

# THE PERFORMANCE ADVERTISER'S GUIDE TO INSTAGRAM



# INTRODUCTION

Instagram has quickly become a key player in online advertising. With over half a billion mobile users and **200,000 active advertisers**, the platform is expected to top \$3.2 billion in revenue this year. This guide will help marketers unlock the power of Instagram as an advertising channel.

For the experienced Instagram advertiser, we'll offer some tips and best practices that will help take performance marketing to the next level. For marketers who are new to advertising on Instagram, we'll break down how to get the most out of it.

## INSTAGRAM AT A GLANCE

In 2012, Instagram had only 13 employees and was acquired by Facebook for \$1 billion. Instagram's focus on image-based sharing helped the simple, yet elegant, social media platform grow from 1 million to over **500 million users** in just four years. In 2016, nine months after Instagram launched its own advertising API, the platform opened its doors to retargeting and awarded AdRoll one of its first ad tech badges.



IMAGE CREDIT: ARTHURSTOCK / SHUTTERSTOCK.COM

# WHY ADVERTISERS ARE ADOPTING INSTAGRAM

## Growing user base

Instagram has gained popularity with advertisers because of its immense scale. After recently **surpassing 500 million active users**, it's expected that **50% of all social network users** will be using the app by 2017. This growth has been **driven by 18- to 29-year-olds** who have embraced the visual nature of the app, finding it easy to use and fun to consume.

## Mobile-first platform

Mobile is now the dominant way people consume digital media, making it a critical part of every marketer's advertising mix. **Mobile apps account for 52%** of all time spent on digital media. For marketers, Instagram's ability to provide access to a highly engaged and growing mobile audience is key.

## Native ad format

Instagram ads appear in the same format as standard posts, allowing advertisers to integrate their ads with the native content users regularly consume in their feed. Native ads receive engagement rates **20–60% higher than standard display ads**, which is nearly impossible to find on other mobile apps.

## Millennial demographic

Currently, **90% of Instagram's audience** is under the age of 35. By the end of 2016, almost **50 million American millennials** are projected to be active users of the platform. Given the fact that many millennials are **ditching cable**, Instagram provides marketers access to this sought-after demographic at scale.

## Constant traffic from the feed

Unlike on Facebook and LinkedIn, the Instagram user experience is predominantly visual and self-contained inside the app. There are very few links to external content, rendering organic marketing useless at driving a high volume of traffic to a third-party site. Instagram lets marketers work around this by allowing embedded links in advertisements.



# THE AD FORMAT, EXPLAINED

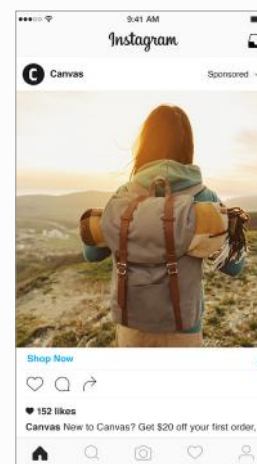
An Instagram ad is nearly identical to a standard post on the app. However, an ad can have a link to the advertiser's site. It can also have swipeable, multi-image posts to help highlight products or services. The Instagram ad platform supports four distinct ad types:

- **Photo ads:** Convey a complex story through simple, yet engaging, still images. This format resembles what most users typically see in their feed.
- **Video ads:** Show your product in action. Videos can be up to 60 seconds long and automatically play when appearing in the center of a user's feed.
- **Carousel ads:** Include multiple still photos or videos in a single carousel ad. Viewers swipe left on the ad to reveal more content from a series of photos or videos.
- **Dynamic ads:** After a customer visits your site, use dynamic ads on Instagram to show content related to the specific products they viewed.

## HOW DO I CHOOSE THE PROPER CALL TO ACTION?

Call-to-action (CTA) buttons are among the most important aspects of any ad. The job of the CTA is to tell the viewer how to interact with each ad. Advertisers on Instagram can choose from eight CTA buttons: Book Now, Contact Us, Download, Learn More, Shop Now, Sign Up, Watch More, and (soon) Donate More.

