

**DIGITAL MARKETING PERFORMANCE
MEASUREMENT: HOW GOOD MARKETING
PERFORMANCE MEASUREMENT PRACTICES CAN
INCREASE FIRM'S PERFORMANCE**

THE CASE OF FORALL PHONES

Rodrigo Vieira Castilho

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Supervisor:

Prof. Hélia Maria Gonçalves Pereira, Prof. Auxiliar, ISCTE Business School, Departamento de Marketing, Operações e Gestão Geral

Co-Supervisor:

Prof. Nuno Alexandre Guerreiro Pedro, Prof. Convidado, ISCTE Business School, Departamento de Marketing, Operações e Gestão Geral

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“What cannot be measured cannot be managed” – Peter Drucker

“Measure what is measurable, and make measurable what is not so” – Galileu Galilei

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ABSTRACT

The main purpose of this case study is to analyse the impact of good marketing performance practices on firm's results, by using financial metrics.

With digital improvement, it has become easier to measure marketing efforts. Hence, this project is focused on Forall Phones' digital marketing performance measurement process, on how performance indicators are chosen, communicated and used to lead to strategic decisions, and if this department is creating value for the company.

The measurement process used is one of the firm's competitive advantages, with a constant monitoring of the trade-off between costs and benefits, in order to provide a clear vision of what is most profitable for the department. There is a clear focus on what is highly quantifiable and measurable and the establishment of objectives and target audiences, and their constant monitoring, allowing a more effective way of channelling efforts in this direction.

Despite the high investment in marketing and, since the professionalization of the department, the considerable increase of the results at the level of sales and revenue, there is not enough data to clearly highlight it from the rest. One possible justification is that the department does not make a forecast of ROI with its respective monitoring, which would allow knowing all the profitability of the marketing, as well as perceive gaps and its causes, which would provide a more effective budget management, through a better resources' allocation.

Keywords: digital marketing, marketing metrics, marketing performance measurement, ROI marketing

JEL Classification System: L25 Firm Performance: Size, Diversification, and Scope

M13 Start-ups

M31 Marketing

RESUMO

O presente caso de estudo tem como principal propósito analisar o impacto de boas práticas de medição da performance do marketing nos resultados da empresa, usando métricas financeiras.

Com o avanço do digital, tornou-se mais fácil medir os esforços de marketing. Assim, este projeto está focado no processo de medição de performance de marketing digital da Forall Phones, na maneira como os indicadores de performance são escolhidos, comunicados e usados para tomar decisões estratégicas, e se o departamento de marketing está ou não a criar valor para a empresa.

O processo de medição usado tem sido uma das vantagens competitivas da empresa, havendo uma constante monitorização de custos relativamente aos benefícios, de modo a proporcionar uma leitura clara do que é mais rentável para o departamento. Existe um foco claro nas métricas altamente quantificáveis e mensuráveis e o estabelecimento de objetivos e de públicos-alvo, e sua monitorização, permite um foco mais claro daquilo que se pretende, canalizando os esforços nesse sentido.

Apesar do elevado investimento em marketing e de, desde a profissionalização do departamento, os resultados ao nível de vendas e receita terem aumentado consideravelmente, não existem dados suficientes para o destacar, claramente, dos restantes. Uma possível justificação é o facto de o departamento não fazer uma previsão de ROI com uma monitorização do mesmo, o que permitiria saber toda a rentabilidade do marketing, bem como perceber desvios e causas dos mesmos, proporcionando uma gestão do budget mais eficaz, através de uma melhor alocação de recursos.

Palavras-Chave: marketing digital, métricas de marketing, medição de performance, marketing ROI

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1. CASE STUDY CONTEXT

1.1. THE PROBLEM

With the economic crisis that rose in Europe, several countries, including Portugal, have implemented severe austerity measures, such as wages cuts or an increase in direct and indirect taxes, leading to a fall in family incomes, also due to the increase in the unemployment rate. Because of this, many consumption patterns have had to be altered, changing some household behaviours regarding their hierarchy of priorities. In addition to the families, many companies also entered a cost containment phase, leading to collective redundancies, lower wages and an increase in the number of working hours. The need to justify investment has been increased over the last years and, then, today the need for results is mandatory.

These days, organizations are optimizing costs, so it is required for all departments to be financially accountable. Due to this, the need for measurement is indispensable because without measurement it is impossible to be accountable. The growing pressure within the companies to attain results and outcomes has been leading to the measurement of the return on marketing, treating marketing expenditures as an investment and not as cost (Schultz & Gronstedt, 1997 *as cited in* Seggie, Cavusgil & Phelan, 2007), being possible to compare them to other assets or departments, enhancing the marketing function as a crucial role in the business strategy. Marketing Science Institute (MSI) in a *Journal of Marketing* article (2004), emphasizes that marketing only would have “a seat at the table” if linked to financial performance. The same institution suggests that marketing will continue losing points to other departments, if they continue focusing only on soft measures, as brand awareness.

In fact, there is evidence that senior management is much more demanding, requiring information of the return on investment (ROI) from the campaigns the marketers are carrying out, owing to the substantial amount of financial resources they manage (Seggie *et al.*, 2017). In the 2017 VisionEdge Marketing (VEM) report, research from KPMG was tinted, suggesting that 9 in 10 organizations “expect their CEO to lead the organization on a strategic growth trajectory”. Research by CMO Council and Deloitte was also emphasized in which “almost 70% of CEOs now expect CMOs to lead revenue growth” (VEM, 2017).

In this sense, this case study was focused on three main goals: first, to analyse Forall Phones, focusing on their marketing department and how they measure the digital marketing performance, as well as to explore the involved market, analysing its potential and characteristics. Second, to study the importance of measuring the performance of digital marketing, by adding financial indicators linked to the business outcomes and, finally, to define solutions to improve the level of performance measurement in Forall Phones.

1.2. MACROECONOMIC OVERVIEW

The economic crisis that began in 2008 was felt a bit throughout all Europe, and Portugal was no exception. Economic adjustment programs were necessary, bringing high tax burdens to the Portuguese, wages below the European average and many cuts on salaries. Although the crisis effects have been softened over the years, Portugal continues to have a large fiscal burden compared to monthly gross wages, lower wages and with one of the lowest wages in Europe.

In March 2018, 764.2 thousand workers were covered by the national minimum wage, representing 22.9% of the active population in Portugal (Eurofound, 2018). According to Eurofound (2018), these numbers put Portugal at the top of the list of European countries with the highest percentage of people living on the minimum wage, only surpassed by Romania and Estonia (See Appendix 1).

The current gross Portuguese minimum wage is 600 €, 20 € higher than the previous year (Eurofound, 2018). These figures placed Portugal as the 12th country in Europe with the highest minimum wage in 2018, far below the values practiced in Luxembourg (the first country on the list with a monthly minimum wage of 1.998,6 €) and even the neighbour Spain, whose salary has increased to 900 € in 2019 (See Appendix 2).

It is not only in the minimum wage that Portugal is at the base of the European Union's (EU) wage pyramid. A Portuguese has to work 4 months to earn the same as a Dane wins in a single month. The average Portuguese gross salary in 2017 was 1.017€, below the EU average of 2.000€ (Adecco and Barceló y Asociados, 2017). According to a study by Adecco and Barceló y Asociados (2017), Portugal was the 10th EU country with a lower average salary, far below Denmark, which with 3.807€ leads the list of countries with the highest gross monthly remuneration (See Appendix 3).

Since the beginning of the crisis, the Portuguese people have suffered severe salaries' cuts. Since 2008, the direct income taxes, have led the Portuguese to deliver much of their income to the state, through direct and indirect taxes. The Portuguese tax burden contribution reached its highest records in 2018, contributing with 35.4% to GDP, according to INE (2018), surpassing the previous year, with a contribution of 34.4% (INE, 2017) (See Appendix 4). Despite this high tax burden, the weight of taxes and social contributions in Portugal is still lower than the average in the EU. Compared with the rest of the Member States, Portugal is below average (INE, 2017) (See Appendix 5).

The years after the crisis were black years regarding the unemployment rate in Portugal. In 2013, unemployment reached a 16.2% rate, a new record (Pordata, 2017). Since then, there has been a steady decline since reaching the lowest level in recent years, with 6.7% (See Appendix 6) in October 2018, according to Eurostat (2018). Today, according to Pordata (2018), the Portuguese unemployment rate is in line with the European Union average, with the same value (See Appendix 7).

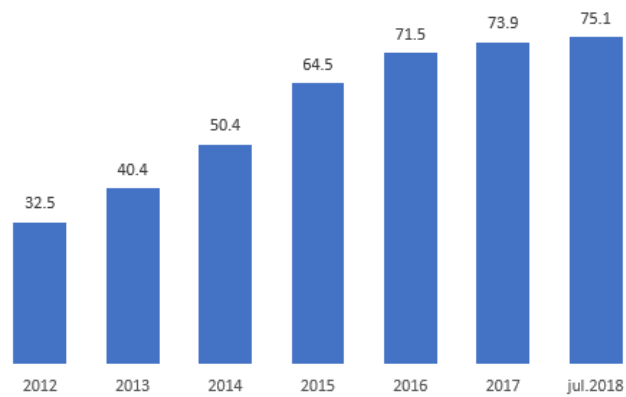
1.3. MARKET ANALYSIS - EXTERNAL ANALYSIS

1.3.1. SMARTPHONES MARKET IN PORTUGAL

According to the International Data Corporation (IDC) European Mobile Phone Tracker, in 2009, one year after the crisis, in the technological sector, 622 thousand smartphones were sold in Portugal, representing a decrease of 28% when compared to the previous year. For the European Research from IDC's Mobile Phones Area, Francisco Jerónimo (2010) "The Portuguese mobile phone market witnessed a drop never seen before in 2009. The economic crisis has had a strong impact on demand in a market where penetration rates above 100% show a clear saturation".

Despite the crisis, as of 2010, the number of Portuguese with smartphones began to grow, exponentially. In 2018, more than nine million Portuguese, living in Continental Portugal, aged 10 or older, had a mobile, and most of them, a smartphone (Marktest, 2018). In fact, according to Marktest Barómetro de Telecomunicações, in July 2018, close to 6.9 million individuals had a smartphone, representing close to three-quarters of the total number of mobile phone owners (See Appendix 8). The same entity states that this has been a growing trend in Portugal over recent years, from 32.5% in 2012 to 75.1% in 2018, more than doubled the number, registered five years earlier (See Figure 1).

FIGURE 1. SMARTPHONE PENETRATION IN PORTUGAL (%) (2012-JUL2018)



Source: Markttest (2018)

1.3.2. EXTERNAL ANALYSIS - SMARTPHONES INDUSTRY – THE GROWING SEGMENT OF REFURBISHED

The smartphone market is a market that has been growing in the last decade. The number of people using smartphones has surpassed all barriers, so nowadays there are more smartphones than people, being the first thing that people look when they wake up and the last thing they use when they go to bed.

According to the GSMA's Global Mega Trends report in 2018, about 5.1 billion people use mobile devices, two-thirds of the world's population, and the majority of these mobile devices are smartphones. The number of smartphones sold worldwide has been increasing significantly. From 2007 to 2015, the growth rate of the number of smartphones sold increased from year to year, only stagnating from 2016 (See Appendix 9). In 2012, the number of smartphones sold reached 680 million units, increasing to 1.5 billion in 2016, meaning that at that time about 28% of the world's population had a smart device, a figure that is expected to increase to 37 % by 2020 (Statista, 2015). By 2017, around 1.54 billion smartphones were sold worldwide, and, in 2018, the growth rate of smartphones sold in the world reached its lowest value (3.1%) (Statista, 2015).

Brands like Huawei have been improving its prominence in the global market, having already surpassed Apple in market share in the third quarter of 2018, with a growth of 32.9% (See Appendix 10). Xiaomi, with a growth of 21.20%, consolidates the 4th place in the global market, contradicting its trend of slowing down in recent years. These brands contrast with the downward trend of the global market, which fell 6% in the third quarter

of 2017, the main reason being their substantially lower price in comparison to Apple and Samsung (Counterpoint, 2017).

The decline in the global market in recent years is largely due to the growth of the market for used and refurbished smartphones, which are sold at much lower prices than the new ones. Due to the exorbitant prices of high-end smartphones, adding to the numerous economic difficulties that families have been facing, the second-hand or refurbished smartphone market has begun to rise another weight in the global market.

In 2016, Deloitte quantified the refurbished market in 17 billion USD\$, with 120 million units sold, at an average price of 140 USD\$, representing a 50% appreciation over 2015. In that year were sold 80 million smartphones, quantifying the market at 11 billion USD\$. According to the same entity, with its TMT Predictions 2016 Report, it was also predicted that the growth rate of the used mobile phones market would be 4-5 times higher than the general smartphone market.

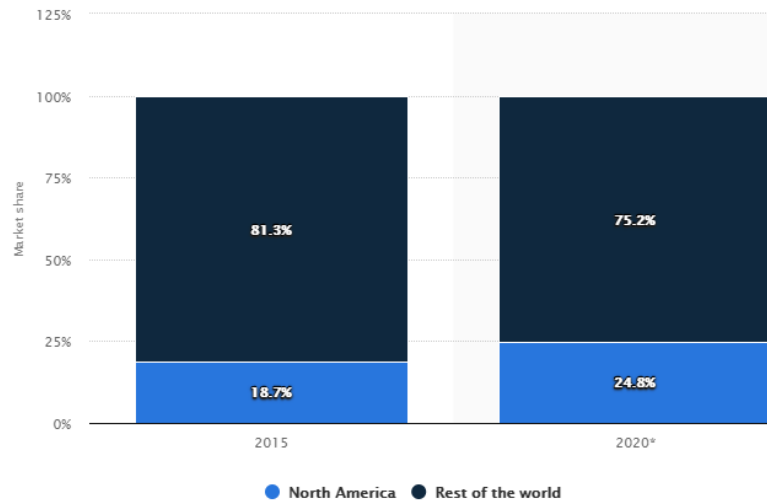
By the end of 2017, the refurbished market was already worth 19 billion USD\$ and, according to the IDC (2018) forecast, this figure would rise year after year at a rate of 10%. For this weight, much contributed the US. In fact, by 2015, the US refurbished market accounted for 18.7% of the entire second-hand smartphone market, with an expected increase to 24.8% in 2020, according to Statista (2015) (Figure 2). That is, it is predicted that in 2020, about 55 million used smartphones will be sold, only in this country.

IDC (2018) also expects this industry will reach a 52.7 billion USD\$ value in 2022, representing an average selling price of 180 USD\$, believing that this market may present opportunities for revenue growth and market share, as second-tier devices become more prepared to capture a larger share of the market, over the next few years.

While this segment has been growing, since 2016 the global smartphone market has been stagnating, having grown only 3% in 2017, a number very far from the growth rates obtained until then. After growing 28% in 2014, the number of smartphones shipments grew only 10.5% in 2015 and 3.1% in 2016. For this, IDC (2018) has pointed out some causes, such as the longer refresh cycles, the offer with regard to the repair by the consumer which allows to increase the life of the smartphone (The Right-to-Repair movement), and especially the “increased smartphone prices at the high end of the spectrum that has led to many consumers holding on to their phones longer than

expected”, highlighted by Anthony Scarsella (2018), a research manager for IDC's Mobile Phone program, making the option for reconditioned mobile phones more attractive.

FIGURE 2. MARKET SHARE OF USED SMARTPHONES (%) WORLDWIDE FROM 2015 TO 2020



Source: Statista (2015)

Reducing e-waste is another important favor factor of refurbished smartphones, allowing the reuse of old smartphones and preventing the increasing number of e-waste. This is an important point since the refurbished allows the reuse of smart devices that were previously thrown away or placed in a drawer, thus reducing the amount of electronic waste on the planet. In this way, second-hand devices can have a premium offer at affordable prices and, at the same time, reduce electronic waste, contributing to a sustainable environment and raising awareness of it.

The slowdown in the global smartphone sales in 2016 in giant markets such as Europe, China or the US is mainly due to the saturation of high-end models, mostly iPhones and Samsung Galaxy's, leading major brands to adopt new strategies, now in emerging countries such as India, South Africa or Nigeria, and also starting to sell used mobile phones, such as Samsung, responding to its decline in their mobile market share. In Appendix 11, the difference in the growth rate of this market between 2016 and 2017 in the main markets can be verified. Only in India, according to the Counterpoint Technology Market Research (2017), the refurbished segment grew close to 25% in 2017, representing 12 million smartphones sold, mostly Apple and Samsung. As stated by the same entity (2017), India is among the fastest growing markets in this segment, along with Africa and Southeast Asia (See Appendix 12).

In 2017, the refurbished segment was even the fastest growing in the global smartphone market. According to the Counterpoint's Refurbished Smartphone tracker report (2017), the refurbished smartphones market value grew by 13% in 2017, selling 140 million units, contrasting with the growth rate of 3% of the global market (See Appendix 13). Already in 2018, the refurbished segment grew 10% in the second quarter, contrasting with the declining growth rate of 1% in the global market, in the same period. According to the same organization, the weight of top brands such as Apple and Samsung, compared to other brands is even more visible in this segment, totalling three-quarters of the entire refurbished market and 80% of the total revenue.

1.3.3. THE COMPETITIVE SITUATION

The refurbished smartphone market in Portugal is characterized by being slightly recent in terms of its longevity, and by having two types of companies: big players with history in the electronic gadgets industry, such as Worten, Fnac, Radio Popular and The Phone House; small companies focusing only on second-hand gadgets, such as smartphones, laptops, smartwatches, tablets, promising high-end technology at an affordable price.

In 2016, along with the Forall Phones appearance, other similar companies arrived at the national level, offering refurbished smartphones, in some street stores in Porto and Lisbon. However, these stores did not bring what Forall wanted to bring to the market, an online presence and a brand that supports the lifestyle and the needs of the consumer.

Once created, in 2016, several electronic retailers operating in Portugal, such as Worten, Fnac and The Phone House, realizing the value of this market, which grew 13% in that year (Counterpoint, 2017), and the high margins practiced in this segment, they decided to move on in this market, pressing Forall. These brands with a sustained position in the electronic market, have taken advantage of the segment growth, selling second-hand products such as smartphones, by Apple and Samsung, at much lower prices than the new mobile phones average. Table 1, provided by Forall Phones, presents the pricing positioning of the main market players, based on the KuntoKusta price comparison platform, comparing Forall's products prices with other competitors, subdivided into three different categories, usually defined by the brands, according to the smartphone state, being: A – very good condition, B – good condition, and C – reasonable.

TABLE 1. PRICING POSITIONING ANALYSIS

	7 32GB	8 64GB	X 64GB
New <i>(Kuantokusta)</i>			
Minimum	459,90€	589,17€	829,90€
Average	523,20€	694,45€	960,19€
Refurbished <i>(Benchmarking)</i>			
Minimum	380,00€	550,00€	830,00
Average	385,40€	589,50€	863,00
Forall Phones			
Category A	379,00€	589,00€	809,00€
Category B	359,00€	569,00€	779,00€
Category C	339,00€	549,00€	749,00€

Source: Forall Phones (2019)

IServices, which is specialized in device repairs, also recently started selling refurbished iPhones, and The Phone House are Forall Phones' main competitors.

IServices was born in 2011 and is the market leader in Portugal in smartphone repair services. It specializes in mobile products and technologies, composed by a highly qualified team. Today it is present from the north to the south of the country, having physical stores in Braga, Porto, Coimbra, Lisbon, Cascais, Setúbal, Faro and Funchal and a huge variety of products that can be bought in the digital store or in the physical stores (new and refurbished top-of-the-range smartphones, protectors screens, headphones, power banks, speakers and drones) and a good customer support services. Multi-brand device repair is performed on time regardless of where the equipment is purchased.

The Phone House Portugal is the Forall's competitor with more history and relevance in the Portuguese market. It is a telecommunications retailer with about 100 multi-operator stores. They arrived in the Portuguese market in 1999 and aims to offer the best offer of telecommunications and multimedia solutions, covering all brands and operators, achieving a good position in the market. They focus on the smartphone market and operator services, with integrated solutions for personal, residential and business customers. They entered in the refurbished segment, selling smartphones (iPhone and Samsung Galaxy), iPad Tablets and Apple Smartwatches, selling them online and at physical stores.

P-Telemoveis, 12Vinte, and iMobiles have also a good position on the segment, in Portugal. P-Telemoveis was created in 2005 in Leiria, selling smartphones, accessories, and providing technical assistance in the repair of technological products and appliances. Now, it has three stores in the district of Leiria and an online store. This company stands out for its speed and assertiveness, being the repair of the equipment the core of the business, promising repairs within a maximum term of five days. In addition to smartphones, the company invests in qualified technicians who can repair almost all types of electronic devices, from GPS, home appliances or computers, as well as consoles or mobile phones. In their online store, they sell everything, from mobile phone covers to top-of-the-range smartphones, as well as refurbished and used equipment such as Apple computers.

12vinte is a used and refurbished equipment store, selling only Samsung and Apple smartphones, MacBook notebooks and Apple smartwatches. Unlike P-Telemóveis, 12vinte has no repair business and only sells in their online store, not having any physical store. In addition to second-hand handsets, it also sells mobile phone accessories such as protective covers or tempered glass films.

iMobiles Outlet Portugal is a company that is especially focused on refurbished and semi-new products, mainly Apple, at an outlet price, online. The company has its office in Marinha Grande and sells its equipments (smartphones, iPad, and MacBook) on its website. The distribution is made through Chronopost or CTT services, with prepayment and collection. iMobiles also provides a repair service for its own products and sells accessories for smartphones, such as smartphone and iPad chargers, headphones or screen protectors.

At the European level, the German ReBuy stands out from the others, claiming to be Europe's largest recommerce site for electronic goods. This company buys second-hand products, such as electronics and watches, from 10 product categories, inspects them and sells them through its website or through marketplaces such as Amazon, eBay or Gebraucht.de. Founded in 2004, the company is present in Germany, Austria, France, and the Netherlands, through an online store.

1.4. FORALL PHONES – INTERNAL ANALYSIS

1.4.1. BUSINESS IDEA AND HISTORY

Created by José Costa Rodrigues, the company's current CEO, at the end of 2015, the Forall Phones brand was born from the desire of the creator to have a top-of-the-line phone, at that time an iPhone 4S, by all means, costing around 500€, when he was only 16 years old. Due to the smartphone high price, José's parents refused to pay for it because of the economic situation of the family at the time. At that moment there was a click, and José created the business that Forall Phones is, a Portuguese start-up that, in 2018, sold approximately 4.2 million €. At the time, the 16-year-old decided to sell some belongings, such as books or video games that he did not need anymore, gathering the money to buy the so much desired iPhone. Through OLX Marketplace, the young entrepreneur achieved his goal by buying a second-hand mobile phone. Realizing that it was so easy to achieve his purchase goal, he decided to sell the phone a month later, still making a profit. It was here that José saw a business opportunity of buying and selling used smartphones, creating the Forall Phones, five years later, with only 300€ and without external support.

Before the official registration of the brand, by the end of 2015, José had already decided to create a network of ambassadors (community shapers), selling smartphones in his high school through influential friends. Through them, it was possible to share some photos and descriptions of the products, also earning a commission with every sale made. In just three months, he made 70.000€. This ambassadors program remains today, focusing on young university students, the main Forall's target, young people between 18 and 35 years.

The brand name is quite suggestive: "For all phones", illustrating the idea that it is possible for everyone to have a high-quality smartphone, making high-end technology accessible to everyone.

In the first year, the firm generated 350.000€, just through word-of-mouth and, later, through an online site. In fact, what at the time seemed to be a simple desire to have a top-of-the-line mobile phone, had become a profitable business, currently with 61 full-time employees, 55 in Portugal, five in Spain, and one in China, selling to 16 countries in Europe (through marketplaces such as Amazon, Backmarket, Allegro, Refurbed and C-Discount), with six physical stores in Portugal, three stores in Spain, and with the strategic vision to open 13 stores in Spain by the end of 2019, forming a business that grows

annually 757% since 2015. The business of Forall Phones seems simple: sell high-level refurbished or used smartphones, from Apple and Samsung, at a price up to less than 40 % to the one practiced in the market. In fact, in some smartphones, Forall is really the market player, in Portugal, practicing the lowest or the second lowest price in the market, as can be seen in the cases of the iPhone 7 32G and the iPhone X 64G (See Appendix 14). Keeping the machine well-tuned, supported by young people, is a constant learning challenge by a company that aims to reach 20 million € in sales by the end of 2019. Because of that, the company is increasing its team and has sought to recruit people with more experience for strategic positions.

Actually, the firm aims not only to be number one in Portugal in the refurbished smartphone industry in the coming years but also in other countries. In the words of Bernardo Carreiro, Forall's Financial Controller: "Our goal in terms of positioning is to be able to have a brand recognized for its youthfulness, adaptability and, more important, its high awareness as an integral part of a society, both by the mission itself, as well as the constant awareness of factors such as social responsibility, environmental concerning and circular economy. We wish that, in a few years' time, all Europe (who knows, the world) might know our brand by the very potentiality of its name. We want to be distinguished for being "for all" – again, on all the issues involving employees, clients, and any other stakeholder".

The next steps are to cross the borders, opening stores in Spain and in central Europe, in order to invest in the Polish market. The idea is to keep the center of the operation in Lisbon, but the brand also has an office in Madrid, with a full-time team.

The first store opened in October 2017 in Alvalade (Lisbon), and since then, eight more stores have opened, five in Portugal and three in Spain: Porto (May 2018), Leiria (November 2018), Coimbra (November 2018), Setúbal (February 2019), Madrid (February 2019), downtown Lisbon (March 2019), Salamanca (March 2019), and Barcelona (April 2019). The brand continues to grow, and it is expected that they will open 13 stores in Spain by the end of 2019. At the national level, the brand intends to have 10 physical stores by the end of 2019.

1.4.2. OPERATING MODEL AND PRODUCTS

Forall Phones only sells used smartphones, from Apple and Samsung, short-lived or that were used for display in stores. Appendix 15 presents some of the available products on

the brand's website. The firm buys used smartphones from large retailers, businesses, private individuals, and telephone operating companies who have used the mobile phones as a display in their stores, reselling them to the public, as new ones, in their own stores or on their website and marketplaces. Because the smartphones are on display, they can no longer be sold at a new mobile phone price.

For Forall's financial department, the brand business model is the key to the business. The value chain starts with the purchasing function (99.5% directly with suppliers and 0.5% with customer returns). The suppliers are, in great majority, foreign entities that suppress the procurement phase. In other words, for brands like Apple and Samsung, Forall works with entities that already collect thousands of smartphones from retailers/operators and then they distribute to companies like them. At the moment, the brand is also working to launch itself on the B2B channel, through vertical integration, allowing to add this function to its value chain, in order to achieve higher and better margins.

After receiving the smartphones, they go through a reconditioning process (within the company) and are later released to the market as the final product.

In addition to smartphones, the company also sells iPad (Apple tablet) and smartphones accessories, such as protective covers, tempered glass, chargers, power banks, and has a specialized repair and assistance service. Forall's control department reviews the incoming phones and professionally refurbishes them to ensure maximum functionality and quality. Refurbished phones are sold up to less than 40% of the original price. On the website, the customer orders the smartphone and receives it within five working days.

Customers can pay by credit card, PayPal, bank transfer or collect on delivery. Each smartphone has a one-year warranty and can be returned within 14 days (See Appendix 16).

1.4.3. TARGET MARKET

Forall's main target is young people between 18 and 35 years. Although this is the most profitable brand target, they believe that there are customers "of all ages". With more than 300 active ambassadors, José Rodrigues wants to reach out to all Portuguese universities, investing in direct contact with the consumer that they want to attract and maintain.

The main target is characterized as a young population, with little to no annual income, mainly students, and so their purchasing power is reduced, and many of them are still depending on their parents. Belonging to Millennials and Generation Z, they are highly digital and want the latest technology at their fingertips. Today, young people want to be at the forefront of technology and for them, using an iPhone, for instance, is a social status need, since they have a very expensive and stylish device, not within everyone's reach.

In 2014, the International Business Times reported that clothing retail has been surpassed by gadgets as a social status symbol, emphasizing that clothes might "make the man but an iPhone makes a teenager". In Stephanie Wissink's opinion, senior research analyst at Piper Jaffray, when young people go shopping, they look for gadgets instead of clothing, looking for devices of popularity rather than utility. Marcia Flicker, associate professor in Business Enterprise at Fordham University, reports that technology is making competition increasingly stronger for teens and young adults, asking when brands like Apple will release new models to the market because they refuse to be stuck with a previous slower model.

As technology advances, prices increase, so it is hard to have premium technology at its market price. This way, the second-hand products offer from Forall Phones intends to attract this target population, who has little income and who worries about their image and reputation. That is why the company's offer is limited to top-of-the-range brands such as Apple and Samsung.

Despite the start-up's main revenue source being directly linked to physical stores, digital has played a significant role in the brand image nowadays, since its communication is almost exclusively digital, through social networks or digital advertising.

1.5. MARKETING AT FORALL PHONES

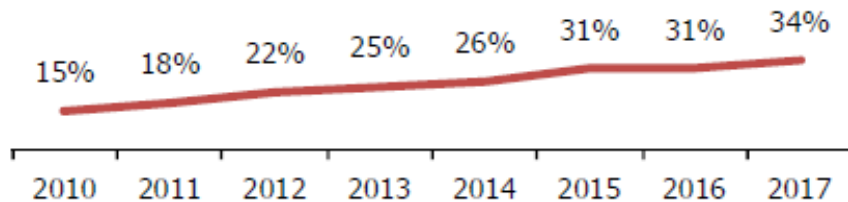
1.5.1. E-COMMERCE VS PHYSICAL STORES

Forall Phones engage with its consumers through multiple channels and one of its competitive advantages is its after-sales service, making the service as personal as possible in a customer-centric approach. Despite the number of physical stores (nine at the moment, with the goal of open 10 in Portugal and 13 in Spain until the end of 2019), the Forall Phones' business would not have the success that it has today if they hadn't invested in digital marketing. In fact, given the store's location (see Appendix 17), not being close to high traffic centers, such as historical areas or shopping centers, there are

not many occasional buyers, except in the downtown Lisbon store. That is to say, that the people that go to the store already know what they want and already are aware of the brand, either because they were bombarded with online ads or through word-of-mouth, which is pointed out by the CFO of Forall, Manuel Castel-Branco, as a sales booster at this stage.

The physical stores' investment approach is due to several factors: firstly, the profile of the Portuguese population, who, unlike other European societies, still has a great need to see products before buying them. In general, the Portuguese like to try the product and they still distrust the internet dangers. In 2017, 34% of the resident population aged 16-74 reported having used the internet to order online products or services, a number that has doubled since 2010 (15%), according to INE (2017) (See Figure 3). This figure rose to 37% in 2018, according to the same entity. In fact, this value has been rising in the last decade. Today, four out of 10 residents buy products through a smartphone or computer, much due to the mass production of technology.

