# Instagram Overview for the Board

5/26/22

Tennessee v. Meta
Case No. 23-1364-IV
**PX-02571**

## Executive Summary

- Instagram continues to see strong global user growth, powered largely by developing markets.
- Our users continue to hire us to share everyday moments with their friends, and recent product development in this area has been particularly fruitful. We'll continue to focus in on this key job and look to improve messaging.
- While video is growing, we haven't taken as much market share as we would have liked. We're moving fast by accelerating our work on Reels and creators, making Feed more visual, and bringing more unconnected to Feed.
- We're experiencing headwinds with teens. Fewer teens are joining, especially early teens, and the ones that stay are spending less time than they used to.

# Data Trends

**Instagram is growing healthily.**

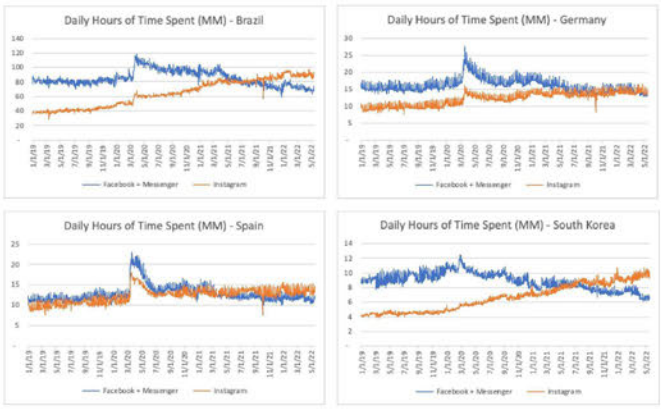
| YoY Growth (%) | Global | Africa | Asia Pacific | C+E Europe | LATAM | Middle East | US+CA | W Europe |
|---|---|---|---|---|---|---|---|---|
| MAU | 14.0% | 15.5% | 28.6% | -6.0% | 10.7% | 14.8% | 5.2% | 5.8% |
| DAU | 12.8% | 23.3% | 27.4% | -11.1% | 11.8% | 15.3% | 6.0% | 7.4% |
| Time Spent per DAU | -3.0% | 2.8% | -3.0% | -11.8% | -0.5% | -1.2% | 0.3% | -1.1% |
| Video Time Spent per DAU | 5.4% | 8.7% | 6.4% | -8.1% | 5.6% | 7.3% | 14.1% | 8.4% |
| Sessions per DAU | 4.6% | 14.2% | 2.5% | -0.6% | 4.6% | 3.1% | 3.3% | 0.4% |
| Production PR | 8.6% | 26.8% | 20.3% | 7.9% | 7.8% | 12.0% | 5.6% | 3.2% |
| Sends per DAU | 7.9% | 41.7% | 6.3% | 5.2% | 18.1% | 3.3% | 11.7% | 0.1% |

- **User Growth** is showing healthy growth across the globe with the exception of Russia and Ukraine. Developing markets have been particularly strong.
- **Time Spent** has declined slightly due to Russia/Ukraine, competitive headwinds and integrity launches. People are now spending more time watching Reels on Feed and less time on Explore & Profile.
- **Production** has seen strong gains across the board, driven entirely by Stories. Recent launches of "Add Yours" and "Story Likes" have been really successful. Feed production continues to decline & Reels production is still in its nascent stages.
- **Messaging** continues to grow as a top use case for Instagram users. Recent growth has been fueled by people starting conversations by resharing Reels to their friends.

**There are an increasing number of countries where people spend more time on Instagram than Facebook.**

- Brazil
- Iran*
- Turkey
- Japan
- Russia
- Germany
- Spain
- South Korea
- Kazakhstan
- Uzbekistan
- Belarus
- Azerbaijan
- Switzerland

*Facebook is banned and Instagram is not

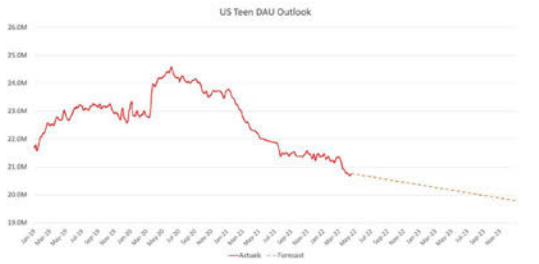


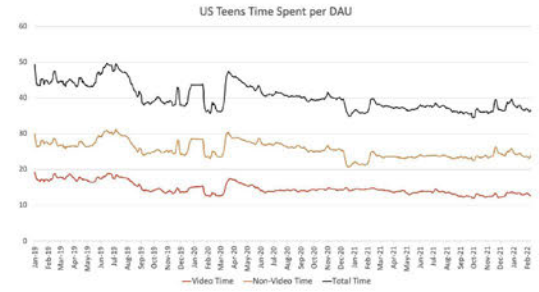
**Our biggest concern is a decline in teen daily actives.**

Messaging and friend consumption remain resilient despite early signs of teen slow-down in the US.

Fewer teens are joining Instagram, particularly early teens. After joining, new teens are not reaching the same level of visitation as before. Teens are spending less time on content that isn't produced by their friends.

Messaging and stories are still strong with teens. Our recent launches of Story Likes and Add Yours have resonated significantly increased teen engagement with stories.

