

# Threads' user engagement decline could spell trouble for advertising potential

Article

**The news:** Meta's new social media app, **Threads**, experienced an initial surge in user sign-ups, reaching 100 million in five days. However, user engagement has since plummeted, with

analytics data from Sensor Tower and Similarweb indicating **significant drops in daily active users and time spent** on the app.

- Threads struggled to maintain daily active users after a burst of sign-ups. Sensor Tower data revealed a 20% drop in daily active users and a 50% decline in time spent on the app one week post-launch. Similarweb reported a 25% drop in daily active users and a more than 50% decrease in app usage time.
- The situation is complicated by EU data protection laws: Since Threads [may violate](#) those regulations, it can't launch in that region and has confirmed it is deliberately blocking access to users trying to access the app through a VPN.

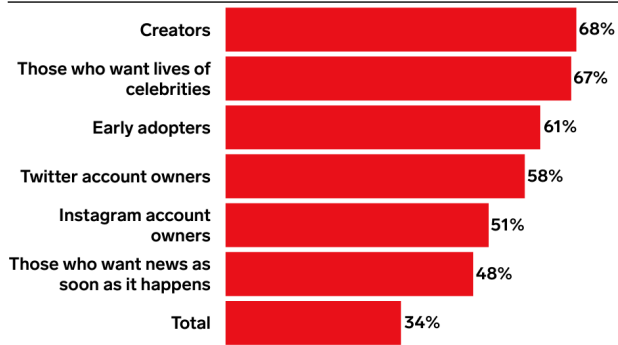
**The significance:** This change in user behavior emphasizes the difficulties new platforms face in retaining interest once the initial curiosity subsides. Threads faces a challenging journey to become an integral part of users' social media habits—which Meta needs if it's going to turn its new app into its latest advertising platform.

**The analysis:** Threads' drop-off is a familiar story for new platforms. This trend can be attributed to the ease of sign-ups, much like offering a \$10 Starbucks gift card for newsletter subscriptions. Initial uptake may be high, but genuine, long-term interest could be lacking, leading to an inevitable drop-off. This highlights the critical challenge of user retention in the fast-paced world of social media.

- Despite this drop-off, Threads could pose a significant threat to **Twitter** as the app matures and adds features like hashtags and topical search.
- Even in its early days, Threads seems to have lured some engagement from Twitter, with a 5% decrease in Twitter's web traffic during Threads' initial peak activity period, per Similarweb. That reduction in traffic could cost Twitter **nearly \$75 million** in worldwide advertising revenues this year and **\$140 million in 2024**, based on [our latest forecast](#).
- Backed by **Instagram** and Meta, Threads should not be dismissed prematurely. Its immediate future hinges on offering users a compelling value proposition, improving its features, and differentiating itself from platforms like Twitter.

## US Adults Who Are Most Likely to Try Threads in the Next Few Weeks, July 2023

% of respondents



Note: ages 18+; "very likely" or "somewhat likely"

Source: Ipsos, July 10, 2023

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