A Work Project, presented as part of the requirements for the Award of a Master Degree in Management from the NOVA – School of Business and Economics.

FIELD LAB MEO - HOW TO INCREASE REACH EFFICIENCY AND EFFECTIVENESS OF MEO’S DIGITAL MARKETING CAMPAIGNS

INCREASE OF CAMPAIGN ATTRACTIVENESS AND TAKING ADVANTAGE OF ONLINE TRENDS

CAROLINA FÉLIX MACHADO VIEIRA BRAGA
NR. 2180

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Professor Elizabete Cardoso

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Abstract

This document is based on a master’s thesis work project conducted by Nova SBE students to help the leading Portuguese telecom provider MEO increase its digital campaign’s attractiveness and to take better advantage of the new online trends. Recommendations are given based on primary research in the form of a focus group and a survey questionnaire launched online. Subjects such as digital marketing channels, high-impact digital advertisement formats, campaign content and the emergence of new online trends are developed in order to achieve interesting findings regarding overall campaigns’ attractiveness.

Keywords: Digital Marketing; Campaign Attractiveness; Digital Marketing Channels; Advertisement Formats; Advertisement Content.

Acknowledgements

This project is dedicated to my father, since without him it would not have been possible for me to complete the Masters’ Degree. Thank you.

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Introduction

The following report is the final outcome of a master thesis field lab project, which resulted from a partnership between Nova School of Business and Economics and MEO – Serviços de Comunicações e Multimédia, S.A., a major player in the Portuguese telecommunications industry. The project counted with three master students that were assigned to the digital marketing department of the company in order to find ways to increase MEO’s reach efficiency and effectiveness in digital marketing campaigns.

In order to better approach the challenge in hand, the project follows a consulting framework consisted by four steps – problem definition; problem structuring; data gathering and analysis; and recommendations development [Appendix 1]. Each one of these stages will be fully explained and developed further in this report.

The project was carried out for approximately 12 weeks and the students involved worked at MEO’s headquarters two days per week with the support of some members from the digital marketing department of the company. The final project was divided in three topics and each one of the students focused on one of the topics: (i) implementation of programmatic buying, as well as targeting techniques; (ii) increase of campaign attractiveness and taking advantage of online trends; (iii) adoption of a standardized metric for campaign evaluation. This report will focus most on the second issue, regarding campaigns’ attractiveness and the new online trends.

Context of the Project

Company Overview and History

The MEO brand, managed by MEO – Serviços de Comunicações e Multimédia, S.A., is one of the three biggest players on the Portuguese telecommunications’ sector, offering mobile and fixed telecom services. The company has been distinguishing itself within the Portuguese
telecom market by being an innovative brand and first mover in several services like the fiber technology and the quadruple package of TV, internet, fixed telephone and mobile. Nowadays, MEO comprises four brands: MEO (targeting the normal consumer’s segment); MOCHE (mobile telecom brand targeting the under 25 year old segment); UZO (mobile telecom brand targeting low cost consumer’s segment); and PT Empresas (targeting businesses). Regarding its presence in the Portuguese telecom market, MEO’s growth has been significant. In June 2015, the company was considered the market leader of mobile communications, with a 47.5% market share, as well as of the mobile and fixed internet, with a 47.7% share. Concurrently, it has gotten close to NOS on the cable TV market, with a 41.4% share vs. the 43.7% of the market leader (also June 2015 data).

The MEO service was founded after PT Comunicações and PT Multimédia – companies owned by Portugal Telecom - separated due to a hostile takeover proposal done by Sonaecom. PT Multimédia turned into Zon Multimédia and became a relevant competitor of Portugal Telecom in the cable TV industry. In order to face the competition, PT founded MEO as an innovative brand that was integrated in the PT Comunicações branch. Nowadays, MEO is no longer a service/brand, but a company that absorbed most of PT brands, including TMN – PT’s former mobile service.

In June 2015, Portugal Telecom was acquired by Altice group, a multinational cable and telecommunications company, which showed interest in acquiring the holding after PT’s involvement in a scandal that implicated the company making a non-consensual and unsuccessful investment in commercial paper of Rioforte, one of Grupo Espírito Santo’s holdings. This acquisition marked the end of a very unstable time for Portugal Telecom, bringing the need for a serious restructuring phase on the overall company.
This restructuring phase is affecting every department of the company, including digital marketing. This way, the presented work project was conducted amongst a period of high uncertainty regarding top management strategies.

**MEO’s Digital Marketing Context**

In order to better approach the problem in hand, one has to understand and take into account the current situation of MEO’s digital marketing strategy. By the time the project was started, MEO was still at a very early stage of its digital marketing strategy, and so, decided to ask for students’ help in order to accelerate the process.

