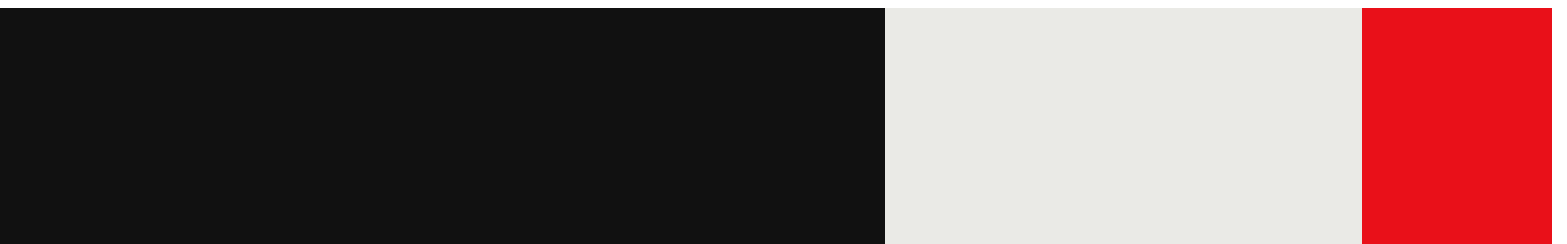


The Daily: How creators are changing, the right social commerce approach, and freedom of speech on social media

Audio



On today's podcast episode, we discuss how creators are evolving; why YouTube is white space for many marketers; and how marketers, social platforms, and media companies should shift their strategies. "In Other News," we talk about what freedom of speech actually means on social media and why TikTok and Pinterest are taking different approaches to social commerce. Tune in to the discussion with our analyst Jasmine Enberg.

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Episode Transcript:

Marcus Johnson:

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Jasmine Enberg:

The role that social media has played in being a launchpad for these creators cannot be underestimated. They democratized content creation and really gave creators a way to monetize that content and earn a living.

Marcus Johnson:

Hey gang, it's Monday, October 16th. Jasmine and listeners, welcome to the Behind the Numbers Daily, an eMarketer Podcast made possible by Intuit MailChimp. I'm Marcus, and today I'm joined by our principal analyst covering everything social media based of California. We refer to her as Jasmine Enberg.

Jasmine Enberg:

Hi, Marcus. Hey, everyone.

Marcus Johnson:

Hello, there. Today's fact.... Okay, so-

Jasmine Enberg:

Is it a Finland fact?

Marcus Johnson:

No, you asked me before the show if it was, I didn't have the heart to-

Jasmine Enberg:

I'm so disappointed.

Marcus Johnson:

... yeah, upset you before we record. I was also nervous you wouldn't do the show if I admitted it beforehand. So now that you're here, you don't have a choice but to listen. But it's not about Finland today. I don't know why it's about this, but it's about sloths. So apparently sloths can hold their breath longer than dolphins.

Jasmine Enberg:

Who's measured this?

Marcus Johnson:

Yeah, that's a good point. It's all the stopwatch and one of each animal. All right, ready, go.

Jasmine Enberg:

How did they choose these two animals?

Marcus Johnson:

I don't know why we do this. These are all ridiculous. Dolphins need to come up for air every 10 minutes. I think they can go 15 to 20 if necessary, but by slowing their heart rate down, sloths can actually hold their breath for 40 minutes.

Jasmine Enberg:

Do you know what the evolutionary purpose of that is?

Marcus Johnson:

So they have a slower metabolism. And so, that's why they move so slow because they need to conserve energy. So I think that just as a byproduct of being able to conserve energy so well, if you happen to put one in water, they would be able to stay under longer than a dolphin.

Jasmine Enberg:

Very interesting.

Marcus Johnson:

Yeah. This one was so ridiculous. I brought a backup just in case you were like, this is stupid. So fruit loops, there we are. They're all the same flavor despite their different colors.

Jasmine Enberg:

That doesn't surprise me.

Marcus Johnson:

Oh, really? I taught someone this recently. I've never seen anyone more devastated.

