

Elon Musk's Twitter Buyout: Game-Changer in Social Media

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Abstract: The \$44 billion acquisition of Twitter is full of drama, according to Elon Musk. It could even serve as a case study for future industry leaders. But Twitter is a complete mismatch with Elon Musk's existing or ongoing business units. At the same time, Musk is trying to enforce his will with a new acquisition strategy that has sent certain messages. He said he was buying Twitter for freedom of speech. By comparing his company's business model to its industry. Twitter as a media platform doesn't fit with Musk's original business landscape, but he has a new acquisition strategy that is getting its message across. Musk's wealth comes largely from his stakes in Tesla and SpaceX. Both companies were funded by private investment and government contracts and have grown and succeeded. Before the acquisition, Twitter had been struggling with financial challenges. Musk may have seen the potential to turn around Twitter's finances, using the platform to influence public opinion and have more control over the narrative on the platform. Elon Musk's acquisition of Twitter highlights the potential impact on a struggling business of a chief executive with a large stake in a number of successful companies. Despite business model mismatches, Musk's experience in growing and growing his company, combined with his belief in the power of social media, could lead to a successful future for Twitter.

Keywords: Elon Musk, Twitter, Tesla, X-space

1. Introduction

Musk publicly proposed to purchase the U.S. social media company Twitter for \$54.20 per share (about \$43 billion.) Twitter's board then adopted a "shareholder rights plan" called the Poison pill as a counter-measure to make it more difficult for Musk to acquire more shares in Twitter. Musk publicly proposed to acquire Twitter, an American social media company, for \$54.20 per share (approximately \$43 billion). Subsequently, Twitter's board of decision-makers chose a "shareholder rights plan" called "Poison pill" (Poison pill) as a countermeasure, making it more difficult for Musk to obtain more shares on Twitter. On October 27, 2022, Elon Musk successfully acquired Twitter at a high price of US\$44 billion.

According to Elon Musk, the \$44 billion acquisition of Twitter was full of drama. This could even serve as a case study for future industry leaders. But Twitter and Elon Musk's original or ongoing business sections are completely off-match. Meanwhile, Musk is working on imposing his will through a new acquisition strategy that has since delivered certain messages. He stated that Twitter was acquired for free speech. By comparing his company's business model with its industry.

In 2022, Elon Musk successfully acquired Twitter for \$44 billion, which he claimed was for free speech. The acquisition was full of drama and could serve as a case study for future industry leaders. Despite the mismatch in Twitter's and Musk's original or ongoing business sections, he proposed a new acquisition strategy that has since delivered messages.

Musk's wealth comes mainly from his ownership stakes in Tesla and SpaceX, two of his largest companies. Tesla specializes in electric vehicles, energy storage, and solar panel manufacturing, while SpaceX focuses on advanced rockets and spacecraft, with the goal of reducing space travel costs and colonizing Mars. Both companies were funded by private investment and government contracts, and have seen substantial growth and success.

Twitter, on the other hand, struggled with financial challenges before its acquisition. The company generates revenue primarily from advertising, but faced difficulty in monetizing its large user base and competition from other social media platforms. Musk may have seen the potential to turn around Twitter's finances, use the platform to influence public opinion, and have more control over the narrative on the platform.

In conclusion, Elon Musk's acquisition of Twitter highlights the potential impact that a CEO with a large stake in multiple successful companies can have on a struggling business. Despite the mismatch in business models, Musk's experience in developing and growing his companies, combined with his belief in the power of social media, may lead to a successful future for Twitter.

2. Elon Musk's Manage Policies

Musk publicly proposed to acquire the U.S. social media company Twitter for \$54.20 per share (about \$43 billion.) Twitter's board then adopted a "shareholder rights plan" called the Poison pill as a counter-measure to make it more difficult for Musk to acquire more shares in Twitter. On October 27, 2022, Elon Musk successfully acquired Twitter at a high price of US\$44 billion. Based on the acquisition, Elon's Musk has a lot of firms. Two of the largest companies are Tesla and Space-X. Tesla's business model is based around designing and manufacturing electric cars as well as energy storage systems and solar products. They sell their products directly to consumers through their own retail stores and online, while also generating revenue from servicing and repairing vehicles.

