**PEZZO FILIPPO**

The analysis of the supply side of a market hinges on various, diverse factors that influence in their own proportion the extent of occurring transactions. In order to present the most general picture possible, the indicators considered address factors starkly distinct in nature, that all find foundation in the notion of average price, the quotient of market revenues and production volumes. The goal of this section is to offer hypotheses regarding variations to average price, drafted from a comprehensive overview of said factors’ marginal change within the same year. An important premise to state is that represented data regards more generally the food manufacturing sector as a whole rather than the snack market subset.   
A characteristic standing out in the Portuguese market is an expansive supply throughout the period of study, only deviating from this trend between 2016 and 2018. As observed in the relative graph, the average price of the good of study never goes beyond a minimum of €5,80 and a maximum of €6,80, with all yearly values settling between these two.   
The initial contraction of demand seen until 2012 coincides with a fall in active enterprises and in-sector employment, and could hypothetically be tied to the banking crisis occurring within the same time frame, link strengthened by the drop in labour cost, investment success rate and gross operating surplus. Important to note is the reduction in labour cost parallel to that in employment and gross operating surplus, indicating an increase in price in other production factors, namely raw materials. Despite increasing production costs, the sharp decrease in competition allowed for an adjustment process ending on a lower price yet higher supply.  
A period of supply and demand expansion, proven by stable prices and increasing quantities, was followed up in 2016 by a sudden contraction of supply. The observed increase in average price allows to hypothesize a stable demand through this time. On the other hand, its counterpart experiences a variation difficult to justify, with measured volumes essentially returning to the prior year’s value. In terms of the aforementioned factors, the cost of labour had been growing since 2013, but not to such an extent that would confidently tie the two events together, especially considering its unvaried trend in later years, together with that of employment. The successive logical assumption would be analysing the cost of raw materials but, as proven by an increasing gross operating surplus, again creating a link between the two seems far-fetched. Moreso, an almost unvaried number of active enterprises and market concentration in the top ten companies, leaves no evident conclusion to be made. Nonetheless, comparing such data to the global scale shows that such a contraction is isolated to Portugal, and as such is most likely do to variations in national economic policy, possibly following new food manufacturing regulations. A factor pushing for this conclusion would be an observed local minimum in the investment success rate, demonstrating a diminishing confidence in local food manufacturing.   
Despite the sudden shift in trend mentioned earlier, Portuguese supply returns to its expanding trend up, maintaining it throughout the COVID19 pandemic until 2022, when a sudden price drop occurs. A purely hypothetical claim would be addressing it as a reaction to the end of national lockdowns and a shift in preference towards foods outside of retail sale. A more data-backed interpretation would consider the rise in active enterprise and in gross operating surplus and justify it as a general increase in the competitiveness of the food manufacturing sector, as proven by a decrease in average share value (in terms of % of market value). Other ties could be made linking the decrement in the cost of production factors to it, but due to a lack of data following 2022, they cannot be made with full confidence.   
Other defining characteristics that stood out in the analysis process and were deemed relevant regard the unvarying trend of market concentration, settling towards 30% for the first ten companies and around 23% for the first four. Other than communicating a stable leadership of the food manufacture sector, it is indicative of a tendentially oligarchic market, at least from a competition standpoint.

**FINE PEZZO FILIPPO**

**Market Outline, supply side**

The Portuguese snack market, valued at €2,209.7 million in 2024, has evolved significantly in recent years, driven by a growing preference for health-conscious products and a global shift toward sustainability and ethical production. While traditional snacks remain popular, consumers are increasingly opting for products that align with modern dietary trends, such as organic, low-calorie, and locally sourced options. Themarket is divided into four key sub-sectors—confectionery, ice cream, savory snacks, and sweet biscuits, snack bars, and fruit snacks—each contributing in a balanced way to its overall value. Since 2015, the market has grown by approximately 67.64%, increasing from €1,318.1 million.

