



Lisbon School
of Economics
& Management
Universidade de Lisboa

MASTERS IN MANAGEMENT (MIM)

MASTERS FINAL WORK

PROJECT

DEFINING THE MOST WANTED PRODUCT PORTFOLIO OF THE NEW ISEG MERCHANDISING STORE: A CONSULTING PROJECT

ANDRÉ ISAAC SOBRAL AHMAD

MARCH - 2022



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MARCH - 2022

ACKNOWLEDGMENTS

Firstly, I would like to express my gratitude to my team members: Fernando Lopes, Bernardo Varela and Daniel Silva with whom this project was built and whose contributions and ideas were fundamental for each stage of the project.

A big appreciation also for Prof. José Veríssimo, for conducting the Master's in Management, for the role as this project's client but mostly for believing that we, as a team, had the capability to develop successfully this project. I would also like to warmly thank Prof. Constança Casquinho, for all the support and hours spent, assisting us, many of them outside regular schedule.

I want also to express my gratitude to ISEG, for providing me such an enriching education, both academical and personal. I've always tried to give back over the years, but it will never be enough.

Last but not least, family and friends have also a word of appreciation, for being present on every important stage of my life.

RESUMO

No âmbito do Trabalho Final do Mestrado em Management do ISEG – Lisbon School of Economics and Management, foi desenvolvido um projeto de consultoria, onde uma equipa, formada por alunos, funcionaram como consultores para um cliente, neste caso, a própria escola.

O objetivo do cliente é resolver o “problema do merchandise”, que consiste no desenvolvimento da loja da instituição, oferecendo aos alunos e a outros membros da sociedade a possibilidade de adquirir produtos associados à marca ISEG, e, desta forma criar reconhecimento e expandir a notoriedade da instituição.

O projeto foi organizado em quatro ramos distintos: Catálogo de produtos, Comunicação, Digitalização e Operações. No panorama atual da loja, em todos estes ramos foram identificados possíveis pontos de melhoria, para que os produtos de merchandise deixem de ser um custo afundado para a instituição e se tornem numa ferramenta com impacto no reconhecimento da marca entre a sociedade.

Este relatório tem o propósito de definir uma estratégia de aumentar o catálogo de produtos, entender quais os produtos preferidos pela população alvo e, por fim, perceber o impacto financeiro do projeto.

Palavras-Chave: Catálogo de produtos, Portfolio, Procura, Vendas, Avaliação de projeto.

ABSTRACT

Within the Final Work of the MiM at ISEG – Lisbon School of Economics and Management, a consulting project was addressed by a group of students would work as consultants to assist a client, in this case it would be the school itself.

The client's goal was to solve the “merchandise problem”, which consists in the development of a Merchandise Store for the institution, offering the students and other members of the society the possibility to acquire products associated to the brand ISEG. This action generates awareness towards the brand and expands the institution notoriety.

The project was organized in four distinct branches: Operations; Portfolio; Marketing; and Digital. In the current panorama of the store, in all these branches were identified possible points of improvement so that merchandise products are no longer a sunk cost for the institution and becomes a tool that can be leveraged and create impact in the brand awareness between the society.

This report is focused on defining a strategy to widen the store catalogue of products, understand the most desired ones to the demand, and, lastly, understand the financial overview of the whole project.

KEYWORDS: Product Portfolio, Catalogue, Demand, Sales, Project Valuation

ABBREVIATIONS

AEISEG: ISEG Student's Union

AFP: Average Fair Price

DF: Demand Factor

IRR: Internal Rate of Return

NPV: Net Present Value

PF: Price Factor

PRI: Point-of-Reference Item

UK: United Kingdom

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CHAPTER 1 - INTRODUCTION

1.1 The Client

ISEG - Lisbon Business School of Economics and Management is a centenarian school, characterized by its notorious presence in the education of business and social economics sciences, with great minds who left their mark in the development of Portugal and the world.

It is governed by a basis that values scientific and intellectual freedom, maintaining a culture of internal and external evaluation that guarantees organizational improvement and better individual and departmental performance. It assumes itself as a plural school in education and research, where respect for ethics, diversity, and social responsibility are fundamental pillars.

Throughout its years of activity, ISEG went through multiple phases of growth, with several changes in the brand elements, i.e., brand identity. More recently, during the academic year of 2020/2021 it went through a rebranding in which it came with a “New logo. New image. New Signature. Same values as always.” – as it was the motto of the campaign. The goal was to turn the brand’s perception of a school more oriented to the modern society and business world.

The new signature: “Open Minds. Grab the Future.”, reflects the positioning of the brand ISEG, and transmits the values and focus of an institution that is known for its prestigious history and feeling of inclusion, always side-by-side with innovation.

1.2 The Project

The project as a whole consists in the professionalization of the school store, aiming to ultimately expand the brand and its identity, i.e., raising awareness and value of the institution, of which, the definition of the most successful product portfolio plays an important role.

The main goal is not to create an alternative source of funds, and that is an important statement to understand the whole set of recommendations that the team got to. Although the main goal is not to keep a profitable point of view, a reasonable financial concern must be considered.

The goal is to have a strong, coherent, and organized set of products offered, i.e. catalogue of products, articulated with the school values and appealing to the final

consumer, whether that is a student, a student family member, a professional working in the school or other non-institution related consumer.

To support the aforementioned areas, intensive research was made, both quantitative and qualitative as well on other players on the market.

The reader should have in mind that primary, i.e., data gathered directly from the source was scarce, meaning that the methods and analysis present in this report(s) are highly based on assumptions.

CHAPTER 2 – LITERATURE REVIEW

2.1 Brand

The concept brand was defined by (Aaker, 1991) as a name or symbol, such as a logo, trademark, or package design, that identifies a product or service and distinguishes them from those of competitors.

What the brand transmits to the customer is fundamental for his/her purchase decision. Company trust is also sometimes crucial for that action. In fact, in the e-commerce environment, company trust, and brand names are often used by customers as a replace for product information in their online purchase decisions (Michael, 2000). A strong brand not only attracts new customers, it also has the ability of generating positive post-purchase emotions in the customers.

2.2 Merchandise Products

Merchandise products often refer to promotional marketing products, which can be any item or product that you give or sell to promote your business or brand. Usually these products carry the company or institution tagline, logo and name with them (Parkin, 2018). Although the business world is becoming more and more digital, and nowadays marketers think almost instinctively in online marketing when they are trying to promote a new business, promotional products are proven to be still a very impactful marketing tool (Wood M. , 2017).

The Advertising Specialty Institute carried on a study, in 2016, regarding offered merchandise products, according to which, most people keep these promotional products for an average of eight months, which means that it has a longer impact in someone rather than a simple pop-up or other way of advertisement (Advertising Specialty Institute, 2016). Also, the majority of people who has bought or received a promotional product are more likely to have a favorable impression of the company that the good represents (Wood M. , 2017). In a market environment such as the one the school belongs to, where people (mostly students) are willing to purchase promotional marketing products and proudly wear them, it does not seem logic not to invest in a store.

2.3 Product Portfolio

Product portfolio is defined as the collection of all products or services offered by a company (Chen, 2020). Product is all about variety, design, packaging, quality, features and positioning of a product or service. As consumers become more aware of the range of products offered by the company, the more emphasis it has on the company results, and thus they become more critical regarding their purchases (Ahmad, 2018). Product portfolio is what can be offered to the market, to get attention, increase the target audience, and satisfy the wants or needs (Kotler, *Principles of Marketing: Analysis, Planning, Implementation and Control*, 2010)

Companies might look for growth through portfolio expansion. The first type of portfolio growth is the incremental growth which takes place as companies develop and adjust existing product features, offering a goods or services that are fundamentally like what is being sold, but with small variations. The second kind of portfolio growth is through disruptive growth, which is when companies add new technology to existing product lines or set up completely new product lines (Distel, Hannon, Krause, & Krieg, 2020) .

(Kahn, Barczak, Nicholas, Ledwith, & Perks, 2012) studied new product development best practices that promote greater success in developing and launching new products and service. To these authors best practices go across seven dimensions: strategy, process, research, project climate, company culture, metric and performance measurement and commercialization.

The expansion of the store product portfolio, approached in this paper, goes through a mix strategy, with both incremental and disruptive growth, by creating new products and adjusting product features of others (such as increasing the variety of the same product) always aligned with the school ideas about the aforementioned seven dimensions.

2.4 University Merchandising Stores

Store's own brands can turn into important opportunities for retail differentiation if they are considered by consumers to be instantly associated with the store or image (Collins-Dodd & Lindley, 2003). Thus, University merchandising stores pursue to generate certain emotional responses from consumers, by representing a niche and offering a selection of licensed products with the school's logo (Hyllegard, Ogle, Yan, &

Kissell, 2016). The primary market for these stores is typically students or alumni who have a connection to the institution (Dosh, 2013), but there are some schools that stand out in the international market such as the Harvard Store, Oxford Gift Shop among others

Usually, purchase of university merchandise is influenced by several factors, such as store and product design (Global industry analysis, size, share, growth, trends, and forecast, 2014) and emotional attachment to the school (Taute, Sierra, & Heiser, 2010). Worldwide, university merchandise sales reached \$4.9 billion in 2018 (Outlook, 2014), with an average of 190 million U.S. consumers of these products (Dosh, 2013).

2.5 Competitive Advantage

Competitive advantage refers to elements, attributes or factors that allow a company to produce goods or services cheaper or better than its rivals (Twin, 2022). Competitive advantages can be created through several factors including company cost structure, branding, the quality of the products, distribution network, intellectual property, and customer service (Twin, 2022). Michael Porter states that even the most discrete activities a firm performs in designing, producing, marketing, delivering, or supporting can contribute to a firm's relative cost position, and thus to gain competitive advantage from others (Barnes & Porter, 2001).

Usually companies use two main strategies to gain competitive advantage over competitors: Differentiation strategy and Cost Advantage. This is relevant because the existence of substitute products is inevitable: not in the absolute meaning of the expression (since there is not any other ISEG selling merchandise products), but in the relative way of the expression in the sense that there are products that are used for the same purpose. The approach and study of this theme contributes for a better strategy definition whether on the understanding of the differentiation purposes (own branded products) and of the same relatively to cost advantage, to diminish the possibility a customer substitutes an ISEG product for other with the same purpose but cheaper.

2.5.1. Differentiation

A differentiation strategy is one strategy in which a firm manages to offer products or services with unique features that customers value (Ndubai, 2013). These features, due to the value added by the uniqueness, often carry a premium price.

