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.

UNDERSTANDING THE CUSTOMER JOURNEY TO ANALYZE HOW TO EFFECTIVELY RESPOND TO PRIVATE LABEL COMPETITOR THREAT AND BUILD PURCHASE INTENTION FOR BRAND Y IN THE PORTUGUESE SWEET BISCUIT MARKET- THE ROLE OF INNOVATION

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1. Background to the Project

1.1. Project Motivation, Aim and Scope

The main personal motivations to develop this study were the researchers' interest in better understanding the customer journey for low-involvement products and analyzing the threat of private labels within the Fast-Moving Consumer Goods (FMCG) industry. Additionally, at a professional level the researchers also have an interest for the FMCG industry and the area of marketing. Moreover, the topic and company under analysis provide real research settings for a marketing plan field lab master thesis to complete the Master's in Management at Nova School of Business and Economics.

The project's overall aim is to understand the customer journey to analyze how to effectively respond to private label competitor threat and how to build purchase intention for brand Y in the Portuguese Sweet Biscuit market. To reach its aim, the study addresses the main pain points of the brand Y, analyze insightful market data and recommend possible solutions for the growth problem observed within the Portuguese sweet biscuit category.

1.1.1. Organizational Challenge – Project Focus

Company A is a multinational company with an extremely rich portfolio with strong, recognizable, and iconic brands. However, in the Portuguese market, one of their brands – brand Y, which operates within the sweet biscuit category, has been facing challenges throughout the last couple of years and seen stagnation in market growth, having a constant market share of 3.83% since 2018 and persistent decline in sales.

Considering the insights gathered in meetings with the organization – Company A, regarding the main challenges brand Y is currently facing, the **organizational challenge** was defined:

Tackling the stagnation of the market share of brand Y (3.83%) since 2018 (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks 2021) and the threat of the increasing market share of its main competitors in the Portuguese sweet biscuit market.

1.1.2. Research Problem and Main Research Questions

After analyzing the organizational challenge, the following research problem was developed to guide the study: Understanding the customer journey to analyze how to effectively respond to private label competitor threat and build purchase intention for brand Y in the Portuguese Sweet Biscuit market.

To solve the overall research problem above, the following five Research Questions must be answered:

RQ 1: How to reach the target audience's main touchpoints within the customer journey for the brand Y?

RQ 2: What is the target audience's level of brand awareness; why are the current brand image, brand attitude and brand preference formed for brand Y and how can these be used to create purchase intention?

RQ 3: How can differentiation strategies for brand Y reduce the threat of private labels/increase its competitiveness towards private label threat?

RQ 4: How is the current relationship between Portuguese biggest retailers and Company A and its subsequent effect on sales?

RQ 5: To what extent do consumers perceive themselves as loyal to sweet biscuit brands and which factors can contribute to an increase or creation of loyalty of such a low-involvement product?

1.2. Outline of the Report Structure

This report will start by analysing the current situation of the parent company of brand Y, the brand itself, its competitive environment, consumer description, behaviour, and trends. Then, a literature review will be focused on two key topics related with the research problem: the customer journey (where pre-purchase, purchase and post-purchase stage are discussed) and the retail channel partners relationship. Next, the methodology is presented, where the two phases of qualitative research were explored, which selection techniques were used to gather participants, and lastly the limitations of the study. Finally, the main findings and a consequent discussion of the results will be presented.

2. Situation Analysis

2.1. The Company

Established in 1983, Company A is an Italian multinational confectionery, food, holding and beverage, and snack food company, which aims for people to snack well in over 30 countries around the world. With headquarters based in Italy, Company A is one of the largest snack companies in the world with global net revenues of almost $10 billion in 2020 (Company A Annual Report 2021). It operates in more than 20 countries and has almost 65,000 employees (Company A Annual Report 2021).

Moreover, Company A has its focus in understanding consumers' needs and delivering its offer with consistent quality and taste. Therefore, a strong development network is implemented worldwide to support the growth while continuously innovating the processes.

2.1.1. Product Portfolio and Brand Y

With a portfolio of almost twenty brands, Company A operates in 8 main product categories (Company A Website 2021). For some of the categories Company A is market leader in several regions, however a portion of brands are not sold in all countries. For this reason, in specific

markets, Company A's strategy lies on implementing supplementary strategies with some local and regional brands, in addition to the global brands it already produces (Company A Website 2021).

Since 2018, **Brand Y,** has presented a market share of 3.83% in value in the sweet biscuit category in Portugal, ranking 13th amongst other category brands and 9th amongst Company A brands (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021).

'Biscuits and cookies' is the main category of the company, representing 35% of the total net revenues (Company A Annual Report 2021). It includes brands such as, *Brand 1*, *Brand 2*, *Brand Y*, *Brand 3*, *Brand 4*, *Brand 5*, *Brand* 6, *Brand 7, Brand 8, Brand 9, Brand 10*, *Brand 11*, *Brand 12*, *Brand 13*, *Brand 14*, and *Brand 15*. The second largest category, after 'Biscuits and cookies', with 10% of the total net revenues (Company A Annual Report 2021), including brands such as, *Brand 16*, *Brand 17*, *Brand 18*, *Brand 19*, *Brand 20*, *Brand 21*, *Brand 22*, *Brand 23* and *Brand 24*. The other six categories are smaller and include *Brand 25*, *Brand 26*, Brand 27 and *Brand 28*. According to the information provided by Company A via interview, the Company A aims to differentiate their brands from private labels through product innovation.

This research will focus on brand Y as it is the brand within Company A's portfolio that demonstrated the worse sales result in the Portuguese market and is being challenged by the threat of private labels sweet biscuits competing brands. According to the information directly provided by Company A via interview (2021), they are aligned with Company A Switzerland, following a different approach, but regarding marketing efforts, each country has its own marketing department to establish local strategies.

This study's focus - Company A brand Y has a product line with 12 items which overall present performance issues. Within the formats, costs are around 0.80€ to 4,50€ (Appendix 1).

Exploring the product line of brand Y, the brand has seen an overall decrease in sales since 2019 (Nielson 2021). Except for brand Y product 1 item, which were only launched in 2017 in the Portuguese market and represents the steepest growth within the product line (with a sales increase of 50.2% since its launch), all the other items within the brand's line have been performing poorly. Since the start of 2021 until current date, the sales decrease for product 2 (-3 %), product 3 (5%), product 4 (8%) and product 5 (30%) items, respectively (Nielson 2021). Product 2 and product 3 are the most sold formats, representing 34% and 29% of brand Y sales, respectively (Company A Meeting 2021). To conclude, from June 2019 to June 2021 the sales performance of brand Y 's is poor, as total sales decreased -7% with a decrease from 3,056,000 euros to 2,349,000 euros, approximately (Company A meeting 2021).

Regarding Company A distribution, the company has three main distribution channels for brand Y: the modern, the traditional and Cash & Carries. Regarding the modern channels, the brand is sold in the main retailers in Portugal, such as, Continente, Pingo Doce and Auchan, as well as the main discount stores, such as Lidl, Aldi and Mercadona. Finally, regarding the traditional channels, the brand is present in small grocery stores, shops, and gas stations (Company A Meeting 2021). Appendix 2 underlies the SWOT analysis for brand Y.

2.2. Environmental Analysis

To understand where the brand currently stands it is important to perform an environmental analysis, more specifically, an analysis of main competitors and the brand's consumers. This section will highlight brand Y's main manufacturer and private label competitors and focus on the Gen Z consumer – detailing the trends and behaviors observed amongst this consumer group. Moreover, post COVID-19 behaviors and trends will be outlined.

2.2.1. The Competitors

Regarding the competitive landscape for Company A**,** within the Sweet Biscuits, Snack Bars and Fruit Snacks Portuguese market, the company is one of the biggest players amongst name brands and in the overall sweet biscuits market (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021). The biggest competitive threat derive from the Portuguese private labels, which currently represent around 41% in value of the cookie market. The main private labels included in that value are Sonae, (16% aprox) Pingo Doce (14% aprox), Auchan (5% aprox) and Lidl (5% aprox) (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021).

Regarding brand Y's competitors, the Portuguese market is quite saturated with numerous brands representing a threat for the brand, namely, the two main private labels - Continente and Pingo Doce, which in 2020 had around 30% of brand share in value in the market of sweet biscuits. (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021).

2.2.1.1. *Name Brand Competition*

As for name brands, the main brands in the market are Competitor 1 (33%), Competitor 2 (16%) and Competitor 3, with 14% of market share. However, Competitor 4 is one of brand Y's main direct competitors since it presents similar packaging, product portfolio and lower prices.

Competitor 4 has a wide variety of products in the cookie category, however, for the sake of this analysis, only the products that are directly comparable with brand Y will be presented. Competitor 4 can be compared with the brand Y (Appendix 3, 4 and 5). In sum, Competitor 4's cookie product range offers the same as brand Y, however with the addition of two different lines.

In the past three years, Competitor 5 has presented a brand share of 9.35% while brand Y only presents 3.83% within the sweet biscuits category, which shows the former's strength.

(Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021). A direct comparison of the two brand's product lines can be seen below in Appendices 6, 7 and 8.

2.2.1.2. Private Label Competition

As for private labels, the product portfolio of Continente can be compared with Brand Y in Appendices 9 and 10.

Competitor 4 has similar packaging to brand Y, a wider array of products and slightly lower prices. Continente also has a similar product portfolio but operates in a lower price range. Thus, these brands can be considered brand Y's direct competitors as similar product portfolios and packaging can confuse consumers in the moment of purchase.

2.2.2. The Consumers

Depending on the brand within its Biscuit and Cookie category, Company A has a well-defined target market towards which its marketing efforts are directed to. It is important to refer that the analysis elaborated throughout the present report assumes that the target defined by Company A is appropriate for brand Y given that, throughout the meetings, the company disclosed that they recently redefined the brand's target based on extensive market research. More specifically in the Portuguese context, this market size potential is demonstrated by the fact that 84.2% of internet users play videogames (Statista- Global gaming penetration 2021, by country 2021). Moreover, Jankowski (2020) stated that for brands to reach Gen Z consumers, gaming is the best social media platform. This aligns with the fact that this generation is the one most interested in video games, appealing to 87% of individuals (Westcott and Arbanas 2021).

2.2.2.1. Generation Z

2.2.2.1.1. Gen Z: Digital Presence

Gen Z refers to those individuals who were born between 1997 and 2012, and it is considered the first generation of true Digital Natives. This generation is active and connected for almost 24 hours a day (Kastenholz 2021) and, as such, are considered tech dependent. Gen Zers prefer digital communication over face-to-face interaction and their "eight second" attention span makes it challenging for brands to reach these consumers (Deloitte 2019).

Social media plays a central role in the day-to-day lives of this generation. A study conducted by Joy Ventures (2021) with Gen Z individuals concludes that their usage of each platform varies according to age, gender, time of the day and mood. Instagram and YouTube are the main platforms Gen Zers are currently using but their preferred social media platforms are Instagram and TikTok (Broner 2021). Additionally, TikTok and YouTube are considered the most addictive platforms as, respectively, 20% and 18% of Joy Ventures' (2021) survey's respondents spend over 5 hours using these every day. Finally, each social media platform satisfies different needs for these individuals. While Gen Zers mostly use Instagram to connect and interact with each other, YouTube is the platform they rely on to access information, as well as leisure (Broner 2021).

Overall, this generation uses social media for entertainment purposes, to create communities, as well as to access information regarding products. Further, they spend an average of 4.5 hours a day on social media and are mainly drawn by video and organic content, i.e., without any paid promotion (Herman 2021).

2.2.2.1.2. Gen Z: Behaviors

As the first generation of true digital natives, Gen Z individuals have faced a generational shift that differs from previous generations consumption behavior. According to a report elaborated

by McKinsey & Company entitled 'True Gen': Generation Z and its implications for companies (2018), Gen Z behaviors are rooted in its search for truth, which is reflected by a greater freedom of expression and openness to understanding different kinds of people. As such, these behaviors influence consumption patterns and attitudes toward brands. Having grown within a context of social networks, easy mobility and multiple realities, Gen Z behavior is characterized by (McKinsey & Company 2018):

1. An "Undefined ID" | Expressing individual truth: An individual doesn't have to define oneself in only one way.
2. "Communaholic" | Connecting to different truths: As a radically inclusive generation, Gen Zers easily connect to different communities, both online and physically, that include people from different economic backgrounds and support the same causes and have the same interests as them.
3. "Dialoguer" | Understanding different truths: Gen Z individuals interact with institutions and people with different values and opinions from their own, accept those differences and extract what makes sense for them. For Gen Zers, change comes from dialogue.
4. "Realistic" | Unveiling the truth behind all things: Gen Zers are more pragmatic and analytical regarding their decisions than other generations.

To conclude, Generation Z is more progressive, racially and ethnically inclusive than any previous generation and it is on track to be the most academically trained generation. Furthermore, members of this generation avoid labeling themselves, are more inclusive and tend to take time to evaluate all their options before committing to a purchase (Kim 2021).

2.2.2.1.3. Gen Z: Trends

Ninety-seven percent of Gen Z consumers report using social media platforms as their main source of shopping inspiration and around 68% report being interested in receiving honest reviews and suggestions from people who have already tried a certain product before making the purchase for the first time (Ahmed 2021). These numbers reflect the shift from e-commerce, favored by Millennials, to social commerce, which refers to the practice of purchasing wholly within a social media platform, such as Instagram, TikTok and Pinterest. The platforms' algorithm learns consumers' preferences and provides a more personalized shopping experience, which should be seamless and enable consumers to conclude their purchase with as little friction as possible (Kastenholz 2021).

Providing a personalized experience, as well as presenting a more authentic, engaging, and organic content, i.e., without any paid promotion, are desirable prerequisites for a trusted brand in the eyes of Gen Z consumers. Moreover, unlike previous generations that mainly relied on the Internet to access information, Generation Z primarily uses it for entertainment purposes and access to their friends (Selig 2020).

Additionally, nowadays Gen Z is moving toward more intimate online destinations, called the digital campfires, which are either games or platforms that began as gathering places for gamers, such as Fortnite, Discord and Twitch. Gaming currently represents a new paradigm for interacting online, supporting the idea that it is not just for gamers as it used to be (Wilson 2021). Moreover, Gen Z individuals often engage with content creators on social media, mainly with those specialized in gaming, which they are more likely than the average internet user to follow (Kastenholz 2021).

Furthermore, Gen Z individuals see consumption as an expression of individual identity and, as such, are willing to pay a premium for personalized offerings, as well as for products from

brands that support causes they identify with. These consumers expect brands to take a stand on certain matters that make sense for them. Finally, Gen Zers demand that the ethics of a company, its brands, partners, and suppliers be aligned into one clear message and that its actions reflect that message accordingly (McKinsey & Company- 'True Gen': Generation Z and its implications for companies 2018). The major concern of this generation, however, is about climate change and the environment, and certain businesses' impact on this matter has in fact influenced their purchase decisions (Deloitte 2021).

2.2.2.2. Post- COVID 19 Consumer Behaviour

Since the outbreak of the COVID-19 pandemic in early 2020, profound changes in global consumer behavior have been evident. With the improvement of the epidemiological situation in light of mass vaccination, further developments have taken place, allowing a return to an out-of-home lifestyle and commerce, accompanied by a rebound in the economy (McKinsey - The great consumer shift: Ten charts that show how US shopping behavior is changing 2020). For businesses, it has been crucial to grasp the long-term effects of the pandemic on consumer choices and behavior. I.e., what were the observed trends during the pandemic that will tend to disappear with it, and, on the other hand, what trends will persist even after the epidemiological situation has fully recovered?

The Sweet Biscuit market in which Company A operates has been positively impacted by momentary consumer behavioral trends, such as a surge in biscuit and salty snacks consumption (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks 2021). More importantly and looking at a broader time horizon, as far as consumers are concerned, there are three main aspects that are relevant and impactful in biscuit consumption patterns: (1) shock to loyalty and shift toward private label brands (PLB) (Charm et al. 2021; Begley and McOuat 2021); (2) sustainability and ethical consumerism (PwC Survey, 2021) and, (3)-E-commerce (GfK, 2021). These three trends will be analyzed next.

2.2.2.2.1. Shock to Loyalty and Shift Towards Private Labels

Shock to Loyalty, a trend identified in McKinsey's article - Consumer Sentiment And Behavior Continue To Reflect The Uncertainty Of The COVID-19 Crisis (Charm et al. 2021), can be understood as the consumers' global response to the pandemic crisis with regards to a disruption in their behaviors. I.e., consumers around the world have adapted to the crisis and resulting turmoil by changing their normal consumption behaviors. Due to increased price sensitivity, consumers adopted new purchasing behaviors such as shopping at different retailers and trying out distinct brands from the ones they were accustomed to buying. Furthermore, they expressed a high intention (65% or more) to incorporate these behaviors in the future (Charm et al. 2021), suggesting that consumers' relation with brands will continue to be created and broken simultaneously. Regarding this paradox, it is possible to suggest that in a FMCG environment in which it was already difficult to forge repeat purchase intention and brand loyalty, the challenge may become even more demanding in the near future.

Furthermore, manufacturer brands faced more disruption in sales than retailer brands amidst the start of the COVID-19 outbreak, since the first faced increased distribution difficulties when compared to the latter. As a result of panic buying and stockpiling in household pantries, some consumers were unable to buy their brand of choice and resorted to more readily available and low-priced private-label goods (Begley and McOuat 2021).

2.2.2.2.2. Sustainability and Ethical Consumption

Sustainable development (also known as sustainability) is described as "development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs" (Bruntland Commission 1987).

Literature suggests that consumers and other brand stakeholders are increasingly more demanding when it comes to ethical commitment and behaviour by the brands, i.e., they expect

brands to mirror their own ethical concerns (Singh, Iglesias and Batista-Foguet 2012) which will have consequences on brand purchase intention. Nonetheless, PwC's Global Consumer Insights Pulse Survey (PwC Survey 2021) reports that at present and amidst a global pandemic, businesses and retailers should not overestimate the impact of the eco-friendly ongoing trend. While many consumers claim to be environmentally conscious, there is still a price barrier for almost half of consumers who say that sustainable products are priced too high and that this is the main hinder to their ability to buy whilst weighting in the product's environmental impact (PwC Survey 2021). Furthermore, the data from the same study suggests that Generation Z is largely aspirational when it comes to eco-friendly behaviours, meaning that their values do not always materialise in their purchasing decisions.

2.2.2.2.3. Embracing E-commerce

The long-term effects of the COVID-19 pandemic are apparent on consumers' daily routine, especially in the growing popularity of e-commerce. This acceleration was prompted by a disruption in consumers' routines. Remote working became the norm, stores adjusted to e-shopping, and consumers began to focus their decisions on convenience and security. According to a GfK research for Visa (2021), when the confinement was implemented, 44% of Portuguese consumers began or expanded their online purchasing practices. Shoppers' presence on digital is a trend that is not fleeting and that impacts distribution strategies.

2.3. Portuguese Sweet Biscuit Market

2.3.1 Market Analysis

Company A operates within the packaged foods industry. This project's object of study, brand Y, is part of the sweet biscuit category which, in the Portuguese market, was worth more than €280 million in 2020 and has been increasing since 2016 in both value and volume (Euromonitor - Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021). PLB expansion

has been one of the main reasons for this category growth. In contrast, brand Y, similarly to other name brand players in the category, has been stagnant since 2018 (Euromonitor - Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021).

For this analysis, the consumer-packaged foods industry, will be considered, which includes the Sweet Biscuits, Snack Bars and Fruit Snacks market and subsequently the sweet biscuit category. Appendix 11 demonstrates how the market is divided in Portugal and the share in value and volume of each subcategory in 2020 according to Euromonitor - Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal (2021).

It is important to note that even though brand Y has other product offerings in Portugal its most well-known and recognizable product is the chocolate chip cookies – no matter the size or packaging. This limits it to the cookie sub-segment, which is the smallest in the sweet biscuit category regarding % share in volume and the second smallest regarding % share in value. However, it is also important to highlight that this sub-segment has been growing, with a compound annual growth rate of 1.4% in volume and 2.1% in value from 2016 to 2021, the second largest growth in the sweet biscuits category (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks 2021). To understand market changes, it is important to analyze market trends, particularly in a pandemic/post-pandemic environment because of shifts in consumer behavior and the subsequent need for companies to adapt.

2.3.2 Market Trends

The Sweet Biscuits, Snack Bars and Fruit Snacks market is the second largest market for Company A after confectionery, representing 30% of its sales in packaged foods worldwide (Euromonitor – Company A Inc in Packaged Food (World) 2021). Sweet biscuits (the segment under analysis in this study) witnessed growth as it satisfied the desire of snacking for many families that were confined at home (Euromonitor – Company A Inc in Packaged Food (World)

2021). This positive effect was common for many players within the packaged food industry (such as Mars Inc and Nestlé SA). However, in the Portuguese market, the demand for sweet biscuits is expected to subdue following the home seclusion trend seen in 2020 due to the COVID-19 pandemic (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021). Moreover, even though Company A is one of the major players in the Portuguese sweet biscuit category, the share of brand Y is below 4.25% and is one of the worst performing brands of the company, behind brands such as Competitor 1, Competitor 3 and Competitor 5 (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021).

2.3.2.1 Health and Wellness Trend

In 2020, 58% of the global population actively looked for healthy ingredients in their foods and beverages (Euromonitor's Lifestyles Survey 2021). Therefore, companies should consider how to balance health with indulgence after the COVID-19 pandemic highlighted mental health related issues (Euromonitor – World Market for Health and Wellness Packaged Foods 2021).

Portugal is in line with the global trend of health and wellness, with the pandemic strengthening demand for natural and healthier products (Euromonitor – Health and Wellness in Portugal 2021). In fact, the demand for healthy sweet biscuits, healthy snack bars and fruit snacks saw an increase of 71% in value in the past 5 years (Euromonitor – Health and Wellness in Portugal 2021). The Portuguese Sweet Biscuit, Snack Bars and Fruit Snacks segment is predicted to have a positive outlook due to strengthening consumer sentiment and willingness to indulge (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021). To secure positive results, the health and wellness trend forces manufacturers to invest in new product development and re-evaluate product recipes and ingredients to meet consumer demand for healthier solutions that consider both physical and emotional well-being.

