

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

# **HOW TO TURN PURA VIDA INTO A REFERENCE IN THE HEALTHY FOOD BUSINESS?**

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## **INDIVIDUAL PART ON BRANDING**

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## LIST OF ABBREVIATIONS

CBBE Customer-Based Brand Equity

FG Focus Group

PD Pingo Doce

POD Point of Difference

POP Point of Parity

PV Pura Vida

In order to make Pura Vida (PV) a reference in the healthy food business, it is crucial to invest in building a strong brand resulting in high brand equity, which indicates strong brand awareness and positive brand associations. This is important since eventually high brand equity results in several marketing benefits, such as more effective communication, better perception of products or increased loyalty. A useful concept to consider for branding is the customer-based brand equity (CBBE) model, which states that brand equity is built by creating customer value. Consequently, a brand's strength lies in what customers think about it since brand knowledge (involving brand awareness and image) in the mind of the consumers makes the difference on how they respond to a brand's marketing efforts (Keller et al., 2012).

### **CHALLENGES IN BRANDING FOR A RETAILER BRAND**

Since PV is a retailer brand but at the same time not just a cheaper alternative to manufacturer brands, but it also serves a growing need that came up within the last years (eating healthy), it faces different challenges and requirements that have to be met in its branding process.

Kapferer (2012) states, that retailer brands (at least those carrying a store banner) have two constraints. Firstly, compared to manufacturer brands, a lower price is generally a main driver in their marketing mix because consumers buying retailer brands usually compare prices on shelf to a certain extent. Secondly, the inevitable interdependence between a store and its brand demands that the latter must fit into the retailer's marketing mix. Hence, the retailer brand never has the same autonomy in its marketing decisions as a manufacturer brand and the resulting challenge for retailer brands like PV is to stand out as an absolute brand but simultaneously fulfill objectives deriving from its relation to the retailer in order to differentiate and generate loyalty for the store. Achieving these goals requires consistency among a store and its brands as well as the management of expectations and associations. This holds especially in regard to positioning and brand identity but also to certain brand elements, such as packaging, and later in communication. This is explained by consumers having expectations about retailer brand products in terms of quality or price depending on the store image and in turn, the retailer brand's image influences the store image depending on the experience with the brand's products (De Jong, 2011; De Jong et al., 2015). Those challenges are taken into account in PV's positioning and branding process.

### **SEGMENTATION AND TARGETING**

As Gupta (2014) describes, before the positioning for a brand can be defined, two other important steps must be undertaken in order to ensure that the brand's value proposition is the

optimal one designed for the right audience: segmentation and targeting. Thereby, segmentation means the process of portioning the respective market into different subgroups of consumers according to the discovery which distinct needs and preferences they have. Further, targeting is the process of evaluating the different segments and finding the most attractive one for the company to pursue and towards which marketing efforts should be directed. Both, segmenting and targeting, are highly beneficial to companies since this way shared consumer needs can be identified and marketing activities can be tailored towards a specific segment of consumers that is most promising to be responsive to those activities, resulting in optimized resource allocation, better customer satisfaction and ultimately in profit growth for the company. In order to achieve a segmentation that is actually useful, the segments should be identifiable, accessible, and actionable for the company as well as differentiable from each other, stable and substantial (Gupta, 2014; Tybout & Grayson, 2010). Different approaches of how segments can be defined exist, such as by demographics, psychographics or behavioral variables, among others. However, irrespective of which variable is chosen in the first place in order to find distinctive segments, it is advisable to combine several of those variables in order to gain a sound understanding of *who* the consumers in different segments are, *what* they do in terms of behavior as well as *why* they behave like they do and make certain decisions (Gupta, 2014; Tybout & Grayson, 2010).

As suggested by Tybout and Grayson (2010), a usage-based segmentation approach is applied for the healthy food market by segmenting it into category users and non-users. However, as a preceding step the healthy food market can be specified from a consumers' point of view into affordable and expensive healthy food. This is done due to the insight found in the focus groups (FGs) and survey (which were conducted by the team in the scope of the overall Marketing Business Plan for PV), that healthy food is mostly perceived as expensive and consumers wish for affordable alternatives, which to them seem not yet existent (Appendix 1.2, 2.7 - 2.9). Although, in the case of PV, targeting is done on the level of segments and not sub-segments (because it would become too narrow) one should be aware of the fact that every segment can be further divided by motivational characteristics into consumers that buy healthy food out of necessity or because they want to eat healthy. Yet, the conducted research shows that the sub-segment by choice is significantly bigger (Appendix 1.1), which is why PV's marketing activities should primarily place a focus on consumers eating healthy by choice. Looking at the applied usage-based segmentation, four distinct consumer groups can be identified: Category users buying affordable healthy food, non-category users potentially buying affordable healthy food, category users buying expensive healthy food and non-

category users potentially buying expensive food (Appendix 3). Appendix 4 gives an overview of these segments in regard to the above mentioned consumer dimensions (who, what and why).

Hereafter, the most compelling segments are determined for targeting by assessing the segments' characteristics, the intensity of competition within them, as well as their fit with the brand and the company's resources (Gupta, 2014). Such an evaluation of the four segments for PV can be found in Appendix 5. As a result, the most attractive consumers to target are the groups of category users as well as non-category users (potentially) buying *affordable* healthy food products, since those are the most attractive ones in terms of size, fit with Pingo Doce's (PD) values and positioning and since until now there was no brand perceived and positioned as brand of affordable healthy food. Thus, the two segments will be "created" by repositioning PV into this subcategory of healthy food (see next section Positioning).

By targeting non-category users the strategy of building the category is most promising, meaning to focus on consumers who do not (yet) have the intention to buy from the category, either because they are not aware of its benefits (which holds for a large proportion of the Portuguese population) or because they see certain barriers (like prices perceived as high in the case a healthy food). The potential lies in the aim to increase sales by informing consumers about the category and making it more appealing to them.

Summarizing, the overall strategy lies in targeting non-category users by building the category while at the same time retaining and boosting existing consumer consumption (Tybout & Grayson, 2010).

## **POSITIONING**

Aligned with the CBBE model, a good positioning should be able to consolidate an intended, favorable image of the brand, which takes up a prominent place in the target consumers' mind and thereby gives them a reason to purchase the brand. The present as well as the future of the brand should be considered and thus the positioning can be aspirational to some extent. Positioning itself requires to define the frame of reference, namely the target and the resulting competition, and to find ideal points of parity (POP) and points of difference (POD). Those build the competition-based approach to positioning, pointing out similarities and superiority of the brand in respect to its competition. Furthermore, a brand mantra should be designed to recap the positioning and capture the brand essence. This represents a customer-based approach aiming to expose more abstract benefits of using the brand and thus enhance the positioning (Kotler & Keller, 2012; Tybout & Sternthal, 2010).

By determining the target segment the first step towards the definition of PV's positioning has been done. As a next step, attributes or benefits serving as POPs and PODs have to be found. Thereby, PODs are brand associations in consumers' minds that can be either functional, performance- or imagery-related and must be "strong, favorable and unique" (Keller et al., 2012, p. 112). In order to do so, two conditions have to be fulfilled. Firstly, the association must be *desirable* for the consumer, meaning it must be of personal relevance to him, be different and better than the other brand offers and be authentic by giving reasons to believe the POD. Secondly, the association must be *deliverable* by the company, meaning the firm must be capable to dedicate resources, communicate information and keep the association preemptive, defensible, and difficult to attack in order to maintain it. POPs, on the other hand, are brand associations not only assigned to the brand of interest but also to competing ones. POPs can be either category POPs, which are necessary to be considered as an authentic brand of a certain category thus serving as reference point, or competitive POPs, which aim to deny associations initially designed as PODs of competitors (Keller et al., 2012).

