Merchandising Strategy of FC Porto Store to Attract the Segment of Children and Youth

António Cardoso, PhD
Assistant Professor
University Fernando Pessoa
Portugal

Robson Pereira de Souza
Mestre em Marketing para Crianças e Jovens
University Fernando Pessoa
Portugal

Fernando Bandeira, PhD
Assistant Professor
University Fernando Pessoa
Portugal

Álvaro Cairrão, PhD
Assistant Professor
University Trás-os-Montes e Alto Douro
Portugal

Abstract
The purpose of this research is to investigate the merchandising strategy of the FC Porto Store, located in the NorteShopping (Oporto City – Portugal), to attract the segment of children and youth. The methodology used to deploy it can be divided into two parts. In the first part deals with presented the collected data in the store, which in turn were placed on a table of Excel. The data were then analyzed also in the SPSS program. In the second part was adopted the case study method, to present and describe the store. In order to present the data collected were performed categories for the segments and gender issue. The segments are: babies, children, tweens, teenager, adult and indifferent (for products and services transverse to ages). The gender issues categories are: male, female and indifferent (for products and services transverse to genders). The research showed that the FC Porto has a planning for the childish public if we look at the three segments that compose this target, babies, children and tween, but if the focus are just the babies it’s possible to affirm that the planning doesn’t contemplate this specific group. The work also showed that there is an abyss between the male representativeness and the female one. Due to the fact of this research has been done in just one store of one of the three biggest clubs of football of Portugal cannot affirm that this is the current situation in the merchandising’s football in this country.

Key Words: merchandising, sport, gender, group age, products

1. Introduction
Sports form a basis of contemporary culture and are usually accepted as the culture of the world. Throughout the twentieth century, the sport abandoned condition of amateur sector, transformed in organized companies, competing in the market sport for their autonomy and financial sustainability. Football is one of the world’s favourite sports, and its industry produce greater revenue (with regards to the money and investment) than any other sports (Sá & Sá, 2002; Anon, 2005), as happens with, for example, Real Madrid, Barcelona (Spain), Manchester United, Arsenal, and Chelsea(England), Milan and Juventus (Italy), Porto and Benfica (Portugal). The literature is plenty of examples where business methodologies have helped sports organizations to improve their performance. As described by Neale (1964), Hodiri & Quirck (1971) Cairns et al (1986) the application of business theories in the sport sector is a common practice.
The buying and selling of players, television broadcasting, ticket sales, the advertising in football matches, the sponsorships, the merchandising, ...are some strategies used by clubs to achieve profitability (Anon, 2005; Martinez & Callejo (2006). Studies show that there is a link between the success of the team and purchasing from the teams’ stores where team licensed merchandises are sold.

Too many sports teams react with merchandise after demand surfaces, such as after the team wins a championship. Teams can enhance the value of the brand through aggressive, proactive methods, thereby driving demand rather than letting demand drive them (Trail et al., 2005).

Merchandising the licensed sport team merchandises in sport industry is one of the most common and developing issues. Amount for merchandising licensed sport merchandises is explained with billions of dollars recently, and this makes licensing an effective way to create incentives for consumers to buy a product (Özer & Argan, 2006).

This work is focused, mainly, in determine what are the best represented segments and genders in the merchandising planning of “FutebolClube do Porto” Store. The study will be centered in the children and youth segment case to question what are the segments and gender best represented in the store was necessary to use terms and concepts characteristic of the merchandising area.

2. Literature Review

According the Deloitte Football Money League of the 2011/2012 season, there are 5 big markets (Deloitte Sports Business Group, 2013): England (7 clubs), Italy (5 clubs), Germany (4 clubs), and France (2 clubs). The Premier League has become the most successful football league all around the world in the last 20 years, not only because of the high level football matches, but also because of the success in its commercial operation, which can be shown by the data of the financial situations. Spanish maintaining one-two in the Money League for the fourth successive year (largest fan bases and strongest revenues). Real Madrid is the first one (surpass the €500m revenue), and Barcelona the second one (Table 1).

