

Layoffs at Snap could compromise its AR aspirations

Article

The news: Snap is laying off 20% of its staff of more than 6,400 employees in response to weak Q2 earnings and an 80% decline in its stock price, [per](#) Insider. The move is a setback for augmented reality (AR) products and services.

Snap's lean period: Snap's layoffs are a precursor to a wider [restructuring plan](#). CEO Evan Spiegel indicated in May that the company would cut back on recruiting and "find significant

cost reductions.”

- **Deep cuts are expected among developers building mini apps and games** inside Snapchat, as well as social mapping app Zenly, which Snap purchased in 2017.
- Snap’s hardware division, which develops the [AR Spectacles](#) glasses and the recently canceled **Pixy** camera drone, will similarly see job cuts.
- Snap invested heavily in its [augmented reality future](#). This year alone, it bought AR display company **WaveOptics**, display tech startup **Compound Photonics**, and neurotech brain-interface company **NextMind**.
- Snap is also seeing personnel changes. Chief business officer **Jeremi Gorman** and vice president of ad sales **Peter Naylor** have both left Snap for jobs at **Netflix**.

The problem: While Snap’s losses are reflective of slowing ad sales—the net effect of **Apple’s** privacy restrictions—the general economic downturn will continue to bear down on the tech sector.

Snap’s move to discontinue product development in emerging technologies mirrors Meta’s decision to [lay off](#) staff and [cancel](#) investment-heavy products like a smartwatch and AR goggles.

The big takeaway: Snap, the industry leader in AR, now has to trade its future aspirations to weather its present tribulations. This will slow down overall AR advancement and adoption while leaving the door open for competitors to snap up AR talent.

Have US Digital Buyers Made a Purchase via Select Social Media Platforms in the Past Month?

% of respondents, by demographic, June 2022

| | Female | Male | 18-34 | 35-54 | 55-65 | Total |
|--|--------|------|-------|-------|-------|-------|
| Facebook | 19% | 19% | 29% | 17% | 12% | 19% |
| Instagram | 11% | 14% | 27% | 9% | 2% | 12% |
| YouTube | 6% | 12% | 20% | 5% | 2% | 9% |
| TikTok | 7% | 8% | 19% | 4% | 1% | 8% |
| Snapchat | 4% | 8% | 17% | 1% | 0% | 6% |
| Pinterest | 5% | 6% | 12% | 3% | 2% | 6% |
| Twitter | 2% | 8% | 12% | 2% | 1% | 5% |
| Reddit | 1% | 5% | 6% | 2% | 1% | 3% |
| LinkedIn | 0% | 3% | 3% | 1% | 1% | 2% |
| Other | 1% | 1% | 0% | 3% | 1% | 1% |
| No, I have not purchased from any of these sites in the past month | 72% | 67% | 49% | 74% | 85% | 70% |

Note: n=883 who made a digital purchase in the past month/30 days

Source: "The Insider Intelligence Ecommerce Survey" conducted in June 2022 by Bizrate Insights, June 22, 2022

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