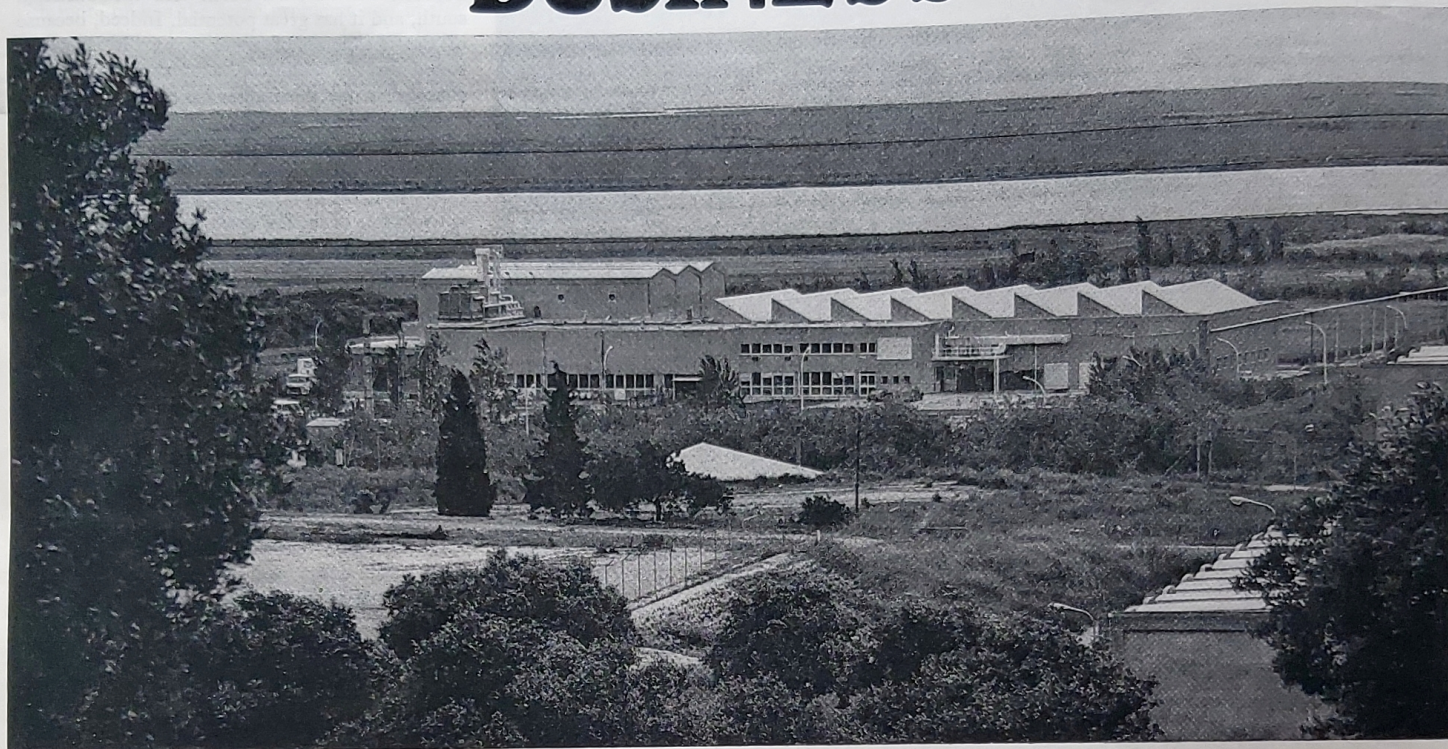


A SUNSHINE BUSINESS



Iglo-Industria de Gelados Limitada, Portugal, is a small but expanding business now employing more than two hundred people. Recently the slogan for the Rajá brand was changed from 'The Best There Is' to 'Better than Ever' - 'Melhor que Nunca'. This report explains the background to the change and the claim.

Jim Twiss was looking forward to the week-end. It was three o'clock on a Friday afternoon in Gloucester, England. Being a product manager for ice-cream, Twiss reflected, might be a rewarding job, but it was also an exhausting one.