Tesla is an American multinational company specializing in the manufacture of electric cars, energy storage, and solar panel manufacturing based on lithium-ion battery energy storage. Tesla designs, manufactures and sells electric vehicles, electric vehicle powertrain components and battery storage. They sell cars under their own brands and also supply powertrain systems to other automakers. Tesla operates multiple production and assembly plants, notably Gigafactory 1 near Reno, Nevada, as well as the main automotive manufacturing facility at Tesla's factory in Fremont, California.

SpaceX's business model is focused on the design, fabricate, and send up advanced rockets and spacecraft. They provide satellite launch services to government and commercial customers and are also developing reusable rockets and spacecraft. Their goal is focus on decrease the cost of space travel and eventually colonize Mars. Because Space-X was founded in 2002, it is an American aerospace manufacturer and space transportation services company. Its main goal is to reduce the cost of space transportation and to colonize Mars. Space-X designs, manufactures and launches advanced rockets and spacecraft, and the company has developed the Falcon 1 and Falcon 9 launch vehicles, both of which are designed to be reusable. Space-X also builds the Dragon spacecraft, which is flown into orbit by the Falcon 9 launch vehicle to provide cargo for the International Space Station (ISS). Starting in March 2019, it will also begin providing personnel. In addition, Space-X has been awarded contracts for various missions, including the launch of satellites for Iridium Communications and SES S.A., as well as NASA contracts to provide cargo resupply for the ISS and to develop a crewed Dragon spacecraft for NASA's Commercial Crew Program.

Both Tesla and Space-X were initially funded by private investment and government contracts. In case of Tesla was institute in 2003 by a group of engineers who wanted to corroborate that new energy electric cars could be better than gasoline-powered cars. Tesla raised their first round of funding from a group of angel investors, and in 2004 received a \$6.5 million investment from a group of venture capital firms led by Technology Partners. In addition, Tesla got a \$465 million loan from the U.S. Department of Energy in 2010 to create new energy electric cars and related technologies. As the company grew, it raised more money through private investment and public stock offerings. Tesla went public in 2010 and has seen its market value soar since then.

Case of Space-X was founded by Elon Musk in 2002 with the goal of reducing the cost of space transportation and eventually colonizing Mars. Musk personally invested \$100 million in the company, and he raised additional money from private investors. In addition, Space-X gets money from government contracts, including a \$1.6 billion contract from NASA to improve the Dragon spacecraft for cargo resupply missions to the International Space Station. A contract to develop the Crew Dragon spacecraft for NASA's Commercial Crew program.

Musk's wealth is largely derived from his ownership stakes in Tesla and SpaceX, as well as his various other business ventures, such as SolarCity (which was acquired by Tesla). As CEO and major shareholder of these companies, Musk's net worth has grown substantially with the success of his companies. Twitter is a publicly-traded company, it had the same problem as most companies that face acquisition - financial challenges before it was acquired by Elon Musk. The company was un-able to generate enough revenue to cover its expenses, which caused its share price to fall and market value to fall. Twitter's main source of revenue comes from advertising, but the company has struggled to monetize its huge user base effectively. In addition, the company faces stiff competition from other social media platforms such as Facebook and Instagram, making it difficult for Twitter to attract and retain users and advertisers. Before Twitter's acquisition, it reports that Elon Musk has expressed interest in buying the social media platform. His tweet about wanting to buy the platform sent Twitter shares soaring.

The specific reason for his interest in buying Twitter is unclear, but it could be a combination of his belief in the power of social media to influence public opinion and his desire to have more control over the narrative on the platform. And he said that aim to Freedom of speech. In addition, he may see an opportunity to turn around Twitter's finances and generate more revenue through advertising and other monetization strategies. For the business model of Twitter, it is the same as the search engine in the past, the greatest value lies in advertising, which generates revenue through advertising. Another revenue segment is Data Licensing.