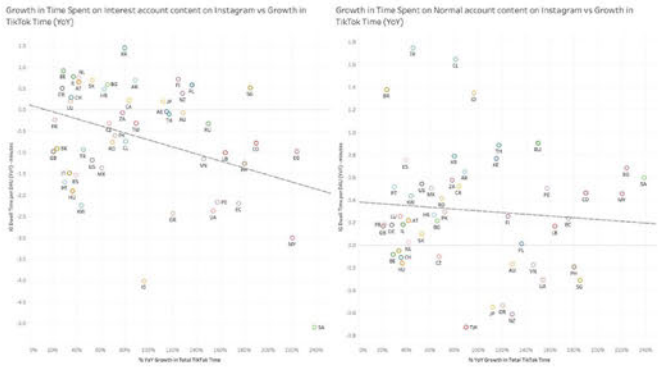


**TikTok is putting downward pressure on time spent, particularly time spent on interest accounts.**

One way we have historically organized accounts is into "interest accounts" and "non-interest accounts." An interest account is defined as any account that is classified as a business or that is in the top percentile of followers. We're moving away from this definition, but thought it was worth sharing given the historical data.

When we looking at the correlation between TikTok time growth and Instagram time growth, it appears TikTok is putting downward pressure on time spent on both types of accounts, but more on interest accounts than non-interest accounts.



# Product Priorities

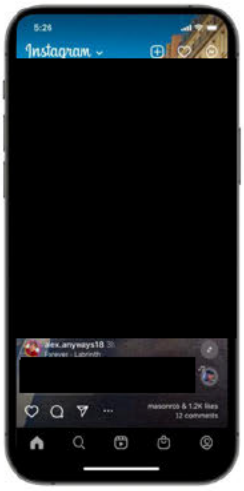
## 01 / Reels

Reels is our biggest bet to increase overall engagement, as we've seen substantial top-line contributions to app health. We are sprinting to ship a new and immersive Feed, focused on video and recommendations. Our strategy is to:

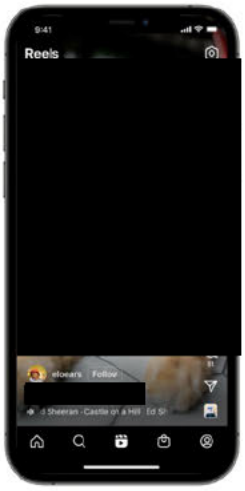
- Embrace short-form video
- Build a best-in-class recommendation system
- Be the best place to talk about and make video w/ friends
- Establish ourselves as the best home for creators

**Recent and Upcoming Launches**

- Tall Reels in Instagram Feed testing, launched
- Full Screen Reels in Instagram Feed, test in June
- 35% of Instagram Feed is recommendations, October
- Merging all video types into Reels, Q3
- Ranking and recommendations improvements, ongoing




Full Screen Reels in Feed



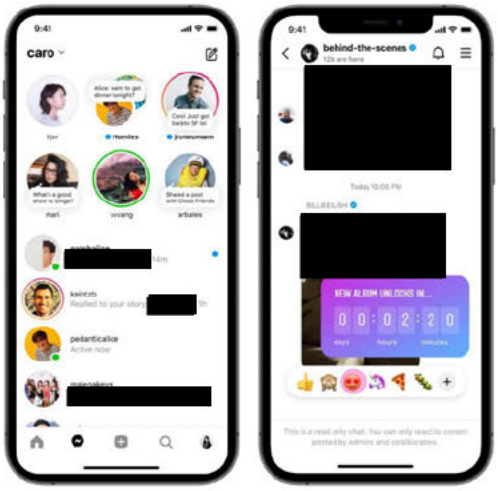

Interactive Features

## 02 / Messaging

There are more photos and videos send in DMs on Instagram than posted to Stories or to Feed. We are working to further embrace messaging and make it easier to connect and share content with friends and groups.

**Recent and Upcoming Launches**

- Reels watch receipts, Q2
- Group links and thread creation improvements, Q2
- Collaborative collections, Q3
- Reels Together, H2
- 250 person groups, Q3
- A new messaging tab with friends at the center, October
- Discoverable groups, Q4
- Channels (creator threads), Q4




Messaging Tab | Channels

## 03 / Creators

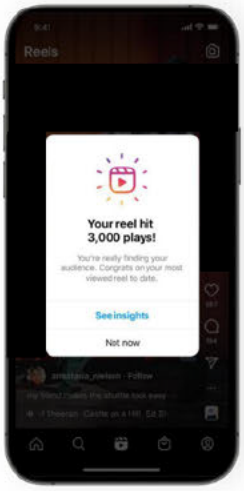
We think we can be the best all-around home for creators. We organize the work into four jobs to-be-done.

- Help creators tell their story
- Help creators reach an audience
- Help creators make a living
- Help creators stay safe while doing all of it

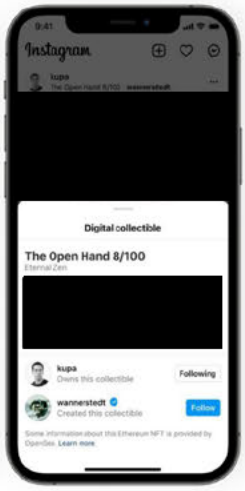
We've focused on most of our resources on helping creators make a living, as that's the area where we are the furthest behind. Our plan is to start small creators on the monetization journey with Meta funded incentives, and then graduate them as they grow to branded content deals, subscriptions, rev-share, and more.

**Recent and Upcoming Launches**

- Bonuses, launched
- Subscriptions Alpha, launched
- NFT Alpha, launched
- Reels Rev Share, Q3
- Profile Ads & Rev Share Testing, H2
- Bonuses expansion, H2
- Break-in creators, reducing popularity bias in recommendations (ongoing)




Reels Bonuses




NFTs

## 04 / Teen Experiences

We believe that teens are our most important audience, as they're a bellwether for how more people will use Instagram. Our work is aimed at making sure Instagram connects with the emerging needs of teens, and on promoting teen well-being and safety. Teens message three times more than non-teens, and are far more comfortable with recommendations, which has influenced our focus on Reels and messaging. Beyond that, we are starting to build teen-specific experiences.