A differentiation strategy is a way to make a product or service stand out from the others of competitors and give people reason to pay the premium price or to choose one's

product over other (Laja, 2020). Differentiation can appear through diverse factors, including the procurement of high quality raw materials, a superior product design or a better responsive system (Barnes & Porter, 2001). Regarding the products offered by ISEG, the element that makes people feel the need to purchase them is the brand they carry. In this case, it is not the quality nor the features that are a differentiating factor but the brand it represents and the emotions that are transmitted to the customer.

2.5.2. Cost Advantage

(Griffin, 2011) defines the cost advantage strategy as a strategy in which an organization attempts to gain a competitive advantage by reducing its cost below the costs of the competitors. This strategy can grow form when companies pursue to acquire low-cost raw materials, are highly efficiency on assembly process, have low distribution and sales cost or efficiently manage operations. A low-cost strategy is often associated with inferior quality on goods and services. This is not necessarily true. The goal of this strategy is to offer products or services with acceptable quality and features to a broad set of customers at a low price (Kennedy, 2020).

Pricing strategy vary across the characteristics of the consumers (Ahmad, 2018) . It is considered to be one of the most important elements because it can affect not only business profits, but also market share. It is also the element that can quickly adapt to the changes in the business environment (Andreas Birnik, 2007).

2.6 The Impulse Purchase

The concept of impulse buying has evolved in recent decades (Lee & Johnson, 2010) in terms of its definition, and numerous studies have been conducted in this regard (Rook, The buying impulse, 1987) argues that impulse buying occurs "when a consumer feels a sudden, persistent, and often strong need to buy something immediately", which is characterized by being hedonistically complex and capable of triggering conflicts of a similar nature. emotional and cognitive. Thus, the author characterizes impulse buying by five elements: spontaneity, a sense of psychological imbalance, psychological conflict, a diminished cognitive capacity to make evaluations and failure to consider consequences.

In contrast to (Stern, 1962), who claims that impulse buying appears to be synonymous with unplanned buying, (Rook, The buying impulse, 1987) and (Cobb & Hoyer, 1986) claim that there is a difference between these two types of purchases. (Piron, 1991) also argues that impulse purchases are not planned, are decided "on the spot," result

from a reaction to a stimulus, and involve a cognitive or emotional response or both. (Rook, The buying impulse, 1987) states that the lack of planning is a critical factor in identifying an impulse purchase because the consumer has no purchase intention before entering the shopping area (Beatty & E., 1998), but this is not a sufficient condition for their classification (Rook, The buying impulse, 1987).

2.6.1 Factors Influencing Impulse Buying

It is undeniable that consumers are constantly exposed to a variety of influences that ultimately determine their behavior, and many authors identify various factors that influence impulse purchases. However, it is generally agreed that they can be factors of external and internal origin, also known as personal factors, since they affect the personality of each individual. As for external factors, they are related, on the one hand, to the pressures and influences that consumers face due to the fact that they live in society and, on the other hand, to the environment at the time of purchase (Lee & Johnson, 2010).

Factors related to the product can also influence this type of purchase (Lee & Johnson, 2010). In this sense, (Stern, 1962) mentions the low price, the low need for a particular item/product, massive distribution, self-service, massive advertising, a conspicuous display in the store, a short life of the product and its perishability, its size and weight, and finally, the ease of storage of the product. The combination of product price and promotional activities generally have an impact on the consumer's purchase decision (Buckline, Gupta, & Siddarth, 1998). Educational experience, family income, marketing innovations, availability of credit, ATMs, telemarketing, 24-hour service, and price and money-back guarantees also facilitate and encourage impulse buying (Rook & Fisher, Normative influences on impulsive buying behavior, 1995) (Wood M. , 1998).

2.7 Project Valuation

An estimated financial overview and evaluation is crucial before committing funds to the project. Project valuation can be done by multiple ways, including the net present value, the discounted cash flow method or by the cost of capital method (WACC).

This project holds on the analysis of the net present value by the discounted cash flow approach, since it attempts to measure what is generated by a business directly and precisely. This method is based on the present value of future income, subtracting the present value of future expenses, according to the opportunity cost of capital. It is considered to be the most theoretically correct valuation method (Flow, 2011).

Nonetheless, the fact that it is based on moving values in time it becomes very dependent and vulnerable to changes in the underlying assumptions. (Steiger, 2008).

3. ISSUE TREE ANALYSIS

Consulting cases often follow the structure of the Issue tree (Kenney, 2022). Issue trees are visual diagrams that can be used to understand a larger problem or question by dividing into several segments. This tool was used to answer the question: “Should ISEG have a Physical and Online Store?”.

3.1 Deductive Reasoning

Deductive reasoning is known as a basic form of reasoning. It starts with a hypothesis or general statement and looks to examine the possibility to reach a specific and logical conclusion through facts (Bradford & Weisberger, 2021). In consulting, it can be a tool to address the “Why?” of the research question or hypothesis. In this case, it will serve to analyse the logic reasoning behind the existence of the store, through a deep analysis of the external and internal environment.

3.1.1 External Analysis

Demand

Currently, demand may seem quite limited. The national university merchandise market is considered quite underdeveloped compared to the same across-borders. The target audience, as mentioned above, consists mainly of the institution's students, with alumni also accounting for a significant share of market demand. The friends and families of the students can be considered a small part of the demand and even a difficult target to reach given the current positioning of the store and the characteristics of the national market.

At the same time, merchandising products at ISEG are very famous within the community. In fact, it is difficult to walk around school campus without seeing an ISEG t-shirt or hoodie, or even other school-branded merchandise. The main goal of the store is to increase long-term demand and reach everyone who identifies with the school's brand and values, whether they have a connection to the school or not.

As a result, the team has divided demand into three areas: Students, Alumni, and Friends or Family Members of Students.

Brand Awareness

"Brand identity refers to a company's vision, beliefs, and core values expressed in the brand's tangible and intangible attributes" (Kapferer & J., 2012).

ISEG - Lisbon School of Economics and Management, a century-old school, was the school of many famous economists and politicians, where they learned their skills and started their careers. Therefore, it played and still plays an important role in the development of Portugal, Europe, and the world.

Nowadays, it is also known for its environment. The students' affection for the university, the school history and the campus is remarkable. They proudly spread the school's brand in their daily lives, whether through material goods, articles, conversations, or attitudes. For the team, this is the main feature that makes the merchandising store a viable long-term strategy.

Students have always been drawn to products that were branded with the school's image. From the traditional hoodies to the reusable water bottles, the products seemed to be quite appealing to anyone who has a connection to the school.

These are some of the reasons why the team believes that a merchandising store can increase the value of ISEG, create awareness, and strengthen the ISEG brand nationally and, in the long run, internationally.

SWOT Analysis – External

Strengths and weaknesses are always defined relative to the competition. Opportunities and threats are each defined as potential to strengthen the company or, if not well analyzed, there is the possibility of weakening the company (Kotler, 2004)

Opportunities

ISEG students' demand for its merchandise products is considered to be high because it allows them to better identify with the school, express their emotions through products, and indirectly promote the school, from the brand's perspective, by using merchandise products in their daily lives, which increases the visibility and awareness of the brand. As it was stated before, this is one of the most impactful marketing strategies, in terms of duration. With a good management it can be one powerful tool

Although it is not the main focus of the project, merchandise can generate long-term revenue. With a good communication plan aligned with good portfolio and operational management, the store can be an alternative source of revenue. Advertising is a large part of universities spendings. In 2017, universities in the United States spent

approximately \$ 730 million on advertising (Cellini & Chaudhary, 2020). Owning branded merchandise is one way to advertise the school through goods that customers are willing to pay for.

Threats

The biggest threat is that the demand for such products is limited and usually restricted to the number of students and few alumni who remain connected to the school. Unless the brand is so well known that not only those who have a connection to the school, but everyone who wants to be associated with the name ISEG, demand will be consistent and with little growth. On the other hand, demand is almost guaranteed among current students, alumni, professors, and few family members of students.

3.1.2 Internal Analysis

SWOT Analysis - Internal

Strengths

Because of its centenarian history, ISEG has a large number of alumni who, which is a good market to be explored due to the consumer's higher purchase power, when compared to the most obvious market school students.

Due to its achievements over the years, ISEG has become one of the most attractive schools for those who want to study business and management. This is not only a feature that attracts talent to the school, but also encourages them to purchase and use the school's products. In other words, success is associated with the school's products.

Weaknesses

At present, the sales process has some points to improve. The point of sale was and is unknown to many students and is located in a place with low visibility. The team also identified some other issues that need to be improved in terms of logistics, such as having a dedicated person to look after the store, so that a stable process for sales can be developed.

Stock management has always been a problem as storage space is limited, making it almost impossible to keep a solid supply ready for students who might be faced with sold-out items or sizes.

3.2 Inductive Reasoning

Inductive reasoning, in consulting, is known as the process of drawing conclusions by going from the specific observation to the general conclusion (Bhandari, 2022). It is commonly used when there are selective facts and an open-ended set of hypotheses.

This way of addressing issues can be used as a tool to answer the “How?” of the research question because it allows the creative process to start on a specific issue/theme to be solved/developed, and reach to a recommendation that will, theoretically, evolve the process in matter.

The Marketing Mix is a fundamental framework to understand the *How* of the research question.

3.2.1 Product Portfolio

Product is one of the P’s in the marketing mix. It plays also an important role in the business creation process, once without products there is no place for economic trade.

Inductive reasoning played a big role in the product portfolio expansion, since the team sought specific observations (mainly in other competitors) regarding products that belong in this market (and that would fit in the future catalogue), to recognize a pattern and to reach a general conclusion, i.e., build the set of recommendations of the expansion (Fig 1.). This reasoning will be further approach in the next chapter.

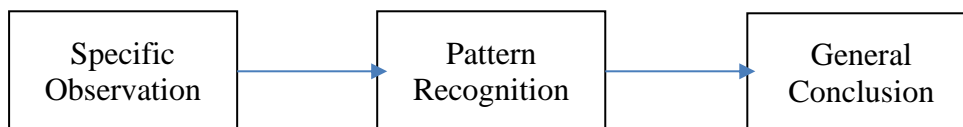


Figure 1 - Inductive Reasoning. Adapted from (Bhandari, 2022)

4. RESEARCH AND METHODOLOGY

The team's research was directed on five different segments, compiling together an external and internal investigation, to fully comprehend the market of university merchandising and its impact on the university brand. Then, methods were created in order to fundament the recommendations the team got to.

4.1 Goal of the Research

As stated before, the market research aimed to better understand the environment we are working and which products to offer. It was directed on the different players that operate in the market, their benchmarks and best practices, and on the consumers, to have a better look in the demand characteristics, its needs and interests.

