

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

## **Marketing Research: Influence of Paid Content on Instagram on Consumer Attitudes and Brand Engagement in the Personal Care Industry**

Understanding Consumer Segments: Insights into Perceptions and Engagement with Paid Instagram Ads for Personal Care Brands

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## **Abstract**

This study examines how paid and organic content on Instagram influence consumer perceptions and engagement in the personal care industry. The group research explores consumer attitudes through expert interviews, surveys, perceptual mapping, and a broader market analysis. My individual contribution focuses on conjoint analysis and segmentation techniques to assess how different demographics respond to key ad attributes, such as content format, influencer type, and calls to action. Findings reveal variations in consumer preferences across age and gender groups, emphasizing the importance of balancing authenticity with targeted paid strategies. These insights offer actionable recommendations for personal care brands to optimize Instagram marketing and enhance consumer trust and engagement.

## **Keywords**

Instagram marketing, paid ads, organic content, conjoint analysis, segmentation, consumer engagement

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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-

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based applications that facilitate user interaction, user-generated content, and broad personal 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).

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

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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,

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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).

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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 state that omnichannel capabilities serve consumer expectations. It was able, as of Statista's

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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).

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### 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

## Group part

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).

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### 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

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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.

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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

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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,

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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.

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.*).

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### 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 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

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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.

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)*

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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.

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,

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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,

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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.

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### 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).

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

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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 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).

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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. Methodology**

The technique used for this investigation was a Generic conjoint analysis, which, as it was mentioned in chapter 2.7.2, is handled in market research to determine how people value different attributes that make up an individual product or service. Conjoint.ly was the platform used for this, offering survey software that mimics a “purchasing scenario” with various attribute combinations. The main objective was to comprehend what qualities consumers preferred to see in personal care business ads on Instagram. Consequently, we determined to use generic designations such as “Personal Care Brand 1,” “Personal Care Brand 2,” and

“Personal Care Brand 3” instead of actual brand names, concluding it was the best approach as it offered broader insights into preferences without brand constraints.

The survey offered consumers three options with different combinations of attributes for potential personal care product adverts, covering all possible profiles, along with an option for ‘None of the above’ (Figure 5 – Appendix 4). The intention was to enhance confidence in the results through a comprehensive approach, ensuring that no market offer was overlooked. To help participants understand the advertising landscape and make quicker, more confident decisions, respondents were first taken to an introductory page where they answered two preliminary questions to confirm their use of Instagram and report their daily screen time on the app (Figure 3 – Appendix 4). After this initial section, the next part began, in which participants were shown real examples illustrating the three levels of each attribute. This was followed by a straightforward question to determine whether respondents understood the levels associated with each attribute, ensuring their grasp of all concepts before starting the survey (Figure 4 – Appendix 4). The purpose of these examples was to aid the respondents in understanding the attributes presented by an advertisement, thereby allowing for a visual evaluation of these attributes at varying levels. After this section, participants moved on to the third part, where they reviewed different attribute combinations and were questioned, “Which of the following scenarios would you be most inclined to interact with by giving it a like?” and was expected of them to select their preferred choice from the three options presented (Figure 5 – Appendix 4). Finally, a fourth part included questions about the respondent's characteristics, such as age, gender, occupation, monthly income, and country of residence (Figure 6 – Appendix 4).


After this section, participants moved on to the third part, where they reviewed different attribute combinations and were questioned, “Which of the following scenarios would you be most inclined to interact with by giving it a like?” and was expected of them to select their preferred choice from the three options presented (Figure 5 – Appendix 4). Finally, a fourth part included questions about the respondent's characteristics, such as age, gender, occupation, monthly income, and country of residence (Figure 6 – Appendix 4).

Are you familiar with Instagram app?

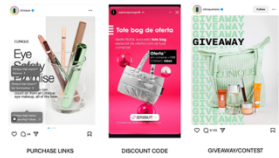
  

On average, what is your daily screen time on Instagram

Figure 1 – Preliminary questions (Retrieved from Conjoint.ly)

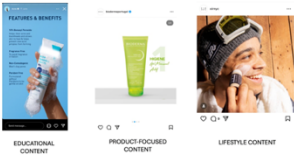


Have you ever seen these types of content formats?




Have you ever interacted with one of these calls to action?



Have you ever encountered these different types of content?



Have you ever seen content from any of these different types of influencers?

Figure 2 - Questions regarding the different levels of each attribute (Retrieved from Conjoint.ly)

Keep in mind the examples presented before, now consider different scenarios regarding the attributes of an ad.  
**Select the scenario that you would be most inclined to interact with by giving it a like.**

Which of the following scenarios that you would be most inclined to interact with by giving it a like?

<b>Personal Care brand</b>	Personal care brand 1	Personal care brand 2	Personal care brand 3	None of the above
<b>Content Format</b>	Story	Post	Story	
<b>Content Type</b>	Educational content (tutorials, skincare tips)	Lifestyle content (personal care products in everyday use)	Lifestyle content (personal care products in everyday use)	
<b>Call to Action</b>	Giveaways/Contests	Giveaways/Contests	Purchase links	
<b>Type of Influencer</b>	Brand	Macro-influencers (100k - 1M followers)	Celebrity influencers (over 1M followers)	
<b>Frequency of Paid Posts</b>	Low (1 post per week)	Medium (3 posts per week)	Low (1 post per week)	

Figure 4 - Different scenarios regarding the attribution of an ad (Retrieved from Conjoint.ly)

What is your gender?

What is, on average, your monthly income level?

What is your age?

What is your currently occupation?

In which country do you currently reside?

Figure 3 - Questions regarding the respondent's characteristics (Retrieved from Conjoint.ly)

## 4.2. Choice of Attributes

The literature analysis and interviews with regular consumers and professionals in the personal care sector served as the foundation for selecting the survey's attributes. The literature review identified key factors influencing consumer decision-making on Instagram, particularly when encountering various ads with differing characteristics. Furthermore, the diverse interviews conducted with specialists in the field, along with the consumer survey we implemented, provided us with a more nuanced understanding of customer awareness and preferences regarding organic advertisements versus paid advertisements from personal care brands on Instagram. This study seeks to evaluate the extent to which the attributes identified in previous research continue to influence consumer choice, particularly within the Portuguese market, while also examining the potential impact of several emerging attributes. In consideration of this, the attributes that appeared to have a greater influence on consumers were the **Content Format**, **Content Type**, **Call to Action**, the **Type of Influencer** or the **Brand** responsible for the advertisement, and ultimately, the **Frequency of Paid Posts**. To avoid influencing consumer decision-making based on the brands available in the market and instead focusing on the attributes presented during the conjoint analysis, only three **Generic Brands** of personal care products were introduced, devoid of any association with existing brands, which was regarded as an attribute.

## 4.3. Number of Attributes

For the purpose of this analysis, five features have been identified as the most pertinent for informed decision-making. These five features were selected based on insights derived from interviews conducted with experts actively engaged in the field of social media and advertisement promotion. These experts indicated that these attributes are essential

considerations for capturing consumer attention and fostering engagement with advertisements. We recognize that there are several significant factors that consumers consider important when deciding whether to engage with an ad on Instagram, such as the duration of the reels, the colors employed in the ad, and the kind of language used by influencers or the brand. These factors were also highlighted by experts. However, to prevent respondent fatigue, we chose to focus on just five features, ensuring the survey was crafted with straightforward language to encourage participation.

#### **4.4. Content Format**

The content format dictates how information is developed and disseminated on Instagram, specifically through posts, reels, or stories. This aspect is vital for decision-making, as it is the first element consumers notice when they see an ad on Instagram. Each of these formats is notably unique. Posts feature still images or photos, which can be displayed individually, in a carousel, or as short videos. They allow captions of up to 2,200 characters and include a comment section for interaction. A key feature is that posts can be edited even after publishing; users can change the caption, update the location, and delete images from carousels. Posts appear in followers' feeds and stay on the user's profile grid unless deleted, meaning they are not time-bound and can remain publicly available indefinitely as long as the user wishes. Conversely, reels are typically short, vertical videos lasting up to 90 seconds. Their primary purpose is to entertain and inform consumers, often featuring trends, tutorials, or behind-the-scenes content. They usually incorporate music, special effects, text overlays, and transitions, appearing in the Reels tab as well as the Explore page, allowing them to reach a broader audience beyond just followers. Lastly, stories can be viewed as fleeting images or videos available for just 24 hours, unless they are saved to the highlight folders on a profile. They are particularly engaging due to their interactive elements, such as polls, quizzes, stickers, and

Q&A boxes. Users can also enhance them with effects, text, music, and swipe-up or link stickers. These stories are prominently displayed at the top of the Instagram app, ensuring they are easily noticeable to followers.

#### **4.5. Content Type**

The Content type attribute indicates the different styles or themes employed by brands and creators to engage their audiences. It presents three distinct levels of this attribute: product-focused posts, educational content, and lifestyle content. On one hand, product-focused posts mainly emphasize the product itself, highlighting its features, benefits, and unique selling points, all aiming to present the product in the most attractive manner. Conversely, posts centered on educational content primarily aim to offer value through consumer education, frequently aligning with the consumers' product niche. This approach establishes the brand as a knowledgeable and supportive resource for those seeking more informative and detailed content. Lastly, lifestyle-focused posts primarily showcase products in real-world settings, allowing consumers to envision how these products integrate into their lives. This approach emphasizes storytelling rather than direct promotion and is typically created by influencers who seamlessly incorporate these products into their daily routines.

#### **4.6. Call to Action**

This feature serves as a prompt within a post, caption, or story, which encourages and guides consumers to undertake a specific action, such as visiting a website, engaging with content, or making a purchase. This attribute features three levels, identifiable as examples of calls to action, including purchase links, giveaways/contests, and discount codes. One of the actions that may be incorporated into the promotion includes the addition of purchase links,

which can be defined as direct links to products or services, facilitating user engagement with said product. Giveaways and contests represent additional examples of calls to action on Instagram. These initiatives are designed to enhance consumer awareness through interactive campaigns that encourage engagement, providing participants with the opportunity to win or acquire rewards. Lastly, discount codes serve as another form of call to action on Instagram. Influencers, and occasionally the brand itself, are more likely to share these unique codes, which provide discounts to encourage purchases.

