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MASTERS IN MANAGEMENT (MIM)

MASTERS FINAL WORK

PROJECT

MARKETING PLAN FOR BRODHEIM GROUP´S BRANDS: TOD´S AND BURBERRY

LEONOR BARROCA ASSOR

MARCH - 2024

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RESUMO

O objetivo deste trabalho final de mestrado é desenvolver um plano de marketing para o Grupo Brodheim, líder retalhista de moda em Portugal. A análise foca-se em duas marcas de luxo representadas pelo grupo em Portugal, nomeadamente Burberry e TOD's. O principal objectivo é fornecer recomendações que visem impulsionar as compras nacionais destas marcas e que aumentem a visibilidade e a reputação do Grupo Brodheim.

A revisão de literatura, cobriu bens de luxo, gestão de marketing para bens de luxo e premium, gestão e portfólio de marcas, notoriedade da marca, retalho de luxo, lojas emblemáticas e planeamento de marketing. O plano de marketing foi estruturado a partir dos modelos de plano de marketing propostos por McDonald (2007), McDonald (2017), Kotler e Armstrong (2018), Wood (2017) e Westwood (2006). As análises macro e microeconômicas foram fundamentais para a identificação de oportunidades para o grupo, orientando o desenvolvimento das estratégias de marketing.

A metodologia utilizada neste projeto foi a investigação-ação, que permite ao investigador realizar a investigação enquanto se encontra em contacto direto com a empresa. Os dados primários foram recolhidos através de entrevistas semiestruturadas a colaboradores do Grupo Brodheim, enquanto os dados secundários foram obtidos através de websites estatísticos e governamentais.

Concluiu-se que o sector do luxo em Portugal ainda está fortemente dependente de turistas e residentes estrangeiros. Para impulsionar as vendas internas, uma estratégia recomendada é envolver influenciadores nacionais que demonstrem um estilo de vida luxuoso. Por fim, todas as outras estratégias têm como objetivo aumentar a visibilidade do grupo e o crescimento das vendas

Palavras-chave: Plano de marketing, Luxo, Marca, Retalho, Pesquisa de ação
JEL: M10 - Administração Geral de Empresas; M31 - Marketing

ABSTRACT

The objective of this final master's thesis is to formulate a marketing plan for the Brodheim Group, a prominent fashion retailer in Portugal. The analysis focuses on two luxury brands under the group's representation in Portugal, namely Burberry and TOD's. The primary aim is to provide recommendations that will boost domestic purchases of these brands and elevate the overall visibility and reputation of the Brodheim Group.

The literature review conducted, encompass topics such as the definition of luxury goods, marketing management for luxury and premium goods, brand management and portfolio, brand awareness, luxury retailing, flagship stores, and marketing planning. The framework of references was structured using marketing plan models proposed by McDonald (2007), McDonald (2017), Kotler and Armstrong (2018), Wood (2017), and Westwood (2006). Macro and microeconomic analyses were crucial for identifying opportunities for the group, guiding the development of marketing strategies.

The methodology employed in this project is Action Research, which allows the researcher to conduct research while being in direct contact with the company. Primary data supporting the plan was gathered through semi-structured interviews with employees of the Brodheim Group, while secondary data was sourced from statistical and governmental websites.

It was concluded that the luxury sector in Portugal is still strongly reliant on tourist consumers and foreign residents. To boost domestic sales, a recommended strategy is to engage national influencers who embody a luxurious lifestyle. Finally, all other strategies aim to increase the group's visibility and sales growth for the brands it represents.

Keywords: Marketing plan, Luxury, Brand, Retail, Action Research
JEL: M10 – Business Administration General; M31 – Marketing

ÍNDEX

TABLE INDEX

FIGURE index

CHAPTER 1 – INTRODUCTION

The objective of this final master´s project was to develop a marketing plan for Brodheim Group, a leading fashion retailer in Portugal that represents luxury and premium brands in 60 mono-brand shops and distribute fashion products to 500 multi-brand stores.

To achieve the objective of this project, three research questions have been proposed: 1) What is the current situation of the company? 2) What is the main trends and features of luxury market in Portugal? 3) How to develop strategies within a company representing luxury brands that can increase its sales? Additionally, the focus of this project is to analyze the management strategies employed by the company concerning the two luxury brands it represents in Portugal, namely Burberry and TOD´s.

The purpose of marketing planning is to clearly outline the company's objectives and desired actions, and to effectively communicate them to relevant parties namely, employees, collaborators, and stakeholders (Chernev, 2020). More specifically, the marketing plan starts with an overview of the company, followed by an analysis of both external and internal factors, and SWOT analysis. This is succeeded by the plan´s assumptions, the Segmentation, Targeting and Positioning strategy (STP), objectives, and actions, concluding with the budget and its planning and control measures.

According to Kapferer et al. (2016), luxury´s essence relies on the belief that luxury items hold value beyond their utilitarian worth. These goods can have higher prices compared to functionally similar goods with lower prices, without having the need to justify it (Kapferer, 1997). The luxury goods market is a significant market segment, especially in Europe (Statista, 2024). In fact, the revenue from the luxury goods market in Europe is projected to reach 115.60 billion dollars by 2024 (Statista, 2024), and still in 2024, Europe generates a per capita revenue of 137.00 dollars (Statista, 2024).

Portugal's luxury goods market is expected to generate 1.989 billion dollars in revenue in 2024, and between 2024 and 2028, it is expected to grow at an average annual rate of 4.36%. Luxury fashion is the main segment of Portugal's luxury market, with a projected market value of 760.60 million dollars in 2024. Furthermore, estimates indicate that by 2024, online sales will generate about 6.9% of the Luxury Goods market's overall

revenue (Statista, 2024). In Portugal, despite its own economic challenges, the luxury market is on a growing trajectory. The secretary-general of the Portuguese Association of Brand of Excellence (Laurel) predicts that the luxury market contributes between 5% and 7% of the country Gross Domestic Product (GDP), or five (5) to seven (7) billion euros, to the national economy. This expansion is attributed to affluent individuals, who include both foreign residents and tourists.

Considering the global significance of the Sustainable Development Goals (SDGs) established by the United Nations (UN), this project considered implementing at least one marketing mix strategy that could support the development of one of these goals. The selected SDG was SDG 12 – Sustainable Consumption and Production. To contribute to this goal, a proposed action was the development of a website with the aim of buying and selling of second-hand luxury items, from brands represented by the group, for already clients.

In terms of structure, this project is divided into six chapters: Introduction, Literature Review, Theoretical Framework, Methodology, Marketing Plan, and finally, the Conclusion.

CHAPTER 2 – LITERATURE REVIEW

Aligned with the objectives of this project, the literature review will concentrate on the principles of luxury and premium goods marketing management, luxury retailing, brand portfolio, and marketing planning.

2.1 Luxury Goods

Given the intricate nature of luxury and the varied interpretations attributed by different authors, a unanimous definition proves elusive (Kapferer et al., 2016). The essence of luxury is grounded in the belief that the value of these items surpasses their utilitarian worth (Kapferer et al., 2016), underscoring that the pricing of luxury goods cannot be solely rationalized by their functionality (Kapferer et al., 2016). In a similar vein, as posited by Nueno and Quelch (1998), luxury goods exhibit a low functional utility-to-price ratio. Echoing these concepts, luxury goods are identified as those boasting the highest quality-to-price ratio in the market. Essentially, this implies that luxury items can

command higher prices compared to functionally equivalent goods with lower prices, without the need for explicit justification (Kapferer, 1997).

Consumers have the ability to showcase their wealth, power, and status by engaging in conspicuous consumption of luxury goods, as highlighted by Berthon et al. (2009). At the same time, Wicklund and Gollwitzer (1981) proposed that consumers use luxury goods as a mean to gain approval from others. Furthermore, the use of status goods enables the individuals to communicate aspects of themselves to their reference groups (Husic & Cicic, 2009). Nevertheless, not every consumer emulates the buying behavior of the reference groups they aspire to join (Dholakia & Talukdar, 2004), and some of them prioritize inconspicuous benefits, such as product quality (Beverland, 2006).