Twitter's core competitiveness is in its strong monthly active users, like everyone is going online to see what friends are doing, reading news, and even having real-time comments for events. It is in Twitter's main DNA which is advertising-is his main source of income. Twitter also has developed some Promoted products to better serve advertisers and charges advertisers based on click revenue. For the advertisers them-selves, if there is no effect, there is no need to pay a high cost. However, this pattern is also very similar to the click-through rate perspective of search portals in the past. Based on this point of view, Twitter's DNA is very similar to a portal search engine. Advertising and click-through rate is the core of his income, and his "own protect-umbrella" comes from user viscosity and quantity. Similarly, Twitter's business model has limitations, compared with the social media software in the United States, for example: WhatsApp, Instagram, or Facebook, Twitter's lack of privacy, and Facebook's gradual detachment from advertising revenue. In terms of overseas business development, social media in other countries have more comprehensive functions than Twitter, almost a monopoly.

Negotiations. The acquiring company (in this case, Elon Musk or one of his companies) would negotiate the terms of the acquisition with the management of Twitter, including the purchase price, financing arrangements, and any contingencies.

Due Diligence. The acquiring company would conduct a thorough re-view of Twitter's financial, legal, and operational aspects. This would include reviewing financial statements, contracts, and other legal documents, and assessing the worth of the company's property and incur debt. Regulatory Approvals: The acquisition would need to be approved by regulatory department for example the Securities and Exchange Commission (SEC) in the United States.

Shareholder Approval. The acquisition would also need to be approved by a majority of Twitter's shareholders, who would vote on the proposed acquisition at a special meeting.

Closing. Once all approvals have been obtained, and all conditions of the acquisition have been satisfied, the transaction would be closed and the acquiring company would take control of Twitter [1-4].

3. Processing and Result

Elon Musk declared to acquire Twitter for \$43 billion. Before the acquisition, Musk purchased 9.1% stake in Twitter for \$2.64 billion on April 14, 2022. Things before Musk intended to purchase Twitter, he had received an invitation from Twitter to participate in their board of directors. For respond Musk's buyout offer, Twitter's board of directors stated the launch of a "poison pill plan," approving investors to buy extra shares happened for an antagonistic takeover. On April 25, Twitter stated that their chosen to accept Musk's offer. On July 8, Musk once stated the purchase proposal he want to cancel. On October 3, Musk stated that he going to purchase Twitter at the basic price of the deal [5]. On October 27, Musk finished a deal to be privatization Twitter for \$44 billion.

Elon Musk has not acquired Twitter and there is no background to his acquisition of the company. He has expressed interest in buying the platform and has tweeted about wanting to acquire the company, but these tweets do not necessarily indicate that an actual acquisition is in progress or will take place in the future. As a publicly traded company, the acquisition of Twitter would require significant legal and financial negotiations and approvals, and it is not something that can happen overnight or without a thorough due diligence process. However, it's likely that he sees Twitter as a powerful platform for communication and influence, given its large user base and the ability of tweets to generate widespread media coverage.

Some people speculate that he could use Twitter to promote his own companies and interests, such as Tesla and Space-X, and also shape public opinion about a variety of topics that are important to him. Additionally, he may see an opportunity to turn around Twitter's financial performance and generate more revenue through advertising and other monetization strategies.

It's also possible that the tweets were speculative or even a joke, without any serious intent behind them. It's important to note that the acquisition of a publicly traded company like Twitter is a complex process that involves legal and financial negotiations, due diligence, and regulatory approvals. Without any official statement or confirmation from Musk or Twitter, it's difficult to say for certain what his purpose for buying the company would be. The process of acquiring a publicly traded company like Twitter would typically involve several steps which is negotiations, due diligence, regulatory approvals, shareholder approval and closing.

