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Innovative Business Plan
Ecologic Sustainable Store: Demetra

Mariana Sara de Almeida Cerdeira e Figueiredo Cardoso

Master's in Management

Supervisor:

Professor Renato Telo de Freitas Barbosa Pereira, Professor Auxiliar,
ISCTE Business School, Department of Marketing, Operation and Management

November, 2022

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*This work is the result of an enormous personal effort,
in a year with great challenges that put me to the test.
To my family, for believing and supporting me.*

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A special thanks to my mother, who helped me maintain my focus and whose words gave me the motivation to keep going.

Resumo

O objetivo deste projeto inovador é alcançar o Desperdício Zero através de uma loja híbrida, mercearia e restauração, com garantia da qualidade de todos os produtos e combater o desperdício alimentar. Uma loja com produtos e serviços com práticas sustentáveis, associada ao movimento Unidos contra o Desperdício num sentido de responsabilidade social e ambiental para tornar a sociedade mais sustentável e solidária.

Com a motivação do movimento ecológico é possível conscientizar e reeducar hábitos e valores dos consumidores. Estrangeiros a residir em Portugal e jovens adultos portugueses são mais cientes do conceito de sustentabilidade e das medidas a tomar para reduzir a pegada ecológica.

Este projeto localiza-se em Cascais, numa zona residencial, tendo como finalidade o desenvolvimento e dinamização deste conceito.

Palavras-chave: Retalho, Desperdício Zero, Produtos Ecológicos, PME, Sustentabilidade, Comércio local.

ODS: Objetivo 2. Erradicar a fome, Objetivo 11. Cidades e comunidades sustentáveis, Objetivo 12. Produção e Consumo Sustentáveis.

Abstract

The objective of this innovative project, which is to achieve Zero Waste through a hybrid store, grocery store and restaurant, with quality assurance of all products and combating food waste. A store with products and services with sustainable practices, associated with the United against Waste movement in a sense of social and environmental responsibility to make a more sustainable and solidary society.

With the motivation of the ecological movement, it is possible to raise awareness and re-educate consumers' habits and values. Foreigners residing in Portugal and young Portuguese adults are more aware of the concept of sustainability and the measures to be taken to reduce the ecological footprint.

This project is located in Cascais, in a residential area, with the purpose of developing and applying this concept.

KEY WORDS: Retail, Zero Waste, Ecological Products, SME, Sustainability, Local Commerce.

SDGs: Goal 2. Zero Hunger, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production.

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Executive Summary

There is a global movement to reduce waste, and that movement drove the impulse to commit the thesis as an Innovative Business Plan: An Ecological Grocery Store, with strategic focus on the implementation of a Zero Waste strategy. The Vision of the Ecological Grocery Store is to guarantee the quality of all products and combat waste.

Zero Waste is the key point in this project, found in the internal recirculation of products through the confection and transformation into value-added products exclusive to the store. The products will be sold in bulk with ecologically sustainable packaging, and within the diversity of products there will be prominently ecological and local market products. The Zero Waste strategy will involve technology resources, logistics and sustainable production.

Considering the project objectives in the Methodology, the Primary data was obtained directly from the Quantitative method, Questionnaire, gathering information from the respondents on Zero Waste awareness and their shopping habits; and from the Qualitative method, Observation as a Complete Observer, obtaining information on a small sample of direct competitors in the field, their specific characteristics.

The Secondary data was obtained from several different information sources. The Study of market evolution trends was composed of the Analysis and demographics of companies in the industry; and Analysis of business activity indicators. The method, Online research, was used to gather the related information and statistics, from websites such as INE and PORDATA.

The Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis was performed with the method, Literature research, from many sources, such as newspapers, books, documents from government agencies, specific topic related articles, literature, annual reports and published statistics from research organizations.

The Business Plan internal and external analysis will be performed by Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, SWOT Matrix and Porter's Five Forces analysis.

The Business Plan sets out the necessary activities, requirements and costs involved. To complete, a financial assessment was carried out to prove its economic viability. Finally, the main conclusions drawn on the subject, on the business plan and on the entire project itself are presented. The key ideas and main conclusions drawn from the various parts of this work were the growing importance of the online channel in retail, the way in which changes in social behaviors forces retailers to adapt in the way of sustainably managing their businesses.

Glossary

ASAE - Economic and Food Safety Authority

B2C - Business to Consumer

Bu - Beta unlevered

CAE - Classification of Economic Activities

CAPEX - Capital Investment

CAPM – Capital Asset Price Model

COGS - Costs of Goods Sold and Raw Materials Consumed

DGS - Directorate-General of Health

EBIT – Earnings Before Interest and Taxes

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization

EQF - European Qualifications Framework

EUR/€ - Euro

FCFF – Free Cash Flow to the Firm

g - Perpetuity growth rate

GDP - Gross Domestic Product

GHG - Greenhouse Gas

GSCM - Green Supply Chain Management

GVA - Gross Value Added

HACCP - Hazard Analysis Critical Control Point

IAPMEI - Agency for Competitiveness and Innovation

INE - Statistics Portugal

IRR - Internal Rate of Return

NPV - Net Present Value

NUTS - Nomenclature of Territorial Units for Statistics

P&L - Profit & Loss

PESTEL - Political, Economic, Social, Technological, Environmental and Legal

PORDATA - Pordata Statistics

Pp - Country risk premium

Rca - Reference interest rate

$Rca \times (1-t)$ - Cost of debt with tax effect

Rcp - Cost of Equity

Rf - Long-term Treasury Bonds (Risk-free interest rate)

Rm - Market remuneration rate

ROE - Return on Equity

ROIC - Return on Capital

RV - Residual Value

SC - Supply Chain

SCM - Supply Chain Management

SDGs - Sustainable Development Goals

SEF - Portuguese Immigration and Borders Service

SME – Microenterprise

SWOT - Strengths, Weaknesses, Opportunities and Threats

t - Tax rate

WACC – Weighted Average Cost of Capital

1. Introduction

In the last two decades, the environment has been a theme present in almost all global debates. There are evidently environmental alterations, and the future of the planet depends on the Humanity choices. Consumers are increasingly concerned with this issue and are becoming more demanding with Companies and Governments to implement change.

There is a global movement to reduce waste, and that movement drove the impulse to commit the thesis as an Innovative Business Plan: An Ecological Grocery Store, with strategic focus on the implementation of a Zero Waste strategy. The Vision of the Ecological Grocery Store is to guarantee the quality of all products and combat waste.

Zero Waste is the key point in this project, found in the internal recirculation of products through the confection and transformation into value-added products exclusive to the store. The products will be sold in bulk with ecologically sustainable packaging, and within the diversity of products there will be prominently ecological and local market products. The Zero Waste strategy will involve technology resources, logistics and sustainable production.

The Innovative Business Plan will be in accordance with several Sustainable Development Goals (SDGs) created by the United Nations. The mission of the project are: Reduce the environmental impact; Promote the efficiency in the consumption of natural resources; Facilitate green marketing strategies and recognize environmental management initiatives; Contribute to the implementation of the local Agenda 21; Raise awareness for the adoption of sustainable practices and behaviors; and Enhance local development based on its environmental, social, cultural and heritage, valuing always local authenticity.

The target population of the Ecological Grocery Store will be individuals who are currently living in Portugal, in the District of Lisbon, between 20 and 69 years of age. Additionally, there will be partnerships with ecological suppliers and associations involved with the Zero Waste Movement.

2. Literature Review

2.1. Business Environment

Advances in transportation and telecommunications have facilitated the transmission of information from one place to another, establishing the pace and intensity which characterizes the modern world. The increased pace of globalization and of technological changes have been closely correlated, new technologies contribute a vital element in making globalization feasible (Archibugi & Iammarino, 2002).

In the modern economy, there is an expansion of markets and trade intensification. International trade and direct investments abroad have significantly grown, causing the national economic systems to progressively integrate with each other (Archibugi & Iammarino, 2002). In the current business environment, organizations look for solutions to improve their competitiveness. Over the years, the in-depth research in business environment has led to the evolution in business models and although several authors have offered definitions of business model, there isn't an official agreement for the definition. This lack of agreement might derive from the interpretation the term "Business model" has in a wide range of disciplines, all of which have found a connection to the term (Timmers, 1998; Weill & Vitale, 2001; Magretta, 2002; Afuah & Tucci, 2003; Osterwalder, 2004; Osterwalder, Pigneur, & Tucci, 2005; Shaffer, Smith, & Linder, 2005).

Timmers (1998) defined that the Business Models represents the architecture of the flows of products, services and information. Within it also includes a description of the roles and stakeholders in the company, and a description of the sources of revenue. A business model on its own doesn't provide insight on the marketing strategy of the company, in which is necessary in order to evaluate the commercial viability of the company (Timmers, 1998).

Magretta (2002) defined that a business model represents a value chain analysis on the entire organization, with highlights on customer identification, on creating value for the customer and profit for the company.

The definitions of Timmers (1998) and Magretta (2002) helped clarify the idea of the term “business model”, which facilitated other authors attempts in completing the definition by proposing additional elements (Weill & Vitale, 2001; Chesbrough & Rosenbloom, 2002; Magretta, 2002; Afuah & Tucci, 2003; Osterwalder, 2004; Osterwalder et al., 2005; Shaffer et al., 2005; Osterwalder & Pigneur, 2010). Osterwalder et al. (2005) defends that a business model required acknowledgment as a general concept that embraces all the company’s elements, such as pricing mechanisms and customer relationships (Afuah & Tucci, 2003; Osterwalder, 2004). According to Veloso, Magueta, Fernandes, & Ribeiro (2017), Quality has gained importance in all industries and has become a key factor of business survival.

2.1.1. Retail Industry

The retail industry has a predominant role in the Portuguese economy (Veloso et al., 2017). According to Vaja (2015), the retail industry has a critical impact on the economy of a country due to the relationship between elements of the supply chain, from the supplier to the manufacturer to the retailer to the final consumer. The manufacturers generate products, the companies’ sell products and services to the retailers for their resale or use, the retailers purchase large amounts of products or services to later sell them in smaller amounts to the final consumers (Pantano & Timmermans, 2014). The final consumer buys these products or services not for resale, but for its own use and consumption (Vaja, 2015).

It is crucial for organizations to be knowledgeable of the business characteristics in such a highly competitive industry (Pantano & Timmermans, 2014; Vaja, 2015; Veloso et al., 2017). The adaptation of new technologies has facilitated inventory management and improved data collection and analysis. Establishing that knowledge management is as critical factor in retail success (Pantano & Timmermans, 2014; Vaja, 2015).

Stores must differentiate themselves from other competitors in order to attract and retain more customers to its store (Afuah & Tucci, 2003; Veloso et al., 2017). Veloso et al. (2017) stated that “improving customers’ perceptions of service quality can effectively increase satisfaction levels through high levels of value perceived” (Veloso et al., 2017, p.339).

2.1.1.1. Hybrid Stores

A new trend in the Retail Industry is the Hybrid Stores (Malin, 2014; Campbell, 2021). The concept is based on offering products or services from different business areas within the same store, which may or may not complement each other, although when together they create an experience that goes beyond any simple sale (Tatum, 2014).

Malin (2014) states the importance in the store design diversification, that retailers need to carefully think about the products and services they should offer to best adapt to the customers' needs. When a store is diversified, it can attract more customers and thus increase its sales (Tatum, 2014).

A recent trend among the Hybrid stores is the book café, a combination of a bookstore and a coffee shop (Nguyen, Han, Sahito & Lam, 2019). According to the Merriam Webster Dictionary, coffeehouse or coffee shop is an establishment that primarily serves coffee of various types, and it may also serve food. Traditionally, coffeehouses functioned as centers of social interaction, enabling people to exchange information and opinions (Oldenburg & Brissett, 1982).

A book café is a store that sells an assortment of food and beverages and has a wide range of reading materials, which are available for sale. It's a store that can be considered a leisure space and a workspace, the book cafés are integrated with modern technologies, there are tables and chairs with electrical sockets for electronic devices and the Wi-Fi is almost always available for Internet connection (Nguyen et al., 2019).

A recurrent concept of hybrid business involves companies promoting its core products or services in multiple settings. A typical example of this type of business model may consist of a brick-and-mortar retail location while also maintaining an online store (Tatum, 2014). Campbell (2021) states that the impact of the COVID-19 pandemic has enhanced the shift to online retail, and the current technological advances will help retailers assess and attain the increasing customer expectations.

2.2. Eco Commerce

Environmental concern has become a mainstream issue as a result of global warming, this issue led to most companies emphasizing on environmental protection, energy efficiency and sustainability in their production (Commission of the European Communities, 2001; Adams, 2003; Chen & Chai, 2010; Chen & Chang, 2012; Hoejmose, Brammer, & Millington, 2012; Lotfi, Yousefi, & Jafari, 2018; Lin, Kulangara, Foster, & Shang, 2020). The increasing pressure from government regulations, consumers and environmental activists has forced companies to focus on the environmental issues in their businesses. Consumers mindful about the environment have formed a distinction between responsible and non-responsible companies, influencing companies to produce ecological and environmentally friendly products (Cherian & Jacob, 2012; Lotfi et al., 2018; Lin et al., 2020).

Majority of the studies related to environmental issues have been conducted in developed countries, however, there has been an increase of research in developing countries (Chen & Chai, 2010; Cherian & Jacob, 2012; Mishra & Sharma, 2014; United Nations General Assembly, 2015; Saleh, Surya, & Hamsina, 2020). This issue help develop the market tendency for environment friendly products and services, which has been labeled as “Green”. Due to the development of this issue some concepts were created, such as Green Market, Green Marketing, Green Supply Chain and Waste Management (Prothero, 1990; Frankel, 1992; Lotfi et al., 2018).

The concept of green market and green products are becoming significant in the market, which provides companies opportunities in innovating and redesigning their products and services in an economically successful way (Cherian & Jacob, 2012; Lotfi et al., 2018). Many companies apply green marketing strategies, exploiting the environmental issues, to improve the perceived value of their products and competitive advantage (Prothero, 1990; Chen & Chai, 2010; Chen & Chang, 2012).

Yuen and Chan (2010) regarded Quality as a key strategic component of competitive advantage. Veloso, Ribeiro and Alves (2018) defend that the strategy for creating competitive advantage depends in producing a high quality of service which results in satisfied customers and customer retention. In addition to service quality, improving product quality is also needed since it can increase customers satisfaction and generate loyalty (Yuen & Chan, 2010). Gronroos (1995) remarks that the definition of quality must consider the customer's perspective since it is their perception of the product and service that matters.

Li, Ragu-Nathan, Ragu-Nathan and Rao (2006) refer that companies need to carefully address environmental issues and developing strategies to enhance green supply chain competitiveness. The Supply Chain (SC) success heavily depends on efficient production and distribution, and if the companies implemented sustainable development strategies it might improve the company's performance (Lin et al., 2020).

Companies, to achieve the customer requirements for environmentally friendly and sustainable products, must establish green-oriented management strategies with emphasis on sustainability (Wu, Tseng, & Vy, 2011).

2.2.1. Green Marketing

In the late 1980s the concept of green marketing was becoming prominent; the research was focused on the shift in consumer consumption of green products (Prothero, 1990; Frankel, 1992; Cherian & Jacob, 2012; Mishra & Sharma, 2014).

Green marketing or environmental marketing can be characterized by the effort the company uses to create, price, promote and distribute products and services, while simultaneously promoting environmental protection (Frankel, 1992; Polonsky, 2011; Cherian & Jacob, 2012; AMA, 2017). Green products are products that are manufactured with green technology and that don't produce environmental hazards (Mishra & Sharma, 2014; AMA, 2017).

Polonsky (2011) has defined green marketing as all activities created to ease the exchanges intended to satisfy human needs and wants, with minimal damage impact on the natural environment. The American Marketing Association defined green marketing as the development and marketing of products that are presumed to be environmentally safe. Mishra and Sharma (2014) develop the definition "Green marketing refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, nonbiodegradable solid waste, harmful impact of pollutants etc." (Mishra & Sharma, 2014, p. 1).

In recent years there has been overwhelming increase in the environmental awareness among different consumer profiles, some factors that helped promote consumers to purchase green products are the improved level of information availability on green issues, the higher concern for the environment, and green marketing by companies. The vital idea of green marketing is to create awareness on the environmental issues and how the consumers could help the environment if they choose to purchase green products (Cherian & Jacob, 2012; Mishra & Sharma, 2014).

2.2.2. Green Supply Chain

In the 1990's, companies began to realize improving internal efficiencies wasn't enough to compete in the intensified global market, they needed to improve the entire Supply Chain (SC) to be competitive (Childerhouse & Towill, 2003; Li et al., 2006; Srivastava, 2007).

The entire SC is composed by several elements that are connected to each other, such as the company's suppliers, the suppliers of the company's suppliers, the company's customers and the customers of the company's customers (Lin et al., 2020). Information technology has improved companies' capability and flexibility, it also has helped the collaboration between partners of the supply chain, resulting in the suppliers contributing in the product design process achieving cost effective design choices, permitting the sale of higher quality products at a reduced cost (Li et al., 2006; Lin et al., 2020).

Supply Chain Management (SCM) recognizes the strategic need of coordination between SC partners, and its purposes are to improve the performance of an individual organization, and to improve the performance of the entire SC. The goal of SCM is to assimilate the information and material flows flawlessly along the supply chain, to have an effective competitive advantage (Childerhouse & Towill, 2003; Li et al., 2006). Companies recognized that SCM is vital in building a sustainable competitive advantage for their products and services in the intensified global market (Jones, 1998, in Li et al., 2006, p. 1).

The SCM concept evolved to the Green Supply Chain Management (GSCM) concept (Hoejmose, et al., 2012). GSCM has been defined as “integrating environmental thinking into supply-chain management, including product design, material sourcing and selection, manufacturing processes, delivery of the final product to the consumers as well as end-of-life management of the product after its useful life” (Srivastava, 2007, p. 54).