Barnier, Falcy and Vallete-Florence (2012) suggested that there are three distinct luxury goods based on the varying degrees of consumer accessibility: inaccessible luxury, intermediate luxury, and accessible luxury. These types of luxury goods are accessible to, respectively, elite, professional classes, and middle classes. The first tier is associated with the elite social class, in which goods possess high values, conferring upon the consumer greater social standing. The second tier is associated with the professional social class, embodying goods that, while luxurious, are more readily within the reach of consumers belonging to this stratum. Finally, the third and last tier corresponds to the middle class, characterized by products that are accessible to consumers endeavoring to ascend the social hierarchy through their consumption patterns (Doss & Robinson, 2018).

2.2 Luxury and Premium Goods Marketing Management

Premium and luxury goods exhibit common traits, including selective distribution, elevated pricing, and an affiliation with status, as noted by Lyons et al. (2019). Given the conceptual proximity of luxury and premium, it is essential to understand the extent to which marketing strategies differ between luxury and premium brands (Lyons et al., 2019).

Beverland (2005) contended that merely increasing the price of a premium product is inadequate for it to qualify as a luxury item. In alignment with Karpik and Scott's (2010) perspective, the unique aspect of high pricing in luxury goods is intricately linked to elements such as heritage, history, country of origin, place, and superior quality, as emphasized by Moore et al. (2010). Whereas premium goods rely more on the functional attributes of their products, luxury goods allocate greater resources toward creating

symbolic meaning (Heine, 2012). Kapferer (2009) further claimed that if it was solely from the tangible distinctions that the price was decided, i.e., superior performance, the good would be classified as premium or super-premium, rather than gaining the status of luxury.

2.3 Brands and Brand Portfolio

In accordance with Kotler (1991), a brand can be defined as "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" (p. 442). Another way to define a brand, according to Kotler and Keller (2013), is to consider it as a product or service that differentiates from others that are designed to meet the same need. These differences can be based on practical, logical, or tangible attributes associated to the products´ performance. On the other hand, it can also involve symbolic, emotional, or intangible aspects connected to the abstract meanings that the brand represents (Kotler et al., 2013). Clow and Baack (2014) defined a brand as the name given to a good, service, or collection of complementary products that are owned by a company and may be its only brand or part of a portfolio of brands. In Wood´s (2000) perspective a brand is an addition to the basic product. From the consumer's perspective, brands can help to choose a product, determine the level of quality, reduce the risk of purchase, or generate trust. The success of brands depends on their marketing activities as well as their relationship with consumers (Keller et al., 2006).

A brand portfolio includes all the brands marketed by a company within a specific product category (Keller, 2010). Aaker (2004) defined brand portfolio as a strategic concept designed to consolidate a group of brands, creating synergies among them, and creating a more effective overall brand strategy. In accordance with Kapferer (2017), the goal of a brand portfolio is to strategically position each brand to maximize market coverage. In the process of managing the brand portfolio, the decisions regard the addition, retention, or elimination of specific brands (Varadarajan et al., 2006). And one of the most demanding decisions is either a company should retain or discontinue a less successful brand within their brand portfolio (Shah, 2015). In addition, a crucial concern within portfolio management relates to the sort of brands within the brand portfolio (Apéria and Back, 2004), including the number of brands the company must manage and how the relationship between the brands is defined (Kotler, 2008). The assessment of a brand portfolio is based on the company ability to maximize the brand equity of a brand

without compromising the equity of other brands within the portfolio (Bakker, 2014). Finally, it is possible to adopt a multi-portfolio strategy based on product category and thus facilitate portfolio management (Rajagopal, 2019).

2.3.1 Brand Awareness

In accordance with Aaker (1991), brand awareness can be defined as "(…) the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. A link between product class and brand is involved." (p. 61). On his side, Keller (2010) defined brand awareness as the ability of end consumers to identify the same brand in diverse contexts. Brand awareness consists of brand recognition and brand recall (Keller, 2010). While faced with the decision to buy a product or service, the brand must be considered. If there is nothing to consider, the likelihood is that there is nothing to choose (Malik et al., 2013). Brands that consumers are familiarized with are more likely to be considered (Huang e Sarigöllü, 2014), and so awareness of the brands must be present in order for them to be included in the consideration set (Aaker, 1991). The higher the level of brand awareness, the greater the chances of the brand being chosen by the consumer (Keller, 1933).

The challenge for luxury brands is to maintain the sense of privilege and exclusivity even as they grow in popularity (Kapferer & Valette-Florence, 2018). Kapferer (2017) proposed that to sustain the dream about luxury brands, the penetration rate should be below the brand awareness rate. "Luxury brands must be desired by all but consumed only by the happy few "(Kapferer, 1996, p. 255).

2.4 Luxury Retailing and Flagship Stores

Moore, Doherty, and Doyle (2010) defined luxury fashion retailers as companies that distribute clothing, accessories, and assorted lifestyle products, characterized by higher price, a perception of superior design and quality. Physical stores are one of the central elements of a luxury brand´s value proposition (Kapferer, 2017). This is so, because the physical experience inside a store involves customers physically engaging with their goods, and so involves cultivating a connection between customers and store staff (Dauriz et al., 2014). For this reason, physical retail stores serve as the primary distribution channel for luxury brands (Schüller et al., 2018). Retailers need to ensure that their stores

are appealing to their target markets (Baker et al., 1992), since it is a way to encourage shopping. (Sachdeva et al., 2015). Specifically, luxury brands enrich their offer by delivering interactive and tangible experiences, filling their stores with comfort and glamour (Bauer et al., 2011). However, despite the advantages offered by physical stores, the online sale of luxury brands are also important, (Kluge et al., 2015), which could also lead to the erase of the exclusivity sense, that is conveyed by physical stores (Pantano et al., 2018).

A flagship store refers to a brand´s own store located in a prominent area, offering a comprehensive range of products, and encompasses a high-quality retail environment designed to communicate the brand´s position and values (Manlow and Nobbs, 2013). In the development of the international market, the flagship store serves as the primary form of direct investment for entering foreign markets (Moore et al., 2010). The success or failure of a retail store can significantly depend on its location (Vandell et al., 1994). Luxury retailer typically position their flagship stores on the primary shopping street of the most important cities (Moore et al., 2010).

2.5 Marketing Planning

A marketing plan is a document that summarizes the market analyses carried out by marketing professionals hence indicating how the company intends to achieve their goals (Kotler et al., 2013). Wood (2017) proposed a similar definition arguing that "(...)This internal document outlines the marketplace situation and describes the marketing strategies and programmes that will support the achievement of business and organizational goals over a specified period, usually one year. "(p. 4). Companies create annual marketing plans (Kotler et al., 2013), since the objectives of a company will vary over time (Westwood, 2006). Also, different plans can be created for each brand, as well as for each market and new product to be launched (Wood, 2017).

The marketing plan begin by delineating the company's objectives, ensuring that the planning aligns with these goals (Westwood, 2006). After that, there is the definition of marketing objectives, specifying what is intended to be achieved (Kotler & Armstrong, 2018). These objectives are realized through defined marketing strategies, which relate to the elements of the marketing mix—product, price, promotion, and place (Kotler & Armstrong, 2018). For each objective, it is necessary to formulate strategies related to these individual elements (McDonald, 2017).

The initial step of the marketing planner proper involves conducting research on the relevant markets, with subsequent analysis of this information within the context of product commercialization, that is an External Marketing Research. (Westwood, 2006). Subsequently, there is an examination of internal data, such as sales and profits related to the products and plan areas, that is an Internal Marketing Research (Westwood, 2006). Following the compilation of market-related information, a SWOT analysis is conducted (Wood, 2017), including assumptions encompassing external economic, technological, and competitive factors (McDonald, 2017).

