

The State of Instagram Marketing

2018

Instagram saw massive growth in 2017 and is well on track to reaching over a billion users in 2018.

In 2018, we're going to see a renewed focus on the platform's business options, including new ways to optimize your content performance, even more ad options and tools (we're looking at you, Instagram Stories), and an even bigger focus on influencer marketing.

In order to get ahead, it's important for businesses to have a thorough understanding of the Instagram marketing landscape and measurable insights into what works and what doesn't.



In our State of Instagram Marketing 2018 report, we collected responses from over 3,500 businesses, influencers, and agencies in order to provide a comprehensive look at the current and future state of Instagram marketing.

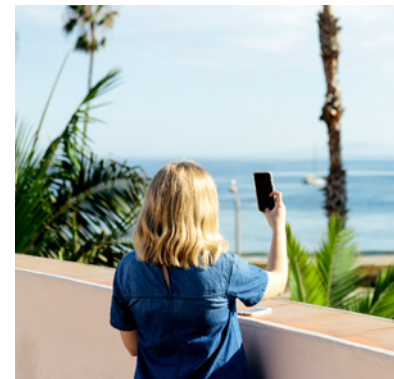
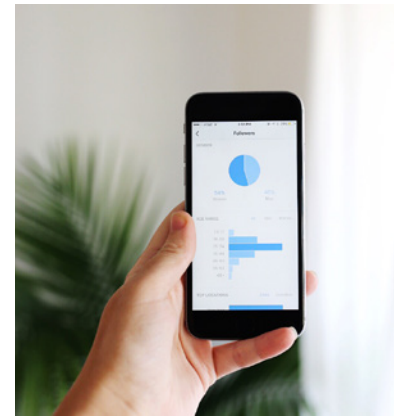
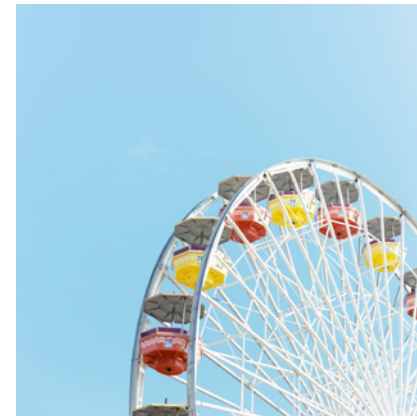
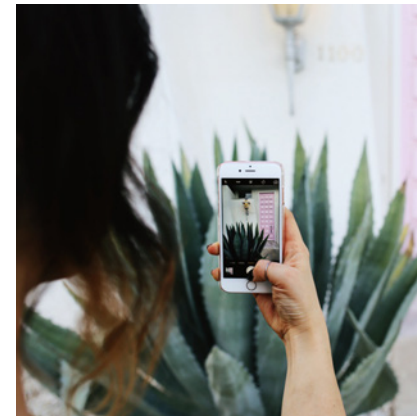
We asked Later users to give feedback on a variety of topics — everything from Instagram ads to influencer marketing. The result is a report filled with actionable tips, insights, and best practices for how Instagram marketers can achieve their goals in 2018.

ABOUT LATER

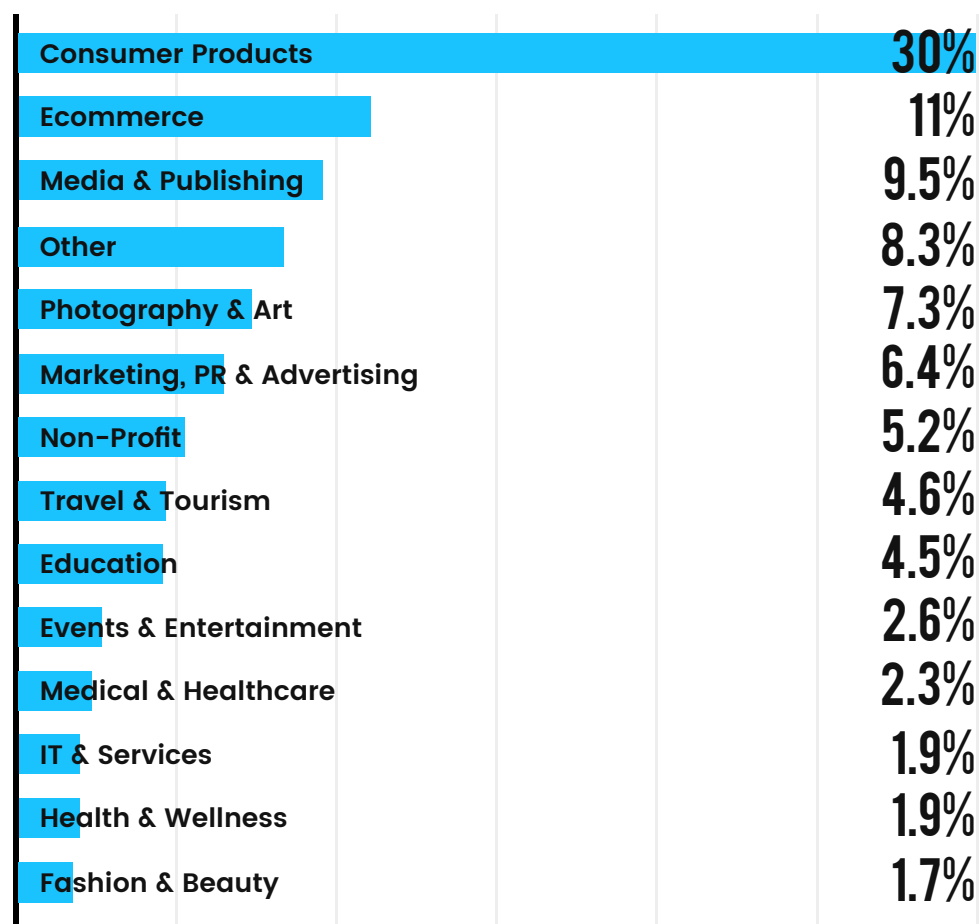
Later is the #1 marketing platform for Instagram

With Later you can schedule Instagram posts, plan your Instagram feed, curate user-generated content, optimize your posts with analytics, and more!

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From consumer products to events & entertainment, Instagram marketers come from a diverse array of industries and backgrounds.



Team Size: 1-5

79% report that they manage their Instagram account(s) alone, while 21% share the responsibility with 2-5 people.

Job Title: Countless

49% report being a founder/owner, while 35% work in marketing. Other popular departments for Instagram marketers include product, sales, operations, customer experience, and customer support.

Company size: Mostly Small

47% report working alone, while 28% work for companies with 2-10 employees. Only 8% work for companies with over 100 employees.

