

USER FRIENDLY

Creator economy monetization

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Hanish Patel:

Today, social platforms have an opportunity to lead and accelerate the creator economy by using technology to meet creators' evolving needs, providing personalized experiences at scale across the creator life cycle, and focusing on opportunities to increase creator monetization and loyalty. But how exactly can social platforms ensure this outcome?

In this episode, we'll cover how to attract, retain, and support creators as consumer preferences, monetization opportunities, and social media platforms continue to evolve in an increasingly competitive landscape.

Joining me to discuss these topics is Thomas Kim, director of product management and creator monetization at YouTube, and Dennis Ortiz, principal at Monitor Deloitte and US advertising, publishing, social media, and platforms leader.

Thomas Kim (TK):
Thanks for having us.

Dennis Ortiz:
Thanks, Hanish. Looking forward to this.

Hanish Patel:
This is a topic that's been in the fray for a while,

so hot with conversations going on. But I want to really set the scene for our listeners to begin with, especially given the sheer proliferation of creators to the point that just about anyone is a creator in today's world. So to that end, can you give us a high-level overview of who is really considered a creator and what the current state is of the creator economy as a whole?

Thomas Kim:
Certainly there was a time where I think the term creator with a capital C didn't exist. And you know, fast-forward to today, various estimates put people around the world, 50

million to 200 million people in the world who consider themselves creators and are either making a living or able to supplement their income by doing creative pursuits. And that ranges across different formats, different platforms. And so, you know, from something that didn't really exist, say 15, 16 years ago, it's become a global economy contributor in many ways.

Hanish Patel:

And, to that point around something that didn't exist 15 or so years ago to where we are today, it's clear that it's not just in one area that there are these so many creators. They seem to be across multiple platforms. And creators now truly have that sort of multi-platform strategy, in terms of how they get out to their base, their community, wider followership. So I'd love to get your perspective on how creators approach a portfolio, and execute on said strategies?

Thomas Kim:

I think right now is probably one of the best, if not the best, time to be a creator. There are so many options for creators to find audiences, find monetization. And I think that's partly why there are so many creators out there, and [it] has really given this rise to the creator economy.

But again, depending on the source, if there's 50 million to 200 million people who consider themselves creators, it's a little hard to generalize how creators approach a portfolio. I think within that space, there's creators who are focused on, say, a content vertical or format and really leaning into one platform, while others are using many platforms and many formats for different purposes.

And so, here at YouTube, I think what we want to offer is kind of what's created the creator economy in the first place, which is reach, creator freedom, and monetization. And that happens because on YouTube, creators can connect with over 2 billion global users, and they can do it in whatever format they want. They could do 10-second videos, a 5-minute song, 10-minute videos, 1-hour podcasts, or even 2-hour livestreams. And that format diversity is what I think eventually we'll see—is creators will lean into a lot of different

platforms and formats, and I think that is really the future, if not the present already.

Hanish Patel:

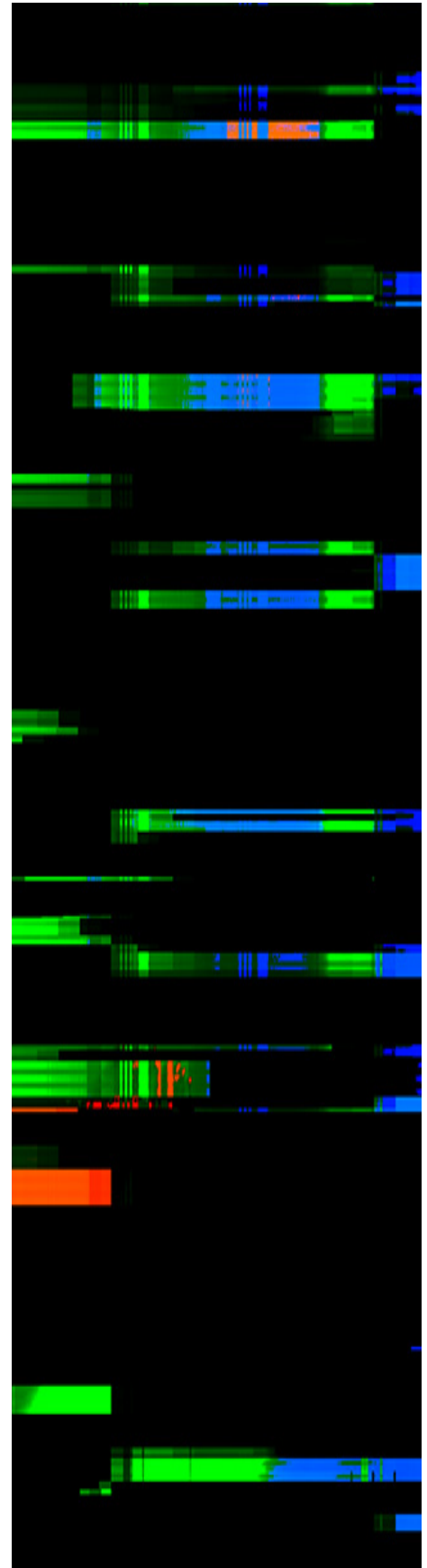
So keeping with that trend, in terms of the opportunities that are there and given just the sheer reach, right, can you talk a little bit more about what platforms have offered in terms of monetization? Because that's key for a good number of creators. A number of them think of it from a monetization opportunity. So what have they offered in that realm for creators?

