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

MARKETING PLAN FOR SEMEAR PROGRAM – PRODUCT/SERVICE DEVELOPMENT FOR THE B2C MARKET SEGMENT

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04.01.2021

ABSTRACT

How can *Mercearia* contribute to improve *SEMEAR's* performance in order to become socially and financially sustainable?

This work project consisted of developing a Marketing Plan for *SEMEAR*, a program of a social organization with the mission to help the full integration of people with Intellectual and Developmental Disabilities (IDD) in society. The group focused on the role of *SEMEAR na Mercearia* business unit to help improve SEMEAR's overall performance and, for that purpose, conducted a strategic diagnosis and analyzed the market and consumers of artisanal products. Each member of the group suggested one strategic initiative, each one with three tactics, presented as recommendations to *SEMEAR*, focusing on fighting seasonality and increasing the financial stability all year long (a key step towards financial self-sustainability) and on increasing brand awareness with the ultimate goal of promoting the inclusion of disabled people in our society.

KEYWORDS: Marketing Plan; SEMEAR; Hybrid Organization; Social Organization; Social-mission driven; People with Intellectual and Developmental Disabilities; Artisanal gourmet products

ACKNOWLEDGMENTS: The group has truly appreciated the support given by the advisor, Prof. Carmen Lages, without which we would not have reached the current level of work. Moreover, João Amado, SEMEAR's Head of Marketing, shared important insights from the organization along these four months that revealed to be key for the work's development.

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

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1. MOTIVATION

This work project was developed in the scope of the Social Leapfrog Program. The group applied for this type of work project, since the challenge of working with a social organization would enrich our marketing know-how, that is more focused on for-profit organizations.

TEAM

CATARINA LÓIO

MAFALDA DA CUNHA

RAQUEL DA CUNHA

NOVA SCHOOL OF BUSINESS & ECONOMICS

SEMEAR

INSTITUTIONS

Lack of knowledge in social mission-driven organizations

Getting out of the comfort zone, as we are more used to the environment of profit-driven organizations.

To learn from a different perspective

Learning from a social purpose rather than a commercial **perspective.**

To make a positive impact

At the organizational level by helping understand how it can **improve its current business performance.**

Social Leapfrog Program from Nova SBE

2.1. OBJECT OF STUDY

SEMEAR is divided into three business units, being *SEMEAR na Mercearia* the one which will be focused on this project.

SEMEAR
TERRA DE OPORTUNIDADES

"**Sustainable program** that aims at promoting employability, social inclusion and job placement for young people and adults with Intellectual and Developmental Disabilities (IDD)." (BIPP, 2019)

Founded in 2015 by BIPP, a private non-profit Social Solidarity Organization.

It has integrated 3 business units:

1 Social inclusion project

SEMEAR na Academia

2 Inclusion oriented social businesses

SEMEAR na Terra

SEMEAR na Mercearia

DESCRIPTION

Academy for **certified professional training**, being the agri-food sector the area of training par excellence.

PURPOSE

To place IDD beneficiaries in both the labor market and *SEMEAR* social businesses.

DESCRIPTION

Inclusion oriented social business that produces and commercializes **organic vegetable products**.

PURPOSE

To employ people with IDD and develop their skills; To finance *SEMEAR na Academia.*

DESCRIPTION

Inclusion oriented social business that prepares, manufactures, processes and sells **artisanal gourmet products**.

PURPOSE

To employ people with IDD and develop their skills;

To finance *SEMEAR Academia;*

To fight food waste.

Source: SEMEAR's Website

To see detailed information about SEMEAR, check Appendix 1

2.2. STUDY OBJECTIVE

After realizing that seasonality at *Mercearia* is a big issue for SEMEAR, market and consumers will be studied to find the best way to overcome it. A possible solution might be increasing the weight of B2C segment on total sales.

ISSUES AT *MERCEARIA*

SEMEAR na Mercearia is facing a big **seasonality issue**: **89% of sales** are made in **November** and **December** (1).

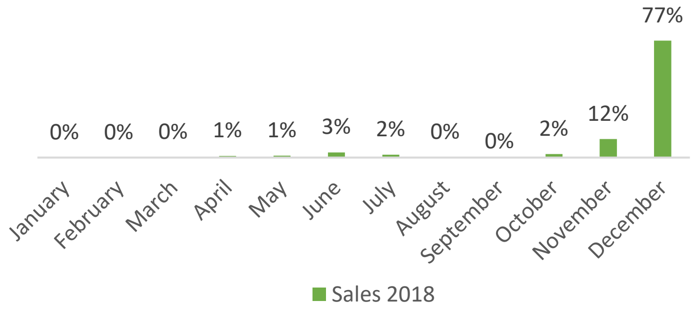


Figure 1 – Seasonality effect on sales of SEMEAR *na Mercearia* (2018)

REASONS BEHIND SEASONALITY

> Core business of *Mercearia* until now was **Christmas Bundles**;

> Private companies buy mostly bundles;

> B2B account for **80% of sales** (1).

TACKLING THE ISSUE

Tackling this issue would mean:

(1) **Financial stability all year** to fulfill the investment needs of all business units;

(2) Moving forward to the objective of **SEMEAR's financial self-sustainability** (in 2019 sales and services covered 48.8% of operational costs) (2).

OPPORTUNITY

20%

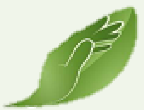
of sales are accounted by **B2C segment**

POSSIBLITY?

Increase the weight of B2C

segment at *SEMEAR na Mercearia* without hurting B2B

HOW?



Diagnostic of *SEMEAR na Mercearia* current situation

Study market/consumer trends regarding this type of products

Current and potential consumers insights gathering

(Interviews and Survey)

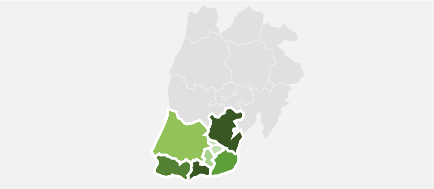
(1) SEMEAR's Report 2019
(2) To see detailed information about SEMEAR's Income Statement, check Appendix 5.6

2.3. SCOPE

The scope of this project will be *SEMEAR na Mercearia*, having in consideration all *SEMEAR's* products sold individually and in bundles. B2C segment will be studied as well as *SEMEAR's* partners and competitors.

GEOGRAPHY

Amadora
Cascais
Lisboa
Loures
Odivelas
Oeiras
Sintra



FOCUS

SEMEAR na Mercearia

business unit

(Study does not include: SEMEAR na Academia and *SEMEAR na Terra)*

PRODUCT

Bundles of products and SEMEAR Individual products:

cookies and tea; dry fruits; jams and chutneys; seasonings and pâtés

CONSUMER

Business to Consumers

(Study does not include Business to Business)

COMPETITORS /PARTNERS

Direct Competitors and main Partners *of Semear Mercearia*

Source: Group Analysis
To see detailed information about the reason behind the choice of these counties, check Appendix 4

3. METHODOLOGY

The Work Project is divided into four main blocks: Literature Review, Diagnosis, Analysis and Recommendations. Desk and Primary research were used, namely SEMEAR's reports and online sources, and interviews and online survey, respectively.

LITERATURE REVIEW

Theoretical concepts to deepen the knowledge on the topic and to sustain the methodology for each block of the work project.

DIAGNOSIS

> **Internal Analysis**: Deep dive in SEMEAR *na Mercearia* business unit

> **External Analysis**: PESTLE framework;

> **Analysis of the market competitors, consumer trends and channel partners**: 3Cs framework;

> **SWOT Analysis** to join the external and internal analysis.

ANALYSIS

> **Sample profile definition** through target market identification based on SEMEAR's social media analysis;

> **Semi-structured Interviews** to current and potential consumers;

> **Online Survey** to current and potential consumers;

> **Critical analysis of the qualitative and quantitative data.**

RECOMMENDATIONS

Formulation of a **Marketing Plan**:

1. Segmentation, Target and Positioning;
2. Goals and Objectives;
3. Strategic Initiatives;
4. Tactics;
5. Financial Implications;
6. Risks and Contingencies;
7. Milestones and KPIs.

Papers and Books

SEMEAR's reports and online sources

Interview to the Head of Marketing

Social Media Analysis, Semi-structured Interviews and Online Survey

Best practices online sources

Results' Analysis

RESEARCH TYPE: Desk Research Primary Research

Source: Group Analysis

To see detailed methodology of Diagnosis', Analysis' and Recommendations' blocks, check Appendix 2.1, 2.2. and 2.3. For detailed information about the types of research used, check Appendix 2.4, 2.5 and 2.6

4.1. HYBRID ORGANIZATIONS | THE CASE OF SOCIAL ENTERPRISES

Social enterprises are a type of hybrid organizations (Mair and Martí, 2006). SEMEAR takes part of a social organization that created an innovative solution to attain its social mission (inclusion of IDD people) and developed a commercial activity in order to finance its mission.

HYBRID ORGANIZATIONS

Organizations between the non-profit and for-profit environment:

> Mission-centered and market-oriented [1];

> Guided by their social mission and financial sustainability.

SOCIAL ENTERPRISES

A **type of hybrid organizations** that "leverage economic activity to pursue a social objective and implement social change" [2];

> Entrepreneurs **develop innovative solutions** to solve issues in the social scope;

> Focused on **maximizing value creation** to individuals and society;

> Its **purpose goes beyond the product and/or service delivered**;

> **A good performance means being closer to achieve its social mission.**

SEMEAR

- **Social mission:** promote employability and social inclusion of disabled people;
- **Innovative solution:** train people with IDD at *SEMEAR Academia* and integrate them in the labor market;
- **Focused on value creation maximization** and not on profit maximization:
  - **Generates own revenues to finance its social purpose.**
  - **Commercial activity**: Products' sale which process counts with the participation of disabled people.
  - ***Terra* and *Mercearia* finance the training and activities of *Academia*.**

(1) Alexius, Furusten 2019; (2) Mair and Martí 2006; Marshall 2011; Van de Ven et al. 2007; Zahra et al. 2009

To see detailed information about this topic, check Appendix 3.1

4.2. MARKETING PLAN BY TIM CALKINS | RECOMMENDATION'S TOOLS

The seven identified parts included in the marketing plan developed by Tim Calkins (2012) will match group's recommendation block of the work project. This marketing plan was chosen since it fits a hybrid business and reduces complexity to the organization.

THE BREAKTHROUGH MARKETING PLAN

A disruptive type of a marketing plan suggested by Tim Calkins (2012) based on **Goals** and **Objectives**, **Strategic initiatives** and **Tactics** (GOST Framework) will be used, with the following 7 key steps:

01 – MARKETING STRATEGY
Segmentation, Targeting and Positioning

02 – GOALS AND OBJECTIVES
1 financial and 1 non-financial

03 – STRATEGIC INITIATIVES
"The heart of the plan" supported by a strong rationale

04 – TACTICS
Specific actions that follow the strategic initiatives

05 – FINANCIAL IMPLICATIONS
Budget needed to implement each tactic

06 – RISKS & CONTINGENCIES
Most significant risks and best ways to overcome them

07 – MILESTONES
Timelines and how to monitor progress with KPIs

REASONS FOR CHOOSING

- **A clear and focused marketing plan** to this business unit **will reduce complexity and confusion** in the general Marketing of SEMEAR, since it follows a straightforward framework.
- **Goals should be financial and non-financial,** as financial objectives can harm the business long-term direction when considered alone. Non-financial goals may have limited short-term impact but will strengthen the brand in the longer term.

This fits *SEMEAR na Mercearia* hybrid business.

Source: Calkins 2012
To see detailed information about GOST framework, its advantages and limitations, check Appendix 3.3

5.1. ORGANIZATION'S VISION | INTERNAL ANALYSIS

According to SEMEAR, there are defined social, commercial and environmental goals aiming to be achieved until the end of 2020.

The organization's goals for 2020 covered the following aspects:

CONSOLIDATE THE BUSINESS

By **reinforcing the internal knowledge** (process systematization, monitoring, evaluation of results and marketing investment);

PLACE 60% OF THE TRAINEES

By **generating more inclusive employment** in the social businesses of SEMEAR and Portuguese labor market;

INNOVATE

By **launching new services and courses** at *Academia* and **develop new offerings** at *Terra* and *Mercearia* to answer to existing gaps;

INCREASE PRODUCTION

By **finishing** the process of **biological certification**;

GROW FINANCIALLY

By financially **achieving 50% of own revenues**.

LONG-TERM GOALS

SOCIAL SUSTAINABILITY

> **SEMEAR needs to continuously integrate** trainees in the labor market.

> **SEMEAR should fight against social exclusion** by increasing the awareness of this social cause.

FINANCIAL SUSTAINABILITY

> **Depends on public and private supports**, which is not guaranteed and varies.

> **SEMEAR intends to become financially self-sustainable,** in order to avoid its external dependency.

Source: SEMEAR Report 2019, SEMEAR´s website

5.2. BUSINESS UNIT OVERVIEW | INTERNAL ANALYSIS

According to the reports, *SEMEAR na Mercearia*'s sales revenues have been increasing over years, contributing more and more for the investment in training and job placement of people with IDD.

SEMEAR NA MERCEARIA ID

- Inclusive social business
- Practical training & job placement of IDD people
- Artisanal production means
- Quality certified products
- Fight food waste (circular economy)

MAIN ACHIEVEMENTS 2019

> **65%** of trainees developed skills in a practical/real context;

> **3 IDD trainees became professionally integrated** at *SEMEAR na Mercearia* as employees;

> **≈ 45,000 gourmet products** produced from food at risk of waste;

> **≈ 103,000 gourmet products sold.**

TIMELINE

2015

Foundation of *SEMEAR na Mercearia*

Available at BIPP warehouse, by telephone and at ISA's* reception

2020

Online sales through website

OPERATING INCOME EVOLUTION

> From 2016 to 2018, the operating income registered a positive growth.

> From 2018 to 2019, it decreased by 19%, as the growth of total expenses was higher than the one from total revenues.

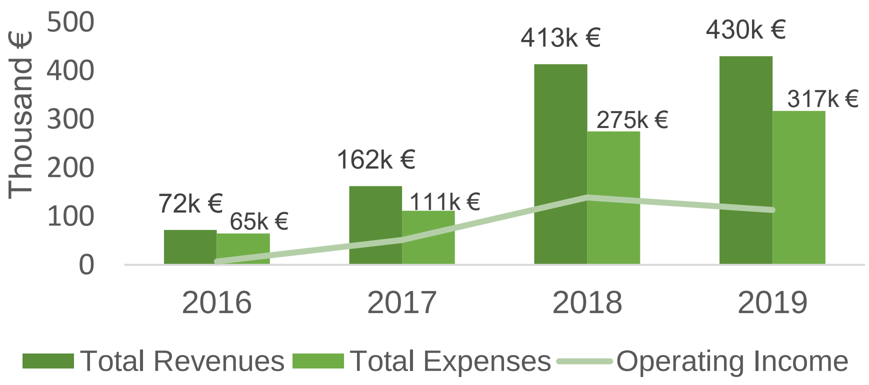


Figure 2 – Operating Income Evolution of SEMEAR *na Mercearia*

STAKEHOLDERS

People with IDD, volunteers, firms, partners, local producers and community.

The income from sales is fully invested in the training and job placement of people with IDD from SEMEAR

** Instituto Superior de Agronomia*

BIPP's Report 2019

To see more detailed information about SEMEAR's Sales and Services Provided, check Appendix 5.1

5.3. PORTFOLIO OF *SEMEAR NA MERCEARIA* | INTERNAL ANALYSIS

SEMEAR offers 30 different artisanal products, within 4 categories, that can be purchased in bundles from 6.5€ to 99.4€ or individually from 2.8€ to 6.9€.

Cookies & Tea
4 products
From 3€ to 3.5€

Chocolates & Dry fruits
2 products
From 3.9€ to 5.9€

Jams
11 products
From 3.5€ to 6.9€

Chutneys, Seasonings & Pâté
13 products
From 3.5€ to 6.9€

#1 in sales
"Areias" Cookies
150g - 3€

#2 in sales
Pumpkin Jam
200g - 3.5€

#3 in sales
Wild Fruits Jam
100ml - 4€

Top 3 products sold at SEMEAR's website between April to November 2020 (1)

Bundle number 5
7 products - 34€

There are 10 bundles available in SEMEAR's website

Benchmark product
Pumpkin Jam
200g – 3.5€ | 17.5€/kg

Pumpkin Jam was used as comparison to the competitors

Figure 3 – Portfolio of *SEMEAR na Mercearia* (developed by the group)

Source: SEMEAR's Website and Reports
To see detailed information about website's results, check Appendix 4

5.4. PERFORMANCE AT *MERCEARIA* | INTERNAL ANALYSIS

Sales and Services account has been increasing year over year, while donations and subsidies have been reducing. B2B segment accounts for 80% of total sales. SEMEAR suffers a big sales' seasonality, with December accounting for 77% of all year sales.

REVENUES

SALES AND SERVICES PROVIDED (1):

From 2018 to 2019, it increased by 35%, registering around 315k€ last year. ***Mercearia* accounted for 67% of program's sales and services.**

DONATIONS & SUBSIDIES (1)/(2):

From 2018 to 2019, despite the decrease of donations (subsidies included), **total revenues increased by 4% due to the strength of the rise of sales and services**.

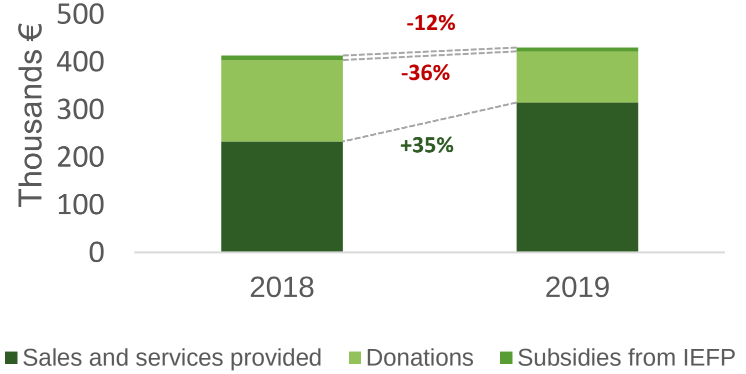


Figure 4 – Evolution of Revenues from 2018 to 2019

EXPENSES (3)

PERSONNEL EXPENSES:

From 2018 to 2019, it increased from 7% to 12% due to the entrance of an employee for the commercial area.

COSTS OF GOODS SOLD:

The account with the greatest weight in the cost structure (75% in 2019).

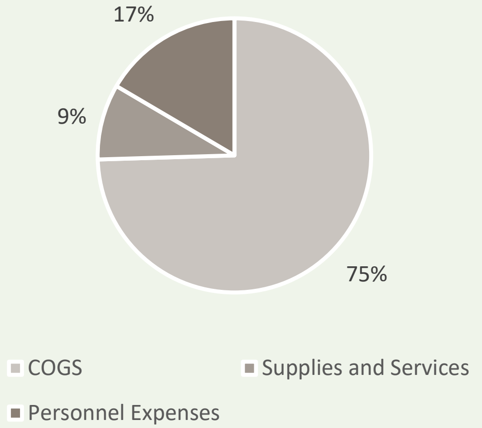


Figure 5 – Costs' Structure of SEMEAR *na Mercearia* (2019)

OTHERS

HUMAN RESOURCES (4):

In 2019, there were 7 employees.

% SALES BY SEGMENT:

Currently, **80%** B2B and **20%** B2C.

SEASONALITY OF SALES (5):

In 2018, around 77% of sales were registered in December.

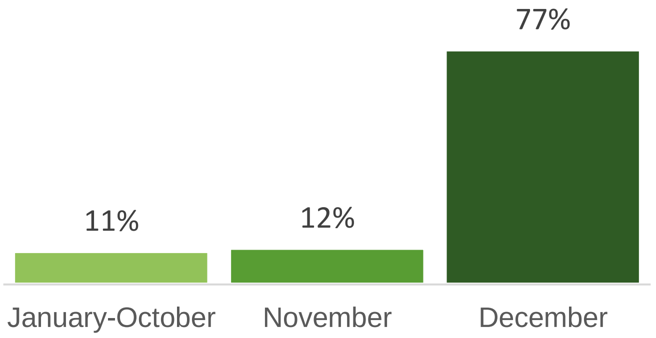


Figure 6 – Seasonality effect on sales (2018)

* *Instituto do Emprego e Formação Profissional*

Source; SEMEAR's Report 2019

To see detailed information about each account throughout time, check (1) Appendix 5.1; (2) Appendix 5.2; (3) Appendix 5.3; (4) Appendix 5.4; (5) Appendix 5.5; (6) Appendix 5.6

5.5. PESTLE | EXTERNAL ANALYSIS

External factors like Covid-19 pandemic and increasing awareness of IDD people's rights are the ones that affect SEMEAR the most.

FACTORS

POLITICAL

- **Unpredictability and uncertainty** of the political environment due to Covid-19;
- Obligation to comply with **General Data Protection Regulation (GDPR)** (1).

ECONOMICAL

- ↓ **GDP** (2);
- ↑ **Unemployment rate** (3);
- ↓ **Private consumption** (4);
- ↑ Gross Average Monthly Wage (5);
- Goods subject to VAT (Value-Added Tax) policy (6).

SOCIAL

- ↑ **Ecommerce growth** due to Covid-19 (7);
- ↑ **Health concerns**;
- Change of consumption habits;
- ↑ **Awareness of IDD people's rights** (8);
- Social restriction of mobility.

TECHNOLOGICAL

- **Online stores** are now key to more accessible distribution, as 65% of the Portuguese consumers shop online (9).

LEGAL

- **Labor and Employment Rights** for people with IDD, forbidding their discrimination (8);
- **Food production laws** that refer to the rules of products such as jams (10).

ENVIRONMENTAL

- ↑ **Food waste Awareness**;
- **Climate change** will have profound effects on food production (11). Direct impact in fruit and vegetable production can lead to shortage in raw materials for SEMEAR.

(1) European Comission 2020; (2) *Jornal de Notícias* 2020; (3) INE 2020; (4) McKinsey 2020; (5) HR Portugal 2020; (6) PWC 2020; (7) Statista 2020; (8) Disability and Human Rights Observatory Report 2019; (9) DIGITALKS 2020; (10) *Diário da República - Decreto-Lei n.º 230/2003, 2003*; (11) Emerging Technologies and Management of Crop Stress Tolerance - Volume 1: Biological Techniques 2014;

To see detailed information about PESTLE Analysis, check Appendix 3.2. and about Political, Economical and Social Factors, check Appendix 6

SEMEAR

5.6. COMPETITORS | 3 Cs ANALYSIS

SEMEAR stands out for being social mission driven, for having an own online store and a high variety of product's categories.

	PRISCA 1917	QUINTA DE JUGAIS	SAIA ALGARVE	CASA DE MATEUS	SEMEAR
CHARACTERISTICS	**OPTIMIZED NUTRITIONAL** PRODUCTS	**TRADITIONAL** PRODUCTS	**ORGANIC** PRODUCTION	**HIGH QUALITY** INGREDIENTS	ARTISANAL, ORGANIC AND **SOCIAL MISSION DRIVEN**
ACCESSIBILITY *	VERY HIGH	VERY HIGH	MODERATE	HIGH	LOW
ONLINE STORE	✗	✗	✓	✗	✓
PRICE (1)					
VARIETY OF PRODUCTS Witihin each category	VERY HIGH	HIGH	MODERATE	HIGH	MODERATE
VARIETY OF CATEGORIES	HIGH	MODERATE	MODERATE	LOW	HIGH
ONLINE COMMUNITY Number of followers	LOW	HIGH	LOW	MODERATE	MODERATE

Figure 7 – Competitors' Benchmarking (developed by the group)

*** By Accessibility, it is meant the number of physical stores available to acquire products**

(1) Benchmark product: SEMEAR's Pumpkin Jam 200g – 3.5€ | 17.5€/kg; Group Analysis based on each competitor's website and social media

To see detailed information about 3Cs Analysis, check Appendix 3.2 and about each competitor, check Appendixes 7.1, Appendix 7.2, Appendix 7.3 , Appendix 7.4. and Appendix 7.5.

5.7. CHANNEL PARTNERS | 3 Cs ANALYSIS

Being *SEMEAR na Mercearia* a social business, partnerships with companies and organizations are crucial as they allow cost reductions.

SUPPLIERS

AGRICULTURE PRODUCERS

> Provide the **raw materials** for transformation;

> Products come from donations due to excess of production or SEMEAR pays for it at a cost price.

FINISHED GOURMET PRODUCTS' SUPPLIERS

> To compete with other Christmas Bundles' players, SEMEAR makes partnerships with suppliers of **finished products** like wine, honey and *charcuterie.*

PARTNERS

PRODUCTION & DISTRIBUTION

INSTITUTO SUPERIOR DE AGRONOMIA

Production:

> Preparation, confection and transformation of their products happens at ISA's industrial kitchen.

Distribution:

> One of the physical selling point of *SEMEAR na Mecearia* is ISA's Reception.

PARTNERS

PROMOTION

IEFP*

> **Finances** the training, **promotes** *Mercearia's* products and **develops** projects for the inclusion of people with IDD.

WISDOM CONSULTING*

> **Communication and PR Partner** for all business units and products' promotion for *Mercearia.*

"Amigos do SEMEAR"

> WhatsApp **Group with influent members that communicate the program** in exchange for a monthly basket.

***Besides being the current promotion partners, SEMEAR believes is not effective in targeting the right consumer.**

Source: Insights from the interview with SEMEAR's Head of Marketing

To see detailed information about 3Cs Analysis, check Appendix 3.2, and about channel partners check Appendix 7.6.

5.8. CONSUMER TRENDS (I/II) | 3 Cs ANALYSIS

Consumers are increasingly opting for local products products and products that have a social purpose. They are more aware of food waste issue and the impact that their daily behavior has on it. Consuming biological as well as gourmet and artisanal have become a reality.

FOOD WASTE AWARENESS

- Governmental policies will make food waste reduce by 15% until 2027 [(6);]
- **Consumers are more aware of this issue and positively contributing to its reduction**.

LOCAL PRODUCTS

- Increase in **consumer preference for local products**,
- **Main Reasons**: 1) “environmental reasons” [(1),] 2) Due to Covid-19 pandemic, as a way to “provide financial support to (Portuguese) producers" [(2)].

PRODUCTS WITH SOCIAL PURPOSE

- **Consumers expect brands and products to have** not only functional benefits but also **social purpose** [(3)].
- Brands with a purpose have a huge opportunity to stand out [(4)].

GOURMET PRODUCTS

- **The preference for healthier and gourmet options is increasing year by year.**
- Making gourmet products means "adding value through the texture, ingredients, taste or image, differentiating them from similar products" [(4)].

BIOLOGICAL PRODUCTS

- **It is estimated that expenses with this segment in Portugal will duplicate** until 2027,
- **Challenges:** Lack of information about the benefits and Biological Agriculture principles [(1)], products more expensive due to difficulties in supplying markets.

