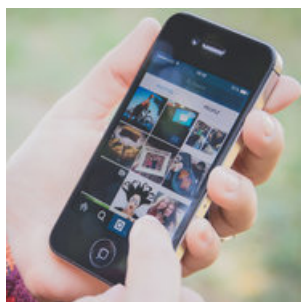


MOBILE

## Instagram ascends as budgets grow, closer alignment with Facebook expected

February 26, 2016



*Instagram is an attractive advertising channel for media marketers*

By CHANTAL TODE

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

Instagram said this week it now has more than 200,000 advertisers while marketers are reportedly increasing their budgets for the platform in 2016, often looking to leverage functionality across both Facebook and its more image-driven sibling.

As the number of social media platforms offering advertising options grows, savvy marketers are taking a closer look at the areas where each excels. For Instagram, early results would suggest this includes a strong international flavor, small businesses and brands with a strong visual appeal.

"Instagram continues to offer amazing opportunities for Kenshoo's social advertisers," said David Zelniker, product manager for [Kenshoo](#). "Starting late last year, many clients tested Instagram to see where it fit in their media mix.

"With those learnings, they've come back in 2016 with dedicated budgets to spend across all the different types of objectives available for Instagram," he said. "Every top client and agency we've worked with have already spent some dollars on Instagram, and we expect this trend to continue with budgets scaling through 2016.

"Twitter and Snapchat are also part of some of our clients' media mix, although the latter is still in its nascency when it comes to self-serve advertising and is not currently offering media buying via an API.

### Relevant groups

Instagram reported yesterday that it has more than 200,000 advertisers on the platform, pointing to its growth since advertising was first opened up broadly last fall.

Per Instagram, it is being used by advertisers to spark interest in relevant groups. This includes selling concert tickets, driving downloads for a mobile gaming app and building awareness of a small business among book lovers.

□

Some early findings support the idea that Instagram users are open to hearing about businesses related to their interests, with 60 percent saying they learn about products and services on Instagram and 75 percent saying they take an action, such as visiting a Web site or searching for an item, after being inspired by an Instagram post.

"Instagram is a great advertising platform," said Stephen Blake, senior vice president of social delivery at [Kinetic Social](#). "It can use Facebook's ad stack, which already gives it industry-best targeting and reporting capabilities.

"It has two other great advantages: an incredibly engaged user base that already spends a considerable amount of time engaging with brands and public figures, and a compelling visual layout," he said.

### **Best practices**

Instagram's diversity of offerings is helping advertisers across verticals find success, per Mr. Blake.

However, marketers do need to make the effort to create a unique campaign with strong visuals to drive the best possible results.

□

"Based on what we've seen, there are a few best practices that can help brands stand out," Mr. Blake said. "The first is to be unique. When brands focus on the details that set them apart, they inject some valuable brand equity into the Instagram campaign.

"The second part is to pay attention to post-production," he said. "Instagram is built around users sharing their images and video, and there is a fine line between professional and over-produced. Creative that uses subtle retouching and emphasizes the natural details often delivers the greatest impact.

"We see it growing as more advertisers are increasing spend on the platform."

### **The power of Facebook**

The community of advertisers on Instagram has a strong international makeup, with 75 percent outside the United States. In total, Instagram advertisers operate in more than 200 countries.

One recent campaign shared by Instagram took place in Germany, with supermarket REWE running ads to show young mothers how to make simple meals, driving a 37-point lift in ad recall.

PetLove, an online store for pet products based in Brazil, ran a mobile app install ad on Instagram using the same targeting as a Facebook campaign, producing a 30 percent lower cost per install compared to other digital channels.

Custom framing company Framebridge combined photos ads with a Shop Now button targeting those who had visited the site in the previous 30 days and those who had added a frame to a cart but did not checkout in the previous 60 days. As a result, Framebridge saw its cost to acquire new customers decrease by 71 percent.

Instagram is benefiting from the strength of parent company Facebook in mobile advertising. Going forward, it is expected that Instagram will be even more closely aligned with Facebook, with more of the latter's products becoming available to marketers. Additionally, more integration with optimization methods such as cross-platform targeting is expected.

"Given the power of Facebook, and the ability to leverage targeting and functionality across the two platforms, our clients have seen success including both as part of a larger social strategy, rather than thinking about the two publishers in silos," Mr. Zelniker said.