

Should advertisers spend on Twitter in 2023?

Article

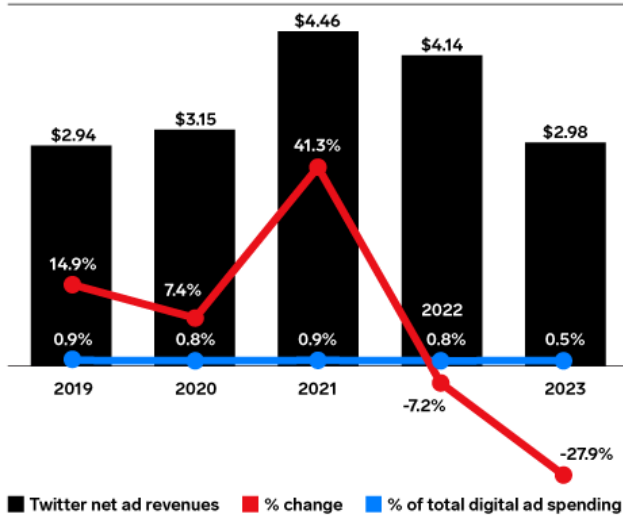
Amazon and Apple are two major advertisers that have reportedly started spending again on Twitter, but many big agencies still haven't advised clients to end their pause. We expect Twitter's worldwide ad revenues to plummet by 27.9% this year as advertisers continue to pull back spending.

- **Twitter's ad business will shrink to roughly its 2019 size this year.** Spending by Twitter's top 10 advertisers—such as Amazon, IBM, and Coca-Cola—plummeted by 89% from \$71 million in September–October 2022 to just \$7.1 million in February–March 2023, per Sensor Tower.

Without many of its big brand commitments, Twitter will continue to see its ad revenues decline. Brand advertising has historically accounted for 85% of Twitter’s ad revenues, per company earnings.

- **Consumer attitudes are mixed.** More than half (53%) of US adults in a November 2022 Gartner survey said brands should either stop or reduce advertising on Twitter. True, many consumers would welcome fewer ads on any social platform, and public perception changes rapidly. But the risk of alienating or angering a large audience still may not be worth the reward.
- **Many brand advertisers won’t return to their pre-Musk spending levels this year.** Twitter was never an essential part of most advertising strategies, and the platform’s content moderation and ad performance issues predate Musk. As budgets remain tight, there’s little reason for brands to resume spending on the platform. Small advertisers are filling up some of the spots for now, but their spending is contingent on prices remaining low.

Twitter Net Ad Revenues Worldwide, 2019-2023
billions, % change, and % of total digital ad spending



Note: paid advertising only; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes payments to influencers or other creators to produce sponsored content; includes branded content amplified as paid media
Source: eMarketer, March 2023

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For more on our latest forecast for Twitter’s ad revenues and what it means for the future of Twitter, PRO subscribers can read our latest report: “Twitter Six Months After Musk: Is It a Viable Platform for Brands and Advertisers, and What Happens Next?”

Report by Jasmine Enberg Apr 10, 2023

Twitter 6 Months After Musk

