



New Shopping Trends: Internet, Second-hand Trade and OLX

Maria João Fernandes Abreu

Advisor: Pedro Celeste

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Abstract

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Author: Maria João Fernandes Abreu

OLX is a company founded in Argentina in 2006 that works in the online classified advertising industry. It arrived to Portugal in the year of its launch through a South African company named Naspers but since 2012 it is managed locally by FixeAds. This Portuguese firm is specialized in the development and management of online platforms for classified advertisements. OLX Portugal is currently one of the most successful and visited websites in the country.

This dissertation aims to identify the reasons that lie behind a new way of buying and selling that is currently prospering, and also the way OLX was able to differentiate itself on the market. For this it is necessary to understand the possibilities that the internet has brought to both businesses and consumers, the economic and social context, and also the way that the brand adjusted its strategy to the market.

The methodology used for this research includes a Literature Review, a Case Study and a Market Research. The Literature Review consists in a theoretical approach towards online shopping, second-hand purchasing and selling, and marketing for online businesses. The Case Study aims to explain the context through which OLX arrives to Portugal, the role of FixeAds throughout the management of the brand, including their vision and strategy, and also the results obtained from the 2012 advertising campaign. Lastly, the Market Research carried out provides real customer's insights on their use of internet, second-hand selling or buying habits, and also their relation with the brand OLX. It was conveyed to the participants through the form of an online survey.

Resumo

Título da Dissertação: New Shopping Trends: Internet, Second-hand Trade and OLX

Autor: Maria João Fernandes Abreu

A empresa OLX foi fundada na Argentina em 2006 e atua no setor de classificados online. Chegou a Portugal no ano do seu lançamento através da empresa Sul Africana Naspers, mas desde 2012 é gerida localmente pela FixeAds, uma empresa especializada no desenvolvimento de plataformas online para anúncios de classificados. O OLX Portugal é atualmente um dos sites mais bem-sucedidos e visitados do país.

Esta tese tem como objetivo identificar as razões que estão por trás de uma nova forma de compra e venda que já ganhou muitos adeptos em Portugal, e também a forma como o OLX foi capaz de se diferenciar no mercado. Para que tal seja possível é necessário compreender as possibilidades que a internet trouxe tanto para as empresas como para os consumidores, o contexto económico e social do país, e também a forma como esta marca adaptou a sua estratégia ao mercado.

A metodologia utilizada para esta pesquisa inclui uma Revisão da Literatura, um Estudo de Caso e uma Pesquisa de Mercado. A Revisão da Literatura consiste numa abordagem teórica sobre comércio online, compra e venda de produtos em segunda mão e marketing de empresas online. O Estudo de Caso tem como objetivo explicar o contexto em que o OLX chega a Portugal, o papel da FixeAds na gestão da marca, incluindo a sua visão e estratégia, e ainda os resultados obtidos com a campanha de publicidade lançada a setembro de 2012. Por fim, a Pesquisa de Mercado possibilita ter um melhor entendimento do ponto de vista dos consumidores sobre vendas online, compra e venda de produtos em segunda mão, e também sobre a sua relação com a marca OLX. Esta recolha de informação foi efetuada através de um questionário distribuído online.

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Thanks are also due to the FixeAds team, who provided crucial information about OLX, allowing me to write this thesis about the online classifieds market. In particular I would like to thank Miguel Monteiro, OLX Site Manager, who has talked openly about the business and shown me the company from inside. It was also very important that he had always been so available to any recommendation or information I would need.

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Finally I would like to dedicate this dissertation to my grandfather Júlio.

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Introduction

If a twentysomething girl tells her best friend she is going to buy a new jacket, would it mean that the jacket is really new? Not necessarily. It does not take much more than a walk on the streets of Lisbon or a search on the web to realize that, in the past few years, the second-hand market has boomed tremendously. Indeed, this type of business is expanding online and offline.

There are a couple of reasons that seem to justify this trend. On one side, there are good social associations to the act of buying and using or wearing second-hand articles. People feel like they are, in some way, helping the environment and the overall society, by reutilizing something that has already belonged to someone. Also, there is a sense of uniqueness associated to the act of buying something with a little bit of history.

On the other side, there is the current socio-economical context. People are looking forward to spending less money on the things they need, and also to recover money from the things they do not need. But how can a company take this fact and turn it into something attractive? OLX made that possible. The company, founded in Argentina, is currently the market leader in second-hand online trade in Portugal. And their core communication message relies precisely on the economical factor: “If it’s worth X, OLX!”¹.

OLX Portugal is currently managed by FixeAds, a company that manages many online platforms for people to sell or rent specific articles. Some reselling platforms, such as Miao.pt, have even closed doors after the success of OLX. But how can one justify this fast success? After the release of OLX advertising campaign, in September 2012, the amount of visitors almost doubled and the numbers seem to still be increasing.

Key Research Questions

- 1) In which ways has the internet influenced the purchasing behavior?
 - Which benefits can people take when making a purchasing decision?
 - Which products are mostly searched online, and do people buy them online as well?

¹ In Portuguese: “Se Vale X, OLX!”

- 2) What are the reasons that lead people to sell and buy second-hand products?
 - How does this process unfolds?

- 3) What was the strategy used by OLX in order to become a category leader?
 - Which are the competitors on the market?
 - How is this service different from the other online platforms?

- 4) How did the advertising affect brand awareness and brand image?

Methodology

In order to answer the mentioned Key Research Questions, primary and secondary data were analyzed.

- Primary data consists in the information obtained through interviews and a survey. The interviews were conducted by phone and personally, to the OLX site Manager and also to the advertising company who is currently working the OLX brand. These interviews allowed a better understanding on the way the company works in Portugal and also on how the brand was restructured. The survey was conducted online and made it possible to gather information regarding consumer's experience on buying and selling online, and also on how the brand is perceived.

- Secondary Data consists in facts and figures of the company's performance since it arrived to Portugal, especially from the advertising campaign in September 2012 until April 2014. It also includes information about the Portuguese socio-economic scenario since 2008 collected through published articles and statistical information from Pordata and the European Commission.

Relevance of Study

New shopping trends are emerging given the social and economic scenario in Portugal. On one hand, people are increasingly using technology, for both personal and professional reasons.

Smartphones and tablets seem to be everywhere and with it new forms of behavior arise. On the other hand, the economic crisis has changed the way people buy, as they are saving more and spending less. But there is a way for people to buy the same products and pay less, which is to buy in the second-hand market. Indeed, competition is arising in this type of market, as brands are realizing the value it can bring to their customers. For example Asos, the online clothing company, has founded a second-hand department on their website, and H&M is inviting their customers to return their old clothes in exchange for a voucher to buy in the store. Besides these cases, nowadays there are platforms specialized in the second-hand market, and OLX Portugal is a case of indisputable success. For these reasons, it is important to get a better understanding on the rationale that lies behind these trends that include the use of new technology and second-hand trade.

Key Words

OLX; Second-hand shopping; Online shopping; Marketing, Advertising; Trends; Consumer Behavior

1 Literature Review

1.1 Introduction

The way people buy, and the reasons behind shoppers' behavior, has been a subject of great interest for many years. What makes this subject so complex and rich is the fact that it somehow reveals the way people organize themselves in the society, their priorities and, finally, their choices. During the past few years, and more specifically since 2008, the Europe and the U.S. have been witnessing a new era of consumer behavior. There are two main changes that contribute to this change: the economic crisis and the proliferation of mobile internet devices. The "proliferation of MID² use has accompanied the worst U.S. economic downturn since the Great Depression. The recent recession has had dramatic effects on consumer shopping behavior". (Flint and Spaid, 2014, page 73) It is therefore crucial to analyze these two aspects affecting consumer behavior: the way the economy has affected the purchasing and selling behavior, and the way internet has introduced new ways of consuming. Despite the fact of being two different subjects, they seem to be closely linked in a new rational way of shopping. It is then important to understand, following these latest trends, how businesses can adapt to this new era. Some of the current issues, such as privacy or security concerns, will also be addressed.

1.2 Economic Downturn

The economic downturn, as above mentioned, has had an effect on how people and firms behave. In this context, it seems crucial to present both the costumers and the firms' paradigm shift on the mentioned scenario.

1.2.1 The Consumers

When people face a difficult situation it is inevitable to adapt. This idea applies to many areas in life and so it does in the consuming behavior. As people will not stop consuming, they will look for ways to do it differently. The purchasing power decreases in many different ways, may it be from unemployment, lower salaries or through a raise in taxes. Having this said, consumers adopt strategies that include "price comparisons, turning to the alternative sector (both the second-hand

² Mobile Internet Devices

market and alternative financial sector), shopping in discount stores, searching for bargains, using products and brands in unexpected and creative ways (...)." (Catterall and Hamilton, 2008, page 552) On a study developed by Mark Mitchell and Rob Montgomery (2010), the number one reason for people who decide to buy in thrift stores³ is that they wanted to save money.

1.2.2 The Companies

In order to keep up with an increasingly more demanding customer, who is always looking for the best value for money, firms must react. But facts show that most of the times companies adopt strategies which aim to bring results in the short-term and that "may significantly compromise long-term competitiveness." (Braun and Latham, 2010, page 9)

According to those authors, firms do it so they can respond as quickly as possible, but end up not planning an effective strategy in order it be sustainable in "the latter stages of the recession and beginning phase of the recovery." (Braun and Latham, 2010, page 9) To avoid that, companies should adapt through offering a differentiated product that provides meaningful benefits for the consumer, without harming the firm in the long run. For that, firm needs to "assess their competencies, differentiators, and performance in the context of changing preferences of customers". (Mukerjee, 2013, page 54)

1.3 The Concept of Second-hand Shopping

"The French term for second-hand, *d'occasion*, from the Latin *occasio*, designates a stroke of luck, a timely event. By extension, the term also describes a transaction that is advantageous to the buyer." (Guiot and Roux, 2008, page 65) This description entails the intrinsic benefits that arise from acquiring products second-hand: it is something unique, price-wise, and meets a customer's need. What this description does not address is the important benefits lying on the other part of the transaction: the seller. People selling are also seeking for benefits, for example a "financial remuneration". (Brough and Isaac, 2012, page 78) They can also be seeking for having more space at home or simply for that product to have a new use. According to the same authors, people build relationships with their objects in such a way that, if they decide to sell them, there remains a "lingering attachment". (Brough and Isaac, 2012, page 78) For this reason sellers, and also buyers,

³ Thrift stores are second-hand shops who sell donated merchandise, and their primary goal is to perform charitable fundraising

can get benefited if there is some type of communication between them, where there is a sharing of expectations about the final use of the product.

“Buyer–seller interaction is common not only in personal interactions (e.g., yard sales) but also in online transactions. For example, on its website, eBay encourages potential buyers to contact the seller and have their questions answered before making an offer or bid.” (Brough and Isaac, 2012, page 80) In these types of transaction there is usually a third party involved: a platform. A shop, a fair, somewhere people can find a place to sell and a place to buy.

1.3.1 Second-hand Platforms

The platforms that establish the connection between sellers and buyers can intervene in the way people manage the transaction, although many times the communication is made directly from the buyer to the seller. However, the platform is one of the most important parts of the transaction, as it is the channel that makes it all possible. And this channel is one of the sources of “direct interest to buyers”. (Guiot and Roux, 2008, page 65) According to Mitchell and Montgomery, “in recent years, many second-hand stores have attempted to manage their brand” (Mitchell and Montgomery, 2010, page 96). This effort in building a brand results in making it easier for the buyer to know what types of product are available at the platform. Thus, the customer is more likely to understand the places they are likely to come from and their price range, and these attributes combined contribute to building loyalty towards a platform.

1.4 The Internet Revolution

Internet has provided a new source of information about products and stores and also new purchasing possibilities. It is a cheap and efficient way to get access to a lot of data given the fact that it makes possible to connect with several different users and stores without having to physically go somewhere. “Within this economic environment, consumers have readily adopted MIDs and their accompanying software applications as tools to enhance their shopping experiences.” (Flint and Spaid, 2014, page 73)

One of the types of businesses internet allowed to foster is online platforms. These companies provide a service to its customers where they, themselves, can produce meaningful content. One of the most famous platforms online nowadays is Facebook, a company founded in 2004 that has

achieved over 1 billion users in 10 years.⁴ This idea of a platform where people can create and post their own content is not necessarily new, if we consider newspapers as potential platforms, but nowadays it can be done faster and for free. These factors incentivized the creation of several different platforms that run currently on the web.

1.4.1 Online Platforms

“Platform businesses are taking a larger and larger percentage of the economic pie”. (Hidding, Williams and Sviokla, 2011, page 29) According to these authors, both offline and online platforms are becoming more profitable over the past few years. For this to happen, for these companies to be successful, some key dimensions are crucial. The same authors agree that on the online market, these dimensions include: modularity⁵, increased connectivity, self-organization and low marginal cost of production. Besides these, they also consider important to define a clear strategy and to have a vision on what the platform should evolve to in the future, at least from 3 to 5 years. Online platform leaders are many times lone standers, as usually they take on a large amount of market share.

1.4.2 Shopping and Selling Online

Some online platforms take the form of virtual stores where people can buy, look for and sell products. “Online buying is convenient since consumers can easily and rapidly search for information, order instantly products and services from practically anywhere they have a pc connected to the internet.”(Iconaru, 2012, page 61) The advent of smartphones and tablets is also making it easier. Nowadays, if a person wants to sell something online, as long as there is a smartphone with an app connecting to the selling platform, all it takes is to capture a photo of a product, write a brief description and post it online. People also perceive these new sources of information as giving them access to more products and vendors. The fact that it is possible to search, within minutes, throughout a range of products, stores or individual sellers changed the way people are able to negotiate and make good deals. But the world of online shopping encompasses some sources of doubt and suspicion, such as privacy and security issues.

⁴ Source: The Guardian (2014) “Facebook: 10 years of social networking, in numbers”. Available at: <http://www.theguardian.com/news/datablog/2014/feb/04/facebook-in-numbers-statistics>

⁵ This concept encapsulates the ability to adapt one platform for different types of uses

1.4.2.1 Privacy Issues

The issue of online privacy has long been debated, particularly so when it comes to purchasing online. Some consumers perceive this type of action as risky and that keeps them potentially away from online shopping. So it is necessary to let people know how and where it can be safe, and hopefully turn a non-action into a repeated action. "Online trust is a behavioral outcome of a customer's belief in the e-tailer trustworthiness." (Bernard and Makienko, 2011, page 99)

It is also important to mention that, according to the same authors, shoppers with more experience buying online demonstrate less privacy concerns. This shows that better educated people, who know how they should act in an online environment, take better advantages from online shopping. This also means that there is some potential for brands to take a lead role in conveying trustworthiness to getting a competitive advantage.

1.4.2.2 Security Issues

Besides the risks associated with privacy, there are also those associated with the product delivery and the "product itself". (Berteau and Zait, 2013, page 215) When it comes to the product, choosing something online leads the consumer to rely on what can be obtained from a mobile device. This can be perceived as being too limitative when choosing a product, particularly a non-durable item such as a piece of clothing. This is why some companies are investing in post-service, a way to minimize the risk of buying something that does not correspond to the expectations. "Organizations must sense emerging customer needs and develop the strategic capability to fulfil the needs." (Mukerjee, 2013, page 50) In second-hand shopping online, the risk can be minimized if the two parties involved achieve an agreement where the buyer is able to see the product personally.

When it comes to delivery service, companies can take advantage from partnering up with local known distributors. The possibility of the buyer to meet the seller, in second-hand shopping, reduces the risk of having a third party mishandling the product or delivering something that does not correspond to the ordered product.

1.5 E-business Marketing

"For companies in dematerialized e-commerce, which is not protected by traditional entry barriers, reputation may be one of the key sources of competitive advantage." (Bensebaa, 2004,

page 286) In order to build a reputation it is necessary to build a brand, something that people can relate to and easily relate to the business type. For example, Lastminute is an English website that focuses its offer in services bought shortly before use. According to Bensebaa, when building the brand, one of Lastminute's main focus was to convey its promise in the name. The online world implies a certain degree of uncertainty, and for that reason is important to convey a clear and trustful message. "One of the major aims of building brand trust is to achieve a sustainable competitive advantage and thereby enhance a business performance". (Ha, 2004, page 329)

To create trust in the online environment, findings show that communication in the traditional media⁶ can be extremely powerful. "To increase brand awareness, for instance, Amazon.com and Yahoo.com have increased their overall marketing budgets significantly and have shifted a majority of the media mix to traditional offline media⁷ such as TV, radio, and outdoor advertising." (Ha, 2004, page 336)

⁶ Similarly to offline media, this concept entails all the media channels that existed before the advent of internet (such as television, radio, print and outdoors)

⁷ Offline media means all the media channels that are not online

2 Case Study

OLX Portugal: An Innovate and Differentiated Marketing Strategy

Miguel Monteiro, OLX Site Manager at FixeAds, walks around the office in an informal way. Here nobody uses a tie. The environment is cool and innovative. Set in the center of Lisbon, FixeAds manages some of the most visited websites in Portugal. Its first steps were taken in 2004 when two entrepreneurs launched their first online platform, Standvirtual, that turned out to be a great success in the classified advertisements online. Three years later FixeAds was launched and, with it, new successful projects came along.

