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CREATION OF AN INTEGRATED TASTING PLAN IN HYPERMARKETS

Marisa Figueiredo de Oliveira

Marketing Master Project

Supervisor

Doctor Susana Marques, ISCTE Business School, Marketing, Operations and General Management Department

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Index

Chapter 1. Definition of Problem Context 1

Chapter 2. Literature Review.. 2

2.1. Retailing 2

2.2. Consumer Buying Behavior 4

2.2.1. Consumer Decision Making 5

2.2.2. Consumer Buying Decision Process 6

2.2.3. Influences on the buying decision process 7

2.2.4. Types of consumers 9

2.3. Segmentation, Targeting and Positioning 9

2.3.1. Segmentation 10

2.3.2. Targeting 11

2.3.3. Positioning 12

2.4. Promotion 13

2.5. Sales Promotion 14

2.5.1. Sales Promotion Tools 15

2.6. Merchandising 16

2.6.1. Merchansing Systems 17

2.6.1.1. Line planning 17

2.6.1.2. Line development 19

2.6.1.3. Line presentation 19

2.6.2. Visual Merchandising 20

2.7. Mass Market Retail in Portugal 21

Chapter 3. Conceptual Framework 25

Chapter 4. Methodology 27

4.1. Data Collection 27

4.1.1. Interviews ... 27

4.1.2. Questionnaire ... 28

4.2. Data Analysis Technique ... 30

4.2.1. Qualitative analysis ... 30

4.2.2. Quantitative analysis ... 30

Chapter 5. Data Analysis ... 31

5.1. Secondary Data Analysis ... 31

5.1.1. Tasting Actions Process ... 31

5.1.2. Tasting Carts in 2011 ... 34

5.1.3. Business Indicators ... 40

5.1.3.1. General indicators of clients ... 40

5.1.3.2. Indicators of Clients Segmentation ... 41

5.1.4. Shopper Trends ... 45

5.2. Qualitative Analysis ... 54

5.2.1. Stores Director´s Interviews ... 54

5.3. Quantitative Analysis ... 57

5.3.1. Sample Characterization ... 57

5.3.2. Client Characterization ... 59

5.3.3. Tasting Actions ... 60

5.3.4. Cluster Analysis ... 67

5.4. SWOT Analysis and CSF ... 68

Chapter 6. Implementation Proposal ... 71

6.1. Implementation Proposal Steps ... 71

6.2. Implementation Proposal Application ... 76

Chapter 7. Conclusions ... 81

7.1. Conclusions ... 81

7.2. Project Contribution ... 82

7.3. Project Limitations 83

7.4. Suggestions for Future Projects 84

References... 85

Annex 1 – Interview to Stores Directors... 89

Annex 2 – Clients Questionnaire... 91

Annex 3 - Stores Directors Interviews 95

3.1. Interview Transcriptions... 95

3.2. Content Analysis 101

Annex 4 – Questionnaire Analysis 105

4.1. Sample Characterization... 105

4.2. Client Characterization 106

4.3. Tasting Actions.. 107

Annex 5 – Cluster Analysis.. 110

Figure Index

Figure 1 - Buying Decision Process 6
Figure 2 - Targeting Strategies 11
Figure 3 - Factors affecting choice of targeting strategy 12
Figure 4 - Positioning Golden Triangle 13
Figure 5 - Push and Pull Strategy in Sales Promotion 15
Figure 6 - Top-down and Bottom-up planning 19
Figure 7 - Conceptual Framework 26
Figure 8 - Tasting Actions Flowchart 33
Figure 9 - Actual Consumption Patterns by Age Group 48
Figure 10 - Attitudes and Habits in Younger and Older Households 49
Figure 11 - Internet Access by Age Group and Type of Purchase 52
Figure 12- Tendency of Growth Products 53
Figure 13 - Dendrogram using Ward Method 115

Table Index

Table 1 - Types of Retailers 3
Table 2 – Retailing Mix 3
Table 3 – Mass Market Subdivision 21
Table 4 - Number of Stores Evolution between 2001 and 2010 23
Table 5- Number of stores per insignia 24
Table 6 - Tasting Actions with Negative Growth Rate Indicators 1 37
Table 7 - Tasting Action with Negative Growth Rate Indicators 2 38
Table 8- Tasting Action with Extreme Positive Growth Rate Indicators 1 39
Table 9 - Tasting Action with Extreme Positive Growth Rate Indicators 2 40
Table 10 - Clients Segmentation 42
Table 11- GPD and Unemployment Rate in Portugal 45
Table 12 - Population Age Structure 46
Table 13 - Birth Indicators and Average Life Expectancy 46
Table 14 - Ranking of Store Attributes: 2010 50
Table 15- Frequencis for the two cluster according to Ward´s Method 68
Table 16 - Critical Success Factors 69
Table 17 - Main Segments Characteristics to Explore 73
Table 18 - Tasting Action Analysis 80
Table 19 - Content Analysis Table 101
Table 20 - Distribution of frequencies and percentage for the variable *Sex* 105
Table 21 - Distribution of frequencies and percentage for the variable *Age Group* 105
Table 22 - Distribution of frequencies and percentage for the variable *Educational Background* 105
Table 23 - Distribution of frequencies and percentage for the variable *Profession* 105
Table 24 - Distribution of frequencies and percentage for the variable *Household Number* 106
Table 25 - Distribution of frequencies and percentage for the variable *Individual Monthly Net Income* 106
Table 26 - Distribution of frequencies and percentage for the variable *Client Card* ... 106
Table 27 - Distribution of frequencies and percentage for the variable *Frequency of Purchase* 106

Table 28- Descriptive Statistics to the variable *How important are the following factors to your buying decisions?* 107
Table 29 - Descriptive Statistics for variable *Did you know the tasting actions?*........ 107
Table 30 - Descriptive Statistics for variable *What motivated you to try?*........ 107
Table 31 - Discriptive Statistic for the variable *Did you plan to acquire a product from this category?* 107
Table 32 - Descriptive Statistics for variable *Are you going to buy the product you tasted?*........ 107
Table 33 - Descriptive Statistics for variable *If yes, why?* 108
Table 34 - Descriptive Statistics for variable *If no, why?* 108
Table 35 - Descriptive Statistics for variable *How important are the following factors in tasting actions?*........ 109
Table 36 - Descriptive Statistics for variable *What type of brand did you like to see in tasting actions?*........ 109
Table 37 - Descriptive Statistics for variable *Would you like to be informed about the tasting actions?*........ 109
Table 38 - Descriptive Statistics for variable *If yes, by which mean?*........ 109
Table 39 - Agglomeration Schedule........ 110

Chart Index

Chart 1 - Stores Global Sales Volume (%)... 22
Chart 2 - Tasting Carts and Products per Business Unit in 2011 34
Chart 3 - Growth Rate of Net Sales in the Tasting Action Period over the Previous Period.. 36
Chart 4 - Penetration Rate and Value/Client, 2011 41
Chart 5 - Clients and Value spent per segment 2011 43
Chart 6 - % Clients of each segment per Total *Retailer ABC*/CDP/BU......................... 44
Chart 7 - % Value of each segment per Total *Retailer ABC*/CDP/BU........................... 44
Chart 8 - Clearance data chart 54
Chart 9 - Sex Variable Distribution.. 57
Chart 10 - Age Group Variable Distribution.. 58
Chart 11 - Educational Background Variable Distribution 58
Chart 12 - Profession Variable Distribution... 58
Chart 13 - Household number Variable Distribution 59
Chart 14 - Individual Monthly Net Income Variable Distribution................................ 59
Chart 15 - Client Card Variable Distribution 60
Chart 16 - Frequency of Purchase Variable Distribution 60
Chart 17 - Mean profile for the variable *How important are the following factors to your buying decisions?* 61
Chart 18 - *Did you already know about the tasting actions undertaken by this retail chain*? variable distribution 61
Chart 19 - *What motivated you to try the product?* variable distribution........................ 62
Chart 20 - *Did you plan to acquire a product from the same category?* variable distribution... 62
Chart 21 - *Are you going to acquire the product you tasted?* variable distribution....... 62
Chart 22 - If yes, what is the reason you are going to acquire the product? Variable distribution... 63
Chart 23 - *If no, what is the reason you are not going to acquire the product?* variable distribution... 63
Chart 24 - Graphical representation of variables *Did you plan to acquire a product from the same category*? And *Are you going to acquire the product you tasted*?.................. 64

Chart 25 - Mean profile for the variable *How important are the following factors in tasting actions?* 65

Chart 26 - *What kind of brands would you like to see in tasting actions?* variable distribution 65

Chart 27 - *Would you like to be informed about the tasting actions?* variable distribution 66

Chart 28 - *If yes, by which mean?* variable distribution 66

Chart 29 – Coefficient Analysis 67

Chart 30 - Mean Profile 68

Summary

Retailer ABC is a Portuguese food retailer owner of several hypermarket and supermarket stores across the country that decided to take advantage of the natural curiosity of consumers, through tasting actions in their hypermarkets. So, in 2010, *Retailer ABC* worked on the development of a tasting actions plan to be applied in their hypermarket stores with the main objective to increase sales and to promote their products.

After a year and a half of implementation, it became clear that the tasting actions were not having the expected return. So, it became urgent to do an entire analysis of the tasting action plan to detect the failures, identify opportunities and develop a new integrated tasting plan that increases sales and promotes the retailer products, at the same time that creates dynamism and animation in the point of purchase.

Executive Summary

"We understand that food marketing is the marketing of memories. The closer the time of the purchase decision of consumers, the greater the chances of sales."

Cezar Tavares, Vice President of Marketing and Sales of Vilma Alimentos[1]

The financial and economic crisis that Portugal is going through had a direct impact on the retail market, particularly in consumption reduction and fall in consumer confidence. This, ally with the high offer, the increased competition and the increased restrictions to bank financing, stressed the importance of developing a good strategic plan involving the entire marketing mix for winning and retaining customers.

A study conducted Deloitte Research (2007) says that more than 70 percent of decisions are made at the store (in Shankar, Inman, Mantrala, Kelley, Rizley, 2011). Based on these, is it plausible to state that retailers must invest in doing a better job at the point of purchase through the refinement of marketing tools such as sales promotion and merchandising. These tools act as drivers to increase the average ticket purchase with primary responsibility to give prominence to the product and cause impulse buying.

Bet on it, *Retailer ABC* increased the investment in the natural curiosity of consumers, through tasting actions in the hypermarkets. Tasting actions are a promotion tool that can, arm in arm with the merchandising techniques, promote a product and the purchase. So, tasting actions aim to promote new products and give the existent ones the possibility to be known by the clients. At the same time creates dynamism and animation in the point of purchase. In the end, the ultimate goal is to increase sales.

In 2010, it was developed a tasting actions plan to be applied in the hypermarket stores of the *Retailer ABC* but, after a year and a half of implementation, it became clear that the tasting actions were not having the expected return. So, this project has as object of study the analysis of the tasting actions of *Retailer ABC* and as main objective the development of an integrated tasting plan.

The project was conducted in a business environment, by carrying out an internship in this Portuguese retail company during five months.

[1] In http://www.uai.com.br/htmls/app/noticia173/2010/06/05/noticia_economia,i=162737/index.shtml

The project started with the contextualization of the problem and the decomposition of the primary objective in several other complementary objectives that helped the problem resolution.

Then it was made a literature review about the topic to frame the problem in the academic context. These allowed the development of a conceptual framework which outlined the issues arising from the literature review and that were next analyzed.

The next phase, a crucial one, was to identify the ways of gathering and processing information, which included the use of secondary data, from internal databases and other secondary sources; and primary data, from interviews to stores Directors and questionnaires to clients.

All the data was then analyzed but, for reasons of confidentiality, imposed by *Retailer ABC*, all data was transformed, names were omitted and all information regarding retailer activity was undercover during the analysis of all secondary and primary data.

After this analysis it was possible to define a proposal of resolution of the problem.

All results are then presented and conclusions drawn.

Key-words: tasting actions, retailing, promotion, merchandising, shopper trends

Chapter 1. Definition of Problem Context

Retailer ABC is a Portuguese food retailer owner of several hypermarket and supermarket stores across the country. *Retailer ABC* created, in 2010, a project called “Tasting Actions” that aim to promote their products and increase sales providing, at same time, in-store animation and the creation of hotspots.

For several factors, the “Tasting Actions” project is not having the expected return for *Retailer ABC*. So, it is urgent to review the entire flowchart, identify failures, enhance the positive aspects and identify new opportunities.

Based on that, this project has as object of study the analysis of the tasting actions of *Retailer ABC* and as main objective the development of an integrated tasting plan to implement in 2012.

Based on the main objective, it was defined several specific objectives that will guide the development of the project:

- Evaluation of the impact of tasting actions on sales;
- Identify what are the main failures in the actual tasting plan;
- Identify the factors valorize by customers in tasting action;
- Promote the development of cross-selling;
- Develop a briefing format to give the stores;
- Working the communication of the tasting stands;
- Promote satisfactory communication in view of the target customer.

For reasons of confidentiality, imposed by *Retailer ABC,* names were omitted and all data regarding retailer activity was undercover.

Chapter 2. Literature Review

In order to meet the objectives proposed on this project, is necessary to reflect on some concepts that support and surround all tasting planning in hypermarkets, framing them in the scientific literature related to this subject.

In this sense, the literature review will start by the general concepts to the specific ones and will address a range of issues relevant to this project, namely:

- The concept of retailing and types of retailers to acquire the basic knowledge about the topic and the importance of understand the consumer buying behavior before develop a retail marketing mix strategy.

- The consumer buying behavior, because before select the most appropriate promotion tools, is necessary to understand all the decision buying process and the main influences on it.

- The segmentation, targeting and positioning, a key step to retailers determine in which way they are going to offer a product or service and in which markets to which target group.

- The promotion variable and its main tools, because it is the variable where this project will work on.

- The sales promotion and merchandising because are the variables that surround directly the tasting actions.

- Finally, a topic about the mass market retail in Portugal.

2.1. Retailing

Retailing involves selling products and services to consumers for their personal or family use (Weitz and Levy, 2004). So a retailer is a business that purchases products for the purpose of reselling them to ultimate consumers, and can be every business related to food, general merchandise, and non-food, as shown in table 1.

Table 1 - Types of Retailers

Food Retailers	Mom and Pop Stores Convenience Stores Supermarkets Supercenters
General Merchandise Retailers	Department Stores Specialty Stores Discount Stores Category Specialists Off-Price Retailers Warehouse Clubs

Source: Weitz *et al* (2004)

Retailers attempt to satisfy consumer needs by having the right merchandise, at the right price, at the right place, when the consumer wants it (Weitz *et al* 2004). For that, it is necessary to develop a retail marketing mix that satisfies the needs of its target market better than its competitors. The retail marketing-mix is the combination of factors retailers use to satisfy customer needs and influence their purchase decisions.

In the scientific literature many different opinions can be found about the number and name for the elements of retailing mix. In this review, it is presented a resume of the views of Dibb, Simkin, Pride and Ferrel (2006) and Weitz *el al (*2004*)* that includes the elements presented in table 2:

Table 2 – Retailing Mix

Retailing Mix Variables	Some Elements
Product (merchandise)	Product Development and management Product features and benefits Branding Packaging
Price	Costs Profitability Value for money Competitiveness Quality Status
Place	Target market Channel structure and management Retail image, logistics and distribution
Promotion	Promotional mixes: Public Relations Personal Selling Direct Marketing Advertising Sales Promotions

	Merchandising
People	Staff capability Efficiency Availability Effectiveness Customer-staff interaction Internal Marketing
Process	Order processing Database management Service delivery Queuing system Standardization
Physical Evidence	Shops layout, reception, check-out Atmosphere After sales service Merchandise display Customer testimonials

Source: Adapted from Dibb *et al* (2006) and Weitz *el al (*2004*)*

How develop this variables depends of the aims of the company, environmental conditions, target market and particular situation. In a good retail mix, these elements are consistent with each other, meet customers' expectations and are competitive to offerings from competitors.

Weitz *et al* (2004) defend that, before develop and implement effective retailing mix, is necessary to have a good understanding of the environment, especially the customers because their needs and wants are continually changing at an increasing rate and retailers should be very quick responding to these changes. The best way to respond to this costumer challenge is by first understanding their buying behavior.

2.2. Consumer Buying Behavior

To manage profitable customer relationships, creating value for customers and capturing value from customers in return is necessary to understand and anticipate consumer behavior because it allows to know who buys, what buys, when buys, why buy, where buy and how buy, allowing organizations to define their strategies.

Solomon (2009) defined consumer behavior as the decision processes and actions of people involved in buying, using and disposing of products. It is a process because there is an exchange, one part give and another receives something of value. Also includes the issues that influence the consumer before, during and after a purchase.

2.2.1. Consumer Decision Making

Accordingly to Dibb *et al* (2006), consumer can engage in different types of decision-making:

- **Habitual decision making** occurs when a consumer buys products frequently, and they are low-cost and/or low-risk items. Choices are made with little search and decision effort. In this case, the buyer may prefer a particular brand, but is familiar with several others, seeing them as acceptable as the favorite one.
- **Limited decision making** occurs when a consumer buys products occasionally and need to obtain information about an unfamiliar brand in a familiar product category. Buyers use simple decision rules to choose.
- **Extended decision making** initiated by a motive that is central to self-concept, involves the purchase of unfamiliar, expensive and high-risk products. The consumer is motivated to search information and think about alternatives before decide.
- **Impulsive decision making** involves no conscious planning but a powerful urge to buy something.

Sproles and Kendall's (1986) defended that consumers have eight different decision-making dimensions, or styles, that determine the shopping decisions they make (in Wesley, LeHew, Woodside, 2006). For decision-making style they understand the mental orientation that characterizes a consumer's approach to making choices and that can be:

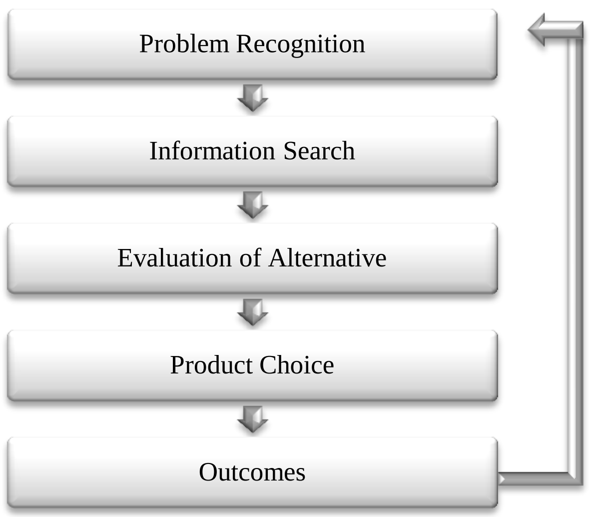
- **Perfectionism/quality consciousness:** consumer's search for the highest quality in products.
- **Brand consciousness:** consumers' orientation toward buying the more expensive, well-known national brands.
- **Novelty and fashion consciousness:** consumers that enjoy being “in style” and are likely to gain excitement and pleasure from seeking out new things.
- **Recreational and hedonistic shopping consciousness:** consumers that find shopping pleasant, and shop just for the fun of it.
- **Price or value consciousness:** consumers who are careful about product prices and “value for money”.

- **Impulsiveness and carelessness.** Consumers who are unconcerned about how much they spend.
- **Confusion due to overchoice:** some consumers feel there are so many brands and stores from which to choose and have difficulty making choices.
- **Habitual, brand-loyal orientation:** Consumers who o shop at the same stores and tend to buy the same brands each time.

The same authors defended that a person rarely follow only one or all the styles in all shopping decisions but follow two or three approaches to making choices.

2.2.2. Consumer Buying Decision Process

A major part of consumer behavior is the buying decision process - a series of steps that consumers go through in order to make a purchase, and includes problems recognition, information search, evaluation of alternatives, product choice/purchase and outcomes/post-purchase evaluation (figure 1).



Source: Solomon (2009)

Figure 1 - Buying Decision Process

Stage 1 - Problem Recognition: Occurs when consumer sees differences between current state and ideal state.

Stage 2 - Information Search: Process by which consumer surveys the environment for appropriate data to make a reasonable decision. It can be done an internal search - scanning memory to assemble product alternative information; or an external search - obtaining information from ads, retailers, catalogs, friends, family, people-watching, websites. This search can also be deliberate (direct learning) - existing product knowledge obtained from previous information search or experience of alternatives; or "accidental" search - mere exposure over time to conditioned stimuli and observations of other.

Stage 3 - Identifying Alternatives: People do not usually seriously consider every brand they know about but only a small number of alternatives in their evoked set**.** Consumers evaluate products in terms of what they already know about a (similar) product. Evoked-set products usually share similar features. When faced with a new product, consumers refer to existing product category knowledge to form new knowledge.

Stage 4 - Product Choice/Purchase: decision rules for product choice can be very simple or very complicated. They can be based on prior experience with the product, present information at time of purchase, or beliefs about brands such as *if it´s better I pay more for it; all brands are basically the same*; *larger stores offer better prices than smaller stores*.

Stage 5 - Outcomes/Post-purchase evaluation: after purchasing, consumers start to evaluate the product to see if its performance meets the expected levels. From this evaluation will result if the costumer is satisfy or dissatisfy and is going to influence future behaviors.

The consumer may stop the process at any time, so not all decision processes may lead to a purchase, and depending of the type decision-making, consumers may go through more or less stages (Solomon, 2009). For example, people engaged in habitual decision-making may omit certain steps, while an extended decision-making will for shore involve all stages.

2.2.3. Influences on the buying decision process

Consumer behavior is affected by many different influences that marketers cannot control but they must take them into account. Kotler, Armstrong, Wong and Saunders (2008) considered four main influences: cultural, social, personal and physiological factors. Solomon (2009) grouped social and cultural factors and presented three main categories: personal, psychological and social influences.

➢ **Personal influences,** accordingly to Solomon (2009), are unique to a particular person and can remain to:

- ✓ Demographic factors such as age, sex, race, income, occupation, ethnic origin, family life cycle.
- ✓ Situational factors related with external circumstances or conditions that exist when a consumer is making the decision making process.
- ✓ Involvement factors that refer to the level of interest, emotional commitment and time spent searching for a product in a particular situation.

➢ **Psychological factors** determine consumer´s general behavior and can be:

- ✓ Perception – the process by which people select, organize and interpret information to form a meaningful picture of the world (Kotler *et al,* 2008).
- ✓ Motives - an internal, energy-giving force that directs a person´s activity to seek satisfaction of the need (Kotler *et al*, 2008).
- ✓ Learning - a relatively permanent change in behavior caused by experience.
- ✓ Attitudes - a lasting, general evaluation of people, objects, advertisements, or issues. Helps to determine a number of preferences and actions. According to ABC model, attitudes have three components: affect - the way a consumer feels about an attitude object; behavior - person's intentions to do something with regard to an attitude object; cognition - beliefs a consumer has about an attitude object (Solomon, 2009).
- ✓ Personality - a person's unique psychological makeup and how it consistently influences the way a person responds to his/her environment. It is all the internal traits that make a person unique (Solomon, 2009).

➢ **Social influences,** accordingly to Solomon (2009), remain to the influence of others in the consumer on buying behavior and can be:

- ✓ Roles - a set of actions and activities that a person, in a particular position, is supposed to perform based on the expectations of both individual and surrounding people.
- ✓ Reference groups - an actual or imaginary individual/group conceived of having significant relevance upon an individual's evaluations, aspirations, or behavior.
- ✓ Social class - relatively homogenous, enduring divisions in a society, hierarchically ordered by occupation, income, education, wealth and other variables.

- ✓ Culture - the accumulation of values, knowledge, beliefs, customs, objects, and concepts that a society uses to cope with its environment. It is the most basic cause of a person´s wants and behavior.
- ✓ Subculture - a group of individuals who have similar value and behavior patterns within the group but differ from those in other groups.

2.2.4. Types of consumers

Schultz, Robinson and Petrison (1998) divided consumers into five categories based on their purchasing behaviors:

- **Loyal users –** buy a particular brand most or all the time. The goal here is to reinforce behavior, increase consumption and promote cross-selling.
- **Competitive loyals** – are loyal to the competing brand. There are three basic kinds of consumers who may be brand loyal: intensive loyals – choose a brand because they believe it is the best one on the market even if it is more expensive; value buyers – are loyal to a particular brand because it appears to provide the most utility for the cost; habit-bound buyers – are those who buy a brand just because they are habit to do so. For those we need to break loyalty and encourage brand switching.
- **Switchers** – purchase of various brands in one category. They may do these because of many reasons such as: availability, value, occasion usage, variety. For those we need to persuade to buy the "right" brand more often
- **Price users –** buy just based on price, usually the lowest one**.** For those we need to create awareness and category worth.
- **Non users –** don´t currently use any product in a particular category due to some factors such as price, value or lack of need.

2.3. Segmentation, Targeting and Positioning

In addition to a full knowledge of the consumer buying behavior, retailers need to closely determine in which way they are going to offer a product or service and in which markets to which target group. So they need to define their segmentation, targeting and positioning.

2.3.1. Segmentation

Segmentation results of developments on the demand side and represents an adaptation of the product and marketing effort to consumer needs (Águas, Rita and Costa, 2001).

Consumers have different characteristics, interests, needs, wants and desires, so a wide range of products or services exists to fit such a heterogeneous market. Each consumer is a single costumer, there are not two equal. Although is not possible to feasible to offer every customer a tailor-made product, it is possible to aggregate customers into groups with similar characteristics, this mean segment the market.

