MASTERS IN MANAGEMENT (MIM)

MASTERS FINAL WORK

INTERNSHIP REPORT

GATO PRETO IN THE SPANISH MARKET: ANALYSIS OF BRAND EQUITY

CATARINA FERREIRA GOMES

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ACKNOWLEDGEMENTS

RESUMO

O presente estudo resulta de um estágio curricular desenvolvido no departamento de Marketing da empresa Gato Preto. Como elemento da equipa de PR, Comunicação e Eventos, foi percebido o impacto que o conhecimento sobre o mercado tem ao nível da comunicação. Por esta mesma razão o trabalho desenvolvido explora a *brand equity* da empresa no mercado espanhol, focando-se nas componentes de *brand awareness* e *brand loyalty*.

O estudo conduzido é de natureza qualitativa e quantitativa e foi realizado através de duas entrevistas a elementos corporativos e de um questionário online com uma amostra de 266 consumidores do mercado espanhol. Para além de uma análise descritiva dos dados obtidos, foi também realizada uma análise *Two-Step Cluster* de forma a identificar a existência de diferentes segmentos de clientes. Como resultado foram identificados dois segmentos: "*Moderate Loyal*" e "*Passive Loyal*".

Para além de ajudar a marca a desenvolver novas estratégias que permitirão uma atuação mais eficaz sobre os perfis de consumidores identificados, o trabalho desenvolvido irá também contribuir para um maior alinhamento do futuro programa de *loyalty* que está a ser desenvolvido pela empresa.

Palavras-chave: *Brand equity; Brand Awareness; Brand Loyalty; Market Segmentation*

ABSTRACT

The present study derived from a curricular internship in the Marketing department of Gato Preto's brand. As part of the PR, Communication and Events team, the realization that insights on the market are of extreme importance in order to develop a good communication plan was clear. Therefore, the work developed explores the brand equity of the company on the Spanish market, focusing itself on brand awareness and brand loyalty levels.

The study was conducted through both a qualitative and quantitative approach. The data collection instruments were two interviews to corporate elements of the company and a survey applied to a sample of 266 customers of the Spanish market. Besides a descriptive analysis of the data obtained, a Two-Step Cluster analysis was performed in order to identify the existence of different segments of customers. The results show that there are two distinct clusters according to their level of loyalty, named "Moderate Loyal" and "Passive Loyal".

Besides providing information that will help the company to develop new strategies that prove to be more effective in interacting with the two disclosed clusters, the proposed framework will also contribute, in a communication perspective, to the success of the loyalty program being implemented in the company.

Keywords: *Brand equity; Brand Awareness; Brand Loyalty; Market Segmentation*

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1.   INTERNSHIP

1.1   Introduction

As a second-year master's student in Management, my choice to enrol in an internship as my final work lied on the possibility to put in practice everything that I have learned so far. Being able to work in a company whilst finishing my degree allowed me to acquire new skills and gave me the unique opportunity to have a better understanding of the area I wish to work on in the future. The internship in Gato Preto started on the 29th of September of 2021 and ended on the 28th of December of 2021.

The present study explores the presence of the Portuguese company, Gato Preto, on the Spanish market. The work focuses itself on brand awareness and brand loyalty, two of the main components of brand equity. Its main intent is of providing key insights on the Spanish market that will be helpful in developing new strategies, in a communication perspective, in order to increase the brand equity value through awareness and loyalty efforts. Moreover, acknowledging Customer and Relationship Management efforts as a strategic advantage, the company is working towards implementing a loyalty program. Hence, the work developed will also contribute to the success of the loyalty strategy by aligning it, on a communication perspective, with its target.

The intent of the work is to be able to contribute Academia with knowledge in the field of Marketing by analysing the brand equity components of a Portuguese company in a foreign market.

1.2   Company Presentation

In 1986, Portugal was lacking offer in the home décor business. Moreover, not only was there little offer but most of the existent one was not even produced in the country. The realization of such situation ended up leading Marina Reis Ramos and Mário Tendeiro to open a store which objective would be to tackle such problem. The main ambition was to make Portuguese craftmanship, from north to south, known.

The first bet was to focus on handmade Portuguese products, yet the entrepreneurs soon realized that its offer was too narrow and decided to expand its product selection. In 1999, the company decided to start designing its own products that have now a major role in the company. Nowadays, about 30 different original product collections are launched

every year.

A Loja do Gato Preto, rebranded as Gato Preto in October 2020, became a decoration, textile and furniture retail store working on the Business to Consumer (B2C) sector. Its mission lies on presenting its customers with original and innovative solutions for one, if not the most, important spaces of their lives, home. Creativity, loyalty, sympathy, and quality service are core values of the company.

The process of internationalization started in 2001 when the Spanish market was chosen as the starting point. Currently, it is present in three different markets in Europe. Both the Portuguese and the Spanish market have not only a physical presence with 65 stores that employ about 700 people, 40 in Portugal and 25 in Spain, but also an online presence. The French market, however, only has an online presence until date. Moreover, Gato Preto owns a franchising in Angola.

In January 2020, the multinational Grupo Aquinos, one of the 5 largest mattress and couch producers in the world, bought the brand. The disruption gave rise to a rebranding process bearing in mind not only client's needs but also market trends. Focusing on the future, the brand relaunched its image with a new visual identity stating a new positioning on the market. A Loja do Gato Preto transformed itself in Gato Preto that came along with a new claim: Living spaces.

Hoping to expand and open stores in new markets in the next few years, the company's rebranding simplifies and rejuvenates the brand. Inspiring itself on the ability of a black cat to adapt quickly yet gracefully, the purpose is to get through a coolest and more modern look.

Covid pandemic had a strong impact on company's sales and ended up accelerating transformations that were already being planned previously. Due to the restrictions imposed, consumers could no longer buy in store leaving the online shopping option as the only one available, situation that truly highlighted the importance of a strong online presence.

Gato Preto conveyed all its efforts towards the only sales channel available that would allow customers to buy its products: e-commerce. The company updated its website, that became more user friendly and tried to replicate the store experience online. Furthermore, it engaged in a partnership with Dott, the first Portuguese marketplace. All

strategies and transformations resulted in a three times higher business volume due to e-commerce. Moreover, around 20% of online sales are currently represented by furniture, which importance increased due to the ownership change.

The omnichannel strategy adopted in the rebranding was of big importance once click & collect is one of the most used shopping methods since the opening of stores. Furthermore, it offers consumers a consistent image of the brand leading to an overall better experience.

The pandemic forced people to use their houses in a different way. Beyond feeling like home, spaces had to become functional for activities such as work or home schooling. Gato Preto saw this new reality as an opportunity to reposition itself in the market. Its new Living Spaces concept redefines the priorities people have when decorating and furnishing their homes. It is based on showing that Comfort, Balance, Work, Nature and Cooking can all coexist in the same space.

The new concept also changed the vision on physical stores by simplifying and amplifying their areas making customers feel like they are in fact home. A more minimalist approach with a simpler colour palette and more luminous spaces was taken, highlighting, and focusing all attention on products.

The changes in the company were also reflected on the communication strategy. Besides launching a new blog, the brand chose its new ambassador, the actress and influencer Catarina Gouveia. The purpose was to recreate communication in the mobile strand leading up to meaningful and inspiring content that would convert potential to actual customers. Being social media a critical point in brand visibility in the 21st century, Gato Preto's numbers in the Portuguese market cannot be left unseen. The company's Instagram relies on 237 thousand followers while its Facebook page has over 277 thousand likes. The smallest community created at a social media level is Linked In's one, with over 8.5 thousand followers.

Awoke to the sustainability issues, the social and environmental commitment to become an eco-friendlier business is taken seriously by the company. Both products and their packages are produced with more environmentally conscious materials in order to avoid the use of plastics. Moreover, Gato Preto offers products that enhance bulk purchase such as glass containers.

In the Portuguese market, the decoration and furniture retail sector have several notorious companies competing against each other namely IKEA, Zara Home and Area. The main competitors the brand must have in consideration are Hôma, Zara Home, H&M Home and Kinda.

A brand positioning study made by Nielsen company in July 2016, showed that customers prefer Gato Preto's stores over other ones due to it having different and innovative products that appeal to their taste. Quality and store's localization were also mentioned as reasons to such behaviour.

Gato Preto's privileged position in the Portuguese marketplace in current days is believed to be due to the free spirit and liberty sensation transmitted by the company. Instead of focusing itself on a specific style or design, the store's concept lies on giving the clients a variety of options. The large range of products encompasses various styles, designs and up-to-date trends from all over the world, with the purpose of creating unique spaces. The thought that every home should have its own identity is always present. In the end every customer's need ends up being met and so does the store's slogan "Free Houses, Happy Owners…" ("Casas Livres, Donos Felizes...").

1.3   Company Structure
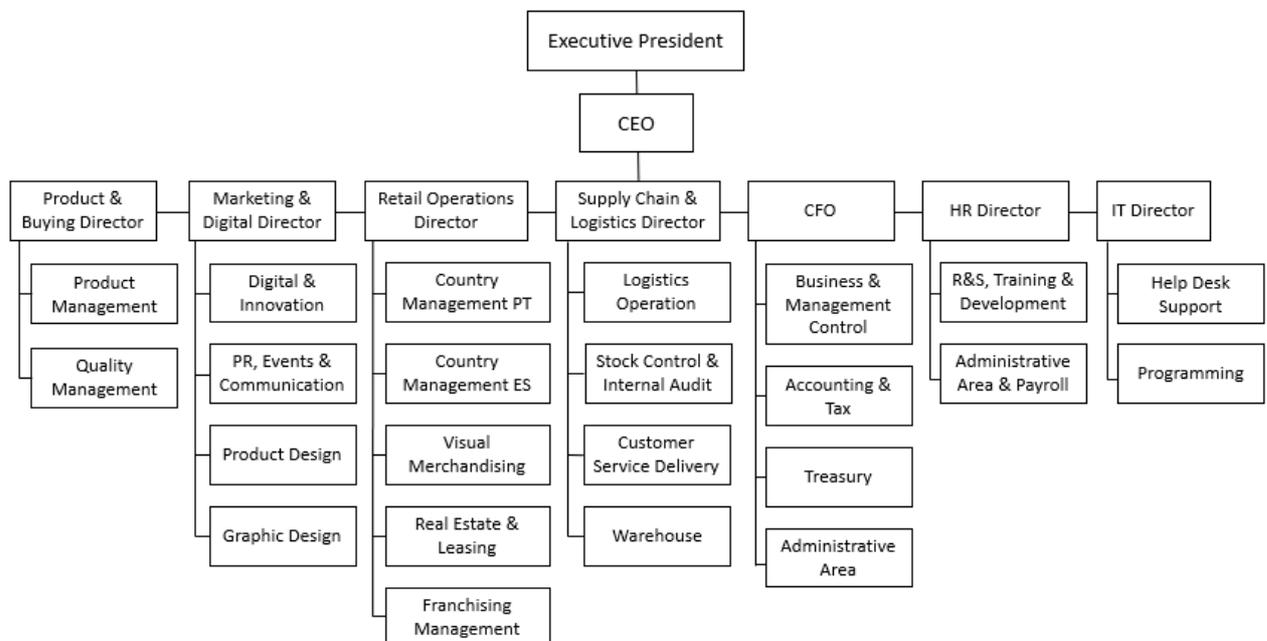
Figure 1 - Gato Preto's Organizational Chart

The organizational chart of the company follows a structure divided in seven

different departments namely: Product & Buying, Marketing & Digital, Retail Operations, Supply Chain & Logistics, Financial, Human Resources and Information Technology (Figure 1).

