

Snapchat ad revenue to rocket: eMarketer

September 6 2016



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Snapchat is expected to generate nearly a billion dollars next year, as marketers look to the vanishing messaging service to connect with young audiences, a research firm said Tuesday.

California-based Snapchat will take in \$366.7 million in <u>ad revenue</u> globally this year, and \$935.5 million in 2017, according to estimates from eMarketer.



The forecast said that Snapchat revenue could nearly double the following year to \$1.76 billion.

"Advertisers are attracted to Snapchat for its broad reach among young millennials and those in Generation Z, which are valuable demographic groups for many businesses," eMarketer analyst Cathy Boyle said in a release.

Snapchat has broadened its array of video ads and ways that advertisers can sponsor image filters or lenses in order to target its young, internetsavvy users.

Snapchat estimates it has more than 100 million users globally of the <u>service</u> for sending videos, images and text messages which vanish after being viewed. Some reports say it generates 10 billion video views per day.

The service for sending messages that vanish shortly after being seen by recipients became a hit with teenagers and young adults.

About 59 percent of Snapchat's estimated 58.9 million in the United States are younger than 25 years old, and some 85 percent of them are younger than 35, according to eMarketer.

Snapchat introduced advertising at its service in 2015 and is still striving for sound footing to stand against established social networks such as Facebook and Twitter, especially when it comes to targeting ads and measuring results.

Snapchat currently gets 95 percent of its ad revenues from the US, according to eMarketer.

The share of Snapchat revenue from outside the US should grow to



about 25 percent by the year 2018, eMarketer said, as the company expands ads to other countries, particularly in Britain where it is popular.

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Citation: Snapchat ad revenue to rocket: eMarketer (2016, September 6) retrieved 19 April 2024 from https://phys.org/news/2016-09-snapchat-ad-revenue-rocket-emarketer.html

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