When, a few minutes later, he heard a voice telling him that he was going to Portugal he had to pinch himself to be convinced that he was really awake.

'There's a plane early Monday morning,' the voice went on. 'We'll make all the arrangements.'

The new factory at Santa Iria is on a level site beside the Tagus estuary, with ample space for expansion



Marinus Böncker (right) from Rotterdam Engineering Department will soon be leaving the factory after being there eighteen months to help get it started. He is seen in the chill room talking to maintenance supervisor Luis Esteves

If Twiss's arrival in Portugal early on a Monday afternoon in December 1969 was somewhat unorthodox - even for a young Unilever trainee - it came at a time of exceptional change and opportunity. Unilever had entered the ice-cream

business in Portugal as recently as 1959 with the acquisition of a small factory in the centre of Lisbon that had started as an ice plant and was later selling ice-cream under the brand name of Esquimó. For some years the company made slow progress. Then, in 1966, the business underwent a dramatic change by means of a surprisingly simple form of promotion. A wide range of little plastic models of Walt Disney figures - Snow White and the seven dwarfs, Bugs Bunny and other characters - were distributed with each ice-cream. The marketing men were delighted when sales doubled in a season. And sales continued to rise to a lesser degree in subsequent years. Olá's main competitor was Rajá, which was quick to follow the idea of plastic models to aid sales, with a similar if less sensational result, thus broadening the whole basis of the market.

A New Start

Increased sales put a considerable strain on the Olá factory, the productive capacity of which was very limited. Space was at a premium, there was no room to expand, and it was difficult for vans to get in and out of the narrow entrance into the



There is light and space everywhere in the new factory, an effect emphasized by the red-tiled floors, the blue walls, and the silver and white of the pipelines



Water ices are an important part of the company's business. Its two Gram Ria machines are kept in full production. Operating this one is Maria Elisete Morgado

surrounding busy streets. It was decided to start from scratch and build an entirely new plant.

At Santa Iria de Azoia, beside the River Tagus, to the east of Lisbon, the margarine company Fima* had a refinery, factory and warehouse on a large level site with plenty of space for future expansion. Here was an ideal situation for the new ice-cream factory where employees of the company would also be able to share the existing canteen, medical and laboratory facilities.

Rajá was finding it difficult, too, to produce all it wanted for rather similar reasons. It made commercial commonsense when at the end of September last year Unilever and its Portuguese partners acquired Rajá and moved its production to the new Santa Iria factory.

Rajá had been in the ice-cream business some years before Unilever had come to Portugal. Its small factory was tucked away in the thickly wooded hills of the Parque de Monsanto to the west of Lisbon and had originally been established by its owners to make wine casks. Later they turned to making sweets and chocolates. Then, in the early fifties, with the technical advice and know-how of a manufacturer in Milan, they began making ice-cream.

Planning a Flow

Starting an ice-cream factory from scratch at Santa Iria had many advantages, but there were snags too. The site was some miles from the city and although many of the employees were prepared to make the longer journey (it is, in fact, obligatory by Portuguese law for a company to provide transport for its workers when a factory is moved to a new site) it was still necessary to recruit and train a number of new employees.

In the course of recruitment it was discovered that workers of all ages from the nearby village of Sacavem, where the Lever side has an expanding detergent and toiletries plant, had a markedly greater inborn understanding of the demands of industry than those from elsewhere. The explanation lay in the fact that there were several century-old businesses in the area, including a pottery whose decorative coloured tiles grace so many thousands of Lisbon homes. Training presented no problem. Much of it was done in Lisbon but for some of the advanced techniques, sixteen employees went to the Langnese-Iglo factory at Heppenheim in Germany (see article

* The company is part-owned by Unilever



Maria do Rosario is checking the relative weight and volume of products, a task that has to be done continuously

on pages 12-17 of this issue).

Two great benefits of planning from the drawing board stage were that it was possible to evolve a factory with a rational flow pattern and a proper sequence of processes from the intake of raw materials to the storage and despatch of finished products and, before doing so, to seek advice from other Unilever ice-cream units, in particular, the Langnese factory in Germany.

