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HOW TO INCREASE THE BRAND EXPERIENCE OF *LÚCIA PILOTO* BY USING TOOLS FROM THE LUXURY BUSINESS MODELS

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Abstract

Luxury brands are perceived as a quintessential class due to their foundations and stratifying role in society, whilst premium brands often use luxury business tools to position themselves closer to luxury brands and take advantage of their status. Research shows that a recent shift in consumer behavior occurred, going from ‘having’ to ‘experiencing’ products and services, which has brands now focusing on providing its customers with an upgraded brand experience, something luxury brands already do to differentiate themselves. This work project aims at exploring how *Lúcia Piloto,* a hair and beauty company, may use luxury business models’ tools to improve its brand experience. This investigation demonstrates how having a consistent brand identity and adjusted positioning statements according to benefits sought can be beneficial in improving the brand experience, also providing recommendations addressing consumer loyalty and reasoning on the importance of establishing a homogeneous experience across stores.

Keywords: *Lúcia Piloto*, Premium, Luxury, Brand experience

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1. Introduction

Amid an internship at Lúcia Piloto, a Portuguese company operating in the hair and beauty sector, the brand was outlining a strategy to use tools from the luxury business model with the opening of a flagship store, the *Avenida* Luxury Concept Store, located in Lisbon's luxury neighborhood, *Avenida da Liberdade*. This strategy has long been used by premium brands, who often apply business tools from luxury models to increase their brand's appeal and improve their status, as luxury brands are often perceived as the quintessential of brands due to their foundations and stratifying role in society allowing them to command their prices and not be bound to the proof of time or consumer approval (Kapferer, 2015).

In the hairdressing salon and spa sectors, the quality and the experience of the provided services is key, and thus having a positive and coherent brand experience is crucial for success. Given the recent shift in consumer behavior, going from 'having' to 'experiencing' (BCG, 2019), brands are now focusing on upgrading their brand experience to distinguish themselves from competitors. This is something luxury brands already do, as one of the characteristics that differentiates them from other types of brands is their ability to provide consumers with a holistic experience that satisfies both their utilitarian and hedonic needs (Garvin, 2009).

Therefore, motivated by this new focus on experiential services, this work project aims at investigating *Lúcia Piloto*'s brand experience and exploring what other business tools from luxury models the brand can use to upgrade its external perception, and thus improve its positioning and attract and retain more customers to achieve a better company performance.

To understand which luxury business tools may be useful for brands who want to upgrade their status, a contextual background exploring the definitions of luxury and premium brands is presented based on a collection of secondary data. Subsequently, a qualitative research was conducted to assess the brand image, perception and experience. The main findings collected from this research were analysed in light of the definitions presented in the contextual background, whilst renewed brand identity and positioning statements according to location were suggested to improve Lúcia Piloto's brand experience, along with recommendations to ensure customer loyalty and a homogeneous personal experience across stores.

2. Contextual Background

2.1. Luxury Definition

Luxury was built on the foundation of social stratification, defining the various levels of hierarchy and encoding society's fundamental need for distinction among classes (Kapferer & Bastien, 2009). It is grounded on the proposition of uniqueness and exclusivity, which implies the need for strong brand identity to support the brand's authenticity and story (Kapferer, 2015). Moreover, these brands need not to focus on their positioning, as luxury denies any comparison with other players in the market due to the belief that differentiation is what creates preference (Kapferer & Bastien, 2019).

The ultimate mission of a luxury brand is to sell timeless dreams, focusing on hedonic needs and passion instead of reason and logic. It relies on traditional qualities such as craftmanship and scarce materials and uses various techniques to limit access to a specific clientele, such as selective distribution and premium pricing (Okonkwo, 2009). Luxury brands are able to command their own prices. For these brands, price isn't related to function as there is no price limit when it comes to dreams (Kapferer, 2015).

Luxury brands are guided by a specific set of marketing rules that can contradict what is embedded in classical brand management theories (Kapferer & Bastien, 2009). They do not try to force the sale – consumers are the ones that go to the brand, and even then, there are limitations to purchase, as desire increases with inaccessibility (da Silveira, 2019); (Kapferer & Bastien, 2009). Additionally, most luxury brands do not need to use publicity to sell more, focusing their communication instead on building the dream around them (Kapferer, 2015). This is not achieved by aiming at a target market, as these brands need to create as much awareness as possible by communicating to consumers outside of their core audience to gain social recognition (Kapferer & Bastien, 2009). Luxury brands do not let themselves be guided by what is consensual and acceptable, resisting customer demands, as their goal is not to give clients what they want (Kapferer & Bastien, 2009). Finally, luxury doesn't compromise design, nor does it practice any type of discount, as it would be hurtful for the brand's image and could ultimately lead to the loss of their status (Keller, 2009); (da Silveira, 2019).

There is no unique consensual definition of what constitutes a luxury brand. Although this topic has been discussed thoroughly throughout the years and some guidance rules have been established, the many forms and nuances of luxury make it almost impossible to have one definition to fit all cases (Ko, Costello & Taylor, 2017). Nonetheless, there are five approaches that currently cover most of the luxury concepts and that will thus be analyzed.

2.1.1 Traditional Definition

The traditional definition explains how luxury relies on traditional qualities such as beauty and aesthetic excellence and the finesse of craftsmanship, precious materials and ingredients (Kapferer, 2012); (da Silveira, 2019). For a brand to be considered luxury under this definition, three dimensions are necessary. Firstly, the offer must be physically rare, which can be due to the need for qualified labor, the scarcity of constituents or a combination of both (da Silveira, 2019). Secondly, hedonism precedes functionality, and thus luxury must provide a multisensory experience that relies on more than just the quality of materials (Kim, Park, Lee & Choi, 2016); (da Silveira, 2019). Thirdly, luxury goods and services must have a strong human content or be of human origin. Hence, when it comes to luxury, objects need to be at least partly handmade and services need to be exclusive for customers (Kapferer & Bastien, 2009).

2.1.2 Luxury as a Distance

Luxury derives from the word *luxatio*, meaning distance – and luxury expresses the distance between desire and access, as the greater the inaccessibility, the greater the desire (Kapferer, 2012). Luxury is a relative concept – managing luxury brands equals managing desirability, as its value is based on the propositions of rarity and exclusivity (Kapferer & Valette-Florence, 2018). Desirability comes from the gap between the number of people who desire the brand and the number of people who can access the brand. This is supported by the theoretical dream equation, that states that *"the desirability of a luxury brand is correlated with the difference between brand awareness and brand penetration"* (Kapferer, 2015, p.54); (da Silveira, 2019). Thus, luxury brands must build visibility by having its name and products known and desired by many – as brand awareness creates value – while restricting access to the brand, so that only a few can achieve the dream (Kapferer & Valette-Florence, 2018). This limited access to luxury brands can be artificial, through measures such as practicing higher prices, limiting distribution or production, implementing time constraints or informational, by only giving access to members of a certain community, the true *connoisseurs* (da Silveira, 2019).

2.1.3 Luxury as the Creator's Light

Luxury brands express the light, or the aura, of the creator, which can either be the brand founder or the artistic director, and whose legitimacy is based on an especially charismatic persona (da Silveira, 2019). When there is no charismatic persona, brands can substitute the myth in creating the brand's aura using a commercial or a brand "persona", that can be a cluster of images or symbols that inspire the brand and are created within a marketing and communication effort (Kapferer & Bastien, 2012).

This definition is best described in a pyramid, where the unique creation is at the top and is followed by luxury, upper range and licensing and accessories at the bottom (for the Luxury as the Creator's Light pyramid, please see appendix 1). Under this definition, it is necessary for the creator to produce something unique, that will be the foundation for the luxury line created by the brand. Following the top of the pyramid, there will be an upper-range line of products with limited production and selective distribution. Finally, non-unique licenses and accessories will be marketed in a wider yet still selective distribution. The bottom part of the pyramid is the one that makes the most revenue – the top part exists to nourish and maintain the "dream". All of the sections in the pyramid are considered luxury due to its connection to the unique creation at the top, the creative director and its aura (da Silveira, 2019); (Kapferer, 2012).

The aura of the creator is focused on long-term vision, and thus doesn't need to be aligned with what consumers want, as the market will ultimately adapt to it (Kapferer & Bastien, 2012). It needs, however, to be legitimized by the proper domain authorities. Furthermore, in order to be sustainable, the legitimization needs to be reassessed periodically. There are many ways to maintain the aura of the creator, the most common one being through highly recognized events, such as fashion shows in the case of clothing luxury brands. However, there are other ways for the aura to be legitimized, including globally recognized rankings, the mythologization of the founders, natural or spiritual lineage, launching an art strategy, building a luxury flagship store or the iconization of intemporal products (da Silveira, 2019). Regardless of the path chosen, it is crucial that luxury brands cater the aura, as without it, brands will eventually fall off the luxury definition and become premium (Kapferer, 2012). Within this definition, two trends are dictating the layers of a brand – "Artification", where luxury brands use its relationship with art through beauty and the notion of timelessness to position themselves closer to it, thus reinforcing their status as an advanced cultural agent, and the political, environmental and social engagement of the creator (Kapferer, 2015); (da Silveira, 2019).

There are, however, some risks attached to this definition, namely due to the lower extensions of the pyramid. Firstly, these do not require much creativity and can thus stain the brand's reputation for uniqueness. Secondly, the fact that pricing levels are lower and can thus be reached by many may lead to overconsumption, which can harm the brand's ability to maintain desire (Kapferer, 2015).

2.1.4 Luxury as a Social Marker

Historically, luxury was used as a way to ensure societal stratification, maintaining social distance between nobility and commoners (Kapferer & Bastien, 2009). Nowadays, luxury still relies on the purpose of creating social stratification in countries in which it did not previously exist – mainly in countries that had a very strict political regime until recently and are in need of a new way to "organize" societal rankings (da Silveira, 2019). Moreover, luxury still has a defining role in today’s democratic world – people are free, within their financial limitations, to position themselves as they wish in society (Kapferer & Bastien, 2012). Still, there are two different realities regarding this definition.

