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**CUSTOMER RELATIONSHIP MANAGEMENT FIELD LAB AT PCDIGA: MARKETING  
CAMPAIGNS**

JOANA NETO DE ALMEIDA FURTADO DE OLIVIERA, 24125

A Project carried out on the Masters in Management Program, under the supervision of:

Elizabete Cardoso

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# CUSTOMER RELATIONSHIP MANAGEMENT FIELD LAB AT PCDIGA: MARKETING CAMPAIGNS

## Abstract

The appearance and development of the Internet created a new paradigm in the marketing area, where companies are becoming increasingly focused on developing a customer centricity strategy in order to create a more engaging relationship with the customers. This Work Project aims to analyse, measure and evaluate the impact of PCDIGA's communication channels and respective strategies to establish contact with their customers, namely through marketing campaigns via e-mail or social media platforms. According to the data collected and knowledge gathered, some recommendations, suggestion for improvements and initiatives were proposed in order to align with a customer-centric strategy.

**Keywords:** *CRM, Marketing Campaigns, e-mail, social media*

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## **Chapter 1: Introduction**

This Work Project was developed during four months, from September to December, within a Customer Relationship Management (CRM) Field Lab's context, under the supervision and guidance of professor Elizabete Cardoso, in cooperation with PCDIGA. It is a specialist retail Portuguese company with a particular focus in technology and electronic equipment, created in Leiria, in 2003. Nowadays, the technology and electronic equipment's market is composed by two distinct groups: on one hand, there are the strong and dominant big retailers such as Fnac, Worten and Media Markt, Rádio Popular; on the other hand, there are smaller and more specialised stores (specialist), in which PCDIGA, Globaldata, MHR and PCcomponentes are included. The company's initial strategy relied in targeting a niche specialist segment in technology and electronic equipment to develop a solid brand, not only because it overshadowed the image of "underdog" in industry, but also because it created a powerful online community and a vast network of customers.

PCDIGA has been able to thrive in the Portuguese market with a high-quality and diverse portfolio of products at competitive prices (high quality-price ratio), leading manufacturers' partnerships, specialised service as well as speed in the delivery. All those competitive elements allow the company to be successful and rewarded with the title of "Best Technology store" during four consecutive years (2015 - 2018), recognized by the Portuguese magazine PC Guia. Furthermore, the strong online community, the positive impact of word-of-mouth marketing aligned with the high level of customer satisfaction are the main growth drivers of PCDIGA. Currently, the company has five stores spread across Portugal (Leiria, two in Lisboa, Braga, Porto) and plans to open another two within the next year; has doubled the number of employees within three years (from 38 to 93, 2015 - 2018); it generated, in 2016, 29 505 323€ in operating revenues. Due to the unexpected company's growth in terms of revenues (39% growth rate when compared to 2015) (Amadeus, 2018) and the desire to create a more engaging and personalised relationship with its customers, the challenge of creating, developing and implementing a CRM department supported and strengthened by customer-centricity strategy, was assigned to a team of five master students. Thus, each student was allocated and responsible to complete one out of five different workstreams: 1) Segmentation, 2) Design Thinking applied to Service Automation,

3) Brand's Activation and Communication, 4) Customer Lifetime Value and, lastly, 5) Marketing Campaigns, which is the subject of this research paper.

PCDIGA's marketing department is mainly responsible for launching and managing their marketing campaigns across different channels (Facebook, Instagram, website and e-mail). Since the company does not hold a CRM division, their line of communication is open to every potential customer to promote the launch of new products, new events or discount offers. As the company is growing, the understanding of the potential impact of these communications in their relationship with their clients is extremely important. Therefore, this research paper aims to analyse the existing marketing campaigns and strategies of PCDIGA, measure and evaluate its impact and suggest further improvements, in line with a customer-centric strategy, in order to increase effectiveness and efficacy. The next section of this document examines the body of literature on CRM, marketing campaigns and, more specifically, e-mail and social media approaches. Afterwards, there is a reflection on the methodology of this project, and then I present the discussions and major conclusions of this workstream. Finally, managerial implications are laid out, as are research limitations and recommendations for further research on the subject.

## **Chapter 2: Literature Review**

### **Chapter 2.1: CRM and Marketing Campaigns in SMEs.**

Payne & Frow (2005) defined CRM through its strategic framework as “a cross-functional integration of processes, people, operations, and marketing capabilities” (Boulding et al., 2005). In 2009, Buttle improves the definition with broad applicability: “the core business strategy (...) that creates and delivers value to targeted customers at a profit”, being “grounded on high-quality customer-related data and supported by information technology” (Buttle, 2009).

The majority of Relationship Marketing literature stresses that managing relationships is beneficial for the firm and can enhance its performance (Reinartz et al., 2004; Boulding et al., (2005), taking into consideration the

“right” balance of relationship type and its distinctive stages (Srivastava, Shervani, & Fahey, 1998), the information management processes across different times and touchpoints, which can be further used in marketing initiatives (Payne & Frow, 2005). However, CRM can also fail to deliver business results or can also negatively interfere in customer relationships (Rigby et al., 2002; Zablah et al., 2004).

