Twitter Q3 2021 Earnings Report
SAN FRANCISCO, CALIFORNIA
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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Twitter Third Quarter 2021 Earnings Conference Call. (Operator Instructions)

I would now like to turn the call over to your host, Krista Bessinger, VP, Investor Relations. Please go ahead.

Krista Bessinger Twitter, Inc. - VP, Investor Relations

Hi, everyone, and thanks for joining our Q3 earnings conference call. We have Jack and Ned with us today.

We published our shareholder letter on our Investor Relations website and with the SEC a couple of hours ago and hope that you've all had a chance to read it.

As usual, we'll keep our opening remarks brief so that we can get right to your questions. As a reminder, we will also take questions asked on Twitter, so please Tweet us @TwitterIR using the $TWTR.

During this call, we will make forward-looking statements, including statements about our business outlook, strategies and long-term goals. These comments are based on our plans, predictions and expectations as of today, which may change over time. Our actual results could differ materially due to a number of risks and uncertainties, including the risk factors in our most recent 10-K and 10-Q and upcoming 10-Q to be filed with the SEC.

Also during this call, we will discuss certain non-GAAP financial measures. We have reconciled those to the most directly comparable GAAP financial measures in our shareholder letter. These non-GAAP measures are not intended to be a substitute for our GAAP results. And finally, this call in its entirety is being webcast from our Investor Relations website, and an audio replay will be available on Twitter and on our website in a few hours.

And with that, I'd like to turn it over to Jack.

Jack Dorsey Twitter, Inc. - CEO

Hello, everyone. Thank you for joining us today. A few highlights from me and Ned before we get to your questions.

We had a solid Q3 with strong performance across revenue products and continued audience growth. Revenue was $1.28 billion in Q3, and we continue to see significant ad revenue growth, which increased 41% year-over-year this quarter. Average monetizable DAU increased to $211 million, up 13% year-over-year, with growth accelerating from an increase of 11% year-over-year in Q2.

Before we get deep into the quarter and how we're looking at the rest of the year, as you may have seen, we announced that we agreed to sell MoPub to AppLovin. First, I want to thank the MoPub team for all their hard work and contributions to Twitter and our customers who put trust in us and the MoPub team for many years. The sale demonstrates our confidence in our core revenue product strategy, allowing us to refocus our energy and resources on our direct response, SMB and commerce road maps.

The last time we talked, you heard us talk about our intention to build an ecosystem of connected features and services focused on serving 3 core jobs: news, discussion and helping people get paid. In Q3, we launched products across all these categories, including Ticketed Spaces, Tips, Super Follows and narrowcasting with Communities. We also had the ability to pay your favorite creators using a variety of payment methods, including for the first time Bitcoin. We continue to upgrade our machine learning systems as well, which are improving personalization throughout the product.

We're just getting started, but already Twitter feels more responsive and intuitive. Lots more to come here. As we approach the end of the year, we feel confident about where we're headed. Overall, we're on course to leave 2021 a more focused company with clear priorities.

With that, I'll pass it over to Ned.

Ned Segal Twitter, Inc. - CFO

Thanks, Jack.

Q3 was a solid quarter driven by focus and execution. Total revenue grew 37% year-over-year at the high end of our guidance.

mDAU grew 13% year-over-year to $211 million with U.S. mDAU essentially flat quarter-over-quarter and up 4% year-over-year, both in line with our expectations due to the unusual comps from the pandemic surge last year, coupled with typical seasonality.

We expect total mDAU in Q4 to grow at or above the Q3 rate of 13% on a year-over-year basis, and we continue to believe the low point for year-over-year mDAU growth in 2021 was back in Q2 due to those tough comps.

The impact of COVID remains fragmented across the world, and we believe consumer behavior has yet to normalize.

Despite these uncertainties, we remain optimistic given our healthy top of funnel, our conversion rate and our product road map, which allow us to serve more and more people every day.

