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## INTEGRATED MARKETING COMMUNICATIONS FOR GUAVA

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## **Abstract**

The following paper presents an Integrated Marketing Communications campaign for the brand Guava, which was recently restructured to pursue an online approach. The main purpose of the project is to increase Guava's brand awareness and recognition worldwide. Therefore, based on an analysis of the current marketing strategy of the brand and research of the industry and how companies are approaching its online consumers, a campaign was elaborated so as to build brand recognition and credibility.

**Keywords:** Guava; E-commerce; Digital Marketing; Integrated Marketing Communications

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## **1. Introduction**

Nowadays, with the proliferation of the Internet and online shopping, companies are investing increasingly more in their digital presence, with some brands even restructuring their business model to serve clients mainly on an online approach, as it presents companies with multiple benefits and consumers with convenience. Guava has made such strategic shift, recently restructuring its business model to serve customers primarily through online channels, using its website as the main one. Hence, Guava has to embrace the challenges that this approach entails and strategize the best method to reach worldwide consumers. However, despite being a brand that has been around for over six years, Guava still lacks brand awareness and recognition, serving the following paper to suggest ways to increase and improve these two branding aspects by presenting recommendations on a brand management level and an Integrated Marketing Communications campaign.

## **2. Methodology**

This work project was based on primary and secondary research. Regarding primary research, multiple interviews were conducted with Guava's CEO, Inês Caleiro, and CRM manager, Maria Rodrigues. The interviews conducted with Inês and Maria had the main purpose to understand the brand's history and performance since its beginning, to understand why the restructuring of the brand, and gather data about the brand. Moreover, several contacts were made via email where it was possible to gather both quantitative and qualitative data about the brand. Furthermore, an interview with Carlos Silva from APICCAPS was conducted to better understand the role APICCAPS has in Portugal's footwear industry and how this cluster is organized. Regarding secondary research, it comprises information and data from books, articles, online papers and other web resources.

### **3. The Enterprise**

#### **3.1 Brand History**

Guava is a luxury footwear and accessories start-up brand that was created in 2010 by Inês Caleiro. It is described as a “lifestyle luxury brand for women, mainly focusing on shoes and fashion accessories with a geometrical and architectural touch and colourful vibe” (Guava’s Brand Book, see appendix 1). Inês is a Portuguese designer who studied Graphic Design at IADE, in Lisbon, and pursued a Fashion and Product Design course at the London College of Fashion, where she won the “Best Student” award, leading to an invitation to do an internship at Jimmy Choo. This served as the inspiration to start her own footwear brand, which later led Inês to receiving an InovCapital Award, providing her the funds to start her business.

The vision for Guava’s product line was conceived while Inês was living in the United States and she began building and developing the brand when she returned to Portugal. Although she aimed to make the first prototype in Portugal, she could not find manufacturers that would believe in her products and would produce such exquisite and delicate heels, which ultimately required high technology. As such, the first prototype was made in Spain and merely finished in Portugal.

Since the very beginning, Inês was supported by APICCAPS, Associação Portuguesa dos Industriais do Calçado, Componentes e Artigos de Pele e seus Sucedâneos, that incentivised her to pursue her dream to create a brand that showed Portugal had a say in the footwear industry, not only with classic models, but also with designs that would revolutionize the industry by showing that the country is capable of disrupting the market.

2016 was a turning point for the brand, as Guava was restructured, changing its business model to an almost pure e-business, selling offline only in specific stores, keeping its flagship store in Porto, the Feeting Room in Lisbon and Porto, a showroom in Cascais and two other stores located internationally (see appendix 2 for all store locations). The restructuration was

due not only because of the low profit margins, since selling directly to retailers was resulting in low or even null profit margins and the enterprise was having constant losses while when selling directly from the website represented a much larger profit margin, but also to better serve its clients and its needs. To do so, Guava's headquarters changed from Lisbon to Porto so that Inês could be closer to the current manufacturer, in São João da Madeira, where 20 employees work to produce the best quality shoes for Guava. For many years before, Inês was always changing from one manufacturer to another, because she could never find one that had the expertise necessary to produce her high technology demanding heels. Now, the manufacturer she works with represents a highly valuable relationship to her.

### **3.2 Mission, Vision, Goals**

Guava "aims for elegance, cosmopolitan and contemporary luxury" (Guava's Brand Book). It offers a high-end exclusive product, handmade by crafts masters in Portugal, designed to make women feel effortlessly elegant with a slight touch of irreverence and its vision is to bring "elegance and sophistication into a new level of contemporary luxury, to the new independent generation and demanding fashion market where technology and innovation are part of the vocabulary" (Guava's Brand Book). The brand's biggest goal is to "reach individual online consumers, selling mainly on its web-shop and flagship store" also believing that it is important to "reach high-end boutiques and luxury marketplaces" (Guava's Brand Book, see appendix 1).

### **3.3 Business Model**

As it was mentioned, Guava decided to focus on e-commerce sales, insourcing the design and conceptualization of its products and outsourcing the manufacturing and distribution. Inês' presence in Porto is of extreme importance so as to be able to supervise and control both the materials' quality and costs, and also the manufacturing process, making sure that there are no delays, as every product is manufactured one-by-one, after the client makes the order. This

choice of producing following the Just-in-Time method implies that products may take up to 20 days to get to the client. Before going to the client, the products are packed carefully and thoughtfully, either by Inês in the flagship store or in the factory, being DHL always the distributor. Inês estimates the gross profit margin of the products sales to be around 50% to 70% (please refer to appendix 3 for a complementarity analysis of the Value Chain).

Besides its main core business of producing shoes and accessories for women, Guava offers a special service to brides, where they can customize and personalize their shoes for their special day. The brand also offers consulting services to other footwear brands in the areas of production and quality control, and in some cases design, acting as an intermediary between the brands and producers. The companies that wish to use this service can contact Guava directly and agree the terms of the contract.

### 3.4 Competitive Advantage – VRIO analysis

To analyse Guava’s resources and evaluate whether it holds a sustainable competitive advantage or not, a VRIO analysis was conducted. This tool analyses a firm’s resources and if they are Valuable, Rare, Inimitable and Organizationally Exploited and, as main outcome, it allows to conclude whether a firm has any sustainable competitive advantage.

Table 1. Guava’s Vrio Analysis

<b>Resources/Capabilities</b>	<b>Valuable</b>	<b>Rare</b>	<b>Inimitable</b>	<b>Organizationally Exploited</b>
<b>Brand</b>	NO	NO	NO	YES
<b>Heel</b>	YES	YES	NO	YES
<b>Manufacturer and Supplier Relationship</b>	YES	YES	NO	YES
<b>Inês’ Design</b>	YES	YES	NO	YES

Source: own elaboration

Analysing the table showed, it is possible to conclude that Guava does not hold a long-term competitive advantage against its competitors, since it has no resources that are inimitable.

The brand Guava is not valuable enough yet and the heel is relatively easy to imitate, alongside with Inês’ design, due to the lack of patents. Moreover, the manufacturer and

suppliers' relationship Inês has is one of the most valuable assets for Guava, but they do not have an exclusive relationship.

### **3.5 Brand Analysis**

#### **3.5.1 Brand Inventory**

Regarding its products, Guava currently offers three types: shoes, bags and necklaces.

Starting with the shoes, there are two different types: high heels and low heels. In the first type Guava offers to its clients five different models, each available in more than one colour and finish. On the category of low heels Guava also offers five different models, each with different colour options. Currently there is a collection designed in partnership with another designer, Jessica Walsh, that features three different models, which are still upper premium. This winter, 2017, Guava launched a collection of boots that is composed of only one model with different colours and types of materials.

In the bags section, there is only one model that is sold in two different sizes and in multiple colours, that is currently not being commercialized due to the recent change of manufacturer. Finally, the necklace collection is composed of only one model sold in two different sizes and materials (please refer to appendix 4 for Guava's products and detailed prices).

In regard to its distribution channels, currently Guava has two means of distribution – online and offline. Its main distribution channel is online, in its own website. Additionally, Guava has an online presence in four other websites, [theportyard.com](http://theportyard.com), [mintysquare.com](http://mintysquare.com), [showroom.net](http://showroom.net) and [thefeetingroom.com](http://thefeetingroom.com), this last one belonging to a retailer where they also sell offline, and they are also present offline in 7 other stores (see appendix 2).

When it comes to names, logos, symbols and slogans, the brand has different names for all its products, its logo is represented in the necklaces and no slogans have been created.