Following the delineation of the marketing strategy, action plans are prepared (Westwood, 2006). The subsequent steps include defining programs, outlining who is responsible for what, when, where, and how. The preceding steps should be cost-effective, leading to the establishment of budgets that specify the resources required for plan implementation and quantifying the associated costs and risks (Wood 2017).

Finally, after completing all the above steps, the written marketing plan will be prepared, and it should be regularly reviewed as circumstances change (Westwood, 2006).

CHAPTER 3 – FRAME OF REFERENCE

Based on the literature review and the presented marketing planning models, the subsequent reference framework is proposed and detailed in Table 1.

In addition to the authors mentioned in the frame of references, who helped in constructing the present marketing plan model, there are also references to authors who helped in comprehending luxury and its implications. Specifically, Kapferer (2009) explained that if only tangible distinctions determined the price of these products, a luxury product could be categorized as premium or super-premium. Karpik and Scott (2010) also argue that the high price of luxury products is linked to elements such as heritage, history, country of origin, and location.

Both arguments have contributed to understanding the positioning of luxury brands, with the latter also explaining the pricing strategy of luxury brands.

Table 1 - Frame of Reference

Marketing plan structure	Authors
Mission and Values	McDonald (2007);Kotler & Armstrong (2017); Wood (2018)
Situational Analysis External Analysis Macro Analysis / Micro Analysis PEST factors: ● Political context / ● Market analysis ● Economic context / ● Competitor analysis ● Social context ● Technological context Internal Analysis ● Company resources ● Marketing-mix elements ● Competitor analysis	Westwood (2006); McDonald (2007); Wood (2017)
SWOT Analysis Strenghts and Weaknesses Opportunities and Threats	Westwood (2006); McDonald (2017); Kotler & Armstrong (2018)
Assumptions Assumptions must be made before proceeding with the planning process *i.e: External economic factors*	Westwood (2006); McDonald (2017)
Segmentation, Targeting and Positioning Defining the segmentation, target and positioning of the company.	Wood (2017); Kotler & Keller (2013); Kotler & Armstrong (2018); Kapferer (2009)
Objectives & strategies Describe what the company wants to achieve and how it is planning to achieve. Implementing the marketing-mix.	Westwood (2006); Wood (2017); McDonald (2017); Kotler & Armstrong (2018); Karpik and Scott's (2010)
Planning and control Regularly check and adjust the plan as conditions can alter. Establish measures to control.	Westwood (2006); Wood (2017)
Budget Establishing a budget to ensure that the preceding choices are cost-effective.	Westwood (2006); McDonald (2017)

Source: own elaboration

CHAPTER 4 – METHODOLOGY

4.1 Objective and Type of Study

This project aims to elaborate and define a Marketing Plan for Brodheim group, in which the goal is to evaluate how the company manages the luxury brands it has and, in the end, suggest recommendations. In order to collect data to inform the development of the marketing plan, a research was conducted. The approach of this research is mainly qualitative, which is characterized by the use of qualitative data. The research is descriptive, which is defined as one that has as its major objective the description of a phenomenon or situation (Malhotra & Birks, 2017). The research aimed at studying a particular phenomenon at a particular time, and thus had its temporal horizon as cross-sectional (Saunders et al., 2007). This research adopts the first steps of action research. According to Saunders et al. (2007), action research is a method that aims to resolve organizational issues, with the researcher, while doing the research, is also involved in the transformations that occur in the organization. Action research can be defined as a research that the researcher link with decision makers and stakeholders in order to improve particular situations (Saunders et al., 2007) and involves three key elements: research, participation, and action. The research component involves employing qualitative, quantitative, or a mix of both techniques to collect data. Subsequently, through analysis and interpretation of the results, knowledge is formed. Finally, participation requires researchers actively engaging in the process of change. Ultimately, the action aims to bring positive changes in the organization´s initial situation (Malhotra & Birks, 2017). Due to organizational constraint the evaluation and execution of the marketing plan were not conducted. Consequently, only the initial phase of action research, as defined above, was implemented.

4.2 Data Collection Instrument

The primary method employed for data collection involved semi-structured interviews featuring both open and closed questions. The study utilized a non-probabilistic convenience sample, as per the approach outlined by Malhotra and Birks (2017). In non-probability sampling, the researcher exercises judgment rather than relying on chance to select sample elements, affording the researcher the choice of including elements in the sample randomly or purposefully. Furthermore, convenience sampling, defined as a non-

probability sampling procedure, entails selecting cases at random based on their ease of acquisition (Saunders et al., 2007).

The interviews were conducted with five executives from the company, occupying strategically significant positions for the acquisition of pertinent information (see table 1). The interviews started with the vice-president of operations and finance departments, followed by the vice-president in charge of personal talent development (PTD), customer and digital marketing, and Lentes de Contacto 365 (LDC 365). Subsequently, the final three participants, namely the Head of Finance, Head of Brand & Product Fashion Retail, and Head of Sales Fashion Retail, were interviewed. All these participants play crucial roles as decision-makers in their respective areas.

Table 2 - Sample Characterization

Interview No. #	Role in the company	Duration of interview	Type
Interview 1	VP Operations and Finance	18:45	Face-to-Face
Interview 2	VP PTD, Customer & Digital MKT, LDC365	44:59	Face-to-face
Interview 3	Head of Finance	19:07	Face-to-face
Interview 4	Head Of Brand & Product Fashion Retail	32:23	Online
Interview 5	Head of Sales Fashion Retail	17:21	Face-to-face

4.3 Data Collection

The interview questions were crafted to align with the framework of references outlined in Chapter three (Appendix 1). Individuals chosen for interviews were contacted via email to arrange in-person interviews. Opting for in-person interviews aimed to facilitate a formal yet spontaneous conversation. Before commencing the interviews, participants were briefed on the recording process, clarifying that the sessions would be transcribed and later subjected to analysis. The interviews took place during the final two weeks of January 2024. Additionally, secondary data was gathered from internal company documents and governmental websites available on the internet pertaining to the market and business environment.

4.4 Data Analysis and Discussion of Results

The interview transcripts were imported into MAXQDA software, in order to analyze the data. The data was organized into thematic categories and corresponding codes were assigned using the coding-categorizing technique. To ensure the credibility of the results, an academic validated the codes to determine the extent of consensus regarding their implementation. Ten categories and eight subcategories were identified, with a total of 117 codes. The codes proposed were those considered most important for the elaboration of the marketing plan (Appendix 2).

Competitors

All of the interviewees who were asked about the Brodheim Group competition in the luxury market agreed that the brands looking to enter the Portuguese market themselves are their biggest rivals. As the quotation that follows attests: "*The main competition you have in this market is the brands coming direct.*" – Verbatim Head of Finance

For example, a situation that has already happened was the one in which the company started working with a brand, and at one point that brand expressed the desire to follow an independent path. It was further clarified that this is a situation that should always be considered when creating a business plan for a new brand: "*And we've often had experiences of starting with the brand and then, at a certain point, the brand wants to come directly*" – Verbatim VP of Operations and Finance.

Still on the topic of competition, the Head of Sales Fashion Retail clarified that, in terms of quality, even independently operating brands cannot directly compete with the Group. "*So in a more serious way, our biggest competition today is the brands that want to be directly in all the markets, because at the level of quality of operation and operationalization that Brodheim delivers, I believe that we wouldn't even have that competition.*" – Verbatim Head of Sales Fashion Retail.

