Analysis of the potential for Meamango Sports Case to enter the Spanish market

By Cathrine Wiese-Hansen, Maria Rugeldal, Michelle Janeiro, Michelle Duesund, Jonas Angelsen

This paper is done as a part of the undergraduate program at BI Norwegian Business School. This does not entail that BI Norwegian Business School has cleared the methods applied, the results presented, or the conclusions drawn.
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1.0 SUMMARY

This thesis has been based on the company Frisk Bris Consulting and their project in collaboration with the company Meamango to introduce the mobile phone case Meamango Sports Case to the Spanish market. The product displays different Spanish Football club logos in a unique pattern developed with Meamango’s own 3D technology.

Our problem area is defined as: "Is there a potential for this product in the Spanish market?” In order to answer this problem area we have chosen to focus on the two areas of our research problem development; consumer behaviour and industrial competitiveness.

We have gathered secondary and primary research. In the primary research we have used an exploratory research design with qualitative methods such as focus groups, in-depth interviews and a street questionnaire. The industries on which we have based our research and conclusions are defined as Mobile Phone Accessories and Football Merchandise. The latter has to some extent been excluded due to lack of information, which is further explained in our thesis.
Based on our data collection we have concluded that there is a potential for the Meamango Sports Case in the Spanish market. Throughout our segmentation analysis we identified two macro segments; Tourists with a *memorabilia* need and Spanish consumers with an *identity* need. Then we found that Football Supporters and Young Impressionables are the two most relevant micro segments to target, as Football Supporters’ need for memorabilia is strongly linked to the football interest and because the Young Impressionables have a curiosity in “everything that’s new” as well as having a natural ability to adopt new technology.

In order to recommend appropriate strategies and to target our chosen segments efficiently we have analyzed our data by using models as the Solution Life Cycle and SWOT, and different theories in “Market-driven Management, strategic and operational marketing” by Lambin, 2012. We have chosen a focused segmentation strategy and a latent positioning strategy with the dimensions; perceived price, design and uniqueness as we believe this fits with Meamango’s products and is coherent with what our micro segments value.

As part of our recommendation we have developed two different marketing mixes tailored for each micro segment. For Football Supporters this basically includes technology and- packaging improvements, exclusive distribution, and online establishment. And for Young Impressionables, some main actions are to expand product portfolio and use other logos and customized design, product improvements in terms of functionality, create a web page to distribute the products and emphasize word of mouth.
This thesis is based on the Norwegian company; Frisk Bris Consulting. In February 2016 Frisk Bris Consulting acquired a project from the Swedish manufacturing company Meamango which was to introduce their phone case to the Spanish market.

Our role is to uncover the potential demand for the product in Spain and collect relevant information linked to further strategic and practical decisions when entering the Spanish market. Conclusions made in this thesis will be based upon a business to consumer approach.
3.0 INFORMATION ABOUT FRISK BRIS CONSULTING

Frisk Bris Consulting is a Norwegian consulting company and a branch from Frisk Bris SL (est. 2011), founded by Christian Solli Nyborg in 2014. Frisk Bris Consulting is currently operating in the Spanish market with their headquarters located in Madrid.

Frisk Bris Consulting helps Scandinavian and Spanish companies to enter the Spanish or Norwegian market by providing legal, practical, and strategic assistance.¹

Frisk Bris Consulting offers different services such as commercializing, outsourcing, and business development. Their knowledge and experience within cultural business behaviour enables companies to successfully enter the Spanish and Norwegian market. They develop specialized business plans and provide guidance as well as a close follow up throughout the launch.

¹http://www.friskbrisconsulting.com
The 2015 budget showed that Frisk Bris Consulting went with a revenue of €148,000 and a loss of €26,000. The expected revenue of 2016 is estimated to be approximately the same, while the goal is to decrease the amount of loss. Since Frisk Bris Consulting was established three years ago, the loss has decreased annually. The owner of the company, Christian S. Nyborg, invested a significant amount in the company, meaning that the negative result should not affect the business of the company.

“Well positioned in the Spanish market”

We gather specific information in domains such as Resources, technology, product, methodology, QHSE, project delivery, sales collateral, and identify, prioritize and pursue opportunities specifically adapted to the company.²

“Quality assurance is key”

We ensure efficient business development services between Spain and Scandinavia, and we cover multiple domains. Our main areas of expertise are IT-, telecom-, and engineering companies.²

“Making business happen”

We will help the companies become more profitable, more cost effective, more successful, more predictable, and more agile.²

²http://www.friskbrisconsulting.com
The Meamango Sports Case is produced in China. The phone case features an unique 3D-technology which is added by Meamango in Sweden. The 3D-effect is visible at all angles.

The technology can not be copied. It is the same advanced technology used during printing of banknotes; only four to five people at the Meamango factory have access to it. Meamango has worldwide rights to use the technology on phone cases. However, they have not patented it as they do not want to release the technology to the public.

The sports case retails at €15 - €25 depending on the model sold and the margin that the retailer demands.
The phone case is produced to fit all smart phone models, whereas iPhone and Android are the largest scale of produced phone cases. Other models are sold at a higher price.

The phone case displays logos of various football clubs. The packaging also displays the club logo, which gives the product an exclusive look.\(^3\)

The phone case is available in any color and has a lifetime warranty. Football stadiums are the main sales points.

\(^3\)http://meamango.com
5.0 PROBLEM DEFINITION

“Is there potential for this product in the Spanish market?”

5.1. Limitation to problem definition
The research will be carried out in Barcelona, thus the geographical scope will only represent a small part of the Spanish market.
This will influence our sample in the research and the segmentation.
6.0 INFORMATION ABOUT THE INDUSTRY

6.1. Defining the industry
We conclude that the phone case is part of two different industries: Mobile phone accessories industry and the Football merchandise industry. As a result of our preliminary secondary research, we will until further base our research on the Mobile phone accessories industry, because this is the largest market with highest potential. It is also easier to access relevant information in this market.

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<tr>
<th>Industry 1: Mobile phone accessories</th>
<th>Industry 2: Football Merchandise</th>
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<tr>
<td>Projected high growth</td>
<td>High profitability</td>
</tr>
<tr>
<td>Price competition</td>
<td>Can charge high prices</td>
</tr>
<tr>
<td>Large size</td>
<td>Limited size</td>
</tr>
<tr>
<td>Low barriers of entry</td>
<td>High barriers of entry</td>
</tr>
<tr>
<td>Easy access to information</td>
<td>Low access to information</td>
</tr>
</tbody>
</table>
6.2. The mobile phone accessories industry

After doing secondary research, we have found that the most significant areas in the industry are the following: Recent growth, expected growth, main operators, trends and types of phone cases.

6.2.1. Recent growth

In 2014 the sales of smartphones was 73% of all phones sold in Spain, whereas in 2015 the sales increased by 8.5%, reaching 82.5%. iOS smartphones has increased their market share in Spain with 1.8% points and has landed on 8.7% during 2015. In this period iPhone 6 was the most sold smartphone in Spain.

In October same year the global revenues for mobile accessories was expected to reach USD 81.5 billion in total within the end of the year. Due to lack of information, we do not know if this expected growth was reached during the year.

4 https://blog.doctorsim.com/2015/05/08/smartphone-2015-apple/
6.2.2. Expected growth

*Due to lack of information about the growth in Spain, we used numbers of expected growth in the worldwide mobile phone cover accessory market from 2017-2025:*

By 2017, it is expected that over a third of the world's population owns a smartphone\(^7\) and with that, the market for smartphone accessories will grow 10% annually from 2017.\(^8\)

Global revenues for mobile phone accessories are forecasted to grow from USD 81.5 billion in 2015 to USD 101 billion in 2020, with an annual growth rate (CAGR) of 4.3%. In this forecast, the protective carry cases are the top growing category.\(^9\)

\(^7\)[http://www.statista.com/topics/840/smartphones/]
\(^8\)[http://www.pcworld.com.mx/Articulos/26296.htm]
6.2.3. Main operators

In Spain, the main mobile phone company with highest market share is Android with 87.6%. Following, iOS has a market share of 8.7%, Windows with 2.9% and Blackberry with 0.2%.\(^\text{10}\)

companies in the Mobile phones accessories industry:

- Plantronics Pty Ltd
- Sennheiser Electronics GmbH & Co.
- Bose Corporation
- Otterbox
- Griffin Technology
- MyTrendyPhone Spain
- BYD Inc
- Energizer
- Sony Corporations
- Samsung Electronics
- Panasonic Corporation
- JVC Corporation
- Beats (Apple Inc.)

6.2.4. Trends

There are four significant trends in the industry: luxury brands, future technology, baby-friendly solutions and other innovations. The high value of smartphones makes it rational for consumers to buy phone protection. The competition level in this industry is sharpened as producers understand the need to provide more advanced solutions to the phone cases in order to fulfill the needs of the consumers, such as charging and storage.\(^\text{11}\)

\(^{10}\)http://blogs.okdiario.com/tecnologia/3601/movil-mas-vendido-2015/4
6.2.5. Types of mobile phone cases

<table>
<thead>
<tr>
<th>Formats</th>
<th>Description</th>
<th>Approximate price range (Ebay and Amazon)</th>
<th>Range offered (ebay, 2.8 million products)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clip</td>
<td>Creates a convenient, secure location to store phone when not in use; phone typically slides or snaps into place; also known as a &quot;holster&quot;</td>
<td>€2 - €60</td>
<td>1%</td>
</tr>
<tr>
<td>Fitted</td>
<td>Snaps snugly and securely around the phone; available in various thicknesses; often called &quot;skins&quot; when made of soft, flexible material</td>
<td>€5 - €60</td>
<td>63%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Median price range¹: €7.99 (€18.99 close second)</td>
<td>Average²: €9.94</td>
</tr>
<tr>
<td>Flip Pouch</td>
<td>Cover flips open like a book to reveal phone inside; similar to wallet format; some include a protective cover to prevent screen smudges</td>
<td>€15 - €100</td>
<td>1%</td>
</tr>
<tr>
<td>Sleeve</td>
<td>Made of soft material; covers phone entirely when not in use; protects screen and exterior surfaces from scratches while in pocket or purse</td>
<td>€15 - €60 (up to €400 for luxury phone cases)</td>
<td>5%</td>
</tr>
<tr>
<td>Wallet</td>
<td>All-in-one convenience; room to hold mobile phone, as well as credit cards, ID, and cash; wristlet style includes hand loop for easy carrying</td>
<td>€15 - €100</td>
<td>28%</td>
</tr>
</tbody>
</table>

The fitted format is the most popular.

12 http://www.ebay.com/gds/5-Tips-for-Buying-a-Case-for-Your-Phone-/10000000177742762/g.html
13 http://www.ghostekproducts.com/cell-phone-cases-buying-guide
6.3. Summary of the Secondary Research

The Mobile phone accessories industry is growing on worldwide basis, as well as in Spain. It is expected to grow further. Android has the highest market share in Spain where Samsung, Huawei and BQ are the most sold smartphones. In contrast iOs is rather unpopular in Spain compared to other European countries, even though iPhone 6 was the most sold smartphone in 2015. New technology and innovativeness are important trends in the industry, where producers provide more advanced solutions to phone cases. According to Ebay, the most popular phone case is the fitted type, where the average price is €9.94.
The purpose of this project is to examine the Spanish consumer market in order to identify potential customer groups for Meamango.

