



## **Exploring the Market Advantage and Challenges Presented by the Instagram Algorithm**

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### **ABSTRACT**

With the expansion of internet usage and advancements in business strategy, an increasing number of organizations are embracing digital strategies. Instagram is utilized for advertising purposes by numerous businesses. The recently implemented Instagram strategy has generated considerable controversy. Although corporate usage is increasing, Instagram is costly due to the algorithm's complexity and the potential loss of a competitive advantage. This study investigates the benefits and drawbacks of the Instagram algorithm for online businesses aiming to gain a competitive advantage. A marketer and online florist was interviewed for the purposes of this study. Data collection also encompasses the processes of observation and documentation. Primary data are obtained through in-depth informant interviews, while secondary data are obtained from Instagram algorithm books and journals. This research employs data reduction, verification of conclusions, and exhibit data. The validity of data is established through the triangulation of sources and methods. Instagram's algorithm has both advantages and disadvantages for online floristry, according to this study. Instagram, notwithstanding its shortcomings, remains the preeminent online platform for product marketing. The algorithm of Instagram assists online marketers in selecting a business marketing strategy and acquiring customers. This research suggests that internet marketers should become familiar with this novel approach to enhancing motivation and social media communication. Analyze the impact of Instagram's algorithm on consumers.

**Keywords:** Social media, Digital marketing

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### **Introduction**

The progression of information technology, communication media, and the internet has had far-reaching effects, influencing corporate strategies as well. Modern business strategies increasingly utilize digital systems. Electronic commerce and digital marketing are Internet-based activities. Product marketing could be altered by 78% using digital marketing techniques. In addition to digital product marketing and client communication, businesses utilize social media. Instagram is the preeminent social media platform. The video and image content of Instagram enables businesses to communicate with customers at any time and in any location.

Instagram introduced its algorithm in 2018, which utilized big data and AI. The objective of this Instagram algorithm is to prevent user deception, such as automated likes, follows, remarks, and unfollows, while enhancing functionality. Provocative are the Instagram algorithmic intricacies and its capacity to diminish views of user-generated content. For growth, online florists rely on Instagram. The growth of their customer base is a critical sales indicator for e-commerce florists. Online florists in Denpasar appear perplexed by the Instagram algorithm update. The audience growth is significantly impacted by the potential loss of competitive advantage and the subsequent delay in implementing the marketing strategy. Due to its ignorance of the Instagram algorithm, the online florist is unable to gain a competitive advantage and must concentrate on resolving issues. It is anticipated that sales growth will decelerate and Instagram promotion will decrease.

Instagram is being utilized for business purposes, particularly by online florists in Denpasar. Ansar Surya Pranaka et al. (2017) demonstrated in "The Influence of Instagram Social Media on Competitive Advantage" that Instagram exerted a 74% impact on competitive advantage, thereby establishing the inverse proportionality of this phenomenon. The study "An Exploratory of the Potential for Instagram as a Shopping Platform," published by Pedersen Marthe in 2017, revealed that despite concerns regarding consumer trust, the utilization of Instagram's commerce platform experienced growth. The research did not center on the impact of internet advertisers or Instagram's most recent algorithm. Thus, additional research is required to determine how internet marketers perceive the Instagram algorithm.

This study investigates the impact of Instagram algorithm modifications on the competitiveness of online marketers. With a comprehensive comprehension of the Instagram algorithm, the researcher aims to illuminate the evolution of research, specifically in social media marketing and marketing, and supply business professionals, especially online marketers, with insight into the algorithm. This information would assist businesses in selecting the most effective marketing strategy to increase sales and gain a competitive edge.

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## Literature review

Complementing Promotion Satisfaction, loyalty, and trust are all influenced by communication [2]. The objective of integrating marketing communication (IMC) is to streamline and enhance consumer communication. Integrated marketing communication pertains to the interplay between consumers, businesses, entities, products, and services. Whether this is apparent or merely a notion of the consumer is contingent upon the circumstances. This may include activities, processes, and events that generate utility value for consumers, as well as the impacts of short-term purchasers. Players are not, however, entirely engaged, and perceptions may originate in the past, present, or future. This method is predicated on consumer logic. Companies and clients are linked through integrated marketing communication (IMC), which utilizes information and communication technologies.

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## Digital Marketing

Digital marketing promotes through the use of online media. Digital marketing is an institution, process, and activity that employs digital technology to generate, relay, and communicate value to consumers and other stakeholders, according to the American Marketing Association (AMA). Marketing digitally exists online. Digital marketing enables consumers to make purchases and establish communication with vendors in a timely manner. Customers' ability to assess and critique products and services ultimately accelerates transactions. Through the use of digital marketing and internet-based channels for product development, pricing, and distribution, entrepreneurs can expand their operations globally. To decrease expenditures. The impact of digital marketing strategies on the product marketing of a company could be 78%.

