

Readly Roundtable

The Creator Economy - Opportunity or Threat?

A guide to the rising power of the influencer and what it means for publishers



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1. Introduction

1.1 About the Ready Roundtable

The Ready Roundtable is an informal forum for Ready's client publishers to discuss the latest trends and developments in the marketplace. It's an opportunity for some of the leading publishers in Europe to share their experiences and challenges in making content deliver more revenue. At Ready, we see connecting clients with each other as a key part of our role.

This paper is an anonymised summary of the key discussion points from our publisher event, **Ready Roundtable: The Creator Economy - Opportunity or Threat?**

It featured a key-note interview with **Dominic Smales**, founder of the pioneering talent agency, Gleam Futures, and YMU Talent Director, **Meghan Peterson**. This led into a wide-ranging discussion with representatives from **Immediate, Bauer, NOZ Digital** and **WEKA Media**.

1.2 What is the Creator Economy?

It is a \$100bn industry involving over **50m Creators** worldwide. Essentially, it divides into two broad sections: **48m amateurs** and **2m professionals** (Source: *Signalfire*).

- Amateurs are monetising their content creation part-time. Some are aspiring professionals, but have not yet made the leap. Some are still working out what their motivation actually is – simply sharing their passion for its own sake or trying to make money.
- Professionals, often referred to as “influencers”, are building full-time businesses in a very planned and strategic way.

The actual monetisation process can take various forms, many of which overlap. These include advertising revenue shares, sponsored content, product placement, tipping, paid subscriptions, digital content sales, merchandise, shout-outs, live and virtual events, VIP meetups and fan clubs.

Behind this defined “industry” of 50m Creators is a long tail of individuals who can have a significant following (from hundreds up to several thousand), but who are often not actively trying to monetise their social media presence, and instead are motivated by other drivers, one of which can be pure vanity. Yet the “tail” can include clubs and religious communities.

When I was growing up, my favourite magazine was like my big sister - showing me what the world was like and how to navigate it... putting on make-up, dealing with boyfriends, understanding my body, learning about my career options. Now the “big sister” is more likely to be a Creator. In a way, it’s the same kind of relationship I had with magazines when I was growing up. It’s just that the magazine relationship has been deconstructed and reconstructed online and in a different way. There are many parallels between Creators and Editors. Yet there are some real differences too. And learnings for both.



2. Mapping the Creator Economy

2.1 Key trends in the Creator Economy

We are all fans and followers of something - passions, hobbies, interests, people, lifestyles. Yet increasing numbers of us are flipping from being a Fan into becoming a Creator – most of us think that we could be Creators if we wanted to. And now there is a growing range of software tools and marketing platforms to make content creation easier, more effective and more accessible to “ordinary people” than ever before.

Creators are gaining power in the media ecosystem as fans seek to connect with individual personalities rather than a corporation ie: the publisher or the business.

Followers get value from engaging with Creators and spending time with them. That “value” could be information, emotional support, cheap deals or simple entertainment. Or a mix of all these things at the same time.

In addition to all this, the smarter Creators are doing two things. Firstly, they are spreading their presence over different apps, to broaden their reach and to minimise “platform risk”. That way they are not vulnerable to one platform’s decline, change in priorities, removal of features, or reduction in opportunities that can hurt them (“platform whiplash”). Secondly, they are moving their top fans off third-party apps and are building more direct D2C relationships through their own websites, apps, and monetisation tools. This is happening so that Creators can have a deeper and more monetisable relationship with their fans. Yet it is also another way to reduce “platform risk”.

Behind the content creators themselves is a growing range of management agents, consultancies, software providers and specialist platforms.



GQ's 6,500 influencer pool

GQ has a pool of over 6,500 influencers that it works with in a variety of ways. They write for the magazine; appear on the magazine’s own video channels; provide insight and market research; and feature in full-on brand campaigns.

GQ Stories is a series of short videos telling the story of featured personalities. One example is of a fashion designer, with a 40,000 Instagram following, sharing his story of how he built his business. The videos are described by GQ as “real, comfortable conversations” emphasised by the fact that the fashion designer in this particular episode drinks Remy Martin cognac, the sponsor of the video.

Publisher takeaway

The *GQ Stories* series has a commercial sales purpose, but the videos do not feel as if they have been created by a marketing team. In order for these magazine-influencer-brand collaborations to work well, you need to have a “watertight brand fit” between all partners.

