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**RENOVA BLACK TOILET PAPER:  
THE CREATION OF A GLOCAL MARKET SPACE**

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**BOOKLET I**

## **Abstract**

The aim of this study is to research how can an international marketing strategy be simultaneously standardized and adapted to export markets. Moreover, it reveals that this strategy is more appropriate than the contingency approach, considering the case of a firm with very little expression in the global marketplace.

A single case-study based on the export venture of Renova Black toilet paper was developed. In addition to the analysis of secondary data, interviews were conducted with 3 Renova managers, 3 trade customers and 10 consumers.

Findings suggest that an international marketing strategy simultaneously standardized and adapted to new export markets forms a good fit with the existence of limited resources, light structure and centralized decision making possible due to firms' reduced size. This study presents important insights for managers of small players in the global marketplace attempting to boost the internationalization process. It also broadens our understanding on the standardization versus adaptation debate using a fresh perspective.

**Keywords:** International Marketing Strategy, Exports, Standardization, Adaptation.

## **1. Introduction**

The concept of Blue Ocean Strategy (Kim and Mauborgne, 2005) refers to value innovation as the solution for creating new market space through the simultaneous pursuit of differentiation and low cost strategies. However, a Blue Ocean Strategy implies assuming high risks as the size of the new market demand cannot be predicted (Lages, 2012). In order to mitigate this risk, Lages (2012) suggests that firms must adopt a GloCal mindset based on the identification of unknown similar needs and values across markets. This is how firms can render their marketplace global and satisfy regional needs, while benefiting from economies of scale and scope (Lages, 2012).

An ongoing debate in the literature discusses the implications of standardizing or adapting international marketing strategy to firms' export performance.

Contingency theory represents the most recent research stream. It defends that the optimal degree of standardization is positioned along a continuum between pure standardization and pure adaptation, according to several forces both internal and external to the organization (Theodosiou and Leonidou, 2003; Katsikeas et al., 2006).

The GloCal approach stands out from this perspective. It suggests that it is possible to conceive an international marketing strategy simultaneously standardized and adapted to export markets, through identifying commonalities across the world (Lages, 2012).

The research focus of this study was based on the latter perspective, building on the analysis of evidence collected from the case of Renova Black.

Renova Black is a black tissue toilet paper, an incremental innovation<sup>1</sup> introduced by the Portuguese medium sized firm Renova S.A., in a category with compromising growth<sup>2</sup> (Bart et al., 2010). With Renova Black, the firm created a new market space through a new value proposition valued in Portugal and in many new foreign markets where it was not present. Through analysing Renova Black export venture, the GloCal approach (Lages, 2012) was used to answer the central research question:

*How can an international marketing strategy be simultaneously standardized and adapted to export markets?*

This study presents important insights for managers operating in mature and commoditized industries, where consumers' price sensitivity squeezes profit margins and domestic market limitations turn exports the only way to survive.

A GloCal approach may allow managers to overcome the resources hurdle associated to new market space creation (Kim and Mauborgne, 2005) and to the multiple adaptations of marketing strategy to foreign markets (Lages et al., 2008a).

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<sup>1</sup> "Incremental innovations can easily be defined as products that provide new features, benefits or improvements to the existing technology in the existing market." (Garcia and Calantone, 2002, p.123).

<sup>2</sup> From 2002 to 2004, the growth rate of the toilet paper category in the Portuguese Market was 1.5% per year. *Source:* (Bart et al., 2010).

## **2. Theoretical Background**

The debate on standardization versus adaptation of international marketing strategy emerged in the 1960's. Its underlying motivation is the determination of the impact of both strategies on firms' export performance (Shoham, 1999; Cavusgil and Zou, 1994).

### **2.1 Pure Standardization**

The central argument behind the pure standardization approach relies on the consideration that global consumers are becoming homogeneous in consequence of the development of more efficient communication systems (Levitt, 1983).

The advocates of pure standardization argue that standardization provides economies of scale in research and development, production, marketing and other business functions.

In addition, they stress that standardizing marketing allows the projection of a consistent brand image and the improved planning and control of international business operations (Buzzell, 1968; Levitt, 1983; Douglas and Craig, 1986; Yip et al., 1988).

### **2.2 Pure Adaptation**

The advocates of pure adaptation argue that the lack of alignment with the environment in foreign markets can lead to poor export performance, despite the growing trend of globalization (Buzzell, 1968; Wind, 1986; Douglas and Wind, 1987).

They consider that a marketing program demands multiple local adjustments due to the significant differences that still exist between countries in terms of culture, market stage of development, market infrastructure, political and legal systems, as well as consumer needs and values (Shoham, 1999; Terpstra et al., 2006).

This stream of research defends that standardization can contradict the marketing purpose (Sorenson and Weichmann, 1975; Douglas and Wind, 1987).

Therefore, according to this perspective, the objective of the exporting firm should be the achievement of long-term profitability through exploring dissimilarities that exist between global consumers (Whitelock and Pimblett, 1997).

### 2.3 Contingency theory

More recently, researchers proposed that pure standardization and pure adaptation should be considered two extremes of the same continuum (Walters, 1986; Quelch and Hoff, 1986; Jain, 1989). It has been theorized that the optimal position in this continuum is defined by the alignment with contingencies that are external and internal to the firm (Buzzell, 1968; Wind, 1986; Jain, 1989; Akaah, 1991). Moreover, this perspective holds that there is no right or wrong decision, but each firm must decide on the degree of program standardization and which elements to standardize or adapt (Buzzell, 1968; Jain 1989; Cavusgil and Zou, 1994). Building on the work of two reference articles within the literature, elaborated by the authors Theodosiou and Leonidou (2003) and Katsikeas et al. (2006), it is possible to present an aggregation of those contingencies that over time have been examined as determinants of the degree of standardization.

**External contingencies** comprise the firm's macro and micro-environment.

**Macro-environmental factors** encompass *economic, regulatory, political and physical aspects* in host markets that can restrain standardization, and also the *technological intensity of the industry* (Douglas and Wind, 1987; Jain, 1989; Yip, 1989; Cavusgil et al., 1993). Technology-intensive products should describe higher standardization degrees (Jain, 1989) since they quickly become obsolete and extensive research and development requires longer production runs (Yip, 1989; Samiee and Roth, 1992).

**Micro-environmental factors** refer to organizations and individuals that are closer to the firm and influence its decisions. Within micro-environmental factors, similarities in *market characteristics* are expected to accommodate higher levels of standardization. Market characteristics refer to the size of the market and the availability, cost and competence of intermediary services, media, distribution structure and logistical support (Jain, 1989; Douglas and Wind, 1987; Yip, 1989, Özsomer and Simonin, 2004).

Customer characteristics refer to differences in customer preferences. Behaviour and conditions of product usage can influence their value attribution to a specific product. In this manner, similarities between customers in export markets are expected to result in standardization of international marketing strategy (Douglas and Wind, 1987; Jain, 1989; Samiee and Roth, 1992; Yip, 1997).

Competition factors, more precisely the competition structure, the nature of the competition drivers and competitors' position, have also been examined as micro-environmental contingencies (Buzzell, 1968; Jain, 1989). Higher competitive intensity in host markets is expected to lead to increased adaptations as source of local differentiation (Yip, 1989; Cavusgil et al., 1993).

Product characteristics are also micro-environmental contingencies. They refer to the nature of the product (industrial or consumer goods) and the stage of product life-cycle in export markets. Consumer goods are expected to describe higher levels of adaptation in foreign markets as they depend more on consumer preferences (Akaah, 1991; Özsomer et al., 1991; Cavusgil et al., 1993).

Similarities in the stage of product life-cycle in export markets are expected to accommodate a higher standardization degree, because customers are equally familiar with the product category (Cavusgil et al., 1993; Özsomer and Simonin, 2004).

**Internal contingencies** comprise those factors that the exporting firm controls.

Organizational factors refer to the nature of the company ownership in foreign markets, which was positively associated to standardization in the case of fully-owned subsidiaries (Özsomer et al., 1991), and the firm international experience, which was positively associated to product and promotion adaptation (Cavusgil et al., 1993).

Managerial factors refer to the orientation of the firm towards marketing overseas (ethnocentric, polycentric or geocentric) (Akaah, 1991) and the degree of centralization

in decision making (Özsomer et al., 1991). Lastly, Lages and Montgomery (2004) and Lages et al. (2008b) proposed that negative *past export performance* leads to a more adaptive strategy, as standardization did not revealed to be an appropriate approach.

## **2.4 GloCal approach**

The GloCal approach suggests that it is possible to design and implement an international marketing strategy simultaneously standardized and adapted to export markets (Lages, 2012). To overcome any bias towards the product, as the result of a pure global vision, or towards the market, as the result of a pure local vision, Lages (2012) suggests that firms must adopt a GloCal vision, i.e., think and act both globally and locally<sup>3</sup>. This framework allows firms to lift buyer value, due to the offer of a new value proposition adapted across markets, and cut costs with a product driven approach that provides economies of scale (Lages, 2012). Implementing a GloCal approach allows then pursuing a differentiation and low cost strategy simultaneously, i.e., a value innovation strategy that unlocks new market space (Kim and Mauborgne, 2005)<sup>4</sup>. Implementing a product and market driven solution requires the identification of existing similarities across markets that allow a standard value proposition to maximize the scale of innovation adoption<sup>5</sup>, due to its adaptation to a wide inter-market segment of consumers (Lages, 2012).

***Proposition 1:*** *Addressing common needs and values across markets allows the design of an international marketing strategy simultaneously standardized and adapted.*

Building on the GloCal mindset proposed by Lages (2012), this study investigates how external and internal contingencies can assist managers in finding what similar needs and values can the firm serve across markets. It is also research subject how contingencies allow the strategic fit of a GloCal strategy by making the firm moving

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<sup>3</sup> For more details on the GloCal mindset please refer to Appendix 1 in Booklet II.

<sup>4</sup> For more details on the Value Innovation strategy please refer to Appendices 2 and 3 in Booklet II.

<sup>5</sup> Tornatzky and Klein (1982) meta-analysis states that innovation compatibility with users' values and past experiences, their perception on product superiority, and its relative easiness of use, describe a significant relationship to innovation adoption.

across mindsets, i.e., adapting marketing strategy deep further while sustaining a standard value proposition, or improving the set of standardized business operations.

***Proposition 2:** External contingencies allow the design and strategic fit of an international marketing strategy simultaneously standardized and adapted.*

***Proposition 3:** Internal contingencies allow the design and strategic fit of an international marketing strategy simultaneously standardized and adapted.*

### **3. Methodology**

#### **3.1 Data Sources**

The empirical part of this study encompasses several data sources to assure the quality of the case study research (Yin, 2008): (i) Press articles that cover Renova Black toilet paper case; (ii) Industry reports: illustrative of the industry of tissue products; (iii) Case-studies developed around Renova Black with different research focuses; (iv) Interviews to key informants<sup>6</sup>: an in-depth field study with an intra-organizational focus was conducted through interviewing diverse stakeholders involved in Renova Black export venture. Face-to-face interviews lasting approximately 90 minutes were conducted with different managers of Renova at the Portuguese headquarters. The respondents were Renova's Chief Executive Officer, Marketing Director and one brand and business development manager. Three foreign trade customers of Renova were also surveyed via email in order to obtain a comprehensive view of the importer side. In addition, ten in-depth interviews were conducted to consumers with five different nationalities, to build widespread understanding.

#### **3.2 Research design**

A single case-study approach was used to build fresh theoretical insights, since this methodology is indicated when the study object regards new events about which there is little comprehension (Yin, 2008). An iterative process between the empirical evidence

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<sup>6</sup> For more details on the interview requests and interview guides please refer to Appendices 14 to 18 in Booklet II.



and the research propositions demonstrated how the existing theory operates in the particular setting of the case (Eisenhardt and Graebner, 2007). Qualitative data collection was suitable for this research, where the unit of analysis is an international marketing program within its single situational context. Since the research method is qualitative, the purpose of the case-study is to build up fresh theoretical insights and not universal theory (Eisenhardt, 1989). Interviewing diverse and knowledgeable informants who view the phenomenon under different perspectives was crucial for limiting some bias that could arise within the data (Eisenhardt and Graebner, 2007).