From All Over Europe

The result is a small but very modern plant built in eighteen months, most of its equipment brand new, and with a distinct international flavour since it comes from the United States, Holland, Britain, Germany, Denmark and local suppliers. The old Olá factory ceased production in July 1970 and the combined Olá and Rajá administration staff joined forces at Parque de Monsanto where there was spare office space.

The international pattern of production finds an echo among the members of the management. Much of the planning and the design of the new factory was carried out by the Engineering

Department in Rotterdam. For eighteen months Marinus Böncker was at the site to see that everything went according to plan. Soon he will be returning with his family to Holland. Erich Brumm, the works manager, is of German extraction though he was born in Portugal. The man with the longest experience of the ice-cream trade is 'the father of the company', Manuel Madeira, who was in charge of the old Olá plant before it was acquired by Unilever. Now he devotes himself to developing new products thought up by Marketing.

Among the products Madeira has been working on is a type of ice-cream gateau similar to that sold by the Unilever ice-cream company of Algida in Italy. This illustrates one of the problems of the Portuguese ice-cream trade as a whole - it has few, if any, specialities that it can call its own; in the past the chief influence has been from Germany. A comparatively young industry in Portugal, ice-cream has been in the happy position of being able to take advantage of other countries' mistakes and successes. The company has adopted with great success the 'Paiper', an ice that can be pushed up inside a container by means of a stick, an idea evolved in Italy, and has adapted various English lines.

Fighting Prejudices

Until the last few years comparatively little market research had been carried out by the Portuguese ice-cream business. What had always been evident was that it suffered from a number of prejudices and traditions. After fourteen years on the detergents side of the business, sales manager Pedro Pereira da Cruz finds selling ice-cream is a very different matter. He puts the problem in a nutshell when he says: 'The Portuguese only eat ice-cream when it is warm and the sun is shining.' A wet or cloudy day, even if it is warm, means few sales and people do not get back into the mood for eating it until the day after the sun has begun to shine again. It is as if they needed convincing that the sun really meant to stay out. 'Rain, clouds, are a psychological barrier to sales,' he says.

The season starts sluggishly in March, rising to a peak in July when sales are twice those of June, and ends in September. There are almost no sales in October, November and December when the opportunity is taken to recall the cabinets in the shops and overhaul them for the season ahead.



Olá's and Rajá's most important customers - children between seven and eleven years of age

The Portuguese regard ice-cream more as a refreshment than as a food, or as part of a meal. Pereira da Cruz points out that there is a long-standing belief that ice-cream should never be eaten after a meal. 'It is bad for you because it freezes the stomach,' the old wives say.

These are serious handicaps to sales but that they can be overcome was proved in post-war Britain when salesmen began going out into country districts in the depth of winter and the deepest of snows and successfully sold the idea of eating ice-cream under such conditions. The idea of eating ice-cream in winter has also been successfully put over in other countries of Western Europe. And no people enjoy their ice-cream more than the Icelanders.

Young Customers

A closer look at the market has shown that Olá's and Rajá's best customers are children between the ages of seven and eleven, and helps to explain why more than half the company's turnover is achieved by products for children, such as water ices. Up to the age of fourteen boys eat more ice-cream than girls; beyond the age of fourteen the position is reversed. One reason for this is that the boys go to work earlier than the girls and quickly throw aside the habits of their childhood. And soon after they have started work the young men have to do national service in the army, often overseas.

As in many other countries novelty and change make a big impact on ice-cream sales, and products tend to come and go quickly. Indeed,



Sales outlets at the many excellent camping sites throughout Portugal represent an increasingly promising trade

over three-quarters of the trade is in rather unpredictable 'impulse' lines. At the moment anything with a hint of overseas or the world of pop about it acquires an added aura for young people. Packs must echo this spirit of change. When Rajá was taken over it was felt that its packaging was rather grey and humdrum. Daniel Drummond came from Thibaud-Lintas, Paris, and planned the redesign of the entire range of Rajá lines, giving them a distinctive pop-art touch. Only the style of

lettering for the Rajá chocolates and sweets remained unchanged since they appealed to a more conservative market.

