

## SNCR 2020 Series

Exploring New Communications Tools and Technologies

# Follow the Leader

## The Adoption and Use of Instagram by the Inc. 500 and the Fortune 500

By Nora Ganim Barnes and Caroline Daubitz

The University of Massachusetts Dartmouth Center for Marketing Research has followed the adoption and use of social media tools in the Inc. 500 and Fortune 500 since 2008. The most recent iteration of the annual benchmarking reports showed Instagram to be the fastest-growing social media platform, with 22 percent of the Inc. 500 and 45 percent of the Fortune 500 now active users.<sup>1</sup> This *SNCR 2020* article examines the commonalities of Inc. 500 and Fortune 500 companies that have adopted Instagram, as well as the ways in which each group has tailored the use of the tool to meet their company goals and objectives.

Instagram was launched in 2010 as a free mobile app for photo sharing and social networking. It enjoyed rapid growth, fueled by millennials, and had a million active users just two months after its launch. It currently boasts over 300 million active users. Facebook purchased the platform in 2012 for approximately \$1 billion.

While this highly visual platform's rapid growth can be attributed to young people, it has also attracted the attention of businesses. This report focuses on the adoption and use of Instagram among 2015's most successful companies. The first group looks at the fastest-growing businesses in the US, the Inc. 500 (named by Inc. Magazine) while the second group looks at the wealthiest businesses, the Fortune 500 (named by Fortune Magazine). These early corporate adopters of Instagram are worthy role models for businesses that are considering the integration of the platform into their social media strategy.

<sup>1</sup> Nora Ganim Barnes and Jessica Griswold, *Use of Popular Tools Remains Constant as Use of Instagram Expands Quickly among the 2016 Fortune 500*, University of Massachusetts Dartmouth Center for Marketing Research, 2016.

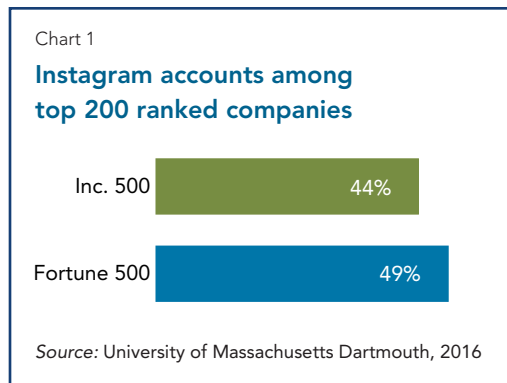
## Highlights

- Rank influences the adoption of Instagram. Forty-four percent of the top 200 on the Inc. 500 list and 49 percent of the top 200 on the Fortune 500 list are active Instagram users.
- Those in the consumer products and retail/consumer products industries hold the most active Instagram accounts.
- Nike extends its dominance of social media sites with over 40 million Instagram followers. Lesser known Inc. 500 companies capture 1-2 million followers for the most active companies.
- Approximately three-quarters of all posts in both groups receive 1-30 comments from consumers. Half of the Fortune 500 group replies to comments compared with 33 percent of the Inc. group.
- For the Fortune 500, the objective of using Instagram is to disseminate information about their products/product lines, brands, specs, etc. and for product promotion. For the Inc. 500 companies, there is almost an equal emphasis on product promotion and sharing company happenings/events. They also engage in posting content that demonstrates thought leadership in their industry.

## Overall Findings

### Rank

**Rank influences adoption of Instagram** Among companies ranked in the top 200 of each group, 44 percent of the Inc. 500 and 49 percent of the Fortune 500 have active Instagram accounts. This influence of rank is consistent with the adoption of other social media tools as well, according to the University of Massachusetts' annual study on the use of social media by these groups.<sup>2</sup>



<sup>2</sup> See [www.umassd.edu/cm/socialemiaresearch](http://www.umassd.edu/cm/socialemiaresearch) for annual studies on these groups.

