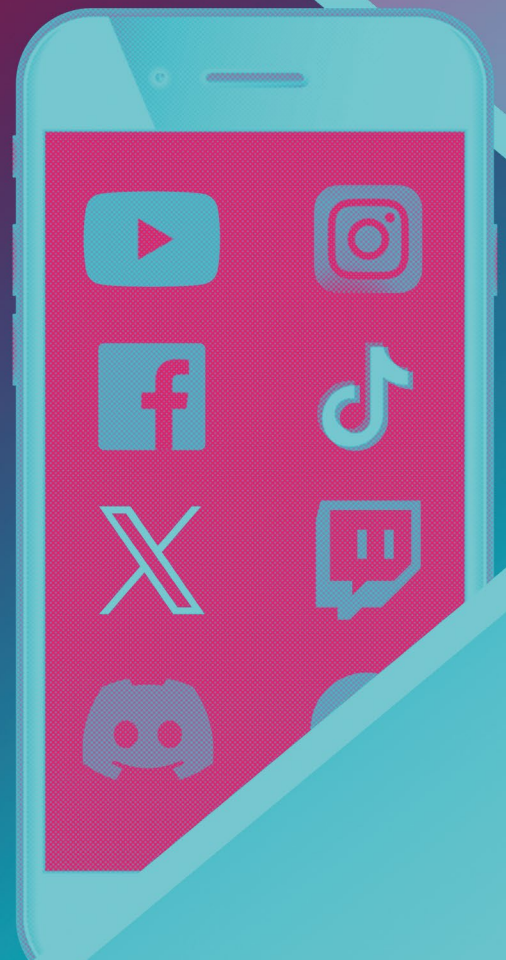
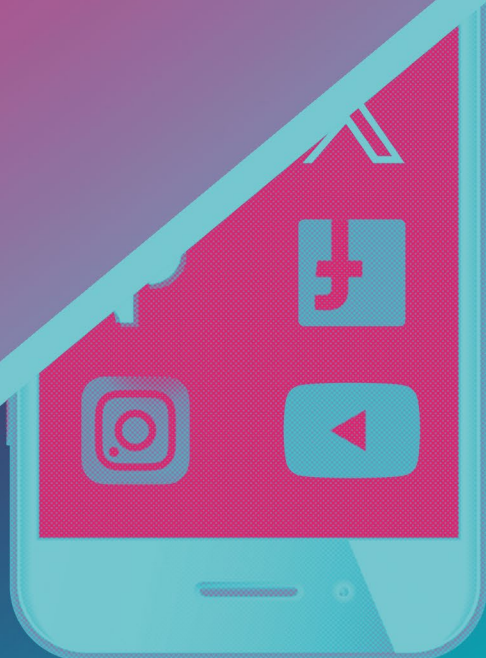


FALL 2023

PERSPECTIVES

A PUBLICATION OF THE CMF'S FORESIGHT & INNOVATION TEAM

FLIPPING THE SCREEN



CANADA
MEDIA FUND

FONDS DES MÉDIAS
DU CANADA

PERSPECTIVES – FALL 2023

FLIPPING THE SCREEN

Welcome to the inaugural edition of *Perspectives*, a new data-focused publication from the Canada Media Fund's Foresight and Innovation team that succeeds our *Key Trends Report*.

The CMF is more than just a funding source for Canada's audiovisual industry. We also provide valuable data and insights that enable stakeholders and creators to navigate the complex and dynamic media landscape, anticipate and adapt to changes, and seize opportunities whenever they arise. Our Foresight and Innovation team tracks and analyzes strong and weak signals to help you grasp the trends that shape the future, and this knowledge in turn can empower you to grow, thrive, and continue to tell compelling Canadian stories across all platforms.

This first edition of *Perspectives* is dedicated to digital creators and the vibrant world of the creator economy, which is especially pertinent as the CMF has just recently launched our Pilot Program for Digital Creators.

Enjoy!



Valerie Creighton
President & CEO
Canada Media Fund

The creative economy is producing staggering figures: from the number of digital creators, to the economic forecasts for this flourishing market (expected to reach US\$480 billion by 2027, according to Goldman Sachs), to the steady shift of audiences towards user-generated content platforms.

A breeding ground for talent, creativity, and diversity, the digital creator ecosystem is shaking up the established order as younger (and older) generations embrace this content. Traditional media is paying close attention, and we are seeing the line between traditional and digital starting to blur.

Backed by the latest data and analysis, this first issue of *Perspectives* provides an overview of the forces at play and helps us better understand the dynamics at work in this race for audiences and attention that is rapidly reshaping our industry. While creativity and talent are central to both ecosystems—traditional media and digital creators—the *modus operandi* differs. Two distinct universes, different rules of the game, but collaborations are happening as we speak—as you'll see in the following pages.



Florence Girot
Senior Manager,
Foresight & Innovation
Canada Media Fund



PREAMBLE

To move beyond the polarized debate in which some declare that traditional media is either dead or declining, while others downplay digital creation, let's flip the screen — and our minds — to take a more nuanced approach by putting both realities into perspective.

CHAPTER 1: STATE OF PLAY

As viewership figures only confirm the growing appetite of audiences for digital content, and YouTube now competes with Netflix for eyeballs, what do we really know about the digital creator ecosystem propelled by the rise of user-generated content (UGC) platforms? Containing the latest available data, Chapter 1 shows that the picture is not an easy one to paint. The ecosystem is varied and constantly evolving, with changing definitions (content creators versus influencers, full-time versus hobby, etc.). Evaluating the economic impact is even more complex as no single, methodologically sound study of this kind exists for the Canadian creator economy.

With that in mind, this chapter compiles and analyzes existing studies and data to define the contours of this ecosystem and help understand its growing impact.

CHAPTER 2: THE DISTINCTIVENESS OF THE DIGITAL

Each medium brings with it distinctive features and new possibilities. This doesn't mean a new medium simply replaces an old one. Digital content creation is a perfect example of this. Far from pitching processes, high production and distribution costs, or up-front financing, the digital creator ecosystem is a bottom-up system with a DIY production model. Considering creators' ability to build communities and play with real-time data and analytics, it's not surprising they're closely linked to the "attention economy" where those who attract and retain the most attention win. Chapter 2 explores the rules specific to the digital creator ecosystem, with its multi-faceted business models, unique community dynamics, and the double-edged sword of algorithms.

CHAPTER 3: CROSSOVER

The differences between the digital creators' world and the traditional broadcast industry don't rule out crossover. Interestingly, crossover initiatives mostly come from either UGC platforms or traditional players. Major platforms like YouTube or TikTok are no longer hiding their expansion strategies, with both seeking to be on every screen, vertical or horizontal, while traditional broadcasters and funding agencies are developing initiatives to support this vibrant talent pool.

GLOSSARY:

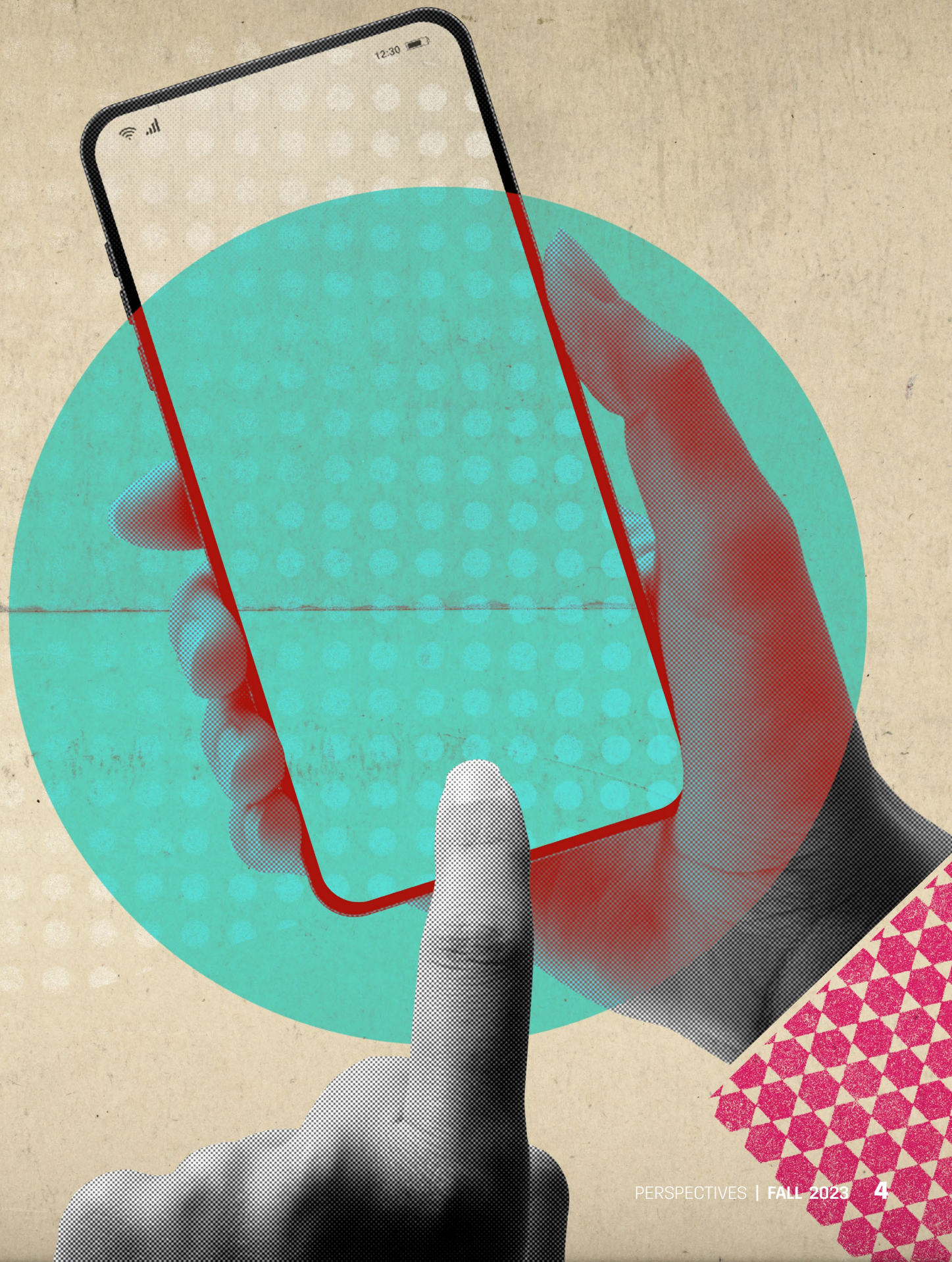
DIGITAL CREATOR: a creator that primarily makes shorter form audiovisual content for wholly digital or social media platforms, such as (but not limited to) YouTube, TikTok, Facebook, Instagram, Twitch, or X (formerly Twitter), for consumption by and ongoing engagement with a specific target audience. It can include live streaming or vlogging, as well as prepared and edited content.