Thomas Kim:

What I think I could speak to is what YouTube offers, and the YouTube Partner Program, which is the program that I lead at YouTube. And going back about 16 years ago, YouTube made an industry-changing decision, really, to share advertising revenue with users who were uploading videos at the time. And 16 years later, YPP, or the YouTube Partner Program, really is the backbone of the creator economy.

In just three years, YPP has paid out \$50 billion to creators, media cos, music labels, around the world. And so just that vast amount of earnings potential has, I think, really unlocked a lot of the creativity that you see on YouTube and also all around the internet. Because we're at a time now where creators can make a living doing what they love, and they're not necessarily gated by, you know, a few people that think that this is what viewers want to see. And I think that's really been kind of what's driven the creator economy.

You know, ads is kind of where I think a lot of the creator economy started, but also that's diversified quite a bit. At least for YouTube, we offer now more than 10 ways to earn. And beyond just ads, we have ways through our fan-funding products that let viewers directly financially support creators. And as you know, we also have things like YouTube Premium, where users pay to get a more premium experience of YouTube, and we share revenue from that as well. And that's really important. You know, with such diversity of creators and the fact that there [are] more creators than ever, that means that you need lots of different ways to earn because different creators will benefit more from certain types of monetization. And I think that's what you're seeing is more dollars and more ways to earn.



Hanish Patel:

I want to touch upon what you mentioned earlier around reaching a way around advertising. And Dennis, I want to put this one to you, right, How do you think that the platforms can truly (1) attract but, most importantly, also (2) retain these multi-platform creators for more return on investment when it comes to advertising and those advertising partners then?

Dennis Ortiz:

So I think in order to answer that question, it's important to really contextualize the role of creators, right? They create the content that these platforms rely on in order to attract viewers or an audience to the platform, which then in turn drives advertisers towards the platform.

So with that, you know, in order to attract and retain, TK had addressed the monetization element, which can come in a variety of forms. That can come from payments from the platform directly, it could actually come from followers themselves, but there's also brand partnerships, too, that a creator could facilitate on their own or the platform could help them facilitate. In addition to monetization, I think the other kind of key piece to attracting and retaining these creators is around helping the creator facilitate engagement with their audience and to develop a community.

And then lastly, on top of that, it's providing the right level of support. You know, we've heard overwhelmingly from creators across multiple platforms that the key for them and what drives loyalty for them to a platform is the support the platform gives them in helping them understand the performance of their content on the platform. And that can come through direct engagement with someone from a partnerships team, it could actually also come in self-service analytics to help them understand the engagement of viewers or followers with their content. Things that will help them succeed on the platform.

So it's really a combination of monetization, facilitating engagement with the audience, and then the support that they get to help drive or improve the performance of their content.