Hoejmose et al. (2012) refers that GSCM is driven by strategic imperatives, motivated by customer demand and the risk of negative media attention, especially in B2C markets. In addition, the authors defend that GSCM needs support from top management in order to successfully operate, and it would improve even further if the SC managers establish trustful relationships with their suppliers.

2.2.3. Sustainable Development

The increased coordination of the industrial development with the environmental capability was led by the awareness of environment protection (Frleta & Zupan, 2020). Companies considering decisions on green products, can implement sustainable development strategies to improve their performance (Lin et al., 2020)

In 1987, The World Commission on Environment and Development defined Sustainable Development as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations General Assembly, 1987, p. 37).

A sustainable development strategy must consider the economic growth, social cohesion, and environmental protection; and make them cooperate with each other. These three factors are essential for the strategy to work in the long term (Commission of the European Communities, 2001). Lotfi et al. (2018) refers that the development of the green market, made businesses consider equally the environmental and social purposes in contrast to their economic goals.

In 2015, the United Nations created seventeen sustainable development goals (SDGs) with the objective of achieving in 2030 a world free from poverty and hunger, where all human beings can live with equality and dignity in a planet that has environment protected, for the present and future generation (United Nations General Assembly, 2015). In conclusion, Sustainable development is achieved through economic and social development, in which the capacity of the ecosystems is not fully exploited, while maintaining and improving the human beings' quality of life (Lotfi et al., 2018).

2.3. Zero Waste

Environmental pollution occurs due to the increasing waste results produced with the development of technology in manufacturing goods and services, the extensive unnecessary use of plastics in packaging and the discarded agricultural products, existing companies still discard waste in rivers and in landfills (Zaman, 2015; Frleta & Zupan, 2020; Saleh et al., 2020). Zero Waste initiatives are one method of promoting waste mitigation, by avoiding unnecessary packaging and the use of produced waste as a potentially valuable reusable resource (Frleta & Zupan, 2020).

The Zero Waste International Alliance defines Zero Waste as “The conservation of all resources by means of responsible production, consumption, reuse, and recovery of products, packaging, and materials without burning and with no discharges to land, water, or air that threaten the environment or human health.” (ZWIA, 2018).

Zero Waste is a holistic approach which considers the whole life cycle of a product from the extraction of resources to its end of life, if it can be reused or converted before its final disposal (Zaman, 2015; Frleta & Zupan, 2020). The concept of Zero Waste encourages sustainable production and consumption, recycling and resource recovery, and limits landfilling and mass incineration. Professionals from different research areas perceive and apply the Zero Waste concept in different ways, since it contains a wide range of waste types (Zaman, 2015).

Zero Waste logistic systems are achievable through the coordination of implemented activities agreed by all members of the SC, from producers to consumers. The agreed activities take into consideration all entities performing the flows of resources, which include waste materials (Mesjasz-Lech, 2018).

The Zero Waste Business Principles are the basis for evaluating the commitment of companies to achieve Zero Waste. Some of these principles are Responsibility; use Precautionary Principle; Buy reused, recycled & composted; Prevent pollution and reduce waste; Economic incentives for customers, workers and suppliers; Products or services sold are not wasteful or toxic; and Use non-toxic production, reuse and recycling processes. (ZWIA, 2005)

In 2012, Hotel Rifiuti Zero decided to apply a Zero Waste strategy, which resulted in the successful implementation of the Zero Waste concept in the Hotel Industry. The Hotel Rifiuti Zero was able to reduce waste production by implementing different activities, such as: Installations of Zero Waste Dumpsters; Elimination of unit-dose packaging and disposable products; Preparation of a "Zero waste" menu with local products and ingredients; Composting; Purchase of cleaning products with low environmental impact; Informing guests' awareness; and Arrangements with suppliers resulting with packaging reduction. Hotel Rifiuti Zero was able to achieve an optimal management system minimizing the environmental impact with the reduction in waste produced and an annual decrease of electricity and water consumption, this was possible due to staff training, specific selected suppliers and customer communication (Frleta & Zupan, 2020).

In 2014, a study on waste management was realized on the University of Missouri (MU) football stadium. Several College Football Stadium have adopted several initiatives, such as energy and water conservation efforts, increased recycling and composting rates, purchased or generated renewable energy, and informing fans about environmental awareness (Costello, McGarvey, & Birisci, 2017). In sporting events the most sustainable options of waste diversion are recycling and composting. However, achieving a successful sustainable waste diversion is a complex process, which involves modifying the supply chains, staff and volunteer's coordination, and a frequently investment in fan education of environment practices at stadiums and arenas and waste recipients (Costello et al., 2017). The analysis of eleven strategies performed in the MU football stadium, indicated that achieving zero waste compliance may not be the most effective way of reducing GHG emissions or energy use. The two most effective strategies were recycling and the reduction of food waste, which would minimize GHG emissions and energy consumption (Costello et al., 2017).

Improving recycling would reduce the GHG emissions and energy use, specifically replacing petroleum-based plastic materials with compostable plastic materials would make it easier to recycle, since it would reduce contamination associated with multiple waste streams, being able to achieve the goal of zero waste with greater ease (Hottle, Bilec, Brown, & Landis, 2015). Costello et al. (2017) defends that recycling is more environmentally friendly than compostable plastic materials

3. Methodology

This study was performed by reviewing the available published literatures, case studies, and different government and non-government organizations information from reports and official websites. Scientific literatures were collected through electronic means from the database of Science Direct, Springer, Research Gate, and Google Scholar but not in a systematic manner.

3.1. Study of market evolution trends

3.1.1. Analysis and Demographics of Companies in the Industry

One of the first concerns of this theoretical framework was to understand the sector under analysis. According to Statistics Portugal (INE) and the Portuguese Classification of Economic Activities (CAE), the number of Enterprises in the Economic activity “Retail trade, except of motor vehicles and motorcycles” (CAE Code 47), in Continental Portugal and in the Metropolitan Area of Lisbon, has decreased from 2017 to 2019.

In the Lisbon Metropolitan Area, regarding the specific Economic activity “Retail sale in others non-specialized stores with food, beverages or tobacco predominating” (CAE Code 47112), the number of enterprises has decreased from 2017 to 2018 and increased slightly from 2018 to 2019. Even though CAE Code 47112 is a subclass of CAE Code 47, comparing the results there is a vast difference in the number of enterprises, both in Continental Portugal and in the Lisbon Metropolitan Area (Figure 3.1.).

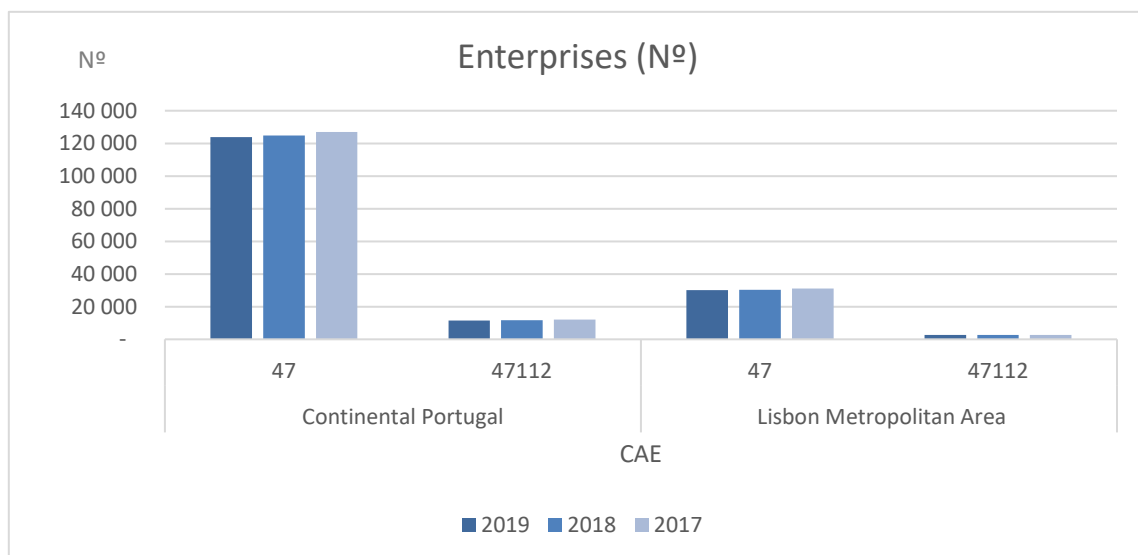


Figure 3.1. Enterprises (Nº). (Source: Data obtained from INE and Transformed by the Author).

INE does not provide detailed information of the Economic activity Subclasses with the Geographic localization Cascais, it only provides information of the Economic activity “Wholesale and retail trade; repair of motor vehicles and motorcycles” (CAE Section G). Therefore, it is not possible to

provide an accurate analysis of the target Geographic localization Cascais and the target Economic activity “Retail sale in others non-specialized stores with food, beverages or tobacco predominating” (CAE Code 47112). Detailed information is available in Table A.1. Enterprises (Nº) in Appendix. A.

In Continental Portugal, the number of companies created with the CAE Code 47 has decreased from 2017 to 2019. However, the Lisbon Metropolitan Area shows a decrease from 2017 to 2018 and slightly increase from 2018 to 2019. The changes in the number of companies created can be observed in Table A.2. Enterprises Created (Nº) is Available in Appendix. A.

The number of companies that closed with the CAE Code 47 in Continental Portugal and in the Lisbon Metropolitan Area has a slight decrease from 2017 to 2018 and a slight increase from 2018 to 2019. The changes in the number of companies closed can be observed in Table A.3. Enterprises Closed (Nº) is Available in Appendix. A.

3.1.2. Analysis of business activity indicators.

According to the INE Data, the Turnover of enterprises in “Retail trade, except of motor vehicles and motorcycles” in Continental Portugal and in the Lisbon Metropolitan Area has substantially increased from 2017 to 2019. In the Lisbon Metropolitan Area, the enterprises Turnover regarding the Economic activity “Retail sale in others non-specialized stores with food, beverages or tobacco predominating” has increased from 2017 to 2019 (Figure 3.2.). Detailed information is available in Table A.4. Enterprises Turnover (€), in Appendix. A.

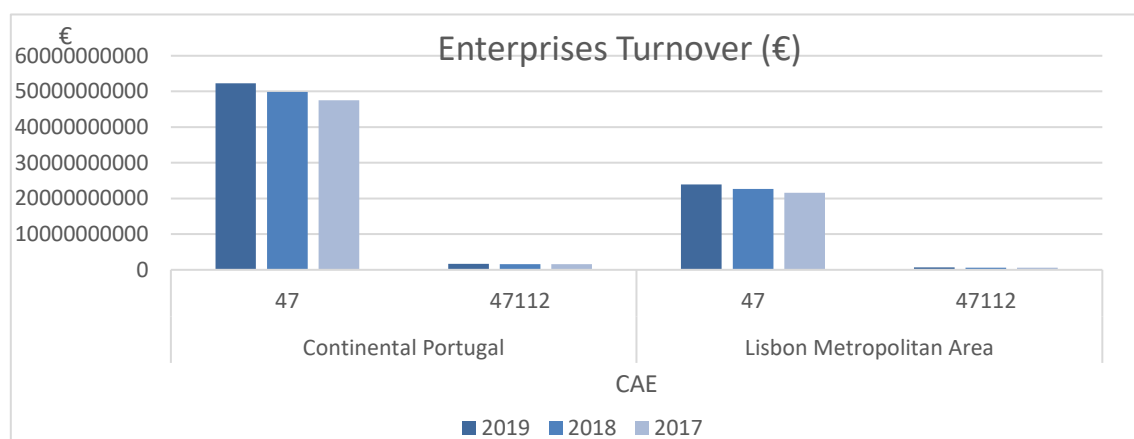


Figure 3.2. Enterprises Turnover (€). (Source: Data obtained from INE and Transformed by the Author).

Personnel employed by Enterprises designated with CAE Code 47 in Continental Portugal and in the Lisbon Metropolitan Area has substantially increased from 2017 to 2019. In the Lisbon Metropolitan Area, the number of Employees with CAE Code 47112 decreased slightly from 2017 to 2018 and increased from 2018 to 2019. Detailed information is available in Table A.5. Persons employed (Nº) in Appendix. A.

In recent years, the economic conditions have noticeably improved in Portugal which led to an increase in persons employed in the Economic activity sector “Wholesale and retail trade, repair of motor vehicles and motorcycles”. Which indirectly had a percentage of the increase in the employment rate from 2018 to 2019.

The Average Enterprises Turnover is the result of the division between Turnover and the number of companies. Looking at the data, in Continental Portugal and in the Lisbon Metropolitan Area, the Average Turnover of Enterprises with CAE Code 47 has substantially increased from 2017 to 2019. In the Lisbon Metropolitan Area, the Average Enterprises Turnover with CAE Code 47112 has substantially increased from 2017 to 2019 (Figure 3.3.). Detailed information is available in Table A.6. Average Enterprises Turnover (€), in Appendix. A.

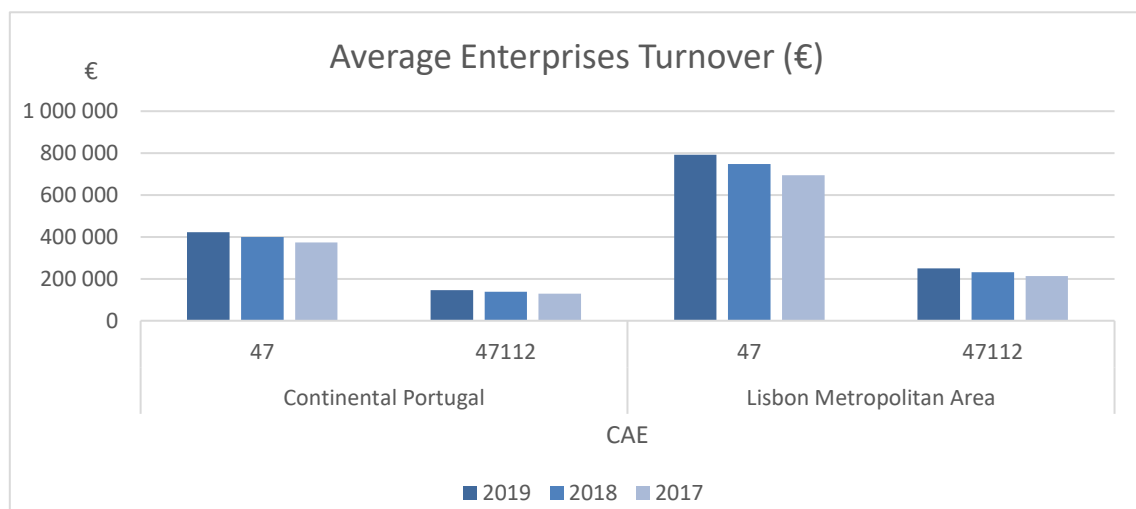


Figure 3.3. Average Enterprises Turnover (€). (Source: Data obtained from INE and Transformed by the Author).

3.2. Clients Analysis

Regardless of the market or business, clients prefer to obtain the best product and service at the lowest cost. However, environmental concern has been consistently rising in the past decades and due to the higher information availability, the clients are more demanding.

The environmental movement has influenced the cultural settings and the economic landscape. The habit of eating healthier has increased in recent years. In specific, ecological and biological food products are requested since they have high nutrition value and are associated with health benefits. Additionally, the Portuguese population environmental concerns has led them to seek other environmentally friendly emerging products and brands in the market.

In the “Demetra” store products range, the price will be above the alternative substitute products, however they will have a higher level of quality and assured ecological commitment.

The target clients are Portuguese and Foreigners residing in Cascais from 20 to 69 years of age, of all designations of gender and their economic power belongs to the middle class and upper-middle class. Potential Clients are people residing, working, or studying in Cascais.

In 2020, according to the data from Table B. 1 in Appendix B, there is a total of 213 941 individuals living in Cascais, of which most of the resident population can be categorized in the age groups of 30 to 64 years, with 100 617 residents of the population (47,03%). We will consider the target population the residents of Cascais with ages between 20 and 69 years, which results in 136 332 residents (63,72%). The Portuguese Immigration and Borders Service (SEF) declares the total number of foreign residents in the Municipality of Cascais in 2020 is 32 939 individuals (Table B. 2 in Appendix B). In addition, there was no information regarding the number of the travelling population, individuals that travel to the location for work or study purposes but don't reside there, which makes it difficult to accurately calculate the number of potential clients. However, for our estimations we considered 50% of the target clients, 30% of residents not in the target age and 20% of Foreigners residing in Cascais. As so, the number of potential clients is 98 037 individuals. (Calculations provided in Table B. 3 in Appendix B).

3.3. Competitors Analysis

The Portuguese grocery retail market is highly competitive and diversified. There are many different retail formats, such as hypermarkets, supermarkets, convenience/proximity stores, traditional stores, and specialized stores.

The hypermarkets are considered as Big Dimension stores and are typically operated by a larger chain, they stock a wide range of products under one roof, from a large variety of food, as well as non-food items such as clothes, toys, and electronics.

The supermarkets are considered as Medium Dimension stores and are typically operated by a larger chain. These offer a wider range, although this will depend on their size and location.

The convenience/proximity stores and traditional grocery stores are considered as Small Dimension stores and are typically operated by Independents. It's usually a small retail business that stocks a range of everyday items, they usually charge higher prices than supermarkets and hypermarkets, as they buy smaller quantities of inventory at higher per-unit prices from wholesalers.

Retail is an extremely competitive market and taking into consideration the store concept, "Miosótis", "Go Natural" and "Biofrade" are the direct competitors. Due to its volume and location, "Miosótis" is the primary competitor of this venture in the municipality of Cascais. Extended competitors are Continente, LIDL and Pingo Doce.