Strategies

While arguing about the strategies of the company the Vice-President of Operations and Finances of the group stated that while managing luxury brands the public relations (PR) are important: "*It's also important to have someone who is more PR oriented, who has relationships with certain bloggers and personalities, and even with companies, interesting partnerships here. Normally you'd have to have someone on the team who was*

much more relational than a direct salesperson." - Verbatim VP of operations and Finance.

This demonstrates how crucial it is for PR to be a part of the management of luxury brands. It would be feasible to build connections with influential personalities in this way. It goes in accordance with Kapferer and Bastien (2013), which stated that public relations play very important role in local management by establishing unique relationship with VIP´s and major customers.

A crucial aspect of discussing the company's strategies was bringing up the fact that, being a retail business, the Brodheim Group finds it challenging to put marketing strategies into practice because these brands have global marketing guidelines that must be adhered to. This is demonstrated by the following quotation: *"Because there's always a tendency, when you look at it, to think about the marketing of it. Marketing it is something that comes with the brand. I've never had the capacity in Portugal to make a difference in the marketing of a brand, whatever you want it to be, right?"*- Verbatim Head of Finance.

The challenge of developing marketing strategies while being a representative of brands was revealed later in the interview with LDC365's VP of PTD, Customer & Digital Marketing. It was demonstrated that, in Burberry's case, approximately 99 percent of decisions are influenced by international scripts while the only area in which the group can have an impact is on customer service: *"The Brodheim group doesn't decide anything at Burberry. It's 99% international guidelines. The only freedom I have in brand management is in customer service" -* Verbatim VP of PTD, Customer & Digital MKT, LDC365

From the perspective of the Head of Brand & Product Fashion Retail, strategies involve negotiating with suppliers, since favorable conditions with suppliers are crucial for a profitable business. Similar findings were suggested in Dobson's (2004) study, where the authors explains that the purchasing power of retailers lies in their ability to negotiate more favorable conditions from suppliers than those available to other buyers.

Situation in the Market

When analyzing the primary consumers of luxury brands in Portugal, the response among the interviewees was unanimous. They all stated that the majority of luxury brand consumers were foreigners. According to the Head of Brand & Product Fashion Retail,

most of the group's customers are not Portuguese: *"In fact, the luxury market in Portugal, 90% are foreign clients"* - Verbatim Head of Brand & Product Fashion Retail.

The interviewees went a step further, asserting that foreigners should be categorized into distinct groups, specifically distinguishing between those who engage in luxury shopping and those who do not. In accordance with the Head of Brand & Product Fashion Retail, foreign nationalities are analyzed as follows: "*Here, too, we have to differentiate between the type of foreigner, perhaps the European customer doesn't have the same purchasing power as the Chinese customer or the Russian customer."*- Verbatim Head Of Brand & Product Fashion Retail. Interestingly, the latest statistics on the percentage share of the global market for personal luxury goods in 2022, categorized by consumer nationality, indicate that 22% of global consumers of personal luxury goods were European (Statista, 2023).

During the COVID-19 pandemic, the group came to realize that the customers on who Portuguese companies can always rely on are indeed the Portuguese residents. Considering the analyzed brands, Burberry and TOD's, these customers represent 10% of their current clientele. During the interviews, what was said about the Portuguese client led to the need to create a code called *Customization Tools*. The interviewees discussed a significant asset within the group: Salesforce software. This software platform facilitates the management of relevant information, enabling the organization of it. From Salesforce software the employees can obtain information about the customers that are already in the database, such as their birthday. With this information, the company can employ tactics to engage the consumer, such as sending an SMS to remind them of their birthday discount or congratulating the customer, thus fostering a relationship. In this way, the company tries to achieve the hyper-personalization that is so characteristic of luxury: *"I can say, look, it's the customer's birthday today, okay, let's give him a discount"* - Verbatim Head of Brand & Product Fashion Retail. Interestingly, the discounts are not a very popular form of luxury brand management, since it can make luxury goods available to a wider range of consumers, which could reduce their exclusivity (Vigneron & Johnson, 2004).

Luxury stores

It was evident from the interviews that luxury stores are typically situated on streets rather than in shopping malls. Consequently, these stores have a lower headcount compared to those located in shopping malls. Regarding human resources, employees of these stores receive higher salaries and receive a more extensive training. Additionally, these

employees are expected to have a strong cultural background and proficiency in multiple languages beyond their native tongue. As previously stated by Liu and Burns (2013), luxury consumers highly value the professionalism of salespeople in luxury stores. Also, the clientele prefers purchasing in-store especially because of the presence of trained sales staff.

These stores require a significant investment, not only in terms of human resources but also in their renovation and location. During the interviews, it was mentioned that the CEO of the company emphasizes multiple times that the most crucial factor is the location. Regarding visual merchandising, this requirement comes directly from the brand, and the company is obliged to adhere to these guidelines. That goes in accordance with Park et al. (2015) vision which that argued that visual merchandising holds significance as its role is to effectively communicate the brand and its offerings to target customers across all markets. This strategy ultimately differentiates the merchandise and the retail brand from competitors.

Word Cloud

Figure 2 displays a word cloud created from the interviewees' responses, allowing the observation of which words were most frequently used. Thus, luxury, market, investment, consumer, quality, and people are some of the most frequently used terms. The widespread usage of these terms helps to understand that sale of luxury goods demands investment to allow for high quality offers to the consumer, which not only include the goods proper, but also a high level of sales service. Since the interviews were conducted in Portuguese, the mother tongue of the interviewer and the interviewees, the word cloud is in Portuguese.

Figure 1 - Word Cloud

CHAPTER 5 – MARKETING PLANNING

The development of the marketing plan was based on the framework detailed in Chapter 3. The object of study was Brodheim group. Initially, an external analysis was conducted including PEST analysis, market analysis, and competition analysis. Subsequently, an internal analysis was conducted, focusing on the organization and its portfolio. Following this, a SWOT analysis was developed to guide the implementation of marketing objectives and actions. Lastly, it is presented the budget, schedule, and control.

5.1. Company Overview

Brodheim group is based in Lisbon, Portugal. The company operates in two business units: Fashion and Optics. The company employs a total of 627 people: 467 in fashion retail, 58 in optical retail, and 89 in back office.

The fashion unit is divided into retail and wholesale. In terms of retail, the company represents luxury brands and premium brands with 60 of its own mono-brand shops. The Lisbon and Tagus Valley area have the highest density of stores. In terms of wholesale, the company distributes products to multi-brand stores, representing with 500 clients.

Its optical operations are based in Portugal and Spain. In Portugal's retail business, Optivisão operates 260 franchised shops and 8 own shops. In digital commerce, the company owns Lentes de Contacto 365, which sells only online. The company's wholesale division includes ModaVisão and Servision, which have 500 and 800 clients as retail stores, respectively.

5.1.2 Misson, Vision, and Values

Brodheim group has the vision of being a leading reference in premium retail management in the fashion and optical retail sector. To achieve this, the company mission is to provide outstanding service and creating a unique commercial and relational experience for all its customers and stakeholders. The company´s values are Credibility, Sustainability, Ambition, Empowerment and Behavior. By following these values, Brodheim group is committed to excellence.

5.2 External Analysis

5.2.1 PEST Analysis

Economic Factors

In accordance with "Boletim Económico de Dezembro de 2023", the country´s economic growth rate is projected to decelerate from 2.1% in 2023 to 1.2% in 2024, and then 2.2% in 2025 and 2% in 2026. In 2024, the expected boost in economic activity can be attributed to various factors such as to an upturn in external demand, the positive effect of lower inflation on household income and an increase in investments supported by European funds (Banco de Portugal, 2023).

The inflation is forecast to decelerate from 5.3% in 2023 to 2.9% in 2024. This reduction is due to lower production costs and monetary policy measures implemented by the European Central Bank (Banco de Portugal, 2023). In addition, in October 2023, Banco de Portugal reported an unemployment rate of 6.7%. Projections for 2024 reveal a 0.,1% increase in employment, followed by a more significant 0.3% increase in 2025-26.

