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Marketing Research: Consumer Perceptions on Features of Instagram Content Posted by Personal Care Brands

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Abstract

Instagram's algorithm has undergone several changes that impact the brands' reach and effectiveness towards their audience and goals. This study focuses on consumer perceptions regarding skincare brands' presence on Instagram, and their preferences about advertising on this platform, identifying features like content format, goal, call to action and partnerships. It employs a literature review, interviews with regular consumers and industry experts, a perceptual map, and a conjoint analysis to craft recommendations that resonate with consumer demand for credibility, utility and convenience. The research culminates with recommendations about balancing organic and paid content, audience targeting, leveraging innovative platforms and AR filters.

Keywords

Instagram, Ads, Organic content, Skincare, Consumer perceptions, Consumer preferences, Conjoint analysis, Perceptual map

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1. Introduction

1.1 Background

The emergence of social media has changed the relationship between brands and consumers and how brands market their services. These social networking channels not only eased interaction but opened a new frontier of online marketing, whereby brands connect, interact, and target audiences in real-time and on a one-on-one basis (Tuten and Solomon, 2017). Among these platforms, Instagram has been notable in marketing due to its visual and community site marketing capacity, especially fostered by image sharing (Leaver, Highfield, and Abidin 2020).

With the increase of social media marketing, Instagram confirmed its role as a strategic channel through which brands can access their consumers (Instagram, 2024). It rapidly transitioned from an application meant for sharing pictures to an effective marketing platform harnessing the power of Instagram Stories, Reels, shoppable posts and many more to drive sales. This expansion propelled Instagram into the center of attention for marketers and researchers interested in investigating the elements influencing consumer decisions, brand image, and the entire paradigm of marketing (Sharma, M., Ghosh, D., Bhattacharya, K., & Majumder, D. (2021).

The personal care segment owes part of its digital development to this prerequisite as an attractive and authentic visuals-oriented marketing primarily targets consumers. Personal care brands including beauty, skincare and wellness, have leveraged Instagram's marketing capabilities to create engaging content, build brand awareness, and tap into influencer marketing (Subasinghe, U., & Weerasisri, R. A. S. , 2020). Health and beauty brands post an average of 7 posts per week on Instagram, showing the platform's importance for maintaining visibility and engagement within this highly competitive industry (Statista, 2023).

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Influencers also played a critical role in this sector, offering brands a way to showcase their products in a more relatable and credible manner (Abidin, 2016). However, with Instagram's increasing focus on monetization, through paid ads, influencer partnerships, and product placements, concerns about over-commercialization have emerged. Many users feel overwhelmed by the volume of ads, which risks damaging consumer trust and engagement, particularly in industries like personal care that depend on authenticity and customer loyalty (Amarnath, D. D., & Jaidev, U. P. (2023)). Furthermore, the platform's algorithm prioritizing paid promotions over organic content has made it more difficult for smaller personal care brands to gain visibility without significant investment (Pessala, I. (2016). User experiences and efficiency of Instagram Advertising.). Whereas Instagram provides unparalleled opportunities for reaching target audiences, simultaneously it comes across challenges such as oversaturation and declining consumer trust.

1.2. Research Question

The main objective of this research is to explore and answer the following question: How does the increase of paid posts on Instagram influence consumer perceptions and engagement with personal care brands? With the rise of paid content on social media, it has become essential for marketing professionals to understand its impact on the relationship between brands and consumers. This study aims to understand how paid advertising shapes users' perceptions, engagement, and overall experience with personal care brands on Instagram.

To explore this question further, this study addresses a series of supporting questions to further our understanding of this topic:

- **How do users feel about personal care brands that use paid ads on Instagram?**

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This question aims to explore consumer perceptions regarding personal care brands that invest on Instagram ads. The objective of the research is to understand users' emotional responses when they come across sponsored posts by examining feelings such as enthusiasm, curiosity, indifference, lack of authenticity, and potential ad fatigue.

- **Are users more likely to engage with organic content or paid ads from personal care brands?**

Likes, comments, shares or clicks are indicators, for evaluating how well social media posts performs in terms of user engagement. By analysing engagement behaviors across different types of content, this question aims to identify which posts, organic or paid, resonate better with users and encourages more interactions.

- **What attributes of a post do users value most when viewing ads?**

Elements such as creativity, quality of the content, trendiness, explicit pricing, presence of influencers and relevance of the product or service to the user all contribute to how consumers perceive and engage with an ad. The aim of this question is to investigate what elements of paid posts resonate with the audience the most and which could be more decisive for engagement or a positive brand perception.

Thus, breaking down these secondary questions, the study seeks to provide brands actionable insights through which they can improve their Instagram marketing strategy. These insights will ultimately contribute to a better understanding of how brands can develop stronger connections with consumers through paid and organic content on social media.

1.3. Methodology

This chapter outlines the methodology employed in this dissertation to explore the research questions concerning consumer preferences and perceptions on Instagram. The study

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adopts a mixed-methods approach, integrating qualitative and quantitative data collection and analysis techniques. This approach enhances the depth and breadth of understanding regarding the complexities of consumer behavior in the personal care industry on Instagram.

Structured interviews with personal care brands' managers and experts on the field were conducted to gain insights into the factors influencing consumer preferences and to identify key themes relevant to brands on the market to justify the usage of organic and paid content on Instagram. Each interview lasted approximately 30-45 minutes. The selection criteria for the interviewees included professional experience, academic background, and involvement in relevant market activities.

A preliminary survey was launched to collect quantitative data on consumer preferences and perceptions. The survey instrument included closed-ended questions and multiple-choice items to measure various attributes related to consumed content, brand perception, brand associations related to ads.

Conjoint analysis was employed to quantify consumer preferences and understand the trade-offs consumers make between different attributes. Based on insights from expert interviews, key attributes relevant to personal care brand posts were identified, including format, message, and goals. Participants were asked to evaluate these profiles, indicating their preferences, which were then analysed using conjoint analysis techniques to derive part-worth utilities.

Perceptual mapping was employed to visually represent consumer perceptions of distinct brands or products within the market. Using the data from the surveys, dimensions such as trust, creativity, relevance, quality and trendiness of content, interactive elements and explicit pricing were plotted to illustrate how consumers perceive the competitive landscape.

1.4. Preview of Results

This chapter provides a detailed overview of the initial findings obtained from several research activities aimed at supporting the main investigation of this thesis. Pre-survey results showed that while less than half of respondents engage with personal care businesses on a monthly basis, half of them is influenced by Instagram when making purchases. Influencers are the second most popular source of content among respondents, after friends and family. Even while people respect organic brand content, they hardly ever engage with it and frequently pass over advertisements in favour of sporadically checking brand profiles. It is noteworthy to emphasize that the sample was composed of an equal number of Portuguese men and women.

This study used purposive sampling to conduct interviews with experts, selecting participants for their professional knowledge in Instagram marketing and the personal care sector. Organic content was identified as fundamental in fostering long-term trust and relationships, whereas paid content was acknowledged for its capability to generate immediate visibility and engagement. Experts concurred that video formats like Reels are the most effective in grabbing user attention, with all five respondents highlighting their importance in engagement. Collaborations with influencers and user-generated content (UGC) were also noted as vital for merging authenticity with paid promotions, ensuring the content stays relatable and impactful. Nevertheless, experts recognized the difficulties of preserving authenticity and reducing fatigue, emphasizing the necessity of balancing organic and paid approaches efforts. Emerging trends highlight the importance of personalization, engaging experiences, and the growing integration of AI in creating content. Specialists predict a sustained increase in video content, with micro-influencers and user-generated content (UGC) taking center stage in attracting niche audiences. To meet changing consumer demands, brands need to blend authentic storytelling with strategic paid efforts to maintain credibility, relevance,

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and enduring success. These insights offer essential direction for successfully navigating the ever-changing realm of Instagram marketing.

To assess how paid and organic posts on Instagram influence consumer perceptions and actions, we conducted interviews with 10 Portuguese individuals aged between 22 and 58. In conclusion, the extensive interviews conducted with consumers revealed a strong preference for organic content, attributed to its authenticity, community engagement, and practical benefits. Although thoughtfully crafted paid posts can boost brand recognition and trust, too many promotional messages can undermine credibility. Brands such as CeraVe succeed by embracing relatable, consumer-oriented communication strategies. To cultivate deep connections with their audiences, personal care brands should focus on authenticity, creativity, and consumer-centric content. It is vital to strike a balance between organic and paid posts to foster trust, engage audiences, and achieve lasting brand loyalty.

A two-step survey was conducted to identify relevant brands and their key attributes, such as trust, creativity, and relevance. These components were depicted on a perceptual map. The key findings revealed a strong correlation between trust and relevance with "Transparency," while creativity and content quality were associated with "Engagement." Brands were positioned according to their perceived strengths in these components, highlighting potential repositioning opportunities. Consequently, the analysis offered actionable insights for enhancing brand strategies, stressing the importance of consumer trust, and customizing digital engagement to meet market expectations.

Finally, this study included a conjoint analysis aimed at uncovering consumer preferences regarding Instagram advertisements in the personal care sector. The analysis focused on how different ad attributes—Content Format, Content Type, Call to Action, Type of Influencer, and Frequency of Paid Posts—affect consumer decision-making. The results

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emphasize the significance of each attribute in shaping consumer choices and uncover subtle preferences, such as the popularity of reels as a content format, the appeal of educational and lifestyle content types, and the effectiveness of discount codes as calls to action. Furthermore, the segmentation analysis offers insights into how preferences vary by age and gender, providing actionable recommendations for personal care brands looking to refine their Instagram advertising strategies. Based on the findings from all the analyses, this research highlights that while consumers value authentic and relatable organic content, the strategic use of paid posts—balanced in frequency and relevance—can effectively enhance brand visibility and engagement, with factors like medium frequency, reels, and customer-centered calls to action proving most impactful. Consequently, the research indicates that personal care brands should enhance Instagram engagement by strategically balancing personalized paid and organic content approaches. This includes emphasizing engaging formats such as reels that feature educational content, leveraging collaborations with influencers, integrating authenticity through organic-style advertisements, and exploring innovative tools, including augmented reality filters, to improve user interaction and cultivate stronger connections with the audience

In the chapters that follow, these topics will be thoroughly explored, as well as the research techniques used.

2. Research Context

2.1 Overview of the Industry

2.1.1. Overview of the Social Media Industry

In today's digital landscape, social media has emerged as one of the most popular online activities, engaging users across various age groups and regions. It is a collection of internet-based applications that facilitate user interaction, user-generated content, and broad personal

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communication (Carr & Hayes, 2015; Kaplan & Haenlein, 2010). As of July 2024, there are approximately 5.45 billion internet users globally, with 5.17 billion actively engaging on social media platforms (Statista, 2024). This marks an astonishing increase of 89.4% in social media users since 2017 when the total stood at 2.73 billion worldwide (Statista, 2024). Such growth is primarily attributed to the surge in mobile device usage, which has made social media platforms increasingly accessible worldwide. The prevalence of smartphones and tablets is crucial in expanding social media, enabling more individuals to connect effortlessly (Statista, 2024).

Despite the extensive reach of social media, its usage continues to grow. Between 2023 and 2024, the number of social media users rose by 5.5%, underscoring that even in well-connected regions, there remains ample growth potential (Statista, 2024). Projections indicate that this upward trajectory will likely persist, with expectations of reaching 6 billion social media users by 2028—representing a 17% increase over current numbers (Statista, 2024).

Regarding platform popularity, Facebook retains its position as the leader, boasting over three billion monthly active users, followed closely by YouTube with 2.5 billion users. Instagram and WhatsApp both entertain around 2 billion users. Despite being a relatively new player, TikTok has quickly amassed 1.5 billion users and continues to extend its influence, particularly among younger audiences (Statista, 2024). Interestingly, Facebook continues to be a favoured platform across various age demographics, including millennials, Gen X, and baby boomers, and it still ranks high among Gen Z users, countering the notion that this generation has completely shifted away from the platform. TikTok's primary demographic has increasingly focused on the even younger Gen Alpha (Data Reportal, 2024).

An examination of social media usage reveals that the motivations behind online engagement have significantly diversified. Recent surveys indicate that 61% of working-age

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individuals utilize the internet primarily for "finding information," followed by 56.6% who seek to "stay in touch with friends and family." Nonetheless, the observation that many people engage with social media platforms more frequently than traditional search engines highlights a transformation in their use—moving beyond mere social connections to encompass broader forms of entertainment (Data Reports, 2024). This evolution has been further accelerated by the rise of video content, particularly on platforms like TikTok and Instagram, where users increasingly crave engaging and dynamic media (eMarketer, 2024).

Over the past decade, social media content has evolved substantially, transitioning from static text and banner advertisements to immersive video and interactive experiences. Research indicates that the demand for video content is particularly pronounced, with 53.1% of Gen Zers in the U.S. consuming long-form videos on social media. In comparison, 61.6% engage with short-form content (eMarketer, 2024). This shift in content consumption reflects broader industry trends, as video emerges as the predominant mode of engagement, especially on platforms such as TikTok, Instagram, and YouTube. Furthermore, augmented reality (AR) features are gaining prominence as brands seek innovative ways to connect with consumers (eMarketer, 2023).

The increasing demand for engaging content reflects the changing ways people interact on social media platforms today. Though staying connected with friends and family is still a core reason for using these platforms, entertainment, passing time, and browsing through content have become equally important. This change in how users behave has implications for businesses, especially those in the personal care industry, as they rely more on visually captivating and interesting content to draw in and keep the interest of their desired customers.

2.2 Overview of Instagram

2.2.1 Evolution of Instagram and Acquisition by Meta

Instagram was launched in October 2010 by Kevin Systrom and Mike Krieger, originally as Burbn, a location-based app (Saahko et al.,2017). After realizing users were more interested in photo sharing, they rebranded it as Instagram, focusing primarily on mobile photography. Its minimalist interface included easy-to-use filters and simple interaction mechanisms, such as likes, comments, and follows, crucial to its rapid growth (Rejeb et al., 2021). By April 2012, Instagram had over 30 million users, which led Facebook, now Meta Platforms, Inc., to acquire the platform for \$1 billion in cash and stock (Weston, 2024).

The acquisition occurred just before Facebook's initial public offering (IPO), and it was seen as a strategic move to diversify Facebook's portfolio and appeal to younger users. Despite becoming part of Meta, Instagram continued to operate semi-independently, allowing it to maintain its distinctive identity while benefiting from Meta's resources and infrastructure (Britannica, 2024). As of 2024, Instagram remains a crucial asset for Meta, contributing significantly to its annual revenue exceeding \$149 billion (Statista, 2024).

2.2.2 Instagram Features and Content Engagement

Instagram's features have evolved significantly since its launch, expanding its focus from simple image-sharing to a more dynamic platform supporting video content, stories, and commerce. To allow that, the platform introduced several features that shape user engagement:

- **Feed Posts:** Originally limited to static images, these now include video posts and Carousels, allowing users to swipe through multiple images or videos. Carousels have particularly high engagement rates, reaching 10.15% in 2024 (Statista, 2024).
- **Stories:** Introduced in 2016, stories enable users to share temporary content that disappears after 24 hours. They are mostly popular for their interactivity, allowing for

features like polls and questions driving significant user interaction (Ramadas & Akila, 2022).

- **Reels:** In response to TikTok, Instagram launched Reels—15-60 second short-form videos. Between 2023 and 2024, this type of content saw a surge in engagement, becoming a key driver of growth, with rates rising to 6.92% (Statista, 2024) and attracting in average over 15,000 views.

The platform's shift toward **video content** reflects broader digital trends, where users increasingly prefer short and dynamic videos. This evolution in content has not only sustained but increased Instagram's engagement rates, with overall impressions and interactions rising steadily between 2023 and 2024 (Statista, 2024).

2.2.3 The Rise of Influencers

The rise of influencers on Instagram has transformed how brands engage with their audiences. Influencers, individuals with significant follower counts, have become central to digital marketing, particularly in industries like beauty, fashion, and lifestyle, where visuals are key (Rejeb et al., 2021). This shift began around 2014, as brands recognized the potential of influencers to provide social proof and authenticity. By 2023, there were over 50 million content creators globally. (Influencer Marketing Hub, 2023). According to Stubb et al. (2019), by 2019, brands were spending upwards of \$8 billion annually on influencer marketing, and the number of influencers was steadily increasing.

Micro-influencers, those with smaller but highly engaged audiences, are particularly effective in niche markets such as personal care. Consumers tend to trust influencer recommendations more than traditional brand advertisements, especially for personal care products (De Veirman et al., 2017). This happens because influencers are perceived as more relatable and authentic compared to brand-generated content, which is often seen as commercial

or overly polished. Studies show that 61% of consumers trust influencer recommendations, while only 38% trust brand content (Nielsen, 2021). This trust has led to brand loyalty and significantly higher engagement rates for influencer posts, in average 3.5%, compared to those from brands, approximately 0.7% (Influencer Marketing Hub, 2023). Additionally, sponsored influencer content tends to perform better than traditional ads, with engagement rates as high as 7% (Takumi, 2021).

2.3 The shifting landscape of Instagram

2.3.1 The Evolution of Instagram as a Marketing Platform

Instagram has undergone a remarkable transformation over the past decade, initially launched in October 2010 as a "free iPhone application designed for sharing pictures with friends" (Laestadius, 2017, p. 573), it has since evolved significantly, incorporating new features that have expanded its functionality. Today, it is more than just a social platform; it has become a leading showcase for brands, with over 200 million business accounts using it to connect with consumers (Instagram, 2024).

One of the factors that changed the pace for Instagram business was the growth of social media marketing - defined as using social media technologies, channels, and software to create, communicate, deliver, and exchange value-driven offerings for an organization's stakeholders. (Tracy L. Tuten, 2023). This form of marketing has grown because it allows brands to speak directly to their customers and, in turn, facilitate interactions among customers themselves. As a visual platform, "one of Instagram's basic principles of businesses is to show how they see the world, sharing images that deepens people's perspectives and showcases the lifestyle that the product or service enables through their own views and those from consumers who use them" (Macarthy, 2018, p. 217).

Before Instagram introduced native sponsored ads in feeds, commercial activity on the platform started occurring driven by influencers through unofficial means, such as sponsored and promoted content (Leaver et al., 2020). Influencers played a crucial role in shaping Instagram's promotional economy, developing strategies to engage followers and generate demand by often blending product promotion with their personal content. This influencer-driven economy was further supported by a broader marketing industry offering tools and insights to facilitate these interactions (Cotter, 2019). As these practices evolved, Instagram began formalizing them within its advertising model, incorporating influencer strategies into its platform's commercial framework (Carah, N., Brown, M.-G., & Hickman, S. 2023).

2.3.2 Innovations in E-Commerce and User Experience

Instagram capitalized officially on the social media marketing opportunity in 2013 by introducing sponsored posts, continually adapting to help advertisers and agencies efficiently target their expanding audience, which now includes over 400 million users (KC, 2015). The platform offers three distinct ad formats: Image Ad, Video Ad, and Carousel Ad. Each format is tailored to meet various promotional objectives, with a "Learn More" call-to-action button that directs users to the advertiser's website, enhancing engagement and conversion (Instagram, 2024). Additionally, Instagram equips businesses with tools like account insights, offering key metrics such as impressions, reach, and audience data to help them better understand and improve brand awareness (Adegbola, O., Gearhart, S., & Skarda-Mitchell, J. 2018).

Besides Reels, one of the most remarkable features, Instagram has also significantly evolved in the e-commerce space, introducing shopping features like Instagram Checkout and shoppable posts that allowed for a condensed customer journey wherein users could browse and buy products within the app (Instagram, 2024). This feature meets the rising consumer demand for convenience in online shopping, as underlined by Barwitz and Maas (2018), who

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state that omnichannel capabilities serve consumer expectations. It was able, as of Statista's 2023 report, to integrate social interaction with retail in a manner that has made it a serious player within the world of social commerce, turning user engagement into immediate sales at a higher degree (Victoria O'Meara, 2019). A fundamental component of Instagram's marketing development has been the implementation of artificial intelligence to customize content, thereby guaranteeing that users encounter posts and advertisements suited to their preferences.

