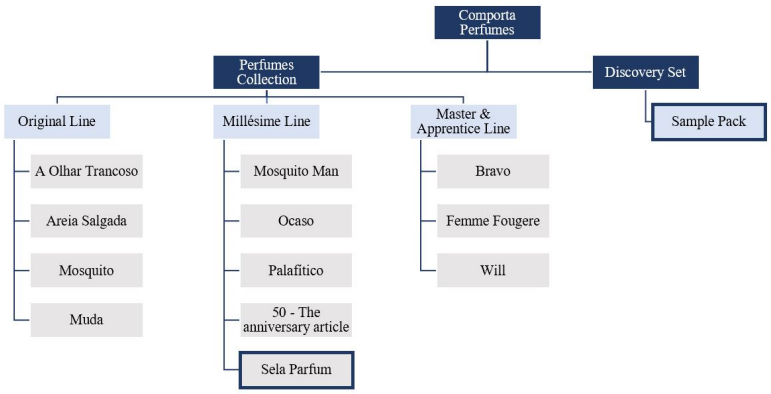
Reducing product line breadth can simplify the decision-making process for customers. When faced with too many choices, customers might experience decision fatigue, leading to delayed purchases or abandonment. (*Distel et al, 2020) (CFI, 2023)*

Therefore, **it is recommended that Comporta Perfumes discontinues the Home Stories Collection**. As seen before, the Perfumes Collection accounts for 92% of Comporta Perfumes' total gross revenue generated, while the Home Stories Collection only amounts to 8%, meaning there is a very high sales discrepancy between the two. Additionally, there was a concern that arose from our research, which was the fact that consumers were less willing to purchase candles and similar products online since they value the aspect of physical contact the most in these cases.

Additionally, **it is recommended that the company reassigns Sela Parfum to an existing product line.** The Sela Parfum line, which comprises only one product, is sold in great

quantities and generates alone **7% of the total gross revenues of the Perfumes Collection**. Therefore, it could make sense to invest in this product to improve its contribution to the portfolio. According to the research performed, it is difficult for an uninformed consumer to identify what makes this product unique in comparison to the other perfumes since it is isolated only because of its composition. Therefore, a strategic approach to this product would be to **shift it to the Millésime Line**, a more mature line, to keep the Original Line's authenticity and purity. This integration, however, would need to be well marketed and the distinction of this product in its nature should be a lot more visible to the inexperienced shopper than it currently is.

Moreover, **it is recommended that "Samples" be rebranded**. The existence of a sample pack in the portfolio is currently very washed down, as, from the website visitor's perception, it exists within the Perfumes Collection drop-down menu. The recommendation would be for the sample pack to exist on its own, with a new, and more engaging name, such as "Discovery Set". This could represent an increase in overall curiosity and sales of the remaining portfolio since increasing its accessibility could mean customers would purchase more of their preferred scents. Overall, and based on the previous recommendations, Comporta Perfumes new product portfolio would be the follo wing:




*Graphic 5 – Comporta Perfumes' new suggested product assortment*

#### 6.1.3.2. Price

As previously mentioned, Comporta Perfumes employs a Competitive Pricing Strategy, which allows the brand to stay competitive, especially within the online sphere where prices are easy to compare among competitors. The consistency in pricing within each line illustrates rapidly and effectively the differences in premium composition among perfumes, and product lines. Thus, no recommendation will be made regarding Comporta Perfumes' pricing strategy, as their current price point is already in accordance with its target customer's willingness to pay.

#### 6.1.3.3. Promotion

**It is recommended that Comporta Perfumes creates and adjusts its Brand Visuals.** Brand Performance can also be analyzed on a Brand Design level, including brand colors, logo, and packaging. When reviewing the brand's communication materials, whether on their website or social media accounts, it was possible to infer that there is a low amount of creative content and that it does not stand out among existing materials, it is not diversified, and does not communicate what is unique to each product to the customer,

For instance, it was noted during the interview process that the packaging does not provide any context clues regarding product composition, thus increasing complexity even further. Therefore, it would be suggested that Comporta Perfumes demonstrates its product composition by utilizing real, high-quality, and high-resolution photography to showcase the composition. It should be accessible in all display options (computer and phone mostly), and it should provide as many photographs of the product as possible *(Studio Now, 2021)*. Moreover, and as shown previously, it would also be relevant to showcase customer reviews on the products. In fact, it has been shown that, on average, reviews produce an 18% uplift in online sales. (*ESW, 2023*).

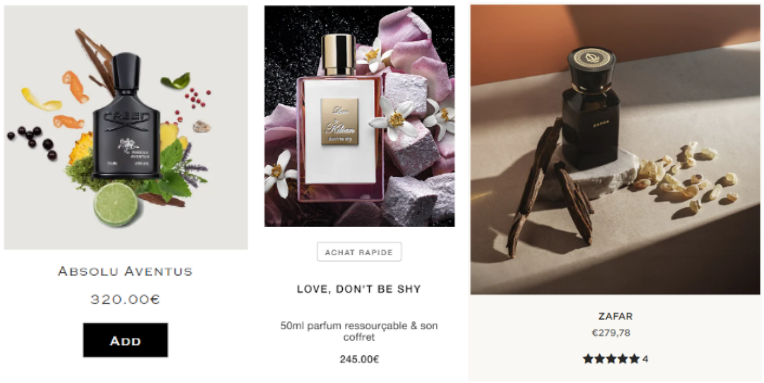



*Figure 36 – Product Description and Imagery from competitors Creed, By Kilian and OmanLuxury Source: Creed, By Kilian and OmanLuxury websites*

Additionally, **it is recommended that the company develops more strategic campaigns and overall advertisements**. The main difficulty in doing so in a niche market is the fact that the company might be investing in the advertisement of an expensive product that will reach a smaller target group and therefore have little engagement. However, there are a few simple practices that Comporta Perfumes could adhere to increase its online sales.

**Limited Editions:** Offering products for a limited amount of time could increase their perceived value and sense of exclusivity, which could in turn affect the company's profitability positively. A good opportunity for Comporta Perfumes to employ and test this strategy would be throughout the discontinuation of the Home Stories Collection.

**Product Bundles:** A possible strategy for Comporta Perfumes to drive up online sales and curiosity throughout its product lines would be to provide customers with the option of bundling several products. This could be done with perfumes and samples, but also with the remaining inventory of the discontinued Home Stories Collection. The company could even drive up sales by having customers receive incentives as they select more items to add to their personalized bundle.

**Seasonal Advertisement:** This strategy would not imply a direct discount on any product but rather a focused approach on which products to promote during each season. This way,

Comporta Perfumes could, for instance, have Ocaso be promoted during the Fall, since it is spicier and more carnal, and Mosquito during the Spring, as it presents more clean and light floral notes. Another approach could be to adapt communication and advertising materials to the several Holiday seasons that take place during the year. For instance, Atkinson and By Kilian are two competitors that have utilized this approach for Christmas, reminding their customers it is time to purchase for the season, whether for themselves or as a gift to others.

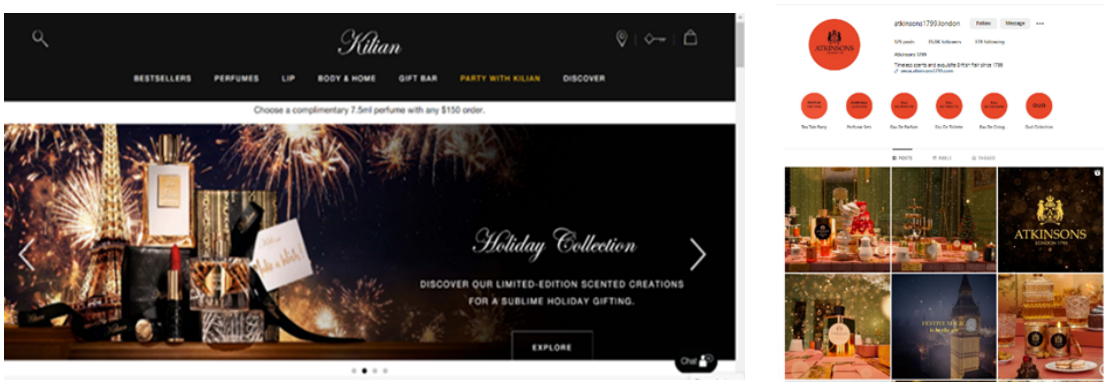



*Figure 37 – By Kilian's website landing page during the holiday season (left) and Atkinsons' Instagram account grid during the holiday season (right)*

#### 6.1.3.4. Place

When looking to expand internationally, there's a need for the company to look for untapped markets that are looking for what the company is selling.

As seen in the previous analysis, there seems to be a misalignment between the expansion the company is aiming to achieve and the strategy it is employing in order to reach it. In other words, there was an investment in diversification rather than concentration in key markets. Moreover, and as previously mentioned, there are a lot of compliance issues and risks in selling perfumes abroad, therefore increasing costs and shipping times.

Thus, **it is recommended that Comporta Perfumes explores geographic concentration rather than diversification**, that is to take "advantage of the existing knowledge about an already explored market" *(Costa, 2019)*. Regarding the company's distribution network, it has been observed that the company does not have a wide or fast enough network to distribute their

products nationally, and thus that would be the main priority, as well as to increase their exposure in their namesake region, as aforementioned. Only then, the company should focus on its geographic international expansion, to countries such as **Spain** and **France** (currently represent 8% and 12% of total gross revenue generated) as well as the **USA** (15% of total gross revenue generated). Additionally, the company, which **recorded sales to 16 other countries**, should consider discontinuing its sales, as these countries are **not generating relevant gross revenue nor quantities sold**.

By decreasing its international geographic reach, the company would ensure the products ordered online can reach its customers in time (**international deliveries currently take 1 month to arrive to the customer**) and without any additional costs in shipping and legislation. This would mean there would be more resources available to improve customer experience and make a thorough follow-up of purchases made online.

Finally, instead of reporting the different cities where Comporta Perfumes is present on their website, the company should instead focus on how to showcase in detail where to buy their perfumes to their potential customers, especially in Comporta. Since perfumes are a product type that encourages the customer to feel and smell the product before purchasing, it would be relevant to showcase exactly where it is sold, to build trust with the consumer.