2.2 So what is a Content Creator?

The Creator Economy is based on individuals who can bring to life their chosen area. In such a fast-growing and changing industry, there are no clear boundaries or definitions.

Publisher takeaway

It's likely that you already have thriving social media platforms attached to your magazine brands. Try experimenting with some of the newer Creator platforms like Patreon, OnlyFans and Substack to identify new opportunities, learn new techniques and gain fresh insights into how your own market is thinking, feeling and behaving.

Publisher takeaway

The ultimate publisher aim must be to have the full D2C relationship with the audience through their own platform and direct comms channels. But if you're experimenting in the Creator space, it's worth working with existing players first, as it's lower risk and you will learn from their past mistakes. Start small and simple with a Creator who has cultivated a like-minded audience.

Influencer tends to be a dirty word now. It has connotations of biased selling. Or of a commercial transaction with content that simply drives a sale.

What would you call Piers Morgan? I would say that he's an opinion former. He's not trying to flog a product per se, but he is building an audience that he will monetise in a different way – usually by being paid by a traditional media owner. Yet he uses many of the techniques of a Creator.

Substack morphing into a content creator

Substack has moved on from being simply a tech tool that enables journalists to reach and build their own audiences. It is now growing as a content creator in its own right, with Farrah Store (ex-Elle and Cosmopolitan) leading the change as Substack's UK Head of Writer Partnerships.

"Even though the newsletter medium is completely different from magazines, essentially what they are doing is the same thing... I fell in love with magazines because they celebrated wonderful, largely long-form journalism. And that's what Substack celebrates... It's not actually what you're writing about that guarantees success on the platform. It's those who are passionate about what they write about... We want writers with very strong independent voices, many of whom cover quite niche subjects... the intimacy between audience and writer - that's something I would have killed for when I was editing a magazine."

GRAZIA

Grazia & Palermo: a one-sided relationship

Italian lifestyle influencer Giulia Valentina Palermo used to write for *Grazia Italia*. Her conclusion was that the collaboration worked better for her as it increased trust in her brand, profile and credibility through being associated with the magazine, than it did for Grazia. This is because she was expensive to use and there was poor audience retention at the end of the collaboration.

Palermo: "I think that magazines and newspapers should rethink their way of communicating on social media. They should learn from influencers how to produce engaging social media content in real-time... adapting and translating their content instead of just posting links to their articles, especially if they want to attract and engage a younger audience. They should promote and rely on their own journalists, in the same way they work with influencers. There is a lot of untapped potential in their own journalists that is just waiting to be released."



@giuliavalentina



Publisher takeaway

The Grazia/Palermo case study shows that the audience growth and engagement delivered through a collaboration, often does not provide a sustained and long-term boost. To make interactions like this work, it's essential to have key success metrics which you can measure throughout.

"Hello! were one of the first to adopt the idea of an 'internal Creator' with Nadine Baggott. Interestingly though, she seemed to outgrow the magazine in her role as Beauty Editor and become a brand in her own right. She is now a major presence across all the major platforms including YouTube."

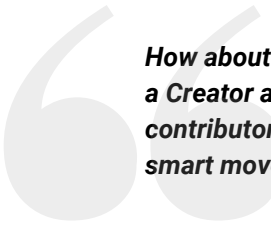
3. Publishers & Creators in the Content Economy

3.1 What is the Content Economy?

Creators and magazine brands are colliding in the bigger Content Economy. This is where content is the central currency which links brands to consumers. It fuels sharing within communities and blurs the distinction between those who create content and those who consume it.

3.2 The two-way flow for publishers

Publishers are doing two things at the same time. Firstly, they are reaching out to external Creators to tap into their audiences. Secondly, publishers are extending out into their market by turning their own editorial staff into Creators - personalities in their own right, with a much higher profile.



How about a magazine making a Creator a regular contributor? That could be a smart move.

1. Reaching out to external Creators

That means knowing who the players are in your market either via management companies or by being an active “scout” yourself. Being plugged into the Creator ecosystem of your own market is essential.


2. Growing the internal Creators

Growing internal Creators seems like the natural next step but there are important operational logistics that need to be considered, for example around IP and employment contracts. It needs to be mutually beneficial; a symbiotic relationship where the journalist feeds off the publishing brand, and vice versa.

