

# The Effectiveness of Social Media Marketing in Portugal

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## **Abstract**

This research paper delves into the effectiveness of social media marketing in Portuguese companies. The literature review included in this paper provides a general overview of the overall use and effectiveness of social media marketing campaigns in today's advertising industry. Multiple research studies conducted on Portuguese companies are also included as evidence in the literature review; these studies indicate that consumers are no longer passive, and therefore companies must adopt and adapt to their company-consumer-relationships at an increasing rate compared to before social media marketing. The study presented in this research paper was conducted by following the social media marketing activity of 12 Portuguese companies; ranging from fashion companies to beverage companies. Trends for each company's following and their consumer interaction were recorded and used as a basis to indicate where or not these Portuguese companies were effectively utilizing their social media marketing. The results from these observations enabled me to believe that the majority of these companies were not fully utilizing their social media marketing.

## **Introduction**

Amongst the vast sea of academic journals, numerous studies have been conducted on the effectiveness of social media marketing campaigns to determine the viability of social media channels as a means for advertisement. The majority of these studies have found social media to be a useful tool when attempting to develop personal relationships with the company's audience. Including a study by Deloitte (2012) which demonstrated that increased traffic on a company's Facebook page was responsible for the increase in the company's sales (as cited in Nobre & Silva, 2014).

However, other studies have expressed that because of the practically limitless social media platforms, there are too many communication channels for any media planner to effectively allocate communications across them all (Mulhern, 2009). Many companies have also realized that the number of fans their social media pages receive is not synonymous with success in social media. “The value is not the number of fans in their communities, but the compromise between people and the company increased by social networks” (Medina & Pereira, 2012).

### **Review of Literature**

Portugal was recently ranked 15th worldwide in mobile communication penetration at 81.84%, according to a report by the International Telecommunications Union in 2005 (as cited in Tiago & Verissimo, 2014, p. 704). In recent years Portugal has also adopted widespread access to high-speed wireless networks. In addition to this, Portugal has also seen an increase in the usage of the Internet due to the growing extent to which mobile phones are used by Portuguese citizens (Tiago & Verissimo, 2014). Portugal’s Internet penetration rate was in excess of 61% (Tiago & Verissimo, 2014). By the end of 2012, Portugal’s mobile penetration rate had risen to a record high of 156.3%. This statistic from ANACOM suggests that the average Portuguese citizen typically possesses more than one mobile device (as cited in Tiago & Verissimo, 2014, p. 704).

According to Buhalis and Law (2008), in recent years the Internet and social media have reshaped the way tourism-related information is obtained, digested, and used (as cited in Roque & Raposo, 2015, p. 247). Xiang and Gretzel (2010), stated that today’s travelers prefer to obtain their information online by using social media or search engines instead of using traditional tour operators or travel agencies (as cited in Roque

& Raposo, 2015, p. 247). And as today's travelers have shifted from travel agencies to social media, social media platforms which house an enormous amount of user-generated content (UGC) have gained an immense amount of popularity within the traveling community (Roque & Raposo, 2015). A recent study also concluded that user-generated content can be used to support the intended branding for particular destinations, such as Lisbon, Portugal, or other popular destinations which may have "less funding for luxury in destination branding and further sophisticated online marketing campaigns" (Oliveira & Panyik, 2014).

However, from a company perspective, it's getting increasingly more difficult to keep up with the ever-growing needs of running a social media campaign. Companies are now realizing that consumers are no longer passive, "they are taking an active role in organizational communication, so organizations need to adopt a culture of inter-relational customers, based on trust and transparency" (Medina & Pereira, 2012). Social media platforms can be extremely effective in developing personal relationships with a brand/company. Social media platforms for brands help consumers to identify with the brand and helps to differentiate their brand from others (Nobre & Silva, 2014).

A recent study by Deloitte (2012) has found that a company's Facebook page can increase knowledge about the brand and about the company's activities, "enabling the company to interact through direct dialogue with existing or potential consumers and can promote the firm's links to company websites" (Nobre & Silva, 2014, p. 142). Other recent studies found that companies wish for their content to be shared within their fanbase to gain a larger audience from a *local* area, rather than a global audience (Nobre & Silva, 2014). Medina and Pereira (2012) have stated that the only way to maintain a competitive edge in the global economy is through the development of a

personal and close relationship with the company's customers. However, there are oftentimes too many communication channels available for any media planner to effectively allocate communications across them, making it challenging to meet these expectations of personal consumer relationships (Mulhern, 2009). I believe all of this is evidence that the more prevalent of a social media presence a brand has, the more chance a brand has of growing their brand following exponentially.

### **Methods**

A quantitative approach was chosen as the best method to identify the relationship between the company's fan base and the company's social media marketing strategy. The goal of this study was to recognize a connection between a company's social media marketing strategy and the company's social media growth or decline and to test my hypothesis. H1: A brand's consistent and widespread presence throughout social media platforms results in the exponential growth of their social media following.

Twelve Portuguese companies were selected on these specific criteria:

1. each company had to be present on Instagram;
2. each company had more than 500 "followers" on their page;
3. each company was either based or originated in Portugal;
4. all companies were selected at random by using a search engine to find "popular Portuguese companies."

