



Creator economy in 3D

Maximizing opportunities between
platforms, brands, and creators

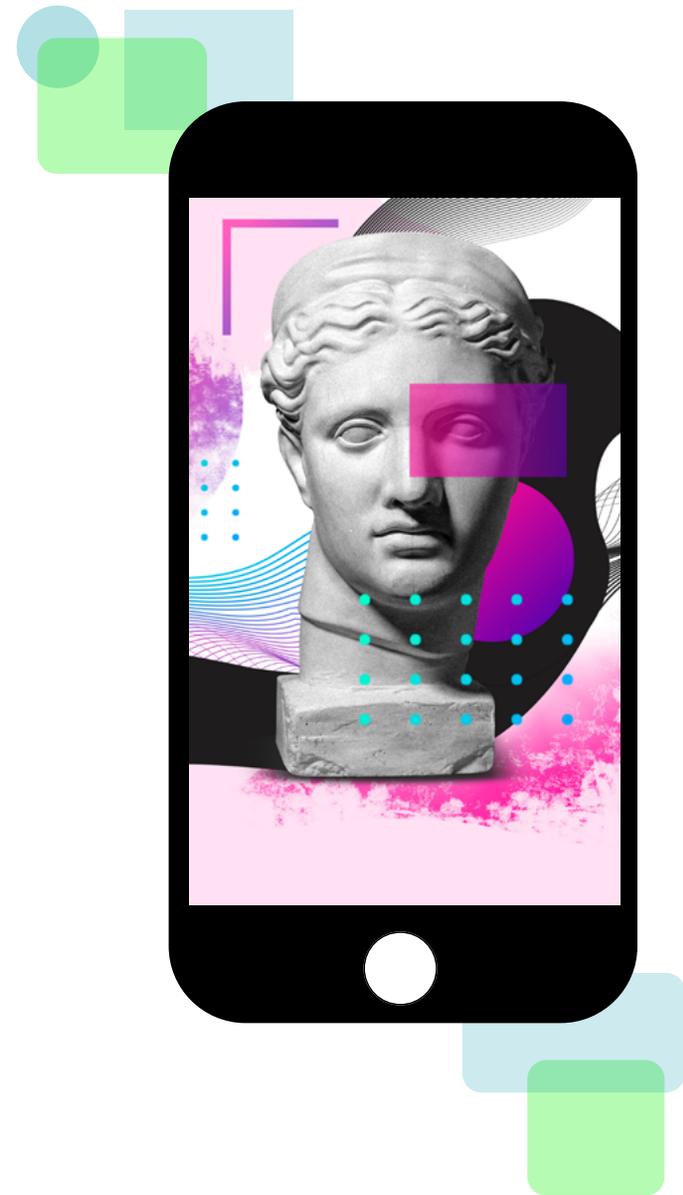
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Introduction

Content creation has become a complex interplay among platforms, brands, and creators. Each has the potential to grow revenue, develop a sense of purpose, and create new ways for people to connect. The current landscape, however, presents friction points that could limit growth for all parties. We surveyed 400 creators to learn more about their work and the challenges they face as both creatives and business owners, in an effort to help brands, creators, and platforms create stronger partnerships. Our data suggests that many of these issues can be resolved or reduced when platforms and brands learn more about the priorities of the creators they team with and work to turn those relationships into growth opportunities for all parties.



How creators aim to grow, and what it means for marketers

Many creators disproportionately rely on brand partnerships for their income, but they're looking to diversify their income sources to drive growth. This pivot also hints at a challenge many creators face in their efforts to maintain consistent partnerships, along with a desire for more dependable and long-term streams of income.

To understand the revenue landscape for content creators, we asked them how much of their income comes from three primary sources:

- Brand sponsorships, such as affiliate marketing or sponsored posts;
- Follower contributions, such as direct payments or subscriptions; and
- Platform payments, such as creator pools or ad revenue.

