

RETAIL

## Instagram rolls out shopping for brands on app

March 22, 2017



*Instagram shopping feature*

By BRIELLE JAEKEL

Luxury brands now have the opportunity to reach a massive receptive audience through more convenient experiences with Instagram's latest updates to its shopping feature.

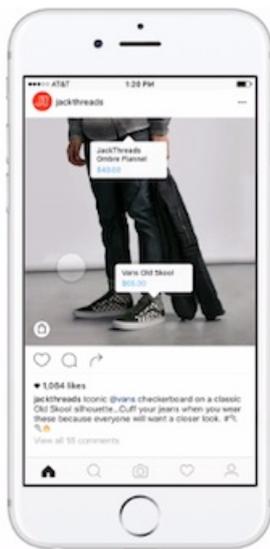
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Instagram is rolling out a full version of its shopping feature, in which brands and retailers can allow users to purchase multiple items featured in an image through product tags. Luxury brands and retailers will have the opportunity to reach a substantial audience made of affluent and everyday consumers, which is vital to these brands.

"Instagram is already the place where people go to be inspired by and explore interesting products from brands they care about," said Jim Squires, director of product marketing at Instagram. "Shopping on Instagram is a natural extension of that behavior happening on the platform and represents an additional way for people to discover a new product they love directly from their feed, reducing friction in the steps to purchase."

### Shopping on social

The feature for businesses on Instagram will now allow them to quickly build the images through mobile devices, making it more convenient and faster to serve campaigns to users. The back-end experience is the same as tagging a user in a photo.



### *Instagram shopping*

Users in the United States will now be able to purchase available items in images from businesses without having to leave the application. Luxury brands can use this as an opportunity to appeal to a wide range of users.

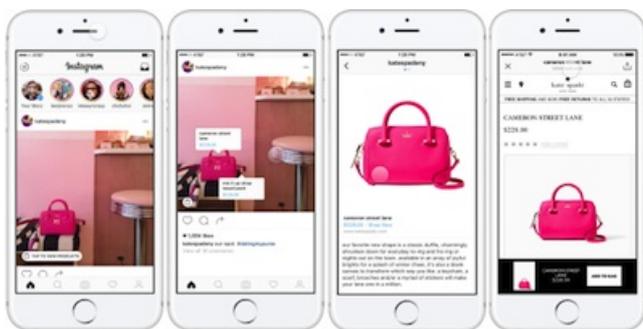
In a surprise twist for high-end marketers, it turns out that the majority of sales for luxury products come from Americans whose household incomes are less than \$100,000 a year, according to Shullman research.

Many luxury brands think of themselves as catering to the affluent consumer with yearly salaries exceeding \$100,000, but research is showing that average Americans make up the majority of customers. While those with higher incomes spend larger amounts and buy more frequently, the average customer still makes a big impact for these brands, as they outnumber the affluent ([see more](#)).

### *Instagram insights*

Kate Spade, JackThreads and Warby Parker were the first to usher in this major move to commerce for Instagram, allowing users to shop products featured in photos in a way that mirrors user behavior during testing, which could mean social media shopping may finally see the adoption rate previously expected.

Instagram is capitalizing on its users' behavior by making it easier to shop products directly in the news feed with product pages that retailers can tag in their photos. After the anticipation of the buy button's rush fell flat to the disappointment of retailers, Instagram's unique experience may create a platform that ushers in mobile sales through an application that most mobile users are on ([see more](#)).



### *Instagram shopping*

Brand partners who have jumped onto the shopping feature early on are seeing positive results. For instance, Abercrombie & Fitch Co. saw 25 to 30 percent of users who clicked product details went on to the brand's Web site.

"As a company, we are focused on creating rich brand experiences whenever, wherever and however our customers choose to shop," said Will Smith, chief marketing officer of Abercrombie & Fitch Co. "Abercrombie & Fitch and Hollister's participation in this type of alpha program is key to ensuring our brands remain at the forefront of discovering unique ways to engage with our customers.

"Shopping on Instagram is an important brand and product awareness driver for us, and it greatly influences our consumer's path to purchase," he said. "We found that as many as 25-30 percent of people who clicked through to the product details, went on to visit our Web site, ultimately allowing further product exploration and brand discovery.

"From there, we can convert these consumers at a higher rate through Facebook and Instagram retargeting tools."

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