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UNDERSTANDING THE FACTORS INFLUENCING FIRMS' SOCIAL MEDIA MARKETING STRATEGY DEVELOPMENT

AUTHORS:



**Fangfang
Li**¹



**Susana
C. Silva**²



**Jorma
Larimo**^{3 i}

¹ University of Leeds

² Universidade Católica Portuguesa - Católica Porto Business School & CEGE, Porto, Portugal

³ University of Vaasa

Social media (SM) has rapidly evolved as a significant tool in business, used to attract new customers, influence preferences, and foster consumer-brand relationships. Social Media Marketing Strategy (SMMS) refers to a structured approach that transforms social media connections into strategic business tools to achieve marketing objectives (Li et al., 2021). Despite its growing importance, developing an effective SMMS remains challenging for firms, especially when operating internationally, where cultural and institutional differences significantly impact decision-making.

The aim of this study is to investigate the internal and external factors influencing SMMS development in international contexts. Focusing on firms from Finland, China, and Brazil, this research examines how market-level and cultural drivers and barriers shape the formulation and implementation of social media strategies. The analysis draws on both internal resources and cultural frameworks to understand how varying national values influence social media strategy.

In collectivist cultures like China, social media content often emphasizes community engagement and interdependence. Chinese firms frequently integrate trending societal topics and group-based messages to generate engagement, appealing to cultural values that prioritize collective welfare (Tsai and Men, 2012). This is

ⁱ We acknowledge the contribution of Prof. Jorma Larimo, who sadly passed away during the preparation of this manuscript. This work is dedicated to his memory.

in stark contrast to Finland's individualistic culture, where firms emphasize individual achievement and personal expression in their social media content. Hofstede's dimension (see next table), particularly **power distance** and **individualism/collectivism**, also influence firms' decision-making processes. In high power distance cultures like China and Brazil, there is more centralized control over social media strategy, with decisions typically made by senior management. In contrast, Finnish firms exhibit more decentralized, collaborative approaches, where employees are often involved in social media content creation (Li et al., 2021).

External institutional factors also affect SMMS. For instance, Chinese firms face significant governmental regulation and censorship, which constrains the types of content that can be shared on platforms such as WeChat and Weibo (Zhang, 2021). In contrast, Finnish firms, benefiting from a liberal digital environment, experience fewer external restrictions, allowing for greater flexibility in their social media engagements (Ertiö et al., 2020).

Table 1 - Comparison of cultural dimensions between the three countries according to Hofstede

Cultural dimension	China	Finland	Brazil
Individualism/collectivism	20	63	38
Power distance	80	33	69
Masculinity/femininity	66	26	49
Uncertainty avoidance	30	59	76
Long-term orientation	87	38	44
Indulgence	24	57	59

We used an inductive approach, following the Gioia methodology (Gioia et al., 2013), to explore factors influencing social media marketing strategy (SMMS) development in firms from Finland, China, and Brazil. Through interviews with 32 companies, the research examines both internal (resources, capabilities) and external (cultural, institutional) factors. The analysis reveals how national culture and institutional contexts shape SMMS across different countries.

Based on the above the following propositions and were derived (see next tables).

Table 2 – Key Activities in each case firm

Case firm	Primary objective ¹	Content marketing ²	Risk management ¹		Relationship management ¹		
	Selling-oriented	Informational-focused vs. Varied	Risk perception	Data management	Complaints handling	Social listening	SM interaction
F1	•	•	•	•	•	•	•
F2	•	•	•	•	•	•	•
F3	•	•	•	•	•	•	•
F4	•	•	•	•	•	•	•
F5	•	•	•	•	•	•	•
F6	•	•	•	•	•	•	•
F7	•	•	•	•	•	•	•
F8	•	•	•	•	•	•	•
F9	•	•	•	•	•	•	•
F10	•	•	•	•	•	•	•
C1	•	•	•	•	•	•	•
C2	•	•	•	•	•	•	•
C3	•	•	•	•	•	•	•
C4	•	•	•	•	•	•	•
C5	•	•	•	•	•	•	•
C6	•	•	•	•	•	•	•
C7	•	•	•	•	•	•	•
C8	•	•	•	•	•	•	•
C9	•	•	•	•	•	•	•
C10	•	•	•	•	•	•	•
B1	•	•	•	•	•	•	•
B2	•	•	•	•	•	•	•
B3	•	•	•	•	•	•	•
B4	•	•	•	•	•	•	•
B5	•	•	•	•	•	•	•
B6	•	•	•	•	•	•	•
B7	•	•	•	•	•	•	•
B8	•	•	•	•	•	•	•
B9	•	•	•	•	•	•	•
B10	•	•	•	•	•	•	•
B11	•	•	•	•	•	•	•
B12	•	•	•	•	•	•	•