Today, businesses prioritize follower engagement and loyalty over brand awareness. And more businesses are finding success using Instagram to drive ecommerce sales.

What are your goals for Instagram marketing in 2018?

79%

Increasing follower engagement & loyalty

72%

Increasing brand awareness

64%

Building a more engaged community

54%

Showcasing products & services

48%

Advertising to potential customers

38%

Driving more ecommerce sales

As more businesses use Instagram to connect with customers, brand strategy has expanded to include new goals and KPIs.

While 2017 saw a big focus on increasing brand awareness, 2018 could finally be the year that Instagram goes mainstream as a sales channel, with more businesses than ever before focusing on Instagram advertising, influencer marketing, and product promotion.

Trending Goals

- Driving ecommerce sales grew by 12%
- Connecting with influencers grew by 16%
- Advertising to potential customers grew by 7%

81% of businesses report that post engagement is the best measure of Instagram marketing success.

While follower count and referral traffic are both important, post engagement wins top spot for a reason, and it has to do with the Instagram algorithm. When a post receives a ton of likes and comments, this signals to the Instagram algorithm that it's quality, engaging content, and it gets shown it to more users. If you can optimize the engagement rate, you increase the chances of getting more eyes on your Instagram posts.

Why Engagement Wins

- *Engagement affects the visibility of your Instagram content*
- *Engagement can tell you how well your content resonates with your audience*
- *Higher engagement impacts your ROI*

While engagement outdid follower count as the best measure of Instagram marketing success, most businesses rank growing their follower count as their biggest challenge.

How do you measure success with Instagram marketing?

81%

by Post Engagement

the number of comments and likes on posts

66%

by Follower Count

the number of people following your account

39%

by Referral Traffic

the number of clicks on link in Instagram bio

34%

by Conversions

the number of sales or signups from Instagram

Businesses are investing more in original content and Instagram Stories than other forms of Instagram content.

What types of content does your business plan to create more of in 2018?

74%

Original Content

68%

Instagram Stories

48%

Instagram Videos

39%

Instagram Contests
& Giveaways

36%

Instagram Ads

31%

User-Generated
Content

24%

Sponsored
Instagram Posts

21%

Instagram Live
Broadcasts

Leveraging user-generated content on Instagram might save you time and money, but more businesses are investing in original content than anything else. Unsurprisingly, Instagram Stories ranked as the second most popular form of Instagram content. Since it was first released in August 2016, the feature has blown up in popularity, giving businesses a new, effective, and free way to connect with their followers.

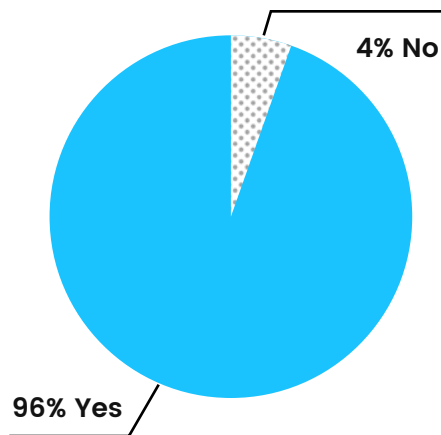
Later Tip

If you thought that Instagram Stories was popular in 2017, just wait until you see what's ahead. If you haven't already, we (seriously) recommend building an Instagram Stories strategy with clear objectives and measurable results.

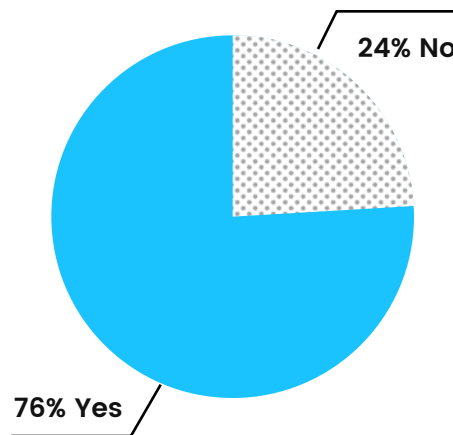
In 2018, you can expect Instagram Stories to continue to dominate, with new features to keep users engaged (and new tools to help brands plan and schedule Stories).

Do you plan on creating more Instagram Stories in 2018?

Businesses that currently use Instagram Stories



Businesses that don't currently use Instagram Stories



Takeaway

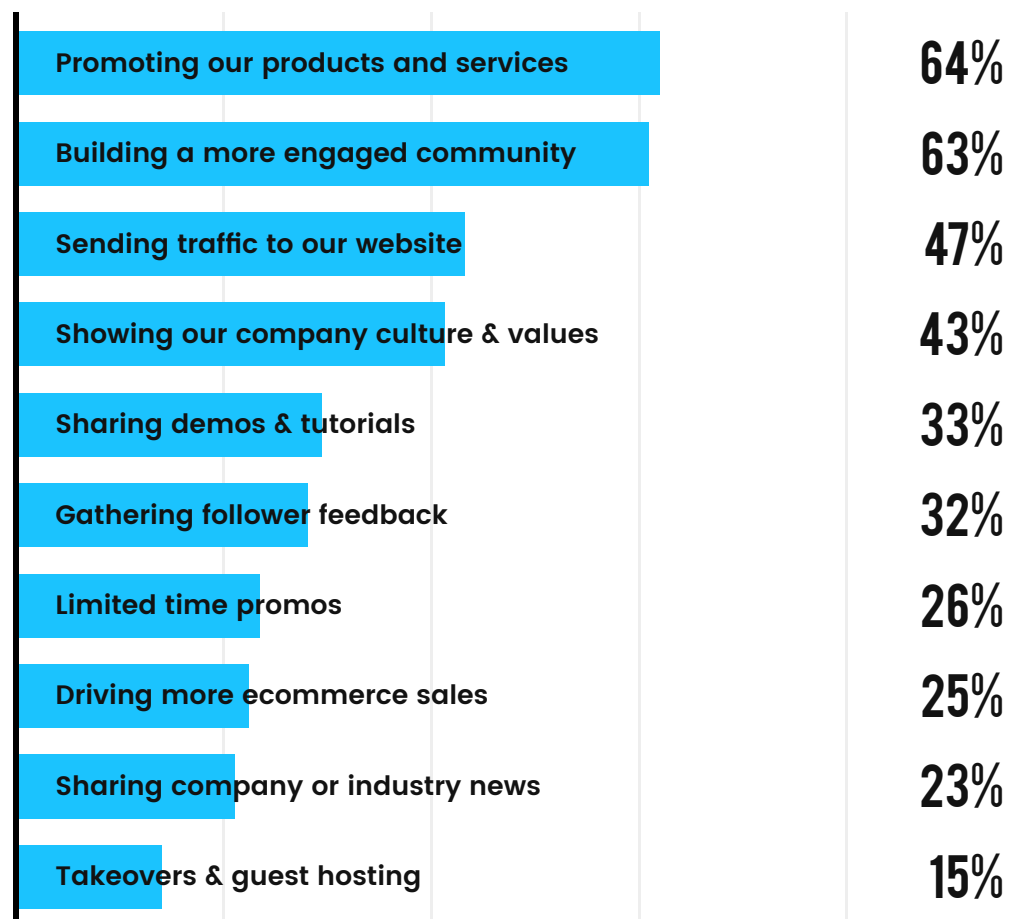
There's no denying that 2017 was the year of Instagram Stories. Instagram's copycat version of Snapchat may not have as many features or filters, but in 2017 it quickly reached over 300 million daily active users, which is double the size of Snapchat.

