

MARKETING

Snapchat's struggles continue with 3M lost users in Q2

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Snapchat has continuously come up short compared to Instagram. Image credit: Snapchat

By DANNY PARISI

Social media platform Snapchat has been in a rough spot over the past few months, with its latest earnings report revealing that the company has lost 3 million daily active users in the last quarter.

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This statistic is bad news for a company that has been struggling to retain users, keep them happy and appeal to advertisers at the same time. For brands, the question of whether Snapchat remains a viable partner, especially compared to more favorable platforms such as Instagram, remains an open debate.

Shrinking population

In its second quarter earnings report, Snap revealed that the platform lost 3 million daily active users over the last few months.

For an application such as Snapchat, daily active users are the lifeblood of the whole operation and what the platform uses to entice brand and advertising partners to work with it.

Just two years ago, Snapchat was adding more than 20 million daily active users in a quarter, which makes this recent loss even more painful.



Snapchat lost 3 million users last quarter. Image credit: Snap

Ahead of its IPO a few months ago, Snapchat looked to be in a good place. Facebook even attempted to acquire Snap.

However, when Snap refused, Facebook responded by adding its own take on Snapchat's popular Stories feature to both Instagram and Facebook.

Since then, Instagram's numbers have risen dramatically, driven in part by the popularity of Instagram Stories, while Snapchat's have dwindled.

This has made it difficult for Snapchat to continue working to monetize its user base as more brands are considering Instagram the better option.

Snapchat's struggles

Despite Snapchat's attempts to lure advertisers to its platform, marketers overwhelmingly prefer Instagram for ad buying.

The Facebook-owned platform has dwarfed Snapchat, with 90 percent of respondents to a survey conducted by Cowen indicating they prefer to advertise on Instagram over Snapchat, as reported by Business Insider. This data should be worrisome to Snapchat, which has increasingly lost favor with advertisers as Instagram's star has risen.

According to Cowen's report, 47 percent of advertisers are spending much less on Snapchat ads than they had anticipated ([see story](#)).

The platform has been rolling out new features in an attempt to mediate this disadvantage.

Snapchat is working to open up its platform to be more accessible to outside brands and applications with a new development kit.



Snapchat's new toolkit will let third-parties access the platform. Image credit: IRM

According to a report from TechCrunch, the social media platform will be allowing outside developers to use its augmented reality camera in certain applications. The opening up of the platform to third parties was a strategy that helped propel Facebook to prominence in 2010, but whether this move will work the same way for Snapchat remains to be seen ([see story](#)).

As Snapchat continues to bleed daily active users, it seems that Instagram has become the platform of choice for

luxury brand advertisers. Whether Snapchat can catch up remains to be seen.

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