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Episode 8: Snap is Bringing Digital Ad Creative Out of the Dark Ages - Though Traditional Agencies May Not be Ready

Mike (19s):

Hey guys, this is Mike Shields and this week on Next in Marketing, I got to talk to two great guests. Jeff Miller who leads Global Creative Strategy at Snap and Alex Collmer founder and CEO of VidMob. We went deep in the state of creative and digital advertising. We talked about whether brands were truly ready to marry data analytics with what has always been the artistic side of the business, and how the COVID crisis is causing CMOs to expect ads to be produced a whole lot quicker, what that means for the future of the good old fashioned creative agency. Let's get started.

Mike (57s):

Hi everybody. Welcome to Next in Marketing I've got my first two guest podcast today we've got Alex Collmer, who is the founder and CEO of VidMob, who I've known for awhile. Then Jeff Miller who is senior director of creative strategy at Snap. Welcome guys,

Jeff (1m 1s):

Mike, thanks for having us do that.

Alex (1m 3s):

I'm really excited to be here.



Mike (1m 4s):

Most of you cannot see us, but Alex has a very distracting Snap toilet paper thing on his head and it's taking everything in me to focus here.

Alex (1m 13s):

Well, when you're, when you're getting on with the global head of creative for Snap, got to make sure that the Snap camera is in play.

Jeff (1m 19s):

What he's not telling you is he actually wears toilet paper on his head in all of his meetings, even pre COVID.

Mike (1m 28s):

That is actually not AR that's actually just his head dress for the summer. Okay we're off to weird start. But this is a cool topic. We spent a lot of different podcasts talking about streaming in the state of the targeting and the digital advertising business. Creative often gets the short shrift, I think in the industry coverage here and especially in digital. So I wanted to talk to you guys about the state of digital creative, especially in the context of consumer behavior shifts and the pandemic and everything going on. So I'm going to try to throw the question of both of you guys: how would you assess the state of digital creative right now?

Mike (1m 60s):

And that's, you know, looking at everything from display, social media and across the board, or is it getting enough investment, attention? Is it getting better or worse? What's going on? Alex will start with you maybe.



Alex (2m 9s):

So I actually maybe have a little bit of a non-conformist view here, but I think Creative is actually an incredible place. And I think sort of the common assumption is the move from sort of the larger television screen to mobile devices has kind of led to a, you know, less creative atmosphere. I just think that's just totally wrong. You know, it's just a different platform that requires different kinds of creativity and it doesn't take too long within Snaps platform and others to see just how well it's thriving.

Mike (2m 42s):

Yeah. I think, I think you're right in general, we like to crap on digital creative cause of the banners is easy to beat up on historically. And then the story is always been on mobile - it's smaller and worse and I think it's probably not given enough credit, but Snap is known for being a creative hotbed. What's the state of affairs for you guys and across the industry you have in your mind.

Jeff (3m 3s):

So when I think about creativity, certainly as a member of the creative strategy team here at Snap, we would like to think about it in two ways. First is how can we continue as an industry, think about new formats, the adoption of formats that are driven more towards active engagement versus passive engagement. And in that sense, you look at what we're doing on our platform and what other platforms are doing leading into tools like augmented reality and sponsored lenses specifically on Snap where it's really about using the full mobile screen to have an experience that feels like for the person that's consuming it.

Jeff (3m 43s):

They are actually a part of the Ad, if you will. And in the best instances, it doesn't actually even feel like an ad. The message is getting across, but it really is put in the hands of the consumer or the Snapchat community member, more so than it is the brand. And allowing that to be something that can be played with, if that can be shared, ah, that can be interpreted in that very personal way. So that sense of like active engagement is something that we're continuing to push the boundaries. And I would say we're still in the grand scheme of things, pretty early stages on the possibilities of creativity.



Jeff (4m 14s):

And so I think we're on our way there, but getting clients and also community members to understand that behavior is clearly a cornerstone of getting broader adoption and impact from it. And then if I look at it in the context of ROI and ROAS a delivery, and that's where, to Alex's point, I think where we made great strides. If you think about the ability to make very custom creative in really programmatic and automated fashions, whether it's on our platform with collection ads or looking across the industry at whole of doing things that feel highly personalized.

