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PRIVATE BRANDS – CAPTURING CONSUMPTION FROM INFORMAL MARKET

José Machado
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A Project carried out on the Business Project course, under the supervision of Ksenia
Golovacheva

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Executive summary

Private brands – Capturing consumption for informal market

The purpose of the project is to develop a general strategy for retailers on how to attract consumers from informal market to organized retailers in Europe, Africa and Russia with the help of private labels. In order to achieve the stated goal we conducted a multi-step research. The first step was devoted to the secondary data analysis, where we had to: identify the key buying factors for the informal market and the commonalities in motivational drivers and perform a benchmarking analysis of private brands. The second part was focused on obtaining primary data through conducting a thorough interview analysis. The last part of the report is focused on the creation of generic recommendations for organized retailers, which included: private brand positioning; tiering; assortment; quality positioning; pricing strategy; promotional strategy; placement on the store.

Key words: Private brand, informal market and formal market

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1. Brief Context

A. About the Client

Daymon Worldwide was founded in 1970 in New York. The initial goal of the company was to increase the market share of Private brands through helping retailers and suppliers. While private labels were seen as cheap and low quality, Daymon had a vision to transform those labels into brands for the benefit of retailers. Daymon Worldwide since then has focused on retailers' brand building, sourcing solutions and customized retail experience.

Today, Daymon has over 200 offices with affiliates in more than 50 countries on all six continents. It collaborates with 100 major retailers and nearly 6,000 manufacturers globally. The corporation works with 1,700 brands and over 165,000 individual SKUs (BusinessWire, 2015). It operates in various trade channels, including those of convenience stores, discount stores, supermarkets, wholesalers, office supply and e-commerce. In other words, its target market includes customers who are highly diverse on various levels. Despite this broad set of potential customers, its focus on private brands has allowed the company to avoid any direct competitors – only indirect ones stemming from miscellaneous consultancy companies such as McKinsey need to be faced.

Daymon Worldwide is an umbrella brand that offers both end-to-end retail service as well as solutions to individual divisions, according to the customer's choice. Specifically, it includes the following five companies, each of which captures a different stage in the product development cycle. That is, Daymon Worldwide provides a full service of (1) Private Brand Development; (2) Strategy and Branding; (3) Sourcing and Logistics; (4) Retail Merchandising Services; and (5) Consumer Experience Marketing.

B. Market Overview

FMCG product categories in many countries now have private label brands (Retailers' brands) participating in them, alongside national brands. More and more Private Label brands have been challenging national brands in the market place. National brands are still dominant though, but it is common knowledge that the private label is continuing to gain inroads in territories that traditionally belonged to the national brand.

In developing markets, the concept of private label is still in its infancy, due to the highly fragmented nature of grocery retail networks. In most of those countries, informal market is still dominant, capturing the highest share of the consumption. By informal markets, we understand the non-organized Retail (mums and papas stores, street vendors, street markets, and convenience stores).

C. Current Client Situation

The retail industry is globally facing increasingly saturated markets and is generally characterized by a large number of direct competitors. As a result, retailers are highly aggressive, which is represented by the numerous price wars examined over the last couple of years. Traditionally, retailers pursued rather different strategies: discounters such as Lidl and Dia focused on offering the lowest price, whereas premium supermarkets such as M&S exclusively offered high quality products for a high price. However, as Euromonitor points out, during the last few years European retailers have seen the boundaries between grocery formats blur substantially. As a result, various discounters such as Lidl and D ia have moved away from hard discounting, and instead now focus on soft discounting (Nguyen, 2014). This implies these discounters have started placing more emphasis on freshness (quality) rather than price alone, which is expressed by, for instance, the introduction of bakeries in stores and the wider range of high-quality products that are healthy and fresh. With these new trends and changes, private label brands are facing tremendous competition being imperative to have a strategy to differentiate from the competition.

Daymon believes that private brands can have a key role in increasing the consumer base of the organized Retailers, by attracting consumers from the informal markets, differentiating the Retailers and creating consumer loyalty and thus gain a competitive advantage in this extremely competitive industry.