The extended competitors are regarded due to their stores size, volume of products and lower price range. Despite their core products concept not related to healthy consumerism and environmental concern, they sell what can be considered as a substitute's products and in addition, each extended competitor has a designated zone in their stores with biological and ecological products. Currently, they are branching with their own Healthier and Environmental Brands such as "Continente Bio", "Continente Eco", Pingo Doce "Go Bio", Pingo Doce "Pura Vida" and LIDL "Bio Organic" and LIDL "Free From". The details related to business of the direct and extended competitors are presented in Appendix C.

As indirect competitors, there are numerous other types of stores that could satisfy the same costumers needs, such as coffee shops, restaurants, and grocery stores. Even though there are a lot of competitors in this market it is necessary to have in mind that none of those provide a service close to ours: a grocery store that exclusively sells ecological products and where products at the expiration date will be confectioned into food products.

3.4. Questionnaire Analysis

The questionnaire was created to obtain information from the respondents on Zero Waste awareness and their shopping habits. It was open from 17 of April 2021 to 17 of June 2021, with the total of 205 participants.

The first approach with the questionnaire were the socioeconomical questions. Of the 205 participants, 153 participants identify themselves of the Female Gender (74,63%), 51 participants of the Male Gender (24,88%), and 1 participant that identify themselves as Other Designation of Gender (0,49%). Merging the age groups with the highest number of answers, majority of the participants answers are over 26 years old and under 56 years, with 179 of 205 participants (87,32%). The age average means was 29 years old, which corresponds with the age group with the highest number of answers which was the age group 26 to 35 years with 101 participants (49,27%), and the lowest age group result was over 76 years with 1 participant (0,49%). More detailed information is available on the Table E.1 in Appendix E.

189 of the 205 participants (90,73%) are residing in Portugal, being the majority of them in the Lisbon Metropolitan Area with 90 participants (43,90%). The highest number of answers in the level of education completed by the participants was Bachelor's Degree (Level 6 EQF) with 61 answers (29,75%), followed closely by Master's Degree (Level 7 EQF) with 56 answers (27,32%) and the majority of the participants are Full-Time employees, 144 of 205 participants (70,24%). More detailed information is available on the Table E.3 and Table E.5 in Appendix E.

Merging the participants monthly income range groups with the highest number of answers, resulted in a range over 665€ to 1 500€ within 122 participants (59,51%). Despite the number of answers in the range group less than 665€ monthly income, which had 46 answers (22,44%), the disparities between social classes (lower middle class, middle class, and upper middle class) doesn't justify placing them together. Information shown in Table E.6. Monthly Income Range. in Appendix E.

The second approach with the questionnaire were the shopping habits questions. Most answers regarding grocery shopping frequency were Frequently with 85 participants (41,5%), in second place Sometimes with 60 participants (29,3%) and in third place All the Time with 36 participants (17,6%). According to the questionnaire, 89 participants (43,41%) spend between 20€ to 50€, 63 participants (30,73%) between 50€ to 100€ and 31 participants (15,12%) less than 20€ per trip to the grocery stores. Regarding the dimension and type of commercial establishments, 91 participants (44,39%) prefer to shop for groceries in a variety of spaces while 114 participants (55,61%) prefer to shop for groceries in only one space. Among those 114 participants, 39 (19,02%) prefer to shop for groceries only in Small surface spaces, Minimarkets; other 39 (19,02%) to shop for groceries only in Medium surface spaces, Supermarkets; 30 (14,63%) to shop for groceries only in Big surface spaces, Hypermarkets; and 6 participants (2,92%) to shop for groceries only via Online.

The third approach with the questionnaire were the ecological questions. On the subject of ecolabels recognition, 196 participants identified several options, being the EU Energy Label the most recognized among them all, with 178 answers (90,82%), followed by the EU Organic Products Label with 131 (66,84%) and The Rainforest Alliance Certified™ with 128 (65,31%). 9 participants of 205 (4,39%) didn't recognize any of the ecolabels.

The ecological products most associated characteristics by the participants were Products made from recycled materials and organic ingredients (with no toxic pesticides or herbicides), Healthy and non-harmful products for people, animals and the environment, and Reduces the impact on the environment correspondingly (Figure 3.4.). The first characteristic received 130 answers (63,41%), the second 126 (61,46%) and the third 121 (59,02%). Regarding how the participants gather information

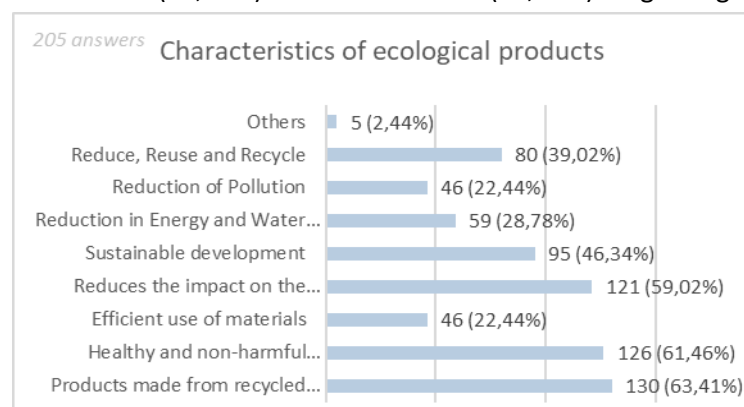


Figure 3.4. Characteristics of ecological products.

(Source: Created by the Author).

about ecological products, the majority with 102 answers (49,76%) obtains it through Social Media, followed by Publicity and ads with 82 (40%). The third place is tied, between News and reports and Friends and family, both with 66 answers (32,20%).

The fourth and fifth approach with the questionnaire were the motive for the participants behind the choice to purchase ecological product's or not. According to the questionnaire, 188 participants (91,71%) purchase ecological products while only 17 (8,29%) don't. The motive for those who choose to purchase ecological products were Product Quality with 29 answers (15,43%), Product Sustainable Production with 29 (15,43%), Personal concern for the environment with 78 (41,49%), Personal preference over alternative products with 9 (4,79%) and Encouragement/influence from friends and family with 4 (2,13%). The option All the above receive 39 answers (20,74%).

The sixth approach with the questionnaire was the Zero Waste Awareness. It demonstrated that 184 participants (89,8%) were knowledgeable about the concept while only 21 (10,2%) didn't. The zero waste most associated characteristics by the participants were Efficient material use, Reduction of Pollution, and Sustainable development

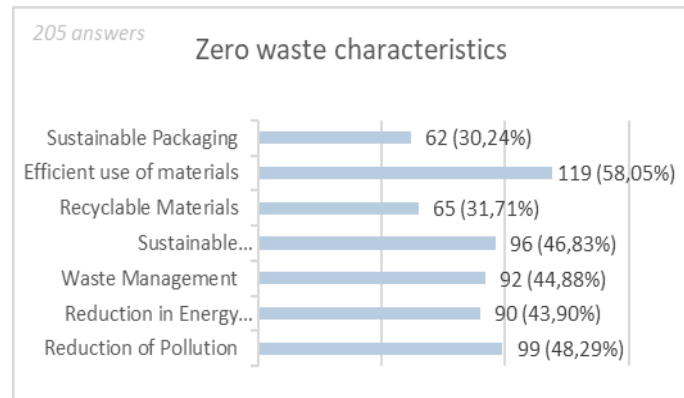


Figure 3.5. Zero waste characteristics. (Source: Created by the Author).

correspondingly. The first characteristic received 119 answers (58%), the second 99 (48,3%) and the third 96 (46,8%).

Most answers about the recycling frequency were All the Time with 120 participants (58,5%), in second place Frequently with 47 participants (22,9%), and in third place Sometimes with 27 participants (13,2%). Also, according to the questionnaire 200 participants (97,56%) reutilize items while only 5 (2,44%) don't.

The final approach with the questionnaire was the Business Plan Concept. While asking the participants about their consumers habits and their adaptability to the business plan, the majority of the answers were positive to the business plan. 193 participants (94,1%) responded that they bring their own bags and containers to the grocery store, 173 participants (84,4%) would buy products at the expiration date, 155 participants (75,6%) would buy food products made with those previous products, justifying their answers with several concerns such as to prevent food waste and that the expiration dates are estimated and therefore the product is often still good for consumption.

Only 41 participants (20%) stated that the Price would be the main factor for their purchase and 164 participants (80%) wouldn't be influenced by the Price. Instead, the Products Quality and the store concept would be the main factor. 140 participants (68,3%) would be interested in becoming a client with a membership card.

4. Market Analysis

4.1. External Analysis

4.1.1. COVID-19 Pandemic

In December of 2019, a deadly new virus emerged in China, better known as Coronavirus or as COVID-19. By March 2020, the virus was beginning to establish itself worldwide and many of the world's governments were being criticized for their slow responses to the coronavirus outbreaks, at that time Portugal was an example of rapid response.

On March 2, were recorded the first two cases of COVID-19 in Portugal. In the same day, the World Health Organization established that Spain had recorded 120 cases, France had 191 cases and Italy had 2 064 cases. On March 12, the Portuguese government declared the highest level of alert due to the virus and on March 18, it was declared the entirety of the Portuguese territory in a State of Emergency. The State of Emergency was canceled on May 2. After that, Portugal started easing the restrictions in 3 phases, beginning respectively on May 4, May 18 and June 1.

The evolution of cases COVID-19 in 2020 reached the 10 000 mark in April, 100 000 mark in October and 300 000 mark in December. In December 31 of 2020, there were registered 6 984 deaths due to COVID-19 in Portugal.

In the middle of January 2021, the Government reinstates nationwide lockdown due to a surge in new cases. On January 23, Portugal registers 15 333 cases, a record number of daily cases and the highest number of people in intensive care units with 720 cases. The death toll passes the 10 000 mark, with 10 194 cases. On January 25, the Portuguese Health Ministry asked the German Government for medical assistance since the Portuguese health system was overwhelmed due to the Covid-19 pandemic.

The evolution of cases COVID-19 in 2021 reached 800 000 mark in February, 1 000 000 mark in August and 1 330 000 mark in December. In December 31 of 2021, the death toll almost reaches the 20 000 mark, with 18 973 cases.

4.1.2. PESTEL Analysis

Political-Legal Context

Portugal has been a member of the European Union since 1986 and has used the Euro as its official currency since 2002. Portuguese is its official language, the fifth most spoken in the world.

Even though Portugal has faced periods of recession, at the political level it has remained a stable country throughout the years. All the leaders who have taken office in Portugal belong to moderate parties, they only vary between the Socialist Party (PS) and Social Democratic Party (PSD). In Portugal,

the extremist parties have a minor representation. Portugal is one of the countries in the world with the lowest political risk and little influenced by external conflicts. In addition to being part of the European Union, Portugal is integrated in the Schengen area, benefiting from free movement of goods and people, absence of customs barriers, and economic and financial support in case of need.

Economic Context

Over the last decades, International Financial Crisis are felt more frequently all over the world since the economy of most countries is globalized. The 2010–2014 financial crisis significantly affected the Portuguese economy, causing its collapse and the intervention of Troika. However, since then, the country began to slowly recuperate and before the COVID-19 pandemic, Portugal was enjoying an overall positive economic climate.

In terms of Gross Domestic Product (GDP), since 2013 Portugal has shown growth, having accumulated economic growth of 13.51%, managing to reach the levels observed prior to the international economic crisis (Figure 4.1).



Figure 4.1. GDP Growth Rate. (Source: PORDATA (2021)).

The structure of the Portuguese economy is characterized by a high weight of the service sector, the same as its European partners. The economic activity "wholesale and retail, transport, accommodation and food services" corresponds to 13.09% of the total Gross Value Added (GVA) in Portugal and 19.2% of GVA in the EU in 2019. In that same year in Portugal, "agriculture, forestry and fisheries" accounted for only 2.41% of GVA, while "industry, construction, energy and water" accounted for 21.76% of GVA.

In 2020, the economic situation worsened due to the COVID-19 pandemic, the most recent projections by the European Commission point to a drop in Portuguese GDP close to 10%. The COVID-19 pandemic forced Portugal to ask for external financial aid. The European Central Bank launched the

Pandemic Emergency Purchase Program in March 2020, an unconventional monetary policy program for the purchase of public and private debt securities. In December 2020, the public debt reached 270.4 billion euros, more than 20.4 billion euro compared to December 2019.

The government imposed several restrictions on the movement of goods and people, to prevent and contain the spread of COVID-19. Such measures have led to an increase in the number of insolvencies in private companies and an increase in unemployment rates. In an analysis by dimension, it is the small and medium-sized companies that are the most affected. In an analysis by sector of activity, the tourism industry has been heavily affected. There is also an increase in debt in the industrial sector and the financial loss stands out in the retail commerce, hotels, and restaurants. Conversely due to the measures, the debt of the electricity, gas and water sector decreased.

The tourism sector is very relevant to the country's economy. In recent years, the occupation of hotel units has grown quite significantly, and Portugal also has received numerous of prestigious Awards. During the COVID-19 pandemic, Portugal was chosen, for the fourth consecutive year, as the Best Destination in Europe at the 2020 World Travel Awards. However, despite the international trust stating that Portugal was a safe destination, England placed Portugal in their travel ban list which greatly affected the Tourism sector, since British tourists are the biggest foreign contributor to overnight stays in Portugal.

Unemployment is another key issue for the economic development of each country, this defines the weight of the unemployed population over the total active population. According to Pordata statistics (2021), the unemployment rate at the end of 2020 was 6.8%, a slight increase compared to 2019, as shown in the Figure 4.2.



Figure 4.2. Unemployment Rate. (Source: PORDATA (2021)).

Social Context

Regarding the socio-cultural context, Portugal is a country located in the southwest of Europe, constituting together with Spain, the Iberian Peninsula. Bathed by the Atlantic Ocean, it consists of a continental part and two autonomous regions, these being the archipelagos of Madeira and the Azores. According to the censuses carried out, Portugal had 10 295 909 inhabitants in 2019.

Habits, customs, and lifestyles have been changing with the passage of time and there are certain parameters that witness these changes, namely the birth rate, the illiteracy rate, the migratory balance, the average life expectancy, and the educational level of the population.

In the last decades, there is an increase in the educational level and in the migration, these parameters are correlated. In the Portuguese society, it is of extreme importance to obtain academic qualifications. Countless qualified young individuals are unable to have professional opportunities in the national territory, and therefore, they are forced to leave the country in search of getting their first job or job in their area.

Several International Financial Crisis affected Portugal intensifying emigration, this is due to the increase of unemployment and the search for better living conditions. Another negative social consequence of these crisis is the decrease in birth rates and the consequent aging of the population. Such a socio-cultural picture has a negative impact on consumption, especially, in the retail commerce.

During COVID-19 pandemic, the Portuguese government has been taking all necessary public health measures to protect the entire population. General behavior guidelines were asserted, in which all people must follow: Social distancing; Frequent hand washing; Mandatory use of mask; and Respiratory etiquette.

There were implemented several measures during the outbreak of COVID-19, such as: Teleworking/ Work from home whenever possible; Circulation between municipalities was prohibited; General lockdown: Circulation in public spaces and roads was prohibited, except for authorized travel in specific conditions; and Restrictions placed in commercial establishments working days and hours; and Procedures for home delivery, door-to-door delivery of goods or collection of products purchased by means of remote communication.

Due to movement restrictions imposed by the state of emergency and the adoption of government guidelines on social distancing by the Portuguese people, otherwise highly populated streets, and destinations in cities like Lisbon and Porto were completely empty. Turismo de Portugal implemented the “Clean and Safe” seal, which allows tourists to have greater security and confidence in the use of accommodation establishments, in the various tourist services and tourist attractions.

Technological Context

In the last two decades, the world has witnessed an extraordinary and exponential technological progress that has contributed to improving the quality of life for people and business. In general, living standards and habits have changed since technology allows everything to become more efficient and productive.

The technology advances have led to productivity growth, providing more efficient and effective production methods, resulting in reduced costs and time required to make a product or service.

Establishments had to adapt, as many of these new technologies became mandatory to ensure product quality and eliminate hazards relating to food hygiene and safety. Due to existing technology it's possible to eliminate consumers' concerns about food conservation status.

Associated with the technological context, the smartphone is practically an indispensable instrument of modern society. The smartphone allows its users to search information, to use social networks and apps, to purchase goods or services, from everywhere. Due to its effect consumer choices are mostly influenced through social media and apps.

COVID-19 has contributed to the rise in consumers' usage of online services for the purchase of food products. Prior to the pandemic, in Portugal, e-commerce was mostly used by the younger generation living in urban areas. Nowadays, e-commerce has reached consumers of all age groups and geographical areas.

Environmental Context

Over the last decades the environment has been discussed in numerous global debates. There are evidently environmental alterations, and the future of the planet depends on Humanity choices. Consumers are increasingly concerned with this issue and demand Governments and Companies assurance of their commitment towards helping the environment, to reduce the carbon footprint and reduce waste.

Through a gradual process, Portugal has made substantial developments in quality of life improvement and environmental protection. Regarding waste management, material and energy recovery has developed steadily over the years as a result of policies implemented. In addition, Portugal aims to be climate neutral by 2050 and to cover 80% of its electricity consumption with renewables by 2030.

Since 2001, there has been a decreasing trend regarding the carbon intensity and it's related to the increased share of renewables in energy consumption. In 2019, Portugal was the fourth country in the EU with the best performance in the incorporation of renewable energy in the electricity sector. The year 2020 was atypical in terms of energy consumption since it was strongly influenced by the Covid-19 pandemic, which provoked changes in the Portuguese habits in all sectors of activity, in consumption in general and consequently in energy consumption.

In response to COVID-19 many Portuguese consumers have limited their trips to the grocery stores. There was a sharp increase in the e-commerce of food products, alongside with consumer's preference for convenience and proximity stores. There was an increased demand for national and local products as well as for healthy foods.

4.1.3. Porter's 5 Forces

To assess the intensity of competition within the industry Porter's 5 forces are analyzed below.

