



**NOVA School of Business and Economics**

**CEMS Master's in International Management**

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

**“DEVELOPING AN ENTRY STRATEGY FOR CLAUS PORTO  
TO THE GERMAN MARKET”**

**Diogo Gil dos Santos Aires Coelho (#2104)**

A Project carried out under the supervision of:  
Professor Alexandre Dias da Cunha

20<sup>th</sup> of May 2015

## Abstract

### **“DEVELOPING AN ENTRY STRATEGY FOR CLAUS PORTO TO THE GERMAN MARKET”**

Claus Porto is the high-end and international brand of Ach Brito, a Portuguese producer of soaps and other beauty and personal care products. Claus Porto has endured and succeeded the test of time, but has faced numerous “ups and downs”. With Claus Porto at the heart of the firm (potential) value, the current vision is to growth the brand internationally. The challenge of the Business Project was to develop an entry strategy for Claus Porto to the German Market. The analysis and recommendations are described in this paper. Finally, a brief academic discussion on firm internationalization and a scoring model to measure the attractiveness of international markets are presented.

***Key words:*** Internationalization; Premium Segment; German Market

## Table of Contents

<b>Abstract .....</b>	<b>2</b>
<b>Section 1. Introduction .....</b>	<b>4</b>
A. Client .....	4
B. Market overview .....	5
C. Current client situation .....	6
D. The Business Project Challenge .....	7
<b>Section 2. Reflection On The Business Project .....</b>	<b>8</b>
A. Problem definition .....	8
B. Methodology .....	8
<b>B.1. Research Methodology .....</b>	<b>8</b>
<b>B.2. Project Methodology .....</b>	<b>10</b>
C. Analysis .....	10
<b>C.1. Internal Analysis .....</b>	<b>10</b>
<b>C.2. External Analysis .....</b>	<b>12</b>
D. Recommendations to the company .....	17
E. Concerns .....	19
F. Individual contribution .....	21
<b>Section 3. Academic Discussion .....</b>	<b>22</b>
A. Discussion .....	22
B. Model.....	23
B. Results .....	26
<b>Section 4. Personal Reflection .....</b>	<b>28</b>
<b>References .....</b>	<b>29</b>
A – Bibliography .....	29
B – Other References .....	30
<b>Appendix</b>	

## Section 1. Introduction

### A. Client

Our business project had a distinctive feature: our client was Menlo Capital, a Portuguese private equity firm; but the object of our work was a company within Menlo's portfolio: Ach Brito. In this section, we will introduce both companies, but throughout the report the focus will be put in Ach Brito (Claus Porto).

Menlo Capital is a private equity company, 100% independent and managed by its two general partners who have a solid experience in operational management and investment in companies<sup>i</sup>. The value proposition of Menlo includes: experienced partners who are also investors (thus guaranteeing alignment of interests), fast decision-making process, flexible investment structure (e.g. minority or majority shareholding), and growth-focused investment. Menlo preferred sectors include: retail and consumer, industry, health, and food. They typically invest in SMEs with a proven business and positive EBITDA, making investments greater than 4M€ per company. Menlo acquired a majority shareholding participation in Ach Brito in June 2015, and with that, one of Menlo's General Partners became Ach Brito's chairman and a new CEO was appointed. Since the acquisition, key people were brought to the firm, including marketing manager and director of e-commerce

Founded in 1887, Ach Brito is a Portuguese company that has historically been known for making soaps and other perfumery products. It has endured and succeeded the test of time by allying the best technology to the best that tradition has to offer<sup>ii</sup>. Ach Brito has today a product portfolio that includes: soaps, candles, personal and home fragrances, men's grooming, face & body care products. Ach Brito has an international presence in over 30 countries with its luxury brand, Claus Porto. For this reason, and given the scope of the project, the entire reflection and analysis is focused on Claus Porto, which represents different lines of products with a common trait: being high-end products.

## B. Market overview

Claus Porto serves a niche market, both in Portugal and abroad. To study the market of Claus Porto the **premium beauty and personal care market** was considered. With this regard, and by analysing data from Euromonitor, the following three main highlights were drawn:

1. **Portuguese market** – the domestic market of Claus Porto presented a particularly negative trend in recent years: from 2010 to 2015 the CAGR<sup>1</sup> was -5.4%, representing a cumulative negative growth of -24.3%. (See Exhibit 1). From a sample of 80 countries, Portugal registered the second poorest growth (only below Greece). Overall, Portugal ranked in 2015 number 35 in the world in terms of total market size.
2. **International Market** – the international market environment presented a more favourable picture. From 2010 to 2015, out of 80 countries considered in the sample, 75 presented a positive CAGR (60 of which greater than 3%). When considering absolute values, it is clear that growth is concentrated in some countries. Indeed, the US and China alone represented 28% and 20% (respectively) of the growth generated in the market. Seven countries were responsible for 72% of the growth generated in the period. (See Exhibit 2).
3. **German market** – the German market performed definitely better than Portugal, but somehow below the average (at least when considering relative figures). After accounting for the relative size of each market (using market size for 2015), an average CAGR (2010-2015) for the world market of 5.6% was found. Comparatively, the German market CAGR was only 2.7%. Anyhow, the German market registered a very positive trend in the period and in 2015 it was the 7<sup>th</sup> largest market in the world. (See Exhibit 3 and 4 for statistics on the German market)

---

<sup>1</sup> CAGR - Cumulative Annual Growth Rate

### **C. Current client situation**

Ach Brito seems to be performing below its potential, one of the key reasons why Menlo decided to invest in the company. In general, Ach Brito, but particularly Claus Porto, is highly recognized for the quality of its products, with the fundamental value proposition being the historical brand, the quality of the (partially) hand-made products as well as the original packaging. (See Exhibit 6 for a sample of Claus Porto soaps). However, the company still faces some key issues, including (but not limited to): brand awareness, online communication, and distribution and retail presence (in Portugal but especially abroad).

Ach Brito has survived through more than a century of existence, but that path had many ups and downs. More recently, in 2007<sup>iii</sup>, Claus Porto lived one of the brand's best moments, when its soaps featured the well-known Oprah Winfrey's television-show. Oprah recommended the soaps during the show and the company received numerous orders from all over the world after that. Conversely, and as it was reported by both Menlo's and Ach Brito's people, one of the company's most serious challenges was related to its long-term distributor, namely, the US market distributor, which eventually broke the distribution agreement without mutual consensus. But even more than that, Ach Brito faced a particularly difficult moment when one of its key employees, at the time responsible for the international markets (including the US), left the firm and started its own brand, Castelbel, which sells the same products as Claus Porto (including soaps, fragrances, and candles), and constitutes today one, if not the biggest, national competitor of Claus Porto.

After the distribution drawbacks with the US distributor, sales in the US decreased strongly. From sales that surpassed the €1M figure in late 2000s (after Oprah's show), US sales went down to reach €126,291 in 2015. (See Exhibit 7 for sales of Claus Porto). Today, Portugal is the single most important market for Claus Porto, representing about 35% of sales. China represented a strong source of growth in 2015, with an increase in sales of €214,087 in only

one year (average order size in China is way larger than in the other markets). Finally, Germany represented in 2015 only 2.2% (€33,182) of total Claus Porto Sales. Overall, Claus Porto sales had a positive behaviour and grew by 5.3% in 2015 to reach €1,517,288.

#### **D. The Business Project Challenge**

From collecting data from the company, but especially from interviewing both Menlo and Ach Brito's people, including its CEO, Marketing Manager, and Responsible for the German market, the business project group soon realized that Menlo had a clear problem to solve: **distribution and retail presence.**

Given that a massive rebranding is already taking place, including changes in product, packaging, communication, and online store, the problem that remained to solve was: "how to effectively approach the market?" Namely, "how to effectively approach the key international markets where the best opportunities for growth are?"

For representing on of the biggest market opportunities – with a huge market potential as discussed above – Germany was soon regarded as a key international market to look at. The challenge of the business project team was getting defined: after understanding the situation of Claus Porto, its context and strengths and weaknesses, the team would have to understand how such a market could be tackled, namely, especially in what concerns distribution and retail presence.

Below the definition of the problem is further developed. A review of the methodology used will also be discussed. After that, some recommendations are presented.

## Section 2. Reflection On The Business Project

### A. Problem definition

Claus Porto had a success story in the US market, after some precious minutes of fame in Oprah Winfrey's show. Retail sales in that market would reach 7 million euros in its peak. Today, however, Claus Porto international sales represent less than 1 million euros; at the same time, the Portuguese market is responsible for about one third of sales. Therefore, **Claus Porto is underperforming** given both its potential (already demonstrated in the US market). It is clear that **sales, especially international sales, are largely below their full potential**. This reality is common to all the major markets, and Germany is no exception. Claus Porto is not selling enough in Germany: sales in 2015 went down 33% to €33,182.

