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

# WHICH MARKETING STRATEGY SHOULD THE LUXURY NICHE BRAND CLAUS PORTO DEVELOP IN ORDER TO INCREASE THE NUMBER OF LOCAL CONSUMERS IN PORTUGAL?

CONFIDENTIAL

**Bruna Alexandra Filipe Taveira**
31616

A Project carried out on the Master in Management Program, under the supervision of:

Catherine da Silveira

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## I. Abstract

The luxury niche brand Claus Porto is facing difficulties to increase the number of local consumers, in Portugal. The small percentage of local consumers' store visits and purchases can compromise the brand's luxury legitimacy. Therefore, this Work Project aims to identify potential issues and gather useful insights on local luxury consumers to derive marketing recommendations with the purpose of better leveraging on these consumers. The research methodology combined in-store observations and qualitative in-depth interviews with Claus Porto's collaborators and local luxury consumers, allowing to identify three groups of local store visitors and a group of potential Claus Porto's consumers. The recommendations are proposed to Claus Porto team to address each of those four groups.



## II. Key Words

Claus Porto, Luxury, Lifestyle niche brand, Local consumers

## III. Acknowledgments

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## 1. Introduction

Claus Porto is a Portuguese luxury niche brand with 131 years of experience in the development of soaps, fragrances, and related products. It is mainly known for its vintage, unique and hand-craft heritage. For the past three years, the brand has been developing a marketing strategy with the purpose to migrate from premium to luxury, i.e., migrating from a premium soap and personal care brand to a global luxury niche lifestyle brand. In Portugal, it is currently distributed in its own two flagship stores (Porto and Lisbon) and partners up with 'A Vida Portuguesa', a concept store chain of five boutiques of vintage home and lifestyle Portuguese products. Besides, the brand is also selling online through its own platform.

For most luxury brands in Portugal, 80% of luxury purchases are made by foreign consumers, while the Portuguese ones represent the remaining 20% (da Silveira, 2017). However, at Claus Porto flagship stores, this discrepancy is higher (87% of the purchases are made by tourists and 13% are made by Portuguese consumers[1]). Despite the low percentage of purchases made by the Portuguese consumers, these are particularly important to attract the foreigners since tourists need to know the brand they are buying is considered luxury in its country of origin, i.e., that local luxury consumers purchase that brand (da Silveira, 2018). Thus, to maintain the status of a true luxury brand, it is important for Claus Porto to hold a base of local consumers in its country of origin – Portugal.

Considering this objective, this dissertation aims to investigate the local luxury consumers, both Claus Porto's current consumers and potential ones in order to understand how the brand can retain and attract them. This project has significant practical relevance since it tackles a real problem identified by the brand managers. Therefore, the insights gathered along with the recommendations suggested may allow Claus Porto to better leverage on local consumers.

[1] Calculated based on information provided by Claus Porto internal data (2018) considering the number of visits and conversion rates from tourists and Portuguese consumers. It reflects an average of purchases made from January 2018 to October 2018, in both own stores – Lisbon and Porto.

## 2. Contextual Background

### 2.1. What is a Luxury Niche Lifestyle Brand?

- Luxury Definition

In order to understand what a luxury niche brand is, it is important to define the concept of luxury. Several definitions have been suggested by different authors throughout time, but universal definitions have always been controversial (Wittig et al., 2014). According to Kapferer and Bastien (2012, p. 45), "luxury is an elusive concept", which is difficult to define since it has several meanings. The evolution of the word 'luxury' might explain that difficulty. While exclusivity, prestige, status, and high prices used to define luxury items, now the luxury definition has broadened and embraced concepts it did not have before, such as quality, comfort, individual pleasure and singular experiences (Valery Demure, 2016; Vesilind, 2016). Besides, it is perceived as quite personal – "what is luxury for you is not for me" (Elisabeth Ponsolle des Portes, General Director of the Comité Colbert, referred by Vesilind, 2016).

Despite the difficulty to define the concept of luxury, Kapferer and Bastien (2012) suggested 'The New Luxury Conceptualization' approach, focusing on the duality of luxury. According to the authors, a luxury product or experience must comprise two different functions: the individual (substance) and the social (symbol) ones. The individual function is the personal aspect. The substance of a luxury brand delivers customer experience and individual pleasure for oneself, "providing a very personal sense of satisfaction" (Chevalier & Gutsatz, 2012, p. 4; Kapferer & Bastien, 2012). Therefore, a luxury item must include a strong aesthetic aspect that confers a personal and hedonistic component. Alternatively, the symbol, also referred to as status, describes luxury as a social statement for others, fulfilling a social purpose. This aspect stands for the intangible part, associated with the brand's prestige that offers the consumer the feeling of reinforced social standing (Kapferer & Bastien, 2012). The symbol is crucial to distinguish a luxury brand from a premium one. While premium brands offer only substance, luxury ones must, besides such aspect, provide this feeling of distinction towards the others (Kapferer & Bastien, 2012).

- Luxury Niche Brand

Niche markets have developed as a consequence of new consumer demands and motivations (Dalgic & Leeuw, 1994). According to the same source, a niche segment is a small group of consumers that share similar characteristics. In its turn, niche brands are specialized brands which purpose is to create and deliver value for those specific consumers. Therefore, niche brands are "small [market] share brands with high loyalty" (Jarvis & Goodman, 2005, p. 292). Contrary to mass market brands, they have low levels of brand awareness, recognition and market share, but are loved and frequently purchased by the consumers who know and appreciate them (da Silveira & Neuer, 2018). As they focus on a particular fraction of the market, they are able to develop a more specialized offering, therefore delivering a higher added value (Finkle, 2017).

Luxury niche brands are characterized by their uniqueness, associated to extraordinary product quality, rarity and exclusivity, restricted distribution, and an exquisite service offering (da Silveira & Neuer, 2018; Jarvis & Goodman, 2005). Moreover, luxury niche brands do distinguish from the traditional luxury ones as they offer a non-mainstream luxury, providing a sense of differentiation through "unique intangible benefits and discerning status" (da Silveira & Neuer, 2018, p. 9).

According to Shannon (2017), the consumer preferences have moved towards these specialized brands. Fragrance niche brands, in particular, have been quite successful in the luxury market. Indeed, as John Demsey, the Executive Group President of Estée Lauder Companies, referred – "niche is the new normal" (Shannon, 2017).

- Lifestyle Brand

A lifestyle brand is a brand that bases its identity on the lifestyle its consumers aspire to (da Silveira & Neuer, 2018). This type of brands gives consumers access to the lifestyle they desire since the products and experiences they acquire reflect their own image and values (Harvey, 2018). Usually, these brands offer several product categories such as accessories, clothing, homeware, and personal care, all embedded in one brand identity that should reflect the brand's lifestyle. Therefore, they offer not only a set of products but the experience of a certain way of living (da Silveira & Neuer, 2018). In fact, according to Weinswig (2016), "they tend to offer a distinct experience (…) and provide the customer with a singular, concrete brand image – something of symbolic value to the customer".

### 2.2. The Luxury Market in Portugal

The luxury market in Portugal has experienced an unprecedented growth over the last years. The most recent data evaluates the luxury market at around 9,000 million euros in 2017, representing almost 5% of Portugal's GDP (Sanlez, 2017). Portugal seems to start being seen as a luxury destination. The Financial Times Fashion Editor Jo Ellison (Sanlez, 2017) mentioned Lisbon as the perfect place for a full luxury experience, expressing the city's potential. Furthermore, Portugal has shifted its image regarding the luxury production, moving to a "land of beautiful skilled handcraft and high-quality raw materials" (Sanlez, 2017; da Silveira & Neuer, 2018, p. 4). In addition, the agenda of international luxury events expresses how Portugal has been perceived in the luxury sector. Both the INNOCOS Summit and the Financial Times' Business of Luxury Summit took place in Lisbon last year, as well as the Condé Nast Conference in April 2018 (Sanlez, 2017).

Foreign consumers are especially important in the Portuguese luxury market since they are responsible for more than 80% of luxury purchases (da Silveira, 2017). According to Global Blue, referred by Gonçalves (2018), the consumers who spend the most on luxury purchases in

Portugal come mainly from China (642€/ day), the US (506€/ day) and Angola (252€/ day). The preferred city to shop is Lisbon, followed by Porto (Pinto, 2016).

### 2.3. The Local Luxury Consumers in Portugal

A local consumer is a consumer that lives in Portugal, which means he/ she is either a Portuguese or a foreign resident. In the past few years, the number of **foreign residents** in Portugal has sharply increased. In fact, Portugal has stood out as one of the countries with the most international luxury house buyers in 2017 (Expresso, 2018), motivated by governmental policies such as the Golden Visa[2] or the Non-Habitual Tax Residency[3] (Gooreynd, 2018). These consumers are of special importance to luxury brands in Portugal since they express a superior purchasing power (Pinto, 2016). Despite Portugal's growth in the luxury market, little is known about **Portuguese luxury consumers**. Knight Frank's Wealth Report states that in Portugal, in 2017, there were 4,570 individuals with over 5 million US dollars net worth, 240 individuals with over 50 million US dollars net worth, and less than 10 individuals with over 500 million US dollars net worth (Knight Frank, 2018). Considering these consumers' profile, it is known that they are increasingly informed and interested in luxury brands and trends (Pinto, 2016). The Portuguese consumers represent only about 20% of luxury purchases in Portugal, but they are particularly important (da Silveira, 2017; da Silveira, 2018). On the one hand, they are responsible for attracting foreign consumers as tourists need to know a brand is considered luxury in its country of origin, which can only be achieved if local luxury consumers purchase that brand (da Silveira, 2018). On the other hand, it is with the local consumers that luxury brands operating in Portugal can establish a long-term relationship, which is more difficult to achieve with tourists (Pinto, 2016).

