

Subject: TI Creator Economy: YouTube's Big Chill; TikTok is Top App; Our One-Year Anniversary
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To: Comms Team



The Information

Creator Economy



By Kaya Yurieff

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Hello,

A year ago today, we **published** the first Creator Economy newsletter! What a year it's been: besides **exclusive news** and analysis, **original charts**, and interviews with startup founders and influencers, we also launched our one-of-a-kind **database of creator economy startups** for The Information subscribers, and brought on a second reporter, Mahira, to help expand our coverage.

Here are some of the highlights from the 197 newsletters we've published in the past 12 months.

Most popular newsletters:

- **Casey Neistat on Chronicling David Dobrik's Rise and Fall** (March 14)
- **The Startups That Powered Creator Economy Investments to \$5 Billion** (January 3)
- **Creator Economy Investors Grow More Discerning** (March 28)
- **5 Startups That Raised Twice Last Year** (January 10)

Newsletters that turned readers into subscribers:

- **OpenSea CEO Says Era of ‘Pure Collectible NFTs’ Is Over** (September 13)
- **2021 Year in Review and Our 2022 Predictions** (December 23)
- **Ten Startups Focused on Creators and NFTs** (October 7)
- **The Big Money in Music Startups** (July 6)

Where our readers are located: The majority of our subscribers are located in San Francisco, New York, Los Angeles, Seattle and London. Fun fact: Atlanta and Bengaluru are tied for readership, and are among our top 15 cities.



Creators & Founders by the Numbers

- Global creator economy startups: 175+
- Funding by U.S. creator economy startups: \$6 billion from January 2021 through the end of the first quarter
- Top lead investors, based on the startups’ most recent rounds: **Tiger Global Management, Andreessen Horowitz, Index Ventures, Coatue Management** and **Forerunner Ventures**
- Top categories: Creator services, like tools to edit photos and videos, and creator platforms, which include marketplaces and ways for creators to sell subscriptions. Crypto, money management and services to connect creators with advertisers follow close behind.



Awards: Earlier this month, this newsletter was **an honoree** in the 2022 Webby Awards in the Business, News & Technology newsletter category. The Creator Economy Newsletter also won **an honorable mention** in this Society for Advancing Business Editing and Writing (SABEW) 2021 Best in Business awards.

What’s next: We’re hosting our second virtual Creator Economy

Summit on May 25, bringing together creators, platforms and investors to talk about what's next in one of tech's hottest industries. Speakers will include influencer **Josh Richards** and leaders from **YouTube**, **Pinterest**, **SoftBank** and others. More information [here](#).

It's been a whirlwind year and we're excited for what's to come! We've been blown away by the feedback and interest. Thank you so much for reading and providing your ideas. As always, I'd love to hear from you: kaya@theinformation.com.

Now I'll turn it over to Mahira for today's news...

YouTube's Disappointing Quarter

For the third quarter in a row, **Alphabet** reported slowing revenue growth for its video streaming unit **YouTube**. YouTube revenue rose 14.4% to \$6.9 billion in the first three months of this year. That's less than the **already disappointing** 25% growth reported in the quarter ending in December.

We had a foreshadowing of this last week, when **Snap** warned the war in Ukraine prompted some advertisers to pause activity, and that other global economic problems were hitting ad revenues. Alphabet chief financial officer **Ruth Porat** picked up that thread. She noted a pullback from advertisers, particularly on YouTube in Europe, at the onset of the war that hit YouTube's advertising revenues more than other parts of Alphabet's business.

Against that downbeat news, Alphabet execs gave an update to Shorts, its TikTok rival. During the call to discuss earnings, they twice mentioned that YouTube is testing ads on Shorts, the short-form video product it encourages creators to make via its \$100 million Shorts Fund.

The video unit had already teased the possibility for such ads when YouTube announced the fund last May. Tuesday's comments show ads

are only a matter of time. Until those ad sales happen, however, a shift by users to Shorts is actually holding back ad revenue, executives said.

