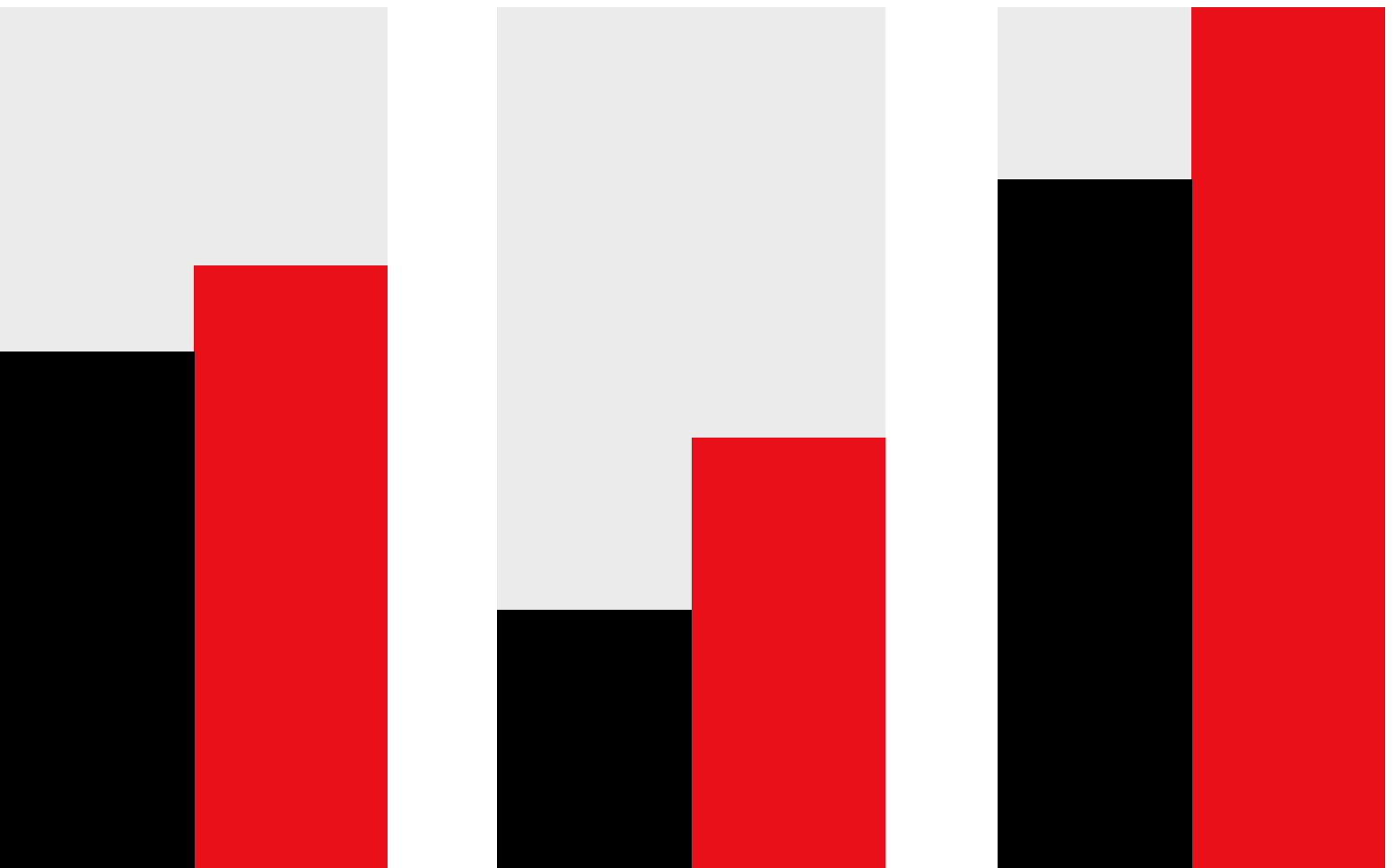


# The State of the Creator Economy

A Selected Chapter from The Influencer Monetization 2021 Report



## Introduction

Thank you for downloading “The State of the Creator Economy,” curated by Insider Intelligence Marketing. The following is an excerpt from the full “Influencer Monetization 2021” report. In this excerpt we detail the latest trends in the creator economy, including monetization strategies, popular social platforms, and recent growth.

