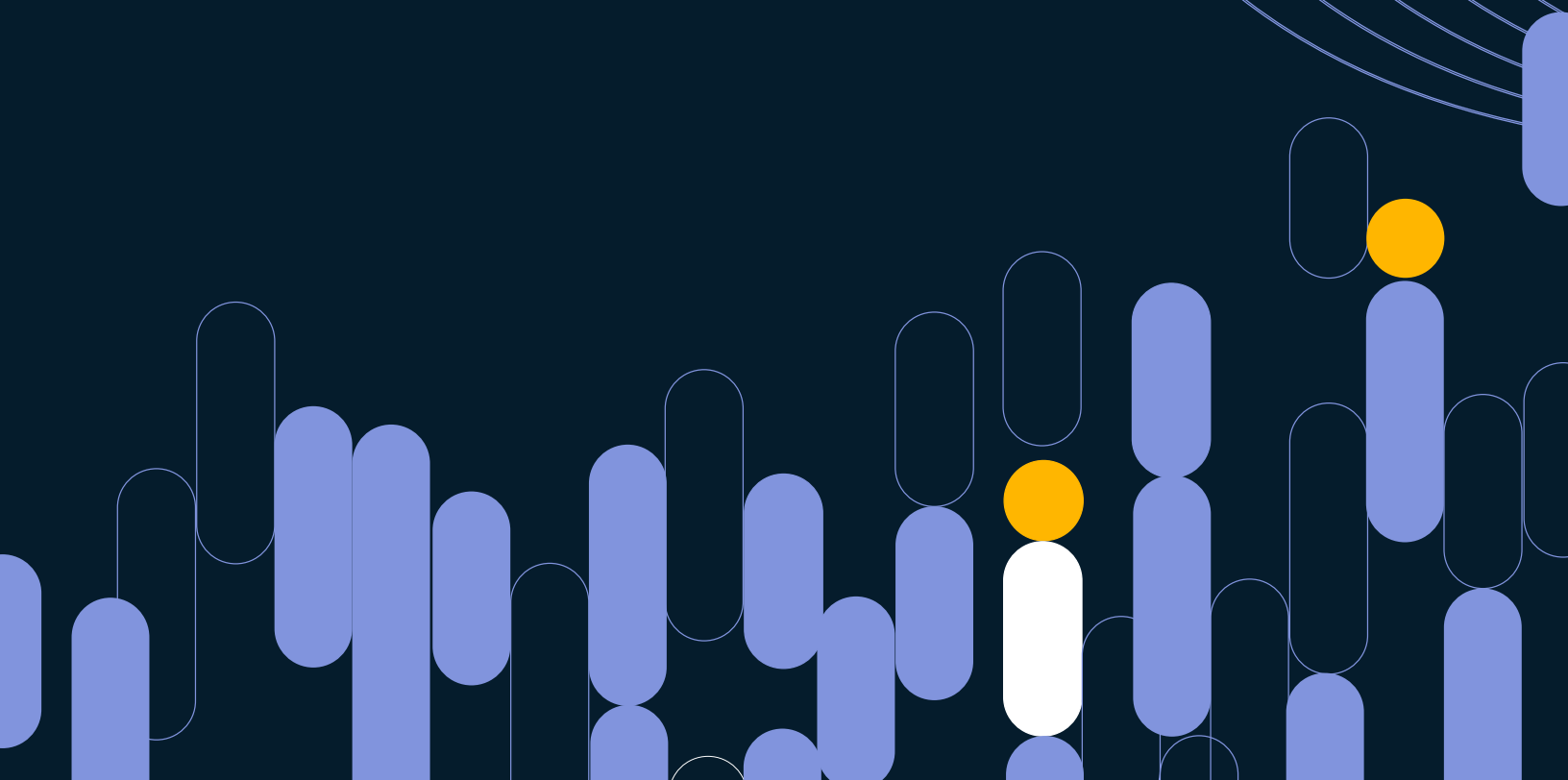


Creative Challenges:

Unlocking a Superior
Brand-Creator Relationship



Introduction

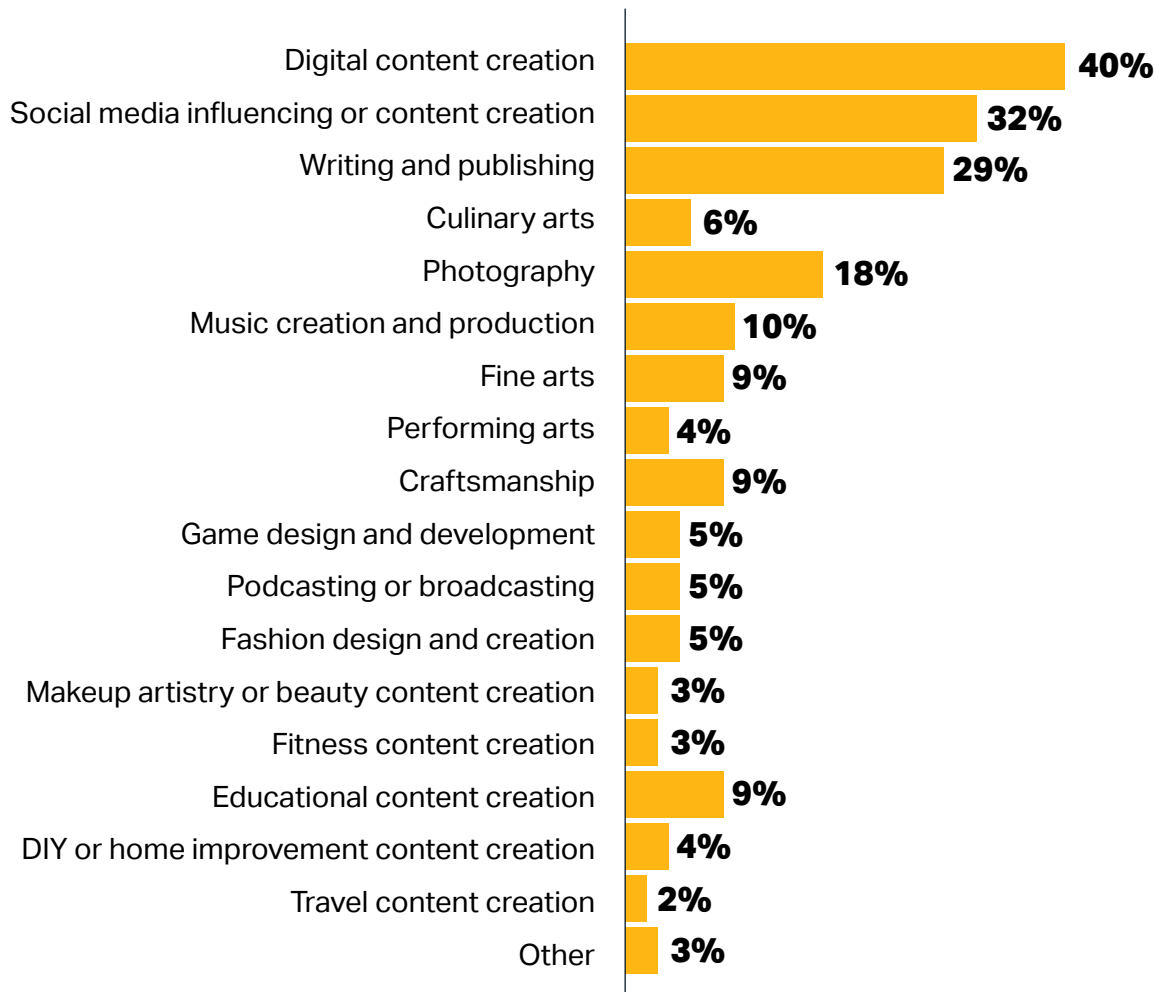
First coined by journalist Tina Brown in 2009, the “gig economy” refers to the contemporary movement of individuals engaging in “a bunch of free-floating projects, consultancies, and part-time bits and pieces within a digital marketplace.” Rather than working full-time for a single company, “gig” workers, also known as “creators,” complete any number of services for multiple businesses across various industries.

As brands become more reliant on creators for assistance with digital content, social media, and more, building lasting relationships is becoming increasingly important. To understand the ingredients of a best-in-class relationship between brand and creator, Tipalti surveyed creators across the United States and United Kingdom who earn part or all of their income creating or producing content.

The most populous role representation was seen from - but was in no way limited to - digital content creation (e.g. graphic design, video production, animation); social media influencing or content creation; and writing and publishing (e.g. blogging, book writing, journalism, poetry).



Tipalti survey respondents



While most of our respondents create part-time in addition to their other professional and academic responsibilities, more creators plan to go full-time looking ahead: 31% of those who create while working another job told us they plan to leave their current role(s) to focus on creating full-time by the year 2025.

But there's no shortage of challenges on the horizon. Creators expect the marketplace to become more crowded, with 86% believing more competitors will appear in their market within the next five years. And with new doors opening for creators due to the recent writers' and actors' strikes (64% believe these will reshape the creator economy in the next year), brands wishing to attract and retain creators must prioritize creating stellar experiences and meaningful relationships. Let's explore how to accomplish this — and which pitfalls to avoid.