TRADITIONAL BROADCAST INDUSTRY: linear broadcasters and traditional OTT platforms airing "long-form" content such as Netflix, Amazon Prime, Apple TV, etc.

TRADITIONAL MEDIA: mostly refers to the traditional broadcast industry as defined above but might include news and entertainment in some cases.

USER-GENERATED CONTENT (UGC) PLATFORMS: digital or social media platforms, such as (but not limited to) YouTube, TikTok, Facebook, Instagram, Twitch, or X.

CHAPTER 1



STATE OF PLAY

DEFINING THE CONTOURS OF THE DIGITAL CREATION
ECOSYSTEM TO BETTER UNDERSTAND ITS GROWING IMPACT

BY LEORA KORNFELD

Leenda Dong is nothing short of a phenomenon on TikTok. With 18 million followers and close to a billion likes, this Vancouver-based creator started out making YouTube videos about 10 years ago, encouraged by the success of Asian digital creators such as Ryan Higa, Kevin Wu (aka Kev Jumba), and Michelle Phan. “I started to see all of these Asian faces — and I was like, this is so cool, I want to do this too!” she says. “They were definitely pioneers for a lot of Asian people that create content right now.”¹ Building on her huge online presence, Dong has landed partnerships and deals with brands ranging from Pantene to Netflix, Spotify, and MAC Cosmetics.²

Not long after the launch of YouTube, Ricky Berwick, who was born with Beals-Hecht syndrome, a connective tissue disorder that limits his physical movements, started posting short comedy videos online from his home in Kitchener, Ontario. He now has [five million followers](#) on the video sharing platform and over 2.2 billion views. [On TikTok](#), Berwick describes himself as “Your not so normal video entertainer!” and has 14 million followers and over 260 million likes. His brand sponsorship deals include Reese’s and McDonald’s.³

Both Dong and Berwick are in the upper echelons of digital creators globally. And chances are you haven’t heard of them. So what exactly is going on here? They’re among the estimated 10,000 to 20,000⁴ Canadians making a living as digital creators. These

digital creators are able to reach audiences directly through user-generated content (UGC) platforms with hundreds of millions to billions⁵ of global users and in turn forge careers on their own terms. Your friends, colleagues, and almost certainly your kids reference digital creators you probably haven’t heard of but that mean everything to them. As one journalist recently put it in an article on online creators in *The Guardian*, they are “hugely famous to those who are interested, largely unknown to those who are not.”⁶

While it may seem like this is the moment that digital creators move from the margins to the mainstream, the current landscape is, in reality, the result of years of work on the part of thousands of technology companies, millions of creators, and billions of viewers and views. The digital content economy is an ecosystem characterized by risk-taking, innovation, and active audiences, and its moment has definitely arrived.

The democratization of digital content creation is largely thanks to the phones in our pockets being so much more than phones. They are, in fact, sophisticated media machines for both creation and consumption. In 2023, it is estimated that there are about seven billion mobile phones being used around the world, with Canada’s rate of smartphone penetration now at over 91 per cent.⁷ Along with the advanced capabilities of these everyday portable devices, this new ecosystem of digital creators operates in the absence of gatekeepers, or

intermediaries such as broadcasters, newspapers and magazines, and music labels, that have traditionally stood between creators and their audiences.

**EASIER THAN EVER TO CREATE,
HARDER THAN EVER TO GET NOTICED**

When one doesn't need to be a media organization in order to make media, some of the biggest obstacles vanish while new ones appear. Capital-intensive, hierarchical production goes away, for example, but new obstacles emerge, such as the ability to get one's content discovered in an environment of extreme content abundance.

At the industry level, digital participatory media — where the only equipment required is a phone and internet access — has brought with it a number of key shifts, including:

- ▶ **low barrier to entry for creators**
- ▶ **access to global audiences**
- ▶ **24/7 on-demand content**
- ▶ **no “prime time”**
- ▶ **fee-free distribution by UGC platforms**
- ▶ **additional distribution by users via shares and retweets**

Other challenges exist. There are the evolving rules, norms, and algorithms of the UGC platforms on which digital creator content finds its home. Though there is no lock on the gate, platforms wield a great deal of power, and may be thought of as a new kind of gatekeeper.

Nevertheless, media moves from an environment characterized by scarcity to one defined by abundance, or more accurately overabundance. There is no denying that the volume and speed at which digital content is produced and consumed is so great that comparisons to the traditional broadcast ecosystem (including streaming) seem almost irrelevant.

The following snapshot of media production and consumption in 2022 illustrates how different — and hard to compare — the two systems really are.

Scripted Series Produced per Year, U.S. market	Unscripted Series Produced per Year, U.S. market	YouTube Uploads per Day	YouTube Viewing Time per Day	TikTok Videos Watched per Minute	Twitch Livestream Hours Watched Daily
599 ⁹	2,000 ¹⁰	740,000 hours ¹¹	One billion hours ¹²	167 million ¹³	57 million ¹⁴

The ability to make and share content online isn't new; indeed, it has existed in various forms since the early 2000s. So why all the talk of the creator economy (i.e., the digital creators ecosystem) now? One answer is that a tipping point between traditional and digital media has recently been reached. As the chart at the top of page 7 illustrates, when people can choose by clicking and swiping, they are now choosing things outside the options from broadcasters and streamers.

The numbers break down as follows:

- ▶ **Between ages 13 and 25, more than half of media consumed weekly is made by digital creators.**
- ▶ **Between ages 25 and 35, digital creator content is 46 per cent of weekly media consumption.**
- ▶ **Between ages 35 and 44, digital creator content is 37 per cent of weekly media consumption.**
- ▶ **Between ages 45 and 54, digital creator content is 30 per cent of weekly media consumption.**
- ▶ **Between ages 55 and 64, digital creator content is 22 per cent of weekly media consumption.**

Even Netflix, with its estimated US\$17 billion spend on content this year,¹⁵ now has difficulty keeping up with the platforms dominated by user-generated content.

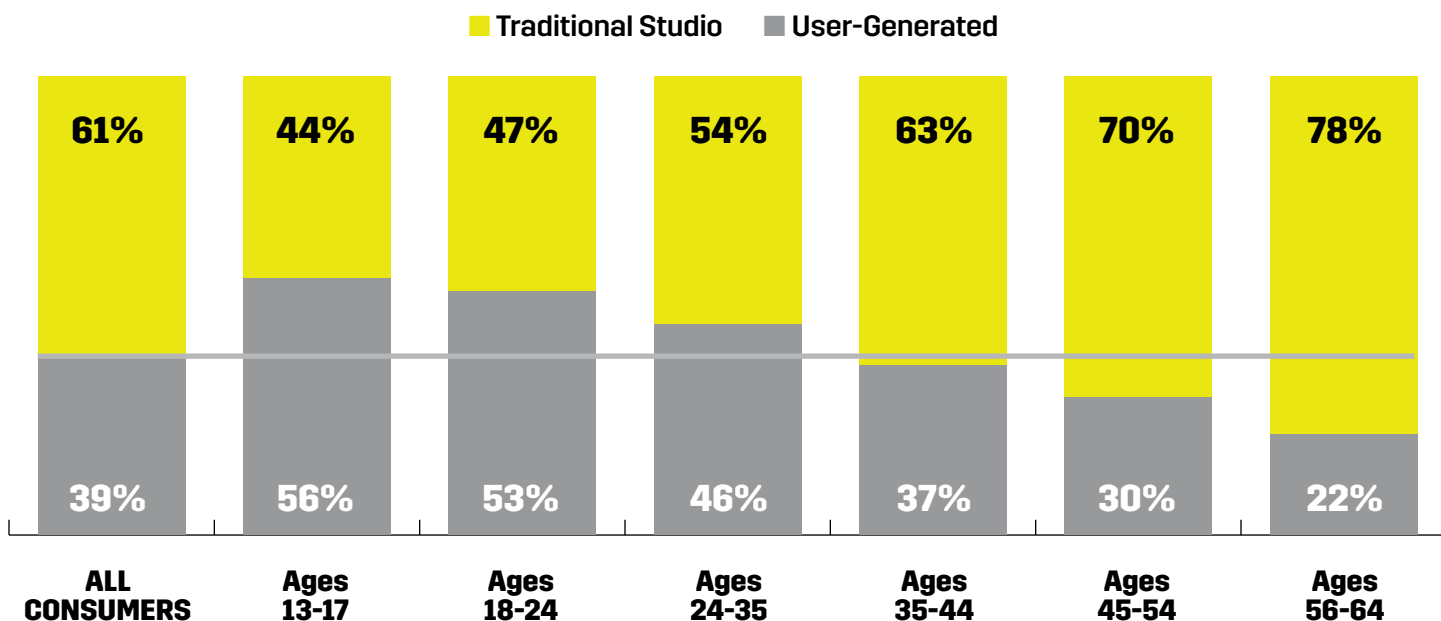
Research conducted in fall 2023 shows that, for the first time, teens in the United States reported spending more daily viewing time on YouTube than Netflix.¹⁶

WATCH WHAT YOU WANT, WHEN YOU WANT

Whether it's swipeable short videos on TikTok, the Reels and Stories of Instagram, or the variety of media formats available on YouTube, media consumption is now an activity that can be controlled and customized by the individual. People can watch what they want, when they want, and the hold of UGC platforms on Canadian audiences is substantial. In early 2023, TikTok reported reaching 10.75 million Canadian users, Instagram had 15.9 million, and YouTube bested them all with 33.1 million Canadian users, or about 85 per cent of the country's