## Creators Are a Serious Business

Many marketers long underestimated the value of creators in their marketing mix. That’s no longer the case. Most brands today have incorporated influencer marketing into their media plans, and many intend to allocate even more budget to the tactic this year than they did previously.

### Creators vs. Influencers

In our previous reports, we used the words “influencers” and “creators” interchangeably. But as the influencer marketing space evolves and expands, so too must the vocabulary used to refer to the individuals who are active in it.

The traditional definition of an **influencer**—an individual who can sway the buying preferences of a larger population—can refer to a wide variety of people, from employees and industry professionals to celebrities and loyal customers. In that sense, creators are a subset of influencers.

In this report, we define **creators** as people or entities that develop original content for digital properties, and who consider creating that content to be either their full-time or part-time career or livelihood.

Of course, there is some overlap between many of these groups; for instance, celebrities can also be creators and vice versa. What’s more, few successful influencers today are purely sales-oriented, and many of them are also creators, developing digital or, at times, physical products.

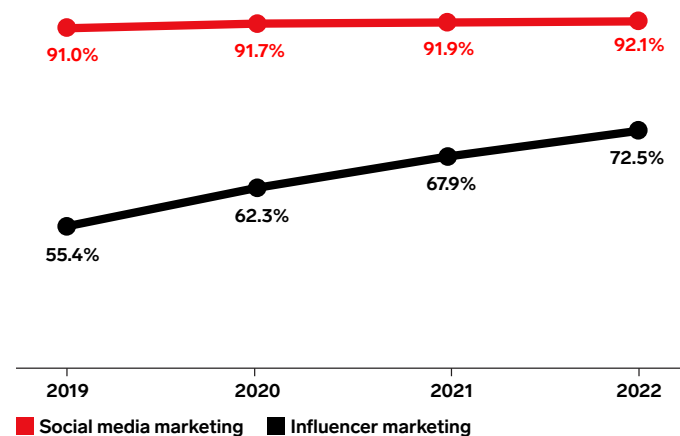
For that reason, this report will use the term “creators” exclusively to refer to the individuals in the influencer marketing space, unless it’s within a direct quote from an expert we interviewed or from a third-party data provider.

We’ll still use the term “influencer marketing” when discussing our forecasts or describing the general practice of engaging individuals to create sponsored content, however.

According to our latest forecast, 67.9% of US marketers from companies with 100 employees or more will use influencer marketing in 2021, up from 62.3% last year. In 2022, that figure will rise to 72.5%.

### Share of US Marketers Using Social Media and Influencer Marketing, 2019-2022

% of total marketers



Note: companies with 100+ employees; includes both paid and unpaid (i.e., compensation in the form of free product or trips) brand-influencer partnerships  
Source: eMarketer, Nov 2020

262207

eMarketer | InsiderIntelligence.co

The pandemic has played a major role in driving wider adoption of influencer marketing. After an initial pause in spending in H1 2020, marketers quickly resumed and even increased spending, as budgetary constraints and studio closures curtailed traditional ad production.

According to an analysis of 3.5 million Instagram posts by visual marketing platform Later and influencer marketing company Fohr, the average monthly number of sponsored posts between April 2020 and June 2020 was down by 42.9% year over year (YoY). By December, however, that figure had bounced back, with the number of sponsored posts that month up by over 20% YoY.

For more on how the pandemic has changed influencer marketing, see our August 2020 report, [“Influencer Marketing in the Age of COVID-19: How Brands and Creators Are Adapting to a ‘New Normal.’”](#)

And marketers will continue to rely on influencer marketing because the pandemic accelerated many longer-term shifts within the social media landscape, including social commerce, livestreaming, and short video, and led to the rise of new trends like social audio. Those are all creator-driven activities, and brands are beginning to understand that creators are their ticket in.