D. The Business Project challenge

The challenge of this project is to identify the key buying factors for informal market and define the best strategy for private brand within this context. The main goal is to understand the factors that attract consumers to the informal market and based on those motivational factors, recommend a strategy for retailers that enable them to attract consumers from informal trade to their stores through the use of private brands. This strategy must include: Private Brand positioning, Tiering, Assortment (500 entry SKUs) and product format, Quality positioning, Pricing strategy, Promotional strategy, Placement on the store.

Geographically, the project must consider both Western Europe countries and African countries for the research with the conclusions being transversal to all geographies with high informal market penetration.

As for this project we decided to increase the scope of our analysis and include Russia as well as we could get a greater primary research, which by being face to face, could bring more reliable and credible results.

Therefore, the ultimate goal is to understand how we can make private brands more appealing for those consumers that go to the informal market.

2. Reflection on the work done and individual contribution

A. Problem definition

The retail industry in most countries is intensely competitive, with most retailers having to survive on thin margins. Indeed, more than ever before, the global grocery industry is defined by ever-growing competitive tensions between retailers seeking a share of the market.

However, retailers do not only face competition from other retailers; an examination of the competitive forces in the retail industry should include the informal market as well. This work project (based on the business project) addresses the distinction between the informal and formal retail market, a distinction that is contingent on whether the trading activity is undertaken by a party who is in possession of a license or not. In more simplistic terms, by the formal market, which we hereafter simply refer to as “retailer(s)”, we mean any type of retail channel such as supermarkets, discounters and hypermarkets. By contrast, the informal market, hereafter referred to as “informal retailer(s)”, includes retail channels such as convenience stores, kiosk, any type of market (e.g. farmer market or street market), and speciality stores.

The share of the informal market retailers tends to be highest in developing countries. In fact, in most developing countries, such as China, the informal market dominates over the formal market with a share of 80 percent. By contrast, in the United States this share is only 20 percent. Given the aforementioned head-to-head competition observed in the retail industry worldwide, it is necessary for retailers to find a way to enlarge their customer base. Clearly, especially in developing countries, customers currently visiting the informal market represent a viable and profitable source of these new customers retailers are looking for. Therefore, it is highly beneficial for retailers to be presented with a strategy that allows them to attract

customers away from the informal market to their own stores. Besides the enlarged customer base and consequent enhancements in economies of scale and bargaining power, in developing countries it may give retailers the advantage of capturing customers from the informal market before more organized retailers enter the market. This, in turn, will allow them to strengthen loyalty before competition intensifies even further. In developed countries, as well, it could assist retailers in their fight against the saturated market, where demand is growing only marginally, if at all.

The objective of this project is to examine whether private brands, given their flexibility, could offer retailers a tool by which they can attract informal market shoppers. We define private brand as a product (or line of products) that is exclusively manufactured for a specific retailer. Thus, a third party manufacturer creates the product for a retailer, who then brands the product with its own private label. It stands in sharp contrast to third-party brands, such as the brands owned by Unilever, which are sold by many different retailers. In a nutshell, the objective is to develop a general strategy for private brands to attract consumers from the informal market to organized retailers. Our main research can be formulated as follows:

“How should retailers design their private brand strategy in order to attract informal market consumers to their own organized retail stores?”

B. Methodology

(I) Hypothesis

The first objective of this research project is to establish what factors drive people to visit the informal market instead of organized retailers. The aim is to investigate these factors for each of the three key regions that differ in their stages of economic development, namely Africa, Russia and Europe. Just as the developing and developed markets differ considerably in the degree to which the informal market dominates ***it is expect that consumers in different regions of the world attach different value to specific factors such as price, quality, and proximity.***

The second hypothesis is that despite these differences, there will be some factor or factors that are shared among the different populations. By this it is meant that there is likely a common factor or group of factors that set the informal market apart from organized retail stores shared by every country in the world. Thus, apart from discovering the different motivational drivers, the aim is to integrate these findings in order to find the commonalities. In relation to aforementioned, the third objective is to identify what types of products are commonly traded at the informal market. ***It is expected that this portfolio will be rather similar across countries as consumers are likely seeking products with certain attributes in the informal market, which they cannot find in the stores of organized retailers.***