CONSUMERS AGED 13-34 SPEND HALF THEIR WEEKLY MEDIA HOURS ON USER-GENERATED CONTENT WITH TEENS SETTING THE PACE

SHARE OF WEEKLY MEDIA HOURS



SOURCE: <https://www.cta.tech/Resources/i3-Magazine/i3-Issues/2022/May-June/Tech-Enabling-User-Generated-Content-to-Flourish>

population at the time of reporting.¹⁷ Furthermore, about half of Canadian YouTube users do their viewing on a TV, which is consistent with YouTube consumption habits in other parts of the world.^{18,19}

Data from Nielsen provides additional evidence of the shift from linear to digital streaming content. The Nielsen Gauge report for summer 2023 (see chart top of page 8) shows the largest segment of total viewing now going to streaming, at 38.7 per cent of total viewing. Within the streaming segment, YouTube is the largest, claiming about 24 per cent of all streaming. After streaming, cable is the next largest single segment, with just under 30 per cent of total viewing, and 20 per cent goes to broadcast. To put these figures in context, in the past two years broadcast and cable's combined share of viewing has dropped by 12 per cent.²⁰

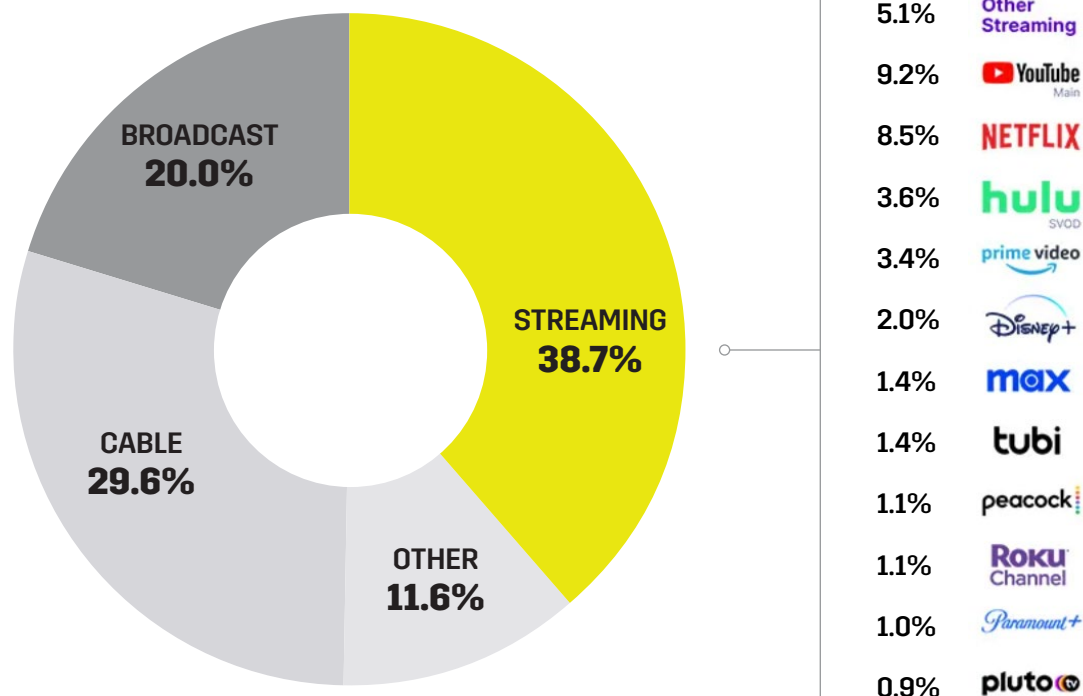
Similar patterns can be seen in Canadian viewership. The CMF's Audience Research team analyzed viewing metrics in Quebec and Ontario for linear broadcasters, streamers, and other UGC platforms. Across the 2-11, 12-17, and 18-34 age groups, in both provinces, YouTube and TikTok take up a large portion of viewership, with TikTok being more popular among 12-17 teenagers than with 18-34 adults.

The data makes it clear: Viewing is shifting away from broadcast and cable and toward streaming. But a lot of streaming content isn't all that different from what you find on broadcast and cable. It's the professionally produced fare you find on the likes of Netflix, Crave, and the Roku Channel. The key difference is that it's available on demand, with algorithms personalizing recommendations based on your viewing habits. By contrast, most digital creator content has little in common with the programming on broadcast, cable, or streamers. The content could be seconds long, such as a TikTok video, or hours long, such as a live Twitch stream. Many of the genres produced by digital creators are new too, from reaction videos to video game commentary to shopping hauls, but they can also include formats we're familiar with from other media such as interviews, mini documentaries, and product reviews.

The chart on page 9 offers an analysis of Canadian digital creators on one platform, YouTube, and the Top 100 most viewed YouTube channels in Canada by genre.²¹ At the top of the new genres mentioned above, we see crossover between categories such as animation and education, science and education, and entertainment and children's programming.

NIELSEN'S THE GAUGE™: TOTAL U.S. TV AND STREAMING SNAPSHOT

JULY 2023 - TOTAL DAY - PERSONS 2+



SOURCE: <https://www.nielsen.com/insights/2023/streaming-grabs-a-record-38-7-of-total-tv-usage-in-july-with-acquired-titles-outpacing-new-originals>

Also worth noting is that categories, such as Music, encompass music interview channels, but also include major recording artists such as Drake and Nickelback. Meanwhile, in News & Politics, traditional broadcasters ([Global News](#) and [CBC News](#)) are major players in the category as they cross-post their original content onto YouTube. Similarly, one of the two most successful channels in the Sports category is a traditional broadcaster also cross-posting to YouTube ([SportsNet](#)). These examples speak to some of the ambiguous boundaries in the digital creator ecosystem, a topic that will be explored in greater detail in the section below that provides an estimate on the size and value of the Canadian digital creator economy.

Chances are that many of the names in the chart are new to readers, which speaks to the parallel universe that is the digital creator landscape. But this parallel universe is impactful, with channels able to generate billions of views, and some channels, such as [Super Simple Songs](#), seeing close to a billion views per month.

There are millions of hours of new content uploaded daily across such popular platforms as YouTube, Instagram,

TikTok, and Twitch, and yet these Canadian digital creators, and approximately 10,000 to 20,000 others,²² are able to make a full-time equivalent living doing what they love. They are earning their views one click (or swipe) at a time and have to earn those views again each day, in the face of billions of hours of competition across YouTube, TikTok, Instagram, Twitch, and more.

SIZING THE CREATOR ECONOMY

How many digital creators are there, both around the world and here in Canada? And what is the economic impact of this emerging industry sector? That depends on a number of things, including the definitions being used. Are we talking about the average amount of time spent making content? The amount of money earned? The ability to quit one's day job? Or something else?

An oft-cited figure for the number of digital creators worldwide is 50 million,²³ while other reports are even more bullish, referencing 100 million or even 200 million.²⁴ On top of this wide discrepancy in numbers, survey research has shown that a significant number of digital creators consider themselves to be full-time creators despite reporting below-median earnings.²⁵ But

In early 2023, TikTok reported reaching 10.75 million Canadian users, Instagram had 15.9 million, and YouTube bested them all with 33.1 million Canadian users, or about 85 per cent of the country's population at the time of reporting.

regardless of the total number of participants in the creator economy, analysts assume that about four per cent can be considered full-time professionals and that the proportion is likely to remain stable over time, even as the number of entrants to the creator economy grows.²⁶

How, then, can we think about the creator economy as an economy, an economic engine, and a contributor to Canada's gross domestic product (GDP)? These issues have not been studied as deeply as they could be, so it must be emphasized that a true economic impact assessment requires substantial quantitative and qualitative work as no single, methodologically sound study of this kind exists for the Canadian creator economy. As Stuart Cunningham and David Craig, the leading academics studying the creator economy, have noted, "Gaining authoritative, independent data on the scale and economic value that platforms and creators derive from social media entertainment is almost impossible at this stage of its evolution as an industry.... Attempts to track economic value across multiple platforms and allied funding sources are legion but almost always unverifiable [and] ... usually come from vested advertising and marketing interests."²⁷

With these limitations noted, several studies of U.S. and global creator economies have been analyzed. Note that the calculations presented here represent a thoughtful review of that work, not a methodology, and a range of numbers will be provided. To estimate the economic impact and contribution to GDP of Canadian digital creators, the question is approached from a few angles, with details of the methodology available in *Appendix: Methodology for Estimating the Canadian Digital Creator Economy* at the end of this issue.

The estimate is 11,924 to 19,889 full-time equivalent (FTE) digital creators in Canada.²⁸ A multiplier is then used to estimate the number of workers in an industry's supply chain that receive financial benefits from each worker in the sector being studied. In the context

	Number of Channels in Top 100 in Canada	Sample Canadian Channels in Canadian YouTube Top 100
Entertainment	22	Luke Davidson (9.5 billion views) Heidi and Zidane (4.2 billion views)
Music	20	Crash Adams (1.8 billion views) Bryan Adams (4 billion views)
Gaming	15	VannossGaming (15.7 billion views) Azzylund (6.5 billion views)
Education	12	SuperSimpleSongs (46 billion views) NotWhatYouThink (2.6 billion views)
Comedy	7	Manchurek Triplets (9.2 billion views) JeenieWeenie (6.6 billion views)
Science & Technology	6	Hacksmith Industries (2 billion views) AsapSCIENCE (1.9 billion views)
Film & Animation	4	Nutshell Animation (3.2 billion+ views)
Sports	2	Sportsnet (1.5 billion views) TheSportsEntertainer (100M+ views)
News & Politics	2	Global News (2.2 billion+ views) CBC News (1.8 billion+ views)
People & Blogs	2	FamousTubeFamily (4.3 billion views) Matt Chesco (1.6 billion views)
Autos & Vehicles	1	RC Sparks Studio (1.9 billion views)
How To & Style	1	Simply Nailological (1.8 billion views)
Unclassified/ All Other	8	GoldenGully (3.3 billion views) The Dusty Lumber Co. (1.9 billion views)

of the creator economy these adjacent industries include equipment production, software engineering, advertising, marketing, PR, travel, and other goods and services sectors relevant to creators' work. The estimate for this broader ecosystem of companies and suppliers is 45,132 to 75,279 Canadian FTEs. The Canadian GDP contribution associated with this range of numbers is \$2.579 billion to \$4.302 billion.²⁹

A LOOK AHEAD

With this rough estimate for the GDP contribution of the broader Canadian digital creator ecosystem, we can now turn to the question of where the creator economy may go from here.