In March 2015, the digital team started to follow a digital performance roadmap, composed by 5 phases, which the company calls the “5-steps data-driven approach”. These five steps are the following:

1. Adopt a unified technology platform (related to campaign management)
2. Attack fragmentation (related to campaign management, analysis and reporting)
3. Implement advanced techniques (related to campaign management)
4. Bring the math men to the table (related to campaign analysis and reporting)
5. Test and learn (related to campaign analysis, reporting and strategizing)

By October 2015, only the first step was completely achieved by the adoption of the Sizmek platform as the unified and common technology platform for campaign management. The efforts were and are now focused on attacking fragmentation, which seems to be the most important and urgent step to create the base to implement a solid digital marketing strategy. Also, the digital team started to implement some advanced techniques, mainly targeting techniques, which are still in an early phase of implementation, also due to the fragmentation issue.

This piece of context, as well as the above mentioned, are together the reason that justifies the need of MEO to resort to this work project in order to receive recommendations on how to
keep proceeding with the long process of creating a solid and concrete digital marketing strategy.

**Literature Review**

The focus of this research was digital campaign attractiveness in what influences the attitudes of users towards an online advertisement, as well as the new online trends of the digital marketing world.

The digital world is in constant evolution, and companies need to adapt to the new consumer’s needs, every day. “Consumers are at the heart of the digital transformation, in virtually every industry. They are driving the demand for more powerful devices, ubiquitous connectivity, more and better information and entertainment, and closer interactions with friends and companies alike, at work, at home, and on the go” (Friedrich, Péladeau, & Toumi, 2014). Digital marketing is the process by which organizations promote their products/services through the internet, or other digital media (Morris, 2009). Digital marketing tools are usually a deconstruction of traditional marketing tools and have actually become more significant since they provide interactivity to both consumers and producers in the marketing process. These tools integrate consumers in that process as active, rather than passive, players (Cizmeci, 2015).

The telecommunications industry is critical for this digital transformation because companies in almost every sector depend on the telecom networks to provide their customers with compelling online and mobile experiences. However, telecom companies are still lagging in interacting themselves with consumers through marketing, selling and supporting its products and services (Friedrich et al., 2014).

Thinking about digital marketing, one cannot ignore the predominant role of mobile devices. “The mobile is now an established commercial media channel and it will only grow in
importance in the coming years. [...] there is no doubt that the mobile is a recognized marketing tool that may be used effectively and efficiently as a viable and ground-breaking marketing channel for the youth market” (Kerckhove, 2002). Thanks to mobile social media, companies are now able to have access to a great amount of information concerning consumer’s demographic data, location, interests, and much more. It is said that the emergence of social media makes the consumer more powerful, but it also helps companies to have access to very valuable data, in order to manage their business more efficiently (Yadav, Joshi, & Rahman, 2015).

Having access to all of these new ways to advertise a brand, “companies started using digital marketing tools efficiently in the process of “creating brand awareness”, which is considered as the first and one of the most important steps of marketing” (Cizmeci, 2015). Study’s results defend the significance of social media in companies’ branding strategies. Virtual interactivity, system quality, information content quality, and the prospect of rewarding activities can highly contribute to brand awareness and triggers word of mouth, which nowadays is one of the most important marketing channels a company can have access to (Barreda, Bilgihan, Nusair, & Okumus, 2015).

In order to implement a successful and engaging digital marketing campaign, one must first understand which factors influence the attractiveness of a digital advertisement. The attractiveness of an ad can be interpreted by the attitude of the viewer toward the advertisement. Some digital marketing strategies are seen as affective by its viewers, and thus enhance positive attitudes, but some can be considered detrimental (Goodrich, Schiller, & Galletta, 2015). A positive attitude toward the advertisement is very important to marketers because individuals who claim to like a specified advertisement “a lot”, are twice as likely to be persuaded (Biel and Bridgwater, 1990).
Indicators of success are highly associated with the format of the ads (Baron, Brouwer, & Garbayo, 2015) which comprises the level of intrusiveness of the ad (Goodrich, Schiller, & Galletta, 2015), the content of the ad (Smith, 2011), and the context in which the advertisement is placed, mostly concerning the digital marketing channel (Straker, Wrigley, & Rosemann, 2015). “Intrusiveness is a measure of how much an ad will cause an unwelcomed distraction or diversion from the user’s task at hand” (McCoy, Everard, Polak, & Galletta, 2008). According to a study conducted to 1,567 participants, “Higher intrusiveness was associated with less favorable attitudes toward the advertisement. Unfavorable attitudes toward the advertisement carried over into less favorable attitudes toward the brand and lower purchase intention” (Goodrich et al., 2015). Marketing communications that interrupt a consumer’s online activity generate negative feelings toward the brand. Some examples of ad formats that are considered as intrusive are the pop-ups; flashing items; mandatory software downloads; and un-closable browser windows (Smith, 2011). Additionally, the sense of intrusiveness can also create negative effects for publishers’ websites, as it decreases revisit intentions, and subsequently, lead to lower site traffic, threatening future advertising revenue (McCoy et al., 2008). However, there are ways to avoid intrusiveness, or to make it less “irritating”. Results of the previously mentioned study point out that the inclusion of interesting information and humor in online advertisements considerably reduce their sense of intrusiveness (Goodrich et al., 2015). Also, providing users the control to remove an ad decrease the perception of intrusiveness, but only when a fraction of the website’s page is obscured (McCoy et al., 2008). On the other hand, it is shown that “increased intrusiveness of the ads will increase recognition of the advertisements” (McCoy et al., 2008).