[2] The Golden Visa measure "offers residency to investors outside the EU (…) in return for a minimum property investment of €500.000". (Gooreynd, 2018).
[3] The Non-Habitual Tax Residency (NHR) "allows those employed to benefit from a flat rate of income tax (20%) and retirees can receive foreign income, including pensions, tax-free". (Gooreynd, 2018).

## 2.4. Claus Porto[4]

### 2.4.1. History and Heritage

The brand 'Claus & Schweder' was created in 1887 by two German gentlemen living in Portugal (Ferdinand Claus and Georges Schweder). They opened the first soap and fragrances' factory in Portugal, in the historic city of Porto. 'Claus & Schweder' products were, since the beginning, recognized for their high quality and wrapped by hand in Belle Époque inspired packaging, designed in its own lithography studio. In 1903, Achilles de Brito joined the firm and five years later became a business partner. During World War I, the German founders were forced to leave Portugal and the brand was nationalized. At the time, Achilles de Brito left 'Claus & Schweder' and founded his own cosmetics company – Ach Brito. It is in 1925 that the brand changes its name to 'Claus Porto', a year after being integrated into Ach Brito. From that time forward the brand has passed from generation to generation, always kept in the Brito family. By the end of the 20$^{th}$ century, Achilles de Brito's great-grandchildren and their team positioned Claus Porto as a high premium brand. It became more popular outside Portugal than in its home country since local premium brands were not as valued as foreign ones. In 2015, Menlo Capital, a Portuguese investment fund, acquired a majority share of Ach Brito, where Claus Porto is integrated. The new partners realized the centennial Portuguese brand's potential and decided to turn it into a luxury niche lifestyle brand.

### 2.4.2. The Migration from Premium to Luxury

At the time Menlo Capital acquired Ach Brito, "luxury was the only way to go for Claus Porto" (da Silveira & Neuer, 2018). Despite the soaps' high quality, the remaining products were not sophisticated enough to do justice to Claus Porto's unique heritage and history.

[4] If not otherwise mentioned, the information about Claus Porto's 'History and Heritage', 'The Migration from Premium to Luxury' and 'The Brand in Portugal Today' was based on the website (https://clausporto.com/), a case study (da Silveira & Neuer, 2018), or provided by the brand during email and personal conversations (2018).

The migration from premium to luxury started in 2015, based on the two luxury key elements – substance, and status. To enhance the **substance**, both the packaging and visual identity were redesigned as well as the portfolio since new products were developed, some discontinued, and others reformulated (see current brand inventory in Appendix 1). To enhance the **status**, Claus Porto restricted its distribution to exclusive points of sale, in order to be only available in the retailers with the right positioning. In Portugal, the brand decided to open two own stores, one in Lisbon in 2016 (see the Lisbon store in Appendix 2), and the other in Porto in 2017 (see the Porto store in Appendix 3), and to develop an online store. Besides this, they partner up with 'A Vida Portuguesa', a Portuguese vintage home and lifestyle concept store with four boutiques in Lisbon and one in Porto. The communication strategy was developed based on sophisticated press events with influencers, journalists, or other VIPs, and relevant articles in the media, instead of engaging in traditional paid marketing.

### 2.4.3. The Brand in Portugal Today

Currently, Claus Porto follows a very restricted distribution in Portugal. The opening of own stores in Lisbon and Porto, as well as the partnership with 'A Vida Portuguesa', allowed the brand to achieve a higher control of its distribution, crucial to increase the status of a luxury brand and to highlight the substance enhancements. Consequently, it represented a substantial improvement in the financial results. From 2015 to 2017, the total sales increased by more than 1.1 million euros, where 790 thousand euros were just from Portugal (see Claus Porto sales variation in Appendix 4).

Regarding the current public relations and marketing strategy, the events and relevant articles in the media have brought a lot of consumers into the stores. However, it has been more directed to tourists than local consumers.

## 3. Addressing the Work Project Challenge

### 3.1. Methodology

To gather useful insights on Claus Porto local consumers and identify potential issues, in-store observations and qualitative in-depth interviews were conducted. In order to develop the respective research tools, a **pilot test** was performed at the Claus Porto store in Lisbon, in September 2018. The pilot test consisted of unstructured observations on local consumers.

The following table provides an overview of the research techniques developed.

**Table 1 – Research Methodology: Techniques, Samples, and Analysis Methods**

**A. Store Related Insights**

| Technique | | Sample | Topics | Analysis |
|---|---|---|---|---|
| **In-store Observations** | Porto (10/10 – 13/10) | **n=33**<br>- Gender:<br>79% Female<br>21% Male<br>- Age:<br>18% 18-34<br>82% >35 | - Attitude towards the brand<br>- Assortment approach: product categories, interaction and evaluation criteria<br>- Purchase decision: outcome, purpose, ticket value | - Pattern interpretation and identification |
| | Lisbon (16/10 – 20/11) | **n=15**<br>- Gender:<br>60% Female<br>40% Male<br>- Age:<br>40% 18-34<br>60% >35 | | |
| **Follow-up Questionnaire** | Porto (10/10 – 13/10) | **n=27**<br>- Gender:<br>81% Female<br>19% Male<br>- Age:<br>15% 18-34<br>85% >35 | - Brand assortment opinion and in-store experience<br>- Visit purpose<br>- Suggestions to retain/ attract local consumers | - Pattern interpretation and identification |
| | Lisbon (16/10 – 20/11) | **n=10**<br>- Gender:<br>40% Female<br>60% Male<br>- Age:<br>50% 18-34<br>50% >35 | | |
| **Semi-structured In-depth Interviews with Claus Porto Collaborators** | Porto (13/10 – 29/10) | **n=7**<br>n=1 manager<br>n=6 salespeople<br>Male and female | - Consumer profiles: demographic information, purchase and consumption behaviour, satisfaction, loyalty<br>- Perceived competition in Portugal<br>- Suggestions to retain/ attract local consumers | - Topic analysis (opinion and frequency) |
| | Lisbon (23/10 – 20/11) | **n=4**<br>n=1 manager<br>n=1 sub-manager<br>n=2 salespeople<br>Male and female | | |

**B. Consumer Insights**

| Technique | Sample | Topics | Analysis |
|---|---|---|---|
| **Semi-structured In-depth Interviews with Local Luxury Consumers** (10/11 – 25/12) | **n=10**<br>- Gender:<br>70% Female<br>30% Male<br>- Age:<br>60% 45-54<br>40% >55<br>- Education:<br>40% Completed $11^{th}/12^{th}$ grade or less<br>40% Under-graduate degree<br>20% Post-graduate or Master degree<br>- Occupation:<br>50% Middle and top manager<br>10% Specialized technician<br>30% Skilled worker<br>10% Housewife<br>- Nationality:<br>100% Portuguese | - Claus Porto: image, perception and knowledge, brand experience, purchase and consumption behaviours<br>- Other luxury lifestyle brands' perception<br>- Projective technique | - Topic analysis (opinion and frequency) |

*Source:* Author, based on primary data from in-store observations, follow-up questionnaires, and qualitative interviews.

**In-store observations:** Conducted in Lisbon and Porto's own stores, during five and four days respectively, this method attempted to provide useful insights on local consumer profiles, their in-store behaviour, and decision-making process. A detailed observation grid was used, structured along pre-set topics, to guarantee all aspects were covered, and data could be directly compared between stores (see observation grid in Appendix 5). Moreover, a natural and disguised approach was applied since consumers were unaware this research method was being employed, so their shopping behaviour was evaluated as it took place normally.

**Follow-up questionnaires:** Regardless of their purchase decision, the consumers previously observed were also interviewed, using a short questionnaire[5] (see follow-up questionnaire in Appendix 6). The purpose was to collect non-observable data to complement the correspondent observation, in order to deeper understand the consumers. This questionnaire was structured to approach the following aspects: the brand assortment and in-store experience, the purpose of the store visit, and suggestions for the brand to retain and attract local consumers.

**Semi-structured in-depth interviews with Claus Porto collaborators:** In order to understand the collaborators' perspective on local consumers' behaviour, qualitative interviews were conducted with store managers and salespeople, from both stores, in person (see interview guide in Appendix 7). The interviews were recorded and transcribed.

**Semi-structured in-depth interviews with local luxury consumers:** Considering the insights from the previous research procedures, qualitative interviews were made, in person, with local luxury consumers who know, at least the name, Claus Porto and/ or Musgo Real. To identify the luxury consumers, we used the BCG's suggested approach (Pianon, Abtan & Bonelli, 2017) (see pre-recruiting questionnaire in Appendix 8). The interviews focused on the brand[6] to

[5] The number of interviewed consumers differs from the number of observations since some consumers did not want to answer the follow-up questionnaire.
[6] For the ones knowing at least the name Claus Porto, the interviews were conducted on the brand. For the ones not knowing Claus Porto but only Musgo Real, the interviews were conducted on Musgo Real and complemented with an exploration of Claus Porto.

understand the consumers' insights on the brand's knowledge, and shopping behaviour (see interview guide in Appendix 9). Both spontaneous and assisted brand associations were collected, presenting products and its respective prices as stimuli (see stimuli products in Appendix 10). The projective technique aimed to explore the deepest attitudes and motivations about Claus Porto and its competitors. All interviews were recorded and transcribed.

### 3.2. Main Insights

The local consumers were initially split between Portuguese consumers and foreign residents. However, due to the difficulty to identify the foreign consumers who are currently living in Portugal, most of the results obtained originate from Portuguese consumers.[7]

#### 3.2.1. Store Visits and Purchases

During the observation period, it became clear that the percentage of store visits and purchases from local consumers is marginal when compared to the tourists' visits and purchases (see detailed information on the stores visits, purchases and conversion rates per observation day in Appendix 11 – Lisbon store, and Appendix 12 – Porto store).