ARTISANAL PRODUCTS

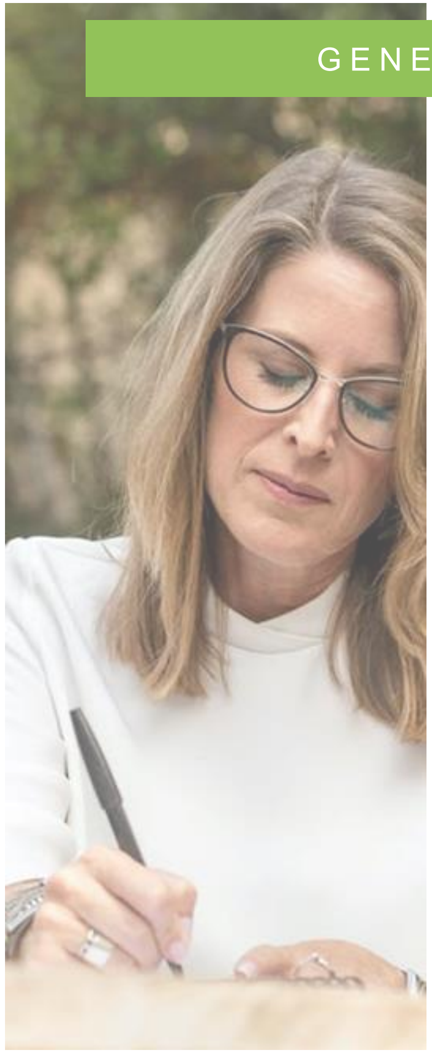
- Handmade products focused on “the quality of the food, preparation methods, distribution, packaging.“ [(5)]
- **It has been registering a boom in the demand in Europe** for this type of products **due to "a higher consumer awareness for the quality factor"** [(6)].

(1) *Distribuição Hoje* 2019; (2) *Público* 2020; (3) Rivotti 2019; (4) *Instituto de Marketing Research* 2019; (5) Gourmet Artisanal Food Trends 2020; (6) *Tendências do Mercado Alimentar da União Europeia Report* 2015

To see detailed information about 3Cs Analysis, check Appendix 3.2, and about consumer trends check Appendix 7.7 and Appendix 7.8.

5.8. CONSUMER TRENDS (II/II) | 3 Cs ANALYSIS

Differences between Generation X and Millennials are clear, not only in terms of their characteristics but also regarding consumption patterns. Although both use social media, Millennials are more influenced to purchase through this channel than Gen-X.



GENERATION-X (1965-1980)

Between 40 and 55 years old; ≈ **23%** of the Portuguese population (2019) (1).

Gen-X still uses traditional media channels, but they are also digitally savvy (3).

Honest and clear product and marketing messages (3).
Outline an obvious path-to-purchase (3).

Prefers unique high-quality products (3).
Highest rate of brand loyalty (3).
Customer service is the key aspect (3).

Willing to pay extra for "fresher", "authentic" and "homemade" food (2).

MILLENNIALS (1981-1996)

Between 24 and 39 years old; ≈ **18%** of the Portuguese population (2019) (1).

Technology allows them to purchase "how and when they want" (2).

Traditional advertising is not authentic (3).
Persuaded through WOM marketing, user-generated content and social selling (3).

Choices based on products' **features and price**.(1)
Less loyal to brands (1).
Value brands that: engage online, offer personalized products (1), have a cause behind or support local communities (4).

Convenience is key(5).
Privilege healthy foods made with natural ingredients (5).

(1) PORDATA 2020; (2) Schawbel 2015; (3) Revelsystems 2018; (4) Independent UK 2018; (5) Pulido 2019
To see detailed information about 3Cs Analysis, check Appendix 3.2,, and about consumer trends check Appendix 7.9.

5.9. SWOT ANALYSIS

One of the main strengths of *SEMEAR na Mercearia* is its products' high-quality, however, it still faces weaknesses such as seasonality of sales. The increasing consumption of organic and artisanal products is a huge opportunity that SEMEAR can take advantage of.

INTERNAL FACTORS

STRENGTHS

S

- **Strong brand with a message behind:** People with IDD, when properly trained, have skills to perform well at work as any other person;
- **High-quality of gourmet artisanal products;**
- **Partnerships** that allow to reduce costs and access to distribution;
- Volunteering allows reduction of personnel expenses;
- **Synergies** with *SEMEAR na Terra* and *SEMEAR Academia*, which minimize costs such as the distribution ones.

WEAKNESSES

W

- The availability of raw materials varies annually;
- Dependency of stock/delays from suppliers finished goods;
- **Low awareness of *SEMEAR* Program;**
- **Seasonality** of sales because of a high focus on B2B;
- Promotion partners not effective in targeting the right consumer;
- **Low capacity** of response to **high demand** (out of stock issues);
- **Insufficient financial and human resources** to attract consumers and grow.

EXTERNAL FACTORS

OPPORTUNITIES

O

- High unemployment rate for IDD people;
- **E-commerce & Home deliveries service** rise;
- Higher concern about health (e.g. consumption of organic products);
- Increasing purchase of **products with social purpose**;
- Increasing consumption of **artisanal products**.

THREATS

T

- Several competitors offer **similar products** in the market **at a lower price**;
- .**Absence of tax benefits** for Social Enterprises;
- **Lack of legislation** for Social Enterprises

Source: Organization's Insights and Group Analysis

To see detailed information about SWOT Analysis, check Appendix 3.2.

5.10. ORGANIZATIONAL CHALLENGE FORMULATION

After analyzing *SEMEAR na Mercearia* current situation and market opportunities the organizational challenge "How can *Mercearia* contribute to improve SEMEAR's performance in order to become sustainable?" was formulated.

CURRENT SITUATION

> SEMEAR intends to become financially self-sustainable;

> *SEMEAR na Mercearia* accounts for **67% of sales and services of the program** (1);

> *Mercearia* faces a **big seasonality of sales;**

> It translates into a huge pressure to the business unit's processes and difficulty to manage resources;

> **B2C segment only accounts for 20% of *Mercearia*'s sales**.

DIAGNOSIS FACTS

> Consumers expect **brands** to have a **purpose beyond profit** (2).

> **Increasing demand of artisanal products** (3);

> Nowadays, Portuguese citizens are increasingly **valuing national products** to help countries' economy due to the Covid-19 pandemic. (4)

ORGANIZATIONAL CHALLENGE

How can Mercearia contribute to improve SEMEAR's performance in order to become socially and financially sustainable?

(1) SEMEAR's Income Statement 2019 and *SEMEAR na Mercearia* Business Results 2019; (2) The Economist Group 2017; (3) *Tendências do mercado alimentar da UE* Report 2015; (4) *Jornal Público* 2020

6.1. PRIMARY RESEARCH METHODOLOGY

The target market was pre-defined to be used in the semi-structured interviews. The hypothesis identified in the interviews were tested within a bigger sample (online survey) in order to have a higher level of confidence on the retrieved findings.

PRE-DEFINED TARGET MARKET (1)

Select profiles who interact with SEMEAR

Analyze the characteristics

CHANNEL

Facebook, Instagram **of SEMEAR**

REQUIREMENTS

> Profiles of current consumers who: **Reviewed, commented or shared SEMEAR's posts frequently**. having in consideration a wide time interval, to guarantee consistency

SAMPLE

n=20 selected Facebook and Instagram profiles

SEMI-STRUCTURED INTERVIEWS (2)

Define objectives, requirements

Choose respondents

Execute 6 interviews

Analyze the data and identify hypothesis to be tested

CHANNEL

Microsoft Teams **(30-45 min each)**

REQUIREMENTS

> **Women, 25-54 years old, live in Lisbon, Oeiras, Cascais or Sintra;**

> **Fit 1 of the 3 motivations:** (1) consumes organic products; (2) consumes artisanal goods; (3) consumes products with social purpose

SAMPLE

n=6 Total interviews (due to Theoretical Saturation)

3 to current and 3 to potential consumers

ONLINE SURVEY (3)

Define objectives, requirements

Launch the online survey

Analyze the quantitative data

CHANNEL

qualtrics XM **(approx. 10 min)**

REQUIREMENTS

> **Women, 25-54 years old, live in Lisbon, Oeiras, Cascais, Sintra, Odivelas, Amadora or Loures**

> Responsible for home food purchases

SAMPLE

n=203 Total Answers

n=163 Valid Answers (that match the requirements)

Source: Group Analysis

To see detailed information about methodologies of each step, check Appendix 11.1. and Appendix 11.2.

6.2. PRIMARY RESEARCH FIDINGS (I/IV)

Both generations highly use social networks, where they like to discover new brands, being Instagram and Facebook the most used ones. Within their social media, they follow Influencers and Public figures from Food and Health accounts.

CONSUMER

GOURMET ARTISANAL PRODUCTS

SEMEAR

> All respondents agree that **people with disabilities or incapacities are totally able of getting a job;**

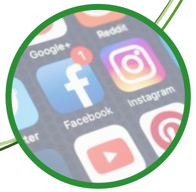
> 66% of respondents **have already had an active role on volunteering** or in organizations with a social purpose.

> Consumers are increasingly opting for local products to **help country's economy and local producers.**

> 92% of **Millennials** mentioned **Instagram** and 77% of **Gen-X** mentioned **Facebook** as their **favorite social network**;

> Respondents **follow influencers** and **public figures** in their social media. They mentioned **Food** and **Health** as their favorite type of accounts;

> 86% of Gen-X and 98% of Millennials like to **discover brands through social media;**



> Besides the **different motivations**, consumers cannot be segmented within them, since they are **not mutually exclusive.**

Source: Online Survey (n=163) and Semi-Structured Interviews (n=6) conducted by the group.
To see detailed information about these topics check, Appendix 10.3., Appendix 11.3. and Appendix 11.9.

6.2. PRIMARY RESEARCH FIDINGS (II/IV)

Consumers perceive high-quality and better taste as the main benefits of gourmet artisanal products. When shopping for these type of products consumers prefer physical places over e-commerce.

CONSUMER

GOURMET ARTISANAL PRODUCTS

SEMEAR

PREFERRED LOCAL OF PURCHASE

> **Physical places** such as **local fairs** and **gourmet sections** of supermarkets are the most mentioned places;

> **Millennials are more willing to buy online** than Gen-X.

PRICE SENSITIVITY

> **Consumers are willing to pay more** since these products are usually endowed with quality.

PERCEIVED BENEFITS AND BARRIERS

> **Benefits:** Higher quality; Better taste; Made with care;

> **Difficulties:** Price; Accessibility; Time spent searching for brands.

BRAND AWARENESS AND RECOGNITION

> **Brand Awareness:** Little knowledge regarding brands which sell artisanal products.

> **Brand Recognition:** when logos of well-known brands were shown, they were able to recognize some;

Source: Online Survey (n=163) and Semi-Structured Interviews (n=6) conducted by the group.
To see detailed information about these topics check Work Project slides Appendix 11.3., Appendix 11.4. and Appendix 11.8..

6.2. PRIMARY RESEARCH FIDINGS (III/IV)

It was possible to understand that there is little awareness of SEMEAR, but the ones who knew pointed out the purpose and products' quality as the main strengths of the brand.

CONSUMER

GOURMET ARTISANAL PRODUCTS

SEMEAR

Awareness: **Little awareness** of the brand (63% of respondents did not know the brand);

How did they know SEMEAR? Mostly through the **companies they work for** (33% of respondents), through **relatives** (28%) and **media** (25%);

Motivations to purchase: Adding to its social cause, 58% of current and potential consumers would be motivated to acquire SEMEAR's products **because of its organic baskets** and 20% because of its **gourmet artisanal products**. Moreover, 20% of the respondents would be motivated to buy any SEMEAR's product due to its social mission.

Strengths: Social Purpose, Quality*, Products' characteristics (local, artisanal and gourmet), Packaging;

Weaknesses: Accessibility**, Communication, Products' variety within categories and Price;

SEMEAR na Terra and SEMEAR na Mercearia: There was a higher number of people who purchased organic products (*Terra*) in comparison with artisanal products (*Mercearia*) (41% vs. 25% of respondents who knew SEMEAR), having the majority did it only once.

* By Quality, it is meant the taste associated with artisanal/handmade products; **By Accessibility, it is meant lack of points of sale
Source: Online Survey (n=163) and Semi-Structured Interviews (n=6) conducted by the group.
To see detailed information about these topics check, Appendix 11.4.,, Appendix 11.5. and Appendix 11.6..

6.2. PRIMARY RESEARCH FIDINGS (IV/IV)

The preferred local of purchase for SEMEAR's products, within the ones available, is their online store. Consumers showed different preferences for each type of products when faced with different consumption occasions.

CONSUMER

GOURMET ARTISANAL PRODUCTS

SEMEAR

Consumption habits: Very few had **bought products simultaneously from *Terra* and *Mercearia***, but some mentioned it would be an interesting option to have **jams to complement their organic basket**;

Local of purchase: C**urrent and potential consumers prefer to acquire SEMEAR's products through its website** when comparing to the other available options (63% and 87% of respondents, respectively);

Consumption occasions: **Consumer choices are different according to the consumption occasion**, as well as the criteria used for choosing (variety, price and type of occasion). For instance, 63% of respondents prefer the individual products for daily consumption, being personal preference and daily usage, the criteria given; Bundles are preferred on special occasions;

Types of social media accounts that would better fit SEMEAR's profile: 62% mentioned **Food**, 53% **Health** and 34% **Mummy Bloggers**.

* By Quality, it is meant the taste associated with artisanal/handmade products; **By Accessibility, it is meant lack of points of sale
Source: Online Survey (n=163) and Semi-Structured Interviews (n=6) conducted by the group.
To see detailed information about these topics check, Appendix 11.6.,, Appendix 11.7.,, Appendix 11.8. and Appendix 11.9..

SEMEAR
TERRA DE OPORTUNIDADES

6.3. ORGANIZATIONAL CHALLENGE PROPOSED SOLUTION

After studying current and potential consumer trends and behaviours, *SEMEAR na Mercearia* should take advantage of B2C segment potential to improve the social and financial sustainability of SEMEAR.

CURRENT SITUATION

> SEMEAR intends to become financially self-sustainable;

> *SEMEAR na Mercearia* accounts for **67% of sales and services of the program** [(1)];

> *Mercearia* faces a **big seasonality of sales;**

> It translates into a huge pressure to the business unit's processes and difficulty to manage resources;

> **B2C segment only accounts for 20% of *Mercearia*'s sales**.

DIAGNOSIS ANALYSIS FACTS

> Consumers expect **brands** to have a **purpose beyond profit** [(2)].

> **Increasing demand of artisanal products** [(3)];

> Nowadays, Portuguese citizens are increasingly **valuing national products** to help country's economy. [(4)]

> People buy artisanal products in **different occasions, to own consumption or to offer** either on special days or festive seasons [(5)].

ORGANIZATIONAL CHALLENGE

How can Mercearia contribute to improve SEMEAR's performance in order to become socially and financially sustainable?

FINAL ANSWER

BY EXPANDING B2C SEGMENT

Grab the growth potential of B2C segment to achieve all-year sales' stability

(1) SEMEAR's Income Statement 2019 and *SEMEAR na Mercearia* Business Results 2019; (2) The Economist Group 2017; (3) *Tendências do mercado alimentar da UE* Report 2015; (4) *Jornal Público* 2020 (5) Analysis conducted by the group

7.1. MARKETING STRATEGY | SEGMENTATION AND TARGETING

According to the segmentation criteria chosen, SEMEAR should focus on targeting **women from 25 to 54 years old**, **who value organic and artisanal products and who care for others' well-being.**

SEGMENTATION CRITERIA

DEMOGRAPHIC

Gender; Age; Professional Occupation; Social Class.

GEOGRAPHIC

County of residence.

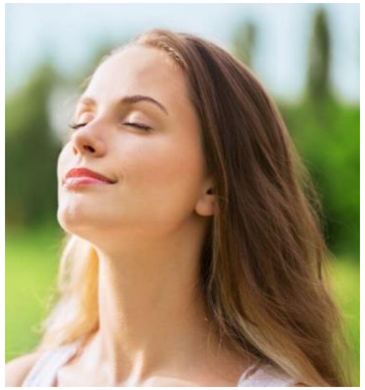
BEHAVIOURAL

Role in household's foods purchase; Benefits sought.

PSYCHOGRAPHIC

Personality (Values, Beliefs).

TARGETING



Women from **25** to **54 years old**

Worker from Middle to Upper Class

Household food manager

Who live in **Oeiras, Lisboa, Cascais, Sintra, Amadora, Loures** or **Odivelas**

Regularly consumes **organic products**; Less price sensitive because of quality and **nutritional benefits** of the products.

Regularly consumes **artisanal products**; Values the **human presence** in the production process.

Cares a lot about **social causes** and others' well-being and usually buys products with social purpose.

Source: Group Analysis

To see detailed information about the choice of the target market, check Appendix 9.11

7.1. MARKETING STRATEGY | POSITIONING

SEMEAR na Mercearia includes disabled people in the gourmet artisanal goods production process and uses raw materials at risk of waste, which consists of a differentiation factor of the brand versus other competing artisanal goods.

FRAME OF REFERENCE

A brand inserted in the category of **gourmet artisanal products** that sells high-quality products.

POINTS OF PARITY

Artisanal products;

Categories of products;

Online distribution.

POINTS OF DIFFERENCE

Brand that goes beyond profit since it is driven by its social mission;

Contributes for environmental sustainability, in specific food waste.

REASONS TO BELIEVE

Includes people with IDD, between 18 and 45 years, **in the production process** by training and professionally integrating them at *Mercearia;*

Raw materials (fruits and vegetables) **at risk of waste are used** in the production process.

PRODUCT AS THE HERO:

emphasize **quality** associated with the taste of products made by artisanal means **and** also the **participation of people with IDD** in the production process.

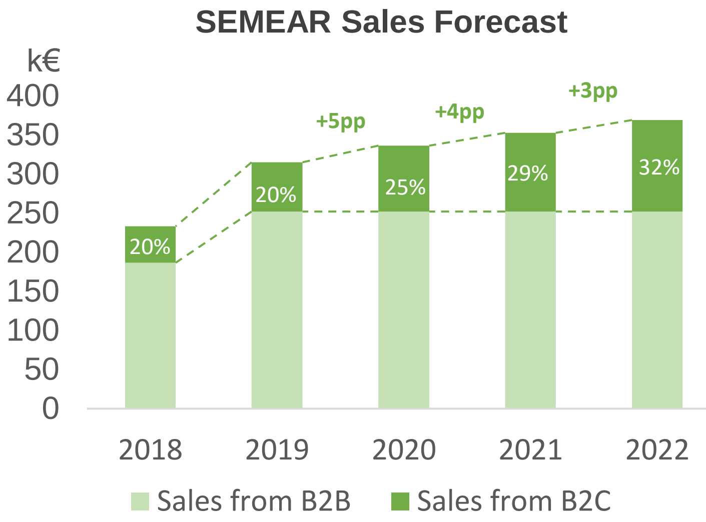
Source: Group Analysis

7.2. GOALS AND OBJECTIVES

Until 2022, *SEMEAR na Mercearia* should minimize the impact of seasonality, by increasing B2C segment weight on total sales from 20% to 32% and increase brand awareness among the new target audience, obtaining more 144% Instagram followers.

Financial Goal: Enhance all year financial stability until 2022 by **increasing B2C segment weight on total sales** from **20% to 32%** of total sales.

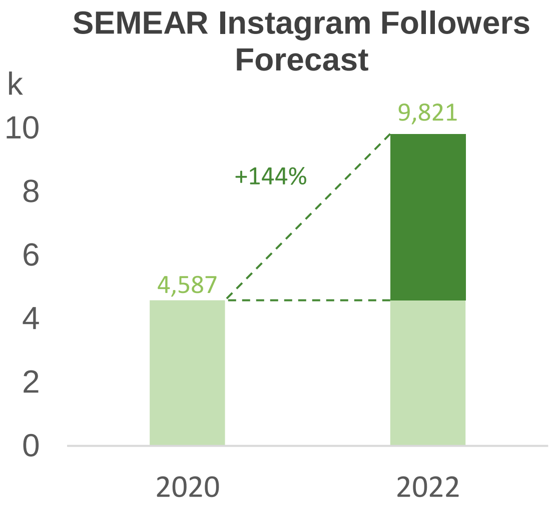
Social Mission Goal: Increase the brand awareness among the new target audience by achieving more **144%** Instagram followers until 2022.



ASSUMPTIONS

> **Stable growth on particular consumers' sales** from 2018 to 2022;
> B2C Sales is the only account being forecasted, **ceteris paribus**

Figure 8 – Sales Forecast of SEMEAR (2018-2022)



ASSUMPTIONS

Based on food giveaways or engagement rate of each suggested brand ambassador, as it will be the tactic that will lead to the sharp growth of followers.

Figure 9 – Instagram Followers Forecast of SEMEAR (2020-2022)

Strategic initiatives and tactics will be developed in order to achieve the intended goals.

Source: Group Analysis
To see detailed information about the rationale of the financial and social mission goal, check Appendix 12.1 and Appendix 12.2, respectively.

7.3. STRATEGIC INITIATIVE| PRODUCT/SERVICE DEVELOPMENT FOR THE B2C MARKET SEGMENT

SEMEAR na Mercearia should invest in product/service development as a way to extend the consumption of the B2C market segment for the rest of the year, since retaining and selling more to these consumers reveals to be an opportunity not only to increase revenues, but to gain financial stability.

BEFORE

- SEMEAR *na Mercearia* targeted mainly consumers whose buying behaviour was seasonal.
- Its **poor distribution**, made it more difficult to strengthen its relationship with B2C segment.

WHAT CHANGED?

- This year **SEMEAR launched its online store**;
- The B2B segment is still highly valuable, however, its consumption is seasonal;
- Thus, the online store presents an opportunity to **extend consumption for B2C segment** for the rest of the year.

OPPORTUNITY

Retaining and selling more to existing consumers throughout the year, to increase revenues but, also to gain financial stability.

SEMEAR **should add new offerings for the B2C segment, and improve the already existing ones by developing different consumption occasions and product/customer services.**

Strategic Initiative

PRODUCT AND SERVICE DEVELOPMENT FOR THE B2C SEGMENT- keep and grow consumers

WHAT?

To improve performance, SEMEAR *na Mercearia* should invest in product and service development, to better fit customers' needs in other occasions besides Christmas Season, expanding the value of its B2C market segment.

HOW?

By adding new products and services, and improve the existing ones naming: *SEMEAR na Mercearia* would add value to its portfolio, enabling the keeping and growing of its B2C segment(1),

1. **ONLINE BUNDLES CUSTOMIZATION**
2. **RECIPE SHARING**
3. **LIMITED-EDITION BUNDLES AND NAMING BUNDLES**

(1) Lindecrantz, Gi, and Zerbi 2020

To see detailed information about product and service development of each tactic, check Appendix 13.1, and to see the detailed information about the product and service development process of the tactics check Appendix 13.2.

7.4. TACTIC 1 | ONLINE BUNDLES CUSTOMIZATION

Making the bundles customization available online will allow the brand to enhance customer experience, strengthen the brand image, and therefore increase brand loyalty.

DESCRIPTION

Offer customers the possibility of tailoring their bundles online by allowing them to choose the packaging and products.

RATIONALE

> Currently, *SEMEAR na Mercearia* offers its customers a bundle customization service that is available only through direct contact with SEMEAR.

> According to the survey, the **variety of products is one of the most important criteria** used by consumers when choosing the bundle.

> Within the channels' options provided by SEMEAR, **63% of actual customers prefer to purchase via online**, in which the customization is not available.

GOALS

1. Provide a **consistent customer experience** across all channels though an omnichannel approach [3].
2. **Increase purchase frequency and brand loyalty** through customers satisfaction.

CUSTOMIZED EXPERIENCE BENEFITS

> Enhances customer experience [1]

> Strengthens relationships with customers [1];

> Allows the brand to differentiate itself from the market [2].

PRICE AND PROMOTION

The price should continue to be set up in the same way as it is currently computed.

The **communication** should be made through:

- the highlight of the new online offering,
- on the website's homepage,
- organic posts on social media.

(1) Forbes 2017; (2) McKinsey 2020; (3) Forbes 2020; (4) Forbes 2018

7.4. TACTIC 1 | ONLINE BUNDLES CUSTOMIZATION

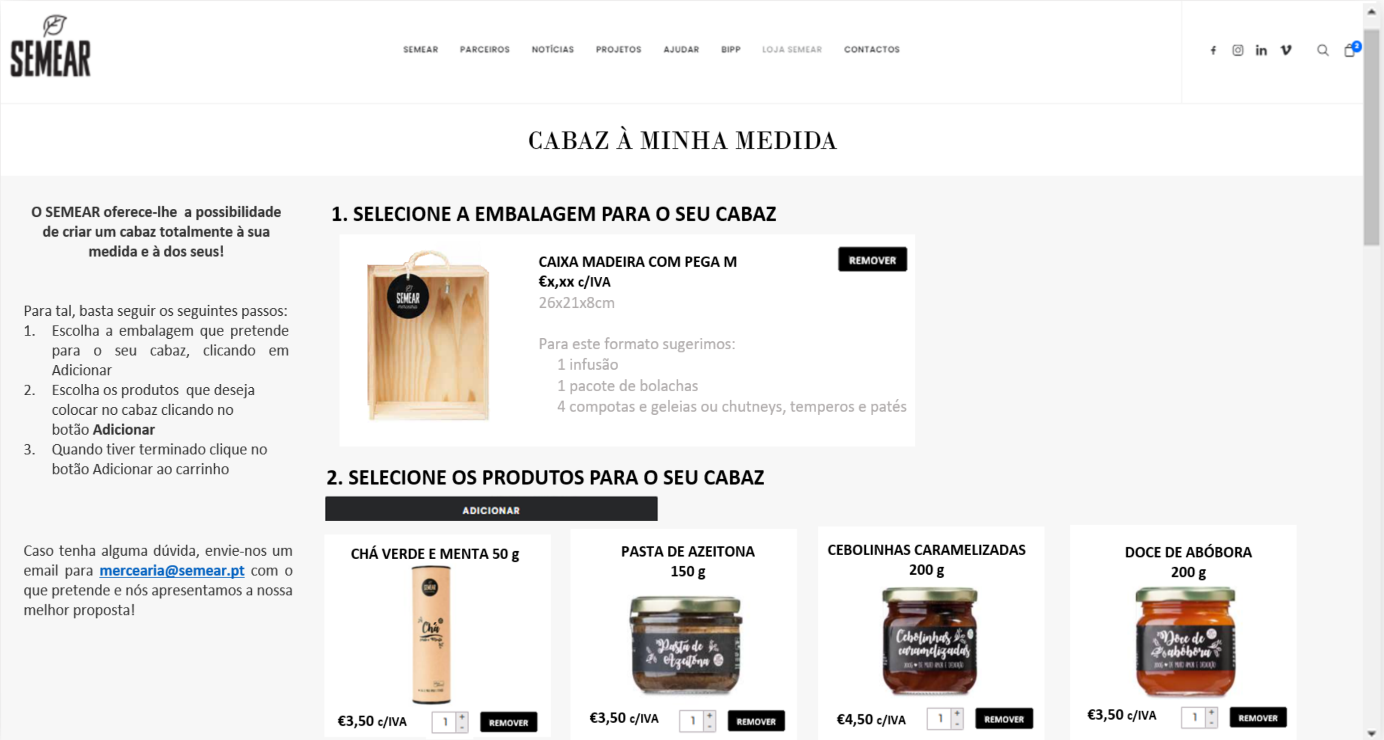
A suggestion for the online availability of bundles customization was developed based on websites' design best practices, in order to facilitate customers' selection and purchase process utmost.

