

Instagram Threads won't have to worry about Twitter's years of advertising pain

Article

The news: With more than [10 million sign-ups](#) in the first few hours after launching, **Meta** has proven that there's significant user interest in its **Twitter** competitor **Threads**. Now comes the

next challenge: proving to advertisers that it isn't victim to the same advertising woes that plagued Twitter even years before **Elon Musk** took over the company.

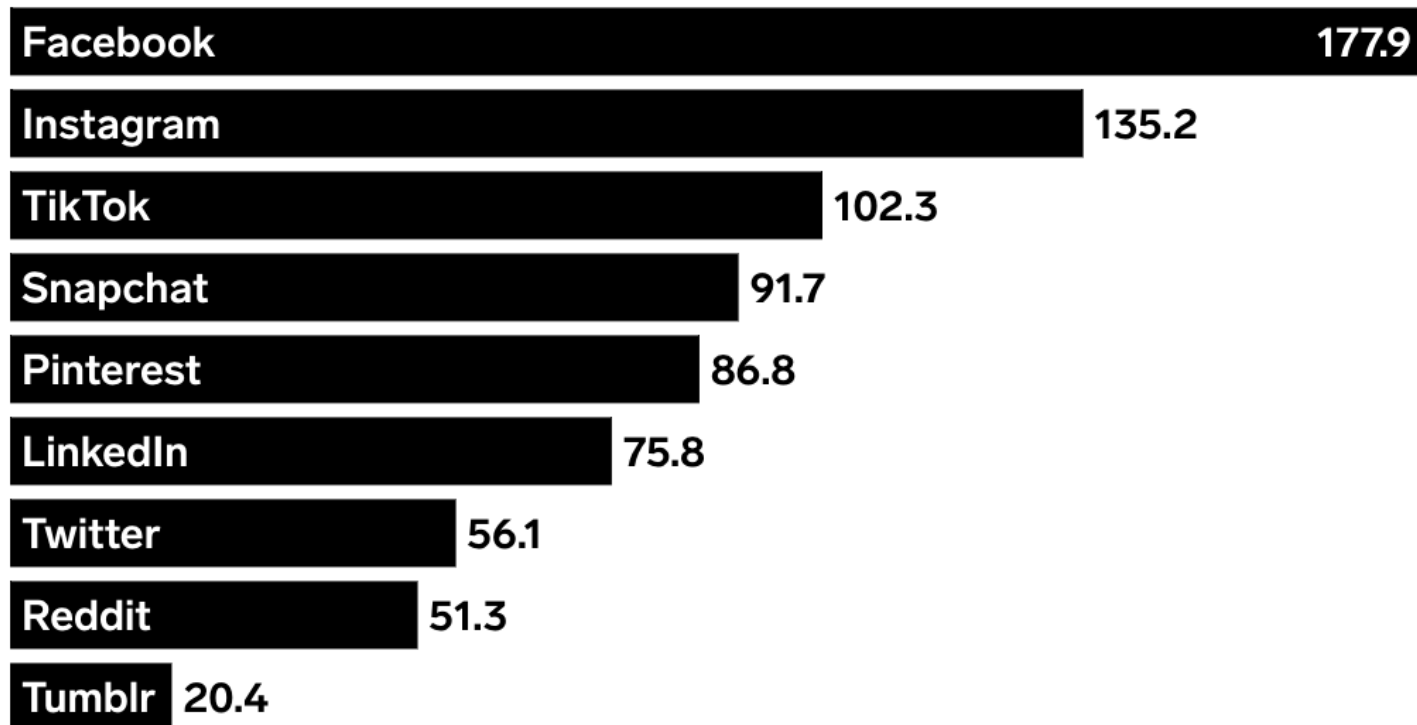
Repeating the past: Visually, Threads sure looks a lot like Twitter—and just about every other Twitter copycat on the market. Advertisers can't buy space on the platform just yet, but Meta will have to prove that it can provide a different advertising experience than Twitter.

- It's worth remembering that Twitter's ad business was in trouble long before [Musk sent it careening](#) back down to its 2019 figures. In 2021, the company owned just 3.9% of total US social media ad spending—just above **Pinterest** at 3.2%.
- In the time since, it's gotten worse. Its share shrunk to 3.6% in 2022, 2.5% this year, and will drop to just 1.8% by 2025, according to [our forecast](#). That consistently low share shows that, despite its social and political import, Twitter struggled to break out of a third tier of social platforms when it came to advertising spending.
- Old Twitter aside, it's simply a rough time for social media ad spending. After nearly two decades of booming growth, [spending will reach its slowest pace](#) in more than a decade this year, though Meta's scale makes it an outlier.

Social Network Users, by Platform

US, 2023

Millions



Note: internet users of any age who use social networks via any device at least once per month

Source: Insider Intelligence | eMarketer, May 2023

eMarketer | [InsiderIntelligence.com](https://www.insiderintelligence.com)

The differentiators: The obvious advantage Meta has over Twitter is that Threads is linked to the largest social media and advertising ecosystem in the world. **Facebook** and **Instagram** boast over **3.5 billion users worldwide**, according to our [May forecast](#).

- That enormous size has given Meta an outsized share of the advertising market, allowing it to weather controversy after controversy and [earth-shifting changes](#) like

App Tracking Transparency—even if its [relationships with advertisers](#) can be rocky.

- Tying Threads to Instagram, the platform in its ecosystem that is most popular with sought-after young users, was a brilliant stroke (but also slightly skeezy—deleting a Threads account means deleting your Instagram profile, too.) If Meta never turns on advertising on Threads, the user data it scrapes can still be valuable for serving ads back on Instagram.
- Still, Meta has its own unique obstacles to overcome. Data privacy concerns have plagued the debut of Threads, and Meta was unable to launch the platform simultaneously in Europe and the US due to a clash with the **Digital Markets Act**.

Our take: Threads could be the Twitter-killer that platforms like **BlueSky** and **Mastodon** have failed to become. Meta's ecosystem gives it a hefty cushion to fall back on and a unique advertising angle that its predecessor never had.