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SUNLOVER AND ITS INTERNATIONALIZATION TO BRAZIL

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A Project carried out on the Field Lab of SME Competitiveness: Internationalization Strategy course, with the supervision of:

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Abstract:

The goal of this work project is to study Sunlover and its internationalization process to Brazil. As a first step, it was necessary to collect information, using primary data provided by Sunlover and secondary data from several sources, including articles, books and websites cited in the references. After the data was collected, the company was analyzed by conducting an internal and external scanning.

The second step was to focus on the internationalization to Brazil based on a PESTEL analysis of the country and more specifically, on the competitive characteristics of the market for functional drinks.

The third and last step was to analyze the possible entry modes and respective implementation plans, using the 4M model. After selecting the best entry mode, recommendations were drawn, regarding the potential partners for Sunlover in Brazil, as well as the marketing guidelines to be followed in the recommended entry mode.

Keywords:

Internationalization, Brazil, Sunlover, functional drinks

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1. Description of the firm

Sunlover, S.A. is a Portuguese SME founded in 2011 by Artur Tavares. The company currently has a share capital of €750.000 and the capital structure is distributed between Joaquim Lico, from Arco e Tecto S.A. (48.75%); Carlos Vasconcellos Cruz, from NNS S.A. (28.75%); Pedro Baltazar, from Nova Expressão S.A. (9.5%); Rui Alegre (9.5%); João Vaz Frade, from My Brand S.A. (2%) and Diogo Saraiva e Sousa (1.5%)[1]. Sunlover's executive team is formed by Graça Medina (CEO); Hugo Fonseca (CFO); Rui Ventura (CMO); a marketing assistant and a sales manager.

The objective of the firm is to commercialize the first nutricosmetic drink that promotes the tanning and the nourishment of the skin. The drink, which also carries the same name of the firm, is orange-carrot flavored, has zero calories, and contains betacarotene and other vitamins in large amounts, limiting the intake of the drink to 2 cans per day[2].

The product is sold in Portugal and is positioned in a premium segment with a recommended price of 1.90€ for each 250ml can and sold mainly in HoReCa channels (6000 points of sale), but also in supermarkets (750 points of sale) and gas stations (400 points of sale)[1]. The practiced price varies from €1.4 in supermarkets and €2.5 in bars[3].

Sunlover, S.A. has sold over 140.000 cans of the drink in over a month of market testing in 2011. In 2012, the company has sold over 500.000 cans. Sunlover's major costs arise mainly from marketing, since the company announced that it had invested in a campaign with an announced price of €1 million, spent in TV ads, outdoors, website, facebook, parties, surf championships and fashion events. The firm has not reached the break-even point yet and it expects an EBITDA of €-200.000 this year[1].

The product has been distinguished as the Product of the Year in 2012 by the Portuguese consumers[4] and its positioning as a lifestyle drink that is healthy and that takes care of the skin without being a pharmaceutical product can appeal to many consumers in countries where tanned skin is valued culturally. Due to the international interest in the drink, the company is negotiating its internationalization with partners around the world and it is already closing a distribution contract in Mexico[5].

2. Mission & Strategic Objectives

The company's **mission** statement is "to provide the functional beverages customer with drinks that have vitamins, antioxidants and minerals which help to hydrate and nourish the skin, positioned as self-image enhancement and fashionable products". Sunlover's **vision** is "to be the leading brand of nutricosmetic drinks in the world in 2017". Its **target** are women between 15 to 50 years old, who like to have a trendy lifestyle and value their body image and the **slogan** of the drink is "feel it on your skin"[2].

In terms of **strategic objectives**, the brand aims to: sell 500.000 cans in Portugal in 2012, which it has already accomplished; develop a new product with collagen and coenzyme Q10 in 2013, as well as to reach break-even in that same year; and internationalize to Spain, Italy, Brazil, and United Arab Emirates in the next two years[5].

3. Internal Scanning of the Company

3.1. Industry Map

The figure below shows Sunlover's relationships with other entities.

Figure 1 - Sunlover's Industry Map

Suppliers: Sunlover has two main suppliers: Inbesa and Rexam. Inbesa is a Spanish company that operates in the development and marketing of soft drinks and mineral water. It offers Sunlover its services in the production of the drink, as well as quality control, stock management and operational logistics[6]. Rexam is a British multinational consumer packaging company. It is the largest manufacturer of beverage cans in the world and it has around 70 plants in 25 countries, across Asia, Europe, North and South America[7]. It is one of the few manufacturers of slim cans, first used by Red Bull, which Sunlover chose to import from Rexam's factory in Germany.

Distributors: In the beginning, Sunlover worked with a small distributor, Solbel. Since June 2011, it is represented by Jerónimo Martins Distribuição, the largest national distributor, which places the product in Pingo Doce, Continente, Jumbo, Intermarché, E.Leclerc, Minipreço and El Corte Inglés[8]. For the HoReCa channel, Sunlover works with Unilever, using the Olá icecreams' sales team to sell one pack of 24 cans for €33.36. Sunlover also sells the product through facebook and had its own point of sales in the summer, in Masstige, Comporta Café and Nossolo Aqua.

Consulting: Sunlover has consulted with My Brand to develop the concept and design of the brand[9] and with IMCB consulting, to develop the technical guides of the drink[10].

Regulators: Health authorities, such as EFSA and FDA had to approve Sunlover's technical documents to insure the drink could be considered safe for consumption.

Investors: Sunlover belongs to Quantico holding company, whose board is formed by Carlos Vasconcellos, António Verças, Joaquim Lico, Graça Medina and Miguel Gomes.

Media: Sunlover has direct relationships with the media, through interviews and coverage of Sunlover's events. It also has indirect relationships with it through Nova Expressão S.A[5], a large ad agency belonging to one of Sunlover's shareholders.

3.2. Value Chain

In Porter's Value Chain model[11], the purpose is to identify what are the activities that create more value to the firm, its core competences. In figure 2, it can be seen that the primary activities of the firm are production, distribution and marketing & sales; while its secondary activities are firm infrastructure (finance and investor relations), human resources management (recruitment and compensation) and product development (by a biotechnology company). The outsourced activities are identified in light yellow.

Figure 2 - Sunlover's Value Chain

Regarding the firm's primary activities, the current strategy to outsource **production** to Rexam (€84/1.000 cans) and Inbesa, also outsourcing most of the **distribution** to JMD, which has a margin of 50% over the price of the sold product. The outsourcing to these companies is necessary once Sunlover does not have the resources to handle these activities on its own. However, this option creates an imbalance in power, once Sunlover is dependent on the expertise of their partners to achieve high quality standards and penetrate the Portuguese market, which can lead to a cost disadvantage. Given this, Sunlover is essentially a **marketing** company. Sunlover produces their own communication, by hiring a movie director for commercials, after having worked with Grey Group advertising agency in the past. The firm invests heavily in advertising in TV and outdoors; in their website and facebook page, which includes an online store; and in being present on fashion and sports events. This activity is a major cost driver, but is also a value driver, once marketing investment is necessary in order to increase brand awareness and build a good brand image within the consumers. Besides marketing, the secondary activity of **product development**, made by a company who belongs to one of Sunlover's shareholders, is also a value driver, once it creates innovation that allows the firm to have a differentiation advantage.

The margin created from this value chain is, at the moment, negative, which is not surprising given that the company is new and operates in an industry which requires heavy marketing expenses in order to build its position in the market. In order to become more efficient, the company could implement several changes, such as: shorten its supply chain, by producing the whole product in Spain and eliminating the cans' transportation costs from Germany; hire a sales team in order to increase their on-trade presence, reducing the dependency of the supermarket sales, where the distributor keeps most of the margin; focus the marketing communications on the healthy aspect of the drink to sell it in the winter; and implement customer service.

3.3. VRIO Analysis

According to the VRIO framework[12], the product presents all the characteristics of a sustained competitive advantage for the firm, since it is: **valuable**, because it represents the opportunity to explore a new niche market that is growing; **rare**, because there are no current products with the same characteristics; **costly to imitate**, because it is protected by the Industrial Property Code in Portugal as a trade secret[13], offering a broader protection than the patent, once it does not require the public disclosure of the formula and protects it without limitation in time[14]; **organized**, because the company has demonstrated its efficiency in penetrating the Portuguese market and coordinating its supply chain, where the retailer shares its sales information with Sunlover and its suppliers, in order to generate orders based upon projected customer demand.

4. External Scanning of the Domestic Market

4.1. PESTEL Analysis of Portugal

The following table presents a summary of the PESTEL Analysis contained in Appendix 1, presented in order to have a perspective of the macro-environment where the firm operates.

