

For the first time, Instagram contributes over half of Facebook's US ad revenues

Article



The forecast: For the first time, **Instagram** will make up over **50%** of parent company **Facebook's \$50.30 billion** in net ad revenues in 2021.

US Core Facebook and Instagram Net Ad Revenue Growth and Share, 2019-2023

% change and % of total Facebook net ad revenues

	2019	2020	2021	2022	2023
Core Facebook					
—% change	2.9%	9.6%	15.2%	4.3%	2.6%
—% of total Facebook net ad revenues	60.3%	54.3%	47.4%	42.8%	39.1%
Instagram					
—% change	100.5%	40.4%	52.0%	25.6%	19.4%
—% of total Facebook net ad revenues	39.7%	45.7%	52.6%	57.2%	60.9%

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; Core Facebook includes advertising on Facebook's main platform, Facebook Audience Network, and Messenger; excludes spending by marketers that goes toward developing or maintaining a Facebook or Instagram presence; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites
Source: eMarketer, Oct 2021

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Dive deeper:

- Instagram's US ad revenues are growing faster than Facebook's overall, but ad growth for both platforms is driven by similar factors, including more ecommerce and retail ads and more investment into direct response video ads.
- We expect Instagram will grow **52.0%** in 2021 to reach **over \$26 billion** in US ad revenues after growing **40.4%** in 2020.
- Political issues could affect Instagram, following criticisms of the platform's impact on teens' mental health. That said, elevated levels of digital ad spend across social media will continue to drive Instagram's ad revenues in a positive direction for Facebook at large.
- Instagram's rapid growth has been driven in large part by the versatility of both **Instagram Stories** and **Instagram Feed** as used by both advertisers directly and by influencers.

Looking ahead: Instagram's share will continue to rise at a rapid pace, making up **60.9%** of Facebook's forecast **\$65.21 billion** in ad revenues in 2023.