

Penka Ruseva-2029255

by Penka Ruseva

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**The Political, Economic and
Sociocultural environment
of Portugal - impacts a
business communication
strategy**



**UNIVERSITY OF WALES
TRINITY SAINT DAVID**

Penka Ruseva

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Dr Essa Bah

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PORTUGAL (BACKGROUND)

Portugal is located in the southwestern region of Europe. Its origins date back to the 12th century, when the Kingdom of Portugal was founded, making it one of the earliest countries in Europe.

Portugal is renowned for its history of the sea, as it was a leading naval power during the Age of Exploration (15th and 16th centuries). Vasco da Gama and Ferdinand Magellan played crucial roles in establishing trade routes with Africa, Asia, and the Americas and expanding Portugal's influence (Livermore, 2004).

In the 20th century, Portugal endured political turmoil under the dictatorship of ⁴António de Oliveira Salazar, which lasted from 1932 to 1968. The Estado Novo was characterised by political repression and economic austerity. In 1974, however, a peaceful revolution ⁴known as the Carnation Revolution led to overthrowing the dictatorship and establishing a democratic government.

Portugal is a European and Eurozone country with a diversified economy based on tourism, industry, services, and farming. Travellers worldwide are drawn to the region's unique history, magnificent scenery, and rich cultural legacy (Librello, 2019).



POLITICAL ENVIRONMENT

Government policy changes resulting from shifting political winds may affect business communication strategies. For instance, if the government prioritises a certain industry or sustainability project, the business community may need to adjust its message to highlight its positive impact on these areas.

Political decisions regarding economic policies, taxation, and incentives can impact the business environment. These policies must be incorporated into the communication strategies of businesses. An organisation can enhance its reputation and cultivate positive relationships by emphasising how they align with and benefit from the government's economic agenda (Fronteira, Simoes, J., & Augusto, G., 2021).

Politics has a role in determining which government officials, politicians, industry groups, and community leaders are the most important for companies to interact with. Businesses can better engage with stakeholders, articulate their interests, and establish partnerships that support their aims if they have a firm grasp of the political environment.

There are issues for commercial communication strategy based on the government's political stability. Long-term strategy and communication plans may function better in a politically stable context. Firms may need to be more adaptable, responsive, and honest to address issues and maintain stakeholder confidence during political instability or change (Camerlo & Terra, D., 2020).



Economic environment

The GDP growth, inflation, and unemployment rates of Portugal all have direct bearing on the spending habits of Portuguese consumers. Businesses must have a firm grasp of the economic situation to better connect their communication tactics with customer preferences and spending habits.

Demand, supply, and levels of competition in the market are all functions of the economy as a whole. Effectively differentiating from rivals, highlighting distinct value propositions, and responding to market changes all need careful consideration of these variables in the communication tactics used by businesses.

Decisions about price and the value consumers assign to a product or service are affected by the state of the economy. During economic downturns or when consumers are price-conscious, businesses need to explain the value of their goods clearly. Justifying price choices and highlighting the value or savings their goods or services provided are both possible thanks to clear and concise communication.

Economic difficulties that are peculiar to a certain industry. For instance, industries like tourism and hospitality that rely largely on their customers may have been severely impacted by the COVID-19 outbreak. The best communication plans will consider these obstacles, reassure customers, and adjust their messages as necessary to keep up with the times (Johnson, R., 2022).



Sociocultural environment

Portugal's exceptional communication techniques result from the country's unique sociocultural situation. Personal connections, civility, and avoiding confrontation are highly prized in Portuguese society. Businesses should modify their communication techniques to accommodate these cultural norms by emphasising mutual respect and politeness in all interactions.

The adoption and use of digital technology and social media platforms are also part of the broader sociocultural context. The use of the internet and social media in Portugal has been on the rise, especially among the country's younger demographic. Businesses may use these channels to better connect with their customers by adjusting their methods of communication to the new digital environment.

Carnivals, rituals, and festivities are a part of everyday life in Portugal due to the country's rich cultural legacy. Incorporating cultural events as part of a company's marketing strategy is a great way to reach out to the community, showcase wares, and show respect for the Portuguese way of life.

Figure 1. Carnival in Portugal (Smith A., 2020)



Economic and cultural aspects of society are interwoven in complex ways. The financial gap, cultural norms, and population shifts that characterise contemporary Portugal all can shape the country's approach to public relations. Businesses may better cater their communications and products to the needs and tastes of their target audiences by gaining a deeper understanding of the socioeconomic conditions in which those audiences exist (Carvalho, Alves, F., Azeiteiro, U. M., & Meira-Cartea, P. A., 2022).

SUMMARY

The communication strategy should be influenced by the government's interests and laws. The ability of companies to swiftly adjust their communication styles is crucial when confronted with political instability or shifts in government. Businesses that possess a comprehensive understanding of the economy can more effectively customise their communication strategies to cater to the specific requirements of their target audience and take advantage of developing market trends. The selection of communication methods is influenced by various factors such as economic policies, incentives, and aid programmes. The term "sociocultural environment" encompasses multiple aspects such as language, communication, technology, culture, and value systems prevalent in a given society. To gain the locals' confidence, acquiring knowledge of their language, customs, and manner of communication is necessary. There has been a noticeable rise in participation in digital media and cultural events. Portuguese companies must consider three key contexts in their decision-making process. Improved communication focused on managing political regulations, economic realities, and cultural expectations may benefit stakeholders, regulators, and market positioning. The government's interests and laws should influence the communication strategy

THANK YOU!

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