

Instagram CEO testifies about competing with TikTok: 'You're either growing, or you're slowly dying'

When Adam Mosseri took over Meta-owned Instagram as CEO in 2018, the app was experiencing what he'd later call "concerning" drops and plateaus in user engagement, thanks partly to fierce competition from a new app: TikTok. Instagram estimated in 2019 that 23 percent of the decline in time spent on Instagram in the US was due to TikTok. Bytedance's video app kept expanding through the onset of the covid-19 pandemic. "We can't explain it all, but what's clear at this point is that we need to adapt, and do so quickly," Mosseri wrote to his team in March 2020. Instagram needed to recover, he testified Thursday in a DC courtroom, because "you're either growing, or you're slowly dying."

Mosseri described the dire situation while testifying in the Federal Trade Commission's antitrust trial against Meta, where the government alleges the company illegally monopolized the market for personal social networking services, a category that it says includes Snapchat but not more entertainment-focused apps like YouTube or TikTok. Mosseri's testimony highlighted how much Instagram sees itself as in competition with TikTok, but it also showed that even as entertainment content becomes a larger portion of its offerings, connecting with friends is still a central part of its service – meaning it may still be a relevant market for the court to find it monopolizes.

Since his March 2020 warning, Instagram has seen more success, thanks in part to improved AI recommendations for Reels. But TikTok still represents “the fiercest competition that we have faced.” As Instagram has sought to compete more effectively with TikTok in building out Reels, TikTok has become more similar to Instagram, Mosseri testified. While he used to consider TikTok a more of “lean-back experiences” where users passively watch videos, he now sees it as “every bit as participatory as we are at this point.” TikTok is actively trying to engage users’ connections with their friends, he testified, noting it’s rolled out a feed to watch friends’ videos. (A TikTok executive testified earlier in the trial that only 1 percent of videos watched on the platform are through that tab.)

Meta has emphasized throughout the trial that connecting with friends and family has become a smaller part of its business in the face of competitive pressures. But Mosseri’s testimony highlighted that helping users engage with their friends is still a core use case for Instagram today, and a way it sees itself being differentiated from rivals. Mosseri said in a 2024 video on his own Instagram account that the reason the app wouldn’t expand into long-form video was because it wasn’t as conducive to sharing with friends. “I still think friends are an important part of the experience,” he testified, though he also shared that as the app has grown overall, “the percentage of the app spent on friend content has gone down.”

“Instagram will always need to focus on friends,” Zuckerberg wrote in a 2018 email to Mosseri. Even as it grows to include more entertainment, he added, it “can never exclusively be for public figures or it will cease to be a social product.”

Mosseri also bridged the gap between earlier testimony from Zuckerberg, who testified about all the ways Facebook helped Instagram grow, and Instagram co-founder and former CEO Kevin Systrom, who testified that eventually, Zuckerberg pulled back resources from Instagram in favor of Facebook. Mosseri took

over as CEO when Systrom left in 2018, and he gave a third perspective on the key question of whether Meta helped grow Instagram in ways it couldn't have otherwise, or whether it bought it to squash a nascent competitor and later deprive it of resources.

Mosseri came over to Instagram from a role at Meta, so he was familiar with the cultures and gripes in both organizations. "As a new member of the Instagram team and a previous member of the Facebook team, I sat right in the middle of it," he testified. Mosseri observed that in some ways, Instagram had "drifted culturally a bit too far apart in my opinion. We used to refer to Instagram as its own company, and it's not." He could see why Instagram's founders were upset with some of the changes Facebook made to reduce promotion of Instagram from Facebook, but he saw both sides. "I disagreed with some of the changes personally, but I also thought they were being made more of than they needed to be."

Ultimately, Mosseri testified, Facebook's decision to buy Instagram could go down as □□"one of the best acquisitions of all time." Instagram got to access Facebook's resources and experience, and Facebook got to access the Instagram founders' unique talent for coming up with innovative products – something Meta would need to stay ahead of competition in years to come. Both companies, he said, "benefited greatly."

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