Marketing Metrics in the Wine Retailing Industry

Vincenzo Basile[*], *Simone Luongo*[**], *Karin Reinhard* [***]

Abstract

Over the years, many companies integrated the Key Performance Indicators (KPIs) tools, into their reporting activities, leading to a deep transformation of the business models and marketing strategies. This study has dual aims: first, to recognize and validate the studies on Marketing Performance Measurement (MPM) in the wine retailing industry; second, to examine the relationships among the firm's efforts to apply marketing metrics and some characteristics of the competitive environment. To reach these research aims, data on the overall 31 wineries were collected and analyzed in three different countries. The main research tool is the structured questionnaire that considers three different marketing metrics dimensions, that is transactional, attitudinal and web customer metrics. Subsequently, by a structural equation method (PLS-PM), it will be statistically estimated the weight of marketing metrics in the wine retailing industry.

Keywords: Marketing Performance Measurement; Wine Industry; Marketing Metrics; Retailing Industry; Global Markets

1. The Role of Marketing in the Wine Industry

Consumer behaviour has evolved not just in purchasing patterns but also in consumption practices. The coronavirus has expedited several key facets of consumer behaviour and its impact on new European industrial strategies is very strong (Brondoni et al., 2020). Our world has been upended and has gone more and more virtual: education, work and even casual hangouts with friends are now all conducted online. Yes, the world will eventually revert to physical interaction, but

[*] Assistant Professor of Economics and Business Administration, University Federico II of Naples (vincenzo.basile2@unina.it).
[**] Researcher in Management, University Federico II of Naples (simone.luongo@unina.it)
[***] Full Professor of International Business, Baden Wuerttemberg Cooperative State University Ravensburg (reinhard@dhbw-ravensburg.de)

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there will be serious lasting changes to all consumer behavior. In the contemporary landscape, consumers benefit from a multitude of information channels infomediaries, comparison sites, user-generated content, and diverse promotional materials empowering them to compare prices and select the most appealing offer. A recent study by the American Marketing Association[1], argues: *"There are more devices connected at lightning speeds and enabled with more capabilities than we could even imagine just a few years ago. This isn't about more technology, it's about what people can and will derive from instant access, connectivity, and openness."*

The retailer strives to establish an enduring connection with consumers through means such as loyalty cards, social media engagement, and text messaging, all geared towards offering high-quality products with a diverse range. In this context, the pertinent Key Performance Indicators (KPIs) play a crucial role by supporting and enhancing the relationship with consumers, as they uncover significant insights into consumer trends and customer behaviour. Additionally, consumers now have a broader array of choices, intensifying competition, while convergence across industries has reshaped the competitive landscape. To sustain profitability, numerous firms, particularly in the retail sector, have pivoted their investment strategies, seeking innovative business models to generate and seize value. Traditional retailing metrics for measuring growth and profitability are becoming obsolete in the digital economy. According to Deloitte's report[2] retail managers should consider adopting new, more comprehensive metrics that better reflect current challenges. Or better, the metrics could be holistic, inclusive, value-driving, operational, and balanced. The best customer-centric retailers[3] today founded our competitive advantages across the use of different channels. Being customer-centric is not only about having a "think digital-first" mindset. Instead, retailers need to integrate business best practices with marketing best practices to profit from a holistic framework of their customers. The main factors that strongly affect customer-centric retailers include:

- The potential for self-disruption.
- The investments in technology (startups, trending technologies – IoT, VR, AI, and data).
- To put the customer first (customer insights define campaigns, brand direction, and merchandising/manufacturing).
- To answer their consumers' needs for immediacy with a speed-to-market approach.

Furthermore, in the past thirty years, important changes occurred in the wine industry in terms of wine quantities produced and consumers' quality expectations. Consequently, the wineries have had to remodel their competitive strategies, also considering the role of wine and food products in the tourism industry (Reitano et al., 2017). Furthermore, international trade has grown considerably, and this has led to a more complex world market in which the balance of the main producing countries is strongly influenced by global export performance (Brondoni, 2008). Countries with a strong export orientation have increased, thanks to new producers who are now