On average, creators with brand partnerships report 55% of their income comes from those partnerships, with nearly a third of those creators reporting more than 70% coming from brands. When asked, however, about ideal distribution of revenue from brand sponsorships, this average drops sharply to 43%. This finding not only suggests creators are looking to grow beyond

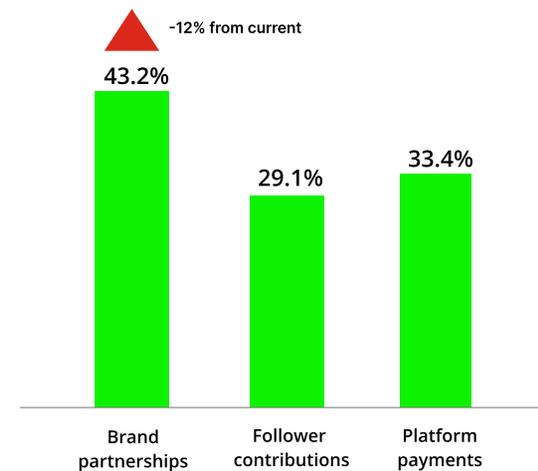
over-reliance on income from brand partnership but aim to diversify their current sources of income among other sources such as platform payments or follower contributions.

Finding the sweet spot

Creators rely on brands for a significant percentage of income but wish to diversify into previously untapped sources to increase their revenue. A third of creators indicated they would like to increase their income by engaging untapped streams of revenue—especially follower contributions and platform payments. Alongside this diversification of revenue sources, many creators prefer a flattening of income distribution as well. Given the choice, most creators prefer no more than 21% to 50% of their income to come from any single source (figure 1). In addition, there is a growing preference for longer-term (annual) contracts with brands to create a steady revenue stream.

While it may be counterintuitive, both brands and platforms can increase their appeal to creators by redesigning how they approach compensation.

Figure 1. Average ideal share of revenue



Note: Percentages reflect average range within each individual source.

The brand response

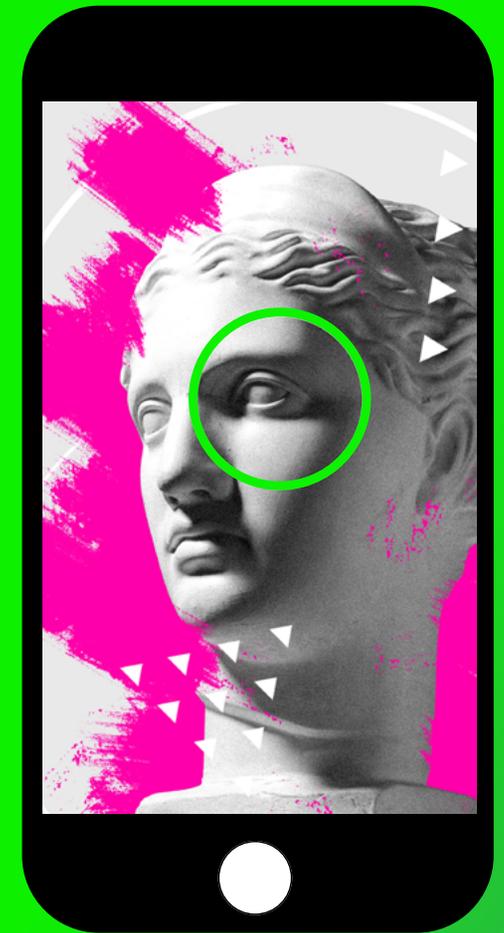
Brands can become more competitive partners with creators in two ways. First, they can shift the nature of their creator collaborations from sponsorship to partnership. They can align with creators' values and cater to their desire to gain exposure and grow their audiences in tandem with brands. Brands should focus on building a strong social presence and a clear brand strategy that allows them to become equal partners with creators.

Second, brands should address the unreliable nature of short-term contracts—a key part of the reason creators turn to other sources of income. Brands can alleviate these concerns by adjusting the length of contracts, or by providing clearer next steps to creators. Longer-term contracts also provide a better opportunity to form stronger creator-brand partnerships that can assist in creators' growth.

How platforms can pivot

There are a number of opportunities for platforms to support creators and their growth. More than half of creators report difficulty finding brands to partner with, and platforms are well-situated to facilitate matches. To be useful, however, creator marketplaces should be designed with the needs of both brands and creators in mind and avoid superficial or undesirable matches.

Creators are not platform-exclusive; they use three or more platforms on average to generate revenue. As such, they are seeking to grow across platforms, especially when they feel that a platform is easy to adopt and profit from. Creators also note that a platform's ability to facilitate their process for creating, managing, and tracking their content performance is their second-highest priority after growing their business, presenting an opportunity for platforms to improve their analytics and performance tools.



