Snapchat wants to turn your life into a commercial

By Drew Harwell  November 16 at 4:57 PM

Millions of high-school students glancing at their phones on a recent Friday discovered a new, unavoidable distraction: If they took a photo with Snapchat, the app asked if they wanted to imprint it with Hollister's logo and tagline, “Friday Vibes.”

The teen-retail giant had paid Snapchat for the ad and, more importantly, where it was aimed: Any phone geographically located near 19,000 high schools in the U.S. and Canada.

The “sponsored geofilters,” one of Snapchat’s most surprising new moneymakers, mark a uniquely invasive turn for modern marketing — allowing advertisers to put a virtual claim on parts of the physical world.

Snap a photo or video anywhere close to the big Christmas trees in New York, Dallas or a dozen other American downtowns, for instance, and you'll be able to easily add a digital sticker of Hallmark’s latest ad campaign — perfect for saving, sharing and cheering on their corporate brand.

And the companies love it: "Our guests send out what are effectively ads to their (friend) networks," said Dan Moriarty, director of social strategy and activation for Hyatt, the hotel giant that has blanketed its 80 Hyatt Regency hotels across the U.S. with an option to add the chain's logo and latest slogan.

"It ties into the human truths of travel, and the freedom travel gives you," Moriarty said. "For us, this is just an extra level of branding that you can put on top of what people are already sharing."

Corporate giants increasingly baffled by how to reach the
distracted masses are finding the most alluring promotional venue may also be the most ordinary one: Real life. And few services offer that level of marketing penetration quite like Snapchat's latest salvo: Launched this summer at McDonald's, where 14,000 American outposts are now covered, the "sponsored geofilter" program is now having its busiest month yet, with 14 companies currently onboard.

For Snapchat, a startup long on investment but short on actual revenue streams, the corporate deals provide a way to turn digital ad-slapping into actual cash. The companies pay an undisclosed fee to Snapchat, based on an expected number of views, and Snapchat sends back data on how all those potential customers viewed or shared in response.

For the companies, the deal lets them turn random customers into surprise brand ambassadors, sharing just how much they're enjoying their Big Mac while a sticker of the burger floats over their face. It also helps the companies be everywhere that TV isn't: Snapchat says each campaign averages between 30 million and 50 million views in a single day, a staggering reach for something far simpler than a finely crafted TV ad.

Snapchat has already signed up a series of mega-firms: retailers like Lilly Pulitzer, Express and Nordstrom Rack; resort chains, like Hyatt and W Hotels; food-and-drink spots, like Starbucks, Benihana and Qdoba Mexican Grill; and even big-box giants, like Target and Toys "R" Us.

And the campaign has touched virtually every corner of buyers' ages, desires and price ranges. Burberry, the British luxury fashion house, sponsors a Snapchat sticker at its stores — but so does TGI Fridays, the potato-skin-serving mega-chain that announced its debut on the service by saying "we're going to be sending you pictures of our meat."

Snapchat can slice up the world's available digital-sticker space into an entire country or a single storefront, and the startup has said the corporate takeovers are smart ways to get users' friends talking and thinking about where to shop. Lilly Pulitzer has put
signs in the dressing rooms reminding teens that they can use the Snapchat feature to, say, ask their friends if they like this dress.

There is a clear danger to indiscriminately affixing your brand to shots from a once-infamous sexting app, but some company representatives said they'd accept the risk for a chance at viral fame. Snapchat has become an increasingly alluring target for companies seeking marketing's golden goose, the paying millennial: The company tells advertisers that more than 60 percent of 13-to-34-year-old smartphone users are part of Snapchat's growing millions.

Even better, Snapchatters seem to like its here-today-gone-tomorrow ephemerality far more than Facebook and other social media. A University of Michigan study released last month found that users felt happier and more rewarded on Snapchat than any other app; some even said the service was just like a face-to-face conversation, because Snapchat, too, is based on interactions that are both temporary and mundane.

Already, the "geofilters" have surged in popularity as hyper-politicized promotional tools. During last month's very public hearing of the Select Committee on Benghazi, Snapchat unveiled a conservative group's sticker for all phones nearby that said, "This message will disappear just like Hillary Clinton’s e-mails." And one morning in September, the presidential campaign for Ohio Gov. John Kasich presented Snapchatters in New Hampshire with a shareable Kasich logo, spelled out in bacon.

But critics say all this commercialism could end up souring the service on its young, cool-chasing user base. If Snapchat is preferred for, as University of Michigan lead researcher Joseph Bayer said, its ability "to provide users with a distinct space for sharing the small moment," users may find they get tired of always having that moment co-opted by McNugget ads. As one potential customer tweeted, "there's a McDonald's geofilter on snapchat.. this world is trash."
Snapchat's bottom line needs all the help it can get. Last week, one of the company's biggest investors, mutual-fund giant Fidelity, sharply marked down its shares, the latest suggestion that billion-dollar tech "unicorns" such as Snapchat are overvalued.

Other measures the startup has taken to squeeze money from its free app have faced a major backlash. On Friday, when the app began charging 99 cents for special "Lenses" that selfie-takers can turn on to, say, make it look like they're vomiting rainbows, some users fiercely resisted, with one tweeting, "Thanks for ruining a fun idea."

Whether any of these tagged stickers will actually persuade users to eat more TGI Fridays is, as some company representatives said, besides the point. The real genius, they say, is that they intertwine the brand with good emotions — a high-school Friday afternoon, the thrill of vacation — so the marketing will stick around even after the Snap has disappeared.

"This is more about principle than return on investment," said Katherine Cartwright, a Hallmark spokesperson. "It's about being part of someone's memory."