The curricular internship took place in the Marketing and Digital department, more specifically in the Public Relations, Events and Communication team. The main objectives of the internship were to support communication agencies in both the Portuguese and the Spanish markets; to develop and review brand communications in digital platforms; to develop skills in the shootings production area; and to support the communication and relationship development with sponsors and shopping malls. The activities developed during the internship are represented in the timeline below (Figure 2).
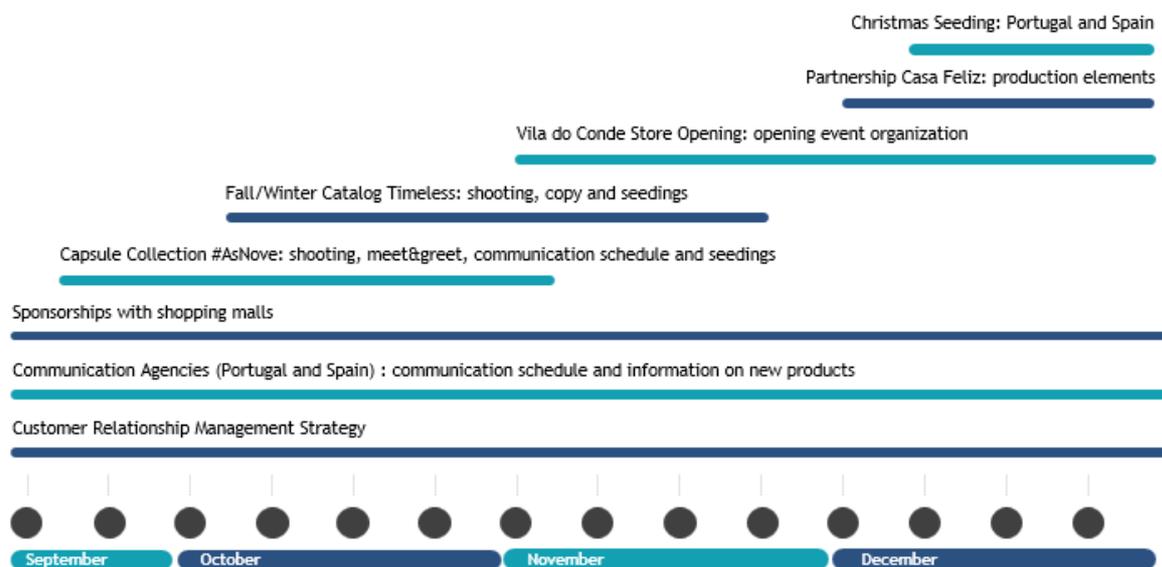
Figure 2- Activities performed during the Internship (Sep-Dec 2022)

Every week, the team had two meetings with each one of the communication agencies where there was a discussion on which subjects would be worth of a press release and what possible actions would be worth taking. Press releases would then be reviewed by the team and, taking in consideration the new products being launched, it was decided if a seeding effort would or not take place. Given that social media presence is key in the current days, seedings were frequently processed in order to raise awareness of the new collections of the brand. Possible interviews with corporate elements of the company were also a topic of discussion during the meetings.

Communication with shopping malls was also a frequent activity performed whether

there was a brand event or a shopping mall initiative that had Gato Preto as a partner. All authorisations and communication elements were processed by the Public Relations, Events and Communication team.

Besides the activities mentioned above, there were also other projects developed during the internship in specific timelines such as shootings, partnerships and opening events. In such occasions the team's goal was to have every detail of the project organized including budgets, timings and products.

The first project developed was the launch of the first capsule collection of the brand. The launch relied on complex process involving a shooting, a meet&greet event and seedings. During the shooting the team's goal was to make sure that the brand's vision on the content was being transmitted and that every product needed was available. Once the social media content was edited, a communication plan was developed, and communication elements were shared with the shopping mall in which the event would occur. Being an important milestone of the brand, it was decided that a seeding effort would take place, therefore all products were prepared and sent by the team.

The most challenging project was the opening of Vila do Conde store. There were several timing changes which were hard to cope with given that several services such as DJ, bartenders and photographers needed to be hired and there was a large number of guests for the event. All contacts with suppliers and guests were made by the Public Relations, Events and Communication team as well as the organization of the event.

1.4   Research Problem

Knowledge on the market is essential when developing a communication plan. Having not yet reached the desired position on the Spanish market the present study has as its main objective exploring the level of brand equity of the company in the market focusing on loyalty and awareness components.

Moreover, the marketing department decision on developing a CRM strategy at the company revealed the necessity, on a communication perspective, of a better understanding of the Spanish consumer and the Spanish market in order to align the strategy with its target needs.

In order to achieve the answers to the previous stated objectives, the following questions will be explored:

Research question 1: How is the brand awareness in the Spanish market?

Research question 2: How loyal are Gato Preto's Spanish clients?

Research question 3: Are there different segments of clients according to their level of loyalty?

As it was previously mentioned, there are Gato Preto's 25 stores in Spain both in shopping malls and city centres. However, in comparison to Spain the brand is more mature in the Portuguese market. When comparing both markets the level of competition is different since brands such as IKEA, Zara Home and Maisons du Monde have a stronger presence in the Spanish market. Furthermore, Spain is the home country of some of the strongest competitors in the decoration, textile and furniture retail store business being Zara Home the best example of such situation.

Although the brand has been in the Spanish market for 20 years, its relevance in it is still not what it is desired. Therefore, the main objective of the report is to will not only help the company to develop new strategies that prove to be more effective on achieving a higher brand equity level through awareness and loyalty but also allow the alignment of the loyalty strategy contributing for the success of the project.

2. LITERATURE REVIEW

2.1. Brand Equity

When assigned a position, brand elements and an identity, a product becomes a brand which will need a quality marketing plan in order to develop its brand equity dimensions (Shariq, 2018).

Brand Equity was defined as "a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers" (Aaker, 1991).

Until date, the most commonly cited conceptual framework is the one presented below in Figure 3. Aaker (1991) presented five different components of brand equity: brand awareness, brand association, brand loyalty, perceived quality and other proprietary brand assets such as trademarks and patents.
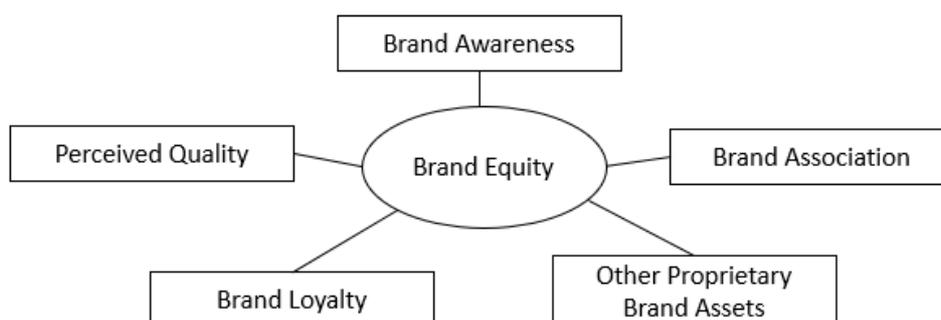
Figure 3- Conceptual framework of brand equity (source: Aaker,1991)

Leading the study of brand equity's concept were two distinct motivations: financial and strategic. On the one hand researchers wanted to know the value of the brand for accounting purposes, on the other hand researchers wanted to know how they could improve marketing productivity (Keller, 1993).

Nevertheless, brand equity has no financial value if customers do not value the brand, therefore the concept evolved for the first time to a customer centric approach. A positive customer-based exists when the customer has a more favourable reaction to the brand being identified in the product or in a promotional marketing effort (Keller, 1993; Kotler, 2016). If there is no difference in the brand being identified it means there is no brand equity and competition will most probably be based on price differentiation (Kotler & Keller, 2016).

The conceptual framework presented above in Figure 3 evolved, and the fifth

element, "other proprietary brand assets", was removed since it did not contribute to a costumer centric approach. It was then replaced by "market behaviour of brand" (Aaker, 1996).

In the current days studies defend that brand equity should encompass a sustainability dimension which would be helpful not only in mitigating preconceived ideas associated with green product attributes but also enrichen the theoretical definition of brand equity (Ishaq & Di Maria, 2019).

Cobb-Walgren et al. (1995) indicate that a high brand equity level has a positive impact on consumers preference for the brand and purchase intentions. In addition, it is seen as a competitive advantage that can provide resistance against competitors efforts and even become a barrier for other brands that want to enter the market (Farquhar, 1989).

Social media has become one of the most important activities in building a strong brand equity (Zollo et al., 2020) given that the interactions which occur within such channels have impacts on purchase intentions and behaviours (Chen & Lin, 2019). In a highly saturated market, companies are increasingly focusing on experiences drifting away from the product's functional characteristics. Sensory and emotional experiences are positively correlated with all brand equity dimensions (Pina & Dias, 2020).

2.2. Brand Awareness

Keller (1993), separates the component of brand awareness into two different categories: brand recognition and brand recall. While brand recognition is associated with "consumers' ability to confirm prior exposure to the brand when given the brand as a cue" (Keller, 1993), brand recall is associated with "consumers' ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue" (Keller, 1993). Aaker (1996) presents a new composition of brand awareness. The concept embraces six levels namely: recognition, recall, top of mind, dominance, knowledge, and opinion (Aaker, 1996).

According to Hoeffler & Keller (2002), brand awareness has two dimensions to bear in mind, width, and depth. Width relates to how many times in a buying situation does the brand come to the consumers mind while depth relates to the ease with which consumers recall the brand. When a brand has both depth and width it means that when a necessity appears in the consumer's life, they will immediately think of it as its choice (Hoeffler & Keller, 2002).

In the purchase decision process brand awareness plays a role of great importance. Keller (1993) presents three different reasons for such: the increase in likelihood that the brand will be considered by the customer; the fact that the awareness of the brand by the customer might affect the choice made; and that the influence of brand image on the decision.

When presented with products from different brands in the same product category, subjects showed a high preference for the brands with the highest awareness despite the differences in quality and price. Moreover, their decisions were faster than the ones made by subjects who were not aware of the product's brand (Macdonald & Sharp, 2000).

Research done by Patil (2017) reached the same conclusions. High brand awareness results in an easier decision process since the consumer no longer hesitates when choosing the product in need. Hence, we can acknowledge that brand awareness is critical to develop brand preference among consumers. A higher brand awareness consequentially results in a higher preference and a lower perceived risk (Patil, 2017).

According to the book Principles of Marketing (2018), brand awareness is the term used to describe the familiarity customers have with a certain brand. Every brand's first goal with communication is to be recognized by its defined target audience in a memorable way. If communication fulfils its purpose, consumers will inevitably start to gain trust on the brand and hopefully generate sales in the future (Kotler & Armstrong, 2018).

As mentioned previously, social media activities are currently a factor of major importance on achieving a higher level of brand equity. Analysis show that these activities have the strongest impact on the brand awareness dimension (Bilgin, 2018), contributing to the creation of a positive brand image that facilitates the interaction with current and even potential clients (Seo & Park, 2018).

2.3.   Brand Loyalty

Brand loyalty is considered to be one of the most powerful tools within competitive markets, allowing firms to achieve a long-term stable positioning (Amine, 1998) and develop a sustainable competitive advantage through marketing efforts (Dick & Basu, 1994).

According to Kumar & Advani (2005), the concept of brand loyalty refers to the customer's repeated purchasing behaviour of a certain brand during a certain period of time. Based on past purchase behaviour, a loyal customer is believed to repurchase that

specific brand in the future (Lin et al., 2000).

In fact, Reichheld and Sasser (1990) stated that the costs associated with acquiring new customers are higher than the ones of maintain the existing customer base, hence the importance of the concept. Efforts on customer base retention are facilitated by brand loyalty (Reichheld & Schefter, 2000) reducing marketing costs (Chaudhuri & Holbrook, 2001).

Loyalty towards a specific brand can not only help increasing market share but might also result in a willingness to pay more due to the created perception of high value (Chaudhuri & Holbrook, 2001). Chaudhuri & Holbrook (2001) defend that loyalty is related to price directly following Aaker's belief that price premium is an indicator of the customer's loyalty (Aaker, 1996).