commonly defined, as the "new world of wine", which mainly belong to the United States, Australia, Argentina, Chile, New Zealand, and South Africa. The rise in the international market of these countries has led to a new competitive scenario for the producing countries of the European Union. The group of new wine countries is truly heterogeneous, and the wine industry is today not only more articulated due to the presence of new exporters, but it is also more complex because new types of business models have emerged for companies at all levels of the supply chain (Zúñiga et al., 2003, Zampi, 2003; ISMEA, 2004). The world wine market has excellent growth trends. The international wine-growing area reached 7.4 million hectares4 at the end of 2018, with a world production of grapes of 78 million tons. Spain is the leader in vines, followed by China, France, and Italy according to the 42nd World Congress of Vine and Wine de l'Organisation Internationale de la Vigne et du Vin (OIV). The world production of wine in the world, in 2018, reached 292 million hectoliters. The three main producing countries are Italy, at 54.8 million hectoliters, France (48.6 million hectoliters) and Spain (44.4 million hectoliters). Global wine consumption, however, in 2018 reached 246 million hectoliters. The three main countries of consumption are the USA (33 million hectoliters of wine), France (26.8 million hectoliters) and Italy (22.4 million hectoliters). Exports remained stable at 108 million hectoliters, and the same with the value share, in 2018 at 31 billion euros. The main exporting countries by volume are Spain, with 21.1 million hectoliters, Italy (19.7 million hectoliters) and France (14.1 million hectoliters). While the main value export, countries are France with 9.3 billion euros, Italy (6.1 billion euros) and Spain (2.9 billion euros)5. The main importing countries by volume are Germany, with 14.7 million hectoliters, with Great Britain in second place at 13.2 million hectoliters and the USA in third place, at 11.5 million hectoliters. The main value-importing countries are instead: the USA with 5.3 billion euros Great Britain (3.5 billion euros) and Germany (2.6 billion euros). In this dynamic economic landscape marked by swift changes, firms are compelled to adapt their strategic choices and meticulously allocate resources, especially those designated for marketing. Recent research, such as that by Del Mar Alonso-Almeida & Bremser (2013), indicates that increasing marketing investments occasionally perceived erroneously as mere costs, can alleviate the impact of crises within the retail industry. To better understand the evolution of the wine industry, it is necessary to identify the forces that are driving the change and that determine the transformations in the geographical distribution of production and the competitive position of individual countries. These forces are essentially four: the shifting demand, the increasing retail power, the increasing brand's importance, and the competition's intensiveness (Heijbroek, 2003). In the future, it must also be considered that the market evolution will depend, mainly, on the dynamics of demand associated with new consumer habits. Furthermore, the wine business competes in a beverage market which, in developed countries, is now saturated, with overall consumption of around 600 litres per capita (Pomarici, 2004), and where competitors such as soft drink, mineral water and beer can develop strong competitive pressure. Therefore, the demand for wine by consumers could be influenced by the effectiveness of the marketing actions that wine producers will be able to express in their offering systems, as well as, by other factors beyond the

control of producers. Consequently, there is a growing need to better monitor the marketing performance and customer loyalty dynamics in an increasingly competitive industry. Added to this is the use of new technologies and social media in promoting products and on sales channels, which are increasingly looking online.

2. Conceptual Framework

In the last years, the issue of marketing metrics has assumed growing importance in both empirical and theoretical terms[6]; not only the changing external environment but also the internal factors of the company have been placed firmly at the centre of the topic of marketing activities measurement by scholars and practitioners.