Firstly, negotiations mean the acquiring company (in this case, Elon Musk or one of his companies) would negotiate the terms of the acquisition with the management of Twitter, including the purchase price, financing arrangements, and any contingencies. Secondly, due diligence is that the acquiring company would conduct a thorough review of Twitter's financial, legal, and operational aspects. This would include reviewing financial statements, contracts, and other legal documents, and assessing the worth of the company's property and incur debt. Next, regulatory approvals mean

the acquisition would need to be approved by regulatory for example the Securities and Exchange Commission in the United States. Then shareholder approval means the acquisition would also need to be approved by a majority of Twitter's shareholders, who would vote on the proposed acquisition at a special meeting. Lastly, closing is that once all approvals have been obtained, and all conditions of the acquisition have been satisfied, the transaction would be closed and the acquiring company would take control of Twitter.

Elon Musk planned to buy Twitter for \$43 billion. Prior to this, he accepted the invitation of Twitter to join its board of directors, and he acquired 9.1% stake in Twitter for \$2.64 billion at April 14, 2022. In response to Musk's takeover proposal, Twitter's board of decision maker announced enablement a "poison pill plan," authorizing stockholders to purchase extra shares in the event of a hostile takeover. On April 25, Twitter declared their decision to receive Musk's offer. On July 8, Musk once announced the cancellation of the acquisition proposal. On October 3, Musk stated that he planned to purchase Twitter at the original price of the used statement. On October 27, Musk accomplished the Twitter deal to be privatization for \$44 billion.

Elon Musk posted his first tweet on Twitter in June 2010. By the time he acquired Twitter, his followers had exceeded 80 million. In December 2017, someone suggested that Musk acquire Twitter, and Musk's response to this was "how much"[6]?

On March 20, 2022, the Twitter account of the American conservative satirical site Babylon Bee was delayed about meaning to transgender woman U.S. Department of Health and Human Services Assistant Secretary Rachel Levin as "Man of the Year", Twitter officially stated that this behavior of the Babylon bee disrespects the contract on "hate behavior". Babylon Bee rejected to delete the tweet in exchange for the right to unban the account, and Twitter subsequently said that rejected the website's request [7]. According to Seth Dillon, CEO of Babylon Bees, they received a call from Musk shortly after their account was suspend-ed. Need to buy Twitter". On March 24, Musk issued a critical statement against the Twitter company on Twitter, and conducted a poll on if Twitter abides by the rule that "freedom of speech is basic to the functioning of democracy country".

All of the information, about Elon Mask's acquisition of Twitter, whether it has an impact on his business landscape. Based on Musk's current company's development goals and industrial chain mainly aim to super factories, Tasle's savings and power generation, as well as aerospace and satellite research and development [8-9]. The acquisition of Twitter may be because he has taken a fancy to Twitter as a social media platform. It can bring a certain amount of traffic and discussions to him personally, his company, and the companies he invests in. For his large-scale business development, Twitter can only be said to be a prop that can help him [8-10].

4. Conclusion

Based on Musk's two main companies, Tesla and Space X, Twitter's business sector seems unrelated. Buying Twitter is for Musk which is Musk has transformed its own assets by taking stock pledges and bank loans-leveraged acquisition of Twitter and proposed to go private one of the largest media companies in the world into its own assets, perfect-ing its business model in many ways - diversified development, because Musk's main corporate development includes AI, and the development of new energy, thereby strengthening digital development. At the same time, Musk assigns executives from existing companies to subordinate acquiring companies, using its own management model to consolidate its ownership. Twitter's privatization effectively protected assets from shrinking-turning cash into assets during periods of currency over-issuance and Fed rate hikes, thus protecting its own assets. The privati-zation of Twitter can help Elon Musk build Twitter into a Web 3.0 ex-perimental platform in the future, help Musk use blockchain, and maybe the Internet will innovate in the future. Therefore, the acquisition of Twitter is beneficial to Musk's original business

territory and will have an impact on the future, and the overall model will be a larger publicity platform.

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