Table 1: Total Revues 2011/2012

<table>
<thead>
<tr>
<th>Club</th>
<th>Total Revues 2011/12 (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Madrid</td>
<td>512.4</td>
</tr>
<tr>
<td>Barcelona</td>
<td>456.6</td>
</tr>
<tr>
<td>Manchester</td>
<td>383.1</td>
</tr>
<tr>
<td>Chelsea</td>
<td>372.6</td>
</tr>
<tr>
<td>Arsenal</td>
<td>295.3</td>
</tr>
<tr>
<td>Liverpool</td>
<td>268.5</td>
</tr>
<tr>
<td>Manchester Utd</td>
<td>261.9</td>
</tr>
<tr>
<td>Spurs</td>
<td>192.5</td>
</tr>
<tr>
<td>Madrid</td>
<td>181.5</td>
</tr>
<tr>
<td>Madrid</td>
<td>181.5</td>
</tr>
<tr>
<td>Marseilles</td>
<td>159.6</td>
</tr>
<tr>
<td>Paris Saint-Germain</td>
<td>144.4</td>
</tr>
<tr>
<td>Lyon</td>
<td>133.3</td>
</tr>
<tr>
<td>Lyon</td>
<td>133.3</td>
</tr>
<tr>
<td>Lyon</td>
<td>133.3</td>
</tr>
<tr>
<td>Lyon</td>
<td>133.3</td>
</tr>
<tr>
<td>Lyon</td>
<td>133.3</td>
</tr>
</tbody>
</table>


The revenue of football clubs is divided into three parts (Deloitte Football Money League, 2013): revenue from match day ticket and corporate hospitality sales, television broadcasting and commercial (sponsorship, merchandising, and other commercial operations) income (table 2). In general, the Broadcasting and Commercial are the principal source of revenue to all football clubs.
The relationship between sports teams and their fans is the most important feature of professional sport (Flavián & Guinalíu, 2005). The sports fan-team relationship has implications in terms of the business viewpoint, mainly in relation to issues such as season ticket purchases, game attendance figures, and sales of team merchandise, among others.

In order to build a marketing strategy for the team, it becomes important that the managers play upon all the factors that can be highlighted to reap positive benefits. The most visible and potent part of any team is its players (star players) and the merchandising strategies to create a strong public relations with the public (Wheeler, 2006; Gladden, 1997).

Sports clubs use licenses as a tool for creating income. One of the main purposes of the teams transferring star football players is to sell the uniform of the star players to the fans. By doing this, teams consider the main idea of being a fan (Özer & Argan, 2006). The clients perceive licensed merchandise as an aspect of being a fan and the sports clubs benefit from this advantage (Schaff, 1995).

The merchandising, as a scientific tool of Marketing, has become after the broken of the New York stock exchange in 1929. In this period, knowing as the worse economic recession of the XX century, the industrial sector realized the necessity of using new techniques and specific procedures in the distribution area in order to increase the profits (Herrera, 2006).

Among the found definitions to merchandising according to Regina Blessa (2006, In Borges & Leite, 2007, pp. 18) it’s possible to affirm that:

“it’s any technique, action or promotional material used in the point of sale that provides information and better visibility to the products, brands and services, with the propose of motivate and influence the purchasing decisions of consumers”.

Relatively to the merchandising developed by the sports industry there is a differential, considering the merchandising in general, because, in this case, it involves a situation of belonging and socialization and focus in a particular homogeneous group of people that search, with proud, to show that there is a strong connection with one club specifically (Sá & Sá, 2002; Özer & Argan, 2006).