Other branch of the research had a specific focus on the products that are usually traded in this market and others that could fit in a posterior stage. This part of the research was also divided in two sources of information: The potential clients and the other players that operate in the market, one with the purpose of aligning the whole portfolio with the client's interests and other with the purpose of understanding what were the products and product variations that are most common in other stores.

4.2 Methodology

The following section consists in which methods were used by the team to obtain data for the study. In the first stage of the project, a qualitative set of interviews were made with the purpose of building a profile of the target population and understand their opinions regarding the business. This methodology is particularly used when a new product, business or campaign is being developed and it's valuable to have some feedback before committing with the project (The Hartford, 2022).

A numerical analysis is an essential analysis to take conclusions about the feasibility of a project and thus quantitative research also took place. It was divided into two different surveys in order to keep a healthy duration of the time spent by the respondents and not to bias the data that was about to be collected due to the respondent's tiredness. The function of this research aimed, in general, to collect statistical data about our business: on one hand, specifically about demand, to better understand the customer's behavior and the market components, and on the other hand, to understand the preferences

regarding each one of the products the team chose to be part of the initial portfolio and an adjusted price the consumer is willing to pay to acquire the product.

4.2.1 Benchmarking Competitors

The data available from the existing store was very little, and so, the team had to widen the research and increase the importance of the characteristics that other players have and think about replicate the ones that sustain their existence. The national university merchandising market is considered to be fairly underdeveloped when compared to the same across borders, so, the team chose to first address universities where the culture of own brand merchandise is more common so that the market is much more relevant, such as *The Harvard Shop*, *Oxford Gift Shop*, *University of Glasgow Store*, *University of Cambridge*. These stores are examples of merchandising stores that managed to be known worldwide. Nationally, the store that stands out the most is the *Loja da Universidade do Porto*.

The goal was to identify best practices and common points between all the competitors that could be replicated in our process. At the same time the team sought to recognize points of dispersion and ways to stand out in the national market.

4.2.2 Qualitative Research

Qualitative research is a process of collecting data with the purpose of having a more in-depth understanding of each situation or phenomena. It focusses on the *Why* and the *How* rather than the *What* of social phenomena (University of Utah College of Nursing, n.d). Qualitative studies are those that aim to make deep observations about a particular phenomenon by providing a keen understanding of the inner motivations of the event and reflecting on the multiple individual experiences of the objects under study through interpretations (Cooper & Schindler, 2014).

The use of this research seeks to obtain the rational and logical perspective from the interviewees' point of view that justifies their action when faced with the potential existence of the store. This type of research allows the participants to freely explore their thoughts, emotions, and ideas.

The script and the way interviews were supposed to be conducted allowed for open and clear dialogue. Interviewees were selected in a non-probabilistic and intentional manner based on criteria of relevance to the study such as their different connection to the institution and their availability to give feedback to the research problem.

Twelve individual interviews (to student's family members, alumni, and students) and a focus group (between students since they are the main market) were directed with the purpose of obtaining participants' individual opinions about the topic and, on the other side, their ideas when confronted with different opinions and the possibility of open discussion. Interviews were prepared to address topics such as their feelings towards the institution, their opinion on the rebranding and on the new slogan (since it's one of the main tools, along with the logo, to personalize products with). It was also subject of the interview their thoughts on merchandising products and on products that the interviewee would like to see in the store.

4.2.3. Quantitative Research

Quantitative research intends to collect statistical data, or numerical data through polls, questionnaires, or surveys to fundament and support hypothesis regarding ideas or processes that can be, or already are, implemented.

The method used by the team in each research was a questionnaire, with the first section reserved for the collection of personal data (age, gender, monthly income), followed by questions about the topic in study.

ISEG'Store

The outcomes of the qualitative interview were useful to better direct the questionnaire on the market characteristics and on the reasons behind the potential existence of the store.

The section where personal data was collected, ended with a general question in which the respondent had to classify, in a five-point scale, the impact of merchandising on a school brand.

The survey was then specifically divided into three directions which regard to the three different *personas* the team had defined previously, to get a better overview of each type of consumer.

Target 1 - Students

In the market composed mainly by students, the team sought to understand the differences between students that are enrolled for more years and those that are more recent. From this point the focus was on understanding the previous established demand and the awareness of the existing store, since a considerable part of these consumers had already contact with the ISEG store that currently operates.

On a first stage, the team inquired about the awareness regarding the product portfolio and the prices charged, and also, if they actually knew the location. Afterwards, the team prepared a set of questions concerning the customer attitude towards the previously established store: if they had bought some merchandising products in the past, and what products; the current frequency of utilization given to the product; the quality offered; their judgement about the price paid; and if they hadn't acquired any product, the reasons why led to that decision. It was logical to end this section with a question regarding the recent rebranding that the school had, and with the possibility of being able to acquire goods with the new image of the school.

Target 2 - Alumni

Similarly, as it was done in the Student section, a short question about the graduation year or last year of enrolment in the school was essential to cross-data with the oldest alumni responses and the most recent one's in the rest of the survey.

Preserving the structure above, the team inquired firstly about their awareness regarding the product portfolio, the prices charged and also the physical location of the store. Since they once had contact with the school merchandising in the past, it was interesting not only to inquire about their behavior as customers when they were students, and the utility they currently give to the acquired products but also the possibility they become consumers again, by forecasting their interests in new products, and, in case of a negative response, the reasons that fundament such decision. The section specifically directed to the Alumni ended with a question to comprehend the brand impact on them after they left the campus.

Target 3 - Family/Friend

This branch of the questionnaire was directed to the *persona* the team personally addressed as the most challenging one because the goal in this target, is to be able of creating products and increase the brand value so that even a friend or family member would want to acquire such product. In other words, the challenge is not to attract a potential client because they have a friend or a family member enrolled in the school but mostly because they see value in the brand. The next step would be, for sure, potential clients without any connection with the school, nationally in a first stage, and internationally in the long run.

After some questions on their knowledge about the existing merchandising store and its characteristics, similar to the sections addressed to the other personas, the team

tried to forecast if they had in possession some ISEG-branded product, the utility, and the reason behind this individual owning and using the school-branded product of which they never been enrolled at.

Physical Store

After an emphasis essentially on the (potential) customers and their characteristics, the survey focused on the physical store attributes. A set of sentences were prepared for the respondent to provide his/her opinion (whether he/she agrees or not with what is stated), on a scale from one to five, whereas one means that he/she totally disagrees and five the opposite.

The team thought it was fundamental to go through the potential customer's thoughts on the impact that a merchandising store can have on a school brand. Other qualities were addressed as well, such as accessibility (in terms of location), and a wider product catalogue since these are the main characteristics that, when well combined, can enhance our sales.

Online Store

Digital channels are, in many companies, the core of business operations. The purpose of inquiring about an online store was to assess if ISEG'Store could be successfully digitalized as a complement to business creation. That said, firstly the team tried to perceive whether digitization would be the foundation of the future businesses in merchandise stores. Specifically concerning ISEG, the respondent was inquired about the potential existence of an online place to sell their products and if it should be integrated in the university website.

On the operational assessment, the team inquired about consumer habits, particularly about the availability to pay shipping fees in exchange of receiving the goods at some place instead of collecting them at ISEG. The team also collected data regarding the sufficiency of existence of an online ISEG'Store (without any physical placement),

The questionnaire ended with an open-type question, on how the respondent sees the impact of merchandise products on the brand.

Product Portfolio

From a point on which the team had defined a broad set of products that could form the product portfolio, the team had now to filter the first set of products in order to align it with the customer's preferences. In other words, with the purpose of testing the considerations that the team had made about the customer, the study was based on

quantitative research, to support and fully comprehend the client's real interest and their thought of other player's average price for substitute products. The quantitative research aimed to identify preferred products and those that could be possibly excluded from the portfolio and calculate a price that would be considered "fair" by the team because it includes respondents' perceptions on its calculation.

Sixty-nine items (seventy-two due to gender diversity) were inquired for both male and female respondents. From the data obtained it was possible to characterize the interest of the consumer regarding each product, which was quantified on a scale from one to five where values close to one would mean that the product is not desirable by clients and values close to five would mean that the products product is suitable to integrate the portfolio according to the customers interests.

This type of survey can be compared to a negotiation process, where there are two parties present with the purpose of trading goods at a certain price. The final outcome of negotiations, between two parties, often depends on whether the buyer or the seller makes the first offer (Galinsky, 2009). The pricing strategy defined by the team agreed on offering goods at a reasonable price, one that may be the average of what customers are willing to pay. And so, the questionnaire had to inquire about client's average fair price (AFP) regarding each product. By asking a part to provide us their thoughts on the fair price of a product, the data obtained would be biased since when the buyer is asked to make a first offer, he/she will always try to achieve a final low price (Galinsky, 2009). Consequently, the team gathered the average prices of each product of other market competitors and inquired about the client's thought on those prices. It was possible to quantify the client's perception of a price within a scale from one to five, where values close to one would mean that competitors are charging low prices and values close to fixe would mean that client thinks that the price charges is too high for the product.

5. RESULT ANALYSIS

5.1 Benchmarking Competitors

During the competitors research, the team realized that most of the products offered by them were mostly apparel goods, office goods related with productivity or to better study performance and other accessories, such as simple key chains, for example. The team seek to establish reference items (PRI) between different stores catalogues. This classification was made for items present in almost every catalogue: Hoodies and other apparel items, office supplies such as pens and notebooks, and day-life accessories, such as can openers.

Concluding the competitors research, the team determined that the main PRI that is present in every store catalogue, and from whom it was possible to obtain some deeper data, are Hoodies (referred also as PRI from now on). Hoodies are probably the main product in the market of university merchandising in terms of share. ISEG Hoodies are known among the community and are recognized nationally. Internationally, Harvard, Columbia and Oxford are brands that stand out specifically in this product.

By looking at other players and their suppliers, the team built a first set of products which compiled could form the portfolio of the store. It is shown in Table 1 the listing of the potential products the team got to.

The team also noted that some of the stores were selling not only own branded products but products that reflect social traits and other local characteristics.

