# Snap rethinks Snapchat redesign after user backlash and reports strong quarterly growth



In its first-quarter earnings report for 2025, Snap Inc. disclosed a major shift in its approach to the Snapchat app's interface redesign after feedback from core users during testing indicated strong resistance to the company’s proposed "simple" navigation overhaul. Originally, Snap had planned to streamline the app’s main navigation into just three tabs focused on Stories, the Camera, and the TikTok-like Spotlight video feed. This pared-down design was intended to create a simpler, more focused user experience.

However, the company’s most active Snapchat users showed a clear preference for the traditional layout featuring five tabs, which includes separate sections for the Map and dedicated content areas. In the investor letter, Snap Inc. explained that the consistent feedback from loyal users highlighted their desire for these distinct tabs, leading the company to reconsider the redesign strategy. Snap's decision to walk back the simplified layout reflects an awareness of past user backlash—most notably from a significant app redesign in 2018 that also resulted in considerable user dissatisfaction and churn.

Instead of the reduced three-tab model, Snap is now trialling a refined five-tab configuration which aims to balance clarity with ease of access. This updated design integrates more Stories within the messaging area while placing the Spotlight feature adjacent to the Camera button for quicker use. The company emphasised a thoughtful iterative process to enhance the user experience while maintaining familiar navigation structures that Snapchatters appreciate.

This UI update news coincides with Snap reporting a slight dip in its key North American user base. Daily active users (DAU) in North America declined to 99 million in Q1 2025 from 100 million posted in the previous quarter. This stagnation or minor downturn is particularly notable since Snap’s North American user numbers have hovered around the 100 million mark for approximately three years.

Despite this regional plateau, Snap’s global user count continues to grow robustly. Total daily active users reached 460 million in the first quarter, an increase of 38 million compared to the same period last year and 7 million since the last quarter. The bulk of this expansion is occurring outside North America and Europe, particularly in emerging markets where visual communication platforms like Snapchat are gaining traction.

From a financial standpoint, Snap reported encouraging results. Total revenue for the quarter stood at $1.36 billion, marking a 14% rise over the previous year. Advertising revenue, which comprised $1.21 billion of the total, increased by 9% year-over-year. A key contributor to the advertising growth was Direct Response advertising—a format aimed at prompting specific user actions such as sales or sign-ups—which grew by 14% and now represents 75% of all ad revenue.

The Snap+ subscription service is also showing strong momentum, with nearly 15 million subscribers generating $152 million in revenue during the quarter, reflecting an impressive 75% year-on-year increase.

Financial health indicators improved significantly, with Adjusted EBITDA climbing to $108 million from $46 million the year before. Meanwhile, the net loss narrowed considerably to $140 million, down from $305 million. Snap reported generating $114 million in Free Cash Flow, attributing these positive financial outcomes to enhanced revenue growth combined with disciplined expense management.

Snap also highlighted the introduction of innovative advertising formats, such as Sponsored AI Lenses. Utilising generative AI, these interactive Lenses allow brands to create immersive experiences for users, such as inserting their faces into AI-generated scenes. Early pilot campaigns with companies like Uber and Tinder indicated users engaging more extensively with these AI-powered ads compared to traditional Lenses, suggesting potential for expanded reach and virality.

The detailed insights into Snapchat’s evolving user interface strategy and financial performance provide a comprehensive overview of Snap Inc.’s current operational focus and market standing. The company’s efforts to balance user preferences with innovation, alongside solid revenue and subscriber growth, reflect ongoing adjustments in a competitive social media landscape. The Neowin report is providing this update.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.reuters.com/business/snap-shelves-quarterly-forecast-economic-uncertainty-risks-ad-budgets-2025-04-29/> - This article reports on Snap Inc.'s decision to not release a financial forecast for Q2 2025 due to economic uncertainty, aligning with the claim about Snap's cautious approach amid potential impacts on advertising budgets.
2. <https://www.reuters.com/technology/snap-beats-profit-estimates-strength-advertising-platform-2025-02-04/> - This piece discusses Snap Inc.'s improved advertising platform and its impact on profit estimates, supporting the assertion about Snap's financial performance and advertising growth.
3. <https://investor.snap.com/news/news-details/2024/Snap-Inc.-Announces-First-Quarter-2024-Financial-Results/default.aspx> - Snap Inc.'s Q1 2024 financial results, including revenue and daily active users, provide context for understanding the company's financial trajectory leading up to Q1 2025.
4. <https://investor.snap.com/news/news-details/2024/Snap-Inc.-Announces-Third-Quarter-2024-Financial-Results/default.aspx> - This announcement details Snap Inc.'s Q3 2024 financial performance, offering insights into the company's growth and user engagement metrics prior to Q1 2025.
5. <https://investor.snap.com/news/news-details/2024/Snap-Inc.-Announces-Fourth-Quarter-and-Full-Year-2024-Financial-Results/> - This report outlines Snap Inc.'s Q4 and full-year 2024 financial results, including revenue and daily active users, providing a comprehensive view of the company's performance leading up to Q1 2025.
6. <https://investor.snap.com/news/news-details/2024/Snap-Inc.-Announces-Second-Quarter-2024-Financial-Results/default.aspx> - This announcement covers Snap Inc.'s Q2 2024 financial results, including daily active users and revenue, offering additional context for understanding the company's financial performance prior to Q1 2025.
7. <https://news.google.com/rss/articles/CBMinAFBVV95cUxPRjU4VGNlOHZHVzByN2VqeV9aTlZxMTlTdW5YMlZ1ZnYxamltZFU0dF9ZS2IybzJRN2VEX3NGUHVjVXNvMFZIZnBIdGYyNmFjR3FhNnYzTDZObkxOSG5qclhqSm5QT3VmaGExWXRYM1N3a2xxNS00NnVnMzRqMTNrWUxPZEpqVVN3QllYOE84dFZhZVdFM0Ryby1fQ3jSAZsBQVVfeXFMT29OVlVEVUp0STV6Mmsyc1JlSXpTaENLUENaNWU2eXZMeUVoLUxIS242S1JWdENIWVA0ckxORGswdXBxODEwaURNQTk0VzRFenh3emJlalp3cTM0X3NZUHA3WTl5TDRlNTl4Qmc2dm84ZDdoMVVoN19qNEs1TTJReGdHRVh5aUtESTVKenJJRURIRElkaHFIQXpkY00?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data