Using Instagram Stories for business is now an essential part of your Instagram marketing strategy. But the real trend for 2018 will be using Stories to reach new audiences. And while Instagram Stories ads are still relatively new (released in March 2017), we expect to see major growth for this ad type.

? Need help with your Instagram Stories strategy? Check out our [Ultimate Guide to Instagram Stories for Business](#).

More businesses are using Instagram Stories to promote their products and/or services, and build an engaged community.

What are your focus areas for Instagram Stories in 2018?



Even among businesses that have special reason to use Instagram Stories to drive sales, the feature is still generally perceived (and used) to promote products rather than to sell them. This could change as Instagram adds more conversion-focused capabilities, but for the time being, your focus should be on driving traffic to your website, blog, or product pages.

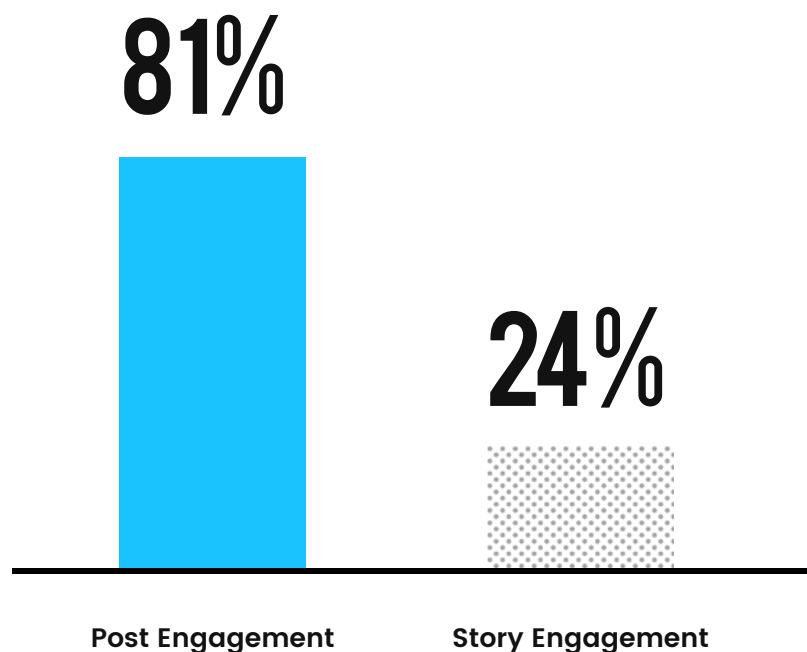
Later Tip

In 2017, Instagram introduced a new feature for businesses with 10,000 or more followers to add clickable links to their Instagram Stories. While there are a number of ways for businesses to [drive traffic with Instagram Stories](#), if you have access to this feature we definitely recommend using it.

🔗 Need some help with this? Here are [5 Ways to Drive Traffic with Instagram Stories](#).

Measuring the performance of Instagram Stories isn't a priority for businesses at the moment, but as the platform evolves in 2018, you'll want to start tracking your Stories analytics too.

Comparing how businesses measure success with their Instagram marketing



Takeaway

Despite its growing popularity, few businesses are tracking and measuring the performance of their Instagram Stories. It could be that story engagement simply isn't as tangible as referral traffic or follower count. But in any case, establishing clear goals and KPIs for your Instagram Stories content is important if you want to get the most from the feature.

Switch to an Instagram business profile.

If tracking your story engagement doesn't have you biting at the bit, consider [switching to an Instagram business profile](#) for more in-depth metrics. Along with impressions and reach, you can also track your Stories' exits and replies from the past two weeks.

Track your clicks.

If your Instagram account is verified, or if you have over 10,000 followers and an Instagram business profile, you can easily [add links to Instagram Stories](#) that users can visit by just "swiping up" on the screen. But because Instagram Stories analytics don't currently track URL clicks, in order to measure your traffic and conversions, you'll want to use a link that is tracked separately in Google Analytics.

Only 22% of businesses currently partner with influencers on Instagram, but it could grow to over 40% in 2018.

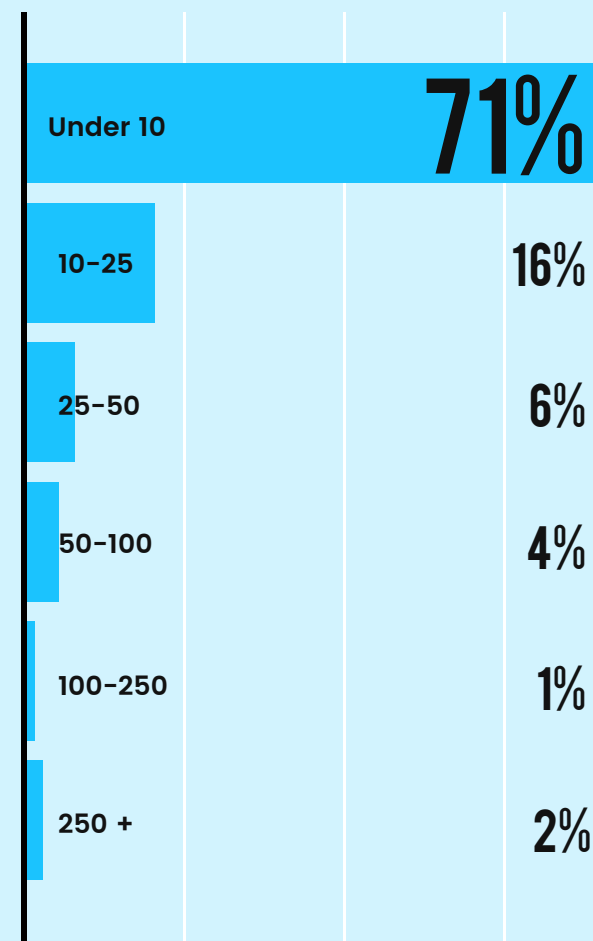
Despite the low figures, Instagram influencer marketing is poised to become a key strategy to promoting your business and products on Instagram. In particular, we expect to see major growth in 2018 with micro-influencer marketing, which has shown to yield better results for businesses. According to Collectively, micro-influencers reported 15-75% growth in 2017.