1. Training Shorts	13. Tshirt Black	25. Baby Body w/ Hoodie
2. Adidas Jumpsuit (M)	14. Tshirt Red	26. Baby Bib
3. Joggers (M)	15. Tie Red	27. Pen
4. Training Shorts W	16. Tie Blue	28. Parker Pen
5. Adidas Jumpsuit W	17. Red Scarf	29. Cork Pen
6. Women Slim Joggers	18. Blue Scarf	30. Recycled Pencil
7. Red Hoodie	19. Bowtie	31. Pencil Case
8. Black Hoodie	20. Beanie	32. Hardcover Notebook A5
9. Grey Zip Hoodie	21. Strawhat	33. Notebook A5
10. Red Zip Hoodie	22. Beach Shorts	34. Computer Sleeve
11. Black Polo	23. Happy Socks	35. Computer Backpack
12. White Polo	24. College Jacket	36. Post-Its Kit
37. Documents Cover	49. Bamboo Cup	61. Lunch Bag
38. Desk Calendar	50. Hand Sanitizers	62. Cutlery
39. Year Schedule Book A5	51. Red Blanket	63. Lunch Box
40. Cotton Bag	52. Pin	64. Graduation Mascott
41. Mug	53. Cufflinks	65. Corkscrew
42. Graduation Ring	54. CD Tuna Económicas	66. Wine Kit
43. Lanyard	55. Headphones	67. Alumni Economicas "30 years celebrations" Wine Bottle
44. Webcam Cover	56. Lighter	68. Baseball Cap
45. Powerbank	57. Beach Towel	69. Gloves
46. Umbrella	58. Cellphone Case	70. Thermos
47. Glass Bottle	59. Keychain	71. Gym Bag
48. Bottle w/ Cup	60. Wood Keychain	72. Playing Cards

Table 1 - List of Products

5.2 Qualitative

As it was stated before the qualitative data was collected through interviews and through a focus group. Interviews were categorized by *persona* since is the main feature that differentiates these types of consumers.

Characterization of the sample

The team managed to interview individuals of each *persona*, amounting to 4 interviews to students, 4 interviews to family members, and 4 interviews to alumni.

The Focus Group was conducted with 6 ISEG students, being 3 males and 3 females. Of the six, four were bachelor students and the remaining two master students. The age range was from 20-22 years old.

The lack of answers from marketeers and ISEG professional limited the research and thus, the recommendations.

Analysis of the Results

Whether on the interviews or the focus group, it was possible to observe the excitement of the participants, proving that they are interested by the topic that is being addressed and are freely participating in the study.

5.2.1 Interviews

During student's interviews, a student A stated that merchandise products "are good for showing our identity as university, which makes the students proud" when asked about his/her opinion on merchandise products. The idea of this statement was almost unanimous between all the participants which shows that there is a connection between the existence of merchandise products and the engagement between students and the school.

Regarding product portfolio, student B, when inquired about which product best represents ISEG and why, rapidly answered "sweatshirts" and added "it's the product that everyone wants from the moment they see one. It's the most wanted product undoubtedly". This reinforces the idea that hoodies are the main good in this market. Later, this subject suggested "umbrellas, caps, gloves and wallets" as possible products to integrate the catalogue. Alumni A, when faced with a similar question said "I would go to work with a tie that reminds me of my times there". These data allowed to support some of the team's recommendations in the catalogue of products.

5.2.2 Focus Group

During the focus group many themes were addressed, such as the importance and impact of merchandise, the evolution of merchandise products at ISEG and even a comparison between old products and the most recent ones.

When the theme of the current store location, opinions were similar, and everybody agreed that the store was badly located and that it's difficult for those who don't know the campus to find it, strengthening the idea that it's possible many of the target consumers do not know where to purchase goods. Afterwards, a student tells that when he entered ISEG he immediately went to purchase one hoodie because he loved the design, and it was at a "super affordable price", connecting the impulse purchase, associated to emotions with the school, and this kind of market. Of the focus group, five people showed a bit anxious and stated that they preferred the design of new products, with the new image, admitting that it gives a clear and better organized look to the products. One of the participants still prefers the previous-rebranding merchandise.

5.3. Quantitative

The two questionnaires the team used to collect quantitative data include both two-answer questions and five-answer questions, the last is most known as the Likert scale. The Likert scale is used in surveys and polls. In most cases, it is used to measure respondents' attitudes or opinions (Pestana & Gageiro, 2014).

5.3.1. ISEG 'Store

Characterization of the sample

Of the 126 people that answered this questionnaire, 69 are male (55%) and the remaining 57 are female (45%). Ages were divided in intervals to determine which interval is the most representative. The age group "18-25 years" is the one with the most participants, with 86% of the sample (108 people). Ten respondents formed the age group between "25-30 years old", with 8%, then the interval "30-40 years old" had 4% of the total sample (5 responses) and finally the interval of the "> 40 years old" with a rate of 2% (3 responses), noting that none of the respondents answered the questionnaire when they were younger than 18 years old.

Regarding their monthly income, 44% (55 responses) chose the option "Not applicable", 23% receive "700€-1200€" (29 responses), 22% (28 responses) indicate that they receive "< 700€" and finally 11% (14 responses) receive "> 1200€".

Regarding their college affiliation, 60% (76) are ISEG students, 21% (26) are alumni, and 19% (24) are friends or family members of a student.

Analysis of the results

Among ISEG students, the survey results showed that the majority knows or think they know what products ISEG sells. 82% (62 people) answered positively and 18% (14 people) answered negatively (Appendix, Figure 2). On another hand the percentage of ignorance regarding the prices charged is slightly bigger since 29% (18) answered that they didn't know what prices ISEG usually charges on products. (Appendix, Figure 3). Although the results prove that the majority of people is aware of ISEG merchandise, there is a considerable part who do not know the ISEG product catalog, which might be due to the fact that there is almost no merchandise since the ISEG was renamed. Nevertheless, the communication has a major role in the improvement of this aspect.

The 62 people who answered yes to the above question were asked if they had ever purchased an ISEG product. 37 people (60%) answered *Yes* and 25 (40%) answered no (Appendix, Figure 4). These 62 people were asked what products they had purchased. As

we can see in Figure 5 in the Appendix, 42% (26) of the respondents had already purchased the ISEG hoodie, followed by the bottle, which 16% (10) of the respondents had purchased. The suitcase was the only product that no one purchased.

ISEG products were characterized by having a good quality (37 answered at an average of 4 points) at an average price (37 answered at an average of 3.16) (Appendix, Figure 6)

ISEG students were asked if they would be interested in purchasing merchandise after the rebranding. As we can see in Figure 7 in the Appendix, 63% (48) of the respondents answered Yes, 11% (8) answered No, and 26% (20) answered Maybe.

When asked what were the reasons that might led a student not to purchase any merchandise product, two reasons stood out: price and lack of catalogue innovation, compiling together 50% of the reasons (Appendix, Figure 8)

Regarding Alumni, Figure 9 in the Appendix shows that there is a higher level of ignorance about ISEG products. 73% (19) of the respondents said they did not know the product catalog and only 27% (7) knew the catalog.

They were then asked if they would be interested in purchasing any type of merchandising from ISEG. Figure 10 in the Appendix shows that only 27% (7) of the respondents said Yes, and 73% said No or Maybe.

In the section on relatives and friends of ISEG students, it is easy to demonstrate that having a connection to another faculty or not having an emotional attachment to ISEG is seen as a barrier to purchasing ISEG merchandise. Of these respondents, 79% (19) are not familiar with the ISEG product catalog (Appendix, Figure 11) and 92% (22) have not yet purchased an ISEG branded product (Appendix, Figure 12).

This last section demonstrates that there is a long way to reach the needed brand awareness and thus, an added difficulty to reach this *persona*. In other words, turning a non-institution related people into a institution client because of the value he/she sees on the brand.

5.3.2. Product Portfolio

Characterization of the sample

From the 81 people that answered the questionnaire, 43 are male (53%) and the remaining 38 are female (47%). When it comes to age intervals, a considerable majority fits in the interval “18-25 years” with 71 respondents (88%). 4 people (5%) are between

“26-30 years”, 4 (5%) are between “31-40 years” and only 2 people are “>40 years” (2% of the sample).

Analysis of the results

After treating data concerning the questionnaire, products could be organized by preference (interest) of those inquired. Table 2 shows the top five preferred products and the least five preferred ones. Clearly there are products that are most desired by the sample and others that are not suitable to be part of the portfolio.

Top 5 Preferred Products	Least 5 Preferred Products
Hoodie Black	Bowtie
T-Shirt Black	Tie Blue
Adidas Jumpsuit (M)	Scarf Blue
Hoodie Red	Baby Body w/ Hoodie
Pen	Baby Bib

Table 2 - Top/Bottom 5 Preferred Products

The products that caused most interest in consumers are: Hoodies and Zip Hoodies, T-shirts, and the Adidas training suit from the *Wearable* section; the famous ISEG pen, the hardcover notebook and the computer sleeve from the *Office* section and lastly the glass bottle and the recycled playing cards from the *Accessories* section. These Items are strongly advised to be part of the ISEG store catalogue.

The ten lowest-ranked items were both types of ties and scarfs, the bowtie, beach shorts, and the baby items in the *Wearable* section. In the *Accessories* section stands out by the negative the wood keychain and the ISEG cufflinks. These products are recommended to be out of the catalogue at least during an initial stage.

Regarding products average price engagement with clients, they think that are being charged too much in average the Adidas Jumpsuit, both Ties and the College Jacket in the *Wearable* section. Other products that scored higher values in this question were, in the *Office* section, Parker Pen and the Computer Sleeve and in the *Accessories* section the Graduation Ring, the Beach Towel by Futah. These data is summarized in Table 3 in the appendix.

The core product portfolio was established with the possibility of adding other products in a more mature phase of the store, precisely as it will be deepened with the final recommendations, in section 6.2.

5.4. Financial Overview

Financial Figures

In a posterior phase, it was possible to estimate sales using multiples and to understand the financial background of the whole project, considering estimations regarding all operating and settlement expenses.

The Sales estimation process is divided into three phases. Firstly, the team decided to estimate the demand. Then, it was about establishing the price of the products, a price that is not based on an additional markup over the cost price but a price that reflects by its best the target customer AFP regarding each product. The third step, was, combining the demand with the price established in order to calculate the sales itself.

1) Demand

The average price of the PRI in this market is 20€, with a considerable demand. In fact, that was the price charged in prior years by the existing store, while the school students' union hoodie's price would vary between 17€ and 21€. For calculation purposes, the price considered was 20€.

Regarding the sales of this product, and after contacts with the students' union, we were able to establish that around 500 hoodies were sold last year by AEISEG. Since the target audiences are considered to being the same, the team assumed that the demand of AEISEG hoodies is similar to the demand of ISEG hoodies. On a ten-month-basis (which is more representative of the academic calendar - the demand is almost inexistent during the months of July and August.), results in 50 hoodies sold per month.

