

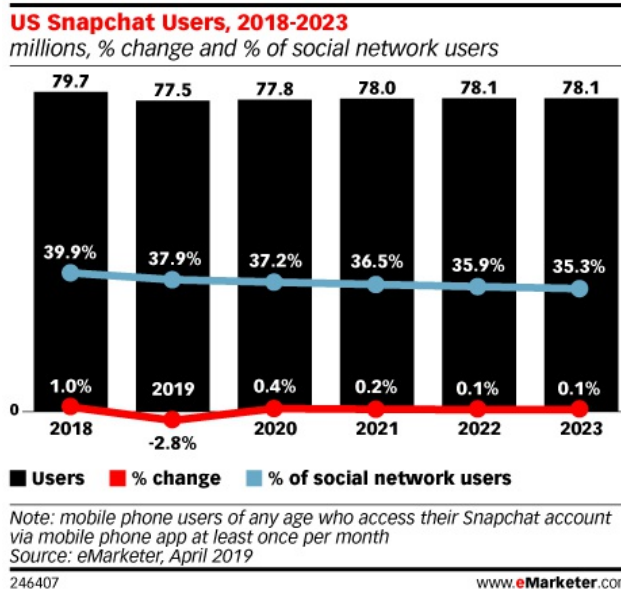
eMarketer Slashes Snapchat Growth Forecast for 2019

Instagram will benefit, adding nearly 19 million users by 2023

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eMarketer Editors

Following its unpopular redesign, Snapchat has been struggling to gain users in the US. As a result, eMarketer has significantly downgraded its growth outlook for Snapchat in its latest US social usage forecast. For the first time, Snapchat will lose monthly US users this year, with growth expected to flatten in 2020.



In 2019, Snapchat will have 77.5 million monthly US users, down 2.8% from last year. This represents a significantly lower projection than

eMarketer expected in its Q3 2018 forecast, which anticipated 6.6% growth to 90.4 million monthly US users this year.

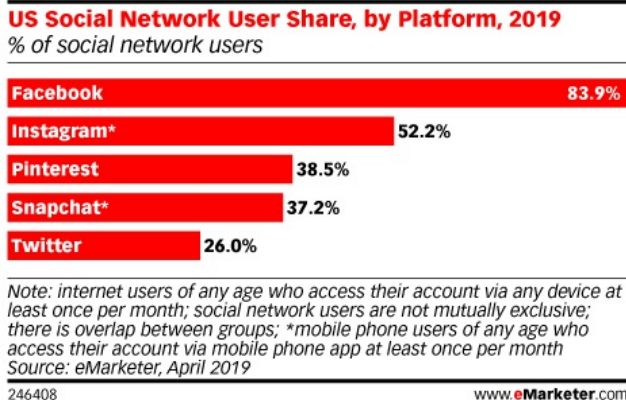
“Many users didn’t like how Stories and chats were mixed together in a confusing redesign that went into effect in late 2017 and was broadly available by early 2018,” said eMarketer forecasting analyst Showmik Podder. “The backlash was so severe that Snapchat was forced to scale back some of the changes just a few months later.”

That wasn’t enough to forestall a dip this year. Snapchat user growth will plateau in 2020. Between 2019 and 2023, we forecast that Snapchat will only add 600,000 new US users.

In 2020, Snapchat’s growth rate (0.4%) will remain well below that of US social network usage as a whole (2.4%). As a result, Snapchat’s share of US social network users will continue to drop from its peak in 2017. It will capture 37.9% of social users this year, down from nearly 40% in 2018.

“Increased competition from new and existing social platforms is partly to blame for Snapchat’s decline,” said eMarketer senior analyst Jasmine Enberg. “But the product launches the company announced last week, including an in-app gaming platform, may improve user engagement and time spent, particularly among its core young user base. Gaming also provides a new revenue stream for Snapchat that could boost its ad business in the future.”

Instagram will pick up many of those leaving Snapchat. This year, it will have 106.7 million US users, up 6.2% from 2018. The Facebook-owned property will add nearly 19 million new US users by 2023.



Unlike Snapchat, Instagram's growth rate is higher than that of social network users in general, pushing Instagram's US share to 52.2% this year, up nearly 2 percentage points from 2018.