FIGURE 3. PERCENTAGE OF PEOPLE BETWEEN 16-74 YEARS OLD WHO USED ELECTRONIC COMMERCE IN PORTUGAL (2010-2017)



Source: INE (2017)

Despite this rise, Portugal remains far behind the European Union average, 26 percentage points lower in 2016 (see Appendix 18). The mild climate and the sunny days in Portugal, the culture of going out, unlike the Northern Europe people, who spend much more time at home due to bad weather and rainy days, and the fact that it is a small country also makes it easier to find products in the physical world. The weak internet penetration in Portugal when compared to other European countries, allied to the aging population, justify the gap that still exists between online and physical purchases. However, this internet penetration rate has been increasing, registering in 2017 an internet penetration rate of 68.8%, according to Marktest (2017), which also influences the perceived increase

of online purchases, previously mentioned (see Appendix 19). In addition to the characteristics intrinsic to the Portuguese, the product presented by Forall Phones may sometimes lead to consumer's distrust. Since the product Forall sells is a refurbished and not a new phone, the buyer will want to check the smartphone state to corroborate if it is in great condition.

Forall stores have some common traits (except the downtown Lisbon store): they try to give continuity to the online customer experience. They are typically small spaces that end up acting almost as pick-up points but, at the same time, they allow the customer to have greater confidence in the brand since it has, effectively, a physical space where they can turn if necessary.

It is important, then, to distinguish the three main direct sales channels to the consumer: the brand website, the marketplaces (including Amazon) and the physical stores. However, at Forall Phones, digital and physical channels are not seen as separate and independent entities. In fact, the brand does not consider itself as a retailer with e-commerce, but an e-commerce with physical stores/collection points. Physical stores sales far exceed online sales, including marketplaces and website, but this figure is the result of Forall's online excellence and the community shapers performance. In addition, online marketing allows taking a performance approach to sales scalability. The distinction between online and offline in this case becomes even more complicated due to the brand's business model. Since it is possible to order a smartphone online and pick it up at the store or ordered it online and get it delivered at home, which makes it almost impossible to allocate the sale to an independent online or offline marketing effort. This is why Forall Phones does not break sales into separate compartments, since the buyer that gets a smartphone in the store might have bought it because he saw an ad on Facebook, which is an online effort, for example.

Nevertheless, digital channels have been fundamental in the firm's evolution and development, since its creation in 2015. Between September and December 2018, where all the sales channels began to be accounted, Forall sold 20-29% through its website, and up to almost 12%, over the same period, through marketplaces. Appendix 20 gives the detailed sales percentages and the number of smartphones sold, per online channel (from the website in Portugal and in the EU, Amazon, and other marketplaces) and per physical stores, in the referred months.

Despite the hard task separating, in a quantitative way, what is affected to offline and online, concerning the sale, the digital channels in Forall Phones have a preponderant role regarding communication, according to José Alves. He believes that the large percentage of people who go to a Forall physical store, to buy or repair their smartphone, is because they are aware of the brand, mainly due to any social media promotional campaign, some Facebook, Instagram or Google ad, or by means of some influencer or shaper. To do this, the brand's investment in Search Engine Marketing has been essential for ads highlighting in search engines, ensuring that consumers find them when searching for semi-used or refurbished phones. Forall's SEM strategy was even highlighted as the key to the Black Friday online campaign, in November 2018, being the best month regarding direct website sales and return (including all advertising costs).

Due to the weight that mobile use has in online sales, representing about 70%, the brand also uses Geotargeting that, through the smartphone's location, can notify the consumer when he/she is close to a physical store, the information being provided by Google and Facebook. Hence, this is also why these synergies between offline and online cannot be split in half, and should not be viewed independently, since one channel influences the other and vice versa. It should be noted that the brand does not distinguish digital marketing from marketing, since almost every used marketing tools are digital marketing tools, and, in José Alves' words, he believes that "Today, marketing is digital marketing".

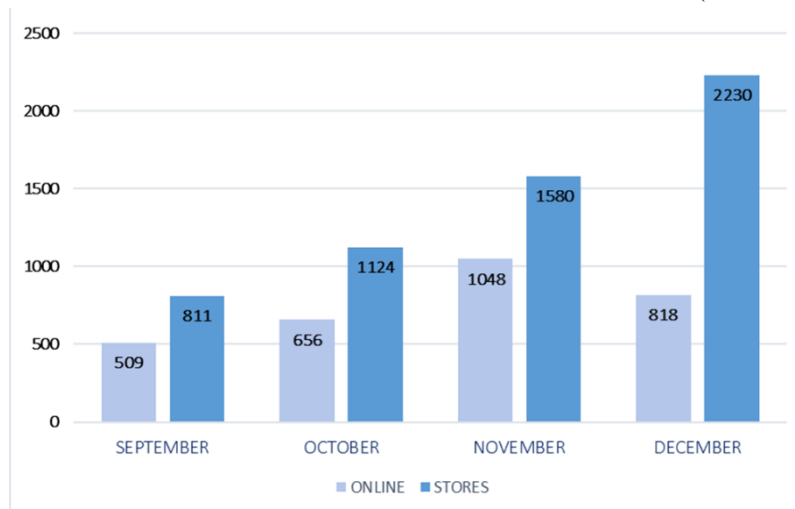
The brand has a strong presence on Facebook, Instagram, Youtube and LinkedIn. The first three serve primarily to engage with consumers and create awareness, to generate leads, advertising ads and doing cross-sell and up-sell to repeat customers and do remarketing. It is also here that new products, brand news, discounts, and brand-specific campaigns are disseminated through videos or images. LinkedIn is essentially to communicate job opportunities and, through Forall Family's page, promote branded social activities, as well as attract new students to its shapers' ambassador program.

In addition to these channels, the brand also uses heavily e-mail marketing, SMS marketing and Google (through Google shopping, display advertising, paid and organic search). Appendix 21 identifies all the digital marketing tools used, as well as their importance to the business and its function. The brand essentially uses all possible digital channels, with different goals, throughout the conversion funnel. This conversion funnel is the representation of the steps that a potential customer passes from the first contact

with Forall (awareness) to the conversion itself (that can be the final purchase or a lead generation).

Despite the importance of the brand's website as an e-commerce channel, its main source of revenue results from physical stores. Between September and December 2018, the sale stores weight was always over 60%. Figure 4 discriminates the number of smartphones sold in stores and through e-commerce, between September and December 2018, not counting sales through Community Shapers. It should be noted that at the end of 2018, gross sales totalled approximately 4.2 million €.

FIGURE 4. ONLINE AND STORE SMARTPHONE SALES UNITS (SEP-DEC 2018)



Source: Forall Phones (2018)

1.5.2. FORALL FAMILY

With 330 active shapers, 280 university students in Portugal and 50 in Spain, Forall Phones want to reach to all universities in Portugal and Spain, investing in direct contact with the consumer (January 2019). The brand is now also working on a pilot project, Forall Schools, with 10 high school shapers.

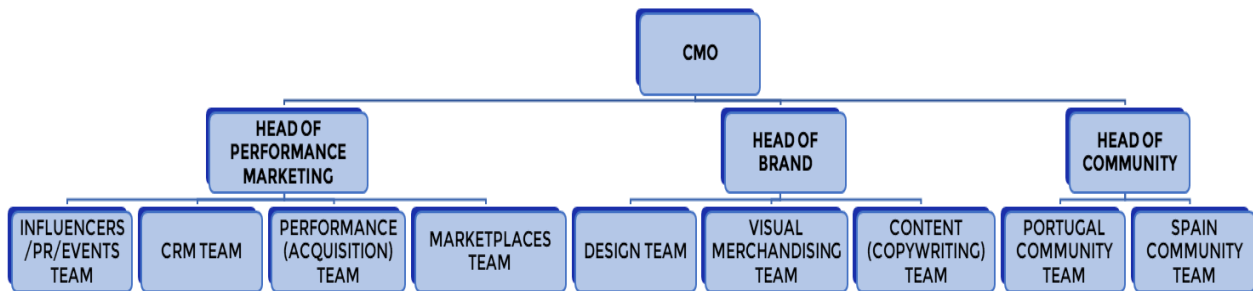
The community shapers or ambassadors are the links between the consumer and the product they want to purchase: smartphones, accessories, and repairs. Hence, Forall Family is a social network created around the university student, the main target of the brand, with the goal of achieving all Portuguese young people. The shaper's role is to disseminate the product to his/her network, through word-of-mouth or via social media. The shaper has associated a unique and impersonal promo code that works as a driver of a future sale, through a discount granted to those who use it, who would not have it without being in touch with the shaper. In other words, each ambassador, when promoting

a Forall product to his/her contacts, will increase the chance to create a future sale through his/her promo. Those who buy a Forall product through a shaper promo code will get a discount on the product they are buying, either on the website or at a Forall Phones physical store, also granting the promo holder a value of 10€. In short, both the shaper and the consumer win, a win-win relationship that has brought revenue to Forall Phones and its consumers. 1100 smartphones were sold only through shapers, representing 143.000 €, in Portugal and Spain (by January 2019).

1.5.3. IMPORTANCE OF THE MARKETING DEPARTMENT AT FORALL

As previously noted, the marketing function performed at Forall Phones is critical to the business. The marketing department is one of the most structured departments of the company, with three distinct areas: performance, brand (including those who are responsible for design, communication, store decoration, etc.) and community (encompassing those who are responsible for the community management). The organization chart, in Figure 5, discriminates all the positions covered in this department. It is important to note that, operationally, Forall Phones’ structure is highly horizontal and there is a lot of involvement of the people of different teams in the marketing strategy definition.

FIGURE 5. FORALL PHONE’S MARKETING DEPARTMENT CHART



Source: Forall Phones (2019)

The marketing department is structured and focused on digital. In fact, in terms of communication campaigns, it is noteworthy the successive efforts in digital marketing, with paid ads in search engines and Facebook Ads. This is mainly due to the cost-effectiveness that online marketing offers, compared to traditional advertising, on TV, print or radio. Other identified advantages are related to the real-time feedback that online provides, through platforms such as Google Analytics, which allow taking corrective actions according to the strategy of each advertisement. That is, if an ad is not having the

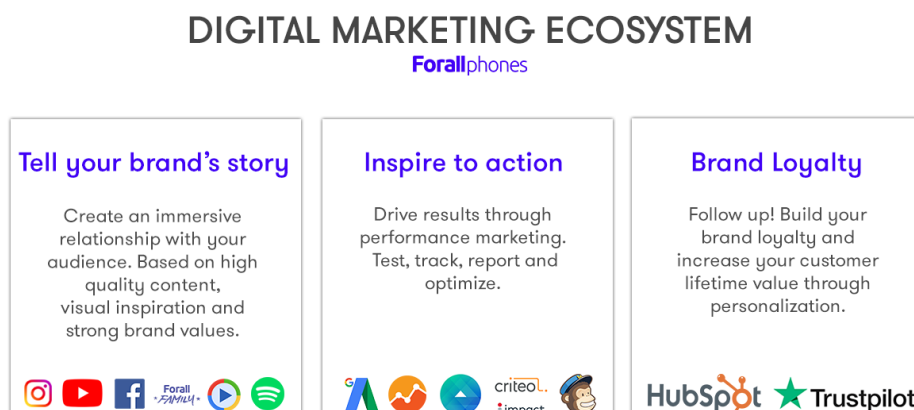
desired profitability, through real-time data, it is possible to adjust the strategy and thereby solve the problem. As a matter of fact, almost all of Forall’s marketing efforts are related to online and to the ambassador’s network, mentioned above.

All digital marketing brand’s actions are segmented into three different types of clients. It is through this segmentation that the department channels all its efforts and it is defined all the marketing strategy, varying from the marketing budget division among all actions. The brand subdivides the customers into: prospecting customers (people who are not aware of the brand, not being leads yet, not liking the Facebook or Instagram page, never looked up the brand, never visited its website, etc.); retargeting (people who have interacted with the brand but have not bought its products); buyers (brand consumers). From here, the department splits the budget by each type of client: X% to attract new clients; Y% for people who know the brand but never bought its products; Z% for cross-selling or up-selling (encouraging the purchase of a smartphone accessory, for example) of branded consumers. Through this, it is possible to have a sustainable basis for the entire digital marketing strategy.

The next step is the goal setting. At Forall Phones, the goal is always to increase the profitability, at the sales level, of each action. Therefore, by clearly defining the target audiences, it is possible to delineate how much should desirably be spent on each type of client and, through this, communicate in a targeted manner to each one of them.

The Figure 6, provided by Forall, summarizes the most important online marketing platforms for the brand, with three main goals: to create a long-term relationship with the consumer; to take action by measuring the performance of digital marketing; and to increase the customer lifetime value through brand loyalty fostering.

FIGURE 6. FORALL PHONE’S DIGITAL MARKETING ECOSYSTEM



Source: Forall Phones (2019)

Forall Phones' finance department monthly defines and updates the marketing budget. According to the CFO, Manuel Castel-Branco, and the Financial Controller, Bernardo Carreiro, responsible for the budgeting definition for each channel, the marketing department is the one that has a more controlled budget level and cannot be compared to other departments. After the purchasing department, marketing is the department with the highest budget and value. This budget is also expected to be increased, since it is defined as a percentage of the firm's sales, and the sales have been increasing since 2015.

Within the marketing budget, the communication channels where the firm most invests are social media, search engine marketing, brand makers (influencers), and brand shapers. Table 2 illustrates the investment weights in each marketing channel, in the last months of 2018. Google, Facebook, and community shapers represent the three main channels in terms of marketing investment. It is important to note the weight of Mobile in online sales. According to José Alves, most consumers order their mobile phone on their smartphone, at a ratio of 70/30 to the laptop.

The marketing department is of great importance to the business since it provides decision-making inputs. Because of its importance, there are some goals that should be achieved, but José Alves affirms that all the pressure he feels to achieve results is due to his ambitious and result-oriented character, not feeling any extra pressure from either the CEO or other departments.

TABLE 2. FORALL PHONE'S MARKETING INVESTMENT BY CHANNEL AND COST PER ACQUISITION BY SALE (€) (SEP-DEC 2018)

MARKETING INVESTMENT BY CHANNEL (%)				
CHANNEL	SET	OUT	NOV	DEZ
FACEBOOK PT	21,91%	11,29%	13,11%	9,78%
GOOGLE PT	20,78%	21,32%	18,21%	16,78%
FACEBOOK ES		5,57%	8,21%	5,43%
GOOGLE ES		10,59%	13,54%	6,20%
E-MAIL MKT/SMS MKT	1,88%		0,89%	0,46%
BRAND MAKERS		3,22%	4,44%	16,75%
COMMUNITY SHAPERS	28,71%	23,87%	21,93%	20,87%
OFFLINE EVENTS		0,02%	0,05%	0,29%
PERFORMANCE AD HOC			0,59%	
IMPACT (SOFTWARE)	4,40%			
MERCHANDISING	1,08%	3,11%	1,22%	1,02%
MUPIS/OUTDOORS	4,03%	6,05%	3,88%	5,22%
BRANDING FREELANCERS	0,86%	0,93%		9,43%
SEO	0,63%	0,47%	0,30%	0,75%
OTHERS	1,38%		3,73%	0,53%
AFFILIATES	1,57%			
TRUSTPILOT (SOFTWARE)	0,25%	0,19%	0,12%	0,12%
PR		2,23%	1,43%	1,39%
MARKETPLACE COMMISSIONS	12,53%	11,16%	8,34%	4,97%
COST PER ACQUISITION BY SALE	33,54 €	33,59 €	35,50 €	31,44 €
MARKETING INVESTMENT (%SALES)	11,18%	11,20%	11,83%	10,48%

Source: Forall Phones (2018)

1.6. DIGITAL MARKETING PERFORMANCE MEASUREMENT

1.6.1. BEST PRACTICES IN DIGITAL MARKETING PERFORMANCE MEASUREMENT

1.6.1.1. THE IMPORTANCE OF MEASUREMENT

In 2016, AdAge published an article that stressed the five Chief Marketing Officer (CMO) today's priorities, where two of them had a relation to marketing performance measurement. The first was measurement and, as highlighted by the article, for it to be effective, firms should be able to measure the marketing's impact on business results. The second was the need to better justify marketing investments. An article by *Chief Marketing* (2016) has also identified the six trends of marketing for 2017, and three of them included marketing measurement. In addition, Forbes (2017) emphasized the importance of measuring marketing performance. In Laura Patterson's words (2017), president and founder of Vision Edge Marketing (VEM), "For today's marketers, the challenge really isn't measurement; there is an abundance of metrics. The challenge is measuring marketing's value and performance".

The Chief Marketing Officer (CMO) Council found that 80% of the CMOs surveyed were not satisfied with their capability to measure marketing performance (CMO Council, 2009 *as cited in* Liang, Gao & Ding, 2018).

Despite the rising interest around measuring the effectiveness of marketing activities, few studies were dedicated to what really drives managerial use of marketing and financial metrics (Mintz & Currim, 2013). In a special report conducted by American Marketing Association (AMA) (2015), the results from the CMO Survey in 2014 revealed that only 15% of CMOs were being able to show the impact of social media on business (AMA, 2015). More than six in 10 CMOs affirm that ROI on marketing spending will be the most important measure of their success and demonstrating a ROI for marketing initiatives is considered one of the CMO's task on the to do list (IBM Global CMO Study, 2018). In fact, an online study of digital marketers developed by Adobe (2013) revealed that 76% of respondents believed measuring marketing performance was important, but only 29% felt that they were doing it well (Lopresti, 2014). Accenture's Insight Driven Marketing report, a 2001 survey of 175 marketing executives in the United States and the United Kingdom, reveals that 68% reported having difficulty measuring the ROI of their marketing campaigns (Lenskold, 2002).

For two decades, VEM has been conducting a Marketing Performance Management (MPM) survey of leaders over a variety of industries. In spite of the focus on data-driven results, VEM's studies revealed limited progress regarding marketing performance measurement efficiency by companies. In 2016, 10% of 446 firms assessed their marketing organizations as completely ineffective in measuring marketing's performance, in comparison to 12% who answered completely effective. For example, the VEM's 2010 annual MPM study found that less than half of over 400 companies were able to establish a clear link, or alignment, between their organizations' marketing programs and business outcomes. The value of marketing to their senior management teams was even lower, underlining the lack of accountability (VEM, 2010).

One of the problems is that many performance metrics of marketing are subjective, such as attitudes, perceptions, and behaviours of customers. Despite their importance, they are quite hard to measure in an accurate way and their link with financial or business outcomes is weak, making it difficult to demonstrate the value of marketing for managers (Fu, Philips & Philips, 2018). Using large amounts of data is another challenge for marketers. In spite of this, they are actively pursuing it, in order to improve efficiency and make strategic decisions.

One-third of marketing organizations should enhance their ability to use data. Data only has a meaning if it is relevant and can be used to lead to business decisions (VEM, 2017). For example, despite U.S. corporations spending over 300 billion USD\$, each year on marketing and sales, the resulting benefit is still difficult to evaluate. Hence, the big challenge for marketers is how to demonstrate value created by marketing programs (Fu *et al.*, 2018).

1.6.1.2. THE "RIGHT" METRICS

According to Celeste and Moniz (2019), a metric should reveal the strategy firm's execution, its health, the potential of its markets, the customer dynamics, and should give insight for new strategic directions. One of the first pioneers in the area of MPM and the leader in Marketing Measurement & Performance Management, VEM (2017) provides a measuring framework breaking down the metric in six categories: activity, output-based, operational, outcome-based, leading indicators and predictive, describing the relationship and hierarchy of these marketing metrics. Despite each metric category has its value, their

value as performance indicators increases from left to right, and this progression represents increasing maturity (See Figure 7).

FIGURE 7. VEM MARKETING’S FRAMEWORK OF METRICS



Source: VEM (2017)

For this organization, the key to select marketing metrics for measuring performance is to select those that measure the impact of marketing on the business. That is, those that are critical and provide insights into decision making.

Also, Marketo Company, the leader in Marketing Software & Solutions, an Adobe company that provides solutions for every digital marketing need, released a report (2011) on Marketing Metrics & Analytics, arguing that “CEOs and boards do not care about 99% of the metrics that marketers track – but they do care about revenue and profit growth”. Marketo (2011) defends that soft metrics such as brand awareness, gross rating points, impressions, or organic search rankings are important, but only when they can be linked and have a powerful relationship with hard metrics such as pipeline, revenue or profits. The company points out that marketers often use “wellness” metrics to justify their marketing spend. They choose metrics that sound good and impress people rather than relying on metrics that measure business results and improve profitability. Some common examples include impressions from press releases and Facebook likes.

However, the Marketo Company advises that marketers should track and measure the impact of all marketing activities, whether hard or soft. In the report, the company splits the performance indicators into two groups that directly affect revenues and profits, revenue metrics, and marketing program performance metrics, that can measurably speak the language of CEOs and CFOs. The firsts are metrics that can aggregate the impact of marketing on company revenues. The seconds measure the incremental contribution of each marketing program. The report proposes several errors in the measurement

performed by marketers, suggesting that the metrics that measure activity, cost, and quantity are not ideal, but rather they all represent interest to CFOs: revenue, margin, profit, cash flow, ROI, shareholder value, that is, metrics that are able to show profit and growth. Marketo suggests a framework for measurement, indicated in Table 3, which represent a summary table of the most indicated financial metrics that companies should support, incorporating time-dependent metrics (past, present, and future). The company also stresses the need for setting goals for each metrics that should be tracked, in order to see if the results are in agreement, above or below expected.

Paul Albright, Marketo’s Chief Revenue Officer, also suggests six rules for success in measurement. He proposes that companies should focus their attention on no more than five metrics and measure success versus goals for the chosen metrics, for every campaign, every channel, every region, and every product. He also advises that marketers should show the trends of each metric evaluated in order to visualize, immediately, if there were improvements. The need to put in a dashboard for the other elements of the organization, in order to prove succinctly what the marketing is trying to achieve is another stressed point in his analysis. He recommends companies to recognise the ones that can achieve their goals and to repeat the process as they can, in a systematic way.

TABLE 3. THE RIGHT METRICS SUMMARY

		BUSINESS PERFORMANCE METRICS & KPIs PAST: HOW DID WE DO?	DIAGNOSTIC METRICS PRESENT: WHAT IS WORKING?	LEADING INDICATORS FUTURE: HOW WILL WE BE DOING?
Revenue Metrics	<i>Aggregate impact on company revenue</i>	<ul style="list-style-type: none"> • Lead generation versus targets • Cycle time 	<ul style="list-style-type: none"> • Conversion rate versus trend or benchmark 	<ul style="list-style-type: none"> • Size of prospect database size • Marketing contribution forecast
Marketing Program Performance Metrics	<i>Incremental contribution of individual marketing programs</i>	<ul style="list-style-type: none"> • Investment • Pipeline contribution • Program ROI 	<ul style="list-style-type: none"> • Response rates • Lift over control group 	<ul style="list-style-type: none"> • Expected contribution forecast
Profit Per Customer	<i>Lifetime value of an incremental customer</i>	<ul style="list-style-type: none"> • Average selling price 	<ul style="list-style-type: none"> • Investment to acquire a customer • Marginal cost to serve 	<ul style="list-style-type: none"> • Retention rates • Products per customer • Net promoter scores

Source: Marketo (2011)

Celeste and Moniz (2019) enumerate in their book, “Marketing Performance – 80 métricas de marketing e vendas”, the main digital marketing metrics that should be used in the marketing strategy definition and in its optimization and operationalization. For these authors, optimizing a campaign or choosing the digital channel that receives most of the investment should be based on facts, data, and metrics. To do this, they present the metrics, divided into categories, allowing the following of the natural flow of digital interaction: acquisition (capture and identification of the flow of visitors), behaviour

(indicate different behaviour of consumers), conversion (grouping transaction indicators), and involvement (in order to understand repurchase and recommendation opportunities) (See Figure 8).

Firms can measure thousands of marketing metrics. However, marketers should select the ones that best fit the selected objectives, as well as the nature of the analysis. Appendix 22 and Appendix 23 provide a varied set of metrics. The first is only focused on attitudes, behavioural and branding digital metrics, and the second one explores the world of costs and benefits of digital marketing, giving useful information and speaking the CEO's and CFO's language. Both tables were built by cross-referencing information from a variety of different sources and ages (scientific articles, reports, and books), providing a framework that guides marketing professionals. The metrics system is organized by metric purpose, its construction and the way it is measured, as well as the sources each metric was drawn. To emphasize that many indicators are linked to each other, some having a causal link among them.

FIGURE 8. DIGITAL MARKETING METRICS DIVIDED INTO CATEGORIES (ACQUISITION, BEHAVIOUR, CONVERSION AND INVOLVEMENT)

ACQUISITION		BEHAVIOR	
METRIC	MEANING	METRIC	MEANING
UNIQUE VISITORS	NUMBER OF SINGLE VISITORS ON A SITE IN A CERTAIN TIME PERIOD	RETURN VISITORS.NEW VISITORS	NUMBER OF UNIQUE VISITORS RETURNING TO THE SITE AT DIFFERENT MOMENTS. LOYALTY, ACQUISITION AND ATTRACTION METRIC
FOLLOWERS.FANS	FANS AND / OR FOLLOWERS OF A SOCIAL NETWORK	BOUNCE RATE	REJECTION OR ABANDONMENT OF A WEBSITE
FOLLOWERS GROWTH RATE	EVALUATION OF THE GROWTH AND IMPACT OF THE BRAND, PRODUCT, SERVICE OR PERSON IN SOCIAL MEDIA	OPEN RATE	EMAIL OPENING ACTION IN A CAMPAIGN THAT SHOWS INTEREST
IMPRESSIONS AND REACH	NUMBER OF TIMES THAT A CONTENT IS PRESENTED	CTR-CLICK THROUGH RATE	MEASURES THE EMAIL OPENING AND THEIR RESPECTIVE ACTION
CPA-COST PER ACTION	INVESTMENT MADE BY THE ANNOUNCER IN ORDER TO LEAD THE VISITOR TO AN ACTION IN AN ADVERTISEMENT	TIME ON SITE	TIME ON A SITE AND SESSION
CPC-COST PER CLICK	INVESTMENT MADE BY AN ADVERTISER ALWAYS THAT A VISITOR CLICKS IN AN AD	ENTRY PAGE	IT IS THE FIRST PAGE OF A SITE VISITED IN A SESSION OR ON A VISIT
CPL-COST PER LEAD	VALUE THAT THE ADVERTISER IS WILLING TO PAY FOR EACH LEAD RECEIVED	EXIT PAGE	LAST VIEWED PAGE BY THE VISITOR, ON THE WEBSITE
INVOLVEMENT		DIGITAL EXPERIENCE	AMMOUNT OF DIGITAL EXPERIENCES ON THE WEBSITE
METRIC	MEANING	LOYALTY	NUMBER OF TIMES THAT A UNIQUE VISITOR RETURNS TO THE WEBSITE
ENGAGEMENT	INVOLVEMENT BASED ON INTERACTIONS AND ATTENTION ON SOCIAL MEDIA	A/B TESTING	USED TEST TO SUPPORT THE DECISION BASED ON BEHAVIOURAL RESPONSES
ATTRITION	INVOLVEMENT WITH A PRODUCT OR SERVICE IN THE DIFFERENT DIGITAL CHANNELS (INCLUDING APPS)	CONVERSION	
APPLAUSE-LIKES	NUMBER OF LIKES BY POST. IT INDICATES INTEREST BY THE CONTENT	METRIC	MEANING
CONVERSATION-COMMENTS	NUMBER OF COMMENTS AND ANSWERS	CTA-CALL TO ACTION	QUANTIFIABLE RETURN OF A SPECIFIC ACTION OR ESTABLISHED OBJECTIVE IN A DIGITAL CAMPAIGN OR SPECIFIC ACTIONS IN THE DIGITAL ECOSYSTEM
AMPLIFICATION-SHARE	NUMBER OF SHARES FROM A SITE	TIME LAG	HIGHER OR LOWER SPEED CONVERSION
SOV-SHARE OF VOICE (SOV)	BRAND MENTIONS IN THE DIGITAL ECOSYSTEM, COMPARING WITH COMPETITORS	PURCHASE INTENT	NUMBER OF VISITORS WHO ARE INTENDED TO MAKE A PURCHASE BUT DO NOT CONSTITUTE THE PURCHASE
NETWORK VALUE	MEASURES THE POTENTIAL, IN A NETWORK COMMUNITY, OF ITS ELEMENTS INTERACTING WITH THEMSELVES		
VALUE OF "LIKE"	MEASURES THE "LIKE" RETURN ON SOCIAL MEDIA		
SENTIMENT	THE SENTIMENT EXPRESSED ON POSTS AND INTERACTIONS		
RACE MODEL	SYSTEMATIZATION AND METRICS CLASSIFICATION MODEL		

Source: Celeste & Moniz (2019)

1.6.1.3. ROI MARKETING

According to Marketo Company (2011), it is important to plan marketing programs focused on ROI from the beginning. The quantification of the expected result of each marketing investment is important, to define exactly what will be measured, against the defined goals. According to the company, the fastest growing companies are those who measure ROI not only to find out what works, but what works best, as a way to allocate resources and efforts. The marketing ROI should not only be seen as a report with the results of the programs being run, but what can result in the decision-making level with such reports, allowing an improvement in the company's profits.

Marketo Company reports the ROI measurement method used by Lenskold Group, dividing marketing ROI planning into three main activities: Establishing targets and ROI estimates up-front; Designing programs to be measurable; and Focusing on the decisions that will improve marketing.

The first activity is to quantify the expected results and expectations, through the initial goals establishment, benchmarks and KPIs for each marketing program. In other words, the companies must define the objectives and then choose measurable metrics that help support these objectives. In this way, the CFO will see not only the cost that is required to invest in marketing but also the benefit that results, making the investment much more credible. Not all programs may have a complete ROI calculation. The important thing is to set measurable goals that can measure profits and ROI. Some simpler goals of ROI include incremental sales revenue, total investment in marketing and sales, etc. Table 4 shows an example of a detailed basic marketing ROI calculation, provided by the Lenskold Group, capturing all expenses, including variable marketing costs. Lenskold provides excellent tools for managing ROI marketing, including an online Lead Generation ROI planning tool. The best marketing ROI plans contain sensitivity analyses, including the expected case, the best case, and worst-case scenarios, allowing for greater credibility, showing how changes in various assumptions can affect results. The ROI calculation must incorporate all relevant expenses, such as the cost of the marketing staff, and the cost of travel.

In the second activity, there should be a measurement planning, identifying what, when and how everything will be measured. To set up measurable marketing programs, one

needs to set up control and test groups or vary the cost levels to measure the relative impact.

In the third activity, the company must take some decisions in order to improve marketing. During the planning process, the company must identify some marketing decisions in order to increase its profits and, subsequently, create measures to facilitate those decisions. That is, the metrics should be measurable, leading to decisions that increase the firm's profits. ROI-based decisions typically result from strategic questions such as new offerings, target segments or geographic regions, not just operational questions.

According to Klein and Swartzendruber (2003), the determination of marketing ROI depends on three inputs: the expense of the program, the resulting returns and savings, and time period. In the costs of the programs, the company must include all costs except for post-its or paper clips used, including costs of production, administration and planning (include salary and benefits), data processing, shipping/freight costs, advertising, and even hardware, software, licensing.

After data input, the company can calculate ROI output using financial methods such as percentage ROI, ratio and break-even/payback. Percentage ROI is the most used and is calculated as follows: $|(Returns - Expense) / Expense| \times 100$.

