

Understanding the Digital Darling



Digital Darlings

The amount of people in the world who are digital natives is exponentially increasing. Businesses struggle to keep up with the technology and media trends while being able to please their consumers. A growing group of these digital natives, who are going to have a large amount of the purchasing decision power in the world in the next ten years, are digital darlings.

These young women can be identified as 13-20 year-olds that fall into Generation Z, which consists of nearly 70 million people in total, 90% of which have a digital footprint. It is easy for businesses to assume that Generation Z are just an exaggerated version of Millennials. However, Generation Z varies drastically from the generation before them.

Generation Z is the most accessible generation in history, consuming an inordinate amount of content via television, movies, games, the Internet, and social media. With so many voices trying to communicate with them, Gen Z has to act as their own gatekeepers, deciding what information is worthy of their short-attention span time.

Gen Z has grown up with the immediate gratification of the Internet age, and therefore, heavily adheres to the uses and gratifications theory. Instead of merely accepting content, Gen Z requires content to be catered to them. This generation demands being talked with, rather than at, which fosters meaningful relationships between brands and consumers. In order to have these

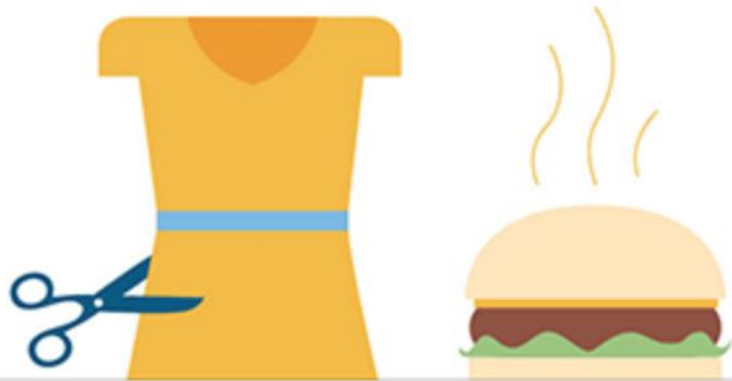
relationships, brands have to be authentic with consumers in order to gain the trust and attention of Generation Z.

Girls from Generation Z, specifically women 13 - 20 years-old, have been labeled as Digital Darlings, for their digital native upbringing. Adweek produced an infographic detailing how Digital Darlings consume social, shopping, and celebs:

Gen Z Girls:



22% wanted content to teach them something. They're generally interested in content focused on DIY (home and fashion), food hacks and how to wear a trend



They like fast and easy entertainment



Buzzfeed was the top destination for content with the top categories being:



Funny stories



Inspirational stories



Food hacks



Quizzes



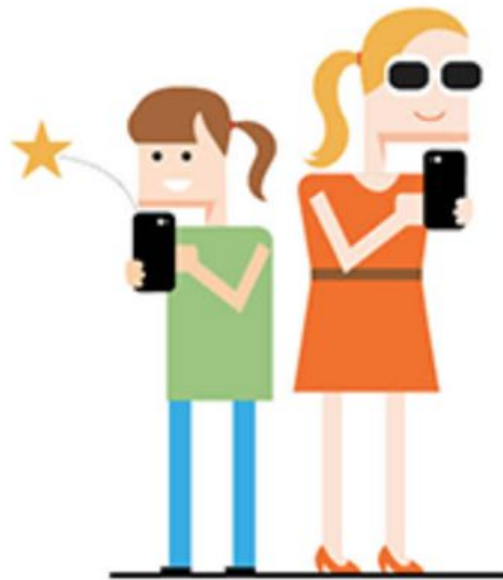
Horoscopes



There are key differences within this demo

13-17 year olds are more likely to like celebrities

The younger segment wants content to be funny



While 18-22 year olds are more likely to follow bloggers, brands and influencers and trust them for fashion

The older group wants more substance in content

According to the same Adweek infographic, when Digital Darlings are on Snapchat, they're not on it to get the news, find inspiration, follow brands, follow magazines, follow bloggers, follow influencers, or find things to buy. However, Digital Darlings do utilize Snapchat to keep up with their friends, watch videos, find things worth sharing, and watching Discover, which had the largest share of social platforms for Gen Z Darlings. Therefore, businesses and brands should capitalize on Snapchat's Discover feature in order to communicate content with them on this platform.

