

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 SUCCESSFULLY POSITION THE TERRA COLLECTION BY COSTA VERDE
IN THE PORTUGUESE FINE DINING MARKET? – Branding Strategy

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Group Part

Abstract

The fine dining market has significantly increased over the past years, mainly due to the tourism phenomenon and the growth of the luxury experiences market. Taking advantage of this opportunity, Costa Verde - a Portuguese porcelain company – has decided to enter this market for the first time with a new disruptive collection, Terra. This work project serves the purpose of elaborating a branding strategy for the launch of this collection in Portugal, with the ultimate goal of elevating Costa Verde's brand. To support all decisions, a literature review was conducted, as well as interviews and questionnaires to MICHELIN Guide restaurants.

Keywords: Tableware, Fine Dining, MICHELIN Guide, Brand Awareness, Positioning

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1. Introduction

The present report aims to answer to the following research question: “How to successfully position the Terra collection by Costa Verde in the Portuguese fine dining market?”. The project was developed approximately in a four-months period and counted with the help of Costa Verde, especially from its Marketing Director Paulo Pinto.

As this collection will be the company’s first attempt at entering the fine dining market, a literature review was conducted, where relevant concepts to the case were defined –using an article touching subjects such as premiumisation and upward line extension. Moreover, a Methodology section was included, where details on conducted research to Portuguese MICHELIN Guide restaurants were provided, as well as information on essential documentation provided by Costa Verde for this plan’s elaboration.

Furthermore, background context was given on the company and the porcelain market where Costa Verde operates, including a brief competitive analysis. After that, the Terra collection was introduced, as well as an analysis of the fine dining market, including a deep examination of the MICHELIN Guide restaurants market and an assessment of the opportunity size of the Portuguese market. Once all this information was collected, insights from interviews to Costa Verde’s members were analysed, to assess the overall business proposition of Terra. Taking this into account, three hypotheses regarding the approach to follow when elaborating the Marketing plan were explored.

Having all the conditions to structure the most adequate strategies for the collection’s launch purpose, a branding strategy was concluded.

Finally, a financial analysis was thoroughly executed, considering all previous decisions.

2. Literature Review

In order to identify the best way to approach the project's research question, a literature review was conducted. As this is the first time Costa Verde is entering a higher-end market in comparison to the one the company is used to operate in, one must explore the theory behind the premiumisation of a brand - so that it can later serve as a base for the group's decisions. Different articles and cases were analysed, with the team identifying one particular article that offered a meaningful theoretical background for the subject in hand.

According to the article "Premiumization as a Profit Growth Strategy. A Framework of Strategic Options." (Schmitz and Fassnacht 2020), the premiumisation strategy allows companies to add value to a brand or a brand portfolio and, consequently, to raise their price levels. By focusing on adding value to the brand, a firm can simultaneously charge higher prices, as already mentioned, and target new consumers with higher purchasing power - serving as a way to overcome growth restraints in terms of sales volume that result from market saturation. Furthermore, besides targeting an increase in profits, a brand that is under the process of premiumisation can also achieve consistent growth and is able to enhance their brand image. However, it is important to notice that this is a complex process that demands a strategic and systematic approach.

Overall, there are two main ways for a brand to enter in the process of premiumisation: "Firms can either premiumise a single brand (by trading up an existing brand to a higher price/value level) or raise the average price/value level of their entire brand portfolio (by introducing a new brand above the current price/value level of the brand portfolio)". Hence, there is one important decision to be made, namely whether the premiumisation process will occur by trading up a brand or by introducing new brands. With regards to the first one, there are two ways of trading up a brand. Usually, trading up the existing products is the preferred path, as it is faster and less costly. This option requires small changes - such as developing a different packaging, labels,

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add-on features, shapes, product design modifications - that are usually connected to the process of upgrading a product, which, in the end, justifies the prices' increase on consumers' minds. Since following this path leads to a small added value, premiumisation is only possible to achieve within the same price position. On the other hand, there is the option of trading up a brand by adding new products or product lines. This process can be made essentially through three different means: upward line extension, limited editions, and co-branding. The upward line extension consists of adding a new product (product lines) to an existing brand, inside the same product category, that charges a higher price level than the rest of the products in the same category. Nevertheless, this strategy can damage the whole brand image if in consumers' perspective the brand is stretching beyond its knowledge, which places the firms under the risk of losing existing consumers. For that reason, when implementing this strategy, firms must assure that marketing efforts are focused on the added value that is brought to the consumer. Concerning the introduction of limited editions, it serves as a similar strategy to upward line extension, apart from the fact that quantity is limited. It allows brands to launch new trends and gain attention, while delivering emotional and symbolic value to consumers. As consumers show a higher willingness to pay when it comes to limited editions, this strategy usually has a positive effect in the brand's turnover. However, since limited editions are mostly connected to a short-term nature, to successfully premiumise a brand this strategy should not be implemented alone, but rather together with other mentioned strategies. Additionally, limited editions provide the consumer a sense of scarcity due to their short-term character, which raises the perceived exclusivity. Regarding the co-branding, this is a strategy that, through collaboration with another brand that offers a higher price/value level, allows the original brand to go premium – by bringing value to the firm that it did not cover (or not efficiently) and attracting new consumers. Nevertheless, it is very hard to find a brand with a higher price/value level, that is willing to collaborate.

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Finally, the premiumisation of a brand can also be done by adding a new brand (under the same firm name) that presents a higher price point than the average price level of the brand portfolio. Creating a new brand or acquiring an existing one are two alternatives available for this strategy. The process of creating a brand involves introducing a brand that is completely new to the firm and to the market. Although it is a very costly and time-consuming process, as a unique brand image has to be created from the scratch, the company is free to generate value components in a way that best fits the targeted price position and is not constrained by the initial image, target audience, and price/value position of its existing brands.

When choosing the optimal strategic alternative, the brand's objectives and realities (such as consumer needs, competitors, the existing brand portfolio) will determine the extent and focus of its premiumisation plan. Furthermore, it is essential to balance the potential benefits of the premiumisation of a brand with the high costs and risks that it brings. Aiming for a higher price/value level usually requires the realignment of numerous departments, including research and development, quality, design, and sales, as well as the adjustment of the corporate culture. Therefore, premiumisation can be viewed as a potent approach for achieving growth in markets that are competitive and saturated. However, price increases must be supported by a growth in the consumers' perception of value. In this specific case, and considering all the approaches, the launch of the Terra collection may be classified as an upward line extension.

3. Methodology

With respect to the methodology, qualitative research was conducted through interviews and an online questionnaire completed on Google forms. Both the interviews' guide and the online survey questions can be found on Appendix 2 and 3, respectively. Concerning the interviews, the group has conducted them with representatives of some Portuguese MICHELIN Guide restaurants, namely those responsible for choosing the restaurant's tableware service – a process that is sometimes made by chefs themselves, although being often completed by a director or

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manager. In total, 168 restaurants were contacted (in Appendix 1, the name of the contacted restaurants can be found). However, the group was only able to conduct 10 interviews– hence why an online questionnaire with the same questions addressed on the interviews was sent to the restaurants that did not have the availability to do an interview and to those who did not reply after many contact attempts. This led to 19 additional responses, which, summed up with the number of interviews, led to an overall number of 29 collected answers. On the tables below, one can find the MICHELIN Guide category of each of these restaurants, as well as the percentage of Portuguese restaurants from the Guide the group was able to contact (≈17,3%).

Number of Questionnaire Respondents				
2-Star	1-Star	The Plate	Bib Gourmand	Total
3	2	11	3	19

Number of Interviewees		
1-Star	Bib Gourmand	Total
8	2	10

Number of Respondents (Interviews + Questionnaire)				
2-Star	1-Star	The Plate	Bib Gourmand	Total
3	10	11	5	29

Percentage of Respondents (Interviews + Questionnaire)		
Total of Respondents	Total of Restaurants	Percentage
29	168	17.3

Figure 1 - Information on the interviews and questionnaire's respondents

Source: Own Analysis

Furthermore, the team has based the Company Overview and a part of the Market Analysis on insightful documents provided by Costa Verde. The Marketing Strategic Plan for the years of 2019-2021, which was elaborated in 2018 by QSP – Consultoria de Marketing, Lda., was taken into account to elaborate the History, Strategy and Objectives, Sales and Distribution, Advertising and Communications, Promotion and Financial Results topics. Moreover, a study on Costa Verde’s notoriety and its main competitors’ – QSP Check-Up Brand - was used for a more accurate competitive analysis, having also contributed for a deeper understanding of Costa Verde’s current positioning in the market in terms of brand awareness. Finally, the company’s financial reports, from 2017 to 2021 were considered for the Financial Results topic, allowing for a more complete analysis of Costa Verde’s current financial situation, especially in comparison to the years leading up to the Covid-19 pandemic.

4. Company Overview

4.1 History

Porcelanas da Costa Verde, S.A. (Costa Verde) is a Portuguese company that operates in the porcelain industry, being considered one of the most modern companies in the sector worldwide. The firm operates in both the hospitality and the domestic segments, although focusing mainly on the first one. Costa Verde offers a wide variety of porcelain tableware services, while also developing, in occasion, a few decorative pieces with no commercial purpose. The company's history dates back to 1992, the year it started operating. It all began with the dissolution of Quinta Nova, an old Portuguese porcelain company that was bought by the Cerexport business group. The motivation behind this procedure was to merge Quinta Nova with Vista Alegre, the market leader in the Portuguese porcelain market. Meanwhile, after the event was concluded, a few employees decided to leave the company with the aim to found a porcelain factory that would later become Costa Verde. As the original Costa Verde team was already experienced in the market, every employee had valuable knowledge that drove the new company's growth. From the very beginning, Costa Verde has marked its position in the market, through its constitution and shareholder structure. The firm took the ground-breaking decision of inviting the main Portuguese porcelain distributors to participate in the company's share capital, which allowed Costa Verde to face the high entry barriers of the traditional Portuguese porcelain market - which is highly concentrated in the big national player Vista Alegre - more easily. Moreover, by taking advantage of a niche that Vista Alegre was not focused on – porcelain for the hospitality segment – Costa Verde was able to stand up against Asian competition, while sustaining a balance between a continuous, mass production and an innovative design (Nunes 2016).

4.2 Strategy and Objectives

Costa Verde's objective is to become market leader in Portugal, as well as a reference in the international market, in regards to the hospitality porcelain segment, based on clients' and shareholders' satisfaction. In parallel, the company intends to be known as the highest quality producer of Portuguese porcelain, achieved through the implementation of a solid culture of quality, responsibility, and service.

Regarding its objectives, Costa Verde desires to grow in the national market and have a more assertive presence in the international markets where it already operates. Additionally, the firm wants to work towards a bigger brand awareness and an improved image, by elevating its own brand Costa Verde. As a historically export-oriented company, Costa Verde believes that there is a lot of potential in the Portuguese market that has not yet been explored. After two years of high restrictions and limited mobility due to Covid-19, people are starting to feel motivated to travel abroad more frequently and spend money on restaurants and hotels. Hence, Costa Verde can take advantage of the expected growth of tourism in Portugal, as well as of the predicted investments that will be done in both the hotels and restaurants sectors. This way, with the help of its distributors, the company appears to have the conditions to be able to reach a larger proportion of the Portuguese market.

In addition to strategy and objectives, it is important to mention Costa Verde's mission, vision, and values, as they are the core of the company's business and what drives its success. Costa Verde's mission is to be innovative, proactive, and flexible in the creation of products and services that exceed customers and shareholders' expectations, while showing respect for the organisation's internal and external environments (Costa Verde 2022). Concerning its vision, the company desires to be the market leader in the hospitality segment, while simultaneously being a reference as a socially responsible and innovative company. Finally, the firm's values

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are commitment and dedication, flexibility, fairness and honesty, respect for others and the environment, cooperation, team spirit and gratitude.

4.3 Product Portfolio

Over the years, the Costa Verde brand has been growing through the efforts made by the company to launch new lines and collections. So far, two tableware collections have been launched – “Costa Verde” and “Moods” – and can be found on the company’s website (<https://costa-verde.com/>), along with detailed descriptions and various pictures of each line compiled in individual catalogues and brochures. It is important to mention that both collections aim to target the hospitality segment, although they are also adapted for the domestic segment. As this segment values a high level of resistance and durability when it comes to their tableware service, porcelain is the basis of all the brand’s lines, being known for these exact characteristics. Additionally, the company presents the “Gifts” collection, which is dedicated to home décor, namely for special occasions such as Christmas.

The “Costa Verde” collection includes 23 lines (see in Appendix 4) and is composed of various types of products that have a simple yet sophisticated design. In addition, as many restaurants and hotels opt for a “clean look” when it comes to their selected tableware, the company took advantage of the fact that porcelain is originally white, translucent, and soft to produce the “Costa Verde” collection’s products. Three examples of this collection can be found below.



Figure 2 - Examples of lines from the Costa Verde collection

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On the other hand, “Moods” has 11 lines that were designed with the aim of satisfying those clients who desire to make a difference through their tableware services. Hence, these lines include products with different shapes and colours, as a new layer of textures and colour is added to the “base product” (see Appendix 5). This way, hotels and restaurants that are looking for something more unique that matches a more rustic aesthetic will find a match in this collection. Three examples of this collection can be found on the following figure.



Figure 3 - Examples of lines from the Moods collection

For the near future, a new collection – “Terra” – is being developed and will be presented with detail further, as it will be the focus of the group’s project.

In terms of partnerships, London’s Studio Levien has played a crucial role in the growth of the Costa Verde brand. The atelier designs Costa Verde own brand’s lines of products exclusively, while also serving as a consultant for the company and helping with promotional contents. This collaboration has had its origin in the year of 2003, and ever since the efforts of both parties have resulted in many of the company’s best sellers, as well as in the exploration of markets Costa Verde had not explored before the alliance. Moreover, having this relationship with Studio Levin has made Costa Verde more design and technology oriented, as well as more aware of global gastronomic trends. In fact, according to the founder of Studio Levien, Robin Levien, the pair has managed to build a strong and trustful relationship that allowed each party to dedicate itself to what it does best (Costa Verde 2018b).

4.4 Sales and Distribution

Costa Verde's business can be segmented into two main business units: production for third parties (through private label and coffee brands), and production and commercialisation of Costa Verde branded products. Within the former, private label and coffee brands accounted for similar shares of the total business turnover in 2019, whereas the latter represented approximately one-third of the business turnover in the period (Figure 4). Nevertheless, the coffee brands business is predominantly driven by two main clients - Delta and Nestlé Nespresso - which together account for roughly 30% of the company's sales turnover.

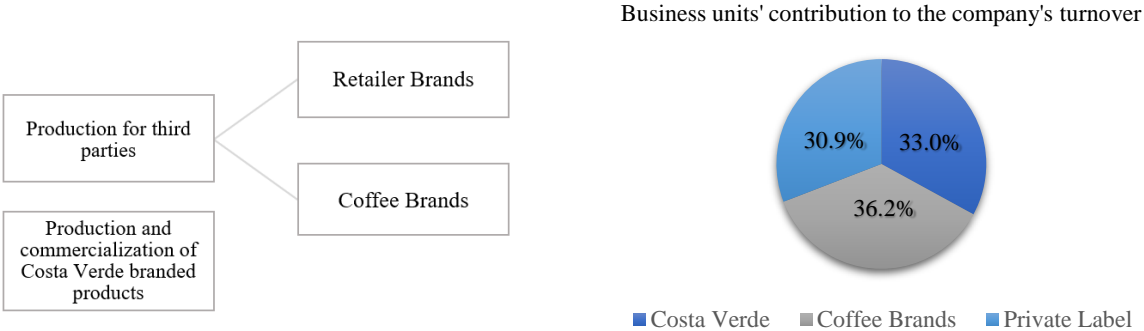


Figure 4 - Costa Verde's business units and their contribution to business turnover, in values of 2019.

Source: Data provided by Porcelanas da Costa Verde (2022)

Although the brand serves both the hospitality and home segments, the vast majority of its sales stem from the former¹. Costa Verde is mainly known in the professional markets, and this is indeed where the company mostly directs its financial and marketing efforts.

In terms of channels, Costa Verde reaches the hospitality and domestic segments mostly through its network of shareholder-distributors, composed of 18 Portuguese partners. With the pandemic outbreak, the company has recently developed an online store, aiming at facilitating access to the brand and getting closer to the final consumers via direct selling. Although hotels and restaurants can also take advantage of this new channel, this method ends up not being so

¹ The company does not own data to allow quantifying the weight of each segment in business volume. However, it is known that over 90% of its distributors' sales come from the hospitality segment.

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cost-effective for them, as the prices displayed on online stores are aimed at the final consumer, and therefore approximately 20 to 30% above the price charged to clients in the hospitality segment (according to Costa Verde). Although the company expects an increase of sales through the online store (€40,000 in sales expected for 2022), the relevance of the channel remains residual when compared to distributors. As already mentioned, Costa Verde has an historical focus on the exports market, which has been generating close to 75% of the company’s turnover. Although more than 90% of the international sales are concentrated in Switzerland, United Kingdom (UK), the Netherlands, Italy, Spain, Denmark, Belgium, and the Unites States of America (USA), Costa Verde reported sales to 26 different countries in 2019.

Costa Verde's sales to the main international markets, in values of 2019												
Market	Switzerland	UK	Netherlands	Italy	Spain	Denmark	US	Belgium	France	Germany	South Korea	Others
Sales	€2,580,000	€1,585,000	€1,006,000	€1,000,000	€672,000	€600,000	€354,000	€339,000	€165,000	€72,000	€60,000	€400,000
Weight	29.21%	17.94%	11.39%	11.32%	7.61%	6.79%	4.01%	3.84%	1.87%	0.82%	0.68%	4.53%

Table 1 - Costa Verde's sales to the main international markets and their respective weights, in values of 2019

Source: Data provided by Porcelanas da Costa Verde (2022)

The Swiss market accounts for the largest share of Costa Verde’s sales - 29% in values of 2019 – which can be explained by Nespresso's invoicing being carried out through its headquarters, located in Vevey, Switzerland. The UK is another market of extreme importance to Costa Verde’s business. In fact, this is due to two big clients – Denby Pottery (tableware brand) and John Lewis (chain of department stores) – that together sum up to over 80% of the turnover in the private label business. On a national level, almost all distribution is carried out through the company’s shareholder-distributors (except for large accounts, such as Delta and Espaço Casa), who, by owning part of the company, have strong incentives to sell Costa Verde's products. This channel is a vital component of Costa Verde’s business, since, even with the increasing importance of exports, it still accounts for about 20% of total turnover (Appendix 6).