Let me share some of the highlights from the Olympics and our DR road map from Q3.

The Olympics were a strong event for us. Olympics-related Tweets with video content were viewed more than 1 billion times on Twitter. There were 76 billion Tweet impressions related to the Olympics, and 12 of the 14 official Olympic sponsors advertised on Twitter.

Our shift to direct response ads also made great strides.

For MAP advertisers, we launched an updated learning period model that delivers more consistent campaign performance.

And for website clicks, we introduced a multi-destination carousel to enable advertisers to market and drive traffic to multiple products inside the same ad on Twitter.

These are just a few examples of our accelerated pace of testing and rolling out new features, yet we won't stop there when it comes to increasing focus on our most critical work.

As Jack mentioned earlier, and although it happened in October, it's worth spending a moment on the announced sale of MoPub.

The sale of MoPub positions us to reallocate resources and accelerate product development by investing more in the team's focus on better monetizing our website and apps.

The sale is expected to close in Q1. And while the associated product engineering and go-to-market teams are largely expected to shift to DR, SMB and commerce upon closing, it will take time for their work to deliver results.

We do not expect to recoup the full revenue loss associated with the sale of MoPub in 2022, which is estimated to be between $200 million and $250 million.

Despite some expected 2022 revenue loss, there are no changes to our goal of generating $7.5 billion or more of annual revenue in 2023 with our increased focus and additional resources working on increasing our market share in the $150 billion and growing addressable market for ads on Twitter.

I've also noticed there's been a lot of focus more broadly on the impact of the supply chain on the economy in general and advertising in particular. I'm pleased to share that our launch and connect value proposition continues to resonate with advertisers across the economy, with well more than half of our total ad revenue year-to-date associated with services and digital goods.

Let me also spend a moment on ATT. We continue to see opportunities around personalization on Twitter as we better leverage our unique signal to improve people's experience and show their more effective ads across both brand and direct response. The revenue impact we experienced from ATT in Q3 increased on a sequential basis but remains modest. The impact of ATT is likely to vary across ad platforms given the unique mix of ad formats, signal and remediations on each as well as other factors, the mitigations we put in place and the speed with which we've adopted new standards like the SKAdNetwork and resulting changes across our technical stack have contributed to minimizing the impact to us. Since the launch of ATT in April, we've invested in supporting SKAdNetwork, opening up 30%-plus more inventory and scale on iOS and launch support for view-through attribution and SK Campaign ID management features in the Twitter ads manager. It's still too early for Twitter to assess the long-term impact of Apple's privacy-related IOS changes, but the Q3 revenue impact was lower than expected, and we've incorporated an ongoing modest impact into our Q4 guidance. We've seen our revenue product development, both related to and distinct from ATT, improved the performance of our products, and we expect that to continue.

Let me quickly turn to a couple of points regarding our outlook. We continue to expect total revenue to grow faster than expenses in 2021, excluding the litigation settlement announced in Q3, and we expect to continue our investment posture as we enter next year. We'll talk more about 2022 in February, but let me provide a little more context here.

Our 30%-plus headcount growth in 2021 with annual merit increases and other investments we've made in 2021, including our new data center, will flow into annual expenses for 2022, likely resulting in a mid-20% increase in total expenses next year prior to hiring any more people or additional investments during 2022. We're pleased with our Q3 results, and we're excited about the momentum we bring with us into Q4.

Let's go to questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question is from Doug Anmuth from JPMorgan.

Douglas Anmuth - JPMorgan Chase & Co

I have 2. First for Jack, how do you think about the path to returning to 20% growth in 2022 and '23? And which of the new products do you think will be most impactful here?

And then secondly, Ned, just on the -- your comment you just made just about the increase in expenses. So I just want to make sure we're understanding it right. You're kind of saying the expenses ending '21 will take you to a mid-20s percent increase following that through before you even hire anybody or add additional expenses. So that's a number that you'll update in 3 months?