Due to offering a panoply of products, the demand on each product is expected to be lower than if the store was offering only a single product or standardized products without any variety or substitutes. Thus, there is a spillover effect from widening the portfolio that reduces the demand of each specific product. For the purpose of this study the team quantified it as 0.25 (also addressed as ratio for substitute products).

From this point it was possible to estimate the sales of the two Hoodies that are part of the product portfolio and furthermore the demand of each product, based on a multiple

that involves client's interests regarding both products (the product that is being estimated and our PRI) and then multiplying it by the demand of the PRI. It is a logic that assumes that demand is proportional between each item and that each consumer purchases a product based exclusively on their interest on it, and so the results obtained are only estimates, requiring careful interpretation.

$$Demand Factor_X = \frac{Int_X}{Int_{B.Hoodies}}$$

The Demand Factor is based on clients' interest regarding each product and results in a proportion that means if a product is more/less demanded by the population, relatively to the reference product. Considering the assumptions stated above, the team can estimate the demand of the remaining products.

$$Demand_X = Demand Factor_X * Demand_{B.Hoodies}$$

It is important to understand that operating on an academic calendar-basis, is very distinct and much more irregular than operating on a civil-calendar. Even so, the 10-month calendar has peaks. Peaks can be described as big variations of demand, positive or negatively affecting the operating flow of business (Kenton, 2020)

The demand is almost inexistent during the months of July, August, December and January due to holidays and exams, when a good percentage of students are not even present in the campus. September is considered to be the highest peak due to new joiners and the beginning of classes along with the months of February, March and May, the last one due to ISEG anniversary. The twelve months of the calendar were divided into three categories: High, Average, and Low, that are representative for each month activity season and its flow of business. The team used a variation of 45% relatively to the average month to estimate the demand of the high and low-peak months. The team established also that online sales would represent 20% of total sales during the first five years of the Store.

1.1) Limitations and Approximations to Reality

As it was stated before, this model has some limitations and is based mostly on logic and assumptions, once the data that the team obtained about the existing store sales was quite insignificant, and so the team built a model that's highly based on multiples. This way, in the result discussion part of the project, the team agreed that some of the demand values that were calculated could be overestimated, specially those with lower

points in the “interest” scale, because the model assumes that all products have a market similar to the “most desired product”, the PRI, only slightly adjusted by the *Demand Factor*, the team decided add a multiple of 0.5 to the value obtained by the model about the demand for products that scored less than 3 in the scale of interest, and a multiple of 0.25 for those who scored less than 2.25 points due to agreements between all parts involved that the data would be overestimated.

2) Price Tag

To estimate the price tag of our products we followed the same approach as before to approximate the clients average fair price. Assuming again that the market of hoodies is at equilibrium at a price of 20€ per unit and with a thought on price valued on 3.08 points, the team calculated the Price Factor as it follows.

$$Price\ Factor_x = \frac{Thoughts\ on\ Given\ Price_x}{Thoughts\ on\ Given\ Price_{Hoodies}}$$

The price factor states if a product is being traded at high or at low prices on the eyes of customers. By dividing the average price charged by competitors by the Price Factor Ratio, the team obtained an estimate for the consumer’s average fair price, and thus to the price tag for most of the products. The PF and the AFP of a product maintain a negative correlation once higher price factors mean that the product is being traded at more expensive prices relatively to the reference product and thus, the calculated has to be lower than the price subject to study (or the average price charged by international competitors).

$$AFP_x = \frac{Price\ Subject\ to\ Study_x}{Price\ Factor_x}$$

The recommended price to be charged by the store, for each product, shouldn’t be lower than its cost, and so, the team had to adjust product’s recommended prices that were in that situation. An additional markup of 10% was added, enough to cover that difference and not to significantly impact the demand, although economically it would be affected. For simplification reasons that impact was not considered for the rest of the study. Recommended prices can be seen in Table 5, in the Appendix.

3) Sales

From this point, after calculating estimates for the demand, prices, obtain the optimal quantities to order, the team was able to make estimations on sales, cost of goods

sold (COGS) and other relevant financial figures, according to the recommendations, in Chapter 6.

Sales were calculated as it follows, where i represents each product of the catalogue. (Table 4, Appendix)

$$Sales_{Month} = \sum_{i=1}^{72} Demand_i * Average Fair Price_i$$

4) COGS

The calculation of COGS, or cost of goods sold are fundamental to perform a financial overview of the project. The team contacted several suppliers, but only obtained cost estimation for some products. And so, for the products that the team was not able to obtain the final cost price, it was calculated through the average market price of the products in question and the average margin of the products that were properly budgeted.

The remaining COGS were provided from the suppliers, and then the team was able to calculate the Economic Order Quantity, to find the optimum relation between quantities to order and prices paid to satisfy the demand.

Assumptions of the Project Valuation

To assess whether the project is financially viable or not, the team assumed a 5-year duration of the project, with sales growing at a rate of 1,5% per year in the third year of operations, and 2% per year in the last two periods. The annual grow percentage is considered to be low during this five years, once the store will be still trying to get to wider markets and that is more likely to happen after the first five years of business.

The cost of capital defined by ISEG stands at 2.5%, as it was defined by the client in one of the meetings. This value is reflected by the expected incremental return on the funds invested in this project, rather than investing in market securities (Accounting Tools, 2021). Therefore, if the projected returns are less than the expected cost of capital, one should not invest in the project (Accounting Tools, 2021), assuming that this is the only basis for the decision, which in this case is not. Although the theoretical economical and financial approach by its whole does not strictly apply to the decision taking, it is valuable to have an oversight in that matter.

5.4.1 Provisional Profit & Loss Statement

First Year Analysis

The provisional P&L statement was built (Appendix, Table 6), with sales amounting to 57165€ in the first year of activity with the cost of goods sold constituting 69% of sales (in the first year it is expected to be 39637€).

Operating expenses are all expenses incurred by the store throughout the operational process, such as wages, advertising expenses, maintenance of the online store and logistics. Together they are expected to totalize 30117€, most represented by advertising expenses that, in the year of settlement represent 60% of the operating expenses, generating a loss in the net income of 12589€

Following Years Considerations

For the following four years, sales are expected to increase by a considerable amount once, from the beginning of the period, all the products are expected to be offered to the public, aligned with the author recommendations, in Chapter 6.

The average COGS for the following four years are in average 64% of sales, with positive EBITs taxed at rate of 25%.

5) Net Present Value

Project was valued according with the discounted cash flow method in which, after estimating sales for the following years, it was possible to estimate the initial investment (that amounts to 4339€) and discount the cash flows at ISEG's cost of capital (defined at 2.5%), the Net Present Value of the investment, with a maturity of five years is 27511.18€, which corresponds to a 26% IRR and a payback of the investment within 2.210 years (Appendix, Figure 13).

6. LIMITATIONS AND RECOMMENDATIONS

6.1. Limitations

With very limited data about the existing store operations, mainly insignificant, most of the recommendations are based on assumptions, and lack fundament, so, the reading and understanding of this study must be done carefully.

The method used by the team to assess whether the demand and the average fair price lacks precision and thus had to be adjusted to better represent the reality.

There is still very few available information regarding merchandise stores since it is mainly used as a marketing tool.

It's important to state the fact that the population inquired was not representative and so, the data can be biased.

6.2 Recommendations

6.2.1. Launching the ISEG Store

As mentioned, ISEG intends to offer a variety of products, within different categories, to widen their target audience and as a result empower the brand.

But the objective will not be to launch all the products at once, because that would involve a high investment. The launch of the full catalogue of products was divided into four phases (Appendix, Figure 14), three of which would take place in the store's first year of operation and the other one in the beginning of the following year of operations. Each phase is recommended to be started precisely before a high sales peak, in order to shorten the payback period and optimize the launch of new products with the increase in demand.

In this way, the optimal date for launching the store would be on the date of ISEG's 111th anniversary (Lopes, 2022), to boost initial sales with the event, and to show the public the new ISEG products already with the new brand image. During the month of May there will be plenty of activities and a high influx of *Students* and *Alumni* at the school. During this phase, it is recommended only the sale of the 15 preferred products by the students, supported by the questionnaire. It is recommended to focus on summer items, except for Hoodies as it is the main product of the university merchandise market, and one of the most desired.

The second stage of portfolio launching is recommended to be in September, again a high peak, due to the new joiners and the beginning of the academic year. At this time,

both summer and winter products can be offered, and some of them are advised to be integrated in the portfolio. This is a time that it is needed to widen the *Office* category, due to the productivity-related items, for the beginning of classes.

The third stage will be dedicated to adding some premium items to the portfolio with the ambition of increasing the power of the brand within the *Alumni* and those who, in the following months, will graduate.

The fourth phase of catalogue expansion is recommended to occur in the second year of the store operations, with the remain products to be integrated in the portfolio, once the store will have already a proper established operational process, that would allow this integration.

6.2.2. Partnerships

Partnerships regarding products, are strongly recommended to be pursued, since it's the one effective way to relate the ISEG brand with other quality brands. The partnership can differ in scope.

Internal partnerships are partnerships between two entities in the same group, in this case, between ISEG store and other ISEG association, aiming to combine the increased value of both brands, and generate growth for both. It is suggested that the Alumni Wine Bottle and the Tuna Económicas CD could be part of the portfolio.

External partnerships can be defined as agreements between two entities out of the same group. This kind of partnerships has the goal of associate one brand to the characteristics of another. This is the case, where partnerships are strongly recommended to boost the quality awareness of products within the target audience. It is expected that, for example, a partnership with Parker (to create an executive ISEG pen), with Futah (to create a high quality ISEG beach towel) or even with Vista Alegre (to create a commemorative ISEG crockery, as it was done in the past) would be beneficial as partnerships with high quality brands will affect the customer's first impression of the quality of the remaining products.

6.2.3. New Line of Products – LISBON

At a more mature stage of the store, it is essential that the image of the products not only convey the image of the school, i.e., the logo, but rather an image of the school's characteristics, which aims to transmit the sensations of the spirit felt among the community. With this in mind, a "*Lisbon*" collection was conceived with the point of transmit what is Lisbon not only to those from other places studying in Lisbon (national

and internationally) but also people, without any relation to the school, who, for example, are visiting Lisbon and wish to take a souvenir back to their homelands. It would be a way to broaden the audience and boost sales on the website (since, in the second scenario, the consumer is unlikely to go to the physical store).

7. CONCLUSION

The research whether on competitors, or on potential clients (qualitative and quantitative), along with the data analysis, represents the practical application of the theoretical concepts approached in the beginning of the paper.