Within the CRM strategy in SMEs, there are two fundamental components: 1) management and analysis of customer data to create valuable customer insight, and 2) communication with consumers with the aim to foster and improve the ongoing relationship (Harrigan et al., 2012; Bailey et al., 2009; Payne & Frow, 2006). This communication should be characterized by openness, flexibility, informality, high frequency (O’Dwyer et al., 2009) and have features of automation and personalisation differentiating according to customers tiers, resulting not only in efficiency gains for both entities, but also in tailored initiatives and an improved after-sales service (Hennig-Thurau et al., 2010; Verhoef et al., 2010). Marketing automation became extremely important in marketing processes, being capable of improving the customer experience and engagement, enhancing the efficiency and effectiveness of campaigns, and reaching a level of sophistication with the combination of CRM information and business rules (Buttle & Maklan, 2015). As an outcome of marketing automation, a framework named closed-looped marketing (CLM), grounded on the Plan, Do, Measure and Learn principles, was introduced as a continuous learning tool that helps marketers to plan, implement, analyse and evaluate campaigns through metrics and predefined objectives (Buttle & Maklan, 2015).

## **Chapter 2.2: E-mail Marketing Campaigns**

The appearance of the Internet brought several changes to the marketing area, creating a new paradigm that is mainly focused on customer-centric approaches rather than at a product-level (Rust and Espinoza, 2006) and adopting news channels of communication on a daily-basis (Hudák et al., 2017). Outbound e-mail marketing can be defined as a medium of “direct marketing that encourages trial and purchases”, in which companies send e-mails to current or potential customers, establishing then a touchpoint, a “part of the CRM dialogue”

(Chaffey et al., 2006). However, there is a paradox around the e-mail marketing's utility (Hartemano, 2016): on one hand, e-mail marketing has been one of the fastest growing new channels of marketing with an annual rate of 10%, during the 2000s, and has been able to "provide twice the return on investment" in comparison with other online channels (Pavlov et al., 2008). It is also considered as one of the "most accessible, most efficient and effective forms of promotion with immediate effects" (Budac, 2016; Chaffey et al., 2006; Hudák et al., 2017). In the short-term, are able to generate sales and increase consumer engagement and acquisition, whereas, in the long-term, it can enhance brand loyalty, build brand reputation and improve the relationship with the customer (Budac, 2016; Pavlov et al., 2008; Merisavo & Raulas, 2004). Furthermore, it is considered as a complementary tool of traditional marketing with a cost-effectiveness – "low set up and distribution costs"-, and time efficiency appeal, since it not only is easy to use but it is also affordable for SMEs (Budac, 2016; Cases et al., 2010; Ellis-Chadwick & Doherty, 2012; Moustakas et al., 2006). On the other hand, the low barriers of entry in the industry by "legitimate and not-so-legitimate marketers", can negatively impact e-mail marketing's acceptance and performance due to the increasing volume of unsolicited commercial e-mail (UCE) messages sent (Pavlov et al., 2008). This is why e-mail is predicted to be replaced with another communication channel within 2 years (Brandon, 2015).

### **Chapter 2.2.1: Approaches to e-mail marketing campaigns**

Permission based-marketing was first introduced by Godin (1999) as a solution to overcome information overload. It is able to provide customised and personalised content, in which the customer has an active role - voluntarily join a company's e-mailing list - in defining the targeting behaviors of marketers (Budac, 2016; Chaffey et al., 2006; Krishnamurthy, 2000; Pavlov et al., 2008; Gengler & Reynolds, 1995; Grunert, 1996). As result, there is a symbiosis relationship in which marketers are interested in fostering the connection with the customers after having their permission to exchange information and entertainment and thus, reinforcing the presence of online CRM through the management of the customer journey (Budac, 2016; Chaffey et al., 2006). Godin (1999) complements the reasoning by introducing three important features to the concept: 1)

anticipation with the customers, 2) individuality characterized by tailored messages for each customer, and 3) relevance in what regards the content of the information received (Budac, 2016). These type of customers are more willing to look for another type of content besides sales offers, in particular, information about events and products or contests, leading to a more informative and entertaining communication rather than a discount-oriented posture (Merisavo & Raulas, 2004). As a complement, the type of involvement products (high or low) might influence the attitude towards an e-mail campaign (Merisavo & Raulas, 2004). Despite this, sometimes, the permission authorised might not be totally sincere since the data given under the form of e-mails might be wrong or outdated, questioning privacy and trusting issues (Tezindeet al., 2002).

The literature has described different approaches to develop, manage and improve the effectiveness of e-mail campaigns. Kotler (2000) propose a generic solution based on five critical decisions named five Ms: Mission, Money, Message, Media and Measurement. Chaffey et al. (2006) suggested another approach associated with the e-mail marketing success factors underpinned by “the mnemonic CRITICAL”, used to improve the structure and content of e-mail campaigns, meaning: “Creative, Relevance, Incentive, Targeting & Timing, Integration, Copy, Attributes (of e-mail), Landing Page” (Appendix 1). Ellis-Chadwick & Doherty's (2012) research presented guidelines for eleven executional tactics in e-mail marketing giving emphasis to “the length of the e-mail, frequency and timing of the e-mail, illustrations, subject line, headline, message content, brand logo, hyperlinks, interactive features, animation, personalisation“ (Appendix 2). Furthermore, Budac (2016) follows a theoretical approach to generate successful e-mail marketing campaigns which is based on “setting goals, creating databases, segmenting used e-mail lists, the creation of responsive e-mails, using clear and concise subject lines, customising the e-mail and using clear call-to-action buttons, providing concise content and, lastly, testing and measuring e-mail campaigns”.

