Compal Essencial Brand Extension: the new category of fruit portions

Maria Margarida Pintado Maury

Advisor: Professor Pedro Celeste

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Abstract

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Author: Maria Margarida Pintado Maury

Compal was a well-known Portuguese company in the industry of soft drinks. It launched Compal Essencial in 2006, which introduced consumers to a new category of fruit portions. Essencial was equivalent to a fruit portion and aimed to improve people's fruit consumption habits by providing a quality and convenient product.

This dissertation provides an overview of how Compal Essencial's development process led to its success, translated in high sales levels, penetration rates and market share. Nevertheless, over the years new competitors emerged and the success of Compal Essencial seemed to vanish. In 2012 consumers appeared to understand the product concept and most of its important features, but this did not translate into high levels of consumption, as it did during the initial years of Essencial in the market.

To give a broader overview of the product management, this work also contemplates a brief analysis of Compal Essencial's internationalization strategy. Compal Essencial was exported to foreign partners with the ultimate goal of achieving numerical distribution and volume generation. Partnerships gave most control to the host country entity, which was responsible for most of the marketing decisions of placement, pricing and promotion. Compal's contribution was mostly in providing the product along with general guidelines of communication content. The result was an expansion over nine new markets, though in some of them Essencial pulled out because the partnerships broke down.

This dissertation provides material that allows an analysis over the factors that contributed to Compal Essencial's brand extension success, as an example of innovation in the soft drinks industry. Furthermore, Compal Essencial's case study allows an overview on how the process of strategic decision making and product management take place in the real world.

Acknowledgements

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Introduction

In todays' fast moving world it is a challenge to any company to survive and make its products succeed among the thousands of goods available to consumers. The soft drinks industry is no exception, and Compal, founded in 1952, was able to achieve a solid position over the years through its innovative and entrepreneurial spirit that led the company launching several products accompanying the market evolution and consumers' trends.

Based on Compal's values and in order to promote the company's growth in the soft drinks industry, in 2006 Compal Essencial was launched. This product was by many considered a tiptop innovation, a product completely different from anything in the market until then.

This dissertation focuses on tracking Compal Essencial's development process and launch from an internal perspective. Understanding the roots of Essencial is expected to give an overview on how companies created innovation and which were the factors most impacting on product success.

Further, and to provide a richer analysis, it was explored how the product was managed in international markets and how was Essencial perceived after six years of its launch.

Research Problem

With the purpose of comprehending **which were the Key Success Factors of Compal in the creation of the new category of fruit portions and the best way of approaching consumers** it were raised five research questions:

RQ1: In what consisted the new created category and which were the competitors present in the field?

RQ2: What were the Portuguese habits regarding nutrition and healthy behaviors?

RQ3: How was Compal Essencial promoted?

RQ4: How was Compal Essencial's international expansion made? Where did it enter and which was the corresponding marketing strategy?

RQ5: What was consumers' perception of Compal Essencial in 2012?

Methodology

In order to answer my research questions and the proposed problem, it was used both primary and secondary data.

Primary data regarded exploratory interviews conducted to managers and marketers of Compal involved in the development and launch of Compal Essencial and research near retailers to explore Compal Essencial's placement and its competitors. In addition, it was also realized a survey to study the Portuguese market in 2012 regarding consumption habits and consumers' perception about Compal Essencial.

Sumol+Compal access to information, as market studies developed at the time, was the secondary data used. As well, this work was also supported with information collected from the internet. This information included research for statistical data regarding Portuguese population characteristics, health reports, and other information available about Compal Essencial and its competitors.

1. Literature Review

This section of the dissertation covers theoretical lenses on three main themes: Innovation, Brand Extension and Internationalization entry modes.

This literature review will allow a better comprehension of Compal Essencial case study by introducing important concepts and an overview on further discussed topics. It is therefore an important complementary part of the study that will allow a deeper and richer analysis of Compal Essencial's success.

1.1 Innovation

In today's fast, changing and competitive world, a firm's success depends highly on the capacity of innovation (Cooper, 1994). Over time, there have been many references regarding innovation by characterizing processes and products as "radical, incremental, really new and discontinuous" (Garcia and Calantone, 2002). But in its basics, an innovation can be a product, process or marketing/organization method that is new or which results in significant improvements (Oslo Manual, 2005). Moreover, innovations normally have their origin in the comprehension of an opportunity which consequently leads to the different phases of its development, production and other activities needed to be put in practice (Garcia and Calantone, 2002).

One may consider four different types of innovation: product innovations, process innovations, organizational innovations and marketing innovations (Oslo Manual, 2005).

The Oslo Manual (2005) provides an explicit explanation on the mentioned innovation types. Product innovation regards the introduction of new goods/services or major improvements from current goods/services in terms of functional characteristics that enhance performance or bring different uses. A process innovation implies the development and implementation of a new or improved production or distribution method, which normally leads to decreased costs, improved quality or to be incorporated in new products development production and distribution activities. A marketing innovation relates to product design, packaging, placement, promotion and pricing techniques not previously used by the company. Furthermore, it intends to better serve customers' needs, supports a new positioning or market expansion and has the ultimate goal of increasing company's sales. Finally, organizational innovation is the execution of a new organizational method in the firm's practices, workplace or external relations not formerly used.

An innovation may be either developed internally or acquired. When developed by the company, following the new product development process, the firm tries to take advantage of its resources and capabilities to innovate, following the thoughts of the Resource Based View Theory (Harmancioglu, Droge and Calantone, 2009). The innovation acquisition is a result of market diffusion. There are two requirements to consider innovations as so, they must be new to the firm who innovates and must have some economic impact, from which it is required to be implemented and diffused in the market (Oslo Manual, 2005).

When discussing innovation newness it is important to denote the perspective: to whom is the innovation new? (Garcia and Calantone, 2002). There are two general valid perspectives, new to the firm or new to the market (Garcia and Calantone, 2002; Harmancioglu, Droge and Calantone, 2009). Harmancioglu, Droge and Calantone (2009) theoretical lenses on innovation will provide a better understanding on the perspective theme. The customer point of view concerns the degree of extended differences and changes required from consumers' way of thinking and behaving. When referring to a company's definition of the customer's perspective it is commonly characterized as market perspective, as companies may believe a product is new to the consumer but in reality its customers have a different point of view. According to the firm's perspective, an innovation can be a new product/service, process technology or organizational structure. The Oslo Manual also ads the perspective of new to the world, which consists in introducing a novelty in all markets and industries worldwide, that nobody has yet implemented. This is an extension of the new to the market perspective, which concerns the introduction of the innovation on the firms operating market when the innovation has not been implemented by other firms in that market (Oslo Manual, 2005).

Any innovation must be associated with a novelty character, newness, which refers to the degree of discontinuity regarding existing technological and marketing processes (Garcia and Calantone, 2002; Harmancioglu, Droge and Calantone, 2009). The perception of product benefits from the market perspective is greater when there is a high discontinuity and therefore less familiarity to consumers (Harmancioglu, Droge and Calantone, 2009).

Innovations may be technology based or market based: the former are improvements of products'/services' by adjusting technology closely related to engineering, industry and applied sciences, and the latter disruptive by creating new benefit dimensions for new markets (Garcia and Calantone, 2002; Zhou, Yim and Tse, 2005).

Innovation definition and typology varies according to the field of study and author (Garcia and Calantone, 2002). Here we will follow Garcia and Calantone's (2002) proposed structure derivative from a micro and macro perspective of newness and qualified as discontinuities of technology and marketing/marketplace factors. The micro perspective reflects an innovation that impacts a firm's marketing or R&D strategy, being considered new to the firm and to the customer. The macro perspective regards an innovation that influences an industry's market structure, science or technology, and therefore is new to the industry or to the world, the latter in the case of being highly radically innovative. According to the authors, innovations can be characterized as one of three types: radical, really new or incremental, where radical and really new innovations are considered discontinuous. Radical innovations originate marketing and technological discontinuities on a macro and, consequently, on a micro perspective, and embed a high level of innovativeness (Oslo Manual, 2005). Incremental innovations, on the other hand, have impact only in a micro perspective and regard one of technological or marketing discontinuity, having low levels of innovativeness. Really new innovations, composed with a moderate level of innovativeness, regard other four types of combinations between perspectives and factors as it can be analyzed in the following table.

Table 1: Typology for Identifying Innovations

Perspective	Discontinuity	Radical Innovation	Really New Innovation	Incremental Innovation
Macro	M&T	X		
Micro	M&T			
Macro	Technological		X	
Micro	M&T			
Macro	Marketing		X	
Micro	M&T			
Macro	Marketing		X	
Micro	Marketing			
Macro	Technological		X	
Micro	Technological			
Micro	Marketing			X
Micro	Technological			X
Micro	M&T			X

Source: Garcia and Calantone, 2002

New market infrastructures are caused by radical innovations, through the formation of a new demand and consequently new competitors, distribution channels and marketing practices (Garcia and Calantone, 2002; Harmancioglu, Droge and Calantone, 2009). This type of innovation is the hardest to achieve and the less common (Garcia and Calantone, 2002). Garcia and Calantone also noted that really new innovations are new to the market and are normally presented in product line and brand extensions, changes in distribution channels or in the opening of a new market using current technologies. Still, without disrupting or creating a new market structure, really new innovations may result in significant alterations in the industry. Finally, incremental innovations are frequently introduced in existing markets as a way of competing by improving products in terms of benefits, features or technologies, as are for example line extensions (Garcia and Calantone, 2002; Harmancioglu, Droge and Calantone, 2009). Players that imitate innovations can be considered innovators, in the firm perspective, though generally their inventions are not new to the market, being incremental innovations (Garcia and Calantone, 2002).

1.2 Brand Extension

Developing and launching a new product is an uncertain project which has high probabilities of failing, being estimated that only 30% survive in the market, or even less (Booz, Allen and Hamilton, 1982, in Hem, Chernatony and Iversen, 2003). When developing a product for a new category, a company may decide to create a new brand or to use an existing brand name, the latter in the expectation of reducing the risk of failure; it can be an extension of the self-brand or an acquisition of an existing brand in the new category (Tauber, 1988; Farquhar, 1989). Thus, brand extension is the expansion of a brand into a new category to the firm when it wishes to introduce new products into a different category from the ones it is already present in (Tauber, 1988; Aaker and Keller, 1990). The purpose of using an existing brand to enter a new category is to take advantage of brand equity, leveraging the new product by adding value related to the parent brand market position (Tauber, 1988; Farquhar, 1989).

1.2.1 Brand Reputation

A brand reputation is closely linked to its quality, and the quality associated to its products (Aaker and Keller, 1990). Thus, a strong brand, a brand perceived with high quality, expects to provide greater leverage to a new product introduced in a new category than a weaker brand does, influencing positively consumers' evaluations of the new product, especially in FMCG (Wernerfelt, 1988; Aaker and Keller, 1990; Keller and Aacker, 1992; Smith and Park, 1992; Hem, Chernatony and Iversen, 2003). However quality is not only perceived by brand reputation but, in the case of products, through its physical characteristics as they also influence the product evaluation.

1.2.2 Brand Associations

Brand associations with the parent brand may influence the new product developed under the brand extension, though the associations do not necessarily have a positive impact in the new category (Farquhar, 1989; Aaker and Keller, 1990, Farquhar, Herr and Fazio, 1990). The ability of these attributes' transference to brand extensions depends on brand strength, on brand fit and on existing cues that facilitate that association (Farquhar, 1989; Aaker and Keller, 1990).

Associations vary from attributes and characteristics, to beliefs and behaviors towards the parent brand (Farquhar, 1989; Aaker and Keller, 1990).

Similarity and Fit

An important concept to take into consideration when extending a brand is its similarity with the new product, the extent of fit of the new product with the brand existing products (Cooper, 1994; DelVecchio and Smith, 2005). A brand fit may relate to needs satisfied (Smith and Park 1992; DelVecchio and Smith, 2005), consumption occasions (DelVecchio and Smith, 2005), physical features (Smith and Park 1992; DelVecchio and Smith, 2005) or even the possession of skills and resources needed to develop the new product (Aaker and Keller 1990; DelVecchio and Smith, 2005). Greater fit/similarity leads normally to more successful brand extensions (Farquhar, 1989; Smith and Park 1992; Hem, Chernatony and Iversen, 2003). Positive associations serve as a way of assuring consumers about the new product performance, contributing to its positive evaluation (Aaker and Keller 1990; Hem, Chernatony and Iversen, 2003; DelVecchio and Smith, 2005). These correlations reflect the fact that associations can be made more readily when there is a higher congruence between the new category product and the brand existing portfolio (Aacker and Keller, 1990; Smith and Park 1992; Hem, Chernatony and Iversen, 2003).

Risk Reliever

From a general perspective there are product category risks, related to consumers' perception of the average risk level when purchasing a product from that category, and product specific risks, risks perceived when buying regarding the different alternatives considered (Dowling and Staelin, 1994; Hem, Chernatony and Iversen, 2003). The purchase of a good or service presents three concrete risks given the possible consequences and uncertainty of the outcomes: financial, performance and social risks (Dowling and Staelin, 1994; DelVecchio and Smith, 2005). The financial risk is linked to the cost of the product and the possibility of being a bad investment according to its performance (Grewal, Gottlieb, and Marmorstein, 1994, in DelVecchio and Smith, 2005). The performance risk is related to the possible failure and the actual utility the product has in comparison to initial expectations, embedding also an emotional character (Bauer, 1967, in DelVecchio and Smith, 2005). The social risk regards possible negative evaluation from peers (Harrell, 1986, in DelVecchio and Smith, 2005). A brand serves as a cue to reduce consumers' risks, as it confers the product a greater level of certainty, according to the beliefs and expectations consumers have associated to the brand reputation (Wernerfelt, 1988; Hem, Chernatony and Iversen, 2003; DelVecchio and Smith, 2005), especially for risks associated to the product (Hem, Chernatony and Iversen, 2003). This inference of characteristics is normally related to consumers' past experiences with the brand and its products (DelVecchio and Smith, 2005). Along this line of thought, a brand ability to reduce risks is significantly linked to its fit with the new category.

A better evaluation of a good, as consequence of fit and brand insurance, reflects many times in a higher price, a premium price. As counterpart for reducing consumers' risks, price premiums are set and consumers are willing to pay for the insurance character of the brand, especially as the social and financial risks increase (DelVecchio and Smith, 2005).

1.2.3 Technology

Consumers also pay attention to the firm's experience in other categories and concretely to the manufacturing capacities, skills, technology and resources available. When a brand launches a new product as brand extension there may exist a perception of transference of abilities, which may benefit the new product evaluation (Aacker and Keller, 1990).

