

# INSTAGRAM ADVERTISING BENCHMARK REPORT DECEMBER 2015

## Direct response marketers see early success in Instagram advertising investments

In-house marketing teams leveraging Nanigans advertising automation have been quick to adopt the company's Instagram advertising solution, and are seeing promising early results. While Instagram's advertising ecosystem launched in 2014 with a focus on brand awareness, direct response advertisers are now benefiting significantly from recent innovations on one of the world's largest mobile advertising platforms.

Nanigans finds that Instagram is driving click-through rates very close to those of Facebook, with ad costs that vary across industries. The opportunity to power real revenue growth with direct response advertising on Instagram has just begun. However, Nanigans has already observed advertisers testing creative and targeting strategies to achieve strong positive return on their investment.

All data outlined in this report is representative of Nanigans customers advertising on Instagram between August 1 and October 31, 2015.

### WHAT'S IN THE REPORT

- 📍 Global adoption and performance insights
- 📍 Benchmarks for Instagram and Facebook, by vertical
- 📍 Mobile app advertising trends
- 📍 Examples of advertisers achieving early success

## RAPID ADOPTION

Since Instagram unlocked programmatic access to its advertising inventory in the summer of 2015, companies using Nanigans advertising automation software have quickly seized the opportunity to reach customers and grow revenue on a new platform. Approximately three months after Nanigans released its Instagram advertising solution, more than 30% of its direct response customer base had adopted the channel.

### Share of Nanigans Customers Advertising on Instagram



## GLOBAL PERFORMANCE

To accurately compare Instagram advertising performance to that of Facebook, Nanigans analyzed consistent metrics from advertisers that managed campaigns on both Instagram and Facebook over the same period of time: Click-through rates (CTR), Cost per 1,000 impressions (CPM), and Cost per click (CPC).

Within this group, performance was remarkably similar, with identical CTRs and near-equal ad prices between the two platforms.

### Global Advertising Performance Benchmarks, Facebook vs. Instagram

	Facebook	Instagram
<b>CTR</b>	0.9%	0.9%
<b>CPM</b>	\$5.99	\$5.78
<b>CPC</b>	\$0.64	\$0.65

## VERTICAL PERFORMANCE

Advertisers leveraging Nanigans in the gaming and ecommerce verticals have adopted Instagram faster than any others. Nanigans has observed slightly higher CTRs across ecommerce campaigns compared to gaming, at higher price points.

Prices for ecommerce advertisers trend higher, as many of them are presently using Instagram to more effectively target their higher-value audiences. These audiences are typically costlier to reach. For more insights on the latest performance benchmarks by vertical, download Nanigans' [Q3 2015 Global Facebook Advertising Benchmark Report](#).

### Instagram Advertising Performance Benchmarks, by Vertical

	Ecommerce	Gaming
<b>CTR</b>	<b>1.0%</b>	0.9%
<b>CPM</b>	\$7.27	<b>\$5.24</b>
<b>CPC</b>	\$0.73	<b>\$0.62</b>

## MOBILE APP ADVERTISING

When looking at mobile app install advertising on Instagram, the ten largest spenders among Nanigans customers are achieving promising early results, including lower average cost per install (CPI). Compared to same-advertiser performance on Facebook, Instagram is delivering comparably strong performance at significant scale.

In aggregate, the budgets these advertisers are spending on Instagram mobile app install ad campaigns are just 4% lower than the budgets allocated to the ad unit on Facebook.

### Mobile App Install Ad Performance Benchmarks, Facebook vs. Instagram

	Facebook			Instagram		
<b>CTR</b>	0.6%			<b>0.8%</b>		
<b>CPM</b>	<b>\$5.12</b>			\$5.14		
<b>CPC</b>	\$0.80			<b>\$0.61</b>		
<b>CPI</b>	LOW \$2.84	MEDIUM \$4.27	HIGH \$8.53	LOW \$2.14	MEDIUM \$3.21	HIGH \$6.43

These metrics are specific to same-advertiser spend on static image (not video) mobile app install ads on Facebook and Instagram.

## STRONG RETURN ON AD SPEND

Across industries, advertisers leveraging Nanigans software are seeing robust returns from their Instagram advertising. Two early adopters achieved meaningful increases in downstream performance metrics critical to driving revenue growth.

### A Large Ecommerce Company

With the goal of driving first and repeat purchases, a large ecommerce company using Nanigans achieved significant return on ad spend on Instagram in just 60 days. Performance was supported by the use of lookalike targeting and multivariate creative testing through Nanigans software.

**+179%** RETURN ON AD SPEND

### An Online Flash Sale Retailer

An online retailer used Nanigans to attract prospective and existing customers to its daily private sales. Intelligently targeting Instagram users most likely to purchase, the company showcased ad creative with high-quality product photography. Over 60 days, strong call-to-action buttons helped drive purchase rates equal to those of Facebook.

**+219%** PURCHASE RATES

## FINDING AND SCALING SUCCESS

Direct response marketers worldwide are eager to master Instagram and reach its mobile audience of more than 400 million users. Download [Instagram Advertising: The Performance Marketer's Guide to Finding and Scaling Success](#) for creative best practices and audience insights to help data-driven advertisers power true business growth on Instagram.

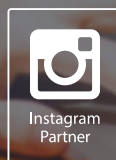
[Download the Free Guide](#)



### ABOUT THIS REPORT

This report is representative of Instagram® and Facebook® ad impressions delivered by customers leveraging Nanigans advertising automation software.

The vast majority of Nanigans customers are direct response advertisers at ecommerce, gaming, and other Internet and mobile companies. Many leverage Nanigans' ROI-based bidding algorithms, which focus on reaching high-value and high-ROI audiences (e.g. those who make purchases) and typically cost more to reach. As such, the data in this report may not necessarily be a proxy for the overall Instagram marketplace.



Nanigans is a member of the Instagram Partner Program