The first occurs in the Western World, where luxury creates a sense of differentiation, and owning an unknown luxury brand or being able to access exclusive goods such as private yachts or islands means distinction and being part of an exclusive elite culture (Kapferer, 2016). In this case, the more a luxury brand penetrates the market, the more diluted the feeling of privilege becomes. Thus, as soon as a luxury brand becomes a reference in emerging countries, Western World consumers tend to move to another, lesser-known luxury brand (Kapferer, 2015). The second reality occurs in emerging countries where luxury is used to reinforce the feeling of being part of something and to create the sense of belonging in society (Kapferer, 2016). In this case, owning a product from an unknown luxury brand is risky as opposed to the fame of using more notorious brands (da Silveira, 2019). Furthermore, in emerging countries, a luxury good can be considered luxury even if it is purchased by many – no exclusivity is necessary to reinforce status. Newly rich consumers in these countries search for ways to distinguish themselves from others, showing how high they stand or wish to be perceived in society through a hierarchy that relies on possessions and luxury brands (Kapferer, 2016). Nonetheless, since these newly rich consumers usually come from poorer, less advantaged backgrounds, their way of purchasing is based solely on price and current popularity, as they do not have the same cultural sensibility as “old” rich consumers (da Silveira, 2019); (Kapferer, 2016). These markets see luxury as a necessity – consumers buy luxury products not to be differentiated from others, but to be seen as equal to them (Kapferer, 2016). Hence, luxury brands work almost as a frame of reference in society, where consumers use products to be seen by others as part of an elite and not necessarily because they desire the product or the brand (da Silveira, 2019). More than the quality, design of the product or the brand per se, luxury is tied to the selling of dreams for these consumers (Kapferer, 2016).

Ultimately, regardless of the two different behaviors towards luxury in different parts of the world – as a way to create differentiation or as an egalitarian marker – it is inarguable that luxury serves a very strong social purpose (da Silveira, 2019).

2.1.5 The New Luxury Paradigm

Kapferer and Bastien (2009) propose two reasons for consuming luxury brands: the hedonic value of indulging in pleasure for oneself and the status value of demonstrating success for others. Thus, some luxury consumers search for rare and scarce products or services as a way to signal their superior social status towards others, demonstrating their belonging to the exclusive group of people who can access such goods (Truong & McColl, 2011). In opposition, others base their consumption of luxury products on intrinsic motivations that go beyond functionality such as timelessness, craftsmanship and individual pleasure (Kapferer & Bastien, 2009). Hence, the New Luxury Paradigm grounds the definition of luxury on two necessary dimensions: substance and status, where substance is the individual function – luxury for the self, as an individual pleasure or indulgence – and status is the function luxury has as a social statement (da Silveira, 2019). There are three profiles connected to social statement: high profile, low profile and high profile based on responsible luxury.

i. High profile social statement implies luxury for others, prioritizing being seen and noticed using certain pieces of luxury or attending certain exclusive events as a way of showing the person's belonging to the small community of people who can access what is unreachable to most (da Silveira, 2019). Consumers who fit this profile generally intend to showcase their wealth to demonstrate superior social status and consume luxury products not for their functionality but due to the belief that the premium pricing indicates prominence (Truong & McColl, 2011).

ii. Low profile social statement comes from the Swedish attitude "*LAGOM*", that claims minimalism as the highest form of luxury statement. Thus, consumers who fit in this profile do not seek to demonstrate their status through symbols, as do high-profile consumers, preferring to invest in products where there are no visible brand elements and perceiving noticeable showcases of status such as logo overuse negatively (da Silveira, 2019). Consumers who tend to use luxury as a low-profile social statement are mostly *connoisseurs,* who believe the use of more discrete, unknow luxury brands can provide them with a higher private status for an even more exclusive group of people, as opposed to demonstrations of social status for the masses (Kauppinen-Räisänen, Björk, Lönnström, & Jauffret, 2018).

iii. High profile based on responsible luxury, also known as guilt-free luxury, is a new way of building status in a sustainable way that doesn't compromise the human being or the planet (da Silveira, 2019). Sustainability is evolving from a trend into a requirement that is re-defining luxury values and influencing consumers' purchasing behaviors (BCG, 2019). The sustainable, responsible engagement needs to be tangible, demonstrable and verifiable in order to become a reason to believe for consumers – it is not just about creating green commitments, but also about communicating them to the market. The high-profile social statement based on responsible luxury is transforming the way brands communicate with their customers, migrating from storytelling to storyproving. It is no longer sufficient for brands to state their beliefs – they need to prove both their values and their actions (da Silveira, 2019).

There is no right measure for how much substance and status a brand needs to have to be considered luxury, but it is clear that both are necessary. A brand that has only substance and no status, and thus takes functionality over hedonism, is not capable of having social impact on its customers and falls into the category of premium brands. A brand with only status and no substance will not be sustainable in the long term, as these typically attract ostentatious customers whose focus is only on symbols and will hence not become loyal to the brand (Kapferer & Bastien, 2009).

2.2 Premium Definition

Premium brands are characterized by having an excellent quality connected to a high price, that are distributed in selective channels intensely and advertised through appropriate venues

(Quelch, 1987). The business model of a premium brand is aimed at creating objectively the best product in a category and is thus focused on consumer needs and brand comparison (Kapferer & Bastien, 2009). They are consumer oriented, follow trends, listen to what the consumer wants and guide themselves using benchmarks (da Silveira, 2019).

Premium brands aim at solving a problem or meeting a need, as having more and better features means giving their customers more value for money (da Silveira, 2019) and for these brands, price and function are related – the better the product, the higher the price. As such, the ultimate goal for premium brands is to position themselves as being the best in a certain category, in order to be able to charge higher prices. To do so, these brands need proof to support their claim. However, having the need to justify their title comes with some nuances, such as the constant need to reinvent its products – as time passes and technology evolves or fashion trends fade, their products can become obsolete if there is no investment towards progress (Kapferer, 2015). Moreover, for customers to know and appreciate their offer enough to pay their premium pricing, these brands need to invest heavily on advertisement (da Silveira, 2019).

Unlike luxury brands, premium brands must compete with each other in the market in order to grow, due to the need to justify their pricing strategy as best in the category. Hence, premium brands need their products appreciated by consumers and therefore purchased in large quantities at the highest price possible, thus maximizing sales, profits and beating their competitors (Kapferer, 2015).

2.3 Grupo Lúcia Piloto

2.3.1 Presenting the Company

Founded in 1977. *Grupo Lúcia Piloto* is a Portuguese company whose core activity is hairdressing and beauty and cosmetic treatments. Currently, the brand has a portfolio comprised of a training academy for hairdressing, and hair, aesthetics and spa services. The company has a total of seven hairdressing saloons located in Lisbon, *Almada* and *Cascais*, one spa and one Professional Training Academy.

Lúcia Piloto, the founder, started as a hairdresser four decades ago and has since positioned her name and company as a highly recognized and reputable brand in Portugal. In 2007, the company expanded for the first time from its main activity of hair salons into the cosmetic beauty market with the launch of the spa. Then, in 2011, it opened the first training school for professional hairdressing, the first professional school in the country owned by a company in the hair salon sector. Finally, in December 2019, it opened its first concept store in Lisbon's most notorious luxury neighborhood, *Avenida da Liberdade*.

The hairdressing salons belonging to the brand all have the same aesthetic in terms of decoration and provide hairdressing services for women, men and children. Moreover, every salon has an aesthetics menu composed of several beauty treatments, makeup, hair removal, manicure and pedicure services.

Located in the *VIP Grande Lisboa Hotel*, a five-star hotel in the centre of Lisbon, the spa provides services ranging from beauty and aesthetical treatments for the face and body, relaxation and holistic massages, a sauna, a Turkish bath (Hamman) and tropical showers.

The *Academia, Lúcia Piloto's* professional training school, was launched in collaboration with L'Oréal's Professional Products Division (i.e. L'Oréal Professionnel) and is certified by DGERT (Portugal's Directorate-General for Employment and Labor Relations). The *Academia* teaches the basics for beginners and people with no experience in the area that want to become hairdressers. Additionally, there are courses for people who either own or wish to own a business in the hairdressing sector that teach business basics such as leadership skills, team management and motivation techniques, sales and commercial tools. For qualified professionals who are already experienced, the *Academia* provides regular workshops in trends and new techniques. The school also works as a way for the brand to ensure that all its professionals have the same knowledge regarding the different techniques, are on board with the current trends and provide a homogenous service. Thus, whenever a new service is launched at *Lúcia Piloto*'s hairdressing salons, *Academia* provides the necessary training to all its hairdressing employees.

2.3.2 Hairdressing market in Portugal

To better understand the hairdressing market in Portugal, where *Lúcia Piloto* is a player, a competitor analysis was performed. The companies studied were selected according to their store location, prices and public recognition, and their evaluation was based on five criteria: service areas, notorious brands, location, price for a haircut and brushing service and collections, association and sponsorships. The service areas analysed comprise hairdressing, manicure and pedicure, makeup, aesthetics treatments, spa treatments and training schools. Notorious brands for each company where selected according to price, ease of purchase and distinction, while store location indicates how many salons each competitor has and in which Portuguese cities these are located, including if they have any store in Lisbon's luxury district, *Avenida da Liberdade*. The prices for a haircut and brushing service were based on the last value available price between 2012 and 2019, as not all hair salons display their menus online. Finally, in the collections, associations and sponsorships criteria, the company's partnerships with fashion and press events were assessed, as well as the existence of an annual hairstyle collection. For the complete competitor analysis, please see appendix 2.