1.3 Internationalization

The internationalization process of a company is closely related to the firm's strategy (Hill, Hwang and Kim, 1990) and its growth objectives, impacting the success it may have abroad (Agarwal, 1994).

According to literature a firm may enter a foreign market through three different approaches, exports, contracts or investments (Akhter, 1996; Driscoll and Paliwoda, 1997).

Akhter (1996) and Driscoll and Paliwoda (1997) provided important insights concerning export types, which were used here in order to provide a clear understanding on the issue. Exports can be considered as direct, indirect or international direct marketing, but in either case products are manufactured at home or in a third country and after shipped to the host country. Exports through international direct marketing occur when the home company sells its products directly to the host country consumers. Indirect exports involve intermediaries both from the home country and the host country. Direct export does not involve the home country intermediary, since the home company sells directly to the host country agent. Each intermediary is assumed to add value in the export chain, according to its responsibilities, as for example handling documentation, delivery and pricing issues, and therefore increasing the final product price.

The contractual entry mode refers to arrangements for the transference of goods or knowledge within entities under the form of licensing, franchising, non-equity joint ventures, among others (Driscoll and Paliwoda, 1997).

Moreover, the authors also commented that investment modes are associated to some sort of ownership and control of production units in the host market by the home country firm. It can be in the form of acquisitions, mergers or Greenfield investments, the latter including the wholly owned subsidiary and joint venture forms that comprise equity investments.

The key differences among the various entry modes regard its dissimilarity in terms of level of control, dissemination risks, resources' commitment and flexibility of the firm, which must be balanced with each other (Hill, Hwang and Kim, 1990; Anderson and Gatignon, 1986; Driscoll and Paliwoda, 1997). Here we will refer mostly to wholly owned subsidiaries, joint ventures and licensing, representing respectively high, moderate and low levels of control, according to company equity participation (Hill, Hwang and Kim, 1990; Anderson and Gatignon, 1986; Gatignon and Anderson, 1988).

Table 2: Characteristics of Different Entry Modes

	Constructs		
Entry Mode	**Control**	**Resource Commitment**	**Dissemination Risk**
Licensing	Low	Low	High
Joint Venturing	Medium	Medium	Medium
Wholly Owned Subsidiary	High	High	Low

Source: Hill, Hwang and Kim (1990)

The way firms enter into foreign countries varies according to four major variables: Marketing Strategic variables – the company strategy, product's lifecycle stage and product's level of customization; Target Country variables – the political risk and cultural distance; Organization Specific variables - a firm's ability to evaluate performance and it international cumulative experience; and Industry Specific variables – the proprietary knowledge (Gannon, 1993).

Marketing Strategic variables

Depending on a company's strategy, global or multi-domestic - where this last considers the diversity of markets and its different characteristics in the products launched internationally - there will be different levels of control requirements. For a global strategy higher control is more adequate, favoring equity based subsidiaries, and for multi-domestic the joint ventures or licensing agreements are more suitable due to the lower costs associated to lower resources' commitment (Hill, Hwang and Kim, 1990).

For innovative products or processes it is assumed little understanding from the host country and therefore, supposedly, entering with greater control may be more efficient in order to ensure product success (Anderson and Gatignon, 1986). Likewise, a product inserted in an early stage of the class life cycle demands a deeper knowledge from the company favoring a stronger level of control, while the opposite is required in mature classes (Anderson and Gatignon, 1986).

Also, when the value of the brand name is high, higher is supposed to be the tendency for greater control levels, due to the risk of third entities damaging the brand name (Anderson and Gatignon, 1986; Gatignon and Anderson, 1988).

Target Country variables

Regarding country variables, country risks and cultural distance, it is important to take into consideration the resource commitment of each entry type (Hill, Hwang and Kim, 1990).

Country risks refers to government political and policy hazards (Root, 1988), and the impact the volatility of these factors may have in the firm's operations (Hill, Hwang and Kim, 1990; Slangen and Tulder, 2009). The higher the country risk, the lower should be the firm's ownership of resources in order to have greater flexibility to exit the market with lower probability of losses under volatile environments; this means a firm would more likely enter a country of high risk through licensing or joint venture (Anderson and Gatignon, 1986; Gatignon and Anderson, 1988, Hill, Hwang and Kim, 1990; Slangen and Tulder, 2009).

The cultural difference is the perceived distance towards the host country, regarding aspects as economic systems, culture, beliefs, norms and values (Gatignon and Anderson, 1988; Hill, Hwang and Kim, 1990; Slangen and Tulder, 2009), which is also related to the company's prior knowledge and experience with that culture (Hill, Hwang and Kim, 1990). Entering a country through a joint venture allows making use of the host firm's knowledge about the host country's culture, thus reducing the uncertainty associated to the cultural distance and facilitating stakeholders' relations (Agarwal, 1994). Hence, joint ventures or licensing are expected to be favorable when referring to entering a country with high cultural distance (Gatignon and Anderson, 1988; Hill, Hwang and Kim, 1990). However, about this theme different opinions have been expressed in the past literature and some authors see the cultural distance as an ambiguous variable (Slangen and Tulder, 2009) or one that would have no influence under other moderated factors (Agarwal, 1994), being uncertain about their position regarding the best mode of entry for culturally distant countries.

It is important to refer that there may exist legal restrictions which do not allow or raise strong barriers to wholly equity based subsidiaries, forcing lower levels of control (Gatignon and Anderson, 1988).

Organization Specific variables

The internal uncertainty about measurement and control of activities is somehow related to the cultural distance of the host country, and is expected to lead companies to opt for higher control levels, even facing high country risks (Anderson and Gatignon, 1986). Thus, this control and the cumulative experience on international business are expected to reduce the internal uncertainty (Anderson and Gatignon, 1986; Gatignon and Anderson, 1988). The experience on internationalization is related to the multi-nationality character of a firm, which may a priori reduce the internal uncertainty and reduce the need for control when entering a new country (Agarwal, 1994).

Industry Specific variables

When choosing the entry form companies take in consideration the resources committed to the internationalization process, which have inherent its opportunity cost (Hill, Hwang and Kim, 1990), and influence negatively the flexibility of a firm in exiting the country. The totally equity based form is the one with greater commitment of resources, followed by joint ventures and licensing (Anderson and Gatignon, 1986; Hill, Hwang and Kim, 1990).

Related to resources' commitment is the dissemination risk of propriety expropriation concerning products, information and technological and marketing know-how, which is lower when the level of control is higher (Anderson and Gatignon, 1986; Gatignon and Anderson, 1988; Hill, Hwang and Kim, 1990). Another transaction cost is the one related to negotiating contracts for licensing and joint ventures, which influences a company to opt for a wholly owned subsidiary (Hill, Hwang and Kim, 1990).

2. Case Study - Compal Essencial Brand Extension: the new category of fruit portions

José Jordão, member of Compal Executive Board, was in 2005 in charge of the Juices and Nectars Division. Though in a remarkable solid position, being a leader with 72% market share[1] in those categories, Compal registered no growth in the market since 2003 and saw itself as a "flat leader" (**Exhibit 1**). Facing the challenge of growth and aiming to continue innovating and bringing new successful products to the market, Jordão decided to hire Nuno Ferreira Pires, as Director of the Innovation Department within the Juices and Nectars Division. Pires' objective was to develop a new product for the "cold category".

2.1 Compal - Companhia de Conservas Alimentares

Compal, Companhia de Conservas Alimentares SA, headed in Entroncamento, Portugal, was founded in 1952 and operated in the food business.

It had a diversified portfolio of products, which started with preserved tomatoes, developing and acquiring over the years other products as fruit juices, nectars, refrigerants and even gasified waters.

In 1992 Compal's internal division between Compal Clássico and Compal Fresh oriented the way its business developed from then onwards. Some of Compal most famous products launched later were Compal Light (1995), Compal Vital (1999), Frize[2] (1999), B! (2002), Um Bongo (2002)[3] and Compal Essencial (2006). The company had also launched other products, though not as successful, as Compal Gold (2001-2007) and Compal Exótico (2003-2006). The products launched by the brand Compal regarded both line and brand extensions which took advantage of the umbrella branding in terms of quality, credibility,

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[1] Source: AC Nielsen.

[2] Frize was a product acquired in 1999 to the company "Águas de Bem Saúde".

[3] Um Bongo was acquired in 2002 from Nestlé as a product that would serve a younger market target, children.

reputation and familiarity of the brand. This type of strategy had relevant contributions to the brand extensions' success as differentiation factor and brand cues in the high competitive environment of non-alcoholic drinks market.

In 2005, in order to better focus on its key areas, Compal separated its Vegetables business from the Juices and Nectars area.

In 2009 the merger and acquisition of Compal by Sumol took place resulting in Sumol+Compal, which expanded even more the existing portfolio of products and markets and extending operations to a vast net of commercialization of fast moving consumer goods.

Compal's, later Sumol+Compal's, mission focused on three main goals: becoming a company of international reference in the business of fruit and vegetables, consolidate its leader position in the non-alcoholic market and develop the best distribution network in the HORECA channel (Hotels + Restaurants + Cafes) in Portugal and achieve distinctive positions in prepared vegetables in certain markets.

Continuing to improve its products and processes was of most importance to Compal in order to achieve excellence at all levels, especially regarding environment, quality and food safety. Its capacity of innovation and differentiation from competitors was generally oriented towards the nutritional benefits for consumers, and was visible in the several products launched over the years.

"We are different and better. We take risks. We are entrepreneurs"[4]

2.2 The Soft Drinks Industry

The soft drinks industry embedded several types of beverages as carbonates, fruit and vegetables juices, bottled water, functional drinks, tea, coffee, concentrates and other local

[4] Sumol+Compal statement at the website regarding innovation.

special drinks[5]. In 2011 bottled water was the drink most consumed worldwide, followed by carbonated drinks and fruit/vegetables juices (**Exhibit 2**).

In 2011 the soft drinks industry accounted for a worldwide volume of 609 billion liters, equivalent to US$ 810 billion in retail selling price. Since 2006 the industry's annual growth had been around 5%.[6]

Worldwide, Asia Pacific was the region in which people spent more in soft drinks, almost one fourth of global spending, followed by Western Europe, North America, Latin America, Middle East and Africa, Eastern Europe and Australasia, respectively.

In the soft drinks' industry there were three general market types: Traditional, Modern and Post Modern (**Exhibit 3**). These were closely related to the development level of the respective countries. In a traditional market the top five brands corresponded to 55% of the volume sold, being highly concentrated, and brands competed with unpackaged goods, where the most important objective was to fulfill consumers' specific needs. In Modern markets global brands were more present and the top five brands recorded 45% of the volume sold. Finally in the Post Modern market, which was considered to be saturated and fragmented, the top five brands accounted only for 27% of the volume sold. Here brands competed by providing drinks that targeted specific consumers and lifestyles.

The differences between developed and emerging markets were also notorious in terms of distribution channels, being the first more centered in supermarkets and hypermarkets and the latter in independent small grocers.

From a marketing perspective, companies were reactive to competition and consumer trends, adapting products locally to the market characteristics.

A trend which emerged in the twentieth century was the healthy consumption. This transposed also to soft drinks and impacted the offer available. There were certain niches emerging as the light and sugar free products directed both to a female and male public who took special attention to their image.

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[5] Categorization according to Euromonitor International.

[6] Source: Jonas Feliciano and Claire Moulin. (2012). *Soft Drinks in 2011 and beyond – Regional Performance and Prospects Worldwide*. Available at: http://web.euromonitor.com/Portals/71592/docs/Euromonitor_InterBev _ Soft%20Drinks.pdf. [Accessed 19th Nov 2012].

In the context of the global economic crisis consumers paid more and more attention to price which motivated companies to provide affordable drinks alternatives, as the private labels drinks, which accounted for about 7% off-trade volume in 2011[7].

In general, soft drinks markets, especially in developed countries, were in mature lifecycles where competition was fierce. Companies put extra effort in innovating existing lines and developing new products. These innovations regarded original products that responded to the changing needs and lifestyles of consumers, where most changes had been oriented towards new flavors.

In sum, the soft drinks industry reputed millions of products and, in order to compete, companies needed to pay special attention to price, packaging, as a differentiator factor, and needed to diversify its portfolio to serve consumers' needs and to be compatible with their lifestyles.

Coca-Cola, PepsiCo, Nestlé, Suntory, Dr Pepper Snapple, DANONE, Kirin, Red Bull, Mater Kong and Asahi were the top ten brands in 2009[8], which following the market trend had under its brand name several known soft drinks products oriented to different segments and categories.

2.3 Market Analysis – Finding Opportunities

As Innovative Director, Pires along with his colleagues engaged in a journey with the challenging task of leveraging Compal´s business.

The first step was to understand the market and all its interveners in the business of non-alcoholic beverages, concerning consumers, competitors and Compal. It started by mapping all consumption occasions of liquids, followed by an analysis of the moments where Compal products were not considered. The occasions of consumption translated people's

[7] Source: Jonas Feliciano and Claire Moulin. (2012). *Soft Drinks in 2011 and beyond – Regional Performance and Prospects Worldwide.* Available at: http://web.euromonitor.com/ Portals /71592/ docs/ Euromonitor _InterBev_Soft%20Drinks.pdf.. [Accessed 19th Nov 2012].

[8] Source: Sicher, John, 2010. Top-10 CSD Results for 2009. *Beverage-Digest*, [Online]. Volume 56 / Nº7, 1. Available at: http://www.beverage-digest.com/pdf/top-10_2010.pdf [Accessed 08th November 2012].

concrete needs and resulted in two main opportunity areas to expand Compal’s line of products, which showed extreme positions in the non-alcoholic beverages’ market.

On the one side there was the nourishing position, and on the other the refreshing one. These categories were thought of as particular consumption occasions of liquids where Compal was missing most of the “share of stomach”[9], as its products were not top of mind in the consumers consideration set, when thinking of the extremes of nutrition and refreshing needs.

The refreshing extreme meant to translate situations of extreme thirst and was heavily dominated by brands like Ice Tea, from Unilever, and Coca Cola, as well as waters in a broad sense which satisfied this need directly. Also, the main driver in terms of competition was price, leading to lower margins. Furthermore, this type of products was considered of low added value in terms of technology.

Players in the nourishing position offered mostly dairy products as milk and yogurts, with brands like DANONE and Nestlé. However, this category embedded many more types of products than dairy, as all products which provided strong nutritional value should be included here.

Compal saw itself present in less extreme positions. Its products were consumed in different situations than the ones of great thirst and nourishment needs. Compal was able to capture several everyday liquids consumption occasions, but still there were situations where its products were not considered as first choice.