In order to find POPs and PODs, creating a perceptual map can be helpful (Kotler & Keller, 2012). An intended perceptual map for PV (Appendix 6) demonstrates how the brand should be repositioned in order to develop its PODs. Being the only brand positioned in an *affordable* healthy food market enables PV to have the PODs of offering high value-for-money with high-quality products for affordable prices, which is aligned with PV's value proposition (Appendix 7) as well as offering the opportunity for consumers to follow a healthy diet on a daily basis by having a broad range with different subcategories of healthy food products. Both PODs are strong, favorable and unique since they are desirable for the consumer and deliverable by the company (Appendix 1.3, 1.4, 8). In addition, a positioning triangle illustrates the competition-based approach for PV in respect to its strongest competitor Área Viva (Continente) including the category, POPs and PODs (Appendix 9).

The last positioning aspect is the consumer-based approach with the creation of a brand mantra defined as short phrases focusing on the essential core of a brand's positioning. This is mainly done to ensure that everyone working with the brand has a deep, common understanding of how to represent the brand to consumers while directing marketing activities to them (Keller et al., 2012). An alternative method to uncover the brand essence is called "laddering", in which four steps of brand meaning are identified, going from the least to the most abstract one ending with a focus on the consumer's life (Tybout & Sternthal, 2010). For PV, a brand mantra and brand essence obtained through laddering can be found in Appendix 10 and 11, respectively.

Finally, the positioning statement can be formulated. The statement is primarily intended for internal use capturing the main outcomes of the positioning process and serving as a basis for all following marketing activities (Tybout & Sternthal, 2010). Additionally, Calder (2010) suggests adding *engagement* to the positioning statement by going from a simple description of the category as frame of reference towards a more abstract meaning of it, such as psychological experiences with the brand or in general.

“**To** all adults seeking to live a healthy lifestyle [**Target**], Pura Vida **is a brand of** affordable healthy food products [**Frame of Reference**] enabling consumers to substantially feel better [**Engagement**] **offering** high value-for-money products **and** the opportunity to follow a healthy diet on a daily basis [**PODs**], **because** PV has high standards, expertise in food retailing and accredited collaborators as well as a broad assortment of different subcategories of healthy food for competitive prices [**Reasons to Believe**].”

## **BRAND IDENTITY**

As stated by Kapferer (2012), what the consumer thinks of a brand only reflects an image or associations about this brand built on how consumers perceive and interpret signals sent by its identity and which might be further influenced by additional factors, such as other sources of inspiration for the brand or competitors' communication. Consequently, the image of a brand usually does not reflect what the brand's inner core values are. Thereby, for Keller et al. (2012) brand identity is an important concept in branding for enlarging the established positioning, which then serves as a basis for the overall brand integrity and all following marketing decisions. This should eventually result in a positive image and resonance towards the brand. Additionally, according to Kapferer (2012) brand positioning and identity are not congruent. Whereas positioning is rather temporary and subject to change over time, brand identity is more constant and long-lasting revealing the brand's uniqueness and richness. However, both concepts are indeed vital to give the brand the freedom to change and develop over time without forgetting what it truly stands for.

Brand identity itself can be defined as what the brand manager wants the brand to be, the brand's DNA or its meaning in the deepest sense – its singular characteristics that can be tangible as well as intangible. It is the brand's uniqueness, something the brand truly stands for and that distinguishes it from any other brand. Being more precise, Kapferer (2012) identifies six facets that make up a brand's identity and which can be summarized in a *brand identity prism*. The characteristics of the prism are that every facet is described by only a few but powerful words and that they are connected but not repetitive. Those facets are:

- *Physical*: The physical facet describes the brand's basis. As the name implies, it is primarily about the physical, most salient features, symbols and attributes of a brand, which means brand features that come immediately to one's mind as, for instance, the shape of the brand's prototype product representing the brand, its logo, color or the product category.
- *Personality*: Every brand has its own personality that can even be compared to a human character and thus one could ask what kind of person the brand would be if it was a human. In order to describe the brand's personality, characteristic traits are used, which make it easier for consumers to identify with the brand. Often, adequate spokespersons are chosen to demonstrate a brand's personality. Later on, when advertising is developed, the brand's personality also influences its tone and style.
- *Culture*: The culture facet can be considered to be the (intangible) core, the most important and richest facet of the brand identity and likely it is the most difficult to manage. For this facet one can ask what the brand deeply is about. It is about the set of values and ideals a brand is made up from, what it stands for and gives it meaning - its ideology, that turns the brand itself into something unique.
- *Relationship*: This facet deals with the mode and intensity of the relationship between the brand and its consumers. It is about the exchange between them and especially about how the brand conducts and what it gives to its consumers, may it be tangible or intangible.
- *Customer Reflection*: Customer reflection means that a brand is also a projection of the desired consumer type of the brand, which people do or want to identify with. One could ask for whom the brand is made for or as whom should the consumer wish to be seen by using the brand. However, this is an image of a type of consumer and needs to be distinguished from the actual targeted consumer, who is the brand's potential customer (and not a reflection of him). The customer reflection can be a much smaller segment than the target one.
- *Self-Image*: In contrast to customer reflection, the self-image facet describes not the external but the internal mirror of the brand's desired customer. It states what the desired consumer type should feel by purchasing and using the brand. This self-image is, again, not the actual but the desired one.

In addition, the prism is based on the basic concept of communication consisting of a sender and recipient. Therefore, there is a horizontal division in the model, where the facets physique and personality aim to define the sender, reflection and self-image aim to define the recipient and the facets in between (relationship and culture) aim to connect the two. On a vertical division, the facets physique, relationship and reflection (on the left side) express the brand to the outside, whereas personality, culture and self-image (on the right) represent the inside.

As stated above, since retailer brands and the store brand are interdependent, their identities should be aligned to each other in order to demonstrate consistency. Thus, by building PV's recommended identity, the one of the PD store is clearly taken into consideration (Appendix 12). As a result, in each facet of PV's identity prism there can be found at least one aspect that is identical or similar to one in PD's identity prism, making them consistent and aligned to each other and thus authentic to its customers.

## **BRAND ARCHITECTURE**

Brand architecture, according to Aaker (2004), reflects the relationship between all the different brands of a company and should be designed in a customer-facing way trying to result in making the company's offer clear and appealing from the view of the customer.

Besides the objectives company's brands aim to fulfill individually, through their positioning and identity, they also have common objectives as a brand portfolio in order to support the retailer's overall business strategies. Thereby, the objectives of brand architecture are to support positive synergies, to create and maintain relevance, to leverage brand assets, to develop and enhance strong brands and to achieve clarity about the product offerings.

Before describing the actual relationships between PD's brands, the different product-defining roles that every brand can perform from a customer's perspective have to be defined:

- *Master Brand:* The master brand performs the role of the point of reference and should be the offering's main indicator. This should also be visually reflected by putting it on top and very present. Besides, a master brand can be endorsed by another brand or have a sub-brand.
- *Endorser Brand:* An endorser brand aims to give credibility and strength to a master brand and thus to the offering. Usually, organizational brands serve as endorser brands since they can resort to such things as its history, resources, values or image. Furthermore, they are still somewhat independent from the endorsed brand which reduces the risk that they might be affected negatively by the performance of the endorsed brand.
- *Sub-brand:* By adding a sub-brand to a master brand the association of the latter will be altered or enlarged in a way that it becomes different to the sole master brand and thus is more suitable for a certain product or segment. However, the primary focus lies on the master brand. The added sub-brand, which is not just a mere description of the offering, may take different forms, such as associations or a brand personality, for instance.
- *Driver Roles:* The driver role of a brand describes to which level this brand drives the buying decision as well as the experience of usage. In general, all brand roles can have a

driver role in varying intensity, yet, a driver brand usually is either a master or a sub-brand and only to a lesser extent an endorser brand.

In order to present how brands of a company are linked to each other Aaker's (2004) *brand relationship spectrum* consisting of the following options is used as an adequate framework.