## **4. Case Discussion**

### **4.1 Background**

When Renova Black toilet paper was introduced in 2005, Renova was a relatively strong brand in Portugal and held approximately 1% market share in Western Europe<sup>7</sup>. In the Western European toilet paper market, parallel to the strong growth of premium brands, private labels were growing at a very fast-pace due to a superior quality-price ratio and consumers' price-sensitivity (Bart et al., 2010). To fight back private labels, many brands were differentiating through improving product performance. Renova was no exception. However, after a long period launching functional innovations, Renova entered a more commercial stage with a new defined territory: "For a new well-being" (Cabral, 2011; Pinto, 2011). Renova put aside the industry orientation towards pure functionality. The innovation focus was now developing the brand by establishing interferences with consumers (Pinto, 2011)<sup>8</sup>. Renova Black has allowed the firm to be selling across 80 markets worldwide (Rodrigues, 2012), with new buyer groups often willing to pay more for the transport than for the product itself<sup>9</sup> (Saramago, 2006). The increased brand equity with Renova Black resulted in a sales boost of other product

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<sup>7</sup> For more details on Renova's market shares please refer to Appendices 10 and 11 in Booklet II.

<sup>8</sup> Refer to quotations 1 to 3 – Appendix 19 in Booklet II.

<sup>9</sup> Refer to quotation 1 – Appendix 20 in Booklet II.

lines, which is a relevant fact as black toilet paper represents a niche business that counts only for 3% of the firm turnover<sup>10</sup>.

#### **4.2 Common values and needs across markets**

Renova identified a trend across global consumers, the classic polarization of markets:

“Nowadays people either want the most expensive products in the market or the cheapest ones. The few people still in the middle are migrating either upwards or downwards.”

*Renova’s Marketing Director*

Silverstein et al. (2005) describe those consumers that trade-up to more expensive products as middle-market consumers that have now more disposable income than ever and are willing to pay an extra for higher quality and aspiration, often in basic consumer goods categories. These new luxury goods are accessible super-premium. They have the highest prices within the category but are still accessible to the middle-market, as they cost relatively little (Silverstein et al., 2005).

**Product:** Building on this pattern in global consumption, Renova’s CEO had the idea to hit the global market with a black tissue toilet paper<sup>11</sup>. In this context, Renova Black premium positioning and product features were intended to satisfy this segment’s need for aspiration and extra quality. Over time Renova Black line was extended to other products and tissue colors new to the industry and global consumers.

The Backer Spielvolgel Bates media agency conducted a cross-cultural psychographic study which segmented global consumers in five groups. According to these segments, Renova Black was targeted to a group of global consumers named “achievers”. It aggregates middle-aged individuals that already achieved success and are concerned about quality and status. This segment represents 22 per cent of consumers across the 18 countries studied (Keegan and Schlegelmilch, 2001)<sup>12</sup>. A uniform perception on the

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<sup>10</sup> For more details on Renova’s turnover and turnover growth since 2005 please refer to Appendix 4 and 5 in Booklet II.

<sup>11</sup> Refer to quotation 4 – Appendix 19 in Booklet II.

<sup>12</sup> For more details on BSB Global Scan please refer to Appendix 8 in Booklet II.

profile common to global buyers of Renova Black was revealed by the consumers interviewed. The majority of respondents mentioned that a buyer of Renova Black would be aged above 30 years old and have medium-high income levels, seeking aesthetics and status ostentation<sup>13</sup>. This profile of Renova Black buyers across markets matches the insights collected from the interviews to Renova's managers:

“Buyers of black toilet paper do not seek pure functionality in the product. They have in common the taste for aesthetics and the product design and they have low price-sensitivity, as any individual that values these aspects in consumption. When it comes to decoration and style they are very receptive.”

*Renova's Marketing Director*

**Place:** For distributing Renova Black across global markets, the firm developed a standard approach that consists on a local team of four employees that serves remotely a global network of small trade customers such as bathroom retailers, décor stores and up-target bazaars. This inter-market segment of trade customers is less sensitive to the product landing costs that importing from Portugal implies, since they find in exclusivity and aesthetics the main source of value for their business as well<sup>14</sup>:

“The product is exclusive and new to the market. Our customers love to be “different” from others and have what others don't. The product is awesome and few can resist the colors. However it is not for everyone and the premium price does mean that the market is understandably smaller and exclusive, not as easy to market or sell to.”

*Renova's Australian trade customer*

The margins that Renova takes from trading with these businesses are more significant compared to the mass-market channels that are only concerned with cost and push the firm's profit margins downwards. Mass-market channels also offer a purchasing environment that would not match product positioning<sup>15</sup>. The product fit with these small traders allowed the global diffusion of Renova Black to the target end-users, since

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<sup>13</sup> Refer to quotations 1 to 10 – Appendix 21 in Booklet II.

<sup>14</sup> Refer to quotations 2 to 8 – Appendix 20 in Booklet II.

<sup>15</sup> Refer to quotations 5 to 8 – Appendix 19 in Booklet II.

this selective trade is where consumers most expect to find the product, according to insights collected from the consumers interviewed<sup>16</sup>. Since trade customers hold the product ownership, they decide on physical distribution operations, adapting them based on their knowledge on the local market and their own business needs<sup>17</sup>.

In European export markets where Renova operates through subsidiaries (Spain, France, Belgium and Luxembourg)<sup>18</sup>, local commission agents maximize export performance by adapting distribution further to the local market infrastructure, canalizing Renova Black also to different distribution channels which allow the product to reach a greater mass of target end-users (e.g. up-target retailers like El Corte Inglés or Monoprix).

**Price:** Targeting an inter-market niche with a high-priced product was fundamental for Renova to maintain a geocentric approach to pricing in new export markets. Firstly, because the demand pattern of global niche segments is similar and predictable as it is characterized by price inelasticity. Secondly, niche segments are not attractive for large firms as they prefer to concentrate on the mass-market to capitalize their size advantages into cost-efficiencies in production and marketing. Therefore, if Renova Black was targeted to the global mass-market a competitive response by large firms very likely would arise, pressuring prices downwards and compromising Renova Black standard pricing policy. Lastly, Renova's manufacturing is concentrated in Portugal. This means that cost conditions in export markets do not compromise a standard price. Thus, Renova's course of action was to decide and experiment on a continuous basis a global price way above the industry's standard, that could allow Renova Black arrive to the greater mass of price-insensitive niche consumers while respecting the premium positioning of the product. For this purpose, Renova has leveraged over time on the commercial learning taken from the network of trade customers to improve the cross-

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<sup>16</sup> Refer to quotations 11 to 20 – Appendix 21 in Booklet II.

<sup>17</sup> Refer to quotations 9 to 11 – Appendix 20 in Booklet II.

<sup>18</sup> Refer to quotations 9 and 10 – Appendix 19 in Booklet II.

country uniformity of the purchase experience and the level of local fit of its standard pricing decisions<sup>19</sup>. Since trade customers have ownership of the product, they set markups according to the local environment. These mark-ups are normally lower than those which mass-market retailers require. Hence, even in front of expensive product landing costs, a standard premium price allowed global trade customers to set realistic final prices and have a profitable business with Renova Black<sup>20</sup>. In European markets where the firm held commercial structure before, Renova continued to develop a market pricing approach. In each of those markets, commercial agents calculate and charge the profit-maximizing wholesale and retail price, according to local environment variables.

**Promotion:** Renova developed global online campaigns advertising Renova Black as “the sexiest paper on earth”. These campaigns were effective as the message matches the target inter-market need for intangible value on the exclusivity and aesthetics that the product provides<sup>21</sup>. Alongside, the firm also settled a close relationship with its global network of re-sellers, giving them margin to develop their own campaigns while providing necessary resources for a consistent brand image. This co-creation approach allowed trade customers to self-adapt promotion according to their knowledge on the local market and the profile of their own customer base<sup>22</sup>.

Bringing trade customers into participation allowed Renova to save on advertising costs, add intangible value to the product and raise global brand awareness through word-of-mouth effect. This is particularly relevant in the toilet paper industry where extensive resources are normally allocated to promotion (The Gale Group, 2011).

In export markets where Renova operates through subsidiaries, public relations agents spot local opportunities that are transformed into global communications, through using advertising vehicles that are credible, have global reach and fit the values of target end-

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<sup>19</sup> Refer to quotations 11 and 12 – Appendix 19 in Booklet II.

<sup>20</sup> Refer to quotations 12 and 13 – Appendix 20 in Booklet II.

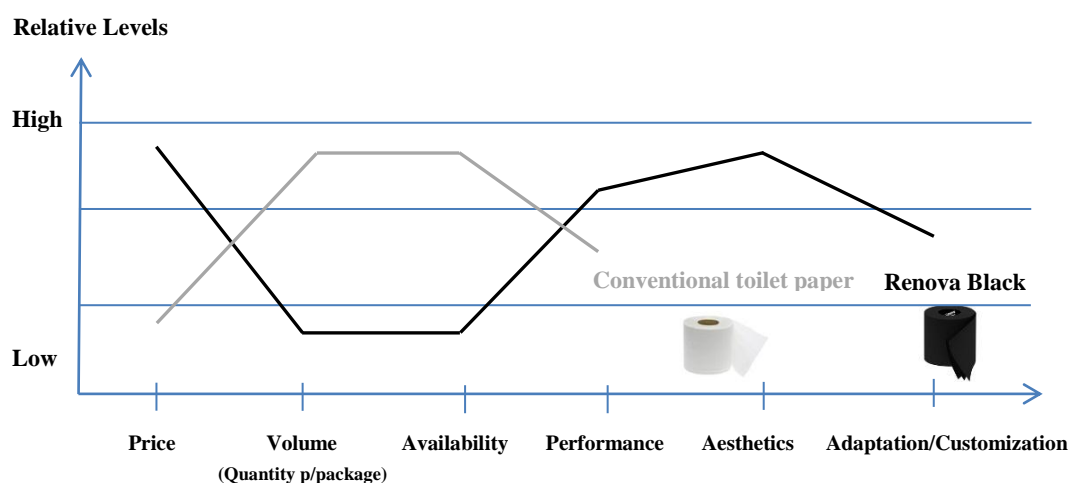
<sup>21</sup> Refer to quotation 13 – Appendix 19

<sup>22</sup> Refer to quotations 14 to 17 – Appendix 19, and quotations 14 to 16 – Appendix 20 in Booklet II.

users (e.g. Wallpaper magazine, Elle Magazine)<sup>23</sup>. Renova Black promotion approach is then GloCal as a standard communication message, online or through public relations, is adapted to the values of the inter-market target. The co-creation approach with trade customers creates cultural proximity with target end-users in the areas where they advertise, as trade customers often incorporate local references in campaigns<sup>24</sup>.

Thereby, the analysis of the four elements of Renova Black international marketing mix suggests that the product value added across markets is reflected in a new value curve characterized by (see figure 1 below): a price well above the industry's standard<sup>25</sup>; the product exclusivity, since normally it is only available in selective trade; a performance superior to most conventional tissues; and mainly in the product aesthetics and some degree of adaptation to end-user's tastes, through the possibility of customizing the purchase (mixed colors) and special editions<sup>26</sup>. Due to its flexibility and light structure, Renova became also open to study and accommodate very specific requests from global trade customers for customizing Renova Black editions<sup>27</sup>.

**Figure 1:** Renova Black GloCal value added – A new industry value curve



<sup>23</sup> Refer to quotations 18 and 19 – Appendix 19 in Booklet II.

<sup>24</sup> For an illustration of a campaign conducted by a trade customer in Japan please refer to Appendix 9 in Booklet II.

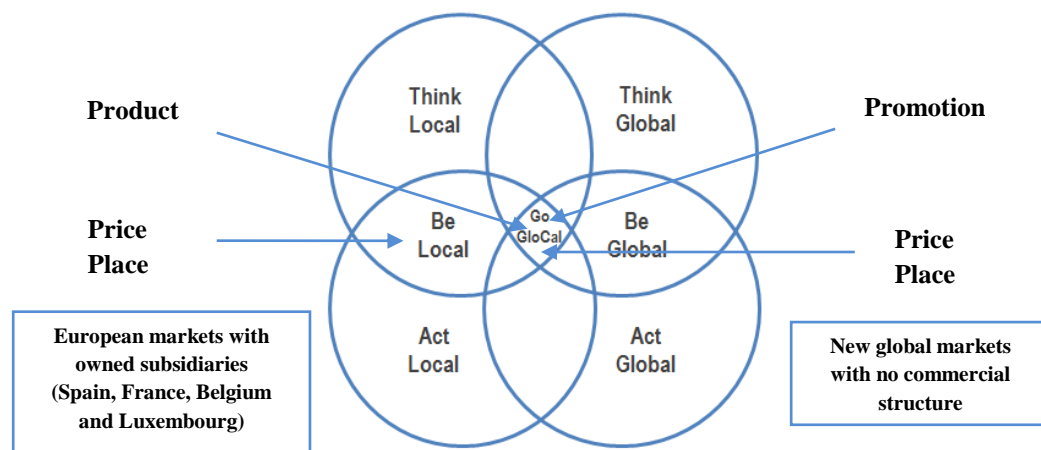
<sup>25</sup> A roll of Renova Black is approximately 3 to 8 times more expensive than a roll of conventional white toilet paper (e.g. Renova Super), varying with the type of packaging. *Source:* (Renova online, 2012).