According to analysts from Goldman Sachs Research, "As the ecosystem grows, the total addressable market of the [global] creator economy could roughly double in size over the next five years to US\$480 billion by 2027 from US\$250 billion today.... [with] spending on influencer marketing and platform payouts fueled by the monetization of short-form video platforms via advertising to be the primary growth drivers of the creator economy."³⁰

This estimate is based on a 10 to 20 per cent compounded annual growth rate over the next five years.

For additional comparisons, it's worth looking at the growth rate of the broader advertising industry. This industry includes the shared digital ad revenue on platforms such as YouTube, which constitutes a small portion of most creators' income sources at between five to 10 per cent, but also includes the source of the brand deals and sponsorships that are reported to represent about 70 per cent of revenues for digital creators.³¹

Brian Wieser at Madison and Wall, a strategic media consultancy that provides forecasts and analyses for the U.S. advertising industry, recently announced these estimated growth rates: In the United States, the advertising industry is currently valued at US\$360 billion, which represents over 40 per cent of the global advertising market. Annual growth of five per cent is expected, digital platforms are assumed to account for about 64 per cent of all advertising to the end of 2023, and digital platforms' ad revenues are expected to grow 11 per cent.³² 

"Digital advertising in general is critical for the creator economy because what we call creators — almost all starting out at a small scale — are primarily operating in digital environments because those environments best accommodate creators whether large or small. Although advertising need not be the only source of revenue, fee-based, subscription-based and affiliate-based approaches don't have the same scale for these kinds of content producers. By contrast, because digital environments can aggregate advertising budgets from multiple advertisers, digital advertising is then able to support those advertisers at a massive cumulative scale. With that context, forecasts are important to the extent that they can help identify the growth in potential pools of budgets to fund creators in the future."³³

— Brian Wieser

FOOTNOTES

- 1 <https://www.complex.com/pop-culture/a/nathan-sing/linda-dong-tiktok-star-feature>
- 2 <https://www.narcity.com/vancouver/ex-movie-theatre-worker-now-makes-a-living-on-tiktok-heres-how-she-did-it>
- 3 <https://www.thesun.co.uk/tvandshowbiz/22590403/who-is-tiktok-star-ricky-berwick>
- 4 This estimate was calculated for Perspectives 2023 and is detailed in the economic impact section of this report.
- 5 Some platforms are in the hundred million (e.g., Twitter/X, Snapchat, Pinterest) and some are in the billions (e.g., YouTube, Facebook, Instagram).
- 6 <https://www.theguardian.com/music/2023/sep/08/how-taylor-swift-became-the-worlds-biggest-pop-star-again>
- 7 <https://worldpopulationreview.com/country-rankings/cell-phones-by-country>
- 8 <https://www.statista.com/statistics/472054/smartphone-user-penetration-in-canada>
- 9 <https://www.statista.com/statistics/444870/scripted-primetime-tv-series-number-usa>
- 10 <https://www.statista.com/statistics/1356920/scripted-uns scripted-tv-svod-originals-us>
- 11 <https://www.oberlo.com/blog/youtube-statistics>
- 12 <https://www.globalmediainsight.com/blog/youtube-users-statistics>
- 13 <https://influencermarketinghub.com/tiktok-stats>
- 14 <https://venturebeat.com/games/twitch-state-of-the-stream-june-2023-streamelements-viewership>
- 15 [https://www.indiewire.com/features/general/what-netflix-disney-streamers-spend-on-content-2023-1234819665/#:~:text=Netflix%3A%20%2417%20billion%20estimated&text=Ted%20Sarandos%2C%20co%2DCEO%20\(quarter%20earnings%20interview%20in%20January](https://www.indiewire.com/features/general/what-netflix-disney-streamers-spend-on-content-2023-1234819665/#:~:text=Netflix%3A%20%2417%20billion%20estimated&text=Ted%20Sarandos%2C%20co%2DCEO%20(quarter%20earnings%20interview%20in%20January)
- 16 <https://www.pipersandler.com/teens>
- 17 <https://datareportal.com/reports/digital-2023-canada>
- 18 <https://www.thinkwithgoogle.com/intl/en-ca/marketing-strategies/video/youtube-connectedtv-streaming>
- 19 <https://www.insiderintelligence.com/content/almost-half-of-youtube-viewership-happens-on-tv-screens>
- 20 <https://www.nielsen.com/news-center/2023/niensens-state-of-play-report-delivers-new-insights-as-streamings-next-evolution-brings-content-discovery-challenges-for-viewers>
- 21 <https://dz.youtubers.me/canada/all/top-1000-youtube-channels-in-canada/en> (analysis as of September 15, 2023)
- 22 This estimate was calculated for Perspectives 2023 and is detailed in the economic impact section of this report.
- 23 <https://signalfire.com/creator-economy>
- 24 <https://linktr.ee/creator-report/#Chapter-1>
- 25 Evidence of creators who report working full-time as creators but do not earn a full-time wage can be seen in such studies as the 2022 Creator Earnings Benchmark Survey, where approximately half of creators self-identify as working full-time on content creation but only 35% reported making \$50,000 USD or more annually after building an audience for over four years. See <https://influencermarketinghub.com/creator-earnings-benchmark-report>
- 26 <https://www.goldmansachs.com/intelligence/pages/the-creator-economy-could-approach-half-a-trillion-dollars-by-2027.html>
- 27 Stuart Cunningham and David Craig, *Creator Culture: An Introduction to Global Social Media Entertainment* (New York: NYU Press, 2021), 5–6.
- 28 Assumptions regarding FTE employment are based on a review of Statistics Canada, “Income of Individuals by Age Group, Sex and Income Source, Canada, Provinces and Selected Census Metropolitan Areas,” Table 11-10-0239-01, May 2 2023, <https://doi.org/10.25318/1110023901-eng>.
- 29 Note that two studies that examine the Canadian digital creator landscape were also consulted for this report, though they were less helpful. Both reported on YouTube only and both were funded by Google (now Alphabet), the parent company of YouTube. The two studies are the Oxford Economics report on YouTube in Canada in 2022 and the Watchtime Canada study conducted by a team at Toronto Metropolitan University in 2019. Oxford Economics generated an estimate of Canadian YouTube creators and the associated ecosystem of 35,000 FTEs and a GDP contribution of \$2 billion. To estimate the GDP contribution in this report, the Oxford Economics ratio of creators and induced employment to GDP were used. In the Watchtime Canada report, “YouTube creators are defined as they are by YouTube as anyone who uploads a video.” Many people upload videos to YouTube who are not necessarily digital-first creators — including people uploading videos of their daughter’s ballet recital — and the definition may also include the channels of well-known Canadian musical artists such as Drake, Justin Bieber, Shania Twain, Avril Lavigne, and Nickelback, who have some of the highest views among Canadian YouTube channels. Canadian celebrities whose primary work is conducted elsewhere but who post to YouTube may also be included; for example, Canadian actor Ryan Reynolds has a YouTube channel with over 4 million subscribers and more than 700 million views, with content ranging from clips and trailers from Reynolds’ movies to short, entertaining videos. It is therefore debatable whether or not these kinds of lighthearted uploads of the likes of Ryan Reynolds should be included in the tally of Canadian digital creators as defined in the Watchtime Canada report.
- 30 <https://www.goldmansachs.com/intelligence/pages/the-creator-economy-could-approach-half-a-trillion-dollars-by-2027.html>
- 31 <https://www.goldmansachs.com/intelligence/pages/the-creator-economy-could-approach-half-a-trillion-dollars-by-2027.html>
- 32 <https://www.marketingdive.com/news/ad-spend-growth-digital-advertising-madison-wall/693224/>
- 33 Brian Wieser interview with Leora Kornfeld, for Perspectives, September 2023.

CHAPTER 2



THE DISTINCTIVENESS OF DIGITAL

MULTIFACETED BUSINESS MODELS, UNIQUE COMMUNITY DYNAMICS,
AND THE DOUBLE-EDGED SWORD OF ALGORITHMS

BY LEORA KORNFIELD

Each medium brings with it distinctive features and new possibilities. This doesn't mean a new medium simply replaces an old one, just as TV turned out to be more than radio with pictures, and the internet much more than text or images on a screen that anyone could post. More important factors for consideration are the way the medium affects us, the way we interact with it and with others, and the new form factors, genres, and niches that are enabled. In the words of media theorist Neil Postman, "Technological change is not additive; it is ecological."¹

We can see this kind of all-encompassing media experience in the realm of digital content quite clearly. With no significant barriers to entry in this landscape, digital creators can come from anywhere. Some may be posting Instagram Reels just for fun or to entertain friends, but others have much grander aspirations and are looking to build a sizeable audience on TikTok or YouTube in the hope of being able to quit their day job. And despite the generous amount of chaos that comes with a media environment made up of billions of empowered users, it seems the viewing public couldn't be happier. YouTube is a case in point: it now represents the largest segment within streaming viewing, ahead of Netflix, claiming close to a quarter of all streaming viewing, as shown in the Nielsen Gauge report in July 2023 (see Chapter 1).

The type of media production found on YouTube and competing user-generated content (UGC) platforms such as TikTok, Instagram, and Twitch is a huge departure from the traditional broadcast world (including streaming), with its pitching processes, high production and distribution costs, similarly high barriers to entry, and its up-front financing. Looking at the surge of digital viewing time and the growth of the digital creator economy over the past few years, the question is: What's going on? This chapter takes that question on, offering a closer look at how digital creators produce, distribute, and promote their content, while diving into the specific rules of this ecosystem, from algorithms to business models to the attention economy.

Let's start with some frameworks for thinking about our current media environment, and how different it is from the traditional broadcast world. Today, media production and consumption are characterized by multiple screens and devices, always-on connectivity, and broadcast content available on the same device that pushes you your favourite YouTuber's video or your friend's Instagram pictures. If somebody wants to make media and get it out to the world nowadays, all they have to do is pick up their phone, hit record, and then post it to UGC platforms that reach hundreds of millions to billions of global viewers. And all of that can be done without paying for production, storage, or distribution.