Regarding the content of the advertisement, it is important that the ad is pleasant for the consumer in order for it to be appreciated, instead of creating negative attitudes. If an online advertisement demonstrates relevant and meaningful information, it will increase the
consumer’s involvement and the probability of persuasion. Informational content can increase positive effects on advertising outcomes (Goodrich et al., 2015). There are some forms of digital content considered more attractive than others. Humor seems to be one of the most appealing aspects on an ad. It is shown that humor–messages influence consumers’ recall of advertising claims (Cline & Kellaris, 2007). “Advertisements with high humor and/or informativeness likely will lead to diminished consumer feelings of intrusiveness and more favorable marketing outcomes, for both advertisers and Web site owners” (Goodrich et al., 2015). Resorting to the previously mentioned study conducted with 1,567 participants, it was concluded that an interactive ad grabs the attention of half of the Millennials present on that study. Also, ad interactivity encourages users to return to the website (Smith, 2011). Personalization also seems like a positive content to be included in an advertisement, since it has been shown to raise the level of loyalty a consumer holds towards a brand (Srinivasan, Anderson, & Ponnavolu, 2002). In the previous study, 46% of the participants stated that personalization on an ad grabs their attention to it (Smith, 2011).

Another important factor of attractiveness of a digital advertisement is the context in which the ad is placed. “Many companies have a vast online presence, yet choose to be persistently active on only a selected digital touchpoint or are inconsistently active across many of their touchpoints” (Straker et al., 2015). Studies show that people pay more attention to an ad when it is placed in a related website and it is congruent with the type of research the user is doing in that specific page (Straker et al., 2015).

Concerning ad formats, it is shown that “high-impact digital advertisements, which feature large and often interactive formats, are known for driving consumer response rates higher than those of standard display” (Baron et al., 2015). In a study conducted with 3,000 participants, it was concluded that people would find the high-impact ad formats more intrusive, but at the same time more effective. The increased negativity towards the
intrusiveness was small when compared with the advertisement and brand recall (Baron et al., 2015). In the referred study, the most successful ad formats regarding brand recall and product recognition were the Portrait, Billboard, Slider, and Full Screen Takeover. The least successful ad format in terms of ad recall was the Sidekick.

Marketers should be constantly aware of all the new online trends in order to come up with ways to take advantage of those trends. The latest noted trend is the second-screen viewing: “Second-screen viewing - the use of smartphones, tablets, and laptops while watching television - has increased dramatically in the last few years” (Van Cauwenberge, Schaap, & Van Roy, 2014). In the marketer perspective, on one hand, there are more channels in which one can take action, but on the other hand, the advertiser has to effectively harness those opportunities, which sometimes is not an easy task in a constantly evolving digital advertisement environment (Mccrea, 2013). Also, studies show that individuals that use a second screen while watching TV are not paying much attention to neither the content on TV or on the smartphone/tablet (Van Cauwenberge et al., 2014). Advertisers are still trying to figure out what is the best way to grab the attention from these individuals (Mccrea, 2013).

**Methodology**

The Field Lab started with a kick off meeting in September 16th, at MEO headquarters. At this meeting, it was presented to us the current situation of MEO’s digital department and the main problem that needed to be solved: to advise MEO for best practices and methodology that should help maximize reach efficiency and effectiveness of the digital marketing campaigns.

In order to better approach the strategic problem, the group decided to follow a consultancy framework, which consists on four steps [Appendix 1]. First, in the problem definition phase, it was concretely defined the management decision problem and, subsequently, the research
problem. The management decision problem is the main issue of the project so, based on MEO’s guidelines presented on the kick off meeting, it was established that it should be “How to increase MEO’s reach efficiency and effectiveness in digital marketing campaigns?”. Based on this management decision problem, the research problem was then defined as “Understand MEO’s internal and external challenges, strengths and opportunities, regarding digital marketing campaigns.”