The last section of developing an e-mail campaign is being responsible for its measurement and evaluation. For this purpose, there are several key metrics to evaluate the impact and responsiveness of e-mail campaigns: 1) delivery rate (number of recipients), 2) open rate, 3) click-through-rate (number of customers who click

through an e-mail - strictly unique clicks), 4) conversion rate (percentage of subscribers that complete a call-to-action), 5) bounce rate (percentage of rejection), 6) ROI (Chaffey et al., 2006; Budac, 2016).

### **Chapter 2.3: Social Media Campaigns in SMEs**

Nowadays, the growth of social media networks has created a large, strong and connected community, where both customers and companies can benefit from. Previously, companies were used to communicate with passive customers, in which their purchase behaviour would represent an effort to answer to the company's initiatives (Malthouse et al., 2013). Nowadays, enterprises feel the necessity to look for the most appropriate opportunities and effective mechanisms to listen, interact, engage and connect with their customers and possibly inspire them to become a future brand promoter (Alalwan et al., 2017; Malthouse et al., 2013). Regarding the customer's perspective, social media has empowered their voices and conquered a place on most aspects of people's lives (including their social, political or even their business life), changing their relationship with companies in which it is possible to easily and freely express their thoughts and ideas with a broader audience (Alalwan et al., 2017; Malthouse et al., 2013; Schultz, Malthouse, & Pick, 2012). However, it is important not to underestimate the importance given to customers' role since it can potentially damage the company's reputation if negative messages and ideas are spread by customers (Gensler et al., 2013).

Social media platforms have created an ecosystem characterised by "a variety of dynamic online communities in which members seek and share common interests, activities, experience and information" (Hanna et al., 2011; Lee, 2017). When a dialogue is established with the intent to set in motion communication from one party to another, social media marketing (SMM) is activated. These tools can be beneficial as they are low-cost information exchange platform with high availability and multiple ends: learn, educate, build or even advertise but also have an increasing role and perceived usefulness in SMEs through customer interaction and identity creation (Dwivedi, Kapoor, & Chen, 2015). Nonetheless, there are potential barriers to SMM implementation in SMEs including the lack of familiarity and training, and the mindsets previously established (Dwivedi, Kapoor, & Chen, 2015).



Greenberg (2010) was the first author to merge CRM and social media into one concept, creating the definition of CRM 2.0/social CRM. The author believed that CRM 2.0 was an extension of the traditional CRM “designed to engage the customer in a collaborative interaction that provides mutually beneficial value in a trusted and transparent environment”. The relation between social media platforms and CRM rely on the core capabilities brought by platforms which are able to build and develop an emotional and social tie, possibly enhance their satisfaction, loyalty, engagement and retention, influence their purchase behavior, generating automatically a closer and more solid relationship (Alalwan et al. 2017, Trainor et al., 2014). The Social CRM strategy is the combination of both areas in a two by three comparison matrix (social media: low engagement, high engagement and CRM: acquisition, retention, termination) responsible for assessing the potential customer touchpoints and their value both from a consumer and company’s perspective (Malthouse et al., 2013). Furthermore, social media platforms allow a better understanding of the audience’s usage patterns and attitudes, potentially affecting the consumers’ perception and future behaviours towards the company (Bolton et al., 2013). Overall, and in consonance with Alalwan's et al. (2017) research, the majority of researchers recognize the added value of social media as a powerful tool to sustain customer relationship and to improve their experience.

### **Chapter 2.3.1: Approaches for Social Media campaigns**

According to the literature, there are several approaches that can be implemented in order to develop and manage social media campaigns. For the strategic integration of social media within the marketing communication strategy there are five important guidelines: visualize the ecosystem, identification and tracking of key performance indicators, tell their own story, opt for uniqueness, social media does not require elaborate budgets (Hanna et al., 2011). Besides, it is also important to provide both information and exclusivity, to be outrageous and to be associated with causes that are deeply connected to customers (Mangold & Faulds, 2009). Finally, it is possible to manage CRM through social media according to five distinct stages: “track customer sentiment, activate exploitation of social media, integrate social media into customer service

functions, create a social media team across all customer touchpoints, develop an integrated company-wide social media strategy” (Buttle & Maklan (2015).

