

Meta amplifies Reels with new advertising features

Article

The news: Meta announced enhancements to its products at the **Cannes Lions International Festival of Creativity**, with a particular focus on its short-form video **Reels**.

- Reels ads are being expanded to more **Instagram** advertisers following a successful pilot. The ads are designed to integrate smoothly with content for an unobtrusive viewer experience.
- Reels now supports app promotion ads (formerly app install ads) on both **Facebook** and Instagram, helping businesses to broaden their reach in the crowded app market.

- Meta is testing an AI-based feature for single-image Reels ads that gives advertisers free access to a diverse music library. According to company data, ads that feature both music and voice-over draw a 15% higher average positive response compared with ads without sound.
- The company is also trialing an **Inventory Filter** and a third-party verification tool with partner **Zefr** for Reels, as part of its brand safety efforts to offer advertisers better control over ad placement.

Meta is expected to roll out these solutions more widely in the coming weeks, allowing a broader range of businesses to benefit from these AI-powered tools.

Why it matters: Meta says Reels has seen exponential growth, with daily re-shares surpassing 2 billion—a number that has doubled in just six months, per its Q1 earnings call. On that call, CEO **Mark Zuckerberg** revealed that the **time spent on Instagram has surged by over 24% since the introduction of Reels**, attributing this growth to AI-driven content recommendations similar to **TikTok's** approach.

- Other sources back up the company's claims: A Morgan Stanley [survey](#) from April revealed increasing adoption of Reels among Instagram users, with 74% using Reels as of April 2023, up from 69% in September 2022 and 62% in March 2022. The study also showed that 65% of users on the main Facebook app engaged with Reels, versus 54% in September 2022 and 47% six months prior.
- Last year, engagement with Reels on Instagram [surpassed](#) that of carousel posts for the first time.
- With both creators and brands alike agreeing that Reels are [the best format to collaborate on](#), it's perhaps no surprise that creators are now able to [charge significantly more](#) for Reels versus in-post feeds.

Yes, but: Despite driving engagement, Reels hasn't directly contributed to revenue growth and has somewhat cannibalized revenues from Stories and feed posts. However, the rising time spent is expected to benefit revenues in the long run.

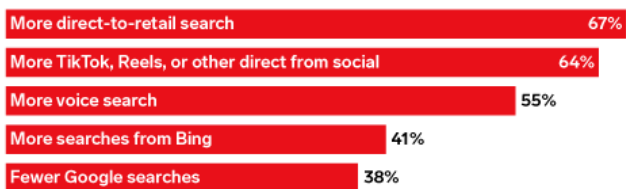
- Reels is anticipated to be revenue-neutral by late 2023 or early 2024, but challenges remain in finding the right monetization strategies due to the structure of the content.

- As Reels tries to catch up with TikTok, the **ByteDance** subsidiary isn't resting on its laurels, releasing an [AI script generator](#) to garner incremental ad spend.

The big takeaway: With its enhancements to Reels ads, Meta is trying to lead the charge in providing innovative ad solutions that engage viewers while broadening options for advertisers. While in many respects the company is playing catchup to TikTok, Reels has made up significant ground in the past year.

Changes That US Brand Marketers Have Noticed in Customer Search Patterns in the Past Year, March 2023

% of respondents



Note: n=240; among respondents who have noticed changes in consumer search patterns; "none of the above" responses omitted due to low percentage (0%)

Source: Sitecore, "AI & Composable Marketing Software Survey," May 9, 2023

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