Jeff (4m 51s):

And I think that's the type of thing that we'll continue to see people leaning into. And then ultimately I think you'll see things that kind of cut across both where you start to see people using the phone in itself to develop ad creative and that's where it will drive that greater active engagement, a little less scalable, but I think that that notion of "less polished" is something that's really been embraced by the industry now. And we're seeing great impact from advertisers who have leaned into that in an endemic way.

Mike (5m 17s):

I want to come back to that less polished point. But you know, you made an interesting distinction there were, you talked about the active engagement versus passive because I think historically this industry was, you know, it was built interactive, right, but that really meant clicking on banners or clicking on banners, you know, some kind of direct response. And I think over time people said, well, it's not really interactive. No one clicks on banners, as its it's lame. It seems like you're trying to shift to the, the mentality of what interacting with digital creative should be. It doesn't have to necessarily be around driving to your website or driving to your retail page, or something that's actually part of the ad - is that something that you think is unique to Snap or is it something that you're going to try and see as a shift across the industry?

Jeff (5m 59s):

So we see this picked up in other platforms, certainly you look at a platform like Tiktok and they have their own forms of active engagement. There, what I think is unique to Snap is the way that



people behave on the platform. It's a platform that's not about broadcasting, it's first and foremost about connecting with your close family friends in really authentic ways. So with that, at the core of it in this network that's built on closer friendships versus weaker nodes that are trying to build out towards a broadcast in nature,

Jeff (6m 34s):

What we see is people behave more naturally - they're not worried about putting up a front or try to recreate a different perception of themselves. And so for something like AR that becomes highly engaging. So while AR we expect to continue to become something that's more endemic across platforms, what I think makes Snap different is the fact that the community itself is more about those who matter most to you. So the way you behave on the platform is going to be different, more natural. And also the fact that we open up to the camera and we are the only major platform that isn't open it up to a feed it's opening up to the camera to create.

Jeff (7m 10s):

So that notion of creation is something that is endemic to the platform. The behavior of creating an AR every single day is something that, ah, the vast majority of our population is doing. So I think that understanding of the behavior as well as the UI itself really lends itself to this type of active engagement that advertisers can be a part of.

Alex (7m 30s):

I just want to sort of double click on the one point that Jeff made there, because I think it's actually really, really important. The idea of sort of focusing on close friends versus broadcast really does sort of open up the ability to kind of change the behavior pattern. And you know, what we see as sort of so frequently is just that people really are going to be more willing to play when they are sort of, you know, within their tighter circle. I mean, here I am talking to you guys, essentially playing with an augmented reality lens of toilet paper on my head, you know, so I'm, you know, engaging heavily through Snap camera in content in a way that frankly, you know, never would have been possible, not either with a television ad or a banner or any sort of traditional sense.



Alex (8m 15s):

I probably wouldn't be doing that, if I was broadcasting that out to, you know, every single person I ever met in the world.

Mike (8m 21s):

Alex let's back up a little bit, cause I'm assuming lots of people will know Snap, maybe not everybody knows VidMob maybe you can kinda give us your, I describe it in a way, you probably would hate this, but I feel like it's a like TaskRabbit for creative. It's a company allows brands to tap into a huge network of talent and make advertising. Is that the best way to describe it?

Alex (8m 41s):

Yeah, I think it's evolved a little bit from there. So maybe it make sense for me to kind of give a quick overview, but you know, I think where you sorta started this conversation on the idea of sort of the industry given short shift to creative, it's actually a really important point. I remember a year or two ago, I was walking around DMEXCO, you know, the big conference in Germany, and it sort of blew my mind that you had literally hall after hall, after hall of thousands of different companies. And none of them were in any way connected to creative.