### B. Methodology

#### B.1. Research Methodology

Regarding the research methodology, both **primary and secondary research** was conducted.

1. Primary research was mainly **descriptive**, encompassing surveys and fact-finding enquiries of different kinds. The major purpose is to describe the "state of affairs" as they exist at present<sup>iv</sup>. This primary of research (*ex post facto research*), involved:

**1.1. Meeting and interviewing with Menlo**, namely, with Menlo's analyst responsible for Ach Brito (Daniel) and also Menlo's General Partner (Ricardo). The group had, in total, three meetings with Menlo: one **preliminary meeting** which helped defining the problem and scope of the project; and two **progress meetings** which served to report the progress of the analysis, make clarifying questions, and adjust the work to expectation and incorporate feedback. Adding to these meetings, numerous emails were exchanged with Daniel throughout the project.



### 1.2. Visiting Ach Brito's factory in Oporto (*field research*) and conducting critical

**interviews**, including interviews with the CEO, the marketing manager, sales responsible for Germany, e-commerce director, and production engineer. The aim of the interviews was twofold: **(i)** further understand the current context of Ach Brito and Claus Porto and the rebranding process that is in place; **(ii)** clarify the view of the company about some of the issues under analysis, especially regarding distribution and international sales.

### 1.3. Interviewing with German distributors and retailers (directly suggested by Ach

Brito). The list included distributors (such as Albrecht & Dill), offline retailers (such as Mussler, Manufactum, Nassrausur and Dopo Domani), and online retailers (such as Net-a-Porter). The interviews were held by phone from Menlo's offices. The rate of response was moderate (25% response rate). The team was able to gain some extra insights and test some previously formed ideas. For instance, one retailer told the group that they have a **special purchaser** who is in charge of selecting and picking the products, and who actively looks for new brands but also listens to companies/distributors if they approach them. Another retailer told the group that international brands are very popular among Germans once they can perceive their added value.

2. **Concerning the secondary research**, private sources of information were used, including some important documents such as the Annual Report of Ach Brito, an excel with Claus Porto sales data (provided by Menlo), a comprehensive list of Claus Porto's products and prices, and more recently, a list with the vendors in Germany for 2014 and 2015, as well as a list with potential distributors and retailers to contact. Publicly available information was also widely used including industry reports, articles, papers and news, alongside with

numerous company websites. The analysis was complemented with research on databases such as World Bank, Euromonitor International and Statista.

## B.2. Project Methodology

The Business Project was structured in **two fundamental parts: (1) Research** and **(2) Recommendations**.

Part 1 was essentially a **market intelligence** exercise. It was divided into **internal analysis** and **external analysis**. For the internal analysis, the main points considered were: (i) Claus Porto's Business and Sales, and (ii) Claus Porto's Strengths and Weaknesses. For the external analysis, the main points considered were: (i) German Customer, (ii) Product Market Trends, and (iii) Claus Porto Competition (including in Germany).

After analyzing the company and market environment, the business project team would draw conclusions and make recommendations. Part 2 included a **recommendation on market entry strategy**, with a twofold dimension: (i) recommendation on retail location (*where to sell*), and (ii) recommendation on distribution (*how to sell*). A third point of recommendation was derived from the analysis of competition and it comprised a **price positioning recommendation** for the German Market. **Appendix 6** presents an overall timeline of the business project with the key milestones (e.g. company presentations). **Appendix 7** summarizes the structure of the business project, as discussed above.

## C. Analysis

### C.1. Internal Analysis

As discussed above, Ach Brito is in the business of producing and commercializing soaps and other beauty and personal care products, such as fragrances, creams, and candles. The greatest variety of products, namely, the most exclusive ones, are sold under the brand Claus Porto. Within Claus Porto, **four main collections** can be identified: (i) **DECO** (with 85 SKU's) has

a wide variety of products ranging from soap bars and liquid soaps, to hand creams, candles, fragrance diffusers, and gift boxes; prices range from 5.50 euro (mini soap, 50g) to 65 euro (room diffuser, 250ml); **(ii) CLASSICO** (with 30 SKU's), is exclusively comprised of soaps (soap bars, mini soaps, and gift boxes), with prices ranging from 5.50 euro (mini soap, 50g) to 62 euro (gift box of 3x150g soaps); **(iii) AGUA DE COLONIA** (with 18 SKU's), is composed by soap bars, eau de cologne, and gift boxes, with prices ranging from 12 euro (soap bar, 150g) to 75 euro (gift box with soap and eau de cologne); **(iv) MUSGO REAL** (with 18 SKU's), is comprised of men's products, including shaving soaps, shaving creams, after-shave, eau de cologne, and gift boxes; prices range from 8 euro (body soap, 160g) to 50 euro (gift box with a mix of shaving products and a mini cologne). *FLORAL* and *VIOLET* constitute two additional smaller categories comprised of soap bars.

These collections generated **sales** (in 2015) of 1,517,288 euro. The distribution among the different collections was done as follows: *DECO* (46.8%); *MUSGO REAL* (20.4%); *CLASSICO* (19.8%); *AGUA DE COLONIA* (8.1%); and *FLORAL & VIOLET* (5%). The distribution by country varied from collection to collection. Portugal was the single most important market representing 35% of 2015 sales. Despite that, most Claus Porto Sales were made abroad. (**Appendix 8** summarizes the data on sales per collection and country.)

Overall, 2015 was a positive year for Claus Porto, as sales increased 5.3%. **Growth** was derived mainly from smaller categories (particularly *AGUA DE COLONIA* and *FLORAL & VIOLET*). Regarding country growth, China was the market that grew the most, followed by Portugal, and England. On the opposite end, Germany, South Korea, and USA were the markets that decreased the most. As mentioned before, Portugal continued to be the number one market for Claus Porto, followed by China, England, and the USA. Germany is still a small market for Claus Porto, representing only 2.2% of Claus Porto sales in 2015. When looking specifically to sales in Germany, one can highlight two facts: all the categories

(except from AGUA DE COLONIA) are shrinking; MUSGO REAL is by the most relevant category (83% of 2015 sales).

When assessing Claus Porto's **strengths and weaknesses** one can highlight the following:

- i. **Strengths:** (i) the product constitutes the key strength - for its intrinsic quality and beautiful hand packaging, and is then combined with (ii) a remarkable Portuguese heritage ("*Made in Portugal, since 1887*"). These two strengths - **quality and heritage** - constitute the main value proposition of Claus Porto. Three additional strengths are: accumulated know-how in production and design of soaps (and other related products); existing capacity to expand production (current factory is working at 30% capacity); accumulated brand equity, from being present in prestigious fashion and lifestyle magazines (such as Vogue, Elle, and Oprah) that can be leveraged in future marketing communication.
- ii. **Weaknesses:** (i) insufficient market knowledge, especially about foreign markets (including Germany), which culminates in a very indirect approach (not country-specific); (ii) lack of online-based information, in the company's website but also in other online platforms where costumers could buy the product and leave reviews/suggestions to other potential customers; and (iii) lack of brand awareness, especially in foreign markets, which makes it difficult to compete with international brands.

## C.2. External Analysis

From the secondary research undertaken we gathered some information to characterize the **German Customer**. Among some relevant insights, we highlight the following: (i) German Customer do not mind spending money on wellness products once they perceive them to offer superior quality; (ii) in the high-value segment, they select products essentially based on sophistication and fashion; (iii) the German customer enjoys giving hand-made gifts to family and friends (which fits the target of "Gift Brand" of Claus Porto); (iv) very importantly,

German customers are information savvy: they often research the products online before buying them (e.g. to compare prices and/or see customer reviews); (v) they still show a strong preference to buy beauty products in physical stores; (vi) they are open to international brands, though there is a high penetration of private label (in the beauty and personal care market the private label penetration is 12.1%, compared to 8.3% in Portugal and 4.6% in France); (vii) there is a trend for organic and natural ingredients/products that is being adopted by the Germans; finally, (viii) German customers appreciate products designed to target multiple needs at once (non negligent weight given to the functional aspect of the products).