Snapchat: A Startup Idea

A young boy with moxie, tech-savviness, and creativity never dreamed that he would be the founder and CEO of a multi-billion-dollar app before even finishing at Stanford. However, 2010 and the start of Snapchat was just the beginning for a young Evan Spiegel.

While the original ownership and idea of Snapchat is still disputed, all sides agree on how it began: Reggie Brown, a fraternity brother of Spiegel's, said something to the effect of "I wish there was an app to send disappearing photos" (Colao, 2014). Spiegel became animated at the thought of this "million-dollar idea" and the two set out to find a developer: Bobby Murphy, a mutual friend of both Brown and Spiegel. The company started out with Murphy as CTO, Brown as CMO, and Spiegel as CEO. The team was unsuccessful with their first iteration, until they had the idea to change to a mobile-only platform.

Their first attempt at marketing Picaboo, the original name for the app, was a failure. Investors didn't find the appeal in sending a photo that would disappear, and when the app debuted in the iOS App Store in July of 2011, it failed miserably. By the end of that summer, Picaboo only had 127 users. In order to try to gain interest, Brown even suggested positioning the app as a sexting tool for a while (Colao, 2014).

The company suffered internal troubles when Brown wanted his claim to his share of the company for the initial idea, the name, and the now-famous ghost logo. Spiegel and Murphy didn't think Brown deserved that type of ownership, money, or credit; the two changed administrative passwords and cut off contact with Brown. During these legal troubles, the now, two-man operation changed their name to Snapchat, which both agreed was the "biggest blessing ever" (Colao, 2014). The fall of 2011 suddenly found a sudden increase in app downloads. Usage was high between the hours of 9 a.m. to 3 p.m. – school hours. It gave kids the ability to pass digital notes during class, except the evidence would disappear after.

Numbers began to climb until Lightspeed corporation invested \$485,000 into the company in spring of 2012, with the company valued at \$4.25 million.

When using Snapchat, users open the app to find a camera lens facing directly at them, which is quite intentional in design. The graphic below illustrates the basics of how to use Snapchat:

How Snapchat Works

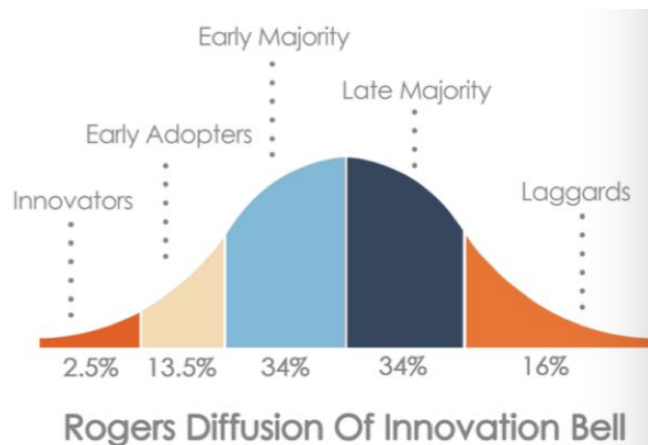
You don't have to be over 30 to be confused by Snapchat. It's a maze of downswipes, sideswipes, and taps designed for people who already know what they're doing.

- 1- Create something to send**
The first screen is a camera. Tap the circle to take a picture, or hold it down to take a video. Tap on the finished product to add a text caption, or click the crayon icon to doodle on it. You just made a "snap."
- 2- Share it**
Send this content to a friend. She or he can view it for a few seconds before it disappears. Or add it to your "story," and they can see it for 24 hours.
- 3- Get caught up**
Swipe right and you'll get to your inbox, where you can see new direct snaps from friends. Swipe left and you can see all your friends' stories.
- 4- Or just surf**
Once on the "stories" screen, you can swipe left one more time and get to Snapchat's 12 bite-size channels, e.g., *Cosmopolitan*, ESPN, and the Food Network.