DEVELOPMENT (1)

Best practices of e-commerce websites' design:

- Intuitive navigation;
- Cohesive and clean design;
- A way to connect with the brand and ask for help when needed.

On a website that offers a wide range of offerings, the filtering option added through pop-up windows will allow consumers to easily navigate without getting lost.



Suggestion developed by the student

PATH TO PURCHASE SUGGESTION:

01 In the "LOJA SEMEAR" tab, the option "Cabaz à minha medida" should be included;

02 Allow the client to choose between the different packages available through a pop-up window;

03 **Give a tip on how many products should be part of the bundle;**

04 Let the customers choose the products of the bundle through a pop-up window organized by categories.

(1) Forbes 2018

To see detailed information about the suggested website design, check Appendix 14 (I/II) and Appendix 14 (II/II)

7.4. TACTIC 2 | RECIPE SHARING

By selecting a product of the month and sharing different and appealing recipes with consumers, challenging them to cook and share the final results, will help consumers associate SEMEAR *na Mercearia´s* individual products to diverse usages, and potentially increase the purchase frequency.

DESCRIPTION

Proposing a diversified usage of *SEMEAR na Mercearia´s* final products to consumers through improving recipe sharing

RATIONALE

> At the moment, SEMEAR shares with its consumers typical recipes on social networks, but with a low level of engagement.

> Reasons why sharing recipes could be successful (according by the analysis conducted by the group):

- Gen-X highly appreciates customer services that assist them in regard of the product´s usage;
- Millennials increasingly value the engagement with brands on social networks;
- **62% of respondents mentioned food/recipes accounts when asked for the type of accounts they followed the most.**

GOALS

1. **Encourage consumers** to use *SEMEAR na Mercearia´s* products more.
2. **Improve customer experience** by providing different product usage on tasteful and innovative recipes for daily basis occasions.
3. **Increase online customer engagement** with the brand.

RECOMMENDATION

Launching recipes more consistently and engaging with consumers by:

> Presenting monthly 1 product from *Mercearia,* and sharing 2 totally different recipes in which the product can be used;

> For 3 months, challenging influencers to develop and share the recipes to increase adherence;

> Sharing the recipes on Facebook and Instagram with an appelative image;

> **Encourage the interaction between the brand and members from the online community** by challenging them to share their final results

Source: Group Analysis

7.4. TACTIC 3 | RECIPE SHARING

To improve the products service, 3 different online posts should be made. Also, to increase engagement of consumers towards the recipe sharing, partnerships with influencers will be suggested leaving each one responsible for choosing, making and sharing the recipes on a given month.

RECIPE DEVELOPMENT AND POSTING

RECIPE POSTS

Recipes should vary between innovative, healthy or traditional, on which the **product included is essential** for the recipe. The posts should always have a **good and refined look.**

3 POSTS

> 1 post of the product itself, highlighting quality and product story (including the degree of participation of IDD trainees);

> **2 posts of different recipes** that include a photo, ingredients, steps and estimated time.

POSTS EXAMPLE

PARTNERSHIPS

Partnership with influencers include:

> development of 2 recipes,

> posting photos of the final results.

CHOICES

content posted, number of followers and engagement rate*

@vanessaaalfaro

@senassaudaveis

@mariana_abecassis_nutricionista

ONLINE COMMUNITY

CHALLENGE

On the recipes posts' challenge consumers to cook and share the final results, followed by the hashtag **#ComemosoqueSEMEARmos**

SHARE

Usage of the **guides new tool on Instagram** to create, for each category, a **collection** of the consumers´ photos final results.

COLLECTIONS
Allow customers to have easy access to the recipes and shared content

(1) Hype Auditor 2020

*Engagement rate is the rate of likes and comments for each of your Instagram posts expressed as a percentage of followers, used to access the quality of an Instagram influencer

7.4. TACTIC 3 | LIMITED-EDITION BUNDLES AND NAMING EXISTING ONES

Offering limited editions and naming the bundles will help to diversify the bundles' consumption occasions beyond the Christmas season, which will contribute to increase the purchase frequency of the existing consumers.

DESCRIPTION

Diversification of the bundles' consumption occasions beyond Christmas by:

1. Creating stronger allusions to the favourable moments of consumption of each bundle by **changing its name on the website.**
2. **Offering limited editions of bundles on special days** that include the most adequate products and an exclusive partnership for that holiday.

RATIONALE

> SEMEAR already suggests different moments of consumption for a bundle but it is slightly highlighted and the names aren't differentiators;

> Most of survey's respondents **were interested in buying bundles outside Christmas season.** Valentine's, Mother's, Father's Days and Easter are the most popular food gifting holidays after Christmas (1) ;

> According to the survey, one of the **biggest criteria for choosing bundles to offer is the person to whom the client is going to offer it to.** SEMEAR should take advantage of holidays in which there are similarities on the type of products more consumed by the person the bundle will be offered to, or at that day.

> Limited-edition products help to bring existing **customers come back** more often (2).

GOALS

Increase purchase frequency by making customers to look at bundles as:

> a gift solution for other holidays,

> for sharing on other special days than just at Christmas.

1| CHANGE BUNDLES' NAMES

IMPORTANCE OF THE TITLES

Have good, search-friendly product titles with specific keywords helps to: optimize search engines (SEO) to reach target audience organically, **but also to increase customer satisfaction.** (3)

Titles should be…

concise and relevant,

focused on user intention,

and include keywords that match the customer search. (3)

CABAZ SEMEAR GOURMET – JUNTE AMIGOS E TRADIÇÃO

…Instead of *CABAZ SEMEAR 4*

Example

(1) Feedstuffs 2018; (2) Thakker 2018; (3) Banu 2019

7.4. TACTIC 3 | LIMITED-EDITION BUNDLES AND NAMING EXISTING ONES

The limited-edition bundles should be developed for special holidays and should include the products best known for being consumed on these occasions or by the type of people to whom the date refers to. Also, it is suggested to establish exclusive partnerships for the development of these bundles.

2| LIMITED-EDITION BUNDLES

DATES

- **Take advantage of known holidays for giving gifts** such as: Mother´s, Father´s day, Valentine´s day and Easter.
- The bundle should be available 1 month before.

PARTNERSHIPS

- **Exclusive partnerships**
- brands that have products that match with special day's typical offerings.

PROMOTION

- Highlights in the **homepage of the website,**
- **Posts on brands' social network**,
- Shared posts by "Amigos do SEMEAR" members.

COMMUNICATION

The message conveyed in the promotion should highlight **SEMEAR's offer as the hero of the moment.**

PRODUCTS

Products should be chosen based on:

- **most consumed products on those occasions;**
- **most consumed products by the person** to whom the date refers to.

PRICES

The price range estimation was based on the price chosen from 75% survey's respondents for this type of occasions adding a possible extra due to the exclusivity factor.

MOTHER´S DAY BUNDLE´ EXAMPLE

EXAMPLE

MOTHER'S DAY

cookies, jams, tea, dry fruits, seasonings.

SAUDADE
flores frescas

Portuguese florist

15€-45€ (including the price of the partner´s product)

Include a photo of a mother and an adult daughter sharing a happy moment, the bundle, and SEMEAR´S logo.

For such a special mother you could only offer a very special gift.

Source: Individual Analysis

To see more examples of limited-edition bundles, check Appendix 15

7.5. MILESTONES AND FINANCIAL IMPLICATIONS

Online bundle customization should be implemented as soon as possible, recipe sharing should be made throughout the year, and finally the launch of limited-edition bundles depends on the day of the year on which each occasion is celebrated. Moreover, with the exception of the great uncertainty in the cost of implementing the bundle customization option, the costs of implementing these tactics are relatively low.

MILESTONES

TACTIC	TASK	YEAR 2022: 1	2	3	4	5	6	7	8	9	10	11	12
ONLINE BUNDLES CUSTOMIZATION	Contact current website manager and analyze the feasibility												
	Implementation of the recommendation on the website												
	Communicate to consumers												
RECIPE SHARING	Create the collections on SEMEAR´s Instagram profile												
	Choose the product of the month, the recipes and develop the posts												
	Partnership with influencers Feb/April/Jun												
LIMITED-EDITION BUNDLES AND NAMING EXISITNG ONES	Develop the bundles												
	Choose partners and negotiate price discounts												
	Photograph the bundles												
	Communicate the limited-edition bundles												
	Create new bundle titles and implement them on the website												

FINANCIAL IMPLICATIONS

TOTAL ≈ 0-10k€

Implementing **the offering on website** (depending on current website software).

TOTAL ≈ 200€

Payment for ingredients used by influencers and **bundle offerings** to the influencers.

TOTAL ≈ 30-300€

Photo shoot costs

Price differences from the usual bundles sent to "Amigos do SEMEAR" and the limited ones.

Source: Conducted by the student

To see detailed information about financial implications, check Appendix 16.

7.6. RISKS, CONTINGENCIES AND KPIs

Alternatives were suggested in case *SEMEAR na Mercearia* faces lack of budget, influencers refusal to make recipes, low engagement on social media and lack of time to develop the limited-edition bundles. Also, the main KPIs to the effectiveness of these tactics were identified.

RISKS & CONTINGENCIES		KPIs	
LACK OF BUDGET AVAILABLE TO IMPLEMENT THE ONLINE OFFERING	Announce the possibility of creating customized bundles by contacting SEMEAR.	> Number of orders per month > Engagement rate on social media posts (1) > Customers feedback	1 **ONLINE BUNDLES CUSTOMIZATION**
INFLUENCERS REFUSAL TO MAKE AND SHARE THE RECIPES	> Try to partner with other influencers from the same areas. > Select and share all the récipes.	> Sales´ revenues increase vs. the same month of the previous year > Engagement rate on the recipes posts (1) > Number of customer shares > Number of recipe videos' views > Followers Growth	2 **RECIPE SHARING**
LOW ENGAGEMENT OF THE COMMUNITY	Ask influencers from "Amigos do SEMEAR" WhatsApp group to make the recipes and challenge their followers.		
LACK OF TIME TO ESTABLISH PARTNERSHIPS AND DEVELOP LIMITED EDITION BUNDLES	Choose from the existing bundles, the ones that have the most appropriate products for the special occasion and communicate to customers.	> Number of orders per bundle, >Sales´ revenues increase vs. the same month of the previous year > Website traffic after each launch > Engagement rate on social media posts (1) > Website traffic comparison with the same month of the previous year	3 **LIMITED-EDITION BUNDLES AND NAMING EXISTING BUNDLES**

Source: Individual Analysis

To see detailed information about risks and contingencies check Appendix 17 and more detailed information about KPIs check Appendix 18.

7.8. CONCLUSION

To increase the financial sustainability of SEMEAR´s performance, SEMEAR *na Mercearia* should expand its B2C segment by investing in product/service development with the aim of retaining and growing consumers value. Making online bundle´s customization, improving recipe sharing, creating limited-edition bundles and naming existing ones are the recommended tactics for product/service development.

ORGANIZATIONAL CHALLENGE

SEMEAR should expand its B2C segment in order to become financially and socially sustainable

RECOMMENDED TARGETING

> Women from 25 to 54 years old who live in the Region of Lisbon;
> Health conscious; Artisanal Lover; Altruist

RECOMMENDED POSITIONING

> **High-quality gourmet artisanal products**;
> **Brand that goes beyond profit**, integrates IDD people;
> Cares about food waste.

GOALS AND OBJECTIVES

Increase the weight of B2C segment on total sales;

STRATEGIC INITIATIVES

Product/Service development for the B2C market segment

TACTICS

1. Bundles Customization
2. Recipe sharing
3.,, Limited-edition bundles

ASSESS SUCCESS

Success can be measured through the main KPI´s: number of orders, and engagement rate; and development of the action plan..

Source: Individual Analysis

8. RISKS AND LIMITATIONS

The main limitations the group faced while developing this work project were the following: focus on a single business unit (SEMEAR *na Mercearia*), Covid-19 pandemic restrictions as well as time, monetary and research constraints.

CONSTRAINTS

FOCUS

On ***SEMEAR na Mercearia*** rather than on the others business units or even on all business units at once, being the **efforts and analysis only directed to one specific social business.**

COVID-19

A **situation constraint** for the project, where the communication with the organization, professor and team members was entirely made through online platforms.

MONETARY AND TIME

The work project **lasted for 4 months**, which explains the **willingness to focus more deeply on a single business unit** rather than superficially on the others.

The **absence of monetary resources** made **difficult to have access to high quality and reliable studies.**

RESEARCH

Desk Research brings risks such as the possibility of the **data being outdated** and being **difficult to assess the quality and reliability of data**.

Online survey may have samples often random and sometimes **not representative of all customers.**

Source: Group Analysis


SEMEAR
Areias
Azeite virgem extra
Doce de Morango com Champagne
Piripiri
Azeite aromático carnes
Pasta de Azeitona

REFERENCES


Paté de Cogumelos
SEMEAR
Infusão
Canela e Gengibre
Areias
Azeite virgem extra
Cebolinhas caramelizadas
Broas de Noz e Mel
Piripiri
Doce de abóbora
Doce de Morango com Champagne
Flor de Sal
Chá
Verde e Menta
Geleia de alecrim
Chutney de manga
Vinagre de frutos vermelhos
Azeite aromático carnes
Confit de Pimentos
Pasta de Azeitona
Castanhas em calda
Amendoim Caramelizado

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SEMEAR
Areias
Azeite virgem extra
Doce de Morango com Champagne
Piripiri
Azeite aromático carnes
Pasta de Azeitona

APPENDIXES


Paté de Cogumelos
SEMEAR
Infusão
Areias
Azeite virgem extra
Cebolinhas caramelizadas
Piripiri
Doce de abóbora
Broas de Noz e Mel
Doce de Morango com Champagne
Flor de Sal
Chá
Geleia de alecrim
Azeite aromático carnes
Chutney de manga
Confit de Pimentos
Pasta de Azeitona
Castanhas em calda
Amendoim Caramelizado

OBJECT OF STUDY, STUDY OBJECTIVE AND SCOPE

APPENDIX 1. STUDY SCOPE

In 2014, BIPP founded SEMEAR program with the main aim of training and employing disabled people. Year by year, SEMEAR has been achieving important landmarks, such as the placement of 31 people with IDD in the job market.

PROBLEM IDENTIFIED

- 900 000 portuguese people with disabilities or impairment, where the majority are at risk of poverty and/or social exclusion;
- In the last 10 years, it was registered a 41% increase of unemployment rate amongst disabled people (vs. a reduction of 38% in the overall population);
- Recognition of the competences and skills of these people were still not achieved yet.

MAIN ACHIEVEMENTS SEMEAR 2014-2019

- 31 young people and adults with intellectual disabilities placed in the job market;
- 44 000 gourmet products produced with the participation of IDD people;
- 863 fresh biological baskets sold to consumers;
- 1449 volunteers of a total of 59 firms.

In 2005, the private non-profit Social Solidarity Organization BIPP was created to:

VISION: Promote an effective inclusion of people with disabilities

MISSION: Develop projects aiming at the inclusion of people with disabilities

In 2014, BIPP developed SEMEAR, a "sustainable program that aims at promoting employability and social inclusion and job placement for young people and adults with Intellectual and Developmental Disabilities (IDD)" (1)

Source: BIPP's Report 2019 and SEMEAR's Website

METHODOLOGY

APPENDIX 2.1. METHODOLOGY

As part of diagnosis stage are the literature review, organizational challenge formulation and external and internal analysis. To conduct these steps, desk and primary research were used, mainly annual reports and information available online, and in-dept interviews, respectively.

DIAGNOSIS

STEPS

(1) An **analysis of the current situation** of *SEMEAR na Mercearia* business unit was conducted, in order to understand the main gaps that could lead to the organizational challenge; **(2)** To be aware of the brand, its portfolio and results the group decided to **deep dive in this business unit**; **(3)** Afterwards, an **external and internal situation analysis** were developed to recognize the main factors that influence the business. As part of the external analysis are Opportunities and Threats of the market as well as competitors and consumer trends. The internal analysis consisted of the recognition of Strengths and Weaknesses of the business unit, its partners and the target market **(4)** In the end of Diagnosis the **Organizational Challenge** was formulated.

METHODOLOGY

(1) The organizational challenge was found through **primary research** with the help of João Amado, the head of Marketing, in the **first interview**; **(2)** The analysis of SEMEAR program was developed having as support **annual reports** and **information about the organization available on the website**; **(3)** To conduct the internal and external analysis, **desk research** was used to gather information about the external context, competition, consumer trends, partners and target market, provided by the annual reports and information available online.

Source: Conducted by the group

APPENDIX 2.2. METHODOLOGY

Semi-structured interviews and an online survey were conducted in order to gather consumers insights about the market and the brand. All data collected was critically analyzed to provide the best conclusions to be used in recommendations block.

ANALYSIS

STEPS

(1) The first step of the analysis stage was to **identify and interview** few **current and potential consumers**, who match the profile previously identified, according to their motive for consumption; **(2)** An **analysis of the qualitative data** gathered was developed, in order **to identify the hypothesis to be tested in a quantitative way**; **(3)** Finally, the **results** from customers' insights **and the data obtained by the group on the diagnosis stage helped the group to deepen the understanding of SEMEAR *na Mercearia's* potential on B2C segment**, for further develop the best strategic initiatives and tactics to reach that market.

METHODOLOGY

(1) Due to the lack of accessibility of the clear profile of SEMEAR's target market, a preliminary analysis was conducted through **Facebook and Instagram Analytics** to define consumers profile by analyzing data of representative current clients**.** Afterwards, the group conducted **6 online semi-structured interviews***, based on the identified profile; **(2)** The qualitative data was gathered through the **semi-structured interviews**; **(3)** An **Online Survey** was launched targeting current and potential consumers, who fulfilled some pre-defined requirements (gender, age, county of residence, role in the home food purchases) to obtain quantitative information based on the insights from the interviews.

*** The research ended up in the 6th interviewee due to Theoretical Saturation, meaning that interviewing more people would not add new information.**
Source: Conducted by the group

APPENDIX 2.3. METHODOLOGY

After defining Segmentation, Targeting, Positioning (STP) and Goals, a strategic initiative was formulated together with 3 tactics to attain it.

RECOMMENDATIONS

STEPS

(1) At the first place, **segmentation, targeting and positioning** were defined, in order to understand how SEMEAR should approach; **(2)** At the second place, a **financial and a non-financial goal** (mission-driven goal) **were pointed out** as the desired end results SEMEAR should assess, in order to measure the success; **(3) A strategic initiative per student was formulated** to recommend which direction SEMEAR should follow; **(4)** Finally, **for each strategic initiative, three tactics were determined** with the main aim of suggesting SEMEAR the plan the brand should adopt to achieve the pre-defined goals.

METHODOLOGY

(1) Segmentation, Targeting and Positioning were developed based on **the insights from the previous analysis' stage; (2) The financial goal was defined based on a Sales Forecast** [(1)], while the **social mission-oriented goal was based on Instagram Followers Forecast** [(2)], both until 2022; **(3)/(4) Strategic Initiatives and Tactics were developed based on the analysis previously made as well as on the insights from interviewees and survey's respondents.**

Source: Conducted by the group
To see detailed information about the goals' definition, check (1) Appendix 10.1, and (2) Appendix 10.2

APPENDIX 2.4. METHODOLOGY

The collection of data is an important step that should be followed to develop an effective marketing plan. In Desk Research, there are some limitations that should be taken into consideration such as the difficulty to evaluate the quality and reliability of the findings.

DATA COLLECTION

DESK RESEARCH
What it is & Limitations

Research is essential to an effective marketing plan in several points in time [(1)]. Each type of research that will be used by the group provides useful information in different manners. Therefore, it is important to highlight the main advantages and limitations of each source used to collect information and data needed.

Types of research used:

- Desk Research
- Primary Research (Interviews and Online Survey)

Desk research or **secondary data** consists in any data gathered from an existing resource and is the mainly used as initial insights for any topic that the researcher does not have much knowledge about the subject matter [(2)]. This secondary data can be internal data from the company/organization, which in this case is collected from company records, sales reports and existing sales studies; or it can be external information that in this case is gathered from external sources as databases, internet and social networks, books and/or government resources.

Limitations: As it is not specifically gathered for the business, it may not fully fit the problem and answer specific questions the researcher might have, besides the possibility of being outdated and being difficult to assess the quality and reliability of the data [(2)].

(1) Basil, Diaz-Meneses, and Basil 2019; (2) Mooi, Sarstedt, and Mooi-Reci 2018

APPENDIX 2.5. METHODOLOGY

Semi-structured interviews are a method of sampling which consists of pre-defined questions to the interviewee to find important insights for the next stages, even though the comparison between interviews can become an obstacle..

DATA COLLECTION

PRIMARY RESEARCH
Semi-structured Interviews and Limitations

Research is essential to an effective marketing plan in several points in time [1]. Each type of research that will be used by the group provides useful information in different manners. Therefore, it is important to highlight the main advantages and limitations of each source used to collect information and data needed.

Types of research used:

- Desk Research
- Primary Research (Interviews and Online Survey)

Semi-structured interviews are conversations one-to-one with a consumer or decision-maker in a specific topic. These interviews can vary in structure levels, for the purpose of our research, the interview will be semi-structured. Semi-structured interviews contain a series of pre-defined questions that must be addressed, being these interviews used for gathering qualitative data, where the questions can be answered in different formats [2]. In specific, these interviews will be used to identify consumers' behaviors and biases that can't be identified through desk research.

Limitations: Since these interviews are semi-structured, answers may vary and the comparison between interviews can become difficult [2].

(1) Basil, Diaz-Meneses, and Basil 2019; (2) Mooi, Sarstedt, and Mooi-Reci 2018

APPENDIX 2.6. METHODOLOGY

In Primary Research, specifically in online surveys, large samples can be reached in a relatively inexpensive way. There are also some disadvantages like the amount of time needed and the bias that can be found in the data due to the distribution.

DATA COLLECTION

PRIMARY RESEARCH
Online survey and Limitations

Research is essential to an effective marketing palan in several points in time [(1)]. Each type of research that will be used by the group provides useful information in different manners. Therefore, it is important to highlight the main advantages and limitations of each source used to collect information and data needed.

Types of research used:

- Desk Research
- Primary Research (Interviews and Online Survey)

An **online survey** is usually a quantitative research that provides exclusive and recent information, collected for the purpose aimed by the group with precise measures. It can reach large sample sizes due to its easy access and promotion, being the least expensive method of primary research. Additionally, it does not require an interviewer which means none training is needed and a lack of interviewer biases may mean better results [(2)].

Limitations: Online survey drawbacks are the collection which can be time consuming; Samples are often random and not representative of all customers due to the difficulty of reaching challenging population or poor distribution may lead to biased data [(2)].

(1) Basil, Diaz-Meneses, and Basil 2019; (2) Mooi, Sarstedt, and Mooi-Reci 2018

LITERATURE REVIEW

APPENDIX 3.1. HYBRID ORGANIZATIONS & SOCIAL ENTERPRISES

In the case of *SEMEAR*, the profit serves as the engine of the social mission achievement through *SEMEAR na Terra* and *SEMEAR na Mercearia* business units, since it will be invested, afterwards, in the training of people with IDD.

CLARIFICATION

> It is important to understand that the **marketing**, in this case, **will not consider the profit maximization goal as the core**. Instead, in the case of this social enterprise, **the profit has a support role of the social mission**. Having said this, the marketing that will be addressed will incorporate these facts, being the profit entirely connected to the social mission. In fact, **the profit will be reinvested with the main aim of maintaining the sustainability of the project** and not for the owners' benefit, as we are used to see in commercial-oriented enterprises.

> **Social enterprises use the product and/or service just as a mean to achieve the predefined social goal**, aiming "primarily to pursue a social mission and to ultimately transform their social environment". [1]

SEMEAR

> The previously mentioned facts can be demonstrated by looking at the example of SEMEAR. **The program uses the profit from the products it sells at *SEMEAR na Terra* and *SEMEAR na Mercearia* as a mean to sustain the investment in training and integrating disabled people in society and labor market.**

> As any social organization, SEMEAR tries to go after a problem that, in their point of view, must receive better attention due to its importance next to citizens, where the potential outcome can positively overcome their initial objective.

> To sum up, **SEMEAR is focused on maximizing value creation to both beneficiaries and society**, where the financial gain of its social business units serves exclusively to increase its societal gain.

(1) Mair and Martí 2006

APPENIX 3.2. DIAGNOSIS TOOLS

To better understand the market and the business situation, SWOT, 3Cs and PESTLE frameworks were used for the Diagnosis block.

SWOT ANALYSIS

It is one of the most common and well-known analytical techniques for understanding the situation a business is facing (Calkins, 2012)

Internal factors: **strengths** the business can build on (S) and **weaknesses** the business must deal with (W);

External factors: **opportunities** of the market (O) and **threats** on the horizon (T).

3Cs ANALYSIS

According to Calkins (2012), this analysis focuses on **understanding the main business players**:

Customers: success comes when costumers are understood and pleased;

Competitors: actions of competitors can affect the business success;

(Value) Channel partners: they facilitate the customers in many ways to access the product.

PESTLE ANALYSIS

Strategic management tool used by companies to **view the whole environment from many different angles** to check and keep track on what may affect the business (Marmol, Feys, and Probert 2015).

Factors: **Political, Economical, Social, Technological, Legal and Environmental**

ADVANTAGES

(1) Forces you to consider each of these important topics; (2) The analysis is critical to understand the situation/issues the business is facing; (3) Solid and useful approaches to build a deeper understanding of the business.

LIMITATIONS

(1) The SWOT and PESTLE analyzes **don't lead logically to action**;

(2) The tools allow the gathering of **plenty information but not all is useful.**

These limitations were mitigated though the collection of only the facts and data considered relevant for the group analysis.

(1) Calkins, 2012; (2) Marmol, Feys, and Probert 2015

APPENDIX 3.3. GOST FRAMEWORK | RECOMMENDATIONS TOOLS

GOST Framework by Tim Calkins (2012) consists of an action-oriented model which helps developing a marketing plan. It will be used in the project since it helps the organization to keep the focus and efforts on the most important goals.

GOST FRAMEWORK

Framework based on 3 fundamental key components of the marketing plan. The **Goals or Objectives** (what the business is trying to achieve), the **Strategic initiatives** (the big moves the business will make in order to achieve growth) and the **Tactics** (specific programs and moves the business will make to support the strategic initiatives).

Goals/Objectives:

- 1 or 2 to have a focus on the desired end result;
- **SMART**: Specific, Measurable, Achievable, Relevant and Time specific;
- Usually are **financial objectives** but can also be **non-financial**, like **social mission oriented**.

Strategic Initiatives:

- Just a few, ideally 3;
- Criteria to choose: MECE ("Mutually Exclusive, Collectively Exhaustive");
- **Characteristics:** clear, action-oriented, measurable, directly support the objectives.