Alex (9m 14s):

It was all about sort of, you know, ads or targeting or buying and, you know, the thing I just couldn't get out of my head was that, at least according to Google, Creative is responsible for 70% of performance. We have heard some of our brand customer's say it's as high as 80%, you know, Facebook uses as a stat that's maybe 60 or so, but anyway you slice it, creative is the overwhelming driver of results and yet no one thinks about it. Right. And so I started thinking about this problem back in 2014, and what struck me, was just... the transition from a text and image web to one where video predominated, and then beyond that augmented reality and beyond that, some I'm sure more complex media type - that was just going to create enormous creative friction around, you know, the industry.



Jeff (10m 3s):

It became a touch screen web more than a mouse driven web.

Alex (10m 9s):

Exactly its just like in every way it got more complex. And having come out of the entertainment industry I had previously built and ran a video game publisher. I just didn't believe that pure technology solutions, you know, algorithmic editors, template-based creators, were going to be able to create the emotionally resonant, playful ad types that were going to actually succeed. So we set out to build a technology platform that would make human creativity more scalable. So to your point Mike first and foremost, it was just a marketplace to connect people who need, you know, creative with, you know, very talented editors, animators, motion designers, creative directors, et cetera.

Alex (10m 44s):

And then as time went on, right, we realized that the complexity of our projects was growing enormously. So, you know, many of our clients will be creating for six different platforms and 30 different ad formats and trying seven different reasons to believe and, and looking to, you know, push out that ad media in 30 different markets around the world. All of a sudden they were dealing with enormous complexity, just in the creative process.

Mike (11m 12s):

The sheer trafficking was a massive headache.

Alex (11m 15s):

Exactly, so we built a whole bunch of workflow software to make that process easy. And then we hooked into the ads API's - Snap and Facebook and others so that when they were done, they could just click a single button, push all their ads out to, you know, the platforms that they're working on. When we did that, that enabled us to actually start getting performance data back. And that's where things got really interesting because then we'd built computer vision systems to



unpack all the creative elements. So understanding where and when our logo is coming in and what the calls to action are and what, you know, whether the words that are being spoken are related to the objects in the background and all of these various things.

Alex (11m 49s):

And then we can compare those to the performance data and apply machine learning and actually generate insights back to both our creators and our clients on actually why things are working. And so today, you know, VidMob really is those three things together. We drive insights to help brands understand the why. And then we always connect that back to our creator community so they can respond with new data informed creative literally the next day, and basically use tech to power this cycle of play, like we're talking about.

Mike (12m 18s):

And to be specific are you mostly, do you work mostly with the big social media platforms or, you're not making television ads and banner ads I'm guessing.

Alex (12m 27s):

So we actually are, and that's kind of the beauty of a human led system is that we have infinite flexibility. So we've been used to make, you know, digital billboards for, you know, the largest Billboard's in the world. And in Times Square, we make static display. We make a number of AR lenses for Snap and Facebook. We do email, really like all manner of Creative. And, and now, especially during COVID, as a lot of agencies struggle with physical shoots being shut down and things like that, we were actually tasked with making a number of television ads, not only in the States, but all over the world.

Mike (13m 4s):

Interesting. Jeff before Snap you were at Pepsi for a number of years. Were you were frustrated at that time with the limitations, of digital creative, or is that not fair?



Jeff (13m 17s):

I would say it's absolutely fair. So I was at PepsiCo for six years and I got my early taste, working in the field of social with Tropicana when I was a brand manager on Tropicana. And luckily it was paired with the major agency and in Vayner, I got to know Gary very well, and he was clearly ahead of his time. And this was roughly like 2012, 13. So we were dabbling pretty early days like what you can do with social, still benefiting from some of the algorithms of organic reach you would get, but then in 2014, I moved into a more disciplined role leading Gatorade digital.

Jeff (13m 54s):

So a transition from Tropicana to the gateway brand, a brand that was much more focused on digital natives. So our target audience was competitive athletes that were 13 to 24 year olds. And so we really had to understand as a brand, the platforms that they were on, the way they were consuming content exceptionally well. And it was even in 2014, 15, it wasn't TV, it was video games. And it was at that time, YouTube and Facebook and Instagram. And so for us, we were really starting to understand these platforms as an expert at one day a week to fuel how we think about our supply chain, our business model, and things like commerce, but more immediately, how do we actually able to reach our consumers in a way that they're naturally consuming content?

