

This Is How Hospitality Venues Are Cashing In On Instagram Right Now. Don't Miss Out!

If you're running a café, bar, restaurant or other hospitality business right now, chances are you know about Instagram. As the leading visual social media platform in the hands of your customers right now, it's the perfect place to showcase your flair for good food, great drinks and superior swagger and style.

But while you know you should be creating amazing content on Instagram, as a business owner you've surely got one burning question in the back of your mind. It's the same elephant that sits in the corner of every room when you consider how much to spend on marketing.

It's that question that most agencies shy away from, and constantly direct you away from so you don't see the holes in their otherwise great looking proposal. You might not mention it in the meeting, but you're thinking it the whole time:

"Why should I care about Instagram? How will these Instagram 'followers' convert into real cash?"

In other words, what is the ROI on Instagram?

I'm glad you asked.

If you've been running an Instagram account for your café, bar, pub or restaurant, and feel like you've been going nowhere, we've got the answers for you. And if you haven't been convinced of the golden egg that is Instagram followers for your hospitality business, you might be surprised at what comes next.

If there's one thing better than telling you what your ROI on Instagram could be, it's showing you. And what better way to show you than with a case study?

275 Melbourne Locals Walked into a bar...

Actually, they were **surveyed** about walking into a bar - but the results still made for some eye-opening insights.

In this survey, which was conducted by our good friends over at 7 Star Social, 275 people in Melbourne were asked **what their major motivation was for following a local food venue on Instagram**. Here were the answers + results:

[A] For now, I just want to learn more about the venue.

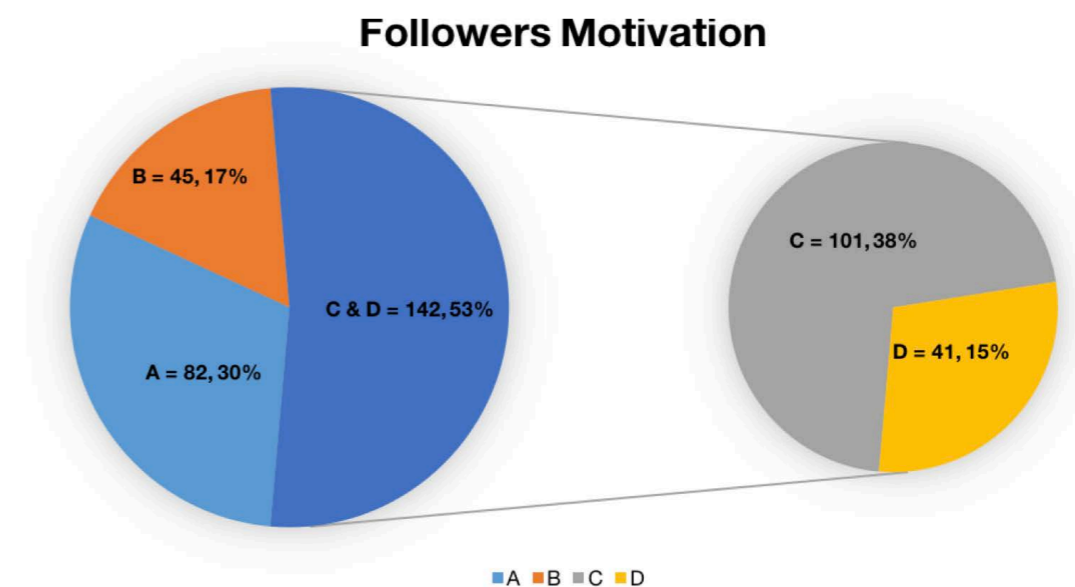
[B] I'm just here to look at the food, I'll probably never go.

[C] I've already decided that I want to visit, now what to order?

[D] I've already visited and I plan on going again.

Results: [A] 82, [B] 45, [C] 101 [D] 41

Here's a breakdown of each of those answers, in terms of percentages:



From these answers, we can reasonably say that:

- 30% of Instagram followers are interested in your venue [A]
- 17% of Instagram followers are not planning to visit your venue [B]
- 38% of Instagram followers intend on visiting your venue [C]
- 15% of Instagram followers are existing customers [D]

These results show that 53% (answers C & D) of followers intend on visiting and spending cash at your venue, or they have done so already. That's a pretty big number, but it's only the first of many powerful insights we can take from this.

How To Convert Instagram Followers To Cash In The Bank

As part of this study, an average spend per customer was calculated across 5 venues in Melbourne. That per head total was \$38. You can factor in your own average spend to get a more accurate idea of what Instagram is worth to your business.

Let's take a look at this first calculation using our survey data from above:

Ave. \$ per person x Existing customer % / Probable customer %

$\$38 \times 53\% = \mathbf{\$20.14}$

What does that mean? **That each targeted Instagram follower you acquire is worth \$20.14 to your business.**

How does this work? If you have 100 Instagram followers (assuming they're relevant, local ones) and 53% were paying customers, that's 53 heads through your door paying \$38 each.

Total = \$2,014 revenue per 100 Instagram followers.

That makes every new follower an asset. And what makes this more exciting is happy customers will keep coming back for regular visits – so if your product is high quality, you can multiply those numbers by 10x or 20x over a period of time.

And you can pump it even higher with content marketing

Those results are pretty impressive, but they're not the whole story. **There's still another 30% of survey respondents** unsure if they will visit. What can you do with those?

This is where consistent, high-quality content comes in. With the right Instagram marketing, you can get those customers into a buying pipeline by starting a relationship with them. Over time and with enough epic photos of you strutting your stuff, they'll turn into paying customers.

If you add that extra 30% of customers to the rest of our survey respondents, that average of \$20.14 goes up to \$31.54. That's **\$31.54** of revenue per Instagram follower. There's your golden egg!

How to get 5x ROI for Instagram...starting today

Perhaps the most exciting part of this survey is **an ROI of \$31.54 per follower can be achieved by any hospitality business.** But in order to make it happen, your Instagram marketing needs to be as precise, professional and on-point as your flair in the kitchen.

At the end of the day Instagram is used to post awesome, mouth-watering photos and videos – so that's exactly what you need to be doing to convert those 'likes' into cash. You need to be posting consistently high-quality content, engaging with your audience, and utilising hashtags correctly to keep boosting your follower numbers and building their hunger to visit.

Let's catch up

We at Gorillaz Media know how to build hungry audiences because we started doing it with our own brands long before our clients. We've put the time in already to work out the formulas for growth – so we can hit the ground running with your Instagram straight away.

Sound good to you? Talk to us today to see how we can get your Instagram (and your bank account) pumping for your hospitality business.