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## Exploring Digital Content Creator Success in Patreon

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# EXPLORING DIGITAL CONTENT CREATOR SUCCESS IN PATREON

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## ABSTRACT

Monetizing digital content distribution platforms is a complex and challenging process. As platform owners reap a large portion of revenue earned, content creators are exploring new ways to directly share content with their followers for a fee. Platforms such as Patreon provide content creators with a way to share content with patrons and earn revenue without an intermediary – a ‘direct-pay’ platform. In this study we examine a direct-pay platform to better understand how content creators can be financially successful without the traditional ad-based revenue model. The results of this study will provide insight, from an academic and practice perspective, into a revolutionary way for digital content to be created, distributed, and consumed.

## KEYWORDS

Content creator success, digital membership platform, subscription content service, direct-pay content distribution

## EXTENDED ABSTRACT

Monetizing digital content distribution platforms is a complex and challenging process. Platforms like YouTube, Facebook and Instagram enjoy incredibly large user bases that lead to tremendous earnings potential for the platform owner. The large earnings are closely tied to the value that the platform provides, through access to a large network of users, the amount of content available, and the quality of the content available. As platform owners reap a large portion of the revenue earned, they often leave the content creators with a significantly smaller portion of the revenue. Distributing the appropriate levels of revenue to individual content creators represents an important challenge. Due to the prospect of diminishing returns, content creators must ensure they are able to sustain a large user base in order to generate enough revenue to justify their content creation efforts.

Historically, digital content platforms have developed revenue sharing models that pay users for some of the ads that they generate. These ad-based revenue models result in a large chunk of revenue going to just a few content creators, while the overall population of content creators rarely sees significant returns from these content sharing practices. For example, YouTube’s is designed to continually show users new and interesting content, which in turn forces content creators to continually produce more content or risk the loss of their advertising dollars. As a result, even extremely popular content creators often exhibit burn out and dissatisfaction with the endless expectations of these ad-based practices.

In a response to these problematic characteristics, new platforms have developed to provide an alternative to ad-based revenue models. The platforms create seller-buyer relationships directly between content consumers and content creators. In this study, we refer to these digital content platforms as ‘direct-pay’ platforms. Direct-pay platforms represent a potentially fundamental shift in the way the Internet is monetized and is potentially one of the most impactful changes in e-commerce in the last decade. Currently, there is a paucity of research on these relatively new direct-pay platforms. In this study, we explore how content creators can successfully utilize direct-pay platforms, such as Patreon – “a membership platform ... that provides business tools for creators to run a subscription content service” (Conte, 2017). From its inception in 2013, Patreon has grown to 3 million patrons consuming content created by 100,000 creators who have received approximately \$1billion.

Our study represents one of the first to examine Patreon and develop the concept of large-scale direct-pay digital content distribution. We are interested specifically in examining the relationship between numerous factors, such as patrons, content, and earnings, in a direct-pay platform. More specifically, this study answers the question: “What characteristics are exhibited by successful Patreon users?” Answering this question will provide theoretical and practical benefits to content creators interested in improving their revenue potential, as well as to traditional platform owners looking to respond to this potential threat to their current business models.

## REFERENCES

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