In the Lisbon store, only 11% of the visitors are local, while the remaining 89% are tourists. This discrepancy is even higher when the store purchases are considered. Only 7% of the total purchases in the Lisbon store are made by local consumers (Table 2). In the Porto store, these percentages are smaller (the local visitors account for only 9% of the total store visits and 6% of the purchases – Table 3).

**Table 2 – Lisbon Store Visits and Purchases**

| | Visits | Purchases |
|---|---|---|
| **% Locals** | 11% | 7% |
| **% Tourists** | 89% | 93% |

*Source:* Author, based on primary data from in-store observations and Claus Porto internal data (2018).

[7] The in-store observations were conducted to 79% Portuguese visitors and 21% foreign resident visitors. The in-depth interviews with luxury consumers were conducted to Portuguese consumers only.

**Table 3 – Porto Store Visits and Purchases**

| | Visits | Purchases |
|---|---|---|
| **% Locals** | 9% | 6% |
| **% Tourists** | 91% | 94% |

*Source:* Author, based on primary data from in-store observations and Claus Porto internal data (2018).

### 3.2.2. Identified Groups of Portuguese Store Visitors

The research carried out in-store and with the brand's collaborators allowed us to identify three different groups of Portuguese store visitors.

Group 1 - Musgo Real Loyal Consumers

This group refers to men with over 35/40 years old, loyal to Musgo Real shaving and personal/ skin care products, who buy for themselves. According to data collected during the observation period, Deco and Musgo Real were the most preferred collections by local consumers. Musgo Real was the second most purchased collection in general, and the first for 'non-gift' purposes, that is, for own usage. Besides, the majority of consumers who bought this collection were men (Table 4) (see buyers' detailed profiles from Porto and Lisbon stores, during the observation period, in Appendix 13).

**Table 4 - Purchased Collections in Terms of Purchase Purpose, Consumer Gender, and Store**

| | Purpose | | Consumer Gender | | Store | |
|---|---|---|---|---|---|---|
| | Gift | Non-Gift | Male | Female | Lisbon | Porto |
| **Collection** | | | | | | |
| Deco | 7 | 7 | 7 | 7 | 10 | 4 |
| Clássico | 0 | 6 | 4 | 2 | 2 | 4 |
| Água de Colónia | 0 | 3 | 1 | 2 | 1 | 2 |
| Musgo Real | 1 | 8 | 6 | 3 | 4 | 5 |

*Source:* Author, based on primary data from in-store observations.

The interviews with Portuguese luxury consumers corroborate these results.

> *"My husband and my youngest son are the ones who use [Musgo Real] the most, on a daily basis."* (female skilled worker, 45-54 years old)

Additionally, both stores' collaborators identified this group of consumers during the interviews, despite this being more prominent in the Lisbon one.

*"They are very few, but we already have Musgo Real loyal consumers."* (Porto store, salesperson)

*"We have some consumers loyal to Musgo Real*." (Lisbon store, manager)

During the observation period, 71% of the buyers in Lisbon were men while in Porto male consumers accounted for only 25% of the purchases (see visitors and buyers' profiles from the Porto store in Appendix 14). In addition, 71% of buyers in Lisbon were not new store visitors, meaning they were already Claus Porto's consumers (Table 5).

**Table 5 – Visitors and Buyers' Profiles from the Lisbon Store**

| | Visitors Only | | Buyers | | Total | |
|---|---|---|---|---|---|---|
| | Value | Percentage | Value | Percentage | Value | Percentage |
| **Gender** | | | | | | |
| Male | 1 | 12.5% | 5 | 71% | 6 | 40% |
| Female | 7 | 87.5% | 2 | 29% | 9 | 60% |
| **Age group** | | | | | | |
| 18-24 | 0 | 0% | 2 | 29% | 2 | 13% |
| 25-34 | 2 | 25% | 2 | 29% | 4 | 27% |
| 35-44 | 3 | 37.5% | 1 | 14% | 4 | 27% |
| 45-54 | 3 | 37.5% | 2 | 29% | 5 | 33% |
| >55 | 0 | 0% | 0 | 0% | 0 | 0% |
| **Consumer type** | | | | | | |
| New visitor | 3 | 37.5% | 2 | 29% | 5 | 33% |
| Not new | 5 | 62.5% | 5 | 71% | 10 | 67% |

*Source:* Author, based on primary data from in-store observations.

The conversion rates (from visitors to buyers) also reflect the prominence of this group of consumers in the Lisbon store. During the observation period, almost half of the local visitors in the Lisbon store bought at least a product (47% - Table 6), while in Porto only one in three was converted into a buyer (36% - Table 7). Therefore, when local visitors come to the Lisbon store they usually make purchases while in Porto most of them come to visit the store itself (see additional quotes about this group of consumers in Appendix 15).

**Table 6 – Lisbon Store Visitors, Buyers and Conversation Rates**

| | Visitors | Buyers | Conversion Rate |
|---|---|---|---|
| **Locals** | 15 | 7 | 47% |
| **Tourists** | 119 | 89 | 75% |
| **Total** | 134 | 96 | 72% |

*Source:* Author, based on primary data from in-store observations and Claus Porto internal data (2018).

**Table 7 – Porto Store Visitors, Buyers and Conversation Rates**

| | Visitors | Buyers | Conversion Rate |
|---|---|---|---|
| **Locals** | 33 | 12 | 36% |
| **Tourists** | 335 | 185 | 55% |
| **Total** | 368 | 197 | 54% |

*Source:* Author, based on primary data from in-store observations and Claus Porto internal data (2018).

Group 2 – 'The Brand Curious Visitors'

This group refers to men and women who show interest in the brand's history, heritage, and the stores' architecture but not in its products. Particularly in the Porto store, the visitors take the time to appreciate the store details, such as the decoration, the architecture, and the brand's antiquities. More than half of the observed visitors in the Porto store visited the museum area (55%). From those, 71% did not purchase any products. Additionally, only 25% of the buyers in the Porto store visited the museum area.

Moreover, the follow-up questionnaires conducted show that the most mentioned positive aspect about the store experience was the store layout/ decoration (Table 8), especially referred by the Porto store visitors. This group of 'brand curious visitors' seems to be more prominent in this city due to the store's characteristics.

**Table 8 – Claus Porto Products and In-store Experience – Positive Aspects**

| **"About the products and in-store experience, what did you like the most?"** (follow-up questionnaire) | n = 37 |
|---|---|
| Store design/ decoration | 57% |
| Customer service | 32% |
| Soaps | 24% |
| Fragrances | 22% |
| Store smell | 22% |
| Heritage/ tradition | 16% |
| Products' quality | 11% |
| Others | 35% |

*Source:* Author, based on primary data from follow-up questionnaires.

Furthermore, the interviews conducted with the store collaborators reinforce this insight.

> *"When Portuguese people come, I believe they will later talk about the brand and the store, even if they do not buy any products."* (Porto store, salesperson)

> *"The majority [of Portuguese] visitors enter the store, visit it and then leave."* (Porto store, salesperson)

> *"We have the type of client that (...) when he comes to the store, he is amazed by the history and the brand but does not buy."* (Porto store, manager)

Despite being more frequently observed in Porto, this group of local visitors is also present in the Lisbon store.

> *"The Portuguese like to come because it is a Portuguese brand. They want to know the brand, the history, the store."* (Lisbon store, salesperson)

Last year, a television show focused on Portuguese products presented Claus Porto – the brand's history, heritage, and the stores. The television show aroused the Portuguese consumers' curiosity. Despite leading to an increase of store visitors, they came only to visit, not to buy (see additional quotes about this group of consumers in Appendix 15).

> *"There were many Portuguese who entered the store because there was a television show on Portuguese brands, but it was not converted into sales"* (Porto store, salesperson)

<u>Group 3 – Visitors Walking Around the City</u>

This group involves men and women who come to the stores by chance while walking around the street. Particularly in the Porto store, due to its central location, 60% of the follow-up questionnaire respondents referred that they entered the store because they were taking a walk in the historic town of Porto. According to information provided by the Porto store collaborators during the interviews, a lot of Portuguese people enter the store on the weekends, especially on Sundays when they are walking around the city with the family.

> *"A lot of Portuguese people enter the store because they are walking around here, on Sundays."* (Porto store, salesperson)

> *"Sunday is the day of the Portuguese visitors."* (Porto store, salesperson)

In general, these visitors do not know Claus Porto but associate it with Ach Brito.

*"Usually when Portuguese visitors come to the store, they have the idea that it is Ach Brito."* (Porto store, salesperson)

*"They look at the size of an eight euros soap and think they can buy a big one from Ach Brito, for the same price."* (Lisbon store, salesperson)

As the quotes suggest, they do not understand the brand's added value and think the prices are too high. Additionally, they have a lower purchasing power.

*"A lot of Portuguese visitors ask about the price and if there are discounts."* (Porto store, salesperson)

*"The purchase decision is firstly related to the purchasing power."* (Porto store, salesperson)

The follow-up questionnaires corroborate this insight as the price was the most negative mentioned aspect about the products, perceived as significantly high by this group of visitors (Table 9).

**Table 9 – Claus Porto Products and In-store Experience – Negative Aspects**

| **"About the products and in-store experience, was there something you did not like or that could be improved? If yes, what?"** (follow-up questionnaire) | n = 37 |
|---|---|
| High prices | 32% |
| New 'Água de Colónia' collection | 11% |
| Others | 11% |

*Source:* Author, based on primary data from follow-up questionnaires.