**Competitor Landscape**

In this competitive space, international giants such as Unilever, Mondelez, PepsiCo, Ferrero, and Nestl´ e dominate with extensive product portfolios and well-established brands, making up to 33.5% of the overall Portuguese snack market (2024). However, local companies like Viera de Castro continue to play an important role (altogether adding up to 5.6% in 2024), leveraging their knowledge of Portuguese consumer preferences and offering products that cater to regional tastes. Regulatory pressures, particularly around health labeling and sustainability, are also shaping the market, forcing companies to innovate and adapt. To better understand Portugal’s competitive landscape, it is essential to examine the key players more closely: • Unilever: Unilever is a market leader, holding 17.0% of the market share (2024), reflecting steady growth from 15.1% in 2015. Known primarily for its dominance in the ice cream sector (63.9%), Unilever’s brands like Magnum and Cornetto are ever-present in supermarkets. The company’s ability to cater to premium and indulgent consumer segments has helped it maintain a competitive edge, despite the shifting market dynamics towards healthier options. • MondelezInternational: known for its strong presence in the global snack industry, Mondelez has seen a decline in its market share in Portugal, from 9.0% in 2015 to 5.2% in 2024. Despite this, its brands, such as Oreo and Milka for the sweet tooth, as well as TUC and Triunfo in the savory section, continue to perform well. 14 • Ferrero: with brands like Ferrero Rocher, Kinder, and Mon Ch´eri, Ferrero has managed to grow its market share, increasing from 4% in 2019 to 4.9% in 2024. Ferrero’s premium branding and reputation for quality make it a formidable competitor in the confectionery space (holding 17.5% of this sub-market in 2024). Furthermore, its steady innovation in seasonal products (e.g., holiday chocolates) reinforces its position. • PepsiCo: it holds the highest share of the savory snack market in Portugal, commanding with 17.4%. Known for its iconic brands like Lay’s and Cheetos, PepsiCo competes indirectly with Viera de Castro through the salty snack segment. Its products enjoy widespread availability across supermarkets and convenience stores, making it a strong player in the broader snack category. • Nestl´ e: holding 2.6% of the snack market, Nestl´ e mainly competes in Confectionery (8.5%) with brands like Kit Kat and Smarties. Though smaller in terms of market share compared to its global competitors, Nestl´e benefits from strong consumer trust and a reputation for family-friendly, high-quality snacks.

**Product Innovation and Trends**

Competitors in the Portuguese market, both local and international, have been quick to adapt to waves of innovation, launching new products that align with trends and/or lifestyle choices like veganism, low-sugar snacks, and eco-friendly packaging. For example, Mondelez has introduced low-sugar versions and plant-based alternatives of its popular Oreo and Milka brands, capitalizing on the global trend toward reducing sugar consumption without sacrificing flavor. Additionally, Ferrero has been experimenting with vegan-friendly products under its Kinder line, catering to the growing demand for plant-based alternatives. In terms of sustainability, the two companies are actively promoting their efforts to source ingredients through fair trade or sustainable agriculture programs. These initiatives, like Mondelez’s Cocoa Life Program, not only enhance brand image but also resonate with consumers who are making more ethical purchasing decisions. Eco-friendly packaging is another area of innovation. Nestl´ e and PepsiCo have made significant strides in this space, with the latter committing to using 100% recyclable packaging across its snack lines by 2025, while the former has introduced packaging made from biodegradable materials, a move that appeals to environmentally conscious consumers. Meanwhile, Imperial has positioned itself as a health enhancing alternative, labeling a selection of products with branding such as “Chocolate x Colesterol” and “Chocolate x Cardiovascular disease”, to highlight their potential health benefits.

**Marketing and Advertising Strategies**

Marketing and advertising play a crucial role in shaping brand perception and driving sales within the competitive snack market. The major market players have different approaches to their marketing strategies: 15 • Unilever focuses heavily on digital advertising and influencer marketing, particularly with its ice cream brands like Magnum and Ben & Jerry’s. These campaigns are often designed to align with social causes, leveraging influencer partnerships to enhance brand visibility across social platforms. • Mondelez, for example, utilizes a balanced mix of TV ads, especially during high consumption seasons, and social media campaigns to reach younger audiences. Brands like Oreo and Milka are frequently featured in influencer collaborations on platforms like Instagram and TikTok, where they engage with their primary audience of millennials and Gen Z consumers. • PepsiCohasleaned heavily on digital marketing to enhance consumer engagement, leveraging innovative strategies tailored to online platforms.The Lay’s brand has been particularly successful with interactive digital campaigns, such as social media challenges and the ”Do Us a Flavor” contest, which thrives off customer interaction. These campaigns are designed to engage younger audiences through platforms like Instagram, TikTok, and Twitter, tapping into viral trends and social media engagement Interesting outliner: Kellanova. This company joined the Portuguese snack market only last year but already holds a share worthy of attention: 0.8%, placing it 17th overall. The company has made a significant impact in both the savory snacks segment, where it ranks 6th in the country, holding a solid 2% of the market, and in the Sweet Biscuits, Snack Bars and Fruit Snacks as well (1.3%).