In 2016, Instagram introduced its algorithmic feed, replacing the chronological timeline with one that prioritizes posts based on user interaction and preferences. This change significantly altered how users engaged with content. Posts that garnered immediate attention (likes, comments, shares) were pushed to the top of users' feeds, thus extending their lifespan, and making content more discoverable over time (Weston, 2024). The algorithm has allowed influencers and brands to maintain visibility long after posting, driving **engagement rates**, and contributing to Instagram's role as a key marketing platform (Bhagyalakshmi & Akila, 2022). For marketers, this targeted personalization improves advertising effectiveness by confirming that promotional material is directed towards the appropriate audience.

AI's capacity to process massive datasets allows marketers to engage more effectively with their consumers, facilitating a more meaningful connection between brands and users (Dwivedi et al., 2021). Besides, user-generated content has become a significant driver of involvement on the Instagram platform. By encouraging users to share their personal experiences with brands and products, Instagram allows businesses to build relationships and trust. User-generated content also plays a significant role in affecting consumer buying behavior, as users are more likely to trust peer reviews and personal recommendations than any other form of advertising (Goh et al., 2013). Furthermore, it assists brands by offering genuine content that aligns with their audience's interests, thereby enhancing the brand's visibility (He et al., 2022).

2.3.3 Balancing Ethics and Innovation

However, with the growth of Instagram's ad business and influencer economy, ethical practices and calls for transparency have grown louder. Influencers, crucial in the promotion of products, have faced accusations of not disclosing paid partnerships- a lack of disclosure that leads to some big problems in terms of trust and deception.

Regulatory bodies, like the Federal Trade Commission, have called for better transparency around influencer marketing, and as a result, Instagram provides tools such as "Paid Partnership" tags to disclose sponsored posts (Wood, 2019). A very crucial aspect is maintaining consumer trust, since studies show that authenticity is one of the key drivers behind purchase intentions, particularly when it comes to influencer-generated content (Kim et al., 2021). Balancing this evolution with the progression of the consumer behavior analyzed in the next chapter, Instagram has turned into a marketer's staple. In the year 2024, 79% of marketers attest to using Instagram in their marketing strategies. In 2023 alone, the global advertising revenue reached \$61.1 billion, with \$20.03 billion generated specifically from Stories ads (Statista, 2024). Also, Instagram has the highest conversion from browser to shopper and registers 10 times the engagement of Facebook and 84 times that of Twitter (Smith, 2018).

2.4. The personal care Industry in Portugal

2.4.1. Industry and consumption in Portugal:

In 2023 Portugal's economy showed strength and resilience even though it experienced a pace of growth compared to the strong 6.7% GDP growth seen in 2022. The GDP expansion that year was driven by increasing internal demand and a flourishing tourism industry. According to the European Commission, the economic growth rate was more moderate, reaching only 2.3%. This slowdown can be attributed to global uncertainties, ongoing inflation

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and rising interest rates, which had an impact on consumer spending and confidence (The Portugal News, 2023; OECD, 2023).

The inflation pressures, which reached a three-decade high, significantly affected the purchasing power of Portuguese consumers, leading to greater price sensitivity. Consumers prioritized affordable brands and competitive price-quality ratios, particularly in essential categories (OECD, 2023). This shift reflected a broader change in consumption patterns, with buyers focusing more on value.

Despite these economic challenges, Portugal's personal care industry experienced positive growth in 2023. Various categories saw an increase in sales, notably the less mature segments such as color cosmetics and depilatories. This growth was driven by evolving consumer preferences and higher demand for innovative products (Euromonitor, 2024).

In 2024, the Portuguese Personal Care market continues to grow, with revenue projected to reach approximately \$1.05 billion. The market is expected to experience a moderate compound annual growth rate (CAGR) of 0.95% from 2024 to 2029. For 2024, the revenue per capita is forecasted at \$102.70, in terms of individual consumer spending. In addition, the online sector is gaining importance as digital transactions are projected to account for 22.2% of total market revenue by the end of the year (Statista, 2024).

A major trend in the Portuguese personal care industry in 2024 is the increased demand for organic and natural beauty products, driven by a growing focus on sustainability and eco-conscious lifestyles. This reflects a larger global movement in which consumers are turning to products that match their values in terms of environmental impact and personal health. In Portugal, this trend is heavily influencing purchase decisions, especially with consumers searching for a balance between price, quality, and sustainability. This change is particularly significant in the overall beauty industry, with brands focusing even more not only on natural

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or organic labels, but on broader ecological issues, including sustainable sourcing, packaging, and ethical production practices. As more companies integrate these factors into their offerings, the preference for eco-friendly products is expected to grow further (McKinsey, 2023; Euromonitor International, 2024).

Furthermore, multifunctional beauty products, such as foundations that incorporate skincare benefits like sun protection and moisturization, are gaining strength. This reflects a growing consumer interest in simplified routines that combine both cosmetic and skincare benefits. The demand for such products is reshaping the market, where balancing sustainability, quality, and affordability remains key for consumers (Euromonitor International, 2024; Statista, 2024).

Portuguese consumers are becoming increasingly discerning and are more inclined to invest in high-quality cosmetics, particularly those tailored to specific needs, such as anti-aging and skincare treatments. This shift is driven by a growing awareness of the benefits of certain ingredients and skincare routines, often influenced by social media and online recommendations. Premium and dermo cosmetic products are gaining popularity as consumers seek effective solutions, favoring products that align with their personal values and lifestyles. Additionally, the demand for convenience, such as easy-to-apply products, resonates with the busy lives of many Portuguese women (Cláudia Pinto, Distribuição Hoje, 2018).

At the same time, inflation has impacted consumers' purchasing power, but many remain unwilling to compromise on their preferred beauty routines, viewing these products as essential, especially during challenging times. This balance between premium and mass-market products highlights the resilience of the beauty sector in Portugal, with companies innovating to meet evolving consumer preferences (Cláudia Pinto, Distribuição Hoje, 2018).

2.4.2. Categories

The Personal Care industry in Portugal covers several categories, including products designed specifically for babies and children, bath and shower items, color cosmetics, deodorants, depilatories, fragrances, hair care, oral care, skin care, and sun care (Euromonitor, 2024). Among these categories, the most popular products are skin care, hair care, and fragrances. According to a study conducted by Statista Consumer Insights in 2024, which interviewed 1,048 consumers, 91% of Portuguese respondents stated that the products they use most are "personal hygiene products (bath and shower products, deodorants, shaving creams and gels, etc.)," followed by 89% for oral and dental care, 79% for perfumes and fragrances, 75% for skin care, 59% for hair care and styling, and 34% for decorative cosmetics (Statista, 2024).

2.4.3. Personal Care Market in Portugal

Research by Statista Market Insights shows that revenue trends in the Personal Care market in Portugal from 2018 to 2029 will steadily increase, reaching approximately \$286.90 million in 2023. The deodorant and hair care categories stand out as the main contributors to this increase. This rising trend indicates a robust market landscape, characterized by growth and potential, underlining the consumers' growing interest in personal care products (Statista, 2024).

In 2023, the beauty and personal care market in Portugal is marked by a clear division between the Mass and Premium segments. Sales in the mass segment amounted to 927.2 million euros, making it the dominant force in terms of revenue. In comparison, the premium segment accounts for 324 million euros, showing growth but on a smaller scale. (Euromonitor, 2024)

The mass segment is performing strongly as consumers adjust their purchasing habits in response to economic pressures, such as rising inflation and reduced disposable income

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(Euromonitor International, 2024). Essential products like sunscreens and deodorants continue to sell well, indicating that even as consumers cut back on spending, they still prioritize certain categories (Euromonitor International, 2024).

Meanwhile, the premium segment is also gaining momentum. Mass-market products are increasingly adopting features traditionally associated with premium offerings, catering to consumers who are more discerning about product quality and ingredients but may have limited budgets. This trend is particularly noticeable in the hair care sector, where brands are enhancing their products to maintain consumer interest (Euromonitor International, 2024).

Within the premium segment, the most profitable market is fragrances, generating 135.6 million euros in sales, followed by skincare products with 100.3 million euros, and color cosmetics (makeup) with 9.9 million euros. While both segments are growing, the mass beauty market shows a more positive short-term outlook due to changing consumer behaviors influenced by economic factors (Euromonitor International, 2024).

Looking ahead, the personal care market is expected to continue expanding, with growth projected for both mass and premium products, particularly as innovation and sustainability become increasingly important to consumers.

2.4.4. Market leader in the Personal Care Industry:

The Portuguese Personal Care industry is characterized by many companies, including well-known brands such as Nivea, Uriage, Bioderma, CeraVe, and Clarins, among many others. The leading brands in this market differ according to category and subcategory. Currently, more than 2,000 companies operate in the personal care sector in Portugal. According to data from BoldData (2023), there were 1,672 cosmetics companies in the country in 2023. Lisbon holds the highest market share, accounting for 38% of the total, translating into approximately 537

Group part

companies, while Porto accounts for 16%, with around 304 companies involved in the cosmetics sector (BoldData, 2023).

For Portugal, leading companies in the personal care sector include global giants like L'Oréal, Beiersdorf (Nivea), and Unilever, which dominate the mass-market segment. They are complemented by strong local and international premium brands such as Clarins, Pierre Fabre, and Grupo Boticário, excelling in the high-end skincare and beauty categories.

During 2023, L'Oréal reinforced its position as the leader in the Personal Care market, reaching record revenues of €41.18 billion, corresponding to an increase of 7.6% compared to the previous year (L'Oréal Annual Report, 2023). This performance aligns with a broader growth trend in the beauty and cosmetics industry in various regions, particularly in Europe, where L'Oréal is a key player. Recognised for its extensive product range and strong commitment to innovation, L'Oréal continues to have a solid presence and strong reputation among consumers. As one of the largest beauty companies globally, L'Oréal features several popular brands in Portugal, such as L'Oréal Paris, Garnier, and premium brands like Lancôme (L'Oréal Annual Report, 2023). According to L'Oréal's 2023 annual report, Europe is a crucial market, with skincare and sun protection products leading sales at 39.9%. This strong performance underscores the growing consumer focus on skin health and the significance of UV protection (L'Oréal Annual Report, 2023).

2.4.5. Distribution

The personal care sector in Portugal features a diverse range of distribution channels that reflect evolving market dynamics and consumer preferences. One significant channel is retail stores, where specialized beauty and personal care shops offer a wide variety of products. Many brands, such as L'Oréal and Beiersdorf, invest heavily in their own stores or partner with retailers to enhance brand visibility.

Group part

Supermarkets and hypermarkets also provide a crucial role in the sales of mass personal care products, such as shampoos, deodorants, and creams (StrategyH, 2023). L'Oréal and Nivea have both established a strong presence in these stores, capitalizing on the high foot traffic and visibility they offer. Pharmacies are essential for the sale of dermo cosmetics and skincare products, with many consumers relying on pharmacists' recommendations for products tailored to their specific health and beauty needs (StrategyH, 2023). The internet has experienced rapid growth in e-commerce in Portugal, especially after the COVID-19 pandemic, which intensified online shopping trends. E-commerce platforms provide a wide range of options, enabling consumers to compare prices and read product reviews before purchasing (StrategyH, 2023). Additionally, direct distribution channels such as own brand websites and mobile applications offer a more personalized shopping experience, increasing consumer engagement.

A Euromonitor report highlights a new distribution pattern that has emerged in Portugal in 2023, which is reshaping the personal care retail landscape. Traditionally, distribution was segmented between modern grocery stores, beauty specialists, pharmacies, and other channels. However, "one-stop" shops have emerged, offering a variety of products that range from mass to premium, professional, and dermo-cosmetics (Euromonitor International, 2024).

The development of digital distribution channels in Portugal has been notable, especially following the COVID-19 pandemic. A report from 2018 by Boston Consulting Group (BCG) and Google estimated that the digital sector contributed approximately €9 billion to the Portuguese economy, accounting for about 5% of the country's GDP. Despite the high rate of internet penetration (71%), the adoption of e-commerce was relatively low, with only 31% of consumers engaging in it (Pedro Pereira, Observador, 2020).

The pandemic accelerated this transition, leading to an increase in e-commerce of between 40% and 60% across various product categories, reflecting a significant shift in

Group part

consumer behavior (Pedro Pereira, Observador, 2020). A report from the Interbank Services Society (SIBS) also highlighted that the average amount spent on online purchases rose by about 18% during the state of emergency, indicating that many consumers began using e-commerce for the first time, while others expanded their shopping habits (SIBS, 2020).

According to BCG's Demand Sentinel report, in May 2020, sectors such as Beauty and Cosmetics saw a 28% increase in online traffic, while the pharmaceutical sector experienced a 19% rise, maintaining levels of online traffic that exceeded those observed before the pandemic. This shift in behavior suggests that digital channels will continue to offer significant opportunities even after the return to normalcy, and that many consumers are hesitant to return to physical stores (Pedro Pereira, Observador, 2020).

Furthermore, the 2020 Payment Systems Report from the Bank of Portugal emphasized the growing importance of digital platforms for commercial transactions, reinforcing the need for a strong digital presence among businesses. Those who adopted an omnichannel approach experienced the most growth, highlighting that a cohesive digital strategy is essential to meet new consumer expectations (Bank of Portugal, 2020).

2.4.6. The personal care Industry on Instagram

Instagram has emerged as a crucial platform for the personal care industry, offering an environment where brands can interact directly with consumers in innovative ways. According to Smith and Jones (2020), the platform allows brands not only to promote their products but also to build narratives that resonate with the values and aspirations of their target audience. The interactive nature of Instagram enables brands to showcase their products and establish ongoing dialogues with customers. Through comments, direct messages, polls, and interactive stories, companies can collect real-time feedback, enhance the consumer experience, and adjust their offerings according to the preferences of the audience (Adegbola, O., Gearhart, S., &

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Skarda-Mitchell, J. (2018)). This interaction not only generates a sense of community and closeness but also builds trust, contributing to customer loyalty. Customer support on social media and message personalization help to strengthen the relationship between the brand and the consumer (Gamboa & Gonçalves, 2014). This bond is vital for customer retention in a competitive industry like personal care, where innovations are constant, and consumers have access to a myriad of options.

In recent years, the personal care industry has heavily invested in using Instagram as one of its primary digital marketing tools. The platform, which was initially conceived as a space for photo sharing among users, has evolved to become one of the largest channels for visual advertising and interaction between brands and consumers. With over 1.3 billion active users in 2022 (Statista, 2023), Instagram offers significant global reach, making it an essential platform for brands from different sectors, including personal care, in their marketing strategies.

The entry of the personal care industry into Instagram reflects a significant shift in communication and marketing strategies. Traditionally, personal care brands relied on print media, television, and other forms of mass advertising. However, the evolution of consumer behavior, which now seeks information and recommendations online, has driven companies to adopt digital marketing, with an emphasis on social platforms like Instagram (Hollenbeck & Kaikati, 2021).

Advertising on Instagram is divided into two main types: paid and unpaid. Paid advertising involves sponsored ads that appear directly in users' news feeds, while unpaid advertising is represented by organic posts and partnerships with influencers (Milovanović, Miljanović, & Novaković, 2022). These strategies are particularly effective in the personal care industry, where image and perception are fundamental to purchasing decisions (Tamara, Heriyati, & Hanifa, 2021).

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On Instagram, personal care brands utilize both paid advertising, which includes ads in feeds, stories, and explore sections, as well as organic content. Paid ads allow for broader and more targeted reach based on demographic data, interests, and user behaviors (Evans, Phua, Lim, & Jun, 2017). They are especially useful for launching new products, seasonal campaigns, and specific promotions.

Unpaid advertising, which refers to the organic content from brands' official accounts and collaborations with influencers, also plays a crucial role. Beauty and lifestyle influencers shape their followers' perceptions through authentic recommendations, being viewed as experts in certain niches, which increases consumer trust (de Veirman, Cauberghe, & Hudders, 2017).

The influence of social media, including Instagram, on consumers' decision-making processes is widely discussed. Studies show that consumers value recommendations from sources they consider authentic and that align with their personal interests (Freberg et al., 2023). This underscores the importance of influencer marketing strategies and user-generated content in the digital marketing approaches adopted by personal care brands.

Another important factor is user-generated content, which offers an extremely effective form of unpaid marketing. When consumers share their experiences with personal care products on Instagram, whether through photos, videos, or reviews, they act as involuntary brand promoters. Research indicates that consumers trust evaluations from other consumers more than traditional advertising, reinforcing the role of user-generated content in the digital marketing strategy (Pihl & Sandström, 2013).

Instagram stands out as a visually attractive platform, ideal for showcasing the benefits and results of personal care products. The use of high-quality photos and videos not only captures consumers' attention but also educates them on how to use and incorporate these products into their daily routines, influencing their purchasing decisions (Santhosh, 2022). This

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strategy is particularly effective in the personal care industry, which includes cosmetics, skincare, haircare, and personal hygiene, as it is highly dependent on visual perceptions. Images and videos that demonstrate the effects and benefits of products are fundamental in influencing purchasing decisions, especially on a platform where visual content is king (Muntinga, Moorman, & Smit, 2020).

Additionally, the active presence of personal care brands on Instagram significantly impacts purchasing decisions. A study by de Vries et al. (2021) suggests that exposure to visual content from brands can increase purchase intention, especially when complemented by positive interactions and recommendations from influencers. The visual nature of the platform allows consumers to see the results of products, reinforcing trust in the brands' promises.

The use of augmented reality (AR) technologies is revolutionizing the shopping experience by allowing consumers to interact with products in an interactive and personalized way. According to a study by McLean and Wilson (2019), AR significantly enhances shopping behavior on e-commerce platforms, highlighting interactivity and immersion as factors that influence purchase intention, increasing consumer confidence by virtually testing products. These AR applications promote greater emotional engagement, encouraging consumers to make purchases on digital platforms: McLean, G., & Wilson, A. (2019).

The implementation of augmented reality (AR) on social media offers a significant opportunity for brands to connect with consumers innovatively. According to research by Voicu et al. (2022), AR apps in e-commerce enhance the consumer experience by providing rich and informative interaction with products. This technology enables immersive shopping experiences that not only capture users' attention but also educate them on how to use and integrate products into their daily routines.

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In this context, L'Oréal, in partnership with Facebook's AR platform, Spark AR, and its own company ModiFace, has implemented makeup experiences on Instagram. Users can virtually try on products before purchasing, combining social engagement with interactive experiences. This approach not only promotes a more engaging and meaningful interaction between brands and consumers but also increases brand recognition and encourages customer loyalty (L'Oréal, 2021).

Although Instagram offers numerous opportunities for the personal care industry, challenges also exist. The saturation of ads and the rise of ad blockers are obstacles that brands need to overcome. Additionally, with the growing popularity of influencers, there is an increasing concern about the authenticity of recommendations and the risk of "influencer fatigue," where consumers begin to question the credibility of overly sponsored content (Audrezet, de Kerviler, & Guidry Moulard, 2020).

Portuguese consumers are increasingly interested in high-quality cosmetics, especially those that meet specific needs, such as anti-aging and skincare. This phenomenon is linked to the growing awareness of ingredients and product benefits, which is often driven by social media and online recommendations. A study by Limbu and Ahamed (2023) reveals that the increasing demand for green and sustainable cosmetics is also associated with consumers' attention to the sourcing of ingredients and the environmental impact of products, reflecting a shift in purchasing behavior towards healthier and more ethical alternatives.

According to data from Macro Consulting, in 2022, beauty and cosmetic products were among the most purchased items online, with 27% of consumers in the European Union buying these products, second only to clothing and footwear (Macro Consulting, 2022). This demonstrates that the presence of personal care brands on social media is crucial for reaching consumers, especially younger ones who are more inclined to invest in skincare and makeup.

3. Literature Review

This chapter examines the literature related to the research topic. It is organized into several sections, each contributing to a thorough comprehension of the subject matter. It begins by investigating the evolution of the social media industry, tracing its growth over the years, and evaluating its current status. Subsequently, the focus shifts to how personal care brands on Instagram use the platform to showcase their products and connect with consumers effectively. Additionally, there is a part that delves into the personal care market in Portugal, shedding light on trends and the competitive environment in the industry. In conclusion, the chapter synthesizes existing research on consumer behavior and brand engagement on social media. It also presents the empirical methods employed in this study—specifically, conjoint analysis and perceptual maps—explaining how these methodologies facilitate an understanding of consumer perceptions, preferences, and interactions with personal care brands on Instagram.