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Lastly, Costa Verde relies on a team accountable for ensuring the success of customer relationships in the national market. This is an extremely important part of the prosperity of the business in the national territory, given that their presence in the Portuguese market is mainly sustained by national distributors. In the export market, the company arranges occasional visits to customers, which aim not only to enhance relations between the two parties, but also to prospect and develop sales.

4.5 Advertising and Communications

Costa Verde's marketing communication strategy is mostly planned around its digital channels - apart from its presence in international fairs and other events that aim at promoting and disseminating innovations in the ceramic industry (as will be discussed in more detail later). When it comes to online presence, Costa Verde counts on its website and social media to communicate with its customers and reach new ones. Throughout the years, Costa Verde's website has suffered improvements in order to better cater to consumers' shopping habits and to take advantage of new digital trends. Currently, it can be found online with the domain <https://costa-verde.com/>, which reflects the brand's international reach. Moreover, users can also have direct access to the company's social media. At the moment, Costa Verde takes a presence on Facebook, Instagram, YouTube, and LinkedIn, where the type of content shared and the level of engagement with the users varies (see Appendix 7 for further details).

4.6 Promotion

Ever since its beginning, Costa Verde has invested in participating in events at the national and international level, not only to promote the brand, but also for negotiation and networking purposes with other entities that operate in areas of interest to the company.

The Ambiente Fair, held annually in Frankfurt, Germany, is one such case. It is the largest and most relevant fair for interior design and decoration worldwide and a place of excellence for

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the sector's global trade (Costa Verde 2018a). Costa Verde has been present in every edition, presenting its most recent collections every year. In the last edition, before the Covid-19 pandemic broke out, Ambiente gathered 4,460 exhibitors from 92 countries and attracted over 136,000 visitors from 167 countries (Kilian 2020) (see Appendix 8). Another very important event for Costa Verde is HOST- International Trade Fair for the Professional Hotel Industry, a biannual event taking place in Milan, Italy. This is an international event dedicated to the catering and hospitality sectors. In 2017, HOST brought together 1,800 exhibitors, including Costa Verde, and a total of 135 countries represented (IEP 2017) (see Appendix 9). At a national level, Costa Verde has participated as a collaborator and sponsor of Congresso dos Cozinheiros (CNC)- an annual meeting point of the national gastronomic community. The CNC is the stage for moments of sharing and socialising, but also for debate and cooking demonstrations, usually accompanied by other arts, such as music and crafts (Edições do Gosto 2019). In this year's edition (2022), Costa Verde was present as the only collaborating porcelain brand, lending its branded crockery to the participating chefs (see Appendix 10). Additionally, the company also sponsors the "Chef of the Year" contest, the largest cooking contest for professionals, which has already leveraged renowned chefs in the national cuisine, such as Henrique Sá Pessoa. As one of the main sponsors, Costa Verde offers the winners a porcelain kit (see Appendix 11).

4.7 Financial Results

The analysis of Costa Verde's financial resources aims to estimate the impact of the Covid-19 pandemic on the company, as well as its recovery and current financial strength, to support the recommendations of this marketing plan for the launch of the Terra collection.

In the years before the Covid-19 pandemic, Portugal, as well as the Eurozone in general, had a very favourable economic context, with historically high levels of confidence for businesses. In 2017, the Portuguese economy recorded the highest growth rate since 2000 (Ferreira 2018). The coming years were expected to see a steady continuation of the country's beneficial

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economic and financial environment, boosted by high external demand, the maintenance of interest rates, and a positive international financial environment (Banco de Portugal 2018).

The overall financial and commercial situation of Costa Verde from 2017 to 2019 was favourable, with new billing records each year. In 2019, the company reached a turnover of €14,660,027, which was 4.07% above the previous years. It was expected that this growth trend would persist in the coming years, so a turnover target of around €15,400,000 was established for 2020, corresponding to a percentage increase of 5% over 2019. As for net profit margins, Costa Verde had room for improvement as these varied roughly between 8.88% in 2017 and 4.53% in 2019 (see Table 2).

	2017	2018	2019	2020	2021
Turnover	€13,570,360	€14,087,031	€14,660,027	€9,870,159	€10,169,754
Turnover Growth Rate	-0.90%	3.81%	4.07%	-32.67%	3.04%
Profits	€1,204,816	€1,228,798	€664,024	-€128,033	-€1,102,502
Net Profit Margin	8.88%	8.72%	4.53%	-1.30%	-10.84%

Table 2 - Costa Verde's Turnover, Turnover Growth rate, Profit Level, and Net Profits Margins from 2017 until 2021

Source: Data provided by Porcelanas da Costa Verde

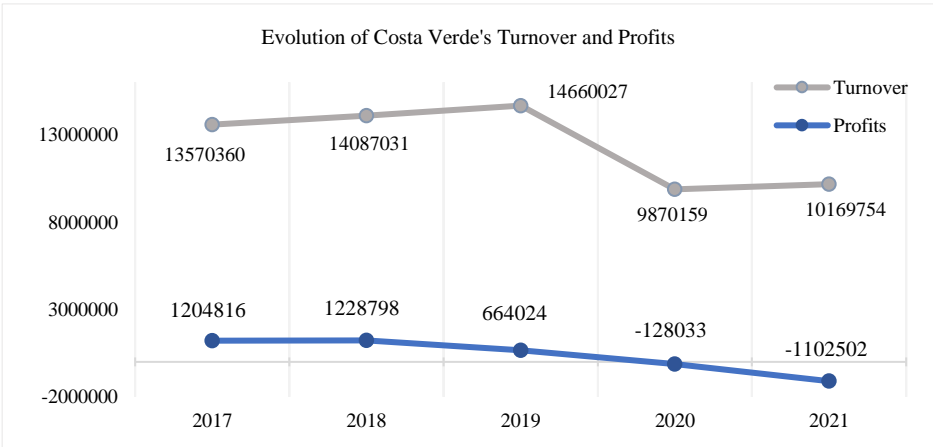
On a national level, 2018 stood out as a year with an unexpected increase in demand and an excess of orders over installed capacity. Consequently, there was a drop in the quality to which the brand had accustomed its customers. Although this scenario was not reflected in the company's turnover in 2018, it implied a 4% drop in the domestic market, compared to the previous year. Given this situation, the company decided to move forward with the expansion of Costa Verde's factory: an investment of around €7,000,000 to increase capacity by 4 million pieces per year. Internationally, there was almost a generalised growth across all markets until 2019 - although in 2019, some international markets suffered a minor drop, but nothing too worrying for the sustainability of the business outside Portuguese borders.

Unexpectedly, in 2020, the Covid-19 pandemic caused an unprecedented global shock. The rapid spread of the virus forced the authorities to take immediate measures to contain the virus, devastatingly affecting global economies. As a result of the restrictive measures, the Portuguese

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economy suffered with paralysis of vital sectors of the economy. Given this situation, Costa Verde suffered immensely in the years of 2020 and 2021 from the effects of the Covid-19 pandemic, which was reflected in the company’s negative margins in both years. After being forced to close the factory in March 2020, Costa Verde later had to readapt to the circumstances, reopening with production capacity reduced to a minimum of 40% of full capacity. The result was a drop in turnover of 33% compared to 2019, corresponding to a shortfall of 38% compared to the goal previously outlined for 2020. In more concrete data, the company reported a drop in the national market in distributors/shareholders of 60% compared to 2019, and a drop of 50% in Delta (a client of extreme importance in the segment of coffee brands). In international markets, this scenario was quite similar, except in the UK and Denmark.

In 2021, the Portuguese economy saw some signs of relief. Due to high vaccination rates, there was a gradual reopening of economic activities, which allowed for an increase in consumption, exports and tourism services in the last quarter (DN/Lusa 2022). Nevertheless, the financial and commercial situation of Costa Verde continued to be quite affected and remained far from the values obtained in the pre-pandemic situation. Following the devastating effects of the Covid-19 pandemic in the hotel and restaurant sectors, Costa Verde reports a catastrophic year in terms of turnover (with a minor growth of 3% from 2020) and a negative net profit margin of 11%.



Graph 1 - Evolution of Costa Verde's Turnover and Profit Level

Source: Data provided by Porcelanas da Costa Verde

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The year of 2022 is estimated to be much more favourable for Costa Verde's business. With growth rates initially projected between 40% and 50%, the company believes it has already resumed its pace of work and, given a significant increase in orders (higher than expected in 2021), the company is confident that it will return to similar turnover values to the pre-pandemic context.

5. Market Analysis

5.1 Porcelain Market

It is relevant to analyse the porcelain market where Costa Verde operates, both at a national and international level. This market analysis will enable a better understanding of the evolution of the market, as well as the identification of possible trends, threats, and opportunities.

Porcelain is a resistant, non-stick material that does not contain perfluorooctanoic acid, which is easy to clean and that absorbs the heat for a long period of time, gradually releasing it. The market size value in 2021 was US\$ 22.1 billion² and the forecast value for 2031 is expected to be US\$ 39.5 billion with a growth rate of 6.3%. In fact, the rise in industries such as hospitality and tourism, aligned with the increase in the overall population and its purchasing power, are indicators of a demand growth in the porcelain market in the next years. Companies are also focusing on sustainable, durable, and quality tableware, with handcrafted designs to meet the expectations of an increasingly luxury-driven target (Transparency Market Research 2022).

Furthermore, porcelain is one of the categories that compose the ceramic market. As such, the latter will also be taken into consideration in order to deepen the analysis. According to the Classification of Economic Activities Revision 3³ (CAE-REV 3), the ceramic market is

² The mentioned values are in US dollars due to lack of available data in euros. As currency rates are very dynamic, the group decided not to convert US dollars to euros.

³ "Classification of Economic Activities Revision 3", abbreviated to CAE-Rev3 is elaborated by INE and establishes the new quadres of Portuguese economic activities in accordance with the Statistical Nomenclature of Economic Activities of the European Community (NACERev.2) and in harmony with the EC regulation n° 1893/2006.

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composed by different subsectors such as: structural ceramic (tiles, ceramic bricks and vaults); floors and coverings; sanitary ware; utilitarian and decorative ceramics (porcelain, earthenware, stoneware, and common clay) and special ceramics (insulated and insulating pieces, ceramics for technical uses, other non-refractory ceramic products and refractory ceramic products) (Portal da Cerâmica 2012). Additionally, details on the international ceramic market can be found in Appendix 12.

5.1.1 Ceramic Market in Portugal

The ceramic market in Portugal can be considered one of the most competitive due to the quality, technological development, prestige and required experience of the professionals. Portugal Ceramics is an organisation promoted by the Portuguese Association of Ceramics and Domestic Glass Industries (APICER) and financed by Compete 2020, Portugal 2020 and the European Union, which aims to promote the quality of the Portuguese ceramic in the international market. By working with national companies, the organisation is a key driver in the export and communication of the Portuguese products to the world, as it validates international indicators of performance, based on factors such as industrial tradition, excellence of production processes, quality, design, innovation, and social responsibility (Portugal Ceramics 2022). Moreover, the signature of “Made in Portugal” enables the brands to be distinguished in a competitive setting, supporting not only their overall image in the international market, but also highlighting the importance of their historical legacy.

The country to which Portugal exports the most is Spain, which can be explained by the proximity and the long-lasting relation between the countries. In second place comes the USA, followed by Italy (Table 3).

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Exported values of tableware, kitchenware, other household articles and toilet articles of porcelain or china by Portugal (in thousand USD)					
Year	2017	2018	2019	2020	2021
World	60,820	76,870	61,426	45,312	58,084
Spain	15,368	19,423	14,117	9,100	11,538
USA	5,538	6,090	4,644	4,893	6,492
Italy	8,341	8,713	6,478	4,135	5,420
Australia	57	51	48	102	5,388
UK	5,283	4,942	4,486	5,624	4,775
France	3,834	5,016	4,322	4,199	3,608
Belgium	6,144	6,089	3,996	3,880	3,028
Denmark	1,243	2,627	2,303	2,299	2,411
Netherlands	1,598	7,277	7,284	1,547	2,115
Germany	1,199	2,064	1,694	1,212	1,290

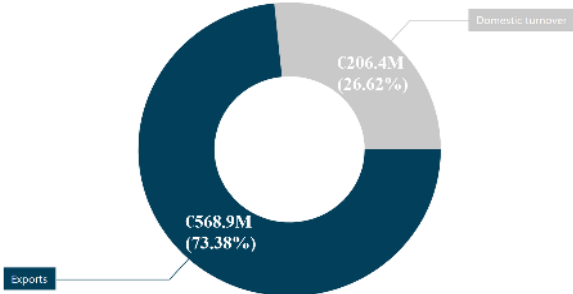
Table 3 - List of importing markets for tableware, kitchenware, other household articles and toilet articles, of porcelain or china exported by Portugal (in thousand USD)

Source: (International Trade Center 2021e)

According to the sector cadres from Banco de Portugal (2021) in Portugal, the number of companies that produced “NACE 234 - Manufacture of other porcelain and ceramic products” was 337 in 2021. As it can be seen in Graph 2, the percentage of exports in the sales was very significant, with a value of 73.38% in the same year. More than half of the production of the ceramic industry, in all of its subsectors, is exported to international markets. This industry has been able to grow a lot due to the international fairs, entrepreneur techniques, and the use of new methodologies in the production process. More and more, the need to innovate and to be the best in the market through specialisation and customisation becomes evident. For Costa Verde specifically, as previously mentioned, close to 75% of its business volume comes from external markets, making €9 million in exports while doing business with the European Union, USA, Japan, South Korea, UK, Switzerland, Denmark, South Africa, Chile, Brazil, Mexico and Angola (CCI 2022). The return on assets of “NACE 234 - Manufacture of other porcelain and ceramic products” has grown 4.2% when comparing with the year before (2020), and 2.7% when compared to two years ago (2019) (check Appendix 13). Furthermore, from Figure 5, all

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sections of assets, equity, liabilities, turnover, and EBITA have increased when comparing 2020 and 2021. Finally, the net income of €75.3 million in 2021 indicates a positive trend in this market (Banco de Portugal 2021).



Graph 2- Weight of Exports in Total Turnover
Source: (Banco de Portugal 2021)

Assets	Equity	Liabilities
€1,203.9M ▲	€534.2M ▲	€669.7M ▲
€1,101.3M	€500.4M	€600.9M
Turnover	EBITDA	Net income
€775.4M ▲	€145.1M ▲	€75.3M ▲
€636.1M	€85.7M	€26.8M

Figure 5 – Year and Previous Years Values
Source: (Banco de Portugal 2021)

Also, according to the same source, the “NACE 234 - Manufacture of other porcelain and ceramic products” is dispersed throughout the national territory. Nevertheless, the industry is mostly in the central area of Portugal and a small portion is located in the north. The region that shows the highest values for “number of companies”, “number of people working at the service” and “sales and services” is Aveiro, where the Costa Verde factory, and some others, are established (check Appendix 14).

5.2 Competitive Analysis

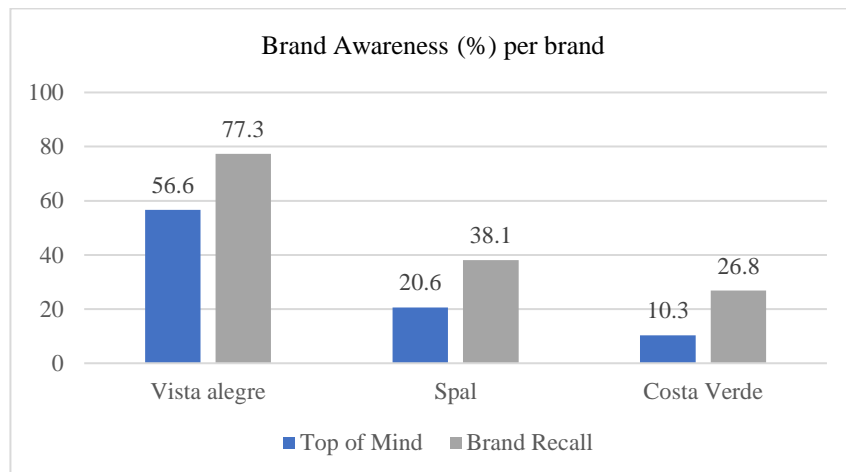
There are already many established players in the porcelain tableware market. From this, one can already conclude that the brands that make up this sector have a unique history and distinctive characteristics, which make this market particularly competitive.

In order to identify the most relevant brands that operate in this market, the group used the insights of the study mentioned on the Methodology section - "QSP Check Up Brand" -, that measured the brand awareness of each of these brands. Brand awareness is measured according to the different ways in which consumers remember a brand. Thus, to measure brand awareness

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effectively, two techniques were used: the top-of-mind technique (TOM), that consists in identifying the first brand recalled when one is asked "Which tableware porcelain brands do you know?"; and the brand recall technique, that allows to identify the brands that consumers remember when asked to list the tableware porcelain brands they remember, without resorting to recall methods.

The analysis of the survey allowed the team to identify the three best-known brands. Vista Alegre came in first place (with 77.3% brand recall and 56.6% TOM), followed by SPAL (with 38.1% brand recall and 20.6% TOM) and finally Costa Verde, which took the third place (with 26.8% brand recall and 10.3% TOM) – as it can be seen on the following graph.



Graph 3 - Brand awareness' percentage of Vista Alegre, SPAL and Costa Verde

Source: Data provided by Porcelanas da Costa Verde

Although Costa Verde ranked third in brand awareness in the porcelain market, which is positive for the company, one must conclude that the difference in performance compared to Vista Alegre is quite significant. In fact, Vista Alegre was mentioned three times more often by respondents than the Costa Verde brand. It is, thus, clear that Vista Alegre is in an isolated position from the rest of the competitors, as SPAL's brand recall was less than half of Vista Alegre's.