To answer our problem area, we have chosen two different perspectives in which we will base our analysis and further conclusions. The two different perspectives are the purchasing process and the competitiveness in the industry. We believe the models “Consumer decision-making process” by Cox et al. and “Porter's Five Forces” by Michael Porter are the most viable to use in this case and will be used as a base when conducting our research.
8.0 MODELS

8.1. Consumer decision-making process
The first model chosen is a five stage model by Cox et al. (1983). This model is highly recognized within theories of consumer behavior. The models object is to explain the purchase decision making process on an individual level. The stages, in order, are: 1. Recognition of need or problem, 2. Information search, 3. Comparing alternatives, 4. Purchase and 5. Post-purchase evaluation.\(^\text{15}\)

8.2. Porter's five forces
The second model is Porter's five forces by Michael Porter (1979). This model attempts to analyze the level of competition within an industry. It uses five different “forces” to determine the competitive intensity and by that, the attractiveness of the industry itself. The model includes these five forces: Industry rivalry, Buyer power, Threat of substitution, Supplier power and Threat of new entry.\(^\text{16}\)


\(^{16}\)
As earlier defined, the Meamango Sports Case is part of the *Mobile phone accessories industry* and the *Football merchandise industry*. Therefore, we will conduct two different analysis of the *Porter's five forces model* where the analysis of the *Mobile phone accessories industry* is based on secondary research conducted, while the analysis of the *Football merchandise industry* is mainly based on common knowledge and logical assumptions.

8.2.1. Porter's five forces for the *Mobile phone accessories industry*

**Industry rivalry**
The *Mobile phone accessories industry* is huge. Due to difficulties in obtaining information about the industry, we have not been able to find the total number of mobile phone accessory producers. However, we have found that there are extremely many operators and that many of them have an insignificant market share.

Due to the high number of operators and their small market share, in combination with the similarity of the product portfolios, excluding the unique 3D design, we consider the threat as high.

➢ **Threat: High**

[https://en.wikipedia.org/wiki/Porter%27s_five_forces_analysis](https://en.wikipedia.org/wiki/Porter%27s_five_forces_analysis)
Buyer power

The consumers in the market have numerous suppliers and the range of different phone cases is wide. Due to the high number of operators we assume that the brand awareness in this industry is relatively low. Furthermore, we believe that the consumers are likely to choose the phone cases that are easily accessible. If the consumers are not satisfied with their current supplier or sales point they can easily change to a different one. The consumers have a limitation in their buying power as they have to choose a phone case or brand that fits their phone. The amount of buyers is high, which lowers their buying power.

In conclusion, we believe that the buyer power is low to medium.

➢ Threat: Low to medium
Threat of substitutes

The main category of substitutes is accessories of all kind; jewelery, bags and sunglasses. Accessories are difficult to define as consumers perceive products in this category differently, which makes the range of substitution wide. When the consumers do not have a specific need for a phone case, they may buy accessories rather as a need for pleasure, fun and social experiences. However, when the specific need is a phone case, there are no direct substitutes. Therefore, we believe that the threat of substitutes are medium.

➤ Threat: Medium

Supplier power

There are a lot of suppliers in this industry, where all can provide the same product and service. In addition, the suppliers uniqueness of service is low. With the high amount of suppliers the retailers are left with many options and the switching costs are low. We therefore consider the supplier power as low.

➤ Threat: Low
Threat of new entry

Due to high competition between the different producers, there is no official information about the start-up costs, barriers and time of entry in this industry. After talking with Frisk Bris Consulting we know that they buy plain and cheap phone cases from China and then they manufacture it further with their own machines. This is a more expensive way to do it, but they can also use cheaper machines which produce simpler design and are in general cheaper to run. The most expensive factor when starting up is the investment in production machines. It is also important to have exclusive contract with sales points in order to sell with a profit.

Based on this information we assume that the total costs and time necessary to enter this industry is low, which makes the threat of new entry high.

➤ Threat: High
Conclusion

Of the five threats, one is low, one is medium, one is low to medium and the remaining two are high. The industry rivalry is high because there are many producers in the market and their market shares are insignificant. Also, the similarities of the products makes it difficult to separate the producers from each other. Low brand awareness among consumers makes them disloyal and because of a wide range of substitutes, the consumers needs can be satisfied in many ways. The supplier power is low, because there are many suppliers that can provide the same product and the restriction of producing phone cases are closer to none. The start-up costs are low, when the machines are the only cost of entering, thus high threat of new entry.

- The competitiveness in this industry is medium.
8.2.2. Porter's five forces for the Football merchandise industry

First we need to define the industry parameters in order to understand what we consider as substitutes and rivals.
For the Football merchandise industry we consider any technology that fulfils the need to signal your allegiance towards a given football team (in-group*) a substitute. This means that a FC Barcelona shirt will not be substituted by a Real Madrid shirt since these are different in-groups and usually mutually exclusive. We assume this to be true throughout the industry. Substitutes will thus be any product that features the same logo (i.e. FC Barcelona logo). Sellers are all that supply this product to the stores, rivals are any that offer the same product within the same satisfied need.

Industry rivalry

Since we defined the rivalry as “any that offer the same product within the same satisfied need”, and the needs were mutually exclusive, the rivals for Xtep’s Villareal FC jersey will be other Villareal FC jerseys produced by other companies, which only exist in the black market. Since these are produced with licensing rights and exclusivity, the rivalry is extremely low.

➢ Threat: Low

*In-group: a group of people sharing similar interests and attitudes, producing feelings of solidarity, community, and exclusivity.
**Buyer power**

The buyer power is fairly low, as the buyer who for instance wants specific FC Barcelona merchandise has to buy either licensed FC Barcelona merchandise at exclusive sales points or buy through the black market. There are not many substitutes for the products, so the merchandise industry can price their products very high, which can be seen in any merchandise store (€70 for a FC Barcelona shirt). There are also a large amount of buyers, so the buyers bargaining power is low since there is “always another customer next in line”.

➤ **Threat: Low**

**Threat of substitutes**

Substitutes in this industry is anything that substitutes the need. The need in this industry is often related to an “in-group” and the need to signal an allegiance towards this in-group. Thus any product that signals this allegiance is a substitute. Due to licensing rights there are limited substitutes available, which are usually limited to souvenirs at merchandise stores and other products that features a logo.

➤ **Threat: Low**

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*social identity theory and signalling theory
Supplier power

Due to the absence of direct competitors, the suppliers have an enormous power since they can charge a premium price for their exclusive products. Still, there are few and huge sports apparel producers (ex. Nike, Adidas, Puma, Reebok) and they are constantly fighting for licensing rights. These deals are in the million class with major sponsorship- and advertising deals on the table. The switching costs for the retailer is high and thus once you have a foot in the door, the supplier is usually safe.

Supplier power: Medium to high
Threat of new entry

There is a significant difficulty to get licensing rights in order to use specific merchandise; especially for the most attractive merchandise brands.

The black market may be an important role player in the industry as it can enter the industry relatively easy. The Spanish Football merchandise industry is the most profitable merchandise market in Europe. It is difficult to evaluate how much revenue is lost through sale of fake merchandise on the streets in Spain since no one registers these sales, but we can assume it is substantial. However, the staggering difference in price very likely offsets the threat of getting caught, as well as the “stigma” of the product bought not being original. Based on that we consider the threat of new entrants as low.

➢ Threat of new entry: Low

Conclusion

In conclusion we see that the barriers to entry are high due to the difficulty of getting licensing rights. 80% of the Spanish merchandise industry profitability lies with Real Madrid and FC Barcelona, leaving the industry somewhat skewed in terms of profitability. However, if a producer manages to get a foothold in one of these or both, then the attractiveness of the industry is extremely high.

➢ The competitiveness in this industry is low.

18 http://www.footballeconomy.com/content/uk-fans-spend-most-merchandise
9.0 LIST OF INFORMATION

Based on findings from secondary research, we have made lists of all information that is missing. These lists are each based on our two selected models; Porter's five forces and Consumer decision-making process and they will be used to carry out our primary research.

9.2. List of information 1: Porter's five forces

1. Buyer power
   ○ How is the price sensitivity among the customer?

2. Supplier power
   ○ Number and size of suppliers

3. Competitive rivalry
   ○ Is the customer loyal?
   ○ Are there quality differences?
9.1. List of information 2: Consumer decision-making process

1. Need recognition
   ○ When does the need occur?

2. Search for information
   ○ Where does the customer search for information?
   ○ What are the general preferences?
   ○ What are the design preferences?

3. Evaluation of alternatives
   ○ How do the customer evaluate the competitors and the alternatives?
   ○ How many alternatives does the customer have in his/hers evoked set?

4. Purchase decision
   ○ Is the purchase a planned/spontaneous purchase?
   ○ Where does the purchase take place?
   ○ How does the customer evaluate quality?
   ○ How frequently does the customer buy a phone case?

5. Post-purchase evaluation
   ○ How does the customer evaluate the phone case?
10.0 RESEARCH DESIGN

10.1. Exploratory research
Based on the list of information needed, we believe exploratory research is applicable as our analysis is aimed towards identifying the attractiveness of these phone cases as well as the consumer behaviour and consumer beliefs towards the product. This type of research will provide high qualitative information.

Areas such as consumer needs, habits, preferences, price sensitivity and other industrial characteristics will lay the foundations in our research. Due to resource limitations, we will not perform a quantitative research. This will limit statistical representation in the analysis.
11.0 RESEARCH METHOD

11.1. In-depth interviews and focus groups
Methods used in this exploratory research are in-depth interviews and focus groups. We also did a small questionnaire with potential consumers on the street.

11.2. Introduction to the research
In order to cover the different roles and aspects of the Mobile phone accessories industry we have selected experts, retailers, parents and end-users as respondents.

As the first part of the exploratory research we interviewed a younger group of end-users; women and men from 14 to 36 years. We also held two focus groups; one with possible consumers (age 16-30) and another group with possible buyers (parents, age 40-60).
As a second part of the exploratory research we interviewed two experts on the field; Jose Manuel Amor, founder of the phone case company Personalizer whom is also a partner of Frisk Bris Consulting, and Rafa Sánchez, specialist on phone accessories at Europa 3G in Barcelona.

All primary research will be conducted in English and Spanish.

11.3. Subjects: in-depth interviews
The subjects for the in-depth interviews are owners of different types of smartphones, which we consider to be potential consumers of the Meamango Sports Case. The subjects represent either residents (Spanish nationality) or tourists (other nationalities) in Catalonia of different genders, ages and occupations which will make the sample varied.

11.4. Subjects: focus groups
The first focus group consists of football supporters that are tourists or residents in Barcelona. They are of different group of age and gender.

The second focus group consists of parents from the ages 40-60 with children between 8-21 years old. All subjects are of Spanish nationality. We choose parents because they are often the ones who choose and make the purchase for their children.
12.0 DATA COLLECTION

12.1. Introduction to data collection

The interviews and focus group will be conducted in English and Spanish, this means that our data collection may be influenced by language barriers.

Not all respondents are randomly selected due to time restriction, convenience, and language barriers. This makes our sample size not 100% randomized, yet all respondents are representative and can be considered valid.
12.2. Summary of the in-depth interviews

Respondent 1: Carolina (23)
Nationality: Portuguese.
What's valued: Design, price and quality
Design preferences: Simplicity and trends
Preferred sales point: Phone case accessories stores because of the bigger range of option and other retail stores
Frequency of purchase: Approximately 2 - 3 times a year. Tends to buy phone case spontaneously

Opinion on Meamango Sports Cases: Prefers the white phone case with FC Barcelona logo. She would buy it because of the mainstream popularity of FC Barcelona. Acceptable price: €12-15.
Respondent 2: Marie (23)

- Nationality: Norwegian.
- What's valued: Quality and design
- Design preferences: Simplicity and elegancy
- Preferred sales point: Internet (also as information source), Amazon
- Frequency of purchase: Approximately once a year. Tends to plan her purchases

Opinion on Meamango Sports Cases: She prefers the white phone case with the FC Barcelona logo on. She did not like the 3D design, however she believes they are suitable for football supporters. She would buy the phone case as a gift for to a younger family member for a maximum price of €7.
Respondent 3: Judith (36)

Nationality: Spanish.

What's valued: Protection and low price

Design preferences: Simplification and discretion

Preferred sales point: Phone case accessories stores

Frequency of purchase: Depending on type of phone: When having iPhone approximately twice a year, having LG approximately once a year or once every second year. The purchases tend to be planned.