#### **4.7. Type of Influencer**

This feature was highlighted by numerous experts interviewed for the purpose of this paper, who are engaged in the field and routinely contend with selecting the appropriate influencer to serve as an intermediary between the brand and the consumer. They concluded that this is a pivotal factor in decision-making. This attribute classifies content creators by their follower count, engagement, content style, and audience influence, dividing them into three levels: Micro-influencers (under 100k followers), Macro-influencers (100k to 1M followers), and Celebrity influencers (over 1M followers). Various types of influencers can significantly shape consumer perceptions regarding specific advertisements on Instagram. Micro-influencers cater to a smaller yet highly engaged niche audience. In contrast, macro-influencers enjoy a wide reach and are frequently regarded as professional content creators. At the other end of the spectrum, celebrities, known public figures with vast followings, grant unmatched visibility and prestige to a specific product or brand when they promote it. Furthermore, it is not a prerequisite to be an influencer to partake in an advertisement; brands may also effectively promote their own products.

#### **4.8. Frequency of Paid Posts**

Experts interviewed also discussed the frequency of sponsored posts as an important attribute. It was determined that, in most cases, this frequency depends on the brand's budget. However, there is some doubt about how much this attribute affects consumer behavior. This attribute may be characterized by the frequency with which an influencer or brand shares content that is sponsored or part of a paid partnership. This aspect can significantly influence not only the consumer's perception but also the levels of engagement and trust with the product or brand. This attribute is categorized into three levels: High frequency of paid posts (daily), where the influencer or brand shares sponsored content each day, consistently promoting products or services. A medium frequency of paid posts (three posts per week) is established to be shared multiple times throughout the week, thus achieving a balance between promotional content and organic engagement. A limited frequency of paid posts (one post per week) shared on an occasional basis ensures that the content appears less promotional in nature. Ultimately, organic content exists solely when there are no paid collaborations or sponsorships; every post is unpaid and crafted authentically.

#### **4.9. Segmentation Analysis**

Based on the results of the conjoint analysis, a marketing segmentation using demographic data to gain clearer insights into consumer preferences, ultimately aiding in effectively targeting the right audience for the ad or product. Our collected data encompassed the five attributes used during the conjoint analysis. In order to extract the most relevant information, four segments were created based on two main demographic variables: age and gender.

These two variables were chosen because they are among the few available to Instagram when a user sets up an account. In addition to these variables, location, income level,

qualifications, and occupation constitute other examples of the "personal information" that Instagram collects upon user registration in the application. For the purpose of this study, the variables of age and gender identity were chosen because of their significant impact on how individuals assess the value of various attributes related to products or services within the personal care industry. Given that this is a niche sector, we deemed it valuable to comprehend the preferences among these primary segments to gain insights into what modern consumers prioritize when encountering advertisements promoting products from this specific sector. Additionally, other variables like Instagram daily screen time, country of residence, monthly income level and current occupation were queried at the conclusion of the survey; however,

they were not utilized due to the potential for increased margin of error and misleading conclusions. For example, consumers with lower incomes may still show interest and engagement in higher-priced products, especially teenagers who rely on their caregivers' households.

As observed by G2M Solutions, age can have a substantial impact on preferences and behaviors on social media platforms. Due to the Internet and advancements in technology, individuals born after 1980 have experienced a distinctly different upbringing compared to previous generations, culminating in what is referred to as a “digital generation gap.” As digital natives, Generation Y interacts with one another in manners that older generations often find challenging to comprehend. This demographic is notably more engaged with smartphones than any other age group and exhibits a significantly higher presence on social media. Therefore, by understanding the responses of various age groups to advertisements, companies can devise strategies that resonate more profoundly with their target audience (YouGov). Consequently, to gain insight into the characteristics that differentiate respondents, they were categorized into two groups: Young Adults and Older Adults. The category termed “Young Adults” encompasses all respondents aged 18 to 34, whereas the “Older Adults” category comprises respondents aged 35 to 65.

Furthermore, the consideration of gender-based segmentation is pertinent, as highlighted by Hidarto and Andrieza (2022). It has been observed that males and females exhibit preferences for distinct themes in their linguistic expressions. Specifically, males tend to employ language that is impersonal and focused on objects, such as topics related to occupation, politics, and sports. Conversely, females are inclined to utilize language that is more oriented toward interpersonal connections, encompassing themes such as family and social life. These gender differences are asserted to be present in advertising discourse as well. Consequently, it is imperative to achieve a comprehensive understanding of the substantial

differences in advertising attributes between these two prominent groups—females and males—to enhance the authenticity and efficacy of the conclusions drawn from communication strategies.

Below is a description of the characteristics of each segment, including a brief overview of their primary occupations, annual incomes, familiarity with the Instagram application, and the daily time spent on the app.

### **Segment 1: Younger Female Adults**

This segment comprises a total of 67 women aged 18-24 years (70.1%) and 25-34 years (29.9%), classified as “Younger Adults.” The largest portion is full-time employed (44.8%), followed closely by students (43.3%). A smaller group works part-time (9.0%), while a small percentage of individuals are self-employed, accounting for 3.0%. As a result, a large portion of respondents earns less than 1000€ per month (53.7%), while 26.9% have a monthly income ranging from 1000€ to 1500€. A limited number of respondents reported earnings exceeding 2000€ (1.5%), while a small fraction (7.5%) indicated receiving 0€ monthly. Concerning the application Instagram, it was determined that this segment of respondents exhibited awareness and familiarity with the concept of Instagram. When queried about their daily screen time on the application, the majority indicated that they spend less than 30 minutes per day (34.3%). In contrast, a significant percentage also reported spending more than 3 hours per day (31.3%). A smaller proportion allocated between 2-3 hours (19.4%), while others spent between 1-2 hours per day (14.9%).

Regarding preferences for the attributes of paid advertisements, the key aspect for individuals in their selection process is the frequency of paid posts shared (30.4%), followed by the content format (25.0%) and the inclusion of a “call to action” in the advertisement

(16.8%). Among the attributes considered less critical but still important are the content type (14.2%) and the type of influencer (13.5%). Proceeding to the most favored level for each attribute, the cohort of younger female adults exhibited a preference for advertisements presented in a reel format (19.8%), featuring content categorized as lifestyle, specifically personal care products for everyday use (6.7%). Additionally, there was a preference for advertisements that included discount codes (8.5%), a notable inclination towards micro-influencers (1.7%), and a pronounced preference for organic content exclusively as opposed to paid content (20.8%).

All the aforementioned information and data were extracted from the figures corresponding to figures from 26 to 32 (Appendix 4), which are appropriately situated in the appendix section at the conclusion of this document.

## **Segment 2: Older Female Adults**

This segment encompasses a total of 60 women, categorized by age as 35 to 44 years (45.0%) and 45 to 64 years (55.0%), classified as "Older Adults". The majority of these individuals are employed full-time (88.3%), while a smaller proportion is engaged in part-time employment (6.7%) and self-employment (5.0%). Consequently, a significant proportion of respondents generates a monthly income within the range of 1000€ to 1500€ (58.3%). Meanwhile, 36.7% of individuals report a monthly income that varies between 1500€ and 2000€. A limited number of respondents indicated earnings exceeding 2000€ (3.3%), and a very small segment (1.7%) reported receiving less than 1000€ each month. Concerning the application Instagram, it was ascertained that this segment of respondents demonstrated a considerable level of awareness and familiarity with the concept of Instagram. When inquired about their daily screen time on the application, the majority indicated that they engage with

the platform for a duration ranging from 1 hour to 2 hours per day (60.0%). Additionally, a notable percentage reported spending between 2 hours and 3 hours daily (23.3%). A smaller proportion utilized less than 30 minutes (11.4%), while only a minor fraction exceeded 3 hours of engagement per day (5.0%).

Regarding the preferences concerning the attributes of paid advertisements, the primary factor influencing individuals in their decision-making process is the frequency of paid posts shared (41.3%). This is followed by the "call to action" in the advertisement (20.7%), and subsequently, the influencer type (14.4%). Although the following attributes are considered less essential, they nonetheless retain significant importance: content format (12.9%) and content type (10.7%). Upon analyzing the preferred attributes, the cohort of older female adults demonstrated a significant inclination towards advertisements structured in a story format (0.6%), which encompasses educational content, often characterized as tutorials or skincare tips (4.6%). Furthermore, a clear preference was observed for advertisements incorporating discount codes (16.2%), alongside a marked interest in endorsements by celebrity influencers (3.2%). Additionally, there exists a strong preference for a medium frequency of paid posts, specifically three postings per week (22.5%).

All the aforementioned information and data were extracted from the graphs corresponding to figures from 33 to 38 (Appendix 4), which are appropriately situated in the appendix section at the conclusion of this document.

### **Segment 3: Younger Male Adults**

This segment comprises a total of 13 individuals, categorized by age as follows: 18 to 24 years (30.8%) and 25 to 34 years (69.2%), thus classified as "Younger Adults." The majority of these individuals are employed on a full-time basis (46.2%). Additionally, a significant

portion of the respondents are students (30.8%), whereas a smaller percentage is involved in part-time employment (15.4%) and self-employment (7.7%). Accordingly, a considerable percentage of respondents earn a monthly income of less than 1,000€ (38.5%). Simultaneously, the proportions of respondents earning between 1,000€ to 1,500€ and 1,500€ to 2,000€ are identical, each at 23.1%. A small segment of respondents reported earnings exceeding 2,000€ (7.7%), while an equivalent percentage (7.7%) indicated a monthly income of 0€. Regarding the application Instagram, it has been observed that this group of respondents exhibited a significant level of awareness and familiarity with the concept of Instagram. When asked about their daily screen time on the application, the majority indicated that they engage with the platform for a duration ranging from 2 to 3 hours per day (46.2%). Furthermore, a substantial percentage reported spending between 1 to 2 hours daily (23.1%). A smaller proportion utilized less than 30 minutes (15.4%), with an equivalent proportion spending more than 3 hours (15.4%).