Regarding its packaging, "Guava's packaging is like a love story wrapped in a box" (Guava's Brand Book). Guava's shoes and bags are packed in a carton box that is delivered with a satin



ribbon and a personalized note from the designer. Inside the box, there is a velvet bag to keep the shoes safe while travelling. The brand makes an effort to send a personalized gift for each customer, given their preferences, by asking customers to answer a quick survey before their purchases.

In relation to prices, Guava's shoes range from 285€ to 480€ (heels), 240€ to 340€ (low heels), with bags going from 325€ to 475€ and necklaces being priced from 30€ to 40€.

Finally, when it comes to the advertisement and promotion policies, Guava has sales on the typical sales seasons throughout the year. The brand is also present in international and national fairs, with the support of APICAPPS, with the goal of promoting the brand.

### **3.5.1 Current Brand Identity**

The concept of brand identity specifies the facets of each brand's uniqueness and value. According to Kapferer (2008), in order for brands to become passion brands or love marks, they need to have six facets, which are represented in the brand identity prism, an effective tool used for brand identity building (see appendix 5 for Guava's Brand Identity prism).

### **3.5.3 Current Brand Positioning**

A brand's positioning is a "statement that emphasises the distinctive characteristics that make it different from its competitors and appealing to the public" (Kapferer, 2008). Guava's current positioning statement is "Guava is a luxury brand for women mainly focused in shoes and fashion accessories with a geometric and architectural touch and colourful vibe" (Guava's Brand Book).

### **3.5.4 Guava – Luxury or Premium Brand?**

Although Guava markets itself as a luxury brand, it follows the strategy of a premium brand. The premium strategy, as Bastien and Kapferer (2012) state, can be summarized as "pay more, get more". The use of this strategy is based on proving that one brand has the best value within its category, and the most important factor is the quality/price ratio. This strategy is

essentially comparative, while the luxury strategy aims to create the highest brand value and pricing power by leveraging all intangible elements of singularity, being them time, heritage, country of origin, craftsmanship, man-made, small series, among others (Bastien and Kapferer, 2012). Apart from craftsmanship and being man-made, Guava does not have any of the other essential requirements to belong to the luxury segment shoes yet.

To analyse Guava as a luxury brand, the brand was looked at in the light of the different approaches that can be used to examine a luxury brand. A more detailed analysis can be found in appendix 6.

### **3.5.5 Competitor Analysis**

Guava competes in a general level with premium footwear brands and multi-brand stores. Nevertheless, it has a differentiating factor that cannot be seen in other footwear brands, that is, the specific design of the heel, with a geometric and architectural influence. As such, in a more direct manner, it competes with brands such as Abcense (China), United Nude (Netherlands) and AndIWonder (Portugal). These brands are also footwear and accessories brands that focus in that specific type of heel, although the last one is a brand specialized in wedding shoes, a service that Guava also offers. A detailed analysis of each competitor can be found in appendix 7. While the two first competitors provide similar products, Guava has the ability to offer them a more valuable offer, since its products are handmade, and also provides the possibility to customize and personalize each product according to customer taste. In terms of price point, Guava's is relatively the same as UnitedNude and is lower than Abcense's. When it comes to product offering, there is a big difference between Guava and its competitors, with Guava offering collections with the same model in different colours and finishes, currently offering around 10 different models, while its competitors offer a much wider variety of products, with UnitedNude's offering over 540 different shoes in its online shop and Abcense offering around 20 different models online.

On the Brides' shoes segment, AndWonder is a brand that focus on this type of shoes and has an advantage in comparison to Guava since it offers a wider variety of customization options, starting at a base price of 165€.

### 3.6 SWOT Analysis

Table 2: Guava's SWOT analysis

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<b>S1 – Unique design</b> <b>S2 – Functionality</b> <b>S3 – Specially made for each client</b> <b>S4 – Speedy Customer Support</b> <b>S5 – Made in Portugal stamp</b> <b>S6 – Flexibility</b> <b>S7 – Just in Time production</b> <b>S8 – Free shipping, returns and exchanges</b> <b>S9 – Customization and personalization</b>	<b>W1 – Low brand awareness and recognition</b> <b>W2 – Lack of funds</b> <b>W3 – Lack of organization and management knowledge</b> <b>W4 – High Demanding Production Process</b> <b>W5 – High dependency on one Manufacturer and Suppliers' stock</b> <b>W6 – Lack of digital knowledge and CRM</b> <b>W7 – Small collections</b> <b>W8 – Positioning is Misfit</b>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<b>O1 – Footwear cluster</b> <b>O2 – Increasing trend towards premium footwear</b> <b>O3 – Uniqueness as a trend</b> <b>O4 – Online shopping is increasing</b> <b>O5 – Customization</b>	<b>T1 - Competitors know-how</b> <b>T2 – Rivals with high digital marketing budgets</b> <b>T3 – Growth of geometric concept in fashion</b> <b>T4 – Difficulties in attracting skilled employees</b>

Source: own elaboration

A SWOT analysis is a tool that analyses the internal and external environment of an enterprise, identifying its strengths and weaknesses in order to exploit the opportunities in the market and mitigate the threats it might face. Such analysis was conducted in this report with the ultimate goal of improving Guava's overall performance by the recommendations given further in this report. For a more detailed analysis, please refer to appendix 8.

## **4. Literature Review**

### **4.1 Importance of Shoe Cluster in Portugal**

A cluster is a “geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field” (Porter, 1998). The Portuguese shoe cluster is highly implemented and developed and it includes shoes, machinery, components and materials companies, a Technological Centre, APICCAPS, and a Design and Footwear Academy (interview with Carlos Silva, 2017). Portugal’s footwear industry is considered to be one of the most important sectors of the Portuguese economy and is highly focused on international markets, exporting over 95% of its production (World Footwear 2017). In only 20 years the industry was revolutionized, becoming still a labour-intensive industry, yet supported by automatized systems of product design and process management with a solid TQM system, becoming more innovative and competitive in the segment of high quality shoes, being the world’s second most exclusive industry, after Italy (interview with Carlos Silva, 2017).

Portuguese shoe companies have bet in their internationalization and now take on external promotion as their major goal for the sector. These Portuguese footwear companies offer high added-value products that are “manufactured by a perfect combination of the most modern technology with manual production techniques” (APICCAPS 2017), which allows these companies to differentiate themselves in a global scale. Moreover, Portugal’s exports in the footwear industry reached over 95% of its annual production, as said before, and the biggest exports markets are France, Germany, Netherlands, Spain, UK, Denmark and USA. However, the industry is mostly based on B2B relationships, with 95% of production value going to this segment, since only a few Portuguese brands achieved recognition and awareness.

APICCAPS has developed a program called Footure 2020 that aims to set the Portuguese footwear sector as a significant reference worldwide, and is based on the sophistication and

creativity of the Portuguese industry, focusing on market segments where customers value more design and quality over price. The international campaign is going to be based on Portugal's footwear industry main qualities: flexibility, quick response and high quality.

#### **4.2 Made in Portugal – The importance of having the MiPT stamp**

Portugal has a recognised heritage of leather workmanship, and has been associated with it since the 16<sup>th</sup> and 17<sup>th</sup> centuries. More recently, between the years 2006 and 2013, Portugal's leather shoe business grew 213%, producing more than 114 million pairs of shoes in that period (Complex 2015). The reasons behind that are the fact that it has essentially the same craftsmanship quality as France or Italy (Business of Fashion 2015), recognized to be important symbols of high quality in this industry, at a lower wage cost, the fact that it is driven by small scale factories that are able to produce smaller orders, thus appealing to high-end designers who want to produce in limited quantities and, finally, for its ability to import raw materials quickly.

According to the Business of Fashion, in 2015, Portugal's leather shoe and accessories industry represented 3,8% of the global leather goods trade, while Italy represented 16,5%. However, this industry in Portugal has been growing and increasingly competing with its rival Italy. According to José Neves, the Portuguese founder and CEO of online fashion marketplace Farfetch, “developing and producing leather goods in Portugal is a fantastic opportunity and it has attracted some big industry names, producing for all major luxury labels, as well as top-tier ranges of large retailers” (Business of Fashion 2015).

#### **4.3 E-commerce and the need to go digital**

E-commerce is described as “electronic buying and selling on the Internet” (Bidgoli, 2002). There are many applications of e-commerce but the one analysed in this project is online retailing, one of the most popular examples of e-commerce where “sellers create storefronts that are the online equivalent of retail outlet” (Khurana, 2017).

