TALLINN UNIVERSITY OF TECHNOLOGY

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BUILDING BRAND AWARENESS USING INSTAGRAM STORIES ADVERTISEMENTS

Bachelor's thesis

Programme TVTB, specialisation Marketing

Supervisor: Kati Tillemann, M.Sc.

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I hereby declare that I have compiled the thesis independently

and all works, important standpoints and data by other authors

have been properly referenced, and the same paper

has not been previously presented for grading.

The document length is 7210 words from the introduction to the end of conclusion.

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TABLE OF CONTENTS

ABSTRACT

Marketing a new brand or product starts with increasing awareness and interest among the target audience. Today the most considerable activity is directed to social media platforms, where the potential client could get a thorough overview of the brands' history, action or a new product line.

However, in the past years, social media advertising has become more expensive and competitive. More brands and businesses compete for the potential customers' attention with limited budgets. With its high growth of users, Instagram is one of the most efficient platforms for increasing awareness.

The study focuses on advertising in Instagram Stories based on the example of two brands: Mirtel Design and Casow. More narrowly, the goal is to determine which Story advertising formats generate the highest number of reach and impressions, simultaneously analysing the suitability of the advertising platform for growing the audience for the chosen brands. The author has formed three hypotheses.

Hypothesis 1: Instagram Story advertisements generate a higher number of impressions and reach than placing the ad to Instagram Feed.
Hypothesis 2: Video advertisement outperforms carousel and image format advertisements.
Hypothesis 3: Using the Facebook Ads Manager for publishing advertisements results in a higher number of reach and impressions than publishing through Instagram Insights.

To collect data on advertisement performance, the author used quantitative methods, more narrowly systematic observation approach. During the preparations, the author created three sets of advertisements to examine the particular variables' effect stated in the hypotheses.

Keywords: Social Media Advertising, Instagram Story Advertising

INTRODUCTION

As the number of brands and businesses increases, the competition between them also gets more intense. A saturated market creates a situation where brands and resellers need to fight for customer's attention. Moreover, finding loyal customers is getting more complicated. The study conducted by McKinsey & Company (2018) suggests that only 13 per cent of the shoppers are loyal customers and keep purchasing from the same store. All the others are visiting different e-commerce platforms and try to find the best deals. The study also shows that 29 per cent of the shoppers who buy from different stores are repurchasing the same brands. (Court et al., 2018) Meaning that 87 per cent of the shoppers are most likely to visit other e-stores. Therefore, companies should invest more in increasing the brand's awareness, welcoming 87 per cent of the shoppers to purchase from them and their resellers.

Today to make potential customers consider the purchase decision, the brands need to give a clear signal of their benefits and why potential buyers should complete the purchase (Court et al., 2018). Brands and companies could direct their potential customers' encouraging activities to social media by posting updates, customer experiences and educational content. To have a steady audience growth, brands must take well-structured awareness actions (Świtała et al., 2018). One of the most effective social media platforms is Instagram, with 1,22 billion users with a 5.4 per cent quarterly growth rate (Hootsuite Inc., 2021). Instagram is the fastest developing platform, adding new features and tools to give the most excellent user experience for its active users and business purposes.

Instagram consist of News Feed, Instagram Television, Stories and also the latest addition Reels. Instagram highest reach is generated in the Stories, where the advertising reach is 849.3 million (Hootsuite Inc.,2021). Instagram Stories is an effective tool for increasing brand awareness and driving traffic to desired destination. Meanwhile, the Stories have been used for over five years for advertising purposes, so the competition between Stories advertisements has increased.

A research problem of this thesis is following even though Instagram Stories are highly beneficial tool for advertising, the rapid growth of promotional content published to IS has increased the competition resulting in increased costs. The aim of this paper is to determine if advertising formats, tools and also placement in Instagram can be optimised and if any of the variables are performing better than the others.

This thesis aims to observe Instagram Stories' capability of increasing awareness of two brands: Mirtel Design and Casow. The awareness is measured in impressions and reach. To examine Stories' effectiveness, the author will compare Instagram Feed and Stories and create advertisers to collect primary data. After evaluating Stories performance, the author will carry out further study to find advertisement format that is the most suitable for advertising in Instagram Stories. Lastly, the author will compare Instagram Insights and Facebook Ads Manager to evaluate which tools are more effective in increasing reach and impressions.

Foremost there will be studied if Instagram Stories' advertising reach is more extensive than the Instagram Feed's. A study conducted by Agora Pulse Instagram Story ads reached 44 per cent more people than Instagram Feed Ad. Moreover, Stories spent less capital from the budget and generated 78 per cent more clicks and increased conversion rate to 23 per cent. Based on this data launching Instagram Ads to Stories are more cost-effective and also create better results. (Hjh., 2021) Moreover, research conducted by Belanche et al (2019) suggests that Instagram Stories advertisements have a stronger influence on consumers than Instagram and Facebook Feeds' promotions due to Instagram Stories format. Based on the previous research author formed the first hypothesis.

Hypothesis 1: Instagram Story advertisements generate a higher number of impressions and reach than placing the ad to Instagram Feed.

Subsequently to the analyses of the effectiveness of Instagram Stories, the paper will also provide insight into the advertisement format variation possible to use in Stories. The thesis will give a thorough analysis of the formats by observing their efficiency in growing the audience of the chosen brands. Experiment written by Lydon (2020) proposes that video advertisement format generated the highest number of impressions, which increased the most brand awareness. Image and carousel advertisements performed similarly generating the most leads and CTR (click-through rate). Even though image and carousel advertisements drove the most traffic to website, they did not increased awareness significantly. In addition, video advertisements are recognised more strongly by the browsers, which helps to increase reach (Appiah, 2006). Supporting to the previous research author formed the second hypothesis.

Hypothesis 2: Video advertisement outperforms carousel and image format advertisements.

Regarding advertising publishing tools, Instagram provides an overview of both option, Instagram Insights and Facebook Ads Manager. Instagram Insights is an in-app tool providing simple Instagram account statistics and creating advertisements effortlessly. Facebook Ads Manager is a more detailed tool for creating ads for Facebook, Instagram and Messenger. (Facebook Business) The thesis will provide an in-depth description of both and test which tool is more cost-efficient and reaches more potential customers. From the previous data, the author formed the third hypothesis.

Hypothesis 3: Using the Facebook Ads Manager for publishing advertisements results in a higher number of reach and impressions than publishing through Instagram Insights.

The paper will examine the Instagram Stories advertisements effectiveness using two brands, Casow and Mirtel Design. The thesis will use brands' previous advertisements and content published to brands' Instagram account as a base for creating advertisements for the study.

The thesis will use quantitative research methods, more narrowly systematic observation approach. The author created three sets of advertisements. The author created each set to examine the effects of ads format, placement and tools used for finding the most effective outcome. Two of them were designed for Casow's audience and other two for Mirtel Design's.

1. ADVERTISING IN INSTAGRAM STORIES

A positive attitude towards a brand increases the probability of a person completing a purchase. (Aktan, 2016). Therefore, raising awareness and enhancing a solid branding among the potential audience is crucial to shaping consumer behaviour (Lundqvist et al., 2013). A great way to communicate with the audience is to tell the brand's story. Storytelling has been the most efficient way to gain customers' attention, increasing the interest of the brands among the target audience (Lundqvist et al., 2013). Instagram Stories (IS) is the tool inside of Instagram that is focused on storytelling. IS aims to provide a place where people can share their experiences, life updates and communicate with their friends, family, and other followers (Instagram, 2021).