The threat of potential new entrants is high because there are a lot of competitors in the retail industry. Due to the industry low entry barriers, any new entrant has easy access to the beginning of the business however its impact in the industry is generally low.

The threat of substitute products or services is very high because there are a lot of products and services available to customers to satisfy the same need. Effectively, customers may prefer not to buy environmentally friendly products and select alternative products, in fact there are several alternatives that offer the similar options such as coffee shops, restaurants, supermarkets and hypermarkets.

The power of the suppliers in the retail industry is low. However, since the store will only deal with ecological products and only a reduced number of companies supply this type of products, the suppliers have a negotiating power considered high.

The bargaining power of the clients in this industry is low. An individual client does not obtain a significant volume of sales that express a significant proportion of the business. The store's challenge is to satisfy the needs of current customers, attract new customers and create lasting relationships with them, to inspire brand loyalty so they buy ecological products from the store.

The rivalry among existing firms in the industry is high. There is a diversification and a large number of competitors due to the relatively low barriers to the entry of new competitors, and companies achieve price reduction by reducing expenses. In conclusion, the constant rivalry between existing companies becomes a powerful and driving competitive force.

Throughout the analysis of these forces, we can conclude that the attractiveness of the industry is medium.

4.2. Internal Analysis

Our store will be a safe and clean place to shop, with friendly service and involved in the community.

Mission Statement: Provide to the customer ecological products, through a service and products of high quality at an affordable price, placing the nutritional choices in the hands of consumers and encouraging creativity and innovation in the process of creating the food products, with ingredients at the expiration date.

Global Objectives: Reduce the environmental impact; Promote the efficiency in the consumption of natural resources; Facilitate green marketing strategies and recognize environmental management initiatives; Contribute to the implementation of the local Agenda 21; Raise awareness for the adoption

of sustainable practices and behaviors; and Enhance local development based on its environmental, social, cultural and heritage, valuing always local authenticity.

Vision: Guarantee the quality of all products, and Combat waste.

Business Philosophy: Products and service quality; Innovation and creativity; Ethics and social responsibility.

Company Goals and Strategic Objectives: In the first five years of activity, the main strategic objectives of this venture shall be: To disseminate the concept of the store; Grow the customer membership at least 10% per year; Have a customer satisfaction level of at least 75%; Reduce the store Food waste by 90%; Achieve 500.000 € in sales.

4.2.1. Critical Success Factors

According to the data obtained throughout research for the Literature Review and the results from the Questionnaire, the critical success factors of this business are:

- Product Quality;
- Food Origin;
- Store Concept;
- Location;
- Strong relationship with suppliers;
- Partner with REFOOD and ToGoodToGo.

4.2.2. SWOT Analysis

Strengths	Weaknesses
Store Location, Design and Concept. Strong Range / Ecological Products Portfolio. Affordable and competitive prices Product and service quality Reuse of the perishability raw material. Excellent Supplier Network.	High investment needed. Low initial know-how. Difficulty to gain notoriety and market share. Variety of options can difficult logistics and stock management. Low variety of options
Opportunities	Threats
Increasing relevance of the healthy-minded consumer. Increasing relevance of the environmental-minded consumer. Payment from clients is immediately available.	High rivalry amongst firms. High number of indirect competitors Substitute products with high brand notoriety Difficulty in achieving and maintaining Customer Loyalty. High bargaining power of suppliers

Table 4.1. SWOT Analysis. (Source: Created by the Author).

4.2.2.1. SWOT Systemic Analysis

	Strengths	Weaknesses
Opportunities	Increase the sales volume with the launch of exclusive store products. Availability of cash flow to invest in product and service quality. The reuse of the perishability raw material designated for disposal from the grocery area will reduce material costs for the bar and facilitate several meal options.	The low notoriety and market share will constrain the bargaining power of the company with suppliers. The variety of options will require the purchase of small quantities of several products instead of big quantities of few products, limiting the bargaining power of the company with suppliers.
Threats	Affordable and competitive prices will contribute to compete with substitute products and competitors. If an affordable product with quality and variety is available, then the company is less likely suffer of the treat of firms in the same Industry. The quality of the product and service can minimize the treat of substitute products. The variety of options can overlap options provided by indirect competitors.	The existence off substitute products, several indirect competitors, and high rivalry amongst firms can originate difficulty to gain brand notoriety and market share. As there is little know-how, there is the need to reassure that all legal/normative regulations are followed. Legislation and normative regulations are needed because of the perishability of raw material, to ensure product quality and eliminate hazards relating to food hygiene and safety. This also difficult logistics and stock management.

Table 4.2. SWOT Systemic Analysis. (Source: Created by the Author).

5. Development Strategy

5.1. Identification and Enterprise Constitution

The proposition is to create a limited partnership, “Limited Company”. This type of Society has a fundamental characteristic: Only the company’s equity is legally responsible for the debt of the company. The initial capital of the company will be of 150 000€.

This venture fits in the classification of Microenterprise (SME), as it will initially have less than 10 employees, and an annual volume of sales or total balance sheet volume less than or equal to 2 million Euros (IAPMEI, 2021).

The main code of the Business Economic Activity will be CAE Code 47112 “Retail sale in others non-specialized stores with food, beverages or tobacco predominating” (INE, 2021). And the secondary Economic Activity will be CAE code 56101 “Traditional restaurants” (INE, 2021).

5.2. Differentiation Strategy

The market analysis demonstrates that this venture has potential, but also a lot of challenges to be successful, as it competes in a very aggressive market. As so, a differentiation strategy was opted. The main differentiation is based on the stores concept and quality of the products and service. The strategy requires concentration on four main points: cost efficiency, sustainability, sales and brand.

In the purchasing of products and establishing relationships with supplier, cost efficiency in the main focal point. Throughout the Supply Chain Management, Sustainability is the main point.

In the Communication, the brand is the main focal point. Create Brand awareness that will lead to Brand Loyalty, Product Loyalty, Clients Loyalty, Referrals and Repeat Purchases.

The method chosen to promote the store in the market was Marketing-Mix with a Differentiation strategy.

A Key factor in the business strategy is to invest in promotion and communication of the brand. One way to sustain and increment sales is throughout the construction of a positive brand image. It is vital to introduce our brand to our consumers, explaining the business concept and making it remarkable.

6. Implementation Policies

6.1. Marketing Plan

6.1.1. Marketing-Mix

Due to the fact of having equal parts of goods and services, the offering of this venture is considered a hybrid, reason why it is necessary to develop 4 P's in the marketing-mix: Product, Price, Place and Promotion.

6.1.1.1. Product

All products available in the store were chosen after the analysis of the various brands in each product category, only brands involved with sustainability or the green movement are present. The store products are options for replacing everyday items with sustainable alternatives, with characteristics such as: 100% Recyclable, Made from recycled materials, Compostable, Biodegradable, Reusable, Organic, Vegan and Gluten-free.

To ease the business plan valuation, two core products was considered: the bar and the grocery area. Since the bar will use the unsold perishability raw materials of the grocery area to produce Food Products, the menu will change daily, depending on what's available.

In the first phase of investment, both areas will provide a low variety of options.

In a second phase of investment, the grocery area will provide a higher variety of options of Ecological Products. Due to that investment, it is possible for the bar to introduce new combinations of Food Products, for example the availability of different sauces, meals, soups, deserts, and drinks. Due to practicality of the business plan, in Table 8.3. Profit & Loss (P&L) Statement of the financial study, the second phase of investment and the diversification products were added in the year 2025. In Table F.1 in Appendix F is presented the full list of Grocery Products, it also indicates which products will be sold in Bulk.

Grocery Store:

- *Grocery products:* Olive oil and vinegar; Rice, pasta and flour; Mashed potatoes; Dried vegetables; Dry fruits; Cereals; Chips and snacks; Preserves and pates; Packaged bread and toasts; Coffee and tea; Soups and meals; Sauces and seasonings; Sugar and sweeteners; Biscuits, cookies and cakes; Honey, jams and cream; Sweets and chocolates; Desserts and preparations; Soy and tofu products; Infant food.
- *Hortifruits:* Fruits; Vegetables; Aromatic herbs; Preservation vegetables.
- *Fresh:* Butchery; Charcuterie; Refrigerated pasta; Dairy products (fresh); Beverages (fresh).

- *Frozen*: Meat; Fish; Octopus and squids; Shellfish; Vegetables; Meals and preparations; Fruit; Ice cream; Pastry and desserts; Ice.
- *Dairy*: Milk; Eggs; Creams; Coconut milk; Alternatives to milk; Yogurts (fresh); Butters (fresh); Margarines (fresh); Cheeses (fresh).
- *Drinks*: Water; Beer and cider; Soft drinks; Juices and nectars; Refrigerated (fresh).
- *Winery*: Wines; Sparkling wines; Sangria; Whiskeys; Spirituals; Brandy; Liqueurs.
- *Hygiene*: Body care hygiene; Intimate hygiene; Oral hygiene; Hair care; Cosmetics; ; Toilet paper and Tissues; Shaving products; Incontinence Products; Baby Care; Health basics; Solar products; Hygiene Accessories.
- *Cleaning*: Home, kitchen and bathroom; Kitchen accessories; Cleaning accessories; Dishes; Laundry; Air freshener; Insecticides and rodenticides.
- *Domestic animals*: Animal food; Accessories.

Bar:

- *Fixed Beverages*: Water; Coffee and tea; Beer and cider; Soft drinks; Juices and nectars.
- *Special Beverages*^{*1}: Natural juices and smoothies.
- *Fixed Food Products*: Fresh bread; Packaged bread and toasts; Sandwiches; Sweets; Chips and snacks.
- *Special Food Products*^{*}: Salads; Soups; Meals; Pastries and desserts; Jams; Sauces and seasonings.

Productivity and Quality

The store will be open from 9h until 22h, 7 days a week (except during lockdown and holidays). However, in the bar area, it is necessary to consider that most meals will be served during lunch or dinner time (12h30 to 14h30 and 20h to 21h30), despite the fact the bar will have the menu available in all working hours.

To guarantee freshness and quality of product as well as quality and quickness of service, it shall be contracted supply deliveries four times a week (Monday, Wednesday, Friday and Saturday), out of rush hours. By making this investment, it will be possible to maintain minimum stocks and guarantee stocks at the weekend (peak of sales).

Daily deliveries were considered, but in an unrecorded interview with a grocery store owner there was a warning to the frequent flaws of suppliers when engaged in this type of contract. With the 2-day deliveries suppliers tend to fail less, however when they fail the products are usually deliver in the next

¹ *Special Products are created with ingredients at the expiration date.

day, 3-day delivery, and the store tends to assure some minimum stock in the case that supplier fails to deliver when supposed to.

Physical Evidence

Design, decoration, facilities and equipment are physical evidence in which the client bases their first opinion of the restaurant and creates expectations of the service. As so, it is of particular importance to invest in this aspect of the store. The main components of the physical evidence shall be:

- **Bags, Crates and Plaques:** Personalized with brand logo, allows the recalling of the store's brand while the customer is appreciating the service. It is also necessary to ensure proper collection and delivery of the items (crates) from the store to the client, and the return of the item back to the store.
- **Uniforms:** Clean and simple uniforms with clear colors, to evoke integrity, cleanliness and transparency.
- **Promotional brochure (flyer):** Brochure with clean and simple design and essential information about the concept of the business and the promotion available, to transmit easily the message.
- **Facilities:** Clean and adapted to the needs of the store, both in the bar and the grocery areas, with all the necessary and recent equipment. Decoration shall be eclectic, a mixture between Bohemian and Upcycled Décor, and the colors of our brand are White, Black, and Green.



Figure 6.1.-Moodboard – Grocery Store. (Source: Created by the Author).



Figure 6.3. Moodboard - Cafeteria_Bar 2. (Source: Created by the Author).



Figure 6.2 Moodboard - Cafeteria_Bar 1. (Source: Created by the Author).



Figure 6.4. Moodboard – Terrace. (Source: Created by the Author).

6.1.1.2. Price

The strategy regarding price is to differentiate by the innovative factors rather than to compete by price differentiation. Thus, the price of the Grocery products will be in the same range as the direct competitors. Marketed at a higher shelf price than national brands, the strong range in ecological products gives the store a competitive advantage.

In regard the price of the Bar products, it will be set slightly below the competitors average reference price. Only set of essentials products will be permanently available in the Menu and the Food Products made from the perishability raw materials will vary quite frequently in the Menu due to the products availability.

This pricing strategy is adapted to product positioning and the brand image however it allows having a competitive price that should stimulate consumers and potentiate product experimentation and adoption and thus promoting brand awareness and loyalty.

6.1.1.3. Place

The distribution of the products shall be made directly to the consumer in the store location and online, from Retailer to Consumers. The location is of the utmost importance to the success of the business, due to its relevance in acquiring and maintaining costumers and the high investment needed.

In the municipality of Cascais, the store is located in a Residential area, in a secondary street with parking available. There is great accessibility since it's near the main road, easing the transportation of products, and a Partner, Refood Cascais is in the same neighborhood.

The store has 400 m2 and available with amenities: a fully equipped kitchen and a cold storage room; with rent of 650 €/month. However, it important to point out, renovations are need in the space.

6.1.1.4. Promotion

A Marketing Communication strategy will be applied with the objective of reaching the target population. The ultimate target of communication strategy are individuals between 20 and 69 years old, that reside, work, study or develop any other activities near the area of the store location.

The strategic objective of this communication strategy is to provide information about the business concept, raise environmental awareness and creating a strong brand with solid positioning.

Indirect (or mass) communication

- Internet: Mainly done all year long through social media in a regular basis (Facebook, Twitter, and Instagram).

Direct communication

- Web site: Online Store.
- Promotional brochure: A launching promotion of personalized crates of ecological products for 5€ will be assembled in the first three months of activity, publicized through the distribution of flyers by promoters with interaction with the target population, to gain awareness and word-of-mouth. Distributed in the immediate area of the facility, a brief brochure with essential information about the concept of the business and the promotion available.
- Launching Event: Opening launching event shall be prepared, including brand presentation and Food tastings. Presence of influencers and news reporters shall be guaranteed throughout VIP invitations, to positively impact on opinion articles helping establish brand notoriety.

Communication Budget and Implementation Chronogram

The budget for the promotion strategy is 3 565€, distributed as follows:

- Internet: Free.
- Website: 65€, for hiring a web designer to provide a server/host, to design customization, content upload, responsive design and to include source code. Language Options: EN/PT.
- Promotional Brochure: 500€, for the printing of flyers.

- **Launching Event:** A specialized PR company with a budget of 3 000€ will be responsible for the organization and execution of the Launching event.

These communication actions shall occur in accordance with the following Communication chronogram:

Communication Action / Month	01	02	03	04	05	06	07	08	09	10	11	12
Website												
Email marketing												
Telemarketing												
Meetings												
Press kit												
Promotional brochure												
Store Launching Event												

Table 6.1. *Communication Chronogram* (Source: Created by the Author).



Figure 6.5. *Demetra Store Logo*.
(Source: Created by the Author).

6.1.2. Brand

Name: Demetra Harvest.

Slogan: "Sustaining humanity while preserving the Earth".

Colors: White, Black, and Green.

Logo: A wreath made of plants and wheat stalks.

6.1.2.1. Protection

A brand is a valuable yet intangible asset, which needs to be protected so it cannot be available to be used by others, forbidding them of benefiting inappropriately from that value. It is intended to register the brand "Demetra Harvest", to prevent third parties to use, without consent, the trademark to similar goods or services.

However, the name "Demetra" is another name for the ancient Greek goddesses, Demeter, goddess of the harvest and agriculture, presiding over grains and the fertility of the earth. Therefore, it would be difficult to patent that name own its own.

6.2. Implementation Chronogram

These actions shall occur in accordance with the following Implementation chronogram:

Action / Month	01	02	03	04	05	06	07	08	09	10	11	12
Contract for the store location rent												
Light renovation of the store												
Developing supplier's contracts - Equipment's and Materials												
Developing supplier's contracts – Supplies												
Equipment installation												
Establishing partnerships with Zero Waste Associations												
Implementation of the marketing, communication and commercial strategies outlined.												
Develop the HACCP Plan												
Official launch of the project - Start of Commercial Activities												
Launching Promotion												
Adapt the business plan to market reactions or changes.												

Table 6.2. Implementation Chronogram.

(Source: Created by the Author).

7. Implementation Requisites

7.1. Licensing

With the current licensing regime, called “Licenciamento Zero” introduced by Legislative Decree Nº 48/2011 of April 1st, the opening of businesses in the restaurant sector and the retail sector needs only of communication and a compliance commitment declaration of all legislation related. The main legislation is:

- Law-decree nº 48/2011: Simplifies access to and exercise of various economic activities in the context of “Licenciamento Zero”.
- Regulatory decree nº 20/2008: Establishes specific requirements regarding facilities, operation, and classification system of restaurant establishments.
- Law-decree nº 10/2015 - Legal regime for access and exercise of trade, services and restaurant activities.
- Law-decree nº 234/2007: Establishes the legal regime that must be applied to the installation and modification of restaurant establishments, and the arrangements for its operation and functioning.
- Law-decree nº 106/2015: Establish the regime for the public availability, sale and consumption of alcoholic beverages in public places and in places open to the public.
- Law-decree n.º 220/2008: Establishes the legal framework for fire safety in buildings.

According to the Legal Regime for Commerce, Services and Restaurant Activities (RJACSR), to operate a restaurant or beverage establishment the following criteria and obligations must be met:

- Installations must comply with the provisions of Regulation (CE) Nº 852/2004, of the European Parliament and of the Council, of 29 April 2004.
- The requirements set out in Articles 122 to 135 of the RJACSR must be met.