Jeff (14m 39s):

And it was in that role that I first got exposed to Snapchat. So we had a summer intern from USC who was amazing, Amanda Morgan and her summer project. For me at that time, I was like, what is this platform? Snapchat? This was like early 2015. Like, I don't get it, but I know that our consumer's on it. And at that time, she's like, you don't understand it, like everyone is on it. And this is what they are on all day everyday. And so her challenge was like to make the case for Snapchat, why Gatorade should care

Jeff (15m 10s):

And she absolutely crushed it, put together a really compelling case, to the point that we then approached Snapchat and I got to develop a really early stage relationship with them and became one of their first advertisers on the platform. From a video standpoint. And then ultimately have this iconic moment at the Superbowl in early 2016 where we introduced one of the first big air hits, which was the Gatorade dunk. And so tying that notion of a dunk to a cultural



moment, something that you used to watch to an earlier point passively on TV, everybody waiting for that moment, trying to figure out what color Gatorade's going to be to now making it something that is going to be actively engaged with that hundreds of millions of people could see or engage with at any given time.

Jeff (15m 56s):

It was a transformative moment, not just for us as a brand and the way that we think about this, to your question, around digital engagement, but it was also transformative for my own personal career about what I'm interested in and what I wanna be a part of in terms of platforms and change and innovation that will ultimately disrupt the industry. So shoutout to Amanda who is now of course earned her full time role at Gatorade and is working there today.

Mike (16m 23s):

That's cool. That's a pretty good internship, but yeah that was an eye opening moment for the industry that, you know, the brands can do something at Snap, and just, you know, pure old fashioned in terms of advertising and that it can be creative and goes viral in a whole lot of different ways to at the same time, hard not to have a conversation in this industry right now, without talking about what's going on in the past few months with COVID and every brand seems to have ripped up their playbook really fast and get moving, change their campaigns, try to figure out what they should advertise or not.

Mike (16m 55s):

Alex, what kind of things did you see initially? You know, everyone is talking about how this is accelerating a lot of production trends and the way brands are going to ask for a media plan. When did you guys see early on?

Alex (17m 5s):

I think there's a couple of things, and I put them in sort of a marketing transformation bucket. And then second in maybe a sort of, key learnings. So the first one is, it was probably the obvious one, which has just all of a sudden a transition that I think was generally kind of expected to take



five to 10 years just dramatically accelerated. And so really everyone we work with, you know, from, from PepsiCo on through to a sort of many, many other marketers, I realized it as, as just kind of like table stakes, they have to have their sort of Creative operations existing on some sort of software platform that enables them to, you know, work remotely without missing a beat, to have shift towards more of kind of on demand labor model.

Alex (17m 53s):

You know, if you think of the sort of traditional models were you have a large number of fixed resources, either at the agency or in sort of the first version of in-housing where those resources just move. You know, you're a 300 people, are now sitting, you know, inside your office where we saw was that in March, April where all of a sudden they even had know idea what the word was going to look like a week from now a month from now six months from now, that was a real move towards having sort of a radical flexibility. Like I'm going to be able to ramp things back up to infinity, you know, in a week, if I need to, or keep them scaled down to zero, if need be.

Alex (18m 28s):

So that was sort of the first thing was just this move towards kind of a base software layer. And I think the way we, well, we sort of think about it is there's no sort of head of sales that would consider trying to build a global sales operation without Salesforce or some underlying software platform, but yet most marketers are dealing with their Creative, you know, operations with email Dropbox links, WeTransferlinks, spreadsheets, you know, that, that instantly ended.

Jeff (18m 57s):

Software had eaten everything, but not, but not that yet.

