



CATÓLICA
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BUSINESS & ECONOMICS

Zilian: The Marketing Strategy To Reach The Millennial Consumer

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Dissertation written under the supervision of Pedro Celeste

Dissertation submitted in partial fulfilment of requirements for the MSc in
Management, at the Universidade Católica Portuguesa, January 2017.

Acknowledgements

These last four months were the most challenging and rewarding of my entire academic journey. Writing this thesis allowed me to be more capable of managing my time, believe more in my analysis capability and produce an independent work like I have never experienced before. As I finish this journey I would like to express my greatest gratitude to my parents that provided me with all the guidance and support needed through my entire student life.

To the rest of my family, especially to Carlota Moctezuma, thank you for the help and support in this last stage of my Masters' degree.

I would like to thank Rita Ravara for her companionship throughout my entire academic journey, and to Madalena Alvim and Duarte Serra Cardoso for their encouraging words and to always keep me motivated.

I would also like to thank my thesis supervisor, Pedro Celeste, for providing the guidance and confidence needed through these challenging months.

Finally, I thank Madalena Beirão, for making this project possible and relevant, by being extremely accessible and providing all the information needed in the most efficient way possible.

Abstract

Dissertation title: Zilian: The Marketing Strategy To Reach The Millennial Consumer.

With the analysis of Zilian's practical dilemma regarding brand positioning in the Millennial generation, some topics like targeting and positioning, the importance of brand and marketing mix are explored through the dissertation.

Zilian is a Portuguese footwear brand focused in creating feminine shoes. The brand is for hard working, cosmopolitan, and demanding women. As years passed by, Zilian noticed that, despite having products for many ages, the Millennial generation is not purchasing the brand's products. With this situation in mind, it was chosen to give a refresh to the brand, turning it into a modern and totally engaged in the digital world Zilian, without losing its established identity. Zilian believes this strategy can conquer the missing stake in its portfolio of clients.

This strategy, consequently, brought the problem the thesis tries to address: Is a digital strategy the best way to reach the Millennial target?. To explore the evidence around the topic, primary and secondary data were collected and some results helped answering to the stated problem.

It was found that many companies in the market place are already adopting the digital incorporation approach, but this is not enough to conquer the Millennial consumer. These were born in the digital Era, therefore, it is required a digital presence to communicate with this target, but the identity of the brand, its congruent image and its engaging content is a fundamental component to capture the target's attention and loyalty.

Resumo

Título da dissertação: Zillian: Estratégia para alcançar o consumidor *Millennial*

Através da análise do problema de posicionamento da marca *Zillian* na geração *Millennial*, tópicos como a escolha do público-alvo e posicionamento, a importância da marca e do seu *marketing mix* são explorados nesta dissertação.

A *Zillian* é uma marca de calçado portuguesa empenhada na criação de sapatos femininos. A marca destina-se a mulheres trabalhadoras, cosmopolitas e exigentes. Com o passar dos anos, foi notado que, apesar da *Zillian* ter produtos para os *Millennials*, estes não estão a adquiri-los. Devido a esta situação, decidiu-se renovar a marca tornando-a mais moderna e inteiramente ligada ao digital sem, contudo, perder a sua estabelecida identidade. A *Zillian* acredita que, por meio de uma estratégia *digital*, poderá conquistar o lugar que procura junto dos seus potenciais clientes.

Esta tentativa de reposicionamento traz, por consequência, o problema que esta tese intenta abordar: será a estratégia digital a melhor maneira de alcançar o público *Millennial*? Para explorar toda a informação disponível em torno deste tópico, foram recolhidos dados primários e secundários e certos resultados responderam ao problema apresentado.

A estratégia digital, já adoptada por diversas empresas no mercado, só por si não é suficiente para conquistar o consumidor *Millennial*. Apesar desta geração ter nascido na Era digital - sendo, por isso, necessária uma presença *online* para comunicar com este público-alvo - a identidade, a imagem congruente e o conteúdo atractivo da marca são componentes fundamentais para capturar a atenção e a lealdade dos consumidores.

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1. Introduction

This introduction aims to give the reader a brief explanation of the topic approached and the methodology adopted throughout this thesis.

Research problem

Zilian, a Portuguese footwear brand for women, noticed that, despite having products suited to many ages, is not being able to reach the Millennial generation of consumers. Therefore, the brand decided to give a refresh to its image, transforming it into a modern and digital brand, without losing its established identity. Zilian believes this digital strategy can conquer the stake that it is missing in its portfolio of clients.

Consequently, the research problem was born: *Is A Digital Strategy The Best Way For Zilian To Reach The Millennial Consumer?*

Key research questions (KRQ)

In order to find an answer to the problem proposed, a set of KRQ was computed.

1. How Zilian position itself in the market?
2. How Millennials shop online?
3. Is the digital presence a source of equity to the brand?
4. Is Zilian's identity aligned with Millennials' profile?
5. Is social media the best way to advertise the brand to Millennials?

Methodology

Primary data

An In-depth interview to Madalena Beirão¹ was conducted to gain insights about the brand's identity and positioning, strategic moves and future challenges.

A Focus group was prepared to learn Millennials' online shopping habits and their knowledge and image about Zilian.

A Survey was launched, after gathering some qualitative insights and secondary data, to make some quantitative conclusions about the importance of a digital approach and the relationship² Millennials have with Zilian.

¹ One of Zilian's founder. Interview in Appendix 1.

² Based on CBBE model by Keller.

Secondary data

Online and paper research was collected with the aim of creating a more informed learning about the industries studied (online and footwear industries), the potential target (Millennials) and theoretical subjects (Brand equity) that can be applied to the problem proposed to study.

2. Literature Review

This chapter is devoted to the academic coverage of variables included in the key research questions designed.

Once Zilian is a brand that is targeting a new segment, it is found appropriate to study brand equity and how it is influenced by the Millennials' generation environment (digital). Because Zilian is inserted in the footwear industry, shoes are also an important topic to explore evaluating how it is influenced by Millennials.

Key words: Millennials, online shopping, shoe industry and brand equity.

Brands In The Digital Environment

Brand At Its Core

In the broadest definition, brands are an identifier of the offering of a company (Keller and Lehmann, 2006). They are intangible assets that reduce the risk attached to a product's purchase (Keinan and Avery, 2008).

According to Keller and Lehmann (2006), despite the initial link between company and product, as the brand matures and is experienced by consumers, it develops a series of associations that go beyond the actual good. This is one of the reasons, why we can measure equity on a customer-based approach³. Purchasing an item based on whatever factors consumers identify as important, is what gives more, or less, value to a brand, compared to another (Villas-Boas, 2004).

Brands In The New Environment

Online consumers shifted their location from the physical stores to the online. This change in habits, influence the entire shopping experience, in a positive way, and also jeopardising some valuable features (Kim & Lennon, 2000).

To an improvement of consumers' online experience, hence increasing brand equity, a need for an online customer based brand equity model was found. Transporting the initial Keller's model of brand equity, to an online environment, is born the interaction between consumers and the online brand both on- and off-line (Christodoulides, de Chernatony, Furrer, Shiu and Abimbola, 2006).

³ Appendix 2.

These authors decided upon five variables to measure this “digital” brand equity:

- **Emotional connection** measures the feelings driven by the brand on consumers. Affiliation, care and empathy were shown to be the most important variables included in this category of online brand equity.

- **Online experience** tests how consumers understand the brand online, in real time. If, along the process, something doesn't work, this bad association will immediately be linked to the brand's equity. Easy usage, navigation and speed were selected as the variables that most influence the online experience.

- **Responsive service nature** is related to how the customer service is transported to the online and how this relationship (consumer-customer service) can be facilitated by the website. “Customer service is the most important characteristic of a strong brand, and a key differentiator between online brands” (Chaffey, 2000). Responsiveness and interaction were tested as the variables that influence the most the perceptions of customer service.

- **Trust** is a dimension aimed at reducing the perceived risk that is always higher in the online brands. This factor regards the confidence consumers have in a brand's intentions concerning, for example, private data and payment methods. Privacy and security were chosen as the most important factors regarding this dimension.

- **Fulfilment** covers both the online and offline world. It measures the difference between the expectations of the product ordered online and the actual item delivered in the real world. If the latter is higher than the first, is likely that damage in brand equity occurs, disregarding of how great the online experience has been. Consumers measure fulfilment based on accuracy and delivery.

The Footwear Brands

The New Requirements Of The Shoe Industry

Since shoes are inserted in the fashion category, they have a similar cycle to fashion – one season approximately (Fornasiero et al., 2004) - and are influenced by the trends of the market (Morlacchi et al. 1998). The design and material selection are the features that most influence the life of the product and also the “end-of-life treatment” the shoes are provided with (Staikos and Rahimifard, 2007).

The same author (2007) supports that, previously, consumers would own a few pairs of shoes depending on the type of occasions they needed them for (e.g.: work, fashion, exercising, etc.).

Now days, consumers have a higher demand for variety, including some options of specialized footwear. The author mentions that with these new consumption habits, footwear companies face two challenges: “to be responsive to market changes and to establish efficient product development in order to identify or establish new consumer trends”.

The Behaviour Of Brands In Footwear

The activity of shopping for shoes, requires two main processes: (1)“search for attributes”, such as price and brand, and (2)“experience of attributes” that can only be obtained by some kind of use of the product (Wright and Lynch, 1995). This second process is impossible to execute when dealing with online shopping but, the uncertainty of experiencing goods, is being reduced, due to the development of the online shopping technologies - which provide a large amount of information before purchase - and the improvement in customer service through its easy return policy and quick delivery (Endo et al., 2012).

The interaction provided to consumer with the virtual world affects the online shopping experience and, therefore, decision-making and satisfaction with the purchase (Menon and Kahn, 2002):

- The fact of the **shopping environment** being limited, to the screen, can provide more navigation from part of consumers than in a physical store. In a store, customers are driven by the chosen layout, not having an independent circulation, while in an online environment clients can focus on the products they want to buy, searching for items in their own preferred order, dictating their own path (Menon and Kahn, 2002).
- The online shopping experience is also dependent of the **realism** provided to the consumer (Berneburg, 2007). Virtual experiences that appeal to the 5 senses (sight, smell, taste, sound and touch) have more probability of influencing the consumer purchase decision once it increases the sense of presence of the product in that environment, fighting the obstacle of the reality being far away from the consumer (Wodehouse and Abba, 2016).
- The **easy use** of the online store is also required to a good online shopping experience (Childers et al, 2001). This feature, despite very subjective, it includes a clear display of product information, easy comparison of products and a facilitating transition between different pages (Wodehouse and Abba, 2016).

To get a complete satisfaction, the post-purchase phase must not be forgotten. Customer service, after the purchase is complete, is a requirement for a happy customer (Endo et al., 2012), and a very happy customer has a higher tendency to express its opinions, along with the

extremely dissatisfied consumers (Anderson, 1998).

An example of the influence customer service has on an online store is Zappos: The shoe company is a successful internet shopping website that, instead of being just an online display, focuses on customers, and treating them well, in order to make the purchase process as easy as possible and with simple shipping and return policies. To help fight the risk attached to buying shoes online, Zappos allows customers to try on shoes at their home and return at no cost. Along with this strategy, the company offers extensive product information and pictures, and encourages posting of product reviews and recommendations, to increase WOM communication (Cowles, Owens and Walker, 2013).

Millennials Targeting

The Millennial generation, also known as generation Y, born around the 80's and 90's, are the next generation of working individuals. They are characterised as creative, optimistic, impatient, multitasking, team oriented, and already, living in a totally digital world, with no objection to it (Lissitsa and Kol, 2016).

Digital Native Generation

Generation Y is known to be full of digital natives (DeVaney, 2015). They are identified as the “always connected” generation, completely engaged in social media and every other technological tool. They use it as sources of information, as part of their identity and as a particular environment to develop their social lives (Sessa, W. L., 2011).

Millennial consumers do not find shopping a simple act of purchase, this action is considered an experience and aims at entertaining the customers' lives (Lehtonen and Maenpaa, 1997). With the large use of social networks (Parment, 2009) and the development of a materialistic society (Bakewell et al., 2006), this generation is more torn to a consumption that gives status, showing its purchasing power to the society they live in (Eastman and Liu, 2012). With an easy access to information online, this generation can develop its knowledge in every topic it wishes to, allowing a much more informed purchase (Lissitsa and Kol, 2016).

To finish this view of the interaction between Millennials and technologies, the same author (2016) mentions that: with the small amounts of free time this generation is provided with, is normal for them to turn to the quicker solution - online shopping – to satisfy their needs and desires.

The Healthy Generation

The young generation of Millennials is now raising its concerns in the matter of “healthier eating, ethical sources, organic farming, gluten free, and companies ethics” (Holmes and Yan, 2012). This generation is adopting a healthy lifestyle by staying active: They engage in regular forms of exercise and activities that reduce stress (Telesca, 2015).

Millennials And Brands

Generation Y (or Millennial) consumers are, from its early days, exposed to a large amount of brands, leading to the development of a sense of mistrust in media (Paul, 2001) and perception of some companies as manipulative (Beard, 2003).

This generation search for products that match their personality and lifestyle (Caplan, 2005). The author also defends this generation is rational in the subject of purchasing for goods or services, giving much more importance to price and product features than the brand names (Phillips, 2007).

Reisenwitz and Iyer (2009) defend that, in the matter of loyalty, Millennials are not very reliable, quickly changing their minds depending on fashion, trends and popularity of the brands. It is extremely difficult to create customer loyalty among these consumers once they base their actions on the experiences lived, therefore, the brands that provide this generation with better and unforgettable experiences are the ones chosen to be consumed (Parment, 2009).

3. Case Study

Shoe Industry Overview

Shoes are always a highly demanded item. Most of the time bought as a style statement and an investment piece, due to its daily usage. The footwear industry⁴ is significantly influenced by fashion and consumer trends, which require a fast-moving market to satisfy consumer's needs.

The mentioned fast-pace is the source of this industry's great growth, which is expected to expand to a size of \$211.5 billions⁵ by 2018. The main drivers of this growth, especially present in developing economies, are an ever-growing middle class with significant purchasing power, and a general growth in population, which naturally increases footwear demand.

The evolution of this market is completely dependant on consumers' trends, and a shift in society's habits and preferences significantly increased the demand of athletic footwear. The footwear industry has many competitors, but all five leading brands⁶ belong to the athletic segment.

The Two Kinds Of Footwear

The global footwear market can be broadly separated into two main categories, athletic and non-athletic footwear.

The global market is further subcategorized based on gender, material, type of shoe, geography and manner of sale (retail/online). With the increasing volume of sales over the Internet⁷, it begins to make sense to differentiate the existing shopping channels. Regarding the materials, leather shoes are expected to decrease its share in the next years due to a greater awareness regarding sustainability and the environment. Geographically, North America, Europe, Asia Pacific and LAMEA are considered the four main footwear markets.

In Asia Pacific, the sales have grown significantly due to an increase in demand in emerging economies, such as India and China.

With both USA and Europe's spending slowing due to recessions, the Asian countries have to rely less on exports and more on domestic shoe markets. As a result the greater share of the global growth in consumer spending occurs in emerging countries.

⁴ Worth \$185.2 billion in 2011. Transparency Market Research.

⁵ Transparency Market Research.

⁶ Adidas, New Balance, Nike, Puma and VF Corp, by Dec.2015. Research and Markets.

⁷ In 2013 global e-retail sales amounted \$839.8 billion and are expected to grow to \$1.5 trillion by 2018. The Statistics Portal.

Despite the recession, Europe is considered the second largest footwear consumer in the world⁸. The quantity of footwear imported by the European Union has been increasing considerably, reaching €22 360⁹ million in the first half of the year of 2016.

The growth of the footwear market comes also from the large competition in the global market. To gain some advantage in this competitive and large marketplace, a company must focus specially on product differentiation and leverage of the existing opportunities in emerging economies, or creating strategies based on mergers and acquisitions (like many leading players do¹⁰).

Consumer Trends Influencing The Footwear Market

Over the years, a demand for designer, yet comfortable shoes, among women and men, has been boosting opportunities for an increase in footwear sales and stimulating creativity among shoe designers.