<sup>26</sup> For more details on Renova Black product line please refer to Appendices 6 and 7 in Booklet II.

<sup>27</sup> Refer to quotations 20 to 22 – Appendix 19 in Booklet II.

Through addressing an unserved need for aspiration and aesthetics that cuts across national boundaries, with the value proposition presented in figure 1, Renova maximized export performance with a standard marketing mix adapted to the values of a global target of price-insensitive end-users and trade customers. Over time, Renova refined the set of globally integrated marketing activities building on the knowledge and soft information collected from both Renova’s European subsidiaries, which adapt price and distribution further (see figure 2), and committed trade customers worldwide.

**Figure 2:** Renova Black International Marketing Strategy within the GloCal mindset



### 4.3 Strategic fit with external contingencies

Differences in *economic environment* in host markets exercise no influence over Renova’s cost structure since production is centralized in Portugal. Therefore, standardizing the product allowed the maximization of scale economies in production and sourcing. Due to the fact that the target of Renova Black has low price-sensitivity, a standard approach for price fits with differences in economic environment. This is because aspects like employment level and purchasing power exercise lower influence in the demand of luxury products. Moreover, in less developed markets, where there is less manufacturing capacity installed, Renova was able to penetrate also with consumer

goods to the mass-market, due to the increased brand equity<sup>28</sup>. Accordingly, economic dissimilarities did not compromise the standard approach for product but assisted the maximization of export performance through economies of scope. With regard to the **regulatory environment**, when introducing Renova Black, the firm studied in advance the regional differences of legislation on intellectual property protection, in order to develop a legal solution that could maximize the degree of product protection across markets. Still copycats appeared, mainly in Asia. However, Renova Black GloCal approach allowed the creation of a demarcated positioning, with tremendous global media buzz and word-of-mouth which helped to protect the product. To avoid competitors from entering the market, Renova continuously differentiated the product by standardizing line extensions and promotion campaigns<sup>29</sup>, instead of designing costly product adaptations that would be ineffective and could compromise brand positioning. The **technological intensity** of the tissue industry is low with most research focused on launching evolutionary rather than revolutionary products (Bart et al., 2010; The Gale Group, 2011). This should create pressure for increased adaptations to consumer tastes. However, Renova Black was the first move in the industry with adaptation to consumer tastes for aesthetics and aspiration, which allowed product standardization.

**Market characteristics**: In European markets with fully-owned subsidiaries the local market infrastructure is studied by Renova marketers who supply information on local market opportunities for maximizing export performance, through distribution and pricing adaptation. In new export markets worldwide, the firm relies on selling and advertising online or through a network of small trade customers committed to market the product locally. This approach allowed Renova to standardize its distribution operations with adaptation to many new local market infrastructures that the firm did

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<sup>28</sup> Refer to quotation 23 – Appendix 19 in Booklet II.

<sup>29</sup> Refer to quotations 24 and 25 – Appendix 19 in Booklet II.



not know before, and about which could hardly obtain information. Concerning the influence of market size in Renova Black strategy, the internationalization process was mainly experimentalist<sup>30</sup>. No specific countries were targeted according to their higher demand potential for accommodating adaptation costs, since the standard approach for the product is adapted to a wide inter-market target of end-users and trade customers.

**Customer characteristics:** Due to the common values and needs within a cross-country target of end-users and trade customers that seek design, exclusivity and status, Renova was able to serve this undisclosed need in global markets through a standard value proposition and communication message, both adapted to the needs and values of these customers with lower price-sensitivity. Due to the organizational flexibility, possible due to the small size of the firm, Renova can satisfy very specific local market opportunities for customizing product solutions, as long as they reveal profitable.

**Competition factors:** Marketing a high-priced innovation targeted to market niche was a key stone for Renova to maintain a standard approach for the product. The reason is that standardization of products targeted to the mass of consumers generally leads to a competitive response in global markets that pressures prices downwards (Samiee and Roth, 1992). The competitive intensity in the tissue industry is similar in Western European markets and worldwide. One dominant group is composed by multinational companies which can compete either on price or performance. Another group is composed by private labels which compete aggressively on price<sup>31</sup>. Toilet paper is a bulky product which turns its transport cost-ineffective. This is why large multinationals expand internationally by acquiring local physical manufacturing<sup>32</sup> (The Gale Group, 2011; Gervais and Taylor, 2011). Renova has limited resources for growing and manufacturing concentrated in Portugal. So it would not be feasible for the firm to grow

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<sup>30</sup> Refer to quotation 26 – Appendix 19 in Booklet II.

<sup>31</sup> Together these two groups held 73% of global market share of disposable tissue products in 2005. *Source:* (Bart et al.,2010).

<sup>32</sup> For more details on the global manufacturing presence of tissue producers please refer to Appendix 12 in Booklet II.

across borders with products for the mass-market at competitive prices, against multinationals approximately 100 times its size (Rodrigues, 2012). Also considering that Italy was the largest global exporter of tissue products in 2005<sup>33</sup> (Gervais and Taylor, 2011). With new competition drivers, Renova started doing what neither multinationals nor private labels can do due to their larger dimension:

“Our competitors do have enough technology to copy the product but they are focused on large production runs towards cost leadership. This means that competitors’ changes in processes for producing niche quantities and customizing products are too complex and costly.”

*Renova’s Marketing Director*

Therefore, competitor’s orientation to the global mass-market of consumer goods saves Renova from the need to adapt Renova Black locally for differentiation purposes.

**Product characteristics:** Across the developed world toilet paper is a mature product category with practically full market penetration. This characteristic allowed a standard approach for Renova Black because customers are equally familiar with the category. Although toilet paper is a consumer good, differences in consumer tastes are not relevant in commoditized categories to which the purchase decision is rational. Renova switched the paradigm from rationality to emotion. Consequently, global adaptation was possible due to the value proposition of Renova Black that fits a global niche segment that seeks emotional engagement and cannot find a direct substitute in this category.

#### **4.4. Strategic fit with internal contingencies**

**Organization factors:** The nature of the company ownership in export markets determines differences in Renova Black strategy. In those five European markets where operations are conducted through subsidiaries there is a higher degree of adaptation in price and distribution. In turn, a GloCal strategy in all the four marketing mix elements allowed Renova to extend its operations to new global markets. These are two

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<sup>33</sup> For more details on the international trade of tissue products please refer to Appendix 13 in Booklet II.

complementary approaches. Due to its light structure, Renova is able to transfer at a fast pace both knowledge and soft information between subsidiaries and trade customers. That information is used to improve the set of globally coordinated marketing activities. Hence, as organization's international experience and export performance increased with global operations, the firm continuously adjusted on a standard basis aspects of Renova Black strategy, such as pricing and product features, with this experiments resulting in increased export performance. Managerial factors: The corporate orientation of Renova is geocentric as the firm does not look for markets with comparable characteristics, but to a worldwide segment of customers. The brain of marketing operations is centralized in Portugal, favouring the coordination of global marketing activities and the organizational agility that allows fast decision making and the accommodation of very specific local opportunities for maximizing export performance, identified either by European subsidiaries or global trade customers<sup>34</sup>.

### **5. Theoretical Implications**

The qualitative analysis conducted around Renova Black case allowed the development of important theoretical guesses that require further reflection.

Through *proposition 1* the case suggests that a small player in the global marketplace can conceive a strategy simultaneous standardized and adapted for product, pricing, distribution and promotion. The key to implement this strategy is developing a meaningful value proposition that cuts across national boundaries, being adapted to the values and needs of an inter-market niche segment. Without extensive market research and commercial structure for marketing overseas, the firm can leverage on the knowledge networks of employees from different backgrounds to identify unserved commonalities across global consumers. A GloCal approach reveals a good strategic path for identifying unserved global niche segments. Considering that niche segments

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<sup>34</sup> Refer to quotations 27 and 28 – Appendix 19 in Booklet II.

tend to exhibit inelastic demand, the adoption of a GloCal vision allows that the new market demand is set and large enough to allow the maximization of a small player's profitability through economies of scale in production and marketing. These economies of scale mitigate the risk of targeting a new demand when marketing innovations.

Through *proposition 2*, the case suggests that external contingences allow simultaneous standardization and adaptation in marketing overseas.

A GloCal strategy can turn the export activity of a small global player less exposed to macro-environmental contingencies that the firm does not control such as differences in the economic environment, due to the lower price-sensitivity of the inter market-target of consumers and centralization of production. Moreover, the firm can inclusively take advantage from differences in the level of development of export markets through economies of scope. In conditions of manufacturing and decision making centralized in the home country, a GloCal value proposition allows the firm to integrate the set of global marketing activities very cost-effectively, by the recreation of the micro-environmental forces that could restrain the firm's ability to serve foreign markets. The consideration is that a GloCal approach allows redefining the rules of global competition and the buyer's characteristics that the industry took for granted.

Still, one could argue that building a cost-effective and geocentric organization can lead the firm to ignore environmental contingencies and local market changes that require adaptations. However, through *proposition 3* the case suggests that the internal contingencies of a small global firm allow the strategic fit of a GloCal approach. Due to the reduced size of the firm, a geocentric managerial attitude allows it to better satisfy niche inter-market segments. Firstly, because centralization in decision making and light structure give the firm the ability to adapt faster and satisfy specific local opportunities for customizing product solutions from a standard value proposition:

“The greatest advantage we have is our flexibility, our capacity to take fast decisions and create customized solutions on time. This aspect sets us apart from private labels, which depend on the agility of suppliers, and from multinationals, which have many decision centers and a complex process that can pass up these opportunities in the vast majority of the time. ”

*Renova’s Marketing Director*

Secondly, a firm with the size of Renova can easily exchange at a very fast pace know-how and soft information on what targeted niche consumers around the world are valuing. Such information can be obtained both from subsidiaries and trade customers worldwide due to the establishment of closer relationships. Thus, with increasing international experience the firm can standardize new products that the existing inter-market customer base will value (e.g. product line extensions, new packages):

“We must be very well informed to know what consumers are valuing, not only in Lisbon but also in New York, Sydney and Shanghai, for example. Having an idea of what is being valued in the world and see how far our organization can take these values. [...] To be able to have products that work our knowledge networks are very important. I have here a department that strives to generate concepts, only concepts. This department works in a networked world, biological. Each person in Renova has his own network.”

*Renova’s Chief Executive Officer*

These two competitive advantages (customization and fast information exchange) allow a GloCal strategy to be sustainable as they are sources of differentiation that maintain competitors away from the market. Consequently, a standard approach for product and a global price premium can be sustained. In this sense, the main theoretical outcome of this research relates to the consideration that a GloCal approach to international marketing strategy is more appropriate than the contingency approach from the perspective of a small global firm, with limited resources, no commercial structure for marketing overseas, organizational flexibility and centralized decision making.

Substantial financial resources and schedule are required to plan how to address differences in export markets that determine the degree of standardization under the

contingency approach. This implies taking many contingencies for granted when planning marketing, which change at a very fast pace. Renova Black case suggests then that the contingency approach does not allow the small global player to benefit from its advantages of flexibility and fast decision making as competition drivers to cope with uncertainty on new export markets and maximize export performance:

“We have this commercial flexibility, but it is not a linear process like a McKinsey manual. We can plan things forward but the probability that they change in the very next minute is very high. The world changes every day. So our organization needs this quick response. Nowadays it is increasingly this way.”

*Renova’s Marketing Director*

A GloCal approach allows the small player to use its organizational characteristics to change faster than the competition and to benefit from the accumulated advantages of being global and local. Those advantages are increased cost-efficiencies and improved coordination together with local adaptation and reactivity. The table below summarizes the theoretical findings that result from the case-study of Renova Black toilet paper.

