

Snapchat IPO: 6 more things you should know

 By [Hadlee Simons](#)

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Snap Inc's IPO filing was made public overnight, revealing a variety of details surrounding Snapchat's operations.



Snap Inc.

Picture: [Memeburn.com](#)

For one, we know that the firm hasn't made a profit in 2015 and 2016 (although it's quickly catching up), then there's the claim of 158 million daily active users. But what else do the documents tell us?

Yes, Snapchat's prioritising iOS

Many Android users have long held that Snapchat didn't pay enough attention to the Google platform — something the company admitted in the filing.

"The majority of our user engagement is on smartphones with iOS operating systems. As a result, although our products work with Android mobile devices, we have prioritised development of our products to operate with iOS operating systems rather than smartphones with Android operating systems."

The company noted that if it's to continue growing, they'll need to "prioritise development of our products to operate on smartphones with Android operating systems".

It'll be spending US\$2-billion on Google Cloud

An app like Snapchat needs a ton of cloud-related resources to actually function, so it's no surprise to hear that Snap Inc is earmarking a ton of cash for this.

"We have committed to spend \$2 billion with Google Cloud over the next five years and have built our software and computer systems to use computing, storage capabilities, bandwidth, and other services provided by Google, some of which do not have an alternative in the market."

Who are Snapchat's rivals?

The company has also outlined who it considers to be Snapchat's rivals, including domestic and international platforms.

“This includes larger, more established companies such as Apple, Facebook (including Instagram and WhatsApp), Google (including YouTube), Twitter, Kakao, LINE, Naver (including Snow), and Tencent, which provide their users with a variety of products, services, content, and online advertising offerings, and smaller companies that offer products and services that may compete with specific Snapchat features,” the company explained.

“For example, Instagram, a subsidiary of Facebook, recently introduced a ‘stories’ feature that largely mimics our Stories feature and may be directly competitive.”

How much revenue is it earning per user?

Interestingly enough, Snapchat’s average revenue per user (ARPU) is currently sitting at US\$1.05, up from US\$0.31 a year ago.

Snap Inc claims that its ARPU for North America is US\$2.15 (as of Q4 2016), compared to US\$0.28 in Europe and US\$0.15 in the rest of the world.

The company is drastically upping its R&D spend

Snap Inc revealed that it had US\$183.6-million in research and development expenses in 2016. What about 2015?

Well, back then, the firm was spending US\$82.2-million on R&D. In other words, R&D went up by just over 120%.

Sponsored lenses worked a treat for X-Men: Apocalypse

Snapchat allows brands to implement their own lense filters, citing X-Men: Apocalypse as a notable success story.

“In one day, people spent a collective 56 years playing with the Sponsored Lenses, which also featured the mutants’ powers. They also incorporated the Sponsored Lens into Snaps they shared with their friends, which yielded over 298 million views for the campaign and greatly amplified awareness and anticipation for the movie,” Snap said.

“The campaign resulted in a 13 percentage point increase in brand awareness, 7x the mobile norm, as measured by Millward Brown. More importantly, the Sponsored Lens also drove a 25% lift in theater-watch intent, over 3x the mobile norm.”

ABOUT HADLEE SIMONS

Hadlee Simons is an editor at Verneburn. Terrible puns make Hadlee difficult to work with, but he brings almost seven years of tech journalism experience to the table. When he's not at work or watching motorsport, he's in the foetal position on a jiu jitsu mat.

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