GRAPHIC BY BLOOMBERG BUSINESSWEEK
DATA: COMPILED BY BLOOMBERG

The Relationship Between Theory and Snapchat

The first communications theory that Snapchat taps into is the diffusion of innovations theory. This theory is more evolved than some earlier models because people don't just trust or "do" the message. Just because other people are using Snapchat, doesn't mean everyone will. They have to discover the application for themselves and how it will fit into their lives. This pattern of adoption can be seen below in Rogers Diffusion of Innovation Bell:



Snapchat has a relative advantage to other social media, messaging, and sharing platforms due to its convenience and satisfaction that it provides. There's never an issue with having to upload content like other platforms. It's user friendly and people feel satisfied to be able to communicate

with friends and family via pictures and video. The application itself is also more compatible with phones than other video platforms. Because all of Snapchat content is vertical, users never have to turn their phones sideways. This provides an ease of complexity. Rather than adjusting your phone, all you have to do is take a picture or video and send it.

People are also more willing to adopt Snapchat because it's free to download, so users are able to try it out and adopt it if they like it. If people had not discovered and adopted Snapchat on their own, the late majority or laggards would see the surge in usage. Once observing its success, these late adopters are able to download it for themselves.

Snapchat also has a relationship with the gatekeeper theory. Similar to other platforms, people on Snapchat are their own gatekeepers and can decide what type of media they wish to consume and who to consume it from. Individuals are making personal decisions about who they're sharing their content with, either an individual friend, group of friends, or their 24-hour story. In terms of consuming curated content, individuals have the ability to decide whose stories they want to watch, whether or not they'll view advertising content, or if they want to read created content by companies. Although users are still passive, they do have more of an active role in deciding their media consumption.

Uses and gratification is the most modern of all of the theories that relates to Snapchat because it recognizes that audiences are working harder than ever in the age of social media not just to consume content, but also producing content. Rather than the other two theories that are used with Snapchat, uses and gratifications is an active audience theory since they directly reflect behavior from media and their actions respond to media in order to adapt

In Maslow's hierarchy of needs, Snapchat achieves three out of the five needs. Although it doesn't meet the first two, it meets the three higher needs that are more difficult to achieve. Snapchat allows people to achieve love and belonging when they connect with their family and friends on the platform. Users are able to earn trophies and scores when they continuously snap their friends. Capturing yourself in a spectacular and hilarious moment in your everyday life helps build self-esteem and confidence that gains a person the respect of and by others, helping achieve esteem on Maslow's hierarchy. People are able to achieve self-actualization when they are able to send raw and unfiltered content that allows them to be themselves. This allows them to be creative and spontaneous with their friends knowing that this type of content is socially accepted.

Snapchat has the ability to satisfy these needs, or as the uses and gratifications theory 2.0 puts it, it can also create needs that people can only fill with Snapchat. Snapchat users are able to experience with media in their own ways: following people they want to follow and reading curated content that they want to see. But Snapchat is also a unique and new technology because it is focused on creating your own content more than anything else. When friends are singing you happy birthday today, are they more focused on singing to you or on taking that Snapchat video to send to everyone that they're singing to you? Snapchat has trained people to take out their phones and record their everyday lives to share with friends and families.

Snapchat has been able to help people achieve cognitive needs by having curated content, affective needs by creating emotion and pleasure when they view their friends' content or create their own, personal integrative needs when they appear cool and happy by having an interesting everyday life, social integrative needs by sharing it with their friends and family, as well as tension release needs when they can escape for hours on Snapchat just viewing or sending content. In the uses and gratification theory of modern times, Snapchat has even found an ability to achieve those four needs as well. Users achieve modality by filming "in the moment" and it being real bits of their life. Snapchat has built a community with having top best friends, which allows users to achieve agency. The app itself is extremely interactive with filters, geofilters, lenses, the ability to add type, or to draw. Finally, Snapchat is wonderful navigability as it invites users to play by getting lost in the endless snippets of content it offers.

Why Snapchat?

