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The Impact of Influence Marketing and Social Advertising on the Consumer Conversion Rate

The Case of Mercadão

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Católica Porto Business School
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I am nothing.

I'll never be anything.

I couldn't want to be something.

Apart from that, I have in me all the dreams in the world.

Álvaro de Campos

(in A Tabacaria: Obra Poética)

Resumo

Num mundo cada vez mais digital, as redes sociais deixaram de ser apenas um elemento social importante para manter relações à distância de um clique, mas tornaram-se numa fonte de informação, de comunicação de marcas e de atração de novos clientes. As redes sociais mudaram significativamente a forma como as empresas atingem, comunicam e competem no mercado, criando uma nova visão em relação a estas plataformas.

A revisão de literatura leva à conclusão de que o digital é uma forma de as marcas estarem mais perto dos seus públicos-alvo. Por isso são desenvolvidas várias estratégias digitais ao longo das diferentes etapas de contacto com o cliente, para potenciar essas relações e consequentemente aumentar a taxa de conversão, como é o caso do Marketing de Influência (ou *Influence Marketing*) e *Social Ads Marketing*.

Segundo estudos realizados, o marketing de influência é uma estratégia com baixo custo de investimento e com grande retorno, o que faz com que as empresas tenham cada vez mais interesse. No entanto, não há vasta e rica literatura que comprove que comparativamente com outras técnicas, como *social ads*, esta seja a mais eficaz para conversão.

Neste sentido, este trabalho tem como objetivo aprofundar o impacto de campanhas de influência comparativamente a *social ads*, para perceber em que técnica pode compensar mais investir. Este estudo visa responder a duas questões, nomeadamente: A presença de um influenciador (ou *influencer*) faz a diferença na taxa de conversão numa campanha de retalho? As campanhas de *Social Ads Marketing* aumentam a taxa de conversão do cliente, quando comparadas com as campanhas de *Influence Marketing*?

Para responder a estas questões foi realizada uma investigação-ação na empresa Fonte Online através da marca Mercadão, em que a investigadora e participante no lançamento de campanhas de marketing recorreu à comparação de dados obtidos de diferentes campanhas com diferentes investimentos, para tentar dar respostas às questões.

Este trabalho conclui que a crença comum nas vantagens do uso de *influencers* para campanhas que pretendam bons resultados nas taxas de conversão com um baixo investimento, necessita de ser reavaliada por parte das empresas. Existem outras estratégias digitais, como os anúncios patrocinados, que podem eventualmente alcançar mais facilmente o objetivo de aumento da taxa de conversão numa campanha de retalho, com um menor investimento.

O poder do digital é dinâmico, mas estar online é sinónimo de existência, por isso é crítico estar atualizado e acompanhar as tendências e os seus impactos.

Palavras-chave: Digital; Marketing de Influência; Anúncios Patrocinados

Número de Palavras: 9980

Abstract

In an increasingly digital world, social networks are no longer just an important social element for maintaining relationships at the click of a mouse, but have become a source of information, brand communication and attracting new customers. Social media has significantly changed the way companies reach, communicate, and compete in the marketplace, creating a new vision for these platforms.

The literature review lead to the conclusion that digital is a way for brands to be closer to their target audiences, and therefore several digital strategies are developed throughout the different stages of contact with the customer to enhance these relationships, and consequently increase the conversion rate, as is the case of Influence Marketing and Social Ads.

According to extant studies, influencer marketing is a strategy with low investment cost and great return, which makes companies increasingly interested. However, there is no vast and rich literature that proves that compared to other techniques, such as social ads, this is the most effective for conversion.

In this sense, this study aims to deepen the understanding of the impact of influencer campaigns compared to social ads and understand which technique is the most effective.

Thus, this study aims to answer two research questions, namely: Does the presence of an influencer make a difference in the conversion rate in a retail campaign? Do Social Ads Marketing campaigns increase the customer conversion rate when compared to Influence Marketing campaigns?

For this purpose, an action research was carried out in the company Fonte Online through the Mercadão brand, where the researcher and participant in

marketing campaigns used the comparison of data obtained from different campaigns with different investments to try to provide answers to the questions.

This dissertation concludes that the common belief about the advantages of using influencers for campaigns that aim for good results in conversion rates with a low investment, needs to be reevaluated by companies. There are other digital strategies, such as social ads, that can eventually achieve the goal of increasing conversion rates in a retail campaign, with a lower investment.

The power of digital is changing, but being online is synonymous with existence, so it is critical to be updated and follow the trends and their impacts.

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Abbreviations

eWOM — Eletronic Worth-of-Mouth

KPI — Key Performance Indicator

LBV — Legião da Boa Vontade

MS — Mercadão Solidário

SMM — Social Media Marketing

Introduction

With the development of technology, the world is becoming increasingly digital and competitive. The paradigm of the functioning of society has abruptly changed daily life, bringing new market opportunities and requiring companies to adapt to the needs and exceed the expectations of consumers.

It is thus crucial for businesses to benefit from new communication media, being present where their customers are: in social networks. According to the Backlinko platform (2021), in the last decade, the use of social networks has skyrocketed: in September 2021, the number of people using social networks was over 4.48 billion worldwide, which corresponds to 56.8% of the total world population.

Considering that consumers spend more and more time online, be it for entertainment, for seeking feedback, or information, social media allows companies to be closer to their consumers and influence them more effectively. Influencer marketing has thus become one of the most popular forms of online marketing. The market value of influencer marketing has increased exponentially, which makes it urgent for companies to deeply understand digital strategy and how they can benefit from it (Statista, 2021).

In turn, social media advertising is the second largest digital ad market and one of the most used strategies by companies to create brand awareness and consequently generate purchases (Hootsuite, 2022). The number of media ads is expected to grow considerably by 2026 and brands are expected to invest more in ads by 2022, and as brands increase their inclusion of social commerce as a conversion strategy, companies are looking to increase spending on social media ads (Hootsuite, 2022).

There is not a vast and rich literature regarding influencer marketing, its evaluation/performance indicators and the impact of these digital campaigns as this phenomenon is recent. Furthermore, there are not many studies that try to understand if influencer marketing is effectively a strategy that compared with others, such as social ads, presents a low investment cost in relation to results. Therefore, the aim of this research is to address this research gap and answer the following questions: *"Does the presence of an influencer make a difference in the conversion rate in a retail campaign?"* and *"Do Social Ads Marketing campaigns increase the customer conversion rate, when compared to Influence Marketing Campaigns?"*

Taking into consideration the theme's topicality and lack of study and realizing that more and more companies are investing in influence marketing and social ads, the interest in analyzing the development and results of these strategies for companies and retail brands arose. In addition, the internship at Fonte Online and namely Mercadão provided a research opportunity. Mercadão is a brand which is part of the Fonte Online company, the firm chosen to carry out the curricular internship between September 13, 2021, and March 13, 2021, for the completion of the Masters in Marketing at Católica Porto Business School.

On the whole this report was carried out as an internship. It is important to highlight that the choice of theme took into account the future benefits for the company, especially for the marketing department, that seeks to find the best communication strategies to reach customers and consequently increase sales.

Besides the main goal of trying to understand if influencers and social ads are a digital strategy that impacts conversion rates, it was also essential to gather as much learning as possible during the 6 months, in the most varied areas of digital marketing, typical of internship programs.