**Recent and Upcoming Launches**

- Parental Supervision and Family Center, launched
- Topic Nudges, May
- Teen focused filtering of account recs for safer discovery, June
- One-click to upsell to Take a Break for Teens, July



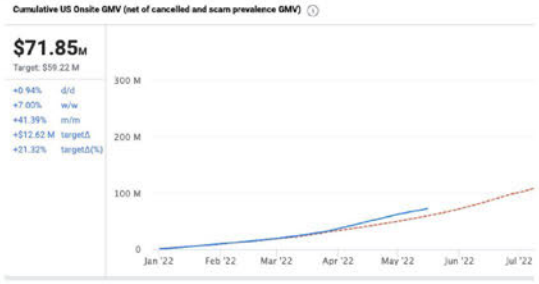

Parental Supervision

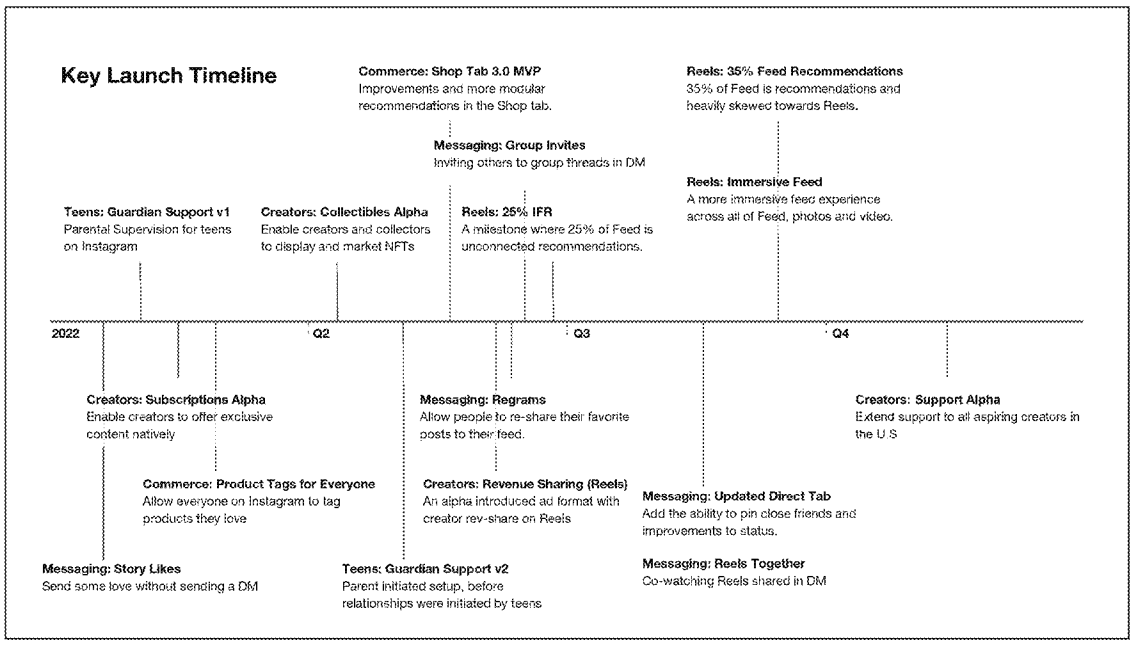
## 05 / Commerce

We have made a lot of progress this year, and are currently 21% ahead of forecast toward our GMV goal. Our work here is in support of the broader Meta-wide commerce strategy, and as that strategy shifts so will our work.

**Recent and Upcoming Launches**

- Product Tagging for Everyone, launched
- Products for You Improvements, Q2
- Shop Tab 3.0 MVP, Q2
- Meta Funded Buyer/Seller Incentive Tests, ongoing
- Year Round Shopping Events, ongoing