Regarding the **industry market trends**, there are some aspects worth highlighting: innovation is a strong driver of growth and customer preference, there is a large interest from customers for cross-category benefits; there is a growing demand for natural, sustainable and individual high-quality solutions to improve health and wellbeing (including a trend towards organic products), there are, additionally, a few marked trends at a global level for customisation, “Asianification” (asian-inspired concerts), niche brands, and digital marketing and social media engagement. Additionally, a 2014 Report from Bain & Company on Luxury Goods<sup>v</sup> demonstrates that the luxury-goods industry in most markets is now driven by touristic spending. Chinese consumers now represent the top and fastest-growing nationality for luxury, spending more than three times what they spend locally. This latter factor is particularly relevant for Claus Porto, whose sales in Portugal can be boosted by tourists who visit the country. The above-mentioned trends impose new challenges. For instance, the demand for more natural products will impose that brands adapt their formulations and intrinsic characteristics of the products and not merely superficial aspects (such as packaging or bottling). Overall, the industry of premium beauty and personal care presents a favourable trend, though there are significant differences among countries. For instance, considering the

share of the premium segment over the general beauty and personal care market: while in the US, China, UK, and Germany that share has increased in recent years; in countries like France, South Korea, and Portugal there is a slight push down (especially in Portugal). [Appendix 9 shows the evolution of the premium segment for a selected group of countries]

Claus Porto faces severe **competition** in the high-luxury segment. From the research, the team identified eight competitors that have a similar positioning and sell a similar portfolio of products. From the eight competitors, two different subsets were formed: (i) direct competitors of Claus Porto; (ii) direct competitors of Musgo Real (brands that focus on men's products, such as men's grooming). The following competitors were included, from subset (i): Penhaligon's (London), Diptyque (Paris), Jo Malone (London), Amouage (Oman), and Castelbel (Porto); from subset (ii): D.R. Harris, Truefitt & Hill, and Murdock London (all three London-based). From the sample of competitors, **seven are international brands and only one is Portuguese**. Competitors in subset (ii) have a different core business than Claus Porto, one that is anchored in a *barbershop business model*. From there, they started selling shaving and grooming products, and later extended their offer to include men's haircare and skincare, and even colognes and fragrances (eventually having a similar portfolio to Claus Porto). Nevertheless, the analysis focused essentially on subset (i), as those competitors share the same image and core business of Claus Porto (thus providing a better term of comparison). In this paper, the case of Penhaligon's and Castelbel will be exposed with more detail, as they form two representative examples, and later general conclusion from the competition analysis are drawn.

Penhaligon's is a London-based brand, established in 1870. It possesses a very strong brand, assented on its history and reputation. Penhaligon's portfolio of products is similar to Claus Porto, though it is more specialized in fragrances and perfumes. Price-wise, and by assessing

average prices of three categories (fragrances, soaps, and candles) and considering the prices suggested in the company's website, Penhaligon's has a premium of around 100% when compared to Claus Porto. Their products are "Made in England", which is also used as a selling point. Finally, in what concerns to geographical scope, Penhaligon's has a global presence: it is centered in the UK, but has presence in major locations across Europe, US, and South East Asia; in Germany, it is present in most department stores and small premium retailers. The London-based brand approached the market through its own "flagship stores" (14 in the UK and 5 outside the UK) and through numerous concessions, including in prestigious locations such as Harrods or Selfridges. Three main conclusions: Penhaligon's is in a more advanced stage of its development, both in terms of brand equity but also international retail presence; that is reflected on the ability to charge, having flagship stores, and being present in the most prestigious locations. It was, in short, considered one of the best (if not the best) brand to consider as a reference.

Castelbel was established in 1999, in the city of Oporto. It possesses very similar traits to Claus Porto, especially in what concerns to product portfolio and brand image. Castelbel is, however, already in a later stage of development, namely, in terms of international exposure. Castelbel has country- or regional-specific distributors for key markets such as the USA, Spain, England, Germany, and Australia. In Germany, Due Effe is responsible for the distribution. Though it is not present in the major online platforms (e.g. Net-a-Porter), Castelbel has some offline presence in smaller independent stores, but also in large department stores such as Ludwig Beck. Looking at some company statistics: Castelbel can be considered already a mid-size company (with more than 150 employees) and a highly international company as exports represent already 80% of sales<sup>vi</sup>. In summary, the group considers that Castelbel constitutes a very strong competitor (perhaps the biggest) since it presents as a similar value proposition to Claus Porto (quality of products and Portuguese

heritage). Despite the international progress and the higher stage of development mentioned, from analysing the average prices of three segments (fragrances, soaps, and candles), it was found that Castelbel is, on average, 33% cheaper than Claus Porto. This will be further discussed below under recommendations.

**Retail distribution** in the high-end cosmetics and perfume market is segmented as follows (for Germany): Perfumeries (56%); Department Stores (10%); Specialized Retailers (4%) Drug Stores and Food Retailing (18%); Others (12%). Douglas has the largest market share and has a strong presence both offline and online (2.6 billion euro in total group sales, from which 112.5 million were online sales in Germany). Douglas carries numerous brands, including Claus Porto's competitors Penhaligon's and Amouage. The most prestigious retailers are, however, the department stores and small premium heritage stores. In the later group, stores like Albrecht and Mubler Beauty are included. Some competitors of Claus Porto already recognized the potential and are present in these stores. Penhalignon is the brand that is present in most of these stores. Regarding the department stores, some key names can be highlighted including: Galeria Kaufhof, Karstad, and Breuninger. From the three, Karstad was considered the one with more potential as there are outlets under the name "Karstadt Premium" that focus on the high-end segment that Claus Porto wants to focus. Furthermore, this department store already carries most brands from the competitors set defined (including Diptyque and Jo Malone). The most notorious store within the group is KaDeWe Berlin, where most brands in the segment want to be. Smaller (and more local) stores such as Ludwig Beck should not be underestimated due to extremely prestigious locations and heritage image. [See **Appendix 10 and 11** for a summary of competitors' retail presence]. Finally, concerning online platforms for distribution, three key players were identified: Net-a-Porter; parfumdreams, and stylebop.com. Diptyque, Penhalignon's, and Amouage had a strong presence in these platforms. Neither Claus Porto nor Castelbel are present. With what



concerns online distribution, a further analysis was made at this stage. The team compared the website features of a set of benchmark competitors. [Appendix 12]

#### D. Recommendations to the company

As mentioned above, three main dimensions of recommendations were put together in this business project, including: (i) **prioritization of retail location** (*where to sell*), and (ii) **distribution** (*how to sell*), and (iii) **price positioning** for the German Market.

- i. **Retail location prioritization:** with this regard, the business project team concluded that department stores have the most potential and should be prioritized in terms of retail positioning. As discussed above, large department stores not only provide the chance to take the brand to many prestigious locations, but also, they put the brand closer to other notorious brands and bring it closer to the target customer in the high-end segment. To make the prioritization within the different department stores (from the group of stores already introduced above), a scoring model was created. Four criteria were incorporated: (i) presence of competition; (ii) revenue premium segment; (iii) online shop, and (iv) customer preference. Each department stores was ranked from a scale of 0 to 5 in each criteria. [The diagram with the results is presented in **Appendix 13**]. From the analysis done: Kaufhof should not be considered; Karstadt, Ludwig Beck, Breuninger, and Lafayette should be prioritized (in this order).

Besides the department stores (priority location), Claus Porto should target Douglas (for its retail dimension and for carrying target competitor brands, as discussed above), but also, mid-size high-end perfumeries and small heritage retailers (already introduced above).

- ii. **Distribution:** when it comes to the German Market, the Business Project Team recommends Ach Brito to penetrate the market through a **full time, national distributor**. The team concluded that this is the most effective way to get to the

department stores and other retail locations proposed in (i). Additionally, the Germany market showed to have not only the potential to be considered alone (distributor-wise), but to have unique characteristics that distinguish it from other international markets, namely, from the UK (where the current distributor is based). The team is aware, however, that the distributor decision involves many risks. As it was exposed by Ach Brito's CEO, cutting business with the UK-based distributor in Germany could trigger a negative reaction that could eventually jeopardize the entire international business in Europe. It should be noted that the UK-based distributor is currently responsible for most markets in Europe, and therefore, a great amount of business is dependent on this relationship. With this said, and even if the company decides to keep the UK distributor, the team recommends the creation of an outline with the main focus areas and main retail locations (as recommended above). This outline must describe, among others, the cities and shops that best match their brand image and where Claus Porto wants to be present. On the other hand, should Ach Brito decide to go with a national distributor, Albrecht und Dill should be prioritized. There were already contacts between the parts and the German distributor showed interest. It would certainly add value, given its experience in the market with presence in all the department stores and strong relations to top luxury retailers (within Claus Porto target). Finally, our primary research shows that some specialized retailers, such as Nassrasur (who already sells Musgo Real), would prefer to do business directly with Claus Porto. Overall, this should not contravene the distributor agreements as this is currently not a channel that they are targeting from what the Business Project Team is aware of.