Thomas Kim:

I really do think that if you think about a creator, after a certain point, when you're not doing it casually, you are an entrepreneur and you are taking risk, right? In a field where there [isn't] necessarily as much business infrastructure set up for these types of entrepreneurs, right? And so, I do think it's important that creators feel that a partner shares in their success. And if you think about how YouTube structured our partnership, by having a rev share model, YouTube succeeds when creators succeed. That's kind of the setup. Because, to Dennis' point, there is that virtual circle of good creators drawing audiences, advertisers want to be there, and then creators benefit financially from that, and that lets them sustain their business and hire people, buy equipment, etc.

And as you folks run businesses, you also know that support is a really important part of running a business. And in some ways, I think we've invested a lot, providing a number of different ways with us: communications, high-tech support. It's because, in many ways, these are entrepreneurs that are running businesses, and they need support to kind of manage a business. And I think that's, at the end of it, what platforms need to do: to really treat creators like partners and support their businesses.

Hanish Patel:

So going off what the both of you have just said, I want to anchor in on one particular area, YouTube, and within that, Shorts. Because you've seen such a big proliferation of Shorts, and particularly for those mobile-first creators. So what value do YouTube and Shorts provide for those mobile-first creators?

Thomas Kim:

You know, it's funny. It's almost kind of full circle, right? So when YouTube launched in 2005, the first video was actually an 18-second video. So, in some ways, it, it was actually the first Shorts video. And what happened is that as video production cost came down and hosting came down, it allowed longer and longer videos, right? Which became kind of what really drove YouTube's success. And now with all the progress in mobile technology and creation tools, to me, YouTube Shorts is just the natural progression to

empower the next generation of mobile-centric creators. And at the end of the day, creators are looking for reach, audience monetization, and, we share in the collective success.

And so I think the real value prop for Shorts is you get the reach of a 2 billion global audience, monetization—and that actually benefits not just the next-generation mobile-first creators, but we also have a number of traditional YouTube creators who are using YouTube Shorts as a way to actually gain new audience and also to diversify their content. It is a lighter format for you to experiment with new ideas. It doesn't have quite the time investment of a long-form video. So I think, in some ways, it's beneficial to the overall ecosystem as well.

Hanish Patel:

So, going from an 18-second clip to where we are today ... and Dennis, I know you spend a lot of time in the market studying the creators, advising in the space. And there clearly seems to be a lot of focus on kind of building communities, building that connection for those creators. I'd be interested to see what trends you're seeing. Again, if we go back from what started from an 18-second clip to where we are today, and where you see it going forward, [] would love to get your perspective on that.

Dennis Ortiz:

So our latest creator economy survey found that 83% of creators agree that their primary platform has a thriving community that they actually enjoy being a part of, and then close to 90% of the creators agree that their primary platform facilitates ways for them to engage with their audience. And you know, part of their priorities as creators is really to focus on delivering quality content and an experience—58% of creators agree with that. And then roughly 43% of creators prefer to engage directly with their followers.

So those are some of the trends that we're actually seeing in this space around community building and driving connection with audiences.

Hanish Patel:

So given those stats that we're seeing across the industry as a whole, TK, can you speak to how YouTube has helped those creators foster

that community and build that authenticity as they connect with that community, that followship, and really kind of build that personal brand that you see so many of the creators doing?

Thomas Kim:

Yeah. I think given the sheer number of creators out there, we shouldn't lose the fact that that is composed of individuals who come from many different, and identify with many different, communities. And as far as supporting these communities, this is a deeply, deeply personal motivation for me. And I think [for] many folks, this will resonate with them.

But as an Asian American growing up in the '90s, I mean, there was nobody who looked like me in traditional media. So, long before I worked at YouTube, I was just a personal fan of YouTube because it was the first time I could see, on video, stories and narratives of people who look like me—these stories that really resonated with me. And I think this holds true for many of the viewers, who found affinity with the communities that they identify on platforms like YouTube. And that's why many of them chose to become creators.

What I think we're especially proud of is that YPP has provided the means for many of these creators, from all of these communities, to earn a living doing what they love and sharing their voice with the world. And I think it's very important that platforms like YouTube reflect the full diversity of global society. I personally actually work on a lot of projects to ensure that our systems are fair. I personally also serve as the executive sponsor of our many Asian American/Pacific Islander creator advocacy programs. And, you know, I have colleagues who are doing that for many other communities. And it's really important, because, you know, what's lost in the numbers is the fact that this is actually made up of many communities, and it's important that they all have a voice.

