

Economy Towards A Passion

The top-earning writer on the paid newsletter platform Substack earns more than \$500,000 a year from reader subscriptions. The top content creator on Podia, a platform for video courses and digital memberships, makes more than \$100,000 a month. And teachers across the US are bringing in thousands of dollars a month teaching live, virtual classes on Outschool and Juni Learning.

These stories are indicative of a larger trend: call it the “creator stack” or the “enterprization of consumer.” Whereas previously, the biggest online labor marketplaces flattened the individuality of workers, new platforms allow anyone to monetize unique skills. Gig work isn’t going anywhere—but there are now more ways to capitalize on creativity. Users can now build audiences at scale and turn their passions into livelihoods, whether that’s playing video games or producing video content. This has huge implications for entrepreneurship and what we’ll think of as a “job” in the future.

Over the past decade the on-demand marketplace of the “Uber for X” era has established a turnkey way for people to make money. Workers can easily monetize their time in specific narrow services such as food delivery parking or transportation. These markets automatically match supply and Demand and pricing to enhance liquidity. These platforms are convenient for both users and suppliers: because they deal with traditional business barriers such as customer acquisition and pricing they allow workers to focus only on the services provided.

But while these platforms provide millions of people with a path to self-employment they also homogenize diversity among service workers prioritizing consistency and efficiency. While the promise is to “be your own boss,” work tends to be one-dimensional.

Monetizing Individuality

New digital platforms enable people to make a living in a way that highlights their individuality. These platforms give suppliers a greater ability to build customer relationships add support for growing their business and provide better tools to differentiate themselves from the competition. exist They are driving the process of a new internet-driven entrepreneurial model.

This is similar to the dynamic between Amazon (standardized mass-produced monolithic apps) and Shopify which focuses on a standalone allowing users to have a direct relationship with their customers. This shift is already evident in the physical product market. It is now expanding into services.

These new platforms have some things in common:

Everyone can access them not just existing businesses and professionals

They see personality as a trait rather than a flaw

They focus on digital products and virtual services

They provide holistic tools to grow and run a business

They open the door to new forms of work

1. Everyone can use them not just existing businesses and professionals

New consumer products make it easy for anyone to become an entrepreneur. In the mid-2010s the rise of the influencer industry enabled top creators to monetize advertising. These platforms expand to support a wider range of money-making activities from manufacturing entities Products (e.g Vybes Hipdot Genflow) to create personalized videos (Cameo VIPVR Celeb VM).

Now the ability to live off creative skills has permeated individuals helping ordinary people start and grow their businesses. Previously only established businesses had access to software engineering talent to build websites or apps; now no-code website and app builders such as Webflow and Glide have popularized this capability. Startups are also building mobile-first lightweight versions of existing desktop software: Kapwing for example is a web and mobile editor for video GIFs and images designed to replace traditional creative software.

Companies have the opportunity to attract entrepreneurs at an early stage and then gain economic value as they grow. They might start with a very basic product and add product features as customers earn revenue and develop new needs.

2. They see personality as a trait not a flaw

Where previous service marketplaces were rigidly built for standardized work the new platform highlights differences among workers in categories that could benefit from greater diversity in user choices.

Take Outschool an online marketplace for online video classes where teachers are primarily former school teachers and stay-at-home parents. On the platform teachers can develop their own courses or browse a list of courses requested by users. Except for the subject Marketplace's UI emphasizes each teacher's background experience and self-description. Parents and students can message the instructor directly.

For new platforms this model can pose a considerable risk: once consumers are able to continue working directly with their preferred provider they may take that relationship offline. The marketplace can do this by providing workflow tools such as scheduling and invoicing as well as through built-in Additional incentives make it worthwhile for providers and users to stay on the platform. Markets that nurture these direct relationships can also succeed by focusing on areas such as education and coaching where consumers are likely to repeatedly match various needs. Different suppliers over time.

3. They focus on digital products and virtual services

While past generations of startup platforms have typically focused on selling physical products (e.g Amazon Etsy Ebay Shopify) or face-to-face services (e.g Taskrabbit Care.com Uber) newer creator platforms focus on digital products. Designed for packaging and Selling digital products looks different from platforms built for tangible goods.

Podia Teachable and Thinkific (left) are both SaaS platforms that allow creators to create and sell video courses and digital memberships. Previously these types of "knowledge influencers" either had to teach in person (local clients only); or the jerry-rig platform Works with physical products like Shopify; or custom sites like Wix and Squarespace. The new platform leverages the idea that expertise has economic value beyond local face-to-face audiences.

In the interior design market Havenly designers work remotely and interact with clients entirely online. For designers the benefits are a steady stream of clients without the heavy lifting—since Havenly handles the marketing—and the flexibility to work anytime

anywhere. For customers The benefit is access to services that would otherwise be expensive or unavailable.

4. They provide holistic tools to grow and run a business

Unlike discovery-focused marketplaces which monetize through advertising membership fees or new platforms in the creator stack that monetize on lead cost they often monetize through SaaS fees that increase as customers grow. Others take a percentage of the creator's income. This means that the platform is Incentivize creators to succeed and grow rather than driving discrete one-time deals.

Some platforms offer marketing tools such as custom landing page coupons and loyalty programs. Others provide behind-the-scenes support: Walden for example connects new entrepreneurs with strategy and accountability coaches.

Sometimes support may be bundled into a platform that helps the provider do business. For example Prenda—a marketplace managed by K-8 micro-schools—provides teachers (called Guides) with computer software supplies for their curriculum and assists them in passing the necessary oversight requirements and insurance.

5. They completely open the door to new forms of work

The new digital platform enables a form of work we have never seen before:For a broader model of how human capital can spawn new industries look to China. On the microblogging site Weibo for example content such as Q&A exclusive chat groups and invite-only livestreams are sold through membership or a la carte purchases. This sparked a wave Unconventional influencers – financial advisors bloggers and professors – go beyond the typical beauty and fashion tastemaker.

Factors to Consider: Marketplace vs. SaaS

When building a company in this space it's important to consider the needs of the creators you're targeting and the audience they want. There are tradeoffs between marketplaces and SaaS platforms. what's the difference?

The marketplace is completely plug-and-play meaning providers can sign up and start earning with minimal setup. The strength of a market's bilateral network effects is directly related to the value it provides as an intermediary between supply and demand.

An example of this model is Medium which charges readers a subscription fee to access stories across the platform. The money a writer makes is proportional to the amount of time readers spend on the story.

In contrast SaaS platforms require creators to work independently to acquire customers. Such platforms may help with distribution—providing tools for marketing to manage customer relationships and attribution—but users are primarily responsible for growing their businesses. For example sub-stack features include writers homepage mailing list payment analytics and a variety of different subscription offerings. Substack receives a portion of creator subscription revenue.

In the marketplace model authors rely on Medium to drive reader traffic and subscriptions. On a SaaS platform (Substack) authors drive their own direct traffic and subscriptions; they can export subscriber lists at any time.

Looking Ahead

New integrated platforms empower entrepreneurs to monetize individuality and creativity. In the coming years, the passion economy will continue to grow. We envision a future in which the value of unique skills and knowledge can be unlocked, augmented, and surfaced to consumers.

Finally, I say to every member of this new world: If you want to keep your place in the future, you have to accept one condition: “Only work with dreamers.” So... Follow your passion