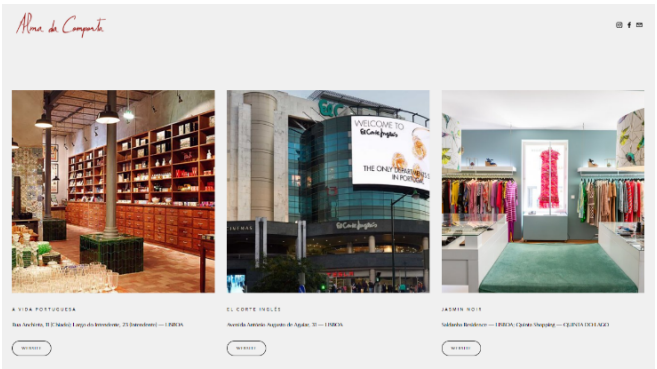



*Figure 38 – Display of points of sale on Alma da Comporta's website*

### 6.1.4. KPIs

In the dynamic landscape of online commerce, key performance indicators (KPIs) serve as vital metrics for assessing the success of the aforementioned recommendations.

| Recommendations | KPIs |
|---|---|
| Developing a Unique Selling Proposition | Conversion Rate<br>Customer Acquisition Cost |
| Adjusting Target Consumer Segmentation | Increase in number of leads<br>Customer Lifetime Value |
| Defining and Communicating Brand Values | Conversion Rate<br>Customer Retention Rate<br>Repeat Purchase Rate<br>Website Traffic<br>Time on website |
| Discontinuing Home Stories Collection | Impact on Revenue<br>Customer Retention and Acquisition<br>Operational Efficiency |
| Reassigning Sela Parfum to Millésime Line | SEO Optimization<br>Conversion Rate for "Sela Parfum"<br>Conversion Rate for "Millésime Line" |
| Rebranding "Samples" | Conversion Rate for "Discovery Set"<br>Conversion Rate for fragrances within the portfolio |
| Creating and adjusting brand visuals | Conversion Rates<br>Website and Social Media engagement |
| Developing more strategic campaigns and overall advertisement | Return on Ad Spend<br>Website Traffic<br>Email Marketing engagement<br>Sales Performance |
| Exploring geographic concentration rather than diversification | Sales Growth in Targeted Regions<br>Customer Acquisition Costs by Location<br>Track in-store sales in countries and cities chosen to concentrate |

*Table 16 – KPIs attributed to recommendation regarding Brand Management and Marketing Mix*

### 6.1.5. Costs of Implementation

Comporta Perfumes could invest in proficient external teams, such as a consulting (e.g.: Accenture) *(Accenture, n.d.)* and a creative team (e.g..: Plot Marketing Agency) *(Plot Marketing Agency, n.d.)* to research and develop materials for the implementation of these recommendations. The outsourced activities for the consulting firm would be conducting in-depth **Market Research and Analysis** as well as **Distribution Network Optimization**, which could be an opportunity to automize processes and improve activities. The common practice is to allocate roughly **5% to 10% of net revenues** to this type of activity. As for the creative team, Comporta Perfumes could delegate the **Brand Strategy and Position Plan**, **Digital Marketing Campaigns,** and **Creative Content Production**, thus professionally defining its values and visuals, and developing its external and internal communication materials in line with the concept of the brand. Some experts consider companies should allocate **7% to 12% of net revenues** to marketing efforts *(Big Commerce, n.d.)*.

### 6.2. Roadmap for Implementation

Comporta Perfumes implementation plan lasts three years and was set according to the particularities of the various recommendations.

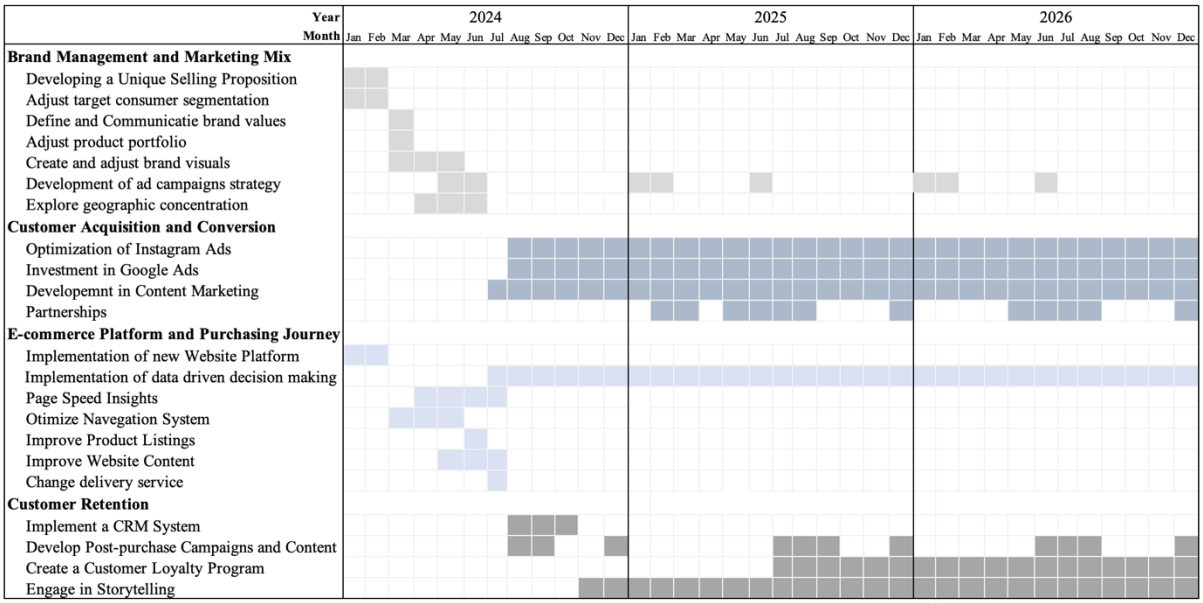



*Figure 39 – Gantt Chart of Implementation Plan*

## 7. Financial Analysis

### 7.1. Financial Forecast for 2023 and Current NPV

Given that the year 2023 is ending, a forecast for the same year was conducted. Two alternatives were presented **(Appendix 31)**: a net revenue forecast based on the growth rate assumption (considering the actual revenue growth rate of 2.2% in 2022, the forecast was made assuming the same rate for 2023, resulting in a value of €240,296), and a net revenue forecast based on the invoice document. The provided figures represent the comprehensive invoiced amount for 2023, inclusive of both positive and negative values, resulting in a total of €365,792.17. This total encompasses sales transactions and various factors such as credit notes that may have influenced the overall value. The sum of VAT (IVA) for 2023 amounted to €27,369.76. By annualizing this total (comprehensive invoiced amount - VAT), the forecasted value for net revenues was calculated to be €406,107. It's important to note that the presented values may not

precisely reflect the actual amount received from clients, as they encapsulate the entirety of invoicing activities.

| | 2023e (growth rate assumption) | 2023e (invoice document) |
|---|---|---|
| Net revenues | €240,296 | €406,107 |
| Profits | €62,939 | €131,827 |

*Table 17 – Forecasts for 2023 (growth rate assumption and invoice document)*

Due to the aforementioned challenges in obtaining a realistic value for net revenues through the invoice document, a similar approach of utilizing the growth rate assumption of 2.2% was adopted to determine projections for the next four years **(Appendix 31)**.

| | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| Net revenues | €245,492 | €250,800 | €256,224 | €261,765 |
| Profits | €12,597 | €12,869 | €13,147 | €13,432 |

*Table 18 – Forecast for the next four years (from 2024 to 2027)*

Ultimately, the **current Net Present Value (NPV)** of the company, amounting to **€146,841.36**, was computed, considering all past activities up to the terminal value in 2027. A discount rate of 10% was applied, as it represents a common return on investment for companies *(Zhang, 2021)*. This NPV calculation serves as a benchmark for comparing the current state of the company under the assumption of maintaining the status quo (without restructuring or investments) against the scenario where Comporta Perfumes implements the suggested commercial strategy.

| | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| Operating cash-flow | €12,495 | €12,766 | €13,042 | €13,324 |
| Investing cash-flow | €-987 | €-1,008 | €-1,030 | €-1,052 |
| **Free cash-flow** | €11,509 | €11,758 | €12,012 | €12,272 |
| Discount rate (%) | 10 | | | |
| Discount factor | 0.91 | 0.83 | 0.75 | 9.59 |
| **Discounted free cash-flow** | €10,462.53 | €9,717.07 | €9,024.73 | €117,637.03 |
| **NPV** | €146,841.36 | | | |

*Table 19 – Computation of current NPV, with a discount rate of 10%*

### 7.2. Financial Impact of the Commercial Strategy

To assess the potential benefits of implementing the commercial strategy, the future NPV was calculated with the aim of achieving a 20% increase over the current NPV, making it justifiable with a **minimum threshold of €176,209.63 (Appendix 32)**.

Firstly, the average selling price for perfumery of Comporta Perfumes was calculated using the net revenues (€240,296) and the number of units sold for 2023 (2,350 units), resulting in a value of €102.25, which was considered consistent over the years. Secondly, considering the 2,350 units and assuming a consistent annual growth rate of 2.7%, the projected units sold were computed for the four-year period spanning from 2024 to 2027. Although the strategy is set to be implemented over three years, it is essential to assess the company's growth in perpetuity for future years. Therefore, 2027 was accepted as the terminal value.

Moreover, the net revenues for each year were calculated by multiplying the projected units sold by Comporta's average selling price.

| | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| Projected units sold | 2413 | 2479 | 2546 | 2614 |
| Average selling price | €102.25 | | | |
| **Net revenues** | €246,784 | €253,447 | €260,290 | €267,318 |

*Table 20 – Computation of net revenues (2024 to 2027)*

Moreover, considering that the production of 500 units incurs costs ranging between €6,500 and €12,000 for the company, an average cost of €9,250 was derived. From this value, the average cost per unit was determined to be €19, remaining constant over the years. By multiplying the average unit cost by the projected units sold, the Cost of Goods Sold (COGS) was determined for all years. Additionally, the brand's discounts (at a 10% rate for partnerships and loyalty programs) and their impact on net revenue had to be considered to arrive at the gross margin.

| | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| Average unit cost | €19 | | | |
| COGS | €-44,649 | €-45,854 | €-47,092 | €-48,364 |
| Discounts | €-24,678 | €-25,345 | €-26,029 | €-26,732 |
| Discount rate (%) | 10 | | | |
| **Gross margin** | €177,456 | €182,248 | €187,168 | €192,222 |

*Table 21– Computation of gross margin (2024 to 2027)*

To calculate EBITDA, the inclusion of costs outlined in the commercial strategy was necessary. These comprise:

- **Consulting costs**, set at 5% of net revenues annually;
- **Marketing costs**, set at 7% of net revenues for outsourced activities, €2,400 per year for Instagram Ads, and €3,600 per year for Google Search ads;
- **E-commerce costs**, set at €384 annually for Shopify and €3.50 per delivery for 2% of projected units sold each year, considering that only online sales were to be considered. Recognizing that nearly 25% of the global perfume market is represented by online sales *(Yltävä, 2023),* and, quoting Pedro (given the lack of literary information), top performers in niche perfumery, such as By Kilian, detain approximately 5% of revenues in e-commerce sales, the percentage was adjusted to 2% for an SME like Comporta Perfumes;
- **CRM costs**, set at €224 annually for MailChimp Standard Analytics;
- **Salaries**: the salary of an e-commerce specialist (Bernardo) was not included in the salary figure until 2022, so an average annual salary of €14,099 was considered (*talent.com, n.d.)*;
- **Other operational items:** given the assigned costs and the uncertainty regarding the inclusions in this category, 20% of net revenues were considered.