Compal’s most important products at the time were Compal Clássico (nectars), Compal Fresh (also known for having 100% fruit content in several flavors), B! and Frize. Some of these were closer to the refreshing axis as B!, Frize and Compal Fresh[10], while Compal Clássico was closer to a nutrition position (**Exhibit 4**). Unfortunately, none of these brands had products that were first choice in the referred extreme situations of consumption, especially considering nourishment.

[9] For Compal managers missing the share of stomach meant that Compal was not on consumers’ top of mind concerning certain consumption occasions, or wasn’t even in the consideration set. It was a concept that translated a competition context and the presence of brand and its ability to be competitive and successful.

[10] Later, the integration with Sumol allowed to better cover the refreshing needs, with own products as Sumol and the distribution of competitors’ products as Ice Tea.

2.3.1 Research on Nutrition

In order to better understand what products satisfied the nourishment need, Pires and his team needed to explore deeper the nutritional theme.

Some of the first insights came from the wheel and pyramid of food, which set the recommended proportion of the different food classes' ingestion per day.

One of Compal's greatest advantages was its experience on the fruit and vegetables business, which covered product categories that together should be the ones of greater ingestion per day, in total 43% of what a person should eat[11] (20% fruit and 23% horticulture).

In addition, it was found that there was a deficit of fruit consumption in Portugal, as each Portuguese consumed an average of 36% of the minimal quantity of fruit recommended[12]. Further, it was explored fruit benefits and its importance for health (**Exhibit 5**).

With the data collected Compal decided to develop a new product with relevance and added value that would fulfill nourishment needs, focusing on fruit.

Other questions that needed to be assessed were the reasons why people did not consume fruit. Several insights emerged regarding the different reasons behind Portuguese fruit consumption habits (**Exhibit 6**).

2.3.2 Idea Generation

As part of the discussion meetings, several ideas for products emerged for the nourishment axis: jams, smoothies and fruit shots.

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[11] Source: Portal da Saude. 2005. *Alimentação*. [Online] Available at: http://www.min-saude.pt/portal/conteudos/enciclopedia+da+saude/alimentacao/DGS+ANA.htm. [Accessed 11th October 2012].

[12] *Source: INE.*

The development of a Compal jam seemed of low interest for a new product that was supposed to bring high growth rates.

In terms of smoothies, these had low benefits comparing to the idea of fruit portion shots. Smoothies would have to be cheaper to the consumer in terms of €/L due to the prices and sizes of similar products in the market. Besides this, Compal could offer the same benefit of smoothies in tetra pack packages that did not require being in cold. A smoothie, supposedly storage in cold environments, would require investment for proper transportation and linear distribution. Also smoothies would possibly cannibalize other Compal products as nectars and Compal Fresh.

Fruit shots, in addition to being a new concept in the market, different from any other product, would have a small size which would bring high margins.

The idea of Essencial for the name of Compal's fruit shot was one of the ideas that came out in these discussions. The name seemed appropriate, making reference to the importance of health, for which fruit was essential.

2.4 Compal Essencial - New Product Development

Compal's objective was to develop a product of high added value in a new category, the one of fruit portions.

The value proposition came from the idea of providing a product that would offer exactly the same nutrition, health benefits and flavor of a piece of fruit, but with greater convenience, by not needing to be pealed nor getting ruined rapidly.

To support Essencial's development a market study was conducted by the market intelligence consultancy company PRM International SA. The study focused on the market potential of the fruit shot in Portugal, and was presented to Compal in 2005 (**Exhibit 7**).

2.4.1 Target and Positioning

According to the research made, the target chosen were women between 35 and 45 years old, who were mothers and living in urban areas. This type of consumers was considered the home decision maker in what concerned grocery purchases.

Data from 1999 indicated that family protection was the most important value in Europe[13]. Due to its benefits, Essencial could make the connection with this concern as a product that responded to consumers' values.

There were three main questions which drove the way Essencial transmitted its positioning:

1. How to transform health concern from something "distant" to "immediate"?
2. How to alert people to the deficit of fruit consumption?
3. How to make the equivalence to fruit?

The first question was treated based on the idea that people needed health to be able to spend more time with the people they liked the most.

Regarding fruit consumption deficit, marketers had the challenge of activating people's awareness for the difference between what they thought and what they were actually doing. In this sense it was crucial to educate consumers. The creative idea that popped up was to use children to expose the weaknesses and contradictions of adults regarding their actual fruit nutritional habits.

The theme of equivalence was explored not only by concrete statements but mostly using visual keys between an Essencial bottle and fruit (**Exhibit 8**).

Later, it was raised another concern, distinguishing Essencial from Compal juices and nectars. This was crucial because Compal had been known for operating under the category of fruit juices and differentiating Essencial, not to be considered as another fruit juice, was vital for its success.

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[13] Source: Roper Starch Worldwide – 1999.

2.4.2 Product Challenges

The concept of Essencial was an elaborated construction, different from anything existent in the market. It was a combination of a fruit dose with a drink.

Regarding the product created, the goals were to provide convenience and incremental potential in fruit consumption. Hence, the product was based on two fundamental ideas, its scientific credibility in the equivalence to fruit and the unique selling preposition value which was centered on convenience.

To be able to transform fruit and maintain its essence in a drinkable and enduring way, a team of nutritionists and health experts was hired to work on the production process. The fruit was initially processed and transformed into a pulp which had then its nutritional levels measured and compared with fruit official nutritional tables. All the differences between the values measured and the ones in the tables were reconstructed and added to the product, which followed to packaging. This process was crucial to maintain the product scientific equivalence to fruit.

In order to correctly create a product that could respond to Essencial's concept, packaging was also an important factor to take into consideration. Essencial's size should be relatively small, comparable to the size of most common fruits, hence containing around 100/150ml. In addition, according to the concept, natural fruit did not contain any preservers and this could be achieved in Essencial by a packaging process using aseptic PET (**Exhibit 9**).

The product was originally launched in the flavors of apple, strawberry, mango, pear, banana and peach, having expanded the line over the years (**Exhibit 10**). Due to its features it was placed in the "cold section" at €1,99 a pack of three bottles.

Initially sold 100% in the modern trade retail channel, as supermarkets and hypermarkets, Essencial entered in the HORECA channel through a partnership with McDonalds which integrated Essencial n Happy Meals in 2008, and later in 2011 offering it in TAP flights.[14]

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[14] Source: Hipersuper. 2007. *Madalena Lynce de Faria, Marketing Manager de Compal Essencial*. [Online] Available at: http://www.hipersuper.pt/2007/12/14/madalena-lynce-de-faria-marketing-manager-de-compal-essencial/. [Accessed 08th October 2012].

2.4.3 Communication Strategy

The main objective of Essencial's initial communication strategy was to induce experimentation and to achieve high indexes of notoriety. In addition it was important to activate consumers care about fruit consumption and their awareness for health importance.

Pre-launch Communication

All moves had been planned to support Essencial's success, starting way before its presentation to consumers with actions taking place six months before its launch.

A team of experts was hired, which included the Portuguese Nutritionist Association President who, together with the public relations agency GCI, created a blind program of public relations. It aimed to aware Portuguese to the drama of fruit low consumption and to the amazing benefits of it intake, without making any connection to Compal Essencial. This program included publications in journals like Metro, Destak and Público, among others.

Communication Design

Compal Essencial's active communication strategy focused its attention on the appeal to family protection value. The objective was to create an emotional link between parents and children which translated their desire of being together forever.

Thereupon, children would be the perfect endorsements showing concern towards their parents eating fruit habits because it would allow living longer. This idea was called the "inverted pyramid".

Children should therefore return the question to their parents: "….and you mum, do you eat fruit". Thus, the communication campaign was transmitted with the slogans: "Fruit is Essential" ("O Essencial é a fruta") and "Have you eaten fruit today?" ("Já comeu fruta hoje?").

Among the several means available, Essencial's communication was made through TV advertisements, outdoors, press (journals and magazines) and radio (**Exhibit 11**). Besides direct communication, another way of publicizing was through indirect endorsements in the health field, as nutritionists and doctors who recommended Compal Essencial.

2.5 Competition

Compal Essencial was a product with a complex concept, which conciliated the fact of being “a drink” with being a “fruit portion”. The company did not intend to compete directly with fruit. From its perspective natural fruit was not the competition because Essencial was developed to consumption occasions where normally fruit was not considered.

> *“We do not want to substitute fruit! We have different moments of consumption, a different place in the lineal and different prices!”* referred Rodrigo Costa, Brand Manager of Compal Essencial.

Products delivered in a single dose format as Actimel and Danacol from DANONE were perceived internally as Essencial’s direct competitors, since they had the same characteristics in terms of convenience and designed consumption moments.

Three months after Essencial’s launch, Knorr Vie from Unilever appeared in the market. Knorr Vie was a concept which, similarly to Compal Essencial, had the objective of increasing fruit and vegetable consumption. Its content derived from concentrated fruit and vegetable juices and purees.[15]

Another later emergent competitor was Activia Smoothie from DANONE, which consisted on a mix of fruit with dairies. Activia Smoothie was created with a similar concept to Essencial, though not being the same product as it included diary elements.

[15] Sources: Aveiro, I. (2007). *Compal investe cinco milhões em nova linha de produção.* [Online] Available at: http://www.jornaldenegocios.pt/empresas/detalhe/compal_investe_cinco_milhoes_em_nova_linha_de_producao.html. [Accessed 08th October 2012]; Hipersuper. 2007. *Madalena Lynce de Faria, Marketing Manager de Compal Essencial*. [Online] Available at: http://www.hipersuper.pt/2007/12/14/madalena-lynce-de-faria-marketing-manager-de-compal-essencial/. [Accessed 08th October 2012].

In terms of competitors in the retailer, Compal was competing with products related to fruit that were in the refrigerated lineal and with dairy products, depending on the retailer placement of Compal[16] (**Exhibit 12**).

With less relevance, Só Natural and Doces da Puri & Etc. were brands also perceived as rivals. Só Natural sold natural yogurts and fruit juices and focused on the idea of natural products. Doces da Puri & Etc. sold jam in the refrigerated lineal which consisted on fruit compote with no chemicals.

From Compal's perspective, Essencial had a very low cannibalization level towards Compal juices and nectars, as it was thought for different consumption moments. Also the size of an Essencial clearly stated the position of providing nutrition in one intake, not being enough to take thirst.

2.6 Compal Essencial's Launch

After years of planning, all arrangements were set to welcome Compal Essencial in the Portuguese market on January 20th 2006.

The first wave of communication efforts after the launch lasted two months and regarded investments of €1.820.960.[17]

The activation plan on the point of sales was developed by Monica Chaves, founder of BrandKey, an agency of "Marketing Bellow the Line". Some of the actions were degustation in the store, both near the "cold section" and close to the place of fruit exhibitors, which aimed to promote trial, and create notoriety by its differentiating means. An example of this was offering people a fruit bag with two or three bottles of Essencial.

Since the first day Essencial had a strong presence in cold sections in every hypermarket and supermarket in which it was available. To ensure a good placement in terms of

[16] Compal Essencial was either placed in special refrigerated zones with other fruit drinks or next to yogurts and dairy products, mostly of single portions.

[17] Source: MediaMonitor Brand Connection.

visualization Essencial was often placed in top of gondolas[18]. Promotion also passed by using promoters, by offering one unit when buying three and by advertising it in the floor with stickers, in top of gondolas and in shopping carts.

2.7 Compal Essencial's Results

Compal Essencial's launch was considered internally a success, for a new product which was creating a new category, the one of fruit portions.

Essencial was a premium product, providing high margins. Conversely, this margin was needed to cover more than €6 Million invested in its development. This would mean selling the same value as 14% of Compal's total sales in 2005.

Initially, expecting to cover the investment in three years, the results were very satisfactory, overcoming all expectations for Essencial (**Exhibit 13**):

- The penetration quote in the first quarter of 2006 was around 17%, over the initial objective of 6% - 10%. [19]
- In 2006 Compal sold 25 Million individual units (110ml) of Essencial, equivalent to €15,3 Million in revenues[20]. This corresponded to a growth of 22% in Compal's Juices and Nectars category in 2006[21].
- In the first year Compal Essencial achieved a market share of 92%[22].

Concerning publicity, Compal became a model of exemplarity and was integrated in popular culture, being referred to in programs as Contra Informação at RTP, Caixilhos e Laminados at Rádio Comercial and Imagens de Marca at Sic Notícias.

[18] Top of gondolas are considered prime places in a store located in the endings of corridors.

[19] Source: AC Nielsen – 1st Quarter 2006.

[20] Source: Compal Sales Data (Audited) – 2007 (€M).

[21] Source: AC Nielsen DJ 07.

[22] Source: Aveiro, I. (2007). *Compal investe cinco milhões em nova linha de produção.* [Online] Available at: http://www.jornaldenegocios.pt/empresas/detalhe/compal_investe_cinco_milhoes_em_nova_linha_de_producao.html. [Accessed 08th October 2012].

Internationally, Essencial also got recognition. In 2007 it was honored with a Zenith Global award, winning the 2007 Global Innovation Award in the category of Best New Juice or Juice Drink and being the winner of all categories as Best Overall Concept.

2.8 Compal Essencial's Internationalization

Sumol+Compal's internationalization strategy was a mean to support its continuing innovation process. After launching Essencial in Portugal in 2006, Compal saw the opportunity of growth across borders, which resulted in the internationalization of Essencial.

In Portugal, Essencial's development and launch implied hard work from marketing and public relations. Launching it abroad, even though it was an innovative product with a good concept behind, would also require substantial efforts, unless alternative modes of entrance in the new markets were explored.

The countries of Essencial's expansion were Angola (2007), Russia (2007), Spain (2007 - 2011), Switzerland (2008), Sweden (2008), Germany (2008), United Kingdom (2008) Poland (2008) and France (2012) (**Exhibit 14**).

Compal Essencial was only produced in Portugal, in the Almeirim factory, and afterwards exported to foreign markets. The general approach for expanding Essencial was looking for possible partners who worked with "positive cold networks". Once a partnership was made, the buying unit for Essencial was a container or a truck.

The decision made was to enter in foreign markets with little investment, which consequently reduced the focus on Essencial. The study of international markets was therefore almost nonexistent, and the strategy was simply to enter in a new country and monitor Essencial's sales and wait to see if the product was accepted and bought by consumers or not.

The marketing strategy primary objective was the numeric distribution and generation of volumes in order to allow further investments. Regarding the communication strategy, it was defined centrally, focusing on Essencial's content, as in Portugal, being susceptible to image adaptations, according to the market. On the other hand, the visual identity of the brand, it's positioning and implementation guidelines were defined locally. Likewise, the entry plan, distribution channels, pricing, stores in which it was sold among other factors, were defined in the respective country by the host company.

