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<div align="center">Phase 1</div>

1. Select a Business

The business that we have decided to model is Instagram. Instagram is a world-wide social media platform by which people are able to share various things about themselves and their lives. Instagram is a place where people can post pictures and videos, status updates, and general information about anything they may be interested in. Users are also able to follow other users that they seek interest from. This social media platform has gained tremendous engagement because of its basis on visual sharing and inviting atmosphere as people can express themselves in any way they would like.

Instagram's main mission statement is to capture and share the world's moments. This primarily means that Instagram wants to create visual impressions that offer clients a place to leave long lasting memories. One of the main pinpoints that Instagram wants to offer is to give clients a diverse amount of ways to express themselves. This could be through Instagram stories, posts, hashtags, videos, pictures, comments, captions, reels, etc,. The mission to share the world's moments encompasses their mission to create a link between billions of people around the world. They want to globalize communication between users under one single application. For the company's vision statement, there are 3 main objectives: have users be able to transform and personalize their posts, not binding sharing memories on a single platform, and optimizing the uploading experience to be fast and efficient. Based on both the mission statement and the vision statement, we can see that the core values of Instagram is community first, inspire creativity, and simplicity matters.

2. Research the Business

<u>Origin</u>

Instagram was first developed in San Francisco by Kevin Systrom and Mike Krieger. Before Instagram actually became what it was, Systrom created a prototype app called Burbn which allowed users to update their location status on their mobile-web app. After meeting with some venture capitalists Systrom decided to raise funds and find a team (started working with Mike Krieger) to expand this project. Together, Systrom and Krieger decided that the app was too similar to other established mobile apps and decided to solely focus on the features of the app which included photos, commenting, and linking. After doing this, they renamed the app to Instagram which referred to users sending a type of "instant telegram." It then launched on October 6th, 2010 and experienced a rapid amount of growth. It quickly became the number one

photography app gaining 100,000 users in just a week. It was then bought by Facebook for $1 billion in 2012.

Functionalities

When Instagram first launched, an algorithm similar to Facebook's was implemented because the flow of content became too hefty for users to navigate. Due to this, now Instagram does not have one, single algorithm but rather has multiple algorithms that all use key signals that depend on each element. Instagram includes 4 key sections that make up the content of the app which include: Feed, Stories, Explore, and Reels. The main indicators included across the Feed and Stories include: Information about the post, information about the person who posted, a certain user's activity, and a user's history of interacting with another user. These are Instagram's general algorithm identifiers which is how they formulate what content users will see.

When it comes to ranking the Explore page, the algorithm focuses on showing users other content that they would like based on who they follow and their engagement history. Instagram's latest edition, Reels, also has a certain algorithm that it follows. The four key elements that are included in this algorithm are the user's activity, history of interacting with the person who posted, information about the reel, and information about the person who posted the reel (how popular they are). Overall, Instagram implements various algorithms organized around various key elements that determine how content shows up on a user's feed which allows users to experience content that they are familiar with or would be interested in engaging with.

Competitors

Instagram is a social media platform, therefore, their main competitors are within the social media realm. Their competitors would include companies like: Facebook, Tiktok, Snapchat, and Twitter. Though Facebook owns Instagram, they do compete in terms of how much time users spend on the respective apps and aggregate amount of users on the platform. In terms of Tiktok, they are a relatively new short video sharing app that introduced a new method of sharing memories on the internet. Their innovative and addictive sharing structure is a direct risk to Instagram, as users would spend less time on the Instagram app. Next, we have Snapchat, which has been in competition with Instagram since its initial rapid growth in popularity. Like Tiktok, Snapchat competes with Instagram through offering users a different approach to social media. Lastly, we have the text/blog based social media platform called Twitter. Though already pretty well established, Twitter has seen a lower percentage in popularity and user interaction in comparison to Instagram.

