

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.

TURNING SUMOL INTO A WORLDWIDE BRAND FOR LOCAL CONSUMERS IN THE FRENCH  
MARKET  
**MARKETING STRATEGY**

INÊS ROQUE DA COSTA | 40633

Work project carried out under the supervision of:  
Professor Jorge Velosa  
and Teaching Assistant Carolina Lourenço

04-01-2021

## **Abstract**

In an internationalisation strategy, the demarcation of segments, target(s) and positioning is critical to the success of any given project. This paper employs the fitting theoretical frameworks to the challenge of turning Sumol into a worldwide brand to the French consumer, drawing out of it a feasible, relevant, and differentiated marketing strategy, that aims to captivate and prompt the consumer to action, ensuring, nonetheless, that the essence of the brand is respected and preserved.

## **Keywords**

Marketing Strategy; Internationalisation; French consumer; carbonated soft drinks market

### **1. Marketing Strategy**

Competing in today's marketplace is a challenging, dynamic game, and making the right decisions requires knowledge about both our company and other players. According to Gupta & Avery (2015), "the right game will be the one in which the resources and capabilities that the firm brings to bear are superior to those brought by competition and are well aligned with what the customers value." The formula segmentation, targeting, positioning (STP) is the essence of strategic marketing (Kotler and Keller 2016) and out of it will emerge the combination with which Sumol can reach the goal of becoming a worldwide brand to the French consumer.

#### **1.1 Segmentation**

Segmentation is the first step to select a target market for a given product and designing an appropriate marketing mix (Dolnicar, Grün, and Leisch 2018). The premises under this process is that people that share some of the same characteristics and behaviours will have similar opinions and appreciation towards a product, service, or message. Segmentation carries the purpose of identifying and profiling distinct groups of buyers who differ in their needs and wants (Kotler and Keller 2016) (Gupta 2019). Dividing a large heterogeneous group into multiple homogeneous ones within themselves, leads to a better understanding of their shared needs and wants, allowing the development of marketing mixes that will satisfy them, if proven relevant enough to the company (Keller 2013).

Failing to segment, however, can result in unnecessary spending of time and resources with people that will not buy the product or fulfil the goal the company aims to achieve. Moreover, it can compromise the effectiveness of the marketing programs near potential customers, by not being targeted enough to their desires. The company may lose prospects and even current consumers, precisely by failing to *speaking their language*. With this in mind, segmentation carries benefits also to the consumers, protecting them from being bombarded with messages and advertisements about products they do not care about, communicated in a way they do not identify with (Gupta 2019).

There are two main bases for segmentation: descriptive or customer-oriented, and behavioural or product-oriented. The first assembles variables related to whom the customer is, such as geographics, demographics, or psychographics. The second relates the individual to the product, focusing the segmentation on what consumers think and feel about the product or brand, and what their behaviour towards them is, benefits sought or behavioural are examples of such variables (Keller 2013).

For Sumol, the challenge was to find a segment that was not entirely served or satisfied by the proposition of competitors (enough to prompt product adoption) (Shimp 2010), but that was still interesting in size. From the analysis of competition performed (Mohren et al. 2021), it is known that Fanta and Orangina's positionings are focused on bold, fun messages, targeting the young daring individuals or those that – although not so daring –, resonate with the message (Mohren et al. 2021). Looking inwards, Sumol carries some values and connotations, such as *Tolerance*, *Understanding* and *Respect towards the other*, that follow a more purposeful positioning, even though its communications in Portugal are also bold and daring. Although the goal is not to offer a duplication of what Sumol is in Portugal, the need for consistency imposes alignment between the two strategies.

The segmentation performed for Sumol was founded on the results of the primary and secondary research developed over 7 months. The basis of the segmentation was given by the demographic variable of country of residence, which had to be France for the past 5 years. As stated before, this project intends to keep the alignment with the Portuguese brand, whose target is young. Moreover,

the younger generation seems to represent the biggest percentage of soda consumers (Statista 2015), thus the second demographic variable applied was age: dividing the group into over thirty-five years old and under thirty-five years old. Although being the easiest information to measure and obtain, demographics is the one that provides the least insight into consumer choice behaviour (Shimp 2010).

For this reason – and in order to further understand these consumers –, the behavioural variable of liking soda was applied relying on the data collected from the quantitative primary research. The under thirty-five years old were then broken down into two groups: soda drinkers and non-soda drinkers. It is vital to mention that this variable is hereby applied in such a strict way (not extending it to soft drinks drinkers) due to the results of the taste testings conducted, which have indicated a clear identification of Sumol's category as soda, and not as carbonated fruit juice nor as the general category of soft drinks. This closed-off approach should not be considered a symptom of marketing myopia, in the sense that it is believed that non-soda drinkers are not first nor second tier of non-customers (Kim and Mauborgne 2005). First, because the taste (key factor in purchase decision) would make them not convertible and, second, Sumol does not carry enough naturalness claims to be considered by those that like soda but refuse the category for health reasons (Mohren et al. 2021).

Regarding behavioural variables, Shimp goes as far as saying that when these are available, other types of variables may become irrelevant (2010). In this case, drinking soda presents itself as a key variable to ensure the relevance of the target market(s) later selected. Even so, to be able to understand consumers' values and beliefs and to better differentiate from competitors' marketing strategies, it was decided to add a psychographic segmentation variable that had to be both compatible with the existing target of the brand in Portugal and resonant to the French consumer (Dolnicar, Grün, and Leisch 2018).

As advised (Gupta and Avery 2015), the development of the strategy, namely the selection of this variable, demanded an extra look first within the brand, at the market and at the research ran so far.

In primary research, when questioned about their perception about Sumol's Portuguese brand

message (Appendix 1), the French claimed they were indifferent to it. Moreover, when faced with an ad from the brand in Portugal that highlighted, again, authenticity and celebrated difference intensely, 94% of respondents stated that they felt the brand was extremist (Mohren et al. 2021). Secondary research, in its turn, had revealed the French youth sees its generation as *Individualist*, and *Pretentious*, but also as *Tolerant*, *open-minded* (Statista 2020). This, along with the fact that respondents identified *Tolerance* and *Dialogue* as the path for a better world in the surveys conducted, has led to the belief that the problem is not the underlying values of the brand messages presented, but rather the bolder way in which they are conveyed.

As for context, some extra secondary research was conducted (Appendix 2), as an effort to better understand how young people were portrayed in the news. Alongside the headlines mentioning the extreme violence and radicalism that has swamped France in the last decade (Appendix 3), there were references to a *Generation of Tomorrow*, an *Engaged Generation* that is entering the discussions about their present and future, and that ranges from teenagers to young adults. A generation that wants to have an impact, that wants to give its opinions online and offline, that wants to fight for what it believes and that demands to be heard (Tourret 2018). Moreover, it is an endeavour that goes beyond France and unites the youth internationally. Keeping a broader segmentation, the goal would not be to identify activists *per se*, but to identify those that wish to have a voice, to *Participate in Society*.

Knowing the target is young and the opportunities to be heard are limited, having voted in the French elections was taken as a proxy of their will to voice their opinion in society. To discard the residual ones that might renounce their right to be heard, thus whose motivation to vote might have been circumstantial, the measure of the general-purpose psychographic variable (Shimp 2010) applied was having voted in the second round of the 2017 presidential election in France. Since it is not expected that a correlation between voting and drinking soda exists, the latter group was divided proportionally to the percentage of under 35 years old voters.

This segmentation culminated in the identification of 4 segments, as presented on Appendix 4.

Regarding the size of the segments, France has a total of 67 Million inhabitants, out of which 23,4% are between the ages of 15 and 34 years old, thus accounting for a total of 15,678 million people (Statista 2019). Primary research has shown that 73% drink soda, resulting in a universe of around 11,445 million. Soda drinkers were then divided into active and passive based on their participation in the second round of the last presidential elections in France (2017), in which – according to secondary research (Teinturier 2017) – abstentionism was around 33%. Thus, there is an estimate of 7,668 million consumers in “The Active” segment and 3,777 million in “The Passive” segment.

It must be acknowledged that some other variables could have been used in order to extract more information about each segment. However, the decision of using a rather simple and broad segmentation was made for one main reason: the limited budget available to Sumol to enter the market. Although other subgroups with relevant characteristics exist within these groups, the budget would restrict any efforts to pursue very differentiated strategies to properly satisfy each of them. The strategy hereby presented aims to guarantee the segmentation is aligned with the existing brand strategy and is unique and relevant to a large number of French consumers.

Different theorists rely on different strategies to validate the effectiveness of segmentation criteria (Dolnicar, Grün, and Leisch 2018). Keller and Kotler (2016) present five key measures in which each segment must perform well. These are: to be measurable; to be substantial, meaning to be large and profitable enough to be served; to be accessible; to be differentiable, different from each other, and responding to different marketing stimuli; and to be actionable, thus the company is able to formulate and attract them. It is believed that the segmentation introduced has been able to meet these standards.

## **1.2 Targeting**

Targeting is the second step of the STP process, in which the segments are further analysed and selected according to what the company wishes to focus on. The segments’ attractiveness is evaluated on three main aspects: segment’s characteristics, competition and company fit (Appendix 5).

Going right onto the characteristics of each segment, the first element is size. The Oldies represent a

total of around 39 million people, thus being the largest group. The Active account for an estimate of 7,7 million people, The Passive are 3,8 million, and The Bummer 4,7 million. Regarding the growth rate, The Bummer are expected to grow the most due to the trend of choosing healthier and more natural products, plus the incentives of the governments in the same direction (Mohren et al. 2021). The percentage of elderly population in France keeps increasing (OECD 2020), which leads to the belief that so will The Oldies segment. As for The Active and The Passive, the expectation is that both lose members to The Bummer, again, for health concerns. However, it is also expected that as information keeps flowing and the younger generation continues to be empowered, some of The Passive start to take action and feel more engaged in society, thus joining The Active. Regarding profitability, The Active and The Passive perform the best, as these are the young soda drinkers. Since the percentage of soda drinkers tends to decrease with age (Mohren et al. 2021), The Oldies are expected to have some drinkers, although these are expected to drink soda less often. Nonetheless, due to the size of the segment, profitability is still considered very significant. The Bummer are characterized by not drinking soda, thus expected profitability of this group is close to zero.

Competition in the French soda market is intense, particularly to grab the attention of younger generations, making The Active and The Passive the least appealing audiences. Nonetheless, the focus of both of Sumol's main competitors tends to be on the carefree, bold individuals, which match most The Passive's profile. The competition for The Oldies, although existent, is not as significant, nor strategic, meaning they are not actively targeted – they are rather maintained through brand equity. Consequently, the strengths of these already established competitors' brands are aligned with the intensity of the competition, except for The Oldies, where Orangina, for example, has kept a decent ability to capture their attention. Competitors' resources are considered high for all segments, to translate these players capability to invest in any segment they deem interesting. The perfect example is how Coca-Cola<sup>1</sup> reacted to the contraction of the market: launching Coca-Cola Light

---

<sup>1</sup> Fanta, one of Sumol's biggest competitors in France, is owned by The Coca-Cola Company.

Taste, whose target overlaps at some level with the here called The Bummer.

As for Company Fit, The Actives match Sumol's goals, while also being the group that the brand is most suited to serve, namely, due to the aforementioned alignment with the brand's values. Regarding resources, Sumol's limited budget makes it a challenge, however, along with The Passive, the efforts to satisfy them involve less of an adjustment from the brand, thus less resources need to be invested.

This analysis, along with the segment evaluation plot presented in Appendix 6, lead to the conclusion that The Active segment is the most attractive for Sumol and the one Sumol is most relevant to. For this reason, it was decided to select it as the target market of the brand in France. The selected target is thus made up of young French individuals that drink soda and show a will to participate in society and voice their opinions. From research, it is possible to ascertain that they tend to care about the world and the environment, believe in *Tolerance* and *Dialogue* as the way to build a better world, want to feel connected and like to relate to others like them (Mohren et al. 2021).

### **1.3 Positioning**

More than four decades ago, Ted Levitt presented the idea that there is no such thing as a commodity product and even basic products could be highly differentiated through marketing efforts. To achieve it, the onus is not on changing the product, but on adapting its positioning (Avery and Gupta 2015). Positioning is about creating a value proposition for the target and create the idea of the brand that should be imprinted in consumers' minds. It must condense the brand's meaning and its uniqueness factors, that will make it stand out competitively as being superior in the category (Shimp 2010).

A relevant brand positioning produces high customer value and satisfaction, leading to repeat purchases and profitability (Kotler and Keller 2016), and it should be communicated to consumers through the efforts of the marketing mix. It can be encapsulated in a Positioning Statement, made up of four elements: target market, frame of reference, unique selling proposition, and reasons to believe.

As the selected target market, The Active is the group the brand must serve and satisfy. Although some remarks have already been made about the competition within this segment, properly

positioning the brand demands a deeper look from the perspective of consumers (Avery and Gupta 2015). The analysis of the frame of reference implies not only mentioning the target market, but also identifying the competitive set, which can be found in Appendix 7. Beyond that, it is crucial to recognize that within the sub-segment of fruit flavoured carbonated sodas, Orangina and Fanta are the most direct competitors, playing the roles of Market Leader and Market Challenger, respectively. Private labels play an important role in the soda market too, although relying essentially on imitation. Sprink's (E.Leclerc's private label) is an example. As for market nicher, Bioné O is one of the brands currently positioning in the market based on its bio claims (Appendix 8) (Mohren et al. 2021).

Given this target market and competitive set, it is essential to re-enter Sumol into the equation, to determine the brand's points of parity (POPs) and points of difference (PODs). To extract them, perceptual maps are of great value to visualize data and to unveil unexplored needs in the market (Kotler and Keller 2016). Relying on research, two perceptual maps were developed. On Appendix 9, the product attributes *level of carbonation* and *juice/soda flavour* of the broad competitive set are compared, showing evidence that most brands have high carbonation, namely Sumol's two main competitors. Although being differentiating, it fails the test of relevance for the consumer, since, when inquired about preferences of carbonation, opinions were scattered (Mohren et al. 2021).

Regarding flavour, there are not many carbonated soft drinks in which the juice flavour is considered intense, but, based on the taste testings' results, Sumol cannot claim that place either. In fact, during the taste testings, the product attributes were considered significantly different depending on the flavours. Hence, positioning on product attributes seems to be not relevant nor differentiating enough, but also conflicting for the brand, given its product line. After collecting this insight, a second perceptual map was developed showcasing Sumol's two main competitors positioning in France, plus Sumol's current positioning in Portugal<sup>2</sup> (Appendix 10). From this map, it is concluded that competitors focus on being fun and defiant and compete closely doing so; Sumol has a differentiated

---

<sup>2</sup> The brand's positioning in France is not considered for comparison purposes due to its lack of consistency and to the fact that the target market were Portuguese emigrants, which entail an entirely different strategy.

positioning (also defiant, but with a serious tone); and the serious/relatable quadrant remains vacant.

After analysing the market and the competitors, it is possible to identify within the Points of Parity, the category points of parity or entry ticket benefits: the need to mention the feeling of refreshment and the good taste, as it is something that tends to be communicated to the consumer through the advertisements; having a naturalness claim, which competitors in the broader competitive set tend to have; and offering an orange flavoured option. Factors in which Sumol does not perform as well as competitors (correlational points of parity) are: the variety of flavours available in the market, as competitors tend to launch and keep a more diversified portfolio; not tasting as fruity as competitors; the lack of availability on supermarkets and HORECA; and its green bottle, which is not entirely understood by the French consumers that do not know the brand yet (Mohren et al. 2021).

Regarding the Points of Difference, Keller and Kotler (2016) define them as “attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand.” Sumol’s offering of passion fruit and pineapple flavours allows the brand to claim the exotic flavours as a differentiation factor, although not entirely unique in the market<sup>3</sup>; having no preservatives; its low amount of pulp; and the more serious tone the brand uses, which, given the target market, is expected to be evaluated in a particularly positive way.

Since positioning on product attributes is expected not to benefit the brand, it is crucial to find the claim that does so. In light of the analyses conducted, it is believed the brand should aim to be perceived by consumers as depicted in Appendix 11: more relatable than it is in Portugal, keeping nonetheless its serious tone. This decision is reinforced by the reality the country faces, previously described in Appendix 3. In order to position on that serious tone, the brand needs to be perceived as sensitive and relatable, rather than extremist. Thus, dialogue and mutual understanding seem to be more fit, than the bold messages about individuality, currently used by the brand in Portugal.

Sumol should thus position on benefit, appealing to symbolic needs, described by Shimp as “[the

---

<sup>3</sup> Fanta launches a large variety of exotic flavours, but they tend to be special editions.

attempt] to associate brand ownership with a desired group, role, or self-image” (2010). The unique selling proposition (USP) thus blooms from the benefit of drinking it: *Drinking Sumol sparks dialogue between young adults, giving them stage to state their opinions and hear others*. The symbolic need for social approval that serves as motivation to buy the brand is to be perceived as someone that is aware of current events and that wants to take part in discussions. The emphasis should be on emotion, as the user takes the role of the hero, which, research has indicated, fits the traits of this generation, and, more specifically, our target market (Mohren et al. 2021).

Finally, the three Cs model reinforces that the claim must be distinctive, defensible, and durable within the competitive set; feasible, favourable, and faithful to Sumol; and relevant, resonant, and realistic to consumers. This criteria checks out almost entirely, except for the last piece that completes the puzzle of elements of a Positioning Statement: the Reasons to believe (Kotler and Keller 2016). The fact that the brand is creating a new marketing strategy and USP, that, additionally, is based on emotions – thus intangible – represents a challenge, because the reasons to believe do not yet exist. To ensure this claim is realistic to consumers, Sumol must become believable through integrated efforts of brand and marketing mix outputs, to build, sustain and disseminate its reasons to believe.

Being favourable to Sumol, also implies being well received by consumers in the new market (Avery and Gupta 2015). The type of marketing strategy hereby presented carries some risk of being labelled as patronizing and too political, even though it is not its purpose. It is critical to reinforce that the brand aims to be an empowerment platform for dialogue between young people and it should under no circumstance take the role of intervenient nor moderator.

Aiming to reflect Sumol’s competitive advantage, while also motivating consumers to action (Shimp 2010), the positioning statement goes as follows: “For young (15 to 35 years old) urban French consumers that wish to have a voice in society, Sumol is the tasty soda refreshment that sparks dialogue and discussion about youth’s points of view and ideas. Because the brand provides the stage to talk about meaningful topics in a tolerant and respectful manner through their actions and events.”

## 2. References

- 20 Minutes, and AFP. 2020. “Présidentielle Américaine : Marine Le Pen Ne Reconnaît « absolument Pas » La Victoire de Joe Biden.” *20 Minutes*, 2020.  
<https://www.20minutes.fr/elections/2906267-20201111-presidentielle-americaine-marine-pen-reconnait-absolument-victoire-joe-biden>.
- 24, France, and AFP. 2020. “Cinq Ans Après Les Attentats Du 13-Novembre, La Menace Terroriste Au Niveau Maximal.” *France 24*, 2020. <https://www.france24.com/fr/france/20201112-cinq-ans-apres-les-attentats-du-13-novembre-la-menace-terroriste-au-niveau-maximal>.
- Avery, Jill, and Sunil Gupta. 2015. “Brand Positioning.” *Harvard Business Publishing*, 1–28.
- BBC. 2020. “France Attack: Three Killed in ‘Islamist Terrorist’ Stabbings.” *BBC News*, 2020.  
<https://www.bbc.com/news/world-europe-54729957>.
- Brunet, Romain. 2020. “Mobilisation Pour Le Climat : Retour Dans La Rue et Nouvelle Stratégie Pour La Jeunesse.” *France 24*, 2020. <https://www.france24.com/fr/20200925-mobilisation-pour-le-climat-retour-dans-la-rue-et-nouvelle-strategie-pour-la-jeunesse>.
- Chrisafis, Angelique. 2018. “Who Are the Gilets Jaunes and What Do They Want?” *The Guardian*, 2018. <https://www.theguardian.com/world/2018/dec/03/who-are-the-gilets-jaunes-and-what-do-they-want>.
- Dolnicar, Sara, Bettina Grün, and Friedrich Leisch. 2018. *Market Segmentation Analysis - Understanding It, Doing It, and Making It Useful*. [https://doi.org/10.1007/978-981-10-8818-6\\_2](https://doi.org/10.1007/978-981-10-8818-6_2).
- Duport-Levanti, Anissa. 2020. “#GénérationEngagée : Ces Ados Qui Veulent Changer Le Monde.” *L’info Durable*, 2020.
- Figaro, Le, and AFP. 2020. “Insécurité: «la Réponse Du Pouvoir Est Indigente», Dénonce Marine Le Pen.” *Le Figaro*, 2020. <https://www.lefigaro.fr/flash-actu/insecurite-la-reponse-du-pouvoir-le-pen>.

est-indigente-denonce-marine-le-pen-20200728.

Gupta, Sunil. 2019. "Segmentation and Targeting." *Harvard Business Publishing*, 35.

<https://doi.org/10.4135/9781446212462.n5>.

Gupta, Sunil, and Jill Avery. 2015. "Competitive Strategies." *Harvard Business Publishing*, 34.

<https://doi.org/10.1080/01636609009477530>.

International, Amnesty. 2020. "La France n'est Pas La Championne de La Liberté d'expression

Qu'elle Affirme Être." Amnesty International. 2020.

<https://www.amnesty.org/fr/latest/news/2020/11/france-is-not-the-free-speech-champion-it-says-it-is/>.

Keller, Kevin Lane. 2013. *Strategic Brand Management: Building, Measuring, and Managing*

*Brand Equity. Journal of Brand Management*. Vol. 4th Editio.

<https://doi.org/10.1057/bm.1998.36>.

Kim, W. Chan, and Renée Mauborgne. 2005. *Blue Ocean Strategy*.

Kotler, Philip, and Kevin Lane Keller. 2016. *Marketing Management Global Edition*. 15th ed. Vol.

15E. Pearson. <https://doi.org/10.1080/08911760903022556>.

Libre, Midi. 2020. "Les Jeunes Veulent Participer à La Vie Du Village." *Midi Libre*, 2020.

<https://www.midilibre.fr/2020/10/28/les-jeunes-veulent-participer-a-la-vie-du-village-9167547.php>.

Michalik, Marie-Liévine. 2020. "350 Jeunes Originaires de 145 Pays Organisent Une COP 26

Virtuelle." *Le Figaro*. <https://www.lefigaro.fr/sciences/350-jeunes-originares-de-145-pays-se-rassemblent-pour-simuler-une-cop-26-sur-le-climat-20201119>.

Mohren, Anne-katrin, Duarte Janz Guerra da Silva Torgal, Inês Roque da Costa, Madalena Lopes

Pereira Marques da Silva, and Niklas Bierfischer. 2021. "Turning Sumol into a Worldwide Brand for Local Consumers in the French Market."

- Mounier, Jean-Luc. 2020. "Covid-19 : Inquiétude Pour La Santé Mentale Des plus Jeunes En France." *France 24*, 2020. <https://www.france24.com/fr/france/20201127-covid-19-inquiétude-pour-la-santé-mentale-des-plus-jeunes-en-france>.
- OECD. 2020. "Elderly Population (Indicator)." *OECD*. <https://doi.org/10.1787/8d805ea1-en>.
- OMS. 2020. "Les plus Grandes Organisations de Jeunes Au Monde – Qui Réunissent 250 Millions de Membres – et l’OMS Lancent Une Mobilisation Mondiale Pour Réagir Face Aux Incidences Néfastes de La COVID-19 Sur Les Jeunes." Organisation Mondiale de La Santé. 2020. <https://www.who.int/fr/news/item/14-12-2020-world-s-largest-youth-organizations-representing-250-million-members-and-who-launch-global-mobilization-to-respond-to-disruptive-impacts-of-covid-19-on-young-people>.
- Peltier, Cécile. 2020. "« Les Jeunes Diplômés En Urbanisme Ont Une Conscience Politique et Sociale plus Forte »." *Le Monde*, 2020. [https://www.lemonde.fr/campus/article/2020/12/03/les-jeunes-diplomes-en-urbanisme-ont-une-conscience-politique-et-sociale-plus-forte\\_6062007\\_4401467.html](https://www.lemonde.fr/campus/article/2020/12/03/les-jeunes-diplomes-en-urbanisme-ont-une-conscience-politique-et-sociale-plus-forte_6062007_4401467.html).
- Peytavin, Gregory. 2020. "Paris MatchActuSociété Imam Hassen Chalghoumi : ‘Je Suis Une Cible.’" *Paris Match*, 2020. <https://www.parismatch.com/Actu/Societe/Imam-Hassen-Chalghoumi-Je-suis-une-cible-1716046>.
- Prevost, Morgane. 2020. "Désobéir Pour Sauver La Planète." *France 3*. <https://france3-regions.francetvinfo.fr/paris-ile-de-france/longs-formats-desobeir-sauver-planete-1882208.html>.
- Reuters. 2020. "French Police Use Teargas at Gilets Jaunes Protest in Paris." *The Guardian*, 2020. <https://www.theguardian.com/world/2020/sep/12/french-police-use-teargas-at-gilet-jaunes-protest-in-paris>.
- Shimp, Terence A. 2010. *Integrated Marketing Communications in Advertising and Promotion*. 8th

ed. Cengage Learnign.

Statista. 2015. "No Title." 2015. <https://www.statista.com/statistics/440697/most-favored-drinks-for-aperitif-in-france-by-age/>.

———. 2019. "France: Population by Age 2019."  
<https://www.statista.com/statistics/464032/distribution-population-age-group-france/>.

———. 2020. "Millennials in France."

"Sumol - Orgulhosamente Sumol." 2020. 2020. <http://www.sumol.com/>.

Teinturier, Brice. 2017. "2nd Tour Présidentielle 2017 : Sociologie Des Électorats et Profil Des Abstentionnistes." Ipsos. 2017. <https://www.ipsos.com/fr-fr/2nd-tour-presidentielle-2017-sociologie-des-electorats-et-profil-des-abstentionnistes>.

Tourret, Louise. 2018. "Pourquoi La Jeunesse Ne Se Sent-Elle Pas Écoulée ?" *France Culture*, 2018. <https://www.franceculture.fr/emissions/etre-et-savoir/pourquoi-la-jeunesse-ne-se-sent-elle-pas-ecoutee>.

### **3. Appendices**

#### **Appendix 1 – Sumol brand message**

*"Sumol is for authentic, irreverent people whom are proud of who they are, do not judge others and are not afraid of being judged."* ("Sumol - Orgulhosamente Sumol" 2020)

#### **Appendix 2 – Qualitative analysis of clipping about French Youth**

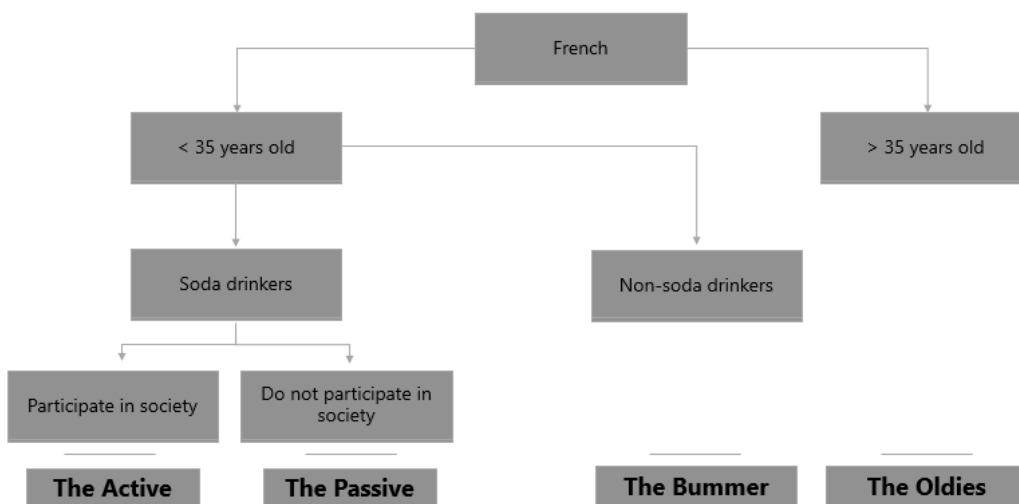
Between many other things, Covid-19 has contributed to enrich the already sizzling debate about youth's participation in society. If on the one hand how mental health, addiction to technology and other personal matters are affecting the youth and imposing them new challenges are a topic (Mounier 2020), on the other hand, some start to look for the youth as an ally to find solutions to problems of much larger scope. Young people are slowly starting to be seen as more socially and politically conscient, namely those living in urban areas. (Peltier 2020) More and more, young citizens are being called to give their opinion on subjects that affect their lives locally. (Midi Libre, 2020) However, this generation is concerned with topics that go beyond what touches them directly: they are described as the "Engaged Generation" that wants to change the world (Duport-Levanti 2020). This movement has taken global magnitude, with organisations of over 250 million members (OMS 2020) and proven ability to adapt, namely finding ways to make their events that involve 145 countries happen, even when it means having to go virtual during a global pandemic. All, to make themselves heard by their peers and by those in power. (Michalik 2020) In France, like in many other countries, the efforts to make their opinions heard have taken the youth to the streets, where their vindications go from saving the planet to the fight for equality. (Brunet 2020) (Prevost 2020)

#### **Appendix 3 – Qualitative analysis of clipping about French Society**

The extreme right party led by Marine Le Pen keeps rising in France, both in the radicalism of ideas and in support, appealing more and more to those who tend not to vote. The violence and insecurity that continue to blight the country are the flag with which the party revolves, constantly accusing

Emmanuel Macron of indigent responses to those threats. (Le Figaro and AFP 2020) Faced with the results from the American election, Le Pen stated she absolutely did not recognize Joe Biden’s victory, continuing Trump’s narrative of fraud. (20 Minutes and AFP 2020) Five years after the series of terrorist attacks connected to the Charlie Hebdo, France is once more in high alert, as new threats emerge. In 2020, the country suffered 3 more strikes labelled as Islamic terrorism. (24 and AFP 2020) (BBC 2020) Recent events and the way the government has responded to them have led Amnesty International to declare that France is not the champion of freedom – namely freedom of speech – it claims to be and even exposed the administration as being hypocritical. (International 2020) As the Imam Hassen Chalghoumi has reported, France is today profoundly antisemitic and racist and, if on the one hand the threat is real, on the other, it has led minorities to also feel targeted and live in fear. (Peytavin 2020) As a consequence of the people’s dissatisfaction with government action, more and more demonstrations are taking place in France, out of which the “gillets jaunes” must be mentioned, as a movement that started around the fuel tax in 2018 and has now escalated to floor discussions about police brutality, lack of social protection, unemployment, or Coronavirus, having gathered in November 2020 up to 285,000 people. These protests have more often than not resulted in riots and destruction. (Reuters 2020)(Chrisafis 2018)