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Exploring in more detail the Portuguese market leader, Vista Alegre was founded in 1824 and had the first industrial unit dedicated to the production of porcelain in Portugal (Vista Alegre 2022). By offering a wide range of distinctive products, most of which are developed in collaboration with designers and chefs of national and international renown - combining contemporary design, technical innovation, and the most valuable features that professionals require -, the brand has been able to maintain its position at the forefront of porcelain manufacturing. All of this, aligned with the fact that the brand is extremely responsive to the needs of the sector, has contributed to the strong image that Vista Alegre has built up over the years. It is important to point out the great influence the brand has in the foreign market, as, for instance, more than three quarters of the Vista Alegre Group's turnover of €117 million in 2021 was generated from exports (Vivo/Lusa 2022). As for Vista Alegre's portfolio, it is very differentiated and consists of more than 7,000 product references (online) available worldwide - including products from the tableware, giftware and hotelware segments. The prices charged by Vista Alegre in this segment can be analysed on the Irmãos Peixoto (one of the main Portuguese tableware distributors) website <https://www.ipeixoto.pt/>, by accessing to the professional area. Within the brand's product portfolio, there are pieces that cover a wide price range. This way, despite its premium target, it also offers products at a reasonable price for customers with less purchasing power or with different needs. Among the porcelain pieces, the restaurants can find unit pieces ranging from €1 to €85. As it has been noted, Vista Alegre has a vast coverage of the national and international market, with a strong presence in more than 60 countries, through physical stores or official distributors. In Portugal, there are a total of 33 company-owned stores, in addition to the brand's 52 official distributors spread throughout the country. Vista Alegre has also an online store where consumers can find the brand's product portfolio.

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Moreover, it is also important to analyse the history and strategy behind SPAL's success, another important direct competitor of Costa Verde in the porcelain market. Since its foundation in 1965, SPAL has been designing, producing and distributing porcelain for the domestic and HORECA markets. Alongside the creations of its in-house design studio SPAL Studio, the company frequently collaborates with international designers. SPAL Studio focuses not only on creativity, but also research and development (R&D), which leads to constant innovation (SPAL Porcelanas 2022). Analysing SPAL's portfolio more closely, it can be noticed that despite a broader product range in the domestic sector, most of SPAL's turnover is generated in the hospitality segment. Unfortunately, the price analysis can be done exclusively for the B2C market, as the prices practised in the HORECA market are not accessible online. Therefore, SPAL presents a varied price list ranging from €400 (basic white services) to €800 (services for a decorated table). As for the brand's presence, it has official distributors in more than 45 countries, being the external market responsible for more than half of its revenue. At the national level, it has four physical stores, all of which are aimed at the end consumer and therefore have no stores dedicated to the B2B market. Additionally, consumers can get to know the current collections on the SPAL website, although it is not yet possible to order from there.

6. Terra Collection by Costa Verde

6.1 Terra Collection

Since Costa Verde's porcelain brand in Portugal has earned good reputation in the hospitality segment, it decided to launch its first collection for the fine dining market. In an interview with the company's Marketing director, Paulo Pinto, he revealed that this was something that Costa Verde had wanted to do for many years but had never had the ability and opportunity until now. So, although Costa Verde already has several collections for the HORECA market, these pieces do not meet the demand of top restaurants, such as the ones in the MICHELIN Guide. After 30 years, the company thought it was time to develop a disruptive line that would surpass Costa

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Verde's offering in the HORECA market and that of its competitors. Going even further, Costa Verde realised that they wanted to do it in collaboration with a renowned designer. Born in Spain, Pere Gifre is a San Francisco based artist and engineer who specialises in sculpture projects, scenography, interior, and industrial design and architectures (Sutton Art Consulting 2022). In fact, he seemed to be the right fit for this opportunity, as he is currently undertaking projects with major hotel brands, luxury resorts, and exclusive cruise ships - that are similar to the fine dining market and that require some of the qualities that characterise it, such as exclusivity, elegance and disruption.

Due to the lack of knowledge in the fine dining market, Costa Verde felt the need to have someone to advise them on what kind of products the new collection should have. Thus, the brand contacted two of Portugal's most renowned chefs, Dieter Koschina and Henrique Sá Pessoa, who helped decide which pieces to develop considering what restaurants need and use most in their daily basis. This way, both Dieter Koschina and Henrique Sá Pessoa, chefs of the 2-star MICHELIN restaurants Vila Joya and Alma, respectively, accepted Costa Verde's challenge to collaborate in a "4-part" action - Costa Verde, Gifre, Koschina and Sá Pessoa - to develop a new line for the so-called signature restaurants. After deciding on the pieces to be developed, Costa Verde left the entire creation process to the designer (Gifre) and gave no details about the design of the pieces – not even the concept -, but only, as mentioned above, what kind of pieces they wanted and their characteristics. As with all other Costa Verde collections, the pieces in the collection are made of porcelain, as this is the preferred and unique material the brand works with. Another thing that had been pre-determined internally by the company was that all the pieces must be in a white shade, as Costa Verde believes high-end restaurants prefer to use white tableware - as it adapts to all dishes and can make the food served stand out and shine. Due to the great complexity of the pieces, the development took several months, and, during this process, feedback was repeatedly sought from the two chefs, who

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polished some of the features as needed – “higher”, “lower”, “deeper”, “wider”, “this will not work”, “this is not practical”, etc. The chefs wanted product development to place more emphasis on quality, design, handling (if it was easy for staff to use) and resistance. However, technical factors such as the stacking of dishes was not considered. The designer developed four different concepts: Primitive Collection, Canyon Collection, Spartan Collection and Atlantis Collection. Afterwards, Gifre sent a hand drawing of all the pieces from each concept, and all Costa Verde departments, together with the two chefs, decided to develop a total of ten pieces from three of the four concepts the designer had envisioned - no piece was chosen from the Atlantis Collection. The name “Terra” came about in an internal brainstorming session, since the pieces have a natural, organic, and stony appearance. Furthermore, the company thought this name would facilitate the addition of new pieces to the collection in the future, as "Terra" is a name that can be associated with many elements (air, water, rocks, etc.). The pieces from the Terra collection have already been photographed and three of them can be seen in the figure below. In Appendix 15, pictures of the entire collection are presented.



Figure 6 - Examples of Terra Collection's pieces

With this new collection, the supply chain will remain the same - with the same suppliers and raw materials as their other collections. However, the manufacturing process of this collection compared to others from Costa Verde will be distinctive – as it is much more manual. These pieces require more glazing procedures compared to others. Regarding time, the scale is totally different. In a regular plate, it takes 3 to 5 seconds to decide if the piece is ready. In this kind of piece, it takes one minute, as to assure that there are no imperfections; when adding the glaze,

it also takes 3 to 4 times more time. The required precision and care of a collection like this is not the same as a regular collection for the hospitality industry.

6.2 Opportunity

6.2.1 The Fine Dining Market

Although nowadays going to a restaurant is considered something quite usual, it was only a couple hundred years ago that the idea of one paying to have someone else serve a meal emerged. Fine dining specifically, is a concept whose origin dates to the 18th century, having been driven by the French Revolution. As many chefs struggled after having lost their positions in aristocratic households, cooking private dinners for wealthier people became an option. Having taken this opportunity, many chefs started to open their own restaurants, that were hugely influenced by the upper-class style. This included private tables, fine china tableware, as well as beautiful cutlery and tablecloths (Writer 2021).

As travelling became more and more common, especially due to modern technological progresses, the concept of fine dining soon arrived at the whole European continent, and, progressively, to the rest of the world. In fact, over the past few years, tourism has been a phenomenon that massively contributes to global economic growth. One can easily understand the importance of this growth when comparing the forecasted global total consumer spending on restaurants & hotels registered in 2010, of US\$ 2,688,181 million⁴, with the one registered in 2019, of US\$ 3,849,625.65 million (Statista 2021b). As for the Portuguese market, the same indicator registered a value of US\$ 16,968.73 million in 2010, against a value of US\$ 22,964.37 million in 2019 (Statista 2021a), indicating a growth of approximately 35.33%. Aiming to take advantage of this opportunity, many new businesses have been opened in the last few years in the HORECA market, as investors saw a great potential in tourism. On the other hand, already

⁴ The mentioned values are in US dollars due to lack of available data in euros. As currency rates are very dynamic, the group decided not to convert US dollars to euros.

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existing ones took risks in order to grow, as is the case of Costa Verde – that intended to heavily invest in the Portuguese market, which would be translated into higher revenues, visibility and prestige of the Costa Verde brand.

Restaurants & hotels total consumer spending forecast from 2010 to 2019 (in million US dollars)										
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
World	2,688,181	2,969,052.74	3,059,832.34	3,181,350.28	3,328,738.4	3,264,721.53	3,349,892.27	3,556,496.3	3,773,238.91	3,849,626.65
Portugal	16,968.73	17,621.86	16,285.31	16,777.63	17,956.88	16,011.79	17,386.14	19,754.02	22,669.78	22,964.37

Table 4 - Forecast of the total consumer spending on restaurants & hotels in the World and in Portugal from 2010 to 2019
Source: (Statista 2021b; Statista 2021a)

After the year-on-year growth of the restaurant sector, 2019 was, for many countries, when restaurant revenues reached their highest level and prospects for the following years were very positive. However, with the unexpected breakout of the Covid-19 pandemic, many establishments were obliged to close and those who were not struggled to keep operating - as imposed measures prevented people from going outside their households. Even though the restaurants & hotels businesses were able to slightly recover in 2021, there is still a long way to go until previous years’ results are reached. Nonetheless, the expectation is that, by 2023, the forecasted total consumer spending on restaurants and hotels will surpass 2019’s values worldwide, with very positive growth prospects from then onwards. In Portugal’s case, this is predicted to happen by 2024, and the same future tendency is expected.

Restaurants & hotels total consumer spending forecast from 2019 to 2025 (in million US dollars)							
Year	2019	2020	2021	2022	2023	2024	2025
World	3,849,626.65	2,898,901.27	3,300,533.48	3,648,806.77	3,980,523.34	4,329,940.56	4,700,686.26
Portugal	22,964.37	13,065.36	14,786.35	17,763.59	20,473.05	23,340.91	26,295.1

Table 5 - Forecast of the total consumer spending on restaurants & hotels in the World and in Portugal from 2019 to 2025
Source: (Statista 2021b; Statista 2021a)

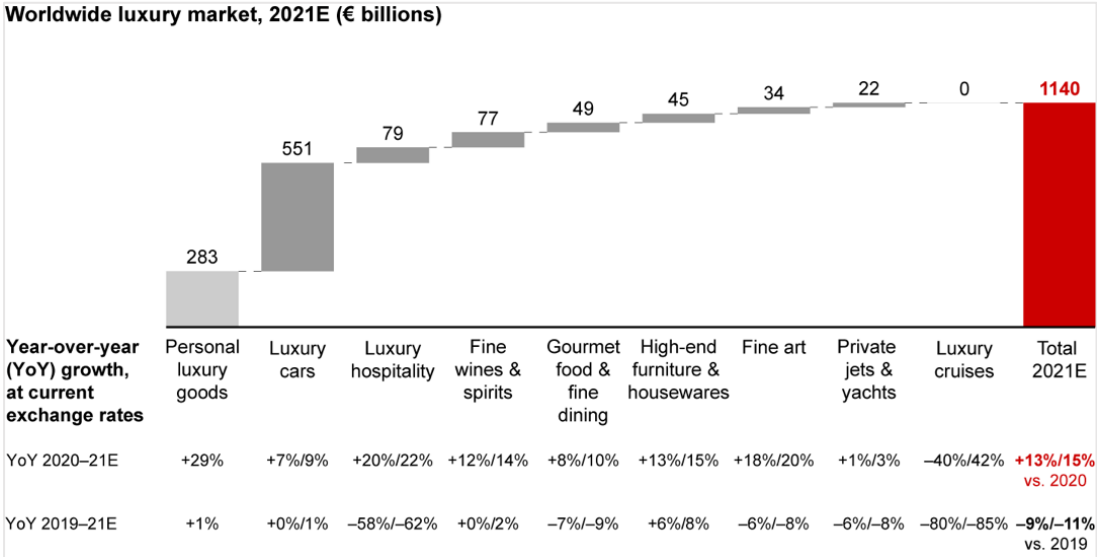
In addition to the tourism phenomenon, one must also consider the growth of the luxury market throughout the years, which indicates that people are more and more willing to pay for a luxury

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good or a luxury experience. Although the luxury market could not escape from Covid-19's negative impact, a relatively quick recovery has been experienced, namely due to three factors: the reawakening of Chinese and American spending, the increasing supremacy of millennials and Generation Z, as well as the growing power of the online channel (Statista 2022). Between 2022 and 2024, values are expected to return to the ones registered in 2019. According to D'Arpizio et al. (2021), the overall luxury market grew back by 13% to 15% in 2021, to €1.14 trillion, although being 9% to 11% below 2019's levels. It is important to notice that this growth tendency has been the same for each luxury segment ("Experience-based goods", "Experiences" and "Personal Goods") when considering the years that preceded the Covid-19 pandemic (see Appendix 16 for further details).

Regarding the "Gourmet food and fine dining" segment (included in the "Experiences" segment), and as shown in the figure below, a market size of €49 billion was estimated for 2021, which represents a growth of 8% to 10% at current exchange rates in comparison to 2020, but less 7% to 9% than in 2019 (D'Arpizio et al. 2021) (see Graph 4). This shows that although fine restaurants suffered from lockdowns that prevented people from going to these establishments, they were able to rebound once imposed measures were eased. According to TechSci Research (2022), the global fine dining restaurants market is expected to grow at a stable Compound Annual Growth Rate (CAGR) for the period of 2023-2027. As possible explanations for this growth, the research pointed out the emergence of full-service restaurants with fine dining services across the globe, the increasing leisure travel and desire to experience new foods in a new environment, as well as a raising interest in less processed meals made with high quality ingredients.

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Graph 4 - Worldwide luxury market, 2021E (€ billions), by segment

Source: (D'Arpizio et al. 2021)

As for the future, José Rodrigues, the person responsible for the whole creative process of Michelin Feitoria, from Altis Belém, quoted that “fine dining will always evolve, because the way we eat is based on social models, in the way we behave with ourselves and with others, in what we want and what we think” (Amado 2020). Due to this ever-changing characteristic of the fine dining market, one must always keep updated with new trends and prospects. Especially after the Covid-19 crisis, fine dining has become all about creating something unique and impactful from a simple product, driven by creativity and open-mindedness. It is also crucial to consider the importance of the online, as social media allows restaurants to reach new potential customers while building a stronger brand image that will translate into lucrative opportunities for growth. Although fine dining restaurants have a very strong offline presence and heavily invest in the excellence of the offered service (The Best Chef 2021), it is becoming a necessity to close the gap between the online and the offline. Hand in hand with the growing importance of the online is the importance of the adoption of new initiatives and technologies.

6.2.2 The MICHELIN Guide

In 1900, André and Edouard Michelin published the first free MICHELIN guide, conceived to “encourage more tourists to take the road using a little red guidebook”. As the brothers were the owners of a tyre company, the end goal was for more people to drive and, consequently, wear out their tyres more rapidly, this way boosting car and tyre sales. (MICHELIN Guide 2022a)

Inside this guide, one could find useful information for travellers, such as maps, basic mechanics, places to rest and establishments to eat (Joan 2021). As time went by and the guide’s influence began to grow, a team of “mystery diners” – the now called restaurant inspectors – was recruited with the aim of visiting and reviewing restaurants anonymously (MICHELIN Guide 2022a). Later, as a result of the success and prestige the guide achieved throughout the years, the necessity of distinguishing and categorising the restaurants that were included in the guide emerged. Hence, in 1926, the MICHELIN Star recognition system was created, although initially only including the one-star rating. Five years later, restaurants were already classified up to three stars, with the third star being considered the highest honour a restaurant can achieve. In the world of fine dining, MICHELIN Stars could be described as “a dream come true”, as they not only award restaurants with a high level of prestige, but also contribute for a growth in customers – a 20% increase after gaining the first star and a 40% increase after the second - and a higher level of quality in applicants for a certain job in the restaurant (Joan 2021). In terms of criteria, five aspects are considered, namely the quality of the ingredients used, the mastery of flavour and cooking techniques, the personality of the chef in his cuisine, the value for money and consistency between visits (MICHELIN Guide 2022b).

Along the years, as the MICHELIN Guide became a best-seller throughout the world, a few categories were added to the initial ones. In fact, in 2022 the guide already distinguishes restaurants using mainly six different classifications. Until 1931, the stars were the only

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nomenclature used to classify restaurants. Later, in 1997, a new designation was debuted in the MICHELIN Guide, the Bib Gourmand – that highlights restaurants that offer exceptionally good food at a reasonable price. In this case, restaurants must offer menu items which are priced below a maximum determined by local standards (MICHELIN Guide 2022b). In 2018, a new category emerged – the MICHELIN Plate –to nominate “restaurants where the inspectors have discovered quality food” (Judkis 2017). Finally, in 2020 the latest award arose – the MICHELIN Green Star –, that highlights restaurants who stand out for their sustainable practices (MICHELIN Guide 2021). They distinguish themselves for following high ethical and environmental standards, showing investment in a more sustainable cuisine that aims to protect natural and local resources.







	1 MICHELIN star: high quality cooking. Worth a stop!
	2 MICHELIN stars: excellent cooking. Worth a detour!
	3 MICHELIN stars: exceptional cuisine, worth a special journey!
	Bib Gourmand: the ones with the best quality-price ratio!
	MICHELIN Plate: recommended restaurant
	MICHELIN Green star: gastronomy and sustainability

Table 6 - The MICHELIN distinctions
 Source: (MICHELIN Guide 2022b)

6.2.3 The European MICHELIN Restaurants Market

As previously mentioned, the MICHELIN Guide aggregates all the fine dining restaurants that stand out from the others – whether that is due to their high-quality food, great price-quality ratio or high concern for sustainability. Thus, one can conclude that the MICHELIN restaurants market (that includes all the restaurants included in the guide) is very representative of the actual fine dining market. Therefore, by doing an analysis of each country’s MICHELIN restaurants market, one is given a good indicator of the size of the fine dining market.

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As mentioned in the “Methodology” chapter, 10 interviews were conducted with representatives from MICHELIN Guide restaurants, and 19 responses were received through the fulfilment of an online questionnaire. Once the group analysed all the responses and additionally met with Costa Verde’s Marketing Director to discuss this topic, it was possible to understand that personal contact is of great value in this very exclusive market. In fact, when confronted with the question “what is your preference regarding the ordering process?”, 100% of the respondents answered that they prefer to have an initial in person contact, whether with a representative of the brand or a distributor. As in this type of market every detail counts, the ones responsible for this process value having someone who can present the catalogue, show the finished products, and even clarify some aspects of the creative and production process of the tableware pieces.