TABLE 4. BASIC ROI CALCULATION

Basic ROI Calculation

MARKETING EXPENSES (EXCLUDING OFFER COSTS)		MARKETING IMPACT	QUANTITY
Campaign Development	\$25,000	Target Reached	27,000
Mass Media	\$100,000	% Convert to Sale	2.2%
Direct Marketing	\$40,000	Incremental Sales	594
Total Marketing Budget	\$165,000	Net Present Value per New Sale	\$875
MARKETING STAFF EXPENSE		Incremental Revenue	\$519,750
Number of Staff Days	6.25		
Average Daily Rate	\$450	Average Gross Margin %	38.0%
Total Staff Expense	\$2,813	Profit from Incremental Sales	\$197,505
Total Marketing Investment	\$167,813	Incremental Gross Margin	\$197,505
Gross Margin – Marketing Investment		Return (i.e., Net Profit)	\$29,693
Return / Marketing Investment		ROI	17.7%

Source: Lenskold Group

1.6.2. FORALL PHONES DIGITAL MARKETING PERFORMANCE

The digital marketing performance measurement process practiced by Forall Phones has been one of its competitive advantages, being a key driver of decision-making. José Alves, Head of Performance of the brand, carries out the measurement process. He is 23 years old but, despite the young age, he has a very robust know-how in this area, due to its analytical and highly results-oriented profile. This position has a high degree of importance for the entire organization since it is through it that it is verified if the department is actually contributing in terms of increased awareness or sales returns, for example.

When José Alves joined Forall in August 2018, Forall was being composed and the firm's performance was not measured as it is now. In fact, these functions fell on João Ribeiro, the current CMO, and because of the workload he had, the performance measurement was not the focus, at a time when Forall was taking the first steps towards the success that has today.

The first step towards all the digital marketing performance process has begun in the performance ecosystem's restructuring and professionalization. José Alves divided the brand communication by customer type: prospecting (people who do not have a relation with the brand, not having engaged through social networks or visited the website); retargeting (people who have interacted with the brand but not bought its products); and buyers (customers who have already purchased Forall products). From here, a more efficient allocation of the budget is possible, according to each type of client. Thus, according to the brand's objectives, the percentage of the budget to reach each type of customer is defined according to the strategy adopted, which can vary between attracting new customers or retaining the current ones, through cross-selling or up-selling, for example.

From there, the timeline and each strategy are set, usually justified by the firm's main KPIs, regarding each type of customer. Once defined each strategy timeline, the next step is the entire measurement process implementation, which begins with the data extraction and analysis platforms operationalization, as well as everything associated with it, such as placing the pixels at link tagging for further analysis with Google Analytics. It should be noted that José Alves has built all reporting files, campaign naming convention, in order to work the data in Excel, for further segmentation.

Since the performance measurement professionalization at Forall, sales have soared 300% and every month the firm achieves records. In fact, the way the company measures the results, always focused on the measurement and the return in terms of sales, has contributed greatly to this record. In reality, almost all the used indicators by Forall have a purpose of measuring profitability, whether it is a return for every euro spent online (ROAS) or the cost per acquisition (CPA). Some indicators such as cost per click (CPC), conversion rates, conversions, conversion values, and average order value (AOV) are the main used by Forall, conveying the benefits and costs' language of digital marketing.

The fact that marketing is almost all digital, influences not only the results, since it is a cost-effective solution when compared to mass media, as well as the way it is measured, through platforms that allow fast feedback and reporting, being able to adjust strategies to correct deviations. In fact, for José Alves, “the firm’s strategic decisions are today much more data-driven than they were six months ago. And the trend will always be the preponderant role of data in all decisions made in all departments of the company”.

Despite the importance he gives to the more accessible information that digital allows measuring marketing results, José Alves highlights the people, work method and agility as the keys to this success.

1.6.2.1. FORALL PHONES' DIGITAL MARKETING PERFORMANCE MEASUREMENT

For José Alves, to be effective, the digital marketing performance measurement process must have a clear definition of the target audiences, being the booster of defining the main objectives in each action and each channel.

Usually, the main goal is always to increase sales, in order to quantify and measure the return on sales of each action and realize which channel is the more profitable one. With the know-how acquired from past professional experiences and through online learning, Alves assumes that everything he wants to measure in the firm has to be highly measurable and quantifiable. Only then he believes that it is possible to know if each action had the expected return and, it is based on this principle that this marketing department works. Thus, all the metrics used in all digital marketing actions are intrinsically linked to two general performance metrics: CPA (cost per acquisition) and ROA (return on ads spend). These two KPIs support the organization’s marketing strategy. All other metrics measured by Forall Phones are linked to these ones and are considered sub-indicators.

1.6.2.1.1. GOALS ESTABLISHMENT

The type of digital action and the budget required itself is based on the purpose of the firm and more specifically on the marketing department goals. After this, the main goals and the macro indicators are defined and the strategy of how to achieve them is determined, forming the digital marketing strategy: definition of the digital marketing channels (search engines, website, social media, e-mail marketing, SMS marketing, shapers, influencers, etc.), target audience, type of content, resources involved, and budget required.

Normally, the company defines a sales goal, which depends on many variables, but the main one is based on the stock that Forall has available. The growth bottleneck is on the side of the operation at this stage, so the sales are based on the productive capacity of Forall Phones. Goals are pre-set before, but are always related to increasing sales and profitability. In some cases, rarely, they work on leads, getting contacts through newsletter subscriptions, for example. Usually, the main goal is not to raise awareness, since, in José Alves's opinion, it is something that cannot be measured in terms of return.

It is based on whether or not these goals are accomplished that Forall relies on whether or not to change the defined strategy. The objectives defined are usually possible to measure, in order to be able to transmit quantitative information on whether the strategy achieves the intended target or whether it has or not profitability. That is, the focus of the department when developing a Facebook ad, for example, is to know if the customer has clicked on the ad and then if it has resulted in a sale. The marketing department has previously defined the KPIs that will measure over the course of digital marketing actions. These are essentially the CPA and ROAs levels.

The measuring performance process begins at this point, in the key performance levels establishment. In some rare cases, especially in social media channels, the objectives may be quite different, such as, to rise the visibility of an ad or a video campaign, for example on Youtube, but always with an eye on profitability, that is, in the expected return in sales and if it is or not profitable. In addition, within the Forall Family channel, the main goals are to raise the awareness and visibility of Forall's community program, and of the brand itself.

1.6.2.1.2. DATA GATHERING – PLATFORMS OPERATIONALIZATION AND REPORTING

Once the main objectives (CPA and ROAS) are quantified and the targets defined, the next step, more operational, is the data gathering. There is a huge amount of data that has to be collected and then analysed, and it provides insights to the brand about marketing efforts.

Forall Phones assumes that this phase of the process is a constant challenge, due to the complexity of integrating data from different platforms, because of the attribution models of each channel and the different ways of consumer tracking. The brand collects data from many digital tools, such as Google Ads, Facebook Ads, as well as CRM platforms, such as 360hrs. This data is, then, analysed and reported through Google Analytics and Excel. In this sense, the attribution models linked to Facebook Ads are not the same as Google Analytics, making the analysis more difficult.

In order to monitor the entire data extraction process and ensure that it is analysable, the firm defines the prioritization of a campaign and ad naming convention, satisfying all the dimensions that are to be analysed later. At the beginning of each campaign, each link used to bring traffic to the website is tagged with UTMs or equivalents, allowing Forall to track traffic sources through the Google Analytics platform, the main platform for information analysis and performance measurement, allowing to know valuable statistical information regarding performance and return of each digital marketing campaign. Through these links tagging, it is possible to know if the data comes from social media, Google, among others, and then, this data is stored and crossed.

Once labelled, and with all the platforms operational, there is cross-referencing of internal data with external data, through the interconnection between these platforms, so that Excel can process the data later, the main work tool for José Alves, allowing most complex and detailed analyses. Then, the firm creates a dashboard, which is a daily work tool that consists of data taken from sources: Facebook Business Manager, Google Ads, and Google Analytics. This data is taken from some reporting automation tools, namely FAME (Facebook Ads Manager for Excel), Google Analytics Edge and an Excel Macro.

This phase is therefore critical for the success of the process, and it is required a deep know-how to manage all the platforms and cross all the information, without flaws, so that it can be interpreted. For Alves, this is the most important phase of the whole process.

The key to this process is the construction of reporting files, campaign-naming convention so that the data can be managed in excel and, in the future, segment the customers.

1.6.2.1.3. DATA ANALYSIS

Once collected, data has to be analysed in order to provide insights regarding running campaigns. After setting up his worksheet, José Alves is able to do a detailed analysis of everything that is happening at the level of digital marketing. Through various platforms integrated into Excel, performance measurement has become much easier and more automated. In fact, information can be grouped, and the firm can segment the information by dimensions: customer, region, device, product, hour of day, age, traffic by origin/channel or action.

At this analysis point, the campaigns are evaluated concerning some metrics, depending on each channel that brought traffic to the website: SMS, e-mail, social media, paid search, organic search, display advertising, google shopping or Forall Shapers and Brand Makers. As discussed earlier, the focus of this analysis will usually to demonstrate the profitability of each marketing action, through CPA and ROAS analysis, being key decision drivers. Combining Google's performance measurement tools such as Google Analytics and later Excel, Forall Phones focuses primarily on the financial metrics CPA and ROAS to measure the effectiveness and efficiency of its marketing efforts.

Tracking CPA allows the cost-per-conversion measurement from start to the end by incorporating all online advertising costs that were spent, converting a visitor into a business customer. The return on advertising spend (ROAS) allows to determine the overall performance of an ad and which campaigns perform best with regard to profitability. That is, this metric is important to realize the return of the ad for each euro invested.

In the words of José Alves, the measurable characteristics of Facebook and Google platforms, allowing them to know which channels most profitable and which campaigns are generating the most financial return to the firm, lead the company to focus a lot on this type of analysis. With respect to ROAs, Alves uses a spreadsheet that includes all the costs that are associated with marketing.

Then, as in any analysis, performance measurement goes from generic to specific and there is special attention to outliers. Analysis such as click through rate (CTR) or cost per click (CPC) is secondary analyses, that contribute to the mains CPA or ROAs analysis.

Figure 9 provides information from the Forall Phones performance analysis, segmented by device type, customer type, location, and channel. The analysis is mainly based on the reach of the advertisement, through the number of impressions, the cost involved, the clicks (measuring the number of clicks, the associated conversion rates and the cost of the click (CPC)), as well as the generated return through sales, by measuring the number of conversions, CPA, ROAS, conversion value, average order value and conversion rates.

For YouTube video campaigns, the brand also seeks to measure other indicators, than those indicated above, such as the number of video views and cost per view. However, for José Alves, one more time, if the cost per view is high and if it is not generating sales, the main indicator, the company should not prolong the campaign.

FIGURE 9. FORALL PHONES' PERFORMANCE ANALYSIS FILE

WEEKS	REACH		CLICKS			SALES					
	IMPRESSIONS	COST	CLICKS	CTR	CPC	CONVERSIONS	CPA	ROAS*	CONVERSION VALUE	AVERAGE ORDER VALUE	CONVERSION RATE
07-13 Jan	1212228	2 832,63 €	19072	1,57%	0,15 €	39	72,13 €	5,26	14 911,10 €	379,71	0,21%
14-20 Jan	1175860	3 056,42 €	19543	1,66%	0,16 €	49	62,86 €	6,46	19 747,08 €	406,15	0,25%
21-27 Jan	1709892	3 488,47 €	27702	1,62%	0,13 €	67	51,82 €	7,12	24 854,28 €	369,20	0,24%
28-03 Jan	1555532	3 062,41 €	20893	1,34%	0,15 €	62	49,63 €	7,24	22 162,39 €	359,14	0,30%
04-10 Feb	666561	2 088,61 €	12351	1,85%	0,17 €	24	85,92 €	5,36	11 189,85 €	460,30	0,20%
Total	6320072	14 528,54 €	99562	1,58%	0,15 €	241	60,23 €	6,40	92 915,85 €	385,18	0,24%

Source: Forall Phones (2019) *All these indicators are interrelated. The values were sanitized and are fictitious but the proportion and the relationship between the metrics was maintained.

In terms of community management, Forall seeks to analyse indicators such as customer engagement with the brand through likes and followers. José Alves is not a fan of a deeper behavioural analysis since, in his words, measuring brand awareness and engagement is very difficult, since through questionnaires, for example, the results can be skewed. José Alves' focus is, in fact, trying to understand if everything that is done in marketing is having an impact on the level of sales and profitability, compared to the investment made.

Impression and reach metrics are sometimes also used, such as the number of in-store visits. When the number is down the department uses this information to do retargeting and direct specific ads to customers who have not bought products for a long time.

Another indicator that the brand intends to measure in the near future, and is not yet operational, is the cost of entry in the store. That is, to realize the link between the brand’s online efforts and store entry by calculating the cost and return of taking a customer to a store. A possible indicator to measure this metric would be to see which customers, via smartphone, have clicked on “Get directions” on Google Maps and, actually, entered the store. Table 5 identifies the metrics system, used by Forall Phones, to get information from some different digital sources of data.

TABLE 5. FORALL PHONES’ METRICS SYSTEM

<i>MICRO INDICATORS</i>							
<i>EMAIL</i>	<i>COMMUNICATIONS</i>	<i>ONLINE ADS</i>	<i>SOCIAL MEDIA</i>	<i>WEBSITE</i>	<i>EVENTS</i>	<i>CUSTOMER</i>	<i>BLOG</i>
<i>Unsubscribe Rate</i>	<i>No of Press Releases</i>	<i>Impressions</i>	<i>Gross Views</i>	<i>Views/Visitors</i>	<i>Atendees</i>	<i>Churn Rate</i>	<i>Posts</i>
<i>Bounce Rate</i>	<i>No of Interviews</i>	<i>Cost per Click (CPC)</i>	<i>Engagement</i>	<i>Unique Views</i>	<i>Registrations</i>	<i>Customer Lifetime Value</i>	<i>Views/Visitors</i>
<i>Open Rate</i>	<i>No of Press Events</i>	<i>Cost per Thousand Impressions (CPM)</i>	<i>Conversions</i>	<i>Backlinks</i>			<i>Unique Visitors</i>
<i>Click-Through Rate</i>		<i>Cost per Conversion (CPC)</i>		<i>Conversion Rates</i>			
		<i>Cost per Action (CPA)</i>		<i>Average Order Value</i>			
		<i>Impression Share</i>					
		<i>Average Position</i>					

Source: Forall Phones (2019)

1.6.2.1.4. THE FEEDBACK FOR STRATEGIC DECISIONS

The chosen KPI’s to track allow a very detailed feedback of what is happening within the marketing department. Thus, it becomes an important source for strategic decisions, both at the marketing level and at the firm as a whole, becoming a reliable booster of decision making, based on the gaps between what was planned and what is actually happening.

After analysing the metrics, it is possible to stress valuable conclusions about the actions of marketing and all that they entail. To calculate CPA, there are some reasons that can justify a higher CPA. One of them can be the lower level of the Click Through Rate (CTR), or because of the high level of the Cost per Click (CPC). In this example, if the CTR is low, it can be because the brand is not impacting the right people, and the problem

may be the targeting strategy. Hence, it is possible to verify the importance of these KPIs for decision-making. From here, the firm can adopt a new strategy or just make a few adjustments, focusing another channel or content, for the specific target that was trying to reach.

According to José Alves, if any campaign identifies as performing below the expectations, defined at the beginning of the process, then he will do a deep search to realize what is happening and he will subsequently take corrective and optimization actions, trying to correct perceived deviations. The same is true when a given action is having a higher than expected return, which in this case will serve as a best practice to replicate in future campaigns.

Forall also uses the used metrics system and segmentation, during this process, for more strategic and global business decisions. The information collected at the end of a digital marketing performance measurement process has been used for Forall's critical options, such as the opening of new physical stores. Through the aforementioned segmentation, it is possible to know which regions of Portugal and not only, contribute the most to the traffic of the brand website and to the sales volume, being key decision drivers for the firm as a whole. Furthermore, the option for stopping investment or investing in certain products results from this segmentation. For example, by checking that Samsung smartphones were not succeeding, Forall decided to discontinue these products online, only selling them in stores and with the purpose of being completely withdrawn from its portfolio.

1.6.2.1.5. REPORTING AND COMMUNICATING

Forall Phones has implemented a weekly performance report through a weekly meeting with Marketing Director, João Ribeiro, after knowing the results of digital marketing performance in each campaign. In this meeting, the company defines the main next week objectives, as well as reports the results of the week before.

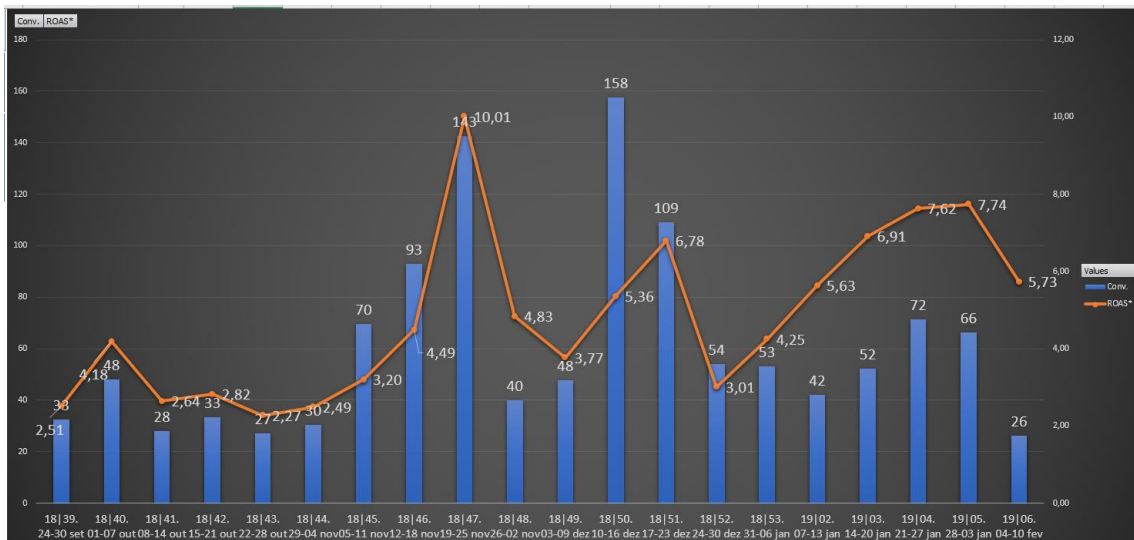
The main results are presented through marketing dashboards and are reported to organization key elements, in a monthly meeting, where the CFO, CMO, Financial Controller and Head of Performance are present.

Figure 10 is an example of a dashboard used in this type of meeting, highlighting the key metrics, intrinsically linked to the business results, speaking the language of the CFO.

This dashboard refers to the conversions and ROAS improvement, from September 2018 to February 2019. In the same figure, it is possible to verify that the best week for the company, in terms of marketing profitability, was between 19 and 25th of November, corresponding to the Black Friday week.

In this monthly meeting, the company updates the other departments about what is happening in the marketing department, regarding financial indicators at the performance level of the entire department, in order to see if the investment is having the return

FIGURE 10. FORALL PHONES' PERFORMANCE ANALYSIS DASHBOARD



Source: Forall Phones (2019)

expected. Some indicators such as ROAS, conversions or CPA are typical reporting metrics since they are the main key decision drivers and are used to make strategic decisions based on them. Hence, the decision as marketing budget division by the different channels is taken according to their profitability. Even the general marketing budget increase or decrease is established through certain objectives achievement since the marketing budget is defined every month by a percentage of sales. Forall only discloses macro indicators in these monthly meetings, due to their crucial importance. Micro indicators, which are more operational, are only reported within the marketing department.

1.6.2.2. THE BLACK FRIDAY CAMPAIGN – ILLUSTRATIVE EXAMPLE OF PERFORMANCE MEASUREMENT

Forall Phones benchmarked what other brands already are used to do at the end of November, lowering the price of their products, implementing very high discounts, over

Black Friday's weekend. The brand decided to launch discounts on all its reused iPhones, stimulating its mission to boost the consumption of this type of devices, to encourage the circular economy and to reduce the environmental impact coming from the excessive purchase of technological equipment. Consequently, Forall Phones wanted to participate in the celebration of Black Friday with discounts of up to 35% on its black products in the period between 17 and 23 November. Appendix 24 illustrates some of the posts published on the brand's Facebook page within this campaign.

Thus, before starting the consumer discounts, the marketing department had a tough time planning the season, regarding the needed budget structuring, the target definition and linked objectives, the content definition and the channels to act, as well as the performance indicators levels to achieve.

The strategic character that the department has decided to act had a crucial role for the campaign's success, being the best brand campaign ever, regarding the smartphones shipments volume, both in-store and online, as well as in profitability, measured by ROAS.

At this time, the prices to advertise in online advertising space are more expensive than usual, since there are many e-commerce advertisers wanting to gain distinction in search engines, at the same time, in auction systems. Hence, the available slots are limited and the one wanting to gain prominence, have to pay more, complicating the achievement of profitability on Black Friday, due to high competitiveness. With this increase in demand, prices increased a lot, and Forall Phones took care of the matter. Despite the CTRs increasing, the cost per click increases more, proportionally, than the conversion rate rise, and the efficiency decreases.

Forall, through José Alves, decided to anticipate the Black Friday announcement promotions in previous weeks. Since November 1st, they have generated leads (mobile numbers, forms, etc.) with the message "submit your data to receive early access to our Black Friday promotions". In parallel, each week of November, from the beginning of the month, to the Black Friday day, they placed the "Black Friday price" on certain iPhone models early, aligning the communication this way and capitalizing immediately the leads that could anticipate their purchase, diluting sales that would naturally tend to concentrate at the end of the month.

Subsequently, Alves decided to stop most of the usual digital communication channels and focused his efforts only on direct communication through virtually null media costs channels, like e-mail and SMS. This decision resulted in the best month ever for the firm, since they were able to save the investment that would be necessary for a SEM campaign during the Black Friday days. Anticipating this scenario and, with much lower costs, the firm obtained the same number of consumers, brutally increasing the profitability of this campaign, which concluded in a larger volume of sales and a ROAS record. Rather than investing in typical online advertising, they cut back on the investment, and they had a much higher return.

1.6.2.3. ROI MARKETING AT FORALL PHONES

Forall Phones still doesn't calculate ROI Marketing. This is explained by the complexity of assertively measuring this value. For José Alves, variables such as product cost, cost of each employee, costs with platforms make the calculation difficult, although possible.

At this time, Forall includes as costs of marketing all the costs involved with platforms, events, communication materials conception (e.g. video) and sponsorships. In the second phase, soon to be, they also aim to input the team's salary costs in the general marketing budget.

In his opinion, what many companies calculate, when they speak of ROI, is effectively the profitability of the campaigns, by measuring ROAS, just as they do. The financial analysis at this level, which resembles the ROI calculation, is in fact measured by the macro indicators they are aiding, CPA and ROAS. Thus, its analysis at this level is divided into two levels: Level 0 and Level 1:

- Level 0: Characterized by being the most basic level and the basis of performance analysis. If the mobile phone has a production cost of 100€, having a margin of 50€, and knowing that the brand can spend 20€ to acquire a customer, the efforts are channelled in this CPA of 20€;
- Level 1: Once the CPA is set, the next step is to work on ROAS, which consists on the difference in the return that the ads have brought and the spending on the same ads. Once the ROAS level is set for the campaign to be profitable, the marketing effort is channelled accordingly.

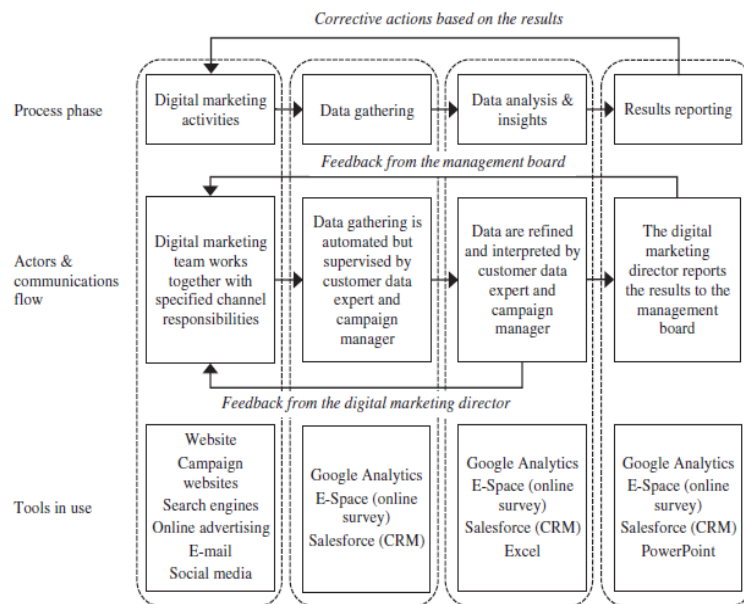
According to José Alves, to work the generic ROI indicator, the complexity required is much greater, possible through a Data-Driven Attribution Model, and a higher business volume than Forall Phones has today.

The contribution margin could be a more accessible indicator to calculate, but it would require separating fixed costs from variable costs, and this is often a challenge. In addition, this calculation would be possible through the Data-Driven Attribution Model, which would allow knowing, exactly, where the sale comes from, with 100% certainty. Without this model, it is impossible to assign a sale to a particular channel because, in the case of Forall, a customer clicks on a Facebook ad, then clicks on a Google ad, then uses an ambassador's promo code in a store, making it impossible to perceive the impact of each channel, assertively, on the final sale.

2. QUESTIONS

2.1. “It was here that José saw a business opportunity of buying and selling used smartphones, creating the Forall Phones”. Based on that information, try to explain how some macroeconomic indicators, smartphone market data and other relevant associated data may have led to the Forall Phones’ business idea.

2.2. Based on the following figure, draw the digital marketing performance measurement process, adopted by Forall Phones and comment, briefly, based on the knowledge acquired.



Source: Järvinen and Karjaluoto (2015)

2.3. “Since the performance measurement professionalization at Forall, sales have soared 300% and every month they achieve records”. Based on the case study, comment on this sentence, and give some justifications for the increase in Forall’s sales.

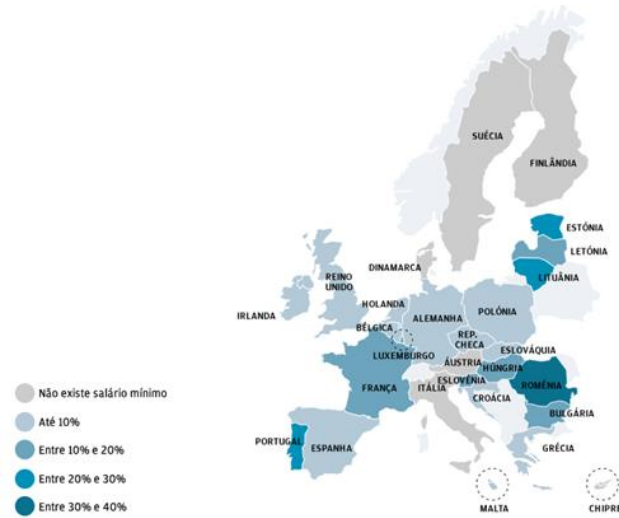
2.4. Identify the gaps presented in the performance measurement process adopted by Forall, giving some recommendations to fill them (Suggestion: use information from chapter 1.6.1. BEST PRACTICES IN DIGITAL MARKETING PERFORMANCE MEASUREMENT and some other additional scientific articles you may investigate).

2.5. What are the advantages for Forall Phones in calculating the ROI marketing, giving what can justify an annual ROI Marketing above or below of the expected at the beginning of the year? What costs would you include in calculating Forall Phones’ annual marketing ROI? What kind of strategies can be adopted by Forall Phones based on ROI marketing?

2.6. Imagine that Forall Phones aims to increase the sales level of Apple smartphones on the website, in Portugal. Based on this goal, draw the possible conversion funnel (awareness, interest, evaluation, purchase), suggesting specific tactics to improve each goal, also indicating the respective channels and objectives underlying each stage of the funnel, as well as the KPIs that would measure in each phase, in order to achieve the main goal outlined.