As women take a larger space in the job world, the need for non-athletic footwear increases. Men¹¹ also contribute to this growing demand, as they become more fashion-focused, desiring new colours, new materials and new designs. Although¹² women still have the biggest share in sales (quantity-wise), men spend more money in each pair of shoes¹³.

As consumers become more concerned about **fashion** (a seasonal industry completely linked to shoes), the demand for different and fashionable footwear increases, requiring a faster production chain, and constant in creativity and innovation.

The **Internet retailing**, mostly fuelled by the Millennial generation, is also a factor contributing to the growth of the shoe industry. By 2016, 66%¹⁴ of the world's buyers in the category of clothing and footwear have made at least one purchase online over the last year, and almost 40% of Millennials buy products online on a monthly basis and 30% on a weekly basis. With this global trend of online shopping, suppliers, especially from North America, can reach a wider audience and gain better visibility across the globe.

None of this growth would be possible without an increase in consumer's **purchasing power**. A growth in the disposable income¹⁵, combined with an increase of working professionals and

⁸ World Footwear Yearbook, 2016.

⁹ World Footwear Yearbook, 2016.

¹⁰ Nike, Adidas, Puma.

¹¹ An 8% growth of men's footwear market between 2012 and 2014, according to a study by the NPD group.

¹² Appendix 3 and 4.

¹³ Footwear News, 2015.

¹⁴ PWC Retail Survey 2016.

¹⁵ Appendix 5.

a reduction of extreme poverty, is the perfect combination for market growth around the globe. The Asia Pacific footwear market growth is the perfect example of the importance of higher levels of disposable income: combining an increasingly fashion-conscious middle class with a low manufacturing cost, this geographical segment is the one with the largest share (42%)¹⁶ of the footwear market.

Finally, the growing concern about **fitness** and **healthy habits** has significantly increased the sports activities among consumers, thus enhancing innovation and design in the athletic footwear segment. This division is expected to grow to \$84.4 billion¹⁷ by 2018 (about 40% of the entire footwear market).

The “Made In Portugal” Labelled Shoes

In the early **90’s**, Portugal had a strong and successful footwear industry located in the northern region of the country. As years went by, with competition arising from countries with cheaper labour (e.g. China and Eastern Europe), the Portuguese footwear industry was significantly impacted and many companies went bankrupt. However, this footwear cluster did not give up, making continuous efforts to improve its labour qualifications and taking advantage of its proximity to the European markets to get back on its feet.

Over the years of 2014 and 2015, Portugal has experienced an outstanding investment in this industry. There are educated and dynamic entrepreneurs and designers that leverage of their know-how, regarding the Portuguese footwear industry, to invest in high quality shoe production. The combination of know-how and educated employees, together with strong marketing strategies, made the Portuguese production highly attractive for export¹⁸ and to penetrate in iconic places like Italy and France.

The Portuguese footwear industry improved in many aspects and has many useful features. First, the new generation took over with a modern and creative enthusiasm that allowed this industry to compete worldwide. Second, quality has improved greatly, not only regarding craftsmanship, but also regarding the raw materials and the superior attention to detail. Additionally, despite the higher qualification of employees, labour costs in Portugal continue to be one of the lowest in Europe, allowing for some competitiveness in price which, together with high quality, provide a very considerable value for money to customers. Finally, the small-

¹⁶ Forbes, 2015.

¹⁷ Forbes, 2015.

¹⁸ Portugal is the 18th largest footwear producer (in quantity) and 13th in exportations (in value). World Footwear Yearbook 2015.

scale factories in Portugal, with their quick response to orders, and very low minimums of production, attract top-tier ranges of footwear and well-known designers.

Despite all these strengths, the **Portuguese market also has its flaws**. The label “Made in Portugal”, continues to be much less appealing than the label “Made in Italy” or France. Portugal still misses history and global recognition when it comes to this subject. While these two aspects are missing, the national brands cannot compete with the most luxurious markets, since luxury is characterised by its heritage, history and recognition.

By 2016, the Portuguese footwear is growing in term of exportations with a total value of €788.7 million, having the EU as its major destination (87.4%¹⁹ of Portuguese sales abroad).

Zilian

The Brand – Empowering Women

Zilian is a Portuguese shoe brand²⁰ that, in 2008, revolutionized the footwear market in Portugal²¹. The brand focuses all its strengths in making this fashion item glow at any occasion and believes that this accessory reflects a woman’s attitude and spirit in life.

Zilian is characterised by its accessibility, quality, trendiness, plurality and unique dynamics.

Zilian’s values are down to earth, steer the company and design its personality. **Diversity** is its first enumerated value. The brand believes that life is full of choices and that we must choose what makes us happy, and that this should apply to shoes. Zilian provides a wide variety of shoes so that the chances of finding the right pair and be happy is high. The second value is **vitality**. This relates to strength and persistence: success is never giving up and enjoying every step of the way. This thought serves the company’s efforts of trying to give women the confidence they need to overcome any barrier and succeed. The third value is investment in **style**. Zilian focuses on a strong personality, sensuality and its self-image. The last value is **authenticity**. Zilian understands that it is more important “to be” than “to have”. This belief intends to convey the brand’s personality so that women with similar principles can relate to Zilian.

“Choose to think big. Shoes support us at the base and held us up high where our dreams are. And dreams are made to be fulfilled.” – Zilian’s Newspaper #10

¹⁹ World Foot Wear, 2016.

²⁰ Zilian produces around 30 000 pairs per year.

²¹ Since then around 300 footwear brands were launched in Portugal.

One may conclude that Zilian focuses on empowering women and making them happy by identifying with their way of thinking and their daily preferences. Zilian tries to be more than a brand, but a statement in women's lives.

The Battle Of Shoes – Competitive Analysis

As a fashion item, Zilian entered into the cycle of the main clothing brands; therefore, the company competes against both clothing and shoe brands.

The following are the main retailers that compete with Zilian mostly in price, variety and brand image:

ALDO is a Canadian shoe brand with many physical stores around Portugal. It sells on-trend fashion footwear and accessories. The brand differentiates itself with its in-store experience. The image is modern, fun and cosmopolitan. The prices vary between €39.95 and €169.95 with a wide range of products - from flats to high heels and sandals to boots.

CUBANAS is a Portuguese shoe brand that sells shoes and other fashion accessories. The brand gets inspiration from the Cuban vibes showing the timeless values of joy, freshness, party and the irreverence of this society. Its warm colours combined with tribal materials and the careless comfort build a unique brand. The prices range between €34.80 to €239.80.

EUREKA is a Portuguese multi-brand that is inspired by the combination of luxurious materials, appealing shapes and a modern design. The brand developed a community called "Eureka lovers" which is composed by shoe lovers that follow the latest trends in fashion, without forgetting their own style. Its prices vary between €59.90 and €214.90.

PROF is a Portuguese footwear and fashion accessories multi-brand. Its main goal is to surprise consumers. Every season, the brand tries to meet the customers' wants and needs, creating new expectation season after season. Prof personifies the brand as a generous and sensible woman that lives in a big city and dreams of traveling and find new cultures. If a person, it would be a minimalistic woman with a low profile. Overall is an executive or a university student looking for her space in the world. The prices go from €35.00 to €450.00.

HERA, a Portuguese footwear brand, which has the main goal of providing the latest trends in fashion, adapted to every style. Hera's products are known by its high quality, comfort and modern designs that stand out. With a more casual or classic design, these shoes are made for a daily usage, from a simple lunch to a big ceremony. The prices vary between €59.80 and €118.80.

SEASIDE is a footwear brand with its roots located in Portugal. The brand's focus is to sell quality products based on the season's new trends at very low prices. Its image is focused on the wide variety of products that arrive weekly at the store from all around the world, including Portugal. Prices range between €19.99 and €59.50.

MASSIMO DUTTI is a fashion brand that belongs to the Inditex group. The brand identifies with women who have an urban and cosmopolitan profile, who are independent and happy in their own skin. These women are interested in fashion but value practicality, elegance and trendiness, without being ruled by society's taste. The prices go from €49.95 to €179.00.

UTERQÜE is a fashion brand rooted in the ideal of bringing back the importance of accessories in a woman's closet. The Latin word "Uterqüe" means "both" and summarizes the store's philosophy that accessories are the right complement for the perfect look. Its exclusive and sober clothing items aim at making the accessories the focal point of an outfit. The brand is characterised by its high quality materials and attention to detail. Regarding customer service, the brand gives a completely personalised service to the client so that she can have a special and unique experience. Prices of the footwear range between €79.00 and €195€.

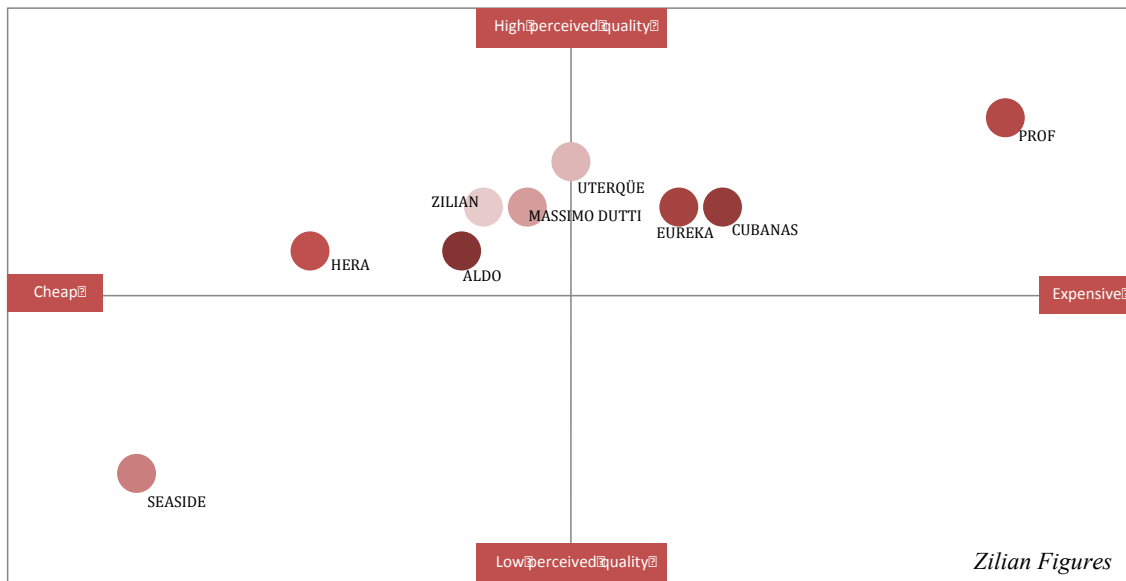
It is possible to consider many other competitors in the footwear industry. However, it was chosen a sample that is closer to Zilian's spirit.

Positioning – Fashionable, Timeless and Versatile

Zilian is a brand that interacts with active, informed and fashionable women. The brand proposes mainly to offer a large variety of products, so women may find what they are looking for at the store. Zilian also devotes a great amount of time in developing the right designs for the season, always with a hint of the Portuguese style, since it is a region that became famous by the quality of its products.

Zilian is a brand for every occasion, providing its customers with some unique and special designs, including the basics. The brand believes that the basics are never out of fashion, and that every woman needs a basic pair that goes well with everything, at any time of the year.

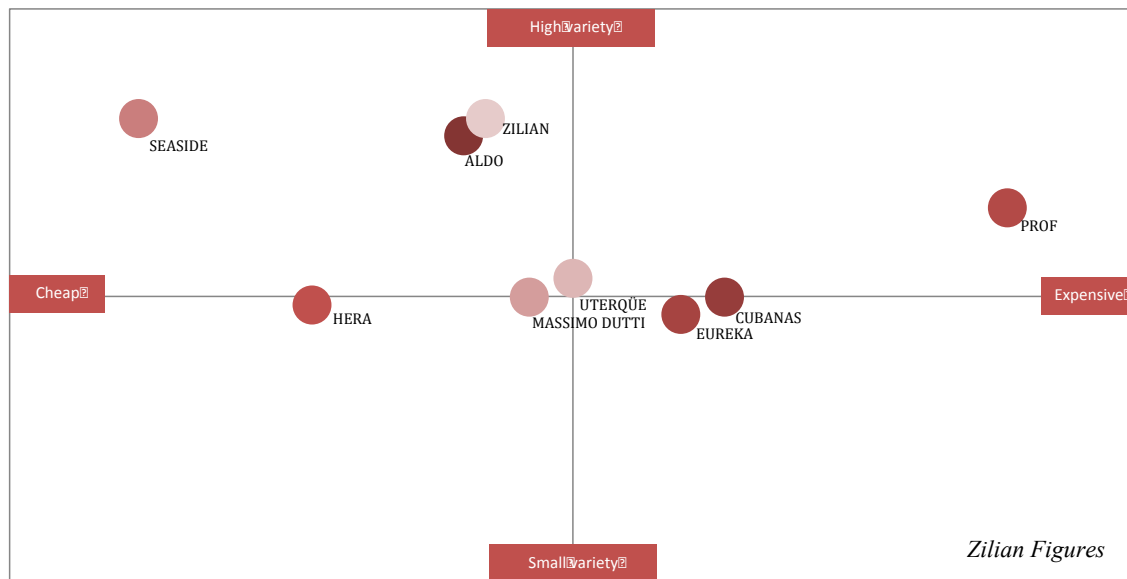
Zilian In 3 Variables: Price, Quality And Variety



Zilian is characterised as a middle tire priced²² brand. The company is positioned in a sector that did not exist in the Portuguese shoe industry up until recently. The company is above the low-priced brands that are immediately associated to low quality and short durability. These low-priced brands are those that consumers only purchase in an emergency. These are the shoes known to be uncomfortable and with small durability. On the other hand, there are those pairs that are extremely expensive and only bought after an enormous thought.

Zilian, on the other hand, wants to stand out for its great quality, without making women feel guilty or overthink the purchase of a pair they feel like having. Zilian wants to make good-looking shoes accessible for women.

²² Prices between €39.99 and €139.99.



Zilian argues that by having a huge variety of models, women will always go to the store since they are sure to find what they need and save time.

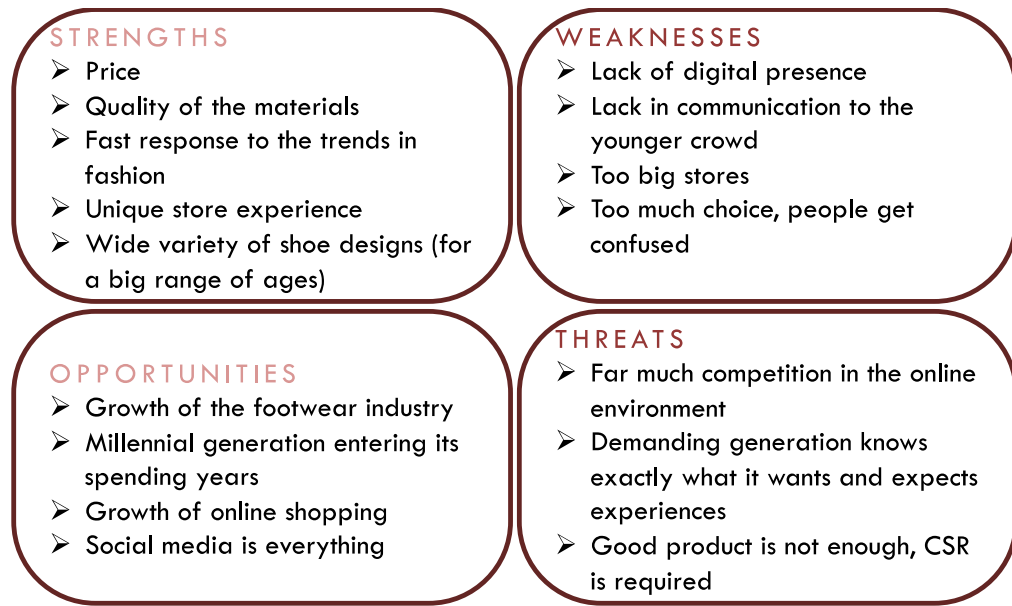
Targeting The Authentic Women

Zilian’s shoes are for authentic and real women. For those who give inspiration to others but, above all, to women that always act on their beliefs. Creating a personification of the brand, Zilian is a woman from 28 to 50 years old that is hard working, cosmopolitan, demanding and aware of all the latest trends in fashion.