3.1. Consumer Behavior

3.1.1. Evolution of Consumer Behavior

Instagram's emergence has significantly transformed how consumers engage with brands. Social media platforms have supplanted traditional advertising channels as essential to the modern consumer's discovery process. Instagram has significantly blurred the distinctions between content search, research, and shopping. This evolution has created an environment in which consumers no longer exclusively depend on traditional marketing techniques; instead, they increasingly rely on social proof, peer reviews, and influencers' endorsements to inform their purchasing decisions. Today's Consumers interact with content that educates them about goods and services and provides entertainment. Moreover, Instagram's interactive features, such as product tagging, Instagram shopping, and carousel posts, have made it simple for consumers to transition from product discovery to purchase pleasantly and straightforwardly.

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A study conducted by Facebook IQ has revealed that Instagram serves as a medium for generating awareness and effectively drives sales. Expressly, 54% of respondents indicated that they made a purchase immediately or after viewing a product or service on Instagram. Furthermore, this same audience acknowledged their perception of brands on Instagram as being popular (78%), creative (77%), entertaining (76%), and relevant (74%) (*Facebook, n.d.*). Instagram plays a pivotal role throughout the entire purchasing process. Individuals utilize this platform to identify current trends, research products before purchasing, and evaluate their decisions regarding whether to proceed with a transaction. Each of these phases presents unique opportunities on Instagram for marketers to stimulate consumer engagement. The same study conducted by Facebook IQ concluded that approximately eighty-three percent of consumers discover new products or services via Instagram, eighty-one percent employ the platform to investigate products or services, and eighty percent affirm that Instagram aids them in their decision-making regarding purchases (*Facebook, n.d.*).

Eighty-seven percent of respondents indicated that they took action after being exposed to product information on Instagram. These actions include but are not limited to following a brand, visiting the brand's website, or making an online purchase. Additionally, upon encountering a product or service on Instagram, seventy-nine percent of consumers sought further information; sixty-five percent visited the brand's website or application, thirty-one percent followed the brand's account online, and twenty-nine percent engaged in discussions with others regarding the product (*Facebook, n.d.*).

3.1.2. Factors Influencing Consumer Behavior

The emergence of sponsored Instagram advertisements presents both advantages and disadvantages for brands. While sponsored posts offer high visibility and reach, research suggests that excessive exposure can lead to ad fatigue, where consumers feel overwhelmed by

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constant marketing messages. *Rudianto et al. (2024)* found that Instagram ads significantly influence consumer purchase interest. Through Instagram, products or services are offered through advertisements on the Instagram feature, so potential consumers can see the types of goods or services offered to influence interest in purchasing products.

However, ad saturation may decrease engagement as consumers ignore repetitive content. Consumers have grown more discerning about the types of ads they engage with, often preferring organic content over sponsored ads due to their perceived authenticity. Organic posts, not paid for by brands, foster a more genuine connection with audiences, encouraging trust and loyalty (*Kemeç & Yüksel, 2021*).

Additionally, *Lou and Yuan (2019)* emphasize that authenticity and trust are critical drivers of consumer engagement, particularly on Instagram. Consumers value genuine interactions with brands, preferring content that feels real and unscripted over direct promotions, which can feel overly commercial. This trust-based engagement is vital for long-term brand relationships in sectors like personal care, where trust in product quality plays a significant role in decision-making. This sentiment is reinforced by *Schouten et al. (2020)*, who argue that brands may augment consumer trust by integrating authentic narratives and avoiding excessive promotional strategies, particularly in the personal care sector, where the efficacy of products is of utmost importance. To preserve consumers' trust, brands must carefully balance paid and organic content. Paid content is crucial for expanding a brand's reach and visibility; however, if it comes across as too promotional or false, it runs the danger of diminishing confidence. On the other hand, organic content promotes long-term engagement by enabling brands to develop a deeper, more intimate connection with the audience (*Langan et al., 2019*). This approach ensures that brands can broaden their appeal while preserving the authenticity that resonates with consumers.

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As a prominent visual platform, the quality of images utilized in these advertisements plays a vital role in attracting consumer attention. Advertisements that incorporate aesthetically appealing and relatable visuals are more effective as they enhance authenticity and align with consumer preferences. According to research by *De Vries et al. (2017)*, images consistent with a brand's identity increase engagement levels. Furthermore, *Sung et al. (2021)* emphasize that modern design trends, including minimalism and natural tones, are especially attractive to consumers. Furthermore, consumers are placing a greater emphasis on informative advertisements that deliver educational content regarding the advantages and application of the product. *Alalwan (2018)* emphasizes that factors such as informativeness and perceived relevance in ads help build customer trust and credibility because they enhance the perception of usefulness and satisfaction, thereby increasing trust in the content. Therefore, consumers tend to value ads that align with their preferences, as they perceive these ads as credible sources.

In support of this assertion, *Pulizzi (2013)* suggests that the main way to foster consumer engagement is by creating value-rich content, such as advertisements providing relevance and utility, such as tutorials or ingredient explanations, to promote deeper engagement by equipping consumers with knowledge. In addition to authenticity, the integration of social proof significantly impacts consumer engagement. User-generated content, such as testimonials and reviews, enhances relatability and authenticity, making ads more compelling. *Muntinga et al. (2011)* highlight that when consumers see real users sharing their experiences with products, it fosters a sense of community, influencing their purchasing choices. *Ashley and Tuten (2015)* note that interactive content allows consumers to participate in the ad experience, enhancing personalization. Strong calls-to-action (CTAs) effectively guide consumers from viewing to exploring products, facilitating a seamless transition from discovery to purchase, as *Lipsman et al. (2012)* noted.

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Moreover, Lou and Yuan (2019) discovered that consumer-brand relationships are significantly enhanced when brands use paid promotions, strategically integrating influencer partnerships to preserve a sense of authenticity. This strategy prevents it from appearing blatantly commercial and gives customers the impression that they receive recommendations from reliable others. In the personal care market, where consumers are more skeptical of advertisements because of the nature of the products, striking a balance is especially crucial because consumers expect openness and are turned off by highly polished ads (Ilicic & Webster, 2016). Consumers expect openness and transparency, particularly regarding product ingredients and brand values (Djafarova & Rushworth, 2017); without compromising the authenticity that builds customer loyalty, brands can expand their audience and retain engagement by fusing targeted paid advertisements with natural, organic content.

On Instagram, influencers are significant in determining how customers behave. Their ability to build trust with their followers creates an environment where recommendations feel personal rather than promotional. Influencers bridge the gap between discovering and buying a product by acting as intermediaries between brands and consumers. Influencers perceived as authentic and relatable can significantly impact their followers' purchasing decisions, particularly in the personal care industry, where consumers seek products that align with their values, such as sustainability or cruelty-free options (De Veirman et al., 2017).

In addition, Schouten et al. (2020) argue that influencers' perceived authenticity is critical in fostering trust and building solid consumer-brand relationships. In this context, authenticity refers to an influencer's alignment with their followers' identity and values. This can result in increased engagement and a more significant influence on consumer decisions, particularly within the personal care industry, where consumers' decision-making process heavily depends on their trust in the quality and safety of the product.

3.2. Overview of Previous Research

Social media advertising plays a significant role in influencing consumer behavior, making it a crucial element of effective social media campaigns (Rinka & Pratt, 2018). This marketing approach can be categorized into three main types: owned, paid, and earned media (Burcher, 2012). Notably, social media functions as earned media through user-generated content, which has been shown to impact purchasing behavior significantly. Recent research suggests that comments, from users on a brand's social media platforms can impact consumer choices just as much as content created by marketers (Lee et al., 2018; Yoon et al., 2018). Additionally, the level of interaction by consumers on social media shows a connection to their readiness to spend on endorsed products or services (Goh et al., 2013).

An exploratory study highlights the importance of trust in social media interactions, revealing that users are more inclined to engage with marketer-created content when it is recommended by trusted friends. This creates a trust hierarchy, where recommendations from real-life friends are deemed most credible, followed by those from online acquaintances, and finally, the least trusted are those from anonymous individuals on brand websites (Harris & Dennis, 2011).

Additionally, users' attitudes toward social media platforms significantly influence their purchasing behavior. Several factors drive these attitudes, including the perceived usefulness of recommendations, enjoyment derived from the platform, and ease of use. Among these, perceived platform enjoyment directly impacts purchase intention; the more users enjoy the social media network where advertisements appear, the more likely they are to purchase the promoted items (Pietro & Pantano, 2012). With the increasing emphasis on customer empowerment and privacy—heightened by regulations like the EU's General Data Protection Regulation—factors such as the need for social connections, self-portrayal, and data privacy

concerns have been found to intensify social media usage and acceptance of personalized advertisements (Wirtz et al., 2017).

Research indicates that the perceived advertising value on social media is a critical determinant of purchasing behavior (Hamouda, 2018). Key drivers of purchase intention include interactivity, perceived relevance, hedonic motivation, performance expectancy, and informativeness (Alalwan, 2018). Additionally, recommendations in social media can effectively stimulate actual purchases, with consumers often preferring to buy either high-priced or low-priced items through platforms that facilitate quick transactions (Forbes & Vespoli, 2013). Collectively, these insights underscore the dynamic relationship between social media advertising and consumer behavior, emphasizing the importance of trust, user engagement, and perceived value.

3.3. Empirical Approach

Successful marketing strategies depend on data-driven methods that analyze consumer preferences and market trends. Tools like perceptual mapping and conjoint analysis are key in uncovering how people perceive different brands and what content attributes they value most. By using these methods, businesses can better position their content, ensuring it resonates with consumers and effectively meets their needs in the competitive landscape.

3.3.1. Perceptual Map

Perceptual mapping offers a unique ability to understand market structure by analyzing the complex relationships among marketplace competitors and the criteria buyers use in making purchase decisions (Nigam & Kaushik, 2011). Marketers typically pursue two primary goals when creating a perceptual map: first, to identify how their brands are positioned relative to competitors, and second, to determine which product attributes influence the most customers' decisions (Kohli & Leuthesser, 1993; Gigauri, 2019; Said Ghataty et al., 2023).

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In this context, a product's position is defined as the place it occupies in the minds of target customers within a competitive environment, while positioning is a managerial activity aimed at influencing customer perception to secure a sustainable foothold in that mental space (Schweiger & Schrattenecker, 2009; Helm, 2009; Rekettye & Liu, 2001). This subjective perception is shaped by individual consumer values, beliefs, needs, experiences, and environments (Chadha & Kapoor, 2008).

Perceptual maps are employed in marketing to visually analyze relationships between two or more attributes. The term "perceptual map" encompasses plots generated through various techniques, such as principal component analysis, (multiple) correspondence analysis, and multidimensional scaling, each with specific requirements for both production and interpretation (Gower et al., 2010). The creation of perceptual maps is based on evaluations of similarity or dissimilarity carried out by respondents, with SPSS frequently used to aggregate responses and generate the map through comprehensive analysis.

When utilizing the attribute-based approach for perceptual mapping, respondents are asked to rate selected products or brands on various attributes. Typically, discriminant analysis is employed alongside SPSS software to facilitate this process, resulting in a perceptual map derived from the output of the analysis. This method enables marketers to visualize and better understand consumer perceptions and competitive dynamics within their market.

3.3.2. Conjoint Analysis

Conjoint analysis is a sophisticated quantitative research method widely used in marketing to explore product and pricing strategies by quantifying the value consumers assign to various attributes of a product or service. This method enables marketers to understand the distinct contributions of a limited number of features to a product's overall value (Green & Rao, 1971). The pioneering work by Paul Green established a new system for quantifying rank order

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data, making it applicable to marketing research, such as forecasting market responses for new products.

The primary objective of conjoint analysis is to determine how different attributes collectively influence consumer preferences. Respondents are typically presented with a set of products or scenarios that are similar enough to be seen as close substitutes but dissimilar enough for clear preference distinctions. This response task may involve individual ratings, rank orders, or choices among alternative combinations of features (Paul, 2017).

For scenarios with a limited number of attributes—typically six or fewer—the full-profile method of conjoint analysis proves particularly effective. This method allows researchers to gather nuanced insights into consumer preferences.

When adequately implemented, with a sufficient number of respondents (generally around $n=200$ per market segment), conjoint analysis can accurately identify and target needs-based segments. For instance, one segment might prioritize high-performance products at a low price, while another may focus on reputable brands known for durability. By cross-tabulating segment membership with other descriptive variables collected from respondents, marketers can develop targeted strategies to cater to these distinct groups (Bryan, 2024).

Furthermore, conjoint analysis is invaluable for optimizing multiple products aimed at different market segments, ultimately helping to grow market share and enhance overall revenues and profitability. However, there are important drawbacks and common pitfalls to consider. The market simulator predictions of “shares of preference” assume that all significant attributes have been included in the study, that respondents possess equal information and full awareness of brands, and that each individual is actively looking to purchase. Limitations arise, for example, in accounting for the impact of promotional efforts or sales effectiveness for specific brands, which the market simulator cannot inherently address (Bryan, 2024).

4. Conjoint Analysis

4.1. General Results

Sociodemographic profile

The sociodemographic profile of participants of this conjoint study is deemed relevant for this research as it offers a strong representation of the Portuguese panorama analyzed. Out of 258 answers, 160 were considered high-quality by the platform and included in the final analysis, as 98 participants did not go through all options or responded in a smaller amount of time than the one required for a correct understanding of all questions. The conjoint analysis yields a strong fit of 75.1%, indicating that the collected responses are highly representative of reality.

As for gender distribution, the vast majority of respondents were female (79.4%), with the remaining being male (20.6%) (Appendix 4 – Figure 16). The age distribution is well-balanced between the younger and older demographics. The age group with highest share of participants was between 18 and 24 years old (31.9%), followed by 35-44 (26.3%), 25-34 (18.1%), 45-64 (23.8%), with no one aged 65+ (0.00%). Hence, the sample is composed of 50% participants with less than 35 years of age and 50% with 35 or more (Appendix 4 – Figure 17).

Regarding the country where participants currently live in, most live in Portugal (98.1%), with only a small minority (1.9%) living abroad. This reinforces the relevance of data collected through this study, given its focus on the Portuguese market (Appendix 4 – Figure 18). In what concerns occupational status, the greatest portion of participants are employed full-time (66.9%), followed by students (20.6%), part-time workers (7.5%) and self-employed workers (5.0%), with no one unemployed or retired (Appendix 4 – Figure 19). Income wise, most earn less than 1500€ (around 68.5%), which can be related to the considerable proportion of young people surveyed. In particular, 3.8% have no income, 26.3% earn less than 1000€ and 38.1% earn between 1000€ and 1500€. Furthermore, 26.9% earn between 1500€ and 2000€,

with 5.0% earning over 2000€ (Appendix 4 – Figure 20). When it comes to Instagram daily screen time, the greater part of respondents tends to spend 1 to 2 hours on the platform (35.6%), followed by a screen time of around 2 to 3 hours (26.3%), less than 30 minutes (20.6%), and above 3 hours (17.5%) (Appendix 4 – Figure 21).

Relative importance of attributes

In a conjoint analysis, the relative importance of attributes is helpful in understanding consumer preferences by underlining which attributes they value the most and which have a lower impact on their choices. Therefore, the percentages represent how much each attribute contributes to the overall decision-making process. To summarize the importance of each attribute in our analysis:

- Frequency of Paid Posts (35.1%): the most influential factor, showing that respondents are highly concerned with how often paid posts appear, indicates that consistency or the volume of paid content is critical in influencing preferences.

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- Call to Action (19.3%): a quite significant factor, which might suggest the importance of effective engagement in content as key in the decision process.
- Content Format (18.9%): moderately important, indicating that the way content is presented matters but is less critical than other factors.
- Type of Influencer (14.3%): less influential, suggesting that respondents care less about the influencer's type (celebrity, macro-influencer, micro-influencer, none – brand).
- Content Type (12.4%): the least important factor, implying that the specific form of content (e.g., video, image – product-focused, educational, lifestyle content) has minimal impact on decision-making.

In summary, frequency of paid posts and call to action are the highest priorities, while content type and type of influencer are less significant.

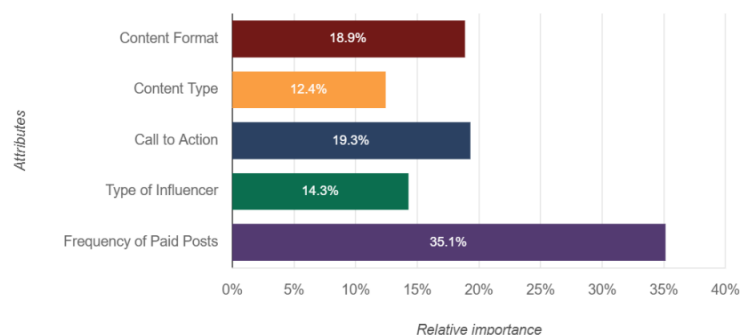


Figure 1 - Relative importance of Attributes (Retrieved from Conjoint.ly)

Relative importance of levels

Furthermore, let us delve into the relative importance of levels within each attribute in the eyes of the average consumer. Starting with the content format, it is possible to see that reels are the preferred format (11.8%) and the only one that consumers are actually drawn to. This is because posts and stories present a negative relative importance (-4.2% and -7.6%,

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respectively), meaning they in fact make consumers less likely to choose that option. As for content type, consumers do not find product-focused posts very attractive (-9.5%). However, educational content (4.6%) and lifestyle content (4.9%) are seen as a positive feature of an ad. About calls to action used in promoted content, discount codes would be the most effective according to the surveyed individuals (14.0%), while purchase links are not seen as attractive to consumers (-5.9%), with giveaways/contests being the least interesting option (-8.2%). Regarding the type of influencers doing partnerships with a brand for an ad, celebrities with more than 1 million followers are the participants' favourite option (2.4%), with macro-influencers following closely (0.8%). Besides that, micro-influencers are not seen as a plus (-1.0%), and neither is the brand itself (-2.2%). Lastly, the preferred frequency of paid posts is none, that is, organic posts only (23.0%). Medium frequency (3 posts per week) is also seen as attractive (7.0%). Then, high frequency (daily posts) and low frequency (1 post per week) are not beneficial at consumers' eyes.

Overall, if we were to prepare a content with one of the optimal combinations of features following this data, it would be a reel based on lifestyle content published by a relevant celebrity, with a discount code offer, and the brand content would be organic only. However, this poses a question: how would the brand be able to give the celebrity influencer a discount code if it were part of an organic proposition? Please note that organic content made by influencers on a specific branded product may be considered organic only and only if they are not paid to do so, i.e. they receive a product sample sent by the brand and opt for trying it and showing the results of its use to their audience (either positive or negative, as there is no binding nature from a brand sponsoring that content), or even just have the product already and decide to talk about it. Hence, this “perfect” combination would not be entirely possible, meaning it would have to follow a medium frequency of paid posts (second in preferences) instead of

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organic content only. Nevertheless, it is clear that consumers are more drawn to organic posts rather than ads.

