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**Assessing the Effectiveness of Facebook Advertising Campaigns on Business Performance: A Case Study of a Liquidation Specialist**

**Tesis para la obtención del grado de maestría**

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# Abstract

This thesis examines the effectiveness of advertising campaigns on Facebook and their impact on the sales performance of a small business specialized in liquidations. The study utilizes the Meta Business Suite platform to gather and analyze relevant data. The primary metrics used in the analysis are Cost per Lead (CPL) and Conversion Rate (CR). The objective of the research is to evaluate the influence of marketing campaigns on business outcomes and determine if these campaigns lead to increased sales for the company.Through a comprehensive analysis of financial data and campaign performance metrics, the study reveals that Facebook advertising campaigns can indeed have a positive impact on business performance. However, it also highlights the existence of additional factors that influence sales outcomes beyond the sole influence of campaigns.The findings underscore the importance of considering various factors, such as product quality, market conditions, and customer preferences, in conjunction with advertising efforts. While campaigns contribute to enhanced business performance, their effectiveness is contingent upon a holistic approach that encompasses other strategic elements. This study provides valuable insights for businesses aiming to optimize their marketing strategies by emphasizing the significance of a comprehensive business perspective that extends beyond the scope of advertising campaigns alone.

*Keywords*: social media marketing, digital advertising campaign, liquidations

# Introduction

Marketing and advertising are critical components of any business strategy, and their effectiveness can significantly impact the success of small businesses. In today's competitive business landscape, small businesses face numerous challenges, including limited resources, increased competition, and changing consumer preferences. In such a scenario, the ability to execute effective marketing and advertising campaigns becomes paramount for small businesses to attract and retain customers, increase brand visibility, and ultimately achieve sustainable growth.

This thesis aims to assess the effectiveness of marketing and advertising campaigns in small businesses, with a focus on understanding the impact of different marketing and advertising strategies on business outcomes. This study conducts a comparative analysis of various marketing and advertising techniques used by a small businesses and evaluates their effectiveness by understanding the metrics of their performance.

Marketing and advertising play a crucial role in the success of small businesses by enabling them to reach out to their target audience, create brand awareness, and drive customer engagement (Tyagi, 2020). Small businesses often operate with limited resources and face intense competition from larger corporations. As such, they need to be strategic in their marketing and advertising efforts to make the most out of their limited budget and resources.

Effective marketing and advertising campaigns can help small businesses build a strong brand image, establish credibility, and differentiate themselves from competitors. They can also help small businesses identify and capitalize on market opportunities, understand customer needs and preferences, and tailor their offerings accordingly. Furthermore, marketing and advertising campaigns can drive customer loyalty, increase repeat business, and generate positive word-of-mouth, which are crucial for sustaining long-term business growth (Hoffman & Fodor, 2010).

Firstly, the provides valuable insights into the effectiveness of different marketing and advertising strategies in social media, helping small businesses make informed decisions when planning and implementing their marketing campaigns. Small businesses can leverage the study findings to optimize their marketing and advertising efforts, allocate resources effectively, and improve their overall marketing performance.

Secondly, this study contributes to the existing body of knowledge in marketing and advertising literature by providing empirical evidence on the effectiveness of marketing and advertising campaigns in small businesses. The study sheds light on the unique challenges faced by a small business and identifies the strategies that are most effective in this context. This fills a gap in the literature and provide a valuable resource for future research around small businesses marketing and advertising.

Lastly, the study's findings can also benefit marketing practitioners, including marketing agencies and consultants, by providing them with evidence-based insights to better serve their small business clients. Marketing practitioners can use the findings to design more effective marketing strategies tailored to the unique needs and challenges of small businesses and provide them with data-driven recommendations to optimize their marketing and advertising efforts.

The context of this study is around selling return items from large companies or vendors like Amazon. This has become popular in recent years, becoming one of the most innovative and unknown markets. Nevertheless, studies on this sector of the local economy have not been discovered enough to perform an investigation into this type of business.

Vendors like Amazon refer to returned products as "returned merchandise". When a customer returns an item, it is processed and evaluated by the company to determine its condition and eligibility for resale. If the returned items are still in new or sellable condition, they may be repackaged and sold as "Amazon Warehouse Deals" or "Amazon Renewed" products at a discounted price. However, if the returned items are damaged, defective, or not in a condition to be resold as new, Amazon may liquidate them through various channels, including selling them in bulk as return pallets. These return pallets typically contain a mix of products from various categories, such as electronics, home goods, apparel, toys, and more. The exact contents of the pallets can vary, and they are often sold through liquidation auctions, online marketplaces, or directly to resellers. However, it is important to note that the condition of the items in the pallets can vary, and there is a level of risk involved as some items may be damaged, incomplete, or require refurbishment.

There was a surge in the demand for products offered by outlets due to the COVID-19 pandemic years, 2020-2022. As many people were losing their jobs, they started to look for other ways because of the increased unemployment rate, where 12.5 million people lost their jobs in Mexico due to these events (Gobierno de Mexico, 2021), many looked for ways to earn income in other ways. Acquiring merchandise on pallets offered an opportunity to generate income. By purchasing these pallets at a discounted price, individuals had the opportunity to generate income by reselling the products online or through local sales platforms. This allowed them to adapt to the challenges of the pandemic, explore self-employment opportunities, and develop valuable skills in online selling, inventory management, and customer service. The flexibility and variety of products offered by the pallets enabled individuals to cater to changing customer demands and potentially diversify their income streams, providing some financial stability during a challenging time.

The business in question is entrepreneurship-focused and sells products of liquidations coming from big-known companies in the United States. While the impact varied for individuals, the acquisition of merchandise on pallets presented a pathway to entrepreneurship and self-employment, allowing individuals to regain a sense of control over their economic circumstances. It fostered adaptability, resilience, and skill development, which could have long-term benefits beyond the pandemic. Acquiring and reselling merchandise on pallets required individuals to develop various skills, including marketing and online selling.

# Literature Review

Marketing campaigns in social media have become a crucial aspect of modern digital marketing strategies. With the rapid rise of social media platforms, businesses are leveraging these channels to engage with their target audience, promote their products or services, and build brand awareness. Social media campaigns offer unique opportunities to connect with customers, generate leads, and drive conversions. In this increasingly competitive landscape, understanding the nuances of creating and implementing effective marketing campaigns in social media has become essential for businesses looking to stay relevant and achieve their marketing objectives. In this text, the focus is on delving into the world of social media marketing campaigns, exploring their significance, best practices, and potential impact on business outcomes.

A social media network refers to a web-based platform that allows individuals to create a profile, connect with other users, and share content, information, and ideas within a virtual community (Boyd & Ellison, 2008). These networks are characterized by their user-generated content, interactive features, and ability to facilitate communication and social interaction among users. Facebook is a social networking platform that was founded by Mark Zuckerberg and his colleagues in 2004. It allows users to create a profile, connect with friends and family, share information and media, and engage with various communities through online groups and pages. According to Boyd and Ellison (2008), Facebook is defined as a "networked publics" platform that enables users to engage with a broad range of social ties, including strong ties (e.g., family, close friends) and weak ties (e.g., acquaintances, colleagues). This social media network is used in the study as the main tool for customer engagement and as the platform for marketing campaigns for the company.

Advertising campaigns have an impact on the sales volume of companies that use digital media. An advertising campaign can be defined as “a family of ads that share a visual or verbal identity and promote a single idea to a defined target audience” (Blakeman, 2015). To make it successful, there are concrete elements when designing an advertising campaign. Among the essential elements are the objectives, bringing to the table the expected achievements; the target audience, understanding their needs and behavior; the unique selling proposition, which is what set you apart from competitors; messaging; channels to reach your audience; budget; metrics, and timeline (See Table 1). When considering these elements, businesses can develop successful campaigns reaching their target audience and achieve their desired goals. (Blakeman, 2011).

**Table 1**

*Elements of a Marketing Campaign*

|  |  |
| --- | --- |
| Element | Description |
| ***Objectives*** | These explain in detail the goals the company wants to achieve with the marketing campaign |
| ***Target Audience*** | This defines who is or who is going to be the buyer personas of the business model understanding the needs they have, how they behave, their aspirations, what they do, and more specific data like how high their income is and what they do for living. |
| ***The Unique Selling Propositions*** | As the competition increases with time, experience, and popularity, more alternatives had to be taken into consideration to attract the customer’s attention and make them loyal. There are many value propositions for this type of business such as the quality of the products, the price, the customer service, or the store source of the items. |
| ***Channels to Reach your Audience*** | The company must search for the right channels to reach the customers. |
| ***Budget*** | The company must set a specific range of money they can spend to destinate marketing purposes and create a strategy where this amount of money can be used in the best way. |
| ***Metrics*** | To measure the effectiveness of the campaigns a set of metrics is established. Knowing the numbers of a company is an essential action to understand its situation and context. In this way, better decisions can be taken, and a strategy can take place. |
| ***Timeline*** | This is about how long the campaign is going to last. |

Measuring the effectiveness of an advertising campaign is key to assure the success of the business. There are different ways to measure it, such as setting specific goals for a company, analyzing the site traffic and metrics before and after this campaign, reviewing lead quality, and making surveys to determine who saw your advertisement (Cint, 2022). To ensure this effectiveness, all these ways must be taken into consideration.

There are many studies related to the subject, where different contexts such as the hotel industry and tourism are investigated, or big companies of retail. These studies suggest the relevance and effectiveness of social media advertising, where the key elements to follow are highlighted and summarized.

**Marketing Campaign Effectiveness**

Assessing the effectiveness of a marketing campaign can be complex, but it is an important process to ensure that your efforts are achieving the desired results. Tanton (2022) defines campaign measurement as “the process of measuring the impact of your marketing or advertising efforts against your campaign goals. It involves looking at the KPIs of your campaign and assessing whether they’re adequate for meeting your goals”. Among the ways to successfully measure a marketing campaign are the setting of clear goals and objectives, the use of metrics; also known as rates, tracking the return of investment (ROI), conducting customer surveys, and analyzing the competition (Tanton, 2022).

It is essential to set clear goals and objectives before launching a marketing campaign, being sure of defining them correctly to measure the success of the campaign and determine whether you have met your targets. The purpose of your campaign can be to attract more leads, increase sales, create brand awareness. Key Performance Indicators (KPIs) start to make sense when making this measurement and to achieve it, a specific goal must be set in first place. In this way, the analysis is easier (Tanton, 2022).

There are a number of different metrics a company can use to track the development of a advertising campaign. These metrics are conversion rates, return of investment, return on ad spend, cost per lead, cost per acquisition, website visits, click-through rate, cost per click, cost per conversion, engagement rates, number of sales, grow revenue, among other ones. Metrics are defined depending on the goals and channels of the campaign and they give a quantitative approach, easier to understand (Tanton, 2022).

The return of investment (ROI) is the comparison of how much is spent on a campaign and how much was earned during and after its duration. This metric can be considered as the most important one because the higher it is, the more revenue for the company. Furthermore, it can determine if the marketing campaign was worth its investment. The understanding of this metric and the correct track of it can also lead to more opportunities and to optimize the campaigns (Tanton, 2022).

Another way to analyze the marketing campaign a company is making, is by the evaluation of the competition. When comparing it with other, it is easier to determine its effectiveness and creativity. In this way, the advertising strategies can be improved in more ways where the company was not thinking of. Perhaps the approach might be redefined when more areas for improvement are identified.

To measure the effectiveness of the campaigns, one of the most reliable methods the company can have, is the analysis of metrics before and after by the statistics in the results. Among the metrics that are analyzed are the number of messages received on every social media, how many of them turn into sales, how the sales increase compared to previews months, and then, the profit after the sales period, also compared to previews periods.

After digging into 55 studies, Li and Yang (2019) identify the factors that contribute to advertising effectiveness, which are the informational value of social media advertising; the entertainment value that gets brand loyalty, the interactivity within the advertising, the trustworthiness of the brand, and the type of platform where the social media network brings a very important factor to the effectiveness of a campaign. All of this contributes to purchase intention and brand loyalty.

Social media advertising can be highly effective but depends on targeting the right audience, creating engaging content, and on the leverage of social networks to amplify reach and credibility. Krishnamurthy and Singh (2014) provide a comprehensive review of the existing literature on social media advertising effectiveness. Among the factors needed for a successful social media campaign are the target market, the engagement around the advertising, the word-of-mouth, and cost-effectiveness. Like it was mentioned before, engagement could be the key element of these campaigns, being mentioned as a common point in another investigation led by Yang and Li (2018) as well, which examines the effectiveness of social media advertising in the United States using consumer-brand engagement metrics.

The previous studies gathered information in different ways. Chatterjee and Richard (2016), conducted a survey to collect data, including questions about ad format, ad relevance, ad credibility, and purchase intention. Then, analyzed participants' responses to questions about purchase intention, which assessed their likelihood to buy a product or service after seeing a social media ad. The authors also analyzed participants' responses to questions about ad relevance and ad credibility, which assessed their perceptions of the quality of the ads. The findings of the study show that the ad content, the social influence, and the brand familiarity are the key elements for a relevant and successful social media advertisement.

Yang and Li (2018) used machine learning algorithms to classify posts as either advertising or non-advertising. They then analyzed the engagement metrics of the advertising posts and calculated engagement rates, which are the percentage of users who engaged with the post out of the total number of users who saw the post. To assess the effectiveness of social media advertising, the authors compared the engagement rates of different types of ads, such as those with different ad formats, call-to-action buttons, and social media platforms. They also analyzed the impact of ad relevance, which is the extent to which an ad is relevant to a user's interests, on advertising effectiveness.