Zilian believes it has the products, prices and quality to reach the younger age (18 to 27 years old), where the Millennial women are included. It also has a set of values and positioning fully aligned with the beliefs of this group of women, since the brand is all about empowering women and its target truly fights for equal rights in society, including in the workplace. However, the company believes that, to relate with this target enhancing its quality and variety, it needs to change part of its communication style and vehicles, namely by becoming more digital.

The SWOT Analysis – Identifying Zilian’s True Potential

As a mean of establishing the powerful advantages of Zilian, and the aspects to focus on, or even improve, a SWOT analysis was proposed. This evaluation, not only allows the company to manage and eliminate certain threats, but also to craft a strategy that enhances Zilian’s true potential.



Strengths

As mentioned, value for money is one of Zilian’s main advantages over its competitors. The company is able to practice prices completely affordable by workingwomen, without jeopardizing the product’s quality. All the raw materials are known for its excellence and the attention to detail is flawless.

As a fashion item, Zilian needs to be constantly updating its merchandise to the latest trends. From the very start, the brand has been accomplishing this requirement, taking inspiration from runways, trend reports and creativity from the designers. This constant renewal of merchandise requires a quick reaction to the market, which many international companies aren’t able to do. Zilian, however, has a well organized production process, that combined with a simple organizational structure²³ allows for a fast and efficient communication between designers and manufacturers.

Zilian’s store experience is an element that favours this brand. The company tries to engage consumers by creating a relationship with them. The store staff is well trained in order to help whenever needed, without being intrusive. When a client just wants some time to herself, the self-service feature limits any interaction to the purchasing moment.

²³ Appendix 6.

Weaknesses

As the world evolves, the digital presence becomes more and more a “must have” in a company, and Zilian is no exception to it. The company already entered into the digital world with an online store and by communicating via e-mail and Facebook ads. However, these features will not play their role if the brand does not become digital at its core.

As the global trend is for stores to become smaller, Zilian is completely misadjusted. The brand’s stores are extremely big and sometimes even organized in a grid layout (like in the supermarkets), which discourages browsing over the store or impulse purchases. Additionally, the fact of being so big forces consumers to make more decisions, which sometimes is not a desirable feature when clients are undecided or do not like to have that kind of responsibility.

Opportunities

The growth of the footwear industry is an enormous opportunity for Zilian. Once the brand enters this growing business, well positioned and well branded, there is no reason for something other than a promising future. This growth, together with the increasing spending power of the Millennial women, is the perfect combination for Zilian to expand its business.

Another opportunity is the expected trend of online shopping to keep expanding and absorb the physical retail stores. The latter are not disappearing, but are being modified in a way to satisfy other experiences than purchasing. Today, a store intends to offer experiences and a space for people with the same interests to socialize. 80% of Millennials use their mobile devices in-store to access brand related features. Consumers in many places of the world no longer see the difference between both shopping vehicles. For retailers to keep up with competition, they are innovating and are now embracing new digital features to enhance customers’ experience not only in-store but everywhere.

Finally, the presence of social media in Millennials’ lives²⁴ is something that companies are taking advantage of to engage with consumers. Social media can be used as a way to express one’s personality and to see peers’ recommendations. Since this is where this generation spends most of its time, it’s only logical for brands to enter these networks to engage with Millennials, gain brand awareness, stimulate trial usage, repeat usage, and finally gain brand loyalty.

²⁴ Appendix 7.

Threats

Of course the market is not perfect, and that there are a number of threats that might jeopardise Zilian.

With the digital trend, many online brands started to appear and, with it, comes a great amount of competition. With the introduction of the e-commerce in Millennials' lives, they can afford to access more retailers than ever before and, therefore, be more selective.

This Millennial generation is moved by the experiences the brands provide, and not only the product itself. Therefore, a company may no longer focus solely on the product's features, because they can easily be the same of its competitors. To the contrary, a company must provide a unique experience, suited to its target needs, so that they enjoy and share their experience on social networks.

Reinforcing the idea that the product itself is just one element in a purchase decision, is the fact that Millennials are well informed and care about the brand's image, culture and values when making a purchase. Millennials view their purchases through a "global lens", i.e., they care about its overall, so they tend to choose "greener" and "socially responsible" products. A study shows that 37%²⁵ of Millennials are willing to purchase a product to support a cause, even if that means paying a bit more.

Culture, Design And Customer Service: The 3 Features That Make Of Zilian A Special Brand

Zilian believes women buy their brand for several reasons: from relationship to the actual product.

First, its well-defined personality. Women buy Zilian shoes because they identify with women. The brand defends that is fundamental for women to believe in the values of the brand they are considering to buy, because often times women are moved by emotions and relationship to the brand, rather than facts.

Because of the above, the brand has a special customer service to enhance this relationship. Zilian knows every woman has its "on days" and "off days", and for that reason, a customer may always choose between two options: (1) Interact with an employee ready to help around the store, without waiting; or (2) opt for the self-service mode, which allows customers to search and try on pairs of shoes, without any interference from a store-clerk.

²⁵ Millennial Marketing.

The last key-success factor is Zilian's unique designs, with an extremely high value for money, wide variety and comfort (attached to its quality).

Where To Find Zilian

Zilian only sells in stores owned by the brand and by 2016 the brand has two stores, located in Lisbon, targeting two completely different kinds of customers. The first store, located in Av. António Augusto de Aguiar brings an audience that values more of a high speed shopping, looking for the classics required in any working woman's closet. The second store, located in one of the most touristic areas – Chiado – is almost like a shoe museum. The brand kept the building's original architecture, causing the feeling of time-traveling. This store has a very different ambient: these customers, mainly tourists, are looking for different designs, are curious about Portuguese shoes and, therefore, look for all kinds of footwear.

The brand's stores are known for their out of the ordinary layout. To ensure a faster and simple shopping, the store is organized by size²⁶, having exposed all the designs in every number. The brand exposes the whole pair, so a client can just pick the shoes and try them on with no assistance needed. This different layout allows independent women to make their shopping without assistance. However, if a client is looking for a specialized service, there are many employees available around the store. Of course this layout also requires a lot of space, making customers walk more than they are used to find their own section, which is not considered as an advantage by the public.

Zilian kept up to date with the digital experience and created an online store²⁷. However, there is still much to improve: the e-commerce is not well publicized to online shoppers; the website's design is outdated; the layout is not user-friendly; and shipping costs are still in place, which is problematic, since Millennials value free shipping tremendously. Finally, the brand only ships to Portugal and Spain, which is a barrier for the brand's expansion.

To be a complete and congruent brand, Zilian believes it must not just incorporate the online store as a channel, but, instead, become an Omnichannel²⁸ brand. The digital trend is becoming the common environment in retail, and for that reason, Zilian wants to be able to combine all the channels for a greater convenience of customers.

²⁶ Appendix 8.

²⁷ Appendix 9.

²⁸ Omnichannel is a cross-channel model used to increase customer experience.

Communicating The Brand To Women

When created, in 2008, Zilian's approach was "loud" with lots of colours, parties and fun²⁹. But, as its clients grew up, the brand decided to follow its costumers and adopt a more "adult" appearance. Zilian believes this change was also rooted in the economic crises that led women to be more selective in their shopping.

This shift in behaviour led to the creation of a new line of shoes: "The Essentials"³⁰, composed by basic shoes that go well with everything. This line is repeated every season so that women can replace the old pair (torn by frequent usage) with a new identical or similar one. This line targets those who cannot afford to spend much money in shoes for each occasion, but needs one pair to cover them all. This is yet another avenue for the Company to reach the public, with their own signature line, which is aligned with Zilian's image and message.

In 2016, Zilian communicates through physical stores and online. The stores are used to launch events in partnership with other brands. The online channels resort mostly to e-mails sent to current customers and Facebook ads to raise the attention of new customers. Facebook seems as the most advantageous vehicle to reach out to new costumers, but the advertising's content needs to be to the point.

The Challenge Of The Millennial Generation

After the description of Zilian and its features as a footwear brand, it is clear that a change is needed so that the company may reach the Millennial women.

The Millennial Consumer

The Millennial generation is composed by those born between 1980 and 2000: a generation that grew in a fast-passing world, with globalisation and economic disruption. This context created a new generation with different behaviours and priorities, requiring Zilian to adapt in order to survive in this market.

Zilian is aware that this is a technology generation, always informed (with online reviews and comparing prices³¹), and that the Company needs to address this new reality namely by offering a maximum convenience at the lowest possible cost.

²⁹ Appendix 10.

³⁰ Appendix 11.

³¹ In 2012, 57% of Millennials compared prices when in store, and the tendency is for this number to grow. Goldman Sachs.

The Millennial Fashion Consumer

As one may conclude from the above, digital is everywhere, and Zilian, as a brand inserted in the fashion industry needs to embrace it.

Millennial generation considers fashion a social tool. The rise of fashion blogs and image-based networks, have created a new purpose in shopping. Shopping is no longer a relaxing trip to the mall with friends. Now it means using social media to make purchase decisions, sometimes even without leaving your own home.

Today, brands must also keep in mind that fashion is personal. Millennials don't value big flashy logos. Instead, they prefer to express their style through simple and unbranded clothing items. Zilian's "Essentials" line already addresses this issue. In what regards to fashion, Millennials consider it also to be "occasion specific", i.e., they know what they need for each occasion and will only buy the right piece. With its wide variety of models, Zilian wants to become a "go to" store, for any occasion, by providing Millennials what they want exactly, saving them the time of searching elsewhere.

Zilian's Challenge – Entering The Millennial Women Generation Through A Digital Strategy

With the expansion of social media, women all around the globe network and have access to greater resources, education and information. With this thought in mind, Zilian created a brand totally focused on women, their wishes and needs, but still needs to adapt to social media and technological tools.

Zilian recognizes the value Millennial women place into trusting a brand. It is important to create a relationship with costumers by showing inspirational messages, interesting visuals and provide a space for women to voice their opinions. This is extremely important because Millennial women value brand character and ponder it when choosing a brand.

It is key for Zilian to conquer this public, not only because Millennial women are great customers, but also because they are more likely to share and influence the purchasing decision of their family and friends. This dynamic shows that, when trying to capture a Millennial woman, Zilian is actually reaching a much broader audience.

In Zilian's opinion, the brand's identity and products are already aligned with the Millennial women. However, to conquer this big generation, Zilian needs to improve consumers' lives. With their different approach in life, Millennials are driving Zilian to re-examine how it does business, and if digital is the best solution. Consequently, the brand concluded for the need to

carry out a market research, in order to better understand the Millennial women's habits and thoughts about the brand, to evaluate the viability of implementing a digital marketing strategy.

4. Market Research

To assess Zilian's challenge, it is necessary to approach Millennials consumption habits regarding shoes, evaluate consumers' online shopping perceptions, understand how aware the potential target is of Zilian, and what consumers think of the brand and, eventually, if consumers value the adoption of a digital environment. The aim of this research is to figure out if a digital strategy is the best way to persuade the Millennial target and turn it into Zilian's customer. This chapter is entirely dedicated to studying the online shopping and the brand through the eyes of the consumers.

Methodology

Focus Group

Apart from the interview to Zilian's founder, a focus group³² was conducted to uncover detailed qualitative information regarding Millennials shopping habits, online purchases and knowledge and perceptions about Zilian. The answers helped gathering insights about the potential target of Zilian and structuring the questionnaire. The six participants belonged to the Millennial generation, with ages ranging from 22 to 24, and were all women from different academic backgrounds with a bachelor degree. Some were workers and others were students. The session

³² The focus group questions and findings can be found in appendix 12.

offered rich information allowing participants to discuss and build on each other’s responses. The topics exposed covered (1) online shopping, (2) shoes, (3) Zilian as a brand, (4) Zilian online and (5) fashion communication.

Survey

A survey³³ was elaborated, and conducted online due to the easiness of gathering a considerable amount of responses. A pilot test was performed before the official survey launch to prevent possible mistakes and ensure clarity. The questionnaire was publicly available between the 20th and 28th of November, having collected 240 responses from which 166 were valid, a number enabling to reach conclusions. The data was analysed using IBM’s SPSS Software, and graphics built from Microsoft Excel.

The survey is composed of a sample of 166 Millennials. The sample can be characterised according to the following parameters:

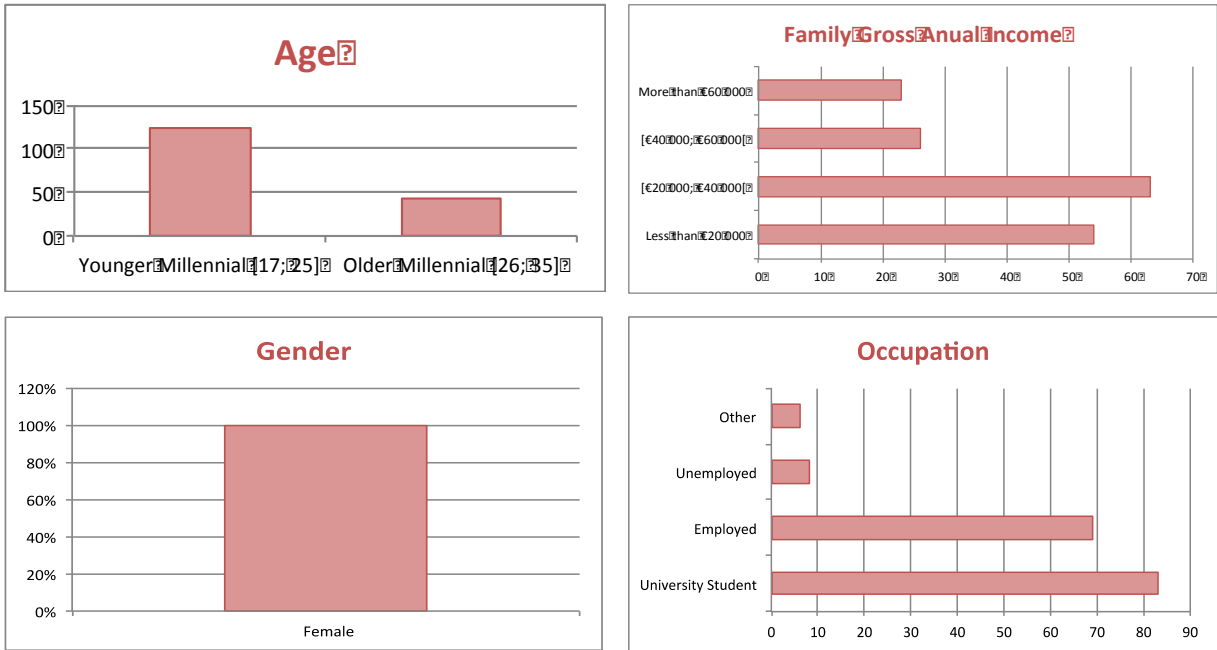


Figure 1: Survey’s Sample

Research Findings

Millennials And Their Shoes

For Zilian, it is fundamental to evaluate the interaction between Millennials and shoes. The focus group insights mention buying this fashion accessory sometimes out of an **impulse** –

³³ The survey questions and answers are present in appendix 13.

encouraged by the beauty of the product – or out of a **necessity** - change in weather/ season, for example. The information collected from the survey confirms these insights: The majority buys shoes **at least every three months** (54,5%), which can be related to the adaptation to a new season, but a considerable amount (22,3%) also buys shoes out of an **impulse**.

When analysing Millennials' relationship with shoes, the study shows they mostly value **comfort** (87,3%), **price** (71,7%) and **design** (68,7%). In addition, the focus group participants mentioned versatility and timeless as, also strong, reasons to buy a pair. The latter characteristic can be related to price: a timeless pair avoids individuals from buying other shoes and spending more money, implying the idea of saving money in the long run.