**Table 1:** Why is a GloCal approach more appropriate than the Contingency approach, considering the case of a very small player in the global marketplace?

| GloCal approach   | Contingency approach  |
|---|---|
| Knowledge networks can identify consumer commonalities across markets             | Requires commercial structure to study differences in export markets                      |
| Lower sensitivity to macro and micro-environmental contingencies                  | Market research and planning to address contingencies consume schedule and resources      |
| Cost-effective strategy:<br>Maximizes economies of scale and scope                | Degree of adaptation is positively associated with the amount of financial resources      |
| Improved coordination and faster change management cope with uncertainty          | Harder coordination and complex change management to cope with uncertainty                |
| <b>Provides the full accumulated advantages of standardization and adaptation</b> | <b>Does not provide the full accumulated advantages of standardization and adaptation</b> |

## **6. Managerial Implications**

Through developing a GloCal approach to international marketing strategy, managers of small and medium firms can plan more effective marketing programmes for domestic and foreign markets, with solid technology transfers to the global marketplace. Managers attempting to boost the internationalization process of residual global players should look for ways of capitalizing their organizational characteristics into sources of new value added marketing solutions that allow the creation of a demarcated global market space. Since these firms can hardly have a clear source of cost advantage to global multinationals, managers should foster geocentric marketing management and a flat structure that allows fast information exchange and organizational dynamism for adapting to changes and explore local opportunities from a standard value proposition. In this sense, a GloCal mindset can assist managers in developing a holistic view of the business reality, looking simultaneously at organizational considerations and external market variables. This holistic view allows the creation of meaningful value propositions both for the firm and for an inter-market segment of consumers with common values and unserved needs. Through using a GloCal framework managers can create opportunities to change faster than competition, to cope with uncertainty and to be less sensible to contingencies which may restrain firms to benefit from the accumulated advantages of being global and local when marketing innovations.

## **7. Future Research and Research Limitations**

Once this case-study covers a setting of technological maturity and low differentiation, a direction for future research is to study which conditions may make the GloCal approach more appropriate than the contingency perspective considering more complex settings. This study lacks the input from managers of Renova's subsidiaries and only three trade customers accepted to be interviewed. Although different stakeholders were considered, the qualitative data collected was limited to the number of respondents.

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

**RENOVA BLACK TOILET PAPER:  
THE CREATION OF A GLOCAL MARKET SPACE**

André Moreira Gomes da Costa

Student number 894

Masters in Management

A Project carried out on the Marketing Directed Research under the supervision of

Luis Filipe Lages

January 7<sup>th</sup>, 2013

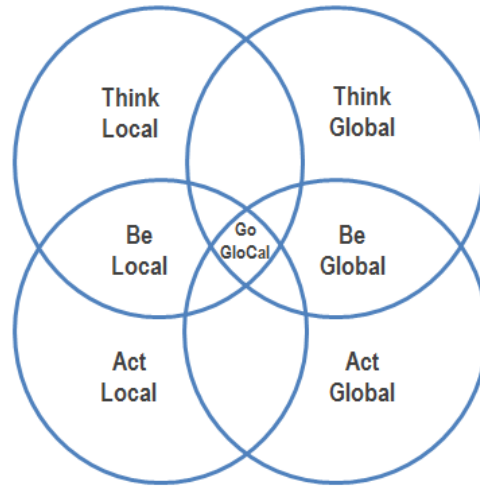
**BOOKLET II: Appendices**

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## 9. Appendices

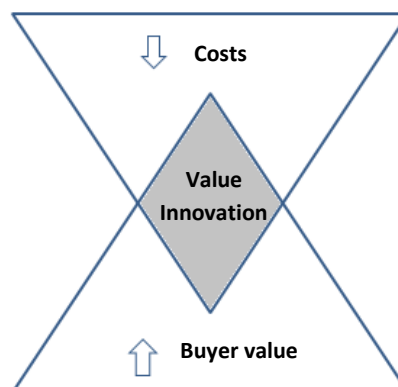
### Appendix 1 – GloCal Mindset



**Source: Lages, Luis Filipe.** 2012. *The GloCalwave: Be Local, Be Global, Go GloCal: A Practical Guide for Business and Life*. Forthcoming Book, In Print Draft Version January 14.

### Appendix 2 – Value innovation strategy

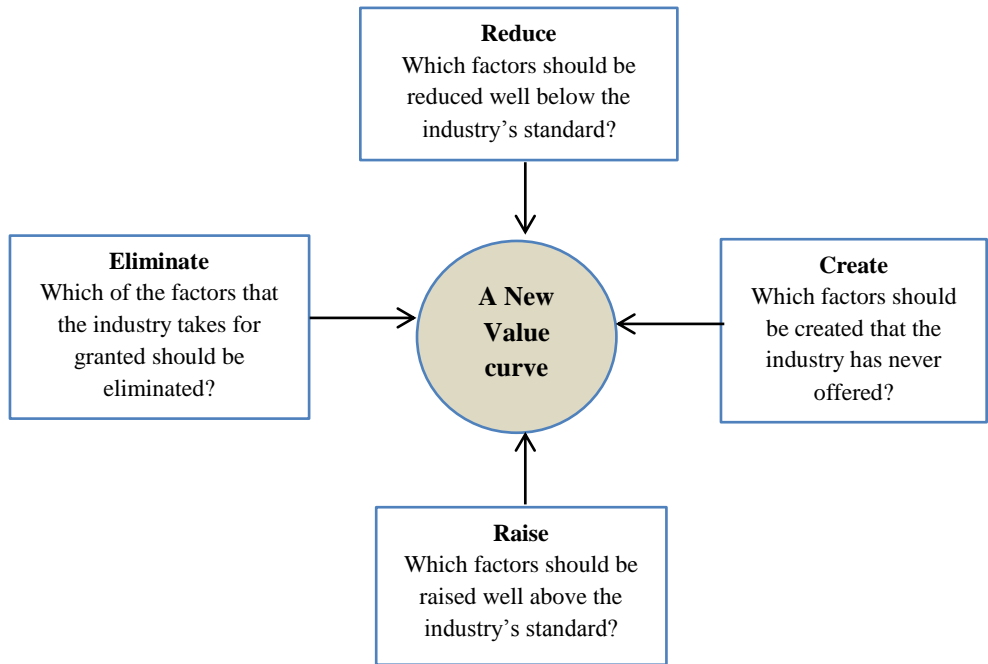
“Value innovation is created in the region where a company’s actions favourably affect both its cost structure and its value proposition to buyers. Cost savings are made by eliminating and reducing the factors an industry competes on. Buyer value is lifted by raising and creating elements the industry has never offered before. Over time, costs are reduced further as scale economies kick in due to the high sales volume that superior value generates.” (Kim and Mauborgne, 2005, p.16)



**Source: Kim, W.Chan, and Renée Mauborgne.** 2005. *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*. Boston: Harvard Business School Press.

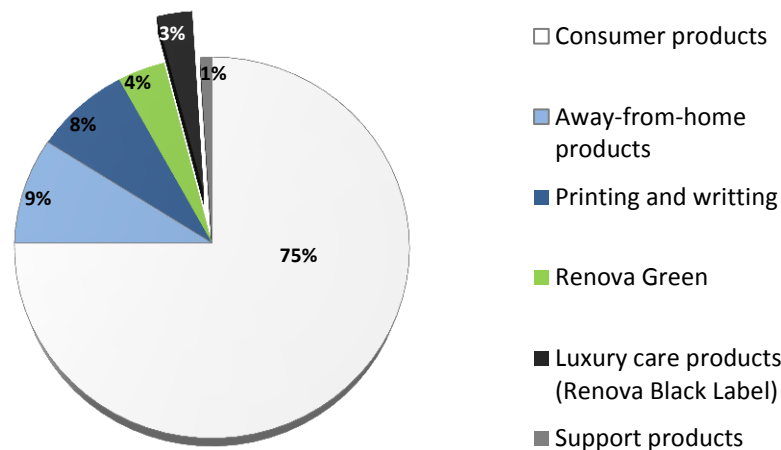
### Appendix 3 – The Four Actions Framework towards Value Innovation

“To break the trade-off between differentiation and low-cost and to create a new value curve, there are four key questions to challenge an industry’s strategic logic and business model” (Kim and Mauborgne, 2005, p.29)



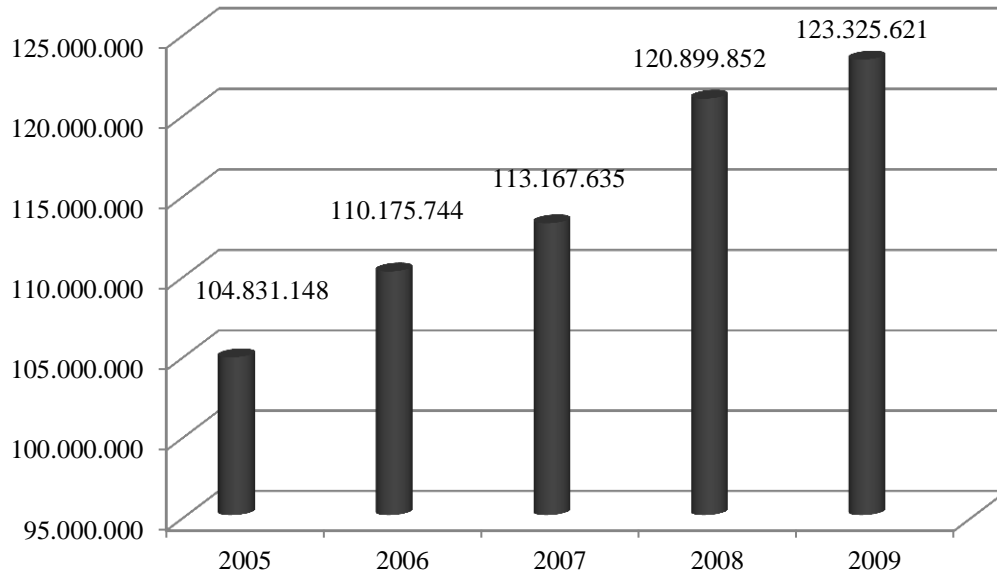
Source: Kim, W.Chan, and Renée Mauborgne. 2005. *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*. Boston: Harvard Business School Press.

### Appendix 4 – Renova’s product portfolio - approximate percentage of sales in 2008



Source: Rodrigues, Susana. 2012. “An Innovative Firm: The Renova Case Study.” In *Service Science Research, Strategy and Innovation: Dynamic Knowledge Management Methods*, ed. N. Delener, 260-288. Hershey, PA: Business Science Reference.

**Appendix 5 –Renova S.A. consolidated turnover (EUR) – from 2005 to 2009**



*Source: Amadeus. 2011. Company Report of Renova – Fábrica de Papel do Almonda, S.A., Data update 2051 - 18/10/2011 (Accessed November 11, 2011).*

**Appendix 6 – Renova Black Toilet Paper and product line extensions, year 2012**



*Source: Renova Online. 2012. <http://shop.renovaonline.net/> (accessed October 15, 2012).*

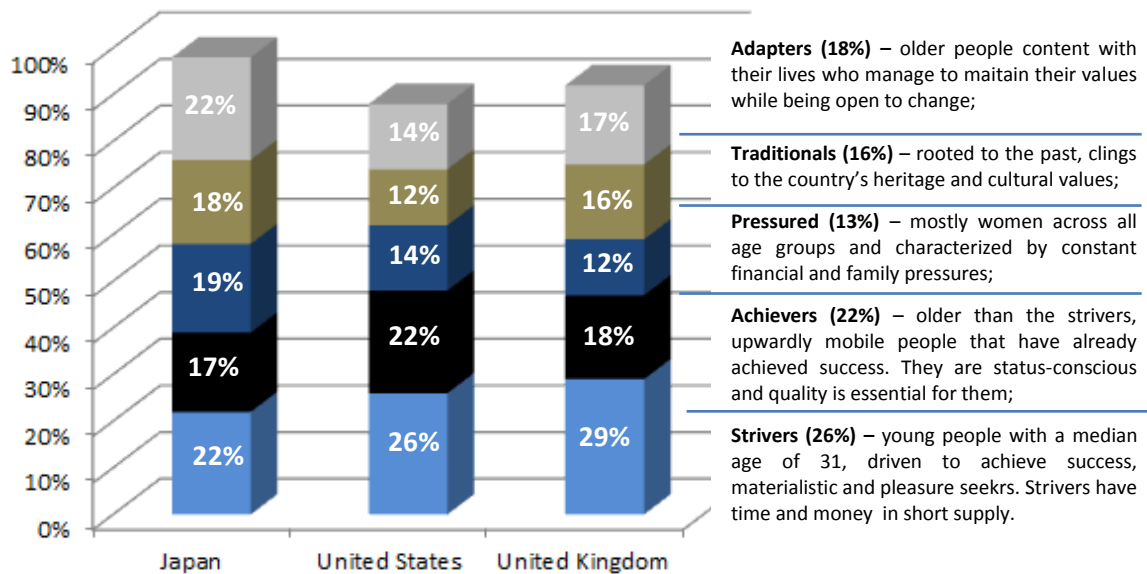
## Appendix 7 - Renova Black product line – tissue colors available, year 2012



Source: Renova Online. 2012. <http://shop.renovaonline.net/> (accessed October 15, 2012).