- iii. **Price positioning:** two key analysis were done regarding prices: (i) price comparison with selected group of international competitors (from subset 1); (ii) comparison of Claus Porto's prices with those of Castelbel. [Appendix 14 and 15 provide the price

comparison]. As a result of these analysis, two main straightforward conclusions can be drawn: Claus Porto prices are way below those of international (target) competitors; Claus Porto prices are above Castelbel's prices. From here, it was concluded that Ach Brito should not increase their prices further in the short-term. This is mainly based on the following reasons: Castelbel (as discussed above), is the closest competitors to Claus Porto and presents a similar value proposition and product offering; raising prices further to get closer to international competitors could give an hedge to Castelbel and make Claus Porto non-competitive. There was already a recent push in prices (when Menlo Capital entered the firm); changing prices is a decision that affects the relationship with buyers (e.g. distributors) and takes time to assimilate. For these two reasons, we considered that prices changed at this stage. However, Claus Porto should settle the mid-long term goal of raising prices closer to those of international competitors. The timing and scale of the price increase will depend on the developments in the rebranding process and in the following investments made on marketing campaigns and brand communication (which will have a positive relation with price increases).

## **E. Concerns**

Ach Brito and Menlo Capital have begun the process of understanding the German Market and have realized that there is a potential for penetration. Our analysis confirms this idea. The team tried to come up with actionable recommendations to tackle the market, on a dimension that still needs requires significant progress: distribution and retail presence. This is, however, a very operational area, thus having many implementation issues (in some cases difficult to predict and control). Regarding the research methodology used, while efforts were made to utilize various data sources and conduct interviews with several distributors and retail chains,

the reach of these two approaches was limited by budget constraints (e.g. not buying information) and from whether we obtained responses in the interviews.

Concerning the team's recommendations, some limitations can also be outlined: Ach Brito does not have at the moment any German speaking sales agents, which may limit the communication necessary to fully penetrate the market. Additionally, there is an important dilemma to solve concerning distribution: choosing to partner with a German distributor (such as Albrecht und Dill) to tackle the German market may trigger a negative reaction from the current (UK-based) distributor, which may compromise the business in the other international markets (see discussion above). It is also still unclear whether it will be possible to make changes to the contract with the current UK-based distributor to accommodate the recommendations proposed by the Business Project Team (e.g. define/change the target retail locations). Furthermore, with the large focus of resources currently in the U.S. market, Ach Brito may be limited in their capabilities to simultaneously penetrate the German market. However, the Business Project Teams feels strongly that the changes currently being made to the product line and brand imaging will have positive affects on the German consumers. Finally, the current Business Project didn't perform an analysis to assess whether there are markets more attractive than the German market. Penetrating the German market was given has an end-objective from the beginning, without a preliminary stage of testing that objective. The following section of this Work Project will try to provide some insights on whether this objective was an appropriate one. As an individual contribution to the Business Project, a scoring model to assess the attractiveness of a set of different international markets will be presented. That discussion will be made in Section 3.

## F. Individual contribution

For this Business Project, my personal contribution was centred, first, on the **internal analysis** of the company. I was responsible for analysing the excel data provided by Menlo. Specifically, my initial responsibility was to analyse the sales of Claus Porto. From this analysis, it was possible to have a clear picture about: the dimension of Claus Porto within Ach Brito; the distribution of sales among the different products and collections of Claus Porto; the importance of each different market and the recent evolution in growth. At a second stage, I was responsible to study **Claus Porto competition**. A preliminary research was made to determine the key target competitors, i.e. those competitors to whom Claus Porto wants to be compared. This stage involved both secondary research (mainly through public sources of information such as company websites) and primary research, including interviews/meetings with members from both Menlo and Ach Brito. This later contribution provided the necessary insights to narrow the competitors group and to ensure that we were making a selection that was in line with the vision of the company members. At this stage, I had the task to collect additional data and information about the competitors, including: brief history and context, range of products, prices, retail presence (including in Germany), and additional company statistics. This, in turn, made it possible to draw conclusions about competition (for instance, understand which competitors are closer to Claus Porto, or, understand at what stage of international development they are). Also, it allowed to draw one of the recommendations presented, namely, the recommendation on price positioning. I was directly responsible to gather price information for all the competitors, adjust those prices to common units, to finally make a comparison and form the final recommendation that was presented above. In summary, I was involved in both the internal and external analysis, being more directly responsible for the quantitative part of the analysis done. By communicating with my colleagues, it was possible to form a comprehensive image from the data analysed.

## Section 3. Academic Discussion

### A. Discussion

An empirical study from DHL<sup>vii</sup>, presents strong evidence that SMEs that trade internationally perform better than their domestic-only peers (e.g. 26% of the international SMEs in the sample were high-performers while 13% of the domestic-only SMEs were high-performers). This study strongly suggests that **internationalization is a driver of business performance**. Given the recognized importance of internationalization, alongside with the nature of the project undertaken, this section will centre the discussion in the **internationalization process of a firm**. More specifically, and as briefly introduced above, a **scoring model** to assess the market attractiveness of some key international markets for Claus Porto is proposed.

Wind [1979] described international marketing as an area in which empirical work by practitioners is often more advanced and insightful than academic contributions. The same idea is suggested by Ford and Leonidu (1991), who have concluded that theoretical and methodological shortcomings have led to incomplete and/or inconsistent insights in the field of international marketing. A possible explanation is that theoretical work has been focus on describing international marketing problems, with little focus devoted to theory construction and evaluation (Cavusgil, 1980). This section tries to balance both contributions, but is mainly focused on providing an actionable model for the decision makers in the company.

Root and Ming (2005) suggest that there are **four keys to expanding across borders** (successfully). They are: (i) having a **strong core**, which assents on the idea that a firm with a weak domestic business cannot easily win abroad (the authors show that 90% of the companies researched with a profitable foreign growth began with a strong core business at home); (ii) having a **repeatable formula for expansion**, which relates to the concept of scalability and is based on the idea that replicating a similar formula will help companies avoiding risks as well as complexity; (iii) **customer differentiation that travels**, which

allows companies to integrate marketing plans and building on existing capabilities, instead having to make new costly and time-consuming investments (a representative example is Nike, which targets athletic customers with the same set of propositions, namely, using a top celebrity athlete to endorse their products); finally, (iv) having a **favourable industry structure**, based on the idea that there are naturally global products (e.g. razors) and others that are naturally local (e.g. grocery retail), depending on whether there are local or global economies of scale and whether customer preferences are local or globally uniform.

Regarding this abovementioned framework, Claus Porto seems to be in a favourable situation to expand its operations. At this point, it is pertinent to discuss which **internationalization method** to use. Given the company's analysis performed (e.g. strengths and weaknesses), as well as the context of the internationalization process (initial development), **exporting via an independent representative** (agent/distributor) is perceived as the most suitable method, compared to other, more advanced methods, such as establishing overseas sales subsidiaries and/or production units (Cavusgil, 1980). Besides the aforementioned company-specific context, some of the advantages of exporting include: reducing costs of market development; helping to determine the nature and potential of the market; and helping to prepare and make investment decisions (e.g. establishing a sales branches or subsidiaries).

## B. Model

According to Cavusgil (1985), researching on foreign market potential includes three steps: **step one** – preliminary screening of attractive markets; **step two** – assessment of industry market potential; and **step three** – company sales potential analysis. The model proposed focus on both steps two and three. The choice of countries is explained below.

For the **preliminary screening** the following argumentation was used: considering the countries where Claus Porto has already a presence (e.g. current export markets). This

argument is essentially based on the fact that Claus Porto is still at an early stage of its internationalization process and is supported by the following two theoretical arguments:

1. Johanson and Wiedersheim-Paul (1975) found evidence that internationalization of firms is a process in which firms **gradually** increase their international involvement. The authors developed a model of the internationalization process that focus first on the firm individual development, and on its progressive acquisition, integration, and use of knowledge about foreign markets, and on its s successively increasing commitment to foreign markets. The basis for this argument is that: (i) lack of such knowledge is an important obstacle to the development of international operations, and (ii) that necessary knowledge can be acquired mostly through operations abroad (**experience**). Given this setting, Claus Porto should focus its international marketing efforts in the countries where it is already present, while leveraging on accumulated knowledge.
2. International activities require both general knowledge and **market-specific knowledge** (Cavusgil, 1980). Given that Claus Porto has already business relationship in some countries, these are considered a solid starting point to develop its internationalization strategy, as market-specific knowledge is mainly gained through experience in the market.

The knowledge about these markets can facilitate future “lateral growth” (Cavusgil, 1980). For instance, leveraging on the position in the US to enter into the Canadian market. A future analysis could be focused on measuring the attractiveness of these “lateral” countries, where existing market knowledge and synergies are greater. One advantage of the methodology used (scoring model) is that it can be replicated at a later stage of the internationalization process, to assess the attractiveness of a different set of countries.