Nearly all businesses have established an online presence, since from it one may get many advantages, such as the possibility to do business around the globe, gain knowledge about potential consumers, improve customer and supplier relationships, among others (Bidgoli, 2002). Some businesses create their online presence to complement their physical stores, but some use their online business as their only channel, such as the big online player Amazon. In a study conducted in the US by Square and Mercury Analytics (Big Commerce 2017) it was found that 56% of business owners have a physical store, 21% have a pop-up store or pop-up at events and 34% sell through their own website.

#### **4.4 Studies on fashion online shopping**

Being true that businesses have an online presence to complement its physical stores, one might wonder if it is true that consumers prefer to buy online. From a recent global study from PwC (PwC Global 2017), one can observe that in the category of clothing and footwear, 52% of global shoppers prefer to research purchases online, while 34% prefer to research in store. More importantly, 40% of global shoppers prefer to purchase clothing and footwear online, while 51% prefer in store. Of all the product categories studied, clothing and footwear is the category most likely to have been purchased in the last 12 months (77%), with 28% of global shoppers purchasing most or all of their clothing and footwear online in the last 12 months. It is also important to analyse e-commerce trends by gender, focusing on women, where 56% of women have shopped on marketplaces, 74% at large retailer sites, 48% on webstores or independent boutiques, and 40% at category-specific online stores, and they also reported spending 5 hours per week shopping online (BigCommerce 2017).

Specifically regarding footwear, a study among 174 women in Germany and Switzerland concluded that women believe buying shoes is a very emotional task and 35% of women buy them just for emotional reasons, while other 35% buy only to replace other shoes

(Goonetilleke, 2012). Also, when buying shoes, women are not only focusing on comfort and quality, but also in style over brand (NPD Group 2014).

#### **4.5 The Discount Culture**

Nowadays, e-commerce brands are investing more and more on discounts and promo codes to incentivise clients to shop online (Econsultancy 2011). “Promotional codes are alphanumeric strings that online stores offer to encourage purchases on their website” (Bigcommerce) and they are beneficial both for the clients, whether they are new or returning, and the brand.

According an article written in 2015 (Conversio 2015) regarding an advertising study from the firm BIA/Keldey, 17.7% of small businesses revenues in the next 12 months would be generated by customer acquisition promotions, such as coupons. In that article is also stated that statistics from VoucherCloud showed that 57% of shoppers are incentivized to go through a first-time purchase when they are offered a coupon code (Conversio 2015). The full effects of discount codes and its effects on purchases discussed in the article mentioned can be found in appendix 9.

#### **4.6 The Digital Consumer Journey**

As a result of globalisation and proliferation of the Internet and social media, consumers are changing the way they research and buy products and “marketers need to find a way to get their brands included in the initial-consideration set that consumers develop as they begin their decision journey” (McKinsey&Company 2009). This article by McKinsey&Company shows that the understanding of this customer journey and the allocation of spending and messaging to the moments of maximum influence is of utmost importance to marketers, so that they have a “greater chance of reaching consumers in the right place at the right time, with the right message”. Also, it concludes that the decision-making process is becoming a more circular journey (see appendix 10) with four primary phases where marketers can make win or lose: initial consideration, active evaluation (process of researching potential

purchases), closure (when consumers buy the brand) and post-purchase (when consumers experience the brand).

## **4.7 Brand Management and Marketing in SMEs**

### **4.7.1 Importance of Brand Management**

A brand is a “name, term, sign, symbol or design, or combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors” (American Marketing Association 1995). Nowadays, however, it became much more than that, it is something capable of creating awareness, reputation, prominence and so on in the marketplace (Keller, 2008) and allows brand owners to gain larger profit margins when compared to substitutes, reducing time and risk in the search and purchase process, thus benefiting consumers since they “provide a shorthand device or means of simplification for consumers’ process decisions” (Jacoby, Olson and Haddock, 1977).

Moreover, brands are, in essence, a name that influences buyers by a “set of mental associations and relationships built up over time among customers and distributors and became a purchase criterion” (Kapferer, 2008). Brands can create competitive advantages through product performance or through non-product-related means, by “understanding consumer motivations and desires and creating relevant and appealing images surrounding their products” (Keller, 2008).

Brand equity is the effect that marketing has that is uniquely attributable to a brand, meaning that brand equity explains the different outcomes that result from the marketing of a branded product when compared to a non-branded one (Keller, 2008). Moreover, “what distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumers’ perceptions and feelings about the product’s attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand” (Keller, 2008). Brand knowledge is the key to creating brand equity, since the



differential effect that drives brand equity is accomplished with it, and it has two different components: brand awareness and brand image (Keller, 2008).

#### **4.7.2 Marketing in SMEs**

The strong focus on product and price are characteristics of SMEs that lead them to see marketing as a difficult and problematic activity that they have to undertake (Krake, 2013). A study of key factors for effective marketing confirmed that SME's sales orientation is what conducts their marketing strategy, leaving promotion and the building of strong brands an even more difficult task for managers (Hill, 2001). Nevertheless, the fact that SMEs have flexibility, speed of reaction and the eye for market opportunities positions them well in the making of successful marketing programs (Krake, 2005).

#### **4.7.3 Brands and Customer Loyalty**

In an industry as competitive as the footwear, because of its fragmentation and relatively lower barriers to entry, "a brand name is a powerful weapon", when associated with quality (Standard & Poor's 2007). Brands are progressively more important to consumers when purchasing products, as disposable income becomes more carefully spent and the amount of time consumers are able to shop is slowly diminishing (Standard & Poor's 2007).

### **5. Current Marketing Strategy**

This analysis was based on Guava's analytics data that can be found in appendix 11.

#### **5.1 Website**

Between the months of August and November 2017, Guava's website had a total of 7537 visits, with 28765 page views, and the top visitor countries were Portugal, USA, Germany, the UK and France. The page per session average was of 3,89, the average visit duration was 2,08 minutes and the bounce rate (percentage of visitors to a particular website who navigate away from the site after viewing only one page) was 40,22%.

Moreover, 41% of website traffic came from organic search, 18% from social media, 22% from direct traffic, 10% by referral and 9% from direct email.

Guava's website is a very a user-friendly platform where it is easy to find information. Visitors can find multiple pages with information about products, stores, Guava's story, Guava Brides, Guava Girls, the blog and Press Room. However, the website is lacking a clear FAQ (Frequently Asked Questions) section, although visitors can find a page with contact information if they need to clarify any doubt. Visitors can also be directed to other social media pages by Guava from its website.

## **5.2 Search**

Search is the number one source of traffic to Guava's website, with a rate of 41%, 100% of it being organic, that is, unpaid traffic. Despite this high rate, the top words that lead visitors to Guava's website are "guava" and "guava shoes" (similarweb.com), meaning that these visitors are people who already know about the brand. However, Guava ranks well in the search of the words "architectural shoes", appearing right after its competitor United Nude.

## **5.3 Social Media**

Social Media accounts for 18% of traffic to Guava's website, with the main sources of traffic being Facebook, where Guava has over 18000 likes and 17900 followers, and Instagram, where Guava has 3730 followers.

From the Facebook page, customers are directed to Guava's website and they may start a conversation through messenger, where Guava usually replies within one day. They can also find all products available for sale. On its Instagram platform, Guava has posted over 880 posts and visitors can be directed to Guava's website by simply clicking on the website in the bio and can call or send an email with a simple click. There is also an option to directly message Guava if they have any question about a product or company's information. However, by the number of likes and comments on both platforms, there is low interaction

with the brand from its followers and the brand has previously used this platform to post sponsored content to reach consumers.

Moreover, Guava is also present on Twitter, Youtube, Tumblr and Pinterest. On Twitter, its presence is practically insignificant as it only has 305 followers and no interaction from them. On Youtube, it only has 13 subscribers and 4 videos with combined views of little over 550. Tumblr and Pinterest are two platforms that are not really being invested in by Guava and where there is also no interaction with the followers.

#### **5.4 Earned Media**

Guava was able to create some brand awareness through media, achieved through articles in blogs and well recognized online platforms such as Vogue.pt, where it was recently mentioned on the “Guide to 2017 Black Friday”. In Guava’s website, in the “Press Room” section, there is a direct link to all these articles.

#### **5.1 Direct Email**

Direct email is the source that directs the least traffic to the website, with only 9% of traffic coming from email. On a monthly basis, Guava shares a newsletter to the customers who subscribe to it on its website.

