

## **A Comprehensive Overview of Monetization Strategies in Creative Industries**

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**Abstract:** Currently, the creative business is one of the most dynamically developing areas in the world. However, to survive in this competitive market and successfully monetize their creative potential, it is necessary to create an effective business strategy and choose the most suitable monetization model. This article analyzes various monetization strategies used by companies in creative industries. It begins with traditional and established methods, including Custom Creative Work, Content Mass Production, Complete or partial financing, Subscription, Integrations, and Advertising. It also presents innovative monetization methods such as Crowdfunding, Selling Related Products, Education, and Consulting. The objective of this article is to help readers gain a comprehensive understanding of monetization strategies in creative industries and to guide them in choosing the most effective method for their specific business. The methodology employed in this article includes research and analysis of various monetization strategies used by companies in creative industries, focusing on their practical application. The study's findings demonstrate the importance of selecting the most suitable monetization strategy for a given business and the potential for combining creative businesses with traditional industries to create new products and ecosystems that can increase revenue. This article's implications are significant for newcomers and experienced creative industry businesspeople. By understanding the strategies available, businesses can develop effective revenue models that capitalize on their innovative products and services. Furthermore, the article highlights the need for creative companies to consider alternative monetization strategies to remain competitive in an ever-changing market.

**Keywords:** strategy, creative business, monetization, content, creative, licensing, crowdfunding, ecosystems, programmatic.

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### **Introduction**

With the growing importance of the creative industries and the increasing competition in the global marketplace, it has become essential for companies operating in this sector to develop effective monetization strategies to generate revenue from their creative products and services. This requires a comprehensive understanding of the various monetization methods available to businesses in the creative industry and how to choose the most appropriate approach.

The creative industry comprises various sectors of creative production, including Design (of any product), Publishing (both creators and producers), Visual art (of any media), Cultural sites (of all types), Traditional art (created by the public), Performing arts (from ballet to circuses), Audio-visual (all broadcasts), New media (digital products), and Creative services (creating ideas for others) [1]. These sectors play an essential role in the creative economy and provide opportunities for individuals and businesses to showcase their creativity and generate revenue through various monetization strategies.

**Strategy:** A series of intended, partly instrumental, and partially interpretive actions which is goal-directed and require resource deployment [2]. The monetization strategy of the creative business: A concept that describes how companies operating in innovative industries achieve competitive advantages in the market and obtain commercial results. Creative business is an industry that includes various types of activities related to the production and sale of products and services based on creative and innovative ideas. The creative business strategy also includes choosing the optimal business model, determining the company's competitive advantages, and planning commercial systems. For the successful implementation of the innovative business strategy, it is necessary to have qualified personnel capable of developing and implementing creative ideas and a flexible and adaptive business plan that can quickly respond to changes in the external environment [3].

The financial strategies for SMEs (small and medium enterprises) in the creative industry include as follows based on strength, weakness, opportunities, and threat analysis: communicating with the relevant stakeholders, following partnership programs, improving and developing financial management and records, settling financial obligations and safeguarding the trust of the creditor and using loans for venture capital [4].

### **The Literature Overview**

The body of literature on monetization strategies in creative industries is extensive, encompassing various topics such as marketing, finance, growth, and innovation. Bonita M. Kolb's book, "Marketing Strategy for Creative and Cultural Industries," [2] provides a comprehensive overview of marketing strategies specifically tailored for the creative industry.

The article "Financial Strategy of Small and Medium Businesses in the Creative Industry in Bandung, Indonesia" by Nenden Kostini and Sam'un Jaja Raharja [4] explores financial management strategies that can be used by small and medium-sized businesses operating in the creative industry. Bob Schmetterer's book "Leap: A Revolution in Creative Business Strategy" [5] suggests new approaches to business strategy in the creative sector, emphasizing the importance of creativity, innovation, and collaboration. Anja Förster and Peter Kreuz's book, "Different Thinking: Creative Strategies for Developing the Innovative Business" [6], provides insights on developing innovative strategies for businesses in the creative industry. Margret Sigrun Sigurdardottir's article "Growth Strategies in Creative Industries" [7] explores the growth strategies companies in the creative sector can use to achieve commercial success. In addition, the article "The Crowdfunding Handbook" by Cliff Ennico [8] and the book "Subscription Marketing" by Anne H. Janzer [9] provide insights on specific monetization strategies that businesses can use in the creative industry. Finally, Claudio Dell'Era, Paolo Landoni, and Roberto Verganti's article "From Creative Individuals to Creative Capital: Value Creation and Appropriation Strategies of Creative Knowledge-Intensive Business Services" [10] focuses on strategies for value creation and appropriation in creative industries, specifically in the field of innovative knowledge-intensive business services.