2.1 The Company

OLX is an online based company that started business in Argentina in 2006. At 2014 it is present in 107 countries. OLX arrived to Portugal the year it was launched through a company named Naspers, a South African multinational group of online sales and media operations. Currently, and since 2012, OLX Portugal is managed by FixeAds⁸.

OLX is an online platform where people can post, for free, classified advertisements. With this in mind, its purpose is to be an online market where everyone can be a seller and/or a buyer. At the time of its launch there were some other sources of similar services in the Portuguese market, online and offline. Offline there were places like flea markets, newspapers and second-hand stores. Online there was Miao.pt, Sapo.pt, and other specialized platforms for products such as cars or housing. Most of these platforms demanded some sort of financial investment on the sellers to enter the market.

One thing that differentiated OLX from the other products in the market was the fact that its space could be used to post advertisings for various types of products and for free, and all the work from the seller to the buyer relied on the actions of the people directly involved in the transaction. According to Miguel Monteiro, "OLX is a website for transactions between people, and that is the core of the business. That has been the focus on our campaigns. That is why it was different from other websites, such as Miao, because there is no mediation between parties."

⁸ Currently FixeAds also owns OLX Angola and OLX Mozambique

The company conquered its space in people’s minds and grew relatively organically from 2006 to 2012, as it was not managed locally. It is then in 2012 that the company sets in Lisbon through the management of FixeAds. FixeAds was at the time, and still is, the owner of other online platforms such as Leiloes⁹, Standvirtual and Imovirtual. These platforms focused on online auctioning, car and house classifieds, respectively. With FixeAds, OLX found a team that was already familiarized with both the online and the second-hand selling and was successful doing so. “We, FixeAds, were set for some time in Portugal, so we knew the classifieds market quite well. Also, we were already focusing on the C2C¹⁰ market, even if we were not the main player at the time, with the brand Coisas. Today, Coisas is the 3rd player in the market place.” The company had the knowledge and the will to take on this new project that was already so important in the Portuguese market.

2.1.1 The Categories and Sub categories

OLX has 12 categories for classified advertisements and 56 sub categories. The categories are the following:

1. Animals	2. Sports	3. Fashion	4. Furniture, House and Garden
5. Technology	6. Cell Phones and Tablets	7. Leisure	8. Cars, Motorcycles and Boats
9. Housing	10. Jobs	11. Services	12. Others

Exhibit 1 - OLX Categories for Classified Advertisements

1. Domestic Animals; Accessories
2. Sports Articles; Bicycles; Surf and BodyBoard
3. Clothes; Shoes; Babies and Children: Accessories; Jewlery, Watches and Bijou; Bags and Accessories; Health - Beauty
4. Utilities and Decoration; Appliances; Furniture; Gardening and DIY
5. Videogames – Consoles; Computers – IT; Electronics; TV, Sound and Photography
6. Cell phones; Tablets

⁹ The website Leilões.net merged with the platform Coisas, and today it runs under the name of Coisas

¹⁰ Consumer to Consumer

7. Toys – Games; Musical Instruments; Books – Magazines; Collections – Antiques; Tickets – Shows; DVD – Movies; Vinyl Discs – CDS – Music
8. Cars; Motorcycles – Scooters; Commercial Cars – Trucks; Boats; Campers – Trailers; Other Vehicles; Pieces and Accessories; Car Pieces
9. Houses; Rooms for rent; Vacation Housing; Exchanges; Parking Lots; Lands and Farms; Offices – Shops; Commercial Spaces
10. Administrative and Financial Positions; Marketing; Technicians; Services; Health
11. House Services; Repairs and Changes; Technicians; Health and Beauty; Events
12. Trade and Industry

2.1.2 The Searching Process

The process of searching is made easier with the differentiation of particular categories, through which buyers can look up for specific types of products. The personalization in the search can be complemented with information regarding the location and time of posting, and also with some key features for the specific product/service. For example, when looking for a house, the person can specify the number of rooms, the area desired (in square meters) and the price range.

2.1.3 The Selling Process

As one enters the website, there is an orange button that catches the attention. It's the "Announce and sell, for free" button. Once the person clicks there, the whole process is explained to the user. There is the possibility to ask for help at any time to an assistant, through the phone or by sending an email. There are some hints throughout the process that incentivize the person to do some marketing to their objects, for example to add a photo to the advertisement.¹¹

¹¹ In the website it is mentioned that an advertisement with a photo gets five times more views than one that does not have a photo

The process of selling is described in the following table:

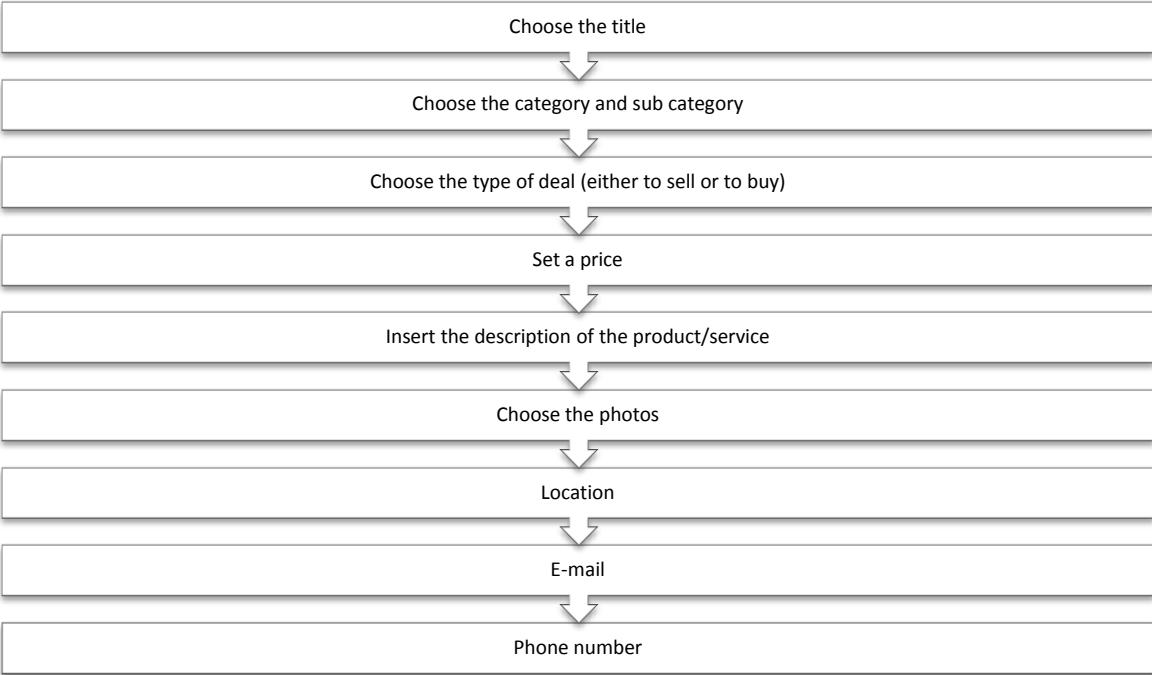


Exhibit 2 - The Process of posting a classified ad on OLX¹²

A person who decides to put an advertisement online does not have to make an account previously, but as soon as they post one on, the account is created. OLX verifies all advertisements put on the website and only those that comply with its policy are posted online.

2.1.3.1 Selling Costs

As OLX does not mediate transactions, most of the operations can be done without any cost for the seller. However, there are fees in case the seller wants to have a special placement on the website. The prices vary according to the specific place it is put and the time it stays there.

2.1.4 The Process of Buying

After finding a product or a service that suits a buyer’s taste, the first step is to contact the seller. There are two ways through which this contact can be made, which are through a phone call or through sending an e-mail. This last option can be done directly from the page of the advertisement. This way, the person that makes the first contact does not have access to the seller’s e-mail. But as the seller answers, their communication is no longer mediated through OLX.

¹² This is the generic process, with the steps that are inherent to all the selling processes. All of these steps are mandatory, except for the photos and the phone number

2.2 Economic and Social Environment

The economic crisis, which boomed in 2008, still affects Europe and the U.S. and definitely took its toll in Portugal and the Portuguese population. For example, from 2008 until 2013 (included), the unemployment rate grew 8,6 p.p., from 7,6% to 16,3%, which represents an increase of over a 100% in the total amount of the unemployed population.¹³ It is also observable a decrease in the consumption (spending) of Portuguese families. From 2008 until 2011, the total of family spending decreased from 116025,7 million euros to 114640,2 million euros¹⁴, a decrease of approximately 1,2%. Some of the areas that were affected are clothing and shoes, home equipment and leisure.

It is also in 2008 that new forms of business start appearing, and being successful, in the Portuguese space. One of them, that grew immensely, was the reselling of used gold. A Portuguese newspaper, *Diário de Notícias*, called this phenomenon the “golden bleeding”, as people started selling very quickly the gold they had at home.¹⁵ Hundreds of specialized stores opened to buy this precious metal that, between 2002 and 2007, increased its value by 537%¹⁶. It was an opportunity for both the stores, who benefited from this increase in the valuation of gold, and the sellers of the gold, who needed the money.

But not only gold was being sold in town. Cash Converters, an Australian pawn broking franchise, in Portugal since 1998, opened locations in Lisbon, Porto and Braga. Also, open-air markets like the Lisbon Flea Market started having more people selling. According to *Diário de Notícias*, “there are more and more unemployed people, people with precarious jobs and students who are forced to sell at the Flea Market to be able to pay their bills”.¹⁷ At some point in 2012, the Lisbon government was forced to stop issuing permits for people to sell there because there was no more space available¹⁸.

¹³ Source: Pordata, “Taxa de desemprego total e por sexo (%)”. Available at:

[http://www.pordata.pt/Portugal/Taxa+de+desemprego+total+e+por+sexo+\(percentagem\)-550](http://www.pordata.pt/Portugal/Taxa+de+desemprego+total+e+por+sexo+(percentagem)-550)

¹⁴ Source: Pordata, “Despesas de consumo final das famílias no território económico e por tipo de bens”. Available at:

<http://www.pordata.pt/Portugal/Despesas+de+consumo+final+das+familias+no+territorio+economico+por+tipo+de+bens+e+servicos-84>

¹⁵ Source: Silva, João Céu (2010) “Portugueses venderam 200 milhões em ouro em 3 anos” Available at:

http://www.dn.pt/inicio/economia/interior.aspx?content_id=1709832

¹⁶ Source: Público (2014) “Mais de metade das lojas de compra e venda de ouro fecharam em 2013” Available at:

<http://www.publico.pt/economia/noticia/mais-de-metade-das-lojas-de-compra-e-venda-de-ouro-fecharam-em-2013-1621731>

¹⁷ Source: Diário de Notícias (2012) “Cada vez mais pessoas vendem na Feira da Ladra” Available at:

http://www.dn.pt/inicio/economia/interior.aspx?content_id=2285376&seccao=Dinheiro%20Vivo

¹⁸ Source: Sol (2012) “Há cada vez mais pessoas a vender na Feira da Ladra”,

Available at: http://sol.sapo.pt/inicio/Economia/Interior.aspx?content_id=40671

In all these scenarios, except for the one with the gold, there is always another side of the coin. If people are selling, then people are buying. André Veríssimo, the Deputy Director of *Jornal de Negócios*, once wrote about the way the crisis changed our ways. “People discovered that their house does not have to be their own, they could rent it. They realized that cars last for more than five years. And that used cars are cars as well”¹⁹. Also, Miguel Monteiro said that “there is a certain “fashion sense” being associated to buying second-hand. People buy smartphones in the second-hand market. They realized that they could have a good phone for half the prize and still within the guarantee.”

2.3 Buying Online

The internet presents a new and effective form of shopping but Portuguese people are still quite apprehensive towards it, compared to other European countries. According to the Report “Consumer Attitudes Towards Cross-Border and Consumer Protection, n.º 299”, released by the European Commission in 2010, only 12% of Portuguese were buying online from their own country, and a fewer percentage, 5%, was buying online from outside of the country.²⁰ This shows reluctance to buying online, given the fact that in the same year, 53,7% of the Portuguese population had access to internet at home.²¹ Also, from all the 27 countries in the European Union, Portugal is the one with the highest “Don’t Know/Don’t Answer” rate when asked about their level of confidence towards online shopping. Portugal also stands in the top 5 countries that less trust buying online from their country.²²

2.4 FixeAds and OLX

In 2012 FixeAds started managing OLX Portugal and a new strategy came along. FixeAds knew there was a market for this type of product, from their previous experience, but they also knew the reluctance people still had towards this type of business. At this point it was crucial to leverage

¹⁹ Source: Veríssimo, André (2013) “A crise fez o hábito”,

Available at: http://www.jornaldenegocios.pt/opiniao/detalhe/a_crise_fez_o_habito.html

²⁰ Source: European Commission (2010), Available at: www.ec.europa.eu/public_opinion/flash/fl_299_en.pdf

²¹ Source: Pordata, “Agregados Domésticos Privados com Computador com Ligação à Internet através de Banda Larga (Porcentagem)”. Available at:

[www.pordata.pt/Portugal/Agregados+domesticos+privados+com+computador++com+ligacao+a+Internet+e+com+ligacao+a+Internet+atraves+de+banda+larga+\(percentagem\)-1158](http://www.pordata.pt/Portugal/Agregados+domesticos+privados+com+computador++com+ligacao+a+Internet+e+com+ligacao+a+Internet+atraves+de+banda+larga+(percentagem)-1158)

²² Source: European Commission (2010), Available at: www.ec.europa.eu/public_opinion/flash/fl_299_en.pdf

the knowledge people had about OLX. Their goal was to turn OLX the category name for this type of service. In order to do so, FixeAds partnered with JWT, an advertising agency, and Mindshare, a media agency.

To be successful in this challenge, two main obstacles needed to be overcome: the reluctant behavior people had towards online shopping, and a relatively undifferentiated market. The main brands in the online classified ads²³ Portuguese market, OLX, Custo Justo and Coisas, were offering a similar product to the population and were also competing with big brands such as Amazon and Ebay, and smaller brands such as Correio da Manhã.

2.5 Competitive Analysis

In order to understand the competitive environment in this industry, it is necessary to analyze the other brands in the market. For this, four companies will be analyzed. All of them are C2C platforms for a broad range of products. Two are international brands, Amazon and eBay, and two are national brands, Custo Justo and Coisas.

2.5.1 Amazon

The company started as an online bookstore in 1995 in the U.S.. Today, its mission is to be “Earth’s most customer-centric company, where customers can find and discover anything they might want to buy online.”²⁴ In 2000 the company opened up its services as it launched a platform for retailers and individuals to sell, “Amazon Marketplace”. The registration in the website, in order to become a seller, has a cost. It ranges from 0,99\$ as an independent seller to 39,99\$²⁵ to a professional seller. The website serves as a mediator between sellers and buyers, as it provides shipping and payment alternatives. It also charges a fee on the final price chosen by the seller. It has a feedback system, where former buyers can post what their experience was regarding to both the product and the seller. The company does not have a Portuguese website.

²³ Advertisements

²⁴ Source: Amazon Website. Available at:

http://www.amazon.com/gp/seller-account/mm-product-page.html/ref=mm_soa_csnav?ie=UTF8&ld=AZSOAUSCSNav

²⁵ The values are given in dollars because it is an American website, and that is how the data is provided to a Portuguese consumer in Portugal

2.5.2 eBay

eBay Inc. was founded in 1995 in the U.S. as a C2C company serving customers that would want to buy or sell products. The company works as both an auctioneer and a store. In 2002 eBay Inc. acquired PayPal, a service that allows individuals and companies to send and receive payments securely online, and introduced it in its services. The registration on the website is free, but the registration of items to sell on the website can have fees, depending on the products. There are also payment and shipping fees. The website has a feedback system, where former buyers can rate and comment on the sellers.²⁶

2.5.3 Custo Justo

Custo Justo is a Portuguese company owned by Schibsted Classified Media, a Norwegian Media Group. According to their website, "Schibsted's strategy comprises two main objectives: further development of our media houses and establishment of online classifieds services."²⁷ Custo Justo is an online platform where people can buy and sell a great variety of products at a "Fair Cost", which is the literal translation of its name. It provides an easy to use system, with no registration fees and no selling fees as well. The website does not mediate the interaction between the buyers and the sellers, and there is no feedback system for the products or the sellers. The cost that a seller can incur to is to buy a prominent space on the website, in order to attract more customers.

2.5.4 Coisas

Coisas is a platform developed by FixeAds, and it serves both B2C²⁸ and C2C. It is a result of a merge between Leiloes and Coisas. The registration on the website is made for free for both customers and companies, and the first 150 items that a person would like to sell are posted for free. For every item sold, the seller has to pay a fee of 5,5% to the website. It presents a feedback system, where buyers can post their experience with the buyers. For this to happen, the registration process is made so that the website can confirm the data provided by the individual or the company. The sellers can also choose to have a special place on the website for an extra cost.