If all of this sounds too good to be true, that's because it kind of is. When industries are radically transformed by technological innovations, as the media industry certainly has been over the past 10 to 15 years, major operational shifts take place. Things that were once relatively straightforward, such as reaching audiences through a coveted slot on a broadcast network, become challenging. Why? Because competition now comes from everywhere, and distribution, while provided free of charge on major UGC platforms, does not guarantee even a single viewer. On top of that, budgets, which once correlated to the ability to attract audiences, don't really matter as much. TV competes not just with other TV shows, but with Netflix, YouTube, TikTok, Instagram, Twitch, podcasts, and apps in general. There's also the time spent reading news and entertainment information online, not to mention playing games, which can take place on phones, game consoles, tablets, or connected TVs.

The broadcast industry has undeniably been shaken up by the mainstreaming of digital content and always-on portable digital devices. Whether it's in pre-production, production, distribution, marketing, promotion, or audience behaviours, digital content creation greatly differs from traditional media, as highlighted below:

- ▶ **A more bottom-up, emergent system.**
- ▶ **Very few barriers to entry**
- ▶ **One person DIY production model, or small informal "crew"**
- ▶ **Financial risk assumed by creators**
- ▶ **Funded through such mechanisms as shared ad revenue, Patreon, Kickstarter, digital tip jars, self-funding, merchandise sales, and brand deals**
- ▶ **Unlimited competition**
- ▶ **Global fan communities that are easy to connect with**
- ▶ **Distribution and promotion through fan labour (tweets, playlists, shares, memes, etc.)**
- ▶ **Real-time data and analytics**

AN ECONOMY OF ATTENTION

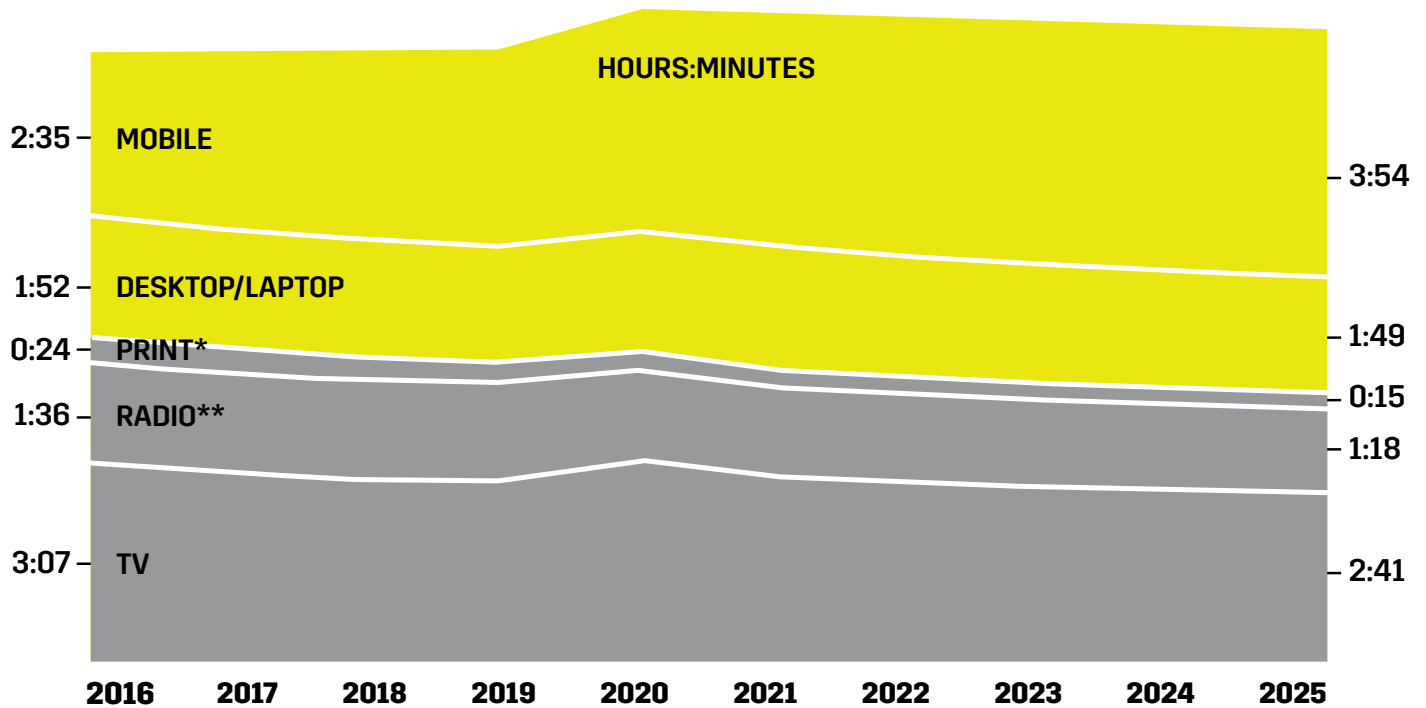
Each of us now has millions of content choices every day. The audience's attention has become the big prize and this also has increased competition. But we still have the same amount of time in each day. The digital economy in particular is therefore often referred to as an "attention economy," in which those who attract and retain the

most attention win. The term attention economy first appeared in 1971 and was coined by Herbert Simon, an economist and psychologist who went on to win a Nobel Prize for his work on decision-making processes. Simon contended that "a wealth of information creates a poverty of attention."² About 25 years later, when the digital economy began to take hold, theoretical physicist Michael Goldhaber expanded on Simon's theory, arguing that money flows to attention.³

It may not be a coincidence that the phrase we use is "paying attention" as our attention does in fact function as a currency. This is especially true in the world of online content and services, where traditional economics have been replaced by something called "freeconomics."⁴ Much of what we're able to do online doesn't cause us to reach for our wallets for a number of reasons. There's the optimization of our data for personalized advertising, the cross-subsidies across a family of products (which is why you don't pay for Google Maps or Gmail), and there are the freemium models, in which basic tiers of a service are offered for free and more fully featured options are available on a subscription basis. In all cases we are, in one way or another, paying with our attention, either at an individual level or an aggregate one.

Because our attention is finite, the competition for it is so keen, and the cost of creating digital content is generally low, a lucrative business model for many technology companies has been "building a better mousetrap" for our attention. This is achieved by offering consumers everything from free content (news, information, entertainment, games) to free services and tools (web browsers, maps, email, productivity apps) with sophisticated data and analytics systems running in the background that personalize the experience for the individual user and optimize it for advertisers. If you can do this at scale — meaning hundreds of millions to billions of global users, as is the case with the largest tech companies — it can be a very lucrative business. But it's also worth noting that many of the tech platforms that are household names struggle with profitability, buoyed instead by venture capital and a hope that they will one day become a lucrative business. So, while Alphabet and Meta are extremely profitable companies, Amazon, one of the world's largest companies, famously wasn't profitable for close to 20 years. Uber⁵ and Netflix⁶ only reported profitable quarters in mid-2023.

AVERAGE TIME SPENT PER DAY WITH MEDIA BY ADULTS IN CANADA, 2016-2025



SOURCE: <https://www.insiderintelligence.com/content/canada-time-spent-with-media-2023>

* includes magazines and newspapers

** excludes digital

Let's look at where Canadians' attention to media is currently going and where it's forecast to go. As illustrated in the chart above, mobile devices are consuming the largest part of our attention at almost four hours per day, with TV coming in at just over 2.5 hours daily, and desktop and laptop time at just under two hours. Radio has been reduced to just over an hour daily and print to just 15 minutes.⁷

Daily consumption of social media is particularly high, reported at just over 150 minutes for 2023 among a worldwide user base, which represents an increase of over 50 per cent in the past 10 years.⁸ Among UGC platforms, TikTok is at the top of the list for daily consumption at 54 minutes, followed by YouTube at 49 minutes, X (formerly Twitter) at 34 minutes, Instagram at 33 minutes, Snapchat and Facebook at 30 minutes each, and Reddit at 24 minutes.⁹

These media consumption trends explain the opportunity at hand for digital creators. Commenting on the focus on TikTokers, Instagrammers, and YouTubers at this year's Cannes Lions International Festival of Creativity,

the most prestigious gathering of the global advertising industry, an executive at a creator management company noted that "creators were starting to be less of an exotic aberration and more of a recognized strategy among marketers," and that "you can't really reach Gen Z without going through creators."¹⁰

But are today's ad campaigns as straightforward as just hiring creators and influencers to do the talking? Professor Robert Kozinets of University of Southern California's Annenberg School for Communication and Journalism and co-author of *Influencers and Creators: Business, Culture and Practice*¹¹ has been studying influencers and creators for several years, and says that now more than ever trust needs to be earned online. Interviewed for *Perspectives*, Kozinets said:

"When social media as an institution was still young, and people were a bit more naive, there was a sense that these ostensibly 'real people,' i.e., bloggers and other nascent influencers, were more trustworthy than familiar commercial spokespeople or paid advertising voices. Although people still seek the authenticity of

online voices today in the world of TikTok, Instagram, and YouTube influencers, there's a layer of mistrust and skepticism sitting on top of that. We can see it in the Edelman trust surveys, and when we talk to people — their trust in influencers has already eroded a lot, in an absolute sense. It's just that, comparatively and relatively speaking, many people like the influencers they follow online more, and think they should consider their recommendations more, than they like and trust traditional paid spokespeople.”¹²

THE MANY FACES OF DIGITAL CREATOR BUSINESS MODELS

There are many misconceptions about digital creators, notably that it's not all that difficult to make a living as one. Because competition is exponentially greater in digital than in the traditional broadcast industry (as noted in the previous chapter), sustaining a career can be an ongoing challenge for digital creators. Online business models are always evolving, algorithms are always changing, and consumer tastes are always shifting, which means that what works at one point in time on one UGC platform may not work at another point in time, and that same strategy may not work on another platform.