Forecasts suggest that the Gross Domestic Product (GDP) will be less dependent on private consumption in the next years, and both regular and luxury retail are to be impacted by this decline. Under the assumption of increases in disposable income, private consumption is projected to rise by 1% in 2023–2024 and by roughly 1.6% in the next years. It is anticipated that savings will rise and stay above 8% (Banco de Portugal, 2023).

Political Factors

The resignation of Prime Minister Antonio Costa in November 2023 unfolded a political crisis. However, political crisis in Portugal have historically had little impact on the country´s economic activity, so it is unlikely that this will change now (Expresso, 2023). The approval of the State Budget for 2024 provides some stability, however the economic consequences will be dependent on the resolution of this political crisis (ECO, 2023).

In the short term, it is less likely to have a significant impact, given the nature of the Portuguese economy, which is very integrated in the European Union and with a certain stability in its political relationships abroad. In medium term, economic effects may occur. However, this crisis may have a negative impact on Portuguese credibility and discourage foreign investment in the country (ECO, 2023).

Tax Free travel is one of Portugal's most appealing policies to foreign customers. Tax Free is a refund of VAT that is applicable to purchases made by tourists who are not citizens of the European Union. Customers who use Tax Free receive tax relief on their purchases; in mainland Portugal, the minimum amount required to receive a refund is €61.35 (for products with a 23% VAT rate).

A retailer can be impacted in its relations with customers by, PIRC - Individual Restrictive Trade Practices, presented in Decree-Law no. 166/2013. PIRC aims to promote transparency in commercial relations and to guarantee balanced competition between companies. ISDS regulates the application of discriminatory prices or sales conditions, lack of transparency in pricing policies and sales conditions, sales at a loss, refusal to sell goods or provide services and abusive commercial practices.

Social Factors

According to INE (Instituto Nacional de Estatística), on December 31, 2022, Portugal's resident population was estimated to be 10,467,366 people, 46,249 more than the previous year. In the year 2022, the gender distribution was 5,001,811 males to 5,465,555 females. The demographic aging trend in Portugal has continued to intensify, since the aging index was of 185.6 old people per 100 young people in 2022. According to the Census (2021), there has been a growing concentration of population on the coast and around the metropolitan areas of Lisbon and Porto. In 2021, the Lisbon metropolitan area had 2,869,627 inhabitants while Porto metropolitan area had 1,737,395 (Census, 2021).

According to information provided by CTT (2023), the Portuguese are increasingly concerned about buying environmentally friendly products and supporting companies that implement sustainable practices in their activity and intend to leave a positive impact on the world.

Technology Factors

A survey conducted between June and August 2022 revealed that 88.2% of households in Portugal have an internet connection at home (INE, 2022). Furthermore, internet is used by 84.5% of people aged 16 to 74 in 2022, 2.2 percentage points more than in the previous year (INE, 2022). Regarding the use of social networks, in January 2023, the country had 8.05 million social network users, corresponding to 78.5% of the total population (DataReportal, 2023). In an average of six months, between April 2023

and September 2023, the number of monthly active users on TikTok in Portugal was 3.3 million (ECO, 2023).

In recent years, one of the sectors that has experimented with technology and digitization the most is the luxury sector. The digitalization of luxury retail channels is accelerating due to advancement in technology. Over the past two years, total e-commerce sales have grown significantly. However, it is anticipated that offline retail could still generate over 70% of luxury companies´ revenues in 2025. Despite of the increase in digital channels, during the pandemic, physical luxury stores will remain crucial for their customers, because of their experiential value (Deloitte, 2023).

5.2.2 Sector Analysis

The luxury market has demonstrated resilience to political and macroeconomic changes. The global luxury market is expected to reach € 1.5 trillion in 2023, an increase of 8-10% from 2022. The main segment, personal luxury goods, is expected to reach € 362 billion by the end of 2023, up 4% from 2022 (Bain & Company, 2023), driven by the influence of Generation X and Generation Y. However, Gen Z´s influence is growing, expected to account for 25-30% of luxury market purchases by 2030. However, revenue growth in luxury sector is expected to slow, with as estimated increase of 4%, compared to the 11% growth recorded in 2023 (EuroNews, 2024).

Europe has some of the most mature luxury goods markets in the world. The luxury goods market's revenue has steadily increased in central and western Europe. By 2022, this market is expected to have generated approximately US$ 65 billion. By 2024, this figure is expected to reach US$ 72 billion (Statista, 2024).

The luxury sector's prospects in Europe, for 2024 are mainly reliant on Chinese consumer behavior. Chinese spending on luxury goods increased by 50% in 2023, recapturing a significant worldwide market share. This trend is likely to continue, with a expected 10% growth in Chinese spending by 2024 (EuroNews, 2024). Tourists from countries outside the European Union spent more than €500 million on luxury products in Portugal in 2022. Spending by Americans and Europeans continues to decline, although this is being countered by the return of Chinese tourists following the lockdown (Público, 2024).

Focusing on retail trade, in 2022, there was a significant 9.4% increase in turnover, while the growth in the number of employed individuals was comparatively more moderate, at 3.,9% (INE,2023). According to the most recent data gathered by the Bank

of Portugal, in the year of 2022, a total of 3,949 companies, encompassing all sizes, were involved in this economic activity.

5.2.3 Competitors Analysis

In Portugal, there are no entities comparable to Brodheim group that specialize in representing luxury brands. The only competition that may exist in this field is that luxury brands prefer to enter the national market on their own, without resorting to representation by a company.

5.3 Internal Analysis

5.3.1 History

Eric Brodheim established the business in the 1950s with the intention of introducing high-caliber, innovative products to the Portuguese market. Over the years, this journey has been characterized by innovation, strategic partnerships, and continuous growth. Eric built a solid relationship with the fashion and optical industries by importing goods such as zippers and eyeglass frames. The group signed significant agreements with two Austrian companies, Silhouette and Bernhard Altmann, in the 1970s. It gained recognition on a global scale, continued to expand, and eventually emerged as one of the major competitors in the industry. The 80s were marked by changes, including the passing of the group´s founder and the entry of his children, Ronald, and Valerie, into the company. During this decade, the group continued to diversify its operations such as the Quizz project and the opening of mono-brand stores. The company reinvented itself with the arrival of new brands and the founding of independent companies. Internationalization started with entry into Angola and Spain.

In the current century, the group has experienced growth in mono-brand retail, adding international renowned brands to its portfolio. Internationalization intensified with the opening of three multi-brand stores in Angola (which no longer exist) and Spain. A great advancement in the optical industry was achieved in 2016 with the acquisition of Optivisão. In 2022, the company consolidated its presence in the optical sector with the acquisition of the e-commerce platform Lentes de Contacto 365.

5.3.2 Business Units

The company is structured into two business units: Fashion and Optics. The Fashion business unit is responsible for retail and wholesale fashion sales, being retail the most

important of the two, since over 70% of GEB´s revenue comes from fashion retail business. The fashion retail business operates 60 mono-brand stores, which sells the following brands: Burberry, Timberland, The North Face, TOD´s, Guess, Carolina Herrera, VANS, Emporio Armani and MaxMara. These brands are divided into three categories: exclusive, travel[1], and premium (Table 1, 2 and 3). The product categories include clothes, accessories, and shoes, which are sold to different segments, as detailed in table 1, 2 and 3. The wholesale division represents international fashion brands such as Guess and Timberland, with sales to almost 500 retailers with multi brand stores.

Tables 2, 3, and 4 display the brands represented within each category, along with their product offerings.

Table 3 - Exclusive brands

Exclusive	Man	Woman	Children
Clothes			-
Accessories			-
Shoes			-

Source: own elaboration

Burberry and TOD's offer a similar range of products.