These two commonalities that are related to the types of products traded and motivational drivers, in turn, will allow to accomplish the main objective, namely to develop a private brand strategy for retailers that allows organized retailers to draw informal market consumers to their stores. The following hypothesis is ***that there are certain attributes, such as quality and price, which retailers can incorporate into their private brands in order to make their***

own assortment and stores more attractive. It is also expect *that convenience and proximity to play a role, but they will not be the main reason as to why people go to the informal market.* This in turn implies a window of opportunity for retailers to adapt their private label strategy. The strategy recommendations will cover the areas of private brand positioning, tiering, assortment, quality positioning, pricing strategy, promotion strategy and placement on the store.

(ii) Analysis

In order to achieve the results proposed in this project: determine which are the motivational drivers to go to the informal market and what strategy can retailers employ to attract more customers from the informal market using private brands, the research of this project was divided in two parts.

The first part consisted on secondary research. In this first part, we started by defining the informal market followed by an analysis of almost each country from Europe and Africa in terms of the informal market penetration using Euromonitor as the main source of information. It was extremely useful to have a deeper understanding of what drives consumers to the informal market in each country in order to have a greater picture. This first phase of our work, together with the literature review helped us to identify which are the motivational drivers in each country and enabled us to have an integrative perspective of the motivational drivers.

Secondly, we defined what the definition of a private brand is and conducted a benchmarking analysis of formal retailers in the 3 regions of study: Russia, Europe and Africa. A discounter, standard and premium retailer was chosen in each region and an analysis to their private brand was conducted. In order to develop our own strategy to attract more consumers from the

informal market it was crucial to know what retailers are currently doing and how are they able to attract consumers through their private brand.

The second part consisted in primary research. In this part we conducted in-depth interviews. The size of the sample was 20 participants who were all involved in individual interviews. Twelve of them were Russian citizens, residents of major cities: Saint Petersburg, Moscow and Kazan. Four respondents from South Africa, Ghana and Angola represented Africa, while four respondents from Poland, Lithuania, Latvia and Hungary spoke for Europe. With an exception of some Russian respondents, most of the interviewees were young professionals of 20-30 years old. This primary research enabled us to understand the consumers purchasing behaviour, to understand why people could go to the traditional stores instead of super or hypermarkets and to know about the perception of private brands among consumers, their attitudes and beliefs toward them.

Together with the secondary and primary research we were able to create a comprehensive and general strategy that could be applied in the 3 regions studied and to any formal retailer.

(III) Methodology

Having analysed the key motivational factors for consumers to choose informal over formal markets in three regions we focus on – Africa, Eastern Europe and Russia, - the following similarities were found in the consumer motivation: All three countries have large prevalence of informal commerce (90% in Africa, 47% in Russia, 42% in Easter Europe); Consumers are not willing to compromise on the lower quality for a decrease in price, thus supermarkets who compete on price lose customers; Consumers look for a balance between price and quality, which leads them to informal markets, that has this ratio; There is currently a trend of fresh and local products, which consumers associate solely with farmers' markets;

Key reasons for people to go to the informal markets are: convenience stores are better located than the formal retailers and higher quality of products in the farmers’ market.

We must also notice that there are differences among the consumers’ motivations among countries and in consumption habits between youth and elder population within all countries.

In terms of the benchmarking analysis discounters offered basic products with low prices. Generally they only have one tier and their focus is on offering low quality products at low prices and have a small variety. Standard supermarkets have generally 3 tiers and their focus is no value for money products. The premium retailers, which had the best response as it will be discussed below in the interview results, concentrated on offering high quality products, focusing on freshness and nutritious value. They position themselves as being innovative and having the best products.

To summarize the interview results in the context of different regions, the following table (Table 2.1.) was created. It highlights similarities and differences in the answers of respondents from Africa, Europe and Russia. Overall, there are a lot of similarities among these regions, especially in terms of private brands perception. This means that it is possible to create common solutions for these regions with particular adjustments that grow from the differences.