3. APPENDICES

APPENDIX 1. MAP OF THE PERCENTAGE OF PEOPLE LIVING WITH THE MINIMUM WAGE IN EUROPE



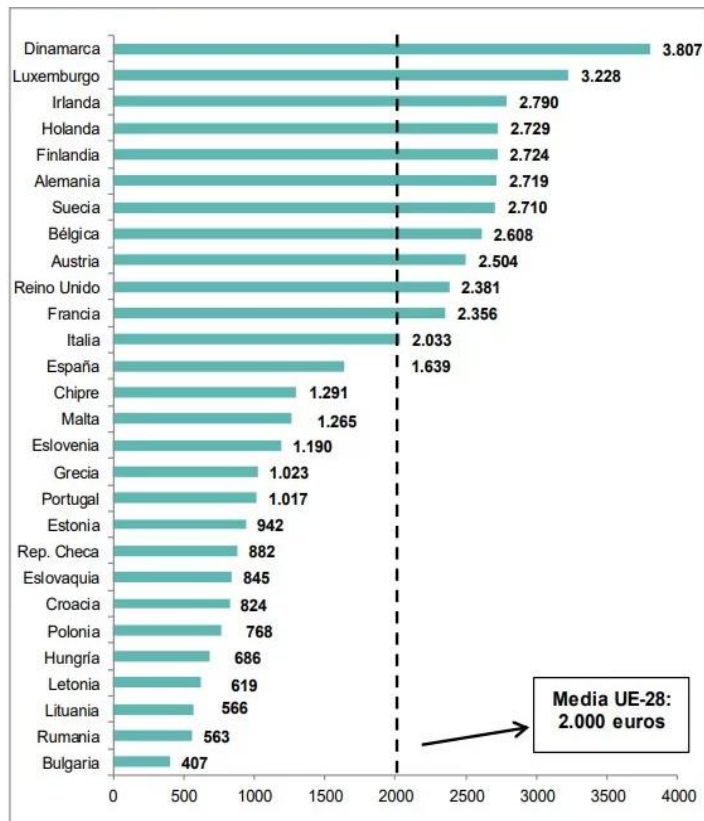
Source: Eurofound (2018)

APPENDIX 2. LEVEL OF MINIMUM WAGE IN THE 28 EU MEMBER STATES

Country	Effective since	Level of minimum wage in national currency	Period	Converted monthly minimum wage in EUR
High-range	Luxembourg	EUR 1998.59	Month	1998.6
	Ireland	EUR 9.55	Hour	1614.0
	Netherlands	EUR 1578	Month	1578.0
	Belgium	EUR 1562.59	Month	1562.6
	France	EUR 1498.47	Month	1498.5
	Germany	EUR 8.84	Hour	1497.8
	United Kingdom	GBP 7.83	Hour	1462.6
Mid-range	Spain	EUR 735.9	Month	858.6
	Slovenia	EUR 842.79	Month	842.8
	Malta	EUR 172.51	Week	747.5
	Greece	EUR 586.08	Month	683.8
	Portugal	EUR 580	Month	676.7
Low-range	Poland	PLN 2100	Month	502.6
	Estonia	EUR 500	Month	500.0
	Slovakia	EUR 480	Month	480.0
	Czech Republic	CZK 12200	Month	477.3
	Croatia	HRK 3438.8	Month	462.5
	Hungary	HUF 138000	Month	444.1
	Latvia	EUR 430	Month	430.0
	Romania	RON 1900	Month	407.3
	Lithuania	EUR 400	Month	400.0
	Bulgaria	BGN 510	Month	260.8

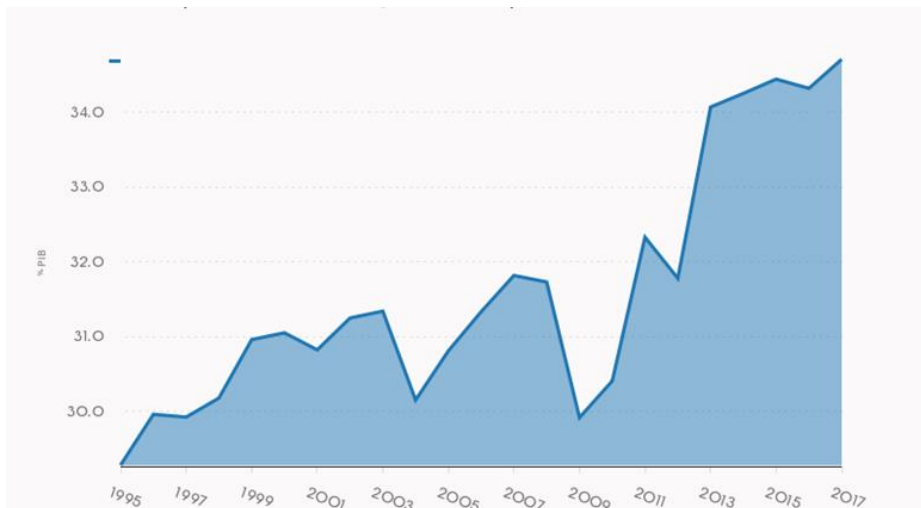
Source: Eurofound (2018)

APPENDIX 3. MEDIUM AVERAGE SALARY (€) IN THE 28 EU MEMBERS



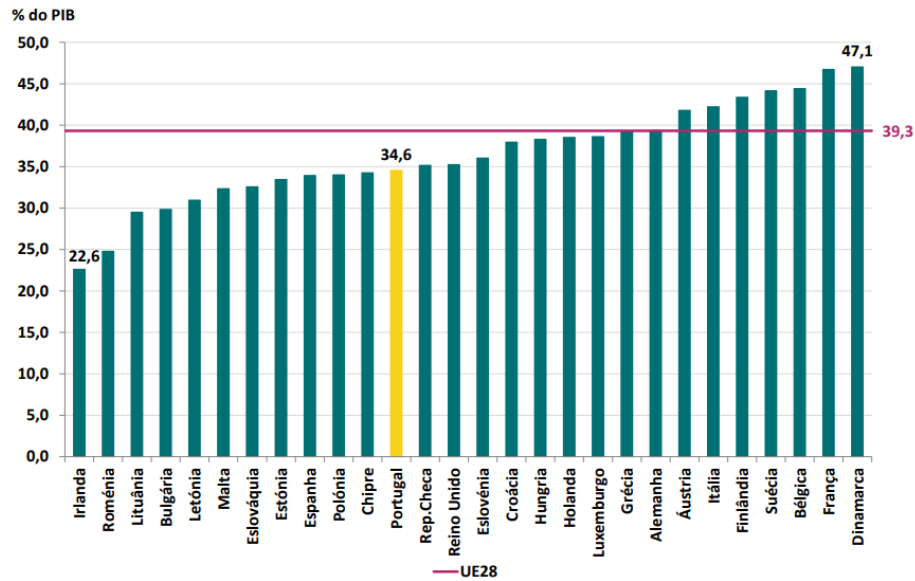
Source: Adecco and Barceló y Asociados (2017)

APPENDIX 4. TAX BURDEN CONTRIBUTION TO GDP (IN %) IN PORTUGAL FROM 1995-2017



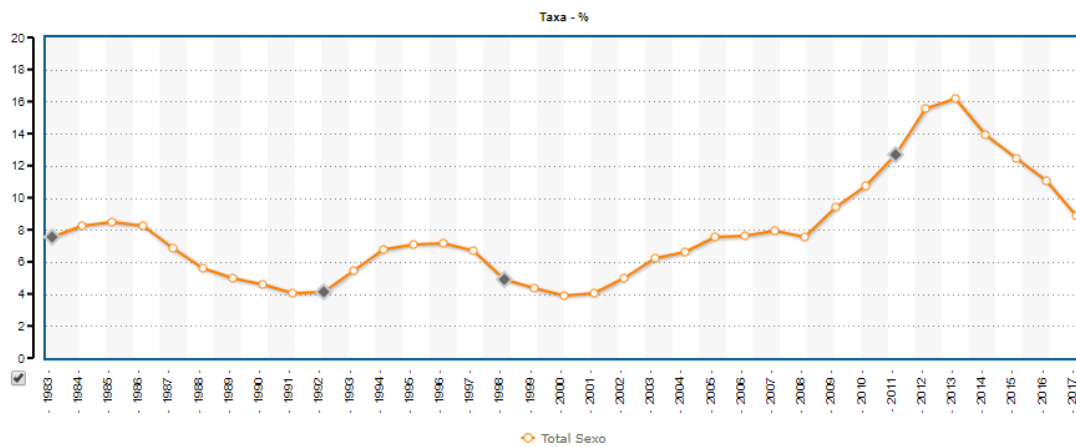
Source: INE (2017)

APPENDIX 5. TAX BURDEN CONTRIBUTION TO GDP IN THE 28 MEMBER STATES (2017)



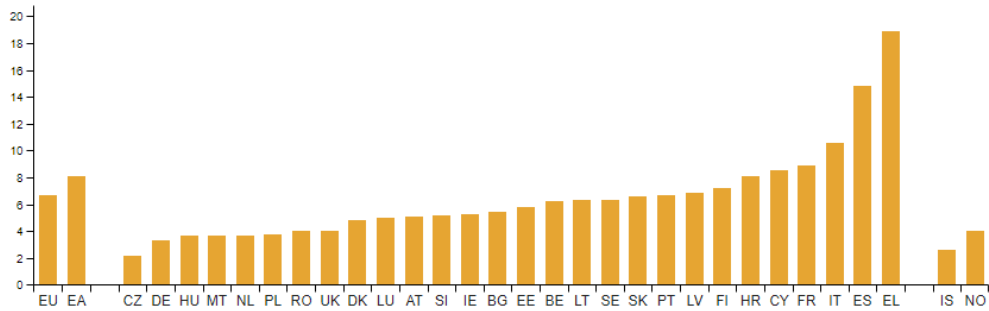
Source: INE (2017)

APPENDIX 6. EVOLUTION OF THE UNEMPLOYMENT RATE (%) IN PORTUGAL (1983-2017)



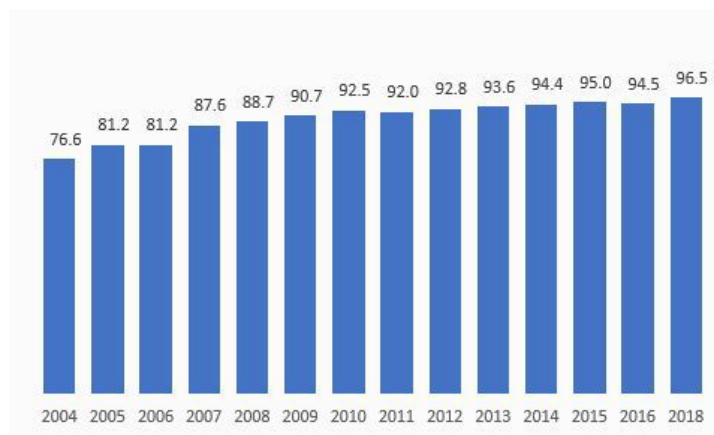
Source: Pordata (2017)

APPENDIX 7. UNEMPLOYMENT RATE IN THE EUROPE COUNTRIES (2018)



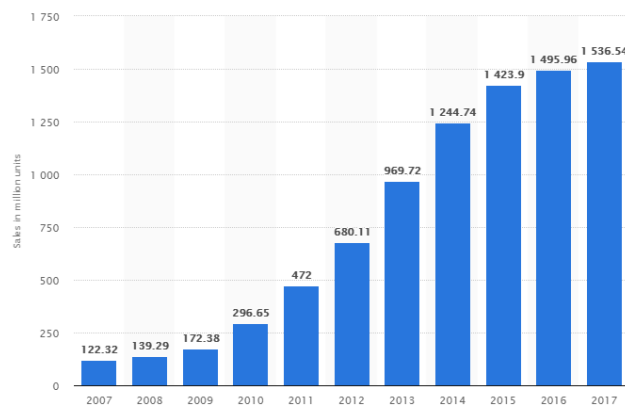
Source: Eurostat (2018)

APPENDIX 8. MOBILE PHONE PENETRATION RATE (%) IN PORTUGAL (2004-2018)



Source: Markttest (2018)

APPENDIX 9. NUMBER OF SMARTPHONES SOLD TO END USERS WORLDWIDE 2007 TO 2017 (IN MILLION UNITS)



Source: Statista (2017)

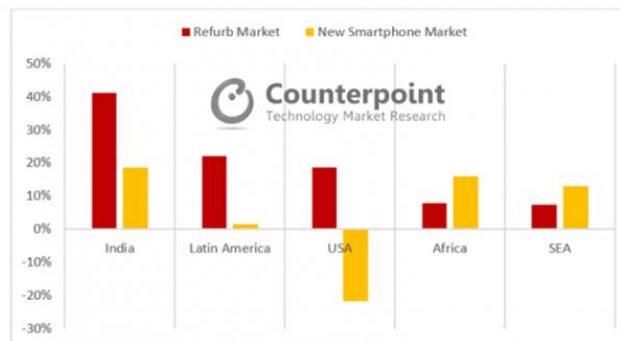
APPENDIX 10. GLOBAL SMARTPHONE SHIPMENTS RANKING (MILLION UNITS) AND YOY% GROWTH (2016-2017)

Global Smartphone Shipments (Millions Units)	2016Q4	2017Q4	YoY % Growth
Apple	78.3	77.3	-1%
Samsung	78.0	74.4	-5%
Huawei	45.0	41.0	-9%
Oppo	30.9	32.0	4%
Xiaomi	17.0	31.0	83%
vivo	23.6	24.5	4%
LG	14.1	13.9	-1%
Lenovo (Includes Motorola)	14.2	12.3	-13%
ZTE (Includes nubia)	16.4	9.7	-41%
Meizu	6.0	4.2	-30%
Others	114.3	94.7	-17%
Total	437.6	415.0	-5%

Global Smartphone Shipments (Millions of Units)	CY 2016	CY 2017	Growth % YoY
Samsung	310.3	318.1	3%
Apple	215.2	215.8	0%
Huawei	139.0	153.1	10%
Oppo	92.9	121.1	30%
vivo	74.3	100.7	36%
Xiaomi	61.5	96.0	56%
LG	55.0	55.9	2%
Lenovo (Includes Motorola)	50.7	49.7	-2%
ZTE (Includes nubia)	60.1	44.9	-25%
Alcatel	34.1	20.7	-39%
Others	423.6	374.5	-12%
Total	1516.6	1550.4	2%

Source: IDC (2018)

APPENDIX 11. REFURBISHED SMARTPHONES VS NEW SMARTPHONE SHIPMENTS YOY GROWTH (%) IN EMERGING REFURBISHED MARKETS



Source: Counterpoint (2018)

APPENDIX 12. REGIONAL ANNUAL GROWTH COMPARISON IN THE GLOBAL SMARTPHONE MARKET



Source: Counterpoint (2017)

APPENDIX 13. BIGGEST SMARTPHONE PLAYERS SHIPMENT VOLUMES (MILLION UNITS) AND MARKET SHARE VARIATION (%) (2017-2018)

Company	3Q18 Shipment Volumes	3Q18 Market Share	3Q17 Shipment Volumes	3Q17 Market Share	3Q18/3Q17 Change
Samsung	72.2	20.3%	83.3	22.1%	-13.4%
Huawei	52.0	14.6%	39.1	10.4%	32.9%
Apple	46.9	13.2%	46.7	12.4%	0.5%
Xiaomi	34.3	9.7%	28.3	7.5%	21.2%
OPPO	29.9	8.4%	30.6	8.1%	-2.1%
Others	119.9	33.8%	149.8	39.6%	-19.9%
Total	355.2	100.0%	377.8	100.0%	-6.0%

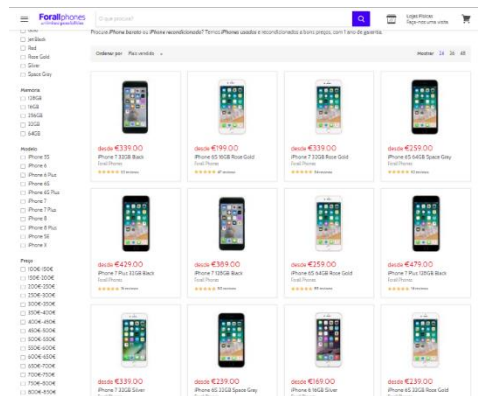
Source: Counterpoint Research global smartphone market Q4 (2017)

APPENDIX 14. PRICING BENCHMARKING ANALYSIS IPHONE 8 64G & IPHONE X 64 G










Source: Forall Phones (2019)

APPENDIX 15. FORALL PHONES PRODUCT OVERVIEW



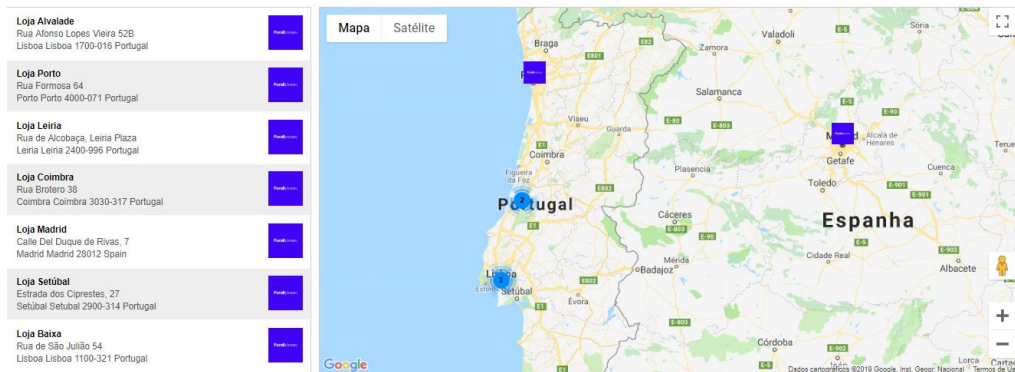
Source: Forall Phones Website

APPENDIX 16. PAYMENT, RETURNS & WARRANTY

Returns and Warranty		Payment Methods	
	<p>1-year warranty in every product</p> <p>Every product is backed by a 365 day warranty. If you have any problem during this period you can activate the warranty by sending us an email to helloforallphones.com, with the subject: 'warranty', with the problem description and invoice. The identified problem will be promptly solved and it will be taken the necessary measures to repair or substitute the smartphone with no costs for you.</p>		<p>Credit Card</p> <p>Pay directly with your credit card.</p>
	<p>Exception</p> <p>Smartphones which are damaged due to client's improper use, negligence and water damage will not be substituted.</p>		<p>Pay when delivered</p> <p>Pay on delivery, in your home, with a extra cost of 20€ for shipping costs. Make the payment of € 20 up to 24 hours after your online purchase.</p>
	<p>Returns</p> <p>Should the item not meet your expectations, the first step is to contact us to resolve your concerns. You have 14 days to change your smartphone or ask for a reimbursement. Shipping costs are on the customer-side. The equipment must be in the same conditions of when it was delivered to the client with the bill. At Forall Phones, everything will be done for our clients to feel completely satisfied. We guarantee the maximum rigor in compliance with the legislation.</p>		<p>Paypal</p> <p>Use the Paypal service to pay your order.</p>
			<p>Bank transfer</p> <p>If you find any problem related to any of these payment methods you should transfer the value to our IBAN PT50 0035 0229 000915030 38 and then send proof to helloforallphones.com</p>

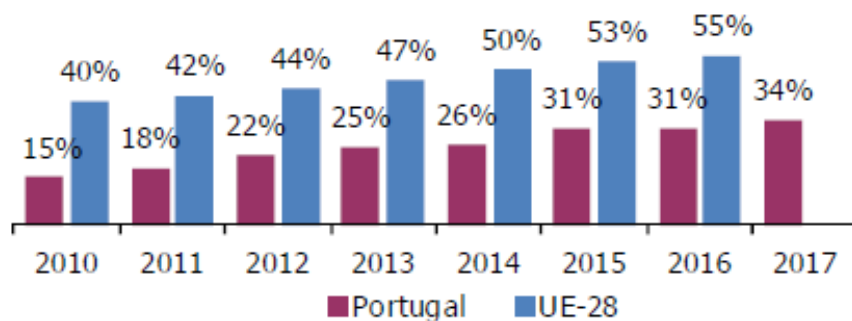
Source: Forall Phones Website

APPENDIX 17. FORALL PHONES STORES LOCATION



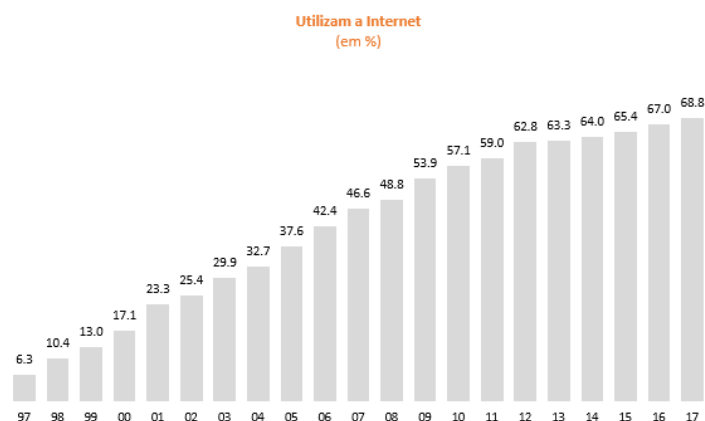
Source: Forall Phones Website

APPENDIX 18. PERCENTAGE OF PEOPLE BETWEEN 16-74 YEARS OLD WHO USED ELECTRONIC COMMERCE IN PORTUGAL (2010-2017)



Source: INE (2017)

APPENDIX 19. EVOLUTION OF INTERNET PENETRATION IN PORTUGAL (1997-2017)



Source: Marktest (2017)

APPENDIX 20. FORALL PHONES' SALES BY CHANNEL (%) AND TOTAL SMARTPHONE SALES UNITS (SEP-DEC 2018)

SALES BY CHANNEL (%)				
CHANNEL	SET	OUT	NOV	DEZ
ONLINE				
WEBSITE				
WEBSITE FROM PT	22,32%	19,43%	24,56%	17,62%
WEBSITE FROM EU		2,19%	3,83%	2,99%
TOTAL	22,32%	21,62%	28,39%	20,61%
MARKET PLACE				
BACKMARKET	11,38%	9,68%	7,90%	0,97%
ALLEGRO			0,07%	0,35%
CDISCOUNT				0,08%
REFURBED				0,50%
TOTAL	11,38%	9,68%	7,97%	1,90%
AMAZON	4,89%	5,58%	3,51%	4,34%
TOTAL ONLINE SALES	38,59%	36,88%	39,87%	26,85%
STORES				
LISBON	45,14%	46,17%	36,64%	40,74%
PORTO	16,27%	16,95%	16,65%	18,15%
COIMBRA			1,21%	7,36%
LEIRIA			5,61%	6,91%
TOTAL STORES SALES	61,41%	63,12%	60,11%	73,16%
TOTAL SMARTPHONE SALES UNITS				
ONLINE	509	656	1048	818
STORES	811	1124	1580	2230

Source: Forall Phones (2018)

APPENDIX 21. FORALL PHONES ONLINE MARKETING TOOLS & PLATFORMS

ONLINE MARKETING CHANNELS AND PLATFORMS			
CHANNELS	USED PLATFORMS	PLATFORM FUNCTION	IMPORTANCE TO THE BUSINESS (0-10)
SOCIAL MEDIA			
FACEBOOK	FACEBOOK BUSINESS MANAGER	OPERATIONALIZATION & ANALYSIS	5
INSTAGRAM	FACEBOOK BUSINESS MANAGER	OPERATIONALIZATION & ANALYSIS	7
YOUTUBE	GOOGLE ADS	OPERATIONALIZATION & ANALYSIS	6
E-MAIL MARKETING	360NRS, MAILCHIMP	OPERATIONALIZATION	8
SMS MARKETING	360NRS	OPERATIONALIZATION	8
CUSTOMER RELATIONSHIP MARKETING (CRM)	360NRS, MAILCHIMP	OPERATIONALIZATION	9
SEARCH ENGINES			
SEARCH ENGINE MARKETING / PAY PER CLICK	GOOGLE ADS	OPERATIONALIZATION & ANALYSIS	10
SEARCH ENGINE OPTIMIZATION	MOZ, GOOGLE SEARCH CONSOLE	OPERATIONALIZATION & ANALYSIS	10
ANALYTICS & PERFORMANCE	GOOGLE ANALYTICS	ANALYSIS & REPORTING	10
CONVERSION RATE OPTIMIZATION (CRO)	GOOGLE ANALYTICS, HOTJAR	ANALYSIS	5
A/B TESTING	FACEBOOK BUSINESS MANAGER	ANALYSIS	5
MOBILE MARKETING			
LOCATION BASED MARKETING METHOD	FACEBOOK ADS AND GOOGLE ADS	TO ATTRACT CUSTOMERS	7
OTHER	CPA DEALS (KWANKO)	OPERATIONALIZATION	3

Source: Forall Phones (2019)

APPENDIX 22. METRICS SYSTEM SUMMARY TABLE (DIGITAL SOFT METRICS)

METRICS	CONSTRUCTION	CONSIDERATIONS	SOURCE	Notes
Fans, Friends, Followers and Supporters Number	"Number of individuals joining a social network"	"Success depends on target group and the social nature of the product. This metric is unlikely to reflect the ultimate aim of a marketing campaign"	Mintz & Currim (2013); Spiller & Tuten (2015); AMA (2015); "Digital Metrics" Playbook (2015); "Marketing Metrics" Book (2016); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
Engagement	Engagement (Likes+Comments+Shares)/Total Fans or Followers x 100%	"To improve this indicator, it is required to assess the best post moments, to determine engagement objectives, know the audience and what type of content generates greater involvement, and analyse and monitor metrics regularly on a global and network basis"	"Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Performance-80 métricas de marketing e vendas" Book (2019) Definitions
Share of Conversation	"Share of Conversation=Comments about your brand/Total comments about all brands in your category"	"The number of comments about your brand that are published outside of your properties, out of the total published comments about all brands in your category"	"Digital Metrics" Playbook (2015)	"Digital Metrics" Playbook (2015) Definitions
Awareness	"Percentage of total population that is aware of a brand"	"Is this prompted or unprompted awareness?"	Mintz & Currim (2013); AMA (2015); "Marketing Metrics" Book (2016); Liang et al. (2018)	"Marketing Metrics" Book (2016) Definitions
Posts (Blog, Photo, Video, Tweets), Downloads, Comments, Reply Comments, Mentions, Tags, Pins, Likes, Ratings, Favorites, Views, Bookmarks, Subscriptions	"Signals that can tell you what kind of content your audience likes the most, which, in turn, gives you the opportunity to improve your content creation strategies by producing more engaging and relevant pieces"	"When people write comments on your posts, you can be sure that your content was viewed"	Mintz & Currim (2013); Jarvinen & Karjaluoto (2015); Spiller & Tuten (2015); AMA (2015); "Digital Metrics" Playbook (2015); VisionEdge Marketing (2017)	"Digital Metrics" Playbook (2015) Definitions
Visitors	"The number of unique Web site viewers in a given period"	"Useful in determining the type of traffic generated by a Web site-a few loyal adherents, or many occasional visitors. The period over which this metric is measured can be an important consideration"	Mintz & Currim (2013); Jarvinen & Karjaluoto (2015); Spiller & Tuten (2015); AMA (2015); "Marketing Metrics" Book (2016); VisionEdge Marketing (2017); Liang et al. (2018)	"Marketing Metrics" Book (2016) Definitions
Number of website visits/impressions/visitors and website visit growth (%) driven per traffic source	"An impression is generated each time an advertisement is viewed. The number of impressions achieved is a function of an ad's reach (the number of people seeing it), multiplied by its frequency (number of times they see it)"	"As a metric, impressions do not account for quality of viewings. In this regard, a glimpse will have less effect than a detailed study. Impressions are also called exposures and opportunities-to-see (OTS)"	Mintz & Currim (2013); Jarvinen & Karjaluoto (2015); Spiller & Tuten (2015); "Marketing Metrics" Book (2016); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
Page Views	"The number of times a Web page is served"	"Represents the number of Web pages served. Hits, by contrast, represent pageviews multiplied by the number of files on a page, making it as much a metric of page design as of traffic"	Jarvinen & Karjaluoto (2015); "Digital Metrics" Playbook (2015); "Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions
Returning Visitors	"The number of visitors that returned to the website"	"Visitors who come back to the website at least one more time after their first visit"	"Digital Metrics" Playbook (2015); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Digital Metrics" Playbook (2015) Definitions
Open Rate	"It is calculated as follows: Emails Opened / Emails Delivered x 100"	"It allows to perceive the performance of a mailing campaign, to realize which contents are attracting more interest, to check the best moments for sending, to assist in the segmentation criteria"	"Marketing Performance-80 métricas de marketing e vendas" (2019) Book	"Marketing Performance-80 métricas de marketing e vendas" (2019) Book Definitions
Share of Traffic	"The percentage of visits (or unique visitors) your website gets out of the total visits to all websites in your category"	"You should include visits to your website plus all of your competitors' websites in order to calculate the total number of visits for your category"	"Digital Metrics" Playbook (2015)	"Digital Metrics" Playbook (2015) Definitions
Average Frequency	"The average number of times that an individual receives an advertisement, given that he or she is indeed exposed to the ad"	"Frequency is measured only among people who have in fact seen the advertisement under study"	"Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions
Effective Frequency	"The number of times an individual must see an advertisement in order to register its message"	"As a rule of thumb in planning, marketers often use an effective frequency of 3. To the extent that it promises to have a significant impact on campaign results, this assumption should be tested"	"Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions
Effective Reach	"Reach achieved among individuals who are exposed to an advertisement with a frequency greater than or equal to the effective frequency"	"The effective frequency rate constitutes a crucial assumption in the calculation of this metric"	"Marketing Metrics" Book (2016); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
Average time on site	"Visit length is calculated as the difference between the first and last page view timestamp of each visit. This means that the actual time spent on the last page doesn't get calculated, only the time spent on previous pages. And visits with just one pageview will get assigned zero time on site because there is no following pageview timestamp with which to make the calculation"	"The average length of user visits on your site"	Spiller & Tuten (2015); "Digital Metrics" Playbook (2015); "Marketing Performance-80 métricas de marketing e vendas" (2019) Book	"Digital Metrics" Playbook (2015) Definitions
Click Through Rates (CTR)	"Number of clickthroughs as a fraction of the number of impressions"; "CTR=Clicks/Ad Impressions"	"An interactive measure of Web advertising. It has great strengths, but clicks represent only a step toward conversion and are thus an intermediate advertising goal"	"Digital Metrics" Playbook (2015); "Marketing Metrics" Book (2016); VisionEdge Marketing (2017); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
Abandonment Rate	"The rate of purchases started but not completed"	"Can warn of weak design in an e-commerce site by measuring the number of potential customers who lose patience with a transaction process or are surprised and put off by "hidden" costs revealed toward its conclusion"	"Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions
Bounce Rate	"Fraction of Web site visitors who view a single page"; "It can be calculated as follows: Total Abandonments/Total Visits x 100"	"Requires a clear definition of when a visit ends. Usually considers bounce rate with respect to visits rather than visitors"	"Marketing Metrics" Book (2016); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions; "Marketing Performance-80 métricas de marketing e vendas" (2019) Book Definitions
Conversion rates/ Call to Action (CTA)	"Conversion Rate=Conversions/Total Number of visits"	"The percentage of conversions generated by your visitors in a given time period"	"Digital Metrics" Playbook (2015); Spiller & Tuten (2015); VisionEdge Marketing (2017); Liang et al. (2018); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Digital Metrics" Playbook (2015) Definitions
Gross Rating Points (GRP)	"Impressions divided by the number of people in the audience for an advertisement"	"Impressions expressed in relation to population. GRPs are cumulative across media vehicles, making it possible to achieve GRPs of more than 100%. Target Rating Points (TRPs) are measured in relation to defined target populations"	"Marketing Metrics" Book (2016); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
Net Promoter Score (NPS)	"Percentage of customers willing to recommend to others less the percentage unwilling to recommend the product or service"	"The Net Promoter Score (NPS) is created by subtracting the percentage of detractors among current customers from the percentage of promoters among current customers"	Mintz & Currim (2013); "Marketing Metrics" Book (2016); Liang et al. (2018)	"Marketing Metrics" Book (2016) Definitions
Willingness to Recommend	"Generally measured via ratings across a 1-5 scale"	"Nonlinear in impact"	Mintz & Currim (2013); "Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions
Customer Satisfaction	"Generally measured on a 1-5 scale, in which customers declare their satisfaction with brand in general or specific attributes"	"Subject to response bias. Captures views of current customers, not lost customers. Satisfaction is a function of expectations"	"Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions

APPENDIX 23. METRICS SYSTEM SUMMARY TABLE (DIGITAL HARD METRICS)