Contemporary markets, particularly within the retail sector (Moatti et al., 2015), exhibit distinct traits such as intense global competition, rapid technological advancements, and a burgeoning wealth of information derived from new data sources like CRM databases, loyalty programs, and fidelity cards. Moreover, as the business impact of the COVID-19 crisis mounts, firms in every industry are moving urgently to protect their business. Governments are mobilizing to safeguard citizens and manage the economic fallout. Immediate action is critical, but firms must also embrace an innovation paradigm aimed at getting ready for what comes next. Now more than ever, the digital environment for the wineries has a crucial role to play in bolstering the business and developing both practical solutions and game-changing innovations. The Boston Consulting Group (BCG)[7], has published a study on companies and public-sector organizations around the world to manage the impact of the coronavirus, with actions ranging from rapid responses to more fundamental, strategic shifts. According to BCG's report: "The pandemic crisis and the attitudinal shifts will play a fundamental role in new consumer behaviour with a consequent increase in e-commerce." The evolving landscape demands increased innovation in both product offerings and store design, prompting firms to refine their market knowledge methods and marketing metrics. This adaptation involves learning new ways to engage within an environment progressively integrating digital technologies. The aim is to foster trusting relationships that create value for both customers and the company. Key Performance Indicators (KPIs) play a central role within a scorecard-marketing model (Kim et al., 2003). This approach follows an input-output model, tracing cause-and-effect relationships from outcomes (e.g., net contribution in marketing, sales, market share) to precursors (e.g., brand awareness, customer satisfaction, site traffic, repurchase intentions). It measures marketing performance through process metrics—anticipatory indicators of results—which serve as early warning signals for firms. These metrics enable advanced detection, acting as leading indicators of phenomena, allowing businesses to plan decisions and take corrective actions before effects impact financial outcomes (lagging indicators). The latter summarizes customer intentions to maintain brand relationships (Valdani & Ancarani, 2011; Kotler et al., 2012). For instance, measuring customer satisfaction levels (leading) permits timely diagnosis of its effects on customer loyalty, subsequently influencing sales and profitability. This proactive approach, as

highlighted by Hallowell (1996), helps businesses anticipate and address impacts before they affect financial performance. Over the years, with the increasing complexity of markets, the marketing metrics in use in firms have evolved and increased as follows (Clark, 1999; O'Sullivan et al., 2009):

1. From an economic and financial one-dimensional measure (e.g., profit, income, costs, cash flow) to a measure of non-financial factors (e.g., customer satisfaction, brand equity, customer loyalty, market share, quality of service);
2. From measures focused on output (e.g., sales, ROI.) to input-oriented metrics (e.g., marketing audit, marketing implementation, market orientation);
3. From one-dimensional to multidimensional measures (efficiency, effectiveness, multivariate analysis).

3. Defining Marketing Metrics

In recent years, the Marketing Science Institute has considered Marketing Performance Measurement (MPM) a priority in Marketing research and managerial practice. Several contributions on the same topic have been proposed in the literature (Rust et al., 2004; Donthu et al., 2005; Sweeney et al., 2015). The Marketing Science Institute includes marketing metrics focusing on customer insight as a high research priority in the next few years (2020, 2021 and 2022). Trying to synthesize a personal definition of marketing metrics, we can argue as follows: *"The set of key performance indicators, defined a priori, to directly measure the marketing activities regularly and support the management in decision making"* (Basile, 2019, p.42). According to Kotler et al. (2012), *"Marketing metrics are several measures, indicators and benchmarks that help to quantify, compare, and interpret marketing performance"*. Therefore, it is important to understand now what is meant by Marketing Performance Measurement (MPM) *"...is the systematic management of marketing resources and processes to achieve a measurable gain in return on investment and efficiency, while maintaining quality in customer experience[8]"*. The realm of marketing metrics exists as a component within the array of performance indicators encompassing a company's overall operations. Based on the study of Sampaio et al. (2011) we can classify the overall marketing metrics in four perspectives: financial, product, market and innovation-related (see table 1 below).

Table 1: *The Main Existing Literature on Marketing Metrics*

Authors	Topic measured	Description	Metrics
Farris et al. (2006); Schultz and Schultz (2003); Kokkinaki and Ambler (1999); Davis (2007); Rosenwald (2004); Lenskold (2003)	Promotion indicators	*Contains metrics that may be directly related to the promotion process: to the customer, producer-distributor, and intermediaries*	Average Transaction Size; Purchasing on promotion; Return on advertising; Customer referrals
Davis (2007); Farris et al. (2006); Kokkinaki and Ambler (1999); Ambler and Kokkinaki (1997); Clark (1999); Rosenwald (2004); Powell (2002); Lenskold (2003); Greenberg (2001); Stone et al. (2001); Schultz and Schultz (2003)	Customer behaviour and intermediate indicators	*Entails metrics that are directly associated with customers' thoughts, attitudes, and actions*	Brand/product knowledge; Number of complaints; Customer satisfaction; Perceived quality; Customer life cycle; Number of customers; Number of contacts; Commitment/purchase intentions
Gaslene et al. (1999); Farris et al. (2006); Powell (2002); Lenskold (2003); Ross et al. (2000); Davis (2007); Clark (1999); Gruca and Rego (2005); Rosenwald (2004); Schultz and Schultz (2003); Kokkinaki and Ambler (1999)	Financial indicators	*It encompasses measurements that have an impact on the company's cash flow*	Profit/profitability; Gross margins; Discount rate; ROI; Sales volume; Marketing spending
Kokkinaki and Ambler (1999); Powell (2002); Davis (2007); Farris et al. (2006); Lenskold (2003); Rosenwald (2004)	Market and innovation indicators	*Reports, in general terms, metrics related to distributors, supply and demand*	Service/product availability; Number of new products; Market share; Price variation

Source: own elaboration.

