

## INSTAGRAM AS A DIGITAL COMMERCIAL SPACE IN IMPROVING WELFARE

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### Abstract

This study examines the use of improve the well-being of its users in the digital age. In the context of the digital economy, social media has transformed into a commercial space that allows individuals to earn income through content strategies, personal branding, and social interaction. Using a qualitative case study approach on three active Instagram users, this study reveals that visual consistency, digital persona credibility, and the ability to adapt to platform algorithms are the main determinants in social media monetization. The results also show that income success through Instagram is greatly influenced by social capital, audience trust, and the sustainability of content strategies. This study emphasizes the importance of digital literacy and innovation in facing the challenges and opportunities and the digital economy.

**Keywords:** Social Media, Instagram, Space, Commercial, Digital

### 1. Introduction

The development of digital technology has significantly changed the landscape of communication and social interaction, including in the economic field. One interesting phenomenon that has emerged is the use of social media, particularly Instagram, as a source of income. Many individuals now use Instagram not only as a means of sharing information and entertainment, but also as a tool to earn income through endorsements, product sales, and paid content. This shift underscores a broader transformation within the digital economy, where traditional employment paradigms are being supplemented, or even replaced by opportunities for entrepreneurship on social media platforms.

The main issue raised in this study is how Instagram users in Indonesia are able to manage their accounts as a source of income amid competition and the dynamics of the platform's algorithm. As algorithm changes can dramatically impact visibility and audience engagement, users must continually adapt their strategies to remain relevant and profitable. This study also aims to fill the gap in previous research, which has largely focused on promotional aspects or consumer behavior rather than monetization strategies and challenges from the user's perspective. By emphasizing the experiences of everyday users, this research seeks to provide a more comprehensive understanding of how individuals navigate these complexities.

Theoretically, this study utilizes a digital economy approach (Tapscott, 1996), which contextualizes Instagram within the larger framework of digital economic activities. Additionally, personal branding theory (Hearn, 2008) is crucial, as it explains how users consciously curate their identities for marketability. Social capital theory (Bourdieu, 1986) further enriches the analysis by illustrating how relationships and trust built through social media interactions can facilitate monetization. Together, these frameworks allow for a nuanced examination of how digital identities are constructed and the implications of such identities for economic behavior in a virtual context.

Ultimately, this research aims to contribute to a deeper understanding of the interplay between social media, identity construction, and economic opportunity. By analyzing the strategies employed by Instagram users in Indonesia, the study not only illuminates the challenges they face but also highlights successful practices that enable them to thrive in an increasingly competitive landscape. The findings can inform educators, policymakers, and digital

entrepreneurs, ultimately paving the way for a more inclusive digital economy where individuals harness their creativity and social connections for financial sustainability.

## **2. Literature Review**

Several previous studies have discussed the role of social media in the digital economy. Abidin (2016) revealed the importance of ‘visibility labor’ in the work of digital influencers. Djafarova & Trofimenko (2019) showed that micro-celebrities with an authentic image are more trusted by their audience. Handayani et al. (2021) emphasized the importance of visual quality and interaction in building consumer engagement. Yasa & Putra (2022) examined the diversification of income sources by content creators in Indonesia.

However, there is still little research that deeply examines Instagram monetization strategies from the perspective of ordinary users or micro-entrepreneurs, especially in Indonesia. Therefore, this research is important to broaden perspectives on the potential and challenges of social media monetization in the local context.

## **3. Methods**

This study uses a qualitative approach with a case study method. The research subjects consist of five active Instagram users in Indonesia who have successfully earned income from their activities on the platform. Data collection techniques were carried out through in-depth interviews, observation of Instagram account activities, and content documentation.

Data analysis was conducted using a thematic approach to identify patterns of monetization strategies, challenges faced, and success factors. Data validity was strengthened through triangulation of sources and methods. This approach is in line with the guidelines of Miles & Huberman (2014) in qualitative research. This study also refers to ethical principles in data collection from participants.

## **4. Results and Discussion**

### **4.1 Results**

#### **Instagram as a Digital Economic Arena**

The transformation of social media into a digital economic arena reflects a paradigm shift in global economic activity, as described by Tapscott (1996) in his concept of the digital economy. Instagram, which was originally a photo-sharing platform, has now developed into a strategic space for individuals to create, promote, and distribute products and services. This can be seen in the phenomenon of increasing active users who use this platform as a source of income, either through direct sales, endorsements, affiliations, or other forms of digital collaboration.

Social media such as Instagram not only brings together producers and consumers, but also reconstructs the role of individuals as economic actors who have access to the global market without having to have large amounts of capital in the conventional sense. Individuals can build personal brands, manage audiences, and operate digital businesses based on visual and narrative content.

#### **Self-Branding and Digital Persona: The Key to Instagram Monetization**

One of the main findings of this study is the importance of self-branding in determining users' success in earning income from Instagram. Hearn (2008) explains that the process of self-branding involves the deliberate and strategic construction of identity, which allows individuals to market themselves as if they were a product. In the context of Instagram, this is manifested in visual consistency, communication style, chosen content niche, and the values displayed through each post.