The second phase of the consultancy framework is based on the problem structuring, in which one should break up the management decision problem into a logical set of smaller pieces in order to identify key issues to focus on. Based on external secondary data research made to understand the possible ways of approach, the problem was structured in the form of a simplified issue tree according to the potential solutions to tackle the main management problem and the specific lines of action for each of those solutions [Appendix 2].

On October 6th, the group had its first Q&A meeting with the group’s liaison at MEO, a business process improvement manager at the digital marketing department. Also, on October 14th, the group had a meeting with the director of the digital marketing team. In these meetings, information was exchanged regarding the process of a digital campaign, data collection methods, advanced techniques, the most relevant metrics, and cross-media strategies. With the inputs from these two meetings, a first adjustment was made to the issue tree, based on the level of relevance of some issues and a restructure of the overall tree [Appendix 3]. Since the team was faced with some limitations regarding time and knowledge, the second version of the issue tree was sent to the group’s liaisons at MEO in order to be reviewed and for them to indicate which lines of actions were more relevant for the group to explore, given that it was not possible to explore every branch of the tree. After that revision, the group was advised to work on campaign evaluation – adopting ROI or other standardize metric for all campaigns; give recommendations in order to improve
programmatic buying and targeting techniques; and to explore new and innovative ways to make digital campaigns more attractive. With this feedback, a final version of the issue tree was created [Appendix 4].

After establishing the problem and the strategy of approach, the data gathering phase was the following step. In order to gather all the data considered necessary to provide concrete recommendations to the company, the group decided to work with primary data and secondary data. Regarding primary data, it was decided to follow a way of action that consisted in three researches:

- First, a direct qualitative research was conducted in the form of two focus groups with MEO’s customers in order to obtain insights about customers’ habits in online channels and an understanding of their perception about MEO’s digital campaigns [Appendix 5]. The focus groups were conducted in the 27th and 28th of October, at Nova School of Business and Economics, from 7pm to 9pm. The recruitment process of the participants was made throughout the previous two weeks and both sessions counted with nine participants each, with a total of 11 men and 7 women with age comprised between 21 and 53 years old. The group made an effort to create a comfortable and informal environment and sandwiches and beverages were served to the participants.

- Secondly, a quantitative research in the form of a survey was launched online with the objective to test the hypothesis generated from the qualitative research and the secondary data analysis, in order to measure the perception of the brand and its campaigns, as well as generate recommendations regarding campaign attractiveness, programmatic buying and targeting techniques supported by data. In this online survey, the group decided to apply four different types of questions: multiple choice, rank order, constant sum scaling, and liker scaling [Appendix 6]. The survey was
launched online in the 15\textsuperscript{th} of November and was closed on the 19\textsuperscript{th} of November, with 267 completed answers. The average age of the respondents is 23 years old, with 43\% being female and 57\% male. Also, around 80\% of the respondents have a complete bachelor or master degree.

- On the other side, the group conducted expert interviews to key employees from the digital department that are involved in the process of the creation of a digital campaign. The goal with these interviews was to better understand and to find gaps in the workflow of a campaign. This way, the group interviewed a social media manager on the 21\textsuperscript{st} of October [Appendix 7], a digital marketing manager on the 22\textsuperscript{nd} of October [Appendix 8], and a digital marketing manager from PT Empresas’ ecommerce team in the 29\textsuperscript{th} of October [Appendix 9].

The analysis of the data from the previous described pieces of research started with the focus groups and expert interviews’ analysis. Both focus groups and expert interviews were recorded in order to construct an analysis grid with the most relevant quotes for the research. Starting with the focus groups, the analysis was divided between focus group 1 and focus group 2. After both grids were completed and the conclusions were drawn, a second grid was conducted in order to get general conclusions from both focus group 1 and 2. The final step of the process was to generate hypothesis from these final conclusions in order for them to be tested in the survey (quantitative research). Regarding the expert interviews, the content of the interviews was transcribed and an analysis grid was created regarding several topics of interest. When the three grids were complete, a final conclusion for each of the topics of interest was drawn.