This study is structured as follows: in the first part, the literature on the evolution from traditional to influence marketing and social marketing is

presented; next, we describe the company where the internship took place; the research methodology follows; afterwards, we present and discuss the results; and finally, we conclude by answering the questions guiding the study, presenting the management limitations of this study and advancing recommendations for future research.

Chapter 1

Literature Review

1. From Traditional to Digital Marketing

Marketing is a discipline that has been going through a lasting period of evolution and adaptation to human history. Its core concepts have been changing, resulting in four identifiable phases: 1.0, 2.0, 3.0, and 4.0.

The first marketing movement, marketing 1.0., emerged in the Industrial Revolution and focused on products and production. Marketing objectives consisted only of forcing products from the factory to those who wanted to buy them (Brancher, 2020). Communication was done vertically, from the company to the customer, developing a one-to-one value proposition (Gracioso, 1997).

The second phase, marketing 2.0, arises in the contemporary information age, where people already have more access to information, giving them more choice (Brancher, 2020). This era is defined by the evolution and advancement of communication and information technologies. Marketing is consumer-oriented and is considered functional and emotional (Brancher, 2020). The focus is on satisfying the customer's desires, positioning the product and the company as differentiated, in order to get the "consumer to come back and buy more" (Kotler, 2010).

The third evolution of the marketing concept, marketing 3.0, aims to treat individuals as human beings with mind, heart, and feelings. As a result, it combines emotional marketing and marketing of the human spirit (Varbanova, 2018). The changes in the 3.0 era have been deeply guided by the rise of social media, its interaction mechanisms, and the possibility of co-creation. The focus is on making products, services and organizational cultures endowed with human

values, from one to many. At this stage, the value proposition becomes functional, emotional and spiritual, focusing on making the world a better place (Kotler et al., 2017).

Marketing 4.0, the phase we are currently in, was born with the growing popularity of social media, which allows consumers to communicate and share ideas within their niche and with brands themselves (Kotler et al., 2017). With the constant evolution of social media, all companies that want to remain competitive must rethink and innovate their way of marketing. To do so, they must implement differentiated strategies to reach the attentive, friendly, transparent, and engaged consumer characteristic of this era (Sabbag, 2014).

Thus, currently there is equal competition between small and large institutions, considering that purchasing decisions are increasingly linked to the content generated by consumers online (Sabbag, 2014). Digital marketing is therefore very different from traditional marketing (Varnalı, 2012:39). Brands that would not be rivals under normal conditions can be rivals in relation to the conditions under which they are present in digital marketing. The power is no longer in individuals, but in social groups, considering that people exchange opinions and have great power in purchasing decisions (Varbanova, 2018).

Whereas before the development of the Internet, word of mouth was restricted to a small number of acquaintances, as traditional media (TV, radio, print newspapers) were not receptive platforms for public opinion, with the development of the Internet, word of mouth is no longer restricted. The Internet allows consumers to have information and produce it - for example, in *fora*, mailing lists, blogs, communities, groups, and in the comments' section on news sites and networks such as YouTube (Sabbag, 2014) -, facilitating the sharing of experiences at all ages and at high speed (Vieira, 2019). The Internet evolved from a simple communication tool to a truly revolutionary technology with the development of the World Wide Web and Web browsers in the 1990s (Kotler et

al., 2005), bringing new ways of socialization, production and commerce along with products and small businesses (Brancher, 2020).

Thus, in the 1990s, the concept of digital marketing emerged, which is defined as the process or activity of using online tools or technologies to help marketing activities to support a company or brand in matching customer knowledge to customer needs (Chaffey, 2013). Therefore, to meet changing business and market demands, digital transformation aims to create or change the company's processes, culture, and customer experiences (Salesforce, 2019).

Digital transformation is seen as an evolutionary process that changes our ways of life and the way business is done, mainly through the introduction of new technological solutions based on Internet services and modern information technologies (Melović, 2020). Consumers can access information at any time and from any location. The public is no longer a simple spectator: consumers themselves seek information and opinions about products and services before making a purchase; they want to be an integral part of the process, and interact, being more informed and critical (Perrey et al, 2013); they are much more sophisticated and expect to participate by sharing their experiences and acting on today's goods and services, as mentioned earlier (Dashet al., 2020).

In fact, digital marketing increases consumer brand awareness without being intrusive (Mallawaarachchi, 2011) and includes customers in the creation of products and services, adding value to them (Kartajaya, Kotler & Setiawan, 2012). Consumers today have more opportunities for interaction than ever before, making them more active participants in making decisions regarding their product and service needs (Jara, Parra, & Skarmeta, 2012).

When companies use "traditional" communication channels (telephone marketing, billboards, television, and radio stations), they provide consumers with the information they think they need or want, so as to change a perception. But in the digital era, consumers themselves seek out the information that

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interests them, and in this way, companies need to understand what their customers' orientation is (Mallawaarachchi, 2011). This approach increases the demand for companies, considering that the Internet allows for greater individualization of content for each customer (Kayumovich & Annamuradovna, 2020). Marketing managers can reach their target audiences through two-way communication and serve them quickly (Mallawaarachchi, 2011).

In the current phase, digital and traditional marketing are intended to coexist with the ultimate goal of gaining customer advocacy (Kotler et al., 2017). Hence, marketing must be understood as a way to satisfy customer needs, rather than in the sense of making a sale – 'telling and selling' (Kotler et al., 2005). Indeed, many people often associate marketing solely with selling and advertising. And that comes as no surprise, given that people are constantly being flooded with television and radio commercials, newspapers and magazines ads, and direct mail campaigns. Even though these marketing functions are significant, they are only two of them and are not always the most important (Kotler et al., 2005).

1.1. Importance of Digital Marketing for Retail

Businesses are an integral part of society, and therefore must adapt to the new digital changes. Considering the decreasing impact of traditional channels and the increase of digital media (Kunsch, 2007), companies need a strategy to initiate more effective communication with current and potential customers and drive consumer behavior (Dashet al., 2020). Understanding the impact of the Internet and its potential can lead to better long-term marketing programs and strategies for retail businesses.

Digital marketing can be used as a way for companies to promote, inform, communicate, and sell their products to their consumers, in a general or segmented way through the Internet, with personalization (Vilaça, 2018),

emerging as a turning point of the new era of digital communication (Leberecht, 2009). Digital has become a more effective way for brands to communicate with their target audiences, reaching a wide audience in a cost-effective and measurable way, through stronger relationships with their consumers (Mangold & Faulds, 2009; Youn & Jin, 2017), leading to greater exposure and possibly more sales. A study conducted by Kirtiş & Karahan (2011) found that companies spend less money on social media to carry out their marketing strategies, when compared to traditional media. This is because the distribution component required by traditional media is eliminated. As a result, social media has become an ideal choice for cost reduction, as it can reach millions of people at the fastest speed and spread quickly.

Companies can benefit from digital development and use it in many ways, including increased market presence, cost savings, measurable results, personalization, openness, and better communication (Melović, 2020). This requires companies to review, redefine, and reassess their marketing strategies by analyzing Key Performance Indicators (KPIs) and value propositions (Kannan & Li, 2017) to retain and increase market share (Schultz & Peltier, 2012; Naylor et al., 2013). Retailers are constantly looking for innovative ways to reach new customers and improve their experience. Thus, digital marketing strategies have several benefits for organizations by facilitating immediate contact between their audiences (Dolega & Lord, 2020).

