

In a World of Social Media: A Case Study Analysis of Instagram

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Abstract: Social media is a great way to foster a personal relationship between a brand and its followers. With over 400 million users and 80 million posts per day, Instagram has become an essential social media marketing tool for all business. Yet, with frequent changing of social media use patterns and preferences, it can be challenging to assign the right strategy to the right social media platform. The purpose of this case study is to explore how Instagram can improve as a mobile app for businesses and consumers. The study begins by exploring the rise of multi-platform use. The study will also evaluate and compare major social channels in terms of consumer and brand preferences. The study will then analyze and provide insights on ways Instagram can improve as a marketing platform for businesses. Data collection is achieved through case study analysis as an empirical way to examine social media platforms. This study provides individuals and businesses engaged in social media a comparison of major social media platforms and provides insight into digital marketing strategies for Instagram and businesses alike. The application of these conclusions could increase the survival rate of new social media platforms and provide a better understanding of Instagram as a strategic tool for practitioners. The study is significant because this research widens contemporary assumptions about strategic thinking for social media mechanisms.

Keywords: Instagram, Social media, Businesses, Consumers, Digitalization, Case Study, Data Collection, Digital Marketing

INTRODUCTION

Social media has been a part of our lives for years. The social network is the collective of online communication channels dedicated to community-based input, interaction, content sharing, and collaboration (Rouse, 2016). Social networks started out as a way for people to remain connected or reconnected with friends and family. Now, social media is used as much more than that. The world is getting more and more dependent on digitalization, and social media is making the internet not only a source of information, but also a source of influence (Hanna, Rohm, & Crittenden, 2011). In general, businesses should seek to integrate social media into their strategy to attract and interact with customers. In fact, Larson and Draper (2017) argued that today's businesses need to understand digital marketing in general. That reality means individuals need to be able to utilize a variety of social media platforms, including Facebook, YouTube, Twitter, Instagram, Snapchat, and other web platforms. Organizations are able to reach the global market through social media due to millions of users worldwide. This research was conducted to evaluate Instagram's marketing strategies using qualitative content analysis to facilitate a case study analysis.

What is Instagram? Instagram is a mobile app (iOS and Android) that enables users to instantly turn their mobile snapshots into visually appealing images, which are then shared with others on the network (Larson & Draper, 2017). The images can be shared on other social networks, as well, including Twitter, Facebook, Tumblr, Flickr, and Foursquare. In fact, Instagram provides an advantage for individuals using such a vast network to continuously learn new ideas and communicate them to an ever-present community. With that in

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mind, the purpose of this article is to explore how Instagram can improve as a mobile app for businesses and consumers.

REVIEW OF LITERATURE

Every day, billions of humans connect through various social media platforms that are widely used for communication and information exchange. Aichner and Jacob (2015) described social media as “web-based applications and interactive platforms that facilitate the creation, discussion, modification, and exchange of user-generated content.” They also identify 13 types of social media: social networks, “blogs, business networks, collaborative projects, enterprise social networks, forums, micro blogs, photo sharing, product/services reviews, social bookmarking, social gaming, video sharing, and virtual worlds” (p. 258). As of today, Facebook is the most used social media platform in the world with more than 1.5 billion active users (Kousoulou, 2016).

As the world is getting more and more dependent on digitalization, social media is making the internet not only a source of information, but also a source of influence (Hanna, Rohm, & Crittenden, 2011). Consequently, businesses should seek to integrate social media into their strategy to attract and interact with customers. A 2014 survey of 351 business executives revealed that 9% of marketing budgets are assigned to social media marketing (Yang, Lin, Carlson, & Ross, 2016, p. 526). Social media strategies are now treated as an integral part of Integrated Marketing Communications (IMC) and help in organizations’ promotional efforts by facilitating interaction between the organization and its customers and among the customers themselves. Therefore, most stakeholders expect organizations to have some presence on social media platforms, and a lack of these venues is considered unacceptable and non-normative in this day and age (Jain, Zaher, & Roy, 2017, p. 2).