Jack Dorsey Twitter, Inc. - CEO

Yes. Just to take the first question, our greatest opportunity and potential for growth is around personalization and relevance. That is where we've consistently gotten the greatest gains in everything that we do, and we intend to put a lot more emphasis here. This mainly speaks to our application of machine learning and general AI across every product surface that we have, but it also lends itself into some of the newer product surfaces and capabilities that we've been talking about, some for longer, some more recently.

Topics and interest continues to be a highlight. We have close to 12,000 topics now, 11 different languages, 230 million accounts following at least one Topic. We're putting this closer and closer to onboarding, but this helps everything. This helps our experience, consumer experience, it helps our business because it gives us a signal with a ton of intent, and expressing intent to run a particular issue or topic instead of us having to infer it. And it also lays the foundation for the products that we want to create. So Spaces is an example of this, which we just rolled out to 100% of all of our customers.

Communities, which is the narrowcasting use case, allowing people to talk specifically in what feels like a much smaller room about a topic interest, and that could be a location with my neighborhood. I think we will definitely see a lot of usage as people find new ways of having conversations that don't feel like they're Tweeting to just the entire world and broadcasting it but actually have a much tighter feedback group because they're talking about something that is locally interesting, whether that be a particular interest or that should be a location, a geography.

So those are the ones I would point to, but the biggest impact will continue to be personalization. And this is an area where we feel we are behind, although we've put a lot -- we've gotten a lot of gains from it. That just really speaks to the potential we have so much more work to do in terms of machine learning and just generally applying AI to every surface area we have.

Ned Segal Twitter, Inc. - CFO

Doug, just to add a little bit to that and get your question on expenses. The top of funnel continues to be healthy all around the world for us, that is the folks who haven't been on Twitter for a month or more, whether they've never been on Twitter before or they've tried it in the past but haven't made it a part of their daily ritual. So all the product stuff that Jack took you through, plus that healthy top of funnel and all the events and topics that continue to bring people to Twitter all over the world, those are the components that build us up to that 315 million number for the end of next year. When we put it out there in February, remember, we knew that this was going to be a year where we'd be lapping last year's pretty incredible growth and that acceleration was required, and so we've now started that with 11% from Q2 going to 13% DAU growth in Q3.

The second part of your question on expenses. So we'll give more color around 2022 in February as we typically do. But we just want to remind everybody, one, our investment posture hasn't changed. And as we mentioned back in February, as long as we're on track for our goals, we're going to continue with the mindset to invest to drive growth. And when you just do the math on the hiring and investment decisions that we've already put to work, whether it's the data center or people who've already joined the company, that when you roll those through the P&L for a full year, you add in merit increases and so on, you naturally get to -- and this includes depreciation for the data center, for example, which doesn't start until you actually start to use the data center, you naturally get to the mid-20s. And so we're in the middle of the process where we sort out all the things that we want to do next year, so I don't want to get in front of that. But we do want to continue to invest to drive growth next year, and anything else that we decide to do that is in a resource reallocation decision would be on top of that.

Operator

Your next question is from Justin Post.

Justin Post - BofA Securities

I would love to talk about progress you saw in the quarter with the MAP product. And I guess you're enabling shopping, so maybe talk a little bit about that and how you see the opportunity?

And second, you guided to 25% quarter-over-quarter growth at the high end, which is pretty good comparably. Are you expecting the MAP product to kind of contribute better growth than overall in Q4?

Ned Segal Twitter, Inc. - CFO

Justin, a couple of things on the revenue product side. First, we were pleased with our progress on MAP. A couple of ways to show it. One is MAP grew slightly faster than overall ads, which gives you a sense that we're continuing to make progress there. We saw strength from some areas where we haven't always seen in the past such as travel, where launch campaigns as people begin to travel again from the travel advertisers grew 40%. A lot of that's tied to MAP. Fintech, they grew their spend 200% year-over-year with us. Food delivery, where a lot of that's pointing people to apps, that grew 140%.