Tactics:

- Highlight the most important on the marketing plan;
- Focus on the most critical things, some details are unnecessary;
- Consistent with the strategy.

ADVANTAGES

(1) Action-oriented framework as the result is a comprehensive and executable strategic plan; (2) Easy to follow, helps to keep the focus on the planning process; (3) Leads to a better consistency of the plan and alignment with the business long-term objectives.

LIMITATIONS

(1) Difficulty in choosing the most critical goals and objectives of the business and the few best strategic initiatives to reach those the desired results.

Source: Calkins 2012


SEMEAR
Areias
Azeite virgem extra
Doce de Morango com Champagne
Piripiri
Azeite aromático carnes
Pasta de Azeitona

DIAGNOSIS


Paté de Cogumelos
SEMEAR
Infusão
Areias
Azeite virgem extra
Cebolinhas caramelizadas
Piripiri
Doce de abóbora
Broas de Noz e Mel
Doce de Morango com Champagne
Flor de Sal
Chá
Geleia de alecrim
Piripiri
Vinagre de frutos vermelhos
Chutney de manga
Azeite aromático carnes
Confit de Pimentos
Pasta de Azeitona
Castanhas em calda
Amendoim Caramelizado

APPENDIX 4. WEBSITE'S SALES ANALYSIS 2020

Until now website's sales accounted for 4.8k€ and 70% of the sales were registered in November. Lisbon, Oeiras and Sintra are the top 3 counties where the purchases are delivered to.

SALES PER MONTH 2020

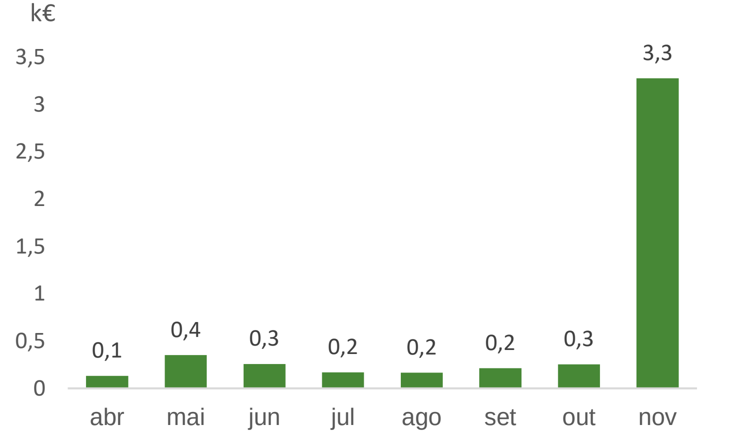


Figure 1 – Monthly sales of SEMEAR na Mercearia (April-November, 2020)

SALES PER COUNTY 2020

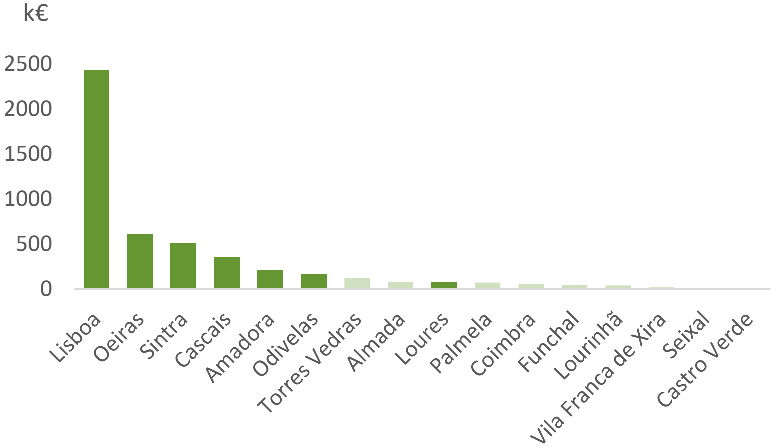


Figure 2 – Sales per county (April-November, 2020)

TOP 6 SKU's SOLD 2020

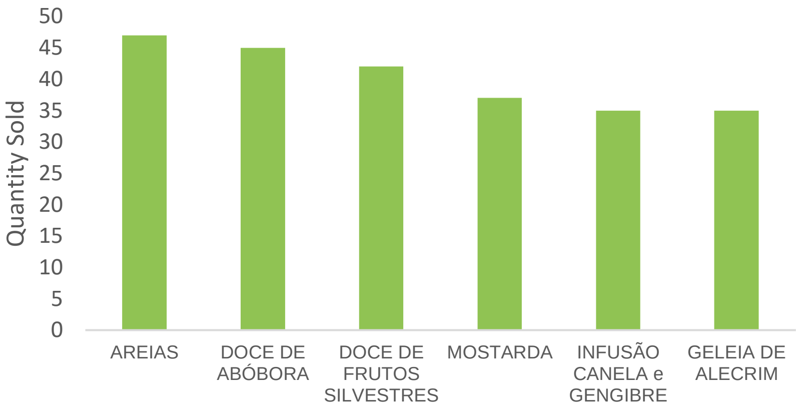


Figure 3 – Top selling products (April-November, 2020)

- **Total sales = 4.8k€;**
- 70% of online sales were registered in November;
- The online sale of *SEMEAR's na Mercearia* products only started in mid-April and all products were sold out on November 25th. Hence the analysis period was restricted to these months.

- **50% of online sales were delivered to customers who live in Lisbon;**
- **The group chose to focus on the counties that together represented 90% of the sales** (these counties also correspond to the ones where the organic baskets' delivery is available).
- **Loures** was also chosen since SEMEAR added to the list of places where the bio baskets are available and, therefore, has also a great potential.

ONLINE ORDERS

Number of orders = 208

Average order value = 23,4€

Maximum order value = 313,50€

Minimum order value = 2,50€

Source: Website data provided by SEMEAR

APPENDIX 5.1. BUSINESS RESULTS *SEMEAR NA MERCEARIA* (SALES AND SERVICES PROVIDED)

Total Revenues, which include not only sales and services but also donations and subsidies, have been increasing over time but the same has been happening to Total Expenses. Last year, the operating income suffered a decrease of about 26k€ when compared to 2018.

	2016	2017	2018	2019
Sales and services provided	4 203,19	64 278,00	233 306,46	315 107,55
Donations	67 476,56	97 983,97	180 060,54	114 980,10
In-kind donations				3 014,00
Cash donations	67 476,56	97 983,97	171 029,50	104 038,53
Subsidies – IEFP (*Instituto do Emprego e Formação Profissional*)			9 031,04	7 927,57
Total Revenues	**71 679,75**	**162 261,97**	**413 367,00**	**430 087,65**
Expenses				
COGS (Costs of Goods Sold)	2 221,83	89 640,00	212 360,30	236 387,52
Supplies and Services	46 379,26	1 435,85	34 177,47	28 297,24
Personnel Expenses	16 268,91	20 340,75	28 101,86	52 513,75
Total Expenses	**64 870,00**	**111 416,60**	**274 639,63**	**317 198,51**
Gross Margin	69 457,92	72 621,97	201 006,70	193 700,13
Operating income	6 809,75	50 845,37	138 727,37	112 889,14

Figure 4 – Operating Income *of Mercearia* 2016-2019 (in euros)

Source: SEMEAR's Report 2019

APPENDIX 5.2. BUSINESS RESULTS *SEMEAR NA MERCEARIA* (DONATIONS & SUBSIDIES)

Donations and subsidies have been varying a lot year by year. From 2017 to 2018, they increased by 84% while from 2018 to 2019, these accounts decreased by 36%, which contributed to a deceleration of total revenues growth, that rose only 4%.

	Δ 2016-2017	Δ 2017-2018	Δ 2018-2019
Sales and provided services	1429%	263%	35%
Donations (subsidies included)	45%	84%	-36%
Total Revenues	**126%**	**155%**	**4%**

Figure 5 – Variation of Total Revenues of *Mercearia* 2016-2019 (in euros)

Source: SEMEAR’s Report 2019

APPENDIX 5.3. BUSINESS RESULTS *SEMEAR NA MERCEARIA* (EXPENSES)

In 2019, COGS* accounted for 55% of total revenues of *SEMEAR na Mercearia*, followed by personnel expenses with 12%. In fact, as it is expected, Costs of Goods Sold was the greatest responsible for the costs as this business unit represents a commercial activity.

	2016	%	2017	%	2018	%	2019	%
Sales and provided services	4 203,19		64 278,00		233 306,46		315 107,55	
Donations (subsidies included)	67 476,56		97 983,97		180 060,54		114 980,10	
Total Revenues	71 679,75	100%	162 261,97	100%	413 367,00	100%	430 087,65	100%
Expenses								
COGS	2 221,83	3%	89 640,00	55%	212 360,30	51%	236 387,52	55%
Supplies and Services	46 379,26	65%	1 435,85	1%	34 177,47	8%	28 297,24	7%
Personnel Expenses	16 268,91	23%	20 340,75	13%	28 101,86	7%	52 513,75	12%
Total Expenses	64 870,00	90%	111 416,60	69%	274 639,63	66%	317 198,51	74%
Gross Margin	69 457,92	97%	72 621,97	45%	201 006,70	49%	193 700,13	45%
Operating income	6 809,75	10%	50 845,37	31%	138 727,37	34%	112 889,14	26%

Figure 6 – Evolution of the operating profitability of sales and the weight of the several costs on sales at *Mercearia* 2016-2019 (in euros)

	2016	%	2017	%	2018	%	2019
COGS (Costs of Goods Sold)	2 221,83	3%	89 640,00	80%	212 360,30	77%	236 387,52
Supplies and Services	46 379,26	71%	1 435,85	1%	34 177,47	12%	28 297,24
Personnel Expenses	16 268,91	25%	20 340,75	18%	28 101,86	10%	52 513,75
Total Costs	64 870,00	100%	111 416,60	100%	274 639,63	100%	317 198,51

Figure 7 – Evolution of Costs Structure at *Mercearia* 2016-2019 (in euros)

* Costs of Goods Sold

Source: SEMEAR's Report 2019

APPENDIX 5.4. BUSINESS RESULTS *SEMEAR NA MERCEARIA* (HUMAN RESOURCES)

At the end of 2018, there was a new employee allocated to the commercial and marketing area. Besides that, from 2017 to 2019, two kitchen helpers were added as well as one responsible for the distribution, totalizing the team of *SEMEAR na Mercearia* 7 members.

	2016	2017	2018	2019
SEMEAR na Mercearia Responsible	1	1	1	1
Production	1	1	1	1
Commercial and Marketing	0	0	1	1
Cooker	1	1	1	1
Kitchen Helper	0	0	2	2
Distribution	0	0	1	1
Total	**3**	**3**	**7**	**7**

Figure 8 – Allocation of Human Resources at *Mercearia* 2016-2019 (number of workers)

Source:SEMEAR's Report 2019

APPENDIX 5.5. BUSINESS RESULTS ***SEMEAR NA MERCEARIA*** (SEASONALITY)

December accounted for 77% of total sales, followed by November with 12%. It can be seen the seasonality effect in the last month of the year due to the high level of Christmas bundles' demand.

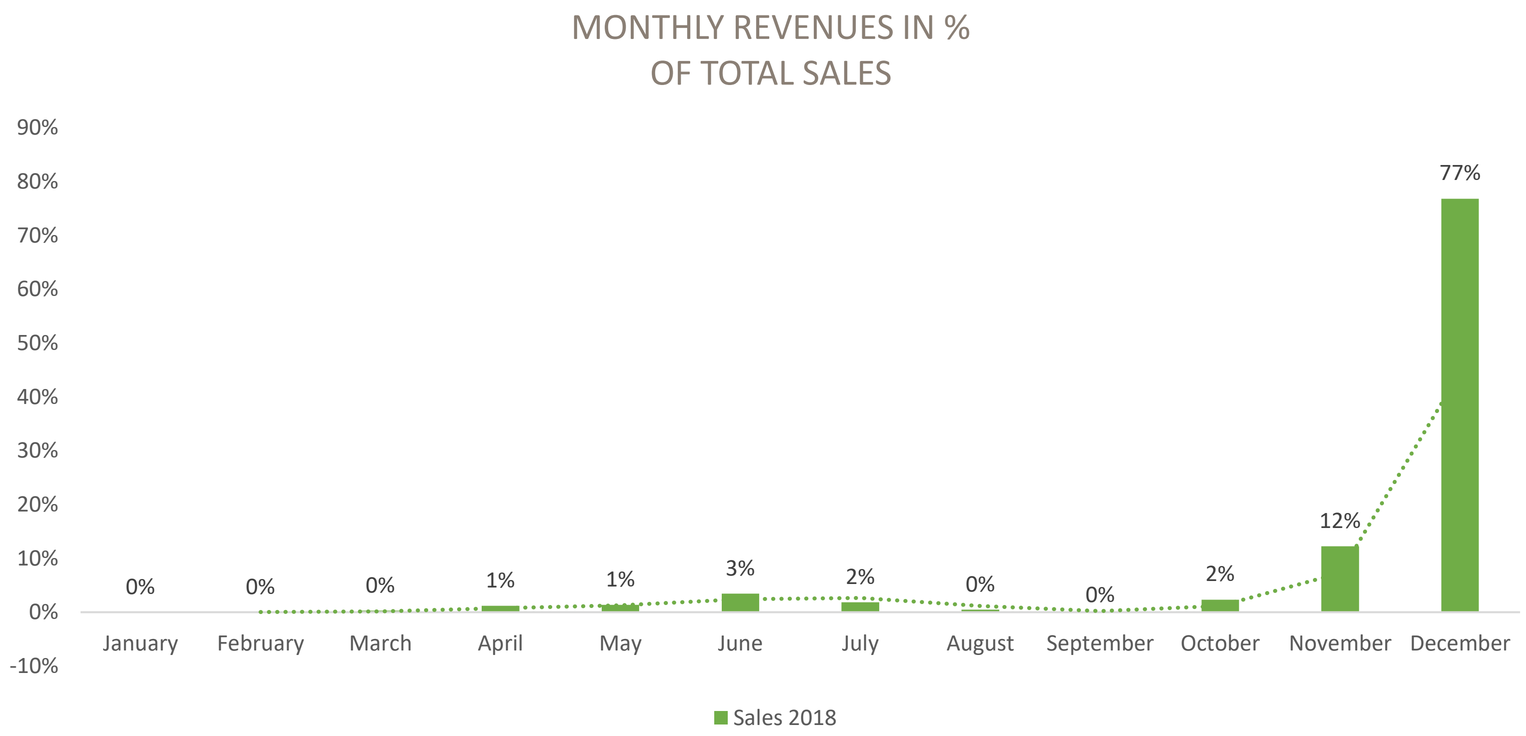


Figure 9 – Seasonality Effect on Sales in 2018 (% of total sales)

Source: SEMEAR's Report 2019

APPENDIX 5.6. **SEMEAR PROGRAM** BUSINESS RESULTS

The following table represents the income statement of SEMEAR in 2018 and 2019, where is shown the net income in both years.

DEMONSTRAÇÕES DOS RESULTADOS POR NATUREZAS

DOS EXERCÍCIOS FINDOS EM 31 DE DEZEMBRO DE 2019 E 2018

RENDIMENTOS E GASTOS	Notas	2019	2018
Vendas e Serviços prestados	6	474 367	321 880
Subsídios à exploração	7/11.9	623 297	652 573
Custos das matérias consumidas	5	(288 920)	(157 479)
Fornecimentos e serviços externos	11.10	(325 126)	(300 801)
Gastos com o pessoal	9	(328 584)	(270 362)
Outros rendimentos	11.11	19 843	22 864
Outros gastos	11.12	(2 871)	(3 758)
Resultado antes de depreciações, gastos de financiamento e impostos		172 005	264 917
Gastos de depreciação e de amortização	4	(27 174)	(22 228)
Resultado operacional (antes de gastos de financiamento e impostos)		144 831	242 689
Juros e rendimentos similares obtidos	11.13	14	35
Juros e gastos similares suportados	11.13	(270)	(72)
Resultado antes de Imposto		144 575	242 652
Imposto sobre o rendimento do período	8	(727)	(263)
Resultado líquido do período		143 848	242 389

Figure 10 – SEMEAR's Income Statement (2018 and 2019)

IMPORTANT NOTES (from the Income Statement):

6. RÉDITO

Para o período de 2019 e 2018 foram reconhecidos os seguintes réditos:

Descrição	2019	2018
Vendas	337 310	252 170
Prestação de Serviços	137 057	69 710
Total	**474 367**	**321 880**

7. SUBSÍDIOS DO GOVERNO E APOIOS DO GOVERNO

A 31 de Dezembro de 2019 e 2018 a entidade tinha os seguintes saldos nas rubricas de "Subsídios do Estado e outros entes públicos"

Descrição	2019	2018
Subsídios do Estado e Outros Entes Públicos		
IEFP	252 999	154 975
INR	27 659	-
Total	**280 658**	**154 975**

11.9 Subsídios, doações e legados à exploração

A entidade reconheceu, nos períodos de 2019 e 2018, os seguintes subsídios, doações, heranças e legados:

Descrição	2019	2018
Subsídios de outras entidades	-	-
Doações	342 639	497 598
Total	**342 639**	**497 598**

Os "Subsídios e Apoios do Governo" estão divulgados na nota 7.

Source: SEMEAR's Report 2019

APPENDIX 6. PESTLE ANALYSIS

Political, Economical and Social factors from PESTLE are more deeply detailed below.

P

Uncertainty of the political environment raised by the appearance of Covid-19 pandemic, directly affects businesses.

GDPR (General Data Protection Regulation): "As of May 2018, with the entry into application of GDPR for all companies operating in the EU". It not only allows citizens to "have more control over their personal data", but also "businesses to benefit from a level playing field". (1)

E

↓ **GDP**: Considering the YOY rate of change, GDP decreased 16.3% in T2 (compared to T2 in 2016). (2)

↑ **Unemployment rate:** In July 2020, it raised 9% relatively to the previous month and 20.2% when compared to the previous year (July 2019). (3)

↓ **Private consumption:** Portuguese citizens are currently cutting their spendings. From August 2019 to August 2020, Portugal Private Consumption declined 11.5%.(4)

↑ **Gross Average Monthly Wage:** It registered a rise of 2.6% in July 2020, when compared to the same period in 2019. (3)

VAT (Value-Added Tax) policy: "Transfers of goods in Portuguese territory are subject to VAT in Portugal" (5). The rates maintained from 2019 to 2020.

S

↑ **Ecommerce growth:** In Portugal, revenue in e-commerce market is expected to register a CAGR* of 6.9% from 2020 to 2024. (6)

↑ **Health concerns:** The population is increasingly showing concerns about adopting a healthier lifestyle (e.g. increasing biological products' consumption) (7).

Consumption habits: Purchase habits are changing since people are giving preference to more practical options (e.g. home delivery services) (8).

↑ **Awareness of IDD people's rights:** Complaints regarding discrimination based on disability increased from 41 to 835 between 2009 and 2018 (≈ ↑ 2000%). (9)

Social restrictions due to Covid-19**:** the mobility restriction had a severe impact on several businesses.

* Compound Annual Growth Rate

(1) European Comission 2020; (2) *Jornal de Negócios* 2020; (3) INE, 2020; (4) Trading Economics 2020; (5) PWC 2020; (6) Statista 2020; (7) *Distribuição Hoje* 2019; (8) Pulido 2019; (9) *Jornal de Notícias* 2019

APPENDIX 7.1. ANALYSIS 3CS: COMPETITORS (I/V)

SEMEAR considers Casa da Prisca a relevant competitor to be taken into consideration due to its practices and the way this firm positions itself in the market.

CASA DA PRISCA

> A brand with **more than 100 years of history** that aims to be a leader and a reference of **quality and good practices**;

> In 1998, it focused on the **internationalization** in the neighbour spanish market. Today, they are **present in more than 40 countries;**

>Compared to SEMEAR, it offers a **more diversified portfolio of products** in categories such as jams, cheeses and charcuterie. It counts with **innovative product segments** (e.g. sweet sardines);

> Less expensive than SEMEAR in the jam's category;

> Casa da Prisca's products are **present in various supermarkets** in the national territory (Continente and Auchan).

> It also sells its products in a **physical store** located in Trancoso, Guarda;

> Casa da Prisca created a **gifts segment**, which consists of offering a pack of 2 or 3 miniature jams or *patés* at a reasonable price. It reveals to be interesting in the consumers' point of view, since they can **try different flavours at once;**

> In 2004, the brand assumed an **important strategic change** when defining the **product lines in the jam's category** (Traditional, Seduction, Gourmet, Nature, Special and Monte Calvo) **with different packagings. This category has a higher online focus compared to others;**

> **Strong online presence**, with communications directed to special days (e.g. Labor Day, Halloween, Valentine's Day, Black Friday, etc.);

> Its **website** does not have an online store (as SEMEAR), neither the prices are shown there. Additionally, it has a **section of recipes**, where it is shared, from starters to deserts, meals where customers can use their products.

Source: Casa da Prisca's Website

APPENDIX 7.2. ANALYSIS 3CS: COMPETITORS (II/V)

Other competitors such as Quinta de Jugais and Sociedade Agrícola Industrial do Algarve, Lda. (that owns *Quinta do Freixo* and *Quinta do Mel*) were also analyzed since they offer similar products as SEMEAR.

QUINTA DE JUGAIS

> **The essence of this brand is connected to the region** where it is located: Serra da Estrela. It aims to "**bring people the charm of the region, through traditional products with authentic flavour**"; (1)

> Among its portfolio of jams and baskets, **Quinta de Jugais gives greater highlight to this second segment of products**, dividing into Christmas, Gourmet and For Enterprises baskets. Additionally, they give the option to consumers to personalize according to the products and packaging wanted;

> **In the jam's category, they offer 3 different sizes of packaging** (30g, 280g and 500g), which varies in function of the flavour;

> **Availability of its products at commercial surfaces** (Continente);

> They provide **product sections very well structured** in terms of information.

SOCIEDADE AGRÍCOLA INDUSTRIAL DO ALGARVE LDA.

> It is a **5-generation family business composed by two farming operations**: *Quinta do Freixo* (Loulé) and *Quinta do Mel* (Albufeira).

At Quinta do Freixo, they produce jams, fig cheeses and other products that are served and sold at Quinta do Mel and in other gourmet houses in the country and abroad.

> Besides the commercialization of products, its business counts with other activities such as agrotourism at Quinta do Mel.

> **They produce in an organic way** "aromatic herbs, cork, sheep and several fruits and vegetables **for processing into jams or other traditional products**". (2)

> Its website has an online store divided into different categories of products.

(1) Quinta de Jugais' Website; (2) SAIA's Website

APPENDIX 7.3. ANALYSIS 3CS: COMPETITORS (III/V)

The competitor Casa de Mateus was also part of the benchmarking analysis since it holds a reasonable position in the category of jams. Additionally, selective supermarkets and local grocery stores were assessed as competitors since they sell identical segment of products.

DOCES CASA DE MATEUS

> **Founded in 1959** in Vila Real, Trás-os-Montes;

> Its business calls for **Quality**, **Tradition** and **Flavour**, claiming that Casa de Mateus' products are "**the favourite of the portuguese since the 60s until today**"; (1)

> Possibility of purchasing in national supermarkets (e.g. Continente), **In its website it is** only **available a very detailed information about the product itself** (ingredients, conservation mode, nutritional statement, net weight, preservatives and others), but it is not possible to purchase;

> The website has a **section of "Recipes" and "Contests"**, which aim primarily **to increase the engagement level with its clients.**

OTHER COMPETITORS:

> **Gourmet stores and selective supermarkets**: Private labels from selective supermarkets, such as SuperCor El Corte Inglês, and brands sold at those can be also considered competitors since they offer similar categories of products, in the same price range in a more diversified portfolio of products. By having physical stores and a broad geographical distribution, they are more accessible to consumers which becomes an advantage;

> **Local grocery stores**: Small businesses in Lisbon that sell similar artisanal products. Usually family owned with a smaller offer with the advantage of the physical store, where consumers go to do some small grocery shopping.

Source: Casa de Mateus' Website

APPENDIX 7.4. ANALYSIS 3CS: COMPETITORS (IV/V)

Firms with a similar portfolio of products to the one offered by *SEMEAR na Mercearia* were identified and a benchmarking analysis was conducted in order to understand the positioning of SEMEAR compared to those relevant players in the market.

	PRISCA 1917	QUINTA DE JUGAIS	SAIA ALGARVE	CASA DE MATEUS
PROPOSITION	To be a **leading company** and a benchmark for quality and good practices by developing, producing and trading **excellent items** that enable people to **taste the best that life can give**	The passion for the richness of Serra da Estrela is the daily fuels of the dream of being able to bring people the charm of the region through **traditional products with authentic flavor**	Agriculture holding that believes that "an extremely careful preparation guarantees **flavor** and good **preservation capacity**" of its products	Since 1959, Casa de Mateus sweets have been prepared with carefully selected fruits, which ensure the **quality and tradition** of all times
CATEGORIES	Lines of jams: traditional, nature, seduction, gourmet, special (70 types); line of spices (25 types); cheese, charcuterie, sardines	Lines of jams: traditional, natura, and perfect for cheese (30 types) Christmas bundles	Jams (10 types) Tea and infusions Other products (figs and herbs)	Lines of jams: classic, light, season, food service (22 flavours)
LOCAL	Commercial surfaces of more than 40 countries	Commercial surfaces of 21 countries	Own online store, physically at the farms, national and international gourmet stores	National supermarkets and B2B in the food service industry
PRICE(1)	 **Pumpkin Jam** 250g – 2.85€ 11.40€/kg	 **Pumpkin Jam** 280g – 2.49€ 8.89€/kg	 **Pumpkin Jam** 265g – 4.5€ 16.98€/kg	 **Pumpkin Jam** 345g – 2.89€ 8.38€/kg

Figure 11 – Competitors' Benchmarking (developed by the group)

(1) Benchmark product: SEMEAR's Pumpkin Jam 200g – 3.5€ | 17.5€/kg; Casa da Prisca's, Quinta de Jugais', SAIA's and Casa de Mateus' Websites

APPENDIX 7.5. ANALYSIS 3CS: COMPETITORS (V/V)

Strengths and best practices of relevant players were identified to better understand the industry and SEMEAR's position in the market.

	PRISCA	JUGAIS	SAIA ALGARVE	CASA DE MATEUS
STRENGTHS	- **Very diversified portfolio**, with several lines and flavours to better satisfy the most demanding and diversified taste - **Worldwide Distribution** - **Oldest brand**	- Commitment to create the **most natural options** - Diversified portfolio with **innovative flavours** - **Worldwide Distribution**	- Counts with **other activities** as agrotourism and catering and take advantage of synergies - **Organic production**	- **High brand recognition** nationally - **Strong online engagement** - **Wide range of formats** available to enjoy anywhere, anytime
BEST PRACTICES	- **Gift segment** (a pack of 2 or 3 miniature jams or patés) - **Strong online presence** with communications directed to special days - **Recipes' section** on the website	- **3 diferent size packaging** in the jam's category. - Detailed product information available on the website - **Line specialized perfect for cheese**	- Products from SAIA are used in its **own restaurant** - Products are presented and sold to their guests	- Section of "recipes" and "contests" on the website to increase the **engament level** with its clients. - **Food service line** - Detailed information about the product, available on the website

Figure 12 – Competitors' Benchmarking (developed by the group)

Source: Casa da Prisca's, Quinta de Jugais', SAIA's and Casa de Mateus's Websites

APPENDIX 7.6. ANALYSIS 3CS: CHANNEL PARTNERS

Being *SEMEAR na Mercearia* a social business, partnerships with companies and organizations are crucial as they allow cost reductions.