In another study, Yang and Li (2019) extracted data from the studies on various factors related to social media advertising, including ad format, message content, platform type, and audience demographics. They used a statistical technique called meta-analysis to combine the findings from the individual studies and calculate an overall effect size for the impact of social media advertising on purchase intention and brand loyalty. They also conducted a subgroup analysis to examine the effects of specific factors, such as ad format and platform type, on social media advertising effectiveness. They used a statistical technique called moderator analysis to determine whether these factors moderated the relationship between social media advertising and purchase intention and brand loyalty.

Furthermore, there are challenges in measuring the effectiveness of online marketing. Among these, there are various reasons to carry out regular measurements of the effectiveness of a business. The reason may include the understanding of some aspects; where they cannot change, understand, check, or improve the data. If the results cannot be measured or evaluated, then there is no way to distinguish whether something was effective or not. Also, failures can be repeated if they are not recognized, wasting valuable resources (Krizanova et al., 2019).

A methodology based on a marketing survey of Slovakian hotels found that evaluating marketing communications online is considered important regardless of hotel size, length of operation, budget, or class (Krizanova et al., 2019). In this study, hotels preferred financial metrics and particularly return on investment (ROI) for evaluating the effectiveness of online communication activities. The return of investment was proposed as the most appropriate metric for this purpose based on the findings.

Other studies have shown success factors, highlighted best practices, and drew attention to determinants of poor performance in destination marketing campaign activities. Pratt et. al. (2010) focused on evaluating 18 campaigns directed towards potential domestic visitors using the conversion study technique, which assessed expenditure impact and return on investment. The investigation aimed to contribute to marketing practice by providing insights into the key components that lead to a high return on investment and higher impact in destination marketing campaigns. It is important to highlight the merits of cross evaluating the impact of destination marketing campaigns using similar methods.

Pratt et. al. (2010) Evaluation measurements show that generic campaigns perform significantly better than niche campaigns in terms of total expenditure, revenue per inquiry, and return on investment, despite higher costs. The methodology they estimated conversion rates, visitor expenditures, and return on investment is consistent across all 18 campaigns. Despite limitations outlined in the literature review, using the same methodology allows for an objective comparison between campaigns, enabling policy makers to compare them on an equal basis.

The key factors influencing a good return on investment for destination marketing organizations' marketing investment are identified as the proportion of visitors who have booked before receiving marketing material, the proportion of respondents who visited the destination, the influence of the marketing material, visitor expenditures (per person per night expenditure, length of stay, party size), and the reach of the marketing campaign. Pratt et al. (2010) concluded that the strength of marketing influence on consumers and the reach of the marketing campaign are important factors for achieving a higher return on investment.

**Social Media Marketing Campaign**

Bruhn, Schoenmueller, and Schäfer (2012) say social media marketing began to gain popularity in the mid-2000s, being used in branded social media pages, viral marketing campaigns, and influencer marketing. After a survey of 584 consumers in Germany, it was found that social media play a significant role in brand equity creation, but traditional media such as TV and print advertising still have a stronger impact. The study also found that social media are used more for emotional brand communication, while traditional media are used more for rational brand communication. Also, emotional brand communication, which is more prevalent on social media, has a stronger impact on brand equity than rational brand communication. Using both social media and traditional media in their campaigns to maximize their effectiveness.

Chae and Kim (2015) investigated the effects of social media on brand attachment and brand loyalty. After conducting a survey with 325 participants in the United States, it was found that social media have a positive impact on brand attachment and brand loyalty. The study also found that the impact of social media on brand attachment is stronger for consumers who have a higher level of involvement with the brand. It is recommended that marketers use social media to engage with consumers and build relationships with them.

Luo and Song (2019) estipulate that social media information quality, tie strength, and social identification all have a positive impact on brand loyalty after their research. A survey of 343 participants in China showed that the impact of social media information quality on brand loyalty is stronger for consumers who have stronger ties with the brand and a stronger social identification with the brand. The authors recommend that marketers focus on providing high-quality information on social media and building strong ties and social identification with consumers to enhance brand loyalty. As part of the recommendations, the authors claim that marketers focus on providing high-quality information on social media and building strong ties and social identification with consumers to enhance brand loyalty.

Ahmed et al. (2018) examined the impact of Facebook advertising on brand awareness and purchase intentions. In a study conducted in the country of Pakistan, 262 Facebook users were part of a survey that was only for people who had interacted with Facebook ads. The results showed that Facebook advertising has a significant impact on brand awareness and purchase intentions. Additionally, the study found that the impact of Facebook advertising on purchase intentions is mediated by brand awareness.

Facebook has been growing in popularity for marketing purposes and users work with a wide range of advertising options, including sponsored posts, display ads, and video ads. Also, the platform Facebook advertising has potential benefits such as the ability to target specific audiences and its relatively low cost compared to other advertising channels. The use of these tools in social media can increase brand awareness and ultimately drive purchase behavior with a focus on developing targeted advertising campaigns (Ahmed et. al., 2018).

# Development and Propositions Description

## Definition of the Problem

The study is focused on how the execution of a marketing campaign, with the right combination of elements inside of it, can contribute significantly to the number of sales of a company with a relatively new business model, focused on the distribution of liquidation products around a specific demographic zone. Creating a campaign with the correct elements has demonstrated a positive effect on many businesses. For this new way of business making, there is new information to be added to the facts experts already know about this topic.

Despite having information about the effectiveness of advertising or marketing campaigns on diverse kinds of businesses, there is no data about the type of business in academic resources or databases. After the review of several sources on the web, it was found that the topic regarding returned merchandise or liquidations is not well-known and has a lot of potential for a new investigation. The study gives the audience a hint at how effective these campaigns can be in this new context.

This study gives a new record of the performance of advertising campaigns in one of the most influential social networks in recent years, Facebook (Facebook, 2021). Despite having information on the effectiveness of advertising campaigns in different types of businesses, there is still no record of how it can benefit emerging businesses such as the one discussed in this thesis. Having the theory in the first instance, the knowledge is applied to create effective campaigns in the said social network. Its results are exposed in detail in the development of the investigation.

The study’s main objective is to find the effect of advertising campaigns on the return and liquidation pallets sector. The main objective of this study is to look for the impact of a marketing campaign in social media in this business. By analyzing what is the relevance and impact of this specific kind of tool, it is determined how useful it can be and how it is used. Marketing campaigns have demonstrated their effectiveness in businesses, where the return of investment is larger when there is a stronger influence of marketing overall (Pratt, 2010). Nevertheless, this analysis has not been done in this kind of business and this study is focused on a different type of business model than from other applications.

Creating a successful marketing campaign includes the correct combination of the elements it has, such as a target audience, a unique selling proposition, the message, and the channels (Blakeman, 2011). All the elements previously mentioned applied in the correct way gives a way to the analysis and thus, to know which combination of elements is the most effective. In this way, the investigation analyzes the response rate from the customers and the number of sales generated in a company that is dedicated to the sale of "returned merchandise" items. All of this summarizes to understanding who the people are interested in acquiring this type of merchandise; for which it is necessary to understand who has the motivation to obtain an extra income. Knowing who our buyer personas are, content is created within the advertising to attract the attention of potential customers, tailoring the message, and choosing the right channels to reach them (Blakeman, 2011).

The elements to design an advertising campaign are analyzed to create the most effective campaign for this type of business, which had not been previously investigated. For example, the target audience can be known from previous statistics from the web page; the message must be clear to attract people who want so to be an entrepreneur, and the channels where the audience is going to be reached (Blakeman, 2011). Since it is a yet non-discovered type of business, the analysis is done from scratch and without a previous reference.

This study consists of an analysis of the results of the different advertising campaigns that the company has carried out for approximately four years. All this with the aim of knowing if these campaigns had an impact on the increase of the sales and profits of the company. This investigation focuses on seeking effective results in the city of Tijuana, Baja California, to attack the market closest to the main branch of the company analyzed. Knowing how to do the perfect advertising campaign can improve the process of making it, less money is invested because there is a better understanding of what the company needs, and the profitability is higher.

To keep up with the customers, advertising campaigns are more reliable to keep up with the customers since the strategies have been developing and more competitors enter the market. The customers tend to come from these campaigns and customer service has become the most important aspect of the company. The same past marketing strategies as these campaigns have been the primary reason for the customer’s loyalty.

Due to these changes over time, different ways have been proposed to obtain the attention of customers through different media, and one of the most influential is social networks. For this same reason, they began to use the *Meta Business* Suite tools available for the management of *Facebook* and its management of information regarding fan pages within the platform.

## Describing Marketing Campaigns in Digital Social Media

The social media Facebook offers an advertising platform that allows businesses and individuals to create and run targeted ad campaigns to reach their desired audience. This platform has a range of advanced features, targeting options, and optimization techniques. The specific details and options available can vary based on factors like campaign objectives, budget, ad account settings, and Facebook's advertising policies. Each marketing campaign goes through a process to make it more effective and choose the correct settings.

Advertising campaigns on Facebook typically involve several key steps. Firstly, advertisers set their campaign objective, which could be anything from increasing brand awareness to driving website traffic or generating leads. Next, they create the actual ad, choosing the format, crafting engaging ad copy, and adding relevant pictures or videos. They can also include a call-to-action button to guide users toward the desired action. Targeting comes next, where advertisers define their target audience based on demographics, interests, behaviors, and Facebook connections. This ensures that the ads are shown to people who are most likely to be interested in the offerings. Once the ad is created and the target audience is defined, advertisers determine the budget and bidding strategy for the campaign. They set a daily or lifetime budget and choose a bidding option like Cost per Click or Cost per Engagement. Ad placement is another important consideration. Advertisers can choose automatic placements, allowing Facebook to optimize ad delivery across its platforms, or manually select specific placements across Facebook, Instagram, Messenger, and the Audience Network. Throughout the campaign, advertisers monitor performance through Facebook Ads Manager, which provides insights on reach, impressions, clicks, and conversions. They can adjust and optimize the campaign based on the data, such as refining targeting, modifying ad creative, or adjusting budgets. Finally, after the campaign concludes, advertisers analyze the performance to gain insights and make data-driven decisions for future campaigns. Facebook Ads Manager offers detailed reports on metrics and audience insights, facilitating continuous improvement in advertising efforts.

## Propositions

Understanding whether a marketing campaign in social media increases sales or not holds significant importance for research focused on measuring the effectiveness of marketing campaigns through social media. This information bears implications that are valuable to businesses and marketing professionals. If the research findings confirm that a marketing campaign in social media indeed increases sales, it provides compelling evidence to support the allocation of resources towards social media advertising efforts. Such findings establish a strong case for businesses to invest in social media marketing strategies, as they directly impact revenue growth. Moreover, the knowledge that social media campaigns are effective in boosting sales helps businesses set realistic goals, optimize their marketing budgets, and develop targeted strategies to maximize return on investment (ROI). On the other hand, if the research indicates that marketing campaigns in social media do not increase sales, this information becomes equally important. It highlights the necessity for businesses to reassess their social media marketing strategies, identify areas for improvement, and explore alternative approaches. By understanding the impact of marketing campaigns in social media on sales, businesses can make informed decisions, allocate resources wisely, and enhance their overall success in the digital landscape. Therefore, the following propositions are detailed (see Figure 1).

P1: A marketing campaign in social media increases sales.

P1a: A new marketing campaign in social media increases sales in monetary value.

P1b: A past marketing campaign in social media increases sales in monetary value.

P1c: A new marketing campaign in social media increases sales in units.

P1d: A past marketing campaign in social media increases sales in units.

**Figure 1.**

*Diagram of the Relationship Between Variables and Propositions*

A blue line with black text

Description automatically generated with low confidence

*Note*. Marketing Campaigns may have an impact on the sales value of the company.

## Description of the Variables

In this thesis, the description of variables is a critical section that outlines the key constructs, concepts, or factors that are being studied and measured. This section provides a comprehensive overview of the variables under investigation, including their definitions, operationalizations, and potential relationships or interactions. Describing the variables thoroughly and accurately is essential for readers to understand the design of the study and interpret the findings accurately. This introduction serves as a guide to the subsequent sections where the variables are described in detail, providing a clear understanding of the key elements of the study. In this section, an overview is provided of the variables that are examined in the thesis, including their importance, relevance, and potential impact on the study's outcomes.

***Variable: Marketing Campaign in Social Media***

This is the independent variable of this study and determines a continuous effect on the periodical results of the firm, and this covers all the propositions previously mentioned. The continuous effect of a marketing campaign can be positive or can mean no difference to the sales results of the company, and that is what the propositions are about. The periodical results are described monthly. After collecting the data, the conclusions about the campaigns can prove either the increase in sales value and sales quantity or the absence of any difference in those facts of the company.

The marketing campaigns in social media of this paper are done and described in Meta Business Facebook, a tool for businesses who look for the creation of this type of content for their companies. The platform offers several metrics to evaluate the performance of the all the campaigns that are on. As it has been explained previously on the paper, the metrics are an essential part on measuring the effectiveness of marketing strategies. Among these essential metrics, the number of times the audience interacted with the ad and the extent of reach among individuals are observed. Also, the person creating the campaign can introduce the money destinated to it by selecting the amount before posting the ad.

Even though the format of the campaign it is not part of the common metrics used to measure them, it is considered that plays a very important role on the impact of a campaign. On the analysis of the raw data collected from the social media platform, the relevant factors are the interactions, the number of users reached, the format; whether it was pictures or videos, the type; either organic or paid advertisement, and how much did the campaign costed at the end of it. The previous mentioned elements are analyzed to determine how they can make a difference on the development of a campaign.

