



UM PRESENTS

# POV: HOUSEPARTY

THE VIDEO CONFERENCING  
WAR IS HEATING UP

## WHAT IS HOUSEPARTY?

Houseparty is a social platform that lets users connect face-to-face with the people they care about. The app allows you to connect with up to 8 others at a time and play interactive games via video conferencing.

The app was created in February of 2016 by Sima Sistani in San Francisco. Early in 2019, Houseparty partnered with Ellen Degeneres' gaming app "Heads Up," and was subsequently purchased by Epic Games in June 2019. Epic Games, the company behind Fortnite and Gears of War, has their head office in North Carolina with 1,000 employees.

During the COVID-19 quarantine, the app has experienced a large increase in popularity. **During the first week of March, it was downloaded over 2MM times, had 50MM signups globally, and is now the sixth most downloaded free app in Canada (as of May 2020).**

Throughout the pandemic, time spent on the app continues to rise, having already reached a peak of 80+ minutes per session, according to Epic Games.

## WHAT MAKES IT UNIQUE

Houseparty's unique proposition is their video platform and co-watching product.

1. Houseparty's video platform can natively integrate simple interactive party games for group chat participants to play together. For this reason, it is not difficult to see why many people have turned to the app to further fulfill the need for social connection. This distinctive feature is what sets it apart from the likes of other video chat apps like Zoom, Skype, Facetime, etc.
2. Houseparty recently launched its first experiential video streaming event which featured 40+ celebrities. With this, it now enables users to gather virtually and participate in video events as a group.





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## WHO IS ON HOUSEPARTY?

Houseparty has a very engaged audience - about 60% of the users are between the ages of 12-24, but during lockdown they have seen the demographic open to more adults.

## THE VC WARS ARE JUST HEATING UP

Since the start of COVID-19, Houseparty has evolved and is now competing with Zoom, Microsoft Teams and FB/IG. These video platforms are constantly making updates to keep up with their competitors. For example, Teams recently added backgrounds and made a gallery view similar to zoom, and FB/IG came out with Messenger Rooms. Facing these big-name competitors, Houseparty will need to follow the trends and continue to make updates to keep their audience engaged and using the app.

## HOW BRANDS CAN NAVIGATE THE VC BATTLEGROUND

The question brands are asking is this: will Houseparty survive after COVID-19, or will it be pushed aside for bigger and more familiar video platforms?

Houseparty currently does not have any advertising opportunities, which is an advantage for their competitors such as Facebook and Instagram, who can make the easy transition to integrate ads into Messenger Rooms.

That said, Houseparty does have trivia and arcade games that users can pay to play. The app is looking to develop a business model that relies more on in-app purchases than ad sales.

As time goes on it will be interesting to see how these video platforms evolve and which ones will still be used after quarantine is up.

## KEY TAKEAWAY

Houseparty presents an opportunity to reach Gen Z's and younger millennials who have gravitated towards the app to facilitate a social connection during lockdown. However, like virtually all video streaming apps, there has been a big jump in attention.

Brand opportunities are currently unavailable within Houseparty, but are constantly evolving as the app is looking to establish itself as the app of choice for people who are homebound.

We recommend that brands looking to connect with this audience start exploring the platform to get a feel for how it works, and reach out to your team at UM to brainstorm ad ideas.

If we've learned anything from TikTok's explosion, brands who were ready to pounce and understood the essence of the app/the audiences using it saw greatest success when the platform opened for business.

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