²⁶ Source: eBay Website. Available at: <http://pages.ebay.com/help/>

²⁷ Source: Schibsted Website. Available at: <http://www.schibsted.com/en/About-Schibsted/>

²⁸ Business to Consumer

2.6 The Strategy Goals

OLX's team was looking for a new strategy for the brand and a leadership place in the classifieds market. Their goal was to differentiate it from the other brands in the market and also to turn it into a category leader. In order to understand, in the long run, if these goals are achieved, some indicators were chosen to test the efficiency of the communication campaign: top of mind, spontaneous brand awareness and total brand awareness.²⁹

One thing that had a big impact in the way the campaign was followed up was the fact that FixeAds was able to track very precisely the way people reacted to stimuli. This tool allowed the tracking of the campaign and made it possible to adjust it according to the required pressure levels. "As we launch a campaign on TV we are able to see the immediate impact in the number of people going to our website", says Miguel Monteiro.

With this, the desired values for the mentioned indicators are as follows:

	Starting Point	Objective	Total increment
Top of Mind	30%	65%	+117%
Spontaneous Brand Awareness	64%	75%	+17%
Total Brand Awareness	94%	100%	+6%

Exhibit 3 - Indicators of communication efficiency³⁰

2.7 The Brand

As mentioned previously, there was little differentiation between classified platforms in a market that was growing, which translated into an opportunity to turn OLX the category leader. Through making it a strong brand, people would associate it to the category and to the benefits it would bring them. For this, the brand needed a strong insight. This insight should translate into a new statement, to which OLX could be the answer to. It should also relate to the need of thousands of Portuguese people to make money. It is from the combination of these ideas that *there are things we keep at home that are potentially valuable*³¹ was born. The goal was to let people know that

²⁹ Source: JWT

³⁰ Source: JWT

³¹ Source: JWT

the things they had but did not need, like, or had good use for, could translate into money. That was the starting point for the creative strategy.

2.8 The campaign

In order to make the campaign memorable, some key features were created, that could both be extended to different communication media and would also be consistent with the overall message. These were the following: a visual gimmick, a jingle, a sound gimmick, a copy strategy and a strong signature.

2.8.1 The Midas Touch

The visual gimmick consisted in what is known as the “Midas touch”. This gesture was materialized by OLX in order to communicate the idea that whatever was at home could be transformed into money.

2.8.2 The Money

The visual image of money, in the form of coins, would also be complemented with a sound gimmick: the sound of coins dropping. There is a specific sound that coins make when hitting a surface that is easily relatable to and that goes along with the idea of transforming something into money.

2.8.3 The Music

The jingle serves the purpose of awareness and creates some buzz around the brand. The music chosen was an adaptation of one very well known to the Portuguese public, “Olha o Robot”, that was performed by a group called Salada de Frutas in the 80’s which lead singer was Lena D’Água. She agreed to participate in the campaign and sings the adapted version.

2.8.4 The “Thing-Action-Money” Copy strategy

The copy strategy relied in the premise that people had things at home that they could turn into money. It was clean, relatively simple, and incorporated the same mechanic as the TV commercials (thing-action-money).

2.8.5 The Slogan

The slogan is a crucial feature given it is a direct statement from the brand. OLX's name caused some confusion to the greater audience, as some would associate OLX to Lisbon's "LX". This was the opportunity to give its name a new meaning. That is when the "Se vale X, OLX!" was born. Not only a new purpose was given to the name, as the awareness of the brand could be increased given the fact that "se vale x" is a typically Portuguese saying.

2.9 The Target

The message of the campaign was targeted to the potential sellers, and this was not an innocent move. "In our communications we focused on the sellers because even though we are focusing on the sellers, people always understand they can buy. Having more sellers we will have more ads, having more ads there will be more contact, and that attracts more sellers, and the whole part of the buyers and the buying process gets stimulated because there is more supply. If we stimulate the sellers part, the rest comes naturally", said Miguel Monteiro.

2.10 The Choice of Media

One thing that differentiated OLX's campaign from others made to online businesses was the choice of media. According to Miguel Monteiro, "until 2012 there have not been many campaigns offline about what is made online." The goal of the brand was to become number one, so the creative strategy had to be aligned with a powerful media strategy that would increase the levels of awareness.

Television reaches a broader audience with no defined target, and that is precisely to whom OLX wanted to communicate at that point: to the bigger audience. FixeAds wanted to let people know everyone could be a seller, being younger or older, more or less into technology, a "boy or a girl"³² like their jingle claimed. Also, television was an opportunity for the brand to let people know how the transaction should occur. One moment that is present on the 2012 campaign's TV commercials is the "shaking hands" gesture, the time when the deal gets done between a buyer and a seller. This is a decisive step when communicating the service, as it lets people know they are the ones

³² From the OLX jingle

responsible for the transaction. This moment is always captured outdoors, where it is safer to meet a buyer or a seller when closing a deal. This media strategy was complemented with spots on the radio, outdoors, and also online with banners and social media.

2.11 The Results

Two years have passed since the 2012 campaign and the results are conclusive. According to Marktest, the results of the campaign were felt as soon as the first weeks of the campaign went by. The values of Top of Mind reached 59,6% in just two weeks. It’s peak was achieved 21 weeks after the launch of the campaign, with 71,9%:

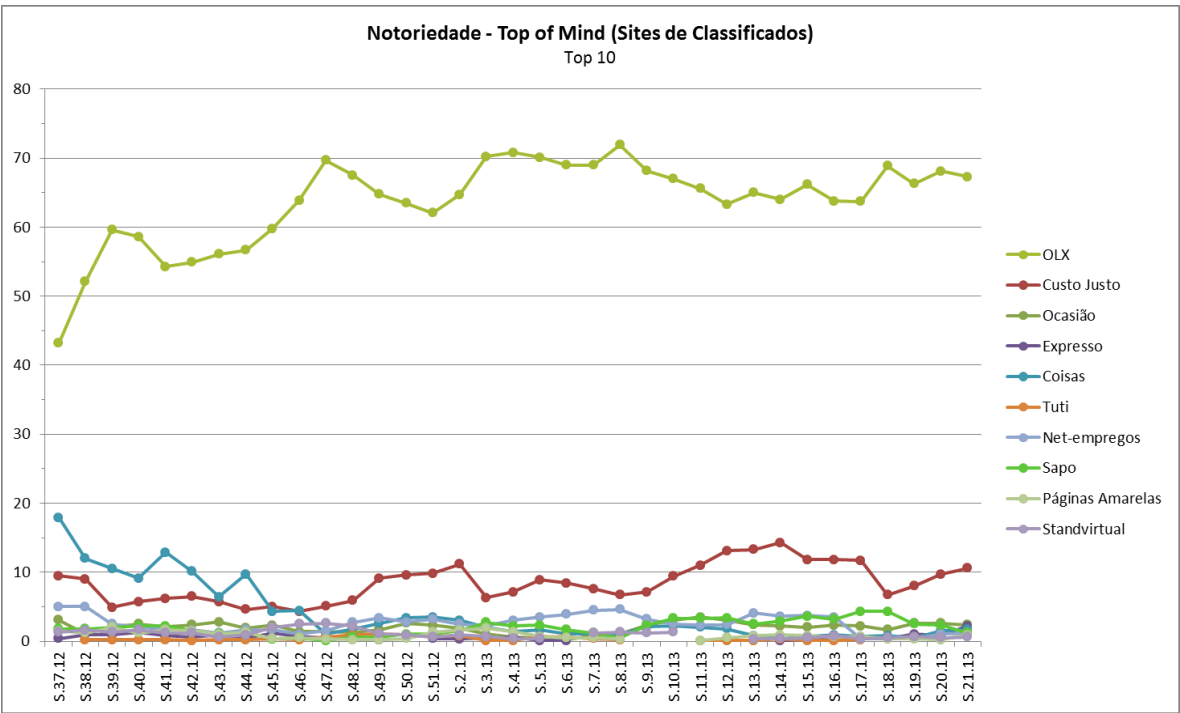


Exhibit 4 - Brand awareness - Top of Mind (Classified websites in Portugal)³³

When it comes to spontaneous brand awareness, the peak was achieved at the end of March 2013, with values around 88%.

³³ Source: Table provided by JWT and made by Marktest

As for total brand awareness, the values achieved 100% and went on for over 12 weeks in a row. The following table compares the expected values with the results obtained:

	Starting Point	Objective	Total increment	Maximum results	Overcome by
Top of Mind	30%	65%	+117%	71%	6 p.p.
Spontaneous Brand Awareness	64%	75%	+17%	88%	13 p.p.
Total Brand Awareness	94%	100%	+6%	100%	

Exhibit 5 - Results of communication efficiency³⁴

The integrated campaign turned out to be a success in social networks. For example, on Facebook, OLX Portugal grew from 120.000 fans in September 2012 to 595.943 in April 2014, representing an increase of almost 500% of the number of fans. Also, people are active in the social media, and make comments and “likes” every day.³⁵ On April 2014, the website OLX.pt is the 7th most visited website in Portugal, only overtaken by Facebook, Google.pt, Youtube, Google.com, Live.com and Sapo.pt.³⁶

The results speak for themselves, not only from the impressively fast results obtained in the first weeks as for its long term consistency. But what lies beneath such great success? Miguel Monteiro answers that question. “OLXs competitive advantage, what differentiates this website of classified advertisements from the others, it’s the brand. Our objective, that now we are starting to achieve, is to have people associating OLX to a category. As we see with Gillette, people buy several brands of razors but, at the end of the day, they will always say they bought a Gillette. Now if people want to buy something online, they will refer OLX. That is partially what we wanted and that’s also our competitive advantage.”

³⁴ Source: JWT

³⁵ Source: JWT

³⁶ Source: Similarweb Website. Available at: <http://www.similarweb.com/country/portugal>

2.12 Success and the Future

In 2013 JWT and Mindshare won the gold medal for the Efficiency Awards³⁷, and in 2014 OLX continues to be the most visited online classifieds platform. FixeAds recently opened two OLX platforms in Angola and Mozambique. So how can the company think about the future? According to Miguel Monteiro, “the future is always to grow. The growth in the classifieds market is closely related to the growth in numbers, and the growth in numbers is closely related to new visitors. We want to continue being close to Google and YouTube and those websites and continue being a brand of reference, and to get to those numbers we have to be a website people will visit regularly.”

Besides maintaining the quality of the service and the consistency in the communication, it is a priority to reach the niches that, for some reason, are still not accessing this service. Because after all, according to Miguel Monteiro, “success is being the best platform for a buyer to find a seller. And when I say this I mean that the seller will have exactly the product the buyer wants, at the exact price the buyer is willing to pay, that the transaction will occur without any problems and that both agree that it was a good deal.”

Facts show that people post advertisements and also that customers are looking for deals online, but is it true that people are effectively selling and buying second-hand products? The data collected so far reveals that people are interested in the website and that the campaigns have been effective on the sellers’ side, but are the deals closing? It is important to understand, at this point, how people in Portugal perceive the internet as a means for effectively buying products, and also how people feel towards second-hand buying. One of the issues referred so far has been the security, and it is in the best interest of the company that the transaction occurs without any problems. But how do people perceive this aspect? Was OLX able to overcome this obstacle? And which were the features of the advertising campaign that lead OLX into a category leader? These points will be further analyzed on the market research chapter.

³⁷ Source: Prémios Eficácia Website

3 Market Research

The qualitative research carried out so far has made clear that there are some interesting aspects to further analyze, and for that reason those will be explored at this point of the dissertation. It is important to understand people's habits towards IT technologies, how they feel about second-hand buying and selling, and also how the brand OLX is perceived. For the analysis of these points a questionnaire was carried out. The information collected has information about the following aspects:

- Consumer's habits towards the use of IT technologies
- Consumer's habits and feelings towards second-hand shopping and selling
- How people perceive the safety of the service provided by OLX
- The effects of the marketing campaigns carried out by OLX

3.1 Methodology

The market research was carried through the form of an online survey, and distributed through private e-mail or message, to people living in Portugal randomly selected. Most of the questions in the survey contained closed answers and the alternative to write a personalized answer. In order to guarantee that all the questionnaires analyzed were reliable, only those that were fully completed were selected.

3.2 Sample's Analysis

The questionnaires were sent in through e-mail or private messages to 140 people, from which 53% were male and 47% were female. From those, 128 have been fully completed and their information was collected. Most of the participants had between 20 and 24 years old, representing 55% of the sample. 23% had between 25 and 34, 9% had between 35 and 44, 5% had between 45 and 54, and 8% had over 55 years old.

The biggest amount of respondents were students, corresponding to a total of 39% of the sample. 20% were people working in the communications field, 8% held a managerial position in a company and 5% worked in the IT industry.

In what regards to income, most of the people had no fixed income, representing 38% of the sample. 28% of the respondents earned from 7.000€ to 20.000€, 17% earned from 20.000€ to 40.000€, 16% until 7.000€ and only 1% earned more than 80.000€. ³⁸ 74% of all the respondents have declared that they recently felt a decrease in purchasing power.

In terms of geography 70% of the respondents lived in the District of Lisbon, 63% of which corresponded to the city of Lisbon, and 13% lived in the District of Setúbal, 6% in the District of Oporto, 5% in the Beiras area and 4% in the Alentejo.

3.3 Data Analysis

3.3.1 Online Behavior

In this sample, 74% of the respondents used Facebook every day, meaning that most of them are frequent internet users. Also, results show that people used the internet to search for items and learn more about their characteristics. 84% of the respondents claimed to use the internet to analyze the characteristics of products and a higher percentage, 89%, used it to compare prices.

In order to better understand the types of products that captivate consumer’s attention in the online space, a list of possible products was displayed to the respondents. 95% of the respondents selected from the displayed range of products. The ones that were mostly selected are represented in the following table:



Exhibit 6 - The products that people most search online in Portugal

³⁸ In annual terms

In order to understand where the characteristics of these products were searched, people were also asked to choose from a list of possible websites they would use for that purpose. The website that collected most of the answers was OLX, with 60% of the answers. After that there was Amazon (58%), eBay (52%), and 38% of the respondents wrote other stores. In the “Others” option, people would mostly reference the brand’s own websites (15%) and Fnac (13%).

3.3.2 Second-hand shopping

3.3.2.1 Selling

In the context of the present analysis, it was also important to understand the buying and selling habits of second-hand products. 41% of the respondents claimed to have sold something used. From these people, 83% have done it online, 19% in a market/fair and 15% on a store.

From those who sold online, additional data was collected. It was assessed the place where these people last time sold something second-hand:

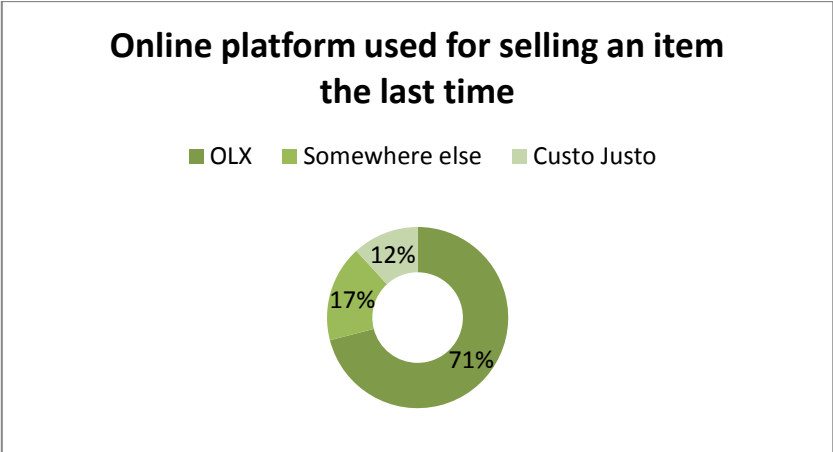


Exhibit 7 - The online platforms used for selling a used product the last time

The option Coisas, one of OLX’s main competitors, was also presented in the options, but it did not collect any answer. From the open option “Somewhere else”, 43% claimed to have sold on Facebook.

When it comes to the reasons that led people to selling something, the results show that 52% of the respondents needed or wanted money. A smaller number, 45%, needed more space at home. 20% claimed to want a new version of that article and from the 18% of people who chose the option “others”, 88% said they did not use the articles they sold. Also, 80% of the answers

collected pointed to a rational decision, as people said they felt they were doing the best they could with the resources in hand, and also 55% of the people said it was good to feel that they were reutilizing now something that has already been helpful to them in the past.

Selling articles does not seem to be a frequent event, as 40% of the answers state that people sold something second-hand from 2 to 5 times in the past year. This is still a higher percentage than the one collected by the option of selling one-time, a scenario that achieved 36% of the answers. 6% of the people who sold something online did it more than 10 times in the same period of time.

As important as it is to understand what led people to sell something that they used before, it is also to understand what led people not to do it. 67% of those who said they did not do it because they had not felt the need to do so, 24% admitted they had never thought about doing it and 7% claimed to be afraid of the person who might be on the other side of the transaction. 16% chose the option "Others", from which 25% claimed they could not find sellers. This means that there was an effort to sell but that effort was not translated into a real selling. Also, people said they did not have the time to do it, 17%, and they did not want to put on the effort to do it, 17%.