- *House of Brands*: In this option the corporation's master brands are completely independent and have no connection to each other. A subcategory of this option can be a *shadow endorser*. This is the case when there is no visible connection but consumers generally know who the endorser behind the master brand is.
- *Endorsed Brands*: The relationship between an endorser and endorsed brand is not independent. Yet, it offers the latter enough space to establish its own personality and image. Subcategories of this option are *token endorsers* (the endorser is noticeably less prominent), *linked names* (the relation between the brands is made through names with shared elements) or *strong endorsers* (the endorser is prominent and has a substantial driver role).
- *Sub-brands*: When sub-brands are used, the relationship to the master brand is stronger than for endorsed brands. Subcategories of this option are a *co-driver*, meaning that master and sub-brand have a major driving role, and a *master brand as driver*, meaning the sub-brand only has a minor driver role.
- *Branded House*: A branded house means that one master brand, that has the dominant driver role, is used for a whole set of offerings. Sometimes, a descriptive sub-brand is added for clarification. Furthermore, the master brand can have either the same or a different identity for each offering it is used for.

In Appendix 13, the current as well as the recommended brand architecture for PV and the other private labels of PD can be found. Currently, PV serves as a sub-brand for PD (similar to PD À Casa) with PD as a master brand having the driver role and thus the focus is strongly on PD leaving PV often unnoticed for consumers (Appendix 2.1, 2.2). However, in order to make PV a reference in the healthy food business it needs to obtain more freedom to unfold itself in order to gain awareness as an affordable high-quality brand of healthy food. Thus, it is recommended to follow a (strong) endorser strategy, in which PD endorses PV and becomes less dominant whereas PV grows more dominant towards an individual master brand. This is supported by the FGs, in which consumers did not associated private labels with a special category such as healthy food products (Appendix 2.3). Nevertheless, it is important that the connection between the two brands does not become too weak because of the above mentioned interdependence between them and the demand for consistency. Research has shown that a store's reputation can have decisive influence on the purchase

intention of its retailer brand (Kapferer, 2012) and also the FGs indicate a positive influence of PD's image on PV (Appendix 2.14 , 2.15). Thus, an endorser strategy offers just the right balance of inter- and independence, leveraging PD's good image and popularity on PV while giving the latter the space to establish authenticity and become a strong brand.

For PD's other private labels, which build a house of brands of independent master brands, and one brand building a branded house (the "7" brands), no change in the brand architecture is suggested. PD has a strong focus and reputation on (fresh) food. Yet, neither of those private labels is in the food category with some even being in conflicting categories (food [PD, PV] vs. pet food [ActivPet], for instance). Thus, an endorser or sub-brand strategy would be less beneficial. Furthermore, the house of brands strategy makes it possible for the retailer to position those labels on functional benefits without causing brand associations that would be incompatible with the PD private label brand associations.

## BRAND ELEMENTS

Lastly, the brand elements for PV have to be chosen. As stated in Keller et al. (2012), those are brand instruments that help identifying and differentiating the brand from its competition, such as names, logos, spokespersons, characters, websites, packaging, logos, slogans or jingles. The decision about which elements to choose and how to match them is crucial to enhance brand equity overall by increasing awareness and promoting the creation of strong, favorable and unique associations with the brand. For this purpose, six criteria for choosing brand elements have to be considered: A brand element should be *memorable*, so that it is easier to recognize and recall; *meaningful* in the sense that it should be descriptive and persuasive to convey general and specific information about the brand or even reflect the brand's personality or certain feelings for the brand; *likeable*, implying how appealing the element is, independent from the products themselves; *transferable*, meaning how suitable the brand element is to expend it within or across the category or even geographically; *adaptable*, in the sense that it should be flexible for different kind of changes over time; and finally *protectable* in terms of legal protection, for instance by international trademarks or patents, and competitive defense from any actions done by rivals.

For PV the following brand elements have been chosen and a summary evaluating them along the mentioned criteria can be found in Appendix 14:

- *Brand Name*: "Pura Vida" will be maintained because it is simple and fulfills most of the six criteria. Furthermore it is a good choice since it is suggestive of the benefits it offers (healthy and pure products that improve the quality of one's life) and it is unique among its competitor's names. This is supported by the survey and FGs (Appendix 1.5, 2.12, 2.13).

- *Logo:* Logos are important for identifying and recognizing brands. PV's current logo, which is the brand name with a part of the letter "V" being replaced by a leaf, is recommended to be retained. Besides, it is simple and by using the brand name it enhances brand awareness. In addition, the leaf symbolizes something natural and thus healthy, which further fosters positive brand associations and is suitable for all current and possible future subcategories. However, the three-colored bar should be changed to a fully orange one since the current division in three product segments with different colors will be abolished, orange is the dominant color in PV's current products and in the FGs it was one of the colors most associated with healthy food (Appendix 2.4 – 2.6). Additionally, the PD logo as endorser has to be smaller and placed below the PV name to be consistent with the brand architecture.

- *Website:* A website for PV does not yet exist but is proposed to be built to increase brand awareness, especially brand recall, and support its communication and the development towards a reference brand in the healthy food business. However, since it is still a small brand and closely connected to PD this should be realized with a microsite embedded in the official PD website. This way the company can avoid the cost for registering a domain. Yet, since many names are already registered, it should prepare for the future and consider buying an appropriate domain with the brand name already soon.

- *Packaging:* This is a very crucial brand element since it fulfills several objectives such as to identify the brand, contain information, offer protection and support storage and consumption. Since increasing the visibility on shelf is a key success factor for PV, the packaging should be redesigned carefully and consistently. A design manual serving as guideline for the new packaging can be found in Appendix 15.

- *Spokesperson:* A spokesperson can bring several benefits to a brand such as reassurance and credibility. Currently, PV's brand awareness is too low and the assortment too limited to win a trustable and reliable spokesperson. However, for the future, as PV is expected to grow, a spokesperson should be considered to give consumers confidence and guidance towards the brand and the category. Thus, a spokesperson should be someone reliable regarding health, such as a nutritionist or the association of nutritionists. This is supported by the conducted FGs and survey (Appendix 1.6, 2.10, 2.11).

*Characters, Slogan and Jingle* are not (yet) chosen to be brand elements since they usually occur in big advertising campaigns and often bear abstract or even humorous aspects. However, the aim of PV is to establish itself as a serious, trustable and reliable brand. Yet, a tagline used for a communication campaign can be considered to be used as slogan in the future if it proves to be successful.

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## APPENDICES

### APPENDIX 1 – EXTRACTS OF RELEVANT INSIGHTS FROM THE CONDUCTED SURVEY

\*Note: The following extracts refer to the online survey conducted by the student team in scope of the overall Marketing Business Plan for PV with a convenience sample of n=376 respondents. See the group report for all insights and further information on the research.

#### 1.1

4. What is the main reason for you to buy healthy food products?

#	Answer	Bar	Response	%
1	Intolerances/Diseases (Diabetes, Cholesterol, ...)		28	7%
2	Eat healthier		208	55%
3	Lose weight		45	12%
4	Control weight		36	10%
5	Feel better		46	12%
6	Taste		5	1%
7	Other		8	2%
Total			376	

\*Note: Only 7% of respondents buy healthy food as necessity due to intolerances or diseases.

