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MISS

**RUMOR:  
INSTAGRAM IS LAUNCHING  
A SHOPPING APP**



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According to [The Verge](#), Instagram is building a standalone app for shopping, which, if true, would be a massive move into eCommerce for Instagram and its parent company Facebook. The rumored app, considered to be called ‘IG Shopping’, would theoretically let users “browse collections of goods from merchants that they follow and purchase them directly within the app, according to two people familiar with the matter. Instagram declined to comment.”

## IG Shopping may be coming: Here’s why you should care

According to [Sheryl Sandberg](#), Facebook’s Chief Operating Officer, to date, over 25 million businesses have their own Instagram accounts with two million of them being advertisers. Four in five Instagram users follow at least one business on the platform. As social commerce continues to grow in opportunity and reach, brands have never had more ways to connect with and sell to consumers both on and offline.

On the flipside, this can cause a bit of a chaotic consumer experience. Brands recognize that Instagram marries the powerhouse that is Facebook’s targeting capabilities with an engaged consumer base leading to a steady increase in ad loading on Instagram and focus from brands. Specifically, DTC brands across categories from apparel to beauty seem to follow an established path of Shopify + Instagram to launch their businesses.

No doubt, many of these are huge successes, but there are also a lot of fly-by-night operators who use drop shipping on largely undifferentiated products to try to establish scale. Consumer centricity tends to not be at the heart of these businesses which can make Instagram a bit of a random shopping experience with the consumer having little ability to curate the experience for themselves.

Of all the many innovations and developments we have seen in social commerce, Instagram’s purported dedicated shopping app is maybe the one that will drive meaningful retail volume. Instagram has long established itself as the lean back and discover platform for everything from fitness fads to the latest in home décor, and its wide rollout of shoppable links was low hanging fruit.

However, as with many of the social commerce innovations, it would serve a function in a casual browsing, occasional purchase mission, powered by the consumer’s ability to curate the experience for themselves by opting into brand relationships that they want to receive communications from.

## What marketers should know

Retail works best when scaled. Building out the IG Shopping app as a platform for fewer self-selected brands and as a dedicated shopping platform allows Instagram to give users the ability to go beyond browsing and access a mission-driven shopping occasion.

In some ways this is similar to when Facebook launched Messenger as its own app which allowed technical features to be built in that would have made core Facebook too heavy. Fundamentally this is the challenge that a dedicated shopping app can solve. Messenger's launch was questioned by many and while it may not have the wide scale adoption and frequency of use that Facebook has, it does serve as a hub for longer and more meaningful connections.

On the other hand, Facebook "pushed" Messenger to core Facebook users, essentially forcing them into the new app by pushing all of their direct messaging into Messenger and tying notifications back to the Facebook app. It's possible Instagram would do a similar paired ecosystem to help build initial adoption.

Long term, a laissez-faire approach to gaining consumer scale may not be viable as brands need to deliver real value to consumers for them to opt into a long term threaded relationship and ongoing communications. Simply throwing money at the algorithm may not suffice as IG Shopping becomes a place where brands may communicate to consumers by invitation only. It should also be noted that commerce on Facebook's primary app, as well as in environments such as Pinterest, Twitter, and Snapchat have struggled to become a mass phenomenon.

At the time this 'Don't Miss' was published, there was no confirmed launch date for the app, which means it could still be under development, and could be launching any day now, or, frankly it could be scrapped and be nothing more than an idea that never comes to market. We will continue to track this story and provide updates as we have them.



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