Instagram (IG) is a popular social media platform where users share photos and video content (Instagram, 2021). With a five-year growth, Instagram has over one billion active users, which indicates that 20 per cent of the world's population can be reached in this social media platform. Based on the 2021 digital global report, every quarter Instagram audience increases by 5.4 per cent, meaning that with three months, Instagram has over 63 million new users. (Hootsuite Inc., 2021)

Instagram consists of news feed, Stories, IGTV and new addition Reels. Starting with Instagram TV, more known as IGTV is an app meant for video content with a length of up to one hour. IGTV is Instagram's version of YouTube and can be used separately from Instagram. (Mallya, 2019) Similarly to Instagram Stories and Reels, IGTV videos are vertical position. The video app is popular among Instagram users who would like to upload a longer video or save the content they have created during live sessions without leaving Instagram's platform. (Digital Marketing Institute, 2018) According to Social Media Marketing Industry Report (2019), only 18 per cent of Instagram users consume videos from IGTV, which is somewhat small compared to YouTube with 1.9 billion active users. (Malnik, 2019)

Instagram Stories lets users upload videos and images that stay there for 24 hours. IS are used to share short content such as updates, more minor interactions without remaining visible to the profile. Each Story post can be a maximum of 15 seconds long. Content released to Instagram Stories is visual for account followers and users who the content author follows. (Bernazzani, 2021) If users desire to keep the story post, they could save them to Instagram Stories highlights, displaying the author's content. Posting to IS makes engaging the diversity of interactive elements

such as stickers, location tags and well-known Gifs. Users can create polls, ask questions and send fast emoji reactions displayed in author direct. (Tillman, 2021) Statistics show that 86.6 per cent of Instagram users post stories. Moreover, 36.6 per cent of the users prefer to watch stories rather than the scroll Instagram's Feed. (Nikolovska, 2021)

The latest addition to Instagram is Reels, the Instagram version of the new trending platform TikTok, the second most downloaded app in 2021 (Chan, 2021). Reels are up to 15-30 seconds long videos, where the content style is similar to TikTok videos. Instagram provides simple video editing tools to make video making effortless. Both Reels and Instagram Stories allow users to add a large variety of filters and effects. (Instagram, 2021) A considerable variation of video creating tools makes Reels different from Stories and makes its content popular among users creating short entertainment content. Contrary to Instagram Stories, Reels can be multi-clip, where the creator can use provided tools to combine several scenes resulting in more appealing content. (Worb, 2021)

1.1. Benefits of advertising in Instagram Stories

Using Instagram Stories for advertising purposes has been increasing over the years. Stories have many benefits, such as a large number of active users, a format covering a whole phone screen and an informal structure and interactive stickers that help brands to reach more easily to users. Advertisers have used Instagram for business purposes since 2016. Statistics show that four million businesses and brands use Instagram Stories promotions monthly (Lua, 2021). In the following chapter, the author will give a brief overview of the benefits of Instagram Stories ads.

Based on the Hootsuite's Global Digital Report (2021, April) Instagram has 1,29 million users and has 5.4 per cent quarterly growth rate. Instagram users spend more time on Instagram than on any other social media platform. As author previously discussed Instagram is developing rapidly, adding new features and interactive tools that increases the users spending time in social media even more. Advertisers can reach up to 21% of whole world's population, when choosing to advertise in Instagram. Instagram Stories are widely used for paid content and increasing brand reach. Instagram Stories give positive value to the advertisement resulting in increased CTR and impressions rate. (Belanche et al., 2019)

Advertising in Instagram Stories has many differences compared to other social media platform tools starting with the short display time. As the regular Instagram Stories posts are 15 seconds long, advertisements published to IS are in the same timeframe to communicate with a potential customer. Based on the survey, human attention span has declined from 12 seconds to 8 seconds. A study conducted at the Technical University of Denmark suggests that the abundance of information causes a shorter attention span. An immense amount of data is competing for attention, and it results in a shorter attention span. Since Instagram Stories are only 15 seconds long, it guides the advertiser enough to fit the message for the customer in this limited timeframe. (Technical University of Denmark, 2019)

Additionally to the timeframe, the vertical format in 1080 pixels x 1920 pixels dimensions used in Instagram Stories and Reels is beneficial for mobile users. The global digital report shows that 98.8% of social media users access social media platforms using a mobile phone (Hootsuite Inc., 2021). Photo sized portrait dimensions cover the full user screen, holding user attention only on the one content displayed. Instagram makes using the app comfortable with using the only vertical format in its sections without making the user flip a phone. The format initially came from popular social media platform Snapchat, where all the video and image content used vertical format. (Passaris, 2020)

Moreover, a study conducted by Agora Pulse Instagram Story ads reached 44% more people than Instagram Feed Ad. Moreover, Stories spent less capital from the budget and generated 78% more clicks and increased conversion rate to 23%. So, Instagram Based on this data launching Instagram Ads to Stories are more cost-effective and create better results. (Hjh., 2021)

1.2. Tools for publishing advertisements to Instagram Stories

Instagram Stories Advertisements can be published with two tools – in Facebook Ads Manager or boosting the existing Story posts.

Boosting the existing Story post has quite many limits. Firstly, Facebook allows promoting the single Instagram Story, meaning that only one post is being set as a promotion. Even when the post is published in the carousel format, the in-app boosting option only promotes one existing

post. Besides, allowed is only the original content without Instagram's interactive elements, such as GIF's, stickers or emojis. Moreover, on the promoted Story post, there can be only one clickable link. Instagram has limited the number of links that are published per one account. The one link is set to the profile page under the website or in the bio, which is also used as a Swipe Up link in the promoted Story posts. Instagram's idea behind it is to keep as many users on Instagram as possible. In the following subchapters, the author will give a more detailed overview of both tools.

1.2.1. Facebook Ads Manager

For detailed and well-targeted advertisements, Facebook recommends using its Ad Manager. The tool allows advertising the existing post with similar interactive limitations as promoting in Instagram Insights. Ads Manager provides more option for creating a new advertisement from scratch. First of all, Instagram Stories support three ad formats: single image, video or carousel format. As the name indicates, a single photo or video advertiser allows an advertiser to use only an image or video. Carousel advertisements consist of several pictures or videos. (Facebook, 2021) The author will give a more detailed overview of each advertisement format in subchapter 1.4.

Facebook describes its ads management tool as a starting point for composing ads directed to Facebook, Instagram, and Messenger. The platform lets to choose placement, timing and the audience in one simplified platform that also analyses the results for each campaign created. (Facebook, 2021)

Ads Manager divides advertisement creation into three steps, starting with setting an objective for the campaign. Promotion could increase the reach, engagement, traffic or conversions for the company. Objectives reflect how management tool will measure the result. For instance, if the marketer chose a traffic objective, the results will be shown in a number of link clicks. In addition to objectives, the campaign budget is determined. Available is either lifetime or a daily budget. When the lifetime budget is chosen, the Ads Manager will use the budget in a specific timeframe to satisfy objectives. (Cannon, 2019) Ads manager shows three groups of objectives that are visible in table 1.

Table 1. Objectives and goals of social media advertisement.

Main goal	Objective	Explanation
Awareness	Brand Awareness	It aims to increase the awareness of the brand, product or service.
	Reach	It aims to show the advertising as many people as possible in a previously set target audience.
Consideration	Traffic	Shows the ad to people who are most likely to click on the URL link, which directs to a landing page.
	Engagement	Advertisement is sent to users who are most likely to interact with the ad.
	App Installs	Advertisement is sent to the potential customer, who would download the app.
	Video Views	Sends video to users who are most likely to watch the video.
	Lead generation	Advertisement is created to find leads for the business and brand.
	Messages	Promotion that leads potential customers to contact via Messenger, Instagram Direct or WhatsApp.
Conversion	Conversions	Shows advertising to people who are most likely to complete the purchase, download an app or register for the course/event.
	Catalogue Sales	Shows e-shops product catalogue for the potential clients.
	Store Traffic	It aims to increase traffic in the company's physical store.

Source: Facebook Inc. Ads Manager.

The second level of creating advertisements in Ads Manager is the ad set level, where the company sets the desired audience, placement, budget and schedule. The visual ad creation starts in the third ad level. There are available four ad formats: single image, video, carousel and collection. Single image or video provides only on photo or video visual, where the text is included later. A carousel is two or more scrollable images or videos that could be used, for example, showing a collection of the products. The collection provides new experience advertisement for the client, featuring pictures and videos in one place. (Cannon, 2019)

After finishing the advertisement setup, the ad can be published. Before the promotion is distributed between platforms and showed to a target audience, Facebook needs to approve the advertisement. (Facebook, 2021).