This poses a strong threat for Company A and, in particular, brand Y. When analyzing the brand's nutritional information, it is clear that it falls in the unhealthy side of the spectrum, being high in sugar, fat, and calories and having no added vitamins or fiber – two functions consumers increasingly look for. Additionally, brand Y does not fall in any category to be considered a healthy indulgence nor does it offer "better for you" alternatives.

Moreover, due to consumer price sensitivity private labels in the sweet biscuit category are expected to gain leadership from Company A (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks 2021), which will be discussed below.

2.3.2.2. Private Labels and Local Brands Trend

In the packaged food industry, which includes the sweet biscuit category, there was an increase in percentage share in value of PLB worldwide from 2019 to 2020 (Euromonitor – Packaged Food in World 2021). In fact, the top companies within the industry have seen a decrease in value share and are being threatened by "value for money" brands and private labels that have gained momentum during the COVID-19 pandemic by capturing consumers that prioritize their budget following the global recession as a consequence of the coronavirus (Euromonitor – Company A Inc in Packaged Food (World) 2021).

It has been reported that 73% of Portuguese consumers have tried a new shopping behavior, including the trial of PLB products (McKinsey & Company - Portuguese Consumer Sentiment During The Coronavirus Crisis 2020). Additionally, private labels lead the Sweet Biscuits, Fruit Snacks and Snack Bars market in Portugal, with Sonae Modelo Continente being the category leader with 17.2% share followed by Pingo Doce with 13.6% (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks 2021).

Company A is the only manufacturing brand amongst the top companies with 16% share. Within the sweet biscuit category, Company A has been one of the biggest players in the past

years, however, by the end of 2021 it is expected that Sonae Modelo Continente overtakes Company A due to consumers' increasing price sensitivity (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks 2021).

In addition to private labels, "local brands" (as for example: Sumol+Compal) have also benefited from the COVID-19 pandemic not only due to the health crises, but also because of its consequent economic crises from which feelings of unity and patriotism emerged amongst the Portuguese population. This led to consumer preference for local products and Portuguese brands (Euromonitor – Health and Wellness in Portugal 2021).

In sum, consumers are increasingly health conscious, wellness-oriented, price sensitive and patriotic which is concerning for brand Y as the brand does not align with any of these trends and is vulnerable to shifts in consumer preferences and behavior.

3. Literature Review

The literature review will cover a plethora of concepts related to the previously defined research questions, including the customer journey, antecedents of purchase intention, point-of-purchase elements, loyalty, and relationship between manufacturers and retailers. The first section of this literature review will detail the three stages of the customer journey and all the relevant concepts that lie within it in the context of a low-involvement product category.

The last subject to be covered in the literature review is related to the business relationship between national brands' manufacturers and retailers, which have a significant role not only as intermediates in the purchase of manufacturers' brands by end-consumers, but also as direct competitors of these brands themselves as the manufacturers of private labels, which closely relates to the organizational challenge presented. More specifically, it is important to acknowledge the threat of private labels and the strategies that can be used by manufacturer brands to face this challenge.

3.1. Customer Journey

Consumers interact with brands through a myriad of touchpoints (Lemon and Verhoef 2016). These touchpoints solicit cognitive, emotional, and behavioral responses (Grewal and Roggeveen 2020). The customer journey can be divided into three different stages: pre-purchase, purchase, and post-purchase which, as their names indicate, involves the customer's activities before, during and, after purchasing a product (Rosenbaum et al. 2017). Therefore, it is important to understand the customer's journey to identify these touchpoints and understand how and why consumers make the choices they do. It is significant to note that individual grocery items, like cookies, are generally perceived as low-involvement products, which means that the perceived risk of trying new brands is low, both financially and socially – regarding self-image and expression of status (Smith and Carsky 1996). Additionally, with low-involvement products and in a supermarket context it is difficult and less important to map the customer journey as purchase decisions are usually made from impulse (Hultén and Vanyushyn 2011). However, for brand Y it is important to understand the customer journey to comprehend what factors may lead to purchase intention, repurchase behavior and, ultimately, customer loyalty. Moreover, as has been discussed above, the COVID-19 pandemic meant a rise in e-commerce in Portuguese retail industry which, in turn, may signify a change in customer journey that should be evaluated.

A review of the literature on the three stages of customer journey (Rosenbaum et al. 2017) will be discussed in detail. In the pre-purchase stage, the concepts of impulse buying behavior (Stern, 1962; Zhang et al. 2007), *brand awareness* (Malik et al. 2013; Huang and Sarigollu 2012), *brand image* (Keller 1997; Aaker 1993), *brand attitude* (Percy and Rossiter 1992 and *brand preference* (Alreck and Settle 1999) will be discussed. Additionally, the importance of price and quality perception (Jacoby and Olsen 1977; Zeithaml 1988), packaging design (Silayoi and Speece 2004) and shelf-placement (Gidlof et al. 2017; Sigurdsson, Saevarsson and

Foxall 2013) and promotional activity (Jean and Yazdanifard 2015) for the purchase stage of the customer journey will be highlighted. Lastly, an analysis of past literature on promoting repurchase behavior (Aurier and Mejía 2021; Liu-Thompkins and Tam 2013) and building brand loyalty (Aaker 1991; Jacoby et al. 1971) will be conducted.

3.1.1. Pre-Purchase Stage

The pre-purchase stage of the customer journey refers to the customer's activities before purchasing a product (Rosenbaum et al. 2017) and when they recognize need and consider options to satisfy it (Lemon and Verhoef, 2016). It is important to understand the topics of impulse buying and *brand awareness*, *brand image*, *brand attitude* and *brand preference* regarding low-involvement products as these factors affect consumer behavior in the pre-purchase stage of the customer journey and are important antecedents of purchase intention (Malik et al., 2013).

3.1.1.1. Impulse Buying

Impulse buying happens when consumers end up buying a product that normally is not in their shopping plan (Stern 1962). It is described as an escape purchase, breaking the usual pattern of purchasing. Previous literature highlights several perspectives of impulse buying in grocery-store contexts. In fact, it has been suggested that brick-and-mortar stores are designed to encourage such purchases (Zhang et al. 2007). Stern (1962) discussed the difference between "reminder impulse buying" where consumer recall needed items while "in-store and planned impulse buying" which occurs when consumers shop for price discounts. Although impulse buying behaviors are expected to be universal and may account for nearly 70% of all purchases (Heilman, Nakamoto and Rao 2002), factors such as market conditions, social and cultural environment and marketing efforts may affect consumers' tendency to make such purchases (Hultén and Vanyushyn, 2011). Regarding marketing efforts, this is where it is important for

brands to build *awareness* to ensure brand recognition at POP by investing in marketing activities, distribution efforts and price promotion strategies (Huang and Sarigollu 2012). Liao, Shen and Chu (2009) studied the effect of sales promotion as an antecedent of reminder impulse buying which can be classified as both utilitarian and hedonic. This suggested that in a supermarket context, where impulse buying behavior in prevalent, promotion strategies are critical to promote brand choice. In Portugal, this phenomenon is especially important to analyze due to consumers' lingering price sensitivity (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021).

3.1.1.2. Brand Awareness

Brand awareness can be defined as the consumer's ability to identify (recognize or recall) the brand in enough detail to make a purchase (Rossiter, Larry and Percy 1992). Laurent, Kapferer and Roussel (1995) stated that there are three classical measures of *brand awareness*. The first is *spontaneous awareness* – which is measured by the percentage of consumers that indicate they know the brand, the second is *top of mind awareness* – measured by the percentage of consumers that name the brand first and, lastly, *aided awareness* – which is measured by the percentage of consumers that indicate they know the brand after being presented with a list of brand names. Malik et al. (2013) studied the importance of *brand awareness* in assessing consumers' purchase intentions and concluded that a greater level of *brand awareness* not only results in higher share of market but also in superior evaluation of product quality. In the consumer-packaged goods (CPG) industry, price promotion and *brand awareness* are linked as promotion strategies are important when building *brand awareness* which in turn has a positive relation to brand equity (Huang and Sarigollu 2012) and brand preference (Patil 2017). Additionally, building *brand awareness* does not only enable *brand recognition* at the POP, but it can also build *brand familiarity* and *brand trust* which creates a shield that protects the product from being deemed as unhealthy and reduces consumer alertness for nutritional labels

(Vizcaíno and Velasco 2019), which is of significant importance for brand Y, the brand under study, as the rising trend for healthier snacking alternatives is a potential threat. For CPG, the distribution intensity and shelf-placement (discussed further in point 3.1.2.5.) are also of critical importance to improve *brand awareness* and subsequently market performance as display effectiveness increases the odds of consumer brand choice (Huang and Sarigollu 2012).

3.1.1.3. Brand Image

Brand image can be multiple in nature as it is defined by the "receivers". It is also backward-looking since it is based on changing consumer perceptions over time. Because it is constantly evolving and varies across consumers, assessing or measuring it may present difficulties. Aaker (1991) and Keller (1993) explored *brand image* as mental associations in consumers' memories:

> *"A brand image is a set of associations, usually organized in some meaningful way." (Aaker 199: 1p. 109)*
>
> *"One vitally important aspect of the brand is its image, as reflected by the associations that consumers hold for it." (Keller and Swaminathan 2020: p. 348)*

Aaker (1991) defines a brand association as anything that is "linked" in memory to a brand, and it can vary in strength. The linkage to a brand is greater when it is based on numerous experiences or exposures to communications, rather than a few. It will be even more powerful if it is supported by a network of other links. The author also stresses how associations add value to the firm and its consumers by: assisting in the processing/retrieval of information, differentiating the brand, generating a reason to buy, creating positive attitudes/feelings, and providing a basis for extensions. In that sense, associations serve as a foundation for purchasing decisions and brand loyalty (Aaker 1997).

According to Keller (1993), there are different types of brand associations that can be distinguished by their level of abstraction, i.e., by assessing the nature and amount of information that is combined into the association. Subsequently, the author categorizes brand dimensions into three categories of increasing scope: (1) *attributes*, (2) *benefits*, and (3) *attitudes*, which will be further described.

Attributes can be product and non-product related. Product attributes are the elements required for the product to fulfil the function expected by the consumer. For brand Y, this relates to the sweet biscuit's physical composition. Regarding non-product-related attributes, the scope of abstraction increases (in the sense that they constitute a required step in the purchasing process but are typically unrelated to product performance) and are classified as follows: (1) price information, (2) packaging, (3) user imagery (as in what type of individual consumes the product), and (4) usage imagery (i.e., in which types of situations the product is consumed).

Benefits are linked to what consumers believe the product can offer them, and this is reflected in the personal value that consumers place on the product. Benefits are classified into three categories based on their intrinsic connection to the product. (1) Functional and (2) experiential benefits are intrinsic benefits of consuming the product since they typically correlate to product-related qualities. The former is associated with fundamental drives such as physiological demands, whereas the latter are associated with how the consumer feels when using the product, thereby meeting experiential needs such as sensory pleasure, variety, and cognitive stimulation. (3) Symbolic benefits, on the other hand, are the product's extrinsic advantages. These are typically unconnected to the product itself and relate to underlying desires for social approbation or personal expression, as well as externally oriented self-esteem.

Consumers' overall perceptions of a brand are known as *brand attitudes*, and they are essential because they typically serve as the foundation for consumer behaviour, such as purchase decisions. Generally, the aforementioned *attributes* and *benefits* will contribute to the formation

of *brand attitudes*. If consumers lack the incentive or capacity to evaluate a product, they might rely on "extrinsic signals" (Olson and Jacoby 1972) to extrapolate product quality based on what they do know about the brand. Furthermore, brand associations may vary according to their favorability, strength, and uniqueness (Keller and Swaminathan 2020). For the present research, uniqueness will be explored in order to assess if brand Y associations are shared (or not) with competing brands, especially PLB.

According to Keller and Swaminathan (2020), when a brand has already forged awareness, one should try and build a positive *brand image*. To that avail, unique associations to the brand can be helpful. The brand's unique difference can be established by making direct comparisons with competitors, or indirectly emphasizing it by basing it on performance-related or non-performance-related features or benefits (Keller 1993), and hence help creating a positive *brand image* held in consumers' memories in its relationship to competitors.

3.1.1.4. Brand Attitude as a Communication Effect

Brand attitude is a necessary communication effect that, along with *brand awareness*, leads to brand purchase. Rossiter and Percy refer to attitude as "the buyer's overall evaluation of a brand with respect to its perceived ability to meet a currently relevant motivation" (Rossiter and Percy 1992, 266). They suggest that attitude consists of both a cognitive component, i.e., a logical belief that guides behavior, and an affective component, i.e., an emotional feeling that energizes that behavior. The *cognitive* aspect of *brand attitude* is reflected in the buyer's involvement from an economic perspective with a purchase decision, which in turn can be classified as low or high involvement. Moreover, the *affective* aspect of *brand attitude* is linked to the motivation underlying the brand purchase, i.e., the perceived benefits of the marketed brand that can fulfill specific consumer's needs. This model suggests that purchase occurs either due to a negatively originated motivation (i.e., problem removal, problem avoidance, incomplete satisfaction, mixed approach or normal depletion) or a positively originated motivation (i.e., sensory

gratification, intellectual stimulation or social approval) that is met by either an informational or a transformational strategy (Rossiter and Percy 1992).

3.1.1.5. Brand Preference

After introducing and familiarizing the consumer with the brand through *brand awareness*, *brand image* and *brand attitude*, the manager's goal is to produce purchase desire and intention by building *brand preference. Brand preference* refers to when consumers prefer a particular brand over competitors within a particular product category and is an important factor when forming brand loyalty and promoting purchase intention (Li, Hua and Zhu 2021). On the consumer side, *brand preference* is developed through positive mental associations between the consumption benefits of the product and the brand (Bronnenberg and Dubé 2016). Cobb-Walgren, Ruble and Donthu 1995) studied the impact of brand equity as an antecedent of *brand preference* and purchase intent for low-involvement products and concluded that the brand with higher marketing budgets, in specific, advertisement, generated higher levels of brand equity which, in turn, generated greater *brand preference* and purchase intention. Alreck and Settle (1999) outlined 6 different strategies for building *brand preference*: need association, mood association, subconscious motivation, behavior modification, cognitive processing, and model emulation. Appendix 12 details these *brand preference* strategies and their matching marketing mix.

3.1.1.6. Conclusion: Pre-Purchase Stage for Low-Involvement Products

The pre-purchase stage of the customer journey in the CPG industry differs from high-involvement products where instead of following the cognition-affect-behavior process, they begin with awareness, trial and then reinforcement, meaning that consumers spend little to no time and effort in the pre-purchase stage (Huang and Sarigollu 2012). Therefore, for low-involvement products, it is more beneficial for a brand to use its marketing efforts to influence

consumers to purchase the brand on-the-spot (Rossiter, Larry and Percy 1992). Thus, in the pre-purchase stage of the customer journey regarding low involvement CPG products, a brand should focus on building *brand awareness*, positive *brand image*, *brand attitude,* and *brand preference* with the aid of marketing and communication activities, distribution intensity and promotion strategies to incite recognition, brand familiarity, *brand preference* and purchase intention.

3.1.2. Purchase Stage

The purchase stage of the customer journey refers to the consumer's activities when completing a purchase (Rosenbaum et al. 2017). As mentioned before, during the COVID-19 pandemic, there was a substantial increase in online purchasing habits amongst Portuguese consumers. Therefore, it is important to explore past literature on the differences between online vs offline purchasing decisions. For low-involvement products in a grocery-store context, POP elements are critical for price and quality perception (Jacoby and Olsen 1977; Zeithaml 1988). POP elements include packaging which aides in display effectiveness (Huang and Sarigollu 2012), is an important vehicle for communication and branding, and influences consumer choice (Silayoi and Speece 2004), shelf-placement (Gidlof et al. 2017; Sigurdsson, Saevarsson and Foxall 2013 and promotional activities, which can be important in increasing purchase intention (Ai Jean and Yazdanifard 2015).

3.1.2.1. Online vs Offline Purchasing behavior

Online shopping has been present for some time, however due to lock down measures during the COVID-19 pandemic and the consequent social distancing, the tendency to shift to online retailing has increased substantially (Ceylan, Ozkan and Mulazimogullari 2020).

To further understand consumer perceptions and behaviors in the purchasing stage, it is crucial to comprehend whether the environment in which the product is bought changes their thought

process. Following these behavioral changes, brands may have a better understanding on how products need to be sorted, which sizes to sell, pricing strategies and promotions to be applied. (Andrews and Currim 2004).

It has been found that in comparison with traditional supermarket consumers, online consumers prove to be less price sensitive, prefer larger to smaller sizes, do less screening based on sizes and more based on name brands, and have stronger choice set effects, meaning that instead of extensive screening, they are directed to what they specifically searched for (Andrews and Currim 2004). These findings demonstrate that marketing strategies may differ in these two purchasing environments. Additionally, as stated previously, in online shopping, name brand screening is greater than in-store, meaning that brands can take advantage of consumer recollection of past purchases to make them less influenced by other brand promotions. Lastly, well-known, reputable brands have greater profitability since there is more screening based on brand names. (Andrews and Currim 2004).

3.1.2.2. Price & Perceived Price

From a consumer standpoint, price is what is given up or sacrificed to obtain a product. *Price* can be understood by encompassing three components: objective price, perceived nonmonetary price, and sacrifice (Zeithaml 1988). For the present research, it is important to emphasize the distinction between objective (a product's actual price) and *perceived price* (the price as encoded by the consumer). The latter does not necessarily (nor usually) match the objective price (Zeithaml 1988). For example, whilst some customers may note the precise price of brand Y, others may encode and remember the price simply as “adequate”, "cheap”, “expensive”, or not encode it at all.

3.1.2.3. Quality & Perceived Quality

Quality may be widely defined as superiority or excellence. *Perceived quality* is understood as the consumer's assessment of the product's overall excellence or superiority (Zeithaml 1988). Likewise, to what happens with price, *perceived quality* is different from objective quality. The former is a global assessment that entails a higher degree of abstraction and is frequently made within the context of a consumer's evoked set (Zeithaml 1988). A judgment made within the customer's evoked set indicates that the product's quality is rated as high or poor based on its relative excellence or superiority among goods that the consumer considers to be substitutes (Zeithaml 1988). Given that multi-brand purchasing is a hallmark of consumable markets (Rundle-Thiele, Russell-Bennett 2001), this evoked set may include a variety of products for the sweet biscuit category.

3.1.2.4. *Packaging*

Traditionally, packaging has been said to have 4 core functions: containment, convenience protection and communication (Loucanova, Kalamarova and Parobek 2017). However, packaging is useful for more than these functions (Yam, Takhistov and Miltz 2005), it is a critical component to educate consumers (Schifferstein, de Boer and Lemke 2021). Additionally, packaging, through its technical, functional, and informative qualities enables brands to stand out from competition (Gómez, Martín-Consuegra and Molina 2015) which is of vital importance in supermarkets and hypermarket contexts where there is a plethora of product choices, and the competitive intensity is extreme. In the packaged foods industry, packaging also plays a key role as a distinguishing factor (Silayoi and Speece, 2004). Packaging includes both visual (graphics and color, and size and shape) and informational elements (product information and packaging technology). For low-involvement products, the visual element can be used for stronger impact. In fact, for packaged food products, graphics and color are the most critical, especially when a consumer is under time pressure (Silayoi and Speece,

2004). However, it is important to note that the informational element, such as ingredients and nutritional information, is becoming increasingly important and a vessel for consumers to judge the product's performance. In sum, eye-catching packaging attracts consumer attention and helps brands standout from competition (SIlayoi and Speece, 2004). This coincides with Huang and Sarigollu's (2012) study that found that brand packaging perceived as attractive and with clear and easy to read instructions, together with shelf placement, which will be discussed below, aides in display effectiveness.

3.1.2.5. Shelf-Placement

Shelf-placement, as the name indicates, refers to the placement of a specific product at POP. In a retail setting, this is a critical predeterminant of consumer purchasing behavior. Shelf-placement impacts sales as products placed in the middle shelves have higher relative sales than ones placed in the lowest and highest shelves as the middle shelf requires less effort to look at (Sigurdsson, Saevarsson and Foxall 2013). More shelf-space in a more prominent shelf positioning (eye or hand level) has been found to increase the product's probability of being chosen and this effect is of greater importance when talking about product categories with lower consumer involvement (Breugelmans, Campo and Gijsbrechts 2006). Furthermore, online purchases of groceries also witness the impact of product placement on screen as consumers tend to follow the primacy effect, which is a bias for the first position in an array of stimuli (Murphy, Hofacker and Mizerski 2006), and are more likely to select the first-screen alternatives (Breugelmans, Campo and Gijsbrechts 2006).

3.1.2.6. Promotional activity

Promotional activity is used with the intent to sell a product by communicating its uniqueness and usefulness (Harwanto, Rizki Nuari and Christian 2020). According to Cacioppo and Petty (1979) "message repetition enhances the opportunity to process the content of the message",

implying that the accuracy of recall of sale price is higher for brands that promote more frequently. Consumers who are more motivated by deals, such as low-income individuals, have better recall of deal frequency and price, and may have greater interest in saving money or engage with the promotion stimulus (Krishna, Currim and Shoemaker 1991). Promotional activity can be divided into advertising, sales promotions, events and experiences, and public relations and publicity (Harwanto, Rizki Nuari and Christian 2020). This section will focus solely on the topic of sales promotions, more specifically, short-term promotions, since consumers spend little time in collecting information when making a purchase decision on low involvement products (Asghar, Abbasi and Zafarullah 2015).

Sales promotion can be defined as an "action-oriented marketing event whose purpose is to have a direct impact on the behavior of the firm's customers'" (Blattberg and Neslin 1990). These promotions can be monetary or non-monetary incentives that are offered within a limited time frame and may take the form of trade deals, price discounts, feature advertising, coupons, rebates, contests, reward programs, special displays, and sweepstakes. However, sales promotions can be divided into three main promotion types: trade deals, retailer promotions and consumer promotions (Weitz and Wensley 2002).

Despite being focused on short-term sales profit, sales promotions increase purchasing behavior by influencing the thought process of consumers. When consumers are influenced during sales promotion, they are more prone to be interested in these products and consequently become loyal to the brand (Jean and Yazdanifard 2015).