3.3.2.2 Buying

When it comes to buying second-hand items, a higher percentage of people have done it: 63%. Firstly, it will be assessed where those products were obtained, and for that the following table shows:

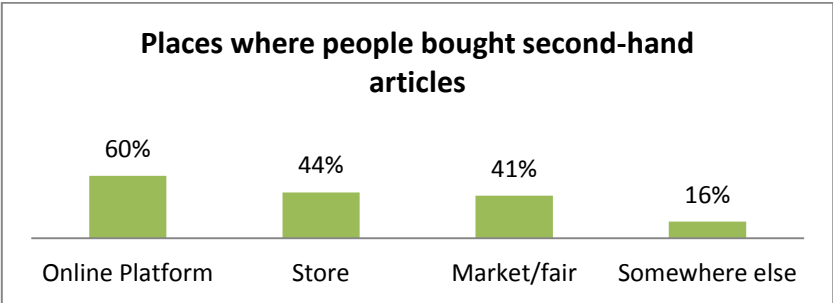


Exhibit 8 - The places where people buy second-hand products

In this context it will be assessed where, in the online world, these people have bought something online.

For this, they were asked where they had bought their last second article online, having some closed answers and the option “Somewhere else” as well. The results are as follows:

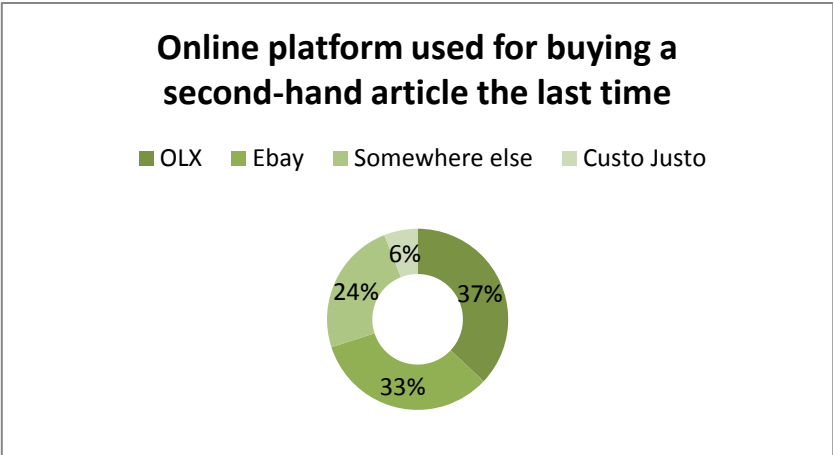


Exhibit 9 - The online place where people have bought their latest second-hand article

It is important to mention that the website Coisas was also an option but it collected no answers. From the “Somewhere else option”, 42% of the people said they bought something on Amazon and 25% on Facebook. In terms of frequency, 40% of the people have bought something second-hand 2 to 5 times last year, 22% one time, and 9% over 10 times. As for the reasons that led people into buying something second-hand, the financial reason is again on top of the list. 75% of those who bought something second-hand said they wanted to save money, 26% wanted to have something vintage or antique and 21% were looking for something that was no longer available in stores.

Those who did not buy second-hand articles have pointed the following reasons for not doing it: 51% did not feel the need to do so, 47% fear the product would not have the desired quality, 21% had never thought about that, and 13% fear the person on the other side of the transaction. Security is an important part of the buying procedure, and it is also a quite complex and subjective matter, especially on non-mediated platforms. In order to get more interesting results, people were asked to assess how they perceived security of websites that represented both mediated and non-mediated websites.

The results presented under are exhibited in a 0-10 scale.

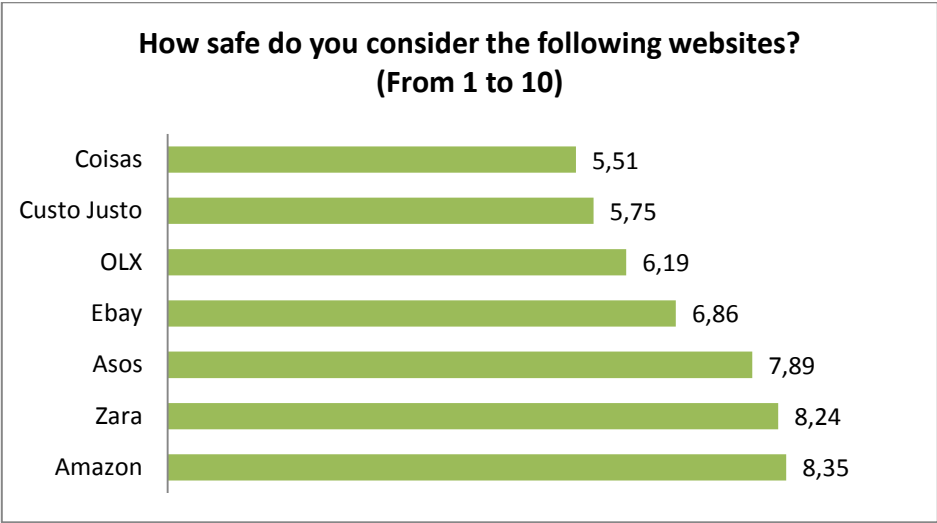


Exhibit 10 - Perceived safety in online stores

OLX is considered the most secure non-mediated platform, but it sits behind all the other websites.

3.3.3 OLX Marketing

The effects of the marketing campaigns of OLX were also assessed. 98% of the respondents claimed they knew OLX, and 87% of the total respondents said they remembered some type of advertising from OLX. From all the people who knew OLX, 32% said they remembered the brand’s slogan. From this percentage, 58% got the slogan right, “Se vale X, OLX”, and an amazing 33% said that the slogan was “É pró menino e prá menina”, which is part of the brand’s Jingle.

To all of those who claimed they did not know the brand’s slogan, a list of possible slogans was shown and they were asked to recognize the real one. With these options available, 84% of the respondents were able to choose the real slogan. The immediate following percentage was 9% for the slogan “Olx ponto pt”. This is a mix between OLX and Custo Justo’s slogan, “Custo Justo ponto pt”, being Custo Justo one of the brand’s main competitors.

In order to better understand how people encountered the brand and its advertising, they were asked about the media where they found OLX’s communications. On the top of the list people mentioned TV, with 94%, and the internet, with 76%, and the radio gathered 41% of the results.

3.3.4 Experience of the Service

In terms of the use of the service, 90% of the respondents claimed to have accessed OLX website. 81% its customers visit it on a non-regular basis. 98% do it through the computer, but also 15% access it through a tablet and 12% a smartphone. The characteristics mostly associated with the website are big number of available items, gathering 77% of the responses, and the ease of use, with 45%.

4 Conclusion

OLX Portugal is an online platform that is managed by FixeAds since 2012, a company that manages some of the most visited websites in Portugal. It competes in both the online market and second-hand market. The website serves customers who are looking forward to buy or sell products. Its service is mostly provided for free and OLX does not mediate the transaction between its customers.

In the years that have passed since OLX's arrival, the platform has found a great acceptance from the Portuguese consumers and it is, today, a reference in the online businesses in Portugal. Its greatest boom occurred in 2012, after the launch of their first national advertising campaign.

4.1 Main Outcomes

The main purpose of the present dissertation is to understand the factors that lead to the success of an online platform such as OLX. For that, it is necessary to get a better understanding on the following aspects: the way people use the internet when making their purchasing decisions; the reasons behind deciding to sell one's personal items; the motives that lead people to buy second-hand items; and the strategy adopted by OLX to differentiate itself on the market. It is in this context that the key research questions will be hereby answered.

KRQ 1: How does the internet influence the purchasing behavior?

The internet is used for several purposes, from professional obligations to personal activities, from social networking to online shopping. It has entered so deeply into people's lives nowadays that it became a tool that is used, for many, in a daily basis. From the responses collected throughout the market research, 98% of the respondents said to have a Facebook account and 76% of them accessed it every day. Indeed, the internet provides a fast and cheap way of connecting to people, services and products, and those attributes are relevant in the present economical context – 74% of the respondents have declared to have felt a decrease in purchasing power over the past five years.

The three most searched items, which are technology, clothing and books, are products that can also be found in physical stores, so the internet serves here the purpose of complementing the

offer that people could already have access to. Things such as real estate and travelling only appear after these, and these goods are not so easily accessed to in physical stores. Travelling and real estate are usually sold or rented through mediators that charge fees for their services, and the internet has helped offering cheaper options for them. But still, those were not amongst the most searched items. Indeed, 89% of all the respondents have said they would use the internet to compare prices of items, and 84% would use it to analyze their characteristics. This comes to show how the internet is perceived as a tool in the decision process of buying something.

OLX was chosen as the number one website for looking for products, gathering 60% of the answers. Immediately after there are Amazon (58%) and eBay (52%), and the other options in the market have achieved a much lower percentage of answers. This comes to show that OLX, which is a C2C service, is perceived as an attractive website to actively look for products. It could be related to the fact that OLX is a place for customers to get good deals, and the answers revealed a concern with price when looking for products online.

It is the only Portuguese website achieving more than half of the responses, alongside with big brands such as Amazon and eBay. Another thing that could justify this fact is that OLX has available the products that were mentioned as the most searched ones. As OLX is set in Portugal the products are probably available in the country, making it potentially easier to acquire something.

KRQ2: What are the reasons that lead people to sell and buy second-hand products?

The action of selling an article that one has already possessed entails different stages and actions. Taking the decision to selling an article seems to be greatly associated to financial reasons. More than half of the respondents said they did it in order to get some money, and also a big number of responses pointed to a need of space in home, which could indirectly lead to a financial need. Another interesting fact is that 20% claimed to want a new version of the same article. The fact that a person would want a new version of something does not mean they would have to sell the older version, but the truth is that nowadays brands discontinue some models to offer their customers new ones, thus maintaining the cycle alive. Customers then position themselves in one part of this cycle depending on the moment of their purchase, being innovators those who look forward to keep up to date with the new products being launched by companies. So a rational way to keep on being an innovator is to sell the product and acquire the new one with the money

obtained: indeed, 80% of the people said they were doing the best they could with the resources in hand. This way, the innovators can buy the new versions of the same articles with a little help from the old ones, and customers who are not so worried about having the latest products can still get good items with a discount. As for the means of selling an article, the internet is the preferred place to do it. Confirming that idea, one of the respondents said “it is much easier to sell through online platforms.” In the online space OLX is the great winner, being the place where 66% of the respondents sold their item the last time. This could be linked to the notion of effort, a reason that has been mentioned in the questionnaire as a reason for not taking the action of selling. OLX’s campaign focused on the sellers, making it seem easy to do so. Also, when the different platforms were analyzed, OLX was the one that required fewer steps to post something online.

The buying process seems to find more fans, as a higher percentage of the people questioned have bought second-hand items. Financial reasons are again on top of the list, with 75% of the responses pointing to the willingness to save money. That percentage is much higher than the other reasons mentioned, such as the desire for something vintage or antique. Also, those who did not buy any second-hand items said they did not feel the “need” to do so, again referring a rational approach. This is another perspective for the same reality, which is that most people associate buying in the second-hand market as a rational act, related to need and savings. In fact, from those who said they have not felt a decrease in purchasing power, 58% never bought second-hand articles. 21% of the responses also pointed to the fact that some people never thought of buying second-hand products, showing that there is still some potential to have new consumers in this market. The internet is again the preferred channel, but it is not significantly distanced from stores and markets/fairs. This is probably related to the fact that 47% of the people who never bought second-hand products did not do it for fear of the lack of quality of the products. OLX is again the preferred online brand. This is probably linked to the fact that the number of available products and the ease of use of the website are the two mostly associated characteristics to OLX.

KRQ 3: What was the strategy used by OLX in order to become a category leader?

OLX has been in Portugal since 2006, but it is in 2012 that FixeAds starts managing the brand, and a new strategy came along. At that time, FixeAds knew the reality in the online classifieds world for two main reasons: they were the founders of other successful C2C platforms in the Portuguese market, and working in the online industry makes it possible to do a very accurate tracking of

people's behavior. The company was aware of the demand for this type of product and also of the lack of differentiation amongst the brands working in the Portuguese market. These factors combined presented the perfect opportunity to aim in becoming the category leader, in other words, the brand most closely linked to the category need. In order to do so, the brand needed a strong image and message, to which people could relate to, and it also needed to be present in people's lives. It had to become the brand associated with the service itself. Ultimately, its goal was to be the top-of-mind place for buyers to find sellers. For this to become a reality, the brand launched an advertising campaign in 2012 that had the following characteristics:

- **A new signature:** "Se vale X, OLX!" This statement revealed a promise for both the buyers and the sellers, closely related to the biggest driver for people to use OLX: the financial need. It also gave a new meaning to the name OLX.
- **The campaign focused on the sellers:** If the brand is able to attract the sellers, then it becomes attractive to buyers, as they know they will find more products available. It was important to let people know how easy it was to post an online advertisement.
- **It used online and offline media channels³⁹:** Besides using the online environment to advertise its service, OLX decided to use traditional media. This move not only differentiated it from what its competitors were doing as it was relevant for the target it wanted to communicate. Its goal was to let people know everyone could do it and that it was easy and safe. The television also serves as a way of bringing credibility to an online service, which usually struggles with the problems of perceived insecurity.
- **The use of sound and visual gimmicks:** The deliberate choice of using sound and visual gimmicks, such as the jingle, the sound of coins hitting a surface, and the "Midas touch", help in both getting the message across, as they symbolize the service itself, and in pushing the brand to being a top of mind.

KRQ4: How did the advertising campaign affect brand awareness and brand image?

The advertising campaign carried out in 2012 had a tremendous impact on the brand. Numbers revealed an increase of over 100% on Top of Mind, as the brand jumped from 30% to 71% after the release of the campaign, in approximately a 6 months period. This brought the brand close to

³⁹ Media channels are the ways through which advertising can reach an audience

their initial objective of becoming a category leader. Also the indexes of brand awareness increased, specially the spontaneous brand awareness that grew from 64% to 75%. This impact was also clear on social networks: on Facebook, OLX Portugal grew from 120.000 fans in September 2012 to 595.943 in April 2014. On April 2014, the website OLX.pt is the 7th most visited website in Portugal, only overtaken by Facebook, Google.pt, Youtube, Google.com, Live.com and Sapo.pt.⁴⁰

As for brand image, according to the market research, 77% of those who knew the brand OLX associated it with a big number of available items and 45% with the ease of use. Also, when it comes to security in the transaction, OLX is the national platform perceived as the most secure one, staying in front of Custo Justo and Coisas. Custo Justo offers basically the same service as OLX, as the products are posted by regular people and the transaction relies on both parties. Having this said, the perceived security of OLX arises from the knowledge people have on the brand.

⁴⁰ Source: Similarweb Website. Available at: <http://www.similarweb.com/country/portugal>

5 Limitations and Future Research

The market research conducted in the context of this dissertation was distributed through an online survey. It provided relevant information about three main aspects: the way people use internet as a tool in the purchasing decision making process; the feelings associated with selling or buying second-hand products; and the relation between OLX and consumers. However, there are some limitations to the information that was collected that need to be addressed.

The first factor that might influence the results obtained is the fact that the sample analyzed may not represent the overall population of the Portuguese consumers. The results show that 55% of the participants had between 20 and 24 years old and only 8% had more than 55 years of age, meaning that there was a greater focus on younger consumers. Also, most of the respondents lived in the district of Lisbon, which can influence the results as people who live in the capital have access to more information and products.

Another problem could be the fact that the market research was only conveyed through a computer program, constraining the answers to people who actually use a computer. It could be interesting to understand the way the brand is perceived by people who do not usually use a computer, as most of their advertising campaign was posted in traditional media.

Also, the fact that most of the questions had closed answers may lead people to choose one randomly and not deeply consider the options. Even though most of the questions had the possibility for the respondents to write something, many times they would exclusively choose one of the mentioned options. In addition, the answers were not randomized, so the results could be somewhat influenced by the order of the answers.

Another factor that needs to be taken into account is that there was an effort to assess three different areas: internet use; second-hand buying and selling habits; and the knowledge on OLX service. For this fact, none of these areas could be deeply assessed.

In order to continue the work carried out by this dissertation it would be interesting to get a better understanding on how the different regions of Portugal are responding to this service. If, on one side, people who live in the big cities have more access to information and are usually more open to try out new things, they also have more access to other types of products and services in a local

basis. There could be an assessment of which are the areas that are benefiting the most from this service so that these customers would be better addressed.

It would also be interesting to understand where the brand will be in five years from now. Currently Portugal is still affected by the economic crisis and people are still carrying on a safer behavior towards spending. Also, the 2012 campaign is still quite vivid in people's minds. But how will these memories prevail in consumer's minds in five years from now? Are the competitors going to respond with new campaigns or products or services? Will new competitors enter the market? And will be OLX able to continue on being the leader in this sector? These questions could be assessed in the future.

6 Teaching Notes

6.1 Synopsis

OLX is a company founded in Argentina in 2006 that works in the online classified advertising industry. It arrived to Portugal in the year of its launch through the South African company Naspers but since 2012 it is managed locally by FixeAds, a company that is specialized in the development of online platforms for classified advertisements.