Top creator priorities for brand partnerships

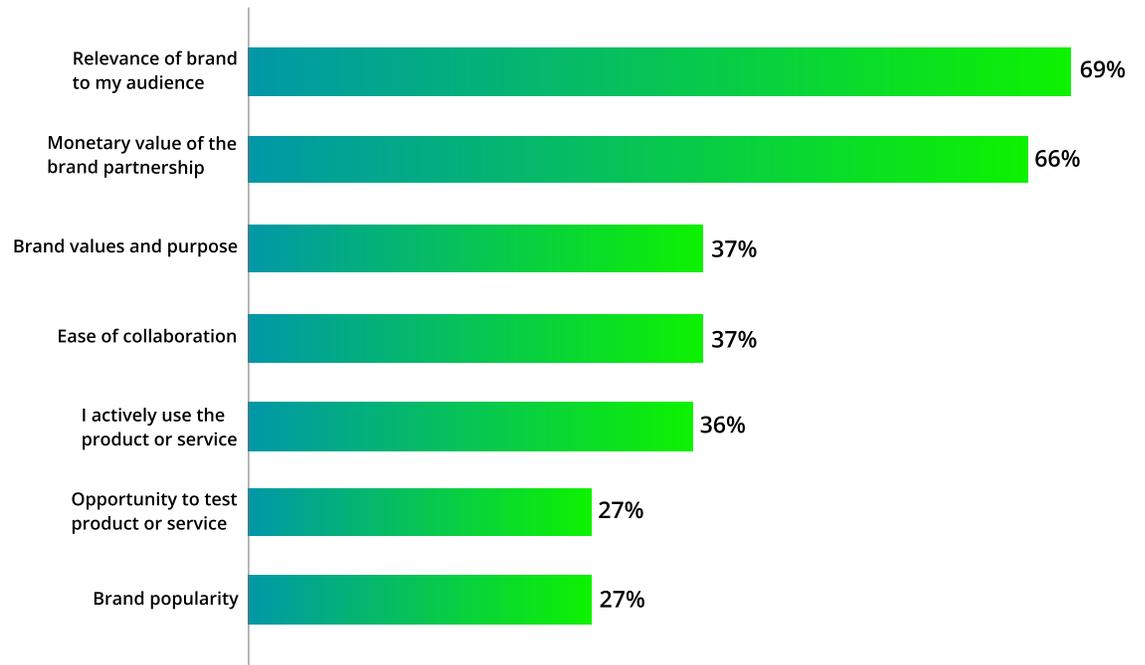
To understand what creators value most when looking for a brand partnership, we asked them to rank their top priorities among several factors. Two factors stood out above the rest:

Priority 1: A brand that resonates with their audience

Nearly 70% of creators said their top priority in a brand partnership is ensuring the brand is relevant to their audience. Notably, this priority appears to supersede a brand's general popularity. In fact, given the choice between general popularity and audience relevance, creators chose audience relevance by a nearly 3-to-1 margin (figure 2).

Additionally, while brand relevance to audience appears to be creators' primary consideration, 37% of creators consider the brand's values and purpose as a top consideration—also surpassing brand popularity.

Figure 2. Creator priorities for brand partnerships



Note: Percentages include creators who selected these as either their first, second, or third top priority



Priority 2: Partnerships that pay

Like any business owner, creators want to be fairly compensated for their work. Creators' second-highest priority in choosing to work with a brand, just behind brand relevance, is the monetary value of the partnership.

Creators are ambitious—64% of creators forecast a substantial revenue increase within the next year. If brands are not able to meet fair payment standards to their creator partners, they should consider how they can assist with creators' other priorities.

