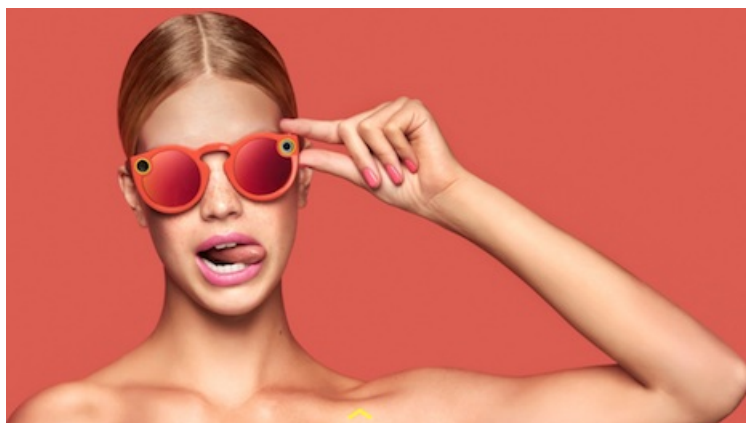


MARKETING

Snapchat's unskippable ads, off-app content bid to lure advertisers from Instagram

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Snapchat's Spectacles were another underwhelming addition to its stock problems. Image credit: Snap

By DANNY PARISI

Snapchat is in a rough position right now, as Instagram's increasingly large share of social advertising is causing the platform to reinvent some of its longstanding traditions.

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For one, Snapchat is testing unskippable advertisements, something that has never appeared on the platform before, as well as moving content so that it is not exclusive to the application. As luxury brands and influencers increasingly move to Instagram, Snapchat is left to figure out how to keep advertisers without alienating users.

"I think unskippable ads are a significant mistake," said Casey Gannon, vice president of marketing at [Shopgate](#), Austin, TX. "As consumers' usages of mobile apps continues to increase, they expect to use them on their terms and at their convenience.

"Not to mention, Snapchat is intended to be quick bits that are easily digestible so not allowing the consumer to control their experience with the app will push them to use their other major competitors, mainly Insta-stories," she said. "Snapchat needs to get more creative on ways to monetize their service, and content publishers need to be more engaging.

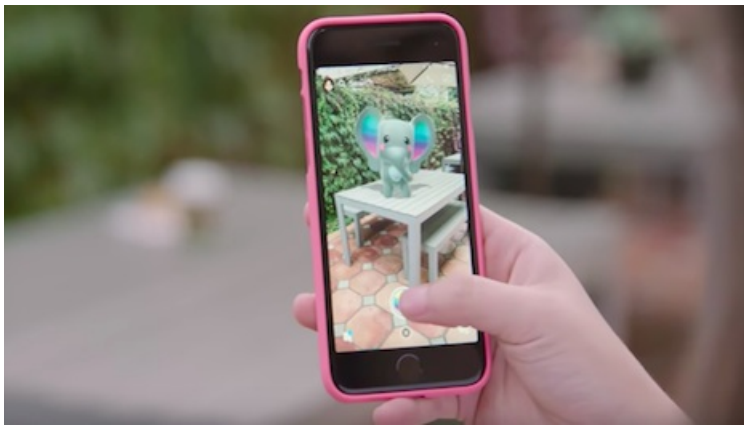
"The influencer model continues to work on this platform."

Snap's woes

When Snapchat debuted, it was an instant sensation. The ephemeral nature of the content as well as its novelty made it a hit with young people.

But now, those same traits that made it so popular to begin with are an obstacle for the company's monetization strategy as it has continually come up short against Instagram in terms of attracting advertisers.

Instagram's more permanent nature has made it a favorite of advertisers and influencers, and it commands a larger share of the advertising economy and has higher ROI among advertisers.



Snapchat's Lens Studio was another bid to bring in more advertisers. Image credit: Snap

Luxury brands in particular love Instagram, along with its popular Stories feature which is almost a direct copy of what Snapchat has been pushing for years.

This has translated to serious stock valuation problems for Snapchat, causing its stock to plummet over the last few months. As of press time, the platform's stock is sitting at a disappointing \$14.66 per share.

In response, Snapchat has begun a few efforts to salvage advertising revenue.

First, the company is testing unskippable three-second ads. Snap has always been cautious around introducing ads to Snapchat, and the skippable ads in Stories now are often skipped through by consumers in less than a second.

The other major difficulty for brands on Snapchat is that the content is not sharable anywhere but on the app itself, unlike Instagram or Twitter where links and media can be embedded and shared in a variety of ways.

Snapchat is changing this as well by pushing more content off the app with an initiative called Stories Everywhere. Under this project, users and brands will be able to save and share content from Snapchat anywhere on the Web, including a Web media player for viewing Snapchat videos outside of the app.

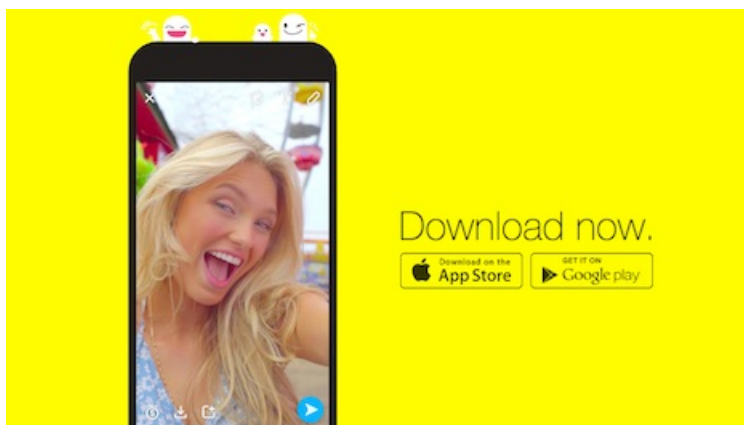
Luring advertisers back

These moves are the latest in a long line of efforts from Snapchat to lure in more luxury brands and retailers.

For example, last year Snapchat helped brands gain more perspective on how advertising on the application stimulates in-store visits with a new ad product.

"Snap to Store" allows ad partners to better track how well their campaigns are doing. Through data mining, Snapchat breaks down visitors based on demographics and how they interacted with the brand ([see story](#)).

The platform also officially unveiled its Lens Studio, an interactive tool that lets brands and consumers alike create their own custom lenses using both 2D and 3D animation.



Snap to Store is meant to give retailers better understanding of ad attribution on Snapchat. Image credit: Snap

Snapchat's Lens Studio was officially announced Dec. 14, but it has been in the works for a while. With Lens Studio, brands and publishers will have more freedom and tools than ever to create the kind of custom, native content that is valuable for connecting with young consumers who use Snapchat the most ([see story](#)).

As Snapchat continues to reinvent itself in an effort to draw in more brands and advertisers, it needs to come up

with a real way to lure them away from Instagram where so much of social advertising in the luxury world is concentrated.

Unfortunately, unskippable ads and off-app content may not be enough.

"I think it's smart for Snapchat to create 'stories everywhere,'" Ms. Gannon said. "Users have built massive audiences on other platforms, this allows Snapchat to concentrate on providing tools for users to create fun and unique images and videos with filters and AI.

"Integration is key for all tech players over the next few years," she said.

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