Why?

- Influencers with a smaller following tend to retain higher levels of engagement than top-tier influencers
- Micro-influencers are more like everyday consumers, so they tend to be very relatable and trustworthy
- Micro-influencers can create valuable content for your brand at little to no cost

86% of businesses that currently partner with influencers on Instagram plan to partner with more influencers in 2018.

How many Instagram influencers are you currently working with?



Influencer marketing is used mainly to increase brand awareness and reach new targeted audiences.

79%

of influencers measure the success of their sponsored posts by how much engagement they receive

95%

of influencers repost Instagram as their favorite social media platform to work on

74%

of influencers report creating under 5 sponsored posts or Instagram Stories per month

65%

of businesses that partnered with influencers on Instagram in 2017 plan on increasing their influencer marketing budget in 2018.

Later Insight

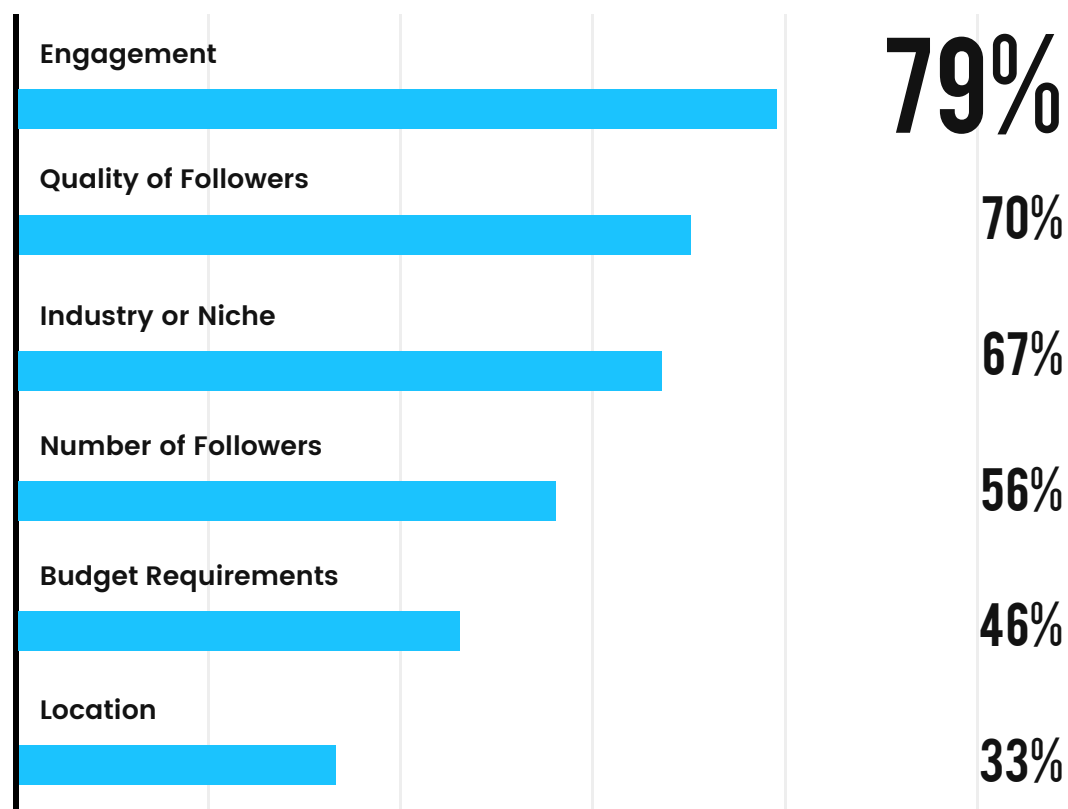
Finding the right influencers for your marketing campaign can be a big challenge, but creating clear goals helps. For example, if your goal is to rack up a lot of engagement, it might make sense to partner with micro-influencers with smaller audiences but higher engagement rates. If you're trying to increase your brand awareness, metrics such as reach and traffic will be more useful.

Some of the more common performance metrics you can use for measuring the impact of your influencer marketing are:

- **Engagement rate:** likes, comments, shares
- **Brand sentiment:** how people are talking about your brand
- **Traffic:** customers visiting your website
- **Sales:** conversions and revenues generated

79% of businesses rank engagement as the most important factor when evaluating who is an ideal influencer.

What are some of the factors that impact who you consider to be an ideal influencer?



When an influencer has a high engagement rate, it means their followers are paying attention and taking action on their content. That's why most businesses (and Instagram agencies) use engagement to evaluate who is an ideal influencer. Organic reach directly translates into engagement and ROI (return on investment). But keep in mind that engagement isn't everything. When evaluating an influencer, it's best to look at several factors.