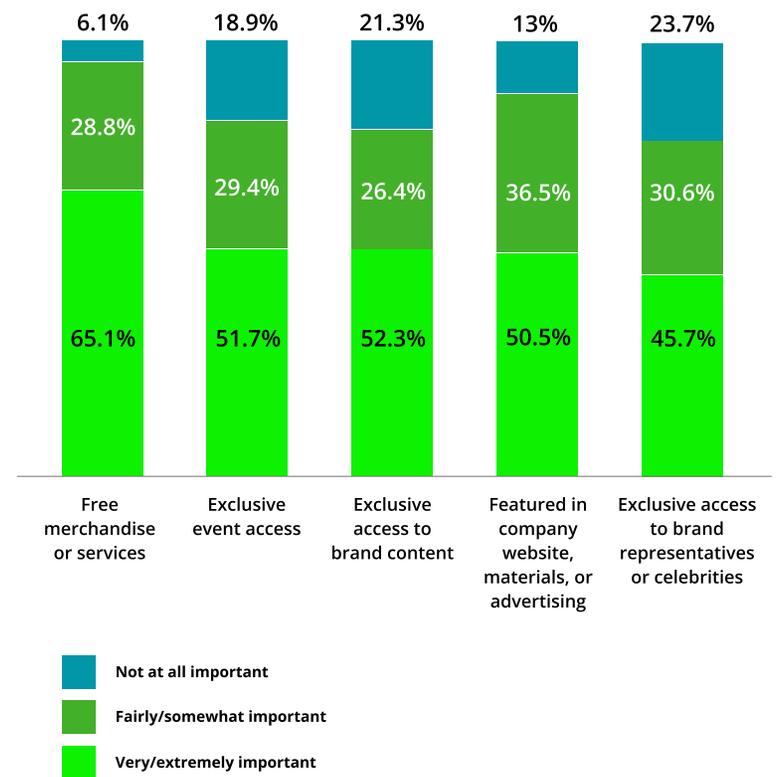
As such, brands should also give weight to secondary factors creators noted as important. Those include brand values, ease of collaboration, and whether they actively use the product or service a brand wants them to promote.

Perks can differentiate brands

Brands should not overlook the importance of perks like exclusive access to events and celebrities, free merchandise, and featuring the creator in brand content or advertising. Across all perks, an average of 53% of creators consider perks "very" or "extremely important" in their decision-making process. As such, brands can leverage their entire repertoire of perks as a relatively inexpensive way to build goodwill and add value to the creator partnership (figure 3).



Figure 3. Importance of perks in choosing brand partnerships



What does this mean for brands?

1. **Demonstrate fit:** If it is not immediately obvious to a creator how a brand is relevant to their audience, show them. While you should lean in to any insight creators have into their audience through experience, not all creators have the same sophistication or capability for market research.
2. **Dial in your monetization structure:**
 - Creators talk to each other. Make sure your compensation is fair and equitable.
 - Creators expect to have access to the products they are promoting. They also appreciate exclusive access to promotional opportunities or high-profile events and representatives.
 - Creators are looking for mutually beneficial brand collaborations that help them grow alongside the brands they work with. Brands can improve their competitiveness in the creator space by becoming trusted players themselves on social platforms.



From obstacles to opportunities: How brands can design a frictionless creator experience

Creators face many challenges running their business, and brand sponsorships can contribute their own fair share of issues. Creators frequently report challenges such as securing and maintaining brand sponsorships, negotiating contracts, and receiving timely payments (figure 4).

Many creators also find brand revenue streams difficult to manage: 37% of creators find sponsored posts somewhat to very difficult to manage, and 60% of creators feel this way about affiliate marketing.

These challenges are more acute across the board for creators with smaller audiences, proving an even higher growth hurdle for niche or emerging creators. Thankfully, each of these issues is not only directly in the brand's control, but they might also be solved with relatively low-cost changes that may disproportionately win over creators.