“We’re experiencing a slight headwind to revenue growth as Shorts viewership grows as a percentage of total YouTube time,” said Porat.

It remains to be seen whether ads on Shorts will be a significant moneymaker for creators. Midroll ads are harder to implement in short videos, which often don’t have natural pauses like long-form videos do and may only be seconds long. While TikTok has ads between videos, it doesn’t pay creators a cut. That said, the ability to earn ads on Shorts could encourage more creators to switch from TikTok to Shorts—particularly **those unhappy with payments** from TikTok’s Creator Fund.

The Shorts feature has now reached 30 billion daily global views, double the number of views in the fourth quarter of last year, executives said. Also, around 40% of creators paid from the Shorts Fund are not participants in the YouTube Partner Program, which gives creators access to features to make money on YouTube. That suggests creators who aren’t already YouTubers may be coming to the platform to make Shorts. — *Mahira Dayal*

Big Number: 186 Million

That’s how many times users around the world installed **TikTok** in the first quarter of the year, making it the most downloaded app globally, according to data from Sensor Tower. That number, which includes downloads of TikTok’s sister app **Douyin** in China, surpassed **Instagram**, which had been No. 1 in the fourth quarter. In the first quarter, users downloaded TikTok 186.4 million times vs. 161.5 million for Instagram. TikTok now has 3.5 billion all-time downloads.

Deals & Debuts

See The Information's **Creator Economy Database** for an exclusive list of private companies and their investors.

Twitter will not allow new product updates that are not critical through Friday to make it harder for employees to make unauthorized changes, **Bloomberg** reported, citing people familiar with the matter.

BandLab, a Singapore-based startup that helps artists record and mix music on their phones, raised \$65 million in funding led by **Vulcan Capital** at a valuation of \$315 million.

Riverside, an online podcast recording studio, raised \$35 million in Series B funding led by solo venture capitalist **Oren Zeev**. Investors including **Seven Seven Six** participated. (**Read our full profile on Zeev.**)

Jellysmack has acquired **AMA Digital**, a YouTube analytics startup, marking its second acquisition following its November 2021 deal for artificial intelligence-powered video editing technology company **Kamua**. Terms of the deal were not disclosed.

YouTube is expanding its **Super Thanks feature**, which fans can use to tip creators. It was first released in July last year to limited creators and has now opened access to all eligible creators in the YouTube Partner Program, which spans across 68 countries.

Overheard

“Elon is the singular solution I trust,” **Jack Dorsey**, co-founder of **Twitter** and head of **Block**, the payments company formerly known as Square, **tweeted** late Monday. He wrote that Twitter’s agreement to sell itself to Musk is “the right path...I believe it with all my heart”

What's Happening

Logitech, which manufactures computer accessories like keyboards

and mice, announced its second round of Song Breaker awards. The awards recognize creators who influence pop music through content, like dance challenges and memes, that they share on TikTok, YouTube and other apps. It will be held on Roblox on April 30.

VidCon, an annual conference featuring creators and advertisers, announced its full agenda and featured keynote speakers. They include TikTok creator Charli D'Amelio, Pinterest chief content officer Malik Ducard, Meta Platforms vice president of entertainment Dane Glasgow, Jellysmack president Sean Atkins and Marc Hustvedt, president of business for YouTuber MrBeast (Jimmy Donaldson). It will be held from June 22-25 in Anaheim, Calif.

What We're Reading And Watching

- Does a Toddler Need an NFT? (**New York Times**)
- Musk's Buyout Playbook Means Big Job Cuts at Twitter (**The Information**)
- If Elon Musk wants to fix Twitter, he should focus on creators and subscriptions (**Quartz**)

Thank you for reading the Creator Economy Newsletter! I'd love your feedback, ideas and tips: kaya@theinformation.com.

If you think someone else might enjoy this newsletter, please pass it forward or they can sign up here:

<https://www.theinformation.com/newsletters/creator-economy>

About Creator Economy

Everything you need to know about the booming creator economy, from the platforms to the people to the deals. Start reading for free.

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