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## Social Media Marketing

The effectiveness of social media as a platform for businesses to reach their intended audience is widely acknowledged. Arrigo (2018) defines social media as a platform through which users can voluntarily and interactively accumulate data. Users are empowered to impart their professional and personal encounters. Social media platforms, also known as blogs, microblogs, communities, or social networking sites, function on both mobile and web-enabled devices. The primary objective of this system is to establish an interactive environment that enables users to collaborate, generate, discuss, and modify content.

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## Instagram Algorithm

The most recent is the Instagram algorithm, which debuted in early 2018. Massive amounts of Instagram data are organized logically by the Instagram algorithm for users. Numerous components comprise Instagram's algorithm. Instagram features the following: stories, hashtags, caption editing, algorithm post visibility, shadow barring, interaction, publication, and reposting. Sixty minutes following the implementation of this algorithm, Instagram posts will be evaluated. Audience members and Instagram users will not instantaneously see the post. 20% of the audience may potentially access the content. The greater the number of interactions, the more visibility the user's content will receive from the system. Users of Instagram refer to this as "algorithmic post exposure."

To deter fraudulent activity, this new Instagram algorithm prioritizes following, followers, likes, and comments. Autofollowers, remark offenders, and likers will be permanently barred from Instagram. Within twenty-four hours, spam on these accounts may consist of caption modifications, removals, or reuploads. Stories are given priority on Instagram because they increase audiences and followers. Customers' ability to select who views their content via hashtags assists online marketers in targeting the appropriate audience.

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## Competitive Advantage

Sigalas asserts that competitive advantage is a foundational notion employed in management strategies due to its ability to elucidate the mechanisms underlying variations in business performance. A competitive advantage is the organizational effort that is most conspicuous with respect to market competition, when compared to that of its rivals. Sigalas defines competitive advantage as the ability of a typical industry to exploit market opportunities while minimizing the threat of competition.

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## Research Method

The research participants for this study were online florists based in Denpasar City who have a significant number of Instagram followers and actively market their products through the platform. The present study makes use of qualitative descriptive data. Supplementing the findings derived from primary data collection—direct interviews with research informants—secondary data obtained from pertinent literature sources and journals are also incorporated. The researcher serves as the principal instrument employed in this inquiry into the Instagram algorithm. Methods of data acquisition consist of documentation, in-depth interviews, and observation. Conversely, data analysis pertains to the scrutiny of the Miles and Huberman models, with particular emphasis on data minimization, data visualization, and deriving conclusions. Source triangulation was utilized in this inquiry to bolster the credibility and reliability of the data.

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## Result and Discussion

### Opportunities of Instagram Algorithm for Online Marketers

Four districts of Denpasar are experiencing robust economic and commercial expansion. Particularly digital entrepreneurs, young people conduct business online. Online businesses appreciate Instagram. The new Instagram algorithm provides internet marketers with additional prospects for business expansion, one of which is to attract customers.

"I established my company via Instagram." The vast user base and vibrant content on Instagram serve to advertise my company. My business benefited from the Instagram algorithm through an increase in consumers and followers. My Instagram following is increased by the algorithm's encouragement of publishing. The frequency of updates has the potential to enhance client engagement and interest. (Interview with Jena Iswari, proprietor and administrator of @allunaflorist. 16:25 on November 22, 2018

Companies should utilize social media to reach more individuals, according to Arrigo (7). Algorithmically, Instagram categorizes user interests in order to facilitate matching. It is possible that graduation and other online florists are comparable in that "organizing based on shared interests is extremely beneficial because it enables one to anticipate the future course of business." Capturing the appropriate market segment, my online florist will be displayed on the peruse sites of prospective clients who are contemplating graduation or birthday gifts, as a result of our technology's investigation of their previous contacts. Kadek Ayu Inten Lestari, proprietor and administrator of @kamalaflorist, stated as much in an interview. 11:00 November 25, 2018 Utilizing Instagram's hashtag system could increase sales. Consumers discover shared interests through the use of hashtags. "I used to post a single Instagram picture with several hashtags." As an online florist in Bali, I examined the Instagram hashtags of these businesses. Post-survey revisions incorporated feedback. Not only does the image before it contain a hashtag. The renowned Cloris is located beyond Bali and accepts orders. We spoke with Youween Sumolang, proprietor and administrator of @theclorisflower. (November 22, 2018 at 18:00) In order to develop an effective marketing strategy, businesses must have a comprehensive understanding of market conditions. "Instagram systematics, where interaction clustering is one of the determining factors," is an additional viable detection instrument. Market trends are identified by the algorithm of Instagram. Discovered on the Peony Gardena explore page are developments and strategies for Instagram floral content marketing. As a result, the organization can potentially optimize innovation by utilizing that platform. Ni Ketut Pebri Herlina, proprietor and administrator of @peonygardena, was interviewed at 16:35 on November 25, 2018. Potentially, enhanced Instagram algorithms could aid online businesses in attracting customers. Monitoring the market enhances the marketing strategy.

