The High Number of Instagram Followers’ Impact on Student Business Income

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Keywords: Student Business, Income Improvement, Instagram Followers, Entrepreneurships.

Abstract: Students’ business is a learning media for entrepreneurship students at Universitas Amikom Yogyakarta. A high number of Instagram followers is one important trust in online selling strategy and important prospective buyers in the business. This paper aims to analyse number of Instagram followers’ impact on student business income. Do the high number of Instagram followers give a significant impact on student business income improvement? Using the census sampling, the data was taken from 31 student businesses of entrepreneurship class. The data analysis uses descriptive statistics by linear regression, describing income percentages in three months. This study found the number of Instagram followers did not provide a significant income increase. This is due to several things that affect, such as product variant, lack of ability to create fascinating videos and pictures, and others. The significant value of the regression between the Instagram followers’ variable with the student business average income is 0.66, this value is greater than 0.05. It means that the linearity of both variables does not meet the linearity criteria, and the linearity between those two variables is weak. If business owners want to improve their income to 10 million per month, they must have more than 4000 followers.

1 INTRODUCTION

Marketing is an important thing that business owners need to do to increase profits for the survival of the business itself. At present, traditional marketing has begun to be abandoned. This is due to technological developments, especially social media, which are easier to use. Almost everyone uses Instagram, so inevitably the business owner must change the marketing pattern by adjusting the habit, so that the product and brand can be known to prospective customers. In Saudi Arabia, online business women use Instagram for managing all businesses although they are offered a significant opportunity to create new jobs or new businesses (Alkhowaiter, 2016), because this social media tool is easier, cheaper than others and one of mobile-based social media is be able to uploading images and videos (Ting et al., 2015).

In Kuwait, social media especially, Instagram is used for communication media between banks and their consumers. The assumption that social media is especially Instagram is the most effective media to establish relationships and networks between banks and customers. Instagram is considered more effective in the context of building a bank’s image by emphasizing the importance of visual communication through social media so that it can penetrate across Arab cultures and practices of global community relations (Al-Kandari et al., 2019).

In Russia, more than 80% of small business accounts use Instagram and the followers are potential marketing target of the business. Instagram is able to optimize features that can support promotions to increase product sales. Publishing photos or video of products in Instagram is one of effective product branding because it can be improving attitudes and intentions to recommend others to follow the Instagram account (Colliander and Marder, 2018). Instagram is a social media that is very attractive for consumers to make purchase transactions. This is evidenced by the use of Instagram in promoting five women’s clothing brands. Instagram is one of easier social media as an online marketing communication medium, discussing the factors that cause online entrepreneurs to use and choose Instagram as a promotional medium. In December 2014, Instagram registered users were only 300 million people, where about 100 million new users mostly came from Indonesia,
Japan, and Brazil. An American survey showed that 33% of adolescents aged 13-19 years old tend to prefer. In December 2014, Instagram registered users were only 300 million people, where about 100 million new users mostly came from Indonesia, Japan, and Brazil. An American survey showed that 33% of adolescents aged 13-19 years old tend to prefer.

In Malaysia, Instagram is widely used for home business branding strategies, with some followers of around 10,000 followers. Instagram is a social networking site that plays an important role in shaping home-based business strategies. The main reason for using Instagram is, Instagram has several advantages compared to other social networking features, namely, having a filter. Instagram can display photos and videos as if they were designed by a professional, this causes the video potential to look more beautiful and artistic. Another reason is Instagram’s popularity, the whole world uses the network. The right target audience. Instagram can filter the audience. Furthermore, Instagram is a social networking site that is Word of Mouth. Make it easy for people to become followers so that they can be interconnected. These conveniences underlie the reasons for using Instagram in the home industry in Malaysia to do branding.

Based on the 2015 "Eurostat" survey, 75% of EU entrepreneurs use social networks to branding their products and the proportion is the same as companies that use the web to promote their products. In Latvia, about 58% of companies use the Instagram network, in Lithuania approximately 78% and in Estonia approximately 80%. But other facts show that Latvians are more open to using social media networks, especially Instagram for marketing their business (Grizane and Jurgelane, 2017).

In Indonesia, Instagram users are mostly youth from young adolescents to late adolescents aged 10-22 years old. They used it to communicate with others and represent themselves. Some of them uploaded religious messages through posts and captions and these have a significant effect on the way (Nisa, 2018). But for now, some of the accounts are used for business. The high number of Instagram followers can increase product popularity and be a choice of promoting divergent products and brands (De Veirman et al., 2017).

