

Instagram tests creator subscriptions as it navigates a changing influencer landscape

Article

The news: Instagram is testing “Instagram Subscriptions,” a feature that would enable users to access exclusive content from creators in exchange for a monthly fee, **per** a company

announcement.

- The test is currently available to a small number of creators in the US, although Instagram says it plans to expand access to more content providers in the next few months.
- Subscriptions have been available to **Facebook** creators since 2020.

How it works: Creators decide how much they want to charge, while subscribers get three main benefits:

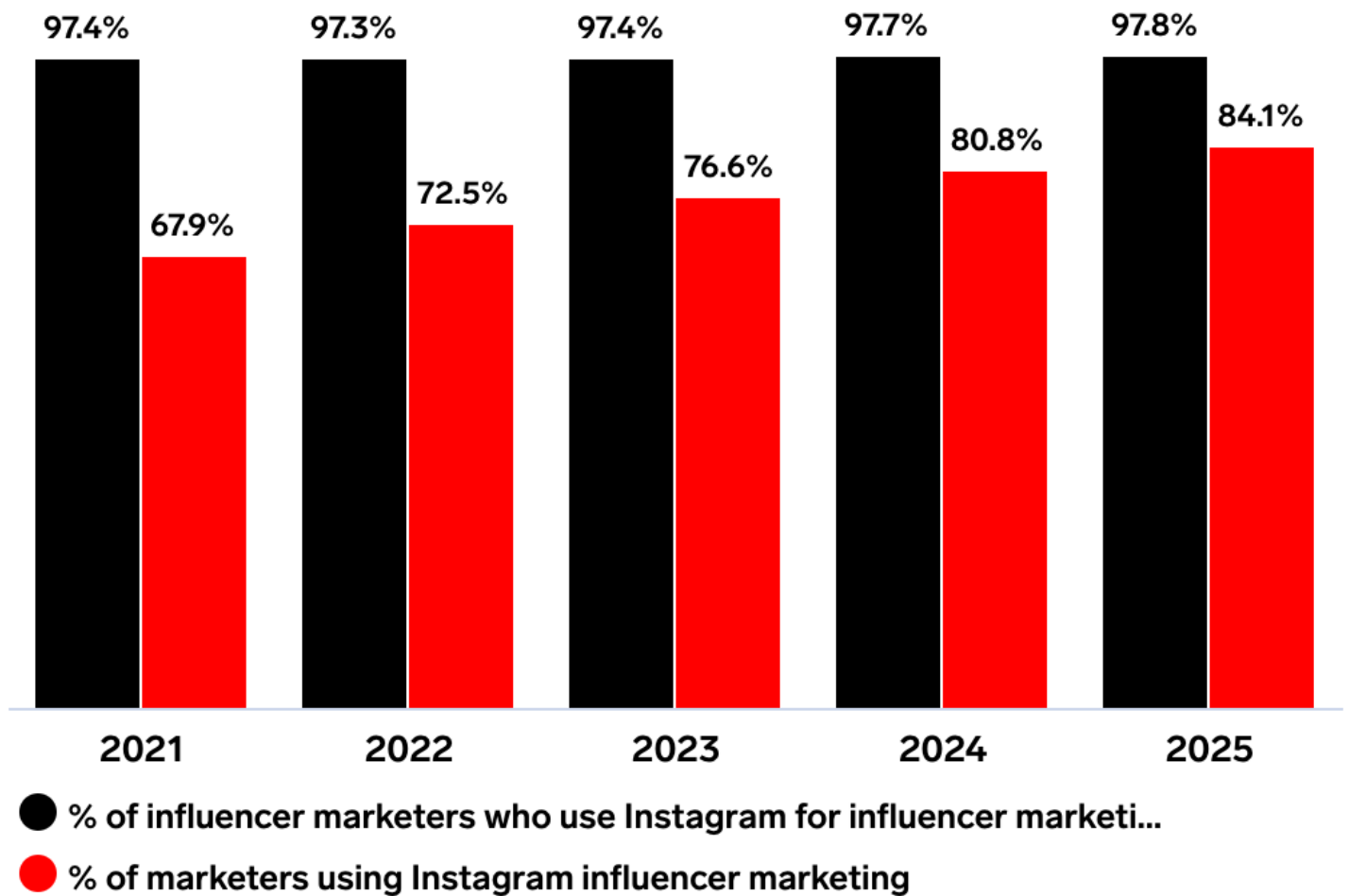
- Access to exclusive Lives
- The ability to access and share exclusive Stories, and to use interactive story stickers
- Subscriber badges that enable creators to hone in on these users' messages and comments

The war for creators: Until recently, Instagram dominated the influencer economy: In 2021, **97.4%** of influencer marketers **used the platform**. But with **TikTok's** rise, as well as the launch of **creator funds** from **YouTube** and other social media companies, Instagram's position has become shakier.

- In June 2021, Instagram **launched** a bevy of tools to enable creators to sell their own merchandise and use affiliate links, while also giving their supporters the option to buy badges on livestreams.
- Both TikTok and Twitter **added** tipping capabilities to their platforms last year. Twitter is also **testing** "Super Follows," a subscription service that gives paid users access to exclusive content and previews, among other perks.

Marketers Using Instagram For Influencer Marketing

US, 2021-2025



Source: eMarketer, December 2021

eMarketer | InsiderIntelligence.com

Turning toward the subscription economy: Instagram's foray into subscriptions comes at a time when freelancers and influencers are embracing services like **Patreon** and **Substack**, both of which allow people to support their favorite creators on a monthly basis.

- Patreon's **most recent** fundraising round brought its valuation to **\$4 billion**, a threefold increase since September 2020. The company generates most of its revenues by taking a cut of creators' monthly incomes, although it is not yet profitable.
- Neither Instagram nor Facebook will collect any fees from subscriptions **until 2023**—and when that day comes, that share will be, in the words of **Meta** CEO Mark Zuckerberg, “less than the 30% that Apple and others take.”

The takeaway: While Instagram's subscription feature does give creators another way to monetize their content, it won't be enough to keep them loyal to a single platform. Brands should take note: Instead of focusing influencer spend on Instagram, they should be exploring opportunities on platforms less saturated with sponsored posts.