Just how competitive is the digital creator market? A recent Citi GPS report published in March 2023 did the math and concluded that “far more than 80 per cent of the revenues are created by far fewer than 20 per cent of the creators. In short, the Pareto principle, or 80/20 rule, does not apply. The creator economy is ‘winner takes most.’”¹³ A closer look at various UGC platforms' statistics indicates the extent to which this statement is true. For example, there are over 100 million YouTube channels in 2023, and if you cross the threshold of 1,000 subscribers, the minimum level at which you're eligible to monetize your channel, you're already in the top nine per cent of all channels. If you have at least 100 subscribers, that puts you in the top 25 per cent of all channels. In other words, any sort of meaningful monetization on YouTube occurs only when channels reach hundreds of thousands to millions of subscribers. If you reach those levels, you're in the top one per cent of all channels.¹⁴ Recent data from livestreaming platform Twitch shows the top 0.5 per cent of streamers account for 76 per cent of hours watched.¹⁵ Meanwhile, on Patreon, the platform where fans can support artists with direct payments and

Among UGC platforms, TikTok is at the top of the list for daily consumption at 54 minutes, followed by YouTube at 49 minutes, X (formerly Twitter) at 34 minutes, Instagram at 33 minutes, Snapchat and Facebook at 30 minutes each, and Reddit at 24 minutes.

subscriptions, only two per cent of the hundreds of thousands using the platform earned the equivalent of a monthly minimum wage.¹⁴

Another common misconception about digital creators is that they earn a significant amount of income from shared ad revenue on the UGC platforms on which they post their images and videos. While this may have been true years ago when YouTube pioneered ad revenue sharing with digital creators, the proportion of creator revenue coming from ad revenue has been decreasing over time and now accounts for about five to seven per cent of earnings, with brand deals forming the biggest slice of the digital creator's revenue pie at 70 to 80 per cent of income. Other on-platform and off-platform channels ranging from digital tip jars to affiliate marketing round out the pie.^{17 18}

There are, however, a few issues to flag for digital creators working with brands. A spring 2023 report on the creator economy indicated that well over one-third of creators, most of them at the early to mid-stage point of their careers, set their rates for work with brands by “guessing.” An agency executive noted “there are a lot of brands doing predatory pricing and taking advantage of new creators ... [and] there are a huge amount of creators just making content for free products.”¹⁹ This is an example of where industry associations advocating for the rights and interests of digital creators become key. Canada has had its own such organization, Digital First Canada,²⁰ since 2021, and in summer 2023 the Creators Guild of America²¹ launched in the United States.

Many digital creators have therefore evolved into mini media companies, building on their strong relationship with their audience and their unique personal brand. Some digital creators may have just one person they call on to assist them part time, whereas those with larger followings and diversified revenue bases may employ a team of five to 10 or more. At the other end of

the spectrum is one of the largest Canadian YouTube channels with over 15 million subscribers and more than seven billion views, which has grown into a full-service production agency that employs 90 people and has offerings that include social media and influencer marketing to work with large brands such as Shopify, IBM, and Cisco.²² But most digital creators don't operate at anywhere near that kind of scale — and probably don't aspire to either.

PRODUCTION AND DISTRIBUTION IN THE DIGITAL CREATOR WORLD

While average production costs in the screen-based media production industry in Canada are gathered and reported by industry associations and range from a few hundred thousand dollars per hour to close to \$1.5 million per hour,²³ there is no such comparable figure available for digital creator production. This is because digital creator production can take the form of a single person with a phone and a selfie stick or a small informal ad hoc crew and go all the way up to dozens of staff and expanded lines of business built on top of the success of the digital content. Additionally, viewers of digital creator content, who vote with their clicks, have demonstrated time and time again that it's not the production value that keeps them coming back. Instead, it's the uniqueness of the content and how it satisfies specific needs.

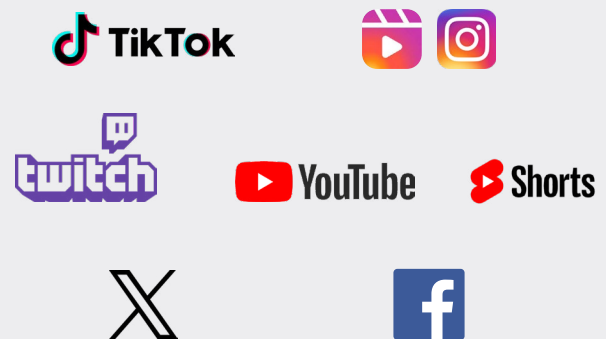
Take Toronto mom Oorbee Roy for example. She's known online as [Auntie Skates](#), a character she created during the pandemic when she took up skateboarding at age 43 in traditional South Asian outfits. After finding only limited success on YouTube, the videos took off on TikTok.²⁴ Roy continues to post to TikTok, where she has just under 200,000 followers and close to eight million likes. She has also created a spin-off business as a motivational speaker and leader of skateboard clinics and retreats for women.

What has production looked like for Oorbee Roy? "My kids and I went to Ashbridges, a park with a seven-foot bowl close to my East Toronto neighbourhood. I put on a purple sari, and they filmed me as I cleared the bowl. My gold and purple sari blew in the wind behind me like a long cape and I felt like I was flying. The video went viral and put me on the map. It's reached almost one million views," says Roy.²⁵ As illustrated by this example, the question of budget in digital creator content is akin to the question, "How long is a piece of string?" The answer is, of course, "It

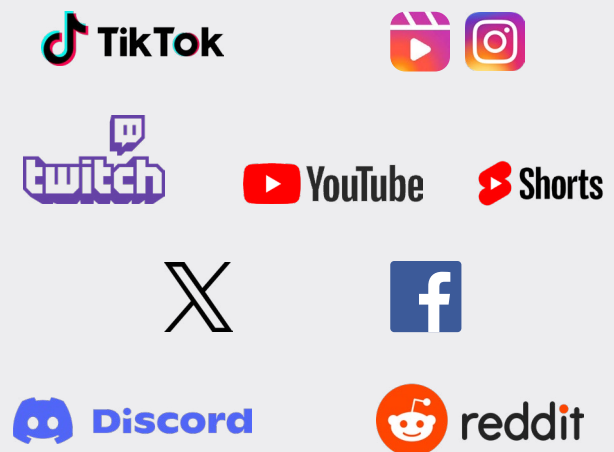
MAIN PLATFORMS USED BY CREATORS FOR INITIAL POSTING OF DIGITAL-FIRST CONTENT:



MAIN PLATFORMS USED FOR CROSS-POSTING AND CROSS PROMOTION:



PLATFORMS AND MECHANISMS THROUGH WHICH AUDIENCE PARTICIPATION, DISCUSSION, AND FANDOM TAKE PLACE:



Digital creator content has challenges that are different from those seen in the traditional broadcast industry. With low to no barrier to entry — anyone can shoot video and post it on TikTok for no cost and without anyone's permission — digital creator content has to contend with the realities of a completely saturated content marketplace.

depends.” Some digital creator content involves research, writing, and scripting as well as animation, graphics, and voice-over. Some may include crew, either for production or editing, and post-production. If posted to more than one place the content may require formatting to fit the requirements of the platform and may also benefit from a different edit or series of edits.

Once creators settle on what type of content they want to make and figure out their on-camera style and identity, issues of production can be worked out as they go, on a trial-and-error basis.

With the video shot and edited, the next step is getting the work out there. But unlike the straight line of distribution most common in the traditional broadcast industry, a complex interplay of platforms, people, and game-like participation prevails in the digital world. Content flows and is amplified and augmented by users using their phones, tablets, laptops, and desktops. Though every digital creator is different, in general one or more of the best-known platforms for short video, long video, and live streams is used for the initial content push.

Clips of those videos, usually with attention-grabbing captions, may then be cross-posted to other platforms for additional distribution.

After the creator uploads to these platforms, things are in the hands of an active audience that shares, comments, remixes, or even “freeboots” — a term used when one person re-uploads the video of another without consent. Technically, freebooting is a violation of copyright law so takedown notices can be issued. Some digital creators take that route while others opt to let it go and let the internet do what it does best, which is work as a high-speed proliferation machine. The hope is that the benefits reaped for their brand by exposure to new audiences

outweigh whatever amount of ad revenue may be lost. All the activities of the active audience, from the positive to the negative all the way to the illegal, can be thought of as a kind of production that follows the distribution phase in the world of digital creator content. In the traditional broadcast ecosystem, once content is distributed through official channels that is generally the end of the sequence. In digital, this “reproduction” phase adds another dimension. The broadcast industry has its Nielsen ratings, while the digital ecosystem has view counts but also signals of engagement and participation from an active audience, and this is how and why digital creator content has the ability to impact the culture.

A FEW WORDS ABOUT DISCOVERABILITY

Digital creator content has challenges that are different from those seen in the traditional broadcast industry. With low to no barrier to entry — anyone can shoot video and post it on TikTok for no cost and without anyone's permission — digital creator content has to contend with the realities of a completely saturated content marketplace. There are millions of pieces of content to choose from daily, so how does any one end up on your phone or screen? In industry parlance this is called “discoverability,” or the ability for content to get found.

Once again there is no single answer, as digital models operate on systems and logics that are always evolving. Algorithms in particular are constantly changing, and different platforms' algorithms work differently. The ultimate objective of the algorithm is to satisfy and anticipate the needs of each viewer and, in so doing, maximize time spent on the platform. The top two short video platforms come at the task in distinct ways. On YouTube, for example, there is no single home page. Instead, what you see when you open the app or the site is tailored to each person based on searches, viewing history, click behaviour, and the similarity between content already selected and other content in the same or a related category that is likely to be appealing to that viewer. As YouTube itself describes the process: “YouTube's recommendation system actually finds videos for viewers, rather than viewers for videos.”²⁶

The process is similar for TikTok, but the algorithm operates differently. The TikTok algorithm is extremely sophisticated and is the secret sauce that makes the experience of using TikTok not unlike eating chips. If you're in for one, you're in for a dozen. TikTok has been referred to as a “rapid, hyper-


In many ways, the world of digital content creation is an experiment that never ends.... For a sense of just how subject to change algorithms are, experts estimate that Google ran over 800,000 experiments on its search algorithm in 2021, resulting in 5,000 changes in that year alone.

efficient matchmaker”²⁷ and indeed it is, serving a mix of content from creators you follow and those you’ve yet to discover. The blend of familiar and new content is tailored meticulously to user preferences, making the platform addictive and fresh. It’s an ever-evolving system designed to keep users engaged, entertained, and constantly scrolling for more as it learns from users’ behaviours.