Providing a best-in-class creator experience

Building and maintaining strong relationships with freelance creators is becoming increasingly important in today's economy. Creators bring flexibility, cost effectiveness, and a wealth of unique perspectives to the business environment that companies cannot afford to lose.

A positive brand experience can be mutually beneficial for employer and creator alike: **96% of our respondents said the type of experience they have when collaborating with a brand significantly influences their likelihood of working with that company again**, and 76% have recommended brands to work with their peers based on their own positive experiences.

Establishing long-term relationships is thereby essential, and creators agree: 83% told us they value forming long-term relationships with brands. Another 71% said they've had success turning a short-term collaboration into a long-term partnership. But building these relationships is often easier said than done, with 57% of those who value such partnerships admitting it's difficult to establish them. Of these, 51% say it's due to competition.

There's no one-size-fits-all approach to providing a positive creator experience. Preferences will change from industry to industry and even individual to individual, but Tipalti's research has revealed some of the key components to a best-in-class experience that creators value.

Consider authenticity as an example. In recent years, we've seen a rise in authenticity from creators, with 61% saying it's very important for them to work with brands that they genuinely like or would use themselves. *Note: US-based Gen Z respondents were 18% more likely than average to say that alignment with their values is an important factor when choosing a brand to work with.*

Let's explore the components our panelists listed as the most essential to a best-in-class creator experience.

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83% vs. 57%

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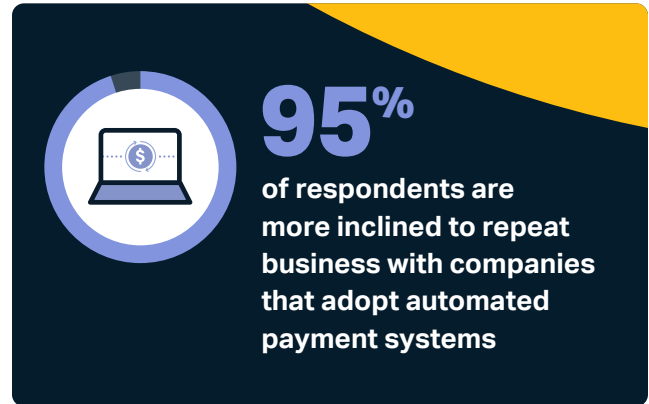


Fair compensation

It should come as no surprise that creators are looking for one key thing above all else: fair compensation. Sixty-one percent of creators told us this is their top priority, putting it ahead of value alignment in terms of its significance to a positive experience. *Note: US-based digital content creators were 21% more likely than photographers to say this.*

Payment automation

Adequately compensating creators is one thing — ensuring they're paid quickly and reliably is just as critical. Eighty-three percent of creators told us they prefer upfront payments when collaborating with brands, which can give the companies in question a major competitive edge: a whopping **95% of respondents who have seen more brands adopt automated payment systems said they're more inclined to repeat business with companies that do so.**



Nearly 3 out of 4 (73%) agreed they've seen businesses adopt more automated payment solutions in their work as a creator over the past year, but only 44% noted they've worked with brands that have handled payment processing. With 42% saying this service would make them more likely to work with a brand, the time for adopting automated payment solutions is now.

Payment automation gives creators more freedom to focus on what they do best. **Creators who have seen more clients or brands adopt payment automation have saved significant time and resources in the following categories:**

70%
payment tracking

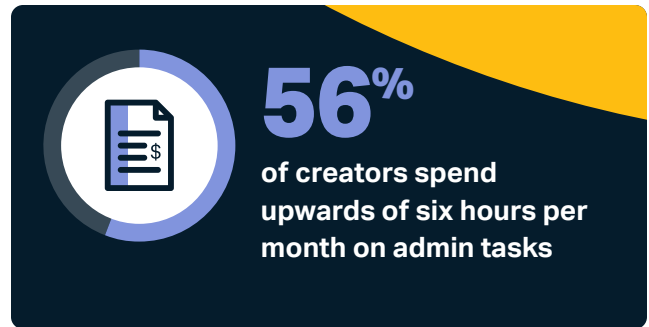
55%
invoicing

24%
reconciliation

This same group reported that additional benefits of automated platforms include improving the overall payment experience (95%), improving cash flow management by ensuring prompt and consistent payments from brands and clients (92%), and a decrease in payment errors and/or disputes (77%).

Admin support

In addition to fair and streamlined compensation, creators expect administrative support from the brands they work for. With more than half (56%) of creators spending upwards of six hours per month on admin tasks — and one in ten spending more than 20 hours on such tasks — administrative support from brands gives creators valuable time back to create.