4. Methodology

To identify and test the marketing metrics adoption in the three analysed countries it was adopted the following research design. First, the main research tool is the structured questionnaire, used to measure marketing performance; it was carried out by identifying, selecting, and analysing the main literature on the topic (conference papers, working papers and management review articles). The questionnaire generally aims to collect information on wineries such as annual wine production, profitability, number of investments in marketing and so on. More specifically, the first section of the questionnaire concerns metrics as tools for consumptive (or non-predictive) that are based on past transactions and consider profitable customers[9]; examples of transactional metrics are Customer Lifetime Value and Customer Equity. The second section of metrics concerns the sphere of sensory and consumer behaviour (or the quality measurement of the relationship with the customer by the firm); this type of

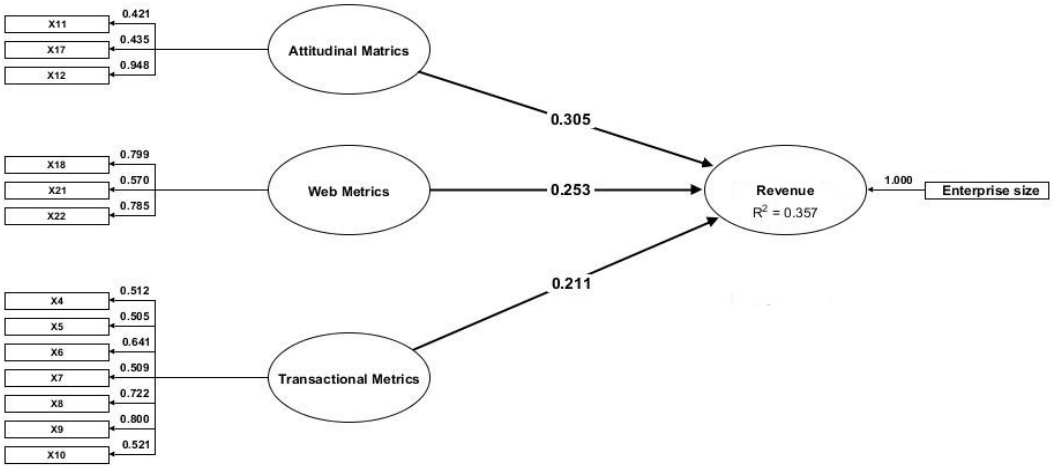
measurement is called a perceptual metric (black box). The following metrics are included in this category: Loyalty, CSI, Commitment, Advocacy, WOM, and Net Promoter Score (NPS). The last part of the metrics analyses the consumer's value in the digital environment; in this case, we have web customer metrics (Järvinen & Karjaluoto, 2015) that are: total visits, the share of voice, leads generations and so on. Starting from the building blocks of the Marketing Metrics Measurement Model, a semi-structured questionnaire on 31 wineries has been realized. The questionnaire used to collect the data was sent by email through the Google Form[10] application and administered to 31 wineries in three different countries analysed (Germany, Italy, and South Africa). The Google Module comprises both closed-ended inquiries and queries structured around a psychometric scale, such as the Likert scale from 1 (indicating minimum evaluation) to 6 (indicating maximum evaluation). The information gathered through the questionnaire underwent analysis utilizing the ADANCO software (Latan & Noonan, 2017).