Dibb *et al* (2006) defined market segmentation as the process of grouping customers with similar preferences, requirements and buying characteristics. So, each segment it is distinct from other segments (different segments have different needs); it is homogeneous within the segment; it responds similarly to a market stimulus; and it can be reached by companies intervention.

Companies can develop their segmentation strategy choosing one – single segmentation, or several variables – multiple segmentation variables. The number of variables chosen is made based on company´s resources and capabilities, the type of product and the variation in customers ‘needs. The most common segmentations variables are:

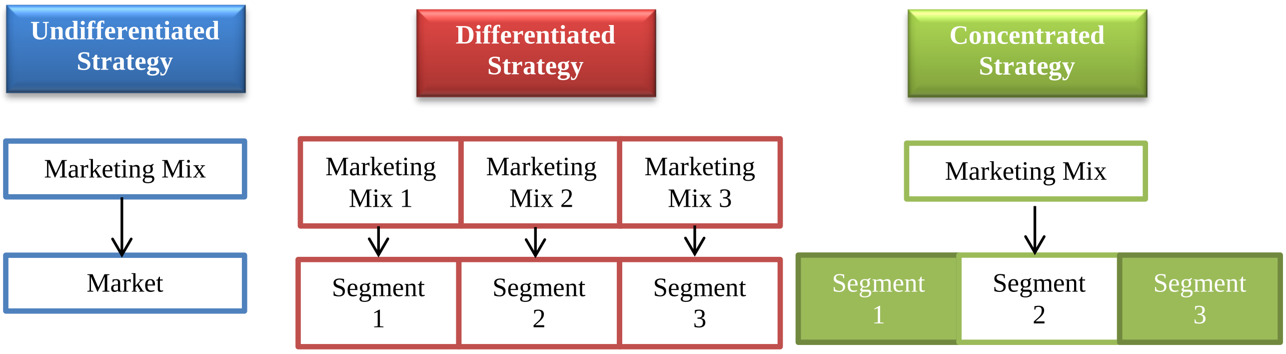
- **Demographic**: age, gender, race, ethnicity, income, education, occupation.
- **Geographic**: population, region, city size, urban, suburban, rural.
- **Psychographic**: personality, motives, lifestyles, attributes.
- **Behaviorisctic**: volume usage, end of use, benefits, expectations, brand loyalty.

Accordingly to Kotler *et al* (2008), there are many ways to segment a market, but not all segmentations are effective, so, to ensure segmentation effectiveness, it needs to be:

- **Measurable**: Size, purchasing power, profiles of segments can be measured.
- **Substantial**: Segments must be large or profitable enough to serve.
- **Accessible**: Segments can be effectively reached and served.
- **Differential**: Segments must respond differently to different marketing mix elements and actions.
- **Actionable**: Must be able to attract and serve the segments.

2.3.2. Targeting

After the market has been separated into its segments, the retailer is going to select a segment or series of segments to serve. According to Dibb *et al* (2006), three main strategies can be followed to select the segments to serve as shown in figure 2:



Source: Author

Figure 2 - Targeting Strategies

In the *undifferentiated strategy*, the company ignores the different segments of the market and defines an entire market for a particular product as its target market. So, the company designs a single Marketing Mix to all market. In the *differentiated strategy*, different marketing-mixes are offered to different segment. Finally, in the *concentrated strategy*, the company directs its marketing effort towards a single market segment through one marketing mix.

Kotler (2000) presented five strategies: *concentration in one segment*; *selective specialization*, the company chooses several segments and develops distinct products; *product expertise*, the company develops a product that sells to several segments; *market expertise*, the company focuses on one segment developing a range of products; and *total coverage* of the market – several product to all segments (in Àguas *et al*, 2001).

The best strategy to choose depends of several factors of choice presented in figure 3 that should be considered and pondered by each company.

Source: Dibb *et al* (2006)

Figure 3 - Factors affecting choice of targeting strategy

2.3.3. Positioning

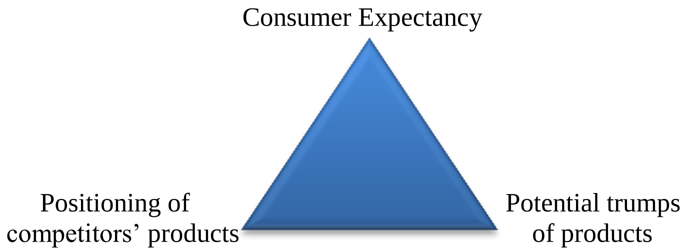
Positioning is "the process of creating an image for a product in the minds of target customers" (Dibb *et al*, 2006:247). By other words, positioning is the company choice of the salient and distinctive features to allow the public to place a product in a universe of comparable products and to distinguish it from competition. So, positioning contemplates two dimensions:

- **Identification:** definition of what kind of category products the company intended that the consumers associate to each company´s products.
- **Differentiation:** definition of what distinguishes the company´s products from other products of the same category from other companies.

Through positioning, the organization seeks to achieve a space that distinguishes their offer from competition and allowing its recognition by the target segments (Águas *et al*, 2001). So, a good positioning has a transparent, single and concise formulation; an attractive, credible and specific content; and a lucrative and durable format. To validate the positioning three main questions should be asked:

1. Does it correspond to consumer´s expectancy?
2. It is consistent with the potential trumps of products?
3. It allows us to differentiate of the competitors' products positioning?

These questions are validate and synthesized by an instrument known as Positioning Golden Triangle, presented in figure 4.



Source: Kotler *el al* (2008)

Figure 4 - Positioning Golden Triangle

The positioning influences customers buying decisions and is a key for defining the retailing mix because it is reflected in everything: price, quality of the product, distribution, promotion, and service.

2.4. Promotion

The Promotion variable, also referred as Marketing Communications, is the retailer mix variable that surrounds this project and is going to be analyzed in more detail. It can be defined as the "the transmission of persuasive information about a good, service or an idea, target at key stakeholders and consumers within the target market segment" (Dibb *et al* 2006:509).

Several tools can be used in marketing communications, also known as promotional mix and it aggregates public relations, personal selling, direct mail, advertising, sales promotion and merchandising.

- **Public Relations** is a management function that establishes and maintains good relations with the company´s various publics by obtaining favorable publicity, building up a good corporate image and handling or heading off unfavorable rumors, stories and events.
- **Personal Selling** is a paid two-way personal communication that informs and persuades customers to buy products.
- **Direct Marketing** consists of direct one-to-one connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships.

- **Advertising** is a non-personal, paid communication form, from an identifiable source, through the mass media
- **Sales Promotions** are short term incentives that offer extra value for the purchase of the product.
- **Merchandising** is the methods, practices and operations used to highlight information and presentation of products on sales point.

These tools can be used individually but, currently, is popular a new concept that coordinate and integrate all of this marketing communications tools, avenues and sources in one single communication plan. This new concept is known as Integrated Marketing Communications – IMC.

2.5. Sales Promotion

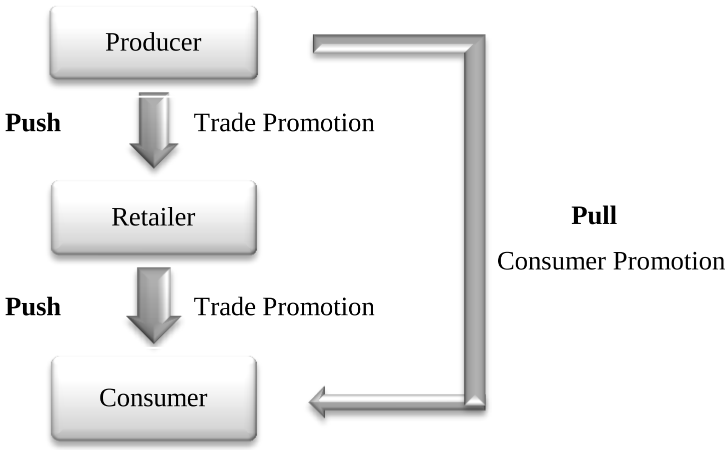
Sales promotion have become one of the key factors in the promotional mix, having facing a dramatically grow in the last decades mainly because of the focus of business on short-term profits and values, and the perceived need for promotional strategies to produce short-term sales boosts.

Dibb *et al* (2006) defined sales promotions as short term incentive (activity or material) that offers extra value for the purchase of the product. Schultz *et al* (1998) went further and defined sales promotions as the "marketing and communications activities that change the price/value relationship of a product or service perceived by the target, thereby generating immediate sales and altering long-term brand value" (Schultz, *et al* 1998:7).

Sales promotion produces measurable results quickly and it is relatively easy and inexpensive to implement. Sales promotions are helpful in identifying and attracting new customers and making the existing customer to buy more because encourage consumers to act on a promotion while it is still available. It is also an important tool to introduce new products and to increase reseller inventories (Schultz *et al*, 1998). For these reasons, sales promotions tend to orient marketing managers toward the short-term and the inherent problems must be taken into account.

2.5.1. Sales Promotion Tools

Accordingly to Kotler *et al* (2010), the sales promotion includes several tools that can be made through a push or a pull strategy as seen in next figure:



Source: The author

Figure 5 - Push and Pull Strategy in Sales Promotion

In the push strategy, we can have trade promotions from the producer to the retail, and from the retailer to the consumer. In the first case, the trade promotion objectives are increase shelf space, get better negotiating conditions and/or advantageous in store display, and can be allowances, bill-backs, exhibitors, buy-back guarantee, offer of merchandising. In the second case, trade promotions are started by retailers to attract customers and in-store purchasing and can be price discounts, offer of goods, contests, prizes, extra product.

In the pull strategy, we have consumer promotion such as samples, coupons, discounts, prizes, extra product, testing, games and contests. The objectives is to encourage or stimulate consumers to patronize a particular retail store or to try a specific product, deviate consumers from competitors, maintain and reward loyal consumers and/or increase sales in short-term. Ailawadi, Beauchampb, Donthu, Gauri and Shankar (2009) add that that promotions are not only used to increase sales but also attract more consumers into the store because, once consumers are in the store, they are likely to also buy products other than those on promotion.

As the main focus of this project is on the consumer, it will be only presented the main consumers promotions techniques accordingly to Schultz *et al* (1998):

✓ **Coupon**: certificate allowing consumer to get reduced price at purchase.

✓ **Bonus pack:** more product for the regular price.

✓ **Specialty container**: container that can be reused or that adds value to the product.

✓ **Continuity program**: reward system for multiple purchases.

✓ **Refund**: a specific amount of money that a consumer gets back after purchase.

✓ **Sweepstakes**: consumer has a random chance to win a prize – no purchase requirements.

✓ **Contest**: consumers compete to win a prize – purchase may be required.

✓ **Through-the-mail Premium**: gift given to consumers after the purchase.

✓ **Price-off**: product package informs consumer that marked price is lower than regular price to encourage customers to buy a product.

✓ **Trade deal**: retailer gets discount on price of product or incentive for promoting the product to consumers.

✓ **Cause related promotion**: donation to charitable organization is made by company for each unit of product sold.

✓ **Free-trial:** such as sampling, tasting actions and experimentation, where product is given to consumer to try for free. Specifically, tasting actions are consumer promotion tools used mainly in the food industry, where there is a free trial product made near the site of exposure and usually provided by a promoter. It is usually used to introduce a new product in the market, to make a product known or to boost sales by providing a valuable customer experience. The costumer has the opportunity to try and know the product without spending any money.

Ailawadi *et al* (2009) sought to show the effects of sales promotions concluding that the not all promotions have a positive revenue impact for retailers, and the profit impact is mixed. At a long term, sales promotion reduces increases more price and promotion sensitive in consumers brand choice decisions over time increasing also the tendency to "lie in wait" for especially good promotions.

2.6. Merchandising

Kunz (2005) defined merchandising as the methods, practices and operations used to promote and sustain certain categories of commercial activities in such a way that it stimulates interest and entices customers to make a purchase. In this sense, merchandising is a process of bringing products successfully to market, especially in retail settings and, for its success, requires coordination of many areas of business: marketing, procurement, accounting, production and distribution.

Mason (1986) stated that the merchandising challenge is having the right product, in the right quantity, available at the right place, at the right time and at the right price (in Pradhan, 2010).

Merchandising pretends to sell more and better, because a good product exposition values the product itself, the brand and also the store. Merchandising contributes to increase in short-term sales and to make purchase more pleasurable than necessary.

2.6.1. Merchansing Systems

Accordingly to Kunz (2005), the means manufacturers and retailers use to present merchandise to their customers are called trade channels. More and more manufacturers and retailers operate in multi-channel environments using internet, printed catalog, outlet stores etc, carrying similar merchandise but not necessarily the same merchandise or the same price. Thus, the process of planning, developing and presenting product lines must take place for every channel that reaches for customers.

2.6.1.1. Line planning

Line plans are integrated with the overall business and marketing plans and the information provided by the operations and finance constituencies. When doing a line planning the primary steps are evaluate merchandise mix, forecast merchandise offering, plan merchandise budgets, plan merchandise assortments, determine delivery and allocation and analyze and update merchandise plan (Kunz, 2005).

- **Merchandise mix and forecast merchandise offering -** Merchandise mix refers to the complete range of products, their breath and depth, which the retailer chooses to offer to its costumers (Pradhan, 2010). It involves look at last season’s sales at same selling period, review current market information, brainstorm and world market shopping.
- **Merchandise budgets -** Identify planned sales, reductions, and merchandise to receive by merchandise category, class, subclass, or group for a merchandising cycle or for a selling period within a merchandising cycle (Kunz, 2005).

- **Merchandise assortments -** Include model stocks, basic stocks, and/or automated replenishment determining merchandise by style, size and color allowing having the merchandise the customer wants, available when he or she wants it (Kunz, 2005).
- **Determine delivery and allocation -** Involves three main decisions: how much merchandise, what type of merchandise, and when to allocate the merchandise (Weitz *et al* 2004).
- **Analyze and update merchandise plan -** Three types of analysis can be done: sell through analysis, ABC model and multiattribute analysis of vendors. Sell through analysis compares the actual and planned sales to determine whether more merchandise is needed to satisfy demand or weather price reductions are required. ABC model identifies the performance of individual stock keeping units (SKU) and rank merchandise by performance measures such as: contribution margin, sakes in volume and value, gross margin, GMROI. The multiattribute method uses a weighted average score for each vendor. The score is based on the importance of various issues such as service, reputation, meets delivery dates, merchandise quality, promotional assistance, country of origin; and the vendor´s performance on those issues (Weitz *et al*, 2004).

Accordingly to Kunz (2005) before planning merchandise budgets and merchandise assortments, it is necessary to identify, describe and understood several dimensions:

- **Pricing**: is used as an indicator of product quality as well as the amount that has to be paid to buy a product.
- **Assortment**: is a range of choices offered at a particular time determined by the relative number of styles, colors, and sizes included in the line. An effective merchandise classification system contributes to having the right merchandise assortment and it facilitates planning, developing and presenting lines. It consists in arranging the merchandise mix into groups based on criterion of end-user: use, quality, size range, rate and type of product change, and product characteristics.
- **Styling**: refers to the appearance of a product and involves selecting or developing the creative, functional, and fashion aspects of line.
- **Timing**: is determined by nature of merchandise classifications in relation to the merchandising cycle. Timing of merchandise presentation at the wholesale and retail levels determines merchandise, marketing and production schedules.

The line planning can be done through a top-down planning or a bottom-up planning, or a combination of both, as shown in figure 7 (Pradhan, 2010). Top-down planning prescribes sales goals and investment in merchandise, usually for a six-month period or a year, based on growth projections. In bottom-up planning the analysis begins with what was sold: how much, what kind, when, and at what price and then, projections are made for the coming period and investments in merchandise is based on previous sales and the perspectives of stores managers and department managers.

Source: Pradhan, 2010

Figure 6 - Top-down and Bottom-up planning

The integration of both types of line planning, will allow merging the vision of senior management with the skills of lower level employees, allowing the project to be complete more efficiently, through the determination of the needs of the project at the top and allowing accountability to fall with the lower levels.

2.6.1.2. Line development

Includes the processes required to translate a line plan into real merchandise. The first phase of line development is formulating the line concept by determining the look and appeal, current issues and fashion trends. Once this is agreed upon, there are two means of completing line development: finished goods buying/sourcing and/or product development (Kunz 2005).

2.6.1.3. Line presentation

Involves evaluating the line in order to make it visible and salable. The power of appeal attracts attention and causes retail buyers and ultimate consumers to stop, take a longer look, and ultimately purchase. Line presentation occurs internally within a firm at a line adoption, at wholesaler to retail buyers, and at retail to ultimate consumers (Kunz 2005).

2.6.2. Visual Merchandising

Visual merchandising is “the presentation of any and all merchandise at its best: color coordinated (synchronized colors); accessorized (related products/props); and self-explanatory (descriptive/illustrative)” (Bhalla and Anuraag, 2010:18). Visual merchandising is everything the customer sees and that creates a positive image of a business and results in attention, interest, desire and action.

McGoldrick (1990) and Marsh (1999) claim that visual merchandising have always been considered as having immediate effects on the buying decision process through “the emphasis of elements that excite the senses of shoppers such as flat screen videos or graphics, music, smells, lighting and flooring that tend to capture the brand image or personality and help to create an unique environment and shopping experience” (in Wanninayake and Randiwela, 2007:5).

The proverb says that *A picture worth a thousand words*, and it is said that 80% of our impressions are created by sight. A visual merchandiser determines what a costumer sees accordingly to store´s theme and manipulating the following variables:

- **Storefront:** Is the total exterior of the business and includes store´s sign and logo, windows, entrances, awnings, marquee, banners, planters, lighting, store security, customer visibility, the building itself.
- **Store Interior:** Concerns the selection of mannequins and props, floor and wall coverings, lighting and colors and store fixtures such as store furnishings, display cases, counters, shelving, racks and benches.
- **Store Layout:** Refers to the way store floor space is allocated to facilitate and promote sales and serve the customers. The layout of the store spaces encourages customer exploration and helps them to move through the store (Weitz et al 2004).
- **Interior Displays:** When done exceptionally, interior displays attract customers’ attention, create desire and sell a product. Interior displays allow costumer to make a

selection without personal assistance, making easier to locate the desire merchandise and providing information on sizes, colors, prices and latest fashion trends (Bhalla et al, 2010). Interior display includes closed displays (customers cannot handle the merchandise), open displays (customers can handle the merchandise), architectural displays (model rooms), point of purchase displays such as vending machines and racks holding candy at a checkout stand used to promote impulse buying; and store decorations such as banners, signs, properties.

- **Store atmospherics:** it refers to a design of environment through visual communications, lighting, colors, music, and scent to stimulate customers' perceptual and emotional responses and ultimately to affect their purchase behavior (Weitz *et al* 2004).

Thus, visual merchandising forms a critical element of retailing to engage and inspire shoppers, to encourage them to buy more, increasing sales, margin and return on space. In a crowded market it is needed invest in giving the costumer the shopping experience they really want.

2.7. Mass Market Retail in Portugal

In Portugal, the Mass Market Retail is composed by Hypermarkets, Big Supermarkets, Small Supermarkets, Free-Service, Groceries, Pure Food and Drugstores. Based on AC Nielson Retail Census 2010, table 3 presents this subdivision and the correspondent definition.

Table 3 – Mass Market Subdivision

Subdivision	Definition
Hypermarkets	Merchants that sell food, toiletries, household cleaners and other products, working under a self-service, and having a sales area greater than or equal to 2500 square feet.
Big Supermarkets	Merchants that sell food, toiletries, household cleaners and other products, working under a self-service, and having a sales area comprised between 1000 to 2499 square feet.
Small Supermarkets	Merchants that sell food, toiletries, household cleaners and other products, working under a self-service, and having a sales area comprised between 400 to 999 square meters. Also included in this division stores that even having an area of less

	than400 meters squares, belong to a chain of supermarkets.
Free-Service	Merchants that sell food, toiletries and household cleaners working under a self-service, and having a sales area between 50 and 399 meters squares.
Groceries	Merchants that sell food, toiletries and household cleaners, having the general service counter. Also include self-service stores with a sales area of less than 50 meters square.
Pure Food	Merchants that sell only food products, mainly for consumption outside the establishment (Milk stores, Bakeries, Fishery)
Drugstore	Merchants that sell only home clean products. Often also have personal care products.

Source: AC Nielsen, Census 2010

Taking into account the contribution of each type of stores in the total turnover in the mass market, it is possible to notice that hypermarkets, which have been losing weight in the total turnover of the mass market, reduce breakage and stands at 25% of importance. In 2010, the hypermarkets invoiced an amount similar to what were billed in the previous year. Supermarkets continue to be the most dynamic channel, growing above the market (chart 1).

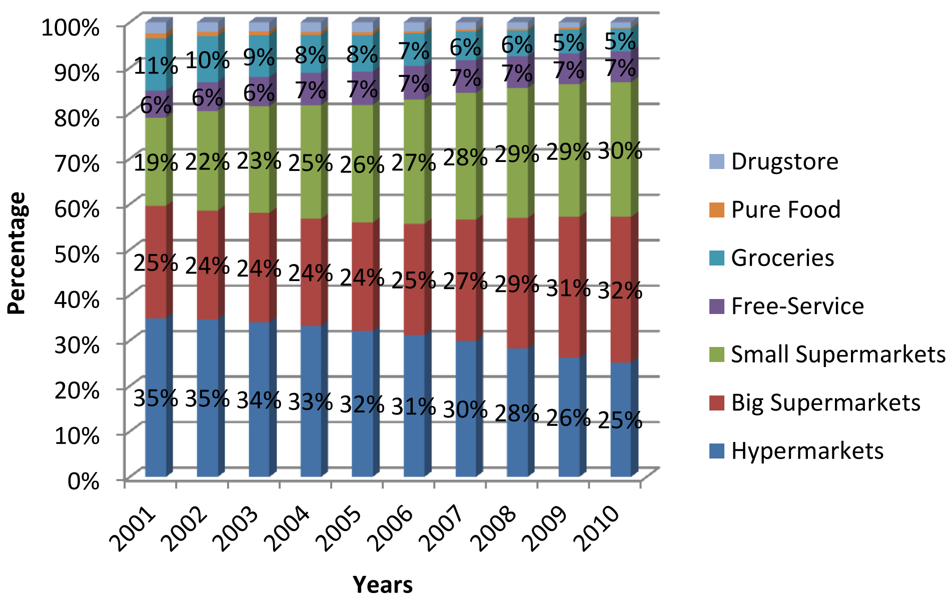


Chart 1 - Stores Global Sales Volume (%)

Looking at the evolution of the number of stores of the all mass market retail stores (table 4), it is possible to notice, the total number of stores decreased from 27.163 in 2001 to 19.024 in 2010. The main reason is the closing of several grocery stores that are not compensated by the openings of Free-Service Stores, Supermarkets and Hypermarkets.

Table 4 - Number of Stores Evolution between 2001 and 2010

Subdivision	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Hypermarkets	53	56	58	59	62	66	70	75	80	81
Big Superm.	262	272	280	288	306	344	399	441	470	468
Small Supem.	950	1.001	1.003	1.025	1.078	1.142	1.243	1.284	1.316	1.326
Free-Service	2.598	2.594	2.706	2.869	3.044	3.055	3.165	3.298	3.495	3.490
Groceries	21.131	19.819	19.024	18.248	17.697	16.122	15.328	14.259	12.952	12.036
Pure Food	770	710	681	651	544	526	449	449	462	405
Drugstore	1.399	1.543	1.702	1.778	1.699	1.571	1.550	1.438	1.308	1.218
Total	27.163	25.995	25.454	24.918	24.430	22.826	22.204	21.244	20.083	19.024

Source: AC Nielsen Retail Census 2010

Analysing the number of stores per insignia of the most important types of stores, Hipermarket and Supermakets, we notice that, at hypermarket level, Continente and Jumbo/Pão de Açucar are the most dynamic insignia with more stores and more openings in the last few years; at supermarket level, all insignias are dynamic, but should be emphasize Mini-Preço, with the largest number of stores and Pingo Doce that duplicate the number of stores between 2001 and 2010 with the large investment that this insignia is doing in the last decade (table 5).