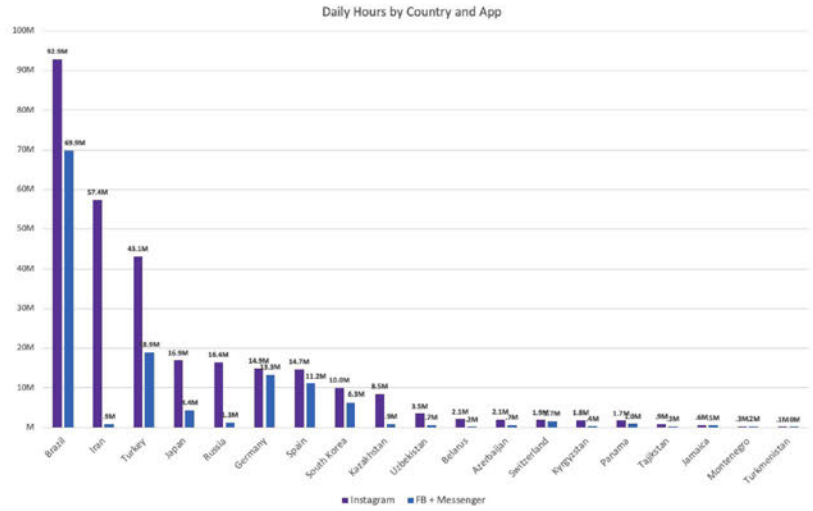

Key Launch Timeline
Commerce: Shop Tab 3.0 MVP
Improvements and more modular recommendations in the Shop tab.
Messaging: Group Invites
Inviting others to group threads in DM
Reels: 35% Feed Recommendations
35% of Feed is recommendations and heavily skewed towards Reels.
Reels: Immersive Feed
A more immersive feed experience across all of Feed, photos and video.
Teens: Guardian Support v1
Parental Supervision for teens on Instagram
Creators: Collectibles Alpha
Enable creators and collectors to display and market NFTs
Reels: 25% IFR
A milestone where 25% of Feed is unconnected recommendations.
2022
Q2
Q3
Q4
Creators: Subscriptions Alpha
Enable creators to offer exclusive content natively
Commerce: Product Tags for Everyone
Allow everyone on Instagram to tag products they love
Messaging: Story Likes
Send some love without sending a DM
Teens: Guardian Support v2
Parent initiated setup, before relationships were initiated by teens
Messaging: Regrams
Allow people to re-share their favorite posts to their feed.
Creators: Revenue Sharing (Reels)
An alpha introduced ad format with creator rev-share on Reels
Messaging: Updated Direct Tab
Add the ability to pin close friends and improvements to status.
Messaging: Reels Together
Co-watching Reels shared in DM
Creators: Support Alpha
Extend support to all aspiring creators in the U.S

# Appendix

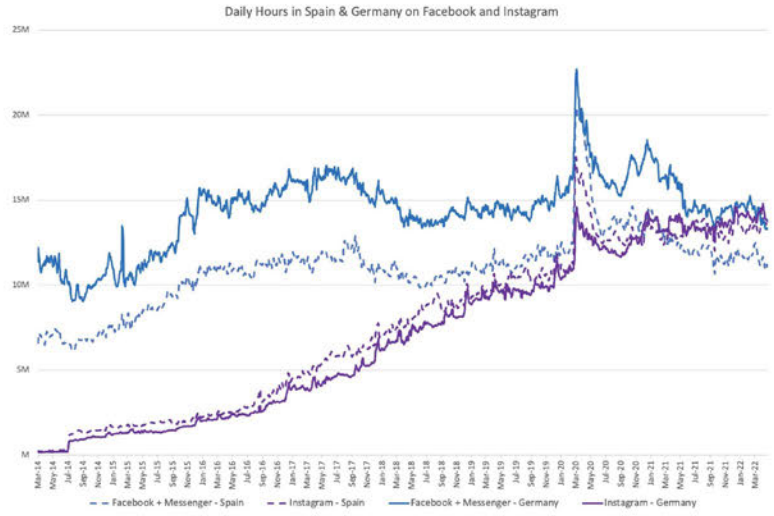
**TikTok is affecting the amount of time people spend watching popular content, but there has not been a major effect on friend consumption.**

Added this as a potential risk in case Adam wants to talk about how Friends are more secure for the time being

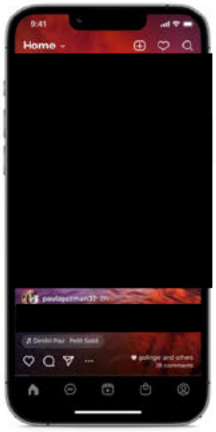
**Alt 1: Instagram has overtaken Blue in many countries, including more recently in Germany & Spain.**



**Alt 2: Instagram continues to make headroom on Facebook in key regions. People now spend more time on IG than FB in Spain & Germany**



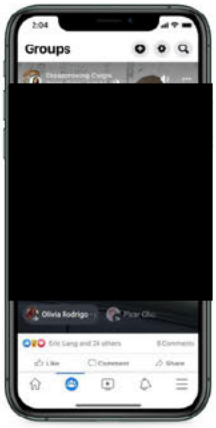
## Engagement Drivers on IG & FB




Immersive Feed




"Add Yours" in Reels

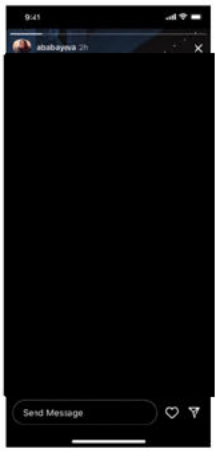



Reels in FB Groups

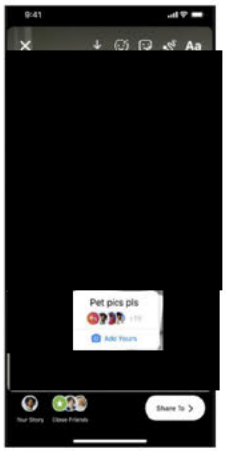



Quick Send for Messaging

## New feature launches on Stories are really resonating with our users

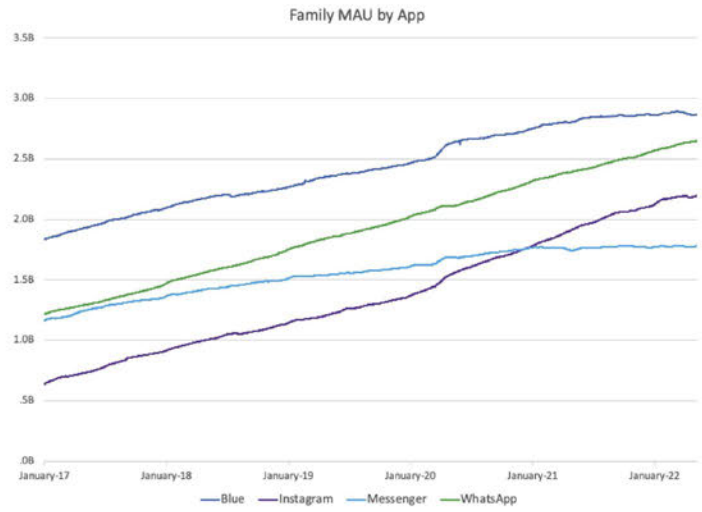



Story Likes (+1.4M DAU,
+1% Sessions, +1.6% Story Production)