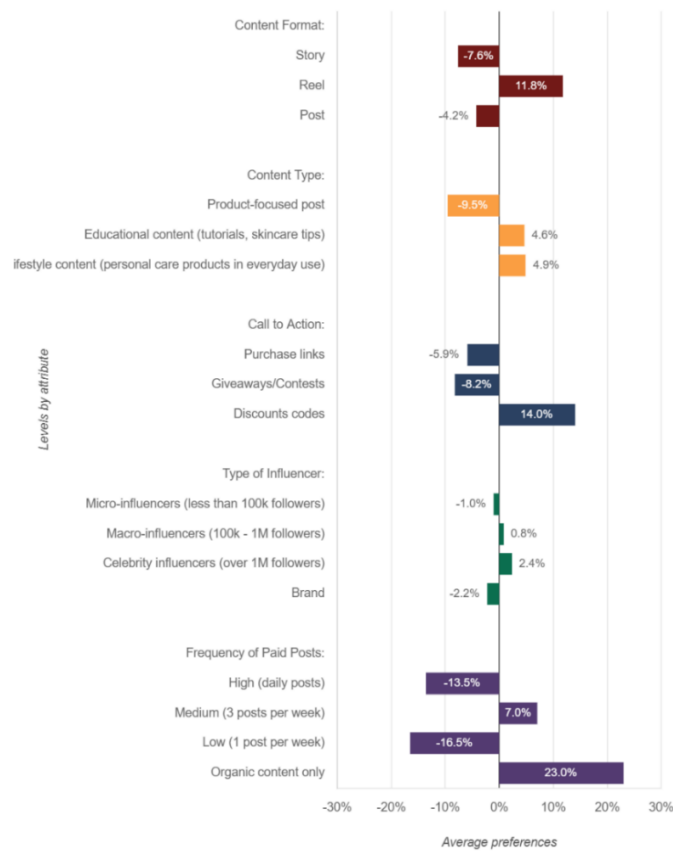


Figure 2 - Relative preference for levels (Retrieved from Conjoint.ly)

Ranked list of concepts

The ranked list of concepts shows the combination of features consumers would choose by order of preference. In the table below, the first 10 combinations are presented, making it easier to understand what features customers would value the most and see as essential in order to like that content, and also the features that can vary and still be appreciated by customers. Since brands are irrelevant for our analysis and were only presented as a way to show different alternatives to respondents, let us ignore that column. So, starting with content format, it is clear that stories are not valued by respondents, with reels being the format preferred 8 out of 10 times, and posts the remaining times. Besides, content type presents a similar behavior, with

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only one option being discarded by respondents, the product-focused posts. Therefore, educational content, which was selected 3 out of the 10 most preferred combinations, and lifestyle content, that was selected the remaining 7 times, were the preferred types of content. This means customers usually prefer content that adds to the product itself, being through tips or tutorials on how to best apply it and its benefits, or through the sharing of testimonials of people that already use the product and want to demonstrate its effectiveness. Then, the call to action to go with for an ad is certainly a discount code, according to participants. The same applies to frequency of paid posts, to which respondents reported an absolute preference for organic content only. However, this shows that consumers are not very familiar with the regulations for publicity made by brands in partnership with influencers, since every time an influencer posts something in accordance with a brand he or she is obliged to state that it is an ad (ex: #pub). Additionally, influencers may talk about a brand or product they have used without any previous agreement with the brand (spontaneously or because of a sample product sent by the brand), as mentioned before, but please note that it is less common. As for the type of influencer partnering with a brand, celebrities are the top choice for consumers. Nevertheless, respondents seem divided regarding their choice, with macro-influencers, micro-influencers and the brand itself being selected the same amount of times each.

Table 1 – Top 10 combinations from Ranked list of attributes

Personal Care brand	Content Format	Content Type	Call to Action	Type of Influencer	Frequency of Paid Posts	Rank	Value to customers
Personal care brand 1	Reel	Lifestyle content...	Discounts codes	Celebrity influencers...	Organic content only	1	50,28673619
Personal care brand 1	Reel	Educational content...	Discounts codes	Celebrity influencers...	Organic content only	2	50,08287882
Personal care brand 1	Reel	Lifestyle content...	Discounts codes	Macro-influencers...	Organic content only	3	48,87731846
Personal care brand 1	Reel	Educational content...	Discounts codes	Macro-influencers...	Organic content only	4	48,67346109
Personal care brand 3	Post	Lifestyle content...	Discounts codes	Celebrity influencers...	Organic content only	5	48,27656858
Personal care brand 3	Reel	Lifestyle content...	Discounts codes	Celebrity influencers...	Organic content only	6	48,01518027
Personal care brand 3	Post	Lifestyle content...	Discounts codes	Brand	Organic content only	7	47,55416467
Personal care brand 3	Reel	Lifestyle content...	Discounts codes	Brand	Organic content only	8	47,29277636
Personal care brand 1	Reel	Lifestyle content...	Discounts codes	Micro-influencers...	Organic content only	9	47,19713322
Personal care brand 1	Reel	Educational content...	Discounts codes	Micro-influencers...	Organic content only	10	46,99327585

4.2. Simulations

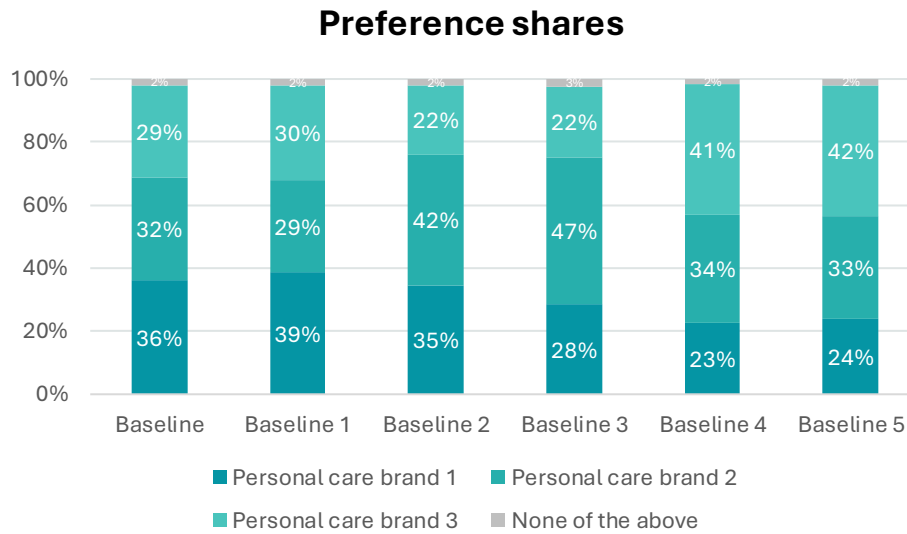


Figure 3 - Simulations

This bar chart provides valuable insights into how social media formats (reels vs. posts), influencer types, and content variations influence consumer preference across three personal care brands. The data reveals distinct patterns and strategic opportunities for brands to optimize their social media efforts. Please note that here, brands do not represent any real brand. Instead, certain features, some of which were repeated across the top 10 combinations of preferences (Table 2), remain constant throughout the analysis in order to allow more trustworthy and comparable results. In this way, all brands across the 6 baselines present the same call to action (discount codes) and frequency of paid posts (medium: 3 weekly posts).

On one hand, we have the first 3 baselines (0, 1 and 2), which concern reels, with varying influencer types between the first two (brand; celebrity; macro-influencer vs. micro-influencer; celebrity; macro-influencer), and different content types for baseline 2 (lifestyle, educational, product-focused content; all with micro-influencers – the most popular among influencers tested from the other two baselines). On the other hand, baselines 3, 4 and 5 relate to posts, with different content types for baseline 3 (lifestyle, educational, product-focused content; all with

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macro-influencers – the most popular among influencers tested from the following two baselines), and varying influencer types between the baselines 4 and 5 (brand; celebrity; macro-influencer vs. micro-influencer; celebrity; macro-influencer).

Reels (Baselines 0 - 2) are much more dynamic in the competition between the three brands; first, Brand 1 was leading the race, and then Brand 2 overtook after the change in content. This would indicate that reels are very effective in building consumer interest, but the impact really varies widely depending on the type of content and influencer alignment. This is to say that changes in the content of reels appear to have a greater effect on brand preferences, as was the case with Baseline 2, where Brand 2 surged in preference after the switch in content, while Brand 3's appeal declined. On the other hand, Posts (Baselines 3–5) are much more stable in the preference pattern, with Brand 3 leading across the board, irrespective of the changes in content type or influencer. This would support that posts are a particularly well-suited format for Brand 3, possibly due to the established messaging or visual identity of the brand, which resonates strongly in this medium. Although the changes regarding content and influencer are still somewhat influential on preferences in the context of small movements across Brand 1 and Brand 2's shares, Brand 3 still dominates by and large across the baselines of all posts.

Another finding across formats is that the strength of influencers further solidifies leading brand positions. Among the reels, the switch in the influencer type increased the performance of Brand 1, while for posts, it helped Brand 3 even more to stay ahead. This seems to suggest that the right selection of influencers is what serves to amplify the brand's existing strengths rather than redistribution of consumer preference across all brands.

Not as simple are the effects of content type differences: reels produced more

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dramatic effects; Baseline 2 switching in a run of content types massively flipped the preference, largely for Brand 2, who most gained out of such a change. This differentiation effect was less pronounced on post content, where the former leader, Brand 3, led continuously, though Brand 2 does show a slight catch-up in share.

Regarding format preference, reels seem to work better in generating competition and engaging the audience on a whole different level. That is probably due to the interactive nature of reels themselves and the fact that many content styles can be applied. Posts appear to be more appropriate for reinforcing brand loyalty, especially for brands like Brand 3, which have an already strong visual or narrative presence. For these brands, posts are a stable medium to solidify their position, while reels provide an opportunity to reach and engage new segments.

Key Strategic Takeaways:

- Reels Strategy: brands should create dynamic and engaging content in reels, catering to the target audience. Regular adjustments in content can help capture shifting preferences and maintain consumer interest.
- Posts Strategy: consistency is key for brands with strong visual or narrative identities. Posts provide a platform to reinforce loyalty and consolidate the brand's leadership.
- Influencer Selection: the right influencer has to be chosen. This is supported by data showing that the alignment of the influencer can greatly amplify a brand's performance, even more so when combined with the right social media format – reels or posts. Influencers should resonate with the identity of the brand and target audience for better performance.

Through simulations, conjoint analysis suggests that the most engaging formats are reels featuring educational content by micro-influencers, or posts with similar educational content created by macro-influencers.

This analysis has brought to light the interaction of social media format, content type, and influencer impact in shaping consumer preference. The brands could use these insights to create a more effective social media strategy that caters to the dynamic nature of consumer behavior and helps them stay ahead in a highly competitive landscape.

5. Innovative Application Development (Bonus Chapter)

Throughout this thesis, we analyzed the impact of different types of content in the digital marketing of personal care brands on Instagram, exploring the dynamics between organic and sponsored posts. The results of our study highlighted the crucial role of a balanced approach in digital communication, one that can meet consumer preferences while mitigating the risks of fatigue and distrust towards advertisements.

The insights gathered through interviews with experts reinforced this need for balance. Authenticity was unanimously highlighted as an essential element, with 4 out of 5 experts recognizing that organic content is more effective in building trust and encouraging purchase consideration. On the other hand, paid content plays a fundamental role in reaching broader audiences and generating immediate results, especially when using engaging formats such as short videos, reels, and carousels. However, even with these benefits, the interviewees emphasized the importance of maintaining naturalness in paid content, often resorting to collaborations with authentic influencers and user-generated content (UGC) to preserve credibility and emotional connection with consumers.

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Additionally, the experts highlighted the growing role of videos, particularly in formats such as Reels and sponsored stories, in capturing the audience's attention. All interviewees agreed that dynamic and creative videos are the most effective tool for increasing engagement and encouraging conversion. Brands like Bioderma and Uriage have already implemented video strategies that combine education and entertainment, promoting not only the products but also the values and personality of the brand. Another trend identified was the use of user-generated content, amplified by paid campaigns, as a way to demonstrate the authentic impact of products on consumers' everyday lives. This practice combines the expanded reach of sponsored content with the genuineness of UGC, creating a hybrid format that balances the benefits of both approaches.

Finally, a growing challenge related to advertisement fatigue was identified. With consumers becoming increasingly selective and critical, it is crucial for brands to use strategies that prioritize relevance, transparency, and personalization. This concern also points to the future of marketing on Instagram, with experts predicting greater integration of artificial intelligence to personalize experiences, target audiences, and ensure campaign efficiency, without compromising authenticity or consumer trust. Based on the conclusions and insights provided by the interviewees, we identified a significant gap in the digital marketing market in terms of the tools available for brands seeking to align content strategies with audience expectations. While various platforms offer general performance metrics and social media management tools, they lack the ability to integrate personalized recommendations that consider audience segmentation, the balance between organic and paid content, and consumer sentiment analysis.

It is in this context that the proposal for an innovative application arises, designed to deepen the analysis conducted in this research. In this way, we will develop the idea of this application, which combines performance analysis, audience segmentation, and artificial

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intelligence to provide strategic recommendations to brands. The tool aims not only to optimize Instagram campaigns but also to translate the findings of our study into practical and applicable solutions for the market. Inspired by the practices of brands like Bioderma, which prioritize authenticity and campaign effectiveness through genuine partnerships with influencers, this application will also allow companies to implement strategies based on the principles identified during this investigation: balance, authenticity, and relevance.

Thus, our goal is, in addition to the theoretical conclusion, to present a practical extension that connects the insights obtained with the implementation of a tool that uses artificial intelligence to respond to the specific needs identified during the research. Providing brands with a more efficient, personalized, and data-driven approach, strengthening the relevance and applicability of the results of our study.

To further validate the feasibility and relevance of this proposed application, additional interviews were conducted with six digital marketing experts, whose insights confirmed the market's demand for tools offering personalized content strategies, audience segmentation, and advanced performance analysis. A detailed account of these interviews and their findings can be found in Appendix 5.

5.1. Possible outputs generated by using the app

Given Uriage's digital presence in Portugal, an application like the one described above could provide the brand with insights to optimize the use of paid and organic posts on Instagram, taking into account its current strategy. Uriage stands out for educational and visual content, using influencers to increase credibility and connection with the public. With the Keep it Real agency coordinating its campaigns, the focus has been on transparency and

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sustainability, especially through influencers and recommendations from dermo-cosmetic experts.

For a possible output of the application, we can consider the following points:

1. Performance of Educational Content

Uriage can use the application to track the performance of both paid (sponsored) and organic posts on Instagram. By analyzing engagement metrics such as likes, shares, comments, and clicks, the app allows the brand to identify which type of content resonates most with their audience. The application's analysis indicates that educational posts (explaining the benefits of ingredients, for example) have high engagement, especially in organic content, but could be put to better use in paid campaigns. The recommendation is to invest in paid posts that maintain the educational tone, showing the use of products in everyday scenarios, to strengthen authenticity.

2. Audience Segmentation Suggestions

The application allows Uriage to segment its audience based on factors like age, gender, location, and engagement patterns. Uriage's audience includes young consumers who are concerned about skin health. The application suggests a dual segmentation: one group focused on practical content (for those looking for quick skincare routines) and another aimed at consumers with sensitive skin, interested in deepening their knowledge of product safety and composition.

3. Sentiment Analysis for Content Refinement

Uriage can leverage the application's sentiment analysis tool to understand emotional reactions to its posts. For example, if a sponsored post promoting a new product line generates predominantly negative comments, this data can alert the brand to potential issues with the campaign (e.g., misalignment with consumer expectations or ad fatigue). In contrast, positive

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sentiment around organic posts—such as testimonials from influencers or educational content—can guide the brand to produce more of that type of content. This allows Uriage to continuously refine its Instagram strategy to improve customer satisfaction and brand perception.

4. Visual and Aesthetic Analysis

The application can suggest which visual elements (colors, image types, text usage) generate the most engagement for each audience segment. Furthermore, the application could point out that, although minimalist images are elegant, including elements that convey well-being and natural environments (such as scenes of self-care) would increase engagement. Such an adjustment would help connect the brand's values to feelings of relaxation and personal care.

5. Optimizing Posting Times

The application's recommendations on optimal posting times can help Uriage schedule posts when its target audience is most active, increasing the likelihood of engagement. Based on engagement data, the app recommends educational organic posts in the morning, while paid posts with a more promotional tone perform better in the early evening.

6. Real-Time Adjustments and Alerts

The app's real-time performance analysis enables Uriage to stay agile in its content strategy. If a post underperforms (e.g., lower than expected engagement), the app sends an alert and offers suggestions for improving the content—whether that means changing the visuals, adjusting the call-to-action, or altering the post timing. This ensures that the brand can swiftly respond to shifts in audience behavior and optimize content swiftly.

7. Influencer Campaign Impact Report

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The application can provide an analysis of the impact of the partner influencers, suggesting that health and wellness experts maintain a higher engagement rate and generate more trust in the audience.

This type of output would help Uriage adjust its campaigns and better allocate its resources between organic and paid posts, taking advantage of influencers' authenticity and educational messages to improve customer loyalty and engagement. These insights are especially valuable in a market where consumers are looking for transparent brands focused on quality and well-being.

These recommendations would complement the strategies already used by Uriage, making its digital communication more adapted and effective in relation to the local target audience.

6. Recommendations

Maximizing Instagram Engagement

Personalization: the tailoring of ad content and frequency to each segment's preferences, leveraging analytics to optimize targeting.

Engaging formats: reels, posts and stories can be used to attract attention across all segments. According to the conjoint analysis, the most engaging formats would be reels with educational content posted by micro-influencers, or posts also with educational content made by macro-influencers.

Value-driven offers: incorporate discount codes notably in campaigns for value appeal.

Authenticity: prioritize organic content or ads that emulate organic posts for greater trust and engagement. To feel organic and build trust and engagement, ads need to feel natural and

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organic. Tactics such as native advertising, influencer marketing, and user-generated content help seamlessly integrate ads within regular content to reduce the "sold to" feeling.

Storytelling, transparency, and interactive features are other ways to build trust and foster participation. Subtle branding, focusing on experiences rather than hard-selling products, makes ads more relatable and engaging. This leads to higher user interaction and a better overall perception of the brand.

Balanced Content Strategy: Organic and Paid Integration

Balancing paid and organic content, skincare brands must be willing to mix in organic "Behind the Scenes" or "Day-in-the-Life" content with influencer takeovers, all while being very conscious of ad frequency to not overwhelm audiences-particularly older adults. This type of organic content-behind-the-scenes footage showcasing product development or influencer partnerships-provides a very real view into the operations of a brand and helps to forge deeper connections with consumers. This organic content should be blended with promoted content showcasing sneak peeks or early access to products for a limited time. Additionally, running creative influencer "takeovers" in which influencers post content directly on the brand's account can introduce fresh perspectives and help drive engagement. These organic takeovers can then be amplified through paid ads promoting highlights of the takeover-influencer reviews or behind-the-scenes moments-whatever ensures the content reaches a larger and more targeted audience. This will ensure that organic and paid content work strategically in building stronger brand loyalty and expanding reach without burdening consumers with too many paid posts.

Implement Augmented Reality (AR) Filters for Organic Engagement

Design a branded Instagram AR filter that allows users to interact with the skincare brand in a very organic, fun, and creative way; for example, a filter that shows "flawless skin" after using the product. The brand could use organic posts to promote the AR filter and engage

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its audience, then amplify the most creative uses of the filter through paid ads, featuring real customers having fun with the brand.

Take Advantage of Innovative Applications/Platforms

The application (see Bonus Chapter) proposes a way for personal care brands to optimize their Instagram marketing strategy by balancing paid and organic content. As sponsored posts continue to rise, personal care brands will be faced with opportunities and challenges, such as increased visibility versus consumer fatigue due to an over-influx of ads. The application makes recommendations powered by data for various segments, analyzes engagement metrics and sentiment for the perfect mix of paid and organic content, and finds the most effective content preferences for the brand. It provides insights on audience segmentation, optimal posting times, and visual elements driving engagement to ensure that the strategy for content is relevant and personalized.

By integrating sentiment analysis with real-time performance tracking, the app enables brands to continuously refine their strategies at all moments. Users are segmented based on demographic and behavioral data, allowing brands to understand which content really works with each group. This helps prevent ad fatigue while ensuring better consumer satisfaction due to a more realistic and effective experience. While there are tools for that, such as Sprout Social and Hootsuite, this application fills the gap by providing a holistic solution for balancing paid and organic content to ultimately drive engagement, loyalty, and overall performance on Instagram for brands. Until this app is launched, brands can try to use one or more of the existing platforms to perform some of the functions this new app would offer.

Investigate Audience Demographics and Targeting

Analyzing the various demographics of an audience (age, gender, location, interests) in their organic vs. paid content engagement related to skincare brands. With paid content one is

able to target audiences, while organic is subject to the mercy of pre-existing followers and general engagement. By understanding what and how different segments of an audience resonate with one form of content to others, skincare brands can tailor ways with which to reach the right set of customers. This will lead to knowing what is suited and best for each age class in terms of content style: post, story, and reel.