Table 4 - Travel brands

Travel	Man	Woman	Children
Clothes			-

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[1] Travel - Airport brand stores represented by the company.

Accessories	CH CAROLINA HERRERA MaxMara MK MICHAEL KORS EMPORIO ARMANI	CH CAROLINA HERRERA MaxMara MK MICHAEL KORS EMPORIO ARMANI	-
Shoes	CH CAROLINA HERRERA MaxMara MK MICHAEL KORS EMPORIO ARMANI	CH CAROLINA HERRERA MaxMara MK MICHAEL KORS EMPORIO ARMANI	-

Source: own elaboration

Carolina Herrera, MaxMara, Michael Kors, and Emporio Armani offer a similar range of products.

Table 5 - Premium brands

Premium	Man	Woman	Children
Clothes	GUESS VANS Timberland THE NORTH FACE	GUESS VANS Timberland THE NORTH FACE	Timberland VANS
Accessories	GUESS VANS Timberland THE NORTH FACE	GUESS VANS Timberland THE NORTH FACE	Timberland VANS
Shoes	GUESS VANS Timberland THE NORTH FACE	GUESS VANS Timberland THE NORTH FACE	Timberland VANS

Source: own elaboration

The premium brands are those that offer a broad range of products, from men to women, and children across all categories namely, clothing, accessories, and footwear.

Focusing on the two luxury brands under analysis, it is important to highlight how they contribute to achieving the sustainable development goals.

Table 6 - Burberry objectives

Burberry	Brand Objectives	Actions
Product	12.2 2.2 By 2030, achieve sustainable management and efficient use of natural resources.	Obtain certified essential raw materials. Incorporate circular business models.

	12.7 Promote sustainable public procurement practices, in accordance with national policies and priorities. 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in accordance with obligations under international agreements.	Eliminate plastic packaging.
Planet	13.2 Integrate climate change measures into national policies, strategies and planning. 13.3 Improve education, awareness and human and institutional capacity in climate change mitigation, adaptation, impact reduction and early warning.	Reduce their scope 1, 2 and 3 emissions. Incorporate sustainable manufacturing processes throughout its supply chain. Protect nature.
People	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life. 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard. 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	To be an inclusive luxury brand for all. Increasing representation. Ethical trade. Well-being in the supply chain.
Community	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Empowering young people to create a better future. Increase volunteering opportunities.

Source: own elaboration

As for TOD'S, they are not as detailed in their sustainable commitment. They adopt responsible behavior to protect human rights, health, safety, and well-being in the workplace, as well as promoting the protection of the environment and ecosystems. For the TOD´s group, sustainability means focusing its business strategy towards creating value for society in the medium and long term.

5.3.3 Human Resources

At present, the company has a total of 627 employees, of whom 67% are female and with an average age of 33 years. The fashion retail business unit has 467 employees, and the BackOffice has 89 employees. Women are predominant, comprising 67% of the total workforce. The average age across the organization is 33 years, with the BackOffice averaging 42.8 years and the store staff averaging 32.4 years. Figure 2 shows the organizational structure.

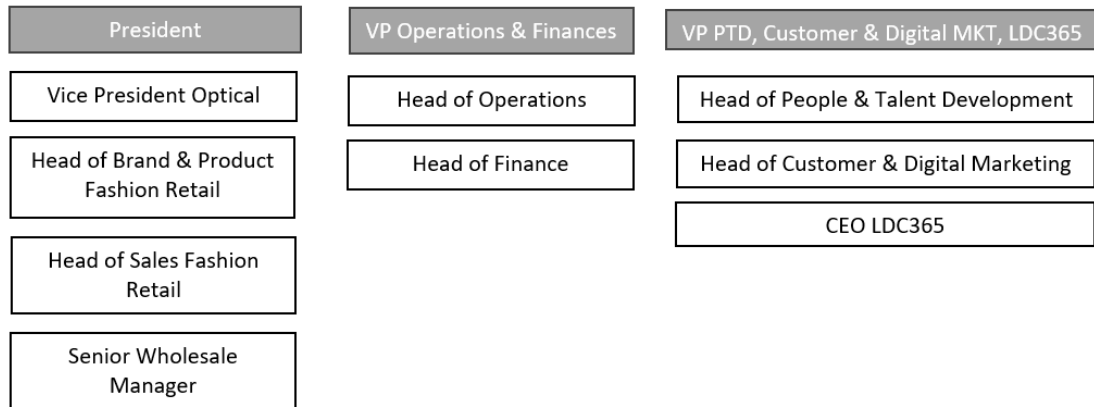| President	VP Operations & Finances	VP PTD, Customer & Digital MKT, LDC365
Vice President Optical	Head of Operations	Head of People & Talent Development
Head of Brand & Product Fashion Retail	Head of Finance	Head of Customer & Digital Marketing
Head of Sales Fashion Retail		CEO LDC365
Senior Wholesale Manager		

Figure 2 - Organisational Chart

Source: own elaboration

5.3.4 TI Resources

The company has a widespread dispersion of its technological assets, including POS (Point of Sales) systems in stores and support infrastructure. Therefore, it was recently implemented an integrated solutions covering Workplace, ITSM (Information Technology Service Management), and Cloud services, in order to access to tools for the control and management of its IT systems, facilitating a more detailed evaluation of the effectiveness of the group´s technological resources.

5.3.5 Current marketing-mix
Product

There are two luxury brands, Burberry, and TOD´s. Regarding Burberry, the top-selling products consist predominantly of accessories, particularly handbags, followed by the brand´s most known items, such as trench coats, scarves, and jersey wear. This last category includes items such as track pants, t-shirts, polo shirts, and sweatshirts. Concerning TOD´s, shoes are the best-selling product category for both genders, followed by handbags in women´s categories.

Price

Regarding the pricing strategy, the companies that own the brands provide the recommended retail prince, since the companies want the in-store price to be equal as on the brand´s official website, which allow comparison between these two channels.

The prices of luxury brands are significantly higher. Burberry´s woman price range is as follow: from €390 to €57,000 for clothing, €850 to €3,950 for bags, €350 to

€2,650 for shoes, €100 to €4,890 for accessories, and €61 to €255 for perfume. In men's category, prices range from €100 to €9,900 for clothing, €650 to €2,850 for bags, €350 to €2,350 for shoes, €100 to €4,890 for accessories, and €79 to €255 for perfumes. Perfume is the most affordable product in both categories.

Concerning TOD´s, in the women´s category, price range as follow: Clothes, €490 to €6,900; bags, €950 to €3,500; accessories, €140 to €1,600; shoes, €550 to €1,500. In men's category, prices vary from €390 to €4,950 for clothing; €140 to €450 for accessories; €790 to €3,200 for luggage; and €550 to €950 for shoes. The most affordable product in both categories is accessories, specifically candles.

As it can be observed the group uses premium product pricing, a strategy that is a hallmark of status brands. Premium product pricing is based on two key principles: Perceived Quality and Exclusivity. Customers are willing to pay more for these products since they believe the brands are offering products with higher quality and exclusivity. Furthermore, these brands typically abstain from offering discounts. This approach ensures that the products maintain their exclusivity, as discounts might augment the accessibility for these products.

Place

The group has two channels: online through Farfetch, an online luxury goods retailer, and physical locations, which is the most significant. The distribution strategy aims to communicate an image of exclusivity by placing its stores in high end locations, alongside other luxury stores. Additionally, luxury brands prioritize an excellent customer service, recognizing that luxury consumers seek personalized service in-store. Despite the rise in online shopping, not all customers embrace the impersonal nature of online shop.

Brodheim group also operates Burberry and TOD´s physical retail establishments in Lisbon and Porto. Both brands ´stores in Lisbon are situated on Avenida da Liberdade, while their locations in Porto are found on Avenida dos Aliados. These areas are renowned for their prestige and attract a big volume of consumer and tourist traffic.