According to Greenberg (2010), social media is a powerful source of data, which can be further used to understand the impact and the main outcomes of a social media campaigns through its measurement and evaluation. Social media analytics is responsible for retrieving specific metrics from social media data since it utilizes a complex array of methods (Holsapple et al., 2018). In particular, reach and awareness are critical to measure success (Hanna et al., 2011) as well as the four key motivations (4C’s) that drive consumers: Connection, Creation, Consumption and Control aligned with relevant metrics for the distinct social media applications according to three objectives (Appendix 3): brand engagement, brand awareness, and word-of-mouth (Hoffman & Fodor, 2010). Besides the general KPIs (page views, number of clicks, or site “stickiness”), Greenberg’s (2010) research suggested four indicators (volume, tone, coverage, authoritativeness) as metrics to evaluate the social consumer, based on the contemporary efforts created by PwC (Appendix 4). Finally, it is possible to segment the metrics according to different objectives established per platform (Lee, 2017) and associate both quantitative (number of followers and likes, number and frequency of posted content) and qualitative metrics (sentiment orientation, strength, subjectivity). As a conclusion, it is important to understand the viability and the management principles behind PCDIGA’s campaigns, since the company, currently, uses these two channels to communicate with consumers. Therefore, leading to the following research question “*Is PCDIGA optimizing their campaigns?*”, which will be further clarified through three hypotheses: **H<sub>1</sub>**: *PCDIGA’s promotions are profitable*, **H<sub>2</sub>**: *PCDIGA’s promotions have similar results between each other*, **H<sub>3</sub>**: *PCDIGA newsletters’ strategy contributes to optimal campaign results*.

### **Chapter 3: Methodology**

This Work Project follows Bhaskar’s et al. (1998) critical realism ontology as it is necessary to understand the underlying reality behind the sensations and events previously experienced (Saunders et al., 2016).

Additionally, a mixed methods research design within an inductive research approach was used since the premises formulated were driven by the quantitative and qualitative data collected (Peppers & Rogers, 2011). The first phase began after understanding PCDIGA's desired outcome to create and foster a more engaging and personalised relationship with its customers, through a CRM department supported and strengthened by customer-centricity strategy. In order to conduct a CRM Diagnosis, qualitative data was gathered, more specifically, external secondary data through specialised websites, scientific journals and market research reports; and internal secondary data from PCDIGA's digital platforms – PSM (internal management platform), Google Analytics, Facebook and Instagram, after granted access from the company to explore the current situation and potential opportunities. Whilst, primary data was gathered through semi-structured business interviews with a set of predetermined questions distributed across five different areas (Group report – Appendix 1). Those were conducted to PCDIGA's key employees in order to understand their opinions and perceptions about the company, their current objectives and modus operandi. This method allowed the interviewees to express their ideas freely and to cover additional unpredicted and unexpected topics (Saunders, Lewis & Thornhill, 2016). It was also collected through a Mystery Shopper experience, where two members of the team pretended to be a customer with the intention to buy a PCDIGA but they were rather measuring the store experience as well as the staff performance and quality. Furthermore, quantitative data was collected through: observation in the company's events such as Comic Con Portugal 2018, customer call observation at the service call centre, and a structured questionnaire with two versions, due to company concerns in what regards the direct mentioning of their main competitors. The latter method was active during the first week of November and composed by predetermined answers and order, subject to a filter section, followed by the assessment of consumer behavior and the allocation of a customer to a segment which would further measure their respective brand awareness (recall and recognition), brand image, brand reputation, customer experience both with PCDIGA and with the competitors and collect their demographic data. The questionnaires included comparative scaling, in particular, constant sum scaling to understand the what were the most important

decision-making variables when purchasing a technological product; and non comparative scaling, more specifically, Likert ranking scales to understand brand image, continuous rating scales to evaluate customer loyalty and satisfaction and semantic differential scales to assess PCDIGA's communication. The survey was launched online, with an average time of response of 10 minutes, under different channels: on one hand, was distributed by PCDIGA's newsletter, website and Facebook, and on the other hand, was shared through the team members' social media networks. In total, the questionnaire spread by the team recorded 520 respondents, from which only 367 passed successfully the filter section and the questionnaire spread by PCDIGA obtained 5 047 answers, however only 3 658 were completed and valid. It is important to consider that the high level of response might be associated with the possibility of being a randomly selected winner of a smartphone. Lastly, to consolidate and organise the information collected but also to understand PCDIGA's business environment and their respective endogenous and exogenous variables, several consultancy frameworks were used: 5Cs learnt in the Advanced Marketing course (Dolan, 2014) as well as SWOT and PESTLE analysis (Group Report: Appendix 3) retrieved from Advanced Strategy course at Nova SBE, Customer Touchpoint Map (Pepper & Rogers, 2011) and Porter's 5 forces.

The marketing campaigns stream methodology was divided into two phases: it started with an audit to PCDIGA's campaigns and promotions, and the respective descriptive analysis ending with a newsletter and social media networks (Facebook and Instagram) research. Initially, there was an analysis of PCDIGA's PSM categories (marketing, campaigns and promotions) in order to understand what were the main components, channels and monetary values of the campaigns and promotions. Between 20/03/2017 - 03/10/2018, 554 promotions were distributed through six categories (PCDIGUIANOS days, products promotions, product outflow, other promotions, brand-specific PCDIGA's promotions and promotions supported by suppliers). A descriptive analysis was conducted with the aim of evaluating the most and least profitable promotions and understand what were the main drivers and potential mistakes. In Excel, the information was analysed and ranked according to their profit, average profit per sale, number of items and items sold, number of

