

RETAIL

Prada, Dior among brands testing Instagram's in-app shopping

March 20, 2019



Shoppable Instagram post from Shopbop. Image credit: Instagram

By SARAH RAMIREZ

Social media network Instagram is streamlining the shopping journey for users, allowing them to purchase items from brands directly without leaving its application.



Several luxury brands are among the first to roll out Instagram Checkout, including Dior and Prada. After making itself nearly invaluable for brands with the help of an expansive audience and a suite of advertising tools, the Facebook-owned platform is looking to facilitate an end-to-end purchase journey from discovery to conversion.

"Instagram is a place to experience the pleasure of shopping versus the chore of buying; a place to treat yourself with inspiration rather than a place to tax yourself with errands," said Paige Cohen, communications at Instagram, San Francisco. "Everything we build to help people shop on Instagram is in service of this including Checkout, which makes it quick and secure for people to buy the products they discover on Instagram.

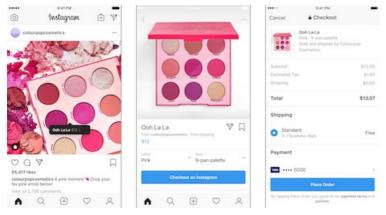
"Instagram as a whole is an effective brand and marketing platform because it allows businesses to find and build relationships with new customers," she said. "Shopping on Instagram further enables brands to tell a deeper story tied to specific products, with Checkout providing the opportunity for customers to complete a purchase in a simple, convenient way."

Check it out

Instagram first introduced shopping features in 2016, allowing users to shop products featured in photos.

Retailers post an image that features multiple products, such as apparel and accessories or a room with home dcor items, and then tag the products showcased in the photo. Users can tap the photo to see tags of the items pop up on the photo and click on the item they are interested in purchasing.

A product page then appears, providing all the information about the item that would be available on a retailer's Web site but without having to leave Instagram. Users can click the Shop Now button on the product page to purchase items (see story).



The new Instagram Checkout interface. Image credit: Instagram

Now Instagram has eliminated the step of visiting a retailer's Web site through its mobile application, and has instead created its own checkout process.

"Providing Instagrammers with a native shopping solution means there is now less friction in the path to purchase," said Laura Musa, director of channel solutions at Adlucent, Austin, TX. "People can discover, engage and shop where they are already spending time."

A "Checkout on Instagram" button will now appear when users tap a product on a brand's shopping post. Then a shopper can select attributes such as a product's size or color before adding the item to their bag.

Through Instagram Checkout, consumers will only need to add their personal details name, email, billing information and shipping address the first time they check out.

This speeds up the checkout process, since users will not need to repeatedly login and update their shipping profile on each individual brand Web site they open within the Instagram app. Instagram will also send push notifications about shipping and delivery.

Balmain, Burberry, Dior, Michael Kors and Prada are among the luxury brands participating in Instagram's U.S. beta testing for the updated featue.

"Instagram is where luxury brands build their presence, style and following," said Ian Wishingrad, founder and creative director of BigEyedWish, New York. "Being able to purchase right from there as opposed to go into the Web site or store is a game changer.

While it is unclear whether users will feel confident purchasing luxury goods through Instagram's platform, mobile and in-app transactions are on the rise.

A post shared by Prada (@prada) on Mar 15, 2019 at 1:25pm PDT

Instagram post from Prada, which is among the first to use Instagram Checkout

According to a recent study from Boston Retail Partners, 41 percent of consumers are likely to increase their purchasing on mobile devices over the next 24 months, and 85 percent have a least bought one item via smartphone (see story). In-app shopping sees conversion rates of 20 percent in North America compared to 11 percent on desktop and 6 percent on the mobile Web, per research from Criteo (see story).

"Amazon showed the world that removing friction and being consumer centric is the key to long-term success," Mr. Wishingard said. "Being able to go from browsing Instagram for inspiration to one-click purchasing is massive."

For luxury brands, getting on the ground floor of Instagram Checkout is another way to emphasize their digital capabilities and stay ahead of mcommerce trends.

"Prada's adoption of checkout on Instagram fits perfectly into the brand's current digital strategy, which aims to offer customers exclusive opportunities and a simpler, more accessible purchasing process in a wider range of sales channels," the brand said in a statement. "Prada's priority in this specific partnership is to increase the visibility of its products, balancing brand awareness with campaigns aimed at increasing conversion rates."

Instagram innovations

The launch of Instagram Checkout comes after reports that the platform was developing a dedicated shopping platform.

Since many online businesses already rely on Instagram for exposure, a standalone shopping hub would pose a challenge to ecommerce solutions such as Shopify (see story).

In the fall of 2018, Instagram rolled out Shopping on Stories to a wider array of brands while also beginning to test a Shopping feature on its Explore hub. Instagram sees 90 million accounts tapping product tags each month, showing the consumer interest in using it not just as a content platform but a shopping channel (see story).

"Being that Instagram revolves entirely around visual content and is the top social media platform for creators and influencers, it's a natural fit for luxury brands to curate their content and engage with people in a direct and authentic way," Adlucent's Ms. Musa said.

More recently, the social media network announced it is expanding brands' advertising toolkits with an upcoming option that will allow companies to promote posts by celebrities and influencers.

Intended to better serve advertisers and content creators, the Facebook-owned platform announced the new "branded content ads" on Mar. 5. Now, branded content ads will allow companies to sponsor posts and ensure they will be seen more widely, including by users who do not already follow the influencers creating the ads (see story).

"For businesses, we see this as an extension of our current strategy of creating a brand-friendly marketing channel that helps businesses find and acquire new customers and grows relationships with existing customers," Instagram's Ms. Cohen said.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your feedback is welcome.