State of Instagram Fraud in the USA (May 2021)
Key learnings from HypeAuditor’s May Fraud report on social media

Key findings:

- On average, 33.89% of influencers in the U.S. are impacted by fraud (growth anomalies or have inauthentic comments: comments from bots, giveaway comments, comments from Pods).
- Inauthentic comments drive the most fraudulent activities across all sectors analyzed.
- Fake influencers and engagement could be costing advertisers up to $800 million each year.
- Influencers with between 100,000 and 1 million followers participate the most in giveaways.
- Overall, one-fourth of influencers in the U.S. have more than 30% inauthentic comments.
- Mega-influencers (over 1 million followers) experience the highest comment authenticity (58.61% of Mega-influencers have inauthentic comments).
- Mega-influencers often become victims of spam accounts.
- Gen Z influencers are impacted the most by fraud (41.05%), with females slightly more impacted than males (39.52% vs. 32.60%), followed by Gen Y (36.32%), Gen X (24.74%), and Baby Boomers (21.24%).
- Gen X and Baby Boomer influencers are impacted by close to 50% less than Gen Z is.
- Top three industries most impacted by fraud in the U.S.: fashion, modeling, and lifestyle.
- Top three industries least impacted by fraud: artists, comics & sketches, and water sports.

Some of the common fraudulent methods used by influencers to grow their accounts and engagements:

- 3.87% of USA influencers participate in Comment pods, sometimes with the help of social media agencies
- Overall, a quarter of USA influencers have more than 30% inauthentic comments
- 1.28% of USA influencers boost their comments by hosting a Giveaway on their page
The cost of fraud for influencers

The report highlights that not all influencers who are involved in fraud do it on purpose, some may become victims of fraud when relying on different services, found on Google, to grow their accounts.

- The cost of these types of services can range from $25 to $50 for 1,000 subscribers that claim to be real users, when they are not.
- However, these online services are also the main source of bots, fake likes and comments for all platforms. Out of the $25 to $50 paid by the influencer, only $3 on average is used by online services to acquire 1000 bots. As a result, all the metrics of the creator’s account, including the reach, are spoiled due to the presence of bots. Buying such services to grow accounts is also against the terms of use of various social media platforms.
- Similarly, some influencers may deliberately buy comments from services, which may not always come from real users. Comments Pods is a relatively common practice on Instagram. They are micro-communities whose purpose is to like and comment on the posts of certain influencers for the sole purpose of boosting audience numbers. Even though this technique can increase the account’s engagement rate, they are not from an engaged audience and does not show the level of interest from real users in the content shared by the influencers.

The cost of fraud for brands

- Fake influencers and engagement could be costing advertisers up to $0.8B each year.
- According to HypeAuditor internal research, only 59.86% of Instagram followers in the USA are real users, others are suspicious accounts (bots or inactive accounts) and mass followers (accounts with over 1500 followings).
Influencers impacted by fraud – Instagram accounts with over 1000 followers who have growth anomalies or have inauthentic comments (comments from bots, giveaway comments, comments from Pods).

On average 33.89% of influencers in the USA are impacted by fraud, which is less than the world average which is 55%, but still a very high number.

It is important to understand that not all influencers who are impacted by fraud do it on purpose.
For example, an influencer wants to increase the number of followers and is searching for an Instagram growth service on Google.

He finds hundreds of sites that offer services to increase the number of followers organically.

These sites ensure that the user gets real followers who will be interested in the influencer’s content and will like and comment on the influencer’s posts.

The cost of services can range from $25 to $50 for 1,000 real subscribers.

An influencer fooled by the promise of these services to bring real people, not bots, makes a purchase.
Then the growth service takes $25 for 1000 subscribers from the influencer and buys 1000 bots in the SMM Panel for $3, which it sends to the influencer’s account.

SMM panels offer a huge variety of SMM services at wholesale prices. They are the main source of bots, fake likes, and comments for all platforms. Buying such services for accounts is against the Terms of Service on various social media platforms.

