



[Buy book or audiobook](#)

No Filter

The Inside Story of Instagram

Sarah Frier • From NO FILTER: The Inside Story of Instagram by Sarah Frier. Copyright © 2020 by Sarah Frier. Reprinted by permission of Simon & Schuster, Inc. • 352 pages

Economics / Economic History / Company Portraits

Society / Internet

Society / Social Media

Take-Aways

- Instagram launched as an idealistic place to post beautiful photos.
- Instagram became the number-one iPhone camera download.
- Instagram's success caught the attention of Twitter and Facebook.
- Facebook's acquisition of Instagram sparked a culture clash.
- Unlike ads on Facebook, Instagram's advertising had to be as curated and artistic as its posts.
- Instagram successfully competed directly with Snapchat.
- In Zuckerberg's opinion, Instagram's success posed a threat to Facebook.
- Zuckerberg took credit for Instagram's growth, then eliminated its access to the Facebook tools that had helped it grow.

Recommendation

Tech journalist Sarah Frier's profile of Instagram reveals how its idealistic co-founders kept believing their app could improve the world, even as users posted drug deals and suicides. Facebook's purchase of Instagram was a tech-sector game changer. But the greater Instagram's success became, the more Mark Zuckerberg saw it as a rival. Years of infighting led the co-founders to depart. Their dream soured in the face of corporate battles and a dark online reality of illegal activity and fake information from fake accounts.

Summary

Instagram launched as an idealistic place to post beautiful photos.

Instagram's initial goal was to be a platform for people to share artistic photos. Its history reveals how "capitalism and ego" combined to change an artistic app into one that had great impact on the fabric of global society.

"Instagram posts would be art, and art was a form of commentary on life."

When Instagram founder Kevin Systrom graduated from Stanford University, he worked at Google and then at a small start-up. He opted out of joining Facebook or Twitter, because he wasn't sure they'd succeed. At 25, he had seen through Silicon Valley's veneer of genius to its underlying, haphazard reality. Instead, he created a mobile phone app – Instagram's precursor.

In 2010, Systrom pitched a venture capitalist on funding his app. The funder's condition for financing was that Systrom add a partner who would generate ideas and stand up to him when he needed it. Systrom hired another Stanford graduate, Brazilian engineer Mike Krieger. By the time Krieger obtained his work visa, Systrom had \$500,000 in investments.

The initial app lacked broad public appeal. The two men focused on its ability to post photos and tried to keep it simple. The name they chose combined "instant" and "telegram." The first beta users were designers and artists who had a lot of Twitter followers – the initial "influencers."

Instagram became the number-one iPhone camera download.

After Instagram's release on October 6, 2010, it became the Apple store's top camera app download. In months, it had two million users. The founders focused only on photos, cultivated creative users, projected exclusivity to potential investors and made the app available only on iPhone.

"Playing nice with the new social giants would be easier than competing with them."

Systrom's reality was fraught with anxiety, but he remained calm and confident with investors. Krieger dealt with failing servers as global use increased. They hired a few employees to increase their technical capacity and community cohesiveness. When teen heartthrob Justin Bieber posted his first photo, the response overwhelmed the servers. Eventually, the company allocated half a server just for his account.

As Instagram grew to 10 million users, the company faced the uglier side of social media. Staff members manually deleted porn, violence and bullying. However, if Instagram were to create a way to block such posts, it would make itself legally liable for any negative content the system missed. Instead, the company focused on building a positive community, encouraging “InstaMeets” in the real world and supporting users who embodied Instagram’s ideals. To counter the celebrity mania dominating Instagram, they created “editorial initiatives” and published a list of users they encouraged people to follow.

Instagram’s success caught the attention of Twitter and Facebook.

In 2012, Twitter grew wary of Instagram’s growing popularity and tried to buy it. Weeks later, Systrom agreed to sell Instagram to Facebook for \$1 billion. Unlike the leaders of Twitter, Mark Zuckerberg knew from experience that Systrom wanted independence without risk.

“Instagram was also a threat to the thing Facebook wanted from its users the most: time on its site.”