By increasing consumer satisfaction, purchasing behavior is developed in the long run (Jones and Suh 2000). Ultimately, this results in consumers being more likely to develop repurchasing intentions in the future. Additionally, sales promotions are effective in affecting brand switching behavior as both loyal and non-loyal consumers tend to switch brands during sales promotions when they realize other brands offer a better benefit (Jean and Yazdanifard 2015).

In sum, sales promotions are effective in influencing the thought process of consumers, promoting purchase intention and in generating results for low-involvement products (Jean and Yazdanifard 2015).

3.1.2.7. Conclusion: Purchase Stage for Low-Involvement Products

In the purchase stage of the customer journey for low-involvement products, where recognition at POP is key (Rossiter, Larry and Percy 1992), it is important that brands implement strategies that make them stand out amongst intense competition. This can be done through attractive and eye-catching packaging (Silayoi and Speece, 2004), eye-level positioning in shelf-spaces (Breugelmans, Campo & Gijsbrechts 2006), and sales promotion (Jean and Yazdanifard 2015). These factors together not only increase display effectiveness but can also increase purchase intention. Furthermore, they may help in improving price and quality perception since these serve as external cues for the consumer (Jacoby and Olsen 1977; Zeithaml 1988).

3.1.3. Post-purchase

Post-purchase refers to the actions performed by the customer after the actual purchase is made (Rosenbaum et al. 2017). Grocery shopping is, in general, a low-involvement activity. Even though the level of involvement varies, high-involvement consumers, who are generally more brand loyal, make up the lower percentage of customers in a grocery store context (Silayoi and Speece 2004), meaning that the higher percentage of consumers are not particularly loyal. This section will focus on the post-purchasing stage of the customer journey and will analyze how to promote repurchase behavior and the role of brand loyalty.

3.1.3.1. Brand Loyalty

According to Jacoby et al (1971), brand loyalty can be defined as “the biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more

alternative brands out of a set of such brands, and is a function of psychological decision-making, evaluative processes."

Aaker's research on brand loyalty (1991) describes the term as a repeat purchase behavior of a brand which is resistant to competitor's offers, even if these present lower prices, better features, or are more convenient. In that sense, brand loyalty is a way of assessing the attachment of consumers to a brand, and the stronger it grows, the less vulnerable they become to competition activity. Furthermore, brand loyalty is indisputably connected to future earnings.

In sum, brand loyalty is a critical topic among marketing researchers because of its relevance in attaining long-term competitive edge and business outcomes. In essence, brands benefit from having a loyal consumer base, given that such base contributes to market share and premium prices, acts as a barrier to entry, allows firms time to react to competition's R&D, safeguards them from price competition, induces positive word of mouth, and can provide a compelling reason for retailers to carry such brands (Ferreira and Coelho 2015).

For the present research, the focus will be on authors and methodologies that cover the specificities of the sweet biscuit category in which brand Y is inserted. Since it is a FMCG, the construction of brand loyalty ought to be observed through a specific lens. One that considers the category's characteristic low-involvement, the dynamics between manufacturer and retailer brands and the growing threat of the latter, whilst weighting in on the difficulty in achieving brand loyalty in such competitive in-store environments. This is especially relevant when taking into account the shock to loyalty trend (Charm et al. 2021), mentioned in the situation analysis, which suggests that building brand loyalty is becoming increasingly difficult in result of increased variety brand buying during the pandemic, a trend that shows no signs of disappearing soon.

A summary table was built (Appendix 13) to serve as a basis for the theoretical framework and subsequent methodology of this research. It encompasses recent studies on brand loyalty in relation to the FMCG market, PLB competitor threat, and level of product and category involvement. Some of the most relevant ideas are: there is divided loyalty in consumable markets as multi-brand purchasing is frequently observed (Rundle-Thiele and Russel-Bennett 2001); an individual's purchasing behavior is not mutually exclusive in regard to manufacturer's brands or retailer brands, but rather involves evaluating both brands at different occasions (Leingpibul, Broyles, and Kohli 2013); and those who participate in social media consumer goods brand communities may acquire good sentiments regarding the brand, such as trust and loyalty (Coelho, Rita, and Santos 2018).

3.1.3.2. Promoting Repurchase Behavior

Repurchasing behavior refers to the behavioral component of loyalty (Aurier and Mejía 2021). It is a topic that is particularly important for packaged goods as consumers tend to buy several brands of a product category in the course of the year (Oliveira-Castro et al. 2005). Repeat purchases can be driven by attitudinal loyalty i.e., consumer positive reactions towards the brand or by habit i.e., triggered by contextual cues that are not related to the brand (Liu-Thompkins and Tam 2013). Although both drivers are key mechanisms that underline behavioral loyalty, they are fundamentally different. They have different development processes, trigger mechanisms, behavioral manifestation and are resistant to change under different conditions (Liu-Thompkins and Tam 2013). Attitudinal loyalty originates from a positive brand assessment, is triggered by favorable evaluation, is flexible and can occur in a variety of contexts and is built upon the strength of brand-attitude associations (Liu-Thompkins and Tam 2013). On the other hand, habit is developed through associative learning, triggered by contextual cues, it is more rigid in nature and only occurs when said cues are present, and it is built upon common and consistent contextual cues (Liu-Thompkins and Tam 2013).

3.1.3.3. Conclusion: Post-purchase Stage for Low-Involvement Products

When looking at the consumer decision journey as a whole, one must recognize that even if consumers make a purchase decision at the point of sale, the marketer's efforts are not over since the journey is a recurring cycle. The post-purchase stage is critical because customers form their opinions for upcoming category purchases based on prior interactions with the brand (Court et al. 2009). These interactions then dictate the likelihood of repurchase behavior and brand loyalty. It is important to note that these two concepts differ in nature while one can be triggered solely due to contextual cues (Liu-Thompkins and Tam 2013), the latter implies both a behavioral and attitudinal response (Aaker, 1991).

3.2. Relationship with Retailers

The CPG retail channel was traditionally characterized by strong separations between the supply chain partners and the functions they fulfilled (Zongag and Brink 2015). However, the greater importance of mass distribution led to a power shift that favored retailers (Allain 2002), which demanded a greater collaboration between both channel's partners.

Retailers are autonomous entities responsible for the intermediation between manufacturers and consumers that sell competing and complementary brands, along with their own labels (Chan, Narasimhan and Yoon 2017). As owners of the POP they also have the power to discard some manufacturers' products depending on the offered profitability conditions. (Allain 2002). As such, manufacturers that used to dominate retailers now perceive megaretailers as a clear threat (Kumar, 1996). Moreover, private labels have improved the quality of their products to the level of national brands' products and started to invest in differentiation, sophistication, and category extension to cover more segments and assess different consumers' needs. Consumers acknowledge retailer products as high quality with affordable prices and, therefore, have favorable perceptions towards private labels (Rossi, Borges and Bakpayev 2015).

To further clarify the current approach implemented in the retail channel, the first subsection will analyze the new dynamics of the relationship between national brands' manufacturers and retailers within a perspective where the retailer plays the role of the common agent among competing national brands' manufacturers, not as a direct competitor of the manufacturer's brands.

Next, channel partners' relationship as competing parties, i.e., the retailer as a direct competitor of manufacturer's brands, and the strategies used by the national brands' manufacturers to face the private labels' positioning in the market will be explored.

3.2.1. Collaborative Approach for Consumer-Packaged Goods (CPG) in Retail Channel

Relationship marketing, within the business-to-business (B2B) context, implies that successive exchanges between businesses will conduct to interdependent, long-term relationships, which will evolve into a competitive advantage in both parties' collaborative approach to potential clients (Zondag and Brink 2015). The observed new market conditions, consequent of the increasing power of retailers, required a more integrated and cooperative approach to CPG marketing and retailing, denominated as the shopper marketing (Neff 2007), which requires B2B relationship marketing. In the context of shopper marketing, both manufacturers and retailers began to combine consumer and shopper behavioral data into shopper insights (Hartman et al. 2004) and to focus on demand management, aiming to provide shoppers with a positive shopping experience able to influence their purchasing behavior (Ailawadi, Borin, and Farris 1995). As such, shopper marketing highlights the relevance of the store itself, provided that it is the final point in time and place where the marketing strategies merge (Shankar et al. 2011) and, consequently, the value proposition of a brand is converted in revenue (Zondag and Brink 2015).

This positive experience is assembled by the partners' collaboration to increase brand equity for CPG and retail brands, adjust product assortment according to consumers' needs, design in-

store promotions and product pricing, among other elements involved in the CPG retail marketing mix (Zondag and Brink 2015). Products should be available and correctly displayed on the shelves, and promotional materials should be properly displayed within the store as well (Zondag and Brink 2015). In fact, in-store shopper marketing events are more customized, given that they consider shopper insights, and more time-sensitive and complex than traditional price promotions. Therefore, the communication and promotion tools should be coordinated outside and inside the store, which demands that channel partners collaborate with each other (Arnett, Laverie, and Wilcox 2010).

To conclude, within the scope of shopper marketing, the channel's partners work cross-functionally to match the shopper's needs (Zondag and Brink 2015), who is regarded as the common factor that should align CPG manufacturers and retailers (Stahlberg and Maila 2012).

3.2.2. Channel member "competition" (aggressive strategy) Versus Channel member "coopetition" (partnership strategy)

To counter the threat of private labels, there are a plethora of strategies used by national brands' manufacturers. On the one hand, manufacturers might want to be flexible within the value chain and apply an ambidextrous strategy with retailers, where their relationship is not damaged but neither aspire to have a great collaborative relationship. That is, a coopetition strategy is implemented in which there is certain balance between cooperation and competition (Kim and Kim and Pae 2013). On the other hand, manufacturers might implement strategies considered as 'aggressive', referring to the use of advertisement as a weapon to decrease the demand of private labels (total competition); and others considered as 'partnership', when a revenue sharing mechanism is used to encourage collaboration between both parties (total collaboration) (Amrouche and Yan 2015).

An aggressive strategy might lead to national brands strengthening their position through advertising, leading the retailer to compete aggressively in terms of price, i.e., the retailer would decrease its private label's price and increase the national brand's price due to manufacturers' market power and their demand for a greater wholesale margin (Amrouche and Yan 2015). This strategy works effectively when there is great differentiation between both parties or the company is market leader and knows there is consumer demand for its brand in the POP. The superior national brand's products' quality leads to repurchase and word-of-mouth, using advertising to influence consumers in believing that the higher quality is worth the higher price. Thus, communication investment allows the superior-quality manufacturer to get enough distinction from the lower-quality manufacturer, i.e., the retailer, such that the latter has no incentive to imitate, due to the high cost of advertising (Abe 1995). In case the differentiation between both brands is low, the retailer could still win profits and not be so negatively impacted, as consumers will not perceive high quality from the manufacturers' brand.

On the other hand, the partnership strategy has a different impact when implemented. The manufacturer fosters the retailer to boost the national brand's revenues by negotiating a revenue sharing mechanism, so that the manufacturer can ask for a lower wholesale price. The higher the national brand's revenue sharing percentage is, the lower both retail prices are. Indeed, this strategy is beneficial for the manufacturer but not to the retailer, since its profits would be highly affected by following the manufacturer's policies (Yao, Leung and Lai 2008). An additional coordination mechanism is needed to split the profits and benefit all channel members: lowering the revenue-sharing proportion for each of them. The retailer is, then, relying on the wholesale price incentive to lower the national brand's price, which, in the end, generates more profits to share with the manufacturer. Thus, given this situation, the advertising strategy can be a better choice in specific conditions: when the private label's sales potential is low, and for specific values of demand and advertising effectiveness (Amrouche and Yan 2015).

In sum, the manufacturer is the only one that always wins with these two strategies, since it is the only one always having the control of what strategy is the best for its brands. However, a high national brand revenue sharing percentage is needed for the partnership strategy to be chosen over the aggressive one. Regarding the whole channel's benefits, the partnership strategy is always preferred when compared with the advertising strategy. However, there are two exceptions: when a premium or generic private label product is offered, or when a copycat is offered for specific levels of differentiation and cross-price effect. Moreover, the partnership strategy is always preferred for high levels of differentiation, and for low levels of differentiation only when the sharing percentage is high (Amrouche and Yan 2015).

3.2.3. National brands vs Private Labels Differentiation Strategies

A few years ago, national brands did not even consider private labels as competitors, nowadays, the brands that still assume this position towards private labels have high probabilities of losing market share (Quelch and Harding 1996).

According to Hoch (1996), there are six strategic moves that allow national brands to increase its competitiveness towards private labels. Each strategic measure depends on the distance between both brands, regarding both quality and price promotions.

1. Wait and do nothing. National brands may prefer to wait and see which strategies are implemented by private labels and how they grow within the brand's category. With such a volatile market, reacting aggressively towards private labels may require long-term investments. Additionally, this strategy may lead to a loss in the national brand's market share and profits, while private labels continue to increase, especially if the latter has high levels of differentiation when compared to traditional supermarket retailers (Hoch 1996).

2. Increase distance from private labels through "more for the money". This strategy suggests providing additional value to the customer while maintaining the current prices, to increase the

distance between private labels and national brands. According to Quelch and Harding (1996), this additional value may be accomplished by changing the packaging or by extensively advertising its products.

3. Increase distance from private labels through "new and improved". This strategy lies on beating the competition through product innovations. Consistent product improvements give consumers a sense of superior quality, invoking its willingness to pay the additional price for premium products (Quelch and Harding 1996).

Both distancing strategies give value to national brands either by improving their quality for the same price or by investing in new solutions and innovations, respectively. Product quality and quality consistency are two determinant factors to mitigate the rivalry between both brands and foster a good consumer quality perception (Hoch 1996). This should be a major concern of national brands and they should address those perceptions in their new brand strategies (Quelch and Harding 1996).

4. Reduce the price gap between private labels and national brands. Hoch (1996) reported that sales from national brands increase, compared to sales from private labels, when the gap is smaller, and the opposite happens when the price gap is larger. As such, the price gap established between the distributor and the consumer should be monitored by national brands' manufacturers. Moreover, this decrease in price gap, towards which retailers are highly resistant to facilitate, relies on a coordination mechanism to avoid retailers from losing a high percentage of profits (Hoch 1996).

5. "Me-too" strategy. This strategic option lies on imitating the private label by offering a lower priced product, with lower quality as well. It intends to limit private labels to move up scale or to extinguish them from the market. By introducing a value flanker, national brands move closer to private labels, which opposes to the 2nd and 3rd strategies. Therefore, it avoids the losses from

decreasing national brand's price. Moreover, the lower-priced brand gives consumers an alternative towards higher-priced products (Hoch 1996, Quelch and Harding 1996).

According to Hoch (1996), there are some advantages and disadvantages regarding this strategic move. First, national brands can take advantage of excess capacity by creating this fighting brand; and second, they can also preserve its premium image while avoiding price competition. On the other hand, this strategy increases the threat of cannibalization, that is, the premium brand may lose consumers to the lower priced one, specially, if there is minimum quality difference between the national brand and the private label. Moreover, this can be an expensive move since it will require manufacturers to negotiate with the retailers for greater shelf-space.

6. Make regular or premium private labels. This strategy lies on producing a private label brand from the national brand's manufacturer. One of the motivations to implement this strategic action is, mainly, when there is excess production capacity. Further, it provides manufacturers with the opportunity of asking for a lower wholesale price and improving the relationship with the retailer. Finally, it also allows the national brands to increase their market share and profits.

There are some specific conditions in which these strategies are better implemented. According to Hoch (1996), big national brands should adopt the 'wait and see' strategy while they invest in actions to distance themselves from private labels. In addition, when there is long-term excess capacity, 'me-too' and the production of 'regular or premium private labels' strategies are the best option. For the long-run, national brands should also be committed in a profitable coexistence with retailers once they cannot compete directly on price. Although these strategies are fundamental to differentiate national brands from private labels, investing on a building a strong brand through advertising and a higher quality product is the basis for the success of national brands.

3.2.4. Conclusion

The relationship between the retail channel's partners was analysed taking into account the recent power shift in favour of retailers. As the common agent among competing manufacturer brands, retailers currently have a greater bargaining power to decide which products to sell in supermarkets, how to display those products on the shelves and how to conduct in-store promotion, which requires a more collaborative approach between both parties. Further, this power shift is also reflected in the raise of competitiveness of private labels, which requires national brands' manufacturers to adopt competitive or cooperative strategies. Finally, six differentiation strategies that allow national brands to increase its competitiveness towards private labels were explored.

3.3. Research Questions

The analysis of previous literature an allowed for the elaboration of five main research questions pertaining to the research problem – Understanding the customer journey to analyse how to effectively respond to private label competitor threat and build purchase intention for brand Y in the Portuguese sweet biscuit market.

- Research Question 1: How to reach the target audience's main touchpoints within the customer journey for the brand Y?
- Research Question 2: What is the target audience's level of brand awareness; why are the current brand image, brand attitude and brand preference formed for brand Y and how can these be used to create purchase intention?
- Research Question 3: How can differentiation strategies for brand Y reduce the threat of private labels/increase its competitiveness towards private label threat?
- Research Question 4: How is the current relationship between Portuguese biggest retailers and Company A and its subsequent effect on sales?

- Research Question 5: To what extent do consumers perceive themselves as loyal to sweet biscuit brands and which factors can contribute to an increase or creation of loyalty of such a low-involvement product?

The research complements the qualitative questions (how and why) with descriptive questions about what and who. To answer these research questions addressing the study focus - the performance of brand Y within the Portuguese sweet biscuit market, primary research was conducted, and the relating methodology will be discussed in the section.

4. Methodology

This project follows a qualitative approach with a total of 27 interviews collected in two phases. A qualitative approach was used because the goal is to understand, from the actors' point of view (consumers and expert), the reasoning (the why) behind the outcomes and processes under study, and as such, the research was based on opinions and experiences by the interviewees, allowing for depth (knowing how and why) by taking into consideration their unique contexts (Fawcett et al. 2014).

In the first phase, exploratory in-depth interviews were conducted with 1) 10 consumers and non-consumers of brand Y from the target audience (for further details, find exploratory interview protocol to consumers in Appendix 14) and 2) 1 expert of the sweet biscuit category from the one of the main Portuguese retailers (for further details, find exploratory interview protocol to retailer in Appendix 15). The aim of the first phase was to *gather insights from the actors themselves about what were the pain points and relevant issues raised by the organizational challenge that should be explored more deeply in the second stage*. The target audience (consumers and non-consumers of brand Y) interviewees were selected based on convenience, while for the retailer, its position within the Company A and experience in the market was considered to ensure a knowledgeable respondent.

In the second phase, semi-structured interviews were performed to 15 consumers and non-consumers from the target audience. Please find semi-structured interviews protocol to consumers in Appendix 16. These interviewees differed from the individuals interviewed in the first phase. Respondents were, again, selected based on convenience and referrals.

These two data collection phases are necessary, firstly, to collect data provided by the interviewees and proceed to an identification of relevant themes (Braun and Clarke 2006), so that in a second phase these can be deepened in terms of how and why, and ultimately generate recommendations that could address the organizational challenge. All interviews performed were recorded with the authorization from the interviewees, transcribed and then deleted after the analysis of the data was conducted. For further details on the Methodology structure, see Appendix 17.

The average duration of the exploratory interviews was around half an hour and semi-structured interviews were in average one hour, all interviews were conducted by video call and each interview had two interviewers, for quality control purposes (Babbie 2010).

4.1. Research Instruments

The research instruments used can be found in Appendix 14 (exploratory interview protocol to consumers), Appendix 15 (exploratory interview protocol to retailer) and Appendix 16 (semi-structured interview protocol to consumers).

Prior to data collection, three meetings were conducted with Company A with the Marketing Biscuits collaborator and the Junior Brand Manager with the purpose of better understanding on the business works. These insights allowed for the elaboration of more detailed and pertinent questions not only to category users but to retailers as well.

4.1.1. Phase 1 of Study: Exploratory In-Depth Interviews

The first stage of data collection relied on **exploratory interviews**. Exploratory in-depth interviews are mainly a conversation in which the interviewer solely defines the general direction and then pursues specific topics raised by the interviewee. As such, these unstructured, open-ended interviews have the least number of standardized questions as they resemble a normal conversation but with an underlying subject, and the answers given by the interviewees to the initial questions will shape subsequent ones (Babbie 2010). Moreover, the opportunity of probing for more complete answers results in a more insightful study. Finally, it is important to refer that the goal of this research instrument is to explore the problem, not to derive a conclusion from it, and to acknowledge which issues are important to pursue in further analysis (Babbie 2010).

Within the context of the present study, this exploratory approach is useful at an early stage of the research for the purpose of breaking new ground and yielding new insights into the topic at hand (Babbie 2010). Furthermore, these exploratory interviews will enhance familiarization with the topics under analysis, which include the decision-making process in the purchase of sweet biscuits, consumers' brand awareness, attitude, image, and preference towards brand Y and the current dynamics of the business relationship between Company A and one of the main Portuguese retailers, Retailer 1. Even though previous literature explored these concepts in detail, which was outlined in the section above, the aim is to understand the phenomena when applied to the context of the brand under analysis, brand Y in the Portuguese market, and from the point of view of the actors embedded in the phenomena, i.e., the target audience of brand Y and retailers with whom Company A has a commercial relationship. Finally, these knowledgeable individuals will enable the collection of valuable insights about which aspects should be further analyzed in the study. Additionally, they will also enable access to internal data and, therefore, validate its pertinence to the research problem which aims at understanding

the customer journey, analyzing how to respond to private label competitor threat and create purchase intention for brand Y.

4.1.2. Phase 2 of Study: Semi-structured Interviews

On the second stage, **semi-structured interviews** were conducted. In semi-structured interviewing, both structured and unstructured styles are combined, i.e., a guide with predetermined questions/topics to be covered is used by the interviewer while unplanned questions can also be asked to follow up on what the interviewee says (Robson 2011). As such, this technique is used when the researcher aims to dive deep into a certain topic and get detailed information about it. According to Bernard (1988), **semi-structured interviews** main advantage is the fact that the interviewer can control the whole procedure to get the information needed and, at the same time, being able to follow new leads as they emerge.