In general, all the countries where Compal Essencial entered had high on-the-go consumption rates. The challenge was mostly in terms of competition which was normally focused on the same niche, though with brands not as broad as Sumol+Compal.

The internationalization of Essencial showed a slow but progressive penetration, with sustained volumes of consumption and widening opportunities of distribution.

As part of the internationalization strategy and the objective of expanding Compal Essencial to foreign consumers, after September 2011 Essencial started being present in all European flights of the Portuguese air company TAP. This arrangement aimed not only to expand the brand abroad but was also part of a communication strategy where Sumol+Compal promoted Essencial in flights through advertisement and product distribution.

The partnership with McDonald´s and other restaurant chains, as Burger King, also opened doors to some international scenarios for Compal Essencial. If the local partnership was extended abroad it would result in foreign distribution partners, and Essencial's sales would expectably grow by expanding its presence in restaurants outside Portugal.[23]

[23] Source: Hipersuper. 2008. *Compal com aposta Essencial(mente) internacional*. [Online] Available at: http://www.hipersuper.pt/2008/01/22/compal-com-aposta-essencialmente-internacional/. [Accessed 08th October 2012].

3. Market Research

The previous exploratory qualitative research, the interviews realized, indicated some interesting issues to study, contributing to this phase of the dissertation.

One of the objectives was to infer consumers' nutritional habits and their opinion regarding Compal Essencial. Therefore, a questionnaire was designed in order to collect descriptive conclusive information about:

- Consumers habits regarding fruit and fruit juices
- 2012 consumption rate of Essencial
- Perception of Essencial's features
- Occasion of consumption of Essencial
- Occasion of purchase of Essencial
- Other aspects regarding Essencial in the market

3.1 Methodology

The market research was done through an online survey, distributed through mail lists and social networks, resulting in a random sample of subjects.

The questionnaire included mostly closed answers with fixed alternatives, except for "Age" and the possibility of answering "Other" for some questions. "Age" was presented as an open question, which was after transformed into an interval scale according to UNESCO classification. Most of the questions were either nominal or ordinal, being the latter liker scales. The liker scales presented an even number of forced options, four, respecting perceptions about Essencial and attitudes regarding different issues.

After collecting data from several respondents, it was coded and treated so as to eliminate respondents with missing data, gathering a sample of 313 respondents. Also, there was a restructuration of some questions' options when consumers answered repeatedly a certain answer, not provided initially, under the option “Other”, as was the case of the question “Reason to purchase Compal Essencial” and the answer, ”Do not buy”.

Moreover, some people were considered to have answered randomly, which led to the elimination of these subjects from the sample. The variables used to ensure respondents were not answering randomly were the questions regarding the agreement level of Essencial being healthy and Essencial being good for health. By computing a new variable, “HealthDifference”, which indicated the difference between agreement levels for both variables for each respondent, it was possible to infer random answers as the ones differing in more than one point [24]. The final sample was of 308 respondents.

3.2 Sample Analysis

The market study regarded 308 valid responses from a diversified universe. The demographic characteristics of the sample were as follows:

- 65,30% females and 34,70% males
- 67,90% single, 28,60% Married, 2,90% divorced and 0,60% widowed
- 55,20% were under 26 years old, 21,10% between 26 and 40 years old, 9,10% between 41 and 50 years old, 10,40% between 51 and 60 years old and 4,20% were over 60 years old
- 74,40% did not have children and 25,60% had children
- In terms of household size 9,40% were composed by 1 person, 17,90% by 2 members, 23,70% by 3 members, 31,80% by 4 members and 17,20% were households with more than 4 members.

Thus, the majority of respondents were single females under 40 years old with no children in households with more than two members, reflecting the results mostly this segment.

[24] The difference between totally agree and agree is 1; The difference between totally agree and disagree is 2.

3.3 Results

3.3.1 Consumption Habits

In what concerns feeding habits four variables were analyzed: the care with nutrition, a diversified feeding, frequency of fruit consumption and frequency of fruit juice consumption.

Most people, 83,10%, stated they had a diversified feeding and 75,30% were concerned with their nutrition. Yet, only 20,10% and 18,80% respondents expressed extreme preoccupation on these issues, respectively. In addition, 92,90% respondents indicated they ate fruit at least two or three times a week (**Exhibit 15 a.i**). These insights gave a positive perspective of the market as it correlated to healthy nourishment habits, for which Compal Essencial was targeted at.

The question regarding fruit juices' consumption gave different results from the ones on fruit frequency intake (**Exhibit 15 a.i**). People drank fruit juices less frequently than they ate fruit. This revealed a lower need for consumers to drink fruit juices, which could be related to the lower level of healthiness and nourishment perceived for fruit juices compared to fruit.

If analyzed from a household perspective, it was clear that most people in the household consumed either fruit or fruit juices, holding true independently of the household size (**Exhibit 15 a.ii**).

3.3.2 Compal Essencial's Consumption and Purchase

After understanding consumers' habits regarding fruit, the survey focused on understanding consumers' relation with Essencial.

There was a high rate of trial, as 79,50% consumers' had drunk Essencial at least once over the past six years. Nevertheless, the consumption frequency stated that 27,30% of these did not continue purchasing it, therefore being a onetime trial. For most consumers, 49,80%, Essencial was only consumed sporadically, not being incorporated in feeding habits, and only 0,80% drunk it every day (**Exhibit 15 b.i**).

When confronted with the question of Essencial's consumption in the household, contrarily to the general fruit and fruit juices, most people did not consume Essencial, which showed a low penetration rate (**Exhibit 15 b.ii**).

Besides this, from the respondents with children 54,40% had given it to their children.

The purchase of household groceries, in which was included Compal Essencial, was normally under a woman's responsibility (**Exhibit 15c**).

The question on the reasons why Essencial was bought in the household brought interesting feedbacks. Most people either purchased Essencial just to tryout, 39,60%, or simply on impulse in the sales point, 34,60%. These outcomes demonstrated that Essencial was not part of most consumers' habits, as only a minority of 9,40% had Essencial on its shopping list. Also the role of influencers was reduced, corresponding to 4,50% of the reasons to buy Essencial. From other responses some referred promotions as a reason to buy it. [25]

According to Essencial's concept and the wish of Compal being present in certain consumption moments, consumers seemed to have perceived it correctly. Essencial was generally perceived for breaks' consumption moments, 77,14%, especially during middle morning, 31,69%, meeting it's initially designed consumption occasion (**Exhibit 15d**).

3.2.3 Compal Essencial Attitudes and Perceptions

As it was an innovative concept, the one of fruit portions, a big effort was made in order to make people comprehend Essencial's idea and features.

Essencial was a fruit purée, corresponding to the majority of answers collected. However it seemed that the effort on differentiating Essencial from a general fruit juice had little results over time, as 39,90% considered it as so (**Exhibit 15 e.i**).

[25] Examples of other answers: "It is healthy and good to consume out of home"; "In promotion"; "Given as an offer"; "To drink out of home"; "Because I like it"; "To consume fruit otherwise I wouldn't"; "In a coffee"; "In the office if there is a vending machine"; "When I want to"; "To substitute fruit".

The following analysis regarded Compal Essencial perception considering its attributes and other features (**Exhibit 15 e.ii**). It was important to distinguish the perceptions of people who had drunk Essencial from those who had not, as these last probably had lower knowledge about Essencial.

Essencial evaluations on convenience, nourishment, healthiness, quality, originality and the fact of being natural were statistically significantly different between consumers who had tried it and those who had not.

Composition Features

People who tried Essencial perceived it as a convenient product, in accordance with its purpose of overcoming general fruit inconveniences of getting ruined, staining and having to be pealed. Non consumers, though also disposed to its convenience, were in less agreement and 28,50% did not see it as convenient.

In general respondents perceived Essencial as nutritive, especially the ones who had tried it.

In addition, consumers believed Essencial was a healthy product, being more evident for people who had drunk Essencial.

The questions about Essencial being artificial and natural were very similar, however the differences presented in the results may be due to differences regarding the conceptual meanings. Artificiality could have been related to the introduction of chemicals in the product while natural may be a term more associated with the fact of being a product perceived as much more natural than general juices, getting closer to the concept of natural fruit. Consumers inclined to agree on its non-artificiality and being natural. People who had not tried Essencial perceive it slightly more artificial and non-natural.

Respondents showed an inclination to perceive Compal Essencial as a product which took away thirst and which was refreshing. Regarding the differences in the variables, the first could be associated with the liquid form of Essencial's product, while the refreshing variable more related to the refreshing need itself from a consumer perspective. These findings somehow positioned Essencial in a refreshment side, even though it was not designed for that purpose. Notwithstanding, there was not a comparison source that allowed to say Essencial was strong in competing for consumption occasions with other products in the refreshing position as for example Coca Cola.

Concept

Essencial was considered by its consumers as an original product in a broad sense. This concept could either be related to the packaging or to the concept itself due to its innovative character in the market. This was true for both groups of consumers.

One of the major strengths and concerns for Compal Essencial was its scientific equivalence to fruit. Results indicated consumer disparities on this believe, and only 56,70% agreed with the statement. The situation was even more negative for consumers who had not tried Essencial.

Packaging

Both groups of consumers perceived Essencial packaging as being practical, mainly Essencial's consumers (92,70%).

Quality and Price

Regarding quality, much of which was associated and transmitted by the Compal brand, there were more than 90% consumers who saw it as a quality product. This fact may have helped Essencial on two main aspects: on maintaining its premium price and supporting the perceived equivalence to fruit.

In what concerns price, more than 80% consumers perceived it as not being cheap, which was consistent with the fact of Essencial being a premium product.

It was also asked the price of a 110ml bottle of Essencial, given these were sold under a pack of three, which often altered the perception of the individual price. Given the current price of €2,09per three bottles, a bottle is supposed to cost the consumer around €0,696. Only 28,90% consumers answered in the right interval, while 20,40% thought it was cheaper and 50,60% believed it was more expensive than reality (**Exhibit 15 e.iii**).

Availability

Regarding Compal Essencial's availability and easiness to find in a store, consumers were very positive and more than 80% did not have problems concerning this retailer aspect. The opinion of non-consumers was less relevant as they were not so aware of the product presence in retailers.

Competition

61,30% consumers who had tried Essencial did not find many substitutes in the market for the product, while in the second group of non-consumers results were less positive and only 46,00% shared that opinion. This fact was important as in 2006 Essencial was an innovation, new to the market, and in 2012 due to the entrance of new competitors there were more alternatives to Essencial.

Advertising attitude

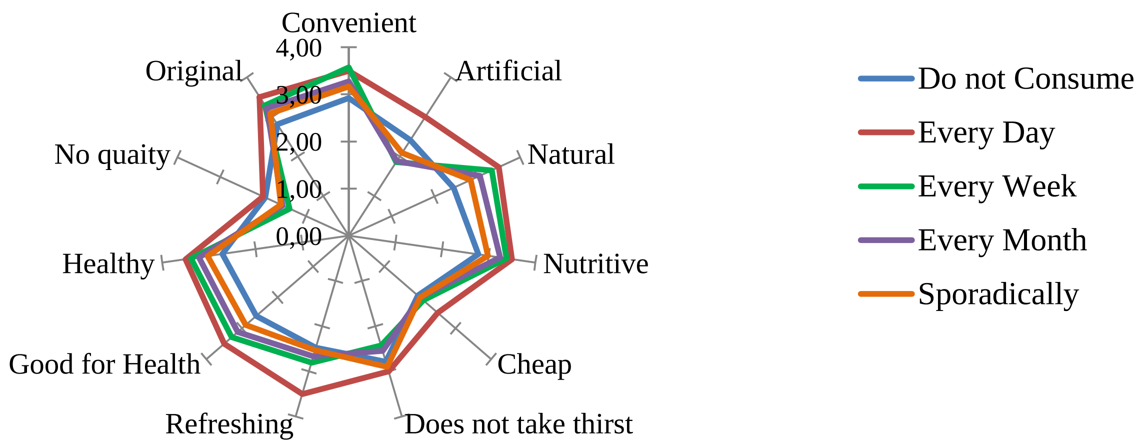
There was a positive attitude towards the brand ads, supporting in some way the brand efforts made in this area.

Apart from this general analysis, it was interesting to compare Compal Essencial features' evaluations for respondents with different frequencies of consumption (**Exhibit 15 e.iv**).

Statistically, the only feature which average was not significantly different between groups was "Cheap".

Consumers who evaluated Essencial more positively and accurately according to its purposed design were the ones consuming it every day. Contrarily, people who did not consume Essencial gave it less optimistic evaluations on most of its features (**Graph 1**).

Graph 1 Consumers' Evaluations of Essencial's Features



When trying to estimate the impact of the features determining the frequency of consumption, which assumingly was expected to be positively correlated with the probability of purchase, the only variable which was statistically significant was “No Quality”.

The model was estimated as follows:

Consumption Frequency = 0,939 + 0,016*Convenient – 0,130*Artificial + 0,168*Natural - 0,147*Nutritive + 0,308*Healthy – 0,051*GoodForHealth + 0,140*Cheap + 0,235*DoesNotTakeThirst – 0,025*Refreshing – 0,730*NoQuality + 0,314*Original

The variables with greater impact would therefore be “No Quality”, “Original” and “Healthy”, though the first one decreasing consumption frequency.

Interestingly, the model predicted that the higher the evaluations on Essencial’s “Nutritive”, “Refreshing” and “Good For Health” features the lower would be the consumption frequency. However, these last two variables were correlated with the variables “Healthy” and “Does Not take Thirst” and as the coefficients of these were positive and higher, the final impact was expected to be positive.

4. Conclusion

Compal, Companhia de Conservas Alimentares was founded in 1952 operating in the food business. Over the years the company evolved and in 2009 it merged with Sumol becoming Sumol+Compal. Its innovative and entrepreneurial spirit led it to achieve a solid position in the soft drinks industry, developing a portfolio of diversified beverages.

Compal Essencial was the result of years of research and investments that aimed to turnover Compal’s business and prompt its growth. The product emerged from a deep analysis of Portuguese consumers’ habits and the existing products in the market, both from Compal and from competitor brands. The result was an innovative product with a concrete concept behind, which was successfully presented to consumers in 2006. Nevertheless, product management is a continuing task and Compal Essencial showed in 2012 different results from the ones in its beginning years. This leads to the interrogation of what happened during the six years after its launch. Was it due to new competitors? Was it a management problem? Did the Essencial lose it wow factor? Did consumers change?

