

Thursday, February 19, 2026

Would it be possible to estimate how much a minute of someone's attention (e.g. viewing instagram posts and ads) is worth in \$ to Instagram?

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This is a fun economics problem — and it's actually quite tractable with public data.

The core logic: Instagram's revenue comes almost entirely from ads. Users give Instagram their time. So the question becomes: how much ad revenue does Instagram extract per minute of user attention?

The inputs we need:

- **Instagram annual revenue:** ~\$65 billion (2024, from Meta's reported segment data)
- **Daily Active Users:** ~500 million DAUs (Meta reports ~3.3B family DAUs; Instagram is estimated at roughly 500M)
- **Daily time per user:** ~30 minutes/day (commonly cited; some estimates run higher at 35–40 min)

The math:

Total attention minutes per year:

$$500\text{M users} \times 30 \text{ min/day} \times 365 \text{ days} = \mathbf{5.475 \text{ trillion minutes/year}}$$

Revenue per minute:

$$\$65\text{B} \div 5.475\text{T minutes} = \mathbf{\sim\$0.012 \text{ per minute}}, \text{ or roughly } \mathbf{1.2 \text{ cents per minute}}$$

Sanity checks:

- That's **~\$0.72 per user per hour** of attention — comparable to what's known about digital advertising CPMs. A \$10 CPM (cost per 1,000 impressions) with ~1 ad per minute works out to \$0.01/minute, which corroborates this.

- YouTube's equivalent figure is often estimated in a similar range (\$0.01–0.02/min), which makes sense since they compete for the same ad dollars.
- TV advertising, by comparison, extracts roughly \$0.03–0.05 per viewer-minute in prime time — more expensive attention, but a more captive audience.

What this obscures:

The average hides enormous variance. A minute of attention from a 28-year-old professional actively browsing luxury travel content is worth dramatically more to advertisers than a minute from a teenager watching memes. Instagram's real skill is *segmentation* — the same minute of attention can be worth anywhere from fractions of a cent to several dollars depending on who's watching and what they're in-market for.

Also worth noting: this is revenue to Instagram, not *value* to advertisers. Advertisers pay this because a minute of the right person's attention is worth even more to them in downstream sales — otherwise they wouldn't buy it.

Bottom line: a "generic" minute of Instagram attention is worth roughly \$0.01–0.015 to Instagram, with the real action being in how much that varies by user.

Can you do the same breakdown for TikTok

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Same approach, but TikTok is trickier because it's privately held and splits across geographies with different monetization levels.

The inputs (with more uncertainty):

- **TikTok annual revenue:** ~\$23 billion (2024 estimates from Bloomberg/Reuters reporting on ByteDance financials)
- **Daily Active Users:** ~170 million in the US/Europe; ~600–700M globally including China (where it operates as Douyin, which is separately monetized). For this we should use the **ex-China global figure of ~500–600M DAUs** since that's TikTok proper
- **Daily time per user:** ~55 minutes/day — this is TikTok's most cited and distinctive stat, and it's significantly higher than Instagram's ~30 min

The math:

Total attention minutes per year:

$$550\text{M users} \times 55 \text{ min/day} \times 365 \text{ days} = \mathbf{11.05 \text{ trillion minutes/year}}$$

Revenue per minute:

$$\text{\$23B} \div 11.05\text{T minutes} = \mathbf{\sim\text{\$0.0021 per minute}}, \text{ or roughly } \mathbf{0.2 \text{ cents per minute}}$$

Comparison:

Platform	Rev/minute of attention
Instagram	~\$0.012
TikTok	~\$0.0021
Ratio	Instagram ~6x more efficient

Why is TikTok so much less valuable per minute despite massive engagement?

This is the genuinely interesting part:

- **Advertiser trust and measurement** — Instagram/Meta has 15+ years of advertiser relationships and arguably the best ad targeting infrastructure in the world. TikTok is still building that credibility and tooling
- **User intent signals** — Instagram has deep social graph data, shopping behavior, and cross-app tracking (Facebook, WhatsApp). TikTok knows what you *watch* but has less purchase-intent data
- **Regulatory discount** — Advertisers have been cautious about TikTok given ongoing US/EU regulatory risk, which suppresses CPMs
- **Audience composition** — TikTok skews younger, which is valuable for brand building but less so for direct-response ads where older demographics convert better
- **The engagement paradox** — TikTok's algorithm is *almost too good*. Users are in a passive lean-back consumption mode that may be less commercially interruptible than Instagram's browse-and-discovery mode, where shopping intent is higher

TikTok is essentially the most-watched TV channel in the world that hasn't yet figured out how to charge TV rates. The gap between attention captured and revenue extracted is TikTok's core business opportunity — and arguably the most valuable unrealized asset in digital media right now.

