

Twitter kills Vine: What it means for mobile marketing

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Vine logo

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Last week, Twitter announced it was discontinuing Vine, a development that triggered a firestorm on its own platform in no small part due to surprise from marketers, who drew lessons from its rise and fall.

The announcement was made in the midst of Twitter's ongoing struggles to find avenues of product monetization towards profitability. And despite the news's widespread social impact, it could prove to hold a silver lining for upper-level marketers who look to it as a case study in how to manage and facilitate growth of a property.

"Twitter's various advertising options have continued to lag, in part because its targeting offerings are a bit inferior to others in the market," said Evan Neufeld, director of intelligence at [L2](#).

"As a result, it has not been as successful with ad revenue as it probably would like to be."

An unexpected exit

The news accompanied another announcement from Twitter: the social media company is expecting to cut nine percent of its staff, amounting to about 350 layoffs across multiple sectors of its business. The restructuring is also said to be a facet of Twitter's overall effort to attain profitability.

Vine struggled throughout its entire existence to generate the kinds of knockout revenue that its main competitor, Instagram, was able to cull from marketers. The back-and-forth skirmishes in feature rollout between the two platforms eventually halted when Instagram set its sights on larger prey: multimedia mobile application Snapchat, which parent company Facebook attempted to buy out in 2013.

Twitter's misunderstanding of Vine's profitability may have stemmed from another misunderstanding, between Vine and its initial user base. The app was originally intended as a platform for users to share more quotidian moments, but it was not long before talented young creatives flocked to the platform and warped it into a launching pad for a variety of influencers.

Vine's discontinuation, despite significant use among this core group, may be evidence of an inability to monetize adequately for its parent company, perhaps due to a platform that encouraged content creation and consumption without establishing any sort of contract for participation. However, some prominent marketers find that too simple

of an assessment.



Vine
@vine



Take it easy 🙌



Vine itself seemed to be taking the news well

"For Instagram, its entire business is focused on building and supporting a community around the sharing of video and image content, while for Twitter, Vine was merely a feature," said Michael Becker, managing partner at [mCordis](#). "As a feature compared to a business Vine would need to compete for strategic and tactical attention within Twitter's prioritization efforts."

"As such, it is unclear if Twitter's decision was purely revenue based or if other factors influenced its decision."

Moving forward

While many marketers met the announcement of Vine's demise with nuance and analysis, the same could not be said of Vine founder Rus Yusupov, who sold the company for a reported \$30 million in October 2012 and was unambiguous about his thoughts on doing so the day of the announcement. In response to news of the sale, Mr. Yusupov simply Tweeted, "Don't sell your company!"



Rus
@rus



Don't sell your company!

10/27/16, 12:41 PM

6,859 RETWEETS 9,002 LIKES

Rus Yusupov, founder of Vine, sounds off on news of his platform's end

"Being an entrepreneur is very difficult, and one of the most important lessons for a founder is to learn to let your baby go as it grows up and looks to find its place out in the world," Mr. Becker said. "There are many lessons here, including 1.) Create something that people value and want to use, 2.) Focus on what it takes to continue to provide this value, and 3.) Persevere."

"Vine was a success: they built a company that millions enjoyed, and they managed to get it acquired," he said. "The fact that Vine is being shut down does not in any way reflect on the success of Vine.

"Moreover, it is impossible to know at this point what the company plans to do next: It is possible that they'll sell the capability; It is also possible that its full potential has not and will not ever be realized. But again, Vine was a success. It helped change the way we think and view the world of media."

The death of Vine may stand as an unpopular decision that merely proves consumers' lack of foresight, much like how Snapchat's rejection of Facebook's \$3 billion offer initially baffled social media until the company had a chance to unveil additional long-term sources of revenue through advertising.

Or, it could be tantamount to a sinking ship jettisoning extra cargo: Twitter, despite defying Wall Street predictions with \$616 million quarterly sales, still managed to post a net loss of \$103 million in the same period. And amidst all of the layoffs, the collapses, the criticism both public and private, CEO Jack Dorsey will strive to make Twitter's Vine Era one of the final chapters in a period of growing pains for his company.

Shares of Twitter were up nearly 5 percent before the bell on Oct. 27.

"Vine, like any other social channel, is a medium for expression and audience engagement," Mr. Becker said.

"Media channels come and go, they evolve.

"The key lesson for brands is to stay nimble and flexible and to find a way to simultaneously work across, and invest accordingly in, three horizons: tried and true mature media (at over 50 percent of budget), adolescent media (25 to 40 percent of budget) and emerging media (10 to 25 percent of budget)," he said. "Value individual engagement, behaviors insights, hidden gems and fundamental learnings can be gleaned by being involved and engaged across all three horizons.

"In the age of the connected individual, it is not enough to sit on the sidelines and watch. You must experience, learn and participate."

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