Regarding the online survey, being a quantitative research, the analysis was different, as it was conducted in both SPSS and Microsoft Excel. In order to better process the information about campaigns’ attractiveness, new online trends, and cross-media interaction, a descriptive
analysis was conducted mostly based on frequency and mean of the participant’s preferences. This information was crossed with three age segments through cross-tabs analysis supported by Chi-Square tests to understand the levels of significant statistical differences between the three age segments. In order to achieve interesting findings regarding the programmatic buying and targeting techniques, three segments and a specific target were created in order to conduct cross-tabs analysis supported by ANOVA and Chi-Square tests. The statistical differences were considered significant whenever the Pearson Chi-Square asymptotic significance (2-sided) was below 0.05. The results of these analyses will be explored in the results chapter further on the report.

Regarding the secondary data gathering, the group considered and explored both external and internal secondary data. A deep research through scientific papers, books and specialized websites was made in order to understand the current situation of digital marketing and more specifically, digital marketing in the telecom industry. Additionally, the external secondary data was used to support some conclusions regarding mostly digital campaigns’ attractiveness, new online trends, and cross-media interaction trends. The internal secondary data was based on research in the two main digital platforms that MEO uses – Sizmek and Google Analytics. The group was granted access to these platforms in order to understand what the company is currently doing and the potential opportunities that can be explored.

**Discussion of Results**

Regarding campaign attractiveness, the group gathered information from the focus group, the survey questionnaire, and from secondary data. Concerning the analysis of the focus group and the survey, the data was analyzed on both SPSS and Microsoft Excel; the focus group was conducted firstly in order to serve as a support for the survey questionnaire. After the conclusions of the focus group were drawn, the survey was created and the analysis was made
by studying frequencies and relating some of the available data with three age segments: (i) “≤ 24 years old”; (ii) “25-44 years old”; and (iii) “≥ 45 years old”. This analysis was conducted through several cross-tabs analysis supported by Chi-Square tests in SPSS, in order to find if there were significant statistical differences between the three segments. This way, from all the possible hypotheses, it was established that the most relevant for discussion of digital campaign attractiveness were:

- H1: There is a significant association between age and the use of different social media channels.
- H2: There is a significant association between age and the use of different types of mobile applications.
- H3: There is a significant association between age and the perceived attractiveness of the different factors and contents in an online ad.
- H4: There is a significant association between age and the perceived attractiveness of ads in different online channels.

As expected, the most popular social media channel is Facebook, with 98% of the respondents being regular users (at least once per week). In second and third place are Youtube and Instagram, respectively. The social media channel with less popularity among the respondents of the survey was Foursquare, a local search engine for places to go in every city [Appendix 10]. From the Chi-Square tests run on 12 different options for social media channels [Appendix 11], some conclusions were drawn:

<table>
<thead>
<tr>
<th>Social Media Channels</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>There is no significant statistical relation between age and the usage of Facebook.</td>
</tr>
<tr>
<td>Youtube</td>
<td>The last segment (“≥ 45 years old”) shows lower usage of Youtube.</td>
</tr>
<tr>
<td>Instagram</td>
<td>The usage of Instagram decreases with age.</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>The usage of LinkedIn decreases with age.</td>
</tr>
</tbody>
</table>
Snapchat
Snapchat is the social media channel that most depend on age. The usage of Snapchat decreases significantly with age.

Spotify
The usage of Spotify decreases with age.

Google +
The usage of Google + increases with age.

Twitter
There is no significant statistical relation between age and the usage of Twitter.

Pinterest
The second segment, “25-44 years old”, shows higher usage of Pinterest.

Tumblr
There is no significant statistical relation between age and the usage of Tumblr.

Foursquare
There is no significant statistical relation between age and the usage of Foursquare.

Given the results above, one can conclude that the first hypothesis, defending that there is a significant association between age and the use of different social media channels, is accepted.

The most popular type of mobile applications is social media, with 90% of the survey respondents being regular users. Following social media, there is music and news, both with 46% of regular users among the 267 respondents of the survey [Appendix 12]. When comparing the three different age segments [Appendix 13], some significant differences were found:

<table>
<thead>
<tr>
<th>Types of Mobile Applications</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media</td>
<td>The usage of social media apps decreases with age.</td>
</tr>
<tr>
<td>Music</td>
<td>The segment “≥ 45 years old” shows lower usage of music apps.</td>
</tr>
<tr>
<td>News</td>
<td>The segment “≥ 45 years old” shows higher use of apps related with news.</td>
</tr>
<tr>
<td>Navigation</td>
<td>The segment “≤ 24 years old” shows lower use of navigation apps.</td>
</tr>
<tr>
<td>Games</td>
<td>The segment “≥ 45 years old” shows lower usage of game apps.</td>
</tr>
<tr>
<td>Weather</td>
<td>The segment “≥ 45 years old” shows higher use of weather apps.</td>
</tr>
<tr>
<td>Photo &amp; Video</td>
<td>There is no significant statistical relation between age and the usage of apps related with photography.</td>
</tr>
<tr>
<td>Sports</td>
<td>There is no significant statistical relation between age and the usage of apps related with sports.</td>
</tr>
</tbody>
</table>
Travel | The usage of apps related with travel increases with age.
---|---
Business | The segment “≥ 45 years old” shows higher use of apps related with news.
Food & Recipes | There is no significant statistical relation between age and the usage of apps related with food and recipes.