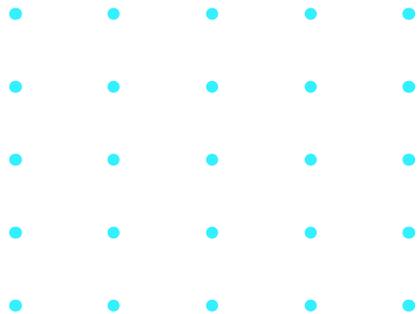
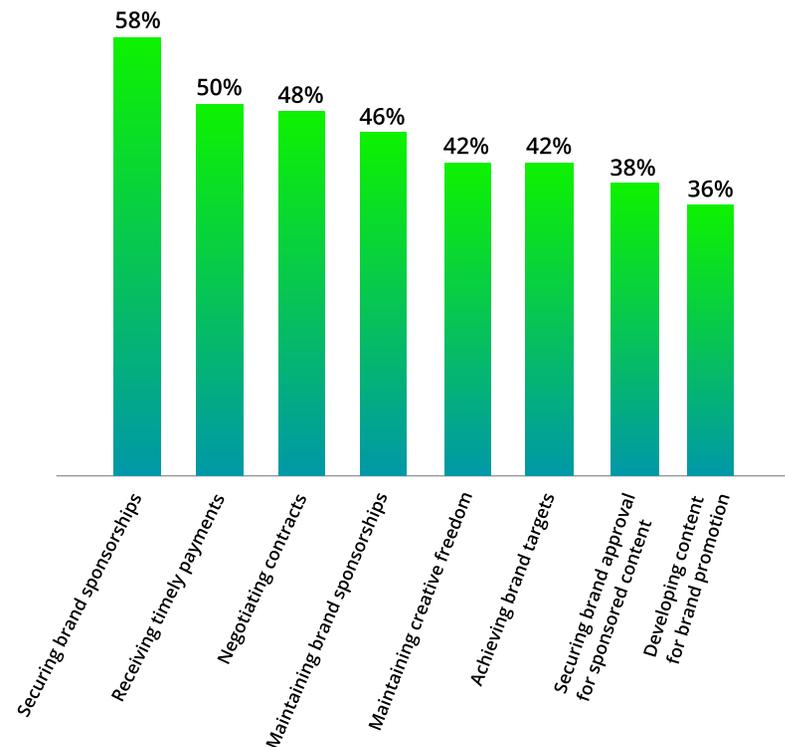


Figure 4. Creator challenges in brand partnerships



How brands can respond

1. **Improve outreach and inbound leads.**

Fifty-eight percent of creators report securing brand sponsorships to be difficult—a number that jumps to 80% for micro-creators (creators with fewer than 10,000 followers). Brands can ease these difficulties in several ways. First, brands can collaborate with platforms to refine creator marketplaces wherein creators can find strong brand partnerships. Second, brands should strengthen their outreach efforts, especially among smaller creators who have the potential to grow alongside the brand. Brands can also publish clear guidelines for inbound creator inquiries, listing expectations and requirements for potential creator partnerships.

“ [I prefer to collaborate with brands] ... through direct email with offers, deliverables, and terms presented upfront.”

2. **Set clear expectations.**

In describing their ideal partnerships with brands, creators cite clear expectations from the start of a contract as important. Brands should set expectations upfront about pay, brand strategy, and posting frequency—and show awareness of how these expectations are relevant to the creator’s brand.

“ I like working with brands that have a clear strategy, pay accordingly, give me a guideline for my posts, and that align with my brand, mission, and vision. I like to collaborate with brands that will resonate with my audience and boost engagement and value.”

3. **Lengthen standard collaboration contracts.**

Creators repeatedly mention their preference for longer-term, ongoing partnerships with brands. Longer partnerships can allow creators to develop a deep relationship with the brand.

“ I prefer paid collaborations with long-term commitments. This allows me to be consistent, it does go over much better with consumers/ community, and it motivates me to go above and beyond for the brand I’m working with.”

4. **Improve ease and speed of payment.**

Brands can reduce the strain on creators’ small businesses by streamlining the payment process. Half of creators have difficulty receiving timely payments and note that payments generally take three to four weeks. Creators also explained that brands’ methods of issuing payments can be difficult to use and time-consuming to set up.

“ ...I prefer for payment to be agreed upon upfront and for a clear payment plan to be organized.”