"Although this algorithm is more beneficial in acquiring potential customers, it does not significantly increase sales simply by adhering to its rules." Direct messaging and story replies increase engagement. Consult Ni Ketut Pebri Herlina, proprietor and administrator of @peonygardena. 16:35 on November 25, 2018 "My primary strategy is to utilize Instagram stories." My audience enjoys the narrative because it takes longer to peruse Kamala's profile page photos. I updated the Instagram narrative of the Kamala florist frequently in an effort to boost engagement. This allowed attendees to respond rapidly to product-specific inquiries. More participation equals more followers. The Kadek Ayu Inten Lestari, proprietor and administrator of @kamalaflorist, was interviewed. 11:00 November 25, 2018

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### Challenges of Instagram Algorithm for Online Marketers

The Instagram algorithm presents an opportunity for business expansion; however, an inadequate comprehension of it could result in diminished viewership and engagement. Although one may have knowledge of "systematics," the Instagram algorithm might be foreign to them. By disregarding Instagram algorithmic guidelines and prioritizing the visibility of Kunda Flower Shop through the publication of untagged Instagram stories and photographs. I frequently compose erroneous captions, necessitating an immediate revision without regard for the target audience. "Since I have only received repeat business thus far, I have maintained this approach." We interviewed Ni Made Ketut Kustari, proprietor and administrator of @kunda\_flowershop. 16:40 on November 22, 2018

The algorithm in question is critical for the expansion of a corporation; however, its intricate implementation of numerous systematic responsibilities renders it challenging to operate. The most significant barrier to enhancing Instagram's algorithm is time.

"Because the online florist's business hours are extremely variable, I am unable to provide daily updates at the same time." It may take two to three days if I am unable to post images and stories to Instagram in a timely manner due to my full-time employment. Notwithstanding the decline in audience size, my sales continue to be consistent. (Interview with Jena Iswari, proprietor and administrator of @allunaflorist. 16:35 on November 22, 2018 "The complexity of its implementation actually renders this algorithm detrimental." As a result of limited engagement during the initial sixty minutes, newly published material may also accumulate. While the algorithm aids in expanding our audience, simpler and more practical approaches exist on Instagram. The administrator and proprietor of @peonygardena, Ni Ketut Pebri Herlina, was interviewed. 16:35 on November 25, 2018

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### Opportunities and Challenges in Improving Competitive Advantage

Each organization requires a competitive advantage in order to endure. A competitive advantage could consist of product distinctions or marketing strategies. Online businesses may be able to estimate market conditions with the aid of Instagram algorithms that analyze categories. "This algorithmic system can assist online florists in identifying the most recent competitor developments, including branding and product model enhancements." As a producer and marketer, this update motivates me to develop novel products that distinguish my florist and resonate with clientele.

(Manager and proprietor of @rhea\_florist, Inash Sonya Anggraini, was interviewed. 00 on November 29, 2018. Despite modest sales growth, online businesses can utilize Instagram as a marketing channel with this new method by implementing an improved strategy. The complexity of the Instagram algorithm incentivizes web marketers to promote their products. Consistently endorsing new products on Instagram stories, where the majority of my audience resides. I recorded the daily endeavours in my journal, but I restricted my profile to featuring no more than one or two of my favourites. This approach serves as a defining feature of the floristry that I operate and consistently update on Instagram. Interview with I Gusti Ayu Tri Wahyuni Erika, proprietor and administrator of Royal Florist Bali. 14:10 on November 26, 2018.

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## Conclusion

The study's objective was to identify the potential and challenges of the Instagram algorithm. Based on the research outcomes, the algorithm has the capability to broaden the reach of online marketers by identifying market conditions and expanding the target audience, thereby enticing a greater number of prospective customers. The difficulty of the Instagram algorithm stems from its intricacy and the time required to execute the system. Additionally, ignorance of the Instagram algorithm is a concern.

Algorithms on Instagram aid internet marketers in locating consumers and selecting the optimal plan. By utilizing the Instagram algorithm, online marketers can assess market conditions and devise effective and distinctive marketing strategies in order to maintain a competitive edge. Instagram is the primary marketing channel utilized by online florists in Denpasar, who are also online marketers for their companies, due to the minimal influence of the Instagram algorithm on sales.

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