By subtracting depreciation and amortization, interest expense, and tax expense, the net income value was derived.

| | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| Consulting costs | €-12,339 | €-12,672 | €-13,014 | €-13,366 |
| Marketing costs | €-23,275 | €-23,741 | €-24,220 | €-24,712 |
| E-commerce costs | €-553 | €-558 | €-562 | €-567 |
| CRM costs | €-224 | €-224 | €-224 | €-224 |
| Salaries | €-78,747 | €-78,747 | €-78,747 | €-78,747 |
| Other operating items | €-49,357 | €-50,689 | €-52,058 | €-53,464 |
| **EBITDA** | €12,962 | €15,617 | €18,343 | €21,143 |
| **Net income** | €10,041 | €12,133 | €14,281 | €16,487 |

*Table 22 – Computation of EBITDA and net income, considering associated costs*

Subsequently, a statement of cash flows was generated to comprehend the impact on profits. Focusing solely on operating and investing cash flow, the free cash flow was then calculated

for each year, employing a consistent 10% discount rate, the same rate utilized in computing the current NPV, and the corresponding discount factor. Ultimately, the discounted free cash flow was determined for each year, including the terminal value in 2027, which represents a **substantial portion (€181,554.25)** of the **total future NPV (€272,851.29)**.

| | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| Operating cash-flow | €12,624 | €14,429 | €16,639 | €18,909 |
| Investing cash-flow | €-1,171 | €-1,203 | €-1,235 | €-1,268 |
| Financing cash-flow | €1,358 | €1,395 | €1,433 | €1,471 |
| **Profits** | €12,811 | €14,621 | €16,837 | €19,112 |

| | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| **Free cash-flow** | €11,453 | €13,226 | €15,404 | €17,640 |
| Discount rate (%) | 10 | | | |
| Discount factor | 0.91 | 0.83 | 0.75 | 10.29 |
| **Discounted free cash-flow** | €10,411.79 | €10,930.67 | €11,573.13 | €181,554.25 |
| **NPV** | €214,469.85 | | | |

*Table 23 – Profits and NPV computation*

The initially set NPV objective has been exceeded, signaling that the company's performance is poised to surpass expectations. With the implementation of the commercial strategy, there will be an additional premium of 0.5%, applied to the perpetual growth rate (currently at 2.7%). This premium represents an extra growth rate factored into the terminal value, anticipating that the company's cash flows will expand at a higher rate over the long term. This adjustment reflects an optimistic outlook for the company's future growth beyond the explicitly forecasted period, acknowledging the potential for its performance to exceed the initial projections.

## 8. Thesis Limitations

This thesis, while comprehensive and insightful, was not carried out without its limitations. In the methodology section, the **sample size** from Survey I might be relatively small, as it consists of 140 respondents, and the **demographics** might not be fully representative of the larger population, which can limit the generalizability of the findings. Moreover, the low percentage of respondents that correspond to the company's main **target audience** (18%) potentially skews the findings. This survey was structured with **closed-ended questions**, to reduce average

response time and respondent fatigue, but the absence of open-ended questions limits qualitative insights into respondent's opinions. Finally, the exclusion of **product size information** (e.g., 100ml) in the willingness-to-pay section introduced ambiguity and possible inconsistency in the analysis. Survey II, addressed to newsletter subscribers, reflected limitations in reach through the **company's internal channels**, impacting the submission count. Concerning the current financial situation, the **unavailability of company-provided financial data** hindered the analysis, which relied on the only available data from **non-consolidated accounts**. The sales data shared by the company had many **incoherent values**, such as 100% profit margins, introducing limitations in drawing accurate conclusions about product profitability. In digital marketing, the **ongoing website restructuring** being held by Comporta Perfumes could render our recommendations obsolete. The e-commerce platform performance analysis lacked real-time data due to the company's **inactive data monitoring**, which restricted comprehension of the constructed analysis. **Insufficient information on the supply chain** hindered a comprehensive understanding. Finally, the development of the commercial strategies faced challenges due to data unavailability, compelling the group to make **assumptions** that might impact the relevance of recommendations to the company's current situation.

## 9. Conclusion and Recommendations

In light of the insights gained from the comprehensive analysis of Comporta Perfumes, it was possible to develop an extensive commercial strategy, where recommendations were formulated to aim at increasing the company's online sales.

The emphasis on fortifying Brand Equity and refining the Marketing Mix, particularly product assortment, lays a foundation for sustained growth. Moreover, recognizing the significance of digital marketing, it is key to invest in impactful online activities to unlock new business avenues and enhance website functionality for improved conversion. In addition, the

implementation of a CRM system, post-purchase campaigns, and loyalty programs emerges as pivotal for customer retention and incentivizing repeat purchases.

Peering into the future, continuous adaptation and agility in response to emerging trends and consumer behaviors are key. Regular assessments of KPIs, customer feedback, and exploration of innovative technologies will be essential for staying ahead in the competitive online fragrance market.

In conclusion, despite the limitations encountered throughout the process, the suggested holistic approach, grounded in meticulous research and analyses, positions Comporta Perfumes for both immediate and sustained success. By embracing a fusion of strategic marketing, technological advancements, and unwavering customer-centricity, Comporta Perfumes is set to not only enhance online sales in the short term but thrive in the ever-evolving digital landscape in the years to come.

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## 11. Appendix

**Appendix 1**: Demographic Information (Survey I and Survey II, respectively). Source: own analysis

| | |
|---|---|
| Gender | The majority were women (74%) |
| Nationality | 94% were of Portuguese nationality |
| Country of residence | 91% were living in Portugal |
| Age Group | 51% were between 18 and 24 years old<br>18% correspond to the age of the brand's target |
| Comfortability with technology | 58% of respondents were very comfortable with technology |

| | |
|---|---|
| Gender | The majority were women (71%) |
| Nationality | 71% were of Portuguese nationality |
| Country of residence | 100% were living in Portugal |
| Age Group | 71% were between 45 and 54 years old |
| Comfortability with technology | 71% of respondents were very comfortable with technology |

**Appendix 2**: Interviewees' data. Source: own analysis

| ID | BoughtNiche | RegularityPerf | NormAmount | ShopLocation | Gender | Portugal | Age | TechProficiency |
|---|---|---|---|---|---|---|---|---|
| 1 | No | Yearly | Depending on brand and size | Physical and Online Stores | Female | Portugal | 18-24 years | 5 |
| 2 | Yes | Occasionally | 50-100€ | Physical Stores | Female | Portugal | 45-54 years | 5 |
| 3 | No | Yearly | 50-100€ | Physical and Online Stores | Female | Portugal | 45-54 years | 5 |
| 4 | No | Yearly | 100-200€ | Physical Stores | Male | Portugal | +55 years | 3 |
| 5 | No | Occasionally | 50-100€ | Physical and Online Stores | Female | Portugal | 45-54 years | 4 |
| 6 | Yes | Yearly | 100-200€ | Physical and Online Stores | Female | Portugal | 25-34 years | 5 |
| 7 | No | Occasionally | 100-200€ | Physical and Online Stores | Female | Portugal | 18-24 years | 5 |
| 8 | Yes | Frequently | 100-200€ | Online Store | Male | Portugal | +55 years | 5 |

**Appendix 3**: SEQ data with mean and standard deviation. Source: own analysis

| ID | Purchase "Will" | Purchase Candle |
|---|---|---|
| 1 | 6 | 7 |
| 2 | 6 | 7 |
| 3 | 6 | 6 |
| 4 | 7 | 6 |
| 5 | 7 | 7 |
| 6 | 4 | 7 |
| 7 | 7 | 7 |
| 8 | 4 | 6 |
| Mean | 5,9 | 6,6 |
| Standard Deviation | 1,2 | 0,5 |

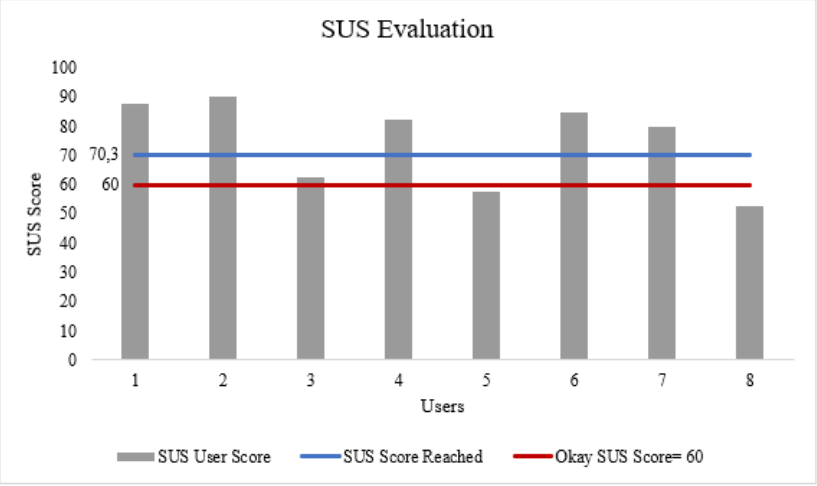
**Appendix 4**: Timing for each activity. Source: own analysis

| ID/ Task | Purchase "Will" | Purchase Candle |
|---|---|---|
| 1 | 01:34 | 00:42 |
| 2 | 01:45 | 01:58 |
| 3 | 02:24 | 01:10 |
| 4 | 01:00 | 01:00 |
| 5 | 01:00 | 01:43 |
| 6 | 01:27 | 01:58 |
| 7 | 02:54 | 05:33 |
| 8 | 03:35 | 02:55 |
| Expert | 00:20 | |
| Mean | 01:46:33 | 02:07:22 |
| Standard Deviation | 01:01:19 | 01:32:55 |