Jasmine Enberg:

Well, it's kind of like M&M's, I swear they're all the same. They're just different colors.

Marcus Johnson:

Are they?

Jasmine Enberg:

I think so.

Marcus Johnson:

Oh, God.

Jasmine Enberg:

Do they taste different to you?

Marcus Johnson:

I don't want an essential crisis, we have to move on. Probably not. Anyway-

Jasmine Enberg:

That may not be a true fact.

Marcus Johnson:

It probably is.

Jasmine Enberg:

But that's just how I feel about that.

Marcus Johnson:

None of these are, why do we bother? Anyway, today's real topic, how influencer marketing is changing. In today's episode, first in the lead, we will cover some influencer marketing trends, what's going on there? Then for another news, we'll discuss what freedom of speech on social media actually means and what the right approach to social commerce might be. We start, of course, with the lead. We're talking about some influencer marketing things, and we want to start with a recent Adweek article from chief strategy officer at We Are Social, Mobbie Nazir, who wrote that the people who influence the platforms they use and the ways in which they participate are evolving into something very different from what we have experienced in the past. So she's saying, creators are changing, the way that they're doing businesses is changing. And so, she noted three changes.

One, creative collaboration. Influencers had been working on their content in isolation leading to burnout, and so they're increasingly banding together to have a greater shared impact. So creator collaboration is one. Two, using technology to enhance their content. Giving the example of Korean music giants behind BTS Hype using voice AI to launch its latest artist, MIDNATT in multiple languages simultaneously. Number three, taking creative control, having built a fan base from scratch, creators are moving away from endorsements and taking creative control by launching their own creator brand. So creative collaboration, using tech to enhance their content and taking creative control. Some changes in the world of influencers. Jasmine, which of these trends do you think is most important going forward? What did you make of this piece?

Jasmine Enberg:

Well, first of all, you probably saw me nodding as you started reading it, and I mean, she is spot on. The way that creators do business is evolving and expanding. I just wrote a report about how they are now bigger than social media, but of those three trends, I would pick the last one, creative control. Because the way that creators are building their brands and their businesses is upending a lot of these traditional business models. So they're approaching their businesses with this audience first, product, second mindset. So they're building these incredibly strong communities online and building a ton of trust among their followers. And then they're introducing products that speak to those communities.

And because they've built up that trust, their followers, their fans are purchasing from them as a result. Now, of course, not every creator is going to be able to accomplish this, and not every single creator founded brand is going to be as successful as some of the ones that were

mentioned in the article like Prime or Chamberlain Coffee. But it's having a ripple effect across the entire economy in terms of how brands are approaching their businesses site as they're going over the top of these established business models.

Marcus Johnson:

Yeah, something else is having a ripple effect. You mentioned in the world of influencers, the Hollywood strikes. As you write in one of your recent pieces, why to you are the Hollywood strikes, a wake-up call to marketers?

Jasmine Enberg:

Well, I think there are still a lot of marketers, social platforms and entertainment companies that really underestimate the power of creators. And as the Hollywood strikes progressed, what we saw was that it unintentionally boosted creators power. And you saw companies really turning to creators more for deals because they weren't able to tap actors or writers, for example. Of course, there was a lot of creators that stood and continue to stand in solidarity with some of the striking actors and our refusing deals from struck companies. But at the same time, you're seeing this growing importance of creators to marketers strategies, but we're also seeing creators start to diversify their revenue streams. Building their own businesses is a good example, but some of them are also going off and creating their own media networks or branching out into things like podcasting or even fast channels. And that is reshaping the way that entertainment is being provided and consumed.

Marcus Johnson:

I thought that was fascinating. You talk about taking a tiny step back, you talk about social platforms being a launchpad rather than a final destination for many creators saying, while the platforms are still the main way most creators build audiences and make money through brand sponsorships. Being a content creator is now a career path that can lead to becoming a business owner, an investor or an entertainer. And then that springboards quite nicely into this other point, which you just mentioned, creators establishing their own media entities. You mentioned folks like Alex Cooper, YouTube and Mr. Beast launching their own audio and video networks pointing out, not everyone can do this, but the growing success of those ventures you say, should be a signal to entertainment companies that creators can do much more than just generate hype or hawk products.