Alex (18m 59s):

Exactly. I mean, they're like marketing operations was really in many ways, kinda like the laggard of the enterprise. The second thing we saw was that people actually really leaned into our creative analytics, you know, and, and there were almost instantly really core learnings about how different creative tags, like what objects and emotions and backgrounds and things like that were driving response. And we saw really fundamental changes from March in this sort of



pre-lockdown period to the, you know, sort of early lock down at least, you know, lockdown into the American northeast.

Alex (19m 33s):

And then as things started to open up in each of those epics, they were really, really significant differences in what types of creative work was working. And we saw a lotta people lean into that, ah, and start to put it to work.

Mike (19m 46s):

Jeff. What about from your perspective, did you see a lot of brands rushing to blow up their entire campaigns and put out new Creative every other week and just seeing what sticks or was it business as usual? I know that there was a lot of direct response business we've seen in your earnings. What was it, where the first few months of the lockdowns like for you guys?

Jeff (20m 6s):

For us, it was interesting to look at it from two perspectives. One is what we saw behaviorally within our community and secondly brands and how they responded. So first from a behavior standpoint, what we saw is, ultimately I think in retrospect, not that surprising, it was a sharp increase in group activities. So thinking about features like chat and calling and Snap games, communication on a platform increased by over 30%, if you look at it.

Mike (20m 30s):

People were trying to stay connected, hang out.

Jeff (20m 36s):

Yeah, exactly. From a month over a month from like looking at the last week of March from compared to the last week of January is a 30% increase. And we've continued to see that type of behavior hold on, more engagement in a communal AR. With brands, what we saw was a



cautious approach. I think that applies both to the reality within COVID, as well as a stateside, when you think about the calls for racial justice, rightfully so and what we really focus on with brands is how do we help them speak in an authentic way to be able to deliver a message that is of course, conscious of the moment, but true to their brand ideals.

Jeff (21m 14s):

And so once we really focus on that dialog, I think, especially in a platform like Snap, where, it's not just about broadcasting messages or messages from big influencers, but the way you show up matters and making sure that you have a really authentic perspective that's true to your brand is frankly what matters most. So really finding that with brands has been a really fun opportunity, way of getting a brand to understand, and what is, a message that, well, not only resonate with a Snap audience, but ultimately ring true.

Jeff (21m 45s):

So now we're seeing brands across the spectrum, a verticals across the globe, really land, meaningful messaging that it doesn't have to sound like platitudes about just uncertain times. In fact, we're seeing really interesting Creative where it's, it's much more nimble and responsive to the moment.

Mike (22m 4s):

So its interesting because I've talked to several big brands about this and I'm sure you've had this conversations where they went through this period you described and they had to put the brakes on their 2020 plans. All of a sudden they are making ATV spots and, 20 new social posts in a couple of months.

Jeff (22m 23s):

Four or five years ago, brand's side, you're talking about, what you described on your question. These multimillion dollar shoots have multiple markets, many days and featuring in our case, many different, professional athletes, to drop this one or two or three iconic spots per year. It becomes like the linchpin of your entire calendar. And I think the reality is that that was already



changing in the world. Pre-COVID. If anything, it's now just been an accelerant in terms of this notion of that is not the way that people consume content today.

Jeff (22m 57s):

It's not the most fiscally responsible way to produce content today. Instead being able to understand platforms and their audiences really specifically, and how to build for those in an endemic way is really the way of the future. So in my mind, these changes are not temporary. I think if anything, it's going to be something that is just essentially taking us two to three years in the future if COVID ever happened. And what I think is really gonna be important is for, the world of agency partners, which we work with closely day in day out is the ones that are able to adapt because there's always gonna be a market for great ideas, for strategy, for creativity, the way those ideas get executed, the way they get consumed will change very rapidly.

Jeff (23m 40s):

But that notion and a need for ideas and people that can bring those to the forefront, really disciplined and thoughtful ways will never go away is just how quickly will specific agencies respond to that and how we'll their business models evolve

Mike (23m 53s):

Because they know a lot of their operations are set up to crank out those one or two big ads a year. Right. And that is just going to be challenging for some of those big, big agencies to shift.