These changes have had a significant impact on how consumer products are marketed and how retailers communicate with customers in order to increase business profits (Dolega & Lord, 2020). Large retailers have adapted to these changes by creating digital content, identifying effective social media channels, and incorporating them into marketing strategies (Tiago & Veríssimo, 2014).

1.2. Social Marketing

Digital marketing can apply to all companies and markets. However, the right digital marketing network for each product and business depends on the business objectives of the brand (Bhosale & Raverkar, 2020). Thus, today marketeers can reach customers through various virtual spaces, namely websites, mobile apps, social media marketing, video marketing, content marketing, email marketing and search engine optimization (Durmaz & Efendioglu, 2016).

On the other hand, social media marketing (SMM) - one of the best-known forms of digital marketing - aims to contact customers through social platforms (ex: Facebook, Instagram, YouTube…) and advertise their products and services (Bhosale & Raverkar, 2020). SMM can be defined as "a process that empowers individuals to promote their websites, products or services through online social channels and to communicate with and tap into a much larger community that may not have been available through traditional advertising channels" (Akbar, 2020).

Therefore, SMM refers to the process of acquiring traffic or attention through social media sites, with a focus on creating content that catches readers' attention and encourages them to share it with their peers. The aim is to gain customers who browse social media for websites, for example, and get opinions and suggestions from customers (De Vries et al., 2012).

Social platforms facilitate customer-to-customer interactions quickly, and regardless of their location, allowing them to communicate verbally and non-verbally (e.g., through the use of "likes"), generate and share content on their topics of interest, and influence each other (Blazevic, et al., 2013).

Nowadays, SMM, and more specifically, Social Networks, are becoming increasingly more important in consumer purchasing decisions, owing to their ability to amplify word-of-mouth (Akbar, 2020). SMM encompasses a wide range

of forms such as content marketing or content creating, influencer marketing (a strategy that will be covered still in this chapter), and social ads, which is a process of advertising through the creation of clickable ads to reach targeted audiences, ranging from social networking sites to social news sites.

A key message is to build brands with social media, by leveraging the engagement potential of social media. However, social media allows for an online version of advertising generation, which can be beneficial in meeting a brand's communication objectives (Tuten, 2008).

1.2.1 Social Ads as an influence digital strategy

Traditional media (television, radio, and newspapers) conquered the advertising world throughout the 20th century. However, the development of the Internet has revolutionized the advertising world and become an exponentially growing advertising medium (Hadadi & Almsafir, 2013).

Since the early 1990s, through simple formats, advertising began to make its mark through e-mail lists (Li & Leckenby, 2007). With technological development, there are various Internet advertising formats such as banner ads, ads on search engine result pages, news sites, blogs, and pop-ups, which are advertising features through popping windows that are intended to catch the attention of Internet users when they access a web page (Faber et al., 2004).

However, due to the controversy over the effectiveness of banner advertising, and also due to the increasing number of users on social networks, companies have begun to look for new ways to promote their products (Becker-Olsen, 2003). Thus, sponsored content on social networks emerged, moving from more prominent to subtle advertising formats (Becker-Olsen, 2003). That is, sponsored content integrates a commercial message in a subtle way, whereas banner advertising is a message with an identifiable source and is more prominent.

Social media advertising, translated into ads advertised through social platforms such as Facebook, Instagram, Twitter or LinkedIn, is a digital strategy that more and more companies are embracing (Zumstein & Schäfer, 2020). This type of advertising can be defined as "An online ad that incorporates user interactions that the consumer has agreed to display and be shared. The resulting ad displays these interactions along with the user's personas (image and/or name) in the ad content" (IAB, 2009).

One of the advantages of social ads is the ability to target attractive customer segments on social media with a high reach, regardless of the size of the company that is creating them. Through the use of social media communication, browsers are directed to websites/online stores, which translates into an important marketing strategy to increase sales (Zumstein & Schäfer, 2020).

Social ads are therefore distinguished by greater scalability, demographic selectability, targeted messaging, wide and flexible reach, and in addition to this they allow for detailed measurement at the end of each campaign (Jain et all., 2016).

Social media ads can also help companies create customer awareness, shape customers' perceptions of brands, and motivate them to buy the product/service (Alalwan et al., 2017; Duffett, 2015; Kapoor et al., 2017; Shareef et al., 2017).

Among the various forms of social media advertising, the one that has the greatest impact among marketeers is digital sponsorship ads, which are characterized by socially shareable ads on social media (Lee & Kim, 2019). In addition, social media can help brands improve their performance through content sharing, re-sharing connections, and also through sponsored stories, Facebook's advertising unit (Lipsman et al., 2012).

Among the social networks, Facebook is the one that stands out, with 72% of marketeers and executives using this network as a marketing platform and ad buying medium according, to MartetingCharts (cited in Sundaram et al.,2020).

Facebook allows you to know in advance the number of people the campaign can reach within your intended interest group. These sponsored contents are tailored to customer profiles based on preferences, recorded interests, location, and demographic data (Tuten, 2008). In this way, it makes them appear only to those who show interest in receiving the sponsored content being centered on the commitment of the viewer.

Advertising on Facebook is one of the least difficult and most basic steps to join the mission of disclosure. It is, however, essential to analyze the results in order to make changes during and after the campaign, by analyzing several indicators such as: reach, that corresponds to the number of individuals who saw the ad in this period of time of the campaign; frequency, which is the average number of times each individual saw the ad; and cost per click (cpc), which quantifies the cost per click in the campaign (Mathew, 2021).

1.3. Influence Marketing

Influence marketing can be seen as the science of bringing together people who have influential skills on the internet to spread a product, service, or merely a message of a trend with their audience (Sammis, Lincoln & Pompei, 2015). Among the new types of social marketing, influencer marketing has quickly grown to be one of the most popular and effective forms. Since 2019, according to Statista (2021), the global influencer marketing market value has more than doubled, and in 2021 is worth about 13.8 billion US dollars.

Firstly, it is essential to note that there has been little academic literature on this subject (Almeida, 2018). However, some authors defend that although the concept of "marketing influencers" is recent, influencing is not new in marketing. Influencer activity has been going on before the revolution of communication through social platforms. Since traditional marketing, advertisers have used

celebrities, who were considered influencers of consumer behavior before the evolution of digital media, to increase visibility and credibility to a brand (Erdogan, 1999).

Consumers believe that celebrities are more credible than hired salespeople of products (Parsons, 1963). Since people imitate and follow celebrities, they can strongly influence their behavior and actions (Jiménez-Castillo, 2019). Traditionally, this was done by advertising products and services in television and magazines (Agrawal & Kamakura, 1995). The concept of influencer marketing thus follows the same direction (Kasmi & Siham, 2019), since marketeers do not use television or movie celebrities in this disclosure, but social media celebrities (Sammis, Lincoln & Pomponi, 2015). However, these nontraditional celebrities, known only to a small number of people (Abidin, 2016), are increasingly regarded as more powerful than traditional celebrities in the online context, considering that they are viewed as more credible and approachable (Djafarova & Rushworth, 2017). Karhawi (2017) argues that digital influencers are individuals who can influence a user's buying process, have the power to raise questions, and influence decisions from their network.

