

# Instagram departures add to woes for Facebook

September 25 2018, by Rob Lever

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Instagram's Kevin Systrom, seen in a 2013 photo, said he and co-founder Mike Krieger are leaving Facebook, which acquired the photo-sharing application in 2012

The departure of Instagram co-founders Kevin Systrom and Mike Krieger adds to the woes of parent firm Facebook as it tries to repair its

image hurt by privacy scandals and curb manipulation and misinformation.

Instagram, created as a photo-sharing app and purchased by Facebook for \$1 billion, has been one of the fastest-growing segments of the California tech giant's "family" of applications and services, and is especially popular with the younger consumers.

With more than a billion users as of June, Instagram has also been a growing source of revenue, likely to bring in more than \$10 billion from advertising by 2019, according to the research firm eMarketer.

Systrom and Krieger gave no reason for their departure, but multiple reports suggested they were growing frictions between the founders and Facebook chief Mark Zuckerberg.

The news site TechCrunch said Systrom and Krieger believed Facebook was not living up to its pledge of allowing autonomy at Instagram when the app was acquired in 2012.

"We're planning on taking some time off to explore our curiosity and creativity again," Systrom said in a statement late Monday.

He later tweeted, "The @[instagram](#) journey is one I won't forget. It started by building simple products that solved universal problems. Now eight years we look back and are proud and grateful to have been part of that journey."

Zuckerberg said in his own statement: "Kevin and Mike are extraordinary product leaders and Instagram reflects their combined creative talents. I've learned a lot working with them for the past six years and have really enjoyed it."

## Questions on autonomy

Analysts noted that Instagram has been increasingly operated as a unit of Facebook as the social network grows, with Instagram becoming more appealing to teens and young adults.

"Instagram is the new Facebook, much more than it's the original Instagram," said a tweet from Benedict Evans, a venture investor with Andreessen Horowitz who blogs on the tech sector.



Reports said the departure of the Instagram founders came amid growing tensions with Facebook CEO Mark Zuckerberg, pictured here

System, now 34, created the app in 2010 with Krieger, now the outgoing "chief technical officer," when they were students at Stanford University in the heart of Silicon Valley.

System's fortune is valued at \$1.4 billion by Forbes.

Instagram in June unveiled a new long-form video feature in a bid to attract "creators" like those on YouTube, the latest in a series of features aimed at boosting engagement and competing with rivals such as Snapchat.

It became the fourth Facebook platform to eclipse the billion-user mark, including the namesake social network with more than two billion users, and the messaging applications WhatsApp and Messenger.

Facebook acquired Instagram in April 2012 for a combination of cash and stock worth some \$1 billion at the time.

Instagram has been a key part of the Facebook empire as younger users shun the original social network and move into different applications.

According to a Pew Research Center survey this year, 51 percent of US teens ages 13 to 17 use Facebook, compared with 72 percent for Instagram and 69 percent who are on Snapchat.

And eMarketer has estimated that Facebook would lose some two million US users under age 24 this year.

The departures come as Facebook grapples with the worst crisis in its history, vilified for not more zealously guarding the information that users share.

Facebook and other tech firms have been facing criticism from

President Donald Trump and his allies, accusing Silicon Valley of bias against conservatives and warning of regulatory action.

The Instagram founders are the latest high-profile executives to leave Facebook. WhatsApp co-founder Jan Koum earlier this year left Facebook, which had bought the smartphone messaging service for \$19 billion.

Also departing this year were chief security officer Alex Stamos and general counsel Colin Stretch.

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