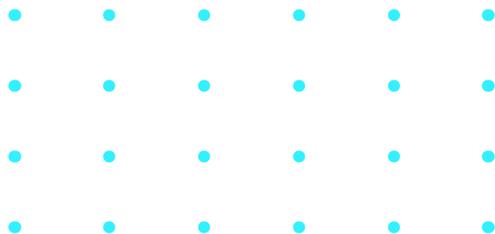
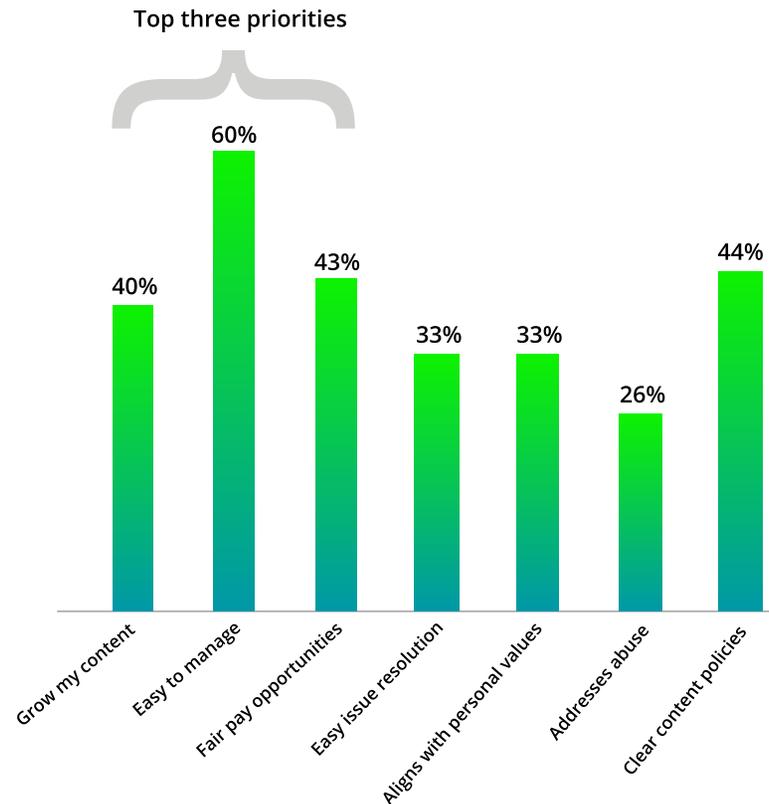
Designing a platform for growth: Where platforms fall short on creator needs

We asked creators to rate their primary platforms on seven different criteria, and we found they are not fully satisfied with that platform's performance. The criteria that creators found most lacking included the ability of the platform to resolve technical difficulties, address issues of harassment or abuse, and promote values that resonate with creators (figure 5).

As platforms increasingly offer similar content media for creators, these secondary features will likely become critical to creator retention.

Notably, the creators with higher follower counts appear to have higher expectations and are routinely less satisfied with nearly every aspect of the platform we surveyed against. For instance, 52% of micro-creators strongly agree their primary platform helps grow their business, compared with only 29% of creators with follower counts above 100,000. Additionally, 48% of micro-creators strongly agree their platform provides fair opportunities to profit, compared with only 40% of creators with follower counts above 100,000.

Figure 5. Creator satisfaction with aspects of primary platform performance



Creators report using, on average, at least two platforms and are generally eager to grow into new spaces with new audiences. Platforms have an opportunity to bring new creators on as they grow by understanding creators' needs and streamlining the onboarding process.

In addition, platforms can also become lucrative partners to creators by helping them match with appropriate brands and providing incentives for developing content.

Platforms have room to improve in catering to creators' top priorities

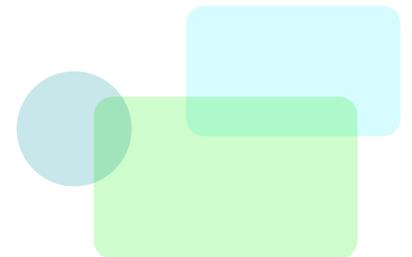
Content creators prioritize three features as their top priorities when choosing a platform:

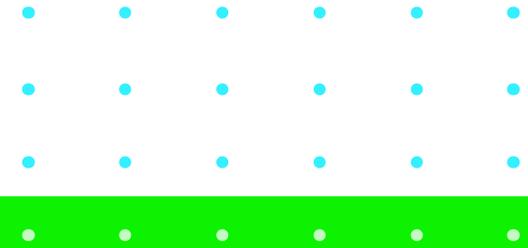
1. Ability to easily publish, manage, and track the performance of content;
2. Ability of the platform to help grow their business; and
3. Fair opportunities to profit from their content.

Unfortunately for platforms, creators indicate they aren't completely satisfied with their primary platform's performance in these areas. Only 60% of creators strongly agree their platforms make it easy for them to manage their content, while only about 40% of creators strongly agree their platforms offer fair opportunities to profit or help grow their business. These numbers fall even further when looking at creators with higher follower counts (above 100,000). Only 29% of creators with follower counts above 100,000 strongly agree their platform helps grow their business.