Recent studies on the importance and impact of social media in the business world agree on the valuable benefits for a company to invest in social media marketing. First, social networks are tools to make a business stand out and increase awareness. Taken Smith, Blazovich, and Murphy Smith stated that 88% of marketers gained more exposure for their business and two-thirds of marketers experienced a rise in search engine rankings due to social media marketing (2015, p. 131). These numbers can be explained by the fact that customers trust social media more than corporate-sponsored messages concerning product information. Second, by creating online communities, companies can earn customer loyalty. Social media allows businesses to establish a strong relationship with customers. They share their vision, values, and products, as well as receive in return feedback and new customers. Value is derived from online customer communities, the participants of which are so engaged with the company that they become loyal customers and even champions for the brand. These types of customers are instrumental in facilitating viral marketing and driving traffic to the company site (Taken Smith et al., 2015, p. 131). Thus, through social media platforms, companies can increase profits. Even though it is difficult to measure the Return On Investment (ROI) of social media (Taken Smith et al., 2015, p.128), studies show that there is a positive correlation between social media activity and a firm’s financial performance (Yang et al., 2016, p. 527). Indeed, the R&D, marketing, sales, and customer service that departments gain from social media insights about customers’ preferences can lead to the creation of new products and informed decisions about the best way to advertise and serve clients. Taken Smith et al., claimed that 80% of Fortune 500 companies are engaged in social media, and believe that the impact on the bottom line is most noticeable on long-term performance (2015, p. 132- 134).

METHOD

In order to best evaluate Instagram’s social media strategy, this case study employs qualitative content analysis. Case studies are mostly used in disciplines like organizational studies and social sciences (Kohlbacher, 2006). They can be explanatory, exploratory, descriptive, interpretive, or evaluative (Zainal, 2007, p.3). A case study is defined as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2003). Case

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study analysis benefits students by developing their problem-solving skills and engaging them on the topic of interest (Tidwell, 2015). It also allows them to apply concepts learned in class and increase their knowledge of a company or a phenomenon. This method also allowed the researchers to gain new insight on social media platforms. Additionally, Competitor and SWOT Analyses were utilized to gain a better understanding of this social media platform.

ORGANIZATIONAL BACKGROUND

Organizations are created on the dedication and hard work of select individuals who want to better the environment and market with their product or service. Instagram founders, Kevin Systrom and Mike Krieger, created a revolutionary idea that combined increasingly available pictures with the ease of connecting with people through social media (Lagorio, 2012). In 2010, Instagram was available to the public via a free download. The creation of Instagram revolutionized how social media organizations are structured. Instagram utilized the strength of a flat organization to leverage the ability of its members to be open and creative while maintaining collective direction. Flat organizations often lead to an environment of innovation and creativity. The culture on Instagram is a reflection of the structure throughout the company. This combination of culture and structure allowed Instagram to create an app allowing users to connect via a platform of picture sharing and location services.

Today, there are more than 800 million users, which places Instagram as one of the most popular social networks worldwide (Instagram, 2017). One of the greatest advantages of having a presence on a platform, such as Instagram, is the ability to tap into the growing social media network and directly communicate with over 800 million active users from around the world. Instagram created a strategy to focus on certain aspects of the market and target users based on identifiable similarities in the way people communicate (Larson & Draper, 2017). Instagram's strategy mirrors the Porter focus strategy in that it creates a specialized service in a limited market. Instagram is a fantastic place for individuals to share ideas, connect with foreign worlds, increase humankind's knowledge, and increase diversity. Instagram provides an important advantage for individuals using such a vast network to continuously learn new ideas and communicate them to an ever-present community.

RESULTS AND DISCUSSION

Strategic analysis is a vital instrument for evaluating Instagram. Effective analysis breaks down several key factors, such as the competitive environment, key obstacles, and critical assumptions, impacting organizational strategies (Harris & Lennox, 2013). These management tools "provide a structured method for organizing and understanding the complex trends and developments" that are occurring across this business sector (Palmer, Dunford, & Buchanan, 2017). This research probes deeper into the infrastructure of Instagram by evaluating the company's strategy, structure, and organizational culture. A comprehensive strategic analysis includes; (a) an identification of the organization's current competitive environment, (b) a consideration of the pros and cons of its actions, and (c) the advancement of a set of recommendations based on its strategic analyses (Harris & Lennox, 2013).

When conducting competitor analysis, a company needs to gather information about each competitor's real and perceived strengths and weaknesses (Kotler & Keller, 2012). In this case study, Instagram was compared to Snapchat and Pinterest (See Tables 1.1 & 1.2 for SWOT and Competitor Analysis). A market analysis is an important tool that is used to analyze the three social media platforms. A SWOT analysis is an overall evaluation of a company's strengths, weaknesses, opportunities, and threats. It is a tool that is used to analyze the internal and external environment faced by the firm being considered (Kotler & Keller, 2014).