The choice of this research technique was made based on several reasons. With its implementation, there is an opportunity of probing incomplete answers, which results in a more insightful study. Moreover, due to the fact that the research involves understanding consumers' attitudes, perceptions, and personal experiences (Babbie 2010, 287) regarding the brands under analysis, brand Y, and its main competitors, it is relevant to observe emotions and behaviors, and capture not only verbal, but also non-verbal cues, which cannot be observed in self-administered questionnaire surveys (Babbie 2010, 287). Finally, as these face-to-face interviews are completed at a convenient time with no distractions for the interviewee, the answers given are likely to be more insightful than the ones that result from self-administered questionnaire surveys, as it is possible to analyze the quality of the interview (if the respondent seems to be lying or does not feel comfortable to communicate about a certain topic, for example) (Babbie 2010).

4.2. Sampling

4.2.1. Interviewee selection for Exploratory interview with Target Audience

For the first phase of data collection, interviewees were selected based on convenience, meaning that accessibility and availability of the individuals was key. This is the most appropriate method to gather respondents in an accessible manner, with approachable members, in a fast and inexpensive manner (Stratton 2021).

For the research at hand, the participants need to be qualified respondents, the right individuals to collect data, instead of being statistically representative of the population. Therefore, for the first phase of interviews, i.e., exploratory interviews, ten participants were selected with the same characteristics of the target audience, chosen from the researchers personal and professional network. These individuals were selected by fulfilling pre-requisites, to guarantee that the researchers had these actors, that are embedded in the phenomena.

The selection criteria for the participants membership for the exploratory and semi-structured interview were:

- Live in Portugal for at least 3 years – enough knowledge of the Portuguese market
- Category user - eats cookies once every month
- Gen Z – brand Y ’s target market
- Plays games or belong to the gaming community – target market is highly involved with the gaming world

As the final aim of the project is to provide recommendations on how help solve the organizational challenge, in order to understand how to build purchase intention for the brand Y, insights were needed to be collected from individuals that are considered part of the target market of brand Y - both consumers and non-consumers of brand Y. Moreover, it was assumed that the target market defined by the company is correct. Consumers of brand Y enable a better

understanding of the decision-making process behind the purchase of the brand. Non-consumers of brand Y allow for a further analysis of the competitive landscape of the brand and to understand which competitor factors, amongst others, act as barriers for purchasing the brand under study.

The consumption criteria *once every month* was defined to choose participants as category users, under the assumption that it captures average users, not light nor heavy.

Finally, the individuals needed to know the Portuguese cookie market, therefore, *living in Portugal for at least 3 years* was defined as sufficient to obtain that knowledge. A detailed characterization of the respondents can be found in Appendix 18.

4.2.2. Exploratory interview with Retailer

For the retailer's interview, the method used was the Purposive selection technique, in which the interviewer relies on their judgment when choosing members of the population to participate in the study. This is effective when one needs to study a certain topic with participants that are information-rich, such as experts, providing in-depth and detailed information about the phenomenon being observed (Babbie 2010).

The quality of this interviewee can be validated by using an expert from one of the main retailers of the Portuguese market, Retailer 1, that is the closest market player to Company A. Therefore, the interviewed expert, which was the sweet biscuit category manager within the retailer, can provide significant insights about the sweet biscuit market and all its dynamics. The interview was around one hour and was conducted by two interviewers in a video call for quality control purposes (Babbie 2010).

4.2.3. Semi-structured interviews with target market

For this second phase, a referral selection technique was used, in which the already existing subjects provide referrals, recruiting new individuals of the same population who they might

know (Babbie 2010). This method is the most appropriate since it is simple and cost effective. Additionally, the same selection criterium of the first phase was applied for the second phase (semi-structured interviews). However, there was an increase in the number of individuals interviewed: eight brand Y consumers and seven brand Y non-consumers. The characterization of the semi-structured interviews respondents can be found in more detail in Appendix 19.

4.3. Data Analysis Approach

4.3.1 Inductive Thematic Analysis

The interviews for both the first and second phase of this research were audio-recorded, transcribed, and then analyzed using an inductive thematic approach. Thematic analysis refers to the process of analyzing data for which the researcher identifies themes within qualitative data. These themes were analyzed and interpreted to then be used to address the research problem. There are several advantages to this data analysis method: its flexibility, easiness to learn and do, accessibility to researchers with little experience of qualitative research, accessibility of results, usefulness in summarizing key themes of a large body of raw data, highlighting similarities and differences within the dataset, and generating unanticipated insights (Braun and Clarke 2006).

A six-step guide for doing thematic analysis was followed (Braun and Clarke 2006):

1. Become familiar with the data – this was done by analyzing the audio files, transcribing them, reading them and re-reading to generate initial codes.
2. Generate initial codes – the goal of this step is to derive meaning from collected data by organizing it in a meaningful and systematic way. This was done through open coding which allowed for the initial classification and labelling of codes (Babbie). These codes were developed and modified throughout the data analysis process as there were no pre-set codes.

3. Search for themes – a theme is a pattern that captures something significant or interesting about the collected data. This was where codes were collated into potential themes and further data that was relevant to each theme was collected and color-coded.
4. Review themes – this is where the initial identified themes were reviewed, modified, and developed. The data associated with each theme was re-analyzed and its relevance for the theme was verified. Additionally, the researchers made sure the themes worked in the context of the entire dataset and were coherent.
5. Define themes – here is where the themes were refined and the 'essence' of what each theme was about identified. In the final stages of the data analysis process, the specific identity of each theme and their relevance was verified.
6. Write-up – the 6th and final step is where the results of the research are outlined and discussed. This will be done in detail in section 5.

The thematic tables built for each of the interviews can be found in Appendix 20, 21 and 22.

4.4. Main Methodology Limitations

Qualitative research also has some limitations. Firstly, ambiguity can be identified in interviews since it is implicit in human language, depending on the interpretation of the researcher and interviewee. However, the main limitation of this type of research is that the findings cannot be extended to a wider population since findings are not tested to understand if they are statistically significant or not (Atieno 2009). Moreover, some respondents' answers in both phases of interviews may contain bias due to social desirability, given that the underlying questions relate to unhealthy habits, which may be a sensitive topic for some interviewees.

As for the data analysis limitations, the thematic technique enables a variety of analytic options, due to its flexibility, leading to a large range of possible broad opinions about the data. Thus, this can make it difficult for the researcher to decide what are the subjects of the data to focus

on. Moreover, if thematic analysis is not applied within a theoretical framework that retains the analytical claims that are made, it has limited interpretative power. This data analysis approach also does not enable the retention of a sense of continuity and contradiction through one individual account, which could reveal important information. Additionally, on contrary to other similar methods, thematic analysis does not allow the researcher to make claims about the language used nor the fine-grained functionality of talk. (Braun and Clarke 2006).

Sampling techniques also have limitations. As for the *referral* selection technique, the representativeness is not guaranteed, there may be some bias in the group of respondents, and findings cannot be generalized (Cohen and Arieli 2011). To overcome the first three limitations (qualitative research, data analysis and sampling techniques limitations), as referred previously pre-selection questions were asked in the beginning of the interview. The final limitation will be overcome by asking for more than two referrals (each individual in first stage will be asked for 2 referrals), guaranteeing that at least one person will cooperate.

In the *purposive* selection technique, some errors in judgement by researcher could possibly lead to frame bias of the participants, and possibility of gathering unreliable information from experts (Oppong 2013). To overcome these limitations, an individual with high level of expertise in the retail field, more specifically in the sweet biscuits' category was selected, a practitioner responsible for the cookie category in one of the main retailers in Portugal someone with required expertise and knowledge.

The *convenience* sampling technique may lead to high degree of bias and, possibility of under or over-representation of the population (Alison Galloway 2005). To overcome these limitations, pre-selection questions will be asked in the beginning of the interviews to decrease bias. Other important limitations of the research include the fact that both phases of interviews were conducted online, which may hinder the researchers from observing meaningful non-verbal cues relevant for a better understanding of the respondents' behaviors.

Furthermore, the existence of time constraints hindered the researchers from conducting interviews prevented access to a greater number of retailers within the Portuguese market, which would have provided further understanding of the relationship dynamics between the retail channel's partners. Finally, due to the COVID-19 constraints, it was not possible to perform physical observations of respondents' decision-making process in the purchase of sweet biscuits in retail settings, which may lead to some bias in the answers of interviewees regarding their actual behavior in the POP.

4.5. Methodology Conclusion

The approach to this study was based on two phases of research, carried out through qualitative research interviewing, given its suitability for a thorough understanding of interviewees' points of view (Fawcett et al. 2014). The first phase of exploratory in-depth interviews was conducted with 10 consumers and non-consumers of brand Y from the target audience and 1 expert of the sweet biscuit category from one of the main Portuguese retailers. These allowed for a considerable degree of freedom of interviewees and from this, emerged insights that then came to guide a second phase of interviews to test them against a new set of 15 consumers and non-consumers (target market) of brand Y. Respondents for both phases were chosen based on convenience and referrals. In sum, these two steps were paramount in the qualitative approach that guided the research since it is concerned about the "why", to collect data supplied by interviewees and identify important themes, which could then be further explored in phase two, aiming at collecting insights to support the most adequate recommendations.

5. Main Findings and Discussion

The results gathered from primary research will be discussed below. The themes were divided according to the stages of the customer journey with an additional theme pertaining to the target audience's digital presence. Being able to map the target audience's customer journey enables

the identification of the main touchpoints and the identifications of lapses that can be improved or changed by the brand and, consequently, identify how the brand can increase purchase intention.

5.1. Pre-purchase stage of the customer journey

5.1.1. Brand Awareness Findings

Brand awareness refers to the customer's ability to identify the brand in enough detail to lead to a purchase. This can be done through either brand recall, brand recognition or both. Regarding brand recall, brand Y was top of mind brand for a few of the interviewees, meaning that top of mind awareness was low. However, for low involvement products, recognition at POP is the main brand awareness objective (Rossiter and Percy 1992) and all of the interviewees recognized brand Y when shown the brand document (Appendix 23). Additionally, more than half of the respondents highlighted brand Y's quality which aligns with Malik's et al. (2013) insights on the effect of greater brand awareness in superior evaluation of product quality. However, unlike Malik's et al. (2013) research which suggests that higher brand awareness leads to a higher market share, secondary data collected for this purpose indicate that brand Y's market share has been low and stagnant, in fact, that is the major concern for the brand. In most cases, price was the main barrier for purchase and no respondent mentioned the product's taste or quality as a reason for not consuming. However, it is important to note that most interviewees had an inaccurate perception of price (valuing it higher than it is), and when made aware of the accurate price, some suggested that they would consider purchasing it.

Moreover, regarding the role of sales promotions on building brand awareness (Huang and Sarigollu 2012), some interviewees suggested that they focus on products with sales promotion tags in the supermarket – overlooking every other product in the corridor. Additionally, sales

promotion was mentioned several times as a main factor affecting the target audience's purchase decision, with several saying that if a product is under promotion, they are much more likely to purchase it.

5.1.2. Brand Image Findings

As defined in the literature review, brand image is how the brand is perceived by consumers and it can be explored through mental associations in consumers' memories. In the present research, a free association exercise was given to the interviewees, departing from general considerations and progressively moving towards specific considerations, so that results would not be biased (Keller, 1997). In that sense, interviewees were asked to state the first thing that came to mind when they thought about brand Y, and the results are graphically organized in Appendix 24 (free association map). The most frequent associations were to the cookie itself, its packaging and its peculiar elements (further explained by the brand's name presence), and its brand ambassador.

With regards to usage imagery (i.e., in which types of situations the product is consumed), most consumers associated eating brand Y to moments of comfort and pleasure, and described situations at home, taking place mainly during the afternoon and evening. Watching movies/TV and playing videogames were the most frequently stated (more than a half of consumers interviewed in phase two made such association). Low-frequency consumers associated the brand to friend gatherings, which can be explained by a higher possibility to encounter the brand and consume it, without them being the ones purchasing it. In addition, one outlier stated that he associated the brand to breakfast time.

Concerning unique associations, more than half of interviewees were able to identify unique differences of the brand by comparing it with competitors. Most of them described product-related attributes by stating that brand Y cookies are tastier, crunchier, and have superior quality

when compared to alternatives (mostly PLBs). One of the interviewees stated that "When you eat it, you know it is brand Y, it is different in quality from all other brands". However, confirming what was presented in the situational analysis with regards to PLB as quality providers of goods and their increasing market share (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks, 2021), a considerable number of interviewees clearly argued that brand Y could not effectively differentiate from competitors, especially when compared to PLB "copy-cats". These interviewees explained that the taste is not that different to the point of standing out from PLB offerings. One of the interviewees inserted in this group, stated the following: "There are already several brands that make this type of cookie, I do not consider it to have anything that unique. The flavor is not so much better that it is irreplaceable." In addition, many interviewees could not assign a unique difference to the brand given that they roughly referred to the packaging or the brand's name but without being able to explain it further.

5.1.2.1. Benefits Findings

As mentioned in the literature review, *Benefits* are what consumers believe the product can offer them, which is reflected in the value consumers assign to the product. *Benefits* can be divided into three sections: *Functional*, *Experiential* and *Symbolic* benefits. In the second phase of interviews, both functional and experiential benefits were explored, through the presentation of a document which included several brands and products (Appendix 23). This document included the main competitors and brands referred by the target audience in phase one, where consumers were asked to associate three brands to each of the following categories: healthier, tastier, better quality, better quality/price relationship, better quantity/price relationship and lastly, more fulfilling. The latter category is related to functional benefits and the remaining refer to the experiential benefits.

After conducting this research, it was concluded that brand Y was not referred as being healthy by any of the participants, which does not comply with the recent trend of consumers being more health conscious nor with them having an increasing demand for natural products, a trend that was reinforced by COVID-19 crisis, according with Euromonitor (2021), as referred in the situational analysis. Additionally, brand Y was not mentioned as a product with the best "quantity/price" relationship, thus it can be concluded that consumers think other brands have a better price for their quantity in comparison to brand Y. The brand was referred as "tastier" by some of the participants, being "more fulfilling" and having a good "quality/price relationship" by few and of "better quality" by almost half of individuals.

Therefore, in comparison with main brands of sweet biscuits and direct competitors, brand Y is perceived positively especially in terms of quality. Overall brand Y is seen as a quality brand, referred by almost half of participants as the highest quality brand, alongside Competitor 5, Competitor 3 and Competitor 6.

However, it is to note that this research has some limitations since these answers may have a degree of bias caused by the order in which brands were placed in the document and number of products selected to be contemplated in the document.

5.1.3 Brand Attitude Findings

According to Rossiter, Larry and Percy (1992), a positive brand attitude for low-involvement products can be built through the implementation of transformational strategies, which rely on specific advertising tactics. One of the strategies is the correct emotional portrayal of the motivation, which for brand Y is positively originated. The tactics underlying this strategy include that the target audience must like the advertisement and that the emotional authenticity is the key element and single benefit.

Brand Y most recent advertisement is aligned with the current target the brand aims to achieve. In the interviews conducted in the second phase of the research with consumers and non-consumers from the target audience, the opinions regarding the brand's advertisement were quite diverse, with only a few interviewees stating that they like the ad. These individuals characterized the ad as "cool", somewhat interesting, exciting, and relatable. Moreover, while some of them referred the ad made them feel nostalgia and joy, the majority did not feel any emotional impact when watching the ad. On the other hand, the great majority of interviewees either did not like the ad or thought it was just acceptable. The dominant opinion was that the ad was "cringe" and that the brand is trying "too hard" to enter into the target's world. Further, they do not understand the overall purpose of the ad and think it is "a bit all over the place". Finally, these interviewees associate the ad with feelings of confusion, annoyance, anxiety, and secondhand embarrassment.

5.1.4. Brand Preference Findings

Brand preference refers to when consumers prefer a particular brand over competitors within a particular product category (Li, Hua and Zhu 2021). In the interviews conducted for the purpose of this research, interviewees mentioned preference for brands such as Competitor 6 and Competitor 3. Nonetheless, brand Y was the most mentioned brand when respondents identified their preferred brand and approximately half of the interviewees mentioned that they would prefer brand Y to any other brand offering a product of the same type (chocolate chip cookies). However, it is important to note that this preference was sometimes fickle with a few consumers mentioning that while they would buy the product when under sales promotion, in other circumstances they would consider cheaper alternatives.

5.1.5. Low Involvement Decision-Making Process Findings

As stated in the literature review, impulse buying refers to purchases purely on the basis of impulse, leading to the acquisition of non-usual products (Stern 1962). Thus, two types of pure impulse buying can be considered: reminder impulse buying, when consumer recall needed items while in-store; and planned impulse buying, when consumers shop for price discounts (Stern 1962).

In the first phase of interviews, four buying models were identified: in the first, the consumer has no previous intention to buy cookies and ends up buying it in the moment the product is seen in the shelf, i.e., by impulse; in the second, the consumer has a brand and specific product in mind and does not consider other options; in the third, the consumer the desired type of sweet cookies in mind and decides on which brand to buy in the moment, when looking at the shelf; and finally, in the fourth, the consumer recognizes the want to have a sweet biscuit but shows indifference in regards to the brand and type of cookie. The second model refers to planned buying without any type of impulse whilst the other models refer to pure impulse buying. In research design's second phase, it was possible to confirm that this is a phenomenon on the sweet biscuit market, as the majority of the interviewees addressed this type of impulse buying, aligning with Heilman, Nakamoto and Rao's (2002) insights. Moreover, regarding Stern (1962) thoughts, the difference between reminder impulse buying and planned impulse buying clearly exists, as some of these 'impulse buying' interviewees revealed the importance of sales promotions in the moment they are choosing the cookie brands. However, the majority of them let their impulse decide the desired product purchase rather than sales promotions, revealing that reminder impulse buying happens in a larger scale than the planned one.

5.2. Purchase stage of the customer journey

5.2.1. Online versus Offline purchasing decision Findings

For both phases of interviews, few interviewees did online purchases, contrary to the rising trend of online shopping (Ceylan, Ozkan and Mulazimogullari 2020) stated in the literature review. Regarding price sensitivity, from the poll of participants that do purchase online, few demonstrated to be less price sensitive when shopping online, while the majority of them demonstrated to have higher price sensitivity in comparison to in-store purchasing. Furthermore, the latter stated to go to the promotion section, thereby contradicting the literature review, in which it was stated that consumers had less price sensitivity in online purchasing (Andrews and Currim 2004).

However, it was concluded that, as stated by literature, that in online shopping environments, consumers go directly to the products they want (Andrews and Currim 2004), proving they indeed do less screening for products than in-store. Additionally, consumers demonstrated to shop online when they needed to purchase larger sizes of the product (sweet biscuits), therefore, confirming what was stated in the reviewed literature (Andrews and Currim 2004).

According to the primary research, it was identified that few people do online purchasing, contrary to the secondary research performed on the trend of online shopping. For this reason, this topic will not be further explored.

Concluding, consumer have less price sensitivity when purchasing in-store, do less product screening and prefer larger package sizes when doing online shopping. Although some consumers demonstrated interest in online shopping, most consumers prefer in-store shopping and do not see advantages in doing online shopping.

5.2.2. Factors influencing purchase decision

As mentioned in the situation analysis, Portuguese consumers are increasingly price sensitive (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021). As such, it is no surprise that both price and sales promotion were mentioned by almost all respondents as factors that influence the purchase decision. Additionally, almost half mentioned taste as the number one factor affecting their purchasing decision. Given that price and taste are of such importance, it is no surprise that price/quality relationship was also valued by respondents when deciding which product to buy.

Packaging, considered by Silayoi and Speece (2004) a distinguishing tool, was mentioned by a few respondents as an important factor. However, if the goal is to stand out from competition amongst crowded shelfs (Silayoi and Speece, 2004), interviewees have mixed opinions about brand Y's packaging. While some associate the packaging and its color to brand Y others suggested that the packaging is extremely similar to other brands in the shelf and can easily be overlooked.

Some consumers mentioned habit as one of the factors affecting the purchase decision, meaning that they buy their chosen product based on contextual cues and learned behavior. As mentioned previously, habit is one of the drivers of *behavioral loyalty* and *repurchasing behavior* (Liu-Thompkins and Tam 2013). Most consumers who stated habit as a factor affecting purchase decision, also indicated that they normally know exactly which brand they will buy before going to the store and that this brand is often repurchased.

In sum, price and taste, and other aspects associated, are the main factors affecting purchasing decision. This aligns with the previously mentioned price sensitivity of consumers (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021), however, it

also means that consumers are not willing to overlook taste and that price is not the sole determinant of purchase decision.

5.3. Post-purchase stage of the customer journey

5.3.1. Brand Loyalty Findings

As explained in the literature review, brand loyalty creation is a complex challenge for FMCG products, especially for low-involvement categories such as sweet cookies. In both the first phase and the second phase of research, it was possible to confirm that respondents do not show loyalty to a single brand. Multi-brand purchasing was verified with respondents, resulting in divided loyalty in the category (Rundle-Thiele, Russell-Bennett 2001). To further develop, respondents who consume brand Y showed some level of behavioral loyalty towards the brand by saying that they buy it relatively frequently, knowing the time interval with which they buy it, e.g., between every week to once every two months. However, these same respondents confirmed that they buy other brands frequently as well, with the most frequently mentioned being Competitor 3 or private label alternatives. With these findings, it was possible to confirm that consumers like private labels at the same time as they like manufacturer brands. I.e., one's purchasing behavior is not directed solely toward manufacturer's brands or retailer brands, but rather involves evaluating both brands at different occasions (Leingpibul, Broyles and Kohli 2013).

5.4. Digital Presence

As highlighted in the situation analysis and literature review, social media plays a central role in the lives of Generation Z. While Instagram and YouTube are the main platforms Gen Zers are currently using, their preferred social media platforms are Instagram and TikTok (Broner 2021). Moreover, one of the main Gen Z trends is the shift from e-commerce to social commerce, which is the practice of online shopping in social media platforms rather than e-

commerce platforms (Kastenholz 2021). Moreover, this generation is moving toward more intimate online destinations, especially gamming platforms that allow online interaction, such as Fortnite and Discord (Wilson 2021). Finally, Gen Z individuals often engage with content creators on social media (Kastenholz 2021) and, by participating in social media brand communities, they may acquire strong feelings regarding the brand (Coelho, Rita and Santos 2018).