9. Limitations

This study presents a number of limitations that affect the validity and generalization of its findings. This chapter shall address these constraints so as to understand the scope of the present study and its implications.

The study is limited by its sample size, which, while representative, does not fully account for the diversity of Instagram users or businesses. Smaller samples can introduce bias and reduce the generalizability of the results. A larger, more diverse sample would provide more robust insights applicable across various market segments and geographical regions.

Instagram's performance is highly affected by market-specific aspects, such as demographics of users regarding age and gender, their tastes, and current trends. Hence, no generalized inference can be drawn because the response of Instagram ads may vary a lot from industry to industry. These variations are not possibly captured in full in the present study, and future research could benefit from more granular segmentation.

Instagram's rapid evolution is a bit challenging when it comes to measuring long-term trends in advertising effectiveness. For instance, its ever-changing algorithm, features, and ad tools—such as the rise of Reels, shopping integrations, and AI-driven targeting—mean the platform is continuously changing. The results of this study are based on a particular version of Instagram, which may soon be outdated.

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Measuring the direct impact of Instagram ads on sales is complicated by omnichannel consumer behavior. A typical consumer goes through several touchpoints before a purchase is made; it can be difficult to gauge where exactly Instagram played a part. This cross-channel activity complicates attribution and could lead to underestimating Instagram's role in driving sales. Though this study provides some valuable insights, the study contains certain limitations, which must be considered when interpreting the findings, to prevent from an overgeneralization of results. Moreover, future research should address these limitations to enhance the accuracy and applicability of Instagram marketing studies.

10. Conclusion

This research aimed to understand “How does the increase of paid posts on Instagram influence consumer perceptions and engagement with personal care brands?”. By combining expert and consumer interviews with quantitative tools like conjoint analysis and perceptual mapping, the study provides a clear picture of what consumers value and how brands can align their strategies to meet these expectations.

A key takeaway from the expert interviews was the importance of balancing organic and paid Instagram content. Organic posts help build trust and emotional connections, while paid ads play a critical role in boosting visibility and targeting specific audiences. As one expert noted, *“Organic content lays the foundation of trust, and paid media accelerates discovery.”* However, a recurring concern was the risk of consumer fatigue caused by excessive paid ads, which can feel overly commercial or intrusive. Experts emphasized that a well-thought-out mix of content—such as influencer collaborations, user-generated content (UGC), and engaging video formats—can make paid campaigns feel more authentic and relevant. The consumer interviews reinforced the need for authenticity. Many participants expressed a preference for organic content over sponsored posts, describing organic posts as more relatable and less promotional. Suggestions included sharing real customer stories, incorporating humor, and providing tutorials or educational content about product use. These elements were seen as ways to make content more engaging and build stronger connections with audiences.

Sponsored posts, while sometimes met with skepticism, were seen as effective when they were relevant and not overused. Participants appreciated brands that avoided overly polished messaging and instead focused on practical, customer-centred communication. For example, CeraVe was frequently mentioned as a brand that successfully combined accessibility and authenticity, creating a strong sense of trust and relatability.

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The perceptual map further highlighted how different personal care brands are positioned in the minds of consumers. Bioderma stood out for fostering emotional connections, while CeraVe was praised for transparency and affordability. Uriage was trusted but perceived as less creative, while Clinique excelled in transparency but could improve in interactivity. These insights point to clear opportunities for brands to refine their strategies and better meet consumer expectations.

The conjoint analysis further discloses that the Frequency of Paid Posts is the most influential factor in content marketing, representing 35.1% of the decision-making process. Consumers have a strong liking for organic content with medium frequency being most preferred (three posts per week) for paid posts, while high and low frequencies are less favorable. Additionally, Call to Action has a significant role (19.3%), where discount codes are best to engage audiences whereas purchase links and giveaways are not as effective

Other factors are seen to be of moderate importance to low importance. Content Format (18.9%) has a preference for reels over posts or stories. Content Type (12.4%) is inclined towards lifestyle and educational content as opposed to product-focused posts that diminish engagement. Lastly, Type of Influencer (14.3%) puts celebrities at the top, but this does not matter much as far as micro-influencers or brand-based content is concerned.

Comparing the various research findings, it becomes evident that some experts and brands remain somewhat misaligned with consumer preferences, particularly regarding the frequency of paid posts. While experts believed consumers placed little value on this factor, the research revealed it to be the most influential. This discrepancy was further confirmed during consumer interviews, highlighting how the increasing number of ads in the app is affecting perception and giving value to the factor credibility and trust, as predicted in the literature

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review. Building a strong and loyal relationship with a customer is the best way to overcome this problem and also through price-related ads like discounts.

Discussion

Maximum Instagram Engagement - How to Balance Content Strategy

Skincare brands looking to maximize engagement and properly balance their content strategy on Instagram between paid and organic must do so in a holistic, personalized manner. It means bringing together data-driven strategies for personalization, leveraging engaging content formats, adding value-driven offers, and emphasizing authenticity, all while keeping ad frequency in check to avoid overwhelming audiences-especially older users.

Personalization and Tailored Targeting

Personalization lies at the very core of optimizing Instagram engagement. Through analytics, brands can personalize not just ad content but also the frequency of posts, catering to each segment's preference. This depth in understanding consumer behavior calls for detailed audience segmentation based on age, location, interests, or patterns of engagement. For instance, younger users may engage more with influencer-driven content and dynamic formats like reels, while older demographics may prefer educational posts or organic-feeling content. Through the use of tools such as the proposed app, tracking engagement metrics and sentiment analysis, brands can iteratively refine their targeting strategy to ensure deep resonance of content with each segment. This allows for a more efficient allocation of resources, avoiding over-saturation with paid posts and providing more of the organic content that drives trust and engagement.

Engaging Content Formats: Reels, Posts, and Stories

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Engaging formats such as reels, posts, and stories offer skincare brands diverse opportunities to capture attention across all audience segments. Based on conjoint analysis, some of the most engaging types of content include educational reels created by micro-influencers and educational posts made by macro-influencers. These recommendations are put into place by strategic content planning wherein brands should focus on creating more educational and value-driven content in reel formats, featuring relatable micro-influencers when possible. Posts, especially ones that demonstrate product benefits or how-to, should utilize macro-influencers to extend their reach. Reels allow for more creativity, enabling storytelling, demonstrations, or tutorials that mesmerize viewers, while posts help to anchor key messaging in a more static format. Stories should be reserved for time-sensitive promotions or even more personal and authentic interactions, helping to further solidify the image of the brand. Blending these formats ensures that the content remains varied, engaging, and tailored to the unique preferences of each demographic.

Value-Driven Offers and Authenticity

Brands need to encourage stronger connections with their audience by adding value to these campaigns. This may involve discount codes, exclusive sales, or early access to new products. The deal needs to be legitimate and genuine, not a clear sale. Regarding this, organic content plays the most crucial role because organic content is something to which audiences give more trust and believe that it is not forced at all. Behind-the-scenes footage, influencer takeovers, and so on show a very human side of your brand through transparency. Also, capturing this with organic content-having the same look and tone as user-generated content-further builds the bond between the consumer and the brand. This organic feel can be supplemented with promoted content in support of an exclusive offer, sneak peek, or otherwise, but it's important these more commercial posts do not overshadow followers. In that case,

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brands effectively balance engagement and authenticity by integrating organic content into paid promotions thoughtfully.

Balanced Content Strategy: Organic vs. Paid Integration

Skincare brands should consider implementing a balanced content strategy that includes an organic content mix of "Behind the Scenes" footage, influencer takeovers, and carefully crafted paid posts. Organic content earns trust by providing transparency and showing the human side of a brand, while paid content extends reach and drives action. For example, a brand might use an organic "Day-in-the-Life" video featuring a micro-influencer using the product, then amplify this through paid ads featuring product reviews or user-generated content. Paid content needs to be kept at a minimum, ensuring it does not create ad fatigue, particularly among older demographics who are more sensitive to frequency, while continuing to provide organic content at a steady rate. Influencer takeovers bring in fresh perspective and deeper engagement, and promotion of select content ensures the wider reach of these organic posts.

AR Filters for Organic Engagement

Another innovative way to make Instagram users engage with this social media platform is by introducing AR filters into the brand's organic strategy. AR filters-which might include a filter showcasing "flawless skin" after using the product-offer an interactive, fun way in which users can connect to the brand. By designing and promoting such filters, skincare brands can encourage user participation in creating organic, shareable content. The most creative uses of the filter can then be amplified through paid ads, showcasing real customers enjoying the product and having fun with the brand. This approach marries organic engagement with the power of paid amplification, yielding better reach and visibility without the overt commercial feel of traditional ads.

Leveraging Applications/Platforms for Data-Driven Strategy

Group part

The proposed application can really help a brand create an Instagram marketing strategy using both paid and organic means by finding a balance for their content. It uses data on engagement, sentiment, and audience segmentation to proffer personalized recommendations, so the brands would know which content works most appropriately with a particular target audience. Brands will be allowed to tailor their Instagram strategy accordingly with demographic and behavioral analysis to better suit the followers' needs. It's a data-driven approach to help avoid ad fatigue, retain authenticity in user experiences, and allow brands to optimize in real time. Although platforms exist, such as Sprout Social and Hootsuite, this proposed application is unique in its holistic solution to manage and optimize the balance between paid and organic content. Until this tool is available, however, brands can use insights from these platforms to begin their more personalized and targeted content strategies.

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8.Appendix

Appendix 1: Experts Interviews

1.1 Experts Discussion Guide

Introduction

Good morning/afternoon.

Thank you for taking the time to participate in this interview. We are a group of management students from the Master's program at NOVA School of Business and Economics (NOVA SBE), conducting research for our thesis **on consumer behavior on Instagram**. The purpose of this interview is to gather expert insights on how organic content (non-sponsored) versus paid advertising affects consumer purchasing behavior and perceptions. Your professional experience and insights are invaluable to our research.

This interview will take about 10 - 15 minutes, and all your responses will be confidential and used solely for academic purposes. We would also like to ask for your permission to record this meeting. If you're ready, we can begin.

Section 1: Background and experience

1. Can you please introduce yourself and tell me about your professional background?
2. How many years of experience do you have in marketing or digital marketing?
3. Have you been involved in the creation of Instagram marketing strategies?

Section 2: Consumer opinions on organic content and advertising

General Opinion

4. In your experience, how do consumers generally respond to organic brand posts versus paid ads on Instagram?
5. Do you find that consumers engage more with organic content or paid content, or is the engagement level similar for both?
6. Do you believe that organic content has a greater impact on consumer purchasing decisions compared to paid advertising on Instagram?
 - o Why do you think that is?

Group part

- o In what situations might one be more effective than the other?
- 7. How do you think Instagram's algorithm affects the visibility of organic versus paid content?
 - o Does it favor paid content significantly, slightly, or treat both equally?
- 8. In your experience, what would you say is the primary strength of organic content over paid advertisements on Instagram?
 - o (Authenticity, higher engagement rates, long-term brand loyalty, or lower cost per impression?)

Organic Content

- 9. What do you think motivates consumers to engage with organic brand posts on Instagram?
- 10. Do you agree that the authenticity of organic content leads to higher brand loyalty among consumers? Would you say that organic content is more effective in building credibility compared to paid advertising?
- 11. What key metrics do you believe best measure the success of organic posts from brands on Instagram? Engagement rate, reach and impressions, sentiment analysis, or user-generated content?

Paid Advertising

- 12. From your perspective, how do consumers generally respond to Instagram ads? Are they more likely to purchase after seeing an ad or after engaging with organic content?
- 13. What factors do you think most influence consumers to click on Instagram ads? (Creative visuals, relevant product offers, brand trust, recommendations from influencers?)
- 14. In your opinion, which type of Instagram ad format is most effective in driving conversions? (In-feed photo ads, video ads, carousel ads, stories ads, reels ads?)
- 15. From a budget allocation perspective, how would you recommend brands distribute their investment between organic content and paid advertising on Instagram? Should brands focus primarily on paid ads, have a balanced approach, or prioritize organic content?

Section 3: Strategic Insights on Instagram Marketing

16. How do you think consumers perceive brand credibility when comparing organic posts to paid ads on Instagram?
17. Are consumers aware of the difference between sponsored ads and organic content?
How do you think this awareness affects their trust in brands
18. In your professional opinion, what drives better ROI (Return on Investment) on Instagram: organic content or paid advertising? Would you say a mix of both is most effective?
19. How do you believe influencer marketing fits within the organic versus paid advertising spectrum?

Section 4: Future Trends and Implications

20. How do you think consumer behavior on Instagram will evolve in the next 3-5 years, especially in response to organic versus paid content?
21. Finally, what trends do you predict will shape Instagram marketing in the coming years?

Conclusion:

Thank you so much for your valuable insights. Your responses will significantly contribute to our research on consumer behavior on Instagram. If you have any questions or would like to know more about our findings, feel free to reach out.

1.2 Results

In order to access the full set of interview results, follow the link provided: **[Interview results](#)**

Appendix 2: General Interviews

2.1. Interview Guide

Introduction

Good morning/afternoon,

Group part

My name is ____, and I am a student at Nova School of Business and Economics in Lisbon. I am conducting a research study as part of my thesis on the impact of paid posts on Instagram on consumer perceptions and engagement with personal care brands. This interview will take approximately 30 minutes. Your responses will be kept confidential and will only be used for research purposes. There are no right or wrong answers, so please feel free to share your opinions. If you do not mind, I will record the interview.

Thank you for your time!

Pre-screening Questions

1. How old are you?
2. What is your nationality?
3. What is your occupation?
4. Do you frequently use Instagram? How often?

Interview Questions

5. Perceptions of Paid Posts

5.1 How do you feel when you see a sponsored post from a personal care brand on Instagram?
(e.g., excitement, curiosity, indifference, lack of authenticity, ad fatigue, etc.)

5.2 Do you think sponsored ads affect your perception of a brand's authenticity? Can you explain?

6. Preference Between Organic and Paid Content

6.1 Do you tend to engage more (e.g., likes, comments, shares) with organic or paid posts from personal care brands? Why?

6.2 What difference do you notice between viewing an organic post versus a paid post on Instagram?

7.	Organic	Posts
-----------	----------------	--------------

7.1 When you see an organic post from a skincare brand on Instagram, what type of content do you find most appealing? (e.g., tutorials, product tips, customer reviews, behind-the-scenes)

7.2 Do you find organic posts more trustworthy compared to sponsored posts? Why or why not?

7.3 Can you recall any organic post from a personal care or skincare brand that particularly stood out to you? What made it memorable?

8. Valued Elements in Sponsored Posts

8.1 When you see a sponsored post from a personal care brand on Instagram, what elements catch your attention the most? (e.g., creativity, quality, influencers, trends, explicit pricing, product relevance)

8.2 Does the use of influencers in a paid post influence your decision to engage or purchase? Can you give examples?

9. Engagement and Behavior with Personal Care Brands

9.1 Have you ever interacted with a sponsored post from a personal care brand? Can you describe how you interacted (e.g., like, comment, click)?

9.2 After seeing a sponsored post, did you feel more inclined to follow the brand or explore more about its products?

10. Overall Impact of Sponsored Posts

10.1 Do you think the frequency of paid posts from a brand can influence your perception of that brand? (e.g., more trustworthy, less authentic)

10.2 How many sponsored posts per day do you consider "too many" on Instagram?

11. Brand-Specific Questions

Group part

11.1 What skincare brands do you remember seeing ads for on Instagram recently?

11.2 When thinking of the brands **CeraVe**, **Bioderma**, **Clinique**, **Uriage**, and **Estée Lauder**, can you recall seeing any sponsored content from them on Instagram?

11.3 How would you describe your perception of these brands based on their Instagram ads? (e.g., trustworthy, high quality, accessible, premium)

11.4 In your opinion, which of these brands (CeraVe, Bioderma, Clinique, Uriage, Estée Lauder) demonstrates the most effective approach in their Instagram advertisements? Could you please explain your reasoning?

11.5 Do you feel more likely to engage with certain brands over others? If so, what drives that choice? (e.g., the type of product, price point, influencers used, aesthetics of the post)

11.6 If you could suggest one improvement to these brands regarding their Instagram content, what would it be?

12. Recommendations for Brands and Content

12.1 Could you give examples of personal care brands you follow on Instagram that balance organic and paid content well?

12.2 What suggestions would you give a personal care brand to improve their sponsored posts on Instagram?

Closing

Thank you very much for your time and your responses. If you have any questions or need further clarification, I am available to assist you. Your participation is very important for my study!

2.2. Results

In order to access the full set of interview results, follow the link provided:

[Interview Results](#)

Appendix 3: Perceptual Maps

According to the previous information, do you consent to participate in this survey?

Group part

We are a group of management students from the Master's Program at NOVA School of Business and Economics (NOVA SBE), conducting research for our thesis on "*Consumer Behaviour on Instagram*". The objective of our research is to analyze the impact of organic (non-sponsored) content compared to paid advertisements on users' engagement and perceptions.

Your participation is essential for the success of our study. The questionnaire is anonymous and will take approximately 2 to 3 minutes to complete. All responses will be treated confidentially and used solely for academic purposes.

We greatly appreciate your time and collaboration!

If you have any questions or concerns about the study, please do not hesitate to contact us.

Thank you for your participation!

Before we start, please confirm your consent to participate by answering the question below:

0. According to the previous information, do you consent to participate in this survey?

Screening Questions

1. Have you seen advertisement on Instagram from all of these brands: CeraVe, Bioderma, Clinique, Uriage and Estée Lauder?

Attributes

Group part

	1 (Very low)	2	3	4	5 (Trustworthy)
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 4 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Trust”?

	1 (Very low)	2	3	4	5 (Very creative)
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 5 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Creative”?

Group part

	1 (Irrelevant)	2	3	4	5 (Very Adequa...
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 6 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Relevant”?

	1 (Very low)	2	3	4	5 (High)
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 7 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Quality of Content”?

Group part

	1 (Untrendy)	2	3	4	5 (Very trendy)
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 8 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Trendy Content”?

	1 (No referenc...	2	3	4	5 (Price-focuse...
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 9 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Explicit Pricing”?

Group part

	1 (Very Low)	2	3	4	5 (Very high)
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 10 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Emotional Appeal”?

	1 (Rare)	2	3	4	5 (Very frequent)
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 11 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Frequency” (number of advertisements)?

Group part

	1 (Very low)	2	3	4	5 (Very high)
CeraVe	☐	☐	☐	☐	☐
Bioderma	☐	☐	☐	☐	☐
Clinique	☐	☐	☐	☐	☐
Uriage	☐	☐	☐	☐	☐
Estée Lauder	☐	☐	☐	☐	☐

Figure 12 - Given the brand presence on Instagram, how do you classify the following brands in terms of “Interactive Elements” (uso of polls, quizzes or shoppable posts)?

Demographic Questions: These questions help segment the data based on the demographics of the respondents.

1. What is your age?

18-24 years old

25-34 years old

35-44 years old

45-64 years old

+ 65 years old

2. What is your gender?

Male

Female

Other

Prefer not to say

3. In which country do you currently reside?

Group part

Portugal

Other: _____

4. What is the highest level of education you have completed?

No formal education

High school or equivalent

Bachelor's degree

Master's degree

Doctoral degree or equivalent

Other: _____

5. What is your current employment status?

Employed full-time

Employed part-time

Self-employed

Unemployed

Working student

Student

Retired

Other: _____

6. Which of the following best describes your monthly income level?

Less than 500€

500€ - 1,000€

Group part

1,000€ - 2,000€

More than 2,000€

Prefer not to say

This marks the end of the survey.

We sincerely thank you for your valuable time and input. Your participation is crucial to helping us better understand how Instagram content influences consumer behaviour.

We greatly appreciate your support!