As a consequence, they believe Claus Porto stores are for tourists, not for them (see additional quotes about this group of consumers in Appendix 15).

*"There are consumers telling us 'You do not sell anything here in Portugal, these prices are for tourists'."* (Lisbon store, manager)

*"Sometimes the Portuguese consumer complains 'The store is oriented for tourists'."* (Porto store, salesperson)

Importance of Each Group for the Brand

From the three groups previously identified, the group of Musgo Real loyal consumers is the most interesting one for the brand. Since these consumers understand the brand's added value and are not only interested but also bonded to its products, it is important for Claus Porto to retain and keep leveraging on them. The second group is partially interesting for the brand. As they already have interest in Claus Porto and its stores, they can potentially develop the interest in the products. Additionally, their presence in the stores is important to attract tourists as this group of visitors usually express their curiosity and admiration for the brand. The last group identified is not interesting at all for the brand as they will hardly be converted into buyers. Besides, they may eventually transmit negative brand associations to the other store visitors.

### 1.2.3. Consumers with High Potential Do Not Visit the Stores

The combination of the store related research techniques and the in-depth interviews conducted with local luxury consumers allowed us to identify that there is a group of Portuguese luxury consumers who despite knowing the brand, do not go to the stores. This group is particularly important for the brand as it refers to potential Claus Porto consumers. The interviews with some of them were crucial to complement the store insights and understand this group's perception about the brand.

<u>Group 4 – Potential Claus Porto consumers</u>

This group involves men and women with a high purchasing power, over 35/40 years old, who are not Claus Porto consumers yet or who are currently using some of the products but are not aware of the brand's recent developments. All the interviewed Portuguese luxury consumers recognized (at least the name) Claus Porto and/ or Musgo Real in the pre-recruiting questionnaire, however only a few currently have or previously had contact with the products. Most interviewees are not using nor purchasing Claus Porto products. Out of ten, three use the products and only two purchase it. Additionally, the conducted interviews allowed us to identify the following insights (see additional quotes about this group of consumers in Appendix 15):

- **Claus Porto is associated with a traditional, classic, and old soaps boutique**

The Portuguese luxury consumers associate Claus Porto with a traditional and classic soaps brand that brings them back to past times and old memories (eight out of ten). Despite appreciating the brand and referring to it with pride and nostalgia, particularly the Musgo Real collection, they end up locating it in the past. There is a tendency to refer to Claus Porto as if it had not evolved over time.

> *"[Musgo Real] is very interesting to offer as a gift, especially to a middle-aged man."* (female skilled worker, 45-54 years old)

> *"I like it because it reminds me of those old products. And I like all the products that remind me of past times."* (female middle and top manager, 45-54 years old)

In fact, half of the respondents mentioned that they have not heard or had contact with the brand for a long time (five out of ten).

> *"I have not seen this brand in the market for 40 years or more."* (male middle and top manager, over 55 years old)

Additionally, the store collaborators' perspective on the Portuguese consumers corroborate these findings.

> *"There is a tendency to place the brand in the past, as something that is no longer used in the present. It is not the first time I hear 'Look these are the soaps of the old times'."* (Lisbon store, salesperson)

> *"They associate Claus Porto to memories – 'Oh I remember seeing this, I remember hearing about the brand'."* (Lisbon store, sub-manager)

According to the insights from the projective technique, the perception of Claus Porto seems to be consensual and reinforces the brand associations previously identified. When we asked the consumers to describe which person Claus Porto would be 'if it was a person', seven out of ten interviewees mentioned it would be a man, with over 40/50 years old. They described him as an executive, someone classic who appreciates traditions. In addition, a sophisticated, charming and good-looking sir, demonstrating to take good care of himself. He would wear a suit and classic shoes and could drive a Porsche or a Mercedes.

*“He is a man with a classic profile, a classic haircut, without concessions, who can use a fixing gel, wearing a classic suit.”* (male skilled worker, over 55 years old)

*"I think it would be a very chic person (…) a man in a white shirt and a vest, very well-groomed, smelling good, with waxed shoes (…) a classic style.”* (female skilled worker, 45-54 years old)

On the contrary, the projective technique applied to the competitor brands referred during the interviews (i.e., Jo Malone, L’Occitane en Provence, Castelbel, or Rituals) revealed that, regardless of the brand, the competitors would be younger and more modern/ contemporary people, more relaxed/ informal, or bolder than Claus Porto.

*“[Castelbel] would also be a man, but a more modern one, maybe a little bolder.”* (female middle and top manager, 45-54 years old)

*"L'Occitane would wear jeans and polos, something less formal.”* (male skilled worker, over 55 years old)

*“I think [Rituals] would be younger, not so classic.”* (female middle and top manager, 45-54 years old)

As the quotes suggest, although Claus Porto is described as a wealthy successful man, it seems to be perceived as too conservative to evolve and to stay updated in the market, when compared to the competitor brands.

- **Portuguese luxury consumers often believe Claus Porto and Ach Brito are the same brand**

Claus Porto’s image of an old soaps brand, placed in the past, is often related to the associations made to the parent brand – Ach Brito. In those interviewees’ mind, the image of Claus Porto tends to be similar to Ach Brito’s one as they often believe both brands are the same.

The store collaborators confirm the association between the two brands in the consumers’ perspective.

*“The Portuguese usually come [to the store] with the idea that it is Ach Brito.”* (Porto store, salesperson)

Moreover, during the interviews with the Portuguese luxury consumers, we identified consumers who were referring to Ach Brito, believing it was Claus Porto. One of these consumers is even currently buying Ach Brito products and thinks he is purchasing Claus Porto instead.

> *"I know the soaps and the colognes. The cologne I believe it was a round bottle with a green label."* (female housewife, 45-54 years old)

> *"Makro sells a lot of things from Claus (...) They sell Musgo Real and several round soaps that I also usually bring and associate with the brand. If it is Claus Porto or Ach Brito I do not know."* (male skilled worker, over 55 years old)

As the last quote suggests, this association may have its origin in the Musgo Real collection. Ach Brito used to have a soap named 'Musgo Real'. Despite having a different packaging than Claus Porto's one, it seems to confuse the consumers. Recently, Ach Brito changed the name of the soap to 'Musgo' but kept the same packaging. However, some Portuguese distributors still have Ach Brito's 'Musgo Real' soap available online or despite presenting the new packaging are mixing it with the picture of Claus Porto's one (see some examples in Appendix 16). Additionally, the scent of both soaps is relatively similar, which confuses the consumers even more.

- **From the whole Claus Porto's product assortment, Portuguese luxury consumers are mainly aware of Musgo Real soaps and colognes**

During the interviews with the Portuguese luxury consumers, all respondents knew the brand's soaps, half of them knew Musgo Real colognes, and only two out of ten were, aside from the mentioned products, aware of the shaving products. Thus, they are not informed about the 'new' products recently developed, which influences their (old) perception about the brand.

> *"Claus Porto is soaps."* (male skilled worker, over 55 years old)

> *"The idea I have is that it should have everything that has to do with bath, creams and I do not know if they also have perfumed products for the house."* (female middle and top manager, 45-54 years old)

*"There is this stigma – they think it is just a brand of soaps."* (Lisbon store, manager)

In addition, most of the soaps and colognes recognized by the Portuguese luxury consumers are from the Musgo Real collection. They often believe Musgo Real is a brand, independent from Claus Porto.

> *"The store in Lisbon also sells Claus Porto products or just Musgo Real ones?"* (female middle and top manager, 45-54 years old)

Musgo Real is the most recognized collection by the Portuguese luxury consumers. While all interviewees referred that they know Musgo Real in the pre-recruiting questionnaire, only three out of ten are familiar with Claus Porto.

> *"I was honestly completely unaware of Claus Porto. Musgo Real is more recognizable than Claus Porto."* (male middle and top manager, over 55 years old)

- **Portuguese luxury consumers are particularly interested in the 'new' products when they are presented to them**

Although the Portuguese luxury consumers interviewed were not aware of the 'new' products developed by the brand, such as the hand creams, the candles, and the home diffusers, they demonstrated to be particularly interested when these products were presented to them.

> *"And now I find it very curious that a brand that has to do with fragrances has in fact sought for another niche market that is the candles and the house perfumes, which are important as well."* (male skilled worker, over 55 years old)

> *"The candle is very beautiful, and it smells so good."* (female middle and top manager, over 55 years old)

Most respondents mentioned they no longer use soap bars on a daily basis (seven out of ten), and as previously referred, that is what they associate Claus Porto to. As the quotes suggest, these 'new' products seem to be appealing to potential Claus Porto consumers and to encourage purchases.

> *"I only use soap bars to put it in the drawers. It is the only situation I use it."* (female housewife, 45-54 years old)

- **The price is adequate to the products' quality and aligned with similar brands**

The Portuguese luxury consumers were not only interest in the 'new' products but also referred that they were willing to purchase them, considering the respective prices (eight out of ten). Most interviewees mentioned that the distinctive characteristics of the products, such as the packaging, the fragrance, and the quality justified the high prices. In addition, they believe Claus Porto prices are aligned with other brands that sell similar products.

> *"The products' fragrance and packaging influence a lot the price because despite being expensive, it makes us like it enough to buy it."* (female middle and top manager, 45-54 years old)

> *"As for the price, I cannot tell you that it is cheap, but it is a price that matches the same products of other quality brands."* (male skilled worker, over 55 years old)

- **Portuguese luxury consumers do not know Claus Porto stores**

None of the Portuguese luxury consumers interviewed have visited the stores, including the ones who are currently using the products. Some of them know where the brand can be purchased but have never had the chance to come to the stores. Others did not even know Claus Porto has own stores.