As one of the largest and fastest-growing social networks, companies are astounded at Snapchat's ability to capture the attention of more than 60 percent of 13- to 34-year-old smartphone users' attention where over 150 million people are viewing 10 billion videos of content every day (Stone & Frier, 2015), (Parker, 2016). On the surface, Snapchat sounds like a lot of other apps out there. Instagram, Vine, YouTube, Facebook, and other sorts of social networking platforms do a lot of similar things, but Snapchat has been able to distinguish itself as a unique platform.

Snapchat is more about creating content than just passively absorbing it. Unlike its competitors, the first thing a user sees when opening Snapchat isn't a "massive feed of information. It's a camera" (Kar, 2016). Snapchat does this with intent, by designing a home screen interface that greets the user with a sea of images and content.

Before 2011, watching mobile videos often forced users to turn the phone horizontally or watch it as a short box that didn't fill the whole screen vertically. Snapchat's content takes up the whole screen, which allows for a user-friendly experience that doesn't require any physical re-adjustment when creating or consuming content. This design choice forces publishers – like MTV, CNN, ESPN, and other partners on the Snapchat Discover page of the app – to go vertical in order to participate (Kar, 2016).

Content on Snapchat is relevant and in the moment, unlike some of its other competitors. With Facebook, Twitter, and Instagram having a never-ending stream of content on a user's feed, it's hard to keep track of what is actually interesting to consumers. Snapchat's content is segmented by friends and by its partners in Discover, which is still relevant to users because Snapchat takes care in picking brands and publishers that create content that is relevant and interesting to its core demographics (Kar, 2016).

But Snapchat is not just about taking disappearing selfies, the app is also about "letting people capture a moment that they can share freely online with whomever they want, without

considering broader consequences” (Stone & Frier, 2015). Unlike Facebook, Twitter, and other online platforms where everything posted is part of a permanent Internet persona, Snapchat disappears, which has an impermanence value to young users.



Snapchat has been able to edge out other social media platforms through its unique nuances. Snapchat has been able to keep its appeal by being intimate and exclusive. While Facebook keeps you informed on the people you know, Snapchat narrows it down even further to your actual friends in your contacts, or rather, the people you actually talk to.

Implementing advertising on Snapchat was a delicate process due to the unique nature of the privacy that Snapchat guarantees. How can there be advertising if companies cannot direct these ads at specific users or collect performance metrics after? Spiegel has a solution for businesses looking to target on Snapchat: “We’ll make targeting available – just not bad targeting” (Sloane, 2015). The company has slowly been introducing advertising to the platform in the past year that retains anonymity and privacy of users, while still delivering relative advertising.

When comparing ads from TV, Facebook, Instagram, and YouTube, Snapchat claims to be outperforming them all based on emotional responses, eye-tracking, and exit surveys. Snapchat says its ads garnered twice the visual attention of Facebook and 1.5 times more than Instagram. They were also 1.3 times more effective than YouTube. When compared to those platforms and TV, Snapchat claims that its ads generated greater emotional response and twice as much intent to purchase (Parker, 2016).

Any professional looking to get into the Snapchat game is bound to be skeptical due to expense and due to Snapchat only recently implementing any type of analytics to gauge performance. However, Snapchat is outperforming its competitors by leaps and bounds.

Snapchat users send over 400 million photos and videos daily, matching two of its top competitors, Facebook and Instagram, combined (Colao, 2014). Businesses know that their curated content will be viewed. For example, *Cosmopolitan* gets about 2 million views a day on their 24-hour story content available on the platform (Stone & Frier, 2015). Editor-in-chief, Joanna Coles, says that Snapchat is ideal for reaching their millennial audience because “It’s the finite amount of content, which is the perfect snack” (Stone & Frier, 2015). Snapchat takes care not to overwhelm consumers, but, rather, leaves them wanting more.

However, there is one thing that Snapchat does guarantee to companies that competitors cannot: engagement. Users have to keep their fingers on a photo or video to view it, and that applies to ads added to their stories. Other social media companies have yet to be able to apply such engagement on their sites. For now, Snapchat has been able to distinguish itself as a platform above the rest, but will need to keep evolving as their competition evolves with them.

A Content Plan for Professionals

Discover Ad

Daily rate = \$50,000

Paid content that appears on Snapchat is comprised of many different types of major publications, from BuzzFeed and Comedy Central to Vogue and Cosmopolitan to ESPN, National Geographic, and even the Wall Street Journal. These videos are called headline previews, and they appear at the top of the user’s “stories” page, directly above “recent updates,” which is akin to a newsfeed. This placement lends to native advertising.