To assess the attractiveness of the markets, two types of variables were used, including **industry-specific** and **country-specific** variables:

1. **Industry-specific variables** include: from the premium beauty and personal care segment, (i) **market size**, (ii) **CAGR** (2010-2015), (iii) **Forecasted CAGR** (2015-2020), (iv) **expenditure per capita** in the segment, (v) **premium segment** share of total beauty and personal care market. These variables were used to assess the potential of the industry segment for each country. Additionally, two variables were used from the general beauty and personal care market: (vi) the **Herfindahl-Hirschman Index** (HHI), as a “proxy” for industry concentration; and (vii) the **private label penetration**, as an indicator that is inversely correlated with the usage of name-brands (where Claus Porto is included).
2. **Country-specific variables** include: (i) **Economic Index Freedom**<sup>viii</sup> (EFI), which analyses numerous determinants of economic freedom including property rights, fiscal freedom, trade, investment, and business freedom, among others; (ii) **Business Freedom**, which was taken from the previous indicator and is of particular importance given Claus Porto’s internationalization method (exporting via a local agent/distributor); (iii) **Logistics Performance Index** (LPI), which measures several logistics indicators such as existence of infrastructure, international shipments, tracking and tracing, and logistics quality and competence. Additionally, the following macro-level indicators were considered: (iv) **GDP per capita**, as prosper countries tend to spend more on beauty and personal care, (v) **household consumption as a percentage of GDP**, as it reflects the willingness to consume that correlates positively with the premium consumer segment; (vi) the **income held by the first quintile**, which is a reflection of the potential size of the high-income market (target of

premium brands); finally, (vii) the **Hofstede's 6D Model** was used as a “proxy” for cultural proximity/distance and (viii) the **Physical Distance** between Oporto and the country's capital<sup>2</sup> was used to measure physical proximity/distance.

Concerning the **distribution of weights (Appendix 16)**, the first thing to note is that considerable importance was given to industry-specific criteria versus country-specific since they tend to be better predictors of firm-performance. Afterwards, the definition of the relative weight of each criterion was based on (i) the previous internal and external analysis; (ii) research on theoretical models – Cavusgil (2004) considered market size as the most important variable, followed by growth, intensity, risk and economic freedom; and (iii) the company's view on the subject (the model was discussed with Menlo's analysis), who identified market size, competition, and existence of target customers as relevant variables

## C. Results

After factoring the weight of each criterion, the country that yielded the highest score was the USA, followed by UK, France, South Korea, Germany, China, Italy, and Portugal. The score and corresponding ranking of the countries can be found in **Figure 1**, being further detailed in **Appendix 17 and 18**. For comparison purposes, Portugal was included in the model, and ranked rank 8th.

The results of the model allow to:

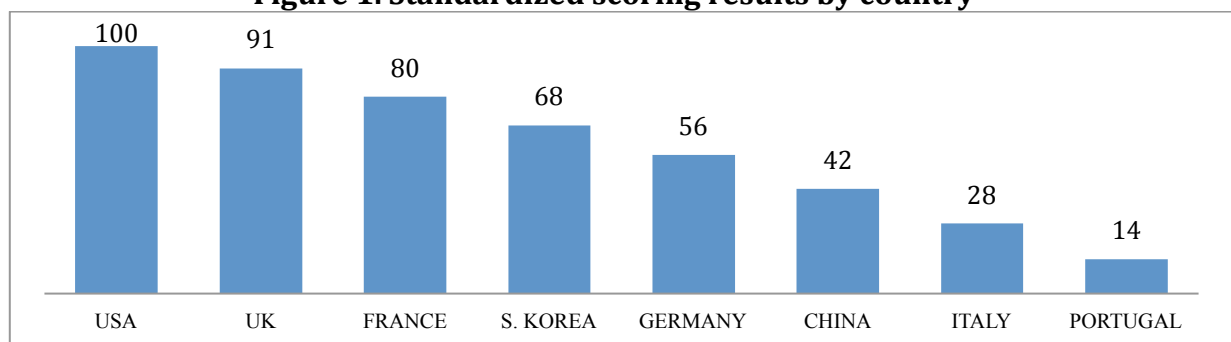
- i. **Support the intense and undergoing commitment to the US market** – the US market ended up first in the model, mainly thanks to the large domestic market. In general, the US market presented strong results in most variables considered

---

<sup>2</sup> For the US, New York was used (instead of Washington D.C.) as it is the primary city for the luxury market

- ii. **Conclude that there seem to be other markets more attractive than Germany** – despite what was mentioned above about the German Market, Claus Porto should carefully consider the existing alternatives (namely, the “second-line” of priority markets after the US market). In this model, Germany was mainly penalized for the relatively low historical and projected growth rate, though it did performed really well in terms of industry competition, logistics performance, and business freedom.
- iii. **Support the internationalization commitment of Claus Porto** - Portugal, despite the consideration of cultural and physical proximity (where obviously Portugal ranked first), was considered the less attractive market. This results derives mainly from the poor growth indicators from recent years and generally from the lower size of the market when compared to the other countries in the model. In the end, this result also reinforces the **importance of internationalization process for Claus Porto**. Most potential lies outside the national market of Ach Brito. Even though, it is crucial to start to have a strong (core) domestic market (Root, 2005), it is also clear that the full potential of Claus Porto will only materialize if it is able to successfully penetrate some key international markets.

**Figure 1. Standardized scoring results by country**



## Section 4. Personal Reflection

Regarding my personal experience with the business project, I can tell that it was a **valuable learning experience**. During the project, I had the change to deal in first hand with two different corporate realities: on one side, the investor (Menlo Capital) that intends to make a long-term return from the investment while aiming to implement (positive) changes to the business in short and long-term; on the other side, the company (Ach Brito), which represents (to a certain extent) the reality of a small-medium Portuguese enterprise and has a great potential but is has been underperforming. At a personal level, it was particularly interesting to interact directly with top management people from both companies (including the CEO of Ach Brito and the General Partner of Menlo Capital). Both shared their visions on the company but they also reflected on some of the challenges and dilemmas that corporate leaders face (for instance, the dilemma of replacing or not the UK-based distributor). Finally, it is particularly valuable to undertake this project in an international team. We had four different nationalities and mind-sets represented, but the project largely benefited from that circumstance.

From the feedback that I receive from my colleagues, I can highlight the following strengths: (i) **structuring** - ability to structure problems and work; (ii) **dedication** – ability to commit energy and attention to the group project (“*give 100%*”); and (iii) **questioning** – ability to make challenging questions to improve the work that is being done and ensure that we are adding value. The last strength was more surprising to me. It is not always easy or straight forward to know if our colleagues understand our motivations. In this particular case, I used to make questions to make sure that “we knew what we were doing”, and never to challenge someone. A point to improve is the ability to be **prioritize**. In projects that have limited time and resources (as most projects do) the ability to prioritize is critical. Time-management skills and effective planning will help me improve in this area and others.

## References

### A – Bibliography

- Cavusgil, S. Tamer. 1980. “On the Internationalization Process of Firms” *European Research*, 8 (6): 273-81;
- Cavusgil, S. Tamer. 1985. “Guidelines for Export Market Research”. *Business Horizons*, 28 (6): 27-33;
- Cavusgil, S. Tamer, Kiyak, Tunga and Yeniyurt, Sengun. 2004. “Complementary Approaches to Preliminary Foreign Market Opportunity Assessment: Country Clustering and Country Ranking”, *Industrial Marketing Management*, 33 (7): 607-617;
- Johanson, Jan & Finn Wiedersheim-Paul. 1975. The internationalization of the firm-Four Swedish cases. *Journal of Management Studies*, 12(3): 305-22;
- Porter, Michael. 1979. “How Competitive Forces Shape Strategy”, *Harvard Business Review*, 57 (2): 137-145;
- Root, James and Josef Ming. 2005. “Making foreign moves pay off”, *Bain Brief*;
- Rugman, Alan M. and Collinson, Simon. 2009. *International Business*. Harlow: Prentice Hall Financial Times.

## B – Other References

---

<sup>i</sup> Menlo Capital. 2016.

[www.sites.google.com/a/menlocapital.pt/en/](http://www.sites.google.com/a/menlocapital.pt/en/)

<sup>ii</sup> Ach Brito. 2016.

[www.achbrito.com/en/top-menu/company/](http://www.achbrito.com/en/top-menu/company/)

<sup>iii</sup> JPN. 2011.

