

Research on Marketing Strategies and Business Operation Models of Commercial Brands on Social Media Platforms: A Case Study of Instagram

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Abstract. With the development of technology, social media marketing is proving itself to be more and more effective especially with the involvement of the younger generation. Instagram is an increasingly popular platform where users can share visually aesthetic content and communicate with others through comments and private messaging. These functions have opened the gate to many influential users that use this platform to spread information and messages. Nowadays, many businesses are utilizing this app to aid their spread of influence and increase of sales as the platform has proven itself to be useful in gaining recognition. Now, Instagram houses more than two billion users and are one of the most influential social media platforms existing. Companies that utilize this service well will gain many benefits and ultimately a huge increase in success. This investigation is conducted to find general marketing techniques used by business on this platform to discover a helpful trend that could be useful to new businesses starting up. The brands: Rare Beauty, Crocs, Starbucks and SHEIN are investigated. They all utilize the platform's features to achieve unique business models being Influencer-Centric, Brand Ambassador Strategy, Celebrity Collaboration, Customer Engagement, Aesthetic Focus and Controversial Focus respectively.

Keywords: Social Media; Instagram; Marketing Communication; Business Operation Models.

1. Introduction

According to Instagram's official website, they are a "free photo and video sharing app" founded by Kevin Systrom and Mike Krieger, currently owned by Meta Platforms which is a very influential American technology conglomerate [1]. Ever since its start in 2010, Instagram has attracted over two billion users, each having their own relationship with the platform [2]. With their unique form of visual sharing and the spread of the 'hashtag', Instagram has created many new concepts in terms of entertainment. The 'like', comment and private messaging functions [3] have been the main attraction points that users are interested in. They have made very influential developments in recent years that has opened the door for many business opportunities, thus drawing many companies or brands, old and new, to shift their focus to grasp these chances.

With the growing popularity of brands on Instagram, it's hard to resist the allure of this potential opportunity. This investigation aims to delve deeper into the marketing strategies employed by brands across various categories after transitioning their promotional efforts to the Instagram platform. The ultimate goal is to identify commonalities among these strategies, distilling them into a clear and concise theory or summary that can facilitate more effective future promotions on this platform.

The research methodology will primarily involve the use of case studies, comparative analyses, and summarization. Brands from diverse categories will be carefully selected to scrutinize their marketing techniques and evaluate their performance following the implementation of these strategies on Instagram. Subsequently, we will conduct comparisons among these cases to distill the most effective techniques into a comprehensive summary.

This paper will predominantly rely on secondary data collection, encompassing statistics, research findings, in-depth case studies, and comprehensive summaries to support our investigation.

The overall structure of this study is as follows. First, there will be an introduction to the Instagram platform and its significance. Secondly, a brand will be chosen from each field. Comparisons will be made to find the differences and similarities between the brands and how the same technique is

significant in each field. Finally, a summary will be made on how the technique works and how it effects the sales or influence of the brand.

2. Literature Review

Instagram started off as a photo sharing website that has attracted millions of users right off the bat. As stated before, their basic functions: post, like, comment and private messages were the fundamentals for their initial success. They have always emphasized these basic functions with other functions only acting as creative add-ons, which makes them stand out from other platforms. This achieves clear brand positioning and product differentiation. As the website's popularity spread, more users started to use the platform for new purposes [3].

Instagram developed a story sharing function to allow users to share photos or videos that disappear in 24 hours (later introducing a story-saving function so users could display satisfied stories in collections). This allows content creators to update daily without disrupting their feed, hence attracting many people to post about their experiences daily. Instagram has released many creative and fun functions to make user experience more enjoyable. Nowadays, many brands and influencers have been using this function to keep in touch with their consumers or audience. Companies also use this as a chance to increase their views for promotion posters or awareness of new products.

Along with the development of other social platforms, Instagram has their hashtag and re-sharing function. With this function, posts of similar content would be grouped together and could be found easily with the search of the hashtag keyword. The use of trending hashtags could also increase social traffic on the post, encouraging many users to follow popular topics with their own posts. [4] Brands utilize this by creating their own hashtag and activating their loyal or influential customers to share their user experience with this hashtag to popularize it. Following that, the hashtag will be spread, and social traffic would increase.

Another very important function is the 'followers' function. This is similar to the 'subscription' function on YouTube, and it allows users to check up on their influence on the platform. Users may have different purposes in using this function: to follow others or to gain followers. The number of followers a user has indirectly represents their influence and directly represents their popularity. Many followers means that their page has high social traffic and could potentially attract a high number of views on their stories and posts. Following up on this function, Instagram released new models of Instagram accounts allowing influencers and companies to view their insights (view, follow, comment, like, sharing statistics) directly from the APP. They can also see which hashtags are doing well and the trend of views for all their posts and stories. To further aid and encourage businesses to enter the market, Instagram proceeded to release advertising and branded content tools to help businesses and influencers manage their partnerships and promotions.