## Posts

**Companies in the consumer products and retail industries hold the most active accounts** The most prolific of these accounts from companies on the Inc. 500 and the Fortune 500 have over 4,000 posts to date. Jane, which according to *Inc. Magazine* sells women’s clothing, home décor items, and children’s clothing online with daily deals from online and brick and mortar retailers, was the number-one ranked retail company in America on the 2015 Inc. 500 list and has the most active Instagram account among this group. Kill Cliff, which markets sports recovery drinks, topped all non-alcoholic beverage brands on the Inc. 500 list and has 3,841 posts.

Shoe retailer Footlocker tops the Fortune list of most active Instagram users with 4,710 and concert promoter Live Nation Entertainment follows with 3,841 posts. The top ten most active companies are listed below for each group.

Table 1  
Top 10 **Inc. 500** Companies Based on Instagram Posts

Company	2015 Instagram Posts	Industry
Jane	4,710	Retail
Kill Cliff	3,841	Food & Beverage
Zerouv	2,867	Consumer Products & Services
Nekter Juice Bar	2,691	Food & Beverage
Adore Me	2,628	Retail
Outdoor Tech	2,628	Consumer Products & Services
Spikeball	2,271	Consumer Products & Services
Side By Side Stuff	2,011	Retail
Ronnie Coleman Signature Series	1,987	Health
Noonnday Collection	1,869	Retail

Table 2  
Top 10 **Fortune 500** Companies Based on Instagram Posts

Company	2015 Instagram Posts	Industry
Foot Locker	4,056	Specialty Retailers: Apparel
Live Nation Entertainment	3,162	Entertainment
Nordstrom	2,833	General Merchandisers
Ralph Lauren	2,719	Apparel
Kohl’s	2,567	General Merchandisers
Macy’s	2,278	General Merchandisers
General Mills	1,984	Food Consumer Products
Time Warner Cable	1,807	Telecommunications
Whole Foods Market	1,765	Food and Drug Stores
Gap	1,576	Retail

Source: University of Massachusetts Dartmouth, 2016

## Followers

Companies on the less well-known Inc. 500 have fewer followers on their Instagram accounts than the big brand, big name Fortune 500 companies Nike, which enjoys record numbers of followers on all social media outlets, has 43 million followers on Instagram. In contrast, Makeup Geek, which sells cosmetics and provides hair and makeup tutorials online, has the most followers among the Inc. 500 with 1.5 million. Jane and Kill Cliff are again in the top ten for this list.

Table 3  
Top 10 **Inc. 500** Companies Based on Instagram Followers

Company	2015 Instagram Followers	Industry
Makeup Geek	1,500,000	Consumer Products & Services
Ronnie Coleman Signature Series	1,200,000	Health
Fitbit	324,000	Health
Toad Murphy	210,00	Consumer Products & Services
6 Pack Fitness	182,000	Consumer Products & Services
Onnit Labs	160,000	Health
Adore Me	157,000	Retail
Jane	151,000	Retail
Kill Cliff	145,000	Food & Beverage
GoPole	143,000	Consumer Products & Services

Table 4  
Top 10 **Fortune 500** Companies Based on Instagram Followers

Company	2015 Instagram Followers	Industry
Nike	43,378,630	Apparel
Starbucks	8,498,243	Food Services
Disney	4,949,928	Entertainment
Foot Locker	4,595,491	Specialty Retailers: Apparel
Ralph Lauren	3,379,512	Apparel
Nordstrom	1,822,444	General Merchandisers
Netflix	1,651,112	Specialty Retailers: Other
Google	1,581,360	Internet Services and Retailing
Harley-Davidson	1,471,647	Transportation Equipment
Target	1,444,635	General Merchandisers