If TikTok ever matched Instagram's revenue-per-minute, at its current attention volume that would imply **~\$130B in annual revenue** — roughly 5x where it is today.

Regarding this statement:

"Also worth noting: this is revenue to Instagram, not value to advertisers. Advertisers pay this because a minute of the right person's attention is worth even more to them in downstream sales — otherwise they wouldn't buy it."

Can you estimate what a minute a target market user's attention is worth to an advertiser like SKIMS or Rhode beauty?

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Great question — and this flips the analysis from the supply side (what platforms charge) to the demand side (what attention is actually worth to a brand).

The way to approach this is to work backwards from what a customer is actually worth.

SKIMS

- **Average order value:** ~\$100
- **Gross margin:** ~60% (premium basics, relatively simple manufacturing)
- **Repeat purchase rate:** Meaningful — shapewear and loungewear have decent loyalty, call it 2.5 purchases over a customer lifetime
- **Customer LTV:** $\sim\$100 \times 60\% \times 2.5 = \sim\150 **gross profit per customer**
- **Conversion funnel:** Industry average for DTC apparel — roughly 1–2% of people who see an ad eventually buy. Call it 1.5%.

So a minute of a target customer's attention is worth:

$$\$150 \text{ LTV} \times 1.5\% \text{ conversion probability} = \sim\$2.25$$

But that's the *ceiling* — what they could theoretically afford to pay for that minute and break even on LTV. In practice, brands target a 3:1 to 5:1 ROAS, so they'd want to pay closer to **\$0.45–\$0.75** for that minute to hit margin targets.

Rhode Beauty

- **AOV:** ~\$35 (lower — lip treatments, serums, accessible price points)
- **Gross margin:** ~70% (beauty margins are high)
- **Repeat purchase rate:** Beauty is a high-repurchase category — loyalists buy 4–6x/year. Call it 4x lifetime purchases conservatively
- **Customer LTV:** ~\$35 × 70% × 4 = **~\$98 gross profit per customer**
- **Conversion probability from a viewed ad:** Beauty skews slightly better than apparel due to impulse purchase dynamics — call it 2%

$$\$98 \times 2\% = \sim\$1.96 \text{ ceiling value per minute of attention}$$

Practical willingness to pay for that minute: **~\$0.40–\$0.65**

The striking comparison:

	Instagram cost	Advertiser ceiling value	Advertiser practical bid
Generic user minute	~\$0.012	—	—
SKIMS target user minute	~\$0.012	~\$2.25	~\$0.50–0.75
Rhode target user minute	~\$0.012	~\$1.96	~\$0.40–0.65

Instagram is capturing roughly **2–6% of the value it's delivering to advertisers** on a well-targeted impression. That's the margin that makes the whole ecosystem work — advertisers get a good deal, Instagram clips a ticket on every transaction, and the user gets the product for free (with their attention as the price).

The deeper point

What makes both SKIMS and Rhode interesting cases is that their target customer — millennial/Gen Z women with disposable income and high social media fluency — is among the most valuable audiences on the platform. A minute of *that specific person's* attention, caught at the right moment, is worth orders of magnitude more than the ~\$0.012 blended average suggests. The entire game Instagram and these brands are playing is trying to identify and reach that person as precisely as possible, which is why Meta's targeting infrastructure is so central to their business model.

What about the influencers recommending the products? How much is a minute worth to them?

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This is where it gets really interesting — because influencers are a fundamentally different economic animal than platform advertising.

The influencer's economics are simpler but lumpier

An influencer gets paid either a flat fee, a commission, or both. So the question becomes: what does a minute of *their* audience's attention convert into?

The follower quality problem first

A mega-influencer with 5M followers and a 2% engagement rate is often worth less per follower than a micro-influencer with 80K followers and a 12% engagement rate. So let's run both.

Micro-influencer (80K followers, beauty/lifestyle niche)

- A brand like Rhode might pay **\$2,000–\$5,000** for a dedicated post + story
- Average video view duration on a sponsored post: ~45–60 seconds of actual watch time among those who engage
- Engaged viewers (say 8% of followers): ~6,400 people
- Total attention delivered: $\sim 6,400 \times 50 \text{ seconds} = \sim \mathbf{5,300 \text{ minutes}}$

Revenue per minute of audience attention:

$\$3,500 \text{ fee} \div 5,300 \text{ minutes} = \sim \mathbf{\$0.66 \text{ per minute}}$

That's what the *influencer earns* per minute of their audience's attention.

Notably — roughly the same as what SKIMS/Rhode would willingly pay per minute of a targeted user on Instagram. The pricing is efficient.