2.3.3 Lúcia Piloto's Framework

Lúcia Piloto's core business is to provide its customers with hairdressing and beauty services. The experience the brand delivers can be divided into two main functions: personal experience and social experience, where personal experience is the individual pleasure that consumers get when using a service and social experience is the status value of being perceived as successful and positioned higher in society by others when using a service that functions as a social statement. When analysing the contextual background and the luxury definition according to the New Luxury Paradigm, personal experience is related to the brand's substance, whilst social experience is connected to the brand's status. Together, these make the brand experience.

Hence, the following chapters will consider the New Luxury Paradigm as being the luxury definition with the closest fit to *Lúcia Piloto*.

3. Work Project Research

3.1 Methodology and Data Collection

The purpose of this work project is to explore how to increase the brand experience *of Lúcia Piloto* by using tools from the luxury business models. To address the main question, an exploratory research based on both primary and secondary data was performed, enabling the analysis of the current brand experience and perception from the customers' perspective.

A review of the literature based on secondary data was made before the primary data collection, in order to gain a better understanding of the research question and ensure its alignment with the theoretical frameworks (Yin, 2009). The secondary research encompasses an external data analysis, performed by gathering information from various sources such as the brand's website and social media accounts, and public documents including reports, articles, news and books, among others. No internal data from the company was collected given that, despite having access to individual client data (due to the existence of a customer card), there is currently no tool or method implemented to extract and further analyze the information.

Primary data involves the gathering of specific data for the research problem through the use of the most appropriate procedures (Hox & Boeije, 2005). Given the nature of the question, a qualitative research was performed, as it ensures the discovery and further comprehension of all facets of the situation (Baxter & Jack, 2008). The qualitative research was conducted using in-depth semi-structured interviews as the main source of information, as these allow for participants to talk freely about their own experiences and views of the subject while enabling for adjustments to fit certain topics during the interview (Hox & Boeije, 2005).

A pre-recruiting questionnaire was conducted to select interviewees based on whether they had gone to *Lúcia Piloto* at least once in the past two years. If so, a semi-structured in-depth interview was scheduled to explore how they perceive the brand, how they position it against competitors in the market and their own brand experience. Moreover, *Lúcia Piloto*'s store managers were interviewed to assess, in their opinion, who is the brand's customer base and what is their overall perception of the brand's image. For a detailed description of the pre-recruiting questionnaire and the interview guide please see appendixes 3 to 6.

For the qualitative research, 32 interviews were conducted with an average duration between 45 minutes to 1 hour. The sample was collected from pre-recruiting questionnaire respondents and personal contacts. Participants were considered as being a customer if they had done any type of hair or aesthetics services in a *Lúcia Piloto* store at least once in the last two years.

Table 1. In-depth interview respondent analysis

Interviews	**N= 32**	**Gender**	**Age**	**Occupation**	**Topics to Develop**
Store Managers N=7	Almada N=1 Amoreiras N=1 Av. 5 de Outubro N=1 Av. António Augusto Aguiar N=1 Av. Da Liberdade N=1 Benfica N=1 Cascais N=1	Female N=7 Male N=0	N/A	N/A	- Store Experience - Brand Experience - Brand Image and Perception - Store's customer type - Lúcia Piloto's customer
Clients N=25	Almada N=0 Amoreiras N=9 Av. 5 de Outubro N=6 Av. António Augusto Aguiar N=7 Av. Da Liberdade N=0 Benfica N=2 Cascais N=1	Female N=23 Male N=2	Below 18 years old N=0 Between 18 and 25 years old N=9 Between 26 and 35 years old N= 5 Between 36 and 55 years old N= 8 Above 55 years old N=3	Student N= 7 Employed N= 15 Unemployed N= 0 Retired N= 3	- Brand Awareness - Personal experience - Social Experience/Status - Brand Experience - Brand Image and Perception - Frequency of store visits - Loyalty – to the store, to the brand, to the professional - Perception of the prices practiced by the brand - Service areas experienced

Source: Author, based on primary data collected from qualitative interviews

The data collected was analyzed both in aggregate and divided between two groups comprised of customers above and below 26 years old, due to the possible impact of the Youth Program (a campaign for consumers between 13 and 26 years old that offers a 50% discount on all hairdressing and hair removal services) in the responses. This analysis will allow for an assessment of the brand's current image, provide main insights into the brand's perception and ultimately guide the research into which tools from the luxury business models are believed to be able to raise *Lúcia Piloto*'s brand experience. For the complete data analysis of the in-depth interviews, please see appendix 7.

3.2 Main Insights

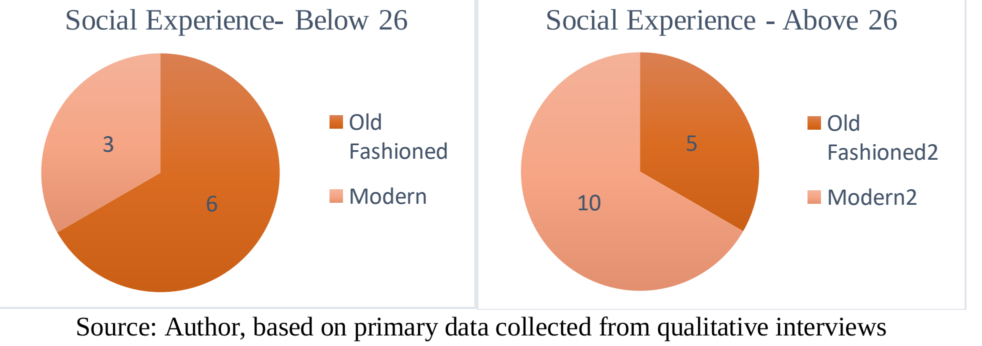
Social Experience

Lúcia Piloto's brand awareness is believed to be high, as seen in the results from the pre-recruiting questionnaire – it was the most recognized brand among the 13 presented, with 16 (out of 24) respondents knowing at least its name. The brand image results were overall positive, as it is perceived as a high-quality brand where prices are considered fair (18/25), and that is only accessible to a few (24/25). This was further reinforced through the conducted staff interviews, with store managers having the opinion that the brand is restricted to customers who have a high purchasing power.

"For me, the Lúcia Piloto client is demanding, focused and has high expectations when it comes to the brand, using it to position themselves as they want in society's standards." (store manager)

The brand is believed to have some status associated to it, with slightly more than half of interviewees considering it to be modern (14/25). Still, it was possible to observe that most interviewees (17/25) were not aware of the brand's participation in fashion-related events. Moreover, when dividing social experience results by age group, it is reasonable to infer that this result might be biased, as (6/9) interviewees below 26 perceive the brand as having an old-fashioned status, while (10/15) consumers above 26 believe the brand to have a modern status. This contrast demonstrates that *Lúcia Piloto*'s social experience is perceived differently by each generation, which may indicate an inconsistent brand image.

Figure 1. Status divided by age group



Source: Author, based on primary data collected from qualitative interviews

"I think my grandmother is the typical Lúcia Piloto client. She goes there at least twice a week to wash her hair, as she has done for many years." (Customer, below 26)

Personal Experience

a. Loyalty and Personal Experience

Lúcia Piloto is presumed to have a loyal customer base, with (24/25) interviewees stating they had been customers for more than one year and that they intend to keep using the brand's services. Still, the conducted analysis showed that the majority (17/25) of interviewees are loyal to just one professional, a result that was consistent across all *Lúcia Piloto* stores.

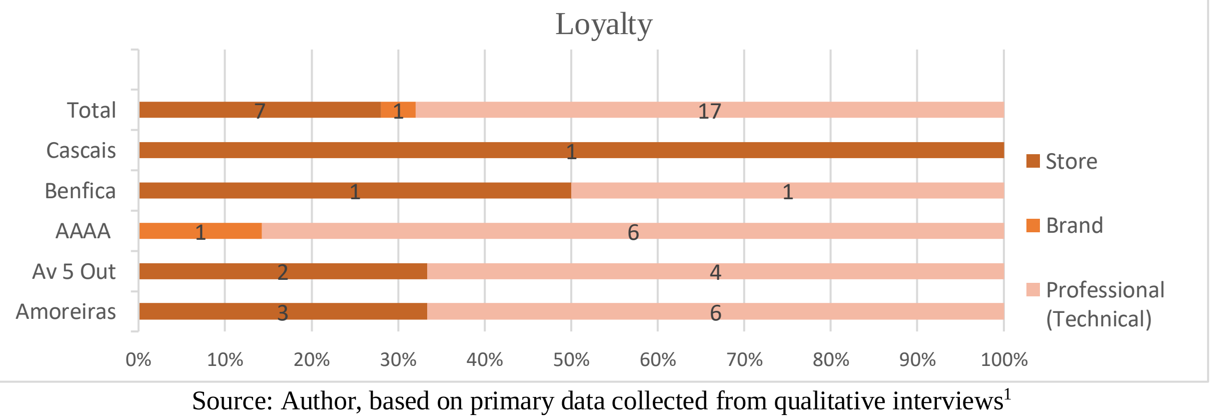
"I always cut my hair with the same person. The last time I needed a haircut, I called the hair salon to see if she was available, but then they told me she was sick. I ended up scheduling an appointment to get a haircut in another salon [not a Lúcia Piloto salon]." (Customer, above 26)

Throughout the store manager interviews, it was possible to infer that some of the brand's eldest professionals lacked motivation and did not feel valued by the brand – which means they may be willing to leave the brand.

"The company needs to value its workers, because they are the ones interacting with the customers and giving their face for the brand." (store manager)

Within the complete group of interviewees, only one person was loyal to the brand overall and thus saw all *Lúcia Piloto* stores and professionals as equals, frequently changing between hair salons. Seven interviewees were loyal to one store, being willing to be attended to by any professional working in it but not to go to a different salon.