Merchandise or own branded products are a very impactful marketing strategy since the marketing effect lasts the useful life of the product instead of having the duration of a simple commercial or advertisement. Usually this is a strategy that is mostly about “give and not to sell”, as it happens nowadays at ISEG, representing most of the times an expense and not an opportunity to make profit.

Although most of the logic behind the methodology has its fundamentals on assumptions, a professionalization of the ISEG Store seems to be the next big step of innovation in the national panorama, not only at ISEG, but also within the Portuguese universities.

Considering that if it wouldn't be implemented, merchandise will continue to represent an expense, and answering the research question, ISEG should have a physical and an online merchandise store, because there is a market gap, an opportunity to be pioneer, a considerable demand, and, with a proper communication strategy, optimal logistics implemented and a portfolio that is consumer oriented, it has all the inputs to thrive in this market whether physically or online and to stand out nationally and internationally. Hence, following a careful approach, and continuing monitoring the market may lead to the purpose of the project: *Raise Brand Awareness and Increase ISEG's Value.*

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APPENDIX

14. Sendo Aluno do ISEG, conheces os produtos de merchandising que o ISEG vende?

[Mais Detalhes](#)



Figure 2 - As ISEG student, do you know the product portfolio offered by the store?

15. Tens alguma noção dos preços praticados pelo ISEG na sua loja de merchandising?

[Mais Detalhes](#)



Figure 3 - Are you aware of the prices charged by ISEG?

16. Já adquiriste algum produto de merchandising do ISEG?

[Mais Detalhes](#)



Figure 4 - Have you ever acquired any ISEG merchandising product?

17. Quais foram os produtos de merchandising que adquiriste?

[Mais Detalhes](#)

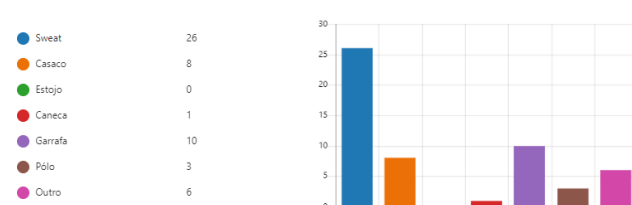


Figure 5 - What are the products you purchased?

19. Avalia a qualidade dos produtos adquiridos

[Mais Detalhes](#)

Insights

37

Respostas

4

Número Médio

20. Avalia o preço desses mesmos produtos

[Mais Detalhes](#)

Insights

37

Respostas

3.16

Número Médio

Figure 6 - Assess the quality and the price of the products you purchased

22. Sendo que o ISEG foi alvo de um rebranding, tinhas interesse em adquirir produtos de merchandising com a nova imagem?

[Mais Detalhes](#)

● Sim	48
● Não	8
● Talvez	20



Figure 7 - Knowing that ISEG had a rebranding, would you be more prompt to purchase ISEG merchandise, with the new image?

23. Quais as razões que te poderão levar a não adquirir produtos de merchandising do ISEG?

[Mais Detalhes](#)

● Falta de Inovação do Catálogo	7
● Preço	11
● Qualidade	2
● Falta de Interesse	12
● Outro	3



Figure 8 - What are the reasons that might led you to not purchase any ISEG merchandising product?

38. Conheces o catálogo de produtos do ISEG?

[Mais Detalhes](#)

● Sim	7
● Não	19



Figure 9 - Do you know the product portfolio? - Alumni

42. Sendo ex-aluno do ISEG, estarias interessado em adquirir algum tipo de merchandising referente ao ISEG?

[Mais Detalhes](#)

● Sim	7
● Não	4
● Talvez	15



Figure 10 - As an Alumni would you be interested in purchase any merchandise product?

69. Conheces os produtos vendidos pelo ISEG?

[Mais Detalhes](#)

● Sim	5
● Não	19



Figure 11 - Are you aware of the ISEG product catalogue? - Friend/Family

DEFINING THE MOST WANTED PRODUCT PORTFOLIO OF THE NEW ISEG MERCHANDISING STORE:
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70. Já adquiriste algum produto de merchandising do ISEG?

[Mais Detalhes](#)

● Sim 2
● Não 22



Figure 12 - Have you purchased any ISEG merchandise product? - Family Friends

Status	ID Produto	Description	Number of Responses			Average			Status	ID Produto	Description	Number of Responses			Average		
			Male	Female	Total	Male	Female	Total				Male	Female	Total	Male	Female	Total
Wearable	1	ISEG Training Sh	2,95	Non Appl	2,95	3,44	Non Appli	3,44	Office	36	Post-Its Kit	1,95	3,55	2,70	2,67	2,45	2,57
Wearable	2	ISEG Adidas Jum	3,44	Non Appl	3,44	3,63	Non Appli	3,63	Office	37	Documents Cov	2,47	2,58	2,52	2,98	2,79	2,89
Wearable	3	ISEG Joggers (M	2,67	Non Appl	2,67	3,00	Non Appli	3,00	Office	38	ISEG Perpetual D	1,98	2,29	2,12	3,26	3,24	3,25
Wearable	4	ISEG Training Sh	Non Appl	2,24	2,24	Non Appli	2,97	2,97	Office	39	ISEG Year Sched	2,40	2,74	2,56	3,09	2,97	3,04
Wearable	5	ISEG Adidas Jum	Non Appl	2,21	2,21	Non Appli	3,79	3,79	Reusable	40	ISEG Cotton Bag	2,28	3,55	2,88	2,70	2,68	2,69
Wearable	6	ISEG Women Slim	Non Appl	2,61	2,61	Non Appli	2,89	2,89	Reusable	41	ISEG Mug	2,74	3,08	2,90	2,95	3,00	2,98
Wearable	7	ISEG Red Hoodie	3,42	3,39	3,41	3,05	3,08	3,06	Reusable	42	ISEG Graduation	2,49	1,97	2,25	4,14	4,16	4,15
Wearable	8	ISEG Black Hood	3,77	4,21	3,98	3,05	3,08	3,06	Reusable	43	ISEG Lanyard	2,33	2,50	2,41	3,07	3,03	3,05
Wearable	9	ISEG Grey Zip Hd	3,26	3,50	3,37	3,16	3,16	3,16	Reusable	44	ISEG Webcam Co	2,58	3,61	3,06	3,14	2,68	2,93
Wearable	10	ISEG Red Zip Ho	2,98	2,92	2,95	3,28	3,11	3,20	Reusable	45	ISEG Powerbank	3,05	3,29	3,16	3,33	3,21	3,27
Wearable	11	ISEG Black Polo	2,86	1,76	2,35	3,21	3,16	3,19	Reusable	46	ISEG Umbrella	2,70	2,61	2,65	3,00	2,97	2,99
Wearable	12	ISEG White Polo	2,79	1,71	2,28	3,19	3,21	3,20	Reusable	47	ISEG Glass Reus	3,02	3,71	3,35	3,09	3,39	3,23
Wearable	13	ISEG Tshirt Black	3,77	3,66	3,72	3,26	3,34	3,30	Reusable	48	ISEG Plastic Dop	2,67	3,00	2,83	3,21	3,66	3,42
Wearable	14	ISEG Tshirt RED	3,12	2,76	2,95	3,35	3,24	3,30	Reusable	49	ISEG Bamboo Ed	2,58	3,34	2,94	3,26	3,32	3,28
Wearable	15	ISEG Tie	2,56	1,39	2,01	3,60	3,50	3,56	Reusable	50	Alcohol Based H	2,72	3,03	2,86	3,16	2,97	3,07
Wearable	16	ISEG Striped Tie	1,88	1,21	1,57	3,58	3,45	3,52	Reusable	51	ISEG Red Blanke	2,53	2,66	2,59	3,02	3,11	3,06
Wearable	17	ISEG Red Scarf	2,02	1,66	1,85	3,35	3,53	3,43	Reusable	52	ISEG Pin	2,60	2,76	2,68	2,84	2,68	2,77
Wearable	18	ISEG Striped Sca	2,12	1,32	1,74	3,35	3,61	3,47	Reusable	53	ISEG Cufflinks	2,35	1,58	1,99	3,09	2,95	3,02
Wearable	19	ISEG Bowtie	1,63	1,13	1,40	3,35	3,24	3,30	Reusable	54	CD Tuna Económ	2,35	2,82	2,57	Non Appli	Non Appli	#####
Wearable	20	ISEG Beanie	2,35	2,16	2,26	3,26	3,24	3,25	Reusable	55	ISEG Headphone	2,21	1,97	2,10	2,70	2,61	2,65
Reusable	21	ISEG Strawhat	2,28	2,47	2,37	2,81	2,68	2,75	Reusable	56	ISEG Clipper Ligh	3,12	2,21	2,69	2,98	2,61	2,80
Wearable	22	ISEG Beach Shot	2,47	1,34	1,94	3,02	2,95	2,99	Reusable	57	ISEG x Futah Bea	2,44	2,66	2,54	3,53	3,82	3,67
Wearable	23	ISEG Happy Sock	2,79	3,13	2,95	3,28	3,08	3,19	Reusable	58	ISEG Cellphone C	2,91	2,61	2,77	3,44	3,74	3,58
Wearable	24	ISEG Varsity Jack	3,09	1,95	2,56	4,02	4,16	4,09	Reusable	59	ISEG Keychain/C	2,72	2,74	2,73	3,16	3,05	3,11
Wearable	25	ISEG Baby Bodys	1,67	1,66	1,67	3,05	2,71	2,89	Reusable	60	ISEG Wood Keyc	2,16	1,66	1,93	3,07	3,00	3,04
Reusable	26	ISEG Baby Bib	1,84	1,74	1,79	2,93	2,53	2,74	Reusable	61	ISEG Lunch Bag	2,19	2,50	2,33	2,93	3,05	2,99
Office	27	ISEG Pen	3,09	3,68	3,37	2,93	2,68	2,81	Reusable	62	ISEG Metal Reus	2,16	2,68	2,41	2,95	3,00	2,98
Office	28	ISEG Executive F	2,65	2,66	2,65	3,37	3,76	3,56	Reusable	63	ISEG Lunch Box	2,53	3,50	2,99	2,79	2,92	2,85
Office	29	ISEG Executive C	2,42	2,42	2,42	3,28	3,53	3,40	Reusable	64	ISEG Graduation	2,49	2,32	2,41	2,91	2,63	2,78
Office	30	ISEG Recycled P	2,84	2,92	2,88	2,91	2,45	2,69	Reusable	65	ISEG Corkscrew	2,53	2,39	2,47	2,98	3,03	3,00
Office	31	ISEG Pencil Case	2,21	2,66	2,42	3,16	3,24	3,20	Reusable	66	ISEG Wine Kit	2,53	2,61	2,57	3,05	2,97	3,01
Office	32	ISEG Hardcover	3,16	3,50	3,32	3,07	3,05	3,06	Reusable	67	ISEG Alumni Eco	3,09	2,76	2,94	Non Appli	Non Appli	#####
Office	33	ISEG Notebook	2,47	2,82	2,63	2,95	2,63	2,80	Reusable	68	ISEG Baseball Ca	2,98	2,53	2,77	3,14	3,39	3,26
Office	34	ISEG Computer S	3,09	3,45	3,26	3,37	3,58	3,47	Reusable	69	ISEG Gloves	2,30	1,92	2,12	3,12	2,92	3,02
Office	35	ISEG Computer E	3,09	2,92	3,01	3,26	3,03	3,15	Reusable	70	ISEG Thermos	2,67	3,11	2,88	3,19	3,08	3,14
									Reusable	71	ISEG Gym Bag	2,84	2,45	2,65	3,09	3,00	3,05
									Reusable	72	ISEG Recycled P	3,19	3,34	3,26	3,00	2,68	2,85

Table 3 - Summary of data gathered about each product. Top 15 most desired and top 10 with most expensive prices.

