

SOFTWARE AND TECHNOLOGY

## Facebook rebrands Instagram, WhatsApp to clarify ownership

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*Instagram wants to help luxury brands drive business goals. Image credit: Instagram*

By SARAH JONES

Social networking giant Facebook Inc. is looking to make its ownership of subsidiaries Instagram and WhatsApp more apparent through a rebranding effort.

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Both of the platforms will soon have "from Facebook" added to the end of their names, in a move that will make their ties to the parent company more obvious to the average consumer. While intended to clear up any consumer confusion, is linking these platforms more of a positive or negative for these brands?

"As marketers, we of course know that Instagram and WhatsApp are part of the Facebook family of apps, but this may not always be the case with the wider consumer population," said Toni Box, group director of social and content at **ForwardPMX**, Columbia, SC. "It makes sense that Facebook would want to strengthen that positioning from a branding perspective, in efforts to align all of their products under the core Facebook brand.

"Earlier this year, Mark Zuckerberg also alluded to plans to integrate the messaging services of Instagram, WhatsApp and Facebook, so this could be one way to ultimately unify the products in preparation of that," she said.

"Additionally, from a Facebook branding perspective, this move could also help Facebook create a stronger perception of brand equity that would be important to potential investors who may not realize the breadth of Facebook's products."

Ms. Box is not affiliated with Facebook, but agreed to comment as an industry expert. **Facebook** was reached for comment.

### Aligning brands

While Facebook's ownership of Instagram and WhatsApp is public knowledge, the average consumer may not be as aware of their connection.

Both Instagram and WhatsApp were founded outside of the Facebook ecosystem. Facebook acquired Instagram in 2012, and in 2014 it bought messaging platform WhatsApp.

In 2018, the founders of Instagram and WhatsApp left Facebook.



*Four Seasons Chat operates on multiple channels, including WhatsApp. Image credit: Four Seasons*

Now, Facebook is putting its own brand name on these platforms. The rebrand will see them referred to as "Instagram from Facebook" and "WhatsApp from Facebook."

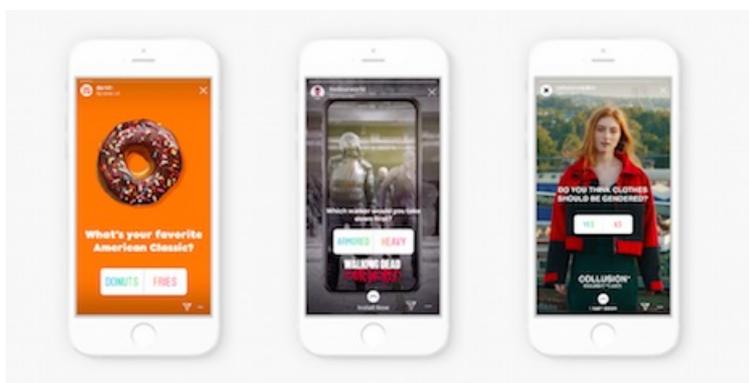
"The name changes seem designed to address internal stress resulting from the turnover of key executives and the impact it may be having on morale and culture," said Fred Reffsin, president of **Brandgrowth**, a New York-based brand strategy firm. "Rebranding efforts like these are often used by companies to reassure employees, reduce additional defections and assert to all employees that Facebook and its brands are one company with a common vision and purpose."

"It has been my experience that changes like these rarely work," he said. "In fact, in some ways they hurt rather than help."

The name change is already beginning to roll out to the Apple and Google Play store, where descriptions for the applications will include "from Facebook." The log-in screens for both applications will also include the updated names.

"I think there have been some clear advantages to Instagram and WhatsApp maintaining their own brand positioning outside of Facebook," Ms. Box said. "This is true both internally for talent, as well as externally for consumers and partners."

"It's a move that's likely going to be seen as a bit controversial, given the slew of events that have happened since Facebook acquired both companies, including the departure of the original founders," she said. "The market may see this as Facebook asserting even more control over the other two apps, but if the intent really is to create more connection and awareness, without making any major changes to consumers' experiences of the apps themselves, then its impact may be limited."



*Sponsored Stories on Instagram. Image credit: Instagram*

This change comes as Facebook is facing an anti-trust investigation from the Federal Trade Commission. The company confirmed the FTC probe in its second quarter earnings report in July.

The FTC recently hit Facebook with a record \$5 billion fine for its use of consumer data, saying that it was not truthful with users about what purposes their information was being used for and how much control they had over their data ([see story](#)).

## Taking back trust

While Facebook has been at the center of a number of data and privacy controversies lately, its subsidiary platform Instagram has mostly been free from this scrutiny.

While Facebook makes headlines for its lax treatment of user data and its founder Mark Zuckerberg has testified before Congress, little attention has been paid in comparison to Instagram's security concerns ([see story](#)).

With this rebrand, the separation in consumers' minds may break down, opening up WhatsApp and Instagram to more examination.

"If you look at the user base of each of these entities, I think you will find quite a difference in the demographics of each brand," Mr. Reffsin said. "Given all of the outside pressures on Facebook regarding data breaches, government regulation and fines, I do not think the Facebook halo and affiliation will in any way help build consumer trust.

"Seems like Facebook is the one with the trust problem," he said. "The greater risk is if you were not aware of the corporate relationships, these rebranding moves could end up negatively impacting Instagram's and WhatsApp's brand equity. Once again a brand victimized by the law of unintended consequences."

Facebook is looking to balance commerce and privacy with the introduction of new features, presenting a range of opportunities for brands and marketers.

These changes to Facebook, Instagram and WhatsApp were first announced at the company's annual press conference on April 30. The Internet giant is still looking to rebuild trust with users and advertisers, however, after several data privacy controversies in recent years ([see story](#)).

"I think all consumer-facing platforms and technology providers need to continue to focus heavily on ensuring there's trust with consumers," Ms. Box said. "That means greater transparency and a diligence to educating consumers about how their information is used in order to provide meaningful, valuable experiences to them.

"I don't see this name change resulting in any significant concern from consumers in regards to Facebook's privacy issues," she said. "It really puts an even greater onus on Facebook to continue emphasizing privacy in their overall strategy."