

Unlocking value in the creator economy: Trends, opportunities and future growth

SPOT ON | TECHNOLOGY, MEDIA & TELECOMS | FEBRUARY 2025

OUR TMT WEBINAR SERIES KICKS OFF WITH A DEEP DIVE INTO THE CREATOR ECONOMY

Oaklins launched its new TMT webinar series in early February, focused on what is one of the hottest topics in media at the moment: the creator economy.

TMT is a rapidly changing sector, with new innovations and trends regularly appearing. Within this industry, the creator economy is a powerful force, revolutionizing the digital media landscape in recent times and reshaping how individuals, brands and platforms

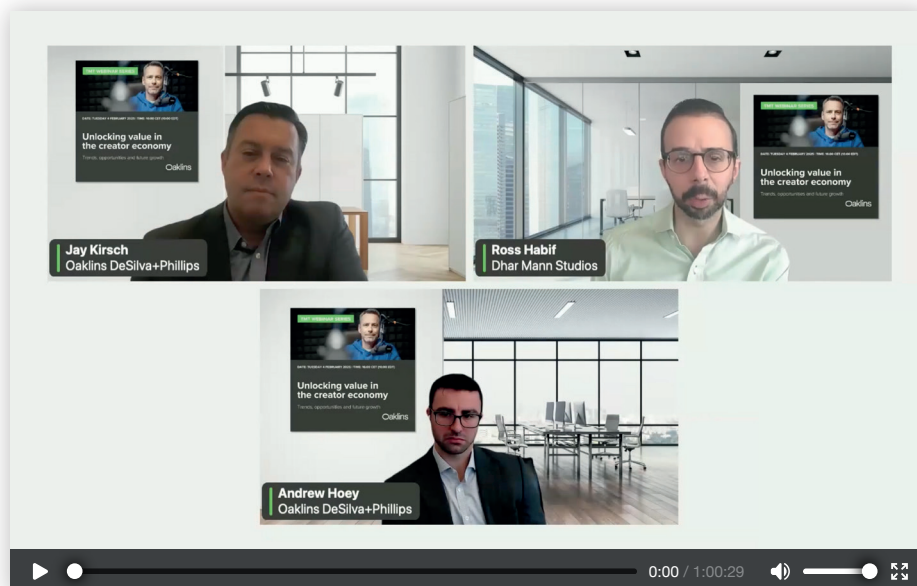
engage with and expand their audiences. With a rising number of independent content creators across the globe, the emergence of varied monetization options, expanding social networks and improved technology, this is the fastest-growing area in the media right now.

Oaklins' webinar on the creator economy was hosted by Joanna Stone Herman and moderated by Jay Kirsch, two of Oaklins' specialists in TMT and

both Partners at Oaklins DeSilva+Phillips in New York City. They were joined by two other experts: Ross Habif, Chief Strategy Officer and Head of Corporate Development at Dhar Mann Studios, and Andrew Hoey, a VP at Oaklins DeSilva+Phillips focused on marketing and advertising services and technology.

Here we look at some of the key talking points from the webinar. To watch the full event, head [here](#).

The webinar panel



Clockwise from top left:
Jay Kirsch, Partner at Oaklins DeSilva+Phillips,
Ross Habif, Chief Strategy Officer and Head of Corporate Development at Dhar Mann Studios, and **Andrew Hoey**, VP at Oaklins DeSilva+Phillips



HOW DOES THE CREATOR ECONOMY FUNCTION?

To get the discussion going, **Andrew Hoey** looked at the three pillars making up the creator economy: brands, creators and consumers. He pointed out that while all are clearly critical, the power really lies with consumers because “they control the two main currencies that matter most for brands”, namely consumer spending and attention.

With many people increasingly skeptical about traditional media, they will engage with content from creators who they follow and trust. What’s more,



ANDREW HOEY
Vice President, Oaklins
DeSilva+Phillips, New York, USA

according to **Ross Habif**, across the wider media landscape, doubt has been sown regarding mainstream news organizations, those big corporations that used to be the bastion of truth. So “people are a little bit lost, and they don’t know exactly where to turn,” he said.

