



Instagram marketing: Assessment of investment returns

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Abstract

Instagram is the fastest growing platform on the social media ecosystem. With more than 1 billion users and more than 50% scrolling their feeds every day, it becomes important for the brands to have an Instagram presence, otherwise they will miss thousands of interactions daily with potential customers. The present study investigates the various dimensions of Instagram marketing which can be utilized by the brands to reach, engage, create brand awareness, develop brand loyalty and drive their audience towards sales. As data authenticates the decisions of marketing, the measurement of right metrics becomes very important in Instagram marketing. The study also explores the various metrics to be tracked, measured and analyzed as a huge amount of investment is made in Instagram marketing.

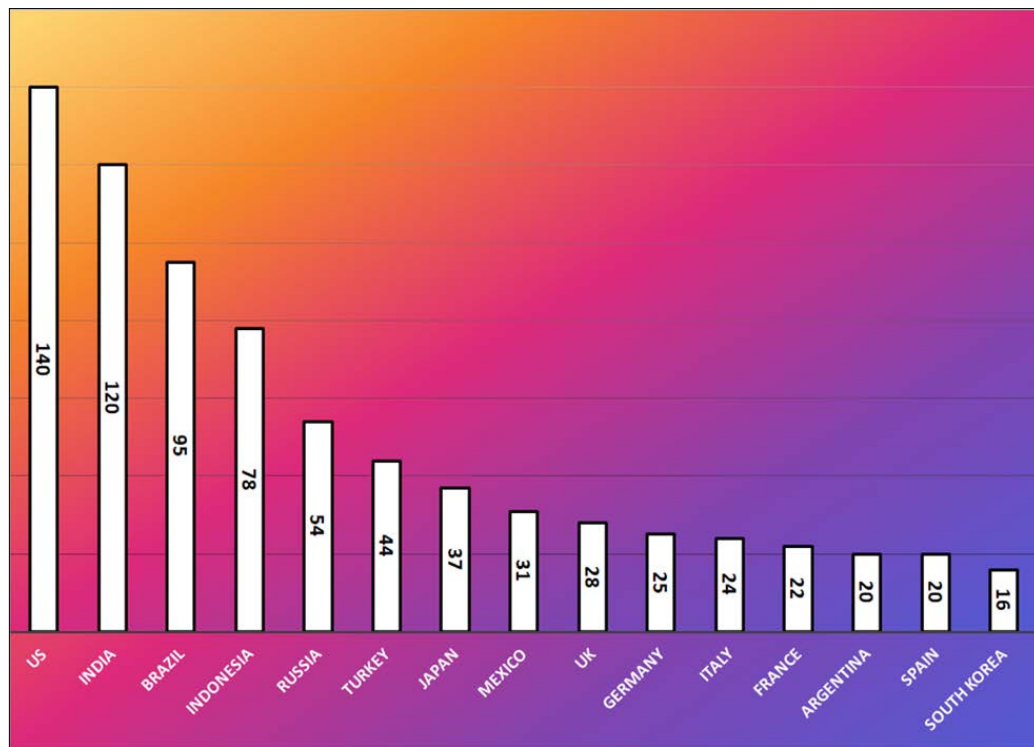
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Introduction

Instagram is one of the most influential social media platforms of the world which has 1 billion monthly active users (Facebook 2020). It has transformed itself into a full-blown marketing channel with 90% of people following a business and 84% wanting to discover new products. It had generated an ad revenue of USD 20 billion in 2019 (Omnivore). According to the Bloomberg Intelligence report 2020, Instagram is worth USD 100 billion In 2020 as compared to USD 1 billion when it was acquired by Facebook in 2012. Instagram is an online and free photo sharing application and a social network platform where the user can upload and edit photos and videos. The post remains on the profile till the account manager deletes them. Instagram along with other social platforms such as Facebook, Snapchat and Tiktok also offers stories where augmented reality-based face filters, drawings, text, link, stickers, tags can directly be added to the photos and videos. Instagram was launched in 2010 and was a photo focused social media platform. Video sharing feature was added in 2013, Instagram stories in 2016, IGTV in 2018 and Instagram Reels in 2020. Visual content on Instagram performs well because visuals are processed 60000 times faster in the brain than the text. 90% of the information transmitted to the brain is visual and 40% of people respond better to visual information than text. Consumers respond better to visuals because people remember 80% of what they see, 20% of what they read and 10% of what they hear which makes the visual format of Instagram a huge

opportunity for the brands. They can make their visual presence through photos, videos, stories, reels, IGTV and so on. As more and more people are using Instagram, a proper strategy can help to reach, engage and drive the customers to sales. Brand awareness can be increased by reacting with the target audience, through constant presence.