## Appendix 8 – The Backer Spielvolgel Bates Global Scan

BSB Global Scan is a cross-country study of consumers attitudes from 18 countries located in the Triad (NAFTA, European Union and Industrialized Eastern Asia). The target groups below are five global psychographic segments that represent 95% of consumers in the countries studied, according to BSB. Thus, Global Scan is a powerful tool for identifying consumer similarities across global markets. (Keegan and Schlegelmilch, 2001)



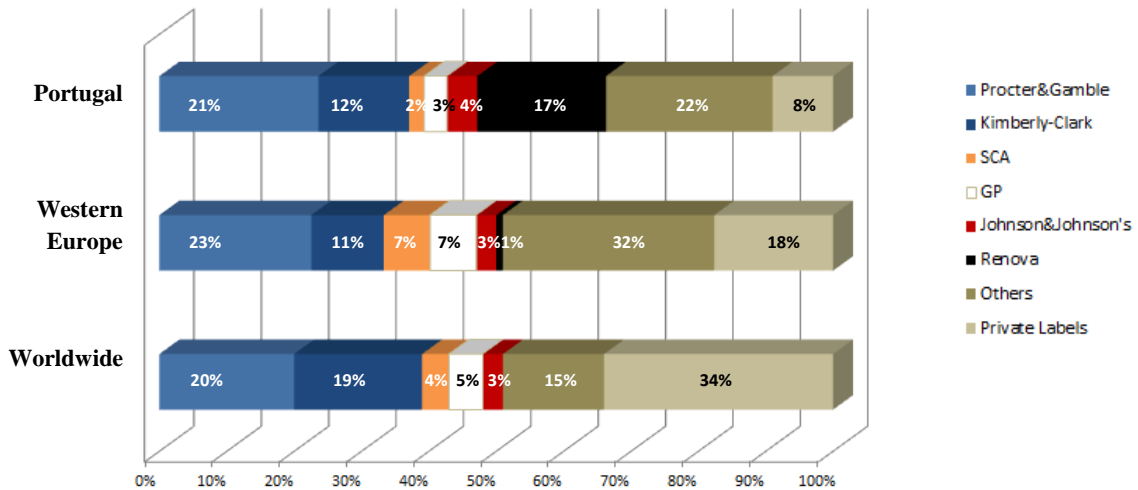
Source: Keegan, Warren J., and Bodo B. Schlegelmilch. 2001. *Global Marketing Management: A European Perspective*. Harlow: Pearson Education Limited.

**Appendix 9 – Renova promotion campaign conducted by Japanese trade customer in Tokyo**



Source: Renova online. 2012. <http://www.renovaonline.net/blogwellbeing/?p=81> (accessed November 15, 2012).

**Appendix 10 – Disposable Paper Products Industry\* - Market shares in 2005**

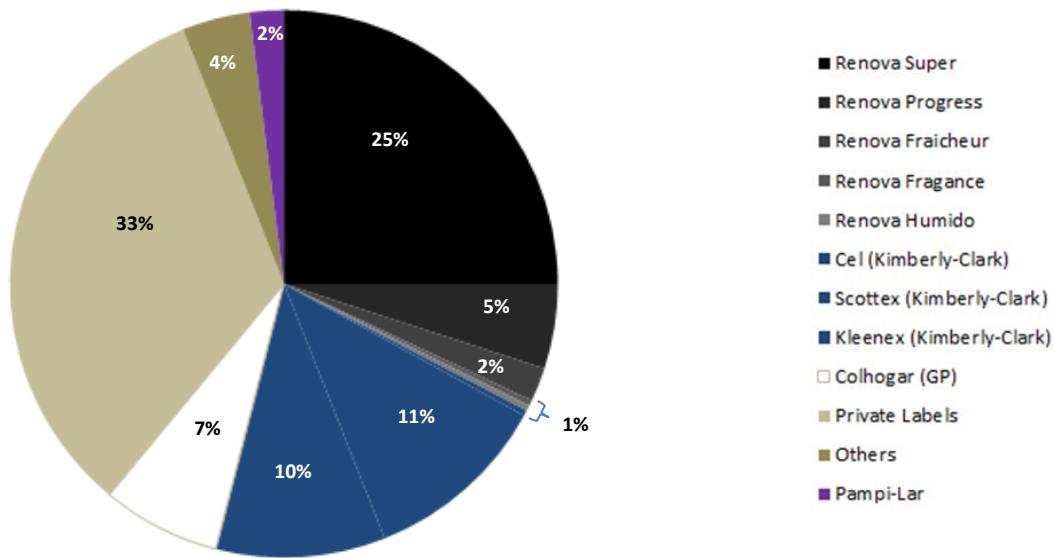


\*\*Disposable paper products include sanitary protection, nappies/dieppers/pants, incontinence products, wipes, toilet paper, cotton wool/buds/pads, tissues, kitchen towels, paper tableware.” (Bart et al., 2010, p.8)

Source: Bart, Yakov, Pierre Chandon, Steven Sweldens, and Raquel S. Sousa. 2010. “Renova Toilet Paper: Avant-gard Marketing in a Commoditized Category.” *INSEAD Case-study, 07/2010-5685; eech, the case for learning.*



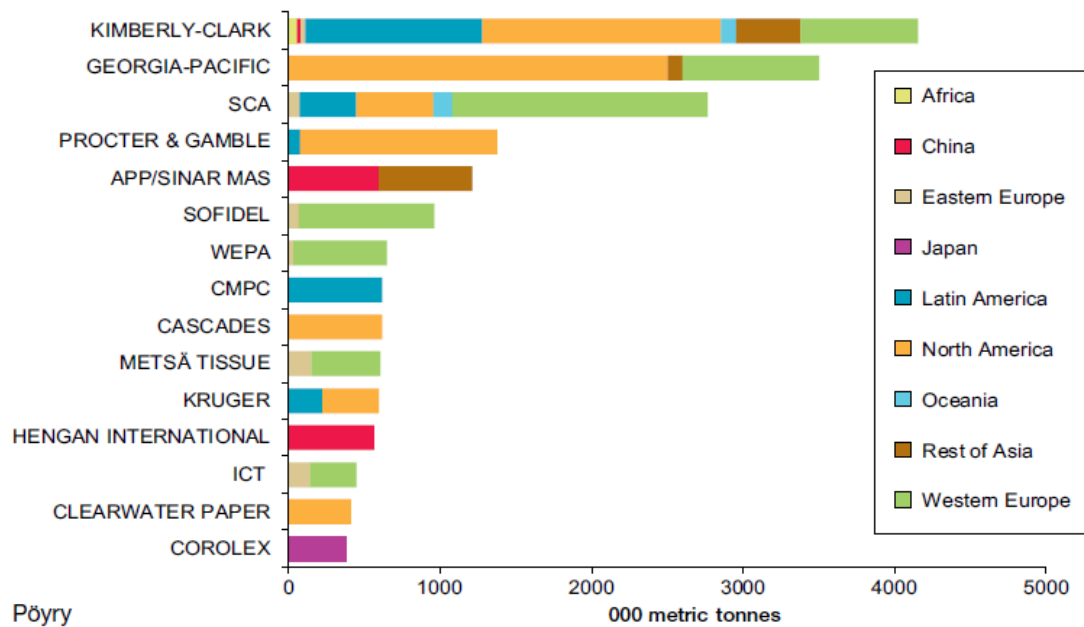
**Appendix 11 – Portuguese Toilet Paper Market -Value Market shares in 2005**



*Source: Bart, Yakov, Pierre Chandon, Steven Sweldens, and Raquel S. Sousa. 2010. "Renova Toilet Paper: Avant-gard Marketing in a Commoditized Category." INSEAD Case-study, 07/2010-5685; eech, the case for learning.*

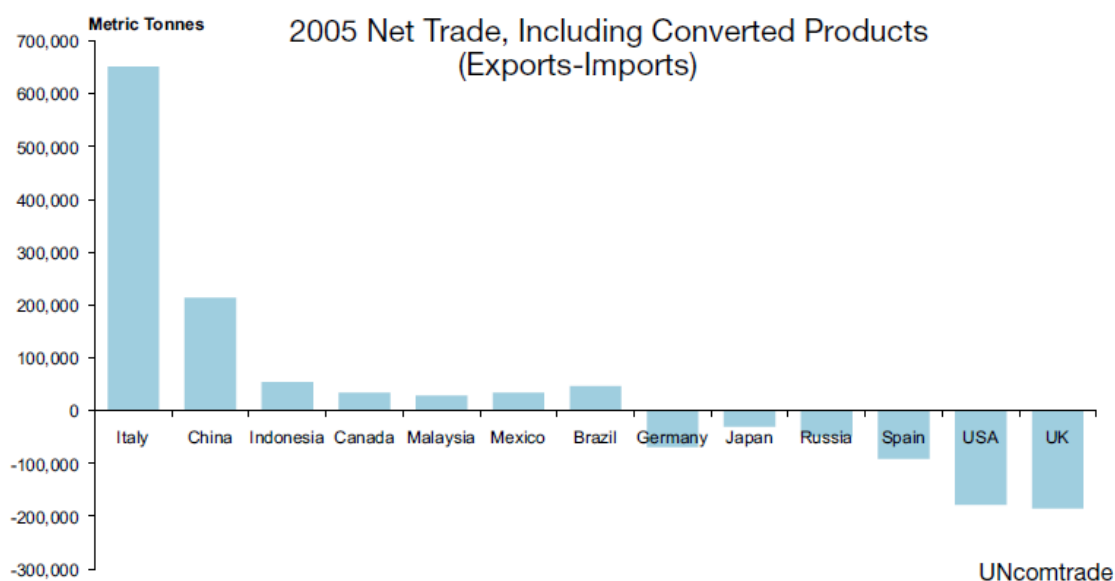
**Appendix 12 –Tissue producers global manufacturing presence in 2011**

**Top Global Tissue Producers (Excluding Converting), 2Q 2011**



*Source: Gervais, Lindsay, and Alexandra Taylor. 2011. "Tissue: Going Global. Markets Around the World Are Growing and Big Tissue Producers Are in Hot Pursuit." Paper Age, 127(6): 18-21. [http://www.paperage.com/issues/nov\\_dec2011/11\\_2011issue\\_PaperAge.pdf](http://www.paperage.com/issues/nov_dec2011/11_2011issue_PaperAge.pdf) (accessed November 15, 2012).*

### Appendix 13 – International net trade of tissue products in 2005



*Source: Gervais, Lindsay, and Alexandra Taylor. 2011. "Tissue: Going Global. Markets Around the World Are Growing and Big Tissue Producers Are in Hot Pursuit." Paper Age, 127(6): 18-21. [http://www.paperage.com/issues/nov\\_dec2011/11\\_2011issue\\_PaperAge.pdf](http://www.paperage.com/issues/nov_dec2011/11_2011issue_PaperAge.pdf) (accessed November 15, 2012).*

### Appendix 14 – Interview request to Renova's Chief Executive Officer

Caro Paulo Pereira da Silva,

O meu nome é André Costa e sou estudante do Mestrado em Gestão da Nova School of Business and Economics, Lisboa. Neste momento encontro-me a desenvolver uma tese investigação na área marketing, cujo objectivo é estudar a estratégia de marketing internacional implementada e desenvolvida para a a exportação da linha de produto Renova Black.

O enquadramento teórico deste projecto diz respeito ao debate existente na literatura do marketing entre as estratégias de standardização e adaptação dos elementos da estratégia de marketing internacional.

Para este fim, uma parte da metodologia do meu projecto passa por entrevistar várias pessoas ligadas à gestão da Renova, para além da organização "estendida", isto é, distribuidores e consumidores.

Neste sentido gostaria de apurar a sua disponibilidade e a de outros directores da Renova para serem submetidos uma entrevista conduzida por mim, a ter lugar nas vossas instalações em Torres Novas, brevemente numa data e hora a definir consoante a vossa disponibilidade. Creio que o meu contributo projecto poderá também ser do interesse da Renova.