Table 1. The comparative interview summary among Russia, Europe and Africa

Q1. Perceived best retail channel	
Similarities Russia – Africa – Europe	Market is considered to be the best place to buy fruits, vegetables and other farmer products. They are perceived to be of higher quality than in supermarkets
Q.2.1.-2.2. Purchasing habits	
Similarities Russia –	The supermarket is the most visited retail channel (more than once per week), because of its convenience (proximity-price-assortment ratio). Mostly they are visited by foot, sometimes – by car

Africa – Europe	The hypermarket is usually visited irregularly and trips are done by car or by public transportation Specialty stores and markets are perceived as supplementary to the supermarket visits
Question 2.3 – 2.5: factors influencing choice of retail channel	
Similarities Russia – Africa – Europe	Price, quality and convenience are the top three factors that influence the consumer choice of the retail channel Convenience means proximity to home or the location of the way to home Prices are assessed based on the prices of the similar stores nearby Quality means that a product is safe to eat/use and in case with food it is fresh
Question 3: habits and associations with different retail channels	
Supermarkets	
Similarities Russia – Africa – Europe	The most visited retail channel. Perceived as convenient because of location (almost every respondent had a supermarket within a walking distance) and variety of different products It is used to buy all daily products except from vegetables, fruit, meat, bread, and sometimes also toiletries. “Crowded” and “lack of diversity” as a negative attribute More diversity and innovation are desired by customers
Hypermarket	
Similarities Russia – Africa – Europe	Very big choice of products Low level of proximity. Therefore, respondents only go there when they have to buy a large amount of products, e.g. to prepare for celebrations
Specialty stores	
Similarities Russia – Africa – Europe	Supplementary to the supermarket: place to buy meat, bakery, toiletries, farmer products and specific products that cannot be found in the supermarkets The higher level of variety – broader choice within one product category Higher prices
Markets	
Similarities Russia – Africa – Europe	Supplementary to the supermarket: place to buy fruits, vegetables, farmer products Products are perceived as having higher quality than in supermarkets There is a bigger variety than in the supermarket Markets are seen as the opportunity to buy local products
Convenience stores	
Similarities Russia – Africa – Europe	Convenience stores are not popular retail channel. Is used for “emergency” situations Perceived as low quality, high prices and with small assortments
Kiosks	
Similarities Russia –	Kiosks are perceived as a place to buy snacks, drinks, newspapers and sweets

Africa – Europe	
Private brands	
<p>Similarities</p> <p>Russia – Africa – Europe</p>	<p>Almost all the respondents are aware of what private labels are</p> <p>The perception of private brands as a whole highly depends on the supermarket where the private brands are bought</p> <p>In all the regions attitudes toward private brands vary from extremely negative to positive.</p> <p>If the quality and freshness of products matter, the customers will go for the branded products; if there is no big difference they go for a private brand, because it proposes lower price. Thus, the products that are bought as private brands are usually dairy food and non-food products.</p> <p>There is a big amount of products that the respondents would not buy if they are private-branded: milk and meat products, any frozen products, sauces, shampoos, alcohol, tooth paste</p> <p>The main reason to buy any private label – is a quality-price ratio. If a customer finds it appropriate, the private level will be bought, especially if it proposes the price advantage comparing to branded products.</p> <p>The main indicators to check the quality of product are its ingredients and package</p> <p>In all the regions the respondents suggested the same improvements for private brands: quality (freshness and localness), innovation (localness, responsiveness and variety), value (a good price), and promotion</p>

C. Recommendations to the company

Based on the conducted analysis and the proposed strategy the following elements are considered to be required for a successful attraction of consumers from informal markets to the formal retailers with the help of private labels.