3. Research on Instagram Marketing Strategy and Business Operation

3.1. Influencer Marketing

Many brands like Crocs, SHEIN, Glossier and Rare Beauty mainly utilize influencers to spread awareness for their brand and products. These brands either have brand ambassadors that work to spread awareness, or they regularly send public relations (PR) packages to influencers so they can post their products on their page. Brands using this strategy mainly aim to spread their awareness to new markets or spread influence to be more competitive in similar markets. Crocs has collaborations with very famous influencers like the rapper Lil Nas X. Big influencers have a large fan base which consists of many loyal fans that are willing to spend money to support their idols. This is a very good collaboration if the brand is looking to create an impact and increase sales. [4] There is a high amount of social traffic on the feeds of these famous people and every post would gain many views, therefore spreading the awareness of the brands they are promoting. On the other hand, SHEIN and Rare Beauty utilizes influencers that don't necessarily have a collaboration contract. SHEIN regularly sends

discount codes and public relations packages to smaller influencers so they could post their experiences of the product on their own pages. Although there is less social traffic, the use of smaller influencers creates a more personal relationship with the product and consumers will gain trust in the brand [5].

3.2. Push Marketing

Push marketing is when brands push their promotions onto consumers using paid promotions or advertisements. This can be seen on Instagram when a brand's post suddenly appears on the consumer's page. Instagram does include a notice that this post is a paid promotion. However, this could create a negative effect as consumers may feel pressured or annoyed by this tactic. In Instagram feeds, consumers may prefer to browse or see the posts they are interested in and may have negative feelings towards direct advertisements [6].

3.3. Pull Marketing

Pull marketing is when brands create high quality products and content to attract consumers to click into their pages. This is significant in larger brands where quality of products sold is valued over quantity of products sold. These brands are more focused on user experience so their products could be recommended to new customers. This is generally more effective in the Instagram market as customers are usually more attracted to or in the search of high-quality posts or products. Because Instagram is a platform that values visual aestheticism, it's more effective if brands focus on creating visually pleasing content for their promotions to attract Instagram users instead of pushing their brands onto unsuspecting user feeds [6].

3.4. Viral Marketing

'Viral' is a term used to describe something that is spread very quickly to a wide range of people. This is significant in trending brands such as the clothing brand 'Supreme' where it blew up very quickly and died down in a matter of time. Because Instagram is a content sharing platform, many businesses use the platform to deliver viral messages related with their products. The existence of the hashtag also allows messages and products to spread quickly once they have penetrated the market. The message or product might blow up due to the Bandwagon effect as explained below [6].

3.5. The Bandwagon Effect

This is a follow up effect to the influencer marketing and the main cause of viral marketing. When a brand gain enough social media influence through popular content creators, more users will be aware of the product. Consumers that have not received packages or collaboration contracts will begin to follow their influencers and will 'jump on the bandwagon'. This will then influence more people through a smaller canal but will definitely increase discussion and popularity of the product [7].

4. Marketing Strategies for Business Brands on Instagram

4.1. Content marketing

1) Photo and Video sharing: As stated above, photo and video sharing are the basic functions of the Instagram platform. When looking at direct influence, brands aim to create high quality content on their own page to attract consumers (the pull effect). An example of this would be Etsy, the platform for selling handmade and vintage products. The brand has a very interesting feed consisting of videos of crafts and paintings which is very popular among the younger crowd. This attracts traffic onto their page and interested customers would then click into their website. Brands use the visual sharing aspect of Instagram to increase the aestheticism of their products, hence increasing comparative advantage.

2) Story function application: The story function has been getting more and more popular. Stories on Instagram disappear after 24 hours unless the user has saved it onto their feed. Stories are short x easy to browse and are grouped together so the content one user shares will be connected. Instagram has now released a linking and price sharing function so that businesses can add the price and link directly to the story when promoting a product. This allows the consumer's purchasing journey to be more direct and shorten the time for consideration, therefore increasing potential sales.

3) Social interaction: Below every post, there is a comment section where users can share their opinions or express their support and satisfaction. Many companies (especially those that value customer feedback) use these comment sections to collect trends of consumer likings to better develop their product in the future. An example of this would be the coffee company, Starbucks. Customers of Starbucks would send their feedback and questions in the comment section, and the company would reply with answers or responses. They turn in apologies for negative responses and thanks to positive responses. Not only does this aid in improving their brand, it also helps develop their reputation and attract loyal customers. Stories are made to be interactive as well with the private messaging feature. Customers are able to react to stories with emojis or send private messages to Starbucks commenting their feelings about the story. Many businesses have a specific department made for responding to these private messages and collecting this information.

4) User Generated Content (UGC): User generated content allows the existence of micro-influencers. These influencers usually have a more personal relationship with followers and usually grasp onto promotion or branded content thus trying hard to release best quality content.

4.2. Advertisement Strategy

As previously mentioned, there are various methods within advertising that can be considered, with two primary categories being paid promotions (referred to as the "push effect") and collaborations (known as the "influencer effect").