1.2.2. Instagram Insights

The second option is to use Instagram Insights to promote an existing post, either from profile content or by choosing a new image or video visual. Insights provide a simple overview of account statistics such as top posts, top hashtags, optimal posting time and most-liked content. Besides, Insights create an overview of audience demographics, showing the age, gender percentage, top locations and which times are the audience most active throughout the day. Creating promotions using the tool is simple, consisting of four steps: creating the promotion's content, setting a goal, choosing an audience and setting a budget and duration. The process structure is parallel to Facebook Ads Manager however is more simplified.

The first step is selecting either an existing post or creating a new visual uploaded from the device. When choosing to promote existing content, the text will remain identical to the content on the profile. For the extended options' panel, a new visual should be uploaded, following by the image or video quality adjustments and then writing a caption. The next step is selecting a goal for advertisement. Insights provide three goals: more profile visits, more website visits or more messages. Each plan will be expressed as a call-to-action button, as a destination the potential customer is directed and as a metric, the tool will be showing the results. The third task is defining the audience. There are few options: using an automatic audience similar to the account's followers or creating one by choosing the gender, location and age. The last section is setting the duration and budget, where will be shown the estimated reach. The maximum budget amount is 1,000 euros per daily, and the period is 30 days. When the promotion metrics are set, Instagram Insights will

display the overview of the advertisement. After publishing, the ad will be under review to pre-eliminate the contradiction of Instagram guidelines. (Lua, 2021)

1.3. Advertisement formats

Instagram Stories support three advertisement formats: single image, video and carousel advertisements. In the following chapter, the author will give an overview of each format's structure and both its benefits and losses.

Image ads have one visual photo that is combined with a headline, description and call-to-action button. Using single image promotion is a lower cost option than video content for directing the target audience to the desired destination. (York, 2021) Based on the global digital report in January 2021, the engagement rate for image-based posts is 0.88 per cent. It is higher than the video engagement rate but is lower than the generated engagement from the carousel posts. However, 64.9 per cent of a content on Instagram are image-based posts, which indicates that familiar photo content may develop a higher engagement rate among the Instagram account followers, since it is not performing clearly as advertisement but more as a value content as the other not paid posts. Although, the low-quality photo posts may stay unnoticed and would not generate the expected results (York, 2021).

Even though image stories have a high CTR, which reflects also in growing conversions rate, image content may not be the optimal choice for building brand awareness. Looking back to the global digital report of the year 2020 it indicates that image content does not have an immense reach or impressions rate. It may be resulted by the limited amount of information that is carried by the image content and also the capability of telling the brand's story. (Maehle & Supphellen, 2013)

Besides the image content, IS support single video format. Similarly to the image ad, the layout consists of a headline, description and call-to-action button. Although the structure is similar, video promotions have a wider variety of opportunities and satisfy most of the objectives, when building the brand awareness. Videos can include a more considerable amount of content and better show the type of products and services. (York, 2021)

The downside of creating video advertisements is that it is more time-consuming and, in some cases, requires a higher budget. However, the popularity of video advertisements has brought along the development of many tools and websites that let advertisers create low budget engaging video promotions. (Dasic, 2021)

The popularity of video promotions generally in social media, may lead to the situation where user is relating the videos with the advertisements and are not well-responsive. However, based on the global digital report only 17.8 per cent of advertisements in IG are video based promotions, which may soften the effects from the other social media platforms. On the other side the weak population of IGTV and also the small amount of videos in Instagram may indicate that brands are not using videos in IG due to the habitude of the users of not seeing the content resulting in situation where customers are not well-responsive to the advertisement. (Jain et al., 2018) The digital report shows the smallest engagement rate 0.55 per cent to the video content. However, when turning back to building brand awareness, video content is leading with its number of impressions and reach. So, videos may not be effective in increasing CTR but it has a great potential of building awareness. Dasic (2021) suggests that video advertisements deliver a more substantial and more straightforward message. Video format could carry more information and reach more potential customers without letting them lose interest, resulting in immerse number of impressions and substantial reach. Moreover, the video promotions are strengthening the customer's trust in brand. (Mediakix, 2017)

Carousel advertisements are structured to show up to ten images or videos that each of them has separate headline and call-to-action button with its own URL link. Carousel ads idea stands behind showing the variety of products bringing customer directly to the product page, which increases the conversions rate rapidly. The ad format is interactive and has a clear structure which gives potential customer a straightforward idea what promoter offers. (York, 2021) The global digital report states that the engagement rate compared to the single image or video post is high, with 1.05 per cent. Moreover, the carousel advertisements are not overly used yet. Only 17.3 per cent of Instagram content is carousel format. So, even though users are not used to see carousel advertisements they are well-responsive and show significant interest in them. Compared to video advertisements are carousel ads that carry significant amount of information cheaper and stay the same cost level with image-based advertisements. However, the data collected by the XXX

suggests that carousel advertisements are not performing well in terms of increasing the awareness and reach. The performance is similar with the image-based promotions. (Read, 2020)

2. METHODOLOGY AND RESULTS

In the following chapter author will give overview of used method and materials. After data collection author will analyse the results and give suggestions.

2.1. Advertising background of Mirtel Design

Mirtel Design is a workwear brand for the beauty and healthcare sector founded in 2012. The founder and designer have previously worked in the beauty sector, knowing the struggles of finding high-quality, durable and beautiful workwear. Mirtel Design prioritises personal communication with each customer, trying to find the best workwear solution for every customer.

Mirtel Design has been active on Instagram since 2016. The majority of social media content can be described as displaying product line and using Instagram to showcase the possible product combinations. The recent months Mirtel Design has started to share customer stories and interacting with customers through its Stories. The advertisements' design and style are similar to ts content in social media. Meaning mainly are used carousel advertisement format to showcase the workwear collection. The ad created for the observation strictly follows the same style and includes content potential customers would like to receive.

The workwear brand's Instagram audience consists of 891 followers; 76 per cent are women and 24 men. Most of the audience is 25-44 years old, representing 78.2 per cent of the whole audience. It indicates that the brand should focus most of its promotions on age groups between the 25-44 years old audience. More details about Mirtel Design's audience age groups are presented in figure 1.

Instagram Insights do not bring out any specific days when the audience is more active. Monday to Sunday, the activity rate remains stable without any drastic trends. Insight suggests that the most optimal is to post during the evenings from 3 pm – 6 pm. The next activity rise could be noticed at 9 am.
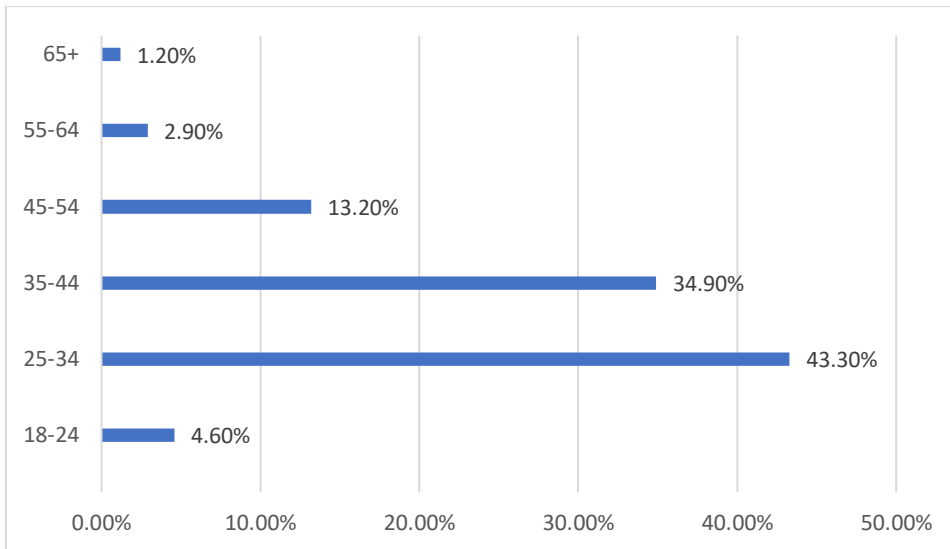
Figure 1. The age range of Mirtel Design Instagram audience
Source: Suik (2021), Instagram Insights of Mirtel Design

2.2. Advertising background of Casow

Casow is a card wallet brand that has been active since December 2020. The brand has specialised in aluminium card wallets that differ by their style and design. The brand promotes an active lifestyle designing minimalistic wearables for practical and comfortable use. Since December, the brand has been involved in Instagram, creating lifestyle content and using Instagram to showcase the products.