However, loyalty is believed to be a much more complex phenomena than just a repeated purchase pattern by Jacoby (1975). The author defended that the concept cannot be measured with unidimensional measures such as the purchase patterns stated above since they will be unable to capture the underlying factors of brand loyalty. Following the same line of thought, Day (1976) suggested a model that not only integrates customer's purchase behaviours but also consumer's attitudes towards the brand.

The efforts led to several new conceptual models of brand loyalty. Dick and Basu (1994) presented a three-dimensional model including cognitive, affective, and conative antecedents that explain the concept of brand loyalty. Years later, Oliver (1999) suggested an extended version of the model including customers behaviour as an antecedent as presented in Figure 4.
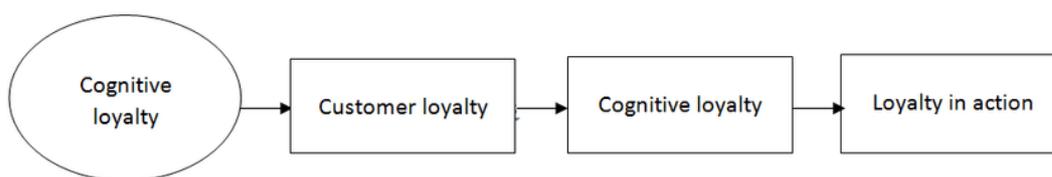
Figure 4- The four-stage Model of Loyalty Oliver (source: Oliver,1999)

Loyalty development begins with the cognitive stage (Oliver, 1999). The perception of quality and superior features of the product result in the brand being the first one to come up to the customer's mind. Therefore, cognitive loyalty is related with the high level of awareness of the brand (Keller, 1998). Then, customers establish an attitude towards the brand and a commitment to repurchase, going through the affective and conative stages of

loyalty. Finally, the fourth and new stage presented by Oliver (1999) is the high willingness to act.

Once more, the impact of social media activities is felt on the present dimension of brand equity. The positive correlation between the awareness and loyalty dimensions shows that an increase in brand awareness can contribute to a higher market share of the brand due to change in purchase behaviours (Bilgin, 2018). Hedonic motives derive from social media interactions which influence and increase the purchase intention of consumers (Dabbous & Barakat, 2020).

2.4. Market Segmentation

Marketing segmentation allows the division of large diverse markets within unique smaller groups of customers that share purchase behavioural habits and needs (Kotler & Armstrong, 2018). Throughout the years, the method has become a central concept in the marketing field (Floh et al., 2014).

Defined as the identification of unique consumer groups with the same characteristics, market segmentation allows companies to use their resources more effectively aiming a greater chance of success (Goyat, 2011). By complementing customer's needs with the right products, the desired satisfaction can be achieved (Martin, 2011).

There are number of ways to segment a market. Consumers can be segmented on geographical, demographical, psychographic and behavioural characteristics (Kotler & Armstrong, 2018). Each company must define which strategy best suits it, often the best choice relies on using a combination of strategies (Martin, 2011).

Best (2004) proposes a needs-based market segmentation strategy framework composed by seven steps as presented below in Table I.

Steps in Segmentation Process	Description
1. Needs-based segmentation	Group customers into segments based on similar needs and benefits sought by customer in solving a particular consumption problem.
2. Segment Identification	For each needs-based segment, determine which demographics, lifestyles, and usage behaviours make the segment distinct and identifiable.
3. Assess Segment Attractiveness	Using predetermined segment attractiveness criteria, determine the overall attractiveness of each segment.
4. Evaluate Segment Profitability	Determine segment profitability (net marketing

	contribution).
5. Segment Positioning	For each segment, create a "value proposition" and product-price positioning strategy based on that segment's unique customer needs and characteristics.
6. Segment "Acid Test"	Test the attractiveness of each segment's positioning strategy.
7. Marketing-Mix Strategy	Expand segment positioning strategy to include all aspects of the marketing mix: product, price, promotion, place, and people.

Table I- Needs-based Market Segmentation (source:Best, 2004)

According to Kotler & Armstrong (2018), in order to be considered successful, market segmentation must produce segments that meet the following five criteria: measurable, accessible, substantial, differentiable and actionable.

The concentration of marketing efforts on homogeneous groups of customers, builds a competitive advantage on the segment. Thus, by successfully segmenting a market, companies can increase their profit margins and reduce competitive pressures since customers are willing to pay a premium when a product specifically meets their needs (Goyat, 2011).

3. METHODOLOGY

The present study will mainly use the descriptive and exploratory methods once it aims to clarify a research problem through the analysis of primary data collected. The mixed method will be the chosen path to approach the collection of data, hence this report will benefit from both quantitative and qualitative data collection. The chosen method provides a more comprehensive spectrum of data in order to understand the defined research questions. Moreover, the combination of both approaches balances out the limitations that each one faces. Since data collection was performed in a specific point in time it is characterized as a cross-sectional study.

The exploratory research will also be complemented with conclusions drawn from reports that the company had available on the Spanish market and the Spanish consumer.

3.1 Qualitative Data

As for qualitative data, two interviews were performed. The first one with Gato Preto's CEO, in order to get the global perspective of the company's current situation in both markets and the second one with the Spanish commercial director of the company. Both interviews followed a semi-structured framework once it grants more flexibility, allowing the interviewer to adapt the course of the conversation taking in consideration the ideas brought up by the interviewee.

The choice of interviews as a method of data collection was based on its advantages in relation to the other possible options. By being face to face with the interviewee there is a possibility to capture both verbal and nonverbal ques and even emotions that might give away important details on the information transmitted. In addition, an in-person interview ensures that the interviewee is in fact focused on the interview, which might not be the case if the interview is for instance online. Finally, as it was referred above, although there is a script, the flexibility allows the interviewer to make unscripted questions that might end up being important.

Despite the possible disadvantages that an online interview might have, as explained, it was not possible to perform both interviews in person. The second interview, with the Spanish commercial director of the company, was performed via Teams contrarily to the interview with the CEO of the company which was held in person. Nevertheless, none of the disadvantages mentioned were felt during the interview conducted online.

3.2   Quantitative Data

While qualitative data collection, explores the perspective of management was already taken in consideration, the quantitative one aims to get the consumers perspective on board. As for quantitative data, an online self-administered survey, built through Google Forms software, was conducted (Fig.1, appendix).

The first set of 15 questions aims to understand the respondent's relation with the brand in all 5 Brand Equity branches. The chosen measure for such objective was an adaptation from a previous study of the brand equity scale developed by Tong & Hawley (2009) (Table II, appendix). The scale provided to respondents was a 5-point Likert scale that ranged from "Disagree" (1) to "Totally Agree" (5). The second set of 4 questions aims to characterize the sample at a demographic level.

The questionnaire was applied to the Spanish customers database of Gato Preto. The population is composed by 20386 Spanish clients that exist in the database. The survey was sent via email and resulted in a sample of 266 clients.

To ensure adaptation to Spanish population, the questionnaire was translated to Spanish taking in consideration the potential meaning losses during the translation process.

Once more, the choice of surveys as method of data collection is based on its advantages in relation to the other possible options. Since the purpose of the present work is to capture Spanish consumers opinion on the brand, a survey, which allows the representation of a large population, is the best choice. Not only does the method tend to be less time-consuming but it also does not require any special location or schedule. As a result, it can be easily distributed being the most convenient method for both the respondents and the inquirer. Furthermore, it provides precise results that can be translated into good statistical data.

In the present study, the quantitative data collection will allow the segmentation of the market through a two-step cluster analysis. The choice of method relied on its efficiency in classifying large sets of data and its ability to use not only continuous but also categorical variables throughout the analysis.

4   ANALYSIS

4.1   Preliminary Analysis

4.1.1 Secondary Data Collection

As it was previously mentioned, the company was in possession of reports that could be useful for the present analysis. Both the communication plan of the Spanish agency that works with Gato Preto and an internship report were gathered in order to understand the relevance of the information in relation to the present study.

The Spanish communication agency defines Gato Preto's client profile as a female buyer that ranges within 35 and 54 years old and lives in the main cities of the country. Additionally, it states that the buyer persona of furniture and decoration items is getting more demanding and impatient, attentive to sustainability issues, and becoming a fan of the Research Online, Purchase Offline method.

Competition in the Spanish market is strong. Besides having a unique positioning proposition in the market, competitors are recognized worldwide and loved by their customers.

Since the rebranding has not yet reached all physical sales point of the brand, there is a need to make an extra effort in communication so as to raise awareness of the Spanish public. Spanish clients still perceive the company as a decoration store only and not a furniture store.

A previous market research study focused on the analysis of Gato Preto's client profiles in Portugal, Spain and France states that the Spanish client shows preference for the experience of buying in store rather than online. Clients claim that product characteristics are not clear on the website, and they would rather have their product available immediately after the purchase. Client's online perceived risks are mostly based on performance and time spent.

Decoration, tableware, and textiles are the most important product categories on the market. As for buying criteria, Gato Preto's client states that quality, the love for the brand, design and price-quality ratio are the most important aspects.

4.1.2 Sample Characterization

The present study uses both qualitative and quantitative primary data. Consequently, there will be two different sample characterizations for each of the data

collections executed.

Primary qualitative data was collected through two interviews. The first one with the brand's CEO and the second one with the Spanish commercial director of the company, the interviews lasted 1 hour and 30 min respectively.

Primary quantitative data was collected through a survey sent via email that was online for 5 days. The sample consisted of a total of 266 participants aged from 23 through 66+ years, all of whom were Spanish clients of the brand. Almost 91% of inquiries were female, while 2% chose not to reveal its gender (Figure 4). As for their age, the highest percentage of participants, 44%, ranged from 46 to 57 years old (Figure 5). Finally, in terms of employment, around 67% of inquiries are employed (Figure 6), however almost 40% preferred not to reveal their annual income level (Figure 7).
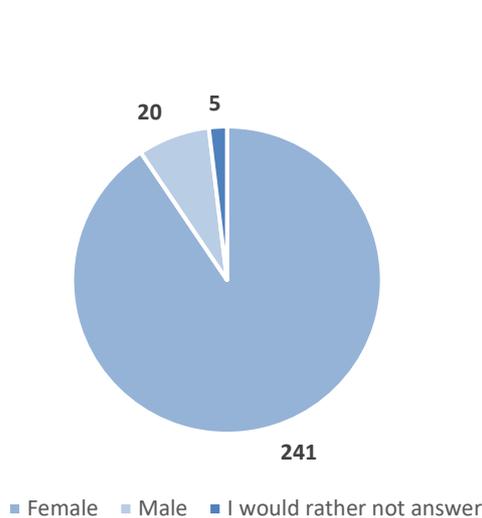