Overall, the literature on creative business strategies provides a wealth of information and insights that can help creative industries achieve success and sustain growth in a competitive global marketplace.

### **Methodology**

For this article, we employed a qualitative research methodology to gather data. Specifically, we conducted 20 semi-structured interviews with founders and top-level managers from creative companies in Russia and the United States. The interviews focused on various aspects of monetization strategies, including their advantages and disadvantages, whether companies used a combination of strategies, and the respondents' familiarity with and use of other strategies. Additionally, we analyzed over 100 practice-oriented publications in media and blogs, interviewed journalists who spoke with founders and top managers in the creative industry, and studied articles written by creative entrepreneurs about their monetization strategies. Finally, we reviewed scientific publications and theoretical literature related to the topic. The utilization of this approach enabled us to gain insightful and practical knowledge of the monetization strategies used by companies in the creative industries, their effectiveness, and potential drawbacks.

### **Results**

The 20 interviews conducted with owners and top-level managers in the creative industry revealed several exciting insights into the monetization strategies used by companies in this sector. Firstly, we found that companies often combine different strategies rather than relying on a single approach. Secondly, we identified seven of the most popular monetization strategies currently used in the creative industry, along with their benefits and drawbacks. These strategies included subscription-based models, the sale of Products and services, advertising, sponsorships and partnerships, crowdfunding, licensing, and leveraging intellectual property. Finally, we found that companies in the creative industry face unique challenges when it comes to monetization, such as the need to balance creative freedom with commercial success and the difficulty in valuing intangible assets such as intellectual property.

We discovered that there needs to be more up-to-date literature in academic research that provides a comprehensive classification and description of the most popular monetization strategies used in the creative industry today. For example, according to the research of Dell'Era, C., Landoni, P., and Verganti, R., a study was conducted based on 8 case studies of creative Knowledge Intensive Business Services (KIBS) to identify and analyze value creation and appropriation strategies adopted by creative KIBS. Based on a theoretical framework derived from the literature and built on three pillars (Unique Assets Development, Unique Assets, and Unique Assets Value Appropriation), they propose a taxonomy of value creation and appropriation strategies adopted by creative KIBS. This taxonomy is based on four categories of Unique Assets Development (Trend Analyses, Meta-projects, Binding Projects, Pioneering Projects), six categories of Unique Assets (Superstar, Brand, Expertise, Methodology, Broker, Mediator), and six categories of Unique Assets Value Appropriation (Subsidiaries, Commercial Partnerships, Adding up, Adding down, Dissemination, Productization) [10].

Since the publication of Dell'Era, C., Landoni, P., and Verganti, R.'s article [10], eight years have elapsed, and we posit that the list of strategies for creative businesses has undergone evolution and expansion with the emergence of new types of strategies owing to digitalization. Consequently, our research has culminated in identifying seven of the most prevalent strategies and several less common ones.

As a result of interviews with founders and top managers and an analysis of publications on practical experience, we have identified eight main monetization strategies and grouped them by popularity, innovation, and effectiveness. The most popular strategies were custom creative work, content mass production, subscription, integrations, advertising, education, and consulting. Less common strategies include crowdfunding, selling related products, and full or partial financing. According to the respondents, the innovation of monetization strategies depends on the creative industry sector. However, the most effective strategies are those related to individual work and subscriptions. As additional findings, we also noted that companies that combine multiple strategies usually have a more stable and prosperous monetization model.

Table 1. Popular Monetization Strategies for Creative Businesses - Popularity, Innovation, and Effectiveness Analysis.

Strategy	Popularity	Innovation	Effectiveness
Custom Creative Work	High	Medium	High
Content Mass Production	High	Low	High
Complete or Partial Financing	Medium	Medium	Medium
Subscription	High	High	High
Integrations and Advertising	High	Medium	High
Crowdfunding	Medium	High	Medium
Selling Related Products	Medium	Medium	Medium
Education and Consulting	Low	High	Medium

**Note:** The table is based on the perceptions of the 20 top-level managers interviewed and should not be considered definitive or representative of the entire creative industry. Popularity refers to how frequently the strategy was used, innovation refers to the level of originality or novelty of the strategy, and effectiveness refers to the perceived success of the strategy in achieving monetization goals.

### The Overview of Monetization Strategies in Creative Industries

Through conducting interviews with employees in the creative industries and examining business and academic literature, as well as practical field research in the form of blogs and media articles, we have identified seven of the most popular strategies, described their advantages and disadvantages, and supplemented them with practical examples from the industry.

