

What Are MAU's & Why Is Everyone Talking About Them?

“Monthly Active Users” or MAU’s, has become an acronym almost synonymous with the social media revolution. The use of this term has risen in prominence alongside the rise of firms like LinkedIn, Twitter and Facebook to the top of the tech landscape. “Monthly Active User” growth is a key performance indicator reported by social media companies as it represents the most meaningful metric of user engagement growth.

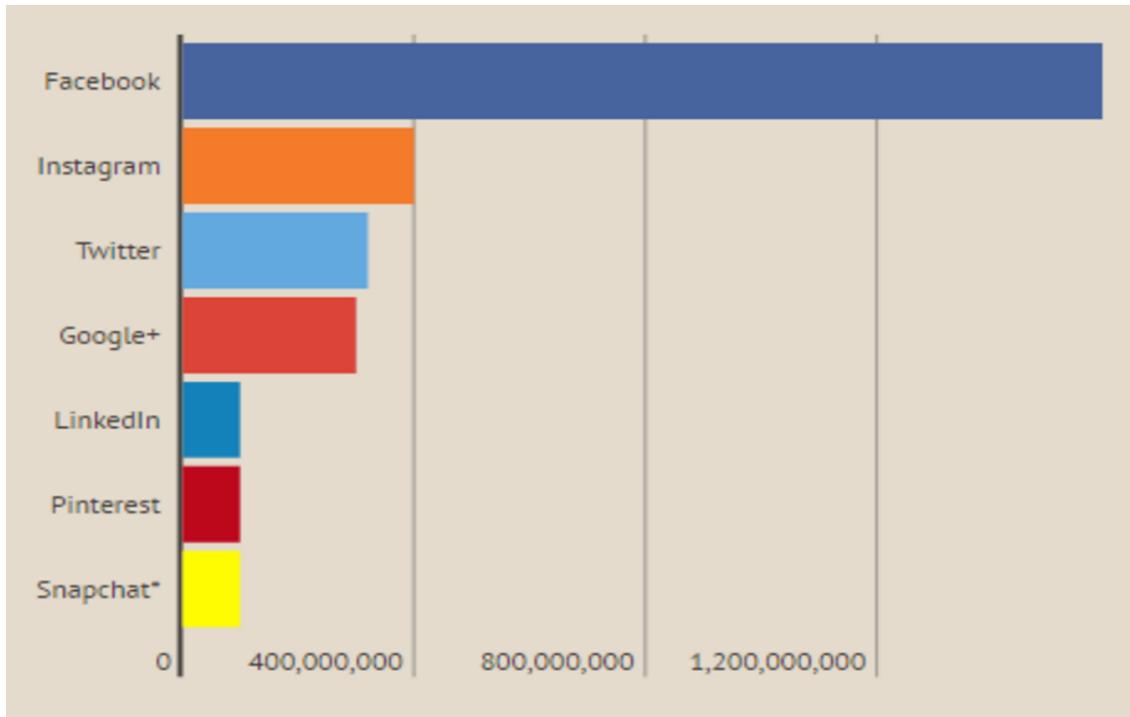
Just this morning Twitter announced MAU’s of 317M in Q3, representing 3% growth YoY from last year’s 313M. The stock price is up about 4% in early reaction to this announcement. This is because although the growth rate isn’t much, it is still an improvement from the flattish growth reported in the prior two quarters.

When a company delivers strong MAU growth it demands a higher value in the market. This is because a growing number of users participating and returning to the site will attract more advertising dollars and have a positive impact on sales. This is basically the story of Facebook’s success in recent years. When you compare Facebook’s MAU growth to Twitter’s it helps explain the divergence in the company’s stock prices in recent years. As opposed to Twitter’s 3%, in Facebook’s most recent quarter they reported MAU growth of 15% YoY to 1.7B.

A determining factor about MAU’s is whether or not they are mobile or desktop users. Mobile users are more valuable as mobile advertising demands much higher ticket prices than ads on desktop formats. 92% or 1.57B of Facebook’s 1.7B total MAU’s are mobile users, compared to just 83% for Twitter.

How Are Monthly Active Users Measured?

MAU’s are calculated by taking the number of unique users for a thirty-day period. Each company has a slightly tailored approach to how they calculate MAU’s. Facebook considers a user an MAU if they have logged in and used Facebook during the month. “Used” is the important word here as just logging in is not enough. In order to be counted as an MAU the user must like, share, comment, message, or click on a link. Twitter, on the other hand counts MAU’s as any users logged in during the month who follow at least thirty accounts and are followed back by at least 1/3rd of them. Google+ also calculates MAU’s as key metric. If you have an account and use a Google service at least once a month you are counted as an MAU. Here is a look at how some of the top Social Media players stack up when it comes to MAU’s.



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