

Background

Recently Twitter’s sales team have pitched multiple new features in an effort to drum up some positive vibes and momentum, not to mention its flagging stock price, which has suffered due to concerns over a slow user growth rate. The most noteworthy of these new features is the announcement that it plans to monetize the millions of individuals who are exposed to tweets appearing on other publishers’ apps and websites. In a move resembling Google’s AdSense and other company’s efforts to monetize “off-site”, Twitter intends to sell ads against these tweets, splitting the revenue with the publishers.

Details and Implications

The above announcement isn’t a surprise, given Twitter’s previous announcement at its Inaugural Analyst Day last November. During this conference the social platform claimed that each month 500 million visitors across the Web see its content in a far reaching range of publications and destinations. This “broader reach” claim is further supported by extrapolating several data points, including the fact that Twitter currently handles over 1.6 billion search queries per day and in 2013 it was one of the ten most visited Web sites worldwide. Nonetheless, Twitter technically only reports 284m registered monthly active users, making Twitter’s total reach impossible to quantify. As the exact composition of these 500m “tweet-viewers” across the web is indeterminable, as it seemingly contains an amalgamation of unregistered and registered users.

Therefore, the need to provide continuous and sustainable growth highlights the inevitability behind this move, as does the need to make more money from the vast number of users that are technically receiving tweet updates from alternative sources. The fact that publishers will also directly benefit, makes this development arguably a win-win situation for all involved.

Whilst presently it isn’t clear exactly which publishers are on board, both ESPN’s SportsCenter app and the news sharing app Flipboard have both been referenced by Twitter in recent weeks.

Summary/ POV

The proposed updates by Twitter show that they are seeking new ways to find growth. It’s also a potentially positive move for the advertising industry, which is increasingly moving towards exchanges and programmatic solutions in a drive to find exact audiences, greater efficiencies, and substantial scale amongst a vast array of publishers and applications. In short, if Twitter can move just a “PR and Events” advertising vehicle to a broader reach opportunity across a broader portfolio of media inventory, it may be able to pull off the same re-positioning that Facebook has successfully completed over the last year. The reinvention of the social network continues unabated.