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	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1 ISEG Training Shorts	87,00	60,00	24,00	24,00	87,00	60,00	60,00	24,00	24,00	24,00	87,00	60,00
2 ISEG Adidas Jumpsuit (M)	1.456,82	1.004,70	472,80	472,80	1.456,82	1.004,70	1.004,70	472,80	472,80	1.456,82	1.456,82	1.004,70
3 ISEG Joggers (M)					186,62	128,70	128,70	59,40	59,40	186,62	186,62	128,70
6 ISEG Women Slim Joggers					159,28	109,85	109,85	50,70	50,70	159,28	159,28	109,85
7 ISEG Red Hoodie	493,00	340,00	160,00	160,00	493,00	340,00	340,00	160,00	160,00	493,00	493,00	340,00
8 ISEG Black Hoodie	580,00	400,00	180,00	180,00	580,00	400,00	400,00	180,00	180,00	580,00	580,00	400,00
9 ISEG Grey Zip Hoodie	549,70	379,10	178,40	178,40	549,70	379,10	379,10	178,40	178,40	549,70	549,70	379,10
10 ISEG Red Zip Hoodie					239,25	165,00	165,00	66,00	66,00	239,25	239,25	165,00
11 ISEG Black Polo										125,28	125,28	86,40
12 ISEG White Polo										114,84	114,84	79,20
13 ISEG Tshirt Black	256,22	176,70	83,70	83,70	256,22	176,70	176,70	83,70	83,70	256,22	256,22	176,70
14 ISEG Tshirt RED	101,14	69,75	27,90	27,90	101,14	69,75	69,75	27,90	27,90	101,14	101,14	69,75
15 ISEG Tie										155,88	155,88	107,50
16 ISEG Striped Tie										252,88	252,88	174,40
27 ISEG Pen	27,12	18,70	8,80	8,80	27,12	18,70	18,70	8,80	8,80	27,12	27,12	18,70
28 ISEG Executive Parker Pen										283,69	283,69	195,65
29 ISEG Executive Cork Pen										133,11	133,11	91,80
30 ISEG Recycled Pencil										6,09	6,09	4,20
31 ISEG Pencil Case										66,99	66,99	46,20
32 ISEG Hardcover Notebook A5	123,25	85,00	40,00	40,00	123,25	85,00	85,00	40,00	40,00	123,25	123,25	85,00
33 ISEG Notebook A5 (Lines/Plain)					20,74	14,30	14,30	6,60	6,60	20,74	20,74	14,30
34 ISEG Computer Sleeve	306,24	211,20	92,40	92,40	306,24	211,20	211,20	92,40	92,40	306,24	306,24	211,20
35 ISEG Computer Backpack	476,33	328,50	153,30	153,30	476,33	328,50	328,50	153,30	153,30	476,33	476,33	328,50
36 Post-Its Kit					12,18	8,40	8,40	3,60	3,60	12,18	12,18	8,40
37 Documents Cover A4 with Calculator					109,33	75,40	75,40	34,80	34,80	109,33	109,33	75,40
38 ISEG Perpetual Desk Calendar					43,86	30,25	30,25	11,00	11,00	43,86	43,86	30,25
40 ISEG Cotton Bag					34,51	23,80	23,80	10,20	10,20	34,51	34,51	23,80
43 ISEG Lanyard					13,05	9,00	9,00	4,50	4,50	13,05	13,05	9,00
44 ISEG Webcam Cover	34,80	24,00	11,20	11,20	34,80	24,00	24,00	11,20	11,20	34,80	34,80	24,00
45 ISEG Powerbank 20000mAh	433,84	299,20	130,90	130,90	433,84	299,20	299,20	130,90	130,90	433,84	433,84	299,20
46 ISEG Umbrella					77,29	53,30	53,30	24,60	24,60	77,29	77,29	53,30
47 ISEG Glass Reusable Bottle	162,69	112,20	52,80	52,80	162,69	112,20	112,20	52,80	52,80	162,69	162,69	112,20
48 ISEG Plastic Doppet Bottle w/ Cup					117,74	81,20	81,20	34,80	34,80	117,74	117,74	81,20
49 ISEG Bamboo Ecoffee cup					81,56	56,25	56,25	22,50	22,50	81,56	81,56	56,25
50 Alcohol Based Hand Sanitizers					20,30	14,00	14,00	6,00	6,00	20,30	20,30	14,00
51 ISEG Red Blanket by SOL'S					75,40	52,00	52,00	24,00	24,00	75,40	75,40	52,00
52 ISEG Pin					16,02	11,05	11,05	5,10	5,10	16,02	16,02	11,05
54 CD Tuna Económicas	94,25	65,00	30,00	30,00	94,25	65,00	65,00	30,00	30,00	94,25	94,25	65,00
55 ISEG Headphones Jack 3.5mm					91,71	63,25	63,25	23,00	23,00	91,71	91,71	63,25
56 ISEG Clipper Lighter					16,24	11,20	11,20	4,80	4,80	16,24	16,24	11,20
59 ISEG Keychain/CanOpener					39,59	27,30	27,30	11,70	11,70	39,59	39,59	27,30
61 ISEG Lunch Bag										80,04	80,04	55,20
63 ISEG Lunch Box w/ Cutlery										108,75	108,75	75,00
66 ISEG Wine Kit	108,75	75,00	30,00	30,00	108,75	75,00	75,00	30,00	30,00	108,75	108,75	75,00
67 ISEG Alumni Económicas *30 years celeb					326,25	225,00	225,00	90,00	90,00	326,25	326,25	225,00
70 ISEG Thermos					128,91	88,90	88,90	38,10	38,10	128,91	128,91	88,90
72 ISEG Recycled Playing Cards	48,72	33,60	14,70	14,70	48,72	33,60	33,60	14,70	14,70	48,72	48,72	33,60

Table 4 - First Year Sales

DEFINING THE MOST WANTED PRODUCT PORTFOLIO OF THE NEW ISEG MERCHANDISING STORE:
A CONSULTING PROJECT

	Price Subject to Study	Average Thought on Price	Price Factor	Cost Price	AFP	Recommended Price
1 ISEG Training Shorts	9	3,44	1,12	4,83	8,01	8,0
2 ISEG Adidas Jumpsuit (M)	70	3,63	1,18	56,58	59,08	59,1
3 ISEG Joggers (M)	17	3,00	0,98	17,96	17,35	19,8
4 ISEG Training Shorts W	8	2,97	0,97	4,95	8,24	8,2
5 ISEG Adidas Jumpsuit W	70	3,79	1,24	56,58	56,56	62,2
6 ISEG Women Slim Joggers	16	2,89	0,95	10,20	16,92	16,9
7 ISEG Red Hoodie	20	3,06	1,00	12,76	20,00	20,0
8 ISEG Black Hoodie	20	3,06	1,00	12,76	20,00	20,0
9 ISEG Grey Zip Hoodie	23	3,16	1,03	13,80	22,28	22,3
10 ISEG Red Zip Hoodie	23	3,20	1,04	13,80	22,02	22,0
11 ISEG Black Polo	15	3,19	1,04	11,26	14,42	14,4
12 ISEG White Polo	15	3,20	1,04	9,45	14,36	14,4
13 ISEG Tshirt Black	10	3,30	1,08	5,28	9,29	9,3
14 ISEG Tshirt RED	10	3,30	1,08	5,28	9,29	9,3
15 ISEG Tie	25	3,56	1,16	12,98	21,53	21,5
16 ISEG Striped Tie	25	3,52	1,15	13,16	21,75	21,8
17 ISEG Red Scarf	17	3,43	1,12	3,04	15,17	15,2
18 ISEG Striped Scarf	17	3,47	1,13	7,50	15,00	15,0
19 ISEG Bowtie	12	3,30	1,08	6,70	11,15	11,1
20 ISEG Beanie	14	3,25	1,06	6,28	13,20	13,2
21 ISEG Strawhat	5	2,75	0,90	1,23	5,56	5,6
22 ISEG Beach Shorts by SOL'S	15	2,99	0,98	10,17	15,37	15,4
23 ISEG Happy Socks	8	3,19	1,04	1,68	7,69	7,7
24 ISEG Varsity Jacket	90	4,09	1,33	40,69	67,43	67,4
25 ISEG Baby Bodysuit w/ Hoodie	12	2,89	0,94	7,67	12,72	12,7
26 ISEG Baby Bib	5	2,74	0,90	4,07	5,59	5,6
27 ISEG Pen	1	2,81	0,92	0,23	1,09	1,1
28 ISEG Executive Parker Pen	35	3,56	1,16	12,77	30,14	30,1
29 ISEG Executive Cork Pen	17	3,40	1,11	7,99	15,33	15,3
30 ISEG Recycled Pencil.	0,5	2,69	0,88	0,18	0,57	0,6
31 ISEG Pencil Case	8	3,20	1,04	2,36	7,66	7,7
32 ISEG Hardcover Notebook A5	5	3,06	1,00	2,76	5,00	5,0
33 ISEG Notebook A5 (Lines/Plain)	2	2,80	0,92	0,44	2,19	2,2
34 ISEG Computer Sleeve.	15	3,47	1,13	4,60	13,24	13,2
35 ISEG Computer Backpack	20	3,15	1,03	19,87	19,45	21,9
36 Post-Its Kit	1	2,57	0,84	0,51	1,19	1,2
37 Documents Cover A4 with Calculator	9	2,89	0,94	10,55	9,54	11,6
38 ISEG Perpetual Desk Calendar	11	3,25	1,06	0,98	10,37	5,5
39 ISEG Year Schedule Book A5 (Agenda)	7	3,04	0,99	4,48	7,06	7,1
40 ISEG Cotton Bag	3	2,69	0,88	0,92	3,41	3,4
41 ISEG Mug	5	2,98	0,97	1,98	5,15	5,1
42 ISEG Graduation Ring	700	4,15	1,35	311,92	516,67	516,7
43 ISEG Lanyard	1,5	3,05	1,00	0,81	1,51	1,5
44 ISEG Webcam Cover	1,5	2,93	0,96	0,34	1,57	1,6
45 ISEG Powerbank 20000mAh	20	3,27	1,07	12,70	18,72	18,7
46 ISEG Umbrella	8	2,99	0,98	3,86	8,20	8,2
47 ISEG Glass Reusable Bottle	7	3,23	1,06	1,52	6,63	6,60
48 ISEG Plastic Doppet Bottle w/ Cup	13	3,42	1,12	10,54	11,64	11,6
49 ISEG Bamboo Ecoffee cup	8	3,28	1,07	4,53	7,46	7,5
50 Alcohol Based Hand Sanitizers	2	3,07	1,00	1,26	1,99	2,0
51 ISEG Red Blanket by SOL'S	8	3,06	1,00	6,28	8,00	8,0
52 ISEG Pin	1,5	2,77	0,90	1,03	1,66	1,7
53 ISEG Cufflinks	7	3,02	0,99	4,29	7,09	7,1
54 CD Tuna Económicas	10	Non Appli	Non Appli	6,04	10,00	10,0
55 ISEG Headphones Jack 3.5mm	10	2,65	0,87	6,70	11,53	11,5
56 ISEG Clipper Lighter	1,5	2,80	0,92	0,97	1,64	1,6
57 ISEG x Futah Beach Towel	35	3,67	1,20	17,63	29,23	29,2
58 ISEG Cellphone Case	17	3,58	1,17	9,22	14,54	14,5
59 ISEG Keychain/CanOpener	4	3,11	1,02	1,50	3,94	3,9
60 ISEG Wood Keychain	3,5	3,04	0,99	0,75	3,53	3,5
61 ISEG Lunch Bag	9	2,99	0,98	7,96	9,22	9,2
62 ISEG Metal Reusable Cutlery	6	2,98	0,97	4,54	6,17	6,2
63 ISEG Lunch Box w/ Cutlery	7	2,85	0,93	9,12	7,52	10,0
64 ISEG Graduation Mascott (TeddyBear)	4	2,78	0,91	8,74	4,41	9,6
65 ISEG Corkscrew Wine Bottle	5	3,00	0,98	0,95	5,10	5,1
66 ISEG Wine Kit	7	3,01	0,98	10,44	7,11	11,5
67 ISEG Alumni Economicas "30 years celebra	30	Non Appli	Non Appli	18,11	30,00	30,0
68 ISEG Baseball Cap	11	3,26	1,06	2,62	10,33	10,3
69 ISEG Gloves	7	3,02	0,99	2,08	7,09	7,1
70 ISEG Thermos	13	3,14	1,02	7,20	12,69	12,7
71 ISEG Gym Bag	18	3,05	1,00	9,32	18,07	18,1