4.1 Main Outcomes

The main objective of this dissertation was to understand which were Compal’s key success factors that led to the development of Compal Essencial, and how this innovative product achieved its success, focusing on consumers approach. Therefore it was proposed to find an answer to five research questions in order to better understand the case of Compal Essencial.

RQ1: In what consisted the new created category and which were the competitors present in the field?

The category of fruit portions resulted from the development of the innovative product that was Compal Essencial. It was considered a fruit purée that unlike general fruit juices and nectars focused on nourishment and convenience related to fruit consumption. Compal Essencial created a whole new category of fruit portions for consumers, one assumed to fight the consumption deficit of fruit, by providing a quality product that met the convenience consumers were missing, countering the reasons not to eat fruit frequently.

Analyzing brand competitors is a complex task. By understanding customers' path when obtaining and using the product it was possible to have a broad perspective on which were Essencial's competitors. According to Compal Essencial's consumption moment, the competitors would be single dose products available in the market for the on-the-go consumption, as Actimel and Danacol. In addition, products related to fruit could be seen as substitutes including fruit, fruit juices and nectars, among others, as they were close substitutes in terms of content similarity. Withal, when considering the purchase of Compal Essencial, there were many other products competing for consumers' choice, and in this case the most relevant would be the goods placed close to Compal Essencial, as yogurts and dairy products and refreshed juices.

RQ2: What were the Portuguese habits regarding nutrition and healthy behaviors?

In general, Portuguese people believed they had a healthy diet concerning fruit. However, according to health reports and the actual consumption of fruit, it was notorious that there was a fruit consumption deficit and the reality was that in average a person ate 36% of the recommended daily intake.

Also, Compal marketers considered the Portuguese population generally healthy, in a worldwide perspective. There were certain habits as the daily intake of milk and fruit consumption, though insufficient, that were seen as part of the regular diet, which contributed to the conclusion that Portuguese paid attention to some important components of a healthy nutritive diet.

Moreover, the market research, contributed with an overview of Portuguese perceptions on their diet habits in 2012. The conclusion was that the majority of respondents had special care with their nutrition, had a diversified feeding and frequently ate fruit, at least every week. These findings went along with the previous research of Portuguese habits and beliefs about having a healthy diet.

RQ3: How was Compal Essencial promoted?

The development of Compal Essencial implied great efforts from the marketing team, which based most decisions on the research made about the market and consumer needs, behaviors, beliefs and values. Understanding that the European top value was family protection was the insight that guided the positioning and communication strategy of Essencial. But in order to better reach consumers and make them aware of fruit importance in nutrition, a previous blind campaign, with no direct relation to Compal Essencial, was put in practice together with nutritional experts and a public relations agency.

The target of urban mothers between 35 and 45 years old allowed focusing the communication on these subjects, who cared for their own and their family's health. The creative idea for the major campaign was based on using children as endorsements, which triggered the concern on fruit consumption, showing its importance for family care.

Several means of communication were used, not only journal and magazines, but also TV ads, outdoors and radio, which focused on three main goals: activate the awareness for fruit deficit consumption and its benefits, presenting Compal Essencial as a convenient product that served the need of nutrition, and ensure consumers understood the actual equivalence of Essencial to fruit. Besides this, an active presence in retailers was important, guaranteeing its availability in shelves and promoting Essencial through distinct tactics for greater visibility and differentiation.

RQ4: How was Compal Essencial's international expansion made? Where did it enter and which was the corresponding marketing strategy?

The expansion of Compal Essencial to new geographic markets was part of the company's strategy to ensure funds for further investments.

Essencial's internationalization started in 2007, targeting countries as Angola, Russia and Spain, Switzerland, Sweden, Germany, United Kingdom and Poland in 2008 and finally France in 2012. However, due to negotiation difficulties Essencial ended up exiting from Spain and the UK, though still having prospects of reentering in those markets in future years.

The mode of entrance in foreign countries was normally through exports, requiring an a priori partnership with entities in those countries. Compal invested little in Essencial's expansion, allowing its foreign partners to have most control over the marketing strategy concerning placement, pricing and promotion of Essencial. Communication was the issue Compal was most involved with, providing guidelines on the features that should be promoted, being these susceptible of adaptations according to the host country.

There were three main challenges faced by Compal in Essencial's internationalization process that impacted negatively its success abroad: the difficulty in understanding Essencial's concept, due to low investments made in that sense; high competition in the same niche; and negotiating problems with its foreign partners.

The partnerships with TAP and with international restaurant chains were other strategic moves of Essencial with the objective of placing the product beyond Portuguese boarders. Both these arrangements would allow reaching new consumers and gave Essencial prospects of greater presence abroad.

RQ5: What was consumers' perception of Compal Essencial in 2012?

Compal Essencial's design and concept corresponded to what the majority of consumers perceived of it, though it was noticeable that people who had never drunk Essencial were in less agreement than those who had tried it, for all the features presented.

Consumers inclined to an agreement that Compal Essencial was a nutritive, healthy, convenient, natural, and original product. Moreover it was not considered cheap, which went along with the fact of being a premium product of high quality.

The most ambiguous results came from the refreshing features because it was not promoted as a product that took thirst, though responses concerning its refreshing attributes were in divergence.

Finally, consumers showed greater reluctance than expected to accept Compal Essencial as equivalent to fruit.

In summary, consumers' evaluations of Compal Essencial's characteristics were considered positive on most of the important features, though there was still a certain percentage of people perceiving it differently.

Compal invested great effort in creating the concept and promotion strategy for Essencial, and leading most consumers to perceive it correctly over years. Notwithstanding, there was still a substantial percentage who was not convinced, and the results presented a less positive situation compared to the initial achievements reported in 2006.

5. Limitations and Future Research

The market research conducted brought important contributions, which allowed an understanding of Essencial's position in the Portuguese market in 2012. However, it pointed out some limitations that may have influenced the final results.

The study gathered a sample which may not be considered representative of Portuguese consumers, being the results representative of a smaller segment and not of the Portuguese universe of consumers.

The questionnaire design also impacted the final results. The way the positioning features of Essencial were presented required a deeper explanation of the corresponding concepts, leading to ambiguous results, as the understanding of a feature may vary according to the respondent.

The survey did not have a section on which respondents evaluated competitive products of Essencial and rated brands according to their preferences. This would allow developing a perceptual map to perform a richer analysis on Essencial's situation, and is therefore recommended in a future research for Compal Essencial's case study.

Also, though important findings were reported, the research lacked a deeper analysis on consumer perspectives about Essencial, one that can be, in future studies, collected as explanatory qualitative data in focus groups, for example. This type of analysis may allow gathering data on which the brand can work to better promote and position Compal Essencial, in order to improve the product weaknesses and misperceptions and to better meet consumers' current needs.

Furthermore, as a continuation of this case study, I believe it would be interesting to study the marketing strategy followed after Essencial's launch and how it impacted the position it had in 2012. As a complement to this research work it would be important to further study the effects of Essencial's packaging and communication campaign on consumers' evaluation of the product and on consumers' retention.

6. Teaching Notes

6.1 Synopsis

Compal was founded in 1952 and became known overtime by its quality juices and nectars. The soft drinks industry was characterized by a fierce competition, the presence of major brands, particularly including MNC's and requiring continuing innovations. Along this line of thought, in 2006, Compal launched Compal Essencial, a brand extension that would create a new category of fruit portions.

With Compal Essencial's success in Portugal, and in order to support future investments, Compal, in 2009 Sumol+Compal, decided to expand Essencial into new markets abroad.

This study focuses on the development of Compal Essencial, the different stages it went through until it was presented to consumers, its expansion to new markets and Essencial's situation in 2012 in the Portuguese market.

6.2 Use of the Case

This dissertation presents a real world case, tracking a company's decisions and analysis when challenged to develop a new product from scratch.

The case allows an overview of Compal Essencial's development and market situation in 2012. It analysis contributes to a better understanding of the investments and efforts required in diverse fields in order to create and launch a product. A comprehension of the different stages allows exploring theoretical concepts and developing analytical skills when analyzing decisions taken, its consequences and alternative paths.

6.3 Target Audience of the Case

Compal Essencial's case study covers several topics as innovation, new product development, brand management, marketing research, strategic marketing and marketing planning. This case can be useful for undergraduate and master students attending specific courses on these matters as it allows a better understanding of concepts as positioning, branding and strategy, and an overview of how theoretical lenses are applied in the real world.

6.4 Teaching Plan

Students should have some previous knowledge on theoretical lenses, being advisable to read the following articles regarding Brand Extensions and Internationalization, which cover important aspects from past literature:

1. Aaker, D. A. and Keller, K. L., Consumer Evaluations of Brand Extensions. *Journal of Marketing*, Vol. 54/No. 1, January 1990, pp. 27-41.

2. Gatignon, H. and Anderson, E., The Multinational Corporation's Degree of Control over Foreign Subsidiaries: An Empirical Test of a Transaction Cost Explanation. *Journal of Law, Economics, & Organization,* Vol. 4/No. 2, Autumn 1988, pp. 305-336.

The present case of Compal Essencial's brand extension should be previously prepared, being advisable to be handled to students at least one week before the class of discussion.

6.4.1 In-class discussion: Case Analysis

A brief discussion of the case study is recommended, in order to review Compal Essencial development, focusing on the several stages managers and marketers passed through and outlining the key factors behind each decision.

6.4.2 Assignment Questions

At this stage, it is supposed a debate over students' previous reflections on the case and on the questions proposed bellow. Some questions may have more than one possible answer. The answers provided are only guidelines for the topics students should refer.

1. Explain the marketing opportunity for Compal Essencial, making reference to the added value of the product. How did the product benefit from being launched under the brand Compal and which were the risks it incurred in?

   Answer:

   - Market opportunity:
     - Fruit consumption deficit in Portugal.
     - Fruit benefits, as the prevention of diseases and its importance in the nutritional pyramid can be considered part of the opportunity related to the concept of fruit shots/ fruit portions of Essencial.
     - Inexistent product that would overcome fruit inconveniences.
   - Branding Compal:
     - Essencial benefited from Compal's experience and reputation in the fruit and vegetables business. This experience was crucial not only to approach consumers, as well as in all that concerns the knowledge of suppliers, their networks and the proprietary technology required, which was already acknowledged by Compal.
     - Consumers' evaluations of Compal Essencial were probably leveraged due to the associations with Compal brand, as the product fit the existing portfolio and technology, benefiting from the association of quality and the reputation and the greater awareness of the brand.
   - Risks:
     - The possibility of Compal Essencial damaging Compal brand if unsuccessful.
     - Cannibalization hazards towards nectars and juices of Compal
     - High cash and resource investments in the development of a product which would create in a new category for consumers.

- The difficulty of category association, due to the fact that the product was completely new to the market and, at first sight, seemed difficult to understand the concept, emerging doubts whether it was a juice, a yogurt a desert or just a fruit.
- Consumers' uncertainty reported in Compal's market research towards Essencial's equivalence to fruit allied to the perceived high price compared to real fruit.
- Consumers' disregard in PRM market research for the actual need of a fruit shot, apparently much more expensive than its natural competitors, fruit.

2. When considering the whole set of Compal Essencial's competitors present the different perspectives and indicate the corresponding players. (note: focus on customer purchasing and consumption path and on product substitutes)

Answer:

I. **Customer Consumption Occasion –** Competitive set according to the designed consumption occasion.

Essencial was developed in order to be consumed in breaks, morning and afternoon breaks. The product consumption occasion is supposed to be on-the-go, a product that is easy to take out of home and drink in any occasion, containing the benefits of fruit without its inconveniences of smell, staining and having to be pealed.

The competitors of Compal Essencial in this set are supposed to be convenient single portion products, as Knorr Vie, Activia Smoothie, Continente L-Casei balance (fermented milk), DANONE Actimel (fermented milk), DANONE Danacol, Só natural Kefir yogurt, Becel Pro-Activ, Emmi Benecol, Yogurt Bem Especial 0% Lactose, Mimosa Bem Mais (fermented milk) and other yogurts and single portions juices especially from Só Natural.

II. **Customer Purchasing Occasion** – Competitive set according to products displayed in retailers.

In this type of analysis, it is understood competing products in the point of sale, as the refreshed juices and dairy products, since the places where Compal Essencial is normally available are shared with this type of products. Examples of competitor products: Só Natural, Sunny Delight, Continente, Pascual, Pingo Doce, Tropicana and Andros refrigerated juices, Continente L-Casei balance (fermented milk), DANONE Actimel (fermented milk), DANONE Danacol , Só Natural Kefir yogurt , Becel Pro-Activ , Emmi Benecol , Yogurt Bem Especial 0% Lactose, Mimosa Bem Mais (fermented milk), among other dairy products in the yogurts' section.

III. **Product Substitutes** – Competitive set according to the product components.
The focus in this perspective is on product features and components, regarding similar products as fruit, fruit juices and nectars. In this sense, not only Compal juices and nectars could be competing with Essencial, but also fruit and other fruit drinks. Examples of competitor products: Natural Fruit, Doces da Puri, Knorr (Knorr Vie) and fruit juices of Só Natural, Sunny Delight, Continente, Pascual, Pingo Doce, Tropicana and Andros.

3. Considering the product concept, target and marketing mix make a critical analysis of Compal Essencial's positioning, comparing it to its major competitors. This analysis should be viewed in line with the possible reasons for the long term situation of Compal Essencial.

Answer:

Compal Essencial was a fruit purée designed for a new category of fruit portions. Its concept was based on fruit equivalence and convenience for the on-the-go consumption, focusing on overcoming fruit disadvantages.

The target of Compal Essencial were women between 35 and 45 years old who were mothers and living in urban areas since this type of consumers was considered the home decision maker of grocery purchases.

Compal Essencial's marketing mix considered a product equivalent to fruit in a package that visually was similar to fruit and convenient for the on-the-go consumption. In retailers it was placed next to refreshed juices or dairy products as it was not designed to compete with fruits but with single dose products. The positioning focused on consumers' values for family care, promoting for the mass market its health benefits related to the importance of family nourishment and fruit consumption. In terms of price, it was positioned as a premium product which in some way should cover the high investments made.

According to the company, Essencial was designed for the nourishment field competing directly with single dose products, as Actimel and Danacol. Its concept, focusing on convenience and nourishment needs, was aligned with that positioning, so as the physical product itself. However, when analyzing this type of competitor products, Compal Essencial was in most cases priced higher in terms of unit price. In addition, from this perspective Essencial competitors were mostly from DANONE, being the brand already familiar to consumers in the dairy category. DANONE was a strong competitor with a wide spread range of products in the dairy field, which were most often first choices in consumers' minds. Even though Essencial created a new category for consumers, positioning it to compete with single dose products lead it to compete with a solid brand in the market, one which would be difficult to overcome considering its presence in consumers' choice for the on-the-go consumption of nourishing products. The high price of Compal Essencial may have also prompted people to continue choosing their usual first choice products.