Nowadays, influencer marketing is increasingly present (Siham & Kasmi, 2019). Whenever we are digital, there is a high probability that we are in contact with influencers, whether it's through a YouTube video, picking a recipe from Pinterest, or reading news on Facebook. Social media influencers can be found on most social platforms; however, Instagram may be one of the networks that comes to mind when the topic is brought up. This is due to the typical visual nature of the platform, considering that Instagram focuses on visual aesthetics and images with filters, which makes it an ideal environment to promote products and reach large audiences (Djafarova & Rushworth, 2017).

A social influencer is therefore a media user with popular social media accounts (Nandagiri & Philip, 2018) who is at first less known and less popular

than celebrities (Johansen & Guldvik, 2017), and who through their expertise in a specific topic, create original content to an audience gained through word-of-mouth communication that has voluntarily determined her to be a referent, and trusts her opinion (Morteo, 2018). In the literature, other expressions for this concept include: leader, information leader, consumption leader, and influencer (Sahelices-Pinto & Rodriguez-Santos, 2014).

In other words, digital influencers are considered opinion leaders, brand advocates, and experts who are well-known among their followers (Createasphere, 2018), becoming reference points for those to whom they are connected (Primetag, 2017). Thus, they are seen as independent supporters who shape public attitudes and decisions through interpersonal communication (Sahelices-Pinto & Rodríguez-Santos, 2014; Magno & Cassia, 2018).

Social media influencers have built a loyal following and a strong online presence by sharing authentic personal narratives in specific fields of interest such as fashion, lifestyle, photography and travel that allow the combination of photos, videos, and activities with the engaging capabilities of social media (Audrezet et al., 2018; Jin et al., 2019; Ladhari et al., 2020), being a reason for interest due to specific personal characteristics, whether physical, shared tastes, or qualities (Guerreiro et al., 2019). Social media influencer marketing has therefore become an important marketing tool today, enabling everyday people to become media influencers (Khamis et al., 2017).

Influencers usually get new products or services depending on their fields of work and interest before most consumers (Aral, 2011; Casalo et al., 2020; Iyengar et al., 2011), to give feedback and make recommendations. In this way, they are able to provide early insight into how they can improve followers' lifestyles (Casalo et al., 2020; Djarafova and Rushworth, 2017) and convey credibility and market their work (Audrezet et al., 2018; Ki et al., 2020; Ladhari et al., 2020). They

are therefore seen as individuals who are able to influence followers to prefer a particular brand or a specific product they have or use (Silva & Tessarolo, 2016).

Followers, as influencers, actively participate in the creation and legitimization of influencers' online identities (Lou et al., 2019; Sokolova & Kefi, 2020). They follow, engage with, advocate for, and support influencers, which helps to legitimize and affirm influencers' status, while also broadening the reach and impact of their messages (Jin et al., 2019; Khamis et al., 2016; Sokolova & Kefi, 2020). It is no surprise that marketeers are leveraging the power of social media's most recognizable faces for promotion, even more with millions of internet users searching for social media platforms for entertainment, inspiration or only for product feedback.

In this strategy, the market is not targeted as a whole. Instead, the focus is on specific individuals who use influential entities to spread the brand's message and impact consumers' purchasing decisions (Almeida, 2018). As a result, a small number of key individuals can persuade a large number of others (Woods, 2016). The most intriguing discovery from Kirkpatrick's joint research study was that influencer marketing could generate 11 times more return on investment than other forms of traditional advertising on an annual basis (2016).

1.3.1 Types of Influencers

Bloggers, customers, brand fans, celebrities, or anyone with a following extensive network can all be considered an influencer (Ehrlich, 2013). Nevertheless, it is essential to note that several authors define different categories of influencers.

The study taken by Almeida (2018) distinguishes two types of influencers: Celebrities and Micro-Influencers. Micro-influencers are not traditional celebrities, but real people with between 1,000 and 100,000 followers who work

in their category or are truly knowledgeable. They usually have a specific niche theme: fashion, travel, fitness, and gastronomy (Berger, 2016).

Despite their small number of followers, micro-influencers have a significant number of advantages over traditional celebrities. Micro-influencers have a greater capacity to interact with their audience, forming a closer relationship and being perceived as a "friend". In addition, the fact that micro-influencers post daily about topics of their interest associates them as a spontaneous, credible, and authentic source (Moran, 2017).

Currently, the number of followers of a person reflects the size of the network, and in turn serves as an indication of popularity. Thus, it serves to identify potential influencers, considering that a greater number of followers can lead to a greater reach of the message through word-of-mouth (Veirman et al., 2017).

Despite the exponential growth of social influencers, some authors defend that influential users are influenced less by non-influential users. Along with this idea, research was taken by the "Because Agency" which finds that friends and family are on average four to five times more likely to influence people's brand purchases than famous 'influencers' (Alp & Ögüdücü, 2017).

1.3.2 Importance of Influence Marketing for Brands and Companies

The advent of digital influencers has resulted in a shift in how companies and their target audiences interact via social media platforms and online social networks. Firms are increasingly seeing digital as a strategic resource for advertising their brands and products as well as developing strong user relationships (Shiau et al., 2018). Because of the massive business success in reaching and impacting consumers in the digital era, influence marketing is becoming increasingly popular for brands (Ambarwati et al., 2019). Indeed, social media are a means capable of influencing the purchasing decision power,

obtaining the consumer's trust, and also as a result, their value (Mallawaarachchi, 2011).

Moreover, most consumers perceive influencers as digital friends who advise and share feedback about products and brands they use. Thus, marketeers and organizations altered the practices and dynamics to reinvent their communication strategies and become influencers by creating content related to the brand and the products or services (Karhawi, 2016).

However, consumers make purchase decisions every day, so to attract them in the immensity of content they see, producers must be creative, genuine, transparent, and credible in reaching their target customers (Kotler & Armstrong 2012).

Social influencers' particularity, as previously seen, demonstrates they are not famous through traditional media; otherwise, through niches they create in their networks (Khamis et al., 2017). Facing this phenomenon, brands need to identify influencers with characteristics that correspond with the brands' values, to communicate their products in the most natural way possible (Jensen, 2018). In fact, there can be many advantages for brands and companies to associate with influencers.

Influencers can help to attract new users, create a community, reinforce the idea or brand and increase brand awareness (Vareško,2017). Supposing the influencer has a good network of followers, they trust him/her from the start, and it is easier for influencers to promote different products or services and ensure a high return on investment (ROI). Furthermore, the costs are relatively low for this type of campaign, with the investment being relative to the number of followers and engagement of the respective influencer. The expectation is that it contributes not only to brand awareness but also to increased sales (Jensen (2018). The success of influencer marketing is founded on word-of-mouth

recommendation, the power of which has been revitalized by social media (Almeida, 2018).

Despite the advantages mentioned, there are several complexities involved in implementing influencer marketing. The selection of influencers starts out as one of the difficulties of this strategy, even more considering the different types of influencers (Doshi et all, 2022). As investigated by Augure (2015), 75% of brands consider that the biggest challenge of this strategy is finding the influencer that can have a strong impact on their followers and influence them to try new products and help them spread them in their social network through their posts (Momtaz, Aghaie & Alizadeh 2011; Pophal 2016). Currently, 75% of brands use digital influencers to convey their brand values through word of mouth (Hughes et al., 2019). However, for an influencer relationship to work, organizations must share the same values with the influencer and identify with the influencer's characteristics. Furthermore, the brand must know the influencer's target audience (Vieira, 2019).