Millennials Online Preferences

The website/selling platform, being the required vehicle to shop online, is an important feature to consider. The respondents of both the survey and focus group agreed that the **intuition of the website** (60%), **special online discounts** (60%) and a **complete view of the product in a model** (45,7%) are the most valued characteristics of a website.

To fight the obstacles online shopping provides to customers, the main barriers Millennials struggle with must be first identified. The main factors concern the physical aspects that are impossible to experience when purchasing online: **the risk of not fitting** (84,3%) and the **inability to touch the product** (77,1%). The same features were mentioned in the focus group, adding the bad experience many agreed of having when the items are delivered at home³⁴.

To provide customers an enjoyable experience, Zilian has to understand the positive characteristics of online shopping. The survey and focus group respondents agreed that the **opportunity to access brands that do not exist in their home country** (81,4%), the **time saving** (72,9%) and the **opportunity to access stores that only commercialize via e-commerce** (61,4%) are the main drivers for online shopping. Some of the focus group respondents mentioned the possibility to be happy twice, as an extra factor.

To determine the importance of existing a physical store, three questions were asked to the Millennial respondents, verifying that most of them **do not think the online store can replace the physical store** (72,8%) but do not require the **physical store to buy the actual product** (85,7%) nor to **only buy if the brand doesn't exist in its home country** (74,3%). Therefore

³⁴ The products are brought, and if nobody is at home, the customer has to go to the post office to grab the purchased item.

the majority of these Millennials value the existence of a physical store despite not needing it as a vehicle to buy products.

Despite this last conclusion, the focus group insights mention that not having a physical store is a good characteristic. This way one can use fashion items that others do not and be original. When purchasing online, people look at completely different items because of the large offer of each online store, making the purchase influenced by the attention buyers have while searching. This insight clearly demonstrates that different types of consumer form the Millennial generation.

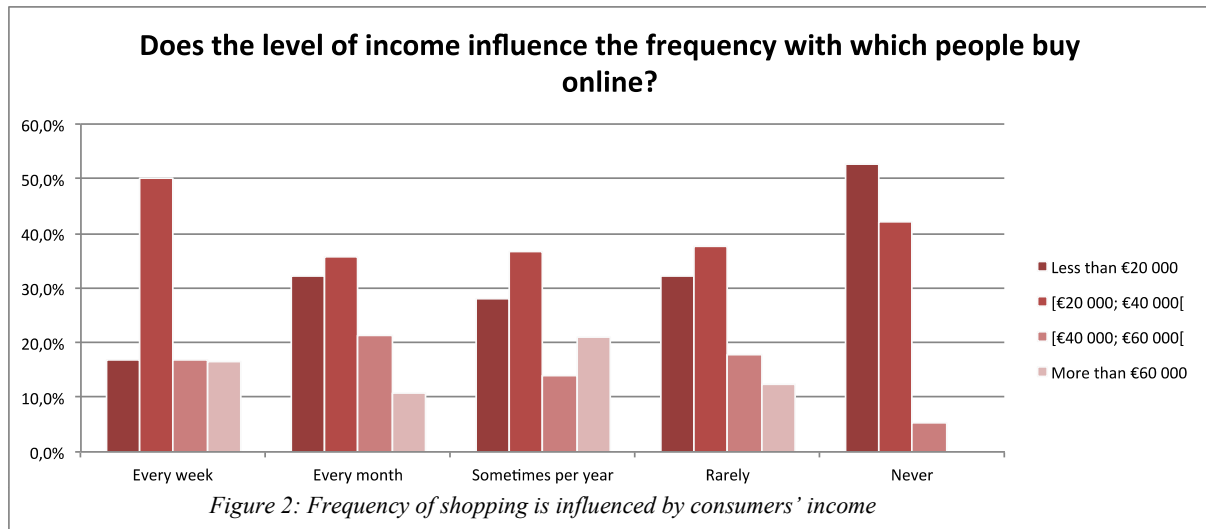
Millennials Online Behaviour

If Zilian joins the trend of becoming a digital brand it needs to learn how Millennials shop online, if it is a vehicle this generation is already using, and the main requirements the brand needs to fulfil in order to make customers enjoy the experience of buying online.

The survey participants shop online **at least sometimes per year** (54,8%), and buy **products** (16,5%) or **both products and services** (60,4%) through this channel. Despite this positive trend, there are more people who still never shop online (11,4%) than those who buy every week (3,6%). People are adapting online shopping into their lives, but it is not yet the number one chosen vehicle to shop. The focus group insight showed that the online adaptation might be a step ahead in places other than Portugal³⁵: One of the participants mentioned that when living abroad she would buy online every week but, when she returned to Portugal, those habits were extinct because of practicality issues involved.

Knowing the frequency with which Millennials shop online, it is interesting to test how income can influence this variable. Through cross tabulation (fig.2) it was verified that the survey respondents who shop the most online (every week) are those that belong to the annual income range between €20 000 and €40 000 while those positioned in the lowest income level showed the great amount of people that never buy online. Despite these verifications, Zilian cannot know to which income sector it is communicating the most when promoting its online shopping vehicle because **no significance was shown in the test (p-value= 0,546), therefore one cannot relate these two variables and transport those conclusions to the population.**

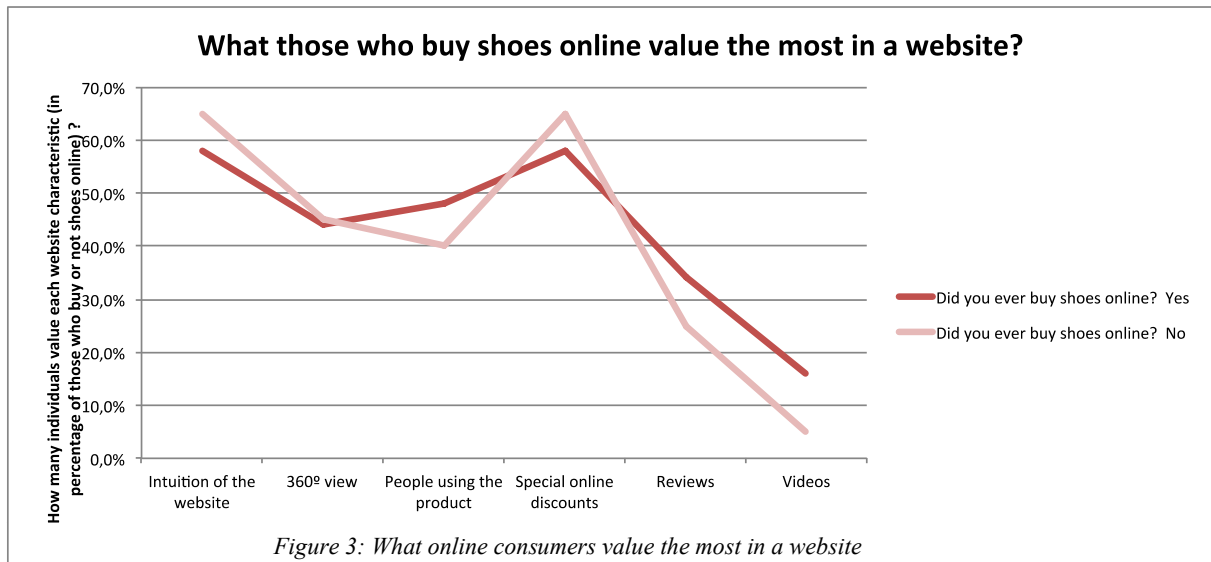
³⁵ For example: USA.



In addition, it is important to find out if Millennials use online shopping, particularly for shoes. Almost all survey participants have **already bought shoes online** (71,4%) and stated that it **was not a bad experience** (90%). The platform mostly used to buy shoes is **Asos** – according to both the survey and focus group respondents. Those who have never bought shoes online gave as main reasons the **difficulty to get the right size** and the **inability to try them on and see if they are comfortable**³⁶. The focus group participants who never bought shoes online said that if an app to measure their feet existed, they would, probably, try online shoe shopping.

While studying the purchase of shoes online, it was also tested if the websites' preferences change when focusing on consumers that do it. The Chi-squared test did not reject any of the null hypotheses. Therefore, one cannot affirm that website preferences vary with the propensity to shop for shoes online. Despite no conclusion, through graphical analysis (fig.3), one can mention that the those who shop for shoes online, value the features of “people using the products”, “reviews” and “videos” more, than those who do not.

³⁶ One of the characteristics most valued by the survey respondents.



Despite the clear trend of as the frequency of online shopping increases the propensity to buy shoes through this vehicle also increases (fig.4), the Chi-squared test showed that one cannot reject the null hypothesis ($p\text{-value}=0,333$): **it is not possible to affirm** that the higher the frequency of shopping online, the higher the propensity that person has to shop for shoes online.

		Did you ever buy shoes online?	
		Yes	No
How often do you shop online?	Every week	100%	0%
	Every month	70,80%	29,20%
	Sometimes per year	68,30%	31,70%

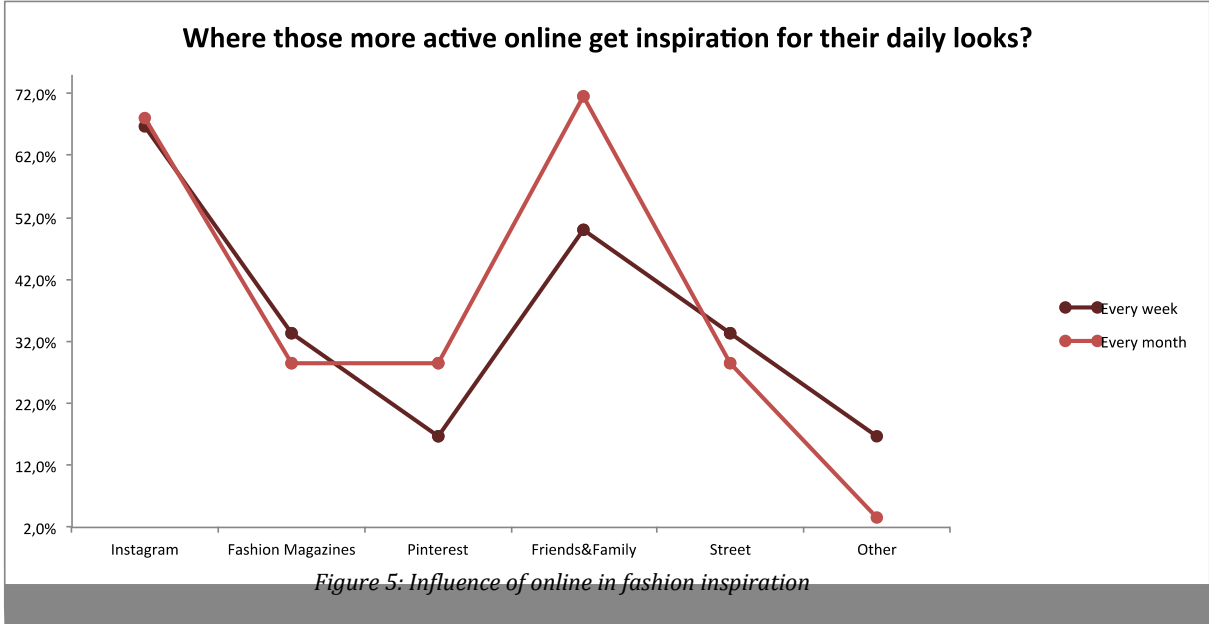
Figure 4: Buying shoes online dependence to frequency of online shopping

To determine the vehicles used to communicate with Millennials it is important to know where they get inspiration for their daily fashion looks. Therefore the sources of inspiration were studied and their relationship to the frequency of online shopping was tested:

- The focus group respondents defend fashion inspiration comes, mainly, from **Instagram** and **walking on the street**. While mainly inspired by **family and friends** (67,5%), the survey participants also share this opinion (**Instagram** (53%) and **street** (50,6%)).

- Those who are **more active in online shopping** get inspired mainly by Family and friends and Instagram, leaving “walking on the street” out of their equation (fig.5). When conducting the test to measure if engagement in online shopping influences the source of inspiration of people, it is found one source of inspiration that one can say to be related to frequency of online shopping. With the rejection of the null hypothesis ($p\text{-value}= 0,03 < 0,05$) **it is proven that the**

less people are engaged in online shopping, the less these people get inspiration from Pinterest.



About Millennials And Zilian

To get more insights about Millennials’ perceptions of Zilian, the focus group respondents were asked to describe their opinion about the brand. They mentioned first the layout of the store³⁷. They had some disagreement about the design since some associate it to organization and efficiency, while others say it takes too long to see the entire store. Regarding the shoes, all associate the pairs to little value for money and no versatility in products. They mentioned that Zilian used to be up to date but, as time passed by, it did not evolve staying out-dated and old-fashioned. It was argued that the brand is not for Millennials yet, but when well established in the working place respondents will probably buy Zilian’s shoes. While some felt the brand tries to reach their target but fails at it, not providing products in line with Millennials style, others declared appreciating some basic shoes Zilian has. While providing no statistical value, these simple insights give idea of the image shared among some Millennials.

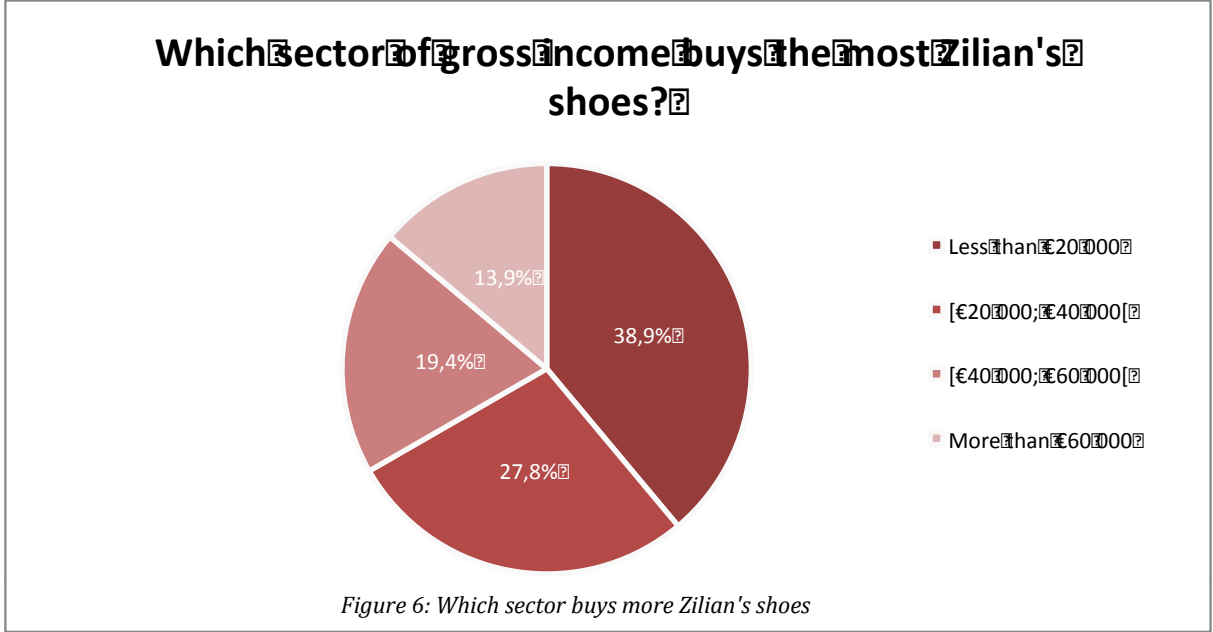
To gather more accurate data about Millennials’ environment, the awareness of brands among this target was tested. The two brands that scored higher responsiveness were **Zara** and **Mango** – Zara being mentioned by 86% of the valid responses – and **Asos**³⁸ was the third brand mentioned. Zilian is not present in the set of brands mentioned.

³⁷ Merchandise organized by numbers.
³⁸ Asos is an online retailer that sells many brands, including its own.

