

Enhancing Social Media Marketing Strategy of a Pastry Business Using Instagram Ads

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Abstract:- This study aims to explore the role of Instagram Ads in enhancing social media engagement and sales. Data were collected from a SME offering pastry products in Palembang, Indonesia. This research employed the action research approach. The implementation lasted for one week in April 2021. The results showed that Instagram Ads have no effects on social media engagement. However, the paid ads have significant and positive impacts on leads (i.e., on Instagram Direct Message and WhatsApp), total buyers, and sales. This research enhances social media marketing literature, especially in the context of paid ads on social media. Lastly, this study benefits SMEs by providing evidence that Instagram Ads are significant for SMEs' financial performance.

Keywords:- Instagram Ads; Social Media Marketing; Small and Medium Enterprises; Social Media Advertising.

I. INTRODUCTION

Social media marketing (SMM) has the features of interactivity, global reach, data accessibility, and relatively affordable [1]–[3]. Because of this, businesses implement SMM. In terms of marketing costs, small and medium enterprises (SMEs) need SMM more than their larger firms counterparts as SMEs possess limited resources to market their products or services [4]. Although requiring low investment, SMM can provide substantial benefits for SMEs. Research evidenced that SMM implementation can improve SMEs' financial and non-financial performances (e.g., customer service and marketing efficiency and customer relationship quality improvement) [5]. Chatterjee and Kar [6] further confirmed that SMM can increase numbers of customers, sales, and inquiries; and promote better customer relationships, employees creativity, and positive feedbacks.

One of the primary players in the social media sphere is Instagram. The visually-driven platform has accumulated more than one billion active users [7]. Among the figures, a significant amount of 200 million users explore at least one business account daily [8]. The statistics further exhibit that 80% of Instagram users decide to purchase products or services after seeking information from the platform [9]. De Vries [10] also stated that people on Instagram spend more time juxtaposed with those on other social media channels. Despite these favourable facts, advertising research discussing Instagram remains scarce [11]. Academic discussion on the

topic of paid media on the channel (i.e., Instagram Ads) is also nearly non-existent.

Wahid [12] investigated the effects of Instagram Ads implementation on social media engagement (i.e., likes and comments) and sales. They revealed that Instagram Ads have no significant effects on social media engagement. However, the ads can positively influence sales. The findings are beneficial for businesses. It should be noted that, nonetheless, the research examined fresh produce sellers in the early stage of the Covid-19 pandemic in Indonesia. Fresh produce is a necessity, and people were actively trying to search for it during times of highly restricted movement. Accordingly, implementing Instagram Ads to market fresh produce delivery service to customers could enhance success. Due to this reason, studies should further explore the application of Instagram Ads in other types of industry.

This study aims to explore the effects of Instagram Ads implementation on social media engagement (i.e., likes, comments, and direct messages) and sales. The participant in this research is an SME selling pastry products located in Palembang, Indonesia. There are two research questions in this investigation: (RQ1) Does Instagram Ads affect social media engagement on Instagram?; (RQ2) Does Instagram Ads affect sales? This research offers two contributions. First, it enriches SMM literature by providing the discussion of Instagram Ads. Second, the results can benefit SMEs, especially those dealing with pastry. This study can guide SMEs in implementing Instagram Ads to enhance their SMM strategy and eventually improve their financial and non-financial performance.

II. SOCIAL MEDIA MARKETING STRATEGY

Li et al. [13] define SMM strategy as "an organization's integrated pattern of activities that, based on a careful assessment of customers' motivations for brand-related social media use and the undertaking of deliberate engagement initiatives, transform social media connectedness (networks) and interactions (influences) into valuable strategic means to achieve desirable marketing outcomes." There are four SMM strategies businesses can implement: social commerce strategy, social CRM strategy, social content strategy, and social monitoring strategy [13]. This study only focuses on social content and social commerce strategies. The former refers to the creation and dissemination of engaging and informational content in various formats to gain or keep

current customers [14]. On the other hand, the latter corresponds to the employment of social media for promotion or selling, rather than stimulating engagement [15], [16].

SMM strategies are essential for businesses, especially SMEs. Studies confirmed that the implementation of SMM can enhance SMEs financial (e.g., decrease in marketing cost) and non-financial (e.g., improvement in customer service) performance [5]. Pertaining to financial performance, Chatterjee and Kar [6] evidenced that SMM can strengthen numbers of customers, inquires, and sales. The empirical findings further substantiate that SMEs need to apply SMM strategies, especially social content and social commerce strategies. This is due to the fact that SMEs lack resources to market their products or services [4]. Implementing relevant social content and social commerce strategies may positively influence SMEs' performance, both financially and non-financially.