Visually, Snapchat’s paid content is colorful and eye-catching, with sometimes-seductive imagery and suggestive headlines. From the “stories” page, a user is able to horizontally scroll through headlines, which will eventually bring them to a discovery page. The discovery page features a Pinterest-style mason grid of non-friend, featured content,

Users are able to subscribe to specific featured accounts so that they will appear separately, at the bottom of the usual feed, in a designated “subscriptions” section. Paid content is distributed in between the segments of videos and photos that are uploaded by featured publications. As previously mentioned, users must physically interact with the videos by clicking through content with their fingertips. While this gives users the ability to skip through content, it also forces them to engage with it, even if just for a moment.

Our team recommends that businesses that plan to utilize a Discover Ad on Snapchat as a means of sharing content and spreading messages consider these tips:

Offer an “insider” experience:

- Any branded content that features swipe capability to link directly to an e commerce checkout page makes for smart and user-friendly content. This makes any buying experience fast, easy, and enjoyable.

- Because Gen Z so regularly shares images among friends, these users expect that the companies they interact with be more than just a logo, but have a persona as well. One way to display this is through behind-the-scenes pictures and videos, and candid images of employees. Companies should keep in mind that moderation is key, not everything should be shared and documented. Additional examples of content could be unboxing a new product, reorganizing the office space, or installing a new, exciting feature to a storefront.

Emphasize your innovation & corporate responsibility:

- Gen Z is less likely to practice brand loyalty than previous generations. With endless information at their fingertips, these consumers are always on the lookout for something better, and generally don't like being tied down. They are, however, passionate about social causes and are more likely to support a brand that gives back to their communities or stands for something positive. In short, companies should utilize Snapchat to showcase ways that they stand out, and how they practice corporate responsibility.

Create eye-catching imagery

- Create bite-sized content. Gen Z's attention span is shorter than any previous generation. This means understanding that your content needs to cut to the point immediately, and feature messages in a straight-forward and aesthetically-pleasing way.

Sponsored Lenses

(Daily rate) \$450,000 Sunday-Thursday; \$500,000 Friday-Saturday; \$700,000+ on holidays and during special events (i.e. Superbowl)

Sponsored Lenses are not location-based and will show up for all Snapchat users. They are perfect for companies and business with a large budget who are trying to reach a large audience on a specific day (i.e. Election Day, The Superbowl, Mother's Day). Digital Darlings are most likely to utilize a sponsored lens as a means of sharing with their friends that they are celebrating or participating in a special event. If a company is able to create a well-designed and eye-catching lens that incorporates their logo, their message will be seen by millions of people.

Geofilter

*\$5 for 20,000 square feet (up to 5,000,000 sq. ft)/day * does not include cost of creating image (Video filters can sell for between \$450,000-\$750,000/day)*

Geofilters are static filters that a user can swipe through and apply to a photo after they've taken it on Snapchat. Geofilters are location-based and usually feature the name of a city or town. Geofilters can also be used to feature things like a college/university, shopping centre, or athletic stadium.

Digital Darlings will use a geofilter to snap a picture and share their location with their friends. If they're trying on new clothes at the mall, snap a picture with a "Forever21" geofilter from the dressing room, and share it on their "story," that branded content will likely reach a majority of their friends.

Geofilters are perfect for promoting specific location-based events. Examples may include:

- Movie-themed filters during the weekend premiere of a film, only available within the theatre complex.
- Makeup-themed filter featuring a product sold at a nearby beauty store.
- Any clothing store targeted toward young women (Forever21, H&M, American Eagle), that would appear as an option when a user entered the shopping area.

