



Twitter (TWTR) 2019 Q3 Earnings Summary

October 2019

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Twitter Recently Experienced Tech Issues That Limited Their Utilization Of User Data For Ad Targeting

AD TECH ISSUES

- **Discovered and took steps to remediate bugs that primarily affected their legacy Mobile Application Promotion product**
 - Personalization and data settings were not operating as expected and impacted their ability to target ads and share data with partners
 - Although they are working on remediation, there isn't remediation yet in place, and so the effects of that will continue into Q4
- **Have found bugs in their ad stack before, and the most important thing is building agility so they can move fast to fix them**
 - Biggest impact on resources is that people are spending their time on remediation when it would have better to work on other things

USERS

- **Product improvements compound over time so new users benefit from all the work that they have done over the last few years**
 - Half of the 19 million daily customers they have added since the fourth quarter of 2018 can be attributed to the steady refinement of the platform
 - Saw real breadth in terms of user growth, and grew DAU double-digits in all 10 of their top 10 markets
- **Believe Twitter works best when people see it more as an interest network and are able to quickly find and follow their interests**
 - Pace of innovation has improved and continuing to drive better relevance, whether it's around notification, the home timeline or onboarding

ADVERTISING

- **Core value propositions of launching something new and connecting with what's happening are resonating with advertisers**
 - Have a nice business helping smaller advertisers reach their customers, but it's not an area where they have prioritized improvements
- **There's lots of opportunity to improve relevance, come out with better ad formats and improve versions of existing ad formats**
 - If people realize their objectives with fewer impressions, that leaves more impressions for other things without changing how many ads are shown
 - More than half of the video ads being served are longer than 15 seconds, but the completion rates for video ads that are 6 seconds are much better

HEALTH

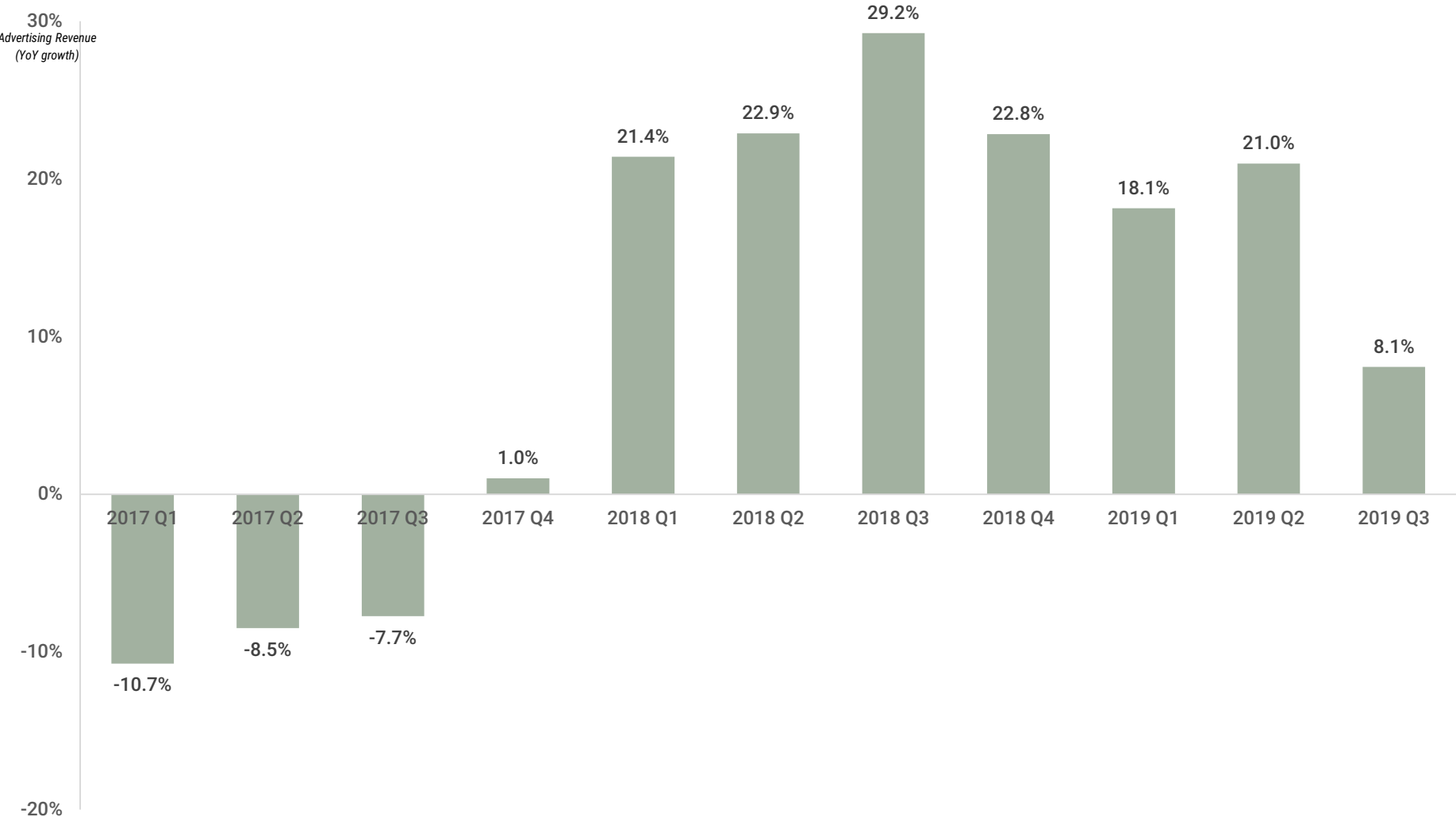
- **Continue to work on improving their machine-learning models to proactively detect potential policy violations**
 - In Q3, more than 50% of the tweets removed for abusive content were taken down without a bystander or first person report
- **2020 elections and the integrity of the conversations around them is their first priority within health**
 - Have put a lot of focus on their transparency center, making sure that people have visibility into who is spending for political ads
 - Seek to empower researchers, journalists, governments, and members of the public to deepen their understanding of critical issues

