



Report

A Practical Guide to Paying Creators

What Businesses Can Do to Pay Creators at Scale

Contents

Page 3

Businesses and Creators Unite

Page 4

What Creators Are Saying

Page 5

The Pay Gap

Page 6

What to Consider When Determining Creator Pay Rates

Page 7

A Struggle to Execute Payments

Page 8

How to Efficiently Integrate Payments Into Campaign Workflow

Page 9

The Creator Payments Solution From CreatorIQ



Businesses and Creators Unite

Creators are running the world of social content, and consumers are taking notice. A March 2022 survey conducted by Statista found that 58% of consumers follow at least one virtual influencer in the United States.¹ On a global scale, Statista valued the influencer marketing industry at \$13.8B,² demonstrating the tremendous opportunity—and profitability—surrounding brands' creator partnerships.

While the creator economy continues to develop regulations, content creators have come to recognize the value they bring to businesses, and expect appropriate payment for their services. Contracts detailing the assets that the content creator will produce, and the appropriate compensation for these assets, have become the norm for brands across multiple industries.

In this guide, we'll explore everything you need to know about the complexities of paying creators: from pay equity across the diverse creator community, to what factors influence pay rate, and finally how businesses can successfully scale their creator payment programs.

Sources:

1. "Share of consumers who follow at least one virtual influencer in the United States as of March 2022," Statista Inc., accessed July 5, 2022, <https://statista.com/statistics/1303983/consumers-follow-virtual-influencers-us/>
2. "Influencer marketing market size worldwide from 2016 to 2021," Statista Inc., accessed July 5, 2022, <https://www.statista.com/statistics/1092819/global-influencer-market-size/>

What Creators Are Saying

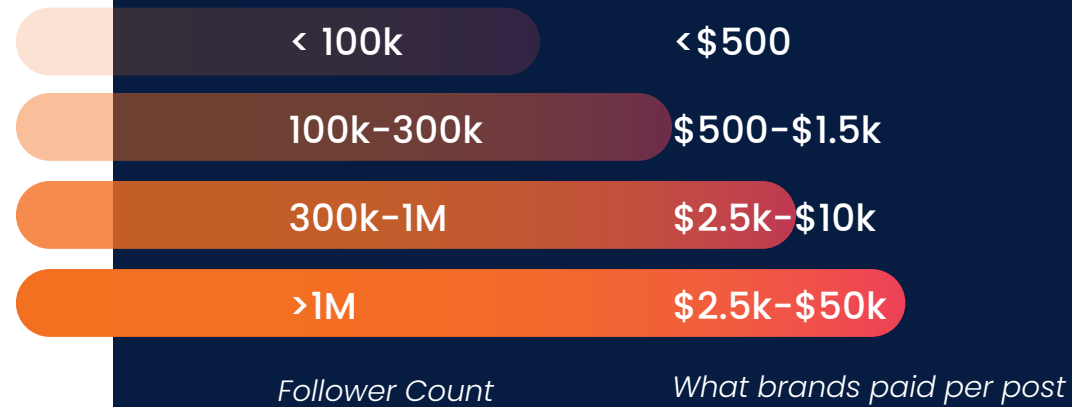
For its August 2021 Influencer Marketing Trends Survey,³ Tribe Dynamics, a CreatorIQ company, interviewed 147 brands and 203 creators. Almost all brands surveyed stated that they compensated a portion of the creators they worked with, and spent an average of 25% to 75% of their influencer marketing budget towards compensating creators.

Meanwhile, the creator community overwhelmingly supported payment efforts from brands, reporting greater satisfaction with brands they received payment from than brands that did not compensate them. However, specific compensation rates varied based on creators' audience sizes, with brands paying content creators anywhere from less than \$500 to more than \$50k per post.

