

Mark Zuckerberg thinks Threads could be Meta's next social network with 1 billion users

During Meta's second quarter earnings call with investors on Wednesday, Zuckerberg was asked multiple times about Threads and his expectations for its long-term success. He said it's a "weird anomaly in the tech industry that there hasn't been an app like this for text-based convos that has reached 1 billion people," echoing previous comments he has made both on Threads itself and during a recent .

Threads reached 100 million signups faster than any consumer software product in history, but it's nowhere near reaching the 1-billion-user club yet. Its engagement is also estimated to have slowed significantly since that initial rush of signups, though Zuckerberg said last week that "tens of millions" of people were still using the app daily.

According to Zuckerberg, the main focus for Threads, beyond adding key missing features, is improving the app's retention with current users. "I'm highly confident we're going to be able to pour enough gasoline on this to help it grow" after that work is done, he said. Meta has yet to promote Threads in Instagram or Facebook or spend on marketing it. (Elon Musk has told his employees that he wants his X super-app idea to eventually hit 1 billion users, too, though he has very different ideas for getting there.)

"We've tried a bunch of standalone experiences over time, and in general, we haven't had a lot of success with standalone

apps,” Zuckerberg told investors. “Part of me wonders if this is just a classic venture capital portfolio question, where you try a bunch of things and a bunch of them don’t work, and once in a while, one hits... it could be that this is such an idiocratic case because of all the factors happening around Twitter, or X as it’s called now.”

Meta’s business has rebounded significantly this year, and for the second quarter, it reported better-than-expected earnings that sent its stock price higher. The company’s total revenue was \$32 billion, with a net income of \$7.78 billion. Its Reality Labs division, meanwhile, reported a net loss of \$3.7 billion. Management warned investors to expect those losses to “meaningfully” increase due to “ongoing product development efforts” in augmented and virtual reality, like the release of the Quest 3 headset later this year.

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Even with those staggering losses at Reality Labs, Meta doesn’t feel pressure to monetize Threads in the near term. Its established social networks – Facebook, Messenger, Instagram, and WhatsApp – have never been bigger. Even Facebook has surpassed 3 billion monthly users and is growing again in the US and Canada, the company announced on Wednesday.

While Twitter is scrambling to recover the ad revenue it has lost since Musk took over, Zuckerberg said on the earnings call that Threads wouldn’t introduce ads until it reaches “hundreds of millions” of users. “I think we’re really just focused on taking this opportunity, which is an awesome one that we didn’t expect at this scale,” he said. “It’s going to be a long road ahead.”

<https://www.theverge.com/2023/7/26/23809080/mark-zuckerberg-meta-q2-earnings-threads-one-billion-users>