#### Appendix 4 – Segmentation of the market

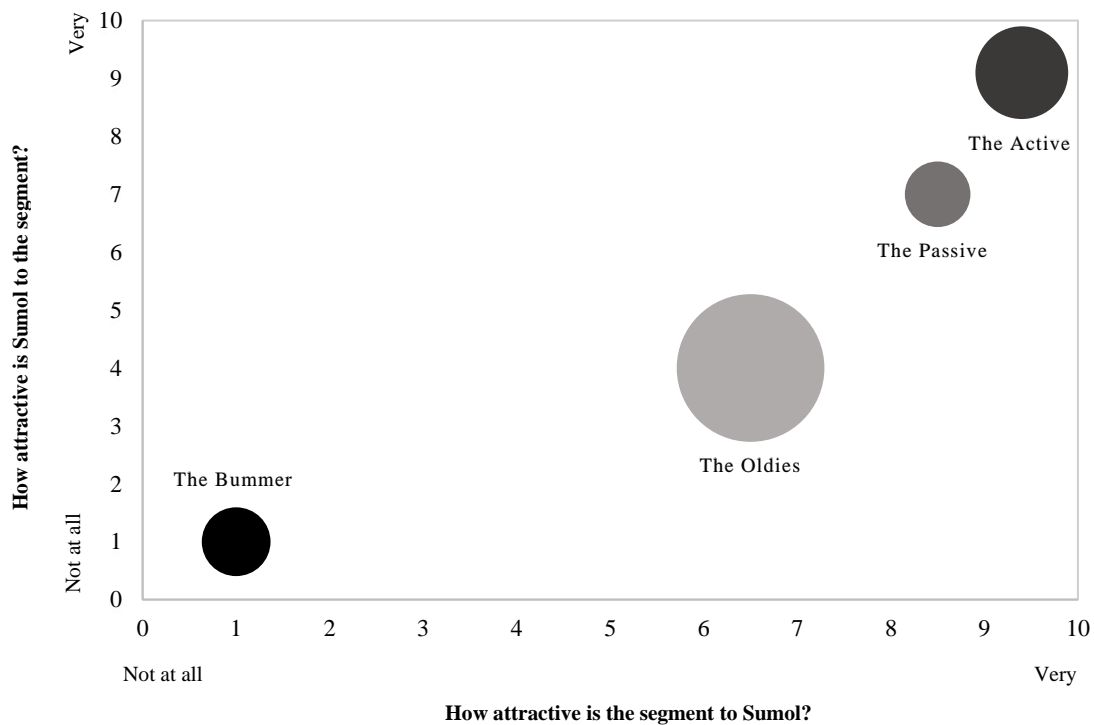


### Appendix 5 – Evaluation of segments’ attractiveness

|                            |                      | The Active       | The Passive       | The Bummers      | The Oldies      |
|----------------------------|----------------------|------------------|-------------------|------------------|-----------------|
| Characteristics of Segment | Size                 | ~7,7M<br>(14.1%) | ~3,8M<br>(7%)     | ~4,2M<br>(7.7%)  | ~39M<br>(71.3%) |
|                            | Growth Rate          | Growing slowly   | Decreasing slowly | Growing steadily | Growing         |
|                            | Profitability        | High             | High              | Low              | Medium          |
| Competition                | Intensity            | Medium           | High              | Low              | Medium          |
|                            | Competitor Resources | High             | High              | High             | High            |
|                            | Competitor Strengths | Medium           | High              | Low              | Medium          |
| Company Fit                | Objectives           | High             | Medium            | Low              | Medium          |
|                            | Competencies         | High             | High              | Low              | Low             |
|                            | Resources            | Medium           | Medium            | Low              | Low             |

### Appendix 6 – Graphic depiction of segments’ evaluation

Market segment evaluation



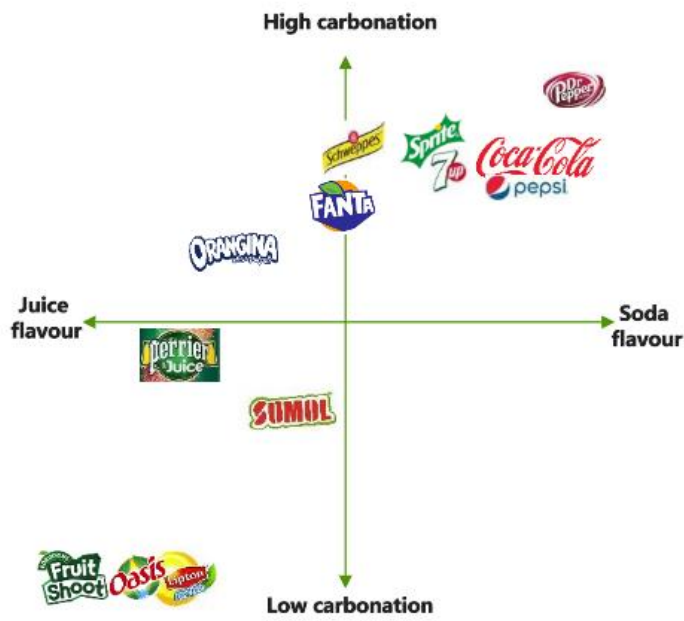
**Appendix 7 – Competitive set within the carbonated sodas**



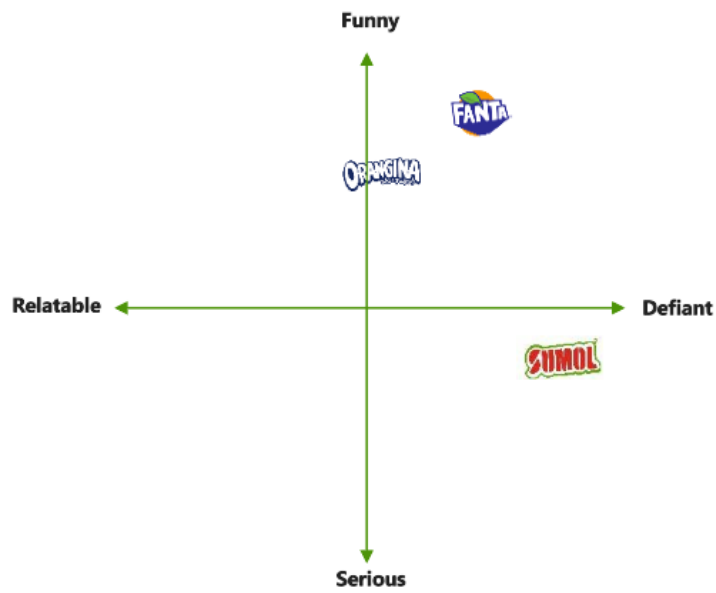
**Appendix 8 – Competitors' positions in the market**



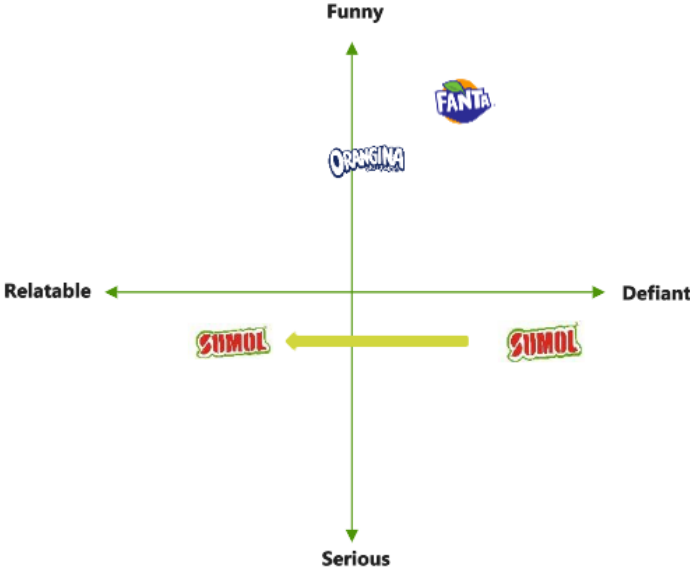
### Appendix 9 – Perceptual map on product characteristics



### Appendix 10 – Perceptual map on brand positioning



Appendix 11 – New positioning for Sumol in the French Market



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.

**TURNING SUMOL INTO A WORLDWIDE BRAND FOR LOCAL CONSUMERS IN  
THE FRENCH MARKET**

ANNE-KATHRIN MOHREN

DUARTE JANZ GUERRA DA SILVA TORRAL

INÊS ROQUE COSTA

MADALENA LOPES PEREIRA MARQUES DA SILVA

NIKLAS BIERFISCHER

Work project carried out under the supervision of:  
Professor Jorge Velosa and Teaching Assistant Carolina Lourenço

04-01-2021

## **Abstract**

Sumol's current challenge is to strengthen its position in the French market. The brand is distributed via ethnical retailers, serving mostly the Portuguese community in France. Yet to reach the goal of becoming a world-wide brand for the local consumer in the French market, Sumol needs to adapt its business model, marketing mix and communications plan according to the specific needs and preferences of the French target. Hence, the paper presents a solution and its financial impact, based on findings from secondary and primary research.

## **Keywords**

Sumol; France; Geographic Expansion; International Positioning; Carbonates Market; Re-Positioning

## Table of Contents

|   |    |
|---|----|
| 1. Acronyms.....  | 5  |
| 2. Introduction and Outline.....                                | 6  |
| 3. Scope.....   | 6  |
| 4. Methodology of Secondary Research.....                       | 7  |
| 5. 5 C's Analysis.....  | 7  |
| 5.1. Context.....   | 7  |
| 5.2. Competitors.....   | 14 |
| 5.3. Company.....   | 18 |
| 5.4. Collaborators.....   | 22 |
| 5.5. Consumers.....   | 24 |
| 6. Primary Research.....  | 26 |
| 6.1. Marketing Problem.....                                     | 26 |
| 6.2. Qualitative Research.....                                  | 26 |
| 6.3. Quantitative.....  | 30 |
| 7. Marketing Strategy.....                                      | 36 |
| 7.1. Situation Analysis.....                                    | 36 |
| 7.2. Segmentation.....  | 37 |
| 7.3. Targeting.....   | 40 |
| 7.4. Positioning.....   | 40 |
| 8. Brand.....   | 41 |
| 8.1. The Brand Sumol.....                                       | 42 |
| 8.2. Brand Identity.....  | 43 |
| 8.3. Brand Elements.....  | 45 |
| 9. Marketing Mix.....   | 47 |
| 9.1. Product.....   | 47 |
| 9.2. Pricing.....   | 50 |
| 9.3. Place.....   | 54 |
| 9.4. Communication Plan.....                                    | 63 |
| 10. Profit and Loss.....  | 72 |
| 10.1. Assumptions.....  | 72 |
| 10.2. Results.....  | 74 |
| 11. Key Success Factors.....                                    | 74 |
| 12. Contingency Plan.....                                       | 76 |
| 13. References.....   | 77 |
| 14. Appendices.....   | 85 |
| 14.1. Appendix 1 – Carbonates' companies and brands.....        | 85 |
| 14.2.....   | 85 |
| 14.3. Appendix 2 – Market average price per litre analysis..... | 86 |
| 14.4. Appendix 3 – Place trends' analysis.....                  | 86 |
| 14.5. Appendix 4 – Retailers' market share in France.....       | 87 |
| 14.6. Appendix 5 – Product ingredients' analysis.....           | 88 |
| 14.7. Appendix 6 – Competitors' price comparison.....           | 88 |

|        |  |     |
|--------|--|-----|
| 14.8.  | Appendix 7 – Competitors’ advertising and social media analysis.....               | 89  |
| 14.9.  | Appendix 8 – Interview Guide .....   | 90  |
| 14.10. | Appendix 9 – Survey questions.....   | 90  |
| 14.11. | Appendix 10 – Competitors’ Positions in the Market.....                            | 90  |
| 14.12. | Appendix 11 – Perceptual Map of product characteristics.....                       | 91  |
| 14.13. | Appendix 12 – Perceptual Map of brands’ positioning.....                           | 91  |
| 14.14. | Appendix 13 – Sumol’s Website Message.....   | 92  |
| 14.15. | Appendix 14 – Qualitative analysis of clipping on French Society .....             | 92  |
| 14.16. | Appendix 15 – Qualitative analysis of clipping on French Youth.....                | 93  |
| 14.17. | Appendix 16 – Evaluation of segments’ attractiveness.....                          | 93  |
| 14.18. | Appendix 17 – New positioning for Sumol in the French Market.....                  | 93  |
| 14.19. | Appendix 18 – Golden Circle Sumol France .....                                     | 94  |
| 14.20. | Appendix 19 – Sumol colour code .....  | 94  |
| 14.21. | Appendix 20 – Sumol Instagram Portugal, ‘rebellious’ example .....                 | 95  |
| 14.22. | Appendix 21 – Sumol Instagram Portugal, ‘edgy’ example .....                       | 95  |
| 14.23. | Appendix 22 – Sumol Instagram Portugal, ‘individualist’ and ‘eccentric’ example .. | 96  |
| 14.24. | Appendix 23 – Sumol Instagram Portugal, #Idontcare .....                           | 96  |
| 14.25. | Appendix 24 – Sumol Instagram Portugal, ‘heritage’ example .....                   | 97  |
| 14.26. | Appendix 25 – Sumol’s Product Assortment (Launch Formats) .....                    | 97  |
| 14.27. | Appendix 26 – Product roadmap for Sumol.....                                       | 97  |
| 14.28. | Appendix 27 – All Recommended Retail Prices.....                                   | 98  |
| 14.29. | Appendix 28 – Alternative Margin Set-ups .....                                     | 100 |
| 14.30. | Appendix 29 – Service Outputs Questionnaire and Results.....                       | 103 |
| 14.31. | Appendix 30 – Current Channel Structure.....                                       | 107 |
| 14.32. | Appendix 31 – Division of Sales.....   | 107 |
| 14.33. | Appendix 32 – Cost Gaps Analysis Template.....                                     | 108 |
| 14.34. | Appendix 33 – Service Gaps Analysis Template.....                                  | 108 |
| 14.35. | Appendix 34 – Planogram Sumol outside the ethnical aisle .....                     | 109 |
| 14.36. | Appendix 35 – Roadmap for the increase in market coverage in different channels    | 109 |
| 14.37. | Appendix 36 – Behaviour Sequence Model.....  | 110 |
| 14.38. | Appendix 37 – Storyboard for a Sumol ad.....                                       | 111 |
| 14.39. | Appendix 38 – Creative brief .....   | 112 |
| 14.40. | Appendix 39 – Mock-ups for IMC initiatives .....                                   | 114 |
| 14.41. | Appendix 40 – Campaign schedule.....   | 119 |
| 14.42. | Appendix 41 - Demand for orange sodas in Spain, 2019.....                          | 119 |
| 14.43. | Appendix 42 – Objective market share and penetration rate .....                    | 120 |
| 14.44. | Appendix 43 – Price and quantity sold of each flavour and format.....              | 120 |
| 14.45. | Appendix 44 – Increase in average price per litre, in the industry.....            | 120 |
| 14.46. | Appendix 45 – Average price per litre in 2022, 2023 and 2024 .....                 | 121 |
| 14.47. | Appendix 46 – Current COGS computation .....                                       | 121 |
| 14.48. | Appendix 47 – Consumer promotion assumptions .....                                 | 122 |
| 14.49. | Appendix 48 – Media budget (following objective and task) .....                    | 122 |
| 14.50. | Appendix 49 – Profit and loss until 2024 (in thousands) .....                      | 123 |

## **1. Acronyms**

BSM – Behaviour Sequence Model

COGS – Cost Of Goods Sold

HORECA – Hotel/Restaurant/Café

IMC – Integrated Marketing Communications

GMS – *Grandes et Moyennes Surfaces* (Large and medium-sized retailers)

KBC – Key Benefit Claim

NBA – Next Best Alternative

PR – Public Relations

RTD – Ready To Drink

STP – Segmentation, Targeting and Positioning

TEV – True Economic Value

## **2. Introduction and Outline**

Sumol is known and loved by the Portuguese, however, it now aims to become an international brand, expanding to France. The brand's challenge will be to succeed in a very competitive and dynamic market with shifting consumer preferences. Currently, the brand is sold only via ethnical retailers and within the ethnic aisle of large retailers, targeting the Portuguese community living in France. The objective, however, is to become a world-wide brand for the local consumer in the French market. Hence, this project attempts to present a marketing business plan that helps Sumol reaching that goal. Addressing the named management problem, this paper will be structured according to the following outline. First, secondary research will be used to analyse the context, competitors, the company, collaborators, and consumers. Second, primary research will be conducted to further study consumers, including interviews, taste testings and an online survey. The goal here is to determine the most appropriate positioning for Sumol in France, according to the French consumer's preferences and purchase intentions. Third, taking into account the findings from primary and secondary research, the resulting marketing business plan is composed of the strategy, marketing mix and communications plan as well as financials and contingency plan.

## **3. Scope**

As defined throughout the paper, the Portuguese and French markets differ significantly, which put forth the need for new positioning. Further, budget devoted by the company for this project is limited relative to competitors' spending, which is the main reason why only the retailers' channel is considered, and why marketing ideas and financials will be adjusted to the scope accordingly. Last, Sumol mentioned internal constraints regarding product development from the very beginning. Therefore, this project aims to reposition the brand to increase sales instead of altering product characteristics, thus focusing on the brand, channel, and promotion.

## **4. Methodology of Secondary Research**

For the first two topics of this thesis – Market overview and 5C analysis – a secondary research approach was used. The introduction to the company and the market was given by Sumol's Marketing Team (2020), while further online research was conducted, using the Nova SBE library, including platforms such as Passport, Statista and WARC. To complement the analysis and adapt the findings to the company's reality, additional meetings with teams from Sumol + Compal and their collaborators in both Portugal and France were undertaken. Those meetings – e.g. with the Media Initiative in France – were conducted online as an alternative to the initially planned scouting trip to France, which had to be cancelled due to Covid19.

In addition to the market overview and 5C analysis, secondary research will be further used in the recommendations' section, to provide support to any new unexplored topics.

## **5. 5 C's Analysis**

### **5.1. Context**

The following paragraphs consider the external business environment in France. The overview of macro-environmental factors allows setting further findings into a wider context.

#### **5.1.1. PESTEL**

##### **Political**

- Emmanuel Macron recently lost his nation's trust. Extreme-right parties keep rising, the economy is going badly, and France is incurring more new debts than any other EU country (Pantel and Magro 2020).
- More than 60,000 French people have already died from the coronavirus and the country had to go through one of the strictest lockdowns. Dealing with another wave, the French government is reimposing restrictions including the closing of bars, as well as the mandatory

- mask-wearing in enclosed public spaces (“France Covid Map and Case Count” 2020).
- France, as a country with a long history of immigration, announced tough new measures in 2019, in an attempt to regain control over its immigration policy (Onishi 2019). The country and its government face an increasing problem with informal migrant camps in and around Paris and many other French cities (Euromonitor International 2020c).
  - Following the Greens' triumph in the French local elections, President Macron has announced concessions on climate policy, including a referendum and an investment of 15 billion euros for the ecological restructuring of the economy after the Corona crisis (Tagesschau 2020).
  - As the French government continues to work on CO2 reduction policies, they are not always well accepted by society – e.g.: the announcement of higher tariffs on diesel and petroleum resulted into major strikes and protests across the country (Euromonitor International 2020d).

### **Economical**

- France has the 7<sup>th</sup> largest economy worldwide and the 3<sup>rd</sup> largest within Europe (HSBC, n.d.).
- In 2018, the country’s GDP made up 14.8% of the EU total, growing by 1.3% in 2019 (Eurostat 2019).
- Due to Covid-19, GDP is estimated to fall by -10.5% this year (Euromonitor International, 2020a).
- Île-de-France (Paris) is by far the richest region in France, making up 30% of the total GDP.
- Macron is trying to further increase the countries attractiveness by reducing corporation tax from 31% to 25% in 2022 (HSBC, n.d.).
- The standard VAT rate amounts to 20% (HSBC, n.d.).
- France faces structural challenges including fiscal problems, high unemployment (especially among those under 25) and high budget deficits (HSBC, n.d.).
- Disposable income of French people constituted 22.738€ per capita in France, in 2019 (vs. 13.835€ in Portugal) (Euromonitor, n.d.).

## **Social**

- France has a population of around 67 million (HSBC, n.d.), making France the 23rd largest country in the world.
- Net migration will continue to be a key driver of population growth, as the number of foreign citizens is expected to increase by 11.7% from 2017 to 2030 and 15.2% of births in 2016 were to parents born abroad.
- People born in Algeria, Morocco and Portugal will be the largest foreign-born groups in France between 2017 and 2030 (Euromonitor International 2018).
- In 2017, 80% of the total French inhabitants were living in urban areas and this percentage is expected to increase in the future (Euromonitor International, 2018).
- Since 2015, France has been the target of numerous terrorist attacks motivated by contrasting religious beliefs, which has become a factor of division in the country.
- Demonstrations in France have also been increasing due to dissatisfaction with social conditions and authority's conduct, often resulting in violence. (*The Irish Times* 2016)

## **Technological**

- To satisfy consumers in both quality and price, producers face strong pressure to streamline operations and maximize efficiency. Some challenges of soft drink manufacturers are the contamination during carbonation and PET bottle quality, among others (Parker 2016).
- Within the retail market, France is the 2nd largest packaged food market in Europe, and the 5th largest worldwide, including a diverse and advanced retail distribution network. Independent wholesale and retail outlets are being replaced by retail distribution chains and networks, while internet sales and "drive systems" (quick pickup of products purchased online) are growing and gaining in importance (Nordea, n.d.).

## **Environmental**

- Geographically, France is the largest country in Europe, and its location in the middle of the continent makes it a desirable destination for businesses (HSBC, n.d.).

- France counts around 10 major cities, which are relatively well dispersed geographically. Paris is by far the greatest city with a population of 2.2 million in 2017 (Euromonitor International, 2018).
- Even though France has low vulnerability to natural disasters and a fairly well-developed crisis response mechanisms, it is already affected by global warming. For example, the country had to deal with extreme heatwaves and experiences a decrease in rainfall. Periods of drought cause bottlenecks in some regions and limit water supply for the agricultural sector. Hence, to reduce the risk of water shortages, the government has announced plans to reduce water consumption by 25% throughout the following 15 years, paired with increasing water prices (Euromonitor International 2020d).

### **Legal**

- French regulations have been tightened to correspond to the recommendations of the World Health Organisation. Since July 2018, a sweetened drink e.g. containing 10 g of sugar per litre has been subject to a tax that has almost doubled (13.5 cents/l) (Ruby 2019).
- Another way to fight obesity is by informing consumers about nutritional values on packaged food and beverages. As the EU is still undecided whether and which regulations to adopt, France has introduced its Nutri-Score model (voluntarily), evaluating nutritional quality on a 5-tier scale from A (rich in nutrition) to E (low) (Interpack, n.d.).
- Further, the French government wants to tighten food labelling requirements, including the indication and traceability of the origin, to improve transparency (Askew 2020).
- By 2025, the EU requires a minimum of 25% recycled plastic in PET bottles with a capacity of up to 3 litres, including caps and lids (Arthur 2019). France even aims for 100% (Le journal de l'environnement 2020).
- The country lacks behind with its recycling rate (24,2% vs. 42% in Spain). Therefore, France set up a penalty system by 2019, charging 10% more for consumer goods of non-recycled plastic. Additionally, the government plans to lower the VAT rate of recycling operations and introduces a specific label for packaging made from recycled plastic by 2020 (Barrett 2018).

### 5.1.2. Market Overview

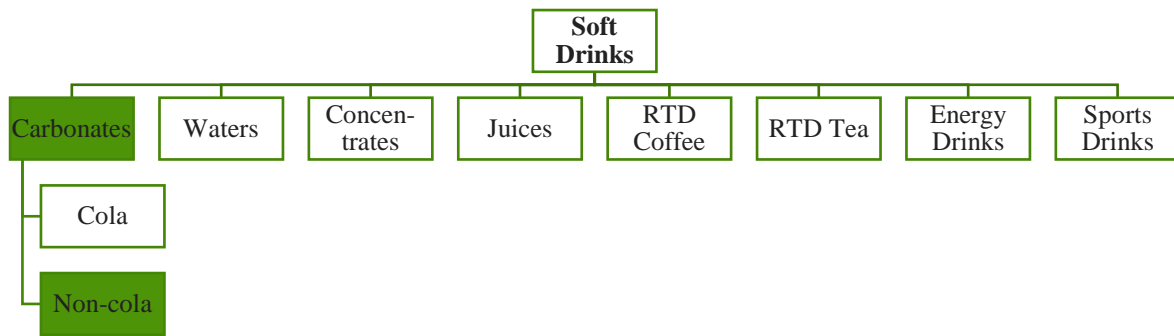


Exhibit 1 - Soft Drinks Market

The soft drinks market is structured according to the division depicted above (International Euromonitor 2019a). While the analysis will look at the entire Carbonates segment, Sumol fits into the non-Cola Carbonates specifically. Overall, this market is very concentrated and hence characterized by fierce competition<sup>1</sup>. To be considered a small player it is, therefore, necessary to spend a considerable amount on media – at least 1 million euros according to the French media initiative. Moreover, players in the Carbonates market face strong competitive pressure from flavoured waters and RTD teas, as French consumers are turning to natural, “water-like” soft drinks (juices mixed with carbonated water). Moreover, the French government is responding to consumers’ health concerns, introducing a new tax on sugar, in 2011 (with rates increased in 2018 (Askew 2017)), and banning unlimited refills of carbonated soft drinks, in 2017. This has negatively impacted demand in two ways: by increasing the price of carbonates and by further signalling to the consumers the adverse health effects.

Further, the analysis of the Carbonates market will be separated by two main channels: off-trade (retail outlets such as hypermarkets, supermarkets and convenience stores) and on-trade (outlets such as bars, restaurants and hotels). As suggested by Sumol, on-trade is currently not an option, as it would require additional resources, which is not in the interest of the company (see section 3. Scope). Therefore, the following analysis will focus mainly on off-trade.

---

<sup>1</sup> A table with the market value and shares of company and brand carbonates can be found in Appendix 1.

The *off-trade* Carbonates' market in France, amounted to 1.8 billion litres and 2.2 billion euros in 2019, representing 13% of the volume and 23% of the value of the off-trade soft drinks market. Within this market, each litre is sold to the final consumer at 1.2€ on average – this value has been increasing in the past years (see Appendix 2).

The market has been shrinking both in volume and value for the past five years, with CAGRs of -2.5% and -1.4% respectively, caused by a steep decrease in Colas' sales, the largest segment of Carbonates (around 47% of sales volume). Contrary, non-Cola Carbonates (31% of sales volume) and light Colas (23% of sales volume) have been increasing both in volume and value, as consumers are becoming more aware of the risks associated with high sugar content. However, while non-Cola Carbonates are forecasted to keep this upward trend, light Colas are forecasted to suffer a decline in demand due to a growing mistrust regarding the use of chemical sweeteners. Within non-Cola Carbonates, orange is the most relevant flavour, accounting for 36% of the volume sold in 2019, followed by lemon accounting for 27% (Euromonitor 2019). Although Sumol is currently not present in the *on-trade* (HORECA) channel in France, it is relevant to mention not only its size (0.7 billion litres and 4 billion euros, in 2019) but the highest price per litre (5.7€) when comparing to 1.2€ in off-trade. Moreover, the on-trade volume has remained constant over the past five years, while the value has increased 1.6% per year, during the same period, hinting a gradual increase in price (evidence in Appendix 3).

#### **5.1.2.1. E-commerce**

France is one of the countries in which e-commerce is most developed and generalized, having become even more relevant after the quarantine period set in early March 2020. This year, e-commerce revenue in France is expected to reach \$115B, which represents a growth of over 50M in five years (Statista 2020a). The most popular online stores in France in 2018, by revenue, were amazon.fr (\$3,351M), cdiscount.com (\$2,276.5M), vente-privee.com (\$2,274.4M) and auchan.fr (\$1,635.5M) (Statista 2020a). Although with some delay concerning

other sectors - such as services or leisure –, the e-commerce trends for grocery shopping are becoming increasingly relevant.

### **5.1.3. Porter's 5 Forces**

#### **5.1.3.1. Threat of competitive rivalry**

The threat of competitive rivalry is very high in the carbonated soft drinks industry, a concentrated and shrinking industry (as described in “Market Overview”). Additionally, there is a lack of product differentiation beyond basic characteristics, which pushes companies to invest highly in branding. These high costs, along with high production fixed costs (MarketLine 2020), also contributes to rivalry.

#### **5.1.3.2. Buyers' bargaining power**

The threat of retailers' bargaining power is high as those encompass a small number of large players<sup>2</sup>, which translates into large order sizes carried out by negotiation specialists with a great deal of information, although not perfect.

The threat of final consumers is moderate, because even though the average purchase size is very small, consumers are sensitive to price, have no switching costs, and the effect of public opinion and consumer preferences shape the industry (it is shrinking and becoming more regulated due to consumers' concerns for health).

#### **5.1.3.3. Suppliers' bargaining power**

Suppliers' bargaining power is low-to-moderate. Most inputs are subject to market fluctuations but, at the same time, are available from several sources or can be replaced by similar ones. Water, for example, is very important to the manufacturing process and a growing concern in countries where there is a risk of drought, such as France (see “Context” section).

#### **5.1.3.4. Threat of new entrants**

---

<sup>2</sup> See absolute and relative sizes of the top 3 retailers in each store type in Appendix 4.

The threat of new entrants is moderate. There are large capital requirements for the manufacturing process, branding from the larger players makes it very difficult for a new brand to penetrate the market, and regulations have been increasing. However, new entrants can succeed when competing in niches or creating new products with a unique production or nutritional benefits (MarketLine 2020).

#### **5.1.3.5. Threat of substitutes**

The threat of substitutes (waters, juices, coffees, teas) is moderate and rising. Consumers have no switching costs, and the prices of these products are similar to those of carbonates (MarketLine 2020). Moreover, most of these substitutes are perceived as healthier than carbonates, thereby meeting consumer preferences.

## **5.2. Competitors**

Sumol's direct competitors in the French market lie within the non-cola carbonates segment. The three largest fruit drink competitors in terms of market share are Fanta (9%), Schweppes (12%) and Orangina (15%) (Monnier, 2019). Hereafter, the structure of McCarthy's 4P framework (McCarthy, 1960) is followed to highlight relevant market trends, but also to assess the direct competitors of Sumol as well as indirect competitors, whenever necessary.

### **5.2.1. Product**

One striking trend within the soft drinks industry includes beverages being not only "free-from" harming ingredients, sugar or artificial sweeteners, but actively improving physical and mental well-being (Döbl 2019). Additionally, exceptional taste experiences are becoming more and more important, which includes unusual flavour combination and food-pairing concepts (Döbl, 2019). For example, Fanta's new flavour dragon fruit made it to the top 20 launches of non-alcoholic beverages in 2019 (Initiative Media meeting, 2020). Many brands share basic flavours such as orange, but Fanta and Schweppes exceed these with a total of 6 and 4 different flavours,

respectively, in comparison to Sumol with 3 and Orangina with 2<sup>3</sup>. The comparison of product ingredients of the main competitors in France reveals that Orangina and Sumol differentiate in terms of a higher level of pulp, while Schweppes has the highest compatibility to be mixed with alcohol. Moreover, most brands have a similar amount of sugar and calories, except for Orangina, which has roughly one third more sugar and calories (Appendix 5). The tightening of sugar tax regulations and the increasing health awareness of consumers generally lead to a sugar reduction for many brands such as Fanta, Schweppes and others (Veran, 2018). Looking at the soft drinks market, launches within fruits & water (Oasis O Verger) as well as iced tea & herbals (Contrex) - driven by healthy and natural propositions – succeed, as explained by the media initiative in France. Contrary, new product introductions under sodas, such as Coca Cola Light Taste, turned out to be less successful. The media initiative further mentioned that the use of certified labels like the Nutri-Score is currently not mandatory in France yet, however, private soda labels (e.g. Sprink's, Private Label E.Leclerc) already introduced it on their drinks. Moreover, Coca-Cola is currently testing a colour-coded nutrition label across the EU to help consumers making more informed choices, more easily (Coca-Cola EU, n.d.).