It gives you a sense for where some of the strength is coming from. You mentioned shopping, so we now have business profiles to differentiate businesses from your account and mine on Twitter where you can put your hours operation, you can put your website. We will also make it so you can buy products straight from those profiles. So stay tuned for that, and we've been experimenting with that over the course of this year. Also on the direct response side, the multi-destination carousel is improving click-through rates by 20%, which gives you a good sense for why this is attracting more and more advertisers and more and more dollars to our service. So we'll keep marching down that road map. And with the sale of MoPub, we'll have more resources to put against it.

To your second question around revenue guidance. So if you back out last year, which was by no means a normal year and you look at the 4 prior years, you see sequential growth in Q4 for us that was from the mid-teens to the mid-20s. And so when you compare this to that $1.5 billion to

$1.6 billion range, you can see that, that's reasonably consistent with what we've seen in the past. We feel like we're entering Q4 with the wind at our backs, with the Olympics having got off to a strong start in Q3. The Olympics went a little bit better than we had expected them to from a revenue perspective. We were really pleased with how we were able to deliver for advertisers. And the strength continued throughout the quarter across geographies, across formats, across verticals and with a great event calendar with lots of product launches in front of us with that strong mix of services and digital goods that we talked about earlier, we feel like we've got a lot of momentum at our backs right now.

Operator

Your next question is from Rich Greenfield from LightShed Partners.

Richard Greenfield - LightShed Partners, LLC

I want to think about sort of a follow-up on Doug's question at the beginning. Sort of as you think about sort of the interest wrap and sort of Jack's comments about sort of understanding intent and I guess not just focusing on Topics, but as you think about Topics and shopping and signing up for newsletters Revue, commerce that you're starting, how does all of this play into sort of your longer-term positioning on privacy changes? And I'm not even just talking about iOS 14, but as you think about what Apple could do in the future. Google is looking at cookie changes. Like how does all of this translate into? Like are you using any of it really yet to really target ads? Like where are you in that process? And as you think out over the next few years, how exposed are you to outside changes versus being able to leverage on platform first-party data to target advertising effectively?

Jack Dorsey Twitter, Inc. - CEO

Rich, relative to the signals we can get from it, it's quite small in terms of what we're using today. So privacy is about making sure that people have an understanding of what data is being collected about them, having control over that. We want to make sure that we're leading our peers in exactly that but also making sure that we have much more direct ways of people telling us what they're interested in. And being able to follow a topic in interest is one such way. Being able to join a particular community to talk about an interest or topic is another way. These are all things that people are intently opting into saying that they're interested in this particular thing and gives us much, much stronger signal.

It also gives us new surface area to consider what we can do with Communities, which hasn't launched fully in beta yet. We're testing it internally. But it gives us the surface area for advertisers who may just want to be shown around a particular topic instead of more broad-based in home timeline. So it gives them a much safer space if they want to avoid particular topics or anything that might be political or not. And they have the ability to act on more intent, not just the people that they're trying to reach.

So that's ultimately what we want to drive, and it starts with the product itself and then making sure that we utilize those signals to deliver a person, an individual, the most relevant ad or introduction to a product or service but -- that they can imagine. And they'll tell us whether that's valuable or not as to whether they tap on it or purchase something, and all of these things give us more information so that we can create a much tighter feedback loop so that all these actions can positively reinforce one another. So everything from Spaces to the newsletters to following Topics, all these things show a particular intent and a particular interest, and we have to depend less and less around inference in order to strengthen our relevance and get better signal.

Richard Greenfield - LightShed Partners, LLC

And where are you in terms of like -- and you said you're still in the very early days of using this data or not using very much of it. How do we think about over the next couple of years leveraging that intent data and user data to drive that? Like is that a '23 event? Is it longer? Like how do we just think about over the next couple of years when we start to really see the benefits from that?