*Figure 5- Survey: Gender distribution*
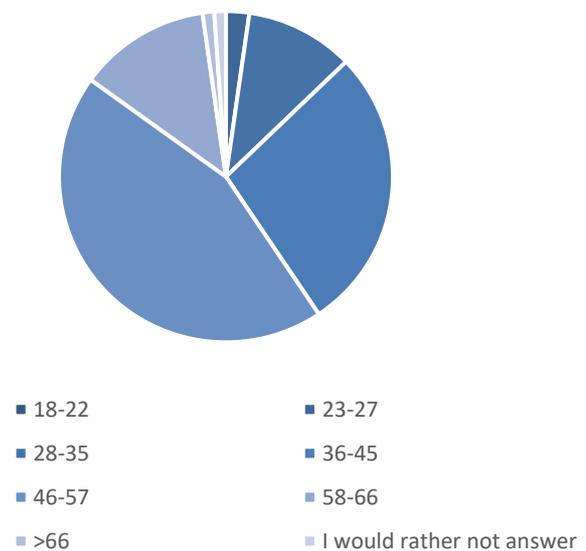
Figure 6- Survey: Age distribution
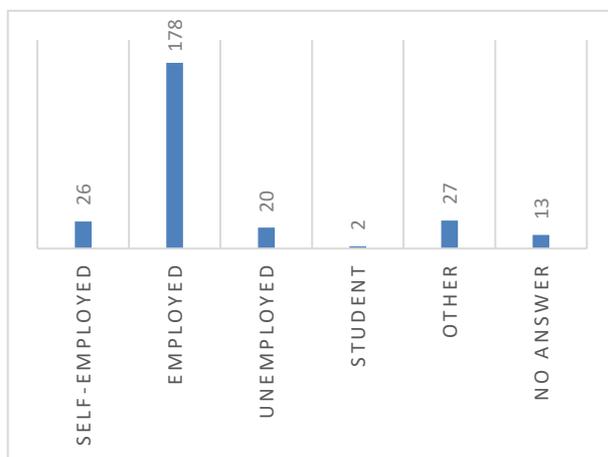

Figure 7- Survey: Employment distribution
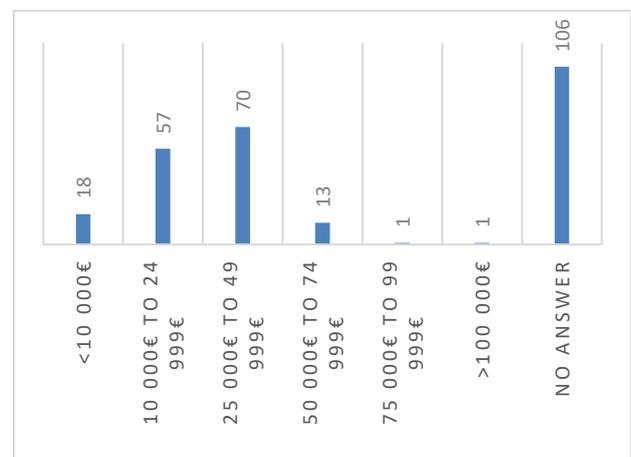
Figure 8- Survey: Annual Income distribution

4.2   In-depth Analysis

The in-depth analysis section provides the analysis of the main results obtained and aims to provide answers to the research questions at the core of this internship report.

4.2.1 Brand Awareness on the Spanish Market

This section of the internship report aims to answer to the first research question related to the level of brand awareness of the brand in the Spanish market, based on the insights gathered on both qualitative and quantitative data.

Starting by the insights on qualitative data, the first questions of the interviews conducted aimed to understand the perception of corporate on both brand awareness and brand association. Both interviewees agreed on the fact that, although currently the brand awareness level in Spain is good, it has great potential to improve in the future. In a roughly 4 times bigger market than Portugal, there is an undeniable opportunity to grow.

"In Portugal we have a very high level of maturity (...) it is rare that the brand is not on the top of mind (...) In Spain this relationship of top of mind is not so direct and therefore we have to work on it. The potential is greater for us to become that top of mind and to be able to gain more market share." – Verbatim Gato Preto's CEO

"We are only present in part of the Spanish territory (...) and each of the autonomous communities has its uniqueness. The fact that we do not operate in the north of Spain means that we are not known there. Until today, brand awareness is done through physical presence, where there are stores the brand awareness is very high." – Verbatim Gato Preto's Spanish Commercial Director

Colour was the first characteristic that came up to the Spanish Commercial Director, when asked about what the Spanish clients associate with the brand.

"Firstly, they think about colour, we have always been a brand with a very strong colour proposal. Secondly, they think about kitchen products since there was not such a differentiating proposal as the one Gato Preto introduced to the market, the design of our products is unique with in-house design." – Verbatim Gato Preto's Spanish Commercial Director

The possibility of becoming a love brand in the Spanish market as the brand already is in Portugal, had a positive response from both interviewees although neither one hid the

fact that there is still a long path to go through.

> *"We still have a way to go, I think we are not a love brand in Spain, but we are an in-love brand. There are many people who are passionate about the brand, who recognize a different status from other brands, recognize a strong brand awareness, but still don't recognize a love brand for one reason: the Spanish market has more players, the competition is bigger, and we proportionally don't have a capillarity as big as in Portugal."*
> *– Verbatim Gato Preto's CEO*

> *"No doubt that Gato Preto can become a love brand. The competition in Spain is bigger, for example Zara Home has a much bigger presence but the product proposal is very different from ours. "– Verbatim Gato Preto's Spanish Commercial Director*

Following the future possibilities of the brand, the topic of the main challenges in the market was approached, in which several topics were brought up, namely marketing, physical presence, and the integration of online and offline experience. Gato Preto's Spanish commercial director had already focused on the physical presence problem when approaching the brand awareness topic and the brand's CEO confirmed that it is one of the challenges of the company.

> *"The question of market penetration, we have 26 stores in Spain ... we have a country 4x the size of Portugal and half the stores. The brand must penetrate better in key cities and boost a flagship (...) The integration and interpenetration between the physical and the online ... to achieve that the experience is homogeneous between buying online and offline. (...) There must be an investment in marketing that is also strong compared to Portugal because somehow this investment is what will put us in the spotlight of the Spanish market."*
> *– Verbatim Gato Preto's CEO*

Communication was one of the most approached topics of the interview being one of the most impactful efforts in raising brand awareness. Being a Portuguese company, Gato Preto tends to have Portuguese centric content that is then disseminated into Spain. One of the main challenges of the company in the future is to try to create a more targeted communication to the Spanish public in order to leverage the market.

> *"The Spanish are different from us (...) we have to have a different approach of one size fits all because in this situation it doesn't work, the Iberian market is very similar but has differences." – Verbatim Gato Preto's CEO*

"About 5 years ago there were no marketing efforts, so we "competed" in the same circumstances (...) Today it is a matter of dedicating capex to conquer the Spanish customer as well (...) the web page reaches everywhere, if we create events for awareness with influencers, press activity... We have already started to do such, but only when we make the same effort as the one done in Portugal can we conquer the Spanish hearts" – Verbatim Gato Preto's Spanish Commercial Director

As mentioned previously, along with the qualitative insights, the answer to the first research question will also be enriched by quantitative data insights. Figure 9 presents a graphic developed according to the answers given on the three survey questions on the brand awareness topic.
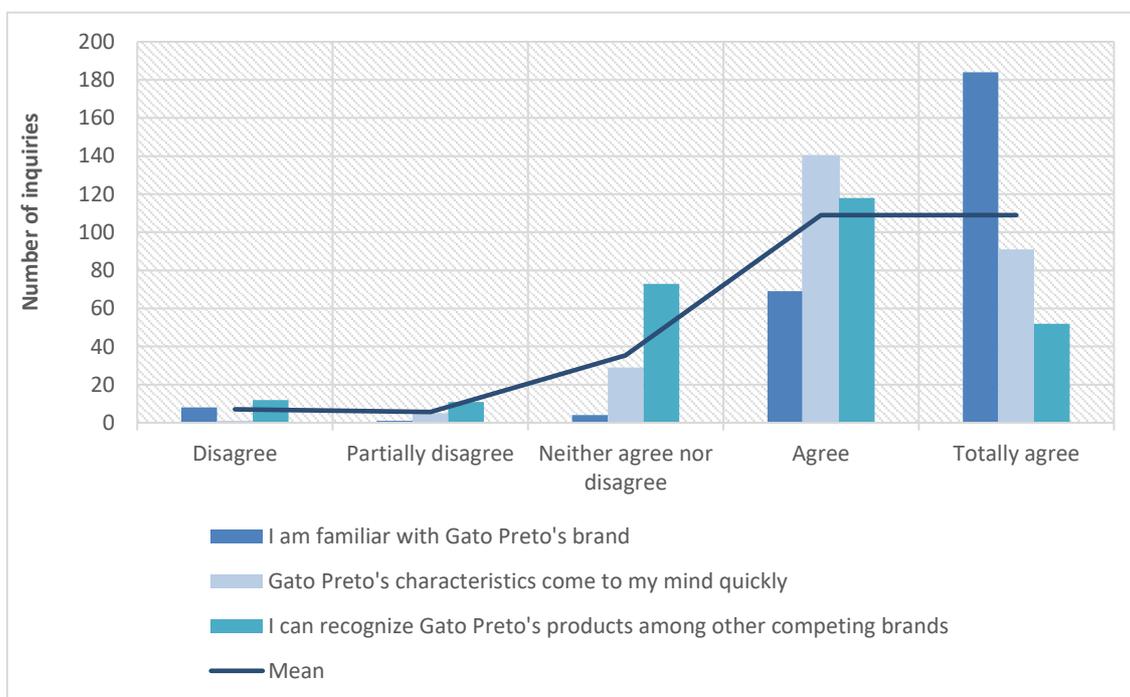
Figure 9 - Graphic on Brand Awareness Survey Results

	Disagree	Partially disagree	Neither agree nor disagree	Agree	Totally agree
I am familiar with Gato Preto's brand	8	1	4	69	184
Gato Preto's characteristics come to my mind quickly	1	5	29	140	91
I can recognize Gato Preto's products among other competing brands	12	11	73	118	52
Brand awareness total responses	21	17	106	327	327

Table II - Survey Results on Brand Awareness

By analysing the results of the questions made on the brand awareness topic (Figure 9; Table II), we can depict important information. The familiarity with the brand is undeniable with 184 respondents answering with the maximum level of the scale provided, "Totally Agree", representing 69% of the answers given on the related question. The less confident responses from the consumers were respective to the ability to recognize the brand's products within competition. Nevertheless, the results remain positive, with 170 inquiries, around 64% of the answers given, answering with level 4 "Agree" or level 5 "Totally Agree" of the scale provided.

	Disagree	Partially disagree	Neither agree nor disagree	Agree	Totally agree	TOTAL
Brand awareness total responses	21	17	106	327	327	**798**
Percentage	3%	2%	13%	41%	41%	**100%**
Mean	0,026	0,043	0,398	1,639	2,049	**4,155**
Standard Deviation						**0,948**

Table III- Overall Brand Awareness Analysis

Table III shows that 82% of the inquiries had a positive response to the three questions that approach brand awareness. On a 5-point Likert scale, the mean presents the highest value found on the analysis of the questionnaire results of 4,155 with a standard deviation below 1.

4.2.2 Spanish Customer Base Loyalty

This section of the internship report aims to answer to the second research question related to the level of brand loyalty of Gato Preto's customer base in the Spanish market based on the insights gathered on the analysis quantitative data. Two different analyses will be made in relation to brand loyalty, namely a descriptive and a Two-step cluster analysis on the survey data.