## INSTAGRAM AD SPECS



### PHOTO AD / DYNAMIC AD

Image ratio: 1:1

Image size:  
1080x1080 pixels

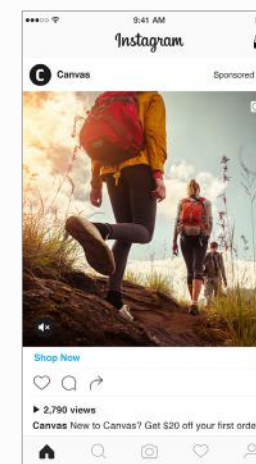
Minimum resolution:  
600x315 pixels  
(1.9:1 landscape)  
600x600 pixels (square)

File type: .jpg or .png

Maximum size: 30MB

Your image may not include more than 20% text

More tech specs [here](#)



### VIDEO AD

Aspect ratio: 1:1

Minimum resolution:  
600x315 pixels  
(1.9:1 landscape)

600x600 pixels (square)

File type: .mp4

Maximum length:  
60 seconds

Maximum size:  
1.75 GB

You will need a thumbnail image that is no more than 20% covered by text

More tech specs [here](#)



### CAROUSEL AD

Image ratio: 1:1

Image size:  
1080x1080 pixels

Minimum resolution:  
600x600 pixels (square)

File type: .jpg or .png

Maximum size:  
30MB per image

Your image may not include more than 20% text

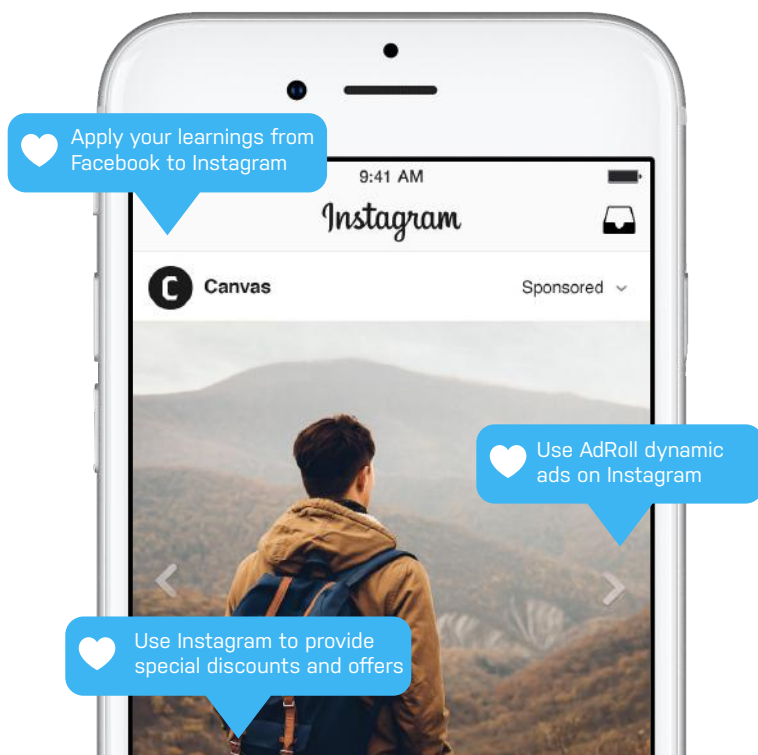
Include CTA buttons

More tech specs [here](#)

## TIPS FOR SUCCESS

Whether you're an experienced Instagram advertiser or running your first campaign, we've identified the following best practices to help you get the most out of Instagram.

- 1. Segment your audience:** We recommend leveraging your existing AdRoll segments to target customers across the entire funnel. This will allow you to serve general awareness ads to new customers and offer discounts to loyal customers. Segment even further with dynamic creative to serve ads to your customers based on the specific products they've viewed.
- 2. Target using your offline data:** AdRoll's platform allows advertisers to upload customer lists and create segments based on data like email addresses and phone numbers. AdRoll lets you lists of prospective clients from platforms like MailChimp and Marketo to target audiences on Instagram. Marketers can use these lists to create things like loyalty campaigns that offer longtime customers exclusive discounts and deals.