Table 5- Number of stores per insignia

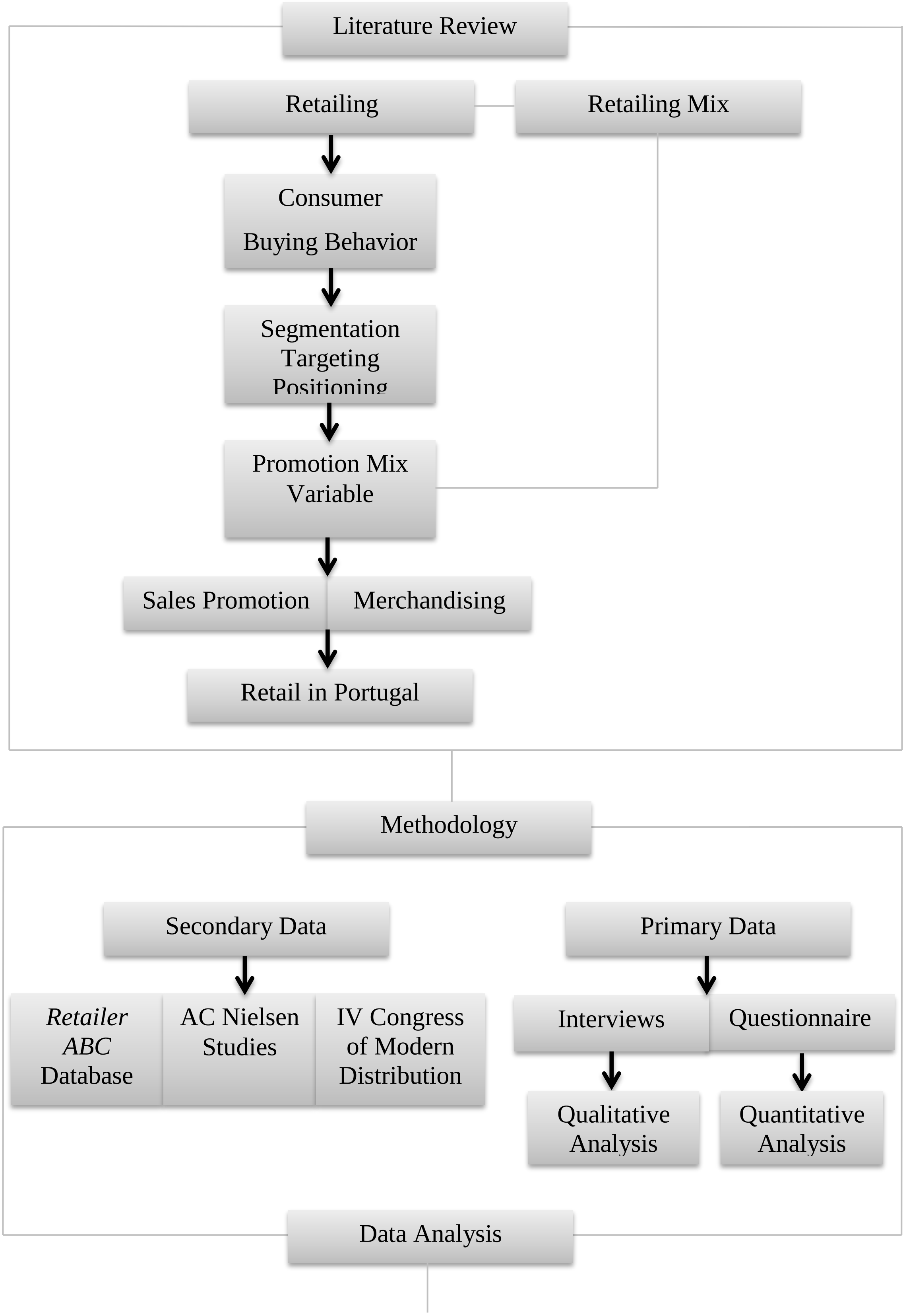
Store	Insignia	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hypermarkets	**Carrefour**	5	6	7	7	7	10	12			
	Continente	14	14	15	15	18	19	21	37	39	39
	El Corte Inglês	1	1	1	1	1	2	2	2	2	2
	Pingo Doce	9	9	10	10	10	10	9	9	9	9
	Jumbo	12	12	13	14	15	15	17	19	22	23
	Leclerc	1	2	2	2	2	2	2	2	3	3
	Continente Modelo	11	12	10	10	9	8	7	6	5	5
Supermarkets	**Feira Nova**	14	15	15	18	19	28	37	13		
	Intermarché	156	166	172	177	183	192	210	217	229	230
	Leclerc	7	9	9	10	10	12	17	19	20	19
	Lidl	133	136	142	143	161	180	196	213	223	227
	MiniPreço	321	339	339	340	351	384	436	476	504	524
	Cnt Mod/Bom dia	71	72	75	76	82	91	100	103	112	117
	Pão de Açúcar	2	2	2	2	2	2	2	7	9	9
	Pingo Doce	177	179	179	179	179	188	210	320	334	339
	Plus	8	19	24	28	50	64	75			
	Outros	323	336	326	340	347	345	359	357	357	329

Source: AC Nielsen Retail Census 2010

The evolution in this market is dictated by the economic and social crises that may indicate the maintenance of the recession of small stores and a general reduction of global sales volume in all store formats.

Chapter 3. Conceptual Framework

In order to synthesize and clarify the literature review and to give an overview about what is going to be developed in the next chapters, it will be developed a conceptual framework of reference presented in figure 7.



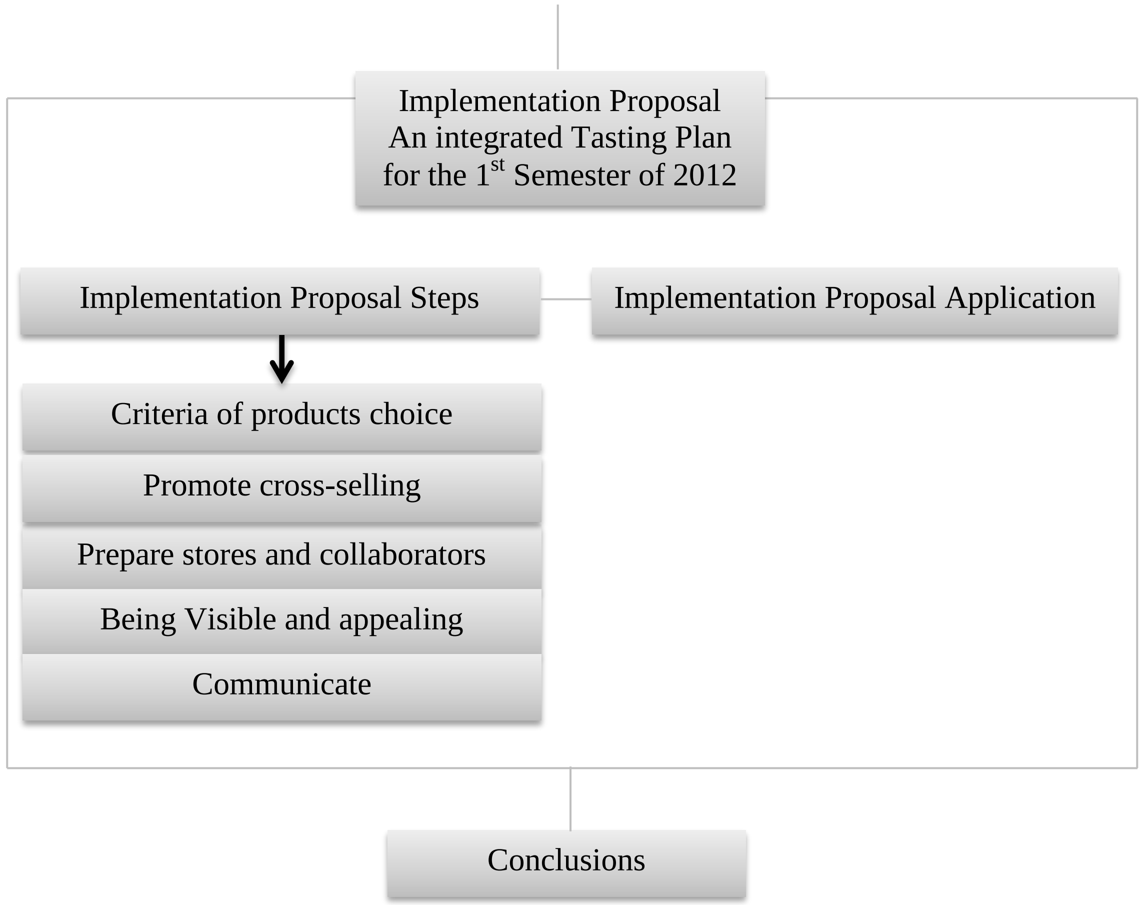


Figure 7 - Conceptual Framework

Chapter 4. Methodology

In this chapter, it is intend to describe how the project will be conducted, in particular, the methods and techniques used to collect and analyze the data.

4.1. Data Collection

The project started by the collection of secondary data from the *Retailer ABC* internal database and AC Nielsen reports and studies done specifically for the *Retailer ABC* and also found in the internal database of the retailer. Some external data was also used from AC Nielsen publications found on internet. The secondary data was also enriched by the participation in the IV Congress of Modern Distribution organized by APED in January 2012.

It was also necessary to develop instruments capable of producing new information necessary and appropriate to develop the project. So, it was used primary data from interviews and questionnaires.

4.1.1. Interviews

To understand the side of the retailer, it was made several interviews with a structured approach to a qualitative research. The qualitative research means that search results are not subject to quantification or quantitative analysis. The qualitative analysis allows analyzing attitudes; feelings; motivations and the data obtained is, in general, rich, human, subtle and often quite relevant. Qualitative research can improve the efficiency of the quantitative study (McDaniel and Gates, 2006).

Five interviews were made to stores Directors of five hypermarkets (annex 1). The stores selection was made by the *Retailer ABC*, by convenience, based on the historical of tasting actions – stores who do tasting actions every weekend.

The interviews were structured with questions in greater depth, open free-response, allowing the expert to answer without limitations or restrictions. They were administered individually and in person by the researcher on November, 2011.

4.1.2. Questionnaire

To understand the consumer side, it was realized a quantitative study using a questionnaire. The quantitative analysis through questionnaire is conducted with large samples, whose data is analyzed statistically using specialized software. The use of a questionnaire to collect facts, opinions and attitudes is the most usual way to collect primary data, allowing the collection of large amounts of data (McDaniel *et al*, 2006).

- Questionnaire and measurement scale

In the present project it was used a structured questionnaire where all questions were presented in the same way, in the same order, to all respondents, making the implementation, tabulation and analysis easier. It was only used closed questions that facilitate statistical analysis. The variables considered led to the need for nominal and ordinal scales.

The questionnaire, presented in annex 2, was developed in three parts: questions about the type of client; questions about the importance of promotions and merchandising and questions about the tasting actions. The last part is made of questions to characterize the respondents.

- Pre-test

The existence of a pre-test questionnaire becomes essential to validate the questionnaire as a tool of data collection. Accordingly to what Dillman (1978) suggests, the questionnaire was tested in three groups: the colleagues, to evaluate the questionnaire in conceptual terms; the potential data users, for their pragmatic knowledge; and the individuals with similar characteristics to the sample, to understand the difficulties that can be experimented during the fill, from the questions interpretation to the time taken to fill the full questionnaire (in Cunha, 2007).

The first and second phase of the pre-test took place on November 10^{th} and the third phase on November 13^{th} of 2011. In the first phase, the pre-test was administered individually and in person by the researcher to three colleagues in the form of structured interviews to ask about the clarity, relevance, ambiguity and usefulness of the questions and the ease of response. In the second phase, the pre-test was applied to three managers of business development to inquire about the usefulness of the questionnaire for the sector and for the problem in question, the understanding and clarity of the questions and the evaluation of the vocabulary and question form. After the reformulation of the questionnaire, according to the suggestions of the first two groups of evaluators, the third phase was applied to fifteen clients of a hypermarket to gather their feedback about the clarity of questions, difficulty in filling and general reaction to the questionnaire.

Since no more problems were identified, it was considered that the questionnaire was entitled to be used as a tool for gathering information for this project.

- Sample Design

The target population consists of all elements on which we want to get a certain set of information. For this project, the universe study consists of *Retail ABC* existing customers of both sexes, older than 18 years old, residing in Portugal.

The size of our target population is 10.041.813 individuals, corresponding to the resident population in continental Portugal (Census, 2011). Being the thorough study of the population a very expensive and long work, it was chosen to limit the field of analysis to a sample of the population.

For the definition of the sample is necessary to take into account the sampling method to use and determine their appropriate size. The sampling method should be chosen taking into account the objectives and constraints of the study and the representativeness of the sample in order to be able to generalize to the entire population research results.

The method of random sampling represents more assurance of selecting a representative sample, however, implies to have a base survey, a complete list of the population to be surveyed. Given the constraints, financial resources available and the difficulties inherent in obtaining a list of the target population, it was chosen the method of non-random sample of convenience. The sample was the selected by convenience, so, it is composed by clients who had higher availability.

However, it was taken into account that the questionnaire was filled by clients that did the degustation, with heterogeneous characteristics, in different age groups (as long as more than 18 years old) of both sexes, in order to be obtain the most comprehensive and representative sample as possible.

To determine the sample size in order to be representative of the population and as the population is known and finite, it was considered, as the minimum size of reference, a simple random sample with a precision level of 5% and a confidence level of 95% to a pessimistic estimate of the variance (p=0,5). Thus, the minimum number of respondents is 385[2]. In the end, due to time and financial constraints, it was applied 165 questionnaires.

4.2. Data Analysis Technique

For the primary data, it was used a qualitative analysis for interviews and a quantitative analysis for questionnaires.

4.2.1. Qualitative analysis

The analysis of the interviews was made through content analysis, a set of communication analysis techniques to obtain indicators (quantitative or not) that allow the inference of knowledge concerning the conditions of production/reception of those communications (Bardin, 2009).

The practical procedure begins with the construction of a table, which sets out the categories to be analyzed. Next it is cited paragraphs, i.e,, the context unit and, within these, are defined the indicators, the registration units. To better understand the consequences of this process, some practices are held clear of simple descriptive statistics, namely the definition of the relevant percentages of each of the categories.

4.2.2. Quantitative analysis

The questionnaire data was coded and entered into a database and subsequently analyzed in the SPSS - Statistical Package for the Social Sciences, program version 17. This allowed producing descriptive statistics and frequency distribution, as well as the graphical representation of the results to facilitate the interpretation of results.

[2] $N = \frac{(Z^{\propto}/_2)^2 \times 0{,}5^2}{D^2}$ = $(1{,}96^2 \times 0{,}5^2) / 0{,}05^2 = 385$

Chapter 5. Data Analysis

Due to the confidentiality agreement no characterization about the *Retailer ABC* can be included. So no names; locations; number, size and type of stores can be divulgated. The products also cannot be identified and all data about the business activity was transformed and will be presented in percentage format.

5.1. Secondary Data Analysis

The secondary data analysis will start with the description of the tasting action process and the analysis of the tasting actions in 2011. Then it will be analyzed the main business indicators relevant for this project such as general indicators of clients and indicators of clients' segmentation. Finally, a brief analysis of shopper trends will be made.

5.1.1. Tasting Actions Process

Retailer ABC recognized the importance of doing a better job of marketing at the point of purchase and decided to take advantage of the natural curiosity of consumers and the fact that a high percentage of purchasing decisions are made in the point-of-purchase, as seen before. So, *Retailer ABC* decided to invest in tasting actions that allow the creation of dynamism and store animation acting, at the same time, in the impulsive buying behavior of the customers. The ultimate objective is to increase sales.

The Implementation Department is the department responsible for all the process of the tasting actions. The formal plan of the tasting actions began in 2011 and is defined twice a year, one in December and another in June, regarding the following six months.

The tasting actions are only conducted by the Commercial Department of Perishables (CDP) and only include products from the five units that compose the CDP: Cut, Fishery, Delicatessen, Fruits and Vegetables and Bakery. The tasting actions are made in the stores every Fridays, Saturdays and Sundays of the year accordingly with the planning. Every weekend is allocated to a different business area and a maximum of three products from that business unit is chosen to be in the tasting carts giving the customers the opportunity to try the product before purchase it and raising the awareness of the *Retailer ABC* products.

The process begins with a creation of a Unit Matrix, an Excel Sheet that has in column all weekends of the semester and in lines the *products* to taste, the *presentation and confection suggestions* and the *quantities* needed per store. The Implementation Department makes the allocation of each unit (Cut, Fishery, Delicatessen, Fruits and Vegetables and Bakery) to every weekend of the semester accordingly with promotions and seasons. If applicable, it also makes proposals for products. Then send it to each Commercial Area of the five units.

Each Commercial Area analyzes the Unit Matrix and:

- × Do not approve (some may want to change the unit weekend) and sends back to Implementation Department.
- ✓ Approves, deciding the products and filling the Unit Matrix and sends back to Implementation Department.

Implementation Department analysis the final Unit Matrix and:

- × Do not approve (there may be a product that is not possible to take tasting, for example) and sends back the correspondent Commercial Area.
- ✓ Approves and makes the publication in the Commercial Department of Perishable website and sends to all stores Directors.

On every Monday is made the test of the tasting cart for the following weekend. A member of the Implementation Team does the test in one store with the products and takes pictures of the tasting cart. Then, he/she prepares a PowerPoint presentation with those pictures to send to all stores. On Friday´s, each store prepares the tasting cart accordingly with the pictures of the PowerPoint.

During the three days, stores carry out the tasting action having the tasting cart near the business unit and were the product is exposure for selling, and should be accompanied by the presence of an employee with the role of promoter. This employee should have read the information about the products in tasting to allow an assisted selling. In the end, stores must send the feedback about the tasting action to the Implementation Department with pictures of the tasting cart and describing how the action went.

The Department of Business Analysis makes the analysis of the campaign in terms of net sales in euros and percentage; quantities sold in volume and percentage; price; and margin and then compare with the previous period (the weekend before). Then, this analysis is sent to the Implementation Department and all Commercial Areas.

To illustrate the process described a Flowchart of the tasting actions is presented in the figure below.

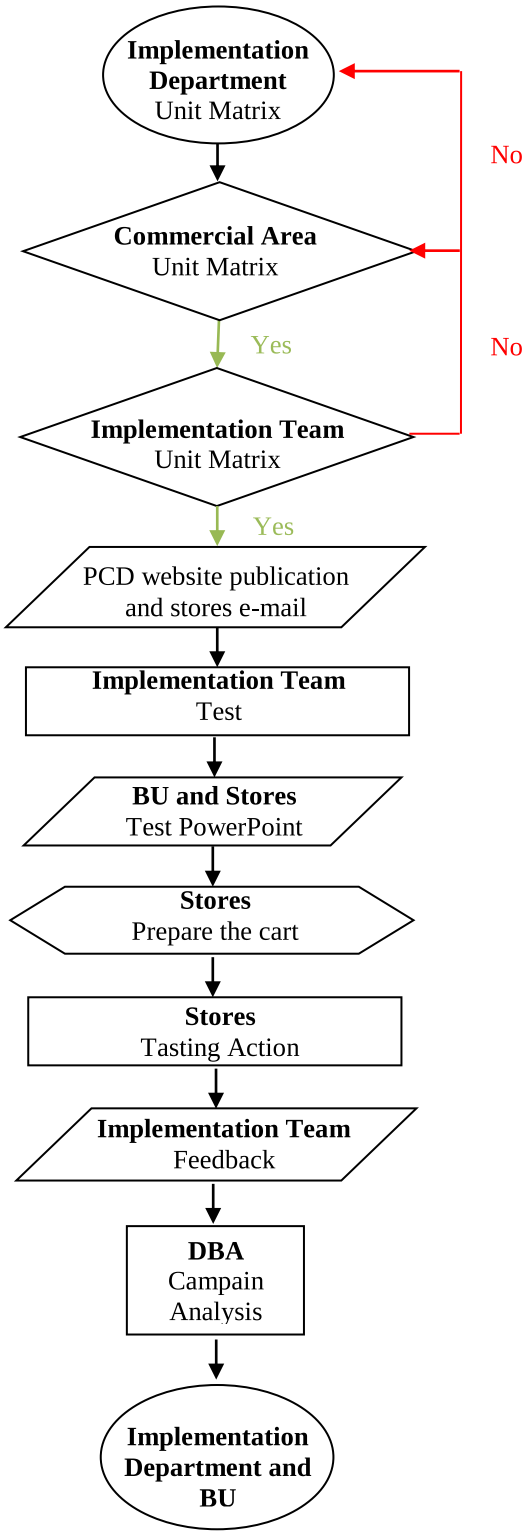


Figure 8 - Tasting Actions Flowchart

With the analysis of the flowchart, it is possible to five main failures:

- The tasting action only includes products from one area of the perishable;
- Crosselling is not taken into consideration;
- The PowerPoint sent to stores is very limited and only includes pictures about the disposition of the products and no information about the products assuming that employees are already familiar with them;
- There are no way to control which stores to the tasting actions and the analysis is made taking into account all stores;
- Nothing is done with the analysis of the tasting actions.

5.1.2. Tasting Carts in 2011

When the Implementation Department establishes the weekends per business unit, it seeks that these are shared equally by each business unit. However, this homogenous division is not always possible because the number of weekends cannot be divided equally and, in special seasons like holidays, more tasting actions are made. Sometimes, also happens that a business unit wants more weekends to exposure products when a new one appears.

Analyzing the tasting carts per business unit in 2011 (chart 2), 24,1% of the tasting actions were from the Delicateness unit, 20,4% from the Fishery unit and 18,5% from the Fruits and Vegetables, Cut and Bakery. Although, the Delicatessen unit had more tasting carts, when analyzing the products tasted, the Cut was the unit that exposed more products during its tasting actions. So, 25% of the products tasted during 2011, were from the Cut unit, 22,5% from the Fruits and Vegetables and Delicatessen units, 15% from the Fishery and Bakery units.

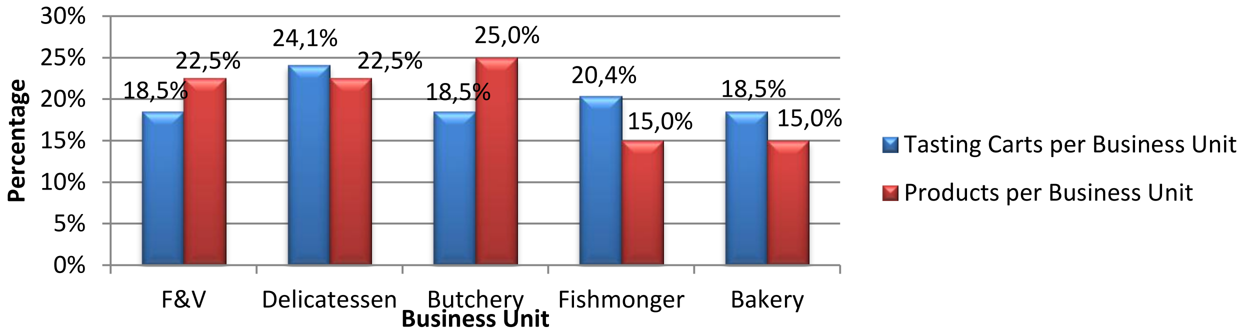


Chart 2 - Tasting Carts and Products per Business Unit in 2011

The Cut is the business unit that best exploits the tasting actions to expose their products, trying to put more items in tasting than other business units. Although all products of this business unit need to be cook, the products can be cooked at the same time in the same grilled, which opens up a range of opportunities for tasting. The Fishery, due to the particularity of its products, hardly can exposure more than one product per tasting cart because all products need to be cooked and the size of the products of the Fishery don´t allow to cook several products at the same time, so it is understandable the low value presented. But Bakery, should take more advantage of the tasting actions. The products of this business unit are small, easy to exposure, do not need cooking and there is a wide range of products.

The main objective of the tasting actions is to increase sales, so it is crucial to analyze the sales comparing the net sales in the tasting action period and the previous period (the weekend before). The chart 3 represents the growth rate of the sales during the tasting action period comparing to the previous period allowing seeing if sales increased or decreased with the tasting actions and seeing the percentage of growth.

In general we verify the sales growth with the tasting actions, only in a few products the sales growth was lower than the previous period, which leads to state that the tasting actions effectively contribute to the increase in net sales.

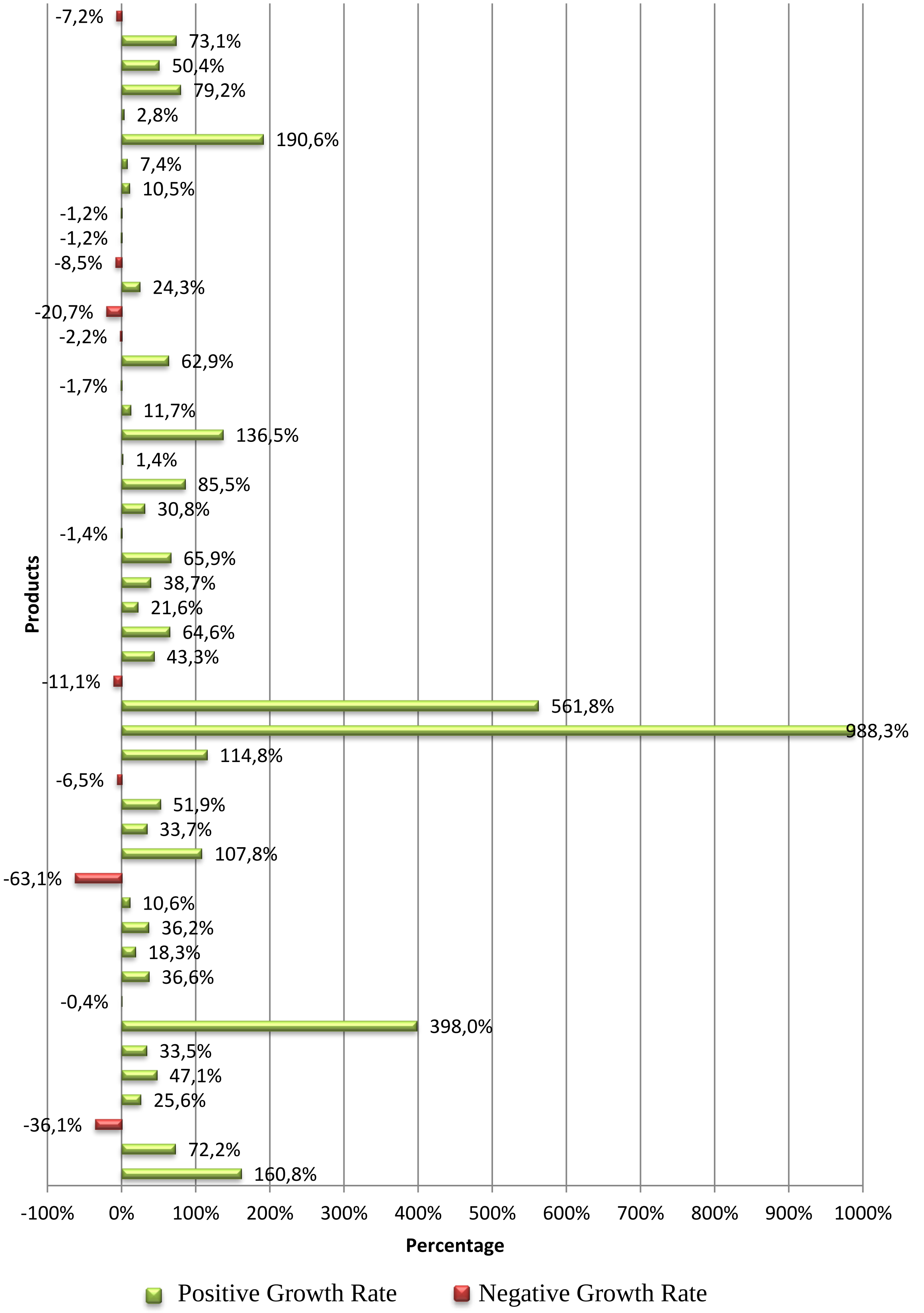


Chart 3 - Growth Rate of Net Sales in the Tasting Action Period over the Previous Period

To a deeper analysis of this chart, the extreme cases will be analysis to try to understand the values recoded. So, it will be analyzed the tasting actions where the growth rate was negative and the tasting actions that had a very high increasing, superior than 100%.