Concerning preferences related to the attributes of paid advertisements, the foremost factor influencing individuals' decision-making processes is the frequency of paid posts shared, accounting for 29.7%. This is succeeded by the presence of a "call to action" within the advertisement, representing 21.2%, and, thereafter, the type of influencer, which constitutes 20.7%. While the following attributes are deemed less critical, they nevertheless maintain substantial importance: content format at 17.3% and content type at 11.1%. Following an analysis of the preferred attributes, the cohort of younger male adults exhibited a pronounced inclination towards advertisements presented in a reel format (11.3%), which includes lifestyle content categorized as personal care products used in daily life (5.3%). Moreover, a distinct preference was noted for advertisements that feature discount codes (17.3%), in addition to a considerable interest in endorsements by celebrity influencers (4.4%). Furthermore, there is a strong preference for content that is exclusively organic (19.5%).

All the aforementioned information and data were extracted from the graphs corresponding to figures from 39 to 45 (Appendix 4), which are appropriately situated in the appendix section at the conclusion of this document.

#### **Segment 4: Older Male Adults**

This segment encompasses a total of 20 men, categorized by age as 35 to 44 years (45.0%) and 45 to 64 years (55.0%), classified as "Older Adults". Most of these individuals work full-time (90.0%), while a smaller percentage is self-employed (10.0%). As a result, a substantial portion of respondents reports a monthly income ranging from 1500€ to 2000€ (55.0%). Moreover, 25.5% of individuals state their monthly income falls between 1000€ and 1500€, and a limited number of respondents indicate earning more than 2000€ (20.0%).

Regarding the application Instagram, it was determined that this subgroup of respondents exhibited a significant level of awareness and familiarity with the concept of Instagram. When asked about their daily screen time on the application, the majority indicated that they engage with the platform for a duration ranging from 2 to 3 hours per day (45.0%). Furthermore, a notable percentage reported spending between 1 and 2 hours daily (40.0%). A smaller proportion exceeded 3 hours of engagement per day (10.0%), while only a minor fraction utilized less than 30 minutes (5.0%).

When it comes to preferences for paid advertisements, the most significant factor affecting individuals' decision-making is the frequency with which paid posts are shared (35.8%). Next is the "call to action" featured in the advertisement (22.2%), followed by the format of the content (17.2%). While the following attributes are deemed less crucial, they still hold considerable importance: the type of content (12.5%) and the kind of influencer (12.4%). The analysis of preferred attributes revealed that older male adults displayed a notable

preference for advertisements in a reel format (9.6%), and a preference for educational content, often characterized as tutorials or skincare advice (4.3%). Furthermore, there was a distinct favorability for advertisements that offer discount codes (16.0%) and a significant interest in endorsements by celebrity influencers (3.5%). Additionally, a strong preference for organic content only was evident (20.5%).

All the aforementioned information and data were extracted from the graphs corresponding to figures from 46 to 52 (Appendix 4), which are appropriately situated in the appendix section at the conclusion of this document.

To facilitate perception and comprehension, the table below presents a visual summary of the data obtained from the segmentation analysis. The values indicated in certain rows of the table correspond to the mode or average of the most preferred options among the respondents.

*Table 1 – Data Summary from Segmentation Analysis*

<b>Segment Name</b>	<b>Younger Female Adults</b>	<b>Older Female Adults</b>	<b>Younger Male Adults</b>	<b>Older Male Adults</b>
<b>Number of respondents</b>	67	60	13	20
<b>Gender</b>	Female	Female	Male	Male
<b>Age Range</b>	18-34 years old	35-44 years old	18-34 years old	35-44 years old

<b>Occupation (Mode)</b>	Full-time employed	Full-time employed	Full-time employed	Full-time employed
<b>Average Monthly Income</b>	820.5€	1453.75€	1058€	1725€
<b>Familiarity with the app</b>	Yes	Yes	Yes	Yes
<b>Daily screen time (Mode)</b>	< 30 minutes	1-2 hours	2-3 hours	2-3 hours
<b>Attribute Preference (Mode)</b>	Frequency of Paid Posts	Frequency of Paid Posts	Frequency of Paid Posts	Frequency of Paid Posts
<b>Frequency of Paid Posts (Mode)</b>	Organic content only	Medium frequency (3 posts per week)	Organic content only	Organic content only

#### 4.10. Analysis

Following the comprehensive analysis of data collected from the four distinct segments on conjointly, it became feasible to draw several conclusions. With respect to the first segment, **“Younger Female Adults”** comprising individuals aged 18 to 34, this demographic includes both students and full-time professionals with modest income levels. Their Instagram usage reveals a diversity of habits, with a notable division between light users (under 30 minutes per day) and heavy users (more than 3 hours daily). The analysis indicates that this segment responds favorably to content that is visually engaging, relatable, and value oriented. Consequently, brands aiming to connect with younger female audiences should capitalize on reels that feature authentic storytelling and actionable discounts while maintaining a limited frequency of paid advertisements to prevent market oversaturation.

In relation to the second segment, **“Older Female Adults”** this group encompasses women aged 35 to 64, predominantly employed full-time with mid-range incomes ranging from €1,000 to €2,000 per month. Furthermore, it is noted that 60% of this demographic utilizes Instagram moderately, spending approximately one to two hours per day on the platform. It has been concluded that this segment places a high value on informative and practical content, which should be delivered at a balanced frequency. Personal care brands are encouraged to utilize narrative-driven advertisements that provide clear instructional value, such as tutorials, while also collaborating with well-known endorsers. Additionally, providing discounts is likely to resonate with their practicality and spending behaviors.

When focusing on male respondents, the third category, **“Younger Male Adults”** which is defined as a relatively small demographic aged 18-34 years, comprises both students and full-time employees with diverse income levels. This demographic predominantly engages with Instagram for a duration of 2 to 3 hours daily (46.2%). It has been determined that younger male audiences are particularly attracted to visually engaging and exclusive content.

Consequently, brands are encouraged to utilize reels featuring prominent influencers alongside exclusive offers. It is imperative to maintain authenticity through organic content to effectively resonate with this demographic.

Lastly, the fourth demographic segment, classified as **"Older Male Adults"** comprises men aged 35 to 64 who are predominantly employed full-time and possess higher income levels ranging from €1,500 to €2,000 per month. This group engages with Instagram for a duration of 1 to 3 hours each day, drawing the conclusion that older male adults prioritize content that is both engaging and educational, providing practical benefits. It is advisable for brands to utilize reels or tutorials that demonstrate the utility of their products, preferably endorsed by credible figures. Furthermore, emphasizing discounts while maintaining a controlled frequency of advertisements will enhance the overall effectiveness of the marketing strategy.

In all segments, there was an emphasis on ad frequency as a key factor, indicating potential ad fatigue. It's crucial to moderate this frequency to keep consumer interest up and prevent disengagement. Upon consideration of all segments, the preferred format remains video reels due to their dynamic and engaging nature. Additionally, stories possess appeal, particularly among older adults. Discount codes resonate across all segments, underscoring the significance of cost-saving incentives, especially for younger and lower-income consumers. Younger respondents exhibited a clear preference for lifestyle content, whereas older respondents favored educational or tutorial-based ads, highlighting differing content needs by age. Similarly, micro-influencers attract younger audiences with their relatability, while celebrity endorsements appeal more to older demographics. It's essential to emphasize that authenticity holds significant importance, as all segments show a preference for organic content rather than paid advertisements, highlighting the necessity for genuine and relatable messaging.



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## 6. Appendix

### Appendix 4: General Results Conjoint

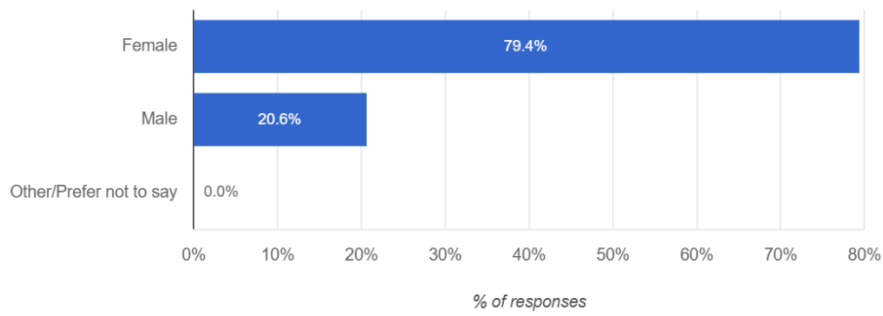


Figure 5 - What is your gender? (Retrieved from Conjoint.ly)

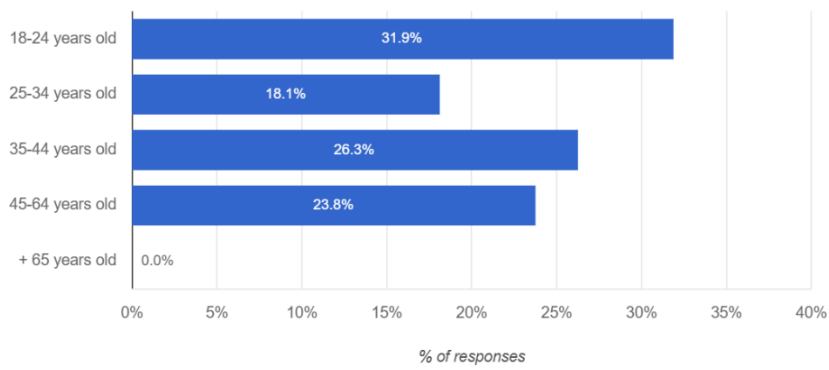


Figure 6 - What is your age? (Retrieved from Conjoint.ly)

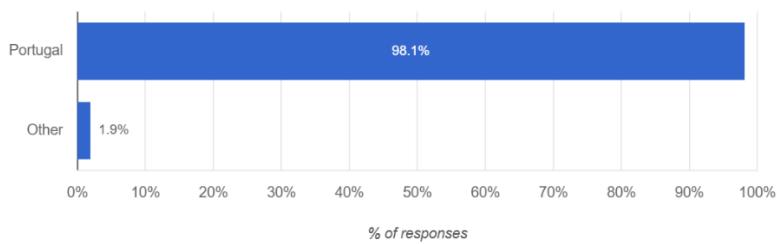


Figure 7 - In which country do you currently reside? (Retrieved from Conjoint.ly)

