

Whitepaper on Advertising Through Instagram

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Executive summary

This white paper will address the importance of businesses using Instagram to their advantage and what strategies are most useful in reaching target audiences through the app. Despite the popularity of other platforms, Instagram has established a unique user base which requires a different approach in advertising. With popular accounts such as National Geographic, Nike and Victoria's Secret leading the way in terms of follower counts among brands, they prove to be a useful example for others seeking to build a stronger social media presence.

Introduction

Since its launch in 2010, Instagram has grown to have over 700 million users worldwide, and over 400 million active each day. With competing social media platforms such as Facebook, Twitter, Tumblr, Snapchat, and Pinterest, it's understandable how a business might decide it's advertising dollars should focus on simply one or two platforms, but the opportunities to present a service or product on Instagram are unmatched on other media. It is important to recognize the options available and what it takes to make a business account successful.

Background Information

Instagram is a mobile photo-sharing social media platform that allows users to upload photos and videos, interact with other users by following their profiles, or liking, sharing and commenting on their posts. Through the use of hashtags and geotags, users can link their own content to others on the platform who have posted the same theme or location. Similarly, the Explore page presents users with popular accounts and photos, varying depending on the Instagram algorithm that decides what each user might find interesting. The app has recently added features that include private messaging, "Stories" and "Instagram Live" which allows uploaded content that disappears after 24 hours and live video streaming, and sponsored posts, which businesses can make to reach a larger audience.

One of the biggest improvements to Instagram in favor of brands wanting to advertise was made in June of 2016, with the introduction of business profiles. A business profile allows the promotion of specific posts to potentially interested users or near a specific address. The Insights feature helps in tracking your audience's engagement and the number of impressions your posts have made.

Problem

As technology advances in our image-oriented society not only do we demand information much faster than before, we seek it in visual format. However, many brands do not take this idea and use it to their advantage by using photo-centric social media platforms to their advantage. According to Instagram, there are currently more than 15 million business profiles on the app and only over 2 million take advantage of its advertising options. In the United States, businesses are missing opportunities to reach 32% of adult internet users through the app. Businesses are also more likely to attract users who are more likely to engage with their posts. Yotpo's research shows that the average seconds a person will engage is higher on Instagram.

Which Channels Bring The Most Engaged Traffic?

Average Seconds on Site Per Visit



Figures courtesy of Yotpo's global userbase of over 165,000 online businesses.

Data Driven by 

Solution

Brands that aim to interact with a younger audience and can understand the strategies to encourage engagement should strongly consider using Instagram to advertise. Younger generations particularly have taken a liking to Instagram with 55% of U.S Internet users ages 18-29 using the app, according to a 2015 Pew Research Center report.