Several informants confirmed that a strong self-branding strategy made it easier for them to attract followers and build trust, which then led to commercial collaborations with various brands. Success in monetization also heavily depends on the credibility and authenticity of the personal brand that is successfully displayed, as highlighted by Djafarova & Trofimenko (2019), who state that micro-celebrities with an authentic image tend to be more trusted by audiences than mainstream celebrities.

### **Visuality and Interaction: Social Capital in the Platform Economy**

Instagram is based on visual content, so aesthetic appeal plays a significant role in building engagement. This is in line with the findings of Handayani et al. (2021), which show that attractive visual elements, combined with communicative narratives, can increase follower engagement and create loyalty to business accounts. In this study, all informants mentioned that photo quality, feed layout, and color and filter selection are important strategies that support their account performance.

In addition to visuals, interaction with followers is also an important aspect. Abidin (2016) emphasizes the importance of creating an intimate and personal relationship with the audience, which he refers to as visibility labor. Influencers and online sellers who respond to comments, greet followers on the Story feature, or share personal content tend to be more successful in building loyalty and long-term engagement that can be converted into transactions.

### **Monetization Strategy: Diversifying Revenue in the Digital Age**

This study found that Instagram monetization does not depend on a single source of income, but rather involves diversifying revenue streams, including:

- 1) Product/service endorsements
- 2) Affiliate marketing
- 3) Sales of personal products (physical and digital)
- 4) Digital education or training services (workshops, online classes)
- 5) Paid content (subscriptions, bonus reels, paid collaborations)

This approach is in line with the study by Yasa & Putra (2022), which emphasizes that content creators in Indonesia tend to develop various lines of income so as not to depend on just one source. The informants also mentioned that relying on a single monetization method is very risky, considering that changes in algorithms or market trends can drastically affect income.

### **The Role of Algorithms and Platform Governance**

One of the major challenges faced by Instagram users in monetization is the uncertainty caused by algorithms. Changes in the content distribution system, such as a decline in organic reach or changes in the display priority of Reels compared to feeds, can have a significant impact on content visibility and revenue.

In line with the findings of Marwick & Boyd (2011), the success of Instagram celebrities and micro-celebrities is highly dependent on their understanding and adaptation to the dynamics of the platform. One informant even mentioned that algorithm changes can reduce their income by up to 60% in a month, especially if their account no longer appears on the explore page or has a drastic decline in engagement.

### **Digital Psychology: Burnout and Personal Challenges**

This study also reveals the psychological impact of monetization activities through social media. Several informants admitted to feeling pressured to always appear “perfect,” constantly produce content, and maintain their existence amid competition. This is known as digital fatigue, which in some cases can lead to burnout.

Studies by Abidin (2016) and Marwick & Boyd (2011) also note that the lives of influencers are often fragmented between their public persona and private life, which, if not managed properly, can cause prolonged stress. Therefore, a healthier approach is needed in building a social media-based career, including time management, separation of private life, and the courage to take breaks.

### **Social Capital and Audience Trust**

One of the main strengths that Instagram users have in earning income is social capital, namely the trust built through consistent interaction and content. Djafarova & Trofimenko (2019) state that trust is the main factor that influences purchasing decisions influenced by influencers. Therefore, users who can maintain integrity in recommending products and avoid over-promotion tend to have greater influence and more stable economic sustainability.

### **Opportunities and Future Directions: A Productive Digital Society**

Based on the overall findings, it can be concluded that Instagram is a platform that provides vast economic opportunities, especially for individuals who have creativity, perseverance, and good communication strategies. However, long-term success can only be achieved with competent digital knowledge, as well as awareness of platform dynamics and market trends.

This study indicates the importance of higher digital literacy, especially in terms of digital security, content ethics, intellectual property rights, and account performance analysis capabilities. A digitally literate society will not only be able to monetize social media, but also contribute to broader national digital economic growth.

### **4.2 Discussion**

This study reveals that Instagram has evolved from a simple photo-sharing platform into a dynamic digital economy arena, reflecting a significant shift in global economic interactions. Users are now engaged in personal branding, strategically building their identities to attract followers and secure collaborations, as critical elements in monetization. Visual appeal and interpersonal interactions from the foundation for building social capital, where successful users create compelling visual content while building trust through consistent engagement. Diversifying income sources, including endorsements and affiliate marketing, is essential to mitigate risks associated with reliance on a single income stream, especially given Instagram's unpredictable algorithm, which can drastically impact visibility and earnings. Additionally, the psychological burden of maintaining an ideal online persona can lead to digital literacy in addressing these challenges and highlights the potential for individuals to leverage Instagram as a profitable platform, thereby contributing to the broader digital economy.

### **5. Conclusion**

Instagram has proven to be an effective means of generating income for individuals in the digital age. Personal branding strategies, visual management, and consistent interaction with audiences are key to building trust and follower loyalty. However, this success is also greatly influenced by an understanding of the platform's algorithm, resilience to digital fatigue, and the ability to adapt to market trends.

This research underscores the importance of digital literacy and critical awareness in utilizing social media as an economic tool. Support for education, platform regulation, and the development of a healthy digital ecosystem are essential to maximize the potential of social media in an inclusive and sustainable manner.

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