- 3. Run your ads on Facebook and Instagram simultaneously:** If you include both Facebook and Instagram in your AdRoll campaign, you ensure that your ads optimize for the least expensive, highest-performing available ad space across both channels at the same time. This gives you the potential to get more clicks at the lower cost regardless of the channel.
- 4. Reuse your top-performing creative from Facebook:** While artistic images perform well, don't be afraid to use your best Facebook ads on Instagram. In general, any ads that are hitting your key performance indicators (KPIs) on Facebook will also perform well on Instagram.
- 5. Use AdRoll dynamic ads on Instagram:** One way to ensure you're targeting the right user with the right product is to use [AdRoll dynamic ads](#) on Instagram. Dynamic advertising automatically serves users relevant product images based on their browsing history and purchase behavior. AdRoll dynamic ads have been shown to perform better than static ads, with a **150% increase in click-through rate (CTR)** and a **decrease in cost per acquisition (CPA) by as much as 50%**.
- 6. Apply your learnings from Facebook to Instagram:** A lot of us simply don't have enough time to test and optimize a new channel from scratch. Work with a Facebook Marketing Partner, like AdRoll, whose deep expertise and knowledge will help you apply advertising performance learnings to get the most from your campaigns across both platforms.
- 7. Review ROI on a weekly and monthly basis:** Return on investment (ROI) will fluctuate significantly from hour to hour and even day to day. You can get an in-depth performance analysis from your [AdRoll platform](#), and we recommend that you look at the dashboard on a weekly basis to get a sense of how your campaigns are performing over time.
- 8. Outsource creative development to fans and customers:** It's well documented that [millennials trust and remember](#) user-generated content more than traditional media. Search Instagram for organic posts related to your product. If you find great content (and you will), ask these customers if you can use their photos in your marketing.
- 9. Make your customers feel famous:** The more engagement you can generate on Instagram, the more likely it is that your product will come to mind when your customer is ready to buy. Tag customers in comments and share their photos online to create a personal connection with your audience and make them feel important.
- 10. Use Instagram to provide special discounts and offers:** Use the platform for

## TIPS FOR SUCCESS

things like loyalty campaigns or special discounts to drive more on-site sales for your company. 70% of Instagram users have searched for a brand, and over 40% say that they follow, or would follow, a brand to access special offers.

- 11. Use metadata like hashtags and location tagging:** Entice your audience to interact with your brand by taking advantage of the extra bells and whistles that Instagram offers. [Research has shown](#) that 88% of brand posts include at least one hashtag and these posts receive almost 13% more interaction. Additionally, brand posts with location tags receive 79% higher engagement than posts without.
- 12. Pay attention to your captions (but don't worry about the length):** There seems to be [no correlation](#) between caption length and engagement rates. Feel free to include a few extra words in your posts. And consider including other users' handles in your posts when appropriate. [Posts that mention users see up to 56% more engagement](#) than posts that ignore this feature.
- 13. DON'T over-filter your audience:** Refrain from narrowing down your audience too much until you learn how Instagram users interact with your brand. We recommend leveraging your existing AdRoll segments to target customers across the entire funnel. This will allow you to serve general awareness ads to new customers and offer discounts to loyal customers.
- 14. DON'T ignore the full funnel:** Performance marketing campaigns have a tendency to over value the bottom of the funnel. Keep in mind that it's important to incorporate brand awareness as a marketing tactic. With [AdRoll Prospecting](#) and look-alike audiences, you can target upper-funnel prospects by serving ads to people who have yet to interact with your brand.
- 15. DON'T lose a sale before it even begins:** Nothing ends a sale faster than creating confusion for your customers. Help guide them along with Instagram's eight CTA buttons: Book Now, Contact Us, Download, Learn More, Shop Now, Sign Up, Watch More, and, soon, Donate More. Using CTA buttons will help you drive customers to your site and close sales.
- 16. DON'T forget native ads have their quirks:** Instagram metrics can be different from those of other channels. While ads can feature links that take customers out of the app, the typical user behavior is a passive scroll. It's uncommon for Instagram users to click on links or buttons like they would on Facebook. Expand your focus outside of click-based metrics to key in on how Instagram users actually interact with your ads.
- 17. DON'T be too salesy:** Don't push too hard for the sale. The Instagram audience is expecting content that is similar to what they see in their feed. Ads with a hard sales pitch won't land well with your potential customers and may even turn them off from interacting with your brand.