Political	Political instability. Incentives for innovation and internationalization by QREN[15].
Economic	Contraction of 3% in GDP and of 5.6% in purchasing power[16]. 15% unemployment[17]
Social	Health trend, tanning practice.
Technological	Development of biotechnology in Portugal, increase in internet usage.
Environmental	More concerns for firms to be environmentally friendly, Sunlover has no policy on this.
Legal	DL 560/99 of December, 18[18], DL 136/2003 of June, 28[19]. EFSA and FDA[20] approval.

Figure 3 – PESTEL Analysis summary

4.2. Analysis of the Portuguese Functional Drinks Market

The Portuguese consumers have bought 2025.9 million liters of soft drinks in 2010, at an estimated market value of € 1852.9 million. The compound annual growth rate of this sector between 2006 and 2010 was 0.6%. In Portugal, the main distribution channels for the soft drink market are the on-trade distribution (30.8%), supermarkets/hypermarkets (27%) and independent retailers (22.8%)[21]. Sunlover belongs to a segment of the soft drinks - functional drinks. These can be defined as non-alcoholic drinks that include ingredients that provide health benefits, including sports drinks, energy drinks, enhanced fruit drinks or waters[22]. The market of functional drinks in Portugal has generated €63.7 million in 2010 and had a CAGR of 3.3% between 2006 and 2010. However, in 2009 and 2010, this market has contracted by 3.4% and 1.7%, respectively. Despite this, functional drinks are expected to have a 3% CAGR between 2010 and 2015[23].

The major players of this market are Red Bull (13% of market share), Coca Cola (7.2% of market share and Nutrition & Santé (5% of the market share). Given this, the market is relatively fragmented, with 74.8% of the market being shared by smaller firms[23].

Within the functional drinks, the most lucrative segment in Portugal is the energy drinks, which account for 68.4% of the market's total value. The other two segments within functional drinks are sport drinks (12.6%) and nutraceutical drinks (19%)[23].

Nutraceutical drinks, a portmanteau between nutrition and pharmaceutical, designate drinks which have health benefits and represented a €12.1 million segment of the market in Portugal[23]. Inside the nutraceutical drinks, we can define the niche where Sunlover belongs: the nutricosmetic drinks. This is a new niche, also called "beauty from within", still in its infancy. These drinks have to compete with products with the same functionality, such as supplements, by offering convenience and cheaper prices.

4.3. Competitors

Using the function of tanning by ingesting a substance as a criterion to divide direct from indirect competitors, the following **direct competitors** have been defined: natural carrot juices; and tanning pills, such as Inneov Solar Sensibility (L'Oreal+Nestlé) or Oenobiol Solaire (Sanofi Pharmaceuticals). These products are sold in pharmacies, with prices of €22,45 and €28,95[24], respectively, for a package with 30 capsules.

Some **indirect competitors** were also identified and classified in four groups: lifestyle drinks, healthy drinks, functional waters and external tanning products. Lifestyle drinks are formed by energy drinks (Redbull and Burn) and relaxation drinks (Slow Cow). Redbull, the Portuguese market leader, is sold in bars and supermarkets (€1,48)[25] and Slow Cow, a product created by a small Canadian company, is sold in the internet (€2,29)[26]. Healthy drinks are enriched with vitamins and anti-oxidants, such as

MonaVie and Compal Vital. Monavie distributes its products using direct sales (€50 for 24 cans)[27] and Compal Vital is sold in supermarkets and coffee shops (€0,66 for 33 cl)[25]. Functional waters, such as Formas Luso and Ritmo Luso, are sold in supermarkets for €2,99 for each 4 pack of 0,5l bottles[25]. Finally, external tanning products, which include tanning oils and self-tanners, like Piz Buin (€15.39) and L'Oreal (€11.60)[28], are sold in beauty shops and pharmacies. This category also includes spray tanning in spas.

Sunlover has advantages over its direct competitors, since it has more types of vitamins and fewer calories than carrot drinks and more user friendly than pills. From the indirect competitors, the only one that provides the tanning function are external tanning products, to apply directly on the skin, which don't provide a natural result.

5. Criteria of Country Selection

As Portugal is a small country and the macroeconomic conditions are not favorable at the moment, the best scenario for Sunlover is to internationalize itself, once it will lead to acquiring more customers and increase sales. When considering the countries that are more promising to respond to Sunlover's value proposition of nourishing and tanning the skin, one has to consider where the sun tanning practice is valued (Appendix 5), which are mainly western countries. Between those countries, there is one which reunites the ideal conditions, Brazil, for several reasons.

Firstly, because it is an emerging economy, which is important once the analysis of the functional drinks market in Portugal suggested that this is a product whose demand might be affected by the recession, once the market retracted in 2009 and 2010[22]. Secondly, because Brazil has a large population, 190 million people, 80% of them living in the country's coast, within 200 km from the sea[29]. Thirdly, because of the size of its beauty market which is the third largest in the world, representing US$43 billion in cosmetics' sales during 2011[30]. For Brazilians, vanity does not have a negative connotation and body image is so valued that Brazil is the second largest market for plastic surgeries, with 1.592.106 surgical procedures performed in 2010[31]. Fourthly, because of the capacity of counteracting the seasonality of sales expected in Portugal, once Portugal and Brazil have summers in opposite times during the year. Fifthly, because it can provide an open door to Mercosur, once setting the operations in Brazil will eliminate barriers to internationalize to the rest of Latin America. Lastly, Brazil is culturally linked with Portugal, so the psychic and cultural distance is lower.

6. Analysis of Brazil

Brazil is the sixth largest economy in the world, with a GDP of US $2,493 trillion[32]. In 2010, GDP growth reached 7.5%, the highest growth rate in the past 25 years, which has decreased to 2.7%, in 2011[33]. The inflation for 2011 was 6.5%[34] and the unemployment rate was 6%. Brazil is regarded as the engine that leads South American trade and as the leading democracy in South America[33]. Brazil is a member of several economic organizations, such as Mercosur, G20 and WTO; and the TRIPS agreement on intellectual property rights[35]. It also has a Double Taxation Agreement with Portugal. Despite being Latin America's largest country and also having the largest population, over 190 million inhabitants, these are mainly concentrated along the Atlantic coast, with the two largest cities, São Paulo and Rio de Janeiro, accounting for 17% of the national population[27]. The median age of the population is 29.6 years old[32]. The results of the last census, conducted in 2010, indicated 47.7% of the Brazilians are white[36], thus indicating that at least 91 million people may be receptive to the concept of Sunlover.

Brazil is characterized by a population with increasing purchasing power. In 2011, the majority of the population (55% in C Class) belonged to the middle class, which represents a major shift from 2003, when this class only represented 37.6% of the population. The rest of the population is considered wealthy (11.8% in A and B classes) and there was still a large group who lived in poverty (33.2% in D and E classes) [37]. As incomes have increased, the consumption of food has raised among all income groups. Brazilian consumer interest in the relationship between diet and health has increased the demand for information about functional foods[33].

Despite being an attractive country due to all reasons described above, Brazil also has its problems for foreign investors. First of all, it is protectionist nation, which has high import taxes, which vary between product categories. Also, investing in Brazil involves a country risk (OECD classes Brazil as 3 in a 0-7 scale) [38] and currency risk (given the Real has fluctuated significantly against the dollar). At the moment of this study, the exchange rate is US$ 1 = R$ 2.03[39].

Regarding the laws of the country with respect to the industry in analysis, ANVISA[40] is the agency responsible for food safety. There are three laws that Sunlover should take into account: labeling on packaged foods – ANVISA resolution nº 136/06; authorized additives and its quantities on non-alcoholic drinks – ANVISA resolution nº 5 of 15/01/2007; registry of functional foods – ANVISA resolution 18/99 and 19/99.

7. Analysis of the Brazilian Functional Drinks Market

Brazil is the fourth largest market of soft drinks in the world, after the USA, China and Mexico[41]. The Brazilian consumers have bought 23420.5 million liters of soft drinks in 2010, at an estimated market value of €21642.5 million[42]. The compound annual growth rate of this sector between 2006 and 2010 was 5.1%. In Brazil, the main distribution channels for the soft drink market are independent retailers (30.5%), on-trade distribution (27.6%) and supermarkets/hypermarkets (19.9%)[42]. In terms of market share, Coca-cola is the leader, with 45.7%, followed by PepsiCo (17.9%) and Ambev (12.9%)[37]. The flavour which dominates this market is cola (51%), followed by guaraná (24.5%), orange (10.8%) and lemon (5.9%)[43]. The regions which consumes more non-alcoholic drinks per capita are Rio de Janeiro (306.10 l per capita/year) and São Paulo (301.19 l per capita/year)[44]. Rio de Janeiro also leads as the region which consumes more still drinks, ice tea, guaraná, coconut water, energy and sports drinks, while São Paulo leads in the consumption of carbonated drinks, bottled water, powder juices, nectars and concentrated juices[44].