Jeff (24m 2s):

Yeah. And if I have heard both sides of it, I've heard some agencies lament the fact and I've heard others really thrive and be excited by this, the notion of an ever, ever changing agency industry. I think for inherently creative people is an opportunity. And so to me we never see ourselves as a strategy team as competitive. I don't think that Alex and the VidMob team do either. It's more about how do we partner with these agencies to help them be successful in this new environment?



Alex (24m 33s):

Yeah I completely agree with Jeff's point there. I mean, when we actually work with a number of different agencies and I think in a lot of ways, it sets up, an opportunity here to be more creative than ever. Because if you think about the old way of working, where you're making, you know, a sort of a couple of you know, TV ads a year, so much of your creative output is going on utilizing that environment. You right now in this much more agile environment, creators, there's just a significant acceleration in the pace of like, idea to output, and for creators, that can be an incredibly compelling opportunity.

Mike (25m 12s):

I think that's an interesting question, Jeff, I think it was it already a question for you like before COVID, Agencies, we're still trying to figure out, I think many is still trying to figure out Snap, you know, what kind of adds work there - do we make them, do we get Snapchat's help? Did we have to outsource it? That is probably all going to change going forward, but how do you see that? How does it work now? The majority of you, the majority of your brand partners work with an agency outsourced Snap creative, do you do it for them? What does it look like?

Jeff (25m 44s):

So our goal as a creative strategy team is to be as malleable as possible. The way to describe it is that we are a Switzerland. And so our goal isn't to replace Agencies or to try to win away in a brand relationship, it's really to help me more than anything else, its to understand what is the way that a brand wants to operate. Is it with direct client relationship, is it with an internal creative team because so often agencies are thinking about it first, like what is the TV idea? What is the big video film? And then all of the offshoots from that happen on slide 37, of a 40 page Creative pitch deck.

Jeff (26m 14s):

And instead what we're seeing the most bang for the buck is when creatives are thinking platform-first and they were coming to us saying, how do we get together, think about with no egos with no sense of like who's idea Is it, collaboratively, How do we think about what is the idea



that we'll work for the Snapchat audience, resonate deeply, drive cultural influence, drive business results. And then from that core of an idea, think of the extensions on and off a platform. And that's where we really seen the brand's and age that had been most successful, who flipped it on the script.

Jeff (26m 44s):

And not said, hey, we'll put the Snapchat idea on slide 37, but we'll actually think about the idea itself centralized on a platform and an audience.

Mike (26m 53s):

Alex where do you think though that it's not easy if every agency they probably, know, we need to have specialized advertising for Snap and for Tik tok and for Pinterest or do we have to have a team that is, has expertise in every one of those platforms so you can produce or do we outsource shoot or get help? Where do you think that looks like over time?

Alex (27m 9s):

And I think ultimately there's going to be an opportunity to work with real specialists and in, in, in our sort of partnerships with agency's today that are working really well, they're focusing on sort of big idea that a commercial production itself, the physical shoots, the sort of larger, you know, meta strategy, the, the, the media plan itself, like what, what platforms are gonna be utilized. And then they're working with us to then help leverage the, the data and the expertise that we have on specific formats.

Alex (27m 40s):

Like Snap to then take that macro idea and make sure that they've the specific ad media there is actually going to be designed for that platform and given the best possible chance of success. And so I think that ultimately that hybrid model is going to be where, where things move to the other change that I think that is going to become really, really important is that were going to have to sorta correct the sort of original sin from back in the late nineties of the great unbundling of, of the agency ecosystem. You know, so if you think about this year, basically right, when the



internet in its modern form was being born in the agency ecosystem, split apart, creative and media sort of forevermore, and it was kind of Okay then, but today

Mike (28m 24s):

A bulk television. And that makes a lot of sense,

Alex (28m 26s):

Is it exactly, but today in an era where you, you know, within literally seconds of launching a new piece of creative on Snap, we start getting back really meaningful data about how that ad is working and specifically why, what a creative elements are actually driving that performance and that information, if your creative team if your media team and creative team are close enough, you can actually react to it during the campaign, improve the ad and actually drive up your performance as the campaign goes along. And so I think that that's another area where we're seeing a number of agencies sort of lean into recognizing that technology isn't a threat to Creative, but it can actually give it like a real leg up.

