

# Social executives speak about their ad businesses ahead of Q2 2024 earnings

Article

**The news:** EMARKETER spoke with executives from **Meta**, **Snap**, and **Pinterest** about the state of their businesses and the broader advertising landscape.

The interviews took place at Cannes Lions, which serves as a dealmaking hub between top advertisers and platforms. Those discussions often mirror and set the tone of the ad industry.

**Why it matters:** All three companies are expected to report second-quarter earnings this month.

For context, we expect Meta to account for 22.8% of worldwide digital ad spending in 2024, compared with 0.6% for Snapchat and 0.5% for Pinterest.

**Performance is key:** Comments from executives highlighted the increased pressure from advertisers to show results.

- “It’s all about performance,” said **Patrick Harris**, president at Snap. “It’s about proving that you can drive real business outcomes, whether that’s for a large CPG company, gaming company, or anything in between.”
- “We’re in the outcomes business,” said **Alvin Bowles**, vice president for Global Business Solutions–Americas at Meta. At Cannes Lions, Meta also released a study based on over 1 million ad campaigns from US advertisers, which showed that every dollar spent on Meta ads generates \$3.71 in revenues.
- “We have been investing heavily in driving more sales actionability for advertisers, driving better performance, and shifting into being a truly viable lower funnel platform,” said **Bill Watkins**, CRO at Pinterest.

**Diversification is top-of-mind:** Meta tread carefully around the question of competitors and **Threads** monetization, while Pinterest and Snap noted a need to move from the consideration set to a must-buy for advertisers.

- “I don’t think there’s a single CMO or head of agency saying that they want to consolidate more spending with just two or three players in the industry,” said Snap’s Harris. “While we were pleased with Q1, we feel like we have a lot more work to do to continue to reposition the company and remind people why we’re a great alternative.”
- “Some of our largest clients are our competitors but also our collaborators,” said Bowles. “I think about **Google** and **TikTok**, for sure, but also all the entertainment entities and **Amazon**.” He added that “everybody [has] asked about Threads” but declined to give a timeline for introducing ads on that platform.

- “Our unique differentiation is that Pinterest is a positive inspiring place where people come to discover new ideas, but the commercial intent of our users is so high,” said Watkins. “Now, we've just gotten a heck of a lot better at making Pinterest more actionable and shoppable.”

**Gen Z remains in focus:** Executives offered varied comments on where their user growth is coming from, reflecting their respective strength or weakness among young people.

- “Our platform is aging down,” said Pinterest’s Watkins. “Gen Z is now our largest and fastest-growing cohort.” We expect the number of US Gen Z Pinterest users to rise by 9.7% YoY in 2024, while the number of millennial, Gen X and baby boomer users will be stagnant or fall.
- “The reality is that we’re aging up,” said Snap’s Harris. “The 17-year-old who joined the platform 13 years ago is now 30 and at a different life stage.” We expect 70.3% of US Gen Zers to use Snapchat this year, however, we also expect YoY declines or stagnation in monthly usage among older US generations in 2024.
- “It’s actually a misnomer that young people aren’t on the Big Blue app,” said Meta’s Bowles, referring to **Facebook**. We expect roughly half (49.0%) of US Gen Zers to use Facebook monthly. The caveat is that they are spending more time elsewhere. The good news is that it includes **Instagram**, which will be used by 73.4% of US Gen Zers this year.

**The big picture:** Advertiser momentum has remained good since Q1 2024, when all three companies reported strong topline ad revenue growth.

The overall advertiser mood at Cannes revolved around getting down to business. That’s a good signal for social platforms’ Q2 earnings, especially as social media continues to play a bigger role in marketing strategies.

## Digital Ad Revenue Share, by Company

Worldwide, 2024, % of total

Meta (2)

22.8%

TikTok

3.3%

LinkedIn (3)

1.1%

Snapchat

0.6%

Pinterest

0.5%

X (formerly Twitter)

0.3%

Reddit (4)

0.1%

Note: 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; (1) includes ad revenue from Alibaba's core commerce operations and Youku Tudou; (2) includes Facebook and Instagram advertising revenues; (3) data for 2016-2021 is included under ad revenue for Microsoft; (4) excludes non-advertising revenues (e.g. Reddit Premium, Reddit Coins); (5) includes ad revenues for AOL and Millennial Media; data for 2017-2021 includes ad revenue from Yahoo

Source: EMARKETER Forecast, March 2024

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