Regarding the packaging of soft drinks, PET is the main growth driver. However, concerns in terms of recyclability and plastic particles in products such as bottled water, increasingly lead to criticism (e.g. on Social Media) (International Euromonitor 2019b). By 2025, the EU requires the integration of 25% of recycled PET (r-PET), however, the majority of players even aim for more ambitious goals (Monnier 2020a). Additionally, many players downsized their bottle from 1 litre, 1.5 litre and 2-litre bottles, to 1.25 litre, 900ml, 875ml and 750ml bottles, as a response to an increasingly nomadic and on-the-go consumption (Euromonitor International, 2015). Furthermore, cans are gaining market share in France e.g. due to its lightness, practicality, and its fit to the nomadic consumption and infinite recyclability. Apart from making packaging

---

<sup>3</sup> Data from competitors' websites in France

more sustainable and convenient, there is also a trend towards more transparency, by using see-through materials and clear labelling of ingredients and/or calorie content, in an attempt to establish trust with today's health-conscious consumers (FoodBev Media 2020). Orangina followed the trend of changing to a smaller bottle size, which further enforced the iconic shape and sparkle of the drink and its convenience for on-the-go consumption (Freeman et al. 2018). Not only Orangina but also Fanta changed its bottle to be the first spiralled bottle, increasing its functionality and visual differentiation (Doering 2017). Coca-Cola introduced cardboard over-packaging, which will replace the plastic films on can and PET packs by the end of 2020, while Sprite eliminates the green colour of its bottle to enable recycling (Monnier 2019).

### **5.2.2. Price**

One important trend is the increasing transparency of prices. Retailers are obliged to provide a price per litre, which makes the comparison of products easier for consumers (Verbaucherzentrale, 2020). Furthermore, consumers can easily compare prices online or also with applications that only focus on price comparisons.

As seen from the standpoint of a Carrefour customer, Sumol is currently the most expensive with 1.69€ per 1.5l PET, closely followed by Schweppes with 1.68€ (Appendix 6; ("Carrefour Website" 2020)). Fanta is the cheapest with 1.31€, whereas Orangina is priced at 1.5€. Fanta's low price indicates that the brand aims to be the cost-leader, which can be considered a penetration pricing strategy (Nagle and Müller 2018). Instead of competing on price, Orangina achieved emotional value by consumers being a French Love Brand, which hints at a neutral pricing strategy (Nagle and Müller 2018). As indicated by social media posts that present the product in combination with alcohol, Schweppes serves an older and less price-sensitive audience and, with their classier range of products, follows a premium pricing approach. However, not to narrow it down to Carrefour only, average prices per litre for each player as well as their development over the past 5 years can be found in Appendix 6.

### **5.2.3. Place**

As previously mentioned, the project focuses exclusively on the off-trade channel, which represents 72% of volume and 35% of value in the carbonates market (International Euromonitor, 2019).

Fanta, Schweppes and Orangina, are widely available, both off-trade, in retailers, gas stations, vending machines and others, and also on-trade, in restaurants and bars (Passport 2020).

In general, the e-commerce trend is an excellent opportunity for those who can follow it. On the one hand, smaller brands can compete with larger ones without having to fight for limited shelf space. On the other hand, fewer store visits decrease the sales of high-margin, chilled immediate consumption products (International Euromonitor, 2018a).

### **5.2.4. Promotion**

Nowadays, social media plays a huge role for users and hence, businesses. To survive in the competitive soft drink industry, it is a must to make use of social media. Regarding platforms, Instagram, Facebook, and recently TikTok, are some of the most used. Social media such as Caffeine, Lasso and Houseparty, are additional platforms that will gain further importance in the future (Influencer Marketing Hub, n.d.). A noticeable trend on social media platforms is the increasing importance of video. Users start to prefer consuming content in forms of videos, such as stories, which is why companies explore video-based apps like TikTok or increasingly make use of video advertising on other platforms.

Regarding the French competitors, the role of social media and influencers is quite significant, especially for the younger audience (32% of Fanta's and 20% of Orangina's consumers are between 18 and 24 years old) (Petit, 2018). Schweppes' consumers are, on average, older, as the brand actively promotes the consumption in combination with alcohol. The most effective social media channel in terms of follower base is Facebook for which Fanta, Orangina and Schweppes have 19 million, 1.55 million and 450 thousand followers, respectively (Appendix

7). Furthermore, the brands make use of Instagram and Twitter, and Fanta of Snapchat, to reach its target customers.

As indicated by the analysis of competitors social media channels, Fanta and more recently, Orangina, communicate with an emphasis on empathy towards a more rebel and comical way of living and claim to be inspired precisely by those behaviours. (Fanta 2020) Their efforts are focused on inviting consumers to be bolder and to share their opinions and deeds with the brands, therefore opening the conversation between the two parties. To add value to this exchange, brands are integrating into their campaigns numerous segments of user-generated content (or at least content that imitates it). Their most successful campaigns are not about massive productions but are mostly built around the consumers and the idea that the brand is “part of the gang”, just another friend. In this case, it implies daring statements and less description of the product itself. Nonetheless, apart from Fanta, which positions at the extreme of this, all other brands do not forfeit on stating the origin of the fruit, the low calories, or the naturalness of their drink. With a rather distinct positioning, Schweppes’ communications highlight the drink as premium and do so by claiming superior flavour and presenting settings such as private night clubs, metropolitan cities and luxurious locations and celebrities.

### **5.3. Company**

#### **5.3.1. Sumol Portugal**

Sumol belongs to the Portuguese conglomerate S+C, which envisions to attract consumers through its “excellent flavours and unique brands” while contributing “to a more sustainable world” (Sumol+Compal 2020). Sumol is a traditional Portuguese brand, whose name is an agglutination of the Portuguese words “Sumo” (juice) and “Sol” (sun). It is an iconic brand, known by the Portuguese for its fruit-based carbonated drinks with real pulp and juice. The brand targets the young and daring, those who want freedom, new experiences, individuality,

and authenticity, and, for that reason, the company sponsors youthful events, from music festivals to skiing trips.

Today, its portfolio consists of a varied range of fruit flavoured carbonated drinks, produced in different packaging materials (cans, PET and glass bottles) and sizes (0.25l to 2l). The production of Sumol includes real fruit juice and no added artificial preservatives (the juice is pasteurised to become safe and sugar acts as a preservative). For that reason, it is necessary to protect the final product from sunlight – thus the use of green PET bottles. Unfortunately, those coloured bottles are non-recyclable at the moment (Sumol Marketing Team 2020). Within Portugal, the brand is currently selling three flavours: orange, pineapple and passionfruit. Throughout the years, the company has already launched many other flavours, including for example lemon. However, those have not met the minimum sales requirements and were therefore excluded from the brand's portfolio.

Sumol closed the year of 2019 with €15.1 million sales and a market share of 7% within the entire carbonates category in Portugal, only falling behind brands such as Coca-Cola (23%) and 7up (10%) (Euromonitor International 2020a). Furthermore, the brand has a 64.2% market share of the can format in the fruit carbonates drinks' market (Nielsen, 2020). In fact, Sumol has seen great success in Portugal, which allowed the brand to internationalize to over 55 countries across the world (Sumol+Compal 2020). After developing four production plants in its origin country, S+C moved part of its operations abroad by building two other plants in Angola and Mozambique, to respond to the rise in demand for its products in those territories and others nearby. Indeed, the brand is committed to internationalize and is open to expand its operations to other countries, whenever this is financially viable (Sumol+Compal 2020). However, as suggested by the company (S+C Marketing Team 2020), launching a new formula is an extremely complex and time-consuming task that requires considerable financial investments; hence, it is something that is done only if there is strong and conclusive evidence.

This applies to creating new flavours and also to altering the existent ones (for example, to decrease the amount of sugar). Being that, the latter case is even more difficult because consumers already have certain taste expectations.

Along the years, Sumol has been associating its communication to the beach during the summer - including the creation of a surf school and a large music festival close to the beach - and to the snow in winter. The brand has promoted some music events, as well as a snow trip to Switzerland (Sumol 2018). These events serve as a way for Sumol to increase both its brand awareness and brand attitude with its target audience.

### **5.3.2. Sumol France**

In France, Sumol is barely known or purchased by people outside the Portuguese communities, having a close-to-zero market share (International Euromonitor 2019a). At the moment, Sumol is present mainly in Île-de-France and on the border with Luxembourg, Germany, Belgium and Switzerland, as these are the regions with the largest Portuguese communities.

In the Collaborators subchapter, distribution is further analysed, however, it is important to say that currently, Sumol is available mostly in small ethnic retailers or in the ethnic aisle section in larger retailers, which leads to a small share of shelf and, ultimately, reduced sales.

Further, Sumol's communication strategy to the French consumer has already taken its first steps, even though its marketing budget is several times smaller than those of its competitors, being estimated at €100.000, per year (Sumol Marketing Team 2020). Currently, Sumol's brand identity in France is not strongly defined. However, the brand is already communicating in French on its website (despite not having much content), on YouTube and, most recently, on Instagram.

### **5.3.3. SWOT Analysis**

A SWOT analysis was developed, to understand what are Sumol's strengths and weaknesses,

as well as its opportunities and threats in the French market.

**STRENGTHS**

**WEAKNESSES**

**Vast Experience as Market Leader in Portugal and as a Portuguese Love Brand**  
**Exotic flavours:** Pineapple and passion fruit are relatively rare in France within in the carbonate's category.  
**Internationally Established:** Sumol's experience across borders is a reason to believe the brand has the resources to expand.  
**Differentiated product:** carbonated fruit juice competing in the non-cola carbonates market, slightly more natural alternative with real pulp and no preservatives  
**Differentiated positioning:** flagship values are authenticity, individuality, freedom, unlike other brands in the market.  
**Flexibility to build and change brand:** Reduced awareness allows Sumol to create a new brand image which appeals to the French consumers, without it crashing with previous brand perceptions.

**Very small player in France:** Currently, the brand has a close to zero market share, this makes it less attractive to both, distributors and retailers.  
**Present mostly in ethnical aisles:** reduced share of shelf leads to fewer sales, where consumers do not go to buy drinks  
**Unknown to French consumers:** Sumol has little brand awareness in France.  
**Little control over distribution, promotion and store display in France:** Sumol does not have access to detailed distribution data in France, nor can they influence marketing tactics, which are managed by the distributor.  
**Little flexibility and openness in terms of product innovation:** Sumol is cautious with investments in its products e.g. formula and packaging in order to meet consumers' preferences in France.  
**Limited marketing budget** restricts the reach and awareness of the French consumer.

## ***OPPORTUNITIES***

## ***THREATS***

**Leverage on the existent relation with international retailers** in Portugal and France. negotiate based on the company's interests in France.

**Leverage on the Portuguese communities in France** that already know the brand and can positively influence their friends and acquaintances.

**No preference for national products** in the soft drinks market.

**Trend for healthier products:** if a brand can position itself as a healthier alternative, it can generate consumer preference.

**Highly competitive market environment:** The market is dominated by a small group of very large players that are keen to maintain their market share.

**Trend for healthier products:** Both from the consumers, who are becoming increasingly aware of what they ingest, and from the government that is pushing through restrictions to fight health problems.

**Threat of healthier substitutes:** Companies quickly reacting to consumer needs by launching healthier alternatives (e.g. flavoured waters). These alternatives are increasingly perceived as direct substitutes to carbonated drinks.

## **5.4. Collaborators**

The insights on Sumol's collaborators were gathered in meetings with Sumol's Marketing and Sales teams, in a virtual factory visit, and in an interview to the main distributor *Agribéria*.

### **5.4.1. Suppliers**

Sumol has four production facilities in Portugal and two in Africa. Until 2011, Sumol produced in France but, as the Portuguese plants expanded their capacity, those were closed and, nowadays the entire production for European markets takes place in Portugal.

Sumol has built long-term relationships with farmers that supply different fruits for the company, however, these relationships have become difficult to retain as farmers are receiving

more incentives to sell their goods directly to retailers. To deepen the relationships, the company created *Frutologia*, an initiative which, among other activities, gives education and training to farmers. As a counterpart, these farmers must sell part of their production to Sumol.

#### **5.4.2. Distribution to HORECA channel in France**

Currently, Sumol is distributed to the HORECA channel by the distributor *Agribéria*. This distributor sells the brand to small restaurants and coffees with Portuguese owners, having no reach in establishments attended by French consumers. As determined in “Scope”, this channel will not be explored in this project.

#### **5.4.3. Distribution to retailers in France**

Sumol’s distribution in France is carried out by a set of independent distributors and is sold in both large surfaces (75%) and ethnical/ traditional stores (25%).

These distributors also carry in their portfolio other Portuguese products and have their own agreements with retailers. This section will focus primarily on the relationship with *Agribéria*, the main distributor and the only distributing to non-ethnical retailers (such as Leclerc).

*Agribéria* negotiates almost exclusively for the ethnical aisle (where international products are found, grouped by origin), where it has higher bargaining power. Sumol does not have direct access to the agreements between *Agribéria* and the retailers, neither to the negotiations nor to the exact list/location of stores and the quantities sold. The agreement with the distributor defines only the price and discount at which Sumol sells the product, the target quantity to be sold that year, the incentives to the distributor and commercial team, and non-binding guidelines regarding promotions and in-store display. It is *Agribéria*’s responsibility to ensure stock, if the product is in shelf, and to negotiate different trade promotions with retailers.

#### **5.4.4. Retailers in France**

As seen above, Sumol does not collaborate directly with the large retailers, this relationship is

managed by the distributor. This is the breakdown of Sumol sales per GSM (Sumol Marketing Team 2020): 26% E. Leclerc, 23% Auchan, 10% Carrefour, 9% Aldi and 9% Intermarché.

## **5.5. Consumers**

This chapter aims to capture the essence of the Young French Consumer - tapping into who they are, how they see themselves and how they act, as well as trying to understand their habits and behaviours, namely – but not strictly –, in the carbonated beverages segment. The focus on the young consumer is justified not only by the identity the brand carries globally but also because research indicates the 18 to 35 years old group is the one that favours sodas the most. (Statista 2015 & IFOP 2016)

Out of the 67 million French, we count 23,4% between the ages of 15 and 34 years old. Within this group, we observe that 59% of those between 18 and 30 years old live alone, versus 28% that still live with their parents (and have always lived). Some of the adjectives most used to define their own generation were “Individualist”, “Tolerant, open-minded”, “Lazy”, “Resourceful” and “Pretentious”. Compared to their parents, they feel they have gained their freedom, especially in areas such as “Sexuality/sexual identity” (58%), “The way to find its lover/partner” (46%), “Personal development” (37%), “The choice of one’s occupation” (37%) or “Expressing feelings” (30%) (Statista 2020c).

The young French adults spend most of their leisure time on their Smartphone (over 14 hours/week), on TV (9.58 hours/week) and on the Laptop (8.58 hours/week) and a third of the time spent on the internet is dedicated to social media, a percentage that rises to 45% for teenagers. (Woitier 2020) Six out of 10 connect to social media and messaging apps every day. Instagram and Snapchat are the 11 to 20 years old’s favourites, but Facebook still makes the delights of the 25 to 34 years old segment. Video platforms are also relevant near the younger crowd, as 38% of views are from the 15 to 24 years old group. The most recent successes in this category are Twitch and TikTok (Médiamétrie 2020).

When it comes to Health and Well-being concerns, around 50% of French young adults actively monitor what they eat to manage their weight and around 20% closely read the nutrition labels of food and beverages. Around 15% claim to be on a diet trying to lose weight (Elster 2019a). This also translates into their purchasing habits, where it was found that 51% of French Millennials say they agree to pay more for Organic labels, 30% for Fair Trade labels and 26% for Responsible labels (Statista 2020c). The organic market in France has increased by 1.4 billion euros (+13.4%) in turnover by 2019. Nowadays, 6.1% of French household food consumption is devoted to organic products. Regarding beverages specifically, the demand for organic beers grew by +24%, while fruit juices and non-alcoholic beverages increased by 16% (Brusetti 2020). As for the Environment, a study by Passport on consumer values in France shows that 60% of the French Millennials are worried about climate change, however, only around 50% “[try] to have a positive impact on the environment through [their] everyday actions” (Elster 2019b). According to Médiamétrie (2020), 1 in 10 French visit anti-waste websites and apps, an increase of 3M visits in one year.

Florian Simonnet, Brand Director of Schweppes at Orangina Suntory France (OSF), reinforces that consumers are looking for transparency, flavour diversity, but also for less sugary and more natural beverages (Bailly 2019). Juliette Foucault Aktas, Marketing and R&D Manager at Eckes-Granini France, believes consumers don’t trust multinationals. And the way to reassure the French consumer often seems to be to reinstate the regional provenience of the products, their family business origin or even through quality stamps in the packaging (Monnier 2020b). Although 42% of young French adult respondents claim to purchase alcoholic drinks at least once a week, according to INSEE, the domestic expense in alcoholic beverages in the last decades has decreased, being replaced by the non-alcoholic drinks, such as flavoured waters, fruit and vegetable juices and soda drinks (Cochard and Oparowski 2020). These drinks represented, in 2018, 69.8% of the expenses in non-alcoholic drinks.

E. Leclerc (48%), Carrefour (47%) and Lidl (43%) are the choice of most French consumers to shop for groceries and household essentials (Marcade 2020), which 19% of respondents claim to do at least weekly, 22% say one to three times a month, and 35% rarely or never do it (Elster 2019a). Moreover, 86% of French buy products from Distributors' brands regularly. In general, private labels are seen to provide good quality (68%) and to be cheap (73%), although 22% admit not to trust those brands (Marcade 2020). In yet another study about consumer values, 30% of consumers admit to "prefer branded goods to non-branded alternatives" (Elster 2019b), which justifies that the most common categories of private label products chosen are dairy and cleaning products, sweet and salty snacks and frozen goods.

## **6. Primary Research**

The insights from the secondary research provided an overlook of the market and allowed the drafting of the marketing problem for the primary research. Moreover, it guided the structure and content of the primary qualitative research's interview guide.

### **6.1. Marketing Problem**

Sumol's current challenge is "How to turn Sumol into a worldwide brand for local consumers in the French market?", which translates into the following management problem: "How should Sumol be positioned and adapt its Marketing Mix in France, vis-à-vis being perceived as a worldwide brand?". To devise the appropriate strategy, market research will be conducted, with the problem definition: "What are the preferences, habits and purchase intentions of different consumer segments concerning sodas?".

The following qualitative as well as quantitative research will complement the secondary research and specifically helps to better understand the consumer (the 5<sup>th</sup> C).

### **6.2. Qualitative Research**

### **6.2.1. Methodology**

At first, a qualitative approach was used to investigate and measure the marketing research problem developed above in an exploratory way. Semi-structured interviews were conducted by a team of 5 Master students, with representative French consumers, complemented by additional taste testings of Sumol's products. As the initially planned scouting trip to France had to be cancelled due to Covid19, the interviews and taste testings were partially conducted online (25) and in presence – in Lisbon (10), as well as both in English (27) and in French (8). Overall, the procedure took roughly 45 to 60 min; while some interviews and taste testings were conducted directly in conjunction; others were separated by roughly 2 weeks, as products were shipped to France.

The interview guide was structured into 5 sections, starting with general questions on the participant's grocery shopping behaviour, over consumer's awareness, perception, purchasing intention and habits towards non-cola sodas, and closing with specific questions to uncover the French's opinion on taste as well as on the packaging and brand of Sumol. The entire interview guide used for the study can be found in Appendix 8.

To analyze the results, an inductive approach was undertaken. Further, thematic as well as narrative analysis were used to interpret the findings. At first, the data was aggregated in an analysis grid, second, the data was visually displayed through e.g. word clouds and lastly, first insights were drawn by comparing the data.

### **6.2.2. Sample**

For the study, a sample of 35 French soft drink consumers was selected and interviewed. The sampling frame included all French people within our network and their network, further selected by a pre-recruiting questionnaire. Hence, the sampling was influenced by convenience as well as pre-defined targets. Namely, the pre-recruiting questionnaire was used to filter only those consumers that have lived most of the time in France in the last 5 years, that at least

occasionally buy and/or consume soft drinks in other channels than the HORECA.

From the 35 French interviewees, roughly 50% are women and 50% are men. Further, the interviewees' ages range from 15 to 30, whereas 74% fall in the 21-24 age category. Around 30% of the participants live in Ile-de-France and more than half have already visited Portugal, while around 30% knew the brand Sumol in advance.

### 6.2.3. Limitations

Several limitations were found regarding the procedure and sampling. Firstly, interviews were mostly conducted online, potentially leading to less interaction, as well as lower quality and difficulties in evaluating expressions. Additionally, there was little control over the setting of the taste testings. Secondly, the interviews were conducted by Master students with limited experience in the field of research. Thirdly, most interviews were conducted in English, which might have impacted the interviewees' understanding and answering of questions, leading to potential misunderstandings between interviewer and interviewee. Fourthly, the sample was highly influenced by convenience (e.g. resulting in a large ratio of students). Hence, further quantitative research with a statistically relevant sample will help to counteract the limitations of qualitative research.

### 6.2.4. Findings

The exhibit below depicts the market according to the consumers' perspective.



Exhibit 2 Carbonated sodas market from the perspective of the consumer

The category *carbonated sodas* is divided into cola flavour, fruit flavour and *lemonades*<sup>4</sup>.

Coca-Cola, Orangina and Fanta are the top-of-mind brands for consumers within the soda category. As consumers of carbonated drinks with fruit juice or artificial flavours have similar motivations and behaviours, both Colas and non-Colas will be further referred to as carbonated sodas and will build the category of interest for the quantitative part and the marketing plan.

In general, interviewees seem to be more open to new drinks in environments outside of their homes, such as parties, festivals or new settings. This behaviour is often driven by eye-catching packaging, a novelty product, friends' recommendations or simply no alternatives. Regarding consumer's retail purchase behaviour, stores are mainly chosen based on convenience, price and variety of the products offered. Even though some interviewees have already shopped online, it is not the preferred option. Moreover, transparency of ingredients and traceability of the product's origins seems to play an increasingly important role for consumers. While interviewees are looking for organic products and are concerned with health and nutrition, they also tend to go for the brands and products that they know. Further, the ethnic aisle is not visited frequently, nor is it associated with buying sodas or looking for new things, as consumers go there only to buy specific food like Mexican Tacos or Indian sauces.

Flavour and brand are the main factors that influence the decision to purchase carbonated drinks. Price seems to be of minor importance, which goes hand in hand with the finding that Private Label sodas are rarely bought because they seem to be of lower quality. Regarding formats, consumers prefer glass bottles over plastic bottles due to sustainability reasons and cans because of their practicality. Moreover, original versions are chosen over zero options, as consumers prefer the taste and are not convinced that light options are any better, if not a "lie". Carbonated sodas are associated to shared moments with friends or family, while also being connected to eating junk food and drinking alcohol. Due to consumers' awareness of the

---

<sup>4</sup> Lipton Ice Tea was mentioned in this category, although it is missing the primary characteristic: carbonation

negative health effects, interviewees experience not only pleasure, relaxation and refreshment when drinking sodas, but a feeling of a guilty pleasure.

Regarding Sumol, interviewees that recognized the brand linked it to Portugal, however, others sometimes confused it with a private label. Furthermore, interviewees used similar words to describe the brand, namely urban, young, nightlife and hipster, which are in line with Sumol's target. Surprisingly, interviewees – corresponding with Sumol's target - do not have a defined attitude towards the brand and only partially identify with it. Specifically, interviewees mentioned that they identify with being young, urban and full of life, but they do not see themselves as “hipster” soda drinkers.

Lastly, taste testings revealed opposing opinions on Sumol's drinks, specifically its sweetness, fruitiness, and carbonation. For example, some interviewees mentioned it was too sweet and too chemical, while others stated the pulp makes it more natural and the sweetness is of good balance. Passion fruit seems to be the preferred flavour due to its natural fruit taste, the impression of quality and the uniqueness within the carbonated soda category. Opinions on pineapple and orange varied, while especially orange was widely compared to other brands (e.g. Fanta and Orangina) as well as a medicine for children (negatively associated to being sick).

## **6.3. Quantitative**

### **6.3.1. Methodology**

Based on the qualitative findings on preferences and purchase intentions, a concept for the positioning of Sumol in France was developed. The survey constitutes a cross-sectional study, which captures consumer behaviour and perceptions at one point of time, to ultimately test the developed concept.

Similar to the qualitative research, the survey starts with a filter section to ensure sample validity by sorting for participants that occasionally drink soft drinks and have lived in France

for the past 4 years. In addition, the survey is in French to ensure minimal inability of participation of the target audience. To test the pre-defined positioning concept, the survey covers consumption and preferences of carbonated sodas, as well as appropriate communication channels and messages for Sumol in France. Moreover, personal questions were asked to test the target's values and beliefs, as well as questions on Sumol to test the already existing brand characteristics and positioning. The survey closes with a demographic section to better know the participants (survey questions are on Appendix 9). Before the survey was send out to the French consumers, a pre-testing, with at least 5 people of the target population, was conducted to make sure the survey overcomes the general unwillingness and inability of participation. In order to understand the benefits consumers value when shopping, an additional survey was created. The results of this survey are presented in depth in Appendix 29 and were used for the development of segments that identify which market channels are the best for the company in the place facet of the marketing mix.

### **6.3.2. Sample**

The survey participants were gathered in the time frame of the 3rd of November until the 10th of November through convenience sampling. The sampling process started with us reaching out to French acquaintances, and then reaching their network of people, as well as the network of these. The survey was spread via Social Media posts (Instagram, LinkedIn, Facebook) as well as direct messages on various platforms.

Overall, 270 participants passed the filter questions and completed the survey. 76 of the 270 respondents were identified as non-soda consumers, and thus skipped the first two sections and were redirected to the last three sections of the survey.

The sample has the following demographics: the respondents are mainly female (60%), followed by male (37%) and almost everyone (97%) falls within the age range of our target population (of under 18 to 35 years old). Furthermore, respondents are mainly studying (65.3%)

or are employed (22.6%). Regarding education, most obtained the bachelors or master's degree (70%), followed by the French Baccalaureate (23%). The great majority is single (78.6%) and sees their economic situation as “comfortable” (46%) or “very comfortable” (29.8%). In addition, most respondents are from Île-de-France (50%), followed by the regions Provence-Alpes-Côte d'Azur (9.7%), Occitanie (7.7%) and Hauts-de-France (5.6%) as well as Auvergne-Rhône-Alpes (5.6%).

### **6.3.3. Data Analysis**

The data cleaning started with a careful examination of the data, namely 382 observations and 143 variables. Next, incomplete surveys with a completion rate of 40% or lower were eliminated to ensure a certain relevance of each response, leaving a total of 323 responses. Afterwards, we selected only the cases of respondents living in France and drinking soft drinks (eliminating option “Never drink soft drinks”), thus deleting the observations that did not meet the initial filters defined for the analysis. This step left us with a total of 270 observations. We then proceeded to coding dummy variables of all the questions that had only two options, such as “Yes” and “No”, “Transparent” and “Green” or [Having] “Seen” and “Not Seen” the video. To ensure that the analysis could be done swiftly and with precision, data was prepared in advance. The team started by adjusting the names of each variable, transforming the long questions into a combination of easily identified keywords related to the information the question aimed to collect. Each variable was then categorized according to its type of measurement: nominal, ordinal or scale. Those with the potential of being ordered, as is the case for “Age”, “Education” or “Financial Situation”, were categorized as ordinal. The ranks and Likert scales were coded as scale because all options follow a continuous order, and the remaining were labelled as nominal.

Lastly, the prepared dataset was analysed using the statistical software SPSS. The most common statistical analysis ran were contingency analysis (for categorical variables), ANOVAs

(for categorical and metric variables) and correlation matrices (for metric variables).

#### **6.3.4. Limitations**

Within the quantitative research, some limitations arose. Firstly, survey respondents were gathered through convenience sampling, which means that the sample does not perfectly represent the population. Moreover, the convenience sampling, within the network of French acquaintances, reached its limit at 270 respondents. Nevertheless, the sample size of  $n=270$  is statistically significant with a 95% confidence level and a margin of error of 5.45%, when assuming a response distribution of 50%.

Emerging from our respondent's characteristics, an unequal gender distribution of 60% female and 37% male participants was noticed, which does not reflect the actual gender distribution of 51.3% to 48.7% within France (Statista 2020b). Furthermore, the number of respondents pursuing a bachelor's or master's degree is above average, yet the "percentage of higher education graduates [in France] has increased significantly in recent decades" (OECD, n.d.). In addition, the majority stated to be in a financially "comfortable" or "very comfortable" situation, indicating a sample with above average income.

#### **6.3.5. Findings**

From quantitative research it was found that 73% of respondents drink soda (with the highest ratio of soda drinkers below 18 and from there decreasing with increasing age). The main driver for drinking soda is the taste (61%), whereas non-soda drinkers are deterred by unhealthiness (58%). While soda drinkers are also aware of the fact that sodas are not healthy (45,5% declare there are no healthy sodas), they tend to drink them anyways. Aspects that define a healthy soda for drinkers and non-drinkers include a low sugar amount, no artificial flavour and natural juice. Soda drinkers' preferences for level of carbonation, sugar, fruit and soda flavour vary. However, consumers mostly prefer to have little to no pulp in sodas (72%). Two different

groups were identified: 1. People that like pulp, fruit and juice flavour, 2. those that like carbonation, sugar and soda flavour. Moreover, respondents have very different opinions on whether they consider the number of calories in sodas. Generally, zero or light options are not chosen very often (46% never, 39% sometimes). There is a tendency for consumers that always choose these options (15%) to consider calories and to drink zero or light versions because they are healthier, have no calories and no sugar.

Regarding consumption moments, sodas are mostly consumed at “soirées” (91%), with friends and family (87%) or as an aperitif (74%) rather than alone (39%) or during meals (30%).

When organizing social gatherings, people usually do not buy the newest products (8%), they buy few products that everyone will love (89%) but also many different products to please different people (76%). Furthermore, the main drivers for trial are friends’ recommendations (72%) and being at social gatherings (69%) as opposed to new launches (9%) or being alone (12%). It was found that respondents drinking soda at social gatherings or at “soirées” are also open to try new sodas at “soirées”. Moreover, people that drink with friends and family tend to not try new sodas alone.

At supermarkets, most respondents seem to buy large plastic bottles (59%) mainly because they are cheaper. Roughly 40% declare to buy cans and small plastic bottles mainly because they are easy to transport. Bottles in general are also the preferred format (87%) for social gatherings. When presenting participants, a transparent versus a green bottle, 78% prefer the transparent bottle, however, the opinions of 74% of the respondents were positively influenced when knowing why the bottle is green (“The green bottle is used to protect the natural fruit juice from sunlight, thus reducing the need for preservatives” (S+C Marketing Team 2020)).

