

A thought paper on the strategy for competitive advantage of Snapchat

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Current Strategy

Snapchat has a really nice story to how it started off, makes me want to work harder on my projects & assignments in class. Evan Spiegel and Bobby Murphy found Picaboo, as a part of their coursework at Stanford. They laid out of simple structure of operation, the content generator decides how long the content stays visible to the receiver and then self-destructs itself (mission impossible style!).

Snapchat has 1.55 billion active users with 350 million snaps are shared across the platform every single day. These numbers are phenomenal but does it mean money? Snapchat is a series A, \$94 million funded company but not claiming any profits on the books so far. Valued at over \$19 billion by Fortune magazine, future does seem bright for the company. The company, much like its CEO exuberates style and swag. The company is said to have turned down an offer of \$3 billion from Facebook, so it looks like Mr. Spiegel knows what he's doing. (theguardian.com, 2013)

What might have not been working

Although the media raves about how sexting is one of the things Snapchat is mostly used for, the CEO always dismisses it to be overhype by the media. "It seems odd that at the beginning of the Internet everyone decided everything should stick around forever," Spiegel said. "I think our application makes communication a lot more human and natural." Well, I agree to what he has to say, that's very insightful. Turns out though that his mission for Snapchat hasn't resonated with

the policy makers for Snapchat. Sounds odd? Let's review a small excerpt from their terms and conditions page, shall we? It reads, 'you grant us a perpetual license to create derivative works from, promote, exhibit, broadcast, syndicate, publicly perform, and publicly display content'. (snapchat.com, 2016). There have also been successful attempts and funnily enough even ventures (Snapchat Hack) which focus just on hacking into Snapchat's servers. Unlike what Mr. Evan says publically about content not being permanent on the internet, the content seems to be saved on the servers.

This has translated to ugly implications in the past; a Tumblr blog 'Snapchat Sluts' posted nudes of women. There was also a Facebook page called Snapchat Leaked which posted saved Snapchat images without permission (was shut down soon in May). This is a serious issue and has to be regulated in a better way considering the age of the audience using the app, there might be instances of child pornography.

What's working. Snapping out of the dark implications their weak encryption techniques might have, sexting is not the only appeal to teenagers. Snapchat is a very vibrant and unique platform. Their latest versions have wonderful integration and it only goes to prove that Snapchat is moving toward becoming the "whole package" for seamless communication without breadcrumbs.

To start off with, the whole new idea of ephemerality is the main attraction. Users tend to feel safer sending laid back, 'not their best look' content to their friends. You don't have to worry about hundreds of your pictures lingering on someone else's phone. Snapchat's geofilters (one of their earliest integrations) is an interesting feature, it lets to tell your friends what places you've been traveling too with just one picture. Along with the fun filters they added later, they added functional integrations as well – like front flash for selfies!

Coming to their latest integrations, Snapchat has outperformed itself in terms of user engagement. Snapchat now allows you to make audio and video calls, send money and chat using stickers with your friends, so why go anywhere else? Aside from the functional edge, they have released a bunch of fun mindless face recognition based elements so now you can turn your face into a tomato, pour rainbow out of your mouth or become a puppy, all with just a click of a button. Snapchat also has a Discover section, which lets you

What should be changed. I suggest a strict policy rework. Snapchat creating an illusion that the content shared through the portal is temporary when it's actually not, is okay; it's a business strategy. But considering the kind of content that gets shared, there must be a regulatory and filtering procedure. The advancement of imagery algorithms provide excellent image recognition tools. There is even an excellent open source JavaScript library called nude.js which does brilliant nudity detection. The pictures which prove positive on the nudity detection algorithm do not get saved on the servers. Plain and simple. It is neither ethically nor economically okay to monetize on nudity (more so with teenagers). I also suggest adding end to end encryption (like WhatsApp has recently done with its interface), purely because of the kind of sensitive information that gets shared. Having users feel safer is really important, or it's only a matter of time before someone better looking and with better encryption comes and sweeps away the user base. There have been reported issues of cyberbullying where a girl overdosed and ended up in the hospital out of fear (mirror.co.uk, 2013). There must be a layer of data abstraction for sure, at least for recorded users under the age of 18. Having a filtration which identifies threatening comments must not be allowed to go through repeatedly. They're tracking our data anyway, we are all over the point of pretending they don't! So might as well do something good (other than monetizing it) for the safety of the user base. This might be

expensive to implement initially but users always tend to stick to agencies which make them feel safer, even beyond the honeymoon period.

One more shocking incident I stumbled upon recently was with a friend of mine. She had recently shared pictures of her trying out a dozen bikinis to her sister and friend and the next day the icon next to her sister and friend had changed to a heart! It wasn't because of the number of snaps but because of the content she sent, there was a method employed to detect that she had shared pictures in skim clothing and assumed that it was her boyfriend/lover. This was a little creepy. Maybe Snapchat should do a better job not making it obvious to the users that they're always watching.

Future strategy. I like the speed at which Snapchat is growing and the versatility it shows in terms of the app's features. I want to keep that essence and build on that. I would like to make Snapchat the 'whole package' so that users do not feel like using multiple apps anymore for the features that Snapchat provides. We already have chatting, sharing and discovering. We can initially work on bettering user relation between each other. Adding a small sense of gamification, by saying 'Congratulations on your 500th snap to Anna!' or having a level for Snapchatters based on their activity – maybe 1000 snaps might mean you are a master snapper! Also, one thing I noticed about the current interface is that they only let you add your friends on your phone book. Maybe an integration with Facebook, not in a way that let's all your Facebook friends view you on Snapchat, but in a way that links Facebook friends on Snapchats based on the location (data gathered by geofilter usage), or based on the people they follow or topics they discover on their 'Live' platform. In today's age vanity beats utility, therefore Snapchat could alter its model accordingly.

I noticed that right now Snapchat is a one-on-one chatting platform, but the user base is very young and they tend to hang out in groups. Having a group chat integration could really be an exciting new feature. I know I keep coming back to this one, but Snapchat's geofilters seems to be a goldmine to me. Using Snapchat's geofilter, we know where a user is at a particular point of time, so we can leverage that information and subtly monetize on it. Posting not ads per se, but maybe a 'Explore' pin which shows things they can explore around that region – bars, party places, events, places to eat etc. This integration makes Snapchat the wholesome discover and communicate platform, and I feel it should surely be the next iterative approach.

Talking a little bit about data monetization, with over 350 million snaps sent across every day the data that Snapchat sits on is incredible! Facebook, twitter might all have larger amounts of data but this is data in all forms, we have videos, images and now even audio. We can derive data, patterns and personality features and validate it in the best possible way. I would initially recommend integrating an entity extraction module in the image recognition layer. We need to know the kind of data we are mostly going to be dealing with, categorize it and further integrate tools back end to decipher information to scale. When people share stories, we know it's information that they are comfortable broadcasting, maybe an activity, an event, or maybe even something mundane but nothing private so our image tool can search for components like dress type, background entities and match it with the text sometimes typed onto the snap to validate data we are trying to decipher about that person. Now coming to individual snaps, when people share snaps among each other or targeted to just few individuals, we know that we can be on the look-out for something more personal. Ignoring the sexting and nude content, we could capture information about their personal lives, like layout of their bedroom, the way they prefer being at home, how active they are, who they have what relationship with etc.

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