The analysis takes in consideration the total of net sales, the total of quantities sold and the sales price to public identifying if is a promo article. For promo article we mean a product that had a price discount, a card discount or was in the brochure.

Also it was taken into account the products in tasting, the dates of the tasting actions, the seasons of the year and possible holidays, because it could influence by being a product of occasional consumption or targeted for special times or even targeted to customers with higher purchasing power. Also, if the product needed to be cooked, so if the product required a permanent presence of a promoter and if the product was out of stock.

Analyzing in detail, the tasting actions where the sales were lower than in the previous period, most of have very small negative percentages, only three had a decrease of 63,1%, 36,1% and 20,7%. The sales price to public was the same in the previous period and in the tasting action period and no promotions were occurring (table 5).

Table 6 - Tasting Actions with Negative Growth Rate Indicators 1[3]

		Tasting Action Period			Previous Period			
BU	**Growth Rate**	**Total Net Sales**	**Total Qt Sold**	**SPP**	**Total Net Sales**	**Total Qt Sold**	**SPP**	**PROMO**
F&V	-36,1%	8.084	4.594	1,99	12.645	7.198	1,99	NO
F&V	-0,4%	51.292	18.184	2,99	51.483	18.386	2,99	NO
Cut	-63,1%	2.138	1.208	2,00	5.791	3.272	2,00	NO
Bakery	-6,5%	1.989	2.480	0,85	2.126	2.652	0,85	NO
Cut	-11,1%	90	32	2,99	102	36	2,99	NO
Delicatessen	-1,4%	4.097	675	6,43	4.153	692	6,43	NO
Delicatessen	-1,7%	8.175	3.966	2,49	8.315	4.096	2,49	NO
Cut	-2,2%	10.095	2.121	5,04	10.319	2.142	5,04	NO
Cut	-20,7%	6.451	1.254	5,45	8.135	1.599	5,45	NO
Bakery	-8,5%	21.973	11.956	1,95	24.016	12.976	1,95	NO
Bakery	-1,2%	5.488	11.250	0,60	5.553	11.384	0,60	NO
Bakery	-1,2%	5.488	11.250	0,60	5.553	11.384	0,60	NO
Bakery	-7,2%	11.090	1.997	6,83	11.951	2.249	6,83	NO

[3] Data have been changed

By analyzing the products tasted, some were for occasional consumption goods and others for current consumptions products. None was target for special times and customers with high purchasing power. So no relation with the type of products was found. No special season or holidays were also identified in these tasting actions. Some of the products needed to be cooked, and so had an assisted selling with a permanent presence of a promoter. Others did not need to be cooked so, it is not possible to guarantee that a promoter was always present to make an assisted selling (table 6).

Table 7 - Tasting Action with Negative Growth Rate Indicators 2

BU	Growth Rate	Beguining	End	Special Season	Need of Cooking	Mandatory to have a promoter	Out of Stock
F&V	-36,1%	10-01-2011	12-01-2011	NO	NO	NO	NO
F&V	-0,4%	28-01-2011	30-01-2011	NO	YES	YES	NO
Cut	-63,1%	04-02-2011	06-02-2011	NO	YES	YES	NO
Bakery	-6,5%	11-02-2011	13-02-2011	NO	NO	NO	NO
Cut	-11,1%	18-03-2011	20-03-2011	NO	YES	YES	NO
Delicatessen	-1,4%	08-04-2011	10-04-2011	NO	NO	NO	NO
Delicatessen	-1,7%	20-05-2011	22-05-2011	NO	NO	NO	NO
Cut	-2,2%	21-10-2011	23-10-2011	NO	YES	YES	NO
Cut	-20,7%	21-10-2011	23-10-2011	NO	YES	YES	NO
Bakery	-8,5%	28-10-2011	30-10-2011	NO	NO	NO	NO
Bakery	-1,2%	28-10-2011	30-10-2011	NO	NO	NO	NO
Bakery	-1,2%	28-10-2011	30-10-2011	NO	NO	NO	NO
Bakery	-7,2%	02-11-2011	04-11-2011	NO	NO	NO	NO

In the remaining products, the sales and quantities sold increase when comparing to previous period. Some actually presented very high increasing. Analyzing the same variables for those products that had an increase of more than 100% some conclusions can be drawn. In all cases, the net sales and the total of quantities sold were higher in the tasting period. The sales price to public was the same in most of the products, but it is possible to identify three products were the price was higher in the tasting action period. Some promotions were also identified in some products (table 7).

Table 8- Tasting Action with Extreme Positive Growth Rate Indicators 1[4]

		Tasting Action Period			Previous Period			
BU	**Growth Rate**	**Total Net Sales**	**Total Qt Sold**	**SPP**	**Total Net Sales**	**Total Qt Sold**	**SPP**	**PROMO**
F&V	160,8%	11.529	4.909	2,49	4.421	1.891	2,49	YES
Fishery	398,0%	2.131	152	14,88	428	30	14,88	NO
F&V	107,8%	41.084	21.914	1,99	19.769	10.622	1,99	YES
Bakery	114,8%	5.913	3.150	1,99	2.753	1.466	1,99	NO
Cut	988,3%	3.161	972	3,45	290	96	3,21	NO
Cut	561,8%	5.795	2.630	2,49	876	426	2,32	NO
F&V	136,5%	30.325	11.826	2,99	12.824	4.544	2,99	YES
Cut	190,6%	7.460	1.008	7,84	2.567	350	7,77	NO

Regarding to the others characteristics that can be analyzed, these tasting actions can be group in two main groups that may explain the high increase on sales.

The first group (identify in green in the table 7 and 8) aggregates the tasting actions of the Fruits and Vegetables and Bakery units. The type of products in the tasting actions of the Fruits and Vegetables unit were seasonal products and the tasting action of the Bakery unit was with a product typical of Ester, so for occasional consumption. None of the products needed to be cooked, so it was not mandatory a permanent presence of a promoter (table 8). In these products, the sales price to public was the same in the tasting action period and in the previous period but promotions in the client card were identify (table 7).

The second group (identify in orange in table 7 and 8) aggregates the tasting actions of the Fishery unit and the Cut unit. The types of products tasted were of current consumption with no special season associate. All needed to be cooked so it was mandatory the presence of a promoter (table 8). The sales price to public was the higher in the tasting action period than in the previous period, except in the Fishery product (table 7).

[4] Data have been changed

Table 9 - Tasting Action with Extreme Positive Growth Rate Indicators 2

BU	Growth Rate	Beguining	End	Special Season	Need of Cooking	Mandatory to have a promoter	Out of Stock
F&V	160,8%	10-01-2011	12-01-2011	YES	NO	NO	NO
Fishery	398,0%	21-01-2011	23-01-2011	NO	YES	YES	NO
F&V	107,8%	08-02-2011	10-02-2011	YES	NO	NO	NO
Bakery	114,8%	11-02-2011	13-02-2011	YES	NO	NO	NO
Cut	988,3%	18-03-2011	20-03-2011	NO	YES	YES	NO
Cut	561,8%	18-03-2011	20-03-2011	NO	YES	YES	NO
F&V	136,5%	13-05-2011	15-05-2011	YES	NO	NO	NO
Cut	190,6%	11-11-2011	13-11-2011	NO	YES	YES	NO

From this analysis is not possible to identify what factors are responsible for the decreasing in the sales in the tasting action period compared with the previous period. But is it is possible to infer that the tasting actions that works best are the ones where products of special seasons are chosen, promotions are associated with the products and the ones that requires a mandatory presence of a promoter that allow an assisted selling.

5.1.3. Business Indicators

5.1.3.1. General indicators of clients

Once the tasting actions are an activity of the Commercial Department of Perishable it is important to understand this department inside the *Retailer ABC* activity in terms of Penetration Rate, percentage of Gross Sales and the average of money spent per client.

Analyzing the chart 4, it is possible to notice that Fruits and Vegetables and Bakery are the business units with greater penetration of customers (79%) and the Fishery the lower (56%). However, in gross sales Fishery is the business unit with greater overall value (25%) and the Bakery has the lowest overall value (13%) despite having one of the highest penetration. Regarding the value per customer, Fishery has the highest value spend per client (48€) and the Bakery the lowest one (18€).

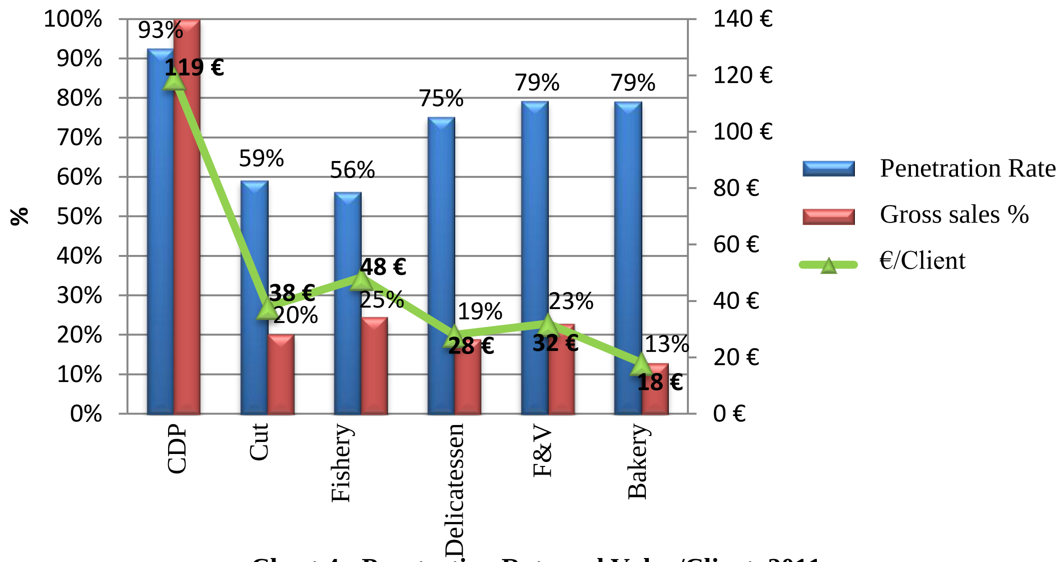


Chart 4 - Penetration Rate and Value/Client, 2011

It possible to conclude that, Fruits and Vegetables and Bakery have higher potential clients, but the gross sales are low because the average money spend per client is low. In the Fishery the opposite happens, because has low potential clients but the gross sales are high, having a high average money spent per client.

5.1.3.2. Indicators of Clients Segmentation

Retailer ABC segments its clients in several groups enabling a deeper analysis of the same indicators by segments. Before the analysis is important to get familiar with these segments, so table 9 presents this segmentation and its main characteristics.

Table 10 - Clients Segmentation

	Kids Free Convenience (KFC)	**Young Families with Kids (YF)**	**Traditional Seniors (TS)**	**Budget Families (BF)**	**Practical Parenting (PP)**	**Wealthy Healthy (WH)**	**Young Aspirational Actives (AA)**
Frequent Sex	Males	Females	Females	Both Male and Female	Both Male and Female	Females	Both Male and Female
Frequent Age Group	More than 55 years old	25 to 44 years old	Oldest one with more than 55 years old	24 to 54 years old	35 to 54 years old	More than 45 years old	18 to 34 years old
Frequent Household	Usually live alone or with a partner	3 to 4 people (including kids)	2 people (couple, kids already left home)	More than 4 people	More than 4 people	Usually live alone or with a partner	Usually live alone or with a partner
Type of client	Not loyal	Loyal and frequent	Loyal and frequent	Loyal and frequent	Frequent but not loyal	Loyal and frequent	Loyal and frequent
Average Spending*	Medium - Low	Medium - Low	High	High	Medium	High	Low
Most purchase product	Alcohol	Kids food	Food (Fresh)	Food (fresh and grocery)	Grocery	Food (fresh and grocery and always diet and health products)	Non-food products and diet food
Special Characteristic	Uses *Retailer ABC* stores for convenience	Are the first ones using online shopping	Buy fresh fish, meat, fresh vegetables and ingredients of traditional cooking	Buy, preferably, economic brands	Families who like to buy "Quality at the right price". Are always looking for promotions	The ones who spend more money in diet and healthy food	Spend more money in women´s personal care, general home cleaning

* Low: Less than 80€ per month / Medium-low: Between 80€ and 89€ per month / Medium: Between 90€ and 99€ / Medium-high: Between 100€ and 109€ / High: More than 110€

Once known customer segmentation made by the *Retailer ABC*, it is possible to make a more detailed analysis of the importance of them in the Commercial Department of Perishables through the percentage of clients, the percentage of gross sales and the average of money spent per client.

Analyzing the chart 5, it can be conclude that the segment of Wealthy Healthy is the segment with higher percentage in terms of clients (19%) and value (26%) and is the segment who spends more money per client (155€). The segments of Kids Free Convenience and Young Families with Kids are the ones who have a lower percentage in terms of clients (9% and 8% respectively) and value (6%). In terms of money spend per client, the Young Aspirational Actives segment is the one with the lowest value (69€).

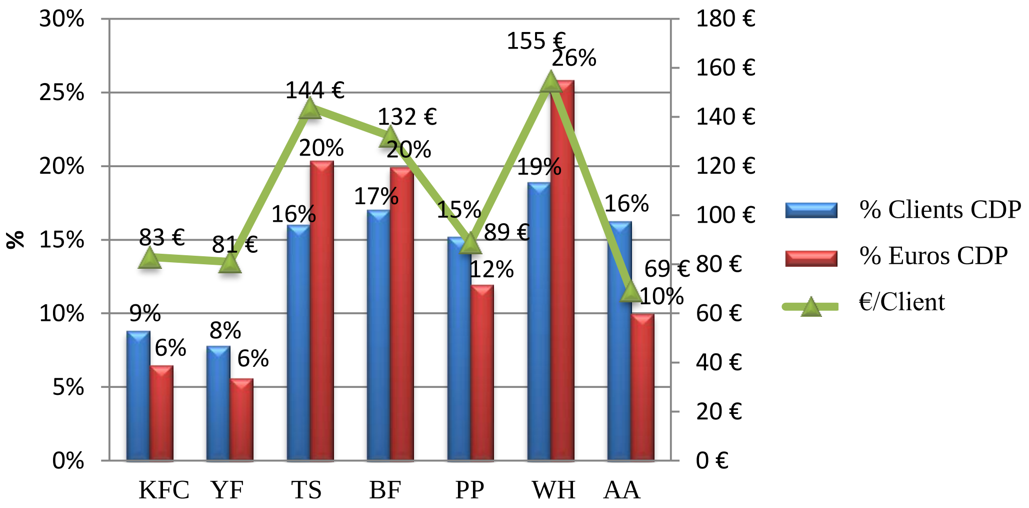


Chart 5 - Clients and Value spent per segment 2011

Analyzing chart 6, it is possible to see the percentage of clients and the percentage of euros of each segment in the total of *Retailer ABC*, the CDP and every business unit.

In terms of clients, the percentage of each segment in the Total *Retailer ABC* has a behavior very similar to the total of the Commercial Department of Perishable. In terms of business units, Cut is distinguished by a high percentage of Budget Families (22%) and the Fishery by a high percentage in Traditional Seniors (22%). The others business units have higher percentage of clients in the Wealthy Healthy segment (20%). The lowest percentages of clients are in the Kids Free Convenience and Young Families with Kids segments in all business units and, consequently, in the CDP and in the total of *Retailer ABC*.

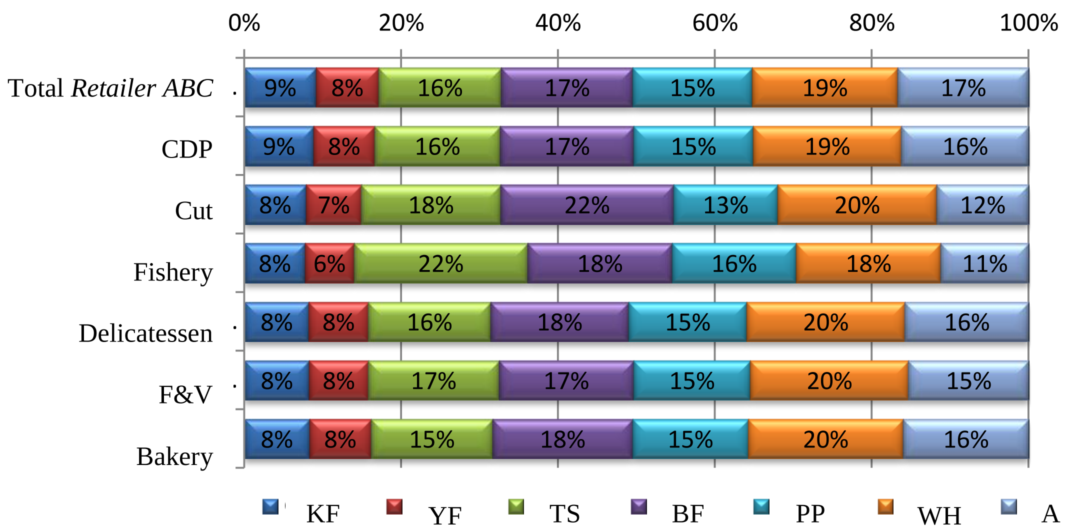


Chart 6 - % Clients of each segment per Total *Retailer ABC*/CDP/BU

In terms of value (chart 7), the differences between the Total *Retailer ABC* and the Commercial Department of Perishable are higher and each business unit has distinctive behaviors. The Total *Retailer ABC* has a high weigh in Young Aspirational Actives (16%) than the Commercial Department of Perishable (10%) and a lower weigh in Traditional Seniors (13%) than the Commercial Department of Perishable (20%). In general, the segments of Wealthy Healthy and Traditional Seniors have the higher values in all business units and the Kids Free Convenience and Young Families have the lowest values.

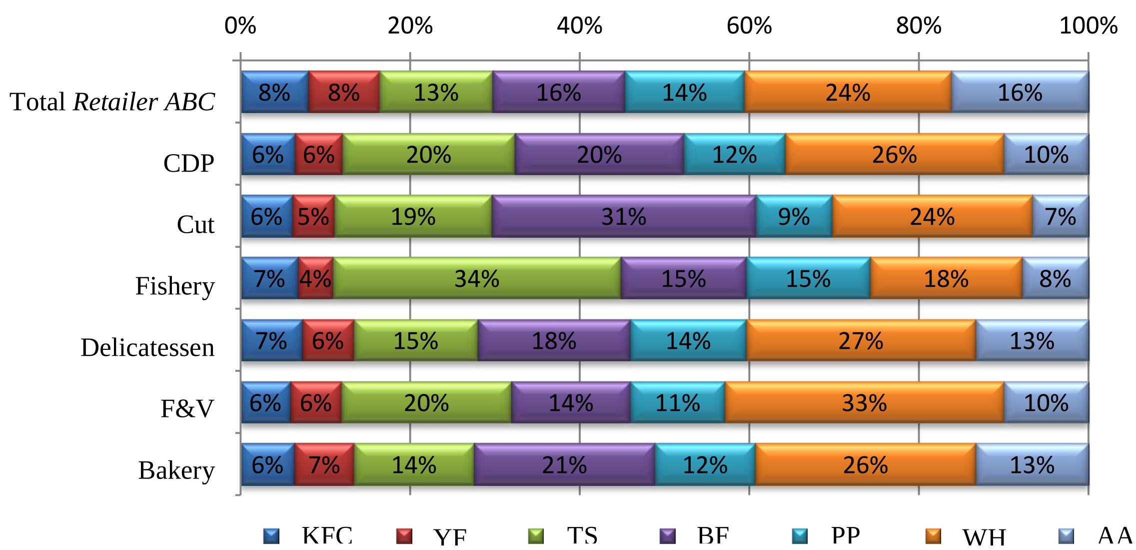


Chart 7 - % Value of each segment per Total *Retailer ABC*/CDP/BU

In general, Budget Families have more weight in the Cut, Traditional Senior in the Fishery and Wealthy Healthy in the Delicatessen, Fruits and Vegetables and Bakery so, this information can be used to guideline tasting action oriented to this segments offering tasting action that they will valorize.

5.1.4. Shopper Trends

"This moment of crisis will change, probably, the paradigms of consumption of Portuguese society and bring these paradigms to an evolution of something exuberant consumerism to a more rational and sustainable."

Luís Reis, President of Portuguese Association for Distribution Companies, in *Store*, 2012:33.

A thorough understanding of the shopper trends and its behavior allows anticipating what to expect and what paths to tread allowing guiding the tasting actions.

To understand the consumer behavior, is crucial to first understand their surroundings, especially in our actual crises context. Today we face a loss of purchasing power and a drop in consumption due to the austerity measures that Portugal is adopting. This crisis should mainly teach retailers to grow, and this cannot mean in sales, but in efficiency, excellence, doing more with less, and mainly grow in profitability.

Boris Planer, Director of Planet Retail, and Luís Simões, Managing Director of Iberia in the IV Congress of Modern Distribution, focus on the importance to understand the new consumers by the understanding of the context where they interact and how they react to this context.

First, we should look to the historic of the Gross Domestic Product (GDP) and the unemployment rate and the estimations for the next years (table 10). This analysis revel the bad economic position of the country and the slow recuperation that is expected, which contributes to the loss of purchasing power and a drop in consumption.

Table 11- GPD and Unemployment Rate in Portugal

	2008	2009	2010	2011	2012	2013	2014	2015
GDP	-0,4	-2,1	0,9	-1,7	-1,8	+1,2	+2,5	+2,2
Unemp. Rate	7,6	9,5	10,8	12,0	13,4	13,6	12,5	11,6

Source: Kantar WorldPanel, 2012

The low savings rate, which was only 8% in 2011 (INE, 2012), and the illiquid banks, implies difficulties in leading, looking ahead to a fiscal tightening of household expenses related to food (degradation of dietary habits), health care, education and culture.

The average expenditure of household is 20,400 euros according to the Family Expenditure Survey 2010/2011, 29,2% are housing costs, 14,5% transportations costs and 13,3% food costs. The relative weight of the average expenditure on food (13,3%) continues the downward trend of the last two decades – in 2000 was 18,7% and in 1990 29,5% (INE, 2011).

The index of consumer confidence values is the overall reflection of the crisis that Portugal is facing. This index has reached historic lows in 2011, stood at -56,5% in December 2011 (INE, 2011). According to INE, consumer confidence fell because households are pessimistic about the evolution of all components of the index: the economic situation of the country, unemployment, variation of incomes and the ability to save.

Demographic indicators also give clues to characterize the new consumers. In Portugal, the main demographic trends observed are the reduced growth and aging of population (table 11).

Table 12 - Population Age Structure

	2005		**2006**		**2007**		**2008**		**2009**		**2010**	
	10^3	**%**	**10^3**	**%**	**10^3**	**%**	**10^3**	**%**	**10^3**	**%**	**10^3**	**%**
Total	**10.569,6**	**100**	**10.599,1**	**100**	**10.617,6**	**100**	**10.627,3**	**100**	**10.637,7**	**100**	**10.637,0**	**100,0**
0-14	1.644,2	15,6	1.637,6	15,5	1.628,9	15,3	1.623,0	15,3	1.616,6	15,2	1.607,7	15,1
15-64	7.115,3	67,3	7.132,8	67,3	7.138,9	67,2	7.130,1	67,1	7.119,9	66,9	7.097,8	66,7
65 e +	1.810,1	17,1	1.828,6	17,3	1.849,8	17,4	1.874,2	17,6	1.901,2	17,9	1.931,5	18,2

Source: INE, 2011

The weight of the elderly population keeps increasing, as a result of the downward trends in the birth rate and increased longevity (table 12).

Table 13 - Birth Indicators and Average Life Expectancy

	Unid	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Live Births	nº	109.399	105.449	102.492	104.594	99.491	101.381
Birth Ratae	%	10,4	10,0	9,7	9,8	9,4	9,5
ALE	Years	77,64	78,17	78,48	78,70	78,88	79,20

Source: INE, 2011

This population structure has serious consequences at economic level, decreasing revenues and increasing expenditures of the State and Social Security. It is also a reflection of a society less dynamic and where the consumer looks, above all, comfort and commodity when purchasing.