Regarding consumer’s soda buying habits, surprisingly, 38% already bought soda in an ethnic aisle. Moreover, 72% of respondents never purchased a soda from private labels and 87% always choose the same brands, which stresses the importance of brands and loyalty within the

soda category. Around 33% would buy a less-known brand when on discount and 31% could be convinced with an associated offer (70% preferring “a different/ additional product”). Further a relationship was found between people that always tend to buy the same brands and those that do not buy private labels and do not try new products based on an associated offer or discount.

Within the sample, 36% know Sumol. When presenting participants with Sumol’s brand statement, answers were very average (69% between 3-5 on a Likert scale from 1-7) in terms of identification level. Those that do identify with the statement also think the brand is original. Sumol’s packaging is perceived as cool (80%), artistic (79%), edgy (77%) and modern (71%), while its ad is seen as extreme (94%), young (93%), fun (82%) and connected to nature (82%). Further, respondents are indifferent whether the brand is original or not (78% between 3-5) and whether it is Portuguese (76% say that knowing Sumol is a Portuguese brand does not change their perception). A relationship was found between people that know Sumol and those indicating that knowing the brand is Portuguese improves their perception, leading to the conclusion that those respondents have a special connection to Portugal (e.g., having family roots in Portugal or French people currently studying in Portugal). Interestingly, these are the ones that tend to go to the ethnic aisle. Further, soda consumers that drink with friends and family, but not alone, tend to improve their perception when knowing Sumol is Portuguese.

Analysing respondents’ Social Media preferences, Instagram seems to be by far the preferred platform (71% ranked it on 1. or 2. place) followed by Facebook and YouTube. Surprisingly, Tiktok is yet not very dominant with 60% ranking it as the least important Social Media. Whereas the usage of Snapchat decreases with age, the usage of Facebook increases. Regarding the type of content that people look for on Social Media, answers vary a lot with topics like sports, politics & news, cooking and trips being preferred over Tiktok dances, gaming and challenges. While men prefer gaming content, women tend to look for content related to beauty,

cooking and trips as well as TikTok dances. From a list of Sumol influencers, barely anyone was recognized by the sample (1-5% depending on influencer presented).

When asking people how they see themselves, most common profiles are funny (26%), sportive (23%) and intellectual (18%). In addition, participants rather feel connected to their peers (65%), like to create their own paths (62%) and be “part of a group like me” (52%). It was found that people that like to be part of a homogeneous group also tend to feel connected to their peers. Regarding their attitudes and beliefs, respondents seem to value tolerance (45%) and dialogue (32%), while they worry about happiness (73% rank it on 1.-3. place) as well as health (51% rank it 1.-3. place).

## **7. Marketing Strategy**

### **7.1. Situation Analysis**

As a starting point, it is crucial to remember the landscape of the market in which the brand aims to enter. The French soda market is shrinking, competition is fierce and their resources – both tangible and intangible – are superior to Sumol’s.

From the perspective of the consumer, the carbonated soda market can be divided into three categories: cola flavoured, fruit flavoured and lemonades (Exhibit 1). Sumol is positioned, according to the consumers’ perception, within the fruit flavoured carbonated sodas along with two main competitors: Orangina (market leader) and Fanta (market challenger) (Appendix 10). Knowing Sumol must conquer space in a market with two love brands, confers an increased importance to finding a relevant and unique proposition that consumers can relate to. Therefore, it is essential to understand which characteristics other players compete on. Relying on primary and secondary research, two perceptual maps were constructed.

The first one focuses on product attributes communicated by competitors within the carbonated soda market (Appendix 11). From this analysis, it is evident that most brands spread over three

quadrants, but the main differentiating factor between Sumol and its competitors is carbonation. Although differentiating, it has been previously determined that consumers do not attribute much relevance to the level of carbonation and seem to have conflicting opinions on how carbonated each of Sumol's flavours is. For these reasons, positioning the brand on this attribute seems to be challenging and, most importantly, not effective.

The second perceptual map highlights the tone of Sumol's two main competitors, which acts as a proxy of how they position (Appendix 12). Here, it becomes more evident that there would be space to position Sumol in a differentiated manner, away from the funny, defiant tone adopted by Orangina and Fanta.

## **7.2. Segmentation**

Once the situation has been framed, the process of Segmenting, Targeting and Positioning (STP) must be set in motion to develop a deeper understanding of the universe of potential consumers in France.

From the scope of the project, the basis of the segmentation was extracted: the French Consumer. The data collected through secondary research, made it clear that the younger generation represented the biggest percentage of soda consumers (Statista 2015). In addition, the already existing identity of the brand Sumol in Portugal targets the young, leading to the belief that, for consistency purposes, the target should be kept under 35 years old.

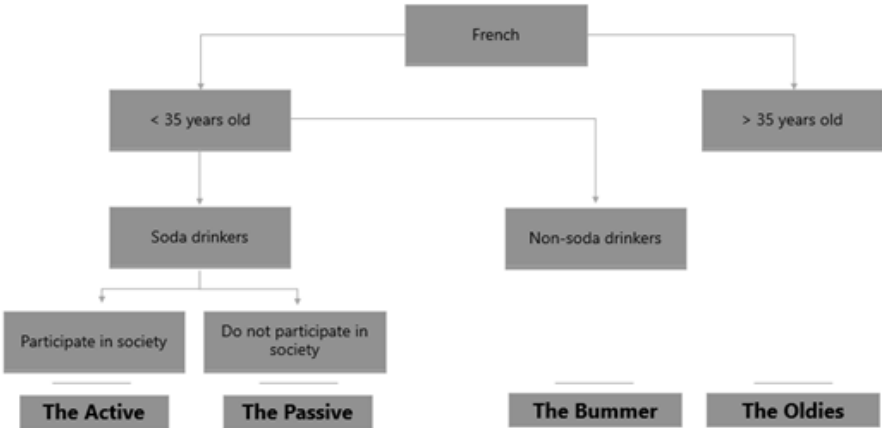
Once these demographic determinants were set, the sample was segmented into soda drinkers and non-soda drinkers (behavioural variable). This decision was based mainly on the fact that current health trends push those who do not drink soda further away from sodas. Reinforcing this judgment, it is assumed that Sumol's flavours would not be able to convert consumers that do not drink soda (non-category users) into category users. This assumption was previously validated by the results of the qualitative primary research where taste testing interviewees described the taste of Sumol as sugary and soda-like, thus clearly identifying the category.

From here - and keeping in mind the hint about the types of positionings available provided by the perceptual maps –, it was essential to go back to the research previously conducted to find the most appropriate segmentation variable that would enrich these segments.

In Portugal, Sumol already benefits from a strong positioning built around individuality and authenticity, and a clear target composed by the young and daring, that want freedom and crave new experiences. (Sumol 2018) To present a successful strategy, the target and positioning in France must be compatible with these existing ones, thus the segment(s) later selected as target(s) should share some characteristics with the Portuguese. When questioned about their perception of one of the Portuguese brand's messages (Appendix 13), however, the French claimed they were either indifferent or that they did not identify with it. Moreover, many stated the brand was extremist. Even though in Portugal Sumol benefits from great brand equity and, for that reason, can afford to position to an edgier, more alternative niche without compromising its results, entering France with a positioning that can be seen as extremist is not desirable.

Nonetheless, it is important to keep the alignment with the brand's values, such as “tolerance”, “understanding” and “respect towards the other”. (Sumol 2018) This pointed back to the analysis of the reality in France. Political and social instability, violence, racism, xenophobia, and terrorism painted a dark picture. (Appendix 14) Alongside those headlines, however, there were references to young people standing up for their rights: fighting for equality, fighting for the planet, fighting for their education, fighting to have a voice, and, more than national, it was a global movement that united this generation worldwide. (Appendix 15) To grasp this group of people that aim to take action, without limiting it to the more extreme activist role that might lead back to an undesired positioning, the psychographic variable chosen was “participating in society”. This was measured using the percentage of under 35 years old that voted in the first round of the last presidential elections in France in 2017 as a proxy. This culminated in the segmentation presented in Exhibit 3. Four segments are identified within this market. The

Active segment is characterized by being young, drinking soda and having the will to participate in Society. It represents 14,1% of the market. The Passive share the first two traits, however they tend not participate in Society, and account for around 7%. This absence of participation may accrue from lack of interest or from anger towards the system. These two groups of soda drinkers differ in the amount, frequency, and situations in which they drink, but it is nonetheless possible, as shown before, to draw some patterns in their consumption. The Bummies are also young, but do not drink soda. It can be inferred that within this group it is there are those that avoid it due to health concerns and those that do not like some soda characteristics, such as carbonation or even the taste itself. The Bummies represent around 7,7% of the market and are considered non-category users. As for The Oldies – the last segment – is the largest in size, making up a total of around 71,3% of the market. Although very large, it must be stated that



**Exhibit 3** - Segmentation of The Market

this group is particularly heterogeneous within itself, with age above 35 years old the only common factor to all.

Even though it could be interesting to segment further on soda or soft-drinks preferences, the decision of using a simple and broad segmentation had one main reason: the limited budget to enter the market and to pursue differentiated strategies to properly satisfy each segment. Other subgroups with relevant characteristics exist within these groups, however these would also be smaller and less differentiated in practical terms, thus less attractive for the brand. (Gupta 2014)

### **7.3. Targeting**

After assessing and characterizing the segments according to their characteristics (Appendix 16), and keeping in mind the limitations, The Active segment was selected as the main target. Due to the reasons previously presented during the selection of segmentation variables, The Oldies were discarded. The same was done with The Bummers because they are non-category users. While The Passive has interesting characteristics, it is less aligned with the values Sumol stands for, thus represents less potential. In turn, The Active segment is the one most aligned with the brand, it is profitable for the company, less competitive and more differentiated. What characterizes them beyond the variables used to identify them is their concern with the world and the environment and their will to change. Nonetheless – as the research has shown – this is still a very connected generation that sees themselves as funny, intellectual, and sportive, that believe in Tolerance and Dialogue and want to create their own path. They want to feel connected and like to relate to others like them. Nevertheless, the majority feels their voices are not heard (Tourret 2018) (*RCF Radio* 2018).

### **7.4. Positioning**

The challenge in positioning is then framed around the need to find a relevant proposition to the French consumer that is compatible with the Portuguese brand's positioning, that is perceived as international and internationally extendable and, at the same time, that is distinctive from competition. Putting the pieces together, the key benefit Sumol has to offer is being a brand that gives voice to the younger generation and helps them take action. Carved from this key benefit, the unique selling proposition (USP) built for the brand is: "Sumol sparks dialogue between young adults, giving them stage to state their opinions and hear others". The positioning must then focus on emotion, fostering a motivation based on social approval that puts the user in the role of the hero: drinking Sumol labels the consumer as someone that cares, has an opinion to voice and acts on it, a label they are expected to appreciate and further nourish.

Yet, two disclaimers must be made. The first relates to the need to refer to sensory gratification within the soda category. The reasoning to do so derives from the fact that, although the motivation to buy the brand will be social approval, it is known from previous research that taste is what matters most to consumers when selecting a soda. The second disclaimer arises to clarify the purpose of the positioning. In the past, brands have positioned in a patronizing way and the consequences were considerably detrimental for their reputation and business. (Smith 2017) Since Sumol is an international brand entering the market, the effects could be harsher for its reputation, as it might carry social, cultural, or even political connotations. To keep away from this tone, it is crucial to reinforce the idea that the brand should position as a platform for dialogue, promoting it, rather than moderating or intervening in it.

Disclaimers laid down, the positioning statement is: “For young (15 to 35 years old) urban French consumers that wish to have a voice in society, Sumol is the tasty soda refreshment that sparks dialogue and discussion about youth’s views and ideas. Because the brand provides the stage to talk about meaningful topics in a tolerant and respectful manner through its actions and events.”

The new positioning achieves the goal of being more relatable, without compromising the brand’s seriousness and, at the same time, succeeds in differentiating Sumol from the competition. (Appendix 17)

## **8. Brand**

A brand can be described as a product and/or service with added value, which can play a crucial role for a company’s success (Baines, Fill, and Page 2013; K Keller and Kotler 2016). In fact, primary research revealed that brands are the most significant influence on the soda purchase decision. They allow consumers to differentiate between various offerings and help to establish feelings for a particular brand, which underlines the importance of brands in competitive

markets like the beverage industry (Baines et al., 2013).

## **8.1. The Brand Sumol**

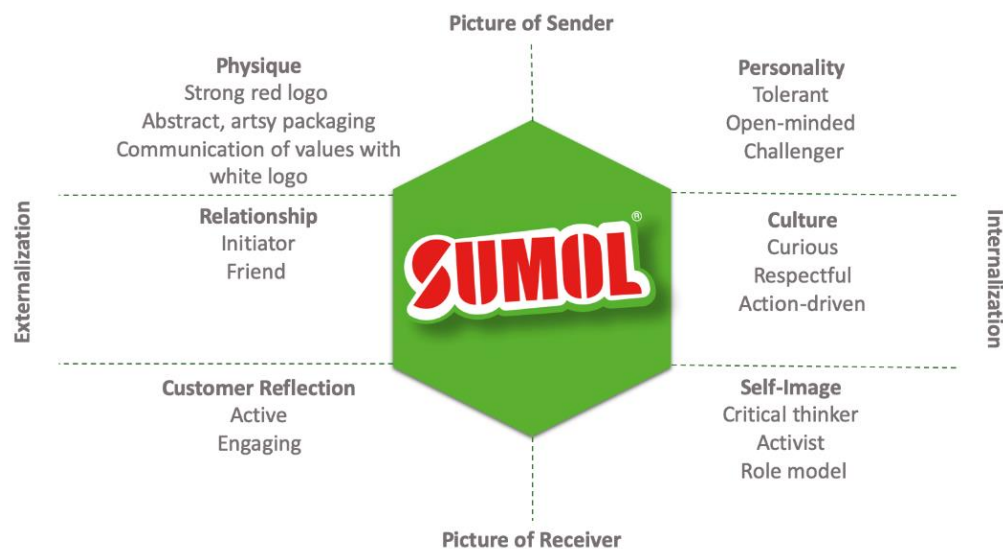
To become a strong brand, it is essential to have a brand identity that is relevant for your customers, and clearly transmitted through brand elements and other marketing tactics.

In Portugal, Sumol uses social media to communicate the values of authenticity, heritage as well as edginess, which describe the personality of the brand. Primary research revealed that most of the French are not resonating with these values and actually perceive the advertisement as fun (similar to existing positionings of competitors in the market). Moreover, the target does not seem to identify with the brand statement of Sumol - Portugal. As consumers search for brands that are complementary to their self-concept, Sumol needs to change their values and beliefs to become more relatable and thus relevant to the target (McCracken 1986). The target shows differences in taste preferences and their consumption behaviour, but interestingly exhibits the same vision of making the world a better place. Their vision is to use dialogue as a tool to overcome the division in France and fight the lack of tolerance towards other opinions. Especially during the pandemic, millennials realized their “desire to help drive positive change in their communities (...)”, yet the majority feels like their voices are not heard (Deloitte 2020). The new positioning in France is aligned with a brand that does not only provide the ideal drink to share in discussions, but also a brand that is meaningful. As depicted in the Golden Circle by Sinek (2009), Sumol believes in bringing the youth to the centre of problem solving, by encouraging dialogue and setting the space for conversation (Appendix 18).

With this concept, Sumol as a brand has a strong core that reflects the belief and needs of the target. To further enforce the target’s self-expression through the brand, of who they think they want to be (desired self), who they strive to be (ideal self) or who they think they should be (ought self), Sumol must be relatable (Belk 1988; Baines, Fill, and Page 2013). In the following, Sumol’s brand identity is analysed to better understand it and its environment.

## 8.2. Brand Identity

The 'Brand identity prism' developed by Kapferer (1992), a concept to understand a brand's identity, that gained high popularity in the field by making use of the following six aspects: physique, personality, culture, relationship, reflection and self-image. In the following figure, the six aspects of the identity prism are applied to Sumol's positioning in Portugal and its new positioning in France.



**Physique** - Sumol's physique is shaped by a product design which makes use of strong and flashy colours such as green, in combination with yellow, orange or red (Appendix 19) to differentiate from competitors and to indicate different product flavours (Sumol, 2020). The logo is very prominent with its bright red colour and its illustrative representation. Furthermore, visuals such as the depiction of fruits, are described by interviewees as artsy, edgy and abstract. Overall, the physique of Sumol consists of elements that attract the target's eye and thus help to create the first contact.

One addition to the current physique will be the implementation of a black and white Sumol logo, which is used whenever the brand is communicating sensitive or opinionated messages of others. The use of the less strong and colourful logo intends to distance from the messages' content, but to still identify Sumol as the platform.

**Personality** - Sumol's communication campaigns, from *Mantém-te Original* (2014) to *Orgulhosamente Sumol* (2020), have always depicted a brand that is not afraid to stand out. In fact, on Portuguese social media the brand communicates an edgy, rebellious and alternative personality by using captions such as "I fly if I want to" or "Girls just want to play" (Appendixes 20 and 21) and personas in colourful and flashy clothes (Appendix 22). Primary research revealed that the French do not identify with this brand values, hence a new brand personality is suggested. Being: Sumol, as a tolerant and open-minded person that challenges people to consider different views, aligned with the target's values. Hence, the new personality allows them to identify with it. The personality is the main source of tone and style used in advertising, guiding Sumol's promotion (Kapferer 2012).

**Culture** - Based on the communication in Portugal, Sumol promotes a culture of freedom, spontaneity and heritage, which created the community of 'Sumolics', worshipping the culture and product (Sumol, 2020). The culture of freedom and spontaneity is displayed by pictures that show personas in any kind of situation, wearing colourful and uncommon clothes, and by posts that make use of edgy captions and hashtags, such as 'I DONT CARE' (Appendix 23). The Portuguese heritage is stressed in the Portuguese and French market by showing traditional dishes on social media (Appendix 24).

Primary data suggested a misfit of the extreme values and the respondents' preference towards something more relatable and meaningful, making Sumol's culture unviable in France. The new positioning will foster, through the brands challenging and open personality, a culture of curiosity, respect, empathy and action. This culture resonates with the Active, who are tolerant open to discussions, and who also show the initiative and interest in dialogue with others.

**Relationship** – In the Portuguese market, Sumol is rebellious, alternative, and with its refreshing and good taste present in many memorable occasions, which is why the brand is considered cool and seen as a friend. The edgy and colourful merchandise Sumol promotes is

aligned with its personality and creates a community around the brand. Consumers that buy the merchandise feel aligned with the brand's values and become even more part of the brand's community.

The new positioning in France creates a relationship in which Sumol is a common friend (a brand you enjoy in shared moments), but which plays a more meaningful role for everyone, as the symbol of initiating discussion beyond small talk. Instead of being the opinionated person that tries to convince others, Sumol acts as the one who starts dialogue in a tolerant and respectful manner.

**Reflection** – In Portugal, the reflection of the stereotypical consumer is eccentric, edgy and not respecting rules.

When considering the new positioning in France, Sumol consumers are seen as outgoing people that engage and actively seek dialogue (rather than taking action). This does not mean that consumers have these characteristics, but this is how they are seen by outsiders. Through this reflection, other consumers, such as younger teens, embody their dreams of a life full of enjoyment, respect and meaningfulness (Kapferer, 2012).

**Self-image** – As a consequence of buying a soda brand that provides a culture of freedom and spontaneity, the Portuguese consumers consider themselves as individuals that are free in their actions. In France, the brand amplifies the self-image of critically thinking people and activists that take actions to create change. This is in line with the target indicating in the survey that they perceive the pro-active behaviour as a good example of how to make the world a better place, and thus consider themselves as role models.

### **8.3. Brand Elements**

Brand elements, or also called brand identities, play a crucial role in driving a brand's equity by helping consumers to understand "who" the brand is, and to later on identify and differentiate the brand (Keller & Kotler, 2016; Kapferer, 2004; Kevin Keller 2003). As Keller and Kotler

(2016) suggest, there are many different brand elements, such as the brand name and URL, visual symbol and logotype, slogan, geographical roots and package design. In the following, the most relevant brand elements of Sumol are elaborated and considered in the context of the new positioning within France.

The brand name is known to be the most central brand element which can effectively communicate a message but is also very difficult to change (Keller & Kotler, 2016). In France, the meaning of the brand might be unclear, as some interviewees were not able to derive the individual components of the brand name, however the name is pronounceable by the French. Despite potential interpretation problems, the name Sumol generally creates a favourable product association and should stay the same to emphasize international brand recognition and to avoid brand recognition problems of existing customers within France. The brand's website has the URL 'www.sumolworld.com', which includes the name to stress brand recall as well as the word 'world' to emphasize internationality. As the URL is straightforward, promotes worldwide inclusion and thus tolerance, it is aligned with the positioning created for the French market. Sumol's logo, a wordmark, is illustrated in a decorative way and emphasizes the colours green, often associated to health and environment, and red, which typically indicates love and passion. With the use of a new slogan, '*Beyond Small-Talk*' (in French: '*Au delà des bavardages*'), Sumol emphasizes the brand's key benefit of being the facilitator of dialogue and giving the younger generation a voice. Overall, Sumol points out the Portuguese heritage and frequently integrates it in the marketing communication, such as social media. Within France the Portuguese origin might not resonate, because interviewees did not show a preference for international products. Consequently, the brand's heritage is not communicated as it does not add value nor is it aligned with the brand's new positioning. Sumol's package design, generally an important source for competitive advantage, has bright colours and artsy depictions which differentiates Sumol from competitors for example by means of their green bottles and cans

(Keller & Kotler, 2016). As interviewees mostly reacted positively to the package design, the same packaging design will be used for attracting consumers and initiating the first contact.

## **9. Marketing Mix**

### **9.1. Product**

#### **9.1.1. Introduction and Scope**

Product is a very important element of the marketing mix (Reynolds, Netkach, and Taranyan 2020), as a unique superior product is the main driver of profitability (Dolan 2015). For a new product launch to be successful, it is crucial to listen to consumers wants and truly understand what drives their preferences (WARC 2019b). However, before deep diving into the product assortment recommendations for Sumol in France, it needs to be acknowledged again that the primary research was not conducted with the intention to change the product but rather to understand consumer preferences in order to be able to successfully position and sell Sumol in France. Therefore, it needs to be stated that the following recommendations only provide tendencies rather than conclusive decisions. Moreover, the market was not segmented based on soda preferences and taste testers had opposing opinions on Sumol's drinks regarding its sweetness, fruitiness and carbonation. However, it is belief that Sumol can serve the target well as each product flavour also varies in its characteristics (e.g. orange is more soda flavoured and sweeter, while passion fruit has a more natural and fruity taste), thereby covering different preferences.

#### **9.1.2. Line Recommendations**

Primary research revealed that within sodas, original versions tend to be chosen over zero or light options, as consumers prefer the taste and are not convinced that light options are "healthier". Moreover, secondary research showed a similar tendency with launches of light

versions being less successful. Therefore, it is advised that instead of launching zero options, Sumol should focus on its original line by further improving the formula (e.g. reducing sugar amount and increasing natural fruit juice), hence being able to claim its brand as a slightly more natural alternative relative to other sodas.

### **9.1.3. Flavour Recommendations**

While it was found that flavour is one of the main factors influencing the decision to purchase carbonated drinks, nowadays, consumers are looking for exceptional flavours. From Sumol's current portfolio, passion fruit and pineapple were identified as unique by taste testers. Overall, passion fruit was clearly the preferred flavour, while opinions on pineapple varied and orange was widely compared to competitive brands like Fanta and Orangina. As orange is the most relevant flavour within the non-Colas' segment, Sumol's orange flavour presents a necessary entry ticket to the market, while passion fruit should be introduced as a way to distinguish the brand from competitors and react to current market trends.

According to (Sharma 2013), the newer the product the more important it is to create a favourable first experience. Therefore, it is suggested to run further taste tests before launching Sumol's pineapple flavour in France. If taste tests turn out to be positive, then pineapple should be launched together with orange and passion fruit in May 2022. If not, pineapple should only be sold to the "ethnic distributor" in order to keep satisfying the Portuguese community. Additionally, Sumol should conduct tests on its lemon flavour (previously sold in Portugal)<sup>5</sup>, as it is the next most relevant flavour in France after orange. Moreover, 6 out of the top 20 soft drink launches had lemon flavour in 2019 as suggested by the media initiative. Lastly, Sumol should add other flavours to its portfolio over the next few years, which need to be tested and validated by further research. Other flavours currently successful in the French soft drink

---

<sup>5</sup> Hence, requires minimal investment as formula and moulds/designs already exist.

market are for example peach and apple (Initiative media meeting, 2020).

#### **9.1.4. Format Recommendations**

Regarding *formats and sizes*, Sumol's 1.5l PET bottles and 0.33l cans are aligned with competitive offerings and meet the targets' preferences in supermarkets. However, secondary research reveals a downsizing trend in the market, responding to an increasingly nomadic and on-the-go consumption. Hence, it is suggested to keep the 1.5l PET bottles as well as the 0.33l cans for now, while Sumol should continue testing 1.25l PET bottles, with the addition of 0.25l cans. However, these smaller formats should be tested exclusively in convenience stores at first (in order to avoid confusing consumers) and only replace the other formats once they prove to be successful. Moreover, 0.5l PET bottles should not be the focus for now but will become more important once Sumol manages to enter convenience stores. Lastly, as primary research revealed that glass bottles are rarely bought in supermarkets, Sumol should disregard that format until considering the HORECA channel.

#### **9.1.5. Packaging and Labelling Recommendations**

Concerning the packaging, participants of our survey clearly indicated a preference for transparent vs. green bottles, which is in line with the general trend towards more transparency and the use of see-through material. However, as participants' opinions were positively influenced when provided with an explanation ("The green bottle is used to protect the natural fruit juice from sunlight, thus reducing the need for preservatives"), Sumol should leverage its green bottles by actively communicating "the why". Further, competitors are increasingly changing their bottles from PET to recycled PET and the EU will demand the use of 25% r-PET by 2025, as mentioned earlier. Hence, over the next few years, Sumol needs to think about ways to incorporate r-PET (domestically and internationally) in order to meet EU regulations and keep up with competition. Additionally, in light of Millennials' environmental concerns,

Sumol should follow Coca-Cola's example and replace its plastic films with cardboard overpackaging, in order to be perceived more environmentally friendly by its target.

From qualitative research, we know that transparency is also demanded in terms of ingredients. In order to establish trust with its increasingly health-conscious consumers, Sumol needs to clearly label its ingredients in the simplest way and preferably by using a certified label. However, it is advisable for Sumol to not use the Nutri-Score as long as it is not mandatory, as currently Sumol would receive an E, which is the lowest possible score and hence, might hold back potential consumers. Additionally, Sumol should make use of claims like "No artificial preservatives/ flavours", "Natural juice" or "Low amount of sugar" on its label, to meet consumer expectations. As a low-cost interim solution, it is advised to work with QR codes in a way to minimize the information density on the product itself but still offer an interactive way of engaging the customer and providing relevant information (e.g. "Want to know why we are green – find out here" or "Want to know more about ingredients and nutrition – find out here"). Consumers should be directed to Sumol's website, where they will find clear and understandable explanations.

As Sumol's packaging was overall positively evaluated (e.g. perceived as cool, artistic, edgy and modern) no further design changes should be made at this point in time.

The overview of launch formats as well as a roadmap for Sumol in France – including the recommendations for future formats and flavours – can be found in Appendices 21 and 22.

## **9.2. Pricing**

### **9.2.1. Introduction**

While other elements of the marketing mix aim to create value, price attempts to capture it (Nagle and Müller 2018). Hence, setting prices is one of the most crucial and most profit-sensitive disciplines in management (Zawada, Baker, and Marn 2004). According to Nagle &

Müller (2018), pricing must play a key role in strategy in order to achieve superior and sustainable profitability. Thereby, a successful pricing strategy does not only require setting optimal prices but making sure the value of the benefits provided is understood by potential customers. As suggested by literature, a value-based pricing approach will be adopted.

### **9.2.2. Pricing strategy**

According to the value-based pricing principle, the viable range of a price is limited by an upper and lower bound. On the one hand, the price ceiling constitutes the perceived value by the consumer, which is influenced by the TEV and how well the company is able to communicate it through marketing efforts (Dolan and Gourville 2014). The price floor, on the other hand, is equal to the COGS for a negatively differentiated product and equal to the price of the NBA for a positively differentiated product (Nagle & Müller, 2018).

Further, a neutral pricing strategy will be chosen for Sumol, as primary research revealed that price is of minor importance when buying sodas, relative to brand and flavour. Moreover, the soda industry in France is characterized by quite price sensitive consumers<sup>6</sup> as well as strong competitors that are protective of market share. Hence, prices will be set closely to those of competitors.

### **9.2.3. Sumol's prices**

Following the above reasoning, each product's pricing decision will be justified using the value-based approach, the neutral pricing strategy, as well as managerial judgement, however, several assumptions need to be stated beforehand. The rationales will be given for each potential product to be launched in May 2022 (orange, passion fruit, pineapple and lemon; 1.5l PET and 0.33l cans) and will be exemplified on the basis of large retail chains (supermarkets and

---

<sup>6</sup> Price elasticity was found to be relatively elastic with 1,3 for sugar sweetened beverages on average among several countries among them being France (Cabrera Escobar et al., 2013).

hypermarkets). From there further adjustments of consumer prices to each product-channel combination can be found in Appendix 27. Next, the COGS used for Sumol were approximated (see section 8.1.3 Cost of goods sold) and for simplicity are assumed to be the same for all different flavours. Last, the following recommended retail prices already include the VAT rate of 20%, as well as respective sugar taxes. The margin for the main distributor equals 10% and large retail chains (including supermarkets and hypermarkets) hold a margin of 43% (all other alternative margin set ups can be found in Appendix 28).

**Sumol orange 1.5l PET** – The COGS amount to 0.40€, while the perceived value to consumers is assumed to be similar to that of Orangina, as taste testings did not suggest any evidence of Sumol being perceived better or worse, rather opinions varied. Hence, the recommended retail price equals the average price charged for Orangina across different types of large retail chains, which is 1.5€ per 1.5l. The resulting contribution margin for Sumol equals 32% (0.18€), the distributor receives 0.06€ and retailers 0.49€.

**Sumol passion fruit 1.5l PET** – This product is assumed to be positively differentiated based on findings from primary research - taste testers mentioned the natural fruit taste as well as the uniqueness of the flavour compared to competitive products. Hence, the price floor equals the price of the next best alternative, which is Fanta passion fruit 1.5l PET at 1.45€. For the price ceiling a mark-up of 15% will be added to account for the additional value perceived by consumers. The final recommended retail price is going to be set slightly below the price ceiling not to differ too much from other competitive offerings and thereby avoid losing price sensitive consumers. This leads to a recommended retail price of 1.60€ and a contribution margin of 37% (0.23€) for Sumol, and a margin value of 0.07€ for the distributor and 0.53€ for the retailers.