Jack Dorsey Twitter, Inc. - CEO

Yes. I mean, I think one of our biggest priorities in the company right now is personalization. So we're going to put a premium on finding all the right signals to make sure that you're not just seeing more relevant ads but you're seeing more relevant Tweets as well. These have a very similar systems, so I don't think it's all that far off and then we can start using more and more of these signals to increase the relevance of what we show. But this is the greatest opportunity for us in terms of relevance and that drives everything from growth and usage but also to our advertising business.

Operator

Your next question is from Mark Mahaney from ISI.

Mark Mahaney - Evercore ISI Institutional Equities

Okay. I just want to ask about unlocking small and medium-sized business customers. I think you've stated it's a relatively small part of your advertiser base now. What do you think are the 2 or 3 things you need to do to really unlock that advertiser base? How easy is that to do? I'm sure it's not easy, but the length of time it takes to do that? What do you think are the major reasons why they're not as engaged with you as they should be?

Jack Dorsey Twitter, Inc. - CEO

Yes. I think there's a number of things here. One, is we do have a lot of small businesses on Twitter, but we have not served them well both in terms of the product and also the advertising capabilities. DR is a big part of this making sure that we continue to move towards more and more performance-based advertising. Self-serve is a big part, providing an intuitive interface where one-person small business or sole proprietorship can actually come on to our system and understand how to reach the customers that they're trying to reach. And then there's a bunch of product surface areas that I think make us better, Topics that I keep talking about. Increased locations as well. So now we have keeping my hometown in St. Louis, Missouri as a Topic, I can follow. And again, that's intent that we've been using to signal, Communities is going to be a big part here as you consider topical communities, interest communities and also communities focused around particular locations. That's going to be an incredible surface area for small businesses.

So there's some foundational work in terms of the performance direction that we're moving to, but also making sure that we are building something that ultimately self-serve for a small business, that they can open up the website and get the advertising right away and actually see value in it immediately, which means that they are really crisp and intuitive analytics. And then the more and more capabilities we have through the products, including our aspirations around commerce, that helps with retaining and attracting new small businesses as well. We did -- we have been launching some things recently like the Business Profile, and there's a lot more to come, but all of these things will help the smallest businesses be able to utilize us and scale up as they move forward and more so.

Operator

Your next question is from Ross Sandler from Barclays.

Ross Sandler - *Barclays Bank*

One for Ned and then one for Jack. Ned, the US ad revenue looks really good. In the third quarter plus 15% Q-on-Q ahead of what Facebook and Snapchat reported in their US business. So is that Olympics or other factors? And do you think you're potentially picking up a little bit of share from these folks who are having much more significant problems around iOS 14?

And then, Jack, the shop module, just a follow-up on that last question. That was pretty interesting. Is this mostly this e-commerce initiative, a self-serve process to get smaller businesses? How do you guys tap into some of the larger e-commerce advertisers that are out there that are spending tens of millions of dollars or hundreds of million of dollars? Is there a big outbound effort in sales to tap into that? Just any color there?

Ned Segal Twitter, Inc. - CFO

Ross, first on the US ads revenue. So we are really pleased with how we performed in Q3, in the US in particular. A part of it is the Olympics, which we think went better than we had expected by a little bit. And a lot of that shows up in the U.S., certainly not all of it, though. But as events began to come back, as people went back to stadiums, as they went back to theaters and other places, they continue to use Twitter. And advertisers continue to use Twitter as a way to reach them, whether it's the 2 billion impressions we saw during the video music awards or the 76 billion impressions we saw during the Olympics. These are just great examples of that and helping advertisers connect with their customers around full baseball season in the US., around the lead up to the football season both pro and college and all the highlights that we've got with every touchdowns now during the NFL and a lot of the commentary around this. Those have been great opportunities for us in the US, but they're just some of the examples of what we've seen.