The sports merchandising traduteitself “na reprodução de uma imagem, ou parte dela, pertença de um clube, atleta, evento, modalidade ou empresa” (Sá & Sá, 2002, p. 235). In this case, the image can be used to sell all kind of products or services that helps to monetize the gains of an entity, in this case a club of football. The most popular way to do this in the sport area is using the licensing.
Football are an instance of identification translating into a sensation of ownership in the team, including involvement in the emotions associated with defeat and victory and have a strong impact in fans consumer behavior. Usually the fans buy products that produce an association with their favorite team and football player (Williams, 2000). Teams have realized the importance of this relationship and focused on marketing of the licensed sports merchandise. Then, brand has become more important in sports industry. Teams try to direct their consumers through the stores in which they market team related products. At the same time, the rate of the shopping made from the online stores of the clubs has shown increase in recent years (Bauer & Sauer, 2005; Özer & Argan, 2006).

3. Methodology

The object focus of the study is a store called FC Porto Store, so our methodology is a “case study” (Yin, 2004). The establishment is managed by the retail department of FutebolClube do Porto. The store is situated in the city of Porto (Portugal), in a knowing mall, the NorteShopping. Besides to sell merchandise of Porto the shop commercializes products of Nike brand.

This investigation is a case study of the aspects of Information and organization of merchandising of FC Porto Store. Yin (2004) recommended the use of case-study protocol as part of a carefully designed research project that would include the following sections: (1) Overview of the project (project objectives and case study issues); Field procedures (credentials, observation and access to internal information); Questions (specific questions that the investigator must keep in mind during data collection); (4) Guide for the report (format for the narrative).

This study has as main object to conclude what are the segments and the gender better represented in the merchandising planning of FutebolClube do Porto. The development of the research searched to obtain the results of such goals responding the following questions (Yin, 2004; Malhotra, 2004) listed below:

- What age groups have better representation in the merchandising planning of FC Porto?
- How is perceived the childish public by the merchandising plan?
- There is a gender that has a greater representation than another?
- The products and services offered in the interior of the establishment are appropriately distributed according to the merchandizing theory?

In order to answer the above questions taking in account the theory concepts and terms that are related to consigned in the merchandising area such as (Almeida & Beirolas, 1996; Rousseau, 1997; Herrera, 2006; Morschett et al, 2007): number of facings, type of layout, visual merchandising, high levels that are the products, among others.

The data was collected during the last week of the month of April in 2010. The information collection was performed in order to tabulate all the products (Malhotra, 2004), including also the Nike products, services announced in the store, displays and others instruments of merchandising (gondolas, shelves, hangers) found in this point of sales.

Analyses perspective falls over two vectors: the physical space of the store and the products that are offered in this space.

All the data collected in the store was launched in an Excel table and in the SPSS program. Using the data in these programs was possible to cross the information and to establish relations that pointed the results required to respond the question situated above (Assumpção, 2008).

Besides the collection of the numbers of FC Porto Store (products, services announced, physical space, types of showcases found, etc) photos were taken (Yin, 2004; Malhotra, 2004) in order to evidence topological distribution of the merchandizing and observations were made in order to prove the information collected with the retail department of the club.

The information provided by the retail department resides on the targets that are seen as more significant by the institution, the kind of merchandising techniques that would be found in the store among others. The information granted by the retail department was given in a meeting with the vice-director of retail (Yin, 2004).
In regards to the age data were divided into six different segments, categorized as follows: babies (0-2 years old), children (3-8 years old), tweens (9-14 years old), young people (15-25 years old), adult (more than 25 years old) and undifferentiated (for products and services transverse to the segments).

The ages of babies and children were defined according with the studies of Kurnit (1999 & 2004). In his works the author separate three categories: toddlers, preschool and kids. These categories cover the ages 0-8 years old. In order to not expand to much the number of age groups was decided to organize the categories by Paul Kurnit into two: babies and children.

The tweens age were decided from the works of Kurnit (1999), Matta (2009) and Lindstrom (2003 Guthrie 2005). In these studies the age referred are among 9 and 13 years old. For Kurnit (1999) the age is 9-12, for Matta 10-13, Lindstrom (2003) establish this public in the age 9-14 years old.