The functional drinks make up 3% of the market in Brazil[42]. This segment represents 3% of the total soft drinks market[42] and had a CAGR of 20.6% between 2004 and 2009[45]. The leading player is PepsiCo[45]. Within the functional drinks, energy drinks lead, with a share of 58.3%[45], headed by Redbull (49.6%), Burn (11.7%) and Flash Power (4.8%)[46]. In 2010, energy drinks were the fastest growing category in Brazil, with 33% growth in value[46]. Euromonitor predicts that multinational manufacturers will start to invest more in the country to offset the slowdown in other markets, once Brazil could be one of the top five markets worldwide for energy drinks[46].

Regarding nutricosmetics in Brazil, there are good perspectives for this market, once 79% of Brazilian consumers agree with the statement "I am conscious of the link between diet and appearance", when compared to 66% in the USA[47] and also that nearly two-thirds of Brazilians find the concept of nutricosmetic products appealing, when compared to just over one-third in Europe[48].

8. Competitors

The direct competitors identified in the Portuguese market, like carrot drinks and tanning pills are the same in this market. However, the number of indirect competitors in Brazil is much higher because, besides the existence of healthy, isotonic and energy drinks, there are also: beauty drinks, such as Beauty'in Drink - a flavored water with vitamins and without preservatives, with 8 flavors, in a 340 ml bottle sold for R$7 in drugstores and in online stores – whose company is owned in 40% by Brazil Pharma[49]; functional juices, such as Juxx, a small entrepreneurial firm that produces a line of functional juices based on the cranberry fruit, with anti-oxidants and properties that prevent urinary tract infection, sold in cans of 248 ml for R$3,99, in supermarkets[50]; functional waters, such as H2OH! (from Pepsi), a flavored water sold in 500ml bottles, in supermarkets, for R$2,13[50] and which became leader in the diet soft drinks category in less than 7 months over its launch[51]; guaraná soft drinks, such as Antarctica - a brand of Ambev, one of the biggest beer and soft drinks companies operating in Brazil - sold mainly in supermarkets for R$1,49 for each 350 ml can[50]; coconut water, sold in beaches in its natural form, or sold in supermarkets, in packages, like Ducoco 330ml, for R$3,15[50]; and natural juices, sold in bars and beaches.

9. Porter's Five Forces in Brazil

The Porter Five Forces is a technique to analyze the attractiveness of an industry[52]. The **threat of new entrants** for the industry is moderate, once the functional drinks market is growing and it allows premium prices, so it is attractive for new entrants; although, for smaller companies, there are barriers to entry such as a high investment in advertising and innovation, difficult access to suppliers and distributors and lack of economies of scale, so the new entrant is likely to be a soft drinks firm. The **threat of substitutes** for the industry is high, once the number of competitors in the market is high, there are no switching costs and consumers search for lower price alternatives. The **bargaining power of buyers** for the industry is medium, once the number of retailers is high, considering the importance of independent retailers in Brazil, although they can switch brands at zero cost. This point is a major difference from Portugal, where this power is high, once here are fewer retailers. In the case of Sunlover in Portugal, this was exacerbated by the dependence of one large buyer (JMD). The **bargaining power of suppliers** for the industry is low, once there is: a large number of suppliers for cans and ingredients, who provide mainly commodities; a low cost of switching to alternative sources; and no possibility for forward integration. This is the same in Portugal, industry wise. However, in the case of Sunlover, this power is high, once the firm relies in two suppliers who control the whole production. Finally, the **intensity of competitive rivalry** of the industry is moderate/high, once that, although the functional drink market is relatively fragmented, we have to consider that the existence of other competitors, ranging from Coca-Cola to pharmaceutical companies. Other factors that contribute to this scenario are high fixed costs and exit barriers.

10. SWOT Analysis for Brazil

The main **strengths** of the company are the same found in the Portuguese market (seen in Appendix 2), such as having created an innovative drink, protected by trade secret; and investing strongly in marketing. The exceptions are the partnerships with distributors and the shareholder's networks, which cannot be used in Brazil. The **weaknesses** remain the same as well, once Sunlover only has a seasonal product, with lack of brand awareness. The firm can explore **opportunities** in Brazil, such as: being a first mover in the nutraceutical drinks industry in Brazil, establishing partnerships with local producers and distributors, and selling to a large coastal population who like to be tanned and who praise vanity. As **threats**, there is the risk of new market entrants, once the market has grown at a 20.6% rate[45]; and the risk of economy cooling down.

11. Entry in Brazil

Sunlover's objective in Brazil is market development, once this country offers size and growth opportunities[53]. The timing of the entry is dependent on the window of opportunity and the risk that the company accepts to take[44]. The company's lack of resources is a barrier to internationalization, but there are advantages of being a first-mover: pre-empt resources (location, suppliers, distribution, contacts), establish the brand and learn about customers[53]. Despite this, Sunlover should also consider the disadvantages of being a first mover, such as taking risks due to the market immaturity, product being unfitted and the lack of infrastructure[53].

Rio de Janeiro (RJ) should be the first **entry point**, followed by São Paulo (SP). As seen in the analysis of the market, RJ and SP are the states with the most consumption of soft drinks[44]. RJ is a state with a similar size of population to Portugal (16 million), in which the population density is higher, with 365 inhabitants per km^2,[54] compared to 115 in Portugal.[55] The city of Rio de Janeiro is also the southern hemisphere's most visited city and will receive the World Cup in 2014 and the Olympics in 2016[56].

12. Modes of Entry and Implementation Plan

Regarding the choice of an entry mode, it will depend on two dimensions: the ownership and investment intensity[53]. Due to the high investment required for Sunlover to have full ownership of operations in Brazil, entering the market through a wholly owned subsidiary is not feasible, once the company lacks financial resources and knowledge of the market. There are three entry modes that Sunlover can choose from, depending on balancing risk with opportunity: exporting, licensing and strategic alliances, which will be studied using the 4M model, starting with the memo (figure 4).

	Objectives	Measurement	Target	Initiative
Financial	Increase sales	Sales volume	Over 3 million cans in 2015	Use the marketing and distribution network of the chosen partner
Customer	Create awareness and loyalty	Customer surveys and repeat purchases	80% awareness and 50% repeat purchases in 3 years	Advertising, PR, events, social networks and sampling
Internal	Increase staff, focus on product development	Number of employees, number of products developed	Hire one employee and develop one new flavor until 2015	Recruitment, investment in R&D
Learning	Understand the local market and contingencies	Sales segmentation, consumer receptiveness	Take over the marketing and sales role in case it is necessary	Implement a sales management software

Figure 4 – Memo

12.1. Direct Exporting

Under direct exporting, the firm sets up its own exporting department and sells its products via a middleman located in the foreign market[57]. This is the most direct way to enter a country, while retaining full ownership. However, there are disadvantages to this mode of entry, because it is risky for a company who has no exporting experience and no knowledge of the market. In the case of Brazil, a major disadvantage is the existence of trade barriers in the form of high import taxes.

12.1.1. Minutes

Sunlover should start to prepare its internationalization as soon as possible. In order to achieve this, the company should engage in contacts and prepare a business trip in the first quarter of 2013, where it can visit the Vitafoods[58] trade fair in the 26th and 27th of March to meet suppliers, manufacturers and distributors of the nutraceutical industry. This visit to Brazil should accomplish two more objectives: registering the brand and hiring a local lawyer. After the contracts are signed in a second business trip in the 3rd quarter of 2013, the mode of entry takes relevance.

Once exporting is one of the quickest modes of entry, recruiting should be done right away, while promotion and distribution should start in the following quarter. In the following two years, two business trips per year are scheduled to supervise the process of exporting/licensing and solve possible problems that may arise (see appendix 6 for the timeline comparison between entry modes).

12.1.2. Men

As a first step, Sunlover should use its current staff in Portugal to take care of the first steps of the internationalization to Brazil, such as establishing the first contacts in the country, visiting sales representatives and registering the brand through Brazilian INPI. Sunlover should also hire a lawyer in Brazil, under a time retainer contract, to draft the contracts to be signed between Sunlover and a local partner for distribution. After that, Sunlover should hire a new account manager to manage the Brazilian sales.

12.1.3. Money

The figure below represents the forecasted revenues and costs of exporting.