Figure 2. Loyalty to stores, brand and professionals



Source: Author, based on primary data collected from qualitative interviews[1]

[1] *AAAA* is the abbreviation for *Avenida António Augusto Aguiar*, and *Av 5 Out* is the abbreviation for *Avenida 5 de Outubro*, that will be used henceforth when denominating these hair salons.

b. In-store Personal Experience

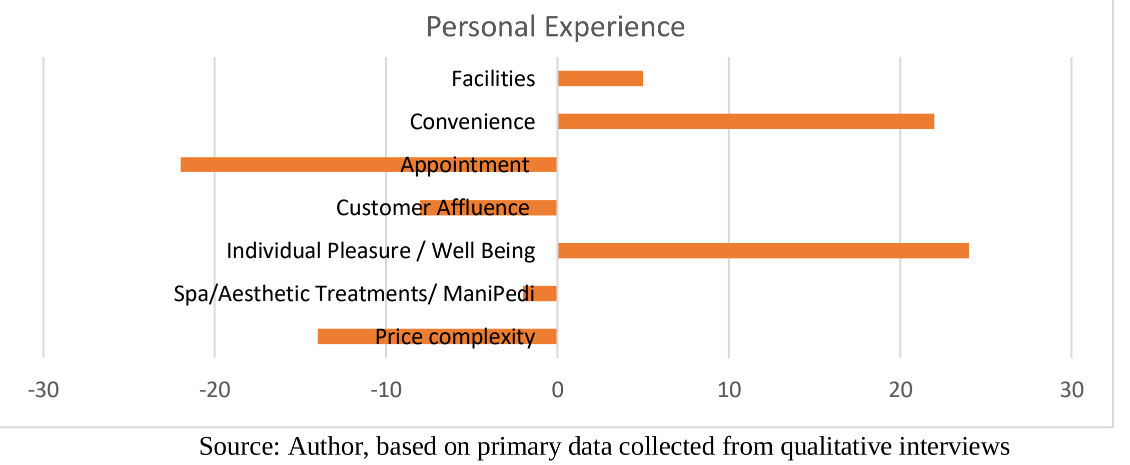
Overall, customers see their visits to the *Lúcia Piloto*'s salon as an individual pleasure, an indulgence moment for the self and leave the store with a feeling of well-being (24/25). Furthermore, most customers consider the location of the stores to be convenient regardless of whether the store is inside a shopping mall or not (22/25).

"I go to Lúcia Piloto in Amoreiras almost every week. Just last week, for example, I got there and left my car in the garage for a wash. Then, I went to the supermarket and asked for my groceries to be delivered to my house. I went to the hair salon, washed and fixed my hair quickly, and by the time I was finished, my car was ready, so I went home." (customer, above 26)

However, some negative considerations were raised. Pricing was appointed as complex for more than half of interviewees (14/25), that consider it to be confusing and lacking transparency. In addition, not having the ability to book an appointment was considered to damage the personal experience (22/25), as consumers stated they would prefer to know in advance if the professionals are available to attend to them prior to their arrival instead of having to take a chance by going to the salon.

"I got there and they told me to come back in half an hour – that wasn't pleasant. Booking an appointment would have made the whole experience more comfortable." (Customer, above 26)

Figure 3. Personal Experience



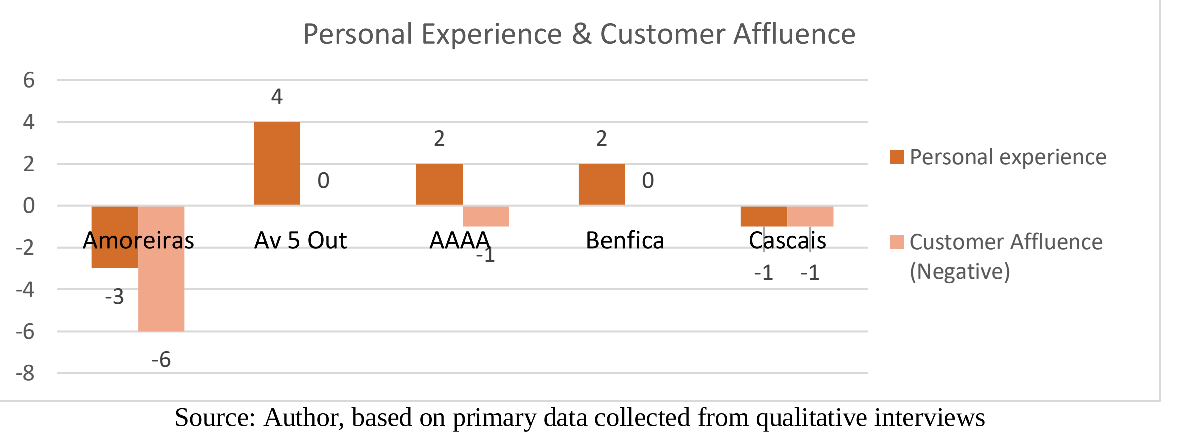
Source: Author, based on primary data collected from qualitative interviews

Brand Experience

Overall, the brand is considered as able to provide a positive personal experience (14/25). Still, this result varies by store, with both salons present in shopping malls being the main source for the negative account in these experiences (7/10) and street stores being accountable for the majority of positive experiences (11/14). Additionally, the stores located inside shopping malls are responsible for most negative levels of customer affluence due to the high number of clients in the salon (7/8), which may indicate that there is a connection between these two factors.

"I have noticed some changes from when it first opened to now. In the beginning, they would always offer me a coffee, which is something they haven't done in a while. Also, I love the chairs that give the massages, love to have my hair washed, but the last two times I went there they weren't available, so I was a bit disappointed." (Customer, above 26)

Figure 4. Personal Experience & Customer Affluence



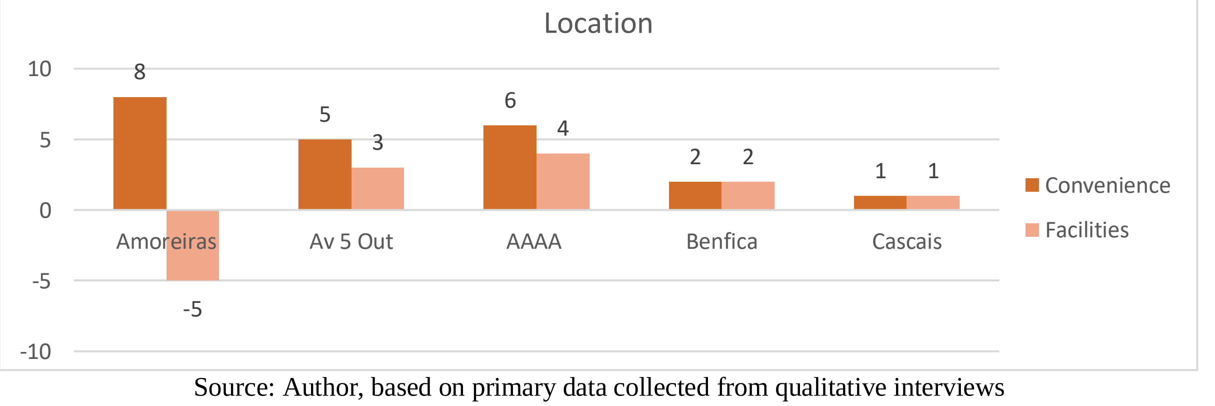
Source: Author, based on primary data collected from qualitative interviews

Nonetheless, customers still admitted to leaving the salon with a feeling of pleasure and well-being, which implies that the quality of the service exists, but the overall brand experience isn't as expected. This was further reinforced during the interviews with the store managers.

"We used to be able to control things. We knew who our customer was, their habits, what they liked…nowadays, it's impossible to keep up with the number of customers we attend to daily. We have a high number of customers walking in every hour and expecting a fast service" (store manager)

Despite having convenient locations, not all stores were considered to have positive facility conditions, with some (7/19) mentions being negative, most of whom were shopping mall customers.

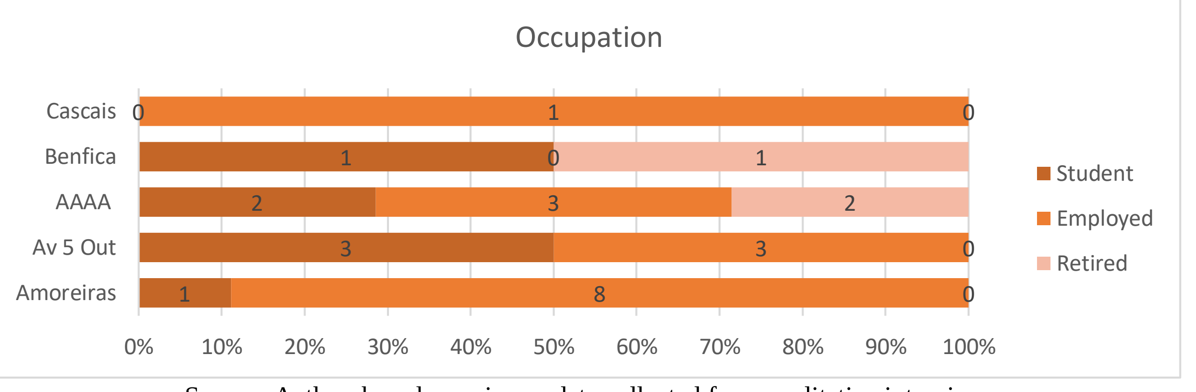
Figure 5. Location and Experience



Source: Author, based on primary data collected from qualitative interviews

Moreover, it was possible to observe that most of the customers who attend shopping mall salons were currently employed (9/10), while interviewees that typically attend street stores had a higher variance between types of occupation.

Figure 6. Interviewees' occupation



Source: Author, based on primary data collected from qualitative interviews

Regarding aesthetics treatments and manicure and pedicure services, more than half of interviewees had a negative experience (9/16), with the spa being the only store where there were more positive than negative experiences (2/3). In accordance with previous findings, results were below average in shopping malls, where customer affluence is greater. Moreover, the interviews with the store managers revealed that staff rotation for aestheticians is higher than for professional hairdressers. Since *Lúcia Piloto*'s customers are believed to be loyal to professionals, having high rotation in staff may also be hurting consumer experience.