METRICS	CONSTRUCTION	CONSIDERATIONS	SOURCE	Notes
Fans, Friends, Followers and Supporters Number	"Number of individuals joining a social network"	"Success depends on target group and the social nature of the product. This metric is unlikely to reflect the ultimate aim of a marketing campaign"	Mintz & Currim (2013); Spiller & Tuten (2015); AMA (2015); "Digital Metrics" Playbook (2015); "Marketing Metrics" Book (2016); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
Engagement	$\text{Engagement (Likes+Comments+Shares)/Total Fans or Followers} \times 100\%$	"To improve this indicator, it is required to assess the best post moments, to determine engagement objectives, know the audience and what type of content generates greater involvement, and analyse and monitor metrics regularly on a global and network basis"	"Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Performance-80 métricas de marketing e vendas" Book (2019) Definitions
Share of Conversation	$\text{Share of Conversation} = \frac{\text{Comments about your brand}}{\text{Total comments about all brands in your category}}$	"The number of comments about your brand that are published outside of your properties, out of the total published comments about all brands in your category"	"Digital Metrics" Playbook (2015)	"Digital Metrics" Playbook (2015) Definitions
Awareness	"Percentage of total population that is aware of a brand"	"Is this prompted or unprompted awareness?"	Mintz & Currim (2013); ; AMA (2015); "Marketing Metrics" Book (2016); Liang et al. (2018)	"Marketing Metrics" Book (2016) Definitions
Posts (Blog, Photo, Video, Tweets), Downloads, Comments, Reply Comments, Mentions, Tags, Pins, Likes, Ratings, Favorites, Views, Bookmarks, Subscriptions	"Signals that can tell you what kind of content your audience likes the most, which, in turn, gives you the opportunity to improve your content creation strategies by producing more engaging and relevant pieces"	"When people write comments on your posts, you can be sure that your content was viewed"	Mintz & Currim (2013); Jarvinen & Karjaluoto (2015); Spiller & Tuten (2015); AMA (2015); "Digital Metrics" Playbook (2015); VisionEdge Marketing (2017)	"Digital Metrics" Playbook (2015) Definitions
Visitors	"The number of unique Web site viewers in a given period"	"Useful in determining the type of traffic generated by a Web site-a few loyal adherents, or many occasional visitors. The period over which this metric is measured can be an important consideration"	Mintz & Currim (2013); Jarvinen & Karjaluoto (2015); Spiller & Tuten (2015); AMA (2015); "Marketing Metrics" Book (2016) ; VisionEdge Marketing (2017); Liang et al. (2018)	"Marketing Metrics" Book (2016) Definitions
Number of website visits/impressions/visitors and website visit growth (%) driven per traffic source	"An impression is generated each time an advertisement is viewed. The number of impressions achieved is a function of an ad's reach (the number of people seeing it), multiplied by its frequency (number of times they see it)"	"As a metric, impressions do not account for quality of viewings. In this regard, a glimpse will have less effect than a detailed study. Impressions are also called exposures and opportunities-to-see (OTS)"	Mintz & Currim (2013); Jarvinen & Karjaluoto (2015); Spiller & Tuten (2015); "Marketing Metrics" Book (2016) ; "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
Page Views	"The number of times a Web page is served"	"Represents the number of Web pages served. Hits, by contrast, represent pageviews multiplied by the number of files on a page, making it as much a metric of page design as of traffic"	Jarvinen & Karjaluoto (2015); "Digital Metrics" Playbook (2015); "Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions
Returning Visitors	"The number of visitors that returned to the website"	"Visitors who come back to the website at least one more time after their first visit"	"Digital Metrics" Playbook (2015); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Digital Metrics" Playbook (2015) Definitions
Open Rate	"It is calculated as follows: Emails Opened / Emails Delivered x 100"	"It allows to perceive the performance of a mailing campaign, to realize which contents are attracting more interest, to check the best moments for sending, to assist in the segmentation criteria"	"Marketing Performance-80 métricas de marketing e vendas" (2019) Book	"Marketing Performance-80 métricas de marketing e vendas" (2019) Book Definitions
Share of Traffic	"The percentage of visits (or unique visitors) your website gets out of the total visits to all websites in your category"	"You should include visits to your website plus all of your competitors' websites in order to calculate the total number of visits for your category"	"Digital Metrics" Playbook (2015)	"Digital Metrics" Playbook (2015) Definitions
Average Frequency	"The average number of times that an individual receives an advertisement, given that he or she is indeed exposed to the ad"	"Frequency is measured only among people who have in fact seen the advertisement under study"	"Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions
Effective Frequency	"The number of times an individual must see an advertisement in order to register its message"	"As a rule of thumb in planning, marketers often use an effective frequency of 3. To the extent that it promises to have a significant impact on campaign results, this assumption should be tested"	"Marketing Metrics" Book (2016)	"Marketing Metrics" Book (2016) Definitions
Effective Reach	"Reach achieved among individuals who are exposed to an advertisement with a frequency greater than or equal to the effective frequency"	"The effective frequency rate constitutes a crucial assumption in the calculation of this metric"	"Marketing Metrics" Book (2016); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
Average time on site	"Visit length is calculated as the difference between the first and last page view timestamp of each visit. This means that the actual time spent on the last page doesn't get calculated, only the time spent on previous pages. And visits with just one pageview will get assigned zero time on site because there is no following pageview timestamp with which to make the calculation"	"The average length of user visits on your site"	Spiller & Tuten (2015); "Digital Metrics" Playbook (2015); "Marketing Performance-80 métricas de marketing e vendas" (2019) Book	"Digital Metrics" Playbook (2015) Definitions
Click Through Rates (CTR)	"Number of clickthroughs as a fraction of the number of impressions"; $\text{CTR} = \frac{\text{Clicks}}{\text{Ad Impressions}}$	"An interactive measure of Web advertising. It has great strengths, but clicks represent only a step toward conversion and are thus an intermediate advertising goal"	"Digital Metrics" Playbook (2015); "Marketing Metrics" Book (2016); VisionEdge Marketing (2017); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Marketing Metrics" Book (2016) Definitions
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Conversion rates/ Call to Action (CTA)	$\text{Conversion Rate} = \frac{\text{Conversions}}{\text{Total Number of visits}}$	"The percentage of conversions generated by your visitors in a given time period"	"Digital Metrics" Playbook (2015); Spiller & Tuten (2015); VisionEdge Marketing (2017); Liang et al. (2018); "Marketing Performance-80 métricas de marketing e vendas" Book (2019)	"Digital Metrics" Playbook (2015) Definitions
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Source: Self-Elaboration (2019)

**APPENDIX 24. BLACK FRIDAY CAMPAIGN COMMUNICATION
POSTED ON FACEBOOK**



Source: Forall Phones Facebook Page (2018)

4. TEACHING NOTES

4.1. CASE STUDY TARGET

The present case study targets undergraduate and master students, in the areas of Management, Marketing, Strategy, and Business Administration, who wish to develop or deepen their knowledge in the digital marketing area, more specifically in the digital marketing performance measurement area.

In addition, this case was developed for marketers who want to gain insights into performance measurement subject, as well as tools to make the marketing department more valuable, by speaking the same language as the CEOs and CFOs.

4.2. PEDAGOGICAL OBJECTIVES

The main aim of this master thesis is to understand the importance of measuring digital marketing performance, linking marketing efforts to business outcomes, with the example of a specific firm, a Portuguese start-up, Forall Phones.

Moreover, the objective is to provide more insights into the digital marketing performance measurement topic, applying digital metrics to a real case and highlighting the importance of measuring many types of digital metrics and creating specific performance dashboards.

Then, this pedagogical case study was developed with the following educational objectives:

1. To realize the impact of good digital marketing performance measurement practices on the overall firm performance.
2. To do a deep analysis of the market and of the firm under study.
3. To explore what are the marketing key performance metrics that companies should focus on.
4. To understand the importance of linking digital marketing to business outcomes.
5. To link the insights provided by the digital marketing performance analysis in a way that supports the firm' strategy.
6. To improve the digital marketing performance level of Forall Phones, by giving some recommendations.

4.3. LITERATURE REVIEW

4.3.1. MARKETING PERFORMANCE MEASUREMENT

Research in marketing emphasizes the importance of understanding how marketing can contribute to performance outcomes (Katsikeas, Morgan, Leonidou, & Hult, 2016). Katsikeas *et al.* (2016) defended that, to diagnose with accuracy the value that marketing is creating on the firms, one needs to develop relevant ways to assess performance outcomes. Marketers are under pressure to provide insights that can be linked to firm performance and they are trying to respond to this challenge, by investing in measurement capacities to assess performance (O'Sullivan & Abela, 2007).

Marketing productivity and performance assessment topics consistently rank in the top research priorities of the MSI, since the beginning of the century (MSI, 2002, 2004 *as cited in* O'Sullivan, Abela & Hutchinson, 2009; Seggie *et al.*, 2007). Between 2006 and 2008, MSI highlighted as research priorities the link between marketing metrics and firm performance. These topics still remain relevant to marketing researchers, the reason behind this being that marketing has brought restricted input into strategy formulation (Srivastava, Shervani, & Fahey, 1998 *as cited in* Seggie *et al.*, 2007), since marketers were not able to identify and measure its value and impact on firm's results. E-marketing spending has grown at a rate of 55% per year since 1995 (McKinsey, 2013), emerging the need demonstrate value for the business (VEM, 2014).

Clark, Abela, and Amblera (2006) define marketing performance measurement as “a business process that provides performance feedback to the organization regarding the results of marketing efforts” (p. 191). Over the years, MSI continuously supported investigations on marketing metrics, marketing performance measurement, and marketing accountability (MSI, 2002, 2004, 2006, 2008, 2012 *as cited in* Liang *et al.*, 2018). The same organization continues to advocate research on this topic and has considered that “improving ROI models across all media, digital and non-digital” is a top research priority topic for 2016-2018 (Fu *et al.*, 2018, p. 9).

The need to link marketing to business performance has been receiving meaningful importance and has become vital to marketers because now they have to prove the value of their activities and budgets due to the need of cost reduction by companies, during the recent global recession (Seggie *et al.*, 2007; Morgan, 2012). Hence, marketing

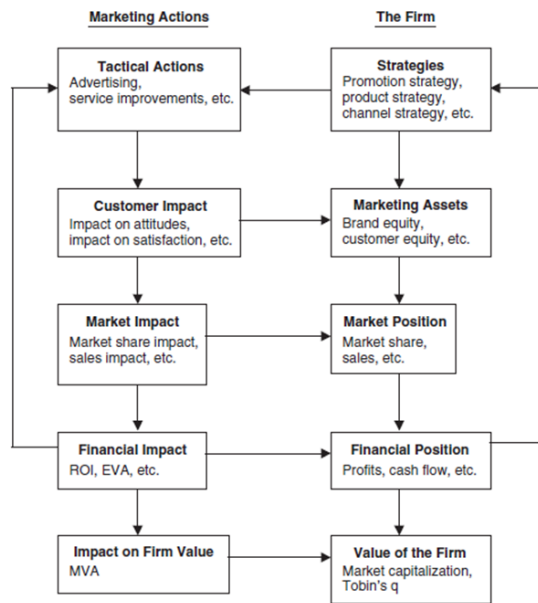
accountability and the measurement of marketing performance are considered impactful areas for management. This constant demand to treat marketing as a countable science has led to a large investment in improving marketing performance actions (Liang *et al.*, 2018). In fact, the link between marketing and firm value is essential to demonstrate the strategic role that marketing plays within companies, generating cash flows (Rao & Bharadwaj, 2016). Celeste and Moniz (2019) also reported that the evaluation results of decision-making, forecasting, commercial and marketing actions, along with the strategic objectives, are critical to ensure effective management of any company.

O'Sullivan and Abela (2007) argued that marketing performance measurement could be classified into three main research groups: measurement of marketing productivity, identification of metrics in use, and measurement of brand equity.

Rust, Ambler, Carpenter, Kumar, and Srivastava (2004) designed the chain of marketing productivity. This framework, represented in TN Figure 1, covers strategic and tactical marketing activities, in order to establish a clear link with financial indicators. The framework begins with marketing strategies, such as promotions, generating, *a posteriori*, marketing tactics, such as an advertising campaign or a loyalty campaign. It should be noted that the framework only covers actions that have expenses related with the marketing department. Marketing actions can lead to specific attitudes and behavioural intentions, increasing or decreasing marketing assets such as brand or customer equity. The authors advise companies to understand “how marketing expenditures influence what customers know, believe, and feel, and ultimately how they behave” (p. 76). They emphasize the importance of understanding the link between marketing actions, such as advertising, and long-term assets like brand equity. Hanssens and Pauwels (2016) stressed that the causality of this model increases the pressure to use good performance metrics, establishing causal links with marketing actions.

Katsikeas *et al.* (2016) developed a long performance evaluation study, analysing the assessment of performance outcomes in 998 empirical studies published in the top 15 marketing journals from 1981 to 2014. They found that accounting and product market aspects of performance have dominated the research concerns on the performance outcomes of marketing and indicators in the areas of financial-market returns were the ones that most rapidly grew in use in the past decade (Katsikeas *et al.*, 2016).

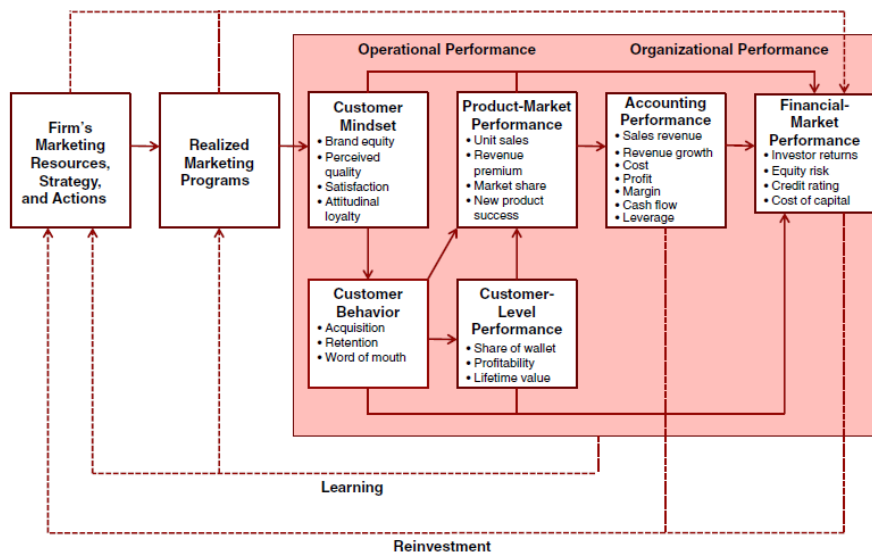
TN FIGURE 1. THE CHAIN OF MARKETING PRODUCTIVITY



Source: Rust *et al.* (2004)

These authors improved some performance frameworks, including Rust *et al.* (2004) framework, selecting the major “steps in the creation of operational and organizational marketing performance outcomes” (p. 2), classifying performance in two main groups: operational and organizational performance. The authors identified six different aspects of performance that should be used in performance assessment: customer mindset outcomes, customer behaviour outcomes, customer-level performance, product market performance, accounting performance outcomes, and financial-market performance Outcomes (See TN Figure 2).

TN FIGURE 2. THE MARKETING-PERFORMANCE OUTCOME CHAIN AND EXAMPLE MEASURES



Source: Katsikeas *et al.* (2016)

Throughout the last decades, there was also a focus on the impact of marketing on a company's competitive advantage (Morgan, 2012). After Porter (1980), this issue developed many studies. Nevertheless, the effect of marketing on performance outcomes resides inconclusive (Morgan, 2012). Several reasons are pointed out such as the nature, number, and diversity of performance outcome measures employed (Hult *et al.*, 2008; Krasnikov & Jayachandran, 2008 *as cited in* Katsikeas *et al.*, 2016). Spiller and Tuten (2015) stressed five common reasons to fail the measurement assessment defended by Katie Paine in 2012. Some of them are related to the price, the required know-how for measuring performance, and the need for programs to analyse data. Marketing performance measurement (MPM) also suffers by focusing on subjective metrics analysis, such as brand loyalty or customer satisfaction, being difficult to demonstrate value for top management (Rust *et al.*, 2004; Stewart, 2009). In addition, Hanssens and Pauwels (2016) suggest that marketing departments are struggling to prove their value because they are using a variety of multiple different performance metrics, such as attitudinal (e.g., brand awareness), behavioural (e.g., brand loyalty), and financial (e.g., sales revenue), and there is no causal relationship between them, leading to a marketing devaluation.

The trend of corporations to present accountable results, the dissatisfaction with traditional metrics, and the internet penetration and availability explain the rising importance of measuring marketing productivity (Seggie *et al.*, 2007).

The feedback provided by performance measurement is one of the reasons of their importance since corrective actions can be taken in order to adjust some strategy (Ambler *et al.*, 2004 *as cited in* Seggie *et al.*, 2007). Spiller and Tuten (2015) suggest that the impact of measuring marketing activities has been rising interest as more market managers found the strategic value the data conveys.

O'Sullivan & Abela (2007) reported that well-handled MPM influenced, positively, the firm performance, in high-tech companies, also affecting ROA and stock returns. The authors also suggest that MPM capabilities can affect CEO satisfaction with the marketing department. In order to achieve a higher satisfaction, marketers should measure their efforts, by using a meaningful group of metrics, combining financial and non-financial indicators, allowing a performance monitoring face the established objectives and competitors performance.

Feng, Morgan, and Rego (2015) have also researched U.S technology companies from 1993 to 2008 and they found that, on average, their marketing departments' power increased over the time. They reported that there is a positive relationship between marketing power and short-term future financial efficiency and its longer-term future shareholder value effectiveness, ensuring that a higher marketing power leads to higher company performance. The authors suggest that, through objective performance measures and econometric models, the power of the marketing department can predict short-term profitability and, as a consequence, longer-term shareholder value.

Liang *et al.* (2018) also corroborate with it, arguing that firms with a comprehensive MPM practice promote marketing capabilities and increase firm performance. The authors advise companies to use MPM practices as a way to enhance marketing plans and build better relationships with customers. They also infer that companies with better performance are used to have more comprehensive MPM practices in place. They recommended that companies use different types of marketing metrics, such as customer behaviour metrics, financial metrics, and digital metrics to assess the performance of their marketing activities. They also propose that management teams should use the metrics over time, monitoring the progress. Confirming the same idea, Luke (2013) supports that “measuring marketing is an ongoing process of refinement and development” (p. 1).

Kotler and Keller (2007) defined marketing metrics as the tools that help companies quantify, compare, and interpret their own performance from marketing activities (*as cited in Spiller & Tuten, 2015*). In order to assess the marketing performance measures, Järvinen and Karjaluoto (2015) have underlined the role of metrics at performance measurement, so they define performance measurement content as “the actual metrics system that is developed, including what is being measured, what metrics are selected, and how they are structured as a complete metrics system” (p. 118).

Mintz and Currim (2013) suggest that the larger the number of metrics used, the better is the perceived performance of the marketing mix, allowing performance monitoring and benchmarking and, consequently, more complete evaluations of marketing mix activities. Hence, the combined use of marketing and financial metrics to evaluate marketing-mix performance can reduce both marketing and financial uncertainty. The same authors refer that the use of metrics depends on several variables such as firm strategy, metric orientation, type of marketing mix decision, firm, and environmental characteristics.

4.3.2. DIGITAL MARKETING AND DATA GATHERING

Today's market environment is quickly changing with the emergence of the internet and, as a result, companies are changing their approach to market products to consumers. Digital marketing allows reaching a wide target market, at the same time it reduces cost, in comparison with traditional marketing methods (Manley, 2015).

Celeste and Moniz (2019) argue that, nowadays, digital marketing is an increasingly necessity for any organization, due the digital channels' crucial role for any activity sector, making it crucial for any marketing strategy. For them, the digital boom has brought not only new business opportunities, new markets, but above all, it has brought a relationship optimization with the market and with potential customers.

The internet as an essential part of people has reformed the physical and traditional market into a more convenient digital market space (Varadarajan & Yadav, 2009 *as cited in* Roy, Datta & Basu, 2017), making e-commerce an important tool to improve business growth and interpersonal relationships (Saura, Palos-Sánchez & Sánchez, 2017). Thus, for marketing managers, digital marketing is becoming more important and, therefore, they spend considerable money in its development and implementation (Weinberg & Pehlivan, 2011; Zhao & Zhu, 2010 *as cited in* Tiago & Veríssimo, 2014). In this way, according to The CMO Survey 2018, it is expected that the slice of digital marketing in marketing budgets will increase from 44% to 54% in the next five years.

For Financial Times, digital marketing (DM) is defined as “the marketing of products or services using digital channels to reach consumers. The key objective is to promote brands through various forms of digital media”. The same institution argues that DM is more than internet marketing, including mobile phones, social media marketing, display advertising, and search engine marketing. Kannan and Li (2017) defined DM as “an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders” (p. 23). Alternative options for DM can be “online marketing”, “internet marketing” or “web marketing” (Todor, 2016).

Mainly, for small businesses, DM is a crucially important opportunity due the relative costs involved allowing them to compete with bigger firms, so they need to consider how they can use different digital tools as a way to enhance their customer relationships

(Sundararaj, 2013; McCartan-Quinn & Carson 2003 *as cited in* Manley, 2015; Nikunen, Saarela, Oikarinen, Muhos & Isohella, 2017).

For Lamberton and Stephen (2016), in the past two decades, digital media software has transformed marketing, “offering new ways to reach, inform, engage, sell to, learn about, and provide service to customers” (p. 146). These researchers highlighted that DM growth has followed the digital progression, such as the development of social networks or the increased use of smart devices.

The rise of social media allows brands to connect with consumers more directly, enabling organizations to develop abilities to create value jointly for their customers and for themselves (Kannan & Li, 2017). At this point, marketing influencers and brand ambassadors may have an important role for firms, as a way to better attract the target, influenced by them, creating the rush of social media influencer marketing which was considered one of the significant trends of marketing in 2017 (Glucksman, 2017). Moreover, digital social media can be used as an online sales provider, market research and customer support (Ainscough & Luckett, 1996 *as cited in* Tiago & Veríssimo, 2014). The increasing number of digital channels, devices, and applications led to a boom of opportunities to deepen the consumer knowledge, offering new experiences and leveraging their satisfaction, extracting value for firms (Wedel & Kannan, 2016).

Unlike traditional tools of marketing, like TV or print, digital technology provides new ways to target consumers and communicate product or services, via social media, online advertising or e-mail (Kannan & Li, 2017). Another advantage remains in the fact that online marketing can provide real-time feedback, tracking the traffic and monitoring the conversion rates of specific products and services (Amhed *et al.*, 2014 *as cited in* Manley, 2015).

Today, social media spending represents 13.8% of marketing budgets and it is expected that this value increases 66% in the next five years (The CMO Survey, 2018). The increasing rate of social media by consumers, becoming part of their daily routines and a mean to achieve their goals, such as interacting with others and accessing information, may be impressive since digital technologies allow the creation of value for customers and, at the same time, provide information for the firm, which can extract value (Kannan & Li, 2017). Beyond this, the growing interest of professionals and researchers in innovation technology, the digital channels have become exciting marketing platforms, being used for spreading word-of-mouth, viral campaigns and study the consumer

behaviour, much more precisely (Lamberton & Stephen, 2016). Some studies have also stressed that e-WOM spreading can leverage marketing effectiveness through online engagement, CTR, and e-satisfaction, leading to loyalty (Gruen, Osmonbekov, & Czaplewski, 2006 *as cited in* Roy *et al.*, 2017) and sales (Chevalier & Mayzlin, 2006 *as cited in* Roy *et al.*, 2017).

Despite the given importance to DM and social media, professionals assume that companies do not know how to convert data collected from social media into concrete strategies, because they are worried about gathering the most data, but not the appropriate and meaningful data (Grimes, 2013 *as cited in* Lamberton & Stephen, 2016). VEM (2017) reports the problem that many marketers have with connecting data to strategic decisions and efficiency improvement. For example, Saura *et al.* (2017) found some issues on the use of developing web analytics research, pointing out that its analysis is not being used strategically, leading to imprecise outcomes. It is true that customer relationship management (CRM) and business intelligence technology have made the data more accessible and its analysis easier (Lenskold, 2002), but some marketers prefer to continue believing on their intuition and subjective opinions for decision-making (Germann, Lilien & Rangaswamy, 2013).

According to Xu, Frankwick and Ramirez (2015), companies are more frequently applying big data analytics (BDA) “such as web analytics, search analytics, search engine optimization, customer analytics, and pay-per-click management to obtain automated and customized knowledge” (p. 1563). The CMO Survey 2018 predicts that spending on marketing analytics will increase more than 200% in the next three years. Big Data has played a significant role in the marketing process. It is required that companies have skilled people on gathering useful data, before using metrics and analytics to measure it. In fact, data has been considered “the oil” of the digital economy (Wedel & Kannan, 2016), but to be relevant, “data must be accessible and integrated”, which is a hard task because it is provided by different software and different channels (VEM, 2017).

According to a report by VEM (2017), one-third of all marketing firms have to improve their performance in using data. In fact, social media can provide lots of information, but some of it is not useful. Despite the decisive role of data in firms, enabling to improve customer relationships or automate marketing processes in real time (Wedel & Kannan, 2016), the useful data should be analysed, monitoring key performance indicators and metrics, making it effective (Misirlis & Vlachopoulou, 2018).

Hanssens and Pauwels (2016) suggest that if marketing wants to be perceived as a firm's strategic key, their provided databases should be better combined with the marketing mix elements, covering customer and marketing data in one platform, providing an effective view of the marketing value.

4.3.3. DIGITAL MARKETING PERFORMANCE MEASUREMENT

Digital technology has transformed marketing measurement with lots of data, metrics, and tools (Spiller & Tuten, 2015). With the increasing interaction between customers and brands, through social media and other digital channels, there was a need to track all these interactions and realize which channel has better performance (Chaffey & Patron, 2012 *as cited in* Järvinen & Karjaluoto, 2015).

Web analytics (WA) seems to be the key to help firms on “measurement, collection, analysis, and reporting of Internet data for the purposes of understanding and optimize web usage” (Digital Analytics Association, 2008). Nowadays, brands can have access to consumer behaviour patterns, through advancements in digital and social media that track consumer's web activity. These tools allow knowing how many times the brand or product was mentioned or tracking conversations about a brand or subject (Spiller & Tuten, 2015).

Web Analytics (WA) might be quantitative or qualitative and should align with DM objectives and help in strategic decisions, being the basis of assessment DM (Saura *et al.*, 2017). Once setting the main objectives that depend on budget constraints and data accuracy, marketers can choose which metrics and KPIs are more useful. For example, Kaushik (2009) suggests that objectives as revenue increasing, cost reduction and customer satisfaction and loyalty increasing are usual types of objectives from quantitative data. Reinforcing this idea, Kaplan & Haenlein (2010) (*as cited in* Misirlis & Vlachopoulou, 2018) say that it is important to follow a specific plan including the metrics choices, otherwise, marketers won't be able to link data into meaningful insights. Hence, social media analytics have become important for firms that can extract data from social networks such as Facebook, LinkedIn, and Google+, giving helpful information for marketers in an economical measure (Roy *et al.*, 2017).

Nonetheless, despite the importance of WA for measuring digital efforts, DM effectiveness continues to be an ongoing subject (Saura *et al.*, 2017) and the evidence that measuring DM performance with WA is leading to an efficiency growing and, as a

consequence, is leading to a sales revenue increase (Wilson, 2010) becomes unclear. In fact, the literature has discussed the benefits of WA employment for DM performance measurement (Järvinen & Karjaluoto, 2015). In this context, measuring DM efforts and DM results are two areas of improvement (Xu *et al.*, 2015). Despite all the information provided by analytics, the marketing value assessment, which is described as “the identification and measurement of how marketing influences business performance as well as the accurate calculation of return on marketing investment (ROMI)” remains a difficult task for marketers, since now they need to integrate lots of data (big and small data) and marketing analytics in their actions (Hanssens & Pauwels, 2016, p. 173).

Chong, Bian, and Zhang (2016) reported that e-marketing services, such as e-CRM, e-CSM, e-competitiveness, IS/IT integration and information transparency, have a powerful positive relationship with SME’s e-marketing performance, influencing firms’ growth, regardless of the industry. Thus, firms should be informed of the impact of e-marketing services in performance and should assess the effectiveness of an e-marketing investment.

Järvinen and Karjaluoto (2015) have highlighted the lack of studies regarding why firms opt for certain WA metrics and ignore others. Marketing performance measurement has been suffering from a focus on subjective indicators, which are difficult to address financial outcomes (Stewart, 2009). For example, 80% of American B2C marketers measure the effectiveness of their social content with social media metrics, being “likes” the more common indicator (Association of National Advertisers, 2014 *as cited in* AMA, 2015).

WA can provide objective and quantitative metrics, making the data easier to access, analyse and communicate to the top management. WA, for example, provides indicators of the effectiveness of each marketing technique implemented, such as SEO, SEM, research marketing or content marketing (Saura *et al.*, 2017).

One of the issues regarding this topic is the possible huge number of metrics and the little agreement among authors about which are the most meaningful (Mavridis & Symeonidis, 2015). Despite the vast number of digital metrics and KPIs, each one of them is fitted to a specific aspect of the DM plan (Kaushik, 2009; Saura *et al.*, 2017). According to the AMA (2015), the number of digital metrics has risen to thousands. After Advertising Research Foundation enumerated 197 metrics to be used on digital channels, AMA reacted saying that “brands do not need 197 digital metrics or even a tenth...” Thus, companies should identify which are the most helpful metrics for each situation and each

channel, depending on the strategy proposed to accomplish the firm's goals, in order to increase visibility and conversion rates (Saura *et al.*, 2017). Moreno, Tejada, Porcel, Fujita & Viedma (2015) corroborate that each organization should identify the metrics they think are the most relevant and meaningful, depending on each campaign and channel.

In the same direction, Celeste and Moniz (2019) write that there is no single metric that will serve all companies, each case is a case, depending on its culture, objectives, the sector of activity, life cycle, orientation to B2C or B2B markets, the benchmarking model, among other variables. That will determine the greater or lesser applicability of each metric. Hence, they defend that, due the growing pressure for a cause-and-effect explanation at all firms' levels, there is a need for the application of capable metrics to the reality of each company, allowing a correct vision of its events.

In this context, the increasing pressure for a cause-and-effect explanation at the strategic, operational, financial and commercial level requires that metrics that are as appropriate as possible to the reality of each company be used to enable a correct reading of events.

Järvinen and Karjaluoto (2015) developed the first-ever research on how industrial companies can take advantage of WA to improve their DM performance measurement practices, studying three companies from three different sectors: steel, machinery, and paper. The study highlights the importance of managers not focusing on the number of metrics but designing a metrics system linked to top management objectives. The process begins with the identification of the main specific KPIs linked to the marketing objectives, focusing only on the most important objectives. Only after this selection, should the manager evaluate other metrics for a more extensive analysis of why performance is above or below the established KPIs. Then, the authors argue that the metrics that compose the WA metric system should be interrelated, such as the system used by the steel company, shown in TN Table 1.

TN TABLE 1. STEEL’S WEB ANALYTICS METRICS FOR THE DIFFERENT STAGS OF CUSTOMERS’ PATH TO PURCHASE

Traffic generation to website	Website behavior	Revenue & profits
Key performance indicators <ul style="list-style-type: none"> • Number of all website visits • Website visit growth (%) 	Key performance indicators <ul style="list-style-type: none"> • Number of sales leads • Sales leads growth (%) • Conversion rate^a 	Key performance indicators <ul style="list-style-type: none"> • Sales revenue through sales leads • Profits through sales leads
Examples of other metrics Number of website visits and website visit growth (%) driven per traffic source: <ul style="list-style-type: none"> • Campaign website • Organic search • Paid search • Display advertisements • E-mail • Social media (Twitter, LinkedIn, Facebook, YouTube) 	Examples of other metrics (Number of) <ul style="list-style-type: none"> • Visits in product information pages • Product information sheet downloads • Product comparison tool uses • Product video views • Visits in contact request form • Sales leads per traffic source 	Examples of other metrics <ul style="list-style-type: none"> • Number of sales leads that lead to a transaction • Percentage of sales leads that lead to a transaction • Average costs incurred per sales lead • Number of transactions per traffic source • Sales revenue per traffic source • Profits per traffic source • Costs per traffic source

^a Conversion rate: the percentage of visitors who take a desired action such as purchasing products, leaving a contact request, subscribing to newsletters, and downloading brochures.