<u>Value Proposition</u>

Instagram saves the awkwardness, time, and coordination for a user to communicate with their friends both. Their product aspires to offer users easy access to indirectly communicate with others by posting different mediums that show a small part of the user's life. Traditional methods of communication forces users to take out the time, mentally prepare, and wait for responses in order to communicate with other people. This would mean that the user would have to directly contact someone they want to talk to and wait for them to respond. Through a "one button send it to all" idea, users can take all those worries away and share with the world at their own convenience and time. This would mean that Instagram and look at what others are doing and indirectly communicate with them just by looking at their Instagram profiles.

In addition, Instagram helps users personalize their posts using different methods by putting it all under one single application. This saves the pain of having to download multiple programs in order to edit the post to the user's personal liking. Users would have to edit their post in one app, save it to their personal drive, upload it to another editing program, and repeat the process multiple times. Instagram has their own in house editing features that offer the same personalizing functionality as competing editing apps. With it all under one app, users have easy access between different editing methods and do not have to save/export the post in different apps. Such functionality allows users to export the finished product internally without having to waste the extra time of managing the different programs. Also, it saves the users space by eliminating the storage space for all of the other editing applications.

<u>Business Model</u>

_____The business model of Instagram is based on the various tools and features offered by the app. Those tools and features include: photographs & videos (engaging with and sharing media across several platforms), stories (where users can share videos/pictures for up to 24 hours), instagram direct (where users share videos, photos, and chat with other users), explore tab(where users can explore content based on hashtags and features), and filters (allow users to enhance their images). One of Instagram's new features is Instagram Shop which actually allows people to easily shop for different brand's photos and videos all across Instagram. Each of these features are key aspects of Instagram's overall business model.

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<u>Revenue Stream</u>

The main source of revenue for Instagram is through advertising. Since the introduction of paid advertising in 2013, advertisers have flocked to Instagram. This is mainly due to Instagram having shown high ad impressions for their past services for advertisers. Ad impressions are recorded when a user views the site for an advertiser. Instagram's success with advertisement stems from the statistics that many users want to see advertisements on Instagram and use it as a source of "product discovery." Due to Instagram being a fundamentally visual app, it is a natural platform for branded advertising.

3. Identify 3 Users and 10 User Stories

Users

Brand Ambassador: A brand ambassador is someone who posts content on Instagram for their followers to see and interact with the business they were hired by. They post on their feed so that people can always have information pertaining to the businesses they are employed by.

Casual Viewer: A casual timeline viewer uses Instagram to explore the internet and get up to date on their friends' life. They scroll through their timeline and like posts that they find interesting or comment on posts in order to discuss the topic displayed in the post.

Consumer Goods Company: A consumer goods company advertises their business, sees what demographic of people interact with their posts, and hires influencers based on their following on Instagram.

User Stories

ID	Simple / Complex / Analytical	As a <role>	I want <goal>	So that <reason>
US1	Simple	Brand Ambassador	To see the people who liked one of my specific posts	I have an idea of my target demographics
US2	Analytical	Brand Ambassador	To be able to see how many likes I get on a post	I can know what content my followers like the most
US3 (new)	Complex	Brand Ambassador	To have the option to choose which medium to post on.	I can post on different mediums simultaneously
US4	Complex	Brand Ambassador	To be able to make a post and add a hashtag to	I can associate the post with a specific keyword

				that post
US5	Simple	Casual User	To see all the post of a user in one screen	I can easily see what they post about
US6	Analytical	Casual User	To see my latest liked post	I know what I have been interested in lately
US7 (new)	Complex	CasualUser	To see a user's followers and who they're following at the same time.	It will be easier to see who the user interacts with in both ways.
US8	Simple	Company	To see what posts are under a hashtag.	I can know what type of people my products sell to.
US9	Analytical	Company	To see how many people follow a user and how many people they follow	I know which users have a larger social media presence
US10	Complex	Company	To post multiple pictures/videos in my posts	I can present various content in one post