The creator economy is filling that void through a connection between creator and consumer, a result of which sees the latter innately willing to listen to and do what a creator says. Consumers believe that what they explain is the way to live or the brand to buy. This information comes to them as the ‘new truth’, resulting in a lot of power for those creators.

This is creator-generated content — it could be an influencer reviewing a product, viral TikTok trends or YouTubers sharing aspects of their daily life, commented Andrew. It feels personal, real and unfiltered, creating a credibility that many existing forms of media and advertising can’t replicate. “Creators don’t just follow trends. They set them and they dictate what’s cool, what’s relevant and what’s worth paying attention to.” In many ways this is unchanged from how previous media formats worked. In the creator economy, however, influencers like Anna Wintour



ROSS HABIF
Chief Strategy Officer and
Head of Corporate Development
Dhar Mann Studios, New York,
USA

have been replaced by armies of fashion influencers who don’t need a brand like Vogue to get their message heard.

Creators don’t just follow trends. They set them and they dictate what’s cool, what’s relevant and what’s worth paying attention to.

LET’S TALK NUMBERS

Return on investment in the creator economy is significantly higher than that of traditional advertising. What’s more, these creators can provide new revenue streams for brands beyond just marketing, such as partnerships, co-branded products, affiliate programs and direct consumer sales channels.

Additionally, there has been a huge shift in ad spend towards social platforms and away from traditional media. In 2024, 24.7% of all reported global digital ad spend went on these platforms and content creators. This is unsurprising in light of the fact that return on ad spend is 35% higher in this segment than anywhere else in the industry. And there’s been 22% CAGR between Q1 2020 and Q4 2024, further highlighting the rapid growth in the sector. “The ad dollars are there because the attention is there,” noted **Jay Kirsch**.



JAY KIRSCH
Partner, Oaklins DeSilva+Phillips,
New York, USA

Today, the world’s largest social media platforms collectively have over nine billion monthly active users. Ten years ago, it was under three billion. This isn’t just a trend, it’s a permanent shift in how people interact with information, brands and each other.

ANYONE CAN BE A CREATOR

What defines this sector, explained Jay, is that the barriers to entry are extremely low. Anyone can be empowered to go out and set up their own content company in an instant, which has opened the floodgates for some people to find a following, some almost by mistake. And by definition, it’s a global market.

However, it’s important to remember that this is just a new kind of media, added Ross. What the creator economy looks like now is very similar to the print magazine industry in the mid-1990s. This means that, as with all media, there are content creators, plus advertisers and services that go along with them. If you think of it in terms of familiar media structures but with some new quirks and certain differences, rather than something unique, it’s much easier to understand how everything fits together.

Three trends driving growth in the creator economy

- insatiable appetite for content
- increase in ways creators can monetize their output
- shift in advertising spend from traditional channels to social platforms

DON’T FORGET AI (AS IF)

In South Korea, which is about five years ahead of the USA in this field, the use of AI-generated avatars is being increasingly seen on some channels, explained Ross. There are still humans, it’s still voiced and scripted by them, but users are interacting with an AI character. These avatars could easily become stars, and end up doing commercials for lots of different brands simultaneously. Will consumers accept this? In South Korea, three of the top 10 channels now have AI-generated characters, so the concept has been accepted there, but it’s unclear if that will happen in the USA, where there is a demand for authenticity.