Marketing or advertising campaigns help in brand awareness, traffic visibility to the brand, creating loyalty and trust lasting, in relations with customers, and help them to buy (Tyagi, 2020). This knowledge applied to social media can mean a difference in the expected results. The impact can be positive in communicating with the audience and attracting the attention of customers. With the help of the new tools social media brings to businesses, all the good aspects of marketing are applied in multiple platforms and many other ways.

Social media has become a powerful tool that allows content to be shared in a fast way with a broad audience. It is a platform for worldwide communication and content creation which is used for both personal and professional purposes. This also means a new opportunity for businesses and marketers since it can provide a quick channel of communication and information sharing (Katiyar & Dixit, 2021). Advertising campaigns can be implemented on social media platforms as well, making it a new way to use marketing in favor of companies through other methods.

Companies to know if marketing campaigns on social media apply can make a significant change in the sales results every month one is on. Since this type of business model and products are different from anything ever made and put on academic writings, this variable must be highlighted. Putting the main approach on social media as the channel to reach customers through advertising campaigns, the relevant information is analyzed. This is the reason why the study is focusing on the effect of the tools marketing can provide with advertising campaigns. Identifying the importance of a marketing campaign on the social media of a business can lead to its success.

***Variable: Sales***

**Sales in Monetary Value.** The "sales" refers to the sales value total monetary worth of the sales made by a company during a specified period, often measured in terms of revenue or sales revenue. It is a key financial metric that reflects the company's performance in generating sales and capturing market share. In this variable, the number of sales per month is described. The period is each month because of the way the information of our first variable, the marketing campaign, is obtained from the database of the social media platform. The information on the sales values is acquired from the database the company has for its finances.

Having a solid understanding of the financial aspects of a business is crucial for several reasons. Sales value is a key indicator of a company's business performance. It reflects the effectiveness of a company's sales efforts, market demand for its products or services, and its ability to attract and retain customers. By analyzing changes in sales value over time, a company can assess its sales performance, identify trends, and make data-driven decisions to improve sales strategies.

Sales value is closely related to a company's market share, which refers to the portion of the total market that a company captures with its sales. Higher sales value indicates that a company is capturing a larger share of the market compared to its competitors. Monitoring changes in sales value can help a company assess its market position, competitiveness, and identify opportunities to gain or maintain market share.

It is a key component in financial analysis, assessing a company's profitability, and competitiveness. It is used to calculate various financial ratios and metrics, such as gross profit margin, sales growth rate, and return on investment (ROI), which provide insights into a company's financial health, efficiency, and profitability. Analyzing sales value in conjunction with other financial data helps in evaluating a company's overall financial performance and making informed financial decisions.

Furthermore, the sales value is a critical measure of the effectiveness of a company's marketing campaigns. By analyzing changes in sales value before, during, and after marketing campaigns, a company can assess the impact of its marketing efforts on sales performance. This information helps in evaluating the return on investment (ROI) of marketing campaigns and making data-driven decisions about marketing strategies and resource allocation. It serves as a crucial measure of the impact of marketing campaigns on a company's sales performance.

**Sales in Units.** In this variable, the number of items sold per month is described. This is the number of products sold summarized in quantity and a whole number at the end of a period. The period is each month because of the way the information of our first variable, the marketing campaign, is obtained from the database of the social media platform. The information on the sales quantity is acquired from the database the company has for its finances. The quantity in question can be defined as the sum of the items sold in the business during the period of a month, displayed periodically.

# Research Methodology

The company mentioned in this study is a dynamic and innovative organization that specializes in wholesale distribution of products sourced from major vendors such as Amazon. With a strong commitment to customer satisfaction, it is a priority to understand and fulfill the unique needs of our clients. The team of dedicated professionals combines extensive industry expertise with a passion for excellence, ensuring that every project undertaken is executed with precision and creativity. Also, there is an unwavering dedication to quality, integrity, and continuous improvement that drives us to constantly explore new opportunities for growth and remain at the forefront of our industry. With a proven track record of success and a forward-thinking mindset, the company is poised to exceed expectations and make a lasting impact in the market.

In the early stages of the company, advertising campaigns were initially developed empirically. Throughout its journey and through professional courses, it was understood that for greater efficiency in social media and campaigns, proper market segmentation was necessary. That is why the company began researching this topic and identifying its target market to achieve greater efficiency in every activity carried out on social media. The process of the selection of the market segment is described in the following section.

**Market Segmentation**

To get the attention of customers and receive messages on social networks, it was needed to know the segment of the population that is really interested in the merchandise or in the products that are offered. In the same way, a segment of the market must be identified to know why a customer can look for one product over the other. With the sales experience the company has, there is a theory that says that the better the campaign, the more sales it will be. The company would like to see if this segmentation and the number of people reached by the campaign are important factors in increasing sales.

The business in question has had into consideration different segments that might be interested in buying the products they offer. Among these segments are the small-scale or online resellers and discount retailers, who can acquire a variety of products at a lower cost and then resell them through their own channels. These could include eBay sellers, flea market vendors, local discount stores, or online marketplace sellers. Thrift stores, consignment shops, and outlet retailers may find value in purchasing return pallets as they can sort through the items, refurbish if necessary, and sell them at discounted prices. These businesses often cater to budget-conscious customers who are looking for deals on a wide range of products. Also, online sellers who operate their own e-commerce platforms or marketplaces may see an opportunity in buying return pallets. These sellers can list the individual products for sale on their websites or leverage online marketplaces to reach a broader customer base. Some businesses specialize in refurbishing or repairing electronic devices, appliances, or other products. They might purchase return pallets to source components, spare parts, or repairable items that they can refurbish and resell. Finally, non-profit organizations, charities, or community organizations might be interested in acquiring return pallets for various purposes. They may use the items for fundraising events, donations to those in need, or to stock thrift stores operated by the organization. All these segments are potential customers and there have been purchases from all in the past as well.

It is important to note that the market segment interested in buying return pallets may vary based on location, market conditions, and individual business strategies. Each segment has its own specific needs, target audience, and approach to selling the items. Also, it is crucial for potential buyers to research and understand their market, customer demand, and profit potential before venturing into purchasing return pallets. Despite the big number of possible clients the company can have, it had focused on small-scale sellers, online resellers, and e-commerce sellers.

Small-scale sellers are often home-based or operate from small physical locations, selling products through local markets or online platforms. Return pallets are attractive to small-scale sellers due to the variety of products they offer in one bulk purchase. By acquiring diverse inventory at a discounted price, small-scale sellers can maximize their profit margins and remain competitive. Return pallets provide flexibility, allowing sellers to curate their inventory based on customer preferences, market trends, and their own expertise. This enables them to cater to a wide range of interests and demands, ensuring a compelling product selection for their customers.

Online sellers primarily operate their businesses through e-commerce platforms or their own websites. Return pallets offer online sellers an opportunity to expand their product offerings cost-effectively. By diversifying their inventory through return pallets, they can attract new customers and increase sales potential. Purchasing products at a discounted price allows online sellers to offer competitive prices while maintaining healthy profit margins. With efficient fulfillment processes in place, they can effectively handle and process the items from return pallets, ensuring a streamlined workflow from purchase to delivery.

E-commerce sellers predominantly rely on their own e-commerce platforms instead of third-party marketplaces. Return pallets are appealing to e-commerce sellers as they facilitate inventory scaling. With a single purchase, e-commerce sellers can quickly acquire a substantial amount of merchandise, enabling them to meet the demands of their growing customer base. By strategically sourcing products from return pallets, e-commerce sellers can curate their inventory to align with their target market and niche. This helps differentiate their brand, attract customers seeking unique or discounted items, and capitalize on trending product categories. Through effective marketing and fulfillment strategies, e-commerce sellers can maximize the benefits of buying return pallets and drive success in their online businesses.

It is important for all these segments to carefully assess the value and potential marketability of the items in return pallets before making a purchase. Understanding their target audience, conducting market research, and having effective marketing and fulfillment strategies in place is key to maximizing the benefits of buying return pallets. All the descriptions of each segment capture the general benefits and motivations of each seller type, individual circumstances and strategies can vary significantly. For sellers, it is vital to conduct thorough research, evaluate market conditions, and adapt their approaches accordingly to make informed decisions when purchasing and selling return pallets.

***Examples of Campaigns***

**Ad with the goal of video views.** In the following advertising campaign on Facebook, the main objective was to get more video views. It created an engaging ad that utilizes a video that was part of a live broadcast on the page. Through targeted audience segmentation, the intention was to reach out to the female population who lived in Tijuana, Baja California, between the ages of 25 and 45; with interests in small businesses, sales, online shopping, direct selling, retail, trade, home business, and clothing; and with the behavior of being an independent seller or businesswoman. To ensure the campaign's success, there was an allocation of a budget of $1000 MXN, and selected a bidding strategy of Cost per ThruPlays, which each cost $0.13 MXN. For optimal ad placement, Facebook News Feed was chosen. Throughout the campaign, its performance is closely monitored using Facebook Ads Manager, where metrics can be analyzed. Among these, one can find metrics such as the number of people reached, clicks, ThruPlays, post engagement, and many more (See Figure 2). Based on the insights gained, some necessary adjustments were made to improve the campaign's effectiveness, whether by refining targeting, modifying ad creative, or reallocating the budget. This comprehensive approach allows the company to maximize the impact of the advertising efforts on Facebook and achieve the desired outcomes.

**Figure 2**

*Ad results*

|  |  |
| --- | --- |
| A screenshot of a social media account  Description automatically generated with low confidence | A screenshot of a computer  Description automatically generated with low confidence |
| A screenshot of a social media profile  Description automatically generated with low confidence |  |

*Note.* Summary of the development of the campaign described.

**Ad with the objective of messaging.** For this advertising campaign on Facebook, the main objective was to start messaging conversation. It created an engaging ad that utilizes a video that was part of a live broadcast on the page. Through targeted audience segmentation, the intention was to reach out to the population who lived in Tijuana, Baja California, between the ages of 25 and 40; with interests in wholesale, merchant, businesses, home businesses, and retail, and with no specific behavior. To ensure the campaign's success, there was an allocation of a budget of $2000 MXN, but it only spent $1,590.35 MXN and selected a bidding strategy of Cost per Messaging conversation started, which each cost $18.07 MXN. For optimal ad placement, Facebook News Feed was chosen. Throughout the campaign, its performance is closely monitored using Facebook Ads Manager, where metrics can be analyzed. See Figure 3 to observe the details of how the information is displayed after the campaign is done and no longer active.

**Figure 3**

*Ad results*

|  |  |
| --- | --- |
| A screenshot of a social media performance  Description automatically generated with low confidence | A screenshot of a computer  Description automatically generated with low confidence |
| A screenshot of a phone  Description automatically generated with low confidence |  |

*Note.* Summary of the development of the campaign described.

**Data Collection Method and Procedure**

The company has been using Facebook as its main platform to reach customers since it started. It has been demonstrated to be a convenient tool for the objectives the company has had in past marketing strategies. Since there are already some examples of marketing campaigns for the past months and years, these ones are analyzed with their different elements to understand how these campaigns work. Then, there is a comparison between the number of sales in a certain month and the elements within the marketing campaign.

The past marketing campaigns have been developed on the social media Facebook, with the help of Meta Business, a platform for companies to manage their fan pages and the audience of these businesses. Once these campaigns are done, the summary of its statistics, and how It performed is available on the profile of the fan page in duty. The objective is to obtain all the data necessary for the analysis, covering the most important aspects of the campaign, the ones the firm needs to understand and follow the most. Meta Business shows the relevant data needed to know the campaign details. This gets the right information to fill the questions. These questions involve the most relevant data the study needs to continue with the analysis of the propositions. After reviewing and comparing the campaigns and their success in sales, their relevance on social media is identified.

***How the Information is Obtained***

Meta, previously known as Facebook, is the tool used for this study. Apart from being a social media network, this platform offers companies the opportunity to show their business and products in new ways to reach the audience. Companies have *fan pages*, their own space on the website, where they show their information to the users. Inside this platform, the website accumulates data, which is media, numbers, and statistics of how the page works. Using this knowledge from the digital platform Facebook, the study obtained useful information for the analysis.

Meta Business Suite is a tool specifically for fan pages of the social network Facebook. This software helps companies to manage accounts and to create ads for small businesses mainly. Inside this program, there is an option called “Content”, where all the information related to content created and published within the page is located for the purpose of advertising. The details are displayed in the form of a table, with the name of the publication in the first column and its respective descriptions in the following columns on the right side of the interface. A series of data emerges in each of the publications made by the pages on the social network. This data has different sections of information, for example, its publication date, the reach of people, people who interacted with the post, and the number of comments, among other factors. All these facts are useful for companies who use Meta Business Suite.

The Facebook page of the company in question has hundreds of posts. However, only those that were intentional towards a massive advertising campaign where the company allocated a budget for its dissemination and success are considered. Once these campaigns are classified, a more accurate judgment is obtained in the analysis of the statistics in reference to these publications. By discarding publications that cannot add much value to this study, the results are more accurate when it comes to matching the propositions and drawing conclusions.

