

# X struggling to win advertisers back after Elon Musk's profane outburst

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Major advertisers like Disney, IBM and Apple are still withholding ad dollars from Elon Musk's X two weeks after its owner endorsed an antisemitic tweet and two days after he launched an expletive-laden tirade to describe his feelings about the pull back. Marketing agencies are pulling back from it as well. In response, X has said it plans to attract smaller and medium-sized businesses to prop up its income. "Small and medium businesses are a very significant engine that we have definitely underplayed for a long time," a statement given by the company to the Financial Times on Friday reads. "It [was] always part of the plan – now we will go even further with it." Last month, some of the world's most recognizable brands halted spending on X following his endorsement of the post, and on Wednesday Musk told the boycotters to "go fuck" themselves and accused them of "blackmail" by withholding advertising to try to pressure him into greater content moderation. At the New York Times' DealBook event, Musk vowed, "I will certainly not pander" to big advertisers and warned them that they would be held responsible for any collapse of X. Last week, the New York Times, citing leaked documents, reported X was at risk of losing up to \$75m this quarter. The company told the FT it estimated the fall in ad revenue was between \$10m and \$12m. Half a dozen marketing agencies told the Times they would not come back to X. Steve Boehler, the founder of the marketing management consultancy Mercer Island Group, told the Times that Musk's comments "suggest an outrageous amount of uncertainty regarding his platform, how he will partner with advertisers and whether he even cares about what advertisers think". "This is also personal," Boehler added. "Businesses are simply full of people, and people like to be treated well, respected and dealt with with dignity." But Musk, who apologized on Wednesday for what he called his "dumbest" ever social media post, has also now received support from an unexpected quarter. Bill Ackman, the billionaire hedge fund manager and founder of Pershing Square capital management, who in October threatened to blacklist Harvard students who had signed a letter blaming solely Israel for the attack by Hamas, said on Friday that Musk's interview at the event was "one of the great interviews ever". "Musk is a free speech absolutist which I respect. I think he is entirely correct that he and X are treated unfairly and inconsistently by advertisers," Ackman wrote on X. He said that other platforms, including TikTok, Instagram and Facebook, also contained "enormous amounts of problematic content, antisemitic and otherwise, but the advertisers don't boycott those platforms". Ackman reasoned that Musk had been targeted "because the other media organizations view X as a competitor and any time his name is in an article about controversies, it draws clicks" and the mainstream media organizations are "incentivized to attack him". The outspoken hedge funder also said he doubted what Musk had meant with his post was antisemitic. "After examining the facts, it was clear to me that Musk did not have antisemitic intent when he responded with the 'actual truth' tweet, and further clarified thereafter." Pershing Square has an

investment in X but Ackman said making a profit “is not important ... I am more inclined to like and support companies that advertise on the platform because I appreciate their support for free speech.” Musk responded to Ackman’s post with an uncharacteristic concision, posting “Thank you.”