#### **5.6 Evaluation of the Current Strategy**

The table in appendix 12 summarizes Guava’s performance in the digital marketing tools.

### **6. Touch Points in the Consumer Decision Journey (CDJ)**

Guava is currently lacking touch-points with the consumers throughout their decision journey. Below it can be found an analysis of each of the four phases of CDJ.

#### **6.1 Consideration Phase**

In the consideration phase, consumers do not consider Guava, as it is an unknown brand that lacks awareness, despite the fact that Guava has been slowly gaining awareness through earned media and social media. Moreover, despite having a well-constructed and appealing

website, Guava still needs to find a way to introduce its brand to key consumers, and that can be achieved through Display.

### **6.2 Evaluation Phase**

On the second stage of the CDJ, Evaluation, Guava can use Search and WoM to convince consumers that it is a strong contestant in the mix of brands consumers have to choose from, but, despite the fact that Search is the number one source of website traffic, it is generated by words that show that consumers already know the brand. As such, Guava should further optimize Search to be able to compete more efficiently and make itself aware for consumers that do not know it and so, the brand should optimize other target words that will lead consumers to its website. Furthermore, it is important that the brand allows and encourages previous customers to share their experience with the brand on social media.

### **6.3 Purchase Phase**

Guava is also underperforming in the Purchase phase, as it can be seen by the number of visitors of the website, with an average of 1884 visitors per month, in the last months, and the fact that sales that have been around 5-10 shoes per month. Converting visitors to customer is a difficult task as Guava's products have a medium/high price point and it is an unknown brand, which combined makes most customers not willing to pay that much for a brand they do not know about and have no idea what to expect. Thus, it is important that Guava invests in this stage and allows for previous customers to share their experiences with the brand and its products, allowing for product reviews in the products' page about specific characteristics, such as being true to size, comfortable to walk in, how fast and reliable is customer support and so on.

### **6.4 Experiencing/Advocating/Bonding Phase**

In the last stage, Experiencing and advocating, Guava has on its website some reviews of past consumers, but it is crucial that it encourages customers to share their opinion in specific

product pages and platforms like TrustPilot. This is of high importance since on a product such as footwear, when buying online, consumers like to hear from ones that have bought the brand before. Moreover, it is important for Guava to try and incentivize customers to share their experiences with the brand on social media, especially on Instagram and Facebook to give credibility to it.

## **7. Problem**

Through the analysis of Guava's current situation and its results in the last four months, with the website having a total of 7537 visits and a bounce rate of 40%, combined with a number of sales between 5 and 10 pairs per month leads to the conclusion that Guava's main problem is lack of awareness and credibility. The website's bounce rate is a satisfactory number since the best bounce rates are between 26% and 40%, and so, it implies that the brand is being able to engage its website visitors.

## **8. Recommendations**

The aim of this report was to give recommendations on how Guava could improve its online performance to reach its worldwide consumers in the best way, tackling its main problems stated before. Thus, in this section of this report there are general recommendations for the brand and a detailed Integrated Marketing Communications campaign.

### **8.1 General Recommendations**

After a careful analysis of the brand in question and having concluded that it is not, in fact, a luxury brand, it is important that Guava amends its positioning from being a luxury to being a premium brand. Guava's positioning should be along the lines of the following positioning statement: "Guava is a handmade footwear and accessories brand that offers the highest quality materials combined with a unique geometric and architectural design, with a colourful vibe". This statement is clear, true, indicates the competitive set that the brand is associated and compared with, and also the brand's essential difference from competitors.

Moreover, Guava's design is, without a doubt, the most differentiating factor of its brand. However, the fact that Guava, because of its business model, can offer clients the opportunity to customize and personalize their shoes is also a factor that the brand can use to drive sales, if communicated properly. Thus, Guava could add a section of "Customization and Personalization" in its website, so that clients could be aware of this opportunity.

## **8.2 Integrated Marketing Communications**

### **8.2.1 Mission**

The goal of this campaign is to increase the number of potential customers in the consideration phase, ultimately leading them to the evaluation and purchase phase, with the ultimate goal being the increase of the number of products sold. This shall be achieved through customer acquisition, retention and development campaigns.

### **8.2.2 Market**

The communication will be addressed to women with ages comprehended between 25 and 40 years old, who like to indulge themselves in fashion and have medium to high income. They follow influencers' blogs and Instagram accounts about design, fashion and lifestyle, and spend considerable time shopping online and/or doing research about new brands. Also, they prefer quality and design over price.

### **8.2.3 Message**

The message will be "Essentials Especially for you". The idea is to generate curiosity towards the brand and insert call to actions in the messages conveyed, so as to trigger purchase. Having such purpose, the main slogan intends to communicate that Guava's shoes are handmade and especially crafted for each client, communicating the option to personalize and customize products according to customer preferences.

#### **8.1.4 Media**

Given that Guava recently restructured its strategy to an online one, reaching customers worldwide in a digital manner is key. The channels to be used are Social Media (Instagram and Facebook), Display (Google, Instagram and Facebook), Search (Google) and Direct Email.

#### **8.2.5 Money**

The money to be spent in these initiatives is 100% of its marketing budget, knowing that Guava can get back up to 60% of its marketing investment through programs developed by APICCAPS, according to information given by Carlos Silva in the interview that was conducted. The main share of the money spent should be used to prioritize acquisition by creating awareness. The choice to allocate 100% of Guava's marketing budget to these digital tools follows its recent restructuring to an online business model.

#### **8.2.5 Measurement**

The main metric to be assessed after the campaign will be through the number of new emails in Guava's database and the number of products purchased, being the ultimate goal the sale of at least 50 products per month. On the other hand, it is also important to assess other metrics, such as website visits, Instagram and Facebook new followers and bounce rate.

#### **8.2.6 Mechanics**

##### **Customer Acquisition**

As the goal of this initiative is to acquire customers, it is important to act in the first two phases of the CDJ, consideration and evaluation. The first thing to do is display ads, using Google, Facebook and Instagram, targeting customers who follow premium footwear brands and design pages, using the right target words. The ads will be simple and elegant, showing photos where the diamond heel is the focus (see example on appendix 13) with appealing tag lines and Guava's logo, driving visitors to the website.

The second action would be to use a pop-up message when visitors open the land page, offering a 10/15% discount in first purchases when customers leave their email and subscribe to the newsletter. For the ones who already subscribed the newsletter, an email should be sent offering the discount code.

Exclusively to the brides' segment, Guava could offer a coupon code of 20% to any bride that gives Guava her husband-to-be email, so that in a year's time Guava can email the husband telling him that they know her wife's size and incentivise him to buy his wife another pair of shoes or accessories.

Finally, partnerships with bloggers and influencers, especially ones from Guava's main potential markets, such as Portugal, the US, UK and France, would be of great benefit to increase the awareness towards the brand.

### **Customer Retention**

To retain customers, it is important to act in the Evaluation and Purchase phases of the CDJ. The target of this initiative will be those that already purchased Guava and the initiative will consist in a weekly email with Guava's products and calls to action.

At the same time, emails incentivising customers to share their experience and sharing photos wearing Guava's could be sent, giving customers the opportunity to be featured on Guava's social media accounts, with the goal of creating a closer relationship between the brand and consumers.

When customers make purchases, Guava could also send them a personalized note with a coupon code to be used within a limited time.

Moreover, while customers are waiting for their order, it would be important for Guava to send customers updates by email with the progress of the product's manufacturing, so as to manage expectations.



## **Customer Development**

The target of this initiative will be those who already purchased Guava's products and the objective is to incentivize them to advocate for the brand and repurchase, acting on the last two phases of the CDJ, Buying and Advocating.

The first initiative would be sending these customers an email with a message along the lines of "miss us yet?" and/or "we have the perfect bag to go with your shoes" or vice versa, and pictures of all the products that customers can buy to complement their previous purchases.

A second initiative would be a coupon code given to clients that share Guava's website with their friends and family, with the catch of only after the other person buys, the one that gave the coupon can redeem it.

Another initiative would be a "Buy one and get 20% off of the second item" campaign, to purchases with a minimum value. This campaign would only be offered to clients who have bought Guava's products more than twice.

## **9. Conclusions**

As a result of the work developed, it is possible to conclude that Guava is currently lacking the awareness and recognition to reach its target, both on a national and international level. Nonetheless, there is a great opportunity for Guava as a worldwide online brand, since consumers are increasing their shopping in virtual stores all over the globe. Therefore, the brand needs to invest better in its resources, namely digital tools, that will allow for a closer relationship with potential customers and clients, reaching them and, thus, allowing Guava to prove the worthiness of its products. For that, it is needed a better understanding by the brand of the different tools that can be used to reach and communicate with the right clients, whether the goal is to acquire, retain or develop the relationship.