6.2 Target and Audience

OLX's Case Study goes through different topics such as the economic crisis, consumer behavior, brand management and strategic marketing. It could serve as a learning tool for undergraduate or master students attending courses of Strategic Marketing, Brand Management, Consumer Behavior or Advertising.

6.3 Relevance of the Study

This dissertation presents a form of business that is relatively new in the Portuguese scenario and the strategy adopted by OLX to differentiate itself on the market. When it started being managed by FixeAds, the company already knew the market quite well and was aware of the expectations and the needs of consumers. As an online company, they were able to track the consumer's reactions to their advertising, being therefore able to know the most efficient media channels and communication messages. Thus, this case presents information of strategic marketing and consumer behavior.

6.4 Teaching Plan

Students should be familiarized with some marketing concepts and practices such as positioning and advertising. In order to be better prepared to understand the Case Study, and as a complementary analysis, they could also read the following case studies:

- ***How Platform Leaders Win***
Journal of Business Strategy, Volume 32, Number 2, p.p. 29-37
Hidding, Gezinus J., Williams, Jeff and Sviokla, John (2011)
- ***Measuring second-hand shopping motives, antecedents and consequences***
Recherche et Applications en Marketing, Volume 23, Number 4, p.p. 63-94
Guiot, Denis and Roux, Dominique (2008), “

6.4.1 In-class discussion: Case Analysis

Before starting the discussion in class, one or two commercials from the OLX Portugal 2012 advertising campaign should be presented. Afterwards, the professor could start by asking his students if they have purchased something on OLX and what they knew about the brand previous of reading the case. This way the students could share their knowledge on the subject and also the foreign students would be better informed about it.

6.4.2 Questions for Discussion

After the initial conversation, the debate should evolve into the discussion of the following questions:

- According to the literature review, in which ways has the internet given the consumer a new power when making purchasing decisions?
 - Possible answers: Consumers have access to information on the products they were looking for, thus being able to make a more conscious purchase; Consumers are able to efficiently search for alternative products that also meet their needs; People have access to different stores, inside or outside their country; Online platforms create the possibility for consumers to talk and discuss about previous experience in both products and stores; Access to selling platforms, and therefore the possibility to generate value over products that no longer fulfilled a need.

- According to the case study, which marketing opportunity was identified by FixeAds in 2012, when the brand started being managed locally?
 - Possible answer: At the time there was a growing interest on the part of consumers, who were using more and more platforms for classified advertisements, and simultaneously there was little differentiation amongst the platforms in the Portuguese market.

- Which tools were used in order to increase brand awareness?
 - Answer: A visual gimmick (the *Midas touch* and the image of the coins), a sound gimmick (the sound of coins hitting a surface), a jingle, a copy strategy (thing-action-money) and a strong slogan (*Se vale X, OLX!*).

- According to the market research, 32% of the respondents claimed to know the brand's slogan. 33% of those indicated the same possible slogan. Which was it?
 - Answer: É pró menino e prá menina.

6.4.3 Group Assignment

As a group assignment, the students could be asked to form groups of three or four members and work at home in the following way:

- Each group should sell (or at least try to sell) and buy a product from someone on OLX, and document all the steps taken into the transactions;
- After the first part is done, they should reflect on all the steps taken into the transaction, what was good and bad about them, and list them in a sheet;
- When the list is complete, the students should assess what was particularly helpful on OLX and what could be improved in the service;
- After all the above steps are done, the group should develop a marketing strategy proposal. This strategy should be a follow up of the 2012 campaign.

7 Exhibits

Exhibit 1: Brand Image

1.1 OLX Logo and Slogan⁴¹



⁴¹ Source: JWT

Exhibit 2: OLX Website

2.1 The first page of OLX Portugal ⁴²



⁴² Source: OLX Portugal Website. Available at: <http://www.olx.pt/>

Exhibit 3: OLX Advertising

3.1 Outdoors⁴³



⁴³ Source: JWT

Exhibit 4: OLX Frequency of Visitors

4.1 Website Weekly Visits on April 2014⁴⁴

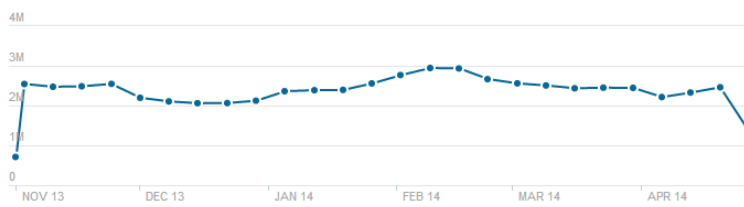
1,495 ↑
Global Rank

7 =
In Portugal

22 =
Shopping > Classifieds
[edit category](#)



Weekly Visits ? in last 6 months



Engagement

in April, 2014

Estimated Visits	10M
Time On Site	00:12:11
Page Views	19.63
Bounce Rate	18.90%

⁴⁴ Source: Similar Web Website. Available at: <http://www.similarweb.com/website/olx.pt>

Exhibit 5: Website Rankings in Portugal on April 2014

5.1 The 7 most visited websites in Portugal on April 2014⁴⁵



Website Rankings

Top 50 website rankings in Portugal

All Categories Portugal [UPDATE LIST](#)

Showing up to 50 websites. [Upgrade to get the full list.](#)

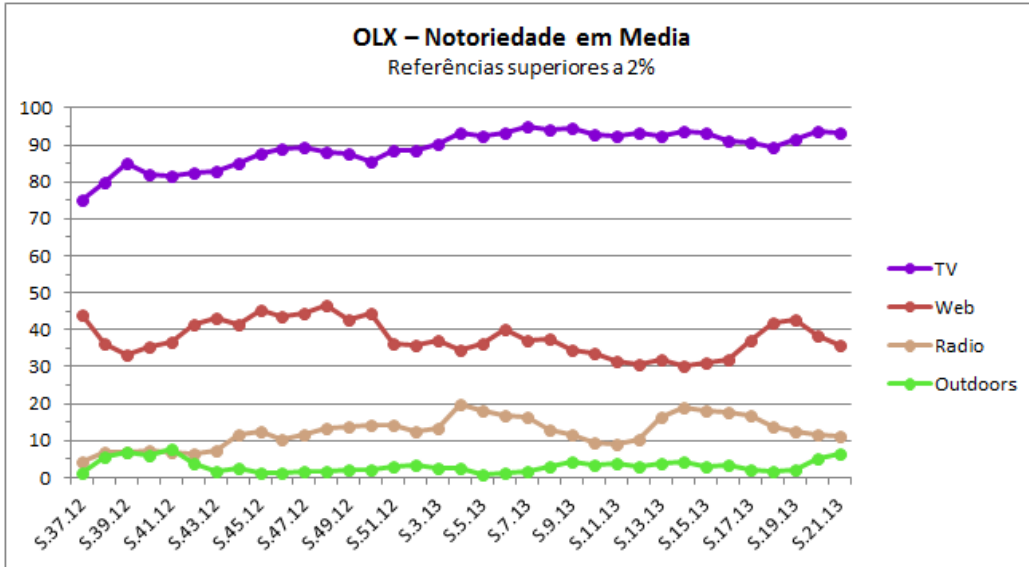
Rank	Website	Global Rank	Category
1	Facebook.com	...	Internet and Telecom > Social Network
2	Google.pt	...	Internet and Telecom
3	Youtube.com	...	Arts and Entertainment > TV and Video
4	Google.com	...	Internet and Telecom > Search Engine
5	Live.com	...	Internet and Telecom > Email
6	Sapo.pt	...	News and Media
7	Olx.pt	...	Shopping > Classifieds

⁴⁵ Source: Similarweb Website. Available at: <http://www.similarweb.com/country/portugal>

Exhibit 6: Advertising Effects

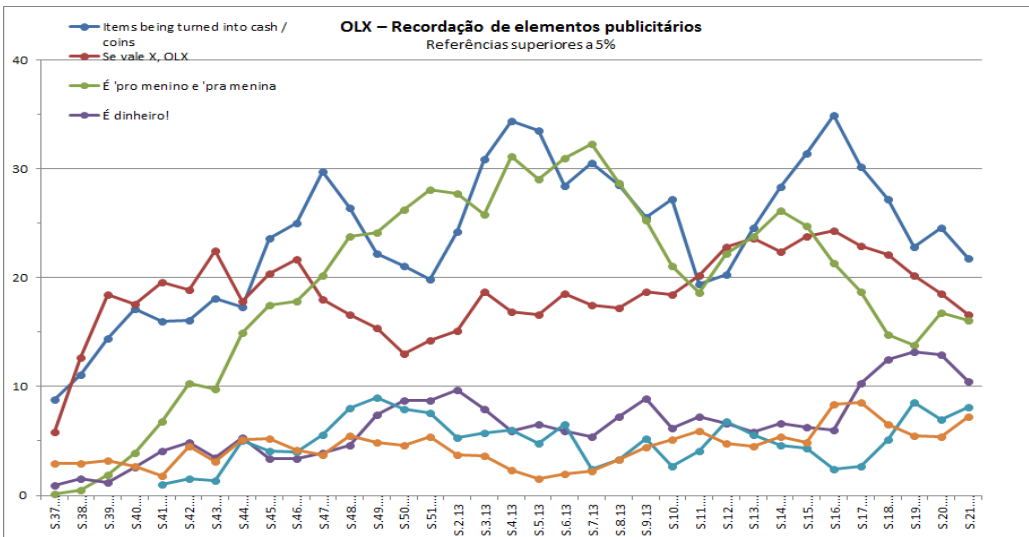
6.1 By Media channels ⁴⁶

- From 37th week of 2013 to 21st week of 2013



6.2 By Different Key Features

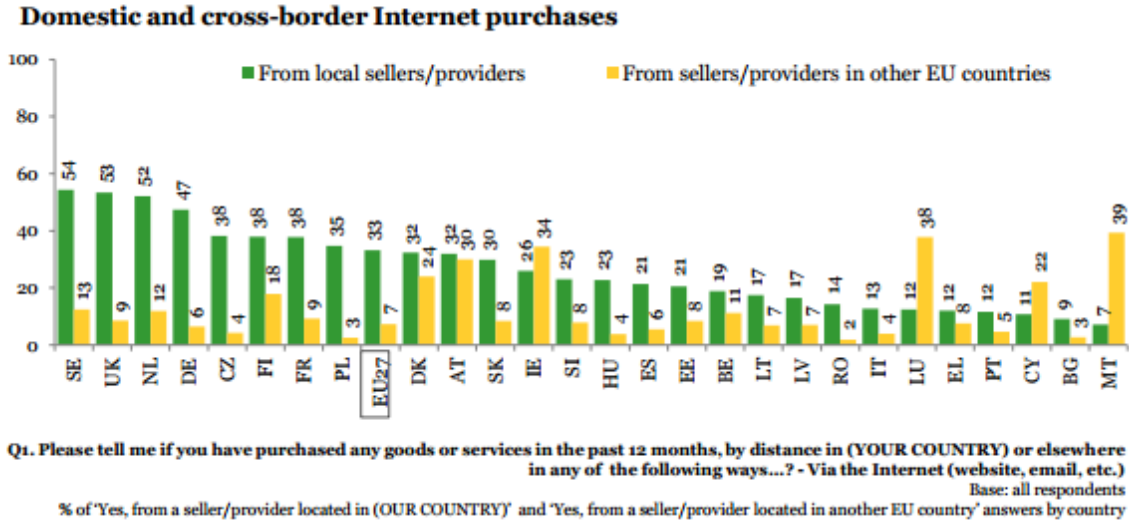
- From 37th week of 2013 to 21st week of 2013



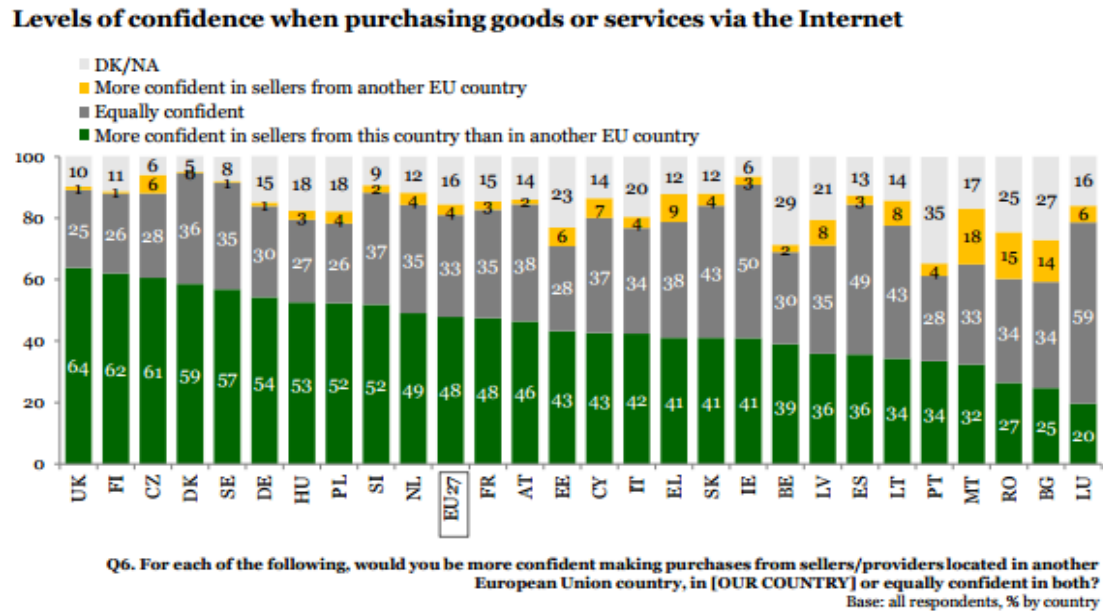
⁴⁶ Source: The presented tables were sent by JWT and made by Marktest

Exhibit 7: European Commission Information

7.1 Domestic and cross-border internet purchases⁴⁷



7.2 Levels of confidence when purchasing goods or services via the Internet



⁴⁷ Source: The presented tables were collected from the European Commission Report, "Consumer attitudes towards cross-border trade and consumer protection: Analytical Report". Available at: http://ec.europa.eu/public_opinion/flash/fl_299_en.pdf

Exhibit 8: PORDATA Information

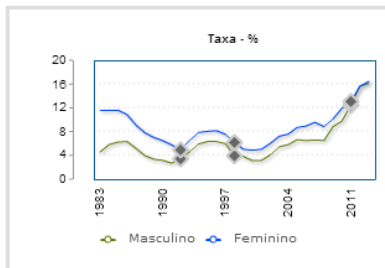
8.1 Unemployment rate: total and by gender (%)⁴⁸

Taxa de desemprego: total e por sexo (%) - Portugal

Taxa - % [ver mais](#)

Anos	Sexo		
	Total	Masculino	Feminino
+ 1983	7,6	4,6	11,6
+ 1990	4,6	3,2	6,5
2000	3,9	3,1	4,9
2001	4,0	3,2	5,0
2002	5,0	4,1	6,0
2003	6,3	5,5	7,2
2004	6,7	5,8	7,6
2005	7,6	6,7	8,7
2006	7,7	6,5	9,0
2007	8,0	6,6	9,6
2008	7,6	6,5	8,8
2009	9,5	8,9	10,2
2010	10,8	9,8	11,9
2011	± 12,7	± 12,4	± 13,1
2012	15,7	15,7	15,6
2013	16,3	16,1	16,4

Fontes/Entidades: INE, PORDATA
Última actualização: 2014-02-07



Fontes/Entidades: INE, PORDATA
Carregue no gráfico para ver em detalhe

⁴⁸ Source: Pordata website. Available at: [www.pordata.pt/Portugal/Agregados+domesticos+privados+com+computador++com+ligacao+a+Internet+e+com+ligacao+a+Internet+atraves+de+banda+larga+\(percentagem\)-1158](http://www.pordata.pt/Portugal/Agregados+domesticos+privados+com+computador++com+ligacao+a+Internet+e+com+ligacao+a+Internet+atraves+de+banda+larga+(percentagem)-1158)

8.2 Family spending by services and goods⁴⁹

Despesas de consumo final das famílias no território económico por tipo de bens e serviços