Staring with the descriptive analysis, Figure 10, presented below shows the responses of the sample to the three survey questions related to brand loyalty.
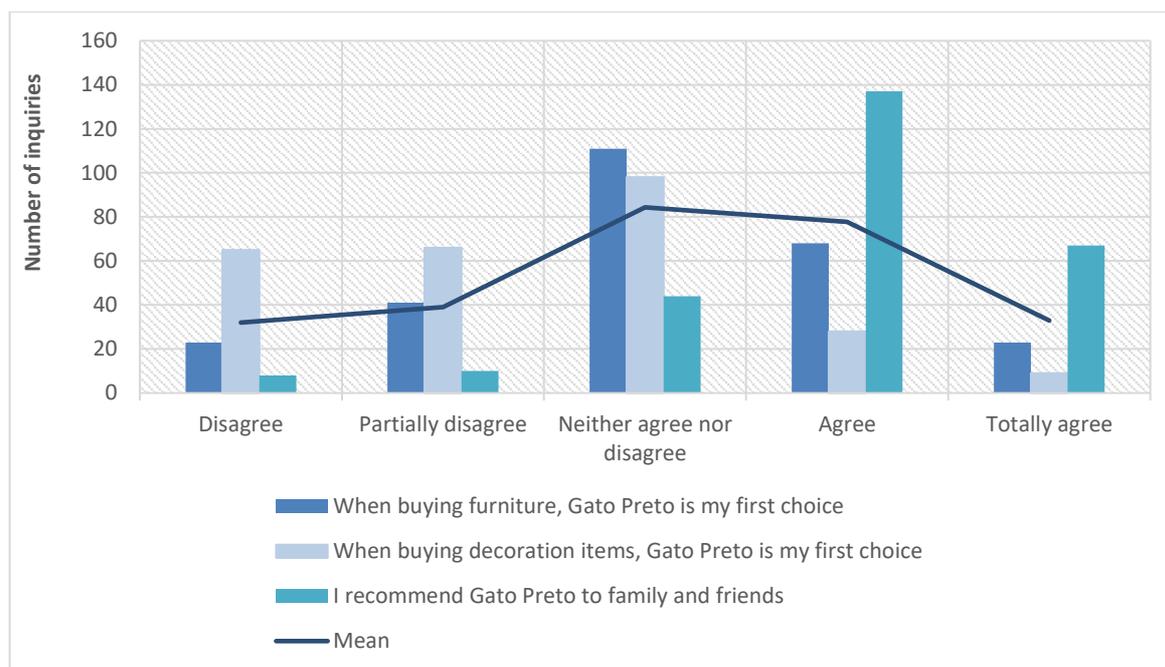
Figure 10 - Graphic on Brand Loyalty Survey Results

	Disagree	Partially disagree	Neither agree nor disagree	Agree	Totally agree
When buying decoration items, Gato Preto is my first choice	23	41	111	68	23
When buying furniture, Gato Preto is my first choice	65	66	98	28	9
I recommend Gato Preto to family and friends	8	10	44	137	67
Brand Loyalty total responses	96	117	253	233	99

Table IV- Survey Results on Brand Loyalty

The questionnaire aimed to understand if customers are loyal to the brand only on the decoration or also on the furniture section, purposely differentiating the two. On the one hand, when inquired about preferences in buying furniture, 86% of inquiries answered with the three lower levels of the scale. Which means only 14% of the sample admits that Gato Preto is their first choice when buying furniture items. On the other hand, when decoration is addressed, 34% of respondents show a positive result, Gato Preto being their first choice (Table IV).

	Disagree	Partially disagree	Neither agree nor disagree	Agree	Totally agree	TOTAL
Brand Loyalty total responses	96	117	253	233	99	**798**
Percentage	12%	15%	32%	29%	12%	**100%**
Mean	0,120	0,293	0,951	1,168	0,620	**3,153**
Standard Deviation						**0,438**

Table V- Overall Analysis on Brand Loyalty

As we can depict from Table V above, brand loyalty presents the least positive results of the questionnaire. Most respondents show indifference when it comes to preference for Gato Preto's brand. While 32% of inquiries answer as "Neither agree nor disagree", only 41% show a positive attitude towards preference. Moreover, the highest value of a negative result is presented in the field, 27% of respondents assume that they do not prefer the brand in relation to competition answering with level 1 "Disagree" or level 2 "Partially disagree" of the scale provided.

Once more proving the statement above, is the value of the mean 3,153, the lowest obtained on this analysis. The standard deviation presents a value of 0,438 which indicates the highest data concentration so far.

4.2.3 Market segmentation based on Loyalty

In order to study the existence of different market segments based on loyalty among the brand's Spanish customer base, a Two-step Cluster analysis was assessed. Cluster analysis aims to find homogeneous groups within a data set (Blashfield & Aldenderfer, 1978). Performed through the Two-Step method, the Cluster Analysis used the brand equity scale items of the survey as inputs (Table III, appendix). As we can depict from Table IV in the appendix, the items were aggregated in indexes according to their main topic referral and the reliability of the scales was measured. Results show that the scale presents from acceptable to very good in terms of the internal validity and consistency (Table IV, appendix). The brand awareness index remained as an evaluation variable instead of an input variable given the fact that there were no significant differences in the answers given by survey respondents.

Based on the Schwartz criterion, the optimal solution presented by SPSS resulted in the identification of two clusters. The silhouette measure of cohesion and separation shows a fair quality with a value of 0,5 (Fig.5, appendix). The first cluster aggregates 51,5% of the sample while the second one aggregates 48,5% (Fig.6, appendix). The most important predictor for the analysis was Brand Loyalty Index (Fig.7, appendix) that aggregates three questions, "When buying furniture, Gato Preto is my first choice", "When buying decoration items, Gato Preto is my first choice" and "I recommend Gato Preto to my family and friends".

In order to better identify the two defined clusters, a label was attributed to each one. Therefore, cluster one is named "Gato Preto Passive Loyal" and cluster two is named

"Gato Preto Moderate Loyal". Table III, presented below, summarizes the characterization of the different segments of Gato Preto's Spanish consumers.

Gato Preto Passive Loyal	Gato Preto Moderate Loyal
Cluster 1, n=137	*Cluster 2, n=129*
Demographics	**Demographics**
124 Female, 10 Male	117 Female, 10 Male
Mostly 46-57 years old	Mostly 46-57 years old
Mostly 25 000€ to 49 999€	Mostly 25 000€ to 49 999€
Mostly employed	Mostly employed
Brand Loyalty	**Brand Loyalty**
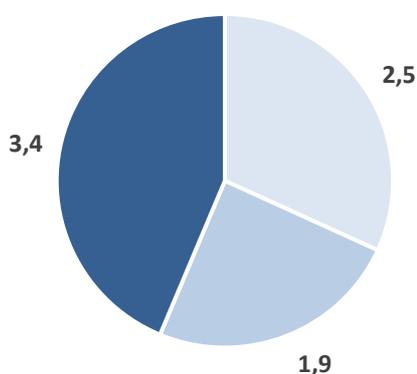
2,5   3,4   1,9

4,4   3,8   3,1

- BL1: When buying decoration, Gato Preto is my first choice
- BL2: When buying furniture items, Gato Preto is my first choice
- BL3: I recommend Gato Preto to family and friends
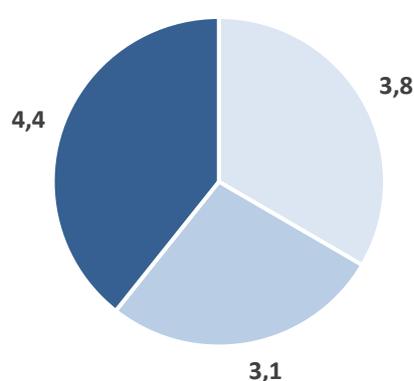
- BL1: When buying decoration, Gato Preto is my first choice
- BL2: When buying furniture items, Gato Preto is my first choice
- BL3: I recommend Gato Preto to family and friends

Table VI- Cluster Characterization

Table VII, presented below, summarizes the scores of all input and evaluation items, corresponding to the indexes studied in the survey, in both clusters.

	Clusters	
	Gato Preto Passive Loyal	Gato Preto Moderate Loyal
Input items		
Brand Loyalty Index	2,61	3,73
Overall Brand Equity Index	2,91	4,12
Perceived Quality Index	3,67	4,48
Brand Association Index	3,43	4,36
Evaluation items		
Brand Awareness Index	4,06	4,59

Table VII – Two Step Cluster Index Means

4.2.3.1   Gato Preto Passive Loyal

The first cluster identified shows a low value in regard to brand loyalty, the mean of all three answers on the topic only scored a 2,61 (Table V, appendix) in a 5-point Likert scale. In order to be able to evaluate the three questions related to brand loyalty separately the circular graphic presented in Table V was constructed.

As we can depict from the graphic, the first cluster presents lower values than the second cluster identified representing the least loyal customers of the brand. While when asked about whether Gato Preto was their decoration store of choice, the mean of Passive Loyal customers was 2,5, when asked the same question about furniture, the cluster presented a mean of only 1,9. The hypothesis of recommending Gato Preto to family and friends achieved the highest value presenting a mean of 3,4.

"Gato Preto Passive Loyal" cluster is the biggest of the two clusters, aggregating 137 of the 266 participants and representing 51,5% of the sample (Figure 6, appendix). This customer segment is composed by 124 women and 10 men (Table VI, appendix). In regard to the age of the customers composing the first cluster, around 70% of individuals range between 36 and 57 years old (Table VII, appendix) while only 13% of individuals range between 23 and 35 years old (Table VII, appendix).

Around 79% of individuals of "Gato Preto Passive Loyal" cluster are employed or self-employed (Table VIII, appendix). Although, as it was already mentioned, there was a significant number of respondents that chose not to disclose their annual income level, most customers of the first cluster range between 10 000€ and 49 999€/year (Table IX, appendix).

4.2.3.2   Gato Preto Moderate Loyal

The second cluster identified, labelled as "Gato Preto Moderate Loyal", presents a higher value in regard to brand loyalty than the first cluster. While "Gato Preto Passive Loyal" presented a mean of 2,61, this cluster shows a mean of 3,73 (Table V, appendix) in a 5-point Likert scale.

Both questions regarding the preference of Gato Preto when buying decoration and furniture retrieved a mean higher than 3, with decoration being, without a doubt, the first category in which costumers associate to the brand presenting a mean of 3,8. With a mean of 4,4, the loyalty of "Gato Preto Moderate Loyal" is undeniable when it comes to recommending the brand to family and friends.

Although being smaller than the first cluster presented, "Gato Preto Moderate Loyal" represents 48,5% of the sample, aggregating 129 customers (Figure 6, appendix). Once more, the female gender predominates the cluster with 117 individuals while the male gender is represented by only 10 individuals (Table VI, appendix). Regarding the age range of customers in this specific cluster, there is a higher concentration of individuals in the 46 to 57 range (Table VII, appendix). Around 74% of customers range between 36 to 57 years old (Table VII, appendix).

Concerning the employment situation, 85 of the 129 individuals are employed and 11 are self-employed while 17 chose the option "other" as to describe their situation (Table VIII, appendix). As to the annual income, once more most customers range between 10 000€ to 49 999€/year (Table IX, appendix).

4.2.3.3   Differences between Segments
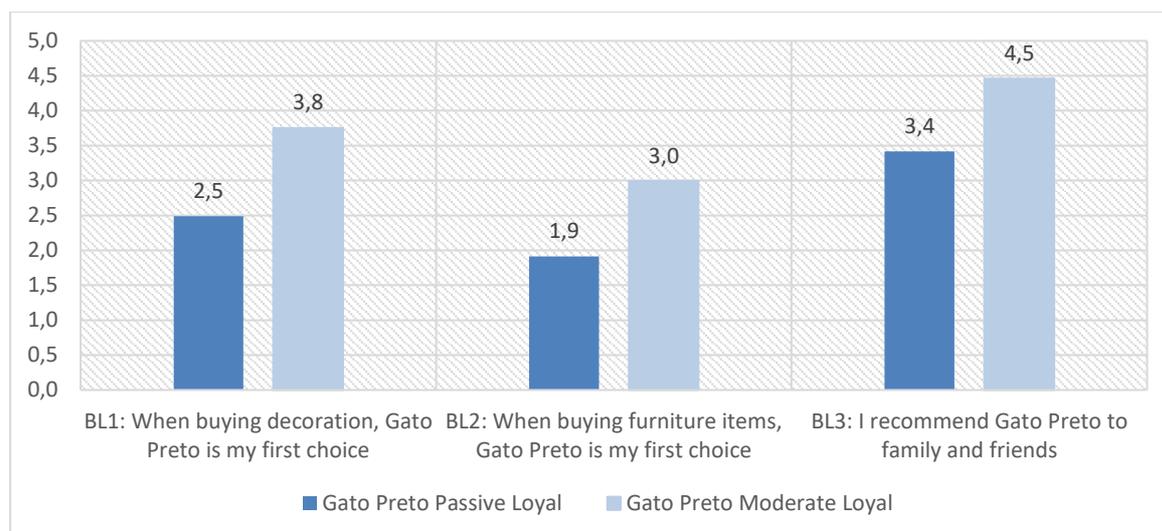
Figure 11- Clusters: Brand Loyalty Differences

As it could already been understood from the analysis of the two identified clusters, there are no relevant differences in regard to the demographic characteristics of its aggregates. Both clusters are mainly composed by employed female clients within the range of 46 to 57 years old with an annual income between 25 000€ and 49 000€.