Brand's audience consists primarily of men. The brand has 733 followers, where 56,6% are men and 43,4% are women. Similarly to Mirtel Design, the most active age groups are 18-24 and 35-44 years old. Casow audience is younger and also represented by the age group 13-17.
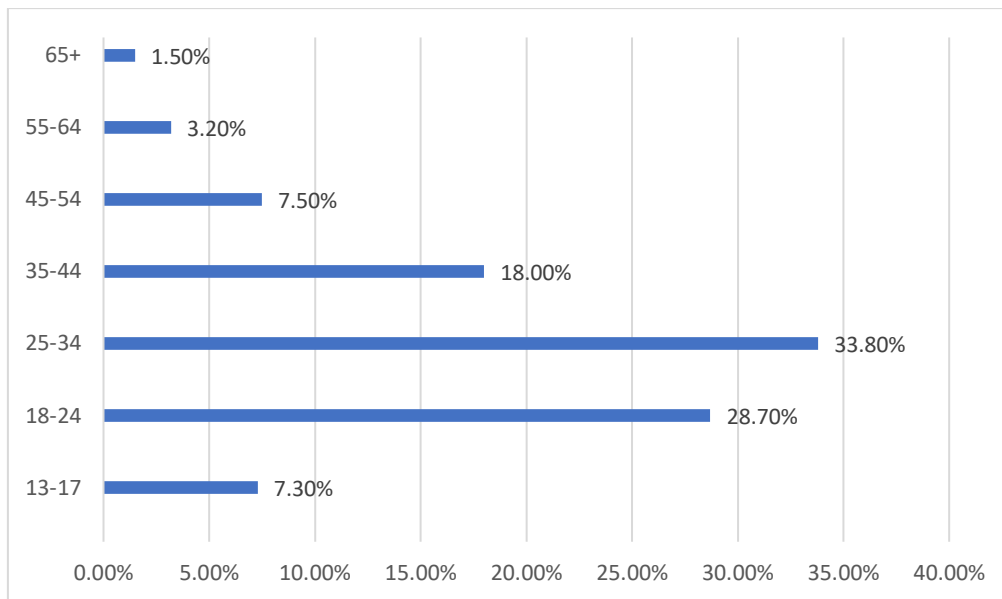
Figure 2. The age range of Casow Instagram audience
Source: Suik (2021), Instagram Insights of Casow

Instagram Insights show mildly more significant Instagram usage activity from Sunday to Wednesday. The other days are slightly less active but not significantly enough. The audience is most engaged during evening hours, 6 pm-9 pm.

2.3. Research method

The study aims to collect data on how to increase awareness using Instagram Stories. The paper focuses on the advertisement formats, placement and also publishing tool. In the thesis, the author will use the quantitative research methods a more narrowly systematic observation approach. The technique allows collecting statistically significant responses and seeing how advertisements act in their natural setting. There were collected primary data with the secondary data basis, meaning the advertisement content and timing were regulated by analysing companies' previous advertisements. Using the style and theme the brand has followed previously helps eliminate the content and timing influence on the ad itself. Moreover, advertisement content and timing are identical to be utterly confident that they do not affect the outcome. The variables that affect the advertisements are placement, format, and the tools used to publish the ad.

The paper will use metrics as impressions and reach discussed followingly. Impressions are the number of times the ads was displayed on someone's screen. The measurement shows how often the target audience saw the advertisement. For instance, when the user visits the promotion for the first time and then scrolls down and up again, it counts as one impression. When the user sees it the second time, it is counted as two impressions. However, reach shows how many people were exposed to the advertisement. Compared to impressions, reach displays the number of accounts that saw the promotion.

2.4.   Research design

The author designed three sets of advertisements to measure awareness ads could generate. Each group consist of two advertisements, which have the same content with few adaptations for the placement suitability. Each of those sets was designed for both brands separately, following brands' style, audience demographic and timing preferences.

Advertisements were created by the author using only the Canva tools.

The first set of advertisements were designed to compare Instagram Feed and Instagram Stories awareness rate. All four advertisements were published at the same time with an identical budget. Since the content and timing are variables that do not influence the observation, the following tables show the variables that can affect the observed outcome. Each advertisement has an identification number for understandable discussion.

Table 2. Structure of the first advertisement set.

	Brand	Placement	Format
Ad 1a	Mirtel Design	Instagram feed	single image ad
Ad 1b	Casow	Instagram feed	single image ad
Ad 1c	Mirtel Design	Instagram story	single image ad
Ad 1d	Casow	Instagram story	single image ad

Source: Suik (2021) Building brand awareness using Instagram Stories advertisements.

The second set of ads was created to see which advertisement formats increase the awareness the most. Ad 1c and 1d were imported from the first ad set since they were suitable with their structure and placement. In addition to the single image ad format, the author created a carousel and a video

advertisement. Both of them have identical content to eliminate the effect of the content quality. Moreover, they were published at the same time with the equivalent budget.

Table 3. Structure of the second advertisement set.

Advertisement Identification Number	Brand	Placement	Format
Ad 2a	Mirtel Design	Instagram story	single video ad
Ad 2b	Casow	Instagram story	single video ad
Ad 2c	Mirtel Design	Instagram story	carousel ad
Ad 2d	Casow	Instagram story	carousel ad
Ad 1c	Mirtel Design	Instagram story	single image ad
Ad 1d	Casow	Instagram story	single image ad

Source: Suik (2021) Building brand awareness using Instagram Stories advertisements.

The author created the third advertisement set to analyse if using Instagram Insights may be as effective as creating the ad in Facebook Ads Manager. The advertisements 1c and 1d represent the single image advertisement published in the first ad set.

Table 4. Structure of the third advertisement set.

Advertisement Identification Number	Brand	Placement	Format	Tool used
Ad 3a	Mirtel Design	Instagram story	single image ad	Instagram Insights
Ad 3b	Casow	Instagram story	single image ad	Instagram Insights
Ad 1c	Mirtel Design	Instagram story	single image ad	Ads Manager
Ad 1d	Casow	Instagram Story	single image ad	Ads Manager

Source: Suik (2021) Building brand awareness using Instagram Stories advertisements.

2.5. Data Analyses

The author divided data analyses into three sections. Each part will represent the analyses of ads sets previously created and presented. The first section of data analyses will cover the data collection for hypothesis 1 that suggested based on the secondary data that Instagram Stories are capable of creating a larger number of reach and impressions than Instagram Feed. The second part analyses comparison between advertisement image, video, and carousel format to test the second hypothesis, suggesting that video ad format can generate more impressions and reach than single image and carousel advertisements. The third section covers two tools, Instagram Insights

and Facebook Ads Manager, which advertisers use to create and publish promotions to Instagram Stories, testing the third hypothesis.

2.5.1. Analyses of Instagram Feed and Instagram Stories

For analysing Instagram Feed and Instagram Stories capability to increase the number of impressions and reach, the author created four advertisements: two for Casow and the other two for Mirtel Design. Brands' advertisements have identical content, budget and timing. Each of them has dependent variables presented in table 2 to table 4.