"We've had some bad luck with aestheticians – it's a job position where rotation has been high, and it hurts the store. We hire someone, customers like them and start booking appointments with them, and then when they leave their clients get extremely upset – we've even had some giving up on making their aesthetics treatments with us." (store manager)

3.3 Discussion & Main Recommendations

Social Experience

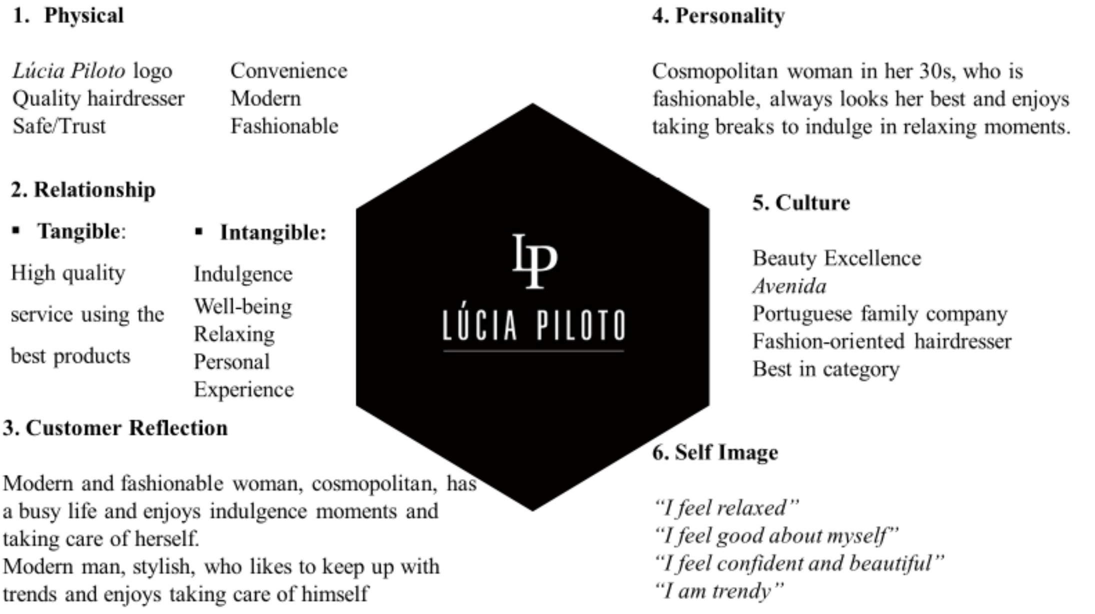
Consumers tend to be drawn to brands that provide them with a social experience, as this helps signal their position in society. Nonetheless, this status needs to be consistent in order to be robust and to have value in demonstrating success for others for the brand to function as a social statement. Being perceived as a brand exclusive for those who can afford it – and thus have a high enough purchasing power – indicates that *Lúcia Piloto*'s status functions as a social statement. Nonetheless, the disparity between the two customer groups implies that its social experience isn't consistent, and the fact that younger generations (below 26 years old) are mostly the ones that consider it to be an old-fashioned brand indicates that it might be outdated. Moreover, the lack of recognition of the brand's relation to fashion events, which are believed to help the brand stay trendy, helps support this belief.

The lack of robustness of *Lúcia Piloto*'s social experience makes it difficult for the brand's image and customer perception to be homogeneous, and without it *Lúcia Piloto* will not be capable of having a social impact and thus won't attract new customers. Moreover, by being perceived as an old-fashioned brand by younger customers, *Lúcia Piloto* risks not being able of captivating them. Young consumers are crucial to ensure any brand's continuity, which is why it is necessary for the brand to also renew its status, making it go from outdated to modern in the minds of this customer group. In addition, *Lúcia Piloto* needs to work on its communication strategy to target younger generations, using appropriate channels that make it easy for them to find and get to know the brand – as the youth program, associated with the brand's quality service, will help retain these customers.

The opening of a store in *Avenida da Liberdade,* Lisbon's notoriously luxury neighborhood, is believed to contribute to elevating the brand's social experience and customer perception. Still, *Lúcia Piloto* needs to update to a modern and consistent status, and hence a new brand identity based on Kapferer's brand identity prism is suggested.

The proposed brand identity focuses on what the brand wishes to provide to its consumers, the quality of its services and social experience connected to the desired projection of being perceived as an up-to-date, fashionable hairdresser, with the goal of enclosing the brand's status around a modern proposition that will improve its image, thus helping engage new customers across all age groups.

Figure 7. *Lúcia Piloto*'s suggested brand identity according to Kapferer



Source: Author, based on Kapferer's model of Brand Identity (Kapferer, 2012)

Personal Experience

a. Loyalty and Personal Experience

According to the qualitative research, the majority of *Lúcia Piloto*'s customers are loyal to one professional more than they are to one store or to the brand overall. These consumers are generally not willing to change hairstylist and may switch hairdressers if said professional moves to another location: if their selected professional moves out of the company, customers are prone to follow them and thus trade hair salon brands; if the professional is not available temporarily, some customers will stay within the brand, while others will move to the initial step of the consumer journey and consider several brands (that may or may not include *Lúcia Piloto*) before making a decision.

While customers first go to *Lúcia Piloto* because its status gives them trust, the professionals are the ones who ensure their retention, and thus give the brand substance. As explained in the New Luxury Paradigm definition in chapter 2, a brand without substance is not sustainable in the long term, as it will attract customers who only care about the social experience provided and thus typically do not become loyal to the brand. Furthermore, throughout the research, it was noticeable that having a high employee rotation can lead to dissatisfied customers, such as the case for aesthetic services and manicures and pedicures. Hence, it is possible to infer that *Lúcia Piloto*'s professionals are one of the brand's main assets, and that it is crucial for the brand to ensure these employees feel satisfied and motivated, and thus don't leave the company. Employee retention was found decisive in ensuring customer loyalty and can be achieved through investing in training while using human resource tools to keep professionals motivated. Currently, *Lúcia Piloto* provides regular workshops to teach new techniques and assure its employees are on top of trends and can give customers a quality service. Nonetheless, the brand needs to work on the motivation of its professionals, as they represent the brand in the eyes of the consumers, with whom they interact directly on a daily basis. In addition, given the great level of personal contact that exists in hair and beauty services, it is essential for *Lúcia Piloto* to have trained professionals that are capable of not only providing a high-quality service, but with whom clients can identify and trust their judgement.

One reason customers presented for being loyal to one hairstylist was the fact that, after a few appointments, the professional already knew them well enough to make the service feel more personalized by knowing their name and not having to explain what their hair type is or what products they like, for example. Personalization is an important feature that differentiates brands by allowing them to provide its customers with tailored experiences through the use of information collection and analysis. *Lúcia Piloto* gathers data from its customers in two situations, the first one being demographic data such as the client's name, age, email and address, that is collected when they fill their customer card, and the second one being which services the customer did or what products were used in each store visit.

Currently, despite being collected, this data is not analyzed, even though it may provide key information to improve customer experience. By studying this data, the brand can get to know its consumers on a deeper level that will allow it to transform each store visit into a highly personalized experience. Moreover, *Lúcia Piloto* can take advantage of this information to understand who its client groups are, how much they spend in store and doing which services, and ultimately target consumers with suggestions that fit their personal description based on preferences, making it more likely for customers to be open to experiment new services and increasing their trust in the brand.

b. In-store Personal Experience

Despite being perceived as a brand that is able to provide customers with a positive feeling of well-being, *Lúcia Piloto* may still be neglecting its overall personal experience, which goes beyond what consumers feel in the moment when using one of the brand's services.

For customers, the service provided by the brand is currently starting in the moment they walk into the salon, as there is no possibility of making an appointment in advance. However, by not being able to book an appointment, consumers risk getting to the store and not being attended to, and the brand risks having an unsatisfied customer who may or may not be willing to wait and end up leaving with a negative experience without experimenting a service, as being kept waiting negatively affects how they perceive their time at *Lúcia Piloto.* Hence, it is recommended that the brand fixes this issue by allowing customers to book hairdressing services in advance. This is also believed to help solve the negative aspects of high customer affluence, as it will ease the in-store flow of clients and thus improve the personal experience, especially in shopping mall salons where this situation was most recurrent.

Most consumers find the lack of transparency and complexity of service prices hard to understand, which can lead to confusion when they get the purchase slip. If customers do not fully understand which treatments or products are being charged, they may feel frustrated or even mislead by the brand, damaging their experience by the end of their store visit. To correct this, *Lúcia Piloto* must make prices more transparent and ensure customers have easy access to all the information in every step of the experience.

In sum, *Lúcia Piloto* must focus on delivering to its customers a consistent, high-quality personal experience that is not tainted with complex pricing or risking not being attended to while already in store, providing them with a moment of indulgence and relaxation.

Brand Experience

The brand must ensure every detail is thought of so that it is able to provide a positive brand experience to its customers, regardless of which salon they attend. Currently, however, services are not homogeneous across stores. Due to high customer affluence, stores located inside shopping malls are not capable of keeping up with the protocols necessary to ensure the brand's expected personal experience. This can also be verified in the negative account shopping mall salons have regarding aesthetics treatments and manicure and pedicure services – given the nature of the services, customer expectations regarding relaxation for the experience are higher, which makes it more severe when results are not met.

Still, most customers who go to *Lúcia Piloto* salons in shopping malls are businessmen / women who may value the social experience, convenience and having a fast and quality service more than the complete personal experience with protocols that may take up more time. This implies that the necessary measures to provide what is considered by the brand's standards to be a positive personal experience might not be favorable for shopping mall consumers.

Customers who attend street salons, on the other hand, tend to enjoy the complete personal experience more than the social aspect of the visit and expect to receive a fully attentive service, regardless of how much time this might consume. Furthermore, they tend to see visits to the salon as an indulgence moment for themselves, where they can be catered to, relax and leave with a feeling of well-being.

Thus, given these two different behaviors, *Lúcia Piloto* should define two different brand positioning statements according to whether the store is located inside a shopping mall or in the street, adjusting them to both realities. These statements should have distinct target segments and points of difference, as these are the areas where the two customer groups differ the most.