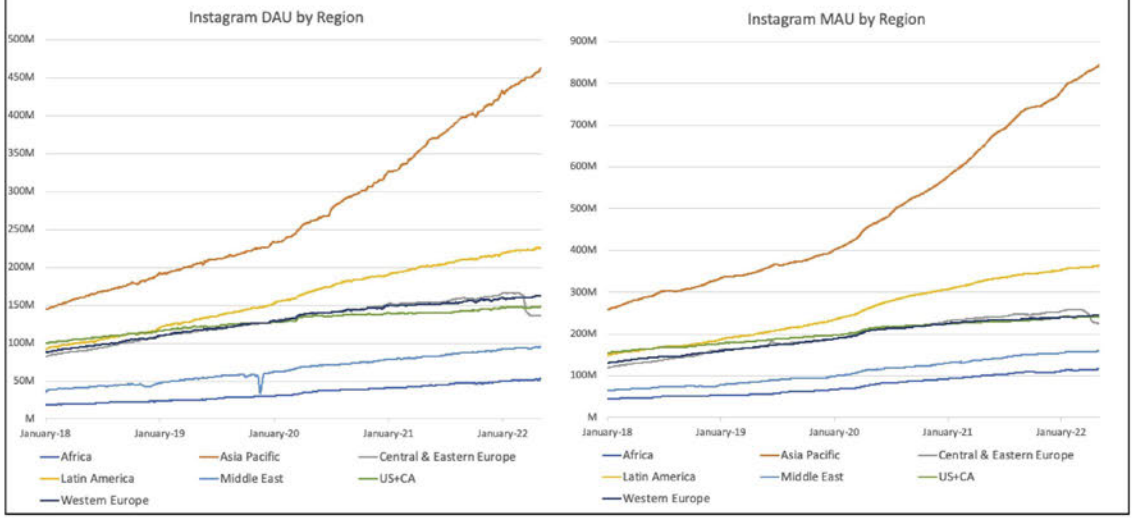



Add Yours (+3% Story Production,
+13% Story Production for Teens)

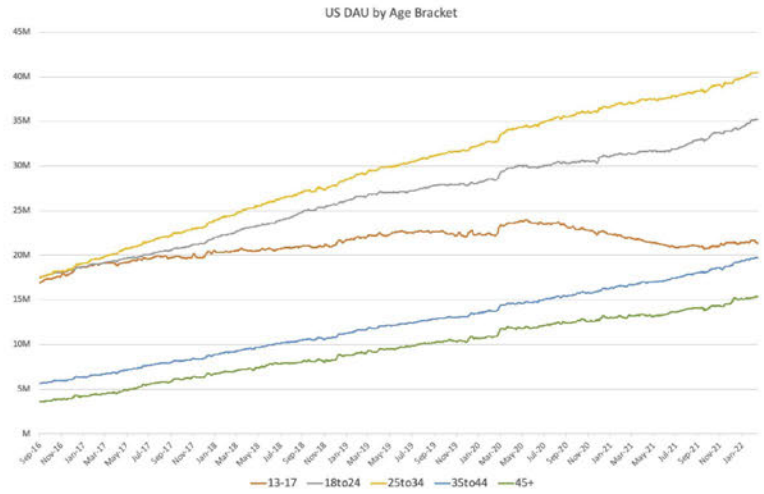
## Instagram continues it's impressive Global growth



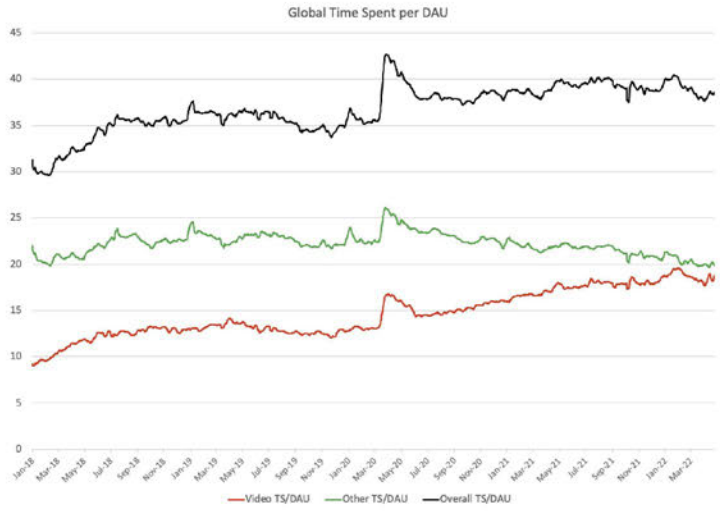
**While we continue to grow in all regions, growth in Developing countries outpaces Developed.**



