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## INSTAGRAM OPENS UP ADVERTISING TO ALL BUSINESSES

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proprietary



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## EXECUTIVE SUMMARY

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Last week, [Instagram announced](#) that advertising will be available for all businesses starting on September 30. Instagram has been offering advertising for the past year and a half, but it has only been available to larger advertising partners as a beta to test the new ad features before it becomes publicly available. Instagram claims that they have received a lot of feedback from their current partners and have tweaked the platform so that it will be ready for advertisers of all sizes. This POV will provide details about the announcement, as well as benefits of incorporating Instagram ads into digital marketing strategies.

## HOW DO THE ADS WORK?

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Facebook purchased Instagram in 2012, so it's no surprise that Instagram's new ad platform is modeled after Facebook's infrastructure. This will benefit current Facebook advertisers as Instagram ads will offer similar targeting capabilities, such as by demographic, geographic and interest. The new ad formats include:

Ad Type	Features
Image ads	Standard Instagram photo; use for brand awareness or direct-response
Carousel ads	Include multiple photos in one ad for users to scroll through; use for brand awareness or direct-response
Video ads	Standard Instagram video, up to 30 seconds in length
Landscape or portrait photos and videos	Choose either a landscape or portrait layout, depending on content goals
Marquee ads	A new premium product that helps drive mass awareness and expanded reach in a short timeframe; perfect for events like movie premieres and new product launches
Mobile app installs	Allows users to install your app directly from the ad

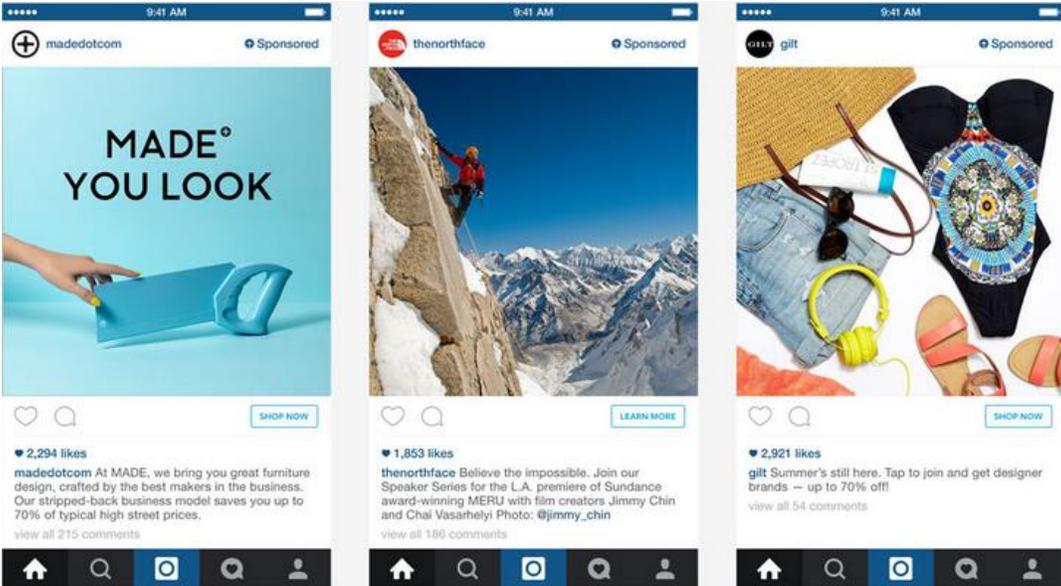


Users have the ability to like and comment on an ad. We do not yet have clarification on whether advertisers will be permitted to disable commenting, but we are continuing to investigate this option.

### WHAT DO THEY LOOK LIKE?

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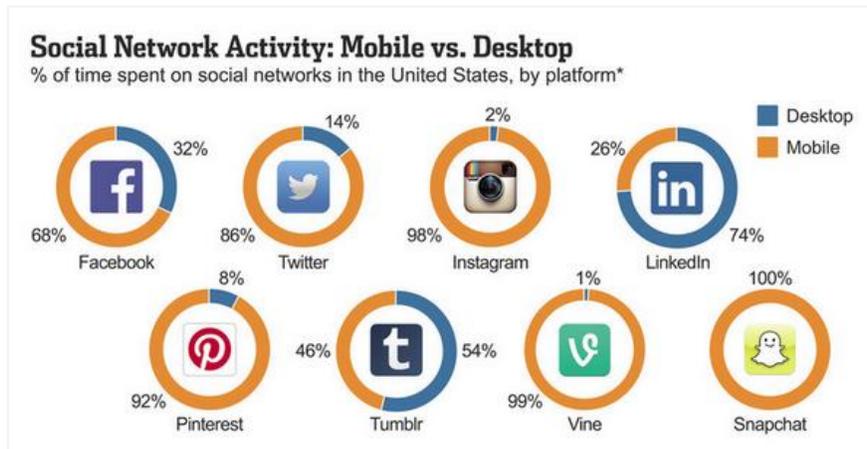
Ads will be identified by a “Sponsored” callout opposite the business’s Instagram profile name. Ads can also include call-to-action buttons, such as “Learn More” or “Shop Now,” so users can click through to the business’s site from the ad, much like Facebook’s current ad format.