**Sumol pineapple and lemon 1.5l PET** – The recommended retail prices of these two products can be discussed together as the underlying assumptions are the same. Similar to passion fruit, the price floor is defined by the next best alternatives, which are Fanta pineapple and Fanta

lemon priced at 1.45€. However, primary research found a slight tendency of Sumol being perceived as a bit more natural due to its pulp, when compared to Fanta. Therefore, it is suggested to charge a small premium on top of Fanta's retail prices, leading to a recommended consumer price of 1.50€. Hence, the contribution margin is the same as for orange (32% respectively), as well as the margin values for the other players (see above).

While cans at large retailers are usually purchased in sixpacks<sup>7</sup>, prices are going to be calculated on that basis.

**Sumol orange 6x0.33l cans** – This product is positively differentiated from its NBA, which is Orangina orange 6x0.33l cans at 3.40€. As interviewees indicated a preference for Sumol's cans due to its modern and artistic packaging, a premium of 12% will be added on top, leading to a retail price of 3.80€. Consequently, the contribution margin of Sumol equals 47% (0.72€), while the distributor and retailers receive 0.17€ and 1.29€ respectively.

**Sumol passion fruit 6x0.33l cans** – The NBA for Sumol's passion fruit cans is Fanta at 3.70€. On top of the 15% premium charged for flavour quality, 5% will be added for Sumol's packaging. The premium charged on top for packaging is less than in orange, as consumers indicated that they generally like Fanta's cans however they are viewed as simple compared to Sumol. Again, price is chosen below the ceiling not to offset price sensitive customers, leading to a recommended retail price of 4.00€. The respective contribution margin amounts to 50% (0.82€) and presents thus the most profitable product within Sumol's current product portfolio. The distributor and retailers receive 0.18€ and 1.37€ respectively.

**Sumol pineapple and lemon 6x0.33l cans** – Last, consumers' perceived value of Sumol's pineapple and lemon cans will be assumed to equal the price of Fanta pineapple and lemon (3.70€) plus a premium charged for flavour quality (+ 5%) and packaging (+ 5%). This leads us to the same price as for orange (3.80€) slightly below the ceiling and resulting in the same

---

<sup>7</sup> Observation from relevant retail websites

contribution margin of 47% (the distributor gains 0.17€ and the retailers 1.29€).

#### **9.2.4. Adjustments for other channels and formats**

For ethnic retailers, a general premium of 10% on each product (similar to the current difference in prices charged by Sumol) should be charged, assuming that the Portuguese community choosing this channel type is less price sensitive. Similarly, to account for convenience, recommended prices should be higher at online (around +10%) and convenience stores (around +20%). Contrary, ca. 10% should be generally deducted of suggested retail prices for discounters to be aligned with more price sensitive clients shopping at this channel. Moreover, it is advised to Sumol to offer four-packs of its 1.5l PET bottles at hypermarkets and discounters, charging a slightly lower price per litre. In contrast, once entering convenience stores with smaller formats (0.25l cans, 0.5l PET and 1.25l PET), Sumol should charge a higher price per litre.

### **9.3. Place**

#### **9.3.1. Marketing Channels and Strategy**

In France, Sumol is only focused on being present in the off-trade channel. In fact, although the on-trade channel may represent an opportunity in the future, currently, the company has decided to focus on the off-trade channel only.

Sumol is recommended to follow an intensive distribution strategy, in order to achieve as much market coverage as possible. The brand is going to benefit from this strategy because, with more consumers seeing the product, sales are likely to increase (Coughlan, 2006). This strategy sacrifices some control over the distribution channel, however, according to information from Sumol's sales team, that is something the company is already suffering from in its relationship with the current distributor.

### 9.3.2. End-User Analysis: Segmentation, Targeting and Positioning

Since consumers within the target market have different preferences on “how” and “where” they want to purchase products, a new segmentation was done according to the service outputs demanded. This means that, after analyzing what benefits consumers value when shopping, they were assigned to different groups of people with similar purchasing preferences. In fact, after the qualitative and quantitative research, which also included the launch of a new questionnaire (Appendix 29), it was possible to group consumers into six segments which differed on dimensions that matter for building a distribution system. The analysis of the service outputs demanded allowed the creation of six segments described below.

The **Walkers** are people that purchase drinks on-the-go (to work, to university, to a party, etc.), meaning that they have a high preference for channels that offer high bulk breaking, spatial convenience and waiting time. The preferred channels for the Walkers are the convenience stores in the city, even if this receiving lower product variety or customer service. This group is probably larger than the results (only 12%) due to the growth of convenience stores in France (Euromonitor International 2020b).

The **Common Buyers** segment (named like this because they represent around 48% of the sample) only shows high demand for the waiting time service output, requiring most of the others at a moderate level. This is because they buy enough drinks for a week (demanding moderate bulk breaking), so they are willing to put a little more effort going to the retailer (moderate spatial convenience), namely to a hypermarket or a supermarket, to have a little more product variety and assortment.

The **Bulk Buyers** are a segment that represents 14% of the sample and purchase groceries, including sodas, for the whole month. They tend to have a high demand for waiting time, moderate demand for variety and assortment and low demand for all other service outputs, since they want to buy in bulks and don't mind going to a store (most likely hypermarkets) farther

away for a larger assortment.

The **Portuguese Purists** are people that know exactly what they want and are not afraid of having considerable transportation costs and paying a higher price to get it. An example of this segment is the French interviewee with Portuguese ascendance that said: “I love Sumol so, I go to the Portuguese store on the other side of the village to buy it”. This segment has high demand for bulk breaking, waiting time and product variety and moderate demand for customer service and information provision, being that they are likely to purchase a product if they receive information that it has Portuguese origin. It is possible to say that this consumer tends to go to ethnical stores or to hypermarkets that have a diverse ethnical aisle. It’s important to mention that this segment’s size (12%) is overestimated because many of the group’s contacts had Portuguese origins.

The **Techies** opt to buy their groceries online most of the time. They have a high demand for spatial convenience and product variety and assortment and do not require high bulk breaking, nor immediate delivery. The demand for customer service is moderate since they like to know that, if there are any concerns about the delivery of their groceries, the retailer is able to help and provide solutions. The number of people in this segment in the sample is reduced (only 8%), however, it is likely to increase with the growing use of e-commerce to buy groceries, in recent years (Barron’s 2020).

Finally, the **Deniers** are a group of people that probably does not consume soft drinks and, in the rare occasions in which they buy them, usually it is to give it to someone else. For this segment no service outputs matter, except for spatial convenience and waiting time, since they want to have the least amount of effort in buying whatever product. This segment is not very interesting due to their indifference towards the product, but fortunately for soft drinks companies such as Sumol, it only represents 6% of the sample.

Evaluating the profiles defined above, as a primary priority, the company should use

distribution channels that help reaching the **Walkers** and the **Common Buyers** (hypermarkets, supermarkets and convenience stores), since these are the largest segments of the market and are, in fact, the ones Sumol has been calling “the French Consumer”, as a way to refer to the masses. As a second priority, Sumol should target two other segments. The **Techies** because, although they are a small part of the sample, this segment has enormous growth potential with the rise of e-commerce and, furthermore, research shows that online buyers in Europe tend to spend 61% more in their baskets than offline buyers (Nielsen 2020). **The Portuguese Purists** because these are the ones that have been sustaining the brand so far and would not be wise to “discard” them as soon as Sumol is establishing a new, more international, positioning.

With this being said, Sumol should maintain its distribution to ethnical stores and establish large retail chains such as E-Leclerc, Carrefour, Auchan or Intermarché (which possess hypermarkets, supermarkets, convenience stores and online platforms), as its main distribution channel. Concerning the regions Sumol should prioritize, it is recommended to start by the ones that have a large youth population (e.g., Ile de France, Rhône-Alpes and Provence-Alpes-Côte d'Azur) and later move on to other regions, in order to achieve full market coverage.

### **9.3.3. Channel Structure Design**

#### **9.3.3.1. Channel Structure and Members**

At the moment, Sumol manufactures the product and, once it is finished, it is sold to the main distributor Agribéria and other smaller distributors, which must pick up the goods at the manufacturer’s warehouse and transport the inventory to their warehouse in France. As it is possible to see in Appendix 30, the product may be sold directly to ethnical and convenience stores by the smaller distributors, or from Agribéria’s warehouse. In fact, if the product is sold by Agribéria it can be delivered to the end-user through four different types of intermediaries. These intermediaries include: (1) Large retail chains that have hypermarkets, supermarkets, convenience stores and an online platform (e.g., Carrefour, Auchan and Monoprix), which also

have their own logistics management; (2) Cash & carries (e.g., Makro) and (3) ethnical retailers or small convenience stores (e.g., Panier du Monde and Nosso) and (4) large online retailers, that work with many different categories, including “Food and Beverages” (e.g., Amazon).

It is possible to predict that once Sumol starts increasing its distribution’s intensity, its sales coming from the large surfaces are going to increase to a percentage of total sales much higher than the current 75% (Appendix 31).

### 9.3.3.2. Channel Flows

The activities or functions that produce the service outputs demanded by end-users are known as the channel flows. These must be audited so that Sumol can notice and remedy possible gaps in the marketing channel. (Coughlan et al. 2006)

Starting with the **Inventory Flow** (which puts together **Physical Possession** and **Ownership**), Sumol is responsible for maintaining its stock until the distributors arrive to transport the goods to France. When the product starts being distributed to the next channel members, the quantity and inventory costs will gradually become lower as, even large retail chains, prefer not to keep huge amounts of stock.

The **Promotion** flow is mostly supported by Sumol and the distributor. However, retailers may also participate in the promotional activities, at a much lower degree, since they do not have any major incentive to invest in Sumol’s promotions. Another member that is expected to participate in this flow is the end-user through word-of-mouth.

The **Negotiation** flow is performed by every channel member except the end-user. This flow is extremely important as, in the off-trade channel, large retail chains are very powerful which means that the distributor must have the capacity/power to negotiate and enforce fair contract terms to ensure that Sumol is not being exploited.

Regarding the **Financing** flow, every member after the main distributor (except the end-user of course), is expected to have long payment terms of up to 60 days (Atradius, 2020) since Sumol

is unlikely to have much power to negotiate with its downstream channel members. In this flow, being that there is no financing for end-users, they pay for the product immediately to the retailers while the latter takes its time to pay the distributor and so on. If payments are not met by a member after the agreed period, it might be removed from the channel. Linked to this flow, are the **Payment** and **Ordering** flows, which are the costs that channel members incur when paying or ordering the product.

Concerning the **Information Sharing** flow, it is possible to state that it is being underperformed by members of the channel, since lower communication transparency might translate into short-term lucrative situations for one channel member, in prejudice of the value creation for the entire channel.

Finally, it is possible to state that the **Risking** flow is quite insignificant in this business. The main risks are payment defaults from downstream members of channel, market evolution and product destruction. Sumol and the main distributor will be the ones carrying the most risk since they hold most of the inventory and large retail chains rarely become insolvent.

#### **9.3.4. Gap Analysis**

##### **9.3.4.1. Environmental and Managerial Bounds**

On the one hand, Sumol faces five main distribution constrains imposed by the marketplace (environmental bounds): (1) it cannot enter most of the hypermarkets, supermarkets and convenience stores owned by large chains because these have limited space and retailers are not interested in having a product with low brand equity replacing another product from its current portfolio; (2) the market is saturated, and dominated, by a few almost “titanic” players that have invested heavily in their distribution. (3) By using an intensive distribution strategy, it becomes more difficult for Sumol and the distributor to have access to all the information from downstream members; (4) price and placement cannot be directly controlled by the company, which means that there is a lower control of the service outputs supplied to the

targeted segments and (5) the payment terms for upstream channel members are typically very long in benefit of the retailers, which receive payments immediately from end-users.

On the other hand, the brand also faces two distribution constraints imposed by its own internal rule (managerial bounds). Firstly, Sumol has become too attached to the current main distributor (Agribéria) due to a series of contracts and the long and stable relationship between the two. Secondly, the company has been extremely risk-averse in terms of allocating the financial resources to the French market.

#### **9.3.4.2. Supply-Side and Demand-Side Gaps**

As it is possible to notice in Appendix 32, the first, and most relevant, gap in the supply side results directly from the two managerial bounds mentioned above. Despite the brand's wishes of leaving the ethnical aisle, Agribéria is not being capable to do so, which results in a much lower sales volume and brand recognition awareness. Although one can only suppose (due to the reduced information available), this is probably occurring because Agribéria, being an ethnical distributor, does not have the right image to negotiate with retailers and convince them to offer Sumol on permanent shelf space outside the ethnical aisle. On the other hand, the distributor offers a stable stream of revenues to S+C, which means that the company, being risk-averse did not have enough incentives to start looking for other distributors or to start distributing the product itself. The flow that seems to be performed the most inefficiently is the negotiation flow and this results in high opportunity costs. Although Agribéria can be considered as a moderately large distributor, its identity is deeply connected to the sale of ethnical products, which makes it unable to, not only, negotiate new placement agreements with retailers, but also, to empathize with Sumol's mission to leave the ethnical aisles and becoming an international brand.

The second gap on the supply side that has been identified concerns the fact that payment terms benefit downstream channel members, in prejudice of their upstream counterparts. For the

latter, having to wait for the payments might mean they have to contract loans so as to maintain the business operational while their respective channel members have not paid the orders.

The last supply side gap comes from the fact that the information sharing flow in this channel is being underperformed or, in other words, channel members are hesitant to share information with each other. This gap indicates lack of cooperativeness in the channel, which, in the end, restrains the channel from performing optimally.

On the demand side, after examining the service gap analysis template in Appendix 33, it is clear that there are significant gaps which can be related to the fact that Sumol cannot have its product available in most hypermarkets, supermarkets and convenience stores due to its low brand equity, which means that the company cannot provide the spatial convenience demanded by the Walkers and the product variety and assortment demanded by the Common Buyers who shop in hypermarkets.

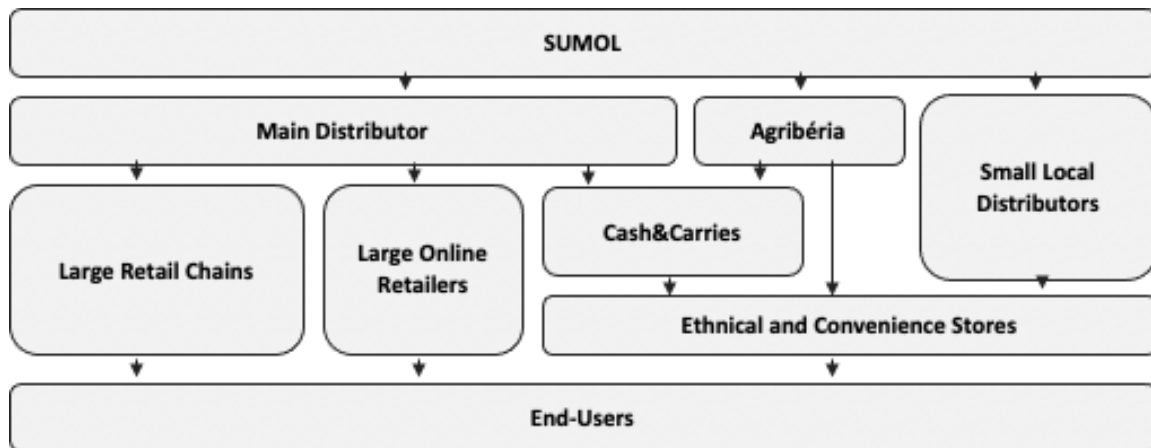
#### **9.3.4.3. Closing Gaps**

After close examination of every gap, it is possible to understand that Sumol's route to market is not performing optimally, because of one central part of the channel. The bridge between Sumol and the large retail chains in France is the main distributor, and if it is possible to say that Agribéria is responsible for 75% of Sumol's sales by distributing to the large retailers, it is also possible to say that this percentage is still quite small when comparing to the enormous volume potential of these channel members. Agribéria would be a great main distributor if Sumol's aspirations were to reach the Portuguese communities, or a niche of the French consumers as an ethnical brand, however, this is no longer the case if it wants to be a worldwide brand for the local consumer in the French market that is located outside the ethnical aisle.

Bearing this in mind, the solution to close these gaps can be presented as a two phased plan, that should be executed carefully to ensure S+C collects the most possible benefits out of it, while avoiding eventual repercussions.

The first phase is to change Agribéria's role in the distribution of the Sumol's products to France. In this new role, the distributor would stop distributing the brand Sumol to large retail chains and large online retailers and continue distributing to some cash & carries, ethnical stores and small convenience stores. This is something that Agribéria would not take easily and maybe with fear of losing the distribution of other brands from the manufacturer to large surfaces, it could decide to retaliate. In order to avoid this conflict, the reasons for this decision must be put on the table with transparency and credible evidences that the company plans to maintain its relationship with Agribéria in the future.

This change in roles leaves room for a new main distributor to enter and start distributing to the large retail chains, large online retailers and cash & carries. Sumol could distribute the product itself, however, there is a strong probability that assuming the channel functions of the distributor, outweighs the potential benefits. Hence, the ideal distributor for Sumol must have knowledge about the soft drinks market and power to make credible and significant promises to retailers, to make requests and recommendations and to exchange information. With this channel power, the new distributor is expected to emphasize Sumol's potential near retailers, request that Sumol is placed near other drinks outside the ethnical aisle (as suggested in the planogram in Appendix 34 and provide S+C more control and information transparency over the product's distribution. Furthermore, the new main distributor is expected to use its own salesforce to assure products' availability at the point of sale or to suggest reevaluations of the brand's distribution across retailers' stores, thus, convincing them that Sumol is going to improve their category management, as well as their profits. Finally, the distributor is expected to develop a trust relationship with Sumol, in order to create and to maintain a strategic channel alliance. In the end, with the entrance of the new distributor, the new channel structure is going to look like this:



Besides having to manage the new relationship with Agribéria, S+C is going to face two more challenges in the execution of this plan. Firstly, as expected, finding and settling on a contract with a distributor that matches most of the criteria above is not expected to be easy and that is why the timeline for the implementation of this project is delayed until May 2022: to give Sumol sufficient time to find its new channel partner. Secondly, it will be difficult to close the demand-side gaps of not offering spatial convenience and product variety and assortment in the short term because the brand will have reduced or inexistant presence in hypermarkets, supermarkets and convenience stores (managed by large retail chains). Nevertheless, with access to modern retailers that have e-commerce platforms this gap is also reduced. It is important to acknowledge that even with the addition of a new distributor, Sumol must still prove its value in the largest stores before retailers are convinced to expand the brand's distribution to their remaining outlets. Moreover, as it is possible to understand from the timeline available in Appendix 35, full market coverage will not occur immediately, and the distribution is expected to evolve differently in the various types of channels.

#### **9.4. Communication Plan**

Sumol is currently sold in France, positioned as a drink for the Portuguese communities, having very little brand awareness (and close to null established brand attitude) next to the French consumer (Sumol Marketing Team 2020). With this campaign, the company is interested in

turning Sumol into a worldwide brand for local consumers in the French Market, increasing exponentially its customer base and potential profits. As such, although Sumol is already present in the market, in regard to the French consumer, the campaign is comparable to a new brand launch and will be treated as such. To increase demand, it will follow a combination of pull and push strategies. The brand will launch in May 2022, in the beginning of Summer.

#### **9.4.1. Marketing Objectives and Budget**

According to Rossiter & Percy (1998), marketing objectives are set for the entire marketing plan before starting the advertising and promotion planning. In 2019, Sumol sold around 4.2 million litres, in France, primarily to Portuguese communities (Sumol Marketing team, 2020). This communication plan's objective is having a sales volume of 8.5 million litres (10.2 million euros) to the new target market, on the first twelve months – a 10% penetration rate.

Concerning the budget, Rossiter & Percy (1998) defend that the objective and task method is the most appropriate for new brand budgeting (as it is the case of Sumol in France), but that its estimate should be compared to at least one competitor-oriented method due to the complexity in estimating conversion ratios. In the case of Sumol, applying the task method, the total media budget is 352 000€. This is below the 601 800€ media budget computed from the average global advertising to sales ratio of the carbonates industry (5.9% of sales according to Warc (2019)) – which goes in line with the knowledge that Sumol is a brand with a smaller available budget, relative to its competition.

#### **9.4.2. Target audience and action objectives**

According to Rossiter, Percy, and Bergkvist (2018), a communications campaign needs a more specific target than the one chosen on the Marketing Strategy (see section 5.3. Targeting) and should specify which behaviours wishes to elicit from them. However, before making these decisions it is paramount to understand the decision-making process – the Behaviour Sequence

Model (in Appendix 36) sheds light on the subject. The three most important insights are the following: most consumers are highly brand loyal, recommendation from peers is key to unlock trial, and decision is often made at point of sale.

The primary target audience, the main source of sales, are other-brand switchers OBSs and other-brand loyalists OBLs<sup>8</sup> - the latter represent most of the market (according to primary and secondary research) and thus most sales potential, however OBSs play a crucial role in influencing them to try Sumol. The action objectives for the primary audience on the first year are trial and recommendation, then repurchase and recommendation in upcoming years. Because current consumers exist but are not the primary audience, they should be included in the secondary audience (Rossiter, Percy, and Bergkvist 2018). Thus, the secondary target audience are Brand Loyalists BLs and Favourable Brand Switchers FBSs – young members of the Portuguese communities. Sumol can leverage on these consumers who already know and love Sumol and who are integrated in French society<sup>9</sup>, therefore the action objective is recommendation.

To plan communication programs well-adjusted to the target audience, it is paramount to better understand the group. These are young urban French consumers, between 15 and 35 years old, who yearn to have an active voice in society but feel like the current status quo prioritises the opinions of older citizens in decision-making. These consumers are current soda drinkers, who drink it mostly in social occasions with their friends and family.

### **9.4.3. Communication objectives**

According to Rossiter, Percy, and Bergkvist (2018) communication objectives “are the brand-related communication effects (...) [required to] produce the targeted action”. From the five communication objectives, brand awareness and brand attitude always apply because these

---

<sup>8</sup> Because most consumers do not have formed attitudes towards the brand, both groups are considered neutral.

<sup>9</sup> These consumers are already the second or third generation of Portuguese descendants in France.

establish and maintain the positioning. For Sumol, brand awareness, brand attitude and purchase intention are relevant communication objectives.

Brand awareness of Sumol is very limited outside Portuguese communities, thus it is vital to build it. As in the case of sodas the brand choice happens frequently at the point of sale, the most appropriate type of brand awareness is recognition, in which the consumer first sees the brand, recognises it, and relates it to category need. As a consequent of low brand awareness, Sumol's brand attitude is also limited outside Portuguese communities. A strong and favourable brand attitude ought to be developed next to the French consumer because, as a transformational product, soda brand choice is based on emotional motives rather than rational ones, thus consumers must like a brand to buy it. Moreover, as a new product in market where consumers are very loyal, purchase intention is also an objective.

Category need can be omitted from Sumol communications because the target is currently a category user. However, whenever the category is mentioned, terms such as *lightly carbonated* and *fruit juice* should be employed to separate the brand from negative soda connotations. Finally, purchase facilitation can be omitted from communications if the sales team can make Sumol widely available in hyper and supermarkets' soda aisle, as recommended. If Sumol remains in ethnical aisles, communications should mention where to find the product.

#### **9.4.4. Positioning statement**

To develop the creative strategy, a positioning statement for the campaign is drafted. In this case, it is identical to the brand's overall Positioning of section 7.3 because the launch must communicate the brand's core cohesively in all marketing efforts, not to confuse consumers. The communications will follow an *end-benefit* approach ( $b \rightarrow e^+$ ), take the user is the hero, and will appeal to two buyer motivations: sensory gratification and social approval.

#### **9.4.5. Creative Strategy**

According to Kotler and Keller (2016), the creative strategy is “the way marketers translate their messages into a specific communication”. It must be designed keeping in mind the product, the positioning and the buyer motivation. Rossiter, Percy, and Bergkvist (2018) define the creative strategy along the four components of the ad: key benefit claim, creative idea, brand awareness and attitude tactics, and attention tactics (which is outside the scope of this project). The key benefit claim must be unique, persuasive and succinct. For Sumol, it is identical to the slogan *Au-delà des bavardages* (Beyond small talk), indicating the brand is invested in enabling meaningful discussions rather than supporting meaningless chitchat. Moreover, by targeting young consumers, Sumol draws attention to the importance of integrating this generation’s point of view in problem-solving and decision-making conversations.

The creative idea is then the dramatization of the key benefit claim, thus having its roots on the brand purpose and on Sumol’s cause: bringing young citizens to the centre of problem-solving. The idea is the following: *In a time when lives are fast-paced and young citizens are becoming alienated from social intervention, Sumol is the brand who incentivises dialogue and engagement*. Although this idea was developed with the French young consumer in mind, it is extendable to multiple geographies, being a truly international idea. To better exemplify the creative idea, a storyboard of a possible Sumol ad was created (Appendix 37). Further support the generation of a detailed creative idea, a creative brief was created (Appendix 38).

Moving on to the brand awareness and attitude tactics which must be employed according to Rossiter, Percy, and Bergkvist (2018): recognition awareness requires minimum 2 seconds display of the packaging and the logo and required the category need to be portrayed; attitude for low involvement transformational products such as Sumol require the focus on a single benefit, the use of emotional authenticity in unique and likeable ads. High frequency is necessary too, at first to capture the attention of the consumers and then to become part of their lives. WARC (2020b) mentions music “hugely influential in driving recognition, engagement

and ‘fit’ for the listener”, thus it is recommended also to choose a distinctive song to run in the background of all advertisement

Lastly, it is very important to emphasise the non-patronising approach taken by Sumol in all the communications: it is not the brand’s role to determine what should be discussed, its role is simply to promote dialogue as essential to understand other perspectives and promote tolerance.

**9.4.6. Integrated Marketing Communications and Media Strategy**

According to Belch and Belch (2012), IMC coordinates marketing and promotional tools “to communicate effectively and present a consistent image to target”, while the media strategy finds how to “communicate] the message in the most effective manner to the largest number of potential customers at the lowest cost”. Starting with media choice, the primary media is the Internet, as it can deliver both communications objectives, while the secondary media are OOH materials, paying specially attention to in-store displays because here is where the decision is often made and Sumol must grab the consumers’ attention.

The following table shows the summary of IMC initiatives (and mock-ups are in Appendix 39):

|                         |                         |  |
|-------------------------|-------------------------|--|
| <b>Advertising</b>      | <b>Online</b>           | Website, podcast, social media accounts (Instagram, Snapchat), user-generated content, online media mentions, display ads (on social media and music streaming platforms), influencers |
|                         | <b>Offline</b>          | At point of sale, mupies, brand activations  |
| <b>Event Sponsoring</b> |                         | Competition incentivising youth impact   |
|                         | <b>Consumer</b>         | Samples, product offer/bundling, price-off   |
| <b>Promotions</b>       | <b>Trade</b>            | PoP displays, cash discounts and promotional incentives, trade contests, free samples, push money  |
|                         | <b>Public Relations</b> | Hiring a PR agency to take advantage of Sumol’s highly PR-able positioning   |

Advertising and event sponsoring will play an important role in telling consumers about the product, but an even more important role in linking Sumol to its cause, acting as a reason why

the brand's positioning should be believed. Offline advertising will be key to promote brand awareness, build positive brand attitude and, next to promotions, to convert consumers in-store. Public relation efforts should lead with the cause supported by Sumol rather than the product. This means that the PR agency should focus on making initiative such as the competition and the podcast appear on media channels, especially those preferred by young consumers.

The website and the podcast will work side by side in gathering and delivering unbiased information on the cause. Moreover, the podcast, *Au-delà des balançoires* (Beyond the swings<sup>10</sup>) will have a format in which two people with opposing views debate on a specific theme, however each one must defend the side they do not agree with.

On Instagram, the brand will have three types of posts: depicting the products, relating Sumol to its cause, and user-generated inspired. On Snapchat, the brand will share contests (always relating to the cause, never simple giveaways) and promotions. Moreover, Sumol must find ways to take advantage of user-generated content - *Nuits d'été* is an initiative which asks consumers to share the craziest discussion or conclusion they have reached in those Summer with friends. Nano and micro influencers (between 1k and 50k followers) previously be connected to impactful initiatives should also be engaged (for example Samuel Grzybowski and dialogue between religions). Display ads should ongoingly run on social media, preferring short video formats over long videos or static pictures.

The sponsored event is a competition organised by Sumol promoting youth impact – contestants will develop a plan supporting a specific problem in their local community<sup>11</sup> and then the most peer-voted ideas will move on to the implementation phase, where they will have the support of a mentor<sup>12</sup>. The winner is the team with the highest measured impact.

OOH mupies make the product and key benefit claim known to the consumer and brand

---

<sup>10</sup> Representing that young citizens are ready to be involved in problem-solving, they are no longer children.

<sup>11</sup> Remember the non-patronising approach of Sumol – the brand will not indicate contestants which are the problems of their community, they are the ones making this critical analysis.

<sup>12</sup> The mentor should be one of the influencers described above, or a non-profit organisation with the same goal.

activations make Sumol the topic in conversations. In-store, Sumol should work closely with the distributor and, if possible, with retailers to find the best opportunities to be present in-store. Consumer promotions will be ongoing throughout the year, on and off, being especially important in the months following up the launch (to promote trial), in Summer and in December (the two annual peaks of demand, according to Statista (2019)). Consumer promotions should be perceived as hassle-free to change the behaviour of the fast-paced young French consumer: samples of all flavours should be given in metro stations close to universities; Passion Fruit samples should be given with the more popular Orange flavour, 15% price-offs should be employed during short periods of time, and Sumol could attend the associated offer preferences discovered on the quantitative primary research by creating a partnership with a brand of appetizers for product bundling. On trade promotions, Sumol will negotiate price-offs with the distributor and offer new line fees to the retailers.

#### **9.4.6.1. Campaign schedule and budget breakdown**

The campaign's launch can only occur after the sales team has adjusted the product's distribution according to the recommendations of section 9.3 Place. Moreover, a soda launch should be scheduled close to the Summertime and warm weather as this is the moment of highest demand (Statista 2019). Therefore, the launch will occur in May 2022. Promotional activities should be emphasised in the following months and during Summer to entice trial, and *Nuits d'été* should be activated during the Summer. In September, with the return to schools and universities, the podcast (along with the audio ads promoting it) and the contest should be launched. Display ads should be ongoing throughout the year to build brand awareness. A more detailed campaign schedule can be found in Appendix 40.

The campaign budget was reached through the objective and task method, working the buyer response steps backwards from the sales goal to the minimum number of reached consumers. To ensure effective frequency, a prospective customer must be exposed to Sumol's advertising

a minimum of 3 times (Sissors and Baron 2010), and these were divided between display ads, OOH ads and audio ads. Additional to these media costs, there are the costs of the PR agency, the creative agency, and the costs of all promotional activities.

To conclude, it is worth mentioning that there is a larger part of the budget allocated to pull strategies as these are key in making Sumol interesting to retailers – if consumers demand the product, they will have to have it on shelf. However, trade promotions are still quite relevant (over 25% of the operational expenses).

