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Yik Yak, once valued at \$400 million, shuts down and sells off engineers for \$1 million

After taking in \$73.5 million in funding

By Nick Statt | @nickstatt | Apr 28, 2017, 7:49pm EDT

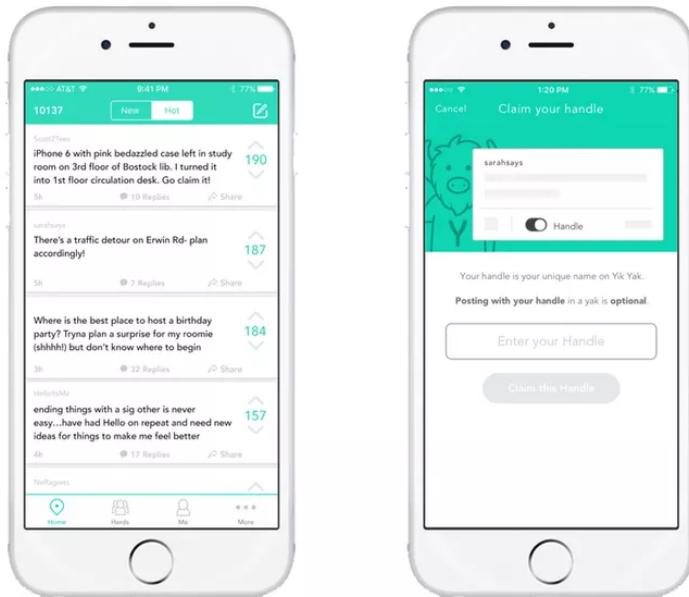


Photo: Yik Yak

Yik Yak, an anonymous messaging app for college students, [announced today](#) that it would finally be shutting down. The app first launched back in 2014 as a way to discreetly communicate with others nearby, and it took off quickly for its gossip-centric role in American universities. Along the way, the team scooped up \$73.5 million in venture capital funding. With today's closure and an [accompanying SEC filing issued](#)

last week, we've learned that mobile payments company Square looted Yik Yak for its engineering talent and some minor intellectual property to the tune of just \$1 million. At one point, investors valued Yik Yak at \$400 million.

YIK YAK WAS ONCE VALUED AT \$400 MILLION

"The time has come... for our paths to part ways, as we've decided to make our next moves as a company," co-founders Brooks Buffington Tyler Droll write in a blog post on the company's website. "To that end, we'll begin winding down the Yik Yak app over the coming week as we start tinkering around with what's ahead for our brand, our technology, and ourselves."

The app's rise, its failed pivot to group messaging, and its eventual fall is quite emblematic of the anonymous messaging trend and its quite death. These apps took off around 2014 and largely rode to popularity based on college-aged users dishing out secrets and being cruel to one another under the protection of anonymity. These businesses, though sporting promising user growth, never seemed to grow large enough to sustain themselves. Other anonymous apps, like Secret and Formspring, went out of business back in 2015.

Yik Yak, to its credit, lasted longer than most. It had its fair share of trouble along the way, most notably an ill-fated attempt to force users into adopting a permanent handle that would be attached to every post. After months of sliding user numbers and fading relevance, Yik Yak laid off around 60 percent of its staff in December of last year. Yik Yak also earned attention, and school-wide bans, from college campus officials when it was used to make threats and became a hotbed for abuse and harassment.

To be fair, the anonymous messaging trend isn't completely over. Back in February, North Carolina man named Garrett Grimsley was arrested for making what looked a lot like a threat of public violence on the app Whisper. Police requested the user's IP address, which Whisper stores and hands over to law enforcement, and Grimsely was promptly arrested and charged with transmitting a threat over interstate commerce.