Hanish Patel:

Oh, I love that. Such an important aspect, like you said, of community, but then representation of, right? That's something that's so important and to the core to many of us, 100%.

So sticking with that train of what you talked about in terms of, in this case, what YouTube are providing some of those creators, and Dennis, as you talked about, in some of those stats that you're seeing about how they're using that primary platform to engage with their audience. A question to the both of you, in terms of what can—as well as what they currently do—but what other things come to mind as what platforms can really be providing creators along with the monetization, along with the algorithms, to really allow those creators to [part] one, trust their platform and a brand for where they want to put their content out, how they want to engage with their community? What are some of the things that they can be doing?

And maybe as a part two, how can the platforms also support the creators from different communities, identities, to really improve equity and amplify voices? Which is such an important aspect of what we're seeing over the last couple of years as well.

Dennis Ortiz:

Based on some of our conversations with creators across a variety of platforms, I think the number one theme on this specific topic has actually been around transparency. And transparency actually comes in multiple forms. So when we talk to creators, they talk about transparencies around policies, around content, and understanding why content may be taken down from a specific platform. But also transparency around content performance. And this goes back to kind of what TK had discussed around support and even around analytics. They want to better understand how their content is performing.

And I think you'll find some variation in the level of insight that creators actually get from these platforms on how their content is performing. So, transparency is key.

Thomas Kim:

I agree. Thematically, creators are looking for platforms to be their partners. And the way we think about it is we succeed when our creators succeed. And if you're business partners, you have to have constant communication and try to be transparent where you can with your business partners.

And over the years, we've built multiple channels to communicate with creators. And that ranges from if we make small product feature changes, to when we make big policy updates. And that's communicated via our team of partner managers, who have one-on-one conversations with our creators. We do notifications in the product, email, social post, blog post. We have an entire video program we run, called Creator Insider, and the intent there is to try to meet the creators where they're at.

Now, I will say that there are times that we can't be as transparent, and it's because oftentimes, we're fighting abuse on the platform. And if we were too transparent, that would just give abusers clues to exploit our gaps in our defenses. And one thing we can't do is allow YouTube to lose the trust of our viewers, our advertisers, and frankly, broader society, because that would mean there would be less audience for creators. There would be less monetization available for all of the good, responsible creators we have.

And so, I spend a lot of time trying to strike that balance within even the YouTube Partner Program. We have to make decisions on who we let monetize and [who] we don't. I think we don't always get it right, but I think we do a lot of the time. And that's a trade-off we have to balance of being able to have direct transparency but making sure that we're also defending the platform.

Hanish Patel:

If I think about what the two of you have mentioned around that transparency and what you can provide, or maybe what creators are looking for, and how you create the right platforms, the right environment for people to have success ... as the economy continues to evolve—and by "economy," I mean the creator economy—what do you see is enduring dynamics that will either stay constant or may actually change and evolve?

Dennis Ortiz:

So, there are two key things that come to mind for me. One is that the creator economy will be dominated by a small set of platforms. YouTube's certainly within that set. I think the mass following that these platforms have

attracted over time just makes it very difficult for new entrance into this space. You know, a good example of that might actually be with Twitter and Bluesky kind of coming into the picture. None of those other competitors to that really kind of took off. And then with Threads coming into the picture, the number of immediate users that amass onto that platform, just given the carryover from Instagram users. So, I think that's number one.

Number two—and this is a statement that I'll make that I think we don't talk enough about—is that the creator economy does pose a viable threat to traditional media. And what I mean by that is if you look at the content and where eyeballs are actually going, and where people are actually spending time, a lot of that now is being disintermediated. And people aren't going to the feeders as much. They're not spending as much time streaming on traditional platforms or movie platforms. They're actually going to platforms, like YouTube, and watching short-form content and spending time there.

The other thing I'll add on top of that is if you look how search habits have actually changed. What these platforms are being used for right now is actually as search, because the content that's being produced is much more robust. And if you put that into perspective, I think creators will continue to be elevated in their role in our day-to-day online content consumption [and] will continue to evolve as a result of their role.

Thomas Kim:

Yeah, I completely agree that the eyeballs are certainly shifting, and I think that's been a testament to YouTube's growth.