> *"I know I can buy it in Lisbon, but I do not know exactly the place."* (female middle and top manager, 45-54 years old)

> *"I have never visited any own store (…) I know they have it, but I have never had the chance to visit it."* (female skilled worker, 45-54 years old)

Moreover, during the interviews, we identified a misperception of the brand's distribution. Four out of ten respondents believe Claus Porto products can be purchased in pharmacies, perfumeries, or supermarkets.

> *"I do not remember if I know the brand from a perfumery or a supermarket."* (female middle and top manager, over 55 years old)

> *"I do not know if it can be purchased in a pharmacy or not."* (male middle and top manager, over 55 years old)

## 4. Recommendations to Claus Porto Team

In accordance with the insights obtained, the main recommendation to Claus Porto team in Portugal is to define a marketing strategy comprising tailored initiatives to each group of visitors/ consumers. Every group previously identified has a different level of importance for the brand and share particular characteristics. Therefore, each group should be approached through a distinctive and suitable strategy.

Aiming to increase the number of Portuguese consumers' visits and purchases, the following guidelines are proposed for each **group of local store visitors**:

- <u>Group 1 – Musgo Real Loyal Consumers:</u>

Claus Porto should give special importance to this group of consumers. Since they are currently bonded to the brand and its products, it is crucial to explore and leverage on them. Therefore, the brand should turn Musgo Real into a men's grooming range by introducing new shaving and personal/ skin care products. Musgo Real should further develop shaving products and accessories such as shaving gels and razors. Besides, the brand should introduce beard/ moustache care products such as wash and cleansers, oils, balms, and waxes.

Additionally, this group of Musgo Real loyal consumers should be used as ambassadors. Exclusive and tailored benefits should be provided to these consumers, for instance, private store events with products personalization or early previews of the new products' launch. Claus Porto should, thus, develop a closer, more personal and differentiating relationship with these consumers.

> *"I would like to have more store events to have the possibility of bring them here because this is all about a building a relationship."* (Lisbon store, manager)

To achieve this, the brand should take advantage of the consumers' information collected in-store. Through the omnichannel/ online subscription form, whenever a new consumer visits the stores, he/ she is asked to leave his/ her name, contact, date of birth, preferences/ interests, and purchase habits about Claus Porto's products. However, that information is mostly being used for online purposes, in the back office. Aiming to create a long-term relationship with Musgo Real loyal consumers, the store collaborators should use the referred information for store purposes and, in addition, update it whenever the consumers come back to the stores. Therefore, the store collaborators should work with a constantly updated consumers' database that would allow them to adopt a personalized approach with each of these consumers, according to their individual characteristics. The feedback obtained during the interview with the Lisbon store manager supports this recommendation.

> *"I think the communication with the Portuguese consumers should be different, built in a different way. Without a database, it becomes a bit difficult to do that because we do not have their purchases' historical data or at least it is not organized in the way it should be for me to access it in the store."* (Lisbon store, manager)

- <u>Group 2 – 'The Brand Curious Visitors':</u>

The store collaborators should try to identify this group of local visitors and create a new store narrative, focused on the products. According to the feedback provided by the stores' collaborators, the salesperson's role is particularly important near the Portuguese consumers.

> *"The consumer-service in-store is very important, mainly with the Portuguese consumers."* (Porto store, salesperson)

> *"The role of the salesperson in the store and the way we approach the consumers powers a lot the purchase, makes the difference."* (Porto store, salesperson)

In order to complement the store-experience, samples should be responsibly given. As the following quote suggests, samples can be important to encourage the interest in the products.

> *"I think samples have to be valued and fit the person who is receiving it. Even if he has not tried the product because he did not have interest in it, he will be interested in trying it, so I can give him a sample. Thus, we are already encouraging him to know our fragrances and by giving him a sample we are encouraging him to buy the product too."* (Lisbon store, manager)

Moreover, the brand communication for this target should change. So far, Claus Porto has been mainly focusing on the brand's history and heritage instead of highlighting the products' competitive advantages. The brand should, therefore, change the communication strategy to be more product-oriented. The ingredients/ materials and their origin, the recipes, and the craftsmanship employed to produce the products should be properly communicated. The interview conducted with the Lisbon store manager allowed us to corroborate these suggestions.

> *"Maybe they think Claus Porto is just a 'pretty face'. I believe it is the way we communicate. Our packaging is very beautiful, full of history but then maybe we are not properly communicating the content."* (Lisbon store, manager)

> *"[The Portuguese consumers] are unaware of our products' characteristics. (...) I do not know if they are aware that, for example, the body moisturizer is 99% made of natural ingredients or that our hand cream is enriched with jojoba oil. (...) [Claus Porto] need to start creating value in the products, centralize the communication in the product."* (Lisbon store, manager)

- <u>Group 3 – Visitors Walking Around the City:</u>

The store collaborators should try to identify this group of Portuguese visitors and try not to focus much on them. Ideally, the store visits from this group of consumers should be avoided since they will hardly be converted into buyers and can negatively influence the other store visitors. Therefore, no marketing strategy or initiative should be particularly developed for this group of consumers.

In order to attract the **group of Portuguese luxury consumers who do not visit nor know the stores**, the following recommendations are suggested:

- <u>Group 4 – Potential Claus Porto Consumers:</u>

The current communication strategy did not reach this group of Portuguese luxury consumers. Therefore, a new one should be adopted. The new communication strategy should highlight the brand's recent developments. The principal objective is to change the old perception that Portuguese luxury consumers have about the brand. Besides this, it should be product-oriented to encourage purchases, particularly of the 'new' products, whose interest was demonstrated during the interviews.

In order to reach these consumers, Claus Porto should first understand what Portuguese luxury consumers really want, where they are, and where they use to go in terms of events, experiences, or restaurants, for instance. Therefore, the marketing, public relations, and communication Claus Porto's managers should consider this information to plan and implement the new strategy, ensuring the brand is present where the potential consumers are.

## 5. Work Project Main Limitations

During the Work Project development, we faced some challenges that should be considered for a more accurate results' interpretation. There is a lack of information about luxury consumption in Portugal. Despite Portugal's growth in the luxury sector, it is quite recent. Therefore, figures on luxury goods consumption and its evolution are not available yet. In addition, since the great majority of luxury purchases in Portugal are made by foreign consumers, little is known about the Portuguese ones. Another limitation is the difficulty to reach these consumers for the in-depth interviews, particularly the ones knowing Claus Porto. As one of the findings of the project is that most Portuguese luxury consumers do not know the brand, reaching them was somewhat of a challenge, consequently leading to a small sample size. The same is verified for the observations and follow-up interviews. Due to the lack of Portuguese visitors in both stores, it was difficult to obtain more representative samples. Further research should take this into consideration and in-store observations and questionnaires should be conducted for a longer time. The bias caused by social desirability in such questionnaires is another limitation. While some consumers were interested to express their opinion and experiences about the brand, others were not so receptive as they were not expecting the approach, therefore leading to socially acceptable answers. Additionally, the foreign resident consumers are underrepresented in the sample of both qualitative interviews and in-store observations, due to the difficulty to identify and reach them.

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# Appendices

## List of Appendices

## Appendix 1 – Claus Porto Current Brand Inventory

**Deco Collection**

| Banho | Chypre |
|---|---|
|  |  |



| Voga | Favorito |
|---|---|
|  |  |





| Cerina | Deco |
|---|---|
|  |  |

| Alface | Madrigal |
|---|---|
|  |  |
| **Ilyria** | **Elite** |
|  |  |

**Musgo Real Collection**

| Classic Scent | Orange Amber |
|---|---|
|  |  |
| **Oak Moss** | **Spiced Citrus** |
|  |  |

**Clássico Collection**

| Almond Milk | Vetyver | Lettuce | Rosa |
|---|---|---|---|
|  |  |  |  |
| **Tobacco Blossom** | **Verbena** | **Sea Mist** | **Pomegranate** |
|  |  |  |  |
| **Wild Moss** | **Lavender** | **Violet** | **Lemongrass** |
|  |  |  |  |
| **Tulip** | **Tuberose** | **Grapefruit Fig** | **Pear Sandalwood** |
|  |  |  |  |

| Água de Colónia Collection | Limited Edition |
|---|---|
| | **Le Parfum** |
|  |  |

*Source:* Claus Porto (2018)

## Appendix 2 – Claus Porto Store in Lisbon



*Source:* Claus Porto (2016)

## Appendix 3 – Claus Porto Store in Porto


*Source:* Claus Porto (2017)

## Appendix 4 – Claus Porto Sales Variation from 2015 to 2017

| | Claus Porto Sales (in 1,000€) | | | |
|---|---|---|---|---|
| | **2015** | **2017** | **Variation** | |
| | | | Value | Percentage |
| **Portugal** | **321** | **1,111** | **790** | **246%** |
| Own Retail | 56 | 880 | 824 | 1,471% |
| Porto Store | 0 | 433 | 433 | - |
| Lisbon Store | 0 | 352 | 352 | - |
| Factory and Outlet Stores | 56 | 95 | 39 | 70% |
| Wholesale | 265 | 231 | -34 | -13% |
| **Rest of Europe** | **329** | **448** | **119** | **36%** |
| **US** | **127** | **404** | **277** | **218%** |
| **Asia** | **347** | **280** | **-67** | **-19%** |
| **Rest of the world** | **223** | **6** | **-217** | **-97%** |
| **Ecommerce** | **18** | **224** | **206** | **1,144%** |
| Own Website | 18 | 150 | 132 | 733% |
| Third Party Websites | 0 | 74 | 74 | - |
| **Amenities** | **54** | **132** | **78** | **144%** |
| **Travel Retail** | **50** | **56** | **6** | **12%** |
| **Others** | **37** | **0** | **-37** | **-100%** |
| **TOTAL** | **1,506** | **2,661** | **1,155** | **77%** |