There is still a reliance on major events around the world, from sports to elections, to drive advertisers onto the platform

Ad Revenue



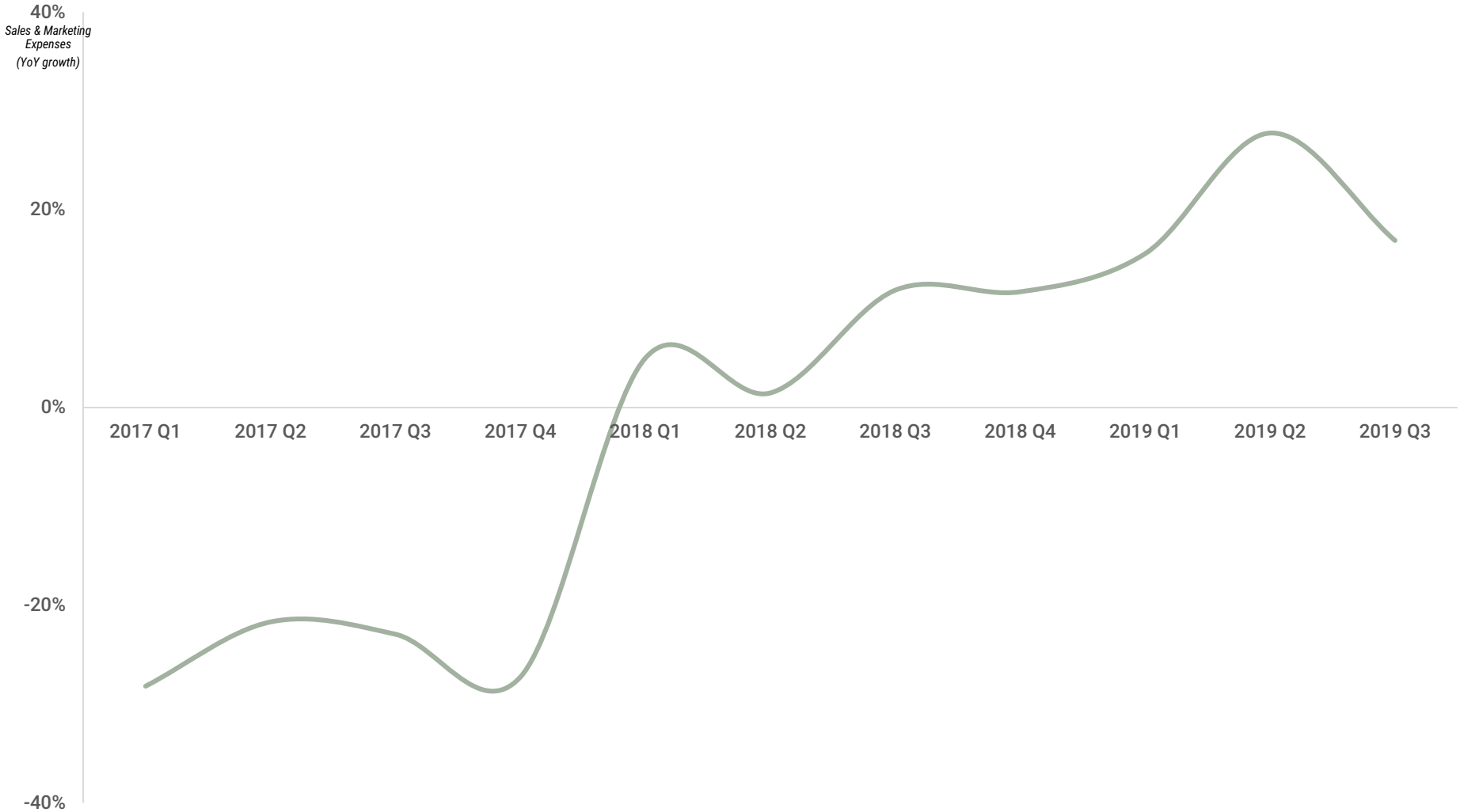
Improving Relevance And ROI Is Crucial To Gaining Share In The Growing Digital Advertising Market