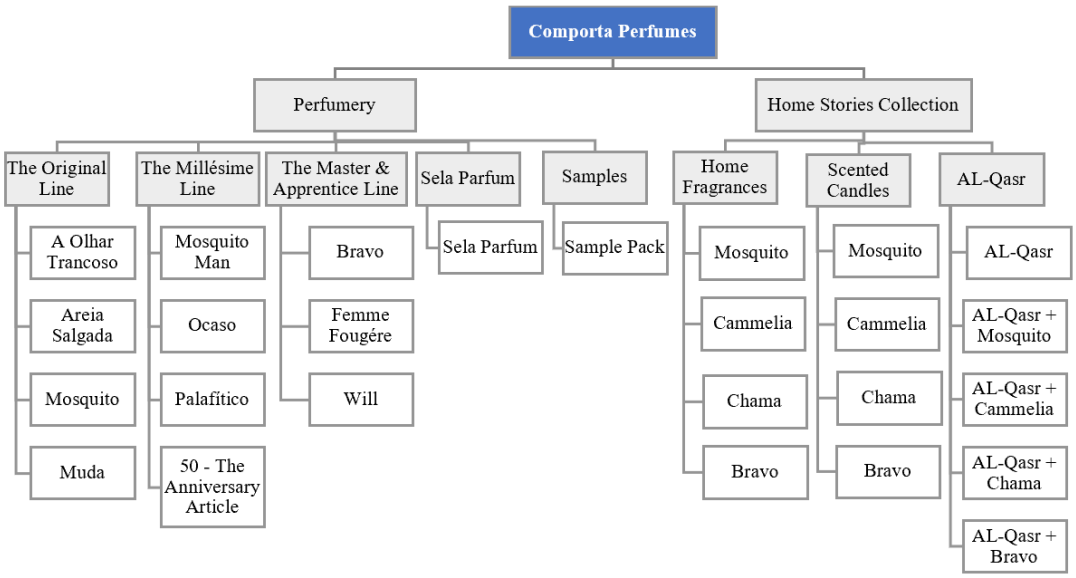
**Appendix 5**: SUS data with scores and standard deviation, followed by SUS evaluation.

Source: own analysis

| ID | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | A9 | Q10 | SUS User Score |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 3 | 4 | 3 | 4 | 3 | 4 | 3 | 4 | 3 | 4 | 87,5 |
| 2 | 0 | 0 | 3 | 4 | 3 | 1 | 3 | 1 | 3 | 4 | 55 |
| 3 | 0 | 4 | 3 | 1 | 3 | 0 | 3 | 4 | 3 | 4 | 62,5 |
| 4 | 2 | 3 | 3 | 4 | 3 | 3 | 3 | 5 | 3 | 4 | 82,5 |
| 5 | 0 | 0 | 3 | 4 | 3 | 2 | 3 | 1 | 3 | 4 | 57,5 |
| 6 | 2 | 4 | 3 | 4 | 3 | 4 | 3 | 4 | 3 | 4 | 85 |
| 7 | 3 | 4 | 3 | 4 | 3 | 1 | 3 | 4 | 3 | 4 | 80 |
| 8 | 2 | 1 | 3 | 3 | 3 | 0 | 3 | 1 | 3 | 2 | 52,5 |
| SUS Score | | | | | | | | | | | 70,3 |
| Standard Deviation | | | | | | | | | | | 14,8 |



**Appendix 6**: Product range of Comporta Perfumes



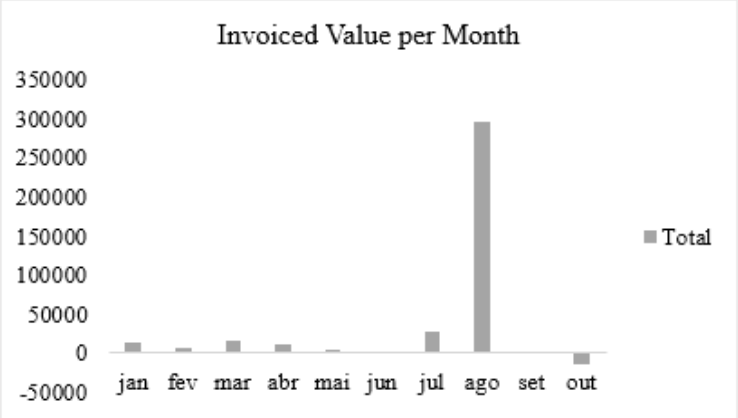

**Appendix 7**: Packaging. Source: Commercial Book



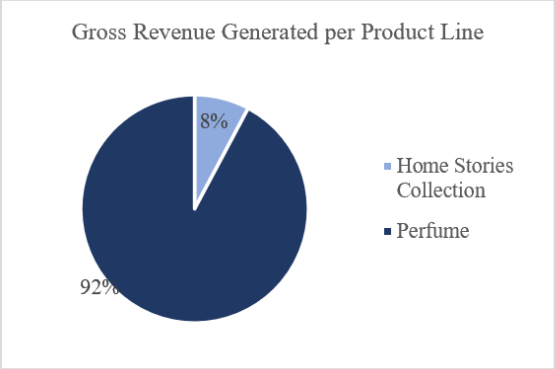

**Appendix 8**: Price list of Comporta Perfumes. Source Commercial Book and website

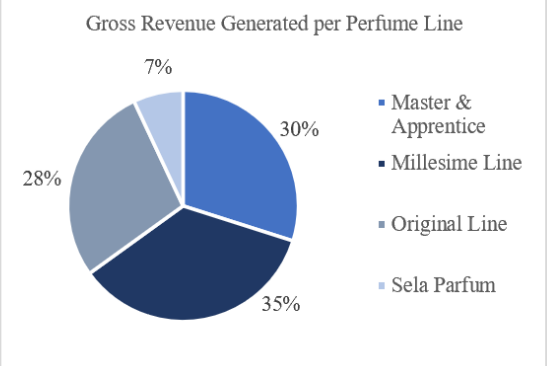
| | | |
|---|---|---|
| The Original Line | A Olhar Trancoso | €165 |
| | Areia Salgada | |
| | Mosquito | |
| | Muda | |
| The Millésime Line | Mosquito Man | €190 |
| | Ocaso | |
| | Palafítico | |
| | 50-The Anniversary Article | €225 |
| The Master & Apprentice Line | Bravo | €190 |
| | Femme Fougere | €190 |
| | Will | €225 |
| Sela Parfum | Sela Parfum | €225 |
| Samples | Sample Pack (2mL) | €16 |
| Home Stories Collection | Home Fragrances | €75 |
| | Scented Candles | €62 |
| | AL-Qasr | €100 |
| | AL-Qasr + candle | €145 |

**Appendix 9**: Total invoiced amount per month. Source: Comporta Perfumes Sales Invoice Document.




**Appendix 10**: Turnover generated per product line and per perfume line. Source: Comporta Perfumes Sales Invoice Document



**Appendix 11**: Metrics of email campaigns. Source: Campaigns Analysis of Comporta Perfumes

| | | | | | ROI | | |
|---|---|---|---|---|---|---|---|
| Campaign | Successful Deliveries | Total Bounces | Open Rate | Click Rate | Total Orders | Total Gross Sales | Total Revenue |
| Valentine's Day (February 2021)<br>(February 2022)<br>(February 2023) | 275<br>407<br>391 | 10<br>10<br>9 | 49.82%<br>53.81%<br>54.22% | 6.18%<br>0%<br>4.09% | 2<br>0<br>0 | 197<br>0<br>0 | 197<br>0<br>0 |
| Home Stories Collections (June 2021) | 15 | 0 | 55.96% | 24.64% | 0 | 0 | 0 |
| Trying to find the perfect gift? (November 2021) | 363 | 21 | 29.95% | 2.80% | 0 | 0 | 0 |
| Happy Holidays (December 2021) | 424 | 16 | 59.80% | 0% | 0 | 0 | 0 |
| Mother's Day (April 2022) | 405 | 4 | 51.12% | 0% | 0 | 0 | 0 |
| Two sprays, same essence (April 2022) | 407 | 6 | 50.62% | 3.24% | 0 | 0 | 0 |
| Master & Apprentice Line (July 2022)<br>(October 2022) | 405<br>400 | 7<br>7 | 53.02%<br>51.91% | 7.54%<br>5.09% | 0<br>0 | 0<br>0 | 0<br>0 |
| New Season Scents (March 2023) | 401 | 6 | 51.39% | 5.57% | 0 | 0 | 0 |
| Are you ready to start this journey with us? (April 2023) | 402 | 5 | 54.16% | 2.77% | 0 | 0 | 0 |
| Will be 50 the new black? (June 2023) | 395 | 4 | 47.82% | 2.04% | 0 | 0 | 0 |

**Appendix 12**: Statistical Analysis of the Instagram page, considering Accounts Reached, Accounts Engaged and Followers. From January 18th, 2023, to April 17th, 2023. Source: Instagram Statistic Analysis of Comporta Perfumes

| | | | Ending Balance |
|---|---|---|---|
| Accounts Reached 5,715 (-21.3%) | Main Countries | Portugal, São Tomé e Príncipe, Spain, Mexico | N/A |
| | Predominant Age Group | 25-34 | |
| | Impressions | 53,811 | +29.9% |
| | Profile Visits | 2,786 | +105% |
| Accounts Engaged 401 (+13.5%) | Followers | 327 | N/A |
| | Non-Followers | 74 | |
| | Interaction with content | 1,123 | +46.6%<br>+0.7% (ads) |
| Followers 5668 (+7.6%) | Main Countries | Portugal, Spain, Brasil, USA, Italy | N/A |
| | Gender | Female<br>Male | 64.8%<br>35.2% |

**Appendix 13**: Worldwide media. Source: Commercial book




**Appendix 14:** Main page desktop mode performance results. Source: Page Speed Insights

| Metrics | First Contentful Paint | Largest Contentful Paint | Total Blocking Time | Cumulative Layout Shift | Speed Index |
|---|---|---|---|---|---|
| Timing | 1.6 s | 2.0 s | 50 ms | 0 | 8.4 s |
| Classification | Needs improvement | Needs improvement | Good | Good | Poor |

**Appendix 15:** Main page mobile mode performance results. Source: Page Speed Insights

| Metrics | First Contentful Paint | Largest Contentful Paint | Total Blocking Time | Cumulative Layout Shift | Speed Index |
|---|---|---|---|---|---|
| Timing | 5.2 s | 7.8 s | 1.030 ms | 0 | 20.4 s |
| Classification | Poor | Poor | Poor | Good | Poor |