Source: University of Massachusetts Dartmouth, 2016

## Hashtags

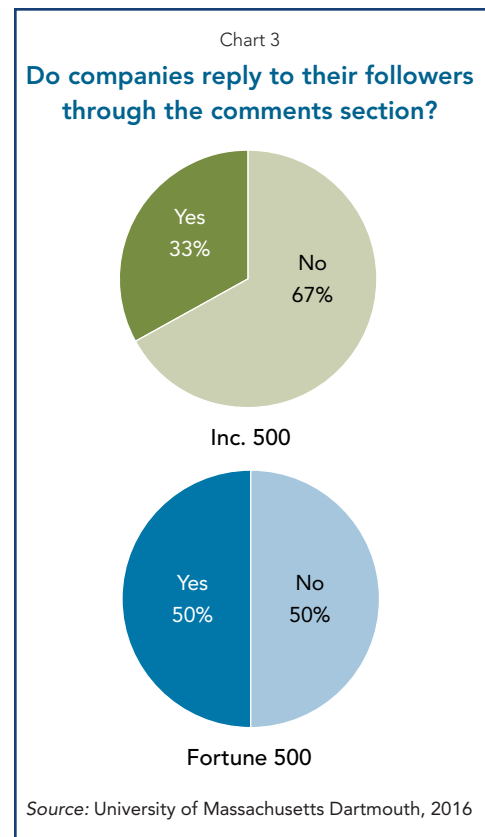
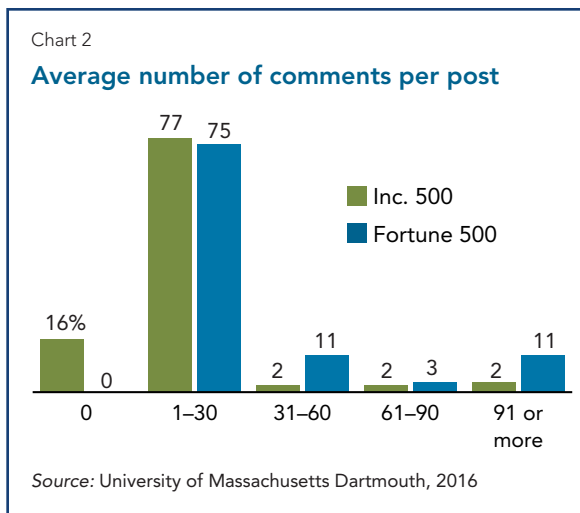
**Companies embrace the use of hashtags to drive people to their posts** Hashtags are a road map to drive audiences to a company's Instagram posts. Every picture or video typically carries a popular or relevant hashtag, so that people searching the site can find things that interest them. Businesses often use product names or categories like #goodfood or #hotfashiontrend as hashtags. In this study, 71 percent of the Inc. 500 Instagram accounts use one to ten hashtags per post, while 16 percent use 21 to 25. This is a much more aggressive use of hashtags than among companies on the Fortune 500, where 93 percent average one to ten hashtags per post and only 1 percent use 21 to 25.

## Comments

**The majority of Instagram accounts (77 percent of Inc. 500 and 75 percent of Fortune 500) receive on average between one and 30 comments per post** Sixteen percent of companies on the Inc. 500 do not receive any comments. In contrast, 25 percent of companies on the Fortune 500 on average receive more than 30 comments and 11 percent garner on average 91 comments or more.

