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

“HOW TO ACHIEVE A PROFITABLE BRAND EXPANSION OF 24 KITCHEN IN PORTUGAL”

POSITIONING, PROCESS, SERVICE EXCELLENCE

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A Project carried out on the Master in Management Program, under the supervision of:

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List of abbreviations

24K  24 Kitchen
B2B  Business-to-Business
B2C  Business-to-Consumer
EMS  Employee Management System
POD  Point of Difference
POP  Point of Parity
PS   Positioning Statement
SCA  Sustainable Competitive Advantage
Under the challenge of achieving a profitable brand expansion of 24 Kitchen in Portugal through the online and offline channels, 24K World emerged as a sub-brand of 24 Kitchen that encompasses three different business models: 2 T4sty!, 24K Live and 24K Product Line. An analysis of the retail (2 T4sty! and 24K Live) and product (24K Product Line) strategies will be conducted as well as the respective positioning of the three presented. In addition, a breakdown of the processes of 2 T4sty! and 24K Live will be exposed as well as an evaluation of the different components that allow both business models to provide service excellence, according to the Service Excellence Model.

**Segmentation and Targeting**

Before the definition of the positioning of a brand, a previous segmentation and targeting of the market should be conducted in order to guarantee an optimal and compelling value proposition to the right consumers (Gupta, 2014). **Segmentation** is about identifying and dividing the market of potential customers into homogeneous subgroups with similar needs and preferences. This is highly beneficial for companies since unserved customers and unfulfilled customers’ needs can be identified, marketing activities can be tailored, therefore increasing efficiency and efficacy levels, resulting in better customer satisfaction, better resources’ allocation, and at last achieve sustainable profit growth. The customer also “wins” as it has a richer customer experience. These homogeneous subgroups, called segments, should be substantial, accessible, identifiable, differentiable, stable, as well as actionable [Exhibit 1], in order for the whole market segmentation to be accurate and useful for the company. Additionally, there are several segmentation variables that should be considered depending on the type of market in which the brand is competing: Business-to-Consumer (B2C) or Business-to-Business (B2B) market [Exhibit 2]. Having said that, there are different approaches to segment the market, either by demographics, or psychographics or attitudinal. However, an actionable and insightful approach to segmentation requires not choosing among them but instead, combining them in
order to understand who are the consumers in the different segments (demographics and geography), what have they done in the past (behavioral), and why did they make the decisions they do (benefits sought). **Targeting** is the selection of the segment(s) that the firm wants to focus on and pursue with its products/services and marketing programs. The goal is to select the one(s) that most maximize company’s long-term profitability. To do so, there are three factors that must be considered: the segment characteristics, the company’s competencies and resources, and current and potential competition in each segment [Exhibit 3] (Tybout & Grayson, 2010; Gupta, 2014).

Although 24K World would have three distinct business models, they would all fit in the same market: culinary market, therefore, a unique segmentation was conducted. On top of that, to describe each segment, a combination of B2C segmentation variables was considered, as the three 24K World offerings would serve customers and not businesses [Exhibit 4]. As far as targeting goes, since 24K World would encompass three distinct offerings, three assessments of segments’ attractiveness were conducted, because depending on the offerings’ characteristics, some segments will be more or less attractive. Each segment was evaluated according to three different characteristics for each of the three business models of 24K World: expected profitability, expected reach, and responsiveness [Exhibit 5], ending up with 2 T4sty! for Weekend Chefs, 24K Live for Bon-vivant Eaters, and 24K Product Line for Conspicuous Foodies.

**Positioning**

*Positioning* refers to the distinctive placement of a company’s offering and image in the minds of target customers, aiming to maximize the potential benefit to the firm. It is an effort that helps guide marketing strategy and that “captures the way a product or service’s key benefits provide value to customers by satisfying their needs”. Once decisions regarding brand positioning strategy are taken, it is useful to outline and summarize those in a positioning
statement. A good **positioning statement (PS)** is one that includes all the key aspects of the marketing strategy. It is useful to understand who the brand’s target market is, as well as to understand the target’s moments and reasons of choosing the company’s product or service (Kotler & Keller, 2016; Tybout & Sternthal, 2010).