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Because Instagram is used by 800 million active users (MediaKix, 2017), it allows people to manipulate their photos to their liking, and now it has a feature similar to Snapchat's through which a user can share a "story" for 24 hours until it disappears, along with the infamous face filters. It has also adopted Facebook's direct message feature. Privacy concerns can be easily addressed through Instagram's private/public feature. Interestingly, Instagram started out as a mobile photo-sharing application and quickly turned into an advertising platform for all companies in social media. Now, companies utilize Instagram more than ever. When scrolling through Instagram, you might see a sponsored advertisement, and it allows you to tap on the screen and reach the product instantly and effortlessly. Our SWOT analysis identified one potential major issue: photo copyrights. Copyrights become an issue on Instagram because people can steal your photos/ideas, and call it their own. When you are business, this could be detrimental to your brand.

Additionally, the analysis showed that Instagram should be available on more devices than just Android and iPhone. In fact, this reality is a limitation of the organization's growth. Being mobile-dependent, Instagram is challenging to run the application through a web browser, and only one device can operate an Instagram account (Wilkerson, 2018). With that being said, Instagram is known for being innovative, being the first social media application to have a picture-only feature. Thus, Instagram is well-positioned to dominate its current competitors with revolutionary thinking. In fact, Instagram leads their market by understanding their current and future users. For example, many millennials are connecting better with Instagram than other social media platforms like Facebook due to the photo interface. Within the library community, Instagram's adoption has been strongest in academic libraries with the highest number of Instagram users being college-age patrons (Wilkerson, 2018). With that type of forward-thinking, Instagram may be able to sustain their current rate of growth.

Furthermore, Snapchat may be the best competitors to challenge Instagram's domination of the social media category. Snapchat is used by 100 million active users (MediaKix, 2017). With the second most used application, Snapchat is a top competitor with a lot of features. Snapchat is an instant picture-sharing application that allows people to share pictures that disappear in a matter of seconds along with the instant messages. Snapchat originally had the infamous face filters, but that is now on Instagram as well. Snapchat offers control to their users in a fun, virtual way. Although Snapchat consumers can tailor their stories to the public or viewed by followers only, privacy issues arose when people were informed that their ten-second pictures were not disappearing like they thought. One major threat that Snapchat faces is imitation, as evidenced by Instagram now having the face filters and insta-stories. Businesses have started utilizing Snapchat for advertisements. Advertisements pop-up when viewing friends' stories, 'the featured' stories, shows, our stories, and daily stories. When viewing a story on Snapchat, an advertisement will pop-up mid story and allow you to "swipe up" to access the product instantly, which is a great way to reach a target audience. However, consumers can skip advertisements by tapping their screen, and that is not beneficial to companies paying Snapchat to promote their products. Just behind Instagram, Snapchat is a great advertising platform, but should not be used primarily for advertising and marketing.

75 million people use Pinterest, and the vast majority of those people are women (Beese, 2017). Pinterest has a diverse user group and promotes itself as a web and mobile sharing application. With Pinterest, consumers can search the web on a much more focused scale. Free access, virtual bulletin boards, bookmarking, and user-friendliness are just a few features that Pinterest has to offer. It can be used for marketing and advertising in several ways, including using keywords in titles, embedding pins in blogs, using your blog for business as an analytics tool, and having pinnable images on every post published. However, SWOT analysis indicates that Pinterest could be seen as more of a woman's preference than a gender-neutral site, which is a potential weakness for the app. Pinterest has several marketing and advertising tools for companies; however, it should not be a primary contender because Snapchat and Instagram are better platforms. They can all be used as complements to each other to reach different audiences, nevertheless.

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Table 1.1. Competitor Analysis

Critical Elements	Instagram	Snapchat (Industry Competitor)	Pinterest (Industry Competitor)
Unique Selling Proposition	Promotes itself as an instant photo sharing/video application.	Promotes itself as a video/picture sharing messaging application.	Promotes itself as a web and mobile sharing application.
Value to Prospective Customers	Customers can view other people's lives at their fingertips. Can also shop and see the latest trends.	Customers can instant message pictures/videos and send money in seconds.	Customers can search the world wide web from the application, utilizing images on a focused scale.
Core Competencies	Instagram specializes in advertising and picture sharing.	Snapchat specializes in video/picture sharing and has recently started with advertising.	Pinterest is a social media, bookmarking application that allows users to discover and share creative ideas.
Positioning in the Market (i.e., top, middle, bottom)	Top	Top	Middle
Marketing Mix Product Price Place Promotion	Product: Variety of services Price: Free Place: Online Promotion: Ads	Product: Variety of services Price: Free Place: Online Promotion: Ads	Product: Variety of services Price: Free Place: Online Promotion: Ads
Overall Impressions in the Market	Instagram is considered an industry leader in social media. It allows people to see other's lives, and it is utilized by companies to promote their products.	Snapchat is considered an industry leader in messaging through picture sharing.	Pinterest is considered an industry leader in web searching. For example, it has allowed people to search recipes and DIYs conveniently.