SUPPLIERS
Raw materials & Finished Products

> **Agriculture producers** – Key partners as they provide the raw materials for transformation. Usually, these products come from donations due to excess of production or SEMEAR pays for it at a cost price. Most of the raw products are fruits and vegetables in risk of waste, due to its imperfections or size.

> **Final gourmet products' suppliers** – In order to compete with other Christmas Bundles' players, SEMEAR makes partnerships with suppliers of specific products like wine, honey and *charcuterie*, which are sold at SEMEAR's website.

PARTNERS
Production and Distribution Facilities

> ***Instituto Superior de Agronomia* (ISA) – School of Agriculture:**

- Production: Key partner of SEMEAR program. *SEMEAR na Mercearia* highly benefits from this partnership since the preparation, confection and transformation of their products happens at ISA's industrial kitchen.
- Distribution: One of the physical selling point of *SEMEAR na Mecearia* is ISA's Reception.

PARTNERS
Promotion

> ***Instituto do Emprego e Formação Profissional* (IEFP)*** – Key partner of SEMEAR program as it also finances the training. *SEMEAR na Mercearia* benefits from the promotion and projects developed with IEFP for the inclusion of people with IDD.

> **Wisdom Consulting*** – Communication and PR Partner for all business units and products' promotion for *SEMEAR na Mercearia.*

> **"Amigos do SEMEAR" Group** – A WhatsApp Group with influent members that communicate the program in exchange for a monthly basket.

***Besides being the current promotion partners, SEMEAR believes is not effective in targeting the right consumer.**

Source: Insights from the interview with SEMEAR's Head of Marketing
To see detailed information about 3Cs Analysis, check Appendix 3.2

APPENDIX 7.7. ANALYSIS 3CS: CONSUMER TRENDS (I/III)

Consumers are increasingly opting for biological products and products that have a social purpose behind. Additionally, they are more aware of food waste issue and the impact that their daily behavior has on it.

BIOLOGICAL PRODUCTS

> The growth of biological products' consumption has been one topic discussed in the agri-food sector.

- It is estimated that **products' expenses from this segment in Portugal will duplicate until 2027**, changing from 5€ to 10€ *per capita* per year (1).

> However, there are still some challenges that need to be overcame, such as the lack of clear information about the benefits of this type of agriculture and the **absence of knowledge** about Biological Agriculture principles (1).

> The price fixed for these products is more expensive due to difficulties in supplying markets.

PRODUCTS WITH SOCIAL PURPOSE

> Millennial consumers expect brands to have a **purpose beyond profit** (2) :

- 79% would prefer to purchase products from a company that operates with a social purpose.

> When purchasing, **consumers expect brands** and products **to have not only functional benefits** but also social purpose (3).

> Although **social purpose** can not be seen as the single most important factor in consumer decisions, brands that can pull it well have a **huge opportunity to stand out and make a difference** (4).

FOOD WASTE AWARENESS

> According to the Marketing Research Institute, **one million of tons per year are wasted in Portugal** in a planet where 1/6 of the population starves (5). This reality has economic, social and environment impact.

> However, according to a study conducted by national experts from the public and academic private sector, **it is being foreseen that governmental policies will make food waste reduce by 15% until 2027** (6). Additionally, consumers are more aware of the impact their behaviors have on this issue, which positively contributes to this reduction.

(1) *Distribuição Hoje* 2019; (2) The Economist Group 2017; (3) Harvard Business Review 2017; (4) The Drum 2018; (5) *Instituto de Marketing Research* 2019; (6) IPAM 2018

To see detailed information about 3Cs Analysis, check Appendix 3.2

APPENDIX 7.8. ANALYSIS 3CS: CONSUMER TRENDS (II/III)

Still about consumer trends, choosing products that are made locally and nationally over others that are not have become a new reality. Also, the preference for gourmet and artisanal products have been increasing, as consumers are more concerned about their health

LOCAL PRODUCTS

> There has been an increase in consumer preference for local products. **Main reasons are:**

- The **distance attribute is being more valued**, due to "a **growing local consumption** and **environmental reasons** – carbon footprint" (1).
- Due to the Covid-19 pandemic, **Portuguese government has been appealing to the consumption of these kind of products** (2). They launched the national campaign "Alimente quem o alimenta" with the aim of "sensitizing the portuguese citizens to the importance of consuming national and local products, to provide financial support to producers in these times " (2).

GOURMET PRODUCTS

> The gourmet concept was introduced by Jean Savarin**,** referring to "people with refined and elegant taste" (3).

> The **preference for healthier and gourmet options is a reality which is increasing year by year:** more than 60% of the Portuguese mention that "the concern of their health and well-being reflects much in their daily lives and in their choices**"** (4), in terms of purchase decisions.

> Making gourmet products means "**adding value through the texture, ingredients, taste or image**, differentiating them from similar products" (4).

ARTISANAL PRODUCTS

> Artisanal foods consist of handmade products, created in small scales with natural ingredients. **"Artisanal practices focus on the quality of the food, preparation methods, distribution, packaging**, etc" (5).

> It has been registering a boom in the demand in Europe for this type of products due to "**a higher consumer awareness for the quality factor,** both in raw-materials and in the production process" (6).

> According to Gourmet Artisanal Trends of 2020, "**food is being treated** the way humans should be treated, **with care and consideration**" (5).

(1) *Distribuição Hoje* 2019; (2) *Público* 2020; (3) Rivotti 2019; (4) *Instituto de Marketing Research* 2019; (5) Gourmet Artisanal Food Trends 2020; (6) *Tendências do Mercado Alimentar da União Europeia Report* 2015

To see detailed information about 3Cs Analysis, check Appendix 3.2

APPENDIX 7.9. ANALYSIS 3CS: CONSUMER TRENDS (III/III)

Differences between Generation X and Millennials are clear, not only in terms of their characteristics but also regarding consumption patterns. Although both use social media, Millennials are more influenced to purchase through this channel than Gen-X.

	GENERATION-X (1965-1980)	MILLENNIALS (1981-1996)
DEMOGRAPHY	 > Between 40 and 55 years old; ≈ **23%** of the Portuguese population (2019). (1)	 > Between 24 and 39 years old; ≈ **18%** of the Portuguese population (2019) (1)
MEDIA	> Gen-X still **uses traditional media channels, but they are also digitally savvy** (3). They use more Facebook than any other generation (3). Gen-X is more likely to conduct online search at home and then shop in person (3).	> They have multiple social media accounts (2). Technology allows them to purchase "how and when they want" (2). In fact, **they are more likely to buy on their smartphones than any other generation** (2).
ADVERTISING	> Gen-X prefers **honest and clear product and marketing messages** that outline an obvious path-to-purchase (3).	> They **believe that traditional advertising is not authentic**, being more persuaded through word-of-mouth marketing, user-generated content and social selling (3).
RELATIONSHIP WITH BRANDS	> Gen-X prefers to buy **products that are unique and have high-quality**. It is the generation that has the **highest rate of brand loyalty**, being customer service the key aspect (3).	> Millennials base their purchasing decisions on **products' features and price** (1)**, being less loyal to brands**. They value brands that engage online and that offer personalized products (1). Also, they are wiling to pay for brands that have a cause behind or support local communities (4).
EATING HABITS	> Gen-X is less concerned about finances when the matter is eating. They are **willing to pay extra** for "fresher", "authentic" and "homemade" food (2).	> **Convenience is key** in food consumption, being delivery services highly valued (5). They privilege **healthy foods made with natural ingredients** (5).

(1) PORDATA 2020; (2) Schawbel 2015; (3) Revelsystems 2018; (4) Independent UK 2018; (5) Pulido 2019

To see detailed information about 3Cs Analysis, check Appendix 3.2

ANALYSIS

SEMI-STRUCTURED INTERVIEWS
ONLINE SURVEY

SEMEAR
TERRA DE OPORTUNIDADES

APPENDIX 8. PRE-DEFINED TARGET MARKET | SOCIAL MEDIA ANALYSIS

The real market of SEMEAR can be represented mainly by females between 25 and 54 years old, who are responsible for the home food purchases and who live in Lisbon.

METHODOLOGY

With a great level of confidence, 20 people were selected, representing the real market of SEMEAR.

SELECTION CRITERIA

1. Profiles who interacted with SEMEAR Facebook and Instagram page
2. Reviews, comments and shares from current consumers of SEMEAR
3. From a wide time interval (March-October) to guarantee consistency

RESULTS

AGE RANGE

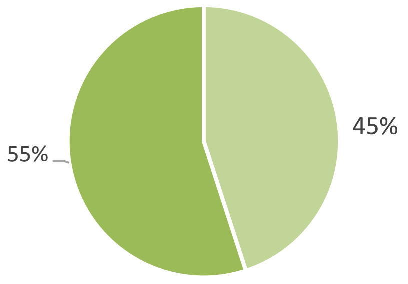


Figure 13 – Age range from the selected real market (%)

	25-39 YEARS	40-54 YEARS
GENDER	89% Female	91% Female
CIVIL STATUS	66% Married	91% Married
HAVE CHILDREN	56% Yes	81% Yes
RATE OF EDUCATION	89% Higher Education	64% Higher Education
MUNICIPALITIES	55% Lisbon 11% Cascais 22% Sintra; 11% N/A	45% Lisbon 27% Cascais 18% Sintra 9% Oeiras

Source: Facebook and Instagram of SEMEAR

KEY TAKEAWAYS

Females from 25 to 54 years old represent 100% of the sample.

These females have children and make the family food purchases, which indicates they are the household managers

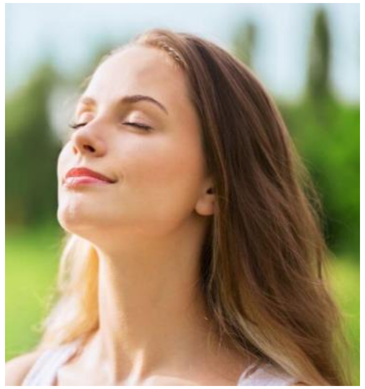
Most of these women live in Lisbon and the others nearby: Cascais and Sintra

SEMI-STRUCTURED INTERVIEWS

APPENDIX 9.1. PERSONA & OBJECTIVES

After having defined the characteristics that SEMEAR's consumers would have, based on motivations, some objectives were stipulated in order to understand the veracity of the division previously made. For that, 6 semi-structured interviews were conducted.

PERSONA



> **Woman** between **25-54 years old**

> **Worker from Middle to Upper Class**

> Household food manager

> **Counties:** Oeiras, Lisboa, Cascais, Sintra, Amadora, Loures & Odivelas

Regularly consumes **organic products**; Less price sensitive because of quality and **nutritional benefits** of the products

Regularly consumes **artisanal products**; Values the **human presence** in the production process

Cares a lot about **social causes** and usually buys products with social purpose

OBJECTIVES

Test if the 3 segments by their motivations distinguished themselves by the consumption habits.

Understand the consumption of artisanal gourmet products, national and local products and **products with purpose** within the profile of each identified segment.

Understand how a person within each identified segment perceive different brands on the market, which have product categories like SEMEAR.

Analyze the criteria that influence the purchasing decision of both current and potential consumers of SEMEAR.

Test the preferences of the respondents **on different consumption occasions.**

Source: Group Analysis

APPENDIX 9.2. METHODOLOGY

Three current and three potential consumers of SEMEAR, who fulfilled the pre-defined requirements regarding gender, age, role in the household and residence county, were interviewed via Teams in order to gather data about their consumption behaviours.

METHODOLOGY

Define objectives, requirements and interviews' script

Choose people who match with study's requirements

Execute 6 Semi-structured Interviews

Analyze the data and identify hypothesis to be tested in the survey

General: (1) Females from 25 to 54 years old; (2) Who are the household managers; (3) Who live in one of the pre-defined counties;

Specific: Each interviewee had to fit in one of the motivations, being a current or potential SEMEAR's consumers.

HOW THE INTERVIEWS WERE CONDUCTED

WHY? Conversation **1:1** with a **consumer** or **decision-maker** to gather qualititative data regarding **behaviours.**

HOW? Online interview via Teams, 30-45 min each.

WHAT? Main interview blocks:

> Demographic Data;

> Consumption of national and local products;

> Consumption of artisanal products;

> Competitors' brands;

> SEMEAR Brand and consumption occasions of its products.

WHO? 3 to current and 3 to potential consumers.

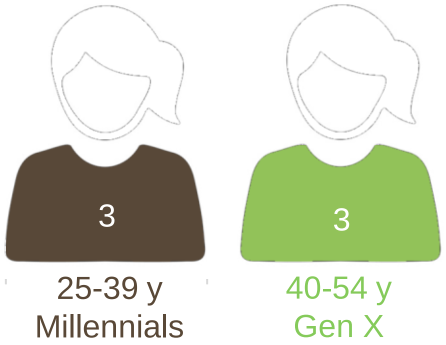
Note: The research ended up in the 6th interviewee due to Theoretical Saturation, meaning that interviewing more people would not add new information.

Source: Group Analysis

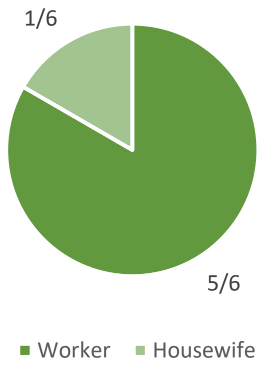
APPENDIX 9.3. DEMOGRAPHIC DATA

The majority of the interviewees are workers, who live in Lisbon and Oeiras, who have a degree and at least 2 children. Also, they have already participated, at least, in one social volunteering action in their lives.

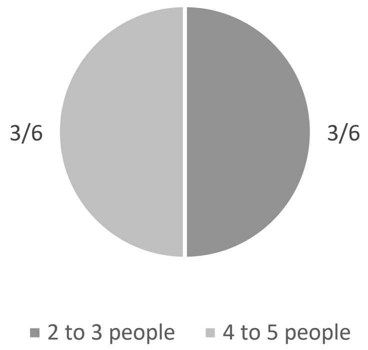
AGE GROUP



PROFESSIONAL OCCUPATION



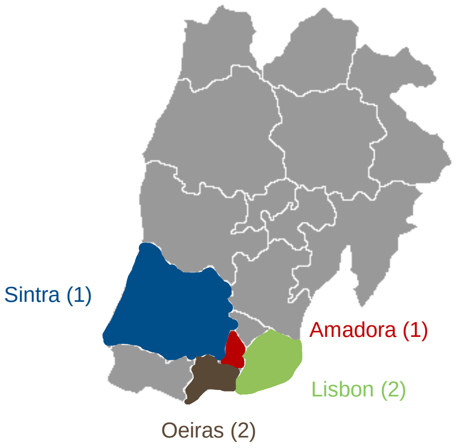
HOUSEHOLD



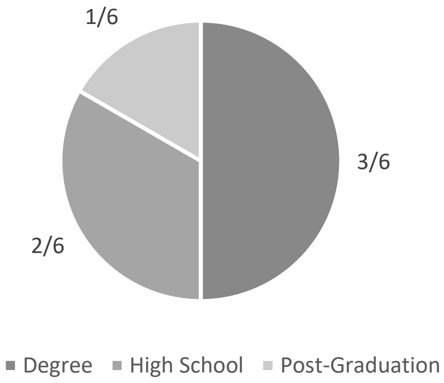
LIFESTYLE

6/6 have already purchased products which helped a social cause and felt accomplished making such gesture

RESIDENCE COUNTY



EDUCATION LEVEL



VOLUNTEERING (HAVE THEY DONE?)

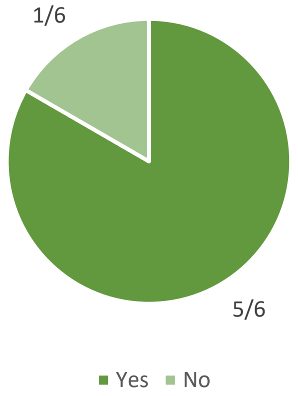


Figure 14 – Interviews' Demographic Data

Source: Semi-structured Interviews conducted by the group (n=6)

APPENDIX 9.4. CONSUMPTION OF NATIONAL AND LOCAL PRODUCTS

Regarding the origin of the products, all of the interviewees agreed on the importance and value of consuming national and local products. They highlighted the quality, the taste and the fact that by acquiring products developed in the country they are helping the economy.

HIGHLIGHTS

- "I think they have more value, we should consume national products because we have **products of excellence and quality**."
- "I believe that locally produced products have more value, I choose whenever I can what is Portuguese because I **consider it better and tastier.**"
- "For me it has much more value, (…) it is a matter of **helping our country and our producers** above all."
- "I consider that a product produced in Portugal has much more value, because it **reduces the ecological footprint** due to the proximity of transport."

EXCELLENCE AND QUALITY

TASTE

HELP THE NATIONAL ECONOMY AND LOCAL PRODUCERS

ENVIRONMENTAL SUSTAINABILITY

6/6 say they are currently trying to consume more and more local and national products.

5/6 say they consume more products of national origin than non-national products.

Source: Semi-structured Interviews conducted by the group (n=6)

APPENDIX 9.5. CONSUMPTION OF ARTISANAL PRODUCTS (I/II)

On the one hand, the quality, the human contact, the taste and the help to local producers were the main benefits mentioned by the interviewees. On the other hand, price, accessibility and diversity make the willingness to search for these products more difficult.

BENEFITS

6/6 mentioned the **higher quality** of the ingredients as they are more natural (have less chemicals), fresher and nutritious.

3/6 mentioned the **human contact** on the production process, that is less industrialized which makes consumers think they were **made with more care.**

> "They are products made with another disposition and capacity, greater availability and love."

3/6 mentioned the product have **a better flavour.**

> "I always have the idea that handmade products have another (better) flavor."

3/6 mentioned the **help of local producers and the national economy.**

> "I´ve been investing a lot more on businesses closer to me due to the pandemic moment we are living."

DIFFICULTIES

5/6 mentioned the **higher price** as one of the biggest obstacle when buying an artisanal product, even though they all understand the reasons for being more expensive.

> "The price can be a difficulty because many times these products turn out to be more expensive and sometimes I am willing to pay for that amount but sometimes I am not."

4/6 mentioned the **difficulty in having access** to this type of products, as these products are often not found in the places most frequented by the respondents.

> "The greatest difficulty is in terms of location. A person has to go to a specific place, jumping from store to store, to find artisanal products."

2/6 reported the **time taken** to find this type of product as an obstacle to purchase, which is a consequence of the lack of accessibility.

Source: Semi-structured Interviews conducted by the group (n=6)

APPENDIX 9.6. CONSUMPTION OF ARTISANAL PRODUCTS (II/II)

The majority of the interviewees search for artisanal products such as jams, several times a month for own consumption or to offer. They are willing to pay more due to its functional characteristics mainly in places such as supermarkets, but also in others like local fairs.

HIGHLIGHTS

MAIN CATEGORIES OF ARTISANAL PRODUCTS:

4/6 search for **jams**, 2/6 for **biscuits** and 2/6 for **spices**.

PURCHASE FREQUENCY

3/6 purchase artisanal products **several times a month**.

CONSUMPTION OCCASIONS:

6/6 acquire food artisanal products to **own consumption or to offer** either on special days (birthdays) or festive seasons (e.g. Christmas).

PRICE:

6/6 are **willing to pay more than other product in the same category but not artisanal**, since they understand these products have higher quality and better taste.

PREFERRED LOCAL OF ACQUISITION:

3/6 prefer to see these products **at the supermarket** because of the simplicity to buy everything at the same place. **Specialized stores and local markets** were other type of local interviewees were used to go at the weekends to buy these products. **The youngest generation also referred local fairs and online**. However, 6/6 would also consider to buy food artisanal products online in a more exclusive and familiar website.

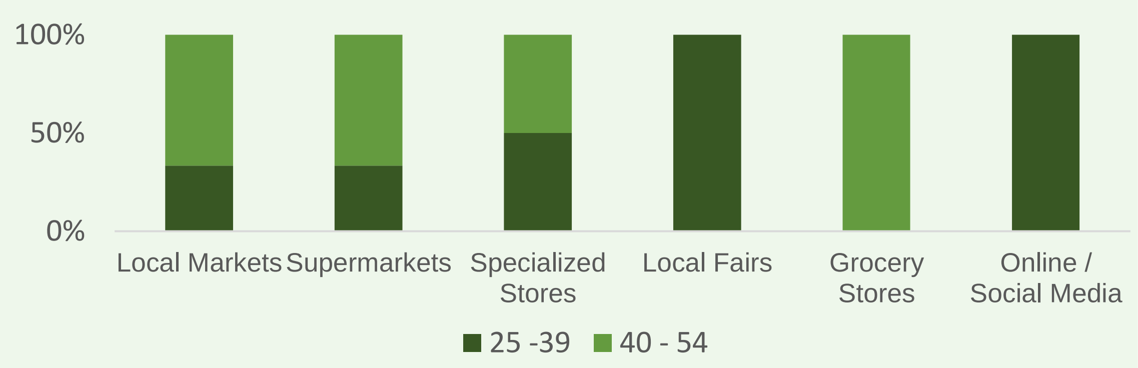


Figure 15 – Local preferences to purchase artisanal products based on survey's respondents

Source: Semi-structured Interviews conducted by the group (n=6)

APPENDIX 9.7. BRANDS

The interviewees had low awareness of brands that sell categories such as jams, spices and pates. When showed some recognized brands, they were able to identify some brands such as Casa de Mateus.

HIGHLIGHTS

BRAND AWARENESS:

When asked for brands which sell jams, spices and pâtés, **only 2/6 interviewees were able to say a name of a brand**. This means that these interviewees showed to have little awareness of the market which sell these product's categories.

BRAND RECOGNITION:

Casa da Prisca	(4/6)
Casa de Mateus	(6/6)
Quinta de Jugais	(4/6)
SEMEAR	(3/6)
Quinta do Freixo/ Quinta do Mel	(1/6)

CONSUMERS' PERCEPTION OF BRANDS

The data gathered about consumers´ perception of brands regarding price, quality*, accessibility**, variety and social purpose **was not considered valid since:**

- **Their knowledge about those brands was not sufficient to make a comparative analysis of positioning.**
- **Current consumers of SEMEAR tended to overvalue the brand in some factors** such as accessibility when compared to other brands.

***By Quality, it is meant the taste associated with artisanal/handmade products; **By Accessibility, it is meant the lack of points of sale.**

Source: Semi-structured Interviews conducted by the group (n=6)

APPENDIX 9.8. SEMEAR BRAND (I/II)

Among the main strengths interviewees mentioned are branding, quality, purpose and price and as weaknesses the accessibility and variety of product within the categories

HIGHLIGHTS

All of the current customers **knew about the purpose** before their first purchase

Products purchased: Seasonings; Jams; Chutneys; Pâtés

Channels used: Website/Social Media (25-39y); SEMEAR's Infrastructures (40-54y)

Occasions: Consumption and Offerings (Most mentioned was daily consumption)

2/3 of SEMEAR *na Mercearia* current customers have purchased **SEMEAR *na Terra*** and they do it monthly

Frequency within the customers that buy *Terra* is lower than the customer that buys only *Mercearia* due to the **monthly subscription of the bio products** that doesn't include *Mercearia's* products (Few times in a year *versus* More than once a month, respectively).

CONSUMERS' PERSPECTIVE

STRENGTHS

Packaging and Branding; Quality*; Social Purpose; Price

WEAKNESSES

Accessibility**; Variety within the categories

"Sometimes people don't care about details but, for me, packaging is really important and this one really calls my attention (Current, 25-39y)"

"Having more physical points of sale would be important, like being present in small local fairs (Current, 25-39y)"

*** By Quality, it is meant the taste associated with artisanal/handmade products; **By Accessibility, it is meant lack of points of sale**

Source: Semi-structured Interviews conducted by the group (n=6)

APPENDIX 9.9. SEMEAR BRAND (II/II)

Potential consumers of SEMEAR prioritize the purpose followed by quality while current consumers of the brand, when buying SEMEAR's products, value more the quality of the products than the purpose behind, although it is still important.

CONSUMERS' PERSPECTIVE

"What do you think about SEMEAR?"

"If SEMEAR was a person, what would be his/her main characteristics?"

"What motivates customers to purchase SEMEAR's products in the first place?"

POTENTIAL CONSUMERS – 1st consumption

#1 PURPOSE **#2 QUALITY ***

"Emphasize the purpose of the brand is key. Use brands' emotional side to call the consumers attention." (Potential, 40-54y)

"People are tempted to try its products for the first time due to its great purpose." (Potential, 25-39y)

CURRENT CONSUMERS – continuous consumption

#1 QUALITY * **#2 PURPOSE**

"Quality first! As a customer, I buy *Mercearia's* products first because they have great quality, being the purpose a plus. If I just wanted to help this social cause, there's other ways to do it, like donations." (Current, 40-54y)

*** By Quality, it is meant the taste associated with artisanal/handmade products; **By Accessibility, it is meant lack of points of sale**

Source: Semi-structured Interviews conducted by the group (n=6)

APPENDIX 9.10. CONSUMPTION OCCASIONS

Regarding the occasions of SEMEAR's products consumption, it is relevant to reinforce that interviewees preferred the individual products for personal consumption and the bundles and packs for offerings. Additionally, the criteria chosen was different across the type of products.

TYPE OF OFFERING CHOSEN BY OCCASION

PERSONAL CONSUMPTION

Packs
From 6.5€ to 8€
#2

Individual Products
From 3€ to 6.9€
#1

SEMEAR Bundle
34€
#3

" I also buy bundles for my house, especially during the festive season "

OFFER AS A GIFT

SEMEAR Bundle
34€
#1

Packs
From 6.5€ to 8€
#1

Individual Products
From 3€ to 6.9€
#3

" The baskets work very well for special occasions like Christmas or birthdays "

" To offer, I also choose individual products because often the baskets do not have what I want or because I do not like or do not consume "

CRITERIA CHOOSEN BY TYPE OF PRODUCT

Individual Products

1st PERSONAL TASTE/ DAILY INTAKE

2nd PRICE

3rd LEVEL OF PARTICIPATION

Bundle SEMEAR

1st PERSON TO WHOM THEY OFFER

2nd PRICE

3rd PERSONAL TASTE

4th VARIETY

5th BRAND SEMEAR

Source: Semi-structured Interviews conducted by the group (n=6)

APPENDIX 9.11. KEY TAKEAWAYS

Interviewees believe that Social Purpose and Quality* are the factors that SEMEAR takes advantage over others. The persona who values organic and artisanal products and brands with purpose is the one who fits this business..

1 TARGET MARKET

IDENTIFICATION

After conducting a market research, **3 market segments** were identified being divided into 3 different profiles according to their **consumption motivations.**

TEST

The hypothetical segments were analyzed through the interviews and it was understood that **they are not mutually exclusive**, since they share similar consumption characteristics

CONCLUSION

There should be only one persona who fits this business: the one who values organic and artisanal products and organizations which sell products with a social mission behind.