This raises three issues:

- 1 Firstly, the balance between the individual journalist and the magazine is a complex one, which can flip back forwards between being positively symbiotic and negatively divisive.
- 2 Secondly, these shifting relationships are not new. They are simply the latest manifestation of a long-running publishing issue, which has been given new life by services such as Substack.
- 3 Thirdly, the relationship between both Creators and magazine brands with their respective audiences are increasingly multi-platform, ranging across TV shows and magazines, but now with websites and podcasts becoming increasingly important as content streams.

Monty Don and Jeremy Clarkson are two well-documented examples of individuals who have had very different experiences of how they relate to their “mothership” magazine brand. One appears to be flexible, changing, but symbiotic; the other more ego-driven and confrontational. How magazines grow and control their talent is a long-standing issue, which is now central to how magazine brands can work with Creators.





Rolling Stone engages with Content Creators

The 55 year-old *Rolling Stone* operates in a vertical which is heavily impacted by Content Creators and Influencers. Its response has been to publish a special "Creators Issue", featuring an in-depth profile of YouTube star MrBeast, who is also featured on the cover.

Going forward, the magazine intends to invest heavily in covering Creators as part of its editorial – both profiling the Creators, but also having them write for the magazine as contributors. In May, *Rolling Stone* hosted a live, in-person event in L.A., sponsored by Meta, which brought together hundreds of creators. Meta opens up a pipeline of online Creators with whom *Rolling Stone* can start to build relationships.

The link between *Rolling Stone* and Meta is in itself intriguing and important, as it shows the leading social platform recognising the powerful synergies between a Creator and a publishing brand. *Rolling Stone* has had its most profitable year in two decades in 2021. Much of that turnaround is tied to a renewed investment in live events, which will be a central part of the company's new editorial focus on Creators. Live events and Creator engagement converge to be the foundation of *Rolling Stone*'s future, as resources shift away from print and move toward digital revenue and experiences.



Publisher takeaway

The crucial thing for anyone creating content now is creating a community that is built around a shared passion, turning a cold "audience" into a warm and vibrant "tribe". Don't keep your social media and editorial teams siloed from each other - utilise your social media platforms to involve your magazine audience in a living, two-way conversation.

3.3 TikTok is becoming a massively disruptive force

The rapid growth of the ultra short-form, user-generated content platform is one of the factors at play in the current troubles of Netflix. **TikTok is eating away at long-form entertainment and journalism**, particularly since it has extended its video playtimes – these have gradually grown from the initial 30 seconds to its current 10 minutes.

Yet although the platform polarises publisher opinion, there is a growing list of companies and individuals who are embracing TikTok to powerful effect:



CONDÉ NAST

Conde Nast is creating exclusive content for TikTok, the core being behind-the-scenes insights into events such as Fashion Week. Conde is **supporting the activity with four page inserts in its print editions** – an interesting integration of old and new platforms. *Vogue* already has 675,000 followers and *GQ* has 410,000.



BBC journalist, Victoria Derbyshire, took to TikTok after her BBC TV show came off air. She uses the platform to highlight the key news stories of the day - to date the videos have had over 50m views. She loves the medium because she is reaching a **new, younger audience with serious journalism** and because she gets immediate feedback – both positive and negative.

The Washington Post

The Washington Post's journalist, Dave Jorgenson, has led the newsbrand's TikTok activity since 2019, using nerd humour to drive traffic to the main news product, but also elevating him as a personality in his own right. The WP TikTok account now has 1.4m followers.

4. Content Economy Issues

4.1 The issue of trust

Edelman's annual Trust Barometer highlights the fact that trust is now a major issue for the whole of society. Distrust is now the nation's default emotion. Nearly 6 in 10 say their default tendency is to distrust something until they see evidence it is trustworthy. 64% say it is now to a point where people are incapable of having constructive and civil debates about issues they disagree on. When distrust is the default – we lack the ability to debate or collaborate.

Looking at broad institutions, no single area (government, politicians, traditional media, social media) scores highly in terms of trust. Yet digging beneath the surface, people do trust specific sources of information that they have come to rely on through experience, whether that is friends, Creators and Influencers, brands, media outlets or businesses.

So, people are being very specific and individual as to who and what they trust. Trust can only be built and earned over time. Trust is at the core of everything in a sceptical world.