Table 1.2. SWOT Analysis

	Instagram	Snapchat	Pinterest
Strengths	Multiple filters available to enhance and customize pictures Strong and supportive parent company 800+ million users First social media app for pictures only	Constant refreshing of pictures Growing application for users Innovative platform for picture sharing Does not store historical photos	Diverse user group Virtual bulletin boards User friendly
Weaknesses	Not available on PC operations; i.e., interact online like you can on your device Required to follow to view content Weakened privacy firewall	Lack of discreetness Not a diverse product Pictures are only available for a small amount of time	Possible gender biases Susceptible to spam pictures Based on user uploads

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Opportunity	Advertisement opportunities Technology development	Advertising opportunities Growth and product enhancement	Growing business with opportunity for advertisement Social networking Linked with Facebook and Twitter
Threats	Faces strong competition Possible issues with photo rights	Negative publicity Legal ramifications	Copy-cat websites Spam Other social media sites adopting bookmarking features

STRATEGIC IMPLICATIONS

If social media platforms, like Instagram, want to be successful, they must apply a systemic approach to the market. Hu, Manikonda, and Kambhampati (2014) established Instagram as an innovator in the marketplace. Instagram has enjoyed rapid growth in the number of users since its inception in 2010. The organization has attracted millions of users with 55 million photos being uploaded daily. Instagram is the most popular photo-capturing media app to date (Hu, Manikonda, & Kambhampati, 2014). Yet, past achievements provided no future guarantees for future success in the market. This research produced several strategic implications in this academic article:

Adoption Rates

Key findings of the case analysis show that brands that choose to incorporate Instagram into their social media strategy continue to see an increase in purchasing power and online customer engagement. Although overall adoption rates for brands have increased significantly in recent years, adoption rates among older adults are still low. According to a study conducted by PEW research, US Facebook users aged 45-54 are spending more time on Facebook, and represent 21% of the total time spent on the platform, more than any other age group. (2) This is likely an indicator of the channels that brands are actively using to promote content and target consumers. Currently, Instagram does not provide the option to view trending topics, such as worldwide news, sports, and events that can appeal to older consumer segments and attract more businesses.

Accessibility

The Instagram app was created as a portable system, designed for mobile devices, such as smartphones and tablets. Instagram is only available as an iPhone and Android app. This photo-sharing app excludes the mobile users who have Windows, Linux, or Blackberry operating systems. (3) There is a large market that business cannot reach. Instagram could develop a universal app that can be downloaded to any type of computer, tablet, or smartphone. A universal app will attract more business and reach a larger audience. There is now a web version, which can be accessed on computers, but it lacks many of the attractive features that are only available on the mobile app.

CONCLUSIONS

Social media platforms are increasing in popularity since they allow users to connect and interact with each other and share their experiences, activities, and passions. Social media is also influential and one of the most important tools for marketing and branding. This study provided insights on various tactics that Instagram can utilize to improve as a marketing platform for businesses. Launched in 2010, Instagram evolved quickly to become one of the most favorite social media platforms for individuals and businesses. What makes Instagram unique is the instant photo and video editing and sharing with an audience of 800 million active users. This platform benefits from a good positioning and can take advantage of exciting advertisement opportunities and technological advancements. The main strengths of Instagram are having a high user base and having a

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strong supportive parent company. It is also utilized by many businesses and has allowed small businesses to grow their online presence. The disadvantages of the company are the photo rights issues and the strong competition. In order for Instagram to maintain their lead in social media, they should improve in favor of business utilization. For example, businesses would benefit from being able to upload photos from non-mobile devices and add a photo shopping feature for convenience. Another area of improvement would be adding topics like World Wide News, Sports, and specific events. Although privacy issues are inevitable right now on Instagram, users and businesses could also benefit from an automatic watermarking feature. In summary, the research conducted on Instagram could increase the survival rate of new social media platforms and provide a better understanding of Instagram as a strategic tool for practitioners. The study is significant because this research widens contemporary assumptions about strategic thinking for social media mechanisms.

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Citation: Dr. Daryl D. Green, Dr. Richard Martinez, et al. "In a World of Social Media: A Case Study Analysis of Instagram" *American Research Journal of Business and Management*. 2018; 4(1): 1-8.

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