Alex (29m 5s):

And, and there's a number of that are actually like really getting on top of that. And I think its going to be a really exciting time for, for brands.

Mike (29m 13s):

That's interesting though because you're, you're you're right. Historically media or like in the last 15 years, media and creative have been very separate. And when it comes to analytics that has been a digital buyers bread and butter. It's not really the creative guys, but where do, where do you think that's going to live? If that, if we think that is going to become more important, who manages that? And our disconnect is going to be a problem there, right?

Alex (29m 35s):



It's going to be really interesting and frankly we're already seeing both sides at a time sort of state a claim for it. So we're seeing, you know, the, the media side start to utilize these technologies and actually look at ways to improve the ad creative based on data mid-flight ah, and then we're also seeing the Creative side, looking too, you use this too, get a little closer to the data, which they have been sort of shielded from for a long time. And so I do think there's going to be a bit of a, you know, sort of a shake out. Ultimately we're trying to build collaborative software systems that that can be more of a, a unifier and, and bring all of the appropriate parties in, in, in to the end of the conversation because, cause I think that's where we get to the best results for brands and, and frankly that's it. That's what matters.

Mike (30m 19s):

I wanted to have to ask you Jeff what are the, you know, this a little bit more of a shifting gears in conversation with, but we started talking about that great example, the, of the Gatorade ad that went viral and there was a taco at taco bell out. I think at the time AR has become a hotter and hotter category in its something that Snap has really invested in and becoming known for give us the state of AAR advertising on Snap and where our, where our brands and agencies they're, which I imagine is even more of a specialty than just doing Snap campaigns.

Jeff (30m 54s):

Sure. What's really exciting is that AR if you go back for a few years ago, it was what we just talked about. Like how do you do something that's never been done before? And that is going to go viral within the Snapchat community. If it used to take eight weeks to create a lens, you'd be working with an incredible team based in the Ukraine, a So there'd be time zone differences they're would be a language barrier or differences, like really try to work through like the specifics of a Creative took a lot of work. And while the rewards were really high in terms of cultural impact, it also required a lot of effort.

Jeff (31m 28s):

And so what we'd been really disciplined and focused about for the last several years is how do you remove friction and how do we make it for brand something that is not only easy to create, easy to demonstrate the impact through efficient targeting and through the, the measurement, a science on the backend right now, 75% of our community engages with AR lenses daily. And I



think that if the consumers are there, like you don't have to bring that. Absolutely. I mean, it's something that is really ingrained endemically within, within our platform. And so we're really focused then on how brands can I have a native state, their, and so we have done that in a couple of ways.

Jeff (32m 0s):

First, the, the lens studio, which has our platform, that's open to all creators brands, included a being able to build in really nimble way. So within that creative studio, we have an amazing creators that we have all over the globe that are building actually have a within the snap UI and the camera, a place for their creative to, to live directly. So within our Explorer function, you can find all of these amazing organic experiences that our, a sense of inspiration for, for brands and for our community. A but then also we thought about then for brands, how do they take advantage of that?

Jeff (32m 32s):

So we introduce earlier this year, what we call lens web builder, which gives brands, the ability to create AR within a matter of minutes, what used to take eight weeks, literally now through a template, you could create a branded AR experience within two to three minutes. So right there having the ability to, to build that, ah, the ability to be bidding within an auction for things like swipes for engagement, a which is now live. So making it more targetable, making it more efficient and consistent with the way that they buy advertising for a video on Snapchat and on other platforms.