The means obtained in brand loyalty questions show the heterogeneity between clusters and the reason why it was the most important predictor when defining them (Figure 11). While Moderate Loyal customers have a mean of 3,8 in a 5-point Likert scale on their brand preference, when it comes to buying decoration products, Passive Loyal customers only have a mean of 2,5. Regarding furniture, once more there is a significant difference

between clusters with "Gato Preto Moderate Loyal" obtaining a mean of 3 and "Gato Preto Passive Loyal" obtaining a mean of 1,9.

The recommendation topic was the one that obtained a higher value from the Passive Loyal customers, however, it remained far from the 4,5-mean obtained by the Moderate Loyal cluster.

5. CONCLUSION

Deriving from an internship in the PR, Communication and Events team this research had the objective of providing key insights on the Spanish market that will be helpful in developing new strategies, in a communication perspective, in order to increase the brand equity value as well as contributing to the alignment of the future loyalty program of the company by answering three research questions. Hence, the present chapter aims to present the main findings and its potential implications both in managerial and academic terms. Moreover, the study's limitations and suggestions for future research will be discussed.

5.1 Discussion

Through the analysis of the data collected, it is concluded that the level of brand awareness in the Spanish market is high. Although the brand has recently gone through a rebranding process, Gato Preto already has a presence in the market that is not left unseen by the Spanish consumers. The familiarity with the brand was one of the strongest insights gathered by the survey.

The corporate opinion on the current situation of the brand in the market infatuated the importance of the Spanish-centric communication. Until date the communication that reaches the Spanish markets is mostly a dissemination of the Portuguese-centric communication and therefore does not have the same impact on the Spanish public as it does on the Portuguese one.

Cluster analysis only made it clearer that the brand awareness is good overall whether customers are loyal or not. The results were so homogeneous that the index on the brand awareness topic had to be considered as an evaluation variable instead of an input one. As Table V on the appendix shows, both clusters present a mean higher than 4 on brand awareness in a 5-point Likert scale.

Brand loyalty analysis led to the conclusion that there are two distinct customer segments on the Spanish market. Whereas one of the segments is committed to the brand, showing high results on the scale provided, the other segment shows a more passive attitude presenting lower mean values. Although it is positive to understand that there is a customer segment that is moderately loyal to Gato Preto's brand, when looking at the survey results on a general perspective, the questions on the loyalty component presented the lowest obtained mean overall.

Results on both brand awareness and brand loyalty show that Gato Preto does have a chance to become a love brand in Spain if it can fulfil the needs of the market. The company must focus on communicating towards the Spanish customer and not only disseminating the Portuguese content created in order to create a stronger relation to its customer base.

5.2   Methodology

Looking back on the methodology chosen for the research provided, the mixed method would still be the method of choice. Although the study did not take much advantage of the secondary data available, it allowed the understanding of the current situation of the company in the Spanish market. Additionally, the collection of primary data granted an analysis of a new dataset that allowed both the corporate and the consumer perception to be involved throughout the research.

As mentioned above, the present study provides insights based on primary and secondary data. The abundance of new data retrieved both from the survey and the two interviews conducted is one of the strongest features of the research given that it offers a full-length view on the company's position on the market. In addition, the primary data retrieved allows the company to have new information on its market positioning in Spain and the perception of its Spanish clients on Gato Preto's brand.

On another perspective, there was short amount of time available to dedicate to the present study. Being conducted while working at the company as a full-time intern, the work developed was done in only 3 months. If the time length for such project had not been as short the study could have benefited from it. However, conciliating both responsibilities was a challenge that left a rewarding feeling.

5.3   Academic and Managerial Contributions

One of the most interesting findings of the study was the homogeneous demographic characteristics of the clusters. When segmenting the costumers on brand loyalty, the preconceived idea was that the cluster with the most loyal customers would be composed by older individuals, leaving the younger ones as the least loyal. However, as we can depict from the analysis done, there were no significant differences in the ages of costumers of both clusters.

Given that the brand under analysis has a higher price range than other competitors in the decoration and furniture retail area, the same preconceived idea was directed to the

annual income of customers. It was expected that the cluster representing the least loyal customers showed a higher number of individuals with a lower annual income level, being that one of the reasons for belonging to such cluster. Yet, once more, the difference in the levels of annual income of clusters are small scaled.

After the rebranding, Gato Preto decided to increase its furniture product selection. Being a relatively recent change in the company, it was thought that the values on loyalty in this specific case would be lower than the values obtained. Nonetheless, although the mean of the "Gato Preto Moderate Loyal" in relation to furniture was the one with the lower value within the cluster, the value obtained on loyalty in relation to furniture products shows that loyal customers are in fact following the brand's actions and acknowledging the new efforts being made.

Throughout the development of the present work the objective was always not only to get insights on the Spanish market but also that those insights would prove themselves valuable to future decisions that the brand will face on the matter. As the internship experience made clear, knowledge regarding the different segments of customers, present in the work developed, is critical to develop better targeted communication and marketing strategies towards each segment in a more efficient way leading to a higher brand awareness and loyalty in the country.

Taking in consideration the conclusions presented above, the company must focus on developing appropriate content that will engage with the Spanish audience increasing the awareness of the brand and strengthening its presence in the market. Throughout the internship it was perceivable that the communication efforts were not tailored to each market needs. As the testimony of corporate revealed there was a dissemination of Portuguese content towards the Spanish market. Having a Spanish ambassador could be one possibility to improve the levels of engagement of Spanish clients given that the current Portuguese brand ambassador has little to no influence in the Spanish market.

The same principle applies to the process of seedings. While working as an intern the effort being made by the PR, Communication and Events team towards the subject alongside with the agencies was noticeable. Notwithstanding, Gato Preto should pursue stronger relationships with Spanish influencers rather than working with multiple influencers at once. Followers are increasingly more attentive to influencer's paid work on social media and therefore more sceptical of the truthfulness of the promotions being made. Having strong relationships with Spanish influencers, would not only increase the

awareness of the brand in the market but also increase the possibility of having more loyal customers on board since followers will understand that the influencer is in fact also engaged with the brand and not only making sporicidal publicity.

The experience of working at Gato Preto allowed me not only to understand how the marketing department of the company works but also how the remaining departments are involved in the everyday marketing activities. The synergy created within departments grants a continuous and rhythmic workflow required for the desired success of every company.

Marketing is a field in which no day is equal and therefore one must be ready to undertake new tasks at any time and perform them within defined time limits which allowed multitasking and time management skills to suffer a visible improvement throughout the internship. Communication was another key component that was present in each day of the professional experience. Whether via email or telephone, with the agencies that work along with the company or with suppliers, communication was of extreme importance and was a skill that showed improvement during the internship.

The contributions that the present study delivers are only relevant on a short-term period due to the fast-changing consumer needs. The suggestions presented above focus themselves on communication, the main source of brand awareness in the current days. Technological evolution brought the market to the present situation in which social media are one of the strongest channels in which brands communicate. However, although the statement is truthful for now, it might not apply on the future. Changes in the market will uprise new customer needs undoubtedly, meaning that for instance having influencers as brand ambassadors might not be the right way to achieve neither customer's awareness nor loyalty.

5.4   Limitations

As a whole, the present study faces limitations. The objective was to get as many Spanish clients as possible to answer the questionnaire developed. However, given the fact that the survey was distributed online via email, only customers that were present on the company's database were included as receivers. Bearing that situation in mind, it is possible that a relevant number of customers were left out of the sample due to not being present on the company's database.

If the questionnaire were to be done both online and in store a more diverse and representative sample would have been achieved being the number of respondents probably

higher. Yet, it would also lead to difficulties such as the possibility of data duplication, meaning understanding if one customer had responded both online and in store.

Moreover, the online distribution imposes biased results, since in order to be present in such database clients have already made a purchase online or created an account on Gato Preto's website.

This study has enriched my internship and gave me the opportunity to develop new skills namely performing analysis on the Statistical Package for the Social Sciences program. Never having used the program before, the idea of segmenting the market through cluster analysis generated the need of learning a new set of skills. Several searches were conducted in order to be able to perform the best analysis possible with the data obtained. Moreover, the process of literature review was enlightening on the subjects that would be explored throughout the report. Better understanding the evolution of the concepts allowed a better analysis of the data retrieved.

The study evolved from the idea that was initially thought of during the three months of work. Consequently, while completing this report it was possible to understand that there might have been more relevant questions to the final topic that could have been made to corporate on the interviews conducted. Yet the questions made granted important information on the analysis developed.

Given that a market segmentation through a Two-step Cluster analysis was performed, the utilization of Google forms software was not the most appropriate. Whereas if Qualtrics software would have been used data could have been directly downloaded into SPSS, using Google forms imposed some data processing on Excel in order to perform the cluster analysis. Nevertheless, the data processing was a good reminder of Excel skills, and no difficulties were found while developing that work.

When constructing the questionnaire draft, there was a concern with its length since a high number of questions would most likely cause costumers to give up on answering the survey due to lack of availability. Nevertheless, when conducting the cluster analysis, having more questions and therefore more data, would have contributed to a better analysis and possibly to a higher Cronbach's alpha of the brand equity component indexes. Despite not being longer, as we can depict from Table IV of the appendix, the Cronbach's alphas obtained are all above 0,6 which indicates an acceptable level of reliability.

5.5 Future Research

Although the present study only focuses on the components of brand awareness and

brand loyalty, brand equity is composed by other components that can also bring new insights on the company's position on the market. Perceived quality and brand association on Gato Preto's products might explain the reason why some clients are not loyal to the brand. Future studies could focus on understanding the exact reasons behind the low loyalty level on the "Gato Preto Passive Loyal" cluster since the company will only be able to take effective measures to fight such problem after understanding the reasons behind it. It would be interesting to collect testimonies on the field with the least loyal customers present on the company's database or conducting focus groups.

Another relevant topic to explore on the positioning of the company on the Spanish market would be to analyse Gato Preto's competition on the market. By understanding their position on the market and exploring their strengths, weaknesses, opportunities and threats the company can better understand what future decisions will have a greater advantage to the brand.

The insights retrieved from the data analysis disclose that corporate was in fact right, the possibility of Gato Preto becoming a love brand in Spain as it already is in the Portuguese market is a reality that can be achieved. Whether loyal or not, customers are aware that the brand is in the market, therefore Gato Preto must work on getting higher loyalty levels by closely monitoring their customers' needs and fulfilling them through marketing efforts.

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APPENDIX

Table I. Interview Script

Interview Script
What do you think consumers associate to the brand?
Which are the main competitors of the company in Spain?
What advantages do those competitors have in relation to Gato Preto?
In your perspective what are the main problems of the brand in Spain currently?
How can those problems be solved?
What are the main challenges for the brand in the future?