[www.jpn.up.pt/2011/05/26/clus-porto-o-sabonete-favorito-de-oprah-winfrey/](http://www.jpn.up.pt/2011/05/26/clus-porto-o-sabonete-favorito-de-oprah-winfrey/)

<sup>iv</sup> New Age Publishers, Chapter 1

<sup>v</sup> Bain & Company (2014), *Luxury Goods Worldwide Market Study*, “The rise of the borderless consumer”, Fall-Winter

<sup>vi</sup> Castelbel

[www.castelbel.com/en/about-us](http://www.castelbel.com/en/about-us)

<sup>vii</sup> DHL. January 2013. “Internationalization – a driver for business performance”

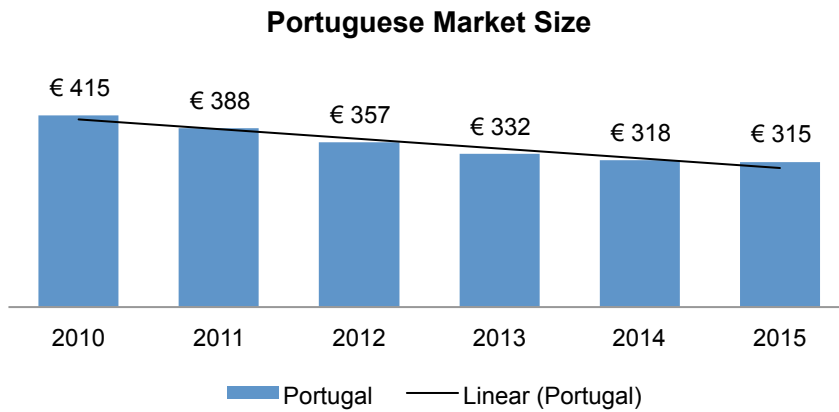
[www.dhl.com/content/dam/downloads/g0/press/publication/sme-competitiveness-study.pdf](http://www.dhl.com/content/dam/downloads/g0/press/publication/sme-competitiveness-study.pdf)

<sup>viii</sup> Economic Freedom Index. 2016. *The Heritage Foundation*

[www.heritage.org/index/ranking](http://www.heritage.org/index/ranking)

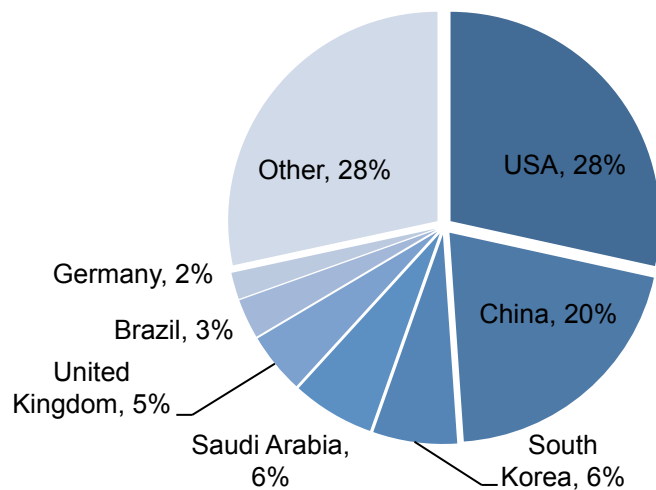
## Appendix

**Appendix 1:** Portugal (2010-2015) - Premium Beauty and Personal Care Market (market size measured in \$US millions)



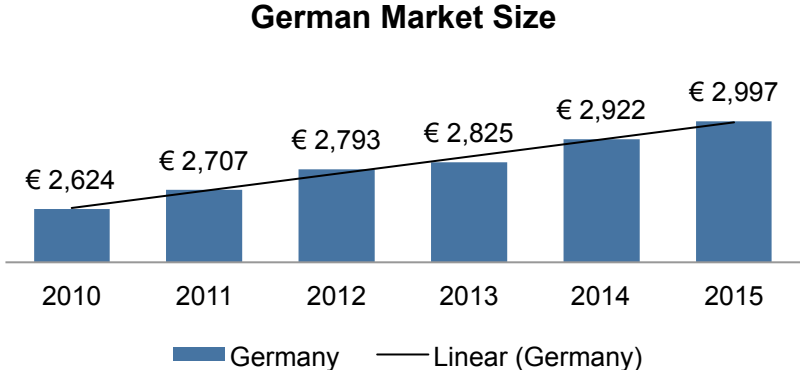
Source: Euromonitor

**Appendix 2:** Sources of growth by country (2010-2015) - Premium Beauty and Personal Care Market (share of absolute growth for the period)



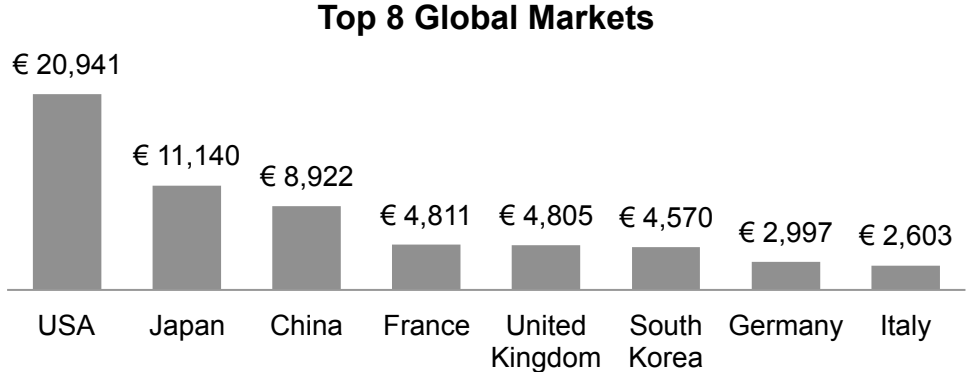
Source: Euromonitor

**Appendix 3:** Germany (2010-2015) - Premium Beauty and Personal Care (market size measured in \$US millions)



Source: Euromonitor

**Appendix 4:** Top 8 Global Markets (2015) - Premium Beauty and Personal Care (market size measured in \$US millions)



Source: Euromonitor

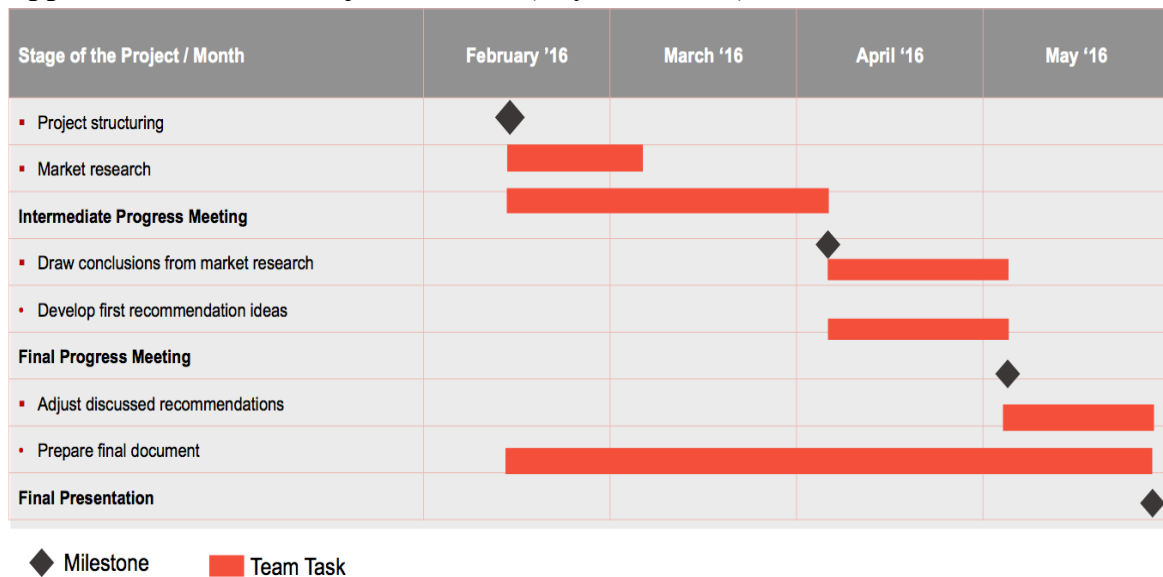
**Appendix 5:** A sample of Claus Porto exclusive soaps