Instagram users are online shoppers also. 72% of the shoppers make purchase decisions while browsing. This mindset of the audience is highly convertible into sales. New business tools launched by Instagram, such as "links to Instagram stories", "shoppable Instagram post", "shop tab" help to attract the actual sales. 79% of the viewers searched for more information after seeing the product, 65% visited brand websites, 46% made a purchase, 37% visited a retail store, 31% followed brand accounts and 29% spoke to someone about the brand (Facebook 2020). Fashion industry had a brand interaction of 24% followed by e-commerce (20%), beauty (11%), automobile (9%) retail (9%), electronics (5%), services (4%), Sporting goods (3%) and others (12%) (Social Bakers 2020). The largest number of Instagram users are in the USA (140 million) followed by India (120 million), Brazil (95 million), Indonesia (78 million), Russia (54 million). Instagram users are not concentrated only in the emerging market but have popularity in developing countries also, such as Japan (37 million), UK (28 million), Germany (25 million). This depicts the wide appeal of Instagram globally. 72% of teenagers use Instagram (Omnivore) which shows that it attracts a young audience.



Data source: We are social (2020)

Fig 1

According to the Global Web index 2020, the highest level of Instagram reach is in Turkey (88%), followed by Indonesia (86%), Brazil (84%), Argentina (80%), Malaysia (76%), Saudi Arabia (76%), Portugal (74%), Nigeria (74%) and Mexico (72%). Most followed brands on Instagram are Instagram itself with 382 million followers, followed by National Geographic with 147 million followers and Nike with 123 million followers (social blade 2020). Brands of almost all the industries are having interactions on Instagram with the audiences.

Research objectives

The main research objectives of this study are as follows;

1. To identify the various routes used by brands, for the business on Instagram.
2. To find out various metrics for measuring the success of Instagram marketing.

Instagram channels for the marketers

Instagram provides various avenues to the brands to reach their audiences. The various areas where the marketers can put their investments to get the returns are as follows:

Audience Selection

Understanding the audience helps the brands to get deeper insights about the current and the prospective customers. After the brand has decided why they are using Instagram, the next question is who is going to be their audience. The analysis of age, gender and location of the audience should be made. To hit the target on Instagram they have to find out what kind of content engages their audience, what hashtags are used by them and which community they are a part of.

Business Profile

Brands have to set up a business profile which is an important reflection of a brand and the focus is to create a

great first impression. A short span of a few seconds is required to convert a viewer into a follower, when a viewer lands on a profile. This is decided by a quick glance or scroll of the feed. New features given by Instagram such as “add links to Instagram stories”, “shoppable Instagram post” and “auto publishing” to Instagram makes all the more reasons to come to a business profile. Color scheme, flow and consistency of the feed are important in the profile. Instagram stories can be used to introduce the brand to the potential customers. An eye-catching biodata adds to a good profile.

Building Content Strategy

Instagram allows four types of posts. Photo, video, shopping post and carousel posts. Photos are the most popular form as they are easy to create and edit. 68% of the instagrammers viewed photos for business (Facebook). Videos were introduced in 2013. According to the Global Web Index, 38% of the Instagram users watch video chips. When the goal is to promote a new product, videos provide the best information in a short span of time. According to HubSpot 64% of viewers are more likely to purchase a product online after watching videos of it first. Moreover, sharing a video which conveys a brand message, is a strong way to build trust with the followers. The goal of educating the viewers can be achieved by giving tutorials videos. Shopping posts are the sale options included in Instagram marketing strategy when people can shop the product on Instagram by “Tagging” products in the post. Thus, Instagram feeds are used to drive more purchases. Carousel posts were introduced in 2017. They incorporate both photos and videos. They can be used when a marketer wants to launch a new product. Sharing photos and videos from the event is a great marketing strategy for businesses. Before and after sequence is also a technique to tell the viewers as to how the products work in real life.