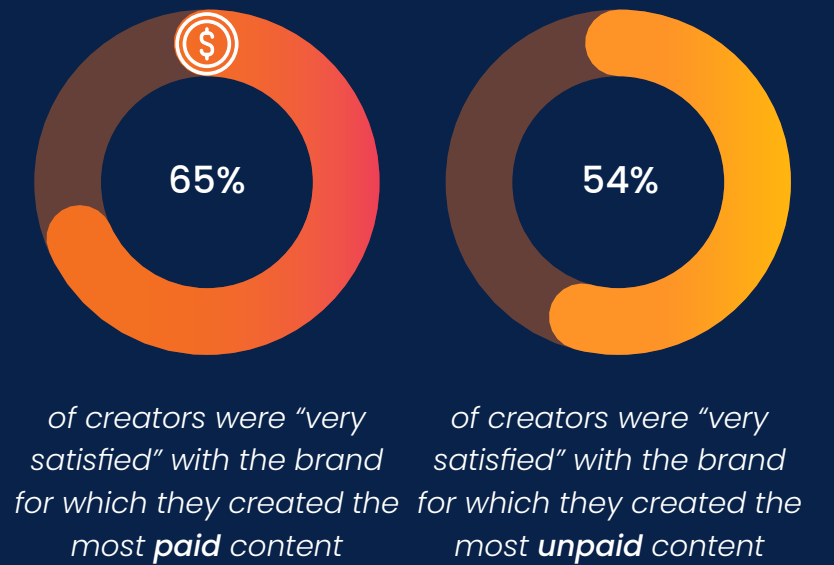
Source:

3. "Annual Report: 2021 Influencer Marketing Trends Report and 2022 Predictions," Tribe Dynamics (a CreatorIQ company), accessed June 1, 2022, <https://www.tribedynamics.com/2021-influencer-marketing-trends-report-2022-trend-forecast>