Jasmine Enberg:

And there's this constant tension, especially when you're looking at social platforms and creators in terms of what creators want and what the social platforms want. I'll say though, as this balance of power within the platform creator relationship is sort of shifting more towards the creators, they both need each other in order to thrive. And the role that social media has played in being a launchpad for these creators cannot be underestimated. They democratized content creation and really gave creators a way to monetize that content and earn a living.

Marcus Johnson:

Yeah. Let's talk about some of the platforms that folks are using for the influencer strategies. How is the landscape changing in terms of the platforms used by marketers for influencer marketing?

Jasmine Enberg:

So Instagram is by far the number one platform used for influencer marketing. And I think you're going to bring up another report that I recently wrote about influencer marketing by platform. And my approach to that report was when I saw the data from our forecast and saw just how many marketers were using Instagram versus say TikTok or YouTube, the immediate question that I had was, are marketers too over-reliant on Instagram? And as any good analyst or researcher would do, I called up a bunch of marketers and brands and asked that question and the overwhelming response was no. And so, Instagram is still very much a core part, if not the anchor for most creator strategies. But we're also seeing that about 50% of US marketers now use TikTok. So there's certainly a diversification among marketer platforms as well. I'll say that the Instagram Reels is still ahead of TikTok by a small margin.

Marcus Johnson:

Yes, that was one of my takeaways. Marketers are using lots of platforms. It's not like it's Instagram and then humongous 80% gap, and then just very few people using the other ones. Marketers are using lots of platforms. Each of the main social platforms have high shares of marketers using them for influencer marketing. You've got Facebook that's well over 50%. You've got Instagram Reels, as you mentioned, over 50% TikTok, YouTube as well. And yeah, that other note you just said, Instagram Reels slightly more popular for influencer marketing than TikTok. We estimate 50% of marketers use TikTok versus slightly more 54% who use Instagram Reels. But you also point out though, this is just use, this doesn't necessarily refer to engagement rates.

Jasmine Enberg:

No, it doesn't. And I mean, I think one of the reasons that Instagram Reels is more popular than TikTok, even by that small margin is because marketers are comfortable on Instagram. A lot of them have built their brands there, their businesses there, they have strong followings there. And of course, Instagram has incredibly strong branded content tools. But when you do look at engagement rates kind of across the board, you see that TikTok outperforms a lot of the other platforms. Part of that is content format. Of course, short video tends to be more engaging than say, a post or a carousel on another platform. But even if you're making a more apples to apples comparison between say, Reels and TikTok, TikTok still ranks really high in engagement.

Marcus Johnson:

And you recently learned a little bit more about TikTok's Creator Marketplace, and there's some stats announced about that.

Jasmine Enberg:

Yes, I did. I was at the economist's Metaverse Impact Summit, interviewing TikTok's Global head of operations for TikTok Creator Marketing Solutions. That is a mouthful.

Marcus Johnson:

Whoa.

Jasmine Enberg:

And she shared with me that there are now 2 million creators worldwide who have opted into TikTok Creator Marketplace, and that's up from just about 800,000 one year ago. So that's massive growth also shows just how important brand partnerships still are to both creators and to brands. TikTok Creator Marketplace, of course, is TikTok internal tool that matches brands and creators for collaborations.

Marcus Johnson:

Let's turn attention to YouTube for a second because you write, "YouTube is a white space for many marketers." How come?