Moreover, influencer marketing strategies present a major challenge in measuring media impact, presenting limited control over content and context (Gräve, 2019). Even more, considering that companies are investing more and more money in influencer marketing, it enhances the pressure to be able to measure success accurately (Lin et al., 2019). Companies thus rely on quantitative success metrics or KPI's. To measure results, brand marketeers and agencies employ a variety of performance indicators that are simple to interpret and comparable across social media platforms (Fay & Larkin, 2017; Peters, Chen, Kaplan, Ognibeni, & Pauwels, 2013).

Digital marketeers believe that the four most important key performance metrics are: number of followers; number of likes; number of comments; and audience reachability (Primasiwi et al., 2021). In addition, there are KPI's for the industry to also help the process, such as brand awareness, engagement, and

conversion rate (Dower 2019). Engagement rates are important and analyzed through impressions and sentimental value, such as likes, shares, and comments (Kumpumäki 2019). This indicator typically includes the calculation of sales and profit, as well as the calculation of return on investment per collaboration (Kumpumäki 2019). Conversion rate which is one of the most important indicators in e-commerce, is often the main goal of influencer marketing activities, given it relates to sales generation. It is defined as the share of visitors to an online store, who actually bought a product in a period (Zumstein & Schäfer, 2020).

However, they may not be ideal or even adequate for predicting and evaluating a campaign's advertising effectiveness. It is not clear yet if these metrics are appropriate to evaluate the results of an influencer marketing campaign (Gräve, 2019).

To sum up, current marketing is digital, involves interaction, is done via social ads and use of influencers and it is increasingly measured via a number of KPI's. However, it is not yet clear whether the presence of an influencer makes a difference in conversion rates, or whether social ads marketing campaigns increase the customer conversion rate, when compared to influence marketing campaigns.

Chapter 2

The Company

2.1. Fonte - Negócios Online Group

Mercadão is a marketplace which is part of *Fonte - Negócios Online, S.A.*, a company founded in 2015 by Gonçalo Soares da Costa, Ricardo Monteiro and Elísio Santos. Since October 2021, the company *Fonte - Negócios Online, S.A*, has been 100% owned by Glovo23, S.L. a Spanish technological company. Thus, as *Mercadão* is one of Fonte Online's integral brands, the Global Ultimate owner of this controlled subsidiary is also GLOVOAPP23 S.L.

This acquisition was made together with the Spanish delivery platform Lola Market. The deal values were not disclosed, but the acquisitions are intended to keep the entities of each company operating independently. The goal of Glovo is to replicate the business model of the two companies in the countries where Glovo already has operations (Jornal de Negócios, 2021). The Spanish company has appointed one of the founders of *Mercadão*, Gonçalo Soares da Costa, as CEO of this new business area inside Glovo. In 2021, Fonte Online Group finished the year with around 50 employees and an estimated turnover of 60M€.

2.2. Mercadão

Mercadão, where the 6-month internship took place, is based in Porto. Starting off in 2017, *Mercadão* is a marketplace with deliveries in 2 hours from several retailers in Portugal, including Pingo Doce, a leader grocery retailer.

This marketplace was created to connect retailers to end consumers to provide a simple, practical, convenient, and differentiated shopping experience. Its activity began in mainland Portugal and is currently present in more than 100 areas, bringing together more than 15 retailers.

Figure 1- Map of Delivery areas in Portugal of Mercadão
Source: Mercadão Marketing Team

Focused on national and international growth, the brand aims to create "digital solutions to improve people's lives" so that consumers are left with more time to deal with personal matters (Mercadão, 2021).

Customers can make their purchases through *Mercadão'*s website and set the delivery time to a time slot of their choice.

According to the classification code of economic activities (CAE 47910), Revision 3, the industry is classified as a "Retail business by mail order or via Internet", featuring Home Delivery services or through Click & Collect.

2.3. *Mercadão* Business Evolution

The company has established its growth by defining and implementing strategies in various sectors, leading to a continuous improvement in competitiveness in the industry.

The platform, which started its activity with only 6 employees, registered a strong growth and an abrupt evolution in the year of 2020, presenting 50 employees distributed among several related departments in 2021 (Data from interview). In addition to these employees, Mercadão has an outsourced front-line team of more than 800 shoppers distributed throughout the areas where it operates. Shoppers are the individuals who make the purchases and deliver them to the customer's home. The number of shoppers who have passed through the company has increased exponentially over the years, with a particular growth in 2020, from 129 shoppers in 2017 to 1170.

In December 2017, Mercadão's equity was 604,368€, dropping in 2018 to 350,423€ but skyrocketing in December 2020 to 1.420,242€ and 2021 to 62.428,23€. The year 2020 was considered a year of growth and evolution in online commerce. Mercadão adapted to the pandemic situation, managing to differentiate itself and meet the needs of consumers, and it was a year of success and growth, increasing by 800% in the number of shoppers (Dinheiro Vivo, 2021). *Mercadão* is present in social networks (Instagram, Facebook, and LinkedIn) and has a strong newsletter registration network through email marketing techniques.

2.4. Partner Stores

The company currently has more than 15 partners in various sectors in its portfolio: from food to stationery, sports, and experiences.

Mercadão's partners are physical reference stores in the Portuguese market, with low investment in view of the benefits they derive from it, considering that the partner stores now have a platform where their products are visible, have a low-cost logistics structure and have the possibility of increasing their reach and customer base.

Figure 2- Chronology Mercadão's Partnerships
Source – Own Elaboration

2.5. *Mercadão* Solidário

Mercadão Solidário is an initiative launched by Mercadão Team in April 2021, with the objective of "taking essential goods to those who need them most" (Mercadão, 2020). In this way, it enables consumers to contribute essential (non-monetary) goods to charitable organization. Every month, Mercadão associates itself with a new organization. The store enables consumers to buy essential

goods adapted to each organization, to be donated at the end of each month. Mercadão takes responsibility for delivering them through its team of personal shoppers, up to the 7th working day after the end of the campaign.

The products can be ordered simultaneously from other stores in the marketplace. For exclusive purchases at MS, there is no delivery charge, just a minimum purchase price of 1.99€. To make the donation, customers follow the process below:

Figure 3 - Mercadão Solidário Donation Process
Source: Mercadão Website

The organization is usually introduced on the 1st day of the campaign running until the end of the month. The products for donation are chosen according to the types of products that the organization needs and that will help its cause.

The buying process is the same as in other stores: customers simply access the Mercadão website, via a mobile or desktop device, add all the products they want to the cart and follow the checkout process.