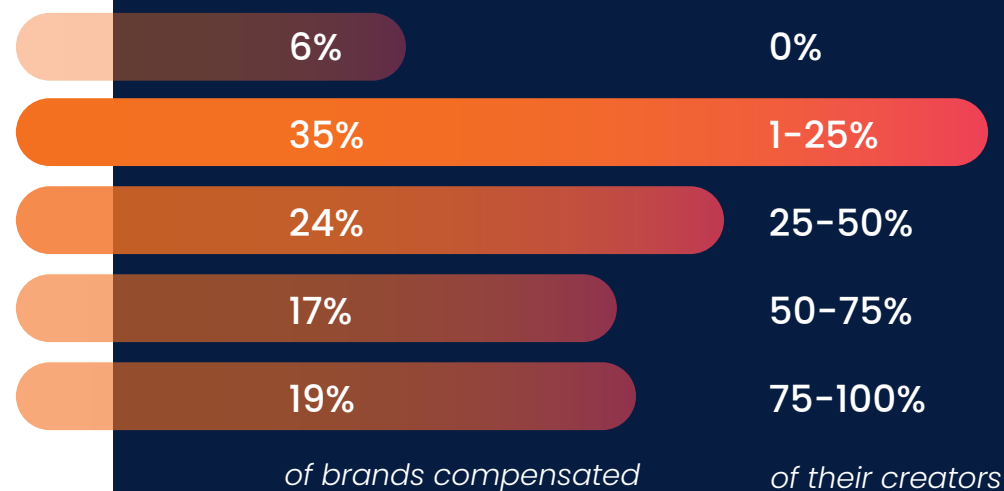
Payment Ranges by Follower Count



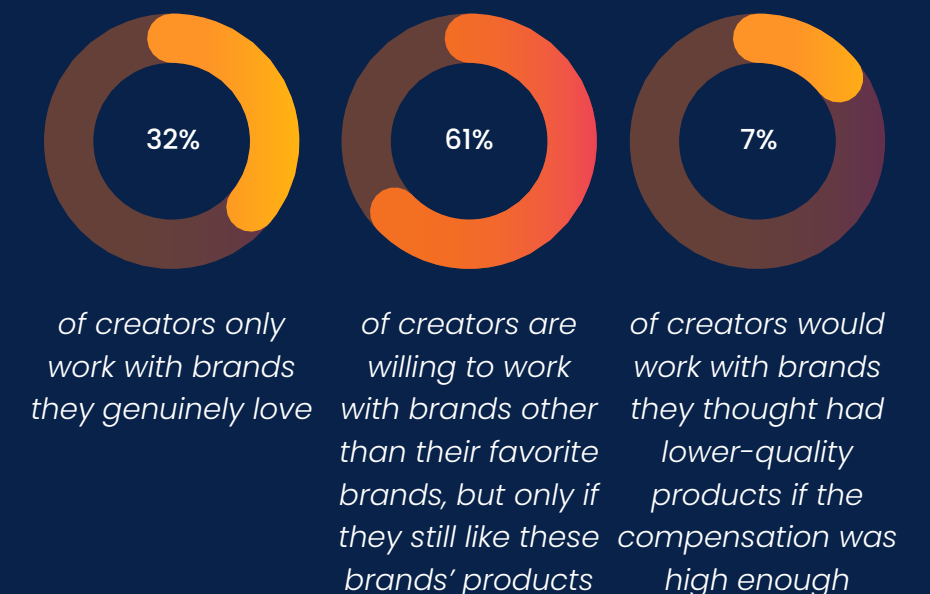
Influencers Report Higher Satisfaction With Paying Brands



Most Brands Pay a Portion of Their Creator Community



Authentic Brand Affinity Is a Prerequisite for Paid Relationships





The Pay Gap

Marginalized communities continue to face pay inequality in the general workforce. According to a recent report from the U.S. Bureau of Labor Statistics,⁴ “White women earned 82.2 percent as much as their male counterparts, compared with 94.1 percent for Black women, 78.5 percent for Asian women, and 87.6 percent for Hispanic women.” In other words, although the gender pay gap has narrowed since the Equal Pay Act of 1963, women continue to earn less than their male counterparts, with women of color experiencing even greater disparity.

Within the influencer marketing space, the pay gap is often exacerbated by race. In a joint 2021 study by MSL and The Influencer League,⁵ research indicated an extensive racial divide in compensation within the creator economy. The report found that the gap between BIPOC (Black, Indigenous, and People of Color) and white content creators to be 29%, with that gap increasing to 35% between Black and White influencers.

Black creators have frequently voiced their frustration not only at the pay gap, but at biases in social media algorithms that push their content nearly out of sight, forcing them to work twice as hard as their White counterparts to be seen on social media platforms. Brands can combat this discrimination through transparent payment practices and deals that promote equitable outcomes for all creators, regardless of race, ethnicity, or gender.

Sources:

4. “Median earnings for women in 2021 were 83.1 percent of the median for men,” U.S. Bureau of Labor Statistics, accessed July 5, 2022, <https://www.bls.gov/opub/ted/2022/median-earnings-for-women-in-2021-were-83-1-percent-of-the-median-for-men.htm>
5. “Time to Face the Influencer Pay Gap,” MSL and The Influencer League, accessed June 28, 2022, <https://mslgroup.com/whats-new-at-msl/msl-study-reveals-racial-pay-gap-influencer-marketing>

What to Consider When Determining Creator Pay Rates

Pay rates for creators continue to evolve with time. Brands should consider the following six components when determining pay rates for their creator community.



When determining pay rates, businesses should consider the overall value of a creator as both a brand and a distribution channel.



Creator's Distribution Channels

Each social channel has a specific audience type. Questions to consider when selecting the right creator include:

- ✓ How many followers does the creator have per channel?
- ✓ How many impressions does the creator receive?
- ✓ What's the creator's reach?
- ✓ How do these channels correlate with your brand's target audience?



Likeness

How valuable will the name, photograph, or other multimedia assets from the creator be for your campaign and brand? Will the creator's likeness be easily identifiable to your consumer segment?



What's the Strategy?

Clearly defining whether your campaign is pursuing reach, engagement, or a different metric can help inform your pay rate. Consider the following context:

- ✓ Review the creator's audience data to see how much of your consumer segment is part of the creator's audience.
- ✓ How will the creator resonate with your target audience? Not every creator has the same value for certain products and brands. For example, a nano creator might be a better fit for a regional brand than a macro or mega creator with millions of followers. Conversely, a high follower count can reach a global audience that might otherwise be out of reach with the brand's regional offering.