7.2. Hygiene and Safety

Regardless of the style or layout, all commercial kitchens will have these components:

- | | | |
|---------------------|------------------|-----------------|
| • Preparation Area. | • Service Area. | • Storage Area. |
| • Cooking Area. | • Cleaning Area. | |

The kitchen corresponds to the intended space for the preparation and cooking of food, and it may also be used for the respective plating and distribution. In the kitchen, there should preferably be a preparation area separate from the cooking area. The parts that make up the service area can be

integrated, if the circuit adopted and equipment used guarantee the specific purpose for which each part is intended, does not jeopardize hygiene and food safety, and avoid the spread of smoke.

In the dining rooms of the establishments, there may be areas for the preparation of food, provided that the type of equipment used, and the quality of the solution adopted does not jeopardize food safety and hygiene. Beverage establishments can serve prepared, pre-prepared or pre-prepared products that only need heating or completion of confection, provided they have adequate equipment for this purpose, such as microwave, oven, griddle, fryer, toaster, juicer or similar.

7.2.1. Hygiene Standards

The Economic and Food Safety Authority (ASAE) is the foremost authority regarding food safety practices. It states that “All the food industry operators are responsible for ensuring that all the food given to final consumers are safe. For that they must create, apply and maintain food safety procedures based on Hazard Analysis and Critical Point (HACCP)”.

Regulation (EC) No. 852/2004 requires that every person working in a food-handling area must maintain a high degree of personal cleanliness and is to wear suitable, clean and, where necessary, protective clothing.

Ensuring the best hygiene practices during food preparation and cooking is a daily task for all food and beverage establishments with their own HACCP systems already implemented. However, reinforcing these practices at this specific time is extremely important, in particular:

- Keep food in closed packages or containers to avoid contact between raw and cooked foods.
- Quickly refrigerate all cooked and/or perishable foods (at a temperature below 5°C).
- Wash fruit and vegetables thoroughly especially those which will be eaten raw. Whenever required, disinfect with specific products.

Raw material quality and safety also depend on the procedures adopted during respective reception/purchase process. To this end, it is recommended that:

- Food product's reception time does not coincide with peak working times.
- Check food products' hygiene and wholesomeness characteristics at the time of reception/purchase.
- Remove cardboard and external packaging materials before storing products.
- Store food products as quickly as possible, particularly those which require refrigeration or freezing, to avoid interrupting the cold chain.
- Ensure that there are enough containers specifically intended for rubbish and other waste which allow for an effective waste management.

Kitchens must be equipped with washbasins and faucets with the intended for hand hygiene. In the case of adjacent or integrated area, there must be at least one washing tub equipped with hot and cold water in the service area.

Shelves, tables, counters and worktops in kitchens and manufacturing areas must be made of smooth, resistant, washable and waterproof material, and cutlery and all utensils for preparing food must be easy to wash and be kept in good condition.

COVID-19 measures

Due to COVID-19, the Directorate-General of Health (DGS) imposed several measures, guidelines and recommendations for the public and specific industry sectors. In the restaurant and service industry an adequate stock of the following materials and equipment must be available: liquid hand soap, hand disinfectant products, disposable protection masks and gloves, and hygiene, cleaning and disinfecting products.

Restaurants and bar establishments are frequented by several people, it can contribute to the indirect transmission of the virus, which can remain on surfaces for a period between a few hours up to several days. Therefore, frequent cleaning and disinfection of these spaces significantly reduces this period. It's necessary to first wash the surfaces with water and detergent, and then apply bleach solution evenly.

Food preparation and cooking areas also have their own distinctive rules issued by the DGS, such as:

- Cleaning materials and products are for exclusive use in these areas and cannot contaminate food.
- Disinfectant sprays cannot be used in areas where food is prepared, cooked, displayed, or distributed.
- Different cloths should be used for cleaning counters, utensils, equipment, furniture and specific material for cleaning and washing the floor.
- Cloths used for sanitizing and other cleaning materials should preferably be single use. If not, these must be washed and disinfected after each task. They can also have a color code for each different area (ex. red for food preparation areas, yellow for cooking areas and green for distribution areas).
- Taps, knobs, switches, door handles and other similar equipment that is frequently touched must be regularly cleaned and disinfected.
- Tableware and utensils must be machine washed ideally at a temperature of 80-90°C. If this is not possible, a disinfectant detergent must be used.

8. Financial Valuation

The financial valuation is the last vital element in determining the viability of this Business Plan, it will be as realistic and accurate as possible. Thought extensive research, all assumptions made are meticulously constructed.

All necessary data was used to make a complete project valuation, as well as taking into account all the Enterprise perspective and the continuity values, this project is to be funded only by Equity. There's a large investment in the beginning of the venture, in the first three years, and lighter investment in the following years. The method chosen to evaluate the project was Free Cash Flow to the Firm (FCFF) with the Capital Asset Pricing Model (CAPM).

The time horizon of this project is 5 years with 2023 as the first year of activity, with only eight months of commercial activity since the first five months shall be used in a light renovation of the store and developing other activities necessary to the opening of the store. The financial valuation of this proposition was made with the currency Euros.

The following tax rates were considered:

IRC	17%	Single Social Tax – Business	23,75 %	VAT Normal Tax	23 %
IRS	0%	Single Social Tax – Personnel	11%	VAT Intermediate Tax	13 %
Municipal Tax	0,10 %	Compensation fund - Financial investment	0,925 %	VAT Lower Tax	6%
Stamp duty applicable to interest	4%	Compensation fund - Charges	0,075 %	VAT exempt/not subject	0%

Table 8.1. Taxes Rates. (Source: Data obtain from Portuguese Public Administration and the Municipality of Cascais).

The following inflation rates were considered:

	2023	2024	2025	2026	2027	2028
Inflation rate	1,80%	3,60%	2,40%	2,30%	2,20%	2,10%
Growth rate of personnel compensation	6,00%	2,20%	2,00%	2,00%	2,00%	2,00%

Table 8.2. Inflation Rates. (Source: Data obtained by the European Commission and the Portuguese State Budget of 2023).

The cost of goods, External Supplies and Services was calculated by extensive research obtained by contacting suppliers, arranging budgets, and creating actual shopping orders. The Sales was calculated having in consideration the inflation rates and the added value of sales and transformed food products. For the practicality of the analysis, it's important to underline the costs of goods sold was considered a fixed cost, this was possible due to the detailed amount of goods, products brands, suppliers, quantities, and corresponding prices. Therefore, a constant Gross Margin of 82% was considered for the Costs of Goods Sold and Raw Materials Consumed (COGS), and a stable Gross Margin of 79.5% was considered for Production Costs.

External Supplies and Services were considered a hybrid cost and the Personnel expenses were also considered a hybrid cost. Personnel Expenses has at fixed costs: Basic Remuneration, Food Subsidy, Social Security, Compensation Funds, and Work Accident Insurance. However due to Covid-19, the Other Personal Expenses are now Variable costs: Hygiene and Safety at Work, Individual Specialized Equipment, and Others.

IAPMEI offers Operating Subsidies for business creation projects, the full amount is given during the first year and the business have a fixed amount to repay for the next four years.

P&L Statement	2023	2024	2025	2026	2027	2028
Sales	193 931	200 188	292 563	299 292	305 876	312 605
Operating Subsidies	43 881	-10 970	-10 970	-10 970	-10 970	0
Variation in production inventories	395	-125	146	10	9	10
COGS	-109 505	-113 447	-161 734	-165 454	-169 094	-172 814
External supplies and services	-11 182	-13 376	-17 153	-17 136	-17 119	-17 103
Personnel Expenses	-46 219	-77 810	-94 269	-95 939	-97 642	-99 379
Other Income	0	0	0	0	0	0
Other Expenses	0	0	0	0	0	0
EBITDA	71 301	-15 540	8 582	9 802	11 060	23 319
Expenses/Reversals of Depreciation and Amortization	-1 450	-1 771	-2 161	-2 482	-2 178	-2 284
EBIT	69 851	-17 311	6 421	7 320	8 882	21 035
Interest and Similar Expenses Supported	0	0	0	0	0	0
EBT	69 851	-17 311	6 421	7 320	8 882	21 035
Tax	-11 945	0	-329	-376	-456	0
IRC	-11 875	0	-327	-373	-453	-3 325
Municipal tax	-70	0	-2	-2	-3	-20
Net Income	57 906	-17 311	6 091	6 944	8 426	21 035

Table 8.3. Profit & Loss (P&L) Statement. (Source: Created by the Author).

Regarding earnings, it is possible to conclude from the indicators, EBITDA, EBIT, EBT and Net Income, that they are only negative in the second year, 2024, and this was due to the increase of expenses, however since in the year 2025 will begin the second phase of the investment, which includes an increase of goods purchased which leads directly to the increase of goods produced and sold and since then there will be a slow increase of earnings (Table 8.3.).

Concerning working capital assumptions is imperative to emphasize for the feasibility of the analysis that the average inventory period considered was 15 days, this was due to the nature of the various products (Dry, Fresh and Frozen) and the variety of delivery dates provided by suppliers (2-day supply delivery, 3-day supply delivery and 8-day supply delivery). The average inventory for the finished products considered was 2 days, having in consideration the guidelines provide by ASAE in

preservation of food products. The average collection period is of 0 days due to cash payments from clients and the average payment period to suppliers is 30 days.

Working Capital	2023	2024	2025	2026	2027	2028
Needs of Working Capital	7 145	4 932	7 062	7 224	7 383	7 546
Clients	0	0	0	0	0	0
Inventory	7 145	4 932	7 062	7 224	7 383	7 546
Resources of Working Capital	25 067	18 313	25 927	26 398	26 947	27 509
Suppliers	19 483	12 645	18 313	18 502	18 868	19 243
Government and other public authorities	5 584	5 668	7 614	7 895	8 079	8 266
IRS	0	0	0	0	0	0
VAT	3 315	2 834	4 199	4 412	4 525	4 641
Single social tax	2 205	2 754	3 320	3 386	3 454	3 523
Compensation funds	63	79	96	97	99	101
Working Capital	-17 922	-13 382	-18 866	-19 174	-19 564	-19 963
Variation of Working Capital	-17 922	4 541	-5 484	-308	-390	-399
VAT	13 262	17 006	25 191	26 470	27 151	27 846
VAT Collected by the enterprise	44 604	46 043	67 289	68 837	70 351	71 899
Deductible VAT	31 343	29 037	42 098	42 368	43 200	44 053

Table 8.4. *Working Capital*. (Source: Created by the Author).

According to the FCFF method and the assumptions made regarding the operational activity of the project, the cash flows generated by the project show a slow but constant increase, observable in Table 8.5.

	2023	2024	2025	2026	2027	2028
Operational Cash Flow	59 448	-13 359	8 008	9 312	10 382	23 084
Inflow	282 416	235 261	348 882	357 159	365 257	384 504
Current Year						
Clients	238 535	246 231	359 852	368 129	376 227	384 504
Other receivables	43 881	-10 970	-10 970	-10 970	-10 970	0
Outflow	222 969	248 620	340 874	347 847	354 875	361 420
Current Year						
Suppliers	138 548	141 207	204 498	206 611	210 698	214 882
Personnel Expenses	34 729	58 012	70 579	71 783	73 011	74 263
IRS	0	0	0	0	0	0
VAT	9 946	14 172	20 993	22 058	22 626	23 205
Single Social Tax	8 085	16 525	19 920	20 318	20 725	21 139
FCT	233	476	573	585	596	608
Other Expenses	0	0	0	0	0	0
Previous Year						
Suppliers	19 483	12 645	18 313	18 502	18 868	19 243
IRC	11 945	0	329	376	456	0
IRS	0	0	0	0	0	0

VAT	0	3 315	2 834	4 199	4 412	4 525
Single Social Tax	0	2 205	2 754	3 320	3 386	3 454
Compensation funds	0	63	79	96	97	99
Financing Cash Flow	150 000	50 000	50 000	10 000	10 000	10 000
Inflow	150 000	50 000	50 000	10 000	10 000	10 000
Capital and Supplementary Installments	150 000	50 000	50 000	10 000	10 000	10 000
Outflow	0	0	0	0	0	0
Investment Cash Flow	-10 302	-2 124	-2 985	-2 124	-2 124	-2 124
Inflow	0	0	0	0	0	0
Outflow	10 302	2 124	2 985	2 124	2 124	2 124
Fixed Assets	10 302	2 124	2 985	2 124	2 124	2 124
Cash at the beginning of the year	0	199 145	233 662	288 685	305 872	324 130
Cash at the end of the year	199 145	233 662	288 685	305 872	324 130	355 090

Table 8.5. Cash Flows of the Project. (Source: Created by the Author).

A Weighted Average Cost of Capital (WACC) of approximate 1,69% was considered for the development of the methodologies, it was calculated by multiplying the cost of equity and debt by its relevant weight by market value, then adding the products together to determine the total (Table 8.6.).

For the perpetuity growth value, a growth rate of 5% was considered according to the inflation estimates.

WACC	1,690073
Cost of Equity (Rcp)	106,50%
Long-term Treasury Bonds (Risk-free interest rate) (Rf)	1,6%
Beta unlevered (Bu)	100,00%
Market remuneration rate (Rm)	1,5%
Country risk premium (Pp)	3,4%
Cost of debt with tax effect (Rca x (1-t))	1,0375%
Reference interest rate (Rca)	1,25%
Perpetuity growth rate	
Cash flow growth rate in perpetuity (g)	5%

Table 8.6. WACC and Growth rate in perpetuity. (Source: Data obtained from European Central Bank and Bank of Portugal).

The Free Cash Flow to the Firm (FCFF) method is a measurement of a company's profitability after all expenses and reinvestments, and from an investment perspective, ignores the form of financing, which is equivalent to considering 100% Equity. In 2023, there's a positive FCFF value indicating that the firm has cash remaining after expenses, 68 902€. However, in 2024, the negative value of 21 808€ indicates that the firm has not generated enough revenue to cover its costs and investment activities.

The following years show positive values nevertheless it shows fluctuation respectively: 11 310€, 8 008€, 9 268€, 7 289€ (Table 8.7.).

	2023	2024	2025	2026	2027	2028
+ EBIT	69 851	-17 311	6 421	7 320	8 882	21 035
- Tax	-11 945	0	-329	-376	-456	0
+ Depreciations and Amortizations	1 450	1 771	2 161	2 482	2 178	2 284
- Working Capital Variation	17 922	-4 541	5 484	308	390	399
- CAPEX	-8 376	-1 727	-2 427	-1 727	-1 727	-1 727
Operational Cash Flow	68 902	-21 808	11 310	8 008	9 268	21 991
Residual Value (RV)						-14 702
FCFF with RV	68 902	-21 808	11 310	8 008	9 268	7 289
Perpetuity						22 750
FCFF with Perpetuity	68 902	-21 808	11 310	8 008	9 268	44 741
CAPM	1,00	0,48	0,23	0,11	0,05	0,03

FCFF discounted RV	68 902	-10 561	2 652	909	510	194
FCFF accumulated discounted RV	68 902	58 341	60 994	61 903	62 413	62 607
FCFF discounted Perpetuity	68 902	-10 561	2 652	909	510	1 192
FCFF accumulated discounted Perpetuity	68 902	58 341	60 994	61 903	62 413	63 604

Table 8.7. Free Cash Flow to the Firm (FCFF) with CAPM. (Source: Created by the Author).

The Residual Value (RV) is the estimate of the market value of the project at the end of the analysis horizon considered, and in the hypothesis of continuation of exploration the Perpetuity approaches the situation as if the cash flow payments continue indefinitely. The Net present value (NPV) is the sum of all cash (ins and outs) over the life of the project subtracted from the investment's initial investment. An enterprise's Internal Rate of Return (IRR) is a relative measure that demonstrates how much an investment project yields, and Payback is the Capital Recovery Period in terms of years. This project has a NPV with RV of approximately 62 607€, an IRR close to 50% and a Payback Period of about six years, as it is possible to conclude from Table 8.8.

The values presented verify that both NPV and IRR are positive, considering the entirety of the real data applied to the analyses and the parameters of the Business it is an acceptable and interesting outcome.

Project Assessment	W/RV	W/Perpetuity
NPV	62 606,8	63 604,2
IRR	0,5	0,5
Payback	6	6
Residual Value (RV)	-14 702	
Perpetuity Value	22 750	

Table 8.8. Project Assessment.
(Source: Created by the Author).

Break Even Point	2026
Total Fixed and Variable costs	204 633
Total Fixed Costs	112 184
Total Variable Costs	92 449
Annual sales	299 292
Break-Even Point (sales value)	162 325
Safety margin (value)	136 967

Table 8.9. Break-even point
(Source: Created by the Author).

For this project, a business's break-even point is calculated by dividing the fixed costs by the contribution margin. The contribution margin is determined by dividing the variable costs from the annual sales. The break-even point is at 162 325€ at the year 2026, which is this project cruise year, a year in which income and costs are stable, and this is known as the third year of the project (Table 8.9).

Lastly, the financial valuation ends with the analysis of the main indicators and financial ratios of the project. ROIC measures the company overall value efficiency by calculating the subtraction the tax from the EBIT and dividing that result by the assets. ROE measures the value generated by shareholders resources by calculating Net Income/Equity. Since this project has no long term debt, ROIC and ROE are quite similar and follow the same tendency. In the first year, they are both at the higher twenty's percent, and in the second year they are both negative since the company is having a loss. Only from the third year forward these ratios are slowly increasing indicating that the venture is only going to make profit after the sixth year (Table 8.10).

Having a good financial autonomy can be very important to the management of the business., the Equity/Assets ratio is stable in the ninety's percent. This means that at least 90% of Assets are financed with Equity, since there is no long term debt. In terms of Debt, the Liabilities/Assets ratio, there's 11% in the first year and it decreases going forward. The Solvency, Equity/Liabilities ratio, is also very high because there is little debt. In every year of its predicted activity, the value of the company's equity will be more than enough to cover all the company's debts. As underlined above, there will be no long term debt, only a few current liabilities such as accounts payable to suppliers and public entities.