Source: Järvinen and Karjaluoto (2015)

In fact, the first step in the social media measurement process, for instance, is not the metric selection, but the business goals establishment, such as an increase in brand awareness or leads generation (AMA, 2015). AMA (2015) proposes a process of measuring social media that begins with the main business goals, followed by specific objectives and the strategies to achieve these objectives, and after the actions that help strategies, finish with KPIs. Moreover, literature review outlines that the most reliable metrics depend on the different contracting models used by companies to estimate digital advertising rates (Saura *et al.*, 2017), as shown in TN Table 2.

TN TABLE 2. TYPE OF ADVERTISING CONTRACTING MODEL

TYPE OF ADVERTISING CONTRACTING MODEL	DESCRIPTION
CPI (COST PER IMPRESSION) OR CPM (COST PER THOUSAND IMPRESSIONS)	ONE OF THE MOST COMMON WAYS OF BUYING DIGITAL MEDIA
PPC (PAY PER CLICK) AND CPC (PAY PER CLICK)	HERE THE ADVERTISER PAYS WHEN A CLICK IS MADE ON AN AD
CPL (COST PER LEAD)	THE ADVERTISER PAYS WHEN A LEAD FORM IS COMPLETED AND
CPA (COST PER ACTION)	HERE THE ADVERTISER PAYS ONLY IF A FORM OR LEAD IS MADE

Source: Saura *et al.* (2017)

Practitioners and researchers conducted many studies, providing lists of metrics in order to help companies to measure their DM performance. In this way, McKinsey and Google (2013) developed OMEG (Online Marketing Excellence), an incisive dashboard with 40 dominant DM KPIs. Kelly (2012) launched a manual of measurement of social media ROI for different strategies, emphasizing the importance of the use of social media and its link with business outcomes, across the sales funnel. Farris, Bendle, Pfeifer, and Reibstein (2015) provided a third edition of “The definitive guide to measuring marketing performance”, outlining the interconnection between all metrics and the financial

consequences of marketing actions. AMA (2015) also contributed to the research on this topic, writing a special report about social media metrics. Marketo (2011) developed an extensive report that provided a framework for measurement, including a step-by-step guide to calculate digital marketing ROI.

Some researchers have divided marketing metrics according to their characteristics, in homologous categories. Spiller and Tuten (2015) propose two big groups of metrics: financial and non-financial. Tuten and Solomon (2015) categorized metrics in three types: activity, interaction, and return. Mintz and Currim (2013) grouped performance metrics according to 10 marketing-mix decisions. VEM (2017) developed a measuring framework breaking down the metric in six categories: activity, output-based, operational, outcome-based, leading indicators, and predictive.

4.3.3.1. ALIGNMENT AND ACCOUNTABILITY – INTEGRATING FINANCIAL INDICATORS

Since the beginning of the 80s that firms are concerned with finance, a topic that really matters for them. This trend has been leading to an increasing pressure to deeply know the numbers. However, the financial side has rarely been able to measure the values of intangible subjects, such as branding or marketing, that increase many firms' value (MSI, 2004).

In a cost reduction era, companies begun shrinking their budgets for all departments, and marketing is no exception. This way, there is an increased pressure to be more profitable, and effective strategies are necessary. For this, firms require clear measurements. The problem is that studying just brand loyalty or customer satisfaction is not enough to prove the value that would justify a marketing department not being outsourced. Thus, ROI is a metric widely used to measure the return on the financial value of marketing actions (VEM, 2017).

There has been an increasing concern in marketing accountability, as reported by Deloitte (2007) and VEM (2010). VEM (2010) found that more than half of firms' marketers were not prepared to align the business outcomes and marketing programs or measuring the value of marketing to their managers. By treating marketing as an investment rather than a cost, the need to use financial metrics becomes urgent (Seggie *et al.*, 2007). John Wannamaker said, "half the money I spend on advertising is wasted; the trouble is, I don't know which half." This remains actual despite the relevant data that today marketers can access (Spiller & Tuten, 2015).

Marketers do not always link the most used metrics to broader business initiatives and, therefore, they are compromising ongoing investments in marketing (VEM, 2010). A study conducted by Tiago and Veríssimo (2014) composed by 170 marketing managers from the largest firms in Portugal showed that managers preferred to measure DM effectiveness through engagement metrics, such as brand awareness, word-of-mouth buzz and customer satisfaction rather than more conventional ones, like page views, cost per thousand impressions and click through rate. Brand awareness or organic reach search rankings metrics, known as soft metrics, are important but they should be connected, quantifiable, to hard metrics, like revenues or profits (Marketo, 2011). Estimating the ROI should be a priority for every marketer in order to prove the value of marketing for the business. Lenskold (2002) argues that marketers should not ignore other metrics and goals, but he defends that ROI is unconditionally critical for measuring marketing to decision-making, maximizing the firm's profits. In fact, by calculating the marketing efforts, through ROI calculation, it is possible to recognise that the value and contribution of marketing actions can be measured in money (Fu *et al.*, 2018).

In an investigation by Järvinen and Karjaluoto (2015), regarding WA use for DM performance measurement in big industrial companies, one respondent stressed the importance of financial metrics for DM measurement: "As in all marketing themes, it is particularly challenging, finding financial metrics that show our return on investment" (p. 122).

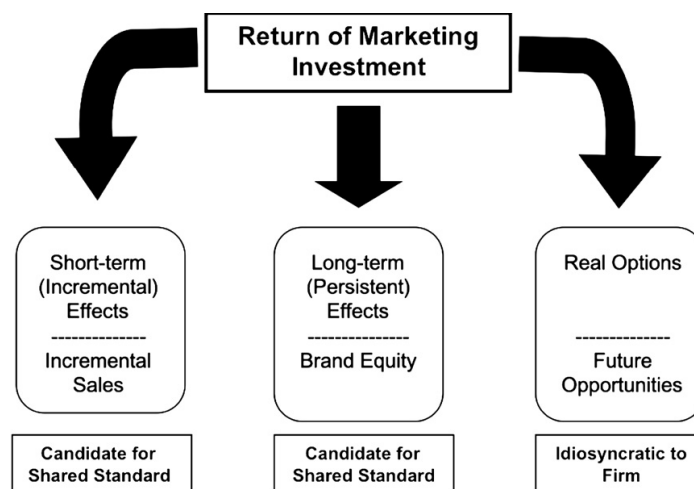
Journal of Marketing (2016) has focused its attention on what is missing to marketers to efficiently measure, showing the value of marketing and three gaps that needed to be addressed to completely measure and demonstrate its value (Kumar & Reinartz, 2016 *as cited in* Fu *et al.*, 2018). They should have trustworthy performance metrics, not only at behavioural pattern but also at the financial level. They should also predict marketing investments to performance outcomes. The research still outlines that marketers need to communicate effectively to demonstrate the value of marketing to stakeholders. Hanssens and Pauwels (2016) also corroborate that analytic insights are not being communicated effectively to lead to decisions.

A usual excuse used by marketers failing the link between marketing activities and financial results is the countless effects of marketing and that these are not always immediate (Stewart, 2009). Stewart (2009) argues that there are actions with an immediate and long-term effect and measurement does not necessarily have to be

connected to a short-term orientation. Although the future is unpredictable, the need to establish a link between marketing activities and results is essential, then each action should be connected to a source of cash flow. The author proposes three different outcomes groups, linked to marketing activity: short-term (incremental) effects, long-term (persistent) effects, and real options, illustrated in TN Figure 3.

Despite ROI calculation being difficult and complex, it is not impossible (Luke, 2013). Many authors have provided some frameworks helping companies to calculate ROI, varying from a simple math operation (Klein & Swartzendruber, 2003; Saura *et al.*, 2015), to a more complex concept, hard to calculate (Lenskold, 2002; Luke, 2013; Lopresti, 2014; Suárez & Estevez, 2016; Fu *et al.*, 2018). Fu *et al.* (2018) argue: “ROI Marketing represents a standard by which all marketing efforts including advertising, direct marketing, social media, digital marketing, PR events, point-of-sale marketing, personal selling, branding, and the like can be linked to the business. ROI Marketing shows the value of marketing investments in cash and links its contribution to a budget” (p. 9).

TN FIGURE 3. TYPES OF RETURN ON MARKETING ACTIVITIES



Source: Stewart (2009)

The marketers should use marketing ROI as a strategic way and as a decision-making insight. Klein and Swartzendruber (2003) argue, “marketing ROI can help you make sound decisions before, during, and after budgeting” (p. 33). Lenskold (2002) has the same idea, arguing that this measure connects to strategic decisions at all levels of business, making the budget and resources allocation decisions easier. Fu *et al.* (2018) expressed that ROI predicts their impacts on business goals, shows the value of marketing

investments and allows the measuring of online and offline campaigns, projects, events, and initiatives.

Hanssens and Pauwels (2016) distinguished effectiveness and efficiency as measures of the value of marketing. Effectiveness has to do with “the ability to reach the goal” and efficiency is “the ability to do so with the lowest resource usage” (p. 177). Rust *et al.* (2004) also stressed this difference, giving an example that price promotions can be efficient, in a way that they provide short-term revenues, and not effective in a long-term perspective because they can lead to a loss of brand equity. To measure efficiency, ROI should be calculated, usually leading to a budget reduction or a reduction in inefficient marketing actions or programs.

There are plenty of performance metrics, some of them are based on attitudes or perceptions that are important but are hard to measure, and they are not linked with financial performance. Knowing which metrics fit in each situation is crucial to improve and prove the value of marketing. That is why it is mandatory to select the right metrics (VEM, 2017).

4.3.3.1.1. THE ROI MARKETING METHODOLOGY

Developed by Phillips and Phillips (2007), the ROI methodology is a step-by-step marketing ROI measurement process that attempts to reply to the need to show the value of marketing. According to ROI Institute Canada, more than 4000 organizations using the ROI methodology have reported improvements in programs, group image, and work relationships. This approach assumes that the company conducts an appropriate analysis to define the need before the beginning of the method. The first phase starts with the evaluation planning, that incorporates the objectives, the procedures, the purpose of the evaluation and the planning of what is going to be measured.

This model encompasses six types of measures or data levels (Level 0: Inputs/Indicators; Level 1: Reaction and Perceived Value; Level 2: Learning and Confidence; Level 3: Application and Implementation; Level 4: Impact and Consequences; Level 5: ROI), throughout the whole process, reflecting a new value methodology. The Philips ROI Model is an advanced model of Donald Kirkpatrick’s Four-Level Model, which only contained the reaction, learning, behaviour, and results phases. Philips and Philips (2007) also added the financial component to the assessment, level 5, with the ROI calculation, in addition to level 0, which includes the inputs.

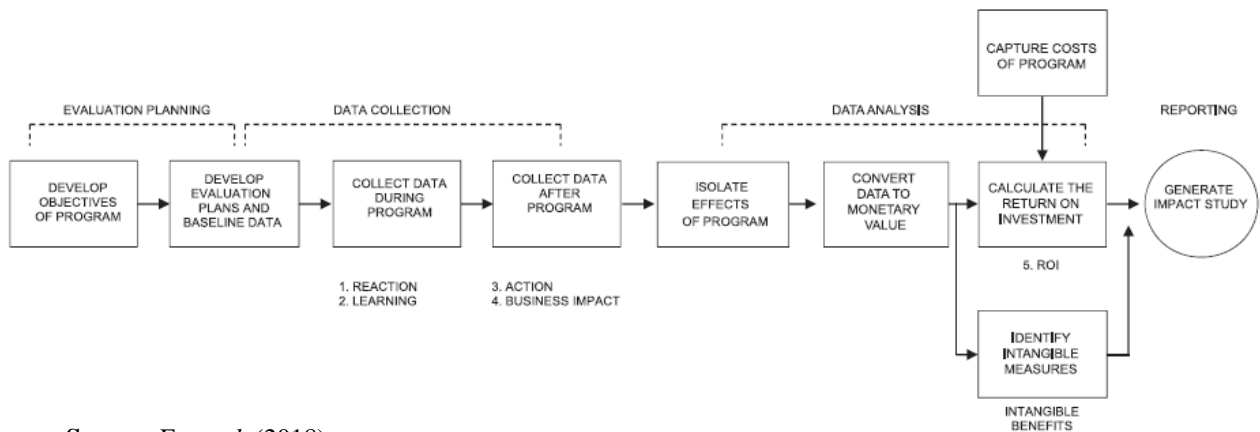
This method is easy to implement, credible and consistent with 12 guiding principles that can be replicated in any project or program and speaks the same language as CEOs and CFOs.

To calculate ROI Marketing, level 5, the impact data is converted into monetary amounts and compared to all the project costs. This level shows the production, productivity, revenue, quality, time, cost, efficiencies, and level of customer satisfaction connected to the project, so it is a crucial step, allowing to show the impact within the organization in various groups and systems. In the ROI calculation level, the monetary benefits are compared with the total costs involved (all necessary expenses that supported the marketing programs, such as initial cost analysis, cost of design, cost of all project materials, costs of the project team, costs of the facilities, costs of travel, lodging and meals, administrative costs, and evaluation costs). The value is usually presented in terms of benefits-to-costs ratio ($BCR = \text{Project Benefits} / \text{Project Costs}$), ROI as a percentage or the payback period.

In 2018, the Philips Model was updated, taking into account digital development, including DM and social media analysis. Fu *et al.* (2018) present a new version of the ROI marketing methodology, illustrating that the value and contribution of most marketing projects and campaigns, whether offline or online, can be measured in cash. The authors point out that marketing returns must be measured quantitatively, and for most marketing investments, there is a way to calculate ROI using accounting practices. The model proposes a feedback-system intervention, adding value to the ROI marketing methodology, presenting five important elements: 1) an evaluation framework, 2) the process model, 3) operating standards and philosophy, 4) case applications and practice, and 5) implementation (See Figure TN Figure 4). The ROI marketing methodology is customer focused and specifically designed to provide critical feedback to professionals and marketing managers. It can be applied to B2C marketing like B2B and internal marketing. It allows the measurement of both online campaigns (digital and social media marketing) and offline (direct marketing, points of sale, PR events, salespeople, branding and advertising) in any industry and marketing field, allowing to show the value and contribution of the marketing, in cash. The ROI marketing methodology allows keeping

the essence of marketing as well as it realizes the impact of marketing on financial results in a credible and reliable way.

TN FIGURE 4. THE ROI MARKETING PROCESS MODEL



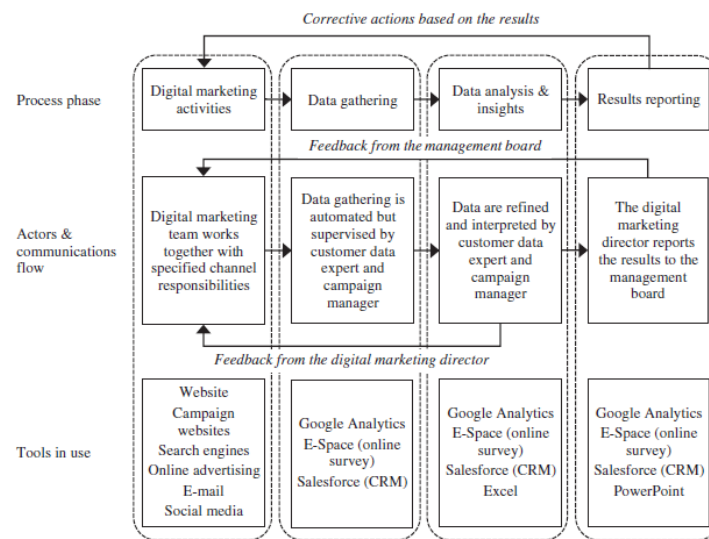
Source: Fu *et al.* (2018)

4.3.3.2. MONITORING AND COMMUNICATING THROUGH ACTIONABLE DASHBOARDS

Establishing metrics and key performance indicators can help companies to have a better picture of the success of their effort. Once companies measure the value of marketing, it is important to report it to the entire organization, notifying the objectives in marketing dashboards and adopting the tone of communication of each decision maker (Hanssens & Pauwels, 2016).

If companies want to be performance oriented, they must align with the business outcomes and find support in metrics to demonstrate the contribution and impact of marketing on results by progressively measuring their effectiveness. Hence, the alignment between marketing and business makes it possible to quantify the value that marketing is providing to the company. Järvinen and Karjaluo (2015) emphasize a clear measurement process for managing WA metrics of a steel company, with a clear definition of responsibilities for the use of WA data. This process is a good example of the measurement of the effectiveness, where managers ensure that DM outcomes are reported directly to top management, reporting the KPIs directly and ensuring the DM's contribution to performance. TN Figure 5 shows the process used by the company, which uses Google Analytics to measure WA by determining the effectiveness of each DM action and linking it to lead generation, which is stored in CRM over time, recognising which leads result in sales.

TN FIGURE 5. STEEL'S DIGITAL MARKETING PERFORMANCE MEASUREMENT PROCESS AND TOOLS IN USE



Source: Järvinen and Karjaluoto (2015)

By creating actionable dashboards, firms can measure, track and report the marketing performance over time and take corrective actions or adjustments when needed. Few (2004) defined a dashboard as “a visual display of the most important information needed to achieve one or more objectives; consolidated and arranged on a single screen so the information can be monitored at a glance”. These dashboards only can be achieved after selecting the right metrics and data and after analysing them. “Outcome-based metrics, KPIs and performance targets in terms of outputs, time and investment” usually compose the dashboard and they resume the major information in a graphic, alerting to performance levels above or below expectations and providing real-time insights (VEM, 2017). The same organization argues that “a good dashboard is a visual graphic representation that demonstrates both marketing’s alignment to the business as well as shows how marketing is contributing to the business and attaining its performance targets in terms of results, time, and cost”.

According to Hanssens and Pauwels (2016), marketing analytics dashboard is similar to a car dashboard in that it shows, in a single display, the main numerous goals and their metrics, offering “a concise set of interconnected performance drivers to be viewed in common throughout the organization”.

The software company Marketo (2011) also pointed out the importance of dashboards, being an intuitive way of communicating the performance levels to the others. The firm

argues that the best dashboards are not just reports, but catalysts for effective decision-making, guiding the way that firm's people think.

4.4. ANALYTICAL FRAMEWORK PRESENTATION

This case was developed based on information grant by Forall Phones, through two formats: data available from their website and social media, interviews and permanent contact with José Alves, Head of Performance, and Bernardo Carreiro, Financial Controller, from Forall Phones, as well as quantitative and qualitative analysis to the refurbished market, in Portugal.

For a better analysis, the resolution should be based on two types of analysis, quantitative and qualitative. In this vein, the two approaches complement one another and allow a better perception of the market under analysis, as well as the firm and its performance measurement process. Through these analyses, it is expected that students can solve the case, as well as give recommendations and develop their critical spirit on the subject. The quantitative analysis tries to help students in the company's contextualization and its market, and all that surrounds them, such as external indicators to the firm, macroeconomic indicators, and market evolution, as well as internal indicators. Hence, the analysis has its base on the following secondary data sources:

1. Smartphone and refurbished smartphone data:

- Mobile phone and smartphone penetration in Portugal;
- Market share of used smartphones worldwide;
- Smartphone sales worldwide;
- Global smartphone shipments;
- Refurbished vs. new smartphones shipments growth;
- Biggest smartphone players shipment volumes;
- Regional annual comparison in the global smartphone market.

2. Macroeconomic and social indicators data:

- Wages, tax burden contribution and unemployment rates in Europe and Portugal;
- E-commerce penetration in Portugal and Europe;
- Evolution of internet penetration in Portugal.

3. Forall Phones' internal data:

- Pricing positioning analysis;
- Sales by channel and total sales units;
- Marketing investment by channel and cost per acquisition by sale;
- Digital marketing performance analysis file;
- Performance analysis dashboard.

The qualitative analysis intends to complement the quantitative analysis, providing essential tools for the case study analysis, as well as valuable insights to the subject, due to its strategic character. Thusly, it is expected that students consider the following sources of analysis:

- A broad analysis of Forall Phones as a whole such as their history, business idea, operating model, product assortment, store location, and payment terms. Furthermore, the focus is on their marketing department: digital marketing tools and platforms used and their importance to the business, the process of measuring and everything that it involves, the metric system for measuring campaign examples;
- Best practices on the subject: metrics choice described in reports, scientific articles and books, and the processes used in calculating ROI marketing;

4.5. ACTION PLAN

TN TABLE 3. ACTION PLAN

LECTURE	OBJECTIVES	ACTION PLAN	TIME
1ST LECTURE	TO FOSTER THE STUDENTS' INTEREST AND AWARENESS IN THIS CASE	CASE STUDY DISTRIBUTION BY THE STUDENTS;	75 MIN
		SUBJECT SUMMARY AND CASE STUDY PRESENTATION;	
		INTRODUCTION OF FORALL PHONES AND ITS RESPECTIVE MARKET;	
		INTRODUCTION OF THE MARKETING PERFORMANCE MEASUREMENT TOPIC, WITH A SPECIAL FOCUS ON THE DIGITAL MARKETING;	
		TO GRAB THE ATTENTION TO FINANCIAL METRICS;	
		GROUP WORKS CREATION (4-5 ELEMENTS), DRAWN IN CLASSROOM	
OUT OF THE LECTURE	TO ANALYZE THE CASE STUDY, LEARNING FROM A REAL PRACTICAL CASE	INDIVIDUAL READING OF THE CASE, WITH THE RESPECTIVE ANALYSIS AND IDENTIFICATION OF THE MAIN TOPICS	60 MIN
		BRAINSTORM OF IDEAS IN GROUP, RESULTING FROM THE INDIVIDUAL READINGS	
2ND LECTURE	PRESENTATION OF THE THREE FIRST QUESTIONS; INTEGRATING THE THEORETICAL KNOWLEDGE IN THE CASE	IN-CLASS DISCUSSION ON THE IMPORTANCE OF THE FORALL'S MARKETING DEPARTMENT;	90 MIN
		IN-CLASS DISCUSSION ON THE PERFORMANCE MEASUREMENT PROCESS BY FORALL PHONES;	
		IN-CLASS DISCUSSION ON FORALL PHONES' STRONGER AND WEAKER POINTS, IN ITS MEASUREMENT PROCESS;	
		TO DO A CONNECTION WITH THE BEST PRACTICES OF DIGITAL MARKETING PERFORMANCE MEASUREMENT;	
		PRESENTATION OF THE FIRST THREE CASE QUESTIONS	
OUT OF THE LECTURE	CASE RESOLUTION (FIRST THREE QUESTIONS)	DEEP CASE STUDY ANALYSIS;	90 MIN
		GROUP DISCUSSION;	
		RESOLUTION OF QUESTIONS;	
		ADDITIONAL READING OF PAPERS AND BOOKS, AS WELL AS GOOD PRACTICES IN DIGITAL MARKETING PERFORMANCE MEASUREMENT	
3RD LECTURE	CONTINUATION OF THE CASE PRESENTATION (LAST THREE QUESTIONS)	IN-CLASS DISCUSSION ON THE BEST PRACTICES OF MEASUREMENT;	90 MIN
		DISCUSSION ON THE IMPORTANCE OF MARKETING OBJECTIVES FORMULATION;	
		DISCUSSION OF THE IMPORTANCE OF MARKETING ROI CALCULATION AND HOW TO CALCULATE IT;	
		PRESENTATION OF THE THREE FINAL QUESTIONS	
OUT OF THE LECTURE	CASE RESOLUTION (LAST THREE QUESTIONS)	ADDITIONAL RESEARCH EFFORT (BOOKS, BEST PRACTICES, REPORTS AND SCIENTIFIC ARTICLES READING);	180 MIN
		LAST THREE QUESTIONS RESOLUTION	
4TH & 5TH LECTURE	CASE STUDY PRESENTATION AND CLASS DISCUSSION	PPT PRESENTATION (30 MIN);	180 MIN
		GENERAL EVALUATION OF THE PERFORMANCE MEASUREMENT PROCESS OF FORALL PHONES;	
		GIVE SOME RECOMMENDATIONS FOR IMPROVEMENT;	
		PARALLELISM AND CONNECTION WITH THE THEORETICAL SUBJECT;	
		EVALUATION AT THE END OF EACH PRESENTATION BY THE TEACHER AND COLLEAGUES (10 MIN)	
	ASSESSMENT	CASE RESOLUTION (50%) + PRESENTATION (30%) + DISCUSSION/GIVEN RECOMMENDATIONS QUALITY (20%)	
FINAL LECTURE	OVERALL FEEDBACK	DISTRIBUTION OF THE BEST ANSWERS FOR FURTHER STUDY;	45 MIN
		FINAL RECOMMENDATIONS TO EACH GROUP;	
		QUESTIONS AND GENERAL FEEDBACK	

Source: Self-Elaboration (2019)

4.6. ANIMATION QUESTIONS

- How do you see the evolution of the refurbished smartphone segment in Europe and Portugal, since 2016?
- Have you heard about Forall Phones? How? Have you bought any Forall's products?
- In your opinion, what are the main DM metrics that any firm should track and why?
- What suggestions would you give to Forall Phones in order to improve their performance measurement process?
- In your opinion, which stage of the DM performance measurement process has more impact and importance in the process as a whole?
- What was the main challenge found in the present case? What data should have been provided for a better understanding of the case?

4.7. CASE STUDY RESOLUTION PROPOSAL

4.7.1. “It was here that José saw a business opportunity of buying and selling used smartphones, creating the Forall Phones”. Based on that information, try to explain how some macroeconomic indicators, smartphone market data and other relevant associated data may have led to the Forall Phones’ business idea.

Since the economic crisis in 2008, Portugal is at the end of Europe’s tail, as reported in the case study, regarding low minimum wages, the high cost of living compared to the salary received, medium wages far below the other countries, as well as high tax contributions to the GDP. In addition, the unemployment rate by 2013 has hit record values, despite its stabilization, in line with the EU average.

With this bad scenario, the post-crisis years were years of containment for the vast majority of the Portuguese due to wage cuts and the rise of direct taxes, such as the IRS. As a result, many consumption patterns and lifestyle habits had to be changed, turning into a radical change in the hierarchy of priorities in the Portuguese daily life. In addition, still in 2018, around 22.9% of the population residing in Portugal was covered by the

minimum wage (at the date 580 €). In this negative scenario, some “accessory” goods such as mobile phones were placed in the background, with a 28% decrease in mobile phones sales in 2008, possibly explained by the crisis, as an IDC researcher defends.

However, in 2010, the number of Portuguese with smartphones began to grow, reaching almost seven million Portuguese, in a total of nine million mobile phones, being more and more a growing trend (the smartphone penetration in the Portuguese doubled 32.5% from 2012 to 75.1% in 2018). In fact, nowadays the smartphone is seen as a fundamental part of the daily routine, with various models and brands released, for every preference. Worldwide, the smartphone market has grown in the last decade at an amazing pace, only declining from 2016 to today.

This decline in the global smartphone market has been pointed to the appearance and the supported rise of used and refurbished segment that can present considerably lower prices than those of the new smartphones. This market has gained so much weight that, Deloitte has quantified it at 17 billion USD\$, in 2016 and, according to the same entity, its growth rate is expected to be 4-5 times higher than the global market, in the next years.

In addition, IDC quantified the market in 2017 was worth 19 billion USD\$, and predicts that, in 2022, it will worth 52.7 billion USD\$. As this market grows, the global one has been growing at much lower rates than the refurbished, since 2016, having a drastic slowdown compared to previous years (the global market has grown only 3.1% from 2016 to 2017). Used and refurbished smartphones have been responding to some issues that have led new smartphones to shipments’ ruptures. To point out the much more affordable prices, allowing consumers to purchase a high-end smartphone at prices 40% lower; the refresh cycles required; the growing of right-to-repair movement, allowing the increased life cycle; the circular economy; and the reduction of electronic waste on the planet.

Along with refurbished growth, the cheapest brands have managed to gain prominence in the global market offering high-end technology at cheaper prices than the ones offered by iPhone or Samsung, for instance. In this sense, brands like Huawei or Xiaomi justify their growth and brands such as Samsung also launch their own used mobile phones at lower prices, answering to the lost revenue and market share.

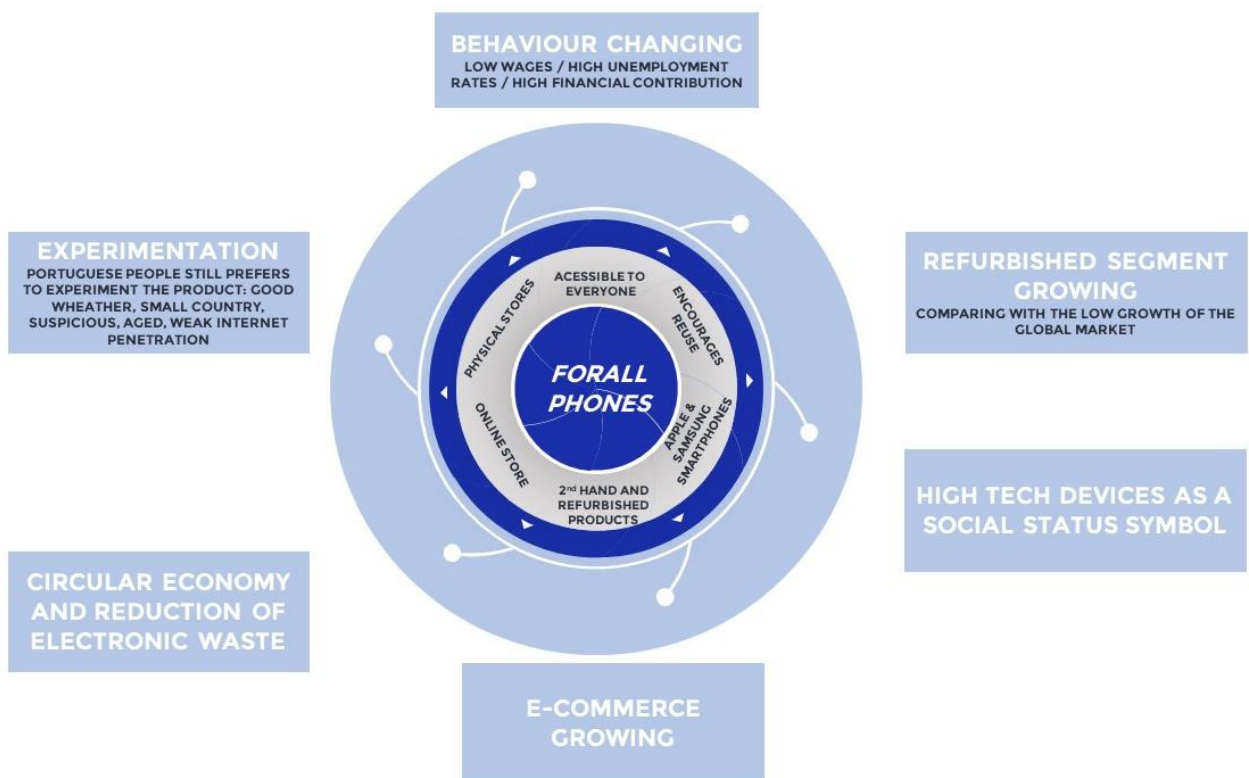
Combining these very positive market indicators and the Portuguese and European economic indicators, Forall Phones was created, exactly in the year in which the trend began to reverse and the used mobile phones began to gain greater prominence. In this

context, the company that sold, essentially, second-hand and refurbished smartphones, entered the Portuguese market, followed later by some prestigious players with a sustained positioning in the electronic market in Portugal, such as Fnac, Worten or Radio Popular.