The launch of Terra Collection will be Costa Verde’s first attempt at entering the fine dining market, which is indicative of the little experience the company has in the market. Although results look very promising, the firm needs to be cautious and should keep costs under control as much as possible. Hence, considering the fact that there might be a lot of personal contact between the restaurants and Costa Verde, the group believes that Europe should be the focus of the company when first launching the collection. Assuring the presence of representatives outside Europe would be highly costly and would not benefit Costa Verde’s positioning in the fine dining market. Besides that, even when this process is made through distributors, Europe is still the safest choice to start with – as Costa Verde distributors’ network is mainly Portuguese. Therefore, an analysis of the European MICHELIN Guide was conducted, in order to assess each country’s number of restaurants from all MICHELIN categories, in 2022. It is important to refer that, when elaborating Table 5, the group only considered the Green Star restaurants that do not belong to any other MICHELIN Guide category. This was done to avoid duplicates, as some restaurants can simultaneously belong to the Green Star category and one

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of the others. For instance, the two Portuguese Green Star restaurants are also MICHELIN-starred - so the number of Green Star restaurants considered was 0. For a more complete analysis of the Green Star category dimension, see Appendix 17.

Through the analysis of the present table, it is possible to conclude that the French MICHELIN restaurants market completely stands out in comparison to the remaining countries, being the country with the highest values both in the market as a whole and in each individual category.

Germany takes second place, followed by Italy, Spain and the UK.

Countries	3 Stars	2 Stars	1 Star	Bib Gourmand	The Plate	Green Star	Total
Andorra	0	0	1	1	3	0	5
Austria	1	6	10	11	45	0	73
Belgium	3	22	108	137	516	4	790
Croatia	0	0	10	12	61	1	84
Czech Republic	0	0	2	5	20	0	27
Denmark	2	8	19	15	50	7	101
Estonia	0	0	2	5	22	2	31
Finland	0	1	6	2	16	1	26
France	31	73	517	436	2013	17	3087
Germany	9	44	264	288	697	24	1326
Greece	0	1	8	3	15	0	27
Hungary	0	0	7	0	12	0	19
Iceland	0	0	2	0	3	0	5
Ireland	0	4	14	18	86	1	123
Italy	11	38	320	247	1380	5	2001
Luxembourg	0	1	7	8	38	0	54
Malta	0	0	5	4	22	0	31
Netherlands	2	21	93	110	291	4	521
Norway	1	1	12	3	24	7	48
Poland	0	0	1	5	25	0	31
Portugal	0	7	26	35	100	0	168
San Marino	0	0	1	0	0	0	1
Serbia	0	0	0	1	13	0	14
Slovenia	0	1	9	7	40	1	58
Spain	11	33	181	243	803	0	1271
Sweden	1	4	16	12	37	2	72
Switzerland	4	25	109	140	260	8	546
Turkey	0	1	4	10	38	0	53
United Kingdom	8	18	145	100	863	18	1152
Total	84	309	1899	1858	7493	102	11745

Table 7 - Number of restaurants included in the MICHELIN Guide in 2022 by European country and by category

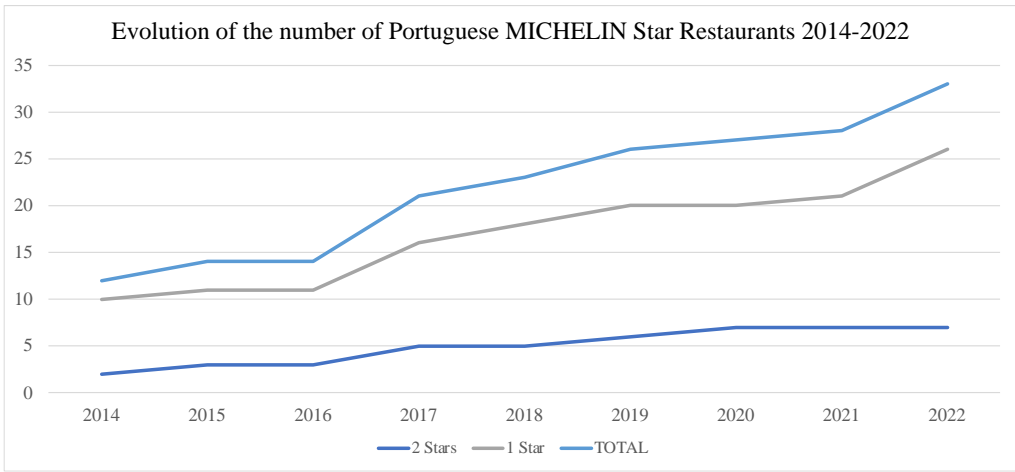
Source: Data retrieved from The MICHELIN Guide website (<https://guide.michelin.com>)

6.2.4 The Portuguese MICHELIN Restaurants Market

Over the past few years, the Portuguese MICHELIN restaurants market has been growing considerably driven by the will to experience completely different things, that are more sophisticated and outside of one's daily routine, like dining at a MICHELIN star restaurant. As

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it was not possible to have access to all MICHELIN categories’ growth throughout the years, the group took the evolution of the Portuguese MICHELIN-starred restaurants as an indicator for the abovementioned growth. While in 2014 Portugal only had two restaurants awarded with two MICHELIN stars and ten with one MICHELIN star, in the current year, 2022, the scenario is completely different, as it now counts with seven 2-Star MICHELIN restaurants and 26⁵ 1-Star MICHELIN restaurants (Graph 5). These numbers indicate a growth of 175% of the total number of MICHELIN-starred restaurants in Portugal.



Graph 5 - Evolution of the number of Portuguese MICHELIN Star Restaurants 2014 - 2022

Source: (Canavan 2013; Shah 2014; Visit Portugal 2015; Filloon 2016; Silva 2017; ECO 2018; MICHELIN Guide 2019; MICHELIN Guide 2020; Ribeirinho 2022)

In 2021, a magazine specialised in cuisine topics, Chef’s Pencil, conducted research with the aim of finding which countries have the least and most expensive two-starred and three-starred restaurants. With this goal in mind, the top tasting menus – usually 8-12 courses served at dinner – of 450 restaurants from these categories were examined. In comparison to the MICHELIN restaurants markets from the rest of the world, Portugal was considered the fifth country with the most accessible menu (on average and excluding other costs except for the meal). While,

⁵ On the 23rd November it was announced that, in Portugal, five new restaurantes have now been awarded with one MICHELIN Star. Therefore, at the moment there are in total 31 1-Star MICHELIN restaurants. However, since these news came out on the final stage of this project, the group’s analysis considers the previous numbers to this date’s.

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on average, the price of a top tasting menu of a two-starred restaurant is US\$ 252 worldwide, the price for the same in Portugal is around US\$ 217 (see Table 8).

Thus, these values are indicative of the great opportunity that exists in the Portuguese market, where one can enjoy a memorable dining experience at a reasonable price, comparing to same-category restaurants from other countries. (Chef’s Pencil Staff 2021)

Top 10 most affordable countries to dine-out at a top-rated MICHELIN restaurant										
Ranking	1	2	3	4	5	6	7	8	9	10
Country	Thailand	Ireland	South Korea	Taiwan	Portugal	Spain	Belgium	Austria	Netherlands	Germany
Tasting Menu (Average Price in USD)	\$173	\$212	\$213	\$213	\$217	\$218	\$224	\$230	\$236	\$247

Table 8- Most affordable countries to dine out at a top-rated MICHELIN restaurant

Source: (Chef’s Pencil Staff 2021)

6.2.5 Opportunity Size

In order to assess whether there is an opportunity worth exploring in the MICHELIN restaurants market, it is important to study Portugal’s market opportunity size.

First, it is important to notice that one must consider each MICHELIN Guide category’s characteristics⁶, as different factors influence the tableware purchase process depending on the category. To begin with this analysis, it is crucial to understand how many units of each tableware piece are usually bought by restaurants. On the conducted interviews to MICHELIN-starred restaurants, chefs, restaurant directors and managers (depending on who the person responsible for the tableware purchase decision is) were directly asked this question. Although answers varied mostly between a range of 15 to 40 units, a common specificity stood out. Opposite to traditional restaurants, where having a large number of units of each piece is the rule, fine dining restaurants only choose to keep the necessary number of units to satisfy the number of clients they serve each day. In fact, while traditional restaurants usually serve

⁶ The Green Star category will not be considered in this analysis, as in Portugal’s case the two restaurants awarded with this nomenclature are, simultaneously, MICHELIN-starred restaurants.

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lunches and dinners with a very high client rotation that requires restaurants to always have a “spare plate”, MICHELIN-starred restaurants most commonly only serve a single group of customers each lunch and dinner. Additionally, dinner is often the only time these restaurants serve. Thus, when it comes to the tableware purchasing process, each tableware piece is already bought in the amount that fits the restaurant’s full capacity, considering its low rotation – hence why a smaller number of units is required. Considering the responses gathered in this category, an average of 39 units bought of each piece will be used for the following calculations. Regarding The Plate restaurants, a similar rationale might be considered. However, as this category includes a much larger number of restaurants, the group received more diverse answers. Although many operate the same way as MICHELIN-starred restaurants, others have a higher rotation of clients – which implies larger amounts of units bought. This was translated into a slightly higher average of units bought of each design, namely 42. Nonetheless, the biggest discrepancies the group could find were on the Bib Gourmand category. While some restaurants follow an identical approach as the other categories and opt for a smaller number of units bought of each piece (e.g. 25), others walk towards the reality of more traditional restaurants (e.g. 250). Accordingly, an average of 116 units bought of each design was taken into account.

After this, one must infer the expected number of pieces each restaurant will be willing to buy. By pieces one is referring to specific place setting pieces (e.g. soup bowls, gravy boat, etc.). To build this reasoning, the group questioned the importance of exclusivity for this type of restaurant. From the collected responses, it was concluded that owning a unique set of tableware is “very relevant” or “relevant” for approximately 38% of the MICHELIN-starred restaurants, 45% of The Plate restaurants and 80% of the Bib Gourmand restaurants. From the restaurants that considered this factor to be “relatively relevant, but not crucial” (namely 54% of the MICHELIN-starred restaurants and 18% of The Plate restaurants), it was mentioned various

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times how this would become a problem if the tableware became popular or if a restaurant nearby (in the same region) would purchase the same tableware selection. Therefore, the group considers that this preference will be reflected on the number of pieces bought from the Terra collection, as buying a lot of pieces would translate into a higher risk of having the same ones as other fine dining restaurants. In addition, when confronted with the question “In case you are a chef, do you firstly choose the tableware service and then idealise the plating, or vice versa?”, 24 out of 29 respondents claimed that they “idealise the plating first”. For instance, the Marketing Director of Kabuki Lisboa (from the “the Plate” category) affirmed the following: “The restaurant’s brand image is very much related to the way the plate is presented – for us, maintaining our personality unique is crucial and that is also transmitted through the plating”. Thus, it is natural that only a few designs from the Terra collection are a suitable fit for a restaurant – which ends up limiting the number of pieces bought from the same line. Finally, after discussing this matter with the Marketing Director of Costa Verde, the group got confirmation that, indeed, the number of purchased designs is expected to vary between 1 and 3. Therefore, as a result of all the insights collected both from the restaurants’ chefs and a Costa Verde representant, an average of two pieces bought will be considered for further calculations. Once one has estimations for both the number of units of each tableware piece usually bought by restaurants and of the number of pieces each restaurant is expected to buy, the opportunity size – considering a 100% penetration rate - can be estimated. This can be done by first multiplying the number of restaurants of each category for each of these two metrics, and finally summing up all the values: $(7 \times 39 \times 2) + (26 \times 39 \times 2) + (35 \times 116 \times 2) + (100 \times 42 \times 2) = 19,094$. In summary, the group’s analysis suggests an opportunity size for the Terra collection of 19,094 units to be sold.

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	2 Stars	1 Star	Bib Gourmand	The Plate	Total
Number of restaurants	7	26	35	100	168
Units of each tableware piece usually bought (on average)	39	39	116	42	
Number of pieces each restaurant is expected to buy	2	2	2	2	Total
Opportunity Size	546	2028	8120	8400	19094

Table 9 - Portugal's opportunity size (at full capacity and in terms of units sold)

Source: Own analysis

7. Terra Collection’s Objective

7.1 Costa Verde’s Perspective

In order to have a better understanding of the collection and gain useful insights about its strategy of implementation, interviews with representatives of different departments of Costa Verde were conducted. These interviews allowed an enriched perspective, as it was possible to gather information regarding the overall goal of the collection and the opinions about it inside the company. The interviewees were Paulo Pinto, the Marketing Director, Carlos Teixeira, President of the Administration Council, Martinho Gonçalves, Production Director, and Agostinho Silva, Chief of the Commercial Services.

In fact, all departments inside the company agree that this collection is the most disruptive Costa Verde has ever produced and that it is the starting point for entering the fine dining market while elevating and boosting the brand. It is evident that the company should work as a unified team in all fronts to be able to deliver the best results. The perceived image of Costa Verde, that usually produces in scale, will change to be seen as a company that is able to innovate and have audacious collections in the future, along with the work of the IDI department – said Martinho Gonçalves, the Production Director. Also, according to Paulo Pinto, the success of the collection will be based in the push of the brand and the brand awareness it generates. Costa Verde has the potential to be served at the best restaurants in the world, however, the only barrier is the fact that higher-end restaurants still do not consider the brand for their purchases.

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As mentioned by Carlos Teixeira, nowadays consumers are looking for experiences, and the gastronomic visit to a fine dining restaurant is no exception. Furthermore, the President of the Administration Council stated that the sustainability factor of the collection is extremely important, as customers search for unique pieces that are made according to their values and beliefs. So, the fact that the pieces are carefully produced, almost as in the traditional pottery, is a key point. It is also clear inside the company that if they are able to enter correctly in the market, this will be the first of many opportunities to come in the fine dining market. In fact, Costa Verde hopes to keep adding more pieces to the collection each year, in collaboration with different chefs every time. Additionally, Agostinho Silva, the Chief of the Commercial Services, reinforced that although the main objective of the Terra collection is not to increase profits at its core, Costa Verde still desires and expects to have a high commercial return.

All in all, the expectation of all departments of Costa Verde is aligned and relies on the fact that this collection will elevate the brand, as it was produced by a designer with a great reputation and in collaboration with the two MICHELIN chefs – and works as an entry point into the fine dining market.

7.2 Business Proposition Hypotheses

In order to successfully market the Terra collection, Costa Verde must be aware of the different factors that play in the choice of tableware for the various fine dining restaurants and how they might require a different market approach. Having a clear understanding of how this market works will allow for defining a suitable strategy to leverage Terra and with that attain Costa Verde's goal of elevating its brand. Before jumping into some of the possible paths to reach this goal, it is important to first understand what is intended by the expression "elevating the brand". At its core, this expression is connected with the concept of brand equity, which simply put can be thought of as a brand's worth or value. Although measuring a brand's equity can be extremely challenging, Kapferer and Bastien (2012, 127) have stated in one of their most

notable books – The Luxury Strategy –, that to deal with this issue, companies often ask four different parameters: awareness of the brand, level of consideration (“Would you consider purchasing this brand next time?”), behaviour (“Have you ever purchased this brand?”), and the brand’s ability to create fanatics. Hence, Costa Verde aims to positively impact these four brand equity dimensions with the launch of the Terra collection in the fine dining market. Having this in mind, the following three hypotheses were elaborated to represent distinct approaches to attaining the collection’s commercial purpose of elevating Costa Verde.

7.2.1 Lower Exclusivity Hypothesis

The first hypothesis can be broadly characterised by the ease of access to most restaurants within the fine dining market, i.e., restaurants included in the MICHELIN Guide. Despite marketed toward these high-level establishments, there is not a clear, narrower target for any of the MICHELIN Guide categories. Therefore, this approach aims at achieving a uniform, non-discretionary adoption of the Terra collection by the largest scope of restaurants within this market. To this end, a widespread, multi-channel distribution strategy would be put into motion, through both online and offline channels, in order to deteriorate barriers to access. What is more, with this approach, direct selling to all clients would be neither feasible nor a need, given not only the large scope of the target but also the fact that most restaurants usually buy from distributors. When it comes to prices, Costa Verde would have to price this collection below other competitors in the fine dining market to encourage these restaurants’ first purchase and, after that, possibly build a loyal customer base.

7.2.2 Medium Exclusivity Hypothesis

The second approach is characterised by a primary focus on restaurants with a higher purchasing power⁷ - and therefore usually associated with a higher prestige -, intended to

⁷ This concept will be further explained in detail.

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concede the Terra collection a certain sense of exclusivity. By being aimed at these restaurants, the Terra collection might bring out new brand associations for Costa Verde in the minds of the consumers related to superior quality and status, which ultimately will increase the desire for the brand. Nonetheless, this approach does not intend to restrict access to the collection for “lower-end” restaurant categories within the fine dining market - for instance, some Bib Gourmand restaurants -, but instead to differentiate the way of access to the collection of higher and lower purchasing power restaurants. As concluded in the conducted market research, for all MICHELIN Guide restaurants, there is a clear preference for direct contact with the brand, especially when purchasing from a brand for the first time. Given the clear prioritisation of this type of restaurants, direct selling should be the main go-to approach to the primary target, either with online or offline channels (preferably in person, through a brand representative). On the other hand, distributors should be considered when selling to the remaining MICHELIN Guide restaurants. The pricing established under this approach must balance the sense of exclusivity aimed at the Terra collection, as well as the fact that this is the first attempt of Costa Verde to penetrate this specific market. Hence, it would be advisable to define a price point that is similar (or slightly below) to the main competitors’ in the fine dining market.

7.2.3 High Exclusivity Hypothesis

The last approach is characterised by a full focus on the restaurants with higher purchasing power, aiming at approaching the market with a luxury positioning strategy that exalts the exquisite craftsmanship, the exceptional quality of the materials, and also the aesthetics in the unique design of the Terra collection. Directing all marketing efforts towards this narrow target will build on a sense of high exclusivity, which can be further manipulated by constraining the accessibility to the collection in the market. This will be done in two ways: by limiting the distribution of the collection and by setting a high price level, allowing Costa Verde to have better control over who is buying the collection. More specifically, the brand should have full

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control over the distribution of this collection in the fine dining market, and sales should be conducted through a brand representative. In this case, the brand's online channel must not be considered in terms of sales – only serving for displaying purposes -, so that proximity to the clients is a major focus and Costa Verde can better ensure a top-notch experience for them. The price, being one of the main waivers of quality to consumers, must also reflect the high exclusivity of the Terra collection. As the aim of this approach sits far from selling high volumes, the price point should be set independently of the main players in the fine dining market. When aligning the restricted access to the widespread awareness of the collection (achieved with a strong communications plan), Costa Verde will then be able to increase the desirability of its brand.