4.1 The Measurement Model

The first step, to realizing a measurement model[11], has been the development of a Partial Least Square - Path Model (Dijkstra & Henseler, 2015), consisting of independent and dependent variables depicted graphically in Figure 1. The methodology implemented by PLS-SEM that are highly relevant for many marketing research, consumer research as well as in strategic marketing (Albers, 2010) to deal with latent variables and analyze cause-effect relationships (Völckner et al., 2010). There are two types of links. The first is formative if the manifest variables are objective evaluations that are reflected in the latent variables. This link is used when the latent variable is known in advance, such as company performance. The second is reflective if instead, the variables manifest are subjective evaluations that are reflected in the latent variables, such as the one used in the analysis. Variables that are independent, and not dependent variables, are called 'exogenous', that is Attitudinal Metrics (AM), Transactional Metrics (TM), and Web Metrics (WM). Graphically, these exogenous variable boxes lie at the outside edges of the model and have only single-headed arrows exiting from them. No single-headed arrows point at exogenous variables. Variables that are solely dependent, or are both independent and dependent variables, are termed 'endogenous'. Endogenous variables have at least one single-headed arrow pointed at them, in our case, the Revenue. In the path diagram below, the three exogenous variables are modelled as being correlated by thirteen items. Specifically, the items X11 (0.421), X12 (0.948), and X17 (0.435) explain the construct AM that impacts on Revenue variable for 0. 305. Instead, the items X18 (0.799), X21 (0.570) and X22 (0.758) explain the construct WM that impacts on Revenue variable for 0.253. Moreover, the items X4 (0.512), X5 (0.505), X6 (0.641), X7 (0.509), X8 (0.722), X9 (0.800) and X10 (0.521) explain the construct TM that impact on Revenue variable for 0.211. Both variables have direct and indirect (through the metrics) effects on Revenue (the dependent or 'endogenous' factor). According to many Scholars (Tenenhaus et al., 2005; Wetzels, 2009; Henseler & Sarstedt, 2013) usually, endogenous variables can also be influenced by variables and factors deriving from outside the model (external effects including

measurement error). These effects are represented by the "and" or error terms in the model. Furthermore, the exogenous variable (Enterprise Size) is univocally linked to the internal one (Revenue) and is correlated to it.

Figure 1: *How Metrics Impact Company Revenues*



Source: own elaboration.

4.2 Assumption and Model Construction

The model has been elaborated considering the questions in the questionnaire that impact the most on the construct that forms the corresponding latent variable. In our case, the importance of the different marketing metrics in wine retailing impacts Revenues and the Enterprise Size (ES). The approach was generalized without distinctions between the various nations subject to research analysis (Italy, Germany, and South Africa). The company's revenues were staggered based on the previous year's turnover levels (i.e., the different answering modalities in the questionnaire). The model could be useful to interpret how important marketing metrics are for businesses (in terms of size and turnover) and provide a relationship among them. For example, the importance of the use of web metrics that affect the company's revenues. Therefore, the model provides that there is a greater impact for Attitudinal Metrics (AM) subsequently Web Metrics (WM) and finally Transactional Metrics (TM) on the company size growth. Although these metrics are in order of importance as latent variables on revenues, it should not be overlooked that many more items contribute to the construction of the exogenous variable TM than the remaining two constructs. This can mean that there are still many more items that are important to companies. For the PLS-SEM the most important questions, to construct the latent variable of the marketing metrics are in order: X12 for AM, X18, X22 for WM and X8, X9 for TM (e.g., see the weight of the demand attributed to each construct). These questions become increasingly important as the company's revenues grow.

4.3 Goodness of Fit Measures

The data collected from the questionnaire were analyzed using the ADANCO[12] software (Henseler, 2017). The first measure analyzed is the coefficient of determination, R squared (within the exogenous constructs), which is the most used to evaluate the structural model goodness fit. In PLS, it quantifies the proportion of variance in the endogenous variable that is explained by independent variables. Its value ranges between 0 and 1 and is calculated only for exogenous variables. Chin (1998) describes the threshold values of R-square in a PLS model, where a value of 0.67 is considered strong, a value of 0.33 is considered moderate, and a value of 0.19 is weak. As regards the statistical results obtained with ADANCO for Goodness of model fit both saturated and estimated model, the values can be consulted in figures 2 and 3 in the appendix. As a good fit of the model in terms of Construct reliability and Convergent validity, the results are satisfactory (see figures 4 and 5 in the appendix). For reliability, the results are satisfactory and within the limit of acceptability for attitudinal metrics. While for the ave (validity) to the limit for the transactional metrics (see figure 6 in appendix). The strength of the importance of latent constructs of metrics on firm size. As the importance of the metric increases, so does the size of the enterprise. Logistic regression was used to evaluate how various firms across countries use these metrics. The results are in Figure 7 in the appendix.

