

X unlikely to win back advertisers before holiday season

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Elon Musk picked Linda Yaccarino to be chief executive officer of X, the company formerly known as Twitter, with hope that the former NBCUniversal executive would convince advertisers who had stopped spending on the site to return. But so far, many major brands are

remaining on the sidelines, and have already planned to deploy their budgets elsewhere during the holiday season—historically the most lucrative period for ad revenue.

The social media site has been scrambling to win back advertisers who fled after Musk's chaotic takeover and controversial policy changes, taking more than half the company's annual revenue with them. But Yaccarino has run out of time to achieve the turnaround this year, according to multiple advertisers in charge of major brand spending.

Marketers normally lock in their holiday budgets by August, said Natasha Blumenkron, vice president of paid social at Tinuiti, a marketing firm. The last three months of the year have historically been X's biggest revenue driver. "It would take a big change and a big reason to believe for us to recommend that our advertisers are shifting budgets back there," she said. None of Tinuiti's advertisers plan to buy ads on X during the holidays and instead are increasing spending on Facebook, Instagram, TikTok and even Snapchat.

Twitter "was a part of every plan," said Jason Harris, CEO of ad agency Mekanism, which works with clients including Alaska Airlines, Charles Schwab and Dropbox. "Now brands, our clients, are pivoting away from it more towards stable platforms like TikTok or Reels or even YouTube Shorts," he said.

A representative for one large advertising agency, who declined to be named discussing internal metrics, estimates their spending on X is down by more than 60% from a year earlier.

X didn't respond to a request for comment.

The company has been offering deals and incentives to try and draw back advertisers, but the enticements don't solve the biggest concern

some of the marketers have with the platform: its reputation for being more permissive of harmful, abusive or racist posts since Musk's takeover. Multiple ad agency representatives said they still have clients that have not returned to X because of concerns about such content appearing near their promotions.

"I believe few—if any—advertisers are actively considering investing more in advertising on Twitter," said Lou Paskalis, chief strategy officer at Ad Fontes Media. "Even if they are, it would be at levels much lower than what they spent previously."

X also announced a series of moves in recent weeks that have irked advertisers, such as retiring popular types of ads and planning to remove the feature that lets users block others. Nearly a year into Musk's tenure, advertisers are no longer surprised by his capacity for quick changes, and have become accustomed to having conversations about how to react, said Steve Susi, director of brand communication at Siegel & Gale. "The notion of pivoting budgets away from Twitter is already familiar within those advertisers' media rooms," he said.

Soon after Musk's takeover, some advertising agencies, such as WPP, IPG and Omnicom, advised clients to pause or consider suspending their ads on the site. Then, when Yaccarino was appointed CEO at X in May, several advertisers said they would consider spending on the platform again. They hoped Yaccarino would help bring a sense of stability to X, clean up the content on the site, repair relationships with agencies and act as the de facto adult in the room.

X has added tools to improve brands' control over where their ads appear, while mending a few relationships since Yaccarino joined, agencies say. But months into her appointment, some agencies say the optimism has faded.

"I think everyone was pretty excited when she got hired. I think there was kind of a glimmer of hope," Harris said. "I don't know if the optimism is over but I think it's definitely been penetrated pretty badly. And it's really bad for her brand, because it really looks like she doesn't have power," he said. Yaccarino's cheery posts on the site—in contrast to Musk's bursts of anger or attacks on his critics—have sometimes added to that perception.

Some executives overseeing paid [social media](#) at advertising agencies said they had not heard from Yaccarino yet. They also felt her absence at this year's Cannes Lions festival, a major industry event. Yaccarino's contract with NBCUniversal initially prevented her from working on deals that would conflict with her former employer, the New York Times reported. Yaccarino has been speaking with some brands and companies directly since she took over, including talent agencies CAA and UTA, along with Walt Disney Co., the Financial Times reported. Yaccarino is also having informal conversations with ad agency executives she knows personally.

On Thursday, Yaccarino announced that X was adding new members to its sales and agency teams, employees who would work directly with advertisers. When Musk lost or fired 75% of X's staff, employees who had strong relationships with advertisers were heavily impacted, leaving many agencies without points of contact.

But [ad revenue](#) hasn't recovered, and is still down 60%, Musk acknowledged earlier this month, without citing a specific time period. "Overall, working with X has not really changed too much since her coming on," said Stephen Brandow, vice president of paid social at Mediahub, which has worked with clients such as the NBA, Lyft and JetBlue, and still has some that advertise on X. But "we can imagine that she's sort of coming into that role and probably takes a little while to onboard."

But others say it doesn't matter. X is no longer relevant or worth the trouble, said Marc Beckham, CEO of DMA United, which has worked with clients such as Pepsi, Tom Ford and Warner Bros. "It's not really an area where we've been encouraging our clients to go."

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