departments per promotion and duration in days. Thus, generating the top four and the bottom four promotions as regards to sales amount and profit, and the top three in terms of profit exclusively to promotions with only one department or product (Group Report: Appendix 9). Additionally, semi-structured business interviews were conducted to two PCDIGA's Product Managers (PMs), with a predetermined set of questions (Group Report: Appendix 1), in order to acquire detailed information and understand their objectives and metrics behind every promotion. The following stage began with the analysis of 40 newsletters between 14/03/2017 - 30/08/2018, retrieved from Mailchimp. They were grouped according to a specific purpose (news and launches, promotions, inquiry, campaign push, informative) and analysed within the respective time spectrum. Furthermore, it was also possible to assess the newsletters' metrics such as click-through rate, bounce rate, open rate and compare it with the industry average. Regarding social media networks, Facebook and Instagram were analysed, retrieving valuable information and metrics within two-year period range (2/10/2016 - 3/10/2018), to find Facebook's top four posts as well as Instagram's top five posts. As a summary of this analysis, a table that identified the positive, negative aspects as well as suggestions for improvements of promotions, newsletters, Facebook, Instagram (Group report: p.48-49) was built. In conclusion, two general initiatives (PCDIGA's Birthday, Personalised Newsletters) and one particular initiative (Exclusive invitation to a PCDIGA event) were proposed and described according to their concept, target, main objectives, costs, timeline, communication channels and KPIs.

#### **Chapter 4: Analysis and Discussion of Results**

This paper's research question "*Is PCDIGA optimizing their campaigns?*" aims to understand and evaluate their campaigns and promotions through the formulation of three hypotheses according to the information gathered from the quantitative and qualitative research, and the literature review: **H<sub>1</sub>**: *PCDIGA's promotions are profitable*; **H<sub>2</sub>**: *PCDIGA's promotions have similar results between each other*; **H<sub>3</sub>**: *PCDIGA newsletters' strategy contributes to optimal campaign results*. These will be further rejected or non-rejected during the following analysis.

Considering the period of analysis (20/03/2017 - 03/10/2018), PCDIGA created a total 554 promotions divided into 6 different categories with a profit of 2 277 778 €, where Products' promotions and Promotions supported by suppliers were the most salient categories with 151 and 201 promotions, respectively. Additionally, "other PCDIGA Promotions" is the category with the best performance in terms of sales registering an average of 2 042 items sold, followed by "PCDIGUIANOS days" with 463. These can be motivated by the number of items available per promotion (67 and 57, respectively), the quality of the promotion (if it matches the customers' interests), and also by the additional communication spread through e-mail (newsletter), social media networks or a special banner in PCDIGA's website. Since the profitable promotions are able to outweigh the non-profitable ones, it is possible not to reject H<sub>1</sub>.

From the total number of promotions, 91 (16,43%) did not report sales and 38 (6,86%) generated negative profit, a total of -70 220€. In the top and bottom promotions presented in the Group Report -Appendix 9, there is not a predefined length, varying from 3 to 160 days, nor a predefined number of products per promotions as it can fluctuate around 1 or 462 products. Furthermore, the higher expectations and momentum created around the holiday season with the Black Friday or Back to School (BTS) initiatives generate an anxious and attentive consumer with a high propensity to consume. Thus, resulting in the highest values both in terms of sales with an average of 14 687 items sold and in terms of profit with 234 847 € contrasting with the 0 items sold and with the negative profit of 9 867€ of the less successful promotions. Despite the fact that the PMs consider that promotions are dynamic and subject to market fluctuations and reactions, it is important to avoid a significant discrepancy between the number of promotions per month as it is the case of the different values of April and May 2017 (Group report: p.44). Overall, PCDIGA's promotion strategy does not deliver consistent nor similar results throughout the year, being possible to reject H<sub>2</sub>.

PCDIGA's e-mail campaigns (newsletters) are managed through Mailchimp, a platform which allows the company to control and segment their customer database. PCDIGA's strategy for this communication channel has been initiated with the creation of a general subscription list which, currently, includes a total of 161 750

clients and three specific segment subscription lists: one for gaming, another for technology news and launches, and other exclusively for promotions with 1 074, 7 225 and 3 252 contacts, respectively. Thus, the company is able to establish a closer connection and engagement with their customer as it communicates solely according to their specific interests (gaming, news and launches, promotions). Despite the aforementioned segmentation of contacts, PCDIGA's e-mail strategy is not fully optimized as it lacks periodicity, relevant and attractive content and linkage to the promotions. After analysing the newsletter overview table (Group report: p.45), it was possible to conclude that PCDIGA has sent a total of 40 newsletters during March 2017 and August 2018, in which only 4 newsletters (10%) were sent under the category of "news and launches" in contrast with 26 (65%) distributed across range, product, software or several promotions category. Thus, it reflects a lack of priority and a clear disparity between categories and its matching segments since only the middle segment is being satisfied, neglecting the importance of the gamers with no specific content created as well as the significance of the densest segment ("news and launches"). Furthermore, the company only makes use of newsletters as a powerful communication tool in special promotions such as "Black Friday or Back to School", instead of leveraging its potential in other initiatives such as "PCDIGUIANOS days". As a summary, PCDIGA's strategy still needs to be improved due to the low number of newsletters sent which are not spread evenly per category nor per month. Therefore, H<sub>3</sub> is rejected.