Examples of materials, products or content that can be promoted to Digital Darlings via Snapchat include:

- Movie trailers
- TV show promos
- Makeup products
- Clothing
- Self-care products
- Mobile applications
- News updates and social issues that affect young women

Showcasing movie trailers and television promotions provide Digital Darlings with an insider invitation to find out what's new in popular culture by tapping into the theory of uses and gratifications and keeping them "in the know." Companies that want to promote material goods such as makeup products, clothing and self-care products have the opportunity to use snapchat as a platform to reach new consumers about new products in a fun and exciting way. Tech developers can also utilize Snapchat in order to spread the word about new applications and features that could be useful or exciting for Digital Darlings. Lastly, companies that focus on delivering news content to young women (the Skimm), could benefit from sharing breaking news and linking important articles that affect and interest this demographic from the Discovery Ad interface.

Measuring Success

While Snapchat doesn't have its own analytics platform, a company called Snaplytics has come about. Six years after launching the app, the complete platform for Snapchat management allowed users to track metrics of their accounts.



Management is an automated platform that pulls data from every account linked to Snaplytics every hour in order to provide up-to-date and thorough metrics. The data is then presented in a personal dashboard, which prevents business from manually writing down stats or taking screenshots.

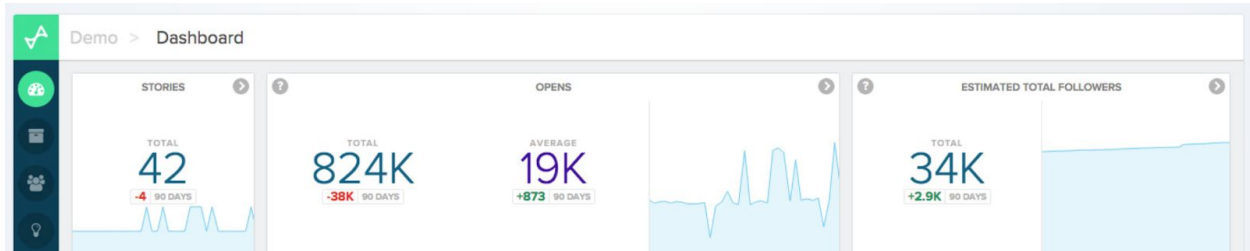
Users can also make informed decisions on what content is working on their Snap-stories. By tracking opens, businesses can see the amount of unique views the story got. They can also track the amount of screenshots taken, which creates data to pinpoint which content is resonating. Tracking completion rate is the percentage of followers that saw the entire story, which is comparable to retention rate on other social networks. Open rate also allows users to know the percentage of estimated total followers that engage with your story, comparable to engagement rate.

Snaplytics makes a point for businesses to track their followers because without followers to engage with, what's the point of social marketing? Followers allows businesses to track the estimated total Snapchat followers a company has and how they added you. In order to track growth of a company's Snapchat, Snaplytics allows companies to track daily follower growth as well.

In order to gain insights from these Snaplytics, Snapchat provided an Insights feature to the program as well to help companies benchmark and continue improving their Snapchat. Companies can compare their account's activity with all accounts on Snaplytics, as well as compare with accounts within a specific industry. Therefore, a company like Ulta could compare how their Snapchat is performing to how other makeup and beauty Snapchats are performing. This is crucial for Snapchat because without knowing what KPI's are "good", companies have no way of knowing how they are performing.

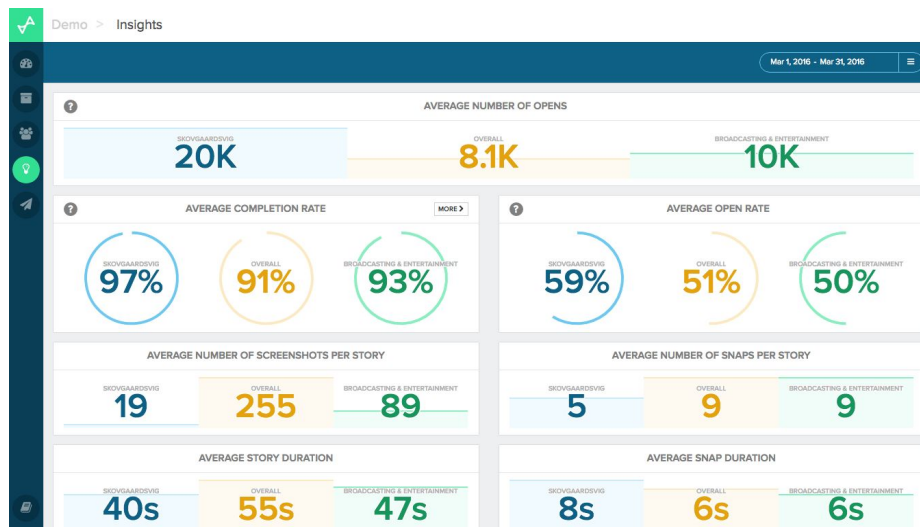
The platform comes with three payment options: a standard plan, pro plan, or enterprise plan. The standard plan allows users access to management, stories, and followers for \$179 per

