

Web3: Unlocking further growth in the \$100B creator economy

The internet has democratised creativity. Creators no longer need to win the approval of mainstream publishers, galleries and producers to share their work with the world. They can and do build fan bases on their own. This fundamental shift has nurtured wonderful new streams of creativity

From gamers to digital artists, musicians to chefs, a new breed of creator has arisen: the content entrepreneur.

Once dismissed as a hobby, content creation has revolutionised our cultural and economic lives. The creator economy is now worth some \$100B globally, with an estimated 50 million people identifying as creatives, working independently or at one of a constellation of startups.

The sums don't add up

But talent and hard work are not a guarantee of fair compensation. The average income for a full-time creator is less than \$100,000. The median is \$50,000. Stiff competition and high costs meant only 4% of creators earn a living from content. According to a 2022 Linktree report, 46% made less than

\$1,000 a year.

This harsh reality has fostered dissatisfaction with web2 platforms and monetisation models that extract high fees and percentages of revenue in return for hosting content and supplying infrastructure. Factor in disadvantages such as outages and data breaches, and it is not surprising creators are open to alternatives.

We are now at a crucial junction: one where more and more creators are recognising that existing web2 rails are running out of track.

Centralised services sell creators short

Web2 rewards systems are skewed in favour of big platforms. YouTube, Facebook and Twitch earn billions from content they do not create, and data they do not own. Yet they cannot even guarantee stable access. Outages are common. Remember when Meta accidentally shut down its cloud services? No one, not even employees, could access Instagram, Facebook or WhatsApp accounts for hours. Worse, the outage affected *all* sites and services relying on Meta's servers, hitting content creator income.

Data breaches are another occupational hazard for those reliant on centralised platforms. When sensitive data was posted on a public hacker forum, Facebook declined to notify the 530 million-plus users affected. Creators also face the ever-present threat of being censored or locked out of their accounts for infringing arbitrary rules.

The list of drawbacks does not end there. When it comes to potentially lucrative copyright and licensing contracts, creators must sign away control and accept that platforms harvest their data for profit. Meanwhile, intrusive advertising spoils audience experiences – and might be at odds with creator values.

TikTok, Meta, and YouTube also offer very limited tools to help foster real communities. Engagement is often limited to comments, with little opportunity to build mutually beneficial relationships with fans.

Blockchain protects creative interests

Blockchain technology means there is now a maturing alternative to Big Tech's outdated offer. The early-stage complexity that deterred many has given way to user-friendly interfaces. Meanwhile, affordable infrastructure is facilitating next-generation, creator-owned experiences – no coding required.

Blockchain-based storage offers compelling advantages for creatives over cloud services powered by AWS, Microsoft and Google. Files are secured with private keys, meaning no one but the owner can access them. And because blockchain distributes files across a web of computer “nodes,” there is no single point of failure. When a centralised server crashes, you risk losing your content. When a node goes down, you don’t.

Proof of ownership is baked in, even when many creators collaborate on a project. This is a huge win, ensuring equitable profit-sharing in perpetuity even after collaborators have gone their separate ways.

Perhaps most importantly, web3 platforms have no central authority with the power to take down or censor creativity.

In both a practical and a philosophic sense, web3 is in tune with creative values. Web2, with its monopolistic, profit-oriented ethos, is not.

Attractive new mechanisms for monetisation

Creatives also deserve fair compensation for their work and ideas. And web3’s model of proven ownership, security and stability is opening new routes to profitability. At its heart is the concept of community. Fans can engage directly with creators, free from web2’s reductive influencer/follower paradigm. With web3, fans can also offer direct support via such features as paid entry to digital events, galleries, or concerts. Plus the ability to record securely on the blockchain means creators can incentivize fan interactions without sacrificing privacy.

NFT token-gating, limited edition airdrops or customised content nurture interactivity while social media communities offer subscribers exclusive content, or VIP event access.

In web2, bigger was always better. Web3 is built to human scale, empowering niche audiences and vibrant micro-communities for the first time.

Up-and-coming metaverses, meanwhile, promise literal whole new worlds where creatives can design without limits, or earn from existing work in new ways. Think an avatar fashion show, digital gallery opening, or virtual film premiere.

Finally, there are the cost advantages. Unlike web2 platforms that proffer “free” services while exacting hidden tolls, web3 can afford to bring new possibilities within reach thanks to low-cost infrastructure.

Video streaming, for instance, accounts for more than 80% of all internet traffic, but projects looking to break into the industry must be deep-pocketed enough to fund costly centralised video hosting and transcoding. Web3 has liberated creators, offering infrastructure services without a hefty cost burden that inhibits growth.

The world benefits when technology is built to empower creators

The shift to creator control heralds a clear choice: between a supportive, productive ecosystem and a dog-eat-dog race to the top. Monopolistic, anonymous platforms have triggered exponential rises in fraud, trolling, mistrust, and an obsession with unattainable images of “perfection” that present a skewed version of reality.

Web3, rooted in transparency and aligned collaboration, is the antidote, offering creators a way to connect to audiences who truly understand and love their work.

In my view, it is the value web3 places on innovation, community and collaboration, coupled with affordable decentralised infrastructure, that make it the ideal environment to fuel growth and positive change in the creator economy.

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