## **Chapter 5: Conclusions and Recommendations**

In the following section, the final outcomes of this stream are presented as managerial implications for PCDIGA that aim to improve and optimize PCDIGA's marketing campaigns to generate better results.

Regarding newsletters, it is important for PCDIGA to create a strategy for this communication channel not only in terms of planning its content with the selection of the weekday and respective hour of launch but also in terms of their customer database to verify if Mailchimp automatically updates. Furthermore, PCDIGA must pay attention to the newsletter's subject line that must be short, attractive and adapted according to its type,

and, create informative and engaging content to include in thematic newsletters spread during the holiday season across the year. Concerning the social media networks (Facebook and Instagram), it is crucial for PCDIGA to grab customers' attention, develop and foster a higher level of engagement and interactivity with followers, through creative as well as informative comments, quality posts or stories. Additionally, the company should use keyword marketing with the hashtag PCDIGA and invest in dynamic advertising through Facebook Pixel. Finally, to measure and evaluate the success of their campaigns, it is essential to use the most suitable KPIs such as reach, engagement, click-through rates, conversion rates. Finally, the recommendations for PCDIGA's promotion rely on reviewing the data availability, accuracy and accessibility in their internal platform PSM as well as establishing homogeneous guidelines for all the product managers to input the same amount of information on the right sections so that, in the future, it is easier to extract information for analysis. Finally, the company should try to implement test campaigns and monitor continuously the results of every campaign with specific KPIs. Besides the aforementioned recommendations, there are three additional initiatives: PCDIGA's Birthday, personalised newsletters and an exclusive invitation to a PCDIGA event.

### **Initiative I: PCDIGA's Birthday**

The recommendation was developed for all the seven segments, in order to acquire potential clients and, at the same time, increase their value for the company (Get and Grow - pillars of CRM). Since PCDIGA was created in August, this particular month would be an opportunity to reward clients with a website profile with a campaign full of exclusive promotions and discounts equal to PCDIGA's age. As an incentive, the company could also include special offers and merchandise to the clients that are able to prove that their birth year is equal to the one PCDIGA was created (2003). This initiative would increase the brand reputation and brand image (over ten years of experience in the market), create brand leverage as well as extend PCDIGA's customer database with potential clients (new leads, leads conversion to clients and increase value per customer). PCDIGA should invest in four communication channels: the website with suitable content, the e-



mail to inform and create the idea of exclusivity, the social media networks to share the campaign with their community and the store to adapt the decoration and design to the festivity (Group Report: p. 50).

### **Initiative II: Personalised Newsletters**

The concept behind this second initiative is based on the Keep and Grow pillars of CRM and aims to grab customers' attention, throughout the holiday season (for example during Christmas, Valentine's day, Easter, Black Friday), with personalised newsletter, sent by e-mail, that meets their interests and previous purchase history in order to foster cross-selling and up-selling (Group Report: p.51).

### **Initiative III: Exclusive Invitation to a PCDIGA Event**

The last initiative proposed wants to provide exclusive access to PCDIGA's most valuable clients, the "*Melhor Amigo*" and "*Colega de Casa*" segments, in pre-launch product events (selected by the company). With this idea, the company wants to increase customer loyalty, satisfaction and engagement by fostering an emotional connection. PCDIGA should communicate via mobile to generate a mysterious feeling and via e-mail to send the formal invitation with detailed information about the event (Group Report: p.52).

### **Limitations and Further research**

During this project, there were some limitations. The first one was related with the period in study of 2 years, and this happened because PSM was created recently and there was no organised data from the previous years. The data constraints were also felt during the social media networks and Google Analytics analysis, as the data available did not match the period in study, either because the business platform is limited to a specific period of time or because there were data gaps. Due to time constraints, it was only possible to study these five areas (Segmentation, Reorganisation of Information and Design Thinking, Brand's Activation and Communication, Customer Lifetime Value and Marketing Campaigns). Therefore, it is recommended that the company should continue to develop its CRM strategy and department and should try to test and consider the implementation of the recommendations given in order to create a more engaging and personalised relationship with its customers.

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## Chapter 7: Appendices

### Appendix 1: E-mail Success Factors, (Chaffey, et al., 2006, p.399)

- *Creative* – This assesses the design of the e-mail including its layout, use of colour and image and the copy (see below).
- *Relevance* – Does the offer and creative of the e-mail meet the needs of the recipients?
- *Incentive* (or offer) – The WIFM factor or ‘What’s in it for me?’ for the recipient. What benefit does the recipient gain from clicking on the hyperlink(s) in the e-mail? For example, a prize draw is a common offer for B2C brands.
- *Targeting and Timing* – Targeting is related to the relevance. Is a single message sent to all prospects or customers on the list or are e-mails with tailored creative, incentive and copy sent to the different segments on the list? Timing refers to when the e-mail is received: the time of day, day of the week, point in the month and even the year; does it relate to any particular events? There is also the relative timing – when it is received compared to other marketing communications – this depends on the integration.
- *Integration* – Are the e-mail campaigns part of your integrated marketing communications? Questions to ask include: are the creative and copy consistent with my brand? Does the message reinforce other communications? Does the timing of the e-mail campaign fit with offline communications?
- *Copy* – This is part of the creative and refers to the structure, style and explanation of the offer together with the location of hyperlinks in the e-mail.
- *Attributes (of the e-mail)* – Assess the message characteristics such as the subject line, from address, to address, date/time of receipt and format (HTML or text). Send out Multipart/MIME messages which can display HTML or text according to the capability of the e-mail reader. Offer choice of HTML or text to match users’ preferences.
- *Landing page (or microsite)* – These are terms given for the page(s) reached after the recipient clicks on a link in the e-mail. Typically, on clickthrough, the recipient will be presented with an online form to profile or learn more about them. Designing the page so the form is easy to complete can effect the overall success of the campaign.