The target of each positioning statement should consider the customer segment that is most likely to go to each type of store according to the benefits sought, which can be either businessmen / women who have little time to spend taking care of themselves, and thus want a service that can fit their active schedule without losing the associated social experience, or those who seek an indulgence moment for the self that a strong focus on personal experience can provide. The selected points of difference must be relevant and distinct in order to be efficient and concentrate on both the high quality of the services provided by *Lúcia Piloto* and the different service characteristics associated to either a stronger focus on personal or social experiences. The believability of these points of difference is supported by *Lúcia Piloto*'s brand identity and its long experience in the Portuguese market. Hence, the following brand positioning statements according to Keller are recommended:

i. Shopping mall: *For businessmen / women who have a busy life* [target], *Lúcia Piloto is a hair and beauty salon* [point of parity] *that provides fast, high quality services in convenient locations* [point of difference], *because it focuses on quality, rigor and innovation to ensure excellence since 1977* [reason to believe].

ii. Street stores: *For everyone who enjoys taking care of themselves, relaxing and experiencing indulgence moments* [target], *Lúcia Piloto is a hair and beauty salon* [point of parity] *that provides a fully personal, indulgent experience associated with high quality services* [point of difference] *due to its focus on quality, rigor and innovation to ensure excellence since 1977* [reason to believe].

By dividing stores into two distinct positioning statements while maintaining its unique brand identity, *Lúcia Piloto* will ensure its clients understand what each store has to offer according to location, and go to whichever salon fits their need the most, knowing they will receive the service according to their available time and benefit sought without compromising on quality.

4. Limitations

During the development of the work project, some limitations arose that must be taken into account in order to perform an accurate interpretation of the presented research.

i. *Lúcia Piloto* currently has seven stores located in Lisbon, *Almada* and *Cascais*. However, no interviews were conducted with *Almada* or *Avenida* customers, and thus the performed analysis does not include these salons.

ii. The sample gathered to perform the in-depth interviews is mostly composed of women, with only two male consumers. This implies that the suggested recommendations connected to consumer profiles may be biased and directed mostly towards female clients.

iii. The lack of company data made it so that the proposed recommendations were based on consumer profiles solely collected from in-depth interviews. Thus, it is recommended that any further research conducted would consider any available customer data from the company.

iv. Finally, although an effort was made in this sense, the fact that the researcher was working in the company during the development of the work project means there might be some bias due to the impossibility of completely detaching emotionally from *Lúcia Piloto*.

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

HOW TO INCREASE THE BRAND EXPERIENCE OF *LÚCIA PILOTO* BY USING TOOLS FROM THE LUXURY BUSINESS MODELS

APPENDIXES

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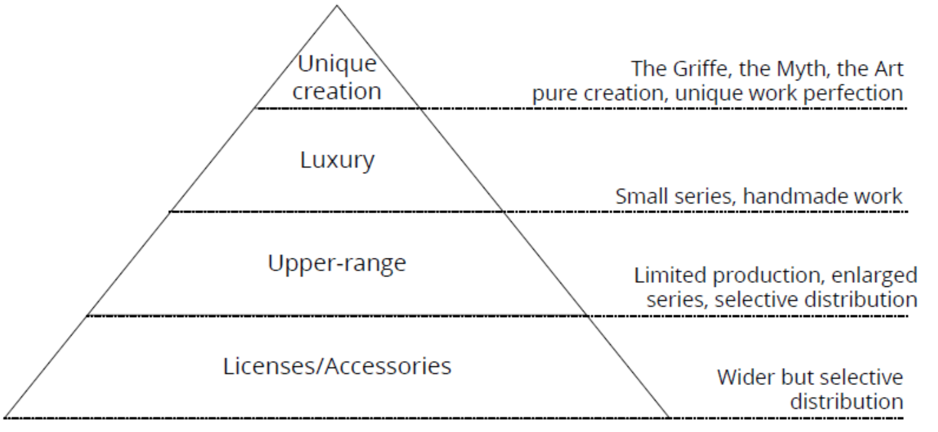
A Project carried out on the Master in Management Program, under the supervision of:

Catherine da Silveira
Inês Risques

January 3rd, 2020

Appendix 1. Luxury as the Creator's Light

Figure 8. Luxury as the Creator's Light pyramid



Source: Class slides of Luxury and Fashion Marketing, Nova SBE

Appendix 2. Hairdressing market in Portugal

Table 2. Hairdressing market in Portugal

Name	Service Areas	Notorious Brands	Store Locations	Price for a haircut+brushing service	Collections, Associations & Sponsorships
Lúcia Piloto	Hairdressing, Manicure and Pedicure, Makeup, Aesthetic Treatments, Spa Treatments, Training School	Shu Uemura, Natura Bissé	7 stores in Lisbon, Almada, Cascais	44,50 - 55€	Fashion Collection, Moda Lisboa, TV Shows
&SoWhat	Hairdressing	-	1 store in Lisbon	35 - 50 €	Fashion Collection, Commercials
224 Avenida	Hairdressing, Manicure and Pedicure, Makeup, Aesthetic Treatments	-	1 store in Lisbon (*Avenida da Liberdade)*	40 - 59 €	Fashion Collection, Magazine Covers
Anton Beill	Hairdressing, Training School	Anton Beill	1 store in Lisbon	35 €	Magazine Covers
Dessange	Hairdressing, Manicure and Pedicure, Makeup, Aesthetic Treatments	-	1 store in Lisbon	95 € **	Fashion Collection
Facto	Hairdressing	-	2 stores in Lisbon	39€ - 52€	Fashion Collection (last one in 2016/17)
Griffehairstyle	Hairdressing, Manicure and Pedicure, Makeup, Spa Treatments	-	1 store in Lisbon	60€ *	Fashion Collection, Moda Lisboa, TV Shows
Hair Fusion	Hairdressing, Training School	Professional Sebastian, Kerastraight	1 store in Lisbon	37,50 - 52,50 €	Fashion Collection, Magazine Covers
Jean Louis David	Hairdressing, Manicure and Pedicure	Shu Uemura	38 stores in Lisbon, Guia, Funchal, Torres Vedras, Rio Tinto, Guimarães, Vila Nova de Gaia, Faro, Braga, Porto, Oeiras, Silvares, Dume, Porto, Montijo, Seixal, Almada, Rio de Mouro	22,90 €	Fashion Collection (last one in 2015/16)
Maria Lourenço	Hairdressing, Manicure and Pedicure, Makeup, Aesthetic Treatments	Shu Uemura	2 stores in Lisbon	38 - 42 €	Not Specified
Miguel Viana	Hairdressing, Manicure and Pedicure, Aesthetic Treatments	-	2 stores in Lisbon and Porto	100 € *	Fashion Collection (last one in 2016), Magazine Covers
Patrick Cabeleireiro	Hairdressing, Manicure and Pedicure, Makeup	Shu Uemura	1 store in Lisbon *(Avenida da Liberdade)*	65 € *	Not Specified
Paulo Vieira	Hairdressing	-	1 store in Lisbon *(Avenida da Liberdade)*	100€ *	Not Specified

**Data from 2012   ** Price retreived from English website*

Source: Author, based on secondary data collected

Appendix 3. Pre-recruiting Questionnaire

Introduction: *"Hello. My name is Beatriz and I am currently finishing my Master's Degree in Management with a specialization in Marketing at Nova School of Business and Economics. In this subject, I am conducting a study regarding the hairdressing market in Portugal. It would be extremely helpful if you could fill out this form.*

All answers are anonymous and confidential, and will be used for no purpose other than my study. It shouldn't take more than 3 minutes to complete.

Thank you in advance for your collaboration."

Question 1. Have you lived in Portugal for the past 5 years?

Yes

No

Question 2. Have you been to a hairdresser in Portugal at least once in the last 2 years?

Yes

No

Question 3. With what frequency do you usually visit a hair salon?

Once a week

More than once a week

Once a month

More than once a month

Once a year

More than once a year

Question 4. Which of the following hairdressers do you know at least the name?

None of the above

Question 5. Which of the following hairdressers have you visited at least once in the past 2 years?

None of the above

Question 6. Age

Less than 18 years old

Between 18 and 24 years old

Between 25 and 34 years old

Between 35 and 44 years old

Between 45 and 54 years old

More than 55 years old

Question 7. Gender

Male

Female

Question 8. Level of education

High School Not Completed

High School

Bachelor’s degree

Master’s degree

Doctorate

Other

Question 9. Would you be willing to participate in a presential interview to discuss the subject of this questionnaire?