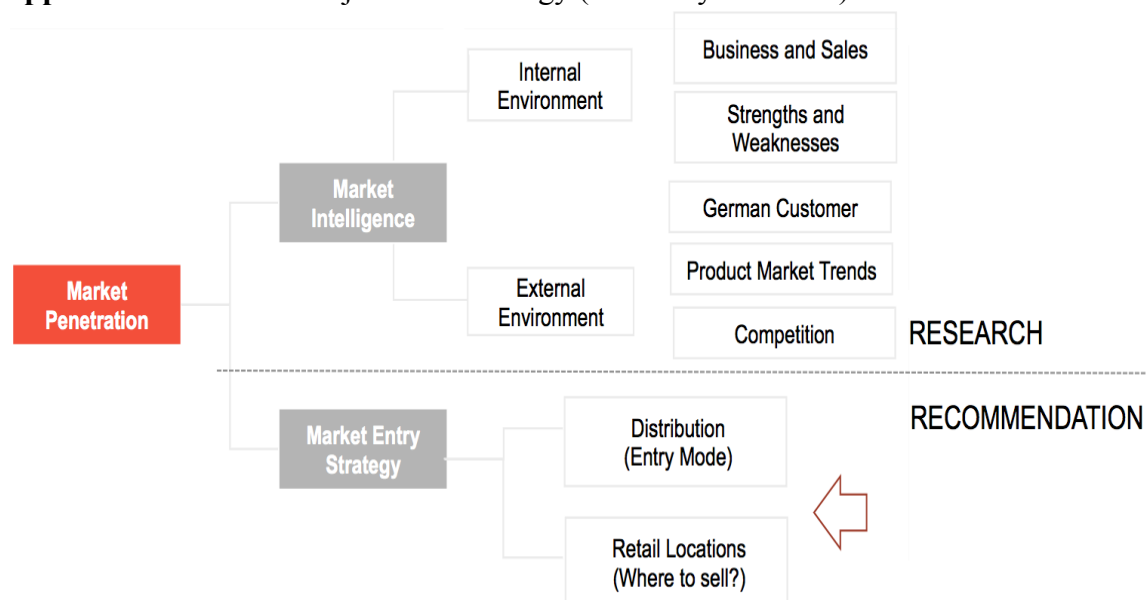


**Appendix 6: Claus Porto Sales (2014-2015) by Country**

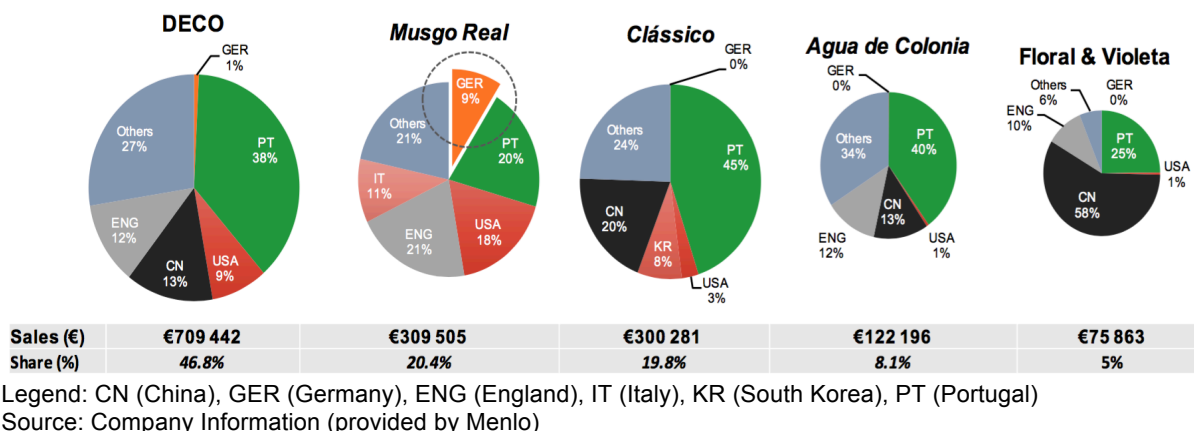
Sales by Country	2014	% share of total	2015	% share of total
<b>TOTAL</b>	<b>€1 441 362</b>	<b>100,00%</b>	<b>€1 517 288</b>	<b>100,00%</b>
Portugal	€417 414	28,96%	€534 043	35,20%
China	€363	0,03%	€214 087	14,11%
England	€137 785	9,56%	€171 145	11,28%
USA	€339 318	23,54%	€126 291	8,32%
Germany	€49 322	3,42%	€33 182	2,19%
Italy	€31 576	2,19%	€32 751	2,16%
Korea	€60 909	4,23%	€23 852	1,57%
Others	€404 676	28,08%	€381 937	25,17%

**Appendix 7: Business Project Timeline (Key Milestones)**

### Appendix 7: Business Project Methodology (Summary Structure)



### Appendix 8: Claus Porto Sales by Collection and Country (2015)












### Appendix 9: Share of Premium Segment (as a percentage of total beauty and personal care market) for selected group of countries

COUNTRIES	2010	2011	2012	2013	2014	2015	average	CHANGE (2015-2010)
United Kingdom	38,6%	38,6%	38,7%	39,2%	40,1%	41,1%	39,4%	6,7%
France	37,6%	37,6%	37,2%	36,9%	37,0%	37,1%	37,2%	-1,4%
South Korea	36,2%	35,9%	35,7%	34,9%	34,4%	34,7%	35,3%	-4,2%
Italy	27,8%	27,8%	27,8%	27,7%	28,0%	28,4%	27,9%	2,4%
USA	23,1%	23,9%	24,7%	25,0%	25,3%	26,2%	24,7%	13,1%
Portugal	24,9%	24,1%	23,1%	21,9%	21,3%	21,0%	22,7%	-15,6%
Germany	19,3%	19,5%	19,7%	19,7%	19,9%	20,1%	19,7%	4,0%
China	17,7%	18,5%	18,7%	19,1%	19,2%	19,5%	18,8%	10,4%

Source: Euromonitor International

**Appendix 10: Small Premium Heritage Stores: Competitors Presence**

	 PENHALIGON'S <small>London</small> <small>Perfumes Established 1871</small>	diptyque <small>paris</small>	 JO MALONE <small>LONDON</small>	 AMOUAGE	CLAUS <small>FOETO</small> <small>Since 1987</small>
	✓	✗	✓	✓	✗
	✓	✗	✗	✓	✗
	✓	✗	✗	✓	✗
	✓	✗	✓	✗	✗
	✓	✗	✗	✗	✗
	✓	✗	✗	✓	✗

\*not anymore

Source: Store Data

**Appendix 11: Main Department Stores: Competitors Presence**

	 PENHALIGON'S <small>London</small> <small>Perfumes Established 1871</small>	diptyque <small>paris</small>	 JO MALONE <small>LONDON</small>	 AMOUAGE	CLAUS <small>FOETO</small> <small>Since 1987</small>
	✗	✗	✗	✗	✗
 Premium: incl. KaDeWe, Alsterhaus, Oberpollinger	✓	✓	✓	✓	✗
	✓	✓	✗	✓	✗
	✓	✓	✓	✓	✗
	✓	✓	✗	✓	✗
	✓	✓	✗	✓	✗

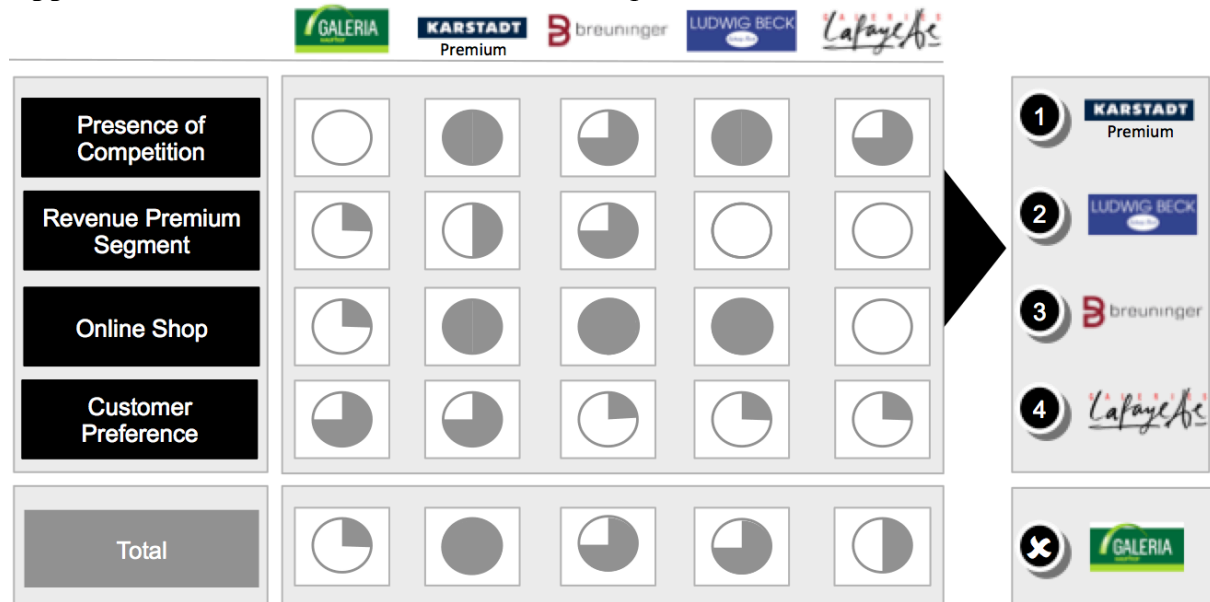
Source: LabelFinder

**Appendix 12: Online Distribution: Competitors Online Platforms Comparison**

		diptyque paris	JO MALONE LONDON		CLAUS — PORTO — Since 1987
<b>English &amp; German</b>	x	x	x	x	x
<b>Live Chat</b>	x	x	✓	x	x
<b>Store Locator</b>	✓	✓	✓	✓	x
<b>My Account</b>	x	✓	✓	✓	✓
<b>Gifts</b>	✓	✓	✓	x	x
<b>Online Purchases</b>	✓	✓	✓	✓	✓