Vetting & curation as part of the “trust relationship”

The trust relationship is based on filtering out bias, “fake news” and irrelevant static. The key is to curate content that is selected to be relevant to the audience and which is quality assured. That is true of the best Creators. It is also the foundation of a strong and respected magazine brand.

Publisher takeaway

Editors have the power to pull a community together. Go one step further by not only understanding the tribal dynamics of an audience, but by involving the audience in the storytelling too, through readers' letters, surveys, events and social media. Get your audience involved via every platform possible.

At Readly, we vet and curate content, both through human intervention and AI. We select magazine brands that add breadth and credibility to our inventory. And when we select individual articles to highlight, we do so with an understanding of what our subscribers are looking for.

4.2 The Content Economy is at a pivotal point

There is simply too much content out there, and too much of it is poor quality.

- Creator audiences have never been bigger. Yet trust in the broader Creator Economy has never been lower.
- Audience size is no longer the ultimate metric; engagement is. The key is to turn an audience into a community. This really works for publishers for whom, “being part of something bigger” has always been a factor in subscription sales.
- There is an over-supply of general, lifestyle content - the future is in niches. Mrs Hinch is a good example here. Who would have thought that a new mother from Essex would bring joy back to the monotony of housework and make us all start #hinching? This plays into the strengths of the publishers who have built tribal communities around individual brands and content pillars.

4.3 Feedback & insight

The Creator Economy is based on understanding and engaging with your audience in a two-way conversation. That can take the form of chats, blogs and unstructured, real-time feedback. Yet it also extends into sophisticated analysis of user activity and their purchasing patterns in order to understand what they want. It should also include structured research – to understand the “why” as much as the “what”. Data in its broadest sense is at the core of the most successful Creator Economy players, just as it is with smart magazine publishers and brands.

4.4 Scale, speed of entry & upfront investment

Depending on the business model and on the infrastructure required, scale and upfront investment in tech, content creation and marketing can be high. So, for both the Content Creator and for the publisher, the best route is step-by-step:

- 1 Start with the open platforms
- 2 Then move on to specialist consolidators
- 3 D2C is the final stage

The future of the Content Economy is in subscription. This will weed out the wheat from the chaff. People will only pay for content if it is good, relevant and helpful. The subscription siphons off the “superfans” who are worth much more (both financially and in terms of engagement). A subscription also helps create the feeling of belonging to an exclusive club.

Publisher takeaway

Data and insight are central to the next stage of both the Creator Economy and the magazine industry. Now is the time to cross-analyse your data fields. What can your social media data teach you about your print audience? And vice versa?



Publisher takeaway

When starting to engage with Creators and new content formats, it's crucial that you are clear about how you are going to benefit from the relationship. What is the Creator doing that will help your own business? You're embarking down a three-way street with the magazine, Creator and advertisers. Think carefully about all stakeholders before jumping in too quickly.

4.5 Creators prefer magazine covers to blogs

A growing number of newspapers and magazines, from *The Sun* through to *The Economist*, are building significant digital NFT businesses based on the sale of past covers. Most are print classics, dating back decades. Yet a growing number feature current personalities, including Creators. Significantly, most of the personalities seem to value being on a magazine cover more than featuring in a blog or on a website: the cover is still seen as the “real thing”. In the USA, *TIME* magazine claims to have generated \$10m in NFT sales over the last 14 months, with the most popular cover netting \$250,000.

4.6 The challenges with youth influencers

Back in 2017, Edisport's Italian *Motociclismo* magazine provoked negative feedback from its readers by its use of a teenage influencer to review new motorbikes on its YouTube channel. Some of the audience felt that he was too young to be linked to adult products and that he lacked credibility – a clear mismatch. Instead, they expected the magazine to use their own journalists or a less biased interviewee.

Yet Ryan shows what happens when the linkage fits. What started as a 15-minute video of a three year old playing with a Lego Duplo train for the benefit of his grandparents, has grown into a multi-million dollar business. Seven years on, and the 10 year-old Ryan fronts Ryan's Toys Review, which has 10 YouTube channels, the most popular of which is Ryan's World. It now all earns Ryan and his parents \$27m annually, from commercial partners such as Amazon and Walmart.

4.7 What's the difference between magazines & Creators

There is a strong overlap between the type of content produced by magazines and Creators. Both are visually impactful, targeted at a defined community and cover vertical and often very niche interests.