And when we look at places like Japan, which grew 20% year-over-year, it's a powerful reminder that different economies are coming out of COVID at different times and went into lockdown at different points. And so although the year-over-years are going to be wonky for one reason or another, there's still lots of opportunity for us in other geographies where we have a sizable audience and great relationships with advertisers. Japan as MAP continues to improve, as they gradually come out of lockdown, we see lots of opportunity there. Just as another great example where there's a geographic opportunity for us. I'll turn to Jack on the second part.

Jack Dorsey Twitter, Inc. - CEO

And this is -- commerce is an area where we want to start small in scale. So we want to make sure that we are building a great product that people want to stick with. And right now, the opportunity is around smaller, but that doesn't limit us later on from much, much larger retailers and brands. I also think there's a lot of opportunity to partner a lot more so the people who already have e-commerce solutions up and running with their inventory and tied into potential legacy systems where a lot of larger retailers have constraints around. But there's just one tap or one click to turn it on and turn that inventory to Twitter as well. So we want to make sure that we're, first and foremost, building great products, and then we'll look to scale it and then turn on more of the sales engine, as you mentioned.

Krista Bessinger Twitter, Inc. - VP, Investor Relations

Great. Thanks, Jack. And we're going to take the next question from Twitter. It comes from the account of Olivier Caza, and he asks how does Crypto fit into the global strategy at Twitter now? How has tipping and subscriptions monetized so far. And he also asks about the progress at Revue so far?

Jack Dorsey Twitter, Inc. - CEO

Well, so we just turned on Bitcoin tipping for tipping products, before we had a number of third-party services that people could use to receive tips. What makes Bitcoin interesting is that it is globally accessible. It doesn't matter where you are in the world. If you have a Bitcoin address to receive and you have Bitcoin send, specifically over the Lightning network, you can do it. So it really opens up the aperture. If we can participate instead of having to go market by market and look for services that operate with a bank that's within each one of those, so it allows for -- it gives us much more speed.

Both tipping and subscriptions are new. These are products that we want to make sure that, again, we're starting small and then we figure out the right product that people want to stick with and they're valuing every single day, and then we'll open up to more and more people and scale it and continue to iterate on the product.

The progress of Revue, which is our newsletter product, just a reminder why we did this. We want to make sure that Twitter is a place where you can express yourself in multiple formats, whether that be through short format updates like Tweets; Spaces, which is an audio conversation in real-time; or long form, which is Revue in the newsletter. The more we integrate this the more opportunity and potential that we see.

I think rather than looking at any one part of the equation, though, it's useful to consider the ecosystem, someone being able to Tweet out that they're going to host a Space, add admission price for that Space, which is what we call Ticketed Spaces, have and host the Space, potentially be able to sell our products through commerce initiatives. Then after the Space is complete, writing a newsletter to all their followers around how, when or a recap or any instant insights. All these things positively reinforce one another and allows people to reach in entirely new ways. Some people might not be able to see the Space, but they can get the newsletter, write, come back to the Tweets and so forth. So we're focused on the ecosystem model, the connection between the parts as being the strength, not the individual aspects of it and making them the strongest, but actually the connection between is where we think the greatest value is for the company.

Operator

Your next question is from Eric Sheridan from Goldman Sachs.

Eric Sheridan - Goldman Sachs Group, Inc.

I want to come back to a couple of the topics we've talked about before. Is there any way to size sort of the brand advertising upside you saw and separate that out between the US business and rest of the world in terms of where some of that brand advertising strength was derived from?

And maybe the same element with respect to direct response. When we think about what you've built so far to date as a revenue mix component in the business, how much of that is located in the US business versus more widely distributed globally? And how should we think about that evolving in the years ahead?

Ned Segal Twitter, Inc. - CFO

Thanks, Eric. So remember back at the Analyst Day, we mentioned that we had been 85-15 brand DR in terms of ads on Twitter and that the long-term goal is to get to 50-50. We said it wouldn't be a straight line to get to 50-50 because for a variety of reasons, we could see brand outperform DR in any given quarter or in any given year. But we think that over time, that's the right mix for Twitter to be at. We feel like we've made really good progress, having rolled out a new version of MAP, having made a bunch of improvements to website clicks, including the carousel that we talked about, maybe a straight line from here to there.