According to primary data collected by the author, the Casow Instagram Stories advertisement (Ad 1d) reached 17,648 users and was displayed 22,761 times. As previously discussed, reach represents the number of people who saw the ad, and impressions show how the promotion was placed and seen by an IG users. IG Feed advertisement appeared 18,547 times on users feed at least once and reached 14,941 people who were consuming content from Instagram Feed.
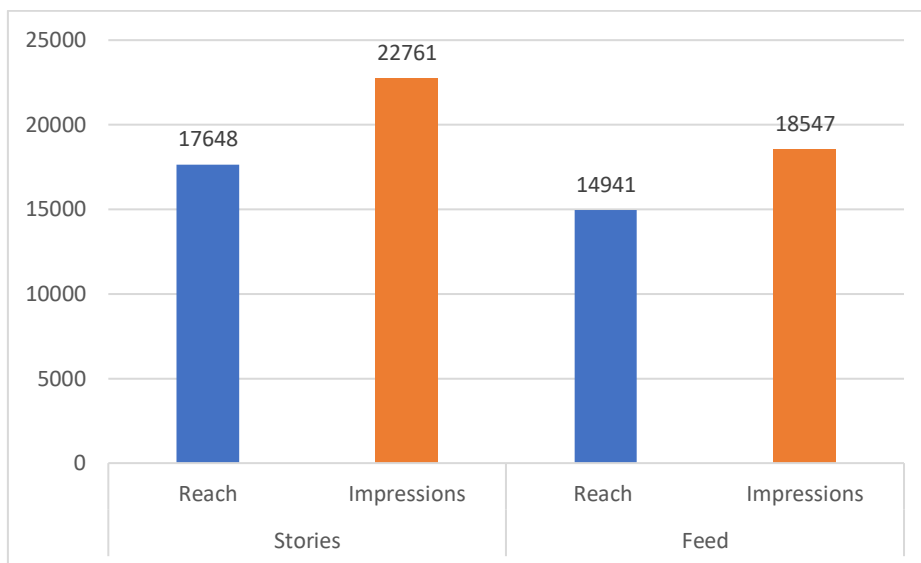

Figure 3. Casow - Ad set 1. Instagram Stories compared to Instagram Feed.
Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

The number of impressions and reach generated from IS exceeded the results from IG Feed significantly. Advertisements published to Stories resulted in a 19 per cent higher number of impressions and reached 16 per cent more people than advertisements placed on Instagram Feed.

The similar observation was conducted among Mirtel Design advertisements, which were also placed on Instagram Stories and Feed. Mirtel Design's Instagram Stories advertisement reached 14,720 unique users and was displayed in Stories 19,240 times. Instagram Feed, however, reached 10,144 Instagram users and was displayed 12,569 times on Feed. Instagram Stories generated a 35 per cent higher number of impressions and 31 per cent of larger reach.
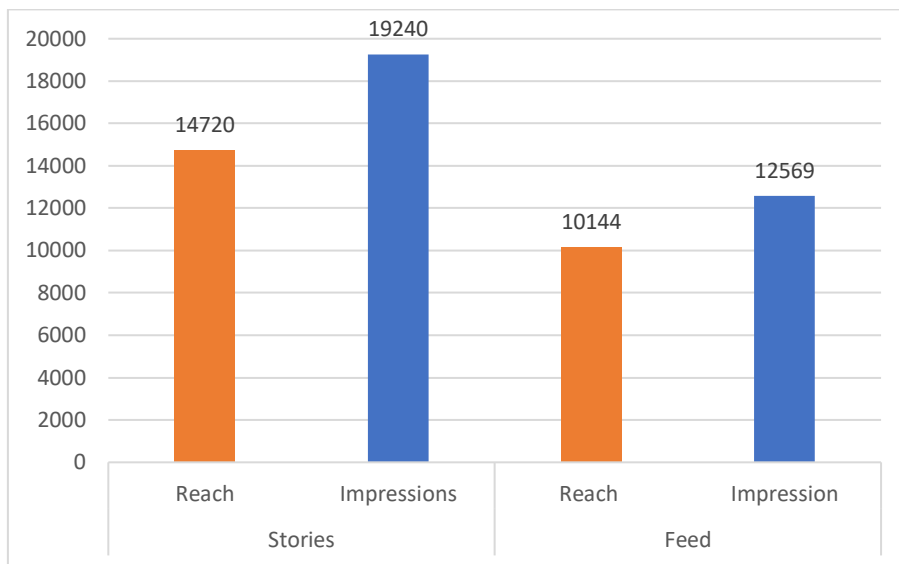

Figure 4. Mirtel Design. Ad set 1. Instagram Stories compared with Instagram Feed. Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Both analyses indicated that Instagram Stories perform better in terms of growing the impressions and reach.

2.5.2. Analyses of advertisement formats

For the promotion format analyses, the author created two additional advertisements to analyse the efficiency of video, image, and carousel advertisements. The promotions' structure is available in table 3. There were created advertiser in video format and carousel format. The design and format of the ad 1c and 1d made them suitable for comparing with the second ad set promotions. Therefore, the image format was imported from the first advertisement set.

The hypothesis suggested that video format advertisement outperforms image and carousel promotions.

According to the results, the image format generated 19,240 overall views of the advertisement and reached 14,720 users. The video format was displayed 15,616 times on users' stories and extended the awareness to 12,068 potential buyers. The carousel advertiser accomplished the reach of 14,607 people and got showed 18,330 times. Meaning that image-based advertisement outperformed slightly carousel ad and also the video advertisement. Even though the previous research suggested that video content would outperform both carousel and image content, it appeared to be with the weakest results. Single photo and carousel promotions had similar results and both generated better results than video advertisement. Video content created 15 per cent fewer impressions and 17 per cent less reach.
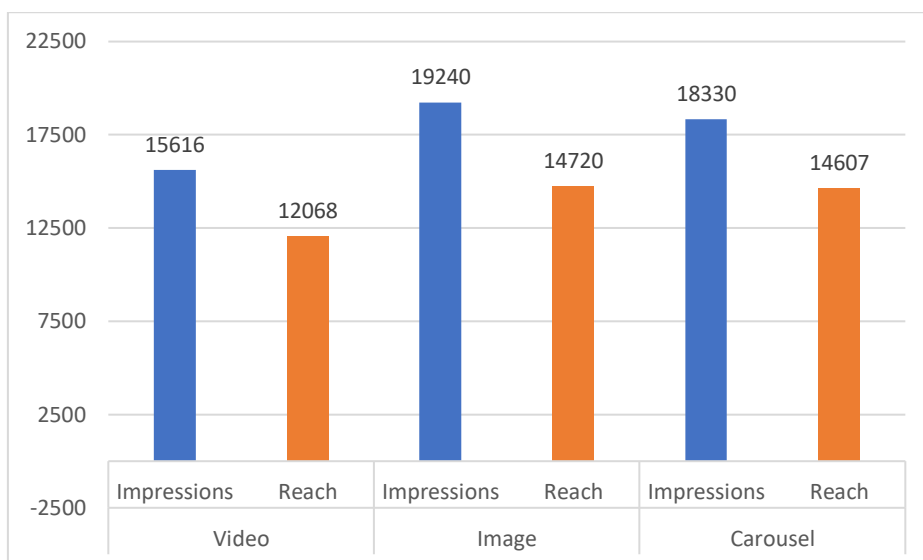

Figure 5. Mirtel Design. Advertisement format results.
Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