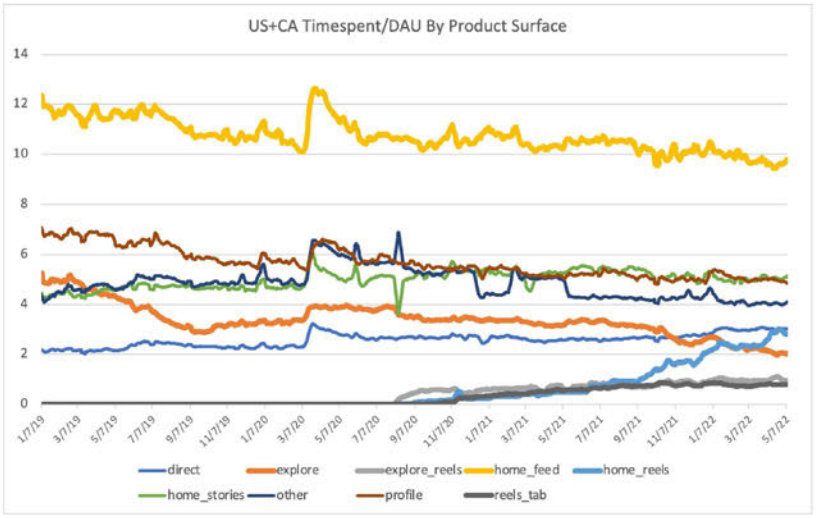
**Zooming into the US, we're seeing strong growth in the 18-45yo cohort, but some early challenges for 13-17yo.**



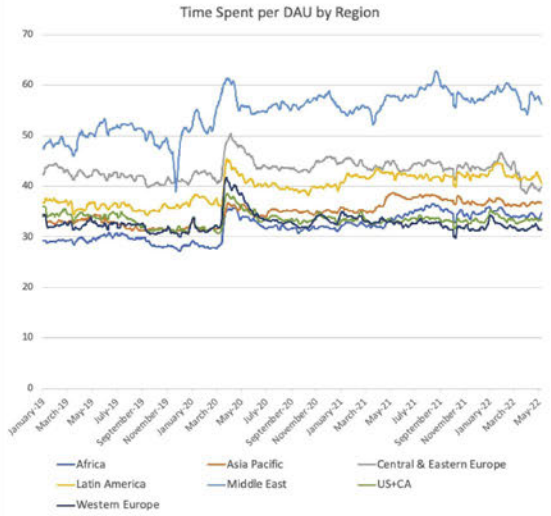
**People started spending more time on IG after COVID, and we've managed to maintain much of that lift by increasing time spent watching videos**