Forall's commitment to physical stores combined with digital is also due to a great knowledge of the Portuguese market and the typical consumer, who still prefers to try the product in the store. By taking advantage of e-commerce growth, as well as the evolution of Internet penetration in Portugal, online also has an outstanding role, serving as a launching pad for in-store purchases.

The following figure summarizes the sources of indicators that may have led to the creation of Forall Phones.

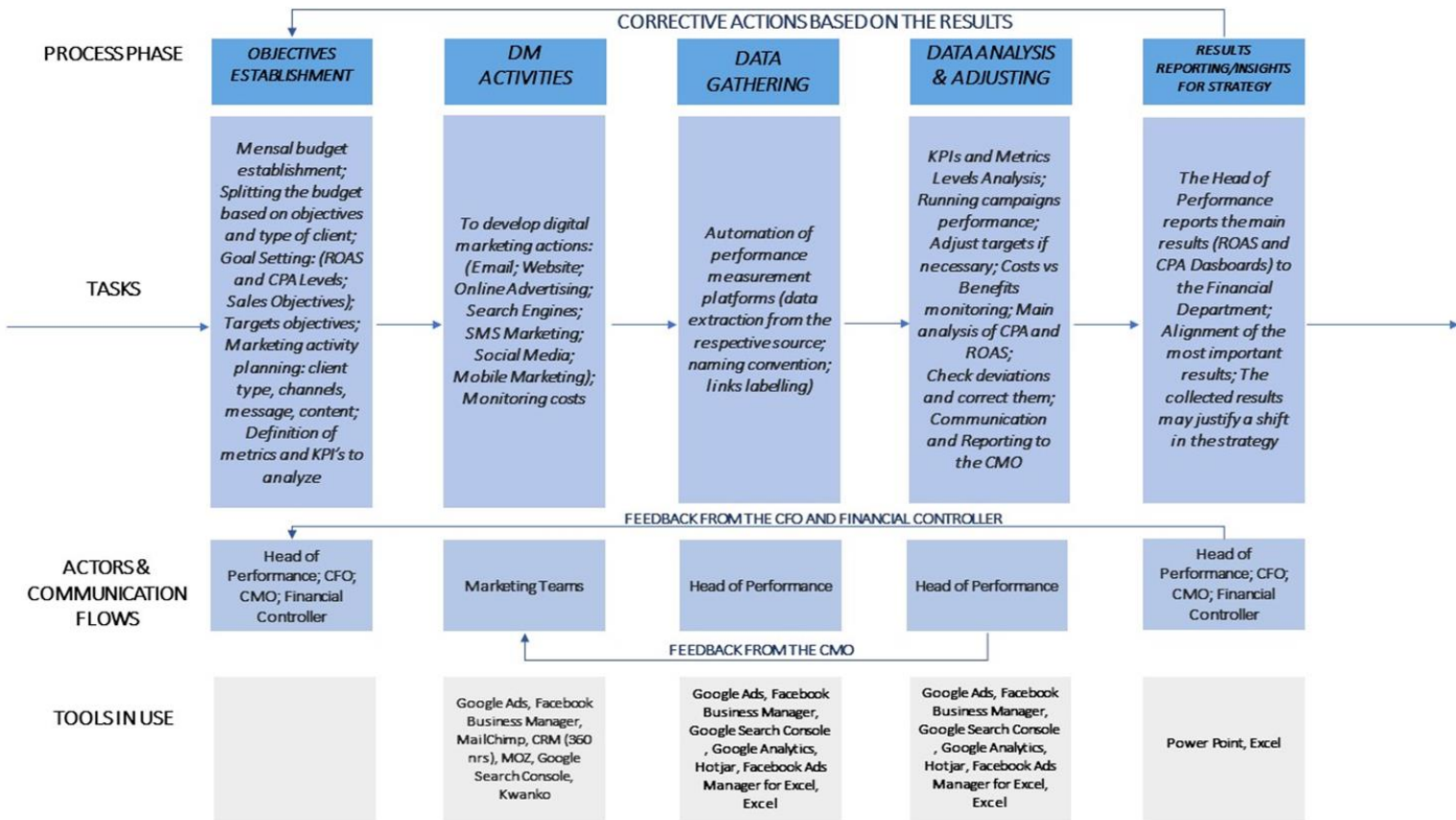
TN FIGURE 6. INDICATORS THAT MAY HAVE LED TO THE CREATION OF FORALL PHONES



Source: Self-Elaboration (2019)

4.7.2. Based on the following figure, draw the digital marketing performance measurement process, adopted by Forall Phones and comment, briefly, based on the knowledge acquired.

TN FIGURE 7. DIGITAL MARKETING PERFORMANCE MEASUREMENT PROCESS ADOPTED BY FORALL PHONES



Source: Self-Elaboration (2019)

The digital marketing performance measurement process that Forall adopts has a very clear direction and organization, in which all steps are interconnected and depend on each other. In a first stage, the objectives to be established (sales and profitability levels) based on the type of customer to be achieved, allow strategists to align the entire digital marketing plan, including, for instance, channels to choose from, as well as the content and message to communicate. Afterwards, it is important to have all data extraction, analysis and reporting files and platforms well standardized, as a way to take relevant and unbiased conclusions from them.

Through continuous monitoring of the campaigns and actions performance, through strategic and result-oriented KPIs, and strict costs and budget control, the firm is able to adopt strategies at an operational level, correcting perceived gaps almost in real time. This

allows a continuous improvement of actions. The company constantly tries to perceive the gaps from the established objectives, whilst assessing what caused them. The same happens when the results exceed previous forecasts, so that those good practices can be replicated in the future.

With constant contact between departments, the process becomes even richer, as it allows other areas to combine information that stems from the marketing performance assessment. Through this monthly report, the financial department not only guides the marketing department towards a better costs control, but also receives critical and accurate information about the results, allowing them to effectively evaluate their investments. This two-way flow allows for seamless transparency and feedback between areas, leading marketing to be seen not only as just another department, but as an area that is creating value for both customer and business. Specific strategies such as the discontinuation of specific smartphone models, the decision of opening new stores or to segment different customer profiles are a product of this comprehensive analysis, through the continuous creation of synergies between departments that complement each other.

To summarize, the process described above has the following advantages:

- The focus on what is really measurable – use of quantifiable and measurable metrics, speaking the financial language;
- The focus on cost vs. benefit relationship allows a constant monitoring of the campaign costs against what they are giving of return, being to take corrective actions, fixing deviations;
- There is an alignment between the marketing and financial departments, allowing the reporting of results to other elements of the organization, being possible to communicate and share the value of marketing department, guaranteeing also transparency;
- There is a clear focus on results: lead to the final purchase or, in rare cases, get leads;
- The monthly communication and reporting of results allow an inherent linking of marketing with other departments, conveying valuable information about the most profitable products, as well as the consumer behaviour during all the process, giving valuable and reliable strategic insights;

- The segmentation by type of client allows a more effective budget management, improving the profitability;
- The system of data integration, between the different digital platforms, allows giving credibility to the data analysed, allowing, safely, to know that there is no biased data, not leading to bad decision-making by the department.

4.7.3. “Since the performance measurement professionalization at Forall, sales have soared 300% and every month they achieve records”. Based on the case study, comment on this sentence, and give some justifications for the increase in Forall’s sales.

According to the information presented in the case, the level of sales of Forall Phones, since the arrival of José Alves to the firm, has beaten records behind records. The professionalization of the marketing department was one of the main changes in the whole company. In fact, after that Forall began looking at marketing as a huge source of revenue and as a main key to the business.

The brand, allying itself with digital marketing, can, at the same time, gain efficiency at the cost-benefit level, and measure the entire online customer journey, from the first click on the online ad to the purchase itself. In this sense, the professionalization of the performance measurement of the firm allows, through all digital platforms, to measure the benefits and costs, while studying trends and customer behaviours. It can also give real-time feedback on each campaign, channel used, type of customer, and about the accomplishment of the proposed objectives, and the motives for that. Through this real time measurement, it is possible to adopt corrective strategies (such as, a different approach on target or channel to act), or even a change in the strategy, in a much faster way than using traditional communication. This immediate feedback allows constant customization to each type of customer, profile, purchase, making it unique.

Forall Phones, by using essentially measurable and quantifiable metrics such as CPA, ROAS, conversions, conversion value, average order per value, can measure what is having return and what is not, conveying a much more quantifiable vision of what is being done in the marketing department. That is, when Forall advertises on Facebook, it is concerned to know essentially its cost (the cost of acquisition per customer) and compare it with the associated benefit (the return on ads spending), the level of sales achieved and the associated margin to the same. As noted, the marketing department is very focused

on everything that is possible to quantify in value and not on subjective metrics, such as engagement or awareness, or video or ad views. This way of measuring everything that is quantifiable, makes it possible to turn the marketing department into a valued department within the organization, since it is linked entirely to what the finance department wants to see in the end: return, profitability, sales and growth.

Furthermore, it is important to note that through this measurement process, it is also possible to know which actions are the most successful and which are the most profitable channels and the most profitable type of client, giving insights to the strategy. That is, with this information it is possible to allocate much better the marketing budget in what it is intended to achieve and to channel the effort on the most profitable channels and clients.

The fact that digital dominates almost all Forall's marketing investment becomes important as it is possible to know instantly whether the proposed objectives are being met or not and why. Hence, it results in a better budget management: if Forall wants to reach a particular type of customer and is spending X, but at the same time is able to reach customer type Y, it can spend more for X and less to Y, making the process much more efficient. In fact, what the firm wants is efficiency: with little resources, achieve much more, and with this rationalization of the budget, through the information of essentially financial metrics, this efficiency is possible. The strategy used in the Black Friday case is an example of a good measurement process and strategy at the same time. When the company realized that the costs were going to increase in online advertising space, it began to advertise online before Black Friday (achieving a much lower CPA), and later, using cheaper communication channels (such as SMS and e-mail). This allowed a much higher profitability, turning November into the best month in ROAS, since the creation of Forall.

In spite of that, there is no concrete proof that this professionalization of performance measurement has led to the firm's current success, it certainly created a great impact, corresponding also with the increase in the number of smartphones sold online in recent months. The company places a lot of trust in the marketing department, being the one that has a more structured budget and where the firm invests more, along with the operations department.

The type of KPIs measured, using digital marketing platforms, allows also to know the regions with the greatest number of mobile phones sold, and that is useful information for

the stores that have been opening in the country and in Spain. That is, there is also an indirect relationship between performance measurement and the increase of stores, and consequently the increase in the total Forall's sales and revenue.

Nonetheless, this analysis should also consider other indicators, since it would be unfair to just highlight the marketing department as the only success point of the firm. The operations department is critical, as it depends on Forall's production capacity that the brand can sell more. In fact, operations are signalled as the bottleneck of the company, this time.

In addition, the number of stores, since José Alves joined the company, has been increasing. In August 2018, when he began its job, there were only two stores, seven fewer stores than there are today. Since stores are the main source of revenue for the brand, and as seen in Figure 4 and Appendix 20, it is expected that the number of smartphones increase. However, online sales have been increasing over time, as covered in Appendix 20. The impact of word-of-mouth through Forall Family program has also been a relevant key in this business having been responsible for 1100 sales, representing 143.000€ saved (March 2019).

As a result, Forall's exposition level increases as the number of stores and the number of ambassadors increases, being the result of a solid workforce and not a single and isolated factor. Several interrelated causes may have contributed to the increase in sales, which means that the firm has grown at an amazing rate. Nonetheless, the way that Forall measures its marketing efforts has been a competitive advantage of the company, resulting mainly from the following factors: the know-how of the department that allows the monitoring of the entire process as well as the standardization of all platforms.

Through this know-how, along with a clear goals definition, linked to the business results, with a clear definition of target, that allows a greater allocation of the budget and a greater efficiency, allied to a reduced and objective number of metrics, most of them financial, make this process as one of the keys to success of this firm, which is growing visibly.

4.7.4. Identify the gaps presented in the performance measurement process adopted by Forall, giving some recommendations to fill them (Suggestion: use information from chapter 1.6.1. BEST PRACTICES IN DIGITAL MARKETING PERFORMANCE MEASUREMENT and some other additional scientific articles you may investigate).

Despite all the Forall Phones' digital marketing performance measurement being very focused on measurable metrics, such as return and revenue metrics, it also has some limitations, according to some academics and practitioners.

Hence, the following shortcomings are highlighted, with respective suggestions for improvement

- **The lack of metric causality and the short-term focus** – At Forall Phones, there is a clear focus on a metrics system based on the trade-off between cost and benefit of marketing actions. That allows a valuation of the department within the organization, conveying a real concern in cost optimization and trying to prove the benefits of its action, being aligned later with the firm as a whole, which is still growing. However, it should be noted that the company is very focused on the short term. That is, on directing efforts to generate immediate sales and not in the long-term relationship with consumers. Despite the retargeting efforts, for example, there is no clear objective to ensure that the customer is no longer out of his field of action and that the relationship will be lasting, justifying the fact that the marketing department does not worry too much about measuring behavioural metrics, such as awareness, engagement, or loyalty.

Rust *et al.* (2004) developed the chain of marketing productivity, which provides insight into this causality between marketing strategies and marketing actions, with the business results, which depend directly on the impact that marketing actions and strategies have on the consumer and then on financial results. That is, everything starts with the defined strategy, tapering into a specific marketing action, with the goal of creating a relationship with the customer. This action may have a consumer impact, such as an increasing in satisfaction, which may have an impact on both the financial level (which can result in a purchase) and the value of marketing (increase the brand equity);

- **The lack of soft measures** – Although the focus on subjective metrics is difficult to create value for top management (Rust *et al.*, 2004; Stewart, 2009), in a long-term perspective, this may become valuable. Thus, according to Hanssens and Pauwels (2016), the causality of this model forces companies to choose good performance metrics that can establish these intrinsic relationships between all the performance levels. These authors also argue that the devaluation of marketing is due even to this absence of a relationship between the multiple metrics analysed, such as attitudinal

(e.g., brand awareness), behavioural (e.g., brand loyalty), and financial (e.g., sales revenue).

Following this idea and following the model of Katsikeas *et al.* (2016), covered in TN Figure 2, it is realizable that the company covers both organizational performance and operational performance. However, in operational performance, the field of “Customer Mindset” with the metrics assessment such as brand equity, satisfaction or attitudinal loyalty, as well as “customer level performance”, with performance metrics such as share of wallet and lifetime value, are not so focused by the company, losing some connection with the other fields. According to the Marketing Performance Outcome Chain, the fields are interconnected, and the financial results are intrinsically linked to a better performance in customer mindset, customer behaviour, product-market performance, and customer-level performance.

In addition, O’Sullivan *et al.* (2007) argue that to increase CEO satisfaction with the marketing department, it should be combined with both financial metrics and nonfinancial indicators. Liang *et al.* (2018) also advocate the use of different types of marketing metrics, such as customer behaviour metrics, financial metrics, and digital metrics;

- **The lack of benchmark monitoring** – O’Sullivan *et al.* (2007) argue that the metrics should be monitored against the established objectives and with respect to the competitors, being a pointed failure presented in Forall’s measurement process, having an absence of benchmarking in this sense;
- **The number of metrics used** – There is some disagreement about this topic in the literature. For some authors, such as Mintz and Currim (2013), the greater the number of metrics used, the better the marketing mix performance, allowing monitoring and benchmarking. On the other hand, Moreno *et al.* (2015) agree that each company should identify which metrics it considers most relevant, depending on the type of campaign or channel. With the same idea, Celeste and Moniz (2019) argue that there is no metric that will serve every company, because the choice will depend on the business, customer orientation, culture, activity, etc. However, Forall Phones should evaluate whether it will make sense to evaluate more metrics depending on the channel chosen or its action;
- **The focus on ROAS and not on ROI** – ROAS calculation only provides information about the return of ads. That is, it allows to know the profitability of online campaigns,

including only the digital costs associated with the campaign. While ROAS gives the online ads profitability, ROI gives the profitability of all marketing department, including all the marketing department costs, calculated for any period of time. Despite its complexity, the firm has enough data to calculate it and, through it, to realize not only if the ad had a return, but also if the entire department had a return, monitoring everything they spend, consume and work;

- **The demanding work of managing data alone** – Almost the entire measurement process passes exclusively through the hands of José Alves, Head of Performance of the brand, which can become unsustainable. With the growth of the brand, Forall should focus on hiring more digital marketing performance analysts, in order to complement the work of Alves. At this moment, if any platform fails, if any data is not effectively collected, the probability of failure is huge, if José Alves is not present. In the same sense, also the automation of the whole process still cannot respond to predictable behaviour by the consumer in the future;
- **Online and Offline as a whole** – Forall Phones does not separate what is online from what is offline because of the complexity it would require and because online efforts seem to result in offline buying, eventually becoming a driver for the final purchase. However, there is no data to support this relationship, there being no way to know, for sure, that the purchase in the store was due to an online effort of the brand;
- **Inefficient Data Reporting** – The main platform for collecting, analysing and producing data reports from the different sources that generate traffic to the Forall website is Google Analytics and, later, Excel for future and deeper and complex analysis. This means that they must be very inefficient in their processes. Google already provides a platform, called Google Data Studio, that allows the same, without using Excel, reporting data in an easier way, allowing to incorporate in the same platform data from many sources, such as Facebook, Google, and E-mail, for free and, once installed, the data is automatically renewed. It can be a more efficient and alternative option to the use and the time spent in data standardizing that will be read in Excel, later. With this solution, Forall would save a lot of time, work and errors.

Recommendation of new metrics to measure:

In addition to ROI Marketing, other hard and soft metrics would also be important and relevant to quantify the value of marketing of Forall Phones, such as:

- **Payback**, knowing the time needed to recover the marketing investment;

- **Share of Wallet**, which helps identifying which customers the firm should invest the most;
- **Breakeven Point**, realizing the level of sales needed to cover all costs associated with marketing, variable and fixed;
- **Break-even for profitability**, measuring the sales volume required to reach a certain established sales level;
- **Effectiveness**, comparing the results obtained with those expected;
- **Efficiency**, measuring the ability to properly manage resources;

as well as soft metrics, like:

- **Net Promoter Scores (NPS)**, which allows to measure the degree to which the current customers will recommend a Forall's product;
- **Willingness to Recommend**, letting to know the strength of loyalty, potential impact on others; and
- **Customer Satisfaction**, providing the likelihood of repurchase.

4.7.5. What are the advantages for Forall Phones in calculating the ROI marketing, giving what can justify an annual ROI Marketing above or below of the expected at the beginning of the year? What costs would you include in calculating Forall Phones' annual marketing ROI? What kind of strategies can be adopted by Forall Phones based on ROI marketing?

The ROI calculation is one of the most important indicators used in e-commerce, allowing the measurement of the viability of the business and the return of investments made to attract and retain customers, as well as lead to the final purchase. Through it, companies can make more precise decisions regarding the allocation of the available resources.

Forall, by not calculating the ROI of marketing department, cannot provide to the finance department all its value and all its contribution. In fact, Lenskold (2002) argued that this is an indispensable KPI to measure marketing performance and is essential for decision-making. Klein *et al.* (2003) argue that ROI marketing can help companies making decisions before, during and after budgeting. Fu *et al.* (2018) also argued that through their calculation, companies could perceive the value and contribution of marketing

actions in terms of money. Through this, it is possible to achieve conclusions about the behaviour of online and offline campaigns, projects, events, and initiatives.

In addition, ROI marketing may not only be the return on investment, in monetary terms, but also at the level of brand equity. That is, the return that the firm managed to obtain in terms of brand equity, with the money invested (Stewart, 2009).

Focusing on the financial value of ROI aims to give information about what marketing is generating in terms of cash. That is, for every euro invested in marketing, what is the return that this department is generating? Thus, when there is a ROI prediction at the beginning of the year, many factors can justify a variation of this number that quantifies the value of marketing. In the case of Forall Phones, as in any other firm, the ROI calculation becomes useful as a way to allocate resources and manage the budget, according to the most profitable channels or actions for the brand.

The marketing ROI forecast needs a full forecast of the costs and benefits that will result from the brand marketing actions, whether monthly, yearly, or other period of time, or even per campaign. The forecast and the realized one may not hit right and this deep analysis of what can cause these gaps, can have a crucial impact on the business, requiring a constant monitoring.

The firm must include all costs associated with the marketing activity. In this case, as digital dominates, most of the costs are due to digital marketing efforts. Thus, it is important to define what Forall can define as being its cost structure, and then, from there, try to perceive each variation individually.

Forall shall include in the ROI calculation all the fixed and variable costs associated with the marketing department. Following the Lenskold Group method, Forall Phones, at least, should include the next following costs for the ROI calculation:

- **All costs involving the main strategies** used on digital, such as SEO, SEM, social media marketing, content marketing, e-mail marketing, online advertising, mobile marketing, and affiliate marketing costs;
- Within each strategy, the most **operational and tactical costs** of each, such as online display advertising (banner ads, retargeting, remarketing), video advertising ads, paid search ads, google shopping ads, affiliate costs, lead generation, e-mail, SMS, mobile, and social media;

- Also, it is important to determine the costs with **brand makers (influencers) and brand shapers (ambassadors)**, since they are two of the main sources of traffic to the website and revenue;
- The costs with the **platforms** associated to each medium and tool, must also be discriminated, since they belong to the marketing budget field. Thusly, costs with analytics, marketing automation and research, as well as online testing implementation, should be accounted for the marketing budget;
- The costs involved with **discounts** granted through ambassadors, influencers and other discounts should also be calculated;
- There are also some costs that should be linked to the marketing department, such as costs related with **sponsorship and brand events**, including all expenses with food, accommodation and **marketing staff labour costs** (totalling not only the salary, but also the benefits per worker).

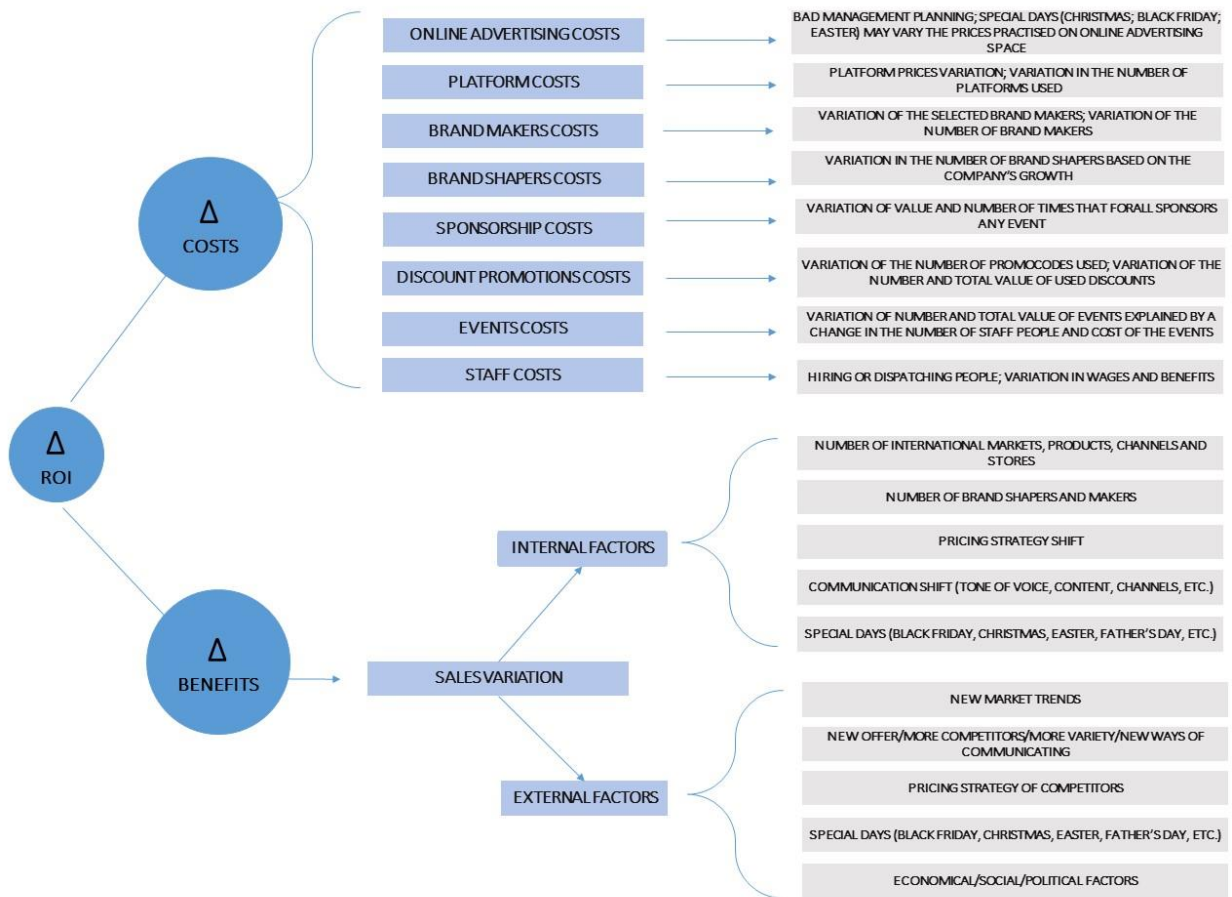
In ROI forecast, the more detailed it is, the greater the reliability of its number, allowing more credible strategic decisions and a better rationalization of the budget and optimization of the investment, such as the reduction of expenses and the growth of profits.

Structuring the expected costs and benefits, in the calculation of the ROI, it is possible to perceive what varied and to be able to attribute causes for these perceived gaps. These gaps may be caused by internal factors of the company, or external factors, arising from the competition and the market itself. In the case of Forall Phones, a gap from the ROI forecast may be due to several factors, such as better or worse product, channel or campaign performance, or simply because competitors have launched a new product on the market, thus gaining customers from Forall. TN Figure 8 attempts to cover some of the ROI variations that may occur, trying to give some justification for these gaps.

A good ROI planning and its constant monitoring will allow the company to manage its budget, investment and resources (whether human, physical or digital) more efficiently. The firm knows where the flaws and overruns are coming from and the degree of the gap between the expected and the realized, recognizing that the more detailed this analysis, the greater the degree of confidence in it, becoming a key indicator of measurement.

Without this indicator, the company is losing efficiency because it only charges values related to online ad costs through ROAS and CPA, not knowing in detail if all the costs the department has with platforms and salaries, for example, cover all the benefits created by marketing.

TN FIGURE 8. ROI MARKETING GAPS EXPLANATION



Source: Self-Elaboration (2019)

4.7.6. Imagine that Forall Phones aims to increase the sales level of Apple smartphones on the website, in Portugal. Based on this goal, draw the possible conversion funnel (awareness, interest, evaluation, purchase), suggesting specific tactics to improve each goal, also indicating the respective channels and objectives underlying each stage of the funnel, as well as the KPIs that would measure in each phase, in order to achieve the main goal outlined.