**9.4.7. Campaign Tracking and Measurement**

Measuring the effectiveness of marketing programs, this is, evaluating how well these aided the brand achieve its goals, is essential for future strategy. Sumol may take the market research done by this team as a benchmark for the current brand awareness and attitude levels in the French consumer. It is relevant to inquire customers about awareness and attitude after the Summer, after the competition is over and after any new product launches. This way, Sumol can better understand how its marketing programs are taking effect beyond numeric dimensions. However, these dimensions are still important to analyse. In the following table, the KPIs Sumol must measure closely are listed:

|               | Category     | KPI  |
|---------------|--------------|--|
| <b>Online</b> | Website      | Page views (new vs. Returning customers)             |
|               |              | Bounce rate  |
|               |              | Average time on page                                 |
|               |              | Traffic origin (organic, social media, paid, direct) |
|               | Podcast      | Number of (new) monthly listeners                    |
|               | Social media | Number of followers                                  |
|               |              | Engagement rate                                      |
|               |              | Social mentions                                      |
|               | Ads          | Impressions + cost per impression                    |
|               |              | Click through rate + cost per click                  |

|                         |            |   |
|-------------------------|------------|---|
| <b>Offline</b>          | Contest    | Contest participants                        |
|                         |            | Peer-votes casted in first phase on contest |
|                         | Sales      | Monthly sales                               |
|                         | Promotions | Samples given                               |
|                         |            | Sales during promotions                     |
| <b>Public Relations</b> |            | Units of product bundling sold              |
|                         |            | Online/offline media mentions               |

## 10. Profit and Loss

Once all recommendations regarding the launch of Sumol for the French consumer are done, it is time to make the valuation of the project. This section will also explain the assumptions made for the expected scenario. A capital budgeting approach was taken, more precisely the discounted cash flows methodology – taking a 5% discount rate. 2021 is the year 0 because the initial investment is done here, although the brand is only launched in May 2022, and the forecast ends in 2024.

### 10.1. Assumptions

#### 10.1.1. Sales

The total litres sold in the first 12 months (8.3 million litres) was arrived at by setting a penetration rate of 10% (similar to recent launches on the market) of the target market (young urban French consumers that wish to have a voice in society). The division of sales per month was computed using as proxy the demand for orange sodas in Spain, in 2019 (Statista 2019)<sup>13</sup>. Year on year monthly sales increase was assumed to be 35% in the following two years<sup>14</sup>, considering that in this period Sumol is the growth phase of the product life cycle. Whenever there is a new product launch, litres sold in that month increase 15% over the expected amount.

<sup>13</sup> The demand in Spain was chosen as proxy due to a lack of monthly data on France (Appendix 37).

<sup>14</sup> Appendix 38 shows the sales objective, in litres, as well as the corresponding penetration rate and market share.

Weighted average litre price in 2022 was computed by weighting the percentage of litres sold of passion fruit flavour vs other flavours<sup>15</sup> – remember passion fruit is the flagship flavour and thus has a price premium over other flavours. The used formats were 0.33cl cans and 1.5l PET. The average price per litre in 2023 and 2024 were computed following the forecasted increase in prices of the industry<sup>16</sup>. Appendix 45 shows the price per litre each year, for the main formats. The percentage of litres sold in cans and PET (23% and 77%) followed the trend given to us by Sumol, regarding the breakdown of current sales.

### **10.1.2. Revenues**

Sumol's revenues come from sales to the distributor, not to the final consumer. The price per litre charged to the distributor followed the margins estimated on the Price section (see Appendix 27) for large retailers.

### **10.1.3. Cost of goods sold (COGS)**

COGS were computed taking the distributor, retailer and gross profit margins given by Sumol Marketing Team (2020) – 10%, 40% and 35% respectively. It followed a top-down approach from the price per litre sold to the consumer in Leclerc (which, according to company information, is the retailer selling the most Sumol, nowadays)<sup>17</sup>.

### **10.1.4. Operating costs**

Operating costs are trade promotions, personnel costs, marketing costs and media costs. Trade promotions are taken as 5% of revenues until December 2022, and 3% onwards. Personnel costs begin in January 2021 and assume 2 marketing professionals and 1 sales professional will be hired to assist the current team, each with an average cost to the company of 3500 euros. Marketing costs include the market research cost when new flavours are being

---

<sup>15</sup> Appendix 39 shows the weights of flavours and corresponding prices.

<sup>16</sup> Appendix 40.

<sup>17</sup> Appendix 42 shows the breakdown of price per litre until COGS, as well as the auxiliary values

tested (5000€), influencer cost per month (4000€), the cost of the PR agency (5000€) and the cost of the media agency (5000€). Also in marketing costs are consumer promotions: these are divided in litres given as samples and litres sold in promotion. See Appendix 47 for more detail on consumer promotion assumptions.

Media costs were computed using the objective and task method. Appendix 48 presents the media budget and the detailed assumptions used.

#### **10.1.5. Cannibalisation effect**

This project is estimated to cannibalise 15% of current Sumol sales, corresponding to the consumers inside Portuguese communities which also integrate our target: young soda drinkers who wish to have a voice in society. To compute the cannibalisation effect, it was necessary to estimate the monthly sales of Sumol to Portuguese communities. Yearly sales were computed taking the litres sold in 2019 (4200 million) as basis and a 5% sales increase per year was assumed. Again, the monthly sales used as proxy the demand in Spain, in 2019.

### **10.2. Results**

The detailed analysis can be found in Appendix 49. The most important results are:

- The investment before the launch is minimal, corresponding mainly to personnel, market research, PR agency and creative agency costs (total of 211 000 euros).
- 25% of operational expenses are spent in push strategies (trade promotions).
- 75% of operational expenses are spent in pull strategies.
- The project reaches a breakeven after 12 months of the launch.
- The NPV of this project after 3 years is 1.3M euros, and the NPV in perpetuity (considering a 3% growth rate in discounted cashflows after 2024) is 48M euros.

## **11. Key Success Factors**

Key success factors determine the immediate outcome of the created strategy. There are two key success factors, (1) finding a new distributor, and (2) acceptance of Sumol, that are so essential that the overall strategy needs adjustment if not fulfilled. The first key success factor assumes that with a new distributor, Sumol is not placed in the ethnic aisle anymore and also has increased retailer coverage. The second key success factor assumes that the product's taste is liked, and the brand associations are favourable. As the impact of the key success factors can be significant, each requires a contingency plan, which is presented in the last section 'Contingency Plan'.

Other success factors, that are relevant but less dramatic for the strategy, can be categorised in the dimensions of resources, communication and external.

The first resource success factor is to expand the French social media and sales team. To be able to implement the suggested online promotion tactics, Sumol needs more social media personnel. The sales personnel are crucial for the communication with distributors and retailers, as well as for the stock management in retailers. Regarding hiring decisions, it is recommended to put emphasis on French and English-speaking personnel, preferably with experience. The second resource variable is hiring of a creative agency and a public relations agency. Although it goes in hand with a high investment, the agencies are able to further develop ideas and integrate everything into a complete plan.

Within the dimension of communication, we highly recommend to never take a side in discussions. This ensures that the brand is tolerant towards all consumers, which is aligned with the brand's positioning and identity. Moreover, the brand must focus on its message's tone and content to create entertainment that engages and appeals to the target.

Considering the external dimension, Sumol needs to be aware of changes in environment. One change that could impact Sumol and competitors is the upcoming change of the r-PET regulation, issued by the EU.

By considering all key & success factors, the strategy is assumed to go in accordance with our financial prediction. In case key success factors are not implemented, contingency scenarios are provided in the following section.

## **12. Contingency Plan**

One alternative plan that should be considered if no new distributor is found, is the establishment of a stronger and more transparent relationship with Agribéria. As the brand currently has little information about distribution, sales, and promotions in France, Sumol faces the risk of losing control and transparency of strategic decisions. To prevent this, the first step is to meet with Agribéria and negotiate better conditions and to strengthen the relationship in the long-term. Furthermore, Sumol must communicate where to find Sumol (ethnic aisle) and boost purchase facilitation, which leads to an increase into the initially anticipated media. This is aligned with the recommendation of stressing the brands exotic origin, to justify the allocation in the ethnic aisle. Lastly, in-store promotion and visibility are advised by using e.g. shelf-headers.

The second key success factor, that Sumol is neither accepted as a product nor as a brand, brings the risk of committing resources to a market with unclear needs and preferences. The recommendation is to not further invest into the French market. In this case, the first action is to buy or conduct market research, to learn more about the French consumer behaviour and preferences. On basis of this research, Sumol must conduct taste testing with French consumers and experts. New flavours and formula adjustments could create product acceptance in France, and a change in marketing activities could establish the desired brand image. Nevertheless, further planning needs to be done, in order to understand if the change in product characteristics and the change in promotion are profitable long-term investments for Sumol.

### 13. References

- 20 Minutes, and AFP. 2020. "Présidentielle Américaine : Marine Le Pen Ne Reconnaît « absolument Pas » La Victoire de Joe Biden." *20 Minutes*, 2020. <https://www.20minutes.fr/elections/2906267-20201111-presidentielle-americaine-marine-pen-reconnait-absolument-victoire-joe-biden>.
- 24, France, and AFP. 2020. "Cinq Ans Après Les Attentats Du 13-Novembre, La Menace Terroriste Au Niveau Maximal." *France 24*, 2020. <https://www.france24.com/fr/france/20201112-cinq-ans-apres-les-attentats-du-13-novembre-la-menace-terroriste-au-niveau-maximal>.
- Arthur, Rachel. 2019. "European Council Sets out 30% Recycled Content Target for Plastic Bottles." 2019.
- Askew, Katy. 2017. "Industry Hits out at Scapegoating as France Amends Sugar Tax." FoodNavigator.Com. 2017.
- . 2020. "France Wants to Tighten 'Transparency' Rules: No 'Meaty' Names for Plant-Based Products and Stricter Origin Labels." Food Navigator. 2020.
- Bailly, Marianne. 2019. "Les Boissons Aux Fruits Gazeuses La Jouent Toujours plus Naturel." *LSA - N° 2547*, 2019. <https://www.lsa-conso.fr/les-boissons-aux-fruits-gazeuses-la-jouent-toujours-plus-naturel,313551>.
- Baines, Paul, Chris Fill, and Kelly Page. 2013. "Essentials of Marketing."
- Barrett, Axel. 2018. "France Issues Its Plastic Policy." Bioplastics News. 2018.
- Barron's. 2020. "Groceries Are One of the Fastest-Growing E-Commerce Segments. What to Know About the Coming Boom. | Barron's." 2020.
- BBC. 2020. "France Attack: Three Killed in 'Islamist Terrorist' Stabbings." *BBC News*, 2020. <https://www.bbc.com/news/world-europe-54729957>.
- Belch, George E., and Michael A. Belch. 2012. *Advertising and Promotion An Integrated*

- Marketing Communications Perspective. Director*. 9th ed. New York: McGraw-Hill.
- Belk, Russel W. 1988. "Possession and the Extended Self."
- Brusetti, Ugo. 2020. "Une France Toujours plus Bio." *Rayon Boissons*, 2020.  
<https://www.rayon-boissons.com/distribution/une-france-toujours-plus-bio>.
- "Carrefour Website." 2020.
- Chrisafis, Angelique. 2018. "Who Are the Gilets Jaunes and What Do They Want?" *The Guardian*, 2018. <https://www.theguardian.com/world/2018/dec/03/who-are-the-gilets-jaunes-and-what-do-they-want>.
- Coca-Cola EU. n.d. "Coca-Cola to Trial Color-Coded Nutrition Labels across EU Member States."
- Cochard, Alice, and Sébastien Oparowski. 2020. "Les Dépenses Des Ménages En Boissons Depuis 1960." *Insee Première*, no. 1794.  
<https://www.insee.fr/fr/statistiques/4319377#consulter>.
- Coughlan, Anderson, Stern, and El-Ansary. 2006. *Marketing Channels*. 7th ed.
- Deloitte. 2020. "The Deloitte Global Millennial Survey 2020."
- Döbl, Maren. 2019. "Soft Drink Trends 2020 - What's Coming in the New Year." Austria Juice. 2019.
- Doering, Christopher. 2017. "Bending the Rules, Fanta Twists Its Way to a New Bottle Design."
- Dolan, Robert J., and John T. Gourville. 2014. "Pricing Strategy." *Harvard Business Publishing*.
- Dolan, Robert J. 2015. "Product Policy." *Harvard Business Publishing*, 1–23.
- Elster, Jennifer. 2019a. "Consumer Behaviour in France."  
———. 2019b. "Consumer Values in France."
- Euromonitor. n.d. "Statistics Redesign | Passport."

- . 2019. “Carbonates in France\*,” no. March.
- Euromonitor International. 2018. “France in 2030: The Future Demographic.”
- . 2020a. “Brand Shares- Global- Historical Owner- Historical- % Breakdown,” 6–8.
- . 2020b. “Convenience Stores in France,” no. March.
- . 2020c. “France : Country Profile.”
- . 2020d. “Sustainability : France,” no. April.
- Eurostat. 2019. “Key Figures on Europe | 2019 Edition.” Edited by Helene Strandell and Pascal Wolff. <https://doi.org/10.2785/25852>.
- Fanta. 2020. “Fanta, Sponsor Officiel Du Fun.” Fanta Website. 2020. <https://www.coca-cola-france.fr/nos-marques/fanta/sponsor-officiel-fun>.
- Figaro, Le, and AFP. 2020. “Insécurité: «la Réponse Du Pouvoir Est Indigente», Dénonce Marine Le Pen.” *Le Figaro*, 2020. <https://www.lefigaro.fr/flash-actu/insecurite-la-reponse-du-pouvoir-est-indigente-denonce-marine-le-pen-20200728>.
- FoodBev Media. 2020. “Top Five Beverage Packaging Trends to Look out for in 2020.” Foodbev Media. 2020.
- “France Covid Map and Case Count.” 2020. The New York Times. 2020.
- Freeman, Mark, Will Hossner, Rebecca Evans, and Laaigah Aslam. 2018. “Fanta: Taking Over Halloween.”
- HSBC. n.d. “HSBC International Business Guides | France.”
- IFOP. 2016. “Ce Que Boivent Les Français.” *C10*. <https://doi.org/10.4267/2042/60714>.
- Influencer Marketing Hub. n.d. “Social Media Trends for 2020 and Beyond.”
- International, Amnesty. 2020. “La France n’est Pas La Championne de La Liberté d’expression Qu’elle Affirme Être.” Amnesty International. 2020. <https://www.amnesty.org/fr/latest/news/2020/11/france-is-not-the-free-speech-champion-it-says-it-is/>.

- International Euromonitor. n.d. “Carbonates in France.”
- . 2019a. “Carbonates in France,” no. December.
- . 2019b. “Soft Drinks in France,” no. December.
- . 2020a. “Discounters in France.”
- . 2020b. “Hypermarkets in France.” <https://doi.org/10.1108/eb018212>.
- . 2020c. “Supermarkets in France.”
- Interpack. n.d. “Controversial Nutri-Score Labelling on Packaging -- Interpack Packaging Fair.”
- journal de l’environnement, Le. 2020. “Plastic Waste and Recycling: France among EU’s ‘Poor Performers’ – EURACTIV.Com.” Euractiv. 2020.
- Kapferer, Jean-Noël. 1992. “Strategic Brand Management: New Approaches to Creating and Evaluating Brand Equity.”
- . 2012. *The New Strategic Brand Management (Advanced Insights and Strategic Thinking)*.
- Keller, K, and P Kotler. 2016. *Marketing Management*.
- Keller, Kevin. 2003. *Understanding Brands, Branding and Brand Equity*.
- Kotler, Philip, and Kevin Lane Keller. 2016. *Marketing Management Global Edition*. 15th ed. Vol. 15E. Pearson. <https://doi.org/10.1080/08911760903022556>.
- Marcade, Salome. 2020. “Les Français et Les Marques de Distributeurs.” *YouGov*, 2020. <https://fr.yougov.com/news/2020/03/04/les-francais-et-les-marques-de-distributeur/>.
- MarketLine. 2020. “Carbonated Soft Drinks in France\*.”
- McCracken, Grant. 1986. *Culture and Consumption: A Theoretical Account of the Structure and Movement of Cultural Meaning of Consumer Goods*.
- Médiamétrie. 2020. “L’Année Internet 2019 : Entre Surconsommation et Tri Sélectif,” 3. [https://www.mediametrie.fr/sites/default/files/2020-02/2020\\_02\\_20\\_CP\\_Année\\_Internet](https://www.mediametrie.fr/sites/default/files/2020-02/2020_02_20_CP_Année_Internet)

- 2019.pdf.
- Monnier, Magali. 2019. "Coca-Cola Dévoile Ses Packs sans Film Plastique." Rayon Boissons. 2019.
- . 2020a. "Carrefour Mise Sur Une Bouteille 100 % Plastique Recyclé." Rayon Boissons. 2020.
- . 2020b. "Jus de Fruits : En Toute Transparence / Chiffres Du Marché - Rayon Boissons." *Rayon Boissons*, 2020. <https://www.rayon-boissons.com/chiffres-du-marche/jus-de-fruits-en-toute-transparence>.
- Nagle, Thomas, and Georg Müller. 2018. *The Strategy and Tactics of Pricing*. 6th ed.
- Nielsen. 2020. "Shopper Shifts to a 'New Normal.'"
- Nordea. n.d. "The Distribution Network in France - Buying and Selling - Nordea Trade Portal."
- OECD. n.d. "Education at a Glance 2014."
- Onishi, Norimitsu. 2019. "France Announces Tough New Measures on Immigration." *The New York Times*. 2019.
- Pantel, Nadia, and Jean-Marie Magro. 2020. "Frankreich: Wie Macron Den Neuanfang Versucht." SZ-Podcast "Auf Den Punkt." 2020.
- Parker. 2016. "FOCUSED ON BOTTLING EXCELLENCE Parker Gas Filtration and Separation Solutions for the Soft Drink Bottling Industry."
- Passport. 2020. "Soft Drinks Off And On Trade Volumes."
- Peytavin, Gregory. 2020. "Paris MatchActuSociété Imam Hassen Chalghoumi : 'Je Suis Une Cible.'" *Paris Match*, 2020. <https://www.parismatch.com/Actu/Societe/Imam-Hassen-Chalghoumi-Je-suis-une-cible-1716046>.
- RCF Radio*. 2018. "Cette Jeunesse Qui Veut Qu'on l'écoute," 2018. <https://rcf.fr/culture/dossier-cette-jeunesse-qui-veut-qu-l-ecoute>.
- Reuters. 2020. "French Police Use Teargas at Gilets Jaunes Protest in Paris." *The Guardian*,

2020. <https://www.theguardian.com/world/2020/sep/12/french-police-use-teargas-at-gilet-jaunes-protest-in-paris>.
- Reynolds, Nikolai, Anton Netkach, and Anna Taranyan. 2020. "The Evolution of Product Testing in the New Digital World : How Mix-Methods AI , VR , AR and Social Media Enhance Product Experience." *WARC*.
- Rossiter, John R, and Larry Percy. 1998. *Advertising Communications and Promotion Management*. 2nd ed. McGraw-Hill International.
- Rossiter, John R, Larry Percy, and Lars Bergkvist. 2018. *Marketing Communications: Objectives, Strategy, Tactics*. Sage.
- Ruby, Françoise. 2019. "Taxation Des Boissons Sucrées : Radiographie de l'expérience Française." *Cent Degres*. 2019.
- S+C Marketing Team. 2020. "Sumol + Compal."
- Sharma, Dr Neetu. 2013. "Marketing Strategy on Different Stages Plc and Its Marketing Implications on Fmcg Products." *International Journal of Marketing, Financial Services and Management Research* 2 (3): 16.
- Sinek, Simon. 2009. "We Each Have a Why."
- Sissors, Jack Z., and Roger B. Baron. 2010. *Advertising Media Planning*. 7th ed. McGraw-Hill.
- Smith, Alexander. 2017. "Pepsi Pulls Controversial Kendall Jenner Ad After Outcry." *NBC News*, 2017. <https://www.nbcnews.com/news/nbcblk/pepsi-ad-kendall-jenner-echoes-black-lives-matter-sparks-anger-n742811>.
- Statista. 2015. "No Title." 2015. <https://www.statista.com/statistics/440697/most-favored-drinks-for-aperitif-in-france-by-age/>.
- . 2019. "Soft Drinks & Soda: Monthly Consumption Spain 2019." 2019.
- . 2020a. "E-Commerce in France." *Statista*. <https://www-statista-com-s.bibliopam.univ-catholille.fr/study/28910/e-commerce-in-france-statista-dossier/>.

- . 2020b. “Female Population in France 1990-2019.”
- . 2020c. “Millennials in France.”
- Sumol+Compal. 2020. “O Que Fazemos - SUMOL+COMPAL.” 2020.
- Sumol. 2018. “Kit Estudante.” <http://www.sumol.com/wp-content/uploads/2015/04/KIT-ESTUDANTE-2018-versao-BO.pdf>.
- “Sumol - Orgulhosamente Sumol.” 2020. 2020. <http://www.sumol.com/>.
- Sumol Marketing Team. 2020. “Sumol Marketing Team.”
- Tagesschau. 2020. “Klimapolitik in Frankreich: Macrons Konsequenzen Aus Der ‘Ohrfeige.’”  
Tagesschau.De. 2020.
- The Irish Times*. 2016. “Years of Terror: Deadly Attacks in Europe since 2014,” 2016.  
<https://www.irishtimes.com/news/world/europe/years-of-terror-deadly-attacks-in-europe-since-2014-1.2723077>.
- Tourret, Louise. 2018. “Pourquoi La Jeunesse Ne Se Sent-Elle Pas Écoulée ?” *France Culture*, 2018. <https://www.franceculture.fr/emissions/etre-et-savoir/pourquoi-la-jeunesse-ne-se-sent-elle-pas-ecoutee>.
- WARC. 2019a. “Benchmark Your Ad Investment by Product Category.”
- . 2019b. “What We Know about New Product Development ( NPD ).” *WARC*, no. April.
- . 2020. “What We Know about Recall and Recognition,” no. January.
- Woitier, Chloé. 2020. “Les Français Accros Aux Réseaux Sociaux.” *Le Figaro*, 2020.  
<https://www.lefigaro.fr/secteur/high-tech/les-francais-accros-aux-reseaux-sociaux-20200220>.
- Zawada, Craig C., Walter L. Baker, and Michael V. Marn. 2004. *The Price Advantage*. Wiley  
*Fianance*. 2nd ed. Vol. 53.



## 14. Appendices

### 14.1. Appendix 1 – Carbonates' companies and brands

| Company               | Value (million euros) | % of total | 2014-2019 CAGR |
|-----------------------|-----------------------|------------|----------------|
| The Coca-Cola Co.     | 1 383                 | 63.4%      | -2.5%          |
| Suntory Holdings Ltd  | 295                   | 13.5%      | 1.7%           |
| PepsiCo Inc           | 77                    | 3.5%       | -1.8%          |
| Ets Geyer Frères SARL | 28                    | 1.3%       | 3.6%           |
| Private Label         | 95                    | 4.4%       | -4.1%          |
| Others                | 303                   | 13.9%      | 2.4%           |
| Total                 | 2 181                 |            |                |

| Brand          | Value<br>(million euros) | % of total | 2014-2019<br>CAGR | Media investment <sup>18</sup><br>(million euros) |
|----------------|--------------------------|------------|-------------------|---|
| Coca-Cola      | 909                      | 41.5%      | -4.0%             | 16.7  |
| Coca-Cola Zero | 271                      | 12.4%      | 6.1%              | -   |
| Orangina       | 129                      | 5.9%       | 3.2%              | 8   |
| Schweppes      | 125                      | 5.7%       | 0.7%              | 9.4   |
| Diet Coke      | 69                       | 3.2%       | -8.4%             | 3.5   |
| Pepsi Max      | 29                       | 1.4%       | 2.4%              | 1.8   |
| Fanta          | 59                       | 2.7%       | -2%               | 4.8   |
| Total          | 2 181                    |            |                   |   |

<sup>18</sup> From a meeting with Initiative France, a media agency.

## 14.2. Appendix 2 – Market average price per litre analysis

| Type      | Price per<br>litre (2014) | Price per<br>litre (2015) | Price per<br>litre (2016) | Price per<br>litre (2017) | Price per<br>litre (2018) | Price per<br>litre (2019) |
|-----------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Off-trade | 1.12                      | 1.12                      | 1.13                      | 1.15                      | 1.17                      | 1.20                      |
| On-trade  | 5.39                      | 5.46                      | 5.50                      | 5.62                      | 5.73                      | 5.84                      |

(International Euromonitor, n.d.)

## 14.3. Appendix 3 – Place trends' analysis

| Type            | Relative amounts                |                                 |  |                                | Absolute amounts            |                            |
|-----------------|---------------------------------|---------------------------------|--|--------------------------------|-----------------------------|----------------------------|
|                 | % of total<br>volume in<br>2014 | % of total<br>volume in<br>2019 | % of total<br>value <sup>19</sup> in<br>2014 | % of total<br>value in<br>2019 | 2014-2019<br>CAGR<br>volume | 2014-2019<br>CAGR<br>value |
|                 | <b>Off-trade</b>                | <b>75.2%</b>                    | <b>72.3%</b>                                 | <b>38.7%</b>                   | <b>34.9%</b>                | <b>-2.5%</b>               |
| Discounters     | 13.7%                           | 13.4%                           | 7.0%   | 6.5%                           | -2.2%                       | -1.1%                      |
| Hypermarkets    | 26.3%                           | 24.5%                           | 13.5%  | 11.8%                          | -3.0%                       | -1.9%                      |
| Supermarkets    | 20.2%                           | 19.0%                           | 10.4%  | 9.2%                           | -2.9%                       | -1.7%                      |
| Vending         | 3.3%                            | 3.6%                            | 1.7%   | 1.7%                           | -0.6%                       | 0.6%                       |
| E-Commerce      | 3.0%                            | 3.8%                            | 1.5%   | 1.8%                           | 2.3%                        | 3.5%                       |
| <b>On-trade</b> | <b>24.8%</b>                    | <b>27.7%</b>                    | <b>61.3%</b>                                 | <b>65.1%</b>                   | <b>0.0%</b>                 | <b>1.4%</b>                |

(International Euromonitor, n.d.)

| Brand | Off-trade         |                   |                   | On-trade          |                   |                   |
|-------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|       | 2014<br>(million) | 2019<br>(million) | 2014-2019<br>CAGR | 2014<br>(million) | 2019<br>(million) | 2014-2019<br>CAGR |

<sup>19</sup> Due to lack of data, assumes the same average price in all off-trade channels

|                | litres) | litres) | volume | litres) | litres) | volume |
|----------------|---------|---------|--------|---------|---------|--------|
| Coca-Cola      | 989     | 752     | -4.5%  | 426     | 419     | -0.3%  |
| Coca-Cola Zero | 141     | 185     | 4.6%   | 34      | 45      | 5.0%   |
| Orangina       | 115     | 112     | -0.4%  | 55      | 57      | 0.7%   |
| Schweppes      | 101     | 112     | 1.7%   | 15      | 17      | 2.2%   |
| Diet Coke      | 85      | 59      | -6.0%  | 31      | 36      | -2.5%  |
| Pepsi Max      | 58      | 49      | -2.7%  | -       | -       | -      |
| Fanta          | 29      | 38      | 2.4%   | 24      | 25      | 0.2%   |

#### 14.4. Appendix 4 – Retailers’ market share in France

| Type of retailer                     | Size (€)            | Top 3 companies <sup>20</sup>           | Share of top 3<br>in type   total |
|--------------------------------------|---------------------|---|-----------------------------------|
| Supermarket                          |                     | Intermarché (29.7%)                     |                                   |
| (International<br>Euromonitor 2020c) | 64 billion (34.5%)  | Carrefour (19.6%)<br>Système U (14%)    | 63.3%   21.8%                     |
| Discounter                           |                     | Lidl (60.7%)                            |                                   |
| (International<br>Euromonitor 2020a) | 16.9 billion (9%)   | Aldi (18.8%)<br>Casino Guichard (12.4%) | 91.1%   8.3 %                     |
| Hypermarket                          |                     | E Leclerc (27.2%)                       |                                   |
| (International<br>Euromonitor 2020b) | 105 billion (56.5%) | Carrefour (19.3%)<br>Auchan (14.2%)     | 60.7%   34.3%                     |

<sup>20</sup> The official company names was sometimes replaced by a more recognizable name

## 14.5. Appendix 5 – Product ingredients’ analysis<sup>21</sup>

| <b>Company</b> | <b>Sugar in<br/>g per<br/>100ml*</b> | <b>Calories<br/>per 100<br/>ml</b> | <b>Juice</b> | <b>Use of<br/>Pulp</b> | <b>Perceived<br/>combinability<br/>with alcohol</b> |
|----------------|--------------------------------------|------------------------------------|--------------|------------------------|---|
| Sumol          | 7.3                                  | 30                                 | 10%          | High                   | Low   |
| Fanta          | 6.5                                  | 27                                 | 12%          | Low                    | Medium  |
| Schweppes      | 5.6                                  | 25                                 | -            | Low                    | High  |
| Orangina       | 9.6                                  | 42                                 | 12%          | High                   | Low   |

## 14.6. Appendix 6 – Competitors’ price comparison

| <b>Company</b>   | <b>Price per<br/>litre (on<br/>1.5L,<br/>Carrefour)</b> | <b>Product price<br/>seen by<br/>customer<br/>(1.5L,<br/>Carrefour)</b> | <b>Pricing strategy</b> | <b>Discounts</b> | <b>Average<br/>price per<br/>litre off-<br/>trade 2014</b> | <b>Average<br/>price per<br/>litre off-<br/>trade 2019</b> |
|------------------|---|---|-------------------------|------------------|--|--|
| <b>Sumol</b>     | 1.13€   | 1.69€   | To be defined           |                  | -  | -  |
| <b>Fanta</b>     | 0.87€   | 1.31€   | Penetration pricing     | Yes              | 1.16€  | 1.21€  |
| <b>Schweppes</b> | 1.12€   | 1.68€   | Premium pricing         | Yes              | 0.93€  | 1.11€  |
| <b>Orangina</b>  | 1€  | 1.5€  | Neutral pricing         | Yes              | 1.18€  | 1.15€  |

<sup>21</sup> Reference product for Sumol, Fanta and Orangina is orange soda. In case of Schweppes, the reference product is Lemon, as it is one of the most popular soft drinks of their collection within France (Statista, 2020).