That all being said, I think there's place for both, at least here at YouTube. Many of the traditional media companies have been great content partners for us. I think you all know about the partnership that we've uh, had with the NFL. And it's a way for them to engage a new audience, as well as a way for us to kind of expand our reach as well. So, I think there's room for both.

That all being said, in some ways, I think what may be different is that we've had enough generations of creators now that this kind of

latest generation of creators, I do feel like are just much more business savvy and really see themselves as a business and brand.

The other thing I'm seeing is that given the amount, there are a number of, I think, creator-oriented services that are propping up. There are hundreds of startups in this space. I think there will be some rationalization there, obviously. But given the amount of dollars out there, I do think there will be a number of services providers for creators, and it will probably allow them to actually own more of their content and their audience. And I think that's definitely a trend because, again, creators are much more savvy. They're businesses. And I think they'll need a lot of business infrastructure for them to own their audience and their monetization as well, in the future.

Hanish Patel:

As we close, something I'd like to cover that is on many minds of recent—and you're probably both thinking, "Ah, wow, I was about to go through a meeting or a call without someone mentioning this term." But I'm going to go mention it right now, and that's generative AI [GenAI]. How do you see generative AI starting to impact the creator economy in the near term, and what's the potential for the opportunities, or even the risk, that you expect generative AI to bring in the longer term?

Dennis Ortiz:

So this is where social platforms actually have an opportunity to lead and accelerate the creator economy by leveraging technology such as GenAI. In our latest creator economy survey, we found that 62% of creators actually anticipate that they'll be using GenAI to shape their business. And the number one expected use case was actually as a creative assistant, in leveraging GenAI to generate content ideas. The number two and number three expected uses of AI really revolved around the workflow production and writing captions. So, imagine being able to leverage GenAI to create drafts, to edit content and videos, etc.

So that's somewhat of a forecast into how GenAI will impact creators in the creator economy, but with that being said, there are some potential risks associated with that.

You know, one risk certainly is around fact-checking. And the content that is generated by GenAI, and depending on the kind of content that you're creating: Is what you're getting from the results actually correct?

And then, the second thing, I think this goes more broadly around any search type of algorithm, is how inclusive are the results? Are you getting a wide array of results that are representative of the various types of individuals that are out there and views, etc.

Thomas Kim:

Yeah. I think we're all very excited about what AI could do to unlock new forms of creativity, and I do think it'll expand even further who can be a creator. Many of us are beginning to use some of these GenAI tools to make our work easier and increase our productivity, and I don't think that's any different. You know, there's a lot of things that creators have to do that isn't necessarily creation itself. Dennis mentioned a lot of those workflows that they do.

And so, I think that will free up their time to expand their storytelling. I think you'll see lots of new tools that will help raise their production value, without, you know, a lot of physical investments. And I think all of that will mean that there's going to be even more great content out there for all the viewers and users out there.

At the same time, we do think that there'll be, unfortunately, abusers, who will use GenAI tools to their benefit. And so, particularly for what I do in YPP, we're staying vigilant to make sure that we maintain the trust that all our users have in YouTube and that we're financially supporting really good, responsible creators. So, you know, YPP is 16 years old right now, so it's a teenager. It's grown a lot. But I think the next couple of years, it can be really, really interesting with the advent of GenAI and just the sheer amount of creators that are out there. So I think it's a pretty exciting time to be part of the creator economy.

Hanish Patel:

Definitely. I mean, it certainly strikes me, just what's happening in the last couple of years, to even some of the changes in the last six months, to where it's going to go, is thoroughly

exciting. And I think if I reflect upon the conversation we've had today, it's very clear that the creator economy is evolving quickly.

And keeping up with the demands of that growth on this overall environment clearly requires the social platforms to provide both the creators and the users a *number*

of needs. And you both talked about how key transparency is, having that visibility into the various programs, the monetization opportunities for the creators. And even, as you touched upon earlier, is some of these are actually becoming big businesses or brands themselves—or one could argue, media companies, such as the sheer growth and community size behind that. So, a thoroughly exciting space, for sure.

And with that, TK, Dennis, I really want to thank the both of you for joining me today, sharing your insights on an incredibly interesting topic that just continues to evolve. And to all our listeners, until next time, happy listening.

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