The influencer was confident that would get real followers but got bots that spoil all the metrics of the creator’s account, including the reach.

The numbers are growing, but this is not a real audience, just bots. In the future, the bots begin to unsubscribe (they are deleted by Instagram, or the SMM Panel gives them the command to unsubscribe and subscribe to another account) and on the subscriber graph, we see a decrease in the number of subscriptions.

An influencer can get the same result by contacting an unscrupulous SMM agency, which will buy bots to show the results of its work.
The percentage of Influencers who have Inauthentic Comment

Overall, ¼ of influencers in the USA have more than 30% inauthentic comments.

Where do they come from?

Some influencers may deliberately buy comments on services, realizing or not realizing that comments are not coming from real people, others can take part in Comment Pods or host Give Aways.

Mega influencers have the most problems with comment authenticity (58.61% of Mega influencers have inauthentic comments). They often become victims of spam accounts. Mega influencers have a large reach, many real people communicate in their comments section, so the spam comments under the celebrity post become free advertising for spammers.

Usually they promote affiliate programs, adult dating and fraudulent accounts of forex and bitcoin traders.
How many influencers use Comment Pods?

3.87% of influencers participate in Comment pods, independently or with the help of SMM agencies, or simply purchase a subscription in Comments pods.

Comments pods are bad because comments are left in order to get comments, they increase the Engagement Rate, but these are not comments from an interested audience, these are motivated comments.

As a rule, influencers don’t see anything wrong with Comment pods and consider it a legitimate growth trick.

We proceed from the point of view of the Brand, and this is bad for the Brand, since it does not show the level of real interest of the audience in the content of the influencer.
1.28% of influencers boost their comments by hosting a Giveaway. They promise their audience to play a gift. To participate, as a rule, you need to leave a comment under the contest post or tag Instagram accounts of your friends.

According to the Instagram Promotion Guidelines, “You must not inaccurately tag content or encourage users to inaccurately tag content.”
Demographic with the highest involvement with fraud

Gen Z Influencers is the most impacted by fraud generation.

And this is not a surprise, since the digital native generation spends the most time on social networks and readily tries new schemes for promoting their account.

Top 5 influencer categories most impacted by fraud

<table>
<thead>
<tr>
<th>Influencer Category</th>
<th>% of influencers involved in fraud</th>
<th>% of influencers with inauthentic comments</th>
<th>% of influencers with Growth Anomalies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Fashion</td>
<td>53.73</td>
<td>44.45</td>
<td>22.98</td>
</tr>
<tr>
<td>2  Modeling</td>
<td>50.88</td>
<td>42.06</td>
<td>21.09</td>
</tr>
<tr>
<td>3  Lifestyle</td>
<td>49.02</td>
<td>39.2</td>
<td>20.13</td>
</tr>
<tr>
<td>4  Clothing &amp; Outfits</td>
<td>47.62</td>
<td>38.71</td>
<td>20.5</td>
</tr>
<tr>
<td>5  Beauty</td>
<td>47.58</td>
<td>37.26</td>
<td>20.38</td>
</tr>
</tbody>
</table>
### Top 5 most fraud free Influencer categories

<table>
<thead>
<tr>
<th>Influencer Category</th>
<th>% of influencers involved in fraud</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Artists</td>
<td>15.12</td>
</tr>
<tr>
<td>2  Comics &amp; sketches</td>
<td>15.4</td>
</tr>
<tr>
<td>3  Water sports</td>
<td>18.67</td>
</tr>
<tr>
<td>4  Cars &amp; Motorbikes</td>
<td>18.86</td>
</tr>
<tr>
<td>5  Computers &amp; Gadgets</td>
<td>19.56</td>
</tr>
</tbody>
</table>