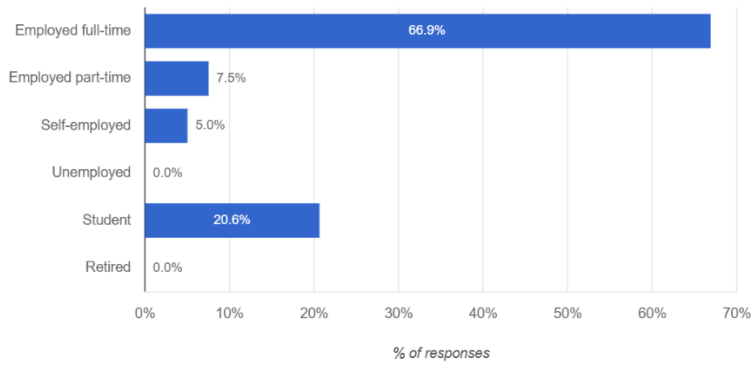


Figure 8 - What is your currently occupation? (Retrieved from Conjoint.ly)

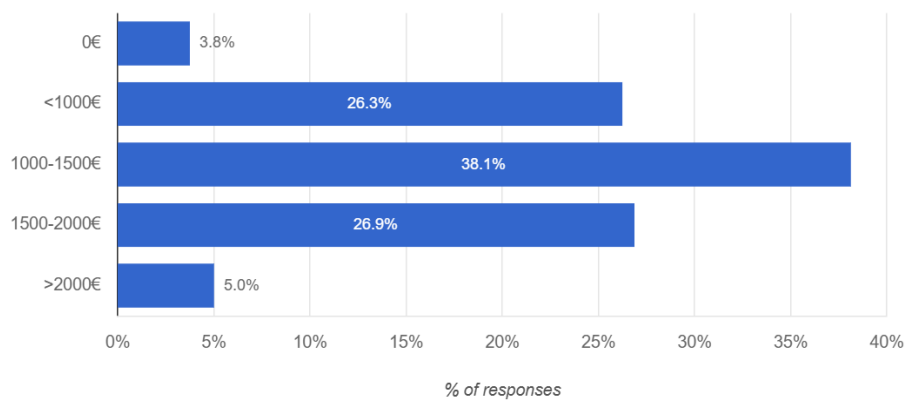


Figure 9 - What is, on average, your monthly income level? (Retrieved from Conjoint.ly)

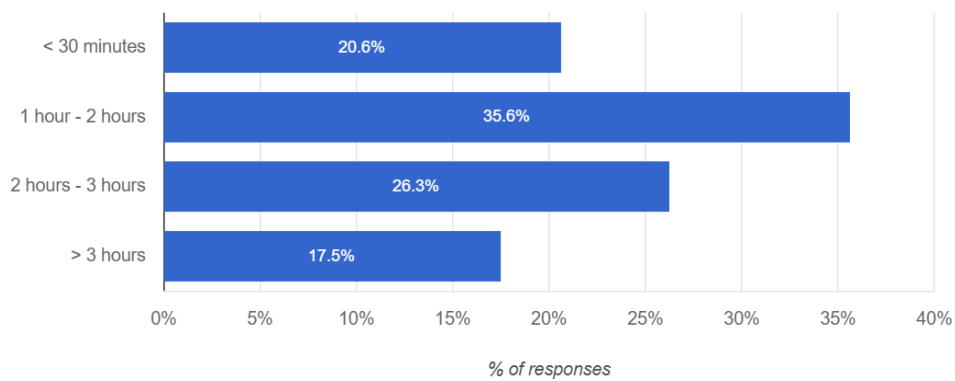


Figure 10 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

### Appendix 4: Conjoint Segmentation

#### Segment 1:

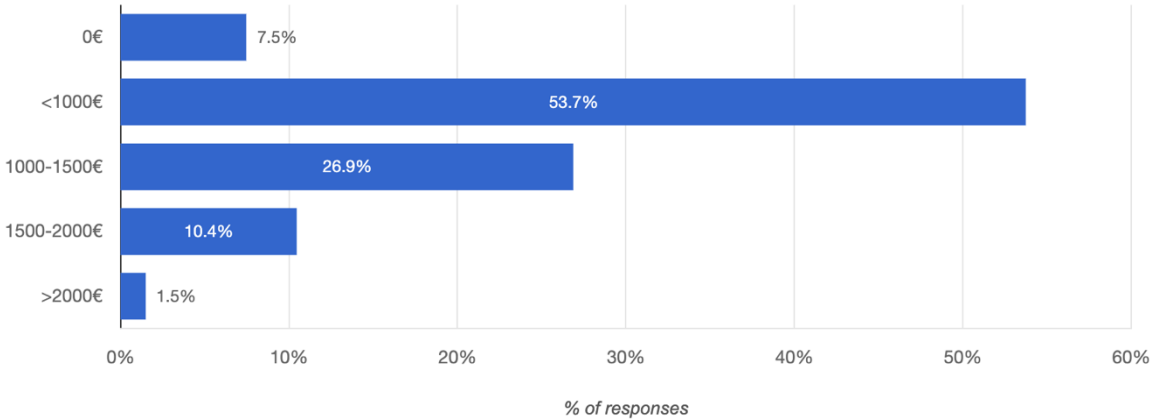


Figure 11 - What is, on average, your monthly income? (Retrieved from Conjoint.ly)

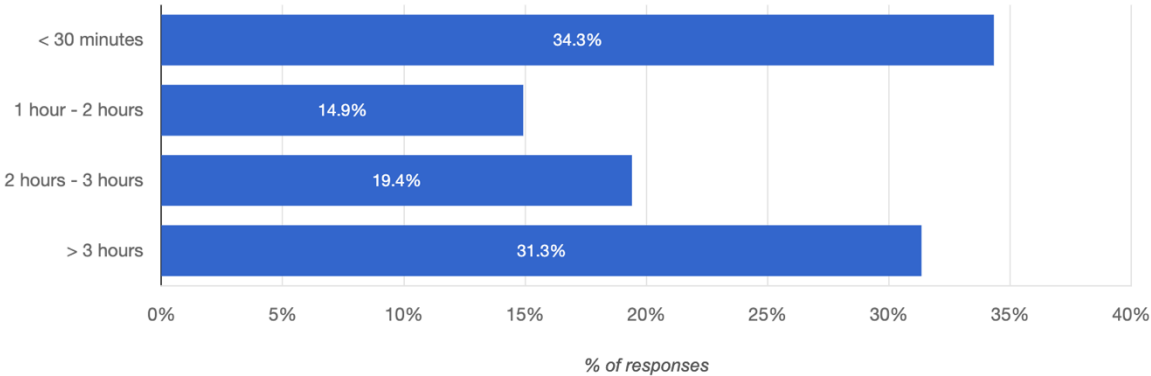


Figure 12 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

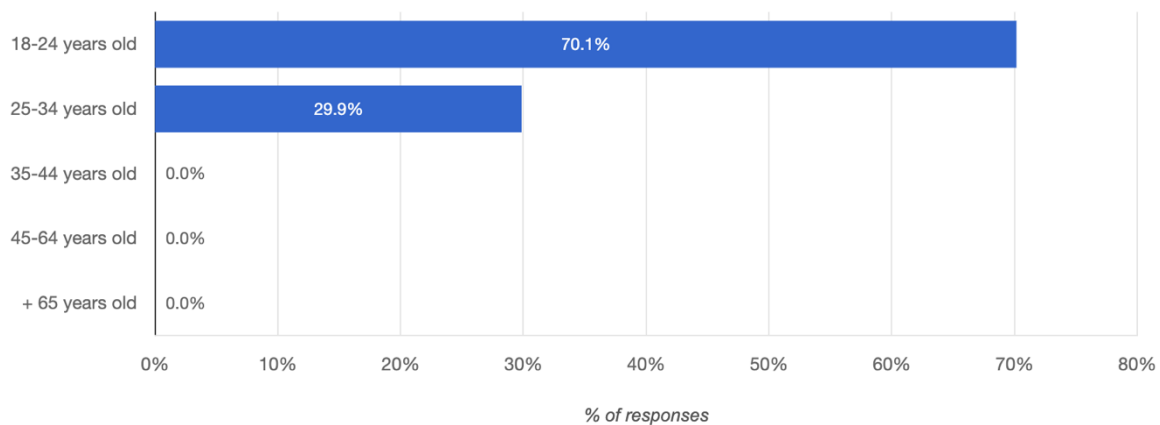


Figure 13 - What is your age? (Retrieved from Conjoint.ly)

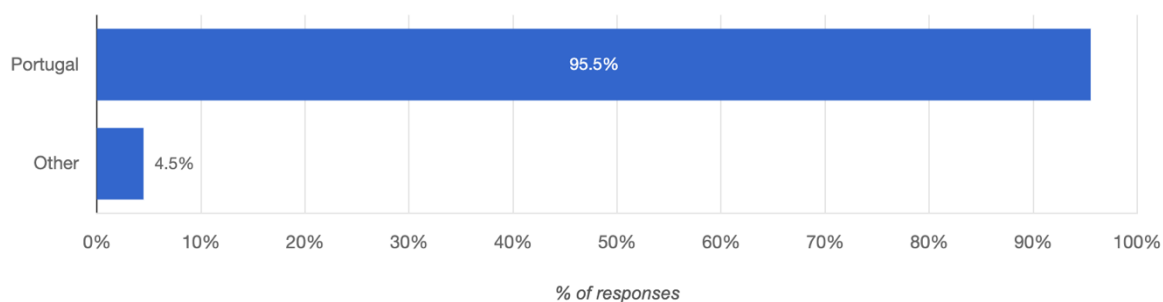


Figure 14 - In which country do you currently reside? (Retrieved from Conjoint.ly)