When you look across geographies, there are some that are inherently much heavier in one product or another. Japan being a heavier MAP market is a good example of that. Europe tends to be more MAP heavy as well. But a lot of this can change from one period to another from one advertisers campaign to another based on our product rollouts and improvements that we make. So we'll update that 85-15 mix annually, so the next time will be in February. And between them, we'll just continue to give you highlights and give you a sense for all the progress that we're making.

Operator

Your next question is from Colin Sebastian from Baird.

Colin Sebastian - Robert W. Baird & Co. Incorporated

I guess, first off, I think in the letter, maybe you mentioned that the uptake with Topics and Communities has been quite strong with new users. Just wonder if you could talk about the pace of adoption among existing or legacy users as well opting into those newer features.

And Ned, just one follow-up on the expense outlook. I don't know how many people you're retaining from MoPub but just curious how much of a normal hiring year that, that amount of headcount might offset as we look into 2022?

Jack Dorsey Twitter, Inc. - CEO

Yes. On Topics, we launched 2,300 new topics in this quarter. There's still a lot to do in terms of applying machine learning and personalization to it, both in terms of like being able to open up new topics much faster, but also enabling more relevance around the topics. A lot of Tweets that I find most valuable these days are right in the home timeline and they're introduced by following topics or a related topic, the system thinks I'm interested in. So I've discovered a ton that I wouldn't otherwise from just following accounts and doing all that work. So we do think it's really helpful both in terms of retaining current users and giving them more of a breadth of what Twitter offers. And also, we're starting to put it more and more into onboarding. So we do think that there's going to be a lot of momentum from that.

However, I would say that our experience around it, the UI and just how to navigate it and understand it, is still a little bit old. And the more work we do to make it feel more cohesive make us feel like a less taxing browse experience, being able to show and demonstrate Tweets right there, a selection of Tweets that you might see, if you follow a Topic I think would help a lot. So right now, we're looking at the interface more cohesively and now that we have the core infrastructure working, it's just creating a much better experience from a UI perspective.

Ned Segal Twitter, Inc. - CFO

The second part of the question was on MoPub. I'll just start around the expenses. So Colin, the thought is that we will reallocate as many people as we can, a lot of whom will remain at Twitter from MoPub to SMB, to commerce, to DR more broadly, that many of the go-to-market people will move to other parts of our sales organization. And it will take time for their work to turn into revenue, so we don't expect to recoup all of that $200 million to $250 million. But we do think that over time, we can get back on track towards that $7.5 billion or more goal for 2023, and that will be on a more solid ground with more focus around monetizing Twitter than we had been before. And so from an expense perspective, this really doesn't change the picture for next year because we hope to have as many of those people as possible remain at Twitter. Of course, some will be going with MoPub, but most will be staying with us and moving to other work around monetizing Twitter.

Operator

Your next question is from Maria Ripps from Canaccord.

Maria Ripps - Canaccord Genuity Corp.

Can you just elaborate on what Twitter did with SKAdNetwork that made it more effective for you compared to Snap that seem to say that it was not as effective of the initial testing?

And then secondly, in the shareholder letter, you mentioned that you made it easier for new customers to sign up on login with their Google account or Apple ID. Can you just maybe talk about whether that was a noteworthy contributor to user growth in the quarter? And how do you sort of see this functionality supporting your efforts around user growth and engagement going forward?

Ned Segal Twitter, Inc. - CFO

Thanks, Maria. So first on SKAdNetwork, it's hard for us to speak to what others have done, and a lot of this is that we're coming at things from different angles. And so we continue to work hard to give advertisers reporting at whatever level customers allow us to around the success of their campaigns, and the SKAdNetwork did a couple of things for us.