This way, the second hypothesis regarding the association between age and the type of mobile applications usage is accepted.

In the survey questionnaire, questions 10 and 14 were related with the factors that are considered important to make an online display and video ad attractive. Additionally, questions 11 and 15 were conducted in order to understand which contents are considered more attractive. Regarding the factors that can contribute to the attractiveness of an online ad (display or video), the need or interest in the product seems to be the most important factor that motivates a user to pay attention to the advertisement. Also, promotions/discounts are appreciated and contribute to attention from the consumer. The factor that seems to be less valuable is the actual content of the advertisement [Appendix 14]. Concerning the contents of an advertisement, the survey respondents seem to give higher appreciation to the first impression, as well as unexpected features displayed in the ad. Also, the actual product that is being advertised seems to be important in order for an ad to capture viewers’ attention. The least relevant content is the presence of the brand’s ambassador, either in display and video online ads. People claimed not to be impressed by an advertisement based on the brand’s ambassador [Appendix 15]. Additionally, humor is one of the most appreciated contents that capture viewer’s attention to an advertisement (Cline & Kellaris, 2007).

However, among all of these findings, the only possible correlation with the age segments is within the contents of a video ad: the possibility of interaction with an online video advertisement is more appreciated among the younger generation. Also, the segment “≥ 45 years old” attributes higher attractiveness to a video ad when the brand’s ambassador is present in the advertisement. As regards to the other findings above, there is no significant
statistical evidence that age influences the perceived attractiveness of advertisement, which means that the factors and contents of either a display or video online ad cannot be age segmented [Appendix 16]. Given this, it has been concluded that the third hypothesis, defending the significant association between age and the perceived attractiveness of the different factors and contents in an online ad is rejected.

A very important variable when studying digital marketing advertising is the marketing channel in which the ad is located. Question 12 of the survey questionnaire inquired the respondents on which channels they feel that they watch the most attractive online advertisement. The number one channel with the most attractive advertisement was considered to be social media, followed by specialized websites and blogs. The least appreciated marketing channel seems to be discussion forums [Appendix 17].

Regarding the correlation with the three age segments [Appendix 18], the following conclusions were taken:

<table>
<thead>
<tr>
<th>Online Marketing Channels</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media</td>
<td>There is no significant statistical relation between age and the attractiveness of ads on social media.</td>
</tr>
<tr>
<td>Specialized Websites and Blogs</td>
<td>There is no significant statistical relation between age and the attractiveness of ads on specialized websites and blogs.</td>
</tr>
<tr>
<td>News Websites</td>
<td>The perceived attractiveness of ads on news websites increases with age.</td>
</tr>
<tr>
<td>Mobile Applications</td>
<td>The segment “≤ 24 years old” shows higher perceived attractiveness of ads on mobile apps, in contrast with the “25-44 years old” segment.</td>
</tr>
<tr>
<td>Working Webpages</td>
<td>The segment “≥ 45 years old” shows higher perceived attractiveness of ads on working webpages.</td>
</tr>
<tr>
<td>Online Gaming Websites</td>
<td>There is no significant statistical relation between age and the attractiveness of ads on online gaming websites.</td>
</tr>
<tr>
<td>Forums</td>
<td>There is no significant statistical relation between age and the attractiveness of ads on online forums.</td>
</tr>
</tbody>
</table>
The above conclusions lead to the acceptance of the fourth and last hypothesis from the survey questionnaire regarding the significant association between age and the perceived attractiveness of ads in different online channels.

Another topic of analysis was the second-screen interaction while watching TV, which is claimed to be the most new online trend that companies want to take advantage for marketing purposes. About this issue, two questions were asked on the survey: first, it was asked if the respondents have the habit to interact with a second online screen while watching TV (question 24) and secondly, on question 25, it was asked which factors would be necessary to use an online second screen in order to interact with a TV advertisement. 53% of the respondents claimed to apply a second screen interaction in a frequent basis; and only 14% claimed not to have that habit [Appendix 19]. However, there is no significant statistical evidence to claim differences between the age segments [Appendix 20]. Regarding the factors that consumers find to be necessary to interact with TV ads through a second screen, 68% of the respondents defend that there has to be a need or interest in the product that is being advertised. The possible participation in a contest and online advantages could also contribute to the practice of this trend [Appendix 21]. There was only one conclusion that could be supported by significant statistical evidence, which shows that younger people are more likely to interact with a TV advertisement by using a second screen if to search about a participation in some kind of contest [Appendix 22].