4. Conceptual Model

Phase 1 Conceptual Model

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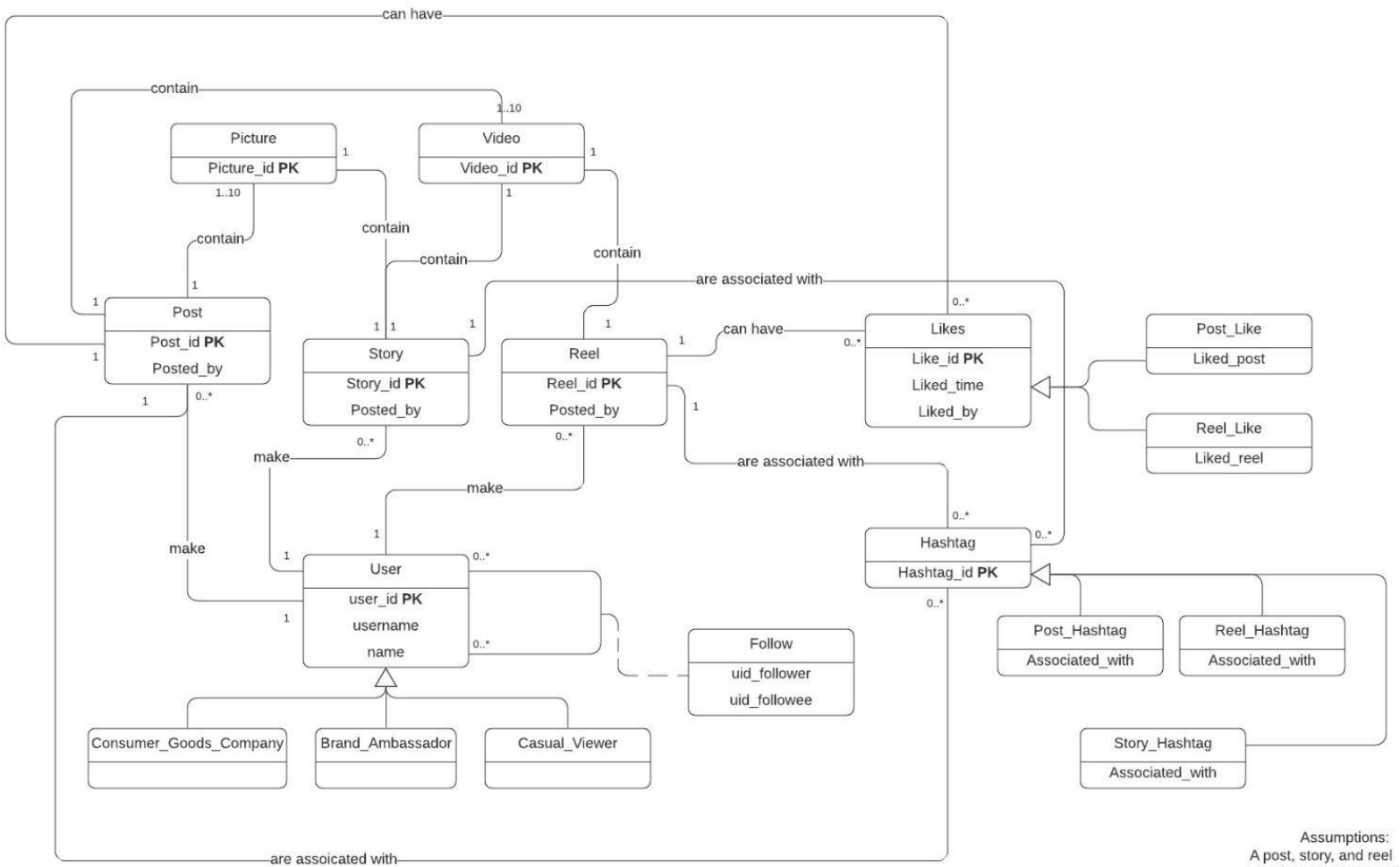
Assumptions:
A post, story, and reel consists of at least 1 video or picture.
One story means 1 "bar" length long medium.