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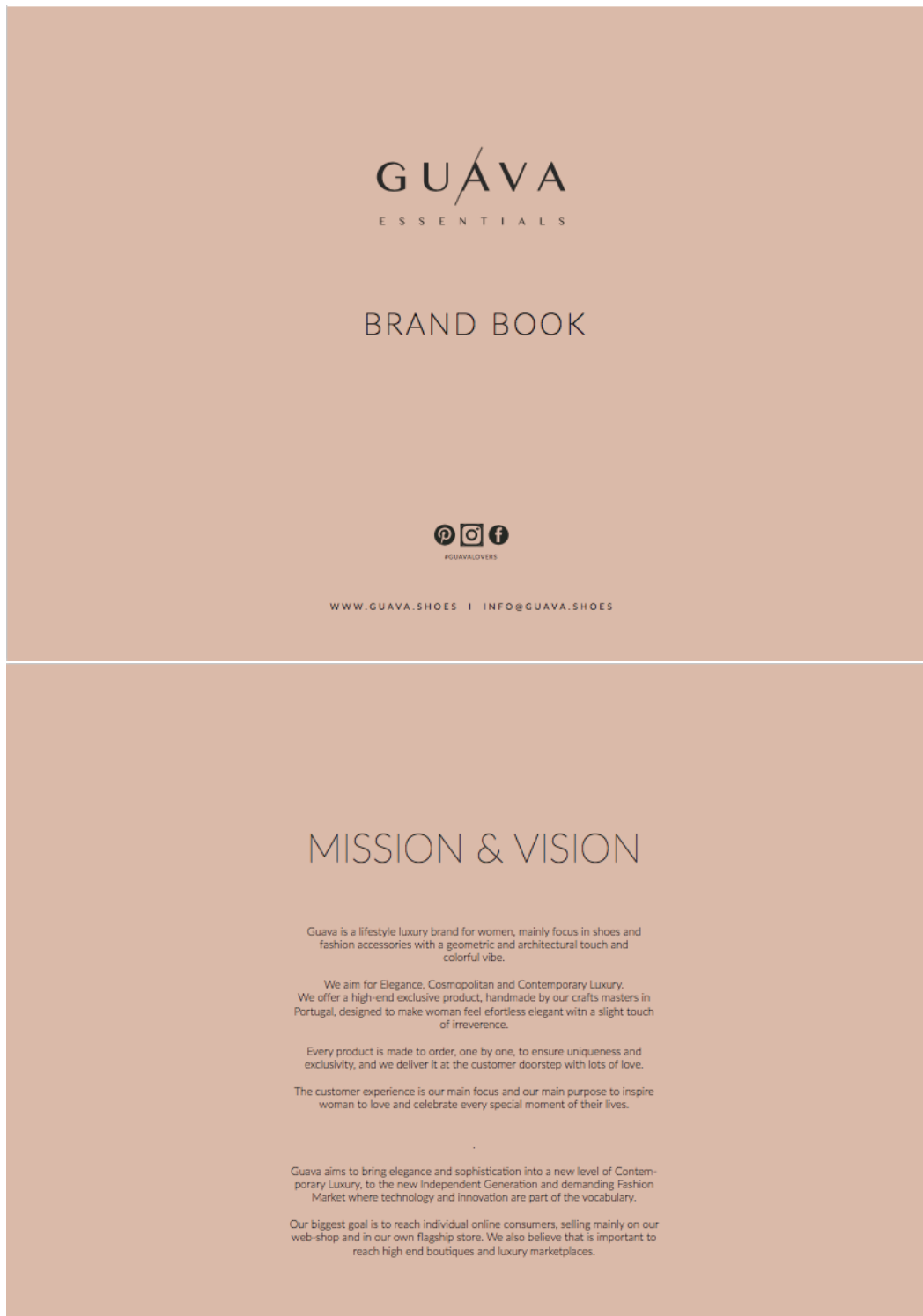
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## Appendixes

### Appendix 1 – Guava Brand Book, cover and page 1



source: Guava

# Appendix 2 – Guava store locations

## PORTUGAL, PORTO

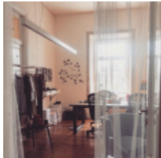
### THE FEETING ROOM



Largo dos Lóios 86,  
4050-338 Porto



### DISTRICT BUILDING



Rua Augusto Rosa, nº 39,  
4000-098 Porto



### PETIT MEZZANINE



R. de Cândido dos Reis 58,  
4050-151 Porto



## PORTUGAL, LISBOA

### PENHA LONGA HOTEL & RESORT



Estrada da Lagoa Azul, Sintra,  
2714-511 Sintra



### THE FEETING ROOM



Calçada do Sacramento nº26  
1200-394 Lisboa



## LITHUANIA

### VEJAS GLUOSNIOUSE



Užupio g. 15, Vilnius 01202



## NORWAY

### JUST FASHION . HOUSE OF OSLO



Ruseløkkveien 26, 0251 Oslo



source: Guava’s website

### **Appendix 3 – Value Chain Analysis**

When analysing the existing costs in the value chain, Inês gives an estimate to the gross profit margin to be approximately 50-70%.

Starting with primary activities and regarding Inbound Logistics in Guava, the production is outsourced and produced following the Just in Time method, meaning that the brand has minimum to no inventories.

In the Operations part of the chain, Guava is only responsible for the creation of the design of the products and relies on one manufacturer for the production. This manufacturer must be able to produce small series, as Guava only produces the shoe after the client's order and must be flexible so as to minimize the production times, to ship the product as fast as possible to the consumer.

When it comes to Outbound Logistics, the packaging of the product is occasionally made in the factory and send directly to the customer, but most times the product goes to Guava's showroom so that Inês can personalize a message and add a symbolic gift for the client. The whole distribution is outsourced to DHL.

All the marketing is made by Guava and is a mix of traditional and digital marketing, with more emphasis on the latter. Guava also participates in international fairs through APICCAPS, who organizes all the logistic involved in the attendance of these fairs.

The after sales service is highly focused in minimizing the client's efforts in the case of returns, exchanges and refunds, so customers can send products back free of any charge. The customer support is ensured by one employee, who answers every customer request.

Regarding to secondary activities, regarding Procurement, Guava is highly dependent on suppliers since most of its supply chain is outsourced and Inês is responsible for ensuring that every step of the production process is going according to her standards and ensures the quality of all materials supplied. Recently Guava started doing TQM to reduce the quantity of time and money wasted in the supply and transformation of materials and ensure the high quality that clients expect. Given that Guava has only three employees, including Inês, the CEO, Human Resources Management is not a priority activity. Concerning technological development, there is a lack of expertise in this area, mainly in digital marketing and data gathering, constituting a great disadvantage to Guava. Finally, regarding infrastructure, all employees work in different areas of the company but work in the same place, as their activities are very interrelated. This allows for a very smooth flow of information between all employees.