	2013	2014	2015
	Rio (4Q)	Rio	Rio + S.Paulo
Revenues	219.497 €	1.003.416 €	4.033.826 €
Total costs	228.399 €	990.751 €	3.886.570 €
EBITDA	-8.901 €	12.665 €	147.256 €

Figure 5 – Summary of the forecasted revenues and costs of exporting seen in Appendix 7

In exporting, we have to consider major costs that increase Sunlover's Cost of Goods Sold – insurance (1%), transportation (2.4%) and several import taxes (Import Duty of 14%, ICMS of 18%, COFINS of 7.60%, PIS of 1.65%)[59] – which increases the landed cost of products in 54.57%. Additional costs necessary to market the product include 15% for distribution and for 35% promotion. Besides this, it is necessary to account for the cost of trips and accommodation (€2000 for each round-trip ticket[60] and €1000 per week of accommodation in a 4 star hotel[61]), the brand registry (€500[62]), lawyer's time retainer contract (€700 per month[63]) and the sales manager salary (€1250 per month). This mode of entry is not attractive due to the tax burden.

12.2. Licensing

Licensing is a contract where the firm offers some proprietary assets (formula) to a foreign company in exchange of royalty fees[57]. This can be a profitable means to enter the market, quickly expanding without much risk, not requiring a large capital investment and avoiding import barriers[57]. However, there are disadvantages to this mode of entry, because there is a risk of obtaining a lower income than in other entry modes, to lose control of the production and marketing of the licensee, to risk the trade secret and to have the partner become a competitor later[57].

12.2.1. Minutes

The entry to Brazil through licensing will occur in the same timeframe as exporting.

12.2.2. Men

The human resources required will be the same as exporting.

12.2.3. Money

The figure below represents the forecasted revenues and costs of licensing.

	2013	2014	2015
	Rio (4Q)	Rio+S.Paulo	All coastal areas
Revenues	€ 20.150	€ 329.158	€ 982.609
Total costs	€ 18.650	€ 31.900	€ 31.900
EBITDA	€ 1.500	€ 297.258	€ 950.709

Figure 6 – Summary of the forecasted revenues and costs of licensing seen in Appendix 7

In licensing, an experienced company in the sector of soft drinks will control the product introduction in the Brazilian market. Therefore, the coverage of the Brazilian territory will be quicker, when compared to exporting. There will also be lower costs for

Sunlover, since this company will only have to take into account the costs such as: trips and accommodation, brand registration, lawyers' time retainer and the account manager salary. However, the revenues are restricted to only 10% of revenues paid in royalties. Despite this setback, this mode of entry is still a better option than exporting, leading to an EBITDA of €950.709 in 2015, when all the coast of Brazil sells the product.

12.3. Strategic Alliance

A strategic alliance can be described as a coalition of two or more organizations to achieve strategically significant goals that are mutually beneficial[57]. This mode of entry could suit Sunlover, once it could join forces with an established company who could have a minority stake in the equity, helping Sunlover with local market expertise, financial resources and access to suppliers and distribution. Sunlover could contribute to this partnership with its marketing expertise and product development knowledge in the area of nutricosmetics. The ideal partner would be a small firm with a good fit with Sunlover. However, there are also disadvantages to this mode of entry, once it is riskier than licensing and there is a greater potential for conflicts with the partner.

12.3.1. Minutes

The entry with a strategic alliance will start later than in the other entry modes, once Sunlover is not yet financially stable and it needs to assess if its 2013 results achieve the break-even, before starting to invest in Brazil. In the first quarter of 2014, Sunlover will recruit its marketing & sales team and to find an office to install them, in order for the promotion and distribution of the product to start in the following quarter.

12.3.2. Men

Even though Sunlover will rely on the resources of the partner in terms of production, distribution and sales force, more human resources will be necessary, such as two managers (one of them Brazilian) in 2014 and two sales people in 2015.

12.3.3. Money

The figure below represents the forecasted revenues and costs of a strategic alliance.

	2013	2014	2015
	Rio (4Q)	Rio	Rio + S.Paulo
Revenues	€ 0	€ 604.492	€ 3.291.582
Costs	€ 14.900	€ 558.140	€ 2.650.986
EBITDA (70%)	€-14.900	€ 32.446	€ 448.417

Figure 7 – Summary of the forecasted revenues and costs of a strategic alliance seen in Appendix 7

In the strategic alliance with a minority partner, the entry of Sunlover will be delayed regarding the two other modes of entry, once Sunlover needs to have more financial stability in Portugal before investing in Brazil. The partnership with an experienced company in the sector of soft drinks, will provide benefits such as efficiency gains, reducing the cost per can in 3 cents and the cost of distribution in 1%. However, Sunlover has to be present in the country and have additional costs with an office rent of €1900 per month for a 50m^2 space in Barra da Tijuca[64] and salary of two managers (€1250 per month) plus the apartment rent for the expatriate. In 2015, the cost with salaries will increase due to the recruitment of two new sales people (€900 per month). This mode of entry has a slower penetration of the market and is riskier than licensing, but it will achieve better results in the long term, once the EBITDA for Sunlover in RJ and SP is €297.258 in licensing and €448.417 in the strategic alliance with 70% stake.

	Minutes	Men	Money
Exporting	Sales start in the 4Q of 2013	1 account manager 1 lawyer	€147.256 in 2015
Licensing	Sales start in the 4Q of 2013	1 account manager 1 lawyer	€950.709 in 2015
Strategic Alliance (Sunlover 70% stake)	Sales start in the 2Q of 2014	2 managers, 2 sales people, 1 lawyer	€448.417 in 2015

Figure 8 – Comparison of the three entry modes

After analyzing the three options available, I recommend Sunlover to choose licensing as a mode of entry to Brazil, as this solution is the quickest, less risky and which provides the best return in the short term. The licensing contract should last for three years and include an option for the partner to buy a stake in the company, allowing Sunlover to switch mode to strategic alliance in the end of the contract. This change of mode will increase revenues for Sunlover and the purchase of part of the company by the partner will bring an additional inflow of cash.

13. Partners

There are several partners from whom Sunlover can choose from, such as Grupo Thoquino, Ambev and Juxx. Grupo Thoquino is a family owned company which is a manufacturer and distributor of drinks, ISO 9001 and ISO 14000 certified[65], founded in 1906 in Rio de Janeiro. The group had revenues of R$120 million in 2007[66]. It produces mainly traditional alcoholic beverages, such as Conhaque de Alcatrão, but it also has launched products for younger targets, like Vodka Kovak and Voltage energy drink. The company also distributes products for other companies: 220 Volts energy drink, Brasilberg and Underberg[66]. This firm is advantageous because it is vertically integrated[53], reuniting both the production and distribution. Sunlover's expertise in innovation and marketing would still be used, once they complement Thoquino's capabilities. As disadvantages, this firm would have a high bargaining power and Sunlover would have to work with more distributors, once Thoquino does not cover the biggest retailers in Brazil. Another issue lies in the fact that Sunlover, a healthy drink, may not want to be associated with an alcoholic drinks manufacturer.

Ambev is a publicly traded company, formed by the merger of two breweries, Brahma and Antarctica, in 2000. The company had revenues of US$15.2 billion in 2011. It is the biggest brewery in Latin America and the fifth in the world, operating in 16 countries (Latin America and Canada)[67]. Besides beer, it produces soft drinks like Guaraná Antarctica and Fusion Energy Drink, besides representing Lipton and PepsiCo (Pepsi, H2OH and Gatorade)[68]. Sunlover fits within Ambev's product range, once it already operates in the functional drinks segment with its energy drink, but not in the nutraceutical segment. This entry would be managed by one of the largest firms in this industry in Brazil, which means that their expertise could mean a quick, low risk entry in the market and high growth in sales. This partner would also facilitate further expansion into Latin America. As a disadvantage, Ambev would have all the control of the operations and Sunlover returns would be diminished.

Juxx is a private company of functional juices, founded in 2006 in São Paulo. It had revenues of R$ 6 million in 2010 and expected revenues R$ 13.2 million in 2011[69]. Its production is outsourced to Beba Brasil factory and its distribution is also outsourced to 20 different distributors[69]. It invested R$ 1.5 million in marketing[69] and has nationwide distribution, including the largest retailers in Brazil, such as Pão de Açúcar and Walmart. This firm would be a good choice because: both companies could benefit from economies of scale; Juxx has the same focus of Sunlover (innovation, healthy products, marketing) and it invests 6% of its revenues in research and development[70]; the company's location in São Paulo is useful for the entry of Sunlover in Brazil; Juxx has experience in coordinating a large network of distributors; the company already has some accreditations, such as National Association of Diabetics, the Brazilian Society of Urology and Kosher certification[71], so it could be easier to Sunlover to access these certifications or others; Juxx is a small company to which Sunlover would not lose completely the control of the product, due to lack of power; and, nonetheless it is small, it already has some financial resources that guarantee its sustainability to Sunlover. A disadvantage of this firm is it uses the same configuration of the supply chain as Sunlover with all stages of production and distribution outsourced with the exception of marketing, so there is a risk of more people knowing the trade secret of Sunlover. Sunlover may also provide synergies to Juxx, once it has a complementary product and more innovative - the nutricosmetic side of healthy drinks - and may provide an entry point to Europe, through Portugal. This firm is a good partner due to the strategic fit with Sunlover, sharing the same long-term objectives; and due to their organizational fit, being two small entrepreneurial firms who conduct their operations similarly.