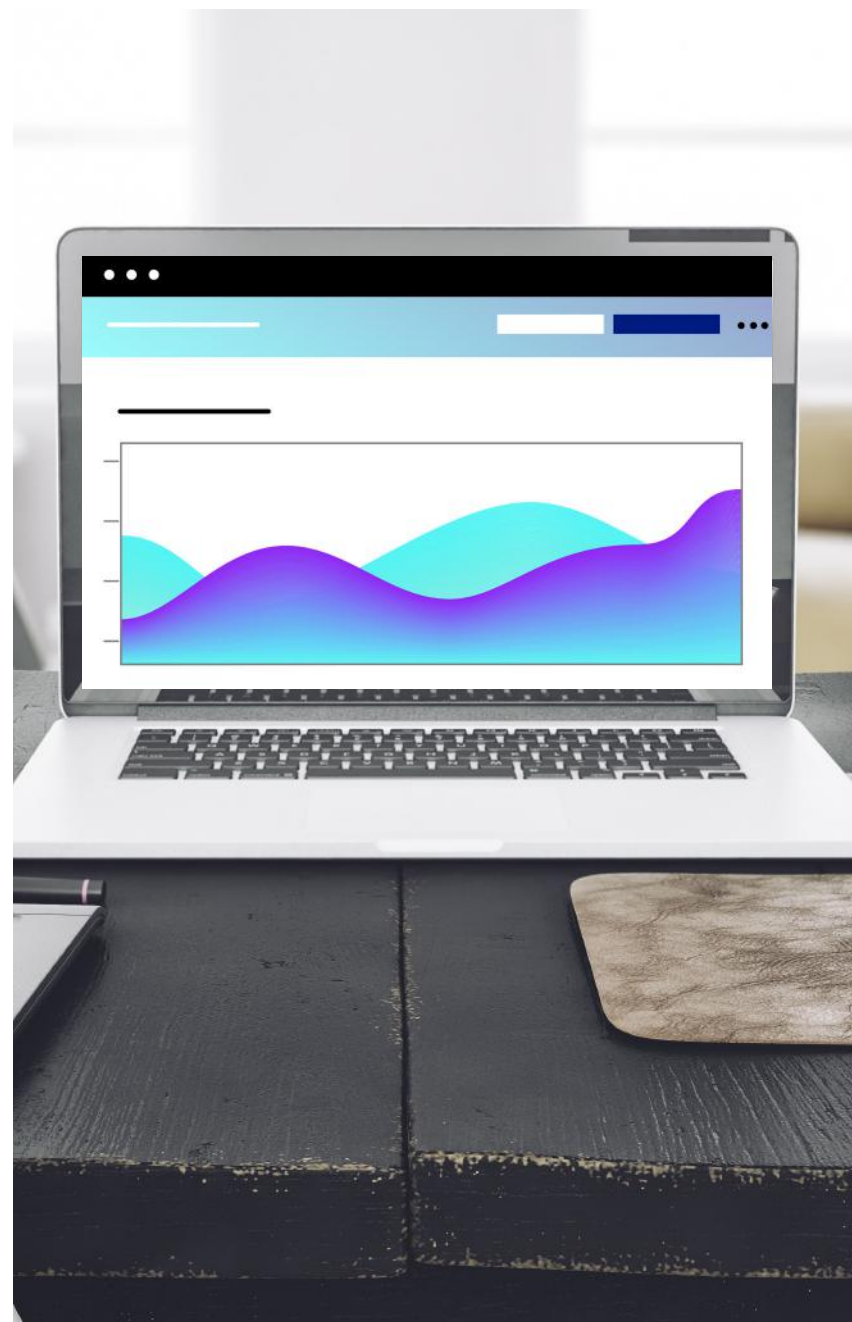
## ATTRIBUTION FOR INSTAGRAM

Attribution in digital advertising is the process of assigning credit to different customer touchpoints (ad views, clicks, video views, etc.) along their path to conversion. Marketers use it to measure performance metrics, like different campaign settings, media channels, or creative assets.

Accounting for cross-device usage among your customers is essential to understanding the impact of your Instagram campaigns. This is important because **67% of consumers move between multiple devices** when shopping online, which means that without cross-device attribution, you won't know when mobile ads lead to desktop purchases.

While user-level data stays within Instagram, you are able to track the overall performance of your campaigns running across the platform.

AdRoll offers cross-device attribution on all our campaigns. To learn more about how to use it with Instagram, [click here](#).