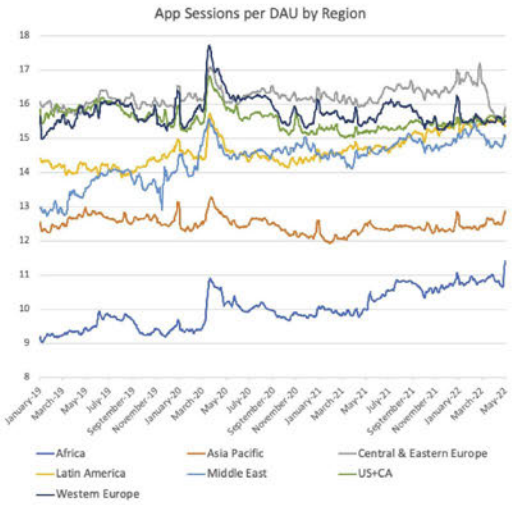


## All of our video growth comes from Reels being shown on Feed

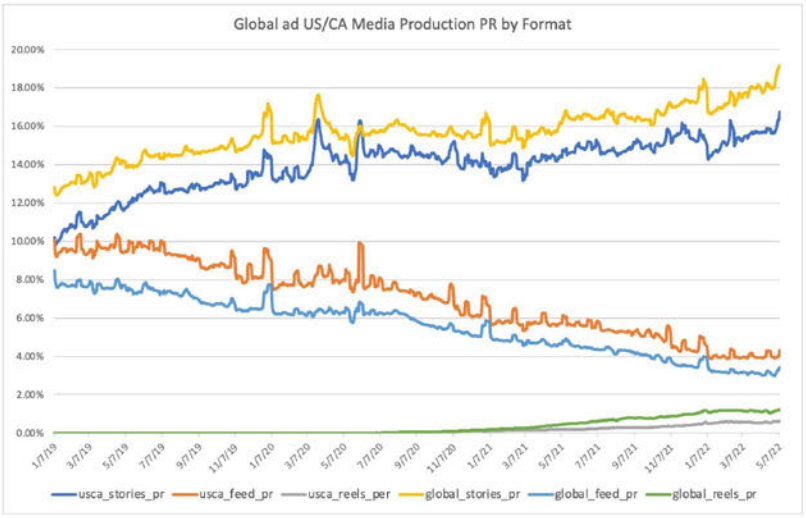


**Regionally, both Time spent & Sessions remain relatively steady, with strong growth in LATAM and the Middle East.**

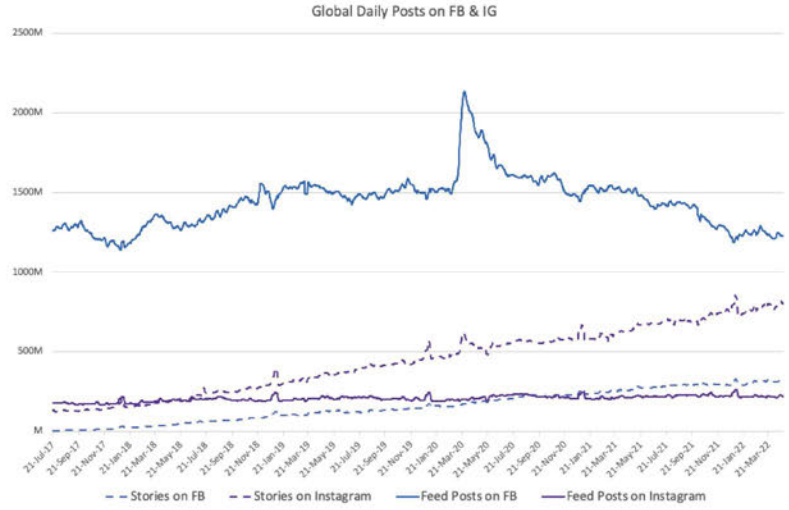


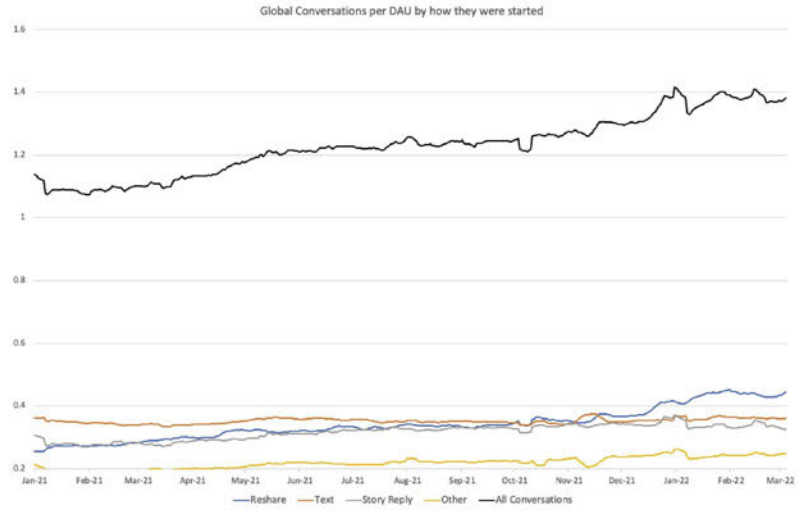
**Stories production picked up in 2022 while Feed continues to decline. Reels production is still in its infancy**

