

2024 trend watch: Short video will face a reckoning as monetization problems persist and messaging grows

Article

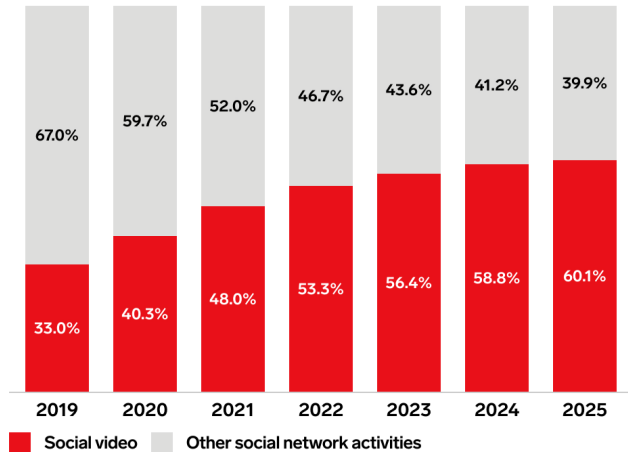
The platforms' short-video craze will cool. Reels is now revenue-neutral, but reports hint that Meta is struggling to convince advertisers that Reels can drive performance. In Q3 earnings, Meta suggested it will pivot its strategy from Reels to video more holistically. Meanwhile, Alphabet's Q3 earnings implied that YouTube Shorts had trouble growing beyond the 2 billion users it announced in Q2. Even TikTok is toying with 15-minute videos. And by ending its Creator Fund, the app will pay creators only for videos longer than 60 seconds—another sign of short-video monetization problems.

Direct messages (DMs) and group chats will heat up. Users spend over half their social time watching videos, but they're increasingly accessing that content and engaging with each other through DMs. That's likely one reason why Meta folded Messenger back into Facebook.

- **Sharing videos via DM is problematic for short-video advertisers.** Short-video ads are served primarily between videos, limiting where users can see those ads. Content shared via DM, for example, appears in isolation.
- **Marketers have few paid options to reach users in DMs overall.** Meta is banking on AI-driven business messaging tools to monetize WhatsApp, Messenger, and Instagram DMs, but it's still a nascent business in the US.

Video's Share of Average Daily Social Network Time Is Huge but Approaching a Plateau

% share among US adult users, 2019-2025



Note: ages 18+; social video time includes all time spent with online video activities on social network platforms; includes usage via any device; does not include YouTube time
Source: Insider Intelligence | eMarketer, June 2023

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A longer-form resurgence could be a triple win. Platforms, advertisers, and creators would all benefit: Longer videos mean greater time spent, more ad space, and fewer excuses not to share ad revenues. But this isn't the first time the platforms have tried. TikTok's attempt at 10-minute videos was deprioritized, and IGTV and Facebook Watch were abandoned. Plus, the platforms must contend with the reality that consumers still love short videos, many short-form creators will have a learning curve in a pivot to longer-form content, and viewers are already starting to max out on social video time.

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