4.4 Assumptions of the LOGIT Model

In the LOGIT model (Malhotra,1984; Agrawal & Schorling, 1996; Cramer, 2003) the response variable (the size of the company) is no longer spread over four levels as in the previous model (PLS-SEM), but has a dichotomous form [0,1], in other words, it was coded based on the previous year's turnover, but with 0 as a small company and therefore represents the probability of failure and 1 large company as the probability of success. For the use of the variables that affect the probability of having a large company rather than a small one, the following criterion was used:

- Only one variable (question) was used for the latent marketing metrics construct to avoid multicollinearity between the various variables;
- Used stepwise regression;
- Used PLS-SEM regression to get the most important question.

More than providing the probability of having a large company, it is important to understand how the various latent constructs are linked to each other by placing the various nations as the control variable. Although logistic regression also provides in terms of probability of success (of having a large company) the most important questions if we separate the various countries are X10 (transactional metrics), X22 (web metrics) and X12 (attitudinal metrics). It is advisable not to provide a precise interpretation of the beta regressors as they can be distorted due to lack of information, as the model lacks information to construct the cause for which the firm is large.

However, it is possible to give an interpretation of the signs and the intensity of the link between the metrics on the probability of having a larger company. Logistic regression with positive coefficients shows that as the importance of the variables X10, X22 and X12 increases, the probability of having a larger firm regardless of the country increases. As regards the control variables in the transition from Germany to Italy, it is more probable to have a larger company, without prejudice to the importance of marketing metrics, this is most likely because Italy has larger companies due to other variables (omitted in the model since they were not researched). The same goes for South Africa in a more accentuated way. From this it can be deduced that in Germany they are more attentive to marketing metrics than in the other two nations, especially as the size of the company increases, followed by Italy and finally South Africa. The question with the greatest impact on the probability of having a larger firm is the X12 question, then the X22 question, and finally the X10 question.

5. Findings and Discussion

The sample consists of wineries operating in Italy (10), Germany (13) and South Africa (8) (see table 2). Concerning Italian wineries, the majority have a workforce of between 1 and 100 employees (40%). The greater part of the companies (46.2%) is between 100 and 150K hl of annual wine production. In terms of the respondent's role in the organization and years of retail experience, they are mainly chief marketing officers (46.2%) with between 6 and 10 years of work experience (53.8%). The German sample consists predominantly of companies with a workforce limited to 100 employees (80%), with an annual production of 50-100K hl (40%). Like the Italian sample, respondents are principally Chief Marketing Officers (30%). However, they have less work experience (0-5 years) in the retail industry (30.8%). As regards the Sud African sample, in line with the Italian and German wineries, it consists entirely of companies characterized by a small workforce (1-100 employees) and a limited annual wine production that falls equally within the two ranges of 1-10K hl and 10-50K hl. Respondents are mainly Chief Marketing Officers (25%) and General Managers (25%). When examining the impact of metrics on a company's size growth, it is important to recognize that attitudinal, web performance and transactional metrics can each contribute in unique ways. Attitudinal metrics, which gauge customer perceptions and attitudes towards a brand, have the potential for long-term significance. Positive customer sentiments can cultivate brand loyalty and generate favourable word-of-mouth recommendations, which, over time, can drive sustained growth. Web metrics, on the other hand, serve a crucial role in assessing website performance and traffic. By closely monitoring these metrics, companies can identify areas that require improvement, ensuring an optimized online presence that attracts more visitors and potential customers. Through continuous refinement, companies can enhance their growth prospects by creating a seamless and engaging online experience. Transactional metrics offer valuable insights into customers' actual behaviour and purchasing patterns. By analysing transactional data, such as purchase frequency and average order value, companies can gain a deeper

understanding of customer preferences and identify opportunities to increase revenue and enhance customer lifetime value. This data-driven approach enables companies to make informed decisions and implement targeted strategies that foster growth. It is worth noting that the impact of these metrics on company size growth can vary depending on industry dynamics, target market characteristics, and the specific business model employed. Therefore, companies must diligently track and analyse all relevant metric types to gain a comprehensive understanding of their performance. By doing so, they can identify trends, patterns, and growth opportunities, empowering them to make informed decisions and propel their growth trajectory.