	Advantages	Disadvantages
Thoquino	-Location in Rio -Producer and distributor -Partner of 3 distribution agreements, with 220V, Underberg and Brasilberg	-Does not control the placement in the biggest supermarkets -Producer of traditional alcoholic drinks -Outdated marketing communications
Ambev	-One of the largest players in Brazil -Producer and distributor -Licensing agreements with Pepsi, Gatorade & Lipton -Presence in 16 countries	-Control of the product by Sunlover is lost -Returns are diminished, due to the bargaining power of this giant firm -The product will be just one more on Ambev's portfolio
Juxx	-Economies of scale -Strategic and organizational fit -Focus on health and accreditations -Control of distribution network	-Outsources production and distribution -New firm, not consolidated in the market -Different type of promotion from Sunlover, Juxx focuses on medical congresses

Figure 9 – Comparison of the three potential partners

Of the three partners analyzed, the best partner for a licensing agreement is Ambev, once this company is an expert in marketing and distribution in this market and once it operates in more Latin American countries, facilitating a future expansion.

14. Marketing Guidelines

Regarding the **Marketing Strategy** for Brasil, the target for Sunlover should be focused on a younger population (15-35), given the differences on the median age of Brazil (29.6 years)[32] and Portugal (40.4 years)[72]. Regarding the **Marketing-Mix**, it is necessary to define the 4P's: product, price, promotion and placement. The **product** can be sold using a product standardization approach, once orange is the third most consumed flavor in this country[43]. This is in line with the results of the survey presented in Appendix 8, where the orange flavor was picked 35 times. The same survey revealed that 78% of the respondents would be interested in buying the product and 67% of them would be interested in the new product that Sunlover is developing (81% when considering just female respondents). This standardization approach allows for simplicity in the process and costs savings, since only minimum changes would be required, such as adapting the language of the labels to Brazilian Portuguese. Later on, if the product proves successful, more flavors can be developed, such as passion fruit (picked 23 times in the survey). The **price** should be a point of parity with Red Bull, as it is in Portugal, in order to maintain the premium pricing. Red Bull costs between R$5.49 off-trade (Pão de Açúcar)[50] and R$10.5 on-trade. However, considering that Burn costs R$3.99 in Brasil[50], this represents a difference in price that is twice the value of the one found in the Portuguese market (€0.22)[25], which maybe explained due to the Red Bull production being centralized in Austria and exported to the rest of the world. Therefore I suggested that the price would be set at R$5 (€1.90) off-trade. The results of the survey show that the majority of the respondents (53%) said that they would be willing to pay over R$4. However, as Sunlover will be produced in Brazil, there is a margin for the price to be adjusted to the market conditions, if necessary. The **promotion** is a fundamental step in this product. Redbull, in its early days, spent 65% of their revenues in marketing and it still spends 30% since 2005[73]. Sunlover should focus on targeting trendy clubs and beach bars to promote sunset parties (most voted by the survey respondents) and promote cocktails of the drink, acknowledging it as a mixer, to gain influencers of the brand. Other events promoted by the brand already done in Portugal should be continued, such as surf championships (like Billabong Rio Pro) and Vogue fashion night out. Also, there are events like beach football that can captivate the male audience, which should not be disregarded. Sunlover should also invest in sampling in the points of sale, once it increases the likelihood of brand recognition in addition to increased sales, once a study conducted by Arbitron revealed that one-third of consumers that sampled a product bought it in the same day[74]. The brand should also invest in certifications from the Brazilian Society of Dermatology and Brazilian Society of Functional Foods, to improve its credibility regarding functionality. Regarding Public Relations, Sunlover can get free press from interviews in TV and newspapers online and it should also update their website and facebook page to support Portuguese Brazilian as a way to connect with the consumers. Later on, if Sunlover is successful, there should be an investment in TV advertising and product placement in Globo, gathering the support of celebrities. TV advertising in Brazil has one advantage: it can be segmented by state, so the prices are more affordable. For example, a 30 seconds ad in Malhação costs R$13.122 in the Rio de Janeiro state and R$97.400 nationwide[75]. The **placement** of Sunlover should be mainly focused on independent retailers and on-trade distribution, since they represent the majority of the sales in Brazil[42]. Therefore, clubs, beach bars, restaurants and independent retailers should be the primary focus for sales. Additionally, for visibility purposes, it is important to sell it at the three largest hypermarkets of Brazil: Pão de Açúcar, Carrefour and Walmart.

15. Conclusion

Considering the Brazil's characteristics – the third largest beauty market in the world[30] and the fourth largest soft drinks market in the world[41]; 190 million people[27], mainly concentrated along the coast[29]; the economic growth of the country and rise of its middle class, it seems like an excellent option for the internationalization of Sunlover. Sunlover can establish itself in this market for a residual cost – 18.650€ - and attract a partner to reach a licensing agreement, such as Ambev, which is present in 16 countries, has a large experience in marketing in Brazil and is both a producer and a distributor, minimizing the risk of entry and potentially earning 950.709€ in 2015. At this time, Sunlover should have a good coverage of the coastal areas and knowledge of the market through the information provided from its partner, so it could turn the licensing agreement into a strategic alliance by proposing to the partner an acquisition of a stake in the company; or it can maintain the agreement and start expanding to the neighboring countries. The time is ripe for Sunlover to enter Brazil and establish its new category there, benefitting of a first-mover advantage. A delayed entry might allow the establishment of competitors in this new segment of drinks – nutricosmetic – which bring beauty from within.

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Glossary

ANVISA – Agência Nacional de Vigilância Sanitária

CAGR – Compound Annual Growth Rate

COFINS – Contribuição para o Financiamento da Seguridade Social

COMPETE – Programa Operacional Factores de Competitividade

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization

EFSA – European Food Safety Authority

EU – European Union

FDA – Food and Drug Administration

GDP – Gross Domestic Product

HoReCa – Hotels, Restaurants and Cafés

ICMS – Imposto sobre Circulação de Mercadorias e Serviços

IMF – International Monetary Fund

INPI - Instituto Nacional da Propriedade Industrial

JMD – Jerónimo Martins Distribuição

RJ – Rio de Janeiro

SP – São Paulo

OECD – Organization for Economic Cooperation and Development

PIS – Programa de Integração Social

Q – Quarter

QREN – Quadro de Referência Estratégico Nacional

TRIPS Agreement – Trade Related aspects of Intellectual Property Rights Agreement

VAT – Value Added Tax

APPENDICES

Appendix 1 - PESTEL Analysis for Portugal

Political context: The political context of Portugal in 2012 is characterized by political instability, due to the austerity measures applied to control the public debt. Despite this, there are opportunities for SME through COMPETE program, a part of QREN that has incentives for innovation and internationalization of companies[15].

Economic context: The Portuguese economy is characterized by being in a recession and receiving financial assistance from EU and IMF. Banco de Portugal estimates a contraction of 3% in GDP and of 5.6% in purchasing power[16]. Furthermore, there is a high level of unemployment (15%)[17] and great uncertainty regarding the stability of the tax rates, when VAT is already standing at 23% for products like Sunlover.

Social context: The health and wellness trend is present in Portugal and is revealed through the increase in products which use natural ingredients or are fortified with vitamins. Also, Portuguese people like to be tanned in the summer.

Technological context: Advances in biotechnology knowledge allowed the development of the innovative formula of Sunlover in Portugal. Also, the increase of internet access in Portuguese households benefits the brand by maintaining a close relationship with its customers through social networks and by creating a possibility to sell directly to them through Sunlover's online store.

Environmental context: In today's culture it is very important for organizations to be seen as environmentally friendly and ethical with the manufacturing, due to the effect on global warming. Sunlover does not have any environmental responsibility program and, although its cans are totally recyclable, it has an impact on the environment in what concerns the transportation of the cans, made by truck over large distances.

Legal context: All food and beverages are under the supervision of the Ministry of Agriculture and are regulated by Decree-Law 560/99 of December, 18[18]. Functional beverages belong to the category of dietary supplements and are regulated by the Decree-Law 136/2003 of June, 28[19]. Drinks which claim health benefits like Sunlover also have to be authorized by the European Food Safety Autority. Sunlover is also approved by the FDA in the USA. The requests made to these regulators consist on submitting of documentation containing the laboratory results of tests conducted by the company, the regulators do not test the product itself[20].