Then it is possible to see how the consequences of this economic and demographic context in the consumer behavior.

The trends that will be presented are the main insights taken from the Nielsen Conference in FIL –Alimentaria & Horexpo realized in 28th March of 2011 and in the IV Congress of Modern Distribution organized by the Portuguese Association of Distribution Companies in 17th and 18th of January 2012. It stands out also a study made by the Publicis Group Creative Agencies in December 2011 in Lisbon and Porto, to shoppers with more than 16 years old in a total of 1176 interviews and presented in the IV Congress of Modern Distribution. Other retail magazines, such as *Store* and *Hipersuper*, Nielsen studies and scientific articles were also used.

- Portuguese people like to shop

Accordingly to Publicis Group study, 86% of the consumers like to go shopping. Despite all the crises and general disappointment, Portuguese people like to unwind shopping or, at least, walking in stores.

This is a very important statistic that should boost retailers to invest in ways to make consumers go and spend more time in their stores, such as the tasting actions because it is a reason for shoppers to go to *Retailer ABC* stores and spend time inside them.

- Today the buying process is more: rational, anticipated and informed

The same study shows that 83% of the consumers already have in mind what they are going to buy (even when they do not do a shopping list) and 58% do a shopping list before go to the store, revealing a more planned and anticipated purchase.

Even so, consumers spend more than they planned! 53% of the shoppers normally purchase more than planned and 54% considered that purchase in the physical store makes them purchase more than planned.

A study conducted by GMA, Booze&Company and Shespeaks (2010) shows that 81 percent of shoppers do shopping research before purchasing, 77 percent do not carry a detailed shopping list, and 59 percent of the decisions are made in the store. Another study from Deloitte Research (2007) says that more than 70 percent of decisions are made at the store (in Shankar, *et al*, 2011).

So retailers have always space to make actions to seduce consumers and act in their impulsive behavior. Tasting actions act mainly in these unplanned purchases and also in the planned, because a client can go to a store thinking of buying a product from one category and, if the tasting action as a product of that category, the client can purchase that product from the category he aimed to purchase.

Consumers are also more informed as a result of the democratization of the internet and the explosion of social networks. More and more consumers visit websites and social networks searching for information (60%), compare prices (48%) and to receive information about promotions and discounts (38%) (Publicis Group study, 2011). For this reason, *Retailer ABC* should invest in the divulgation of the tasting actions through its website.

- Population Aging change consumption patterns

Current patterns of consumptions differ according to age. The holder homes have different habits and attitudes of younger households. This will cause that retailers have to adapt to this reality reviewing products, linear and sets to the limitations of an older population. The next figure shows how the actual consumption patterns diverge according to age, being that, as the group age increases, the importance of the grocery, frozen food and dairy decreases and the perishable increases.

Age Group	**<35**	**35-49**	**50-64**	**>64**
Grocery Frozen Dairy	57%	54%	43%	38%
Perishable	27%	28%	41%	47%

Source: Nielsen Homescan, 2010

Figure 9 - Actual Consumption Patterns by Age Group

Population is aging and aged people consume more Perishable products, so this tendency is an asset for the tasting actions because there are made by the Commercial Department of Perishable.

The figure 10 complements the previous analysis by showing how the older households have different habits and attitudes than the younger households. Older households like less publicity, have less preference for price discounts, prefer supplier brands because do not recognize high quality in distribution brands, are less impulsive and have less pleasure in purchasing.

	<35	**>64**
“I do not like publicity”	22%	51%
Favorite Promotion: “Price discounts”	81%	61%
“High quality of distribution brands”	53%	27%
“I buy products by impulse”	42%	29%
“Shopping is a necessary loss of time”	23%	28%

Source: Nielsen Homescan, 2010

Figure 10 - Attitudes and Habits in Younger and Older Households

- Consumers increase their visits, spend less and prefer near stores

Luís Simões, Managing Director of Iberia Kantar WorldPanel, calls attention to the fact that consumers are increasing the frequency of purchase, going more times to the stores. This happens because the consumer withdraws more, spending less per each visit and looking for promotions and special reductions in each visit (Retalho, 2012).

This in one of the reasons why people prefer, more and more, stores near home/job- this is a slow shift but already visible. Other reason is the aging population, which reflects a population with mobility difficulties, that have less pleasure in purchasing and that looks for convenience above all, preferring local stores, where they can easily find what they want without major travels. The decrease of the household sizes, also contributes to this trend, because a smaller household means a smaller shopping cart, so the need to go far to shopping also decreases. Population, in general, avoid out-of-town trips to save petrol, valorizing stores near their homes or jobs, where they can go easily and as many times they need without spending many time and money with travels.

- Shoppers organized stores not only by product/price

According to Nielsen Shopper Trends 2010, the attributes related to comfort are more important than the attributes related with price when choosing a store. Table 13, shows the ranking of store attributes in 2010 and, in bold, we have the attributes related with price.

Table 14 - Ranking of Store Attributes: 2010

	Ranking
Everything I need in one shop	1
A place where it is easy to quickly find what I need	2
Pleasant store environment	3
Always have what I want in stock	4
Staff provide good service	5
High quality of fresh food	6
Well-presented display of products	7
Wide range of fruits and vegetables	8
Wide range of meat and fish	9
Spacious	10
Food and Grocery are good value for money	**11**
Efficient check-out counters	12
Clean and hygienic store	13
Has high quality brands	14
Provides their own brand of groceries which is a good alternative to the main brands	**15**
Has a wide range of well-known brands	16
Attractive and interesting promotions	**17**
Long opening hours	18
High quality prepared meal	19
Convenient to get to	20
Has programs that reward regular purchase of food, groceries and petrol	21
Ease of parking	22
Low prices for most of the items	**23**

Source: Nielsen Shopper Trends 2010

Availability of products, quality and fresh products variety are very important attributes being in the top of the list. Organization, environment, cleaning and localization are important attributes too when choosing a store to shop. Attributes related with price appear in the middle and end of the table showing that there is more to life than the price!

- Consumers valorize store experience and technology

The study of Publicis Group (2011) also points in the direction that consumers look for more than price. In the study, shoppers identify two factors in choosing a store: the concept of store experience and technology in store.

About the store experience, 97% of the shoppers prefer a store that gives a good purchase experience, 84% prefer stores where they can touch and try freely and 62% prefer modern and inspirational stores. When asked about the store that they considered that offer the best purchase experience, *Retailer ABC* was the chosen one.

When confronting the experience offered by physical store and online store, 79% of the shoppers considered the experience in stores much better because allows to see, touch and try, it is easy to choose and purchase, easy to pay and allows compare brands through physical evidence; 12% considered that both physical and online good gives a good experience and only 9%considered online much better because saves time and they allows accessing to a lot of information.

About the technology in store, 74% of the shoppers considered themselves as technology adopters; 69% would like to have a store that allowed reading the bar code through the personal mobile phone, giving access to product information; 58% would like to receive alerts about stores animation occurring in the moment they are inside; 51% would like to have a shopping list in the personal mobile phone and, when entering on stores, the mobile indicates where the product is (like a GPS).

- Multichannel and e-commerce

As we have been seen so far and as Boris Planer defended in the IV Congress of Modern Distribution, shoppers are getting more selective, they expect the comfort of buying in different ways: out-of-town, near the home, near the job, online, etc. So, retailers need to operate in mixed portfolios of hypermarkets, supermarkets, neighborhood stores, convenience stores, discount stores and online channels.

Dholakia, Zhao and Dholakia, (2005) suggested that cross shoppers make up a significant segment of the total customer base and spend more than single-channel buyers. In the same line, Weinberg, Parise and Guinan (2007) studies reveal that 65–70%of consumers have quickly embraced the practice of using a variety of channels to make their purchases and these consumers spend significantly more than single-channel shoppers. Konus, Verhoef and Neslin (2008) came to reinforce this trend with their studies revealing that a large segment of consumers are enthusiastic about using multiple channels during their shopping process.

Given this reality, it is critical that *Retailer ABC* adopt a multichannel mindset and effectively employ a multichannel marketing program. The practice of multichannel marketing is moving forward, having a variety of channels and a means for "memorizing" customer preferences is becoming crucial to deliver high-quality customer experiences, service, and value (Weinberg, *et al* 2007).

Associated with this trend emerge the e-commerce trend, one of the most important in this century. More and more people start using internet to purchase products. Internet access has crosses all age groups, although with a lower incidence as age is higher. Products of mass consumptions are still largely acquired via online compared with other goods such as books, air travels and event tickets. The next figure illustrates this fact.

How many?	Who?		Had you buy online this last 3 months?	
54% Purchase Online	15-24	86%	Books	38%
	25-34	78%	Travel	24%
	35-49	48%	Event Tickets	21%
	50-65	20%	**Grocery**	**8%**

Source: Source: Nielsen Homescan, 2010

Figure 11 - Internet Access by Age Group and Type of Purchase

Verhoef, Neslin and Vroomen (2007) called attention to the search-shopper phenomenon - the tendency of customers to use one channel for search and another for purchase, appointing the *Internet Search – Store Purchase* as the most common form of research shopping.

Pedro Barbosa, Professor of EGP- University of Porto Business School, talked about this a movement that shows the importance of retailers has both physical on online store (Retalho 2012). The MIXOO trend, as he called, is a mixed of two movements called ROPO. The first ROPO (resource offline and purchase online) is a movement where consumers seek in the physical store certain products, having the possibility to try features that in online store are hard to perceive, as the touch, smell, size, general appearance, to then realize the purchase online, often for a lower price. But the reverse ROPO also occurs: resource online, and purchase offline. In this case, consumers look for information online and then go to the store to purchase the product.

It not only store or only online, now is store plus online.

- Publicity in store is the favorite touch point of consumers

The Publicis Group study shows that 71% of the shoppers prefer store catalogs, 59% prefer publicity in-store, 58% prefer publicity on TV and 45% prefer the store website.

So, the best way to communicate the tasting actions is by in store actions.

- Growth Areas

In this context is relevant to ask: what seduces the client? The answer seems to be: goods that have not the price as a growth driver: premium, health, convenience and pleasure goods.

Source: AC Nielsen CCB Conference, 2010

Figure 12- Tendency of Growth Products

Consumers are willing to pay more for convenience. The key statement is speed associated with health, gourmet and new flavors.

Accordingly to Luís Reis, the crises also brought a grow area very important to our economy: the tendency of consumers prefer Portuguese products (in Retalho, 2012).

These tendencies can be guidelines for choosing products to taste and also to promote the Portuguese products of the *Retailer ABC.*

5.2. Qualitative Analysis

5.2.1. Stores Director´s Interviews

After the analysis of the interviews (annex 3) it was possible to infer a set of conclusions about the tasting actions from the point of view of a Store Director.

A content analysis table (annex 3, section 3.2.) was made allowing to draw a clearance data char (chart 8). As it is possible to note, the biggest percentages are in the *buying behavior* and *suggestions* categories that allow identifying if store directors believe that tasting action can affect the decision buying process and their suggestions to improve the tasting actions. The lowest values are in the category *weaknesses* reveling that few weaknesses were identify in the tasting actions.

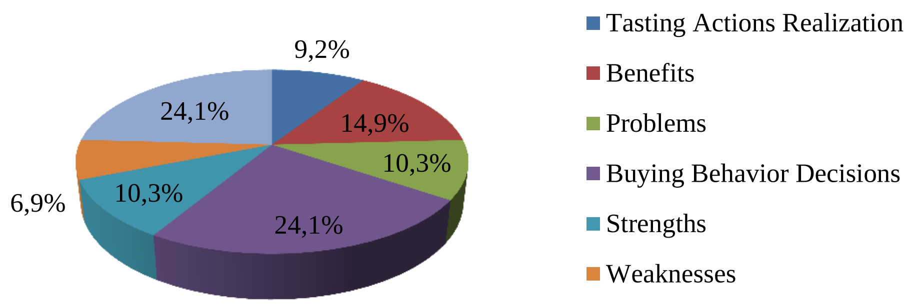


Chart 8 - Clearance data chart

A deeper analysis, based on the content analysis, allows inferring conclusions about each question and getting a deeper knowledge about Store Director's perspective.

Q.1. Does your store do the tasting actions all weekends and during the three days?

The Stores Directors revel to do the tasting action every weekend but usually only on Saturdays and Sundays.

Q.2. What benefits do you recognize in the tasting actions?

The main benefits pointed by Stores Directors where:

- Encourage sales
- Raise awareness of the products to customers
- Creation of hot spots
- Store animation
- Give consumption suggestions
- Increase sales
- Opportunity for clients to know the quality of the products
- Exposure the product

Q.3. What are the main problems faced in the tasting actions?

The identified problems reveal why stores do not do the tasting actions every weekend and during the three days.

- Operational and logistic store problems
- Lack of human resources
- Need of a permanent employee near the tasting cart
- Lack of criteria in choosing the products
- Some products require an elaborate confection
- Maintenance of the tasting cart

Q.4. Do you believe that tasting actions can affect consumer buying decisions?

All Directors agree that tasting actions affect consumer buying behavior because of the curiosity for experimentation, novelty and the surprise factor. If the client taste and like the taste product, he/she will buy the product or will come back later to acquire the product. They also agree that the persuasion effect of the promotion is higher when it is used a new product. The promoter dynamism and the price of the product also contribute for the higher or lowest effect of tasting actions on consumer buying behavior.

Q.5. Looking to the tasting cart. What are it mains strengths?

The main strengths identify were:

- Easy of transportation
- Easy to assemble
- Signage
- Being a cart that allow to move it around the store
- Appealing image
- Storage compartment for supplies and utensils
- Garbage incorporated

Q.6. Looking to the tasting cart. What are it mains weaknesses?

The main weaknesses identify were:

- Lack of space for expose the product when there are several articles to taste
- No equipment to cover the product
- Old decoration

Q.7. Please, suggest some improvement measurements for the tasting cart.

The collected suggestions can be group into three principals' ideas:

1. Definition of criteria in products choice
    - Actions and products that arouse curiosity
    - Choose products according to the season
    - Taste new or little known products
    - Taste promotional products
    - Taste products that need urgent sell
2. Not all products have to be to taste
    - Exposition of products in an appeal way with some nutritional indications or recipes
3. Different signage and decoration renewed
    - Incorporate the different signs of Retailer ABC
    - Have placards in accordance with those signs
    - Season decoration
    - Cover equipment

In conclusion, stores do not to the tasting actions every weekend and normally only do on Saturdays and Sundays mainly due to the lack of Human Resources although stores directors recognize that tasting action increase sales, create hot spots and in store animation and allows clients to know the products before purchase them. The main suggestions surround the definition of criteria in products choice and renew the decoration.

5.3. Quantitative Analysis

5.3.1. Sample Characterization

The surveys of the study were applied to males and females, older than 18 years old in a total of 165 questionnaires. Through the use of descriptive statistics is possible to characterize the sample in terms of demographic characteristics.

The nominal qualitative variable sex, shows that 38,8% of the respondents are male and 61,2% are female, which corresponds to 64 and 101 individuals, respectively, as can be seen in chart 9 (Annex IV, table 19).

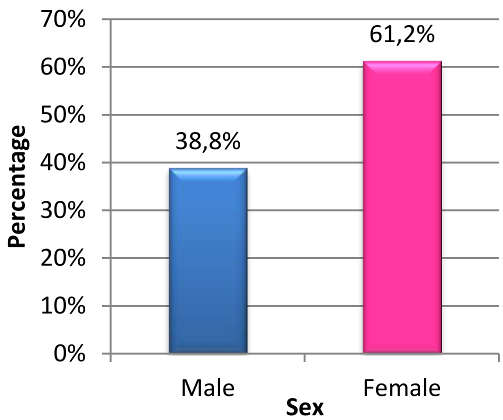


Chart 9 - Sex Variable Distribution

Regarding the distribution of individuals by age group, 11,5% have 18 to 25 years, 11,5% have 25 to 34 years, 29,7% have 35 to 44 years, 27,3% have 45 to 54 years, 12,7% have 55 to 64 years and 7,3% have more than 64 years old (Chart 10). Thus, we can infer that within the sample there will be more people aged between 35 to 54 years old (Annex 4, table 20).

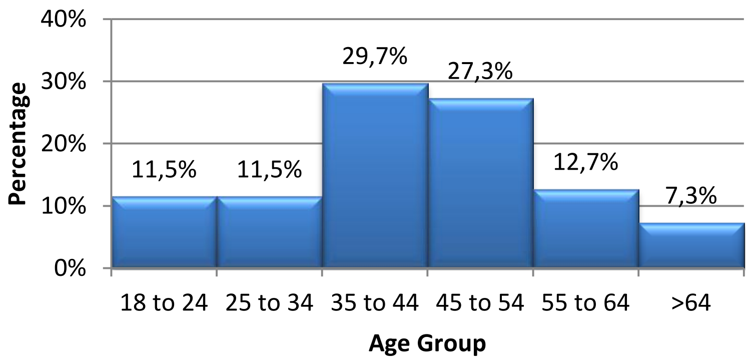


Chart 10 - Age Group Variable Distribution

On variable Educational Background it is possible to note that 17,6% of individuals have a basic/primary education level, 49,7% have the secondary level and 32,7% have a high educational level (Chart 11 and Annex 4,table 21).

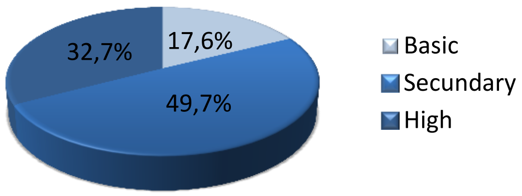


Chart 11 - Educational Background Variable Distribution

Regarding to the variable Profession, 26,7% of individuals have a middle or senior management/entrepreneurs position, 42,4% are administrative, trade or service employees, 13,9% are skilled workers and 1,2% unskilled workers. Finally, 15,8% of the respondents are unemployed/retired/students or domestic (Chart 12 and Annex 4, table 22).

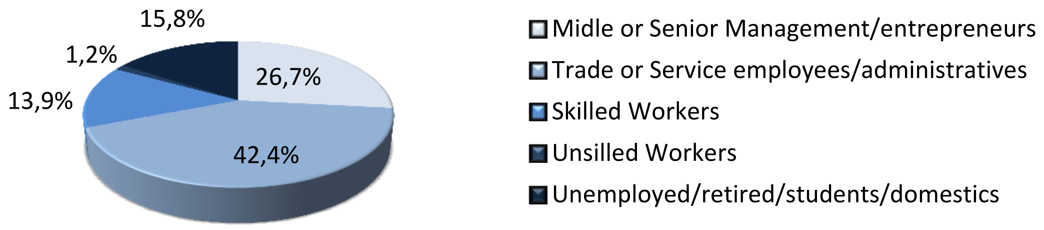


Chart 12 - Profession Variable Distribution

Regarding the household number, as it is possible to note in Chart 13, 9,1% of the respondents live alone, 20% have a household of 2 people, 40,6% have 3 people, 27,9% have 4 people and 2,4% have a household with 5 members (Annex 4, table 23).

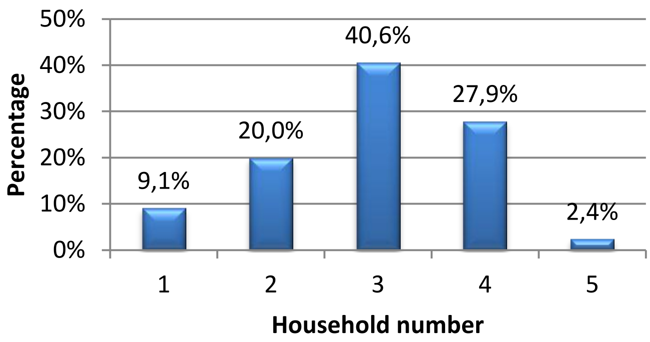


Chart 13 - Household number Variable Distribution

The last variable used to characterize the sample is the individual net income, that shows that 10,3% of the respondents have an individual net income less than 500€. The biggest slice is in the individual net income between 500 and 999€ with 46,7% of the respondents in this group, followed by the 1000 to 1499€ with 37,6%. Finally, only 5,5% of the respondents have an individual net income over than 1499€ (chart 14 and Annex 4, table 24).

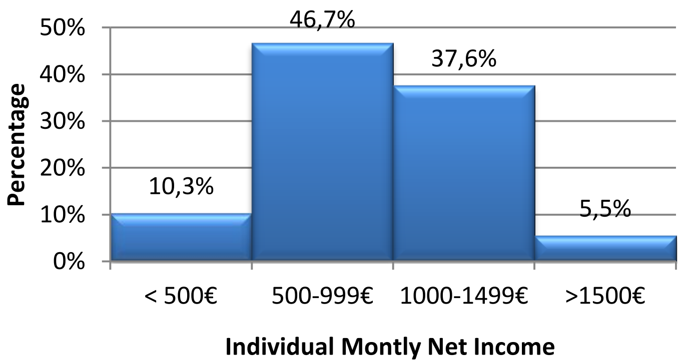


Chart 14 - Individual Monthly Net Income Variable Distribution

5.3.2. Client Characterization

After characterize the sample in terms of demographic, social and economic characteristics, is important to understand the sample in terms of client type. For that it was used the question 1 - Do you have client card? and question 2 - How often do you make purchases in this retail chain?.

As it is possible to see in chart 15, 96,4% of the respondents have Retailer ABC client card and only 3,6% does not have, which means 159 individuals with client card and 6 without client card (Annex 4, table 25).

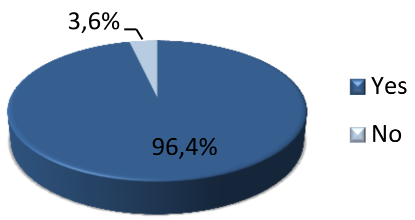


Chart 15 - Client Card Variable Distribution

Chart 16, shows that 40,6% of the respondents purchase in *Retailer ABC* more than once a week and 40% weekly. Only 14,5% of the respondents purchase fortnightly and 4,8% purchase monthly (Annex 4, table 26).

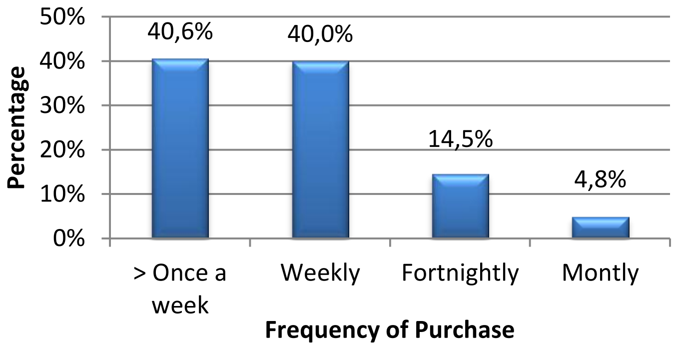


Chart 16 - Frequency of Purchase Variable Distribution

5.3.3. Tasting Actions

In this section it was made a descriptive characterization of respondents in terms of the questionnaire variables remaining to tasting action.

Q.3. How important are the following factors to your buying decisions?

Since all the answers to the question have a range from a minimum value of 1 (without importance) and a maximum of 5 (extremely important) and there is a point of indifference, we have a Likert response scale type.

From analysis of the chart 17, it is possible to see that the average of the three factors - promotions, merchandising and tasting actions, is very high. The most important factor is the *merchandising* with an average of 4,56 and the less important is the *tasting action* with an average, also high, of 4.20 (Annex 4, table 27).

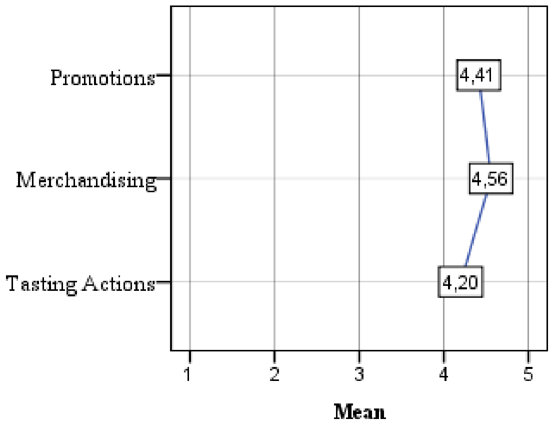


Chart 17 - Mean profile for the variable *How important are the following factors to your buying decisions?*

Q.4. Did you already know about the tasting actions undertaken by this retail chain?

Regarding to this variable, it is possible to note that 80% of the respondents already knew the tasting actions undertaken by *Retailer ABC*, and only 20% saw it for the first time (Chart 18 and Annex 4, table 28).

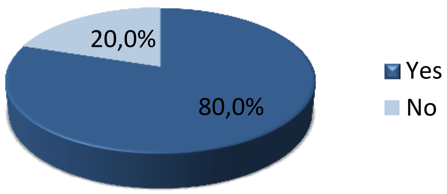


Chart 18 - *Did you already know about the tasting actions undertaken by this retail chain*? variable distribution

Q.5. What motivated you to try the product?

This variable had four different types of motivations to try the product: curiosity, approach of the promoter, product appearance and cart attractiveness. The chart below (chart 19) shows that more than a half of the respondents, 56,4% tried the product because of the promoter approach, 21,2% because of the product appearance, 18.8% by curiosity and only 3,6% because of the cart attractiveness (Annex 4, table 29).