Jeff (33m 5s):

And then finally, like most recently we've introduced in closed beta. What we call brand profiles and brand profiles are a really exciting development because for the first time ever, we have an official way for brands to have or organic presence, which is a permanent home for brands on, on Snapchat right now Snap trailers can subscribed to some of the world's largest brands, including Dior, target universal pictures, and have an ability to describe to their lenses, a, to have highlight's and video public storeys, and even a Shopify integration, a direct store.



Jeff (33m 38s):

And so we see that as the future, where brands are going to have organic presence, you think about a brand like Nike or Adidas or Puma where every shoe in their catalog could live within their brand profile. And then they're promoting up the content that is most relevant for a specific, a Snapchat or a specific context. So the present is very bright and I would say the future is even brighter in the context of AR.

Mike (33m 59s):

Last thing, guys, I want to wrap this up quickly. On all these platforms influencer play a huge role and brands wanna do more with them, but yet we're also talking so much about how production time tables are being accelerated. Everyone wants to move really fast. Can those two worlds get married, can you have a great influencer work on Snap or Tiktok or anywhere else, but also move as fast as we've been talking about?

Alex (34m 25s):

You know, I think Jeff probably has more to say on this than I do, you know, VidMob is not an influencer platform. We do work with a number them and I think it's going to be is going to be a hybrid right. There are definitely clear, attractive aspects of working with influencers, being able to kind of, you know, spread, you know, authentic messages or at least authentic-feeling messages you know, widely. But I do think as a, as a marketer you do lose, you know, some sense of control and it does, there is a certainly a tendency towards, you know, potential there where you could open up, you know, messages or use cases that are not necessarily

Alex (35m 9s):

You know, how do you want your, your product to be featured. I think like what we like is these kind of hybrid approaches where you will actually have, you know, influencers involved, but there is some mechanism to actually sort of control the content and ensure that it's living up to brand mandatories and brand guidelines and isn't going to ultimately do damage to the brand.



Mike (35m 26s):

Are you seeing the same kind of thing Jeff when you try and kind of create some kind of standardization of influencer execution?

Jeff (35m 32s):

Well, it's interesting. At Snap we think about the greatest influencer as being your close friend. I mean, there's been plenty of studies that show that a close friend making a recommendation is going to be more impactful than a popular influencer making the same recommendation on your own, have to actually follow through with the purchase. But we do have a feature for staff stars where we have people that are our influencers, quote, unquote or creators, I say more aptly within our platform that people are able to subscribe to.

Jeff (36m 2s):

But I think that if you look at this on video relative to AR there's different approaches. With video we're going to continue to scale to continue to reduce those barriers to friction that we spoke about, because it shouldn't be hard or complex for Agencies to be building for Snap or any other platforms. Your earlier question, that should be something that becomes very easy and innate. And so, as we think about formats that we've introduced over the past year around the collection ads or a dynamic product ads, all of that is about scaling highly performance video advertising our partnership directly with VidMob, which is as strong a partner we have in the video space there is, is about scaling really high quality creative that's backed by creative intelligence data that they provide that makes our credit best practices that much stronger.

Jeff (36m 49s):

Our recommendations to our partner. On the AR side, that's why I think influencers is really interesting. The notion of a quote unquote influencer because we're not only working with 3d partners, development houses around the world from New York to LA to Sydney to Mumbai but we're also focused on individual creators, quote, unquote, influencers at how do we help them not only built a following on Snap, but actually build a business. So how could somebody who was a crater, like someone in Arkansas, who is someone who is creating on their own, be building an entire livelihood on the back of the brand partnerships that she's developing with Snapchat.



Jeff (37m 27s):

So we think that's a real viable alternative, and the context of influencer as something that's continuing to build our moat in the context of AR, but doing it in a way that we bring creators with us in a really meaningful way for them and for brands.

Mike (37m 41s):

I mean, it's wild to think that we're even having these conversations about scalable, analytical, creative, which just didn't make sense a few years ago. So it's gonna be fascinating to see how it plays out. Guys, thanks so much for a terrific conversation. Really. We really covered a lot of different ground that I don't think gets enough attention in our world. So thanks so much for being game.

Alex (37m 58s):

Yeah Mike, thanks for having us.