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Instagram

Instagram doubles advertisers in six months

Facebook's photo app says more countries and industries are taking to medium



Facebook and its Instagram app © FT

SEPTEMBER 22, 2016 by: **Hannah Kuchler**

Instagram has doubled the number of advertisers on its app in six months, growing robustly for its owner Facebook in the face of strong competition from social media rivals Snapchat and Pinterest.

Instagram now has 500,000 advertisers, a year after it opened up advertising in more than 200 countries, as direct marketers from underwear sellers to petrol stations flocked to its filtered photos.

The expansion takes it beyond the brand advertisers first attracted to its glossy magazine-style pictures and food and fashion-obsessed

audience to a wider range of companies.

Marne Levine, Instagram's chief operating officer, said marketers were also now "diverse" geographically: the top five countries in advertiser-adoption order are the US, Brazil, the UK, Australia and Canada and the top five sectors are consumer-packaged goods (CPG), ecommerce, retail, entertainment and technology.

"The vast majority are small businesses," said Ms Levine, adding that a billion actions — from clicking on links to making a purchase from a marketers' website — have happened on the app in the last year.

In the short term, some advertisers may be using some of their existing Facebook budget on Instagram, Ms Levine said. But in the longer term, she expected marketers to increase their spending on both platforms.

Instagram has 500m monthly active users, of which 300m use the app every day, accelerating its userbase growth despite increased competition from rivals, led by Snapchat, with more than 150m daily active users.

The image-first apps are all [on a push to increase the amount of video \(http://next.ft.com/content/233ddoa8-6402-11e6-8310-ecfobddad227\)](http://next.ft.com/content/233ddoa8-6402-11e6-8310-ecfobddad227) consumed on their platforms and to encourage marketers to make more immersive video advertising. Video consumption rose 150 per cent on Instagram in the past six months.

Instagram recently launched Stories, a section for more casual snaps that expire after 24 hours, admitting it was inspired by Snapchat's product.

Brands are already experimenting with creating “Stories” for their own audience, but Instagram has not yet opened it up to paid advertising.

Ms Levine said small businesses were using Instagram’s insights tool better to understand their audience, giving the example of Mighty Good Undies, an Australian eco-friendly underwear company, which changed its strategy after it discovered more than half its audience was in the US.

Another advertiser, 7/11 in Australia, used Instagram to encourage people to download its app, which located the nearest petrol station. “Offering fuel and a mobile app is not necessarily a use-case for Instagram, but what they found was a 77 per cent lift in app downloads,” Ms Levine said.

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