To narrow the hypothesis, respondents were asked to recall 3 shoe brands. 55% of survey respondents continue to associate **Zara** to the number one brand since it is also present in the footwear industry. After this fashion leader, the four most mentioned brands have footwear as their main business. **Seaside**, one of Zilian’s competitors, is the brand with higher awareness among the respondents (32%). It is important to stress that two of the top five shoe brands are inserted in the athletic footwear industry, which is a key aspect to consider when choosing the items of the season’s collection. Among respondents, the brand Zilian was mentioned a total of 3 times.

As a Portuguese brand, it is interesting to understand if Zilian should leverage of its place of origin. In order to decide on a strategy, the associations Millennials have with “Portuguese shoes” were tested: Despite mainly positive features – quality and comfort as main associations – Portuguese shoes were also characterised as expensive. This last feature goes against what Millennials esteem: a good value for money.

After addressing brands as a whole, the awareness of Zilian was assessed: 73,5% know the brand but 70,5% do not own a pair. Notwithstanding this fact, it was tested if the level of income influences the purchase of Zilian’s products. According to the statistical test, the null hypothesis is not rejected (p-value=0,207). Therefore, one cannot say that income influences the purchase of Zilian’s products. Ignoring this fact and looking at the frequencies only (fig.6), those who bought more Zilian’s shoes are located in the lower income sector (bellow €20 000) and as income increases, fewer respondents purchase.



To test if the level of adherence to online shopping influences knowing the brand, a statistical test was conducted. It was not possible to reject the null hypothesis (0,057). Therefore one cannot say that the recognition of the brand varies accordingly to the level of adherence to online shopping. Through cross tabulation (fig.7) is seen a higher number of respondents who buy more online not recognizing Zilian.

		Do you know Zilian?	
		Yes	No
How often do you shop online?	Every week	66,7%	33,3%
	Every month	75,0%	25,0%
	Sometimes per year	82,5%	17,5%
	Rarely	73,2%	26,8%
	Never	47,4%	52,6%

Figure 7: The vehicle used influences knowing Zilian

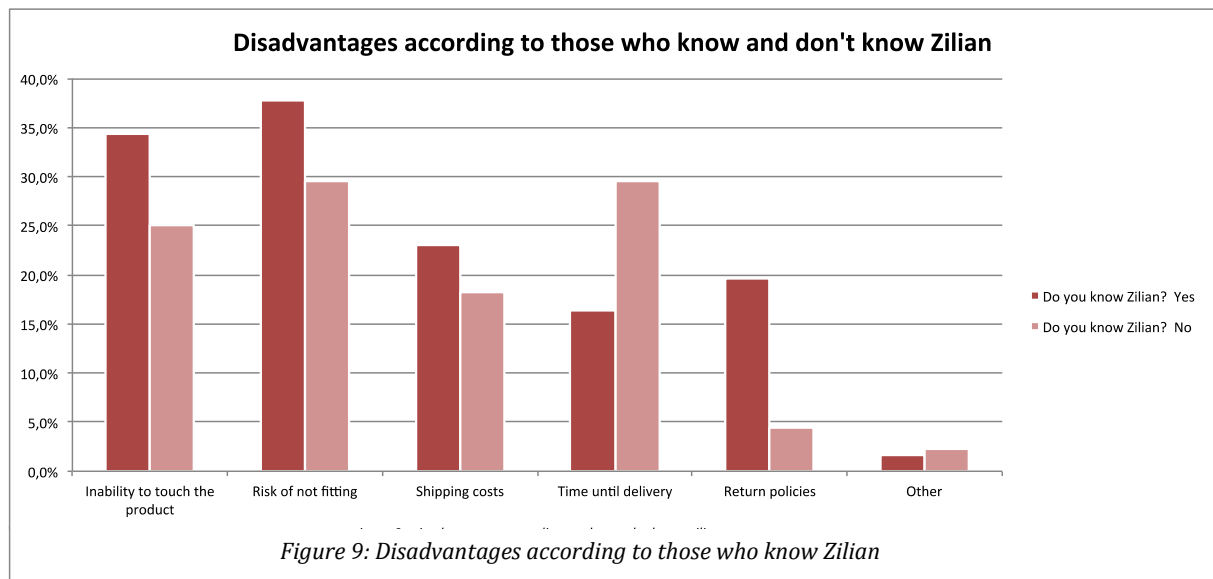
Continuing with those who know the brand, through an ANOVA test (fig.8) **it is not possible to find a pattern in the opinion, of those who know Zilian, about online stores.**

ANOVA(1)	0,664
ANOVA(2)	0,097
ANOVA(3)	0,979

		Do you know Zilian?	
		Yes	No
Opinions of physical & virtual stores (being totally)	The online store substitutes the physical store(1)	2,20	2,31
	I only buy online after checking the item at the store(2)	2,00	1,63
	I only buy online if the store does not exist in my country(3)	1,94	1,94

Figure 8: Opinion of Millennials who know Zilian

It is also important to identify the obstacles mentioned by those who know the brand (one step closer to buy). Testing the combination of both online shopping disadvantages and knowing Zilian (fig.9), it is possible to reject one of the null hypotheses. With a p-value of 0,018 (<0,05) one can say that the **disadvantage of online return policies is more recognized by the consumers who know Zilian than those who don't.**



Moreover, one can say that Zilian is **not under the consideration set** (72,1%) of this generation, despite having products that **suit their taste** (65,5%) and, according to the respondents perception, reaching high scores in aspects Millennials extremely value (**price** – 48,3% - and **comfort** – 43,4%).

Zilian argues that one of its key success factors is its **brand’s outstanding customer service**. It is not, however, being well communicated since 63,1% of the respondents did not have an opinion regarding the brand’s customer service.

According to the survey respondents, Zilian is mainly for **working women** (48,3%), is a store where people **can find the basic shoes every woman needs** (56,6%), and with **shoes for every occasion** (71,3%).

In this line of thought, one decided to test if those opinions about the brand changed with the income level. No significance was found in any opinion when ANOVA was computed. Therefore **one cannot say there is any influence of income on the perceived image of Zilian**.

Overall, Millennials do not have an established opinion about Zilian, once the rate of respondents not knowing several key aspects of the brand is considerably high: for example, if the shoes are comfortable (46,7% do not have an opinion) and the “essentials” line the brand communicates to have (24,6% do not recognize it as a feature of Zilian).

5. Conclusions

In this chapter the main key research questions will be answered allowing, all combined, to address the problem statement of this thesis: Is A Digital Strategy The Way For Zilian To Reach The Millennial Consumer?

1. How Does Zilian Position Itself In The Market?

Zilian is a brand that positions itself as accessible, trendy, unique, and with variety to satisfy several tastes without forgetting its quality of product.

Zilian cares about its customers' time and money, providing therefore unique characteristics like a large variety of shoes (to save the time of going to many stores to find the pursued product) and giving the opportunity to buy basic shoes (an entire line of basics, present all year long, to save money by purchasing less pairs for more occasions).

As a fashion item, Zilian entered the cycle of the big clothing brands: The company competes with Massimo Dutti and Uterqüe, but also shoe brands like Cubanas, Eureka, Prof, Aldo, Hera and Seaside.

Zilian practices middle tier prices. Despite being less expensive than Massimo Dutti, Eureka and Cubanas, Zilian claims to have the same perceived quality as these three competitors.

2. How Millennials Shop Online?

To adopt the digital experience in a brand's self, one must know whom it aims to reach with that adoption, and how that target behaves around the digital environment.

It was found that Millennials are adopting the online way of purchasing: Today's consumers do not recognize the difference between physical and online stores, expecting to be able to combine both ways in their buying process, without any obstacle. Notwithstanding this trend, some Millennials still have hesitation because of the impossibility of a physical experience through the online.

The 2016 Millennial consumers try to maximize the equation of convenience over price. They review and compare prices and search for product information, all before making a purchase decision. A shopping day has no longer the same meaning: by 2016, it means using social media as a vehicle for making key purchase decisions.

Graphic interpretation shows that those who buy shoes online value more the opinion of other consumers and the view of products on people, as website characteristics, than other consumers. The most used platform to buy shoes online is Asos.

3. Is The Digital Presence A Source Of Equity To The Brand?

Through the consumer based brand equity model, the value of Zilian is dictated by the value consumers attach to the company. For the brand's equity to increase, one has to identify all the

revenue streams the adoption of a digital approach can bring to customers, not forgetting the costs that can reduce Zilian's assigned value.

Value Sources

Over the passing years, a trend for companies to become digital has been observed and the survey and case study confirmed that most Millennials have shopped online at least once in the last year.

With the globalised world and the accelerated rhythm of life the Millennials live in, by the year of 2016, the online shopping provides them with access to an unlimited number of foreign stores – where the distance is not a problem anymore – and supplies them with extra time, since it allows them to purchase any time, anywhere.

Regarding the importance of a physical store, the conclusions support the adoption of the digital approach: Millennials value the existence of a physical store, but it is not actually needed to purchase products and they do not mind buying from stores that do not exist in their home country. A store is needed for consumers to feel comfortable buying online; a place to give the brand credibility, and for Millennials to engage with the brand through in-store experiences.

Cost Sources

To the consumer, some disadvantages can also deteriorate the value given to this way of shopping: (1) The fact of not having the physical experience of shopping; (2) The complexity of the return policies; and (3) The digital strategy not being a trend already well established in some consumers' habits³⁹. These are three sources of cost to the introduction of a digital strategy.

Value Minus Cost

Outweighing the pros and cons of adopting a digital strategy, it can be concluded that this trend is already happening⁴⁰ and if Zilian does not keep up with it, it will not be inserted in Millennials' consideration set. Therefore, a change to a digital brand will not jeopardize the image of Zilian, but it will improve it among this target that is now entering its spending years.

³⁹ There are still more people who never shop online than who shop every day. Survey data.

⁴⁰ One of the evidences is Asos, an e-commerce store that is already one of Millennials' top of mind brands.

4. Is Zilian's Identity Aligned With Millennials' Profile?

To know if Zilian's and Millennials' identities are aligned, one has to know about Millennials' preferences for shoes, its choice of brands and its connection with Zilian in terms of awareness, associations and relationship.

Regarding shoes, Millennials value the pair's comfort, price and design, which goes in line with Zilian's positioning of a wide variety (several designs), great quality (comfort) and great value for money (price). This came as proof that Zilian has the products in line with Millennials' preferences and the market research showed that they recognize these features in Zilian's products.

Values and beliefs are an important characteristic where these two parties are also totally in line. Zilian focuses in empowering women and giving them voice to fight for equal rights in society while Millennial women are gaining their space in the working place and fighting for a continuous victory in society's battles.

Moving over to the Millennials' brand environment, it was verified that they have mainly positive associations with Portuguese shoes⁴¹. One bad association⁴² is, however, also present which makes it ambiguous for Zilian to decide on positioning as a Portuguese brand or not.

Zilian assures it has the products, prices and quality to reach the Millennial women. To get some insights about the equity Millennials already assigned to Zilian, some questions were made to measure the brand equity on a customer base⁴³ approach:

Zilian does not bring many feelings⁴⁴ to Millennials. Most of them do not buy its merchandise nor recognizes Zilian's key success factors and Zilian does not belong to the Millennials' recalled set of brands.

Personifying Zilian, Millennials think it is mainly for working women that need diversity in shoes.

It was not verified any dependence between knowing the brand and the frequency with which consumers buy online, and its perceived image was not statistically proven to be different according to the income range.

⁴¹ It is the case of comfort that is present as one decision factor of Millennials while buying shoes and a characteristic they completely associate to Portuguese shoes.

⁴² Expensive.

⁴³ CBBE pyramid adapted to Zilian. Appendix 14.

⁴⁴ The market research demonstrated that many respondents do not know several key aspects of Zilian.

5. Is Social Media The Best Way To Advertise The Brand To Millennials?

Advertising Zilian is one of the key aspects to aware consumers of a brand. Therefore, it is important to know how Millennials appreciate being approached and how they respond to brand's communication.

Instagram, a popular social network that emphasises style and fashion through its artistic and original photos, was one of the “tools” most associated with fashion inspiration. Through Instagram Millennials can follow their favourite fashion “divas” and get inspiration for their daily styles. Adding to Instagram, Millennials get inspired by their own friends and family. This source of inspiration actually outgrew the number of those inspired by Instagram.

At a first glimpse, looking at the conclusions of the survey, one might say that social media would not be the best approach to communicate to the generation at study, once family and friends are not a social media platform. But, if the subject is thought through, friends and family are the basis of a network, and together with friends of friends and influencers⁴⁵, Instagram comes to life.

Another important aspect is the relationship Millennial women have with brands. They value the possible trusting relationship developed and look forward to see inspirational messages, interesting visuals and be provided with the opportunity to give voice to their thoughts and opinions.

In a way of answering to the KRQ, social media is the best way to communicate to the generation at stake. This is the number one tool that covers all the vehicles Millennials use to get inspired by fashion brands. Despite this conclusion, one cannot forget that the content shared is also fundamental and therefore, if not in line with the interests of the Millennial women, this social media communication will not play its role to engage with the potential target.

Conclusion: Is A Digital Strategy The Best Way For Zilian To Reach The Millennial Consumer?

Many companies have already incorporated a digital strategy within their business⁴⁶. The digital adoption is an inevitable step for a company that wants to grow in the market, where the Millennials are entering with a growing purchasing power.

⁴⁵ An influencer is a person, not a model nor a actor, that signs a contract with brands, for him/her to use special products and post online, tagging the brand, in order to inspire followers and share where to purchase that look.

⁴⁶ Example: incorporation of a paying machine (McDonalds); adoption of an online store (Zara).

Through the KRQ some ambiguity among the Millennial respondents in what regards a digital incorporation can be found. The fact that almost none of the statistical tests computed demonstrated dependence between variables further supports this idea.

While Zilian already has its core values aligned with those of the Millennial women, the brand has not been sharing its image in an effective and correct way⁴⁷. Through the analysis of the generation's habits, preferences and beliefs, one can say that a digital strategy is a good way to engage and conquer the Millennial consumer.

Recommendations

Consumer insight: Millennial women put high amounts of value into the brands that provide the opportunity to give voice and share women's thoughts and opinions. They value brand character and have an empathetic view in what concerns brand choice. In addition, they have digital at their fingertips and demand maximum convenience, at the lowest cost.

In order to give some guidelines on how Zilian can become a more digital brand and therefore reach Millennial women, a set of recommendation was set⁴⁸.

Brand Communication

Content

Since a lack of bond between Zilian and this generation is present – despite being aligned when it comes to values – some flaws regarding the content communicated must be fought:

Share values and be involved in CSR⁴⁹ actions

Zilian must continue to share its values around empowering women. All the brand's actions must be in line with that goal, creating movements and opportunities for women to grow and make their statement in today's society.

Enhance sharing by story telling⁵⁰

Zilian must communicate in a way that enhances involvement of consumers, leading to positive WOM and awareness to the brand. The brand must create communications that prompt

⁴⁷ Zilian's positioning and key success factors are not known by Millennials despite many features of Zilian are valued by this generation. Millennials do not have an immediate connection of those attributes to the brand (comfort and price).

⁴⁸ The recommendations were based on Forbes content marketing strategy advice. Appendix 15.

⁴⁹ Corporate social responsibility refers to business practices involving initiatives that benefit society.

⁵⁰ Engaging stories that deliver entertainment, education, information, utility and call for action.

emotional responses⁵¹, which will lead Millennials to share and associate a great amount of feelings to the brand. If these associations are accomplished, Millennial women will create a bond with the brand and, therefore, become more loyal.

Vehicles To Share Content

For all the content to be sharable and viewed by many, it has to start by being communicated through the right vehicles:

For a more product-oriented content, Instagram is the social network to use⁵². Zilian must communicate with Influencers that inspire Millennials of today. Influencers must post pictures wearing the products, and outfits that enhance the style Zilian aims to share with the Millennial consumer.

For a more brand-oriented content, Zilian must put its advertisements in places of higher visibility like street billboards⁵³, or in social media that is prompt to share information and personal points of view, like Facebook and YouTube.

