

# Snap's Data Signals Users May Be Reluctantly Accepting Redesign

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**eMarketer Editors**

Snap Inc. said its first-quarter revenues fell short of fourth-quarter levels — a surprisingly weak performance that the company blamed partly on a controversial redesign with the Snapchat app.

Revenues grew 54% year over year, but it was down 19% sequentially. The results fell short of expectations and led eMarketer's forecasting team to say it will re-evaluate its estimates for the company. eMarketer's latest estimate, released in March 2018, projected Snapchat's US ad revenues would grow 81.7% in 2018 to \$1.03 billion.

"We'll scale back our full-year ad revenue expectations," said Monica Peart, senior director of forecasting at eMarketer. "But it's not likely to be a dramatic change, because Snap is still in the mode of attracting new advertisers."

But within the tepid financial results were signs that Snapchat could regain growth momentum. Most importantly, engagement and usage figures held steady despite a redesign that faced considerable criticism from users.

The company said the number of daily active users (DAUs) rose 15% over the year-ago period, and edged up 2% over the previous quarter.

And, as importantly, the company noted that time spent on the app remained at more than 30 minutes per day—a sign that users are getting used to the redesign. CEO Evan Spiegel said there have been positive developments from the redesign, such as increased new-user retention among older age groups.

The Snapchat redesign went live in November 2017 and quickly caught a wave of negative publicity. The goal was to separate "the social from the media," creating a better experience for both users and advertisers.

"The redesign has definitely been a disruption," Peart said. "But it seems to have been a temporary one. As users acclimate, we expect growth will continue to be positive. We will, however, likely make a slight slowdown to our full-year estimates for user numbers."

Snap's hold on younger consumers remains strong, though recent data from [Piper Jaffray](#) showed a slight weakening among teens.

**US Teens' Preferred Social Media Platform, Spring 2015-Spring 2018**  
*% of respondents*

	Spring 2015	Fall 2015	Spring 2016	Fall 2016	Spring 2017	Fall 2017	Spring 2018
Snapchat	11%	17%	24%	35%	39%	47%	45%
Instagram	29%	29%	23%	24%	23%	24%	26%
Twitter	21%	18%	16%	13%	11%	7%	9%
Facebook	12%	13%	15%	13%	11%	9%	8%
Pinterest	2%	1%	1%	1%	1%	1%	1%
Google+	1%	1%	1%	1%	-	-	-

*Note: teens with an average age of 16; numbers may not add up to 100% due to the exclusion of "other" responses*  
*Source: Piper Jaffray, "Taking Stock with Teens: Spring 2018," April 10, 2018*  
 236839 [www.eMarketer.com](http://www.eMarketer.com)

Still, even as slightly fewer teens called Snapchat their preferred social media platform, the app remained by far the most popular.