Desde já Obrigado,  
Melhores cumprimentos  
André Costa

## **Appendix 15 – Interview guide to Renova's Managers**

### **WARM-UP**

O meu nome é André Costa e sou estudante do Mestrado em Gestão da Nova School of Business and Economics em Lisboa. Neste momento encontro-me a desenvolver uma tese investigação na área marketing, cujo objectivo é investigar a estratégia de marketing internacional usada para a a exportação linha Renova Black. O enquadramento teórico deste projecto diz respeito ao debate existente na literatura do marketing entre standardização e adaptação dos elementos da estratégia de marketing internacional.

Gostaria portanto de entrevistá-lo durante aproximadamente 60 minutos, utilizando a técnica de entrevista em profundidade. Isto significa que durante a maior parte do tempo eu não farei perguntas e em vez disso deixarei-o falar livremente após a primeira questão.

De forma a poder analisar a entrevista posteriormente, gostaria de lhe pedir autorização para poder gravar a nossa conversa.

Interview Date:

Respondent function inside the organization:

### **QUESTÕES**

1. Qual é o perfil comum a todos os compradores Renova Black nos mercados de exportação? O que os caracteriza?
2. O que têm em comum as empresas e os revendedores que compram e comercializam Renova Black nos mercados de exportação?
3. Existe alguma estimativa da quota de mercado da linha Renova Black? Porquê?
4. Qual a necessidade global que existia, mas ainda não estava satisfeita antes do produto Renova Black ser lançado? Qual foi o processo para identificar essa necessidade?
5. Como classificaria o nível de desenvolvimento dos vossos mercados de exportação? Isso influencia de alguma maneira a estratégia utilizada nesses mercados?
6. Houve algum target em termos de países predefinido para o produto Renova Black? Quais o critério de escolha desses mercados?
7. Existiu alguma procura de mercados similares em termos de infraestrutura, média, serviços intermediários de transporte e distribuição por exemplo, de forma a que a estratégia pudesse ser standardizada?
8. Qual foi a lógica utilizada para estabelecer o preço do produto Renova Black? Houve algum target de custo/lucro predefinido ou foi apenas uma questão de posicionamento?
9. Qual a razão da opção por utilizar canais de distribuição exclusivos e mais pequenos, diferentes dos habituais relalhistas vocacionados para o mass-market?
10. A intensidade da concorrência nos mercados de exportação é similar à intensidade da concorrência em Portugal? De que forma a estratégia usada pelos concorrentes influencia a estratégia de marketing internacional para o Renova Black?

11. Qual a relação de poder com as empresas filiadas no estrangeiro? Estas têm autonomia para tomar decisões quanto ao programa de marketing por elas próprias?
12. Qual é a relação comercial com os distribuidores? Como é definida a estratégia da entrada em cada mercado, sendo que em muitos desses mercados não existem representantes comerciais mas revendedores?
13. Existe algum tipo de adaptação do produto, em algum dos mercados onde a Renova está presente? Se sim, o que justifica a existência de adaptações ou não?
14. Existe alguma tentativa de uniformização nas operações de distribuição nos mercados externos? Quanto à experiência de compra por exemplo e aos canais de distribuição utilizados.
15. Em relação à comunicação e à promoção da marca, existem as campanhas mundiais da Renova, mas os distribuidores também desenvolvem algumas campanhas por iniciativa própria. De que forma é, ou não, a comunicação é adaptada ao mercado local?
16. Em relação ao preço praticado no estrangeiro, em alguns mercados é muito inflacionado devido aos custos de transporte. Há algum critério para a adaptação de preços nos mercados fora de Portugal?
17. Qual o papel dos distribuidores locais na determinação do preço? Como é feita a gestão dos preços nos diferentes mercados?
18. Ao nível da gestão de que forma é que o aumento da experiência nos mercados internacionais influencia a estratégia de exportação?
19. De que forma a performance da exportação do Renova Black em anos anteriores determinou, ou não, mudanças na estratégia para os anos seguintes?
20. De que forma o nível de recursos financeiros e logísticos disponíveis para a exportação determina a estratégia de exportação do Renova Black nos novos mercados?

## **Appendix 16** – Interview request to Renova’s foreign trade customers

Dear (*trade customer’s name*),

My name is André Costa and I am a Portuguese student currently taking a Masters degree in Business Administration at Nova School of Business in Economics in Lisbon, Portugal. In the ambit of my work project I am now conducting a research related to Renova Black Toilet paper, aiming at analyzing Renova export venture with this product line and the correspondent international marketing strategy that created a new local and global demand.

Since you are a trade customer of Renova I would be very pleased if a representative from your company could collaborate with me answering a few questions via e-mail. It consists of 8 questions for qualitative analysis, which means that you can say whatever comes to your mind.

Would that be ok for you?

Thank you in advance,  
Best regards from Portugal,

André Costa

## **Appendix 17 – E-mail interview guide to Renova’s foreign trade customers**

- 1.** What is your core business? How does Renova Black product line fit with your organization and business needs? Has Renova Black line been profitable?
- 2.** Who are your customers buying Renova colored editions in your country? Why do you think that these customers are willing to pay a premium price for these rolls?
- 3.** Besides final consumers do you sell to other business? Which businesses show interest in Renova Black product line and why?
- 4.** What is the need in the global market that you think was uncovered before Renova Black?
- 5.** Compared with Renova online prices, is the price that you have set for Renova Black adapted to your local market? Could refer to the logic that was used to set the final price? (e.g. shipping, culture, inflation, purchasing power, substitute products, other brands)
- 6.** Do you have any directives from Renova to comply with regarding distribution operations or you have full decision over the physical distribution of Renova Black? Could you refer to important aspects of your market infrastructure that influence your distribution operations? (e.g. online sales, purchase environment, buyer experience, pop-up shops, etc.)
- 7.** Do you use Renova existing campaigns and brand identity to promote Renova products or you develop our own communication campaigns, adapted to your local market?
- 8.** Do you have an active role in asking support Renova or provide feedback on ways to improve your business operations in your local market?

## **Appendix 18 – Interview Guide to Final Consumers**

### **WARM-UP**

My name is André Costa and I am a Portuguese student currently taking a Masters degree in Business Administration at Nova School of Business in Economics in Lisbon, Portugal.

In the ambit of my work project I am now conducting a research related to Renova Black Toilet Paper, aimed at studying Renova export venture with Renova Black product line and the correspondent international marketing strategy that created new local and global demand.

I would like to interview you for approximately 30 minutes, by means of a depth-interview, which means that for the most part I will not ask you questions, but instead I will let you talk freely after the first initial question. For the purpose of analyzing our interview later, I would like to record our conversation, would that be ok? Every information collected will only be analyzed by me. You will remain anonymous and you will not be contacted past further this interview.

## QUESTIONS



“Renova bath tissue is 3-ply, fragranced, dermatology and gynecology tested and approved, recyclable and biodegradable toilet paper. It is non-bleached and 100% chlorine free, unlike many white toilet papers.”

*Source:*<http://www.renovashop.com/pages/safety.html>

The price of a Renova Black roll is approximately 3 to 8 times higher than the price of a roll of conventional white toilet paper, varying with the type of packaging.

1. Bearing in mind this information on the product that I have read, do you imagine yourself purchasing Renova Black?
2. For which purpose(s) would you buy this product?
3. What aspects of the product do you think that justify its increased value added, considering that Renova Black price is significantly above the industry's standard?
4. How would you describe the profile of any person from the globe that would purchase Renova Black with a certain frequency? Why would that person do it?
5. In which type of stores/commercial spaces would you expect to find easily available this product for you to purchase? Why?
6. Respondent's profile: Gender, Age and Nationality

### Appendix 19 – Quotations from in-depth interviews with Renova's Management

#### Interview Respondents:

Renova's Chief Executive Officer - interview date: 14.09.2012

Renova's Brand and Business Development Manager - interview date: 14.09.2012

Renova's Marketing Director - interview date: 19.09.2012

1. “A Renova tornou-se muito conhecida do ponto de vista industrial por causa do papel higiénico preto, mas não é só isso. Quando entrámos em França em 2002 a Renova era vista como revolucionária por ter sido pioneira ao introduzir papel higiénico com loção”

*Paulo Pereira da Silva, Renova's CEO*

2. “Eu diria que temos uma estratégia essencialmente de diferenciação. Estamos a trabalhar numa categoria de produtos essencialmente commoditizada na cabeça do consumidor. Nós o que tentamos é diferenciar a marca através da diferenciação nos produtos. Tentamos incorporar valor acrescentado que seja reconhecido e percebido pelo consumidor. Essa inovação pode ser uma inovação ficcional ou funcional. Funcional está apenas apoiada em melhorar a performance do produto em termos de absorção, etc. Mas depois também podemos apostar na inovação ficcional, que é extremamente importante no momento de decisão de escolha do consumidor. Todos os benefícios intangíveis que colocamos no produto que fazem com que o produto seja posicionado na cabeça do consumidor como um produto diferente.”

*Luis Saramago, Renova's Marketing Director*

3. “A primeira coisa, não gosto da palavra consumidores, é um tabu. Gosto da palavra cidadãos. Para mim chamar as pessoas consumidores é mal tratar. Uma coisa que é muito importante é que a pessoa tenha liberdade de escolha, portanto a inovação é materializada no carrinho de compras que aqui tenho. A razão pela qual tomamos as decisões, o juízo final, a bondade da decisão tem a ver com o carrinho de supermercado, se a pessoa for buscar ou não for buscar o produto. Se falhar aí falha tudo.”

*Paulo Pereira da Silva, Renova's CEO*

4. “Agora veja que os nossos produtos também têm um valor absoluto muito baixo. Fazer uma extravagância de 2,5€ é muito acessível, dá para comprar uma embalagem de dois rolos de papel higiénico preto. É uma extravagância que não é impossível..não é como comprar uma casa com piscina ou um carro de alta cilindrada. É um “luxo”, não queria chamar luxo...mas é uma extravagância bastante democrática pois tem um valor absoluto muito baixo.”

*Luis Saramago, Renova's Marketing Director*

5. “É curioso ver a reacção das pessoas, que é diferente dentro do linear e fora do linear nas pop-up shops, mesmo dentro do mesmo supermercado, neste caso o El Corte Inglés. Num ambiente de boutique as pessoas não têm termo de comparação e então já acham mais acessível e estão mais predispostas. As pessoas quando saíem fora do supermercado já estão a procura de outra coisa relacionada com entretenimento, extravagância. Tem muito a ver com a experiência de compra. Veja o exemplo da loja da Nespresso...você entra tem varios cafés, várias cores, já compra, já gasta um pouco mais de tempo a ver as diferenças o que há o que não há.”

*Luis Saramago, Renova's Marketing Director*

6. “Tentamos destacar o Renova Black dos outros papeis higiénicos, para nós o ideal não seria estar ali. Seria estar mais na área de bazaar, de artigos para a cozinha, casa de banho, etc. Em relação aos lineares de papeis há sempre a questão de comparação de preços que é um pouco ingrata. Se tivermos estes produtos numa prateleira de supermercado há uma grande tendencia para fazer comparações. Então eu vou comprar uma embalagem de dois rolos por 2,5€ quando tenho aqui uma de doze rolos que custa menos do que isso?”

*Luis Saramago, Renova's Marketing Director*

7. “A linha preta permite estar em redes de distribuição no mundo inteiro, lojas de produtos para a casa de banho, etc. Uma data de coisas. A linha preta é uma coisa mais transversal ao mundo inteiro em redes de distribuição mais dispersas. [...] Eu não gosto muito do termo alternativos. Não acho que sejam canais de distribuição alternativos. Alternativos a quê? Eu não acho que as maiores margens sejam a motivação. Nós temos uma linha de produtos que faz sentido ser vendida num grupo de canais e esta linha faz muito mais sentido ser vendida nesses canais do que no retalho tradicional. A black label é um projecto que é definido para ser vendido nos canais apropriados para esse projecto. São estratégias diferentes. Não é a mesma estratégia ir buscar mais. É outra coisa, com toda a sua importância.”

*Paulo Pereira da Silva, Renova's CEO*

8. “Eu acho que é assim, este produto, o Renova Black, ao ser vendido num discount store deixava de ter valor. O facto de usarmos canais de distribuição mais exclusivos faz parte da estratégia para esta linha. O mercado ao não estar inundado aumenta o valor deste produto em específico. É como que uma escassez controlada.”

*Renato Braz, Renova's Brand and Business Developer*

9. “Nós não temos representantes na Europa. São mesmo empresas juridicamente independentes, criadas lá, em Espanha, França, Bélgica e Luxemburgo (Renova España SA, Renova France SA, etc.), cujo o capital pertence 100% à Renova, as pessoas pertencem à Renova, são empresas satélite.”