### Appendix 2: Executional tactics in e-mail marketing messages (Ellis-Chadwick & Doherty, 2012)

Executorial factor	Prevalence of executorial factor	Recommendation	Managers' comments
Length of e-mail	Page length is a dimension of all e-mails, but differences in length are found. The average length is 2.4 pages and only 18% are less than a page in length.	The message objective should determine its ideal length. Variant testing should be used to determine the length that is most effective for a specific type of message.	<i>Sales e-mails are short but new fashion e-mails tend to adopt a catalog approach as the more products in the e-mail the more opportunities to buy. [#8]</i> <i>If it's promotional it will be short but if it's a newsletter it will be longer. [#4]</i> <i>You've got to test it. [#2]</i>
Frequency and timing of e-mail	Frequency varies from 5% to 30% of volume of e-mail sent per quarter; 35% of e-mails show evidence of use of targeted timing.	Frequency of sending e-mails is an important part of building customer relationships: too many might irritate and too few could lose the recipient's interest. It is important to consider the timing of the e-mail delivery in terms of day of the week and the time of day when planning an e-mail campaign.	<i>Getting the frequency right is really important. It can be more important than the product or the subject line. [#1]</i> <i>Seasonal messages are important for us, especially Christmas and Easter. [#14]</i>
Illustrations	Over 90% of marketing e-mails use illustrations. These vary from a full-page illustration to many thumbnail shots of products.	Pictures help engage the readers and sustain attention.	<i>Nice pictures can help to make it more interesting. [#19]</i>
Subject line	100% of marketing e-mails use a subject line.	Content of subject line is critical for grabbing attention. Use variant testing to determine which subject line is most effective.	<i>The strongest messages will be conveyed in the subject line. Once we have a final e-mail we will try to assess what will engage the customer most. [#4]</i>
Headline	Three-quarters of marketing e-mails have a distinct headline in addition to the subject line.	The e-mail headline should link to the subject line of the e-mail and to the body copy.	<i>If it's a sale we will lead with the word 'sale' in subject and e-mail headline. If it is product based it will be longer. [#17]</i>
Message content	In over 75% of the marketing e-mails, a clear link could be traced from subject line, through the headline, to the content.	The body copy of the e-mail should be aligned with its subject and headline.	<i>What is important is that everything should flow from the subject line, into the message headline and the creative copy. [#1]</i>
Brand logo	99% of marketing e-mails have a brand logo prominent in the top-left hand corner.	Position the brand logo prominently.	<i>It's no secret that the top-left is important. The further an item is from the top-left the more it is likely to require scrolling, which requires the recipient to already have engaged. [#2]</i>
Hyperlinks	99% of marketing e-mails contain at least one hyperlink to another web page. The number of links varies from 1 to over 50.	Complexity potentially influences attention; too many links might obscure the message. Number of links should be tailored to communication objectives.	<i>We keep our e-mails simple. We are a trading business (retailer using e-mails to sell online) not a content provider. [#2]</i>
Interactive features	While the e-mails analyzed contain some form of interactivity, 26 different types of interactive features are apparent.	Interactivity can lead to more information processing and increase user involvement, but there is potentially an optimum level of interactivity based on the nature of the message to be communicated.	<i>Interactive features in e-mails are very important. [#19]</i> <i>A good model is that e-mail delivers the web to the inbox' and ultimately gets more click-throughs. [#8]</i>
Animation	Only 2% of marketing e-mails use animation.	Animation has the potential to attract attention, but its effectiveness must be questioned given its rare use.	<i>We've tried animations but it didn't make a noticeable difference to click-throughs. [#13]</i>
Personalization	Just over a third, 35%, of marketing e-mails are personalized.	Personalization should improve click-through rates, but there is an appropriate level of personalization which is dependent upon the stage of the customer relationship and the personal data volunteered by the customer.	<i>[Personalization] is very important – we get far better response if the e-mail is personalized. [#8]</i> <i>It's important not to be more specific than the richness of the customer data permits. [#1]</i>

### Appendix 3: Relevant metrics for social media applications organised by key social media objectives (Hoffman & Fodor, 2010)