Financial Ratios	2023	2024	2025	2026	2027	2028
Business Profitability						
Operational Margin	0,37		0,03	0,03	0,04	0,07
Net margin	0,30		0,02	0,02	0,03	0,07
Return on Assets	0,25		0,02	0,02	0,02	0,06
Operational activity						
Asset Turnover	0,84	0,78	0,92	0,89	0,86	0,83
Return						
ROIC	0,25		0,02	0,02	0,02	0,06
ROE	0,28		0,02	0,02	0,03	0,06
Liquidity						
Overall liquidity	8,23	13,03	11,41	11,86	12,30	12,73
Financials						
Financial autonomy	0,90	0,94	0,93	0,93	0,93	0,94
Debt	0,11	0,07	0,08	0,08	0,08	0,07
Solvency	9,18	14,03	12,33	12,77	13,21	13,63

Table 8.10. Financial Ratios. (Source: Created by the Author).

The remaining data supporting all the economic and financial calculations presented in this chapter can be found in Appendix H.

9. Conclusion

The planet resources are limited, however Human Beings to satisfy their increasing needs and wants continues to over-consume and cause environmental issues. These types of issues brought up concepts such as sustainability, carbon emissions, zero waste, recycle, reuse and many more.

To help the planet, it must start with small and real changes. Carefully making choices, instead of buying disposable items several times, individuals should buy an item that can be reused multiple times or buy products created to limit environmental impacts, such as products made from recycled materials or biodegradable and compostable products.

The project has limitations as it's based on projections and estimates, in addition the implementation of Zero Waste is difficult to fully achieve. In the concept there are three main areas: Greenhouse gas (GHG) emissions, Energy Efficiency and Waste Management. In order to achieve a Zero Waste in logistics, all members of the Supply Chain, from producers to consumers, must implement procedures considering the flows of resources. In addition, the transport of products will contribute to GHG emissions, unless it's a fully electric vehicle that don't emit GHG. To achieve energy efficiency with the Zero Waste means reducing energy use and investing in renewable energy, it would be extremely difficult to implement these measures in the store due to its requirements.

Despite the change in consumers perspective, it's still necessary to influence costumers to purchase ecological products that are associated with a higher cost in comparison with chemically engineered products that are cheaper. Ecological products are more expensive because they are produced in smaller quantities, they're of better quality and have a lower environmental impact. Most people don't seem to know that the Expiration date on products is an estimate, therefore the products are often still good for consumption.

A Ecologic Grocery Store that only sells Ecological Products, with the objective of achieving "Zero Waste", with a Sustainable Cafeteria/Bar, where products close to the expiration date would be transformed into food products. Concluding, taking into account the analyzes carried out and the results obtained, this project is a feasible way to fight waste and guarantee the quality of all products.

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Appendix

Appendix A. Study of market evolution trends.

Geographic localization (NUTS - 2013)	Economic activity (Subclass - CAE Rev. 3)		Enterprises (No.) by Geographic localization (NUTS - 2013) and Economic activity (Subclass - CAE Rev. 3); Annual		
			2019	2018	2017
			No.	No.	No.
Continental Portugal	G	Wholesale and retail trade; repair of motor vehicles and motorcycles	211 265	210 637	212 106
	47	Retail trade, except of motor vehicles and motorcycles	123 887	124 813	126 968
	471	Retail sale in non-specialized stores	16 494	16 753	16 977
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating	13 533	13 787	14 001
	47112	Retail sale in others non-specialized stores with food, beverages or tobacco predominating	11 526	11 756	12 005
Lisbon Metropolitan Area	G	Wholesale and retail trade; repair of motor vehicles and motorcycles	53 318	53 076	53 878
	47	Retail trade, except of motor vehicles and motorcycles	30 215	30 324	31 155
	471	Retail sale in non-specialized stores	3 668	3 630	3 725
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating	3 034	3 000	3 092
	47112	Retail sale in others non-specialized stores with food, beverages or tobacco predominating	2 665	2 619	2 728

Table A.1. *Enterprises (Nº)*. (Source: Data obtained from INE and Transformed by the Author).

Geographic localization	Births (No.) of Enterprises by Geographic localization (and Economic activity (Division - CAE Rev. 3); Annual		
	2019	2018	2017
	Retail trade, except of motor vehicles and motorcycles		
	No.	No.	No.
Continental Portugal	11 020	11 793	12 122
Lisbon Metropolitan Area	3 224	3 130	3 262

Table A.2. *Enterprises Created (Nº)*. (Source: Data obtained from INE and Transformed by the Author).

Geographic localization	Deaths (No.) of Enterprises by Geographic localization (NUTS - 2013) and Economic activity (Division - CAE Rev. 3); Annual		
	2019	2018	2017
	Retail trade, except of motor vehicles and motorcycles		
	No.	No.	No.
Continental Portugal	13 143	12 109	13 017
Lisbon Metropolitan Area	3 720	3 414	3 633

Table A.3. *Enterprises Closed (Nº)*. (Source: Data obtained from INE and Transformed by the Author).

Geographic localization	Economic activity		Turnover (€) of enterprises by Geographic localization (NUTS - 2013) and Economic activity (Subclass - CAE Rev. 3); Annual		
			2019	2018	2017
			€	€	€
Continental Portugal	G	Wholesale and retail trade; repair of motor vehicles and motorcycles	147 013 178 848	141 929 972 199	133 431 121 596
	47	Retail trade, except of motor vehicles and motorcycles	52 293 284 992	49 844 895 752	47 533 619 491
	471	Retail sale in non-specialized stores	20 971 090 642	20 103 161 920	19 157 734 612
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating	18 598 858 038	17 809 049 929	17 010 955 227
	47112	Retail sale in others non-specialized stores with food, beverages or tobacco predominating	1 691 362 081	1 618 550 927	1 551 671 866
Lisbon Metropolitan Area	G	Wholesale and retail trade; repair of motor vehicles and motorcycles	69 708 291 136	66 535 709 317	61 367 172 763
	47	Retail trade, except of motor vehicles and motorcycles	23 931 110 969	22 679 781 025	21 626 498 871
	471	Retail sale in non-specialized stores	11 424 741 812	10 901 046 639	10 361 508 868
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating	10 280 656 061	9 790 292 771	9 309 362 483
	47112	Retail sale in others non-specialized stores with food, beverages or tobacco predominating	664 022 675	608 032 330	583 140 025

Table A.4. Enterprises Turnover (€). (Source: Data obtained from INE and Transformed by the Author).

Geographic localization	Economic activity		Persons employed (No.) in Enterprises by Geographic localization (NUTS - 2013) and Economic activity (Subclass - CAE Rev. 3); Annual		
			Data reference period		
			2019	2018	2017
			No.	No.	No.
Continental Portugal	G	Wholesale and retail trade; repair of motor vehicles and motorcycles	779 529	763 588	741 316
	47	Retail trade, except of motor vehicles and motorcycles	443 876	436 372	425 003
	471	Retail sale in non-specialized stores	142 991	140 492	134 277
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating	126 732	125 044	119 222
	47112	Retail sale in others non-specialized stores with food, beverages or tobacco predominating	21 529	21 693	21 510
Lisbon Metropolitan Area	G	Wholesale and retail trade; repair of motor vehicles and motorcycles	284 698	276 438	267 018
	47	Retail trade, except of motor vehicles and motorcycles	178 336	172 558	168 209
	471	Retail sale in non-specialized stores	69 118	65 715	64 175
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating	61 891	58 925	57 254
	47112	Retail sale in others non-specialized stores with food, beverages or tobacco predominating	6 119	5 723	5 779

Table A.5. Persons employed (Nº). (Source: Data obtained from INE and Transformed by the Author).

Geographic localization	Economic activity		Average Turnover (€) of enterprises by Geographic localization (NUTS - 2013) and Economic activity (Subclass - CAE Rev. 3); Annual		
			2019	2018	2017
			€	€	€
Continental Portugal	G	Wholesale and retail trade; repair of motor vehicles and motorcycles	695 871	673 813	629 078
	47	Retail trade, except of motor vehicles and motorcycles	422 105	399 357	374 375
	471	Retail sale in non-specialized stores	1 271 438	1 199 974	1 128 452
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating	1 374 334	1 291 728	1 214 981
	47112	Retail sale in others non-specialized stores with food, beverages or tobacco predominating	146 743	137 679	129 252
Lisbon Metropolitan Area	G	Wholesale and retail trade; repair of motor vehicles and motorcycles	1 307 406	1 253 593	1 139 002
	47	Retail trade, except of motor vehicles and motorcycles	792 028	747 915	694 158
	471	Retail sale in non-specialized stores	3 114 706	3 003 043	2 781 613
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating	3 388 483	3 263 431	3 010 790
	47112	Retail sale in others non-specialized stores with food, beverages or tobacco predominating	249 164	232 162	213 761

Table A.6. Average Enterprises Turnover (€). (Source: Data obtained from INE and Transformed by the Author).

Appendix B. Segmentation Targeting, and Positioning

Age Group	Residing Population (N.º) by Residency Location (NUTS - 2013), Gender and Age Group		
	2020		
	Cascais		
	Male	Female	Total
	N.º	N.º	N.º
0 - 4 Years	5101	4935	10036
5 - 9 Years	5758	5305	11063
10 - 14 Years	6146	5869	12015
15 - 19 Years	6020	5811	11831
20 - 24 Years	6094	5955	12049
25 - 29 Years	5826	5836	11662
30 - 34 Years	5848	6249	12097
35 - 39 Years	6311	7129	13440
40 - 44 Years	7871	9326	17197
45 - 49 Years	7970	9375	17345
50 - 54 Years	6456	7796	14252
55 - 59 Years	6041	7560	13601
60 - 64 Years	5615	7070	12685
65 - 69 Years	5034	6970	12004
70 - 74 Years	4913	6806	11719
75 - 79 Years	3706	5279	8985
80 - 84 Years	2501	3966	6467
>85 Years	1659	3834	5493
Total	98 870	115 071	213 941

Table B. 1. Cascais Residents (Nº). (Source: Data obtained from INE and Transformed by the Author).

Map of total foreign residents in the Municipality: Cascais and in the District: Lisbon	
2020	
Total District Lisbon	285 570
Total Municipality Cascais	32 939

Table B. 2. Foreigners Residing in Lisbon and Cascais with Residence permit or card (Nº). (Source: Data obtained from SEF and Transformed by the Author).

Potential Clients =	50%(CASCAIS Target Age) + 30%(CASCAIS Not Target Age) +20%(CASCAIS Foreigners Residing)
Potential Clients =	68 166 + 23 283 + 65 88
Potential Clients =	98 037

Table B. 3. Calculation for determining the Potential Clients (Nº). (Source: Created by the Author).

Appendix C. Competitors Analysis

Direct Competitors

Grocery Stores in Portugal have been expanding the variety of products for special dietary requirements, this includes gluten-free, dairy-free, organic, and vegan options.

At the larger size stores is typically found a wide range of these products, but even supermarkets and smaller grocery stores will stock several items. Some supermarkets also have their own brands and their own Healthier and Environmental Labels.

Specialized supermarket stores, such as gourmet grocery stores or organic grocery stores, are locally owned and operated. They provide numerous options for special dietary requirements, their products quality and prices are usually little higher than in other supermarkets or grocery stores.

MIOSÓTIS: Bio supermarket and restaurant. Created in 2007 and currently has four stores in Portugal. MIOSÓTIS is the main Bio Portuguese market and a space for food quality and diversity, with 100% organic food and ecologically sustainable production. It has a strong brand recognition as the first 100% biological supermarket in Lisbon and the largest biological supermarket in Portugal. Miosótis includes different spaces, namely the 100% organic supermarket, an auditorium, cafeteria, restaurant and even an area dedicated to plants. The restaurant serves soups, vegetarian and fish dishes, natural juices, and drinks, while the cafeteria serves coffee, tea, vegetable drinks, natural juices, desserts, cakes, snacks and light meals.

GO NATURAL: Supermarket and restaurant. Created in 2004 and currently has thirty-one stores: twelve supermarkets, nine restaurants and ten “schools, companies, and gymnasiums”, where it operates canteens and cafeterias. GO NATURAL is a Portuguese chain of organic supermarkets with outlets in Lisbon and Porto. They offer online delivery from both their grocery stores and restaurants. It’s also well-known for its efforts in sustainability, creative recipes and as the as the first brand of 100% Portuguese origin with an innovative concept of fast and healthy food, that tastes good. Their supermarkets have a focus on national products and their restaurants are known for their unique recipes.

BIOFRADE: Biological agriculture, market and restaurant (Vegetarian Cuisine). Created in 1991 and currently has three stores in Portugal. Biofrade is a family-owned business located in the Municipality of Lourinhã, it produces and sells only Biologic Agriculture products. It has a strong brand recognition for their production of high-quality biological vegetables. It sells bulk or packaged products, and their main customers are large distribution, specialized supermarkets, restaurants, schools, AB product

resellers and Bio-markets. Currently, Biofrade produces about thirty hectares in outdoors and one hectare in a Greenhouse. In addition to its own products, Biofrade works with multiple national and international producers to maintain a wide offer throughout the year.

Extended Competitors

In Portugal, the grocery retail market is characterized by a few large companies, both national and international, and many small retailers such as grocery stores and small supermarkets. In 2020, the market was dominated by two national groups accounting for approximately 50 percent of the retail market, with Sonae MC (Continente) accounting for the largest share (26.8%), followed closely by Grupo Jerónimo Martins (Pingo Doce) (22.9%), and due in part to the pandemic, Lidl was able to gain additional market share (11.3%).

CONTINENTE: Sonae MC (Continente) is the leader in the Portuguese grocery retail market. The largest Portuguese supermarket chain, it has over five hundred stores nationwide, they are spread out among hypermarkets (Continente), supermarkets (Continente Bom Dia and Continente Modelo) and proximity stores (Meu Super). Products are reasonably priced, but the range will depend on the size and location of the store. It also offers home delivery. Continente has its own brand "Continente" and within it are several brands, "Continente Bio", "Continente Eco", "Continente Equilíbrio", "Continente do Bebê" and "Continente Seleção".

Continente BIO has a wide range of biological products, the brand provides sustainable and high-quality products at low prices. Its production has organic certification and respects the best environmental practices and the balance of ecosystems.

Continente ECO was designed and developed to offer products made with ecological and sustainable raw materials, ensuring efficiency at affordable prices. The brand products also have the European Ecolabel seal, which guarantees compliance with the most demanding criteria at all stages of product manufacturing, following the principles of the circular economy.

PINGO DOCE: Pingo Doce is a Portuguese supermarket and hypermarket chain. It is a brand belonging to the Jerónimo Martins group. Pingo Doce is one of the largest supermarket operators in Portugal with over four hundred stores of various sizes throughout the country. It also offers home delivery. Pingo Doce also has its own brand "Pingo Doce" and several other own brands, such as "ActivPet", "As Nossas Iguarias Pingo Doce", "Be Beauty Care", "Go Active", "Go Bio", "Pingo Doce Cuida Bebê", "Pura Vida", "Skino" and "Ultra".

Go Bio is a brand of certified organic products that guarantee the non-use of any pesticides or genetically modified organisms. They respect the best environmental practices and guarantee the consumer all the benefits of organic agriculture.

Pura Vida offers a wide variety of products, the best solution for people with more specific dietary needs or simply for those who prefer to have a more balanced and natural diet.

LIDL: LIDL is a German owned Company, one of the largest supermarket chains in Portugal, with over two hundred stores across the country. It is a discount supermarket chain, LIDL uses a no-frills strategy to keep low prices, they serve customers with an acceptable but basic version of a product or service. LIDL offers low prices, narrow product range, weekly specials, and non-food sale items.

Under the brand name "Bio Organic", LIDL offers a wide selection of entirely organic articles certified with the EU organic logo.

Under the brand name "Free From" we cater for gluten- or lactose-intolerant customers with a wide selection of products designed specifically for their needs.

All articles are certified with a certification seal that has met the specific requirements set by the certifying organization.

Appendix D. Questionnaire



Mercearia Ecológica Sustentável

O meu nome é Mariana Cerdeira Cardoso, e atualmente estou no 2º ano do Mestrado em Gestão do ISCTE Business School. Para o meu Projeto Final estou a elaborar um Plano de Negócios com o objetivo de o implementar. O Plano de Negócios aborda a criação de uma Mercearia Ecológica com a aplicação de uma estratégia de Desperdício Zero.

A Mercearia Ecológica Sustentável vai vender produtos ecológicos de grande consumo, sobretudo alimentos, podendo complementar a oferta com produtos de higiene, bebidas e outros artigos de uso doméstico.

As respostas do questionário vão ajudar na análise dos hábitos de compra dos consumidores e na sensibilização para produtos ecológicos e desperdício zero. Gostaria de pedir 5 minutos do seu tempo para responder este questionário anónimo.

Questões Demográficas

Com que género se identifica? *

- ☐ Masculino
- ☐ Feminino
- ☐ Outro

Qual é a sua idade? *

A sua resposta

Em que país reside atualmente? *

- ☐ Portugal
- ☐ Outro

Se a sua resposta anterior foi Portugal, em que região reside?

- ☐ Norte
- ☐ Centro
- ☐ Região Metropolitana de Lisboa
- ☐ Alentejo
- ☐ Algarve
- ☐ Região Autónoma dos Açores
- ☐ Região Autónoma da Madeira

Qual é o grau ou nível de educação mais alto que concluiu? *

Nota: EQF – European Qualifications Framework

- ☐ Ensino Secundário (Nível 3 EQF)
- ☐ Ensino Profissional (Nível 4 EQF)
- ☐ Curso de Especialização Tecnológica (Nível 5 EQF)
- ☐ Licenciatura (Nível 6 EQF)
- ☐ Pós-graduação (Nível 7 EQF)
- ☐ Mestrado (Nível 7 EQF)
- ☐ Doutoramento (Nível 8 EQF)
- ☐ Outra:

Qual é a sua situação profissional atual? *

- ☐ Estudante
- ☐ Empregado a tempo parcial (Part-Time)
- ☐ Empregado a tempo inteiro (Full-Time)
- ☐ À procura de emprego / oportunidades
- ☐ Desempregado
- ☐ Reformado

Qual é o seu rendimento mensal? *

- ☐ < 665€
- ☐ 665€ - 1,000€
- ☐ 1,000€ - 1,500€
- ☐ 1,500€ - 2,000€
- ☐ > 2,000€

Hábitos de Compra

Com que frequência compra, num mês, produtos de mercearia? *

- ☐ Nunca
- ☐ Raramente (uma vez por mês)
- ☐ Às vezes (duas a três vezes por mês)
- ☐ Frequentemente (quatro a seis vezes por mês)
- ☐ Muito frequentemente (mais de sete vezes por mês).