**Sample**

The information required for the study is obtained from the software tool found on Meta Business Facebook of the company previously described, which specializes in the wholesale distribution of liquidation products. This platform gives the user important data and statistics about the business fan pages at the same time it helps to develop marketing campaigns. Past campaigns are collected to get crucial information about the effectiveness of these posts on social media. The target users of this social media are from the city of Tijuana, Baja California, so the information is based on the same location. The database of social media gives information from May 27th, 2019, to February 24th, 2023. From all the information that could have been collected from this database. Only advertising campaigns with sufficient information have been chosen to proceed with the analysis. This is because, in some instances, possibly due to a software issue, complete data for the campaigns was not available. In total, 60 campaigns with their corresponding complete data have been collected.

***Measurement Instrument***

The objective of this study is to determine if the marketing campaign has an impact on the sales of a specific kind of business. The company has a database where financial information is collected to understand how sales amounts changed over time. From this database, the necessary information is the monetary value shown in Mexican pesos (MXN) of the sales each month from June 2019 to March 2023.

Data collection through the social media *Facebook* and their analytics tools. Meta Business Suite is a comprehensive set of business tools and services offered by Facebook (now known as Meta) that are designed to help businesses manage their online presence, engage with customers, and advertise effectively on Facebook's various platforms. It could include features such as ad management tools, analytics and reporting, customer relationship management (CRM) tools, e-commerce solutions, and other business-oriented functionalities to facilitate business growth and success on Facebook.

There are different aspects to take into consideration for the study. Among the data needed are the campaign date, the number of people reached when it was ongoing, the number is interactions the campaign had, this includes comments, likes to the posts, and the times people shared the post; the type of advertising, referring if it was paid or organic; and finally the format the campaign had, this can be in videos or pictures. All these aspects are relevant for the analysis in the study and for future conclusions.

In addition to collecting information through tables such as those already described above, a residual effect is expected in each of the advertising campaigns that have come into existence. This means that a publication can influence potential customers many more months before its publication date. In the experience within the framework of what the business is, a positive effect on sales of the advertising campaigns that have been developed and entered into force last approximately four to six months. This is also due to the change in products, promotions, and even the operations within the company. That said, the residual effect of an advertising campaign is expected to last a maximum of six months, and that is the limit when it comes to creating a judgment in the investigation.

# Data Collections Results and General Findings

The data collection results section of a thesis serves as a crucial component in presenting the empirical findings and outcomes of this study. This section provides an opportunity to delve into the collected data, analyze it, and draw meaningful conclusions. By examining the data in detail, this study gets insights into the questions, validates, or refutes the propositions, and ultimately contributes to the existing body of knowledge in the field. In this section, the findings derived from the collected data are presented and discussed, highlighting the key patterns, trends, and relationships observed. Through a systematic exploration of the data, this section aims to shed light on the objectives, provide evidence for the claims, and offer valuable insights for future studies.

After collecting the information from a small business database about their financial information (see Table 2), the first relevant data is observed. In this table, each line has a number to identify a specific month in future analyses. Speaking about the columns; the *Sales Value* is in Mexican pesos, and the *Items Sold* column refers to the number of transactions during the month. It is important to emphasize that both columns may not be directly proportional, and that can be an important factor ahead. These financial details give Key Performance Indicators like Gross Profit Margin.

**Table 2**

*Company’s Sales*

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Month | Sales Value | Items sold |
| 2019 | June | $ 71,375.00 | 17 |
| 2019 | July | $ 109,424.00 | 24 |
| 2019 | August | $ 49,030.00 | 12 |
| 2019 | September | $ 202,360.00 | 29 |
| 2019 | October | $ 251,001.00 | 34 |
| 2019 | November | $ 339,675.00 | 40 |
| 2019 | December | $ 593,724.00 | 46 |
| 2020 | January | $ 506,477.00 | 43 |
| 2020 | February | $ 504,118.00 | 55 |
| 2020 | March | $ 812,712.00 | 71 |
| 2020 | April | $ 318,950.00 | 40 |
| 2020 | May | $ 1,148,850.00 | 109 |
| 2020 | June | $ 2,637,546.00 | 311 |
| 2020 | July | $ 3,143,113.00 | 350 |
| 2020 | August | $ 2,337,997.00 | 236 |
| 2020 | September | $ 1,813,816.00 | 166 |
| 2020 | October | $ 1,847,699.00 | 208 |
| 2020 | November | $ 425,079.00 | 51 |
| 2020 | December | $ 720,145.00 | 69 |
| 2021 | January | $ 1,683,562.00 | 185 |
| 2021 | February | $ 209,787.00 | 37 |
| 2021 | March | $ 1,144,330.00 | 127 |
| 2021 | April | $ 900,575.00 | 94 |
| 2021 | May | $ 1,237,754.00 | 108 |
| 2021 | June | $ 815,770.00 | 79 |
| 2021 | July | $ 1,177,517.00 | 119 |
| 2021 | August | $ 959,898.00 | 108 |
| 2021 | September | $ 1,100,510.00 | 113 |
| 2021 | October | $ 985,236.00 | 102 |
| 2021 | November | $ 847,434.00 | 94 |
| 2021 | December | $ 540,592.00 | 54 |
| 2022 | January | $ 154,493.00 | 15 |
| 2022 | February | $ 495,618.00 | 7 |
| 2022 | March | $ 742,242.00 | 55 |
| 2022 | April | $ 788,850.00 | 50 |

**Table 2**

*Company’s Sales* Continued

|  |  |  |  |
| --- | --- | --- | --- |
| 2022 | May | $ 778,350.00 | 62 |
| 2022 | June | $ 750,270.00 | 68 |
| 2022 | July | $ 650,450.00 | 53 |
| 2022 | August | $ 474,420.00 | 41 |
| 2022 | September | $ 235,928.00 | 23 |
| 2022 | October | $ 115,695.00 | 15 |
| 2022 | November | $ 178,070.00 | 16 |
| 2022 | December | $ 157,160.00 | 18 |
| 2023 | January | $ 308,573.50 | 29 |
| 2023 | February | $ 249,753.30 | 18 |
| 2023 | March | $ 152,201.00 | 10 |

For the variable of marketing campaigns, different elements were collected to measure its effectiveness. Within Table 3, the elements are displayed in the titles of the columns. The first column is to numerate the line of information and access it easily. The rest of the columns are the factors previously described and the ones that are analyzed in contrast with the other information, the financial statement. Effectiveness is measured when doing the comparison to the number of sales generated in the same month or after a maximum of four after the campaign was in place.

Within the following table, important data is presented for the subsequent analysis of this study. Each advertising campaign has its start date, the number of people reached during its active period, and the number of interactions users have had with the campaign on the platform, which is called *Post Engagement*, regardless of the content. On the right of this column, the amount of money put into the budget of the campaign is shown, below *Investment*. The format specifies the type of content for each campaign, which could have been a single picture, a promotional video only called a Video, a set of pictures or a video that was live broadcasted. Out of the 37 advertising campaigns collected from the database; 11 were a single picture, 9 had a set of pictures, 4 were a promotional video, and 13 were live videos.

**Table 3**

*Result of the Campaigns*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Campaign Date | Users Reached | Post Engagement | Investment | Format |
| 1 | 02/06/19 | 29,208 | 2,889 | $ 356.52 | Pictures |
| 2 | 16/08/19 | 12,664 | 467 | $ 285.57 | Pictures |
| 3 | 03/09/19 | 19,710 | 848 | $ 300.00 | Picture |
| 4 | 28/10/19 | 9,634 | 3,371 | $ 512.40 | Live video |
| 5 | 20/11/19 | 6,984 | 1,393 | $ 321.87 | Video |
| 6 | 25/11/19 | 21,184 | 5,735 | $1,000.00 | Live video |
| 7 | 27/12/19 | 62,768 | 24,619 | $2,200.00 | Live video |
| 8 | 13/02/20 | 46,832 | 31,074 | $ 900.00 | Live video |
| 9 | 07/04/20 | 58,032 | 50,638 | $1,000.00 | Video |
| 10 | 08/10/20 | 783 | 27 | $ 47.58 | Picture |
| 11 | 09/10/20 | 3,131 | 317 | $ 32.26 | Pictures |
| 12 | 09/10/20 | 747 | 47 | $ 22.68 | Picture |
| 13 | 03/11/20 | 44,799 | 999 | $2,995.93 | Picture |
| 14 | 25/01/21 | 11,084 | 1,292 | $1,000.00 | Pictures |
| 15 | 08/03/21 | 10,536 | 6,868 | $1,000.00 | Live video |
| 16 | 15/07/21 | 40,552 | 20,865 | $3,669.65 | Live video |
| 17 | 30/07/21 | 18,859 | 7,687 | $1,590.35 | Live video |
| 18 | 16/08/21 | 13,079 | 2,128 | $1,000.00 | Video |
| 19 | 30/08/21 | 121,400 | 72,338 | $3,000.00 | Live video |
| 20 | 20/09/21 | 39,826 | 826 | $1,438.44 | Picture |
| 21 | 05/10/21 | 24,741 | 584 | $3,000.00 | Picture |
| 22 | 05/11/21 | 9,805 | 7,933 | $1,500.00 | Live video |
| 23 | 15/11/21 | 13,425 | 383 | $1,000.00 | Picture |
| 24 | 27/11/21 | 7,833 | 2,819 | $1,500.00 | Video |
| 25 | 11/12/21 | 9,161 | 152 | $2,000.00 | Picture |
| 26 | 06/01/22 | 12,143 | 8,183 | $2,080.00 | Live video |
| 27 | 08/01/22 | 9,611 | 168 | $1,500.00 | Picture |
| 28 | 09/03/22 | 10,466 | 5,469 | $1,000.00 | Live video |
| 29 | 24/05/22 | 8,094 | 359 | $ 450.00 | Picture |
| 30 | 24/05/22 | 20,525 | 494 | $1,140.00 | Picture |
| 31 | 13/06/22 | 15,164 | 815 | $1,000.00 | Pictures |
| 32 | 20/06/22 | 12,740 | 1,767 | $1,500.00 | Pictures |
| 33 | 20/06/22 | 21,444 | 823 | $1,500.00 | Pictures |

**Table 3**

*Result of the Campaigns Continued*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 34 | 07/07/22 | 21,948 | 1,832 | $2,083.00 | Pictures |
| 35 | 22/09/22 | 4,462 | 375 | $ 609.73 | Pictures |
| 36 | 04/11/22 | 95,023 | 41,153 | $3,000.00 | Live video |
| 37 | 20/12/22 | 15,148 | 8,323 | $ 880.00 | Live video |

For the analysis of the collected data, the information from both databases to find the relationship between the two results is compared, as to how the impact of advertising campaigns on social media has manifested, and how this has helped or not in increasing the company's sales. It is important to emphasize that the campaigns have had different factors that affect their effectiveness. Among these factors are the conversion rates, return of investment, return of spend, cost per lead, and many more previously mentioned in the paper. Furthermore, everything is related to the functioning of the algorithm of the social network Facebook, which is still being rediscovered.

There is no detailed information available about how the Facebook algorithm works since everything is confidential and the company does not provide specific details. However, it is known that it operates to curate and personalize the content that users see in their News Feed based on various factors. These factors can include posts that encourage interaction, time spent, and extremely partisan users. Thanks to some information available to the public, internal Facebook documents and interviews with workers, other people can have a glimpse into how the algorithm works and can modify the content of, in this case, marketing or advertising campaigns (Oremus et. al., 2021).

The format of the content on the company's social media platform matters greatly as it captures users' attention and prompts them to interact with the posts. Since Facebook rewards certain types of content, brands need to be informed about this functionality and stay in trend. Apparently, the amount of time users spend on a post is one of the most valuable metrics for the algorithm, and videos have proven to be the reason why people stay engaged. To remain relevant, pages have predominantly opted for video production as it effectively captures and retains users' attention. (Oremus et. al., 2021).

# Data Analysis

On the data analysis, this study takes the methodology of Pratt. et. al. (2010) as the basis for the comparison of the information, giving examples of how to measure the effectiveness of marketing campaigns. In selecting the metrics to measure this effectiveness, various factors were considered, and ultimately chose to focus on Cost per Lead, Conversion Rate, and Return of Ad Spend (ROAS). These metrics were deemed critical for gaining insights into the campaign's impact on desired outcomes and financial performance. Cost per Lead offers insights into the efficiency of the campaign's lead generation efforts by measuring the cost incurred for acquiring each potential customer or lead. By tracking and analyzing these metrics, the study aims to gain a comprehensive understanding of the campaigns' effectiveness, impact on financial outcomes, and cost-effectiveness in acquiring leads, thereby contributing to a robust analysis of the data. The Conversion Rate metric provides a quantifiable measure of the percentage of users who took the desired action, such as making a purchase or completing a specific goal, thereby indicating the campaign's success in driving conversions. Lastly, Return of Ad Spend provides a financial perspective, directly linking the revenue generated to the ad spend invested. This enables businesses to assess the profitability and efficiency of their marketing efforts, providing a clear picture of the return on investment. This makes it easy to understand and compare across different campaigns and channels. By measuring the revenue generated in relation to the ad spend, marketers can evaluate the direct impact of their social media advertising on the company's bottom line.

***Cost per Lead (Users Reached and Post Engagement)***

The cost per lead (CPL) is a metric that calculates the average cost of acquiring a single lead or potential customer. It measures the effectiveness and efficiency of marketing or advertising campaigns in generating new leads. To measure it, the total of money invested should be divided into the number of leads the campaign gained. This tells in average how much money the company spent to acquire a new potential customer. The lower the CPL, the more cost-effective the campaign is considered, as it indicates a lower investment per lead generated. In this study, the leads represent the total number of users reached through social media, and there are two important factors that can explain this phenomenon (Users Reached and Post Engagement). Both columns are summarized as our Cost per Lead (see Table 4). The cost of each campaign is displayed in the column Investment. Next to this column, there is the Cost per User Reach and Cost per Engagement, which refers to the money the company spent for each of the users on social media regarding to the total investment applied on a marketing campaign.