#### 1.2

7. How much do you personally agree with the following statements? 1 - Strongly disagree, 7- Strongly agree

#	Question	Strongly disagree						Strongly agree	Total Responses	Mean
1	"For healthy food products I am willing to pay a higher price."	16	16	27	74	97	67	79	376	5.77
2	"If prices would be more similar I would prefer healthy food products over the normal products of the same category (e.g. wholegrain rice instead of white rice)"	7	7	13	32	21	52	244	376	6.57
3	"I am more likely to buy a healthy food product I usually don't buy if it is on promotion"	20	14	10	35	58	96	143	376	6.30
4	"Conducting a healthy diet is more expensive than eating normally"	19	17	17	20	45	84	174	376	6.29
5	"When I buy healthy food products I specifically check the information in the nutrition table on the package"	30	50	34	50	44	69	99	376	5.30
6	"It is difficult to know what products are really healthy"	18	30	26	62	72	95	73	376	5.77

\*Note: On average, respondents agree with 6.29 out of 7 with the statement that "Conducting a healthy diet is more expensive than eating normally"

#### 1.3

6. Please rank the following aspects when deciding between different brands of a healthy food product. 1 – Most important; 8 – Least important

#	Answer									Total Responses
1	Value-for-money	212	83	39	24	9	5	1	3	376
2	Promotions	35	87	67	52	59	34	29	13	376
3	Packaging (design)	5	5	20	28	39	67	59	153	376
4	Packaging (information on it)	22	40	54	63	53	55	63	26	376
5	Variety of products	7	22	41	63	81	65	64	33	376
6	Availability in store	16	26	47	60	53	62	62	50	376
7	Recommendations from friends/family/...	27	64	70	54	36	41	57	27	376
8	Certificates of quality	52	49	38	32	46	47	41	71	376
Total		376	376	376	376	376	376	376	376	-

Statistic	Value-for-money	Promotions	Packaging (design)	Packaging (information on it)	Variety of products	Availability in store	Recommendations from friends/family/...	Certificates of quality
Min Value	1	1	1	1	1	1	1	1
Max Value	8	8	8	8	8	8	8	8
Mean	1.85	3.79	6.44	4.68	5.14	5.11	4.31	4.68
Variance	1.69	3.67	3.03	3.98	3.06	3.98	4.47	6.05
Standard Deviation	1.30	1.92	1.74	2.00	1.75	2.00	2.11	2.46
Total Responses	376	376	376	376	376	376	376	376

\*Note: Value-for-money is ranked first amongst participants.

1.4

18. What are the benefits you associate with Pura Vida? You can choose more than one option (multiple choice).

#	Answer	Bar	Response	%
1	Good value-for-money		118	70%
2	Reputation		14	8%
3	Trustworthy products		76	45%
4	Appealing packaging		10	6%
5	Good taste		55	33%
6	Good product quality		81	48%
7	Affordable price		71	42%
8	Wide range of products		23	14%
9	Offers products I don't find with another brand ("specialty" products)		8	5%
10	Others		8	5%
11	All		3	2%
12	None		5	3%

19. What benefits do you associate with your favorite brand of healthy food products? You can choose more than one option (multiple choice).

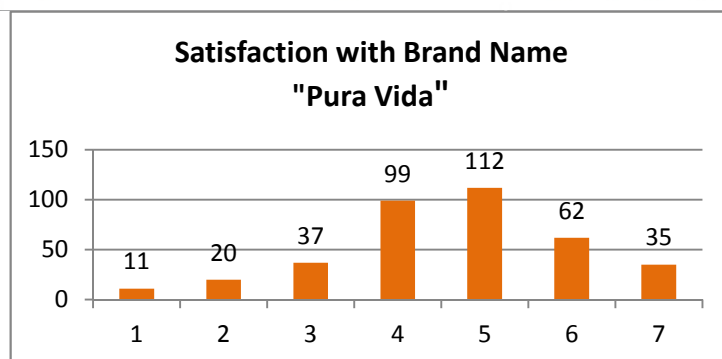
#	Answer	Bar	Response	%
1	Good value-for-money		217	58%
2	Reputation		77	20%
3	Trustworthy products		186	49%
4	Appealing packaging		25	7%
5	Good taste		210	56%
6	Good product quality		228	61%
7	Affordable price		118	31%
8	Wide range of products		78	21%
9	Offers products I don't find with another brand ("specialty" products)		34	9%
10	Others		7	2%
11	All		10	3%
12	None		11	3%

\*Note: PV's results are very similar to the "favorite" (or an aspirational) brand with "Good value-for-money" and "Good product quality" being chosen the most and second most in both questions.

1.5

20. How appealing are the following aspects of Pura Vida products to you personally? 1 - Very unattractive, 7 - Very attractive










#	Question	Very unattractive						Very attractive	Total Responses	Mean
1	The brand name "Pura Vida"	11	20	37	99	112	62	35	376	4.61



\*Note: "Pura Vida" as a brand name was evaluated good overall with a mean above 4 (middle on a scale from 1 to 7) and 55% (209 out of 376) of respondent evaluated it positively with points between 5 and 7 out of 7.

## 1.6

28. Imagine that a brand of healthy food products creates a blog with a person responsible for it. This person responds to your questions and interacts with you. What profession would this person have?

#	Answer	Bar	Response	%
1	Actors		3	1%
2	Model		6	2%
3	Athlete		16	4%
4	Personal Trainer		12	3%
5	Nutritionist		249	66%
6	Doctor		11	3%
7	Chef (cook)		31	8%
8	Blogger for diets/healthy food		41	11%
9	Other		7	2%
	Total		376	

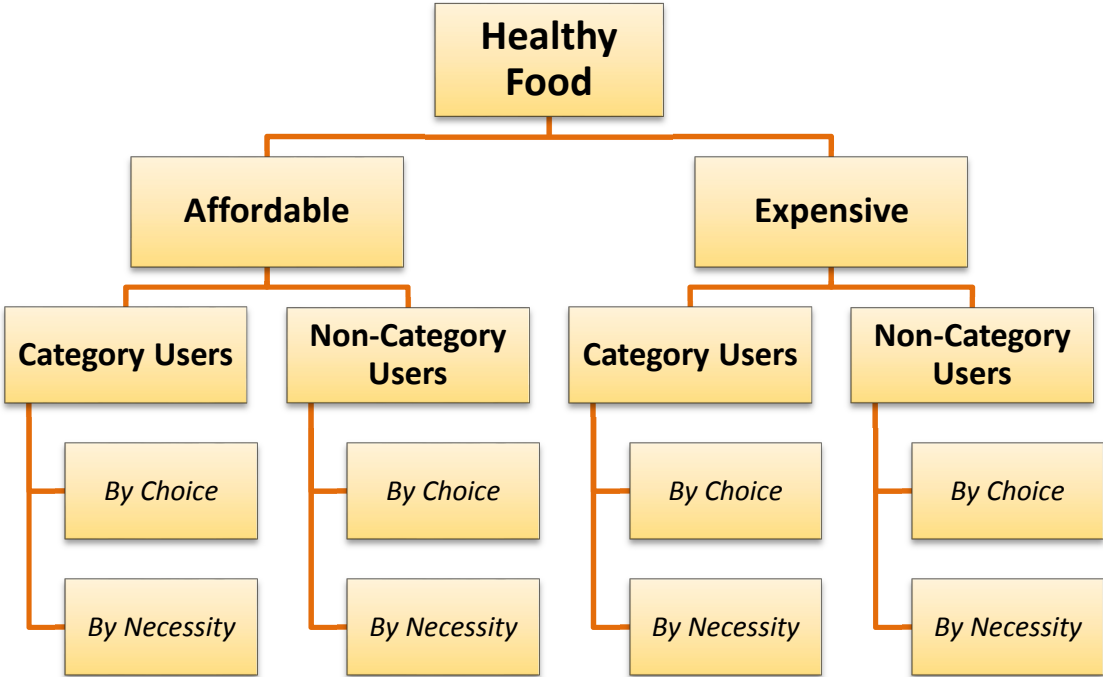
## APPENDIX 2 – EXTRACTS FROM FOCUS GROUPS MAIN INSIGHTS

\*Note: The following extracts refer to the focus groups, which were conducted by the student team in the scope of the overall Marketing Business Plan for Pura Vida with a convenience sample of n=30 participants in total, which were divided in four focus groups (two with people having children and two with people not having children). See the group report for all insights and further information on the research.