“Social commerce in particular has made influencers very powerful,” said Stacy DeBroff, founder and CEO of influencer marketing platform Influence Central. “Then there are the new platforms, like Clubhouse or TikTok. They haven't figured out their ad strategy yet, and brands are realizing that influencers are their best conduits for reaching those audiences.”

In a March 2021 survey by influencer marketing platform Lingia, 68% of US marketers said they were planning to use TikTok for influencer marketing, up from just 16% in February 2020. That made TikTok the third most popular format measured, behind only Instagram (93%) and Instagram Stories (83%). The share of marketers who planned to use Twitch also more than doubled, going from 5% to 13% in the same time frame.

### Which Social Media Platforms Are US Marketers Planning to Use for Influencer Marketing? % of respondents, Feb 2020 vs. March 2021

	Feb 2020	March 2021
Instagram	93%	93%
Instagram Stories	83%	83%
TikTok	16%	68%
Facebook	90%	89%
YouTube	50%	50%
Instagram Reels	-	1%
Pinterest	30%	35%
Twitter	35%	1%
Snapchat	11%	11%
Blogs	11%	25%
Twitch	5%	13%

Source: Lingia, "The State of Influencer Marketing 2021," April 20, 2021

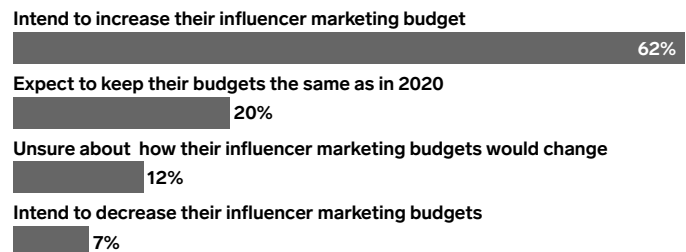
265702

eMarketer | InsiderIntelligence.com

For more on how the pandemic-driven online shopping boom has propelled social commerce, read our February 2021 report, [“Social Commerce 2021: Media and Commerce Convergence Creates Growth Opportunity for Brands.”](#)

Spending on influencer marketing is also up. According to January 2021 research by Influencer Marketing Hub and influencer marketing platform Upfluence, 62% of marketers worldwide said they intend to increase their influencer marketing budgets this year. One-fifth expected their influencer budgets to remain the same as in 2020, while just 7% expected their budget to decrease.

### Change in Influencer Marketing Spending According to Marketers Worldwide, Jan 2021 % of respondents



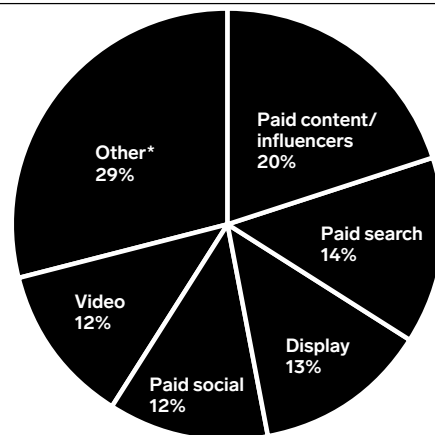
Source: Influencer Marketing Hub in association with Upfluence, "Influencer Marketing Benchmark Report: 2021," Feb 15, 2021

264224

eMarketer | InsiderIntelligence.com

And a November 2020 survey by Advertiser Perceptions found that influencer and other paid content will represent 20% of US agency/marketing professionals' digital ad budgets in 2021, ahead of paid search (14%), display advertising (13%), and even paid social and video (each at 12%).

### Share of US Agency/Marketing Professionals' 2021 Digital Ad Budgets, by Format, Nov 2020 % of total



Note: n=205; \*connected TV (CTV)/OTT (8%), ecommerce (7%), in-app (6%), audio/podcasts (6%), other digital (3%)

Source: Advertiser Perceptions, "Branded Content and Influencer Marketing Report" as cited by MediaPost, April 27, 2021

265745

eMarketer | InsiderIntelligence.com

At the same time, however, the creator economy is expanding, adding new or improved opportunities for creators to make money outside of brand partnerships. That's creating tension across the influencer marketing landscape.