## CUSTOMER SUCCESS STORIES

We've seen numerous success stories from AdRoll customers who have added Instagram to their digital marketing efforts. Some of the most compelling examples are highlighted below:



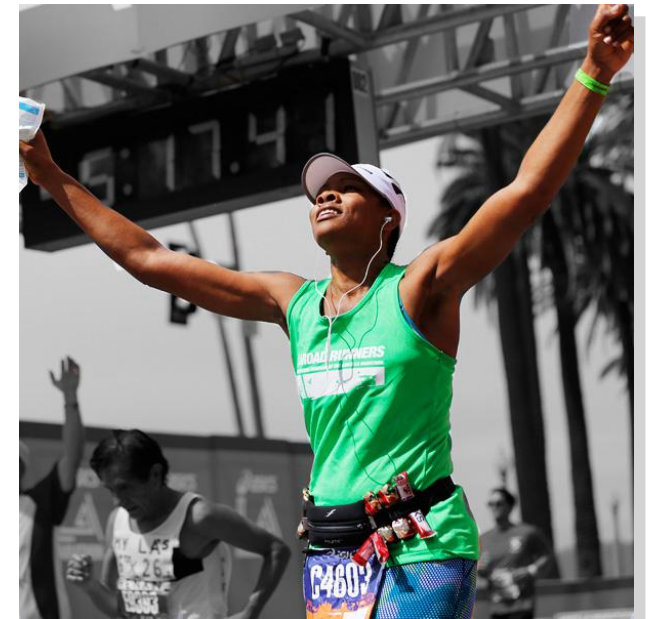
### DL1961

A rapidly growing fashion retailer, DL1961 partnered with AdRoll to **boost their existing advertising strategies** with new, high-performing ad inventory. Instagram's premium audience, inventory, and visual focus were a perfect fit for the brand's well-composed fashion and lifestyle photography. In fact, after adding Instagram to their AdRoll campaigns, 12% of their campaigns' total conversions came from Instagram, with these ads alone achieving an overall ROI of 12x.



### University of Missouri–St. Louis

When exploring how to create more registrations for his university's online business program, Jon Hinderliter, Assistant Director of University Marketing and Communications at the University of Missouri–St. Louis (UMSL), regularly runs A/B tests on new media sources. After adding Instagram to his existing AdRoll Prospecting and Retargeting programs, his first Instagram campaign **achieved a 4x higher CTR compared to Facebook Retargeting**. This boosted UMSL's organic social campaigns as well, increasing their follows by 29%.



### Los Angeles Marathon

The Los Angeles Marathon wanted to grow runner registrations by 10% each year, but they didn't invest heavily in digital marketing due to their past experience with poorly performing campaigns. Working with the Los Angeles Marathon, AdRoll created ads that **conveyed the emotional journey of the race**. Campaigns that included Instagram increased registrations by 3,400 and achieved an overall ROI of 30x; the organization says they'll use Instagram to promote each future event.



## CONCLUSION

Now that Instagram has over 500 million users and [200,000 advertisers](#), marketers are finally giving the platform the attention it deserves. And it's clear why:

