

Threads is a new front in Meta's Gen Z fight against TikTok

Article

The news: **Threads** celebrated its one-month birthday on Saturday, but a dropoff in usage since its launch is raising questions about **Meta's** ability to grow and monetize the app.

- **Threads has lost half** of its more than 100 million users, CEO Mark Zuckerberg revealed in a recent internal town hall.

- Zuckerberg has also said Meta won't [monetize Threads](#) until the app is on "a clear path to 1 billion users."

Be smart: Meta doesn't need Threads to be another 1-billion-plus-user app or a money-making machine. It already has **Facebook** and **Instagram**. What Meta needs is an avenue into the cultural zeitgeist—and Threads could be just that.

TikTok, not Twitter/X, is Meta's biggest threat: TikTok is where most major internet trends now originate. While Reels is already a strong contender to TikTok in terms of usage and advertising, it hasn't been able to compete on the internet culture front, especially among Gen Zers.

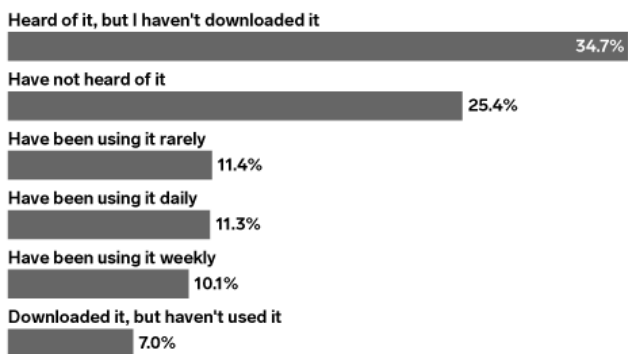
- Reels has an **annual run rate of more than \$10 billion** across Meta's apps, per the company's Q2 earnings call. That's slightly more than the **\$9.89 billion we expect TikTok generated** in worldwide ad revenues last year.
- Reels usage still lags behind TikTok, but it has a long runway for growth. And the **200 billion daily Reels plays** on Instagram and Facebook that Meta reported for Q2 are a strong sign that the feature continues to gain momentum.
- But Reels remains a place primarily for millennials and older generations to watch repurposed TikToks—or it's at least perceived that way by Gen Z. And a lot of original Reels content plays on trends started on TikTok.

The catch: Gen Zers aren't sold on Threads or text-based social media, according to our new "US Gen Z social media survey." And Threads needs buy-in from Gen Z to carve out a place in the center of the internet.

- **More than two-thirds (67.1%) of US Gen Zers didn't use Threads** as of July 25, per the survey. Among the youngest users in our sample (ages 15–17), the number of non-Threads users rose to 76.0%.
- Just 22.2% of Gen Zers who had downloaded Threads said they did so because they "liked reading or writing text posts." That share dropped to 10.2% among 15- to 17-year-olds. The top reason for downloading? "It looked fun," cited by 40.1% of respondents.

Most US Gen Zers Have Heard of Threads, but Few Use It Regularly, July 2023

% of respondents



Note: n=1,005 ages 15-26

Source: Insider Intelligence | eMarketer, "US Gen Z social media survey 2023," Aug 2023

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Insider Intelligence | eMarketer

The big picture: The hype around Threads has died down, but Meta still has the time, resources, and execution strategy to build and eventually monetize Threads.

- The platform was built by a small team on a tight timeline, per Meta, which helps explain the lack of basic functionalities at launch. But Meta has already rolled out new features, like a chronological feed.

The real test will be whether Meta can turn Threads into a place where trends and culture happen, like Twitter was before TikTok. Meta will have to strike a fine balance between what appeals to Gen Z (read: less text, more video), while still crafting a unique identity beyond Instagram—and without borrowing too much from TikTok.

Go further: For more on Threads vs. TikTok, read our July report "[Threads is Here: It's Already a Twitter Rival—Now Meta Must Keep Users Engaged.](#)"