The author repeated the observation with brand Casow to see if the results were similar to Mirtel Design observation. Video format achieved 17,857 views and reached 13,836 users on Instagram. Image-based advertisement got 19,240 views in Instagram Stories, and the ad was displayed to 14,720 potential customers. Carousel format generated 16,331 impressions and 13,270 reach.
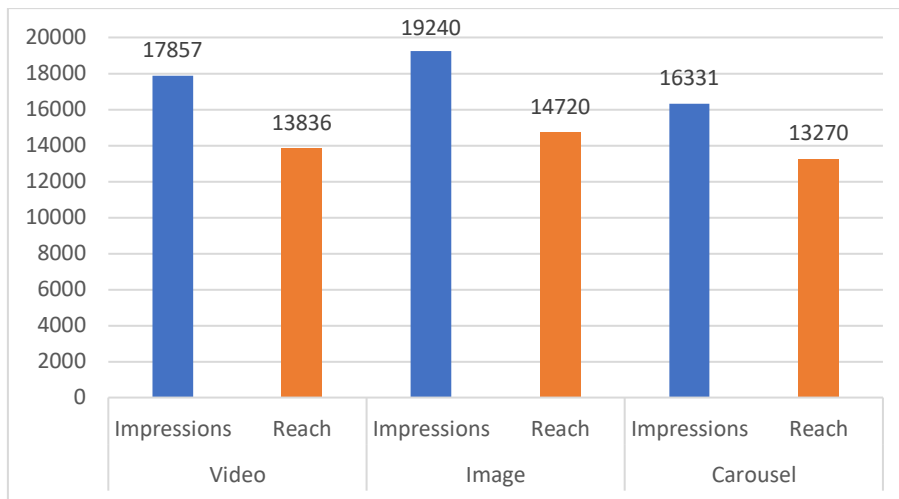
Figure 6. Casow. Advertisement format results.
Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Surprisingly the most outstanding results came through image-based advertisement. Image-based promotion reached 6 per cent more audience and made 7 per cent more impressions than video advertisement. The difference from Mirtel Design observation comes from video-based ad increased results. In Casow, video ad generated higher results than carousel ad even though the requirements were the same as Mirtel Design advertisements have. Promotion with video visuals reached 4 per cent more users and have 9 per cent more views than carousel formatted ad.

To conclude both observations have similarly image-based advertisement the highest results. Carousel advertisement outperformed video advertisement in Mirtel Design observation. During Casow's advertising period video performed better than carousel format. Strangely, the secondary data suggested that the video advertisement would generate the highest results in terms of increasing reach and awareness. Carousel advertisement had a greater engagement value based on the previous study, however primary data suggested otherwise.

2.5.3. Analyses of Facebook Ads Manager and Instagram Insights

The author made two advertisements for Casow and two for Mirtel Design to compare the efficiency of Instagram Insights and Facebook Ads Manager. Both advertisements were identical, with the only publishing tool difference. In this chapter, the author will analyse the findings of collected data.

Firstly, author will analyse the publishing tools' effects on Casow's advertisements. Promotion 3b, which were placed to Stories using Instagram Insights, was able to get 19,547 impressions and

reached 12,239 people. The content, timing, budget, advertisement format and placement were identical to advertisement 1d, using Facebook Ad Manager as a promotion publishing tool. Advertisement 1d generated from the first ads set 22,761 impressions and reached 17,648 people. Results can be seen in figure 7.
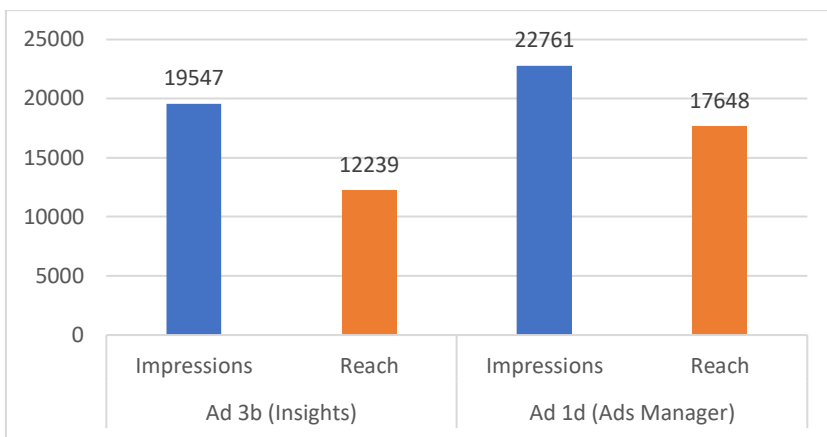

Figure 7. Casow. The number of impressions and reach comparing the efficiency of Instagram Insights and Ad Manager.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

More detailed Facebook Ads Manager created significantly larger number of reach, however the difference between impressions were smaller. Since both of them had identical budget, where both of them used them fully, author can say that Facebook Ads Manager was able to use given budget optimally and cost per reached user was significantly smaller.

The author repeated the process to see if Mirtel Design advertisements would act similarly to Casow's promotions. To compare the efficiency of Ads Manager and Insights tools author used advertisements 1c and 3a. Both of them have identical placement, format, content, timing and budget. Advertisement 3a that was published through Instagram Insights created 15,462 impressions and reached 10,059 people. Promotion 1c, created using Facebook Ads Manager, could get 19,240 impressions and reach 14,720 Instagram users. Results are visible in figure 8.
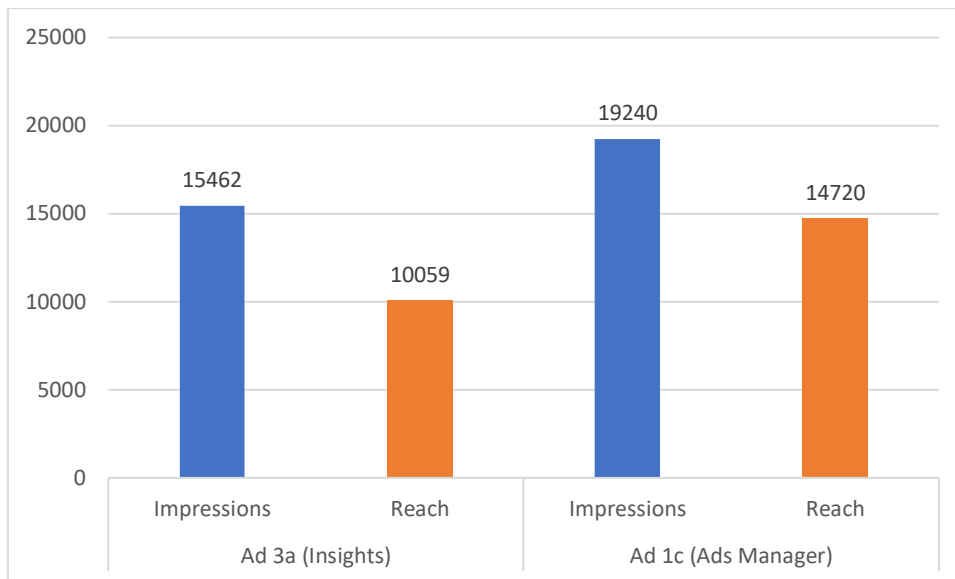
Figure 8. Mirtel Design. The number of impressions and reach comparing the efficiency of Instagram Insights and Ad Manager.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Similarly to Casow observation Mirtel Design's advertisement that were published from Facebook Ads Manager performed significantly better than promotion created in Instagram Insights. Both of the observations indicated that Facebook Ads Manager was capable to create advertisements more effectively, so it resulted in higher number of results. Moreover both observations suggested that Facebook Ads Manager is using given budget more optimally.

2.6.   Findings and discussion

In this chapter, the author will discuss the previous analyses. Starting with the efficiency comparison between Instagram Stories and Feed. As suggested by Agora Pulse (2018), Instagram Stories is a more efficient place to grow awareness. Results from thesis analyses showed that Instagram Stories created for brand Casow 22,761 impressions when Feed generated 18,547 impressions. Meanwhile Mirtel Design's Stories ads created 19,240 impressions when the Feed got 12,569 impressions. Previous research and collected primary data support the first hypothesis that Instagram Story advertisements generate greater awareness and reach than placing the ad to Instagram Feed. Stories generated 19 per cent of a higher number of impressions and increased reach by 16 per cent.