The few differences found in responses has to do with respondent's **generation**.

2 BRAND POSITIONING

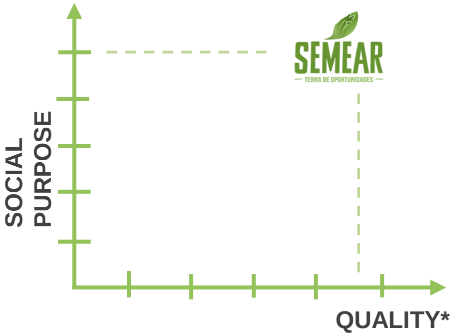


Figure 16 – Interviewees' perceived benefits of SEMEAR

The graphic presented on the left was conducted based on 3 interviewees' evaluation of the brand. Since the competitors' evaluation given by the interviewees was not valid, no comparative analysis was done.

Social Purpose and Quality*

were the main perceived benefits of SEMEAR's consumers

*** By Quality, it is meant the taste associated with artisanal/handmade products**

Source: Semi-structured Interviews conducted by the group (n=6)

ONLINE SURVEY

APPENDIX 10.1. CHARACTERIZATION AND OBJECTIVES

Having collected semi-structured interviews' insights, an online survey was developed in order to test the hypothesis in a quantitative way. From a sample of 203 total answers, only 163 were considered for the analysis since these were the ones who fulfilled all the requirements.

SURVEY CHARACTERIZATION

Type: Online Survey on Qualtrics Survey Software

Duration: 10 days

Results: 203 Total Answers from which:

163 were valid, as these 3 requirements were fulfilled:

1. Women from 25 to 54 years old
2. Live in Lisbon, Sintra, Cascais, Oeiras, Amadora, Odivelas or Loures
3. Responsible for the home food purchases

OBJECTIVES

Understand consumers' **opinion regarding employability of IDD people.**

Test the **awareness of *SEMEAR* Program** and *SEMEAR*'s products **consumption habits of current consumers.**

Realize **consumers' preferences** of each **type of SEMEAR's product** in each **consumption occasion.**

Analyze consumers' **preferred locals of gourmet artisanal products acquisition.**

Deep dive in the **target market profile** related to **social media channels and recommendations for *SEMEAR*** as well as **respondents' demographic characteristics.**

Source: Group Analysis

APPENDIX 10.2. METHODOLOGY

After having the insights from the interviewees, an online survey was conducted to current and potential consumers of SEMEAR, who match the requirements presented below, in order to validate the insights and obtain quantitative information regarding several topics.

METHODOLOGY

Share the online survey

Define objectives, **Requirements** and script

Analyze the quantitative data

REQUIREMENTS

(1) Females from 25 to 54 years old;

(2) Who live in one of the pre-defined counties;

(3) Household food managers.

HOW THE SURVEY WAS CONDUCTED

WHY? To gather quantitative data regarding **opinions** and **behaviors.**

HOW? Qualtrics online survey of approximately 10 minutes.

WHAT? **Main blocks**: Demographic Data; Consumers' opinions and habits of artisanal products' consumption; SEMEAR brand and its business units; Awareness; Consumption motivations and consumption occasions; Preferred locals of acquisition; Social Media.

TO WHOM? **Current and potential consumers**, who fulfilled the defined requirements, **from different environments** to guarantee some level of confidence: SEMEAR's current consumers, "Amigos do SEMEAR" WhatsApp Group, Volunteering Groups, Mothers' Groups on Facebook, Nova SBE Leapfrog Program Network, Influencer (Nutritionist).

Source: Group Analysis

APPENDIX 10.3. DEMOGRAPHIC DATA

Our sample, in majority, belongs to Millennials, being highly educated and employed, with an average monthly income of 1000€ to 3000€.

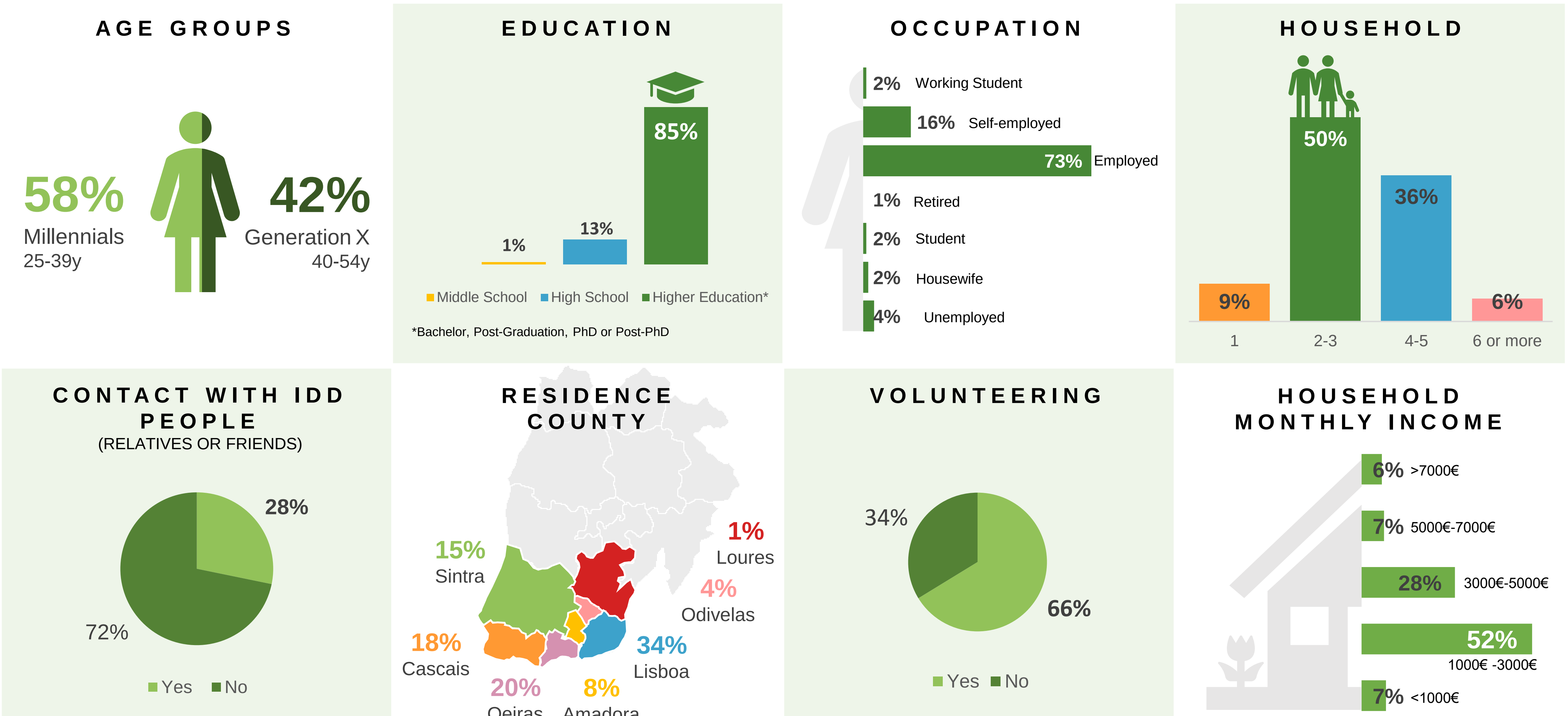


Figure 17 – Online Survey's Demographic Data

Source: Online Survey conducted by the group (n=163)

APPENDIX 10.4. CONSUMERS' OPINIONS AND HABITS

From the 163 respondents, all of them think that a person with IDD has capacity to be placed in the labor market. Additionally, respondents believe that consuming gourmet artisanal products has several advantages such as helping local producers.

RESPONDENTS' POINT OF VIEW

"A person with disabilities or incapacity is forbidden of getting a job"

75% **Totally Disagreed** on this statement

"In comparison with non-artisanal products, I believe consuming a gourmet artisanal product is more beneficial because (...)"

It is tastier	**50%**	**Agreed**
It has more quality	**55%**	**Agreed**
It has less chemicals	**48%**	**Agreed**
They are handmade produced by traditional methods	**55%**	**Agreed**
They help local producers and businesses	**63%**	**Totally Agreed**
They have fresher ingredients	**40%**	**Agreed**

CATEGORIES MORE CONSUMED

43% mentioned **Chocolates & Dry Fruits**

27% mentioned **Cookies & Teas**

11% mentioned None

10% mentioned **Jams**

8% mentioned **Chutneys, Seasonings & Pâtés**

TOP 3 CRITERIA USED IN THE ACQUISITION OF GOURMET ARTISANAL PRODUCTS

1st **Nutritional characteristics** of the product

2nd Adequate **price**

3rd **Packaging**

Source: Online Survey conducted by the group (n=163)

APPENDIX 10.5. AWARENESS OF SEMEAR AND CONSUMPTION MOTIVATIONS

Few respondents already knew SEMEAR and it was mainly through the company they work for, friends or relatives or media. The majority (would) consume SEMEAR because they identify themselves with the organic environment but also with social causes.

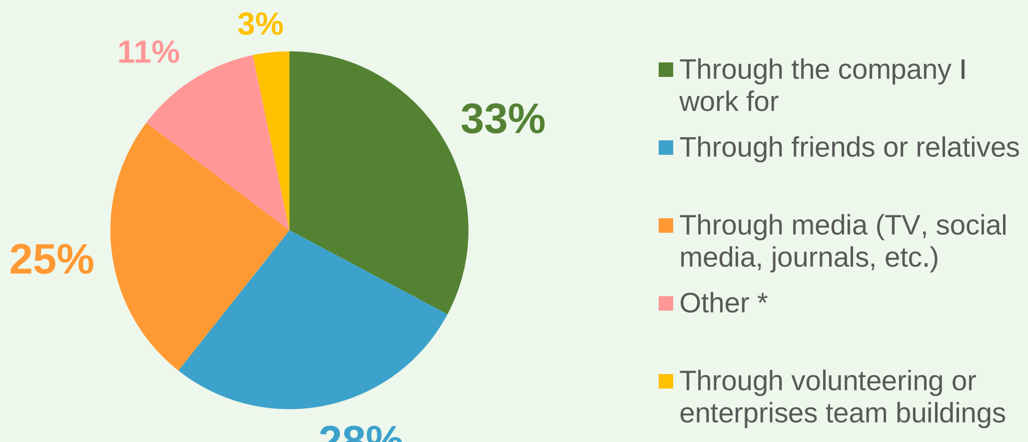
AWARENESS OF SEMEAR

Do you know *SEMEAR*? (n=163)

37% knew SEMEAR (61)

63% Did not know SEMEAR (102)

HOW DID THEY KNOW SEMEAR?



n = 61

MOTIVATIONS FOR BUYING SEMEAR'S PRODUCT

58%	**"I choose organic products of SEMEAR because they are biological and, simultaneously, I am helping a social cause.**
20%	"I choose the artisanal products of SEMEAR because I value the human participation in the production process and, simultaneously, I am helping a social cause.
20%	"I choose products of SEMEAR exclusively for its social mission, regardless of the type of products offered.
2%	None of the above.

CONSUMERS' EVALUATION OF SEMEAR

STRENGHTS

WEAKNESSES

*** Other includes Too Good To Go and Gifts/Offerings**

Source: Online Survey conducted by the group (n=163)

APPENDIX 10.6. SEMEAR BUSINESS UNITS' ANALYSIS

Among the 61 respondents who already knew the brand, 25 have already purchased organic baskets from *Terra* and 15 artisanal products from *Mercearia,* being jams the category consumed the most. When acquiring a product, they prioritize SEMEAR's brand over partners..

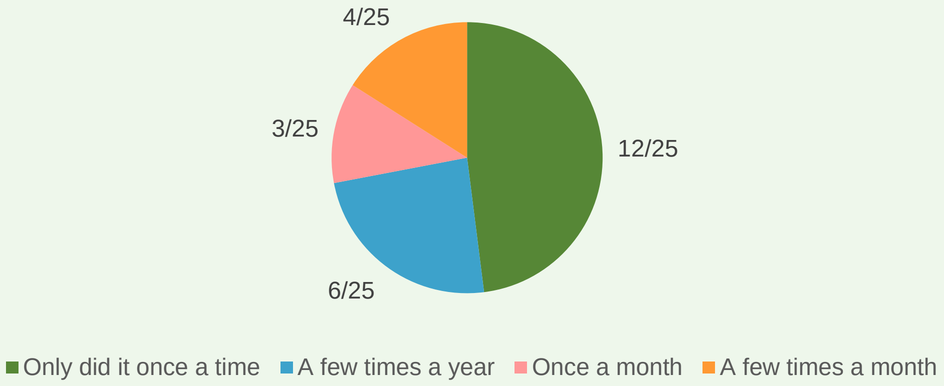
SEMEAR NA TERRA

Have you ever purchased *SEMEAR na Terra? (n=61)*

41% — **Purchased organic baskets (25)**

59% — **Did not purchase (36)**

HOW FREQUENTLY DO THEY PURCHASE?



A great portion of them only purchased products from *SEMEAR na Terra* once.

n = 25

SEMEAR NA MERCEARIA

Have you ever purchased *SEMEAR na Mercearia? (n=61)*

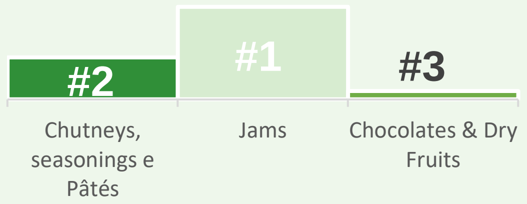
25% — **Purchased artisanal products (15)**

75% — **Did not purchase (46)**

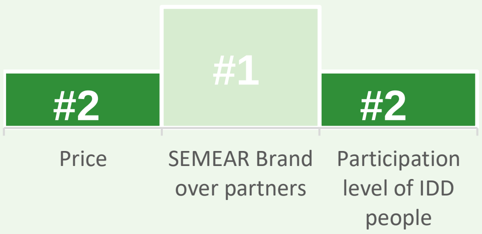
HOW FREQUENTLY DO THEY PURCHASE?

Similar to *SEMEAR na Terra*, the majority only purchased products from *SEMEAR na Mercearia* only once.

WHICH CATEGORIES DO YOU ACQUIRE MORE FREQUENTLY?



TOP 3 CRITERIA



n = 15

Source: Online Survey conducted by the group (n=61)

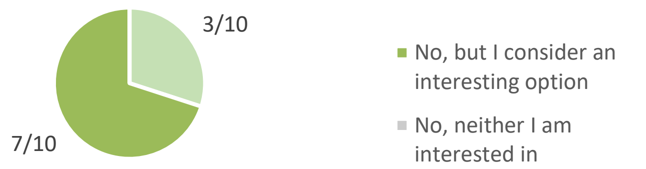
APPENDIX 10.7. SEMEAR BUSINESS UNITS' ANALYSIS

Among the current consumers of *Terra* and *Mercearia*, results have shown that there is potential in promoting a simultaneous acquisition of products from both business units. Jams was the category that consumers would consider to buy to complement their organic baskets.

PURCHASE OF TERRA + MERCEARIA

Have you already purchased with your organic basket products from *Mercearia*?

(n=10)



From the **10** respondents who already purchased *Terra* and *Mercearia*, **7** consider acquiring both simultaneously an interesting option, even though they have not done so yet.

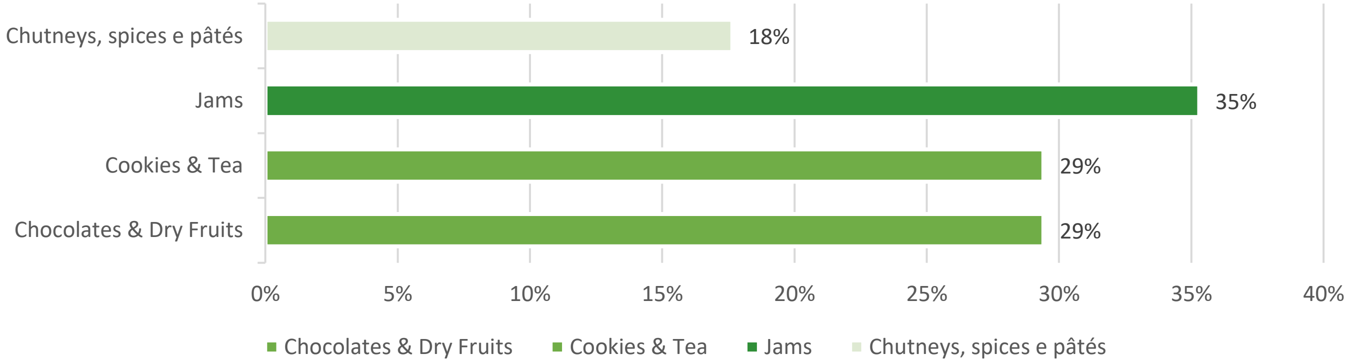
None of the respondents answered that was **not interested**

The reason for the ones who are interested but have not acquired simultaneously yet, might have to do with the fact that this complementary option on the website is not clear.

PREFERRED MERCEARIA'S CATEGORIES TO COMPLEMENT

Which categories of products do/would you consider to complement your organic basket?

(n=10)



#1 Jams was the **most mentioned category**

#2 Cookies & Tea and **Chocolate & Dry Fruits** were **equally mentioned**

Although Jams were the most frequently mentioned category to complement the organic baskets, the categories were chosen in a balanced way, which indicates that the category of products chosen to complement the biological basket depends on consumer's personal taste.

Source: Online Survey conducted by the group (n=10)

APPENDIX 10.8. CONSUMPTION OCCASIONS PER TYPE OF PRODUCT (I/II)

Four different occasions were analyzed in order to understand which type of products consumers would consider to acquire for each moment: daily consumption, special occasions consumption, special days offerings and festive seasons offerings.

TYPE OF PRODUCTS

Individual Products
From 3€ to 6.9€

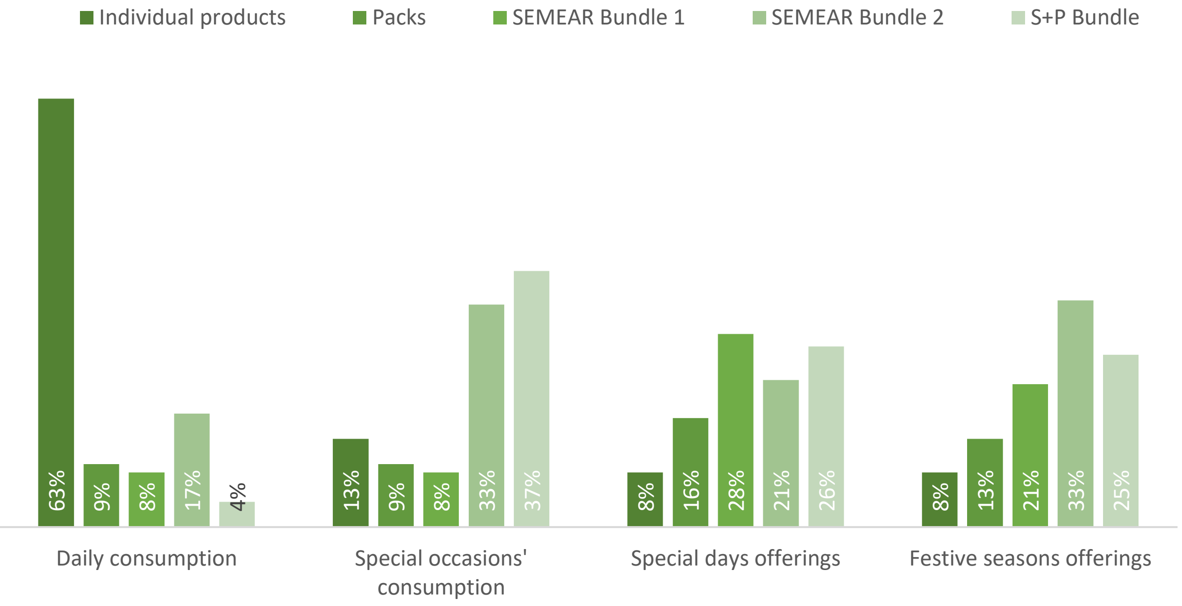
Packs
From 6.5€ to 8€

SEMEAR Bundle 1
12.9€

SEMEAR Bundle 2
34€

SEMEAR + Partners Bundle (S+P Bundle)
39.8€

OCCASIONS OF CONSUMPTION PER TYPE



	1st	2nd	3rd
DAILY CONSUMPTION:	Individual products	SEMEAR Bundle 2	Packs
SPECIAL OCCASIONS:	S+P Bundle	SEMEAR Bundle 2	Individual products
SPECIAL DAYS:	SEMEAR Bundle 1	S+P Bundle	SEMEAR Bundle 2
FESTIVE SEASONS:	SEMEAR Bundle 2	S+P Bundle	SEMEAR Bundle 1

Source: Online Survey conducted by the group (n=163)

APPENDIX 10.9. CONSUMPTION OCCASIONS PER TYPE OF PRODUCT (II/II)

It was understood that for own consumption, individual products and Bundle SEMEAR + Partners were the preferred ones based on personal preference and variety of products. For offerings, all bundles were considered having in consideration price and products' quantity.

	CONSUMPTION OCCASIONS		OFFERINGS OCCASIONS	
	DAILY CONSUMPTION	SPECIAL DAYS	SPECIAL DAYS	FESTIVE SEASONS
WHEN	To be consumed on a daily basis by the household;	To be consumed on special days by the household, family and friends, on birthdays or at Christmas, for instance;	To be offered on special occasions as anniversaries of a family member or friends or Valentine´s day, for instance;	To be offered on festive seasons such as Christmas or Easter to friends or family, for instance;
RESULTS	**63% of the respondents prefer to purchase individual products** and only 4% of the respondents prefer SEMEAR + Partners Bundle;	**37% of the respondents prefer to purchase SEMEAR + Partners Bundle**, 33% Bundle 2 and the least preferred option was Bundle 1;	**28% of the respondents prefer to purchase SEMEAR Bundle 1** and 26% SEMEAR + Partners Bundle;	**58% of the respondents prefer to purchase SEMEAR Bundle 2 or SEMEAR + Partners Bundle;**
CONCLUSIONS	1 The results show that respondents chose based on personal preference and daily usage, when taking into consideration daily basis consumption.	2 The results show that respondents chose based on the variety of products, being less worried about price, when purchasing for consumption on special days.	3 The results show that respondents chose based on quantity and price, when purchasing to offer on special days.	4 The results show that respondents choices were probably based on variety of products and less on price, when purchasing to offer someone on festive seasons.

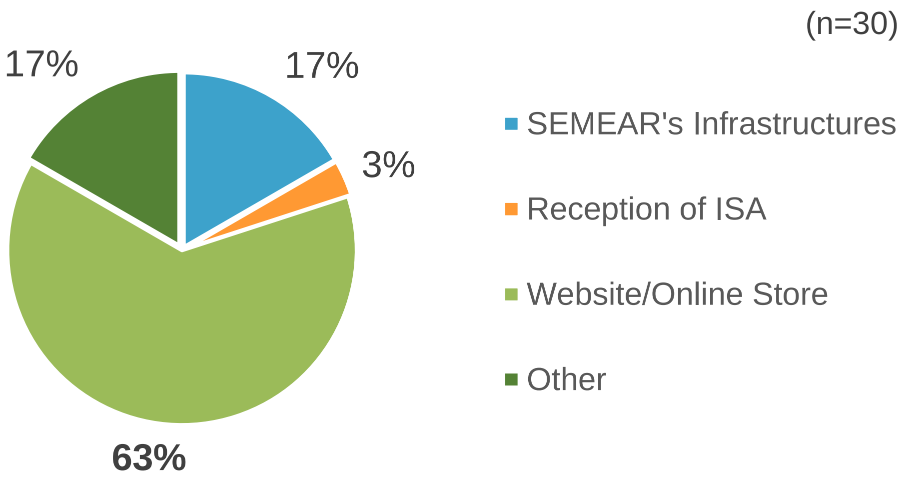
Source: Online Survey conducted by the group (n=163)

APPENDIX 10.10. CHANNELS (I/II)

When faced with the question regarding their favorite local to acquire SEMEAR's products, both current and potential consumers clearly preferred website over SEMEAR's Infrastructures.

WHERE DO YOU BUY SEMEAR'S PRODUCTS?

CURRENT CLIENTS



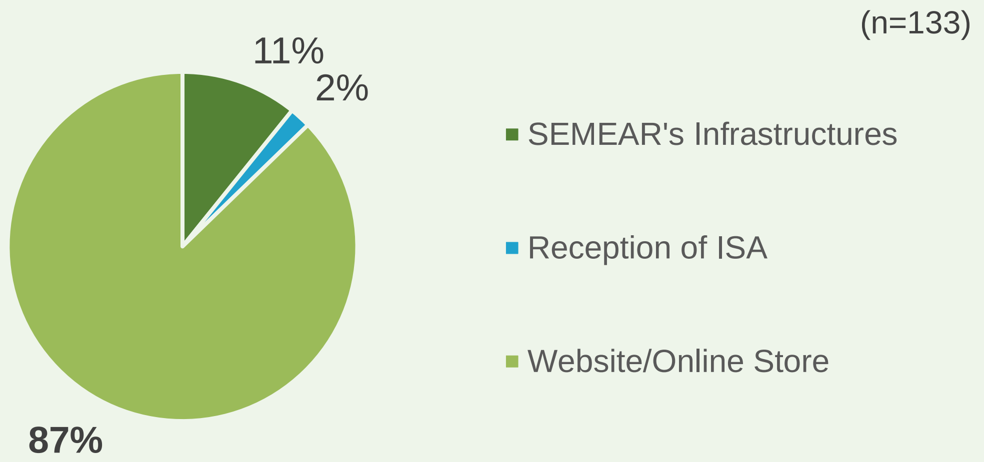
OTHER: E-mail; Nova SBE's Infrastructures; Through the company I work for; through a partnership with the company I work for.

MAIN RESULTS:

- **63%** of current customers shop more often through the **website;**
- **17%** of current customers buy more often at **SEMEAR's Infrastructures.**

WHERE WOULD YOU BUY SEMEAR'S PRODUCTS?