**Appendix 16:** Example of failing elements regarding accessibility. Source: Page Speed Insights



**Appendix 17:** Perfumes page desktop mode performance results. Source: Page Speed Insights

| Metrics | First Contentful Paint | Largest Contentful Paint | Total Blocking Time | Cumulative Layout Shift | Speed Index |
|---|---|---|---|---|---|
| Timing | 1.6 s | 2.8 s | 20 ms | 0.013 | 2.9 s |
| Classification | Needs improvement | Needs improvement | Good | Good | Poor |

**Appendix 18:** Perfumes page mobile mode performance results. Source: Page Speed Insights

| Metrics | First Contentful Paint | Largest Contentful Paint | Total Blocking Time | Cumulative Layout Shift | Speed Index |
|---|---|---|---|---|---|
| Timing | 5.5 s | 13.4 s | 1.320 ms | 0.009 | 12.7 s |
| Classification | Poor | Poor | Poor | Good | Poor |

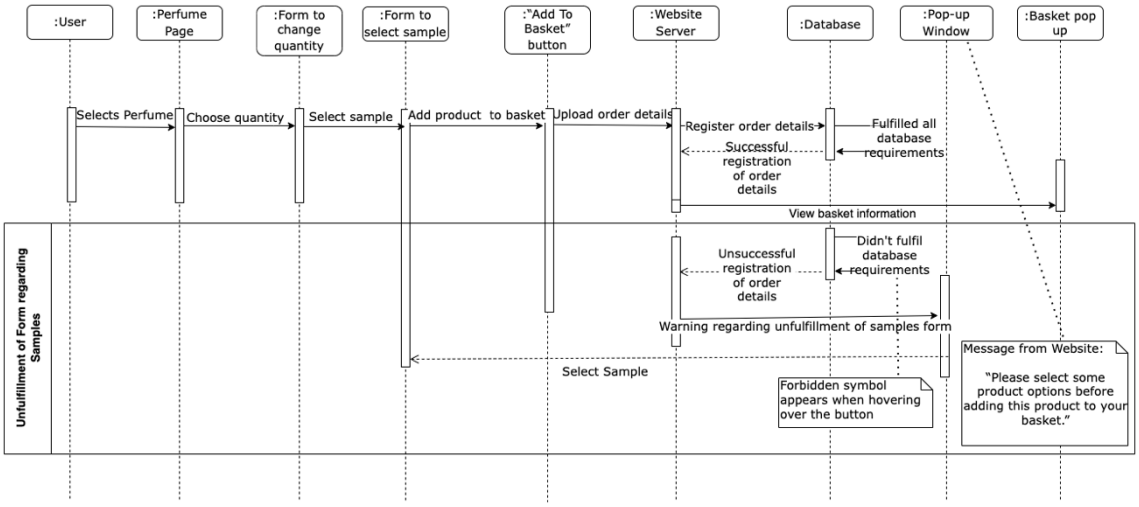
**Appendix 19:** Product Analysis (perfumes). The Original Line, The Millésime Line, and the Master & Apprentice Line.

| | | Original Line and Millésime Line (not including "50 – The Anniversary article") | "50 – The Anniversary article" from the Millésime Line | Master & Apprentice Line (not including "Will") | "Will" from the Master & Apprentice Line |
|---|---|---|---|---|---|
| Image Quality | Quantity | Three images:<br>Perfume bottle<br>Product box (Front)<br>Perfume bottle (Different style than the 1st) | Three images:<br>Perfume bottle<br>2xProduct box (front and back) | One image:<br>Perfume bottle<br>Low quantity of visuals | Three images:<br>Perfume bottle<br>2xProduct box (front and back) |
| | Differences | Different backgrounds and orientations | Different dimensions | | Different background and dimensions |
| | Resolution | Low, except the fist | Low, except the fist | High | Low, except the fist |
| Product | | The following elements are displayed:<br>Price, Creator/s of the Fragrance, Quantity in ml, SKU (Stock Keeping Unit) and Category Details | | | |
| | | Include scent categorization and pyramid of scents (Top Notes, Heart Notes, and Base Notes) | | Purposely doesn't disclose the scent categories or pyramid of notes. | |
| Scent Description and Imagery | | A storytelling description accompanies an image representative of the scent, offering a compelling and emotional narrative. | | | |
| | | The **description of "Mosquito Man"** in the **Millésime Line** assumes the viewer has previous knowledge regarding the original "Mosquito".<br><br>There' a lack of coherence and provide less insight. It may deter some customers. | The **description** differs from the standard approach - change in narrative style can be confusing.<br><br>Presented in the first person - creates uncertainty about the identity of the narrator or speaker. | **"Bravo"** and **"Femme Fougere"** share the **same image** - prevents the consumer from creating a contrasting imagery for both. The picture seems better suited for "Femme Fougere". | **Longer storytelling description** accompanied, offering users a greater emotional connection with the product highlighting its uniqueness. |

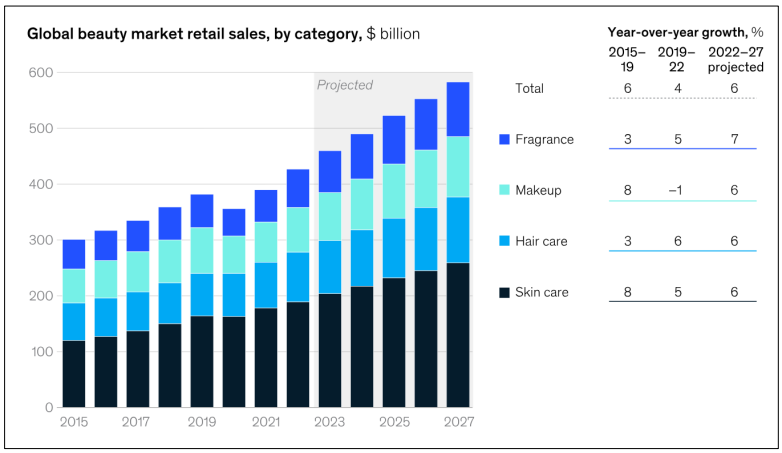
**Appendix 20:** Product Analysis (Home Fragrances, Candles, Porcelain Candleholder).

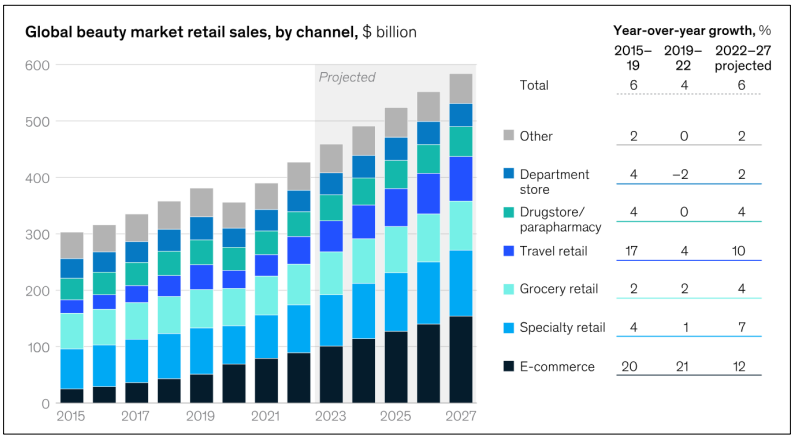
| | | Home Fragrances | Candles | Porcelain Candleholder |
|---|---|---|---|---|
| Image Quality | Quantity | One image:<br>Bottle<br>Low quantity of visuals | Two images:<br>Candle<br>Packaging | One image:<br>Candle holder<br>Low quantity of visuals<br>No product to scale comparison |
| | Resolution | Acceptable | High | High |
| Product Information | Product Details | Includes details regarding the creator/s of the fragrance and quantity in ml. | | Includes details regarding size and weight |
| | Description | Storytelling description | | Extensive<br>Has interesting insights but may disengage viewers |
| Scent Description and | Description | Storytelling description very similar to product information | | Small description similar to product information |
| | Images | No images representing the scents. | Includes a picture to give a general sense of the scent<br>All images are same | No images |

**Appendix 21:** Sequence Diagram "Add perfume to basket"



**Appendix 22:** Projection of growth in the next years for the four main beauty categories and E-commerce as the fastest-growing channel for beauty products. Source: Statista




**Appendix 23:** Overview of direct competitors (Alma da Comporta, OmanLuxury, Atkinsons, Creed, By Killian, Frederic Malle, Byredo, and Xerjoff).

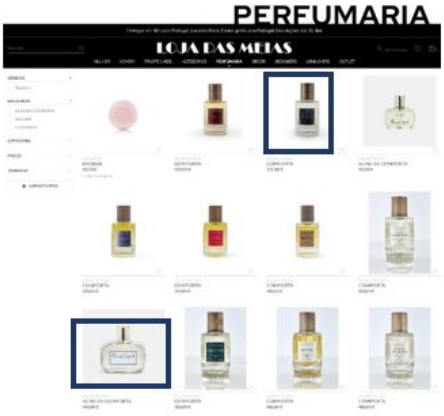
| Direct Competitors | Alma da Comporta | Oman Luxury | Atkinsons | Creed | Comporta Perfumes |
|---|---|---|---|---|---|
| Number of SKUs | 7 (3 – perfumes) (4 -home fragrances and candles) | 34 (16 – perfumes) | 50 (32 – perfumes) (18 – scented candles) | 219 (61 – perfumes) (13- home fragrances and candles) | 26 (13 – perfumes) (8 – home fragrances and candles) |
| Loyalty Program | No | Newsletter | Newsletter | Newsletter | Newsletter |
| Personalization | No | No | No | Yes | No |
| Brand Identity | Inspired by nature; luxury; exclusivity; simplicity; elegance; heritage; emotional connection. | Quality; excellence; authenticity; modernity; heritage; passion, inspiration; art. | Heritage; British excellence; timeless classics; exclusivity; elegance; high-quality. | Prestigious; heritage; craftsmanship; high-quality; timeless classics; elegance | Nature-inspired; luxury; exclusivity; craftsmanship; sophistication; quality; excellence; elegance |