## 14.7. Appendix 7 – Competitors’ advertising and social media analysis

| Company   | Consumers                                | Advertisement content        | Social Media Platforms | Account language and size                     | Reach <sup>22</sup> |
|-----------|--|------------------------------|------------------------|---|---------------------|
| Sumol     | 18-25 years old<br>(Sumol, 2020a)        | Creative and direct          |                        | Portuguese: 43k                               |                     |
|           |  |                              | Instagram              | French: 2,7k<br>African: 0,4k<br>Swiss: 0,05k | High                |
|           |  |                              | Facebook               | Portuguese: 786k                              | High                |
|           |  |                              | YouTube                | Portuguese: 5k                                | Low                 |
|           |  |                              | Twitter                | Portuguese: 4,5k                              | Low                 |
| Fanta     | 32% are 18-24 years old<br>(Petit, 2018) | Creative and direct          |                        | English: 534k                                 |                     |
|           |  |                              | Instagram              | French: 12k<br>Portuguese: 4,9k               | High                |
|           |  |                              |                        | ...   |                     |
|           |  |                              | Facebook               | One account, all languages:<br>19,2M          | High                |
|           |  |                              | YouTube                | -   | -                   |
| Schweppes | Gen Y & Z & X                            | Serious and premium          |                        | English: 159k<br>English: 12,8k               | Medium              |
|           |  |                              | Twitter                | English: 159k                                 | Medium              |
|           |  |                              |                        | ...   |                     |
|           |  |                              | Instagram              | Portuguese: 3,5k                              | Medium              |
|           |  |                              | Facebook               | English: 453k<br>French: 30,5k                | High                |
| Orangina  | 20% are 18-24 years old<br>(Petit, 2018) | Creative and product focused |                        | German: 1,2k                                  | Low                 |
|           |  |                              | YouTube                | German: 1,2k                                  | Low                 |
|           |  |                              | Twitter                | English: 6,7k                                 | Low                 |
|           |  |                              |                        | French: 18k<br>German: 2,5k                   | Low                 |
|           |  |                              | Instagram              | French: 18k<br>German: 2,5k                   | Low                 |
|           | Facebook                                 | English: 1,55M               | High                   |   |                     |
|           | YouTube                                  | French: 60k                  | High                   |   |                     |
|           | Twitter                                  | French: 46,1k                | High                   |   |                     |

<sup>22</sup> The reach is determined based on the number of followers of the brands account and based on the comparison with the other social media accounts of the same brand.

**14.8. Appendix 8 – Interview Guide**

(to be added)

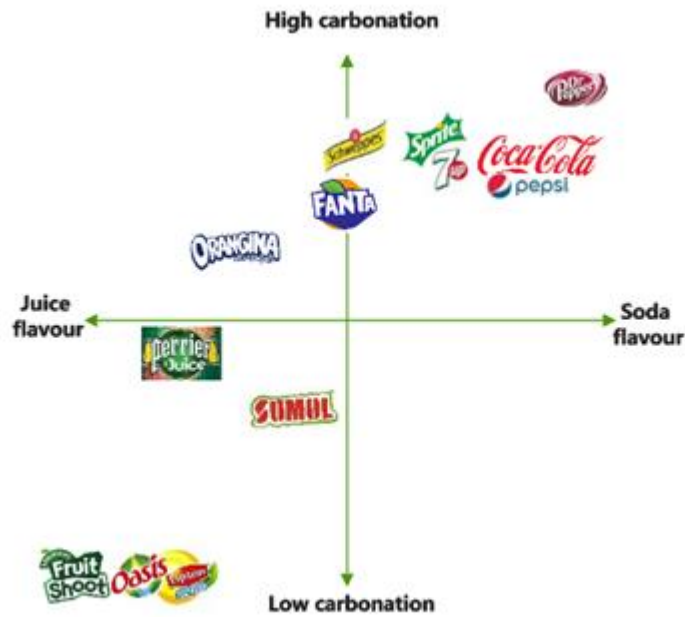
**14.9. Appendix 9 – Survey questions**

(to be added)

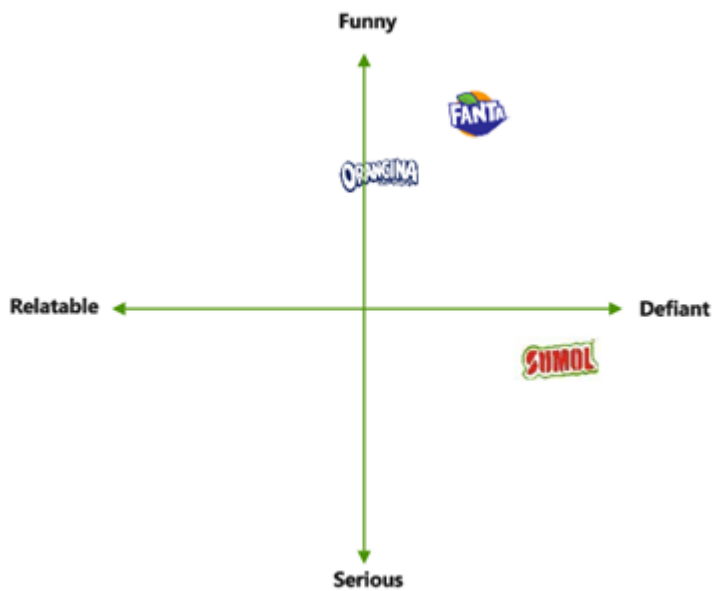
**14.10. Appendix 10 – Competitors' Positions in the Market**



14.11. Appendix 11 – Perceptual Map of product characteristics



14.12. Appendix 12 – Perceptual Map of brands' positioning



#### **14.13. Appendix 13 – Sumol’s Website Message**

*"Sumol is for authentic, irreverent people whom are proud of who they are, do not judge others and are not afraid of being judged."* ("Sumol - Orgulhosamente Sumol" 2020)

#### **14.14. Appendix 14 – Qualitative analysis of clipping on French Society**

The extreme right party led by Marine Le Pen keeps rising in France, both in the radicalism of ideas and in support, appealing more and more to those who tend not to vote. The violence and insecurity that continue to blight the country are the flag with which the party revolves, constantly accusing Emmanuel Macron of indigent responses to those threats. (Le Figaro and AFP 2020) Faced with the results from the American election, Le Pen stated she absolutely did not recognize Joe Biden’s victory, continuing Trump’s narrative of fraud. (20 Minutes and AFP 2020) Five years after the series of terrorist attacks connected to the Charlie Hebdo, France is once more in high alert, as new threats emerge. In 2020, the country suffered 3 more strikes labelled as Islamic terrorism. (24 and AFP 2020) (BBC 2020) Recent events and the way the government has responded to them have led Amnesty International to declare that France is not the champion of freedom – namely freedom of speech – it claims to be and even exposed the administration as being hypocritical. (International 2020) As the Imam Hassen Chalghoumi has reported, France is today profoundly antisemitic and racist and, if on the one hand the threat is real, on the other, it has led minorities to also feel targeted and live in fear. (Peytavin 2020) As a consequence of the people’s dissatisfaction with government action, more and more demonstrations are taking place in France, out of which the “gilletts jaunes” must be mentioned, as a movement that started around the fuel tax in 2018 and has now escalated to floor discussions about police brutality, lack of social protection, unemployment, or Coronavirus, having gathered in November 2020 up to 285,000 people. These protests have more often than not resulted in riots and destruction. (Reuters 2020)(Chrisafis 2018)

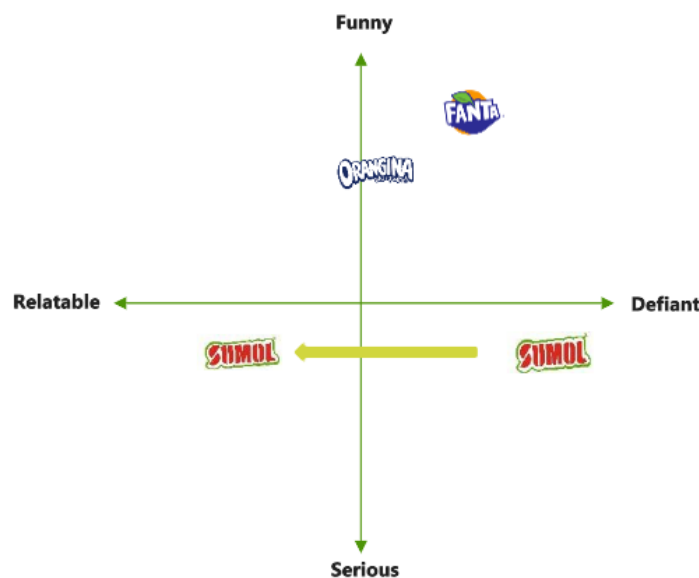
**14.15. Appendix 15 – Qualitative analysis of clipping on French Youth**

**ADD HERE**

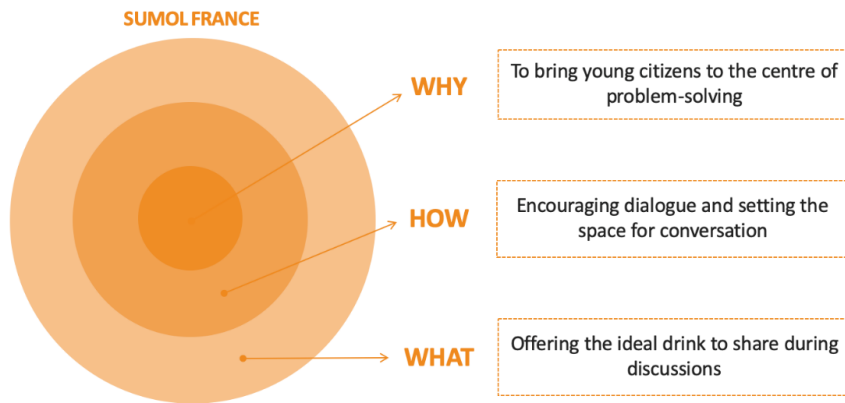
**14.16. Appendix 16 – Evaluation of segments’ attractiveness**

|                            |                      | The Active     | The Passive       | The Bummers      | The Oldies   |
|----------------------------|----------------------|----------------|-------------------|------------------|--------------|
| Characteristics of Segment | Size                 | ~7,7M (14,1%)  | ~3,8M (7%)        | ~4,2M (7,7%)     | ~39M (71,3%) |
|                            | Growth Rate          | Growing slowly | Decreasing slowly | Growing steadily | Growing      |
|                            | Profitability        | High           | High              | Low              | Medium       |
| Competition                | Intensity            | Medium         | High              | Low              | Medium       |
|                            | Competitor Resources | High           | High              | High             | High         |
|                            | Competitor Strengths | Medium         | High              | Low              | Medium       |
| Company Fit                | Objectives           | High           | Medium            | Low              | Medium       |
|                            | Competencies         | High           | High              | Low              | Low          |
|                            | Resources            | Medium         | Medium            | Low              | Low          |

**14.17. Appendix 17 – New positioning for Sumol in the French Market**



## 14.18. Appendix 18 – Golden Circle Sumol France



## 14.19. Appendix 19 – Sumol colour code



## 14.20. Appendix 20 – Sumol Instagram Portugal, ‘rebellious’ example



## 14.21. Appendix 21 – Sumol Instagram Portugal, ‘edgy’ example



14.22. Appendix 22 – Sumol Instagram Portugal, ‘individualist’ and ‘eccentric’ example



14.23. Appendix 23 – Sumol Instagram Portugal, #Idontcare



## 14.24. Appendix 24 – Sumol Instagram Portugal, ‘heritage’ example



## 14.25. Appendix 25 – Sumol’s Product Assortment (Launch Formats)



## 14.26. Appendix 26 – Product roadmap for Sumol

|                                  | 2022                                     |     |     |     |     |     |     |     | 2023 |     |     |     |     |     |     |     | 2024  |     |     |     |                          |
|----------------------------------|--|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|-----|--------------------------|
|                                  | MAY                                      | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN  | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP   | OCT | NOV | DEC | JAN                      |
| <b>Flavour</b>                   | Orange, passion fruit (pineapple, lemon) |     |     |     |     |     |     |     |      |     |     |     |     |     |     |     | Add other flavours based on market research |     |     |     |                          |
| <b>Format</b>                    | 1,5l PET & 0,33l cans                    |     |     |     |     |     |     |     |      |     |     |     |     |     |     |     |   |     |     |     | Smaller formats          |
| <b>Packaging &amp; Labelling</b> | Add claims / Replace plastic films       |     |     |     |     |     |     |     |      |     |     |     |     |     |     |     |   |     |     |     | r-PET / Certified labels |

## 14.27. Appendix 27 – All Recommended Retail Prices

| 1,5l PET             |                                |        |             |        |
|----------------------|--------------------------------|--------|-------------|--------|
| Prices in €          |                                |        |             |        |
|                      | Supermarkets &<br>Hypermarkets | Ethnic | Discounters | Online |
| Orange               | 1.5                            | 1.35   | 1.65        | 1.65   |
| Passion Fruit        | 1.6                            | 1.44   | 1.76        | 1.76   |
| Pineapple            | 1.5                            | 1.35   | 1.65        | 1.65   |
| Lemon                | 1.5                            | 1.35   | 1.65        | 1.65   |
| <b>Channel price</b> | -                              | -10%   | +10%        | +10%   |

|                      | 1.25l PET   | 0.5l PET |
|----------------------|-------------|----------|
| Prices in €          |             |          |
|                      | Convenience |          |
| Orange               | 1.65        | 0.78     |
| Passion Fruit        | 1.76        | 0.83     |
| Pineapple            | 1.65        | 0.78     |
| Lemon                | 1.65        | 0.78     |
| <b>Channel price</b> | +20%        | +20%     |
| <b>Format price</b>  | +10%        | +30%     |

| 6x0.33l PET   |                                |        |             |        |
|---------------|--------------------------------|--------|-------------|--------|
| Prices in €   |                                |        |             |        |
|               | Supermarkets &<br>Hypermarkets | Ethnic | Discounters | Online |
| Orange        | 3.8                            | 4.18   | 3.42        | 4.18   |
| Passion Fruit | 4.0                            | 4.4    | 3.60        | 4.4    |

|                      |     |      |      |      |
|----------------------|-----|------|------|------|
| Pineapple            | 3.8 | 4.18 | 3.42 | 4.18 |
| Lemon                | 3.8 | 4.18 | 3.42 | 4.18 |
| <b>Channel price</b> | -   | -10% | +10% | +10% |

---

**0.25l cans**

Prices in €

---

**Convenience**

|                      |      |
|----------------------|------|
| Orange               | 0.63 |
| Passion Fruit        | 0.67 |
| Pineapple            | 0.63 |
| Lemon                | 0.63 |
| <b>Channel price</b> | +20% |
| <b>Format price</b>  | +10% |

---

## 14.28. Appendix 28 – Alternative Margin Set-ups

### Large Retailers: Passion fruit cans

|  |      |
|--|------|
| Price per litre                        | 2.00 |
| Final Consumer Price (6*0,33l)         | 4.00 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.14 |
| Consumer Price without VAT & sugar Tax | 3.19 |
| Retailer Margin Value                  | 1.37 |
| Margin %                               | 43%  |
| Retail Price                           | 1.82 |
| Distributor Margin Value               | 0.18 |
| Margin %                               | 10%  |
| Distributor Price                      | 1.64 |
| COGS                                   | 0.82 |
| Sumol's Margin Value                   | 0.82 |
| % Contribution Margin                  | 50%  |

### Large Retailers: All other cans

|  |      |
|--|------|
| Price per litre                        | 1.90 |
| Final Consumer Price (6*0,33l)         | 3.80 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.16 |
| Consumer Price without VAT & sugar Tax | 3.01 |
| Retailer Margin Value                  | 1.29 |
| Margin %                               | 43%  |
| Retail Price                           | 1.71 |
| Distributor Margin Value               | 0.17 |
| Margin %                               | 10%  |
| Distributor Price                      | 1.54 |
| COGS                                   | 0.82 |
| Sumol's Margin Value                   | 0.72 |
| % Contribution Margin                  | 47%  |

### Large Retailers: Passion fruit PET

|  |      |
|--|------|
| Price per litre                        | 1.07 |
| Final Consumer Price (1,5l)            | 1.60 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.11 |
| Consumer Price without VAT & sugar Tax | 1.23 |
| Retailer Margin Value                  | 0.53 |
| Margin %                               | 43%  |
| Retail Price                           | 0.70 |
| Distributor Margin Value               | 0.07 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.63 |
| COGS                                   | 0.40 |
| Sumol's Margin Value                   | 0.23 |
| % Contribution Margin                  | 37%  |

### Large Retailers: All other PET

|  |      |
|--|------|
| Price per litre                        | 1.00 |
| Final Consumer Price (1,5l)            | 1.50 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.12 |
| Consumer Price without VAT & sugar Tax | 1.13 |
| Retailer Margin Value                  | 0.49 |
| Margin %                               | 43%  |
| Retail Price                           | 0.64 |
| Distributor Margin Value               | 0.06 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.58 |
| COGS                                   | 0.40 |
| Sumol's Margin Value                   | 0.18 |
| % Contribution Margin                  | 32%  |

### Online Retailers: Passion fruit cans

|  |      |
|--|------|
| Price per litre                        | 2.20 |
| Final Consumer Price (6*0,33l)         | 4.40 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.14 |
| Consumer Price without VAT & sugar Tax | 3.53 |
| Retailer Margin Value                  | 1.41 |
| Margin %                               | 40%  |
| Retail Price                           | 2.12 |
| Distributor Margin Value               | 0.21 |
| Margin %                               | 10%  |
| Distributor Price                      | 1.90 |
| COGS                                   | 0.82 |
| Sumol's Margin Value                   | 1.08 |
| % Contribution Margin                  | 57%  |

### Online Retailers: All other cans

|  |      |
|--|------|
| Price per litre                        | 2.09 |
| Final Consumer Price (6*0,33l)         | 4.18 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.16 |
| Consumer Price without VAT & sugar Tax | 3.32 |
| Retailer Margin Value                  | 1.33 |
| Margin %                               | 40%  |
| Retail Price                           | 1.99 |
| Distributor Margin Value               | 0.20 |
| Margin %                               | 10%  |
| Distributor Price                      | 1.79 |
| COGS                                   | 0.82 |
| Sumol's Margin Value                   | 0.97 |
| % Contribution Margin                  | 54%  |

**Online Retailers: Passion fruit PET**

|  |      |
|--|------|
| Price per litre                        | 1.17 |
| Final Consumer Price (1,5l)            | 1.76 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.11 |
| Consumer Price without VAT & sugar Tax | 1.36 |
| Retailer Margin Value                  | 0.54 |
| Margin %                               | 40%  |
| Retail Price                           | 0.82 |
| Distributor Margin Value               | 0.08 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.74 |
| COGS                                   | 0.40 |
| Sumol's Margin Value                   | 0.34 |
| % Contribution Margin                  | 46%  |

**Online Retailers: All other PET**

|  |      |
|--|------|
| Price per litre                        | 1.10 |
| Final Consumer Price (1,5l)            | 1.65 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.12 |
| Consumer Price without VAT & sugar Tax | 1.26 |
| Retailer Margin Value                  | 0.50 |
| Margin %                               | 40%  |
| Retail Price                           | 0.75 |
| Distributor Margin Value               | 0.08 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.68 |
| COGS                                   | 0.40 |
| Sumol's Margin Value                   | 0.28 |
| % Contribution Margin                  | 41%  |

**Ethnic Retailers: Passion fruit cans**

|  |      |
|--|------|
| Price per litre                        | 2.20 |
| Final Consumer Price (6*0,33l)         | 4.40 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.14 |
| Consumer Price without VAT & sugar Tax | 3.53 |
| Retailer Margin Value                  | 1.23 |
| Margin %                               | 35%  |
| Retail Price                           | 2.29 |
| Wholesale Margin Value                 | 0.16 |
| Margin %                               | 7%   |
| Wholesale Price                        | 2.13 |
| Distributor Margin Value               | 0.21 |
| Margin %                               | 10%  |
| Distributor Price                      | 1.92 |
| COGS                                   | 0.82 |
| Sumol's Margin Value                   | 1.10 |
| % Contribution Margin                  | 57%  |

**Ethnic Retailers: All other cans**

|  |      |
|--|------|
| Price per litre                        | 2.09 |
| Final Consumer Price (6*0,33l)         | 4.18 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.16 |
| Consumer Price without VAT & sugar Tax | 3.32 |
| Retailer Margin Value                  | 1.16 |
| Margin %                               | 35%  |
| Retail Price                           | 2.16 |
| Wholesale Margin Value                 | 0.15 |
| Margin %                               | 7%   |
| Wholesale Price                        | 2.01 |
| Distributor Margin Value               | 0.20 |
| Margin %                               | 10%  |
| Distributor Price                      | 1.81 |
| COGS                                   | 0.82 |
| Sumol's Margin Value                   | 0.99 |
| % Contribution Margin                  | 55%  |

**Convenience Retailers: Passion fruit can**

|  |      |
|--|------|
| Price per litre                        | 2.67 |
| Final Consumer Price (0,25l)           | 0.67 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.02 |
| Consumer Price without VAT & sugar Tax | 0.54 |
| Retailer Margin Value                  | 0.19 |
| Margin %                               | 35%  |
| Retail Price                           | 0.35 |
| Wholesale Margin Value                 | 0.02 |
| Margin %                               | 7%   |
| Wholesale Price                        | 0.33 |
| Distributor Margin Value               | 0.03 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.29 |
| COGS                                   | 0.10 |
| Sumol's Margin Value                   | 0.19 |
| % Contribution Margin                  | 65%  |

**Convenience Retailers: All other can**

|  |      |
|--|------|
| Price per litre                        | 2.53 |
| Final Consumer Price (0,25l)           | 0.63 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.02 |
| Consumer Price without VAT & sugar Tax | 0.51 |
| Retailer Margin Value                  | 0.18 |
| Margin %                               | 35%  |
| Retail Price                           | 0.33 |
| Wholesale Margin Value                 | 0.02 |
| Margin %                               | 7%   |
| Wholesale Price                        | 0.31 |
| Distributor Margin Value               | 0.03 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.28 |
| COGS                                   | 0.10 |
| Sumol's Margin Value                   | 0.17 |
| % Contribution Margin                  | 63%  |

**Convenience Retailers: Passion fruit PET**

|  |      |
|--|------|
| Price per litre                        | 1.41 |
| Final Consumer Price (1,25l)           | 1.76 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.02 |
| Consumer Price without VAT & sugar Tax | 1.45 |
| Retailer Margin Value                  | 0.51 |
| Margin %                               | 35%  |
| Retail Price                           | 0.94 |
| Wholesale Margin Value                 | 0.07 |
| Margin %                               | 7%   |
| Wholesale Price                        | 0.88 |
| Distributor Margin Value               | 0.09 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.79 |
| COGS                                   | 0.33 |
| Sumol's Margin Value                   | 0.46 |
| % Contribution Margin                  | 58%  |

**Convenience Retailers: All other PET**

|  |      |
|--|------|
| Price per litre                        | 1.32 |
| Final Consumer Price (1,25l)           | 1.65 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.02 |
| Consumer Price without VAT & sugar Tax | 1.36 |
| Retailer Margin Value                  | 0.47 |
| Margin %                               | 35%  |
| Retail Price                           | 0.88 |
| Wholesale Margin Value                 | 0.06 |
| Margin %                               | 7%   |
| Wholesale Price                        | 0.82 |
| Distributor Margin Value               | 0.08 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.74 |
| COGS                                   | 0.33 |
| Sumol's Margin Value                   | 0.41 |
| % Contribution Margin                  | 55%  |

**Convenience Retailers: Passion fruit PET**

|  |      |
|--|------|
| Price per litre                        | 1.66 |
| Final Consumer Price (0,5l)            | 0.83 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.04 |
| Consumer Price without VAT & sugar Tax | 0.66 |
| Retailer Margin Value                  | 0.23 |
| Margin %                               | 35%  |
| Retail Price                           | 0.43 |
| Wholesale Margin Value                 | 0.03 |
| Margin %                               | 7%   |
| Wholesale Price                        | 0.40 |
| Distributor Margin Value               | 0.04 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.36 |
| COGS                                   | 0.13 |
| Sumol's Margin Value                   | 0.23 |
| % Contribution Margin                  | 63%  |

**Convenience Retailers: All other PET**

|  |      |
|--|------|
| Price per litre                        | 1.56 |
| Final Consumer Price (0,5l)            | 0.78 |
| VAT                                    | 20%  |
| Sugar Tax                              | 0.04 |
| Consumer Price without VAT & sugar Tax | 0.61 |
| Retailer Margin Value                  | 0.21 |
| Margin %                               | 35%  |
| Retail Price                           | 0.40 |
| Wholesale Margin Value                 | 0.03 |
| Margin %                               | 7%   |
| Wholesale Price                        | 0.37 |
| Distributor Margin Value               | 0.04 |
| Margin %                               | 10%  |
| Distributor Price                      | 0.33 |
| COGS                                   | 0.13 |
| Sumol's Margin Value                   | 0.20 |
| % Contribution Margin                  | 60%  |

## 14.29. Appendix 29 – Service Outputs Questionnaire and Results

The following table includes the questions from the questionnaire that were related with the service outputs demands when purchasing sodas in the off-trade channel. Besides these questions, people were also asked for demographics (as gender, age, region of residence and if they had origins from abroad, namely, from Portugal) and if they purchased groceries (including sodas) online. It's important to say that this survey was shared in French to avoid communication barriers and was translated to English to be analyzed in this paper.

| Questionnaire  | Service Output        | SPSS Variable Name |
|--|-----------------------|--------------------|
| Please indicate the importance of each of these factors when you are purchasing a soda in a retailer |                       |                    |
| 1. Being able to buy in small quantities (by the bottle).  | Bulk Breaking         | Bulk               |
| 2. Availability of many brands for choice.   | Product Variety       | Variety            |
| 3. Availability of someone who can help me in the purchase.  | Customer Service      | Customer service   |
| 4. Availability of information in the sales point (through leaflets, label, or other supports).      | Information Provision | Information        |
| 5. Do you give up buying a certain soda brands, they are not available in a convenient place?        | Spatial Convenience   | Convenience        |

These questions were answered through Likert Scales with 5 possible options to choose from. With this being said, the first four questions varied from 1 (Not important) to 5 (Extremely important) and the fifth question varied from 1 (Completely disagree) to 5 (Completely agree). As it is possible to see in the table below, every respondent was under 35 years old and the age group of people between 19 to 25 is the most represented by far with 71% of the answers.

| Age          | Frequency | Relative Frequency |
|--------------|-----------|--------------------|
| <18          | 20        | 17%                |
| 19-25        | 84        | 71%                |
| 26-35        | 14        | 12%                |
| >36          | 0         | 0%                 |
| <b>Total</b> | 118       | 100%               |

Furthermore, it's noticeable that Île-de-France is by far the most popular region of residence amongst the respondents, followed by Nouvelle-Aquitaine and Provence-Alpes-Côte d'Azur.

| Region                            | Frequency | Relative Frequency |
|-----------------------------------|-----------|--------------------|
| <b>Île-de-France</b>              | 72        | 61%                |
| <b>Provence-Alpes-Côte d'Azur</b> | 11        | 9%                 |
| <b>Nouvelle-Aquitaine</b>         | 16        | 14%                |
| <b>Auvergne-Rhône-Alpes</b>       | 4         | 3%                 |
| <b>Bretagne</b>                   | 3         | 3%                 |
| <b>Grand Est</b>                  | 1         | 1%                 |
| <b>Centre-Val de Loire</b>        | 3         | 3%                 |
| <b>Corse</b>                      | 1         | 1%                 |
| <b>Occitanie</b>                  | 3         | 3%                 |
| <b>Normandie</b>                  | 4         | 3%                 |
| <b>Total</b>                      | 118       | 100%               |

To find the segments, a hierarchical clustering was applied to the questionnaire results. SPSS

returned the following tables:

| Size of Cluster |   |     |
|-----------------|---|-----|
| Cluster         | 1 | 14  |
|                 | 2 | 57  |
|                 | 3 | 16  |
|                 | 4 | 14  |
|                 | 5 | 10  |
|                 | 6 | 7   |
| Total           |   | 118 |

|                  | Final Cluster Centers |      |      |      |      |      |
|------------------|-----------------------|------|------|------|------|------|
|                  | 1                     | 2    | 3    | 4    | 5    | 6    |
| Bulk             | 4,86                  | 3,02 | 1,13 | 4,93 | 1,80 | 1,57 |
| Variety          | 1,64                  | 3,00 | 3,13 | 4,93 | 4,70 | 1,14 |
| Customer service | 1,21                  | 1,23 | 1,06 | 2,86 | 2,90 | 1,57 |
| Information      | 1,36                  | 1,11 | 1,06 | 3,07 | 1,50 | 1,00 |
| Convenience      | 4,79                  | 3,37 | 1,19 | 1,14 | 4,60 | 4,86 |
| Online           | 1,86                  | 1,47 | 1,00 | 1,57 | 5,00 | 1,14 |
| Portuguese       | 0,07                  | 0,02 | 0,00 | 0,93 | 0,20 | 0,00 |

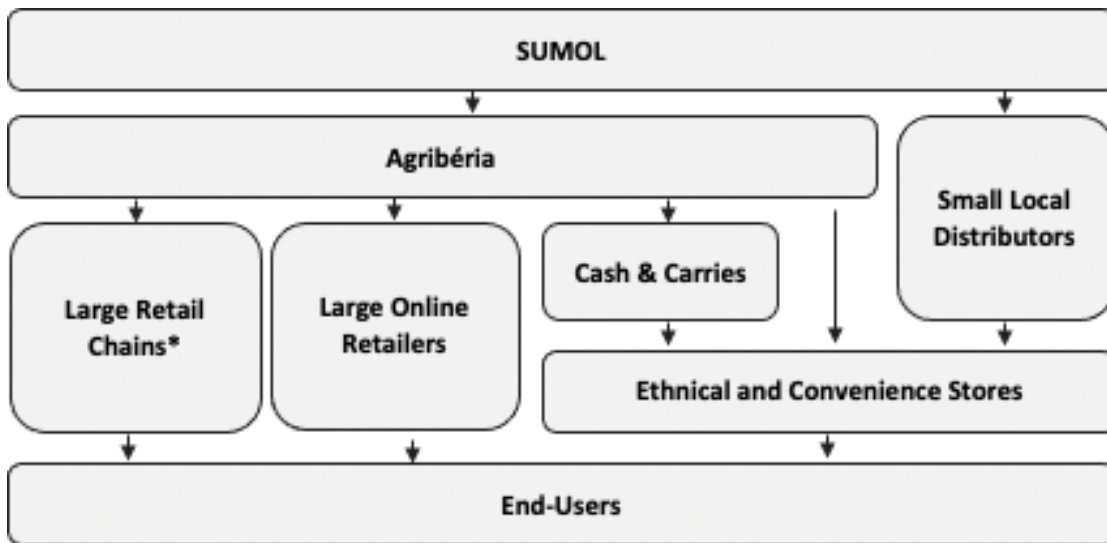
| ANOVA            |                |    |             |         |       |
|------------------|----------------|----|-------------|---------|-------|
|                  | Sum of Squares | df | Mean Square | F       | Sig.  |
| Bulk             | 185,277        | 5  | 37,055      | 182,912 | 0,000 |
| Variety          | 129,489        | 5  | 25,898      | 139,115 | 0,000 |
| Customer service | 53,426         | 5  | 10,685      | 46,642  | 0,000 |
| Information      | 47,119         | 5  | 9,424       | 50,383  | 0,000 |
| Convenience      | 199,581        | 5  | 39,916      | 103,897 | 0,000 |
| Online           | 128,762        | 5  | 25,752      | 61,224  | 0,000 |
| Portuguese       | 10,111         | 5  | 2,022       | 51,016  | 0,000 |

## Conclusions:

The results returned 6 adequate clusters that allowed the group to take conclusions about the segments' preference for the different service outputs. By attributing a qualitative classification for each value, low for values under 2,5, moderate for values between 2,5 and 4 and high for values over 4) it was possible to create a table evaluating the preferences of each segment. Since this questionnaire was developed for the off-trade channel, it is assumed that every segment has a high demand for the waiting time except for the ones that buy online, which have moderate demand.

| Segment Name                 | Service Outputs Demanded |                     |                           |                        |                  |                       | Channel Fit              | Size (Abs) | Size (Rel) |
|------------------------------|--------------------------|---------------------|---------------------------|------------------------|------------------|-----------------------|--------------------------|------------|------------|
|                              | Bulk Breaking            | Spatial Convenience | Waiting and Delivery Time | Variety and Assortment | Customer Service | Information Provision |                          |            |            |
| <b>1. Walkers</b>            | High                     | High                | High                      | Low                    | Low              | Low                   | Convenience Store        | 14         | 11,86%     |
| <b>2. Common Buyers</b>      | Moderate                 | Moderate            | High                      | Moderate               | Low              | Low                   | Hypermarket/ Supermarket | 57         | 48,31%     |
| <b>3. Bulk Buyers</b>        | Low                      | Low                 | High                      | Moderate               | Low              | Low                   | Hypermarket              | 16         | 13,56%     |
| <b>4. Portuguese Purists</b> | High                     | Low                 | High                      | High                   | Moderate         | Moderate              | Ethnic Store             | 14         | 11,86%     |
| <b>5. Techies</b>            | Low                      | High                | Moderate                  | High                   | Moderate         | Low                   | E-commerce               | 10         | 8,47%      |
| <b>6. Deniers</b>            | Low                      | High                | High                      | Low                    | Low              | Low                   | Convenience Store        | 7          | 5,93%      |
|                              |                          |                     |                           |                        |                  |                       |                          | 118        | 100%       |

### 14.30. Appendix 30 – Current Channel Structure



### 14.31. Appendix 31 – Division of Sales



Source: From meetings with Sumol+Compal (2020)

### 14.32. Appendix 32 – Cost Gaps Analysis Template

| Channel Members                  | Environmental (E)/ Managerial (M) Bounds  | Function w/ Supply-Side Gaps | Planned techniques to close Gaps  | Opens another Gap? |
|----------------------------------|---|------------------------------|---|--------------------|
| Sumol, Distributor and Retailers | M: Too attached to distributor;<br>lack of investment in France<br>E: Can't leave the Ethical Aisle                                 | Negotiation                  | Change the role of a current channel member;<br>Bring in a New Distributor with more channel power to influence retailers | No                 |
| Sumol, Distributor and Retailers | E: Intensive Distribution makes it difficult to control all the information<br>E: Channel members are hesitant to share information | Information Sharing          |   | No                 |
| Sumol, Distributor and Retailers | E: Long payment terms   | Payment and Negotiation      |   | No                 |

### 14.33. Appendix 33 – Service Gaps Analysis Template

| Targeted Segments         | Service Outputs Demanded |                     |                           |                        |                  | Channel Fit               | Service Gap | Why do the Gaps exist?  | Planned technique to close  |
|---------------------------|--------------------------|---------------------|---------------------------|------------------------|------------------|---------------------------|-------------|---|---|
|                           | Bulk Breaking            | Spatial Convenience | Waiting and Delivery Time | Variety and Assortment | Customer Service |                           |             |   |   |
| <b>Walkers</b>            | SS=SD                    | SS<SD               | SS=SD                     | SS=SD                  | SS=SD            | Convenience Store         | YES         | Sumol incapable of increasing its distribution to convenience stores      | Prove Sumol's value in a few large surfaces first and convince retailers to increase distribution |
| <b>Common Buyers</b>      | SS=SD                    | SS<SD               | SS=SD                     | SS<SD                  | SS=SD            | Hypermarkets/ Supermarket | YES         | Sumol incapable of increasing its distribution to most hyper/supermarkets |   |
| <b>Portuguese Purists</b> | SS=SD                    | SS=SD               | SS=SD                     | SS=SD                  | SS=SD            | Ethical Store             | NO          | -   | -   |
| <b>Techies</b>            | SS=SD                    | SS=SD               | SS=SD                     | SS=SD                  | SS=SD            | E commerce                | NO          | -   | -   |

### 14.34. Appendix 34 – Planogram Sumol outside the ethnical aisle

In order to recommend retailers on how to improve their category management by placing Sumol outside the ethnical aisle, the firm needs to present an idea about where the product would fit on the shelf. This planogram describes a supermarket shelf in the beverages’ category; hence it was organized considering the flavor, packaging format, manufacturer and the market share of each brand.