Jasmine Enberg:

Well, there's a lot of reasons. I think one of them is the lift for a lot of marketers and the costs associated with long form video. And I think that has been kind of daunting for a lot of marketers. Despite the potential for this massive reach. I do think that Shorts is starting to change that it can be a much easier entry point. And what we've seen is that a lot of long form creators are now converting their long form videos into Shorts, and we're seeing new creators really start to use Shorts as well. So that could be a way in for marketers who are still a little bit skeptical of moving into long form video. YouTube also recently launched a ton of AI creator tools, which I also think will help accelerate more Shorts creation on the platform. And I mean, YouTube is massive and it's the OG of influencer marketing platforms. So I found this stat to be a little bit surprising, but I do think it's starting to change and we're starting to see more marketers who haven't leaned into YouTube start to do so.

Marcus Johnson:

Yeah, an interesting number as well that jumped out with the glance to Shorts. You say, "We expect over 150 million US consumers to watch YouTube Shorts at least once a month this year, which is more than just over a 100 million US users, we forecast for TikTok." Some important context there. Final question here, Jasmine. You have a section talking about how marketers, "Social platforms and media companies should shift their strategies," a section of one of your reports. Could you give us a takeaway for one of these groups?

Jasmine Enberg:

I'm going to give you the takeaway for social platforms because this has been on my mind since VidCon. It was a huge topic of conversation, but the takeaway for me was that social platforms really have to get creator monetization right, especially when it comes to short video only. YouTube really has a strong ad revenue sharing program, and there are a lot of creators that are looking for more sustainable ways to make a living off of social platforms. If you look at the way that creators earn income, the social platform monetization tools tend to rank the lowest, whereas brand sponsorships are number one.

And part of why I came to this conclusion was I wrote this report around the time where there was a lot of talk about creator unionization, collective creator action, really because of the Hollywood strikes. And one of the learnings from VidCon for me was that that would be really hard to accomplish, to get enough creators banded together to really force the social platforms to make a change. But even without that, given the amount of competition that

there is within the influencer marketing and the creator landscape, it's really time for social platforms to focus on helping creators monetize as much as possible.

Marcus Johnson:

Well, that's it for the Lead. Time, of course, for the halftime report. Jasmine, what's most worth repeating from the first half?

Jasmine Enberg:

I think my biggest takeaway would be that creators are not bound to social media. And we're seeing this in all different angles within the creator economy and across the digital landscape. And marketers, social platforms and entertainment companies in particular really have to take note of this evolution and these shifts so that they don't get left behind.

Marcus Johnson:

Yeah, we referenced a few of Jasmine's reports today, but the one we wanted to highlight was Influencer Marketing 2023. The Hollywood Strikes Are a Wake-Up Call That Creators Are Bigger Than Social Media. That's the title. You can find it on insiderintelligence.com if you're a pro subscriber, or of course you can click the link in the show notes. We move now to the second half of the show today in other news. What does Freedom of Speech actually mean on social media and TikTok and Pinterest take different approaches to social commerce? Story one: "What does Freedom of Speech actually mean on social media? We're about to find out," writes Caroline Mimbs Nyce of the Atlantic.

She writes that "Florida and Texas pass bills to restrict social media platform's ability to take down certain kinds of content. That means it would make things like political deplatforming illegal, for example, removing at the time President Trump from Facebook and Twitter after he was said to have encouraged violence, which helped lead to the January 6th attack on the US Capitol. Tech Platform say they have a First Amendment right to moderate content posted by their users. Now, the question has landed on the desk of the Supreme Court, what's at stake? Well, the tricky questions about how the First Amendment should apply in an age of giant powerful social media platforms," Miss Nyce writes. But Jasmine, what was your take on this article?

Jasmine Enberg:

There's a real sense of urgency about this, right? I mean, we're coming up into an election year where there's already major concerns about misinformation and disinformation and the platform's ability to be able to combat that. And if you were following the news over the weekend about what's happening in Israel and Gaza, I mean, there's already clear indications that on X, for example, there is a widespread amount of misinformation being served to users. So it's great that we're starting to have these conversations, but we need to move quickly to figure this out because social media is still a place where people go to for news and it's getting to be less reliable.