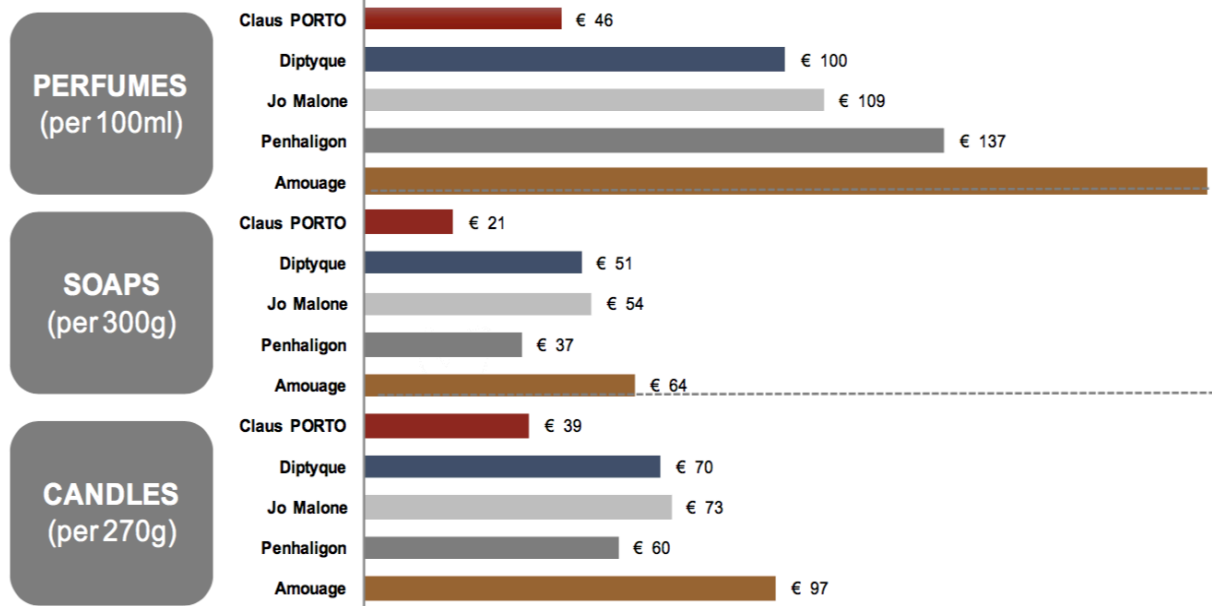
Source: Online Store Data

**Appendix 13: Retail Location Prioritization: Department Stores**



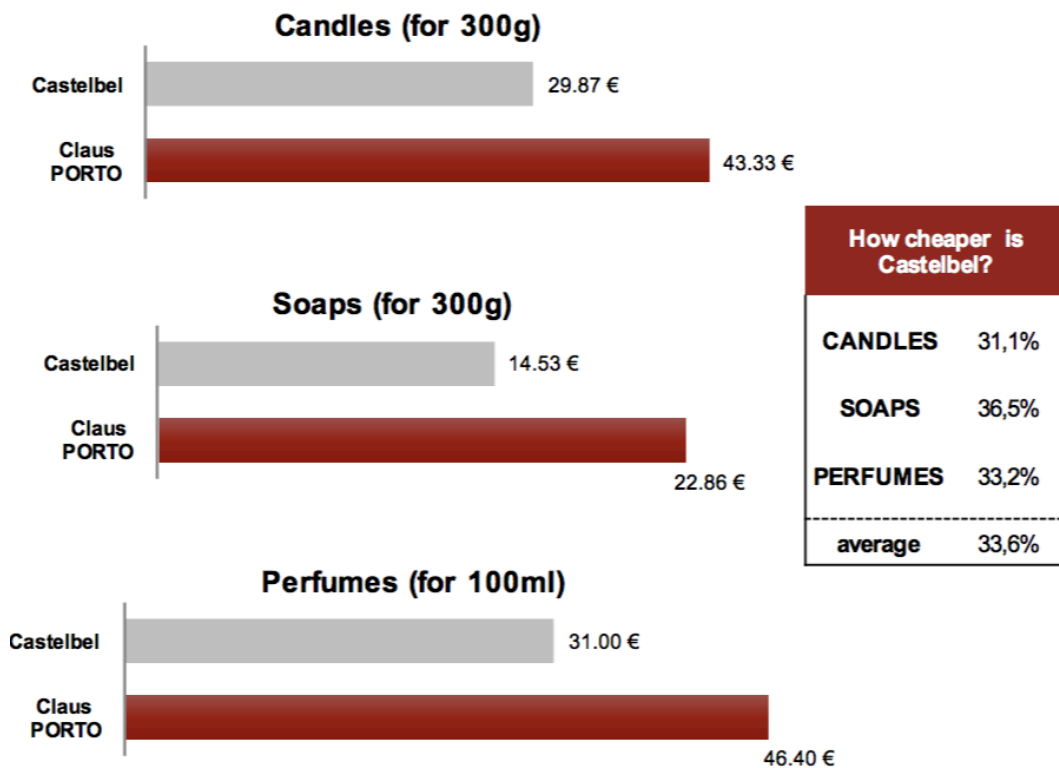
Source: Team Analysis

**Appendix 14: Price Comparison: International Competitors (Key Categories)**



Source: Company information (company's website reference prices)  
 Notes: Claus Porto benchmark prices. Average prices for each segment adjusted for same size/weight. Currency conversion at 1£- 1.28€ (as of 25th April, 2016)

**Appendix 15: Price Comparison: Castelbel (Key Categories)**



Source: company's website/ official catalog. Prices for Claus Porto from website. Prices for Castelbel from benchmark Portuguese retailer (Perfumes & Companhia)

**Appendix 16: Scoring Model: Criteria and Distribution of Weights**

Level	Criteria	Weight
Industry-specific data (70%)	Market Size	17,5%
	Market Historical Growth	12,5%
	Market Forecasted growth	12,5%
	Consumption per capita in Premium Segment	7,5%
	Premium segment share of total market	7,5%
	Herfindahl-Hirschman Index	7,5%
	Market Penetration of private label	5,0%
Country-specific data (30%)	Economic Freedom	7,0%
	Income held by highest quintile	5,0%
	Business Freedom	3,0%
	Logistics Performance	3,0%
	GDP per capita	3,0%
	Marginal Propensity to Consume	3,0%
	Hofstede's 6D Model (Culture)	3,0%
	Physical Distance	3,0%

**Appendix 17: Scoring Model: Rankings per country**

Criteria	Weight	CHI	FRA	IT	GER	PT	SK	UK	USA
Market Size	17,5%	2	3	7	6	8	5	4	1
Market Historical Growth	12,5%	1	6	7	5	8	2	4	3
Market Forecasted growth	12,5%	1	8	6	7	5	4	3	2
Consumption per capita in Premium Segment	7,5%	8	2	5	6	7	1	3	4
Premium segment share of total market	7,5%	8	2	4	7	6	3	1	5
Herfindahl-Hirschman Index	7,5%	1	7	3	2	6	8	5	4
Market Penetration of private label	5,0%	2	5	6	8	7	1	3	4
Economic Freedom	7,0%	8	6	7	3	5	4	1	2
Income held by highest quintile	5,0%	2	5	6	3	8	7	4	1
Business Freedom	3,0%	8	6	7	2	4	1	3	5
Logistics Performance	3,0%	8	4	5	1	7	6	2	3
GDP per capita	3,0%	8	3	5	2	7	6	4	1
Marginal Propensity to Consume	3,0%	8	5	4	6	2	7	3	1
Hofstede's 6D Model (Culture)	3,0%	7	2	4	5	1	3	8	6
Physical Distance	3,0%	7	2	4	5	1	8	3	6

---

**Appendix 18: Scoring Model: Results**

COUNTRY	MODE SCORE	FINAL RANK	STANDARD SCORE
USA	8,4	1	100
UK	8,925	2	91,075
FRANCE	11,55	3	79,525
S. KOREA	11,55	4	67,975
GERMANY	11,9	5	56,075
CHINA	13,825	6	42,25
ITALY	14	7	28,25
PORTUGAL	14,35	8	13,9

**Appendix 19: Standardized results by country**