Let us take a closer look at them:

#### 1. Custom Creative Work

The Custom Creative Work strategy involves creating an individual product or service based on the client's requirements and needs. A company using this strategy may offer clients services for developing design, advertising materials, video and photo production, audio and textual content, and other creative products.

The main advantage of this strategy is the ability to create exclusive products that meet specific client requirements and satisfy their individual needs. Additionally, businesses can quickly adapt to changes in clients' demands and the market using this strategy. However, the disadvantages of this strategy include difficulty in scaling up and the risk of not getting orders. An exclusive product may be sold at a high price, but its production is limited. Furthermore, companies using this strategy may compete with other creative companies and freelancers offering similar services. There is also the risk of a mass-produced counterpart (template product) appearing at a significantly lower price, which many clients may prefer.

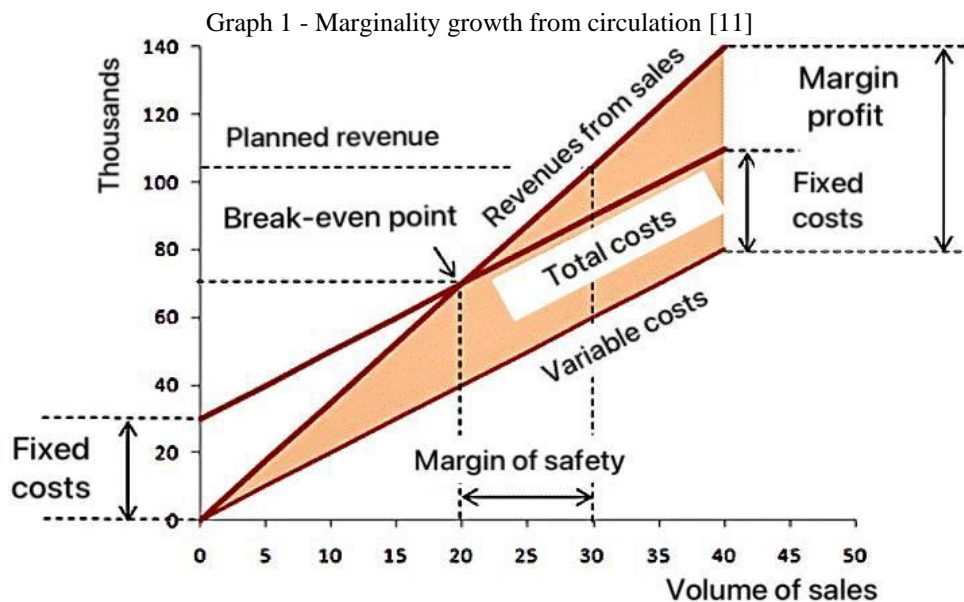
An example of custom creative work with the risk of mass-produced counterparts at a lower price could be mobile app development. When the industry emerged, app development was expensive and exclusively done on demand, requiring the involvement of highly qualified developers. However, demand for the service grew, and the market responded by introducing templates and builders that people with minimal qualifications could use to create mobile apps with little effort. This business segment began to monetize by mass production, which

is discussed in the following paragraph: simple apps became template-based and ceased to be produced on demand. Highly qualified specialists still produce complex and unique solutions for individual technical tasks.

It is also worth considering that clients who order exclusive products may have high requirements and expectations, which can create difficulties in the development and production process. Moreover, technical and organizational problems may arise during the work, affecting the order's delivery time and quality. Nevertheless, the Custom Creative Work strategy remains popular in creative industries since it allows companies to offer unique and personalized products and services, satisfying the specific needs of their clients.

## 2. Content Mass Production

This strategy involves creating products that can be sold in large quantities. This category includes films, games, applications, music, and other products that can be sold to the mass consumer. This strategy has a high potential for profit growth but also requires high investments in product production and promotion. The marginality growth from the circulation graph can help assess how the profitability of a product changes with an increase in production volume (Graph 1). Accounting for the share of fixed costs that do not depend on circulation and the share of costs per unit of the product allows for a more accurate assessment of the scaling effect on the product's profitability.



In the graph, the X-axis represents the sales volume (circulation), and the Y-axis represents the margin, i.e., the difference between the sales revenue and variable costs divided by revenue [11]. At the initial stages of production, with a small circulation, the margin can be low or even negative due to high fixed costs, which are spread over a small volume of production, and a high share of costs per unit of the product. However, with increased production volume (circulation), the margin can start to grow, as fixed costs can be distributed over a larger production volume, and the share of costs per unit of the product can decrease.

