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Electronic Word of Mouth on Instagram: Customers' Engagements with Brands in Different Sectors

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Abstract

Marketers desire to reach more customers through means of social media, and thus create official accounts on these websites. Instagram, which has become a popular social media website in recent years, allows users to post pictures or short videos through appealing filters; this feature provides opportunity for marketers to promote themselves by creating content. However, not all content generated by marketers achieve a similar response from users: whilst some content achieves a high response from customers and widely spreads through electronic word of mouth (eWOM), others do not. There may be many factors affecting customers' engagements; however, in this study, we focus on sectoral differences. The question is posed: Are sectoral differences one of the reasons behind the different customer engagement ratios of brand posts on Instagram? In order to answer this question, a comparison was conducted across 100 Instagram posts, posted by brands from 8 different sectors. The results show significant differences between sectors; customers' engagement with brands in the beverages sector through liking is almost 2.5 times higher than brands in the apparel-luxury sector. Moreover, customers' engagement with brands in the electronics sector through commenting is almost 8 times higher than brands in the apparel sector.

Keywords: Electronic word of mouth (eWOM), social media, Instagram, customer engagement, sectoral differences.

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Introduction

Electronic word of mouth (eWOM) has long been considered an effective marketing tool (Bickart and Schindler, 2001; Kumar and Benbasat, 2006; Zhang et al., 2010). However, the advent of social media has provided a new aspect to eWOM: people are now able to talk about brands or their products and services with their friends through the use of these websites (Kozinets et al., 2010). Before the advent of social media, on the other hand, people were only able to talk with anonymous users on the Internet. Although this anonymity has some advantages, such as increasing the volume of eWOM (Chatterjee, 2001) and providing the opportunity for users to share their ideas more comfortably (Goldsmith and Horowitz, 2006), it is also one of the reasons for low credibility (Chu and Choi, 2011); therefore, social media websites that encourage people to use their real identities tend to be perceived as more reliable eWOM sources (Chu and Kim, 2011; Wallace et al., 2009).

Social media websites have become famous in recent years, and interest on these websites is continuing to grow. As a result of this interest amongst users, the number of social media websites is also increasing. Importantly, there are 211 well-known sites, according to the latest statistics (Wikipedia, 2015). Social media websites look similar at first glance; however, they provide different styles of communication for users (Smith et al., 2012). For example, Instagram mainly focuses on pictures, whilst YouTube is video-oriented. Twitter only allows posting within a 140-character limit, whereas Facebook has no limitations or particular focus on any type of posting. However, eWOM information is able to spread through the use of all of these different types; for this reason, marketers use social media to engage with their current and potential customers.

Customers' engagements with brands' posts, through liking, sharing or commenting, are visible by their friends'; and this refers to eWOM (Hoffman and Fodor, 2010). Marketers seek to engage with more users owing to the fact that more engagement means more visibility for brands amongst customers, and, consequently, more eWOM. However, not all content posted by marketers gets the same response from users: some content spreads through eWOM thanks to the high interest of users, whilst others do not. Customers' engagements with brands on social media can be affected by many different factors, such as posting types (Erkan, 2014); however, in this study, focus is directed towards sectoral differences by asking the question: Are sectoral differences one of the reasons for different customer engagement ratios of brand posts on Instagram? In an effort to address this question, customer engagement ratios of brands were compared across 8 sectors through 100 Instagram posts. The results show significant differences between sectors in terms of customer engagement.

The remainder of the paper is as follows: first, a brief literature review concerning eWOM, social media and Instagram is introduced; subsequently, research method is explained, followed by a presentation of findings; finally, there is discussion on the results, with a proposing made in regard to managerial implications, and directions for further research.

EWOM in Social Media Websites

The topic of eWOM centres on conversations pertaining to the products and services of brands amongst internet users (Hennig-Thurau et al., 2004) , where social media websites are appropriate platforms for these conversations (Canhoto and Clark, 2012; Erkan and Evans, 2014). They provide an opportunity for people to share and exchange their opinions and experiences in regard to brands with their friends on the internet (Kozinets et al., 2010) through written texts, pictures or videos (Cheung et al., 2009); thus, eWOM is now becoming more enjoyable thanks to social media websites. In addition, consumers increasingly apply social media in an effort to acquire information relating to the brands they do not know very well (Baird and Parasnis, 2011; Naylor et al., 2012) because the information learnt by friends and acquaintances is perceived as credible and trustworthy (Chu and Choi, 2011; Chu and Kim, 2011).

On the other side, as a result of the aforementioned features of social media websites, marketers consider them as a favourable opportunity to interact with customers (Michaelidou et al., 2011). Through the use of official accounts on social media, marketers can learn customers' concerns and expectations, and accordingly can manage them through either formal or informal ways. Thus, social media websites provide two critical benefits for marketers in terms of eWOM: firstly, marketers can interfere in conversations amongst consumers in an effort to prevent negative dialogues before it goes bigger; and secondly, marketers can lead customers to start positive dialogues through providing accurate content.