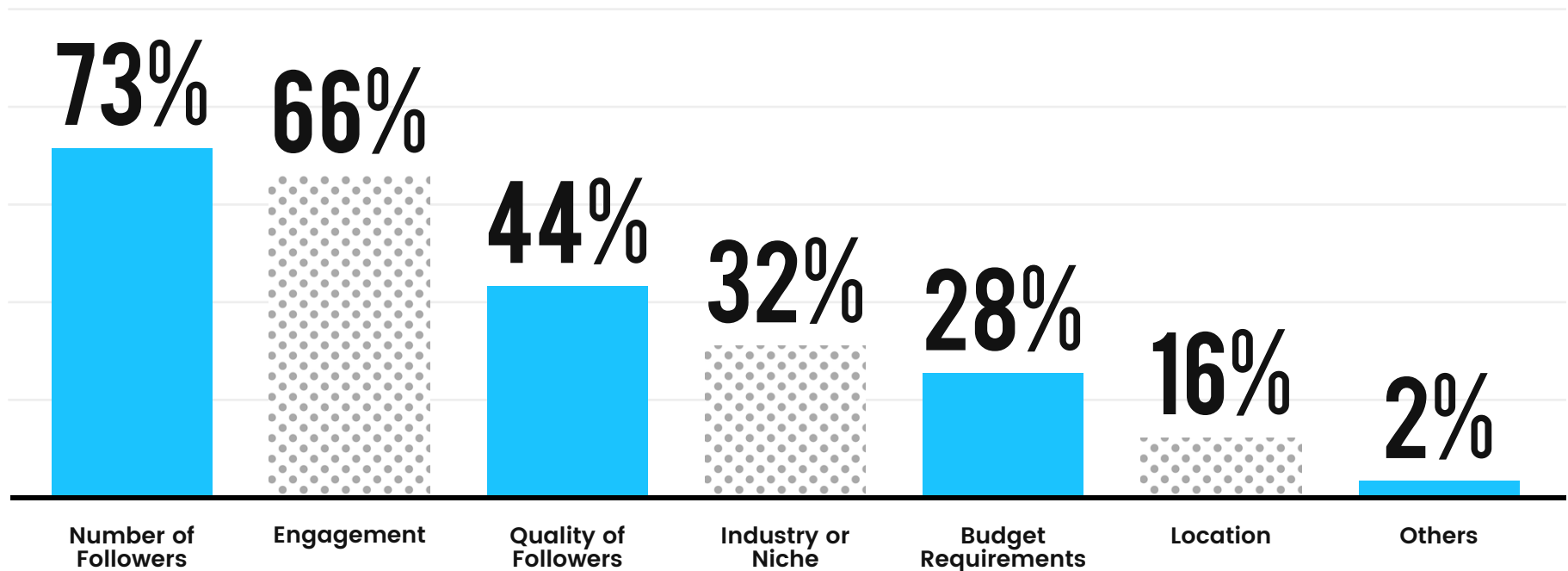
Later Tips

Generally, you want to see an engagement rate of 2 – 3% on influencers' posts. A ratio of 4 – 6% is excellent, while posts in the high tens and twenties are considered "viral."

73% of influencers rank number of followers as the most important factor that businesses take into consideration when determining how much to pay for a sponsored post.

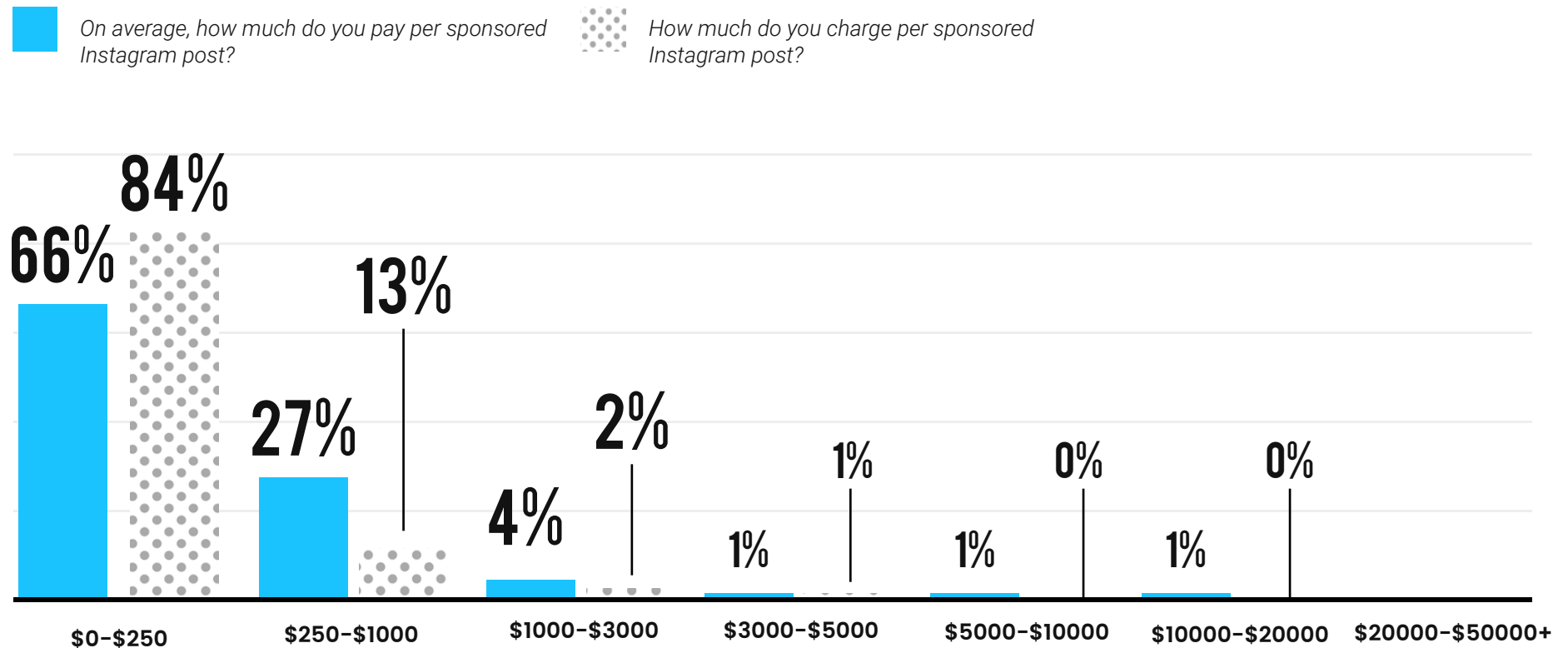
While businesses rank engagement as the most important metric for evaluating who is an ideal influencer, influencers themselves view number of followers as more important. What's interesting about this is that engagement rate tends to decrease as follower count grows. Influencers with fewer followers often retain higher engagement rates on their posts, while influencers with large audiences tend to see decreased engagement rates and less direct communication with their followers.

What are the biggest factor that businesses take into consideration when determining how much to pay for sponsored posts?



77% of businesses report giving free products and/or services in exchange for sponsored posts, while flat rate is the second most popular form of compensation.

Among businesses that pay for sponsored Instagram posts, 66% report that they pay under \$250 per post, while 27% pay between \$250 and \$1000. We compared this data with what influencers themselves report charging for sponsored Instagram posts and found a strong correlation between the two.



With the recent spat of FTC crackdowns on Instagram partnerships, discussion around disclosure reached new heights in 2017. The good news is that most influencers have adopted the FTC's rules around disclosure of sponsored Instagram posts.

How do you disclose your sponsored posts on Instagram?

52%

with an #ad hashtag

45%

with a branded hashtag

42%

with a #sponsored hashtag

16%

don't disclose sponsored posts

12%

with Instagram's paid partnership feature

6%

with a different hashtag

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FTC-approved disclosure is becoming an industry norm.

According to the FTC, the only the only FTC-compliant hashtags are #sponsored and #ad. However, you can also disclose your partnerships by using a unique partnership hashtag. All three are commonly used by influencers today.

Influencers are beginning to use Instagram's built-in disclosure feature.

12% of influencers reported using Instagram's new paid partnership feature which may or may not comply with the FTC's endorsement guidelines.