Customer Service

When adopting a digital strategy, the brand must keep in mind that its customer service should be extended to the online. Zilian must always give feedback to consumers in social media, controlling the information that is being exposed to peers around the web. This allows a fast response and control damage⁵⁴.

Omni-Channel Shopping

Zilian must combine all the channels in a way that a potential client can make the journey it wishes to: Someone that sees an YouTube advertising must immediately have access to the online store, ending the purchase in store, if it wants to.

Digital Shopping Experience (Website)

For Zilian to incorporate the aspects needed to be in line with Millennials' living habits⁵⁵, the virtual shopping cannot be forgotten.

⁵¹ Dove campaign example: showing how it is possible to be engaging, disruptive and, match the brand's values. It aims to empower women by showing "real beauty", every woman is beautiful in its own way. One of these campaigns got more than 67 million views on YouTube and reached almost 4 million shares.

⁵² 53% of survey respondents get their inspiration from Instagram.

⁵³ 50,6% of survey respondents get their inspiration from the street.

⁵⁴ *Bodyform* is an example of a brand that took customer service into an entire new level.

⁵⁵ 66% of world's buyers in the category of clothing and footwear have made at least one purchase online in the last year.

Intuition Of Website

The website, must be mobile friendly and intuitive, enhancing search and enjoyment. Analysing Zara and Asos' websites – the brands with higher scores in awareness – some great suggestions can be applied to Zilian:

All the products must be viewed from every angle and a picture/ video with a person wearing the pair of shoes⁵⁶ must be provided, along with peer reviews. To create an appealing visual, Zilian must get inspiration from other websites' design.

Fight Inability Of Physical Experience (Fast Solution To Problem)

Zilian already uses a measuring grid to fight the probability of purchasing the wrong numbers⁵⁷. Unfortunately, this is a method sometimes difficult to use, leading to size mistakes: A disruptive and digital approach would be to incorporate an app⁵⁸ that would measure customers' feet.

Easy Return Policies (Fast Solution To Problem)

Millennials expect for brands to solve their problems. Therefore, to the existence of complex return policies, Zara created a system where the customer just needs to fill out a form and the product will be grabbed at their home. The price of the item will return to the individual's account. This caring customer service, which could be adopted by Zilian, is free of charge to the customer.

In-store experience

Smaller Stores With Free-Flow Layout

Zilian's layouts⁵⁹ does not encourage browsing over the store, nor enhances impulse purchase. By 2016, the trend is for stores to get smaller and be a place where the shopping experience is enhanced. Zilian should adopt a free-flow layout⁶⁰ once it allows consumers to browse, while still adopting the exposition of both pairs and all numbers to maintain the self-service mode.

Provide Wi-Fi (Enhance Social Proof)

In such a digital Era it is a requirement for Zilian to have free Wi-Fi that allows browsing around the store. One cannot expect people to share their experiences in-store if the sources to

⁵⁶ Characteristic valued by 45,7% of the survey respondents.

⁵⁷ A problem that concerns 84,3% of the survey respondents.

⁵⁸ App by Foot Fairy: provides a measuring system where consumers have to put their feet above a tablet and it will immediately be assigned to a foot number, according to the sizes of the brand's shoes.

⁵⁹ Grid layout.

⁶⁰ Layout with appealing visual and with very flexible path for consumers to shop. Perfect to enhance impulse purchases and is adapted to today's fashion stores turned to the Millennial consumer.

do it are not provided, even if the content is extremely engaging and sharable. Since the brand values its self-service option, the free Wi-Fi may also improve that feature.

Conclusion Of Recommendations

All the marketing actions recommended keep in mind that the online and physical stores are the channels that must be taken advantage of to relaunch the brand to the Millennial consumer. With a relaunch, Zilian can raise awareness and position itself as a fully digital brand that understands the Millennial generation's needs and desires. The recommendations are focused on the integration of a digital approach, excluding other business and fashion strategies.

6. Limitations and Future Research

Despite having obtained a substantial number of responses to what the thesis proposes to study, there are some limitations one must consider.

At the case study level, the divergent opinions regarding Millennials' preferences make it difficult to select unbiased trends. Another limitation is the lack in quantitative data of the company, to support the case, present due to confidentiality issues.

Regarding the market research, the fact of the survey only being spread over social networks might have resulted in respondents' habits bias concerning Internet usage. Another limitation was the large number of invalid answers due to lack of cooperation of some respondents, which might have led to the inability to make some conclusion (many statistical tests did not show significant responses).

Shifting to future research, it would be interesting to be sure if some relations that were not proven by the thesis sample exist⁶¹, since they might have not been proven due to a lack of a representative sample of the Millennial population.

A deeper understanding of the CBBE of Zilian, through the computation of a larger survey, would be valuable, in order to have a complete knowledge about Millennials' value attribution to the brand. The measurement of the CBBE of Zilian's competitors would also be an attractive topic once it would enable the comparison of results with those of Zilian, allowing a more accurate positioning of the brand in the footwear market.

For a greater study, the computation of a conjoint analysis would also be an attractive topic. It would allow the understanding of the shoe attributes' trade-offs Millennials are willing to make and, this way, give some guidance for the perfect set of attributes Zilian must have and the willingness consumers have to pay for each. If one of the attributes analysed is the digital presence, a more supported answer to the study proposed by this thesis, can be found.

7. Teaching Notes

Target Audience and Relevance of Study

The thesis aims to be used as a learning tool for both undergraduate and master students in the area of marketing. More broadly it can be addressed in a marketing course, under targeting and positioning, marketing mix, or competitive analysis. It can be considered in a brand management course under the subjects of brand identity, positioning, image and equity and in

⁶¹ The trend in behaviour of online shoppers, according to the level of income; the image Millennials have of Zilian, according also to their income level; the influence that shopping for shoes has in the decision of the vehicle used for shopping.

a strategic marketing course to assess the importance of knowing consumers when deciding on the positioning strategy of a brand.

Teaching Objectives

The case describes a true event for which there are no right or wrong answers. Its goals are mainly to present students to the importance of the brand element in a company, the importance of understanding the target consumer to delineate a positioning strategy and how this positioning can help sketch a clear and consistent communication to differentiate one from competitors. The case also focuses in the understanding of the sources of brand equity at a customer level and how it can impact the company in a global perspective.

For last, the case aims at improving students' strategic thinking through the application of a solution to a practical problem⁶².

Teaching Plan

After reading the case, students must apply the knowledge gathered and strategic thinking into the answers of the following questions⁶³:

1. Please describe the method to measure brand equity, on a customer based, when the brand adopts a digital strategy at its core. Please compare it with the traditional model.
2. Please describe Zilian's positioning strategy, at the moment. Mention the challenges faced by the brand, in the near future, according to the consumer trends in footwear.
3. In your opinion, how can Zilian leverage of its brand personality to reach the Millennial consumer successfully?
4. According to the research findings, should the brand change its present communication strategy to reach the Millennial women? Please explain the reasons why.
5. According to the information from both the case study and market research, which do you think are the main sources of Zilian's customer based brand equity?

⁶² Using theoretical models, and considering its implications to the firm.

⁶³ Appendix 16.

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9. Appendix (By Order Of Appearance In The Text)

1. Interview script

1. Concept & Positioning

- a) Please describe a little the story of the company, how Zilian came to life and how did you find the opportunity for the brand in the market.
- b) How does Zilian position it self in the market? Does it differ depending on the market it operates in? Does it focus on the place of origin?
- c) Which key success factors does Zilian consider as important when evaluating the company?

2. Industry

- a) How does the global shoe industry differ from the Portuguese shoe industry?
- b) Which are the latest trends in the global and national shoe industry?
- c) Who are Zilian's main competitors? (POP & POD; competitive advantage)
- d) Which are Zilian's main strengths and weaknesses compared to competition?

3. Structure

- a) How does the company organize itself? How many shareholders (shareholder structure)?

4. Targeting

- a) Who are Zilian's customers (Customer profile)? Are they the same as the consumer?
- b) Is there any segmentation of the market (some criteria) to help you select the target?
- c) How does Zilian want to be seen by its customers? How did that image evolved from the start (2008) until today?

5. Product Portfolio & Production

- a) Is Zilian thinking of a product extension? If yes, under the same name to leverage of the popularity of the brand or under a different brand name?
- b) Is customization present in Zilian's shoes? To what extent?
- c) Are the shoe lines adapted to each country in which Zilian operates?
- d) Is Zilian a brand with lines adequate to each occasion in a person's life (e.g.: sports line, fancy line, casual line, etc.)?
- e) Regarding the production process, where are Zilian's shoes made? Could you describe briefly the production and creative process?

6. Pricing

- a) Could you briefly describe Zilian's pricing strategy? How did it change along the years?

7. Sales & Distribution

- a) Which are Zilian's distribution channels? Which ones are the most used by customers (% of sales of each channel)?
- b) Does Zilian sell to other stores or only own stores? If yes, are certain rules present in contract concerning the exposure of the products?
- c) How does the distribution process work? And to go abroad?
- d) Do sales have any seasonality in this industry?
- e) How are sales developing in national and international territory?
- f) Now that shopping online is more and more a reality, does Zilian have any method of increasing the online experience of customers while shopping?

8. Communication

- a) Briefly describe Zilian's communication strategy today. How did it change from the beginning?
- b) Which are the main communication vehicles used?
- c) Which are Zilian's main goals of communication? (eg.: recall current customers of the brand, call attention of new customers, etc.)
- d) Is there any seasonality present in campaigns?
- e) Is there any strategy to enhance the relationship with current customers?
- f) Do you know the cost Zilian has in acquiring new customers?
- g) How do you allocate the marketing budget?

9. Store

- a) How are the locations for the stores chosen?
- b) Describe the store layout. Why do you believe this is the best layout? Does the layout vary across stores?
- c) Do you use any in-store stimuli to enhance purchase?

10. Employees

- a) Are there any fundamental values employees must have to enter the company?
- b) Do employees receive any training? How often?

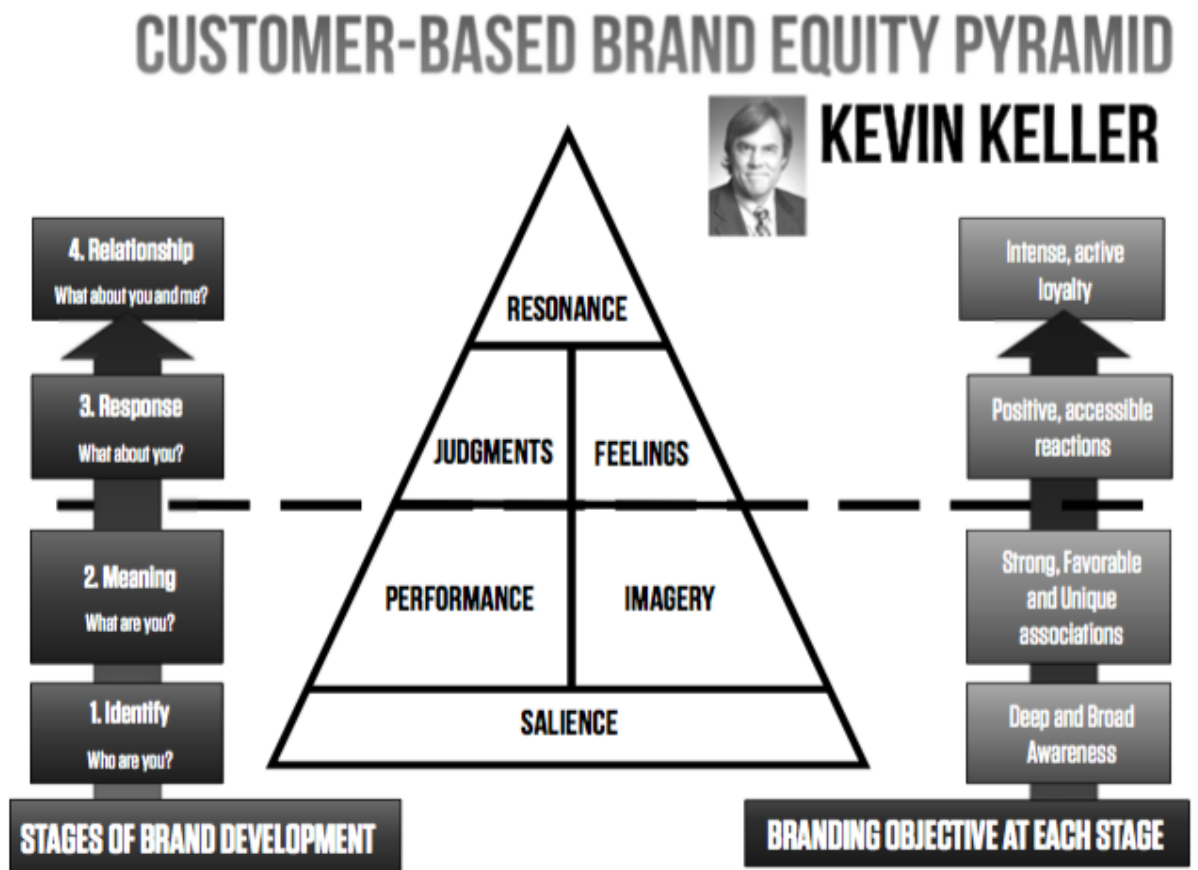
11. Conclusions

- a) In your opinion, which is now the biggest challenge faced by the company?
- b) Does Zilian have any specific difficulty in terms of growth?
- c) Which are the main reasons for the growth verified through the last years?

- d) What would you change in the business model or brand?
- e) Where do you see Zilian in five years? How do you plan on getting there (next strategy)?

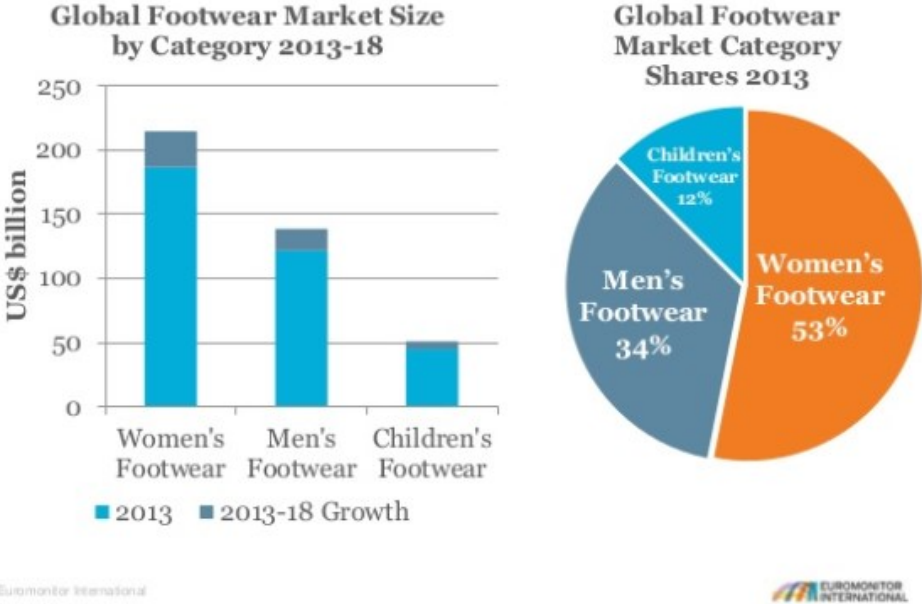
Thank you so much for your time.

