

# Advertisers will now flock to Instagram

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## Instagram opens up to advertisers worldwide

**Instagram** opened its platform to most advertisers across the globe on Wednesday as the photo-sharing app seeks to make more money and compete with popular rivals such as Snapchat.

Ads, previously available only in eight countries, will debut in more than 20 others including Italy, Spain and India, **Instagram** said. More than 200 countries will have ads by Sept. 30.

With 300 million monthly active users, Instagram has a key advantage over rivals because parent **Facebook** Inc's vast trove of consumer data allows it to target audiences more accurately, a major selling point for **advertisers**.

"It would have taken us years to build some of this technology without **Facebook**. We can take advantage of years of experience," James Quarles, global head of business and brand development at **Instagram**, said in an interview last week.

But users who have grown comfortable with mostly ad-free **Instagram** feeds of photos from people they follow may rebel. For the past two years, **Instagram** has only allowed ads by certain **brands**, such as Victoria's Secret and Old Navy.

Until Wednesday, Instagram ads had only been available in the United States, Canada, United Kingdom, Japan, Australia, Germany, France and Brazil.

A sponsored ad on **Instagram** over the weekend said more ads would be coming soon, but did not specify when. Many users expressed concern, said Debra Aho Williamson, social media analyst at eMarketer, noting that the changes need to be rolled out slowly.

**Advertisers** have been clamoring for the chance to get on the increasingly popular app to tap its user base of teenagers to young adults, and its ability to leverage data from **Facebook**, the world's largest **social** network with 1.5 billion users.

**Facebook**, which bought **Instagram** in 2012 for \$1 billion, dominates mobile **advertising**, with

more than 75 percent of its \$3.8 billion ad revenue coming from phones.

**Instagram** ad revenue is projected to reach \$1.5 billion in 2016, according to eMarketer, a research firm, and nearly double by 2017 to \$2.8 billion.

Instagram has been working to provide more creative options for advertisers. In addition to its signature square, new layout options introduced last month for pictures and videos allow more design flexibility.

The new video formats are also an effort to attract film producers as the layout is ideal for movie trailers and premieres, Quarles said.

"**Instagram** is a platform we know our targets are engaging the most on and it's more appealing on that platform," said Monique Lemus, director of media buying at The Media Kitchen, an ad buying agency.