In order to access the full set of results, follow the link provided:

https://docs.google.com/spreadsheets/d/1SMXhXvh_jnVNZpaoDQAObiW05ypD22ywoFGFBzmHIoA/edit?usp=sharing

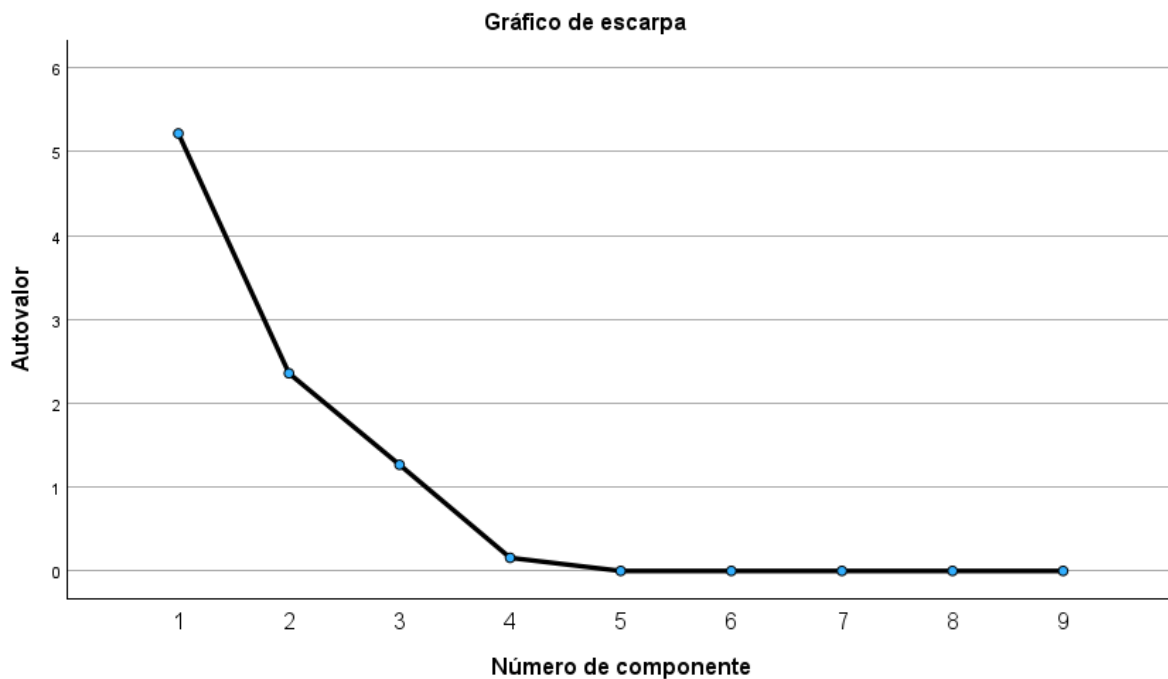


Figure 13 – Scree Plot

Group part

Table 2 – Correlation Matrix

Matriz de correlações ^a										
Correlação	Trust	Creative	Relevant	QualityContent	TrendyContent	ExplicitPricing	EmotionalAppeal	Frequency	InteractiveElements	
Trust	1,000	-,483	,932	-,058	-,405	,212	,078	-,053	,149	
Creative	-,483	1,000	-,350	,900	,911	-,550	,794	,750	,689	
Relevant	,932	-,350	1,000	,037	-,195	,344	,153	,147	,400	
QualityContent	-,058	,900	,037	1,000	,815	-,570	,950	,799	,825	
TrendyContent	-,405	,911	-,195	,815	1,000	-,163	,628	,925	,752	
ExplicitPricing	,212	-,550	,344	-,570	-,163	1,000	-,689	,020	-,167	
EmotionalAppeal	,078	,794	,153	,950	,628	-,689	1,000	,616	,815	
Frequency	-,053	,750	,147	,799	,925	,020	,616	1,000	,821	
InteractiveElements	,149	,689	,400	,825	,752	-,167	,815	,821	1,000	

a. Essa matriz não é positiva definida.

Table 3 - Communalities

Comunalidades	
	Extração
Trust	,903
Creative	1,000
Relevant	,993
QualityContent	,961
TrendyContent	,840
ExplicitPricing	,355
EmotionalAppeal	,837
Frequency	,772
InteractiveElements	,916

Método de Extração: análise de Componente Principal.

Table 4 – Total Variance Explained

Variância total explicada			
Somadas extração de carregamentos ao quadrado			
Componente	Total	% de variância	% cumulativa
1	5,219	57,989	57,989
2	2,358	26,201	84,190

Método de Extração: análise de Componente Principal.

Appendix 4: General Results Conjoint

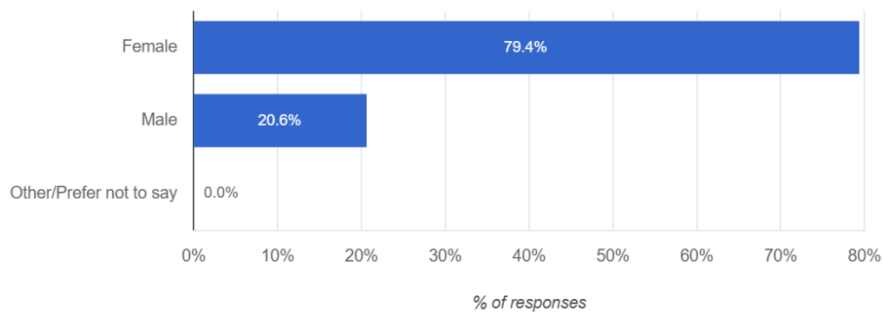


Figure 14 - What is your gender? (Retrieved from Conjoint.ly)

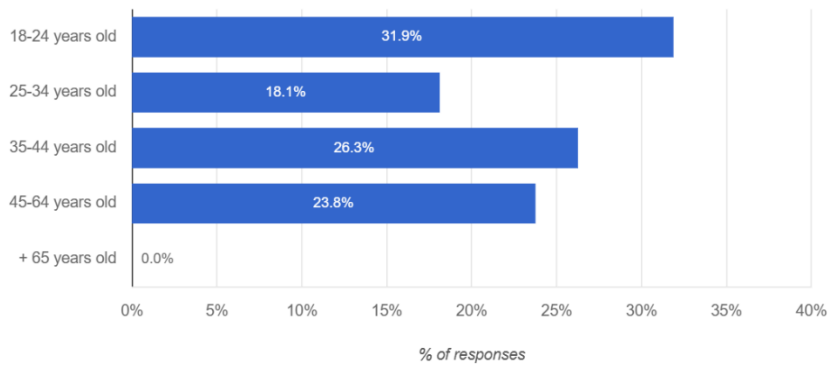


Figure 15 - What is your age? (Retrieved from Conjoint.ly)

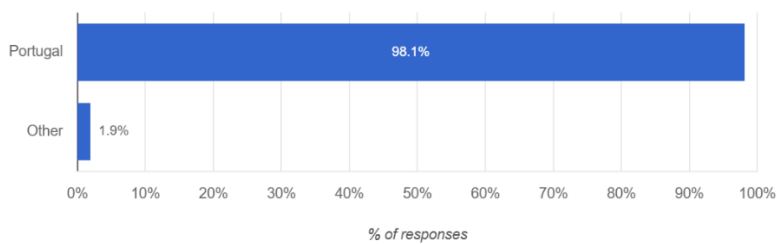


Figure 16 - In which country do you currently reside? (Retrieved from Conjoint.ly)

Group part

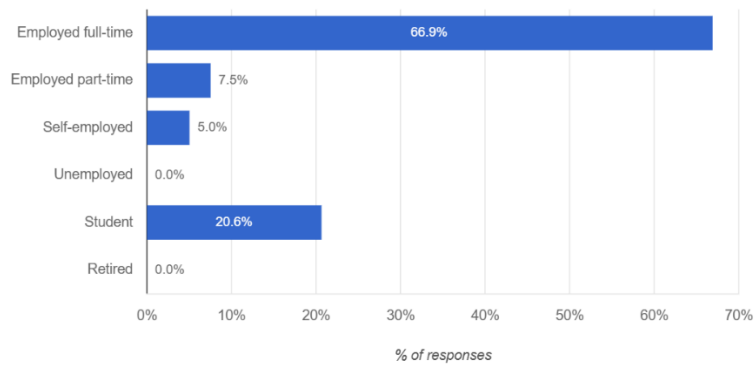


Figure 17 - What is your currently occupation? (Retrieved from Conjoint.ly)

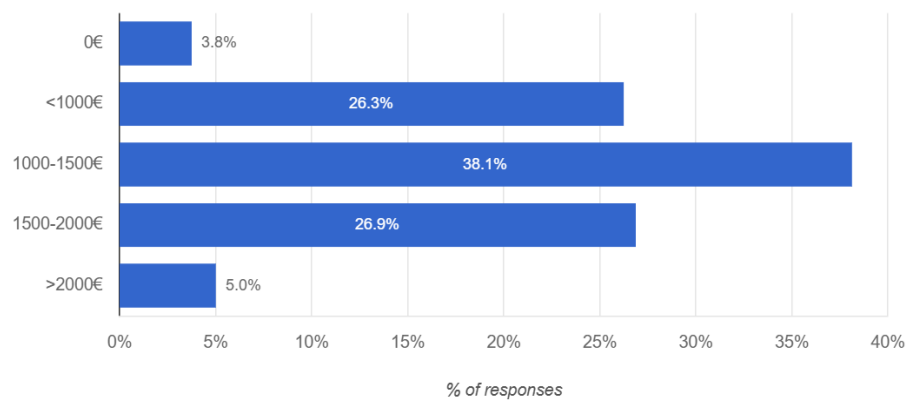


Figure 18 - What is, on average, your monthly income level? (Retrieved from Conjoint.ly)

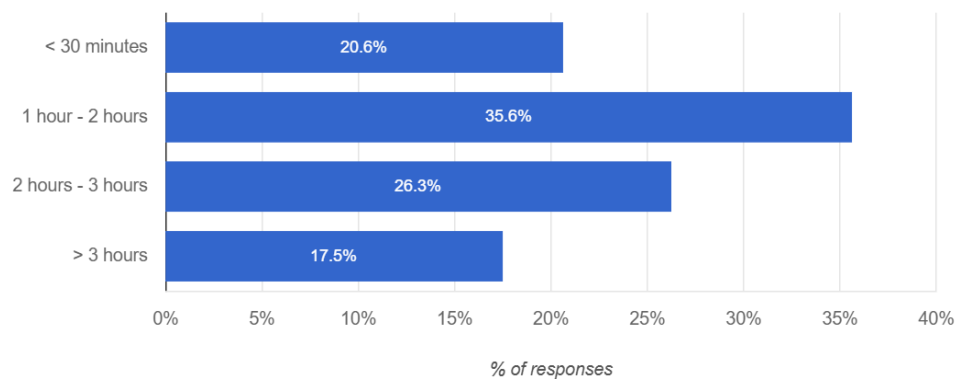


Figure 19 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

Appendix 4: Conjoint Segmentation

Segment 1:

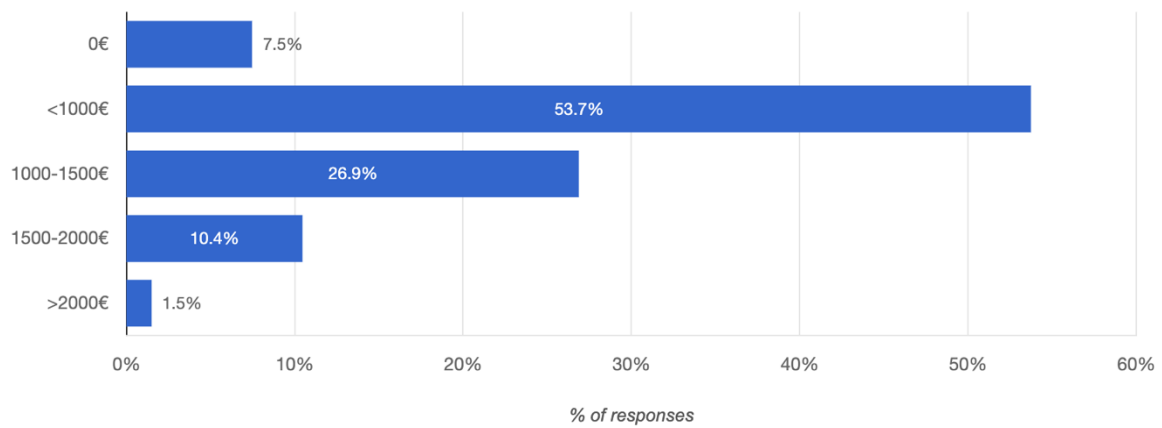


Figure 20 - What is, on average, your monthly income? (Retrieved from Conjoint.ly)

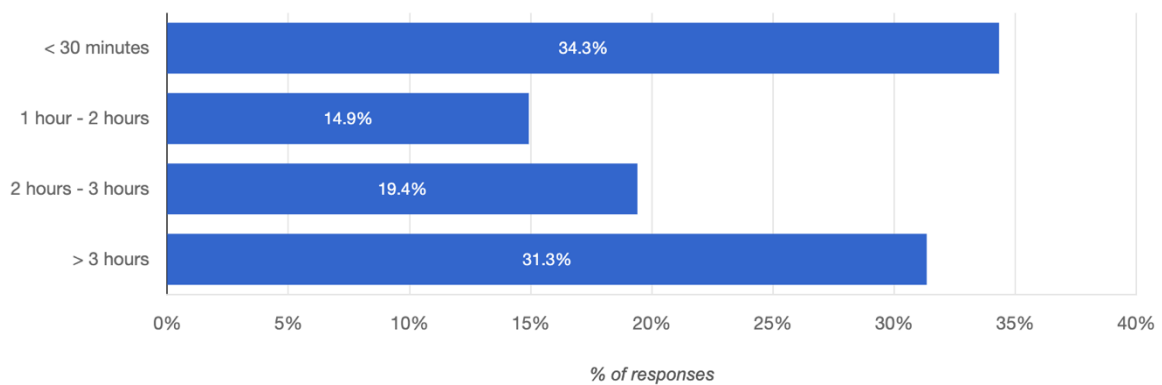


Figure 21 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

Group part

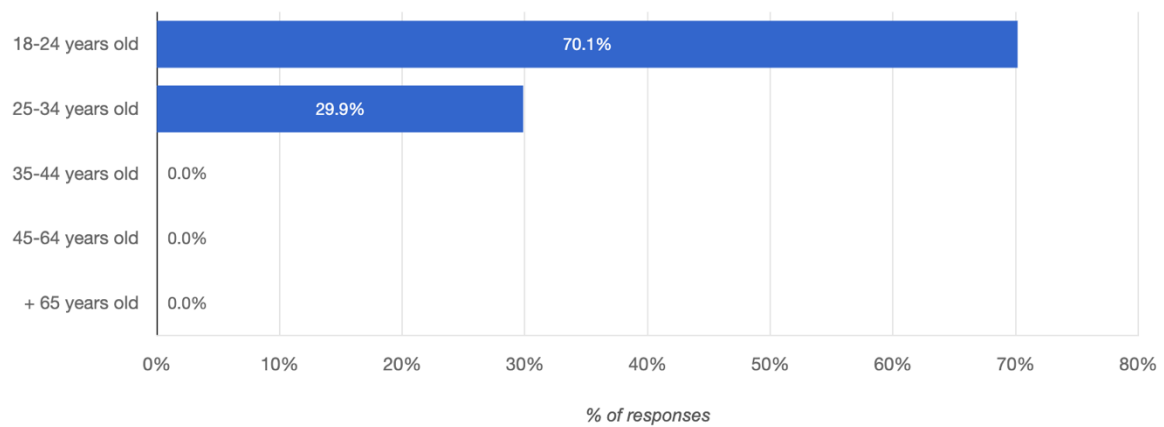


Figure 22 - What is your age? (Retrieved from Conjoint.ly)

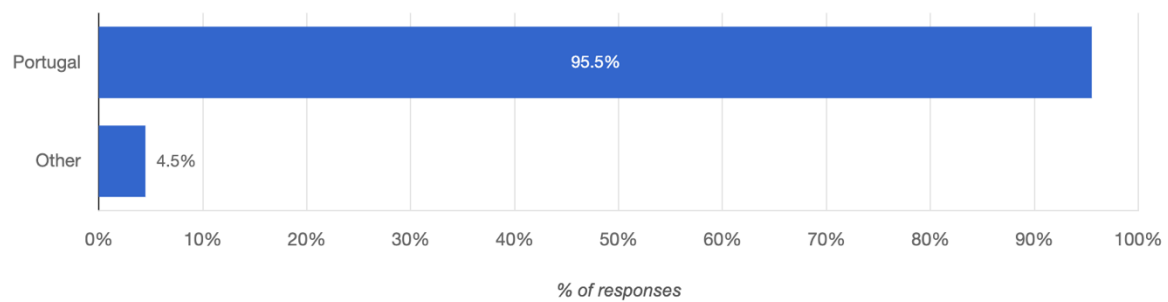


Figure 23 - In which country do you currently reside? (Retrieved from Conjoint.ly)

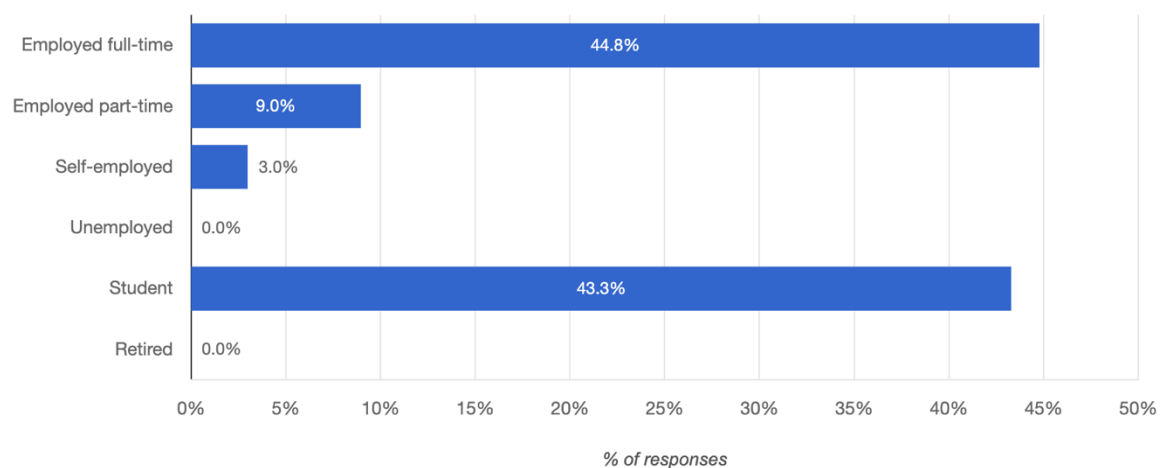


Figure 24 - What is your currently occupation? (Retrieved from Conjoint.ly)

Group part

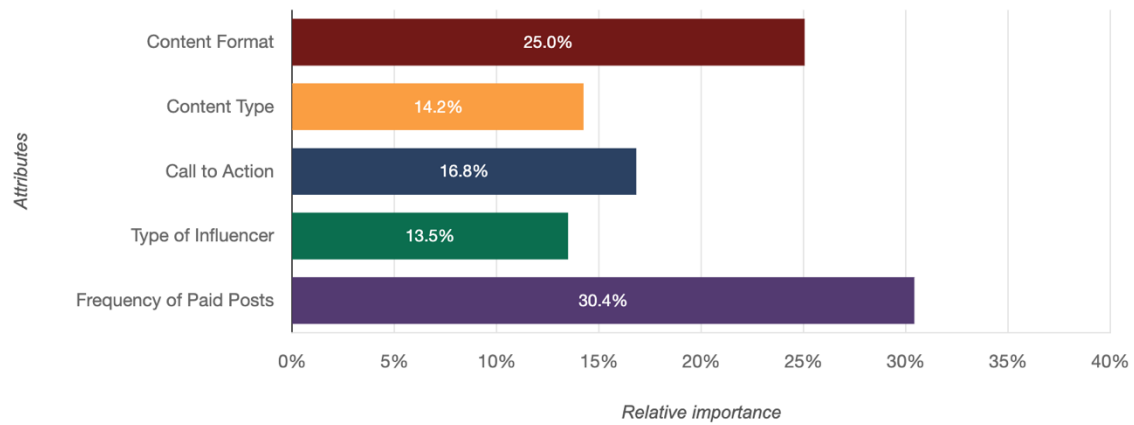


Figure 25 - Relative importance of Attributes (Retrieved from Conjoint.ly)