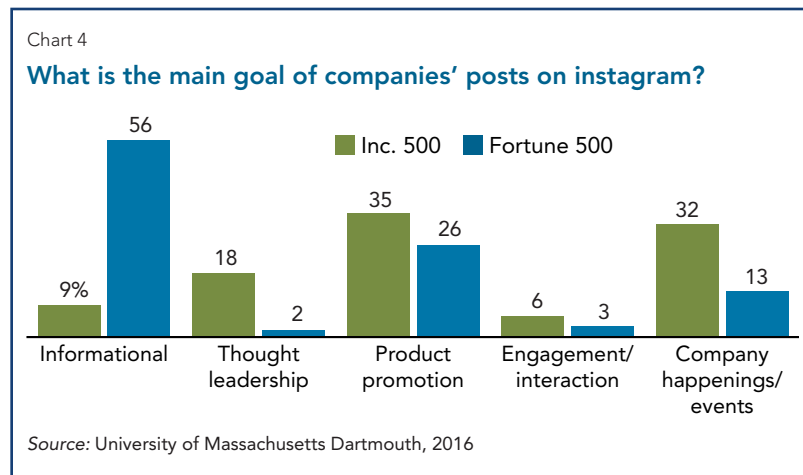
## Replying

**Instagram users in the Fortune 500 are more likely to reply to comments on posts than their Inc. 500 counterparts** Half of the companies on the Fortune 500 reply to comments compared with 33 percent of companies on the Inc. 500. This could be the result of Fortune 500 companies having larger social media teams.



## Main goals

**Disseminating product information appears to be the central mission of Instagram use for Fortune 500 companies, while the Inc. 500 target product promotion and thought leadership** More than half of Fortune 500 Instagram users typically post information about products (for example, product specs, product lines, or new products, etc.) Companies on the Inc. 500, meanwhile, tend towards product promotions, as well as using the platform to introduce themselves through posts on thought leadership and company events. Both Fortune 500 and Inc. 500 companies use Instagram differently than how they use other social media platforms. For example, whereas companies typically use Instagram to disseminate information to customers and other stakeholders, they use Facebook predominantly for more interaction and engagement.



## Conclusion

One-third of American teens consider Instagram the most important of their social networking sites and the platform is projected to bring in \$2.81 billion in mobile advertising revenue worldwide by 2017.<sup>3</sup> It's little surprise then that Instagram plays an important role in the social media strategy of top businesses.

Companies on the Inc. 500 and Fortune 500 are adopting the platform at a steady pace and understand that using hashtags and responding to comments regularly can maximize their results. Instagram users are more likely than their peers that do not use Instagram to use Pinterest, Twitter, Facebook and to have a blog, suggesting that companies find a social media strategy that embraces multiple platforms to offer the best opportunities for success.

Despite concerted use among both Fortune 500 and Inc. 500 companies, those on the Fortune 500 are more likely than those on the Inc. 500 to use Instagram (30 percent versus 22 percent). Fortune 500 companies also have more followers even though they post at about the same rate and they are more likely to reply to comments than Inc. 500 users (50 percent versus 30 percent).

3 "Instagram Mobile Ad Revenues to Reach \$2.81 Billion Worldwide in 2017," eMarketer, July 27, 2015.

Fortune 500 companies typically seek to use Instagram to disseminate information about their products and brand, including for promotions. Inc. 500 companies place almost equal emphasis on product promotions and sharing company events—an effort to help improve name recognition for companies that are still in their early growth phase. In support of this effort, Inc. 500 companies also post content that demonstrates thought leadership in their industry.

## Methodology

In this study, a business was considered to have an active Instagram account if a corporate account had a post within the past 30 days (data was collected July, 2016). One hundred and ten companies on the Inc. 500 (22 percent) have active accounts compared with 149 (30 percent) of the Fortune 500. For benchmarking, researchers:

- Tallied numbers of posts and followers for each account
- Tallied use of hashtags in each post and averaged them across all posts in one account
- Reviewed the propensity for a company to reply to comments
- Reviewed each account to understand the goals it appeared to target. Accounts were deemed to fit into one of the following goal categories:
  - 1 **Informational** Posts include up-to-date information about the company and its goods and services.
  - 2 **Thought leadership** Posts mainly consist of new ideas and innovation within their industries.
  - 3 **Product promotion** Posts mainly consist of features and emphasize the product/service being sold.
  - 4 **Engagement/interaction** Posts prompt responses and interaction from followers. They are often targeted toward a specific group of followers or consumers.
  - 5 **Company happenings/events** Posts consist mostly of company employees participating in events and activities.