Depending on the nature and type of business model, the structure of a PS will differ. For services and products, the development of a brand positioning can be conducted in two different perspectives that are complementary: competition-based perspective or customer-based perspective. The **competition-based perspective** is very important in case of introduction of a new brand because it distinguishes it from competing brands on benefits that are valued by the customers. It requires choosing a category, to provide a frame of reference, by identifying close substitutes (other brands), and a point(s) of difference (POD), a feature or a benefit that specifies how a brand is superior to the others within that frame. The POD has to be *desirable* to consumer, *deliverable* by the company, and *differentiating* from competitors. The **customer-based perspective**, shows how important and relevant to customers’ lives the consumption of the brand or the category can be, by uncovering the abstract meaning(s) associated: brand essence and category essence. The former is uncovered by a process called “laddering” that examines abstract implications of a brand’s features progressively [Exhibit 6], whereas the latter involves the association of the brand to other existing objects that together represent a consumer goal (Tybout & Sternthal, 2010).

The PS structure of 24K Product Line starts with a clear understanding of the targeted customers, as previously analyzed above, and, since it is a new product in the market, it follows a competition-based perspective. Regarding the category membership and according to Tybout and Sternthal, points of parity (POPs) associated with the category can be used to transmit the goal served by the brand in case people are unfamiliar with the category in which a brand holds membership. Since 24K Product Line is part of a category that is quite familiar to consumers,
its PS does not present any POPs. Concerning PODs, a single benefit was selected, which allows the marketer to persuade easily and in a simpler way the benefit’s importance when the consumer makes a brand choice. Besides, if the POD is a benefit, the claim should be strengthened and supported by providing reasons to believe, which in the case of 24K Product Line it is supported by an attribute and on *image* (the type of person who uses the brand) [Exhibit 7] (Tybout & Sternthal, 2010).

When it comes to retailing, the PS structure differs, as it follows a retail marketing strategy. According to Levy and Weitz (2014), “a retail strategy is a statement identifying the retailer’s target market, the format and resources the retailer plans to use to satisfy the target market’s needs, and the bases on which the retailer plans to build a sustainable competitive advantage (SCA)”. The target market is the segment(s) to which retailer’s retail mix and resources are focused on, the retail format is the nature of the retailer’s operations [Exhibit 8], and finally the SCA is an advantage that the retailer can maintain over a long period of time because it is very hard for competitors to copy [Exhibit 9] (Levy & Weitz, 2014).

Concerning the target market, for both 2 T4sty! and 24K Live, a previous analysis was already conducted above. When it comes to the retail format, 2 T4sty! presents itself as an internet retailer, as most of its services occur on online platforms (website & app), whereas 24K Live has a unique retail format, as it combines a gourmet market, exclusive chefs and restaurants’ stands, and entertainment activities and show-cooking areas. Regarding the sources of SCA, 2 T4sty! focuses on being “everywhere” due to its online presence, displaying an exclusive deep assortment, and having platforms that have an intuitive and friendly design. 24K Live focuses on having the right location on high traffic areas, a unique customer service, and a high quality and exclusive merchandise [Exhibit 10].
Process

To deliver a good quality service and create the desired customer experience, it is important for a company to design and manage processes. These describe the sequence and method of how operating systems work and are linked together to create the desired customer experience and value proposition promised to the customers. There are two key tools that are used to document and (re)design existing or new service processes: flowcharting and blueprinting. A flowchart displays the different steps that a consumer undertakes when going through a service process, in a fairly simple way. Used to understand the total customer service experience, it is a good tool to gain relevant and valuable insights about the nature of an existent service (Lovelock & Wirtz, 2016). From 24K World, only 2 T4sty! and 24K Live provide services, therefore a flowchart was developed for each one [Exhibit 11]. A service blueprint is a pictorial map that specifies in detail how a service process is built, identifying what is visible to the eyes of the customer and what happens in the back-office (invisible to the customer). It shows the sequence of front-stage activities undertaken by the customers; the physical evidence, that is what the customer can see and uses to evaluate service quality while undertaking the actions; the line of visibility that separates the activities that are visible and invisible to customers; the back-stage activities; and finally, the support systems and supplies that are usually provided by information systems, like databases. On top of that, it is important when designing a service blueprint to identify potential fail points, moments where there is some risk of things going not as planned, as well as points of potentially excessive waits, which are stages at which customers usually have to wait. This identification is important because it helps to develop plans to mitigate failure/waiting times. Moreover, the whole blueprint can be divided into 3 acts: act 1 where the preliminaries occur, act 2 where the main purpose of the service is encountered, and act 3 where the activities that are necessary to close the encounter are done. Coming up with a service blueprint, not only helps to optimize activities but also supports personnel on how to achieve a
better performance (Kotler et al., 2016; Lovelock & Wirtz, 2016). All these steps were taken into consideration when developing 2 T4sty! and 24K Live service blueprints [Exhibit 12].