Table 2: *Sample Characteristics*

Sample characteristics	**Italian firms (n=10 wineries)**	**German firms (n=13 wineries)**	**South African firms (n=8 wineries)**
Company workforce	1-100: 40% 101-500: 30% 501-1000: 30%	1-100: 80% 101-500: 20%	1-100: 100%
Annual wine production	10-50K hl: 7,7% 50-100K hl: 15,4% 100-150K hl: 46,2% 150-200K hl: 7,7% 250-300K hl: 23%	1-10K hl: 10% 10-50K hl: 20% 50-100K hl: 40% 100-150K hl: 20% 250-300K hl: 10%	1-10K hl: 50% 10-50K hl: 50%
Respondent's role in the organisation	Chief marketing officer: 46,2% General manager: 23,1% Chief executive officer: 23,1% Export manager: 7,7%	Chief marketing officer: 30% General manager: 20% Chief executive officer: 10% Sales manager: 20% Communication manager: 20%	Chief marketing officer: 25% General manager: 25% Chief executive officer: 12,5% Chief operating officer: 12,5% Sales manager: 12,5% Product manager: 12,5%
Respondent's years of experience in the retail industry	0-5: 30,8% 6-10: 53,8% 11-20: 15,4%	0-5: 40% 6-10: 40% 11-20: 20%	0-5: 50% 6-10: 25% 11-20: 12,5% 21-25: 12,5%

Source: own elaboration.

6. Managerial Implications

Once you have set goals and selected KPIs, monitoring those indicators should become an everyday exercise. Additionally, most importantly, the performance should inform the business decisions, and you should use KPIs to drive actions (Beatham et al., 2004). In conclusion, the definition of key performance indicators is an integral step in the effective analysis of critical success factors. KPIs are measurements that quantify objectives and enable the effective assessment of company performance. Through the application of KPIs, executives can properly assess the performance of their critical success factors and apply the necessary corrective action. Without KPI metrics, it is nearly impossible to translate high-level company objectives into day-to-day operations. KPIs can be developed through a few simple steps, as follows: generate metrics about your critical success factors, assign corresponding values, and determine the method and frequency with which those metrics ought to be reported.

7. Limits and Future Research

The Partial Least Squares Structural Equation Modelling (PLS-SEM) has had a large success in several disciplines (chemistry, medicine, or biology), but it is not the same in business research and specifically in marketing and consumer research. According to Jeon (2015), path analysis is a useful tool for analysing multiple causalities, but there are still several problems. Such problems as the requirements of linearity and homogeneity of variances or the use of predictor variables that are measured with errors are commonly cited. The following shortcomings are rarely discussed in the use of path analysis. According to Hair et al. (2011) and Rigdon (2012), the dominant Covariance-Based Structural Equation Modelling (CB-SEM) remains mainstream in the classic method when marketing researchers must enquire with multivariate analysis. The main limitation of PLS-SEM in marketing research is linked to the quality of data entry, especially in terms of “small samples” (Marcoulides, 2006), “non-normal data” or “formative measures” (Ringle et al., 2012). In this case, both the selection and the application of the approach are frequently not well justified which does not serve the research quality. Furthermore, aside from its impact on the dynamics of wine retailing, the research also seeks to broaden the discussion on marketing performance measurement (MPM) and its potential evolution. As previously stated, this study presents a conceptual framework that aids wine managers by implementing a dashboard to assess marketing performance and report key performance indicators (KPIs) for the business. In essence, a dashboard serves as an all-encompassing tool for performance management, enabling organizations to assess, track, and supervise marketing activities through a range of metrics. The dashboard facilitates an analysis of the organization's progress towards achieving each predefined objective. The findings of this research could assist managers in enhancing their decision-making processes concerning channel characteristics and loyalty programs.

8. Conclusion

The ultimate objective of the research is to develop a comprehensive framework for evaluating marketing performance and assisting winery managers in the global market. The research's theoretical significance and innovation lie in proposing a meta-model of evaluation that can be tested across various geographic locations and industries, thus broadening, and disseminating the ongoing discourse on marketing performance measurement, including within the wine industry. The practical implication of this research is to encourage wine merchants to identify suitable approaches for cultivating customer trust through enhanced services, leading to increased profitability and customer value. The COVID-19 pandemic has magnified shifts in consumer behaviour and spending patterns, further highlighting the relevance of this study. By comprehending the significance of marketing metrics within the wine retail industry, companies can adapt their marketing strategies to effectively target each market and boost sales. The discoveries of this study can assist wine retailers in crafting impactful marketing campaigns that resonate with their audience, ultimately generating value for customers and enhancing profitability.