### PREREQUISITES AND MINIMUMS

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In order to run Instagram ads, the advertiser must have a Facebook page and/or Instagram profile. With mobile dominating Instagram’s usage, advertising will be shown mostly on mobile devices. Therefore, if Instagram ads are implemented in a client’s digital strategy, Intouch recommends having a mobile-optimized site to ensure positive user experience. There are currently no minimum spends required to run Instagram ads, so advertisers have flexibility to spend any amount they wish. This is beneficial for those who are hesitant, allowing you to use only a small portion of your overall budget to measure the effectiveness of the new ad platform.



## WHAT ARE THE BENEFITS OF USING ADS ON INSTAGRAM?

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Compared with other platforms, Instagram has higher organic engagement rates and exposure among followers, making it an ideal place to consistently connect with desired audiences. Yet without paid media options, most brands have had to rely on word-of-mouth and cross-channel promotion of their Instagram accounts to help the right audiences find them.

With the addition of targeted ads, Instagram now has all the benefits that Facebook once had in its early history, including great organic exposure and engagement among followers and the ability to engage new, relevant audiences through targeted ads.

## CASE STUDIES

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In the year and a half that Instagram ads have been available to large partners, such as Taco Bell, McDonald's and Capital One, Instagram has received positive feedback from the initial advertisers. According to their [case studies](#), most brands using Instagram ads achieved results two to three times above Nielsen online averages. Businesses have seen increased awareness, ad recall, sales and conversions by incorporating Instagram ads into their digital strategies.



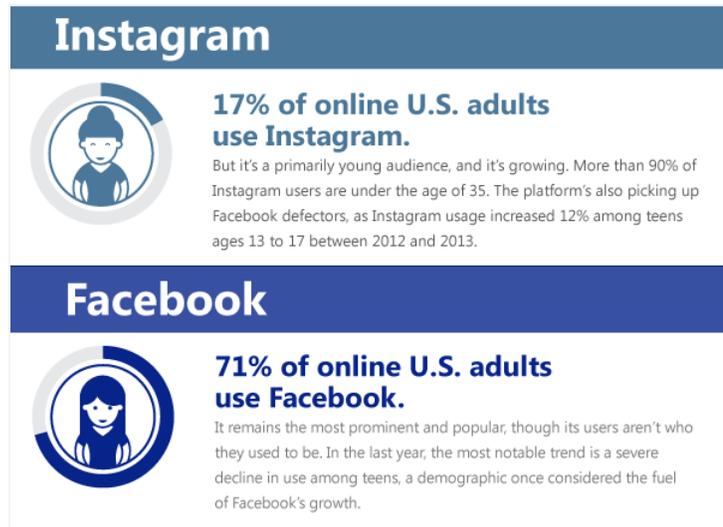
## PHARMA IMPLICATIONS

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The new Instagram ads allow advertisers to choose a call-to-action button and send users directly to a specific landing page. This feature will help clients drive more awareness to their sites and opens a new avenue for potential increases in CRM registrations. There are currently very few pharma companies with Instagram accounts, but those who are considering one should also be considering an Instagram media buy to boost followers and engagement. Incorporating Instagram ads into pharma digital strategies could open up a channel for reaching core target audiences in creative, innovative ways.

It's important to note that Instagram has a younger user base compared with Facebook, so advertisers can use leverage this platform to reach a younger audience, if desired. According to the [Pew Research Center](#), more than 90 percent of Instagram users are younger than 35 years of age.

As with any media plan, the overall strategy and budget allocation should be dispersed among the appropriate channels, depending on the client's desired demographic. Intouch will work with clients to determine how Instagram can fit into their media mix.



## NEXT STEPS

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According to Instagram, ads will roll out to all advertisers on September 30. Intouch will continue to monitor the platform for updates and work on developing strategies with interested clients.

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