According to the market research, there was no doubt that most respondents understood the concept of Compal Essencial and even evaluated it positively regarding most features. Nevertheless, it was notorious that consuming an Essencial every day or even every week was not present in Portuguese habits. This leads to believe that though a good product and concept, positioning it to compete with a well-established brand, damaged Essencial's success due to the difficulty it faced in changing people first choice products.

6.4.3 Group Assignment

For the group assignment students are supposed to constitute groups of three to five members and discuss the questions' topics. Students may consult complementary sources of information than the presented case in order to better support their answers.

1- Compare the first years' results of Compal Essencial with its situation in 2012. What would you do as a marketer in order to improve Compal Essencial's current results?

Answer:

In 2006, after its launch, Compal Essencial was considered a success having accomplished the following results:

- A penetration rate of 17% in the first quarter of 2006
- 25 Million individual units (110ml) of Essencial sold in the first year, equivalent to €15,3 Million in revenues
- A market share of 92% in the first year

However, the market research conducted in 2012, concerning Compal Essencial's consumption, showed the following:

- 7,80% consumers did not know what Compal Essencial was; 39,90% consumers saw Essencial as a fruit juice, facing the risk of being confused with Compal juices and Nectars; less than 50% understood what Compal Essencial was, a fruit purée (44,20%)
- Low consumption frequency of Essencial, impacting its revenues negatively: only 9,40% consumed at least every week; 27,30% had only tried and did not consume it at all; 49,80% consumed it sporadically
- Low penetration rate concerning household consumption of Compal Essencial: less than 50% for all household sizes
- Essencial was not part of most of consumers' habits: only a minority of 9,40% had Essencial in its shopping list; most people either bought Essencial just to try it (39,60%) or simply by impulse in the sales point (34,60%).

The situation had changed over years and the initial success of Compal Essencial vanished with time. The penetration rate, frequency of purchase and comprehension of the product’s essence were the most important changes that impacted negatively its success in 2012.

In order to turn over the situation, marketers could develop a strategy that focused on retrial followed by a deep consciousness of Compal Essencial’s benefits to promote its repurchase.

- To promote its retrial so that nowadays consumers buy it and get aware of the product features, promotions in the point of sale could be a good strategy. Since consumers referred promotions as a reason to buy Essencial and 34,40% respondents bought it on impulse, price or product promotions could be a good trigger for retrial.

A deeper and longer term strategy would be narrowing the marketing of Essencial focusing on a concrete segment as the one of mothers with the objective of creating a sustainable base of loyal customers. This could be done by employing some of the following actions:

- Focus kids’ consumption near mums by remembering mothers how Essencial makes it easier to nourish healthily their children.
- Reemphasize fruit importance with public relations, as was done in the prelaunch campaign, using means of communication designed for the respective target as women magazines. Examples: Caras, Lux, Máxima, Boa Forma, Revista Criativa, Mulheres de Sucesso, among others.
- Offer Essencial together with another product for morning breaks as a “break package”, through a partnership with other brands as Triunfo or Cuétara.
- Promote Essencial in schools as part of lunch menus by making partnerships with learning institutions and food service provider firms, as Eurest.

Isolated actions which can be taken are for example to promote the fruit day as a Compal initiative and to develop ads emphasizing each of Compal Essencial’s fruit benefits and uses (ex: orange for colds; kiwi and plum for constipation).

2- Analyze the international expansion of Compal Essencial, providing further strategic moves which may support the success of the product's internationalization process. In your analysis you must outline advantages and disadvantages of the current and potential strategies. (note: as a strategic move you may refer other markets, marketing strategies for current markets, or a mix of both)

Answer:

Compal Essencial's internationalization strategy was characterized by the following aspects:

- The low investment and commitment of resources and the low dissemination risk were some advantages of exporting, though the inherent low control.
- Inexistent market study, which increased the risk of failure.
- Risk of partners damaging the product abroad, which must be taken in consideration since the Sumol+Compal thought about reentering in certain markets, as Spain and UK, where the partnerships broke out and the product pulled out.
- Lack of explanation of the concept and therefore lower probabilities of success.
- High transportation costs as the only production facilities were in Portugal.
- Fierce competition in markets where competing brands focused only on the niche in which Compal Essencial competed.

As internationalization strategy, Compal Essencial could expand to new markets. This expansion should be based on the following guidelines:

- Countries with high consumption on-the-go, as Northern Europe;
- Countries with Portuguese communities;
- Countries with an average/high income levels given the product high price.

Examples of potential markets: Belgium, Iceland, Ireland, Italy, Netherlands and Norway.

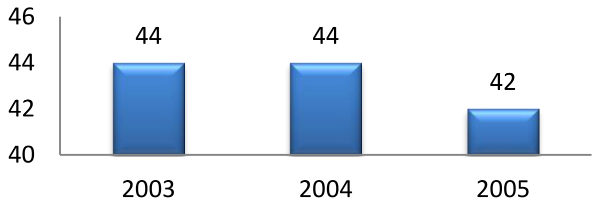
Taking into consideration that Portuguese emigrants are a segment with a high awareness of the brand Compal, targeting this type of customers would require lower marketing efforts. Therefore, as part of the internationalization strategy, Compal could focus on making partnerships with those retailers where Portuguese most frequently buy. They shop mostly in hard discount stores, and these stores are known by providing several Portuguese brand products. Some examples of possible retail partners from this point of view would be Mercadona (Spain) and Carrefour and hard discounts as Lidl, Dia, Aldi, Tengelmann, Plus and Denner. Pursuing this strategy, partnerships should not be made with general well known retailers that offer thousands of products and with whom negotiations are more difficult, as Tesco, but with entities where Compal Essencial has higher probability of success due to a more focused target on the specific final customer.

As a totally different strategy, though riskier, Compal may start by doing a market study for possible new market entries and develop a partnership similar to the one made in Spain but with a higher involvement level. By having another production facility unit, it could be possible to serve several nearby countries reducing transportation costs. This new acquisition would make sense only if the probability of success for nearby countries was high, which could be studied with a market research similar to the one requested to PRM for Portugal.

The risk of dissemination would not be high as there was no crucial proprietary knowledge, therefore leading to a possible licensing or joint venture of lower involvement which reduces the resources commitment and the losses in case of failure. This partnership could be done with a multinational partner of high awareness and strong presence in the chosen countries.

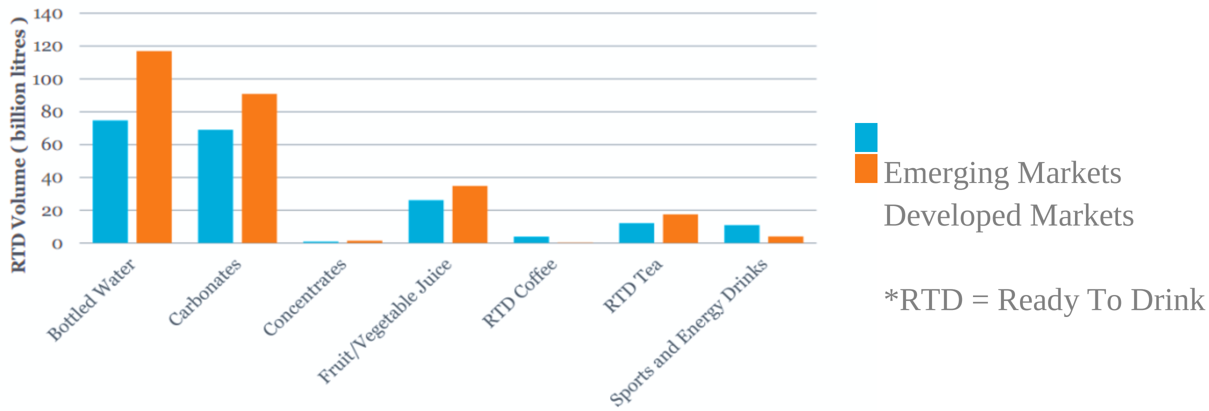
7. Exhibits

Exhibit 1: Compal Portugal Sales – Juices and Nectars (€M)



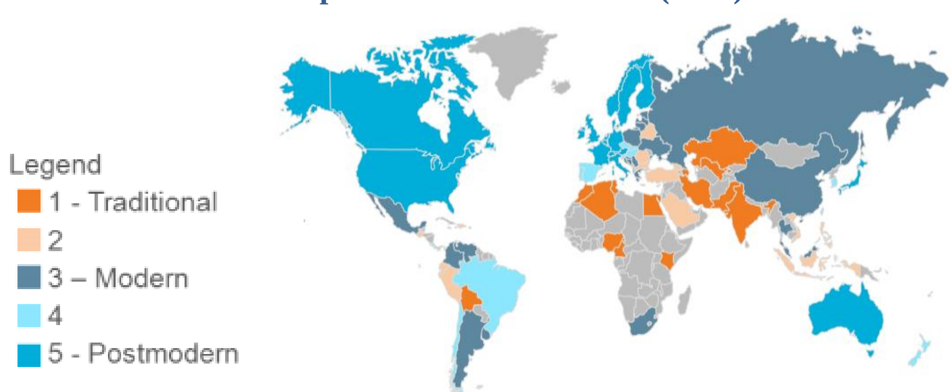
Source: ACNielsen

Exhibit 2: Soft Drinks World Consumption (2011)



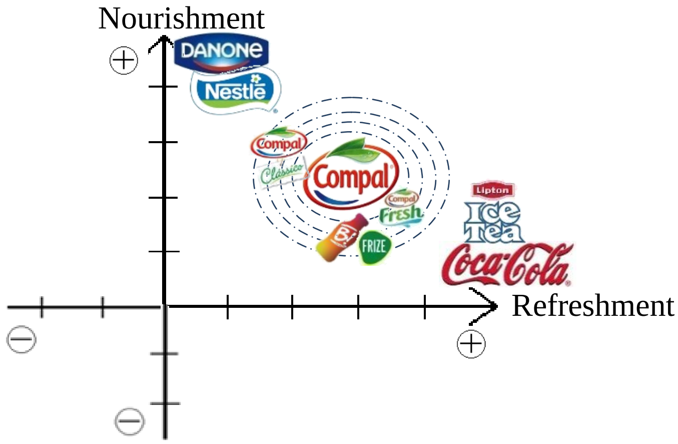
Source: Euromonitor - Soft Drinks in 2011 and Beyond - Regional Performance and Prospects Worldwide

Exhibit 3: Worldwide Map – Soft Drinks Markets (2011)



Source: Euromonitor - Soft Drinks in 2011 and Beyond - Regional Performance and Prospects Worldwide

Exhibit 4: Nourishment and Refreshment Consumption Occasions Map



Source: Information provided by Nuno Ferreira Pires, former Innovation Director at Compal

Exhibit 5: Fruit benefits and the prevention of diseases

In 2000 it was estimated that 60% of deaths were due to non-commutable diseases, as cardiovascular diseases, cancers, chronic respiratory diseases and diabetes. [26]

According to the World Health Organization fruit and vegetables consumption was associated to lower risks in some of the non-commutable diseases as the cardiovascular disease, type two diabetes and certain cancers (mouth, pharynx, larynx, esophageal, stomach and lungs).

In 2004 the WHO estimated that in the European Region 2,40% of diseases was due low intakes of fruit and vegetables.

Exhibit 6: Insights for Fruit Low Consumption

- Fruit was not practical: bananas rotted; oranges had a strong smell; generally fruit left stains and needed peeling.

[26] Source: World Health Organization

- ➢ People had busy lifestyles, with low mobility and too on-the-go, consistent with a of time poverty tendency.
- ➢ There was a generation gap which led to a decrease of fruit consumption: people had less time and did not know how to peel a fruit in a fast and easy way.
- ➢ There were some sociological changes comparing to other generations and people had less and less seated meals.
- ➢ There was little conscience of the risks of not consuming fruit and of the extraordinary benefits of consuming it.
- ➢ Marketing efforts were not focused on fruit, but on yogurts and juices, which made fruit a less interesting topic and with less emphasis in consumers' life.
- ➢ Fruit was not aspirational.

Exhibit 7: Market Study - PRM SA

The market research conducted by a Spanish company, PRM INTERNATIONAL SA, a market intelligence consultancy company, which with "ad-hoc" research oriented companies in their strategic decisions.

The analysis revealed that the potential consumers of Compal fruit shot were young and mature families with children between 2 and 17 years old. Also, the home key decision maker was normally a housewife between 40 and 50 years old, married and with a medium educational level.

In addition, it provided valuable inputs to support Compal Essencial marketing strategy:

- The adequacy of Essencial as the name of the product.
- The advice to place the product close to yogurts and not to juices or fresh fruit
- The most appropriate way to offer the product to consumers was through the triple pack, which was partially related to the recommended amount of daily fruit intake of three pieces, at the price of €1,99.

Also, it was found that the most valued attributes for Compal fruit shot were:

- The vitamins and nutrients of the new product were equivalent to the ones of fruit
- The product being from Compal

- The ability of eating fresh fruit anywhere at any time.
- The possibility of eating fruit in a practical and convenient way without getting dirty.
- Most valued flavors: 1st Strawberry, 2nd Manga, 3rd Apple and 4th Banana.

Moreover some extra information was extracted from a concept test, which objective was to estimate the probability of purchase. It was composed by three stages of "concept boards" exhibition. Initially it was only explained the product concept. In the second stage the brand Compal was added, and in the last phase the product was presented with the packaging and with the available flavors. At the end, the three phases presented positive probabilities of purchase of 53%, 61% and 62%, respectively.

An important factor was the brand heritage of Compal and the competitive advantage it brought in terms of recognition in the fruit business. The brand power was a key factor as it increased the intention to buy in 70% when the brand Compal was revealed.

"In the blind test when we showed the brand Compal the intention to buy raised 70%. Before people just didn't believe it was true" referred Nuno Pires, former Innovation Director at Compal.

Though considered an innovative product with promising features, participants demonstrated some uncertainty towards the fruit shot. Its total equivalence to fruit and its high price compared to real fruit were some of the apprehensions that emerged. Other feedback that came out concerned the actual need of a fruit shot, apparently much more expensive than its natural competitors, fruit. Finally, it was also referred to the difficulty of category association, which was related to the fact of the product being completely new to the market, and that in a first sight it was difficult to understand its concept, emerging doubts about it being a juice, a yogurt a desert or just a fruit.