### 14.35. Appendix 35 – Roadmap for the increase in market coverage in different channels

|                  | 2022                                |     |     |     |     |     |     |     | 2023   |     |     |     |     |     |     |     | 2024   |     |           |     |     |     |
|------------------|-------------------------------------|-----|-----|-----|-----|-----|-----|-----|--------|-----|-----|-----|-----|-----|-----|-----|--------|-----|-----------|-----|-----|-----|
|                  | MAY                                 | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN    | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP    | OCT | NOV       | DEC | JAN | FEB |
| - Hyper/ Super*  | Increasing Presence                 |     |     |     |     |     |     |     |        |     |     |     |     |     |     |     |        |     |           |     |     |     |
| - Conv. Stores*  | Increasing Presence                 |     |     |     |     |     |     |     |        |     |     |     |     |     |     |     |        |     |           |     |     |     |
| - Online*        | Strong presence since the beginning |     |     |     |     |     |     |     |        |     |     |     |     |     |     |     |        |     |           |     |     |     |
| - Discounters*   | In/Out                              |     |     |     |     |     |     |     | In/Out |     |     |     |     |     |     |     | In/Out |     | Permanent |     |     |     |
| - Cash& Carries* | Increasing Presence                 |     |     |     |     |     |     |     |        |     |     |     |     |     |     |     |        |     |           |     |     |     |
| Ethnical/ Conv   | Increasing Presence                 |     |     |     |     |     |     |     |        |     |     |     |     |     |     |     |        |     |           |     |     |     |
| Online (other)   | Strong presence since the beginning |     |     |     |     |     |     |     |        |     |     |     |     |     |     |     |        |     |           |     |     |     |

\*Belong to a large retail chain with different store format and sizes

### 14.36. Appendix 36 – Behaviour Sequence Model

This BSM is directed only to retail sales, not for the HORECA channel.

|              | Need arousal   | Information search and choice   | Purchase   | Usage   |
|--------------|--|---|--|---|
| <b>Who</b>   | Anyone who wants a carbonated drink (initiator)<br><br>Anyone that is planning a party and decides to buy carbonated drinks (initiator)                        | Self (decider)<br>Friends (influencer)  | Self (decider)<br>Family (buyer)   | Self<br>Friends   |
| <b>Where</b> | Anywhere, both inside and outside home   | In-store<br>Through word of mouth<br>Searching information online   | In-store (supermarkets, convenience stores, ...)                                       | Both inside and outside of home   |
| <b>When</b>  | At any moment  | Immediately after need arousal if in-store or close to one<br>Between need arousal and going to the store                               | Immediately after choice if in-store or close to use<br>Next time he/she goes shopping | Immediately after purchase<br>During meals<br>Between meals<br>As an <i>apero</i> |
| <b>How</b>   | A craving appears<br>Realising you are out of carbonated soda at home<br>Making the list of things for a party<br>Impacted by advertising (in or out of store) | Comparing ingredients, nutritional values and fabrication process<br>In-store: comparing promotions, impacted by a sample or display ad | Going to a store   | Drinking the product  |

## 14.37. Appendix 37 – Storyboard for a Sumol ad



*The starting point is a moment of socialization with friends. Each individual seems to be disengaged from the interaction in such a way that does not allow for meaningful conversations to bloom.*



*One of them eventually realizes this is happening and wishes it was easier to start meaningful conversations about the topics that affect us all without it leading to conflict.*



*He then proceeds to introduce Sumol to his group of friends as the ideal drink to share during discussions, a commitment to respectful and tolerant dialogue with the aim of understanding and learning about others.*



*On top of its purpose, Sumol is refreshing and its fruity slightly carbonated taste makes it the perfect combination both for meals and for a break.*



*The different flavours please different tastes making it ideal for get togethers with friends and family.*



*It is then the moment to gather around and speak up about the subjects that matter to each of them, without any fear of judgement.*

**SUMOL**<sup>®</sup>  
AU DELÀ DES BAVARDAGES

## 14.38. Appendix 38 – Creative brief

### 14.38.1. Behaviour sequence model

BSM in Appendix 32.

**Creative target:** current soda consumers, young urban French consumers, between 15 and 35 years old, who yearn to have an active voice in society but feel like the current status quo prioritises the opinions of older citizens in decision-making.

**Media:** online (Instagram, Snapchat, podcasts, music streaming platforms), out of home, in-store trade promotions

### 14.38.2. Action objectives

|                      | First year             | Following years                |
|----------------------|------------------------|--------------------------------|
| <b>OBSs and OBLs</b> | Trial + recommendation | Repurchase +<br>recommendation |
| <b>BLs and FBSs</b>  | Recommendation         | Recommendation                 |
| <b>NCUs</b>          | Not part of the target |                                |

### 14.38.3. Communication objectives

Portray category need, brand awareness (recognition), generate positive brand attitude, omit purchase intention and omit purchase facilitation (if the sales team is successful in taking Sumol to the drinks aisle and out of the ethnic aisle).

### 14.38.4. Positioning statement

**For** young (15 to 35 years old) urban French consumers that wish to have a voice in society, **Sumol** is the tasty soda refreshment **that** sparks dialogue and discussion about youth's views and ideas. **Because** the brand provides the stage to talk about meaningful topics in a tolerant

and respectful manner through their actions and events

**Key benefit:** Sumol is a brand that gives voice to the younger generation and helps them take action

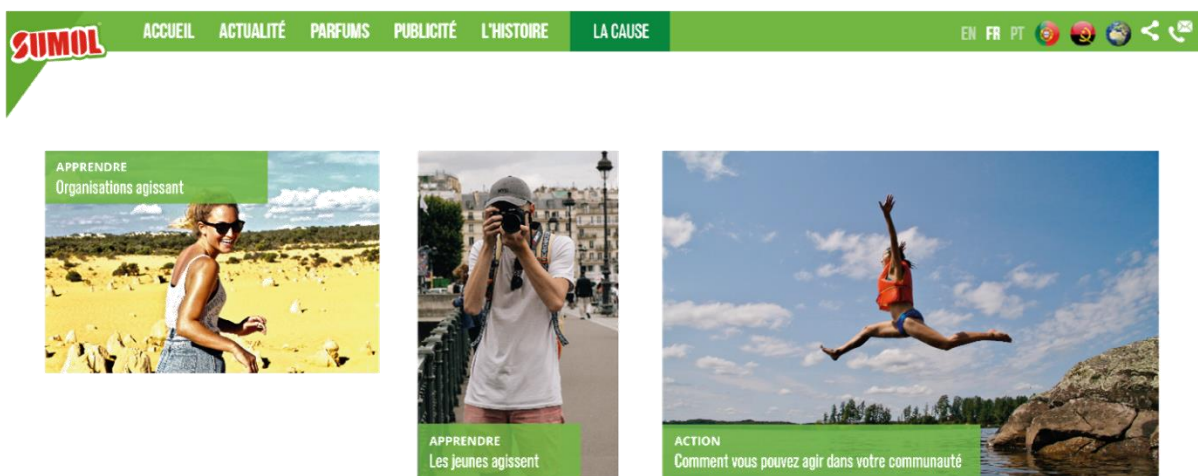
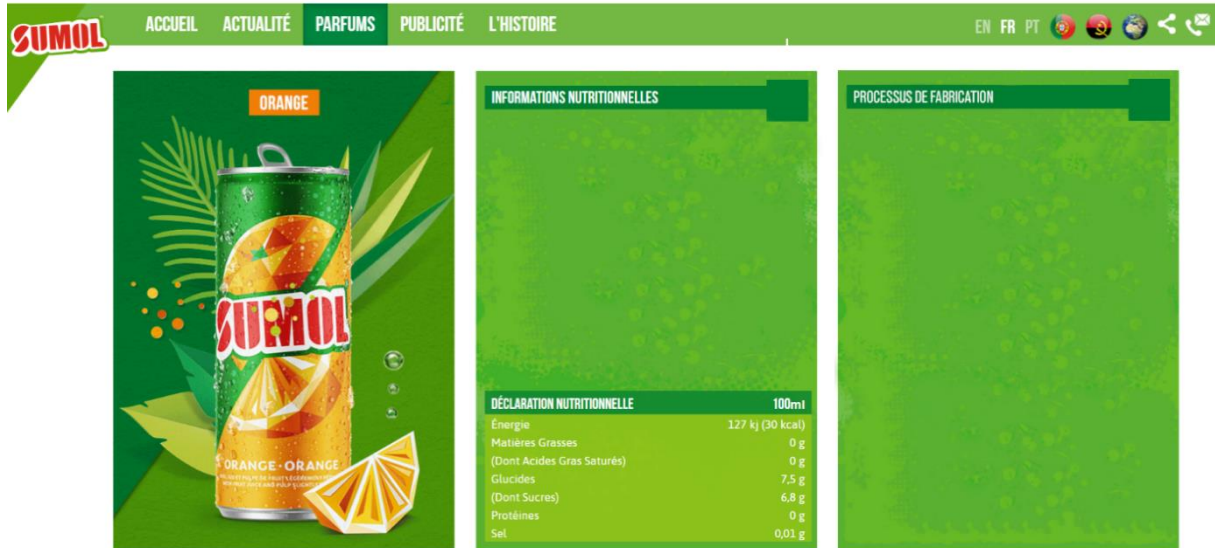
**Key benefit claim:** *Au-delà des bavardages* (Beyond small talk)

**Entry tickets:** a refreshing and tasty drink

**Mandatory content:** brand identifiers, do not mention category's name ("carbonates", "sodas", similar and negatively connotated words)

## 14.39. Appendix 39 – Mock-ups for IMC initiatives

### 14.39.1. Website



#### Apprendre



Arguing for the urgency of involving these young citizens  
Exploring organisations, initiatives and accomplishments in this sphere

#### Action



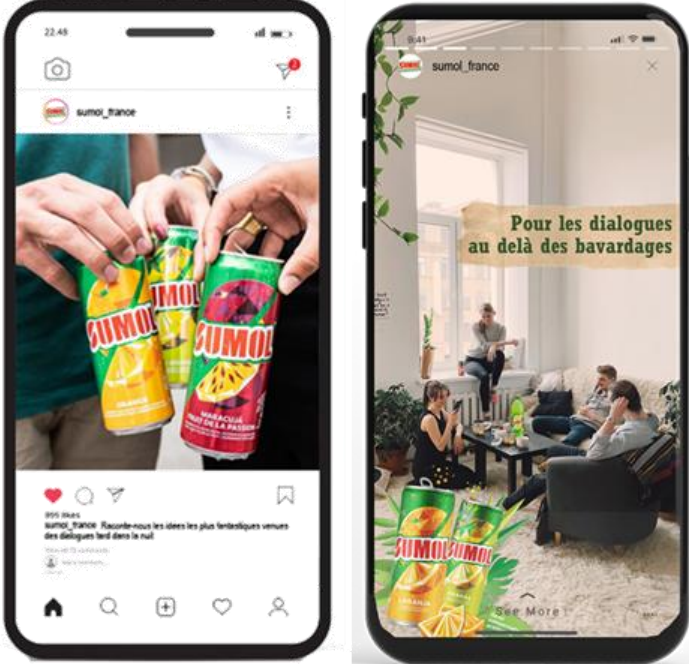
A practical guide of how young citizens can have an impact  
Sharing young-led initiatives

### 14.39.2. Podcast



**Au-delà des balançoires**  
Au-delà des balançoires hosts debates where guests have to defend the other side, and explo...  
14 EPISODES

### 14.39.3. Instagram posts



The image shows two smartphone screens displaying Instagram content for SUMOL France. The left screen shows a post from the account 'sumol\_france' featuring a close-up of hands holding several cans of SUMOL drinks. The caption reads: '2021 MAIS SUMOL FRANCE Rassemble-vous les idées les plus fantastiques venues des dialogues tard dans la nuit'. The right screen shows a post from the same account featuring a group of people sitting on a sofa in a living room, with a text overlay that says: 'Pour les dialogues au delà des bavardages'. Both screens show the Instagram interface with the account name, profile picture, and various icons.

#### 14.39.4. Nuits d'été



#### 14.39.5. Influencers examples

← **graine\_de\_possible** :



**332** Posts   **43.2K** Followers   **1,033** Following

**Camille Etienne**  
Climate activist.  
Deteste Monsanto-Bayer autant que la Coriandre.  
Porte parole @onestpret  
Duo @penseesauvagemusic  
Maman d' @atterrissage\_

← **samuelgrzybowski** :



**3,789** Posts   **2,887** Followers   **2,615** Following

**Samuel Grzybowski**  
🕒 28 📍 Paris  
🌻 Activist @rencontredesjustices  
👨‍🏫 Teacher @sciencespo  
👤 Founder @coexister\_france  
👤 Partner @convivenciaconseil  
🌍 Traveler @interfaithtour  
[jevote.coexister.fr/](http://jevote.coexister.fr/)

## 14.39.6. Content promotional poster

**SUMOL**  
AU DELÀ DES BAVARDAGES

Savais-tu que la moitié des écoles des villages de moins d'un million d'habitants n'ont pas les conditions pour faire du sport ?  
Savais-tu que 6 villes rassemblent 60% des plus de 65 ans en France ?

Chacun d'entre nous a le devoir de participer localement et de s'assurer que nous créons un monde meilleur. C'est à toi de prendre la parole !

Consultez toutes les informations sur le site, formez votre group et enregistré votre équipe jusqu'au 26 octobre 2023.

**PRENDS LA PAROLE  
CRÉE DE L'IMPACTE**

Gagne  
**€1000**

WWW.SUMOLINTERNATIONAL.COM/AU-DELA-DES-BAVARDAGES

The poster features a green background with a woman speaking at a podium in the foreground. In the background, a group of people is also at a podium. A QR code is located in the bottom right corner.

## 14.39.7. OOH mupie

Les relations entre  
**sœurs**  
ne sont pas toujours  
**faciles.**

Prends-les avec un  
**Sumol !**

**SUMOL**  
AU DELÀ DES BAVARDAGES

The advertisement is displayed on a bus stop shelter. It features a photograph of two young women sitting on a ledge, smiling and talking. A can of Sumol is visible on the ledge next to them. The background shows a street scene with trees and a building.

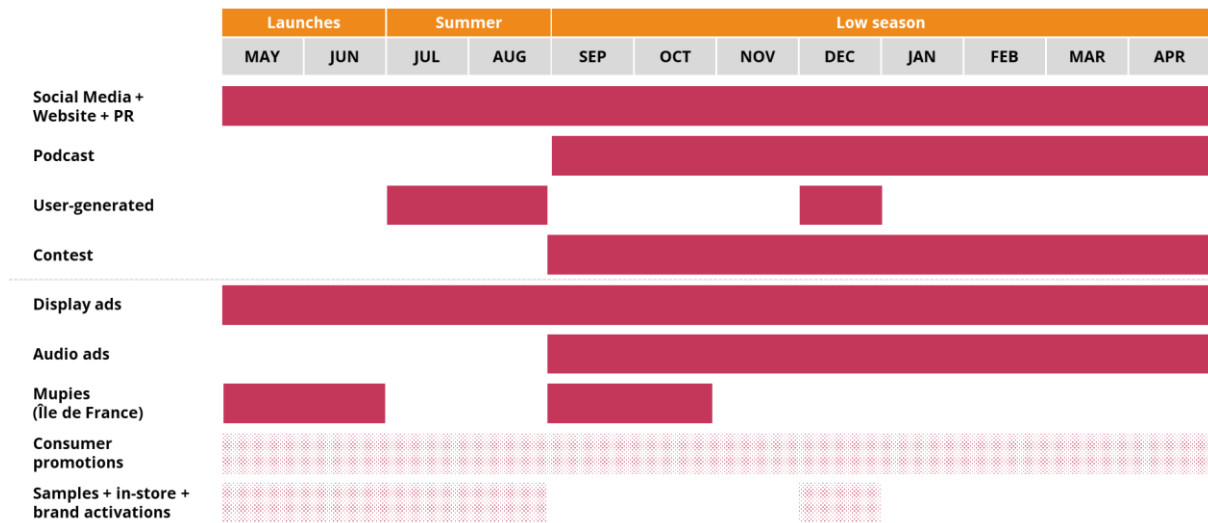
**14.39.8. Brand activation**



**14.39.9. Point of sale displays**



## 14.40. Appendix 40 – Campaign schedule



## 14.41. Appendix 41 - Demand for orange sodas in Spain, 2019

|                  | Jan | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sep  | Oct | Nov  | Dec  |
|------------------|-----|------|------|------|------|------|------|------|------|-----|------|------|
| <b>Demand</b>    |     |      |      |      |      |      |      |      |      |     |      |      |
| <b>in Spain,</b> |     |      |      |      |      |      |      |      |      |     |      |      |
| <b>2019</b>      | 15  | 14.5 | 15.5 | 15.8 | 17.3 | 18   | 19.5 | 20.2 | 15.3 | 15  | 13.9 | 17.8 |
| <b>(million</b>  |     |      |      |      |      |      |      |      |      |     |      |      |
| <b>litres)</b>   |     |      |      |      |      |      |      |      |      |     |      |      |
| <b>Index</b>     |     |      |      |      |      |      |      |      |      |     |      |      |
| <b>basis</b>     | 88% | 84%  | 90%  | 92%  | 100% | 105% | 113% | 117% | 89%  | 87% | 80%  | 103% |
| <b>May</b>       |     |      |      |      |      |      |      |      |      |     |      |      |

An index with basis May was computed because the launch is in May. Therefore, the sales in each year are computed relative to May.

#### 14.42. Appendix 42 – Objective market share and penetration rate

|                                 | 2022 | First 12 months | 2023  | 2024  |
|---------------------------------|------|-----------------|-------|-------|
| <b>Litres sold</b>              | 5.2M | 8.3M            | 10.1M | 13.6M |
| <b>Penetration rate</b>         | 6%   | 10%             | 10%   | 14%   |
| <b>Market share (in litres)</b> | 0.3% | 0.5%            | 0.6%  | 0.8%  |

To compute the penetration rate, the target market is taken as 7.7 million consumers. Market share is computed taking total litres sold forecasted by International Euromonitor (2019). Note that the launch is in May 2022, therefore 2022 only encompasses 8 months.

#### 14.43. Appendix 43 – Price and quantity sold of each flavour and format

|                       | Price/litre |          | Quantity |
|-----------------------|-------------|----------|----------|
|                       | 0.33cl cans | 1.5l PET |          |
| <b>Passion Fruit</b>  | 2.00 €      | 1.07 €   | 25%      |
| <b>Other flavours</b> | 1.90 €      | 1.00 €   | 75%      |

#### 14.44. Appendix 44 – Increase in average price per litre, in the industry

| Year                        | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Average price per litre     | 1.12 | 1.12 | 1.13 | 1.15 | 1.17 | 1.2  | 1.24 | 1.26 | 1.28 | 1.30 | 1.33 |
| Increase in price per litre |      | 0.0% | 0.9% | 1.8% | 1.7% | 2.6% | 2.9% | 2.0% | 1.8% | 1.7% | 1.7% |

Until 2019, the presented price per litre was taken from International Euromonitor (n.d.). The following years' price was computed using the forecasting tool of Excel.

#### 14.45. Appendix 45 – Average price per litre in 2022, 2023 and 2024

| Average price per litre | 2022   | 2023   | 2024   |
|-------------------------|--------|--------|--------|
| 0.33cl cans             | 1.93 € | 1.96 € | 1.99 € |
| 1.5l PET                | 1.02 € | 1.03 € | 1.05 € |

#### 14.46. Appendix 46 – Current COGS computation<sup>23</sup>

| Format                                 | 1.5l PET    | 6 x 0.33l can |
|--|-------------|---------------|
| <b>Flavour</b>                         | Orange      | Orange        |
| <b>Consumer price per litre</b>        | 1.00        | 1.50          |
| <b>Price without VAT</b>               | 0.83        | 1.25          |
| <b>Price without VAT and sugar tax</b> | 0.75        | 1.17          |
| <b>Retailer Margin Value</b>           | 0.30        | 0.47          |
| <b>Retail Price</b>                    | 0.45        | 0.70          |
| <b>Distributor Margin Value</b>        | 0.05        | 0.07          |
| <b>Distributor Price</b>               | 0.41        | 0.63          |
| <b>Sumol's Margin Value</b>            | 0.14        | 0.22          |
| <b>COGS</b>                            | <b>0.26</b> | <b>0.41</b>   |
| <b>Auxiliary</b>                       |             |               |
| Sugar tax per litre (orange/pineapple) | 0.08        |               |
| Sugar tax per litre (passion fruit)    | 0.07        |               |
| Average retailer margin                | 40%         |               |
| Average distributor margin             | 10%         |               |
| Average gross profit margin            | 35%         |               |
| VAT                                    | 20%         |               |

<sup>23</sup> Based on Orangina's prices in Leclerc as a proxy

#### 14.47. Appendix 47 – Consumer promotion assumptions

|                                     | Until Sep 22 | Launch + High season | Low season |
|-------------------------------------|--------------|----------------------|------------|
| <b>% of litres given as samples</b> | 15%          | 3%                   | 2%         |
| <b>% of litres sold on discount</b> | 50%          | 25%                  | 10%        |
| <b>Discount</b>                     | 15%          |                      |            |

High season is May to August + December, low season are all other months.

Launch refers to any new product launches until 2024.

#### 14.48. Appendix 48 – Media budget (following objective and task)

|   | 2022  | May-May | 2023   | 2024   |
|---|-------|---------|--------|--------|
| <b>Sales goal ('000 litres)</b>         | 5,167 | 8,296   | 10,104 | 13,608 |
| <b>Nr of purchases</b>                  | 1,017 | 1,633   | 1,989  | 2,679  |
| <b>Purchase from trials = Nr triers</b> | 486   | 750     | 798    | 1,109  |
| <b>Purchase from repeaters</b>          | 531   | 883     | 1,191  | 1,570  |
| <b>Nr repeaters</b>                     | 354   | 589     | 794    | 1,047  |
| <b>Nr of aware</b>                      | 2,431 | 3,751   | 3,991  | 5,545  |
| <b>Nr of reached</b>                    | 3,472 | 5,358   | 5,701  | 7,921  |
| <b>Organically reached</b>              | 548   | 1,174   | 2,099  | 3,388  |
| <b>Non-organically reached</b>          | 1,786 | 2,293   | 1,322  | 1,365  |
| <b>Nr of insertions</b>                 | 5,894 | 7,565   | 4,363  | 4,504  |
| <b>Display</b>                          | 4,555 | 5,846   | 3,371  | 3,480  |
| <b>OOH</b>                              | 1,072 | 1,376   | 793    | 819    |
| <b>Audio</b>                            | 268   | 344     | 198    | 205    |
| <b>Media Cost</b>                       | 265 € | 340 €   | 196 €  | 203 €  |
| <b>Display</b>                          | 228 € | 292 €   | 169 €  | 174 €  |
| <b>OOH</b>                              | 11 €  | 14 €    | 8 €    | 8 €    |
| <b>Audio</b>                            | 27 €  | 34 €    | 20 €   | 20 €   |

### 14.48.1. Detailed assumptions

|  |         |
|--|---------|
| Monthly sales from clients who have also bought the previous month | 60%     |
| Aware -> Trial conversion ratio                                    | 20%     |
| Reached -> Aware (recognition) conversion ratio                    | 70%     |
| Reached by in-store presence                                       | 40%     |
| Reached organically after 4 months in the market                   | 25%     |
| Reached organically after 3 years in the market                    | 45%     |
| Overlap of reached by in-store, organically and inorganically      | 50%     |
| Frequency in paid promotion  | 3 times |

|                | % of non-organically reached | cost per impression |
|----------------|------------------------------|---------------------|
| <b>Display</b> | 85%                          | 0.05                |
| <b>OOH</b>     | 20%                          | 0.01                |
| <b>Audio</b>   | 5%                           | 0.10                |

### 14.49. Appendix 49 – Profit and loss until 2024 (in thousands)

|                         | 2021  | 2022    | May-May  | 2023     | 2024     |
|-------------------------|-------|---------|----------|----------|----------|
| <b>Sales (litres)</b>   | 0     | 5,167   | 8,296    | 10,104   | 13,608   |
| <b>Sales (euros)</b>    | 0 €   | 6,332 € | 10,209 € | 12,641 € | 17,104 € |
| <b>Revenues</b>         | 0 €   | 2,502 € | 4,050 €  | 5,049 €  | 6,902 €  |
| <b>COGS</b>             | 0 €   | 1,540 € | 2,475 €  | 3,054 €  | 4,109 €  |
| <b>Gross profit</b>     | 0 €   | 962 €   | 1,575 €  | 1,995 €  | 2,793 €  |
| <b>Trade promotions</b> | 0 €   | 125 €   | 172 €    | 151 €    | 207 €    |
| <b>Personnel costs</b>  | 125 € | 125 €   | 166 €    | 125 €    | 125 €    |
| <b>Media costs</b>      | 0 €   | 265 €   | 340 €    | 196 €    | 203 €    |

|                               |               |               |              |              |                |
|-------------------------------|---------------|---------------|--------------|--------------|----------------|
| <b>Marketing costs</b>        | <b>0 €</b>    | <b>275 €</b>  | <b>352 €</b> | <b>238 €</b> | <b>260 €</b>   |
| <b>Influencers</b>            | 0 €           | 32 €          | 48 €         | 48 €         | 48 €           |
| <b>PR Agency</b>              | 0 €           | 60 €          | 80 €         | 60 €         | 60 €           |
| <b>Creative Agency</b>        | 0 €           | 60 €          | 80 €         | 60 €         | 60 €           |
| <b>Market research</b>        | 0 €           | 5 €           | 10 €         | 5 €          | 5 €            |
| <b>Promotions</b>             | 0 €           | 118 €         | 134 €        | 65 €         | 87 €           |
| <b>Depreciation</b>           | 0 €           | 0 €           | 0 €          | 0 €          | 0 €            |
| <b>Interest</b>               | 0 €           | 0 €           | 0 €          | 0 €          | 0 €            |
| <b>Operational Profit</b>     | -125 €        | 171 €         | 544 €        | 1,285 €      | 1,999 €        |
| <b>Taxes</b>                  | 0 €           | 77 €          | 171 €        | 321 €        | 500 €          |
| <b>Net Operational Profit</b> | <b>-125 €</b> | <b>94 €</b>   | <b>374 €</b> | <b>964 €</b> | <b>1,499 €</b> |
| <b>Cannibalisation</b>        | 0 €           | 244 €         | 359 €        | 371 €        | 389 €          |
| <b>FCF</b>                    | -125 €        | -151 €        | 10 €         | 588 €        | 1,105 €        |
| <b>Discounted FCF</b>         | <b>-122 €</b> | <b>-142 €</b> | <b>2 €</b>   | <b>519 €</b> | <b>929 €</b>   |