One is it opened up more inventory where we hadn't been able to report to advertisers on how their campaigns have done before, and we are now able to show 30% more iOS customers ads and then report on them on an anonymized aggregated basis. Two is that we've worked hard to help the measurement partners have access to SKAdNetwork and did this early enough to make sure that people could benefit from it, and advertisers can use that to the best of their abilities.

There's just a lot of signal both from showing ads to people and also reporting on how campaigns have performed on Twitter historically where there's been room for us to improve. And so I think the fact that we're all coming at these things from different angles, maybe we implemented at different times, maybe the campaigns that people were reporting on are different as such that this has had -- the ATT has had less impact on us than perhaps it's had on others who have a different mix or starting from a different starting point.

The second question around single sign-on. We're looking at all the ways that we can reduce friction and helping people get to what they're looking for on Twitter as quickly as possible. Single sign-on is a great example of it, where a lot of people have created accounts on Twitter over time, but they may not remember their password or maybe on a different device. And everything we can do to get them into a timeline as quickly as possible is to help them find the conversation that they were looking for as quickly as possible, we want to do. This has been a nice contributor and something that should continue to reduce friction over time for us, given how our top of funnel works for a lot of the people who come to Twitter have been on this service before. They just haven't been on it for a while. And every new at bat we get with them is an opportunity to show them how much better Twitter has been the last time they were with us.

So single sign-on is a great example of that. Jack talked about Topics as another important lever. As those get closer and closer to onboarding, we're able to help people find the accounts that they want to follow or the topics that they want to learn most about through the process of showing them Topics and refining what accounts we suggest to them or refining what topics we suggest to them and get them to value in their timeline faster than we were able to before.

Krista Bessinger Twitter, Inc. - VP, Investor Relations

Apologies, operator. I'm sorry. I think we have time just for one last question. So we'll make this the last one.

Operator

Your last question is from Brian Nowak from Morgan Stanley.

Brian Nowak - Morgan Stanley

I wanted to go back on performance, direct response and sort of the ATT situation. Can you talk a little bit about how you're thinking about the next couple of years of performance in DR? It seems like in order for the business to get to be half of your revenue, it's going to be pretty sizable. So what investments are you making or do you see yourself making in '22 and '23 just to sort of minimize any potential disruption from ATT signal loss and other Apple changes you've already made? Or are you already have the technology in place? Just kind of going to think about the straight line, Ned.

Ned Segal Twitter, Inc. - CFO

So Brian, one, because we have a smaller DR business, and we're trying to grow it over time, it's not -- we're not there isn't signal that we've been leveraging perhaps at the same extent as others that we've lost. A lot of this is opportunity that's in front of us, whether it's the right to show people a more personalized experience on Twitter, by asking their permission to do so after having built trust with them through how we show up as a company and how their timeline works and giving them the ability to turn off the algorithm at the top right of the app or other things that we do.

Secondly, there's that signal that Jack was talking about earlier that we typically or historically just haven't leveraged as well as we can to show people MAP ads, to show them website click ads to help them buy products or goods and services on Twitter. So there may just be that there's a lot of signal that is unique to Twitter that we haven't done as good a job of leveraging in the past as we expect to do in the future. And with additional resources, with focus on monetizing Twitter with the DR road map that we've laid out and talked about over the last few quarters, we're optimistic that we can continue to improve relevance of ads on Twitter, be it brand or DR, relative to where we've been in the past.

Operator

Thank you, and that does conclude our Q&A session for today. I'll turn the call back to CFO, Mr. Ned Segal, for any additional or closing remarks.

Ned Segal Twitter, Inc. - CFO

Okay. Thanks for joining us, everybody. We appreciate your interest in Twitter. We look forward to speaking with you next quarter when we report Q4 on February 10 after the market closes. Until then, we'll see you on Twitter.

Operator

Ladies and gentlemen, this does conclude today's conference call. Thank you for your participation, and have a great day.