POTENTIAL CLIENTS



MAIN RESULTS:

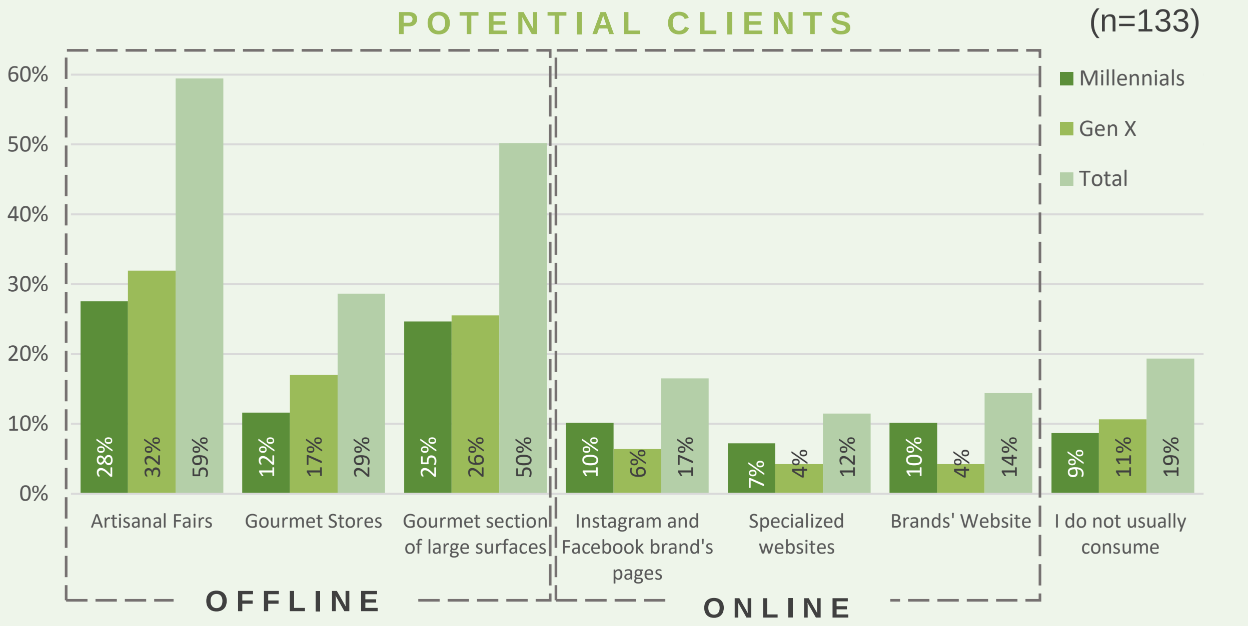
- **87%** of potential customers would prefer to purchase through the **website** than to go to one of the physical available locations;
- **11%** of potential customers would prefer to buy at **SEMEAR's Infrastructures.**

Source: Online Survey conducted by the group (n=163)

APPENDIX 10.11. CHANNELS (II/II)

While current consumers mentioned they would expressly like to see SEMEAR's products at gourmet sections of large surfaces, potential also highlighted artisanal fairs. Analyzing by generations, Millennials are more willing to buy online than the older ones (Generation-X).

WHERE WOULD YOU LIKE TO BUY ARTISANAL PRODUCTS?



More than 65% of both generations actually prefer to buy artisanal gourmet products in physical stores.

27% of Millennials prefer to buy online compared to **13%** of Gen-X.

Preferred places for purchasing are:

1st Artisanal fairs

2nd Gourmet section of supermarkets

When purchasing online:

1st Brands' Website

WHERE WOULD YOU LIKE TO BUY SEMEAR'S PRODUCTS?

67% of the answers were physical places, while **33%** were online options.

The most chosen options for purchasing SEMEAR's products were:

1st Gourmet section of large surfaces

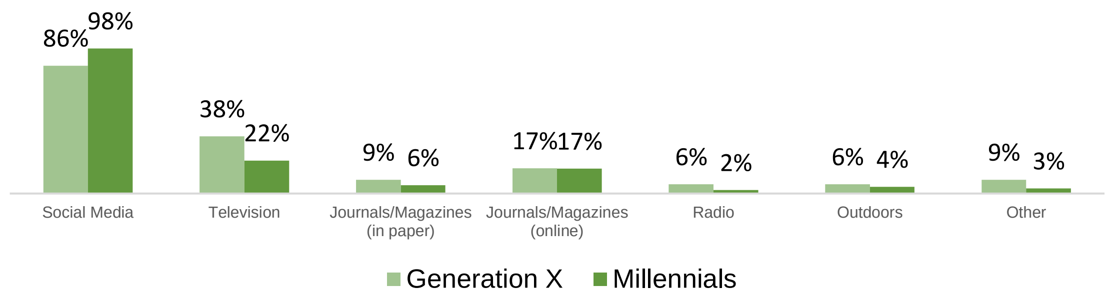
2nd Social media pages

Source: Online Survey conducted by the group (n=163)

APPENDIX 10.12. MEDIA AND SOCIAL MEDIA USAGE

Both generations like to discover new brands in social media. Millennials prefer to use Instagram while Generation X prefer Facebook.

PREFERRED MEDIA TO DISCOVER NEW BRANDS



TYPE OF ACCOUNTS MOST FOLLOWED

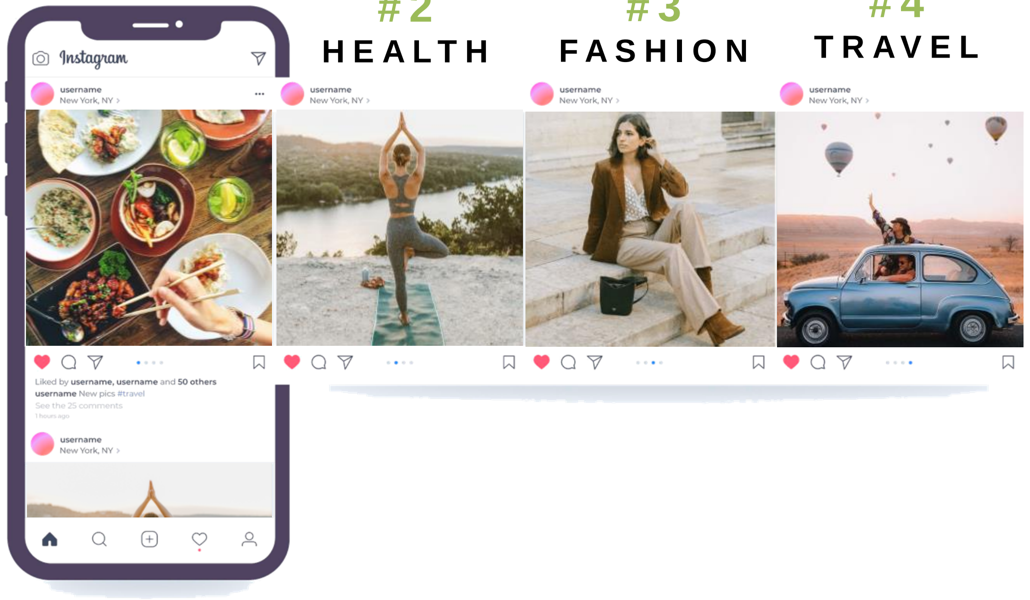
When asked which type of accounts they followed the most, food/recipes was the most mentioned by both generations. It was also asked **which types of accounts would fit more *SEMEAR*** and **62%** mentioned **Food**, **53% Health** and **34% Mummy Bloggers**.

#1 FOOD

#2 HEALTH

#3 FASHION

#4 TRAVEL



SOCIAL MEDIA USAGE TOP3

MILLENNIALS

#1 (92%) #2 (44%) #3 (26%)

GENERATION X

#1 (77%) #2 (66%) #3 (9%)

FAMOUS PEOPLE THEY FOLLOW ON SOCIAL MEDIA

Influencers (77%)	#1	Public Figures (57%)
Public Figures (46%)		Bloggers (49%)
Bloggers (40%)		Influencers (31%)

Source: Online Survey conducted by the group (n=163)

ANALYSIS TAKEAWAYS

APPENDIX 11.1. PRIMARY RESEARCH METHODOLOGY (I/II)

The following map serves as a guide of the several steps the group went through while developing the three analysis: pre-definition of the target market, conduction of the semi-structured interviews and launching of the online survey.

PRE-DEFINED TARGET MARKET (1)

Select profiles who interact with SEMEAR's Facebook and Instagram

Analyze the characteristics of the selected profiles

SEMI-STRUCTURED INTERVIEWS (2)

Define objectives, requirements and script

Choose people who match study's requirements

Execute 6 semi-structured interviews

Analyze the qualitative data and identify hypothesis to be tested in the survey

ONLINE SURVEY (3)

Define objectives, requirements and script

Launch the online survey

Analyze the quantitative data

DESCRIPTION

As detailed information regarding SEMEAR's target market was not available, the group decided to use Facebook and Instagram Analytics **to define consumers' profile by analysing data of representative current clients of *SEMEAR*** to guarantee some degree of confidence**.**

After realizing consumers' profile, **3 different consumption motivations were considered**. Those were the basis of interviews as each interviewee had to match a motivation. The group wanted **to get insights and understand if *SEMEAR*'s consumers were divided according to the defined motivations.**

Based on the insights of the interviewees, further data from a bigger sample was necessary to validate the insights gathered. **To obtain quantitative data of current and potential consumers regarding several topics**, an online survey was conducted. Only the answers from respondents who match the earlier identified profile were considered valid.

Source: Group Analysis

To see detailed information about methodologies of each step, check (1) Appendix 8; (2) Appendix 9.1; Appendix 9.2; (3) Appendix 10.1; Appendix 10.2

APPENDIX 11.2. PRIMARY RESEARCH METHODOLOGY (II/II)

The big sample retrieved from the online survey came to reinforce the insights previously provided by the interviewees, being now possible with a higher level of confidence to develop overall and more detailed conclusions.

	PROFILE DEFINITION (1)	SEMI-STRUCTURED INTERVIEWS (2)	ONLINE SURVEY (3)
CHANNEL	of SEMEAR	(30-45 min each)	qualtrics XM (approx. 10 min)
ANALYSIS' BLOCKS	—	Demographics; Consumption of local and artisanal products; Brands and consumption occasions	Demographics and social media preferences; Consumption of artisanal products and preferrred locals of acquisition; *SEMEAR* Brand
REQUIREMENTS	**Profiles of current consumers who:** **> Reviewed, commented or shared SEMEAR's posts frequently**. having in consideration a wide time interval, to guarantee consistency	**> Women, 25-54 years old, Live in Lisbon, Oeiras, Cascais or Sintra** **> Fit 1 of the 3 motivations:** (1) consumes organic products; (2) consumes artisanal goods; (3) consumes products with social purpose	**> Women, 25-54 years old, live in Lisbon, Oeiras, Cascais, Sintra, Odivelas, Amadora or Loures** **> Responsible for home food purchases**
SAMPLE	**n=20** selected Facebook and Instagram profiles	**n=6 Total interviews** 3 to current and 3 to potential consumers	n=203 Total Answers **n=163 Valid Answers** (that match the requirements)

Source: Group Analysis
To see detailed information about methodology of each step, check (1) Appendix 8, (2) Appendix 9.1 and Appendix 9.2 and (3) Appendix 10.1 and Appendix 10.2

APPENDIX 11.3. CONSUMPTION OF ARTISANAL PRODUCTS

Questionnaire respondents prioritize the nutritional characteristics, adequate price and packaging when buying artisanal products.

PERCEIVED BENEFITS (1)

Higher quality of the ingredients as they are more natural (have less chemicals), fresher and nutritious.

Human contact on the production process as they are not industrialized, which makes consumers think they were **made with more care**.

"The products are made with another disposition and capacity, greater availability and love."
Source: Interviews (n=6)

Usually associated with a **better taste.**

"I always have the idea that handmade products have another (better) taste."
Source: Interviews (n=6)

Its consumption **Help local producers and the economy.**

"I've been investing a lot more on businesses closer to me due to the pandemic moment we are living."
Source: Interviews (n=6)

PERCEIVED COSTS (1)

Higher price, being Millennials more price sensitive than Gen-X..

"The price can be a difficulty because many times these products turn out to be more expensive and sometimes I am willing to pay for that amount but sometimes I am not."
Source: Interviews (n=6)

Accessibility to this type of products, as they are not easily found in the most frequented places.

"The greatest difficulty is in terms of location. We have to go to a specific place, jumping from store to store, to find artisanal products."
Source: Interviews (n=6)

Time spent to search for these products, which is a consequence of the lack of accessibility.

TOP 3 CRITERIA IN THE ACQUISITION OF GOURMET ARTISANAL PRODUCTS (2)

Adequate price	Nutritional characteristics	Packaging
2nd	1st	3rd

Source: Online survey (n=163) and Semi-structured Interviews (n=6) conducted by the group
Too see detailed information about the consumption of artisanal products, check (1) Appendix 9.4 and Appendix 9.5 and (2) Appendix 10.4

APPENDIX 11.4. BRAND AWARENESS OF SEMEAR AND OTHER PLAYERS

37% of respondents already knew SEMEAR and these got to know the brand mainly through the company they work for, friends or relatives or even media.

AWARENESS OF SEVERAL BRANDS (1)

BRAND AWARENESS: Low awareness of brands which sell artisanal products.

BRAND RECOGNITION: Recognition of some brands when logos were shown to the interviewees. The most recognized one was Casa de Mateus, followed by Casa da Prisca and Quinta de Jugais.

Source: Interviews (n=6)

CONSUMERS' PERCEPTION OF BRANDS (1)

> Do to the low awareness, it was impossible to make a reliable comparative analysis. However it was found that:

Current consumers of SEMEAR tended to **overvalue the brand** in some factors such as accessibility and quality when compared to other brands, due to their relationship with the brand and its social purpose.

Source: Interviews (n=6)

AWARENESS OF SEMEAR (2)

Do you know *SEMEAR*? (n=163)

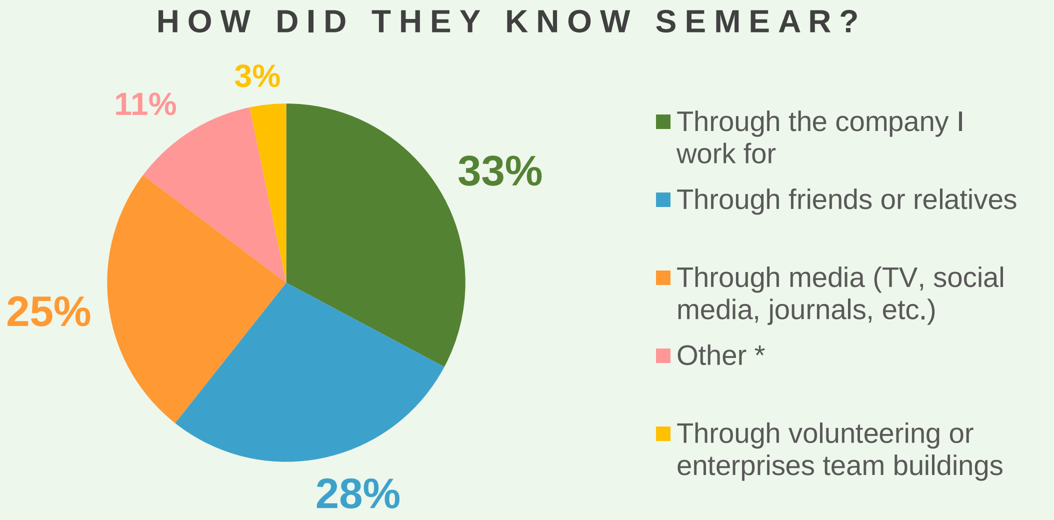


Figure 7 – The ways survey's respondents knew SEMEAR Program

n = 61

* Other includes Too Good To Go and Gifts/Offerings

Source: Online Survey (n=163) and Semi-structured Interviews (n=6) conducted by the group

To see detailed information about consumers' perception of brands, check (1) Appendix 9.7; (2) Appendix 10.5

SEMEAR
TERRA DE OPORTUNIDADES

APPENDIX 11.5. *SEMEAR NA MERCEARIA* CONSUMPTION MOTIVATIONS AND EVALUATION

When asked to classify *SEMEAR na Mercearia*, consumers gave higher rating to Social Purpose and Quality* and lower rating to Communication, since they believe SEMEAR is not being effective in its communication to the consumer.

MOTIVATIONS FOR BUYING SEMEAR BRAND (1)

58%	"I choose organic products of SEMEAR because they are **biological** and, simultaneously, I am **helping a social cause**"
20%	"I choose the artisanal products of SEMEAR because I value the **human participation** in the production process and, simultaneously, I am **helping a social cause**.
20%	"I choose products of SEMEAR **exclusively for its social mission**, regardless of the type of products offered.

CONSUMERS' MOTIVATION IS MORE THAN JUST THE PURPOSE (2)

> Aligned with the survey results, interviewees referred that their motivation is more than just the social purpose. Even though potential consumers tend to prioritize purpose, current consumers value quality* above all.

"As a customer, I buy *Mercearia's* products **first because they have great quality, being the purpose a plus**. If I just wanted to help this social cause, there's other ways to do it, like donations" (current, 25-39y)

Source: Interviews (n=6)

CONSUMERS' EVALUATION OF *MERCEARIA* (3)

Social Purpose
Quality*
Products' Characteristics
Packaging

STRENGHTS

Communication
Products' Variety
Accessibility**
Price

WEAKNESSES

"People are tempted to try its products for the first time due to its **great purpose**" (25-39y)

"Sometimes people don't care about details but, for me, **packaging is really important and this one really calls my attention**" (25-39y)

Having **more physical points of sale** would be important, like being present in small local fairs (25-39y)

Source: Interviews (n=6)

*** By Quality, it is meant the taste associated with artisanal/handmade products; **By Accessibility, it is meant lack of points of sale**

Source: Online Survey (n=163) and Semi-structured Interviews (n=6) conducted by the group

To see detailed information, check (1) Appendix 10.5, (2) Appendix 9.9; (3) Appendix 10.5; Appendix 9.8

APPENDIX 11.6. SEMEAR'S BUSINESS UNITS ANALYSIS

The purchase frequency of SEMEAR's products is low. Additionally, consumers that buy both *Terra* and *Mercearia* would consider to add products from *Mercearia* such as Jams to their organic baskets.

SEMEAR NA TERRA (1)

Have you ever purchased *SEMEAR na Terra?* (n=61)

41% 59%

Purchased organic baskets (25) **Did not purchase (36)**

HOW FREQUENTLY DO THEY PURCHASE? (1)

A great portion of them purchased products from *SEMEAR na Terra* only once.

n = 25

PURCHASE OF TERRA + MERCEARIA (2)

From the 10 respondents who already purchased both *Terra* and *Mercearia*, 7 consider acquiring both simultaneously an interesting option, even though they have not done so yet. The categories they would like to add are:

#1 Jams was the **most mentioned category**

#2 Cookies & Tea and **Chocolate & Dry Fruits** were **equally mentioned**

SEMEAR NA MERCEARIA (1)

Have you ever purchased *SEMEAR na Mercearia?* (n=61)

25% 75%

Purchased artisanal products (15) **Did not purchase (46)**

HOW FREQUENTLY DO THEY PURCHASE?

Similar to consumers of *SEMEAR na Terra*, the majority only purchased products from *SEMEAR na Mercearia* only once.

WHICH CATEGORIES DO YOU ACQUIRE MORE FREQUENTLY?

#2 Chutneys, seasonings e Pâtés
#1 Jams
#3 Chocolates & Dry Fruits

TOP 3 CRITERIA

#2 Price
#1 SEMEAR Brand over partners
#2 Participation level of IDD people

n = 15

Source: Online Survey conducted by the group (n = 163) and Semi-structured Interviews (n=6)
To see detailed information about SEMEAR business units' analysis, check (1) Appendix 10.6 and (2) Appendix 10.7.

APPENDIX 11.7. CONSUMPTION OCCASIONS

The choices of consumers regarding the type of products vary accordingly to the consumption occasion (from own consumption to offerings). It also depends on other criteria such as price and variety of products.

TYPES OF PRODUCT PER CONSUMPTION OCCASIONS (1)

Individual Products
From 3€ to 6.9€

Packs
From 6.5€ to 8€

SEMEAR Bundle 1
12.9€

SEMEAR Bundle 2
34€

SEMEAR + Partners Bundle (S+P Bundle)
39.8€

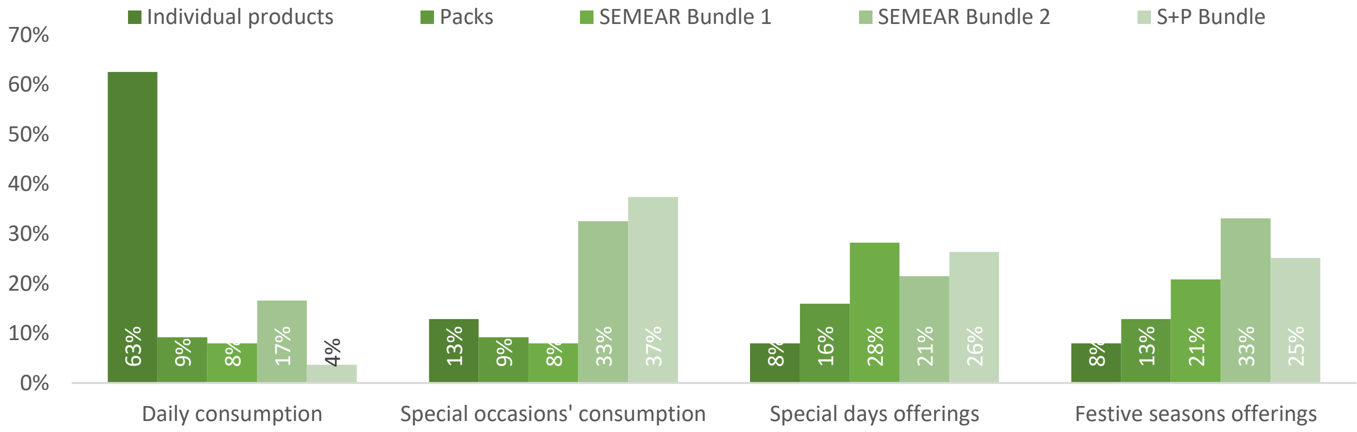


Figure 8 – Types of product per occasions of consumption based on online survey's respondents

DAILY CONSUMPTION

Individual products were clearly the preferred for daily consumption. The choice for this occasion was based on **personal preference and daily usage**.

63% Individual Products
17% SEMEAR Bundle 2
9% Packs

SPECIAL CONSUMPTION

70% of the respondents chose the most expensive bundles, meaning the choice for this occasion is based on the **variety of products and less on the price**.

37% S+P Bundle
33% SEMEAR Bundle 2
13% Individual Products

SPECIAL DAYS OFFER

The results show that respondents chose the type of products based on **variety and price**, when purchasing to offer on special days.

28% SEMEAR Bundle 1
26% S+P Bundle
21% SEMEAR Bundle 2

FESTIVE SEASONS OFFER

The results show that respondents choices were based on **variety of products and somewhat on price**, when offering on festive seasons.

33% SEMEAR Bundle 2
25% S+P Bundle
21% SEMEAR Bundle 1

Source: Online Survey conducted by the group (n=163)
To see detailed information about consumption occasions, check Appendix 10.8 and Appendix 10.9

APPENDIX 11.8. LOCAL OF PURCHASE OF ARTISANAL PRODUCTS

Even though Millennials and Gen-X prefer to purchase artisanal products physically (in artisanal fairs or gourmet sections of surfaces, for instance), the first generation is more willing to buy them online.

PREFERRED LOCATIONS TO PURCHASE ARTISANAL PRODUCTS (1)

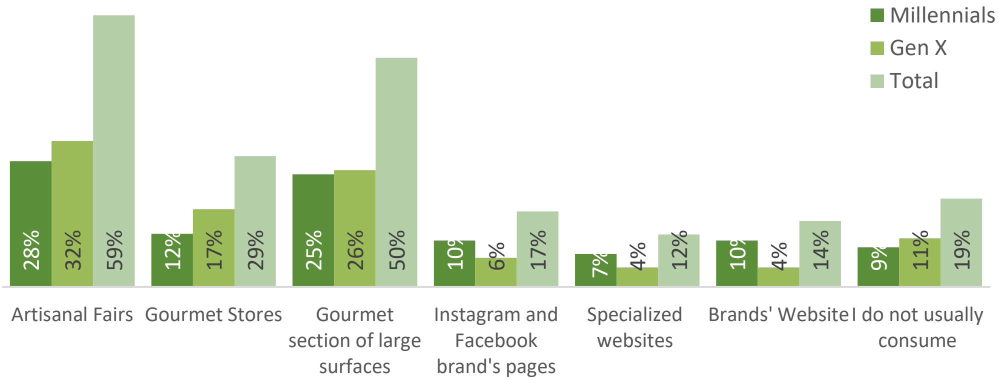


Figure 9 – Local preferences to purchase artisanal products based on survey's respondents

Local preferences were analyzed based on respondents' age, in order to validate if the previous generational consumption patterns regarding the local of purchase are verified in this market.

RESULTS BY LOCAL

1 **In general**, the most preferred places are:

1st Artisanal fairs

2nd Gourmet sections of large surfaces

2 **Online,** the most preferred way of purchase is through:

1st Facebook and Instagram Stores

2nd Brand's Website

RESULTS BY GENERATION

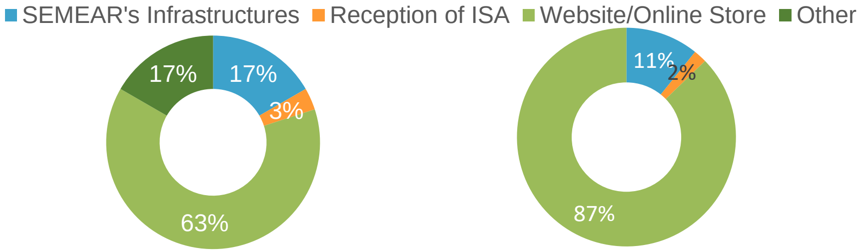
3 Most respondents from **both generations prefer to buy artisanal products in physical stores**

4 **Millennials** are more willing **to buy these products online**

28% of Millennials vs. 15% of Gen X

"I prefer to look at the products, choose them personally and buy them, but if I already know the brand and there is no other more convenient way, I order online."

PREFERRED LOCATIONS TO PURCHASE SEMEAR'S PRODUCTS (2)



Current consumers (n=30) | Potential consumers (n=133)

Most preferred

SEMEAR's Website

Least preferred

ISA's* Reception

Potential and current consumers agreed on their preferences regarding the options available for SEMEAR's products purchase

Some current customers still buy through **other ways** as e-mail; the company they work for or even by company's partners

Source: Online Survey conducted by the group (n=163)

* Instituto Superior de Agronomia

To see detailed information about the preferred location to acquire artisanal products, check (1) Appendix 10.11 and about SEMEAR's products, check (2) Appendix 10.10

APPENDIX 11.9. MEDIA AND SOCIAL MEDIA USAGE

Both generations like to discover new brands at social media. Millennials prefer to use Instagram while Generation X prefers Facebook.

PREFERED MEDIA TO DISCOVER NEW BRANDS (1)

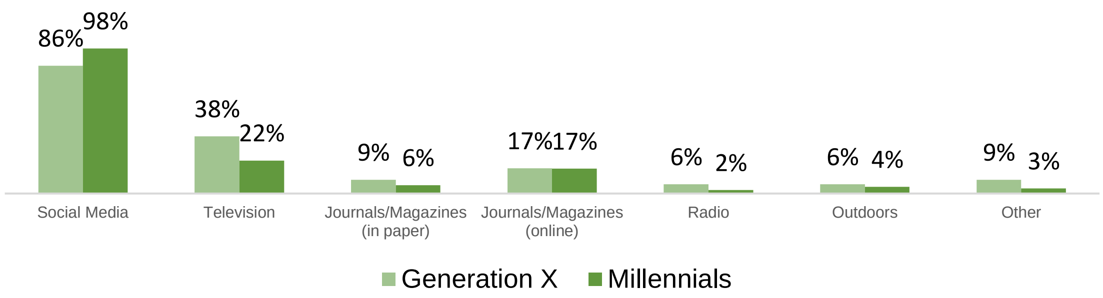


Figure 10 – Media preferences to discover new brands based on survey's respondents

SOCIAL MEDIA USAGE TOP 3 (1)

MILLENNIALS

#1 (92%) #2 (44%) #3 (26%)

GENERATION X

#1 (77%) #2 (66%) #3 (9%)

FAMOUS PEOPLE THEY FOLLOW ON SOCIAL MEDIA

Influencers (77%)	#1	Public Figures (57%)
Public Figures (46%)		Bloggers (49%)
Bloggers (40%)		Influencers (31%)

Source: Online Survey conducted by the group (n=163)

TYPE OF ACCOUNTS MOST FOLLOWED (1)

> When asked which type of accounts they followed the most, food/recipes was the most mentioned by both generations.