### Average price of buying followers

<table>
<thead>
<tr>
<th>Service</th>
<th>Price ($/per 1000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instagram followers Refill</td>
<td>0.6</td>
</tr>
<tr>
<td>Instagram followers No Refill</td>
<td>0.28</td>
</tr>
<tr>
<td>Instagram followers targeted from USA</td>
<td>5.6</td>
</tr>
<tr>
<td>Instagram likes</td>
<td>0.28</td>
</tr>
<tr>
<td>Instagram likes targeted</td>
<td>2.28</td>
</tr>
<tr>
<td>Instagram Views</td>
<td>0.05</td>
</tr>
<tr>
<td>Instagram Comments</td>
<td>0.29</td>
</tr>
<tr>
<td>Instagram Comments Custom</td>
<td>7.2</td>
</tr>
<tr>
<td>Instagram Story Views</td>
<td>1.2</td>
</tr>
</tbody>
</table>

We analyzed prices for Instagram fake followers and fake engagement on 18 SMM Panels. We won’t disclose the site addresses not to promote their fraud activities.

SMM Panel or Social Media Marketing Panel is a SEO Service Reseller Panel Script, where people buy social media services such as Facebook likes, twitter followers, Instagram followers, YouTube views, Website Traffic and more services.
Methodology

For this research, we checked 738,205 Instagram accounts (with more than 1000 followers) from the USA from our internal database.

When an Instagram account gets to our database, we calculate its main metrics based on its audience, content, subscriptions and activities.

We analyze the authenticity of Influencer’s audience, comments, likes, and compare its characteristics with accounts of the same size.

Comparing characteristics with a large number of other accounts of the same size helps to catch deviations and suspicious activity.

For this report, we analyzed data for Instagram accounts from France using a data visualization program. We have grouped accounts that have signs of fraudulent activity.

Suspicious accounts

To detect a low-quality audience and suspicious accounts, HypeAuditor uses a specially trained machine learning model, which is based on the ensemble of machine learning algorithms and analyzes over 53 patterns to detect suspicious accounts. As a result, it detects 95.5% of all known fraudulent activity.

The main features used in the algorithm are the following:

- Followers/followings numbers and ratio
- Number of posts
- Account privacy
- Registration date
- Geotags usage
- We can’t tell you the last ingredient

Our decision tree model and the selection of specific features are based on the Influencer Marketing industry expertise.

On the picture down below you can see the most common examples of suspicious accounts:
Comments Authenticity

To analyze comments authenticity HypeAuditor relies on cutting-edge Natural Language Processing algorithms to run a syntactic and semantic analysis to derive meanings from human languages.

Comments Authenticity is a metric that checks whether the recent comments might come from suspicious accounts or accounts that participate in Instagram Pods (Engagement Pods/Boost groups).

When we check Comments Authenticity, we take into account multiple factors, among them: comment’s content and the quality of an account that left that comment.

A particular comment is marked as inauthentic if several negative factors match at once.

Comments that consist of:

- emojis only or words like: wow, cool, fantastic etc.
- another account mentions only – comments to giveaways, contests etc.
Comments Pods

Engagement pods (comment pods, Instagram pods, boost groups) are created by bloggers who search for some extra exposure within social media space, mainly, to boost their profile activity. They create specific private group chats on Facebook, Telegram or by using other platforms.

A typical engagement pod participant makes a post and throws a link to a group chat with a comment such as: “likes, comments (3 words and more), saved.” Right after they scroll the chat up to see the last 10 post links from other bloggers to complete those. This type of suspicious activity is definitelty hard to spot without an implementation of AI, since even quality accounts are getting suspended by leaving tonnes of quite extended comments on a daily basis.
At HypeAuditor we implemented a machine learning mechanism in order to detect Engagement Pods’ type of comments. We are feeding our algorithm with thousands of comments examples found in different Engagement Pods. The comments are getting analyzed and sorted out into different groups according to the found and formed patterns. We check all the comments and accounts that correspond to these patterns, thus the error rate is extremely low.

**Give Aways**

Asking followers to tag a friend in comments to participate in a giveaway or a contest is considered spammy.

According to the Instagram Promotion Guidelines, “You must not inaccurately tag content or encourage users to inaccurately tag content.”
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