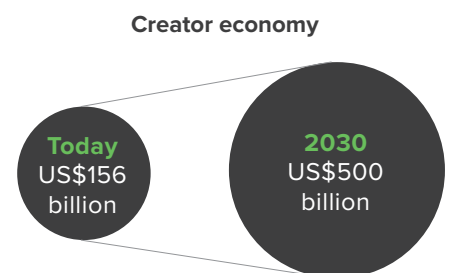
SHIFTS FROM TRADITIONAL MEDIA MODEL — CHANGING AUDIENCE AND CONSUMER HABITS

- accessibility and convenience: not constrained by programming schedules or platform limitations but instead receiving content on demand across multiple devices
- interactivity and engagement: move from passive consumption to active participation through likes, comments, shares and generated responses that create community and connection
- personalization: consumers are overwhelmed with choice so advanced algorithms can curate experiences tailored to individual preferences
- cost and accessibility: social platforms have removed the barriers of subscriptions and premium memberships, so content is more accessible to both consumers and creators

WHAT IS THE CREATOR ECONOMY ECOSYSTEM?

Core business model remains largely the same as the legacy media industry:

- Tools and management: providing creators with platforms and software to streamline production, grow their audience, generate analytics on their content and offer strategic support
- Monetization: enabling creators to generate revenue, e.g. through subscriptions, tipping, brand deals, e-commerce
- Creation and hosting: allowing creators to produce, distribute and store their content



(Source: Goldman Sachs)

CREATOR ECONOMY FROM AN INVESTMENT STANDPOINT

Jay highlighted two approaches for investing in this sector. On the one hand, for those who are feeling bullish about it overall but have some concerns about over-reliance on specific creators, the three areas of interest are: marketplaces/networks, merchandising/commerce, and rights/IP management. Alternatively, investors who believe 'content is king', who want to own content and drive multiple revenue streams, should be looking at the best-known brands, the platforms that will become the large, dominant ones both nationally and internationally.

What's more, Jay added, "not only is the industry ripe for consolidation, the industry needs consolidation" and it could actually escalate growth. Plus, in the long term, there will be consolidation because the creator economy is like every other form of media — the smaller players who aren't really making any money will be pushed to the side and the big names will emerge stronger.

Eight or 10 years ago there weren't many deals going into creator-led businesses, but since 2020 and especially in the post-COVID era, there has been a significant amount of capital entering and deals done in the sector. "We're expecting 2025 to be a blockbuster year for the creator economy," Andrew said.

Not only is the industry ripe for consolidation, the industry needs consolidation.

THE VALUATION CHALLENGE

Valuation in this sector is difficult, however, firstly because it's very young, and secondly there's no public company or set of public companies to look towards to see how the market is valuing these assets.

Some services, like influencer marketing businesses, have been trading at 15x to 20x multiples and are being bought by the large agencies who have realized that the dollars are flowing into those categories and they need exposure to that. But if a content company is based on a single talent, who is getting burnt out and ready to step down, they're more willing to sell that business at a multiple below 10x.

NOT SO CLEAR

One thing that's quite unique to this sector is how little transparency there is, Jay said. It's not broadcast media or print magazines, or even web 2.0 models, where you can look at Nielsen ratings, subscription totals or a ComScore number to gauge the size of the business.

There are some big creators out there who are effectively doing their finances on the back of an envelope, pointed out Ross, and that don't have any structured HR practices. "They are running these multimillion-dollar, profitable businesses, yet they're organized like somebody who created a business in their basement!" They need to take the step towards professionalization.

Some companies seem substantial from outside but when you get into the financials, it can be shocking how small they are, commented Jay. This comes from the fact that anyone with an iPhone can start a company. But if you're dependent on a single creator, there's a lot of risk there: people make mistakes, get tired of their business and there's a natural cycle of how popular someone's going to be.

WANT MORE?

Oaklins' TMT webinar series will run throughout 2025 — upcoming topics include 'Artificial intelligence: Shaping valuations and due diligence', and 'Internet of Things (IoT): Unlocking opportunities in smart manufacturing'.

"Opportunities exist but you have to know where the right assets are, understand what their place is in the overall market, and then figure out how they fit into your business. It's a lot of work and thus far not many have been willing to do that work. But that's where the people who *are* willing are going to find the gems."