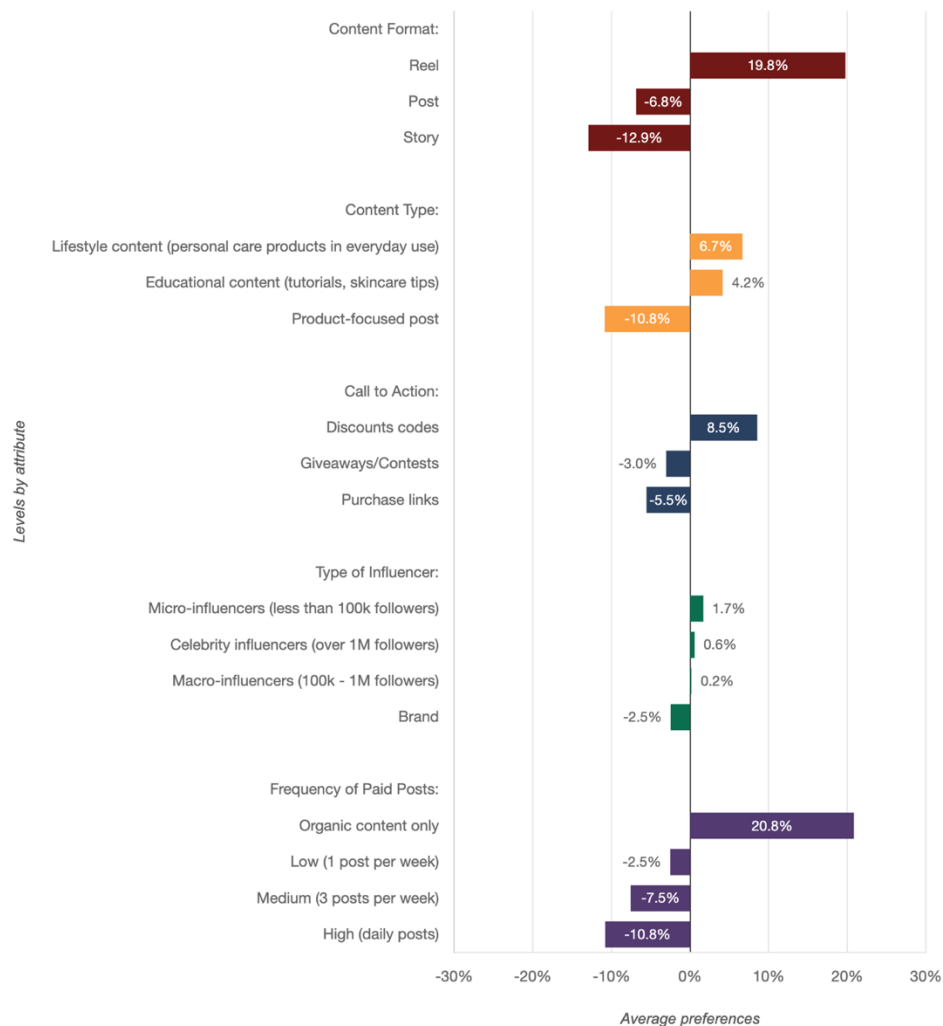


Figure 26 - Relative preference for levels (Retrieved from Conjoint.ly)

Group part

Segment 2:

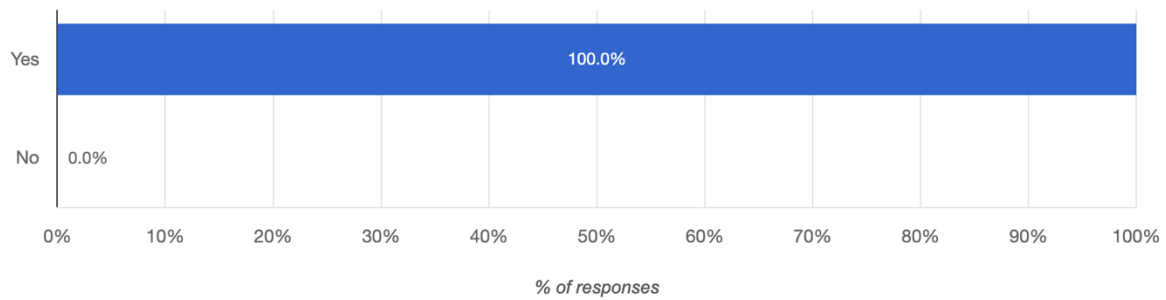


Figure 27 - Are you familiar with Instagram app? (Retrieved from Conjoint.ly)

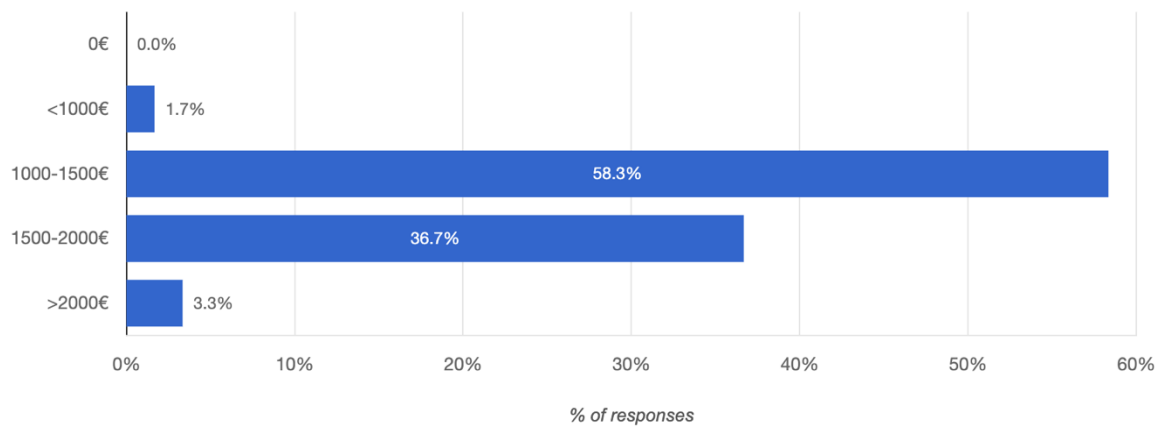


Figure 28 - What is, on average, your monthly income? (Retrieved from Conjoint.ly)

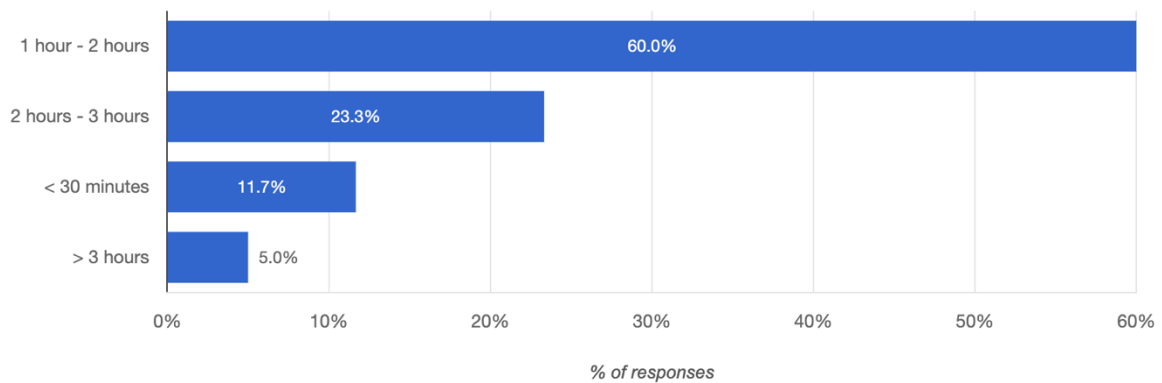


Figure 29 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

Group part

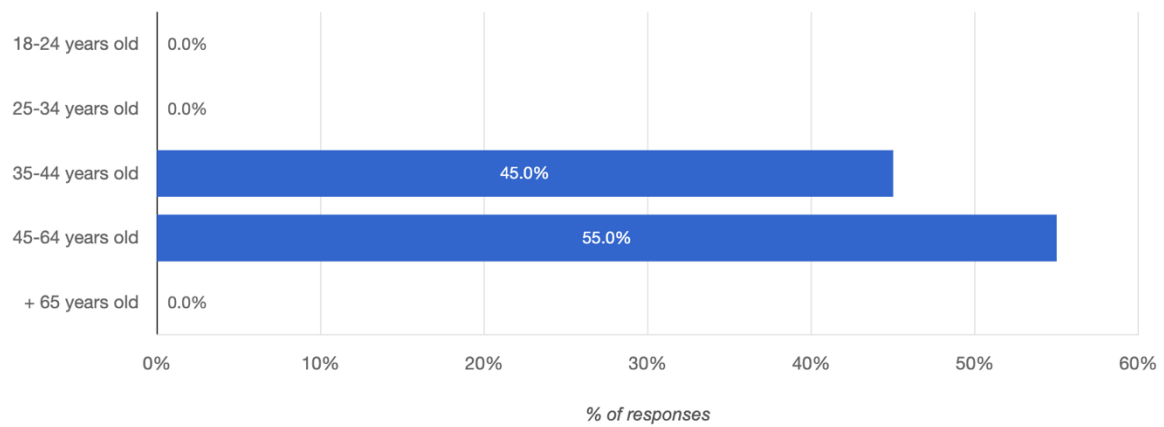


Figure 30 - What is your age? (Retrieved from Conjoint.ly)

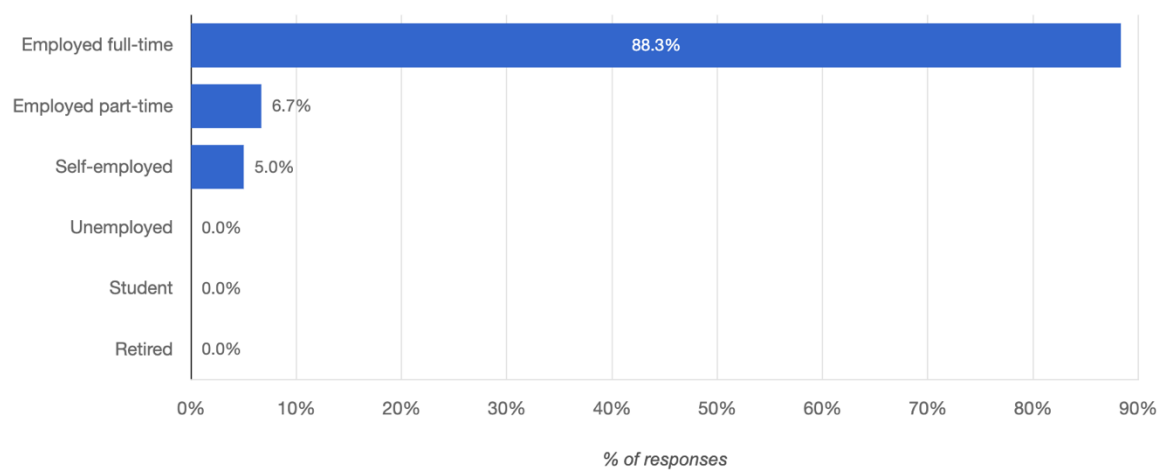


Figure 31 - What is your currently occupation? (Retrieved from Conjoint.ly)

Group part



Figure 32 - Relative preference for levels (Retrieved from Conjoint.ly)

Segment 3:

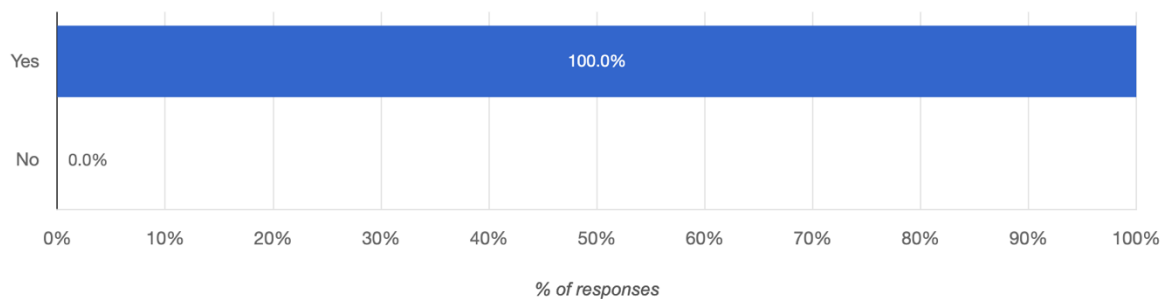


Figure 33 - Are you familiar with Instagram app? (Retrieved from Conjoint.ly)

Group part

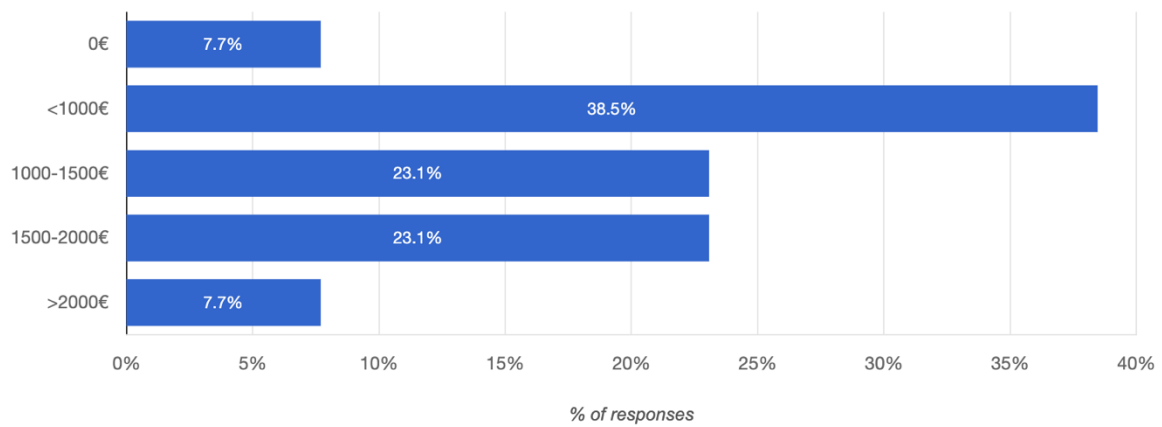


Figure 34 - What is, on average, your monthly income? (Retrieved from Conjoint.ly)

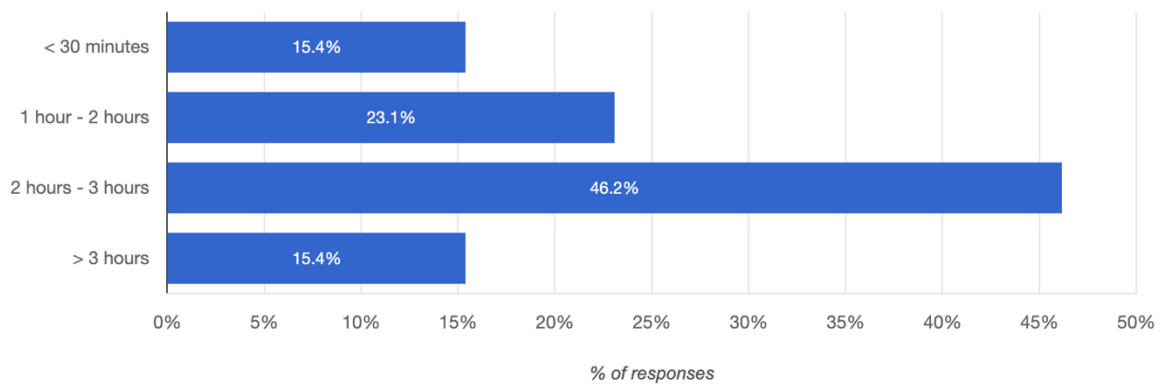


Figure 35 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

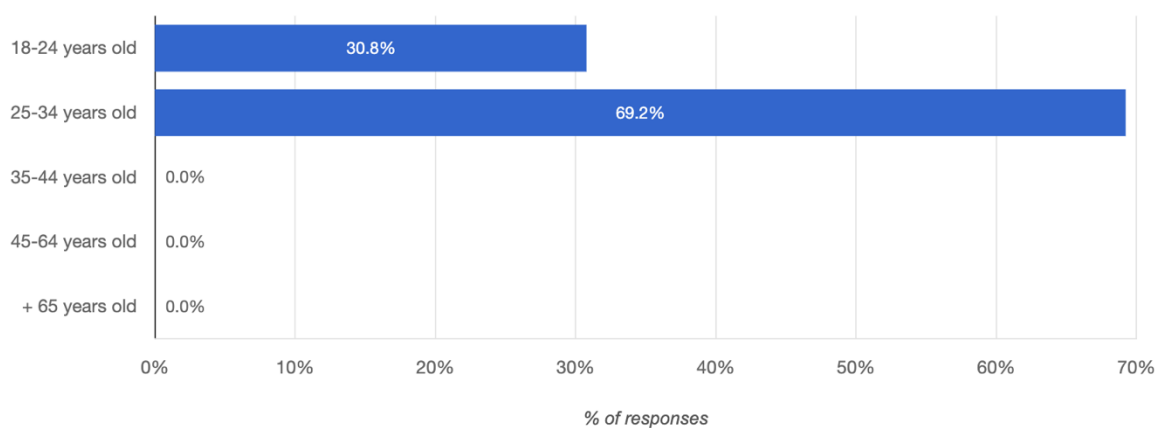


Figure 36 - What is your age? (Retrieved from Conjoint.ly)

Group part

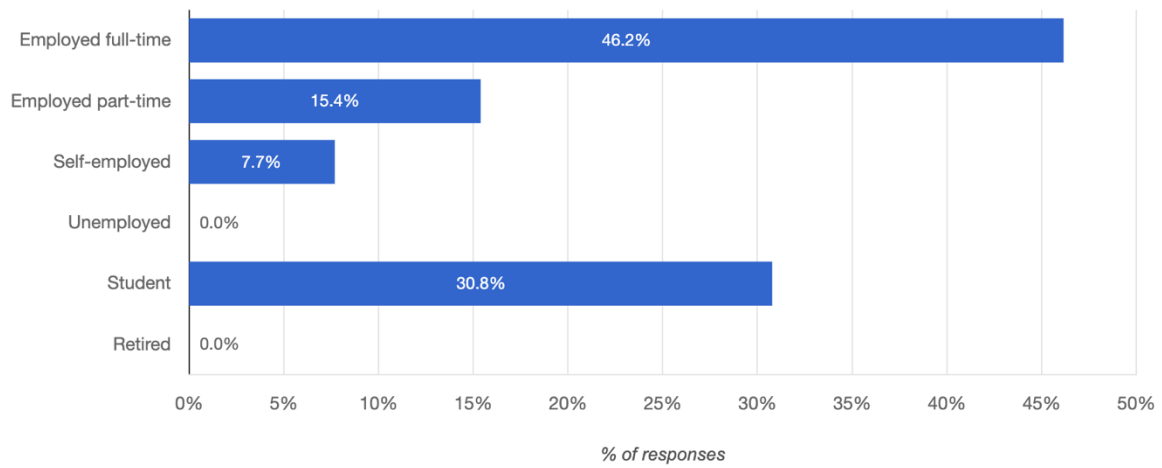


Figure 37 - What is your currently occupation? (Retrieved from Conjoint.ly)