*Source*: Claus Porto (2018)

## Appendix 5 – In-store Observations: Assessment Grid

| # Observation | Store | Date | Time |
|---|---|---|---|
| | | | |

| Attitude towards the brand | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Consumer | | Previous Brand Awareness (if possible) | | | | | | | |
| New Visitor | Not New | Yes | via | | | | | No | |
| | | | Store | Web | Press | Recommendation | Other (to specify) | | |
| | | | | | | | | | |

| Porto Store Approach | | |
|---|---|---|
| Visited Areas | | |
| Store (1st floor) | Museum (2nd floor) | Workshop/ experimental area (3rd floor) |
| | | |

| Lisbon Store Approach | |
|---|---|
| Visited Areas | |
| Store | Hot-Towel Shave area |
| | |

| 1st Approach | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Collections** | | | | | **Categories** | | | | | | | | | | | | |
| Deco | Musgo Real | Clássico | Água de Colónia | Le Parfum | Soap Bar | Liquid Soap | Fragrance | Candle | Home Diffuser | Grooming | Hand Cream | Body Moisturizer | Gift Box | Infusion | Notebook | Accessories |
| | | | | | | | | | | | | | | | | |

| **Interaction** | | | | **Evaluation Criteria** | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Touch | Smell | Try | Staff Help | Smell | Price | Packaging | Staff Suggestion | Other (to specify) | Not Observed |
| | | | | | | | | | |

| Subsequently Approaches | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Collections** | | | | | **Categories** | | | | | | | | | | | |
| Deco | Musgo Real | Clássico | Água de Colónia | Le Parfum | Soap Bar | Liquid Soap | Fragrance | Candle | Home Diffuser | Grooming | Hand Cream | Body Moisturizer | Gift Box | Infusion | Notebook | Accessories |
| | | | | | | | | | | | | | | | | |

| **Interaction** | | | | **Evaluation Criteria** | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Touch | Smell | Try | Staff Help | Smell | Price | Packaging | Staff Suggestion | Other (to specify) | Not Observed |
| | | | | | | | | | |

| Purchase Decision | | | | | | | | | | | | Total Amount Spent In-store (€) | Total Time Spent In-store (min) | Additional Observations |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Purchase** | | | | | | | | **Online Subscription** | | | | | | |
| Yes | No | Category | Collection | Product | # Items | Gift | Non-gift | Yes | No | Not Asked | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | |

## Appendix 6 – In-store Observations: Follow-up Questionnaire

I am writing my Master Thesis at Nova School of Business and Economics, in collaboration with Claus Porto. Would you mind answering just a few short questions, please?

1. About the products and store experience…
   - What did you like the most?
   - Was there something you did not like or that could be improved? If yes, what?
2. How did you come to the store today? (ex.: I wanted to buy a gift for someone, I heard about the store and wanted to visit, I was just walking…)
3. In your opinion, is there anything the brand could do to retain and attract more Portuguese consumers? If yes, what do you suggest?

## Appendix 7 – In-depth Interview Guide with Claus Porto Collaborators

<u>1.Warm-up</u>

Good morning/ afternoon.

My name is Bruna and I am currently writing my Master Thesis at Nova School of Business and Economics, in collaboration with Claus Porto. For this purpose, I am conducting a research specifically regarding local consumers.

For this interview, I will use a particular research technique. Instead of asking you a set of questions, this interview will look like a conversation. To start I will ask you a broad question to introduce the topic and from that point forward you can say whatever comes to your mind. There are no right or wrong answers, so feel free to involve yourself and share your insights and experiences.

The interview will last around 45 to 60 minutes. For analysing it later, I would like to ask you permission to record it. It will remain anonymous and confidential and you will not be contacted further past this conversation. Is that all right with you?

<u>2.Initial questions</u>

a. To start the interview, I would like to know you a little better, as well as your relationship with the brand. How did you start working for Claus Porto?

Then…

b. In this interview, we will focus on local consumers (consumers living in Portugal, i.e., Portuguese consumers or foreign residents). Can you please describe, in detail, your last sale of a product to a local consumer?

<u>3.Topics to be developed</u>

a. Brand awareness (if they know the brand and how – press, influencers, recommendation…)

b. Brand image

c. Local consumers

- ‘Dominant’ profiles (in terms of):
- Gender
- Age (young adults, adults, elderly…)
- Characteristics
- Behaviour:
    - Product/ category/ collection preferences
    - Scent preferences (fresh, floral, oriental, woody…)
    - Price perception
    - Origin perception/ influence
    - Purchase occasion (Christmas, Mother’s Day…)
    - Purchase purpose (for gift, for own usage…)
    - Purchase frequency (every month, special occasions…)
    - Purchase channel (online, offline)
    - Satisfaction
    - Loyalty (new or loyal consumers)

d. Perceived competition, in Portugal

<u>4.Final question</u>

Based on the experience you have acquired at Claus Porto, what do you think the brand should do to retain and increase the number of local consumers?

5.Socio-demographic data

- Gender
  - ☐ Male
  - ☐ Female

- Occupation
  - ☐ Store Manager
  - ☐ Store Sub-manager
  - ☐ Salesperson

- How long have you worked for Claus Porto?

______________________________________

- Store
  - ☐ Lisbon
  - ☐ Porto

**Appendix 8 – Pre-recruiting Questionnaire for In-depth Interviews with Local Luxury Consumers**

My name is Bruna and I am currently writing my Master Thesis at Nova School of Business and Economics. I am conducting a research about the purchase of premium products in Portugal. For this purpose, I would like to ask you some questions:

**1.** Are you Portuguese or have you been living in Portugal over the last 5 years?

☐ Yes

☐ No

**2.** In the last year (from November 2017 to November 2018), have you purchased in Portugal (excluding the airport) any item from the following table, considering its prices?

| **Category** | **Price** | **Purchase in Portugal** | |
|---|---|---|---|
| | | Yes | No |
| Handbags | >1,000€ / each | | |
| Shoes | >300€ / each | | |
| Sunglasses | >180€ / each | | |
| Scarves / Wallets / Belts / Ties | >180€ / each | | |
| Outwear / Coats | >1,400€ / each | | |
| Dresses for women | >1,200€ / each | | |
| Suits for men | >1,600€ / each | | |
| Sweaters / Knitwear | >400€ / each | | |
| Shirts / Topwear | >200€ / each | | |
| Jeans / Pants / Skirts | >250€ / each | | |
| Fragrances & Cosmetics | >100€ / each | | |
| Watches | >2,000€ / each | | |
| Smart Watches | >400 € / each | | |
| Jewelry | >1,200€ / each | | |
| Restaurants | >200 € / person | | |
| Wine & Spirits | >100 € / bottle | | |
| Hotels (leisure) | >450€ / night | | |
| Cruise / Resorts | >4,000€ / person/week | | |
| Design furniture | >3,000€ / each | | |
| Lighting | >1,000€ / each | | |
| Cars | >100,000€ / each | | |
| Luxury boats / Yachts | >750,000€ / each | | |
| Smartphones / Tablets | >1,000€ / each | | |

*Source:* BCG (2017)

**3.**Regarding perfumed products sold in Portugal, from the following list of brands, which ones do you know (at least the name)?

JO MALONE
LONDON

☐

ACQUA DI PARMA

☐

CLAUS PORTO
SINCE 1887

☐

MUSGO REAL

☐

LE LABO®
GRASSE – NEW YORK

☐

EMBASSY
NICHE PERFUMERY

☐

CASTELBEL
PORTO

☐

L'OCCITANE
EN PROVENCE

☐

DIPTYQUE

☐

BENAMÔR
LISBOA 1925

☐

Atelier Cologne
MAISON DE PARFUM
PARIS

☐

**Appendix 9 – In-depth Interview Guide with Local Luxury Consumers**

<u>1.Warm-up</u>

Good morning/ afternoon.

My name is Bruna and I am currently writing my Master Thesis at Nova School of Business and Economics. For this purpose, I am conducting a research about the brand Claus Porto/ Musgo Real.

For this interview, I will use a particular qualitative research technique. Instead of asking you a set of questions, this interview will look like a conversation. It will last around 45 to 60 minutes.

For analysing the interview later, I would like to ask you permission to record it. It will remain anonymous and confidential and you will not be contacted further past this conversation. Is that all right with you?

<u>2.Initial question</u>

Do you remember the first time you heard about the brand Claus Porto/ Musgo Real or its products? Which were the circumstances? When was it? How?

(show only the suitable picture)



<u>3.Topics to develop</u>

a. Awareness and spontaneous opinion about the brand (Claus Porto or Musgo Real)
   - Main associations
   - History awareness (centennial, Portuguese brand…)
   - Assortment awareness (categories and collections)
   - Distribution awareness (Lisbon/ Porto stores)

b. Experience with the brand (Claus Porto or Musgo Real)

- Experience type (for themselves, for gift, received as a gift…)
- In-store experience (design, layout, staff, products experimentation…) (if applicable)

c. Assisted opinion on the brand and its products (Claus Porto only)

These are some products from Claus Porto (show the products). Feel free to touch, smell and try them on.

What do you think of these products? Do you like them? Why? What do you like the most (smell, packaging, product category…)? What do you like the least? Why?

Here are the prices of the products I have just presented to you (show the prices table). Would you buy these products?

- Purchase behaviour (if applicable)
  - Product/ category/ collection preferences
  - Scent preferences (fresh, floral, oriental, woody…)
  - Price influence/ perception
  - Purpose (gift, own usage…)
  - Occasion (Christmas, Mother's Day…)
  - Frequency

- Consumption behaviour (if applicable)
  - Purpose (daily usage, sporadic usage…)
  - Satisfaction
  - Loyalty

d. Perceived competition (gift/ own usage)

<u>4.Projective technique</u>

Before finishing the interview, I would like to use a particular technique, called projective technique. This is how it works:

Imagine that Claus Porto was a person. How would you describe this person? A man or a woman? Which age would that person have? How would his/ her personality be? Which clothes would he/ she wear? Which car would he/ she drive?