Lastly, in order to investigate opportunities to increase engagement, the group came up with the idea of an online promotional code that could be discounted in a physical MEO’s store. Faced with the possibility, the survey respondents were very dispersed in terms of willingness to use that kind of promotional code [Appendix 23]. However, it was possible to conclude that younger people tend to be more prompt to use online promotional vouchers [Appendix 24].
Through the focus group analysis, it was possible to achieve some results regarding the attractiveness of the online advertisement formats. The goal with this research was to understand which ad formats are considered more attractive by consumers, taking into consideration several factors. Based on IAB (Interactive Advertising Bureau), the group considered six different interactive ad formats: Portrait, Sidekick, Billboard, Slider, Takeover, and MREC. The portrait format is a side banner that occupies the whole side of the page with videos, images, and social media interaction. The goal with this format is for the brand to tell a story and persuade the consumer while he is scrolling down the page. The participants of the focus group found it interesting but defended that the content of the ad should be very appealing in order to catch the users’ attention: “it really depends on how the first image connects me to the ad”. It was consensual that if the ad is successful at telling a story and it is captivating, they will want to interact with it. The sidekick format is a side banner than when the user clicks on the image, the webpage slides to the left and it opens a big ad on the right side of the page, where the user can interact with it and search for information. The participants of the focus group appreciate the fact that when they click on the ad, it does not open a new webpage, so it is not as interruptive. On the other hand, they find it mandatory that the ad opens only when the user clicks on it (versus a mouseover situation) making it very important that the content of the first image on the side of the page should really be captivating, in order to attract people to click on it and enjoy the interactivity. Regarding the Billboard ad format, it is a large-canvas banner that is located at the top of the webpage, occupying the whole width of the page. It is an interactive format since it can have video and images, with possible story-telling. This format was considered quite a standard banner, but with more possibilities of interaction: “I've seen similar things. But not with such interactivity. I see this as a banner, just nicer than the usual ones”. Participants did not find it very innovative and considered that it is very important to place this type of ad formats in the
right context, since it can be quite distractive in reading pages. The *slider* is an ad format focused on mobile devices that adheres to the page, so when the user is scrolling down, the ad continues visible to the user. If the user slides its finger on the ad, it extends in order to provide more information on the product/service that is being advertised. The focus group’s participants claimed that the adherent factor can be quite intrusive, but the “slide” is preferred to the “click” option and the fact that it does not open a new webpage is much valued, “In this case, I think it is more advantageous than having to deal with another app being opened”. The called *Takeover* format is a different format from the others mentioned before. When the user opens a webpage, a very short clip takes over the page and for a certain number of seconds the user is incapacitated to see the page content. This is a very high-impact advertisement because it forces the user to see the advertisement, and only after it is over, it is possible to return to the website. In the focus group, the discussion about this format was very controversial since some participants found it very innovative and interesting and others considered this type of digital advertisement very intrusive. It was discussed that context is very important and can make the difference between the ad being regarded as adequate or intrusive and interruptive. Also, it was claimed that the clip should not have sound associated with it and should only happen a few times or else it gets saturating. Lastly, *MREC* is a more standard ad format than the previously mentioned ones and it is very common in digital advertisement. It consists on an image or video that can be placed anywhere in a website and it has a small quadrangular shape. The focus group discussion regarding this ad format was generally positive but not enthusiastic, since it is a format that is very present in the Portuguese websites: “It is the usual ad format here in Portugal. I don't have anything against it. It is pretty small so it doesn't bother me”.
Recommendations

The following recommendations are based on the results of this project and what is being done at MEO, and the ones in this document aim at improving the attractiveness of MEO’s digital marketing campaigns, as well as taking advantage of the new online trends.

Regarding social media, MEO is present on Facebook, Twitter, Youtube, Spotify, Instagram, Tumblr, Snapchat, Google+, and LinkedIn. Resorting to the analysis made on the survey questionnaire, the most popular social media channels in Portugal are: Facebook, Youtube, Instagram, LinkedIn, Spotify, and Snapchat. As first recommendation (A1), MEO should reinforce its presence on the most popular social media channels and disinvest in the unpopular ones (Twitter, Google+, and Tumblr), in order to optimize the marketing channels mix. Additionally, (A2) the digital marketing team has to differentiate the type of advertisement with regards to the channel in which it is placed. For example, as it was concluded in the results above, Instagram, Spotify, and Snapchat are proven to be social media channels with much higher youth presence. Like that, MEO should differentiate the advertisement in order for it to be more captivating for the youth generation. In Facebook, for example, there is not a significant differentiation of age, so the advertisement in that channel can be less differentiated and more general.