Opinion on the Meamango Sports Cases: She preferred the white phone case with the FC Barcelona logo. She disliked the 3D design. But she could buy it for herself because she is a FC Barcelona fan. Maximum price: €15.
Respondent 4: Billal (27)

Nationality: Spanish.

What's valued: Design, type and protection.

Design preferences: Simplicity and discretion.

Preferred sales point: Telephone stores because of a perception of higher quality compared to others.

Frequency of purchase: Approximately once a year. The purchases are planned and “out of necessity only”.


Opinion on Meamango Sport Cases: He likes the phone case because of the Catalan flag and the FC Barcelona logo, it gives him personal associations, though he would not buy it for himself as he sees them as too “childish” and too “screamy” for his taste. However, he could buy it as a gift (boys, 12-15). Maximum price: €20.
Respondent 5: Beatrize (18)

Nationality: Spanish.

What's valued: Price and design.

Design preferences: Artistic, unique and linked to her personal interests.

Preferred sales point: Internet for ideas and also as sales point. Amazon and Pinterest.

Frequency of purchase: Approximately once every 15 month. The purchases are both planned and spontaneous.


Opinion on Meamango Sports Cases: Does not like any of the phone cases as she thinks they are “tacky” and “touristy”. She would not buy it for herself and neither as a gift.
Respondent 6: August (14)

Nationality: Norwegian.

What's valued: Design.

Design preferences: He likes “cool and simple” and he prefers blue, black and stripes. He also prefers a more personalized look with for example the national flag.

Preferred sales point: Electronic device stores and phone case accessories stores.

Frequency of purchase: Less than once a year. (He does not use a phone case currently as he claims he do not want or need it).


Opinion on Meamango Sports Cases: He likes the phone cases because of the football logo. He would buy this phone case because he is a FC Barcelona fan. Maximum price: (money of his own) €40.
Respondent 7: Isabelle (23)
Nationality: Brazilian.
What's valued: Design and protection.
Design preferences: Nothing in particular, but it has to be something that catches her eye.
Preferred sales point: Mobile phone accessories stores.
Frequency of purchase: Not often, 1-2 times per year.

Opinion on Meamango Sports Cases: Likes the 3D design but says it does not look like it will protect the phone enough and would therefore like the curb to be higher so that it protects the screen. Maximum price: €5.
Respondent 8: Aden (25)
Nationality: Singaporean.
What's valued: Mostly protection, but also design.
Design preferences: Something simple so that the design of the phone still shows.
Preferred sales point: Online (Amazon, Ebay).
Frequency of purchase: If the one he has is broken or when he buys a new phone.

Opinion on Meamango Sports Cases: Likes the 3D design but would like more effect and that the phone case was thinner.
Could buy it as a souvenir from his stay in Barcelona or to a football fan. Maximum price: €5.
Respondent 9: Sven (15)

Nationality: Dutch.

What's valued: Quality and design.

Design preferences: Simple, preferably one color.

Preferred sales point: Internet (also used when searching for information before the purchase).

Frequency of purchase: If the one he has gets broken or when he buys a new phone.


Opinion on Meamango Sports Cases: He likes the design, especially the logo, but does not think it is of good quality. Would only buy it if it is cheap because of the perceived quality. Maximum price: €6.
Respondent 10: Matteo (19)

Nationality: German.

What's valued: Protection and design.

Design preferences: Simple and only covers the back.

Preferred sales point: Internet (Amazon).

Frequency of purchase: Not often, 2 times a year or if it gets broken.


Opinion on Meamango Sports Cases: Likes the 3D design but he would change the black sides to 3D as well. He would buy it if it was a different logo. Maximum price: €20.
Respondent 11: Jaime (22)

Nationality: Spanish.
What's valued: Price and design.
Design preferences: Normally just a simple one but if it is something extravagant he could buy it.
Preferred sales point: Mobile phone accessories stores but look for information on the internet.
Frequency of purchase: When he gets a new phone, which is not often.

Opinion on Meamango Sports Cases: Likes the 3D design and he would buy it if it had a different logo. Maximum price: €12.
Respondent 12: Emin (22)

Nationality: Azerbaijani.

What's valued: Protection and design.

Design preferences: Simple but likes exclusive brands like Dolce & Gabbana and Chanel.

Preferred sales point: Mobile phone accessories stores.

Frequency of purchase: When he gets a new phone, which is quite often.


Opinion on Meamango Sports Cases: He thinks the 3D design is too much and would not buy it for himself, but he could buy it as a present for someone. Maximum price: €25.
Respondent 13: Michael (25)

- Nationality: Scottish.
- What's valued: Protection and design.
- Design preferences: Something “cool” but when he has a nice phone he likes to show off the design of the phone itself (see-through).
- Preferred sales point: Internet (Amazon and Ebay).
- Frequency of purchase: When he buys a new phone, but if he sees something he really likes he would buy it.

Opinion on Meamango Sports Cases: Personally he does not like it, but if he was younger he might had considered it. Could buy it as a present for someone young. Maximum price: €10.
Respondent 14: Christian (28)

Nationality: Norwegian.
What's valued: Quality and protection.
Design preferences: Simple with few colors, or something fun to look at.
Preferred salespoint: Mobile phone stores.
Frequency of purchase: Every third month.

Opinion on Meamango Sports Cases: He likes the 3D design and that it has a football logo on it. He would probably buy it for himself, and would also buy it as a present. Maximum price: €25.
12.1.1 Conclusions from the in-depth interviews

The consumer's basic need is to protect its smartphone against damages.

When asking our interview objects why they use phone cases, the immediate response is to protect the smartphone. A common explanation is that the smartphone is a long-term investment product which “deserves” protection.

However, design is just as important if the basic need of protection is covered.

When talking about design preferences it becomes clear that the design is an important factor in the phone case purchase. Alongside with providing protection of the phone, the design should match with the consumers preferences, otherwise it is not likely to be purchased. This indicates that design preferences play a key role in the evaluation part in the decision making process. The interview objects seem quite assertive in their taste; they know what they like and do not like. The design preferences happen to be quite similar among our respondents and a typical description is simple with basic colors.
Perception of quality is linked to the level of protection and duration.

Perception of quality is clearly related to how well the phone case protects the phone and its longevity. Some respondents have experienced their phone cases breaking, which disappointed the expectations and eventually led to dissatisfaction with the phone case. There is no clear limit of what an acceptable duration of a phone case is, but the ones that have had their phone case for more than six months seem content with its duration.

The frequency of purchasing a phone case often correspond with the purchase of a new smartphone.

The primary need for a phone case is to protect the new phone. According to the interview objects they also buy a new phone case when the current one is broken or damaged. In these situations the purchases tend to be more spontaneous compared to when there is a need for a phone case that fits the new phone which tend to be planned.

Despite a wide range of phone cases in the market, the choice is perceived as easy.

This is due to the fact that they have a clear idea of how they like their phone cases, which enables them to quickly sort the phone cases in the evoked set.
Preferred sales point are mobile phone-/ accessories stores and the internet.
There is a wide difference between preferred salespoint, where internet is as popular as mobile phone or accessories stores. Some search for information, and others do their purchase on the internet.

There is a wide variation in price sensitivity.
The respondents range the pricing situation relatively different. The acceptable price for a phone range from €5-45, while the average price is between €10 and €25. There is no correlation of the price sensitivity between the respondents living in Spain and the tourists.

The personal opinions on Meamango Sports Case differ with respect to nationality and football interest.
Most respondents are intrigued by the 3D design, but not everyone would buy it for themselves. However, some respondents would buy Meamango Sports Case as a present to younger people or football fans. Tourists and football players/fans are more likely to be interested in the Meamango Sports Case. There is a wide range of what the respondents perceive as an acceptable price for the phone case; €5-40.
12.2. Summary of interviews with experts

The industry of mobile phone accessories

Samsung is the biggest of all brands in Spain.

Android with Samsung is the most important brand in Spain. The experts believe that for any kind of phone case store and phone case brand in Spain, its main competitor above all is Samsung because of their clear superiority in this particular market.

BQ – “El Iphone Español” is the second most sold mobile phone in Spain (2015).

BQ’s smartphone is called “The Spanish iPhone”, firstly because BQ is a Spanish phone company that have achieved great success in the Spanish market. Secondly, because it is cheaper than Apple's iPhone, which better fits the Spanish people’s spending on such electronics. In 2015, the three most sold mobile phones in Spain was Samsung, BQ and iPhone. Alongside with the launch of these smartphones, their respective phone cases and accessories have also exploded.

The most profitable client in the Mobile phone accessories industry is the owner of the iPhone.

An owner of an iPhone buys new phone cases with a higher frequency than the owner of mobile phones with Android. It may be as frequent as two times a month, in contrast to an owner of an Android which probably will change its phone case once a year. The owner of an iPhone is also willing to pay more for a phone case.
The Spanish consumers consider the phone case as a product of functionality rather than an accessory.

When talking about the need for a phone case the experts do not believe that there are many substitutes: A football shirt with a famous name printed on cannot be seen as a direct substitute for the phone case with the logo of the same football club or player. It is possible that the logo itself becomes the initial need for a more specific segment and it can be replaced by a large number of products with the same logo. In this case, the industry can be considered wider and stronger connected to the Football merchandise industry, but this is not the “common” perception of substitutes among the Spanish consumer yet.

There is a common belief in Spain that a phone case should not be expensive.

This is simply because the phone cover is more a functional product than a design product. This can make it more difficult for phone cases with logos, such as Meamango Sport Case, to capture the Spanish consumers because of the higher prices as the logos themselves requires licensing costs.
The experts claim that the Spanish consumers “really do not want to use phone cases”.
This is because it hides the phone and they would rather “show off” the phone. This also backs up the belief that a phone case is “only” for protection. Another thing that seem to be connected with this theory is the relatively low popularity of Apple's iPhone in Spain which is known to have more design oriented clients. A curious behaviour identified by the experts about the Spanish consumers is that there is a relative low knowledge regarding the phone models and the suitable phone cases.

The Mobile phone accessories industry in Spain is slightly “green”.
Due to the perception of a phone case as a functional-, rather as an accessory product, the perception of a phone case as a low-price product, the experts define the Spanish market as slightly undeveloped compared to other European markets. However, it is a market in growth and in constant change. Therefore, it is difficult to predict how the Spanish market will change in the future.

There are a lot of brands in the market but few important companies.
On one hand, the market is easily accessible as a retailer; the product is simple to produce (all major brands are produced in China, there is no company in Catalunya or in Spain that produce their own phone cases). This leads to a high level of competition. On the other hand there are two large companies in Spain, Muvit Ksix (Atlantis International S.L) and Ascendeo Iberia that have the majority of the market share. Their presence makes it difficult for smaller companies to penetrate the market.
Marketing

Internet in Spain – important as a platform for awareness, yet not so much as a sales point in Spain.
Although the use of internet and social media related to phones and phone cases is increasing, there is still a high percentage among the Spaniard where the internet use is rather insignificant. People that buy phone cases online are usually under the age of 35.

“Word of mouth” increases sales and the risk that consumers are willing to take in a purchase.
With the “word of mouth”-effect, people take higher risk and dare to try new phones and phone cases. Internet and social media has made “word of mouth” even more crucial in terms of awareness and acceptance among the users of phone case. Both Facebook and Amazon are great examples of platforms where consumers share their opinions and ratings of phone cases, which have an important influence in spreading information and setting the standards for what the accepted trends are, what’s new and how each product is rated in terms of quality, price etc.
With these two important effects, “word of mouth” has become particularly powerful in this industry. Because of this, the consumer behaviour may be more risky than expected.
**Segment**

The most profitable segment in the industry are women between the age of 20 – 35. This is because women buy phone cases more often than men and they are more willing to pay more per phone case.

The phone case stores represented by the two experts have an average price per phone case of €8 and €10 – 12. *Europa 3G* in Barcelona sells an average of 4000 phone cases per year.