So, if there’s a new gatekeeper in town, it could be argued that it’s the algorithm. At any point in time, it may be a digital creator’s friend, favouring the type of content they’re posting because it’s in line with popular trends and user behaviours. But just continuing to post that kind of content doesn’t necessarily mean it will continue to be smiled upon by the algorithm, so at other times the algorithm can become one of a digital creator’s biggest challenges. Also, the algorithm’s sophisticated inner workings — referred to as a “black box” by some — can give us the impression that we’re being exposed to a broad and balanced range of information. As algorithms are used extensively in everything from content recommendation to health care, finance, and human resources, bias is an area currently being investigated by researchers at top academic institutions.²⁸ Consumer sociologist and York University Schulich School of Business Professor Markus Giesler echoed such concerns when interviewed for *Perspectives*: “The digital media marketplace is dominated by algorithms built to maximize engagement. Such marketplaces are less transparent, more complex, and more fast-paced ... [and] more often than not the ways in which these platforms shape or constrain consumer beliefs are extremely subtle. The result is that there is an illusion of choice, of control, and of autonomy.”²⁹

One antidote for the power of the algorithm is the power of community, and one of the original and most compelling features of the internet is the ability to create communities. Finding like-minded people online, located anywhere on the planet, can be as simple as following a hashtag or a comment thread, or can take the form of

ongoing engagement, such as the detailed discussions that take place on Reddit and Discord. But not all venues for online community are created equal, as Benjamin Mako Hill, an Assistant Professor in the University of Washington’s Department of Communication, told *Perspectives*: “Online communities are deeply shaped by the platforms and their technological and social features and affordances. It’s much more difficult to build community in the comments section of a single page than it is on a platform, like Reddit, that is built to support this over extended periods of time and many conversations.” He also pointed out that online fandoms can be so passionate that they create competition for the digital content creators themselves, and that “smart content creators will often try to work with communities to build and support infrastructure in many places to complement the main venues where they are publishing content.”³⁰

In many ways, the world of digital content creation is an experiment that never ends. You can’t just come up with a single strategy and stick to it. This is as true for the management of online communities as it is for the mercurial nature of algorithms. For a sense of just how subject to change algorithms are, experts estimate that Google ran over 800,000 experiments on its search algorithm in 2021, resulting in 5,000 changes in that year alone.³¹ The goal of these ongoing technical tweaks is to improve the quality, authority, and relevance of both the content and advertising served to each user. This not only creates the extremely personalized user experience that is a hallmark of digital content, but also enables the matching of very specific content to very specific audiences. With the broadcast model focused on content that appeals to the largest demographic segment, an opportunity has emerged for a content ecosystem that can satisfy a broader range of the audience’s interests — and along with that opportunity has come millions of digital creators around the world. Some are happy to just have an avenue for expression, and some will take their talents all the way to the top. As Andrew Peterson, Head of YouTube Canada, told *Perspectives*: “What’s incredible about the creator economy on YouTube, is that niche is the new mainstream — you can come with any skill, passion, or interest and find a community amongst an audience of billions and build a sustainable business.... It doesn’t matter anymore if you don’t have the right connections, fit the mold or have the biggest budget. If you are passionate about your niche and have a story to tell, you can get started.”³² 

FOOTNOTES

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- 2 Simon, H. A. (1971), "Designing Organizations for an Information-Rich World", In Computers, communications, and the public interest (Baltimore: Johns Hopkins Press)
- 3 https://www.researchgate.net/publication/220167300_The_value_of_openness_in_an_attention_economy
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- 10 Jamie Gutfreund, Chief Growth Officer at Whalar, quoted in The Information's Creator Economy newsletter, June 16, 2023.
- 11 https://www.amazon.com/Influencers-Creators-Business-Culture-Practice/dp/1529768640/ref=monarch_sidesheet
- 12 Prof. Robert Kozinets interview with Leora Kornfeld for Perspectives, September 9, 2023. Information on the most recent Edelman Trust Survey can be found here: <https://www.edelman.com/trust/2023/trust-barometer>
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- 14 <https://timqueen.com/youtube-number-of-channels>
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- 19 <https://www.adweek.com/media/pricing-for-the-creator-economy-is-all-over-the-map>
- 20 <https://digitalfirstcanada.ca>
- 21 <https://www.creatorsguildofamerica.org>
- 22 <https://linusmediagroup.com>
- 23 The most recent data available from the Canadian Media Producers Association (CMPA) reports average budgets in the range of \$350,000 to \$1.4 million per hour (English-language programming) and \$180,000 to \$700,000 (French-language programming). The cost tiers vary significantly by genre (e.g., documentary and lifestyle programming are at the lower end of the range and fiction is at the highest). See https://cmpa.ca/wp-content/uploads/2023/08/Profile-2022-EN_v4.pdf
- 24 <https://www.tiktok.com/@auntyskates/>
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- 31 <https://searchengineland.com/library/google/google-algorithm-updates#:~:text=Most%20experts%20estimate%20that%20Google,go%20about%20writing%20for%20SEO.>
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CHAPTER 3



CROSSOVER

EXPLORING THE INCREASINGLY BLURRY BOUNDARIES BETWEEN TRADITIONAL BROADCAST MEDIA AND USER-GENERATED CONTENT PLATFORMS

BY HANNAH ANTAKI

Not a generation ago, viewers had to tune their TV to the right channel, on the right date, at the right time, and settle in to watch their favourite show. If they missed it, they missed it. Better luck next week. Today, user-generated content (UGC) platforms such as YouTube and TikTok play host to traditional scripted programming, airing it with ads or in installments, allowing audiences to tune in at their leisure, from their phones, and watch from anywhere in the world. The boundaries between the traditional broadcast industry and UGC platforms are blurring, with the former tapping into the unique skill sets and creativity of digital content creators and the latter exploring new ways of reaching traditional media audiences.

The diversity and potential reach of content created for the digital sphere are nearly unlimited. Almost any idea can find a home online if someone has the impetus to create it and hit the upload button. As Lee Naimo, Head of Online and Games at Screen Australia, stated when interviewed for *Perspectives*, “Digital creators ... don’t wait for permission. They get out there and make something, which can come from the fact that there are fewer gatekeepers on platforms like YouTube [than in traditional media].” Digital creators are often people, as Naimo puts it, “with a real willingness to try and experiment” — people who have developed distinct creative voices, editing styles, music choices, and graphics abilities. They’ve learned how to engage with their audiences

and can respond to their audiences’ desires in near real time. Things move quickly in the digital space, and broadcasters are taking notice. Interviewed for *Perspectives*, Fiona Campbell, Controller, Youth Audience for BBC iPlayer and BBC Three, says, “You can’t ignore the fact that this is where the next generation is finding their entry points to the industry, so if you want to find the future executive producers, showrunners, writers ... they’re over there, probably doing it anyway. You’ve got to grab it while you can.”

And broadcasters are looking to grab this kind of go-getter artist. The BBC Creator Lab was launched in October 2023 in partnership with TikTok. Built on their shared ambition to develop the UK creator economy, the Lab offers networking opportunities and support to 100 digital artists from across the UK who want to explore longer-form opportunities: bigger shows with bigger budgets on a more mainstream platform. Asked why, as a public broadcaster, the BBC feels compelled to support digital creators, Campbell explained that central to the BBC’s ethos is that they “provide entry opportunities to create the talent of the future and add to the development of the creative sector in Britain, given how important it is in terms of jobs and literally GDP.” She described the Lab as “a two-day masterclass and brainstorming opportunity with TikTok executives and long-form commissioners from the BBC.” It’s a way for digital creators to broaden their careers and a way

for the BBC to tap into talent representing a diversity of voices from across the country. Nurturing that talent — if successful — could bring the creators' existing fanbases to the BBC and “potentially create dozens and, over decades, hundreds of other jobs in the production of their material.”

TikTok is, in turn, making a strong move beyond the UGC platforms ecosystem, its BBC partnership being just one of many expansion strategy efforts. While holding its position as a global entertainment destination, TikTok is committed to “powering innovative storytelling amongst emerging and established creatives, artists and filmmakers.” The platform partnered with the Toronto International Film Festival in 2022 and the Cannes Film Festival in both 2022 and 2023, connecting the festivals to the app's more than one billion users worldwide and hosting filmmaking challenges in collaboration with the festivals.

Promoting synergy between the platform's creators and the traditional broadcast ecosystem (including streaming) is also happening on the app itself. As a hub for audiences and fanbases to connect and build communities, TikTok is breathing new life into forgotten programs and catapulting new series, chopped up into short installments, to the centre of the zeitgeist. *Killing It* was the first Peacock show to be streamed on the platform¹ (albeit in the very specific context of the SAG-AFTRA strike).² The same move was done later by Paramount. As anyone with their finger on the pulse of early-aughts pop culture knows, October 3 is “Mean Girls Day” in honour of the 2004 classic. Paramount launched an official account for *Mean Girls* on TikTok and made the entire film available in 23 parts³ on October 3, 2023. Viewers who previously had consumed only short soundbites of the film had the chance — for one day only — to see the whole thing for free.

YouTube has also moved closer to traditional streaming offers. In 2022, the company launched Primetime Channels, allowing users to subscribe to a package of over 40 streaming services all in one space.⁴ As YouTube's CEO Neal Mohan wrote in an open letter in March 2023,⁵ the platform is set on “bringing the best of YouTube to the living room.” Users are already on the site for videos related to TV content or movies (e.g., behind-the-scenes clips, trailers, promotional interviews), so why not stay on the platform for movie night? Mohan stated their

“You can't ignore the fact that this is where the next generation is finding their entry points to the industry.”

—Fiona Campbell, Controller,
Youth Audience for BBC iPlayer
and BBC Three

undertaking begins with “meeting the viewer where they're watching content, [which] more and more leads back to the largest screen in most households, the TV.” Primetime Channels helps YouTube reach a wider audience, including those who may not be tied to phone screens, and fits into the growing goal shared by UGC platforms, as Jennifer Park of Telus STORYHIVE⁶ explained, “to keep people on [their] platform as long as possible.”