The young people age is, according with UNESCO, understood among the 15-25 years old (Cardoso & Castro, 2000). Therefore, the last segment that involves age, called adult corresponds to the ages beyond 25 years old.

As the work has the focus mainly directed in the childish public there was the necessity to form this segment. The childish segment in this study is formed by three segments: babies, children and tweens. With a segment including the others that are compoun by any groups, except young people and adults, enabled to understand the force that has the children in the merchandising planning of the club.

The articles in the space of the store were divided into three different placements: right, left and front. The exhibitors are situated in five categories: Gondolas, displays, vertical exhibitors and horizontal exponent, cabinets and display case, shelves and hangers.

In order to separate the different types of products were created families that met together similar articles. The family categories are: wearables, sportive equipment, home & alimentation and memorabilia.

The “Wearables” correspond to clothing items that are not, necessarily, clothes for the sportive practice. The “Sportive equipment” family is compound by clothes and accessories proper for the sportive activities. The “Home & Alimentation” family is composed by products made for home (cushions, alarm clock, corkscrew, lampshade, etc) and drinks (scotch, tea, wine, liqueur, etc). The “Memorabilia” correspond to artifacts and items that serve to increase the bond with the club (keychain, notebook, DVD, CD, watch, toys, etc).

Searching for the best spot to offer the products in the exhibitors was necessary to establish categories to the heights which the items could be situated. The four categories used had in consideration the work of Almeida & Beirolas (1996). The categories are: floor, hand, eyes and above the eyes. The high levels were determined based on the studies that explore the secular trend in Portugal (Madureira & Sobral, 1999, Almeida & Sousa, 2007, Rodrigues, 2007 e Padez, 2007).

The club has a total of five stores to sell its merchandise and to communicate the consumers about services offered by the institution. The choice for this establishment as the object of the study is due to his significance among the whole stores of the club. In fact it is the second one in importance to the club keeping behind just of the store situated in the stadium of Porto, Dragon Stadium. The reason to choose the store from NorteShopping, and not the stadium of Porto one, lies in the fact of this place has being recently renovated through a rebrand process.

The FC Porto store receives the second highest amount of items to be commercialized. This establishment is the first one to pass through a rebrand process that will change the name of the points of sale, called “LojasAzuis” (“Blue Store” – it’s de main colour of FC Porto Team), managed by the retail department. The stores of the club, including this one, has a particularity of reserve a space in the back side for the Nike products as part of an agreement with this brand.

The store has a layout defined as Free-Flow, or Free-Form (Morschetetalli. 2007). This kind of layout is especially designed for clothing stores to present a variety of exhibitors as shelves, gondolas, counters, displays and other merchandising materials. This layout allows an easy access to every part of the point of sales as Sullivan & Adcock (2002, pg. 143):

---

1 UNESCO: Is the organ created by UN (United Nations) for education, sciences and cultural organization.
“The Free-Flow layout is the typical high street shop design. For clothing especially, incorporating combinations of different fixtures (wall, shelving, racks, table displays, etc.) and space for shoppers to move around the store in quite unstructured way […] Looking for the Layout in more details, it is evident that shoppers have great freedom of movement”. The FC Porto Store has as dimensions: entry 2m, front of the store 7m, the back wall of the establishment 7m, depth 12m, height 5m, the total area of the store has 84m². Below is possible to see a picture of the store (Figure 1 & Figure 2).

![Figure 1: Layout of FC Porto Store](image1)

![Figure 2: A View of the Store from the Entry](image2)

According with Lamba(2003, p. 378) “the store personnel must thus make tremendous efforts in organizing a costumer-friendly layout as well as in creating visually appealing merchandising displays”. This effort, for which the author draws attention, translates in new merchandising materials for the inside of the store.

A good design of the store atmosphere where the licensed merchandise sales are implemented may create an effect increasing the purchase rate It seems an inevitable necessity today that all the sports clubs considering survival should aim at virtual licensed merchandise stores (Özer & Argan, 2006).

