

“Content Monetization and Influencers”



Weekly Learnings 31 / 2024

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I wrote this article for the Ashoka University Magazine. I researched the topic and here are some learnings:

1. Data is booming. 400 million terabytes are created every day. 54 pc of it is video, 13 pc is social media and gaming is about 10 pc.
2. Two billion videos are watched by consumers on the X platform every day.
3. The Top countries with data centres are USA with 5388, Germany 522, UK 517, China 449, Canada 336 and India has 132.
4. Every minute we have 250 million e mails sent, 16 million texts, 1.7 mln pieces of FB content, 1.1 million swipes on Tinder.
5. Social media has given normal people an opportunity to build their own brand through content and engagement.
6. The top countries for influencers are USA, China, Brazil, Thailand and India.
7. Gen Z trusts influencers more than celebs. 75 pc of people use social media for purchase advice. 69 pc of consumers trust influencer recommendation. The total influencer market is about \$24 billion globally. Influencer marketing is picking up even as 42 pc of consumers use ad blocking.
8. Fashion influencers in India make 40 to 60 paise per view while lifestyle influencers make 30 to 50 paise. Data here is not robust.
9. Indians spend 4.4 hours on social media and visit Instagram 20 times a day.

10. FMCG brands are estimated to spend 5 pc of their budget on influencer marketing while beauty brands spend about 10 to 15 pc.

My input for influencers:

- a. Focus, be clear where your area of influence is strong, don't go all over the place.
- b. Be authentic, if you are accepting payment, declare it.
- c. Avoid topics and comments that could alienate your audience.

This whole business has created a new business called VERIFY. Verification will be a big business; we already have BBC verify. So, influencers better SELF regulates themselves, else the tug of war we see between SEBI and Fin influencers will move to other regulators and influencers.

Influencers are here, their influence will vary depending on their content and their business model.

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CONTENT IS KING

The Case for Content Monetization



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Editor's Note:

Mr. Shiv Shivakumar is the Operating Partner at Advent International and the former Chairman & CEO of Pepsi India and ex-Group Executive President of Corporate Strategy and Business Development of the Aditya Birla Group. Shiv is an engineer from IIT Madras and an alum of IIM Calcutta and The Wharton Business School. He has received many awards for leadership, turnaround, transformation, brand building, HR practices and others. He was awarded the KPMG- AIMA award for Outstanding leadership and the Asian Association of Management Organisations Asia leadership award. Shiv has the experience of working with over 60 brands during his lifetime and was one of the youngest CEOs in India.

Content has always been valued, in the past most content was paid for through outright buying or subscription or sponsorship. Today content consumption is very different from the past.

Indians today spend 194 minutes per day on social media, of which 46 minutes in online games and 44 minutes in OTT. Compare that with newspaper reading which is 60 minutes and 65 minutes is Television.

India is a content rich country and monetizing content is and will always be the challenge. The biggest content in India is movies. For Hindi movies, monetizing music via global rights is more profitable than a movie running for three or four weeks. Only one movie in the last two years has run for 25 weeks, the traditional silver jubilee measure of a successful movie.

Celebrities traditionally in India have been movie stars, TV stars, and cricketers. That list is now expanding with a bunch of social media influencers. Anyone who has a reasonable following on social media is

looking at monetizing his or her reach with the audience. There are about 4 million influencers in India. This means we have one influencer for every 350 people in India. That's a staggering ratio considering that we have one retail outlet for every 150 people in India.

With such a ratio, where everyone is pushing to be an influencer, trust is the issue. Whom should you believe and why? I think every influencer needs to earn his/her credibility and every brand that uses them will think many times.

Good housekeeping, a magazine in the USA would never accept advertising for a brand if they had not personally checked and verified the brand claims.

That was a source of trust for all readers of Good Housekeeping. I think we will see more opportunities in the verification business, where verifying content to be authentic will be a big business and influencers will add this verification tag to their handles.

Brands also need to be honest. When I was Chairman of PepsiCo South Asia, I insisted that we put a disclaimer every time we used an influencer to say the influencer has been paid by PepsiCo. I wasn't exactly popular with the marketing folks for this stance. I believed then and more so now, that brands must come clean with consumers.

Celebrities are trying to monetize their followership and they look to brands to help them increase their fan following. So, this is a double-edged sword here. In the past, a celebrity was happy to be paid money for endorsing your brand, today, the celebrity has expectations of the brand too.

Content has become three dimensional today, something that works in one format is replicated quickly in every

format to maximize virality.

Dissent or negative posts are also becoming a business for some people. Some consumers revel in holding the brand hostage with their negative comments. I feel that unsubstantiated negative news on the brand must have the same regulation as unsubstantiated news from the brand. Self-regulation is built into advertising, who will self-regulate the influencers?

The best consumer content is personalized. However, the consumer must not feel that the brand understands the consumer fully, the consumer wants a veil of secrecy on his content and brand preferences. So, content personalization will always be balanced against privacy by the consumer.

In a content rich world, we will see the development of 'sources of authority' and this segmentation will help brands, consumers, and influencers alike. A chef will be a source of authority on healthy food. While a trainer might be a source of authority on physical wellness and a professor might be a source of authority on a particular aspect of a subject. Take edtech as an example. If a student wants to study something, he can log in to a university course, a course offered by a practitioner, a course offered by a professor or a course offered by a company. Who has the best source of authority for the student to trust them with his/her money?

Content monetization is at the crossroads in a junction of free content. It will take imagination to monetize it well.

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