TN TABLE 4. DIGITAL MEASUREMENT PLAN OF FORALL PHONES - RESOLUTION PROPOSAL

STRATEGY: MAKE ONLINE ADVERTISING TO GENERATE TRAFFIC TO THE WEBSITE IN ORDER TO RAISE THE WEBSITE SALES LEVEL OF APPLE SMARTPHONES FROM PORTUGAL							
BUSINESS GOAL: INCREASE THE REVENUE OF SMARTPHONES APPLE ON THE WEBSITE, IN PORTUGAL							
Awareness				Interest			
<i>Tactics</i>	POST/PAID AD ON FACEBOOK PAGE	WORD OF MOUTH THROUGH THE FORALL COMMUNITY (THROUGH THE SOCIAL NETWORKS, WITH PROMODOCE SHARING)	VIDEO POST ON FACEBOOK OF AN INFLUENCER USING AN IPHONE FROM FORALL, SHARING THE PROMOCODE IN THE POST	E-MAIL WITH SOME DISCOUNTS	VIDEO ADVERTISEMENT ON YOUTUBE	BANNER OF PRODUCTS WITH SOME DISCOUNTS (DISPLAY ADVERTISING)	BANNER OF PRODUCTS WITH SOME DISCOUNTS (DISPLAY ADVERTISING) ON FACEBOOK AND INSTAGRAM
<i>Medium</i>	FACEBOOK ADS	FORALL COMMUNITY	INFLUENCERS/BRAND MAKERS	E-MAIL MARKETING	GOOGLE ADS	GOOGLE ADS	FACEBOOK ADS
<i>Objective</i>	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	TO STIMULATE THE DESIRE FOR THE PURCHASE OF THE PRODUCT	TO STIMULATE THE DESIRE FOR THE PURCHASE OF THE PRODUCT
<i>Target</i>	NEW CUSTOMERS	NEW CUSTOMERS	NEW CUSTOMERS	NEW CUSTOMERS	NEW CUSTOMERS	RETARGETING	RETARGETING
<i>KPI's</i>	CPA; ROAS; CONVERSIONS	RETURN BY SHAPER; NUMBER OF PROMOCODES USED; CREATED CONSUMER SAVINGS	COST BY INFLUENCER; RETURN BY INFLUENCER; NUMBER OF PROMOCODES USED	CTR; CONVERSIONS; TOTAL COSTS INVOLVED	COST PER VIEW; REACH; VIEWS	COST PER AD (CPC); ROAS; NUMBER OF CLICKS; CONVERSIONS	COST PER AD (CPC); ROAS; NUMBER OF CLICKS; CONVERSIONS
<i>Dimensions</i>	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE

STRATEGY: MAKE ONLINE ADVERTISING TO GENERATE TRAFFIC TO THE WEBSITE IN ORDER TO RAISE THE WEBSITE SALES LEVEL OF APPLE SMARTPHONES FROM PORTUGAL							
BUSINESS GOAL: INCREASE THE REVENUE OF SMARTPHONES APPLE ON THE WEBSITE, IN PORTUGAL							
EVALUATION				PURCHASE			
<i>Tactics</i>	TO CREATE A GOOGLE SHOPPING AD	PARTNERSHIP WITH KUANTOKUSTA AND OTHER PRICE COMPARISON PLATFORMS	PAID SEARCH AD	PAID SEARCH AD	FORALL SHAPER PROMOCODE	INFLUENCER PROMOCODE	SMS WITH A PROMO
<i>Medium</i>	GOOGLE ADS	AFFILIATES	GOOGLE ADS	GOOGLE ADS	FORALL FAMILY	INFLUENCERS	SMS MARKETING
<i>Objective</i>	TO COMPARE PRICES AND ALTERNATIVES, IN ORDER TO CHOOSE THE BEST OPTION	TO COMPARE PRICES AND ALTERNATIVES, IN ORDER TO CHOOSE THE BEST OPTION	TO GET THE CONVERSION	DO CROSS-SELLING (ADVISE ON THE PURCHASE OF AN APPLE SMARTPHONE, WITH AN OFFER OF A COVER)	TO CLOSE THE SALE	TO CLOSE THE SALE	TO GET THE CONVERSION
<i>Target</i>	RETARGETING	RETARGETING	RETARGETING	RETARGETING	RETARGETING	RETARGETING	RETARGETING
<i>KPI's</i>	COST PER AD (CPC); ROAS; NUMBER OF CLICKS; CONVERSIONS	NUMBER OF VIEWS BY PRODUCT AND CATEGORY; CONVERSIONS; TOTAL COSTS INVOLVED	CPA; CONVERSIONS; ROAS	CPA; CONVERSIONS; ROAS; NUMBER AND VALUE OF COVERS OFFERED	RETURN BY SHAPER; NUMBER OF PROMOCODES USED; CREATED CONSUMER SAVINGS	COST BY INFLUENCER; RETURN BY INFLUENCER; NUMBER OF PROMOCODES USED	CONVERSIONS; REVENUE
<i>Dimensions</i>	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE

Source: Self-Elaboration (2019)

4.8. CASE STUDY RESOLUTION SLIDES

The Case of **Forallphones**

HOW GOOD MARKETING PERFORMANCE MEASUREMENT PRACTICES (MPM) CAN INCREASE FIRM'S PERFORMANCE

DIGITAL MARKETING PERFORMANCE MEASUREMENT

Forallphones

AGENDA

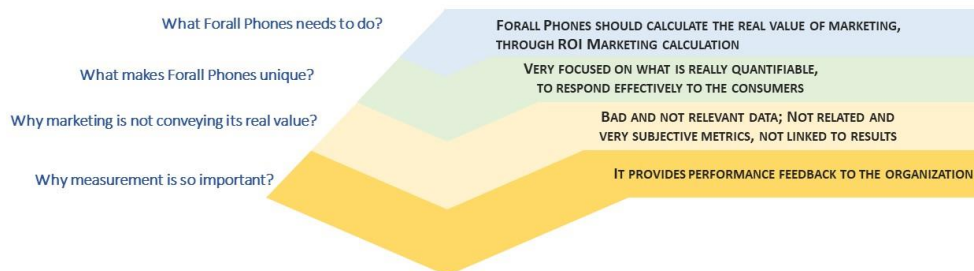
1. APPROACH TO THE CASE
2. RELEVANCE OF THE TOPIC AND PEDAGOGICAL OBJECTIVES
3. CASE STUDY RESOLUTION
4. MANAGEMENT LESSONS AND CONCLUSIONS



Forallphones 2

THE 2008 ECONOMIC CRISIS HAS BROUGHT MORE THAN NEW BEHAVIORS AND TRENDS

Forall Phones seems to be a case of success, in an **optimization costs** era by firms, providing **cost-effective solutions** to **optimize the family's priorities**

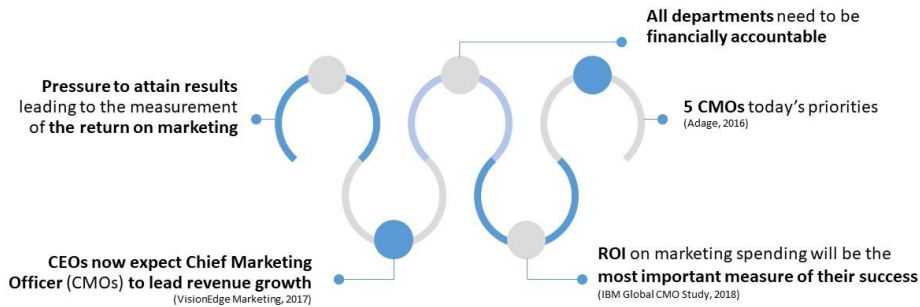


1. APPROACH TO THE CASE

Forallphones 3

“IMPROVING ROI MODELS ACROSS ALL MEDIA, DIGITAL AND NON-DIGITAL”

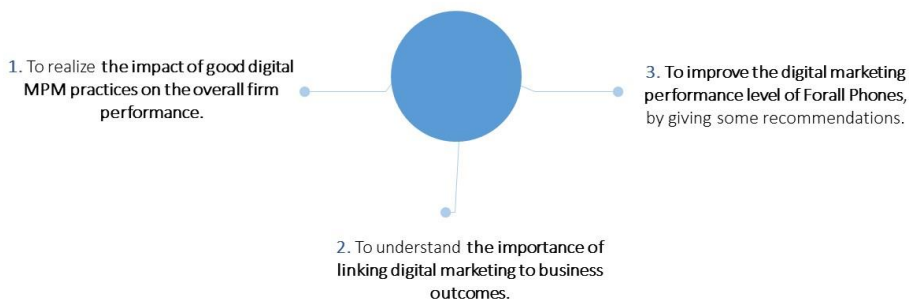
It’s a top priority research for 2016–2018 (MSI, as cited in Fu *et al.*, 2018)



2. RELEVANCE OF THE TOPIC Forallphones 4

THE MAIN AIM IS TO UNDERSTAND THE IMPORTANCE OF MEASURING DM PERFORMANCE

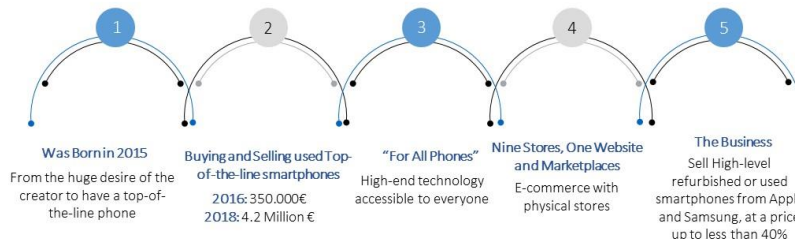
To study the importance of **linking marketing efforts** to the **business outcomes**



2. PEDAGOGICAL OBJECTIVES Forallphones 5

FORALL PHONES IS AN E-COMMERCE WITH PHYSICAL STORES

Forall intends to attract **young People** between 18 and 35 years old, with little or no annual income, and worried about their image and **reputation**.

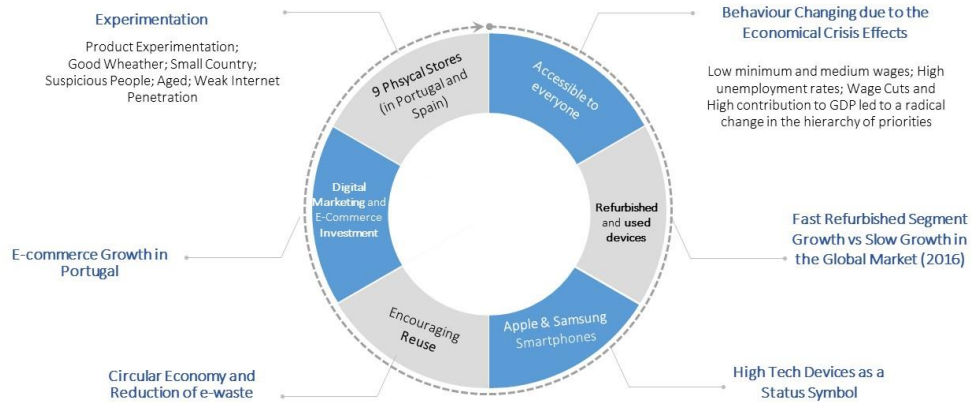


“Our goal in terms of positioning is to be able to have a brand recognized for its **youthfulness, adaptability...** and the **constant awareness of social responsibility**, environmental concerning and circular economy. We want to be distinguished for being “for all”, on all the issues involving any stakeholder”

Bernardo Carreiro, Financial and Operational Controller

3.1. CASE STUDY RESOLUTION Forallphones 6

FORALL RESPONDS TO SOME SHIFTS AT BEHAVIOURAL, ENVIRONMENTAL AND ECONOMICAL LEVELS

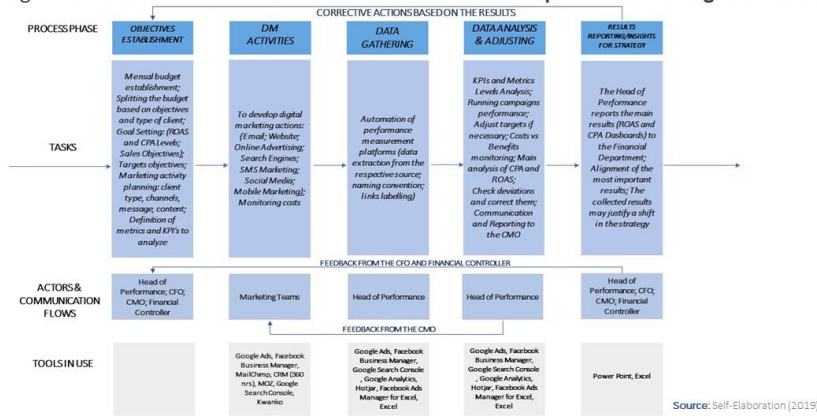


3.1. CASE STUDY RESOLUTION

Forallphones 7

DATA GATHERING IS THE HARDEST AND MOST RELEVANT STEP OF THE PROCESS

Their Marketing Performance Measurement Process is one of the Competitive Advantages of Forall Phones



Source: Self-Elaboration (2019)

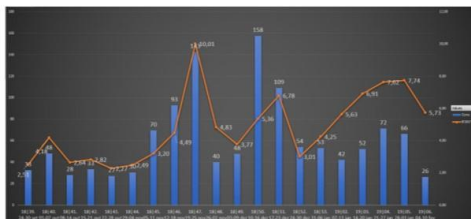
3.2. CASE STUDY RESOLUTION

Forallphones 8

DASHBOARDS SHOULD BE CATALYSTS FOR EFFECTIVE DECISION-MAKING

In the Monthly Meeting, the key drivers of decision (CPA and ROAS levels) are reported to the Finance Department

MONTHLY MEETING DASHBOARD



Source: Forall Phones (2019)

PERFORMANCE ASSESMENT FILE

SEARCH	COST	CLICKS	CTR	CPA	CONVERSIONS	CPA	ROAS*	ORDER VALUE	AVERAGE ORDER VALUE	CONVERSION RATE	
2019-01-01	1222208	2.859 €	19072,3	1,57%	0,15 €	39	72 €	5,26	14.911 €	300 €	0,21%
2019-02-01	1175960	3.096 €	19545,4	1,64%	0,16 €	49	69 €	4,45	19.747 €	406 €	0,25%
2019-03-01	1700892	3.488 €	27702,3	1,62%	0,15 €	67	52 €	7,12	24.854 €	369 €	0,24%
2019-04-01	1555532	3.062 €	20892,6	1,54%	0,15 €	62	50 €	7,24	22.162 €	359 €	0,30%
2019-05-01	686561	2.089 €	12351,6	1,45%	0,17 €	24	86 €	5,36	11.190 €	460 €	0,20%
2020-01-01	6500072	14.529 €	39561,6	1,50%	0,15 €	241	60 €	6,40	52.916 €	385 €	0,14%

Source: Self-Elaboration (2019)

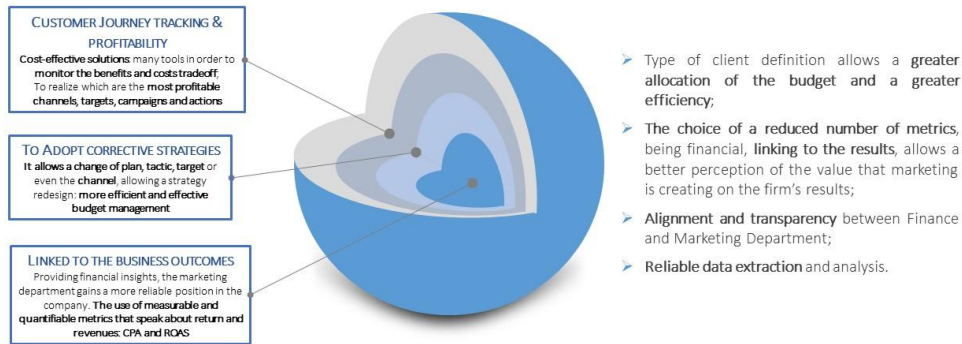
* All these indicators are interrelated. The values were sanitized and are fictitious but the proportion and the relationship between the metrics was maintained.

3.2. CASE STUDY RESOLUTION

Forallphones 9

A CLEAR GOALS DEFINITION LEADS TO WHAT IS REALLY IMPORTANT TO MEASURE

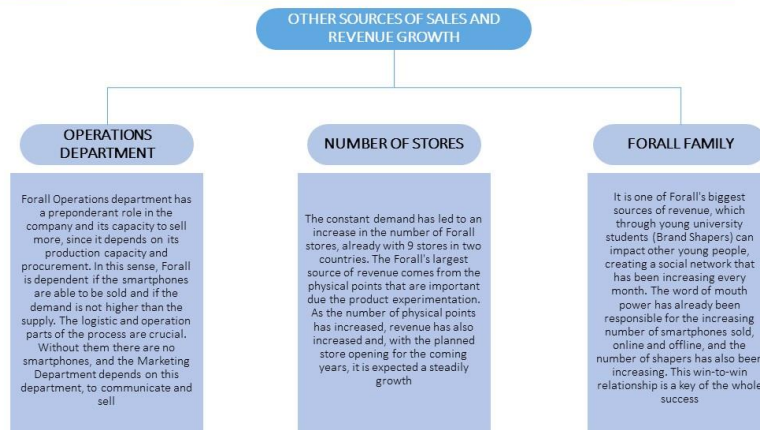
The professionalization of the marketing department at Forall has become a **clear booster of sales**



3.2. CASE STUDY RESOLUTION

Forallphones 10

SINCE THE PERFORMANCE MEASUREMENT PROFESSIONALIZATION AT FORALL, SALES HAVE SOARED 300% AND EVERY MONTH THEY ACHIEVE RECORDS⁹⁷

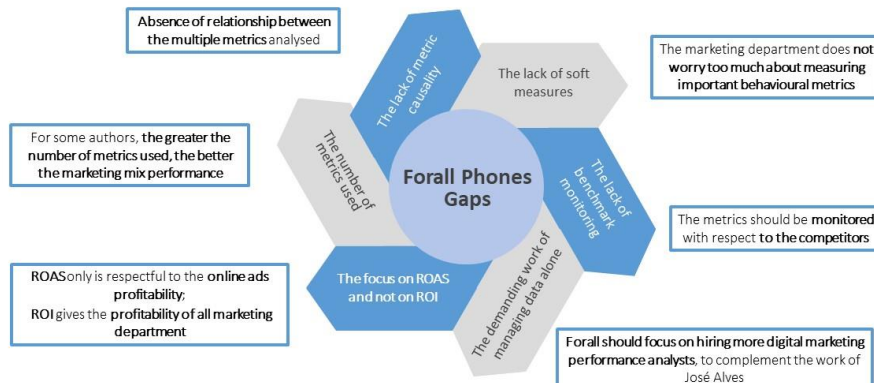


3.3. CASE STUDY RESOLUTION

Forallphones 11

MARKETING GOES BEYOND THE NUMBERS

Soft Measures are also important, when linked to other metrics, in a causal system of metrics

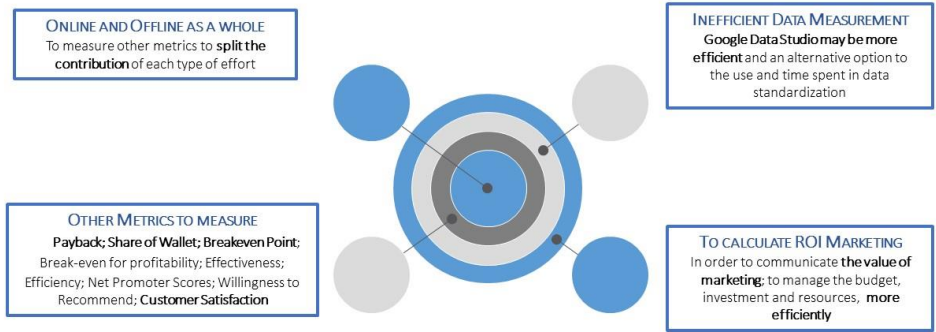


3.4. CASE STUDY RESOLUTION

Forallphones 12

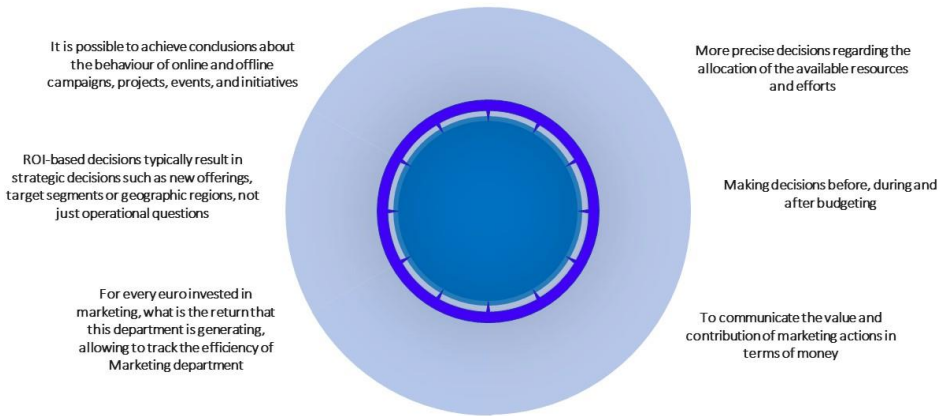
A CAUSAL SYSTEM OF METRICS IS THE KEY FOR MEASUREMENT

ROI Marketing, Payback, Breakeven and Willingness to Recommend may be measured



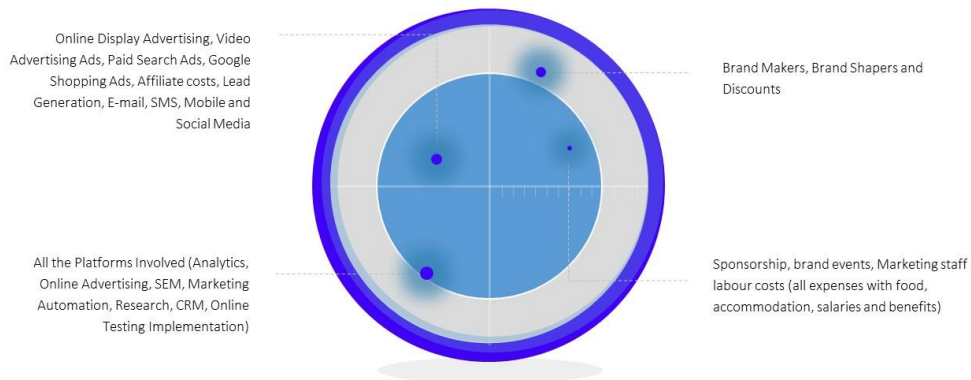
3.4. CASE STUDY RESOLUTION **Forallphones** 13

ROI WOULD BRING MORE EFFICIENCY AND WOULD TRANSLATE THE REAL VALUE OF MARKETING



3.5. CASE STUDY RESOLUTION **Forallphones** 14

ALL COSTS SHOULD BE INCORPORATED



3.5. CASE STUDY RESOLUTION **Forallphones** 15

TO INCREASE THE SALES LEVEL OF APPLE SMARTPHONES ON THE WEBSITE

STRATEGY: MAKE ONLINE ADVERTISING TO GENERATE TRAFFIC TO THE WEBSITE IN ORDER TO RAISE THE WEBSITE SALES LEVEL OF APPLE SMARTPHONES FROM PORTUGAL							
BUSINESS GOAL: INCREASE THE REVENUE OF SMARTPHONES APPLE ON THE WEBSITE, IN PORTUGAL							
Awareness				Interest			
Tactics	POST/PAID AD ON FACEBOOK PAGE	WORD OF MOUTH THROUGH THE FORALL COMMUNITY (THROUGH THE SOCIAL NETWORKS, WITH PROMODOCCE SHARING)	VIDEO POST ON FACEBOOK OF AN INFLUENCER USING AN IPHONE FROM FORALL, SHARING THE PROMODOCCE IN THE POST	E-MAIL WITH SOME DISCOUNTS	VIDEO ADVERTISEMENT ON YOUTUBE	BANNER OF PRODUCTS WITH SOME DISCOUNTS (DISPLAY ADVERTISING)	BANNER OF PRODUCTS WITH SOME DISCOUNTS (DISPLAY ADVERTISING) ON FACEBOOK AND INSTAGRAM
Medium	FACEBOOK ADS	FORALL COMMUNITY	INFLUENCERS/BRAND MAKERS	E-MAIL MARKETING	GOOGLE ADS	GOOGLE ADS	FACEBOOK ADS
Objective	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	GET TO KNOW THE PRODUCTS, DISCOUNTS AND THE BRAND ITSELF	TO STIMULATE THE DESIRE FOR THE PURCHASE OF THE PRODUCT	TO STIMULATE THE DESIRE FOR THE PURCHASE OF THE PRODUCT
Target	NEW CUSTOMERS	NEW CUSTOMERS	NEW CUSTOMERS	NEW CUSTOMERS	NEW CUSTOMERS	RETARGETING	RETARGETING
KPI's	CPA; ROAS; CONVERSIONS	RETURN BY SHAPER; NUMBER OF PROMODOCDES USED; CREATED CONSUMER SAVINGS	COST BY INFLUENCER; RETURN BY INFLUENCER; NUMBER OF PROMODOCDES USED	CTR; CONVERSIONS; TOTAL COSTS INVOLVED	COST PER VIEW; REACH; VIEWS	COST PER AD (CPC); ROAS; NUMBER OF CLICKS; CONVERSIONS	COST PER AD (CPC); ROAS; NUMBER OF CLICKS; CONVERSIONS
Dimensions	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE

3.6. CASE STUDY RESOLUTION

Forallphones 16

TO INCREASE THE SALES LEVEL OF APPLE SMARTPHONES ON THE WEBSITE

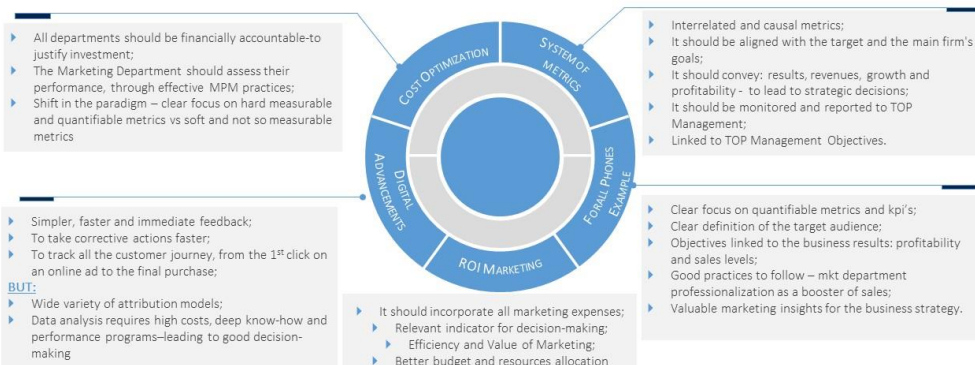
STRATEGY: MAKE ONLINE ADVERTISING TO GENERATE TRAFFIC TO THE WEBSITE IN ORDER TO RAISE THE WEBSITE SALES LEVEL OF APPLE SMARTPHONES FROM PORTUGAL							
BUSINESS GOAL: INCREASE THE REVENUE OF SMARTPHONES APPLE ON THE WEBSITE, IN PORTUGAL							
EVALUATION				PURCHASE			
Tactics	TO CREATE A GOOGLE SHOPPING AD	PARTNERSHIP WITH KUANTOKUSTA AND OTHER PRICE COMPARISON PLATFORMS	PAID SEARCH AD	PAID SEARCH AD	FORALL SHAPER PROMOCODE	INFLUENCER PROMOCODE	SMS WITH A PROMO
Medium	GOOGLE ADS	AFFILIATES	GOOGLE ADS	GOOGLE ADS	FORALL FAMILY	INFLUENCERS	SMS MARKETING
Objective	TO COMPARE PRICES AND ALTERNATIVES, IN ORDER TO CHOOSE THE BEST OPTION	TO COMPARE PRICES AND ALTERNATIVES, IN ORDER TO CHOOSE THE BEST OPTION	TO GET THE CONVERSION	DO CROSS-SELLING (ADVISE ON THE PURCHASE OF AN APPLE SMARTPHONE, WITH AN OFFER OF A COVER)	TO CLOSE THE SALE	TO CLOSE THE SALE	TO GET THE CONVERSION
Target	RETARGETING	RETARGETING	RETARGETING	RETARGETING	RETARGETING	RETARGETING	RETARGETING
KPI's	COST PER AD (CPC); ROAS; NUMBER OF CLICKS; CONVERSIONS	NUMBER OF VIEWS BY PRODUCT AND CATEGORY; CONVERSIONS; TOTAL COSTS INVOLVED	CPA; CONVERSIONS; ROAS	CPA; CONVERSIONS; ROAS; NUMBER AND VALUE OF COVERS OFFERED	RETURN BY SHAPER; NUMBER OF PROMODOCDES USED; CREATED CONSUMER SAVINGS	COST BY INFLUENCER; RETURN BY INFLUENCER; NUMBER OF PROMODOCDES USED	CONVERSIONS; REVENUE
Dimensions	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE	DEVICE; HOUR OF DAY; LOCATION; AGE

3.6. CASE STUDY RESOLUTION

Forallphones

MARKETING WOULD HAVE "A SEAT AT THE TABLE" IF LINKED TO FINANCIAL PERFORMANCE

Forall Phones can be seen as a good example of how good MPM practices can increase the firm's performance



4. MANAGEMENT LESSONS AND CONCLUSIONS

Forallphones 18

5. MANAGEMENT LESSONS AND MAIN CONCLUSIONS

Today, with companies facing cost containment, all departments must find ways to present evidence of their value through their contributions. In this sense, any department must be financially accountable, in order to justify more investment. With this in mind, marketing, which is often seen as a department that does not add value and contribution to companies, frequently focused on subjective measures, has today, more than ever, to prove its real value. Marketing is not just a department that creates costs, but above all, gives results and it should be seen as an investment.

Therefore, it is crucial for companies to be able to measure their efforts through effective MPM practices. With the advancements that digital provides, this process has become simpler and more immediate, allowing much faster feedbacks and, through it, making possible to take corrective actions, not only at operational level, but also at a strategic level. For instance, companies can now measure some digital efforts, such as online advertising, through platforms like Google Analytics or Google Data Studio, enabling them to measure their actions more effectively, knowing almost everything about what is happening on their website and whom their customers are. In fact, digital platforms allow knowing the source that generates traffic to the website, as well as the type of customer, the gadgets used, location, and much more relevant information that the firm can use for future marketing actions. Hence, tracking the entire customer journey, companies can adopt solutions tailored to each profile, also known as personas.

However, despite being easier to measure and track consumers, digital also has some drawbacks, such as the data extraction from a large number of platforms, due the wide variety of attribution models, which can sometimes lead to bad decision-making based on this biased data. That is, data extraction is one of the most important steps in the process of measuring the digital marketing performance, demanding a deep know-how in this area and critical spirit to know how to interpret it.

The costs and benefits trade-off monitoring has a crucial role in the analysis because through it companies know the real profitability of each campaign, action or channel. Because of this, in the data analysis step, it is important to look at what CEOs and CFOs really want to see: revenue and profits. That is, marketers must test, in a quantitative way, their metrics and KPIs that are deeply essential for decision-making, looking at metrics such as CPA, ROAS, conversions, revenue, sales and margin, in order to be aligned with

the firm's main goals. Consequently, they must define quantifiable metrics and monitor them throughout the campaigns and, based on them, lead to strategic, and not only operational decisions. Forall Phones is a practical example of the use of good MPM practices, which looks at marketing as a discipline that creates value for the company, being one of the departments that brings the most profits and one of the most invested in by the firm itself. In this way, it is also important that marketers communicate and report their main results to the other departments, promoting transparency and credibility, just as Forall Phones does.

In line with the main research objectives, the Forall Phones example proved the importance of measuring digital marketing performance, using financial metrics, which have a much more direct link to business outcomes. Through the example given in this case study, it was also possible to provide more insights into the digital marketing performance measurement topic, applying digital metrics to a real case.

Through this example, it was possible to explore the importance of choosing metrics that are more closely related to the overall results of the company and can serve as a good practice to be followed by other companies that are looking to strengthen their digital marketing performance measurement process. Through this choice, it is possible to connect the insights provided by the digital marketing performance in a way that supports the firm's strategy. That is, by using essentially numerical analysis, based on sales, margins and profitability variations, and comparing them with all costs involved, these essentially measurable indicators allow to make decisions to a much more strategic and global level of the whole organization.

That is, all decisions are based on profitability and sales increasing. In fact, the professionalization of the entire department, since José Alves has begun his functions, became crucial, considering that revenues and profits have soared. With his entry, more campaigns ran, and more stores opened, but he brought new measurement methods, which through his know-how, have made possible a better clarification of the types of client to achieve. Furthermore, he was also responsible for the clearer definition of goals to achieve, a more effective data extraction and analysis, and a better standardization of platforms, since he has built all reporting files and campaign naming convention, in order to analyse further ahead. In this way, it is possible a better budget allocation, based on reliable data that is reported by the platforms, which were standardized before.

The example referenced in the Black Friday campaign is a good example for other companies to follow, based on an effective measurement and planning process of the activities. This campaign was, in fact, one of the most profitable to the company, through good MPM practices and everything that these involve, realizing the impact of good digital marketing performance measurement practices in the overall firm performance.

Through this way of measuring, Forall Phones allocates its efforts according to the most profitable channels, type of ad, content, type of strategy, target, location, and products.

Choosing hard metrics rather than soft metrics has its advantages, but the last ones should not be excluded from the analysis either. All types of metrics have their significant role. To be effective, they should be seen not as isolated metrics, but as an interconnected system, depending on one another, and are linked to top management objectives. Then, companies should understand the links that all actions have with each other and not rule out metrics such as engagement, satisfaction or awareness, a failure pointed out to Forall Phones. These kinds of measures can, inclusively, lead to an increase in revenue, and as a consequence, an increase not only in ROI, but also in brand equity. The use of subjective metrics has been one of the problems pointed to performance measurement, but only when they are used without any purpose, where there is no clear link between them and the value created by marketing. Therefore, it is important to measure not only, for instance, the number of views of a video ad on YouTube, but also what it has brought to the brand in terms of outcomes.

The ROI marketing prediction is the main flaw pointed to Forall Phones. In fact, it is a negative point in its measurement process, taking into account that it becomes a great decision-making variable. In order to improve the digital marketing performance level of Forall Phones, they may really quantify what marketing is offering to the organization, both in terms of revenue and in terms of image. That is, the company can know what the return of the department is, by every single euro invested. There are many methods to calculate this indicator, but the basic principle is the same: calculate the return and subtract from the all of the marketing expenses. Thus, everything that is used in marketing should be considered a cost, because only in this way, it is possible to quantify the whole department and not only a small part of the marketing (as it is the case of Forall Phones, which only calculates ROAS, not imputing wages and benefits costs).

To summarize, the more detailed the forecast, with all incorporated costs, the more relevant this indicator becomes. Therefore, Forall Phones or any other company can understand the gaps between the ROI forecasting and what actually happened, trying to assign causes and, with that information, make decisions. Hence, ROI is an indicator that conveys efficiency, so it should be used by marketers to communicate and report their value to all stakeholders involved, making it possible to take decisions before, during and after budgeting, allowing an improvement in the firm's profits.

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