The four shops are sophisticated and elegant, reflecting the image of the luxury brand. Following guidelines from the international brands, every store must conform to the guidelines and approvals set forth by the brands to maintain the unique identity and appeal of them.

Promotion

The main promotion tool used by the group is digital communication. In terms of digital communication management for Burberry and TOD´s, customers can choose to receive communications via email and SMS after making a purchase and filling out the customer form. Email communication includes sending newsletters and managing customer relationship (CRM) journeys, with a thorough analysis of Key Performance Indicators (KPIs) such as Open rate and Click Through Rate (CTR). Burberry and TOD´s have, respectively, an Open rate of 49% and 55%. Regarding CTR, Burberry maintains an average of 4%, while TOD´s outperforms with an average CTR of 7%. These metrics serve as indicators of favorable customer engagement and the efficacy of the implemented campaigns.

Additionally, customer communication is used to facilitate customer communication including promotional campaigns and customized birthday greetings, maintaining a customized approach. Specifically at Burberry, there are private sales only for those who are already customers of the brand. At TOD´s the sales are public, so any customer (regular or not) can enter the store and find items on sale. The company also communicates via newsletter, which is linked to the WhatsApp catalog of each store.

The communication strategies follow the international marketing directives of each brand, while being custom-tailored to match the Portuguese audience and address the specific interests of stores within Portugal.

5.4 SWOT Analysis

The SWOT analysis will be used to delineate the strengths and weaknesses inside the Brodheim Group, while also identifying the opportunities and threats within the market in which the group operates. The following table (6) shows the SWOT analysis for the Brodheim Group.

Table 7 - SWOT analysis

Strengths	Weaknesses
• Credibility in the retail sector. • Experience and knowledge of luxury retail. • Stores´ location. • Great Brand awareness, specially of Burberry. • Excellent customer service.	• Fashion is a sector that is constantly changing. • No promotion to potential customers. • Advertising decisions are not made by the company. • Current brands have a small range of products. • No presence in Comporta, where there is a lot of tourism.
Opportunities	**Threats**

• No competitor representing luxury brands in Portugal. • Tourism is increasing in Portugal. • Potential online presence.	• Lack of purchasing power of Portuguese population. • Excessive dependence on tourism. • Small domestic market • Fashion trend of clients choosing second-hand clothes. • Economic crises.

Source: own elaboration

5.5 Assumptions

This marketing plan is based on two assumptions. The first assumption is that the number of tourists in Portugal are increasing. The second assumption is that the average national wage will increase and, consequently, the national purchasing power will increase, thus increasing the number of national customers shopping at luxury brands.

5.6 Segmentation, Targeting and Positioning

5.6.1 Segmentation

Considering the objective of the present marketing plan, the segmentation strategy aligns with a Business-to-Consumer (B2C) perspective.

For Brodheim group to allocate its resources in a way that will maximize its goals and possibly improve results, segmentation techniques are used based on four segmentation criteria, namely:

1) geographic (regions),

2) demographic (gender and nationality),

3) psychographic (social status),

4) behavioral (customer loyalty).

Geographical: Greater Lisbon, Porto, Algarve and Comporta

Demographic: Women and Men. Individuals of the following nationalities: Portuguese, American, Chinese, Angolans, and Russians.

Psychographic: Individuals with high social status, individuals that belong to middle-income families who want to have a higher status and luxury consumers seeking to associate themselves with a higher social status

Behavioral: Individuals who are loyal to the brands they usual purchase.

5.6.2 Targeting

The main target for the group consists of female individuals of Chinese, American, Brazilian, and Portuguese nationality who engage in luxury purchases within the regions of Greater Lisbon, Porto, and Comporta (the areas most frequented by tourists in Portugal). These individuals buy luxury products mainly for the social status inherent with luxury goods, while they are customers who are loyal to the brands they purchase.

5.6.3 Positioning

Burberry and TOD's position themselves as luxury brands, characterized by high prices and selling highly durable products. Burberry is a brand with a wider variety of product categories, while TOD's focuses mainly on footwear and leather accessories.

5.7 Objectives & Strategies

5.7.1 Objectives

The marketing objectives to be accomplished by the year 2025 through the development of the plan have been clearly outlined. The qualitative and quantitative objectives are display in the table below.

Table 8 - Objectives

Qualitative	Quantitative
Improve brands' local presence	Increase purchases from domestic customers by 2%.
Invest in online presence	Increase overall sales by 7%.
Reinforce the quality of the company representing luxury brands in Portugal	
Investing in the training and development of the sales team to guarantee exceptional and personalized customer service.	
To be present in one of the Portuguese locations with the greatest presence of tourists with economic power.	

Source:own elaboration

5.7.2 Marketing-mix Actions

After defining the objectives, different marketing actions are proposed (table 8).

Table 9 - Marketing-mix actions

Marketing-mix variables	Marketing actions
Product	1- Have a seamstress present in Burberry store, in Lisbon, during the entire time it is open, allowing customers to purchase the product they want and have it fixed by that time.
Price	The price of the products are recommended by the suppliers, and it is considered good practice to adhere to them to maintain price consistency across various distribution channels. The only way retailers can influence prices is through discounts offered to customers, which depend on a commercial strategy and current stock conditions. Since they are luxury brands, it is not advised to practice price discounts, in order not to cheapen the perception of exclusivity.
Place	2- Develop a website for the sale and purchase of second-hand luxury products between already clients. 3- Open a pop-up store in Comporta. 4- Be present on Lisbon's most luxurious avenue: Avenida da Liberdade
Promotion	5- Actions involving national influencers recognized for their luxurious lifestyle. 6- Create a TikTok page to show the store and the products. 7- Private Sales for already clients. 8- Communications via email or SMS.

5.8 Budget, Planning, and Control

5.8.1 Planning and Control

As presented, the temporal framework is organized in accordance with the twelve months of 2025 and covers a year in the given schedule. This configuration allows to determine which month or months the suggested actions should be carried out.

Table 10 - Planning

Marketing Actions	Jan	Fev	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1 – Seamstress present in store.	■	■	■	■	■	■	■	■	■	■	■	■
2- Website sale and purchase of second-hand products between clients	■	■	■	■	■	■	■	■	■	■	■	■
3- Open a pop-up store in Comporta						■	■					
4- Actions with local influencers.					■						■	■
5-Create a TikTok page	■	■	■	■	■	■	■	■	■	■	■	■

After implementing the marketing plan, it is imperative to periodically evaluate and monitor the results obtained. In this way, it is possible to make changes to any failures.

First, it should be checked that the proposed actions have been carried out according to schedule and that the costs of implementing these actions have not exceeded the proposed budget. If the costs exceed the budget, the actions should be rethought immediately.

It is recommended that monitoring be carried out as follows:

1. Mystery shopper to assess the seamstress's performance in the store every 6 months.
2. Monitoring clicks on the website.
3. Monitoring engagement on the TikTok.

Since the pop-up store is the most expensive action, it should be the one that is monitored most closely, meticulously monitoring the store's traffic.

5.8.2 Budget

The allocated marketing budget for the fiscal year 2025 is set at the amount €57,890, while can be subject to potential adjustment based on the sales performance throughout 2024.

Table 11 - Budget

	%	**Estimated costs**
Product	26.60%	€15,400
Price	-	-
Place	53.22%	€30,810
Promotion	20.17%	€11,680
Total	100%	€57,890

Source: own elaboration

Regarding the costs associated with the product, the estimated value accounts for the presence of a seamstress in the Burberry store in Lisbon every day of the week from 9:00 to 19:00, translating into a monthly salary of 1100 euros. The total cost per year is €15,400 (€1,100 X 14).

In terms of place, the 30,810€ cost is associated with two proposed actions: establishing a pop-up store in Comporta during the summer and launching a website for the sale and purchase of luxury second-hand clothes among regular clients.