SMEs can implement both paid and unpaid SMM. One of the formats of paid SMM is display ads provided by social media platforms such as Facebook Ads, Instagram Ads, and Twitter Ads (Wahid, 2021). Hitherto, businesses can pay as little as USD 5 per day for the paid social media ads. The rate is even more affordable in emerging countries. For instance, in Indonesia, the minimum cost for Instagram Ads per day is Rp20.000, or approximately USD 1.5 a day. This type of ads is beneficial for SMEs. They can expand their reach to their current and targeted customers of the respected social media platforms. This, in the end, may aid SMEs in achieving their business goals such as increasing engagement, numbers of inquiries, buyers, and sales.

III. RESEARCH METHOD

A. Research Approach

This study was exploratory. The method applied was action research. Action research is an approach where researchers, practitioners, and employees collaborate to resolve an organization's complex and novel problems [17], [18]. Extant research has utilised action research in SMM analyses [19], [20]. This method is particularly relevant for this study. This is because the theory-grounded implementation of Instagram Ads in social content and social commerce strategies is almost non-existent. Action research in this study will explore and reveal the benefits of Instagram Ads for SMEs in achieving their business goals.

The participant in this study is a small pastry business located in Palembang, Indonesia. A young woman aged 29 owns the business. The pastry business has been operating since 2017. The business offers delicious and visually attractive cakes and cookies. The value proposition is selling cakes and cookies that are good both for the tongue and eyes. The owner has been marketing its business on Instagram and WhatsApp, catering only to local residents in Palembang. Before the Instagram Ads implementation, the pastry business has accumulated 286 followers and published 87 posts on its Instagram account. The demography of its followers was as follows: (a) 64.2% was Palembang residents; (b) 85.5% was women; (c) 94.8% was in the age of 18-44. The business

owner has never applied paid SMM to promote its business on Instagram or other social media platforms.

B. Research Process

Action research follows the cycle of planning, acting, observing, and reflecting [21]. Figure 1 depicts the research process in this research. In this study, in the planning phase, the researcher and business owner discussed the objective of Instagram Ads implementation in the pastry business. The researcher and business owner agreed that the goals of the SMM strategies implementation were to improve social media engagement and increasing sales-related metrics. In this phase, the researcher also designed the display ads for Instagram Ads. The discussion between the researcher and business owner also resulted in the promotion timeframe of seven days, from 14 April 2021 until 20 April 2021. The daily budget was Rp20,000 with a 10% tax. Thus, the total cost was Rp154,000. The display ads were in a carousel format, exhibiting the business offerings, including contacts and other business information. In the case of target markets, the researcher and business owner decided to emulate the pastry business's current social media followers and consumers. The target markets were: (a) prospects residing in Palembang; (b) women; and (c) between the age of 18 to 44.

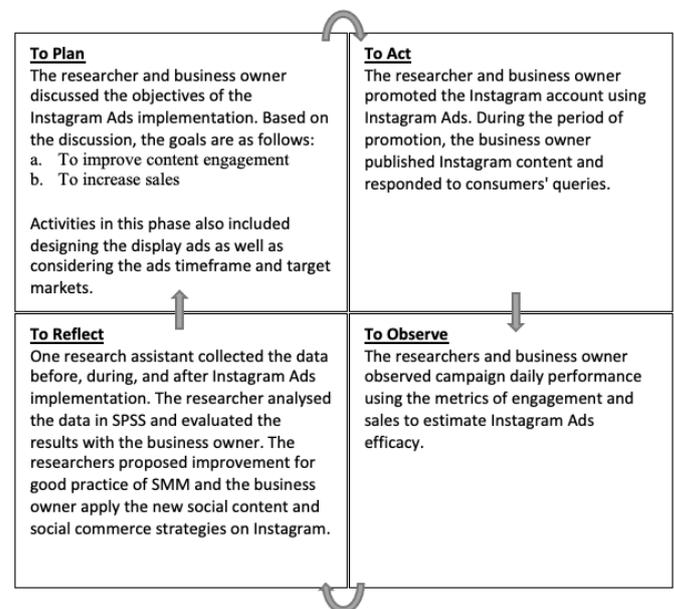


Fig. 1. The action research process

In the acting phase, the business owner and researcher implemented the Instagram Ads promotion. During this process, the business owner published social media content as usual on Instagram. The business owner also responded to consumers' inquiries on Instagram Direct Message (DM), Instagram comment section, and WhatsApp. In the observing phase, the researcher and business owner monitored the daily performance of Instagram Ads promotion. The research was particularly keen on the metrics of social media engagement (i.e., likes, comments, and shares) and sales (i.e., consumers' inquiries on Instagram DM and WhatsApp, total buyers, and total sales). Lastly, in the reflecting phase, the researcher and business owner collaborated to employ one research assistant to collect data from the Instagram Ads implementation. The

researcher then analysed the data in SPSS using the independent sample t-test. Based on the statistical analysis, the researcher proposed improvement of social content and social commerce strategies for the pastry business to enhance its business goals.