*Luis Saramago, Renova's Marketing Director*

10. “Temos portanto uma estratégia assente nestes dois vectores, tentativa de diferenciação com uma injeção de inovação nos produtos, em termos de produto e dos meios comunicar esses benefícios, na criatividade utilizada. Tem de ser uma estratégia de diferenciação transversal a todos os mercados onde estamos presentes, principalmente aqueles da Europa onde estamos presentes (Portugal, Espanha, França, Bélgica, Luxemburgo), onde temos uma estrutura comercial.”

*Luis Saramago, Renova's Marketing Director*

11. “Há certas margens de rentabilidade que têm de ser cumpridas, mas o preço é gerido pelos directores comerciais que o adaptam ao mercado. Isto dentro de Espanha, França, Bélgica e Luxemburgo, onde temos estrutura comercial, Temos marketers que estão em contacto com comissionistas que providenciam informação nesses mercados locais [...] No resto do mundo, não controlamos. O único control que temos de fazer é ser rígidos no preço de venda mais os custos de transporte. E aí depois o cliente até pode dar o produto. Isto porquê? Porque não são comissionistas nem representantes da Renova. A partir daí se quiserem fazer uma promoção drástica de preço nós desaconselhamos porque é muito arriscado, mas não podemos interferir [...] E para além disso os mercados são diferentes. Nós estamos habituados ao mercado Europeu que tem regras definidas, muito claras, em termos de venda de produtos, concorrência, etc. Fora da Europa as coisas são um bocadinho diferentes, quando vamos para a Ásia ou Rússia por exemplo. Para controlar a 100% teríamos de ter uma empresa lá, como temos em Espanha, França, porque aí nós temos tudo na mão.”

*Luis Saramago, Renova's Marketing Director*



12. “Tenho só duas preocupações em relação ao preço. A primeira é que o produto chegue...é fazer negócio. O preço tem que ser um preço a que as pessoas estejam dispostas a comprar se não não há negócio. Segunda coisa, é no espaço geográfico onde as pessoas comprem haver alguma uniformidade. Não posso comparar alguém que compre na Austrália com alguém que compre na Bélgica. O preço na Austrália tem que ser uniforme, aquele que permite vender. E mesmo na Bélgica é diferente de Paris por exemplo, tem que haver sempre uniformidade com o país. Os IVAs são diferentes, os transportes são diferentes, os direitos de entrada pagos são diferentes. [...] O Renova Black era um produto meio fun que nos permitiu vender muito caro e depois ir ajustando. O próprio packaging foi sendo alterado. Isto para lhe dizer que não foi uma decisão racional decidir o preço. Houve tempo para decidir o preço de maneira muito natural e de maneira muito pouco essencial na nossa óptica.”

*Paulo Pereira da Silva, Renova's CEO*

13. “Nós comunicamos a linha de produtos de valor acrescentado como sendo “sexy”, como forma de mostrar que é de alguma forma giro e diferente de tudo o que existe. O the sexiest WC on earth tem sido uma arma de comunicação muito poderosa neste aspecto. É um projecto muito importante para criar uma relação com a marca, as pessoas quando saíem tiveram uma experiência positiva com a marca Renova e depois tiram fotos, comentam e falam daquilo no seu país. Já aparecem em bastantes blogs, na Rússia e em Israel, por exemplo. Portanto esta aprendizagem de criar relações com a marca tem sido bastante interessante.”

*Renato Braz, Renova's Brand and Business Developer*

14. “Em relação à comunicação nós temos uma coisa que é muito giro. A co-criatividade e a co-criação, é uma coisa que nós precisamos. Muitos clientes lá fora começaram a fazer muitas coisas com a nossa marca, coisas muito bem feitas, tão bem como nós fazemos aqui. Não é fácil gerir, mas ao mesmo tempo é bom dar um bocadinho de liberdade em relação à marca, um bocadinho de flexibilidade. Os clientes fazem coisas com a nossa marca, que às vezes nos escapam, mas tem graça como conseguem perceber tão bem a marca e conseguem fazer coisas muito bem feitas com ela.”

*Paulo Pereira da Silva, Renova's CEO*

15. “No entanto há preocupação em manter a identidade da marca, porque eu acho que há um coração que tem de ser muito próprio, mas tem que haver um bocadinho de liberdade também. No passado não se podia mudar nada no mundo do marketing, era tudo muito rígido. Eu acho que esse mundo mudou radicalmente...as coisas são muito efémeras com a internet. Como não temos representações nos países todos onde estamos presentes ou até mesmo nada, temos mesmo de dar essa liberdade aos nossos clientes.”

*Paulo Pereira da Silva, Renova's CEO*

16. “Eu acredito imenso na co-criatividade, por o talento a funcionar mesmo fora daqui. Há muita gente que tem tempo e tem prazer e dedica-se a fazer uma brincadeira qualquer com um produto que goste. Isto entra outra vez nas redes e na palavra que eu gosto muito que é interferência. Quanto mais pessoas tivermos a interagir com a marca melhor, porque é sinal que ela de facto existe. É como o Ronaldo, muita gente fala mal, muita gente fala bem, mas ele existe de facto e está sempre vivo.”

*Paulo Pereira da Silva, Renova's CEO*

17. “Esses clientes depois, pegam no produto expõem e divulgam. Agora a divulgação tem algum apoio nosso, não com apoio de investimento mas com algum apoio técnico, em termos de grafismo, lettering, por exemplo. E claro que há regras em termos de utilização do logotipo e comercialização dos produtos. Não podem dizer que o produto é deles, é a marca Renova e temos alguns direitos reservados, mas há algum grau de liberdade. Para construírem eles também a marca. A marca Renova passa a ser um património não apenas da Renova mas também dos seus clientes. [...] Por exemplo a divulgação da gama black label em Tokyo foi feita pelo nosso cliente local num centro comercial com uma banda jazz local. Isso foi organizado pelo nosso cliente com algum apoio nosso do ponto de vista de grafismo, imagens, etc.”

*Luis Saramago, Renova's Marketing Director*

18. “Depois há outra coisa que é muito importante na comunicação que é as relações públicas. Muito das relações públicas é feito a partir daqui, mas depois há muitos contactos do marketing local com os jornalistas, mas é essencialmente com agentes de relações públicas aqui, em Paris e em Madrid. Mas o que nós sentimos é que cada vez mais as relações públicas são a nossa ligação com os jornalistas. Os eventos e a promoção são feitos por eles. Está muito dentro dos consumidores, do projecto. É muito mais credibilizante utilizar esta ferramenta para aparecer em jornais, case studies de universidades, etc. Além de mais barato é mais credibilizante do que investir em comunicação em televisão, revistas etc. Esses agentes de relações públicas são sempre locais para conhecerem mais o meio local.”

*Luis Saramago, Renova's Marketing Director*

19. “É pensado um conjunto de acções e solicitada a opinião deles, dos comissionistas, do que pode e não funcionar. Depois de eles concordarem são definidos quais os meios a impactar. Desses meios, dos media, quais são aqueles aos quais vamos dar exclusividade para coincidir com a nossa estratégia. São definidos primeiro os objectivos que queremos, o que queremos impactar, e depois esses agentes são ouvidos e tentamos chegar a uma solução. É feito de uma forma coordenada, standard, quando surge alguma coisa relevante dentro da organização, mas se houver alguma coisa específica de um mercado é direccionada a atenção para aí.”

*Luis Saramago, Renova's Marketing Director*

20. “Acrescentámos benefícios intangíveis que acrescentam valor ao produto. Em termos de funcionalidade a gama Renova Black é superior a muitos papeis...é mais espesso, mais absorvente. Cada serviço tem três folhas enquanto o super tem só duas e o normal às vezes tem só uma. Testámos dermatologicamente o produto e este é um benefício intangível. Não é palpável, mas é algo que os consumidores valorizam. [...] O Renova black tem um odor desenvolvido especialmente para este produto, que no limite nós gostávamos que se tornasse no odor, na fragância da Renova. Como sabe as marcas não são só a imagem gráfica e as cores, mas podem ter vários elementos que tocam os 5 sentidos e interfiram com o público a que se destinam [...] Nas Pop-up shops você pode customizar a sua compra, misturando cores...que é uma coisa também para papel higienico as pessoas acabam por valorizar. ”

*Luis Saramago, Renova's Marketing Director*

21. “Temos algo de transversal de estratégia que é igual em termos de onde são apresentadas soluções de produto, meios de comunicação e de criatividade. E depois há necessidade de fazer alinhamento daquilo que foi predeterminado ou criar soluções específicas para o cliente específico no mercado A ou B. E depois fazer isto tudo com uma capacidade de resposta rápida pois os clientes e as oportunidades hoje em dia são muito mais efêmeros.”

*Luis Saramago, Renova's Marketing Director*

22. “Esta agilidade e rapidez é muito valorizada. Se não chegarmos a tempo já passou a oportunidade, pois o cliente entretanto já não valoriza as mesmas coisas. É valorizada pela rapidez e pelo tratamento específico para aquele cliente. Nós conseguimos fazer isso devido à nossa dimensão pequena, as decisões são centralizadas, somos muito mais flexíveis e muito mais ágeis do que as multinacionais que estão presentes em 150 países [...] Se há um cliente em Espanha que pede uma acção específica ou uma embalagem específica para um determinado produto exclusivo, então nós vamos criar uma solução customizada. Pede isso a uma multinacional e esse pedido passa por muitos centros de decisão. Vai para os Estados Unidos, é incorporado numa agenda, vai ser discutido numa reunião. Portanto, o tratamento que dão a esse cliente é muito mais vagaroso e se calhar nem conseguem responder.”

*Luis Saramago, Renova's Marketing Director*

23. “Na esteira da comercialização dos produtos black label acabamos por vender outro tipo de produtos. Houve clientes que pesquisaram, viram que tínhamos outro tipo de produtos, pediram-nos informação e com o custo industrial mais o custo transporte conseguimos chegar a esses mercados com um preço ainda assim competitivo. [...] Enquanto que no Norte da Europa não conseguimos vender os nossos produtos básicos a um preço competitivo, porque há capacidade instalada que preenche perfeitamente a procura, noutros países, por exemplo, da Europa de Leste, Norte de África e do Médio Oriente, temos conseguido chegar com esses produtos. Mas depois para mercados mais desenvolvidos só entramos com black label por causa da sua diferenciação. Na Escandinávia ou na Alemanha a oferta é muito superior à procura e está sediada nesses países. O custo de transporte é logo uma parcela de dois dígitos, o que condiciona a nossa exportação de produtos de margens baixas para esses países, mas também desses países para cá. Por isso é que em Espanha, por exemplo, nós conseguimos estar com produtos agressivos do ponto de vista comercial.”

*Luis Saramago, Renova's Marketing Director*

24. “Tentamos o quanto possível proteger o produto. Em relação à propriedade intelectual pode protegê-la em diferentes países em simultâneo. A legislação Europeia é um bocadinho diferente da Americana. Enquanto na Europa é muito importante ter a patente, nos Estados Unidos é muito importante ser o primeiro a fazê-lo. As coisas são muito distantes, tanto pode proteger o produto como a nível industrial. Quando temos uma ideia e queremos protegê-la, vamos ter com um especialista que nos indica qual a melhor maneira de a proteger. Já temos de ter em conta a legislação dos outros mercados. [...] Mas já copiaram quase todos os nossos produtos e algumas comunicações também. Há coisas que não se conseguem combater, a única solução é criar e andar para a frente. Mas enquanto copiarem é bom sinal, é sinal que o nosso produto é bom e reconhecido lá fora. Mas não digo que não seja doloroso.”

*Paulo Pereira da Silva, Renova's CEO*

25. “Já têm aparecido, principalmente na Ásia, cópias puras e duras deste produto. Temos o produto totalmente protegido na Europa, alguma coisa nos Estados Unidos, mas na Ásia nada está protegido. Hoje em dia mesmo tendo o produto protegido, é muito fácil contornar a patente e depois depende da cabeça do Juíz, basta fazer um risquinho que já não é o mesmo produto. Se o Juíz assim achar é fácil contornar a patente. [...] Mas teve alguma investigação este produto do ponto de vista de tecnologia e de processo de produção. É preciso ter algum know-how e encontrar os fornecedores. Agora, os nossos concorrentes têm tecnologia e podem fazê-lo. Mas é uma coisa que em termos de processo dá algum trabalho e exige algumas adaptações no processo de produção e os nossos concorrentes estão focados em grandes tiragens, nos grandes lotes, nas produtividades elevadas”

*Luis Saramago, Renova's Marketing Director*

26. “O processo de internacionalização foi muito natural. Não escolhemos nenhum país. Quando começou o papel higiénico preto foi consoante o que apareceu, as pessoas que apareceram. Nem sequer toda esta estratégia dos canais diferentes existia. Agora podia aqui inventar uma estratégia enorme..não houve uma estratégia enorme. Foi surgindo e fomos adaptando à medida da experiência.”