Hearing of the sale, Instagram users feared Facebook would dismantle the app, and gain access to their photos and user data. Facebook had a “grow-at-all-costs culture.” But, Zuckerberg said that Instagram would remain independent. That aspect of the deal changed acquisitions in the tech industry. Zuckerberg saw that Facebook’s continued growth required capturing more of people’s time and eliminating competition for their attention. His and Systrom’s philosophies were at odds. Systrom had created Instagram to see the ordinary in life as art and to bring people together. Zuckerberg’s staff meetings ended with the shout, “Domination!”

Before Instagram could access Facebook’s resources, regulators had to approve the sale. They did, but they missed the potential growth and influence of both companies. Zuckerberg knew that a sufficiently large social media company could become “part of the infrastructure of society.”

Facebook’s acquisition of Instagram sparked a culture clash.

The Instagram team moved to the middle of Facebook’s office compound. The Facebook “growth team” wouldn’t help them until Instagram statistically proved it wasn’t siphoning off users or user time from the mother ship. The findings were “inconclusive.” The Instagram crew realized that growing and collecting user data superseded everything, even if the data were as tiny as a hovering cursor. The Instagram team had to find a way to survive.

Systrom codified Instagram’s values as “community first,” “simplicity matters” and “inspire creativity” – all contrary to Facebook values. Instagram released new functions after painstaking design and analysis. Facebook pushed changes out to users without warning and then fixed any related problems. A new Instagram “terms of service” caused a spike in user deletions. The trend did not reverse until Systrom posted that the company didn’t own its users’ photos. Facebook reinstated Systrom’s title of CEO, but his deal defined him as a “product manager.”

Instagram’s first big win came when it activated video capability. With the press assembled, Zuckerberg briefly spoke before handing the event over to Systrom. Video postings on Instagram hit one million that

day. Systrom didn't know that Zuckerberg was talking to Instagram's competitor Snapchat. Its founder, Evan Spiegel, eschewed the artsy perfection of Instagram. He had created a place for young people to share photos and videos that disappeared quickly.

"Instagram's reality-warping filters and curated, crafted feel had a downside: pressure."

Zuckerberg's courting turned predatory. He said a new Facebook app, Poke, would crush Snapchat. He was wrong. After Poke's dismal release, Zuckerberg offered Spiegel \$3 billion for the Snapchat app. The irreverent 23-year-old rejected the offer. Zuckerberg pressed Systrom to get more teens onto Instagram. Although he had initially downplayed revenue generation on Instagram, Zuckerberg now wanted to sell ads on the app.

Unlike ads on Facebook, Instagram's advertising had to be as curated and artistic as its posts.

The first ad on Instagram ran in November 2013. Systrom allowed only one brand to advertise per day, and he reviewed and sometimes edited the ads. Advertisers liked Instagram, but they disliked Facebook. To leverage Instagram's uniqueness and generate ad sales for the main site, the Facebook sales team took over all Instagram sales. The following year, Zuckerberg mandated that Instagram earn \$1 billion in ad revenue. Systrom first saw the figure in a meeting. Zuckerberg recommended that Instagram use Facebook's automated ad system. He wanted Systrom to "stop being so precious about micromanaging quality."

Instagram learned users were paying companies to create fake followers. From cafés decorated to be perfect Instagram backdrops to daredevils risking their lives for good photos, people were going to extremes to gain larger followings. Companies sprang up to fill the void.

"Having an audience would always mean having a business opportunity."

After the discovery of fake entries in December 2014, Instagram deleted all the accounts it thought were fake. Celebrities like Bieber lost 3.5 million followers. The media dubbed it "the Rapture." The app had become a route for people to gain fame and money as influencers. Companies paid users to sell their products. The community team tried to guide people away from the lure of fame with an "Explore" page, but users figured out that getting more followers meant building a potential career.

In interviews conducted by outside researchers, teenage Instagram users revealed that they maintained both public and private accounts. Even in junior high, kids were aware of their "personal brand" and measured their "relevance" on the basis of whether others followed their posts. A UK study found that Instagram was the "worst app for mental health for youth."

Instagram successfully competed directly with Snapchat.