Exhibit 8: Fruit Equivalence Visual Key

Source: Compal Essencial

Exhibit 9: Packaging - Aseptic PET

Different types of drinks need different types of packaging, as each product demands specific requirements in terms of technology and chemicals to ensure product quality. General sodas and non-fruit drinks usually used polyethylene terephthalate technology, also known as the normal PET, while single dose drinks were normally produced in a polypropylene material (PP), requiring preserving agents to ensure that the product kept its quality.

Before Essencial's development a new investment was made in an aseptic PET line of packaging for products as B! and Um Bongo. Using aseptic PET, instead of polypropylene material (PP) or normal PET, allowed avoiding preservatives in the product as the packaging took place in a sterilized environment, ensuring that there are no microorganisms in the juices.

Exhibit 10: Compal Essencial Range

Source: Sumol+Compal

Exhibit 11: Advertisements

Exterior – 8x3

Exterior – Mupis

Press

Source: Sumol+Compal

Exhibit 12: Competitors

The following table shows the brand products most similar to Compal Essencial in terms of nourishment concept, size and pack, presenting also the approximate price in retailers.[27]

Refrigerated drinks[28]				
Product	**Pack**	**Price**	**Unit Price**	**€/L**
Compal: Essencial	3x110 ml	€2,09	€0,697	€6,33/L
Sunny Delight: Refrigerant	8x20 cl	€3,70	€0,463	€2,31/L
Pascual: Juice	4x200 ml	€1,89	€0,473	€2,36/L
Pascual: Juice 100% Orange	4x200 ml	€2,62	€0,655	€3,28/L
Pascual: Enriched Juice Bifrutas	6x200 ml	€2,74	€0,457	€2,28/L
Continente: 100% Refrigerated Juice	250 ml	€0,74	€0,740	€2,96/L
Continente: Smoothie	250 ml	€0,89	€0,890	€3,56/L
Andros: Juice 100%	1 L	€3,79	€3,790	€3,79/L
Só Natural: Fruit Doses Mix	2x125 ml	€1,99	€0,995	€7,96/L
Só Natural: Juice	250 ml	€0,74	€0,740	€2,96/L
Só Natural: Smoothie	250 ml	€1,54	€1,540	€6,16/L
Tropicana: Juice100% Multifruit	1 L	€3,99	€3,990	€3,99/L
Tropicana: Juice with Original Orange pulp	1 L	€4,29	€4,290	€4,29/L
Pingo Doce: Orange Juice	200 ml	€0,40	€0,400	€2,00/L

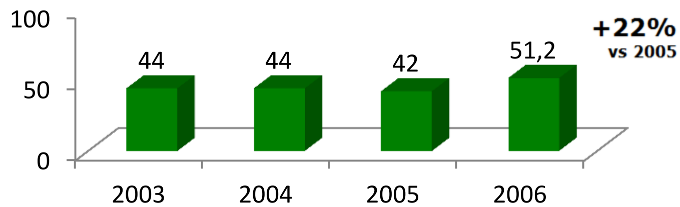
[27] Information collected through primary research near retailers and from www.continente.pt.

[28] The refrigerated products are the ones available next to Compal Essencial in the refrigerated zone (Pingo Doce) and products listed as refrigerated juices and fruit portions, even if not located next to Essencial in the retailer (Continente).

Dairy Products[29]				
Product	**Pack**	**Price**	**Unit Price**	**€/L ; €/kg**
Emmi: Benecol	6x65 ml	€3,99	€0,67	€10,23/L
DANONE: Actimel (fermented milk)	6x100 gr	€2,99	€0,50	€4,98/Kg
DANONE: Danacol	6x100 gr	€3,99	€0,67	€6,65/Kg
Mimosa: Yogurt Bem Especial 0% Lactose	4x125 gr	€2,09	€0,52	€4,18/Kg
Mimosa: Bem Mais (fermented milk)	4x200 ml	€1,94	€0,49	€2,30/L
Continente: L-Casei balance (fermented milk)	6x115 gr	€1,49	€0,25	€2,16/Kg
Só Natural: Kefir yogurt	200 gr	€1,49	€1,49	€7,45/Kg
Becel: Pro-Activ	6x100 ml	€3,99	€0,67	€6,65/L

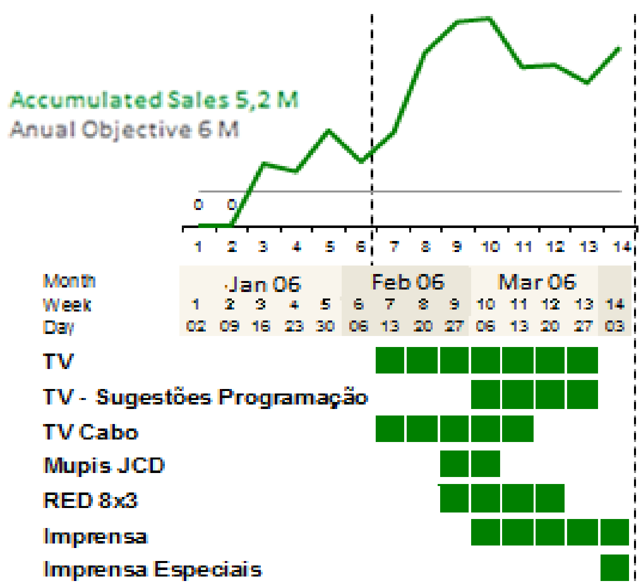
Exhibit 13: Compal Essencial Sales Impact

Total Portugal Sales Compal (€M)



Source: ACNielsen DJ 07

Evolution of Sales in Value during Essencial Launching Campaign



Source: BrandConnection / Compal Sales Data (audited) – 2007 (€M)

[29] The dairy products only refer to products of the same setting of Actimel and Danacol (active defenses and cardiovascular functions), not presenting other dairy single products, which would include yogurts among others. These were the products referred as most direct competitors of Compal Essencial, due to its nutritional and health benefits offered in products of single portions.

Exhibit 14: Internationalization

The internationalization process of Compal Essencial was achieved through exports involving partnerships with retailers. However, some countries were given special attention from Compal, as was the case of Spain, UK and France. Though in some cases, Essencial had positive expectations, in others the partnerships did not last long.

In **Northern Europe** the on-the-go consumption, at lunch time and on the way home, was big, making sense to offer a product as Essencial. However the offer was equally big and the brand got lost among competitors.

In **Russia** Essencial entered through direct selling to a premium supermarket chain focused on selling gourmet products. In **Sweden t**he internationalization took place through a partnership with ICA while in **Switzerland** it was with the Casino group.

Spain was considered a less experimentalist market and less open to different products and concepts. Therefore, Compal entered Spain in 2007 through a joint venture named SensaFruit with the Osborne Group. It was a brand which sold fruit products, selling as well Essencial under the name Solán de Cabras Essencial. This allowed an easier association with the natural image of the well-known waters of Solán de Cabras and the fruit products. Initially, the results in terms of absolute sales were similar to Portugal, but later, due to some negotiating problems with the foreign partner, the joint venture ended in 2011 with the subsequent exit of Essencial from most of the Spanish market, having kept the product available only in Burger King restaurants in the HORECA channel. The end of this partnership was to a certain extent driven by the desire of Compal entering the Spanish market independently to sell its products under the Compal name, with prospects of reinvestments.

The **United Kingdom**, on the other hand, had some specific distribution characteristics in what concerns retailing, meaning it would require greater efforts of investment. To enter in that market, Compal opted to make partnerships with local distributers, as Tesco[30], while

[30] Source: Aveiro, I. (20011). *"Essencial" já é vendido na cadeia Tesco em Inglaterra*. [Online] Available at: http://www.jornaldenegocios.pt/home.php?template=SHOWNEWS_V2&id=477321. [Accessed 08th October 2012].

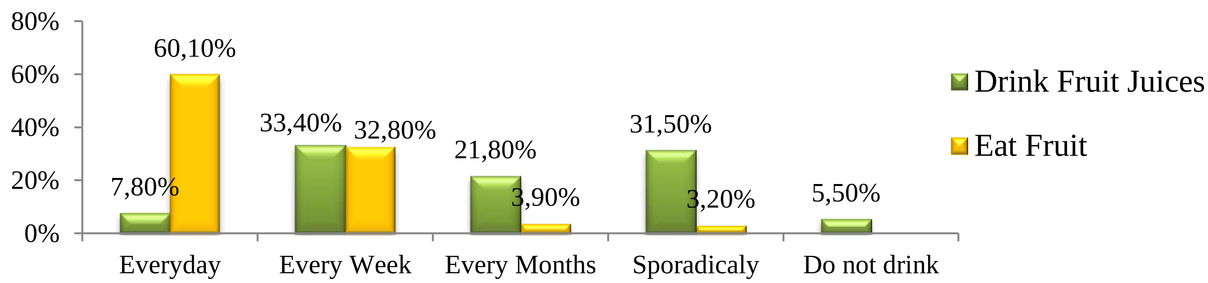
doing some marketing actions, not investing concretely in the concept explanation to consumers. However, due to negotiation and commercial problems the product exited the market. Meanwhile there were some expectations of reentering in January 2013.

The internationalization plan comprised also **France**, where Essencial entered with a different strategy. The company focused on local distribution through Epiceries (sort of groceries, which sold food and other type of products), with a specific communication of Essencial's concept at the store level. This unlike approach came at a time where investments to penetrate the mass market were difficult and risky, as the success of Essencial depended on the ability to explain its concept to consumers.

Exhibit 15– Survey Analysis Results

Exhibit 15 a) Fruit and Fruit Juices Consumption

15 a.i) Fruit and Fruit Juices Individual Consumption Frequency



Every Week regards on average 2 or 3 times a week.
Every Month regards on average 2 or 3 times per month.

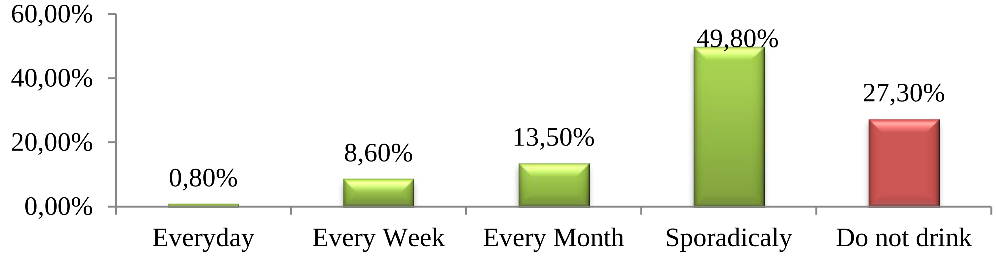
15 a.ii) Nº People eating fruit/drinking fruit juice in Household * Household size

	H. Size 1	H. Size 2	H. Size 3	H. Size 4	H. Size More than 4
0 Consume	10,30%	0,00%	0,00%	1,00%	1,90%
1 Consume	89,70%	10,90%	11,00%	2,00%	1,90%
2 Consume		89,10%	16,40%	8,20%	1,90%
3 Consume			72,60%	18,40%	5,70%
4 Consume				70,40%	13,20%
More than 4 Consume					75,50%

Consumption presented in % of household size.

Exhibit 15 b) Compal Essencial's Consumption

15 b.i) Essencial's Individual Consumption Frequency



Responses from people who had drunk Essencial.

15 b.ii) Nº People consuming Essencial in Household * Household size

	H. Size 1	H. Size 2	H. Size 3	H. Size 4	H. Size More than 4
0 Consume	65,50%	69,10%	67,10%	60,20%	50,90%
1 Consume	34,50%	27,30%	13,70%	11,20%	9,40%
2 Consume		3,60%	12,30%	16,30%	9,40%
3 Consume			6,80%	9,20%	15,10%
4 Consume				3,10%	7,50%
More than 4 Consume					7,50%

Consumption presented in % of household size.

Exhibit 15 c) Grocery Purchasers

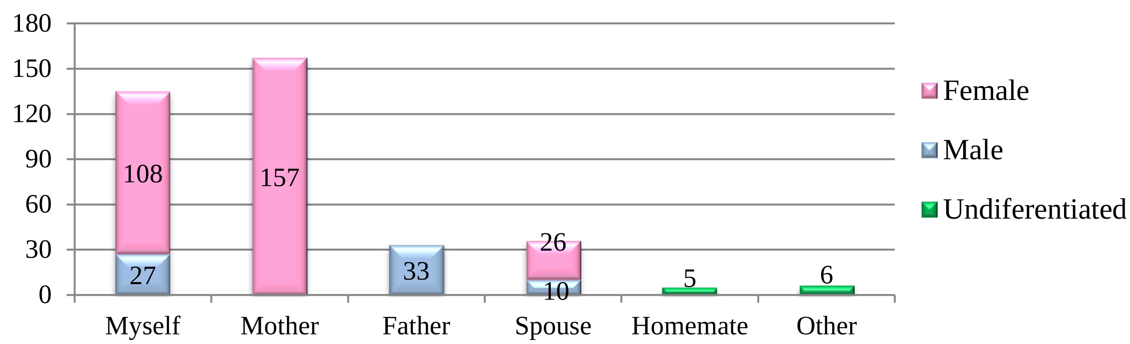
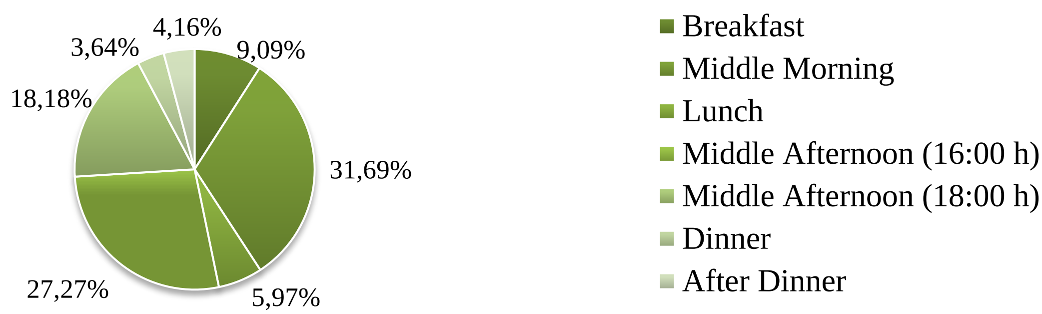
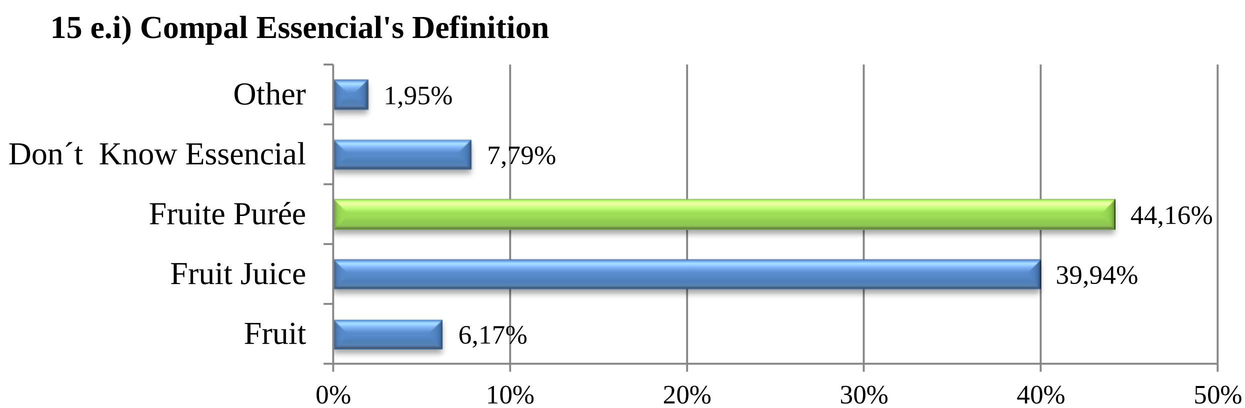


Exhibit 15 d) Compal Essencial's Consumption Occasion



Responses from people who had drunk Essencial.
People could answer up to 3 options.