Appendix 2 - SWOT Analysis for Portugal

Strenghts

- Attractive design of the can
- Zero calories vitamined drink for tanning
- Formula is a trade secret
- Strong investment in marketing
- Shareholder's networks
- Partnerships with suppliers and distributors

Weaknesses

- No distinctive taste
- Credibility problems
- Lack of brand awareness
- Seasonality of the product
- Size of the company
- Single product company

Opportunities

- Nutraceutical drinks market growth
- Beauty and Healthy trend in consumer goods
- Emerging markets (BRIC) economic growth
- First mover in a new drink category
- Emergence of new flavor profiles like Açai
- Cultural value of tanned skin on western countries

Threats

- Contraction of the portuguese market for functional drinks
- Recession in Portugal and most EU countries
- Entrance of new competitors in the market
- Shortened product life cycles, requiring faster innovation

Appendix 3 - TOWS Analysis for Portugal

S-O Strategies

- Use the current suppliers and distributors to expand to EU, USA and Brazil
- Use the company's know-how to develop product line on healthy drinks
- Increase marketing capabilities to the upscale market

W-O Strategies

- Improve the flavor profile and develop new flavors
- Educate the consumer about the health benefits of the drink through marketing
- Enter a market which counteracts the seasonality of the product

S-T Strategies

- Use marketing to differentiate the product from competitors in the drinks market
- Engage in promotions within the portuguese market, especially in the winter

W-T Strategies

- Internationalize the company to growing countries
- Increase brand awareness and brand image to defend the product drom other entrants
- Sell the company to an MNC

Appendix 4 - Porter Five forces – Functional Drinks Industry in Portugal

Threat of New Entrants: Moderate		
Factor	**Notes**	**Impact on Entrance**
Investment cost	High capital requirements	Low
Economies of scale	Lower unit costs make it difficult for smaller newcomers to break into the market	Low
Access to suppliers and distribution channels	Difficult for newcomers to access, unless they are already in the soft drinks industry	Moderate
Industry profitability	Premium prices are practiced	High

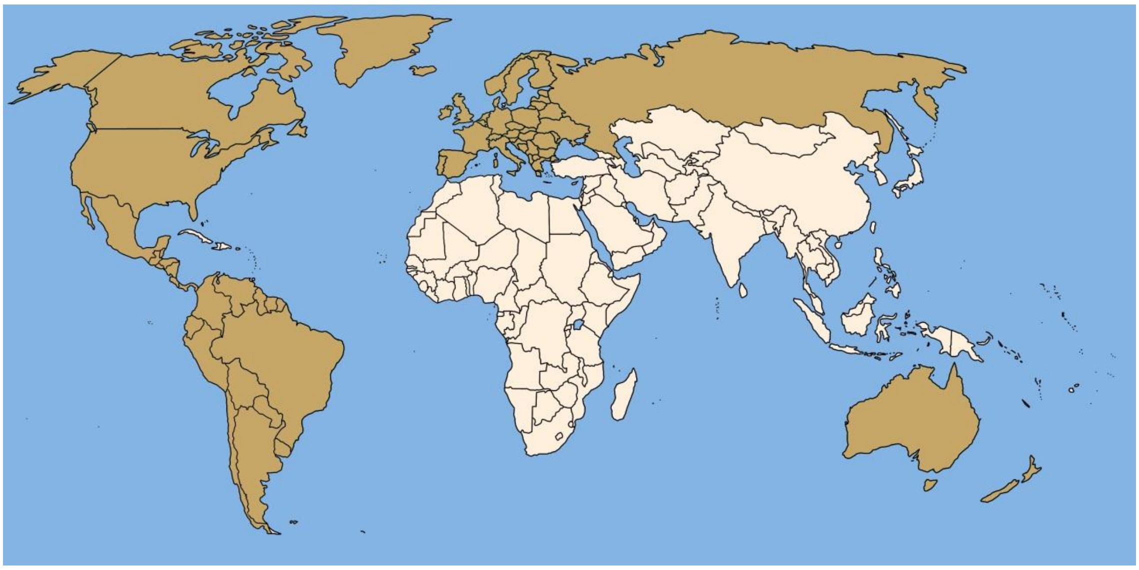
Threat of Substitute Products: High		
Factor	**Notes**	**Impact on the Threat**
Number of substitutes	High	High
Buyer switching costs	Each customer can replace the drink at zero cost.	High
Product differentiation (including branding)	Large differences in product characteristics and advertising	Low
Price sensitivity	Although it is a premium segment, buyers seek the best price	High

Bargaining power of buyers: High		
Factor	**Notes**	**Impact on buyers' power**
Number of buyers	Low, consisting mainly of supermarkets and HoReCa channel	High
Buyer switching costs	Each buyer can replace the drink at zero cost.	High
Price sensitivity	Although it is a premium segment, customers seek the best price	High
Potential for backward integration	Supermarkets can launch their own functional drinks	High

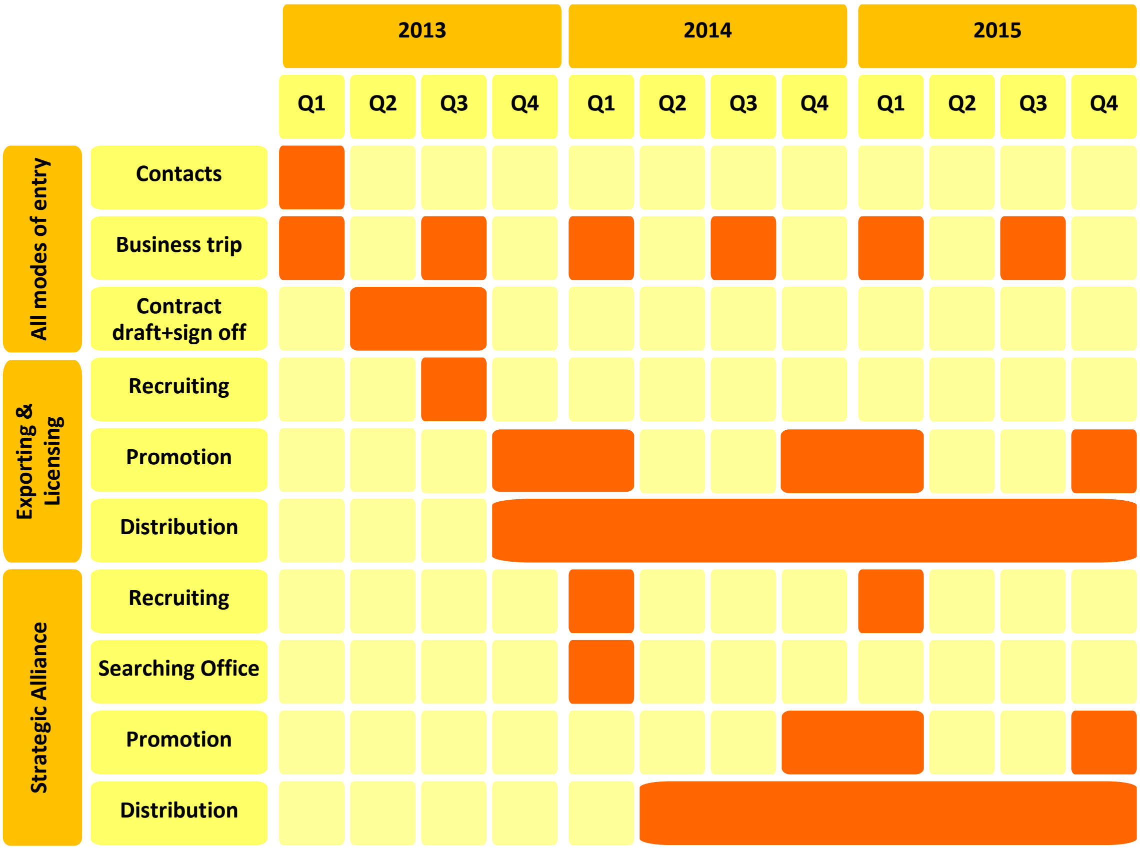
Bargaining power of suppliers: Low		
Factor	**Notes**	**Impact on suppliers' power**
Uniqueness of the input supplied	Commodities	Low
Number and size of the suppliers	High	Low
Cost of switching for alternative sources	Low	Low
Potential for forward integration	No	Low

Intensity of Competitive Rivalry: Moderate/High		
Factor	**Notes**	**Impact on Rivalry**
Number of competitors	Relatively fragmented industry. Still, the bigger players signal the price.	Moderate/High
Rate of industry growth	Growing at 6% CAGR from 2006 to 2010	Low
Product differentiation (including branding)	Large differences in product characteristics and advertising	Low
Cost structure	High fixed costs, profits are dependent on volume	High
Exit barriers	Depending on the degree of outsourcing of the supply chain	High

Appendix 5 – Countries where the tanned skin is valued



Appendix 6 – Comparison of the Implementation Schedule of the three entry modes



Timetable of the internationalization of Sunlover

Appendix 7 – Comparison of the Revenues and Costs of the three entry modes

Sales were calculated by segmenting the population under the following criteria: population of the state or coastal population of Brazil (80%)[29]; 47.7% of white people[36]; 35% of people between 15 and 34 years old[76], 66.8% of people belonging to A, B, C social classes[37]; interest in nutricosmetic for two thirds of the population[48]; and buying rate of 70%, growing 10% per year. The revenues are based on a retail price of 1.90€ per can (adjusted to exclude ICMS tax), in which the retailer keeps 40% of the margin, for exporting and the strategic alliance. In the case of licensing, 10% of that value was considered, as payment in royalties.