Audience Size and Reach

Creators have different follower counts:

- Nano: 1k–10k followers
- Micro: 10k–100k followers
- Macro: 100k–1M followers
- Mega: 1M+ followers

The size of a creator's following directly impacts their reach. Take inventory of a creator's audience to see if your consumer segment is part of it.



What Are You Paying For?

Consider how many assets you're asking the creator to produce: is it a few posts, a single video, or a package of posts and reels? Will the creator require a whole production company, travel, or product gifting? Are you paying for paid media or use in advertising rights? Each asset, and the degree of time and effort it takes to create, should be taken into consideration.



Creative Agency

Consider how much work the creator will put into the activation, along with any support he/she/they will require from you and outside vendors. Some questions to ask might include:

- ✓ Does the creator build content themselves?
- ✓ Will there be additional cameras, sets, and makeup artists? Or will content be filmed on the creator's personal cell phone?
- ✓ What's the scope of the content that the creator will produce?

A Struggle to Execute Payments

Paying creators entails variables that go beyond the details of a contract. Ensuring compliance and visibility, and smooth processes when executing payments, can be a struggle. Too often, campaign managers and influencer marketing directors encounter at least one of these common challenges.



Processing high volumes of creator payments to meet compensation deadlines.



Inefficient workarounds, like onboarding every creator as a vendor or contractor.



Acting as a middleman between the brand's finance department and creators.




Lack of visibility into the payment process, status, and timelines.

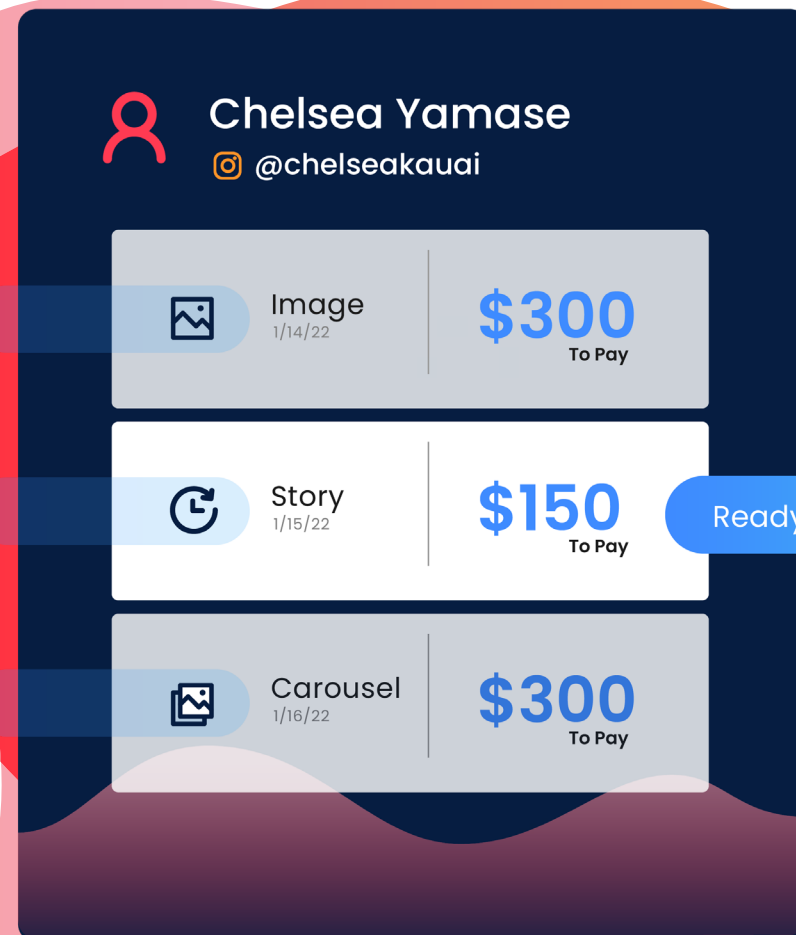


Fielding creator payment and tax information in a safe and compliant way.

How to Efficiently Integrate Payments Into Campaign Workflow

There are a few steps that campaign managers can take to make things easier when processing, executing, and tracking payments.

 Save time and gain the visibility you need to run an effective program.