Although the companies were required to have an Instagram, they were not required to have any other social media sites. However, when available, data was collected on the Facebook, Instagram, and Twitter accounts of each company. Follower data was collected each day from March 6, 2019, to March 14, 2019, around 5:00 pm PST (12:00 am in Portugal). While the total number of post likes were collected at the

end of this eight-day period in order to observe how newer social media posts may impact the page's previous posts.

The data gathered on each company's Instagram page each day was:

1. the number of posts posted that day;
2. the total number of likes on the post(s) from that day;
3. the total number of comments on the post(s) from that day;
4. and the total number of followers.

The data gathered on each company's Facebook page each day was:

1. the number of posts posted that day;
2. the total number of likes on the post(s) from that day;
3. the total number of comments on the post(s) from that day;
4. the total number of shares on the post(s) from that day;
5. and the total number of followers.

The data gathered on each company's Twitter page each day was:

1. the number of tweets posted that day;
2. the total number of likes on the tweet(s) from that day;
3. the total number of retweets on the tweet(s) from that day;
4. and the total number of followers.

## **Results**

### **Facebook Results** (Tables 1 - 4)

The majority of the company Facebook pages had a positive net gain of followers after this eight-day period, except for *Chic by Choice* which had a negative net loss of 20 followers over the eight-day period (Table 3). It seems apparent that this company was losing followers due to the neglect of their Facebook page. Another company, *Arlindo Moura Joalheiro*, chose to make their personal Facebook account their business profile, so unfortunately unless you were their friend, you were unable to see their private posts (Table 2). An important aspect of running a company's Facebook page seemed to be the constant push-out of posts each day. If a company was posting at

least one post a day they would ultimately gain followers throughout the week. However, the companies which rarely posted (about once a week) wouldn't see as much exponential growth as the companies that posted almost every day. The companies that posted almost every day were also more likely to receive comments on their posts, as well as having their posts shared more frequently.

### Instagram Results (Tables 5 - 8)

The majority of the company Instagram pages saw average to medium growth throughout the eight days. Seven out of the twelve companies did not post more than 4 times to their Instagram accounts across the eight days, with five of those companies posting once or less. The majority of the engagement on Instagram in this study came from *Parfois*. The account posted on average three posts a day and typically received between 300 to 1,000 likes per post (Table 8). In stark contrast, *Cortes de Cima Vineyard* posted only once during this eight-day period and received 244 likes on that post (Table 8). While *Parfois* posts every day, seemingly trying to reach new audiences, *Cortes de Cima Vineyard* posts rarely, but to a small devoted audience. Whereas *Parfois* aims to reach a global audience.

### Twitter Results (Tables 9 - 11)

The majority of the companies studied in this article did not have a large presence on Twitter. Three of the companies (*Nycole*, *Arlindo Moura Joalheiro*, and *Foreva*) didn't have a Twitter account at all, and another account was set to private (*Salsa Jeans*), meaning no one can view their posts unless the company has accepted a follow request from that particular individual. And of the companies that did have

Twitter accounts, only two of them posted within the eight days of this study (Table 9 & Table 11). This lack-of-a-presence was also apparent in the net follower growth of each of the company's Twitter accounts; not one account gained over two followers within this study's timeframe.

## Discussion

The findings of this study indicate that Facebook is by far the most widely used social media platform for companies to create a presence within. Facebook was the one social media platform where practically all companies gained followers each day. Instagram was the runner up when it came to the overall follower growth of the company's social media pages. Twitter was last with barely any company using their Twitter pages, instead, the companies just hold onto their Twitter handles securely.

I believe I have proved my hypothesis, "a brand's consistent and widespread presence throughout social media platforms results in the exponential growth of their social media following," through this study by showcasing the difference in marketing strategies across three very different social media platforms. For instance, companies, such as *Parfois*, which were publically present on their social media pages almost every day, creating engaging content for their audience to connect with, were able to rope in new followers and likes every day (Table 4, Table 8, & Table 11). Whereas companies which posted once in this study's timeframe saw a much more gradual follower gain or even definite loss in followers or engagement. *Sumol* was another company which had regularly posted throughout the eight days and ultimately gained followers throughout the study on all of their social media platforms (Table 1, Table 5, & Table 9).

After beginning this study, I realized that there would be limitations on the data I could collect publically from these company pages. For instance, on Instagram, once a



page's follower count has exceeded 10,000, it is no longer possible to view the exact number of followers of that account. This made it so that I was unable to track the total number of followers for some Instagram accounts accurately, which led to an inaccurate portrayal of some of the Instagram follower gain throughout this study. In future research, detailed analytics would be obtained from an outside source instead of collecting this data by hand. This detailed data would allow me to further analyze certain Instagram accounts as well as have a much more complete dataset (hopefully spanning a month rather than a week).

### **Conclusion**

In conclusion, this study has proven that a brand's consistent and widespread presence throughout social media platforms results in the exponential growth of their social media following. Through this study, it has been proven that Portugal's usage of social media marketing tends to be highly Facebook-driven, with less attention on Instagram, and with barely any thought given to Twitter. However, the companies that did utilize all three of these social media platforms saw a much more climactic growth of their followings, compared to those that mainly only used one or two platforms. Although Mulhern's (2009) point remains true about there being too many communication channels for a media planner to effectively utilize; the companies that take on that challenge reap the benefits.

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