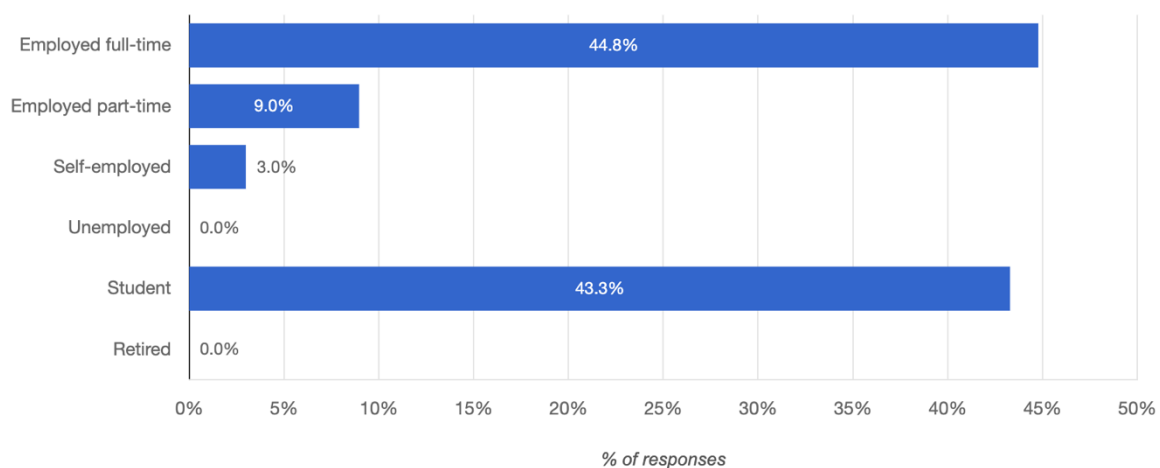


Figure 15 - What is your currently occupation? (Retrieved from Conjoint.ly)

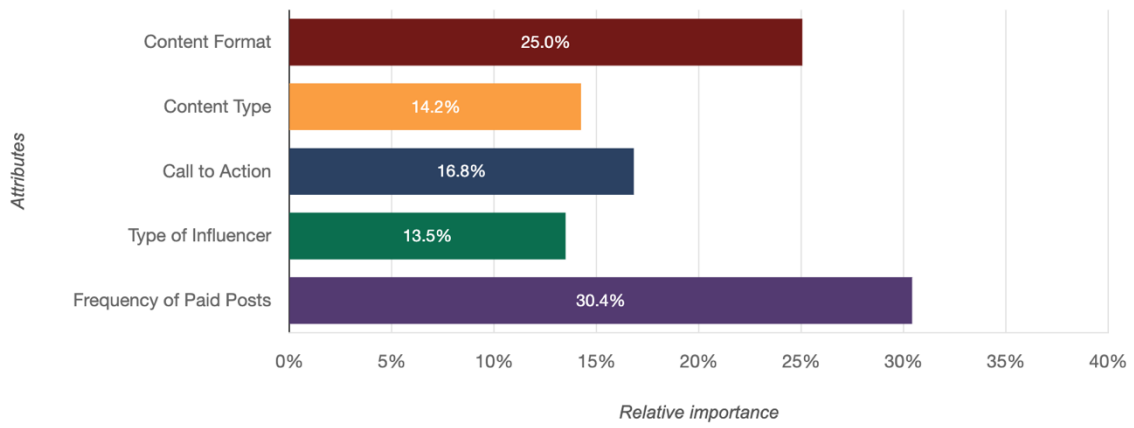


Figure 16 - Relative importance of Attributes (Retrieved from Conjoint.ly)

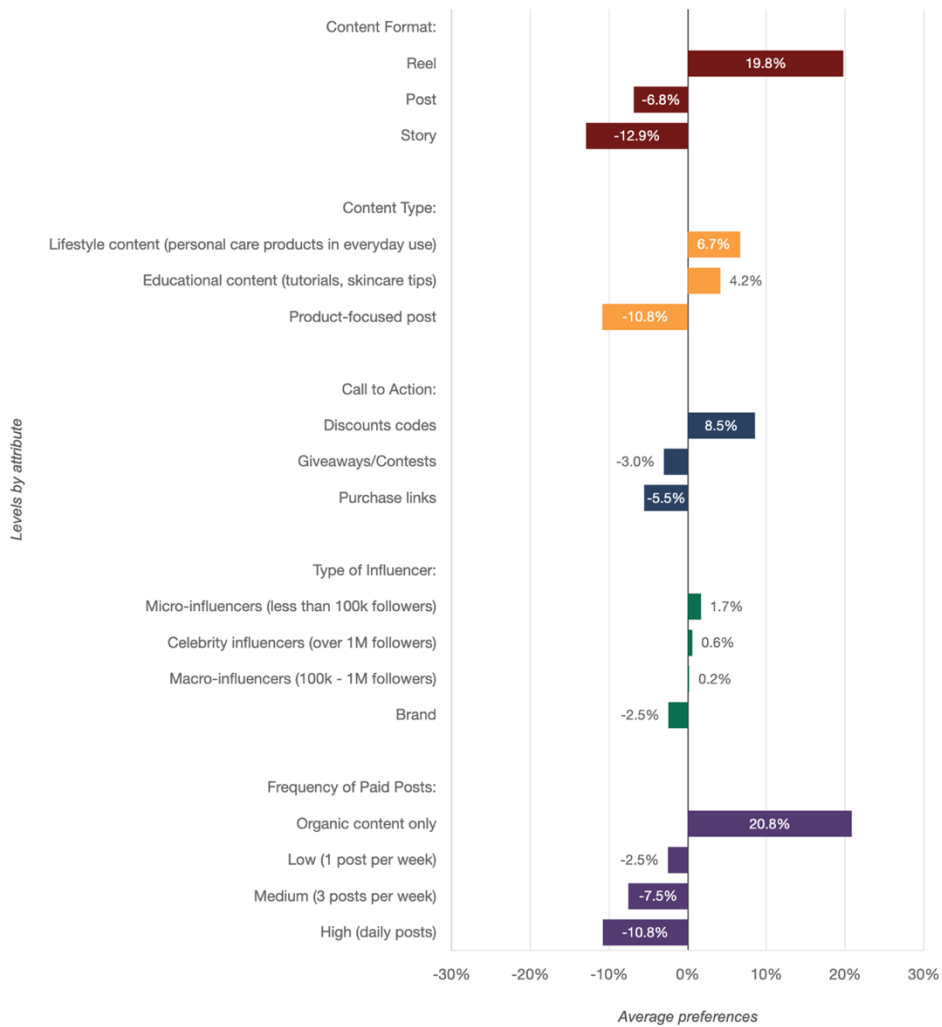


Figure 17 - Relative preference for levels (Retrieved from Conjoint.ly)

**Segment 2:**

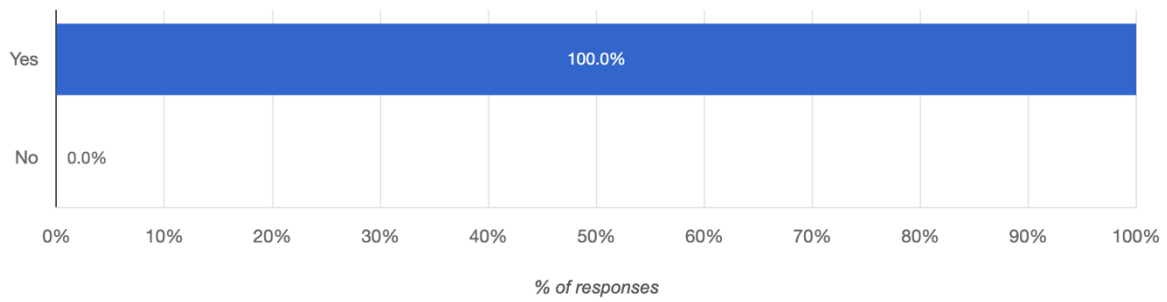


Figure 18 - Are you familiar with Instagram app? (Retrieved from Conjoint.ly)

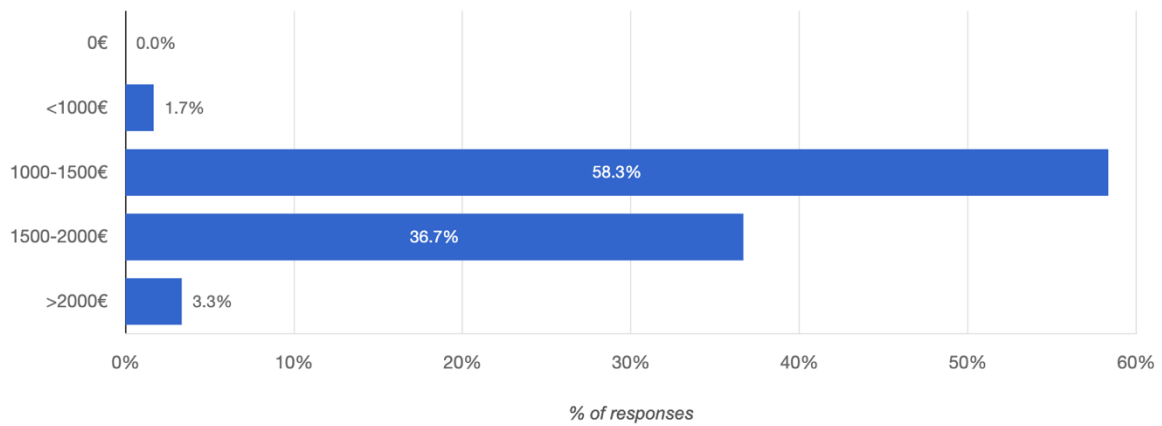


Figure 19 - What is, on average, your monthly income? (Retrieved from Conjoint.ly)

