Instagram eyes longer Reels, challenging YouTube's dominance with long-form videos

Article



The news: Instagram is reportedly testing longer videos in a move that could expand its revenue options and help it address a major weakness against key rivals **TikTok** and **YouTube**.

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 Developer Alessandro Paluzzi indicates Instagram is considering extending Reels to 10 minutes, a significant increase from the current 90-second limit. Instagram parent Meta is reportedly testing this change internally.

Why minutes matter: The shift not only aligns with lengths TikTok has allowed since last year but also encroaches on YouTube's territory.

The sweet spot for YouTube videos lies between 6 and 8 minutes, according to Brafton; Piktochart puts the ideal length at 5 to 15 minutes. It's clear Instagram is going after YouTube, gunning to cut into its long-form market share.

- Verified YouTube accounts can upload videos up to 12 hours or 128 GB (unverified ones are capped at 15 minutes)
- Longer Reels could allow creators to post different types of content, like full beauty routines and educational segments. Creators currently split content due to the 3-minute cap; a 10minute limit resolves this fragmentation.
- Longer videos allow more space for advertising slots.

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Covering the bases: Social media platforms are **increasingly converging** in terms of their features and offerings to ensure they can meet varying user preferences.

- Interestingly, as Instagram and TikTok explore longer content, YouTube is delving into shorter videos, <u>introducing Samples</u>, a feature reminiscent of TikTok's discovery mechanism, and expanding its <u>emphasis on Shorts</u>.
- Instagram's move is interesting given how short-form is attracting greater ad spend growth. Magna Global expects long-form video ad spending to <u>drop 5.3% this year</u> and grow just 0.2% in 2024; for short-form video, 2023's growth is expected to be 4.3%, with another 9.7% next year—admittedly from a lower starting point.
- Contrary to mainstream narratives, not everyone wants three-second videos 24-7: December 2022 data <u>from Magnite</u> reveals that a majority of US consumers (55%), predominantly watch videos spanning a few minutes, while short clips lasting 60 seconds or less attract 29% of viewers (we see similar trends in Western Europe).
- Instagram now has a track record of making moves that <u>boost Reels' user engagement</u>, with a 24% rise in usage time and a doubling of Reels resharing over a six-month period, and believes it can achieve something similar with this move.

Our take: With TikTok already allowing 10-minute content, Instagram's potential change is a strategic play. YouTube should generate **\$7.36 billion in US ad revenues** this year. Instagram can now better compete for some of that allocation.

- Social media platforms are increasingly converging in terms of their features and offerings. A "one-size-fits-all" approach raises user experience questions: Should platforms offer dedicated apps for short and long content or integrate all types?
- With platforms constantly evolving, it's clear that adaptability and understanding user preferences are key to retaining and growing user bases.





