

March 12, 2019

THIS CHART SHOWS HOW INSTAGRAM'S INFLUENCE OVER YOUNG CONSUMERS IS SKYROCKETING

JUST HOW MUCH IS INSTAGRAM INFLUENCING YOUNG CONSUMERS' PURCHASES COMPARED TO GOOD OLD TV? THIS SINGLE CHART SHOWS JUST ONE YEAR HAS DRAMATICALLY SHIFTED THE LANDSCAPE...

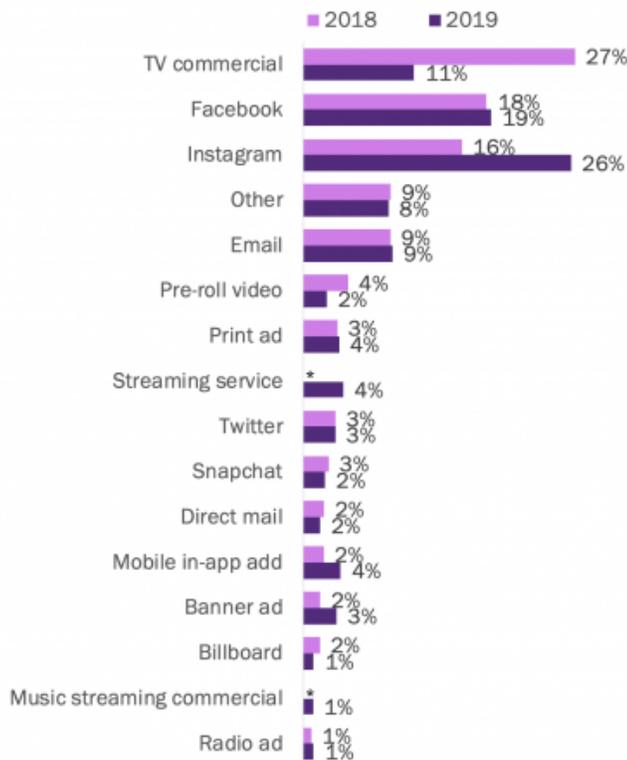
We've [said before](#) that social media shopping would change retail. For Millennials and Gen Z, there's a rising expectation that the whole world is their showroom, and wherever they go—from Instagram to hotels—the items they see are an “add to cart” click away. Young consumers are making 360 shoppability the next era of retail, and [our research on the trend](#) found that 72% of 13-35-year-olds are open to buying products on social media.

There is no question that these platforms are also influencing their purchasing decisions. According to our [social media behavior survey](#), 53% of 13-36-year-olds, and 60% of 13-17-year-olds, browse through social media to find things they want to buy. And they're not just wishing they could buy the things they see in influencers' feeds, they're seeing ads that directly appeal to their interests and tastes. It's no wonder that when we looked at [the best and worst places to put ads, according to young consumers themselves](#), we found that social media is by far the top type of platform to use to reach Millennials and Gen Z. Over half of 13-36-year-olds listed a social media platform as the place they last saw an ad that made them want to purchase something, a huge jump over the second most-popular platform TV. This signals a shift from 2018, when TV was still the top-ranking space influencing purchases among Millennials. And one platform in particular has made a giant leap in purchasing influence in the last year: Instagram.

The platform has made advertising and in-app shopping a major priority. They continue to find new places to place ads and purchase links, [adding shoppable tags](#) to Stories last year and reporting that “[w]ith 300M using Instagram Stories everyday, people are increasingly finding new products from brands they love.” Just this month, [they launched](#) a new format for branded content—the promoted influencer post, which delivers sponsored content featuring online influencers far beyond their own followers. Instagram is taking advantage of the visual nature of their platform, and has a history of guiding brands to create ads that look like posts that young consumers are already sharing and liking. In other words, ads are made to fit into this platform, and scrolling through feeds has become akin to scrolling through a customized catalog of products for sale. (Perfect for the 77% of 13-35-year-olds who tell us they want to be able to buy products when they see them regardless of whether they're in a store.)

The payoff of these efforts is clear. When we compared responses from 2018 and 2019, we can see the massive shift in Instagram's purchasing influence power over just the last year:

WHERE DID THEY LAST SEE AN AD THAT MADE THEM WANT TO PURCHASE SOMETHING?



*no 2018 data

Source: Ypulse Monthly Surveys n=1000 ages 13-36 | Jan 2019

In the last year, the number of young consumers who tell us the last ad that made them want to purchase something was on Instagram has skyrocketed, from 16% in 2018 to 26% this year. At the same time, those who say the last ad that made them want to purchase something was on TV has dropped significantly, from 27% in 2018 to 11% in 2019. It's hard not to draw a correlation between the two. If nothing else, the takeaway for brands is clear: Instagram ads are paying off, while the power of marketing on other platforms continues to plummet.

So how exactly is this happening? One major factor at play is volume. There are a massive amount of ads on Instagram—so many that some report [they're running out of room](#). As detailed above, the platform has made marketing and social shopping a priority. And the more ads young consumers see in one place, the more likely they are to be influenced to purchase by at least one of them. TV on the other hand is still limited to commercial breaks—which fewer and fewer viewers are actually sitting through. (Thanks streaming services!) Instagram ads also have the advantage of being targeted, with young consumers mostly seeing only products that already fit their tastes, which maximizes their impact.

The types of brands that are advertising on Instagram is also likely helping the significant increase we see here. While TV ads are still incredibly expensive, limiting the companies that can use them, Instagram is a haven for smaller, direct-to-consumer indies, from subscription boxes, to small fashion labels, and to startup skincare. Young consumers are seeing a variety of brands in their feeds that they're likely not seeing on TV, and these are the type of disruptors that already appeal to their interest in novelty and innovation. [Racked also reports](#) that Instagram ads are the new infomercials, selling "As Seen On TV"-style products like novelty sweatshirts and luxe shower caps. One exec explains that "Millennials grew up cynical, suspicious of the world" but that they trust Instagram—an easy in for marketers selling knick-

knacks. The ads themselves create a sense of FOMO in young consumers, who are afraid of the newly necessary object disappearing from their feed forever, and leverage “implied scarcity” and “immediate discounts” to urge them to click “buy.”

Going from seeing something that they want to buy and actually buying that item is easier on Instagram than it ever was on TV, and getting easier by the day. We could see these numbers shift even more, as the platform is [also reportedly working](#) on a standalone shopping app. Stay tuned.

Terms & Conditions: Use of this content must adhere to the Terms & Conditions, published at <http://www.ypulse.com/about-ypulse/terms>