Macro-influencer (2M followers, fashion/beauty)

- Flat fee for a dedicated post: **\$30,000–\$80,000**
- But engagement rate drops — maybe 3% actively watch, and watch time dilutes too
- Engaged viewers: ~60,000 people × 45 seconds = **~45,000 minutes**

Revenue per minute:

$\$55,000 \div 45,000 \text{ minutes} = \sim\1.22 per minute

Macro-influencers earn *more* per minute of attention — partly because they're charging a scarcity premium, partly because their audience demographics are often very well-known and trusted by brands.

The commission model (affiliate/discount code)

Many influencers — especially mid-tier — work on 10–15% commission rather than flat fees. This changes the math entirely and ties their earnings directly to conversion.

If a Rhode Peptide Lip Treatment is \$24 and the commission is 15%:

- They earn **\$3.60 per sale**
- If 1,000 viewers watch their 60-second post and 3% buy: 30 sales × \$3.60 = **\$108**
- Total attention: 1,000 × 1 minute = 1,000 minutes
- Revenue per minute: **\$0.11**

Commission models are much worse for influencers unless they have unusually high conversion — which is why established influencers push hard for flat fees.

The really uncomfortable comparison

Player	Earns per minute of attention
Instagram (blended)	\$0.012
Instagram (targeted user)	implied \$0.05–0.10
Micro-influencer	~\$0.66
Macro-influencer	~\$1.22
SKIMS/Rhode (value received)	\$1.96–\$2.25 ceiling

The influencer is capturing a dramatically higher share of the value than Instagram is — per minute delivered. Which is why brands increasingly want to own that relationship directly (owned audiences, brand ambassadors, in-house creator programs) rather than keep paying the influencer premium.

It also explains why influencers with genuinely loyal, high-trust audiences are so valuable — they're delivering something closer to the advertiser's ceiling value than any algorithm-served ad can, because **trust collapses the conversion funnel** in a way that a banner ad simply cannot.

Would it be possible, based on those numbers, to estimate how much a minute of attention of a millennial woman with disposable income, should be valued by that individual herself? What she is giving away for free is worth what in aggregate \$?

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This might be the most interesting version of the question — because it reframes attention not as an asset someone else monetizes, but as a resource with a calculable personal value.

What we already know from the chain above

A minute of a target-demographic millennial woman's attention (high income, beauty/lifestyle consumer) is worth:

- To Instagram: ~\$0.05–0.10 (what they effectively earn on her specifically)
- To a brand like Rhode/SKIMS: ~\$0.50–0.75 (what they'd willingly pay)
- To an influencer reaching her: ~\$0.66–1.22
- Ceiling value (what her eventual purchase delivers in brand profit): ~\$2.00+

A reasonable midpoint for what her attention is **actually worth to the ecosystem** when she's in-target: **~\$0.50–1.00 per minute** is defensible.

Her annual "donation" to the attention economy

Average millennial woman's social media consumption: ~2.5 hours/day across platforms. Let's say 60–70% of that is on monetized feeds with targeted ads (Instagram, TikTok, Facebook) rather than messaging or passive music. So roughly **90–100 minutes/day** of monetizable attention.

- 95 minutes/day × 365 days = **~34,675 minutes/year**
- At \$0.50–1.00 per minute: \$17,000–\$35,000 per year

In aggregate value she generates for the ecosystem — for free.

The lifetime number

If she's in this demographic from age 25 to 45 (peak earning, peak target-market years):

20 years × \$17,000–\$35,000 = **\$340,000 to \$700,000**

Over her lifetime as a primary target demographic, she is effectively **donating the economic equivalent of a house** to brands, platforms, and influencers — in exchange for free content.

But it's actually worse than that

That's just the monetary value of her attention. It doesn't account for:

- **The purchase behavior her attention drives** — she's not just giving away her eyeballs, she's being converted into a buyer. The downstream spending she's nudged into by that same attention is a separate and larger number on top.
- **The data exhaust** — every scroll, pause, double-tap, and abandoned cart is training models that make her more efficiently targetable, which increases the value of her future attention further.
- **The compounding effect** — the platforms are getting better at extracting value from her attention every year. The \$0.50–1.00/minute figure is almost certainly higher now than it was five years ago and lower than it will be in five years.

The reframe

The product is not Instagram. The product is not the influencer.

The product is her — packaged, segmented, and sold at scale.

The fact that this happens in exchange for entertainment she genuinely enjoys doesn't make it not a transaction. It just makes it a transaction whose terms she never explicitly agreed to and whose value she almost certainly underestimates — which is precisely what makes it work.

The morning phone check isn't just a bad habit neurologically. It's clocking in for someone else's benefit before you've done a single thing for your own.

A conversation between A Time Like This & Claude, by Anthropic