From the Coast to the Hills

A long, comparatively narrow country like Portugal, in which the main centres of population tend to be on or near the coast, presents many distribution problems. In the sparsely populated northern and eastern areas bordering on Spain, distribution is through wholesalers. Elsewhere it follows a more familiar pattern, the company using its own vans based on five main centres of population: Oporto in the north, Coimbra almost in the centre of the country, Evora east of Lisbon, Faro in the extreme south of the lush Algarve, and by far the most important, Lisbon itself. The city has a ninth of the country's population of nine millions and over half of the company's business.

Besides the normal cabinets in shops, sales are made through kiosks at well-frequented places such as the seaside, by men on tricycles, and by men with boxes slung on their shoulders. In all its outlets only one brand, Olá or Rajá, is on sale, never the two together. The kiosk girls and the tricycle men are not company employees but are paid on commission and their hours of work are very dependent on the sun shining.

The sellers at special events are part-timers who have another job during normal working hours and their selection often presents a problem. 'It is no good sending a football enthusiast to sell ice-cream at a football ground,' points out da Cruz. 'He'll start watching the football instead of



The Central da Baixa restaurant is in the Rua Aurea, one of the best shopping streets in Lisbon, and has a popular Rajá cabinet at its entrance

selling ice-cream. And when a top team such as Lisbon's Benfica is winning – and Eusebio is in the team – a lot of people begin wanting ice-cream.' The same principle applies to the choice of sellers at bullfighting, the season for which begins as soon as football ends. The beach sellers are often men whose normal work is at night but who want to earn some extra money during the summer. And da Cruz continually stresses the fact that because of the dependence of sales on the sun shining 'ice-cream must go to the customer' since he has not yet acquired the habit of going out of his way to buy it. A typical major event is the annual religious pilgrimage on 13th May to Fatima. A spell of fine weather may bring 100,000 visitors, but indifferent weather only a tenth that number, posing a nice problem of how many vans and how many men with ice boxes should be got ready to quench the thirst of the pilgrims.

New Lines, New Fields

Today, the company is strenuously trying to broaden its business. It is encouraging people to buy ice-cream to take home and eat as a dessert, and it is offering them more sophisticated family lines such as Olá's Romanoff and Lorraine family tubs and Rajá's equivalent Morango and Tutti-Frutti. The plain brick – for long a favourite in England – was not a success in Portugal, probably because it was not distinctive enough. Particularly attractive are the smaller Folie Jamaica and Fiesta, packed in an upright clear plastic goblet.

This year the company has started a catering division with attractive lines on offer such as a



Jim Twiss, marketing, demonstrates the stability of the plastic figure that won an Oscar for Olá at the 1970 international point of sale exhibition in Paris

peach brandy flavour. Ice-cream rarely appears on a restaurant menu and there are clearly great possibilities of expansion in this direction, in hotels, on camping sites, and in all those areas where the tourist is so luridly invited to 'be a guest of the sun'. Ice-cream has, however, been supplied for some years to the big ships of all nations that use Lisbon and Oporto. There are expansion opportunities, too, in increased sales to Portugal's overseas territories.

Problems of Promotion

At the 1970 international point of sale exhibition in Paris an ingenious coloured figure standing over two feet high won for Olá an Oscar, the first ever awarded to any Portuguese company. The highly successful plastic model promotion of recent years has been followed by another equally simple, and which promises well. By buying Olá, children can collect picture sets of birds, animals and aeroplanes printed in Letraset form which they can then print down on to coloured plans. Rajá has a parallel scheme featuring great discoverers of the world – Christopher Columbus, Marco Polo, Vasco de Gama, James Cook, Pedro Álvares Cabral, and Fernao de Magalhães. It is a particularly appropriate idea for Portugal since all the explorers, with the exception of Marco Polo and Cook, set out on their journeys from Lisbon.

It is appropriate, too, for a nation that is proud of its history and the fact that its language is now the mother tongue of 130-million people, including those of Brazil, and is the sixth most widely spoken language in the world.

R.L.W.