The key point identified through secondary data analysis and primary data obtained from the qualitative interviews with consumers from Africa, Eastern Europe and Russia, is that consumers choose informal markets due to the higher quality of products offered there (e.g. consumers prefer to shop for fruits and vegetables at open/farmers' markets, for dairy at specialized stores rather than at the formal retailers). Although price and convenience are also considered as factors influencing customer decision to go to informal markets, the key decision-making factor is still the fact that products offered there are fresher than the ones at the formal retailers. Therefore, the strategy proposed concentrates on the offer of high quality local products with the quality and assortment similar to the products consumers purchase in the informal market. We propose to launch a private label called *Local*, which would embed the perception of quality and freshness perceived from products at informal market, combined with attractive price.

In line with consumers' desire for high quality products that are both innovative and offer excellent value to them, all of which can be captured under the label "localness", we recommend retailers to employ a quality/value positioning strategy in conjunction with the local consumer cultural positioning strategy (LCCP). In other words, retailers are recommended to position their private brand in such a way that they are perceived as offering superior value vis-à-vis informal markets, where the price charged should be relatively low (10 to 20 percent lower than branded alternatives) and the quality should be enhanced through the focus on localness. Specifically, consumers derive three main benefits from brands that place a strong emphasis on

the local environment: (perception of) higher freshness, higher innovation and diversification, and feelings of national support. Those elements combined will lead to higher quality perceptions. In turn, retailers may choose to complement the quality/value and LCCP positioning strategies with other positioning tactics.

The above automatically implies that quality positioning is of major importance to retailers. In fact, if retailers are unable to promote their products as a better value deal and have them be perceived as offering higher levels of freshness, they will be unable to attract consumers away from the informal market. In terms of the product itself, the prime factors that influence quality perceptions are packaging, which should have a high-quality appearance, ingredients, which need to be local and healthy, and whether quality is guaranteed or not. Furthermore, it is extremely important for retailers to establish trust and strong relationships between its customers, as the retailer's image is used to make inferences about its private brand quality.

The assortment for the *Local* brand is based on the qualitative interviews conducted with consumers from all three markets of our focus. We believe that by competing directly with the open market and specialized stores, sharing the same values of freshness and localness, formal retailers have a chance to attract more consumers, who will be willing to purchase the private brand. Hence, in terms of the assortment we propose to focus on the concept of localness and introduce the *Local* brand, which will contain the following eight product lines: Bakery, Dairy, Meat, Fruit, Vegetable, Salad, Food cupboard and Snacks. These product lines are a reflection of the products that the consumer values more from the informal market. We propose a wide variety in all of these product lines, enabling the consumers to find all of the products from these categories and a deep assortment for Dairy, Fruit, Vegetable, Salad, Food cupboard and narrow for Bakery, Meat and Snacks so that we are able to target both price sensitive and less sensitive consumers.

The pricing strategy of the products offered under the *Local* label must, on the one hand, justify customers' needs and expectations based on the prices of similar goods in the informal market, and, on the other hand, leave the "least" money on the table and maximize retailers' profits. It is also vital to understand that although the pricing must be value based and reflect the expectation of consumers, it must also provide incentives for consumers to try the *Local* brand and offered products.

As to the promotional strategy, it focuses on the inverted brand funnel proposed by McKinsey. We will focus on the in-store promotions that will directly influence consumers' purchasing decisions, product placement in the store and social media activities to promote the *Local* private label. It is crucial for the promotion to emphasize the key values of the brand: freshness, localness, health, which can be delivered to the customers in the form of activities, local product promotions for holidays and bonus discounts for particular local products. The second large part of the promotion strategy is the connection to the customers and creation of loyalty loop through the online store and social media.

As to the placement, we believe that retailers should incorporate *block placement*, so that related products are placed together, independent of their origin (private brand or branded products). Still, customers must be able to easily distinguish private brands from other branded products, which should be done without giving a customer the feeling that retailer imposes customers to buy private brands. Moreover, as we believe that the *Local* brand is will become the main tool in attracting customers from informal market, it should be considered as *margin product*. Thus, the goods of the *Local* brand should be always located in the *bull's eye zone* together with strongest brands, so that customers mention them early on.

We would like to stress that the strategy proposed is focused on the benefits identified in the informal market, translating that in the private brand.