SOCIAL MEDIA APPLICATION	BRAND AWARENESS	BRAND ENGAGEMENT	WORD OF MOUTH
<b>Blogs</b>	<ul style="list-style-type: none"> <li>number of unique visits</li> <li>number of return visits</li> <li>number of times bookmarked</li> <li>search ranking</li> </ul>	<ul style="list-style-type: none"> <li>number of members</li> <li>number of RSS feed subscribers</li> <li>number of comments</li> <li>amount of user-generated content</li> <li>average length of time on site</li> <li>number of responses to polls, contests, surveys</li> </ul>	<ul style="list-style-type: none"> <li>number of references to blog in other media (online/offline)</li> <li>number of reblogs</li> <li>number of times badge displayed on other sites</li> <li>number of "likes"</li> </ul>
<b>Microblogging</b> (e.g., Twitter)	<ul style="list-style-type: none"> <li>number of tweets about the brand</li> <li>valence of tweets +/-</li> <li>number of followers</li> </ul>	<ul style="list-style-type: none"> <li>number of followers</li> <li>number of @replies</li> </ul>	<ul style="list-style-type: none"> <li>number of retweets</li> </ul>
<b>Cocreation</b> (e.g., NIKEiD)	<ul style="list-style-type: none"> <li>number of visits</li> </ul>	<ul style="list-style-type: none"> <li>number of creation attempts</li> </ul>	<ul style="list-style-type: none"> <li>number of references to project in other media (online/offline)</li> </ul>
<b>Social Bookmarking</b> (e.g., StumbleUpon)	<ul style="list-style-type: none"> <li>number of tags</li> </ul>	<ul style="list-style-type: none"> <li>number of followers</li> </ul>	<ul style="list-style-type: none"> <li>number of additional taggers</li> </ul>
<b>Forums and Discussion Boards</b> (e.g., Google Groups)	<ul style="list-style-type: none"> <li>number of page views</li> <li>number of visits</li> <li>valence of posted content +/-</li> </ul>	<ul style="list-style-type: none"> <li>number of relevant topics/threads</li> <li>number of individual replies</li> <li>number of sign-ups</li> </ul>	<ul style="list-style-type: none"> <li>incoming links</li> <li>citations in other sites</li> <li>tagging in social bookmarking</li> <li>offline references to the forum or its members</li> <li>in private communities: number of pieces of content (photos, discussions, videos); chatter pointing to the community outside of its gates</li> <li>number of "likes"</li> </ul>
<b>Product Reviews</b> (e.g., Amazon)	<ul style="list-style-type: none"> <li>number of reviews posted</li> <li>valence of reviews</li> <li>number and valence of other users' responses to reviews (+/-)</li> <li>number of wish list adds</li> <li>number of times product included in users' lists (i.e., Listmania! on Amazon.com)</li> </ul>	<ul style="list-style-type: none"> <li>length of reviews</li> <li>relevance of reviews</li> <li>valence of other users' ratings of reviews (i.e., how many found particular review helpful)</li> <li>number of wish list adds</li> <li>overall number of reviewer rating scores entered</li> <li>average reviewer rating score</li> </ul>	<ul style="list-style-type: none"> <li>number of reviews posted</li> <li>valence of reviews</li> <li>number and valence of other users' responses to reviews (+/-)</li> <li>number of references to reviews in other sites</li> <li>number of visits to review site page</li> <li>number of times product included in users' lists (i.e., Listmania! on Amazon.com)</li> </ul>
<b>Social Networks</b> (e.g., Bebo, Facebook, LinkedIn)	<ul style="list-style-type: none"> <li>number of members/fans</li> <li>number of installs of applications</li> <li>number of impressions</li> <li>number of bookmarks</li> <li>number of reviews/ratings and valence +/-</li> </ul>	<ul style="list-style-type: none"> <li>number of comments</li> <li>number of active users</li> <li>number of "likes" on friends' feeds</li> <li>number of user-generated items (photos, threads, replies)</li> <li>usage metrics of applications/widgets</li> <li>impressions-to-interactions ratio</li> <li>rate of activity (how often members personalize profiles, bios, links, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>frequency of appearances in timeline of friends</li> <li>number of posts on wall</li> <li>number of reposts/shares</li> <li>number of responses to friend referral invites</li> </ul>
<b>Video and Photosharing</b> (e.g., Flickr, YouTube)	<ul style="list-style-type: none"> <li>number of views of video/photo</li> <li>valence of video/photo ratings +/-</li> </ul>	<ul style="list-style-type: none"> <li>number of replies</li> <li>number of page views</li> <li>number of comments</li> <li>number of subscribers</li> </ul>	<ul style="list-style-type: none"> <li>number of embeddings</li> <li>number of incoming links</li> <li>number of references in mock-ups or derived work</li> <li>number of times republished in other social media and offline</li> <li>number of "likes"</li> </ul>

### Appendix 4: Hearing the whispers – a look at the metrics of social customer by PwC (Greenberg, 2010)Hoffman & Fodor, 2010)

Measure	Description
<b>Volume</b>	The number of times a topic is mentioned compared with historical patterns. This is not a static number. It is measured against both long-term historic patterns and its present patterns (i.e. spike up at certain times, settled down and then spike again)
<b>Tone</b>	Percentage of positive, negative and neutral sentiment measured against baselines of 60 percent neutral, and 20 percent each positive or negative. This is done via algorithms that use dictionaries to classify conversation pieces
<b>Coverage</b>	This is also spread. How many sources are generating the conversation about a particular topic
<b>Authoritativeness</b>	Perhaps the most complex. This involves ranking the sources for their level of authority and then seeing how much of the conversation's rise or fall is generated by authoritative sources

Source: PricewaterhouseCoopers (2007)