

Instagram prepares for more growth

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When Pope Francis joined Instagram at age 79 in March, a thought crossed the mind of the tech firm's chief operating officer. For Marne Levine, the moment made the company's value to the world even clearer.

Visitors from throughout the world often hand the pontiff a photograph as a way to bridge a language barrier. Images, Levine noted, are the fastest way to connect and communicate with another person. And Instagram is filled with images.

"What Instagram has created is this new global language," Levine said during a tour of the <u>company</u>'s new Menlo Park headquarters. "When you go on Instagram, it really doesn't matter what your generation is, what country you're from or what language you speak."

Earlier this month, Instagram turned 6 years old, yet another milestone for a company that has been growing rapidly since Facebook purchased the photo-sharing app for \$1 billion in 2012.

Instagram this year reached more than 500 million users worldwide, surpassing fellow social networks Twitter, LinkedIn, Pinterest and Snapchat. Three weeks ago, Instagram hit 500,000 advertisers, more than doubling the amount in six months.

"This is a platform that's seeing a lot of usage, and it's one that advertisers are very intrigued with," said Debra Aho Williamson, an analyst for eMarketer. "What Instagram represents to advertisers is a fun, creative playground and a place to show off the best side of



themselves."

Mobile ad revenue for the company is projected to grow worldwide from \$1.86 billion this year to \$6.84 billion in 2018, eMarketer estimates.

While the tech firm has a lot to celebrate this year, Instagram - which ditched its vintage camera logo for a more minimalist look - is still trying to prove it has evolved beyond just a place to share beautifully filtered photos and that it can drive sales for businesses. And as it focuses more on video, the company gets compared to its rival Snapchat, an ephemeral messaging app popular among teens.

"I think one place where Snapchat is stealing the thunder is in video advertising," Williamson said.

Instagram released a feature this year called "Stories," which allows users to post photos and videos that will disappear after 24 hours similar to Snapchat. Much to the chagrin of some users, the company started sorting photos based on an algorithm instead of chronologically.

But Instagram's success has been undeniable, and new celebrities, such as rapper Kanye West and actor Tom Hiddleston, continue to sign up for the site every year. And as users and advertisers grow so has the company's workforce.

In Menlo Park, Instagram employees recently moved into their own three-story office space separate from Facebook, and the more than 65,000-square-foot building reflects a tech firm where design and simplicity matters. The company now has nearly 400 employees worldwide, most of whom work in the new Gensler-designed headquarters.



In the lobby, a large illuminated Instagram logo is displayed on a white wall along with a large feed that shows videos and photos posted on the site, from breakfast foods to outdoor adventures. Inside, employees and visitors snap photos behind a large cloud, a moon or flickering stars.

At Blue Bottle Coffee, a wall is filled with Polaroid selfies. Meeting rooms are named after popular hashtags, emojis or places such as Dogpatch or South Park, a reference to the company's humble beginnings.

Instagram co-founders Kevin Systrom and Mike Krieger were working out of Dogpatch Labs in San Francisco when they launched the app in 2010. Initially, Instagram was a check-in app called Burbn, but pivoted into a tool to share photos.

While Facebook has helped fuel Instagram's growth, Levine said there are elements that make Instagram's workplace culture different from its owner.

"Facebook has such a strong culture, but I think we've maintained the things that have made Instagram special from the beginning," said Levine, who joined Instagram from Facebook. "That includes being community first, very visually oriented, focused on design, creativity and simplicity."

Instagram was a smart purchase for Facebook, analysts said, because it gave the social media giant an app with younger users, a more creative and artistic place for people to communicate, and another property to sell ads. When Facebook bought Instagram, the startup only had 13 employees.

And for Instagram, the journey is far from over. As the company unveils more ways for users to express themselves, Levine said she expects



Instagram will have "fuller and more complete global language" in visual communication.

"People are posting the highlights of their lives, but there's so many more moments that make up the human experience in between," Levine said. "Those moments can feel really raw - unscripted - or it can be a story that you're telling that is more planned out."

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