2.6. Customer Journey

The customer's journey is structured to make the purchase process as simple, easy, and convenient as possible. The following image presents a Mercadão customer journey:

AWARENESS	CONSIDERATION	ACQUISITION	DELIVERY	ADVOCACY
:: Substage title	:: Substage title	:: Substage title	:: Substage title	:: Substage title
No goals nor expectations at this point.	Find a convenient option for daily life. She finds out that she can also make a donation to an institution through the shop Mercadão Solidário. Everything in the same place.	A simple website to navigate and easy to select the products instead for wasting time in Pingo Doce supermarket. In addition, she can donate products easily though Mercadão Solidário.	Selected the time she wants to receive a delivery with Pingo Doce's products. The order of Mercadão Solidário will be delivered to the institution by the 7th working day after the end of the campaign by Mercadão.	Be delivered in the time and receive all products with quality. Have a confirmation that the donation has been delivered to the institution of the month. For had donated, Maria receives a Free Delivery coupon for the next purchase. Share experiences through word of mouth and social media.
Maria hears about Mercadão through influencers and social ads. Finds the brand also in Pingo Doce's flyer and TV Spot.	Compare and evaluate alternatives. Ask the family for advice. Search the website for more information. Read feedbacks on social networks, start following the brand on Instagram and subscribe the newsletter.	Add essential goods she wishes to donate to the Mercadão Solidário store. Add products of Pingo Doce to the shopping cart and place an order to the lunch time. Maria sees the order confirmation email.	Receives a call from the personal shopper requesting replacements and informing her that in a short period of time the personal shopper will be at the address indicated. Receive a phone call informing that she/he is arriving. The order is received.	Receives a newsletter with information that the products were donated to the institution and she sees the communication on the social networks. Order and donate again with a Free Delivery Coupon.
Social Media Physical Stores TV Spot	Family Social Media Email Marketing	Website, Wishlist, Order Confirmation Email	Personal Shopper Call, Delivery Service (Call, Email...)	Worth of Mouth

Figure 4 - Mercadão's Customer Journey of Maria (Persona)
Source: Own elaboration adapted from uxpressia.com

To sum up, Mercadão is a marketplace within Glovo group, which has a monthly campaign in favor of charitable organizations. This represents a challenge for marketeers: to build marketing campaigns that generate traffic and conversion, supporting those organizations and their beneficiaries.

Chapter 3

Research Method

3.1. Problem Formalization

After the literature review and the presentation of the company it is possible to identify a gap and a problem to be solved: to understand if influencer marketing is indeed an effective strategy in converting retail customers at Mercadão, and when compared to social ads, if it is worth the investment.

To address this problem, it is necessary to analyze a campaign supported by an influencer and compare it to a campaign in the same format and context with the greatest possible similarity, without the support of an influencer.

Subsequently, it is necessary to analyze a social sponsored ad campaign in a campaign of the same format to try to understand which digital strategy shows better results considering the investment in each.

The questions guiding this work are as follows: *"Does the presence of an influencer make a difference in the conversion rate in a retail campaign?"*

"Do Social Ads Marketing campaigns increase the customer conversion rate, when compared to Influence Marketing Campaigns?".

3.2. Research Approach

To address the above-mentioned questions, an action research method was considered the most suited one. Action research can be defined as an approach in which the action researcher and members of a social context collaborate in

diagnosing a problem and developing a solution based on the diagnosis, becoming part of the field of study (Bryman, 2012). It is a method that argues that theory can inform practice, recognizing that theory "can and should" be generated through practice, being only really useful if it is put in the service of practice focused on achieving positive social change (Brydon-Miller et al., 2003).

Thus, action research is "a participatory, democratic process concerned with developing practical knowing in the pursuit of worthwhile human purposes, grounded in a participatory worldview" (Reason & Bradbury, 2001).

The internship theme arose when as an intern I showed interest in the area of influencer marketing, and after having identified the need to find a solution to improve an aspect that Mercadão considered pertinent to understand whether influencer-supported strategies actually have an impact on consumers to the point of making them buy, and consequently increasing the conversation rate.

Therefore, the following dissertation seeks to understand if campaigns with the support of influencers, a strategy increasingly used by large companies, effectively increase the conversion rate. In addition, this work aims to compare it with the conversion rate of other digital strategies, such as social ads. Firstly, it is important to mention that being an element outside Mercadão, the trainee ends up bringing new perspectives, as this work sought to use a methodology close to what is called action research. Here, the researcher identifies the problem (in this case the trainee), interacts with the object of study - which is the problem or aspect identified-, collaborates, assists in practical problem solving (increasing knowledge) and intervenes in the resolution of the problem.

In fact, as an intern I ended up experiencing all these phases. After arriving at the company and after becoming aware of the interest of Mercadão on the issue raised and having gained direct experience in this field, an opportunity to induce change was detected.

This was followed by an opportunity to advance possible ways to address the questions raised, build a model of analysis, perform the proper analysis, analyze the data generated by this model, evaluate its potentiality, and propose an improvement solution.

Chapter 4

Implementing the Research

4.1. Planning the Intervention

Influencer Strategy

An influencer action with a solidary pretext was carried out with a Portuguese influencer whose name must remain covert, during the month of December 2021. The action consisted in promoting Mercadão Solidário (MS), which is a social project under development in the company, in which each non-profitable organization will be linked to a Mercadão campaign with an average duration of one month. In the December campaign the objective was to raise funds for the organization selected for the month - Legião da Boa Vontade (LBV).

The selected celebrity had to influence his followers to make a purchase at Mercadão, using a pre-defined code at the checkout before finalizing the purchase, and for each purchase with the code, Mercadão automatically donated a necessity good to the organization.

The action started on December 10 and lasted until December 29, where the selected influencer had to publish on their public Instagram and Facebook pages 2 posts and 8 stories with *swipe up* (Instagram's feature that allows users to access a piece of content directly just by dragging their finger from bottom to top on an image). The publishing dates were previously agreed, as well as the content and copy validation of the descriptions. The content was made with a smartphone, with slight editing and it did not have "direct selling" of the content.

The selected influencer is a well-recognized figure by the Portuguese public, with almost 850.000 followers, an average of 12.000 likes and an average of 900

comments. The influencer was chosen considering a variety of factors from the number of followers, the engagement rate, their interests and type of content on their networks, shared values, the influencer's target audience, and also the proximity to their target audience.

To boost the results, the first publication of the campaign (video format) was promoted for 9 days (from December 14 to December 23), to reach more people in the stipulated period with the goal of getting more purchases on the website through the News Feed on the Mobile App, Instagram Stories, Instagram Feed and Messenger Messages. The campaign was then defined taking into account the people, locations and places of publication.

For this campaign, 1000€ of advertising were invested in the networks, plus the amount stipulated by the influence action (the direct cost of the campaign must remain reserved, due to contract stipulations).

At the end of the campaign several metrics were analyzed, such as the conversion rate, and the number of purchases at the Mercadão Solidarity store. Later, these values were compared with the previous months, where there was no influencer support, to try to understand to what extent the celebrity generated more conversions, compared to campaigns without influencers.

Social Ads Strategy

The second digital strategy carried out had the same social context, MS, with the objective of helping a new organization, Ajuda de Berço. The campaign was held during the month of January, in order to support an organization to provide a decent and happy gift for children aged 0 to 3 years old, who are waiting for a better future through the donation of products and essential goods.

In this campaign one of the publications (image format) was also promoted for 9 days (from 19 to 28), to boost the number of people reached and try to get more

sales. 1000€ were also invested and the campaign was filtered in order to impact a group of interest according to location, interests and publication sites (News Feed on the Mobile App, Instagram Stories, Instagram Feed and News Feed on the Computer). However, compared to the previous campaign there was no celebrity endorsement, so the investment in this campaign was considerably lower.

4.2. Analyzing the intervention

The analysis of the results will be divided into 2 phases. The first phase will analyze the results of the December campaign with the support of an influencer and an extra amount of social ads; the second phase will analyze the results of the January campaign that did not have the support of any influencer, but only the investment of social ads.

To assist the analysis, a table (see annex I) was made with the characteristics of all the MS campaigns carried out so far, the respective campaign periods, marketing strategies applied, variables, monetary investment applied and also the results.