Onde prefere comprar produtos de mercearia?

- ☐ Hipermercados - Grande Dimensão (ex: Auchan, Continente e Lidl)
- ☐ Supermercados - Média Dimensão (ex: Continente Bom Dia, Minipreço e Pingo Doce)
- ☐ Minimercados - Pequena Dimensão (ex: SPAR, Meu Super e Mercearia local)
- ☐ Online

Quanto gasta, em média, cada vez que vai ao supermercado ou hipermercado? *

- ☐ < 20€
- ☐ 20€ - 50€
- ☐ 50€ - 100€
- ☐ 100€ - 150€
- ☐ 150€ - 200€
- ☐ > 200€

Produtos Ecológicos

Selecione os rótulos, se os reconhecer das suas compras.

		
☐ EU Ecolabel	☐ EU Organic Products Label	☐ EU Energy Label
		
☐ Rainforest Alliance Certified	☐ Forest Stewardship Council® - FSC® Labels	☐ Carrefour Eco-Planet Label
		
☐ GLOBALG.A.P. Certification	☐ AENOR Certification	☐ FAIRTRADE® Certification
		
☐ Agriculture Biologique - AB Certification		

Figure D.1. Questionnaire Part 1 of 2. (Source: Created by the Author).

Quais são as características que mais associa aos produtos ecológicos? * Selecione 3 Opções ☐ Produtos feitos de materiais reciclados e ingredientes orgânicos (sem pesticidas ou herbicidas tóxicos) ☐ Produtos saudáveis e não prejudiciais para pessoas, animais e meio ambiente ☐ Uso eficiente de materiais ☐ Reduz o impacto no meio ambiente ☐ Desenvolvimento sustentável ☐ Redução do consumo de energia e água ☐ Redução da poluição ☐ Reduzir, Reutilizar e Reciclar ☐ Outros	Costuma reutilizar itens? * Ex: De sacos de papel a sacos de pano, garrafas de plástico a recipientes de vidro e roupas. ☐ Sim ☐ Não
Como obtém informação sobre produtos ecológicos? * ☐ Publicidade e anúncios ☐ Notícias e relatórios ☐ Site da marca dos produtos ☐ Sites de associações ecológicas ☐ Amigos e família ☐ Redes Sociais (ex: Facebook, Instagram, ...)	Conceito do Plano de Negócios A Visão da mercearia Ecológica Sustentável é garantir a qualidade de todos os produtos e combater o desperdício alimentar. A Mercearia Ecológica Sustentável será dividida em duas áreas: – A área de Mercearia vai vender Produtos Ecológicos a Granel com embalagens ecologicamente sustentáveis; além disso, haverá na loja uma zona dedicada aos produtos no final do prazo de validade. – A área da Cafeteria/ Bar, onde os produtos no final do prazo de validade serão confeccionados em produtos alimentares, como por exemplo: sopa, refeição diária, lanches e doces. Os clientes podem gastar menos enquanto fazem compras e ajudar a combater o desperdício. No entanto, esses produtos devem ser consumidos o mais rápido possível.
Compra produtos ecológicos? * ☐ Sim ☐ Não	Costuma levar os seus próprios sacos e recipientes para fazer compras? * ☐ Sim ☐ Não
Desenvolvimento - Produtos Ecológicos Qual é o motivo da compra dos produtos ecológicos? * ☐ Qualidade do produto ☐ Produção sustentável do produto ☐ Preferência pessoal ☐ Preocupação pessoal com o meio ambiente ☐ Incentivo / Influência de amigos e familiares ☐ Todas opções acima	Compraria produtos no fim do prazo de validade? * ☐ Sim ☐ Não
Desperdício Zero Conhece o conceito desperdício zero? * ☐ Sim ☐ Não	Compraria produtos alimentares confeccionados com produtos no final do prazo de validade? * ☐ Sim ☐ Não
Quais destas características associa ao conceito desperdício zero? * Selecione 3 Opções ☐ Redução da poluição ☐ Redução do consumo de energia e água ☐ Gestão de resíduos ☐ Desenvolvimento sustentável ☐ Materiais recicláveis ☐ Uso eficiente de materiais ☐ Embalagens sustentáveis	Qual foi o principal motivo de sua resposta na pergunta anterior? (na compra dos produtos confeccionados) A sua resposta
Com que frequência recicla? * ☐ Nunca ☐ Raramente ☐ Às vezes ☐ Frequentemente ☐ Muito frequentemente	O Preço seria o principal fator na sua compra? * ☐ Sim, só compraria nesta loja se os preços fossem mais baixos ☐ Não, compraria se o preço fosse o mesmo ou ligeiramente mais alto ☐ Não, a qualidade seria o principal fator ☐ Não, o preço não influenciaria a minha decisão, mas o conceito da loja seria o principal fator
	Um cartão de loja proporcionará aos consumidores custos mais baixos na compra de produtos. Por 12 €/ano, o cartão é válido para ambas as áreas da loja. Estaria interessado em tornar-se um cliente membro? * ☐ Sim ☐ Não
	Obrigado pelo seu tempo e atenção! Fim do Questionário.

Figure D.2. Questionnaire Part 2 of 2. (Source: Created by the Author).

Appendix E. Questionnaire Analysis

Age Group	Gender				
	F	M	O	Total	%
18 - 25	9	4		13	6,34%
26 - 35	73	27	1	101	49,27%
36 - 45	41	15		56	27,32%
46 - 55	18	4		22	10,73%
56 - 65	9			9	4,39%
66 - 75	2	1		3	1,46%
> 76	1			1	0,49%
Total	153	51	1	205	100%
%	74,63%	24,88%	0,49%	100%	

Table E.1. Age and Gender.

(Source: Created by the Author).

Level of Education Completed	Total	%
Old 12 year	1	0,49%
High School (Level 3 EQF)	28	13,66%
Vocational Education (Level 4 EQF)	15	7,32%
Technological Specialization Course (Level 5 EQF)	17	8,29%
Bachelor's Degree (Level 6 EQF)	61	29,76%
Master's Degree (Level 7 EQF)	56	27,32%
Postgraduate (EQF Level 7)	20	9,76%
PhD (Level 8 EQF)	6	2,93%
Preparatrice Pharmacy	1	0,49%
Total	205	100%

Table E.3. Level of Education Completed.

(Source: Created by the Author).

Monthly Income	Total	%
< 665€	46	22,44%
665€ - 1,000€	65	31,71%
1,000€ - 1,500€	57	27,80%
1,500€ - 2,000€	12	5,85%
> 2,000€	25	12,20%
Total	205	100%

Table E.6. Monthly Income Range.

(Source: Created by the Author).

Residence Location	Total	%
Other	19	9,27%
Portugal	186	90,73%
North Region	49	23,90%
Central Region	34	16,59%
Lisbon Metropolitan Area	90	43,90%
Alentejo Region	4	1,95%
Algarve Region	7	3,41%
Aut. Region of the Azores	1	0,49%
Aut. Region of Madeira	1	0,49%
Total	205	100%

Table E.2. Country and Region of Residence.

(Source: Created by the Author).

Occupation	Total	%
Full-time employee	144	70,24%
Unemployed	13	6,34%
Part-time employee	10	4,88%
Student	9	4,39%
Unemployed by choice	6	2,93%
Retired	5	2,44%
Self-employed	5	2,44%
Looking for job/opportunities	3	1,46%
Independent worker	3	1,46%
Sole proprietorship	1	0,49%
Student worker	1	0,49%
Scholarship holder	1	0,49%
Domestic	1	0,49%
Own Business/Company	1	0,49%
Prevented from working	1	0,49%
Intermittent	1	0,49%
Total	205	100%

Table E.5. Occupation.(Source: Created by the Author).

Grocery Shopping Frequency	Total	%
Never	4	1,95%
Rarely	20	9,76%
Sometimes	60	29,27%
Frequently	85	41,46%
All the Time	36	17,56%
Total	205	100,00%

Table E.4. Monthly Grocery Shopping Frequency.

(Source: Created by the Author).

Dimension and Type of commercial establishments	Total	%
Hypermarkets - Large Dimension	30	14,63%
Hypermarkets - Large Dimension, Minimarkets - Small Dimension	17	8,29%
Hypermarkets - Large Dimension, Minimarkets - Small Dimension, Online	1	0,49%
Hypermarkets - Large Dimension, Online	6	2,93%
Hypermarkets - Large Dimension, Supermarkets - Medium Dimension	19	9,27%
Hypermarkets - Large Dimension, Supermarkets - Medium Dimension, Online	2	0,98%
Hypermarkets - Large Dimension, Supermarkets - Medium Dimension, Minimarkets - Small Dimension	10	4,88%
Hypermarkets - Large Dimension, Supermarkets - Medium Dimension, Minimarkets - Small Dimension, Online	2	0,98%
Supermarkets - Medium Dimension	39	19,02%
Supermarkets - Medium Dimension, Minimarkets - Small Dimension	20	9,76%
Supermarkets - Medium Dimension, Minimarkets - Small Dimension, Online	2	0,98%
Supermarkets - Medium Dimension, Online	6	2,93%
Minimarkets - Small Dimension	39	19,02%
Minimarkets - Small Dimension, Online	6	2,93%
Online	6	2,93%
Total	205	100%

Table E.7. Dimension and Type of commercial establishments. (Source: Created by the Author).

Average spend per trip to the grocery stores	Total	%
< 20€	31	15,12%
20€ - 50€	89	43,41%
50€ - 100€	63	30,73%
100€ - 150€	12	5,85%
150€ - 200€	7	3,41%
> 200€	3	1,46%
Total	205	100%

Table E.8. Average spend per trip to the grocery store.

(Source: Created by the Author).

Do you purchase ecological products?	Total	%
No	17	8,29%
Yes	188	91,71%
Total	205	100%

Table E.9. Choice to purchase ecological products.

(Source: Created by the Author).

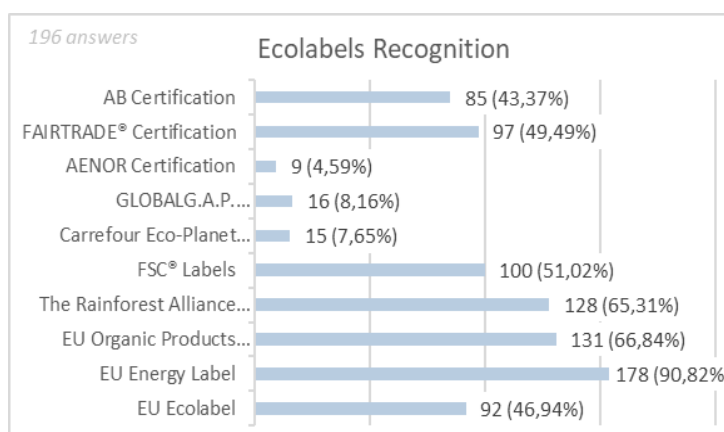


Figure E.1. Ecolabels Recognition. (Source: Created by the Author).

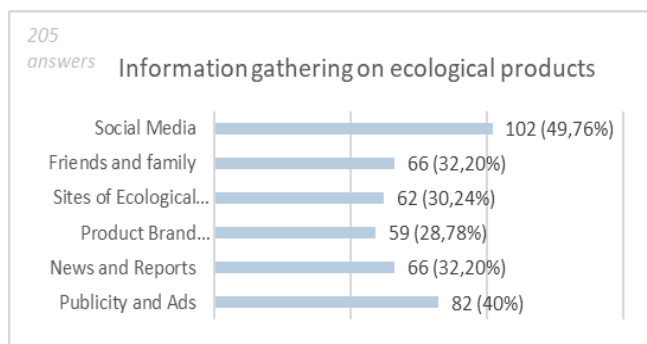


Figure E.2. Information gathering on ecological products.

(Source: Created by the Author).

Motive for purchasing ecological products	Total	%
Product Quality	29	15,43%
Product Sustainable Production	29	15,43%
Personal concern for the environment	78	41,49%
Personal preference over alternative products	9	4,79%
Encouragement/influence from friends and family	4	2,13%
All the above	39	20,74%
Total	188	100%

Table E.10. Motive for purchasing ecological products. (Source: Created by the Author).

Do you know the zero waste concept?	Total	%
No	21	10,24%
Yes	184	89,76%
Total	205	100%

Table E.11. Knowledge of the zero waste concept. (Source: Created by the Author).

Recycling Frequency	Total	%
Never	1	0,49%
Rarely	10	4,88%
Sometimes	27	13,17%
Frequently	47	22,93%
All the Time	120	58,54%
Total	205	100%

Table E.12. Recycling Frequency. (Source: Created by the Author).

Do you reuse items?	Total	%
No	5	2,44%
Yes	200	97,56%
Total	205	100%

Table E.13. Choice to reuse items. (Source: Created by the Author).

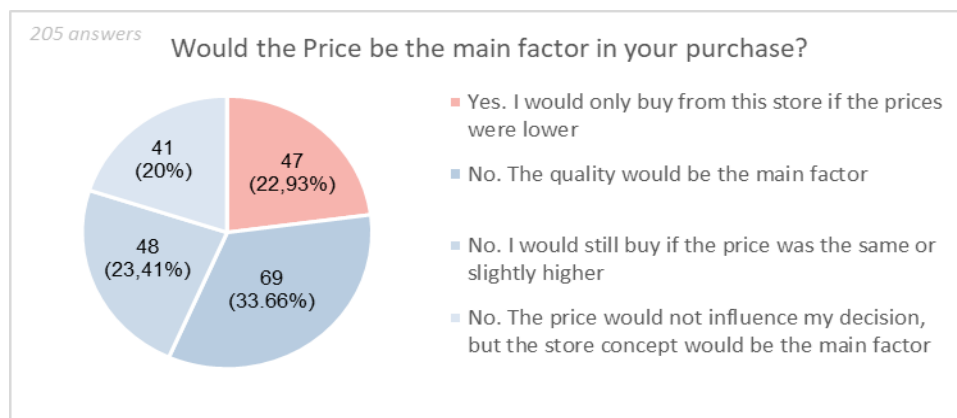


Figure E.3. Main factor of the purchase. (Source: Created by the Author).

Do you bring your own bags and containers to the grocery store?	Total	%
No	12	5,85%
Yes	193	94,15%
Total	205	100%

Table E.14. Choice to bring own bags and containers to the grocery store. (Source: Created by the Author).

Would you buy products at the expiration date?	Total	%
No	32	15,61%
Yes	173	84,39%
Total	205	100%

Table E.15. Choice to buy products at the expiration date. (Source: Created by the Author).

Would you buy food products made with products at the expiration date?	Total	%
No	50	24,39%
Yes	155	75,61%
Total	205	100%

Table E.16. Choice to buy food products made with products at the expiration date. (Source: Created by the Author).

Would you be interested in becoming a client with a membership card?	Total	%
No	65	31,71%
Yes	140	68,29%
Total	205	100%

Table E.17. Interest in becoming a client with a membership card. (Source: Created by the Author).

Appendix F. Grocery Store Products

1. Grocery Store Categories and Products	Sub-products
1.1. Grocery products:	
Olive oil, oil and vinegar	
Olive oil	Virgin; extra virgin
Oil	Sunflower; plant
Vinegar	White wine; balsamic
Rice, pasta and flour	
Rice	Long grain; carolino; steamed; basmati
Pasta	Elbow; macaroni; spiral; spaghetti; couscous; curves; noodle
Flour	Wheat; corn; starch
Mashed potatoes	
Mashed potatoes	
Dried vegetables* ²	
Bean*	Black-eyed beans; red beans; butter bean; black bean; green lentils
Chickpea*	
Corn*	
Dry fruits*	
Almonds*	
Hazelnuts *	
Nuts*	
Peanuts *	
Cashews*	
Pistachios*	
Plums*	
Apricots*	
Figs *	
Dates *	
Raisins*	
Sultanas*	
Pine nuts*	
Mixed nuts*	
Cereals	
Corn flakes	Several
Breakfast cereals	Granola; oats flakes; muesli
Fiber and muesli	Several
Line	Nestum flakes cereal
Porridge	Dried fruits and seeds; sesame and honey
Cereal bars	
Chips and snacks	
Chips	Sticks; smooth; gourmet; wavy oven
Snacks	Chips; veggie sticks; quinoa snacks; rice crackers; tortillas; rice cakes
Preserves and pâtés	

² *Products sold in Bulk.