IV. RESULTS

Excluding the 10% tax, the total budget was Rp140,000 for seven days of Instagram Ads implementation. This spending on Instagram Ads has reached 12,055 users on the platform. The promotion also has a total of 499 social media engagements and 535 link clicks. All in all, the Instagram Ads implementation costed Rp281 per link click. Table 1 summarises the Instagram Ads implementation results.

TABLE I. TABLE 1. INSTAGRAM ADS RESULTS

Metric	n
Total budget	Rp140,000
Reach	12,055
Post engagement	499
Link clicks	535

The analyses further investigated the social media engagement of each post before (n = 7) and during and after (n = 9) the Instagram Ads implementation. The findings revealed that the social media engagement was higher during and after the ads implementation (Likes M = 12.78, SD = 13.49; Comments M = 1.89, SD = 3.26, Shares M = 2, SD = 2.5) than before the promotion on Instagram (Likes M = 7.29, SD = 3.4; Comments M = 0, SD = 0, Shares M = 0.57, SD = 1.13). Nonetheless, the independent sample t-test evidenced that these differences were insignificant (Likes t(14) = -1.04, p > 0.05; Comments t(14) = -1.52, p > 0.05; Shares t(14) = -1.4, p > 0.05). These results illustrated that the Instagram Ads implementation has no effects on social media engagement on Instagram. Table 2 displays the summary of the findings.

TABLE II. TABLE 2. THE INDEPENDENT SAMPLE T-TEST RESULTS OF SOCIAL MEDIA ENGAGEMENT OF EACH POST

	Before Implementation	During and After Implementation	t
Likes	M = 7.29 SD = 3.4	M = 12.78 SD = 13.49	-1.04
Comments	M = 0 SD = 0	M = 1.89 SD = 3.26	-1.52
Shares	M = 0.57 SD = 1.13	M = 2 SD = 2.5	-1.4

Pertaining to sales, the calculation uncovered that all of the metrics were higher during and after the Instagram Ads implementation (Instagram DM M = 3.69, SD = 2.67; WhatsApp M = 8, SD = 3.18; Total Buyers M = 5.08, SD = 1.62; Total Sales M = 841153.85, SD = 436193.32) than those of before the implementation (Instagram DM M = 0.29, SD = 0.49; WhatsApp M = 0.57, SD = 0.79; Total Buyers M = 0.43, SD = 0.79; Total Sales M = 68571.43, SD = 136067.21). The independent sample t-test also claimed that the differences were significant (Instagram DM t(31) = -3.33, p < 0.05; WhatsApp t(31) = -6.07, p < 0.05; Total Buyers t(31) = -7.29, p < 0.05; Total Sales t(31) = -4.58, p < 0.05). These findings

showed that the Instagram Ads implementation has effects on sales. Table 3 displays the results.

TABLE III. TABLE 3. THE INDEPENDENT SAMPLE T-TEST RESULTS OF SALES-RELATED METRICS

	Before Implementation	During and After Implementation	t
Instagram DM	M = 0.29 SD = 0.49	M = 3.69 SD = 2.67	-3.33*
WhatsApp	M = 0.57 SD = 0.79	M = 8 SD = 3.18	6.07*
Total Buyers	M = 0.43 SD = 0.79	M = 5.08 SD = 1.62	7.29*
Total Sales	M = 68571.43 SD = 136067.21	M = 841153.85 SD = 436193.32	4.58*

*Note: *p-value < 0.05

V. CONCLUSION

This study aims to explore the role of Instagram Ads implementation in improving social media engagement and sales. The study revealed that Instagram Ads have no significant effects on social media engagement. However, the paid ads implementation on Instagram has significant and positive impacts on sales. These findings are beneficial for SMEs. This implementation only costed Rp281 per link click. The small amount of spending could increase sales by more than ten times. Given SMEs lack of resources [4], applying SMM in the form of Instagram Ads may enhance their financial performance. Theoretically, this research enhances SMM literature by illustrating the benefits of paid social media ads on sales. Despite the practical and theoretical contributions, this research still carries several limitations and thus provide SMM scholars with future research opportunities. First, the timeframe is short. Future studies may discuss the paid promotion on Instagram in a more extended period. Second, the study was during the month of Ramadhan where Muslim consumers in Indonesia purchase cakes and cookies for Eid. Future studies may investigate the social media paid ads in the typical time. Third, each social media platform has its own audience and culture [22]. Future studies may inspect the efficacy of paid social media ads such as on TikTok.

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