“Influencers have more ways than ever before to make money, and they’re having to do arbitrage on where to spend their time and where to place real estate,” said Pierre-Loïc Assayag, founder and CEO of influencer marketing platform Traackr. “It reminds me of the beginning of social media when there was this enthusiasm for anything and everything, and the platforms are behind a lot of that.”

## The Competition for Creator Attention Is Creating New Monetization Options

Like many marketers, the social companies haven’t always taken creators seriously. That’s now changed.

“Except for YouTube and maybe Instagram, the social platforms have long had this mindset that creators are no different from any other user,” said Eric Dahan, co-founder and CEO of influencer marketing company Open Influence. **“But all the platforms now understand that creators are a key part of their services. Add in competition from new social apps, and it’s triggering a battle for creators.** As part of that, creators get tools to monetize.”

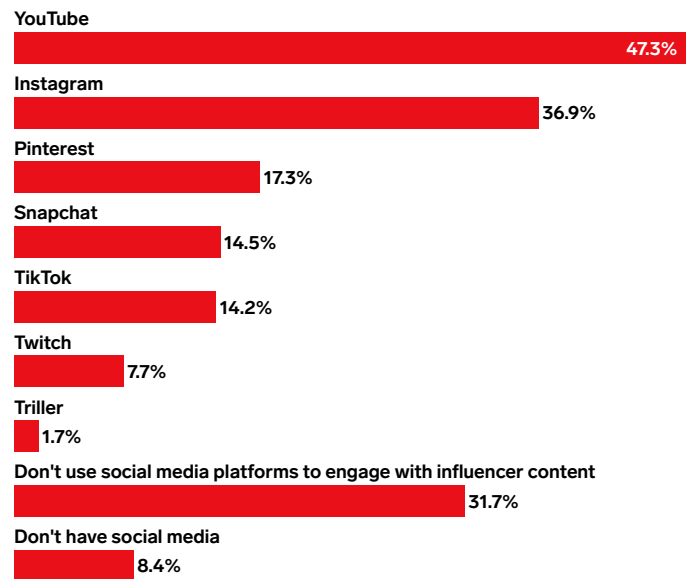
Case in point: Clubhouse. In its first monetization move, it introduced Payments, through which users can send money directly to hosts on the platform. Clubhouse isn’t taking a cut; 100% of the money will go directly to the creator. That followed the launch of its Creator First accelerator program, which pays participating creators a monthly stipend and helps match them with brands for sponsorships.

For more on Clubhouse and how marketers can make the most of social audio, see our April 2021 report, [“Clubhouse and Social Audio Trend: Straight Talk About When and How Marketers Should Get Involved.”](#)

As of now, YouTube and Instagram continue to have a strong lead in the battle for creators. In a September 2020 survey by influencer marketing agency Takumi, 47.3% of teens and adults ages 16 and over in Germany, the UK, and the US said they engaged with influencers on YouTube. Over one-third (36.9%) said they engaged with them on Instagram, compared with 17.3% for Pinterest and just over 14% for Snapchat and TikTok.

## Platforms Where Teens/Adults in Germany, the UK, and the US Engage with Influencers, Sep 2020

% of respondents



Note: n=3,010 ages 16+  
Source: Takumi, “Into the Mainstream: Influencer Marketing in Society,” Sep 30, 2020  
262785 eMarketer | InsiderIntelligence.com

## The Creator Economy Is Booming

The social platforms aren’t just battling each other for creator attention, however. They’re also competing with a myriad of upstarts that all promise new ways for creators to make money online, many of which have seen massive growth over the past year.

“We’re just seeing the tip of the iceberg of the creator economy,” said Ricky Ray Butler, CEO of BEN Group. “It’s growing faster than it’s ever grown before, and there are also more creators now than ever before. That opens the door to a lot of opportunity and even more decentralization of content.”

A May 2021 report by early-stage venture capital firm Antler, for example, found that there are more than 220 companies worldwide that cater to creators. Audience monetization was the largest category; Antler identified 85 companies that help creators make money outside of brand sponsorships. Other categories included creator tools (48 companies), audience curation (44 companies), vertical platforms (32 companies), and community management (27 companies).

# 50 million

people worldwide consider themselves to be creators.