For the website the costs are as follow:

1. Development of the website €3,000.

2. Design €600.

3. Marketing €600.

The total cost for the website amounts to €4,200.

The pop-up store incurs higher expenses, as detailed below:

1. Estimated rent for the space: €3,000.

2. Budget for goods available in the pop-up store: €3,000. This includes mainly summer clothes and accessories, which is typically less expensive.

3. Store décor: €2,000.

4. Pop-up store license: €500.

5. Staff costs: €2,100 (two employees at €1,050 per month each).

As the pop-up store is intended to be open for 3 months, the total cost is €26,610.

Regarding promotional activities with local influencers:

1. 200€ voucher for in-store use.

2. Instagram promotion: €120 per post and €50 per story.

These actions will be carried out at the beginning of summer and winter, with one influencer per month, totaling €1,480 ((€200 + €120 + €50) x 4).

As for the creation of TikTok, the costs are distributed as follows:

1. Production of three videos per month: €400.

2. Collaboration with one influencer per month: €200.

3. Paid ads on the social network: €250.

The total cost amounts to €10,200.

Finally, all costs were considered to ensure that the indicated values are closely approximate to actual expenses. Throughout the development of this plan and in selecting actions, particular attention was paid to avoiding excessive escalation of costs.

CHAPTER 6 - CONCLUSIONS

The objective of this project was to develop a marketing plan for Brodheim Group, a leading fashion retailer in Portugal. In order to accomplish this objective, the three research questions were answered, thus it was analyzed the current situation of the company, the luxury market in Portugal and strategies were developed to increase the company´s sales of luxury goods.

Regarding the current state of the company, two types of analysis were conducted, namely SWOT analysis and sector analysis. Through the SWOT Analysis, it became possible to discover the opportunities and threats that the group could leverage as objectives for the following year, 2025. One weakness that was identified was the absence of the group in Comporta, an increasingly popular destination among individuals with economic power. Consequently, it was recommended to establish a pop-up store in Comporta offering luxury clothing and accessories during the summer season. This strategy was considered highly significant, as it aligned with the growing tourism in Portugal, thereby taking advantage of an opportunity while addressing a weakness simultaneously.

Regarding the sector analysis, it was evident that the luxury market remains resilient to economic and political changes (Bain & Company, 2023). Projections for 2024 heavily rely on Chinese consumers, given that Chinese spending on luxury goods increased by 50% in 2023 (EuroNews, 2024). The sector analysis was also crucial in gaining a better understanding of the luxury market situation in Portugal.

Finally, regarding the strategies that a luxury brand representative company can develop to increase its sales, the following recommendations were made. In terms of pricing, the prices of the products are recommended by the suppliers. Retailers, like Brodheim Group, can only influence prices through discounts offered to customers, but since the brands under analysis are luxury brands, it is not advised to practice discounts in these brands in order not to cheapen the perception of exclusivity. Regarding the product, the company doesn't have direct control over product decisions, so a recommended action was to have a seamstress in-store during all opening hours to repair products that customers want to buy and repair on the store. In terms of place, one of the

recommendations was the already mentioned opening of a pop-up store in Comporta and the development of a second-hand luxury clothing website among already existing clients. This last suggestion holds a significant importance due to the exponential growth observed in the second-hand market, with projected sales reaching 300 million euros within this decade (Neto, 2023) plus it contributes to the achievement of SDG 12 – Sustainable Consumption and Production.

Lastly, regarding promotion, it was recommended to create a TikTok page to showcase videos of the store and its products, as well as collaborations with national influencers who demonstrate a luxurious lifestyle. This last action aims to boost domestic sales.

It is crucial to highlight that all the strategies previous outlined should be implemented in conjunction with those already established by the group, particularly including the presence on Lisbon's most prestigious avenue: Avenida da Liberdade, private sales, and communication with customers via email and SMS.

6.1 STUDY CONTRIBUTIONS

In terms of theoretical relevance, this project holds significance as it explores this market despite the limited available data, thereby contributing to the understanding of the luxury market in Portugal. Furthermore, the project offers marketing strategies that could be applicable to other companies in the retail sector, enhancing its theoretical relevance and practical implications.

6.2 STUDY LIMITATIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

There are some recommendations of research that could enrich the academic field and contribute to the advancement of knowledge in luxury marketing. Given the increasing consumer concern for sustainability and the desire for luxurious shopping experiences, there is potential for research into developing sustainable in-store experiences within the luxury sector. Additionally, analyzing the behavior of Portuguese luxury consumers could yield valuable insights into their purchasing preferences and influences. Lastly, exploring the relationship between sustainability initiatives and top-of-mind awareness could provide valuable insights into luxury brand positioning strategies.

Regarding constraints, a major challenge in this project was the scarcity of information concerning the luxury market in Portugal. Another limitation of my research was the dependence on a single individual for interpreting the results, potentially introducing subjectivity bias. Moreover, the group of interviewees within the company was limited to only five individuals, thus potentially dismissing alternative inputs. Furthermore, organizational constraints prevented the implementation phase associated with action research. Finally, most of the marketing decisions were limited by the strict guidelines issued by the brand owners, resulting in a limited scope for implementing marketing strategies.

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APPENDIX

Appendix 1. Interview Questions

Frame of Reference	Definition	Reference	Question - English
Misson and Values	"This concise statement explains the organisation's purpose, points the way towards what it aspires to become and guides planning at all levels."	Wood (2017), p. 17	How are the company's mission and values transmitted to business partners (B2B) to ensure strategic alignment?
External Analysis	"Research is carried out into the markets themselves and then the information collected is analysed in the context of the marketing of the products"	Westwood(2006), p. 9	What tools could the company use to comprehend the preferences and behavior of luxury consumers? How would this information be shared with the brands we intend to represent?
Internal Analysis	" (…) which the company has complete control, the operational variables, which are usually the firm's internal resources."	McDonald (2007), p. 52	How does the company pretend to ensure that all the brands in the portfolio are consistent with each other in terms of quality? If this were considered an important factor. Do you think that today's resources would need major changes if there was a total shift to the luxury segment?
SWOT analysis	"An overall evaluation of the company's strengths (S), weaknesses (W), opportunities (O), and threats (T)."	Kotler & Armstrong (2018), p.79	How, as a representative company, can you manage to keep the perception of luxury about a specific brand intact? What competitive advantages does the company want to reinforce with this new segmentation?
Assumptions	"The plan itself is based on a clearly understood set of assump- tions. These relate to external economic factors as well as tech- nological and competitive factors."	Westwood (2006), p. 9	What are the most important assumptions for a company to be able to successfully target luxury? What are the most important assumptions when doing business with luxury brands?
STP	"The company decides which customers it will serve	Kotler & Armstrong (2018), p.74	What strategies are used to select the luxury brands that make sense for the company to represent? What adjustments are made to the approach when entering different B2B target

	(segmentation and targeting) and how (differentiation and positioning)"		markets? What is the positioning message that the company wants to pass through its partnerships?
Objectives and Strategies	"This is what you want to achieve – the fundamental aims of the plan."; "Marketing strategies are the methods that will enable you to achieve your marketing objectives."	Westwood(2006), p. 10	What would the company's objectives be if it only wanted to be part of the luxury sector? How would the company adapt its strategies to respond to this market?
Budget	"The setting of budgets defines the resources required to carry out the plan and quanti- fies the cost and also the financial risks involved."	Westwood(2006), p. 10	How flexible is it to adjust the company's budget in response to the dynamism of the luxury market? Where would there be the biggest investment?
Planning and Control	"(...) involves decisions about how you will measure progress and performance after your marketing plan is put into action."	Wood (2017), p. 238	Since luxury "demands" an experience, how would you, as the company representing brand X in Portugal, ensure the quality and consistency of that experience (at all points of sale)?

Appendix 2. MAXQDA Codes