Instagram Stories

Instagram stories were introduced in 2017. This is another essential element of marketing mix. Instagram stories are helpful for business and therefore new features are added such as ability to see location-based stories and ability to search for stories by location and hashtag. Now, not only the followers but others can also watch these stories. If stories are hosted from a hotel in Australia, the location can be tagged with the sticker and the story will appear in that location Instagram stories. Adding links to Instagram stories, which can send the followers to specific pages from the stories, is quite successful in Instagram marketing. Instagram contests are also very effective for driving engagement and obtaining new followers. Instagram new paid partner ability helps to tag business to sponsored Instagram stories. Poll stickers, questions stickers, countdown stickers are some of the new ways to engage with the audience to collect feedback, crowdsource ideas or to build loyal following. Instagram's 'stories highlight' is another feature which helps brands to show the content which they want the user to see first. IGTV and Instagram posts can also be shared in Instagram stories.

Instagram live

According to the Global Web Index, 26% of Millennials and Generation Z in the US use Instagram live. Going live on Instagram can be a helpful method to connect with the followers in a direct and transparent way. As it is unedited so it becomes the best way to get engaged with the audience and show the human side of the brand. As it is interactive and allows questions, it can build a strong connection of the brand with potential customers.

IGTV

IGTV was introduced in 2018. It is a move of giving traditional TV experience and updating it with modern mobile experience. Long forms of videos can be shared with the followers. A move towards episodic content makes IGTV very popular in brands such as Lululemon, BBC News, Meji and So Yummy. Beauty brand Tarte Cosmetics, ESPN which features behind the series interview of athletes and game recap are some of the successful players on IGTV.

Instagram Reels

It was launched in August 2020. It is a process of creating and discovering short and entertaining videos on Instagram. A 15 second multi clip video along with audio effects and augmented reality can be recorded and edited. They can be shared with the followers. This can help to reach new audiences on the globe. Reels can be used for creating a short profile of the business. When the objective of a brand is to win the attention of the customers, Reel can help.

Instagram Marketing Metrics– Tracking and measurement

Analysis of Instagram metrics is important as it helps to target the right audience, improves the content strategy and reach the new audiences. As every brand has its unique goals such as increasing engagement, building brand awareness, increasing brand loyalty, growing followers, increasing the clicks and conversions, the strategy to find the right metrics to measure it and to analyses it will differ from case to case. Therefore, after clarifying the goals of the

business, the choice of the metric and its analysis can be carried forward.

Instagram Audience Metrics

Who is the target audience, their gender, their age, geographical location and interest should be analyzed so as to get the grip of the audience? It helps in remodeling the content, the timing of the post and comments. This is important because it helps to define the target market whom the brands are speaking to, which is crucial for the content strategy of the brand.

Instagram Profile Metrics

The major profile metrics are reach, impressions, profile visits, engagement rate, post followed by the followers, follower's growth and metrics of branded hashtags.

Reach

In order to find out the brand awareness and how many users have seen the post, reach metric needs to be analyzed. It points towards the awareness and value gained by the post. The hashtag which was used, timing of the post and call-to-action have a direct impact on the reach. Impression refers to the number of times the content (photo, video, story, reels or IGTV) has been displayed. It depicts which content resonates deeply with the audience, provides inspiration and has a lasting impact. It also indicates how well the post is performing. For high performing posts, what was the source of impression, the time and the day of the post, and the content should be analyzed. There is a difference between reach and impressions. Reach indicates the actual use of the content whereas impression shows that the content was displayed but may not have generated a click or any other engagement.

Engagement Rate, to understand how much the audience is interested in the brand, analyses of the engagement rate are required. It can be tracked by comments, likes and shares and helps to know the best performing post and the interest of customers. Through this metric we can improve business strategy. Engagement rate is equal to likes plus comments divided by the total number of followers.

A profile view is when a user finds a post and wants to know more about the brand, then they turn to the profile. This shows how the content drives interest towards the brand. Branded hashtags show how effective the Instagram stories are and make the public talk about the brand, it is a hashtag created by the account holder to build a community around the brand to set and Instagram trend, to find out how the posting strategies are working and which the most engaging post is.

Followers Growth

It is the most sought-after metric and is the ratio between the gained and the lost followers.

Monitoring the follower's growth rate and comparing it with the content can help the brand to know what is working for their account.

Most active time

Posting when the audience is most active can optimize the Instagram marketing strategy. At this time the followers are more likely to comment, share, like or call for action on the post. More engagement of the post would ultimately lead to more reach of the brand.

Instagram Content Metrics

Content metric should be analyzed in order to get a 360° view of the content that has performed best over a period of time which in turn will determine the success of the brand strategy. There are a lot metrics which help to assess the Instagram content such as likes, comments, saves, clicks, emails, get direction, website click and views for videos.