2. CBBE Pyramid By Keller



3. Women's Market Share

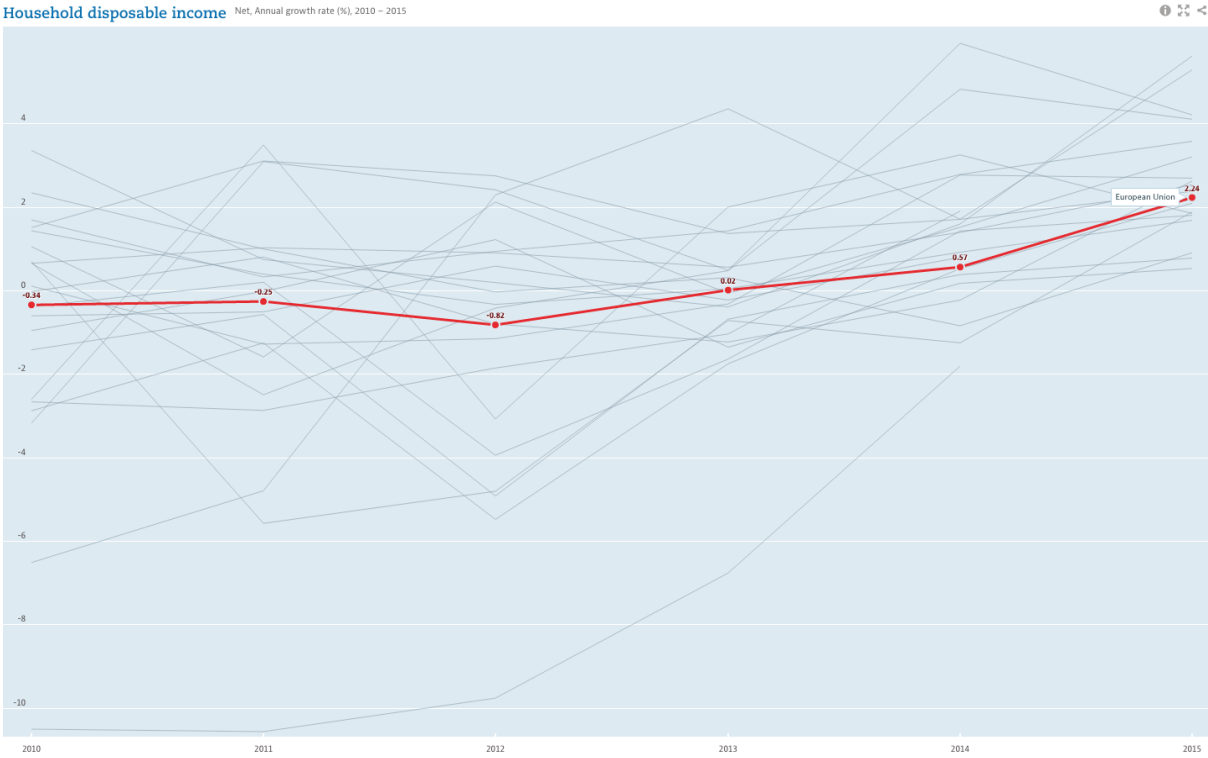
Women's footwear still dominates sales



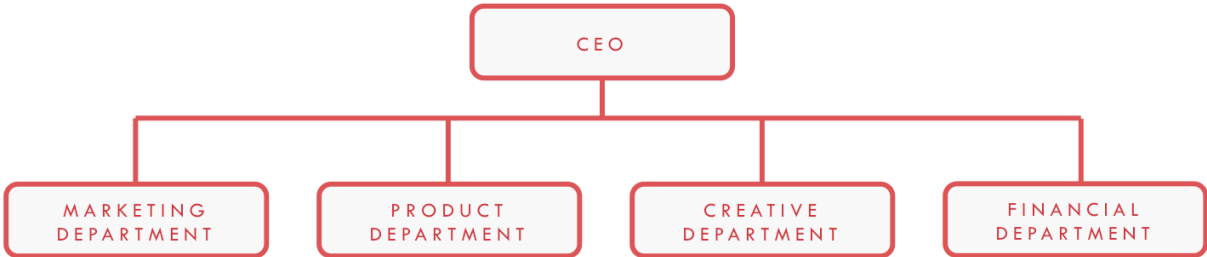
4. Shoe Industry Statistics (By Statistic Brain)

Shoe Category Market Share	Data
Women's casual shoes	17%
Women's athletic shoes	10%
Men's casual shoes	9%
Other styles	25%

5. Household Disposable Income Previsions (OECD Data)









6. Zilian's Organogram



7. Social Media Presence

April 2015

On which of the following platforms do you have an account?

						
ALL 18-29	83%	44%	39%	34%	33%	15%
18-24	83%	51%	43%	33%	42%	19%
25-29	82%	34%	35%	35%	20%	8%
College	88%	58%	49%	38%	55%	21%
Democrat	83%	50%	45%	34%	35%	19%
Republican	87%	44%	37%	42%	37%	9%
Independent	81%	38%	35%	30%	28%	14%
White	86%	41%	40%	38%	36%	14%
Black	75%	48%	42%	25%	23%	14%
Hispanic	78%	49%	37%	29%	29%	14%
Male	80%	34%	38%	12%	28%	10%
Female	86%	53%	41%	56%	38%	19%
	Facebook	Instagram	Twitter	Pinterest	Snapchat	Tumblr

<http://iop.harvard.edu/iop-now/how-Millennials-use-social-media>

8. Zilian's Store Layout




9. Zilian's Website Home Page

zilian PORTUGAL | ESPAÑA
ENVIO GRATUITO PARA ENCOMENDAS SUPERIORES A 100 EUR [Olá! Faça login ou registre-se](#)

NEW! MARCA COLEÇÃO LOJA ONLINE ZI CARD JORNAL ZILIAN TV FEEDBACK CONTACTOS


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50% OFF



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Fall Winter 16
COLLECTION

BOTINS




119,90EUR 89,90EUR

SAPATOS





59,90EUR 29,90EUR

BOTAS






149,90EUR 109,90EUR



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REGISTE-SE PARA RECEBER

Newsletter >

Newsletter Outlet >

ZILIAN

Sobre a marca

Contactos

COLEÇÃO

Lookbook

Jornal


LOJA ONLINE

Como encomendar

Perguntas & Respostas

OUTLET

zendesk chat



zilian

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/a/uda/caoamento-e-devolucoes

10. Example Of Previous Communication (2012)



11. Essentials Line



12. Focus Group Questions And Answers

QUESTIONS	ANSWERS (6 participants)
ONLINE SHOPPING	
1. How often do you shop online? Which products/ services?	Once per month; Several times per year(2 respondents); Never (only search)(2 respondents); Several times per month.
2. In your opinion, which are the advantages and disadvantages of online shopping?	Advantages: Get to be happy twice; Can buy different things; Saves time (2 respondents); Can access products from foreign brands(2 respondents). Disadvantages: Cannot touch; Shipping cost; Difficult when nobody is at home to receive the product; Can only pay through credit card; Have to wait until deliver; risk of not liking it.
3. Describe what would be, to you, the best online shopping experience you could possibly have.	No shipping costs; Pay when delivered; Delivered in 48 hours; when nobody is at home come back latter; Personalized packages to feel special (if it's from another country, a picture from the place, for example); Give an exact time of delivery.
4. What kind of associations do you make to brands that do not have an online store? And to those that do not have a physical store?	Different from others but it has to have some credibility; It's a plus not to have a physical store, makes it more unique.
SHOES	
5. What comes to your mind when I say the word Fashion?	Clothes (all mentioned); Shoes; Style; Accessories; Bloggers; Street Style.
6. What comes to your mind when I say the word Shoes?	High heels; Personality; Hiking; Events; Occasions (all mentioned); Linked to purchasing power.
7. How often do you buy shoes?	When I see a beautiful pair; each season
8. Which fashion brands can you recall?	Zara; Mango; Benetton; Levis; Salsa
9. Which shoe brands can you recall?	Massimo Dutti; Mary Paz; Adidas; Havaianas; Paez; Fly
10. In your point of view, what are shoes to you?	Identity; Occasions; Style; Fashion; Distinctiveness; Investment
11. Which are the features you consider as fundamental in any shoe brand?	Comfort; Beauty; Colour; Versatility (has to go well with everything); quality; timeless
12. Did you ever buy shoes online?	<i>"I bought and it was an awful decision. Wrong number and had to return it"; "Bought it and loved the experience because they were beautiful. Bought in Asos. Same as pictures and much happier I have bought them online than going to the store."; "If I had that app of measuring my foot and immediately be assigned to a number at the website I would buy shoes online, since I don't have it I wouldn't"; "Already bought them at asos and it was a good experience"; The others never bought</i>

ZILIAN	
13. What comes to your mind when I say the word Portuguese Shoes?	Harper; Quality; Officina; Online brands; Sofia Costa; Paez; Expensive but with quality.
14. Do you know Zilian?	All said yes, except one.
15. Which words, if any, come to mind when the br	Organized by numbers; Love the layout (efficient); Hate the layout (like a storage room); never went there; not to much quality; many colours; Futuristic; It used to stand out from others, but not anymore.
16. Is Zilian one of your election brands for shoes?	All said no; Think the high heels are too high.
17. Did you know Zilian is a Portuguese brand?	Only two know; One thought it is Brazilian and the other Italian; the others had no idea.
18. Does the fact of being a Portuguese brand change your image about Zilian?	Yes; Start liking more the brand; Want to give an opportunity.
19. What do you like the most about the brand? And the least?	Most: Simple shoes with little touch that make them different (others agreed); Least: Layout and started big and lost its place now (others agreed).
20. Think of any time in which you were faced with the brand (heard about it, seen it, etc.). What kind of feelings did it build on you?	Curiosity; High heels; Good idea at the time.
21. Who do you think is the typical user of Zilian? Why?	Young working women; from 20 to 40 years old; Not so much stay at home moms; With some purchasing power.
22. Do you think you fit into that profile?	<i>"Maybe in some years, when I start working"; "In terms of personality yes"; "No because I associate it with bad quality, expensive and cheesy".</i>
23. Is the service provided at Zilian effective and efficient?	Don't know; Feels like they want to reach our target but fail at it.
24. Is the style and design of the shoes pleasant to you?	Only the basic shoes they have.
25. What is your opinion regarding the price of Zilian's shoes? Is it a good value for money?	For what I see it's expensive for its quality
26. How do you score Zilian in terms of quality?	From 1 to 10 four of them scored 7; one scored 3 and another 2.
27. Do you think it satisfies your needs?	Not really (all respondents).
28. Do you trust in the brand?	Need to be more trendy to trust them; need to associate to famous people to bring credibility.
29. How likely are you to consider Zilian in the next shoe purchase?	Now that we've talk about it and know more yes; Got curious, now want to go, is the power of talking, they should communicate more.
30. Which brands do you consider Zilian's competitors?	Forever; Hera; Seaside; Eureka; MaryPaz; Fly.
ZILIAN & ONLINE	
32. In your opinion, does Zilian add value to its bra	Completely. With support from bloggers; A website appealing, clean, intuitive; The website of Harper is great.
33. Do you think a digital environment fits with the brand or is against the brand's image?	Yes, totally fits (all agreed).
(Show the website and ask opinion)	<i>"Awful, the background shoul dn't be white, should be dark"; " Should have a 360° view"; "A video with people using and walking on it"; "People with a good look that fits with the shoes"; Overall thought it didn't enhance the purchase experience.</i>
34. Do you follow Zilian on facebook and other social networks?	No (all respondents).
35. After this reflection about Zilian, do you think it would be a good idea for the company to become more digital, with an improved online shopping store and an expansion off boarders only through the online channel?	<i>"They should restart the brand when the online is released in a totally new way"; "A huge release to show the online"; "They should do discounts special for online purchases only"; "The online is not a barrier from the moment we are sure it is trustworthy, they have to be associated with bloggers and then we are sure it's good".</i>
COMMUNICATION	
36. Which are the vehicles you use to get updated in	Instagram; Observador (five pieces of the season); Nit; On the street; Brands websites; Pinterest
37. Which channel do you think is the best for Zilian to communicate with the younger crowd?	Instagram and news (media in general) (all respondents).

13. Survey Questions and Answers (in graphs)

Totals		
Respondents	People who buy online	People who buy products
166	91	70

Q1 Where do you usually get inspiration for your daily fashion looks?						
	Instagram	Fashion Magazines	Pinterest	Friends & Family	Street	Other
Frequencies	88	33	28	112	84	13
Percentage	53,0%	19,9%	16,9%	67,5%	50,6%	7,8%

Q1 Other	
Blogs	2
My own style	5
Online stores	1
Stores	3
TV	1
Celebrities	1

Q2 How often do you shop online?					
	Every week	Every month	Sometimes per year	Rarely	Never
Frequencies	6	28	57	56	19
Percentage	3,6%	16,9%	34,3%	33,7%	11,4%

Q3 What do you usually buy online?			
	Services	Products	Both
Frequencies	21	15	55
Percentage	23,1%	16,5%	60,4%

Q4 What do you value the most in a brand's website?							
	Website's intuition	360° view of items	Models / People using products	Special online discounts	Reviews	Video w/ product	Other
Frequencies	42	31	32	42	22	9	4
Percentage	60,0%	44,3%	45,7%	60,0%	31,4%	12,9%	5,7%

Q4 Other	
Description of the materials	1
Information about the product	1
Several payment and shipping options	1
Trustworthy websites	1

Q5 Which are the main advantages of online shopping, in your opinion?						
	Happy twice	Time saving	Don't need to leave the house	Can access foreign brands	Can buy from stores that only exist online	Other
Frequencies	20	51	34	57	43	5
Percentage	28,6%	72,9%	48,6%	81,4%	61,4%	7,1%

Q5 Other	
Availability of all sizes	1
Effective buying	2
Allows multitasking	1
Special discounts	1

Q6 Which are the main barriers of online shopping, in your opinion?						
	Inability to touch the product	Risk of not fitting	Shipping costs	Time until delivery	Return policies	Other
Frequencies	54	59	36	33	26	2
Percentage	77,1%	84,3%	51,4%	47,1%	37,1%	2,9%

Q6 Other	
Payment options	1
Many unreliable websites	1

Q7 To what extent do you agree with the following sentences?						
	The online store substitutes the physical store		I only buy online after checking the item at the store		I only buy online if the brand does not exist in my country	
	Frequencies	Percentage	Frequencies	Percentage	Frequencies	Percentage
Totally disagree	11	15,7%	20	28,6%	27	38,6%
Disagree	40	57,1%	40	57,1%	25	35,7%
Agree	13	18,6%	8	11,4%	13	18,6%
Totally agree	6	8,6%	2	2,9%	5	7,1%

Q8 Top 5 Fashion Mentioned Brands	
Asos	30
H&M	17
Mango	68
Massimo Dutti	14
Zara	142

Number of times Zilian was mentioned	0
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Q9 Top 5 Mentioned Shoe Brands	
Adidas	27
Aldo	26
Nike	11
Seaside	53
Zara	91

Number of times Zilian was mentioned	2
--------------------------------------	---

Q10 How often do you buy a pair of shoes?						
	Whenever I feel like buying one	Every month	Every 3 months	Every 6 months	Every year	Rarely
Frequencies	37	6	48	45	22	8
Percentage	22,3%	3,6%	28,9%	27,1%	13,3%	4,8%

Q11 Which are the features you value the most in a pair of shoes?						
	Comfort	Quality	Versatility	Price	Design	Other
Frequencies	145	86	32	119	114	2
Percentage	87,3%	51,8%	19,3%	71,7%	68,7%	1,2%

Q12 Did you ever buy shoes online?		
	Yes	No
Frequencies	50	20
Percentage	71,4%	28,6%

Q12.1 In which platform?

Adidas	3
Amazon	1
Asos	12
Clubefashion	1
eBay	3
Facebook	2
LaRedoute	4
MassimoDutti	2
NaguisaDesign	1
Net-a-porter	1
Nike.com	1
OkaaSpain	1
Richards.com	1
Sanuk.com	1
Sarenza	1
Seaside	2
Spartoo	2
ThroughtheSt	2
Zalando	1
Zara	8

Q12.1.1 How was the experience?					
	Extremely good	Good	Indifferent	Bad	Extremely bad
Frequencies	14	31	3	2	0
Percentage	28,0%	62,0%	6,0%	4,0%	0,0%

Q12.2 Why?			
	The size is difficult to know	Never know if they are comfortable	Other
Frequencies	13	14	1
Percentage	65,0%	70,0%	5,0%

Q13 Top 5 When mentioned Portuguese shoes?