	2013	2014	2015
	Rio (4Q)	**Rio**	**Rio + S.Paulo**
Sales (nº of cans)	208.567	953.450	3.832.961
Revenues	€ 219.497	€ 1.003.416	€ 4.033.826
COGS	€ 62.570	€ 286.035	€ 1.149.888
Insurance +shipping	€ 2.127 €	€ 9.725	€ 39.096
Import taxes	€ 35.302	€ 161.382	€ 648.773
Distributor	€ 32.925	€ 150.512	€ 605.074
Promotion	€ 76.824	€ 351.196	€ 1.411.839
Trips+Accomodation	€ 6.000	€ 6.000	€ 6.000
Brand registry	€ 500	-	-
Lawyers	€ 8.400	€ 8.400	€ 8.400
Account manager	€ 3.750	€ 17.500	€ 17.500
Total costs	€ 228.399	€ 990.751	€ 3.886.570
EBITDA	€ -8.901	€ 12.665	€ 147.256

Forecasted revenues and costs of exporting

	2013	2014	2015
	Rio (4Q)	**Rio+S.Paulo**	**All coastal areas**
Sales (nº of cans)	208.567	3.407.076	10.170.861
Revenues	€ 20.150	€ 329.158	€ 982.609
Trips+Accomodation	€ 6.000	€ 6.000	€ 6.000
Brand registry	€ 500	-	-
Lawyers	€ 8.400	€ 8.400	€ 8.400
Account manager	€ 3.750	€ 17.500	€ 17.500
Total costs	€ 18.650	€ 31.900	€ 31.900
EBITDA	€ 1.500	€ 297.258	€ 950.709

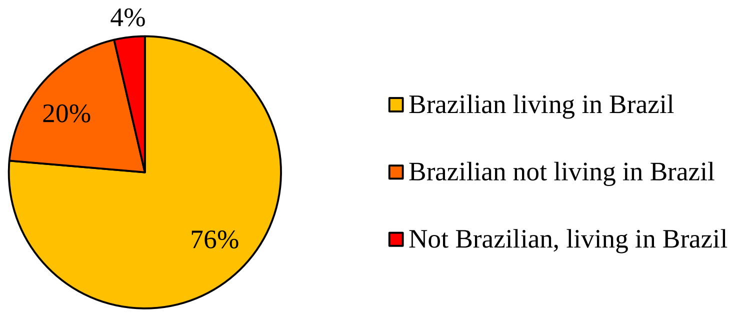
Forecasted revenues and costs of licensing

	2013	2014	2015
	Rio (4Q)	**Rio (2Q, 3Q, 4Q)**	**Rio + S.Paulo**
Sales (nº of cans)	-	625.702	3.407.076
Revenues	-	€ 604.492	€ 3.291.582
COGS	-	€ 168.939	€ 919.911
Distributor	-	€ 84.629	€ 460.821
Promotion	-	€ 211.572	€ 1.152.054
Trips+Accomodation	€ 6.000	€ 4.000	€ 4.000
Brand registry	€ 500	-	-
Lawyers	€ 8.400	€ 8.400	€ 8.400
Office rent	-	€ 22.800	€ 22.800
Employees+housing	-	€ 57.800	€ 83.000
Total costs	€ 14.900	€ 558.140	€ 2.650.986
EBITDA	€-14.900	€ 46.351	€ 640.596
Sunlover (70% stake)	€-14.900	€ 32.446	€ 448.417

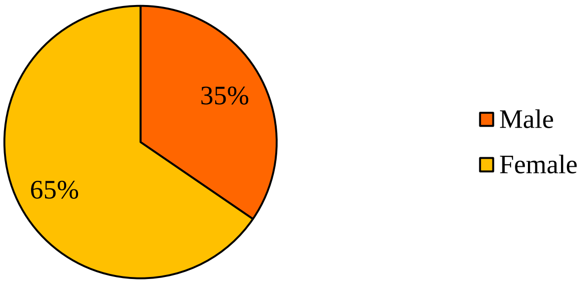
Forecasted revenues and costs of forming a strategic alliance with a minority partner

Appendix 8 – Survey

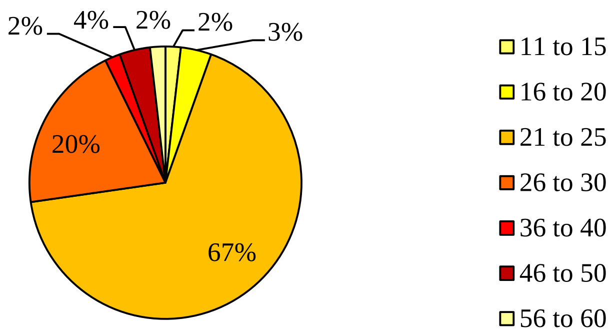
Nationality and country of residence (n=55)



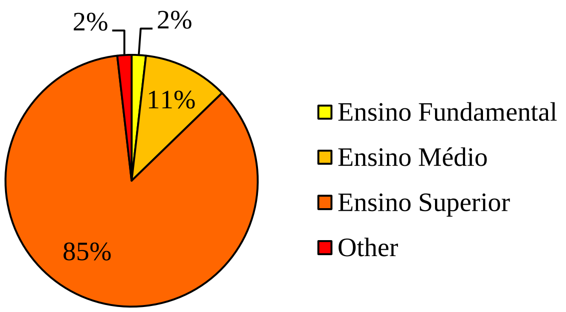
Gender (n=55)



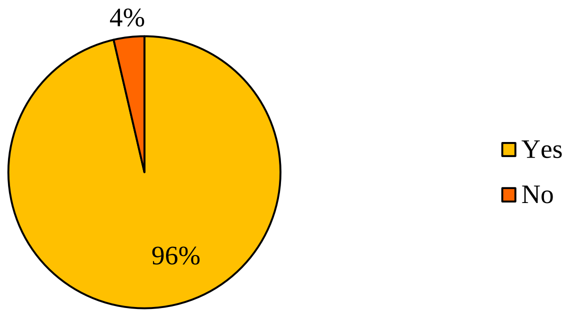
Age (n=55)



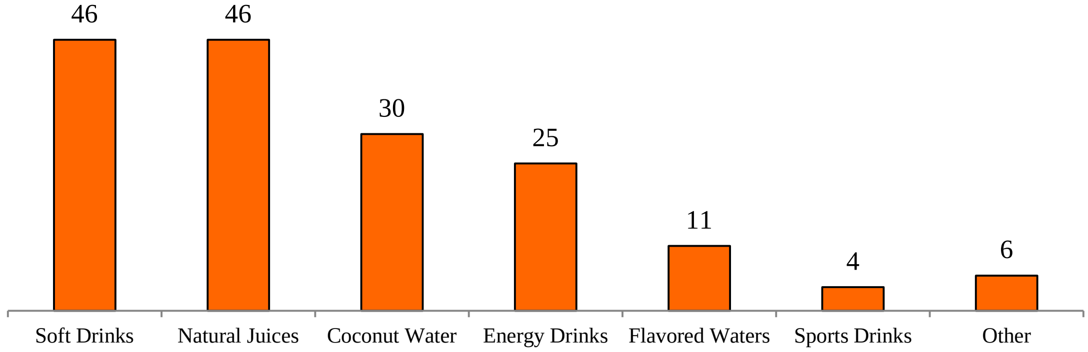
Education (n=55)