Instagram calls can track how many leads are generated by a post. Instagram email along with calls is helpful in tracking the lead generation. The email clicks rates are the number of taps to email divided by number of profile views. Test drive refers to the number of clicks made to get driven towards the business. It is the number of test drive click divided by total number of profile views. Likes shows that the post was seen by the followers and comments indicate that the content had some kind of impact on them. They convey which posts encourage engagement from the community. They should be compared with the size of the audience for analysis purposes. Website click refers to how many views went to the website directly from the Instagram content which helps to measure the lead generation. It strongly indicates that the audience is inspired to know more about the product.

Sales

Instagram uses shopping features to drive sales on the platform such as shoppable posts, stories, checkout, Instagram shop. conversions can be tracked and the revenue and can be calculated through this metric.

Saves By tapping the' bookmark icon on the post, the user can save the post for a later time. Which content led to the highest number of saves can become an important input for future strategy.

Instagram Stories Metrics

Stories disappear after 24 hours but its analyses can ensure whether they are having lasting impact or not. Reviewing the story performance can give clues about which stories are working best for the brands. The various metrics which can be analyzed are story impression, reach, tap on stories, back tap, exit, reply, next story, skip, story retention rate and story type.

Discovery

Reach, the number of viewers who saw the story and impressions of the number of times the story was viewed, can give the clue as to how many people use Instagram to discover the brand and get into the brand after seeing it in the stories (Facebook).

Navigation- forward taps is the number of times the viewer has stepped on to the next story. If the number is not low, it will indicate that content is not focused and engaging. Back tap is the number of times a viewer tapped back to see the previous story which indicates the interest and engagement of the viewer. Next story, which is the number of times the viewer skips to the next story, helps to find the optimal time for the story post for example, whether it should be of four slides or ten slides. Exit shows the number of viewers who left the story without watching it to the end. Exit rate is the number of exits divided by number of impressions. High exit rate may alienate the followers and ultimately make them not follow. Skip shows that the viewer does not want to see the present story but still wants to see the next story. Replies is a good measure which shows positive

engagement although a controversial story may have angry messages. Story retention rate shows how many viewers watched the story up to the end. It can be measured by dividing the impressions of the last story by impressions of the first story within twenty-four hours. Analysis of these metrics suggest what is working and what is not.

Hashtags and location stickers

hashtag, location, mentions and product tags are some of the Instagram story stickers which help the story to reach a larger audience. sticker taps can be taken as interactions.

IGTV Metrics

The performance metrics of IGTV can be views, like, comment, saves, audience retention rate. to create a video and which content engaged most of the audience can be decided through these metrics. Watching more than 3 seconds is counted as views average percentage watched (audience retention) which represents how many viewers have watched the video from start to the finish.

Instagram Reels Metrics

Number of views each published post has earned, likes and comments it has received can help to analyse this new feature introduced by Instagram.

Discussion

To find out which Instagram channel is best suited for the business, the brands have first to identify the goals on Instagram, which means success to them. It is important to identify these goals as they play a decisive role in tracking the metrics for the success of business strategy on Instagram. Whether the goal is to build brand awareness, brand loyalty or it is to showcase the product, whether it is reach, engagement or growth of the followers or whether they want to give information and educate the customer, whatever is the objective, it will be instrumental in deciding which particular analytics is used to track the success. Analysis of Instagram metrics is the best way to find out whether the time, energy and the budget which the brands had spent on the Instagram platform was worth it or not. It shows which aspects of Instagram platform should be focused and also provides the data which is required to prove the return on investment on Instagram. Thus, the marketer has to make an appropriate mix of the routes to reach the audience on Instagram. This in turn will depend upon the various objectives which the brands seek to achieve from Instagram marketing. According to the channel selected, the related metrics should be assessed and analyzed which can result in the best returns of investment in Instagram marketing.

Conclusion

Instagram enables interaction of brands with people. The marketer has an opportunity to reach various customers across generations. The paper studied how brands use Instagram and what they use it for. Various routes through which marketers can reach the customers through Instagram, such as photo, video, stories, IGT and Reels are discussed. The metrics which can judge whether investment in Instagram is profitable or not are also studied. Engagement rate, followers' rate, impressions, reach, along with story analysis are the important metrics which need constant and deep analysis by the marketers to track their

investments. There is a great scope for further research where a comparative analysis of Instagram and other social media platforms such as Facebook, Snapchat and Tiktok can be analyzed.

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