The Service Excellence Model

The path to excellence is not intuitive. When building a service business, managers must design the business model that allows all organization’s employees, not just the exceptional ones, to deliver excellent service on an everyday basis. According to the Service Business Model, to set employees up to excel, there are 4 critical elements that, if effectively integrated and designed, can secure a profitable service business (Frei & Morriss, 2012).

The Offering: “Which specific attributes of service are you choosing to compete on?”

A company cannot be good at everything, at least it cannot be done on a sustainable basis as what mostly happens is ending up with frustrated customers, exhausted employees and disappointed investors. Hence, the first step to deliver uncommon service is to understand that in order to excel in some areas, there will be others in which the company will underperform. Although choosing in what to be bad might feel like an “assault on the soul”, it is all about doing smart trade-offs in order to achieve greatness (Frei & Morriss, 2012). To do so, a company needs to firstly identify and analyze what are the target market’s preferences (attributes), secondly rank those according to the degree of importance towards the target, and thirdly, for each service dimension, decide company’s relative performance using a 1 to 5 scale. The goal is to be best in class at things that the target values most, and be the worst in class at things that they value least (Frei & Morriss, 2012). This analysis should be translated into an attribute map, being the ideal one an upwards diagonal shape from left to right [Exhibit 13]. Moreover, when analyzing the relative performance, a comparison with the competitors on each attribute should be done. Whenever possible, company’s service should cover the gaps of competitors in the attributes where they are underperforming.
Two service attribute maps were designed for both service businesses of 24K World: 2 T4sty! and 24K Live, as both of them are satisfying different needs of different targets [Exhibit 14]. 2 T4sty! is overperforming its competitors in the first five attributes due to its ability to offer a richer and more extraordinary experience than other players. In fact, it is a service that is a novelty in Portugal. As for 24K Live, the environment of the fair, the experiences provided, the central urban location, and its exclusive merchandise is what makes it “stand out from the crowd”. For both cases, the price will fuel superior performance on the “best ranked” attributes, as consumers will not pay a relative low price to enjoy these services.

The Funding Mechanism: How will this excellence be paid for?

For the service to be sustainable, a funding mechanism has to be implemented and there are 4 different funding sources: (1) charge the customer in a palatable way, by finding a way that makes paying extra not that objectionable to customers, in other words, making clear that charging extra has its purpose of improving the service towards customers; (2) create value-added service funded through cost savings, by reducing operational costs in low-value dimensions and translate those savings in improving other dimensions that are most valued by consumers; (3) invest in service improvements that will save costs in the future, such as provide free customer support to get as much feedback and knowledge as possible to optimize and improve service offerings and decrease costs; (4) get customers to do some of the work in a way that they improve their own experience and that keep company’s costs low. Choosing between one of the four will depend on the industry dynamics as well as on the kind and type of relationship that the company has with its customers (Frei, 2008).

When it comes to 2 T4sty!, to fund the value of having a rich and extraordinary cooking experience, customers would be charged in a palatable way. In other words, in order to fund the selection and assembling of the ingredients in the box and the home delivery service (which is
what consumers would save in terms of effort and time spent when going to the supermarket and planning their meals in their daily routine, plus the execution of the content (recipe & video) and high-quality ingredients, the customer will pay a premium price for the product without feeling like it is being “violated”.