(benchmark with the perceived competition identified)

<u>5.Socio-demographic data</u>

- Gender

 Male

 Female

- Age

 18-24

 25-34

 35-44

 45-54

 >55

- Education

 Completed 4th grade

 Completed 6th grade

 Completed 9th grade

 Completed 11th/ 12th grade

 Professional or Arts degree

 Incomplete undergraduate degree

 Undergraduate degree

 Post-graduate or Master degree

 PhD

- Occupation

 GO1 – Middle and Top Management

 GO2 – Specialized Technicians and Small Business Owners

 GO3 – Employees of Tertiary Sector

 GO4 – Qualified/ Skilled Workers

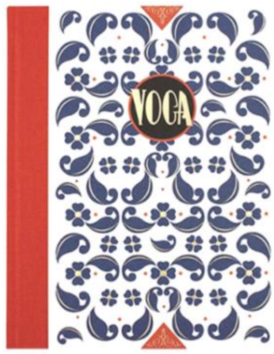
 GO5 – Unqualified/ Unskilled Workers

 GO6 – Retired/ Unemployed

 GO7 – Students

 GO8 – Housewives

## Appendix 10 – Stimuli Products and Prices for In-depth Interviews with Local Luxury Consumers

| | | |
|---|---|---|
| **Musgo Real Classic Scent**<br>Soap on a Rope 190g<br>20€ | **Deco Chypre**<br>Soap Bar 350g<br>20€ | **Deco Cerina**<br>Candle<br>60€ |
|   |   |   |
| **Deco Voga**<br>Hand Cream<br>20€ | **Deco Voga**<br>Notebook Hardcover<br>25€ | **Deco Voga**<br>Home Diffuser<br>75€ |
|   |   |   |

## Appendix 11 – Lisbon Store Visits, Purchases and Conversion Rates per Observation Day

| | 16/10 (tue) | | | 17/10 (wed) | | | 18/10 (thr) | | | 19/10 (fri) | | | 20/10 (sat) | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Visitors | Buyers | CR | Visitors | Buyers | CR | Visitors | Buyers | CR | Visitors | Buyers | CR | Visitors | Buyers | CR | Visitors | Buyers | CR |
| **Locals** | 3 | 0 | 0% | 3 | 2 | 67% | 1 | 0 | 0% | 4 | 2 | 50% | 4 | 3 | 75% | 15 | 7 | 47% |
| Portuguese | 3 | 0 | 0% | 2 | 1 | 50% | 1 | 0 | 0% | 4 | 2 | 50% | 4 | 3 | 75% | 14 | 6 | 43% |
| Foreign Res. | 0 | 0 | - | 1 | 1 | 100% | 0 | 0 | - | 0 | 0 | - | 0 | 0 | - | 1 | 1 | 100% |
| **Tourists**[8] | 19 | 12 | 63% | 22 | 15 | 68% | 21 | 14 | 67% | 20 | 19 | 95% | 37 | 29 | 78% | 119 | 89 | 75% |
| **Total** | 22 | 12 | 55% | 25 | 17 | 68% | 22 | 14 | 64% | 24 | 21 | 88% | 41 | 32 | 78% | 134 | 96 | 72% |
| **Visits** | | | | | | | | | | | | | | | | | | |
| % Locals | 14% | | | 12% | | | 5% | | | 17% | | | 10% | | | 11% | | |
| % Tourists | 86% | | | 88% | | | 95% | | | 83% | | | 90% | | | 89% | | |
| **Purchases** | | | | | | | | | | | | | | | | | | |
| % Locals | 0% | | | 12% | | | 0% | | | 10% | | | 9% | | | 7% | | |
| % Tourists | 100% | | | 88% | | | 100% | | | 90% | | | 91% | | | 93% | | |

CR – Conversion Rate

*Source:* Author, based on primary data from in-store observations and Claus Porto internal data (2018).

[8] The data about tourists was provided by Claus Porto during email conversations. If not otherwise mentioned, the remaining information was collected through the observations conducted in store.

## Appendix 12 – Porto Store Visits, Purchases and Conversion Rates per Observation Day

| | 10/10 (wed) | | | 11/10 (thr) | | | 12/10 (fri) | | | 13/10 (sat) | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Visitors | Buyers | CR | Visitors | Buyers | CR | Visitors | Buyers | CR | Visitors | Buyers | CR | Visitors | Buyers | CR |
| **Locals** | 10 | 3 | 30% | 5 | 3 | 60% | 4 | 1 | 25% | 14 | 5 | 36% | 33 | 12 | 36% |
| Portuguese | 9 | 2 | 22% | 5 | 3 | 60% | 4 | 1 | 25% | 12 | 3 | 25% | 30 | 9 | 30% |
| Foreign Res. | 1 | 1 | 100% | 0 | 0 | - | 0 | 0 | - | 2 | 2 | 100% | 3 | 3 | 100% |
| **Tourists**[9] | 64 | 49 | 77% | 93 | 41 | 44% | 66 | 36 | 55% | 112 | 59 | 53% | 335 | 185 | 55% |
| **Total** | 74 | 52 | 70% | 98 | 44 | 45% | 70 | 37 | 53% | 126 | 64 | 51% | 368 | 197 | 54% |
| **Visits** | | | | | | | | | | | | | | | |
| % Locals | 14% | | | 5% | | | 6% | | | 11% | | | 9% | | |
| % Tourists | 86% | | | 95% | | | 95% | | | 89% | | | 91% | | |
| **Purchases** | | | | | | | | | | | | | | | |
| % Locals | 6% | | | 7% | | | 3% | | | 8% | | | 6% | | |
| % Tourists | 94% | | | 93% | | | 97% | | | 92% | | | 94% | | |

CR – Conversion Rate

*Source:* Author, based on primary data from in-store observations and Claus Porto internal data (2018).

[9] The data about tourists was provided by Claus Porto during email conversations. If not otherwise mentioned, the remaining information was collected through the observations conducted in store.

## Appendix 13 – Buyers' Detailed Profiles from Porto and Lisbon Stores

| | # Obs | Gender | Age | Nationality | Consumer Type | Brand Awareness | How Did They Get to Know the Brand | Purchased Products | | Total Amount Spent In-Store |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Category | Collection | |
| Porto | 1 | F | 35-44 | Brazilian | Not New | Yes | Lisbon Store | Fragrance<br>Fragrance | Musgo Real<br>Água de Colónia | 150€ |
| | 8 | M | 45-54 | Portuguese | Not New | Yes | Press | Soap Bar<br>Soap Bar | Clássico<br>Clássico | 32€ |
| | 10 | M | >55 | Portuguese | Not New | Yes | Porto Store | Fragrance | Musgo Real | 65€ |
| | 12 | F | 45-54 | Portuguese | Not New | Yes | Recommendation | Fragrance | Água de Colónia | 85€ |
| | 13 | F | >55 | Portuguese | Not New | Yes | Ach Brito | Hand Cream | Deco | 20€ |
| | 14 | M | >55 | Portuguese | Not New | Yes | Ach Brito | Fragrance | Musgo Real | 65€ |
| | 16 | F | 35-44 | Portuguese | New Visitor | Yes | A Vida Portuguesa | Soap Bar | Clássico | 8€ |
| | 21 | F | 45-54 | Portuguese | New Visitor | Yes | - | Soap Bar | Clássico | 8€ |
| | 26 | F | 18-24 | Portuguese | New Visitor | Yes | Recommendation | Soap Bar | Deco | 14€ |
| | 28 | F | 35-44 | French | Not New | Yes | Lisbon Store | Soap Bar<br>Soap Bar | Musgo Real<br>Musgo Real | 28€ |
| | 29 | F | 45-54 | Brazilian | Not New | Yes | Lisbon Store | Guest Soaps | Deco | 24€ |
| | 31 | F | 45-54 | Portuguese | New Visitor | Yes | Ach Brito | Hand Cream | Deco | 20€ |
| Lisbon | 37 | M | 35-44 | Portuguese | Not New | Yes | - | Fragrance<br>Fragrance | Água de Colónia<br>Musgo Real | 145€ |
| | 39 | M | 45-54 | Mexican | Not New | Yes | Recommendation | Gift Box<br>Soap Bar | Deco<br>Deco | 48€ |
| | 42 | F | 18-24 | Portuguese | New Visitor | No | - | Gift Box | Deco | 85€ |
| | 44 | M | 45-54 | Portuguese | New Visitor | Yes | Recommendation | Liquid Soap<br>Liquid Soap<br>Soap Bar | Deco<br>Deco<br>Deco | 68€ |
| | 46 | M | 25-34 | Portuguese | Not New | Yes | - | Grooming<br>Grooming<br>Soap Bar<br>Soap Bar<br>Soap Bar | Musgo Real<br>Musgo Real<br>Musgo Real<br>Clássico<br>Clássico | 86€ |
| | 47 | M | 25-34 | Portuguese | Not New | Yes | Recommendation | Soap Bar<br>Soap Bar | Deco<br>Deco | 28€ |
| | 48 | F | 18-24 | Portuguese | Not New | Yes | Recommendation | Soap Bar<br>Soap Bar | Deco<br>Deco | 16€ |

*Source:* Author, based on primary data from in-store observations.