- 2.1 "Most of the participants recognized the packaging, but weren't aware of the Pura Vida brand."
- 2.2 "Some of the participants never paid attention to the Pura Vida brand."
- 2.3 "(...) and some of them did not know about the existence of any private labels of healthy food."
- 2.4 "The colors associated to healthy food products are green, orange and yellow."
- 2.5 "They associate healthy food products with green or orange colors, (...)."
- 2.6 "When looking at different Pura Vida products, they all think that the orange packaging is good to attract consumers."
- 2.7 "It is general opinion that if prices were lower, they would feel more motivated to buy healthy food products."
- 2.8 "They all said that products are very expensive and that, mostly, it is not possible to adopt a diet with healthy products."
- 2.9 "(...) she would like to buy other healthy products and in more quantity but due to the price it was impossible. All of them talked about the high price and that it is very difficult to choose the products due to high prices."
- 2.10 "When asking about a blog where someone could answer to consumers' doubts, they associated a nutritionist with it"
- 2.11 "On the blog they would like to have someone real and credible behind it. By that, it was mostly mentioned that it should be someone that has experiences in the area and a big interest for it, and thus be able to communicate things for people from the "real world"."
- 2.12 "The name Pura Vida was in general associated with healthy food."

- 2.13 “They also think that Pura Vida is an interesting name. It works well.”
- 2.14 “When referring to the Pingo Doce link in the name, they think that Pingo Doce should not be so big. However, it should be continued to use Pingo Doce for consumers that do not have a high budget to spend and Pingo Doce brings credibility to Pura Vida.”
- 2.15 “If the products would not mention Pingo Doce on the package, they would not have the same credibility. Nevertheless, participants would try them.”
- 2.16 “(...) being healthy depends a lot on (...) the metabolism of each person, because products and diets have to be adapted to each body, each person, each daily routine.”

**APPENDIX 3 – SEGMENTATION OF THE HEALTHY FOOD MARKET**



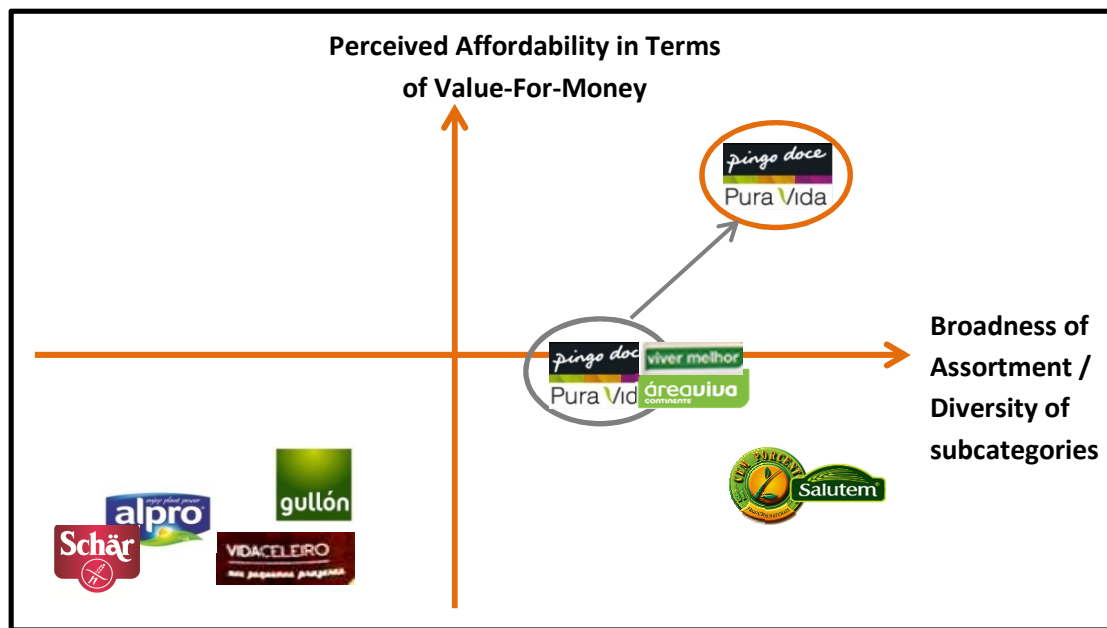
## APPENDIX 4 – DESCRIPTION OF HEALTHY FOOD SEGMENTS

	Affordable Category users	Affordable Non-category users	Expensive Category users	Expensive Non-category users
<b>WHO</b> (demographics, geographics and psychographics)	<ul style="list-style-type: none"> <li>• 20-65 years</li> <li>• More women than men</li> <li>• Living in urban areas</li> <li>• Professionally active or students</li> <li>• Educated</li> <li>• Healthy lifestyle (awareness and knowledge of importance of healthy diet)</li> </ul>	<ul style="list-style-type: none"> <li>• 20-65 years</li> <li>• More women than men</li> <li>• Professionally active or students</li> <li>• Interested in a healthy lifestyle but not (yet) fully aware of healthy food category</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;35 years</li> <li>• More women than men</li> <li>• Living in urban areas</li> <li>• Professionally active</li> <li>• Educated</li> <li>• Healthy lifestyle (awareness and knowledge of importance of healthy diet)</li> </ul>	<ul style="list-style-type: none"> <li>• &gt; 35 years</li> <li>• More women than men</li> <li>• Professionally active</li> <li>• Educated</li> <li>• Interested in a healthy lifestyle but not (yet) fully aware of healthy food category</li> </ul>
<b>WHAT</b> (Purchase Behavior)	<ul style="list-style-type: none"> <li>• Value-for-money most important purchase drivers</li> <li>• Have a certain level of price sensitivity (try to spend less for something if possible but are willing to pay more when it is worth it)</li> <li>• Less likely to be brand loyal</li> <li>• Looking primarily for daily products</li> </ul>	<ul style="list-style-type: none"> <li>• Value-for-money most important purchase drivers</li> <li>• Have a certain level of price sensitivity (try to spend less for something if possible but are willing to pay more when it is worth it)</li> <li>• Less likely to be brand loyal</li> <li>• Looking primarily for daily products</li> </ul>	<ul style="list-style-type: none"> <li>• Quality most important purchase driver</li> <li>• Value service and support a lot</li> <li>• Less price sensitive or tend to connect higher prices to higher quality</li> <li>• Tend to be brand loyal</li> <li>• Looking also for special products</li> </ul>	<ul style="list-style-type: none"> <li>• Quality most important purchase driver</li> <li>• Value service and support a lot</li> <li>• Less price sensitive connect higher prices to higher quality</li> <li>• Tend to be brand loyal</li> <li>• Looking also for special products</li> </ul>
<b>WHY</b> (Motives)	<ul style="list-style-type: none"> <li>• Diverse motives, e.g. eating healthier or feeling better but also health issues</li> </ul>	<ul style="list-style-type: none"> <li>• Do not (yet) have a need for healthy food or perceive it as being too expensive</li> </ul>	<ul style="list-style-type: none"> <li>• Diverse motives, e.g. eating healthier or feeling better but also health issues</li> </ul>	<ul style="list-style-type: none"> <li>• Do not (yet) have a need for healthy food</li> </ul>