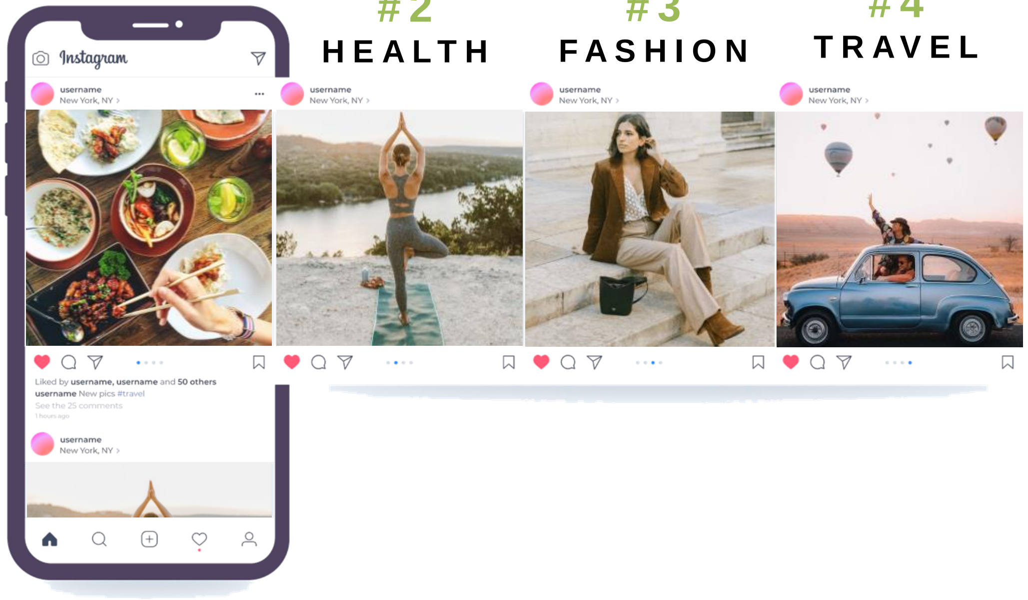
> It was also asked **which types of accounts would better fit *SEMEAR*** and **62%** mentioned **Food**, **53% Health** and **34% Mummy Bloggers**.

#1 FOOD

#2 HEALTH

#3 FASHION

#4 TRAVEL



APPENDIX 11.10. MAIN FINDINGS AND INSIGHTS (I/II)

Based on the interviews and the online survey, it is possible to present useful findings regarding consumers' characteristics (education level, opinions, lifestyle), consumer trends (consumption habits, preferred media channels) and consumption of gourmet artisanal products.

CONSUMERS

> Respondents agree that **people with disabilities or incapacities are totally able of getting a job;**

> Most of current and potential consumers **have already had an active role on volunteering** or in organizations with a social purpose.

> Besides the **different motivations**, consumers cannot be segmented within them, since they are **not mutually exclusive.**

TRENDS

> They are increasingly opting for local products to **help country's economy and local producers**;

> **Millennials** prefer to use **Instagram** while **Gen-X prefers Facebook**;

> Respondents follow influencers and public figures in their social media. Food and Health are the favorite type of accounts

> Both **generations** like to **discover brands through social media**.

GOURMET ARTISANAL PRODUCTS

> **Benefits:** Higher quality; Better taste, Made with more care;

> **Difficulties:** Price, Accessibility;

> **Preferred Local of Purchase**: Physical places such as local fairs and gourmet sections of surfaces. Millennials are more willing to buy online than Gen-X;

> **Brand Awareness and Brand Recognition**: Little knowledge regarding brands which sell artisanal products. However, when some logos of well-known brands were shown to interviewees, they were able to recognize some;

> **Price**: They are willing to pay more since these products are usually endowed with quality. Millennials are more price sensitive than Generation-X.

Source: Online Survey (n=163) and Semi-Structured Interviews (n=6) conducted by the group.

APPENDIX 11.1. MAIN FINDINGS AND INSIGHTS (II/II)

It was possible to understand that there is little awareness of SEMEAR, but the ones who knew pointed out the purpose and products' quality as the main strengths of the brand. Consumers identified different consumption occasions for different type of products.

SEMEAR

- **Awareness: Little awareness** of the brand;
- **How did they know?** From the ones who knew SEMEAR, it was **mostly through the companies they work for** and through relatives and media;
- **Motivations to purchase**: The majority of current and potential consumers would be motivated to acquire SEMEAR's products because of its organic baskets and, simultaneously, they would be helping a social cause;
- **Strengths: Social Purpose, Quality*, Products' characteristics, Packaging;**
- **Weaknesses: Accessibility**, Communication, Products' variety within categories and Price;**
- ***SEMEAR na Terra and SEMEAR na Mercearia***: There was a higher number of people who purchased organic products (*Terra*) in comparison with artisanal products (*Mercearia*), having the majority did it only once. Very few had bought these products simultaneously (*Terra* + *Mercearia*), but some mentioned it would be an interesting option to have jams to complement their organic basket;
- **Local of purchase**: Current and potential consumers prefer to acquire SEMEAR's products through its website when comparing to the other available options;
- **Consumption occasions**: **Consumer choices are clearly different according to the consumption occasion of products**, as well as the criteria used for choosing. For instance, consumers prefer the individual products for daily consumption, being personal preference and daily usage the criteria given; Bundles are preferred on the other occasions;
- **Types of social media accounts that would better fit SEMEAR's profile**: Food, Health and Mummy Bloggers.

*** By Quality, it is meant the taste associated with artisanal/handmade products; **By Accessibility, it is meant lack of points of sale**

Source: Online Survey (n=163) and Semi-Structured Interviews (n=6) conducted by the group.

RECOMMENDATIONS

APPENDIX 12.1. FINANCIAL GOAL

According to the forecasts conducted by the group, if the recommendations are put into practice, it is expected that B2C segment will account for 32% of total sales revenues of SEMEAR in 2022, meaning an increase of 12 pp when compared to 2019.

GOAL

Enhance all year financial stability until 2022 by **increasing B2C segment weight on total sales** from **20%** to **32%** of total sales.

RATIONALE

B2C account for 20% of sales (2019)

Sales from B2C in **2018**: 233 306,46€ x 20% (1) = 46 661,29€

Sales from B2C in **2019**: 315 107,55€ x 20% = 63 021,51€

$\Delta_{(2018\text{-}2019)}$ = 63 021,51€ - 46 661,29€ = 16 360,22€

FORECASTS

$\Delta_{(2019\text{-}2020)}$ = 16 360,22€ (2) + 4 816€ (3) = 21 176,22€

$\Delta_{(2020\text{-}2021)} = \Delta_{(2021\text{-}2022)}$ = 16 360,22€ (2)

Total Sales **2022**: $\underbrace{\text{315 107,55€}}_{\text{Total Sales 2019}}$ + $\underbrace{\text{21 176,22€}}_{\Delta\,(2019\text{-}2020)}$ + $\underbrace{\text{(16 360,22€ x 2)}}_{\Delta\,(2020\text{-}2021)\,+\,\Delta\,(2021\text{-}2022)}$ = 369 004,21€

% B2C 2022: ($\underbrace{\text{63 021,51€}}_{\text{B2C Sales 2019}}$ + $\underbrace{\text{21 176,22€}}_{\Delta\,(2019\text{-}2020)}$ + $\underbrace{\text{(16 360,22€ x2)}}_{\Delta\,(2020\text{-}2021)\,+\,\Delta\,(2021\text{-}2022)}$)/$\underbrace{\text{369004,21€}}_{\text{Total Sales 2022}}$ ≈ 32%

ASSUMPTIONS

1. **Stable growth** on B2C sales from 2018 to 2022, even though the group knows it most certainly does not correspond to reality.
2. B2C Sales is the only account being forecasted, **ceteris paribus** (Sales from B2B segment remaining without changes).

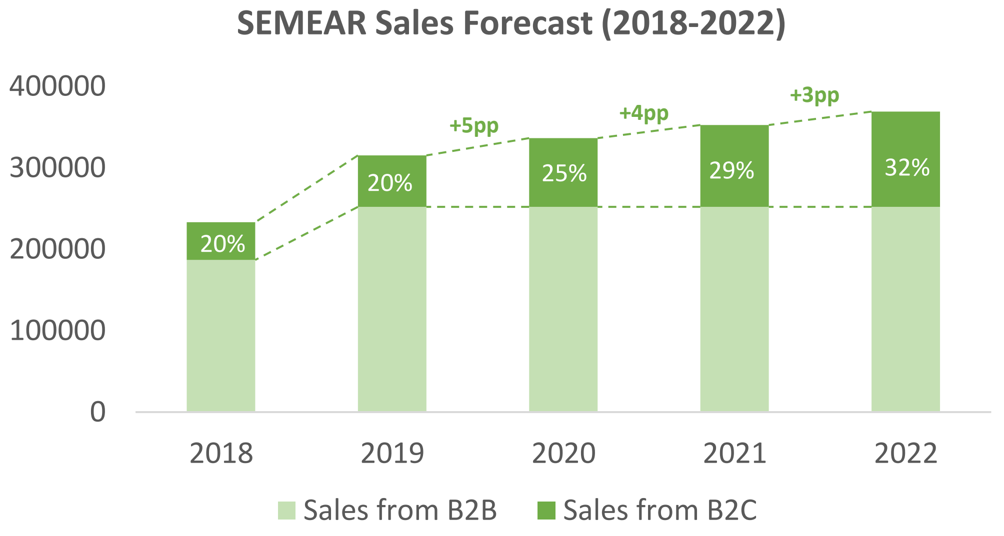


Figure 18 – Sales Forecast of SEMEAR (2018-2022)

(1) It was assumed that the % of B2C on total sales of 2018 was equal to 2019; (2) Same increase from 2018-2019; (3) Website Sales in 2020 from B2C

(1) SEMEAR's Financial Report 2019

APPENDIX 12.2. SOCIAL MISSION ORIENTED GOAL

By the end of 2022, *SEMEAR na Mercearia* will increase the number of followers by 144%, more 5234 followers than they have today.

GOAL

Increase the brand awareness among the new target audience by achieving **more 144% social media followers** until 2022.

RATIONALE

> As **brand awareness is difficult to assess correctly**, social media followers will be used to measure the success of this goal;

> The various tactics formulated will contribute to increase the number of SEMEAR's Instagram followers. However, it will be the giveaways made by brand's ambassadors (where the participant has to follow SEMEAR's page) that will lead this sharp growth;

> Based on past giveaways or engagement of each brand ambassador, potential new followers were estimated.

INCREASE IN FOLLOWERS FORECAST

Suggested Influencers to be Brand Ambassadors are presented bellow.

- Forecast based on previews food giveaways:

Assumptions: Average of 3 comments per participant;

Alice Trewinnard – 9012 comments / 3 = **3004 new followers**

Biba Pitta – 5250 / 3 = **1750 new followers**

- Forecast based on engagement (since they did not have giveaway posts):

  Number of followers x Engagement rate x 66.7% / 3

Assumptions: 66.7% of people that likes also comments the giveaway; Average of 3 comments per participant

Mariana Abecasis – 61.5k x 1.15% x 66.7% / 3 = **323 new followers**

Andreia Vasconcellos – 47.4k x 3.1% x 66.7% / 3 = **157 new followers**

RESULTS:

- SEMEAR's current Instagram followers = 4 587
- Increase in followers by 2022 = 5 234 (Growth rate 144%)

5234

Source: Instagram profiles (15/12/2020)

APPENDIX 13.1. PRODUCT/SERVICE DEVELOPMENT

In order for customers to perceive new value on *SEMEAR na Mercearia's* portfolio, tactics will be designed, based on product and service development, through offerings of new products and services, and by the improvement of already existing ones.

- "The development of new and improved products and services is crucial to the survival and prosperity of the modern corporation." (Kahn, 2013).
- "In the process of new product development, it should not be thought that the change will only be on product physically but also on every aspect of the product." (Gurbuz, 2018)

The tactics for this strategic initiative will add value to *SEMEAR na Merceria* through different types of product/service development:

NEW SERVICE

- **TACTIC 1 will consist on expanding services around SEMEAR's existing products, offering consumers the possibility to customize one´s bundle online.** This tactic will be developed with the aim of adding value to the product offered, by providing a new service to the customer that offers a superior customized experience for a greater customer satisfaction and, potentially, greater brand loyalty.

NEW PRODUCT LINE

- **TACTIC 3.2 will consist in new product development through adding a new product line**. This new line will include **limited-edition bundles** for special days with exclusive partnerships. The main aim is to diversify bundles' purchase occasions to increase purchase frequency.

EXISTING SERVICE IMPROVEMENT

- **TACTIC 2** will **consist on improving the existing products´ service, which is the recipe sharing**, provided by SEMEAR *na Mercearia,* focusing on its individual products. The improvement of this service will allow SEMEAR *na Mercearia* to propose the customers with **different usages of the same product,** in order to diversify the consumption occasions of the individual products and, consequently, increase customer satisfaction and purchase frequency.

- **TACTIC 3.1 will also include the improvement of another existing products' service, through a clearer association with a specific occasion that could be purchased for**. This tactic would add value to *SEMEAR na Mercearia's* current bundles and would increase purchase frequency by diversifying the occasions for bundle consumption.

Source: Kahn, 2013; Gurbuz, 2018

APPENDIX 13.2. PRODUCT/SERVICE DEVELOPMENT PROCESS

To develop a successful product/service, the process of product development will follow a continuous Build-Test-Feedback-Revise strategy according to Cooper's spiral approach (Cooper, 2010). The student explains how each step will be set up.

PATH TO PRODUCT DEVELOPMENT

- The tactics for the strategic initiative, to increase the value of B2C segment customers through product and service development, should be implemented based on Cooper's spiral approach guidelines for the product development process:

01

BUILD

The idea generation and development of the 3 tactics were **based on the survey and semi-structured interviews main findings, market trends and best practices. → Rationale, goals, action plan and financial implications will be presented.**

02

TEST

Since it is expected that the developed tactics do not have a great cost of development and market launch, they will be **tested through their own launch to the market and consequent results**.

03

FEEDBACK

Since the 3 tactics will be released online**, in its promotion on social media, consumers will be asked to give feedback** in the comments section.

04

REVISE

Through consumer feedback, and proper KPIs to measure the results of each tactic, SEMEAR *na Mercearia* will be able to understand whether the new value it intends to offer to its consumers, is in fact perceived by them.

Source: Cooper 2010

APPENDIX 14. ONLINE BUNDLE CUSTOMIZATION DESIGN (I/II)

The online bundle customization will allow customers to select the packaging and the products they intend to put in the bundle. Additionally, instructions and a contact in case of doubts, will be provided to facilitate the customization process.

STEPS

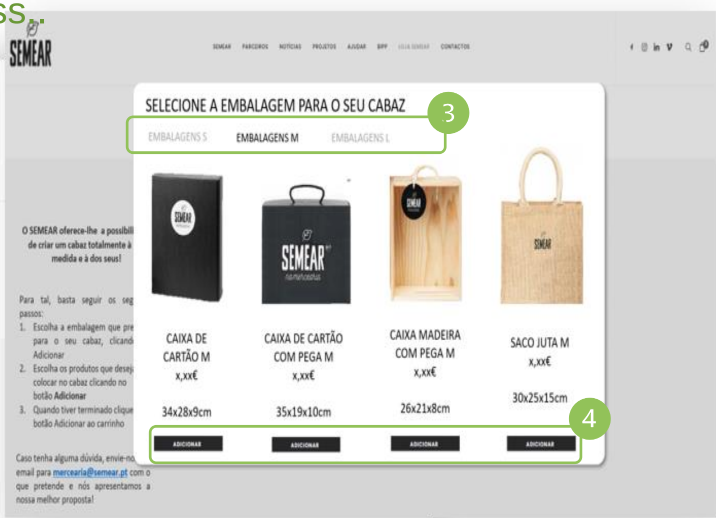
1 Go to LOJA SEMEAR and **choose** the option **CABAZ À MINHA MEDIDA**

2 **Click "adicionar"** and a POP UP 1 will emerge to choose the packaging

3&4 **Choose the packaging size** and then the **packaging** you want

5 **Click adicionar** and POP UP 2 will emerge to choose the product

6&7 **Choose the category** and then the **product** you want



POP UP 1

POP UP 2

FEATURES: instructions get help

Source: developed by the student

APPENDIX 14. ONLINE BUNDLE CUSTOMIZATION DESIGN (II/II)

In order to facilitate the bundle´s composition, a suggestion will be made to the consumer, so that he acknowledges what usually fits in each packaging.

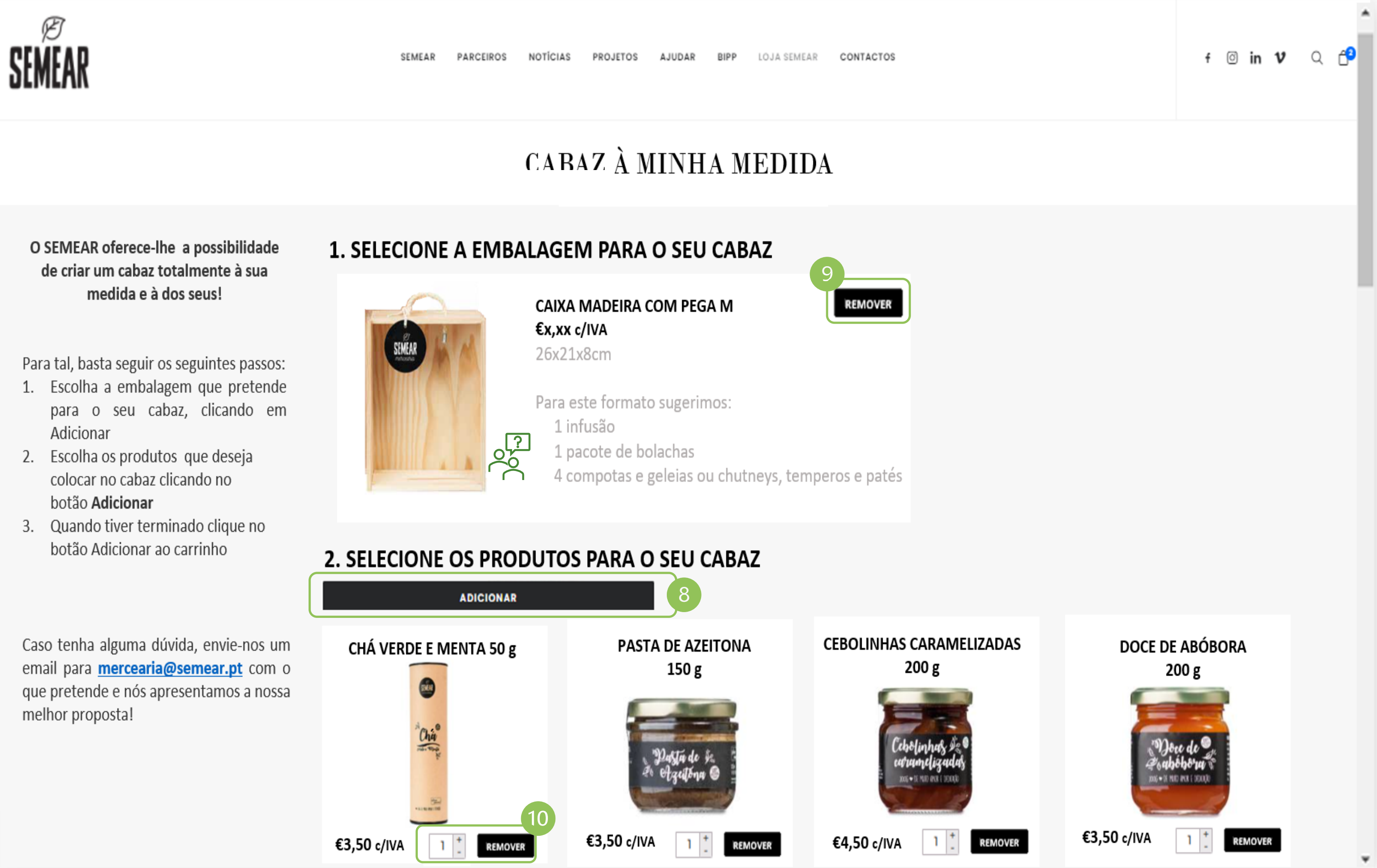
STEPS

8 Everytime you want to **add a new product click on adicionar** and POP UP 2 will appear

9 When you choose the packaging the photo, price, size and a suggestion of products that fit better in the packaging will emerge. If you want to **change, click remove** and choose the new alternative

10 When you choose the products the photo, price, size will emerge as well as a button to **choose the quantity and to remove** if you no longer want that product

11 In the end you **click on adding to the cart**, go to the cart and conclude the order.



FEATURES: suggestion

Source: developed by the student

APPENDIX 15. LIMITED-EDITION BUNDLES´ EXAMPLES

Choosing the most appropriate products and partner with different businesses on Valentine´s, Mother´s and Father´s day, and Easter will boost *SEMEAR na Mercearia´s* sales in the given periods.

2| LIMITED-EDITION BUNDLES

	VALENTINE´S DAY	MOTHER´S DAY	FATHER´S DAY	EASTER
PRODUCTS	Wine, dry fruits, cookies, cheese and toasts	cookies, jams, tea, dry fruits, seasonings	Licor or wine, sausages seasonings, patés, toasts,	Licor, wine, cookies, jams, cheese, sausages
PARTNERSHIPS	portuguese brand of chocolate desserts “Brigadeiros”	SAUDADE flores frescas Portuguese florist	LETRA Portuguese brand of artisanal beer	Portuguese brand that sells premium almonds
PRICE	15€-40€	15€-40€	15€-40€	30€-50€
	(Price range estimation was based on the price choosen from 75% survey respondents for this type of occasions adding a possible extra due to the exclusivity factor)			(Price range estimation was based on the price choosen from 50% survey respondents for festive offerings adding an extra).
MESSAGE	Offer a gift made with love and effort to those you love the most	For such a special mother you could only offer a very special gift	For such a special dad you could only offer a very special gift	because the best pleasuring moments are to share and be shared
COMMUNICATION	Communication should be made through highlights of the exclusive bundles in the homepage of the website, and posts on social network of the brand and shared by the members of amigos do SEMEAR			

(1) Lindecrantz, Gi, and Zerbi 2020

APPENDIX 16. FINANCIAL IMPLICATIONS RATIONALE

The budget was built based on the main costs of each tactic, which were estimated with the help of professionals in the area or properly substantiated.

Online Bundle Personalization

Services costs for this tactic will include the cost estimation of implementing **the offering on website (**depending on current website software in case there no additional programmation needed it will cost 0€, in case of beeing necessary to reprogramme it will cost 5k-10k)**: 0-10k €***

No extra **partnerships´ costs** will be needed.

Communication will be done through social media organic posts and announcement on the website homepage, so there will be no relevant extra **communication costs**

TOTAL = 0-10k€

Share of Recipes

For the execution of this tactic the extra **partnerships´ costs** needed are the payment for ingredients used by influencers: 20€ per recipe* 2 recipes* 3 influencers = **120€,** as recipes will be chosen by SEMEAR cooker or marketing team, and the creation of instagram guides has no associated costs, and the bundle offering to the influencers: 3* 24,90 (bundle 7)= **75 €**

No extra **communication costs** will be needed as communication will be done through organic posts and on influencers social media with whom the partnership is made, at no extra cost

TOTAL =195€

Limited-Edition Bundles

Services costs for the execution of this tactic will include cost estimation of **photo shoot** (as changes on the website are included on the agency fee): **30€ ***

Partnerships´ costs will include possible price differences from the usual offering sent to Amigos do SEMEAR and the limited ones. (In case the price difference is big, it should be chosen only some members, so that the difference does not exceed the 250 €.

No extra **communication costs** will be needed as communication will be done through organic posts and on Amigos do Semear social media (partnership already established).

TOTAL =30-280€

Source: developed by the student

*budget given by a professional

SEMEAR
TERRA DE OPORTUNIDADES

APPENDIX 17. RISKS AND CONTINGENCIES

Alternatives were suggested in case *SEMEAR na Mercearia* faces lack of budget, influencers refusal to make recipes, low engagement on social media and lack of time to develop the limited-edition bundles.

	LACK OF BUDGET AVAILABLE TO IMPLEMENT THE ONLINE OFFERING	INFLUENCERS REFUSAL TO MAKE AND SHARE THE RECIPES	LOW ENGAGEMENT OF THE COMMUNITY	LACK OF TIME TO ESTABLISH PARTNERSHIPS AND DEVELOP LIMITED EDITION BUNDLES
HOW TO OVERCOME	Announce in the websites´ bundle section the possibility of creating customized bundles by contacting SEMEAR.	Try to partner with other influencers from the same areas, who publish similar content as the ones selected. If not possible, SEMEAR will have to select and share all the recipes by itself.	Ask influencers from “Amigos do SEMEAR” WhatsApp group to make the recipes, to share the final result with their followers and challenge them to do the same.	Choose from the existing bundles, the ones that have the most appropriate products for the special occasion and communicate to customers on the website's homepage and on social networks.

Source: Individual Analysis

APPENDIX 18. KEY PERFORMANCE INDICATORS (KPIs)

Engagement rate on social media, number of orders made per new available product and sales revenues are the main KPI's that should be used to assess the effectiveness of the suggested tactics.

1 Online bundles customization

After the new option is available online, SEMEAR should evaluate the following to measure its effectiveness:

> Number of orders per month

> Engagement rate on social media posts regarding the new offering (1)

> Customers feedback

2 Recipe sharing

SEMEAR should evaluate the following to measure the effectiveness of sharing recipes and creating the Instagram guides:

> Sales´ revenues increase vs. the same month of the previous year

> Engagement rate on the recipes posts (1)

> Number of customer shares

To measure the effectiveness of the partnerships with influencers, SEMEAR should take into consideration:

> Number of recipe videos' views

> Followers Growth

3 Limited-edition bundles and naming existing bundles

Success of the limited-edition bundles can be measured by:

> Number of orders per limited-edition bundle,

>Sales´ revenues increase vs. the same month of the previous year

> Website traffic after the launch of each bundle

> Engagement rate on social media posts (1)

Success of naming bundles can be measured by:

> Website traffic comparison with the same month of the previous year

(1) Clicks, Reactions, Comments and Shares

Source: Individual Analysis