**Consumer preferences**

There is a clear favoritism of the clip cases compared with the wallet cases. As much as 80% of the phone cases sold in Spain are clip cases while the other 20% are wallet cases. This is mainly because the clip case is cheaper than the wallet case. It is mainly women over the age of 30 that tend to buy wallet cases.
The general preferred phone case design is transparent or black. A general preference throughout the whole market is simplicity and elegance, where transparency and the black color are the most used. Females tend to like the colors purple and red, while yellow and green are the most unpopular colors on a phone case. Younger consumers tend to be more “bold” in terms of design.

The design preferences are becoming more personalized. Despite this “underdeveloped” market in Spain, the design preferences are getting more personalized, which indicates that there may be potential for a phone cover as Meamango Sports Case.
12.3. Summary from focus groups

12.3.1. Focus group 1: Football supporters

*Phone case usage*

The majority of the interview subjects buy a new phone case related to buying a new phone.

Most of the purchases of a phone case takes place a short time after buying a new phone; they may need a new phone case that fits the new phone or they also buy a new phone case out of a desire of wanting a whole new look. They also buy a new phone case when the old one gets damaged. The frequency of buying a new phone case varies from 6 months up to 2 years. However, 2 years is considered as a “very long time” and the phone case is therefore perceived as of high quality.
Preferences

Simplicity is preferred.
Neutral colors with simple and elegant style is most preferred of all respondents.

Design is claimed to be the most important variable when buying a phone case.
Both design and protection is important, but protection seem to be a more obvious criteria which sometimes may get overlooked by design.

Other behavioural aspects

Because of the fact that most of the purchases takes place in conjunction with buying a new phone, it is not an independent purchase. They claim to not gather any information on phone cases in advance, which means that most of the purchases of mobile phone cases are not planned.
The majority prefers to buy the phone case in retail stores. Both mobile phone stores and mobile phone accessories stores are preferred, due to the visibility which gives “safety” compared to buying online. However, various of the interview subjects have used web pages such as Amazon to look for mobile phone accessories. In contrast, no one use social media as a platform when searching for this type of products.

Opinion on Meamango Sports Case

The respondents like the 3D-technology but not the design. They like that the Meamango Sports case have a different look. Being football fans, they are definitely drawn towards the phone case with curiosity. On the contrary they did not like the combinations of the colors yellow and orange, as they were a bit “too much”.

There is a perception of poor quality.
They observed that the phone case does not protect the screen if they were to lose the phone on the ground up side down. This had an important impact on the perception of quality. They believe the Meamango Sports Case are perfect for football fans between 12 and 20 years.
Some of the respondents would buy a Meamango Sports Case for themselves. The adult respondents said that they would buy the Meamango phone case if they were younger, but the colors and the 3D design were too much. Almost all the respondents claim that they would buy the Meamango Sports Case as a gift. The acceptable price range is €12-23.

12.3.2 Focus group 2: Parents

Phone case usage

The use of smartphones and phone cases among their children started at the age of 11-13. Their children own a smartphone (except the girl at the age of 8), whereas their first smartphone was given to them as a gift by their parents. The use of phone cases started in the same period; all the parents bought a phone case together with the phone or a short time after. The kids were allowed to choose among the phone cases, but the parent’s opinion was important in the final decision.

The first phone case purchase was a result of need for protection. The parents claim that protection for the phone was the most important need with the purchase. These purchases were seen as quite easy, as the main object was to protect the phone properly.
The next purchases are mostly done by the children themselves and seem to be driven by the need for a particular design. These phone case purchases are bought with the children’s own money. However, in some cases the second or further phone cases were bought by the parent if the previous one got damaged or worn out.

When talking about the need for phone cases among their kids, they were quite divided on what they believed was the most valuable variable with a phone case. Half of the group claimed that their children look for protection while the other half said that the design was more important. More interesting, parents of boys claimed the most important thing for them was protection and quality, while parents of girls claimed the most important factor was the design.

*Design preferences*

**Wallet or Fitted type is most common.**

All children either own a wallet or fitted type of phone case, and most of them are made out of silicon due to a perception of better quality compared with plastic.
“Girls value design, boys value protection.”
When describing the different design of the phone cases of their children, parents of girls tend to describe them as more personalized than the parents of boys. Quotes and sayings seem to be popular, such as “Be happy”. These personalized designs were red, pink, and white, while the more standardized, which basically was for protection, were black.

Other behavioural aspects

The frequency of purchase varies with respect to the most valued criteria; design.
The frequency of purchase varies between 6 times a year to less than once a year.
A higher frequency tends to be related to the purchases that are driven by the desire of design rather than protection. The purchases for protection also tend to be more planned, while purchases made out of a desire of a particular design is rather spontaneously.
   The internet and other smaller retail stores are the two most important sales points.
   Another behavioral aspect regarding the habit of buying phone cases is that the children go in pair or groups when looking for and/or buying phone cases.
Opinion on Meamango Sports Case

The interview objects were not very impressed by the Meamango phone cases. The indifferent response was mainly due to two different aspects; a perception of poor quality as well as the association to political and/or cultural issues regarding the Catalan flag and the FC Barcelona logo.

The use of the Catalan flag or the FC Barcelona logo often implies more than just national pride and being fan of a particular football club. In some cases, this is a matter of political standpoints on independency of Catalonia, and the major football clubs in Spain are for some people used as a way of asserting your identity and political or cultural beliefs. Therefore, the high level of rivalry among the football fans can make these types of emblems provocative.

In some schools and social arenas, there is an “unwritten norm” which encourages students not to use or wear such emblems in order to not offend people. They believe the importance of this issue varies and depends on different types of social environments and age groups. They added that Barcelona center would probably be more liberal towards the issue, while people in more peripheral areas could have a more conservative opinion. They assumed that teenagers between 12 and 17 years are the most exposed group for such issues.
Additionally we showed the interview subjects one of the competitor’s phone case, which also portraits the stripes of the Catalan flag and the FC Barcelona logo. Comparing the two phone cases, there was a clear perception of a higher quality on the competitor’s phone case than the Meamango Sports Case. This was partially due to the black color on all sides on the Meamango Sports Case and the 3D background that they believed could easily be scraped off. The design and material on the competitor’s phone case was apparently also more preferred aesthetically. However, they would not buy the competitor's phone case either, for the same aforementioned reasons.

**Out of all Meamango Sports Cases five out of six prefer the white one without logo.**

because of the fact that it doesn’t have any logo. There was also a common belief that the white cover without logo could provide a better phone protection than the phone cases with FC Barcelona logos, due to the silicon material. Some of the parents believe this could attract their children as it was different and “fun”. On the other side, the parents would never get it for themselves.
Five out of the six respondents did not believe that their children would want to buy the Meamango Sports Case regardless of being fan of FC Barcelona or not.

None of the interview subjects would buy any of the Meamango Sports Cases, unless:
- Their children had a great desire for the product.
- There was an “accepted occasion” as for example a birthday or Christmas present.

The acceptable pricing was said to be between €6 and €10.
Only two of the respondents said that they could have bought it for a maximum price of €20.
12.4. Street questionnaire

We have chosen to expose the Meamango Sports Case and the phone case from the competitor, *Ascendio Iberia* to possible consumers. In this way we were able to ask them directly about their opinion on the two different phone cases and reveal whether the 3D design is an important factor when choosing the Meamango Sports Case. The main question asked was which cover is preferred. We asked seven respondent and the objects were randomly selected in Barcelona center.

12.4.1 Summary of street questionnaire

- Respondent 1: Prefers the Meamango Sports Case because of the 3D design.
- Respondent 2: Prefers the Meamango Sports Case because it is different and stands out compared to other phone cases.
- Respondent 3: Prefers the Meamango Sports Case because of the 3D design.
- Respondent 4: Prefers the competitor’s phone case as he perceives it as more luxurious with the matte look. The respondent also believes that the competitors’ phone case is of higher quality.
- Respondent 5: Prefers the Meamango Sports Case because of the 3D-technology and the design.
Respondent 6: The respondent would does not prefer either of the phone cases. The respondent does not like the 3D design of Meamango Sports Case and sees the competitor’s phone case as too boring.

Respondent 7: Prefers the competitor’s phone case because it is more suitable for adults. The opinion on the Meamango Sports Case is that it is a bit “childish”.

12.4.2 Conclusion of street questionnaire
Four respondents prefer Meamango Sports Case, two respondents prefer the competitor’s phone case and one respondent does not prefer either. In conclusion Meamango Sports Case is the preferred phone case between the two and this is mainly due to the 3D effect which is the main factor that separates the two phone cases in terms of the design.
12.5 Conclusion of the consumer decision making process after primary research

**Need recognition:** We identified two main needs related to the mobile phone accessories market; the “need for protection” and the “need for design”. The need for protection normally occurs when buying a new smartphone or when the old phone case is damaged or worn out, so called first time purchases. All subsequent purchases (second time purchases) will be more driven by the need for design. Second time purchases usually occur when the consumer gets tired of the old phone case or if they observe a new phone case they believe is better.

**Search for information:** In general, little information is gathered in advance of the purchase. The information gathered is basically limited to when buying the phone case. The general preferences is a combination of a likable design, high quality and value for money. The design preferences are simplicity and elegance, while some tend to like more personalized phone cases.

**Evaluation of alternatives:** The purchase of a mobile phone case is perceived as easy despite the fact that there are a lot of alternatives, because the consumer often has a clear opinion of how he or she wants the product. Another reason why the evaluation is relatively easy is the low brand awareness; none of the respondents know of any brand. The evaluation is therefore based on factors as type, price and the preferences mentioned in the stage of “information search”, rather than evaluating brands. Experts also claim that trends and what is accepted among the consumer's social network affect their choice.
**Purchase decision:** The so called first time purchase tend to be planned while the second time purchase tend to be more spontaneously. The phone case purchases are mostly done in mobile phone accessories stores, mobile phone stores and through online purchase whereas amazon is the most frequently used web page. The consumer evaluate the quality based on a combination of functionality (to what extent the phone case protects the phone) and duration. The frequency of purchase varies between 6 times a year to less than once a year.

**Post purchase evaluation:** The consumer evaluates the phone case basically on how well it protects the mobile phone and measures the value for money with its duration. There is no clear limit of what an acceptable duration of a phone case is, but a duration of six months seem to be acceptable.
12.6 Conclusion of Porter's five Forces after primary research

This conclusion of the model is based on the *List of information 2*. It focuses on the *Mobile phone accessories industry* as the primary research was based on this industry.

**Price sensitivity:** According to the experts, the Spanish consumers have a slightly high price sensitivity. This has mainly to do with the fact that they first and foremost want phone protection rather than phone accessories. This is also reflected in the high percentage of people preferring the cheaper phone case type, clip cases. The average price per phone case sold (at Personalizer and Europa 3G) are €8 and €10 – €12.

From our in-depth interviews which include both Spanish and international consumers, we see that the price sensitivity is a bit lower as many respondents indicate a higher willingness to pay compared to the prices mentioned above. However, the range of acceptable and maximum price are wide.

**Number and size of suppliers.**

The amount of suppliers are very high and can be of any size. Almost all suppliers are located in China because of cheaper labor- and manufacturing costs. There are no company producing phone cases in Spain.
**Customer loyalty and quality differences.**

According to the experts the customer loyalty is low. This is due to a general low knowledge on phone models and which phone cases that fit them, and also due to the fact that consumers tend to choose the phone cases based on what they like and not based on the particular brand. The brand is therefore not important. From the in-depth interviews we get the impression that the brand is not important when choosing a phone case as the brand often gets completely overlooked by the consumer.

Regarding the quality differences we see that length of duration and how well the phone case protects all angles of the phone are important factors. The experts claim that price and quality often are correlated factors in this industry but that it exists exceptions, especially among suppliers and retailers that charges a high price for the design.