Although Instagram tried to be artistic, the mainstream appeal of perfect influencers dominated, and that was bad for the company's growth. Rival Snapchat was ready. Since its posts disappeared, users did not need to pursue perfection. Employees pressed Systrom to create a similar capability. Initially he refused, but he changed his mind after seeing A-list celebrities he'd cultivated embrace Snapchat at the 2016 Academy

Awards. When he released Reels, Systrom pre-empted media criticism by acknowledging that Instagram had copied Snapchat Stories.

Instagram moved to its own office space outside the Facebook compound. Instagram had earned billions in revenue, beaten a competitor and removed the need for perfection in its posts. The Instagram staff felt “victorious,” but their autonomy proved short-lived.

By 2017, it became clear that the Russian Internet Research Agency had interfered with the US presidential election by creating fake accounts and gaming Facebook’s automatic advertising system. Since Facebook’s algorithms show users only the posts they demonstrate they want to see, 80,000 initial fake posts reached 126 million Americans. Instagram pushed similar posts to 20 million people. No one asked Systrom to testify before any government panel.

“The bigger Facebook got, the more it had the power to shape global politics.”

The media wrote about Systrom’s goal of an “internet utopia,” casting him as a “more thoughtful” executive. Zuckerberg’s Facebook, they said, was igniting a “polarization of society.” Increasingly, Zuckerberg saw Instagram as a competitor.

In Zuckerberg’s opinion, Instagram’s success posed a threat to Facebook.

Facebook analyzed whether Instagram was cannibalizing Facebook. The two leaders read the results differently. Zuckerberg saw a short-term threat to Facebook that would eventually erode its growth. Systrom believed Instagram wasn’t taking away from Facebook, but that the overall social media market was growing. People in the room wondered if Zuckerberg understood that he owned Instagram. At the end of the year, Zuckerberg had Systrom create a link to Facebook within Instagram. He then deleted the Instagram link on Facebook.

“Systrom was in a position with Facebook where every move was scrutinized.”

Now that Facebook reached two billion people, it appeared even more powerful. Then, in March 2017, newspapers reported that Facebook had known of a data leak years earlier and done nothing. Its stock price fell 9% after the Cambridge Analytica scandal. Facebook created an “integrity” team, but it reported to the vice president in charge of Facebook growth.

Instagram focused on creating positive interactions instead of eliminating negative behavior. Systrom worried that a successful new live-video capability would increase its problems. Facebook budgeted funds to find and remove “live-streamed violence,” but Zuckerberg denied Systrom similar resources. He and Krieger hired Adam Mosseri, a 10-year Facebook veteran, to negotiate for support within Facebook. The two heads of Instagram knew that if the problems with Zuckerberg continued, they’d need to have someone who was ready to replace them.

Zuckerberg took credit for Instagram's growth, then eliminated its access to the Facebook tools that had helped it grow.

Instagram hit a billion users in June 2018. On a call with Wall Street investors, Zuckerberg highlighted the way Facebook's infrastructure had helped Instagram hit this milestone in half the time it would have taken without those resources. As Instagram's revenue and user base growth outpaced Facebook's, Zuckerberg assigned an executive to list the Facebook tools that had helped Instagram grow. He then denied Instagram access to those tools, and its growth stopped. Systrom departed on leave – after Facebook deleted the links that generated new users for Instagram.

“Every time Instagram had...success, Zuckerberg seemed to kick them back in their place.”

The Instagram team continued to grow by adopting some of Facebook's plans, which it had fought against previously. The “well-being” team's efforts to clean up drug sales and posts that promoted suicide petered out without Facebook's resources. Instagram's values suffered. Systrom extended his leave. Before his return, he and Krieger had told Facebook executives they were leaving. Mosseri would take over, not as CEO, but as “head of Instagram.”

Even while providing more than 25% of Facebook, Inc.'s revenue in 2019, Instagram's user issues took a back seat to those of Facebook. With no “proactive detection,” illegal activity reappeared. If Facebook ignores Instagram's ideals as an artistic platform that rewards storytelling, its users will pay the cost of its acquisition.

About the Author

Bloomberg News reporter **Sarah Frier** has won numerous awards for her articles on the business processes and societal effects of Facebook, Instagram, Snapchat and Twitter.



Did you like this summary?
[Buy book or audiobook](#)
<http://getab.li/38849>