## APPENDIX 5 - EVALUATION OF SEGMENT ATTRACTIVENESS

	Affordable Category users	Affordable Non-category users	Expensive Category users	Expensive Non-category users
<b>Segment Characteristic</b> Segment size Growth rate Profitability	<ul style="list-style-type: none"> <li>Majority of category users</li> <li>2<sup>nd</sup> smallest segment</li> <li>Biggest growth potential</li> </ul>	<ul style="list-style-type: none"> <li>Potentially all PD consumers</li> <li>Biggest segment</li> </ul>	<ul style="list-style-type: none"> <li>Minority of all category users</li> <li>Smallest segment</li> <li>Limited growth potential</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> biggest segment</li> </ul>
	If non-category users can be converted to category users, high profitability due to segment size and high category margins.		High profitability due to the possibility of very high margins. However, profitability is limited to a small segment size.	
<b>Competition</b> Strengths Intensity Resources	<ul style="list-style-type: none"> <li>Some retailers dedicated private labels to the category (e.g. Continente, Intermarché, Jumbo ) or offer healthy food products under their ‘normal’ private label (e.g. MiniPreço) for competitive prices</li> <li>Continente is the strongest competitor regarding resources and product offer</li> <li>No brand so far positioned itself as a brand of <i>affordable</i> healthy food</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturer brands and specialty store labels dominate these segments</li> <li>Manufacturer brands usually specialize in one sub-category and do not offer a diverse range of healthy food products</li> <li>Specialty stores only sell products of the category and thus have expertise. They offer services tailored to consumer needs (possible due to their specialization and high margin products)</li> </ul>		
<b>Company Fit</b> Objectives Competence Resources	<ul style="list-style-type: none"> <li>Consistent with PD value proposition</li> <li>Consumers trust in PD’s value-for-money promise</li> <li>Since PV is a private label of the company, PD can guarantee the offer of PV products to its consumers and can determine almost all conditions of this offering</li> </ul>	<ul style="list-style-type: none"> <li>Consistent with PD value proposition</li> <li>Consumers trust in PD’s value-for-money promise</li> <li>PD established a trustworthy image among consumers. It helps convincing non-users to become users.</li> <li>PD has resources and competence needed to reach the segment (e.g. communication efforts, brand offering)</li> <li>Good condition to reach this segment (broad store network, national leader in supermarkets; →touch points)</li> </ul>	<ul style="list-style-type: none"> <li>PD is known for good quality</li> <li>However, PD does not aim to offer expensive private labels (instead value-for-money)</li> <li>PD can’t offer extensive in-store customer service regarding healthy food products only</li> <li>Consumers looking for expensive and special products tend to search them in specialty stores (no direct touch points)</li> </ul>	<ul style="list-style-type: none"> <li>PD is known for good quality</li> <li>However, PD does not aim to offer expensive private labels (instead value-for-money)</li> <li>PD can’t offer extensive in-store customer service regarding healthy food products only</li> <li>Consumers (potentially) looking for expensive and special products tend to search them in specialty stores (no direct touch points)</li> </ul>

## APPENDIX 6 - INTENDED PERCEPTUAL MAP FOR PURA VIDA



\*Note: This map is based mainly on qualitative information obtained through brand websites, store checks as well as insights from the conducted FGs and survey.

## APPENDIX 7 - PINGO DOCE'S VALUE PROPOSITION

**VALUE PROPOSITION**

Pingo Doce is a reference for quality and innovation within Modern Distribution, especially focused on Perishables and its Private Brand.

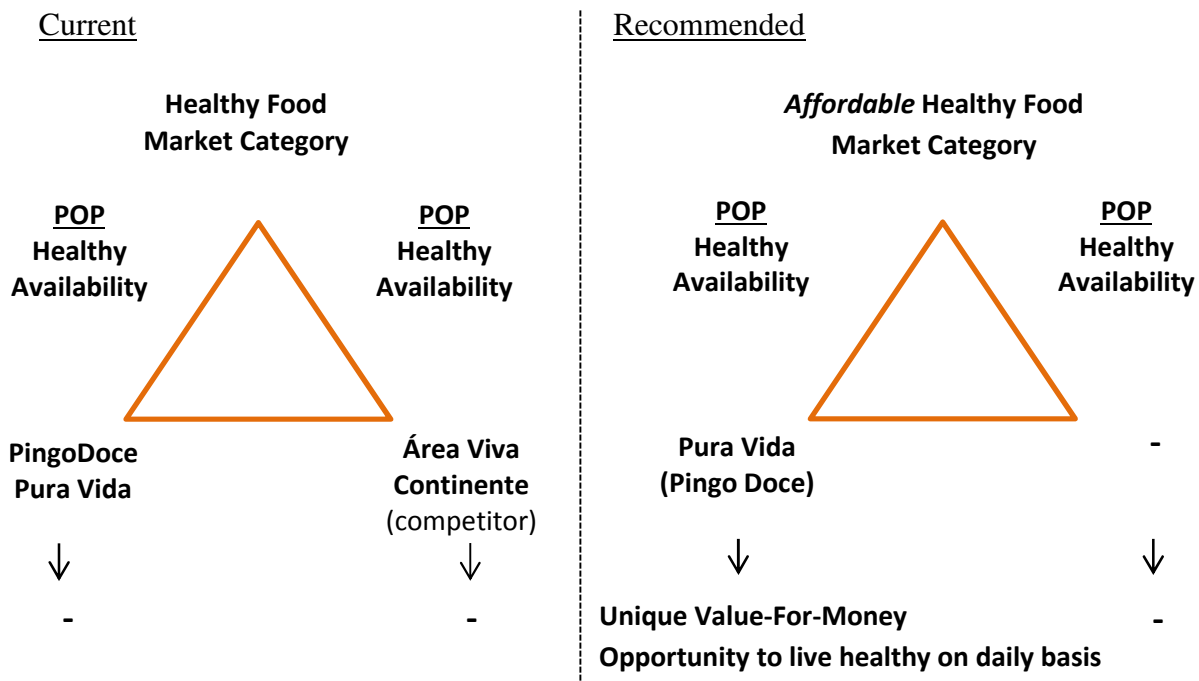
- Its value proposition is based on the following:
  - Assortment of high quality Perishables;
  - Competitive prices, with the opportunity for immediate savings;
  - Pleasant store environment, recreating the atmosphere of traditional markets
  - Great service;
  - A long-lasting relationship of trust with its customers.

Source: Jerónimo Martins: Pingo Doce (n.d.). Retrieved 2016, April 28 from <http://www.jeronimomartins.pt/negocios/distribui%C3%A7%C3%A3o-alimentar/pingo-doce.aspx?lang=en>

## APPENDIX 8 - CRITERIA CHECK FOR STRONG, FAVORABLE AND UNIQUE PODS

		<b>POD: Unique value-for-money making a healthy diet with high quality products affordable</b>	<b>POD: Make it possible to follow a healthy diet on a daily basis</b>
<b>Desirability for consumer</b>	<b>Relevance</b>	<p>-Consumers rank value-for-money first in deciding between brands. They perceive it as expensive but still are willing to pay a certain premium (Appendix 1.2 Question #1 #4, 1.3, 2.7-2.9)</p> <p>-Research shows that for brands created for a specific theme (e.g. health) that are usually perceived as expensive, consumers go for the brand “in the middle”, meaning the brand that is more expensive than the regular private label but cheaper than manufacturer brands (De Jong, 2011).</p>	<p>-People generally prefer healthy products over the normal equivalent (Appendix 1.2, Question #2)</p> <p>-People adopting a healthy lifestyle (including healthy diet) need to do it on a daily basis to be effective (Appendix 2.16)</p>
	<b>Distinctiveness</b>	Perceived by consumers, there is nothing like an affordable healthy food market so far (Appendix 2.3) and thus no real value-for-money offerings	Perceived by consumers, there is nothing like an affordable healthy food market so far (Appendix 2.3) and thus no broad assortment for <i>daily</i> consumption
	<b>Believability</b>	<p>-Aligned with PD’s value proposition of high quality and competitive prices</p> <p>-Long history in food retailing resulting in expertise, high quality standards and collaboration with accredited organizations (e.g. APC)</p> <p>→ Value-for-money is what PD stands for among consumers</p>	Offering broad assortment with diverse subcategories for competitive prices
<b>Deliverability by company</b>	<b>Feasibility</b>	The company has long experience in food retailing and a broad network of collaborators to effectively dedicate sufficient resources in order to make the brand feasible for the company.	
	<b>Communicability</b>	A range of effective communication channels (leaflets, various options in store, etc.) are available. A focus can be given to PV whenever needed since it is one of the company’s private labels.	
	<b>Sustainability</b>	The (intended) brand’s performance is sustainable meaning it is preemptive, defensible and hard to attack, because the brand is the first one to position healthy food, which is still perceived as too expensive, in an affordable way which, additionally, is leveraged by the long-standing positive and trustworthy image of the PD retailer.	