**12.7. Answer to the problem area**

Yes, there is a potential for the Meamango Sports Case in the Spanish market. However, the Spanish consumers consider the phone case more as a functional product rather than as an accessory, and therefore we assume that the Meamango Sports Case appeals more to the international consumers. Moreover, our primary research indicates a higher interest for the Meamango Sports Case among a younger age group as they are early adopters of new technology. In conclusion, we believe there is a bigger potential among tourists and consumers in the age group of 18 and younger.
13.0 FRAME OF REFERENCE

13.4. Mission

Meamango’s current mission is:

“The corporation’s main purpose is manufacturing of mobile phone accessories and related activities”

In our opinion, this statement is too vague and does not give any clear description of the company, their customers or their goal. Therefore, we recommend to change the mission to the following:

“Our mission is to provide innovative 3D technology and design with a quality that exceeds our customers’ expectations.”
13.5. Risk-profitability binomial
The risk profitability binomial is caused by a few factors in the *Mobile phone accessories industry*, which we will underline here:

Firstly, there is a high risk: the company only has one product to introduce to the Spanish market. Frisk Bris Consulting is prepared to take a high risk for this project because it is not a large part of their portfolio.

Secondly, there is an anticipated medium profitability because of the high competition in the market and therefore also very low visibility. Meamango is a relatively small company compared to other competitors in Spain.

We conclude that the risk profitability binomial for Meamango in the *Mobile phone accessories industry* is **medium to high**.

13.6. Corporate objectives
Meamango does not have any corporate objectives but we have suggested a few objectives they could implement in order to provide better guidance and strategic decisions:

- Improve position of the brand in Spain, as well as other countries.
- Aim to achieve an operating profit on sales in Spain.
14.0 TARGET MARKET


*Accessories: here we include bags, purses and jewelry.
*Memorabilia: the need to remember a holiday/ trip.
14.2. The chosen macro segments

We believe the following two macro segment are the most attractive segments Memango should focus on.

**Macro segment 1:**

*Who: International - What: Memorabilia - How: Mobile phone cases*

Macro segment 1 consists of tourists visiting Spain with all kinds of nationalities other than Spanish, with the need to create memories from their stay in Spain. The *memorabilia* need can be satisfied by a large amount of substitutes such as products including for example football shirts, scarfs and cups, but in this macro segment we focus the how on *mobile phone cases*. We believe Memango have potential to satisfy their need, mainly through their focus on design. We believe the segment is highly relevant as it consists of many consumers and the amount of money that the consumers are willing to pay is high.

**Macro segment 2:**

*Who: Domestic - What: Identity - How: Mobile phone cases*

Macro segment 2 consists of Spanish consumers with a need to express identity. The need in this segment has a lot of substitutes as the need for identity can be satisfied through a wide range of activities and products that can relate to personal interest and function as identity statements. A mobile phone case can be used to express an identity through the design. We believe Memango has the ability to satisfy this need because of their design focus supported with the 3D technology.

It is a large segment with many potential consumers.
15.0 SOLUTION LIFE CYCLE

By applying the Solution Life Cycle we obtain useful information when defining the segmentation strategy. In our evaluation we have used the two following tables as a tool when placing the macro segments in the right phase.

Macro segment 1: Maturity

Macro segment 2: Growth
<table>
<thead>
<tr>
<th>Factors</th>
<th>Macro segment 1</th>
<th>Macro segment 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market growth</td>
<td>Insignificant</td>
<td>High</td>
</tr>
<tr>
<td>Technological changes</td>
<td>Reduced</td>
<td>Moderate</td>
</tr>
<tr>
<td>Segments</td>
<td>Few/many</td>
<td>Few/many</td>
</tr>
<tr>
<td>Competition</td>
<td>Reduced</td>
<td>A lot</td>
</tr>
<tr>
<td>Profitability</td>
<td>Large for the stronger</td>
<td>Large</td>
</tr>
</tbody>
</table>

Table 1: Environmental factors
## Table 2: Firms' response

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Macro segment 1</th>
<th>Macro segment 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic objectives</td>
<td>Maintain share</td>
<td>Stimulate demand</td>
</tr>
<tr>
<td>Product</td>
<td>Concentrate on characteristics</td>
<td>Improvements</td>
</tr>
<tr>
<td>Product lines</td>
<td>Maintain line</td>
<td>Wide</td>
</tr>
<tr>
<td>Price</td>
<td>Reduce or maintain selectively</td>
<td>Reduce</td>
</tr>
<tr>
<td>Distribution</td>
<td>Intensive</td>
<td>Intensive</td>
</tr>
<tr>
<td>Communication</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>
15.1. Conclusion

We believe that macro segment 1, which we have defined to be operating in the *Football merchandise industry*, belongs in the maturity phase. The strongest indicators that justify this conclusion are the insignificant market growth and the low competition level.

We believe that macro segment 2, which we have defined to be operating in the *Mobile phone accessories industry*, belongs in the growth phase. The strongest indicators that justify this conclusion are the high market growth and the intensive distribution.
## 16.0 SWOT ANALYSIS

<table>
<thead>
<tr>
<th>Environment data</th>
<th>Opportunity</th>
<th>Threat</th>
<th>Strength</th>
<th>Weakness</th>
<th>Actions to take</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low brand awareness among consumers in both industries.*</td>
<td>A new product can have success regardless of how long the company has been in the market.</td>
<td>Easy to become invisible in the market.</td>
<td>Meamango’s products have a high quality, which sets them above competitors.</td>
<td>Difficult to communicate the intangible and tangible attributes. Perceived as low quality.</td>
<td>Communication needs to be done on packaging and in sales points.</td>
</tr>
</tbody>
</table>

*Brand in this instance means the producer’s brand, not the respective football club’s brand.
<table>
<thead>
<tr>
<th>Environment data</th>
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<th>Strength</th>
<th>Weakness</th>
<th>Actions to take</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atomized market structure/perfect competitive market(^{19}): Large number of small (market shares) and two major competitors in the mobile phone accessories industry.</td>
<td>Relatively easy to enter the market and to obtain potential market share. Easier to get a higher market share because of few major competitors.</td>
<td>Invisibility and the threat of being pushed out of the market Low life expectancy of companies.</td>
<td>Offers a product that is different from other companies (3D design), which can give them larger market share.</td>
<td>Can be a “short-term product” because of the high product life and the threat of substitutes together with the unpredictability of design trends. Not a patented technology, which means that competitors can replicate the technology without repercussions.</td>
<td>Specializing within a niche in order to reach the potential customer group.</td>
</tr>
</tbody>
</table>

\(^{19}\) [http://smallbusiness.chron.com/characteristics-competitive-markets-structure-23832.html](http://smallbusiness.chron.com/characteristics-competitive-markets-structure-23832.html)
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<th>Weakness</th>
<th>Actions to take</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partial reluctance to express any form of political, social, or competitive allegiance in the <em>Mobile phone accessories industry.</em></td>
<td>Consumers who choose to show an allegiance will be easier to target since they will be more concentrated.</td>
<td>Can make it difficult to differentiate. It may decrease profits as products with logos can be sold at a higher price.</td>
<td>Meamango are present in merchandise stores where there already is a high concentration of football supporters.</td>
<td>Meamango’s products that have logos will not have as large a potential to sell outside of merchandise stores.</td>
<td>Diversify the product portfolio, creating products that do not have a logo that infers some sort of allegiance.</td>
</tr>
<tr>
<td>Environment data</td>
<td>Opportunity</td>
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<td>Strength</td>
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<td>Actions to take</td>
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<tr>
<td>Spain is home to world known football clubs and players and there is a relative high rivalry between the clubs and respective fans.</td>
<td>“Blind loyalty”: Many consumers will choose a product with “their” logo over other products without a logo, regardless of other attributes. Attracts more tourists → more consumers looking for football merchandise.</td>
<td>Many bandwagon supporters, meaning that bad results will infer bad sales.</td>
<td>Meamango already has a well-developed B2B model and web page which makes it easier for them to acquire licensing rights.</td>
<td>Due to strong regional limitations there are limited amount of sales points Meamango can use.</td>
<td>Concentrate mainly on the successful clubs.</td>
</tr>
<tr>
<td>Environment data</td>
<td>Opportunity</td>
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<td>Strength</td>
<td>Weakness</td>
<td>Actions to take</td>
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<tr>
<td>The most profitable segment in the <em>Mobile phone accessories industry</em> are women between the age of 20-35, where higher rate of purchase often implies valuing design over functionality.</td>
<td>Easier to communicate design than functionality and quality. The segment is large and may generate a high profit.</td>
<td>Difficult to differentiate on - and communicate quality.</td>
<td>Meamango is first of all a design focused phone case. Meamango’s design and technology is unique.</td>
<td>Meamango’s current design appeals mainly to men interested in football.</td>
<td>Design a phone case that appeals to women between the age of 20-35.</td>
</tr>
<tr>
<td>Environment data</td>
<td>Opportunity</td>
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<td>Strength</td>
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<td>Actions to take</td>
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<tr>
<td>The Spanish consumers perceive the phone case as a functionality product rather than as an accessories product.</td>
<td>Companies can focus more on functionality over design, enabling them to sell to a lower price and increase the value for money.</td>
<td>Due to the aforementioned preferences, the products tend to be generic and similar, making it difficult to use a differentiated strategy.</td>
<td>Meamango’s product is a functional product with a relatively good value for money.</td>
<td>Meamango has a design focused product. The quality is perceived as low.</td>
<td>Focus on communicating quality as well as design.</td>
</tr>
<tr>
<td>Environment data</td>
<td>Opportunity</td>
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<td>Strength</td>
<td>Weakness</td>
<td>Actions to take</td>
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<tr>
<td>A common design preference is simplicity in the <em>Mobile phone accessories industry.</em></td>
<td>Easier to predict future trends. The preference towards basic and “see-through” cases enables many producers to save money on design.</td>
<td>Difficult to differentiate the product.</td>
<td>Meamango has enough economic resources to produce simple phone cases.</td>
<td>Meamango’s football logos sometimes tend to be perceived as attention seeking with strong colors and a strong 3D effect.</td>
<td>Include basic designs in the product portfolio.</td>
</tr>
<tr>
<td>Environment data</td>
<td>Opportunity</td>
<td>Threat</td>
<td>Strength</td>
<td>Weakness</td>
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</tr>
<tr>
<td>Homogenous products in the <em>Mobile phone accessories industry.</em></td>
<td>Do not need to be innovative to penetrate the market. Lower cost to produce standardized products.</td>
<td>Difficult to differentiate the product from others.</td>
<td>Standardized products makes it easier for Meamango to focus on design and functionality.</td>
<td>Meamango’s products is homogenous.</td>
<td>Improve the functionality of the phone case with better protection for the phone. Research of innovative ways to improve functionalities.</td>
</tr>
<tr>
<td>Environment data</td>
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<td>Strength</td>
<td>Weakness</td>
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</tr>
<tr>
<td>Personalized design on phone cases is a trend in the <em>Mobile phone accessories industry.</em></td>
<td>Easier to satisfy customers when they can choose the design themselves.</td>
<td>Companies which do not offer personalized design can lose profit.</td>
<td>Meamango offers personalized logos to companies. The design on the phone case is related to personal interests.</td>
<td>Due to the difficulty of the design, the production costs of printing personalized phone cases would be significantly higher than of the competitors.</td>
<td>Offer personalized design to end consumers and not only to companies.</td>
</tr>
<tr>
<td>Environment data</td>
<td>Opportunity</td>
<td>Threat</td>
<td>Strength</td>
<td>Weakness</td>
<td>Actions to take</td>
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</tr>
<tr>
<td>“Word of mouth” is important in the <em>Mobile phone accessories industry.</em></td>
<td>Can generate brand awareness and popularity without costs. Can communicate competitive advantage to the market. Effective communication to consumers who don’t use internet when searching for information.</td>
<td>Negative “word of mouth” could damage reputation. Difficult to control.</td>
<td>Business development knowhow can provide Meamango marketing support. (Frisk Bris Consulting) Relations to operators in the <em>Mobile phone accessories industry</em> and related industries as <em>Football merchandise-</em> and <em>Mobile phone industry</em></td>
<td>Meamango is new in the Spanish market which makes it difficult to generate “word of mouth”.</td>
<td>Include ratings and feedbacks on the web page.</td>
</tr>
</tbody>
</table>

