

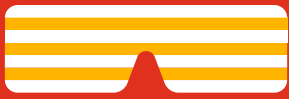


Web 3.0: Powering the creator economy

The COVID-19 pandemic confined people to their homes for over a year, limiting social interaction to a major extent. This new normal compelled us to find new ways to connect and interact with each other, mainly through online modes and various social media platforms. While offline spaces like studios, theatres and concert halls were the most common platforms for consuming entertainment before the pandemic, there was a huge shift to online channels like streaming and OTT services in its wake. These new media have now become a part of our daily routines and are here to stay for the foreseeable future.

While the changes in consumption behaviour are fairly recent, the very tools and technologies used to create and distribute creative and artistic works have seen a transformation over the years. For example, if we consider painting, then from the millennia-old paintings found on cave walls to artworks created on the canvas, and from art created digitally to paintings that come alive using virtual reality (VR)/augmented reality (AR) headsets – the evolution has been radical. With the technology to produce and disseminate art and creative content becoming more accessible, a larger segment of society has become engaged in this process, giving rise to the concept of the creator economy.

The term 'creator economy' is almost a decade old now. It refers to all the players who operate in and around the value generated by creators. This involves developing original content for social media and blogs, video content, and all forms of creative expression as well as repurposing existing information. The content space has seen exponential growth ever since user-generated content (UGC) rose to prominence with the help of the internet. As a result, huge opportunities for content creators began to emerge. With the increasing opportunities for creators, relevant tools and software that were aimed at assisting them also began to emerge. These were soon absorbed into the creator economy.



How is the creator economy connected to Web 3.0?

The advent of Web 2.0 helped the creator economy by lowering the entry barriers for social and other media giants as organisations could be set up at a low cost and users could post content and interact on them freely with just a computing device and an internet connection. This increased UGC, engagement and interactions. This, however, poses certain problems. A rift could emerge between these platforms and their content creators because of the imbalance of power and control between them. Web 2.0 platforms have greater power in decision making, which is supported by their holistic view of these platforms. However, as a result, a user of such platforms may feel that their views are not being taken into account.

Web 3.0 addresses this issue by focusing on shifting ownership from centralised authorities to communities and individuals. This shift is being facilitated with the use of innovative technologies such as blockchain, non-fungible tokens (NFTs), decentralised autonomous organisations (DAOs) and smart contracts. Creators can now own their content, brand and a portion of the platform they are contributing to, without being governed by social media giants. Moreover, they no longer need to pay commissions to large Web 2.0 corporations and can now monetise their content without being worried about piracy or theft.

How does Web 3.0 empower the creator economy?



Content creation

VR and AR experiences will become more accessible and prominent as a part of Web 3.0. Digital worlds will eventually expand beyond simple games and marketing campaigns to complete virtual worlds with personal avatars, digital commodities and comprehensive experiences. In a way, the shift has already begun, with the NFT boom creating a huge demand for digital products.

In addition to the introduction of new ways to create material, the creative process itself will undergo a significant transformation. Artificial intelligence and machine learning will aid creators in quickly and effectively searching for photos, videos, text and audio. Moreover, these technologies will enable NFT developers to enhance and customise interactive NFTs based on user behaviour.



Contracts and ownership

One of the most significant advantages of Web 3.0 is that it allows creators to eliminate intermediaries from their value chain, allowing for the direct exchange of information and digital goods. Creators can make use of smart contracts to ensure that all transactions are done in a safe, conflict-free manner in terms of monetisation control.

Smart contracts, also called blockchain contracts, are a piece of software code which is immutable and gets automatically triggered when the agreed-upon conditions are met. Like everything else on blockchain, smart contracts are open and transparent, with every network participant acting as an enforcer. This ensures that creators get paid on time and reduces piracy, as such contracts clearly define the ownership of the content.



DAOs

DAOs are a good example of community-oriented platforms. These are online communities that are run and owned by their members. Bringing this into the creator economy space would ensure that the community has complete control and makes decisions about algorithms, revenue and even the functionalities to be developed on their platforms. So the entire task of running the platform and making platform-centric decisions will now be done by the user communities as a whole.



NFTs

By converting and selling their content as NFTs, creators can remove the intermediaries and directly sell to their customers at a fraction of the commission currently being paid by them to Web 2.0 giants. Since each NFT is unique and identifiable, creators can have complete control over the distribution of their content and eliminate piracy and illegal duplication. Also, Web 3.0 and NFTs provide global exposure to creators, allowing them to increase their earnings.



Social tokens

Social tokens are a way for creators to connect with and reward their loyal fans, as well as monetise the content that they create. Fans that join the community get access to special member-only content, chatrooms, exclusive merchandise and much more. Moreover, since there is a finite supply of tokens, their value keeps increasing as creators add to the demand for them by performing more often and generating hype for their brands.

Way forward

It is getting easier for any creator to enter the Web 3.0 space. By setting up a cryptocurrency-enabled wallet and an NFT marketplace account and specifying the terms and conditions of sale in a smart contract, creators can venture into the global market and start earning active and passive incomes while maintaining the authenticity of their digital products.

The Web 3.0 revolution will not be spearheaded by a single firm, but by companies that decentralise decision making, enable data portability for creators and implement a tokenisation medium on their platforms. This change will, however, require content creators to upskill themselves and learn how to use the new platform. Moreover, as with every new digital transformation, the risk of cybersecurity threats may increase. But it is only a matter of time before the existing Web 2.0 corporations decentralise and adopt these approaches in order to prepare to compete with the oncoming wave of future-focused platforms.



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