In Finland:
Selling purposes were not emphasised; Low-risk perception

In China:
Selling is key; Low-risk perception

In Brazil:
Relationship management is key; Content is king; High-risk perception

Note: 1. Strong •, Weak; 2. Informational-focused •, Varied content •
F1 (Case firm one from Finland), C1 (Case firm one from China), B1 (Case firm one from Brazil)

Table 3 – Derived Propositions

#	Propositions
1	SMMS development in collectivist cultures is more likely to rely on collective problem-solving than those from individualistic cultures.
2	SMMS decision-making processes in low power distance cultures exhibit a more democratic management style than in high power distance cultures.
3	SM content in masculine cultures tends to show material success and achievement, while in feminine cultures, it tends to emphasize relationships and equality.
4	SM content in high-indulgence cultures tends to be more gratification-oriented than in restraint cultures.
5	Decision makers from high uncertainty avoidance cultures tend to display higher risk perception and attribute more importance to complaints handling in the SMMS development process than those from low uncertainty avoidance cultures.

Key Findings and Practices

We identified four key SMMS practices that firms engage in: social selling, content marketing, risk management, and relationship management. These practices varied across the three countries studied. In China, social media is heavily integrated with e-commerce platforms, enabling direct sales and fast customer engagement (Wang et al., 2023). This contrasts with Brazil, where relationship-building and long-term customer engagement are emphasized before converting sales. Finnish firms focus on content marketing strategies that reflect their cultural values of trust, modesty, and authenticity, favoring content that builds brand reputation over time.

Risk management also plays a critical role in SMMS. In politically sensitive environments like Brazil, firms are particularly cautious in managing negative feedback and public backlash on social media platforms (Graça et al., 2016). In contrast, Finnish firms perceive social media as a lower-risk platform for brand engagement, focusing on proactive crisis management strategies.

We highlight several important implications for firms developing SMMS in international markets. First, tailoring social media strategies to cultural contexts is critical for success. Firms must be aware of the cultural values that resonate with their target audience, particularly in markets like China, where censorship and government regulations limit content options. Collaborating with local influencers and agencies who understand the cultural nuances can enhance the effectiveness of social media campaigns (Tsai and Men, 2012).

Second, firms need to implement robust risk management strategies. In politically volatile environments like Brazil, businesses must be prepared for negative feedback and online crises. Quick response strategies and social listening tools can help mitigate reputational damage. Meanwhile, in markets with fewer political risks, like Finland, firms should still maintain proactive crisis management strategies to safeguard their online reputation.

Finally, investing in relationship management is essential in markets where long-term engagement with customers is highly valued. Social media provides a platform for continuous interaction, and firms should capitalize on this to foster loyalty and trust. By actively engaging with their audience, firms can cultivate a loyal customer base, especially in markets like Brazil, where relational marketing is a key driver of customer retention (Graça et al., 2016).

We underscore the importance of understanding both cultural and institutional factors when developing SMMS in international markets. By adapting strategies to reflect local cultural values and institutional conditions, firms can optimize their social media presence and enhance business performance. The research also points to the need for robust risk management strategies and long-term relationship-building practices, especially in politically sensitive or collectivist markets. As social media continues to evolve, firms must remain flexible and responsive to both internal and external influences to succeed in the digital landscape.

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