## APPENDIX 9 – CURRENT AND RECOMMENDED POSITIONING TRIANGLES



\*Note: In the overall healthy food category Pura Vida currently is not able to differentiate itself to its closest competition. However, if Pura Vida is able to credibly position itself as the first and only brand of affordable healthy food, it can differentiate itself by its unique value-for-money offer and by giving consumers the opportunity to live healthy on a daily basis (due to the broad assortment), because it has no direct competition in this subcategory.

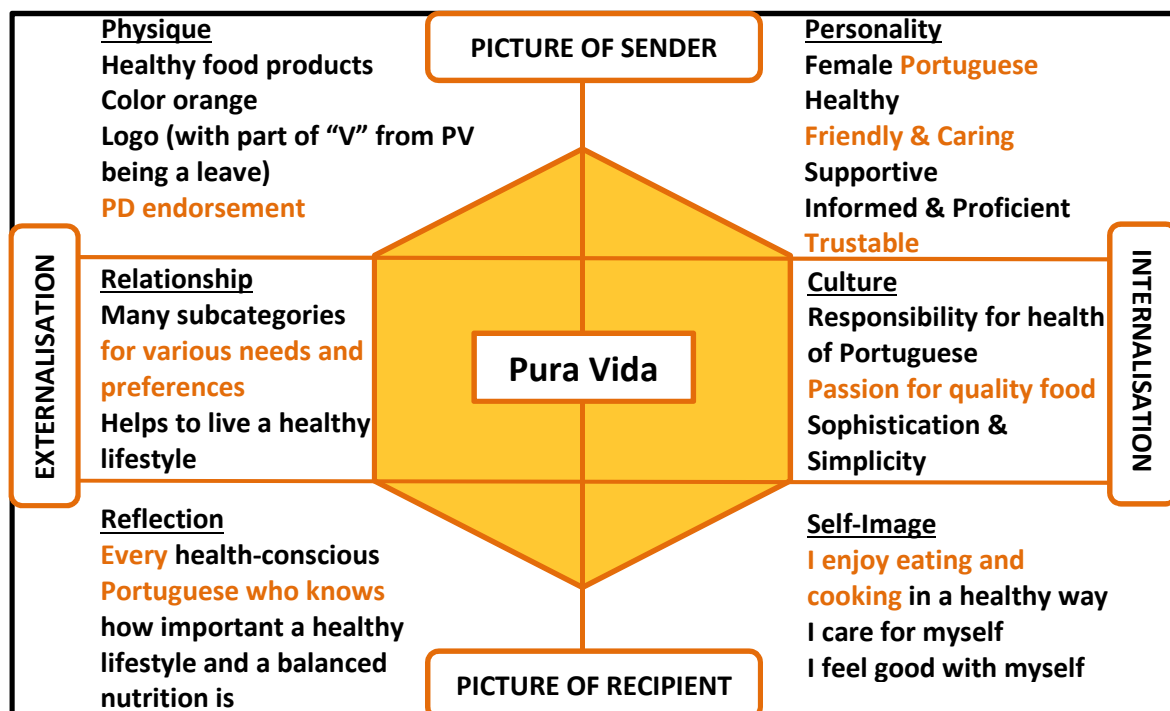
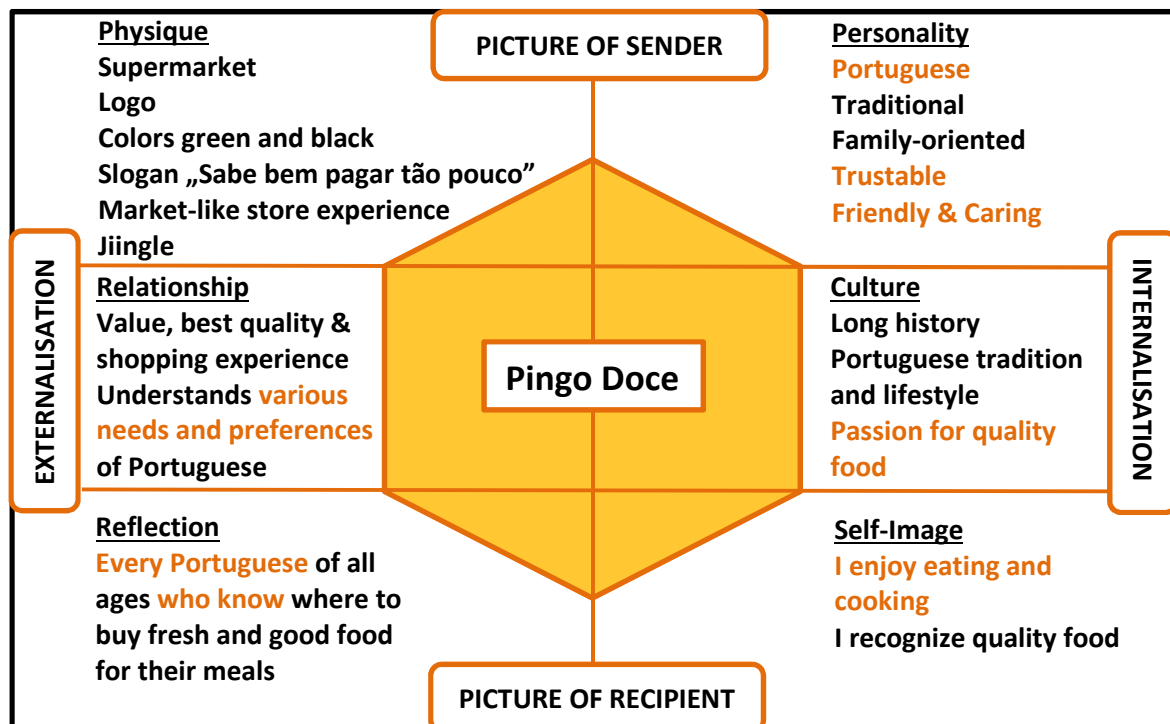
## APPENDIX 10 - BRAND MANTRA

<b>“Healthy food for everyone, every day”</b>	
<b>Communicate: the brand’s category and uniqueness</b>	✓
<b>Simplify: by making it short, easy to remember and vivid</b>	✓
<b>Inspire: by making it personally important to employees</b>	✓

## APPENDIX 11 - BRAND ESSENCE OBTAINED THROUGH LADDERING

<b>Brand Essence</b>	↑ Enhances satisfaction and joy in one’s life: Live the “pure life” ↑
<b>Emotional Benefit</b>	Feel better
<b>Functional Benefit</b>	Eat in a healthy way/ Have a healthy diet
<b>Attribute/ Image</b>	Depending on subcategory, e.g. least processed, organic, without gluten, without lactose, without sugar, ...