Concerning 24K Live, the same funding source would be applied: charge the customer in a palatable way. In order to fund the high-quality merchandise and exclusive ingredients of the dishes, the unique customer service by the hostesses, promoters and chefs, the dining hall and overall space where visitors can stay as long as they want, the show-cookings, tasting and entertainment activities that they can experience for free, the visitor will pay a price slightly above the average for the products: entry ticket, gourmet market products, merchandise of 24 Kitchen (in the food stands) and food stands’ dishes.

The Employee Management System: Are employees set up for success?

To implement a well-integrated employee management system, top managers have to start by assessing what makes its employees reasonably able as well as motivated to achieve excellence. Defining these might determine whether the company can deliver a pleasant service on a consistent basis or not. In fact, because service businesses are very people intensive, it is crucial that the EMS and service model are well designed so as to allow competent real-world employees to succeed on a daily basis, and not require from them heroism to keep customers happy. To do so, four elements have to be aligned: selection, training, job design, and performance management (Frei & Morriss, 2012).

When it comes to selection, managers have to decide whether to hire for aptitude or attitude, because an employee that is above in both is very costly. Also, most businesses want to maintain a competitive cost structure, hence one has to be compromised. For both 2 T4sty! and 24K Live, hiring for attitude is what needs to be prioritized, as the frontline employees of both services do
Employees need to display initiative, be sensitive, co-operative, emotional intelligent, interpersonally flexible, and need to know how to handle with stress, as in some cases, mainly in the customer service line, customers might become too emotional. Therefore, training urges as an important tool to prepare these employees to build their technical ability and cultural imprinting, by exposing them to the company’s unique culture and values. For example, train them on how to use the information systems needed to conduct both 2 T4sty! and 24K Live businesses, teach promoters about products’ characteristics and entertainment activities procedures, and share common principles on how to approach a customer in situations of service dissatisfaction. Job design must be simplified (reduce complexity) as much as possible to guarantee service consistency as an everyday occurrence. Finally, performance management should be flexible and dynamic to promptly adapt to internal and external environments. For both 2 T4sty! and 24K Live, performance would be assessed based on the Net Promoter Score [Exhibit 15], feedback and recognition would be pursued so that employees derive a sense of identify and belongingness to the organization, and lastly, SMART (Specific, Measurable, Attainable, Realistic, and Time-based) goals would be set so that people can focus their energy on the most important and relevant aspects of the job. If well-communicated and mutually accepted, these become effective motivators.¹

The Customer Management System: How are customers trained?

Customers can also influence on the costs and quality of service delivery as in some cases they are involved in operational processes, therefore, they are also part of the value-creation process. In order to increase their added-value, customers need to be managed and trained as service employees are, which can be a challenge for companies because they are like unskilled, unpaid

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¹ This Employee Management System design should be assured by the partners that handle each service business (2 T4sty! and 24K Live), and ultimately be communicated to 24 Kitchen for a matter of quality customer service control.
and unmotivated employees, hence presenting a lot of variability. The way to manage them has to be consistent with the service attributes that the company wants to emphasize (Frei & Morriss, 2012).

On 2 T4sty!, the customer would get involved in the service delivery, as it would be integrated a self-ordering system on both website and app. Customers would get to search and choose the box that best fits their needs, would get to choose the quantities, the plan, and the delivery slot they prefer, as well as insert all personal, payment, and address details. Moreover, since payment would be done through the online platforms, customers would get selected as only the ones that are truly interested on the service would pay. Customers would be informed that if they want to receive a box at their place, they would have until 12pm of the same day to send their order, which is a way to train them and have them being managed. Furthermore, 2 T4sty! users would get also the opportunity to create and improve the current service by providing some of their feedback on the comment/share section (co-creation), which at the end they could benefit from.