The screenshot shows a mobile app interface for a creator named Chelsea Yamase (@chelseakauai). It displays a list of three payment items:

Item Type	Date	Amount To Pay	Status
Image	1/14/22	\$300	Not ready to pay
Story	1/15/22	\$150	Ready to Pay
Carousel	1/16/22	\$300	Not ready to pay

One

Adopt a Unified Campaign Workflow

Don't chase information and data that lives in separate places, or is missing altogether. Instead, embrace a unified campaign workflow where payment requirements, amounts, and history are easily accessible.

Two

Easily Deliver Payables

Solve cross-departmental challenges, remove manual administrative work, and reduce the possibility of errors or missed details by instantly handing off payables for processing, guaranteeing a smooth transfer.

Three

Maintain Creator Visibility

Improve confidence, trust, and overall relationships with creators through transparent communication about the completeness of their payment information, including the amount they're being paid, the status of their payment, and the specific deliverables their payment is associated with.

Four

Centralize Record-Keeping

Centralize payment history for a complete view of creator costs to more accurately measure ROI, and keep your finance team happy, by providing a clear, post-level audit trail.

The Creator Payments Solution From CreatorIQ

Pay creators how they want to be paid.

Available globally, CreatorIQ's solution helps businesses automate and unify creator payment processes across their organization. Reduce risk, improve reporting, and increase efficiency by pairing an integrated payments management workflow with outsourced payment processing and execution.

Available in:

- ✓ 190 Countries
- ✓ 120 Currencies

Payment method options include:

- ✓ Direct Deposit/Global ACH
- ✓ Check
- ✓ PayPal
- ✓ Wire transfer
- ✓ Choice of 30-, 60-, or 90-day payment terms

Software Spotlight

Creator Payments empowers you to:

- ✓ Ensure PII compliance when collecting payment and tax information.
- ✓ Set, send, and monitor payment-related requirements directly from your campaign.
- ✓ Easily hand off payables to CreatorIQ to track, process, report, and audit every payment.
- ✓ Offer payment status visibility and issue management to creators.
- ✓ View historical records for each creator.

Scale your program, and get some time back in your day, by removing the friction caused by an influx of payments to creators. CreatorIQ's best-in-class influencer marketing suite—which includes robust campaign planning, proprietary budgeting, and payment workflow and execution solutions—helps you make payment decisions that are equitable to all creators, regardless of race, religion, color, national origin, gender, sexual orientation, age, or disability status.

The screenshot displays the 'Payments' dashboard in the CreatorIQ interface. At the top, there is a bar chart with the title 'Payments'. Below the chart, the name 'Chelsea Rose' is displayed next to a payment amount of '\$400'. Underneath, there is a table with the following columns: 'Campaign Name', 'Campaign Manager', 'Post ID', and 'Payment Amount'. The table contains three rows of data, with payment amounts of '\$100', '\$200', and '\$100' respectively. Below this, the name 'Jill Bison' is displayed next to a payment amount of '\$300'. Underneath, there is another table with the same columns as the first one, containing two rows of data with payment amounts of '\$100' and '\$200'. At the bottom right of the dashboard, there is a blue button labeled 'Ready to Pay'.

Advance your influencer marketing maturity in the age of the Creator Economy with the industry's most trusted software solution.



CreatorIQ is the industry's most trusted creator marketing software, powering advanced creator marketing insights and program management for the world's most innovative enterprise brands. Supported by cutting-edge data science, our Intelligence Cloud enables creator discovery, streamlines marketing teams' workflow, ensures brand security, and provides customized performance metrics. Our intuitive, comprehensive features have helped make CreatorIQ the chosen creator marketing software solution for brands such as AB Inbev, Airbnb, Calvin Klein, CVS, Disney, H&M, Sephora, Unilever, and more.

Founded in 2014, CreatorIQ is headquartered in Los Angeles, with offices in New York, Chicago, London, and Ukraine. In September 2021, CreatorIQ further bolstered our benchmarking and insights capabilities by acquiring Tribe Dynamics, a leading influencer marketing platform that helps passion-driven brands understand the value of their digital earned media.

For more information, and to learn how CreatorIQ can help your brand, visit:

creatoriq.com