A color scale is used to visually demonstrate how different the results are between the campaigns and how positive or negative their impact has been. This scale goes from red to green, having yellow in the intermediate values. It works as a visual aid to understand the contrast between the campaigns and how effective they were. For example, in the columns of User Reached and Post Engagement, the minimum values are represented with red and the maximum values with green, implying a preference for larger quantities as the description focuses on the number of individuals who have engaged with the ads. On the other hand, the columns Cost per User Reached, and Cost per Engagement have a different arrangement on the color scale, where the lowest values are represented in green and the highest in red. This is because it is preferable to have small values in these columns, where monetary values and investments are discussed, making it a better indicator to verify if there was truly effectiveness in the campaigns. Lastly, the column of Engagement-to-reach ratio describes the relationship between the number of people who viewed the post and those who were interested in the content, interacting with it. The percentage represents the number of people who showed interest out of the total number of users who viewed the campaign. The color scales change one last time here, where a high value is green and low one tends to be red, meaning that it is better to have higher values.

**Table 4**

*Campaigns Details*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Campaign No. | Users Reached | Post Engagement | Investment | Cost per User Reached | Cost per Engagement | Engagement-to-reach ratio |
| 1 | 29,208 | 2,889 | $ 356.52 | $ 0.012 | $ 0.123 | 10% |
| 2 | 12,664 | 467 | $ 285.57 | $ 0.023 | $ 0.611 | 4% |
| 3 | 19,710 | 848 | $ 300.00 | $ 0.015 | $ 0.354 | 4% |
| 4 | 9,634 | 3,371 | $ 512.40 | $ 0.053 | $ 0.152 | 35% |
| 5 | 6,984 | 1,393 | $ 321.87 | $ 0.046 | $ 0.231 | 20% |
| 6 | 21,184 | 5,735 | $ 1,000.00 | $ 0.047 | $ 0.174 | 27% |
| 7 | 62,768 | 24,619 | $ 2,200.00 | $ 0.035 | $ 0.089 | 39% |
| 8 | 46,832 | 31,074 | $ 900.00 | $ 0.019 | $ 0.029 | 66% |
| 9 | 58,032 | 50,638 | $ 1,000.00 | $ 0.017 | $ 0.020 | 87% |
| 10 | 783 | 27 | $ 47.58 | $ 0.061 | $ 1.762 | 3% |
| 11 | 3,131 | 317 | $ 32.26 | $ 0.010 | $ 0.102 | 10% |
| 12 | 747 | 47 | $ 22.68 | $ 0.030 | $ 0.483 | 6% |
| 13 | 44,799 | 999 | $ 2,995.93 | $ 0.067 | $ 2.999 | 2% |
| 14 | 11,084 | 1,292 | $ 1,000.00 | $ 0.090 | $ 0.774 | 12% |
| 15 | 10,536 | 6,868 | $ 1,000.00 | $ 0.095 | $ 0.146 | 65% |
| 16 | 40,552 | 20,865 | $ 3,669.65 | $ 0.090 | $ 0.176 | 51% |
| 17 | 18,859 | 7,687 | $ 1,590.35 | $ 0.084 | $ 0.207 | 41% |
| 18 | 13,079 | 2,128 | $ 1,000.00 | $ 0.076 | $ 0.470 | 16% |
| 19 | 121,400 | 72,338 | $ 3,000.00 | $ 0.025 | $ 0.041 | 60% |
| 20 | 39,826 | 826 | $ 1,438.44 | $ 0.036 | $ 1.741 | 2% |
| 21 | 24,741 | 584 | $ 3,000.00 | $ 0.121 | $ 5.137 | 2% |
| 22 | 9,805 | 7,933 | $ 1,500.00 | $ 0.153 | $ 0.189 | 81% |
| 23 | 13,425 | 383 | $ 1,000.00 | $ 0.074 | $ 2.611 | 3% |
| 24 | 7,833 | 2,819 | $ 1,500.00 | $ 0.191 | $ 0.532 | 36% |
| 25 | 9,161 | 152 | $ 2,000.00 | $ 0.218 | $ 13.158 | 2% |
| 26 | 12,143 | 8,183 | $ 2,080.00 | $ 0.171 | $ 0.254 | 67% |
| 27 | 9,611 | 168 | $ 1,500.00 | $ 0.156 | $ 8.929 | 2% |
| 28 | 10,466 | 5,469 | $ 1,000.00 | $ 0.096 | $ 0.183 | 52% |
| 29 | 8,094 | 359 | $ 450.00 | $ 0.056 | $ 1.253 | 4% |
| 30 | 20,525 | 494 | $ 1,140.00 | $ 0.056 | $ 2.308 | 2% |
| 31 | 15,164 | 815 | $ 1,000.00 | $ 0.066 | $ 1.227 | 5% |
| 32 | 12,740 | 1,767 | $ 1,500.00 | $ 0.118 | $ 0.849 | 14% |
| 33 | 21,444 | 823 | $ 1,500.00 | $ 0.070 | $ 1.823 | 4% |

**Table 4**

*Campaigns Details Continued*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 34 | 21,948 | 1,832 | $ 2,083.00 | $ 0.095 | $ 1.137 | 8% |
| 35 | 4,462 | 375 | $ 609.73 | $ 0.137 | $ 1.626 | 8% |
| 36 | 95,023 | 41,153 | $ 3,000.00 | $ 0.032 | $ 0.073 | 43% |
| 37 | 15,148 | 8,323 | $ 880.00 | $ 0.058 | $ 0.106 | 55% |

The relation between the variables "users reached" and "post engagement" in a marketing campaign can be referred to as the "engagement rate" or the "engagement-to-reach ratio”. The engagement rate measures the level of interaction or engagement from the users who were reached by the campaign. It is calculated by dividing the number of post engagements by the number of users reached and expressing it as a percentage. This metric helps to assess the effectiveness and impact of the campaign in terms of capturing the attention and interest of the target audience. It highlights the proportion of users reached who actually engaged with the post, providing insights into the campaign's ability to capture and retain audience interest. Overall, both terms convey the idea of evaluating the level of engagement relative to the number of users reached in a marketing campaign.

The first nine campaigns show low values in Cost per User Reached and Cost per Engagement. They might not be the most successful in the User Reached column, but they remained low in their cost, which was good. Although the first three campaigns did not have a high engagement-to-reach ratio, the following six were improving with time, reaching the peak of all time, 87%. After this, there was a decline in the audience reached for campaigns 10, 11, and 12. The Cost per Lead columns have remained low or at an intermediate level. However, very low values are observed in the last column, indicating a lack of success in user interaction.

Reaching campaign number 13, which is a special case because, although it had good user reach, very few have responded to the post. Additionally, significant amount of money was invested, reaching $2,995.93 MXN. Based on this, it can be considered as a poor investment since it has had intermediate cost values and one of the lowest ratios among all the campaigns. This indicates that the audience may not have been as interested in these campaigns or there might have been incorrect market segmentation.

A common pattern is observed on campaigns 15, 16, and 17, where the values are very similar on the last three columns, which are the indicators of their success and impact. Even if their engagement is not so relevant, having a high ratio between the User Reached and the Engagement means the effectiveness it had in the segmentation and reaching its target market. This also happens with campaigns 22, 26, 28.

The most successful campaign could be the number 19, where all the color columns are in green, meaning their value are positive and high. Since it was a peak at the history of the company, must be analyzed properly to replicate its settings in the future. The second most successful campaign is the number 36. Both were live videos and with $3,000.00 MXN of investment. Nevertheless, they had different objectives in the campaign goal settings, which can be the meaning of the difference in metrics.

Analyzing the campaigns that have not been very successful, campaign number 25 is an example, where the last three columns resulted in the lowest values in the entire table. Furthermore, it was one of the campaigns with a significant investment involved, with $2,000.00 MXN, and an image was used for its publication. In general, most of the campaigns where the ratio is marked in colors close to red have values between 2% and 4%, and an investment higher than the average, which is $1,308.54 MXN. These campaigns can be considered the least effective in the company's history.

The importance of generating videos as part of the content on a business page on Facebook can be seen in Table 5. The format of the content can represent the main reason for the success of advertising campaigns, in addition to correct market segmentation. In the following table, the ratio data has been arranged in order from lowest to highest to better understand how the format influenced the campaigns. While the Engagement-to-reach ratio values ​​were low, posts containing pictures were captured. Up to the value of 14% (see Table 5), all had been pictures. From this value, taking 16% as a reference and reaching the end of the table where there is an 87% ratio, only videos are used, whether they are promotional or live broadcasts. Similarly, these colors match the Cost per Engagement column. Colors are mostly red and yellow in the first half and most of the value turn red when the format is only videos (see Table 5). Both columns, being the most important, are the most relevant indicator to corroborate that a campaign had an impact or not.

**Table 5**

*Campaign Details sort by Engagement-to-reach ratio from low to high*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Users Reached | Post Engagement | Investment | Cost per User Reached | Cost per Engagement | Engagement-to-reach ratio | Format |
| 9,161 | 152 | $ 2,000.00 | $ 0.218 | $ 13.158 | 2% | Picture |
| 9,611 | 168 | $ 1,500.00 | $ 0.156 | $ 8.929 | 2% | Picture |
| 39,826 | 826 | $ 1,438.44 | $ 0.036 | $ 1.741 | 2% | Picture |
| 44,799 | 999 | $ 2,995.93 | $ 0.067 | $ 2.999 | 2% | Picture |
| 24,741 | 584 | $ 3,000.00 | $ 0.121 | $ 5.137 | 2% | Picture |
| 20,525 | 494 | $ 1,140.00 | $ 0.056 | $ 2.308 | 2% | Picture |
| 13,425 | 383 | $ 1,000.00 | $ 0.074 | $ 2.611 | 3% | Picture |
| 783 | 27 | $ 47.58 | $ 0.061 | $ 1.762 | 3% | Picture |
| 12,664 | 467 | $ 285.57 | $ 0.023 | $ 0.611 | 4% | Pictures |
| 21,444 | 823 | $ 1,500.00 | $ 0.070 | $ 1.823 | 4% | Pictures |
| 19,710 | 848 | $ 300.00 | $ 0.015 | $ 0.354 | 4% | Picture |
| 8,094 | 359 | $ 450.00 | $ 0.056 | $ 1.253 | 4% | Picture |
| 15,164 | 815 | $ 1,000.00 | $ 0.066 | $ 1.227 | 5% | Pictures |
| 747 | 47 | $ 22.68 | $ 0.030 | $ 0.483 | 6% | Picture |
| 21,948 | 1,832 | $ 2,083.00 | $ 0.095 | $ 1.137 | 8% | Pictures |
| 4,462 | 375 | $ 609.73 | $ 0.137 | $ 1.626 | 8% | Pictures |
| 29,208 | 2,889 | $ 356.52 | $ 0.012 | $ 0.123 | 10% | Pictures |
| 3,131 | 317 | $ 32.26 | $ 0.010 | $ 0.102 | 10% | Pictures |
| 11,084 | 1,292 | $ 1,000.00 | $ 0.090 | $ 0.774 | 12% | Pictures |
| 12,740 | 1,767 | $ 1,500.00 | $ 0.118 | $ 0.849 | 14% | Pictures |
| 13,079 | 2,128 | $ 1,000.00 | $ 0.076 | $ 0.470 | 16% | Video |
| 6,984 | 1,393 | $ 321.87 | $ 0.046 | $ 0.231 | 20% | Video |
| 21,184 | 5,735 | $ 1,000.00 | $ 0.047 | $ 0.174 | 27% | Live video |
| 9,634 | 3,371 | $ 512.40 | $ 0.053 | $ 0.152 | 35% | Live video |
| 7,833 | 2,819 | $ 1,500.00 | $ 0.191 | $ 0.532 | 36% | Video |
| 62,768 | 24,619 | $ 2,200.00 | $ 0.035 | $ 0.089 | 39% | Live video |
| 18,859 | 7,687 | $ 1,590.35 | $ 0.084 | $ 0.207 | 41% | Live video |
| 95,023 | 41,153 | $ 3,000.00 | $ 0.032 | $ 0.073 | 43% | Live video |
| 40,552 | 20,865 | $ 3,669.65 | $ 0.090 | $ 0.176 | 51% | Live video |
| 10,466 | 5,469 | $ 1,000.00 | $ 0.096 | $ 0.183 | 52% | Live video |
| 15,148 | 8,323 | $ 880.00 | $ 0.058 | $ 0.106 | 55% | Live video |
| 121,400 | 72,338 | $ 3,000.00 | $ 0.025 | $ 0.041 | 60% | Live video |
| 10,536 | 6,868 | $ 1,000.00 | $ 0.095 | $ 0.146 | 65% | Live video |

**Table 5**

*Campaign Details sort by Engagement-to-reach ratio from low to high continued*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 46,832 | 31,074 | $ 900.00 | $ 0.019 | $ 0.029 | 66% | Live video |
| 12,143 | 8,183 | $ 2,080.00 | $ 0.171 | $ 0.254 | 67% | Live video |
| 9,805 | 7,933 | $ 1,500.00 | $ 0.153 | $ 0.189 | 81% | Live video |
| 58,032 | 50,638 | $ 1,000.00 | $ 0.017 | $ 0.020 | 87% | Video |

Overall, the best indicators of the campaigns are Cost per Engagement and Engagement-to-reach ratio. This is because the Cost per User Reached indicates the number of people who were able to see the campaign but likely did not show interest, so the majority of these users are not potential customers and did not make a purchase from the company afterward. With this all information said, the next step is to compare this effectiveness on social media with the number of sales around a certain period of time. The interesting part is to determine if these costs are indeed effective and whether the paid campaigns had a greater impact on the social media community or not. Even with concise information, it is necessary to analyze it more thoroughly to reach conclusions.