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Appendix

Figure 2: *Goodness of Model Fit (saturated model)*

	Value
SRMR	0.2066
d_{ULS}	4.4802
d_G	1.8755

Source: own elaboration.

Figure 3: *Goodness of Mode Fit (estimated model)*

	Value
SRMR	0.2066
d_{ULS}	4.4802
d_G	1.8755

Source: own elaboration.

Figure 4: *Construct Reliability*

Construct	Jöreskog's rho (ρ_c)
Attitudinal Metrics	0.6522
Web Metrics	0.7658
Transactional Metrics	0.8017
Enterprise size	

Source: own elaboration.

Figure 5: *Convergent Validity*

Construct	Average variance extracted (AVE)
Attitudinal Metrics	0.4215
Web Metrics	0.5267
Transactional Metrics	0.3740
Enterprise size	

Source: own elaboration.

Figure 6: *Effect Overview*

Effect	Beta	Indirect effects	Total effect	Cohen's f²
Attitudinal Metrics -> Enterprise size	0.3053		0.3053	0.0963
Web Metrics -> Enterprise size	0.2534		0.2534	0.0845
Transactional Metrics -> Enterprise size	0.2106		0.2106	0.0498

Source: own elaboration.

Figure 7: *Coefficients Matrix*

```
             Estimate Std. Error z value Pr(>|z|)
(Intercept)  -35.083     16.119  -2.177   0.0295 *
X10            1.029      0.963   1.069   0.2853
X12            4.066      1.718   2.367   0.0180 *
X22            3.166      1.579   2.005   0.0449 *
XNita         -4.209      2.265  -1.858   0.0632 .
XNsa         -10.234      5.600  -1.828   0.0676 .
---
Signif. codes:  0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

(Dispersion parameter for binomial family taken to be 1)

    Null deviance: 37.363  on 28  degrees of freedom
Residual deviance: 10.446  on 23  degrees of freedom
AIC: 22.446

Number of Fisher Scoring iterations: 8
```

Source: own elaboration.

(Due to space limitations, the questionnaire will be sent by email upon request)

Notes

[1] www.ama.org

[2] *The future of retail metrics Measuring success in a shifting marketplace*, 2019 Deloitte Development LLC.

[3] According to the article published on the site www.clickz.com, are Nike, Amazon, Nordstrom, Burberry, IKEA, Sephora, Zappos, Glossier and Wegmans.

[4] In the 2017 total world area under vines is estimated in 7.6 mha (millions of hectares) while in EU countries it is estimated that vineyards cover 3.3 mha. Specifically, in the analyzed countries: Germany with 102 kha (thousands of hectares), Italy with 695 kha and South African vineyards 125 kha. (International Organisation of Vine and Wine, State of The Vitiviniculture World Market, April 2018).

[5] 42nd World Congress of Vine and Wine de *l'Organisation Internationale de la Vigne et du Vin* (OIV).

[6] Main works includes the following Scholars: Ambler (2000); MSI (2008, 2010); Gupta and Lehmann (2006); Farris et al. (2008, 2010); Kumar (2008); Valdani and Ancarani (2011); Mintz and Currim (2013).

[7] www.bcg.com

[8] Edited from American Marketing Association, 2005.

[9] Kotler and Armstrong (1996) define a profitable customer as *"a person, a family, or a business for which the revenues it generates over time exceed, by an amount acceptable, the costs that the company incurs to attract it, sell products and to serve him"*.

[10] Google Forms is a survey administration app that is included in the Google Drive office suite along with Google Docs, Google Sheets, and Google Slides.

[11] This model was elaborated with the additional contribution of Dr Antonio Ciccone, business intelligence analyst at NTT DATA.

[12] ADANCO is a user-friendly software for composite-based structural equation modeling and confirmatory composite analysis. It implements several limited-information estimators, such as partial least squares path modeling or ordinary least squares regression based on sum scores.