As regards to the advertisement formats, MEO is still not using high-impact advertisement formats in a systematic way, despite the fact that the campaign monitoring platform, Sizmek, has the possibility of using those formats, mentioned in the results above. Given this, (A3) MEO should diversify the type of ad formats used on digital marketing campaigns, starting by implementing some high-impact advertisement formats, such as Portrait, Billboard, Slider, and Full Screen Takeover, in order to increase MEO’s brand recall within the consumers impressed by its digital advertisement. Regarding these innovative formats, it was also concluded that (A4) many challenges have to be taken into account, such as the content of the
ads, the context in which the ads are placed, as well as the level of intrusiveness that the ads can provide to its viewers. The content of the advertisement has to be attractive in order to capture the attention of the viewer, without being considered as intrusive. Whenever a high-impact advertisement is pleasant (it transmits relevant information, or has humor associated, or is just physically attractive) the consumer does not feel interrupted by it. If these factors are not taken into account, the campaign can be unsuccessful, due to lack of interest in the advertisement because the content is not appealing, or negative attitudes towards the ad due to high levels of intrusiveness. With these interactive formats, the goal of the advertiser is to grab the attention of the consumer in order to lead to a click that will expand the ad and the interactivity will be fully enjoyed.

MEO’s digital advertisement is mostly an adaptation of the offline advertisement, which makes it difficult for the digital marketing team to create attractive advertisement based on the content, since it cannot create new content. However, the factors of attractiveness of an ad differ when it comes to offline and online ads. This way, the group would like to recommend (A5) that MEO’s digital marketing team, together with the creative agency (partners), should be responsible for creating specific online advertisement, based on the contents that are considered attractive on digital ads, such as humor, video length, creative images that grab viewer’s attention, promotions and discounts. Digital advertisement should be more creative and innovative, since it targets different segments than the TV advertisement; this way it makes sense that the online marketing ads should be relatively singular.

Lastly, in order to create a successful digital marketing strategy, MEO has to be constantly aware of the new digital trends. As it was mentioned before, a growing trend nowadays is the second screen interaction, which consists on consumers using a second screen while watching TV. Marketers are still trying to figure out which is the best way to take advantage of this new trend. As last recommendation (A6), the group would like to point out some ideas that MEO
could implement in order to take advantage of this behavior for marketing purposes [Appendix 21]. The idea is for consumers that are watching TV and are impressed with a MEO commercial advertisement, to feel the need to search more about the brand or the product/service in their second screen (smartphone, tablet, or computer). If consumers have the need or feel interested about the product or service that is being advertised, they will search online after watching the TV advertisement. Also, a TV advertisement promoting challenges to win prizes will boost the will of mostly younger people to search online for more information on how to win those prizes. Another idea is to publicize on Television promotions that are only available online. Finally, consumers also claimed that if the TV commercial advertisement is funny or interesting, they will search it on their second screen to review the commercial ad and will probably share it on social media. Another initiative to take advantage of the second screen usage is to create interaction with social media, posting videos or images related with the TV commercial, at the same time that it is on air. Like that, if a consumer is watching TV, while navigating on Facebook, (s)he will be impressed with the TV ad and the social media ad at the same time, creating a higher brand recall.

Limitations and Future Research

The group of students that conducted this report had some limitations that should be taken into consideration and future research will be needed to implement the given recommendations. The initial problem that MEO presented to the students was the increase of the reach efficiency and effectiveness of its digital marketing campaigns. Faced with this initial problem, the group decided to structure it by creating an issue tree with several possible actions that would contribute to the solution of the problem [Appendix 4]. Due to time constraints and lack of knowledge in the subject, it was only possible to deeply study three areas of approach: “Increase campaign attractiveness and take advantage of online trends”
(the main topic of this specific report); “Implementation of programmatic buying and targeting techniques”; and “Adoption of a standardized metric for campaign evaluation”. These three actions, which were divided by the three students, will contribute to the main problem in hand but will probably not be sufficient for the overall increase of reach efficiency and effectiveness of MEO’s digital marketing campaigns. This way, it is recommended that the MEO’s digital marketing team should explore the other branches of the issue tree, in order to fully solve the main problem in hand. In what concerns specifically campaign attractiveness, testing the recommendations above at MEO should allow to better understand how to more effectively and efficiently reach their target.

**Bibliography**