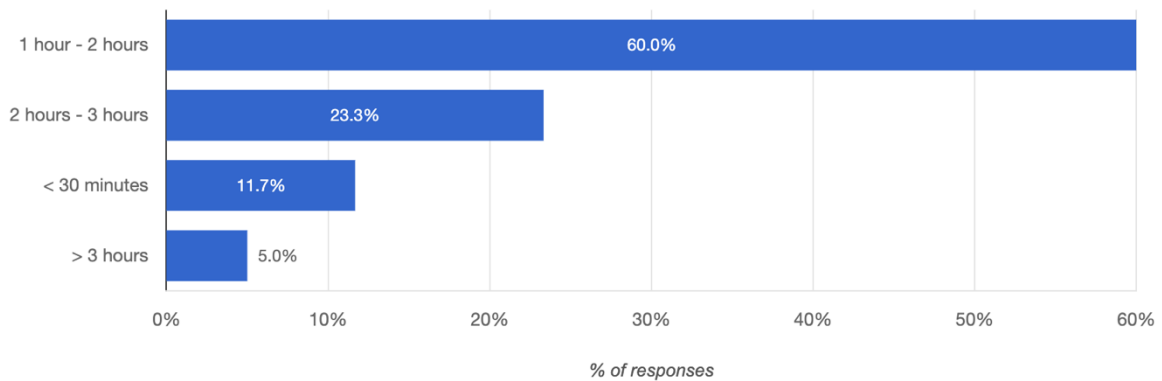


Figure 20 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

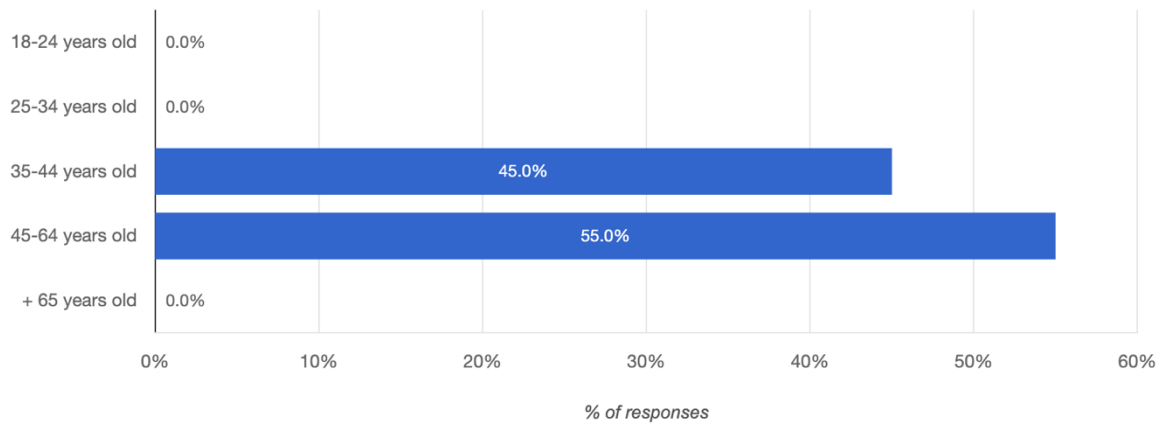


Figure 21 - What is your age? (Retrieved from Conjoint.ly)

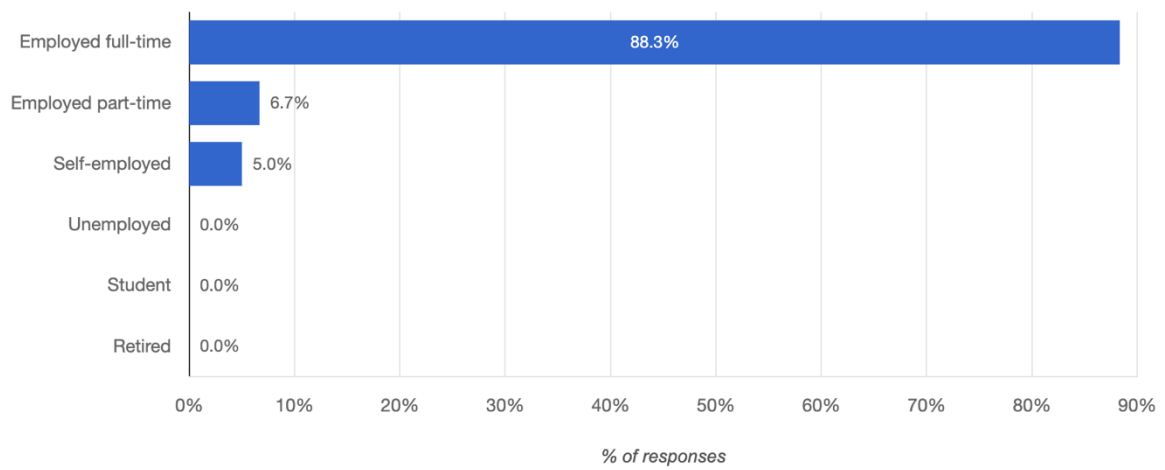


Figure 22 - What is your currently occupation? (Retrieved from Conjoint.ly)

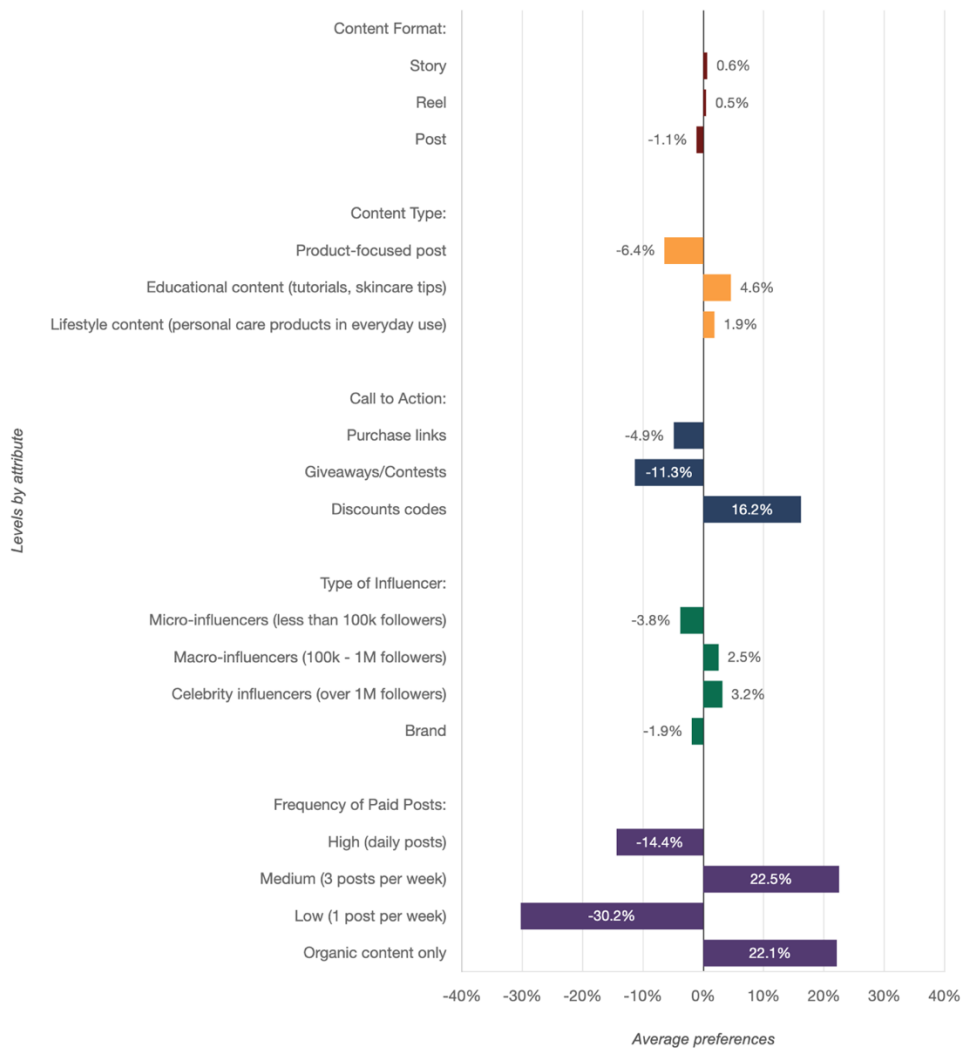


Figure 23 - Relative preference for levels (Retrieved from Conjoint.ly)

**Segment 3:**

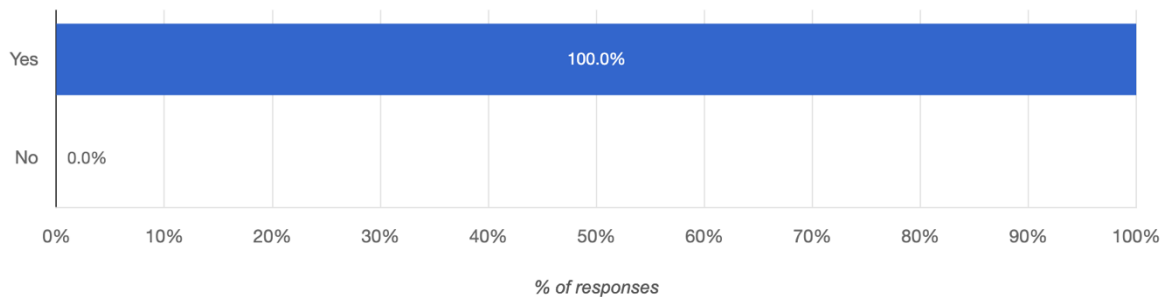


Figure 24 - Are you familiar with Instagram app? (Retrieved from Conjoint.ly)

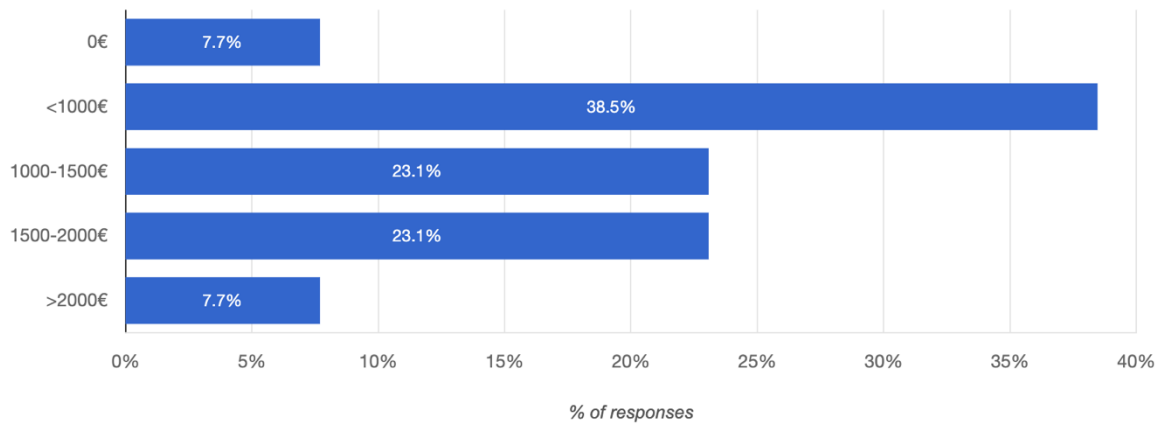


Figure 25 - What is, on average, your monthly income? (Retrieved from Conjoint.ly)