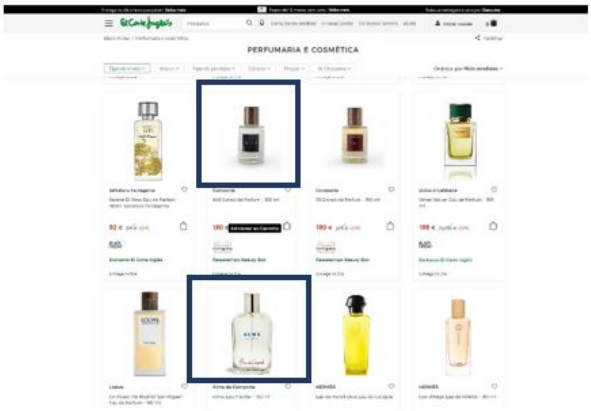
| Direct Competitors | Alma da Comporta | Oman Luxury | Atkinsons | Creed | Comporta Perfumes |
|---|---|---|---|---|---|
| Target Audience | Luxury nature and environment enthusiasts; Portuguese and International Market; Ages 25-60 | Perfume enthusiasts; exclusivity seekers; local Middle Eastern market and international clientele | Luxury connoisseurs; historical enthusiasts; British and global luxury consumers. Ages 25+ | Perfume Connoisseurs; tradition, exclusivity, and craftsmanship enthusiasts; | Sophisticated; boho chic mood; urban style; luxury seekers; A1 and A2 classes Ages 30-55 |
| Portfolio Comparison | Smaller portfolio: Two Eau de parfum One Eau de toilette. The home collection, with two diffusers and candles. | Similar portfolio: "Main", "Private" and "Limited Collection" Gift sets, which can be adapted for men and women. Agarwood Two types of musk. | Wider portfolio: "The miniature", "The Eau" and "The Oud Collection" Travel editions Search functionality: order of preference, by notes, intensity, or mood. | Wider portfolio: Men's, women's, and unisex perfumes Autumn-Winter and wedding fragrances. Body care, accessories, and home fragrances. Sample offering and discovery set. | "The Original Line", "The Millésime Line" and "The Master and Apprentice Line" "Sela Parfum" "Home Stories Collection" AL-Qasr |
| Pricing strategy and Comparison | Narrower range €89-140 | Broader range: €213.68-442.10 | Narrower range: €65-220 | Broader range: €244.84-574.44 | €62-225 |
| Distribution channels and Geographic reach | Distribution throughout Europe, with sales points in Portugal | Distribution throughout Europe, with sales points located in Italy and Romania. | Distribution throughout the world, with points of sale located in London, United Kingdom. | Distribution in US, Canada, and UK, with sales points located in United States. | Distribution and sales points throughout Europe. |
| Marketing and Advertising/ promotional strategies | Strong use of media and press (magazines and newspapers); presence on Instagram and Facebook; use of a website as the main digital platform for marketing products, without applicable promotions | Presence on Instagram and Facebook; holding of events in Italy; use of a website as the main digital platform for marketing products, with the nuance of customers enjoying complimentary gifts with every purchase. | Presence on Instagram and Facebook; use of a website as the main digital platform for marketing products, with the offer of free shipping (for orders over €100) and complimentary samples. | Presence on Instagram, Facebook, TikTok, YouTube and Twitter; use of a website as the main digital platform for marketing products, with complementary shipping, samples, gift wrapping and E-Gift card; celebrity endorsements. | Strong use of media and press (magazines and newspapers); presence on Instagram, Facebook and Linkedin; use of a website as the main digital platform for marketing products, however applicable promotions. Availability of free samples. |

| Direct Competitors | By Killian | Frederic Malle | Byredo | Xerjoff | Comporta Perfumes |
|---|---|---|---|---|---|
| Number of SKUs | 43 (20- perfumes) (7- home fragrances and candles) | 92 (33- perfumes) (10 – home fragrances and candles) | 229 (58- Perfumes) (42 – Home Fragrances and Candles) | 216 (188 – Perfumes) (7- scented candles) | 26 (13 – perfumes) (8 – home fragrances and candles) |
| Loyalty Program | Newsletter | Newsletter | Newsletter | Newsletter | Newsletter |
| Personalization | Yes | Yes | No | Yes | No |
| Brand Identity | Artistic; conceptual; opulence; luxury; exclusivity; sustainability, inclusivity; elegance; emotional appeal. | Art; exclusivity; high-quality; inclusivity; elegance; longevity; timeless | Artistic; conceptual; elegance; contemporary; inclusivity; sustainability; timeless | Luxury; exclusivity; premium; elegance; classic; inclusivity; personalization | Nature-inspired; luxury; exclusivity; craftsmanship; sophistication; quality; excellence; elegance |

| Direct Competitors | By Killian | Frederic Malle | Byredo | Xerjoff | Comporta Perfumes |
|---|---|---|---|---|---|
| Target Audience | Luxury and artistry enthusiasts; sustainability-conscious; gender-inclusive; emotionally connected. | Fragrance connoisseurs; exclusivity seekers; Sustainability-conscious; gender-inclusive; elegance admirers | Modern Aesthetic admirers; quality seekers; emotionally connected; sensory experience seekers. | Fragrance enthusiasts; artistry, luxury, exclusivity, and classic seekers; gender-inclusive; sensory experience seekers; personalization enthusiasts. | Sophisticated; boho chic mood; urban style; luxury seekers; A1 and A2 classes Ages 30-55 |
| Portfolio Comparison | Wider portfolio: "The Liquors", "The fresh", "The narcotics", "The cellars» and «The smokes"; 4 lipsticks, body creams, scented hair mist and candles. | Wider portfolio: 32 perfumes; samples; discovery sets; body products; home collection | Wider portfolio: Perfumes and extracts; hair perfumes; discovery sets; travel editions; makeup lines, home fragrances and "Hand & Body care"; leather goods, clothing, sunglasses, and footwear. | Wider portfolio: +100 products Perfumes, scented candles, and a bath collection; sample kits discovery sets. | "The Original Line", "The Millésime Line" and "The Master and Apprentice Line" "Sela Parfum" "Home Stories Collection" AL-Qasr |
| Pricing strategy and Comparison | Broader range: €122.42-805.16 | Broader range: €61.21-3,225.35 | Broader range: €46-1350 | Broader range: €60-1,600 | €62-225 |
| Distribution channels and Geographic reach | Distribution throughout the world, with sale points located in New York, Las Vegas, and Paris. | Distribution throughout the world, with numerous stores across Europe, North America, Middle East & Africa, Asia & Pacific. | Online distribution in Europe, Asia, and the United States of America | Online distribution in Europe, Asia, and the United States of America | Distribution and sales points throughout Europe. |
| Marketing and Advertising/ promotional strategies | Presence on Instagram and Facebook; use of a website as the main digital platform for marketing products, with sample discovery set, E-Gift card, complimentary shipping, Happy Hours, and refillable bottles. Cocktail recipes, looks, playlists, events, and celebrity endorsements | Presence on Instagram, Facebook, and YouTube; use of a website as the main digital platform for marketing products, with complimentary delivery, personalized gifts, free returns, e-gift cards, and virtual appointments. | Presence on Instagram, and Facebook; use of a website as the main digital platform for marketing products, with free shipping, free return, complimentary samples, «Byredo wrapping» and E-Gift Card. | Presence on Instagram, Facebook YouTube, Pinterest and Linkedin; use of a website as the main digital platform for marketing products, with no features attached. | Strong use of media and press (magazines and newspapers); presence on Instagram, Facebook and Linkedin; use of a website as the main digital platform for marketing products, however applicable promotions. Availability of free samples. |

**Appendix 24:** Alma da Comporta and Comporta Perfumes, sold side by side. Source: Loja das Meias and El Corte Inglés.




**Appendix 25:** Overview of indirect competitor (Claus Porto)

| | Claus Porto | Comporta Perfumes |
|---|---|---|
| Number of SKUs | 148<br>(18 – perfumes)<br>(26 – home fragrances and candles) | 26<br>(13 – perfumes)<br>(8 – home fragrances and candles) |
| Loyalty Program | Newsletter | Newsletter |
| Personalization | Sim (aroma laboratory) | No |
| Brand identity | Heritage; craftsmanship; iconic; self-care; storytelling. | Nature-inspired; luxury; exclusivity; craftsmanship; sophistication; quality; excellence; elegance |
| Target Audience | Luxury and fragrances enthusiasts; skincare and self-care seekers; global audience. | Sophisticated; boho chic mood; urban style; luxury seekers;<br>A1 and A2 classes<br>Ages 30-55 |
| Portfolio Comparison | More diverse portfolio:<br>Soaps, 20 fragrances, body, and bath products, household items, discovery sets | "The Original Line", "The Millésime Line" and "The Master and Apprentice Line"<br>"Sela Parfum"<br>"Home Stories Collection"<br>AL-Qasr |
| Pricing Strategy and Comparison | Narrower range:<br>€68-160 | €62-225 |
| Distribution channels and Geographic reach | Distribution throughout the world, with points of sale located in Portugal. | Distribution and sales points throughout Europe. |
| Marketing and Advertising/promotional strategies | Strong use of media and press (magazines and newspapers); presence on Instagram and Facebook; use of a website as the main digital platform for marketing products, with the offer of less 20% in the first purchase. | Strong use of media and press (magazines and newspapers); presence on Instagram, Facebook and Linkedin; use of a website as the main digital platform for marketing products, however applicable promotions. Availability of free samples. |

**Appendix 26:** Convergence and shared common sales points between competitors and Comporta Perfumes

| Common Sales Points | |
|---|---|
| Nadia Perfumerias (Madrid) | Comporta Perfumes, By Kilian, Creed, Xerjoff |
| Skinlife (Worldwide) | Byredo, OmanLuxury |
| Le Secret du Marais (Madrid) | Byredo, Comporta Perfumes, Creed, By Kilian, Xerjoff |
| Perfumeria Regia (Barcelona) | Byredo, Creed, By Kilian, Xerjoff |
| Isolée (Madrid) | Claus Porto, Comporta Perfumes, Frederic Malle, By Kilian |
| Janes Concept Store (Braga) | Comporta Perfumes |
| Nº50, Store (Lisbon) | Comporta Perfumes |
| Vila Vita Parc (Algarve) | Comporta Perfumes |
| Santa Eulália (Barcelona) | Byredo |
| Dulce Calvo (Santiago de Compostela) | Atkinsons |
| Pura Cal (Lisboa) | Comporta Perfumes |
| Erlai (Bilbao) | Byredo, Creed, Comporta Perfumes |
| Sal Concept Store (Cacilhas) | Comporta Perfumes |
| Loja das Meias (Portugal) | Comporta Perfumes, Alma da Comporta |
| Perfumaria Laura (Espanha) | Xerjoff, Comporta, OmanLuxury |
| Perfumes Niche (Espanha) | Comporta Perfumes, Creed, Xerjoff |
| Beauty Plaza (online) | Atkinsons, Claus Porto, Comporta Perfumes, OmanLuxury |
| El Corte Inglés (online) | Comporta Perfumes, Xerjoff, Alma da Comporta |