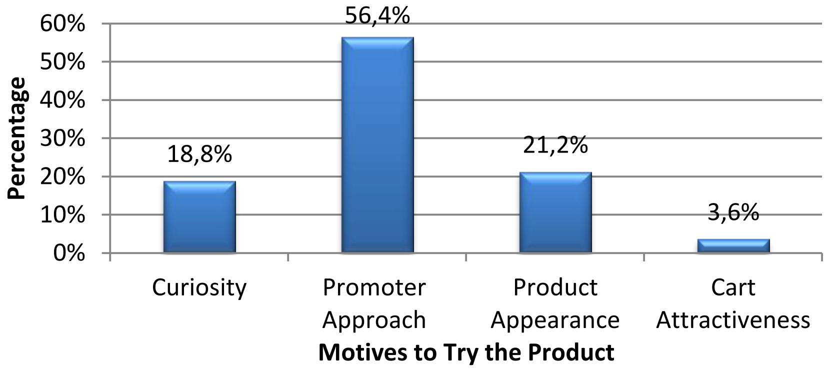


Chart 19 - ***What motivated you to try the product?*** **variable distribution**

Q.6. Did you plan to acquire a product from the same category?

In this variable, the distribution between "yes" or "no" is almost the half of the respondents for each possible answer. Chart 20 shows that almost 51,5% of the respondents planned to acquire a product from the same category and 48.5% did not planned (Annex 4, table 30).

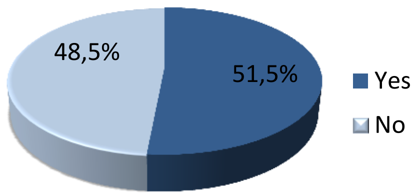


Chart 20 - ***Did you plan to acquire a product from the same category?*** **variable distribution**

Q.7. Are you going to acquire the product you tasted?

This variable is very important to understand if the tasting actions are achieving their main propose – increase sales. Chart 21 shows that only 40% of the respondents acquired the product and 60% did not acquire it (Annex 4, table 31).

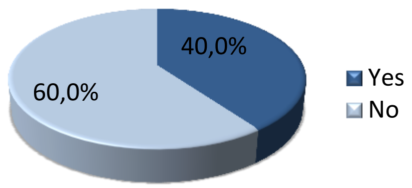


Chart 21 - ***Are you going to acquire the product you tasted?*** **variable distribution**

Q.8. If yes, what is the reason you are going to acquire the product?

As it is possible to note in chat 22, 54,5% acquire the product because of the taste and 30,3% because they were already habitual consumers of the product, so it is a normal purchase for them. Although the promoter approach is the main reason why respondents tasted the product (question 5), their persuasion does not influence respondents purchase.

Only 9,1% said that the promoter persuasion made them to acquire the product tasted. A small proportion of the respondents acquired the product by curiosity (4,5%) and because of the price (1,5%) (Annex 4, table 32).

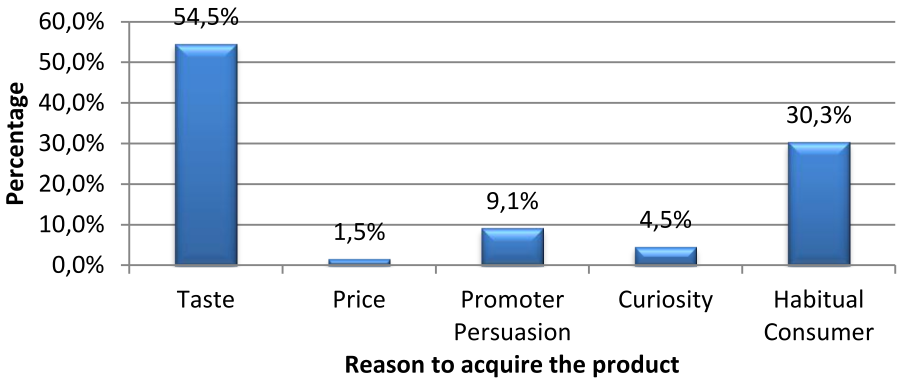


Chart 22 - If yes, what is the reason you are going to acquire the product? Variable distribution

Q.9. If no, what is the reason you are not going to acquire the product?

The main reason why respondents did not acquire the tasted product was because they did not plan that purchase (66%), which may reveal that tasting plan are not being efficient in causing impulsive purchasing. Chart 24, also shows that 22,3% of the respondents did not acquire the product because they are not habitual consumers and 9,7% because the product is too expensive. Only a 1% of the respondents said that they did not liked the tasted product, so they are not going to buy it and another 1% said that are loyal to other brand that not the one it was being tasted (Annex 4, table 33).

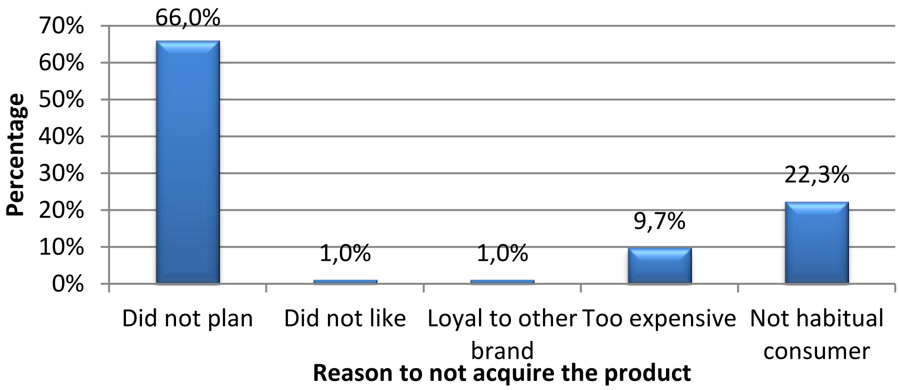


Chart 23 - ***If no, what is the reason you are not going to acquire the product?*** **variable distribution**

Q.6 and Q.7. Crosstab of variables *Did you plan to acquire a product from the same category?* And *Are you going to acquire the product you tasted?*

Analyzing chart 22, it is possible to conclude that from those you already planned to acquire a product from the same category of the tasted product, 43,5% acquired the tasted product and 56,5% did not change their preference and did not acquired the tasted product. When looking to those who did not planned to acquire a product from the category, only 36,3% acquired the tasted product (Annex 4, table 34).

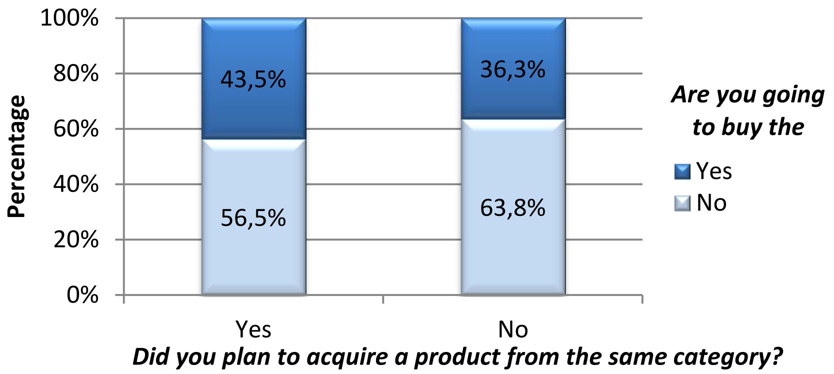


Chart 24 - Graphical representation of variables *Did you plan to acquire a product from the same category*? And *Are you going to acquire the product you tasted*?

These shows that, tasting actions seems to be effective in clients that already plan to acquire a product from the same category than in the ones who did not plan.

Q.10. How important are the following factors in tasting actions?

Once again all the answers to this question have a range from a minimum value of 1 (without importance) and a maximum of 5 (extremely important) and there is a point of indifference, we have a Likert response scale type.

From analysis of the chart 25, we can see that the average of the seven factors is very high. The existence of a promoter as well as their approach and the exposure and product presentation are the most important factor with averages of 4.7, 4.6 and 4.5., respectively. The decoration and price indication are the less important ones with averages although high of 3.7 and 3.9 respectively (Annex 4, table 35).

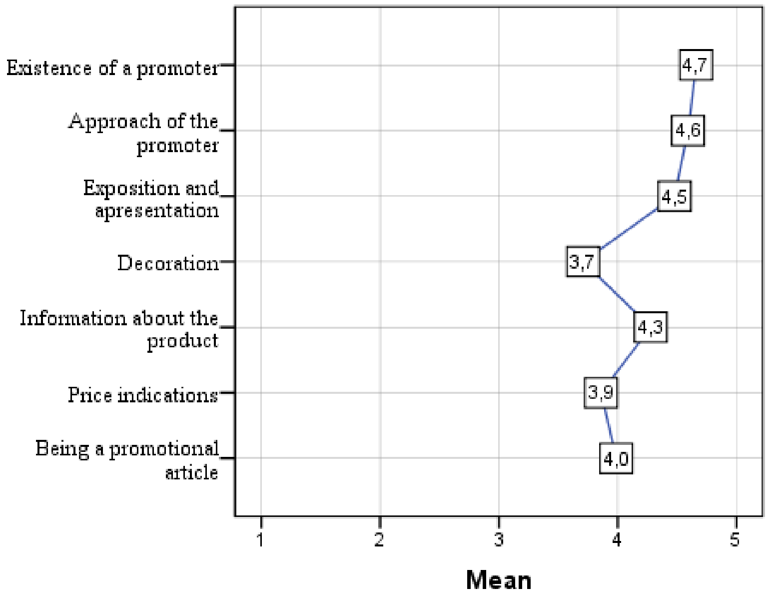


Chart 25 - Mean profile for the variable *How important are the following factors in tasting actions?*

Q.10. What kind of brands would you like to see in tasting actions?

In this questions, 52,6% said that they would prefer to try Selection Brand referring that they want to taste products with a certificate quality given the opportunity to try the product before the purchase, because many times they do not purchase Selection products because they are more expensive and their do not know if the flavor and the quality is good value for money.

The retailer brand appears is preferred by 28,5% of the respondents and economic brand by 17% of them. Only 1,8% said to prefer the supplier brand because it is more trustful (chart 26 and Annex 4, table 36). Some respondents advised that the equilibrium line should be also considered because more and more health is a common concern.

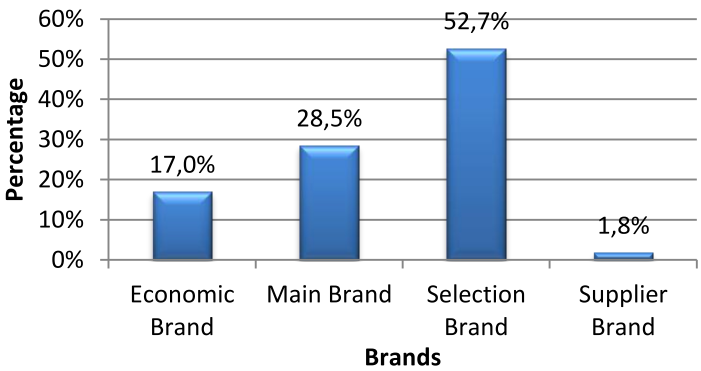


Chart 26 - *What kind of brands would you like to see in tasting actions?* variable distribution

Q.11. Would you like to be informed about the tasting actions?

Regarding to this variable, 73,9% of the respondents want to be informed about the tasting actions considering it very interesting. The remaining respondents (26,1%) said they do not want to be informed about the tasting actions some because are overloaded and other because do not like to taste products (chart 27 and Annex 4, table 37).

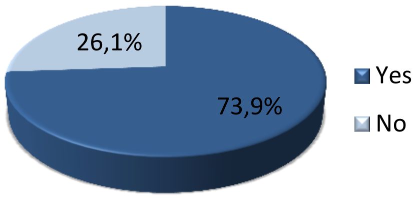


Chart 27 - ***Would you like to be informed about the tasting actions?*** **variable distribution**

Q.12. If yes, by which mean?

From those you said "yes" to the previous question, 48,4% would like to see the information about the tasting actions in the brochure of the retailer, 20,5% would like to receive this information with the booklet of discount coupons and another 20,5% by phone message. Only 5,7% would like to see this information the social networks and 4,9% in the retailer website (chart 28 and Annex 4, table 38).

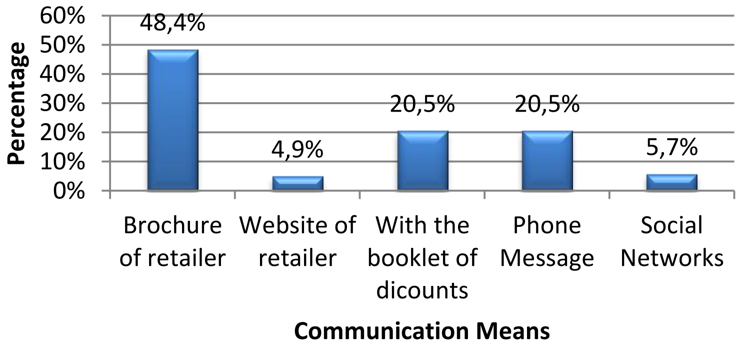


Chart 28 - ***If yes, by which mean?*** **variable distribution**

In resume, most respondents are females, aged between 35 to 54 years old, with a secondary level, trade or service employees or administrative and also middle or senior management, earning between 500 to 1499€.

The majority of the respondents have client card, purchase in the *Retailer ABC* more than once a week or, at least, once a week and valorize promotions, merchandising and tasting actions.

Most of the respondents already knew the tasting actions of the *Retailer ABC* and the approach of the promoter was the main reason why they tried the product in tasting. Half of the clients already planned to acquire a product from the same category as product in tasting, and, about 60%, ended up by buying the tasted product, mainly because of the taste. The ones who did not acquire the tasted product was because they did not plan that purchase.

In tasting actions the most valorized factors are the existence and the approach of the promoter, the exposition and presentation of the product in the tasting cart and the existence of information about the product. Respondents prefer to taste products of the selection brand of the *Retailer ABC* and would like to be informed about the tasting action through the brochure of the retailer.

5.3.4. Cluster Analysis

In order to see if it is possible to find groups of respondents with similar views of the importance given to the factors of question 8, it was made a hierarchical cluster analysis.

Therefore, it was compared the shapes in Single Linkage clustering, Complete Linkage and Ward Linkage, using for all Euclidian distance squared. After comparison of various methods, the Ward method was the chosen one because it allows grouping the data optimally, with a similar and small distance (Annex 5, table 38 and figure 13). The coefficient chart allows us to verify that a solution of two clusters is the most feasible solution.

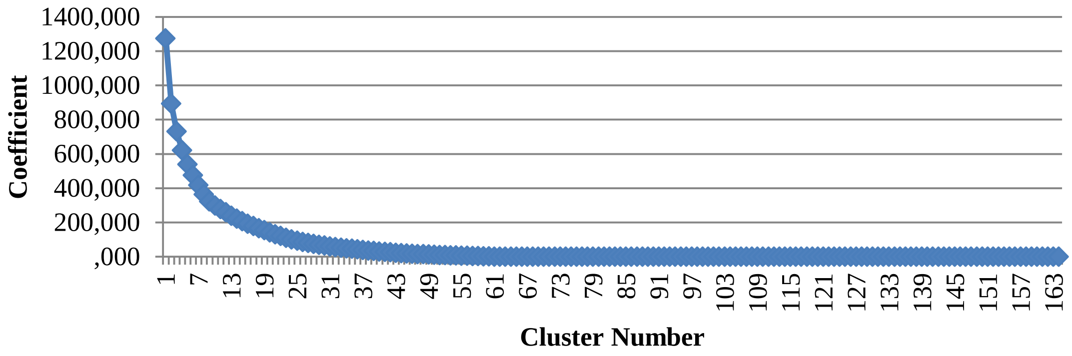


Chart 29 – Coefficient Analysis

The cluster 1 is composed by 143 individuals, which correspond to a 86,7% of the total; and the cluster 2 is composed by the remaining 22 individuals, so 13,3% (table 14).

Table 15- Frequencis for the two cluster according to Ward´s Method

	Frequency	Percent	Valid Percent	Cumulative Percent
1	143	86,7	86,7	86,7
2	22	13,3	13,3	100,0
Total	165	100,0	100,0	

To evaluate the similarities and differences between the opinions of the groups (clusters), we draw a mean profile using the principal components (chart 30).

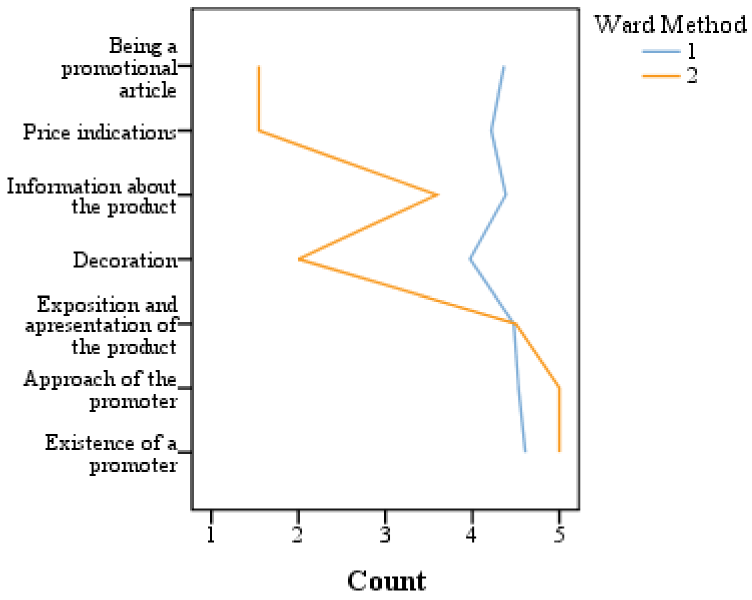


Chart 30 - Mean Profile

Cluster 1 seems to give a lot of importance to all the factors in general, being the less important the *decoration*. The cluster 2 shows significant differences. This cluster gives a lot of importance to the *existence and approach of the promoter*, being also important the *exposition and presentation of the product*. The less important factors are *being a promotional article* and *the price indication*. The *decoration* is also not so important.

5.4. SWOT Analysis and CSF

Finally, it is possible to elaborate a SWOT analysis that will show the main strengths, weaknesses, opportunities and threats of the tasting action. This step is crucial because some of the implementation steps will derived from the SWOT.

Strenghts	Weaknesses
• Increase in net sales for the generality of products, compared with de pre-campaign • Greater acceptance by customers • Wide variety of products in tasting • Creation of store animation and hotspots • Raise awareness of the products to customers • Exposure the products • Opportunity for clients to taste before buy	• Limits the tasting to Perishable products • Do not includes cross- selling activities • Promoters unprepared, without information's about the product characteristics • Promoters from other areas that not the one of the product in tasting • No way to control what store do the tasting actions • Inability to anticipate promotions • Lack of human resources in store • Maintenance of the tasting cart in store • Undefined criteria of products choice
Opportunities	**Treaths**
• Crosselling • Explore shopper trends: premium, health, convenience and pleasure products • Explore Portuguese products • Technologies and social networks • Continues identification of new equipment's and merchandising solutions	• Main competitor also do tasting actions • Economic and social crises

Also, it was also considered important to define the Critical Success Factors (CSFs) – the critical elements to ensure the success of the tasting actions.

Table 16 - Critical Success Factors

Objective	CSF
Development of an integrated tasting plan to implement in 2012.	Set criteria for choice of products
	Promote cross-selling
	Offer consumption suggestions
	Anticipate promotions
	Prepare stores and collaborators
	Being Visible and appealing to the consumer
	Have quality and good flavor products
	To be affordable and price-competitive
	Communicate

These CSFs are the areas of the project that are absolutely essential to its success. By identifying these CSFs, it is possible to ensure that the project is well-focused and avoid wasting effort and resources on less important areas. By making CSFs explicit and communicating them with everyone involved, it is possible to keep the project on track towards common aims and goals.

Chapter 6. Implementation Proposal

The final phase of the internship was the definition of the implementation proposal for the Tasting Actions of the 1st semester of 2012 presented in a board meeting. The following chapter presents the main steps of the implementation proposal and the results of the board meeting about each step.

As seen before, consumers organize stores not only by price and they valorize stores who give them a real shopping experience. Today, selling is basic. To be special, *Retailer ABC* needs to provide experiences to its customers, because experiences transform, generate memories and makes consumers speak well about the company and their products to others. Providing a buying experience makes costumers to leave their optical and be transformed by the show of the service, the quality and the taste of the products. And, if Portuguese people like to shop, let's give them reasons to come to *Retailer ABC* store and spend more time there than in other stores.

6.1. Implementation Proposal Steps

The implementation proposal includes a series of steps that will be next presented:

Step 1. Set criteria for products choice

The definition of criteria is the first fundamental step because, if *Retailer ABC* wants to increase sales through tasting actions, he needs to choose the right products to achieve this goal. When to choose a product, this should add as much value as possible, so the best option is to always try to choose products that cover as much of possible criteria. The choice criteria proposed were:

Main criteria:

- Articles with high margin
- Promotional articles
- Articles in the brochure

Retailer ABC need to choose products with high margins, because is with those products that the company will profit. The ideal scenario is aggregated this criterion with the next two: be a promotional article and be in the brochure because clients more easily considered the tasting product if a promotion is associated or if they see it in the brochure.

Secondary endpoints:

- New or unfamiliar articles

If *Retailer ABC* has a new product it should be considered in tasting actions because it will allow to measure the acceptance of the product and will give the opportunity to clients to taste the product. Sometimes clients do not consider a product just because they did not know it, and through the tasting action they have the possibility to try it and see if they like it or not, and maybe become a current consumer of that product.

- Articles from the trends: premium (selection line), health (balance line), convenience and pleasure and above all, Portuguese products.

This are the grow areas, as seen in the previous chapter, so an effort to choose products from these areas should be made. Give special attention to the Portuguese products making it clear to costumers. When the product in tasting action is a Portuguese one, the placard should have this information very prominent.

- Articles from Portuguese producers

This is a strong point that should be explored by the *Retailer ABC*. This retail chain has special agreements with local producers to promote their products having a large supply of Portuguese products highly publicized in the marketing campaigns and in the media in general. In the crises, everything that helps to decrease importation is welcome.

- Explore client segmentation

Retailer ABC must take advantage of the segments with more weight (Budget Families, Traditional Seniors and Wealthy Health) and customize tasting carts thinking on these clients and their main characteristics. The next table is guideline to this customization.

Table 17 - Main Segments Characteristics to Explore

Budget Families	**Traditional Seniors**	**Wealthy Health**
Spend little taking into account the family dimension: €132/clt	Spend a lot: €144/clt	Are those who spend more: €155/clt
24 to 54 years old, large household	Oldest Segment, live in couple	More than 45 years old, live alone or in couple
Are most likely to purchase the Economic brand of the *Retailer ABC*	Are most likely to purchase in the perishable are and buy a lot of traditional cooking products	Are most likely to buy healthy and diet food
Spend more in the Cut (swine, poultry, easy cooking)	Spend more in the Fishery (Cod, fresh fish, frozen in bulk)	Light Delicatessen Fruits and Vegtables Traditional Fresh Brad

So, it is necessary to look to were these segments spend more and their preferences and develop personalized tasting actions. To the budget families choose a meet from an economic brand and develop a simple recipe in a tasting action, to the traditional seniors invest in traditional recipes and consumption suggestion for an article of the fishery and to wealthy health chose products from the light brand of the *Retailer ABC*.

- Articles present on the cooking recipes or consumption suggestions

Some brochures include cooking recipes. So, an incentive to buy the product in tasting is if it is one of the main ingredients necessary to make the recipe.

- Articles of quality and taste

In the foods sector consumers are extremely sensitive to the perceived quality of the product. It is mandatory to choose products with healthy components, quality ingredients, the right nutritional contents and with a good flavor - the most important choice criteria, as seen in questionnaires.

These criteria must be combining whenever possible, because the more customers we can reach and delight the most chance of success the tasting action will have.

Step 2. Promote cross-selling and consumption suggestions

The rule followed for the *Retailer ABC* is that every weekend should give prominence to one of the five areas of Perishable but, the true is, this rule limits the ability to offer consumption suggestions and new recipes, as well as the possibility of adding value to the main product through the aggregation of other products.

So, although the main products must be from the area of that weekend and this one should be the prominent product, other products of other areas of the Perishable should be taken into account. For example, one weekend is dedicated to Delicatessen area, and a cream cheese is the chosen product. Instead of putting only the cream cheese in tasting, it is possible to serve the cream cheese with amazing rustic bread or mini toasts. The main product continues to be the cream cheese, but we add value to it by adding a product from the Bakery.

And it is possible to also expand to the Alimentary area. For example, for a Fruit and Vegetables weekend, the tasting product can be strawberries and we can serve the strawberries with liquid chocolate from the Alimentary area. Another example can be the tasting actions of the Delicatessen that always fit with wine tasting.

These measures aggregate value and enhance the flavors of the main product making it tastier to customers; promote cross-selling between different areas; and allows the *Retailer ABC* to develop recipes and consumption suggestions richer and appealing to the customer like tapas, kebabs, and other small combinations of easy preparation. In the end all these will promote more sales.

Step 3. Prepare stores and collaborators

During the times spend in the stores it was possible to notice that most of the promoters do not know anything about the product. Almost every client, during the tasting action, asked something, like the price, the quantities or pounds of the product, the origin, the best way to be cooked… In most of the situations the promoters did not answer the client or needed to read in the product or asked to a superior to help the client.

