


Amazon increases X ad spending as Musk's political capital grows

Article



The news: Amazon is planning to significantly increase ad spending on X (formerly Twitter), per Wall Street Journal reporting, a dramatic reversal from when the company pulled nearly all ad spending in 2024. CEO **Andy Jassy** was reportedly involved in the decision.

Amazon isn't the only tech company looking at X with new eyes: **Apple** is also reportedly considering re-upping spending.

Why the return? Despite the [launch of a new video tab](#) and other initiatives, X's revenues remain unimpressive. But as Musk becomes an influential figure in the **Trump** administration, companies that faced regulatory pressure under the **Biden** administration are attempting to improve their relationship with the world's richest man.

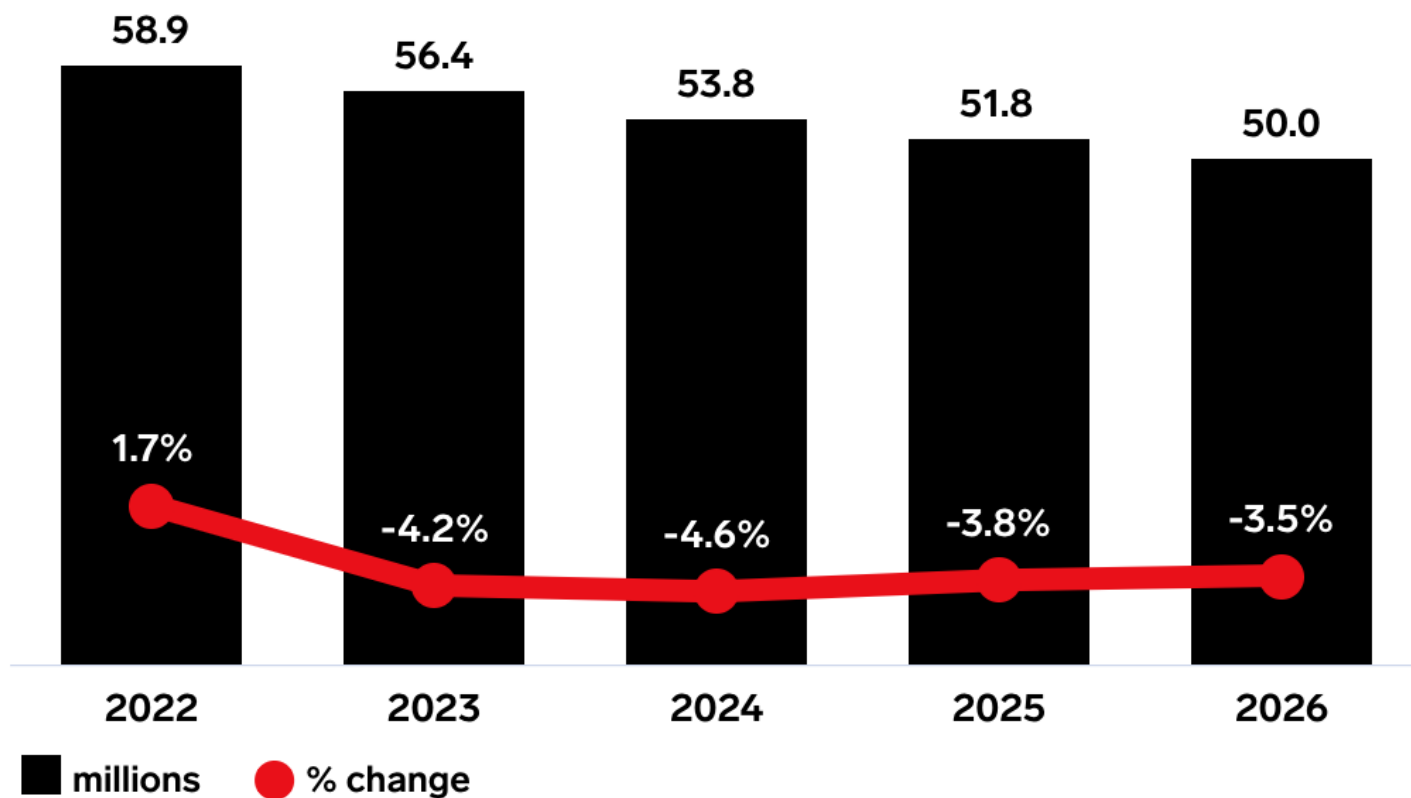
- “Unimpressive” is Musk’s own wording: The Journal reported he sent a memo to X staff claiming “user growth is stagnant, revenue is unimpressive, and we’re barely breaking even.” Our own forecast shows X’s US ad revenues continuing to slide this year, [falling 4.2% to \\$1.05 billion](#).
- But [political favor may provide a bigger ROI than impressions](#) for some companies looking to make significant moves in the next four years or clear regulatory hurdles. Other major advertisers that are returning to X include **Disney, IBM, Comcast, and Warner Bros. Discovery**.
- Amazon’s return is especially noteworthy given the company’s existing size and influence; if even one of the largest companies in the world feels the need to improve its relationship with Musk, others are likely to follow suit.

Our take: Even before Musk’s takeover, Twitter/X had significant problems increasing its advertising revenues and standing out in the crowded social media field. Ad revenues have fallen further under Musk’s ownership, but political changes are giving X a boost.

Other similar platforms are getting extra attention: **Bluesky** saw a strong surge in sign-ups last year and [is mulling advertising](#), while **Meta** claims that **Threads** is [attracting 1 million new users per day](#).

X (formerly Twitter) Users

US, 2022-2026



Note: internet users of any age who access their X account via any device at least once per month

Source: EMARKETER Forecast, May 2024