The following topic will be devoted to presenting the results of the study taking in consideration the concepts of merchandising and the groups presented in this topic (gender, segments, families, high levels, category of the exhibitors and placement of the products).
4. Results

The data collected proved that the most of the products offered and services announced in the store are part of the undifferentiated group (67.38%), the male group has a significant distance (28.32%) to the female group (4.28%) that has the minor perceptual (M = 1.42, SD = 0.584). These percentages are only considering the number of products found in the store for each gender.

The percentage of the segments proved that the major group is the adult one (25.21%) followed by the young people (22.56%), the undifferentiated (19.02%), the children (17.42%), the tween (15.15%) and babies (0.63%) with a large difference from the others (M = 4.11, SD = 1.673). The percentage obtained for the childish segment was 33.2% what demonstrates a concern in the planning of the club with this target, even if it was considered the babies group.

On the other hand, in order to understand what are the areas of the store that presents higher significance for each age and gender segment, the store layout was divided into nine zones in which the entry (A1) is starting point, as it’s possible to see below (table 3):

<table>
<thead>
<tr>
<th>A9</th>
<th>A8</th>
<th>A7</th>
</tr>
</thead>
<tbody>
<tr>
<td>A6</td>
<td>A5</td>
<td>A4</td>
</tr>
<tr>
<td>A3</td>
<td>A2</td>
<td>A1</td>
</tr>
</tbody>
</table>

The distribution of the products and the services advertised in the establishment revealed that the A1 zone is occupied just with announces and the most part of them are directed to the undifferentiated segment (16.16%). The total percentage found in this zone corresponds to 17.42% from the total (Figure 3).

The larger part of the articles exposed were found in the zones A4 and A5 totaling a percentage of 39.39%. The childish segment represents 26.79% of this number. The items for babies were situated only in three zones with a low level of participation: A3 with 0.51% of a total of 17.09%, A4 with 0.08% of a total of 19.1% and A6 with 0.04% of a total of 7.58%.

Concerning the gender issues the crossing of the information collected revealed that in two zones are offered only products and services classified as undifferentiated with high percentage (Figure 4): A1 with 17.42% and A4 with 19.61%. The group of undifferentiated articles has not a superior percentage than the others just in three zones (A6, A7 and A9).
The female gender has representation only in four of the nine zones (A3, A5, A7 and A8). In the zones that were found items for this target only in one the percentage found is higher than the other groups. The percentages are: (A3) Undifferentiated 9.3%, male 7.37% and female 0.42%, (A5) Undifferentiated 6.4%, male 10.02% and female3.37%, (A7) Undifferentiated 0.25%, male 0.08% and female 0.33% and (A8) Undifferentiated 0.51%, male 0.08%, female 0.17%.

According the data related to the positioning of articles in the store it was observed that 42% stood in the left side, 37.04% in the right side and 20.96% in the front place. It should be stressed that percentage of the items in the right side is high due to the higher number of services offered in the folders found in the sector that totaled 209 packs, including parties for kids, guide visits into the stadium and packs for watch the matches during all season.

The major number of items are targeted to the childish segment were found in the left side (14.02%) and in the percentage of the right side was close to the first one (12.54%). In the last place are the products available in the front sector (6.65%).

Relatively to the gender issues the data collected revealed that every product or service found in the right side belongs to the undifferentiated group. The left part of the store has the male gender with the larger percentage (10.19%), followed by the undifferentiated group (6.9%) and the female gender (3.87%).

5. Conclusions and Implications for Future Research

According with the numbers related to the age segments the target better represented is the childish public if we considered the segments that compound this one (babies, children and tweens). But if the childish segment was separated there will be a huge gap among the number of products intended to the babies and the directed to children and the tweens.

The data proved that there is a concern with kids in the merchandising planning of the FutebolClube do Porto. The products and services announced for this segment were found in eight of the nine zones of the store. The majority of the products were situated in high levels considered privileged, according with the merchandising literature (Almeida & Beirolas, 1996, Rousseau, 1997), that are hands and eyes.