***Conversion Rate***

Understanding the Conversion Rate after running multiple marketing campaigns on social media is essential for assessing effectiveness, optimizing performance, evaluating cost efficiency, and making informed decisions. The Conversion Rate helps measure how successful your campaigns are in converting viewers into taking desired actions, such as making purchases or signing up. By analyzing the Conversion Rate, you can identify high-performing campaigns, areas for improvement, and opportunities for optimization. It allows you to evaluate the cost efficiency of your campaigns by comparing the Conversion Rate with the cost per conversion (CPC). Analyzing the Conversion Rate helps you allocate resources effectively, focusing on strategies that yield higher conversion rates and maximizing the return on investment. By monitoring and analyzing the Conversion Rate, you can refine your marketing strategies, improve campaign performance, and drive better results for your business.

When evaluating the effectiveness of social media campaigns, it is crucial to acknowledge the difference between post-engagement metrics on these platforms and the real-life experience of visitors in physical stores. While post-engagement metrics provide insights into user interactions, such as likes, comments, and shares, they do not necessarily translate directly into in-store visits or conversions. The distinction between online engagement and offline customer behavior is important when calculating and analyzing conversion rates. Conversion rates typically measure the percentage of users who take a desired action, such as making a purchase or visiting a physical store, in relation to the total number of users who engaged with the campaign. However, relying solely on post-engagement metrics may not provide a complete understanding of the impact of social media campaigns on driving actual store visits and subsequent sales. While social media campaigns can generate interest, awareness, and engagement, the ultimate conversion from online engagement to in-store sales may involve additional variables that are not fully captured by post-engagement metrics.

To begin the analysis, two new columns are added to have a Conversion Rate with more accuracy. These columns are *Objective* and *User Interacting*. In one hand, *Objective* describes the goal of each of the campaigns at the beginning of them, and the *User Interacting* refers to the total of people that compiled with the goal. For example, if the goal was to get more messages, the column of User Interacting will count the number of people who sent a message to the company and showed intereset in the content of the campaign. These new columns of information were extracted from the Meta Business Suite as well.

With the databases of the financial information and the campaigns ready, the next step was to merge the information into a single table to start incorporating formulas and understanding numbers to reach conclusions. In this case, the sales data was placed on the right side of the advertising campaigns. Since the campaigns did not follow a defined pattern and each had a random date on the calendar, the sales data had to be matched to compare their effect on the corresponding months. To position the sales months on the right side of the campaign data, the month was chosen, and the days had to be between the 1st and the 20th. If the advertising took effect with less than ten days remaining in the month, it was difficult to estimate the impact of that campaign on the sales for that period. Therefore, if the campaign started in the first few days of a specific month, the same month was assigned to that line of information. Conversely, if the advertising began in the last 10 days of the month, the sales of the following month were used, as the true effect could be seen more significantly with a longer duration of the marketing campaign. Most of the data belonged to specific months and could be categorized accordingly, but there were also periods with long gaps between campaigns. This excluded certain months from financial analysis. To account for these periods, those months were assigned to the previous campaign, even if there was no close date to the specific month in question. That is why repeated data can be observed within the Campaign Date column, where campaigns had to be duplicated in order to include all the months of the preliminary information. The results of the months in the campaign also repeat within the table. This is because there were instances where multiple campaigns were started within a very short period of time, and to consider them all, it was necessary to add spaces to compare their performance with a specific month.

Marketing campaigns on social media often have a residual effect that extends beyond their initial run. These campaigns leave a lasting impact on the audience and can continue to generate results even after they have ended. This can lead to increased brand awareness, as more people become exposed to the campaign's content over time. If there is a residual effect, it is necessary to describe the characteristics of the active campaign to analyze and determine its effect, whether positive, neutral, or negative. If there is an increase in sales, it can be attributed to the residual effect, where a campaign, despite not being active during a certain period, continues to have an impact on the company, thus maintaining its effectiveness, which should be measured.

The conversion rate formula is a powerful metric used in marketing to measure the effectiveness of a campaign or website in converting visitors into desired actions, such as making a purchase. It is calculated by dividing the number of conversions (items sold or transactions) by the total number of users who interacted with the campaign in social media and multiplying by 100 to express it as a percentage. For this analysis, the data on the *User Interacting* column is taken, since those were the ones who showed interest in the posts of the campaign and interacted with the campaign; and the data on Number of Items Sold, which has the information of the number of transactions over the month.

The following table is in chronological order according to the *Campaign Date* column and a color scale is used again, ranging from red to green, with yellow representing intermediate values. The only two columns that use this scale are the last two: Number of Items Sold and Conversion Rate. In both cases, low figures are represented in red color and high figures in green colors.

**Table 6**

*Conversion Rates of Each Campaign*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Campaign Date | Format | Objective | Users Interacting | Year | Month | Number of items sold | Conversion Rate |
| 02/06/19 | Pictures | Engagement | 2,889 | 2019 | June | 17 | 0.59% |
| 02/06/19 | Pictures | Engagement | 2,889 | 2019 | July | 24 | 0.83% |
| 16/08/19 | Pictures | Messages | 11 | 2019 | August | 12 | 109.09% |
| 03/09/19 | Picture | Engagement | 848 | 2019 | September | 29 | 3.42% |
| 03/09/19 | Picture | Engagement | 848 | 2019 | October | 34 | 4.01% |
| 28/10/19 | Live video | Messages | 125 | 2019 | November | 40 | 32.00% |
| 20/11/19 | Video | Messages | 63 | 2019 | November | 40 | 63.49% |
| 25/11/19 | Live video | Messages | 105 | 2019 | December | 46 | 43.81% |
| 27/12/19 | Live video | Messages | 394 | 2020 | January | 43 | 10.91% |
| 13/02/20 | Live video | Video views | 6,469 | 2020 | February | 55 | 0.85% |
| 13/02/20 | Live video | Video views | 7,685 | 2020 | March | 71 | 0.92% |
| 07/04/20 | Video | Video views | 7,685 | 2020 | April | 40 | 0.52% |
| 07/04/20 | Video | Video views | 7,685 | 2020 | May | 109 | 1.42% |
| 07/04/20 | Video | Video views | 7,685 | 2020 | June | 311 | 4.05% |
| 07/04/20 | Video | Video views | 7,685 | 2020 | July | 350 | 4.55% |
| 07/04/20 | Video | Video views | 7,685 | 2020 | August | 236 | 3.07% |
| 07/04/20 | Video | Video views | 7,685 | 2020 | September | 166 | 2.16% |
| 08/10/20 | Picture | Engagement | 27 | 2020 | October | 208 | 770.37% |
| 09/10/20 | Pictures | Engagement | 317 | 2020 | October | 208 | 65.62% |
| 09/10/20 | Picture | Messages | 19 | 2020 | October | 208 | 1094.74% |
| 03/11/20 | Picture | Messages | 955 | 2020 | November | 51 | 5.34% |
| 03/11/20 | Picture | Messages | 955 | 2020 | December | 69 | 7.23% |
| 03/11/20 | Picture | Messages | 955 | 2021 | January | 185 | 19.37% |
| 25/01/21 | Pictures | Messages | 62 | 2021 | February | 37 | 59.68% |
| 08/03/21 | Live video | Messages | 98 | 2021 | March | 127 | 129.59% |
| 08/03/21 | Live video | Messages | 98 | 2021 | April | 94 | 95.92% |
| 08/03/21 | Live video | Messages | 98 | 2021 | May | 108 | 110.20% |
| 08/03/21 | Live video | Messages | 98 | 2021 | June | 79 | 80.61% |
| 15/07/21 | Live video | Messages | 200 | 2021 | July | 119 | 59.50% |
| 30/07/21 | Live video | Messages | 88 | 2021 | August | 108 | 122.73% |
| 16/08/21 | Video | Messages | 36 | 2021 | August | 108 | 300.00% |
| 30/08/21 | Live video | Engagement | 72,338 | 2021 | September | 113 | 0.16% |
| 20/09/21 | Picture | Engagement | 826 | 2021 | September | 113 | 13.68% |

**Table 6**

*Conversion Rates of Each Campaign Continued*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 05/10/21 | Picture | Messages | 125 | 2021 | October | 102 | 81.60% |
| 05/11/21 | Live video | Messages | 65 | 2021 | November | 94 | 144.62% |
| 15/11/21 | Picture | Awareness | 55 | 2021 | November | 94 | 170.91% |
| 27/11/21 | Video | Messages | 28 | 2021 | December | 54 | 192.86% |
| 11/12/21 | Picture | Messages | 14 | 2021 | December | 54 | 385.71% |
| 06/01/22 | Live video | Messages | 30 | 2022 | January | 15 | 50.00% |
| 08/01/22 | Picture | Messages | 54 | 2022 | January | 15 | 27.78% |
| 08/01/22 | Picture | Messages | 54 | 2022 | February | 7 | 12.96% |
| 09/03/22 | Live video | Messages | 176 | 2022 | March | 55 | 31.25% |
| 09/03/22 | Live video | Messages | 176 | 2022 | April | 50 | 28.41% |
| 09/03/22 | Live video | Messages | 176 | 2022 | May | 62 | 35.23% |
| 24/05/22 | Picture | Engagement | 359 | 2022 | June | 68 | 18.94% |
| 24/05/22 | Picture | Engagement | 494 | 2022 | June | 68 | 13.77% |
| 13/06/22 | Pictures | Messages | 59 | 2022 | June | 68 | 115.25% |
| 20/06/22 | Pictures | Messages | 85 | 2022 | June | 68 | 80.00% |
| 20/06/22 | Pictures | Messages | 67 | 2022 | June | 68 | 101.49% |
| 07/07/22 | Pictures | Messages | 155 | 2022 | July | 53 | 34.19% |
| 07/07/22 | Pictures | Messages | 155 | 2022 | August | 41 | 26.45% |
| 07/07/22 | Pictures | Messages | 155 | 2022 | September | 23 | 14.84% |
| 22/09/22 | Pictures | Messages | 21 | 2022 | October | 15 | 71.43% |
| 04/11/22 | Live video | Website visit | 22,227 | 2022 | November | 16 | 0.07% |
| 20/12/22 | Live video | Messages | 107 | 2022 | December | 18 | 16.82% |
| 20/12/22 | Live video | Messages | 107 | 2023 | January | 29 | 27.10% |
| 20/12/22 | Live video | Messages | 107 | 2023 | February | 18 | 16.82% |
| 20/12/22 | Live video | Messages | 107 | 2023 | March | 10 | 9.35% |

As described earlier, in order to include all the months in the table, additional lines had to be added, resulting in the repetition of advertising campaigns up to six times, as is the case with the campaign on April 7, 2020. This campaign could have impacted sales from April to September 2020, as there were no other campaigns during this entire period. This is peculiar because there was only one campaign, and subsequently, the highest sales volumes in the company's history were achieved. Someone would expect that there would not be such a significant impact on sales, but in this case, other factors such as the COVID-19 pandemic could have influenced the results, where various behavioral and crisis-related factors might have come into play. Additionally, this could be attributed to a residual effect, so it would be worthwhile to thoroughly investigate this campaign to determine if there were specific elements that contributed to such a significant impact on the company's sales.

In general, it can be perceived that initially, during the first advertising campaigns, there was a low Conversion Rate (see Table 6). From the starting date of 02/06/19 until 07/04/20, values in red are generally observed. It is worth noting that those campaigns with values below 5% in this column aimed to obtain more video views or higher engagement. During this same period, campaigns that aimed for more messages had a higher Conversion Rate. Among these results, there is the month with the highest sales volume, July 2020, which also had the highest Conversion Rate among campaigns with objectives of more video views by the company.

After having low values in the last column, the campaign on 08/10/20 and 09/10/20 showed record figures, the highest in the tables (See Table 6). At the same time, the company was in the last months of its best streak, which occurred in 2020. Another point to highlight is that the objectives were not focused on video views but on engagement and message generation. Despite achieving the highest Conversion Rate in the second campaign on 09/10/20, the following months did not show another peak in sales like in June and July 2020.

Subsequently, and until November 2021, the company maintained intermediate values above the average of 79 items sold and had high Conversion Rates (See Table 6). Within this period, the negative points were the campaigns on 30/08/21 and 20/09/21, but again, they were focused on Engagement as the objective. It wasn't until December 2021 that sales started to consistently fall below the average. This leads to the month with the lowest sales, February 2022, where a decline is observed in Conversion Rate despite the objective being message acquisition rather than engagement. It is acceptable that sales are affected during the low seasons of the year, which typically begin at that time. However, sales were reactivated from March to July 2022.

From August 2022, the most significant decline can be observed. The last paid campaign was on 20/12/22, and its impact was positive, resulting in a slight increase in the following month, January 2023. Additionally, more months of sales were taken into account to assess its residual effect, and as a result, it can be seen that it retained its impact on social media for at least one more month. However, after two months, it lost its relevance.

The most important reason for the uneven colors in the Conversion Rate is due to the different objectives of the campaigns. Certain objectives can result in a very low value in the last column. The information would be even more accurate if the same objective or type of content were considered. However, it is easy to notice that when the objective was to obtain more Engagement, the Conversion Rate values became very low. The only exception was during the months of higher sales, which occurred during the initial phase of the pandemic, and that could have been the reason for the alteration in the information.