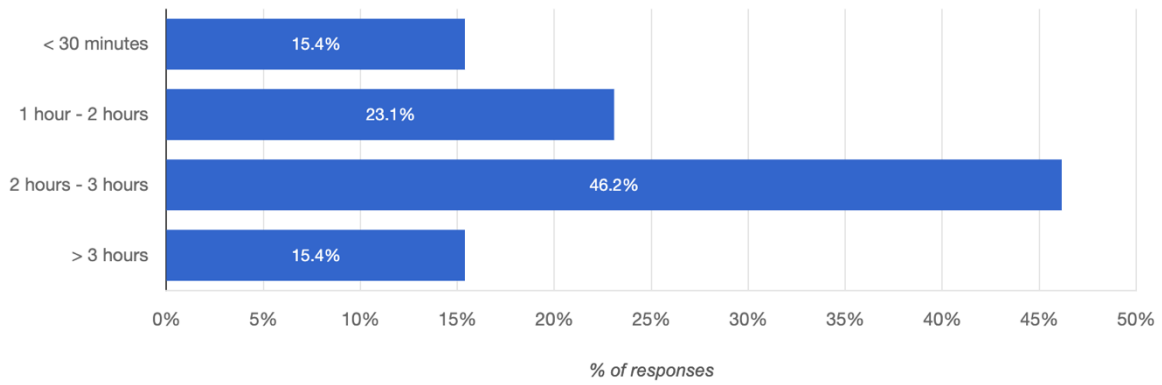


Figure 26 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

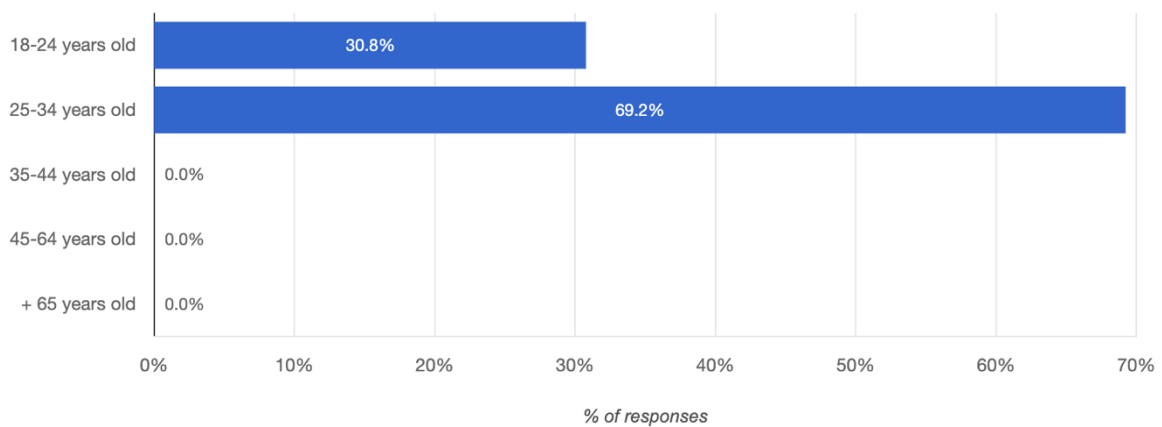


Figure 27 - What is your age? (Retrieved from Conjoint.ly)

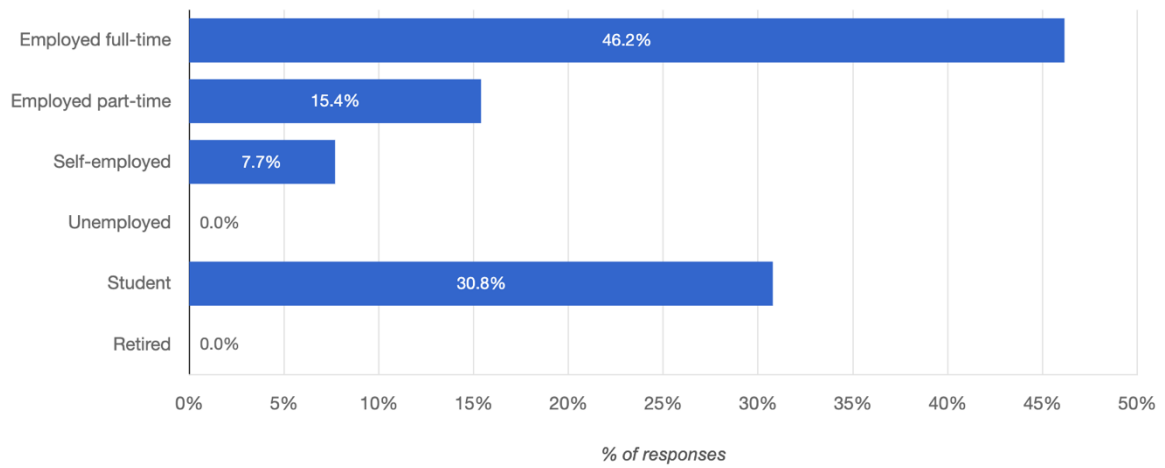


Figure 28 - What is your currently occupation? (Retrieved from Conjoint.ly)

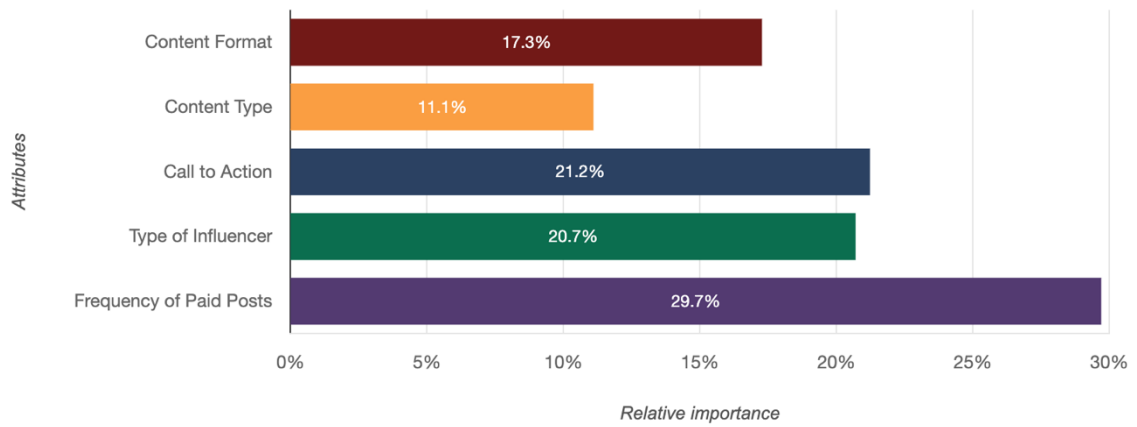


Figure 29 - Relative importance of Attributes (Retrieved from Conjoint.ly)



Figure 30 - Relative preference for levels (Retrieved from Conjoint.ly)

**Segment 4:**

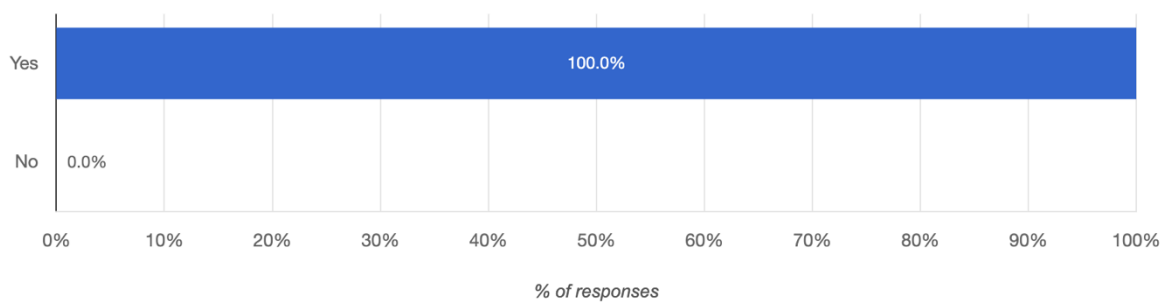


Figure 31 - Are you familiar with Instagram app? (Retrieved from Conjoint.ly)

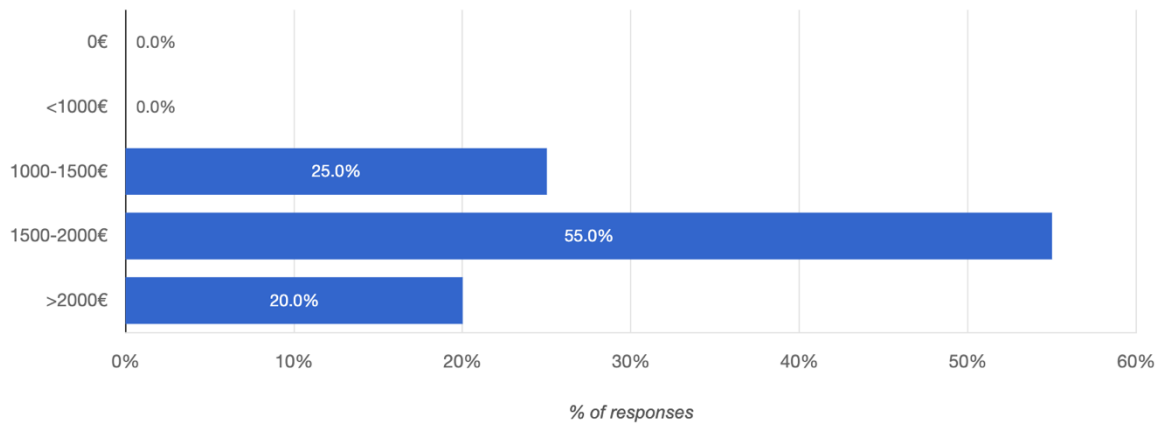


Figure 32 - What is, on average, your monthly income? (Retrieved from Conjoint.ly)