D. Concerns (shortcomings, implementation, problems expected)

One of the key concerns of this project, which in my opinion limited the usefulness of this project to the company was its scope or lack of specificity. As we were clearly instructed that we had to analyse the informal market in Europe and Africa (and then in Russia) and thus recommend a strategy that would fit in either of these regions, the final result was a very generic strategy. It would be far better off if the scope of the project was limited to a specific region, such as Eastern Europe. This way, we could have gotten a deeper insight of the informal market and produce a more specific strategy.

Another limitation of this project was our primary research. According to the company feedback, we had a very limited sample, which instead of the 20 participants it should have been 80 participants. In this project we decided to value more quality than quantity and instead of doing surveys (which would certainly increase the number of participants) we decided to focus solely on in-depth interviews as it would provide a greater and truer picture of what consumers value in the informal market and what would attract them to private brands.

The time we had to do this project also proven a constraint as it can be applied to the two above mentioned points. Although we had a considerable amount of time, the scope of the project limited the in-depth analysis and primarily our primary research.

Moreover, and this was a group problem that I was already expecting, was the way we divided the work. I was responsible for Africa, another person for Europe and three persons for Russia. This division of work created some problems as everyone had different thoughts about what were the real motivational drivers for going to the informal market and what

should be the final strategy. This incoherence of thoughts was passed on to the strategy which in the end damaged the final result.

Finally, another limitation was actually doing the primary research for the participants in Africa as it was difficult to find and to get in touch with Africans, especially from Central Africa where the informal market is more pervasive. Same thing can be applies for the secondary research as there is still little information about the effects of informal retailing, especially in Africa.

E. Individual Contribution

For the business project, everything that was related to Africa was my part. I performed the analysis of the individual countries in Africa, analysing the informal market penetration, followed by an analysis of the motivational factors to go to the informal market in Africa.

I also did the benchmarking analysis for three African supermarkets (Kero, PicknPay and Woolworths) analysing their tiering, quality positioning, brand positioning, pricing and promotional strategy, and finally looking in-depth at their assortment.

As for the primary research I conducted 4 individual interview, two with South Africans one from Angola and another one from Ghana as well as its coding to identify easily what were the similarities between the Europeans and Russian answers.

Finally, I created the assortment strategy as well as the 500SKU that was proposed for this project.

Overall, I believe I did a significant contribution, one that I really enjoyed and I would have all of the pleasure to repeat this experience again.

3. Academic Discussion

A. Possible links with MSc field - Management

For this part of the report I will be looking at the marketing mix concept, more specifically the 4Ps developed by Jerome McCarthy (McCarthy, 1964). I am looking at this concept in specific as it correlates with my major in marketing and I believe it is one of the most used and useful models for any marketer. Moreover, it correlates directly with this project as although we had to do a strategic strategy the fact was that this project was more about how would we market private brands to the informal market consumer (marketing strategy). Thus, and indirectly, there was a close analysis at the 4P's concept which I will explore more deeply below.

B. Relevant theories and empirical studies

The marketing mix was firstly used by Neil Borden as he claims he used it in his teaching and writing (Borden, 1964). He was inspired by the work of Professor James Cullition (Culliton, 1948) where he described the marketing executive as a "mixer of ingredients" one that has his own recipe or follows the recipe by others. It is very interesting to think about this point.

What is the best marketing strategy? What are the elements and procedures that one should employ to attract the target marker? What will trigger the right behaviours? A 'marketing mixer' will have to consider various points such as pricing, packaging, personal selling, advertisement, promotions etc, in order to make the right strategy. As Neil Borden points out, we don't ask "Shall we use or not use advertising without consideration of the product and of other management procedures to be employed". It is supposed to be considered as a whole, as one force will influence the other.

Although at first this seems pretty obvious, the fact that Neil Borden created his “marketing mix” composed of 12 different elements: Product Planning, Pricing, Branding, Channels of distribution, Personal Selling, Advertising, Promotions, Packaging, Display, Servicing, Physical and Fact Finding and analysis, makes it more simple to understand, and demonstrates clearly how long or short one want to go in the classification of the marketing procedures and policies.