Quality	127
Leather	17
Expensive	30
Design	29
Comfortable	53

Q14 Do you know Zilian?		
	Yes	No
Frequencies	122	44
Percentage	73,5%	26,5%

Q15 Do you own a pair of Zilian's shoes?		
	Yes	No
Frequencies	36	86
Percentage	29,5%	70,5%

Q16 To what extent do you agree with the following sentences regarding Zilian?				
	Zilian's brand is always considered when shopping for shoes		The brand doesn't fit to my taste	
	Frequencies	Percentage	Frequencies	Percentage
Totally disagree	30	24,6%	12	9,8%
Disagree	58	47,5%	68	55,7%
Agree	24	19,7%	30	24,6%
Totally agree	5	4,1%	3	2,5%
Don't know	5	4,1%	9	7,4%

Q16 To what extent do you agree with the following sentences regarding Zilian?				
	Zilian has a good value for money		Zilian is characterized by its outstanding customer service	
	Frequencies	Percentage	Frequencies	Percentage
Totally disagree	5	4,1%	2	1,6%
Disagree	33	27,0%	17	13,9%
Agree	57	46,7%	25	20,5%
Totally agree	2	1,6%	1	0,8%
Don't know	25	20,5%	77	63,1%

Q16 To what extent do you agree with the following sentences regarding Zilian?				
	Zilian's shoes are comfortable		Zilian has shoes for every occasion	
	Frequencies	Percentage	Frequencies	Percentage
Totally disagree	5	4,1%	2	1,6%
Disagree	7	5,7%	15	12,3%
Agree	46	37,7%	67	54,9%
Totally agree	7	5,7%	20	16,4%
Don't know	57	46,7%	18	14,8%

Q16 To what extent do you agree with the following sentences regarding Zilian?					
		The brand has the basic shoes every woman needs		It's a brand mostly for working women	
		Frequencies	Percentage	Frequencies	Percentage
Totally disagree		3	2,5%	1	0,8%
Disagree		20	16,4%	35	28,7%
Agree		54	44,3%	37	30,3%
Totally agree		15	12,3%	22	18,0%
Don't know		30	24,6%	27	22,1%

Q18 Age			
		Younger Millennial [17;25]	Older Millennial [26;35]
Frequencies		123	43
Percentage		74,1%	25,9%

Q19 Occupation					
		University student	Employed	Unemployed	Other
Frequencies		83	69	8	6
Percentage		50,0%	41,6%	4,8%	3,6%

Q20 Family annual gross income					
		Less than €20,000	[€20,000; €40,000[[40,000; €60,000	More than €60,000
Frequencies		54	63	26	23
Percentage		32,5%	38,0%	15,7%	13,9%

STATISTICAL TESTS:

- Chi square test with Ho: The frequency of online shopping does not vary with the income level of consumers.

		Family annual gross income			
		Less than €20,000	[€20,000; €40,000[[€40,000; €60,000	More than €60,000
How often do you shop online?	Every week	16,7%	50,0%	16,7%	16,6%
	Every month	32,2%	35,7%	21,4%	10,7%
	Sometimes per year	28,1%	36,8%	14,0%	21,1%
	Rarely	32,1%	37,5%	17,9%	12,5%
	Never	52,6%	42,1%	5,3%	0,0%

Chi-Square	0,546
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- Chi-square test with Ho: The characteristics most valued in a website do not vary with the frequency with which consumers buy shoes online.

		Did you ever buy shoes online?		Chi-square
		Yes	No	
Characteristics of most valued website?	Intuition of the website	58,0%	65,0%	0,589
	360° view	44,0%	45,0%	0,939
	People using the product	48,0%	40,0%	0,544
	Special online discounts	58,0%	65,0%	0,589
	Reviews	34,0%	25,0%	0,464
	Videos	16%	5%	0,214

- Chi-square test with Ho: The fact of people buying shoes online is not influenced by the regularity with which they shop online.

		Did you ever buy shoes online?	
		Yes	No
How often do you shop online?	Every week	100%	0%
	Every month	70,80%	29,20%
	Sometimes per year	68,30%	31,70%

Figure 4: Buying shoes online dependence to frequency of online shopping

Chi-Square	0,333
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- Chi-square test with Ho: The source of inspiration for daily looks does not vary with engagement in online shopping engagement.

		Q1: Where do you usually get inspiration for your daily fashion looks?					
		Instagram	Fashion Magazines	Pinterest	Friends&Family	Street	Other
How often do you shop online?	Every week	66,7%	33,3%	16,7%	50,0%	33,3%	16,7%
	Every month	67,9%	28,6%	28,6%	71,4%	28,6%	3,6%
	Sometimes per year	49,1%	21,1%	24,6%	64,9%	54,4%	14,0%
	Rarely	57,1%	16,1%	7,1%	71,4%	57,1%	1,8%
	Never	26,3%	10,5%	5,3%	63,2%	57,9%	10,5%
Chi-Square		0,059	0,461	0,030	0,779	0,098	0,115

- Chi-square test with Ho: Owning a pair of Zilian's shoes is not influenced by the level of income of consumers.

		Do you own a pair of Zilian's shoes?	
		Yes	No
Family's annual gross	Less than €20,000	38,9%	23,3%
	[€20,000; €40,000[27,8%	45,3%
	[€40,000; €60,000[19,4%	15,1%
	More than €60,000	13,9%	16,3%

Chi-Square	0,207
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- Chi-square test with Ho: Knowing the existence of the brand Zilian does not vary across online consumers.

		Do you know Zilian?	
		Yes	No
How often do you shop online?	Every week	66,7%	33,3%
	Every month	75,0%	25,0%
	Sometimes per year	82,5%	17,5%
	Rarely	73,2%	26,8%
	Never	47,4%	52,6%

Chi-Square	0,057
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- ANOVA test with Ho: Opinions about online stores is not influenced by knowing the brand Zilian or not.

		Do you know Zilian?	
		Yes	No
Opinions about physical & virtual stores (being totally)	The online store substitutes the physical store (1)	2,20	2,31
	I only buy online after checking the item at the store (2)	2,00	1,63
	I only buy online if the store does not exist in my country (3)	1,94	1,94

ANOVA (1)	0,664
ANOVA (2)	0,097
ANOVA (3)	0,979

- Chi-square test with Ho: Chosen disadvantages of online shopping change according to those who know or don't know the brand.

		Do you know Zilian?		Chi-square
		Yes	No	
Disadvantages of online shopping	Inability to touch the product	34,4%	25,0%	0,25
	Risk of not fitting	37,7%	29,5%	0,332
	Shipping costs	23,0%	18,2%	0,511
	Time until delivery	16,4%	29,5%	0,061
	Return policies	19,7%	4,5%	0,018
	Other	1,6%	2,3%	0,787

14. CBBE Model Applied To Zilian's Potential Target

- Salience

The brand is not in the consideration set of Millennials not in the range of fashion brand or even when narrowing the topic to footwear brands. The study showed that only three people of the sample recalled Zilian when asked to mention shoe brands. Despite a low awareness, when the brand is mentioned the majority actually knows the brand.

These shoes are linked to practicality, that is, Millennials associate the brand to those shoes every women needs, the basic pair to work and go to parties.

- Performance

The brand is seen as comfortable and with a good value for money, which is totally in line with what Millennials value in footwear.

- Imagery

Personifying the brand, Millennials think Zilian is mainly for working women that need several pairs of shoes.

- Judgements

Despite the brand not being in the consideration set of the young target, one can verify that it is seen as a product of much quality for its price.

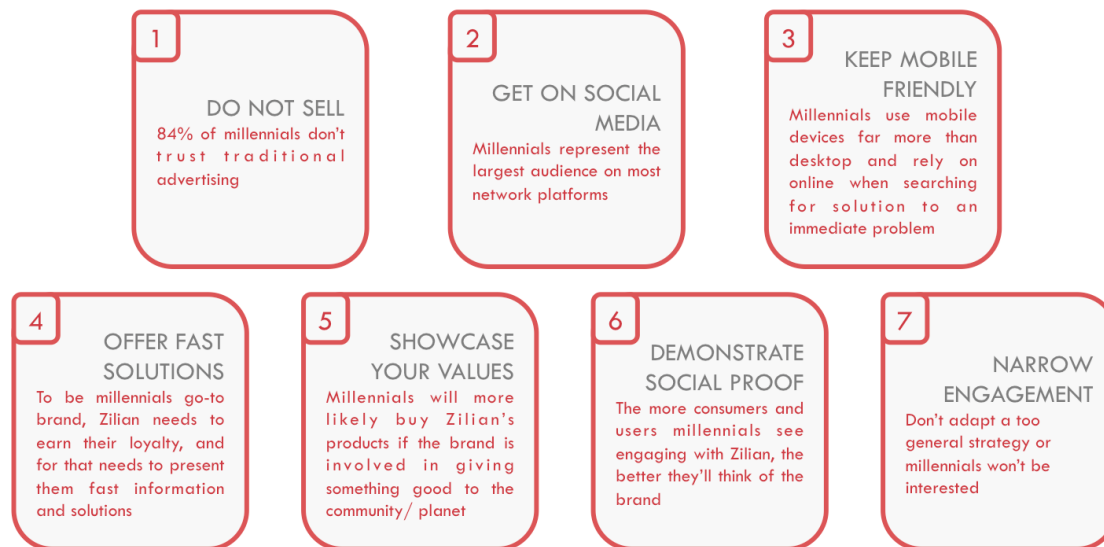
- Feelings

The brand does not bring many feelings to this audience once they have little to no relation to the brand. Millennials don't even recognize the feature Zilian thinks to be one of its key success factors, its differentiating customer service.

- Resonance

Regarding some type of relationship, these consumers don't have any kind of bond with the brand once most of them don't buy the brand's merchandise nor knows much about it.

15. Forbes Model To Effective Communication With The Millennial Target



<http://www.forbes.com/sites/jaysondemers/2016/06/27/7-ways-to-target-millennials-through-content-marketing/#5eaf1ee11a9>

16. Answers to Teaching Notes

1. Please describe the method to measure brand equity, on a customer based, when the brand adopts a digital strategy at its core. Please compare it with the traditional model.

According to Christodoulides, de Chernatony, Furrer, Shiu and Abimbola, when in an online environment one has to adapt the customer based brand equity model to the new reality therefore it has to be inserted the interaction consumers have with the brand both in the online and offline environment.

Starting in the new environment the emotional connection comes first in this new equity measurement model. This variable measures the feelings driven by the brand on consumers. Affiliation, care and empathy the most important variables included in this dimension. Comparing with the classical Keller's model, this dimension could be compared to the aggregation of "Imagery", "Feelings" and "Resonance" all into one big variable regarding the emotional connection to the brand.

As a second measurement, online experience tests how consumers understand the brand online. If, along the process, something doesn't work, this bad association will immediately be linked to the brand's equity. Easy usage, navigation and speed were selected as the most important

factors to keep in mind when providing a good online experience. The online experience is the adaptation of the “Performance” dimension in a regular offline brand measured through the CBBE classical model.

Responsive service nature is related to how the customer service is transported to the online and how this relationship can be facilitated through the website usage. A good responsive rate and a high interaction with clients offer a higher chance for the brand to score a positive impression in consumers’ experience. This customer service related dimension can lead to many feelings of security and affection towards the brand, therefore, one can compare it to the CBBE level of “Feelings” which concerns the emotional evaluation a customer makes, the feelings developed towards that brand.

Another variable to measure this new model of customer based brand equity is trust. This factor regards the confidence consumers have in a brand’s intentions concerning privacy and security of customers’ personal data. As the previous dimension, trust can also be linked to “Feelings” the brand provides to customers.

For last, fulfilment is the dimension that crosses over both the online and offline worlds. It measures the difference between the expectations of the product ordered online and the actual item delivered. This dimension is measured according to the accuracy of the product and the delivery dynamics. Matching the online and offline environment and measuring how the brand meets the expectations can be related to the “Judgment” consumers make of brands. This is a rational evaluation in which clients analyse how the product/ service actually satisfies their needs in the way it is delivered through the brand.

This comparison of both CBBE models shows that both models complement each other. Different variables can be measured according to the vehicles used by the brand: When a brand commercializes in the online environment there are some particularities that must take into account, but the core is still a brand that needs to take into consideration all the measurements present in the CBBE pyramid by Keller.

2. Please describe Zilian’s positioning strategy, at the moment. Mention the challenges faced by the brand, in the near future, according to the consumer trends in footwear.

Zilian is a brand that positions itself as accessible, trendy, unique, and with variety to satisfy several tastes without forgetting its quality of product.

Zilian cares about its customers’ time and money, providing therefore unique characteristics like a large variety of shoes (to save the time of going to many stores to find the pursued

product) and giving the opportunity to buy basic shoes (an entire line of basics, present all year long, to save money by purchasing less pairs for more occasions).

Despite having the product features in line with the target, Zilian faces some challenges in what regards consumer trends in this market: (1) The increasing demand for athletic footwear, due to health concerns, will force Zilian to ponder the style/ category (athletic or non-athletic) of shoes chosen to commercialize; (2) The increase in working professionals and its purchasing power is another trend in footwear that has to be considered in a way to balance the category of footwear chosen by Zilian; (3) The increasing internet retailing is a factor that will make Zilian adopt new ways of selling its merchandise, or adapt and communicate in another way its vehicles used, in order to put Zilian in Millennials radar of footwear brands; and for last (4) The increasing fashion concern from both men and women demand a large variety of products and an increasingly faster production process.

3. In your opinion, how can Zilian leverage of its brand personality to reach the Millennial consumer successfully?

Values and beliefs are an important characteristic where these two parties are totally in line. Zilian focuses in empowering women and giving them voice to fight for equal rights in society while Millennial women are gaining their space in the working place and fighting for a continuous victory in society's battles.

It is important to create a relationship with Millennial costumers by showing inspirational messages, interesting visuals and provide a space for women to voice their opinions.

In a way of conclusion, since these two parties are in line in the matter of values and beliefs, they have similar personalities from which Zilian can take advantage and develop its relationship/ bond with the Millennial women. This is extremely important because Millennial women value brand character and ponder it when choosing a brand.

4. According to the research findings, should the brand change its present communication strategy to reach the Millennial women? Please explain the reasons why.

In my opinion, Zilian should change its approach to communicate to the new potential target, in order to be closer to consumers and develop a relationship with them. When analysing the research findings one can conclude that the company is not present in Millennials' minds, nor in their considerations set, and when asked about key factors that differentiate Zilian, the Millennial women don't recognize them. This means the brand is not having an effective

communication, despite having products with features that go in line with what Millennials value in shoes (e.g: comfort), therefore a new way of communicating is needed.

Through the entire analysis of the research findings, social media is a good vehicle to use, once is the place where Millennials are at but, as mentioned in the chapter of conclusions, a change in vehicles is not enough: the company has to communicate interesting and engaging content in order to create a bond and communicate its values to Millennial women that value so much a trusting relationship with the brands they buy.

5. According to the information from both the case study and market research, which do you think are the main sources of Zilian's customer based brand equity?

SALIENCE: The brand is not recalled by Millennials, therefore, a low awareness of the brand is present.

PERFORMANCE: The brand claims, and the Millennials agree, that Zilian has comfortable shoes with high value for money and a variety to every taste.

IMAGERY: Zilian is found to be for working women with a high sense of fashion. Personifying of the brand, Zilian is a woman from 28 to 50 years old that is hard working, cosmopolitan, demanding and aware of all the latest trends in fashion.

JUDGEMENTS: Millennials think the brand has high quality despite not being present in Millennials consideration set. On the other hand, Zilian claims to also be a superior brand to other once its quality is above many competitors but is one of the brands with lower price of shoes.

FEELINGS: Despite not many feelings are burst by this brand in Millennials hearts, Zilian defends to have a differentiating customer service and a well defined culture that make of this an unique brand. These characteristics might be identified by older women (not present in the segment studied), which bring equity to the brand, despite its source not being from Millennials.

RESONANCE: Regarding relationships, these consumers don't have any kind of bond with the brand, once most of them don't buy its merchandise nor knows much about it. Despite this view from the younger generation (Millennials), the brand claims its consumers buy Zilian's shoes also by its culture that is similar to that of its clients.