By February 2022, there will be 9 Mercadão Solidário campaigns, starting in May 2021. To stimulate the communication of this store, several launch and reinforcement communication pieces are carried out every month, such as publications on social networks, sending a Newsletter, Banners on the website and Free Delivery coupons are offered (which can be used in a purchase during the following 15 days after making the donation).

As previously mentioned, to donate, customers only need to order the products they wish to donate and the delivery to the organization is made on the seventh day after the end of the campaign. For this reason, one of the ways to measure the result of the campaign is through the number of orders placed.

4.2.1 Influencer Strategy Analysis

The campaign for the month of December aimed to support the LBV organization from December 1 to December 31. The objective of the campaign was to help contribute to the delivery of 1200 baskets to families in situations of economic vulnerability. To communicate the campaign, 4 posts were made on Mercadão's social networks (Facebook and Instagram), a newsletter was sent to communicate the new MS organization and banners were put on the website.

In addition, and as done in every campaign, free delivery coupons were offered to create a more attractive communication. This campaign is known as "your donation to the organization comes back in Free Delivery". From the beginning of the campaign 1 Free Delivery coupon was offered, and from the 28th of December, 2 Free Delivery coupons were offered, to create more engagement with the campaign.

This Mercadão Solidário's campaign was supported for the first time by an influencer, where an amount that cannot be revealed was invested. The initial idea was to analyze the result of this MS campaign only with the investment of the influencer marketing strategy. However, due to the perceived poor performance of the campaign, 1000€ of social ads had to be applied.

As explained, according to the method used, action research is a participative process on the part of the researcher, where he/she is supposed to be involved in the research, diagnose problems throughout the process, and relentlessly seek solutions. As a researcher, when I realized that the influence marketing campaign was not performing as expected, a change in what was previously planned was applied. So, one of the publications with the influencer was sponsored for 9 days with the goal of getting more purchases on the site. Although this change was

not so advantageous to answer the initial research question, it ended up bringing advantages to the company and more positive results.

Throughout the campaign, the data is analyzed to try to understand what can be done to improve the results. Nevertheless, in the December campaign, two key moments of analysis can be highlighted: the last day of social ads and the last day of the MS campaign.

With the support of Social Ads a considerable number of people was reached, and a high number of interactions with the publication was recorded. During the previous months, the average number of reaches in the publications carried out on Facebook were 8981. Thus, we can see that the presence of the celebrity and the social ads led to a good interaction and reach.

However, comparing the number of orders placed in MS, which is one of the comparison indicators between all the campaigns carried out since April 2021, the result was not as expected.

Considering that, until now, all the campaigns carried out have been organic, this campaign was the one with the highest investment ever (Value of Social Ads + Value of the Influence campaign), so it was expected that the results would exceed or at least match the previous ones. However, at the end of December, this campaign obtained 164 orders, the second lowest result ever.

4.2.2 Social Ads Strategy Analysis

The campaign for the month of January intended to support the organization Ajuda de Berço. To communicate the campaign, 4 posts were made on Mercadão's social networks (Facebook and Instagram), a newsletter was sent to communicate the new MS organization and banners were published on the website presenting Ajuda de Berço.

In addition, and as done in every campaign, Free Delivery Coupons were offered to create a more attractive campaign. In January from the beginning of the campaign 1 Free Delivery coupon was offered on the donation of an essential good at the MS store. From the 28th of January, to boost even more the campaign, 2 Free Delivery Coupons were offered. After the customer makes the donation, an email is sent with the respective coupon so that he can enjoy the free delivery as promised within a 15-day period.

This campaign was no longer supported by any influencer, but one of the posts was sponsored with the month value of the previous campaign, 1000€. The post was sponsored for 9 days to get more purchases on the website.

Social Ads Campaigns Results	December Social Ads Campaign (with influencer)	January Social Ads Campaign (without influencer)
Reach	78.432 People (64.3% Women; 35.7% Men)	172.400 People (67.7% Women; 32.3% Men) (+119% Compared to the December)
Cost per purchase on the site	0.75€	0.69€
Purchases on the site (not necessarily at MS store)	1327	1557
On-site additions to cart:	56.329	72.938
Interactions with publication	28.634	1005 (+2749% more than the December campaign)
Locations	Lisbon District (41232);	Lisbon District (76836); Porto

	Porto District (16192); Setúbal (12960); Braga District (5152); Aveiro District (2224); Viana do Castelo District (464); Santarém (128); Viseu (80)	District (33588); Setúbal (25527); Braga District (12060); Aveiro District (9692); Leiria District (7517); Coimbra (4798); Viana do Castelo (1631); Santarém (544); Viseu District (320)

Table 1- Summary table of results

As it can be seen in the table, the sponsored post from Facebook for the month of December showed a +119% reach, and a lower cost per purchase on the website. In December, in the sponsored post this value was 0.75€. Furthermore, a higher number of purchases was registered on the website, +237 purchases, and this number is not restricted to purchases at the MS shop, but to purchases in general that were made through this publication.

Regarding the interactions in the month of December, in the sponsored post 28,634 interactions were registered, 28x more than the number of interactions registered in the month of December. This value can be justified due to the presence of the influencer in the month of December. At the end of the campaign, 278 orders were placed at Mercadão Solidário, which means that Mercadão achieved its second-best result ever. The best campaign so far was in July, with the organization "Aldeia das Crianças SOS", which reached 352 orders.

Chapter 5

Discussion

The question guiding this study were as follows:

- "Does the presence of an influencer make a difference in the conversion rate in a retail campaign?"

- "Do Social Ads Marketing campaigns increase the customer conversion rate, when compared to Influence Marketing Campaigns?".

The strategic assumptions of digital marketing will be confronted with the practical example made in the Mercadão company, highlighting the importance of company's self-reflections and analysis on what they should really invest in and which digital marketing strategies work best considering the area of activity and the company itself.

First of all, the strategy used obtained different results than expected. Regarding the first question the results were surprising and did not match what was expected.

According to the literature, more and more companies are investing in influencer marketing actions, because they recognize the importance of the role of social influencers as a strategy to promote and increase sales at a low cost, when chosen correctly and in accordance with the objectives and values of the brand. In the practical case presented, the influencer was chosen considering the values of the company and the influencer, the type of audience with which we usually communicate, the audience, and also considering the scope of the campaign. The agreed upon content and creative were fulfilled and even improved through the stories that the influencer did, more of his own free will.

With an investment of 1000€ in social ads, plus the investment in the influencer campaign, it was expected that the results would grow exponentially and even be the best result ever for this project. But, surprisingly, the conversion rate of Mercadão's store not only did not increase but was the second month with the lowest in-store orders, with 164 purchases.

Regarding the second question, the study showed that the campaign solely based on social ads, with no use of an influencer, had a very positive impact.

Indeed, the campaign resulted in the second-best MS campaign of the year, with a good conversion rate, considering the number of purchases made at the MS store: 278.

The expectation was that a campaign with the support of an influencer would contribute not only to brand awareness, but also to increased sales (Jensen, 2018). However, the investment in the influencer not only did not increase the number of sales, but it was one of the worst performing MS campaigns.

Thus, as the literature review suggested, although influencers are using popularity as a marketing medium to attract followers, their popularity does not guarantee that a person has significant influence to get someone to buy (Chen, Fay and Wang, 2011). And so, despite the exponential growth of social influencers marketing, companies must analyze whether it is really worth the investment.