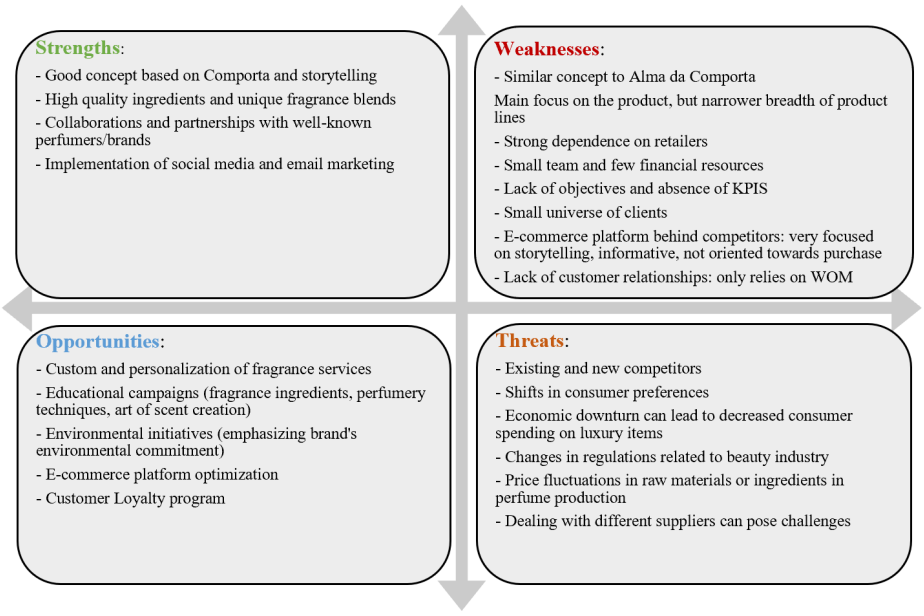
**Appendix 27:** Performance and speed of Atkinson's website.

| Parameters | Results (5th of November 2023) | Classification | Evaluation |
|---|---|---|---|
| Performance | Desktop: 72<br>Mobile: 39 | Desktop: Need Improvements<br>Mobile: Poor | Display of off-screen images |
| Accessibility | Desktop: 68<br>Mobile: 71 | Need Improvements | Buttons, images, and links do not have accessible names. |
| Best Practices | Desktop: 68<br>Mobile: 68 | Need Improvements | |
| SEO | Desktop: 83<br>Mobile: 88 | Needs Improvements | Links are not crawlable and lack of alternative texts in images and |

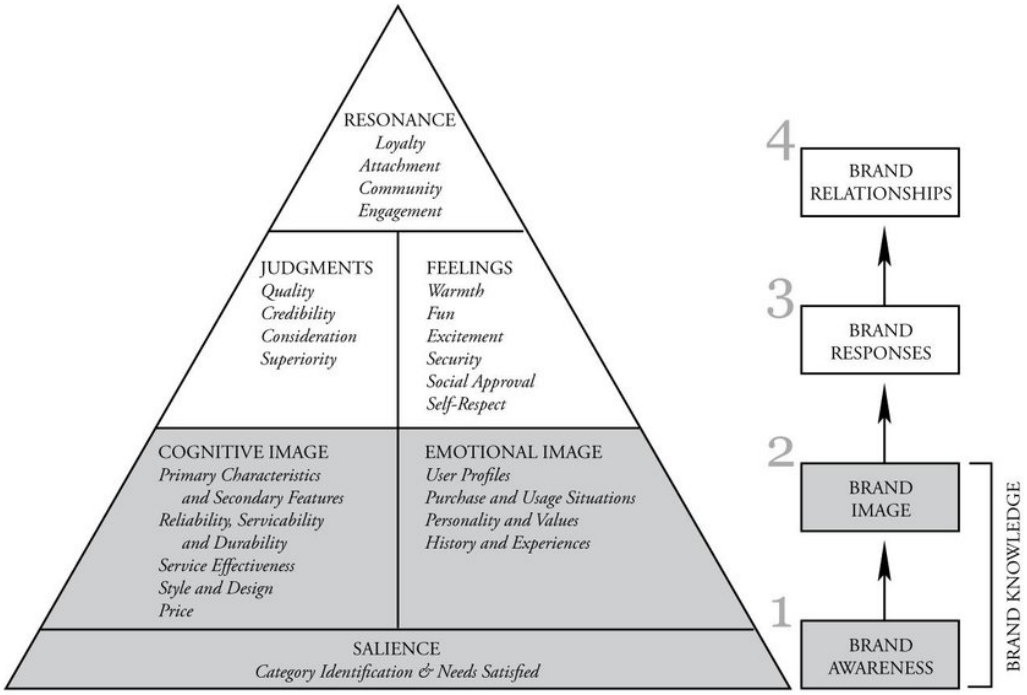
**Appendix 28:** Social Media Evaluation (Alma da Comporta, OmanLuxury, Creed, By Kilian)

| | Content Quality | Audience Engagement | Consistency | Use of hashtags |
|---|---|---|---|---|
| Alma da Comporta | Without engaging and relevant content; some posts provide information about the product, but not valuable ones. Consistent tone and messaging aligned with the company's brand and values. Use of visuals (images and videos) to enhance the overall appeal, but with a disorganized and confusing feed. | Followers: 3,677 Likes: average of 60 likes per publication (does not correspond to the expected interaction of the majority of followers) Comments: few (average of 2 per publication) | The last post was made on October 30th. An average of 5 publications made per month. | Yes |
| Oman Luxury | Engaging, relevant and valuable content: the majority of posts has valuable information about the products, their production, and ingredients. Consistent tone and messaging aligned with the company's brand and values. Use of visuals (images and videos) to enhance the overall appeal, with captivating and allusive pictures. | Followers: 164,000 Likes: average of 700 likes per publication (does not correspond to the expected interaction of the majority of followers) Comments: average of 10 per publication | The last post was made on October 11st. An average of 4 publications made per month. | Yes |
| Creed | Engaging and relevant content, however, some posts are not valuable or essential to the follower (ex: image of a mountaineer to allude to a fresh aroma, without the perfume being represented) Consistent tone and messaging aligned with the company's brand and values. Use of visuals (images and videos) to enhance the overall appeal, but some are repetitive. Disorganized feed. | Followers: 583,000 Likes: average of 3 782 likes per publication (still does not correspond to the expected interaction of the majority of followers, but it's higher than the previous brands) Comments: average of 67 per publication | The last post was made on November 17th. An average of 11 publications made per month. | Yes |
| By Kilian | Very engaging content, but not valuable or relevant: some posts are not related to products (photo of a DJ at their party) and, when they do, there's not much information. However, celebrity endorsements are a favorable point. Consistent tone and messaging aligned with the company's brand and values. Use of visuals (images and videos) to enhance the overall appeal, with captivating captures. Color coherency between posts. | Followers: 376,000 Likes: average of 2,093 likes per publication (does not correspond to the expected interaction of the majority of followers) Comments: average of 30 per publication | The last post was made on November 15th. An average of 15 publications made per month. | Yes |

**Appendix 29:** SWOT Analysis



**Appendix 30:** Keller's Brand Equity Model. Source: *(Keller, 2013)*




**Appendix 31:** Forecast of Financial Statements, considering two types of forecasts for 2023 (growth rate assumption and invoice document) and one type of forecast (growth rate assumption) for the next four years (from 2024 to 2027), with computation of current NPV.

| Forecast method | Growth rate assumption | Invoice document |
|---|---|---|

**Financial statements**

| Income statement - FY 31/12 (in EUR) | 2023e | 2023e | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|
| Net revenues | 240 296 | 406 107 | 245 492 | 250 800 | 256 224 | 261 765 |
| (-) Cost of good sold (COGS) | (44 045) | (74 437) | (44 997) | (45 970) | (46 964) | (47 980) |
| **(=) Gross margin** | **196 251** | **331 670** | **200 495** | **204 830** | **209 259** | **213 785** |
| (-) Salaries | (64 648) | (109 257) | (66 046) | (67 474) | (68 933) | (70 424) |
| (-) Other operating items | (118 145) | (199 669) | (120 700) | (123 310) | (125 976) | (128 701) |
| **(=) EBITDA** | **13 458** | **22 744** | **13 749** | **14 046** | **14 350** | **14 660** |
| (-) Depreciation & Amortization | (245) | (415) | (251) | (256) | (262) | (267) |
| **(=) Operational result (EBIT)** | **13 212** | **22 330** | **13 498** | **13 790** | **14 088** | **14 393** |
| (-) Interest expense | - | - | - | - | - | - |
| **(=) Profit before tax (PBT)** | **13 212** | **22 330** | **13 498** | **13 790** | **14 088** | **14 393** |
| (-) Tax expense | (2 775) | (4 689) | (2 835) | (2 896) | (2 959) | (3 023) |
| **(=) Net income** | **10 438** | **17 640** | **10 664** | **10 894** | **11 130** | **11 370** |

| Balance sheet - FY 31/12 (in EUR) | 2023e | 2023e | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|
| Intangible assets | 20 000 | 20 000 | 20 000 | 20 000 | 20 000 | 20 000 |
| Fixed assets | 658 | 1 113 | 673 | 687 | 702 | 717 |
| Other non-current assets | 33 382 | 56 417 | 34 104 | 34 842 | 35 595 | 36 365 |
| **(=) Non current assets** | **54 041** | **77 530** | **54 777** | **55 529** | **56 297** | **57 082** |
| Inventories | 46 549 | 78 670 | 47 556 | 48 584 | 49 635 | 50 708 |
| Receivables | 63 260 | 106 911 | 64 628 | 66 025 | 67 453 | 68 912 |
| Other current assets | 118 714 | 200 631 | 121 282 | 123 904 | 126 584 | 129 321 |
| Cash & Equivalents | 65 694 | 134 582 | 78 291 | 91 160 | 104 307 | 117 739 |
| **(=) Current assets** | **294 218** | **520 794** | **311 756** | **329 674** | **347 979** | **366 680** |
| **(=) Total assets** | **348 258** | **598 324** | **366 533** | **385 203** | **404 276** | **423 762** |
| Share capital | 5 714 | 5 714 | 5 714 | 5 714 | 5 714 | 5 714 |
| Other equity | (9 415) | (2 213) | 1 248 | 12 143 | 23 272 | 34 643 |
| **(=) Equity** | **(3 701)** | **3 501** | **6 962** | **17 857** | **28 986** | **40 357** |
| Non-current Financial debt | - | - | - | - | - | - |
| Other non-current liabilities | 50 309 | 85 024 | 51 397 | 52 508 | 53 644 | 54 804 |
| **(=) Non-current liabilities** | **50 309** | **85 024** | **51 397** | **52 508** | **53 644** | **54 804** |
| Current Financial debt | - | - | - | - | - | - |
| Payables | 19 705 | 33 302 | 20 131 | 20 567 | 21 011 | 21 466 |
| Other current liabilities | 281 945 | 476 496 | 288 042 | 294 271 | 300 634 | 307 135 |
| **(=) Current liabilities** | **301 651** | **509 799** | **308 174** | **314 838** | **321 646** | **328 601** |
| **(=) Total liabilities** | **351 960** | **594 823** | **359 571** | **367 346** | **375 290** | **383 405** |
| **(=) Total equity + liabilities** | **348 258** | **598 324** | **366 533** | **385 203** | **404 276** | **423 762** |