5.4.1. Social Media and Gamming Communities Findings

From both phases of the research design, the majority of the interviewees stated that a great proportion of their online purchases are made through social media platforms, especially Instagram. They also said that this purchase behavior is mostly influenced by the ads that appear on Instagram stories and feed. These insights are aligned with Kastenholz (2021) thoughts about social commerce, however, the majority of the interviewees mentioned that they do not feel influenced to buy a certain product only because influencers are advertising it. Nonetheless, they value the opinion of the influencers they trust, especially if they advertise something related to their area of expertise.

As for the brand's Instagram account, none of the interviewees followed the brand on this social media. Further, the overall opinion about the feed was that, even though they think the posts are well designed, these are too colorful and that the content itself is too "childish" which, consequently, leads them to believe that the brand wants to target consumers different from the target audience. Furthermore, some interviewees have noted the posts' descriptions and commented that these are "cringe" and that the brand is "trying too hard to be cool".

Regarding the gaming world, the brand's ambassador was the most well-known person referred by the interviewees in both phases, which justifies the decision made by Company A to make him its brand ambassador (information gathered in a meeting conducted with Company A).

Furthermore, in the second phase interviews, the majority of the interviewees assumed that they usually follow gamers, not only on gaming platforms, but also on their social media, which aligns with Kastenholz (2021) thoughts about the engagement with content creators. Additionally, almost all the interviewees assumed to be part of a gaming community in digital platforms, such as Discord and Twitch, and in videogames, such as League Of Legends, Fortnite, Minecraft and FIFA, mainly to interact with other players and meet new people, which aligns with Wilson's (2021) findings regarding online interaction. Finally, as Company A directly informed in a meeting, its purpose is to build a community of brand Y consumers, to create in them a purpose to buy the brand whilst growing an emotional attachment with it. This strategy is somewhat aligned with what Coelho, Rita and Santos (2018) stated about social media brand communities, as Company A is trying to build a social media community through its ambassador, and through some digital platforms, leading to the emergence of a feeling of trust within consumers about brand Y (Company A meeting 2021).

5.5. Retail channel partners

As explored in the literature review, retailers work alongside national brands' manufacturers to provide consumers with a positive shopping experience, which, within the context of shopper marketing, involves the coordination of marketing efforts between both parties. These marketing efforts include the correct display of products in the shelves and in-store promotions (Zondag and Brink 2015).

5.5.1. Collaborative approach to CPG retail channel

The interview conducted with the Retailer 1 sweet biscuit category manager provided relevant insights on how these agreements are established between the retail channel's partners in Retailer 1 (a grocery retailer).

Regarding shelf placement decisions, Retailer 1 works closely with the category leaders, which is the case for Company A, and takes into account the value proposition each manufacturer

brings to its customers – the retailer's main focus. Moreover, they base their decisions on the manufacturer's market share and commercial strategies. For instance, if there is a positive change in a certain product's consumption, the supermarket evaluates the situation and adapts the shelf positioning, given that this growth is also beneficial for the supermarket itself. Furthermore, if a brand launches a new campaign that is well perceived by customers, Retailer 1 tries to match this trend by exposing the brand's products in shelf's prime position – middle level, or by increasing the presence of the brand in the category's aisle. However, brand Y does not have great bargaining power due to its poor performance and, therefore, its shelf-placement is negatively impacted.

Regarding the establishment of the products' price and promotion, Retailer 1 mentioned that the manufacturers usually send a proposal and then, it is up to the retailer to decide whether this is accepted or not and negotiates according to the desired conditions. In the case of Retailer 1, the retailer tries to match the manufacturer's proposal.

Finally, in a meeting conducted with Company A, the Company A affirmed that in-store marketing promotions agreements are included in the annual contracts with the retailers, which may suffer some adjustments throughout the year to increase visibility of certain products. More specifically, when new products are launched or when a new marketing campaign takes place, Company A usually has an exclusive space directed to POP displays within the supermarkets.

Retailer 1 also added some insights regarding the strategies used by its own private label. The supermarket chain has a specific team whose purpose is to develop new products that aim to respond to consumer needs by offering the best quality possible at a competitive price. Retailer 1 is aware that the competitive price is a very critical and essential part of its marketing strategy, as well as the sales promotions implemented; the latter takes place as a competitive response to other PLB, which they consider to be their main competitors, as well as to release stock and increase the sales of a certain product. As for the shelf-placement, their products' placement is

based on the same rules implemented in manufacturers' brands – on the basis of market performance.

5.5.2 Manufacturer brands vs Private Labels

According to literature review, the tactic moves implemented by manufacturers to counter the threat of private labels rely on a coopetition approach, where there is a balance between competition and cooperation (Kim, Kim and Pae 2013); or on a total competition or collaboration approach (Amrouche and Yan 2015), depending on their own benefits.

5.5.2.1 Coopetition Findings

As the sweet biscuits' category manager from Retailer 1 mentioned in a conducted interview, the retailer applies the 'Category Management Project', which allows the retailer to work closely with manufacturers in a factual basis (market share, sales and commercial strategies, etc). Therefore, manufacturers usually present a commercial proposal and Retailer 1 starts its evaluation based on the stated conditions and the benefits for both parties, assuming to always try to follow what manufacturers pretend to implement. This position reveals a certain level of collaboration in their relationship as market players. Additionally, as Company A directly provided, they address different strategic approaches for each of the retailers. However, although both retailers and manufacturers accept this collaborative approach, Company A is also committed in strengthening its competitive position in the market.

Also, according to the information directly provided by the company, they differentiate themselves from private labels through product innovation and advertising efforts. Regarding the latter, Company A is focusing its efforts on a specific target audience with the main purpose of building a community. Therefore, according to the insights from retailers and Company A, a coopetition approach is being held by both parties, aligning with Kim, Kim and Pae (2013) coopetition insights. Moreover, this is also in alignment with the insights Company A directly

provided, as they mentioned that there is certainly a high level of coopetition between Company A and retailers.

6. Main Conclusions and Overall Recommendations

The objective of this research to understand the customer journey to analyze how to effectively respond to private label competitor threat and build purchase intention for brand Y in the Portuguese sweet biscuit market led to the elaboration of a 2-phase research design with 1) exploratory interviews to a) 10 consumers and non-consumers within the target audience and to b) 1 retailer from a leading Portuguese supermarket, and with 2) semi-structured interviews to 15 consumers and non-consumers. The research aimed at understanding the ´why' behind concepts previously reviewed and when applied to the context of the current research. The data was analyzed using an inductive thematic approach, for which relevant themes and codes were identified, which led to the formulation of meaningful results.

The insights gathered allowed the researchers to better understand the customer journey within the given context and the target audience's digital presence. Additionally, it also enabled a greater understanding of the relationship dynamic between manufacturers and retailers. The results suggest that in a pre-purchase stage, regarding brand Y, consumers have high brand awareness, a positive brand image, and somewhat favorable brand attitude and their brand preference is fickle. At a purchase stage, as literature suggested, impulse buying is prevalent, with most consumers preferring to shop in-store. Additionally, there are two main factors affecting brand choice: price and taste. The former is a key barrier for the purchase of brand Y and although consumers recognize the brand's superior quality and taste, they claim that it is not worth the price difference and that the taste of private label products does not fall far behind. At a post-purchase stage, loyalty and habit are two of the key drivers for repurchasing behavior. Regarding relationship dynamics between manufacturers and retailers, there is a quite strong collaboration between both partners in terms of the agreements established regarding shelf-

placement, price and in-store promotions, especially when the manufacturers is market leader; Furthermore, there is a high level of coopetition between manufacturers and retailers as competing parties. Regarding digital presence, social media platforms revealed to have a great impact on Gen Z purchases, although digital influencers do not influence their purchase intention. Moreover, the overall opinion about brand Y social media is not the best, as respondents believe that the content is not appropriate for the current target audience. Finally, gamming communities are something relevant for this generation.

In sum, brand Y 's superior quality is not enough to create purchase intention and private labels are a clear threat. Additionally, its decrease in sales leads to a vicious cycle as the brand's poor performance affects its in-store visibility, which in turn affects its sales and acts as barrier for market share growth. This conclusion allowed for recommendations for brand Y to be developed to tackle the organizational challenge and, therefore, respond to private label threat and build purchase intention.

These recommendations will be developed based on additional literature and on the information gathered throughout this study. The topics of digital, traditional and POP marketing will be explored regarding their role as an antecedent of purchase intention and as a differentiation strategy following a "more for the money". Moreover, the role of product innovation will be evaluated as a tool to fight private label threat.

Additionally, the path to build competitive advantage for brand Y will be outlined, using a Focus Differentiation strategy to increase purchase intention and as a response to threat of private labels.

Finally, the concept of brand communities will be outlined as a tool to differentiate from competitors while contributing to brand loyalty and purchase intention creation.

- Research Question 1: How to reach the target audience's main touchpoints within the customer journey for the brand Y?

Answer: For low-involvement products, as has been said in the literature review and proven by the insights gathered, the purchase stage is of critical importance. However, it is not only at this stage that the brand should employ marketing tactics, in fact, the post purchase stage is just as important for brand Y to escalate brand awareness, enhance positive brand image, increase favorable brand attitudes, build brand preference and, lastly, create purchase intention. To do so, a multichannel communication campaign is recommended. This campaign's objective is to increase brand recognition at POP and increase favorable brand attitude. In doing so, brand Y will be able to enhance customer-base brand equity, brand preference and, consequently, purchase intention. Additionally, through this campaign and by extensively advertising, brand Y will be able to distance itself from private labels. Through the collection of valuable insights, it was also possible to gather that price perception for brand Y is wrong and overvalued, which is concerning due to consumers' price sensitivity. Therefore, it is recommended that the brand builds competitive advantage and added value to justify its higher price.

Additionally, since POP is a critical component, it is important to guarantee visibility. By launching a new communication campaign, retailers are more prone to increasing in-store visibility by enabling more and better shelf-placement and allowing for POP displays, which also serve as an attention-grabbing element. Moreover, by bringing new products to the Portuguese market, brand Y is also able to increase shelf-placement as retailers are, again, more prone to negotiate accordingly to the product's launch.

Brand Y can promote repurchasing behavior by not only extensively advertising but also by building competitive advantage that brings added value through building brand communities and strengthening brand purpose. In doing so, the brand is connecting with its consumer and

enhancing the creation of brand loyalty, which ultimately increases purchase intention and decreases the threat of private labels.

- Research Question 2: What is the target audience's level of brand awareness; why are the current brand image, brand attitude and brand preference formed for brand Y and how can these be used to create purchase intention?

Throughout the interviews conducted it was possible to conclude that the level of brand awareness for brand Y is quite high. However, it was also possible to gather that impulse buying behavior is prevalent, further highlighting the importance of brand recognition at POP. By creating high-quality advertisement in traditional, POP and digital marketing channels, that aims at enhancing this awareness, the brand can stimulate such impulse purchases. Additionally, this strategy can also aid on increasing favorable brand attitude by associating positive emotions to brand Y.

Effective high-quality advertisement also has two key outcomes – brand preference and brand purchase intention. By developing advertisement that not only is creative but also efficient in selling the brand's products, and, in addition, is liked by the target audience, brand Y will increase its likelihood in building brand preference – meaning consumer prefer the brand over competitors, and purchase intention – meaning consumers plan to purchase the product.

- Research Question 3: How can differentiation strategies for brand Y reduce the threat of private labels/increase its competitiveness towards private label threat?

In the literature review, six differentiation strategies implement by manufacturers to mitigate the threat of private labels were outline. However, for brand Y to reduce the threat of private labels, it should focus primarily on 1) "more for the money" and 2) "new and improved". In the first one, the company can distance itself from private labels through advertisement tactics using traditional, POP and digital channels. This strategy implies that the brand can provide

additional value by extensively advertising. In the second one, the Company A achieves the distance through product innovation, by consistently offering new products that private labels cannot produce. The other four strategies cannot be applied since it would require a change in the brand's current positioning. However, building brand communities and strengthening brand purpose serves as a differencing strategy for the brand to distance itself from competitors.

- Research Question 4: How is the current relationship between Portuguese biggest retailers and Company A and its subsequent effect on sales?

The insights gathered in the meeting with Retailer 1 representative suggest that Company A and the retailer work towards an efficient collaboration in the channel regarding shelf-placement, price, in-store promotion, and POP displays. Shelf-placement agreements are established based on the manufacturers market share and value proposition to consumers. As such, the bargaining power of brand Y regarding this matter is moderately low due to its performance that falls behind what would be desired. As for the price and in-store promotion, the partners negotiate an agreement that benefits both and try to collaborate as much as possible. Finally, when new products are launched or when a new marketing campaign takes place, Company A usually has an exclusive space to POP displays within the supermarkets.

- Research Question 5: To what extent do consumers perceive themselves as loyal to sweet biscuit brands and which factors can contribute to an increase or creation of loyalty of such a low-involvement product?

Overall, the insights gathered in primary research vacancies are concurrent with the findings from secondary research, consumers are not loyal to the product category nor to any specific brand. Consumers have a low-involvement in the product category, as they cannot identify major differences in terms of product quality when comparing manufacturer brands to PLB, hence engaging in multi-brand purchasing. Therefore, manufacturer brands must acknowledge

that the differentiator factor of the brand is most likely not quality, and hence pursue other paths to effectively set themselves apart from competitors and, ultimately, increase brand loyalty. According to literature, one possible way to increase loyalty is investing in (social media) brand communities given that consumers who engage in interactions with the brand via this medium may acquire a positive attitude towards it (attitudinal loyalty) while increasing repeat purchase intention (behavioral loyalty). However, to do it effectively, brands need to recognize that social media has empowered consumers and their opinions, and that in order for brands to maneuver it successfully without being invasive or inauthentic, they must be ready to hand over some power to their audiences. Understanding how to inspire a brand community is critical for brands.

The present study does not focus on presenting a P&L statement, which is recognized as a *limitation*. Not presenting this aspect makes it difficult to assess the feasibility of the recommendation sections. The researchers were mainly constrained by time and lack of access to data, since Company A did not share information related to the brand's marketing budget due to confidentiality issues.

However, the study still holds its value since it ensured high quality of its respondents. It focused on a theory-based approach that sought to be comprehensive in constructing a methodology of an entirely qualitative study, to get at the "why" by interviewing the brand's target audience. Explorative and semi-structured interviews were administered to knowledgeable individuals that are highly embedded in the phenomena. Furthermore, it allowed room to effectively probe interviewees' responses.

Concluding, the answers to the research questions that guided the present research aid the brand at tackling the organizational challenge presented at the beginning of this report – tackling the stagnation of the market share of brand Y and the threat of its main competitors in the

Portuguese sweet biscuit market through improved traditional, POP and digital marketing efforts, product innovation, building competitive advantage and brand community building.

Abstract: This research aims to understand the customer journey to analyze how to effectively respond to private label competitor threat and build purchase intention for brand Y in the Portuguese sweet biscuit market. A throughout analysis of the brand's current situation and past relevant literature allowed for the elaboration of a 2-phase qualitative research design with 27 respondents. The insights revealed that superior quality is not enough to create purchase intention and tackle private label threat, however, through product innovation the brand can build purchase intention and reduce the threat of private labels following a line extension strategy.

Keywords: Marketing Plan, Customer Journey, Purchase Intention, Manufacturer Brands, Private Labels, Low-Involvement Products, Innovation

7.3.1 Introduction

This section will explore the role of product innovation on the purchase stage of the customer journey and in countering the threat of private labels. The literature review of the main study suggested that product proliferation and innovation have an important role in increasing the distance between manufacturers and private labels, as a differentiation strategy (Hoch 1996). Therefore, given that product innovation is Company A's current differentiation strategy to respond to private label threat (Company A Meeting 2021), and given the lack of product innovation in the past years from brand Y, the differentiation strategy choice lies on improving this tactical move to face the current organizational challenge. That is, following the implementation of this strategic approach, brand Y's line would be extended, increasing its brand equity and its Point-Of-Purchase (POP) visibility in the purchase stage of the customer journey, leading to a growth in sales and, consequently, to the mitigation of this threat, which will be explored in detail in the following subsections. In this sense, among all the differentiation strategies studied

before, product innovation emerges as a solution to the research problem presented and some recommendations will be furthered developed for Company A to implement.

7.3.2 Relevant Background

7.3.2.1. The role of innovation in brand equity

Brand Equity can be considered as the added value that a certain brand generates from a product, which can be evaluated from three different perspectives: the firm, the trade, or the customer (Farquhar 1989). Regarding firm's perspective, the added value comes from the incremental cash flows (resulted from premium pricing or a decrease in promotional expenses) that derive from the connection between the brand and the product (Farquhar 1989). Regarding trade's perspective, the added value comes from a wider distribution and easier acceptance (Farquhar 1989). And finally, regarding the major focus of this research, the customer's perspective, the added value comes from the value that consumers derive from the brand (Farquhar 1989). Therefore, brand equity has an important role in strengthening the position of a company, as it helps increase brand awareness, brand associations and perceived value and, also, helps building strong relationships with consumers through the promotion of brand loyalty (Forbes 2021). Although sales promotion can somewhat be effective in building brand equity (Keller 1998; Aaker 1996), product innovation can have a greater effect (Quelch and Harding 1996).

According to Sorescu and Spanjol (2008), product innovation consists in offering novel products to consumers that provide remarkable consumer satisfaction in the market. According to what the main study suggested, consistent product improvements give consumers a sense of superior quality, invoking its willingness to pay the additional price

for premium products (Quelch and Harding 1996). Therefore, brand equity is largely sustained and strengthened by the introduction of new innovations, especially in the consumer-packaged goods industry (Sorescu and Spanjol 2008). In fact, consistently launching new products in the market, leaves competitors in a vulnerable position, especially private labels, as they need to imitate the products frequently and it might act as a barrier for market growth (Martos-Partal 2012). Moreover, product innovation increases the perceived quality of a brand and, consequently, the quality gap between manufacturers and retailers has a greater impact on the market share of private labels (Hoch and Banerji 1993). Thus, product innovation reveals to be a strong weapon for companies to counter the threat of private labels and increase their distance from them (as suggested in literature review in the main study). According to Quelch and Harding (1996), innovation is not effective when the market is driven by price. However, although the Sweet Biscuit market is very price-sensitive, this is not the only driver affecting the consumer purchase behaviour. According to the insights gathered from the interviews conducted, taste and quality are also two main category drivers that affect the respondents' behaviour, as most of them stated that they would not buy a cheaper cookie brand if it does not have good taste and a certain level of quality.

7.3.2.2 The effectiveness of product innovation in POP visibility

As the literature review of the main study suggested, shelf placement is one of the elements negotiated between retailers and manufacturers for in-store collaborative agreements (Zondag and Brink 2015). Moreover, according to Martos-Partal (2012) and Quelch and Harding (1996), product innovation allows the manufacturers to gain visibility in retailers' shelves. This was also confirmed by the sweet biscuit category

manager from Retailer 1 that stated when a brand launches a new product, especially when there is advertising associated, the shelf-placement is much more prevalent, and all the brand's line gains more POP visibility. The reason behind this is that product innovation and advertising attract more consumers to the distribution channels. Consequently, retailers respond to consumer preferences and behaviours as, otherwise, they would lose consumers to competitors. According to the information provided in a Company A meeting, the company also mentioned that, regarding brand Y, they usually have exclusive brand exposure in the distribution channels (through displays and product islands, for example), when there are special campaigns or innovations that justify those alignments. Therefore, product innovation provides a greater brand presence in retailers' shelves, which leads to stronger brand visibility and, consequently, to the incremental increase of sales volume (Martos-Partal 2012).

7.3.2.3 Product innovation strategies within the market

According to McKinsey (2020), there are four ways to innovate in the product portfolio:

1. Line Extension: happens when the brand extends an existing product or positioning with similar benefits through new packs, formats, flavours, or sizes. It is a low-risk movement in which the brand's value proposition is renewed by adding new product options.

2. Expansion: refers to the expansion of the brand in terms of new product launches in current categories that give consumers new or additional benefits in a different and more efficient way. It is a moderate investment that allows the creation of competitive advantage through meaningful product differentiation.

3. Disruptive: happens when there is a product's release in a new category, new consumers or occasions, or unserved consumer needs. This strategy is the one that evolves the largest investment but is also the one with the greatest growth potential, as it enters in a completely new space in the market.

4. Renovation: refers to the immediate renovation of the brand's positioning, product, or packaging to deliver upgraded benefits. The investment cost varies between low and moderate and the purpose of this strategy is similar to the first one, improving the current value proposition of the brand.

7.3.3 Current Innovation Strategy and Critical Analysis

According to Company A (2021), the main differentiation strategy for brand Y to counter the threat of Private Labels in Portugal is through product innovation. Therefore, it is crucial to analyse in detail how the company has been performing in this field to build consistent recommendations. Company A has not made great efforts in launching new and innovative products for Brand Y. In the past six years, Company A only launched one new product in 2015, which was recalled from the market a few months later due to poor performance (Company A meeting 2021). After this release, the only innovative product that emerged in the market was product 1, in 2017, with the entrance of a new retailer in the Portuguese market. However, this was not a planned innovative launch in the Portuguese market, given that it just happened due to the entry of this retailer. Indeed, product 1 is the only current format from the whole brand Y line in Portugal that presents positive sales growth (Company A meeting 2021). Unlike the other formats, for which sales have been significantly decreasing from 2016, product 1 presented a growth of 50.2% in value sales since the entrance of the new retailer in the market, in 2017

(Company A meeting 2021). In the past six years, Company A only released one planned one innovative product, that demonstrated to not be effective, as it was recalled, and, "launched" product 1 in the Portuguese market. However, the latter was not a planned release and demonstrated to be a positive consequence of the entry of the new retailer. Thus, Company A failed to efficiently innovate brand Y's line in the Portuguese market.

