

Bluesky CEO says advertising isn't off the table

Article

The news: Bluesky CEO Jay Graber said at a TechCrunch event last week that **the platform isn't ruling out advertising** as it mulls different revenue streams. Graber's statements come after the social media platform picked up [millions of new members](#) after the US election, elevating it from a somewhat obscure platform to an emerging competitor to **X** and **Threads**.

- “We can't enshittify the network with ads,” Graber said in February; She remained consistent in her concerns at her TechCrunch appearance, saying that ads could possibly appear in search results rather than in users' feeds.
- Other possible revenue streams mentioned were a marketplace of customized algorithms and subscriptions.
- **AI licensing deals are off the table**, according to Graber, differentiating Bluesky from platforms like **Reddit** that have signed lucrative deals with AI firms.

Learning from mistakes: Though Bluesky has a far smaller user base than X and Threads, its recent surge has turned it into a platform of interest for investors and advertisers. Founded by former Twitter founder **Jack Dorsey**, Bluesky will have to learn from X/Twitter's missteps to successfully implement advertising.

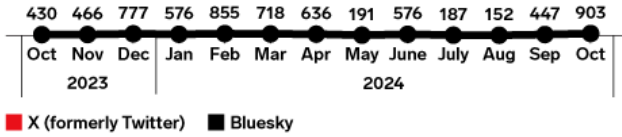
- Even before **Elon Musk** took over X, the former Twitter struggled to meaningfully drive revenues from advertising, suggesting that text-based social media wasn't stimulating advertiser interest.
- Early feedback from major publishers on Bluesky hints at the platform's potential, though. Several publishers including The Boston Globe and The New York Times have said [the platform creates more referral traffic than X](#).

Our take: Bluesky's open protocol model allows users to access content from different social platforms [across the “fediverse,”](#) making it difficult to integrate in-feed advertising. While that prevents Bluesky from tapping into a straightforward ad format, it also opens the platform up to explore other opportunities.

- Still, there is major competition from Threads and X, both of which have userbases many times larger than Bluesky's. Threads also allows advertisers to tap into **Meta's** vast troves of data from Instagram and Facebook, making it an enticing platform for marketers looking to get maximum value from their budgets.
- While referral traffic and a user surge look promising for Bluesky, investor pressure will force it to increase revenues eventually. The platform must find a way to capitalize on its engagement with unique ad formats to stand out in a crowded field.

US Unique Visitors to X (formerly Twitter) and Bluesky, Oct 2023-Oct 2024

thousands



Note: desktop ages 2+; total mobile ages 18+
 Source: Comscore Media Metrix Multi-Platform, "Bluesky Social (Mobile app), X (formerly Twitter), Total Digital Population, Oct 2023-Oct 2024, U.S.," Nov 22, 2024

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