7.3 Objective and Conclusion

When considering the Lower Exclusivity hypothesis, there is an inherent intention to give up a more appealing margin in order to sell in higher volume. Consequently, it would be expected a wider adoption by a larger and more diverse scope of restaurants, given the ease of access to this collection - both in terms of distribution/availability and price range. However, trying to fit a diverse scope of restaurants within fine dining may cause the collection to lose its relevance in terms of elevating the Costa Verde brand. The probability of Terra being perceived as just "one more" collection in the market would be rather high, since this approach would not allow emphasising its strong and distinctive points, such as its unique design by Gifre and the sponsorship of renowned chefs. Moreover, the lack of exclusivity could be a major obstacle to selling to the "higher-end" restaurants, which often value the exclusivity of their tableware almost as much as the food they serve on it. Losing this category of customers would mean losing great potential in attributing value to the brand, since these restaurants are internationally recognised and would give a lot of exposure to the brand.

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On the other side of the spectrum, the High Exclusivity hypothesis goes in the opposite direction and highlights all the attributes of the collection while nurturing its sense of exclusivity. Nevertheless, although the strict focus on “upper-end” restaurants might uplift the brand to a higher status, Costa Verde still lacks the required brand awareness and experience in the fine dining market to make this approach work. This is true since these restaurants first need to be able to recognise the value that Costa Verde places on the collection, since most of them still do not consider it a valid brand option for the fine dining market. To be successful in the implementation of this luxury positioning strategy, the brand needs therefore to first gain the credibility, desirability, and trust of the top restaurants, to justify the high price point.

Hence, the Medium Exclusivity hypothesis seems to be the most adequate and realistic for a first approach to the fine dining market. This approach ends up making the bridge between the two extremes mentioned above, joining together the positive aspects of each. Besides allowing for a more careful approach to “higher-end” restaurants of the MICHELIN Guide, it does not close doors to other fine dining restaurants that value having distinguished tableware and are willing to pay extra for it. Given that Terra is the first-ever Costa Verde collection launched in the fine dining market and that the brand is not a typical go-to choice of these high-end restaurants, it is crucial to start by creating an incentive that pushes these restaurants to try the brand and become familiar with it. Consequently, only after proving its value and building a solid customer base in this specific market could Costa Verde pursue a more exclusive, luxury position. Therefore, a not-so-aggressive approach will allow for a more gradual penetration into the market, with room for growth with the launch of new products after building relationships of trust and loyalty with these restaurants.

8. Branding Strategy

This topic will discuss the extent to which the new Terra range will have an impact on the Costa Verde brand. It will be decided how it will be included into the Costa Verde portfolio, that is, whether it will be integrated into the Costa Verde collection, whether a new collection or even if a new brand will be created. Regarding the hypotheses inside the process of creating a new brand, the advantages and disadvantages of doing so and the type of brand architecture that would be most beneficial for the new collection will be debated. Later, the name will also be discussed and other decisions that may surge depending on the direction to take.

8.1.1 New lines and old lines: the virtuous circle

First, it is important to understand that this collection not only enhances the brand - gaining a reputation among the upscale restaurants - but also serves to expand Costa Verde's portfolio. New products mean new consumers, new peripheral values for the brand, leading to innovation. Ultimately, this is what makes a brand survive. According to Kapferer (Kapferer 2012, 204–6), this is called the "virtuous circle". It relies on the fact that there is a virtuous circle between new and old products, with the latter bringing profits and financing the former. From this, one can conclude that old products are extremely important, because without them there would be no brand innovation. This way, it is safe to say that a brand is a careful balance between maintaining, nurturing, and consolidating the brand base, while on the other hand, the creation of new products leads to innovation, attracts new customers, and enables the brand to operate in new segments. Furthermore, the success of the company depends equally on these two factors, hence why it is called a virtuous circle.

8.1.2 Creating a new brand

The purpose of the new collection, as already explored, is related to the premiumisation of Costa Verde, that is, a process through which a brand ends up being recognised by consumers as a premium brand with higher value and a greater substance. Considering that with the launch of this collection the brand is aiming to reach customers in a higher-end segment, it would be expected that the first hypothesis to explore is the creation of a new brand. This would allow this new collection to stand out from the other Costa Verde's collections, thus creating a clear separation between them - since the older ones are more accessible, to achieve a higher number of customers.

8.1.2.1 Brand Architecture

The process of creating a new brand is very time-consuming and complex. The fact that Costa Verde has only one brand, and has not invested much time in defining the brand architecture (perhaps because it was never necessary until now), the process takes even longer. The creation process of a new brand implies firstly defining the brand architecture of the existing brand, and, by doing that, several decisions have to be made: how many brand levels to adopt, the role of the corporate brand and the relative weight between the corporate brand and the commercial brand. These are all decisions that are part of the brand strategy, more specifically the definition of the brand architecture. (Kapferer 2012, 309–43)

From the various answers to these questions, there are in fact six types of overall responses. These are: the product brand strategy; the line brand strategy; the range brand strategy; the endorsing brand strategy; the source brand strategy and the umbrella brand strategy. In fact, one can split them into two big groups: the house of brands and branded house. The difference between them relies essentially on the answer to the question of the corporate brand's visibility. In the house of brands strategy, the corporate brand is not identified at all, which results in an extreme freedom of management of the brands. The main goal is to reach the objectives linked

to the specific market in which each brand operates, without worrying about the whole image of the corporate brand. Three of the six strategies mentioned are included in the house of brands strategy: the product brand strategy, the line brand strategy and the range brand strategy— hence why companies that use one of these three strategies present a hidden corporate brand. This strategy is the predominant one in the Fast-Moving Consumer Goods (FMCG) sector. In Procter & Gamble brand, for example, this is the current strategy - consumers who buy brands like Evax, Dodot or Fairy do not know that they belong to the corporate brand Procter & Gamble, since in the packaging of the products the corporate brand is not visible, as can be seen below.



Figure 7 - Packaging of Procter and Gamble's brands such as Evax, Dodot and Fairy

This strategy (house of brands) is used less frequently compared to the branded house strategy, because customers are very active nowadays and want to be well informed about the brands they consume. On Appendix 18, 19 and 20 can be visualised the brand architecture's scheme for the product brand strategy, the line brand strategy and the range brand strategy, respectively. Since the aim of the new products is to elevate the Costa Verde brand, the main objective could not be achieved if Costa Verde (corporate brand) pursued one of these three strategies - as there would be no connection between the new brand and Costa Verde. Costa Verde as a corporate brand would have to have a visible link to the new brand so that consumers recognise that Costa Verde is behind these products. Only this way can Costa Verde be perceived as a premium

brand in consumers' mind. For these reasons, the use of the house of brands strategy is not feasible and efficient for the company.

It remains to explore the other side of the coin: the branded house strategy. In this strategy, the corporate brand is visible and known among the customers. Consequently, the corporate brand acts as a role model for its daughter brands, sharing the brand values that will influence the positioning of the brands under the corporate brand. In fact, the brand architecture plays an important role in influencing the functioning of the company. Moreover, the more one company moves towards the branded house strategy, the more it becomes urgent to establish coordination among the brands and ensure the necessary coherence- across all countries and divisions. This one is composed of the three remaining brand architecture strategies: endorsing brand strategy; source brand strategy and umbrella brand strategy. Although they all belong to the branded house strategy, one can see that the architectures behind them are, in practice, very different. The difference between the three strategies is based on the number of brand levels (one or two) and according to the degree of freedom allowed downstream (the role of the corporate brand). Therefore, it is important to analyse the characteristics of the remaining brand architectures' strategies and figure out if any of them is aligned with Costa Verde's objective behind the launch of the new pieces.

Starting by examining the umbrella brand strategy, one can understand that only one brand level is presented – products are not given a daughter brand, it only exists the corporate brand. This strategy is commonly used in Asia, mostly among Japanese brands. The brand Yamaha is one example of a brand that applies the umbrella brand strategy. As a matter of fact, the umbrella brand strategy does not relate only to a single product but covers several product categories (see on Appendix 21 the brand architecture's scheme for this strategy). For example, the brand Yamaha covers product categories such as guitars, pianos, or motorcycles. Nonetheless, Yamaha's pianos are known as "pianos", Yamaha's motorcycle are known as "motorcycle",

and so on. It may be possible to find them under code names, but only with the purpose of identifying them in catalogues. Hence, one can understand that there is a strong corporate brand behind this strategy. The main advantages of the use of this one, rely on the fact that the capitalisation on one single name allows the existence of economies of scale and on the fact that it is very easy to penetrate in new sectors due to the high brand awareness. Since the only differentiator factor of this strategy is based on the different product categories, it would not be possible to apply this strategy to Costa Verde's existing collections (The Costa Verde Collection and the Moods Collections) and to the new products. As a matter of fact, if Costa Verde would decide to pursue this "plan", it would not be possible to achieve the status of a premium brand since all the products would be known as "Costa Verde's tableware". Furthermore, Costa Verde does not have the high brand awareness that is necessary to succeed using the umbrella brand strategy.

On the other hand, the endorsing brand strategy is based on a two branded level, in which each of them has a separate positioning. In this strategy, the products are autonomous, with a different positioning, having only in common the endorsing brand. As can be seen in the endorsing brand strategy's scheme (Appendix 22), the endorsing brand acts as a guarantor, giving its approval to a wide range of products, hence why is placed lower down in the scheme. This strategy is commonly used by most of the brands in the healthcare market and by most of the Nestlé's brands. Using the Nestlé brand as an example: Nestlé acts as the endorsing brand for daughter brands such as KitKat, Cerelac or Smarties. In this strategy, the commercial brand is much more visible than the corporate brand, so, on the products' packaging there is a discreet corporate brand logo and a prominence of the commercial brand logo, as can be seen below.



Figure 8- Packaging of Nestlé's brands such as KitKat, Cerelac and Smarties

One advantage of this strategy is - besides being one of the least expensive ways of adding a new brand- that the endorsing brand is the guarantor of the “endorsed” brands quality and security, being the products themselves the key driver of the purchase, that is, consumers buy KitKat mostly because they like the flavour, not because it is endorsed by Nestlé. However, this strategy is not possible to be adopted by Costa Verde since it is the company’s first attempt at entering the MICHELIN restaurants market. For that reason, the Costa Verde brand cannot be seen as a base guarantor, as most of these restaurants do not use the brand, which consequently makes it almost unknown in this segment.

Lastly, the source brand strategy is very similar to the umbrella brand strategy, except for the fact that this one present two brand levels, that is, it exists one corporate brand (the source brand) and the daughter brands (see on Appendix 23 the brand architecture’s scheme). Frequently, the source brand strategy is confused with the endorsing one. In the source brand strategy, the corporate brand does not take a back seat position, thus acting as the driver of the consumers’ choice. On the opposite of what happens in the endorsing brand strategy- in which the daughter brand is the driver of purchase. In addition, the fact that the parent brand offers its identity - modified and enriched by the daughter to appeal to a specific customer segment - makes it easier to personalise an offer or a proposition to a customer. The source brand strategy is the dominant one in the L’Oréal Group and in the Automotive Industry. For example, in the brand Renault, that is the source brand, there are different daughter brands with different

positionings: Clio, Mégane, Captur, Zoe, and so on. The same process happens within the L'Oréal Group for the Garnier brand, being Garnier the source brand and Fructis, Ultra-Suave or SkinActive the daughter brands. However, in this strategy the corporate brand and the daughter brand present (more or less) the same weight. Using one of the previous examples: on the shampoo packaging, the name Garnier and the names Fructis, Ultra-Suave or SkinActive appear in the same size, as it can be seen below.



Figure 9- Packaging of Garnier's brands such as Fructis, Ultra Suave, Skin Active

Although this would be, of all the six strategies analysed, the one that best fits for the launch of the new Costa Verde's products, when considering the possibility of the creation of a new brand, it is risky and costly to launch a new brand with only ten products. Moreover, considering that the MICHELIN restaurants market is very competitive when it comes to the tableware brands, and the fact that this is the first time Costa Verde is trying to enter in this segment, it is not possible to assure that these new products will be a success. Therefore, one cannot predict if new products will be added in the future. For this reason, it is safer not to create a new brand for the launch of the new products, and, if Costa Verde later succeeds, one could reconsider the idea of creating an exclusive new brand for this segment using the source brand strategy, as it is the most appropriate.

8.1.2.2 Vista Alegre's case

Furthermore, this process has taken place with one of Costa Verde's competitors, Vista Alegre. The brand launched a collection in September 2021 that was exclusively for the B2C segment

but included products that were more accessible to consumers. However, in order to avoid the devalue and risk overstretching its brand, Vista Alegre created a new brand "Casa Alegre" specifically to launch collections for this segment. This is because Vista Alegre also has collections for the B2C segment, but these are higher-end collections with higher prices that are not accessible, in terms of purchasing power, to all consumers. All Casa Alegre's tableware, when turned around, has the inscription "Casa Alegre by Vista Alegre" (Appendix 24), thus referring to Vista Alegre, which, as already mentioned, is a very well-known brand with a high percentage of brand awareness. Furthermore, to launch this new brand, Vista Alegre created a new website for Casa Alegre (<https://casaalegre.com/pt/>), that is independent from the one of Vista Alegre. On the Vista Alegre's website, a direct link to Casa Alegre's website cannot be found, and vice versa. Besides the websites, the brands also have different Instagram accounts, but in this case Casa Alegre's bio description mentions Vista Alegre (Appendix 25), although again there is no direct link between accounts. However, this process should not be compared to the one Costa Verde is going through. On one hand, Vista Alegre created a new brand with more accessible products for consumers that could not afford its products, since it is a premium brand and there is the desire among consumers to have the brand's products. On the other hand, Costa Verde wants to go premium, however the brand does not have the status that Vista Alegre does among the consumers, neither its unbeatable brand awareness, which turns the process of Costa Verde's premiumisation more sensitive and complex. These reasons help to reinforce the idea that the creation of a new brand to launch these new products is not suitable for Costa Verde's goals.

8.1.3 Creating a new collection

One of the other possibilities to explore, other than the creation of a new brand, it is the creation of a new collection. At the moment, as seen previously, Costa Verde has two tableware collections: the Costa Verde collection and the Moods collection. One of the first thoughts could

be to include this new line inside the Costa Verde collection. The reason why these new products should not be included in this collection is based on the fact that, in this way, restaurants could not perceive the unique point of difference of these products compared to the old ones. The creation of a new collection would work as a line that would make it possible to differentiate these products from the rest of Costa Verde's. The fact that these new pieces are totally different of what Costa Verde is used to do requires a different highlight, rather than just being mixed with other lines in the Costa Verde collection. It cannot be forgotten that this range of products was designed in collaboration with a renowned design and two MICHELIN-star restaurants' chefs, so the new collection deserves to be in the spotlight, which would not occur if it would be together on the website with other lines from Costa Verde collection. To this extent, a new collection should be created since it would be the most suitable way to launch these new pieces. Costa Verde would not have the problem of the not so high brand awareness they experience, because it is not required for this solution. Additionally, it is not as risky as the source brand strategy, as if it goes wrong, the brand would not have invested a lot of money. Another reason is that if the pieces do not have the success that Costa Verde is expecting, at least Costa Verde does not have an entire website and an Instagram account dedicated to this new segment. This way, Costa Verde would only have to have one website (the one they currently have) and one Instagram account (which is much easier to manage than two Instagram accounts). Of course that this new collection, as it has a premium position, should be placed on the website differently than the other collections. For example, when the client clicks on the new collection it should open a page with other colour theme, other font, different types of pictures, things that convey the idea to the customer that these are different, disruptive and unique pieces with a higher position. It must trigger the customer's desire to have those pieces among their tableware.

8.1.3.1 Name of the new collection

With regards to the name of the new collection, it should be discussed if Terra is an appropriate name and if it should be the chosen one. Terra is a Portuguese name that could mean earth or land. According to Costa Verde, the name Terra is closer to the idea of earth, the planet. When looking at the pictures, one can understand that the name is very representative of the look of the pieces (the design). As a matter of fact, the design of the new pieces is very reminiscent of the land, the rocks, the most terrestrial part of the planet Earth. Additionally, it can be seen that in the Costa Verde Website, for example in the online store tab, they have the name of the collections and when one clicks on the link it opens all the lines that belong to that collection (Appendix 4 and 26). For that reason, and to follow the same rule, a name should be chosen for the collection and for the line. Since in other pieces of Costa Verde the back of the piece is printed with the name of the line, it makes sense that the name of the line would be “Terra”, as the name is very descriptive of the design of the pieces, as already mentioned. Regarding the name of the collection, it should be something related to Terra, but also not so restrictive so that when new lines will be added to this new collection, the name does not constitute a limitation in terms of the designer’s creativity. Hence, “Elementum” is the suggested name for the collection, since it can be associated with many things, such as the elements of Earth, and at the same time, the Terra line is in accordance with it in terms of design - the name did not come from any research, any data or customer response, it is a more personal suggestion. Therefore, Elementum could be the name of the collection, while for now, it has one line called Terra. In the future, if Costa Verde decides to launch new products for this segment, it should be created a new line, inserted inside the Elementum’s collection, that should have names linked to the name of the collection such as “Aqua line” (Water), “Ignis line” (Fire), “Saxum line” (Rocks). Thus, in the back of each piece should be “Terra by Costa Verde”, and on the website it should be added in the online store’s tab, in the first place, the Elementum’s collection. Once the

customer clicks on the name, the lines from Elementum collection can be seen. Moreover, it is important to guarantee that, at an international and national level, Costa Verde is the only brand that has a line called “Terra”- since it is what is shown in the back of each piece. For that reason, the brand should register the name to protect and to prevent that other brands use the same name- the same should be done if new lines are added.

However, it remains to discuss whether the name of the designer should be engraved in the back of each piece. In this case, since it is a renowned worldwide designer and the international market has a big impact on Costa Verde’s profits, it should be included, for example, Pere Gifre's hand signature (Appendix 27). This way, it should be created an innovative and differentiated image to be engraved in the back of the pieces, that should contain the “Terra by Costa Verde”, so that when eating at a restaurant consumers know that the tableware belongs to Costa Verde, and Pere Gifre’s hand signature, in order to elevate each piece, as it can be seen below. The name of Costa Verde should have the same size as the name of the line because it should be visible and not so hidden as the Vista Alegre in the Casa Alegre’s tableware.