Moreover, as mentioned earlier in the 'Situation Analysis', in Portugal, there is no significant flexibility in implementing strategies for brand Y given that the overall strategy comes from Company A Switzerland following a differentiated approach (Company A meeting 2021). However, Company A stated that there is a Marketing department in each country that defines local marketing strategies and, therefore, there is some flexibility in defining decisions about brand Y line in each country. However, although there is some flexibility regarding marketing efforts, the fact that most of the strategic decisions need to be aligned in both countries can prove to be a clear limitation for Company A Portugal to implement innovative strategies. Regarding the characteristics of both markets, although they are somewhat similar, there are some differences that might reveal to be important for the brand. Within sweet biscuit market, the threat of private labels is a bit higher in Portugal (almost 50% of private labels' market share) than in Switzerland (around 15% of private labels' market share); however, the total number of brands is similar in both countries (Euromonitor: Sweet Biscuits, Snack Bars and Fruit Snacks in Switzerland 2021; Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021). Although each market represents its own characteristics, given that Company A has been following a differentiated approach with the same overall strategy for brand Y, it is possible to analyse the success of both countries through a similar lens. When analysing all the marketing efforts in both countries, especially regarding product innovation, Company A Switzerland demonstrates additional efforts when compared with

Company A Portugal. However, although there is some clear distinction, the overall effectiveness reveals to fall short of what is intended in both countries. Brand Y represents a market share of 3.83% in the Portuguese market and an even worse result in the Swiss market with a market share of 0.425%, in 2021 (Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Switzerland 2021; Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal 2021). Therefore, brand Y is underperforming and it might be justified by the poor efforts in implementing innovation strategies, especially in the Portuguese market. Moreover, given that the threat of private labels in Portugal is substantially higher than in Switzerland, although it is recommended for both countries, the implementation of these strategies is extremely relevant in the Portuguese market, as they are one of the main boosters to increase sales and, consequently, market share (as mentioned earlier in 'Relevant Background').

7.3.4 Recommendations

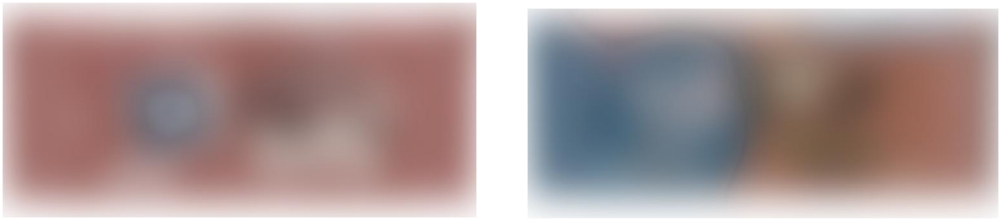
Two main recommendations to innovate brand Y will be built regarding an extension of the current brand line, through (1) new flavours and (2) new formats, as it is the lowest risk-move and what fits best with the current market needs. These recommendations do not refer to pure innovation in terms of creating a completely new flavour or format that does not exist in the brand's line. Instead, all the innovative products suggested to launch in the Portuguese market are products already produced in the world for brand Y, which is managed by Company B, a subsidiary of Company A. However, although it does not involve extensive R&D investment, it is still innovation within the Portuguese market. Once again, although markets cannot be comparable, the choice for this strategy in specific is due to its large product extension of brand Y and because the brand is one of

the leaders in the category. Additionally, it is more cost-effective bringing new flavours and formats that are already produced in other markets. Finally, through the insights collected from the interviews, one can conclude that cookie consumers love to experiment new flavours and product launches, and in such a low involvement market this happens more frequently. The following subsections will detail two main recommendations: 1) the emergence of new flavours in the brand's current product line and 2) the response to the health trend through brand Y thins.

1. The emergence of new flavours in the brand's current product line

One of the most common ways to innovate a brand and extend its portfolio is through the offer of new flavours and tastes, which should be aligned with the quality standards that the brand is used to provide to consumers. In this sense, a new line for brand Y should be implemented, with a different texture, so that consumers can experience a new product concept. Moreover, this line can provide partnerships with relevant brands, from the its category, and from other competitors within the market. Company A has the flexibility to study what are the best products to implement in the market, nonetheless, Figure X highlights two suggestions that reveal to be trendier flavours which are inexistant in the current Portuguese sweet biscuit market. One of them may become a win-win situation as brand R entered the Portuguese market recently and this partnership might bring consumers from the chocolate market to the sweet biscuit market and, vice-versa.

Fig.1 – Brand Y new lines



Source: Brand Y website (2021)

2. The response to the health trend through Brand Y Thins

In both developed and emerging countries, consumers have been changing their food diets for products that are both healthier and better-tasting, and they are open to pay more for reduced-guilt snacks that are also tasty (Euromonitor 2016). In fact, after the COVID-19 pandemic, consumers are much more concerned with their health and well-being (HW) in Portugal (Euromonitor – Health and Wellness in Portugal 2021). This is also confirmed by the increase of 72.2 million euros in sales from 2015 to 2020 in HW Sweet Biscuit category (Euromonitor – Health and Wellness in Portugal 2021). Additionally, based on the insights collected from a meeting with Company A and category user interviews, consumers are not so receptive to eat reduced fat/sugar cookies as they perceive it to be less quality in such an indulgence category. As a response to this HW trend, brand Y Thins and Competitor 3 Thins already emerged in this market by expanding the current business to this category, as the chief growth officer of Company A stated (2018). Since HW represents a current trend in the Portuguese market, brand Y Thins may prove to be a good option for a line extension. This product might represent a good option to serve consumers that are aware of HW issues and do not want to feel guilty about calory intake, given that four of these cookies are almost 100 calories less than the normal ones (Company A website 2021). Moreover, these cookies also offer a different experience to the current consumers as they are crunchier.

Fig. 2 – Brand Y Thins

Source: Company A website (2021)

7.3.5 Conclusion

This section explored the role of product innovation on the purchase stage of the customer journey and in countering the threat of private labels, relevant to boost brand Y's sales, and, consequently, the brand's market share. Throughout this section, the researcher used a theoretical approach to understand the role of innovation, its impact in brand equity, and its positive impact in a company. Subsequently, through the theoretical insights gathered, it was possible to analyse the current innovation strategy for brand Y and build a critical analysis about how Company A has been performing regarding this innovative approach.

Finally, after the analysis of Company A's performance regarding brand Y, two recommendations were defined to cover the current lack of product innovation. The major limitation for this section was the barrier to perform a benchmarking analysis with other successful brands as it would require extensive research of the market, consumers, and the brands themselves. Therefore, the first recommendation lies on bringing new flavours to the market and the second one lies on bringing a new line that comes as a response to the HW's trend. In this sense, the organizational challenge can be addressed, given that these recommendations will work as strong pillars to increase POP visibility and strengthen brand Y equity, so that brand sales can escalate and its share in the market can be risen.

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Appendix list

Appendix 1 – Brand Y line 1
Appendix 2 – SWOT analysis 1
Appendix 3 – Competitor 4 first comparison 1
Appendix 4 – Competitor 4 second comparison 2
Appendix 5 – Competitor 4 third comparison 2
Appendix 6 – Competitor 5 first comparison 2
Appendix 7 – Competitor 5 second comparison 2
Appendix 8 – Competitor 5 third comparison 3
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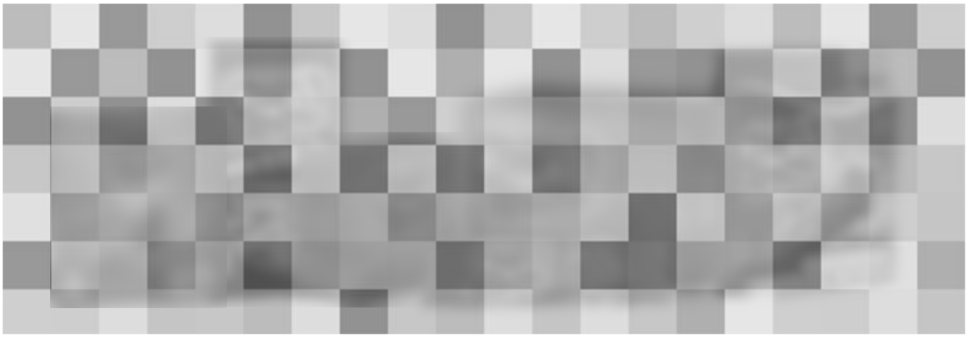
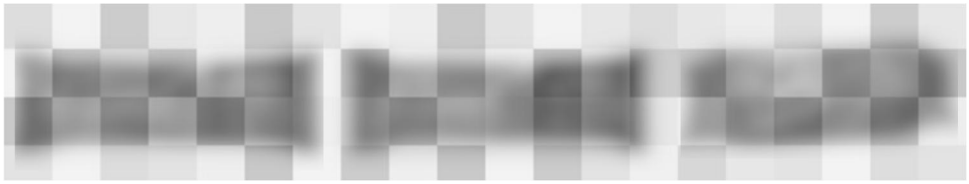


Source: Company A meeting (2021)

Appendix 2 – SWOT analysis

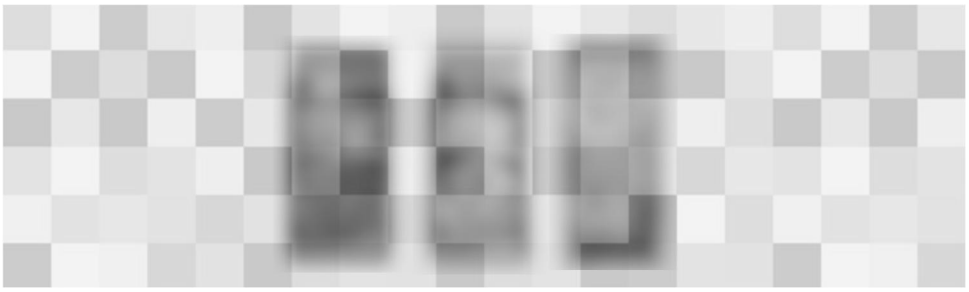
Strengths	Weaknesses	Opportunities	Threats
– Brand elements – Company A linked strong and established parent company – Well defined target audience	– Cannibalization – Weak digital presence – Gaps in product range – Lack of product innovation – Lack of competitive Advantage	– Snacking Adjacency – Potential to expand marketing efforts through digital platforms – Health and Wellness trend which enables product development offering healthier alternatives – Gen Z demand for purposeful brands leads to an opportunity to strengthen/build purpose	– Health and Wellness trend can turn off consumers, making a shift to healthier alternatives – Growing demand for Private Labels – Preference for local brands – Increasing price sensitivity – Growing strength of local distributors – Product imitation from other brands

Appendix 3 – Competitor 4 first comparison



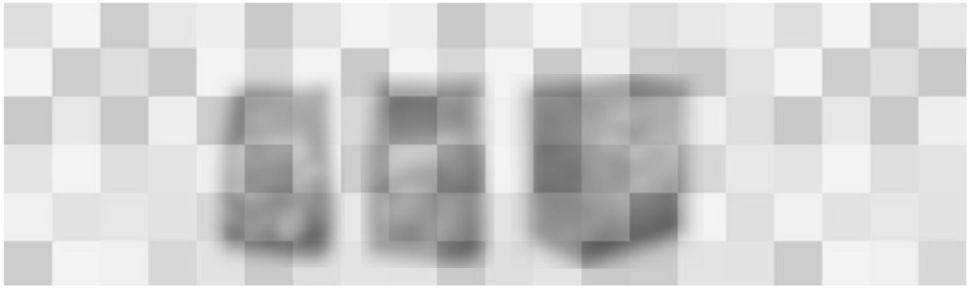
Source: Continente website (2021)

Appendix 4 – Competitor 4 second comparison



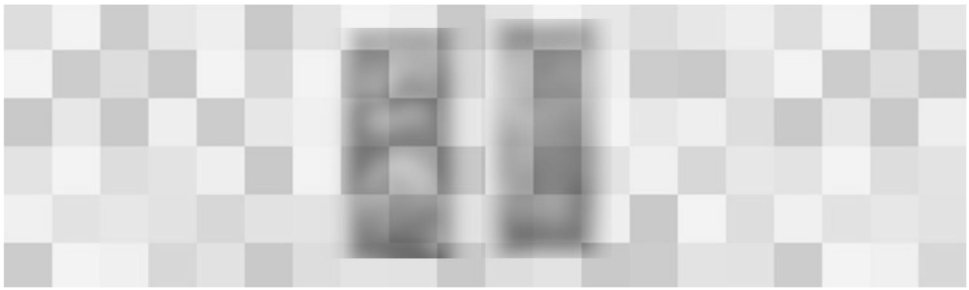
Source: Continente website (2021)

Appendix 5 – Competitor 4 third comparison



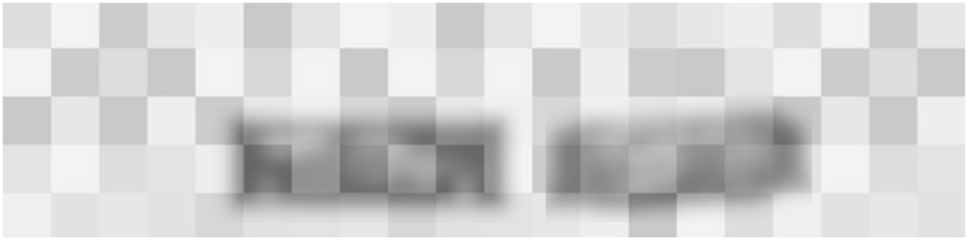
Source: Continente website (2021)

Appendix 6 – Competitor 5 first comparison



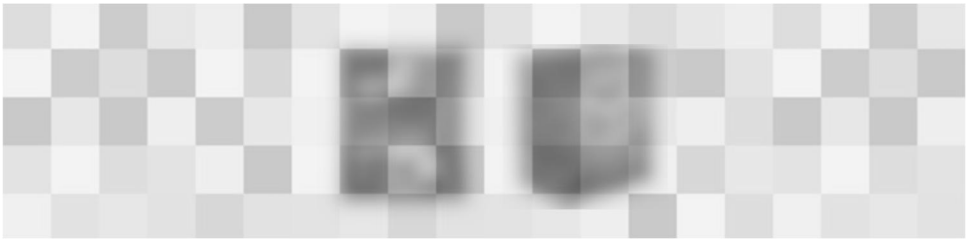
Source: Continente website (2021)

Appendix 7 – Competitor 5 second comparison



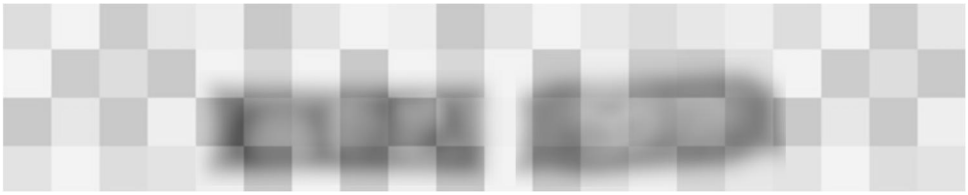
Source: Continente website (2021)

Appendix 8 – Competitor 5 third comparison



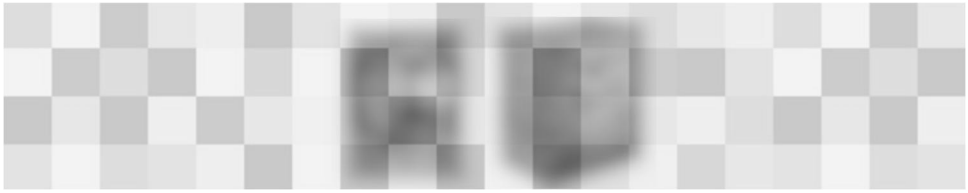
Source: Continente website (2021)

Appendix 9 – Continente first comparison



Source: Continente website (2021)

Appendix 10 – Continente second comparison



Source: Continente website (2021)

Appendix 11 - % Share in volume and value of each sub-category of the Sweet Biscuits, Snack Bars & Fruits Snacks market

Source: Euromonitor – Sweet Biscuits, Snack Bars and Fruit Snacks in Portugal (2021)

Appendix 12 - Matching Marketing Mix with Brand Preference Strategies Summary

Need association	
Product	Frequently purchased, routinely used
Pricing	Relatively small ticket, competitively priced
Distribution	Extensive, easily available, conventional outlets
Promotion	Short-message, saturation, highly repetitive
Life cycle	Early stages, typically to create awareness
Mood association	
Product	Frequently purchased, routinely used
Pricing	Relatively small ticket
Distribution	Easily available, conventional outlets
Promotion	Affect-laden, vivid media, highly consistent, repetitive
Life cycle	Both introduction and retention at maturity
Subconscious motivation	
Product	Highly symbolic, socially visible, sexuality-related
Pricing	Moderate to expensive goods, often premium priced
Distribution	Selective, compatible outlet ambiance
Promotion	Visual and pictorial, with suggestive symbols
Life cycle	From introduction through early maturity
Behavior modification	
Product	Frequently purchased, viscerally rewarding impulse goods
Pricing	Relatively small-ticket for small unit sizes
Distribution	Very extensive, very easily identified and available
Promotion	Short, highly repetitive, cue-laden messages
Life cycle	From introduction through late maturity or decline
Cognitive processing	
Product	Complex, durable goods
Pricing	Typically large-ticket goods, popular to prestige pricing
Distribution	Outlets providing sales support and/or demonstration, trial
Promotion	Selective media, substantial message content
Life cycle	Late introduction through late maturity
Model emulation	
Product	Often socially visible, sometimes symbolic goods
Pricing	Medium-ticket goods, popular to prestige pricing
Distribution	Selective to extensive, depending on production and price
Promotion	Demonstrational, with celebrity or audience-similar models
Life cycle	From introduction through early maturity

Source: Euromonitor – Alreck and Settle (1999)

Appendix 13 – Summary Table | Brand Loyalty: relevant ideas and findings for the FMCG market

Authors; Title (Year)	*Main Ideas and Findings*
Sharyn Rundle-Thiele; Rebekah Russell-Bennett *A brand for all seasons? A discussion of brand loyalty approaches and their applicability for different markets (2001)*	○ In the consumer goods sector, brand loyalty research has traditionally focused on behavioral indicators of loyalty such as share of category requirements and commitment. ○ Multi-brand purchasing is used to describe the features of divided loyalty in consumable markets. ○ Successive purchases in consumable markets appear as a result of habit, leading some researchers to argue that little decision-making occurs. ○ Attitudinal measurements are unlikely to be useful for practitioners promoting products that are purchased out of habit in a stable market.
Thaweephan Leingpibul; S. Allen Broyles and Chiranjeev Kohli *The comparative influence of manufacturer and retailer brands on customers' purchase behavior (2013)*	○ One's loyalty to retail brands has a significant influence on their proclivity to switch to retailer brands. ○ It is possible to like both manufacturer and store brands at the same time. ○ One's purchasing behavior may not be directed solely toward manufacturer's brands or retailer brands, but rather involves evaluating both brands at different occasions. ○ Rather than competing with their brands, manufacturers and retailers may use their skills to maximize the value of their consumers' attitudes.
Pedro Simões Coelho; Paulo Rita; Zélia Raposo Santos *On the relationship between consumer-brand identification, brand community, and brand loyalty (2018)*	○ Consumers who participate in social media brand communities may acquire good sentiments regarding the brand, such as trust and loyalty. ○ Consumer-brand identification may play a critical role in transitioning consumer-brand community interactions into consumer-brand partnerships.

Source: Rundle-Thiele and Russel-Bennett 2001; Leingpibul, Broyles, and Kohli 2013; Coelho, Rita, and Santos 2018.

Appendix 14 - Exploratory interview protocol to consumers

1. Icebreaking Question

Imagine you want to have a cookie snack at this moment. What is the brand that pops up immediately in your mind?

Guidance Topics:

- *Understand the brand awareness towards brand Y and competitors;*

2. Questions:

a) Now, imagine you are entering the cookies' corridor within a supermarket. What draws your attention the most?

Guidance Topics:

- *Understand the brand awareness towards brand Y and competitors;*
- *Understand which factors influence the most the purchase decision.*

b) Think about the last time you bought sweet biscuits in a super/hypermarket. Which brand did you buy? Could you please describe your experience?

Guidance Topics:

- *Understand the which brand was bought, why, in which occasion;*
- *Understand antecedents of purchase, purchase frequency, whether it was an impulse purchase, which retailer, etc*

c) Regarding your previous answer, is this your usual experience? If not, do you purchase any other brand(s) depending on other factors?

Guidance Topics:

- *Understand if there are other factors, such as, price/promotion/ packaging/sustainability/perceived quality/emotional attachment/shelf placement, that also influences the purchase decision;*

d) Do you ever make your groceries shopping online? Why?

Guidance Topics:

- *Understand the reasons behind buying online or offline.*
- *Understand how purchasing decision changes in online purchases if the factors considered (price/promotion/ packaging/sustainability/perceived quality/emotional attachment) differ in any way from the offline experience.*

e) Do you consume brand Y? Could you please describe the situation in which you last ate brand Y cookies? (Second question only for consumers)

Guidance Topics:

- *Understand* if they consume.
- *Understand in which occasions they consume (At home or on the go; if alone or in a group)*
- *Understand why they purchased the brand.*
- *Understand how often they purchase the brand and why.*
- *Understand which package format they bought.*

f) What do you think about brand Y and its cookies?

Guidance Topics:

- *Understand* what their perceptions about the brand are.

g) Which digital platforms do you use? Do you engage with any influencer/ brand through those platforms? If so, what are the "categories/themes" of those influencers/brands?

Guidance Topics:

- *Understand which are the most used digital platforms (social media and gaming platforms);*
- *Understand if the interviewees are influenced by any personality and in which category.*

Appendix 15 - Exploratory interview protocol to retailer

Filter question/ eligibility question

Pre-Requisites: Knowledgeable individuals working in the FMCG industry with a relevant role for our research (ex: managerial decision responsibility for the cookies

product category; category manager) from the biggest retailers in the Portuguese market, such as, Pingo Doce, Continente, Auchan and Lidl.

Topics from the Literature Review to be addressed:

From Research Question 4: Relationship Marketing; Channel member cooperation vs Channel member competition vs Channel member coopetition.

Presentation of students and study purpose

We are a group of 5 Master students from Nova School of Business & Economics, developing a Field Lab in Marketing for our thesis. First, we want to thank you for your availability for this interview. We are conducting research about the sweet biscuit market [might be needed to explain how the sweet biscuits are packaged, but do not mention brands] in supermarkets and hypermarkets.