The second advertisement set was created to compare the efficiency of single image, video and carousel ad formats. Surprisingly the results were not entirely in line with the hypothesis. The second hypothesis suggested that video advertisement would outperform carousel and image format. The previous studies conducted by Newberry (2021) indicated that carousel advertisements outperform a single image format and video advertisement would generate the highest number of reach and impression being the optimal choice for increasing brand awareness. Analyses indicate that results for Mirtel Design and Casow were slightly different. Among Mirtel Design ads the highest impression number was created by the image format with 19,240 impressions when the carousel advertisement got 18,330 and video 15,616 impressions. Casow's advertisements showed that the highest number of impression was created by the image-based ad by 19,240 which was followed with video 17,857 impressions and carousel ad was displayed 16,331 times. The results from thesis research showed that single image advertisement generated the highest number of reaches for both brands. However, Casow's carousel advertisement fell behind the video advertisement that had higher results. Primary data was not able to support hypothesis 2, which were previously supported by the secondary data. To determine if the difference between the number of impressions are significant and would determine the strong efficiency of one format, there must be conducted additional data.

Analyses of marketing tools Ads Manager and Instagram Insights did not disprove the third hypothesis, which suggested that ads manager is more efficient in increasing the awareness than Instagram Insights. Analyses of Casow's advertisements showed that Instagram Insights generated 19,547 impressions when the Ads Manager was able create with the same budget, content and timing 22,761 impressions. Similarly behaved Mirtel Design's ads. Advertisement published to Instagram Insights generated 15,462 impressions and Ads Manager 19,240 impression. Overall, the Facebook Ads Manager resulted in higher number of impressions and reach and also used given budget more optimally.

Overall, the analyses did not disprove the hypothesis 1 and 3, which still have few limitations. For understanding the topic more in-depth the additional data gathering and analyses must be done. To have a better overview of advertisements' formats the author would recommend of increasing the sample size and increase the number of brands analysed. Moreover, to be able to analyse the formats more detailed brands from the different field and sectors could be analysed separately, since the motivation of target group can be different.

CONCLUSIONS

Advertising in Instagram Stories have several benefits starting with high CTR, number of impressions and positive attitude towards advertisements. Instagram Stories are popular among advertisers whom motivation is to increase the brands awareness and reach. However, with the last five years advertising in Instagram Stories has become more expensive and competitive. Therefore, the research problem of this thesis is that even though Instagram Stories are highly beneficial tool for advertising, the rapid growth of promotional content published to IS has increased the competition resulting in increased costs. The aim of this paper is to determine if advertising formats, tools and also placement in Instagram can be optimised and if any of the variables are performing better than the others.

More detailed, author compared Instagram Stories and Feed to see which of them is increasing the awareness more. Secondly the paper analysed three advertisement formats supported by the Instagram Stories – single video, single image and carousel format. Lastly, the author analysed Facebook Ads Manager and Instagram Insights to find capability of them.

Author used two existing brands, Mirtel Design and Casow, to collect primary data. There were analysed three variables – placement, publishing tool and advertisement format. Other variables, such as placement, timing, content was previously determined by the brands. Author made three sets of advertisements to eliminate factors such as budget and also timing, advertisements were published at the same time with the exact same budget.

Study showed that Instagram Stories generated more results than Instagram Feed, which supported the hypothesis and was also suggest by the previous studies. The second part of the study indicated that advertisement format may have an influence on results. The highest number of impressions received image-based advertisements for both brands. Therefore, the second hypothesis were not supported by the primary data even though secondary data supported it. The last part of the study did not disprove the third hypothesis, showing that more detailed Facebook Ads Manager was able to generate better results than Instagram Insights.

So, the thesis found that there may be options to optimise the advertising in Instagram Stories in a way that the promotion reaches more people with the lower cost.

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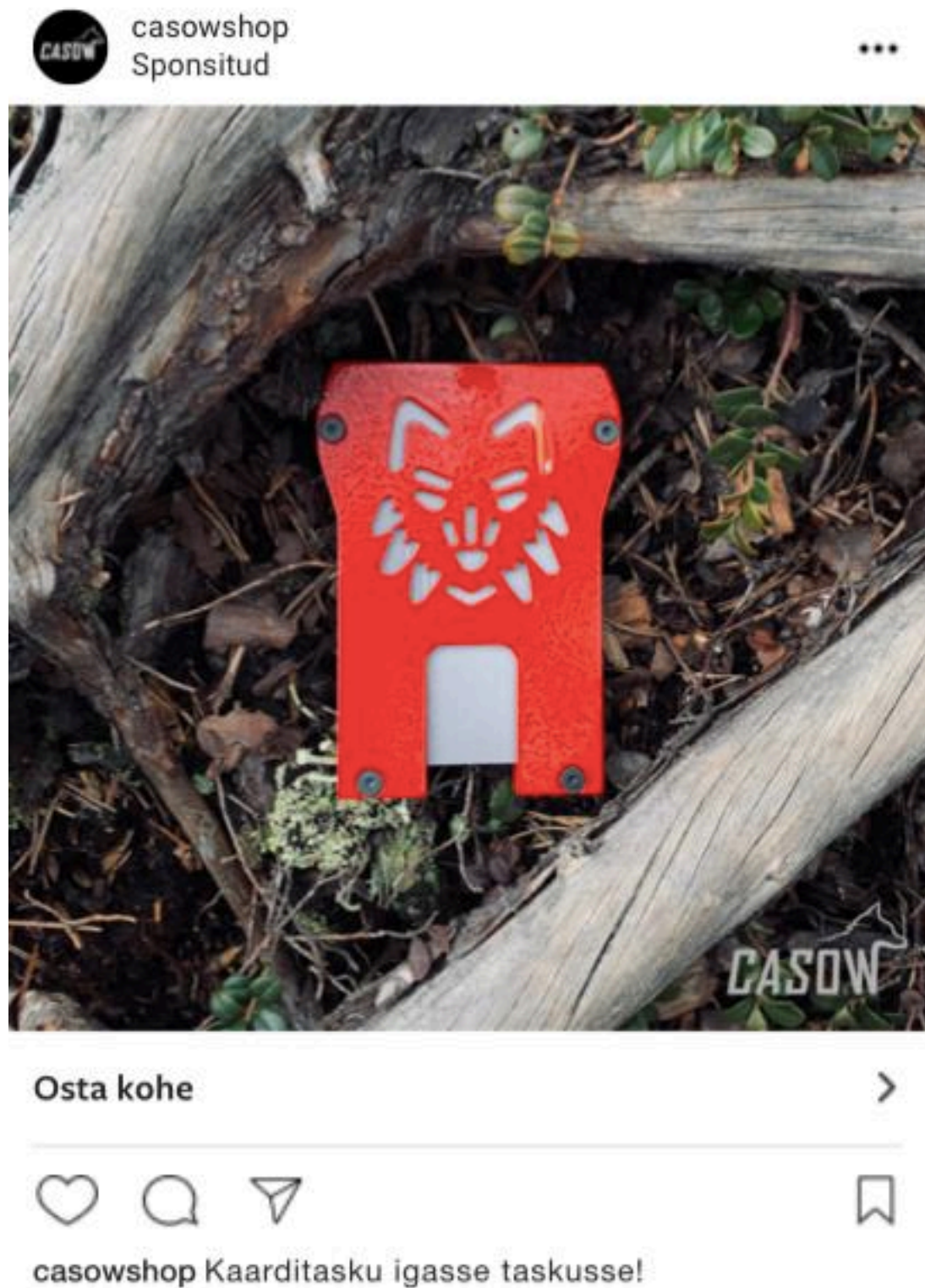
APPENDICES