Table 5 - Price Tag Calculations (AFP)

DEFINING THE MOST WANTED PRODUCT PORTFOLIO OF THE NEW ISEG MERCHANDISING STORE:
A CONSULTING PROJECT

1st Year Provisional P&L	
Sales	56 884
COGS	39 565
Op. Results	17 318
Op. Expenses	30 115
Wages	11 200
Advertising	18 000
Logistics	879
Online Management	36
EBIT	-12 797
Taxes	-
Net Income	-12 797

Table 6 - 1st Year Provisional P&L Statement

Project Valuation					
Year	0	1	1,50% 2	2% 3	2% 4
Sales	56 884	106 672	108 272	110 437	112 646
COGS	39 565	68 466	69 493	70 883	72 301
Op. Results	17 318	38 206	38 779	39 554	40 345
Op. Expenses	30 115	23 081	23 251	23 480	23 714
Wages	11 200	11 200	11 200	11 200	11 200
Advertising	18 000	10 667	10 827	11 044	11 265
Logistics	879	1 178	1 187	1 200	1 214
Online Management	36	36	36	36	36
EBIT	- 12 797	15 125	15 528	16 074	16 631
Taxes	-	3 781	3 882	4 019	4 158
Net Income	- 12 797	11 343	11 646	12 056	12 473
Op. Cash Flow	- 12 797	11 343	11 646	12 056	12 473
Investment (CapEx)	4 339				
FCF	- 17 136	11 343	11 646	12 056	12 473
DCF	- 17 136	11 067	11 085	11 195	11 300
Cum DCF	- 17 136	- 6 069	5 016	16 211	27 511

Data

g	1,50%
Tax Rate	25,00%
Discount Rate	2,50%

NPV (5 years)	27 511,18 €
IRR	26%
Payback Period	2,210

1st year Expenses Plan		
	Advertising 1Y	Advertising 2-5
Value	18 000,00 €	10% Sales

Investments	
Website Cost	2 085,00 €
Logistics Settlement Ex	2 253,80 €

Wages (Yearly)	11 200,00 €
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Figure 13 - NPV Calculation

DEFINING THE MOST WANTED PRODUCT PORTFOLIO OF THE NEW ISEG MERCHANDISING STORE:
A CONSULTING PROJECT

Product\Month	Peak													Yearly
	High	Average	Low	Low	High	Average	Average	Low	Low	High	High	Average		
	May	June	July	August	September	October	November	December	January	February	March	April		
ISEG Training Shorts	11	8	3	3	11	8	8	3	3	11	11	8	86	
ISEG Adidas Jumpsuit (M)	25	17	8	8	25	17	17	8	8	25	25	17	199	
ISEG Joggers (M)					9	7	7	3	3	9	9	7	54	
ISEG Training Shorts W													-	
ISEG Adidas Jumpsuit W													-	
ISEG Women Slim Joggers					9	7	7	3	3	9	9	7	54	
ISEG Red Hoodie	25	17	8	8	25	17	17	8	8	25	25	17	199	
ISEG Black Hoodie	29	20	9	9	29	20	20	9	9	29	29	20	232	
ISEG Grey Zip Hoodie	25	17	8	8	25	17	17	8	8	25	25	17	199	
ISEG Red Zip Hoodie					11	8	8	3	3	11	11	8	61	
ISEG Black Polo										9	9	6	23	
ISEG White Polo										8	8	6	21	
ISEG Tshirt Black	28	19	9	9	28	19	19	9	9	28	28	19	222	
ISEG Tshirt RED	11	8	3	3	11	8	8	3	3	11	11	8	86	
ISEG Tie										7	7	5	20	
ISEG Striped Tie										12	12	8	31	
ISEG Red Scarf													-	
ISEG Striped Scarf													-	
ISEG Bowtie													-	
ISEG Beanie													-	
ISEG Strawhat													-	
ISEG Beach Shorts by SOL'S													-	
ISEG Happy Socks													-	
ISEG Varsity Jacket													-	
ISEG Baby Bodysuit w/ Hoodie													-	
ISEG Baby Bib													-	
ISEG Pen	25	17	8	8	25	17	17	8	8	25	25	17	199	
ISEG Executive Parker Pen										9	9	7	25	
ISEG Executive Cork Pen										9	9	6	23	
ISEG Recycled Pencil.					10	7	7	3	3	10	10	7	57	
ISEG Pencil Case					9	6	6	3	3	9	9	6	50	
ISEG Hardcover Notebook A5	25	17	8	8	25	17	17	8	8	25	25	17	199	
ISEG Notebook A5 (Lines/Plain)					9	7	7	3	3	9	9	7	54	
ISEG Computer Sleeve.	23	16	7	7	23	16	16	7	7	23	23	16	185	
ISEG Computer Backpack	22	15	7	7	22	15	15	7	7	22	22	15	175	
Post-Its Kit					10	7	7	3	3	10	10	7	57	
Documents Cover A4 with Calculator					9	7	7	3	3	9	9	7	54	
ISEG Perpetual Desk Calendar					8	6	6	2	2	8	8	6	44	
ISEG Year Schedule Book A5 (Agenda)													-	
ISEG Cotton Bag					10	7	7	3	3	10	10	7	57	
ISEG Mug													-	
ISEG Graduation Ring													-	
ISEG Lanyard					9	6	6	3	3	9	9	6	50	
ISEG Webcam Cover	22	15	7	7	22	15	15	7	7	22	22	15	175	
ISEG Powerbank 20000mAh	23	16	7	7	23	16	16	7	7	23	23	16	185	
ISEG Umbrella					9	7	7	3	3	9	9	7	54	
ISEG Glass Reusable Bottle	25	17	8	8	25	17	17	8	8	25	25	17	199	
ISEG Plastic Doppet Bottle w/ Cup					10	7	7	3	3	10	10	7	57	
ISEG Bamboo Ecoffee cup					11	8	8	3	3	11	11	8	61	
Alcohol Based Hand Sanitizers					10	7	7	3	3	10	10	7	57	
ISEG Red Blanket by SOL'S					9	7	7	3	3	9	9	7	54	
ISEG Pin					9	7	7	3	3	9	9	7	54	
ISEG Cufflinks													-	
CD Tuna Económicas	9	7	3	3	9	7	7	3	3	9	9	7	76	
ISEG Headphones Jack 3.5mm					8	6	6	2	2	8	8	6	44	
ISEG Clipper Lighter					10	7	7	3	3	10	10	7	57	
ISEG x Futah Beach Towel													-	
ISEG Cellphone Case													-	
ISEG Keychain/CanOpener					10	7	7	3	3	10	10	7	57	
ISEG Wood Keychain													-	
ISEG Lunch Bag										9	9	6	23	
ISEG Metal Reusable Cutlery													-	
ISEG Lunch Box w/ Cutlery	11	8	3	3	11	8	8	3	3	11	11	8	86	
ISEG Graduation Mascott (TeddyBear)													-	
ISEG Corkscrew Wine Bottle													-	
ISEG Wine Kit										9	9	7	25	
ISEG Alumni Económicas "30 years celebrations" Wine Bottle					11	8	8	3	3	11	11	8	61	
ISEG Baseball Cap													-	
ISEG Gloves													-	
ISEG Thermos					10	7	7	3	3	10	10	7	57	
ISEG Gym Bag													-	
ISEG Recycled Playing Cards	23	16	7	7	23	16	16	7	7	23	23	16	185	

Figure 14 - Phased Launch of the Catalogue