Therefore, social media websites are valuable tools for marketers, which is why marketers use these methods to engage with customers. There are many social media websites that marketers use; however, in this study, we chose Instagram as the context of this research in an effort to expand the related literature: although the field is relatively new, there are some studies on eWOM; however, these are focused on other popular social media websites, such as Facebook, Twitter and YouTube (Jansen et al., 2009; Wallace et al., 2009), with no considerable amount of studies conducted in direct regard to Instagram. Instead of the eWOM context, current studies relating to Instagram mainly focus on other fields (Bakhshi et al., 2014; Hochman and Schwartz, 2012; Hu et al., 2014; Silva et al., 2013).

Customers' Engagements with Brands on Instagram

Instagram is a relatively new social media website providing users with photo (and video)-sharing services. Users capture moments in their life and share them with friends. Instagram provides the opportunity for users to apply different filters on their pictures or videos before posting. This is one of the most appealing features of Instagram: users are able to promote themselves on the internet by using these filters. According to the latest statistics, Instagram has now reached 300 million monthly active users since its launch in 2010; nowadays, an average of 70 million photos are uploaded by users every day, with more than 30 billion photos shared so far (Instagram, 2015).

Instagram users are not only consistent consumers, but also marketers: more specifically, 86% of top brands have official accounts on this website (Simply Measured,

2014); they post about their brands or products and services in an effort to engage with current and potential customers. In order to understand customers' engagement with any brand on Instagram, the number of 'Likes' and 'Comments' are valuable indicators (De Vries et al., 2012; Hoffman and Fodor, 2010). In actual fact, they also refer to the amount of eWOM that brands' posts cause, as users can see the posts liked by their friends, and users also can read the comments written by others on the posts of marketers. However, customers' engagement ratios are not the same for all content generated by marketers on Instagram. With this in mind, there is the question concerning what makes customers' engagements different. Amongst the many possible factors, in this study, we focused on sectoral differences between brands and asked the question: Are sectoral differences one of the reasons behind the different customer engagement ratios of brand posts on Instagram?

Research Method and Sampling

In order to answer the research question, the customer engagement ratios of 100 Instagram posts were compared according to brands, which are chosen from 8 different sectors. We first identified the most popular brands on Instagram (TOTEMS List, 2015) in order to provide equal conditions for each sector. As a criterion, all selected brands actively use Instagram. Subsequently, we collected the latest 5 posts of first 20 most popular brands on Instagram as of March 24, 2015. In order to establish the customer engagement ratios, the average number of likes and the average number of comments of brands (De Vries et al., 2012; Hoffman and Fodor, 2010) with regards to their last 5 posts were taken, with these numbers then divided amongst the number of followers achieved by the brand (Erkan, 2014). We deliberately limited the research by choosing only 5 posts for each brand in order to avoid miscalculation; since the number of followers changes every day, older posts could have a lesser number of likes and comments due to having a lower number of followers.

Results

Each of the 20 brands selected has a different number of followers, and the number of likes and comments on their posts are also different. Table 1 shows the brands, their sectors and the average number of likes and comments on their last 5 posts. The number of the followers that the brands have and customer engagement ratios are also included in Table 1. Furthermore, the 20 brands examined in the study are from 8 different sectors, namely Apparel—Luxury, Apparel—Sport, Apparel, Entertainment—Sport, Beverages, Electronics, Cars and Media. Table 2 displays the number of different companies for each sector and the average customer engagement ratios for these sectors.

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Table 1 Customer Engagement Ratios of Different Brands on Instagram

Rank	Brands	Sectors	Average number of the Likes on last 5 posts	Average number of the Comments on last 5 posts	Number of the Followers	Ratio of Likes / Followers	Ratio of Comments / Followers
1	Nike	Apparel, Sport	358,8 K	4475,2	13.3 M	0.026977	0.000336
2	Adidas Originals	Apparel, Sport	73,24 K	690,6	4.6 M	0.015922	0.000150
3	Starbucks	Beverages	142,6 K	503,2	3.8 M	0.037526	0.000132
4	GoPro	Electronics	154,8 K	3900	4.5 M	0.0344	0.000866
5	Zara	Apparel	38, 6 K	533,6	3.2 M	0.012063	0.000166
6	Topshop	Apparel	46,78 K	186,4	3.8 M	0.012311	0.000049
7	Gucci	Apparel, Luxury	43,38 K	390,4	3.3 M	0.013145	0.000118
8	Dior	Apparel, Luxury	42,7 K	284,4	3.1 M	0.013774	0.000092
9	Prada	Apparel, Luxury	32,22 K	284,2	2.8 M	0.011507	0.000102
10	NBA	Entertainment, Sport	90,02 K	725,6	5.3 M	0.016985	0.000137
11	Vans	Apparel, Sport	51,64 K	59,4	2.4 M	0.021516	0.000025
12	Jordan	Apparel, Sport	83,48 K	678,6	2.6 M	0.032108	0.000261
13	Louis Vuitton	Apparel, Luxury	45,34 K	526,4	4.3 M	0.010544	0.000122
14	Burberry	Apparel, Luxury	55,46 K	453,2	3 M	0.018486	0.000151
15	BMW	Cars	73,52 K	675,8	2.3 M	0.031965	0.000294
16	H&M	Apparel	81,18 K	643,6	5.6 M	0.014496	0.000115
17	Michael Kors	Apparel, Luxury	90,04 K	848	3.7 M	0.024335	0.000229
18	Vogue Magazine	Media	69,3 K	1373,4	3.7 M	0.018730	0.000371
19	Forever 21	Apparel	150 K	494,6	6 M	0.025	0.000082
20	NFL	Entertainment, Sport	84,42 K	1182,6	2.8 M	0.03015	0.000422