*Founder of Frisk Bris Consulting is also founder of Más Movil*
<table>
<thead>
<tr>
<th>Environment data</th>
<th>Opportunity</th>
<th>Threat</th>
<th>Strength</th>
<th>Weakness</th>
<th>Actions to take</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online purchases are increasing among Spanish consumers.</td>
<td>Enables synergy between off-site and on-site sales points.</td>
<td>No presence online may cause invisibility.</td>
<td>Meamango currently have a web page developed for B2B customers.</td>
<td>Meamango do not have an online sale point for the individual consumer.</td>
<td>Create an attractive and user friendly web page for individual consumers.</td>
</tr>
</tbody>
</table>
### 16.1. Actions to do

<table>
<thead>
<tr>
<th>Short/medium-term (0-3 years)</th>
<th>Long-term (over 3 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Specializing within a niche in order to reach the potential customer group.</td>
<td>1. Research of innovative ways to improve functionalities.</td>
</tr>
<tr>
<td>2. Improve the functionality of the phone case with better protection for the phone.</td>
<td>2. Diversify the product portfolio, creating products that do not have a logo that infers some sort of allegiance.</td>
</tr>
<tr>
<td>3. Concentrate mainly on the successful clubs.</td>
<td>3. Include basic designs in the product portfolio.</td>
</tr>
<tr>
<td>4. Communication needs to be done on packaging and in sales points.</td>
<td>4. Design a phone case that appeals to women between the age of 20-35.</td>
</tr>
<tr>
<td>5. Focus on communicating quality as well as design.</td>
<td>5. Offer personalized design to end consumers and not only to companies.</td>
</tr>
<tr>
<td>6. Create an attractive and user-friendly web page for individual consumers.</td>
<td></td>
</tr>
<tr>
<td>7. Include ratings and feedbacks on the web page.</td>
<td></td>
</tr>
</tbody>
</table>
### 17.0 STRATEGIC PROBLEM DEFINITION

#### 17.1 Definition of key success factors and distinctive competences

<table>
<thead>
<tr>
<th>KSF</th>
<th>Needed distinctive competence</th>
<th>Is it distinctive competence for our company?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MS 1</strong>&lt;br&gt;Who: International&lt;br&gt;What: Memorabilia&lt;br&gt;How: Mobile phone cases&lt;br&gt;1. Logo&lt;br&gt;2. Placement (sales point)</td>
<td>1. Unique design technology&lt;br&gt;2. Business development know-how</td>
<td>Yes&lt;br&gt;Yes</td>
</tr>
<tr>
<td><strong>MS 2</strong>&lt;br&gt;Who: Domestic&lt;br&gt;What: Identity&lt;br&gt;How: Mobile phone cases&lt;br&gt;1. Value for money&lt;br&gt;2. Design</td>
<td>1. Effective costs structure&lt;br&gt;2. Unique design technology</td>
<td>No&lt;br&gt;Yes</td>
</tr>
</tbody>
</table>
17.2 Analysis of competitive forces

17.2.1 Attractiveness of the Mobile phone accessories industry

From Porter's Five Forces we conclude that the competitiveness of the industry is medium. With new acquired primary research from the experts interviews we obtained new information about the players in the industry: There are two very large players in the market, in addition to all the smaller players. These two major companies take up a bigger market share, which makes the profitability in the industry more skewed and the competitive forces stronger. Moreover, the experts anticipate that the industry will continue to grow. If we also include the risk profitability binomial for the industry which is medium to high, we can conclude that the attractiveness of the Mobile phone accessories industry is medium.
17.2.2 Attractiveness of the Football merchandise industry

| Industry rivalry: Low | Threat of substitutes: Low |
| Supplier power: Medium to high | Threat of new entry: Low |
| Buyer power: Low |

Competitiveness of the industry: Low

Since we do not have any extended research on this industry during the first part of this report, we do not have any new information about the industry other than the Porter’s Five Forces analysis done on the Football merchandise industry. From an internal view, the risk-profitability binomial for Meamango in this industry is high. Coupled with Frisk-Bris’ business development experience which can be seen as a competitive advantage, gaining access to the market should be easier for Meamango compared to its competitors. The existing players in the industry are however very wary of new entrants, and can make it difficult to get a foothold as the market is mature. The attractiveness of the Football merchandise industry is high.
18.0 DEVELOPMENT STRATEGY

18.1. Competitive strategy

Definition of Cost leadership

“Overall cost leadership is based on productivity and is generally related to the existence of an experience effect. This strategy implies close scrutiny of overhead costs, of productivity investments intended to enhance the value of experience effects and of product design costs, and on cost minimization in service, selling, advertising and so on. Low cost relative to competitors is the major preoccupation of the entire strategy.” (Porter, 1980)

Definition of Differentiation

“The objective of a differentiation strategy is to give distinctive qualities to the product that are significant to the buyer and which create something that is perceived as being unique. What the firm tends to do is to create a situation of monopolistic competition in which it holds some market power because of the distinctive element.” (Chamberlin, 1933)
**Definition of Focused**

“A third generic strategy is focusing on the needs of a particular segment, group of buyers or geographic market, without claiming to address the whole market. The objective is to take a restricted target and to serve its narrow strategic target more effectively than competitors who are serving the whole market.” (Porter 1980)

18.1.2 Choice of competitive strategies

The most common development strategy used in the market for *macro segment 2* is cost leadership. This fits well with the characteristics for the *Mobile phone accessories industry*: it is difficult to target specific customer groups, value for money is one of the most important key success factor for the target segment and it provides a barrier of entry for new competitors as they have to price at marginal cost.

In *macro segment 1* there is almost by definition a focused strategy applied. The producers target specific segments because they are extremely concentrated at given sales points (f.ex. Barcelona souvenir store).
The main problem for Meamango is that their strength caters to a differentiation strategy due to their unique technology, while the common strategy used by the competitors in both macro segments, are cost leadership and focus. This implies that competitors that have a differentiated strategy have not had great success earlier (niche targets such as Louis Vuitton's high end phone cases are an exception). Thus we are left with two alternatives:

1. Play to our strengths and use a differentiation strategy.
2. Follow the example of the most successful competitors and use a cost leadership or focused strategy.

Which strategy to choose depends on the growth strategy and competitive attitudes. Therefore, we will get back to this after these strategies are reviewed.
18.2 Growth strategy

Market penetration
“A market penetration strategy, also called organic growth, consists of trying to increase or maintain sales of current products in existing markets.” (Lambin, 2012)

Product development
“A product development strategy consists of increasing sales by developing improved or new products aimed at current markets.” (Lambin, 2012)

Market development
“A market development strategy refers to a firm’s attempt to increase the sales of its present products by tapping new or future markets.” (Lambin, 2012)

Vertical integration
“When a company expands its business into areas that are at different points on the same production path, such as when a manufacturer owns its supplier and/or distributor.” (Lambin, 2012)

Horizontal integration
“With a horizontal integration strategy the objective is to reinforce competitive position by absorbing or controlling some competitors.” (Lambin, 2012)

Diversification
“Diversification implies entry into new product markets.” (Lambin, 2012)
In terms of growth strategy, Meamango is entering a new market (the Spanish market) and are thusly already using a market development strategy as they are entering foreign markets with an existing product. This requires a firm grasp of business development and marketing.

18.3 Competitive attitude

Leader
“In a product market, the market leader is the firm that holds a dominant position and is acknowledged as such by its rivals.” (Kotler, 2006)

Follower
“A market follower is a competitor with modest market share who adopts an adaptive behaviour by falling into line with competitors’ decisions.” (Hamermesch, Anderson and Harris, 1978)

Niche
“A market nicher is interested in one or few market segments, but not in the whole market. The objective is to be a large fish in a small pond rather than being a small fish in a large pond.” (Kotler, 2006)
MS1 - Mature market

When deciding competitive attitudes we need to refer to the Solution Life Cycle for each of the macro segments. In mature markets, the leaders are already established, as well as the segments. However, becoming a leader here requires a lot of resources in order to stay on top, and at least some sort of significant competitive advantage. A follower strategy in this stage requires an excellent understanding of the market and segments, as well as a lean and efficient cost structure. A third option here is focusing on niche markets. In order to do this the market needs to satisfy 5 characteristics (Kotler, 2006):

- Sufficient profit potential
- Growth potential
- Unattractive to rivals
- Market corresponding to the firm’s distinctive competence
- Sustainable entry barriers

MS2 - Growth market

In growth and introduction markets, there is a large risk to establish yourself as a market leader as the segments are not clearly defined. This limits a firm’s ability to target efficiently, requires substantial resources, and a bit of “trial and error”. A safer option is to use a follower attitude in order to learn from the mistakes of the leaders, and focus on satisfying the key success factors better than the leader. Firms focusing on following can apply creative market segmentation in order to satisfy specific segments in the market that correspond to the firm’s strength.
As a market leader in a growth market, it is best to deploy a cost leadership strategy. In a mature market a firm can apply both a cost leadership strategy in order to create barriers of entry, or a differentiation strategy in order to “own” the market.

Follower strategies often require a cost leadership strategy in order to maximise profits. However, it is also possible to use a focused or differentiated strategy in order to save resources by specialising on specific segments. In mature markets, a cost leadership strategy is almost impossible as a follower. In growth markets it is however more realistic.

A niche strategy is complemented best with a differentiated or focused strategy. Especially macro segment 1 is a good niche market, as it satisfies most of Kottlers 5 characteristics (it is however not necessarily correlated with Meamango’s distinctive competences, nor is it directly unattractive to rivals).

There is a certain amount of synergy between the competitive strategies and attitudes with regards to the stages in the life cycle.
In conclusion we believe that for *macro segment 1*, focusing on a niche with a focused strategy will enable the firm to use its distinctive competence while still gaining significant profits. *Macro segment 2* on the other hand, is a market in growth with a customer base that is difficult to segment and target. Hence we believe that by using a follower strategy and focusing on the most profitable segments and sales points, while still differentiating your products to avoid competing on price, is the best solution.

<table>
<thead>
<tr>
<th></th>
<th>MS 1</th>
<th>MS 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Strategy</td>
<td>Focused</td>
<td>Differentiated</td>
</tr>
<tr>
<td>Growth Strategy</td>
<td>Market development</td>
<td>Market development</td>
</tr>
<tr>
<td>Competitive attitude</td>
<td>Niche</td>
<td>Follower</td>
</tr>
</tbody>
</table>
19.0 SEGMENTATION STRATEGY

19.1. Micro segments

When defining the micro segments we have bared in mind the variable *what*, memorabilia and identity, for the respective segments.

In the micro segmentation for *macro segment 1* we have based our variables on what we perceive to be *common knowledge*, and to a lesser extent secondary research as we have not done primary research on the *Football merchandise industry*.
Macro segment 2 is in a growth phase in the Solution Life Cycle, meaning that we do not expect to find any obvious micro segments in the market. This is strengthened by other observations we have found in the market, such as the generic and undifferentiated competitive strategies used by the players in the market, as well as the homogeneity of the products offered in the market. We also found no correlating factors in the primary research, nor any significant outlying trends (example given in fig.3 and fig.4). Thus, the micro segments we define are based on perceived variables by experts interviewed, trends discovered in secondary data, and some (statistical inaccurate) observed trends from the primary data.

In the micro segmentation for macro segment 2 we have used demographic variables such as gender, age and consumer behaviour variables as preferred sales point and perception of acceptable and maximum pricing on phone cases.
The research we have done has been qualitative, not quantitative, and as such is not statistically significant. We did not find any significant trends either to suggest any correlations that would be worth pursuing with a quantitative research without a solid segmentation analysis done beforehand. We will get back to which types of future quantitative analysis that should be done, later in this report.