Creators have a number of characteristics that distinguish them from magazines:

- They are able to reach and engage with the elusive **Millennial and Gen Z cohorts**.
- They can deliver a **range of scale to suit specific partners**, ranging from “nano” audiences of a few hundred through to “mega” communities of millions.
- Their content can be adapted to respond to their audience and to create a real sense of **one-to-one communication**. They often open up their own personal lives, which can create a sense of real intimacy.
- They work on the same basis of **trusted “word of mouth” communication** as with family and friends, rather than a more anonymous and “professional” organisation.
- Their content is often cheaper to create than for a publishing company.
- Their content is highly measurable through click-through and views data, but also through actual product sales. This makes their content highly attractive to brands.
- There is growing acceptance of and confidence in Creators, especially in regard to the issue of their selling and recommending products.

A traditional magazine is quite a complex package of curated content. Yet traditionally, publishers “push” their content out to their audience. An influencer has a more dynamic, two-way conversation, especially when they use video as their platform. It is more relaxed....an individual talking about and sharing their interests.

“Social media is here to stay and it represents the future of journalism. Those who learn how to get the best out of it and how to embrace the challenge of working in this fast-changing and unpredictable environment will be repaid..... Gen Z and the generations that follow will consume and produce social media content in a way that is almost impossible to predict. The challenge for ‘old media’ will be to evolve and adapt to the new media as fast as the media itself changes, always finding ways of producing high quality journalism that is valued by people.”

Gaia Passi, Italian journalist-influencer

4.8 So, you think you can be a Creator do you?

The skills, motivation and attitudes required to become an influential Creator are also very relevant to an individual journalist or to an editor trying to create a magazine brand. What advice would the experts give to someone starting out as a Creator?

- **Be brutally honest about what you are bringing and why you are doing this. Are you **passionate and knowledgeable about your content**?** Do you have special style that nobody else has? Remember that content creation is all about having a relationship with your followers.
- **What is unique about what you want to do?** There is too much general lifestyle content out there. Do you have a distinctive style or tone of voice?
- **Do not sell too hard in the drive to monetise.** Remember that there is a fundamental difference between approving other people's products and selling your own. The quality and independence of the content is much lower with the second option: therefore, the trust and credibility is also lower too.
- **Think about the audience first and last.** Pandering to an advertiser or a brand or a transaction: all of these should come way behind engaging with your audience and building a relationship of trust with them.
- **Don't try to go direct at first.** Use an existing social platform. They will provide many of the tools and have an audience for you to access. Keep it simple. Grow progressively. Go for the low-hanging fruit first.
- **Be ready for both apathy and brutal feedback.** Your followers will be your strongest supporters and critics. Listen to them. Have a two-way conversation with them. Build processes to track what they are thinking and doing and buying.
- **Prepare for long, slow growth** and lots of hard work. Overnight sensations are very rare and can also burn out as quickly as they arrived.

Publisher takeaway

To have success in the Creator Economy, it's important that your editorial and commercial departments are working in complete harmony. If not, you're at risk of alienating your audience by using a Creator or brand that looks inauthentic against magazine's brand values.

5. Conclusions

5.1 The Creator Economy - opportunity or threat?

The UK's magazine marketing agency, Magnetic, has a clear view of the magazine versus influencer debate... **"Influencers or magazines? That is the question. Except that isn't the question at all. In fact, it needn't be one or the other."**

While Creators are seen to have eaten away at the traditional role of the magazine by creating engaging content, particularly for younger demographics, the industry and its participants have their own challenges. This allows for opportunities between magazines and Creators to work together to engage consumers who are becoming increasingly fickle and pressured in terms of time and money.

Arguably, it was publishers who invented the concept of the influencer. Editors and journalists have been setting trends and recommending products since the first magazine launched. The influencer ecosystem may have evolved significantly as brands explore new strategies and commercial opportunities, but the introduction of more influencers to the ranks doesn't make magazines irrelevant.

Magazine brands are experts in producing engaging content and are taking these skills to the social media space to great effect. It's their skills in expert and quality editorial that are paying off here as well as their long-standing reputation.

As Magnetic puts it, **"It is very short sighted to discredit the future of one medium over another.** Ultimately brands want people to pay attention to their advertising without risking brand safety. Magazines have always offered these trusted environments to advertisers and will continue to do so."



For more information about any aspect of this roundtable or for details of future Readly events, please contact:

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