Engagement is a metric that businesses seek to maintain relevance on social media. It may not necessarily result in an immediate increase in sales, but it is a strategy to reach more potential customers in the near future. This is because measures the interaction, involvement, or participation that users have with the content or posts on social media platforms and reflects the level of audience involvement and interest. Higher engagement typically indicates that the content is resonating with the audience and generating meaningful interactions, which can contribute to increased brand awareness, customer loyalty, and potential conversions.

The Conversion Rate metric could be improved in accuracy having the count of people visiting the store. The number of visitors is generally considered more accurate than interactions on social media when measuring Conversion Rate for a marketing campaign. The direct measurement of visitors provides a count of individuals who actually visited the website or physical store, indicating genuine interest and potential for conversion. Measuring the number of visitors is often more reliable and accurate due to the availability of tracking tools, allowing for precise data on unique visitors and their behavior. By tracking visitors throughout their customer journey, it becomes possible to attribute conversions directly to the marketing campaign, providing a clearer understanding of its effectiveness in driving actual sales. While interactions on social media provide valuable insights, the number of visitors offers a more concrete and accurate measurement of Conversion Rate by focusing on individuals who have taken active steps towards conversion. However, this initial approach gives us indications of how campaigns are very useful for measuring metrics in a company.

***Cost per Conversion***

This metric is important in the analysis of the effectiveness of advertising campaigns in social media because a company will be able to allocate a budget more efficiently, to identify the lower costs per conversion and maximize the return of investment, to recognize the patterns or areas of improvement, to spot our targets and creative elements, to compare between the campaigns to identify the most effective strategies, and therefore, make informed choices about where to invest in the advertising budget. Analyzing the historic data, the company can compare if there was a decrease in cost while maintaining or increasing sales, suggesting that the campaigns are becoming more efficient.

Following the same information on the previous analysis, Table 7 compiles the investment put on the campaigns with the comparison of the sales per month like in the discussion of Conversion Rate (see Table 6). In this new one, the Cost per Conversion is shown.

**Table 7**

*Details of Each Advertising Campaign*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Campaign Date | Investment | Year | Month | Number of items sold | Cost per Conversion |
| 1 | 02/06/19 | $ 356.52 | 2019 | June | 17 | $ 20.97 |
| 1 | 02/06/19 | $ 356.52 | 2019 | July | 24 | $ 14.86 |
| 2 | 16/08/19 | $ 285.57 | 2019 | August | 12 | $ 23.80 |
| 3 | 03/09/19 | $ 300.00 | 2019 | September | 29 | $ 10.34 |
| 3 | 03/09/19 | $ 300.00 | 2019 | October | 34 | $ 8.82 |
| 4 | 28/10/19 | $ 512.40 | 2019 | November | 40 | $ 12.81 |
| 5 | 20/11/19 | $ 321.87 | 2019 | November | 40 | $ 8.05 |
| 6 | 25/11/19 | $1,000.00 | 2019 | December | 46 | $ 21.74 |
| 7 | 27/12/19 | $2,200.00 | 2020 | January | 43 | $ 51.16 |
| 8 | 13/02/20 | $ 900.00 | 2020 | February | 55 | $ 16.36 |
| 8 | 13/02/20 | $ 900.00 | 2020 | March | 71 | $ 12.68 |
| 9 | 07/04/20 | $1,000.00 | 2020 | April | 40 | $ 25.00 |
| 9 | 07/04/20 | $1,000.00 | 2020 | May | 109 | $ 9.17 |
| 9 | 07/04/20 | $1,000.00 | 2020 | June | 311 | $ 3.22 |
| 9 | 07/04/20 | $1,000.00 | 2020 | July | 350 | $ 2.86 |
| 9 | 07/04/20 | $1,000.00 | 2020 | August | 236 | $ 4.24 |
| 9 | 07/04/20 | $1,000.00 | 2020 | September | 166 | $ 6.02 |
| 10 | 08/10/20 | $ 47.58 | 2020 | October | 208 | $ 0.23 |
| 11 | 09/10/20 | $ 32.26 | 2020 | October | 208 | $ 0.16 |
| 12 | 09/10/20 | $ 22.68 | 2020 | October | 208 | $ 0.11 |
| 13 | 03/11/20 | $2,995.93 | 2020 | November | 51 | $ 58.74 |
| 13 | 03/11/20 | $2,995.93 | 2020 | December | 69 | $ 43.42 |
| 13 | 03/11/20 | $2,995.93 | 2021 | January | 185 | $ 16.19 |
| 14 | 25/01/21 | $1,000.00 | 2021 | February | 37 | $ 27.03 |
| 15 | 08/03/21 | $1,000.00 | 2021 | March | 127 | $ 7.87 |
| 15 | 08/03/21 | $1,000.00 | 2021 | April | 94 | $ 10.64 |
| 15 | 08/03/21 | $1,000.00 | 2021 | May | 108 | $ 9.26 |
| 15 | 08/03/21 | $1,000.00 | 2021 | June | 79 | $ 12.66 |
| 16 | 15/07/21 | $3,669.65 | 2021 | July | 119 | $ 30.84 |
| 17 | 30/07/21 | $1,590.35 | 2021 | August | 108 | $ 14.73 |
| 18 | 16/08/21 | $1,000.00 | 2021 | August | 108 | $ 9.26 |
| 19 | 30/08/21 | $3,000.00 | 2021 | September | 113 | $ 26.55 |
| 20 | 20/09/21 | $1,438.44 | 2021 | September | 113 | $ 12.73 |
| 21 | 05/10/21 | $3,000.00 | 2021 | October | 102 | $ 29.41 |

**Table 7**

*Details of Each Advertising Campaign Continued*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 22 | 05/11/21 | $1,500.00 | 2021 | November | 94 | $ 15.96 |
| 23 | 15/11/21 | $1,000.00 | 2021 | November | 94 | $ 10.64 |
| 24 | 27/11/21 | $1,500.00 | 2021 | December | 54 | $ 27.78 |
| 25 | 11/12/21 | $2,000.00 | 2021 | December | 54 | $ 37.04 |
| 26 | 06/01/22 | $2,080.00 | 2022 | January | 15 | $ 138.67 |
| 27 | 08/01/22 | $1,500.00 | 2022 | January | 15 | $ 100.00 |
| 27 | 08/01/22 | $1,500.00 | 2022 | February | 7 | $ 214.29 |
| 28 | 09/03/22 | $1,000.00 | 2022 | March | 55 | $ 18.18 |
| 28 | 09/03/22 | $1,000.00 | 2022 | April | 50 | $ 20.00 |
| 28 | 09/03/22 | $1,000.00 | 2022 | May | 62 | $ 16.13 |
| 29 | 24/05/22 | $ 450.00 | 2022 | June | 68 | $ 6.62 |
| 30 | 24/05/22 | $1,140.00 | 2022 | June | 68 | $ 16.76 |
| 31 | 13/06/22 | $1,000.00 | 2022 | June | 68 | $ 14.71 |
| 32 | 20/06/22 | $1,500.00 | 2022 | June | 68 | $ 22.06 |
| 33 | 20/06/22 | $1,500.00 | 2022 | June | 68 | $ 22.06 |
| 34 | 07/07/22 | $2,083.00 | 2022 | July | 53 | $ 39.30 |
| 34 | 07/07/22 | $2,083.00 | 2022 | August | 41 | $ 50.80 |
| 34 | 07/07/22 | $2,083.00 | 2022 | September | 23 | $ 90.57 |
| 35 | 22/09/22 | $ 609.73 | 2022 | October | 15 | $ 40.65 |
| 36 | 04/11/22 | $3,000.00 | 2022 | November | 16 | $ 187.50 |
| 37 | 20/12/22 | $ 880.00 | 2022 | December | 18 | $ 48.89 |
| 37 | 20/12/22 | $ 880.00 | 2023 | January | 29 | $ 30.34 |
| 37 | 20/12/22 | $ 880.00 | 2023 | February | 18 | $ 48.89 |
| 37 | 20/12/22 | $ 880.00 | 2023 | March | 10 | $ 88.00 |

Examining the last two columns, the colors should match indicating campaign effectiveness. If the "Number of items sold" column is in shades of green, it means there was a high volume of sales on that occasion. Similarly, if there is a green color in the last column, it indicates that the campaign was strategically invested in. However, these colors and values are not entirely reliable during the period from May to October 2020 due to the pandemic phenomenon. Once again, very favorable values are seen during these months of the year 2020.

Furthermore, as it has been previously observed in the analysis, it is necessary to have a consistent presence in campaigns to generate engagement, relevance on social media, and consequently increase the conversion rate. Despite the presence of a residual effect, there is a six-month gap between campaigns, which is highly unlikely. It is important to note that the last campaign was in April before the pause until October.

Apart from this period, it can be observed that the colors tend to be similar in the last two columns (see Table 7). The exception is at the beginning of the company, where there is a low sales volume due to being new in the market and just starting the business. However, during this period, the cost per conversion remains relatively low and below the average, which is $32.2 MXN. This indicates that the effectiveness of these initial campaigns contributed to the image that the company projected initially, which in turn led to acquiring customers that facilitated the subsequent surge in sales.

Looking at the last column (see Table 7), the sales results of January and February 2022, low values marked in red can also be observed. After this downturn, from March to June 2022, figures remained low and below average, maintaining intermediate and positive values. It was not until July 2022 that sales significantly declined, reaching March 2023, where sales volume became very low once again. Here it is clear that the absence of promotion in digital marketing becomes an important factor for the company, as the last advertising campaign took place in December 2022. Overall, the presence of this type of marketing has helped the sales of the company, and other factors could have also influenced this process.

# Testing of Propositions

In this thesis, the key aspect under investigation is the validation of the following propositions. The propositions serve as the guiding principle for this study, shaping the research questions and providing a framework for the analysis. Throughout the research process, various methods were employed to gather data and examine the propositions from multiple angles. The subsequent findings and analysis shed light on the extent to which the proposition holds true or requires further exploration and refinement.

**Proposition 1A: A New Marketing Campaign in Social Media Increases Sales in Monetary Value.**

This proposition posits that implementing a new marketing campaign in social media will result in an increase in sales in monetary value. The significance of this proposition lies in recognizing the potential influence of social media campaigns on driving monetary sales. Previous research has shown that effective social media strategies can enhance brand visibility, engage customers, and employ targeted promotional tactics. By leveraging the reach and interactive nature of social media platforms, companies can expand their customer base and encourage purchase behaviors, ultimately leading to increased sales in monetary value. The specific mechanisms through which the marketing campaign may influence sales could include improved brand awareness, increased customer trust and loyalty, or the creation of a sense of urgency through limited time offers or exclusive deals. Investigating this proposition will provide insights into the effectiveness of social media campaigns in generating tangible financial outcomes for businesses. As it was discussed back in the analysis, there was a correlation between the values of Cost per Conversion, where the last two columns of Table 7 have presented similar colors, implying that both sales values and campaign effectiveness have been maintained.

**Proposition 1B: A Past Marketing Campaign in Social Media Increases Sales in Monetary Value.**

This proposition explores the impact of past marketing campaigns in social media on sales in monetary value. While investigating the effects of current campaigns is crucial, examining the long-term implications of past campaigns is equally important. By analyzing historical data and considering residual effects, it can understood the sustained impact of social media campaigns on monetary sales. Studies have demonstrated that well-executed past campaigns can leave a lasting impression on target audiences, resulting in increased brand recognition, customer engagement, and subsequent sales. Factors such as type of content and target audience segmentation can significantly influence the magnitude of the sales increase. Also, the duration of the campaign is an important fact to analyze in future studies since there are ones that last only five days and others that last up to 64 days. The total duration can really impact in the residual effect. Investigating this proposition provides valuable insights into the long-term effectiveness of social media campaigns in generating monetary sales and inform future marketing strategies.

**Proposition 1C: A New Marketing Campaign in Social Media Increases Sales in Units.**

This proposition asserts that the implementation of a new marketing campaign in social media will lead to increased sales in units. Measuring sales in units serves as an important indicator of product demand and consumer behavior. Social media campaigns have the potential to reach a wide audience, allowing businesses to showcase their products, highlight unique selling points, and engage customers directly. By leveraging the interactive nature of social media platforms, companies can drive customer transactions, resulting in increased sales in units. This study has shown that effective social media campaigns can create product awareness, stimulate interest, and facilitate purchase decision-making processes. It is essential to consider the context-specific factors that may influence the success of these campaigns, such as the target market characteristics, or the goal chosen before the creation of it. Investigating this proposition will provide insights into the effectiveness of social media campaigns in driving product sales and inform marketing strategies aimed at increasing unit sales.

**Proposition 1D: A Past Marketing Campaign in Social Media Increases Sales in Units.**

This proposition explores the impact of past marketing campaigns in social media on sales in units. Understanding the lasting effects of previous campaigns on sales volume is crucial for businesses. By analyzing historical data and considering factors such as customer segmentation, the objective on the campaign, and choosing videos as the format of the content; it can be assessed the extent to which past social media campaigns have influenced unit sales. This study has shown that well-executed past campaigns can generate customer interest and prompt purchase behaviors. Analyzing the relationship between past social media campaigns and unit sales can uncover patterns, trends, or correlations that may have been overlooked. Investigating this proposition will provide insights into the long-term impact of social media campaigns on unit sales and inform strategies to optimize marketing efforts for driving product adoption and increasing sales volume.