19.1.1 Micro segments identified in *macro segment 1*:

<table>
<thead>
<tr>
<th></th>
<th><strong>Touristy tourists</strong></th>
<th><strong>Football supporters</strong></th>
<th><strong>Families</strong></th>
<th><strong>Hobby football players</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nationality</strong></td>
<td>Asian</td>
<td>European and Asian</td>
<td>European</td>
<td>European</td>
</tr>
<tr>
<td><strong>Age group</strong></td>
<td>40-60</td>
<td>20-40</td>
<td>35-50</td>
<td>10-22</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td>F/M</td>
<td>M</td>
<td>F/M</td>
<td>F/M</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>1) Likely to travel in groups/couples</td>
<td>1) More likely to travel in groups</td>
<td>1) Always travel in groups</td>
<td>1) Travel companions</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------------------</td>
<td>-----------------------------------</td>
<td>---------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>2) Travel interests</td>
<td>2) “Touristy” attractions</td>
<td>2) Football entertainment</td>
<td>2) Cultural and tourist attractions</td>
<td>2) Football entertainment and vacation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchasing behavior</th>
<th>1) More likely to buy on the black market</th>
<th>1) Less likely to buy on the black market</th>
<th>1) Likely to buy on the black market</th>
<th>1) Likely to buy on the black market</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Likely to buy souvenirs</td>
<td>2) More likely to buy souvenirs</td>
<td>2) Likely to buy souvenirs</td>
<td>2) Likely to buy souvenirs</td>
<td>2) Likely to buy souvenirs</td>
</tr>
<tr>
<td>3) Likely to buy football merchandise</td>
<td>3) Less likely to buy football merchandise</td>
<td>3) More likely to buy football merchandise</td>
<td>3) Likely to buy football merchandise</td>
<td>3) More likely to buy football merchandise</td>
</tr>
</tbody>
</table>
19.1.2. Micro segments identified in *macro segment 2*:

<table>
<thead>
<tr>
<th></th>
<th>Fashion-forward</th>
<th>Culés</th>
<th>Young impressionable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age group</strong></td>
<td>20-35</td>
<td>10-60</td>
<td>14-25</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td>Female</td>
<td>Male</td>
<td>Female/Male</td>
</tr>
<tr>
<td><strong>Preferred salespoint</strong></td>
<td>Mobile phone accessories stores and retail stores</td>
<td>Retail stores</td>
<td>Internet</td>
</tr>
<tr>
<td><strong>Consumer behavior</strong></td>
<td>1) High purchase frequency 2) Low price sensitivity</td>
<td>1) Low purchase frequency 2) Low price sensitivity</td>
<td>1) High purchase frequency 2) Medium price sensitivity</td>
</tr>
</tbody>
</table>
19.1.3 Micro segment chosen from *macro segment 1*

We believe *Football Supporters* is the most attractive segment for the company as their memorabilia need is strongly linked to the interest in football, which makes this micro segment more concentrated and easier to target compared with the three others. This segment will also have a higher brand loyalty towards a displayed logo and be less susceptible to the black market. We exclude the micro segment *Touristy Tourists* as football related attractions can be overlooked by other attractions. Even though they will buy souvenirs, the black market would become a bigger threat. It is more reasonable to assume that the micro segment *Football Supporters* will spend more money on football merchandise as football is the main interest, while within the *Families* segment the interest for other tourist attractions may lower their willingness to spend money on football merchandise. As for the micro segment *Hobby football players*, the willingness to buy on the black market is high because of low or non income, therefore the threat of substitutes can decrease sale for Meamango in this micro segment.

Football entertainment is one of the main desires among the *Football Supporters* when visiting Spain. It is highly likely that this segment would want to buy football merchandise at the respective football stores. It is basically the football logo which the Meamango Sports Case displays that will attract this segment and satisfy their need for memorabilia.
Football Supporters satisfy the requirements for size and we also assume it is profitable due to the growth in the industry and the relative high amount of money football tourist generally spend on football merchandise.

19.1.4 Micro segment chosen from macro segment 2
Due to being in the growth phase in the Solution life cycle, it is difficult to target a specific segment. Therefore, we have not chosen a segment from the macro segment 2. Nevertheless, when the market reaches slow growth / mature phase we recommend that the company targets the “Young impressionables”.

From our three identified micro segments, we believe Young impressionables is the most attractive segment to target as it is easier to satisfy their identity need. This young potential consumer group have a natural ability to adopt new technology as well as they are quite easy to influence by for example an opinion leader. It is possible that the unique technology that Meamango offers may appeal to their interest and curiosity in “everything that's new” and the football logos Meamango displays may function as an identity statement in their search for social acceptance.

Our primary research gives reason to believe that younger football fans would be interested in the existing Meamango products that display a football logo.
The Young impressionables are preferable to target compared to Fashion-forwards because there is competition to capture Fashion Forwards and Meamango’s distinctive competence does not cater towards this group; the 3D design is “flashy, not classy”. We also prefer Young Impressionables over Culés because of the bigger size of segment, and due to a higher purchase frequency. Young Impressionables will also be more open to buy new products. Culés may be a too vague segment due to the wide span in age and therefore difficult to target.

There will be a slight overlap when targeting Football Supporters; it will attract Culés as well, as they also are football supporters.
19.2. Segmentation strategy

Based on the macro segments’ phases in the Solution Life Cycle, mature phase and growth phase, it is suitable to use a focused strategy for the chosen micro segments:

Macro segment 1: Mature phase
- Micro segment: Football supporters
- Segmentation strategy: Focused

Macro segment 2: Growth phase / Slow growth phase
- Micro segment: All segments / Young impressionable
- Segmentation strategy: Undifferentiated / Focused

For the micro segment Football supporters we have chosen to use a focused strategy because they are in the mature phase in the Solution Life Cycle. Focused strategy is defined as “specialists seeking a high market share in a narrow niche. The firm is concentrating its resources on the needs of a single segment or on a few segments, adopting a specialist strategy.” (Lambin, 2012). The company is seeking a high market share in a particular niche, and with the Football supporters having a shared need, targeting only one customer group will give the company an improved efficiency of their resources.
Using an undifferentiated strategy in the growth phase will be most suitable for all micro segments in macro segment 2. When targeting the market in this phase, it is difficult to define different segments. Undifferentiated strategy is defined as “the firm ignores market segment differences and decides to approach the entire market as a whole and not take advantage of segmentation analysis.” (Lambin, 2012).

At this time we do not want to go any further with this strategy and will instead focus on a more long-term approach. When the market reaches the slow growth phase, the best solution is to use a focused strategy. We have then chosen the micro segment Young impressionables as the most suitable for this market. We will use a focused strategy because the chosen segment reach the criterion of being big enough and profitable for the company when they reach the slow growth phase. When focusing on only one segment the company can easily follow the trends and cater to their needs.

We chose not to use a differentiated strategy for the micro segments in macro segment 2, since it is difficult to actually target micro segments through the available communication and distribution channels; the customer preferences are not consistent throughout any of the micro segments, and the products available in the market are fairly homogeneous. We also decided to adopt a follower attitude in this macro segment, and as such a differentiated strategy would only make sense if we have a competitive advantage in terms of targeting.
20.0 POSITIONING STRATEGY

20.1. Positioning variables
When choosing positioning variables we need to look at attributes that are important to the consumer in the micro segments we are targeting. Many of these attributes were identified in our primary research. However, the market is extremely difficult to target efficiently due to a perfect storm of factors: no clear segments, low brand loyalty (difficult to reach out to consumers), and no clear differentiation between the products. We see that the main competitors in the market do not really position themselves distinctively; together they cover the whole spectre of design and price-ranges. We know from our primary research that the consumers value design and value for money and as such we focus on the two variables; perceived price and design.
Perceived Price
By using perceived price we get information about the willingness to pay in the consumer market which reflects the perception of the product and thus what they perceive to be value for money. Value for money is already identified as an important key success factor.

We range the perceived price as
*Low - Medium - Premium.*

Design
From our primary research we learnt that design is a valued factor for the consumers, where the phone cases level of simplicity or customization are important attributes. Design is also identified as a key success factor in our analysis.

We range the designs on a scale of “complexity”; *Basic - Simple - Classy - Flashy - Licensed logo.*
As illustrated in figure 5, we see that the competitors cover almost the entire range. The only really noticeable white spots are the low price - high end design versions and licensed products. This is as expected, as production costs generally go up as the designs get more complicated. Licensed logo products have to pay for licensing rights and the retailer can utilize the blind loyalty of customers in order to charge a higher price.

Figure 5: Positioning map
20.2. Latent positioning strategy

By applying a third dimension as illustrated in figure 6, we can position the competitors in the market a bit further; level of uniqueness. We see that the more unique the product is, the pricier it gets. This is consistent with the way many of the competitors market themselves; many sell their products’ design as a way of “expressing yourself”, and uniqueness strengthens this message.

Meamango’s 3D design indicates that they have a high level of uniqueness, where there is a lower level of competition. This means that they can position themselves as a provider of unique phone cases.
20.3 Conclusion to positioning strategy

In terms of our micro segments, Meamango should position themselves in the unique and customized part of the dimensions as this is where they have an advantage. Both micro segments appreciate uniqueness; the *Football Supporters* want to display their allegiance in a strong way, and the more unique the phone case is, the stronger this message is conveyed. For *Young Impressionables*, the uniqueness is an important factor because they are interested in what is unique and new. This interest may also be used in the way they state their personality, as reflected in our primary research.
21.0 MARKETING MIX

21.1 Introduction to the marketing mix

Meamango already has developed a core product; the mobile phone sports case, which is ready to enter the Spanish market. We will therefore focus on other tangible and intangible attributes that are important to attract to the segments when creating the marketing mix.

21.2 Introduction to marketing mix for Football Supporters

We have found that the current products Meamango have, the Sports Cases with a football logo, are in many ways already aimed at macro segment 1, the Football Supporters. Spanish football is one of the most internationally appealing football leagues in the world with two behemoths, FC Barcelona and Real Madrid (almost 100 million social media followers each\(^20\)) and other smaller, yet still relatively internationally popular clubs; Atletico Madrid and Valencia (12.8 million and 3 million fans respectively\(^20\)). By selling at selected merchandise stores, Meamango focuses its targeting towards the people who go to these merchandise stores; tourists who want to watch their favorite football team, or in other words Football Supporters.

21.3. Marketing mix for Football Supporters

21.3.1. Product

Packaging
Meamango should make the “see-through window” bigger in order to better reveal the 3D-effect. The current packaging (picture 1) does not display the entire phone case or 3D-effect properly as the “window” is too narrow.

Meamango should also emphasize the lifetime warranty for the product by adding a statement of “lifetime warranty” in white letters on the front of the packaging. This will increase the expected quality and the perceived value for money.

Picture 1: Current package
The blue sticker on the package that portrays which phone model the phone case is applicable to, should be white in order to fit the clean look of the package.

**Technology**

Due to the importance of quality, the functionality should be improved on the phone case. Our findings in the primary research suggest that consumers prefers a phone case that protects the screen of the phone as well as the back. Therefore, we recommend a higher curb for better protection.
21.3.2. Price

The main indicators we look at when analysing the price is the competitor's price and our primary research. However, our primary research is not statistically representative as it is qualitative information acquired from a small number of respondents.

Looking at the competitor's price for a phone case in the *Football merchandise industry*, the average price of a phone case sold in retail stores is between €18 and €24. The price for the Meamango Sports Case is €29, which puts them at a premium price.*

Looking at our primary research, there is a wide range of what is perceived as an acceptable price on a phone case; €5 to €30. There is also a wide spread in the maximum price (maximum price willing to pay) on a phone case: €8-45. We recommend further quantitative analysis by using the price sensitivity meter with at least 200 respondents from the relevant micro segments.