The interviews' data will only be used in aggregated form in academic context. After the Thesis Defence, we will delete the file with your answers. Do we have your permission to record the interview? It will last approximately 30-50min, and by the end of it, we will ask some socio-demographic questions for statistical purposes.

1. Icebreaking Question

Before we start our interview, we would like to know what is your current position, what does it consist of, for how many years have you been working in the field and in this retailer?

2. Other Questions:

a) How would you describe the evolution of your business relationship with Company A throughout time and its current state?

Guidance Topics:

- *Understand which are the steps of negotiation;*
- *Understand the kind of relationship between both channel members and their level of collaboration.*
- *Understand if Company A International acts somehow differently from the other national brands' manufacturers.*

b) As an intermediate agent between brand Y and end-consumers, how do you cooperate with the brand to establish agreements in terms of shelf placement? And in-store promotion? And POP displays? Does Company A (brand Y) have a high bargaining power?

d) And regarding your own brand as a direct competitor of brand Y, how would you describe the underlying strategies in terms of cooperation/competition between both parties?

Guidance Topics:

- *Understand if there is an aggressive (competitive) or partnership (cooperative) strategy;*

- *Understand if there is a positive/negative impact on private label brand's sales from the aggressive or partnership strategies.*
- *Understand how the Retailers react to the strategy implemented.*

e) In your point of view, what are consumers' perception of your brand within the cookies segment?

Guidance Topics:

- *Understand the consumers' perceptions about quality, price, satisfied needs and loyalty regarding private labels.*
- *Understand the real threat of private labels.*

f) Could you describe the marketing strategy implemented to your own private label?

Guidance Topics:

- *Understand the strategies implemented regarding product, price, shelf placement, and promotions.*

g) Can you say if online shopping is a current growing trend? If yes, what is the main demographic segment that is resorting to this point of sale?

Guidance Topics:

- *Understand if online shopping is growing within the target segment and why.*

Appendix 16 - Semi-structured interview protocol to consumers

Filter question/ eligibility question

We will apply the following eligibility criteria to the selection of elements to our interview sample:

- *Live in Portugal for at least 3 years – enough knowledge of the Portuguese market*
- *Category user – we only want relevant category users (BLs, FBSs and OBSs)*
- *Gen Z – fits within the target audience*
- *Plays games or belong to the gaming community*

Sample members will be selected from our own network and referrals and evaluate whether he/she fits within the necessary characteristics.

Pre-selection questions:

- Have you lived in Portugal for at least 3 years (enough knowledge of the Portuguese market context)?
- Do you consume sweet biscuits/cookies at least once every 2 months? (Relevant category users for our research: BLs, FBSs and OBSs)
- How old are you?(must be between Gen Z age)
- Do you play games or consider you belong to some digital community?

Presentation of students and study

We are a group of Master students from Nova School of Business & Economics, developing a Field Lab in Marketing for our master thesis. First, we want to thank you for your availability for this interview. We are conducting research about the sweet biscuit market in supermarkets and hypermarkets.

The interviews' data will only be used in aggregated form exclusively in academic context. Your answers are confidential and after the Thesis Defence, we will delete the file with your answers. Do we have your permission to record the interview for data analysis quality control? It will last approximately 30-50min, and by the end of it, we will ask some socio-demographic questions for statistical purposes.

Questions:

1. **Show document of brands without prices and ask consumer preferences and why; then, ask for price evaluation.**

- *Understand accuracy of price perception;*
- *Understand preferred brands and why (without price constraint).*

1.1. Which do you prefer?

1.2. Why do you prefer this brand?

1.3. Do you buy this brand often (at least once every 2 months?)

1.4.1 Do you chose this brand more often than others? Why?

2. **Show document of brands with prices and ask consumer preferences and why**.

- *Understand impact of price in consumers' purchase decision. How many are being shown? You must test this before colleting data by trying to answer yourselves / a friend. How are you going to link with answer to Q1?*

Which do you prefer?

2.1.Which brand do you perceive to be:

i. Healthier

ii. Tastier

iii. More fulfilling

iv. Better quality

v. Of greater quality/price relationship

vi. of greater quantity/price relationship

3. **<u>Decision-making process for cookie shopping in supermarkets</u>**

a. Do you make the purchasing decisions for cookies in your household?

1. If not, who decides about the cookie purchases?
    i. Does the buyer purchase in store or online?
2. If yes, do you buy online or in-store, or both?

b. If you do online grocery shopping, do you immediately go to the search bar and type the item/brand you are looking for?

i. Do you pay attention to price per kilogram? And in-store?
ii. Do you look at other alternatives within the category? What if there is a sales promotion?
iii. Do you use the filter for sales promotions (select to view only the products in the category that are under sales promotions)?

c. When you shop in-store:

i. Do you tend to buy out of impulse, i.e in the moment you see the product in the shelf? (with no previous intent to buy the category)
ii. Before entering the supermarket, you have already decided exactly what brand and specific product you want)? Afterwards (when in the cookie aisle), do you still consider other options?
iii. Do you know the type of cookies you want (example: chocolate-chip, chocolate, wafers, etc…)? Knowing this, how do you proceed to select the brand/product)
iv. You know you want cookies but you are indifferent to the brand or type of cookie. If so, how do you choose?

- *To better understand the decision-making process in both online and in-store channels; ask about degree of involvement with product*

- *Understand impulse buying behaviours. In other words collect data about low involvement buy: product category not personally relevant (a car is high), low risk perception if I make a wrong buy (a car is high risk) and I am willing to put a lot of time and effort to choose (collect data, talk to people, go online, take a test drive before buying the car)*

3.1. Factors influencing purchasing decisions

a. When you buy a cookie, which of the following is the most important factor? Please choose only the most important.
    i. Packaging (colour and format)
    ii. Price
    iii. Quality/Taste preference
    iv. Promotions
    v. Preference for type of cookie
    vi. Quality/Price relationship
    vii. Quantity/ Price relationship
    viii. Nutritional value
    ix. Convenience
    x. Habit
    xi. Other_____

Why is (answer) the most important factor for you to buy cookies? (If all answer it depends, you must specify the type of cookies when you ask this)

a. When you buy a cookie, which of the following is the SECOND most important factor? Why?

4. <u>Brand Y Brand image</u>

a. Tell me what comes to your mind when you think about brand Y cookies.
b. Do you consume brand Y? How often?
    a. If yes, in what type of situations do you consume brand Y? When and where?
    b. Why do you consume brand Y? What do you get out of it?

Free Association | Mental Map (Keller)

a) What do you like best about the brand? What are its positive aspects or advantages?
b) What do you like the least about the brand? What are its negative aspects or disadvantages?
c) Do you find or not something unique about the brand? Do you find or not something that it different from other brands?

´For non consumers only´

d) If I were to ask you What kind of person eats brand Y?, what would you say?
e) Why do people (if not consumer) consume brand Y? What do you/they get out of it?
f) When you think of brand Y, which emotions do you associate with the brand?

5. **Advertisement Preferences**

(Show Brand Y Ad)

a. What do you think about this ad? Do you like it?

b. What feelings you had WHEN watching the ad? (WAIT FOR ANSWER. Only mention some examples if they don't come up with one at all – or you are contaminating your findings – (this is what we were thinking of doing) (Warmth, fun, excitement // Security, social approval, self-respect)

- *Understand consumers' brand attitude towards Brand Y*

6. **Packaging**
   a. What is your favourite packaging format
      i. Why?
   b. Are you aware that brand Y Packaging has a code embedded in it?
      i. If yes, have you seen it?
   c. When you see a cookie package with a code, do you use the code?
      i. What might motivate you to read the code?
   d. Imagine packaging with QR codes that enable you to participate in a contest to win a prize?
      i. Are you likely to purchase and then scan the QR code? Why? Why not?

- *Understand consumer behaviour towards QR embedded products and their willingness to scan.*

7. **Consumers' Digital Presence**

Show interviewees brand Y Instagram account and let them have a minute to explore it.

a. Do you follow this account?

b. What is your opinion regarding the posts of the feed (i.e., the content in it and layout)?

In which platforms do you play?

c. What do you use these platforms for? Beyond playing, what do you do? (if having trouble answering give options: watch streams, interact with other players…? Imagine they don't answer – so what? How can you link this finding with your product category? And with your brand?

- *Understand possible advertisement platforms/ brand communities;*

d. Which gamers/personalities do you watch (Twitch, YouTube and others)? Do you follow them on social media? If so, in which platforms? Have you ever purchased an item recommended for you on social media/TV?

- *Understand possible influencer partnerships and in which platforms that would be most effective.*

e. Do you participate in Instagram/Social media giveaways? For which products? Why?

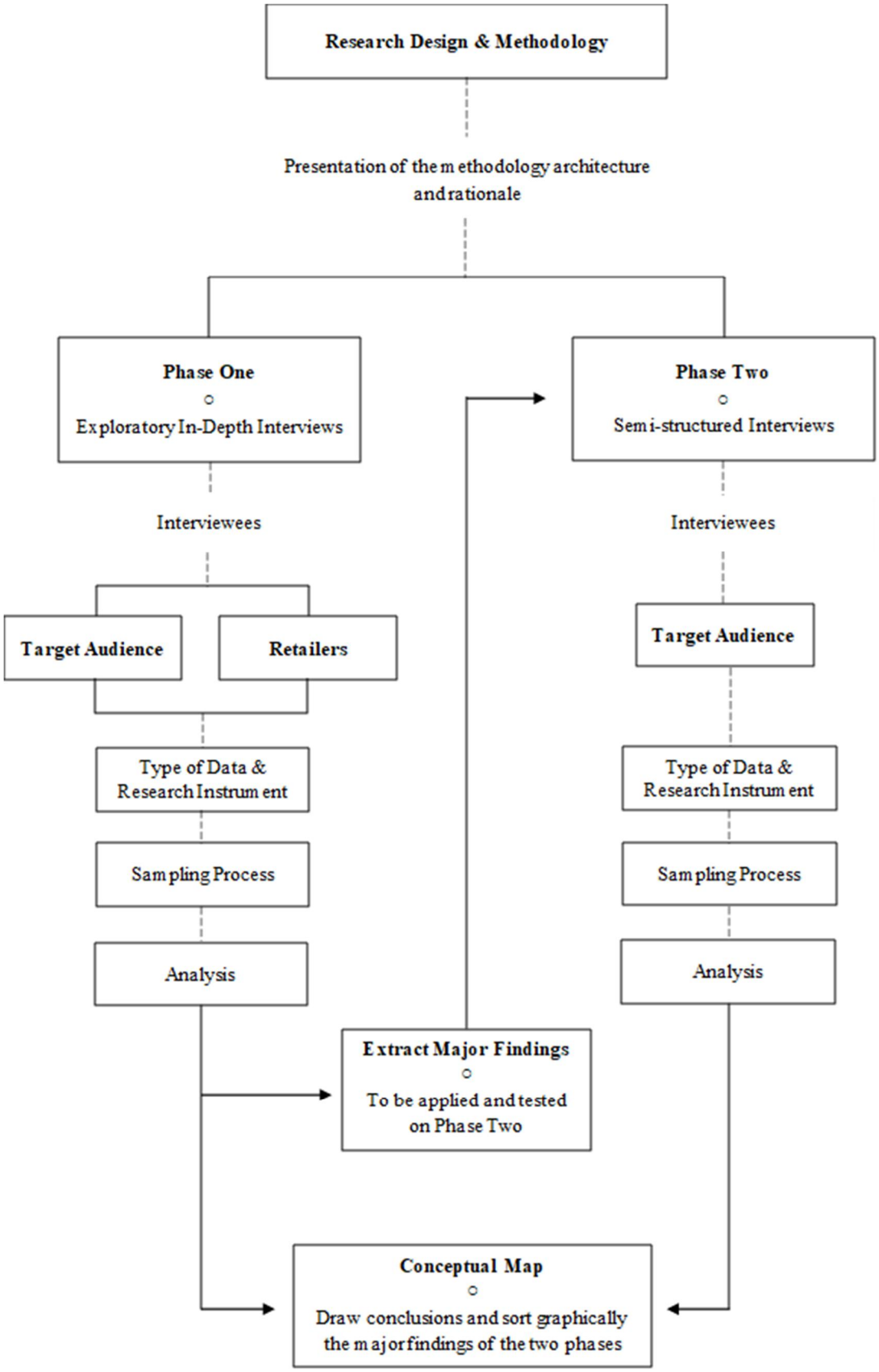
8. **Gaming Community**

Definition: In the broadest sense, a gaming community is **an online community that is centered on interaction through game**. (we will present the definition so that we have the target audience can clearly identify whether or not they are a part of a gaming community)

a. Think about a gaming community. Do you see yourselves as being part of a gaming community? Which one?-
    i. What is your opinion about gaming communities? –
    ii. Do you participate in gaming events (livestreams, competitions, etc)

- *Understand the reality of gaming communities (When speaking to brand Y they gave us information on future plans for the brand. One of the strategies was to insert themselves further in the gaming community by sponsoring gamers and gaming events – we want to further understand how this community works*

Appendix 17 – Methodology structure



Appendix 18– Consumers' characterization table for phase 1

	Phase 1 – Exploratory interviews to consumers					
	Participant	**Age**	**City**	**Current Job**	**Category User**	**Involvement in gamming communities (Low, Medium, High)**
Consumers	1		Lisboa	Master's	Yes	Low
	2		Lisboa	Master's	Yes	Low
	3		Lisboa	Master's	Yes	Medium
	4		Porto	Working	Yes	High
	5		Lisboa	Master's	Yes	Medium
Non-consumers	6		Lisboa	Master's	Yes	Medium
	7		Porto	Master's	Yes	High
	8		Braga	Bachelor's	Yes	Low
	9		Lisboa	Working	Yes	High
	10		Lisboa	Bachelor's	Yes	Medium

Appendix 19 – Consumers' characterization table for phase 2

	Phase 2 – Semi-structured interviews to consumers					
	Participant	**Age**	**City**	**Current Job**	**Category User**	**Involvement in gamming communities (Low, Medium, High)**
Consumers	1		Serpa	Master's	Yes	High
	2		Alcobaça	Working	Yes	Medium
	3		Lisboa	Master's	Yes	Low
	4		Lisboa	High School	Yes	High
	5		Braga	Working	Yes	High
	6		Açores	Master's	Yes	Medium
	7		Braga	Master's	Yes	Low
	8		Braga	Working	Yes	Medium
Non-consumers	9		Lisboa	High School	Yes	Low
	10		Setúbal	Master's	Yes	High
	11		Lisboa	Working	Yes	High
	12		Lisboa	Working	Yes	High
	13		Évora	Master's	Yes	Medium
	14		Porto	High School	Yes	High
	15		Lisboa	Master's	Yes	Medium

Appendix 20 – Thematic table for exploratory interviews to consumers

Pre-purchase:

1. Theme: Pre-Purchase Stage of the Customer Journey		
Organizing Theme	**Codes**	**Examples**
Brand Awareness	**Recall**	"I remember brand Y instantly, as well as Competitor 6" (Participant 1)* "Competitor 3 pops up immediately into my mind" (Participant 4)* "Competitor 2, but the ones from Continente." (participant 9)*
Brand Image	**Uniqueness**	"Brand Y definitely have the best taste when compared to its PLB substitutes, so they are my favourite ones" (Participant 1)* "The color of the Brand Y package is different from all the other brands" (Participant 2)*
Brand Preference	**Impulse Buying**	"Sometimes I'm just passing by the cookies corridor and, because I see the ones I like, I decide to buy them even though I wasn't planning to" (Participant 6)* "I know which type/s of cookie/s I want to buy, so I go straight to that section and then decide among those brands which one I'll bring" (Participant 1)* "I have no preference for a specific type of cookie, so I just go to the corridor and see what's under promotion" (Participant 7)*
	Planned Buying	"I know the exact cookies and brands I want to buy" (Participant 9)*

* Please find participants characteristics in Appendix 18

Purchase:

2. Theme: Purchase Stage of the Customer Journey		
Organizing Theme	**Codes**	
Factors that influence purchase decision	**Price**	"I always choose private label options due to the price" (Participant 3)*
		"Brand Y are very expensive when compared to PLB, so I alternate between both options" (Participant 1)*
		"Price is the main reason I don't buy brand Y more frequently" (Participant 4)*
		"I think the product 3 from brand Y are overpriced" (Participant 8)*
		"Even though more expensive, brand Y are "safer" in terms of quality to consumers" (Participant 9)*
		"Price is not the focus when I buy online" (Participant 6)*
		"I have the feeling prices are higher online" (Participant 2)*
	Quality	"Quality of the cookie is definitely the most important factor for me" (Participant 8)*
		"I don't think brand Y are of higher quality than PLB, they are not differentiated enough for me to consider it to be a superior offer" (Participant 6)*
		"Brand Y quality is better than PLB" (Participant 7)*
	Taste Preference	"Brand Y definitely have the best taste when compared to its PLB substitutes, so they are my favourite ones" (Participant 1)*

		"Brand Y have too much sugar, so I can only eat a few" (Participant 3)*
	Packaging	"A go-to packaging is also very important for me." (Participant 8)* "I don't buy brand Y mainly due to the packaging format; I would rather a more convenient one- the normal sized one but only with 4 cookies package". (Participant 8)* "The colors in a package are the first thing I notice" (Participant 4)* "The color of the brand Y package is different from all the other brands" (Participant 2)*
	Sales Promotions	"The first thing I look at is promotions" (Participant 3)* "I don't have any preference, so I choose only based on promotions" (Participant 7)* "I only buy brand Y mini when they are under promotion" (Participant 1)*
	Preference for type of cookie	"I only like chocolate or vanilla cookies, so I only purchase those type of cookies" (Participant 9)* "Sometimes I feel like having a chocolate heavy cookie, whereas other times I would rather have a lighter cookie" (Participant 10)*
	Quality/ price relationship	"The quality/ price relationship of this specific Pingo Doce cookie is very good, I really like it" (Participant 5)*

		"I only consume PLB because they are a good quality/ price ratio" (Participant 3)* "Brand Y have a higher quality, but the higher price is not worth it" (Participant 4)* "PLB have a better quality/ price relationship in general" (Participant 7)*
	Quantity/ price relationship	"Brand Y it's not worth for the quantity it brings in some packages" (Participant 8)*
	Nutritional value	"It is not worth to make brand Y healthier if that would make them lose in taste" (Participant 1)* "Healthier options are my first choice, such as brand 23. I would give a chance to brand Y if it had a healthier option" (Participant 6)* "Brand Y are unhealthy, so I only eat them when it's more convenient/ practical" (Participant 5)*
	Convenience	"I buy 90% of my groceries online due to time constraints and convenience" (Participant 5)* "Brand Y are unhealthy, so I only eat them when it's more convenient/ practical" (Participant 5)*
	Habit	"I buy Competitor 5 cookies out of habit, I consume those cookies since childhood" (Participant 5)* "I'm used to always buy mainly these specific cookies" (Participant 4)* "I usually buy what I already know I like" (Participant 7)*

* Please find participants characteristics in Appendix 18

Post-Purchase:

3. Theme: Post Purchase of the Customer Journey		
Organizing Theme	**Codes**	
Factors that influence repurchase behavior	**Habit**	"If the quality of a brand I tried for the first time is good, I would buy it again" (Participant 9)*

* Please find participants characteristics in Appendix 18

Appendix 21 – Thematic table for exploratory interview to Retailer 1

1. Theme: Relationship with Retailers		
Organizing Theme	**Codes**	**Examples**
Collaborative approach	Shelf Placement	"We are very concerned with what customers want and that is also one of the main drivers for us to establish the shelf placement" "Shelf-placement is established in a factual basis (sales success, market share, commercial strategies)" "If there is a positive change in consumption of a certain product, we evaluate this situation and adapt the brand's repositioning on the shelf, as we also want to gain with this growth" "If, for example, a national brand discontinued a product, we would reconsider to take out the rest of the stock of this product from the customer's eye level"
	In-store promotion	"Regarding price and promotions, we are completely out of decision. We receive manufacturers' proposals and decide if we accept it or not" "Retailer 1 always tries to accomplish what the manufacturers propose, regarding price and promotions"

Coopetition	Competition	"We always aim to protect and want the best for our own brand"
	Cooperation	"Retailer 1 doesn't favor neither the manufacturer brand nor its own private label, i.e, the shelf placement strategies implemented are based on results, such as market share and consumers' perceived preference" "The manufacturer delivers a commercial proposal, we evaluate it based on the conditions presented and then both parties negotiate according to both parties' interests" "We apply the 'Category Management Project', which allows us to work closely with manufacturers, in a factual basis" "Company A is one of our closest manufacturers, with whom we maintain a very solid relationship; We try to have this relationship with all the biggest players."