**Source: own elaboration**



## Appendix 4 – Guava’s Products and Prices



Pebble Grey Pump  
€285.00



Arctic Mint Pump  
€285.00



Ivory Nude Pump  
€285.00



Midnight Black Pump  
€285.00



Scarlet Red Pump  
€285.00



Mela Green Pump  
€285.00



Indigo Blue Pump  
€285.00



Emerald Starlight  
€320.00



Brick Lane  
€335.00



Take me to the moon  
€335.00



Cherry me up  
€335.00



Dance with me  
€320.00



Enchanted  
€350.00  
€365.00



Miss Audrey  
€310.00  
€320.00



Soft Lavender Pump  
€285.00  
€320.00



Lemon Zest Pump  
€285.00  
€345.00



Gold Starlight  
€320.00



Violet Starlight  
€320.00



Soft Lavender High Heel Sandal  
€365.00



Jungle Green High Heel Sandal  
€365.00



Infinite Black High Heel Sandal  
€365.00



Midnight Black Sandal  
€320.00



Powder Rose Sandal  
€320.00



Black Peep Toe Boot  
€345.00



Pebble Grey Peep Toe Boot  
€345.00



Blush Velvet Peep Toe Boot  
€345.00



Ruby Velvet Peep Toe Boot  
€345.00



Smoky Black  
€240.00



Smoky Camel  
€240.00



Smoky Green  
€240.00



Jaden Black  
€250.00



Jaden Green  
€250.00



Jaden Violet Glitter  
€250.00



ONYX Black  
€240.00



ONYX Burgundy  
€240.00



ONYX Silver  
€240.00



CRYSTAL Navy  
€240.00



CRYSTAL Burgundy  
€240.00



CRYSTAL Emerald Glitter  
€340.00



JASPER Black  
€360.00



JASPER Grey  
€360.00



Jungle Green Quartz Sandal  
€230.00



Lemon Zest Quartz Sandal  
€230.00



Ruby Dark Yellow Quartz Sandal  
€230.00



Coral Mint Quartz Sandal  
€230.00



Lipstick Red Quartz Sandal  
€230.00



Magic Violet Quartz Sandal  
€230.00



Pink Panther Quartz Sandal  
€230.00



Electric Blue Quartz Sandal  
€230.00



Royal Blue Quartz Sandal  
€230.00



Midas Gold Quartz Sandal  
€230.00



Glacial Silver Quartz Sandal  
€230.00



Honey Copper Quartz Sandal  
€230.00



City Bag Electric Blue  
€475.00



City Bag Emerald Green  
€475.00



City Bag Ultimate Black  
€475.00



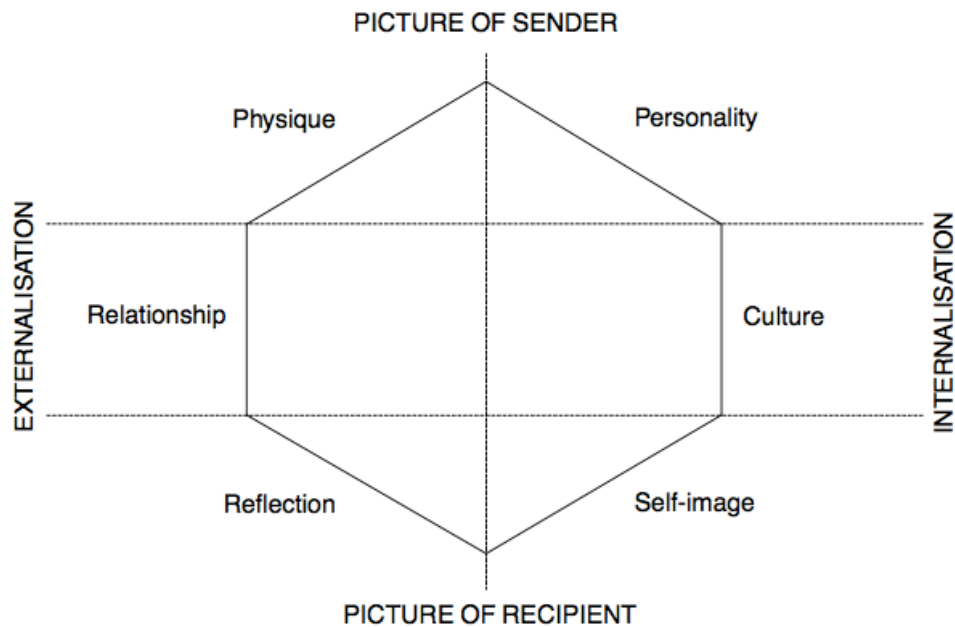
Gold G1 Necklace - Mini Version  
€30.00



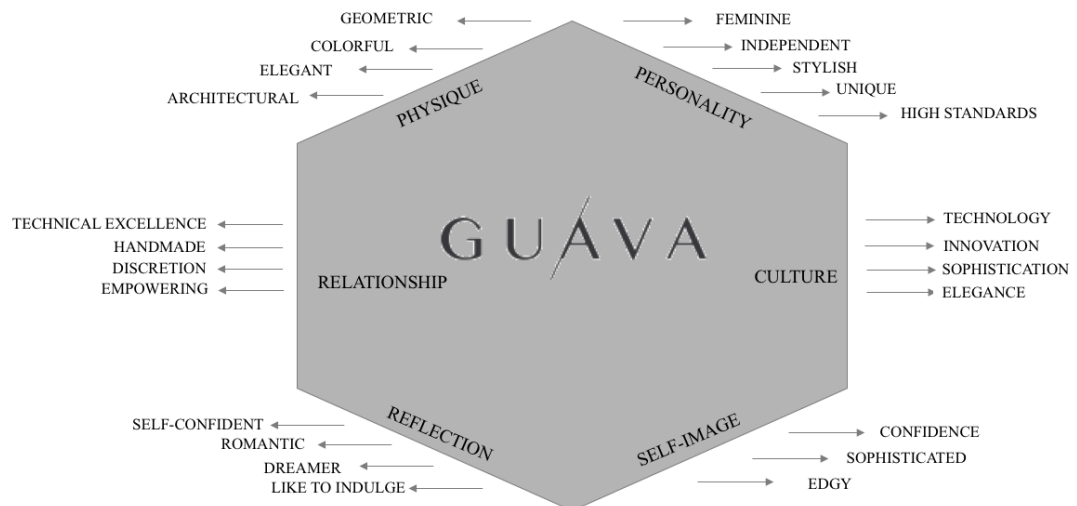
Gold F1 Necklace  
€40.00

**source:** Guava's website

## Appendix 5 – Kapferer’s Brand Identity Prism and application to Guava



**source:** Kapferer, J. N., The New Strategic Brand Management “Creating and Sustaining brand equity long term”, 4<sup>th</sup> edition



**source:** own elaboration

## Appendix 6 – Is Guava a luxury brand?

To analyse Guava as a luxury brand, the brand was looked at in the light of the different approaches that can be used to examine a luxury brand. To perform this analysis two approaches were initially conducted that support Guava as a luxury brand and then one approach that states it might not be, thus being a premium brand.

The first approach is the Traditional definition of Luxury. According to this approach, luxury relies on traditional qualities such as beauty, aesthetic excellence, finesse of craftsmanship, precious materials and ingredients and there are three dimensions that have to be taken into consideration. The first is the physical rarity of the offer, which in Guava's case is not exactly true since it uses Italian leather and quartz crystals, which are not truly rare. However, there is physical rarity of the offer since each product is made by hand in Portugal by specialized artisans trained to use the top of the art technology to make the cuts of the heels and the leather used. According to this definition, luxury also has to be multisensory, meaning that it has to provide full pleasure from the beginning to end to the person who is experiencing it. Guava's products provoke the visual sense with their geometrical design and the sparkle of the quartz crystals used, and they are carefully designed so that they are comfortable to wear. Also, they create a sense of uniqueness to the ones who wear them, since each one is specifically made for that person. The shoes and bags create a sense of edginess to the consumers, and the smell of quality leather also appeals to the olfactory sense. The third dimension is the strong human content that luxury entails. Guava's products are made by hand by skilled artisans that are highly qualified to operate the high technology demanding machines.

The second approach used states that a luxury product must possess both individual function and social function, which translates into substance and symbol, respectively. The former is the individual pleasure or the consumer experience, it is the need that the product or service is satisfying. Guava offers high quality materials and pieces of art made by qualified artisans and the design offered is carefully planned to offer the best experience to the ones wearing the products.

The latter represents luxury as a social statement. This duality makes the concept of luxury subjective and variable, both between individuals and between societies, meaning that what luxury is in one country might not be in another. This approach entails two profiles. The first is the high profile, which means that consumers want to be seen and recognized when using certain pieces of luxury or attending certain exclusive events, letting everyone know that they are part of the few who have access to this luxury world; the second profile is the low profile, which uses minimalism as a form of luxury statement and in which consumers do not want to show off, only the few that know and use the brand recognize each other. Guava's consumers behave with minimalism as they are people who really appreciate good quality materials and the design of each piece of art. They want to feel comfortable and confident in their shoes.

There is a third and final approach to luxury that is important to mention. This approach is Luxury as a Distance and is based on the origin of the word luxury, which derives from the Latin word "luxatio", which translates to distance; it defines luxury as the gap (distance) between desire (high visibility) and access (artificial rarity). This approach relies on managing desirability, since the vector to it is the gap between the number of people who desire the brand and the number of people who can, in fact, access it. By its design and quality, Guava is capable of creating desire to the consumers but, by its lack of awareness, it loses an important value in desirability, since by not being a well-known brand, consumers might prefer to go for another brand with more visibility and, more importantly, higher status. Another aspect lacking is the difficulty in accessing the goods, since Guava's prices are not high (240€ to

480€) and thus much more affordable when comparing with luxury brands such as Louboutin (prices from 424€ to more than 6000€) and Jimmy Choo (prices range from 275€ to 3595€), for example, and they are available to every consumer who wants to purchase them, whereas luxury brands limit accessibility, naturally or artificially, to some of their products to a certain type of clients.