* Most popular 20 brands on Instagram (TOTEMS List, 2015)

Table 2 Average Customer Engagement Ratios of Different Sectors

Number of Companies	Sectors	Avg. Ratio of Likes / Followers	Avg. Ratio of Comments / Followers
6	Apparel, Luxury	0.015299	0.000136
4	Apparel, Sport	0.024130	0.000193
4	Apparel	0.015967	0.000103
2	Entertainment, Sport	0.023567	0.000280
1	Beverages	0.037526	0.000132
1	Electronics	0.0344	0.000866
1	Cars	0.031965	0.000294
1	Media	0.018730	0.000371

Tables 3 and 4 present the comparison of customer engagement ratios of different sectors based on 'Likes' and 'Comments'. It can be seen clearly that there are significant differences between sectors for both models. Table 3 demonstrates that the ratio is the highest in the Beverages sector, whilst the brands in Apparel—Luxury have the lowest rates. In fact, the data shows that customers' engagement with brands in the Beverages sector through liking is almost 2.5 times higher than brands in the Apparel—Luxury sector. On the other hand, Table 4 shows that the ratio is the highest in the electronics sector, whilst the brands in the Apparel sector have the lowest rates. Moreover, according to the data, customers' engagement with the brands in the Electronics sector through commenting is almost 8 times greater than the brands in the Apparel sector.

Table 3 Comparison of Customer Engagement Ratios of Different Sectors Based on 'Likes'

Rank	Sectors	Average Ratio of Likes / Followers	Comparison of Different Sectors
1	Beverages	0.037526	2.45 x
2	Electronics	0.0344	2.24 x
3	Cars	0.031965	2.08 x
4	Apparel, Sport	0.024130	1.57 x
5	Entertainment, Sport	0.023567	1.54 x
6	Media	0.018730	1.22 x
7	Apparel	0.015967	1.04 x
8	Apparel, Luxury	0.015299	x

Table 4 Comparison of Customer Engagement Ratios of Different Sectors Based on 'Comments'

Rank	Sectors	Average Ratio of Comments / Followers	Comparison of Different Sectors
1	Electronics	0.000866	8.39 x
2	Media	0.000371	3.59 x
3	Cars	0.000294	2.84 x
4	Entertainment, Sport	0.000280	2.70 x
5	Apparel, Sport	0.000193	1.86 x
6	Apparel, Luxury	0.000136	1.31 x
7	Beverages	0.000132	1.28 x
8	Apparel	0.000103	x

Conclusion

Social media websites are naturally appropriate platforms for eWOM (Canhoto and Clark, 2012); marketers thus wish to interact with customers on these websites. However, despite the efforts of marketers, not all content generated by them get the same response from customers. Some of the posted content leads users to eWOM and spread rapidly, whilst others do not. In this study, we examined the sectoral differences concerning customers' engagements with brands, and accordingly found significant differences in the Instagram context.

Content posted by marketers in the Beverages sector get more likes by users, whilst posts by brands in the Apparel—Luxury sector get the fewest likes. In order to identify a possible explanation for these results, we also examined the overall posting style of the brands in these sectors. We came to find that the posts of brands in the Apparel—Luxury sector are more product-oriented than in the Beverages sector. Marketers seeking to spread their posts through eWOM through getting more likes need to be less product-oriented in social media: rather than using product visuals in each post, they could adopt other concepts without direct selling intent.

On the other hand, content posted by marketers in the Electronics sector get more comments by users, whilst the brands in the Apparel sector get the fewest comments. The first thing that comes to mind is that people might require detailed information about such types of product. This could be one of the possible explanations for the results. However, during the course of this study, we came to realise that the brands examined in the Electronics category also use other instruments, such as human feelings, as opposed to posting only about their products.

Lastly, we noticed that the brands in the Apparel sector are amongst the most popular brands on Instagram. Although their customer engagement ratios are low when compared with other sectors, they still have a high number of followers on the social media website. This could also provide important results regarding consumer behaviour if interpreted by researchers in other fields. In this study, we examined brand posts on Instagram from 8 different sectors; however, for further research, other social media websites can be used to establish whether the results vary or the variety of sectors can be increased. In addition,

the posts of brands or the comments of users can be examined through content analysis in an effort to understand the sectoral differences affecting customer engagement.

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