month. Pro gives users access to everything in standard, as well as API access and the ability to export the data for \$299 per month. The enterprise plan enables users to use all of the standard and pro features plus allowing them to make custom contracts and 24/7 priority support. This plan would be most beneficial for extremely large corporations, like Cosmopolitan, where as standard and pro would be for small businesses (Snapchat analytics and marketing platform, n.d.).



Businesses using Snaplytics have the advantage of not having to manually record their data in order to track their Snapchat performance. By looking at opens/open rate, completion rate, screenshots, and followers/follower growth, companies are able to track important measurements in order to optimize their Snapchat performance. These metrics allow for Snaplytics users to see how their followers are consuming their content and what types of content are best performing. From these insights, companies can tailor their content and continue to grow their Snapchat.

Success can be predicted by comparing how your Snapchat is performing in comparison to other Snapchats on Snaplytics. If your company is getting 8,000 opens an hour, but the Snaplytics average is only 5,000, then your company is performing well. Even more specifically, a business can judge how they're performing based on the average of other companies within their industry are doing on Snapchat.



Digital Darling Future Success

Our team recommends that businesses and companies that specialize in beauty products team up with celebrities in order to create content that will resonate with Digital Darlings. Our research tells us that Digital Darlings are most likely to consume content that is created by celebrities or at least feature celebrities in an authentic setting (i.e. their personal accounts). We recommend that brands utilize this popularity by asking celebrities to feature or use new products on their personal accounts as well as creating short sponsored content that showcase celebrities using said product.

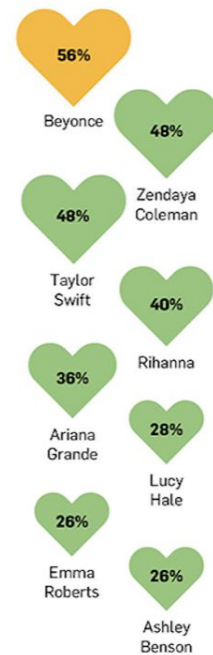
Examples:

- Taylor Swift applying covergirl lipstick before walking onstage to perform.
- Ashley Benson using Neutrogena face wash before walking into her kitchen to pour a cup of coffee.
- Zendaya Coleman applying X-Out face mask before watching a movie with friends.

Millions of Digital Darlings are already following young female celebrities like Taylor Swift, Rihanna and Zendaya. By tapping into their personal accounts, companies have the opportunity to create native advertising and reach Digital Darlings in an authentic way that also gives followers an inside look into how celebrities use products on a daily basis/IRL.

Kylie Jenner regularly uses Snapchat as a main source to promote her makeup line, Kylie.

Celebs they Love (%)



1 more hour
until the
restock of
the holiday
collection
for the last
time!!!!

kylizziesnapchats [Follow](#)

575 likes 2d

Log in to like or comment. ...

Beauty brands could also reach out to Digital Darlings by creating candid content featuring real girls, using products in real time. This may include showcasing people on the street testing a new product, or asking viewers to send in pictures or clips to be featured in a Snapchat-exclusive promotional video. Interacting with consumers would initiate two-way communication that Snapchat is currently lacking.

On Instagram, “beauty transformations” are very popular. These are sped up videos of women and men applying makeup or styling their hair in a manner that quickly features a makeover from start to finish. Companies could tap into this by producing short makeover montages with products from a specific line of cosmetics. Beauty bloggers and Youtubers who already create content that resonates with Digital Darlings could use Snapchat to continue their product promotion and connect with their subscribers in real time.

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