Concerning 24K Live, customers would get all the information prior to the event which would be a way of selecting the ones that are really interested from the ones that are not. Also, once getting into the venue, all the information would be provided regarding what is expected from them (training and guidance), such as, hand-in the card when ordering something in order to register the transaction; inform that the payment is done when leaving on a first-come first-served basis, among other important procedures.
References


**Exhibit 1:** Segments’ characteristics

1. **Substantial:** a segment should be large and profitable enough for a firm to serve cost-effectively.
2. **Accessible:** a segment should be reachable and servable through distribution and communication channels, not depending on other segments.
3. **Identifiable:** a segment should be measurable in terms of characteristics, such as usage behavior or demographics. Information on buyer should exist and be obtained easily.
4. **Differentiable:** a segment should have unique needs that are different from the other segments’ needs.
5. **Stable:** a segment should be stable for a long enough period of time.
6. **Actionable:** effective marketing programs and creation of products can be pursued to attract and serve the segments identified.

**Exhibit 2:** B2C and B2B segmentation variables

**2.1. Major Segmentation Variables for Consumer Markets (B2C)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic</td>
<td>Country, region, city, urban/rural, climate</td>
</tr>
<tr>
<td>Demographics</td>
<td>Age, income, gender, generation, marital status, family size, occupation, education, ethnicity, religion</td>
</tr>
<tr>
<td>Psychographics</td>
<td>Lifestyle, personality, activities, interests, opinions</td>
</tr>
<tr>
<td>Behavioral</td>
<td>Usage rate, loyalty, product knowledge, involvement, purchase occasion, buying stage</td>
</tr>
<tr>
<td>Benefits Sought</td>
<td>Convenience, value, safety, status</td>
</tr>
</tbody>
</table>

**2.2. Major Segmentation Variables for Business Markets (B2B)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic</td>
<td>Country, region, city, urban/rural</td>
</tr>
<tr>
<td>“Firmographics”</td>
<td>Industry, firm size, global/regional, ownership</td>
</tr>
<tr>
<td>Buying Approach</td>
<td>Centralized or decentralized purchase, purchase policies, involvement of decision makers</td>
</tr>
<tr>
<td>Behavioral</td>
<td>Volume, purchase frequency, attitude toward risk, loyalty, urgency</td>
</tr>
<tr>
<td>Benefits Sought</td>
<td>Price, product quality, service, relationship</td>
</tr>
</tbody>
</table>
Exhibit 3: Target Market Selection

Exhibit 4: 24K World segments

The Weekend Chef: Despite seeking new, exciting, impressive, exotic and good quality food, the weekend chef has little time to spend on it on a daily basis, appealing to a “too busy to shop or plan a meal” consumer, dividing meals between convenience options and grandiose meals on an occasional basis. The weekend chef is keen on cooking, therefore enjoying the time spent in the kitchen as well as the opportunity to entertain and impress family and friends through amazing dishes in which he/she takes great pride. This consumer may or may not have skills to match ambition. It also likes to share from time to time on social media its final dishes.

The Grab and Go Gourmet: This individual combines high food expectations with lack of time or passion to cook. For this reason, this individual seeks for convenience and ready-to-go food, but since it is quite health-conscious, this consumer does not eat junk food, instead seeks for tasty, stylish, functional, and healthy food, whether at home or in quick but quality foodservice formats such as food trucks or street markets.
The **Traditionalist**: Although giving a lot of importance to what is being eaten and dedicating a lot of time to cook, this consumer is mostly characterized by its “funnel vision” when it comes to cooking styles and ways of preparation. Despite having an average disposable income, as a close-minded person, the Traditionalist is not open to innovation in the kitchen, ending up cooking what they know best (Portuguese typical dishes), neither when eating out, being very selective and opting for conventional Portuguese restaurants/meals.

The **Conspicuous Foodie**: Wears their foodie status like a badge. Food is a marker of identity, a way to express a lifestyle. Uses social media and blogging to impress their friends; they want others to know about their food, whether it is home prepared or eaten out. Driven by a *fetishisation* of the cooking “lifestyle”, this individual is led by the popularity of cooking shows, celebrity chefs and food bloggers, who are seen as references and guides on making quality choices. The conspicuous foodie aims to have the best of the best to “show-off” and craft the right image, whether for impressing a wide audience or a smaller circle of friends and acquaintances. The conspicuous foodie seeks attractive cooking ware for showcasing to others.