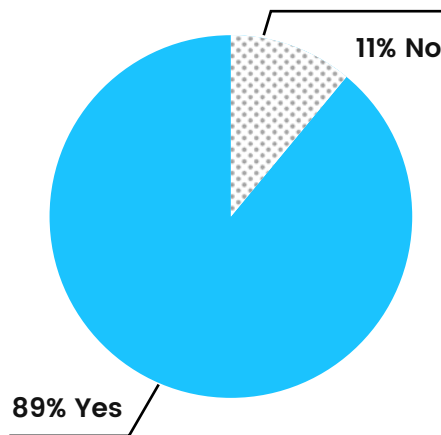
Influencers who don't disclose have usually worked for a shorter amount of time.

Most of the influencers who reported not disclosing their sponsored posts have worked for under one year.

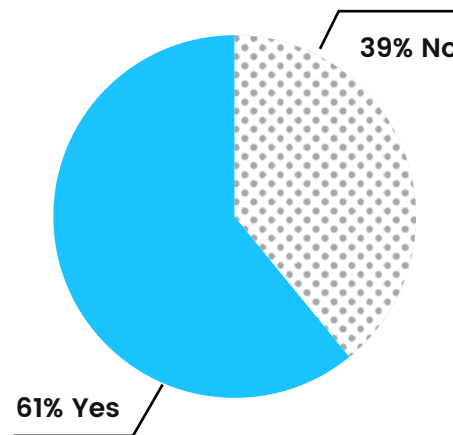
Only 36% of businesses reported running ads on Instagram in 2017, which makes it slightly more popular than influencer marketing.

Do you plan to run more Instagram ads in 2018?

Businesses that currently run Instagram ads



Businesses that don't currently run Instagram ads



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Instagram is often touted as the social media platform that most influences people's shopping habits -- especially in the fashion, beauty, and style-related industries. This partly explains why Instagram advertising became so popular in 2017.

But there's another fast-growing trend in Instagram ads: boosting regular posts to reach a wider audience.

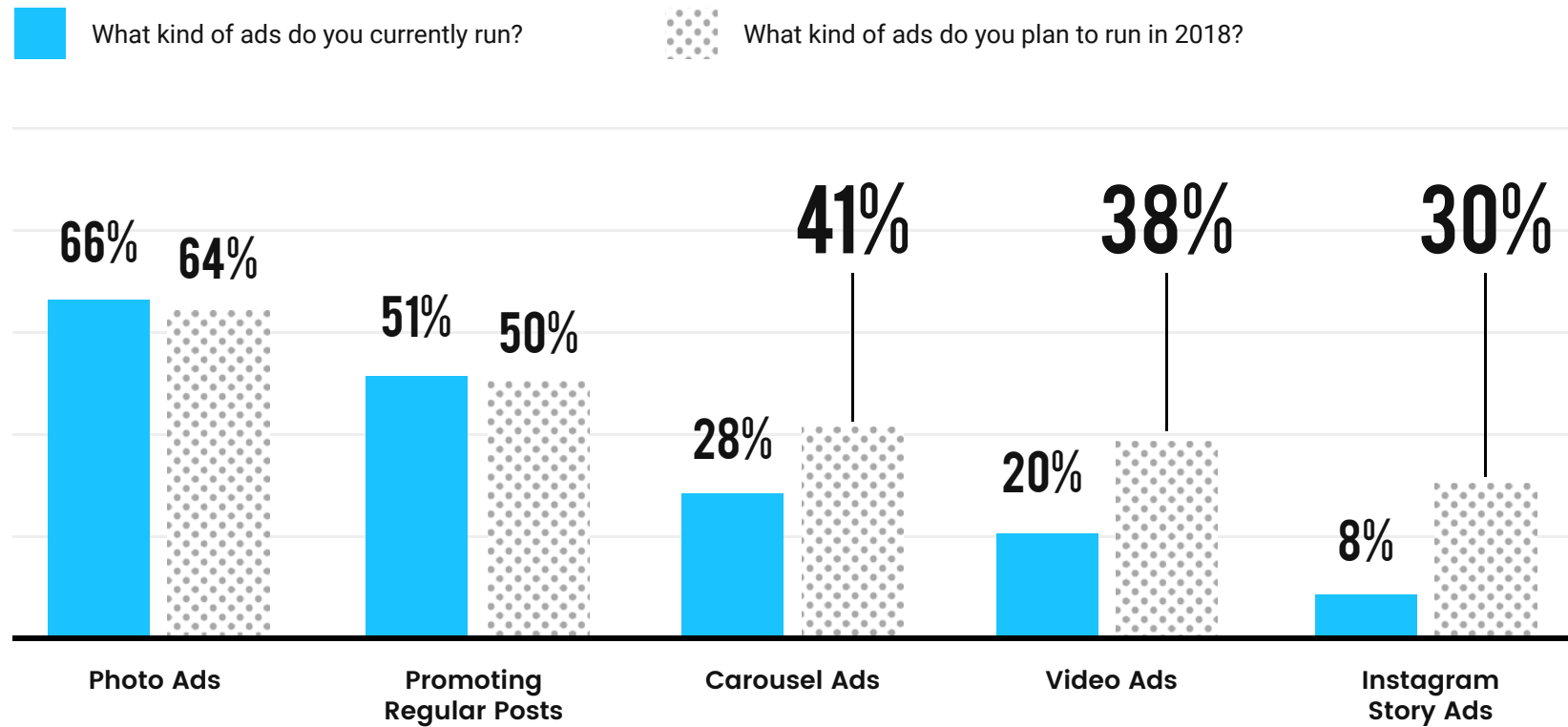
Organic reach on Instagram won't disappear in 2018, but it's become a lot harder to achieve high engagement without any paid support or strategy. In fact, many Instagram influencers are already starting to promote their own posts in an effort to maintain their engagement and stay relevant.

If you want to maintain high engagement and reach on Instagram in 2018, you need to get friendly with Instagram advertising.

Photo ads are still the favorite when it comes to Instagram advertising.

While photo ads will likely retain their top spot well into 2018, we expect Instagram Stories ads to see the most growth. In fact, 30% of businesses plan to Instagram Stories ads in 2018, while only 8% did in 2017. We also predict to see new features and ad options as Instagram looks to help brands capitalize on the rising popularity of Stories.

In the case of Instagram agencies, promoting regular posts slightly outdid photos ads, with 58% of agencies reporting that they plan to run ads to promote regular posts in 2018, and 56% selecting photo ads.