Anos	Total	Produtos alimentares e bebidas não alcoólicas	Bebidas, álcool, tabaco e derivados	Vestuário e calçado	Manutenção, água, electricidade, gás e outros combustíveis	Associação para o habitação e manutenção corrente da habitação	Sociedade	Transporte	Comunicações	Lazer, recreação e cultura	Educação	Restaurante e hotéis	Bens e serviços diversos
1995	57 720,3	10 616,6	2 229,8	3 929,0	7 772,9	3 325,5	2 097,9	8 423,9	1 266,7	4 520,9	539,9	6 265,5	5 414,3
1996	61 097,2	11 151,1	2 424,4	4 124,9	8 252,7	4 231,1	2 792,4	9 025,7	1 388,0	4 967,1	603,6	6 582,5	5 565,6
1997	65 375,2	11 465,5	2 426,5	4 369,0	8 792,3	4 837,3	2 991,8	9 823,9	1 586,5	5 207,8	696,9	7 663,0	6 007,8
1998	70 742,9	12 554,5	2 627,7	4 693,3	9 259,8	4 968,8	3 095,7	11 092,8	1 713,4	5 677,4	794,2	7 746,5	6 395,5
1999	76 204,5	13 053,0	2 784,7	4 895,1	9 893,0	5 372,0	3 099,9	12 264,0	1 881,1	6 208,1	795,2	8 092,4	7 202,7
2000	82 020,8	13 648,9	2 825,6	5 175,9	10 646,0	5 751,3	3 784,9	13 489,7	2 151,7	6 796,6	857,0	8 844,2	7 990,9
2001	88 303,2	14 781,1	3 113,0	5 365,1	11 338,6	5 885,1	3 825,5	13 990,3	2 484,4	6 862,0	935,5	9 423,0	8 284,6
2002	89 562,2	15 311,3	3 261,1	5 617,7	12 115,6	6 207,9	4 267,1	13 222,6	2 465,5	7 021,1	894,4	9 917,7	8 597,2
2003	91 779,9	16 329,1	3 379,9	5 811,6	12 890,4	6 708,4	4 842,2	13 898,8	2 862,9	7 303,9	1 003,9	10 602,5	9 197,6
2004	99 707,4	16 340,6	3 425,9	6 043,0	13 796,2	6 265,1	4 890,6	13 817,7	3 167,6	7 802,2	1 000,0	10 800,5	9 881,3
2005	100 782,2	16 529,9	3 593,3	6 165,7	14 521,9	6 492,7	5 075,1	14 292,2	3 284,8	7 724,3	1 165,5	11 095,5	10 482,2
2006	105 800,9	17 338,5	3 741,1	6 329,9	15 083,7	6 779,5	5 320,1	15 252,3	3 373,4	7 900,9	1 217,6	11 601,1	11 788,9
2007	111 936,4	18 139,6	3 423,9	6 591,0	15 991,3	7 104,4	5 696,5	16 070,8	3 426,9	8 198,3	1 277,2	12 304,8	13 591,7
2008	118 025,7	19 226,7	3 392,2	6 591,4	16 896,6	7 223,7	6 322,1	16 290,5	3 515,6	8 321,3	1 393,6	12 326,6	14 698,4
2009	110 447,5	18 728,1	3 357,7	6 441,5	17 208,1	6 727,7	6 441,0	13 993,4	3 291,0	8 009,5	1 434,3	12 109,0	12 064,2
2010	115 984,2	18 888,3	3 396,4	6 777,6	18 013,7	6 866,7	6 584,4	15 793,0	3 453,5	8 688,2	1 539,1	12 821,6	12 677,8
2011	120 146,2	19 037,0	3 484,9	6 914,8	18 525,1	7 088,8	6 521,0	16 153,6	3 588,8	8 871,8	1 591,5	13 218,5	13 256,0

Fonte: Estatística da PORDATA
Última actualização: 2013-12-20

Símbolos

- Valor preliminar
- Valor não disponível
- Valor previsto
- Valor revisado
- Valor corrigido
- Valor estimado
- Valor ajustado
- Valor corrigido
- Valor estimado
- Valor ajustado
- Valor estimado
- Valor ajustado
- Valor estimado
- Valor ajustado

⁴⁹ Source: Pordata Website. Available at: <http://www.pordata.pt/Portugal/Despesas+de+consumo+final+das+familias+no+territorio+economico+por+tipo+de+bens+e+servicos-84>

8.3 Private households with computer with internet access and with broadband internet access⁵⁰

Agregados domésticos privados com computador, com ligação à Internet e com ligação à Internet através de banda larga (%) em Portugal

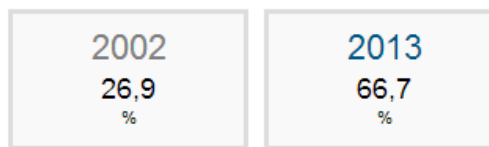
Proporção - %

[ver mais](#)

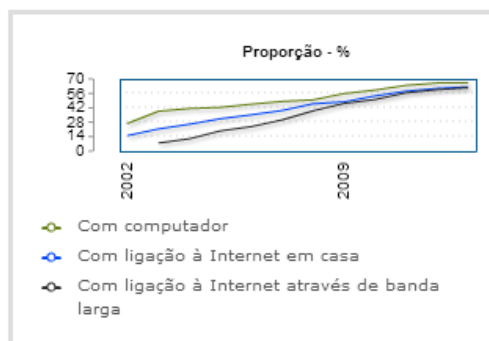
Anos	Agregados domésticos privados		
	Com computador	Com ligação à Internet em casa	Com ligação à Internet através de banda larga
2002	26,9	15,1	x
2003	38,6	21,7	7,9
2004	41,3	26,2	12,3
2005	42,5	31,5	19,7
2006	45,6	35,2	24,0
2007	48,3	39,6	30,4
2008	49,8	46,0	39,3
2009	56,0	47,9	46,2
2010	59,5	53,7	50,3
2011	63,7	58,0	56,6
2012	66,1	61,0	59,7
2013	66,7	62,3	61,6

Fontes/Entidades: INE, PORDATA

Última actualização: 2013-11-06



Com computador



Fontes/Entidades: INE, PORDATA

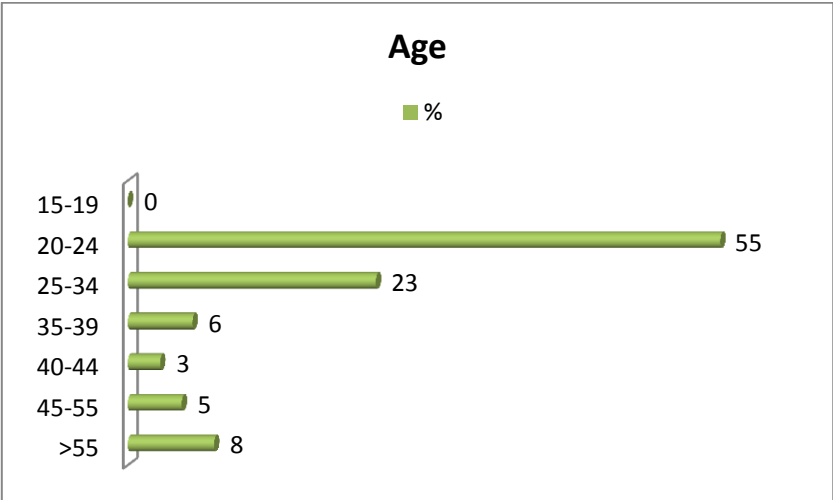
Carregue no gráfico para ver em detalhe

⁵⁰ Source: Pordata website. Available at: [http://www.pordata.pt/Portugal/Taxa+de+desemprego+total+e+por+sexo+\(percentagem\)-550](http://www.pordata.pt/Portugal/Taxa+de+desemprego+total+e+por+sexo+(percentagem)-550)

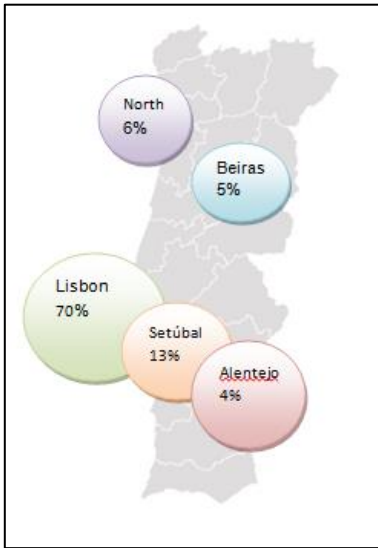
Exhibit 9: Survey Analysis

9.1. Demographics

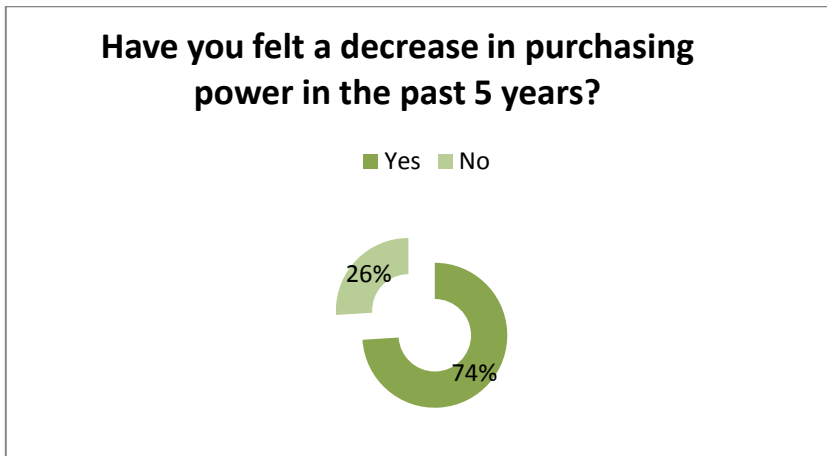
9.1a Age



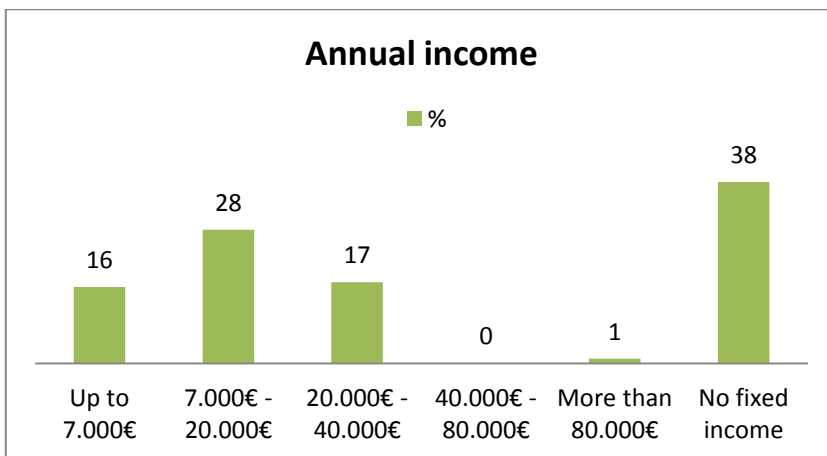
9.1b Regional Location



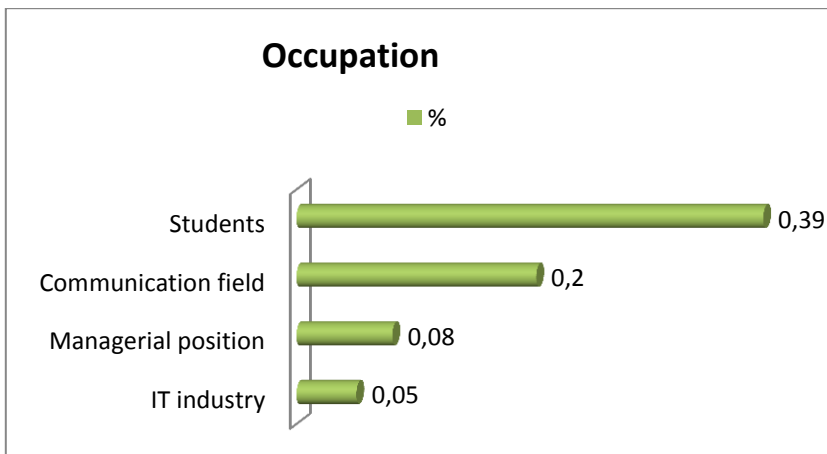
9.1c Decrease in purchasing power over the past 5 years



9.1d Annual income

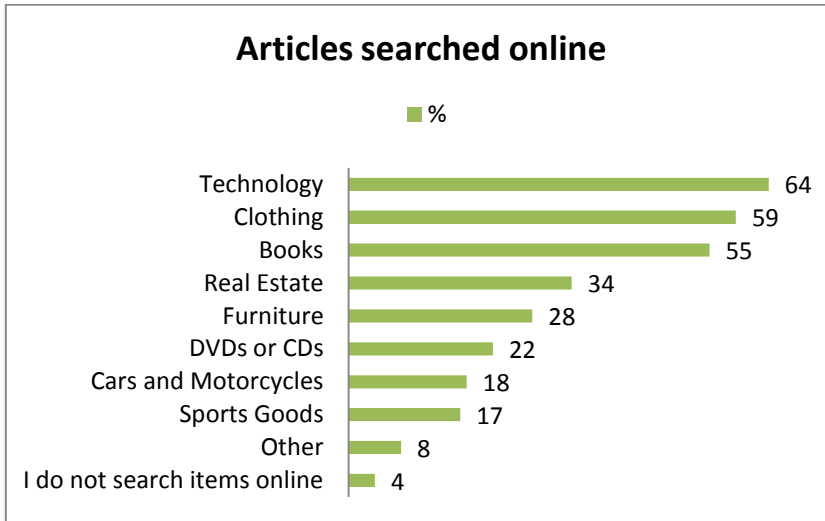


9.1e Occupation

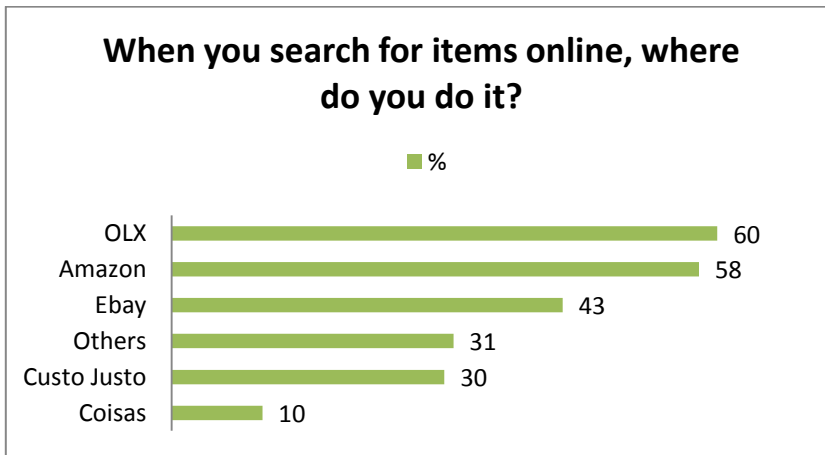


9.2. Internet habits

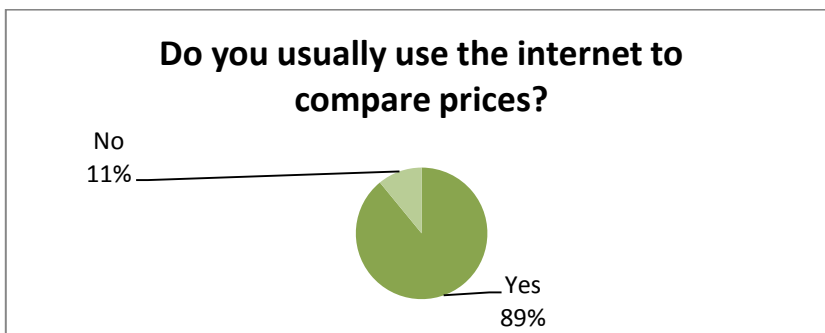
9.2a The articles that people usually search online



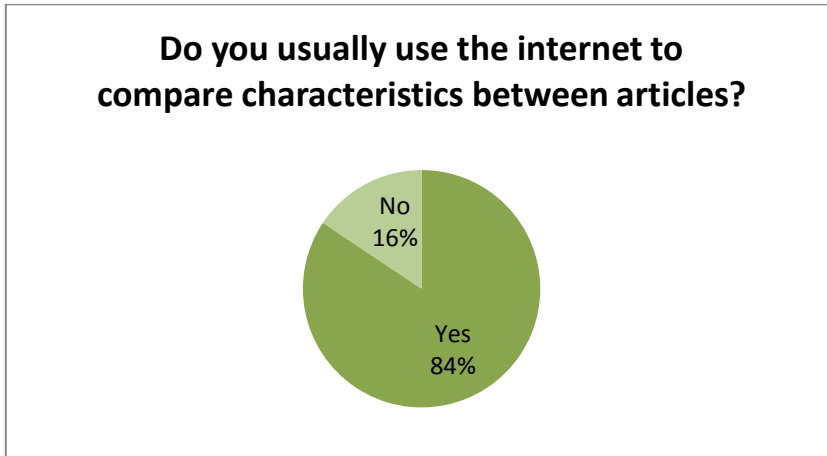
9.2b The websites used for searching items online



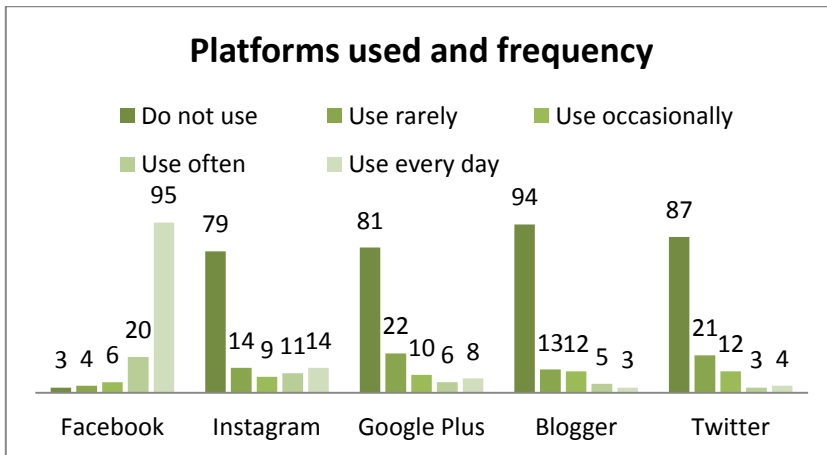
9.2c Using the internet for comparing prices



