

# Market Research: Instagram

## Research Goals:

- Identify Instagram's target audience
- Understand user needs, pains, and motivations using the app
- Understand hashtagging
- Understand current trends in social media
- Outline the features, strengths, weaknesses, and areas of opportunity of Instagram competitors

## Social Media Market Trends:

- 59% of the world's population uses social media, that's almost 4.76 billion people in total (Smart Insights, 2023).
- It's estimated that one billion people in the world will self-identify as content creators in the next 5 years (Influencer Marketing Hub, 2023).
- According to video analytics firm Tubular Labs, creator and influencer viewership will hit 10 trillion views per month across all social media platforms in 2023 (Sprout Social, 2023).
- 17.6% of the world population uses Instagram (Omnicores Agency, 2023).
- Instagram has more than 2 billion active users using the app every month (CNBC, 2021).
- Instagram is the fourth most-used social media platform globally (Hootsuite, 2023).
- Instagram is the #1 social media platform for people to connect with brands (Hootsuite, 2023).
- Instagram is projected to reach 127.2 million monthly users in the U.S. in 2023 (Statista, 2023).
- The average daily usage is 2 hours and 31 minutes (Smart Insights, 2023).
- Apple's IOS continues to hold the largest share of the U.S. smartphone operating system's market (Statista, 2021).
- Global influencer marketing is expected to expand by \$21.1 billion in 2023 (Influencer Marketing Hub, 2023).
- In a survey of over 3500 marketing agencies/brands, 63% plan to use AI in executing their influencer campaigns (Influencer Marketing Hub, 2023).
- The most used languages on the Internet as of Jan. 2020 by share of Internet users are: English, Chinese, Spanish, Arabic, Indonesian, Portuguese, French, Japanese, Russian, and German (Statista, 2022).

### **Instagram Business and Behaviors:**

- There are more than 200 million business accounts on Instagram globally (Omnicores Agency, 2023).
- 4 out of 5 brands use Instagram for influencer marketing (Influencer Marketing Hub, 2023).
- 2 out of 3 Instagram users believe Instagram enables interaction with brands (Instagram, 2021).
- 71% of U.S. businesses claim to use Instagram for business (Omnicores Agency, 2023).
- Instagram Reels take up 30% of the time people spend on Instagram (Hootsuite, 2023)
- The potential ad audience on Reels is 758.5 million users (Hootsuite, 2023).
- Instagram's "Explore" page is viewed by 200 million accounts daily (Omnicores Agency, 2023).
- More than 50% of IG accounts use "Explore" to discover new content and new accounts to follow (Social Media Perth, 2022)
- Business accounts post an average of 1.71 feed posts a day (Hootsuite, 2023).
- The average engagement rate on Instagram business account posts is 0.54% (Hootsuite, 2023).
- Instagram ads' CPM, or cost per mile which is the price of 1,000 advertisement impressions on one web page, increased by 17% in Q3 of 2022. In other words, it's getting more expensive to reach the target audience through Instagram ads. (Hootsuite, 2023).

### **Instagram Demographics:**

- As of Jan. 2022, India and America are the top countries with the highest number of Instagram users at 230 and 160 million users respectively (Statista, 2022).
- It is clear that the audience and reach of the platform are growing at a rapid rate
- 31.2% of Instagram users in the U.S. were aged between 25-34 years old while 25% were aged 18-24 years old (Statista, 2023).
- Of the world's total internet users, 92.3% are social media users (Smart Insights, 2023).
- Of the people aged 18+ globally, 77.8% of them are social media users (Smart Insights, 2023).
- After COVID, for internet users aged 16-64, the percentage of time spent on social media increased by 43% (Smart Insights, 2023).

### **Instagram Hashtag Facts:**

- Posts that include a geo-location receive nearly 80% more engagement than posts that don't ( (Social Media Perth, 2022).
- Using more than 11 hashtags on a post, has approximately 79% more interaction than posts with no hashtags (Social Media Perth, 2022).
- Longer hashtags typically between 21-24 characters do better than shorter hashtags (Social Media Perth, 2022).
- Posts with at least one hashtag get about 12.5% higher engagement (Social Media Perth, 2022).
- The top 5 Instagram hashtags are: love, instagood, fashion, photooftheday, and beautiful (Hootsuite, 2023).
- The most popular Instagram hashtags do not surpass 15 characters (Hootsuite, 2023).