*Paulo Pereira da Silva, Renova's CEO*

27. “Apresentamos aos clientes os nossos produtos, os nossos conceitos e a criatividade da comunicação de forma transversal aos mercados. Depois há por vezes oportunidades de fazer qualquer coisa por medida, específica, e nós aí aproveitamos criando uma solução personalizada para o cliente, sendo que para isso é necessário haver muita abertura da organização para a mudança. [...] Posso ter que fazer uma coisa específica para o Carrefour em Espanha...uma campanha promocional ou até mesmo um produto exclusivo, para conseguir ter mais espaço de linear.”

*Luis Saramago, Renova's Marketing Director*

28. “Repare, os grandes vectores de desenvolvimento, o cérebro do marketing está aqui. Mas como é evidente esses marketeers estão em contacto com os comerciais e o mercado têm know-how sobre esses mercados (Espanha, França, Bélgica e Luxemburgo) que nós aqui temos alguma dificuldade em saber. Isto para saber que aquilo que eles nos apresentam tem algum poder de influência na tomada de decisão. No entanto há uma estratégia comum em todos os mercados em relação a soluções de produto e serviço e criatividade na comunicação. Depois podem ser feitos alinhamentos, pequenos ajustes relativamente ao mercado comum. Há uma estratégia base e depois há um aproveitar das oportunidades que surgem e aí são construídas soluções por medida.”

*Luis Saramago, Renova's Marketing Director*

## **Appendix 20 – Quotations from e-mail interviews with Renova's trade customers**

### **Interview Respondents:**

Toilet Decor, Australian Renova's trade customer - interview date: 29.08.2012

Bemede, Spanish Renova's trade customer - interview date: 10.09.2012

Red Candy, British Renova's trade customer - interview date: 14.11.2012

1. “The first load I brought in was expensive and landed at a ratio of 1/3 product cost to 2/3’s shipping cost. I really brought in that shipment to be in a position to distribute a large amount of samples to potential retailers. The shipment that is on its way now is going to fall into a more economical price bracket due to the fact that it is a container load instead of a pallet.”

*Toilet Decor, Australia, Renova’s trade customer*

2. “I believe the global need was for a product that could establish itself as a product so out of the ordinary that people could not resist it. Toilet paper was always a boring commodity. Some companies came out with motifs on the paper but they were not vivid, they were not “in your face” they were just cute. [...] I believe the success is in the color. I also believe, like Australia, it is fairly new in USA and New Zealand. As long as there is not too much of the product in the marketplace, it will keep its elite position and will never become just another boring commodity.”

*Toilet Decor, Australia, Renova’s trade customer*

3. “I have just put the phone down on one of the biggest distributors of cookware in Australia. The state manager has this very minute complimented me on keeping the Renova range exclusive. He is experiencing a huge problem with their brand Avante. Australian distributors of the brand have flooded the market and now retailers do no longer want to stock the brand because the value of the brand name is no longer there. We see here how product value is lost by the greed of Brand Houses. What is not seen is that ultimately they lose. Short-term gain has long-term side effects. That is not what I envisage for Renova in Australia.”

*Toilet Decor, Australia, Renova’s trade customer*

4. “Somos fabricantes y editores de artículos para el baño, hechos en metales nobles, (bathroom fittings). Como operamos en la "alta gama" la excelencia visual es clave en nuestro producto. Así, el "atrezzo" que seleccionamos, debe ser acorde con esta idea; ...y Renova encaja perfectamente. El "papel negro" nos aporta lujo; ...el de colores pinceladas de modernidad por evocar al "neoplasticismo" otras marcas de papeles higiénicos no nos lo aportan. Por lo que, hoy por hoy, quien presume estar en una cierta élite utilizará Renova ó similares. Ahora, nos hemos organizado en una estructura pequeña pero muy eficiente, orientada a "empresas de élite", así es realmente "bemedé".”

*Bemedé, Spain, Renova’s trade customer*

5. “Our core business is centered around retailing red kitchen accessories, red bathroom accessories, and funky gifts. We initially just sold the red toilet paper, and it proved so popular that we then introduced black, and all of the other colors. Black toilet paper continues to be a firm fixture in our top 3 selling products.”

*Red Candy, United Kingdom, Renova’s trade customer*

6. “Although people from all across the UK purchase our Renova items, there appears to be a high concentration in and around London. People seem to want to make a lasting impression on their guests, and are looking for finishing touches that are a little bit different – Renova products fit perfectly into this category.”

*Red Candy, United Kingdom, Renova’s trade customer*

7. “We frequently sell bulk orders to hotels and restaurants across the UK. I guess the reason is exactly the same – to impress their guests, and to make the more memorable impression. Luxury really is in the minute details!”

*Red Candy, United Kingdom, Renova’s trade customer*

8. “Customers buying Renova colored paper have been Estate Agents and Renovators as well as the public living in up-market suburbs of Melbourne and Sydney. We have sold boxes to owners of clothing shops in Tasmania as well as to house builders. We have a Bathroom Retailer in Sydney holding stock as well. So the main business customers we have are bathroom outlets and builders. We are in the process of negotiating with a large brewery to match the paper to their beer colors, they are interested. Event planners are interested but are yet to purchase.”

*Toilet Decor, Australia, Renova’s trade customer*

9. “Yes we have negotiated with certain suppliers to stock Renova products. We can send larger quantities to these suppliers at reduced costs. This way we are able adjust price towards more competitive prices.”

*Toilet Decor, Australia, Renova’s trade customer*

10. “Renova have been very relaxed in their supply of products, which is conducive to the way we like to go about our own business. They haven’t been restrictive in any respect, and haven’t tried to push guidelines with regards pricing or distribution. It appears as though as long as their product is reflected in a favorable light, they are happy to let us go about our business.”

*Red Candy, United Kingdom, Renova’s trade customer*

11. “Our ‘local’ market is the UK, so we sell Renova products to our customer base in the same way that we sell all other brands [...] until now we haven’t had to ask Renova for any support or advice. The service and supply is always smooth and predictable, and Renova product sales continue to grow organically for us under our own steam”

*Red Candy, United Kingdom, Renova’s trade customer*

12. “Product landing costs are the most important cost for me. The Australian public is used to purchasing white toilet paper for between 0.45c and 0.50c from retailers. Retailers in Australia insist on a minimum of 100% mark-up. Bearing this in mind, the product would be unrealistically priced if we added our own 100% mark-up. We determine the mark-up on the quantity of the product that is ordered. We try to keep a minimum of 40% as our mark-up to wholesalers/retailers. Shipping costs affect the pricing due to the distance from the Renova factory. Also, the shopping center rentals and labor rates are expensive which dictates the ultimate end product price.”

*Toilet Decor, Australia, Renova’s trade customer*

13. “We have set a price that we feel is competitive, but still fair to both us, and the competition. It is a premium product so we certainly don’t want to appear to be selling it on the cheap – this wouldn’t help anybody out. Although we are aware of competitors pricing strategies we try not to let their pricing dictate our own. We know that our customers come

to us for the service as well as the unique products, and they don't mind paying a little more that they may elsewhere.”

*Red Candy, United Kingdom, Renova's trade customer*

14. “We use Renova photos where necessary on our website. We also use the phrasing from Renova “sexiest paper on earth”. Plus we undertake our own campaigns and communications. We communicate that the Renova brand is outstanding and once you experience it you will not be able to do without it. Our campaign “Dare to be Daring” is in the planning process. We offer the Renova brand identity into Australia as that is what Renova pushes for. They want their brand to get known.”

*Toilet Decor, Australia, Renova's trade customer*

15. “Our promotions are mainly undertaken in interior styling magazines and photo shoots as well as newspapers. The demographics of certain areas dictate how we advertise in those areas.”

*Toilet Decor, Australia, Renova's trade customer*

16. “We tend to promote Renova to our customer base using our own campaigns, only because we understand how our specific customer base works. We aren't sure there are that many customers who are aware of ‘Renova’ as a brand here in the UK just yet, but there are a growing number who are aware of ‘black toilet paper’.”

*Red Candy, United Kingdom, Renova's trade customer*

## **Appendix 21 – Quotations from in-depth interviews with final consumers**

1. “Caracterizaria uma pessoa que compre frequentemente papel higiénico preto como prepotente, vaidoso e extrovertido. Com um nível financeiro folgado. Possivelmente um homossexual que goste de dar nas vistas”
2. “Acho que alguém com uma empresa em que a sua actividade principal pontuasse pela imagem e distinção ou então alguém com muito dinheiro para se dar ao luxo de o comprar, como uma extravagância...”
3. “Alguém da classe média-alta com um rendimento bom e estável, solteiro e entre os 30 e 40 anos. Tendo em conta a sociedade actual, acho que impressionaria o sexo feminino com um papel higiénico de classe.”
4. “Acho que uma pessoa que compre papel higiénico preto tem de ser uma pessoa com um grande poder de compra e com um gosto apurado por peças de design. As pessoas que gostam de objectos de decoração normalmente olham pouco ao preço, acho porque se sentem bem consigo mesmas a comprarem produtos deste tipo...”
5. “Uma pessoa de meia idade, feminino ou masculino homossexual, de rendimento alto, ambientalista ou com um gosto obsessivo pela decoração de interiores, alguém muito excêntrico que goste de experimentar tudo o que foge ao convencional...e este produto é

mesmo isso, à primeira vista parece-me para um pequeno grupo de consumidores mais bizzarros entre-aspas...”

6. “Its color can be very decisive when it comes to the decoration and framing of the toilet paper with the space. So I guess that a person that buys this would be a middle aged woman that pays much attention to the aesthetics details and likes to impress friends coming to her place. She would have high income, that’s for sure.”
7. "It would be a women aged between 40 and 60 years, with stable income. She would buy to differentiate herself, just to show that she is a unique person...or just because of personal preference”
8. “It would be a young female with high income and very outgoing style I think...Her motivation for buying black toilet paper would be to show-off in supermarket or at home that her style is very sophisticated and different from a regular person.”
9. “A person with a high income level, aged between 25 and 45 years old, male and professionally succeeded. Why would the guy buy the product? It would be only to show others his status and social position...I do not see any other reason.”
10. “A young adult professional, 30-40 years old, with high levels of education and high income or very high I would say... A confident person that would buy Renova Black to be unique and to be able to show others that he has no problem on buying expensive things”
11. “Em lojas de decoração, pelo carácter decorativo do produto. Supermercados também, porque apesar de tudo o papel higiénico é um produto sem nicho de mercado e como tal tem um objectivo comercial alto.”
12. “Penso que o produto faz sentido lojas de design de mobiliário, mas também em hipermercados, pois não deixa de ser papel higiénico”
13. “Acho que este produto faz mais sentido para lojas de decoração, lojas de artigos para casa pela natureza do negócio em si, mas também esperava encontrar isto em grandes superfícies, afinal de contas é papel higiénico”
14. “Numa loja própria e exclusiva para este tipo de produtos de design ou numa loja de mobiliário de banho que prime pela imagem e por oferecer uma experiência com requinte aos seus clientes”
15. “Supermercados de gama superior como o Corte Inglês e também lojas de decoração. Dado o alto posicionamento dos factores preço e qualidade do produto, o terceiro “P” deve ser adequado ao produto...”
16. “Esperaria encontrar num shopping, mas não dentro do hipermercado. Pela comodidade e devido ao posicionamento do produto acho que é o que faz mais sentido. Para apanhar aquelas pessoas que andam a passear pelo shopping só para se entreterem. No fundo parece-me que tem bastante a ver com isso o papel higiénico preto, mais com entretenimento do que o próprio papel em si.”



17. "In places for the premium segment of consumers. I mean a sophisticated place where not everyone goes...the price is conducive to a type of store related to indulgent consumers that seek amusement in their daily lives."
18. "This toilet paper is suitable for shops that sell design objects and decorative stuff... It is the product design that catches my eye attention...specially this one with a package that we are used to see along with alcoholic beverages"
19. "I would expect to find this product available for purchase in trade for premium products, in stores that sell gadget, very small businesses. Since in the supermarket I only look to price when I am looking for toilet paper, I do not see myself buying black toilet paper for such price."
20. "I think this product makes only sense in stores dedicated to the trade of home decor products...or somewhere else where it can be clearly distinguished from normal toilet paper."