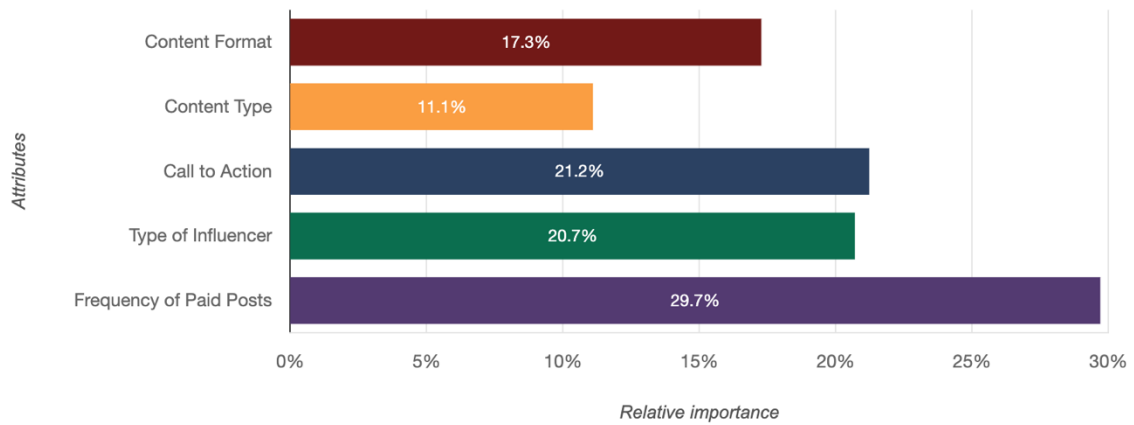


Figure 38 - Relative importance of Attributes (Retrieved from Conjoint.ly)

Group part



Figure 39 - Relative preference for levels (Retrieved from Conjoint.ly)

Segment 4:

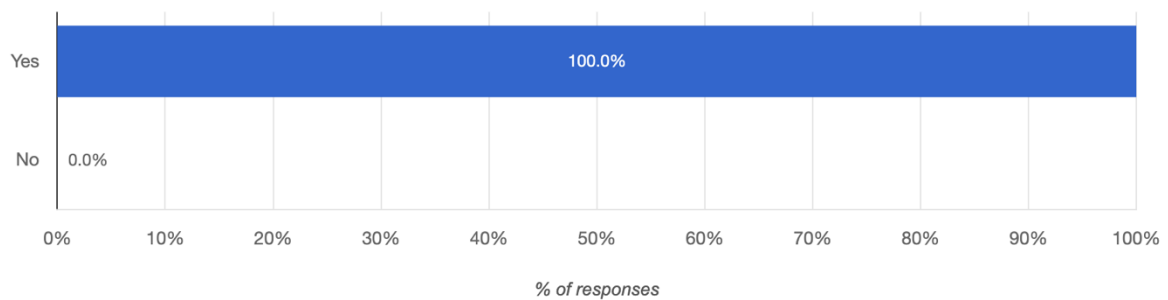


Figure 40 - Are you familiar with Instagram app? (Retrieved from Conjoint.ly)

Group part

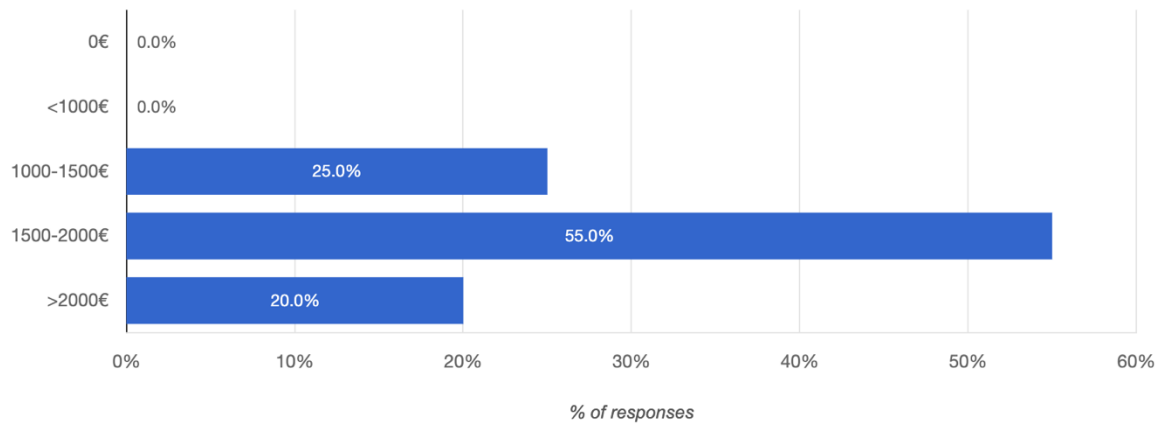


Figure 41 - What is, on average, your monthly income? (Retrieved from Conjoint.ly)

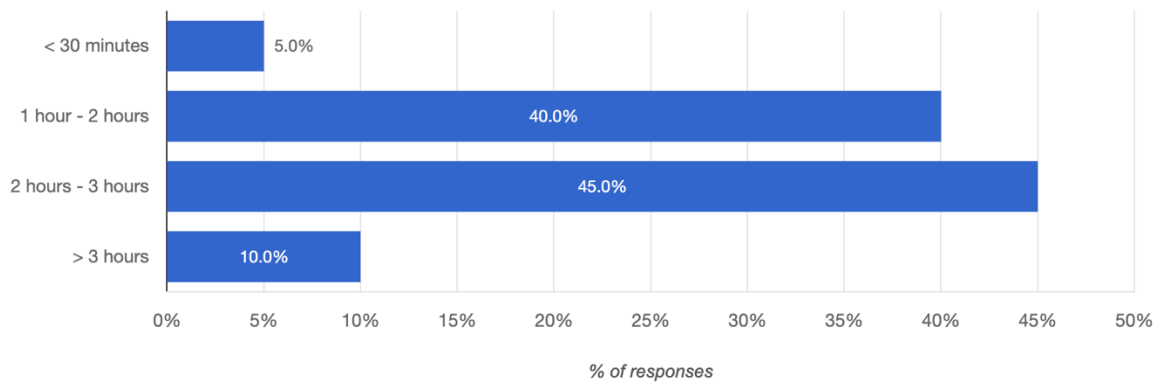


Figure 42 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

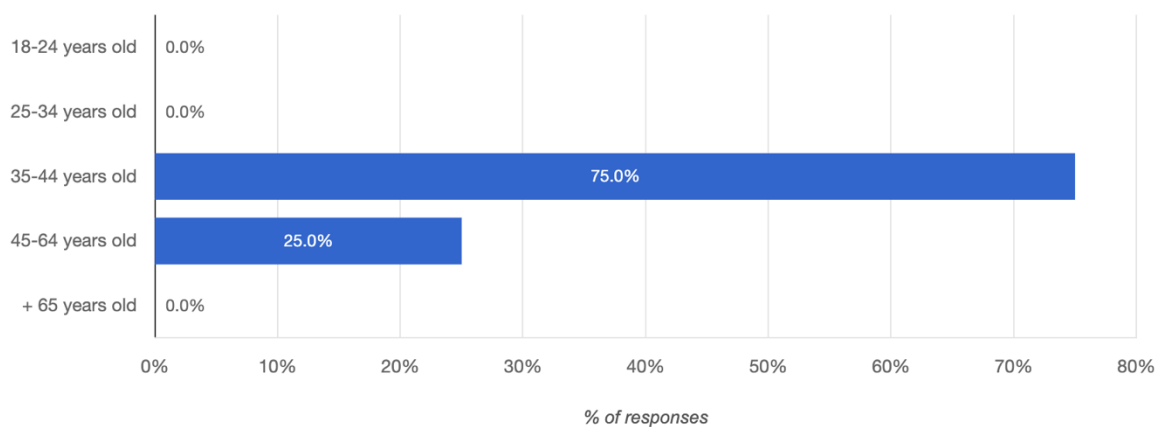


Figure 43 - What is your age? (Retrieved from Conjoint.ly)

Group part

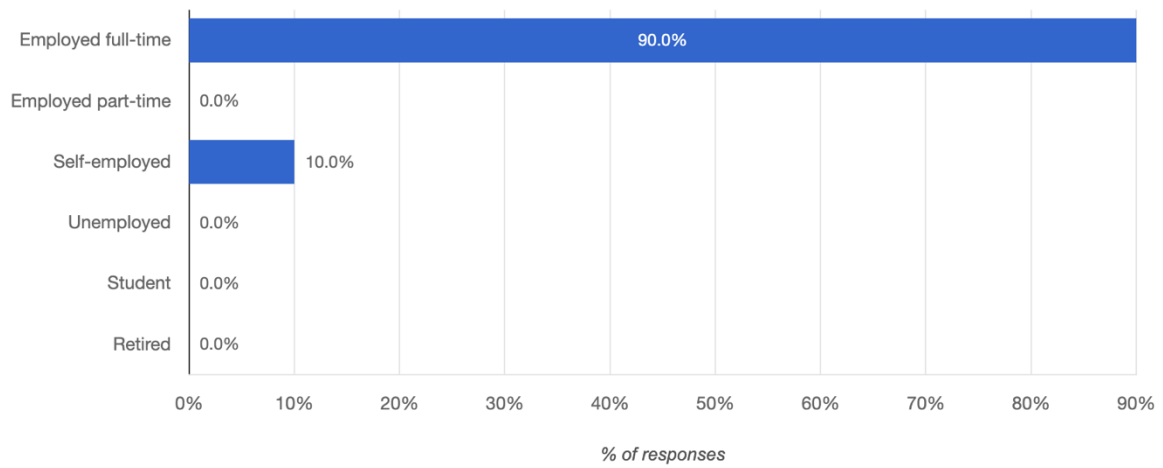


Figure 44 - What is your currently occupation? (Retrieved from Conjoint.ly)

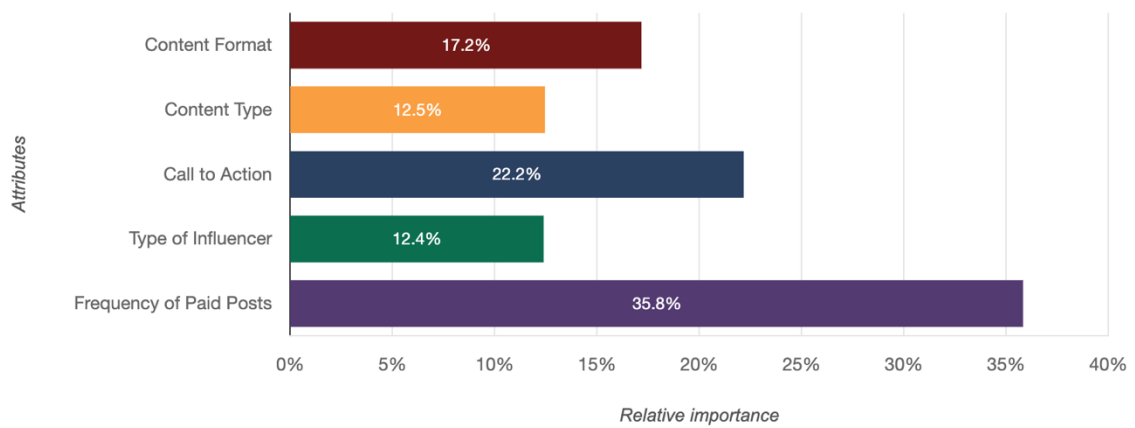


Figure 45 - Relative importance of Attributes (Retrieved from Conjoint.ly)

Group part

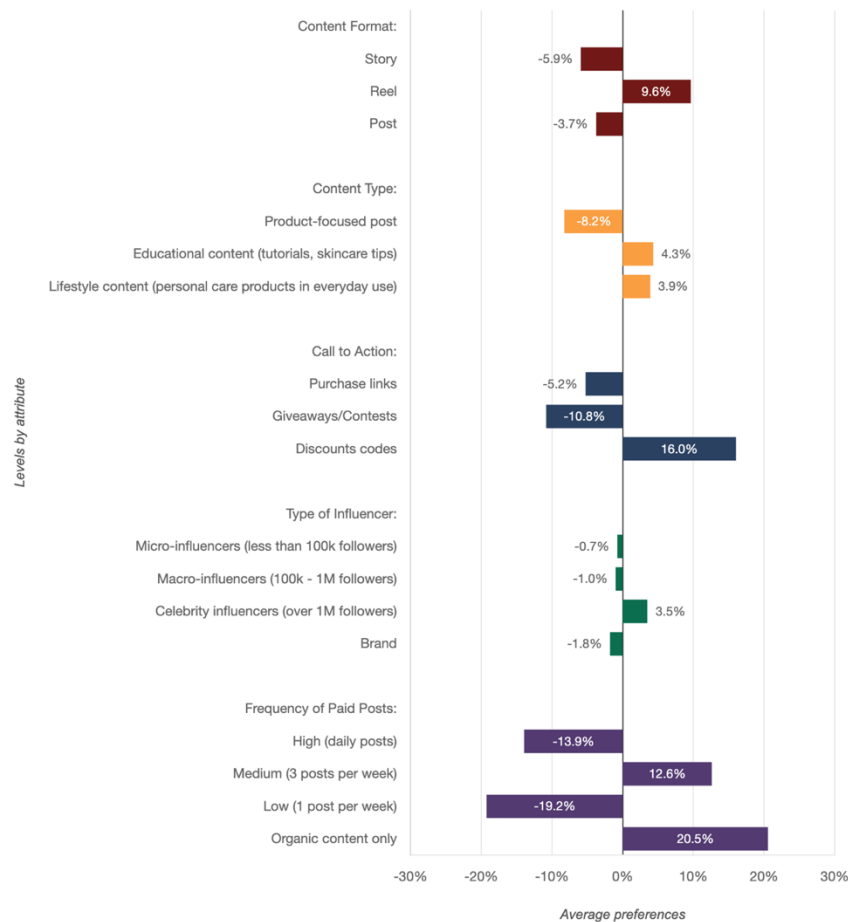


Figure 46 - Relative preference for levels (Retrieved from Conjoint.ly)

Appendix 5: Innovative Application Development interview

Thank you for taking the time to participate in this interview, which will take approximately 5 to 10 minutes. We are a group of management students from the Master's program at NOVA School of Business and Economics (NOVA SBE), conducting research for our thesis on consumer behavior on Instagram.

This interview is targeted at marketing professionals, social media managers, and businesses that use Instagram for commercial purposes.

We are developing an innovative application designed to address significant gaps in the market for digital marketing tools. Our solution is aimed at helping brands maximize the performance

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of their content on Instagram by providing detailed analytics, personalized recommendations, and practical insights to balance strategies for paid and organic posts.

Currently, the tools available in the market offer important functionalities, but many fail to integrate crucial elements such as detailed audience segmentation, recommendations based on sentiment analysis, and strategy adjustments tailored to different user preferences. This application seeks to address these limitations by offering a more comprehensive, personalized, and efficient approach to tackling marketing challenges on Instagram.

Your responses will be instrumental in validating this idea and shaping a tool that effectively meets your needs. Thank you for your participation!

Survey

1: Respondent Profile

- 1.1.What is your gender?
- 1.2.How old are you?
- 1.3. What is your area of work?
- 1.4. What type of company do you work for?
- 1.5. What is your primary social media platform for marketing strategies?
- 1.6. Which social media management tool do you currently use?
- 1.7. What features does the application you currently use offer? (e.g., post scheduling, metrics analysis, sentiment monitoring, report generation, audience segmentation)

2: Current Challenges

- 2.1. What are the biggest challenges you face in managing content on Instagram?
- 2.2. How often do you analyze the performance of your Instagram posts?
- 2.3. How effective do you consider your current tool (if any) in analyzing Instagram post performance?

3: Desired Features

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3.1 What features do you consider to be the most important in a tool for managing and analysing social networks?

3.2. If you could add one feature to your current tool, what would it be?

3.3. Do you find it useful to receive personalized recommendations on content strategies based on data, such as the balance between paid and organic posts?

4: Decision to Use

4.1. What most influences your choice when adopting a social media management tool?

4.2. How much would you be willing to invest monthly in a tool that includes all the mentioned features? (Considering other applications pricing:

SproutSocial: 278€ per license/month (annual billing)

371€ per license/month (monthly billing)

Hootsuite: Professional - 138€ /month, 1 User, 10 Social accounts

Team - 371€ /month, 3 Users, 20 Social accounts

Brandwatch: This platform focuses on enterprise solutions and sentiment analysis. Pricing is customized depending on client needs, but subscriptions typically start at several hundred euros monthly. Specific pricing requires a consultation

Iconosquare: Single- 49€/month,Billed annually,5 Social Profiles,For 1 user only, 12 months data retention

Team-79€/month,5 Social Profiles, Up to 10 users,24 months data retention)

5: Final Feedback

5.1. Is there anything else you would like a social media analytics tool to include to improve your marketing strategies?

Expert Interviews on the Development of the Innovative Application

After the suggestion to create an application to optimize digital marketing strategies on Instagram, we received very positive feedback from one of the interviewed experts, who showed great interest in the development of the tool and asked if we were really considering

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creating this application. This feedback led us to conduct more interviews with six other digital marketing specialists, with the aim of deepening our understanding of market needs and validating the proposed application idea.

The interviews were conducted with six professionals, three of whom were women: Cristina Matos Real from Dyrup, Marta Salsinha from Tryvel, and Inês Gonçalves from Futuro; and three men: David Coelho from Tryvel, Caetano Beirão da Veiga from Massive Reach, and Bruno Toscano from Dyrup. The age range of the interviewees varied, with three participants being between 35 and 44 years old, and the others distributed among the age ranges of 25-34 years, 45-54, and above 55.

Regarding the type of company they work for, three of the interviewees mentioned they work in medium-sized businesses, two in large businesses, and one is a freelancer. When asked about the main social media platform used for marketing strategies, 3/6 of the interviewees stated that Instagram is their primary focus, thus confirming the relevance of this social network in the current digital marketing context.

Regarding social media management tools, all interviewees revealed they do not use specific tools for managing Instagram, with four of them highlighting that they have never found a tool that meets all the features they are looking for. When asked about the features of the tools they currently use, the responses varied, with some mentioning post scheduling and metrics analysis, while others highlighted report generation and metrics analysis as key functionalities. The biggest challenges faced by the experts in managing content on Instagram were, consistently, analyzing the emotional impact of content on followers, increasing follower engagement, balancing paid and organic posts, and segmenting the audience based on behavior and preferences. The latter point reveals a clear need for a more robust solution that allows for

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more effective and precise segmentation, something that many current management tools still fail to provide efficiently.

Regarding the frequency with which they analyze the performance of Instagram posts, three of the interviewees indicated that they do so monthly, two weekly, and one daily. This suggests that, despite the importance placed on performance analysis, most interviewees do not perform continuous, real-time analysis, which could present an opportunity for the proposed application. In terms of the effectiveness of current tools, responses varied, with three interviewees considering their tools moderately effective, one considering them slightly effective, one not considering them effective, and another stating they do not use any tool. In terms of the most important features for a social media management and analytics tool, audience segmentation based on behavior and preferences, suggestions for visual elements (such as colors and influencers), and detailed engagement analysis (likes, comments, shares) were highlighted as the most valued characteristics. When asked what features they would like to add to the tools they currently use, responses included suggestions for visual elements, suggestions for formats to achieve specific goals, and integration with Google Analytics.

Most of the interviewees expressed that they would find it useful to receive personalized recommendations for content strategies based on data, such as the balance between paid and organic posts. This is a key point, as it demonstrates a high demand for solutions that offer not only performance analysis but also practical suggestions to optimize digital marketing campaigns. Additionally, when asked what would most influence their choice when adopting a social media management tool, the majority mentioned price, integration with other platforms (such as CRM and e-commerce), and ease of use. Regarding the monthly investment in a tool that includes all the mentioned features, the responses ranged from 70 to 200 euros per month, with one response mentioning a value of over 500 euros per month. This suggests that there is

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a market willing to invest in a high-quality tool, especially if it meets all the needs and expectations of professionals.

Finally, one of the interviewees suggested that a social media analytics tool could be more proactive, offering personalized advice based on the analysis of business and concrete goals, something that could add even more value to the proposed application.

Based on the information gathered from the interviews, we can conclude that there is a strong demand for a tool that offers features such as audience segmentation, detailed performance analysis, personalized content strategy recommendations, and the ability to efficiently balance paid and organic posts. Furthermore, the lack of specific tools in the market that fully meet these needs, along with the positive feedback from the experts about the proposed application idea, reinforces the feasibility of developing an innovative solution that can optimize content management on Instagram.