*The information is obtained from Frisk Bris Consulting*
21.3.3 Place

Meamango should continue with an exclusive distribution, where the product distributes through one major retailer in the market. The retailer will have the sole right to sell the specific product. Meamango should start with an agreement with FC Barcelona and Real Madrid, as they represent 80% of the merchandise revenue. Thereafter, Meamango should research the market further to see if there is a potential for other football distributors in the future, by using a selective distribution strategy, focusing on best-performing retailers.

Meamango should sell the product online by using third-party retailers (Ebay, Amazon, Miniinthebox etc.). These sales points will most likely not be as profitable as other salespoints since the competition is tougher, and the main distinctive competence (3D design) will not be shown. However, it requires little to no resources to maintain an online presence, and it is important to have the product available online as word of mouth sales often occur here.
21.3.4 Promotion

This buyer decision is based on medium involved feeling which means that the mobile phone cover is a product driven by quick personal satisfaction. Meamango should therefore apply an approach that triggers the spontaneous desires of the consumers.

According to what the FCB suggests for such a product, the best promotion for Meamango is word of mouth. This is also backed up with our primary research.

<table>
<thead>
<tr>
<th>FCB GRID</th>
<th>Think</th>
<th>Feel</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Involvement</td>
<td>Life Insurance</td>
<td>Perfume</td>
</tr>
<tr>
<td>Low Involvement</td>
<td>Motor Oil</td>
<td>Ice Cream</td>
</tr>
</tbody>
</table>

Figure 8: FCB Grid

---


Products located in the lower far right (feel) part of the grid are usually dependent on some sort of brand loyalty in order to sell. Since the consumer does not use a lot of time to decide on the purchase, the subconscious attitude towards the brand is extremely important. However, as we found in the research, there is virtually no brand awareness among the consumers. This limits the amount of viable promotion strategies.

Meamango should erect a product stand at the sales points which displays the 3D-technology and design on the sides of the stand. This helps to show Meamango’s distinctive competence and also grabs the attention of the customers who normally would not be looking for a mobile phone case.

21.4 Introduction to marketing mix for Young impressionables

This microsegment is very diverse in its preferences and, as discussed earlier, difficult to target. Differentiating our product by increasing the uniqueness of the products is key here. Since the production cost of the 3D cases is higher than most competitors, it is also important to increase the perceived value. Meamango needs to promote efficiently, and position the products in the market at a point where the competitors do not charge a low price, in order to maximize the willingness to pay of the customers.

Frisk Bris consulting
21.5. Marketing mix for Young impressionables

21.5.1. Product
Meamango should offer phone cases with different logos, such as Disney, Marvel and other powerful in-groups, in order to attract younger consumers. It is important to have good design, and therefore we recommend to outsource the design of these phone cases to a design firm. We realise that acquiring the licensing rights to many of these brands will be somewhat of a challenge, but we believe that Frisk Bris’ business experience will be an advantage in this case.

This segment is interested in “everything that is new”, but there is no connection between their hobbies and interests. Therefore, the company should research and develop a plan to expand their portfolio with a personalized phone case for this segment. There are two alternatives for customized phone cases:
The consumers can create their own design with a logo, colors and writing that is provided by the company. Or, the consumers can download their own picture to personalize their phone case.
We believe that a close eye should be kept on trends, specifically new power solutions and innovative protection. This segment absorbs new trends and innovations quickly, but this may not always be reflected in the overall noise of the market. Thus by being an early mover on affordable add ons that enhance the key success factor for this segment (quality, protection, design) can be very profitable.

Product improvement is also recommendable; produce the phone case with a higher curb so that it protects both the back and the front of the mobile phone.

21.5.2. Price

In the Mobile phone accessories industry, there are many small competitors, and the average price depends to a certain extend on the distribution channel as the figure below illustrates. The phone cases with a premium price (highest price) are sold through internet. The internet is however the channel with the widest range of price, which means that the cheapest phone cases available in the market are also sold through internet.

![Figure 9: Price and distribution channels](http://www.marketsandmarkets.com/PressReleases/power-bank.asp)
In the table below we see examples of prices for a few of the custom design online retailers in Spain.

<table>
<thead>
<tr>
<th>Web page</th>
<th>Price for customizable (iPhone 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>thecasestudio.com</td>
<td>€29,95 - €49,95</td>
</tr>
<tr>
<td>3dphonecase.com</td>
<td>€36,49</td>
</tr>
<tr>
<td>skinit.com</td>
<td>€29,99 - €39,99</td>
</tr>
<tr>
<td>mycustomcase.com</td>
<td>€44,99 - €49,99</td>
</tr>
</tbody>
</table>

The most used online retailers in Spain:
- [www.amazon.es](http://www.amazon.es)
- [www.ebay.co](http://www.ebay.co)
- [www.groupalia.com](http://www.groupalia.com)
- [www.es.aliexpress.com](http://www.es.aliexpress.com)
- [www.miniinthebox.com](http://www.miniinthebox.com)
- [www.lightinthebox.com](http://www.lightinthebox.com)
- [www.elcorteingles.es](http://www.elcorteingles.es)
- [www.dx.com](http://www.dx.com)
- [www.asos.com](http://www.asos.com)
- [www.pixmania.es](http://www.pixmania.es)

The most used shopping apps in Spain:
- Amazon
- Ebay
- AliExpress
- Wallapop
- Segundamano
21.5.3. Place
Salespoints most suitable for the first recommended product are stores, such as specific retail stores and in mobile phone accessories stores. Specific retail stores can be Disney stores and toy stores, because we believe that this will be the most profitable and suitable sales points for this product (if given license).

For the second recommended product, *personalized design*, internet is the most important salespoint. In order to achieve visibility, using a third-party but also create an own web page to distribute the products, will be the best option. The web page needs to be user-friendly in order for it to be easy to navigate and it should also be available in different languages as Spanish, English and Catalan.
21.5.4. Promotion

Looking at our FCB grid, we find that mobile phone cases in the Spanish market are at point 1 in the figure. First time purchases occur more at point 1 implying more “think” than “feel”. Point 2 is more second time purchases. Point 2 is also where we believe the market will reach, as the life cycle evolves. Point 3 is much like the football logos, but rather with other logos as well. The most prudent communication channels at these stages are word of mouth, sales promotions, brand ads, and direct marketing.

As the market matures the segment reach a medium involved feeling towards the product. Here the use of brand ads and word of mouth to promote products will be the best option.
There is no brand awareness among consumers, which means that the effect of social media platforms such as Facebook, Instagram, Snapchat, and Twitter is minimal. This is evidenced by the competitors presence at these platforms. The successful ones are the companies that are market leaders in terms of design and unique design. Since we have chosen to use a follower strategy, and Meamango does not have a distinctive competence in in-house design, it is not recommended to try to follow these market leaders in terms of promotion. For the customizable designs in the long-term, an Instagram profile showing examples of “fun” designs by some of the customers can act as a “word of mouth” communication of the products.

For the products featuring a logo, it can be possible to use a social media platform to promote, if the product has a good design (this is a niche). Brand advertising should only be done at the point of sales due to the need of recognition), and then it should promote the distinctive competence of the product in order to set it above its competitors as the best alternative. In reality, this means communicating the correct message on the packaging, controlling the display points in order to catch the eye of a potential customer, and using posters, product stands, or display models displaying the 3D-technology at the sales point (in the store and on the web page).
Word of mouth is perhaps the most efficient way to communicate to the mobile phone accessories market, yet perhaps the hardest one to control. The key phrases for communicating efficiently here are *expectation vs reality*, *value for money*, and *uniqueness*. Communicating quality expectations such as lifetime warranty, “unscratchability”, or protection ability requires that these expectations actually are met. If not, the customer will not recommend it, or in a worst case scenario recommend not to buy it. Promising a product that is excellent, requires the product to be excellent in every way. However, it is also important not to undersell the product, otherwise it will not represent value for money. When word of mouth works, in order to exploit it to its fullest, the product needs to be *easy to acquire* for the relevant consumers. Hence it is important to have an online presence.

21.6. Comment on current marketing mix for Meamango Sports Case

Meamango applies a quite different marketing mix as they currently targets the B2B market. The current marketing mix is developed for the already existing product; the Meamango Sports Case which among other includes a price of €29 and the use of an exclusive distribution (only sold at football stadiums) with a promotion limited to a personal web page reaching the B2B market only. We strongly recommend to apply our marketing mix as this is adapted to the B2C market and will target our defined segments more efficiently.
The suggested investment budget is calculated using estimated costs and recommended allocation of resources. After the budget, it is included a recommendation of alternative resource allocation depending on the risk willingness of the firm, and desired strategic approach. We have not included a revised operational budget with estimated income.
<table>
<thead>
<tr>
<th>Types of promotion</th>
<th>Cost</th>
<th>Risk</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C web page</td>
<td>€ ~6000  This is the approximate cost of developing a high-end sales web page.</td>
<td>High A lot of competitors have web pages that are basically just decoration, as their products or web-design did not deliver what the consumer wanted/needed.</td>
<td>Potentially high If it is done correctly, a web page puts all the marketing and communication to your customers in the palm of your hand.</td>
</tr>
<tr>
<td>Online marketing</td>
<td>€ 100 per month  This cost is an approximate in order to maintain a WoM (recommendations, listings, promotions, etc) presence on the most relevant web pages and apps.</td>
<td>Low This is perhaps the most proven form of efficiency in the market.</td>
<td>High As long as the ads are placed targeting the correct age group and web page, this should give a lot of return for your money.</td>
</tr>
<tr>
<td>Types of promotion</td>
<td>Cost</td>
<td>Risk</td>
<td>Effectiveness</td>
</tr>
<tr>
<td>-------------------</td>
<td>------</td>
<td>------</td>
<td>---------------</td>
</tr>
<tr>
<td>- Store placement (not included in budget)</td>
<td>Unknown This depends on the store; what store it is, and where it is.</td>
<td>Low Unless the product itself is not up to standards, this has a low risk.</td>
<td>High Getting a preferential placement in the store (not close to the ground, close to the counter/entrance) communicates to a larger customer group.</td>
</tr>
<tr>
<td>- Product stands</td>
<td>€ ~1000 Approximate cost of designing and producing X number of stands.</td>
<td>High It is a large investment that may be outdated fairly quickly.</td>
<td>High It is the best way of showcasing the key attribute of the product to as large a customer group as possible.</td>
</tr>
<tr>
<td>- Free samples</td>
<td>€ 50 per month X number of phone cases.</td>
<td>Low It is cheap.</td>
<td>Medium Distribute to giveaways, sponsorships, etc that reaches the targeted microsegment. It will create WoM.</td>
</tr>
</tbody>
</table>
# Marketing Costs 1 - High Risk

## 2017

<table>
<thead>
<tr>
<th>Costs</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
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**Legend**
- B2C Webpage
- Online Marketing
- Free Samples
- Product Stands
Marketing Costs 2 - Medium Risk
2017

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23.0 EVALUATION

Do’s

Work on the project together as a group (and not individually). In that way the entire group is always updated and it saves you time explaining the progress made from time to time.

Work on Google docs (or other cloud based platforms) so that everyone has access to the project and relevant information at all times.

Plan when and where to work at least one day in advance.

It is wise to have a friend or a contact that speaks Spanish because parts of the primary research will be conducted in Spanish as the projects must be based on the Spanish market. To have a Spanish speaking group member has been efficient in research.

Make sure to include everyone's opinion before concluding, in order to don't overlook an important perspective. Also have other group member read your writing, as it is easy to “get blind”.

Always include breaks in the work sessions. Plan your breaks at the beginning of each work session.
Don'ts

Don't postpone the search for a company. It can be smart to contact all relevant alternatives as soon as possible as many companies tend to reply late.

Don't postpone contacting the interview objects. We should have contacted interview - and focus group objects earlier, and by not doing so, the rest of the project was delayed.

Don't postpone the last editing as it takes up a lot of time, often more time than expected.

Don’t work without having an agenda for each work session. Without knowing the goal, the motivation and efficiency is likely to decrease.
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