Creators report substantial shortcomings on issue resolution, addressing harassment, and catering to creator values

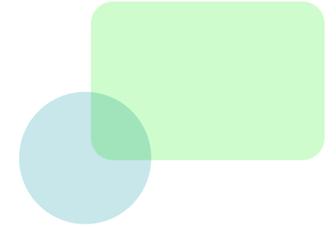
We found creators are least satisfied with their platforms' ability to provide adequate resolution to technical or policy issues (33%) and address instances of harassment and abusive behavior (26%). While these two factors may be secondary priorities, one in four creators still consider these factors a top priority in choosing a platform.





Considerations for platforms

- **Platforms can attract creators from other platforms:** Many creators are not platform-exclusive; they actively seek to grow their business on multiple platforms where possible. Creators aren't likely to abandon their primary platforms, but platforms have an opportunity to draw creator interest as they build out new audiences. Additionally, platforms have an opportunity to attract creators by supporting further monetization opportunities.
- **Improve content management and tracking tools to improve creator experience:** Platforms can appeal to creators by improving built-in tools that can make it easy for them to manage and track the performance of their content. Platforms can accomplish this by streamlining the usability of existing tools or implementing features that make it easier for creators to understand the significance of overall trends. Further, helping creators understand how their performance can translate to monetization. For example, providing benchmark averages of recent creator contracts against average performance can help creators understand their own growth targets.
- **Improve creator marketplaces to facilitate creator growth:** Creators' No. 1 priority for platforms is that the platform helps grow their business—and platforms can appeal to this priority by investing in their creator marketplaces. Platforms should adopt an ongoing process for collecting and analyzing user feedback to help ensure both brand and creator needs are being addressed. While creators prioritize brands that resonate with their audiences, other factors such as brand values and ease of collaboration are priorities. Consider features that allow creators to search and assess brands by what matters most to them.
- **Add platform features that facilitate multiple means of creator monetization:** Creators are looking to increase their sources of revenue from additional sources where possible. Platforms may improve their value proposition by implementing content or features that help creators diversify their sources of income. For instance, platforms could improve their interface to allow followers to donate or tip creators directly through the platform or facilitate partnerships with third-party entities.
- **Improve creator support and provide policy transparency:** Secondary to growth, nearly a quarter of creators are looking to platforms to help them resolve technical issues, support their values through platform policy, address harassment and other abusive behavior, and provide clear guidelines on acceptable content. These issues are particularly important to larger creators. Platforms can support them by solidifying and promoting their policy efforts.
- **Streamline your payment strategies:** Getting paid in a timely manner is an issue for about half of creators, and many reported difficulties setting up and using payment systems. Platforms can provide better mechanisms to make sure creators are able to earn revenue without the additional hassle of negotiating complicated payment platforms.



Web3, or not to be? How creators feel about future tech disruptors

The tech world is abuzz about Web3 technologies such as the metaverse and non-fungible tokens (NFTs). Companies and creators alike are trying to understand how to navigate these nascent innovations. We asked creators both whether they see these technologies as relevant to their business and—more crucially—how they will be relevant. These insights can help brands and platforms understand how they may be able to engage creators in these spaces.

Some potential, but mostly hesitation for the metaverse

Asked whether creators feel the metaverse will be relevant to their business in the next year, only 27% said yes. Even among these 27% who feel the metaverse will be relevant to them, our qualitative data suggest uncertainty around how or why they'll engage with the metaverse. Potential uses range from creating metaverse-specific content, virtually showcasing content and wares, to hosting virtual events or creating a metaverse “community.”