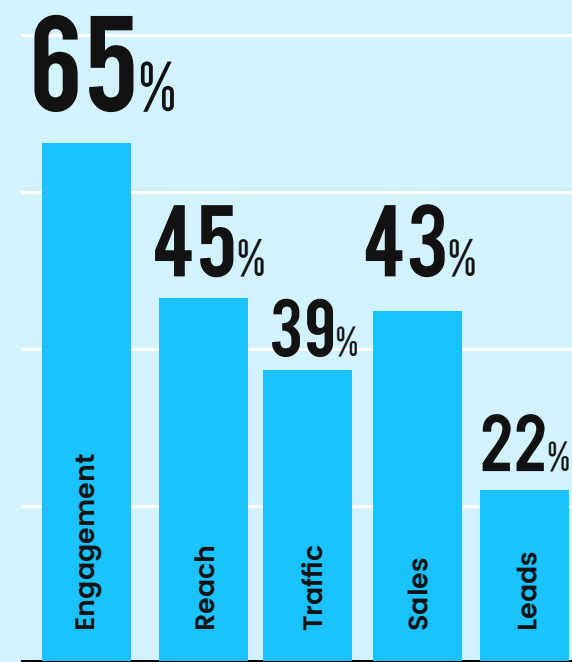
As with influencer marketing, engagement is considered the most important factor for businesses when evaluating the success of an Instagram advertising campaign.

However, this does change slightly with different ad types. For example, with video ads, “traffic” and “sales” are used more often as measures of success, while for carousel ads “sales” is the most commonly used measure of success.

Some Stats to Know

- Promoting regular posts is considered the least effective ad type for driving sales
- Leads are the least popular goal for businesses across all ad types
- Video ads are considered the best ad type for driving traffic
- Sales and engagement were selected as the two most important goals for Instagram Stories ads
- Sales was the most popular goal for businesses that selected carousel ads

How do you measure success with Instagram ads?



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While businesses rank “traffic” as the fourth-best measure of success, Instagram agencies rank it as the second-best measure, followed by reach, sales, and leads.

Only 22% of businesses reported using Instagram Live in 2017, but it could grow to 55% in 2018.

2017 may have been dominated by Instagram Stories, but the future looks bright for live video. If you haven't already, we recommend getting acquainted with the feature soon. While only 22% businesses went "live" on Instagram in 2017, 55% have stated that they plan to use the feature in 2018.

Why?

- *Instagram Live can also help boost your discoverability on Instagram by getting you on the Explore Page*
- *Instagram Live is extremely flexible and can be used for anything from an educational Q&A or workshop, to a sales-oriented product launch*
- *You can now share your live videos post-broadcast in your Instagram Stories*

🔗 Haven't used Instagram Live yet? Check out our [Instagram Live Guide for Businesses](#).

How do you plan on using Instagram Live in 2018?

62%

Promoting product and/or services

50%

Running Q&A, workshops & tutorials

48%

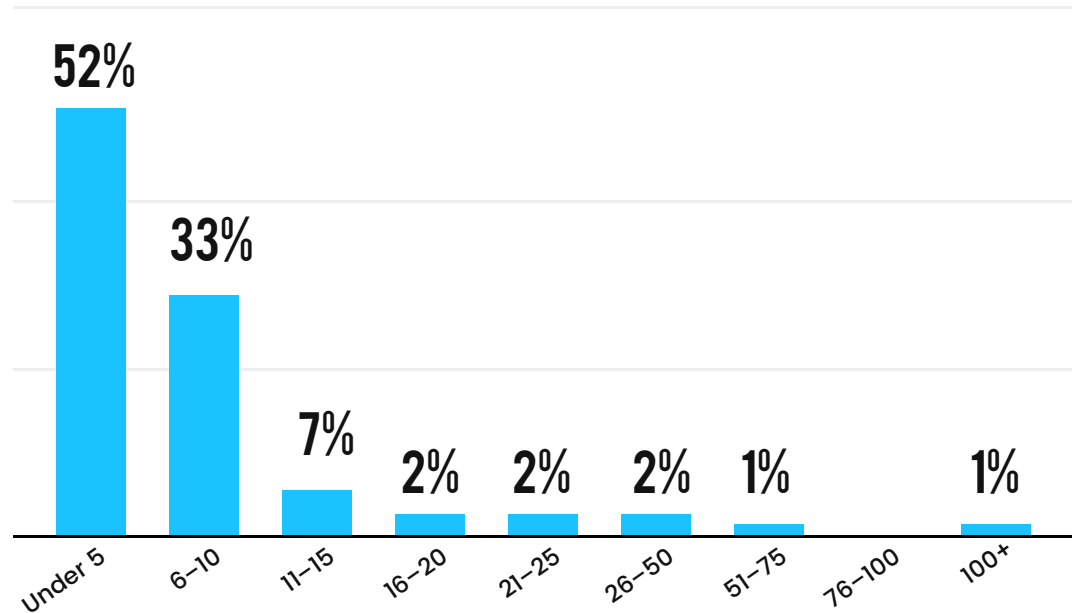
Teasing or launching new products and/or services

36%

Promoting sales & campaigns

85% of Instagram agencies manage between 1 and 10 Instagram accounts.

How many Instagram accounts does your company manage?



Team Size: 1-5

55% report that they manage their Instagram account(s) alone, while 43% report sharing the responsibility with 2-5 people.

Job Title: Mostly Marketing

66% report working in marketing, while 24% report being a founder/owner.