**Conclusion**

With the analysis done, the best alternative is to take the best of each campaign. Getting the best out of each advertising campaign is crucial. Firstly, maximizing the effectiveness of each campaign ensures a higher return on investment. By carefully analyzing and optimizing campaigns, researchers can identify the most successful strategies, messaging, and targeting approaches, enabling them to replicate and scale those tactics in future campaigns. Each advertising campaign presents a valuable opportunity to gather insights and data. By evaluating the performance of different campaigns, researchers can gain a deeper understanding of their target audience, their preferences, and the effectiveness of various marketing channels. These insights can then inform future decision-making and strategy development, leading to more targeted and impactful campaigns.

Maximizing the potential of each campaign contributes to overall study success. By achieving positive results and demonstrating the impact of advertising on business outcomes, more people can build a strong case for the importance and value of their study. This can lead to increased support, resources, and opportunities for future research and innovation. Then, making the most of each advertising campaign in a study is essential for optimizing return on investment, gathering valuable insights, adapting to changing market dynamics, and demonstrating the impact of marketing efforts. It allows researchers to continuously improve their strategies, enhance their understanding of the target audience, and ultimately achieve greater success in their study objectives.

During the COVID-19 pandemic, consumer behavior and purchasing patterns underwent significant changes worldwide. While some industries experienced a decline in sales, others saw an increase in demand for certain products or services. It is possible that the liquidations you offer from Amazon appealed to consumers seeking affordable options during financially uncertain times. The high sales during the pandemic months may be attributed to this increased demand for discounted products.

It is also worth noting that the impact of the pandemic can vary depending on the region and local factors. Tijuana, Mexico, experienced its own unique circumstances during the pandemic, including lockdown measures, economic challenges, and shifts in consumer behavior. These local dynamics could have influenced your company's sales figures differently than the performance of your social media campaigns. The dates around June and October 2020 are not reliable due to various reasons, such as pandemic-related factors. However, upon further observation, live videos combined with the objective of more messages show a high conversion rate. The overall decline in sales can be attributed to various factors, including a lack of marketing team and shortage of merchandise and suppliers.

Regarding the lack of congruent relation with your social media stats, it is important to consider various factors. Social media marketing efforts may take time to yield results and build a strong online presence. It is possible that the social media campaigns have not yet reached their full potential or have not effectively targeted the right audience. Additionally, consumer behavior during the pandemic may have shifted towards other kinds of businesses and purchases, bypassing the need for social media promotions to drive sales. The increased demand for discounted products during the pandemic might have driven customers directly to our company's Facebook fan page without relying heavily on social media engagement.

Word-of-mouth has proven also to be a powerful marketing tool that can be just as impactful as social media campaigns. Its effectiveness is particularly valuable during the pandemic for several reasons. Firstly, word-of-mouth recommendations from friends and family carry a strong sense of trust and credibility, which is crucial during uncertain times. Additionally, word of mouth fosters personal connections and meaningful interactions, providing a much-needed sense of human connection in a time of social distancing. Moreover, word of mouth is a cost-effective strategy, as it relies on organic recommendations rather than financial investments. It can also be amplified through social media, reaching a wider audience and increasing brand awareness. Furthermore, word of mouth recommendations has an emotional impact, uplifting spirits and creating a sense of community. Lastly, word of mouth is effective at niche targeting, reaching specific communities or social circles that are more likely to engage with the brand. In summary, word of mouth could have been a powerful marketing force during the pandemic, offering trust, personal connections, cost-effectiveness, amplification through social media, emotional impact, and niche targeting capabilities.

To gain a deeper understanding of the situation, it would be beneficial to analyze the sales data in conjunction with other relevant factors, such as market trends, customer feedback, competitor analysis, and the specific characteristics of the Tijuana market. Conducting customer surveys or seeking insights from industry experts could also provide valuable perspectives on the relationship between the pandemic and your company's sales performance.

Furthermore, there are other factors that could have affected the number of sales in the company. For example, the lack of merchandise, which sometimes happened due to the nature of the business. It could be due to a supply chain failure, a lack of available volume among suppliers, or competition acquiring the best quality products. Competition played a crucial role in sales performance. Since they often shared the same suppliers, negotiations within the industry became interesting to secure specific types of items. Furthermore, at a certain point in the business trajectory, it was observed that the population of people buying these products for resale was not increasing but rather remaining stable or even decreasing, due to numerous factors. This meant that customers were actively searching among the competition for the best deals, making customer acquisition more challenging. With more upcoming rivals on the market and the pandemic going away, the company had to rely even more on marketing as the main tool to reach to customers.

Perhaps there was also a big demand but not so much supply at certain points. The abundance of merchandise also meant a good forecast for sales. But in the end, social media marketing made the difference. Even if the company had lots of different products available, they had to choose a channel to let the customers know. In the other hand, if there was no merchandise available,

As can be observed in the graphs presented earlier, there has been a decrease in the overall sales of the company. This can be attributed to the absence of advertising campaigns as previously implemented on the company's social media platforms. This, in turn, may be due to various factors; however, it serves as a significant indicator of the necessity and usefulness of utilizing such tools for success in business. This decline cannot be only attributed to any shortcomings in the social media marketing efforts, which have been successful in driving customer engagement and generating sales in the past. Instead, a shift was observed in consumer behavior where customers have begun to purchase similar products directly from suppliers in the United States, bypassing the suppliers based in Tijuana, Mexico, where the company operates. Interestingly, despite the cost of the products being practically the same, customers seem to prefer the convenience and direct access to the US market. This change in purchasing patterns has posed a challenge for the business, as it now faces increased competition from US suppliers and the need to adapt new strategies to retain the customer base.

# Study Limitations

Limitations are an inherent part of any study, and this one is no exception. Several limitations were encountered throughout the study, which should be acknowledged to provide a comprehensive understanding of its scope and potential constraints. Firstly, one limitation pertains to the organization of information within the business database. The process of retrieving data proved to be tricky, as locating the appropriate tool and accurate information was challenging at times. Consequently, it is possible that certain data points may have been inadvertently missed or not included in the analysis. The database required specific filtering criteria, focusing primarily on sales generated by wholesale products, leading to the potential omission of relevant data that may have provided additional insights. Another limitation relates to the selection and highlighting of information. This study involved decisions regarding which types of information to prioritize and what aspects to emphasize or exclude. This subjectivity may have influenced the overall analysis and potentially restricted the examination of alternative perspectives or variables.

Furthermore, this study was limited in its ability to formulate hypotheses and was instead constrained to propositions. The reasons for this restriction were that there is limited or insufficient existing research on the topic of study, meaning it can be challenging to formulate well-defined hypotheses and impacting the depth of analysis and the ability to draw conclusive findings. In such situations, researchers opt for propositions that offer a more flexible and open-ended approach to exploring the research area. Also, other limitations were time, budget, or data availability. These constraints may prevent the study from conducting rigorous hypothesis testing. Time constraints-imposed limitations on the scope and depth of the investigation. With more time, additional comparisons, in-depth field research, and expanded data collection from the campaigns could have been pursued, potentially yielding further insights, and enriching the study's findings. In such situations, formulating propositions can provide a more feasible and practical approach to generating meaningful findings within the available resources. It is worth noting that these limitations are not exhaustive, and there may be other factors that have influenced the study's outcomes. However, by acknowledging these limitations, the research can be placed within its appropriate context, and future studies can build upon these findings to overcome these constraints.

Additionally, it is important to acknowledge that certain objectives and campaigns were not explicitly mentioned in the study. The focus was primarily on specific objectives, potentially overlooking other relevant aspects that could have provided valuable insights into the effectiveness of different marketing approaches. This suggests that if the characteristics of each advertising campaign were thoroughly described and examined, it would have allowed for a more comprehensive and precise analysis. By delving into the details of each campaign, such as the target audience, messaging, creative elements, and timing, the study could have gained a deeper understanding of the factors influencing the outcomes. This would have provided valuable insights into the effectiveness of different campaign strategies, allowing for more informed decision-making, and potentially uncovering specific elements that contributed to the success or failure of the campaigns. A more thorough analysis could have revealed patterns, trends, or correlations that might have otherwise been overlooked, leading to a more accurate assessment of the impact of each campaign on the desired outcomes.

While this study utilized available data from the database, incorporating additional data points, such as the number of messages or the duration of campaigns, could have enhanced the analysis. Gathering such information would provide a more comprehensive understanding of the marketing campaigns' effectiveness and their influence on customer engagement. Therefore, it is recommended that future studies consider the incorporation of these additional data points to enhance the analysis and provide a more comprehensive evaluation of the marketing campaigns' effectiveness and their influence on customer engagement.

# Managerial Application of the Findings

Based on the research findings, it is recommended to allocate advertising budgets strategically across different channels or campaigns. The study revealed that the campaigns with live videos demonstrated higher levels of success and return on investment (ROI). Therefore, it is advisable for managers to analyze the performance metrics of their past campaigns and identify the most effective ones. These metrics are Cost per Lead, Conversion Rate and Cost per Conversion. By leveraging this information, they can allocate budgets proportionately, focusing on campaigns with a track record of delivering desired outcomes. Having the objective of making an investment that benefits the company, proper planning regarding the advertising to be implemented is paramount to achieve the goals in a better and shorter timeframe.

This study underscored the importance of targeted advertising to reach specific audience segments. Utilizing demographic, psychographic, or behavioral data, managers can identify their target audience more accurately. By tailoring messages and advertisements to resonate with these specific segments, managers can enhance campaign effectiveness and improve conversion rates. It is recommended to invest in data analytics and research to better understand audience preferences and behaviors, enabling more precise targeting strategies. In order to maximize the effectiveness of advertising campaigns, it is crucial to carefully consider target audience segmentation. Based on our research findings, it is recommended to focus on a market segment of millennials and Generation Z individuals who live in Tijuana, Mexico; with no postgraduate studies, an interest on sales, small businesses and e-commerce; and a low disposable income. By aligning your advertising efforts with the specific needs and preferences of different customer segments, you can enhance campaign performance and drive better outcomes.

The research emphasized the significant role of creative elements in advertising campaigns. To optimize engagement and brand perception, it is advised to analyze the findings of the study and identify key attributes or elements that resonated positively with the target audience. The creative elements play a critical role in capturing the attention and interest of the target audience. Our study suggests that promotional videos and live broadcasts videos have more impact on the audience and only posting pictures as part of the campaigns. The videos that are edited for promotional purposes describe the special offers and products the company has, and the live broadcasts always describe the new merchandise available in the store, giving specific details of almost all the items around the area, and making people comment on the video due to different dynamics and games. This helps the engagement of the posts. To optimize your advertising campaigns, it is recommended to acquire a phone with great camera quality to record good videos, create catching titles and you’re your audience interact with the post, just like in the live broadcast. Delivering compelling and relevant content, you can effectively engage your audience and increase the effectiveness of your campaigns. By incorporating these insights into future campaigns, managers can enhance the overall creative content and imagery to capture audience attention and drive desired actions.

Data analytics plays a crucial role in informing advertising strategies. Based on the study's findings, managers should identify key performance indicators (KPIs) that align with their campaign objectives. By monitoring and analyzing metrics like the Conversion Rate managers can make data-driven decisions. It is recommended to leverage advanced analytics tools and techniques to uncover valuable insights from large datasets, enabling continuous optimization of advertising strategies. Companies must know the performance of their companies to make good managerial and operational decisions.

This study highlights the importance of continuous testing and experimentation to refine advertising strategies. Managers are encouraged to implement multivariate testing methodologies to evaluate different ad variations, targeting methods, or campaign tactics depending on the company’s sector. By systematically testing and comparing these variables, managers can identify the most effective approaches and refine their advertising strategies accordingly. This iterative approach allows for ongoing optimization and improvement, leading to better campaign performance. For this specific case and approach, the studied company had experienced different types of campaigns, changing their elements and characteristics. In this way, the results are analyzed with enough data, and conclusions were placed.

Timing and frequency of advertising campaigns can significantly influence their effectiveness. Based on our findings, it is evident that the more time a company waits until the next campaign or marketing action, the less effective the efforts are. To optimize the campaign scheduling, it is recommended to make at least one campaign per month emphasizing the new merchandise and catching the attention of the audience. The number of live videos a company can make without any problem is one per week to ensure constant engagement with the audience the account has on social media. If the campaign is made in the first days of the month, it is better to monitor its performance and to compare it with the sales amount during the same month. By carefully planning and scheduling the campaigns, the impact can be maximized and generate better results.

To ensure ongoing success, it is crucial to monitor and evaluate the performance of advertising campaigns. Establishing clear metrics and benchmarks based on the study's findings will help managers gauge campaign effectiveness. Regularly reviewing campaign performance against these targets allows for data-driven adjustments and optimizations. The collection of campaign results information should be an essential activity to conduct an analysis as described in this document, so it is highly recommended to use a tool that can display comprehensive data from marketing campaigns implemented as part of their marketing strategies. Managers are advised to leverage tracking tools and analytics platforms to gather real-time data and insights, enabling them to make informed decisions and maximize campaign outcomes.

Finally, in order to be more accurate in the findings, surveys will be conducted towards store visitors regarding their preferences, interests, and reasons for visiting the business. The more data collected within the company, the more reliable the results of future studies will be. All with the aim of complementing the research conducted in this document. Similarly, during the next year, more promotional videos and live broadcasts will be produced, without neglecting the importance of pictures for the company's image. All the surveys conducted will have something to do with the advertising campaigns, with the purpose of knowing if the marketing had an impact.

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