Appendix 22 – Thematic table for semi-structured interviews to consumers

Pre-purchase:

1. Theme: Pre-Purchase Stage of the Customer Journey		
Organizing Theme	**Codes**	**Examples**
Brand Awareness	**Recognition**	"I immediately recognize brand Y, Competitor 5, Competitor 5 and the private labels" (Participant 14)*
		"When looking at all brands, I can immediately point out Competitor 5, Competitor 8, brand Y and Competitor 3" (Participant 13)*
		"I recognize many brands; however, the main ones are Competitor 3, Competitor 6 and Competitor 9" (Participant 10)*
		"I think Competitor 6 is the most recognizable brand for me, but Competitor 3, brand Y, and Competitor 5 are also super recognizable." (Participant 6)*
		"I consider that Competitor 6, Competitor 3, Competitor 4 and Competitor 5 are the brands I recognize the most" (Participant 15)*
	Brand associations	"The first thing that comes up to my mind when I think about brand Y is its texture" (Participant 3)*
		"I think immediately in the brand ambassador, because I see his content" (Participant 1)*
		"Kids, schools, high school, university and chocolate" (Participant 13)*
		"That colour from packaging and the logo" (Participant 4)*
		"I think about the color of the packaging and the chocolate chip cookie itself. Also, I remember the TV commercial." (Participant 12)*
		"The first thing that comes to my mind when I think of brand Y is the flavor of the cookie itself! It's the brand I immediately think about when I think about chocolate chip cookies" (Participant 7)*

		"I associate the brand to young people that may have a fast-paced life, and brand Y is the easy and good quick snack" (Participant 7)* “It (brand Y) brings me a feeling of comfort” (Participant 8)*
Brand Image	**Positive/Negative Attributes**	“I think the taste is superior to other brands of the same type, but the price is definitely a negative” (Participant 14)* “I think immediately of their packaging, aesthetics and easiness to eat” (Participant 1)* “I like the name – it is catchy and looks like a fun brand and its accessible. However, packaging does not stand out and the brand can disappear among other similar packaging (Competitor 4 and Continente)” (Participant 13)* “When I think of brand Y I think of their packaging, aesthetics and easiness to eat” (Participant 1)* “The taste and quality – they are very crunchy, but I would change the chocolate of the chocolate chips to Competitor 5” (Participant 6)* “The mini sized option of brand Y is very practical as a go-to snack” (Participant 7)* “There are a lot of formats which is good, however, it is easy to confuse them with the competitors because they are all the same” (Participant 15)* Obs: Taste was considered an attribute since it can be considered a pre-requisite for a sweet biscuit (indulgence product)
	Benefits	**Healthier:** “I feel like the packaging that indicates 0% sugar (number 19) is healthier” (Participant 14)* “I would say brand 23 is the healthier option because their packaging fits with the product” (Participant 13)* “Competitor 8 is the healthiest one as it is the only one without chocolate” (Participant 3)*

		"0% sugar doesn't necessarily mean that the cookie is healthier. You need to check what the sugar is being substituted for." (Participant 11)* “Probably brand 23, I would say those are the healthier ones” (Participant 6)* “When I see cookies that are Zero sugar, I am simply tempted to buy” (Participant 9)*
	Benefits	**Tastier:** “Competitor 3 is tastier I feel like, no other brand can quite imitate the taste” (Participant 14)* “In the packaging, brand Y look like the tastier cookies because they look more appetising” (Product 13)* “I would say Competitor 5 (in terms of chocolate and brand Y because the cookie itself is better” (Participant 6)*
		More fulfilling: “Competitor 5 is the only brand that can give me a bunch of benefits: taste, quality, good packaging, good quantity and a good price/quality ratio” (Participant 4)* “I would say Competitor 5 because 1 or 2 are enough” (Participant 6)*
		Better quality: “Brand Y Competitor 5 and Competitor 3 because of the brand” (Participant 13)* "Competitor 5 is a brand that conveys superior quality." (Participant 12)* “Competitor 5 definitely, I associate the brand with quality” (Participant 6)*
		Quality/Price relationship: “I think Continente cookies with chocolate in the middle because they are good and very cheap” (Participant 6)*
		Quantity/Price relationship: “The cookies with chocolate in the middle from Pingo Doce and Continente – you have loads and it is extremely cheap” (Participant 6)*

		"Competitor 8 is the winner regarding quantity, there are a lot of cookies in one package" (Participant 15)*
	Uniqueness	"I think no one can quite nail the taste, so that is kind of unique" (Participant 14)* "Brand Y is the only brand in which cookies crumble in my mouth, that's why it is my preference" (Participant 3)* "There are already several brands that make this type of cookie, I don't consider it to have anything that unique." (Participant 2)* "Its name even with the exclamation point, it is unique" (Participant 13)* "Very basic cookies but they are better in taste, which I consider a differentiating factor" (Participant 1)* "It is crunchier than other brands, the consistency is amazing" (Participant 6) * "The color of the package is different from all others" (Participant 7)* "When you eat it, you know it's brand Y, it's different in quality from all other brands" (Participant 5)* "There's nothing unique about the brand Y brand, the flavour is not that better. The cookie is good but replaceable" (Participant 8)*
	Opinion on Advertisement	"The ad is a bit all over the place. It made me confused and I couldn't even pay attention to the ad message" (Participant 14)* "The ad has a lot of information, too noisy and a lot of graphic image" (Participant 3)* "I had seen this ad before and didn't remember it. That says a lot already. (…)" (Participant 2)* "It is exactly what I thought about the brand: joy and excitement" (Participant 13)* "In general, I like it. I would like to see the brand ambassador in the ad" (Participant 5)* "I really don't like it. I get the idea, but they are trying too hard and its cringe" (Participant 6)*

Brand Atittude		"It's fine, but I don't get the relation between the content and brand Y" (Participant 8)* "I do not like it. It's cringe. This is an ad for small children." (Participant 12)* "Interesting ad, like the design. However, it is very fast and has too much information" (Participant 15)* "I think the ad is catchy, it transmits the feeling of hanging out with friends" (Participant 9)*
	Emotional responses	"Confusion, that is how I feel after watching the ad" (Participant 14)* "Very short, I don't feel anything in specific about this ad" (Participant 1)* "All positive emotions – joy and excitement" (Participant 13)* "I identify myself with the ad" (Participant 5)* "Fun, for social occasions but I do not relate because I don't usually share cookies with friends" (Participant 6)* "It's really annoying to me" (Participant 7)* "I didn't feel anything in specific by watching that ad" (Participant 15)* "It's cringe, I feel secondhand embarrassment" (Participant 11)* "I feel nostalgic when watching the ad" (Participant 12)*
Brand Preference	**Preferential response**	"Competitor 6 (cookie type) are the best: smaller and more practical to eat." (Participant 12)* "I've been accustomed to eating Brand Y since I was little, that's why I really like the brand." (Participant 2)*
Low involvement decision making process	**Impulse Buying**	"Usually, I go to the supermarket with an idea of which type of cookie I want, but enjoy seeing which brands to choose from" (Participant 13)* "I don't have an exact idea – I look at ¾ brands and then decide base on promotions" (Participant 6)* "When I go to the supermarket, I know the type of cookie I want but not the brand, so I just go there and decide on the spot" (Participant 15)*

		"I see the promotional flyer inside the store and then decide what to buy according to promotions" (Participant 3)* "I'm indifferent to the brand or type of cookie, I just choose in the corridor based on a price promotion or if I see a type of cookie I haven't eaten in a long time" (Participant 12)*
	Planned Buying	"Before I go to the store, I normally know exactly what I am buying and which brand" (Participant 14)* "I have preferred brands, so when buying, I always have a list in mind, so I never buy other products" (Participant 1)*

* Please find participants characteristics in Appendix 19

Purchase:

2. Theme: Purchase Stage of the Customer Journey		
Organizing Theme	**Codes**	**Example**
Online shopping	**Attitude towards online shopping**	"I don't buy online because I don't feel the need to and because you pay for the delivery fee." (Participant 2)* "I prefer to do my shopping in-store because I don't like to wait for the products to arrive in my house" (Participant 3)* "I like to buy online when I want to purchase bigger quantities; it's all about convenience" (Participant 6)* "I think in-store I have all products available, so I don't feel the need to search for them online" (Participant 13)* "I prefer going to the store and see if the product is in good conditions" (Participant 15)*
	Purchasing decision	"When shopping online, I look for promotions and if the price is good, I like to purchase bigger sizes" (Participant 6)* "Usually, online I go straight to the product I want and don't really search for anything else" (Participant 9)*
	Price	"The price difference is usually not worth it, that's why I normally buy PLBs" (Participant 14)*

Factors that influence purchase decision		"Price does not shock me a lot, I would rather go for taste" (Participant 13)* "Price is always important. If I am thinking of buying a more expensive brand, I consider if it pays off in terms of quality/quantity, and it often pays off more to buy PLBs." (Participant 12)* "I would say that price is what worries me the most because I want to save". (Participant 9)*
	Taste Preference	"The taste, for me, is way more important than price for example. If I don't like the taste of a cheaper cookie, I won't buy it just because the price is lower" (Participant 3)* "I only eat what I truly like, so taste is the main thing I consider when buying" (Participant 1)* "My first choice is brand Y because I really like the taste and quality, even though for the price of 1 package I could buy 2 packages from the its PLB substitute" (Participant 5)*
	Packaging	"I like on-the-go packaging, its practical and convenient" (Participant 14)* "I normally don't scan QR codes in packaging, not even to win contests because I always believe I won't win" (Participant 14)* "Packaging is definitely crucial for me, I don't buy PLs as its packaging is not so attractive" (Participant 4)* "I like the standard packaging, because I can eat it at home or with my family" (Participant 1)* "I have never noticed the brand Y code, however I would not see it" (Participant 1)* "If I have noticed the code in brand Y package, I would probably see it" (Participant 5)*
	Sales promotion	"When I go shopping, the first thing I do is seeing the promotional flyer and then decide the products to buy regarding the current promotions" (Participant 3)* "I first have a preference for the type of cookie, then, I always look at promotions" (Participant 6)* "I look at promotions when I consider buying a brand out of the brands I usually purchase to try it out" (Participant 5)*

	Preference for type of cookie	"The most important factor for me is the type of cookie" (Participant 13)* "It's a must that they all have chocolate". (Participant 8)*
	Quality/ price relationship	"The quality/price relationship is also important, I value price a lot but at the end of the day, if I don't like it, I won't buy it" (Participant 14)* "I usually buy the chocolate chips cookies from Continente instead of brand Y because they are also good in quality, even though not as much as brand Y, but they are a bit cheaper" (Participant 7)*
	Nutritional value	"Nutritional value becomes my first priority when I go on a diet." (Participant 11)*
	Convenience	"I use Glovo and Uber Eats for grocery shopping regularly. I started using the apps during lockdown but I am now very used to it because it is more convenient. (…) I am conditioned by the stores that are open for delivery at the time of order and by their limited offer, i.e., less products to choose from than in supermarkets." (Participant 2)* "I buy brand Y if I'll spend a lot of time out during the day." (Participant 7)*
	Habit	"Habit is the second most important factor for me, I like going for the things I am used to" (Participant 13)* "I always purchase the same varieties of cookies, I'm used to it" (Participant 8)* "The fact that I have been buying the same cookie brands since ever, it created a routine and the same habit, being this the main driver for me to buy cookies" (Participant 15)*

* Please find participants characteristics in Appendix 19

Post-Purchase:

3. Theme: Post Purchase of the Customer Journey		
Organizing Theme	**Codes**	
Factors that influence	**Quality**	"If I like the product and it is not expensive when compared to similar products then I will consider buying again" (Participant 14)*

repurchase behavior		"Brand Y is always my preference because of its quality" (Participant 3)* "I normally already know what type of cookie I want but if I try a different brand and like it, I will repurchase it" (Participant 13)*
	Price	"If I tried PLB cookies and they were acceptable in terms of quality, I would probably buy them again because they are also cheaper" (Participant 8)*
	Habit	"Habit is a factor weighing in my purchasing decisions, because I normally stick to the brand I am used to" (Participant 13)*
Brand Loyalty	**Attitudinal**	"Brand Y conquered me as a consumer" (Participant 5)*
	Behavioral	"I normally always buy the same brands out of habit and convenience" (Participant 14)* "Habit is a factor weighing in my purchasing decisions, because I normally stick to the brand I am used to" (Participant 13)* "I always have chocolate chip cookies from Continente at home" (Participant 7)* "I purchase Brand Y at least once a month for sure" (Participant 8)*

* Please find participants characteristics in Appendix 19

Digital Presence:

4. Theme: Digital Presence		
Organizing Theme	**Codes**	**Examples**
Social Media	**Opinion of Brand Y Social media**	"I don't follow brand Y on Instagram." (Participant 4) "That Instagram account makes it seem that the brand wants to target other people different from the target audience. I guess it is because the layout is too colourful. The design seems well elaborated though." (Participant 9) "The descriptions of the posts are really *cringe,* and they seem to be trying too hard to be cool and get into the target's world" (Participant 3)
	Presence	"I have both Instagram and Twitter where I follow some celebrities and influencers including gamers – but none are Portuguese" (Participant 14)*

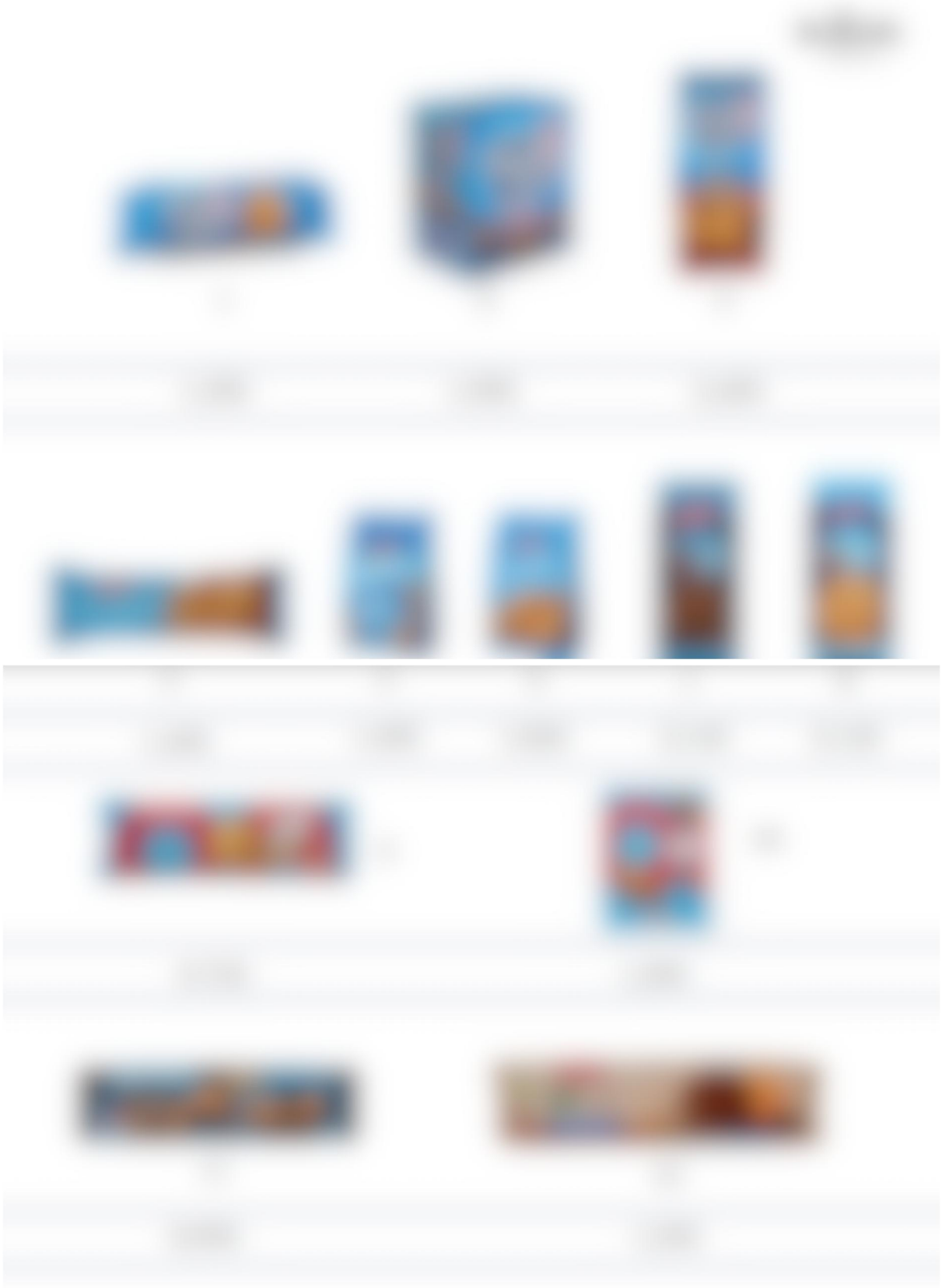
		"I have social media, and especially use Instagram but I don't normally follow gaming personalities" (Participant 13)* "I have Instagram and Twitter and I follow on Twitch, specifically Shroud (from Canada) and Zorlack (Portuguese)" (Participant 6)* "On Instagram I follow the guys from my favorite CS team: SKgaming". (Participant 8)*
	Influence	"I am not usually influenced by recommended products because I know the person recommending them has been paid to say that" (Participant 14)* "Ninja, Shazan are the gamers I follow, not only on gaming platforms, but also on Instagram, although Instagram is not so important for me" (Participant 4)* "It's very common for me to click on an add that appears on my stories or in my Instagram feed and then consider buying the products" (Participant 3)* "I have bought recommended products by Instagramers, one of them was even a gamer's wife and have also bought a gamer's merch" (Participant 13)* "I don't think I have ever bought a product that was recommended by an influencer or known personality" (Participant 6)* "I follow people from my fav CS team, SKgaming. If they reccommend something related to their area of expertise, I take their opinion into account and I would consider buying it" (Participant 8)*
	Behavior	"Depending on its content, I am always participating as I would like to have those things. But if I need to share on stories it is a 'no' for me" (Participant 3)* "I don't participate in giveaways because it seems like an unattainable thing, the probability of winning is minimal and not worth worrying about." (Participant 2)* "I do not participate in giveaways cause I feel like they are more to get Instagram followers and likes and it is impossible to win" (Participant 13)* "I participate in giveaways, especially when the brand is not that big to help the brand and because there's a higher chance of winning" (Participant 5)*

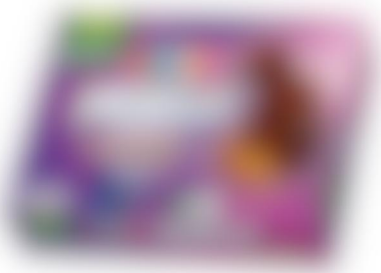
		"I don't really participate in giveaways – only if it is as simple as putting a like or if it is something I really like" (Participant 6)*
Gaming Communities	**Gaming Platforms**	"I use mostly PC to play and I also watch other gamers and streamers on YouTube and Twitch" (Participant 14)* "I play on my PC and use STEAM, Discord, Epic Games and BattleNet. I also used to watch livestreams on YouTube but not that much anymore" (Participant 13)* "I really like to play on PC: Steam, Epic Games, LOL, GTA, Near Rock Star games, Tysonic and Origin. A lot of them I know" (Participant 4)* "I play CS go, use STEAM, I also play FIFA and Call of Duty. I also use Twitch, Discord and Team Speak. Additionally, I also use Twitch to stream and watches others play and to watch tournaments (CS and LOL)" (Participant 6)* "I play mainly on my PC, so I use Twitch, Youtube and Discord." (Participant 1)*
	Environment	"I feel like it has a good side and a bad side. When you enjoy playing and there are positive vibes it is super fun. However, it can be incredibly toxic as it is very competitive" (Participant 14)* "I used to play a lot and interact on these communities. It is super nice because you can interact with other players and meet new people" (Participant 3)* "On one hand, it attracts very toxic people because there are no consequences for online interaction, people insult each other constantly. On a brighter side, it gives introverted people the possibility to interact with others more easily." (Participant 11)* "Its great but I feel like a bad side cause there can be a lot of toxicity but when conversations are healthy and about the game it can be very enjoyable to share your opinion with others that have the same interests as you" (Participant 13)* "It's a way of communicating with the world" (Participant 5)* "It is very good – it helps people a lot through tough times by bringing people with a common interest

		together which is very beneficial. In general, it is very inclusive and helpful." (Participant 6)*
	Involvement	"I play a lot with friends and online with other players. I also go to gaming events sometimes (like CSGo) and I am a viewer of livestreamed events like Minecraft Championship" (Participant 14)* "Honestly, I prefer to play than to watch others play. I used to watch streams in the past when I had more time. Now, since I'm working, I prefer to use my free time to play with my friends." (Participant 12)* "I like playing with my friends most of the times. And I participate in competitions with monetary prizes of Fortnite. I've also attended some physical events, such as the Lisbon Games Week" (Participant 5)* "I normally play with friends or other people online when I play. I am also involved in a gaming community in Açores called: CSAçores which has between 3000 and 5000 members. I also have participated and watch gaming events and tournament streams." (Participant 6)* "I don't watch people playing (streaming) individually, I just like to watch the competitions, which are streamed by the organizing game itself. I don't participate though" (Participant 8)* "I consider to belonging to gaming communities, I use Discord to interact with friends" (Participant 1)*

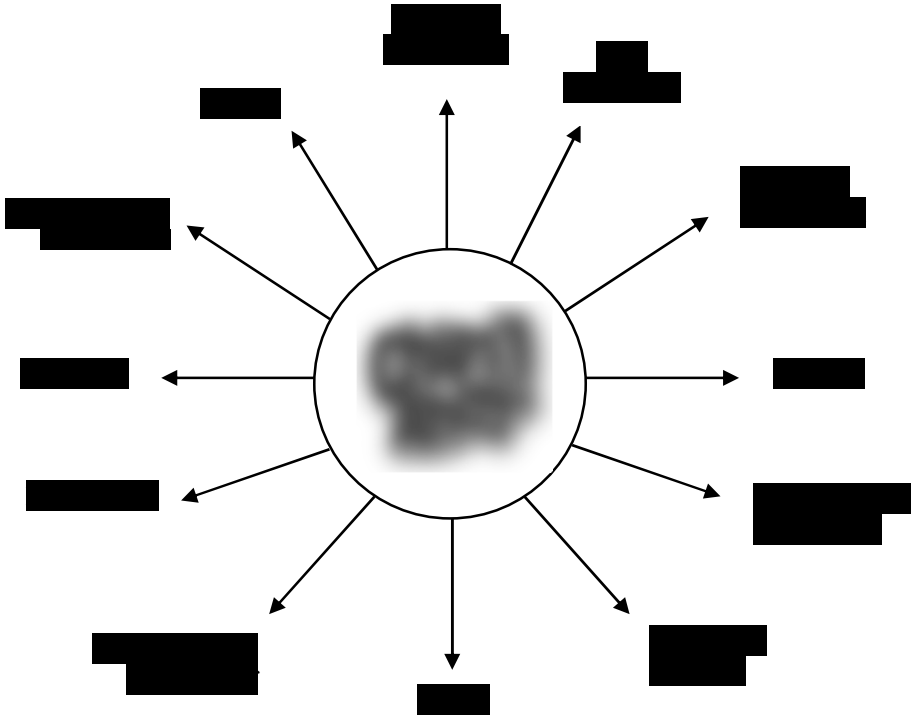
* Please find participants characteristics in Appendix 19

Appendix 23 – Brand document





Appendix 24 – Associations with the Brand Y Brand



Source: Adapted from Kotler, Philip, and Kevin Lane Keller. 2020. Marketing Management. Upper Saddle River, NJ.. Pearson Prentice Hall. P. 41