## Appendix 14 – Visitors and Buyers' Profiles from the Porto Store

| | Visitors Only | | Visitors + Buyers | | Total | |
|---|---|---|---|---|---|---|
| | Value | Percentage | Value | Percentage | Value | Percentage |
| **Gender** | | | | | | |
| Male | 4 | 19% | 3 | 25% | 7 | 21% |
| Female | 17 | 81% | 9 | 75% | 26 | 79% |
| **Age group** | | | | | | |
| 18-24 | 0 | 0% | 1 | 8% | 1 | 3% |
| 25-34 | 5 | 24% | 0 | 0% | 5 | 15% |
| 35-44 | 7 | 33% | 3 | 25% | 10 | 30% |
| 45-54 | 6 | 29% | 5 | 42% | 11 | 33% |
| >55 | 3 | 14% | 3 | 25% | 6 | 18% |
| **Consumer type** | | | | | | |
| New visitor | 14 | 67% | 4 | 33% | 18 | 55% |
| Not new | 7 | 33% | 8 | 67% | 15 | 45% |

*Source:* Author, based on primary data from in-store observations.

## Appendix 15 – Main Insights - Additional Quotes

| | | |
|---|---|---|
| **Group 1** Musgo Real Loyal Consumers | Consumer profile | *"We had a weekend with lots of Portuguese visitors and it was basically men buying Musgo Real products."* (Lisbon store, sub-manager)<br>*"The Portuguese consumers are more men who buy Musgo Real."* (Porto store, salesperson)<br>*"I feel I can sell more to Portuguese men than women."* (Porto store, manager)<br>*"They are the consumers who inherited parental actions."* (Lisbon store, salesperson)<br>*"The Portuguese visitors who buy are over 35 years old because they are the ones with memories about the brand."* (Lisbon store, sub-manager)<br>*"Our usual consumer is around 30 to 50 years old."* (Porto store, salesperson) |
| | Collection preference | *"I think Musgo Real performance is excellent."* (Lisbon store, manager)<br>*"Men buy Musgo Real."* (Lisbon store, salesperson)<br>*"There is this consumer who is loyal to Musgo Real."* (Lisbon store, manager)<br>*"Musgo Real is the strongest collection for the Portuguese consumers."* (Porto store, salesperson)<br>*"Musgo Real collection is where we can bet more on the Portuguese consumers, mainly men."* (Porto store, salesperson)<br>*"The male segment who try the products use to come for the shaving range."* (Porto store, salesperson)<br>---<br>*"[Musgo Real] is the only thing my husband uses."* (female skilled worker, 45-54 years old)<br>*"My husband and my brother-in-law buy [Musgo Real], I still use the ones that were offered."* (female middle and top manager, 45-54 years old) |

| | | |
|---|---|---|
| | Purchase purpose | *"[Men] usually buy for own usage."* (Lisbon store, salesperson)<br>*"He only uses Musgo for himself."* (Lisbon store, manager)<br>*"Most of the men who buy it, they buy for themselves, Musgo Real."* (Porto store, salesperson)<br>*"The Portuguese consumers think the soaps are expensive for daily usage, except for the Musgo Real ones that I believe they use more regularly."* (Porto store, salesperson) |
| | Loyalty | *"The consumers end up staying loyal. They use the [Hot-Towel Shave] voucher, like the products and keep buying it to use the voucher again."* (Lisbon store, salesperson)<br>*"There are two or three consumers who come to the store regularly and buy Musgo."* (Lisbon store, manager)<br>*"From my experience, I think men are more loyal than women."* (Porto store, salesperson)<br>*"The [Portuguese] consumers that use the products for the first time like and stay loyal."* (Porto store, salesperson)<br>*"The products that they are most loyal to, in the case of men, are the Musgo Real's ones."* (Porto store, salesperson) |
| **Group 2**<br>'The Brand Curious' | Brand/ store interest | *"In general, they come because they heard about Catarina Portas' show. A lot of Portuguese came to visit the store, on purpose, because of this interview."* (Porto store, manager)<br>*"Many [Portuguese] come because of the television show."* (Porto store, salesperson)<br>*"There was a time that Catarina Portas dedicated a show to Claus Porto and we had several Portuguese who came here but did not buy (…) the great majority came to see the store."* (Lisbon store, manager)<br>*"Whoever visits once usually advises others to come here."* (Porto store, salesperson)<br>*"People come here and then end up bringing friends and family to visit the store too."* (Porto store, salesperson)<br>*"Many [Portuguese] are proud to see a Portuguese brand."* (Porto store, salesperson)<br>*"There are many Portuguese who come during the year but just to know the store, to visit because they heard about it. They appreciate it, like it and recognize the brand's value but do not purchase."* (Lisbon store, manager) |
| **Group 3**<br>Visitors Walking Around the City | Store visit purpose/ occasion | *"On the weekends we receive many [Portuguese visitors] who come just to see the store."* (Lisbon store, sub-manager)<br>*"There are several visitors who come just to see."* (Lisbon store, manager)<br>*"Most people come in, visit and leave."* (Porto store, salesperson)<br>*"The days when we have more Portuguese visitors in the store are Sundays and holidays because they are walking around the city."* (Porto store, salesperson)<br>*"The Portuguese visitor enters the store because he is walking around the city, on Sundays."* (Porto store, salesperson) |

| | | |
|---|---|---|
| | Price perception/ influence | *"The Portuguese are always wary due to the price as they do not find so affordable."* (Porto store, salesperson)<br>*"I think the Portuguese do not purchase due to the products' price."* (Porto store, salesperson)<br>*"The Portuguese's biggest problem is the price."* (Porto store, salesperson)<br>*"There is a tendency to find it too expensive."* (Lisbon store, salesperson)<br>*"As soon as they look at the prices they say – 'Ok thank you, good afternoon'."* (Lisbon store, salesperson)<br>*"They soon compare Claus Porto to Ach Brito, which is much cheaper."* (Porto store, salesperson) |
| | Target perception | *"The Portuguese perceive the prices are not for their wallets but for the tourists'."* (Porto store, salesperson)<br>*"They think it is a brand mostly for tourists."* (Lisbon store, salesperson)<br>*"There are many Portuguese who enter the store that I think do not constitute Claus' target."* (Porto store, salesperson) |
| **Group 4** Potential Consumers | Brand associations | *"Many [Portuguese] say 'Oh Claus Porto, a soaps' brand', and when they say it is already with some contempt."* (Porto store, salesperson)<br>*"The [Musgo Real] fragrances remind them the grandfather, the father who used the products."* (Porto store, salesperson)<br>*"Musgo Real reminds them the past."* (Porto store, salesperson)<br>*"Several [Portuguese] remember to see Musgo Real soaps in their grandparents' houses."* (Lisbon store, sub-manager)<br>---<br>*"I think the products are very traditional, the fragrance and the soaps."* (female middle and top manager, 45-54 years old)<br>*"Musgo Real (...) was, in fact, a soap that we used to use in my parents' house."* (male skilled worker, over 55 years old)<br>*"In Claus Porto we see an image of tradition."* (male skilled worker, over 55 years old)<br>*"I really like the soap. It reminds of the old ones."* (female skilled worker, 45-54 years old)<br>*"I associate the brand with those old memories. It reminds of my grandmother."* (female housewife, 45-54 years old)<br>*"It reminds me of the old soaps, old fragrances, old things that still have quality."* (female middle and top manager, 45-54 years old)<br>*"I believe it is a Portuguese brand, very old in the market."* (male middle and top manager, over 55 years old) |

| | | |
|---|---|---|
| | Ach Brito misperception | *"There are many [Portuguese] who come here looking for Ach Brito products. They think it is the same."* (Lisbon store, sub-manager)<br>*"Most Portuguese who know the brand is from the past, from Ach Brito."* (Porto store, salesperson)<br>*"It is very confusing, people come in searching for Ach Brito's lavender."* (Lisbon store, salesperson)<br><br>*"But Musgo Real always belonged to Claus Porto?"* (female housewife, 45-54 years old) |
| | Assortment awareness | *"The Portuguese know little about the brand."* (Porto store, salesperson)<br>*"I do not know if people are aware of the products' quality and how much the brand has evolved."* (Lisbon store, manager)<br><br>*"I only knew the soap."* (male specialized technician, over 55 years old)<br>*"I only know the soaps. I do not know any other product from this brand."* (male middle and top manager, over 55 years old)<br>*"I only know [Musgo Real] soaps and colognes."* (female housewife, 45-54 years old) |
| | Price perception/ influence | *"It is not expensive, it is the price I usually buy."* (female skilled worker, 45-54 years old)<br>*"I believe that the candles, the diffusers and even the hand creams are on the same level as other similar brands."* (female middle and top manager, 45-54 years old)<br>*"The products are not for everyone, they are not cheap, but I would buy."* (female middle and top manager, 45-54 years old)<br>*"I think [the price] is perfectly similar to other brands that resemble and have the same quality."* (female skilled worker, 45-54 years old)<br>*"I think if it has quality, we cannot look at the price."* (female middle and top manager, over 55 years old)<br>*"As the products have quality, the price is not too high."* (female middle and top manager, 45-54 years old) |
| | Distribution awareness | *"Most people do not even know we have a store here."* (Porto store, salesperson)<br>*"There are many Portuguese who do not know the brand and have no idea that the store has opened."* (Lisbon store, sub-manager)<br><br>*"I do not go to Lisbon very often and I had no idea [Claus Porto] stores existed."* (female housewife, 45-54 years old)<br>*"I see [Musgo Real] in perfumeries."* (female housewife, 45-54 years old) |

*Source:* Author, based on primary data from qualitative interviews.

**Appendix 16 – Musgo Soap from Ach Brito vs Musgo Real Soap from Claus Porto**


*Source:* Jumbo (2018)


*Source:* Continente (2018)


*Source:* The Portugal Online Shop (2018)