9.2d Using the internet for comparing characteristics between products



9.2e The platforms used and with what frequency

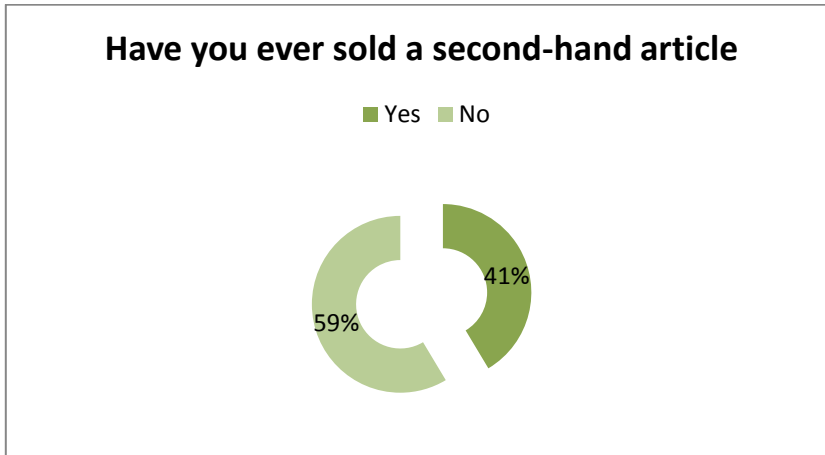


9.2f Perceived security online, on specific websites, from 1-10

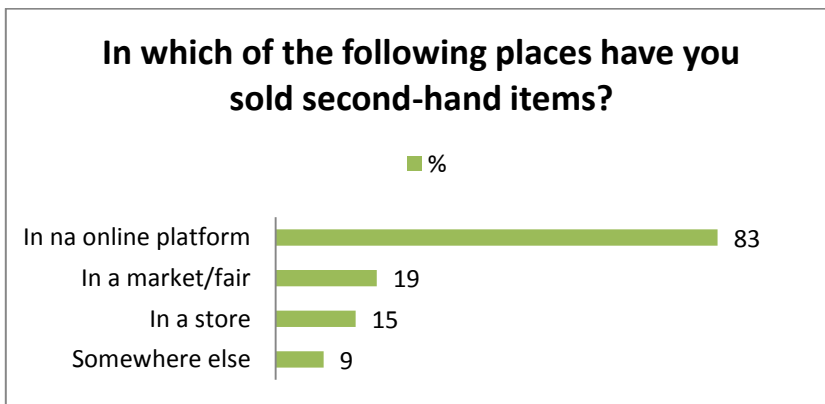


9.3. Second-hand selling

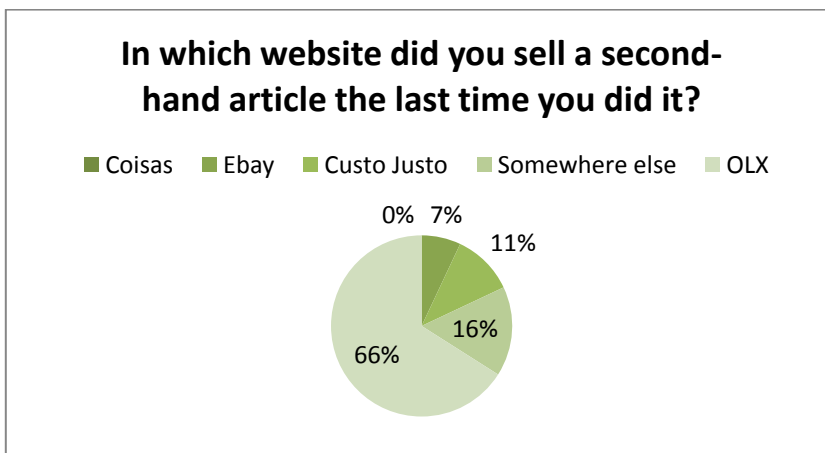
9.3a Percentage of people who have sold a second-hand article



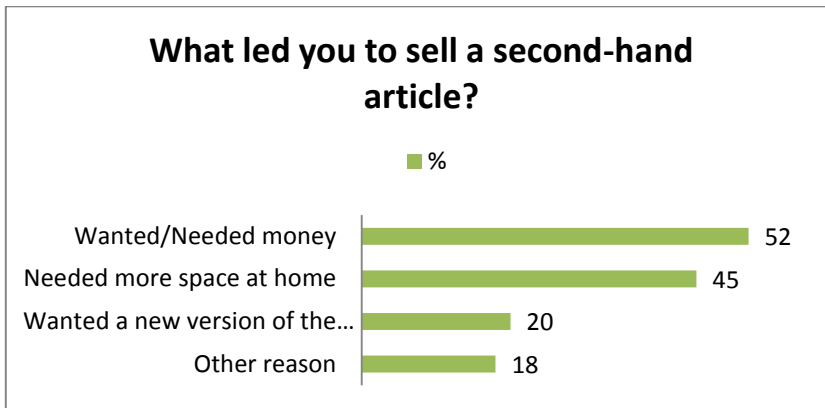
9.3b The places where people sell second-hand articles



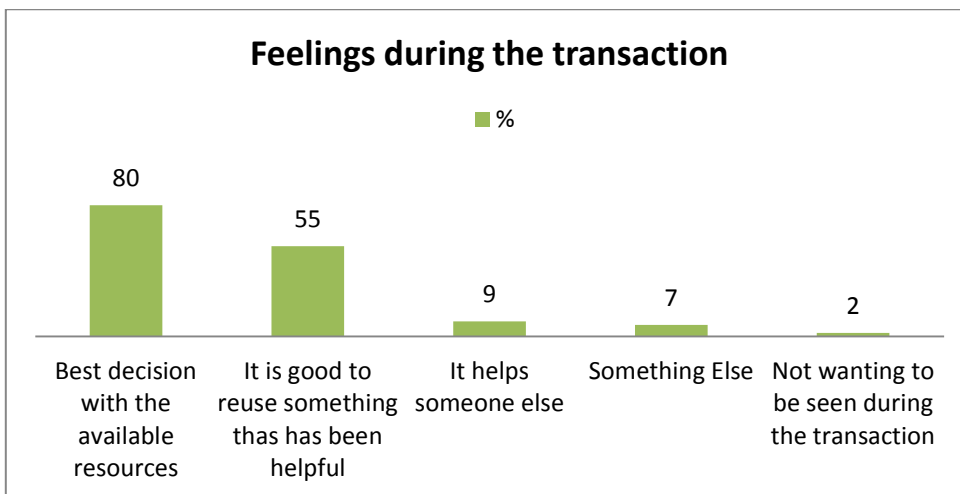
9.3c Websites where people have sold a second-hand product the last time they did so



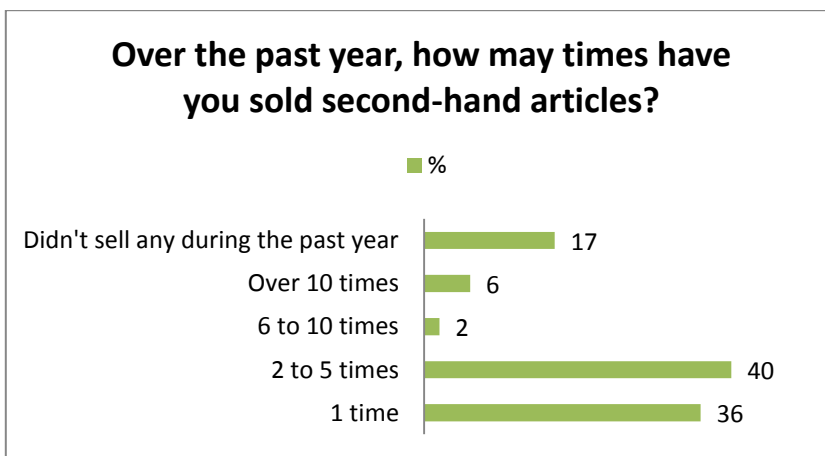
9.3d The reasons that led people to selling second-hand products



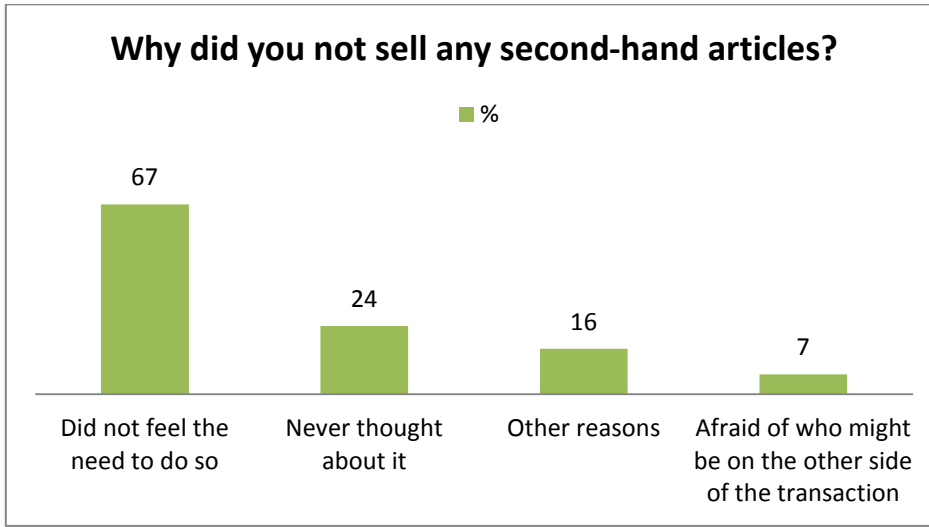
9.3e Feelings associated to the transaction



9.3f Frequency of selling second-hand articles

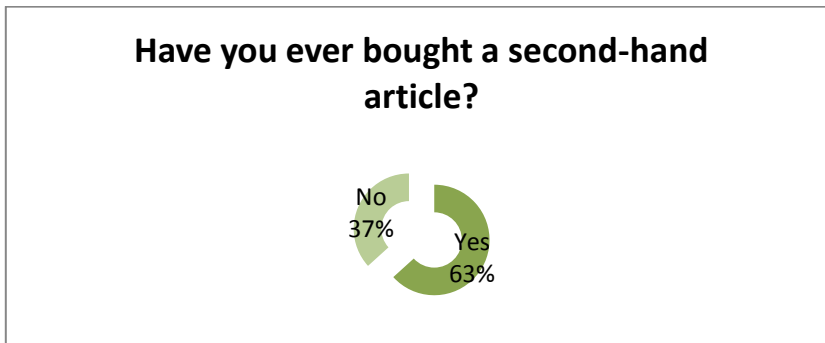


9.3g The reasons associated to not selling second-hand products



9.4. Buying second-hand

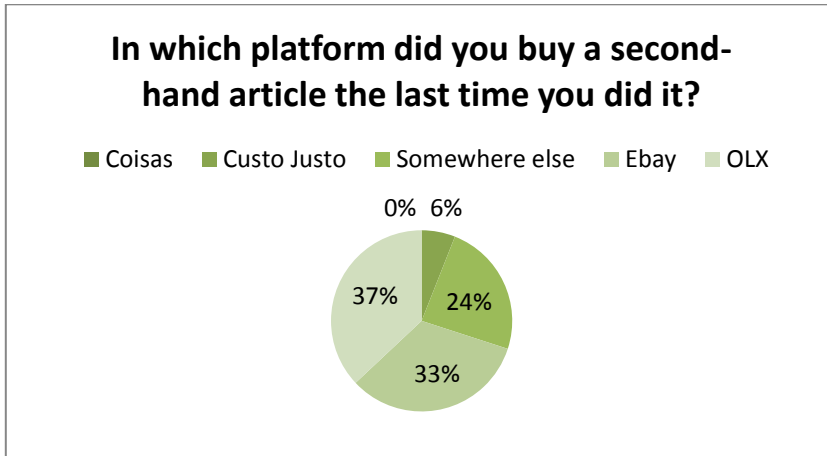
9.4a Percentage of people who have bought a second-hand article



9.4b The places where people bought second-hand articles



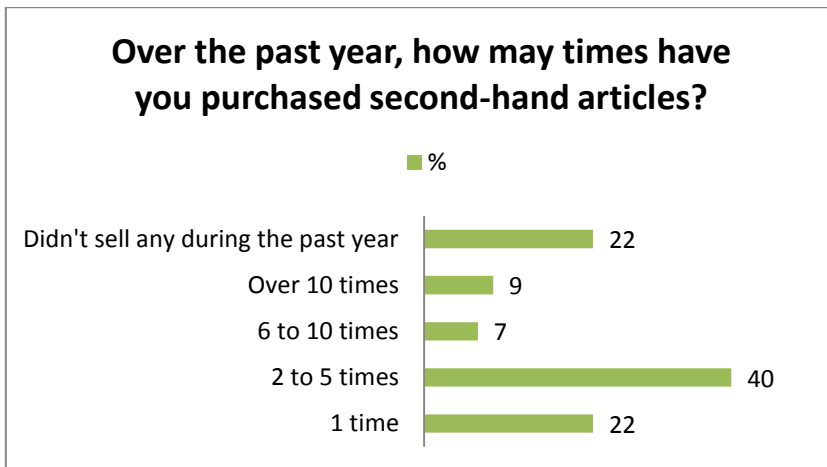
9.4c Websites where people have bought a second-hand product the last time they did so



9.4d The reasons that led people to purchasing second-hand products



9.4e Frequency of purchasing second-hand articles

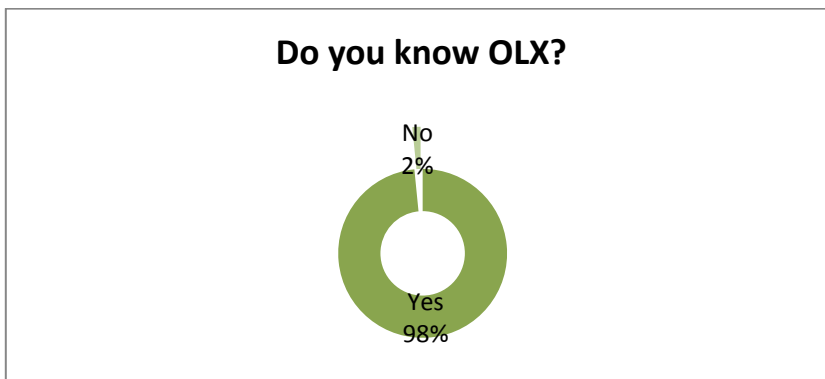


9.4f The reasons associated to not purchasing second-hand products

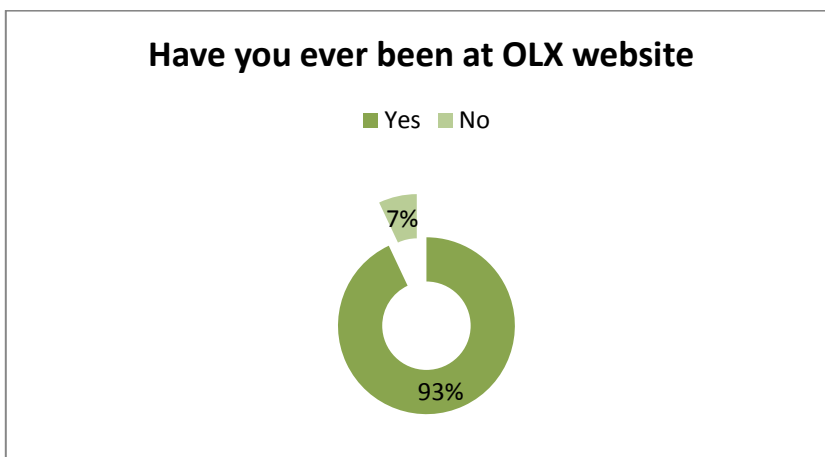


9.5. OLX

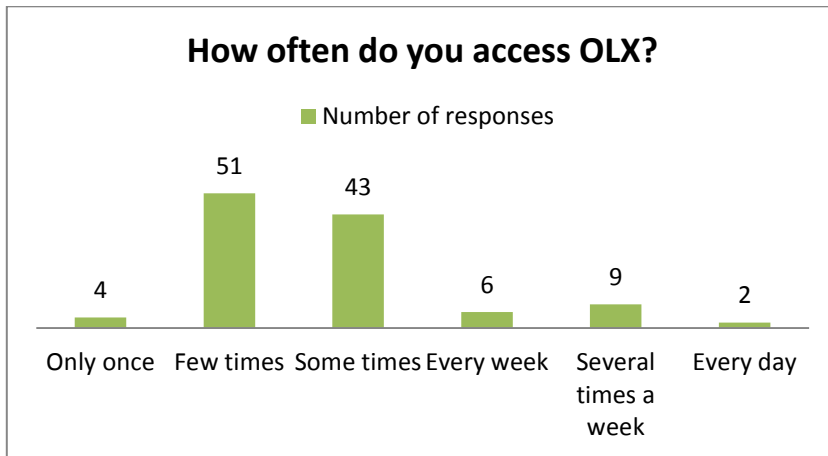
9.5a Percentage of people who know OLX



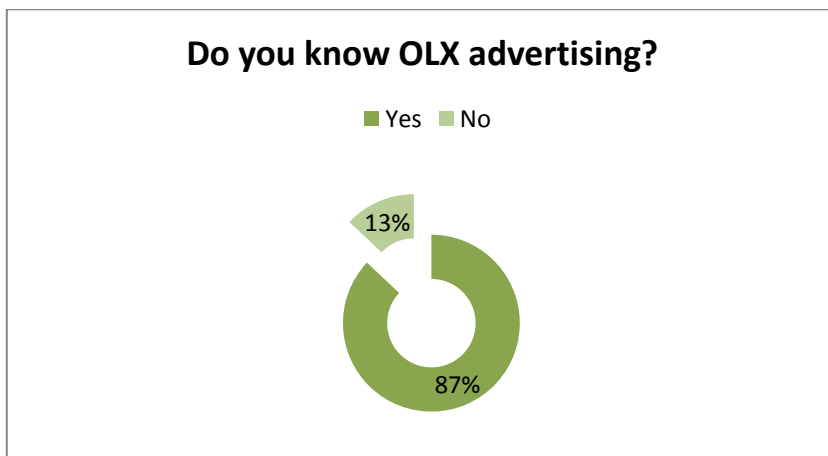
9.5b Percentage of people who have visited OLX website



