

The creator economy is booming, but it's no threat to brand sponsorships

Article

Creators have never been hotter: Social platforms want them, and marketers want to work with them. The creator economy is offering up new or improved opportunities for creators to

make money outside of brand partnerships. So, where does that leave brands?

“We’re just seeing the tip of the iceberg of the creator economy,” said Ricky Ray Butler, CEO of influencer marketing company 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.

Some marketers may be concerned that the increase in alternative income opportunities could lessen creators’ willingness to work with them. Rest assured that the future of brand sponsorships is safe.

Why? For one, despite the recent media attention, diverse revenue streams are nothing new for creators. And there are few revenue streams out there that are as easy to execute and generate as much money for a creator as a brand sponsorship.

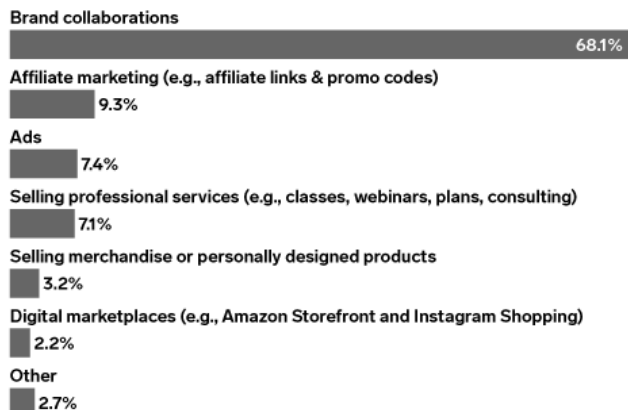
“There are influencers who can make \$100,000 from a 30-second TikTok. That’s almost impossible to replicate through any other revenue stream,” said Stacy DeBroff, founder and CEO of influencer marketing agency Influence Central.

Of course, not every creator is making triple figures from sponsored content. Even so, brand sponsorships are still likely to be how creators of all sizes bring in most of their income.

In an April 2021 survey by influencer marketing platform Mavrck, 68.1% of US adult influencers identified brand collaborations as generating the most income for their business. Affiliate marketing was a distant second, cited by 9.3% of respondents, followed by ads (7.4%) and selling professional services (7.1%).

Which Revenue Stream Generates the Most Income for US Influencers' Business?

% of respondents, April 2021



Note: n=526; per month

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

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None of the newer monetization options are likely to change that. Take tipping, for example. Asking fans to send cash can be awkward, and it's an unreliable source of income (just ask any waiter). Other new revenue streams, like memberships or subscriptions, may be more stable, but they also have their downside, such as alienating portions of a creator's audience.

Austin-based food influencer Jane Ko, @atasteofkoko on Instagram, told us that she's "never been a fan of gated content," as it cuts off access for some of her followers.

Ko added that she prefers brand partnerships over other monetization options because they're a way for her to "share experiences with her followers" and "bring a brand to life in a creative and authentic way."

To learn more about what the expanding creator economy means for brand sponsorships, Insider Intelligence subscribers can read our recent report:

Report by Jasmine Enberg May 12, 2021

Influencer Monetization 2021