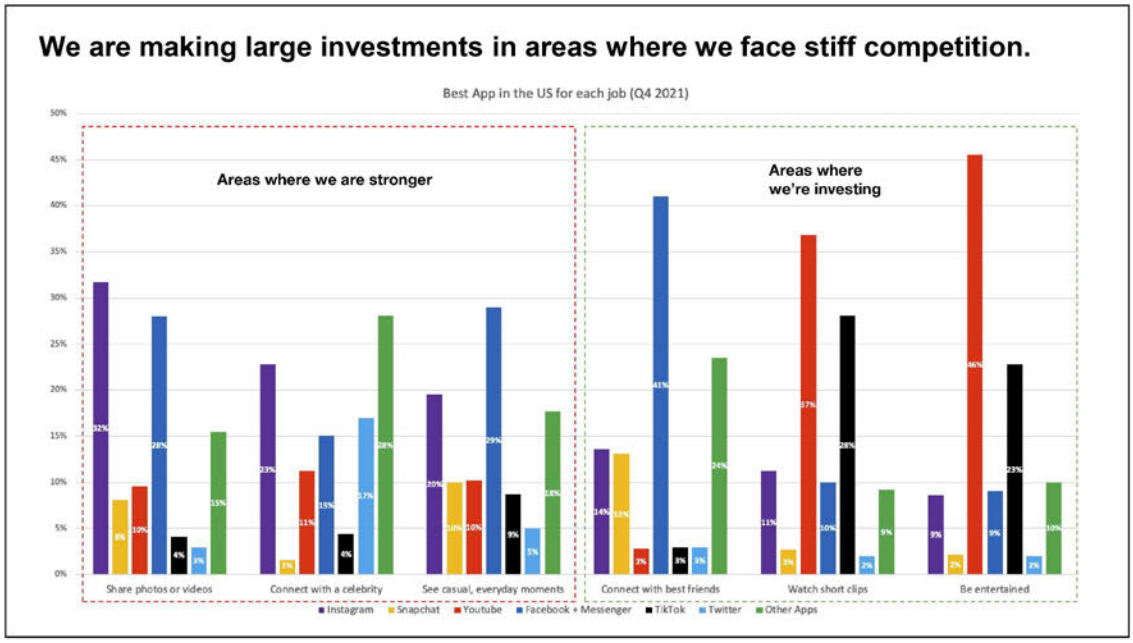


**This growth in Story Production on Instagram is particularly important for the Family of Apps**

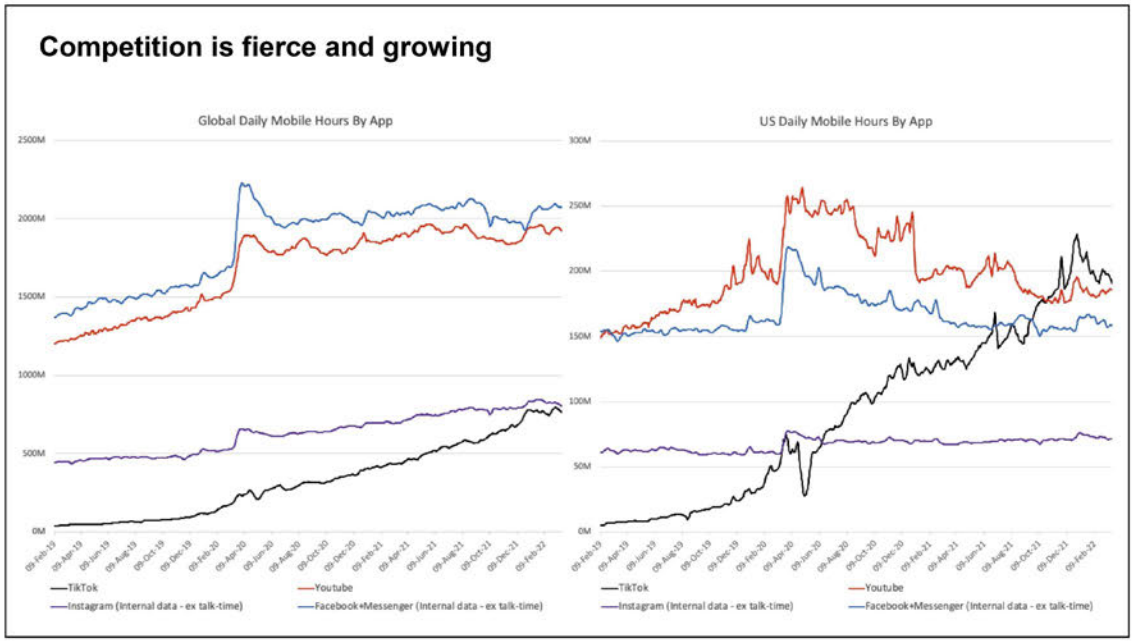


## People are having more conversations on Instagram as they share content with their friends

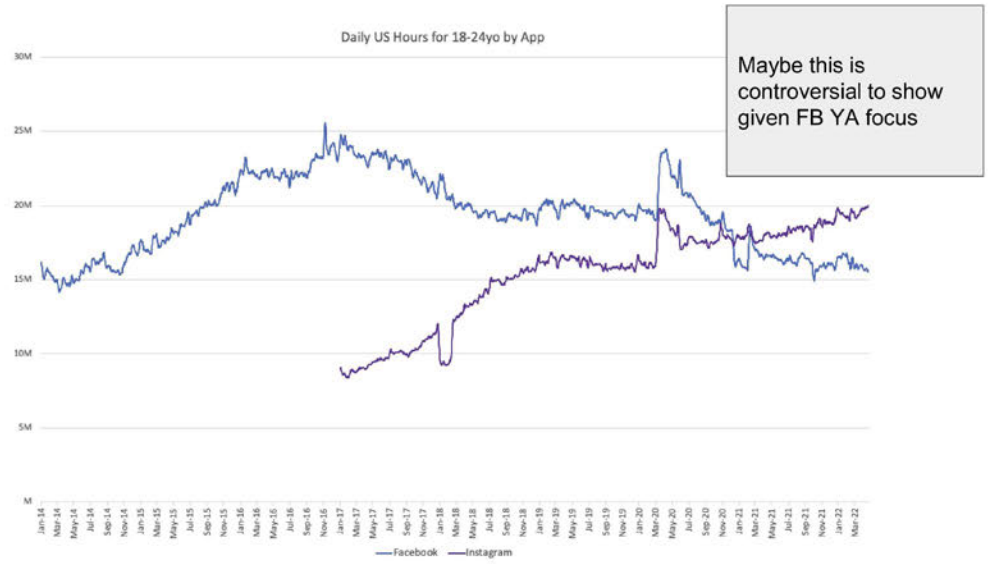



We are making large investments in areas where we face stiff competition.
Best App in the US for each job (Q4 2021)
Areas where we are stronger
Areas where we're investing
Share photos or videos
Connect with a celebrity
See casual, everyday moments
Connect with best friends
Watch short clips
Be entertained
Instagram
Snapchat
Youtube
Facebook + Messenger
TikTok
Twitter
Other Apps

## Competition is fierce and growing

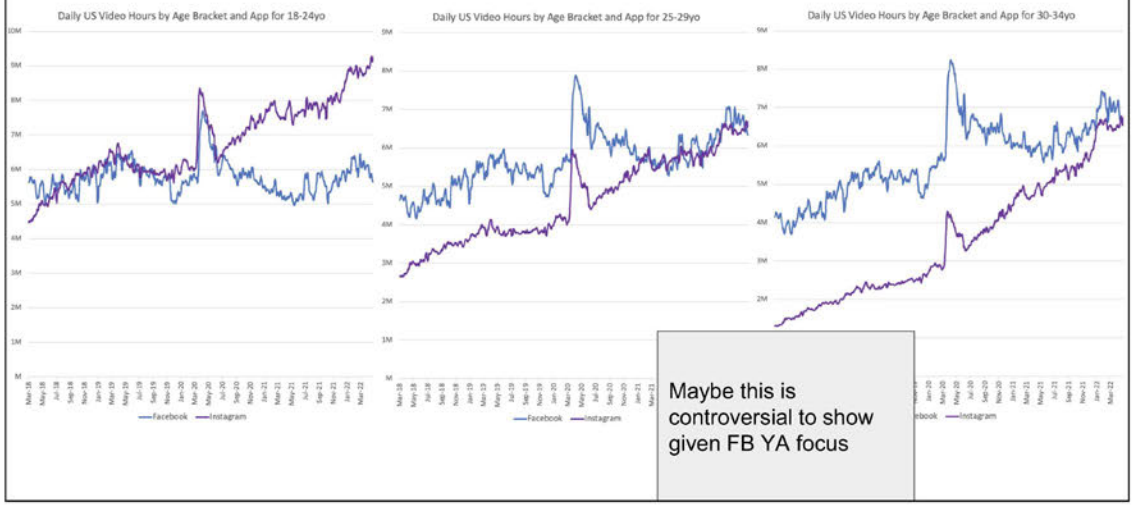


**Instagram has overtaken Facebook for the 18-24yo cohort in the US**




Maybe this is controversial to show given FB YA focus

**IG has surpassed FB in the US for time spent on Video in 18-24, and has caught up for 25-34yo.**



**Competition is fierce and growing**