Yes

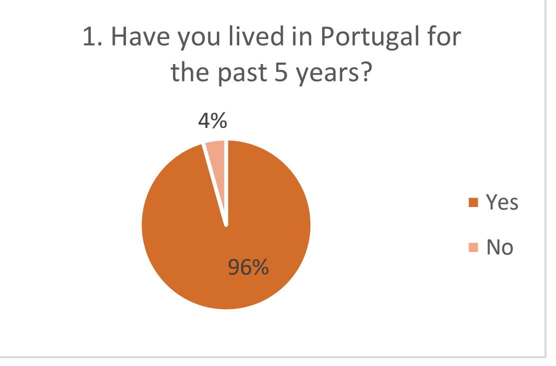
No

Question 10. Name

Question 11. Contact

Appendix 4. Pre-Recruiting Questionnaire Answers (n=24)

Figure 9. Respondents' age

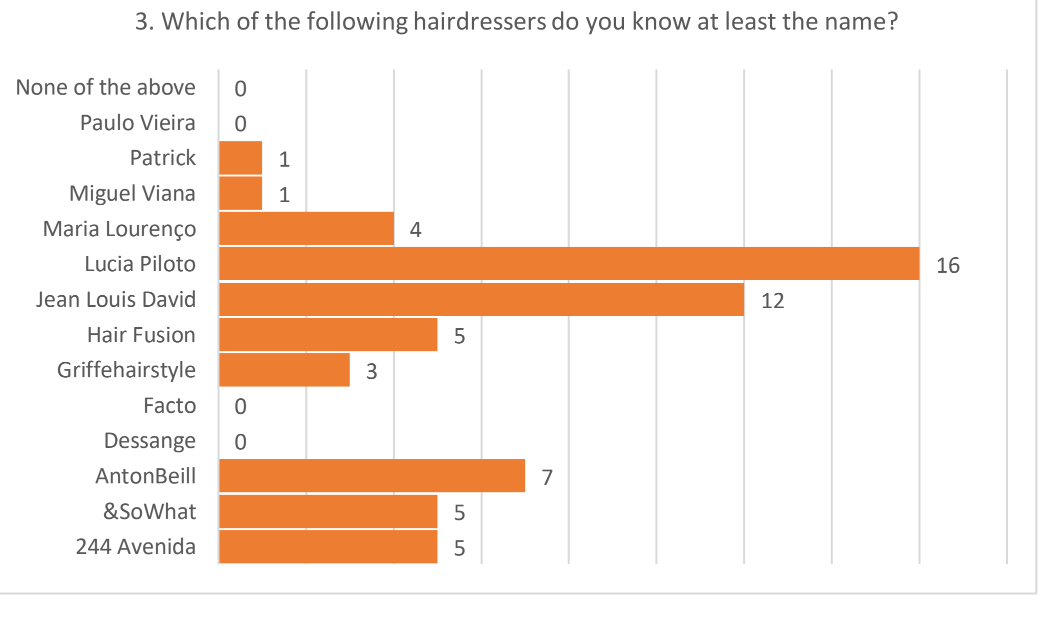


Source: Author, based on primary data collected from the pre-recruiting questionnaire

Figure 10. Respondents' hairdressing visits in the past 2 years

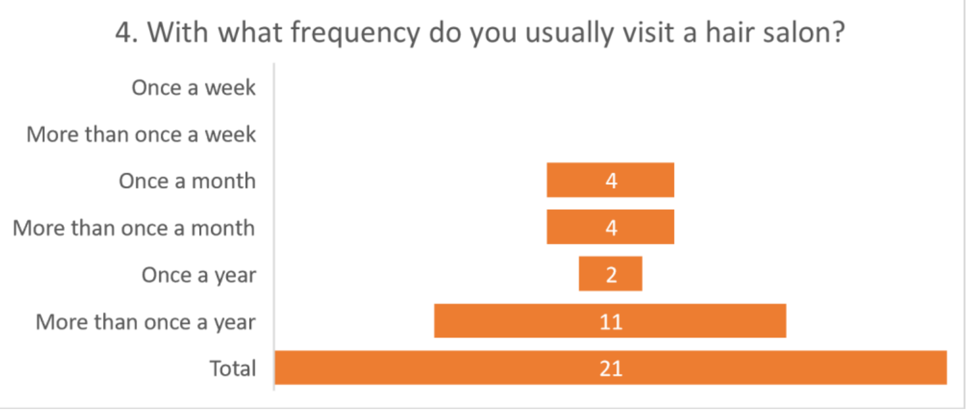
Source: Author, based on primary data collected from the pre-recruiting questionnaire

Figure 11. Hairdressers' brand awareness



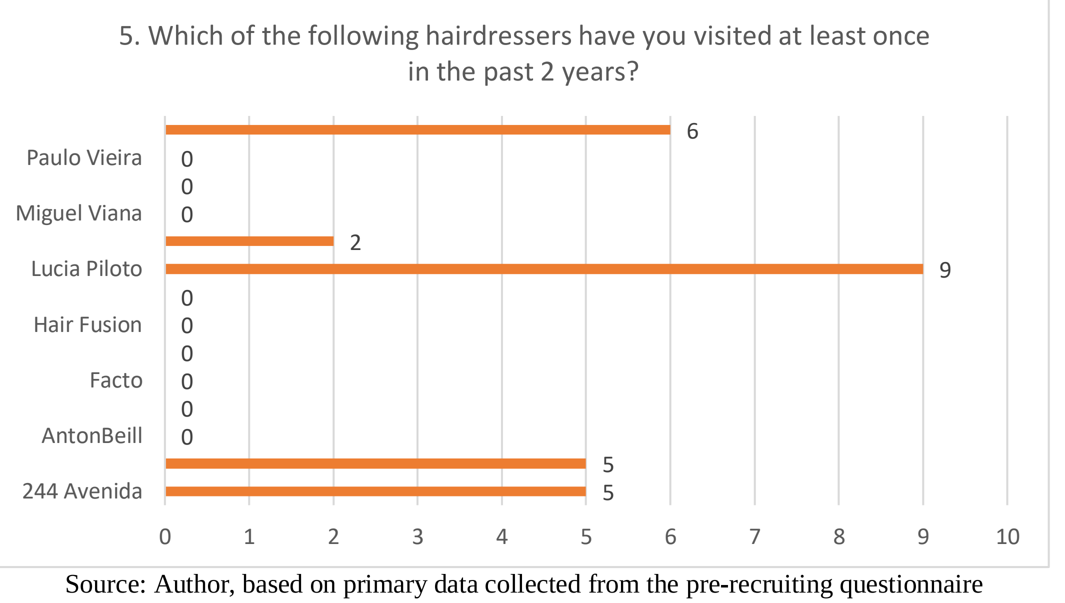
Source: Author, based on primary data collected from the pre-recruiting questionnaire

Figure 12. Hairdressing visit frequency



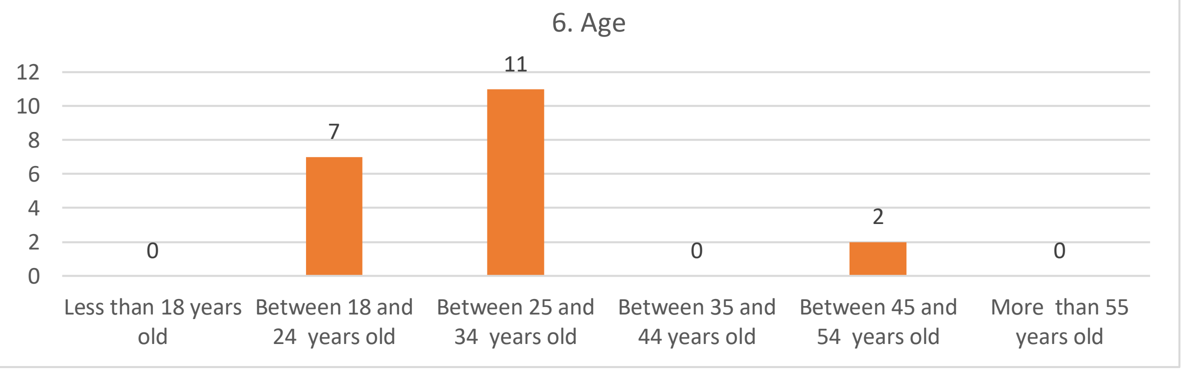
Source: Author, based on primary data collected from the pre-recruiting questionnaire

Figure 13. Hair salon visits by brand



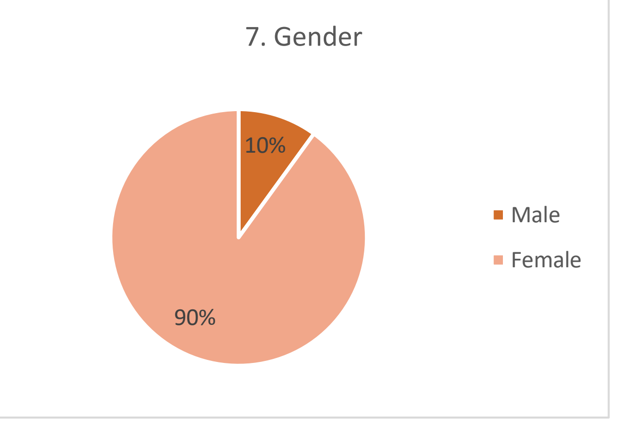
Source: Author, based on primary data collected from the pre-recruiting questionnaire

Figure 14. Respondents' age



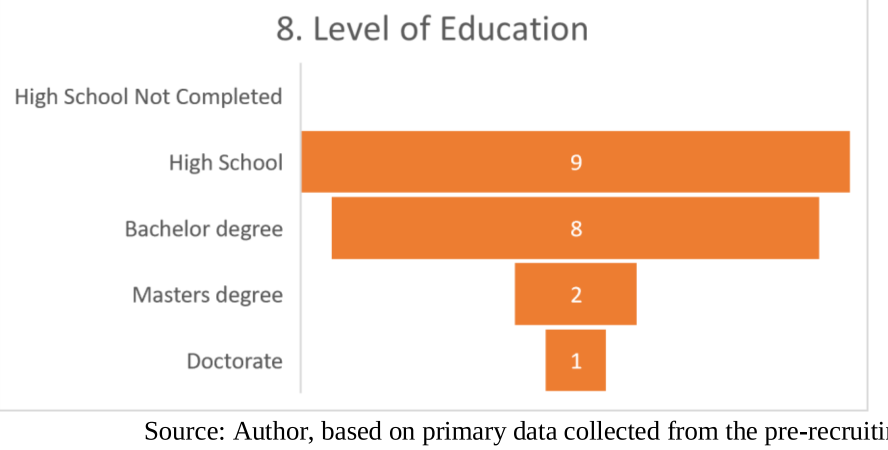
Source: Author, based on primary data collected from the pre-recruiting questionnaire

Figure 15. Respondents’ gender



Source: Author, based on primary data collected from the pre-recruiting questionnaire

Figure 16. Respondents’ education level



Source: Author, based on primary data collected from the pre-recruiting questionnaire

Appendix 5. Interview Guide - Customers

Introduction: Hello, my name is Beatriz and I am currently developing my Master Thesis at Nova School of Business and Economics, regarding the hairdressing market in Portugal. For this research, I am using a particular technique: the non-directive method; which means that I will not ask you specific questions about the subject, as in a standard questionnaire. After the first question, you are free to tell me whatever comes to your mind on the subject

The interview will last around 45 to 60 minutes. In order to analyze it later, I would like to ask you permission to record it. The interview will remain anonymous and confidential, and you will not be contacted further past this conversation. Is that ok with you?