| Statement of Cash-Flows - FY 31/12 (in EUR) | 2023e | 2023e | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|
| **Net income** | **10 438** | **17 640** | **10 664** | **10 894** | **11 130** | **11 370** |
| (+) Depreciation & Amortization | 245 | 415 | 251 | 256 | 262 | 267 |
| (-/+) Change in Inventories | (1 236) | (33 356) | (1 007) | (1 028) | (1 051) | (1 073) |
| (-/+) Change in Receivables | 55 652 | 12 001 | (1 368) | (1 398) | (1 428) | (1 459) |
| (-/+) Change in Other current assets | 24 663 | (57 254) | (2 567) | (2 623) | (2 679) | (2 737) |
| (-/+) Change in Payables | (13 515) | 82 | 426 | 435 | 445 | 454 |
| (-/+) Change in Other current liabilities | (2 885) | 191 666 | 6 097 | 6 229 | 6 363 | 6 501 |
| **(=) Operating cash flow** | **73 363** | **131 194** | **12 495** | **12 766** | **13 042** | **13 324** |
| (-) Investment in fixed assets | (427) | (1 050) | (265) | (271) | (276) | (282) |
| (-/+) Change in Other non current assets | (1 561) | (24 596) | (722) | (737) | (753) | (770) |
| **(=) Investing cash flow** | **(1 988)** | **(25 646)** | **(987)** | **(1 008)** | **(1 030)** | **(1 052)** |
| (-/+) Repayment/Issuance of debt | - | - | - | - | - | - |
| (-/+) Change in Other non current liabilities | (8 435) | 26 279 | 1 088 | 1 111 | 1 135 | 1 160 |
| (-/+) Change in Equity | - | - | - | - | - | - |
| (-/+) Change in Other equity (excl. retained earnings) | - | - | - | - | - | - |
| **(=) Financing cash flow** | **(8 435)** | **26 279** | **1 088** | **1 111** | **1 135** | **1 160** |
| **(=) Net change in Cash** | **62 939** | **131 827** | **12 597** | **12 869** | **13 147** | **13 432** |

| NPV Computation | 2023a | 2024a | 2025a | 2026a | TV |
|---|---|---|---|---|---|
| **(=) Operating cash flow** | **73 363** | **12 495** | **12 766** | **13 042** | **13 324** |
| (-) Interest expense | | - | - | - | - |
| (+) tax shield on interest expense | | 0 | 0 | 0 | 0 |
| **(=) Investing cash flow** | **(1 988)** | **(987)** | **(1 008)** | **(1 030)** | **(1 052)** |
| **(=) Free cash-flow** | | **11 509** | **11 758** | **12 012** | **12 272** |
| Discount rate | 10% | | | | |
| Discount factor | | 0.91 | 0.83 | 0.75 | 9.59 |
| **(=) Discounted free cash-flow** | | **10 462.53** | **9 717.07** | **9 024.73** | **117 637.03** |
| Sum of forecasted discounted free cash-flows | 29 204.33 | | | | |
| TV | 117 637.03 | | | | |
| **(=) NPV** | **146 841.36** | | | | |

**Appendix 32:** Forecast of future NPV considering the implementation of the commercial strategy for the next three years (2024 to 2026) and Terminal Value.

| Income statement – FY 31/12 (in EUR) | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| Projected units sold | 2413 | 2479 | 2546 | 2614 |
| Average selling price perfumery | 102,25 | 102,25 | 102,25 | 102,25 |
| **Net revenues** | **246 784** | **253 447** | **260 290** | **267 318** |
| Average unit cost | 19 | 19 | 19 | 19 |
| (-) Cost of good sold (COGS) | (44 649) | (45 854) | (47 092) | (48 364) |
| (-) Discounts | (24 678) | (25 345) | (26 029) | (26 732) |
| Discount rate | 10% | 10% | 10% | 10% |
| **(=) Gross margin** | **177 456** | **182 248** | **187 168** | **192 222** |
| (-) Consulting costs | (12 339) | (12 672) | (13 014) | (13 366) |
| (-) Marketing costs | (23 275) | (23 741) | (24 220) | (24 712) |
| (-) E-commerce costs | (553) | (558) | (562) | (567) |
| (-) CRM costs | (224) | (224) | (224) | (224) |
| (-) Salaries | (78 747) | (78 747) | (78 747) | (78 747) |
| (-) Other operating items | (49 357) | (50 689) | (52 058) | (53 464) |
| **(=) EBITDA** | **12 962** | **15 617** | **18 343** | **21 143** |
| (-) Depreciation & Amortization | (252) | (259) | (266) | (273) |
| **(=) Operational result (EBIT)** | **12 710** | **15 358** | **18 077** | **20 870** |
| (-) Interest expense | - | - | - | - |
| **(=) Profit before tax (PBT)** | **12 710** | **15 358** | **18 077** | **20 870** |
| (-) Tax expense | (2 669) | (3 225) | (3 796) | (4 383) |
| **(=) Net income** | **10 041** | **12 133** | **14 281** | **16 487** |

| Balance sheet – FY 31/12 (in EUR) | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| Intangible assets | 20 000 | 20 000 | 20 000 | 20 000 |
| Fixed assets | 676 | 694 | 713 | 732 |
| Other non-current assets | 34 284 | 35 209 | 36 160 | 37 136 |
| **(=) Non current assets** | **54 960** | **55 904** | **56 873** | **57 869** |
| Inventories | 47 188 | 48 462 | 49 770 | 51 114 |
| Receivables | 64 968 | 66 722 | 68 524 | 70 374 |
| Other current assets | 121 920 | 125 212 | 128 592 | 132 064 |
| Cash & Equivalents | 78 505 | 93 126 | 109 963 | 129 075 |
| **(=) Current assets** | **312 581** | **333 522** | **356 849** | **382 627** |
| **(=) Total assets** | **367 540** | **389 426** | **413 722** | **440 495** |
| Share capital | 5 714 | 5 714 | 5 714 | 5 714 |
| Other equity | 626 | 12 758 | 27 039 | 43 526 |
| **(=) Equity** | **6 340** | **18 472** | **32 753** | **49 240** |
| Non-current Financial debt | - | - | - | - |
| Other non-current liabilities | 51 668 | 53 063 | 54 495 | 55 967 |
| **(=) Non-current liabilities** | **51 668** | **53 063** | **54 495** | **55 967** |
| Current Financial debt | - | - | - | - |
| Payables | 19 975 | 20 515 | 21 069 | 21 637 |
| Other current liabilities | 289 558 | 297 376 | 305 405 | 313 651 |
| **(=) Current liabilities** | **309 533** | **317 891** | **326 474** | **335 288** |
| **(=) Total liabilities** | **361 201** | **370 953** | **380 969** | **391 255** |
| **(=) Total equity + liabilities** | **367 540** | **389 426** | **413 722** | **440 495** |

| Statement of Cash-Flows – FY 31/12 (in EUR) | 2024e | 2025e | 2026e | 2027e |
|---|---|---|---|---|
| **Net income** | **10 041** | **12 133** | **14 281** | **16 487** |
| (+) Depreciation & Amortization | 252 | 259 | 266 | 273 |
| (-/+) Change in Inventories | (638) | (1274) | (1308) | (1344) |
| (-/+) Change in Receivables | (1708) | (1754) | (1801) | (1850) |
| (-/+) Change in Other current assets | (3 205) | (3 292) | (3 381) | (3 472) |
| (-/+) Change in Payables | 270 | 539 | 554 | 569 |
| (-/+) Change in Other current liabilities | 7 613 | 7 818 | 8 029 | 8 246 |
| **(=) Operating cash flow** | **12 624** | **14 429** | **16 639** | **18 909** |
| (-) Investment in fixed assets | (270) | (277) | (284) | (292) |
| (-/+) Change in Other non current assets | (901) | (926) | (951) | (976) |
| **(=) Investing cash flow** | **(1 171)** | **(1 203)** | **(1 235)** | **(1 268)** |
| (-/+) Repayment/Issuance of debt | - | - | - | - |
| (-/+) Change in Other non current liabilities | 1358 | 1395 | 1433 | 1471 |
| (-/+) Change in Equity | - | - | - | - |
| (-/+) Change in Other equity (excl. retained earnings) | - | - | - | - |
| **(=) Financing cash flow** | **1 358** | **1 395** | **1 433** | **1 471** |
| **(=) Net change in Cash** | **12 811** | **14 621** | **16 837** | **19 112** |

| NPV Computation | | 2024a | 2025a | 2026a | TV |
|---|---|---|---|---|---|
| **(=) Operating cash flow** | | **12 624** | **14 429** | **16 639** | **18 909** |
| (-) Interest expense | | - | - | - | - |
| (+) tax shield on interest expense | | 0 | 0 | 0 | 0 |
| **(=) Investing cash flow** | | **(1 171)** | **(1 203)** | **(1 235)** | **(1 268)** |
| **(=) Free cash-flow** | | **11 453** | **13 226** | **15 404** | **17 640** |
| Discount rate | 10% | | | | |
| Discount factor | | 0.91 | 0.83 | 0.75 | 10.29 |
| **(=) Discounted free cash-flow** | | **10 411.79** | **10 930.67** | **11 573.13** | **181 554.25** |
| Sum of forecasted discounted free cash-flows | 32 915.59 | | | | |
| TV | 181 554.25 | | | | |
| **(=) NPV** | | | **214 469.85** | | |
| | | **Objective: 20% above current NPV** | **176 209.63** | | |
| | | | **146 841.36** | | |