

Musk's takeover turbocharged VC Twitter usage

New data collected on the UK Venture Capital Twitter ecosystem shows that tweet volumes went through the roof during the Tesla CEO's takeover of the platform, despite wider usage tailing off, and the platform experiencing other major concerns around online safety and revenue.

It's no secret Twitter has been in pieces since Musk took over as CEO. From layoffs and unpaid rent, to an exodus to Mastodon and increases in hate speech: it's been a right old fiasco.

Take the platform's revenue. A report by *Media Matters for America, published in November 2022*, showed that 50 of Twitter's top 100 advertisers stopped buying ads the same year, costing the platform \$750M. Standard Media Index also *reported that in November 2022*, ad spending on Twitter plummeted by 55% compared to the same period in 2021. The situation worsened in December, as spending decreased by 71% (typically holiday periods have a higher ad spend).

Although widely agreed-upon figures for users and tweet volumes are harder to come by, Musk's acquisition of Twitter is predicted to have a negative effect on user numbers, as concerns increase over technical issues and the surge of offensive material. Over the next two years, it is *estimated that more than 32*

million individuals will vacate the platform.

Against this backdrop, however, the UK venture capital ecosystem has never been so keen on the platform. Data from Ship Shape VC, the venture capital search engine, demonstrates the tweet volume from VC firms was not affected by the takeover at all, while individual activity saw the two highest spikes since the beginning of Twitter itself.

The data from Ship Shape, a Cardiff-based startup who normally index VC investments to give mission-critical data to founders, decided to turn their hand to analysing this instead. Carrie Skye, senior data engineer, was responsible for pulling it together, using Ship Shape's list of over 800 UK VC firms, as well as a list of the investors (individuals) working for these VC firms.

The first graph (top) shows the number of tweets from the beginning of Twitter history until the last week for which they have complete data – ending on 5 February 2023. The second graph (bottom) shows the data starting from the first full week of 2021, to give a more granular picture of what was happening during these crucial weeks.

Read also

Meet Ship Shape, the startup indexing investments to give mission-critical data to founders

So – what next?

Does this mean Twitter is going to remain a crucial part of the VC ecosystem? It seems likely, at least in the UK. For years now, it's been a powerful tool for VCs to grow their networks, build relationships, and find investment opportunities.

Venture capitalists have come to leverage Twitter as an invaluable platform for showcasing their expertise, sharing insights, and networking with entrepreneurs, other VCs, and industry experts. By engaging in the conversation, they can build relationships with potential investments and identify emerging trends, opening the door to potential opportunities. Twitter has now become an integral part of the venture capital ecosystem, with VCs utilising the platform to source deals and solicit investments from other investors.

In fact, you could go further and see this as evidence of the oft-alluded to bragging culture that pervades VC Twitter. Evidently a vocal minority colour a better-behaved majority, but spending any time following VCs on Twitter leaves you wondering if they have time to do anything other than dish out their asinine hot takes, in what is essentially a cesspit of swagger. As the much-followed @VCBrags account's bio reads, 'They're adding value™ // And they're very proud of it.'

Article by MAX LUNN