Top admin needs



Payment processing
(42%)



Tax compliance assistance
(27%)



Assistance with splits
(22%)



Invoicing
(34%)



Payment troubleshooting
(24%)



Fraud reduction/sanctions screenings
(17%)



Payment calculation
(31%)



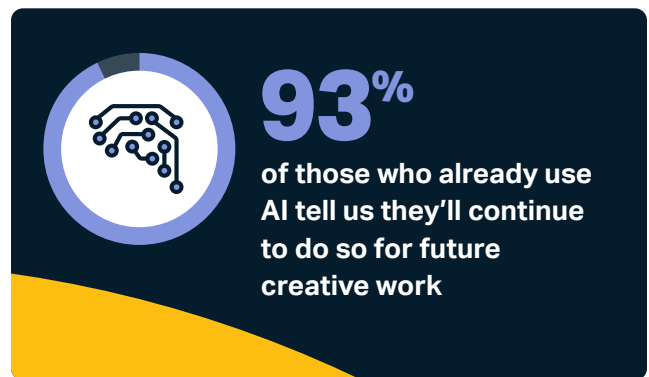
Payment reconciliation
(22%)



Currency exchange
(17%)

Artificial intelligence

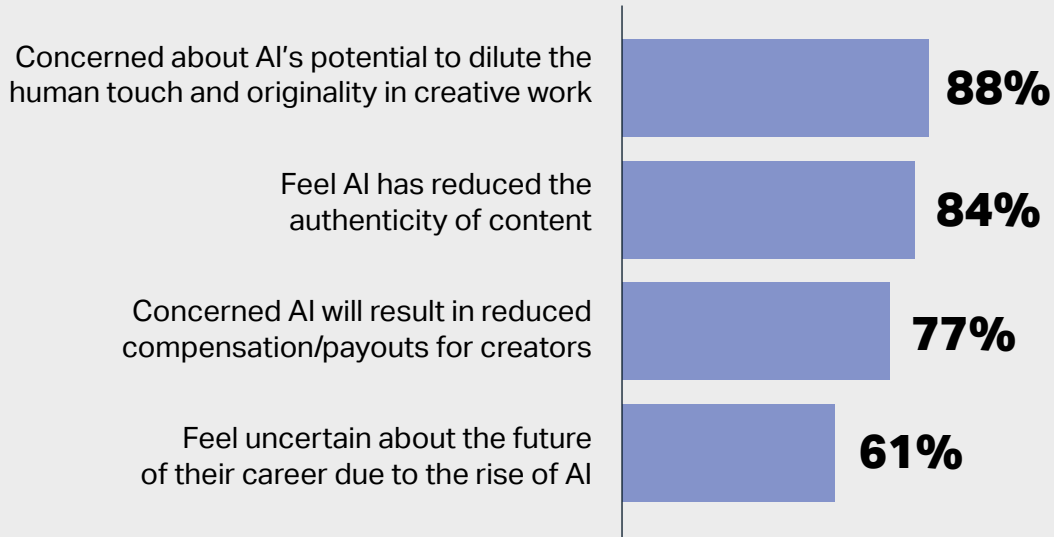
When it comes to tech expectations, automation isn't the only capability creators are hungry for. Artificial intelligence (AI) is making its way into every industry, and the gig economy is no different: 39% of our panelists said they actively incorporate AI tools like ChatGPT, Canva, and Grammarly into their creative processes. Of those, 87% believe it has a positive influence on their creative work, and 90% agreed it helps them work faster.



As for the actual implementation of these tools, creators use AI in a variety of ways, including streamlining communications with brands or clients (74%) and informing their content creation decisions (56%). Creators told us that the rise of AI is shifting brand expectations, particularly in regards to speed of work (55%) and content quality (44%). **With 93% of those who already use AI telling us they'll continue to do so for future creative work, it's clear that AI is here to stay.**

That being said, creators are moreover wary about the use of artificial intelligence. The majority of our respondents believe AI has had either a mixed (58%) or negative (13%) impact on their creative field. Of these respondents:

Creators are wary about the use of artificial intelligence



AI's Global Impact

Our research revealed that US-based creators have more of an open mind when it comes to introducing AI into their workflows. **These creators were an astounding 106% more likely than UK-based respondents to use AI to inform their content creation decisions**, and 55% more likely to say they actively incorporate AI tools into their creative process.

Conversely, UK-based creators were 30% more likely to say AI has a mixed or negative impact on their creative field.