Moreover, he suggested 4 key forces that govern the mixing of elements: Consumers’ Buying Behaviour, the Trade’s Behaviour, Competitors’ Position and Behaviour and Governmental Behaviour, which in a whole is a visual presentation of the concept of the marketing mix. The role of any marketer is to understand how his actions will influence consumer behaviour, how he can understand their behaviour and predict what will be their future demands. It is imperative to have an understanding of the customer and its surroundings. What was revolutionized by this concept was the fact that companies could look at their marketing mix and find ways to distinguish themselves, offering a different price or a different advertisement, in order to gain a competitive advantage.

From this marketing mix, Jerome McCarthy refined it to the 4P’s that are well known today: Product, Price, Place and Promotion, and defined the marketing mix as “the combination of all of the factors at a marketing manager's command to satisfy the target market” (McCarthy, 1964) which he later, together with Perreault (Perreault, 2002) defined as the "controllable variables that an organization can coordinate to satisfy its target market”. In order to represent the 4P’s, McCarthy created a diagram involving the 4 P’s around the C for customer. This clearly shows that the focus has to be in the customer and that for every marketing activity there has to be a target.

This realization, although simple again, is what makes this concept so strong and easy to understand (Gronroos, 1994). For any marketing activity there has to be a customer target especially for small firms that want to differentiate from the competition and there has to be a consideration for each of these '4 mixes' as described by Abrudan and Lobontiu as the 4Ps of the marketing mix can be seen as a chair with four legs and "if one leg breaks, the other remaining three cannot keep the chair standing" (SAVA, A, & TRIF, C, 2013). Moreover, by having delimited these four different areas it helps to reveal another dimension of the marketing manager's job as managers will have to allocate their resources among the different 'mixes' and in doing so it will help to install the marketing philosophy in the organisation (Low and Tan, 1995). Thus, the 4P's is also a great tool to manage the marketing strategy and have a greater awareness of what has to be done.

The 4P's concept from McCarthy has been extremely useful to develop both marketing theory and practise and since the 1980s onwards there has been a substantial contribution from other marketers, adding new P's to their mix. For example, Judd (Judd, 1987) added People, and Booms and Bitner (Booms and Bitner, 1980) added 3 P's, Participants, Physical Evidence and Process to McCarthy's marketing mix. Then Kotler, (Kotler, 1986) added Political Power and Public opinion formation, Baumgartner (Baumgartner, 1991) suggested 15P's, MaGrath (MaGrath, 1986) suggested Personnel, Physical Facilities and Process Management, Vignalis and Davis (Vignalis and Davis, 1994) introduced the S for Service and so on. This clearly shows that there is not one right marketing mix, and that the focus should be adapted to the industry and to the target customer.

Furthermore, and according to the work of Constantinides, who reviewed the work of various researchers, the 4P's has various downfalls. Some of these weaknesses are domain specific such as "ignoring the human factor, lack of strategic dimensions, offensive posture and lack of interactivity" (Constantinides, 2006). Additionally, he found two limitations that were transversal in nearly all of the categories reviewed: the model's internal orientation and the lack of personalisation.

The first has to do with the market input that it has. Originally, it was developed to study the marketing of consumer products in the mass-oriented US manufacturing sector of the 60's, which is completely different to the highly competitive, dynamic, and technological markets that exist today. This can lead to a serious undermining of the firm's competitive position as marketing efforts these days have to pay much more attention on external environmental factors such as competitors, policies and mainly the changes in consumer behaviour.

The latter, lack of personalisation, as the marketing mix is oriented to the mass-market, is also highly criticized and in today's environment consideration for the individual and personalisation are key to have a good marketing strategy. In a world with greater technology, customers have a broad offer and their switching costs are low, making it more difficult to attract and retain customers. Therefore, the marketing mix has to be more personalized and directed towards the customer of the 21st century.

