Cracking the PM interview 🚀

Case Study Solution - Measure the success of Instagram Stories

Case Study

Imagine you are giving an interview at Instagram for the role of Product Manager.

You have been given a problem statement to measure the success of Instagram Stories.

You will go about it.

Case Study Solution - **Instagram Stories**

To measure the success of Instagram Stories, you can follow below approach:

Step 1: Clarify

Ensure that the question is specific to Instagram Stories and not Instagram as a whole. Clarify whether the focus is on advertising effectiveness, user engagement, or content creation, for example.

Step 2: Goals

Define what Instagram aims to achieve with Stories. Possible goals include:

- **User engagement:** Increasing user engagement and daily active users.

- **User retention:** Enhancing user retention by encouraging more frequent interactions.

- **Revenue:** Driving ad revenue through story-based advertisements.

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Since, you have defined the goals in 3 buckets, you should ask following questions to clarify what does the interviewer mean by success:

1. Is there any specific goal (engagement vs retention vs revenue) against which we want to measure the success?
2. Before or at the time of launch, did we estimate any potential impact that Instagram stories can achieve?
   a. This could be in terms of net additions to DAUs or avg session duration or revenue driven by stories.
3. Likewise, more questions can be asked.

Step 3: Actions

Identify the user actions that align with these goals, such as:

- Posting Stories

- Viewing Stories

- Interacting with Stories (e.g., replies, polls, swipe-ups)

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Step 4: Metrics

Based on the identified actions, determine specific metrics to track. These could include:

1. **Daily Active Users (DAUs)** for Instagram Stories: Measure how many users post or view stories daily.
2. **Engagement**
   a. Calculate the percentage of story views that result in interactions (like replies or poll votes)
   b. Average session duration (pre and post stories)
   c. Average session duration of sessions where users viewed stories vs where users did not view stories
3. **Conversion Rate from Swipe-ups**: For Stories that include swipe-up links, track how many viewers click through to the linked content.
4. **Ad Impressions and Click-through Rates (CTRs):** For monetized stories, track the effectiveness of ads within Stories.

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Step 5: Evaluate

Regularly review these metrics to assess performance and identify areas for improvement.

Consider the impact of external factors like seasonal changes or platform updates on these metrics.

Reflect on whether the metrics still align with Instagram's evolving goals and make adjustments as necessary.

All **modules**

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Thank you! 😃