In the eyes of customers, this is seen as a major failure. The promoters must be able to clarify the client to the fullest and give them an assisted sale.

So, the PowerPoint that is sent to the store every week should include some slides with product information such as: price, origin, quantity/pounds, best way to cook or consume, origin, main ingredients… These slides must be printed and delivered to employee that is going to be the promoter.

Also, promoters should have some training to do tasting actions, getting familiar with simple rules such as: invite de client to taste, and not wait for them to come; always smile; be nice and friendly; be able to answer all questions or, at least, kindly tell the client that she/he don´t know the answer but will call someone who can help. This train should consider in the annual training plan.

It is also important to take into account that the promoters should be of the product area and not from other areas. *Retailer ABC* invests in training employees with polyvalent powers which are capable of acting in all areas. However, this turns out to be a weak spot in the tasting actions, because many times the employee who is responsible for the tasting action is not from that area and this also contributes for an unattended sale.

Step 4. Being Visible and appealing to consumer

The tasting actions generally act in the unplanned purchase so it is very important to be visible to stimulate the purchase.

The tasting cart should be placed next to the section and where the product is exposed for sale, taking into account the movement line of the flow of customers. The tasting cart should also be changed during the days because, internal studies of the *Retailer ABC* shows that the movement line of the flow of customers changes according to the time of the day.

The decoration of the tasting cart is another aspect to take into account. The actual decoration is old, very dark and as no references to the *Retailer ABC* insignia. So, the tasting cart should also be redecorated to incorporate the insignia of *Retailer ABC* and of the different line brands - Economic, Main brand, Selection and Health brand. The cart should include an A3 placard with the name and main characteristics and benefits of the product in tasting and a picture of it. When there is more than one article, the placard A3 can have just the name and picture of the product. In this case, the information of each product can be in an A2 card that is placed near the product with a spring or a support. Four models of placards should be done, each one corresponding to the color of the four lines of the *Retailer ABC*.

Also, it is possible to add value to the tasting actions by offering health tips and cooking recipes or consumption suggestions in a brochure that the client can take with him.

Finally, some basic principles should be followed such as maintaining the tasting cart cleans and exposing the products in an appealing way.

Step 5. Communicate

The questionnaire results made clear that consumers want to be informed about the tasting action. The Publicis study (2011) also revealed that people like to be informed about the store animations. So, let's give to consumers what they want. For that, it was made a simulation of tasting actions communication thought the following means:

- **Brochure**: The brochure of the Commercial Department of Perishable is released weekly and, as such, will announce the tasting action of the following weekend on the last page of the brochure. Depending on the number and type of product, this announcement can also include a description of the articles and its main characteristics, cooking recipes and/or consumption suggestions.
- **Mobile phone:** Clients with client card and that indicate a number of mobile phone in the registration form will also receive a message on Friday´s announcing the tasting action of that weekend.
- **Website**: As seen previously, more and more consumers are using internet and retailers websites to gather information and to purchase. So, the *Retailer ABC* website will also announce the tasting actions of the weekend, offering an entire possibility to explore the articles though interactive contents with the full options to see main characteristics, benefits to health, cooking recipes and consumptions suggestions.
- **Store alerts**: When tasting actions are occurring, a store alert will be made to inform consumers about the tasting action.

6.2. Implementation Proposal Application

Based on the **Steps 1 and 2,** I made a proposal of the products for the 1st semester of 2012 filling the Unit Matrix.[5]

[5] This proposal cannot be presented due to the confidentiality agreement.

I first changed the Unit Matrix Model adding two more lines: one to *Cross-Selling Proposal* and other *Justifications* with this last line my objective is, in a few words, justify why the reason for choosing that products.

To fill the Unit Matrix, I first aggregated each business unit to each weekend taking into account special seasons that are more conducive to certain areas. Then, for each business unit, I extracted a list of:

- Products with great margins associated with positive and high net sales;

- Products with great margins of the Selection Line (the one that the respondents of the questionnaire choose as the one they would like to see in tasting actions) and health line (that is seen as one of the mains actual trends);

- Portuguese products with great margins;

- Products forecast to be promotional;

- Products forecast to be in the brochure.

I also asked to all the five areas of the Perishable if it was planned the introduction of new products to be also considered in my proposal.

With this information I started to choose the products to each business unit.

I followed the rule of a maximum of three products per action and always considered crosselling with other products of Perishable but also from the Alimentary area. I never put the products in a simple presentation, I always made simple recipe such as salads, tapas, kebabs, appetizers, brochettes…

As *Retailer ABC* works in collaborations with Portuguese *Chefs*, I also I did a survey of recipes that would include the products I chose for tasting. Then I send the recipes to the responsible for the weekly brochure of *Retailer ABC*, with the indications of the weeks of each recipe to be included in the brochure.

Every business unit evaluated my Unit Matrix that was approved by the board direction.

To achieve the **Step 3**, I design a new PowerPoint presentation that include a cover, a slide with the agenda with interactive options (when clicking on the topic, the PowerPoint automatically goes to the correspondent slide), a slide with the name and reference of the product and a picture of it, a slide with all the information about the product (price, quantity/pounds, origin, main ingredients), a slide with consumption suggestions, a slide with nutritional characteristics, and a slide were should be put pictures of the tasting cart test showing how the products should be expose on the tasting cart.

This PowerPoint was also approved in the board meeting.

In **Step 4** I made a model for the A3 placard, the A2 cards and for the cards with health tips and cooking recipes or consumption suggestions using Office tools.

All the models were approved by the board direction.

Finally, in the **Step 5** I was able to present in the board meeting a simulation in a brochure and in the website. This simulation was made with the help of the Department responsible for the development and maintenance of the website. I also presented the idea of communicating through mobile phone, since it is a channel that the *Retailer ABC* already uses to communicate with the clients and through the store alerts.

In the board meeting the communication of the tasting actions was applauded, since it had never thought of communicating.

The communication through the brochure and the website was the excitement point, since it was seen as a mean to force stores to do the tasting actions. This is because, if it appears in the brochure and in the website the communications that in the following weekend there will be happen a tasting action and, if the client comes to the store and don´t see the tasting action it can be cause for complaint. Once stores receive a premium if they have none or few complaints, stores will be force to do the tasting actions to avoid complaints. Also it was considered and excellent way to boost the tasting actions.

The communications through mobile phone was not accepted, once it is a communication channel with high costs and that the *Retailer ABC* is about to abandon.

The store alerts were also approved and considered an excellent way to test a new communication system that, from a central, sends a message that is passed in all stores at the same time without requiring any action by the stores.

In the board meeting, it was given to me the possibility to test the feasibility of my suggestions; it was chosen a pilot store to implement these measures during the first month of 2012[6].

The chosen store usually does not do the tasting actions and, in the tasting action raking stores, is positioned in a low level of sales. Taking this into account, the first goal I set was positioned this store in the top five of that month.

Before start the first step was to redecorate the tasting cart. This redecoration was made by an external company with my collaboration and the marketing department. The A3 and A2 placards were also prepared as the supports for them.

The brochure for the four weeks of January was also developed including in the last page the communication of the tasting action. In the middle of the brochure was added a detachable recipe that included the tasting the products.

Due to time constraints, for this test it was only add a pop up window in the website. When the clients visit the website it appeared a window communicating the tasting action of that week.

A store alert was also recorded and scheduled to Fridays at 12h, 19h and 21h and to Saturdays and Sundays at 12h, 15h, 18h and 21h.

Every Mondays of January I went to the selected store and prepared the tasting cart accordingly with my Matrix Unit. I took pictures and prepared a PowerPoint to send to all stores on Thursday's.

During the weekend (Friday, Saturday and Sunday) I went to the store and did the tasting action myself. My first major concern was to get familiar with the product to be able to answer all questions. Then I put the tasting cart always near the product and I took a few minutes to look for customers and to understand the movement that they did in that

[6] Only one month was analysed because the internship ended in February

section: where they entered, where they look first, where they first ran, so I can positioned the tasting cart in the best way. Then I analyzed if there were enough product available on the shelves and if the price was clear enough. During the tasting, I was always nice and kindly with the costumers and I invited every single costumer to do tasting.

In the end of the month, the Department of Business Analysis analyzed the results of the tasting actions for that store. In the table 17, a part of that analysis is presented.

As it is possible to see, the sales were much higher in the campaign period than in the previous one. All the products had growth rates superior than 100% and the store raking rose up.

Table 18 - Tasting Action Analysis

		Campaign Period		**Previous Period**			
		Net sales (€)	**Qt sold**	**Net sales (€)**	**Qt sold**	**Growth Rate**	**Raking**
1st Week Bakery	Article A	293	57	57	11	414,0%	1
	Article B	200	50	88	22	127,3%	
	Article C	386	64	6	1	6333,3%	
2nd Week Fruits and Vegetables	Article A	200	80	58	23	244,8%	5
	Article B	311	101	151	49	106,0%	
3rd Week Delicatessen	Article A	135	36	33	9	309,1%	3
	Article B	78	21	12	3	550,0%	
	Article C	96	24	12	3	700,0%	
4th Week Cut	Article A	297	33	90	10	230,0%	3
	Article B	108	18	18	3	500,0%	
	Article C	132	22	52	7	153,8%	

This analysis proved the feasibility to implement the measures proposed, and also show that a tasting action is a success when the products are well chosen, when the tasting cart is well placed, when there is a nice and prepare promoter that talks with clients and invite them to try the product, instead of waiting for them to come.

Chapter 7. Conclusions

7.1. Conclusions

The objective of the present project was the development of an integrated tasting plan to implement in 2012. To achieve this objective, several actions needed to be made: evaluation of the impact of the tasting actions on sales; identification of the main failures in the actual tasting plan; identification of the factors valorize by customers in tasting action; development of cross-selling activities; development of a briefing format to the stores; work on the communication of the tasting actions.

For that, the methodology focused in the collection of secondary data from the *Retailer ABC* internal database, AC Nielsen reports and studies, and the IV Congress of Modern Distribution organized by APED in 17th and 18th of January 2012. Also, it was used primary data from interviews made to five stores Directors of five hypermarkets and questionnaires made to 165 clients who did tasting actions.

The development and analysis of the flowchart of the tasting actions made possible to identify five main failures that needed to be overcome with this project. The analysis of the sales during the tasting actions showed that in most of the cases the sales growth with the tasting actions, especially in the cases where products were of special seasons, promotions were associated and when products required a mandatory presence of a promoter.

Also, it was verified that consumer tendencies plays in favor of the tasting actions development.

The interviews reveled that not all stores do the tasting action during the three days of the weekend, usually just do on Saturdays and Sundays mainly due to the lack of human resources. Although, stores directors recognize several benefits of tasting actions and believe that tasting actions affect consumer buying behavior because of the curiosity for experimentation, novelty and the surprise factor. As main improvements to do, they pointed the definition of criteria in products choice, the exposition of products with some nutritional indications or recipes and redecorate the tasting cart.

The questionnaires reveled that most of the respondents already knew the tasting actions of the *Retailer ABC* and that the approach of the promoter was the main reason why they tried the product in tasting. About 60% of the respondents ended up by buying the tasted product, mainly because of the taste. The ones who did not acquire the tasted product was because they did not plan that purchase. In tasting actions the most valorized factors are the existence and the approach of the promoter, the exposition and presentation of the product in the tasting cart and the existence of information about the product. Respondents prefer to taste products of the Selection brand of the *Retailer ABC* and would like to be informed about the tasting action through the brochure of the retailer.

These results made clear the importance of the definition of criteria in products choice, promoting cross-selling activities, offer consumption suggestions, anticipate promotions, prepare stores and collaborators, be visible and appealing to consumer, have affordable, price-competitive, quality and good flavor products, communicate.

These were the main guidelines to develop an integrated tasted plan for the 1st semester of 2012 that made clear that the tasting actions must provide a true shopping experience that leads consumers to engage in the spectacle of a quality service and an opportunity to delight with *Retailer ABC* products. *Retailer ABC* must provide their customers a real shopping experience because experiences transform, generate memories and leas consumers to speak well of the stores and products.

7.2. Project Contribution

This project sought to contribute for the development of theoretical knowledge thought the systematization of the concepts surrounding the retail, the consumer behavior and the promotion tools.

The main objective of this project was the development of an integrated tasting plan to implement in 2012. Objective that was achieved.

As the "Tasting Actions" project is recent, it was the first time that it was made an evaluation of the impact of the tasting actions in 2011 on sales. Also, it was the first time that a flowchart was drawn and identified the main failures and positive aspects. The questionnaire to clients, to identify the factors valorized in the tasting actions, and the interviews to the stores Directors, to identify positive and negative aspects and collect suggestions, were also pioneer studies.

In the board meeting, it was considered that my projected brought three crucial points for the success of the tasting actions: the definitions criteria for choosing products; the expansion of the crosselling to the Alimentary Area and not only the Perishable Area; and the communication of the tasting actions that was never taken into account.

The possibility to implement my proposal and the analysis of that implementation also helped to prove to stores that allocate resources to do the tasting actions is a plus, because when a tasting action is well done it translates into as increase in sales. And, in a time of crises, in which retailers struggle to attract customers, everything that can be done to streamline stores and drive customers to take pleasure in buying in our stores is always welcome.

7.3. Project Limitations

There were several limitations in this project. The most important one was the confidentiality agreement that restricts to much the use and disclosure of information. This prevented the identification and characterization of the company and their situation in the retail market; the use of data which would enrich the project; and, the most important one, the disclosure of the results of my work during these five months: the proposal of articles, that included the crosselling activities, pictures of the new layout and decoration of the tasting cart, the placards, the Power Point to the stores, and the communication proposal...

Other limitation was the difficulty to obtain data from the *Retailer ABC* about segments, stocks, products, sales, prices, etc, because many data is lost in the database that needs a deep restructuring. Also, *Retailer ABC* has an enormous inability to anticipate promotions and articles leaflet, which are always decided in the limit of the time. Since there is no way to control what stores do or do not the tasting actions, the analysis made by the Department of Business Analysis are not real because they always make the analysis taking into account that all stores do the tasting actions during the three days.

At interviews level, it was also tried to enriched the qualitative analysis with an interview with the Director of the Implementation Team, responsible for the coordination of the tasting action but, although all the memos, an answer was never obtained. At questionnaires level, it was made an effort for that the sample was as representative as possible of the target population, but the limited sample dimension was also a constraint once it was not possible to infer to the entire population.

Finally, a longer follow-up of the tasting actions could have led to the identification of more failures and the emergence of new ways to leverage them.

7.4. Suggestions for Future Projects

A line of research would be to apply evaluation questionnaires to clients and stores in the end on the first semester to see if the measures implemented had a real effect on consumers and stores. In future research developments will also be desirable to have a larger sample.

Another line of research would be to apply the model proposed in this project to the others types of stores of *Retailer ABC*- supermarkets and small supermarkets, and analyze the results.

Also can be considered a new challenge at communication level: to grab in two projects that the *Retailer ABC* has, one that aims to improve the eating habits of Portuguese families and motivate them to take a more active lifestyle; and another that aims to promote national products; and link them to tasting actions, betting on communication. The first project communicates through one minute episodes that pass on TV, speaking of commitments essential to follow a more balanced diet and take advantage of physical activity. So the idea is also to make one minute episodes that include health and easy recipes using only products from the second project (Portuguese products) and that can be seen in the tasting actions.

Also can be pointed, as a line of research, the study of the effects of tasting actions in the unplanned purchase or the effect of in-store animation in choosing a store to test whether there is a relationship between the actions and the consumer behavior.

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Annex 1 – Interview to Stores Directors

Interview

Tasting Action in Retailer ABC Hypermarkets

This interview is embedded within an academic work of a student at ISCTE – Lisbon University Institute, in her Master project. For this project we are collecting the opinions of stores Directors. The objective of this interview is to collect information and analyses the tasting actions carried out by this retail chain.

The answers will be treated confidentially and your anonymity is always guaranteed. There is no right or wrong answers; the important is your opinion. Your collaboration is essential to getting the job done.

Thanks for your availability and participation.

1. Does your store do the tasting actions all weekends and during the three days?

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2. What benefits do you recognize in the tasting actions?

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3. What are the main problems faced in the tasting actions?

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4. Do you believe that tasting actions can affect consumer buying decisions?

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5. Looking to the tasting cart. What are it mains strengths?

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6. Looking to the tasting cart. What are it mains weaknesses?

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7. Please, suggest some improvement measurements for the tasting cart and actions.

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8. Observations, suggestions, opinions, other facts that want to relate

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OPD

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Store

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Date of the interview

____

Thank you for your cooperation!

Annex 2 – Clients Questionnaire

Questionnaire

Tasting Action in Retailer ABC Hypermarkets

Good morning / Good afternoon / Good night. My name is Marisa and I am realizing a study about the tasting action in this retailer chain within an academic work at ISCTE – Lisbon University Institute.

For this study I am collecting the opinions of hypermarket clients. The objective of this questionnaire is to collect information about the clients view about the tasting actions carried out by this retail chain.

The answers will be treated confidentially and your anonymity is always guaranteed. There is no right or wrong answers; the important is your opinion. Your collaboration is essential to getting the job done.

Thanks for your availability and participation.

Q.1. Do you have client card?

- Yes ☐
- No ☐

Q.2. How often do you make purchases in this retail chain?

- More than once a week ☐
- Weeakly ☐
- Fortnihtly ☐
- Montly ☐
- Other ☐

Which________________________

Q.3. How important are the following factors to your buying decisions?

	Without Importanc 1	2	3	4	Extremely Important 5
Sales Promotions (cupons, free-trial, price-off, bonus pack)					
Merchandising (product exposition and presentation, store decoration)					
Tasting Actions					

Q.4. Did you already know about the tasting actions undertaken by this retail chain?

- Yes ☐
- No ☐

Q.5. What motivated you to try the product?

- Curiosity ☐
- Promoter approach ☐
- Product appereance ☐
- Tastin cart attractiveness ☐
- Other ☐

Which ___________________

Q.6. Did you plan to acquire a product form the same category?

- Yes ☐
- No ☐

Q.7. Are you going to acquire the product you tasted?

- Yes ☐ If Yes, go to the next question
- No ☐ If No, go to question 9

Q.8. If yes, what is the reason you are going to acquire the product?

- Taste ☐
- Price ☐
- Promoter persuasion ☐
- Curiosity ☐
- Habitual consumer ☐
- Other ☐

Which____________________

Q.9. If no, what is the reason you are not going to acquire the product?

- Did not plan ☐
- Did not liked ☐
- Loyal to other brand ☐
- Too expensive ☐
- Not habitual consumer ☐
- Other ☐

Which ___________________

Q.10. How important are the following factors in tasting actions?

	Without Importanc 1	2	3	4	Extremely Important 5
Promoter existence					
Promoter approach					
Product exposition and presentation					

Decoration					
Information about the product					
Price informations					
Being promotional article					

Q.10. What kind of brands would you like to see in tasting actions?

- Economic Retail ABC brand ☐
- Retail ABC brand ☐
- Premiun Retail ABC brand ☐
- Supplier Brand ☐

Q.11. Would you like to be informed about the tasting actions?

- Yes ☐ If Yes, go to the next question
- No ☐ If No, go to interview characterization

Q.12. If yes, by which mean?

- In the Retailer ABC leaflet ☐
- In the Retailer ABC website ☐
- In the booklet of discounts sent montly ☐
- On your cellphone ☐
- Social Networks ☐
- Other ☐

Which?____

Sex

- Male ☐
- Female ☐

Age

- 18 to 24 years old ☐
- 25 to 34 years old ☐
- 35 to 44 years old ☐
- 45 to 54 years old ☐
- 55 to 64 years old ☐
- >64 years old ☐

Educational Background

- Basic ☐
- Secondary ☐
- High ☐

Profission

- Midle or sénior managment/entrepreneurs ☐
- Trade or servisse emplyees/adminitratives ☐
- Skilled workers ☐
- Unskilled workers ☐
- Unemployed/retired/students/domestic ☐
- Other ☐

Household number: _________

Individual montly net income

- <500€ ☐
- 500-999€ ☐
- 1000-1499€ ☐
- >1499 ☐

Store____

Date of the interview ____

Thank you for your cooperation!

Annex 3 - Stores Directors Interviews

3.1. Interview Transcriptions

- Interview 1

1. Does your store do the tasting actions all weekends and during the three days?

“We realize the tasting actions weekly, but not always the three days. Usually only two days.”

2. What benefits do you recognize in the tasting actions?

“The main objective is to encourage sales, raising awareness of the products to customers and also the creation of hot spots and stores animation."

3. What are the main problems faced in the tasting actions?

"Operational and logical store problems. If the tasting action is passive it is easier, but if it is an active tasting action, requires the permanent presence of an employee, not always available. When the tasting actions are promoted by the suppliers, everything is simple, because we only have to give the space."

4. Do you believe that tasting actions can affect consumer buying decisions?

"Affect a lot the buying decision. Not really because they buy in quantity, but because of the curiosity for experimentation, novelty and the surprise factor. Clients always end up buying one unit or came back later to acquire the tasted product if they liked it."

5. Looking to the tasting cart. What are it mains strengths?

"As mains strengths I point two: it is easy to transport and has an appealing decoration."

6. Looking to the tasting cart. What are it mains weaknesses?

"The negative aspect that most affect my job in tasting actions is the small dimension for some products that need more space for confection."

7. Please, suggest some improvement measurements for the tasting cart and actions.

"The tasting carts should be bigger to facilitate product exposure and to have space for all the cooking utensils. The carts should also have a grill encrusted. We should have two tasting carts to allow us to do several tasting actions at the same time. We should also be trained or have a small specialized, versatile and prepared team responsible for the actions, taking care of all logistic."

8. Observations, suggestions, opinions, other facts that want to relate

“Nothing to add.”

- **Interview 2**

1. Does your store do the tasting actions all weekends and during the three days?

“Yes, normally we realize the tasting actions accordingly with de Commercial Direction Plan."

2. What benefits do you recognize in the tasting actions?

"Tasting actions are very important because they increase sales and give our clients the opportunity to know the quality of our products."

3. What are the main problems faced in the tasting actions?

"Human resources limitation for doing tasting actions. We have lack of employees to do the regular job, so it is impossible to have someone always available."

4. Do you believe that tasting actions can affect consumer buying decisions?

"Of course it can affect. If the client taste and like, the client will buy it. It is simple and clear. It is also a clear way to show the client the product characteristics and benefits.”

5. Looking to the tasting cart. What are it mains strengths?

“The tasting cart is easy to assemble and has a lot of signage."

6. Looking to the tasting cart. What are it mains weaknesses?

"Clearly it has little space for crossing sales."

7. Please, suggest some improvement measurements for the tasting cart and actions.

"Rethink the tasting cart a little bigger."

8. Observations, suggestions, opinions, other facts that want to relate

“Everything was already said.”

- Interview 3

1. Does your store do the tasting actions all weekends and during the three days?

“Yes, but the actions are normally made on Saturdays and Sundays, depending of the product and the human resources availability."

2. What benefits do you recognize in the tasting actions?

"To inform new product or consumptions cues, different from the usual. It is also a sales generator."

3. What are the main problems faced in the tasting actions?

"Tasting cart maintenance. For a presentation worthy of the tasting cart and for we truly inform our clients about our products, a permanent promoter is needed and we have this employee limitation. It is impossible to abdicate of a two hands worker."

4. Do you believe that tasting actions can affect consumer buying decisions?

"Affect a lot. The buying decision is based in three main factors potentiated in tasting actions: 1 – Type of product to taste; 2 – Promoter dynamism; 3 - Price.”

5. Looking to the tasting cart. What are it mains strengths?

"Tasting cart is adequate to it objective."

6. Looking to the tasting cart. What are it mains weaknesses?

"Do not have any coverage equipment for the products."

7. Please, suggest some improvement measurements for the tasting cart and actions.

"Some criteria choice, the tasting actions should take place when there are actions or products that arouse, effectively, the curiosity of potential consumers. Also, they should not take place every weekend to avoid trivializing the tasting action concept."

8. Observations, suggestions, opinions, other facts that want to relate

“Nothing to add.”

- Interview 4

1. Does your store do the tasting actions all weekends and during the three days?

“Yes."

2. What benefits do you recognize in the tasting actions?

"To inform our clients about products they do not know because they are new in the market or in the store, or simply because they never had the curiosity to try that product.”

3. What are the main problems faced in the tasting actions?

“To answer all clients questions and for to have an assisted selling, the tasting cart should not be alone, and we cannot abdicate of an employee for that."

4. Do you believe that tasting actions can affect consumer buying decisions?

"Yes, I believe that tasting actions act on impulsive buying behavior. Sometimes clients do not even know the product, but try, like and buy.”

5. Looking to the tasting cart. What are it mains strengths?

"Being a cart that allows moving it around the store is definitely the main strength. Also is very complete with a storage compartment for supplies and utensils and garbage incorporated."

6. Looking to the tasting cart. What are it mains weaknesses?

"Old fashion decoration and no cover for product."

7. Please, suggest some improvement measurements for the tasting cart and actions.

"The signage should be rethinking to highlight the products instead of the chicken foot we have now. And also some alterations in the cart conception, maybe thinking it bigger."

8. Observations, suggestions, opinions, other facts that want to relate

“Nothing to add.”

- Interview 5

1. Does your store do the tasting actions all weekends and during the three days?

“Yes, we do it 70% of the times but usually only on Saturdays and Sunday."

2. What benefits do you recognize in the tasting actions?

"To exposure the product, get to know new products and animate the store.”