As one of the earliest UGC platforms to serve as a launchpad for digital creators entering the traditional media sphere — think Lilly Singh — YouTube offers huge potential for digital creators. Lee Naimo is aware of the various routes to success YouTube offers. He explains that Screen Australia, in allocating funding, “wants to be responsive and reactive to where creators want to go with their careers. Sometimes that's away from online platforms,” as with the series *Deadloch* on Amazon Prime,⁷ the brainchild of digital-first creators The Kates,⁸ “and sometimes it's just to keep building that business out,” as with Glitch Productions and their show *Meta Runner*,⁹ which airs on YouTube.

At home in Canada, Bell Media and Crave — longstanding key players in Canadian broadcasting — are seeking out collaborations with digital creators, melding and therefore building audiences on both ends. Asked by *Perspectives* how he sees the future of these collaborations, Mike McShane, Director of Digital Content Development for Bell Media, had a clear answer: “Growing.” According to McShane, Bell Media “recognized that the lines were blurring between traditional talent and digital talent [and] moved with intention to ... create unique, original programs from this unconventional space.”

This was put into practice in 2021 when the iconic MuchMusic¹⁰ brand was relaunched, offering programming exclusively on TikTok. As McShane explained, “The DNA of MuchMusic has always been

about popular culture, access, irreverence, and excitement. That's also what TikTok is today, [and] MuchMusic should always be in the spaces where our audience is." Crave's upcoming series *Made for TV with Boman Martinez-Reid*¹¹ is another exciting example of digital/broadcaster crossover. For Bell, it's important that creating a launch pad for digital creators is pursued under the umbrella goal of getting the show right. "*Made for TV*," McShane said, "is the right show for Boman. It's the perfect marriage between his social persona, his comedy, his love for TV, and his exceptionally creative critique of it, and [Bell] is very proud of this collaboration."

There will always be, as Lee Naimo states, "desire for different kinds of content at different levels for different moods." The future, "essentially bringing both linear TV and online [content] closer and closer together," says Jennifer Park, should be embraced. ↗

NOTE

The full interviews with **Fiona Campbell** (BBC), **Lee Naimo** (Screen Australia) and **Cameron Zinger et Jennifer Park** (Telus STORYHIVE) are available here:

<https://cmf-fmc.ca/perspectives/chapter-3-crossover/>

FOOTNOTES

- 1 <https://www.tiktok.com/@peacock>
- 2 <https://www.hollywoodreporter.com/tv/tv-news/killing-it-season-one-free-watch-youtube-tiktok-1235557850>
- 3 <https://variety.com/2023/digital/news/mean-girls-free-tiktok-23-parts-paramount-1235743213>
- 4 Primetime Channels initially launched in the U.S. in November 2022. They have since become available in Germany in June 2023 and recently in the U.K. in October 2023.
- 5 <https://www.hollywoodreporter.com/business/digital/youtube-ceo-neal-mohan-priorities-letter-1235338517>
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- 10 <https://www.tiktok.com/@much>
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METHODOLOGY EMPLOYED FOR ESTIMATING THE CANADIAN DIGITAL CREATOR ECONOMY

The range of numbers provided in this report is based on a series of assumptions detailed below, the first of which is that the size of the Canadian economy is about 10 per cent of the U.S. economy. In particular, it is assumed that digital creators are found in the same proportion in Canada as in the United States.

While there are several studies that estimate the number of U.S. or global creators, upon closer examination only one focuses on the digital creators who are the topic of this report. That study is entitled “Taking Root: The Growth of America’s New Creative Economy,” commissioned by the Re:Create Coalition in 2017 and helmed by economist Robert Shapiro with Siddhartha Aneja.¹ Of the other studies analyzed, it is unclear how many include the online presences of major media organizations, from CBC to BBC to CNN, along with the channels of major musical artists or other celebrities with billions of views. This would skew the numbers and earnings of purely digital creators. Substantially higher numbers that are attributed to what studies call “creators” may, therefore, be inaccurate.

The first analysis was of Shapiro’s 2017 study.² Attributing income to creators on each of nine then-popular creator economy platforms, the study estimated full-time equivalent (FTE) employment of 123,539 people. Note that, in addition to the types of digital creators this report is concerned with, the Re:Create study also includes online sellers on eBay, Amazon, and Etsy, online writers using WordPress and Amazon publishing, and digital designers using the 3D printing platform Shapeways. When these six categories of creators are removed from the total to align with the digital creator definition used in this report, the Re:Create study number is reduced by 30.4 per cent to 85,987, making the Canadian FTE estimate for the same year 8,598, using the assumption noted previously that Canadian figures are generally 10 per cent of U.S. numbers.

How should this estimate of 8,598 be adjusted to account for growth from 2017 to the present? The Re:Create study estimated creator economy growth between 2016 and 2017 at 17 per cent. The growth estimate can be updated in a few ways. First, we could assume the 17 per cent per annum growth is sustained for six years through to 2023. This may seem to be a remarkably high rate of growth but it is supported by data from Adobe,³ Stripe,⁴ and Goldman Sachs.⁵ For example, Goldman Sachs’ forward-looking estimate is a 10 to 20 per cent Compounded Annual Growth Rate (CAGR) for the next five years. The Re:Create number can therefore be updated with a mid-range CAGR of 15 per cent per annum to arrive at a Canadian creator figure of 19,889 FTEs.

However, a 2018 report on the internet-based digital economy conducted by the U.S. Bureau of Economic Analysis (BEA) estimated an annual growth rate of 5.6 per cent between 2006 and 2016 for the digital economy in general.⁶ If this BEA annual growth rate is applied to adjust the Re:Create study’s figures through to 2023, then the number of Canadian digital creator FTEs comes out to 11,924.

The second analysis conducted for this report was of a 2020 study by the venture fund Signalfire.⁷ It estimates that there are approximately 50 million creators globally, with 46.7 million designated as amateurs and over two million considered to be professional, defined as earning a full-time wage. The Signalfire figure of 50 million creators is cited frequently in creator economy articles and reports, including one recently penned by University of Toronto professor Richard Florida entitled “The Rise of the Creator Economy.”⁸ Despite this generous estimate of global creator size, this study is less useful for our purposes because it does not provide any basis for translating self-defined creative economy participants to FTE workers. The Signalfire report enumerates two kinds of “individual creators”: the first group, estimated at over two million globally, is considered to be “professional,”

making content full time; the second group, estimated at 46.7 million globally, is termed “amateur.” In both cases the creators are defined by the number of followers they have, and there is no way to determine whether they are digital creators or corporate entities with accounts or channels on the various platforms.

Note that there are two studies that examine the Canadian digital creator landscape and they were also consulted for this report, though they were less helpful. Both reported on YouTube only and both were funded by Google (now Alphabet), the parent company of YouTube. The two Canadian studies are the Oxford Economics report on YouTube in Canada⁹ and the Watchtime Canada¹⁰ study conducted by a team at Toronto Metropolitan University in 2019. Oxford Economics generated an estimate of Canadian YouTube creators and the associated ecosystem of 35,000 FTEs and a GDP contribution of \$2 billion. To estimate the GDP contribution in this report, the Oxford Economics ratio of creators and induced employment to GDP were used. In the Watchtime Canada report, “YouTube creators are defined as they are by YouTube as anyone who uploads a video.”

Many people upload videos to YouTube who are not necessarily digital creators — including people uploading videos of their daughter’s ballet recital — and the definition may also include the channels of well-known Canadian musical artists such as Drake, Justin Bieber, Shania Twain, Avril Lavigne, and Nickelback, who have some of the highest views among Canadian YouTube channels. Canadian celebrities whose primary work is conducted elsewhere but who post to YouTube may also be included; for example, Canadian actor Ryan Reynolds has a YouTube channel with over four million subscribers and more than 700 million views, with content ranging

from clips and trailers from Reynolds’ movies to short, entertaining videos. It is therefore debatable whether or not these kinds of lighthearted uploads of the likes of Ryan Reynolds should be included in the tally of Canadian digital creators as defined in the Watchtime Canada report.

Following a careful review of the existing studies, the work of economist Josh Bivens was consulted on the concept of a “multiplier” in the analysis of industry sectors’ overall economic impact on and contribution to GDP. A multiplier provides an estimate of how many workers in a sector’s supply chain are required to support the work of a single worker in the sector being studied. As Bivens explains: “Production in a given economic sector involves linkages with other sectors — that is, production in one industry depends on suppliers in other industries (backward linkages), while wages earned in the production and supplier sectors are spent in other economic sectors (forward linkages).” In the context of the creator economy such linkages may include workers in industries ranging from equipment production to software engineering, advertising, marketing, PR, travel, and other goods and services sectors relevant to creators’ work.

To convert the estimated range of 11,924 to 19,889 Canada FTE digital creators to a GDP contribution for Canada, Bivens’ multiplier of 3.785 for the category of “Arts, Entertainment, and Recreation” is used to arrive at an estimate of 45,132 to 75,279 Canadian FTEs in the broader digital creator ecosystem, including industry sectors and communities experiencing economic benefits from the activities of these digital creators in Canada. The Canadian GDP contribution associated with this range of numbers is \$2.579 billion to \$4.302 billion. ↗

FOOTNOTES

1 <https://www.recreatecoalition.org/media-center/economic-research>

2 <https://www.recreatecoalition.org/media-center/economic-research>

3 https://s23.q4cdn.com/979560357/files/Adobe-'Future-of-Creativity'-Study_Creators-in-the-Creator-Economy.pdf

4 <https://stripe.com/blog/creator-economy-2023>

5 <https://www.goldmansachs.com/intelligence/pages/the-creator-economy-could-approach-half-a-trillion-dollars-by-2027.html>

6 <https://www.bea.gov/research/papers/2018/defining-and-measuring-digital-economy>

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8 https://creativeclass.com/reports/The_Rise_of_the_Creator_Economy.pdf

9 <https://www.oxfordeconomics.com/resource/youtube-canada>

10 <https://sites.google.com/view/watchtime-2019>

11 <https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy>

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CREDITS

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