Terra
by costaverde
Gifre

Figure 10 - Suggestion on the look of each piece's back

It remains to be decided whether the names of the two chefs should also be engraved on the back of each piece. Since the aim is to have a clean piece, the fact that the names of the two chefs are added does not seem to make anything stand out and it does not transmit a clear image. It is better not to include the chefs' names but to highlight them when the line is shown, for example, on the Costa Verde website and even in catalogues.

9. Financial Analysis and Contingency Plan

A crucial topic in the suggested strategy is the analysis of the financial results of this collection, for the next five years - to find out whether it will be beneficial or not to the company, depending on the Net Present Value (NPV) of the project and anticipated revenues/profits.

Expected Scenario					
	2023	2024	2025	2026	2027
Targeted Opportunity Size (in units)	10 244	10 654	11 080	11 524	11 985
Expected Penetration (in units)	5 635	5 860	6 094	6 339	6 592
Average Price	19.75	19.75	19.75	19.75	19.75
Revenues	111 291.25	115 726.47	120 355.53	125 195.25	130 187.06
Average Unitary Cost	12.91	12.91	12.91	12.91	12.91
COGS	72 747.85	75 647.02	78 672.90	81 836.49	85 099.49
Rebates and Discounts	1 669.37	1 735.90	1 805.33	1 877.93	1 952.81
Gross Profit	36 874.03	38 343.55	39 877.29	41 480.83	43 134.76
Marketing Costs	33 600.00	14 000.00	7 000.00	7 000.00	5 600.00
Legal Costs	850.00	0.00	0.00	0.00	0.00
Allocation of Personnel's Salaries	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00
EBIT	-17 575.97	4 343.55	12 877.29	14 480.83	17 534.76
Tax Payable	-3 690.95	912.15	2 704.23	3 040.97	3 682.30
OCF	-13 885.02	3 431.40	10 173.06	11 439.86	13 852.46
Inventory	6 062.32	6 303.92	6 556.08	6 819.71	7 091.62
Net Working Capital	9 274.27	9 643.87	10 029.63	10 432.94	10 848.92
Difference in NWC	-9 274.27	-369.60	-385.75	-403.31	-415.98
ICF	-9 274.27	-369.60	-385.75	-403.31	-415.98
FCF	-23 159.29	3 061.80	9 787.30	11 036.55	13 436.48
Discounted Rate	0.07	0.07	0.07	0.07	0.07
Present Value	-21 600.59	2 663.53	7 941.17	8 352.08	9 483.91
NPV	6 840.10				

Table 10 - Expected Financial Results (values in Euros)

The group has decided to consider the targeted segment “Higher Purchasing Power” with an opportunity size of 4620 units, and the segment “Medium Purchasing Power” with an opportunity size of 5624 units. Until 2027, it was considered that the opportunity size would increase 5% each year, since it is expected that new restaurants will be added to the MICHELIN Guide and, therefore, new potential customers will be joined to the targeted segment. From the overall opportunity, it was assumed that the penetration rate for the primary target would be 60% and for the secondary target would be 50%, resulting in an average penetration rate of 55%. Then, the expected number of units sold could be computed. The penetration rate is assumed to remain the same over the years, as it will be progressively more difficult to capture a higher rate in an ever-growing market. With the previously mentioned average price of

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€19.75, the revenues that can be generated are computed multiplying this price by the expected penetration. The same reasoning applies when computing the cost of goods sold (COGS), as the unitary average cost of €12.90 is multiplied by the expected penetration. Over the years, one can observe that the revenues are expected to be progressively greater than the COGS, hence why the gross profit increases throughout the considered period.

To represent the impact of commercial advantages on profit (Rebates and Discounts) applied only to the primary target, one estimated a weighted average of the two mostly expected applied discounts (5% and 10%), attributing a weight to the expected likelihood of the 5% discount of 0.7 and of the remaining 0.3 to 10%. Thus, one multiplied the obtained value of 6.5% by the expected revenue generated by half of that target (assuming that only half of these customers purchased enough to benefit of the commercial advantages).

As many marketing efforts reach not only the national market, but also the international one, the previously stated value of €48,000 for the marketing campaign budget should not be considered exclusively as an expense directed to the Portuguese market. Therefore, it was assumed that only 70% of the initial €48,000 would be taken into account in the financial analysis. From all the marketing efforts, only the events, the promotion (which includes the visits to restaurants) are limited to Portugal, accounting for a value €18,900. The other expenses such as photo & video content, magazines, social media & YouTube, catalogues, and monitoring concern efforts that will also have an impact internationally. Given that the first years of the campaign are the most fundamental to achieve the proposed objective, this is where the biggest marketing investment will be made. Over the years, these costs are assumed to decrease for this campaign specifically, as Costa Verde will most likely produce new collections and, thus, redirect the monetary efforts towards them. In the first year, the legal costs represent the legal action of registering the name of the product line in the national and international market – for which the value of the European Union trademark was considered

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(European Union Intellectual Property Office 2022). Furthermore, it is important to note that the sales team that will be partially dedicated to Terra will not be paid more, but rather designate their time to new tasks, while still doing old ones – which represents an opportunity cost for Costa Verde. However, the cost of not doing certain tasks to work in this project could not be quantified, as this team's contribution return is very abstract, and the group did not have enough information to do an estimation. For this reason, an assumption on the time dedicated to this collection of 25% was made and these workers' salaries were assumed to be proportional to their working hours (while the other 75% of the salaries and time will be covered by the other collections). As a way of overcoming the abovementioned obstacle, 25% of their yearly salary was considered a proxy of the opportunity cost. By multiplying the yearly salary of each worker by the number of workers needed and by the percentage of time dedicated to this collection, a result of €20,000 was obtained ($€20,000^8 * 4 \text{ workers} * 25\%$). After subtracting these costs from the initial gross profit, one gets the earnings before interest and taxes (EBIT). In Portugal, the Corporate Income Tax (IRC) is of 21% (ePortugal 2022). This value must be deducted, resulting in the Operating Cash Flow (OCF).

Additionally, it was assumed that the inventory of the company would include stock of one month. The formula of Net Working Capital (NWC) is made of the sum of the accounts receivables and the inventory net of the accounts payable. The company takes one month to pay back to its suppliers, and the distributors and buyers take the same amount of time to pay to Costa Verde. As such, the value used consisted of $\text{Revenues} * (1/12) + \text{Inventory} * (1/12) - \text{COGS} * (1/12)$. The difference in NWC represents how much the company has invested from one year to other.

The Investment Cash Flow (ICF) is the sum of the capital expenditures (CAPEX) and the difference in NWC. In this case, as there is no additional investment for the project regarding

⁸ This value was assumed by the group.

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CAPEX, the ICF is the same as the difference in NWC. In its turn, the Free Cash Flow (FCF) present value is obtained by the sum of the OCF and ICF, followed by its discount. The discount rate should be computed using the weighted average cost of capital $WACC = (D / D + E)rD(1 - t) + (E / D + E)rE$. Since the project will be funded using equity instead of debt, $D = 0$ and the cost of equity (rE) is the only value necessary to calculate the discount rate. In order to get the risk-free rate for Portugal, the 10-year bond yield was used, which is 2.716%, accordingly to Investing UK (Investing 2022). Additionally, after analysing the risk premium over the years in Portugal, a value of 4.5% was considered - which represents the percentage required by investors as a compensation for their investment in a risky business. Considering the described assumptions, the discount rate was 7.216%, which was used to discount the FCF of each year. Finally, the NPV is the sum of these discounted values. Overall, the NPV for this project over the next five years is positive, which indicates it is worth to invest in this collection. Nonetheless, given that Costa Verde's biggest revenues come from international markets, the NPV is not representative of the whole project potential.

In summary, by year five, this collection will generate €130,187.06 in revenues and €13,852.46 in profits (i.e. 10.6% margin) – adding 1.3% to the 2021 company's turnover. As for the NPV, it is a positive and appealing value of €6840.10 for the analysed period⁹.

No business is immune to the impact of external events - such as a pandemic, a recession, a natural disaster or even a war - that bring risks to its financial wealth. Therefore, contingency planning will be important to help prepare ahead of time for the impact of such events, by using predictive models to manage risk and ensure the continuity of business operations (Prime Financial 2022). Given the current political and economic context, two scenarios were considered for Costa Verde's contingency plan: a recession and the escalation of energy costs

⁹ The online sales made through the website, have not been considered for the financial results due to the very residual value they represent in the national market.

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as a result of the war in Ukraine. The first scenario was considered given the current context of economic vulnerability in the Euro area, marked by low economic growth - further exacerbated by the energy crisis. Indeed, according to the president of the European Central Bank's Supervisory Board, the possibility of a recession should not be ruled out (Lusa 2022). To fight the rising price levels, the ECB has been raising the interest rates in order to achieve a return of inflation to its 2% target (European Central Bank 2022). Shall these policies go on, consumers and businesses will be affected with lower disposable income and will cut back on their expenditures. Consequently, Costa Verde could see the sales levels of Terra fall shorter than expected, as its clients and prospects postpone the purchase of crockery. To represent the impact of this scenario on the Portuguese market, an average market penetration rate of 40% instead of the initial 55% was considered for the whole period under analysis. All else constant, Costa Verde would be negatively impacted in terms of NPV (which would be pushed down to -€25,360.28) and profit level, which would be negative for one additional year than initially expected. To mitigate this scenario, Costa Verde could essentially put in motion two different measures to avoid the full weight of the measures being felt in only one parameter. Since customers will likely see a shrinkage of their purchasing power, increasing the average selling price to obtain greater margins would only probably further amplify the sales drop. Unless there is strong evidence that a small price cut will significantly impact sales recovery, the price must remain unchanged for the sake of the premiumisation strategy. Therefore, Costa Verde should focus mainly on constraining marketing costs and reducing the size of the sales team. Hence, a cut on marketing expenses for the whole period can be considered, ideally not above 20%. Furthermore, as lower sales are expected, Costa Verde can also adjust the size of its sales team by reducing it to three members. With these measures, although the NPV is expected to improve slightly, the value remains negative. On the other hand, profit levels only remain negative in the first year (Appendix 33). Overall, this scenario can be classified as very risky, considering

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the high probability of happening in the near future and all the efforts it will imply from a financial point of view.

For the second scenario, the escalation of energy prices was considered. Europe has been historically reliant on energy imports from Russia and, ever since the Russian invasion of Ukraine, the price of electricity - which is tied to the price of natural gas - has hit unprecedented values (Reed 2022). As the political context with Russia continues to be unstable, the possibility of electricity prices remaining volatile is somewhat high, despite measures already taken by the European Commission to address the energy crisis (European Commission 2022). Therefore, businesses, especially manufacturers that require high levels of energy consumption, such as Costa Verde, must prepare ahead for how to deal with this situation. To reflect the greater energy (overhead) costs on the business's financial results, an increase of 10% in the unitary production costs was considered over the first two years and, in the remaining years, an increase of 5% in the initially expected unitary cost. This change immediately implied a negative impact on the net present value, driving it to -€11,059.23, and on profit levels. However, Costa Verde could diminish the effect of this unexpected event by slightly raising the average price to €19.85 - enough to alleviate the cost without compromising the accommodation of the secondary target's needs. Additionally, some adjustments to marketing costs (a decrease of 10%) can also be done so as not to overburden the previous measure (see Appendix 34 for the overall financial results). All in all, this scenario can be qualified as risky, since it holds a high probability of occurring and a high uncertainty when it comes to the percentage increase in costs and its duration.

10. Thesis Limitations

Although the group deeply enjoyed this project, there were a few aspects that limited the depth of the conducted analyses. The fine dining market is very exclusive and access to information is very restricted. Very little information could be found online in regard to the market dimension, and none could be found concerning preferences and the purchasing behaviour of fine dining restaurants. Therefore, the whole project was heavily depending on gathered information from the conducted market research. However, the group ended up only being able to contact approximately 17% of the Portuguese MICHELIN Guide restaurants – a very small representation of the whole Portuguese market. Even though the team made all the possible efforts to reach out to these restaurants, it often led to no conclusion – whether because there was no response, or the restaurants affirmed not having availability to help. Additionally, scheduled interviews were often cancelled or rescheduled, which diffculted the process of collecting insights from these restaurants. On the other hand, by also resourcing to an online questionnaire for a wider responses reach, there was more margin to misinterpretations that could be avoided through interviews. It is also relevant to note that due to the market's intrinsic characteristic of being restrictive and exclusive, restaurants often refused to share some of their inside information, such as the budget they allocate to the purchase of tableware or how much they are willing to pay for a plate. Hence, throughout the report various assumptions and estimates were made, especially in the Opportunity Size, Segmentation and Financial Analysis topics, as it was not possible to reach out to more restaurants. Furthermore, the fact that the project is focused on the Portuguese market compromised the group's decisions from the beginning – although it would not be possible to explore other markets with this detail level, as the market research would be extremely limited by the available resources. Being known as an export-oriented company, the international market is of the utmost importance for Costa Verde's sales and profits. By only focusing on the Portuguese market, which is, as previously

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mentioned, much smaller than most of the other European countries', the financial results of this launch do not look very promising – which is probably not close to reality, as a high financial return is expected from Costa Verde, despite this not being the company's main objective. Finally, although the group is extremely thankful to Costa Verde for all the support given and is aware of its members' heavy daily workload, due to the nature of this project a more frequent follow-up would have been beneficial, as well as receipt of more timely, concrete and detailed information when available.

11. Conclusion and Recommendations for the Future

Terra by Costa Verde recombines all the conditions to be a successful collection that will help elevate the Costa Verde brand. As Costa Verde will now be found in highly prestigious Portuguese MICHELIN Guide restaurants, it is believed that the impact of this launch will have significant impact on the company's visibility and perception as a more premium brand, which will directly affect sales from all the brand's collections. The company should continue investing on a personalised service for this type of restaurants, assuring that their level of satisfaction is the highest and that they become advocates of Costa Verde.

As for the future, Costa Verde should consider expanding its fine dining offer, taking advantage of its previous collaboration with Pere Gifre. New product lines could be created with a similar creative essence to Terra's, although with a new design concept and possibly new types of pieces that fit restaurants' needs. The firm should aim to maintain a close relationship with its customers, not closing doors to the possibility of collaborating with other chefs that might add value to this new collection. Additionally, Costa Verde should continue to invest on its social media platforms, which will contribute for a brand awareness increase, not only amongst restaurants, but also between final consumers. Although the company will have to make a lot of initial efforts in terms of investment, especially in marketing actions, the group is confident that it will all result in long-term benefits for Costa Verde's own brand.

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13. Appendix

Appendix 1. Answers to the questionnaire and interviews of the MICHELIN Guide

restaurants by category

One MICHELIN Star	Bib Gourmand	The Plate		
Esplorão	Avenida	Raiva	Grenache	34
William	O Marinheiro	Cantinho do Avillez - Porto	Essencial	Ferrugem
Gusto	Check-In Faro	DOP	Páteo - Bairro do Avillez	Hool
Eneko	Xtoria	Euskalduna Studio	Taberna - Bairro do Avillez	Dona Júlia
Vistas	Dom Joaquim	Elemento	Ofício	Turismo
Bon Bon	Arkhe	Gruta	Terroir	Cruz Sobral
Vista	O Frade	Le Monument	Prado	DOC
A Ver Tavira	Solar dos Nunes	Almeja	SÁLA de João Sá	Cais da Villa
A Cozinha	O Parreirinha	Semea by Euskalduna	Encanto	Rabelo
Mesa de Lemos	Ó Balcão	Oficina	Suba	Louro
Vila Foz	A Bolota	Onze	Tágide	A Cavalheira
Largo do Paço (Casa da Calçada)	Solar do Forcado	O Papiro	Drogaria	Açude
Pedro Lemos	Casa Chef Victor Felisberto	Caféina	Kanazawa	Petiscas
Antiquvvn	Casinha Velha	Terra	Casa da Dízima	Don Garfo
G Restaurante	Solar do Bacalhau	Solar do Pescado	Porto de Santa Maria	O Convite
LAB	Marquês de Marialva	Castas e Pratos	O Pastus	Tia Alice
Al Sud	Taberna A Laranjinha	Salão Nobre	Naperón	Horta dos Brunos
Cura	3 Pisos	Salpoente	O Leão de Porches	O Talho
Fifty Seconds	O Típico	O Moliceiro	Don Sebastião	Kabuki Lisboa
Feitoria	Dóri	Rei dos Leitões	Dos Artistas	Varanda
100 Maneiras	Casa Mattos	Spaghetti notte	Aladin Grill	Plano
Epur	Mário Luso	Casas do Bragal	Henrique Leis	L'And Vineyards
Fortaleza do Guincho	In Diferente	Arcadas	Willie's	Kappo
Midori	Machado	Taberna d'Adélia	Al Químia	Mar do Inferno
Loco	Le Babachris	A Velha	Pequeno Mundo	Origens
Eleven	Pedra Furada	Sabores d'Itália	Casa do Polvo Tasquinha	Carvão Ryōri
	Tasquinha da Linda	Cisco	Alambique	Herdade dos Grous
	Brasa	Tomba Lobos	2 Passos	Malhadinha Nova
	Camelo	Nortada	Casa Velha	Cantinho do Avillez - Cascais
	Carvalho	Mercearia Gadanha	Armazém do Sal	
	Tasca do Zé Tuga	Fogo	The Dining Room	
	O Javali	Go Juu	Villa Cipriani	
	Casal da Penha	JNeQUOI	Romando	
	Avista	Taberna do Lopes	Rio by Paulo André	
	Vila do Peixe	Tapisco	S. Gião	
			O Marinheiro	
				Did not answer
				Filled the questionnaire
				Interviewed

Appendix 2. Interview Guide

Section 1: Introductory questions

1. What is your restaurant's name?
2. What is your position in this restaurant?

Section 2: Open question

3. The last time you bought tableware pieces for the restaurant, from which brand did you buy and why?

Section 3: Consumer Decision Journey

4. From what material is your tableware service made of? (Porcelain, stoneware, bone china,...)

Group Part

5. When you buy tableware, do you buy a whole set, or do you only buy a few pieces?
6. How many types of pieces compose your tableware set? Which pieces are those? (e.g. gravy boat, soup plate,...)
7. What is the average number of units you buy of each piece?
8. (For chefs) Do you do you firstly choose the tableware service and then idealise the plating, or do you usually have an initial idea of the plating you want and try to find a set that matches your needs?
9. By how many brands is the tableware service composed of?
10. Do you have any exclusivity contract with a brand? If not, how much would you be willing to try different brands from the ones you already use?
11. With which frequency do you change the tableware service? What are the motives behind that change? (Reposition, changing the aspect of the restaurant, addition of different pieces to the currently used ones,...)
12. How do you get to know new collections? When you want to change or add pieces to your tableware service, how do you look for the options you have?
13. To whom are the orders made? (To the company itself or to a distributor)
14. Do you value the fact that the purchasing and order process is initially made in person with a representative of the company? And a distributor? Would you be comfortable with not having this contact?
15. Which 3 factors do you value the most when it comes to purchasing tableware? (ask about the ones that are not mentioned from this list: price, quality, resistance, design, weight, brand, exclusivity, speed of delivery, personalisation, stacking easiness, quality of the service material)
16. How relevant is it to have a unique tableware set? If one of your competitors had pieces from the same collection, would that be a problem?