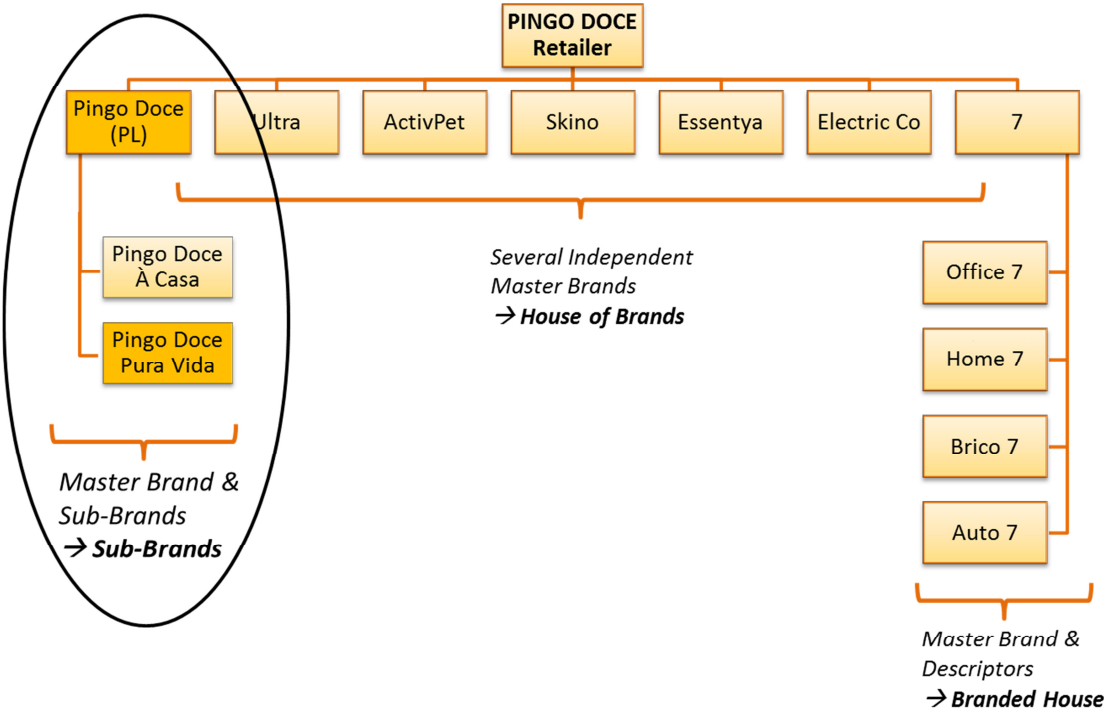
APPENDIX 12 – BRAND IDENTITY PRISM FOR PURA VIDA AND PINGO DOCE STORE



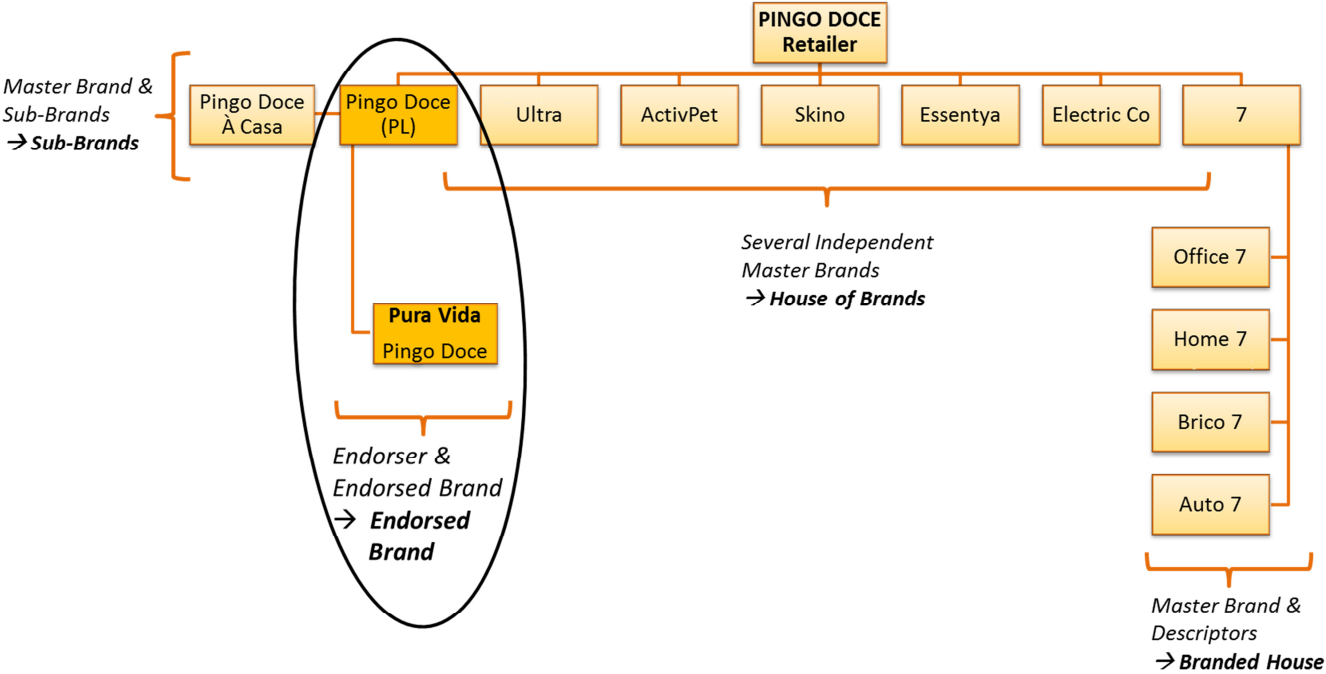
\*Note: Words written in orange color illustrate similarities between the two identities.

APPENDIX 13 – CURRENT AND RECOMMENDED BRAND ARCHITECTURE

Current Brand Architecture:




Recommended Brand Architecture



\*Note: PL – Private Label

## APPENDIX 14 – CRITERIA CHECK FOR CHOSEN BRAND ELEMENTS

	Name "Pura Vida"	Logo 	Website/ Microsite	New Packaging
<b>Memorable</b>	Excellent	Good	Good	Good
<b>Meaningful</b>	Excellent	Excellent	Good	Good
<b>Likeable</b>	Excellent	Good	Good	Excellent (expected)
<b>Transferable</b> (to subcategories within healthy food)	Excellent	Excellent	Good	Excellent
<b>Adaptable</b>	Difficult	Good	Good	Good
<b>Protectable</b>	Good	Excellent	Excellent	Difficult

## APPENDIX 15 – DESIGN MANUAL FOR NEW PACKAGING

According to De Jong (2011), packaging is one of the most important brand elements for retailer brands because it is one of the most apparent communication tool, which also makes the retailer's identity somewhat tangible and therefore should have a consistent and clear design. Optimally, the design should include features to help entering consumers' mindscape, which is the sum of all positive associations linked to the brand, and consistent with brand architecture, which helps consumers to navigate through the store and in the selection process making the right decision in front of the shelf.

For packaging design so called "grids" are used to give every private label a different design and define the fixed elements included in the packaging. Then, all agreed fixed components of the grid such as the logo, color combination, font type, ratio between texts and images, among others, are written down in a "design manual". A proposal for such a design manual for PV can be found below:

## **Design Manual for Pura Vida Packaging**

- **BACKGROUND**
  - Simple and plain
  - White color
  - Put a discreet product picture or a window on packages
- **PURA VIDA LOGO**
  - Very present on upper right-hand corner of package
  - In the same color and size (proportionally to package size) on all product packages
- **PRODUCT NAME**
  - Detached from the logo [to make the logo stand out and be more apparent]
  - Written clear and visible in the same font type throughout all product packages

[→It becomes easier to identify the brand as well as the product type]

- **LEGAL CONTENT**
  - Ingredients list on package back
  - Nutrition table on package back
  - GDA (Guideline Daily Amounts) label on package front
- **CLAIMS AND STAMPS**
  - Put visible, easy-to-understand benefit claims in different colors on packages where they apply [to guide and support customers in a simple and consistent way what benefits the product has]
  - Put stamps of partner organizations on packages whenever they apply, close to the claims
- **“HELP-BOX”**
  - Put a little “Help-Box” on the back of each package
  - It should including either a recipe with the product on hand or suggests other PV products to combine it with
  - The link to the website, where consumers can find recipes, the complete product assortment, tips for a healthy diet, a “Health Wiki” and more, should always be in the box.