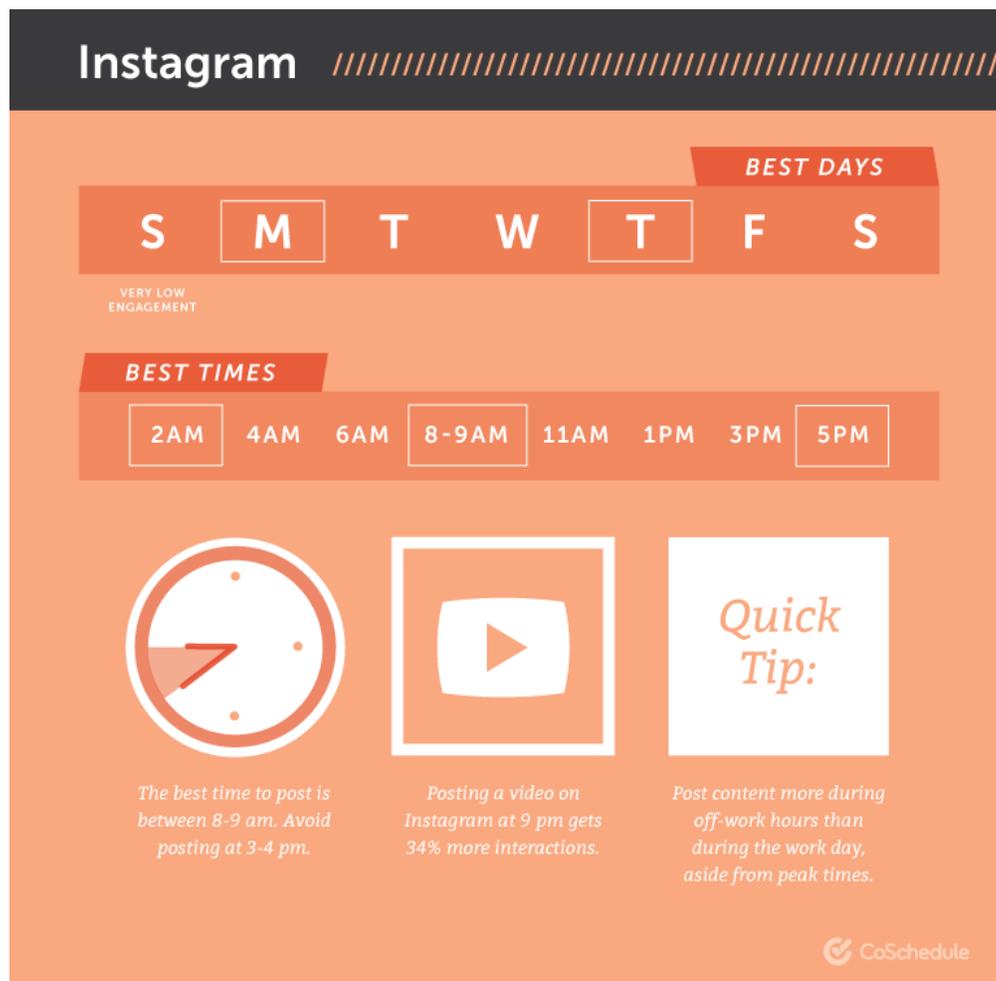
The social media platform offers photo, video, carousel, and Stories advertisement. The photo, video, and carousel sponsored posts will appear on users' feed as they scroll, however the carousel option presents users with the ability to swipe to see more than one photo. Advertisements through Instagram Stories will appear full screen while people are watching story posts from accounts they already follow. Outside of advertisement opportunities offered directly from Instagram, brand recognition can be increased by partnering with other brands or social media influencers with a strong online presence.

Creating a sponsored post advertisement is also customizable to fit company needs. You can set a budget to how much you are willing to spend on the sponsored post per day, set how many days you would like the ad to run, select your audience, and create a call to action by linking viewers to your website or profile.

Advertisements can be shown to specific audiences by targeting depending on location, demographic, behaviors, and interests, as well as an automated audience, a custom audience based on email address or phone numbers, or a lookalike audience, users who are similar to your existing followers.

In addition to advertisements to attract potential followers or customers, it is also important to keep that attention and encourage following your brand and interacting with your posts. To maintain engaged followers, knowing when and what to post is crucial.

A recent CoSchedule article explains there are several times throughout the day during which posts are more likely to gain attention, except for 3pm to 4pm. This is likely due to the platform being used primarily on mobile devices that can be accessed at any time. Although the algorithm Instagram uses when displaying photos on someone's feed is based on the attention it gets and not the chronological order in which posts were published, the following infographic shows the optimal days and hours to post to increase attention.



Knowing what to post to your Instagram is also important in showing your followers what your business is about. Consistently posting photos with similar themes, color schemes, or filters is encouraged so followers easily distinguish your posts from others on their feed. Short simple captions with relevant hashtags are suggested to not overwhelm the viewer. Instagram is a photo-centric platform, where photos use the majority of the screen, and often times users do not read the caption. The goal is to interest your followers with simple copy, and gain exposure by

including hashtags. A 2014 Simply Measured study found that posts with at least one hashtag received 12.6% more engagement on average.

To successfully build your brands social media presence through Instagram, it is useful to understand basic concepts of design to post photos that are aesthetically pleasing and interest your followers. Knowing your target audience is also useful in the process of deciding what kind of photos and captions to post.

Examples

One of Instagram's featured advertising success stories comes from Interpark Tour, South Korea's leading online travel agency. Their goal was to "deliver brand message and increase online sales" by using inspiring videos of travel to draw attention to their service. Interpark Tour used the lookalike audience option and carousel video advertisements which resulted in "7,800 purchases (6X over target), 15,000 website clicks (2.2X over target) and a 540X return on ad spend."

Conclusion

In short, Instagram has shown incredible growth in recent years and is now a leading social media platform worldwide. Users consistently engage with the brands they connect with and can do so at a moment's notice due to the app's mobile-exclusivity and customizable notification settings. With more than 2 million monthly advertisers, it's usage can only continue to grow.

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