Marcus Johnson:

Yeah, this case is a huge deal. One of the quotes from in the piece saying, "Whatever they decide will set legal precedents for how we think about free speech when so much of our lives take place on the web." Speaking to Jasmine's urgency comment. Story two: "TikTok's ambitious social commerce strategy contrasts with Pinterest type focus on advertising," writes our retail briefings analyst, Rachel Wolf. She explains that with US social commerce sales approaching 770 billion this year. TikTok and Pinterest are taking different approaches to growth in this fast-growing market. TikTok, she notes is focusing on livestream commerce and end-to-end shopping experience after its sister app had success with this strategy in China. And Pinterest meanwhile is heading down the same path as Meta with shoppable advertising. Jasmine, your take on this piece.

Jasmine Enberg:

TikTok is kind of going where no social app has gone before with TikTokShop. I'm bullish on TikTokShop, not necessarily for the livestream commerce aspect of it or the technological aspect of it overall, but if any social app can make this in-app buying experience happen, I do believe it's TikTok because of its prowess and in media viral shopping trends and its Gen Z user base. Pinterest is taking a safer route and one that has worked well for Meta. I know there's a lot of dismissal about Meta's social commerce ambitions. That's not the case. There's still tons of people who are shopping and buying on Meta's platforms. It's just that they're clicking on ads or creator content and completing those transactions elsewhere.

Marcus Johnson:

Yes. Interesting to see the landscape at the moment though, Facebook still rules on social commerce. According to our research with Bizrate Insights, 20% of folks had bought

something on Facebook in the past month, that's the leader. 15% on Instagram, 10% on YouTube, 8 on TikTok for now. They're obviously throwing a lot of money behind their efforts. Then Snapchat, Twitter and Pinterest with around 3%.

Jasmine Enberg:

Can I give you an interesting thing about Facebook?

Marcus Johnson:

Absolutely not. We don't have time. Go ahead.

Jasmine Enberg:

Fine. I won't tell you.

Marcus Johnson:

No, please.

Jasmine Enberg:

You'll disappoint all of our listeners.

Marcus Johnson:

I'm sorry.

Jasmine Enberg:

So I'm writing a report about social commerce right now, actually. And one of the reasons that Facebook still ranks so much higher than all of the other social platforms is because of Facebook Marketplace. So a lot of the shopping and buying that happens on Facebook happens there. So it's not really comparable to the type of shopping and buying that happens on other platforms. And I was looking at some third party research that shows that if you actually remove Facebook Marketplace from the Facebook buyer figure, it'll drop below that of Instagram.

Marcus Johnson:

Oh, interesting. Well, that's exactly the question I had after seeing that research. I was like, how are they still first?

Jasmine Enberg:

And I just told you how.

Marcus Johnson:

Yep, there it is. Fantastic. Well, that's all we have time for, unfortunately. Thank you so much to Jasmine for hanging out with us today.

Jasmine Enberg:

Thank you, Marcus. Thank you, everyone.

Marcus Johnson:

And thank you to Victoria who edits the show and does so much more. Thank you to James who copy and edits it. He doesn't really do much more than that. And Stuart, who runs the team, barely. Thanks to everyone for listening in. Stuart who runs the team has told me that I'll get fired if I don't tell you that. You can join the eMarketer on November 3rd for our next virtual event. Attention Trends and Predictions for 2024, our leading analysts and executives from brands like Pepsi, Colgate, Palm Olive, and Kendra Scott will explore trends like generative AI, retail media, and more to help professionals to plan for the year ahead. You can visit insiderintelligence.com/events/summit to register today, and we hope to see you tomorrow for the Behind the Numbers Daily, an eMarketer Podcast made possible by Intuit MailChimp.

Jasmine Enberg:

You didn't plug my panel on Gen Z.

Marcus Johnson:

Give me a second, I was just going to it. Jasmine's also doing a panel, which she's going to tell you about it right now.

Jasmine Enberg:

I am doing a panel at the Attention Summit on November 3rd on Gen Z. It is going to be incredible. Please listen in.

Marcus Johnson:

If you can copy that in before the thing I was supposed to do for Stuart, then it makes me look better. Okay, bye.