Japan is an integral market and will gain even more importance after announcing partnerships for the 2020 Olympics



As The Stickiness Of The Product Continues To Improve, There Will Be More Value Derived From Marketing

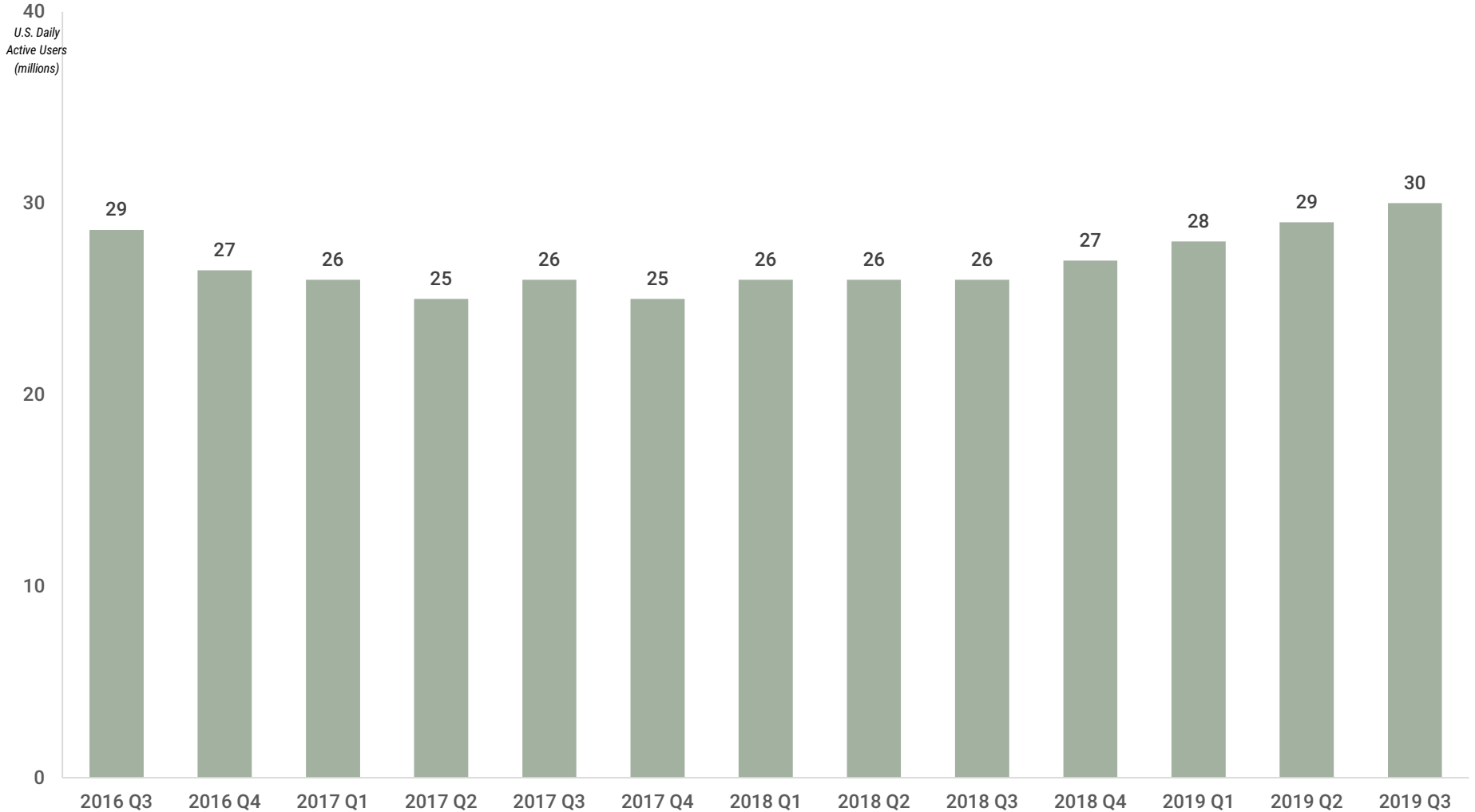


The emphasis on events and topics will make it easier to onboard new users and help them engage on the platform

DAU



The Cumulative Improvements To The Service Have Stemmed The Decline Of Active Users In The U.S.



As the platform becomes more conversational, machine learning will be crucial to eliminate malicious behavior