Group Part

17. How much, on average, do you allocate yearly to the purchase of tableware? How much would you be willing to pay for one tableware piece?

Section 4: Image & Perception

18. If your ideal tableware service was a person, how would you describe it (e.g. behaviour, characteristics, looks)

Section 5: Brand Recall and Brand Recognition

19. Please indicate the companies you know that play in the tableware market
20. From these brands, which ones do you know or have heard of?



Appendix 3. Online Questionnaire Survey

Section 1: Introductory questions

1. What is your restaurant's name?
2. What is your position in this restaurant?

Section 2: Tableware Set Details

3. From what material is your tableware service made of?
 - a. Porcelain
 - b. Stoneware
 - c. Bone china

Group Part

- d. Faiance
 - e. Other:
4. How many types of pieces compose the full set?
 5. What type of pieces compose your set? (e.g. gravy boat, soup plate,...)
 6. How many units, on average, do you have of each piece?

Section 3: Purchasing Process

Note: The questions regarding the Purchasing Process were separated into different sections, to allow for more spontaneous answers before the respondents were presented with more specific questions.

7. Who is involved/influences the choice of the tableware service?
8. Who is responsible for negotiating and for the actual purchase?
9. In case you are a chef, do you firstly choose the tableware service and then idealise the plating, or vice versa?
 - a. I choose the set first
 - b. I idealise the plating first

Section 4: Purchasing Process

10. How do you get to know the new collections available in the market?
 - a. Catalogue
 - b. Company's website
 - c. Contact made by the company
 - d. Congresses
 - e. Company's social media
 - f. Magazines
11. With which frequency do you change the whole set? Do you replace the current one by the same or a different one?

Group Part

12. When changing the tableware service, you choose to:
- Buy every piece of a certain line
 - Buy some pieces of a certain line
 - Buy pieces from the same brand, but from different lines
 - Buy pieces from different lines of different brands
13. Do you always buy from the same brand, or do you first analyse every option the market offers? In case you are loyal to a certain brand, which one is it?
14. In case you are loyal to a brand, would you be willing to choose from other one?
- Very unlikely
 - Unlikely
 - Indifferent
 - Likely
 - Very likely

Section 5: Purchasing Process

15. What is your preference regarding the ordering process?
- I prefer to have an initial in person contact, whether with a representative of the brand or a distributor
 - I don't find it necessary to have an initial in person contact to proceed with an order
16. What are the 3 factors you value the most when buying a tableware service?
17. How relevant is it to have a unique tableware set? If one of your competitors had pieces from the same collection, would that be a problem?
18. Do you value having a tableware service that was made in collaboration with an internationally known designer?
- Irrelevant

Group Part

- b. Not very relevant
- c. Indifferent
- d. Relevant
- e. Very relevant

19. How much, on average, do you allocate yearly to the purchase of tableware? How much would you be willing to pay for one tableware piece?

Section 6: Purchasing Process

20. How much do you value these factors? (1 – Irrelevant, 2 – Not very relevant, 3 – Somewhat relevant, but not crucial, 4 – Relevant to 5 – Very Relevant)

- a. Price
- b. Quality
- c. Resistance
- d. Design
- e. Weight
- f. Brand
- g. Exclusivity
- h. Speed of Delivery
- i. Personalisation
- j. Stacking Easiness
- k. Quality of the Service
- l. Material

Section 7: Image and Perception

21. If your ideal tableware service was a person, how would you describe it (e.g. behaviour, characteristics, looks)

Group Part

Section 8: Brand Awareness

22. Indicate brands that you know operate in the Portuguese or international tableware market

Section 9: Brand Awareness

23. From which of these brands do you at least know the name of?

- a. Vista Alegre
- b. Costa Verde
- c. Costa Nova
- d. SPAL
- e. Porcel
- f. Pordamsa
- g. Villeroy & Boch
- h. Meissen
- i. Rosenthal
- j. Churchill
- k. Bauscher
- l. Tafelstern
- m. Steelite
- n. Fiskars Group
- o. Dudson

Group Part

Appendix 4. Overview of the Costa Verde collection



Ağma



Ağma Breeze



Ağma Marino



Aria



Boheme



Coral



Duo



Eclipse



Ecos



Isola



Marina



Nordika

Appendix 5. Overview of the Moods Collection



Dreamy



Flirty



Gloomy



Guilty



Hopeful



Joyful



Mature



Mysterious



Neutral



Nostalgic



Peaceful

Appendix 6. Costa Verde's sales to its shareholder-distributors and their respective weight, in values of 2019

Distributors	CV branded products	Third parties (coffee and retail brands)	Share of sales to distributors
Abel Santiago, Lda.	€ 6 047		0.18%
Alves & Alves, Lda.	€ 6 914		0.20%
Andrade & Andrade, Lda.	€ 49 360	€ 45 000	2.79%
César Castro, Lda.	€ 94 918	€ 37 000	3.90%
Guilherme Vitoria & Co Lda.	€ 6 945		0.21%
Irmãos Peixoto, S.A.	€ 321 158	€ 368 000	20.40%
Jotelar-Equipamentos De Hotelaria	€ 67 579	€ 35 000	3.04%
Nortel Sul - Comércio De Equipamentos Hoteleiros, Lda.	€ 802 409	€ 72 000	25.88%
Nortel - Comércio De Equipamentos Hoteleiros, Lda	€ 46 597	€ 32 000	2.33%
Robalo - Utilidades Domésticas E Hoteleiras, S.A.	€ 469 396	€ 451 000	27.24%
Sociedade Comercial De Louças E Vidros, Abel Da Costa S.A.	€ 36 924	€ 16 000	1.57%
Américo Alves - Comércio Internacional S.A.	€ 32 889	€ 13 000	1.36%
A.M.Santos - Comércio De Vidros E Louças, Lda.	€ 81 711	€ 73 000	4.58%
Anitex-Larbrinca Import & Export, S.A.		€ 46 736	1.38%
Adriano Bandeira, Lda.	€ 19 033	€ 19 000	1.13%
Portelotel, Lda.	€ 49 643	€ 45 000	2.80%
Palamenta - José Antunes, Lda.	€ 9 469	€ 20 000	0.87%
Multideias, Lda.	€ 4 672		0.14%

Source: Data provided by Porcelanas da Costa Verde

Appendix 7. Costa Verde's Social Media Description

Facebook: [@costaverdeporcelanas](https://www.facebook.com/costaverdeporcelanas)

Currently, with 16 000 followers and new content nearly every day, this is the brand's channel of choice to interact with its audience. Costa Verde's Facebook page is mainly used to make its followers aware of the brand's lines and collections, which are accompanied by a hyperlink to its online store. The brand also shares new posts from the website blog and events in which it participates. From September 6th, 2022, to October 6th, 2022, the brand made 16 posts with an average of 27 likes. It is also possible to find out client reviews and recommendations. In October 2022, the brand was rated 5 out of 5, according to the opinion of 44 different users. Furthermore, the page also provides a section dedicated to company contacts, including the phone number, email address, as well as a WhatsApp contact.

Instagram: [@costaverdeporcelanas](https://www.instagram.com/costaverdeporcelanas)

Costa Verde's Instagram account follows a similar content strategy to Facebook, which with an almost daily posting frequency, mainly serves the purpose of sharing the brand's product

Group Part

portfolio by sharing pictures from the collections' catalogues. Apart from the usual pictures, it is also possible to find more interactive content, such as Reels with suggestions for presenting Costa Verde porcelain on the table, or Guides with posts from Instagram influencers and lifestyle bloggers using Costa Verde's porcelain. On October 8th, 2022, the Instagram page had 8,555 followers and 495 posts. From September 6th, 2022, to October 6th, 2022, the brand made 20 posts with an average of 62 likes, meaning that this is a channel that generates more interaction and engagement than Facebook, and should therefore be leveraged for brand promotion.

YouTube: [Costa Verde Porcelanas, S.A.](#)

Costa Verde is also present on YouTube, with a total of 52 videos published and 88 subscribers. This is the channel on which the brand relies less for communication purposes, and this can be seen in the publishing frequency of the videos. The channel has been on since December 2010 and its most viewed video was published 11 years ago, counting over 5,500 views. All the other videos posted show a much lower level of engagement, most of them with less than 500 views. The type of content shared on the videos includes the promotion of the brand's collections, institutional content, reports from television channels, and others.

LinkedIn: [Porcelanas da Costa Verde SA - Oficial](#)

Lastly, Costa Verde's LinkedIn account had 4,979 followers and 43 workers/collaborators on October 8th, 2022. This social media serves nearly the same purpose as Facebook and Instagram, with communication channelled to the promotion of the brand, instead of a focus on institutional and recruitment matters. In fact, its LinkedIn posts are predominantly reposted from its Facebook and Instagram accounts.

Group Part

Appendix 8. Costa Verde at Ambiente 2019



Appendix 9. Costa Verde at HOST Milano 2017



Appendix 10. Costa Verde at Congresso dos Cozinheiros 2022



Appendix 11. Costa Verde’s sponsorship in Chef of the Year 2020 contest



Appendix 12. Ceramic in the international market – global trends

As it can be seen in the following table, the biggest importers of ceramic products in the world, in 2021, were the USA, Germany, France and UK.

List of importers for the selected product					
Product: 69 Ceramic products					
Importers	Imported value in 2017 USD	Imported value in 2018 USD	Imported value in 2019 USD	Imported value in 2020 USD	Imported value in 2021 USD
World	45 810 563	49 987 503	49 003 221	45 937 201	60 348 769
United States of America	6 655 290	7 183 400	6 987 087	6 327 767	8 366 257
Germany	3 145 486	3 393 563	3 225 544	3 109 562	3 829 423
France	2 145 743	2 236 584	2 158 039	2 086 818	2 561 688
United Kingdom	1 750 864	1 823 538	1 931 280	1 670 373	2 206 198
Viet Nam	331 208	452 052	451 130	399 292	2 108 255
China	1 022 606	1 226 916	1 279 141	1 346 461	1 900 046
Korea, Republic of	1 597 455	1 712 538	1 637 124	1 512 558	1 817 823
Netherlands	767 253	938 756	947 033	1 028 754	1 343 810
Japan	1 179 873	1 244 099	1 220 261	1 126 433	1 305 778
Canada	1 072 482	1 093 790	1 046 224	978 480	1 267 823
Belgium	869 697	984 554	963 367	938 019	1 217 020
Poland	624 651	872 941	647 990	891 317	1 208 432
Russian Federation	868 467	973 453	933 037	932 231	1 155 330
Italy	954 951	1 070 838	1 058 010	853 389	1 145 737
Philippines	512 251	730 484	795 652	652 148	1 015 321

List of importers for Ceramic products (in thousand US dollars)

Source: (International Trade Center 2021d)

Regarding the list of Ceramic products imported by the biggest player in the market, the US, the first label corresponds to “Unglazed ceramic flags and paving”, the second one to “Ceramic sinks, washbasins, bath, bidets, etc” and only the third one is occupied by “Tableware, kitchenware and other household articles”.

Group Part

List of products imported by the United States of America					
Detailed products in the following category: 69 Ceramic products					
Product Label	Imported value in 2017 USD	Imported value in 2018 USD	Imported value in 2019 USD	Imported value in 2020 USD	Imported value in 2021 USD
Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes	2 087 464	2 149 063	2 009 630	1 874 598	2 306 554
Ceramic sinks, washbasins, washbasin pedestals, baths, bidets, water closet pans, flushing	1 184 755	1 351 067	1 385 461	1 387 451	1 738 334
Tableware, kitchenware, other household articles and toilet articles, of ceramics	980 343	1 107 651	1 129 565	975 192	1 428 130
Ceramic wares for laboratory, chemical or other technical uses; ceramic troughs, tubs	803 059	870 631	807 606	726 178	984 753
Statuettes and other ornamental ceramic articles, n.e.s.	441 150	507 376	541 227	500 979	788 502
Tableware, kitchenware, other household articles and toilet articles, of porcelain or china	441 317	437 346	398 475	248 868	344 646
Retorts, crucibles, mufflers, nozzles, plugs, supports, cupels, tubes, pipes, sheaths, rods	242 153	263 315	246 183	210 804	277 103
Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods	244 007	251 438	246 624	203 933	233 752
Ceramic articles, n.e.s.	156 846	161 537	135 776	122 795	166 358
Ceramic building bricks, flooring blocks, support or filler tiles and the like	56 021	54 084	61 366	60 259	82 162
Roofing tiles, chimney pots, cowls, chimney liners, architectural ornaments and other ceramic	15 040	26 088	21 717	13 477	11 775
Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals, e.g. kieselguhr, tripolite	2 091	2 191	2 453	2 547	3 106
Ceramic pipes, conduits, guttering and pipe fittings (excluding of siliceous fossil meals)	1 043	1 615	1 004	687	1 082
Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes	0	0	0	0	0

List of Ceramic products imported by the USA

Source: (International Trade Center 2021g)

When talking about the overall market of importers of the world, the label for “Ceramic tableware, kitchenware and other household articles” comes even further down the list, in 4th.

List of imported products for the selected product					
Product: 69 Ceramic products					
Product Label	Imported value in 2017, US Dollar thousand	Imported value in 2018, US Dollar thousand	Imported value in 2019, US Dollar thousand	Imported value in 2020, US Dollar thousand	Imported value in 2021, US Dollar thousand
Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes	15 079 219	16 581 830	15 938 181	15 782 196	20 815 134
Ceramic sinks, washbasins, washbasin pedestals, baths, bidets, water closet pans, flushing	5 645 955	6 219 029	6 409 967	6 369 339	8 989 203
Ceramic wares for laboratory, chemical or other technical uses; ceramic troughs, tubs	5 372 354	6 114 323	5 998 907	5 457 807	7 120 274
Tableware, kitchenware, other household articles and toilet articles, of porcelain or china	3 851 118	3 957 804	4 001 558	3 323 674	4 753 086
Tableware, kitchenware, other household articles and toilet articles, of ceramics	3 207 989	3 535 565	3 481 433	3 173 463	4 302 342
Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods	3 530 931	4 581 920	4 409 994	3 670 703	4 181 242
Retorts, crucibles, mufflers, nozzles, plugs, supports, cupels, tubes, pipes, sheaths, rods	2 089 318	2 333 563	2 175 976	1 986 529	2 553 033
Ceramic articles, n.e.s.	1 428 221	1 531 874	1 499 187	1 556 820	2 261 548
Statuettes and other ornamental ceramic articles, n.e.s.	1 412 694	1 594 747	1 632 303	1 525 750	2 239 622
Ceramic building bricks, flooring blocks, support or filler tiles and the like	902 386	972 559	1 051 190	1 114 803	1 481 305
Roofing tiles, chimney pots, cowls, chimney liners, architectural ornaments and other ceramic	672 011	751 448	683 089	706 846	818 656
Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals, e.g. kieselguhr, tripolite	208 354	272 233	330 701	234 021	231 489
Ceramic pipes, conduits, guttering and pipe fittings (excluding of siliceous fossil meals)	147 015	154 909	122 674	120 686	136 580
Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes	1 878 049	1 120 973	1 003 978	709 749	115 671

List of imported Ceramic products worldwide

Source: (International Trade Center 2021c)

Regarding the biggest exporters of ceramic products, the country with the highest exported value in 2021 is China, followed by Italy, Spain and Germany. It is relevant to mention that the

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three countries that follow China in exported values are all European countries, with Portugal coming in the 13th position. Increase in demand for organic porcelain and contemporary style tableware, as well as the rise in the number of restaurants in the region are driving the market in Europe.

List of exporters for the selected product					
Product: 69 Ceramic products					
Exporters	Exported value in 2017 USD	Exported value in 2018 USD	Exported value in 2019 USD	Exported value in 2020 USD	Exported value in 2021 USD
World	53 278 629	58 602 497	60 050 067	58 703 688	72 346 506
China	19 997 449	22 369 944	25 119 909	25 113 297	30 695 409
Italy	5 448 895	5 639 738	5 311 829	5 276 935	6 429 404
Spain	3 606 869	3 863 870	3 778 173	3 938 269	5 150 524
Germany	3 664 030	4 127 718	4 130 881	3 689 172	4 392 013
India	1 242 013	1 520 500	1 819 321	1 999 113	2 314 625
United States of America	1 928 869	2 054 613	2 103 967	1 804 631	2 297 719
Japan	1 597 579	1 739 106	1 615 455	1 473 269	1 831 989
Türkiye	969 798	1 079 015	1 166 848	1 247 543	1 616 311
Mexico	1 275 554	1 308 196	1 284 363	1 181 821	1 493 034
Poland	1 173 069	1 335 790	1 022 220	1 045 702	1 316 015
Belgium	790 630	935 045	881 493	832 290	1 091 970
Netherlands	639 612	727 885	705 826	768 174	1 026 269
Portugal	805 659	933 195	792 364	756 598	959 659
Viet Nam	461 057	486 614	527 750	565 032	850 247
France	779 306	834 432	762 955	704 391	822 953

List of exporters for Ceramic product (in thousand US dollars)

Source: (International Trade Center 2021b)

The label for “Tableware, kitchenware and other household articles” is the second largest in the list of Ceramic products exported by China, the biggest player.