Given the aspects developed above, although Guava markets itself as a luxury brand, it follows the strategy of an upper premium brand. The premium strategy, as Bastien and Kapferer (2012) state, can be summarized as “pay more, get more.” The use of this strategy is based in proving that the given brand has the best value within its category, and quality/price ratio is the motto. This strategy is, essentially, comparative, while the luxury strategy aims to create the highest brand value and pricing power by leveraging all intangible elements of singularity, being them time, heritage, country of origin, craftsmanship, man-made, small series, prestigious clients, etc (Bastien and Kapferer, 2012). Apart from craftsmanship and being man-made, Guava does not have any of the other essential requirements to belong to the luxury segment shoes yet.

**Source:** own elaboration

## **Appendix 7 – Competitor Analysis**

### **Abcense**

Abcense is a Chinese footwear brand focused on women, which combines footwear and design. It targets customers with “very distinctive taste, who seek exclusivity and uniqueness” (Abcense website). It has physical stores in Germany, Netherlands, UK, Italy, USA, Japan, Singapore, China, Hong Kong, Taiwan, UAE and Guatemala. It ships online internationally, with free returns and exchanges. In terms of models it offers a lot more options than Guava does. It was featured in well recognized international magazines such as Vogue and Elle. It has a higher price point, with the cheapest product being priced at 325€.

### **United Nude**

United Nude is recognised with a design classic and architectural footwear, for both women and men. It was created in the Netherlands and positions itself in the intersection of design and fashion and it is known for clarity, elegance and innovation (United Nude website). It is sold in over 40 countries and has flagship stores in Amsterdam and London. Its product offer is greater than Guava’s and the price is relatively the same within the same category shoes. Currently has 4 limited editions with 4 different designers and the brand also offers sunglasses, watches, bags, wallet, hats and others.

### **AndWonder**

AndWonder is a Portuguese brand that specializes in bridal shoes, giving brides the opportunity to have wedding shoes especially designed and made for them, according to their preferences. The price of the shoes depends on the specifications asked by the client but every shoe has a base price of 165€.

Table 1: Social Media Comparison

	Guava	United Nude	Abcense	AndWonder
Facebook	18085	259 507	2783	42 786
Instagram	3730	44400	1999	2149
Twitter	305	12600	97	42
Youtube	11	235	5	29
Website Direct Traffic	22%	17.8%	0%	4.04%
Social	18%	6.89%	0%	75.21%
Referrals	10%	12.84%	0%	0%
Search	41% (100% organic)	51.78% (88.41% organic)	100% (100% organic)	20.75% (100% organic)

Source: own elaboration based on social media (31 December 2017), [www.similarweb.com](http://www.similarweb.com) (data from October 2017) and Guava Analytics.



## Appendix 8 – SWOT analysis

Table 2: SWOT analysis

STRENGTHS	WEAKNESSES
<p><b>S1 – Unique design</b> – Guava offers products that are carefully designed combining geometric and architectural lines with colourful vibes, aligning elegance and innovation</p> <p><b>S2 – Functionality</b> – Guava’s products are a combination of high quality &amp; comfort. The heel of the shoes is carefully designed to provide the best balance and comfort to the user</p> <p><b>S3 – Specially for each client</b> – each product is specifically made for each client and is made by hand by skilled artisans, combining high technology and traditional techniques</p> <p><b>S4 – Speedy Customer Support</b> – Guava replies promptly and kindly to all customer requests</p> <p><b>S5 – Made in Portugal Stamp</b> – Portugal is being increasingly more recognized by a stamp of high quality in the footwear industry</p> <p><b>S6 – Flexibility</b> – there is high flexibility in decision making and structural changes, as it is a SME</p> <p><b>S7 – Just in Time Production</b> - no inventory costs</p> <p><b>S8 – Free Shipping, Returns and Exchanges</b>– if the customer is not completely satisfied with the purchase, Guava offers the return or exchange of the product for free</p> <p><b>S9 – Customization and Personalization</b> – Due to the production characteristics, it is possible for consumers to customize their shoes as they wish or just personalize them with engravings</p>	<p><b>W1 – Low Brand Awareness and Recognition</b> – Guava has been in the market for over 6 years but still has low awareness and recognition</p> <p><b>W2 – Lack of funds</b></p> <p><b>W3 – Lack of organization and management knowledge</b> - lack of strategic planning and management skills, leading to a disorganised company</p> <p><b>W4 – High Demanding Production Process</b> – this, aligned with JiT production method implies that it takes up to 20 days for customers to get their order delivered</p> <p><b>W5 – High dependency on one Manufacturer and Suppliers’ stock</b> – if there are any overloads in the one factory or shortage of materials, the lead time might be affected, increasing the delivery time for customers, which is already high</p> <p><b>W6 – Lack of digital knowledge and CRM</b> – there is a waste of resources and data since Guava is not taking advantage of consumers’ information, due to lack of organization and specialized employees, translating into a poor website and customer experience</p> <p><b>W7 – Small Collections</b> – when Guava launches a new collection it is typically just one model in different colours and finishes.</p> <p><b>W8 – Positioning is Misfit</b> – Guava markets and positions itself as a luxury brand when it is a premium one.</p>
OPPORTUNITIES	THREATS
<p><b>O1 – Footwear Cluster</b> – the Portuguese footwear industry belongs to a cluster that allows for production to be outsourced</p> <p><b>O2 – Increasing trend towards Premium Footwear</b> – customers are increasingly preferring design and quality over price, as the younger generation of consumer is adopting a “buy less but better” philosophy (businessinsider.com)</p> <p><b>O3 – Uniqueness as a Trend</b> – new niche focused brands are becoming more and more appealing to trend setters and millennials</p> <p><b>O4 – Online shopping is increasing</b> – consumers are deviating towards shopping in physical stores and prefer shopping online</p> <p><b>O5 – Customization</b> – Customers appreciate the opportunity to customize their products according to their taste</p>	<p><b>T1 - Competitors know-how</b> – there is an increase in premium footwear with a high number of established brands that increases rivalry</p> <p><b>T2 – Rivals with high digital marketing budgets</b> –established brands are investing more and more on digital marketing and have more funds to do so</p> <p><b>T3 – Growth of geometric concept in fashion</b> – threat of imitation</p> <p><b>T4 – Difficulties in attracting skilled employees</b> – the footwear industry has become increasingly becoming more qualified but recently the industry has seen a decrease in the capacity to attract young and qualified workers</p>

Source: own elaboration

## Appendix 9 – Effects of Promotions

### Promotions influence purchases

When shopping online, which of the following has an influence on your purchase decisions? Base: All respondents

	Total	Australia	Canada	China	France	Germany	Great Britain	India	Italy	Netherlands	Sweden	US
Deal, discount or sale on the product I'm purchasing	51%	58%	54%	36%	56%	58%	63%	50%	43%	43%	43%	56%
Reviews, ratings or opinions of customers who have already bought the product	44%	42%	43%	57%	37%	48%	55%	43%	32%	28%	47%	51%
Trustworthiness of the retailer	39%	46%	42%	44%	37%	37%	51%	46%	34%	29%	22%	45%
Speed and convenience of delivery for the product	33%	35%	29%	23%	33%	43%	40%	44%	19%	28%	36%	29%
Reviews, ratings or opinions of professional journalists or industry experts that have used the product	23%	21%	24%	33%	14%	24%	30%	33%	14%	9%	30%	26%
Comments, reviews and opinions from peers on social media	20%	20%	20%	38%	13%	17%	22%	34%	15%	8%	16%	22%
Personalized recommendations based on my previous shopping and browsing habits	18%	20%	19%	29%	11%	8%	16%	35%	7%	6%	29%	19%
I never purchase products online	12%	14%	22%	4%	16%	6%	6%	9%	22%	11%	13%	12%

