

MOBILE

Pinpointing visual voice on mobile a priority as Instagram's ad program expands

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Instagram introduced a new ad format

By CHANTAL TODE

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Instagram's steps to boost its advertising business with new ad formats, enhanced targeting and broader availability increases the pressure on marketers to find their voice for photo-driven mobile experiences.

Instagram said it will begin testing a variety of formats enabling marketers to drive results across a variety of objectives, with users able to sign up on a Web site, buy a product or service as well as download an app directly from an ad. The moves are likely to be welcomed by brands, many of which have already been flocking to Instagram in recent months because it offers an attractive combination of wide reach and an image-driven environment.

"This announcement is going to force marketers to think about their Instagram strategies more quickly than they did before," said Diana Gordon, senior partner and group director for search and social at [Mindshare North America](#). "Instagram equals photos, which for marketers equals production costs."

It's important for marketers to know that they can't just start posting without a strategy," she said. "They need to find their voice in this photo medium and make sure that every post reflects that voice.

"Marketers should also know that this doesn't need to mean big bucks in production. There are lots of tools now that enable professional, high-res imagery for low cost."

Buy buttons

Instagram users are often following their passions, whether this is travel, fashion, cars or entertainment, on the social network. With this in mind, Instagram is hoping to increase the relevancy of the ads users see by enabling advertisers to target their messages more effectively. This will mean being able target ads based on what people are interested in and not just their age, location and gender.

By working Facebook, Instagram will also improve the feedback mechanism to give users greater control over the ads they see.

To extend the reach of Instagram ads to a wider of array of businesses, both large and small, the platform will be making an API available as well as enabling ads to be bought through Facebook ad buying interfaces.

The Instagram Ads API will initially be available to a select group of Facebook Marketing Partners agencies, with plans to expand globally throughout the year.

"I would argue that announcement of new ad formats, specifically a buy button, is the win," Ms. Gordon said. "The challenge for Instagram has been that many brands view it as an afterthought within their social strategy, and as such, marketing adoption rates are stronger on other channels – Facebook, Twitter, YouTube, etc.

"The movement toward ads, and more specifically, features that enable a user to navigate off page, means that Instagram is answering the call of marketers for the ability to drive engagement – beyond a like – and track performance. Instagram recognizes that they need to socialize their ability to drive performance, not just branding, in order to secure a bigger percentage of a marketer's budget," she said.

Instagram vs. Pinterest

While the addition of a buy button on Instagram is potentially a big deal for marketers, a number of social media platforms have made similar moves.

Most recently, Pinterest – which is also inspiration driven, similar to Instagram – announced a buy button.

"In terms of the significance of Pinterest versus Instagram's news, I would tend to think Pinterest will have a larger impact on marketers, given the unique audience of the platform," said Valerie Davis, senior vice president of paid digital media at [PM Digital](#).

"Pinterest users are there for a reason – a slightly different reason than why Instagram users utilize its platform," she said.

“Pinterest users may be more receptive to ads, as one might say they’re further through the ‘purchase journey’ than Instagram users are – meaning they’re feeling inspired to the point of wanting to make an actual purchase.”

Reaching millennials

Instagram, which boasts more than 300 million active users, first launched ads a year and a half ago. Since then, the ad business has been expanded to 8 countries.

The advertising opportunities on Instagram include photo and video ads as well as carousel ads, which were introduced in the first quarter of 2015, which include up to four photos that users can swipe through as well as a link. The latter has been embraced by brands such as Old Navy, Showtime and Samsung.

Instagram reports that results have been positive. With an analysis of more than 475 campaigns using Nielsen Brand Effect showing that ad recall for sponsored posts on Instagram was 2.9 times higher than Nielsen’s norms for online advertising.

Instagram continues to grow. In the first quarter of 2015, Instagram reached more than 200 million daily active users for the first time. In countries such as Japan, South Korea and Indonesia, the user base is growing by more than 100 percent year-over-year.

Users reportedly spend average of 21 minutes per day on Instagram.

“Like its parent, Facebook, the biggest opportunity for Instagram lies in its massive audience of logged-in users, which will enable cross-channel, cross-device, ‘people-based marketing’ to over 300 million active monthly users,” said Jordan Cohen, chief marketing officer of Fluent.

“Whether using its own rich consumer data, or allowing marketers to target their own customers and lookalikes using a custom audience type of solution, this new ad offering from Instagram will hold a lot of appeal,” he said.

“Most importantly, it will give marketers access to hundreds of millions of millennials who prefer Instagram over every other social network, including Facebook. Also, while millennials may be the youngest of today’s adults, they spend more online than any other generation.”

Final Take

Chantal Tode is senior editor on Mobile Marketer, New York