

Snapchat+ hits 5 million subscribers just over a year after launch

Article

The news: Snap has added more than 2 million Snapchat+ subscribers since April, bringing its total count to over **5 million**, the company announced.

Diversifying: Snapchat+ costs \$3.99 monthly and was launched in July 2022 during a turbulent time for Snap, which was one of the first companies to visibly feel the effects of the

struggling digital advertising market. The service was an attempt to diversify revenues beyond advertising and has had surprising success.

- Snapchat is primarily used as a messaging app, a model that's notoriously difficult to monetize. But with a [host of features](#) like the ability to pin conversations, custom app icons and backgrounds, and special access to its **My AI** chatbot, the company has attracted half of its stated 10 million subscriber goal in just over one year.
- Snapchat+ is a tidy separate revenue stream, but it also ties back into Snap's ad business. In June, the company [began testing using My AI data](#) to create personalized advertising and has also tested sponsored links and answers in chatbot replies.
- The service's strong growth shows that AI chatbots have been a successful monetization tool for Snap, while others—even giants like Microsoft—have [struggled to make gains](#) with AI.

Focusing on India: India is one of the strongest markets for Snapchat, with [more than 211 million users](#) this year and 60% penetration in the 13-to-24 age demographic, per Wells Fargo. It's also a strong market for Snapchat+, which is significantly cheaper there than in the US.

- Snap has doubled down on India's growth potential, restructuring its business and appointing an ex-**Google** executive to head its Indian operations.
- But that strong user growth also presents a revenue challenge. The far cheaper price point for Snapchat+, as well as lower ad prices, means Snap's strong userbase in India doesn't always translate into strong revenue growth. Average revenues per user in North America last quarter were \$6.83, but just 98 cents in its "rest of world" segment.

Our take: Snapchat+ has had surprising growth in just one year, showing potential for messaging app monetization. Generative AI for images and text has proven to be a helpful feature for boosting revenues and also shows that there's strong user interest in AI as an entertainment outlet.

Media Platforms That Capture Consumer Attention According to US Consumers vs. Marketers, July 2023

% of respondents

	Marketers	Consumers
TikTok	43%	57%
Instagram	39%	52%
Pinterest	37%	14%
Amazon	30%	29%
Spotify	30%	43%
Google	29%	38%
Facebook	29%	19%
Snapchat	29%	14%
Reddit	29%	14%
YouTube	28%	48%
Twitter	26%	19%

Note: consumers ages 16-65

Source: Kantar, "Media Reactions 2023," Sep 6, 2023

283113

Insider Intelligence | eMarketer