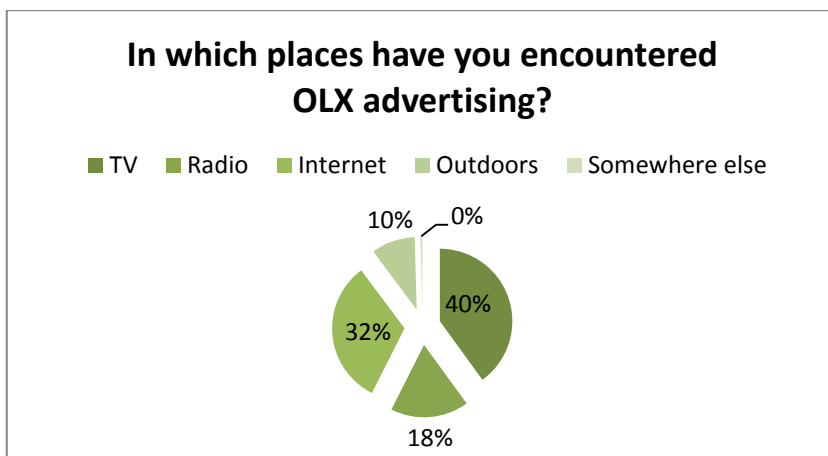
9.5c Frequency of use of OLX



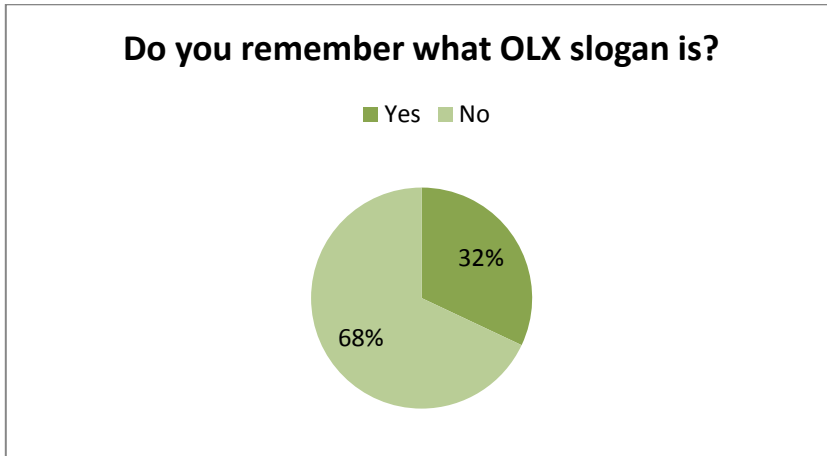
9.5d Percentage of people who know OLX advertising



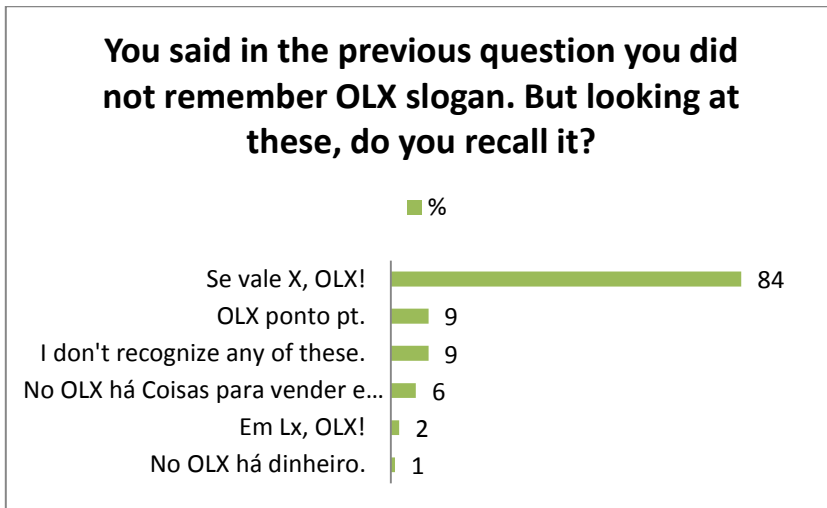
9.5e Places where people have encountered OLX advertising



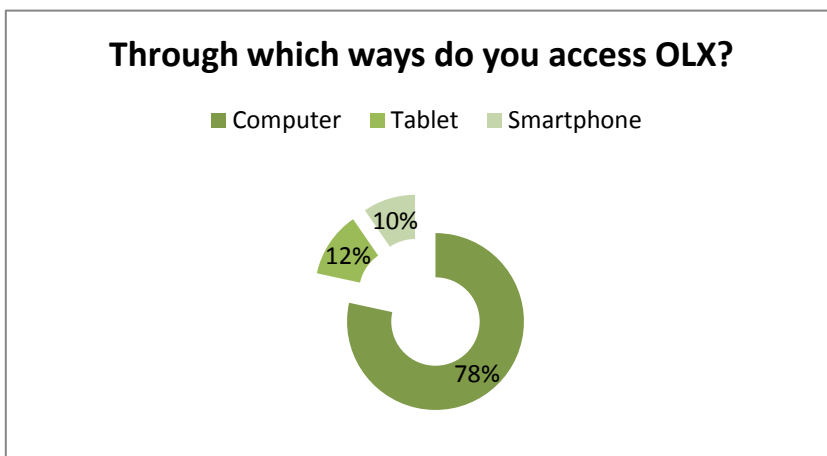
9.5f Percentage of people who said they knew OLX slogan (without any hypothesis or hint)



9.5g List of slogans chosen by those who said they couldn't remember OLX slogan



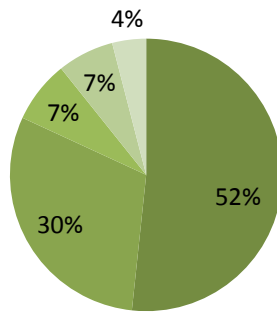
8.5h Means through which people access to OLX



8.5i Characteristics associated to OLX

Which characteristics do you associate to OLX

- Ammount of available items
- Ease of use of the website
- Security in the transaction
- None of the above
- Good quality of the articles



8 Appendices

Appendix 1: Interview Guidelines

Date: 20th of March, 2014

Where: FixeAds Offices

Interviewed: Miguel Monteiro, OLX Site Manager at FixeAds

1. Brief discussion about the dissertation objectives and the purpose of the case study;
2. Open conversation about the structure of the company and the history of OLX in Portugal;
3. Semi-structured interview, with the following questions:
 - What is OLX, in the eyes of FixeAds?
 - What is the business model of this type of platform?
 - When OLX arrived to Portugal, which were the main challenges for a brand like this?
 - Main competitors, customer's mindset;
 - What is OLX competitive advantage?
 - What led you to the 2012 advertising campaign?
 - Before developing the campaign, did you undergo any market research?
 - What was the strategy adopted in your communication?
 - For example, to whom did you want to communicate; in which way did you want to reach people; what effects were you aiming to;
 - In relation to what you anticipated as a result, how close were you from your objectives?
 - Was there an immediate reaction to the product, or do you consider that it took some time for people to get used to it?
 - In the context of this industry, what factors constitute success?
 - For example: credibility, a lot of new clients, profitability;
 - What do you consider to be important in the future, in order to keep on being successful?

Appendix 2: Survey

Q1 Dear participant,

First of all, I would like to thank you for participating in this survey. This is part of a research conducted for my Master thesis at Católica-Lisbon School of Business and Economics. The following questions will help me to better understand the habits of buying and selling in Portugal. In order to get more accurate results, I would like to ask you not to do any online research while answering. Once an answer is given, it is not possible to change it.

For this reason, please read the questions carefully before answering. The questionnaire should not take more than 10 minutes, and at the bottom center of the survey is a progression bar that will help you understand how much of the survey has been completed. Your answers will be treated anonymously.

Q35 At the bottom center of the survey there is a progress bar that will help you realize how much of the investigation has been completed and how much there is still to fill. To proceed, click on the button at the bottom right of the investigation. This button serves to validate all of your responses throughout the whole questionnaire.

Q3 Which of the following items do you usually search for online? Select all the options that are valid.

- Clothing
- Furniture
- Real Estate
- Technology
- DVDs or CDs
- Books
- Cars and Motorcycles
- Sports Goods
- I do not usually search for items online
- Others. Which ones? _____

Answer If: Any item is selected

Q7 When you research for items online, in which of the following websites do you usually do it?

- Amazon
- Custo Justo
- Ebay
- OLX
- Coisas
- Others. Which ones? _____

Q4 Do you usually use the internet to compare prices of items?

- Yes
- No

Q5 Do you usually use the internet to compare characteristics between articles?

- Yes
- No

Q6 Have you ever sold any second-hand article?

- Yes
- No

Answer If: the person has sold any second-hand item

Q8 In which of these places have you sold the second-hand article/articles?

- In a market/fair
- In an online platform
- In a store
- Somewhere else. Where? _____

Answer If: the person chooses the option "online platform"

Q9 Think of the last time you sold something second-hand online. In which of the following platforms did you do it?

- Coisas
- OLX
- Custo Justo
- Ebay
- Somewhere else. Where? (_____)

Answer If: the person chooses the option "online platform"

Q11 That last time you sold something online, why did you do it? You can choose more than one option.

- You wanted to buy a new version of that article
- You wanted / needed some money
- You needed to have more space at home
- Other reason. Which one? _____

Answer If: the person chooses the option "online platform"

Q12 How did you feel during the transaction? Choose all options that you consider valid:

- That you were helping someone
- That it was good to reuse something that has been helpful in the past
- You did not want anyone to see what you were doing
- That you were doing the best you could with the resources you had
- Something else. What else? _____

Answer If: the person has sold any second-hand item

Q10 How many times have you sold second-hand articles?

- 1 time
- 2-5 times
- 6-10 times
- > 10 times
- You did not sell any second-hand item last year

Answer If: the person has not sold any second-hand item

Q13 Why did you never sell a second-hand article? Choose all the options that you consider to be valid:

- You did not feel the need to do it
- You don't want people to know you are selling second-hand goods
- You are afraid of who might be on the other side of the transaction
- You never thought about it
- Other reasons. Which ones? _____

Q14 Have you ever bought a second-hand article?

- Yes
- No

Answer If: the person has bought a second-hand item

Q15 In which of these places have you purchased this second-hand article/articles?

- In a market/fair
- In an online platform
- In a store
- Somewhere else. Where? _____

Answer If: the person chooses the option “online platform”

Q16 Think about the last time you bought a second-hand article online. In which of the following platforms did you do it?

- Coisas
- OLX
- Custo Justo
- Ebay
- Somewhere else. Where? _____

Answer If: the person has bought a second-hand item

Q18 Why did you make your last purchase for a second-hand article? Choose all the options that you consider to be valid:

- To help the environment
- Because you wanted to buy something vintage / antique
- Because you wanted to buy something unique
- To save money
- Because the product you wanted was no longer for sale in stores
- Other reason. Which one? _____

Answer If: the person has bought a second-hand item

Q17 How many times have you bought second-hand articles in the last year?

- 1 time
- 2-5 times
- 6-10 times
- > 10 times
- You did not buy second-hand items last year

Answer If: the person has not bought a second-hand item

Q19 Why have you never bought a second-hand item?

- You do not feel the need to do so
- You fear that the product will not have the desired quality
- You do not want people to know that you are using second-hand goods
- You fear the person who is on the other side of the transaction
- You never thought about it
- Other reason. Which one? _____

Q20 Do you know OLX?

- Yes
- No

Answer If: the person indicated to know OLX

Q47 Have you ever visited the website OLX?

- Yes
- No

Answer If: the person visited OLX

Q21 Indicate how often you access OLX:

	Only visited the site once	Been there a few times, but not many	Go there from time to time	Go every week	Go several times a week	Go every day
Frequency of access to OLX	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Answer If: the person visited OLX

Q22 Through which ways do you access OLX? Select all answers that are valid.

- Computer
- Smartphone
- Tablet

Answer If: the person knows OLX

Q23 Which of the following characteristics do you associate to OLX?

- Big amount of available items
- Good quality of the items available
- Security in the transaction
- Ease of use of the website
- None of the above

Q37 From all the online pages that are here presented, indicate all those you know:

- OLX
- Custo Justo
- Ebay
- Asos
- Zara
- Amazon
- Coisas
- I don't recognise any of the above mentioned brands

Answer If: any of the previous websites is selected

Q45 Indicate how safe would you feel making purchases (s) on the following page (s), on a scale from 0 to 10 (0 = not safe at all, 10 = very safe)

Answer If: the person indicated to know OLX

Q38 OLX

_____ 0-10

Answer If: the person indicated to know Custo Justo

Q39 Custo Justo

_____ 0-10

Answer If: the person indicated to know Ebay

Q40 Ebay

_____ 0-10

Answer If: the person indicated to know Asos

Q41 Asos

_____ 0-10

Answer If: the person indicated to know Zara

Q42 Zara

_____ 0-10

Answer If: the person indicated to know Amazon

Q43 Amazon

_____ 0-10

Answer If: the person indicated to know Coisas

Q44 Coisas

_____ 0-10

Answer If: the person indicated to know OLX

Q24 Do you know any advertising campaigns from OLX?

- Yes
- No

Answer If: the person indicated to know OLX's advertising campaigns

Q25 In which of the following media have you encountered OLX advertising?

- TV
- Radio
- Internet
- Outdoors
- Somewhere else. Where? _____

Answer If: the person indicated to know OLX

Q27 OLX, like many other brands, has a slogan. Do you know which one it is?

- Yes. It is the following one: _____
- No

Answer If: the person indicated not to know OLX's the slogan

Q48 In the previous question you indicated you did not know which signature OLX had. From the options mentioned below, indicate if any of these signatures seem to belong to OLX's:

- Em Lx, OLX!
- OLX ponto pt.
- No OLX há dinheiro.
- Se vale X, OLX!
- No OLX há Coisas para vender e comprar.
- I don't recognize any of the above mentioned.

Q46 Indicate your job/occupation:

Q28 Over the past five years, did you feel any decrease in your purchasing power?

- Yes
- No

Q29 What is your annual income?

- Up to 7,000 €
- Between 7,000 € and 20,000 €
- Between 20,000 € and 40,000 €
- Between 40,000 and 80,000 €
- More than 80,000 €
- I have no fixed income

Q30 Do you like to keep up-to-date with the latest technology?

- Yes
- No

Q31 Please indicate the city where you live:

Q32 Please indicate your age group:

- 15-19
- 20-24
- 25-34
- 35-39
- 40-44
- 45-55
- > 55

Q33 Please indicate, from 1 to 4, the social media platforms that you usually use in your day-to-day (if you do not use any of these, please give them the value of 0.)

	0 - You do not use	1 - You use them just a little	2 - You use them occasionally	3 - You use it often	4 - You use it everyday
Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Instagram	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Google Plus	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Blogger	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Twitter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q34 Finally, I would ask you to press one more time in the button standing at the bottom right, to finish filling out this survey successfully. Thank you for your dedication and for your replies. Your participation contributes significantly to the success of this research.

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- eBay: <http://pages.ebay.com/help/>
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- Similar Web: <http://www.similarweb.com/country/portugal>
- Prémios Eficácia: <http://www.premioseficacia.org/casos/olx-institucional/>
- Pordata:
[http://www.pordata.pt/Portugal/Taxa+de+desemprego+total+e+por+sexo+\(percentagem\)-550](http://www.pordata.pt/Portugal/Taxa+de+desemprego+total+e+por+sexo+(percentagem)-550)

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