List of products exported by China					
Detailed products in the following category: 69 Ceramic products					
Product Label	Exported value in 2017 USD	Exported value in 2018 USD	Exported value in 2019 USD	Exported value in 2020 USD	Exported value in 2021 USD
Ceramic sinks, washbasins, washbasin pedestals, baths, bidets, water closet pans, flushing	4 493 350	5 878 022	7 781 572	8 755 043	9 852 016
Tableware, kitchenware, other household articles and toilet articles, of porcelain or china	5 568 344	5 844 579	6 469 624	5 695 091	7 412 809
Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes	4 581 729	4 436 260	4 535 127	4 110 919	4 085 282
Statuettes and other ornamental ceramic articles, n.e.s.	1 488 829	1 605 945	1 681 065	1 601 945	2 306 252
Ceramic articles, n.e.s.	590 883	658 109	831 665	1 291 350	2 071 553
Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods	1 278 905	1 880 648	1 601 482	1 243 074	1 565 648
Ceramic building bricks, flooring blocks, support or filler tiles	688 149	531 177	647 175	879 978	1 351 220
Ceramic wares for laboratory, chemical or other technical uses; ceramic troughs, tubs	529 568	654 350	669 457	635 738	941 498
Tableware, kitchenware, other household articles and toilet articles, of ceramics	434 137	492 723	476 140	505 381	652 301
Rotors, crucibles, mufflers, nozzles, plugs, supports, cupsels, tubes, pipes, sheaths, rods	249 559	281 294	290 775	268 757	354 182
Roofing tiles, chimney pots, cowls, chimney liners, architectural ornaments and other ceramic	40 200	55 234	72 228	64 799	50 791
Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals, e.g. kieselguhr, tripolite	39 055	37 240	48 956	48 058	31 773
Ceramic pipes, conduits, guttering and pipe fittings (excluding of siliceous fossil meals)	14 517	14 363	14 644	13 163	20 083
Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes	224	0	0	0	0

List of Ceramic products exported by China

Source: (International Trade Center 2021f)

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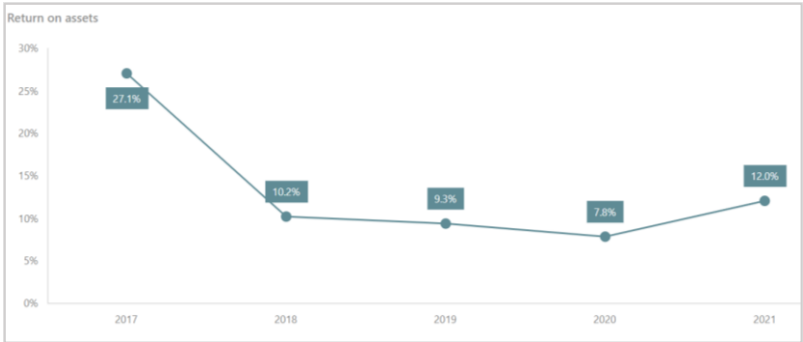
This can be explained by China’s tradition and relation with ceramic, as well as the country’s production capacity aligned with experience and quality. As for the rest of the world, the same label represents the third category with the highest value. All these results show that the exported value of ceramic products, mainly of tableware, has been increasing over the years. This can be seen as a positive indicator, as there seems to be a growing trend in this market. In general, the value of imports and exports decreased in 2020, due to the Covid-19 crisis. However, it is visible that the market is recovering and even growing more now when compared to before the pandemic (2019). As such, there is a reason to believe that there is a real opportunity in the ceramic market of tableware.

List of exported products for the selected product					
Product: 69 Ceramic products					
Product Label	Exported value in 2017, US Dollar thousand	Exported value in 2018, US Dollar thousand	Exported value in 2019, US Dollar thousand	Exported value in 2020, US Dollar thousand	Exported value in 2021, US Dollar thousand
Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes	16 880 876	17 964 380	17 396 857	17 487 504	20 785 079
Ceramic sinks, washbasins, washbasin pedestals, baths, bidets, water closet pans, flushing	8 098 435	9 837 855	11 596 428	12 460 794	14 329 703
Tableware, kitchenware, other household articles and toilet articles, of porcelain or china	7 519 066	7 863 854	8 438 801	7 326 501	9 451 427
Ceramic wares for laboratory, chemical or other technical uses; ceramic troughs, tubs	5 886 359	6 533 443	6 625 945	5 812 705	7 438 706
Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods	3 596 561	4 710 402	4 269 558	3 536 010	4 199 939
Ceramic articles, n.e.s.	1 731 859	1 921 461	2 102 131	2 520 285	3 703 770
Statuettes and other ornamental ceramic articles, n.e.s.	2 178 553	2 371 034	2 478 763	2 431 027	3 428 212
Tableware, kitchenware, other household articles and toilet articles, of ceramics	1 862 893	2 087 993	1 931 069	1 977 274	2 589 077
Ceramic building bricks, flooring blocks, support or filler tiles	1 429 140	1 397 705	1 472 130	1 755 742	2 420 081
Retorts, crucibles, mufflers, nozzles, plugs, supports, cupels, tubes, pipes, sheaths, rods	1 939 320	2 143 386	2 030 421	1 806 573	2 331 246
Roofing tiles, chimney pots, cowls, chimney liners, architectural ornaments and other ceramic	707 103	743 824	730 880	735 715	830 200
Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals, e.g. kiesegelguhr, tripolite	163 006	173 176	199 608	181 177	195 308
Ceramic pipes, conduits, guttering and pipe fittings (excluding of siliceous fossil meals)	127 181	127 738	111 989	101 252	109 324
Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes	913 203	471 846	382 941	300 249	34 997

List of exported Ceramic products worldwide

Source: (International Trade Center 2021a)

Appendix 13. Return on Assets



Source: (Banco de Portugal 2021)

Appendix 14. Distribution of companies, people, sales, and service by location of headquarter

Distribution by location of the headquarter (%)	Number of companies			Number of people at the service			Sales and services		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Region (NUTS III)									
Alto Minho	1.21	1.20	0.89	0.63	0.71	0.60	0.29	0.35	0.29
Cávado	22.59	22.82	22.85	6.80	6.60	6.75	4.64	5.28	5.32
Ave	1.21	1.20	1.19	1.99	1.96	1.82	2.62	2.11	1.72
Área Metropolitana do Porto	5.72	5.11	5.34	3.62	3.53	3.61	3.52	3.80	3.48
Tâmega e Sousa	0.60	0.30	0.30	0.07	0.08	0.07	0.03	0.03	0.04
Douro	0.30	0.60	0.59	0.08	0.01	0.01	0.00	0.00	0.00
Oeste	17.47	17.12	17.51	0.09	18.85	19.46	12.78	13.65	14.29
Região de Aveiro	14.76	15.02	15.43	0.10	39.44	39.48	42.46	41.57	39.94
Região de Coimbra	4.82	5.71	5.64	0.11	3.16	3.34	1.64	2.18	2.21
Região de Leiria	11.15	10.51	10.09	0.12	16.11	16.50	27.27	23.59	25.34
Viseu Dão Lafões	1.51	1.80	1.78	0.13	2.93	2.55	1.61	1.75	1.21
Beira Baixa	0.60	0.60	0.59	0.14	0.24	0.14	0.06	0.09	0.13
Médio Tejo	0.60	0.30	0.30	0.15	1.29	1.34	0.79	0.65	1.01
Beiras e Serra da Estrela	0.60	0.60	0.30	0.16	0.06	0.06	0.04	0.02	0.03
Área Metropolitana de Lisboa	9.64	9.91	9.50	0.17	4.10	3.30	1.75	4.51	4.47
Lezíria do Tejo	1.21	1.20	1.19	0.18	0.43	0.53	0.28	0.29	0.30
Alentejo Central	3.31	3.30	3.56	0.19	0.26	0.17	0.08	0.05	0.06
Algarve	1.81	1.80	2.37	0.20	0.15	0.19	0.09	0.07	0.16
Região Autónoma dos Açores	0.60	0.60	0.30	0.21	0.08	0.08	0.03	0.01	0.01
Região Autónoma da Madeira	0.30	0.30	0.30	0.22	0.02	0.02	0.01	0.00	0.01

Source: (Banco de Portugal 2021)

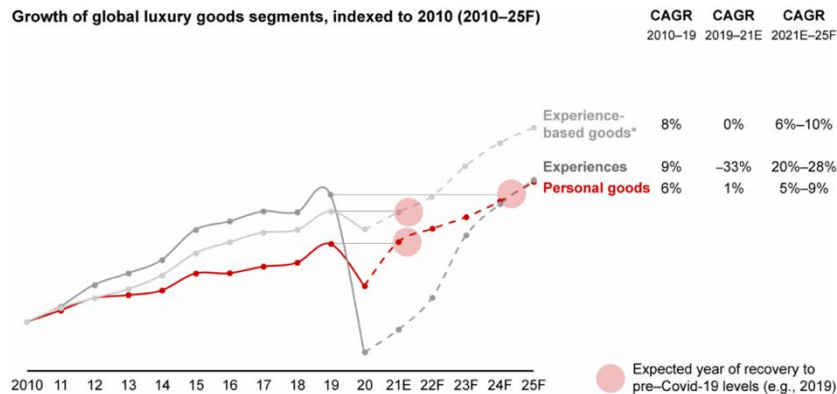
Appendix 15: Costa Verde’s Terra Collection



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Appendix 16. Growth of global luxury goods segments, indexed to 2010 (2010-25F)



* 2023 acceleration driven by a predicted end to supply chain disruptions in the car market
 Notes: At current exchange rates, personal goods include high-quality design furniture and personal luxury goods; experience-based goods include fine art, luxury cars, private jets and yachts, fine wines and spirits, and gourmet food; experiences include luxury hospitality, cruises, and fine dining

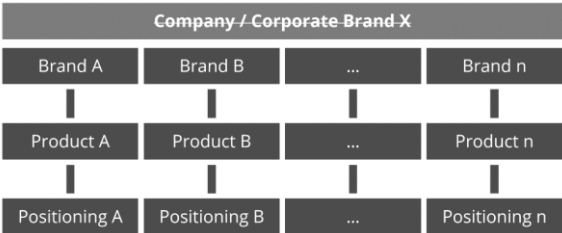
Source: (D'Arpizio et al. 2021)

Appendix 17. Green Star Category Deep Dive

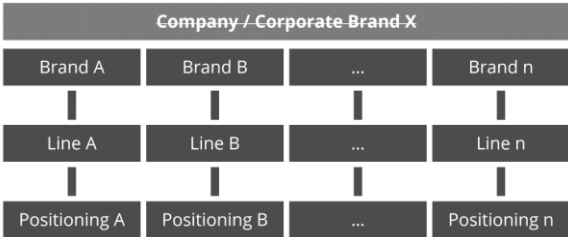
Countries	Green Star (only)	Green Star + 3 Stars	Green Star + 2 Stars	Green Star + 1 Star	Green Star + Bib Gourmand	Total
Andorra	0	0	0	0	0	0
Austria	0	0	0	1	0	1
Belgium	4	0	2	4	0	10
Croatia	1	0	0	0	1	2
Czech Republic	0	0	0	0	0	0
Denmark	7	1	3	4	0	15
Estonia	2	0	0	0	0	2
Finland	1	0	0	2	1	4
France	17	7	13	45	3	85
Germany	24	1	6	12	18	61
Greece	0	0	1	1	0	2
Hungary	0	0	0	0	0	0
Iceland	0	0	0	1	0	1
Ireland	1	0	0	1	1	3
Italy	5	2	3	16	5	31
Luxembourg	0	0	0	1	0	1
Malta	0	0	0	0	0	0
Netherlands	4	1	2	3	1	11
Norway	7	1	0	1	1	10
Poland	0	0	0	0	0	0
Portugal	0	0	1	1	0	2
San Marino	0	0	0	0	0	0
Serbia	0	0	0	0	0	0
Slovenia	1	0	1	2	2	6
Spain	0	4	5	13	5	27
Sweden	2	0	2	6	1	11
Switzerland	8	2	0	9	10	29
Turkey	0	0	0	1	0	1
United Kingdom	18	1	3	4	0	26
Total	102	20	42	128	49	341

Source: Data retrieved from The MICHELIN Guide website Guide (<https://guide.michelin.com>)

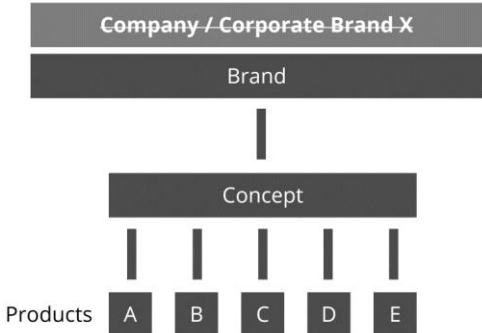
Appendix 18: Product brand strategy



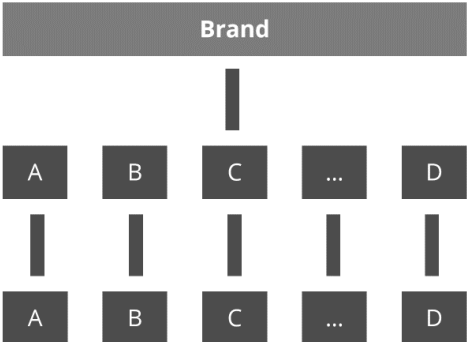
Appendix 19: Line brand strategy



Appendix 20: Range brand strategy

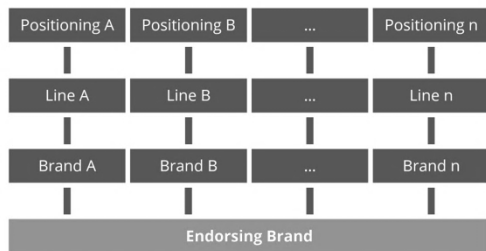


Appendix 21: Umbrella brand strategy

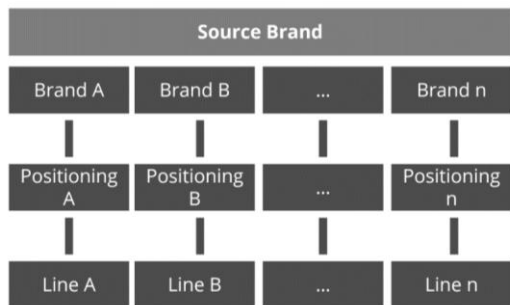


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Appendix 22: Endorsing brand strategy



Appendix 23: Source brand strategy



Appendix 24: Casa Alegre's tableware



Appendix 25: Casa Alegre's Instagram Account



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Appendix 26: Inside the tab online store of Costa Verde's website



Appendix 27: Pere Gifre's handmade signature

Appendix 28: Contingency plan's financial results for scenario 1 (values in euros)

Scenario 1: Recession					
	2023	2024	2025	2026	2027
Targeted Opportunity Size (in units)	10 244	10 654	11 080	11 524	11 985
Expected Penetration (in units)	4 098	4 262	4 432	4 610	4 794
Average Price	19.75	19.75	19.75	19.75	19.75
Revenues	80 927.60	84 164.70	87 531.29	91 039.60	94 681.50
Average Unitary Cost	12.91	12.91	12.91	12.91	12.91
COGS	52 900.02	55 016.02	57 216.66	59 509.94	61 890.54
Rebates and Discounts	1 213.91	1 262.47	1 312.97	1 365.59	1 420.22
Gross Profit	26 813.67	27 886.22	29 001.67	30 164.07	31 370.74
Marketing Costs	28 560.00	11 900.00	5 950.00	5 950.00	4 760.00
Legal Costs	850	0	0	0	0
Allocation of Personnel's Salaries	15 000.00	15 000.00	15 000.00	15 000.00	15 000.00
EBIT	-17 596.33	986.22	8 051.67	9 214.07	11 610.74
Tax Payable	-3 695.23	207.11	1 690.85	1 934.95	2 438.25
OCF	-13 901.10	779.11	6 360.82	7 279.12	9 172.48
Inventory	4 408.33	4 584.67	4 768.05	4 959.16	5 157.55
NWC	6 743.97	7 013.73	7 294.27	7 586.63	7 890.13
Difference in NWC	-6 743.97	-269.76	-280.55	-292.36	-303.49
ICF	-6 743.97	-369.60	-385.75	-292.36	-303.49
FCF	-20 645.07	409.51	5 975.06	6 986.76	8 868.99
Discounted Rate	0.07216	0.07216	0.07216	0.07216	0.07216
Present Value	-19 255.58	356.24	4 848.01	5 287.34	6 260.03
NPV			-2 503.97		

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Appendix 29: Contingency plan's financial results for scenario 2 (values in euros)

Scenario 2: Higher energy costs					
	2023	2024	2025	2026	2027
Targeted Opportunity Size (in units)	10 134	10 540	10 962	11 400	11 856
Expected Penetration (in units)	5 574	5 797	6 029	6 270	6 521
Average Price	19.85	19.85	19.85	19.85	19.85
Revenues	110 637.95	115 070.45	119 673.27	124 459.50	129 437.88
Average Unitary Cost	14.20	14.20	13.56	13.56	13.56
COGS	79 152.11	82 323.20	81 724.48	84 992.99	88 392.70
Rebates and Discounts	1 659.57	1 726.06	1 795.10	1 866.89	1 941.57
Gross Profit	29 826.26	31 021.20	36 153.69	37 599.62	39 103.61
Marketing Costs	30 240.00	12 600.00	6 300.00	6 300.00	5 040.00
Legal Costs	850.00	0.00	0.00	0.00	0.00
Allocation of Personnel's Salaries	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00
EBIT	-21 263.74	-1 578.80	9 853.69	11 299.62	14 063.61
Tax Payable	-4 465.38	-331.55	2 069.27	2 372.92	2 953.36
OCF	-16 798.35	-1 247.25	7 784.41	8 926.70	11 110.25
Inventory	6 596.01	6 860.27	6 810.37	7 082.75	7 366.06
NWC	9 219.83	9 589.20	9 972.77	10 371.63	10 786.49
Difference in NWC	-9 219.83	-369.38	-383.57	-398.85	-414.86
ICF	-9 219.83	-369.60	-385.75	-398.85	-414.86
FCF	-26 018.18	-1 616.86	7 398.66	8 527.85	10 695.38
Discounted Rate	0.07216	0.07216	0.07216	0.07216	0.07216
Present Value	-24 267.07	-1 406.54	6 003.08	6 453.59	7 549.16
NPV	-5 667.79				