Canned fruit	Pineapple in syrup; cherry in syrup; lychees in syrup; peach in syrup; mango pulp; seedless passion fruit pulp; fruit salad
Canned tomatoes	Tomato paste; concentrated tomato; tomato in pieces; peeled tomatoes
Canned vegetables	Green olive; black olive; green olive stuffed with pepper; sliced mushrooms; whole mushrooms; boiled peas; boiled white beans; boiled red beans; boiled black beans; boiled butter beans; cooked black-eyed peas; boiled chickpeas; sweet corn; pickled vegetables (cucumbers and pickles); specialties (asparagus and capers)
Canned fish	Tuna; sardine; specialty (anchovy)
Sausages	Poultry; vegan
Pâtés	Several
Packaged bread and toast	
Loaf bread	
Burger bread	
Hot dog bread	
Milk buns and croissants	
Breadcrumbs	
Wraps	
Coffees and teas	
Cafes	Grain; ground; tablets; soluble; mixtures and barley
Cafes	Delta q capsules; dolce gusto capsules; nespresso compatible capsules
Teas	Black, white and green; miscellaneous infusions; specialty infusions
Soups and meals	
Meals	
Powdered soups and creams	
Sauces and seasonings	
Sauces	Ketchup; mayo; mustard; spicy; soy; miscellaneous specialties
Broths	Broth; chicken broth; vegetable broth
Spices*	Cinnamon; nutmeg; pepper; sweet chili; chili and curry
Herbs	Garlic; cumin; laurel; oregano; fennel; mixtures and others
Salt	Rock salt
Sugar and sweeteners	
Sugar	Brown sugar; yellow sugar; coconut sugar
Sweeteners	Stevia sweetener
Cookies, biscuits and cakes	
Cookies	Maria and toasted cookie; cream cracker; water cracker; integral; digestive; covered and stuffed; wafer; miscellaneous specialties; assorted
Biscuits	
Cakes and pies	
Honey, jams and spreadable creams	
Honey	
Jams and sweets	Several
Marmalade and guava	
Spreadable creams	Chocolate and hazelnut cream; peanut butter
Sweets and chocolates	
Caramels and nougat	

Lollipop	
Drops and dragée	
Gummies	
Chewing gum	
Candies	
Chocolate (powder)	
Chocolate (tablets)	
Desserts and preparations	
Jellies	
Mousses	
Puddings	
Specialties	Several
Condensed and evaporated milk	
Toppings and decoration	
Release agents, dyes and aromas	Sodium bicarbonate
Coconut	Coconut milk; grated coconut
Yeast	
Soy and tofu products	
Condense soy	
Soy solid yogurt	
Fine soy	
Thick soy	
Tofu	
Vegetable seitan	
Vegetable burger	
Vegetable sausages	
Quinoa	
Baby food	
Fruit bag	
Dairy flour	
Non-dairy flour	
Cereal flakes	Nestum
1.2. Hortifrutis*	
Fruits*	
Citrus*	Oranges; lemons; limes
Apples*	
Pears*	
Stone fruits*	Red plum
Red fruits*	
Melons*	
Grape*	
Banana*	
Tropical and exotic*	Abacate; pineapple; kiwi; manga
Vegetables*	

Lettuce*	
Tomato*	
Carrot*	
Green beans*	Green bean
Cabbages*	Broccoli; cauliflower; savoy cabbage
Leaf vegetables*	Spinach; cress; arugula
Peppers*	
Micro and mini vegetables	
Mushrooms*	
Other vegetables*	Leek; beet; zucchini; cucumber; eggplant; ginger; radishes
Herbs*	
Thyme*	
Sage*	
Rosemary*	
Basil*	
Mint*	
Coriander*	
Chives*	
Celery*	
Conservation vegetables*	
Potatoes*	
Onions*	
Dried garlic*	
1.3. Fresh	
Butchery	
Poultry	Chicken and turkey
Bovine	
Pork	
Specialties	
Charcuterie	
Alheira and farinheira	
Bacon	
Chorizo	
Chouriço	
Poultry ham	
Linguiça	
Black pudding	
Mortadella	
Paio	
Ham	
Salpicão and salsichão	
Barbecue sausages	
Smoked and specialties	Smoked salmon
Refrigerated pasta	
Shortcrust pastry	

Puff pastry	
Dairy products (in fresh):	
Yoghurts (in fresh)	Several
Butters (in fresh)	
Margarines (in fresh)	
Cheeses (in fresh)	Several
Drinks (in fresh):	
Natural juice (100%)	
1.4. Frozen	
Meat	
Poultry	
Lamb	
Bovine	
Pork	
Fish	
Salmon	
Hake	
Cod	
Octopus and squid	
Octopus and squid	
Shellfish	
Shrimp	
Lobster	
Crab	
Crab sticks and preparations	
Vegetables	
Potatoes	
Simple vegetables	
Spinach puree	
Mix of vegetables	
Meals and preparations	
Pizzas	
Burgers and meatballs	
Fish sticks, breaded products, and Chinese crepes	
Salty snacks	Several
Meals	
Fruit	
Fruit	
Ice cream	
Liter format	
Multipacks	
Pastry and desserts	
Pastry	

Desserts	
Ice	
Ice	
1.5. Dairy products	
Milk	
Milk	Skimmed milk; semi-skimmed milk; full-cream milk
Eggs	
Eggs	Organic eggs; free range eggs
Creams	
Cooking cream	
Vegetable cream	
Bechamel sauce	
Alternatives to milk	
Soy vegetable drink	
Oat vegetable drink	
Rice vegetable drink	
Almond vegetable drink	
1.6. Drinks	
Water	
Still water	
Sparkling water	
Beer and cider	
Beer	
Cider	
Soft drinks	
Non-carbonated soft drinks	Frutea; frutis; tisanas
Carbonated soft drinks	Coca cola; sprite; frisumo; ginger ale; tonic water
Juices and nectars	
Juices	
Nectars	
1.7. Winery	
Wines	
Sparkling wines	
Sangria	
Whiskeys	
Spirituals	
Brandy	
Liqueurs	
1.8. Hygiene	
Body care hygiene	
Shower gel and soaps	Shower gel; liquid soap; bar soap

Deodorants	Roll-on; natural deodorant bar
Intimate hygiene	
Sanitary napkins/Pads	
Tampons	
Menstrual cup	
Oral hygiene	
Toothpaste	Couto toothpaste; coal; vegan toothpaste
Elixir and dental floss	
Hair care	
Shampoo	Solid shampoo; liquid shampoo
Hair conditioner	Solid conditioner; liquid conditioner
Intensive care and accessories	Hair mask
Hair spray and other modelers	Hair styling and styling gel
Cosmetics	
Face	Cleaning and hydration; cotton, wipes and discs; lip balm
Body	Milks and lotions; moisturizing creams
Toilet paper and tissues	
Toilet paper	
Tissues	
Shaving/Depilatory products	
Shaving/Depilatory products	Reusable stainless-steel blade; reload blades; natural shaving soap
Incontinence products	
Pads and wipes	
Baby care	
Diapers	
Baby wipes	
Bath	Baby body oil; baby shower gel; baby hair conditioner; baby shampoo
Talcum powder	
Health basics	
First aid	Adhesives and bandages; alcohol and hydrogen peroxide; povidone-iodine dermal solution; cotton and cotton swabs; dressings; saline solution; vaseline and almond oil
Health and wellness	Acetone; disinfectant gel; reusable covid-19 mask; condoms
Solar products	
Sunscreen	
Suntan lotions	
After sun	
Hygiene accessories.	
Toothbrush	Bamboo toothbrushes
Hairbrush	Bamboo hairbrushes
Nail brush	Wooden nail brush
Facial cleaning brush	Wooden facial cleaning brush; konjac sponge
Bath sponge	Luffa sponge; soap bag and glove;
Tweezers	

Pumice stone	
Nail file	
1.9. Cleaning	
Home, kitchen and bathroom	
Abrasives	Powder and cream; sanitary
All-purpose Cleaner	
Multipurpose Cleaner	Several
Degreasers	
Glass cleaner	
Kitchen accessories	
Reusable straws	
Reusable wrappers	Bee's vegan wrap; vegan wax bar for food wraps
Reusable shopping bags	Cloth bags; plastic bags
Cleaning accessories	
Bowls, buckets and sets	
Universal stick	Wood; metal
Mops and refills	
Brooms and shovels	
Mops and brushes	Wooden multipurpose brush; coconut fiber multipurpose brush; dishes wooden brush; luffa mop
Sponges	Compostable kitchen sponges; reusable sponges; compostable cleaning sponges
Mops, squeegees and dusters	
Cleaning cloths	
Gloves	
Trash bags	
Plungers	
Dishes	
Manual detergent	
Machine detergent	
Kitchen rolls and napkins	
Laundry	
Manual detergent	
Fabric softener	
Activators and stain removers	
Other clothing products	Stainless steel clothes pegs; wooden clothes pegs
Air fresheners	
Essential oils	Several
Diffusion sticks	
Insecticides and rodenticides	
Insecticides	Natural anti-moth cedar; citronella essential oil
1.10. Domestic animals	

Animal food*	
Rations*	Dogs; cats
Accessories	
Pet shampoo	Liquid shampoo for dogs and cats; solid shampoo for dogs and cats
Waste Bags	

Table F.1. Full List of Grocery Store Products. (Source: Created by the Author).

Appendix G. Suppliers

All the store suppliers and products brands available in the store are involved with the sustainability movement or the green movement, some are more committed than others.

Bar Suppliers	Grocery Store Suppliers
Delta	Delta
Unicer Bebidas de Portugal	Unicer Bebidas de Portugal
Recheio	Recheio
Mind the Trash	Mind the Trash
Pegada Verde	Pegada Verde
Gleba	Efeito Verde
	Campotec

Table G.1. Store Suppliers List. (Source: Created by the Author).

Appendix H. Financial Analysis

Each strategic and operational decision had to be assessed based on real data and estimations. The following values and rates, presented in this appendix, were calculated within the scope of the financial analysis.

		2023	2024	2025	2026	2027	2028
Total Sales		193 931	200 188	292 563	299 292	305 876	312 605
Total VAT Sales	23%	44 604	46 043	67 289	68 837	70 351	71 899
Sales of Goods		133 543	13 8350	197 237	201 773	206 212	210 749
VAT Sales of Goods	23%	30 715	3 1821	45 364	46 408	47 429	48 472
Sales of Products		60 388	6 1838	95 326	97 518	99 664	101 856
VAT Sales of Products	23%	13 889	1 4223	21 925	22 429	22 923	23 427
Services provided		0	0	0	0	0	0
VAT Services provided	23%	0	0	0	0	0	0

Table H.1. Sales. (Source: Created by the Author).

		2023	2024	2025	2026	2027	2028
Total Cost of goods sold (COGS)		109 505	113 447	161 734	165 454	169 094	172 814
Total Purchases		116 255	111 359	163 719	165 607	169 244	172 967
Total VAT Purchases	23%	26 739	25 613	37 655	38 090	38 926	39 782
Total Final Inventory f		7 145	4 932	7 062	7 224	7 383	7 546
Cost of materials	82%	109 505	113 447	161 734	165 454	169 094	172 814
VAT Purchases	23%	26 739	25 613	37 655	38 090	38 926	39 782
Purchases		116 255	111 359	163 719	165 607	169 244	172 967
Initial Goods Inventory		0	6 750	4 662	6 647	6 799	6 949
Final Goods Inventory		6 750	4 662	6 647	6 799	6 949	7 102
Production Costs	79,5%	48 009	49 161	75 784	77 527	79 233	80 976
Production Variation		395	-125	146	10	9	10

Initial Production Inventory		0	395	269	415	425	434
Final Production Inventory		395	269	415	425	434	444

Table H.2. Cost of goods sold (COGS). (Source: Created by the Author).

External Supplies and Services				2023	2024	2025	2026	2027	2028
Total External supplies and services				11 182	13 376	17 153	17 136	17 119	17 103
VAT External supplies and services				2 473	2 926	3 797	3 793	3 789	3 785
Expert Services	VAT	%Fixed C.	Monthly value	4 121	2 598	2 568	2 565	2 563	2 560
Advertising and marketing	23%	0%	297	2 419					
Surveillance and Security	23%	100%	38	309	472	467	466	466	466
Fees	23%	100%	127	1 034	1 579	1 561	1 559	1 558	1 556
Commissions	23%	100%	44	358	547	540	540	539	539
Materials				136	207	205	205	204	204
Office Materials	23%	100%	17	136	207	205	205	204	204
Energy and Fluids				1 218	1 859	1 837	1 835	1 833	1 832
Electricity	23%	100%	100	814	1 243	1 229	1 228	1 226	1 225
Gas	23%	0%	20	163	249	246	246	245	245
Water	6%	100%	30	240	367	362	362	362	361
Travel, Stays and Transport				163	249	246	246	245	245
Transport of Goods	23%	0%	20	163	249	246	246	245	245
Diverse Services				5 544	8 463	12 297	12 285	12 273	12 261
Rent	23%	100%	650	5 294	8 081	7 987	7 979	7 972	7 964
Cleaning, Hygiene and Comfort	23%	100%	320			3 932	3 928	3 924	3 921
Insurance	0%	100%	31	250	382	378	377	377	377

Table H.3. External Supplies and Services. (Source: Created by the Author).

		2023	2024	2025	2026	2027	2028
Personnel Expenses		46 219	77 810	94 269	95 939	97 642	99 379
Nº Employees		7	7	9	9	9	9
Management		3	3	3	3	3	3
Operational		4	4	4	4	4	4
Other				2	2	2	2
Total Basic Remuneration	Monthly value	29 610	55 479	66 878	68 215	69 580	70 971
Management	352,50	9 870	15 131	15 433	15 742	16 057	16 378
Operational	705,00	19 740	40 349	41 156	41 979	42 818	43 675
Other	352,50	0	0	10 289	10 495	10 705	10 919
Food Subsidy Total		8 080	8 080	10 389	10 389	10 389	10 389
Food Subsidy	104,94	8 080	8 080	10 389	10 389	10 389	10 389
Social Security		10 289	19 279	23 240	23 705	24 179	24 662
Single social tax Business		7 032	13 176	15 883	16 201	16 525	16 856
Single social tax Collaborators		3 257	6 103	7 357	7 504	7 654	7 807
IRS		0	0	0	0	0	0
IRS		0	0	0	0	0	0

Compensation Funds		22	42	50	51	52	53
Compensation Funds		22	42	50	51	52	53
Work Accident Insurance		296	555	669	682	696	710
Work Accident Insurance		296	555	669	682	696	710
Other Personnel Expenses		1 178	478	400	400	400	400
VAT		204	101	88	88	88	88
Hygiene and Safety at Work	4,59	257	33	42	42	42	42
Individual Specialized Equipment	13,25	742	422	358	358	358	358
Other	3,20	179	23	0	0	0	0

Table H.4. Personnel Expenses. (Source: Created by the Author).

				2023	2024	2025	2026	2027	2028
CAPEX				8 376	1 727	2 427	1 727	1 727	1 727
VAT				1 926	397	558	397	397	397
Tangible Fixed Assets	VAT	Amort. Years.	Amort. Monthly Values	8 376	1 727	2 427	1 727	1 727	1 727
Basic equipment	23%	10	31	2 515	246	246	246	246	246
Light equipment	23%	5	155	2 209	1 419	1 419	1 419	1 419	1 419
Transport equipment	23%	4	52	2 500					
Office equipment	23%	5	8	162	62	62	62	62	62
Other fixed assets	23%	10	14	990		700			
Intangible Assets				0	0	0	0	0	0
...									
Total Investment FM e CAPEX				-9 546	6 268	-3 057	1 419	1 337	1 328
Investment in Working Capital				-17 922	4 541	-5 484	-308	-390	-399
Investment in Fixed Capital (CAPEX)				8 376	1 727	2 427	1 727	1 727	1 727

Table H.5. CAPEX. (Source: Created by the Author).

Balance sheet and Income Statement	2023	2024	2025	2026	2027	2028
Balance sheet						
Non-current Assets	23 743	18 292	23 910	23 907	24 399	24 806
Current Assets	206 290	238 593	295 747	313 097	331 513	362 636
Inventory	7 145	4 932	7 062	7 224	7 383	7 546
Clients	0	0	0	0	0	0
Cash and bank deposits	199 145	233 662	288 685	305 872	324 130	355 090
Equity	207 906	240 595	296 687	313 631	332 058	363 093
Non-current Liabilities	0	0	0	0	0	0
Current Liabilities	25 067	18 313	25 927	26 398	26 947	27 509
Income Statement						
Sales	193 931	200 188	292 563	299 292	305 876	312 605
EBITDA	71 301	-15 540	8 582	9 802	11 060	23 319
Tax	-11 945	0	-329	-376	-456	0
Net Income	57 906	-17 311	6 091	6 944	8 426	21 035

Table H.6. Main indicators of Balance sheet and Income Statement. (Source: Created by the Author).

Investment, Depreciations and Amortizations	2023	2024	2025	2026	2027	2028
CAPEX (Investment)	8 376	1 727	2 427	1 727	1 727	1 727
Tangible Fixed Assets	8 376	1 727	2 427	1 727	1 727	1 727
Basic equipment	2 515	246	246	246	246	246
Light equipment	2 209	1 419	1 419	1 419	1 419	1 419
Transport equipment	2 500	0	0	0	0	0
Office equipment	162	62	62	62	62	62
Other Fixed Assets	990	0	700	0	0	0
Intangible Assets						
CAPEX (Balance sheet)	6 926	6 883	7 149	6 394	5 943	5 261
Tangible Fixed Assets	6 926	6 883	7 149	6 394	5 943	5 261
Basic equipment	2 264	2 233	2 179	2 099	1 996	1 608
Light equipment	1 767	2 460	2 869	2 995	2 837	2 837
Transport equipment	1 875	1 250	625	0	0	0
Office equipment	130	147	152	145	125	125
Other Fixed Assets	891	792	1 323	1 154	985	816
Intangible Assets						
Depreciations and Amortizations Value	1 450	1 771	2 161	2 482	2 178	2 284

Table H.7. *Investment, Depreciations and Amortizations*. (Source: Created by the Author).

Equity	2023	2024	2025	2026	2027	2028
Share capital	150 000	200 000	250 000	260 000	270 000	280 000
Net Income	57 906	-17 311	6 091	6 944	8 426	21 035
Retained Earnings		57 906	40 595	46 687	53 631	62 058
Total Equity	207 906	240 595	296 687	313 631	332 058	363 093
Variations Equity	207 906	32 689	56 091	16 944	18 426	31 035

Table H.8. *Equity*. (Source: Created by the Author).