The new phenomenon is that the high number of Instagram business account followers is equivalent with a high business income. The business with high numbers of followers is found more likable because they are considered more popular. The popularity is an important thing for consumer trust development. The high numbers of followers are to be the best marketing choice for promoting divergent products, the business owner can boost the brand’s promotion to the follower (De Veirman et al., 2017). This paper is proposed to seek the evidence whether the high number of followers gives an impact on students’ business income. Universitas Amikom Yogyakarta is one of universities that has entrepreneurship study program in Indonesia. Entrepreneurship class is one model providing entrepreneurship learning for students in which they are directed to business development study. More than 20% of students have businesses in various fields, and all businesses use Instagram as a media of promoting and branding, but in the last three months they have decrease of income although the Instagram followers have increase (Wahyuni and Wibowo, 2018). Therefore, in testing the impact of Instagram followers on income business using the business unit model at the Yogyakarta Amikom University Indonesia.

2 METHODS

This is an observational study with a cross-sectional design. In this study, the samples were selected from 31 business students’ units of entrepreneurship class, which have an average of followers above 100 followers and have an income above 1 million rupiahs every month during the last three months. Observations were carried out for three months due to the graph of improvement income. The sampling method used is census sampling. A questionnaire consists of four questions: (a) Instagram use (the promotion tools and the number of followers), (b) Varian of product, (c) Lack of ability to create fascinating videos and pictures, and (d) customer information (information source). The data were analysed using statistical software to measure frequencies, percentages, and simple linear regression. The normality test data is conducted using Kolmogorov Smirnov by comparing the data distribution to be tested for normality with the standard normal distribution. The standard normal distribution is data that has been transformed into Z-scores and assumed to be normal.

3 RESULT

This study found that the average of students’ business income is 1678.2 every month. the number of Instagram followers does not provide a significant income increase. The absolute value of the student business income variable is 0.181 when compared to the Kolmogorov table with a total sample of 31, namely 0.263, the asymptote value is greater than
the absolute value. This shows that the data distribution is normal, and the value 0.263 < 0.05. So the data is normally distributed.

The increase of income around 1-5% and some even decline. This is due to several things that really affect, such as Variance of product, Lack of ability to create fascinating videos and pictures, customer information (information source) and others. The significant value of the regression between the Instagram follower variable with the student business average income is 0.66. This value is greater than 0.05 which means that the linearity of both variables does not meet the linearity criteria, and the linearity of both of the variables is weak. The average student business unit’s income in three months is more than 1-5%. The resulting study gives the coefficient value of 0.19. It means that the relationship between the high number of Instagram followers with students’ business income is very little. The contribution of follower number factor is 99.81% towards the average income factor per month. More than 99.81% is influenced by other factors such as the promotion tools and the number of followers), Variance of product, Lack of ability to create fascinating videos and pictures, customer information (information source) and others. Based on the data normality test, the data normalization results obtained in Figure 1.

![Figure 1: Normalized student business variable data test results.](image)

In Figure 1. There are some data that are close to the diagonal line, so it is said that the data that have been tested normally meet the assumptions of data normality. The significant value or linearity of the regression of the two variables is 0.14 and it is greater than 0.05. It means that the linearity of both regression variables does not meet the linearity criteria. The b value or slope value is 4.219 and value b contributes only about 14% to revenue. This means that the influence of the number of followers on income is low (only 14%). So that 86% is influenced by other factors. The value of increasing students’ business income is equal to 0.011, which is very little. This means that the increase in income in the students’ business is only about 0.011 or around 0.1%. This value is very insignificant to a large number of followers on their business accounts. The value of standard error or value of average from the data is 6.73.

The data normality test for the follower variable results is as shown in Figure 2, where the variable does not meet the data normality assumption. The number of follower data is getting away from the diagonal line and even gathering at a certain point on the diagonal line.

![Figure 2: Gambar normalisasi data variable the number of follower.](image)

The absolute value of the variable the high number of followers is 0.05 when compared to the results of the Kolmogorov normality data table with a sample size of 31 namely 0.00, the asymptote value is smaller than the absolute value. This shows that the data distribution is not normal, because of the value of 0.00 > 0.05, so the data is not normally distributed. This is clearly illustrated in Figure 3. In Figure 3, there are very abnormal data differences. There are some who have a very large number of followers, while others have very few followers.