Figure 1. Online questionnaire

Conozco la marca de Gato Preto
266 respostas
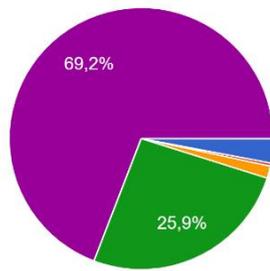
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Las características de la marca Gato Preto me vienen rápidamente a la mente
266 respostas
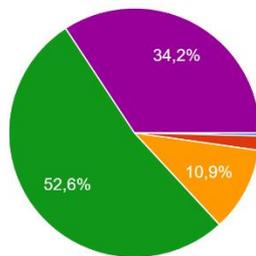
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Puedo reconocer los productos de Gato Preto entre la competencia
266 respostas
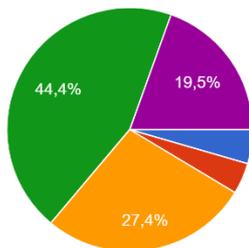
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Tengo en la memoria el logotipo de Gato Preto
266 respostas
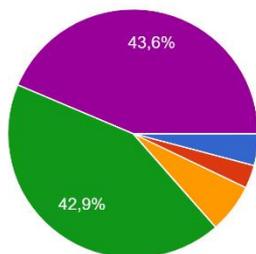
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Gato Preto tiene una imagen de marca única
266 respostas
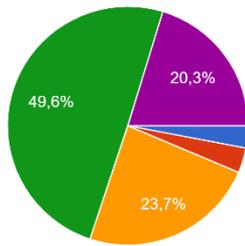
49,6%
20,3%
23,7%

- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Me gusta la imagen de marca de Gato Preto
266 respostas
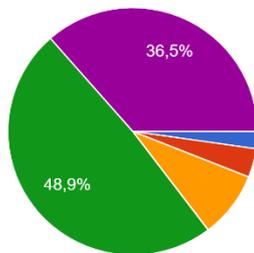
36,5%
48,9%

- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Dentro del mercado de la decoración, creo que comprar en Gato Preto es una buena compra
266 respostas
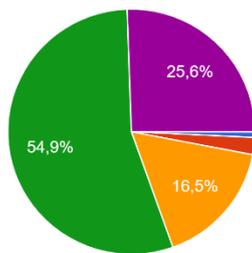
25,6%
54,9%
16,5%

- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Los productos de Gato Preto tienen buenas características
266 respostas

28,2%
57,9%
10,9%

- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Asocio Gato Preto con características de calidad
266 respostas
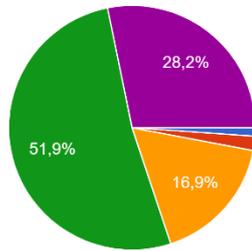
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

28,2%
51,9%
16,9%

Confío en la calidad de los productos de Gato Preto
266 respostas

- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

27,8%
55,6%
14,3%

Gato Preto es mi primera opción cuando necesito comprar artículos de decoración
266 respostas

- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

25,6%
8,6%
8,6%
15,4%
41,7%

Gato Preto es mi primera opción cuando necesito comprar artículos de mobiliario
266 respostas
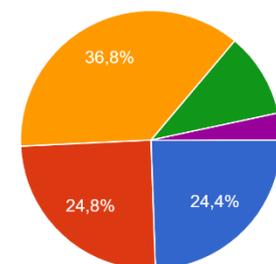
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

36,8%
24,8%
24,4%

Recomiendo Gato Preto a amigos y familiares

266 respostas
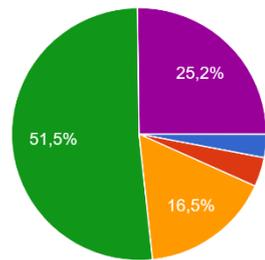
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Si otra marca no se diferencia de Gato Preto en nada, prefiero comprar en Gato Preto

266 respostas
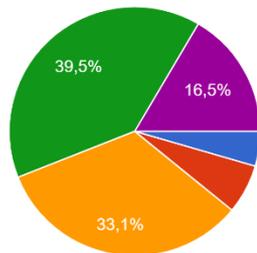
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Prefiero comprar en la tienda de Gato Preto aunque otras marcas tengan las mismas características del producto

266 respostas
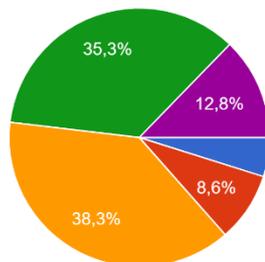
- 1- Estoy en desacuerdo
- 2- Estoy parcialmente en desacuerdo
- 3- No estoy ni de acuerdo ni en desacuerdo
- 4- Estoy de acuerdo
- 5- Estoy totalmente de acuerdo

Género

266 respostas
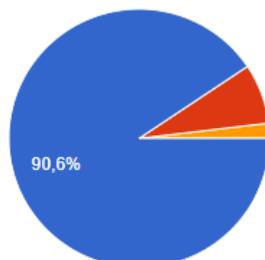
- Femenino
- Masculino
- Prefiero no contestar

Edad

266 respostas

- 18 - 22
- 23 - 27
- 28 - 35
- 36 - 45
- 46 - 57
- 57 - 66
- +66
- Prefiero no contestar

Ocupación

266 respostas

- Autónomos
- Empleado
- Desempleado
- Estudiante
- Otros
- Prefiero no contestar
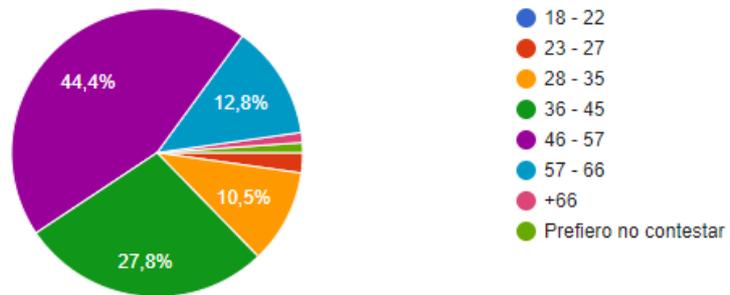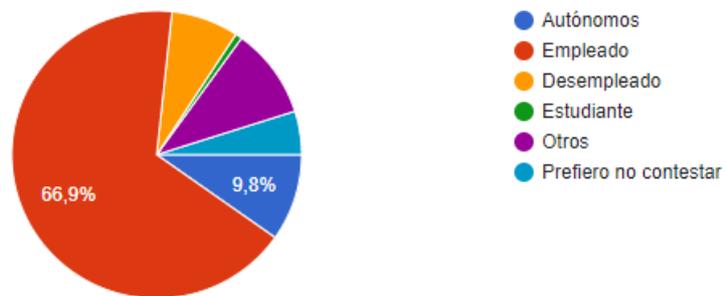
Ingresos anuales

266 respostas

- <10 000€
- 10 000€ to 24 999€
- 25 000€ to 49 999€
- 50 000€ to 74 999€
- 75 000€ to 99 999€
- >99 000€
- Prefiero no contestar
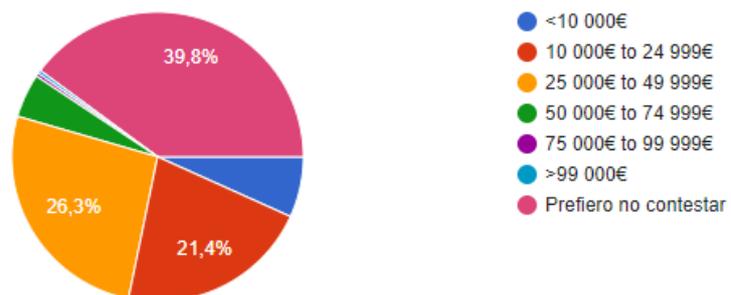
Table II. Translation and adaptation of "Measuring customer-based brand equity" (Tong & Hawley, 2009)

	"Measuring customer-based brand equity: empirical evidence from the sportswear market in China." (Tong & Hawley, 2009)	
Variable	**Original**	**Adaptation**
Brand Awareness	Gato Preto's characteristics come to my mind quickly	Las características de la marca Gato Preto me vienen rápidamente a la mente
	I can recognize Gato Preto's products among other competing brands	Puedo reconocer los productos de Gato Preto entre la competencia
	I am familiar with Gato Preto's brand	Conozco la marca de Gato Preto
Brand Association	Gato Preto has a very unique brand image	Gato Preto tiene una imagen de marca única
	I like the brand image of Gato Preto	Me gusta la imagen de marca de Gato Preto
Perceived Quality	Products from Gato Preto offer excelent features	Los productos de Gato Preto tienen buenas características
	Products from Gato Preto would be of very good quality	Asocio Gato Preto con características de calidad
	I trust the quality of products from Gato Preto	Confío en la calidad de los productos de Gato Preto
Brand Loyalty	When buying furniture, Gato Preto is my first choice	Gato Preto es mi primera opción cuando necesito comprar artículos de mobiliario
	When buying decoration items, Gato Preto is my first choice	Gato Preto es mi primera opción cuando necesito comprar artículos de decoración
	I recommend Gato Preto to family and friends	Recomiendo Gato Preto a amigos y familiares
Overall Equity	Even if another brand has the same features as Gato Preto, I would prefer to buy Gato Preto	Si otra marca no se diferencia de Gato Preto en nada, prefiero comprar en Gato Preto
	If another brand is in no way different from Gato Preto, it seems smarter to purchase	Prefiero comprar en la tienda de Gato Preto aunque otras marcas tengan las mismas características del producto

2 questions were added to the online questionnaire:

- Perceived Quality: "Buying in Gato Preto is a good purchase"
- Brand Association: "I can recall Gato Preto's logo"