US-based creators are

106%

more likely than UK-based respondents to use AI to inform their content creation decisions

When the brand-creator relationship sours

Despite brands' growing reliance on creators, negative experiences are all too common. Poor experiences pose a serious detriment to the brand-creator relationship: 59% of respondents have stopped working with a brand due to a negative experience, and 71% have become more selective over the past year when it comes to choosing the brands they work with as a result.

Creators want to feel respected and supported by the brands they work for, but when brands expect too much for too little it leads to creators feeling undervalued. Seventy-four percent told us they've stopped working with a brand or client altogether due to feeling undervalued.

Here's what creators listed as their top reasons for feeling neglected:



Unfair compensation



Unrealistic project expectations



Late payments (beyond agreed-upon payment schedule)



Poor communication about payments



Lack of pay transparency

The consequences of poor payment practices

When payments are late or come up short of expectations, creators feel the pain. And due to factors like inflation and economic uncertainty, **88% of creators agreed a seamless transaction is even more important now than it was five years ago.** As the value of automated transactions increases and technology continues to advance, providing a seamless payment experience is more important than ever.

Late payments from brands hinder the creative process — 48% of respondents who experienced late payments said this caused a negative impact on their motivation to focus on creative work, and one in three experienced reduced time and resources for their creative work. Nearly half (46%) experienced financial strain due to late payments.

It's critical for brands to understand that the repercussions of poor payment practices aren't limited to the short-term: **one in five creators told us that late payments from brands led to difficulty in sustaining their creative career.**

Late payments also damage overall relationships with brands, with 85% agreeing that a negative payment experience made them hesitant to accept more work from a brand, even if the opportunity seemed promising.

When a payment issue does occur, creators will either reduce business with that brand or client (41%), stop working with that brand completely (34%), or even start working with one of that brand's competitors in search of better treatment (22%).

1 in 5 creators
told us that late payments from brands led to difficulty in sustaining their creative career

Global Implications of Late Payments

All told, 56% of our panelists have experienced late payments from brands or clients for their creative work. Here's how that breaks down by region:

US respondents were 64% more likely to say this reduced time and resources for creative work, and 22% more likely to say this caused financial strain.

UK respondents were 50% more likely to say this had a negative impact on their motivation.

Effects of Late Payments by Industry

And here's a closer look at what actions creators in specific roles have taken when faced with payment issues from a brand or client:



Digital content creation

Reduced business
(44%)

Stopped business altogether
(37%)

Raised prices to compensate
for potential inconvenience
(23%)



Social media influencing or content creation

Reduced business
(47%)

Stopped business altogether
(39%)

Started working with
competitors
(29%)



Writing and publishing

Reduced business
(46%)

Stopped business altogether
(38%)

Raised prices to compensate
for potential inconvenience
(21%)

Lack of automation

Another contributor to subpar brand experiences is a lack of technology, particularly automation capabilities. Companies that fail to incorporate tech that meets creators' evolving expectations, especially surrounding administrative tasks and payments, are setting themselves up for failure.

Forty-five percent of creators have distanced themselves from certain brands or clients due to the administrative hassle caused by a lack of automation, and 43% have stopped working with certain brands for the same reason.



45%

of creators have distanced themselves from certain brands or clients due to the administrative hassle caused by a lack of automation

Conclusion

While the intricacies of a brand-creator relationship will differ from case to case, there are key components brands must get right if they wish to maintain a positive reputation and make their freelancers feel valued. Fair compensation, payment automation, and administrative support are quickly becoming non-negotiables, and brands must take note.

Want to learn more about how payment/finance automation can change your relationships with creators for the better?

[CONTACT US](#)



About Tipalti

Tipalti is the only company handling both Global Payments and Accounts Payable workflows for high-velocity companies across the entire financial operations cycle: onboarding and managing global suppliers, instituting procurement controls, streamlining invoice processing and approvals, executing payments around the world and reconciling payables data across a multi-subsiary finance organization. Tipalti enables companies to scale quickly by making payables strategic with operational, compliance and financial controls. Companies can efficiently and securely pay thousands of partners and suppliers in 196 countries in their own currency within minutes. Thousands of companies, such as Amazon Twitch, GoDaddy, Roku, WordPress.com, and ZipRecruiter use Tipalti to reduce operational workload by 80% and accelerate the financial close by 25%, while strengthening financial and spend controls. For more information, visit tipalti.com.

Survey Methodology

The Creative Challenges: Unlocking a Superior Brand-Creator Relationship survey was conducted between July 26th-August 16th, 2023. Tipalti surveyed a total of 1,231 respondents in the United States and United Kingdom who earn their income either full- or part-time by creating or producing content. The study was conducted at 95% confidence with a +/- 3% margin of error.