Moreover in his research, several authors have criticized the 4P's in regards to the retail industry. Two decades ago, retailers would consider the end communication with the consumer as the most important task of their marketing strategy, employing mass marketing campaigns to attract the target audience increasing the brand recognition and the product

awareness. However, with the increase in globalisation and private branding the focus of the marketing strategy for retailers has shifted as they have to consider other aspects, outside the 4P's, in order to differentiate and stay competitive. These days, retailers have to consider aspects such as efficiency, supply chain management, customer retention and customer life time value (Constantinides, 2006) in order to remain competitive. Thus, we can assume that the marketing mix for the retail industry has to be different. According to various authors, the retailers marketing mix should consider various factors such as the retail format, personnel, physical evidence, shopping experience, atmosphere, and more personalized instead of being mass marketed (van der Ster 1993; Boekema et al. 1995; Mulhern 1997; Kotler 2003).

Although each author proposes a different marketing mix for the retail industry, the fact is that the 4P's is too simple to be used as a marketing strategy. In a way, for this project we were given a marketing mix by Daymond to analyse which included the 4P's (Product, Price, Promotion, Place) plus Private Brand and Quality positioning, Tiering and Assortment analysis.

C. Implication for theory and future research

Overall, and faced with the overwhelming critics to the 4P's, I believe that future research should be conducted that aims to assess how the 4P's can be personalized. As stated above, the 4P's has its merits but in order to move forward it is necessary to adopt a framework that is able to predict and tackle better consumers' behaviours and that is suited for a determined industry. It would be very interesting to analyse how the increase in technology will change the retail industry (Drones, Apple Pay, e-commerce) as the increase in 'performance' turning retailers more efficient, will focus the attention to the brand and how it can be differentiated.

D. Personal Reflection

A. Personal Experience

During this project I have to say that I had a really good time as I had a great challenge ahead and a good team with me that was committed to make this a good project.

Right from the start I think that I showed my enthusiasm and commitment to take such a big part of this project as I analysed a whole continent alone. I think that this was one of my key strengths, having a great energy from the start and carrying it away until the end. In such a big project like this, that has lots of obstacles, I feel that it is very important to maintain a high level of energy and enthusiasm as it will be the only way to be motivated and do a good project.

Another strength that emerged during this project was my communication as I would always express what I was feeling and where I wanted the project to go. I would always arrange meetings every week or if not possible every two weeks to make sure everyone is on the same boat. I would also communicate a lot through our Facebook group to tell everyone what I have been doing for the project and also to tell what is missing and what has to be done. This open communication that I have derives a lot from my personality and I saw that this is a trait that I really value and want to take the most out of it. I recognized that for any project I will be involved, good communication will be essential to deliver a good project. Moreover, this project reinforced my thoughts that in my future career I want to be able to work in a team and be close to the customer as only in these situation will I be highly motivated and pushed to do a great job.

As for my weaknesses, I think that I have to be stronger about the ideas that I have.

Sometimes I felt that the idea that I had was good, although I was not able to convince and persuade my group members, and thus my idea would not go forward. Furthermore, I would run away from conflict some times when I knew there was a big disagreement between the group members and would not push my ideas forward as I didn't want to create a bigger problem. A specific moment when this happen was when we were deciding the tiering strategy, as half of the group believed it was more appropriate to have a 3-tier strategy and the other half, including me, believed that a one tier strategy would fit better. Although I did not express my thoughts right, I was able to synthesize everyone's main points in a power point which helped to ease the conflict and achieve an agreement within the group.

In order to improve these areas, manage conflicts and be more certain of what I say, I will be more confident in myself and try to sustain my thoughts with examples and reasons that increase the credibility of my thoughts. This project showed me that I have still a long way to become the 'leader' that I want to be but I am sure if I continue to look back at the areas I have to improve I will certainly achieve my goals.

B. Benefit of hindsight

I believe that my marketing knowledge and motivation to do a great job was my greatest added value. I would always tried to be creative in my thoughts and bring new ideas to the table and always keep a good environment within the group. If I was to do this project again I would definitely organise the work load differently as I believe that having 3 persons for Russia was too much. One of the biggest critics of this work was the sample size, and if I was to do it again I would concentrate more on primary research, do more interviews with people from different countries and do the survey that I wanted to do.

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