## About the Authors

**Nora Ganim Barnes** is a chancellor professor of marketing and director of the Center for Marketing Research at the University of Massachusetts Dartmouth. Nora has worked as a consultant for many national and international firms. Working closely with businesses in the Northeast U.S., Nora and her students have provided marketing research assistance to hundreds of small businesses. She has published articles in academic and professional journals and proceedings, has contributed chapters to books, and has been awarded numerous research grants. Her work has been covered online and in print by *Business Week*, *Forbes*, *USA Today*, *Financial Times*, *NY Times*, *Washington Post*, *CNN*, *Reuters*, *Wall Street Journal*, *Fox News* and *Computer World* among others. She has been named co-chair of research by the Society for New Communications Research of The Conference Board. Nora is a frequent speaker at corporate meetings and keynote at conferences. Nora can be reached at [nbarnes@umassd.edu](mailto:nbarnes@umassd.edu).

**Caroline Daubitz** works as a Graduate Assistant in the Center for Marketing Research at the University of Massachusetts Dartmouth. She had conducted research for local businesses and has studied the 2015 Inc. 500. She can be reached at [cdaubitz@umassd.edu](mailto:cdaubitz@umassd.edu).



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**Matteo Tonello** is managing director of corporate leadership at The Conference Board in New York. In his role, Tonello advises members of The Conference Board on issues of corporate governance, shareholder activism, corporate sustainability, and philanthropy. He regularly participates as a speaker and moderator in educational programs on governance best practices and conducts analyses and research in collaboration with leading corporations, institutional investors, and professional firms. He is the author of several publications, including *The Corporate Governance Handbook: Legal Standards and Board Practices, Sustainability in the Boardroom, Institutional Investment*, and the annual *US Directors' Compensation and Board Practices* report. Recently, he served as the co-chair of The Conference Board Expert Committee on Shareholder Activism and the Technical Advisory Board to The Conference Board Task Force on Executive Compensation. He is a member of the Network for Sustainable Financial Markets and the Advisory Council to the Sustainability Accounting Standards Board (SASB). Prior to joining The Conference Board, he practiced corporate law at Davis Polk & Wardwell. Tonello is a graduate of Harvard Law School and the University of Bologna.

## ABOUT THE EXECUTIVE EDITOR

**Alex Parkinson** is a senior researcher, corporate philanthropy and associate director, Society for New Communications Research of The Conference Board (SNCR). He led the integration effort between SNCR and The Conference Board when the two organizations came together in February 2016 and now serves on the combined entity's Advisory Board.

He is the executive editor of *SNCR 2020: Exploring New Communications Tools and Technologies*, the *Giving Thoughts* blog and online publication series, and *Framing Social Impact Measurement*, a compendium report that responds to the growing demand for information on evaluating the performance of grants. He is the author of *Unlocking Value from Integrated Corporate Communications and Marketing, Making Sense of Social Impact Bonds for Companies and Better Together: Why A United Front Can Propel Diversity and Inclusion and Corporate Philanthropy in the United States*, and co-author of *Corporate Communications Practices: 2016 Edition*.

Before joining The Conference Board in September 2013, Alex worked as a Senior Consultant in London and New York for corporate social responsibility (CSR) consultancy Context. He has advised some of the world's leading multinationals on CSR communications and strategy development. His clients included Bloomberg, Brown-Forman, BSKyB, Burt's Bees, Cisco, HP, International Paper, PepsiCo, Roche, Standard Chartered, Syngenta, Teva Pharmaceuticals, and Vodafone.

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AMERICAS  
+1 212 759 0900 | [customer.service@conferenceboard.org](mailto:customer.service@conferenceboard.org)

ASIA  
+65 6325 3121 | [service.ap@conferenceboard.org](mailto:service.ap@conferenceboard.org)

EUROPE, MIDDLE EAST, AFRICA  
+32 2 675 54 05 | [brussels@conferenceboard.org](mailto:brussels@conferenceboard.org)

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