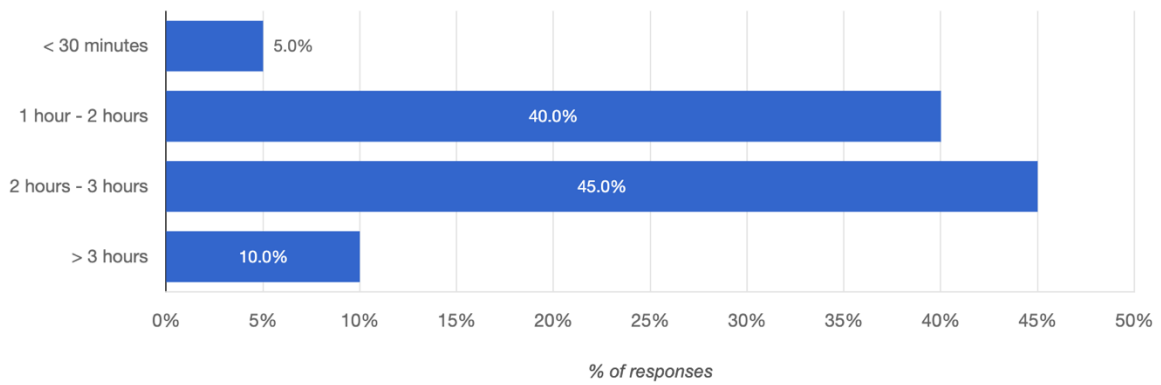


Figure 33 - On average, what is your daily screen time on Instagram? (Retrieved from Conjoint.ly)

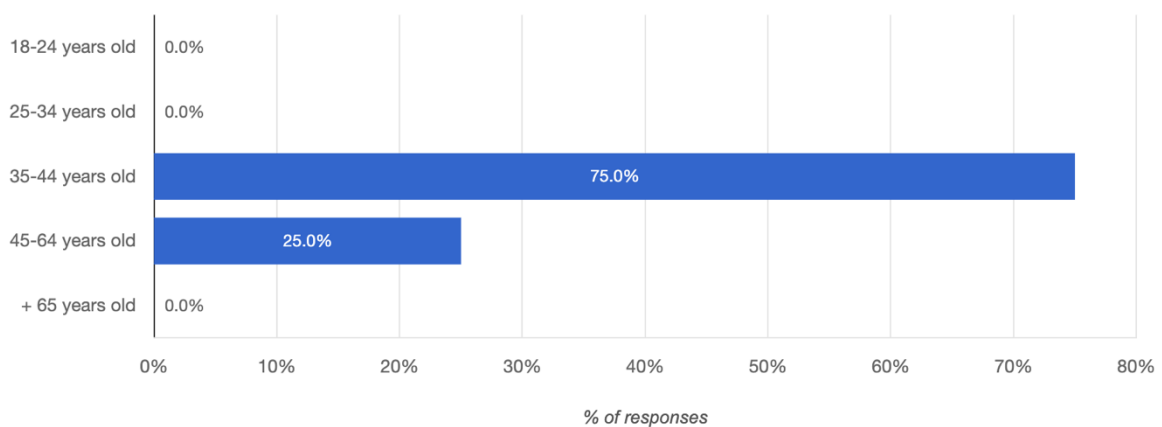


Figure 34 - What is your age? (Retrieved from Conjoint.ly)

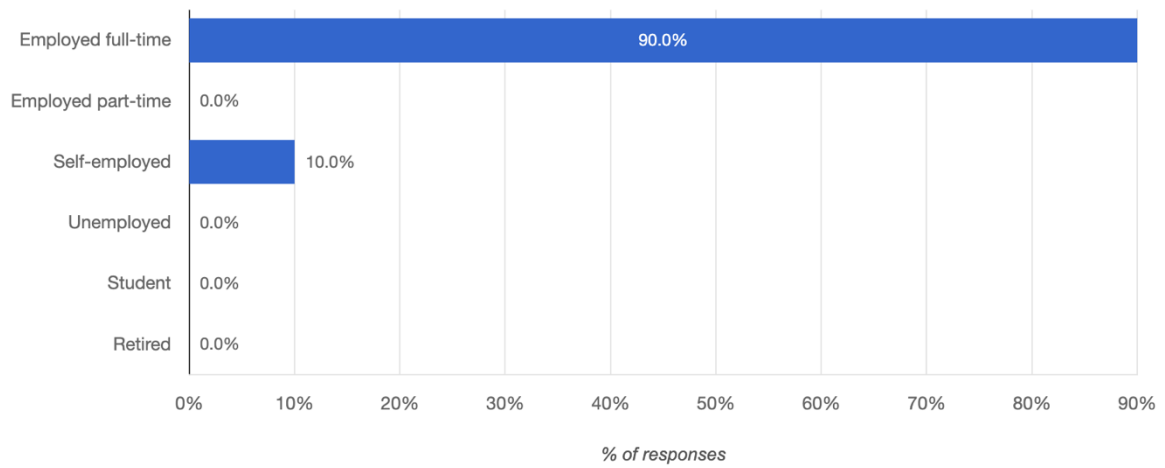


Figure 35 - What is your currently occupation? (Retrieved from Conjoint.ly)

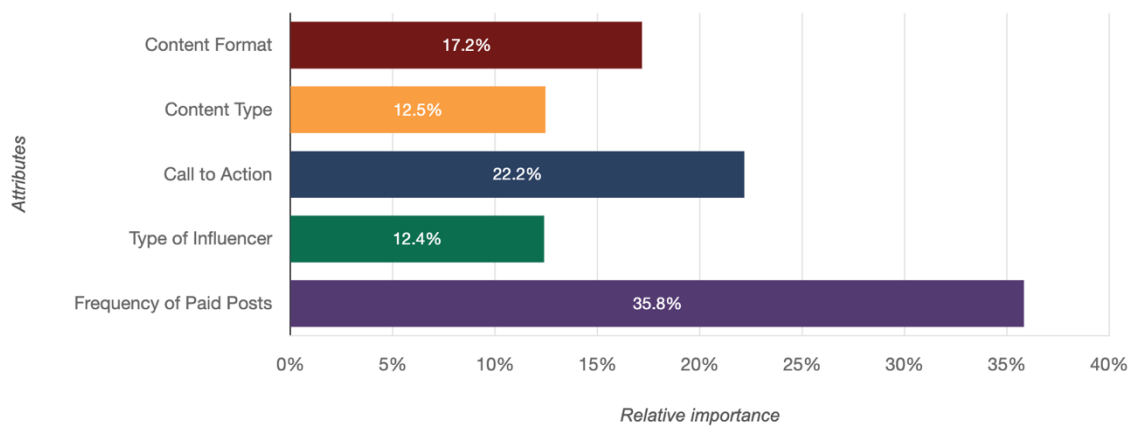


Figure 36 - Relative importance of Attributes (Retrieved from Conjoint.ly)

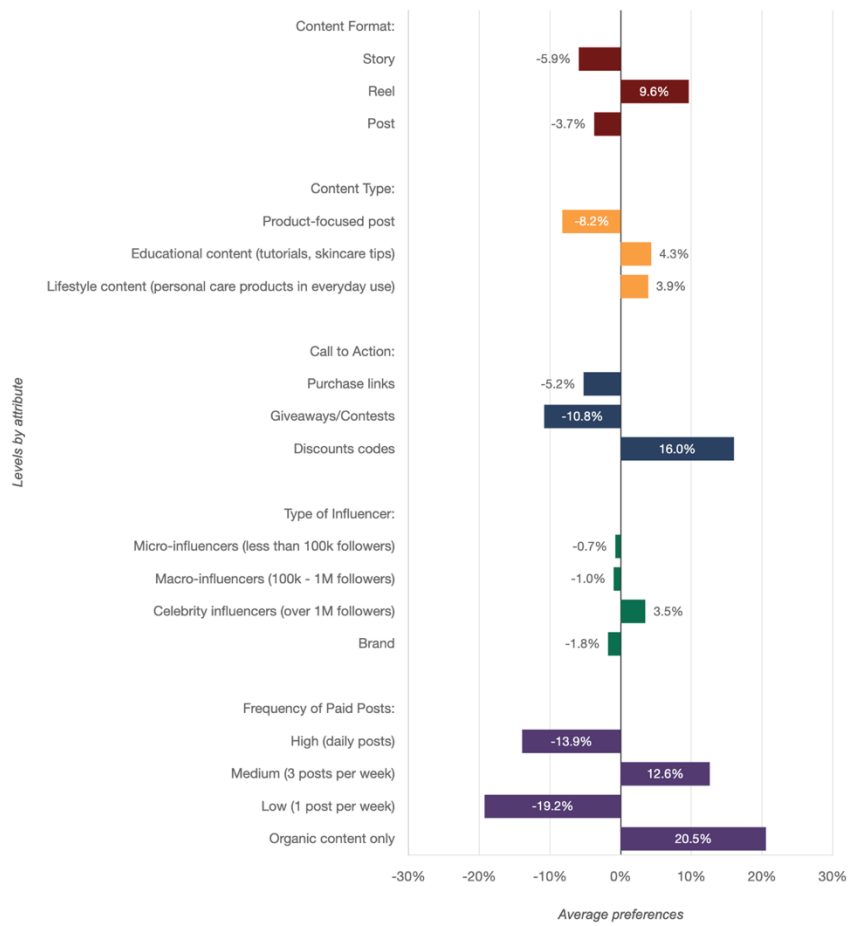


Figure 37 - Relative preference for levels (Retrieved from Conjoint.ly)