Appendix 1. Advertisement 1a. Mirtel Design's single image ad placed to Instagram Feed.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 2. Advertisement 1b. Casow's single image ad placed to Instagram Feed.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 3. Advertisement 1c. Mirtel Design's single image ad placed to Instagram Stories.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 4. Advertisement 1d. Casow's single image ad placed to Instagram Stories.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 5. Advertisement 2a – Mirtel Design's single video ad placed to Instagram Stories.
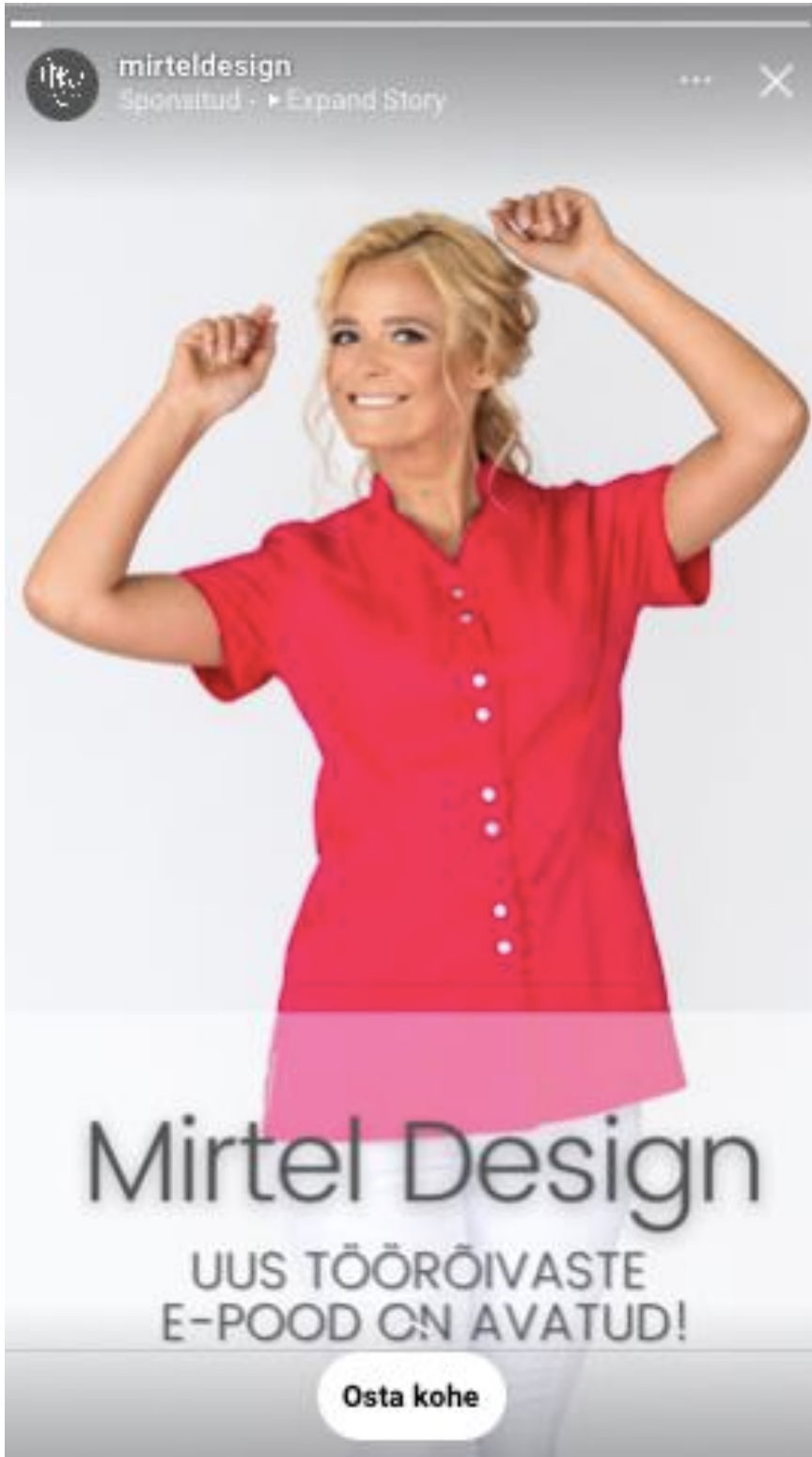

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 6. Advertisement 2b – Casow's single video ad placed to Instagram Stories.
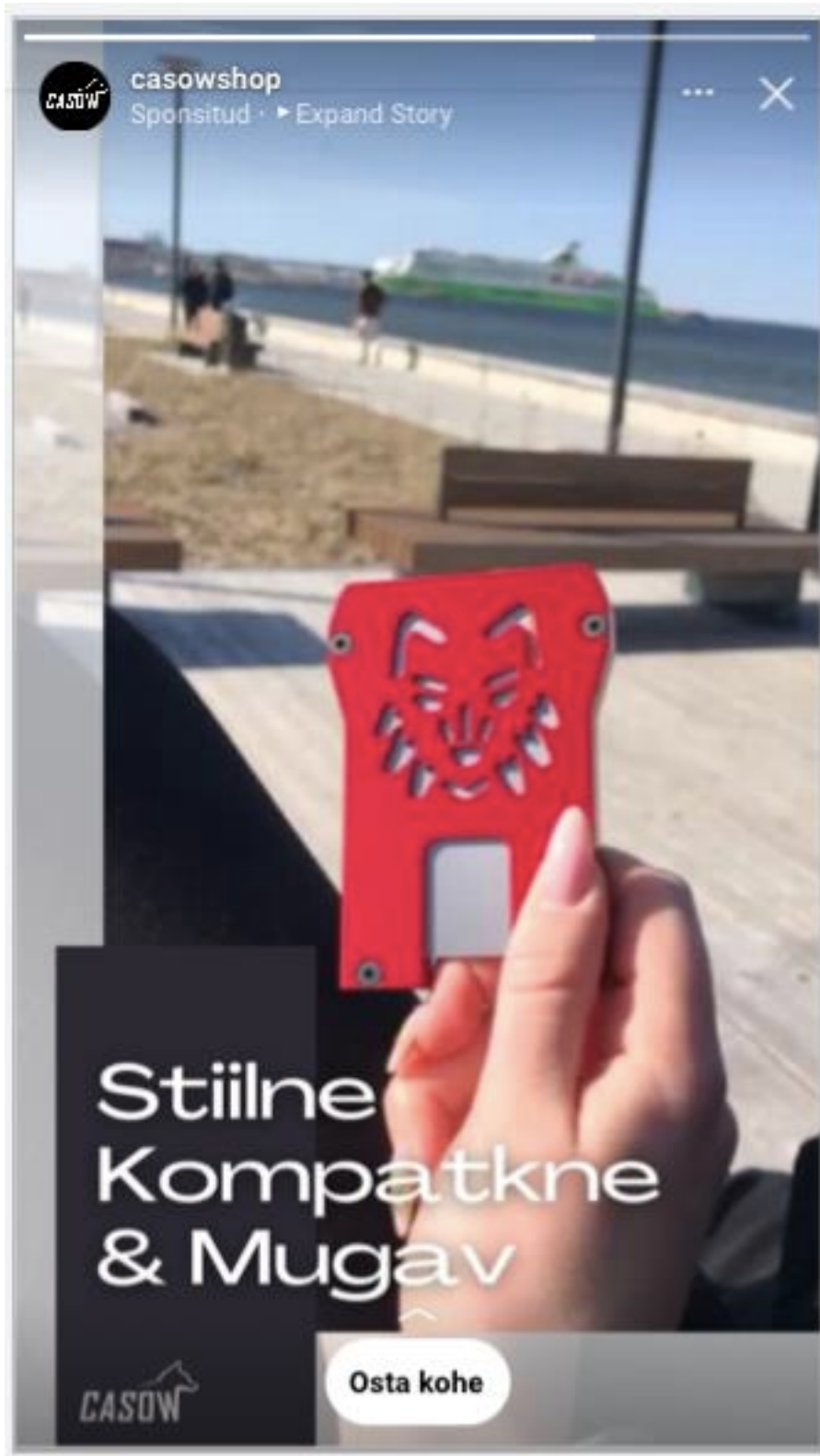

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 7. Advertisement 2c – Mirtel Design's carousel ad placed to Instagram Stories.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 8. Advertisement 2d – Casow's carousel ad placed to Instagram Stories.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 9. Advertisement 3a – Mirtel Design's single image advertisement placed to Instagram Stories using Instagram Insights.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

Appendix 10. Advertisement 3b – Casow's single image advertisement placed to Instagram Stories using Instagram Insights.

Source: Suik (2021), Building brand awareness using Instagram Stories advertisements.

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