PRODUCT TEARDOWN

Snapchat product teardown

How does Snapchat keep friend groups active where each user is worth the most?

Existing product · Lens: North America and Europe retention · Data: Snap Q2 2026 results

01 · PRODUCT

An existing app built around close friends

Snapchat is a camera and messaging app: snaps, chats, Stories, Memories and Lenses. It earns mainly from advertising, plus subscriptions such as Snapchat+.

Why Snapchat

971M monthly users, with 493M using it daily.

Why the retention lens

Daily users are falling in North America, where each user earns about ten times more than in Rest of World.

WHY IT MATTERS

-7%

North America daily users, to 92 million.

While Rest of World grew 12% to 303 million. Snap's release does not say why North America fell.

02 · SCALE

Growing overall, shrinking where it pays most

$1.6B
Q2 revenue, up 19%

493M
daily users, up 5%

971M
monthly users, up 4%

$10.26
revenue per user in North America

$1.00
revenue per user in Rest of World

~59%
of revenue from about 19% of daily users (my arithmetic)

Who competes, and how Snapchat earns

Competitors

Meta apps: 3.6B people use one daily

TikTok and YouTube

WhatsApp and iMessage for chat

Only the Meta figure is verified.

Revenue sources

Advertising (about $1.28B, my estimate)

Other Revenue: $316M, up 85%

Snapchat+, Memories Storage, Lens+

Under 3% of monthly users pay.

03 · PROBLEM

The valuable users are shrinking

Snapchat's most valuable users are shrinking while its growth comes from its least valuable ones.

HOW MIGHT WE

keep friend groups active in North America and Europe without nagging them?

04 · USERS

Four users, one to serve first

SERVE FIRST · 19 OF 20

Fading Friend-Group User

Still has the app but opens it less as the group chat moves.

SECOND · 16 OF 20

Growth-Market New User

New user in Rest of World, fast growing, low revenue.

THIRD · 14 OF 20

Paying Subscriber

Pays for Snapchat+, storage or Lens+.

LATER · 13 OF 20

Age-Law Teen

Affected by age rules, such as Australia's.

Scored on size, headroom, fit with the fix and strategic value (my judgement, to validate with interviews).

05 · JOURNEY

The group chat leaves before the user does

Stage	What happens	Feeling	Opportunity
Join	Installs because friends are on it	Excited	Fast friend import
Habit	Snaps and streaks	Fun, then a chore	Lighter streak pressure
Drift	Group chat moves elsewhere	Less reason to open	Keep the group here
Lapse	Opens less each week	Nothing waiting	Something personal
Return or leave	Gets a nudge or a storage prompt	Remembers, or feels nagged	A gentle, relevant reason

Five pain points, two to fix first

#	Pain point	Evidence	Score
1	Friends move group chats elsewhere	Hypothesis; cause of decline not stated	15
2	Streak and notification fatigue	My inference; no data read	14
3	Memories storage and paywall pressure	Inference from Other Revenue credit	12
5	Age-check friction for teens	About 415,000 Australian under-16 accounts blocked	12
4	Weak discovery versus TikTok	My inference; not measured	10

Score out of 20 on reach, severity, evidence and fixability (my judgement).

07 · SOLUTIONS

Five ideas to keep groups active

A

Reconnect nudges

A weekly, low-key prompt showing which close friends are active

C

Memory recap

A past-years recap that brings people back to their Memories

D

Lighter streak pressure

Settings to pause or soften streaks and reminders

B

Group plans

A shared plan or poll that keeps the chat here

E

Smoother age checks

Fewer false blocks for over-16s

08 · PRIORITIZATION

Reconnect nudges rank first on RICE

Rank	Solution	Reach	Impact	Confidence	Effort	RICE
1	A. Reconnect nudges	60	1	0.5	1.5	20
2	C. Memory recap	50	1	0.5	2	12.5
3	D. Lighter streak pressure	50	0.5	0.4	1	10
4	B. Group plans	40	2	0.4	5	6.4
5	E. Smoother age checks	10	2	0.5	3	3.3

RICE = (Reach × Impact × Confidence) ÷ Effort. Reach is percent of North America and Europe daily users. All inputs are illustrative estimates.

09 · MVP

MVP: a weekly reconnect nudge

Send adult users whose opens have dropped a weekly nudge naming a close friend who is active. Teens are left out of the first test.

Up
lapsing users back to weekly use

Flat
opt-outs, uninstalls and ad load

50/50
A/B test in North America

10 · TEST

A 50/50 A/B test in North America

Item	Definition
Hypothesis	A relevant reminder brings lapsing users back without annoying them
Success	More lapsing users return to weekly activity within 4 weeks
Guardrails	Notification opt-outs, uninstalls, ad impressions per user, wellbeing and teen-safety complaints
Stop rule	End the test if opt-outs or uninstalls rise above control, or complaints spike

Four gated phases

Phase	What happens	Gate
1. Pilot	Small share of North American adults	No rise in opt-outs or uninstalls
2. Expand	Wider North America plus Europe	Clear lift in returning users
3. Launch	Everywhere age rules allow	Guardrails stay stable
4. Iterate	Tune timing, then test memory recap	Each change wins its own test

Existing users only, so there is no paid acquisition. Channels: in-app surfaces and push.

12 · RISKS

What could go wrong

Feels like nagging

More notifications can push people out. Cap frequency and watch opt-outs.

Wrong cause

If friends did not leave, nudges will not help. The test will show it.

Teen safety

Pushing teens to open an app more is a risk. Keep minors out until reviewed.

TAKEAWAYS

Three things to remember

1 Snapchat grows overall, but North America daily users fell 7% where users earn about ten times more.

2 Nothing I read says why. Friends moving away is a hypothesis.

3 Test a weekly reconnect nudge first, with opt-outs, uninstalls and teen safety as guardrails.

Would a weekly nudge bring you back, or push you out?

SOURCES

Sources and caveats

Sources

Snap Q2 2026 results release (SEC filing)

Stocktwits (3 Aug 2026); The Next Web

Social Samosa (3 Feb 2026)

Nasdaq summary of Meta call

Caveats

Cause of the decline is unknown

Shares and ad revenue are my arithmetic

Scores are my own estimates

Thank you

Questions and feedback welcome