As some authors argue, there are influential users who are less influential than users who are not seen as influencers (Alp & Ögüdücü, 2017). And indeed, the investment in this influencer marketing campaign did not show direct results.

The literature review highlights that social media marketing has great advantages through a small amount of capital to achieve a good result (Vandic, Nibbering & Frasincar, 2013), and as seen through the social ad campaign, with an investment of 1000€, the campaign became the second best in the Mercadão Solidarity store.

The conclusions to be analyzed are limited, considering that the sample of market influencers used and the number of sponsored posts in Mercadão's social networks is too small to reveal complete and final answers. Additionally, there are certain periods of time in grocery sector more favorably than others what can conditionate the results.

Conclusion

This research aimed to understand the role of digital marketing strategies. More precisely, given the context of this study - which was that of an internship at the retail marketplace Mercadão - two questions were raised:

Does the presence of an influencer make a difference in the conversion rate in a retail campaign?

According to the campaign carried out at Mercadão, the presence of an influencer made no difference in the conversion rate. Analyzing the number of purchases at Mercadão Solidário, where the campaign was developed, the campaign presented the lowest number of purchases in this store, in the year considered.

Due to the poor performance of the campaign, it was necessary to intervene, as an active researcher - as it is expected to happen when an action research is applied. Initially, the goal was to apply only 1 paid digital strategy in each month, i.e., in December the campaign would be supported by an influencer (paid digital strategy) and in January the campaign would be supported through social ads, so that the results of the two paid campaigns could be compared. However, due to the unsuccess of the campaign, it was necessary to intervene and give a boost to the results with social ads. Thus, the month of December had not only the support of an influencer, as desired, but an extra strategy of social ads. Nonetheless, this did not aid the company. This campaign presented the lowest number of purchases in this store, in the year considered.

Do Social Ads Marketing campaigns increase the customer conversion rate, when compared to Influence Marketing Campaigns?

Considering the campaigns done, it was possible to conclude that social ads increase the conversion rate of customers, and when compared to an influence marketing campaign, present a better performance.

Effectively, the January campaign, only with the support of social ads, was one of the most successful MS campaigns of all time. With the help of ads, this MS campaign had the second-best result ever, and the evaluation indicators of the strategy itself, such as price per click, engagement and impressions had very positive results.

With a lower investment in January, the MS store had 69.5% more purchases compared to December, which had a higher investment and was associated with a well-known Portuguese influencer. Even so, the following study was an added value for Mercadão, and mainly for the Marketing department since it was a first exploration of the use of influencer-based marketing. Given its results, a strategy with influencers should be very well analyzed in the future, considering that this experience did not get the expected results according to the literature review.

This research presents some limitations. Even though the work produced added value to the firm, notably to the marketing department, there is clearly more work to be done as well as enhancements to the research.

From the campaign's point of view, some limitations could not be overcome, which may have affected the results. Firstly, the MS project has been in existence for less than a year, which means that we do not have comparisons and results between the same time periods and festive seasons. The campaign with the influencer and additional Social Ads took place in December - which is an atypical month due to Christmas and the Christmas salary subsidy paid in November - but the campaign with only Social Ads took place in January, and as said, we were unable to compare results with the prior year.

The choice of organizations can also be one of the factors that can influence the results, as every month the organization is different, as well as the social area in which it operates. For example, some months the organization is more generic, others focused on kids or animals.

Another constraint is from the pandemic situation in which we live, which causes consumer tastes and requirements to shift, with a significant spike in purchases. This may have an impact in social networks, registering an increase in followers, an increase in newsletter subscriptions, website visits and, consequently, purchases at Mercadão and Mercadão Solidário.

Concerning sponsored content, it should be noted that there was a variation in format. In the December campaign, which served to boost the results of the influencer campaign, the content was presented in video format, while the sponsored content in the January campaign was in image format, which may have impacted the way the content draws users' attention.

Lastly the biggest limitation of this work is the fact that it is exploratory, and thus insufficient to guide further marketing action.

Therefore, for relevant future research, it would be interesting to repeat the experience with other influencers, in the same period and variables, to allow a more direct comparison.

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Annex

Annex I: Mercadão Solidário Campaing

Organization	Campaign Duration	Campaign's Characterization	Coupons	Variables	Investment	Conversions
Cama Solidária	April 14th to May 31st of 2021	Support the organization with the goal of giving comfort to those who needed it in a pandemic period	1 Free Delivery	2 Posts Facebook and Instagram Launch Newsletter Stories Facebook and Instagram Banners	Value of Free Deliver	Orders Placed: 255

União Audiovisual	June 1st to 30th of 2021	Support Audiovisual Professionals	1 Free Delivery 2 Free Deliveries from the 28th	2 Posts Facebook and Instagram Stories Facebook and Instagram 1 Post LinkedIn Launch Newsletter	Value of Free Delivery	Orders Placed: 271
Aldeia das Crianças SOS	July 1st to 31st of 2021	Support Children, Youth and Families	1 Free Delivery	1 Post Facebook and Instagram Stories Facebook and Instagram 1 Post LinkedIn Launch Newsletter	Value of Free Delivery	Orders Placed: 352 (Best Result)
Zoófila	August 1st to 31st of 2021	Support and protect animals, particularly those in life-threatening situations	1 Free Delivery 2 Free Deliveries from the 30th	2 Posts Facebook and Instagram (and stories) Stories Facebook and Instagram	Value of Free Delivery	Orders Placed: 272

				1 Post LinkedIn Launch Newsletter Newsletter of Reinforcement		
Rotary Club	September 1st to 30th of 2021	Support families in very precarious situations	1 Free Delivery	1 Posts Facebook and Instagram Stories Facebook and Instagram 1 Post LinkedIn Launch of Newsletter Newsletter of Reinforcement	Value of Free Delivery	Orders Placed: 191
Passo Positivo	October 1st to 31st of 2021	Supporting and ensuring the well-being of babies and adults with incontinence	1 Free Delivery 2 Free Deliveries from the 25th	2 Posts Facebook and Instagram Stories Facebook and Instagram	Value of Free Delivery	Orders Placed: 137 (Lowest result)

				1 Post LinkedIn Launch Newsletter Newsletter of reinforcement		
Crescer Bem	November 1st to 30th of 2021	Helping to improve the lives of children and their families	1 Free Delivery	1 Post Facebook and Instagram Stories Facebook and Instagram Newsletter of reinforcement Banners Website	Value of Free Delivery	Orders Placed: 203
LBV	December 1st to 31st of 2021	Help contribute to the delivery of 1200 baskets to families in situations of economic vulnerability	1 Free Delivery 2 Free Deliveries from the 28th	4 Posts Facebook and Instagram Stories Facebook and Instagram Posts Influencer	Value of Free Delivery Value of influence campaign	Orders Placed: **164** (2nd Lowest Result)

				Facebook and Instagram Launch Newsletter Banners Website	1000€ on Social Ads	
Ajuda de Berço	January 3rd to 31st of 2022	Help provide a decent and happy present for children from 0 to 3 years old, who are waiting for a better future	1 Free Delivery since 1/12 2 Free Deliveries from the 27th	2 Posts Facebook and Instagram Stories Facebook and Instagram Launch Newsletter Banners Website	Value of Free Delivery 1000€ on Social Ads	Orders Placed: 278 (2nd Best Results)

Table 1. Mercadão Solidário Campaigns Analysis
Source: Results obtained through Mercadão