### A highly visual experience

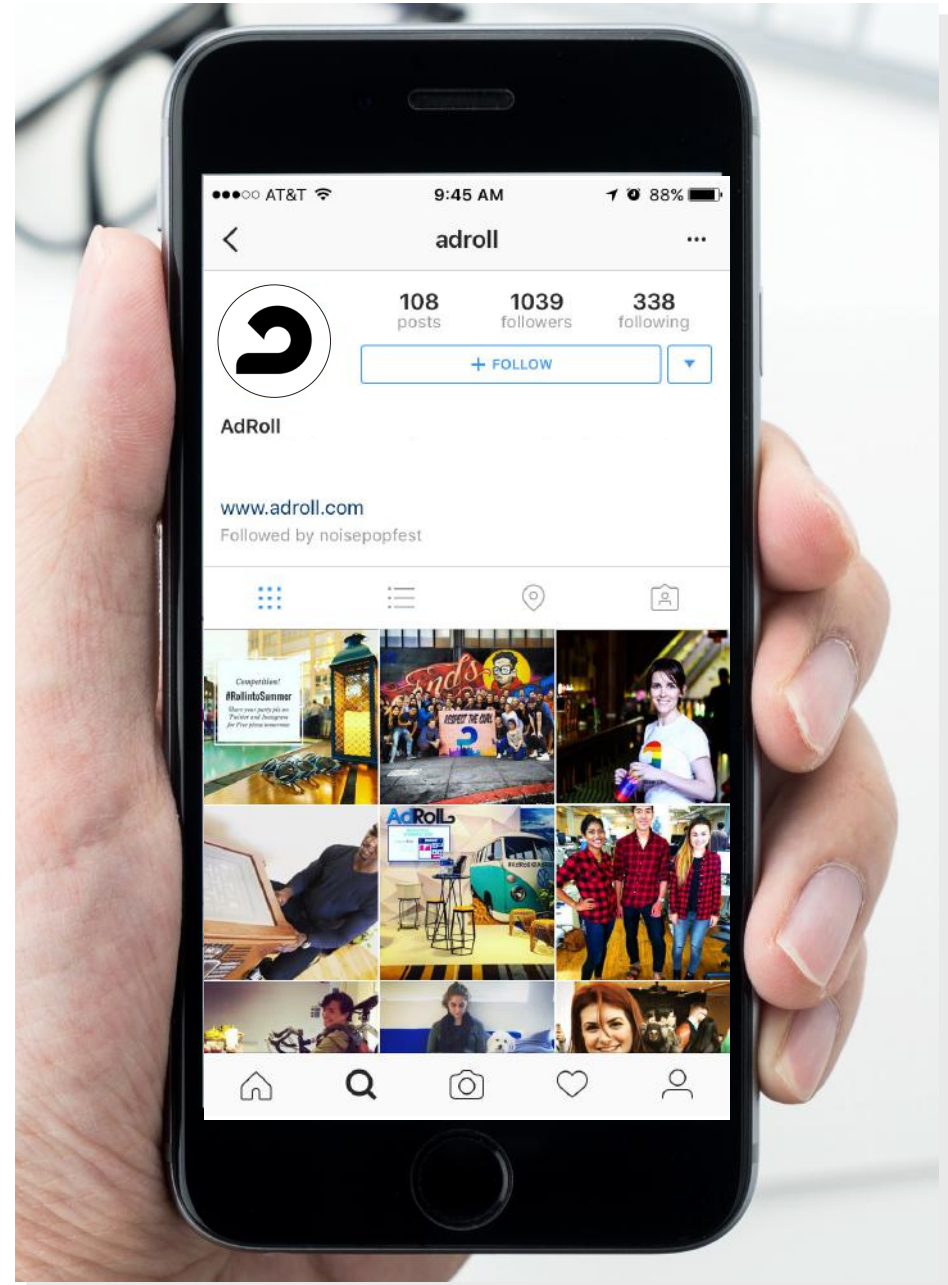
Instagram seamlessly combines advertising with content from users. The native ad format of Instagram is highly engaging, compounded by a nearly distraction-free environment—one where users focus on one image at a time.

### Continued growth

The platform is expected to continue its massive upward trajectory. [Double-digit user growth is projected through 2017](#), and most likely beyond. Given the simple, visual nature of the platform, it's possible that the user base will exceed that of Facebook.

### A core part of any cross-device strategy

Instagram is a true mobile-first platform. Since the majority of online activity is spent on mobile devices on a mobile device, adding Instagram into your publisher mix is an essential part of a cross-device strategy. One that aims to reach users on any channel, at any time.



# MARKETING THAT DELIVERS PERFORMANCE AT EVERY STAGE

AdRoll maximizes the value of customer intent data to attract new prospects, convert them into customers, and grow their value over time.

## ATTRACT

How do I reach new customers that are unfamiliar with my brand?

- **AdRoll Attract:** Drive new potential customers to your website
- **CRM retargeting:** Maximize the value of your CRM data to target prospects

## CONVERT

How do I turn prospects into customers?

- **AdRoll Convert:** Target high-intent audiences with relevant ads
- **Dynamic ads:** Increase performance by using custom dynamic creative
- **CRM retargeting:** Re-engage existing customers using CRM data
- **AdRoll emails:** Send triggered emails tailored to prospective customers

## GROW

How do I maintain customer loyalty and increase lifetime value?

- **AdRoll Convert:** Run loyalty campaigns and cross-sell to existing customers
- **CRM retargeting:** Leverage CRM lists to re-engage existing bases
- **AdRoll emails:** Send triggered emails tailored to prospective customers

AdRoll is headquartered in San Francisco, with offices in New York, Dublin, Sydney, London, Tokyo, Chicago, and Salt Lake City.



Since 2007, AdRoll has been on a mission to help businesses compete online and grow revenue. Ambitious commerce brands use the AdRoll Growth Platform to make their display, social, and email advertising work together to accelerate business growth. Powered by industry-leading automation and personalization, brands are better able to structure, measure, and sync their marketing efforts. Built for performance, our Growth Platform sees 37,000 customers generate more than \$246 billion in sales annually.

AdRoll's inventory includes



Learn more at [www.adroll.com](http://www.adroll.com)