Paid promotions resemble on-demand advertisements that appear within users' feeds as they scroll through their content. The effectiveness of these promotions varies significantly based on the quality of the advertisement. When two posts have equal quality, the one with a paid promotion tends to perform better. However, if a post with a paid promotion is of poor quality, consumers may perceive it as disruptive, leading to a negative impact.

On the other hand, collaborating with influencers is a highly effective strategy, particularly when the influencer enjoys a good reputation and has a trusted following. This approach often results in posts of superior quality and a broader audience reach. Some companies even provide influencers with discount codes to share with their followers, encouraging not only increased sales but also motivating the influencer to promote the product more effectively [7].

Brand ambassadors differ from influencer collaborations in that they commit to becoming the face of the brand. They continuously feature the product in their content, ensuring that users are reminded of the brand whenever they think of the influencer. This persistent association helps build strong brand recognition and loyalty among the influencer's audience.

4.3. Shopping Features

The shopping function on Instagram is a general function made to aid businesses in selling products from the platform. It includes Instagram shops that allows customers to make purchases directly from the website, product tags on promotion photos that generates an entrance to links to external shopping websites, collection tags that allow consumers to view a variety of categorized products, product detail pages that offer pricing and product descriptions from the catalog, and finally the explore shopping function where consumers browse tagged content made by sellers.

4.4. Brand Story Telling

1) Convey brand values: Instagram offers businesses the ability to personalize their feeds and content. This helps greatly in setting a brand image and displaying brand values. For example, Rare

Beauty (a cosmetics brand by Selena Gomez) has values individuality, self-acceptance, respect, and vulnerability. To display these values, they regularly post makeup reviews of people of different ethnicity, body type, etc. They also post motivational quotes such as “8 ways to Help Someone with Suicidal Thoughts” and awareness spreading content to convey their support for vulnerable groups. They have a very successful display for their values and image. They utilize Instagram’s visual aspect to prove themselves as inclusive and aware.

2) User emotional resonance: Through photos and videos, users can experience the product and develop a relationship with the brand in a more personal way. Like mentioned above, Rare Beauty is very successful in displaying their brand values. A very important factor of this is because their posts easily resonate with consumers. Through posting visual content with models of different appearances, consumers easily see themselves using these products and gain a feeling of being represented. This creates a very deep emotional connection with the brand.

5. An analysis of the similarities and differences of brands using Instagram marketing

5.1. Selected Companies

- 1) Rare Beauty
- 2) Crocs
- 3) Starbucks
- 4) SHEIN

5.2. Differences

Each of these four brands employs a distinct Instagram marketing strategy:

1) Rare Beauty and SHEIN: Influencer-Centric Approach

Rare Beauty and SHEIN predominantly rely on influencer marketing, collaborating with influential figures on Instagram. They often feature reviews from these influencers and may even repost them to garner recognition from their respective fan bases. [9]

2) Crocs: Brand Ambassador Strategy

Crocs, on the other hand, places a strong emphasis on brand ambassadors to promote their products. These ambassadors effectively serve as advocates and help drive sales within their own dedicated fan communities.

3) Starbucks: Celebrity Collaborations and Customer Engagement

Starbucks adopts a unique strategy by partnering with renowned celebrities like Lady Gaga and BLACKPINK. These collaborations lead to the creation of exclusive, sometimes high-end merchandise, catering to the desires of fervent fans. Additionally, Starbucks actively values customer opinions, as reflected in their responsive engagement with customer feedback in the comments section. [10]

4) SHEIN: Aesthetic Focus with Controversy

SHEIN pursues an aesthetic-driven approach to showcase their products. However, they have garnered a somewhat controversial brand image due to their less stringent handling of reviews. Despite this, they maintain their focus on the fashion aspect, consistently posting visually appealing product images. Their comments section tends to be more polarized, featuring a mix of both supportive and critical comments.

5.3. Similarities

All four brands utilize Instagram’s features: updating daily either with posts or stories, responding to comments in the comment section, creating trending hashtags, etc.

They all use their feeds to make posts related to their brand values and utilize the visual stimulation function to create their brand image or aesthetic.

Despite having different approaches to influencers, all four brands utilize influential people (small and large) to spread awareness of the brand to different groups of people.

All four brands try to utilize the follower's function to build a community

All four brands mainly use the 'pull' marketing with high quality, attractive posts to intrigue consumers onto their page.

6. Conclusion

In conclusion, Instagram has opened the door to many new marketing opportunities for businesses, creating a base for potential sales. In general, businesses utilize influencers as well as the 'pull' effect to increase social traffic on their page. Following this, businesses will then communicate their brand values to consumers by personalizing their feed to best represent these values. Finally, brands try to create a community by responding to customer comments and encouraging discussion.

The limitation to this investigation is mainly the quantitative side as there was not many first-hand data and statistical data involved in the study. The way one describes "successful" also differs, although this paper mainly focuses on the level or degree of social influence.

For future research, readers could be more aware of brands on Instagram and communicate with the brands via Instagram for first-hand experience. Different comparisons are also advised.

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