![Figure 3: The results of normalization of variable data are the high number of follower.](image)

The results of the simple linear regression be-
tween the variable student business income with the number of followers show the bias left. This means that there is an abnormal relationship between the two. This is seen in Figure 4.

Figure 4: The result of the simple linear regression between Student business income variable and The High number of follower’s variable.

The relationship of abnormalities because of the two variables not having the same data normalization. The variable student business income meets the assumption of data normality, while the variable number of followers does not meet the assumption of data normality.

4 DISCUSSION

Having followers between 100-300 is the characteristic of students’ business unit at Amikom University Yogyakarta. With an income average of about 4.17 per month, the highest income is 20 million and it belongs to the business running training service provider with followers more than 500 on average. The result got from Kolmogorov Smirnov Normality Test shows the alpha value is 0.249, higher than 0.005. It means that the data fulfill the normality assumption. In Correlation Regression Test, the coefficient value R of 0.14 indicates that the relationship between the high number of Instagram followers with students’ business income is very little. It can be concluded that the contribution of follower’s number is not significantly, and 99.86% of the income is significantly influenced by other factors, such as: product Competitors, too many competitors selling the same products lead business owners to do market analysis on the go product relevance to reach the market target. Product relevance and market target are two things that can be very useful in finding perfect market opportunities that are potentially profitable. Another important factor is analysing the platform appropriateness owing to the fact that not every product is eligible to be offered on Instagram. The following is a comparison of factors that influence the increase in student business income, namely Instagram followers and other factors, as illustrated in Figure 5.

Figure 5: Business income improvement factor.

In figure 5, it explains the comparison of factors that affect the increase in income in student business income. That is 14% is due to the number of followers while 86% is due to other factors. Including variant variables of product, Lack of ability to create fascinating videos and pictures, and customer information (information source).

The second is picture and Image Quality, the picture and image quality eloquently affect product branding on Instagram. Various insufficiencies of offered product features create real failures of the branding process on Instagram. The pictures and images should deliver perfect brightness, detail, and size. It had better use pictures and images of the product which are offered and taken from the company’s official website (Hofacker and Belanche, 2016).

Third, Lack of ability to create fascinating videos and pictures. Captivating videos and pictures that are used as commercial ads on Instagram are formidable to seize followers’ attention to keep the products under surveillance and escalate followers’ brand awareness. Creating such captivating videos and pictures will create followers’ loyalty to every post. Besides, appropriate caption following the posted videos or pictures is another vibrant magnet for the followers (Kannan, PK., 2017). The fourth is Followers Trust Declining, another essential issue is that the followers’ trust declines due to fraud, scam, and other various types of dishonesty in online business. It results in followers’ reluctance to buy the products. In fact, that followers trust and loyalty mean everything to any online business owners, business owners should maintain their customers’ trust by keeping up their quality of products, service, and price (Pappas, N., 2016). the fifth factor is reputation. Reputation can be gained from previous customers’ testimonies which
are lucrative. Make sure that there is no fraud, as well as keeping up the customers’ satisfaction in order to get credence label and reputation. Furthermore, poor company services to consumers in online businesses greatly affect customer trust (Azemi et al., 2019).

The variable of Instagram followers and the variable of students’ business income have little correlation. With the slope and intercept values, we can compute the variable of students’ business income, if the business owners want to achieve their income target for 10 million per month, they must have 2000 Instagram followers or more. The limitation of this study is the number of samples which is less various because the number of students’ business which is considered to be taken as samples is only 31. This research can hopefully be a reference for business students for creating many followers by referring to things discussed previously.

5 CONCLUSIONS

In the near future, this study will grant online business students’ factors that should be taken into consideration whenever they want to put their advertisements on Instagram. This study found the number of Instagram followers did not provide a significant income increase. The increase in income around 1-5% and some even decline. This is due to several things that really affect, such as location access, service, and others. The significance value of the regression between the Instagram follower’s variable with the student business average income is 0.66, this value greater than 0.05. It means the linearity of both variables do not meet the linearity criteria, and the linearity of both of them is weak. If the improvement of income is 10 million every month, then the number of followers must be more than 4000 followers and must be active in social media.

REFERENCES