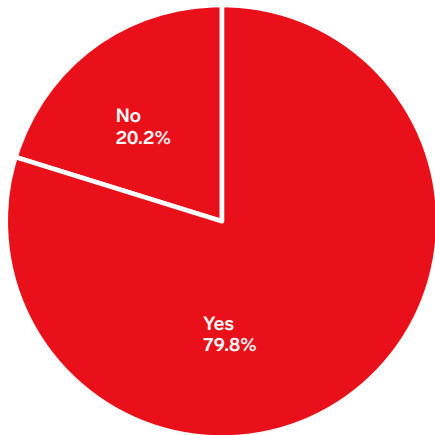
SignalFire, late 2020

The pandemic played no small role in the growth of these platforms. As brands tightened their purse strings in the early months of 2020, many creators were forced to find new ways to make money.

In a September 2020 survey by influencer marketing platform Mavrck, for example, 80.8% of US adult influencers said they had felt the need to seek out alternative income opportunities. That figure remained relatively stable, at 79.8%, in April 2021.

## Have US Influencers Felt the Need to Seek Alternative Income Outside of Campaign Work with Brands?

% of respondents, April 2021



Source: Mavrck, "Creator Pulse Survey," April 29, 2021

265750

eMarketer | InsiderIntelligence.com

While all of the creator economy platforms are different, their value propositions are the same: They are centered around creators and are aimed at helping them make money or manage their businesses. That's in contrast with the traditional social networks, which are primarily powered by ordinary users' organic interactions, and where creators are just one part of a larger marketing ecosystem.

Here are some examples:

- **Cameo:** Launched in 2017, Cameo is an app that allows consumers to pay celebrities, athletes, and social media stars to create personalized videos. Creators set their own prices that can range from as little as \$1 per video to thousands for popular celebrities. According to data from Apptopia cited by Axios, the number of Cameo downloads increased by 134% between January 2020 and November 2020.
- **NewNew:** The app describes itself as a "human stock market" and allows fans to control creators' decisions. Creators can post polls asking questions ranging from the trivial ("Which sandwich should I have for lunch today?") to the more concrete, like a beauty creator asking for advice on which shades to include in an upcoming eyeshadow palette. Fans pay to vote in the polls, and creators are supposed to perform whichever task garners the most votes. The app is currently in beta testing with a limited number of creators.
- **Patreon:** Established in 2013, Patreon provides a business infrastructure for creators to showcase their content. Fans pay creators directly for access, and the company takes a 5% to 12% fee from those subscriptions. According to The Wall Street Journal, Patreon is now valued at \$4 billion, up from \$1.2 billion in September 2020.
- **Substack:** Launched in 2017, Substack is a service that allows writers to create and send paid newsletters to subscribers. Substack collects 10% of subscription revenues from its users, and its payment provider, Stripe, takes another 2.9% plus a 30-cent transaction fee. As of January 2021, Substack said it had more than 250,000 paying subscribers, and its top 10 publishers brought in more than \$7 million in annual revenues.

# Power your next move with clear and credible insights.



## Insider Intelligence Subscriptions: The Fastest Path to Insight

All Insider Intelligence research is available to our clients via an Insider Intelligence subscription. The subscription provides access to all Insider Intelligence analyst reports, forecasts, daily briefings, signature charts, interviews, case studies, webinars and more. See for yourself how easy it is to find the insights you need.

[Learn more about our subscriptions](#)



## This is a preview of one Insider Intelligence report.

Insider Intelligence reports highlight the latest information on a given topic, including data-packed charts and qualitative insights, to keep our clients at the forefront of the most critical consumer trends.

[Browse our reports here](#)



## Coverage of a Digital World

Insider Intelligence provides data and insights into industries' digital leaders and most transformative technologies, as well as how their target consumers are spending their time and money.

[Explore recent Insider Intelligence coverage](#)

## Schedule a Demonstration

Go to [insiderintelligence.com](https://insiderintelligence.com) or email [ii-sales@insiderintelligence.com](mailto:ii-sales@insiderintelligence.com) to get a personalized demonstration or request a quote today.