Figure 2. Brand Association Survey Results
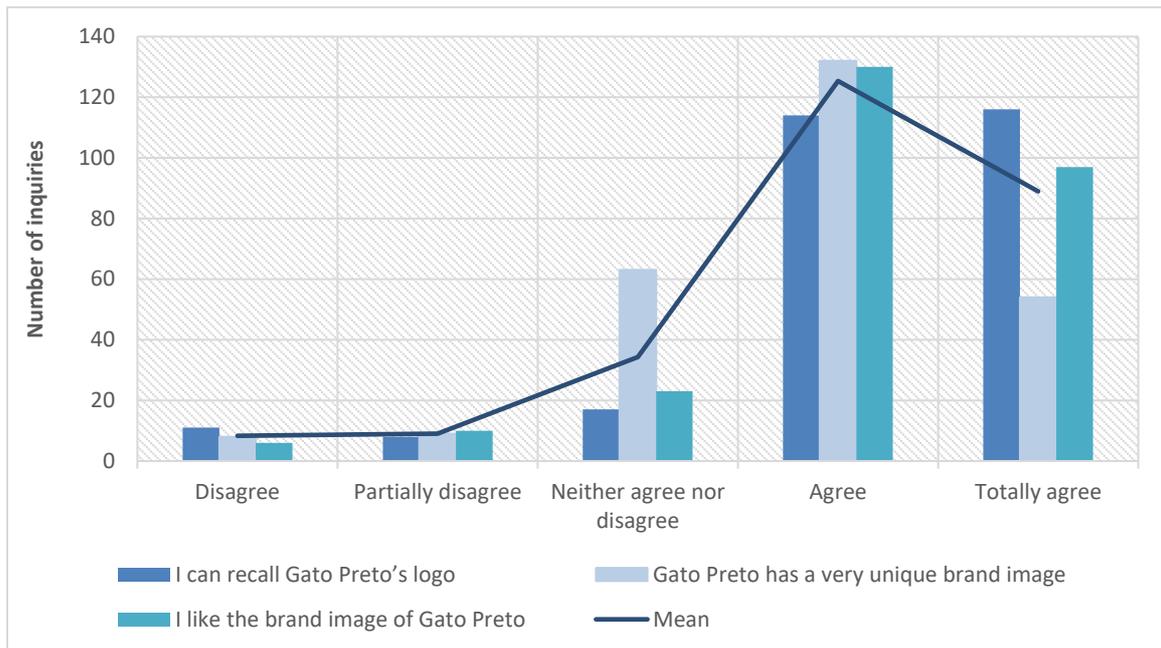
Figure 3. Perceived Quality Survey Results
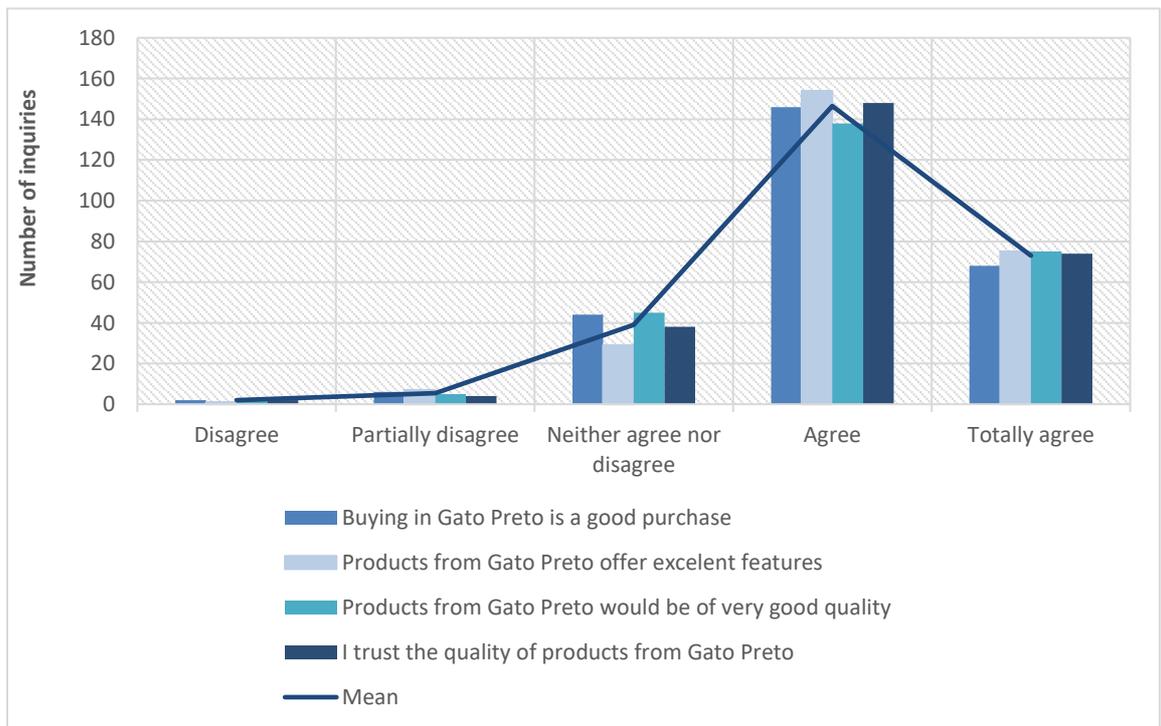
Figure 4. Overall Brand Equity Survey Results
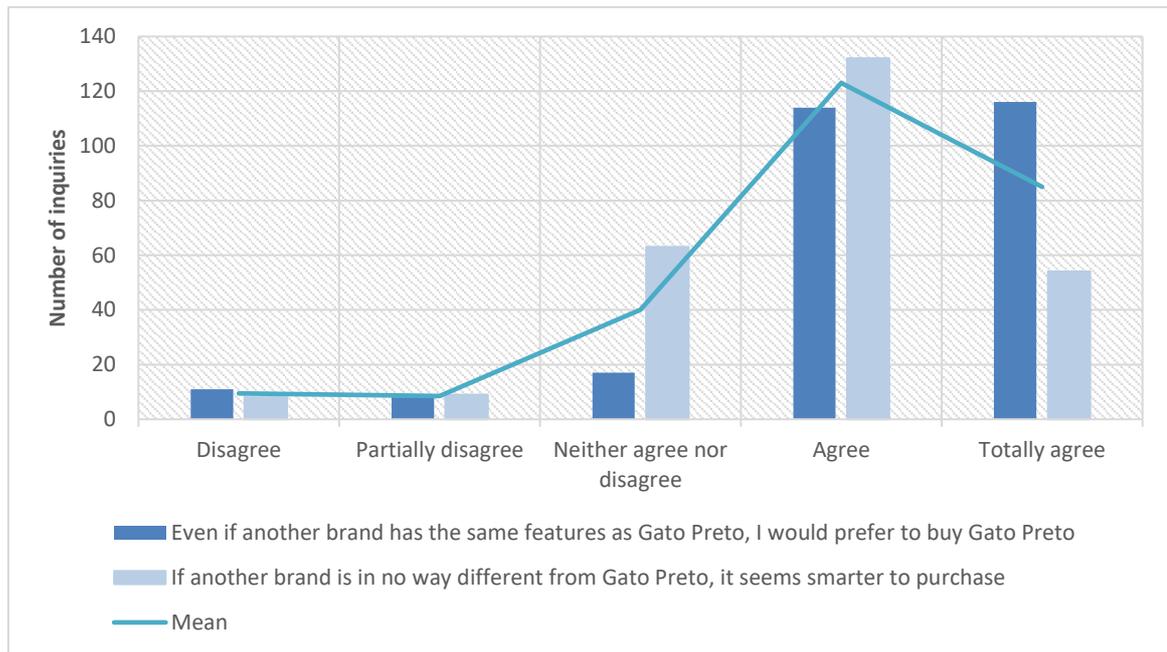
Table III. Questions ID on SPSS

Brand Awareness	
BAW1	I am familiar with Gato Preto's brand
BAW2	Gato Preto's characteristics come to my mind quickly
BAW3	I can recognize Gato Preto's products among other competing brands
Brand Association	
BAS1	I can recall Gato Preto's logo
BAS2	Gato Preto has a very unique brand image
BAS3	I like the brand image of Gato Preto
Perceived Quality	
PQ1	Buying in Gato Preto is a good purchase
PQ2	Products from Gato Preto offer excelent features
PQ3	Products from Gato Preto would be of very good quality
PQ4	I trust the quality of products from Gato Preto
Brand Loyalty	
BL1	When buying decoration, Gato Preto is my first choice
BL2	When buying furniture items, Gato Preto is my first choice
BL3	I recommend Gato Preto to family and friends
Overall Brand Equity	
OBE1	Even if another brand has the same features as Gato Preto, I would prefer to buy Gato Preto
OBE2	If another brand is in no way different from Gato Preto, it seems smarter to purchase

Table IV. Brand Equity Scale Descriptives

	Mean	Standard Deviation	Cronbach's α	Index Mean
Index: Brand Awareness				
BAW1	4,58	0,812		
BAW2	4,19	0,980	0,623	4,317
BAW3	4,18	0,727		
Index: Brand Association				
BAS1	3,7	0,978		
BAS2	3,81	0,901	0,765	3,883
BAS3	4,14	0,888		
Index: Perceived Quality				
PQ1	4,02	0,762		
PQ2	4,11	0,721	0,890	4,063
PQ3	4,04	0,793		
PQ4	4,08	0,738		
Index: Brand Loyalty				
BL1	3,1	1,047		
BL2	2,44	1,074	0,801	3,153
BL3	3,92	0,914		
Index: Overall Brand Equity				
OBE1	3,57	0,989	0,862	3,495
OBE2	3,42	0,985		

Figure 5. Cluster Quality
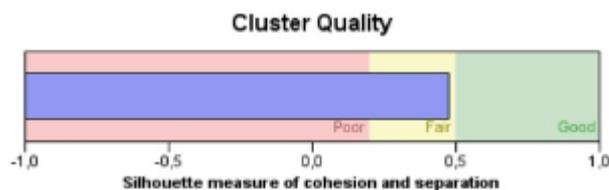
Figure 6. Cluster Sizes
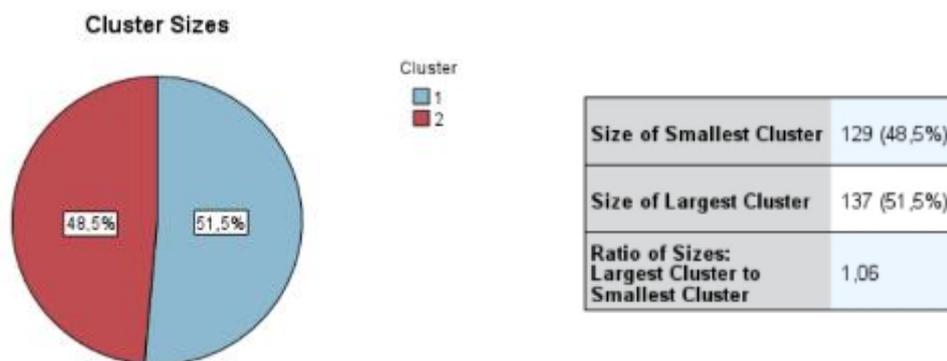
Figure 7. Cluster Predictor Importance
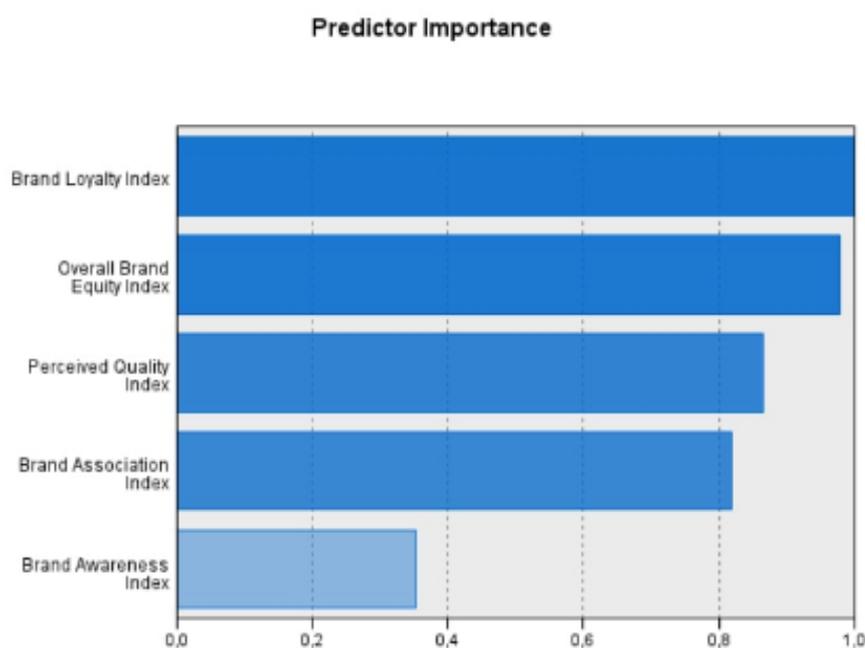
Table V. TwoStep Cluster * Gender Crosstabulation

	Gender			
	Female	Male	No answer	**Total**
Gato Preto Passive Loyal	124	10	3	137
Gato Preto Moderate Loyal	117	10	2	129
Total	241	20	5	266

Table VI. TwoStep Cluster * Age Crosstabulation

	Age								
	18-22	23-27	28-35	36-45	46-57	58-66	>66	No answer	**Total**
Gato Preto Passive Loyal	0	2	16	41	56	19	1	2	137
Gato Preto Moderate Loyal	0	4	12	33	62	15	2	1	129
Total	0	6	28	74	118	34	3	3	266

Table VII. TwoStep Cluster * Employment Crosstabulation

	Employment						
	Self-employed	Employed	Unemployed	Student	Other	No answer	**Total**
Gato Preto Passive Loyal	15	93	8	1	10	10	137
Gato Preto Moderate Loyal	11	85	12	1	17	3	129
Total	26	178	20	2	27	13	266

Table VIII. TwoStep Cluster * Annual Income Crosstabulation

	Annual Income							
	<10 000€	10 000€ - 24 999€	25 000€ - 49 999€	50 000€ - 74 999€	75 000€ - 99 999€	>100 000€	No answer	**Total**
Gato Preto Passive Loyal	9	32	35	4	1	1	55	137
Gato Preto Moderate Loyal	9	25	35	9	0	0	51	129
Total	18	57	70	13	1	1	106	266