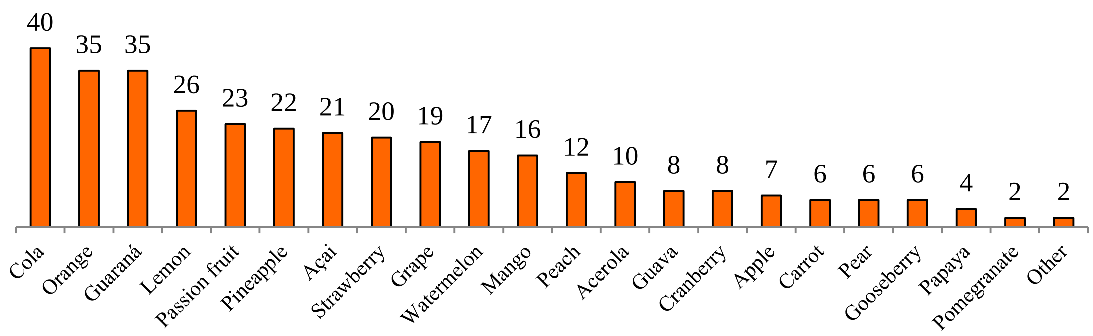
Juice & Soft Drinks Consumption (n=55)



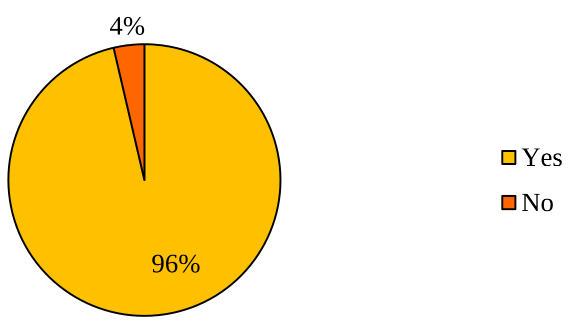
Juice & Soft Drinks Types Consumption (n=53, multiple answers)



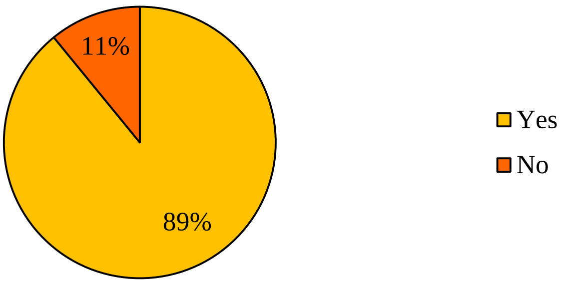
Juice & Soft Drinks Flavors Consumption (n=53, multiple answers)



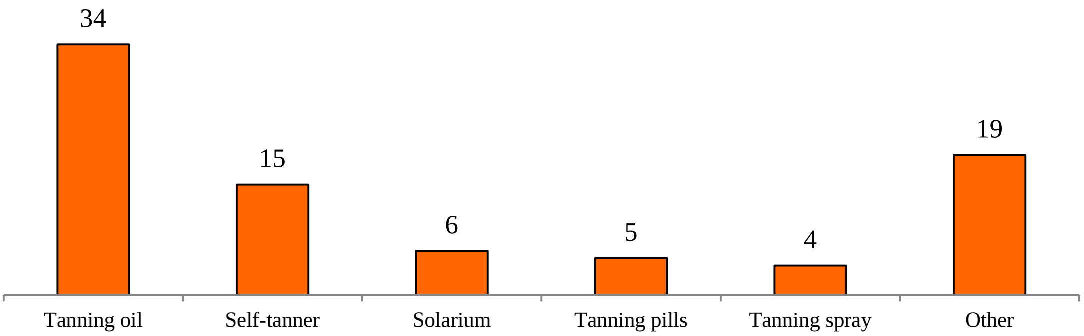
Health and Beauty Interest (n=55)



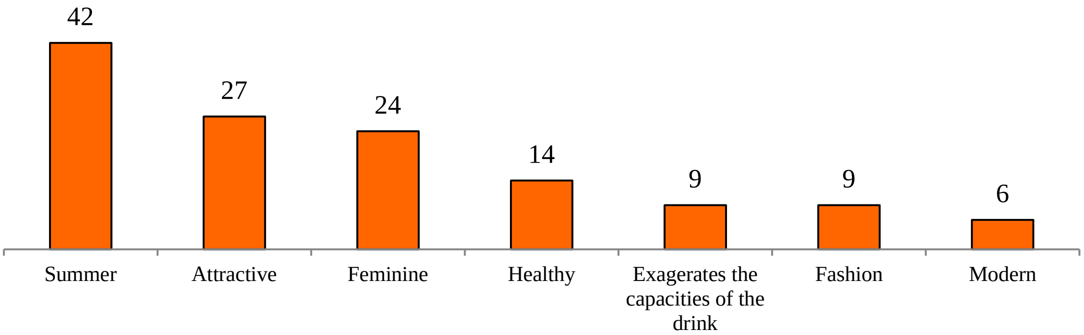
Tanning Interest (n=55)



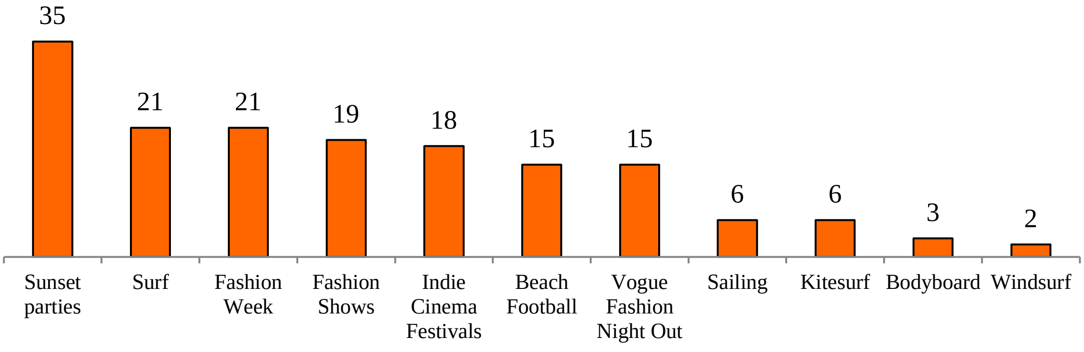
Products used for tanning (n=55, multiple answers)



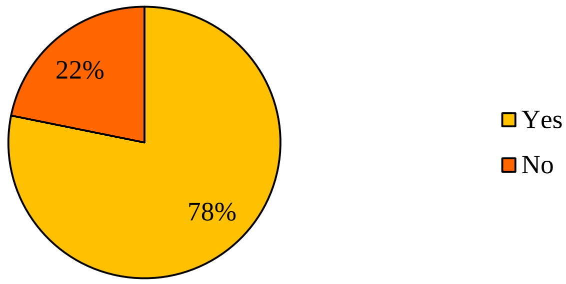
Opinions on Sunlover's advertising (n=55, multiple answers)



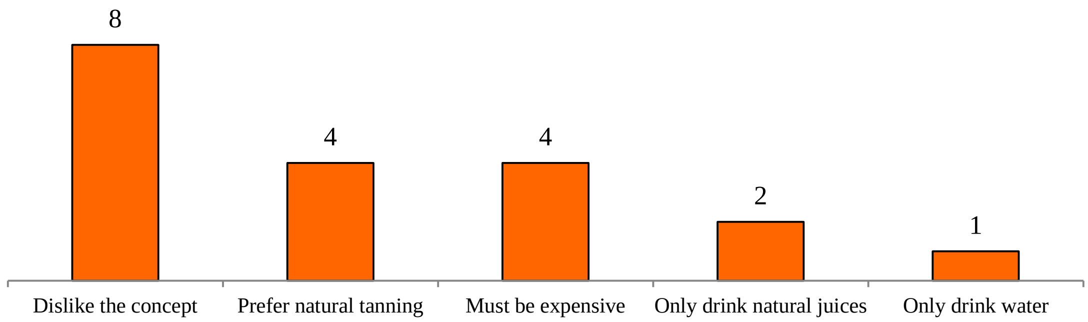
Interest on events sponsored by the brand (n=55, multiple answers)



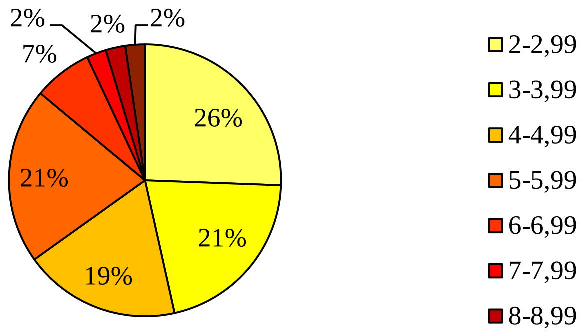
Interest in buying Sunlover (n=55)



Reason for not buying (n=12, multiple answers)



Price the consumer is willing to pay (n=43)



Interest in buying the new product in development, with collagen + coenzyme Q10 (n=43)