The **Bon-vivant Eater**: demanding for quality, this individual is passionate for eating, specially out, and also loves to try new flavors and have gastronomic experiences. Cooking is not a priority, as it is seen as an obligation and not as a hobby or a pleasurable activity. This individual is willing to pay more for a better experience and prefers having someone cooking for them.
**Exhibit 5: Attractiveness Assessment**

Scale: 1 - Very Low; 2 - Low; 3 - Medium; 4 - High; 5 - Very High

### 2 T4stly!

<table>
<thead>
<tr>
<th>Segments</th>
<th>Criteria</th>
<th>Total</th>
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<tbody>
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<td>Expected Profitability</td>
<td>Expected Reach</td>
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<tr>
<td>Weekend Chef</td>
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<td>5</td>
</tr>
<tr>
<td>Grab and Go Gourmet</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Traditionalist</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Conspicuous Foodie</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Bon-vivant Eater</td>
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<td>2</td>
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### 24K Live

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<tbody>
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<td></td>
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<td>Expected Reach</td>
</tr>
<tr>
<td>Weekend Chef</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Grab and Go Gourmet</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Traditionalist</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Conspicuous Foodie</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Bon-vivant Eater</td>
<td>5</td>
<td>4</td>
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### 24K Product Line

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<th>Criteria</th>
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</thead>
<tbody>
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<td></td>
<td>Expected Profitability</td>
<td>Expected Reach</td>
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<td>Weekend Chef</td>
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<td>4</td>
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<tr>
<td>Grab and Go Gourmet</td>
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<td>1</td>
</tr>
<tr>
<td>Traditionalist</td>
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<td>5</td>
</tr>
<tr>
<td>Conspicuous Foodie</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Bon-vivant Eater</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
Exhibit 6: The laddering process

Exhibit 7: 24K Product Line PS

To followers of cooking shows and celebrity chefs, that seek attractive, specialized, aesthetical, and trustworthy kitchen ware [Target] **24K Product line** is a set of kitchen utensils and cookware [Frame of Reference] that **offers** professional products that take consumers’ cooking to the next level [POD] **because** (1) famous and qualified chefs use them to cook, and (2) its distinct and professional quality [Reasons to Believe].
**Exhibit 8: Types of Retail Formats**

<table>
<thead>
<tr>
<th>General Merchandise Retailers</th>
<th>Service Retailers</th>
<th>Non-store Retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Department stores (Marks &amp; Spencer)</td>
<td>✓ Selling services (Citibank, Avis, Visa, Hilton)</td>
<td>✓ Internet retailers (online retailers, mobile retailing)</td>
</tr>
<tr>
<td>✓ Specialty stores (Zara, Sephora, Apple)</td>
<td>✓ Continuum of products/services provided</td>
<td>✓ Catalog and direct mail retailers</td>
</tr>
<tr>
<td>✓ Category Specialists (IKEA, Leroy Merlin, Staples)</td>
<td></td>
<td>✓ Direct Selling (party plan)</td>
</tr>
<tr>
<td>✓ Discount Suppliers (Walmart)</td>
<td></td>
<td>✓ Automated retailing (vending machines)</td>
</tr>
<tr>
<td>✓ Drugstores (including pharmacies inside the store)</td>
<td></td>
<td>✓ TV Home shopping</td>
</tr>
<tr>
<td>✓ Off-price retailers (outlet stores)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Extreme Value retailers (all at 1€)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Exhibit 9: Types of sources for a Sustainable Competitive Advantage**

<table>
<thead>
<tr>
<th>More Sustainable</th>
<th>Less Sustainable</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Location</td>
<td>✓ Better customers</td>
</tr>
<tr>
<td>✓ Customer service</td>
<td>✓ More employees</td>
</tr>
<tr>
<td>✓ Customer loyalty</td>
<td>✓ More merchandise</td>
</tr>
<tr>
<td>✓ Exclusive merchandise</td>
<td>✓ Greater assortments</td>
</tr>
<tr>
<td>✓ Low cost supply chain management</td>
<td>✓ Lower prices</td>
</tr>
<tr>
<td>✓ Information systems</td>
<td>✓ More advertising</td>
</tr>
<tr>
<td>✓ Buying power with vendors</td>
<td>✓ More promotions</td>
</tr>
<tr>
<td>✓ Committed employees</td>
<td>✓ Cleaner stores</td>
</tr>
</tbody>
</table>