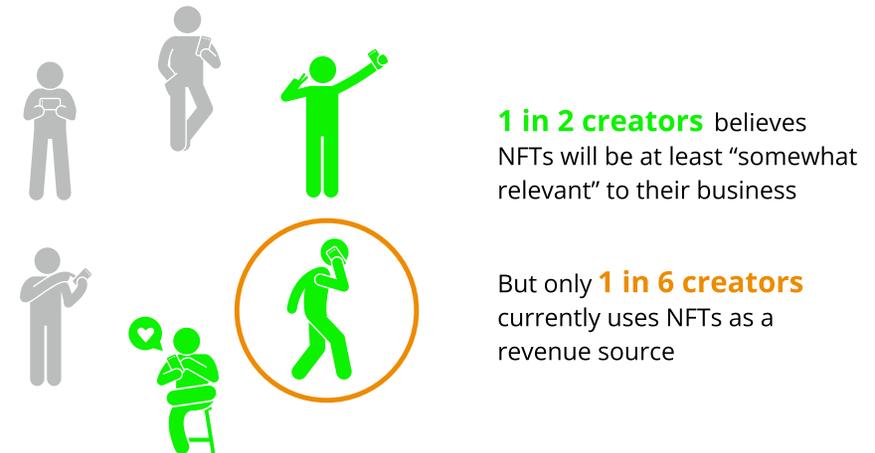
Of those interested in the metaverse, creators in media/entertainment and fashion were most likely to believe that the metaverse is or will become relevant to their work. In addition, larger creators were about twice as likely to see the metaverse as relevant. While creators of all sizes and across industries see some relevance in the metaverse, we anticipate these segments will lead the way in metaverse adoption in the coming years.

Overall, our survey results suggest that the metaverse’s eventual creators are waiting to understand where this trend is going before diving in headfirst.

More to see with NFTs

In contrast to the metaverse, 50% of creators see at least some relevance for NFTs in their future, particularly as an additional means of income. Some creators see NFTs as a new way of monetizing their content by selling virtual copies of their content or selling tokens that provide access to more exclusive content. But this relevance appears to be largely speculative at the moment—as only 17% of creators say they currently use them as a source of revenue (figure 6).

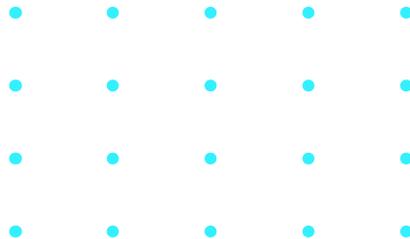
Figure 6. Relevance of NFTs to creators



Creators who do use NFTs as a revenue source report that they are the most difficult source of revenue to manage out of all we surveyed.

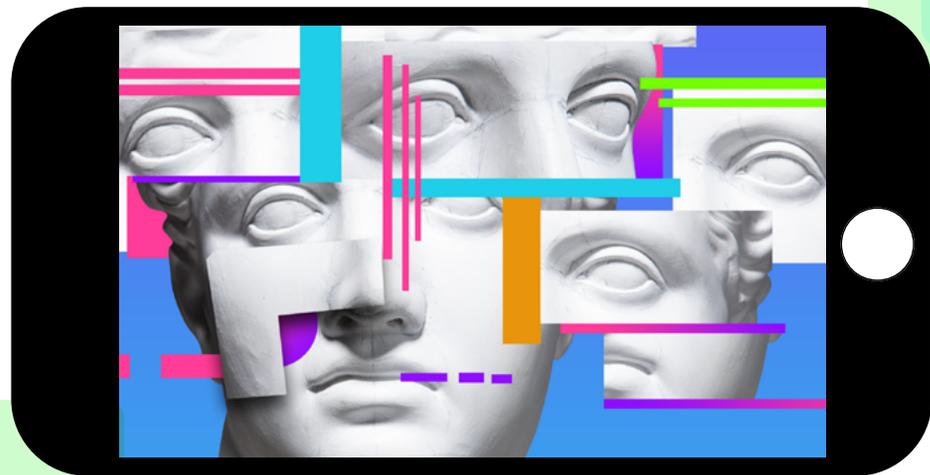
The gap between perceived relevance and current use may be due in part to NFTs' novelty, but monetization is not the only purpose creators see from NFTs. Creators also see NFTs as a means of:

- **Building networks and communities:** NFTs can be used to commemorate events, or even as a means of providing access to certain content or events, providing followers with a sense of group cohesion and ownership.
- **Boosting brand awareness and loyalty:** NFTs can function as a form of advertising for creators by raising awareness of their brand through distribution. Likewise, NFTs can be used as a means of boosting follower loyalty by incentivizing increased engagement with that creator's content or community.
- **Ensuring security and trust:** Because NFTs rely on blockchain technology, digital assets cannot be fabricated, providing creators and their followers with a higher degree of security over intellectual property.



Methods

In May 2022, we surveyed 400 creators within the United States to learn more about their creative work, their goals, and the challenges they face. We included creators with audiences from 5,000 followers to more than 1 million followers and sampled widely across subject matter and industries.



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