

Apple, Disney and other big brands are pulling X ads—why Elon Musk's latest 'firestorm' could bring down the company

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Elon Musk's recent [endorsement of an antisemitic conspiracy theory](#) on X (formerly Twitter) is the latest in [a series of controversial statements](#) the owner of the social media platform has made since he acquired it in

2022. Major brands, including Disney, Apple, and Microsoft, have decided to pause or suspend their advertising spending on X in recent weeks.

Musk apologized for his post but then used profane language [during an interview](#) with New York Times reporter Andrew Ross Sorkin to challenge the advertisers' decision to suspend their advertising on the platform. He accused them of blackmail, prompting more companies, including [US retail giant Walmart](#), to announce X ad suspensions.

X [chief executive](#), Linda Yaccarino, has addressed the controversy, pointing out that Musk apologized wide-ranging. She also called his interview "wide ranging and candid" [in a post](#), and reportedly [told employees in a memo](#) that it was "profound".

Some brands have been gradually withdrawing their presence from X over the past year anyway. Companies have also acted after a [recent report](#) from left-wing advocacy group Media Matters for America said ads on X for [brands like IBM](#) have been appearing beside pro-Nazi content. X has [filed a lawsuit](#) against Media Matters, saying the report was "manufactured" in order to "drive advertisers from the platform and destroy X Corp". But the most recent advertising freezes are particularly harmful to the platform's revenues because they unfold during months of the year when it typically sees [increased spending](#) on holiday promotional content.

When a controversial event, statement or issue gains significant attention and triggers a large number of people to express their opinions and criticisms on social media, [researchers](#) call it an online firestorm. This creates virality around a topic, causing real-world implications. For example, in this study of 78 "online firestorms", 58% of companies involved saw a decrease in short-term brand perceptions, while 40% suffered similar long-term negative effects. But the impact of an online

firestorm can vary widely, so what could X expect to happen after this latest controversy?

Musk's behavior affects advertisers and users

From a commercial standpoint, negative perceptions of Musk's controversial posts about social and business topics could spill over to affect brands that continue to advertise on X—they may even be seen by consumers as supporting his stance, for example.

Consumers often expect brands to take a stand on divisive topics (although [less so in recent years](#)). Failure to do so [may encourage people](#) to stop using a brand or buying their products.

X's [global audience](#) is dominated by users aged between 25 and 49 years old, the age group with the most disposable income per household in many countries, including [the UK](#) and [US](#). So, for businesses that maintain an active presence on X, Musk's statements could be detrimental.

And from a social perspective, of course, Musk's behavior may involuntarily fuel the spread of hateful content and disinformation. Social media platforms and regulators have implemented measures to attempt to combat such content, including [a clear policy on hateful conduct](#) on X. However, Musk's recent outburst, alongside continued contention around content moderation decisions, has set a precedent that could redefine what is deemed acceptable on the platform.

This shift poses the risk of a surge in incendiary and hateful content contrary to the platform's established policies. Exposure to such content has well documented [repercussions](#), including causing [mental and emotional distress](#).

Such distress can encourage people to disengage from [social media platforms](#). And for those that don't leave, a public figure's endorsement of false or untrue information can fuel the spread of disinformation on [social media](#). The [repercussions](#) of this are far-reaching, including exacerbating social divisions, causing reputational harm, and undermining public safety.

Managing online firestorms

This situation highlights the responsibility that comes with an influential position such as Musk's in navigating the delicate balance between free expression and responsible communication online.

If X did want to regain some of its lost footing around this issue, [research shows](#) that managing online firestorms can be challenging, but there are ways to mitigate the worst effects:

- 1. Respond in a timely way:** Addressing the issue promptly is vital. A delayed response can aggravate the situation and make it more difficult to regain control of the narrative.
- 2. Be transparent:** Transparency and honesty can help build trust and credibility. Offering an explanation of the steps being taken to rectify the situation could improve internet users' attitudes towards the platform, organization or person involved in the firestorm.
- 3. Engage positively:** Engaging with audiences should be done in a positive and empathetic manner. Responding defensively or disengaging from a firestorm may only escalate the situation. Instead, focusing on finding common ground and solutions, or offering an apology if appropriate is preferable.

Rather than taking these steps, once advertisers started withdrawing

from X, Musk [placed the blame](#) on their shoulders. He even suggested their actions pose a severe threat to the platform's survival. But Musk's penchant for controversial behavior and outspoken remarks on sensitive social, political and business topics is surely more likely to cause both advertisers and users to continue to depart X, leading to the platform's demise.

The ongoing tension certainly raises questions about the platform's future and the role of its high-profile owner in shaping its destiny.

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