Question: The last time you visited a hairdresser, can you tell me which one you went to and why?

Appendix 6. Interview Guide – Store Managers

Introduction: Hello, my name is Beatriz and I am currently developing my Master Thesis at Nova School of Business and Economics, regarding the hairdressing market in Portugal. For this research, I am using a particular technique: the non-directive method; which means that I will not ask you specific questions about the subject, as in a standard questionnaire. After the first question, you are free to tell me whatever comes to your mind on the subject

The interview will last around 45 to 60 minutes. In order to analyze it later, I would like to ask you permission to record it. The interview will remain anonymous and confidential, and you will not be contacted further past this conversation. Is that ok with you?

Question: Can you tell me about your experience as a store manager at *Lúcia Piloto?*

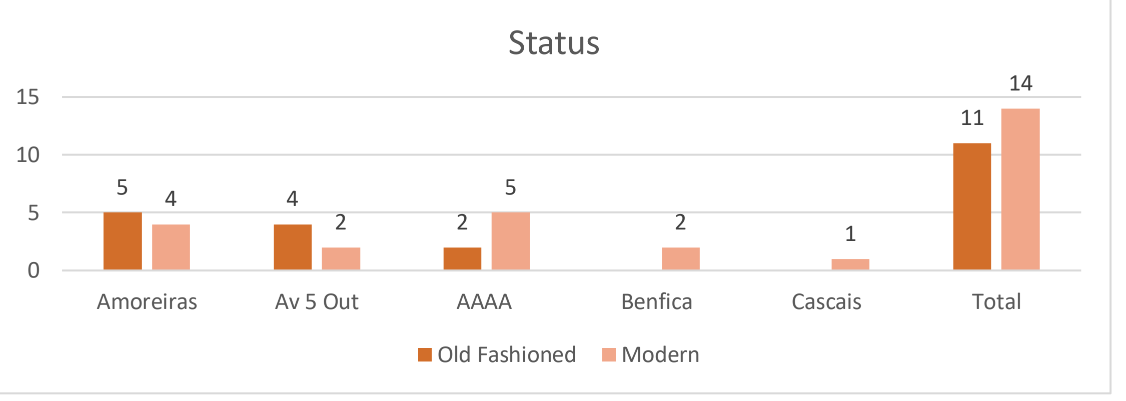
Appendix 7. Interview Analysis

Table 3. Brand Image & Perception

Brand Image & Perception						
Store	**Quality**	**Price - High**	**Price - Fair**	**Price - Low**	**Founder**	**Accessibility**
Amoreiras	9	1	8	0	1	9
Av 5 Out	5	4	2	0	1	6
AAAA	7	2	5	0	0	6
Benfica	2	0	2	0	0	2
Cascais	1	0	1	0	0	1
Total	**24**	**7**	**18**	**0**	**2**	**24**

Source: Author, based on primary data collected from qualitative interviews

Figure 17. Brand Status



Source: Author, based on primary data collected from qualitative interviews

Table 4. Brand Status by age group

STATUS	Below 26		Above 26	
Store	**Old Fashioned**	**Modern**	**Old Fashioned2**	**Modern2**
Amoreiras	1	0	4	4
Av 5 Out	3	1	1	1
AAAA	2	1	0	3
Benfica		1	0	1
Cascais	0	0	0	1
Total	**6**	**3**	**5**	**10**

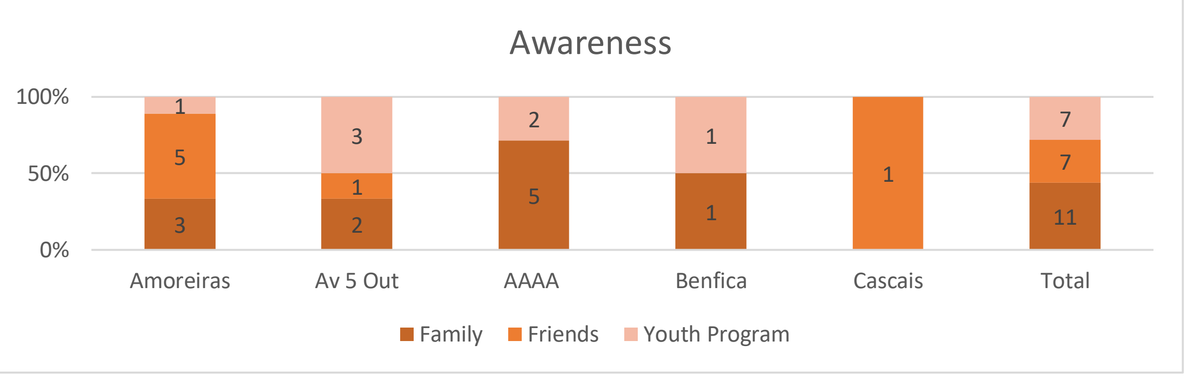
Source: Author, based on primary data collected from qualitative interviews

Table 5. Brand Awareness by age group

Awareness	**Below 26**			**Above 26**		
Store	**Family**	**Friends**	**Youth Program**	**Family2**	**Friends3**	**Youth Program4**
Amoreiras	0	0	1	3	5	0
Av 5 Out	1	0	3	1	1	0
AAAA	1	0	2	4	0	0
Benfica	0	0	1	1	0	0
Cascais	0	0	0	0	1	0
Total	**2**	**0**	**7**	**9**	**7**	**0**

Source: Author, based on primary data collected from qualitative interviews

Figure 18. Brand Awareness



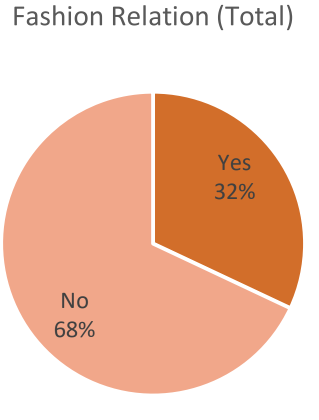
Source: Author, based on primary data collected from qualitative interviews

Table 6. Fashion Relation

Fashion Relation	Below 26		Above 26	
Store	**Yes**	**No**	**Yes2**	**No2**
Amoreiras	1	0	2	6
Av 5 Out	1	3	0	2
AAAA	1	2	1	3
Benfica	0	1	1	0
Cascais	0	0	1	0
Total	**3**	**6**	**5**	**11**

Source: Author, based on primary data collected from qualitative interviews

Figure 19. Fashion Relation



Source: Author, based on primary data collected from qualitative interviews

Table 7. Brand Experience

		Spa/Aesthetic Treatments/ ManiPedi			Social experience			
Store	Price complexity	Positive	Negative	Individual Pleasure / Well Being	Positive 2	Negative 3	Customer Affluence (Negative)	Appointment (Negative)
Amoreiras	5	2	5	9	3	6	6	9
Av 5 Out	4	3	1	5	5	1	0	5
AAAA	3	2	3	7	4	2	1	6
Benfica	1	0	0	2	2	0	0	1
Cascais	1	0	0	1	0	1	1	1
Total	**14**	**7**	**9**	**24**	**14**	**10**	**8**	**22**

Source: Author, based on primary data collected from qualitative interviews

Table 8. Store Location

Location		Facilities	
Store	Convenience	Positive	Negative
Amoreiras	8	0	5
Av 5 Out	5	4	1
AAAA	6	5	1
Benfica	2	2	0
Cascais	1	1	0
Total	22	12	7

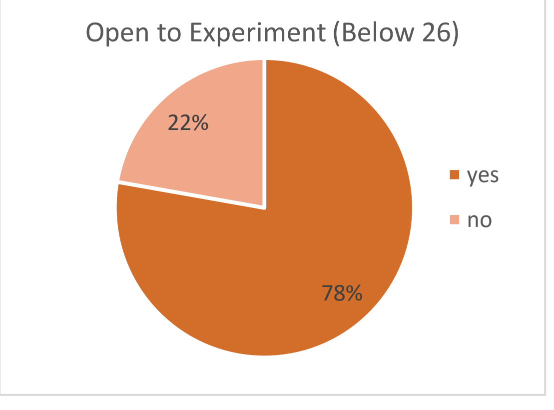
Source: Author, based on primary data collected from qualitative interviews

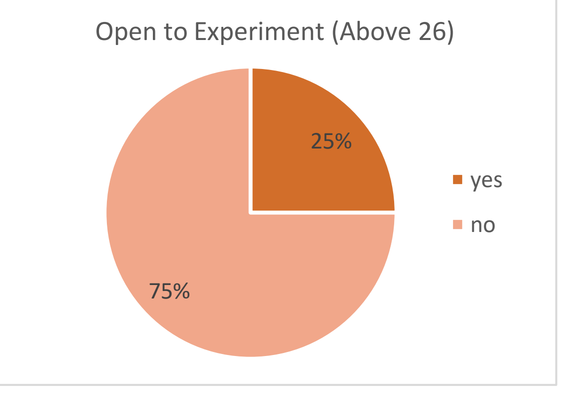
Table 9. Service Areas

Service Areas							
Store	Brushing	Hair Cut	Hair Coloring	Hair Care	Makeup	Aesthetics Treatments	Manicure / Pedicure
Amoreiras	5	9	4	5	0	4	6
Av 5 Out	1	5	3	2	1	3	1
AAAA	3	6	3	2	0	3	4
Benfica	2	1	2	0	0	0	0
Cascais	1	1	0	0	0	1	0
Total	12	22	12	9	1	11	11

Source: Author, based on primary data collected from qualitative interviews

Figure 20. Open to experiment by age group





Source: Author, based on primary data collected from qualitative interviews