Exhibit 15 e) Compal Essencial's Perceptions



15 e.ii) Compal Essencial Features' Evaluation

In the following section are presented the results on Compal Essencial's attributes perception, evidencing consumers' inclination on each attribute as a % of disagreement (Totally Disagree + Disagree) and a % of agreement (Totally Agree + Agree).

There were two groups in this analysis, those who had already drunk Essencial and those who had not.

	Have Drunk Essencial				Never Drunk Essencial				Hypothesis: equality of averages between people who had drunk and who had not.
	Totally disagree	Disagree	Agree	Totally Agree	Totally disagree	Disagree	Agree	Totally Agree	
Convenient	2,40%	5,70%	61,20%	30,60%	9,50%	19,00%	60,30%	11,10%	Reject H.: significant difference on groups answers
	8,10%		91,80%		28,50%		71,40%		
Nutritive	0,40%	11,40%	73,50%	14,70%	9,50%	14,30%	74,60%	1,60%	Reject H.: significant difference on groups answers
	11,80%		88,20%		23,80%		76,20%		
Healthy*	0,80%	14,30%	66,90%	18,00%	6,30%	27,00%	65,10%	1,60%	Reject H.: significant difference on groups answers
	15,10%		84,90%		33,30%		66,70%		
Good for health*	2,40%	20,40%	62,90%	14,30%	9,50%	25,40%	63,50%	1,60%	Reject H.: significant difference on groups answers
	22,80%		77,20%		34,90%		65,10%		
Artificial**	17,10%	55,10%	23,70%	4,10%	11,10%	46,00%	36,50%	6,30%	Do Not Reject H.: No statistical difference on groups answers
	72,20%		27,80%		57,10%		42,80%		
Natural**	4,10%	24,10%	56,30%	15,50%	14,30%	36,50%	47,60%	1,60%	Reject H.: significant difference on groups answers
	28,20%		71,80%		50,80%		49,20%		
Does not take thirst	2,40%	27,30%	58,00%	12,20%	7,90%	23,80%	57,10%	11,10%	Do Not Reject H.: No statistical difference on groups answers
	29,70%		70,20%		31,70%		68,20%		
Refreshing	2,90%	40,00%	52,70%	4,50%	11,10%	39,70%	47,60%	1,60%	Reject H.: significant difference on groups answers
	42,90%		57,20%		50,80%		49,20%		
Cheap	19,60%	62,90%	15,50%	2,00%	23,80%	60,30%	15,90%	0,00%	Do Not Reject H.: No statistical difference on groups answers
	82,50%		17,50%		84,10%		15,90%		
No Quality	39,20%	55,90%	4,50%	0,40%	14,30%	76,20%	9,50%	0,00%	Reject H.: significant difference on groups answers
	95,10%		4,90%		90,50%		9,50%		
Original	1,2%	10,6%	67,3%	20,8%	9,5%	20,6%	61,9%	7,9%	Reject H.: significant difference on groups answers
	11,80%		88,10%		30,10%		69,80%		

*Variables about healthiness were significantly correlated, in the same direction, with all correlation indicators[31] levels over 0.69.

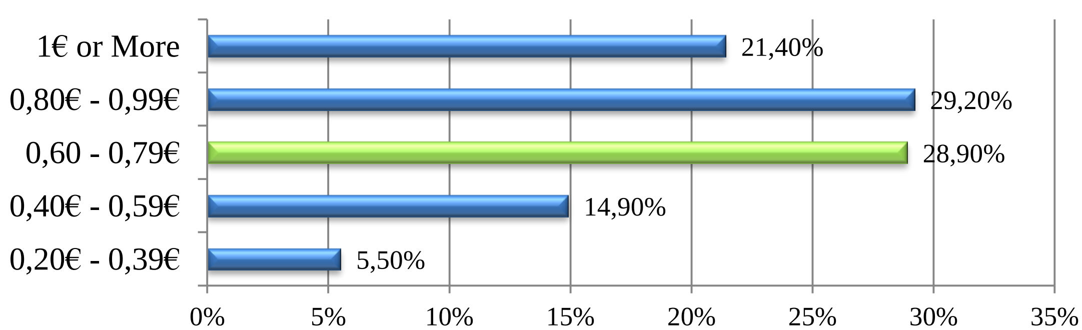
** Variables about artificiality were significantly correlated, in an opposite direction, with all indicators levels over 0.5, in absolute terms.

[31] Pearson Correlation, Spearman's rho and Kendall's tau_b , being the last two more appropriate for discrete or categorical variables).

The next analysis regards the evaluation of sentences according to the level of agreement, and helps to complement insights regarding consumers' perception of Essencial.

	Have Drunk Essencial				Never Drunk Essencial				Hypothesis: equality of averages between people who had drunk and who had not
	Totally disagree	Disagree	Agree	Totally Agree	Totally disagree	Disagree	Agree	Totally Agree	
Compal Essencial is equivalent to fruit.	7,80%	35,50%	47,30%	9,40%	7,90%	52,40%	38,10%	1,60%	Reject H.: significant difference on groups answers
	43,30%		56,70%		60,30%		39,70%		
Compal Essencial package is practical.	1,20%	6,10%	68,60%	24,10%	4,80%	7,90%	77,80%	9,50%	Reject H.: significant difference on groups answers
	7,30%		92,70%		12,70%		87,30%		
There are many alternative products to Essencial.	7,80%	53,50%	29,80%	9,00%	6,30%	39,70%	46,00%	7,90%	Do Not Reject H.: No statistical difference on groups answers
	61,30%		38,80%		46,00%		53,90%		
I like most of Compal Essencial ads.	1,20%	23,70%	65,30%	9,80%	9,50%	22,20%	58,70%	9,50%	Reject H.: significant difference on groups answers
	24,90%		75,10%		31,70%		68,20%		
It is easy to find Essencial in the store.	0,00%	11,00%	69,40%	19,60%	4,80%	23,80%	69,80%	1,60%	Reject H.: significant difference on groups answers
	11,00%		89,00%		28,60%		71,40%		
Essencial is always available in the store I shop groceries.	0,40%	15,90%	63,70%	20,00%	6,30%	41,30%	46,00%	6,30%	Reject H.: significant difference on groups answers
	16,30%		83,70%		47,60%		52,30%		

15 e.iii) Average price of one bottle of Essencial (110 ml) in the store



15 e.iv) One-Way Anova: Means of Essencial feature's evaluation for groups with different frequency of consumption.

	Consumption				
Features	**Do not consume**	**Every day**	**Every week**	**Every Month**	**Sporadically**
Convenient	2,92	3,50	3,57	3,27	3,16
Artificial	2,42	3,00	1,86	1,88	2,09
Natural	2,45	3,50	3,33	3,06	2,84
Nutritive	2,78	3,50	3,38	3,24	2,98
Cheap	1,94	2,50	2,10	2,00	2,00
Does not take thirst	2,78	3,00	2,43	2,55	2,90
Refreshing	2,48	3,50	2,81	2,67	2,53
Good for Health	2,60	3,50	3,29	3,12	2,89
Healthy	2,71	3,50	3,38	3,21	3,02
No quality	1,95	2,00	1,38	1,55	1,58
Original	2,81	3,50	3,29	3,21	3,08

8. Appendixes

Appendix 1: Interview Guidelines to Rodrigo Costa

Location: Sumol+Compal head office, Portugal

Day: 4th October 2012

Interviewed: Rodrigo Costa, Product Manager of Compal Essencial at Sumol+Compal

1. Presentation and explanation of the thesis' objectives.
2. Main topics discussed:
    a. Technology required to develop the product Compal Essencial; PET technology;
    b. Existing resources in the company at the time of the product development which were taken advantage of;
    c. Resources and information needed to develop Essencial;
    d. Category definition;
    e. Marketing Mix features of Compal Essencial (product, price, place and promotion);
    f. Internationalization process: countries and strategies of entrance;
    g. Competitors of Compal Essencial.

3. Request for a list of people who were part of Compal Essencial's development.
4. Request for information regarding sales, market research studies and means of communication.
5. Discussion about data publication and confidentiality issues.

Appendix 2: Interview Guidelines to Nuno Ferreira Pires

Location: Dyrup facilities, Portugal

Day: 9th October 2012

Interviewed: Nuno Ferreira Pires, Marketing Director for the Iberian Region at Dyrup A/S (former Innovation Director at Compal)

1. Presentation and explanation of the thesis' objectives.
2. Main topics discussed:
    a. Internal development of Compal Essencial: timeline of research and decisions;
    b. Alternatives and changes on product decisions;
    c. Resources and information needed to develop Essencial;
    d. Research made and insights obtained during Compal Essencial's development;
    e. Essencial positioning strategy;
    f. Perspective on current problems of Essencial's performance;
    g. Feedback regarding further aspects to consider and study through a possible questionnaire to consumers about Essencial.

Appendix 3: Questionnaire

1- Who usually buys groceries in your household?
2- Number of people in your household
3- Do you usually eat fruit?
4- Do you usually drink fruit juice?
5- How many people in your household eat fruit or drink juice fruit?
6- How would you define Compal Essencial?
7- How many people in your household drink Compal Essencial?
8- Have you ever drunk Compal Essencial?
    - Yes
    - **No: Go to question 12**

    9- What is the main reason that makes you (or the person who buys it) buying Compal Essencial?
    10- On average how many times do you consume Compal Essencial
    11- At what time of the day do/would you consume Compal Essencial?

12- Indicate your level of agreement with the following attributes in what regards the description of Compal Essencial.
13- Classify the following sentences according to your level of agreement.
14- How much on average do you think one bottle of Compal Essencial (1 bottle = 110ml) costs in the store?
15- Age:____
16- Gender
17- Marital Status
18- Do you have any children?
    - **Yes: Go to question 19**
    - **No: End of questionnaire**

19- Have you ever given Compal Essencial to your children?

END OF QUESTIONNAIRE

This questionnaire intends to study buying and consumption habits of fruit, as well as Compal Essencial.

Essencial is a drink of 100ml that claims to be equivalent to a fruit portion, available in different flavors.

There are no right or wrong answers.

This questionnaire is totally anonymous and all the data provided will only be used for this study.

1- Who usually buys groceries in your household?

☐ Me
☐ Mother
☐ Father
☐ Spouse
☐ Housemate(s)
☐ Other

2- Number of people in your household

☐ 1
☐ 2
☐ 3
☐ 4
☐ More than 4

3- Do you usually eat fruit?

☐ Everyday
☐ Every week (around 2 or 3 times a week)
☐ Every month (around 2 or 3 times a month)
☐ Just occasionally
☐ No

4- Do you usually drink fruit juices?

☐ Yes
☐ No

5- How many people in your household eat fruit or drink fruit juices?

☐ 0
☐ 1
☐ 2
☐ 3
☐ 4
☐ More than 4

6- How would you define Compal Essencial?

☐ Fruit
☐ Fruit Juice
☐ Fruit Purée
☐ Do not know Compal Essencial
☐ Other:__________

7- How many people in your household drink Compal Essencial?

☐ 0
☐ 1
☐ 2
☐ 3
☐ 4
☐ More than 4

8- Have you ever drunk Compal Essencial?

☐ Yes
☐ No

9- What is the main reason that makes you (or the person who buys it) purchase Compal Essencial?

☐ I go to the supermarket thinking about buying it
☐ I see it in the store and I buy it
☐ I go with someone that leads me to buy it
☐ I buy it just to try it
☐ Other:_________

10- On average how many times do you consume Compal Essencial

- ☐ Everyday
- ☐ Every week (around 2 or 3 times a week)
- ☐ Every month (around 2 or 3 times a month)
- ☐ Just occasionally
- ☐ Do not consume

11- At what time of the day do/would you consume Compal Essencial?

- ☐ At breakfast
- ☐ In the middle of the morning
- ☐ At lunch
- ☐ In the middle of the afternoon (16:00 hours)
- ☐ In the middle of the afternoon (18:00 hours)
- ☐ At dinner
- ☐ After dinner

12- Indicate your level of agreement with the following attributes in what regards the description of Compal Essencial.

	Totally disagree	Disagree	Agree	Totally agree
Convenient	○	○	○	○
Artificial	○	○	○	○
Nutritive	○	○	○	○
Healthy	○	○	○	○
Cheap	○	○	○	○
Does not take the thirst	○	○	○	○

Natural				
Beneficial to health				
With no quality				
Refreshing				
Original				

13- Classify the following sentences according to your level of agreement.

	Totally disagree	Disagree	Agree	Totally agree
Compal Essencial is equivalent to fruit.				
It is easy to find Compal Essencial in the store.				
Compal Essencial is always available in the store I shop for groceries.				
Compal Essencial's packaging is practical.				
There are many alternative products to Compal Essencial.				
I like most of Compal Essencial's ads.				
I have a much diversified feeding.				
I take special care with my nutrition.				

14- How much on average do you think one bottle of Compal Essencial (1 bottle = 110ml) costs in the store?

☐ Less than €0,20

☐ €0,20 - €0,39

☐ €0,40 - €0,59

☐ €0,60 - €0,79

☐ €0,80 - €0,99

☐ €1 or more

15- Age:____

16- Gender

☐ Female

☐ Male

17- Marital Status

☐ Single

☐ Married

☐ Divorced

☐ Widow

18- Do you have any children?

☐ Yes ☐ No

19- Have you ever given Compal Essencial to your children?

☐ Yes ☐ No

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