3. What are the main problems faced in the tasting actions?

“Lack of human resources on the store is the main problem and the one that we cannot control in this time. Some products requires an elaborate confection and there are no conditions for cook them. Also, I truly believe that there are no selection criteria on products."

4. Do you believe that tasting actions can affect consumer buying decisions?

"Yes, a tasting action encourages an impulsive purchase, especially when the product is new.”

5. Looking to the tasting cart. What are it mains strengths?

"Good space in general."

6. Looking to the tasting cart. What are it mains weaknesses?

"Although the dimension is adequate for most of the tasting actions, there is little space for some tasting actions that requires confection or when the tasting action has several products."

7. Please, suggest some improvement measurements for the tasting cart and actions.

"At decoration level, it should be renewing: have the *Retailer ABC* symbols, have signage according to the type of product or even a season decoration. At the product level, choose the products better because it only make sense to taste if the product is new or little known; if it is a promotional article on that weekend; or if t need urgent sales. Choose the products having in mind that not all products need to be for degustation, can be just for expose of the product, for example we can have do a very appealing decoration for a product and have him exposure near the section, highlighting the product characteristics and benefits. Although the human resources limitation we can do tasting actions because not all products need to have a permanent employee if there were cover equipment. Also, we should streamline the cart with consumptions suggestions, recipes, etc. and choose tasting actions according to the season, for example, fruits and vegetables for spring season, bakery for Christmas, Ester and other festivities, and take advantage of the concerns with health. Marketing the insignia!"

8. Observations, suggestions, opinions, other facts that want to relate

"Already said everything."

3.2. Content Analysis

Table 19 - Content Analysis Table

Categories	Context Units	Registration Units	En. Units	%
Tasting Actions Realization	I.1. “We realize the tasting actions weekly, but not always the three days. Usually only two days.”	- Yes - Two days	8	9,20
	I.2. “Yes, normally we realize the tasting actions accordingly with de Commercial Direction Plan"	- Yes		
	I.3. “Yes, bu the actions are normally made on Saturdays and Sundays, depending of the product and the human resources availability."	- Yes - Saturdays and Sundays		
	I.4. "Yes."	- Yes		
	I.5.“Yes, we do it 70% of the times but usually only on Saturdays and Sunday."	- Yes - Saturdays and Sundays		
Benefits	I.1.“The main objective is to encourage sales, raising awareness of the products to customers and also the creation of hot spots and stores animation."	- Encourage sales - Raise awareness - Hot Spots - Stores´animation	13	14,94
	I.2. "... they increase sales and give our clients the opportunity to know the quality of our products."	- Increase sales - Know the quality of products		
	I.3. "To inform new product or consumptions cues, different from the usual. It is also a sales generator."	- To inform new product - Consumptions cues - Sales generator		
	I.4."To inform our clients about products they do not know because they are new in the market or in the store, or simply because they never had the curiosity to try that product.”	- To inform		
	I.5. "To exposure the product, get to know new products and animate the store.”	- Exposure the product - Get to know new products - Animate the store		
Problems	I.1."Operational and logistic store problems. If the tasting action is passive it is easier, but if it is an active tasting action, requires the permanent presence of an employee, not always available."	- Operational and logistic problems - Permanent presence of an employee	9	10,34
	I.2."Human resources limitation for doing tasting actions."	- Human resouces limitation		

	I.3. "Tasting cart maintenance. For a presentation worthy of the tasting cart and for we truly inform our clients about our products, a permanent promoter is needed and we have this employee limitation..."	- Maintenence - Employee limitation		
	I.4. “To answer all clients questions and for to have an assisted selling, the tasting cart should not be alone, and we cannot abdicate of an employee for that."	- Cart should not be alone		
	I.5.“Lack of human resources on the store." "Some products requires an elaborate confection and there are no conditions for cook them.”"No selection criteria on products"	- Lack of human resources - Elaborate confection - No selection criteria		
Buying Behavior Decisions	I.1. "Affect a lot the buying decision. Not really because they buy in quantity, but because of the curiosity for experimentation, novelty and the surprise factor. Clients always end up buying one unit or came back later to acquire the tasted product if they liked it."	- Affect a lot - Curiosity for experimentation - Novelty - Surprise factor - Buy one unit - Came back later	21	24,14
	I.2. "Of course it can affect. If the client taste and like, the client will buy it...It is also a clear way to show the client the product characteristics and benefits"	- Affect - Client taste and like - Client will buy it - Product characteristics and benefits		
	I.3. " Affect a lot. The buying decision is based in three main factors potentiated in tasting actions: 1 – Type of product to taste; 2 – Promoter dynamism; 3 - Price.”	- Affect - Type of product - Promoter dynamism - Price		
	I.4. "Yes, I believe that tasting actions act on impulsive buying behavior. Sometimes clients do not even know the product, but try, like and buy.”	- Yes - Impulsive buying behavior - Client try, like and buy		
	I.5. "Yes, a tasting action encourages an impulsive purchase, especially when the product is new.”	- Yes - Impulsive purchase - New product		
Strengths	I.1. "...easy to transport and has an appealing decoration."	- Easy to transport - Appeling decoration	9	10,34
	I.2."The tasting cart is easy to assemble and has a lot of signage."	- Easy to assemble - Signage		
	I.3. "Tasting cart is adequate to its’ objective."	- Adequated		

	I.4."Being a cart that allows moving it around the store is definitely the main strength. Also is very complete with a storage compartment for supplies and utensils and garbage incorporated."	- Being a cart - Storage compartment - Garbage incorporated		
	I.5. "Good space"	- Good space		
Weaknesses	I.1. "…small dimension for some products that need more space for confection."	- Small dimension	6	6,90
	I.2. "…little space for crossing sales."	- Litle space		
	I.3. "Do not have any coverage equipment for the products."	- Coverage equipment		
	I.4. "Old fashion decoration and no cover for product."	- Decoration - Cover		
	I.5. "...little space for some tasting actions that requires confection or when the tasting action has several products."	- Litle space		
Suggestions	I.1. ""The tasting carts should be bigger to facilitate product exposure and to have space for all the cooking utensils. The carts should also have a grill encrusted. We should have two tasting carts to allow us to do several tasting actions at the same time. We should have two tasting carts to allow us to do several tasting actions at the same time. We should also be trained or have a small specialized, versatile and prepared team responsible for the actions, taking care of all logistic."	- Bigger - Grill encrusted - Two carts - Specialized team	21	24,14
	I.2. "Rethink the tasting cart a little bigger"	- Tasting cart bigger		
	I.3. "Some criteria choice...Also, they should not take place every weekend to avoid trivializing the tasting action concept."	- Criteria choice - Avoid trivializing		
	I.4. "The signage should be rethinking to highlight the products… And also some alterations in the cart conception, maybe thinking it bigger."	- Signage - Cart bigger		

	I.5. ""At decoration level, it should be renewing: have the Retailer ABC symbols, have signage according to the type of product or even a season decoration. At the product level, choose the products better because it only make sense to taste if the product is new or little known; if it is a promotional article on that weekend; or if t need urgent sales. Choose the products having in mind that not all products need to be for degustation, can be just for expose of the product...""...not all products need to have a permanent employee if there were cover equipment." "Streamline the cart with consumptions suggestions, recipes, etc." "Choose tasting actions according to the season... and take advantage of the concerns with health. In the end, marketing the insígnia."	- Retailer ABC simbols - Signage - Season decoration - New product - Promotional article - Urgente sales - Exposure of the product - Cover equipment - Consumptions suggestions - Season tasting actions - Concerns with health - Marketing the insignia		
Total			**87**	**100**

Annex 4 – Questionnaire Analysis

4.1. Sample Characterization

Table 20 - Distribution of frequencies and percentage for the variable *Sex*

	Frequency	Percent	Cumulative Percent
Male	64	38,8	38,8
Famale	101	61,2	100,0
Total	**165**	**100,0**	

Table 21 - Distribution of frequencies and percentage for the variable *Age Group*

	Frequency	Percent	Cumulative Percent
18 to 24 years old	19	11,5	11,5
25 to 34 years old	19	11,5	23,0
35 to 44 years old	49	29,7	52,7
45 to 54 years old	45	27,3	80.0
55 to 64 years old	21	12,7	92,7
More than 64 years old	12	7,3	100,0
Total	**165**	**100,0**	

Table 22 - Distribution of frequencies and percentage for the variable *Educational Background*

	Frequency	Percent	Cumulative Percent
Basic	29	17,6	17,6
Secondary	82	49,7	67,3
High	54	32,7	100,0
Total	**165**	**100,0**	

Table 23 - Distribution of frequencies and percentage for the variable *Profession*

	Frequency	Percent	Cumulative Percent
Middle or senior management/entrepreneurs	44	26,7	26,7
Trade or service employees/administrative	70	42,4	69,1
Skilled workers	23	13,9	83,0
Unskilled workers	2	1,2	84,2
Unemployed/retired/students/domestic	26	15,8	100,0
Total	**165**	**100,0**	

Table 24 - Distribution of frequencies and percentage for the variable *Household Number*

	Frequency	Percent	Cumulative Percent
1	15	9,1	9,1
2	33	20,0	29,1
3	67	40,6	69,7
4	46	27,9	97,6
5	4	2,4	100,0
Total	**165**	**100,0**	

Table 25 - Distribution of frequencies and percentage for the variable *Individual Monthly Net Income*

	Frequency	Percent	Cumulative Percent
Less than 500€	17	10,3	10,3
500-999€	77	46,7	57,0
1000-1499€	62	37,6	94,5
More than 1499€	9	5,5	100,00
Total	**165**	**100,0**	

4.2. Client Characterization

Table 26 - Distribution of frequencies and percentage for the variable *Client Card*

	Frequency	Percent	Cumulative Percent
Yes	159	96,4	96,4
No	6	3,6	100,0
Total	**165**	**100,0**	

Table 27 - Distribution of frequencies and percentage for the variable *Frequency of Purchase*

	Frequency	Percent	Cumulative Percent
More than once a week	67	40,6	40,6
Weekly	66	40,0	80,6
Fortnightly	24	14,5	95,2
Montly	8	4,8	100,0
Total	**165**	**100,0**	

4.3. Tasting Actions

Table 28- Descriptive Statistics to the variable *How important are the following factors to your buying decisions?*

	N	Minimum	Maximum	Mean	Std. Deviation
Promotions	165	1	5	4,41	1,006
Merchandising	165	1	5	4,56	,791
Tasting Actions	165	1	5	4,20	1,170

Table 29 - Descriptive Statistics for variable *Did you know the tasting actions?*

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	132	80,0	80,0	80,0
No	33	20,0	20,0	100,0
Total	**165**	**100,0**	**100,0**	

Table 30 - Descriptive Statistics for variable *What motivated you to try?*

	Frequency	Percent	Valid Percent	Cumulative Percent
Curiosity	31	18,8	18,8	18,8
Approach of the promoter	93	56,4	56,4	75,2
Product appearance	35	21,2	21,2	96,4
Cart attractiveness	6	3,6	3,6	100,0
Total	**165**	**100,0**	**100,0**	

Table 31 - Discriptive Statistic for the variable *Did you plan to acquire a product from this category?*

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	85	51,5	51,5	51,5
No	80	48,5	48,5	100,0
Total	**165**	**100,0**	**100,0**	

Table 32 - Descriptive Statistics for variable *Are you going to buy the product you tasted?*

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	66	40,0	40,0	40,0
No	99	60,0	60,0	100,0
Total	**165**	**100,0**	**100,0**	

Table 33 - Descriptive Statistics for variable *If yes, why?*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Taste	36	21,8	54,5	54,5
	Price	1	,6	1,5	56,1
	Persuasion of the promoter	6	3,6	9,1	65,2
	Curiosity	3	1,8	4,5	69,7
	Habitual Consumer	20	12,1	30,3	100,0
	Total	66	40,0	100,0	
Missing	System	99	60,0		
Total		**165**	**100,0**		

Table 34 - Descriptive Statistics for variable *If no, why?*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Did not plan	68	41,2	66,0	66,0
	Did not like	1	,6	1,0	67,0
	Loyal to other brand	1	,6	1,0	68,0
	Too expensive	10	6,1	9,7	77,7
	Not habitual consumer	23	13,9	22,3	100,0
	Total	103	62,4	100,0	
Missing	System	62	37,6		
Total		**165**	**100,0**		

Did you pan to acquire a product from this category*? * *Are you going to buy the product you tasted?
Crosstabulation

			Are you going to buy the product you tasted? Yes	No	Total
Did you plan to acquire a product from this category?	Yes	Count	37	48	85
		% within *Are you going to buy the product you tasted?*	56,1%	48,5%	51,5%
		% of Total	22,4%	29,1%	51,5%
	No	Count	29	51	80
		% within *Are you going to buy the product you tasted?*	43,9%	51,5%	48,5%
		% of Total	17,6%	30,9%	48,5%
Total		Count	66	99	165
		% within *Are you going to buy the product you tasted?*	100,0%	100,0%	100,0%
		% of Total	40,0%	60,0%	100,0%

Table 35 - Descriptive Statistics for variable *How important are the following factors in tasting actions?*

	N	Minimum	Maximum	Mean	Std. Deviation
Existence of a promoter	165	2	5	4,66	,649
Approach of the promoter	165	2	5	4,59	,671
Exposition and apresentation of the product	165	2	5	4,48	,808
Decoration	165	1	5	3,71	1,269
Information about the product	165	1	5	4,28	1,182
Price indications	165	1	5	3,86	1,315
Being a promotional article	165	1	5	3,99	1,225
Valid N (listwise)	**165**				

Table 36 - Descriptive Statistics for variable *What type of brand did you like to see in tasting actions?*

	Frequency	Percent	Valid Percent	Cumulative Percent
E Brand	28	17,0	17,0	17,0
Retailer Brand	47	28,5	28,5	45,5
Selection Brand	87	52,7	52,7	98,2
Supplier Brand	3	1,8	1,8	100,0
Total	**165**	**100,0**	**100,0**	

Table 37 - Descriptive Statistics for variable *Would you like to be informed about the tasting actions?*

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	122	73,9	73,9	73,9
No	43	26,1	26,1	100,0
Total	**165**	**100,0**	**100,0**	

Table 38 - Descriptive Statistics for variable *If yes, by which mean?*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Brochure of retailer	59	35,8	48,4	48,4
	Website of retailer	6	3,6	4,9	53,3
	Along with the booklet of dicount coupons	25	15,2	20,5	73,8
	Phone message	25	15,2	20,5	94,3
	Social networks	7	4,2	5,7	100,0
	Total	122	73,9	100,0	
Missing	System	43	26,1		
Total		**165**	**100,0**		

Annex 5 – Cluster Analysis

Table 39 - Agglomeration Schedule

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1	164	165	,000	0	0	2
2	134	164	,000	0	1	9
3	154	163	,000	0	0	109
4	161	162	,000	0	0	5
5	152	161	,000	0	4	12
6	157	160	,000	0	0	9
7	147	159	,000	0	0	110
8	146	158	,000	0	0	110
9	134	157	,000	2	6	15
10	144	156	,000	0	0	15
11	153	155	,000	0	0	12
12	152	153	,000	5	11	132
13	138	151	,000	0	0	21
14	135	145	,000	0	0	24
15	134	144	,000	9	10	107
16	133	143	,000	0	0	116
17	131	142	,000	0	0	126
18	129	141	,000	0	0	134
19	127	140	,000	0	0	137
20	124	139	,000	0	0	27
21	3	138	,000	0	13	31
22	117	137	,000	0	0	34
23	116	136	,000	0	0	35
24	128	135	,000	0	14	113
25	32	130	,000	0	0	142
26	120	125	,000	0	0	31
27	87	124	,000	0	20	39
28	111	123	,000	0	0	40
29	110	122	,000	0	0	41
30	109	121	,000	0	0	42
31	3	120	,000	21	26	48
32	103	119	,000	0	0	48
33	93	118	,000	0	0	58
34	53	117	,000	0	22	72
35	76	116	,000	0	23	50
36	101	115	,000	0	0	50
37	89	114	,000	0	0	138
38	88	113	,000	0	0	114
39	87	112	,000	27	0	138
40	86	111	,000	0	28	143
41	85	110	,000	0	29	118

42	84	109	,000	0	30	114
43	107	108	,000	0	0	44
44	82	107	,000	0	43	62
45	81	106	,000	0	0	113
46	80	105	,000	0	0	135
47	79	104	,000	0	0	139
48	3	103	,000	31	32	57
49	77	102	,000	0	0	120
50	76	101	,000	35	36	61
51	99	100	,000	0	0	52
52	60	99	,000	0	51	65
53	73	98	,000	0	0	66
54	72	97	,000	0	0	67
55	71	96	,000	0	0	68
56	94	95	,000	0	0	57
57	3	94	,000	48	56	71
58	33	93	,000	0	33	127
59	67	92	,000	0	0	72
60	90	91	,000	0	0	61
61	76	90	,000	50	60	142
62	82	83	,000	44	0	125
63	68	78	,000	0	0	71
64	74	75	,000	0	0	65
65	60	74	,000	52	64	129
66	59	73	,000	0	53	122
67	58	72	,000	0	54	155
68	57	71	,000	0	55	106
69	56	70	,000	0	0	139
70	55	69	,000	0	0	123
71	3	68	,000	57	63	76
72	53	67	,000	34	59	131
73	63	66	,000	0	0	76
74	51	65	,000	0	0	111
75	50	64	,000	0	0	121
76	3	63	,000	71	73	80
77	48	62	,000	0	0	117
78	47	61	,000	0	0	135
79	52	54	,000	0	0	80
80	3	52	,000	76	79	83
81	45	49	,000	0	0	83
82	41	46	,000	0	0	130
83	3	45	,000	80	81	87
84	36	44	,000	0	0	89
85	40	43	,000	0	0	87
86	34	42	,000	0	0	111
87	3	40	,000	83	85	90
88	35	37	,000	0	0	90

89	9	36	,000	0	84	123
90	3	35	,000	87	88	94
91	28	31	,000	0	0	94
92	13	30	,000	0	0	102
93	7	29	,000	0	0	115
94	3	28	,000	90	91	100
95	5	27	,000	0	0	105
96	4	26	,000	0	0	109
97	20	25	,000	0	0	100
98	2	24	,000	0	0	122
99	1	23	,000	0	0	119
100	3	20	,000	94	97	103
101	10	14	,000	0	0	103
102	8	13	,000	0	92	115
103	3	10	,000	100	101	104
104	3	6	,000	103	0	121
105	5	21	,667	95	0	128
106	16	57	1,417	0	68	133
107	134	149	2,292	15	0	108
108	132	134	3,194	0	107	152
109	4	154	4,194	96	3	120
110	146	147	5,194	8	7	119
111	34	51	6,194	86	74	125
112	12	15	7,194	0	0	132
113	81	128	8,394	45	24	131
114	84	88	9,594	42	38	151
115	7	8	10,794	93	102	128
116	11	133	12,128	0	16	126
117	22	48	13,461	0	77	145
118	39	85	14,961	0	41	141
119	1	146	16,628	99	110	129
120	4	77	18,294	109	49	140
121	3	50	20,161	104	75	156
122	2	59	22,561	98	66	136
123	9	55	24,961	89	70	159
124	126	148	27,461	0	0	137
125	34	82	29,961	111	62	136
126	11	131	32,628	116	17	140
127	33	38	35,628	58	0	141
128	5	7	38,636	105	115	144
129	1	60	41,969	119	65	146
130	19	41	45,303	0	82	149
131	53	81	48,703	72	113	146
132	12	152	52,274	112	12	150
133	16	17	55,924	106	0	145
134	129	150	59,924	18	0	143
135	47	80	63,924	78	46	147

136	2	34	68,640	122	125	144
137	126	127	73,890	124	19	148
138	87	89	79,223	39	37	149
139	56	79	85,223	69	47	153
140	4	11	92,920	120	126	150
141	33	39	100,670	127	118	151
142	32	76	110,003	25	61	147
143	86	129	120,003	40	134	153
144	2	5	130,322	136	128	154
145	16	22	141,714	133	117	155
146	1	53	153,590	129	131	156
147	32	47	165,488	142	135	160
148	18	126	178,138	0	137	152
149	19	87	191,693	130	138	160
150	4	12	205,869	140	132	154
151	33	84	221,342	141	114	157
152	18	132	238,379	148	108	161
153	56	86	257,979	139	143	157
154	2	4	278,033	144	150	158
155	16	58	298,726	145	67	158
156	1	3	321,873	146	121	162
157	33	56	363,263	151	153	159
158	2	16	417,531	154	155	161
159	9	33	474,146	123	157	163
160	19	32	538,420	149	147	164
161	2	18	620,302	158	152	162
162	1	2	729,821	156	161	163
163	1	9	892,175	162	159	164
164	1	19	1272,945	163	160	0

```
                     Rescaled Distance Cluster Combine

  C A S E      0         5        10        15        20        25
 Label   Num   +---------+---------+---------+---------+---------+

         164   -+
         165   -+
         134   -+
         157   -+
         160   -+
         144   -+
         156   -+-+
         149   -+ |
         132   -+ +-------+
         127   -+ |       |
         140   -+ |       |
         126   -+-+       |
         148   -+         |
          18   -+         |
           5   -+         |
          27   -+         |
          21   -+         |
           7   -+         |
          29   -+         |
          13   -+         |
```

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    30   -+         |
     8   -+-+       |
    73   -+ |       |
    98   -+ |       |
    59   -+ |       |
     2   -+ |       +---+
    24   -+ |       |   |
   107   -+ |       |   |
   108   -+ |       |   |
    82   -+ |       |   |
    83   -+ |       |   |
    51   -+ +---+   |   |
    65   -+ |   |   |   |
    34   -+ |   |   |   |
    42   -+ |   |   |   |
   161   -+ |   |   |   |
   162   -+ |   |   |   |
   152   -+ |   |   |   |
   153   -+ |   |   |   |
   155   -+ |   |   |   |
    12   -+ |   |   |   |
    15   -+ |   |   |   |
    77   -+-+   |   |   |
   102   -+     +---+   |
   154   -+     |       |
   163   -+     |       |
     4   -+     |       |
    26   -+     |       |
   131   -+     |       |
   142   -+     |       |
   133   -+     |       |
   143   -+     |       |
    11   -+     |       |
    72   -+     |       |
    97   -+-+   |       |
    58   -+ |   |       |
    48   -+ +---+       |
    62   -+ |           +-----+
    22   -+ |           |     |
    71   -+-+           |     |
    96   -+             |     |
    57   -+             |     |
    16   -+             |     |
    17   -+             |     |
    50   -+             |     |
    64   -+             |     |
   138   -+             |     |
   151   -+             |     |
     3   -+             |     |
   120   -+             |     |
   125   -+             |     |
   103   -+             |     |
   119   -+             |     |
    94   -+             |     |
    95   -+             |     |
    68   -+             |     |
    78   -+             |     |
    63   -+-+           |     |
    66   -+ |           |     |
    52   -+ |           |     |
    54   -+ |           |     |
    45   -+ |           |     |
    49   -+ |           |     |
    40   -+ |           |     |
    43   -+ |           |     |
    35   -+ |           |     |
    37   -+ |           |     |
    28   -+ |           |     |
    31   -+ |           |     |
    20   -+ |           |     |
    25   -+ +-----------+     +---------------------------+
    10   -+ |                 |                           |
    14   -+ |                 |                           |
     6   -+ |                 |                           |
    99   -+ |                 |                           |
   100   -+ |                 |                           |
```

```
     60   -+ |                 |                           |
     74   -+ |                 |                           |
     75   -+ |                 |                           |
      1   -+ |                 |                           |
     23   -+ |                 |                           |
    147   -+ |                 |                           |
    159   -+ |                 |                           |
    146   -+-+                 |                           |
    158   -+                   |                           |
    117   -+                   |                           |
    137   -+                   |                           |
     53   -+                   |                           |
     67   -+                   |                           |
     92   -+                   |                           |
    135   -+                   |                           |
    145   -+                   |                           |
    128   -+                   |                           |
     81   -+                   |                           |
    106   -+                   |                           |
     55   -+                   |                           |
     69   -+-----+             |                           |
     36   -+     |             |                           |
     44   -+     |             |                           |
      9   -+     |             |                           |
     88   -+     |             |                           |
    113   -+-+   |             |                           |
    109   -+ |   |             |                           |
    121   -+ |   +-------------+                           |
     84   -+ |   |                                         |
    110   -+ +-+ |                                         |
    122   -+ | | |                                         |
     85   -+ | | |                                         |
     39   -+ | | |                                         |
     93   -+-+ | |                                         |
    118   -+   +-+                                         |
     33   -+   |                                           |
     38   -+   |                                           |
     79   -+   |                                           |
    104   -+-+ |                                           |
     56   -+ | |                                           |
     70   -+ +-+                                           |
    111   -+ |                                             |
    123   -+ |                                             |
     86   -+-+                                             |
    129   -+                                               |
    141   -+                                               |
    150   -+                                               |
     80   -+                                               |
    105   -+                                               |
     47   -+                                               |
     61   -+-------+                                       |
     32   -+       |                                       |
    130   -+       |                                       |
    116   -+       |                                       |
    136   -+       |                                       |
     76   -+       |                                       |
    101   -+       +---------------------------------------+
    115   -+       |
     90   -+       |
     91   -+       |
     41   -+       |
     46   -+       |
     19   -+       |
     89   -+-------+
    114   -+
    124   -+
    139   -+
     87   -+
    112   -+
```

Figure 13 - Dendrogram using Ward Method