The retail department of FC Porto uses several techniques to call the attention of kids and one of the methods consist in the height levels that the merchandises are offered for kids allowing have contact with the goods. Another important technique found is based on the principal of distribute products all over the store, in the right, in the left and in the front part.

The investigation also highlights the materials employed in the attempt of seduce the childish public using special instruments of merchandising. The instruments that most called the attention were the horizontal exhibitor, in form of a bench and with 47 cm of height, and the vertical exhibitors (ten in the total) in form of tubes placed in the right side of the store. Both types of exhibitors were placed just in the entry of the establishment.

Regarding the gender issue it’s proved that there is a big chasm between the treatment that FC Porto gives to the masculine public in relation to the feminine one, even considering the products of Nike offered in the store.
Among the data that clarify the significant differences existing between the representativeness of the male and female gender can mention that:

- The products directed to the men were not identified only in two zones, however, the products for women were not identified in five zones;
- The items intended to the male gender were found, mostly, exposed in the vertical way, considered the best mode to expose the articles (Troadec et alli, 1994). For the female public occurs the inverse, the products are, mostly, exposed in the horizontal mode;
- The majority of the products intended to the women are positioned in the level of the hands and above the eyes missing the eyes level which is considered the most important fallow by the hands level.

Anyway, according with the retail department of FC Porto, the three biggest football clubs in Portugal (SL Benfica, Sporting Club de Portugal and FC Porto) walk together in their retail actions, so if one presents one situation the others, probably, will be in the same stage. Considering this information probably there is a merchandising planning in the other two clubs that contemplates the childish public. In the other side, the female public would not be developed in the SL Benfica and Sporting Club de Portugal.

The work has as a limitation the fact of being done in just one store of the five that the club has to merchandise their products and services. The other limitation that can be emphasized occurs because the investigation has been performed focused in the merchandising planning of only one club of Portugal, so is not possible to trace a parallel of the situation in this country.

For future works in this thematic would be important to expand the information seeking develop the same kind of study in the other two big clubs of the country.

As the club Sporting Club de Braga has gained space in the football scene of Portugal would interesting to analyze the merchandising planning of this institution in the same way.

References

<http://www.fag.edu.br/professores/pos/MATERIAIS/Nutri%E7%E3o%20Cl%EDnica%20com%20CAfase e%20em%20Nutri%E7%E3o%20Esportiva/Aula%20%2022%20%2023%20de%20agosto/curs o%20spss.pdf>
[Accessed in 19/12/12]
Borges, A. & Leite, R. (s.d). Merchandising e promoção de vendas: o marketing aplicado no ponto de venda para otimização dos resultados. Available in
<http://www.portaldomarketing.com.br/Artigos/Merchandising_e_Promocao_de_Vendas_o_Marketing_aplica do_no_ponto_de_venda.htm>[Accessed in 16/05/13]
Cardoso, E.& Castro, G. (2000). Abordagens sobre as(s) juventude(s). Available in


Legend: 1 - Showcase; 2 - Vertical Exhibitors with FC Porto products; 3 - Vertical Exhibitors with Nike products; 4 - Counter; 5 - Shelves (2) and glass cabinets (4) located behind the counter; 6 - exhibitor horizontal (with 47 cm); 7 - Gondola with FC Porto (1) products; 8 - Display with FC Porto products; 9 - Gondola with Nike products (2); 10 - Gondola with FC Porto and Nike products (3); 11 - Shelves and hanging brackets with FC Porto and Nike products; 12 - Shelves and hanging brackets with FC Porto and Nike products; 13 - Closed Cabinet made with glass located between two shelves (product FC Porto); 14 - Shelves and hanging brackets with FC Porto and Nike products; 15 - Shelves fixed in the bottom wall of the store. Recorded a 69 shelves in total with the Nike brand shoes on display; 16 - Bank that allows customers to test the shoes displayed on site; 17 - Ladder fixed spiral shape; 18 - Display with folders located near the entrance of the store.