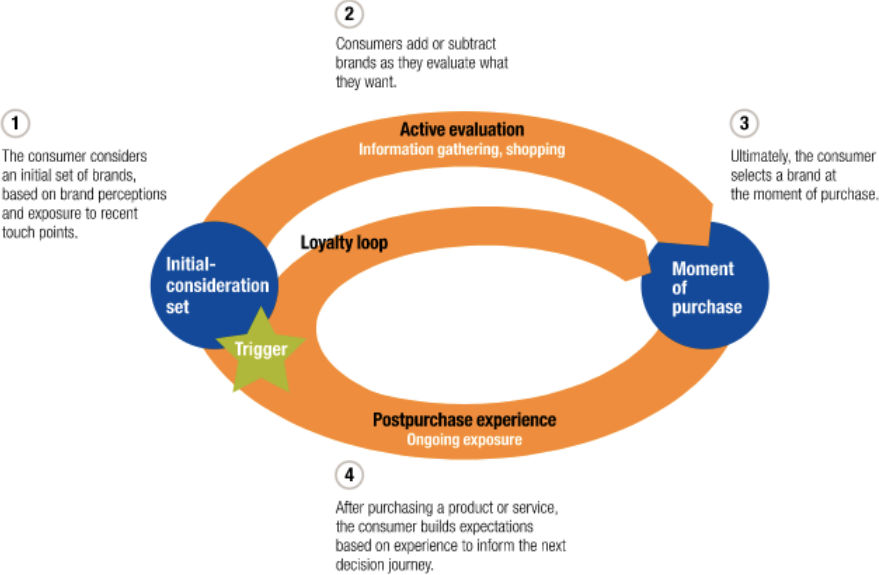
*RetailMeKit* Ipsos Public Affairs 4

### Discounts discourage cart abandonment and encourage new trial



source: <https://conversio.com/academy/what-science-says-about-discounts-promotions-and-free-offers/>

# Appendix 10 – Consumer Decision Journey



source: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey>

## Appendix 11 – Guava website analytics

AGOSTO + SETEMBRO + OUTUBRO + NOVEMBRO		av. per month	
Total Sessões	7537	1884	
Taxa rejeição média	40,22		
Duração média da sessão	02:08		
Páginas por sessão	3,89		
Visualizações de páginas	28765		
Source		% (/7608)	% (/7537)
Organic Search	3154	41%	42%
Social	1403	18%	19%
Direct	1667	22%	22%
Referral	727	10%	10%
Email	657	9%	9%
TOTAL	7608	100%	101%

Note 1: In this table we can see the percentage of the source divided by two different numbers. This is due to an incongruence in the data given by Guava in the total number of sessions and the total numbers of sessions when calculating by source in the month of September. To take the most out of the information I calculated the values using the two different ones and since the difference was not significant I decided to use the one given in the sources.

AGOSTO						
	Semana 11-17	Semana 18-24	Semana 25-31	TOTAL		
Sessões	455	698	642	1795		
Novos utilizadores	354	574	498	1426		
Páginas por sessão (média)	3,48	3,15	3,73	3,45		
Duração média da sessão	01:52	01:37	02:06	01:51		
Taxa de rejeição média	34,29	44,41	30,53	36,41		
Visualizações de página	1582	2199	2394	6175		
Produto mais visto	Envelop Bag Yellow	Coral Mint Quartz Sandal	Viper Pump (JW collection)			
Bounce rate	31,9	46,1	32,4	36,8		
Sessões 25-45 anos						
Sessões				TOTAL	% of source	
Organic Search	175	219	258	652	36%	
Social	141	344	184	669	37%	
Direct	97	101	144	342	19%	
Referral	41	28	54	123	7%	
Email	1	6	2	9	1%	
	455	698	642	1795	100%	
SETEMBRO						
	Semana 01-07	Semana 08-14	Semana 15-21	Semana 22-28	TOTAL	
Sessões	550	563	640	618	2371	
Novos utilizadores	352	390	490	453	1685	
Páginas por sessão	3,98	3,46	3,4	3,15	3,4975	
Duração média da sessão	02:22	02:08	01:47	01:38	01:58	
Taxa de rejeição média	37,09	47,78	53,75	55,02	48,41	
Visualizações de página	2188	1946	2174	1949	8257	
Produto mais visto						
Bounce rate						
Sessões					TOTAL	% source (2442)
Organic Search	212	191	194	196	793	32%
Social	139	70	88	60	357	15%
Direct	70	165	292	167	694	28%
Referral	61	57	52	63	233	10%
Email	139	80	14	132	365	15%
					2442	100%
						103%

OUTUBRO						
	Semana 29-05	Semana 13-19	Semana 20-26	Semana 27-2	TOTAL	
<b>Sessões</b>	276	432	590	345	1643	
Novos utilizadores	192	325	373	232		
Páginas por sessão	3,69	4,19	4,89	3,73	4,125	
Duração média da sessão	01:55	02:23	02:55	01:49	02:15	
Taxa de rejeição média	38,86	37,04	38,98	43,19	39,52	
Visualizações de página	1018	1810	2888	1298	7014	
<b>Produto mais visto</b>						
Bounce rate						
<b>Sessões</b>					<b>TOTAL</b>	<b>% source</b>
Organic Search	161	202	237	166	766	47%
Social	38	98	58	50	244	15%
Direct	34	59	115	80	288	18%
Referral	31	69	73	37	210	13%
Email	12	4	106	12	134	8%
					1642	100%
NOVEMBRO						
	Semana 3-9	Semana 10-16	Semana 17-23	Semana 24-30	TOTAL	
<b>Sessões</b>	378	320	532	498	1728	
Novos utilizadores	260	222	361	275	1118	
Páginas por sessão	3,61	4,22	4,68	4,25	4,19	
Duração média da sessão	01:56	01:57	03:17	02:47	02:29	
Taxa de rejeição média	42,59	35,62	33,65	34,34	36,55	
Visualizações de página	1363	1349	2489	2118	7319	
<b>Produto mais visto</b>						
Bounce rate						
<b>Sessões</b>					<b>TOTAL</b>	<b>% source</b>
Organic Search	212	189	269	273	943	55%
Social	7	30	45	51	133	8%
Direct	69	65	90	119	343	20%
Referral	47	30	46	38	161	9%
Email	43	6	82	18	149	9%
					1729	100%
Pais	August	September	October	November	TOTAL	TOP COUNTRIES
Portugal	491	960	849	931	3231	Portugal
USA	432	584	142	139	1297	USA
UK	91	85	69	70	315	UK
India	59	70	78	74	281	Germany
Germany	102	57	66	58	283	
Canada	59		45	11	4	119
France	51	78	78	99	306	
Spain	44	50	42	34	170	
Denmark	?	?	8	0	8	
Australia	30	18	10	4	62	
Italy	18	8	13	10	49	
Norway			20	29	49	
Switzerland		13	18	37	68	
Lithuania		7	0	4	11	
Poland		14	15	13	42	
Armenia		6			6	
Netherlands		28	18	12	58	
Brazil		16	4		20	
Japan		5			5	
Israel			7		7	
Belgium			13	5	18	
Russia	21				21	
Mexico	12				12	
					0	
total	1410	2044	1461	1523	6438	
TOTAL SESSIONS	1795	2371	1643	1728	7537	
unknown	385	327	182	205	1099	

## Appendix 12 – Digital Marketing Tools Evaluation

Table 3 - Guava’s score card

Tool	Metrics	Score (0-5)
Facebook	>18000 likes & >17900 followers	3
Instagram	878 posts & 3730 followers	1
Youtube	13 subscribers, 4 videos, total views 550	0
Twitter	2073 tweets & 305 followers	0
Website	7537 sessions from August-November 2017	1
SEO	Organic search results from “guava” and “guava shoes”	1
Direct Email	Referrals to website – 9%	1

Source: own elaboration

Parameters for scale:

**1** – 500-4999

**2**- 5000-9999

**3**- 10000-20000

**4**- 20001-30000

**5**- >30000

The values presented in the scale above are relative to social media tools, such as **Facebook, Instagram, Youtube and Twitter**. The scale is based on how many followers and engagement it is needed for a start-up brand or influencer to become significant in these platforms.

The score attributed to evaluate the Website is based on the low number of visitors per month, 1884, especially when compared with United Nude, which had a number of 210.000 visitors in November 2017 alone (source: similarweb.com).

Regarding SEO, although Guava has 41% of its website traffic coming from this source, the fact that the words that lead most visitors to the website are “Guava” and “Guava shoes” shows that the brand is not optimizing its search as best as it could and that justifies the value 1.

Lastly, the fact that only 9% of its traffic comes from direct email, being this the source that leads the least visitors to the website, shows that Guava is not being able to engage with customers with this tool.

**Appendix 13 – Example of Display Ad**



*your future is here*  
**GUAVA**