

South Tuen Mun Government Secondary School
Business, Accounting and Financial Studies
Instagram

Instagram is a free social networking application (app) by which users can share their photos and short videos with others. After taking photos, users may apply filters to decorate the photos and upload them. As of February 2013, Instagram had 150 million active users around the world, including pop singers and movie stars.

Instagram users use the app for different purposes. Some users like sharing photos of food by the app. Others take travel photos and share scenery or happenings with the app. Others take travel photos and share scenery or happenings with the app. Many users also like taking photos of themselves or with their mates. Users can tag the location where the photos are taken.

Before, the developer of Instagram financed its operation only by venture capital. However, in October 2013, it announced that it would add advertising to the platform.

1) With reference to Maslow’s Hierarchy of Needs, explain the level(s) of need that Instagram tries to satisfy.

2a) Identify two reference groups with regard to the case.

2b) Based on part (a), explain how the two reference groups help Instagram attract new users.

3. Suggest segmentation method(s) which Instagram may segment the market.

4. Suggest one segmentation method which is not suitable for Intragram.

Instagram

1. Instagram tries to satisfy users' social needs. Users can share pictures and communicate with friends by the app.

Instagram also tries to satisfy users' ego needs. For example, fans follow celebrities, who are users of the app and gain publicity.

2. a) In this case, the direct reference group, friends, and the indirect reference group, celebrities such as pop singers and movie stars, are involved.

b) To be accepted by their friends, people follow what their friends do. In this case, people are influenced by friends who have an Instagram account and register an account. To keep current with life of their idols, people will establish an account and follow their idols.

3. Instagram may segment the market by:

- Benefits sought: users may use the app to share photos with their peers.

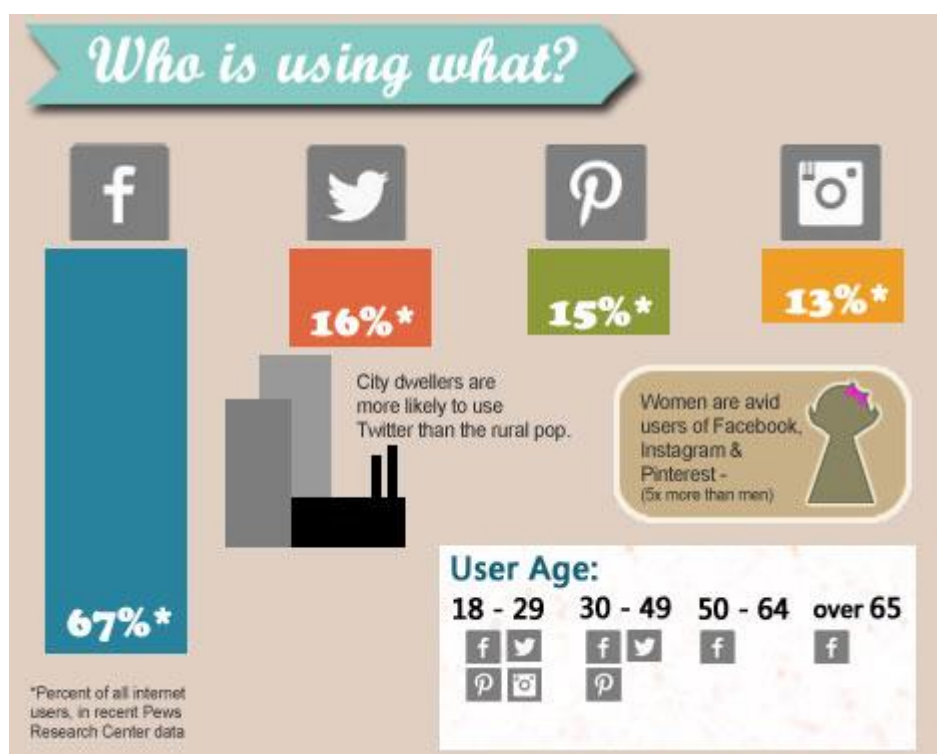
- Occasions: users may take photos and share them when they are dining or travelling.

- Age: As young people are more likely to use social networking apps than elderly people, Instagram may target young people.

4. Instagram may not segment the market by gender because gender does not lead to significant difference in app use preferences.

Additional Information

Over 90% of the 150 million people on Instagram are under the age of 35, which makes it an attractive platform for many apparel, entertainment, and media brands focused on the 18- to 34-year-old age bracket. Now that Instagram has begun testing ads, it's a good time to dig deeper into its audience. Though it's owned by Facebook, Instagram is a mobile app with distinct demographics.



Who and Where is your target market?

The social media market is constantly changing...that's no secret. A long long time ago (in a galaxy far far away) Myspace was the most popular online interactive forum, but in the blink of an eye people shifted their focus from Myspace to Facebook, and now Instagram and Twitter are quickly becoming key competitors for social media users' number one go-to spot. In these times of rapid change it's important to recognize not only **where** your audience's attention is currently focused, but **what age group** your target audience constitutes.

All of the following info comes from digitalsherpa.com. I found that these statistics were just too nifty not to share with you all! They give great insight into who is using certain social media outlets. Just think about how helpful it is to know where your audience is browsing...that way you know where to focus your attention in order to extend your reach more strategically.

For the full article you can click [HERE](#) but the meat of the article is right here in these bullet points. Take a look and see if these statistics change the way you think about who your business's target audience is.

Facebook:

- According to updated information from the Pew Research Center, 67 percent of Internet users are active on Facebook.
- This social networking site particularly appeals to women between the ages of 18 and 29.
- Facebook has a higher percentage of active users in the 30 to 49, 50 to 64, and over 65 age brackets than any other social networking site.

Twitter:

- According to updated information from the Pew Research Center, 16 percent of Internet users are active on Twitter (which has nearly doubled since 2010).
- City dwellers are much more likely to be active on Twitter than the rural population.
- Twitter appeals most to the under 50 demographic, and most specifically the 18 to 29 age bracket.

Pinterest:

- According to updated information from the Pew Research Center, 15 percent of Internet users are active on Pinterest.
- Women are 5 times more likely to be active on Pinterest than men.
- The typical Pinterest user is an educated white woman under 50 with disposable income.

Instagram:

- According to updated information from the Pew Research Center, 13 percent of all Internet users are active on Instagram.
- Generally, blacks and hispanics are more likely to be active on Instagram than other races. Also, more women than men use Instagram.
- The majority of Instagram users are between the ages of 18 and 29.

Across the board, **Facebook comes out on top** in terms of highest rates of user interaction, but **Twitter continues to rise up in the ranks**, and its users constitute the most rapidly expanding group. What I've also learned through is that although the social media market is dominated by younger generations ages 18-29, the 55+ age group is quickly becoming a strong online presence. Remember, it's never too late to take a closer look at where your followers are spending their time!