Company size: Mostly Small

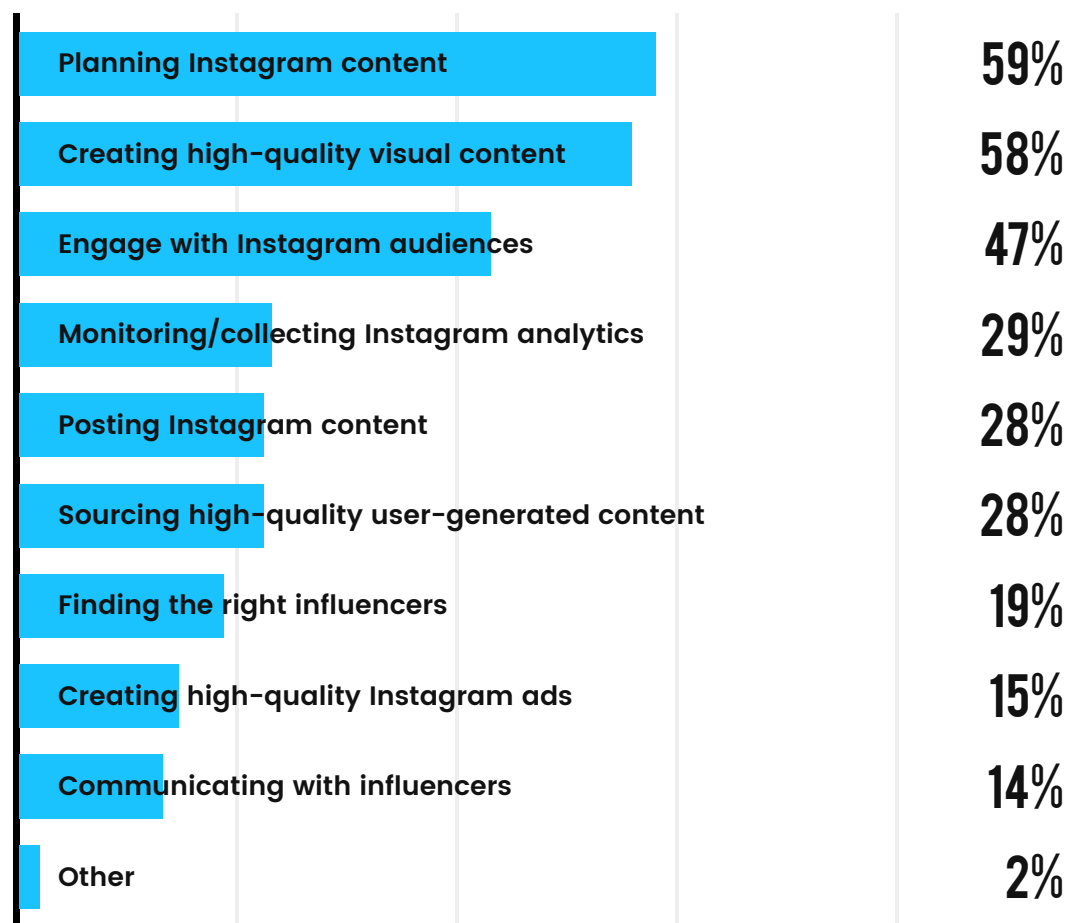
43% report working for companies with 2-10 employees, while 34% work alone. Only 12% report working for companies with over 25 employees.

Content Budget: Varies

57% report having a budget of under \$1000 for content creation, while 21% report having a budget of \$1000 - \$5000. 21% report having a budget of over \$5000.

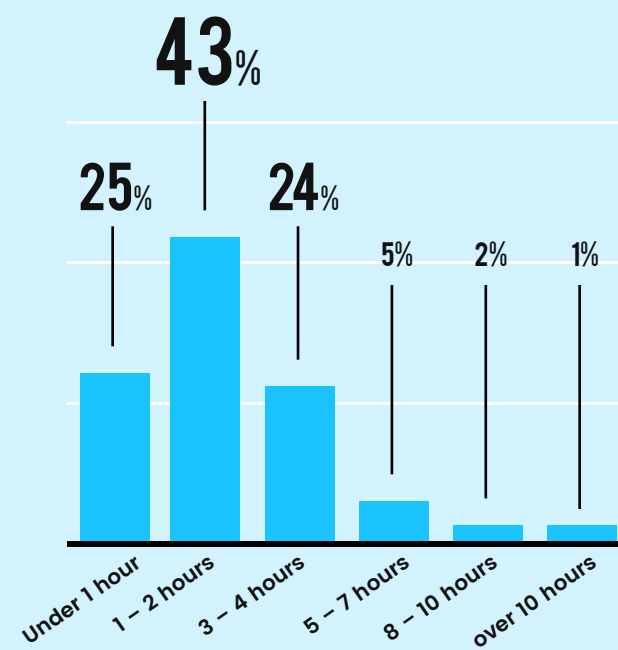
59% of Instagram agencies rank planning their content as the most time-consuming part of Instagram marketing.

What are some of the more time-consuming parts of your Instagram marketing?



Instagram agencies may spend most of their time planning their clients' Instagram feeds, but they spend nearly an equal amount of time creating high-quality visual content. This shouldn't come as a surprise, however. Creating great content can be a complex, time-consuming process.

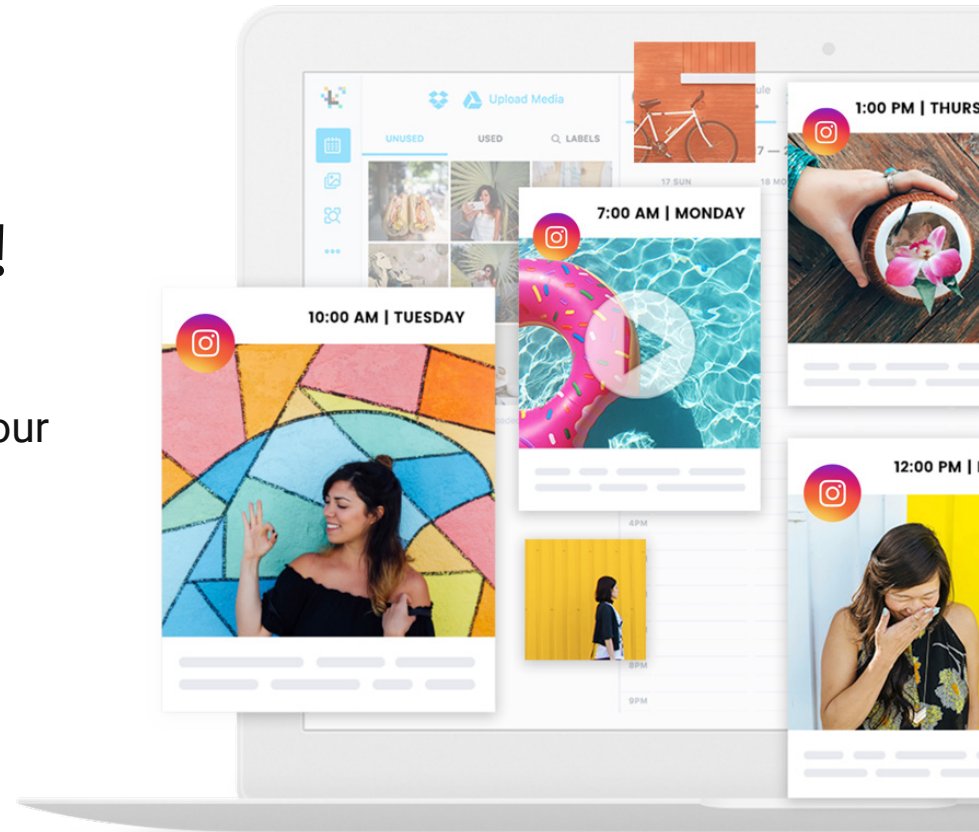
On average, how many hours do you spend working on Instagram daily?



Put your Instagram marketing plan into action!

Join Later.com and start scheduling your Instagram posts, collecting user-generated content, planning your feed, and more!

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