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Snapchat's premium positioning at risk without better campaign analytics

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Snapchat

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By Brielle Jaekel

Originally a user-only space, Snapchat made the leap into advertising last year, with a slew of marketers jumping to connect to the platform's young user base, but without any ascertainable reaction data, brands should not forget its organic story capabilities.

The social media application introduced a series of advertising abilities within various areas of its platform, and brands were quick to take advantage of it all as Snapchat boasts a significant number of users of 15-to-25-years old. However, the problem still lies in the ability to track data in terms of success for these campaigns, and marketers are missing out on the opportunity to connect with users in a more personal manner through Snapchat's Story feature.

"The challenges ahead for Snapchat advertising in 2016 in part stem from their 2015 wins," said Topher Burns, group director at distribution strategy at Deep Focus. "Setting prices high is great for buzz and as a means to communicate value, but exclusivity comes at a cost, finding more affordable and accessible ways for advertisers to leverage the platform will likely be a focus for the coming year.

"Another major hurdle is around transparency and data," he said. "Snapchat's platform is based on ephemerality and privacy, which users love about it.

"Ephemerality and privacy don't tend to jive well with robust performance analytics. If Snapchat wants to continue to place its ad products as premium, it is going to need to be able to tell a more detailed story about how those ad products perform and how consumers interact with them."

Non-date issue

The Snapchat platform performs almost as a special club for members, as it is highly personal and sequestered off. The user experience is vastly different from any other social media app, which makes it hard for marketers to crack the code if they themselves are not using it and there is no form of organic discovery.

But for brands, the platform is considered a gold mine, as its main demographic lies within the 15 to 25 year old range and has one of largest amount of users. The advertising campaigns of the past year seemed to be favorable for consumers, as the promoted pieces were distinctly native and complimented the experience rather than

hindered it.

A large problem with these campaigns though, is that there is no current method in measuring the success of these sponsored campaigns and Snapchat needs to discern a way of doing so. But the company recently announced an application programming interface in which marketers can have greater control over their campaigns, possibly opening up the door for greater return-on-investment insights.

"Like any media platform, understanding the Snapchat audience and consumer behavior within the app is critical for matching brands as the best fit for the audience and which creative is going to best leverage consumer behavior," said Shana Pereira, regional director at Resolution Media.

Organic story importance

Marketers should also be spending a considerable amount of time creating organic and personal content to post on their own accounts within the app. For instance, major brands such as Sephora have been revealing new products and creating experiences in which users want to interact through non-sponsored posts on the story feature within its organic account.

Creating a campaign in which sponsored posts compliment organic content within Snapchat stories can be a substantial driver for brands looking to build a large, engaged following. Brands need to create compelling content for Snapchat stories and share within other social media platforms to show consumers they can gain something beneficial by following.

Marketers should be thinking about building an audience on Snapchat for the long term, not just offering a contest or free giveaway, but creating a loyal following of consumers who want to be involved because of its quality content.

"This year people in the marketing world actually started believing that Snapchat was a place they should be advertising on rather than just a space for kids to be naughty on," said Gary Vaynerchuk, CEO and cofounder of VaynerMedia. "For people who have run campaigns and have looked into it, there is an awareness that it is almost impossible to reach the 15 to 25 year old demographic with the pixie dust of coolness the way brands can with Snapchat."

"I think that a lot of people need to start seriously building up their organic presence," he said. "The biggest mistake is not building up organic stories and instead worrying about the advertising."

"These stories are perfect to build on, but because it is so complicated to understand for those who do not use it, it is a completely different language. Brands should piggy back and use the paid products that Snapchat offers to complement the organic stories as an equal partner."

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