**Exhibit 10: 2T4sty! and 24K Live PSs**

To individuals living in urban centers with busy lifestyles, that seek moments of pleasure by entertaining and impressing family and friends through high quality and exciting dishes [Target], 2T4sty! is an online meal delivery service [Retail Format] that offers a rich and extraordinary cooking experience through a unique layout & display and a deep merchandise assortment, in a convenient location [Basis for a Sustainable Competitive Advantage].
To individuals that crave for palate sensations and adventures [Target], 24K Live is a unique gastronomic fair combining exclusive chefs and restaurants’ stands, a gourmet market, entertainment activities, and show-cooking events [Retail Format], offering an authentic “eatertaining” experience through 24 Kitchen talents, high quality and exclusive assortment and unique customer service, in a great location [Basis for a Sustainable Competitive Advantage].
Exhibit 11: 2 T4sty! and 24K Live flowcharts

2 T4sty!

Downloads the app → Logs-in → Creates a new account (personal details + address + payment details) → Receives confirmation of activation of account by e-mail → Clicks the link to confirm → (Re)directed to Box Choice page → Chooses category (Shows, Moods, Themes, Style of Cooking) → Chooses recipe (O Prato do Dla, Time for Romance, A Taste of Italy, Vegetarian, etc.) → Chooses delivery conditions (plan, quantity, shipment conditions, time and day)

Goes to 24K website (2 T4sty! Tab) → Automatic generation of e-mail with link for confirmation → Customer information entered in database

Confirms/Changes pre-filled payment details and/or address → Pays by clicking button to submit order → Receives the box (home) → Goes to 24K website (2 T4sty! Tab) → Goes to the app → Inserts code to watch video → Cooks and enjoys the final meal → Comments, rates and/or shares → No actions taken

24K Live

Reaches the venue → Receives card for payment and gets informed about how the card works

Picks up and eats the food from the stands → Participates in entertaining & tasting activities → Attends to live show-cookings → Visits the gourmet market → Buys something → Pays what was consumed → Dining Receipt is given

Starters/Meals/Deserts are prepared
Exhibit 12: 2 T4sty! and 24K Live service blueprints

2 T4sty! Service Blueprint

ACT I

Physical Evidence
Facebook, TV ads, promotions, 24Kitchen.pt

Customer Actions
Search for information about the product

Line of Interaction
Facebook posts, TV ads, website content

Front of Stage Interactions
Receive box

Back of Stage Interactions
Develop the app and its content

Support Processes
Create a marketing plan

ACT II

Physical Evidence
Mobile App, Website

Customer Actions
Download the app / Go to the website

Line of Interaction
Send login/new account information

Front of Stage Interactions
Send order request / Send receipt

Back of Stage Interactions
Create a new section on the website

Support Processes
Recruit app and website developer

ACT III

Physical Evidence
Box

Customer Actions
Choose recipe and delivery conditions

Line of Interaction
Receive box

Front of Stage Interactions
Cook the recipe

Back of Stage Interactions
Set up a user-friendly and secure payment system

Support Processes
Secure and maintain payment systems

Potential fail points

Risk of excessive wait

Databases

Customer Records
Orders and Billing Inventory/Purchases

24K Live service blueprints

Mobile App, Website, Social Media & Customer Service

Line of Interaction
Recipe & Video

Front of Stage Interactions
Great customer

Back of Stage Interactions
Secure and manage production line and its logistics

Support Processes
Secure customers' support system

Risk of excessive wait

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Exhibit 13: Attribute maps shapes

In option A, the company chooses to excel in some attributes and doing poorly in others, and option B chooses to excel in all attributes, ending up in the middle of the board. Although with option A is riskier, option B leaves a company stuck in mediocrity, which does not allow to deliver service excellence and have a sustainable competitive advantage.

Exhibit 14: 2 T4sty! and 24K Live attribute maps
Exhibit 15: Net Promoter Score (NPS)

How likely is it that you would recommend our service/product to a friend or colleague?

If the answer is not at least 9, then improvements to the service/product should take place.