ROSS HABIF


Our track record

Our clients rely on us to help them prepare for their next challenge, whatever it may be. With deep-rooted sector expertise in TMT, we are able to support you and provide the professional advice required to achieve a successful outcome.


Some of our recent deals completed in the TMT sector include:

BodhiCedric

has acquired

 network media

from


 **JELLYSMACK**

M&A BUY-SIDE

TMT

Gemini Bidco S.r.l.

has launched a mandatory public tender offer for

 **RELATECH**
YOUR DESK FOR INNOVATION

M&A BUY-SIDE

TMT


 **HAUFE. REAL ESTATE**

has been acquired by


 **Aareon**

M&A SELL-SIDE

Real Estate/TMT


 **IQGeo**

has been acquired by


 **KKR**

M&A SELL-SIDE

Private Equity/TMT


 **Kalmbach Media**

has sold its railroad and space enthusiast brands to


 **FIRECROWN**

M&A SELL-SIDE

TMT


 **perkbox**

has been acquired by


 **Great Hill PARTNERS**

M&A SELL-SIDE

Private Equity/TMT


 **sales-i**

has been acquired by


 **sugarcrm**

M&A SELL-SIDE

Private Equity/TMT


 **symatrix**

has been acquired by


 **AST**

M&A SELL-SIDE

Business Support Services/Private Equity/TMT

 **TAIAN**

has acquired

 **thinkmax**

M&A BUY-SIDE

TMT

Deep local roots, global commitment

Oaklins brings you opportunities from across the world and we meet you with our expertise wherever you are

OAKLINS OFFERS A COMPREHENSIVE RANGE OF SERVICES

- M&A advisory (buy- and sell-side)
- Growth equity and equity capital markets advisory
- Debt advisory
- Corporate finance services

Technology, Media & Telecoms (TMT) is one of our focus areas. Combining comprehensive sector knowledge with global execution has led Oaklins to become the most experienced M&A advisor in the TMT sector, with a large contact network of the most relevant market players worldwide. This results in the best possible merger, acquisition and divestment opportunities for TMT companies.

If mergers, acquisitions, or divestitures of businesses or business units are part of your strategy, we would welcome the opportunity to exchange ideas with you.



✉ **JAY KIRSCH**

Partner
New York, USA
T: +1 212 651 2564

Jay is a digital media specialist, and his recent transactions in the sector include leading the sales of Taunton Press to Active Interest Media, Network Media to Jellysmack, Centennial Media to Presidio Investors, and Critical Mention to Onclusive. Previously, Jay was in operating roles with digital brands such as Law.com, TechCrunch, DailyFinance, Moviefone, Autoblog, Engadget and Space.com. While at AOL, he led the acquisition of GDGT and was on the integration team for the acquisition of The Huffington Post.



✉ **ANDREW HOEY**

Vice President
New York, USA
T: +1 212 651 2607

Andrew supports buy- and sell-side transactions through market research, valuations and client documentation. Notable engagements include Movers+Shakers' sale to Stagwell, Yahoo!'s partnership with Taboola, and Martin.ai's sale to PubMatic. Prior to Oaklins, Andrew worked at Madison Alley and LUMA Partners. He holds a BS in Accounting from Bentley University, an MS in Accounting from the University of Notre Dame and is a certified public accountant.

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 40 countries providing M&A, growth equity, ECM, debt advisory, valuation advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

Oaklins disclaimer

This report is provided for information purposes only. Oaklins and its member firms make no guarantee, representation or warranty of any kind regarding the timeliness, accuracy or completeness of its content. This report is not intended to convey investment advice or solicit investments of any kind whatsoever. No investment decisions should be taken based on the contents and views expressed herein. Oaklins and its member firms shall not be responsible for any loss sustained by any person who relies on this publication.

© 2025 Oaklins. All rights reserved.

Oaklins is the collective trade name of independent member firms affiliated with Oaklins International Inc. For details of the nature of affiliation, please refer to www.oaklins.com/legal.