An example of content mass production with changing margins could be book production. Suppose an author releases a book in a limited edition, for example, 1000 copies. At the initial stages of production, with a small circulation, the author may face high fixed costs, such as editing, layout, cover design, printing, etc., which must be distributed over a small number of books and a high share of costs per unit of the product. In this case, the margin (the difference between the selling price and variable costs) may be low or negative, meaning that the author may receive little profit or incur losses from selling a limited edition. However, with increased production volume (circulation), for example, when releasing 10,000 copies, fixed costs can be distributed over a larger production volume, and the share of costs per unit of the product can decrease. This can lead to margin growth, as the author can profit more from each sold book. Thus, the margin of content during mass production can vary depending on the production volume, and with increased circulation, the author can earn higher profits.

Mass production is a relatively new monetization format used in creative industries to generate high profits from the mass production of innovative products. However, to successfully use this strategy, it is necessary to consider many factors, including fixed costs, costs per unit of the product, and potential demand for the product.

### **3. Complete or partial financing**

The complete or partial financing model implies receiving grants and other financing from governmental or private organizations. The main goal of this strategy is to obtain usually non-repayable financial resources for creating and promoting innovative products. Examples of financing in creative business can include the following:

- **Governmental grants:** Both creative and cultural industries are similar to any other type of business organization in that they use resources to produce a product that customers will purchase. However, nonprofit cultural organizations are uniquely defined as producing a product for which insufficient consumer demand exists. As there will never be more customers purchasing the product to cover the production costs, it will never generate excess revenue to produce a profit. These nonprofit organizations supplement the insufficient revenue from customers through individual donations and government grants [10]. Profitable creative companies can also apply for government grants to cover the costs of specific products or events. This can be especially useful if the company is working on a project that does not bring immediate profits but has the potential to become profitable. In addition, government grants can help profitable companies finance events that have significant cultural value but do not generate enough profit to cover the costs.
- **Private sponsorships:** Companies or private organizations can also finance creative projects as part of their social responsibility or marketing strategies. For example, a telecommunications company may sponsor cultural events to improve its image or attract new customers.
- **Venture financing:** Investors can also invest in creative projects, expecting to profit from their successful implementation. For example, venture capital firms can invest in startups developing new technologies in digital products.

However, the strategy of financing in the creative business can also be influenced by some difficulties, such as a limitation on the freedom to dispose of funds (Grants and other forms of financing may be provided for specific purposes and used only within the framework of declared projects. This may limit the entrepreneur's freedom to dispose of funds and change project plans during implementation. In some cases, especially for startups or small businesses, financing through grants or other sources may be limited or insufficient); restrictions on earning income from other sources (Some grants or forms of financing may restrict earning income from other sources to avoid conflicts of interest or ensure the targeted use of funds); competition for financing (Competition for grants and other forms of financing in the creative industry can be high, as many entrepreneurs and companies may be vying for limited resources).

The complete or partial financing method is traditional. It had existed for a long time when the government or private sponsors took on the expenses of creative projects and supported the activities of outstanding creators. For example, In 2018, the government and the creative industries sector in Great Britain, through the Creative Industries Council, have agreed on a Sector Deal, which will invest more than £150 million across the lifecycle of creative businesses, including places of the future – by funding leading creative clusters to compete globally; technologies and content of the future – via research into augmented reality and virtual reality; creative skills of the future – via a careers program that will open up creative jobs to people of every background [12]. Thus, the total or partial financing method of creative projects can be implemented through government grants, private sponsorships, and venture financing. However, such a strategy may limit the entrepreneur's freedom to dispose of funds, and competition for grants can be high.

### **4. Crowdfunding**

Getting investments through crowdfunding is a more innovative approach than financing through grants. This strategy for obtaining financial resources is becoming increasingly popular. When using crowdfunding, the project creator's idea is funded by small amounts from many people (so-called "sponsors"). This often happens through specialized online platforms. The main goal of this strategy is to gather enough funds to carry out the project, attracting support from the community and interested individuals [13].

Crowd Games is a startup that localizes and releases popular board games from around the world in Russia, and they use the "Boomstarter" platform to collect pre-orders. The company "Tech Gadget" used a crowdfunding platform popular in Russia to attract additional funds. They developed a detailed project plan on the platform, describing their products, advantages, goals, and plans for using the funds collected. The company's most successful project is the game "Sickle." It is a board game where players develop one of the factions in an alternative Europe of the 1920s and compete with neighboring factions. The game was also popular on international crowdfunding platforms. For example, the "Kickstarter" platform raised \$1.8 million

monthly. They offered various support options for the project, ranging from small amounts to more significant investments, and offered special rewards and bonuses for sponsors. As part of the rewards, 430 boxes were sold for 4,400 rubles each. An English-language add-on was also offered, purchased 435 times for 1,590 rubles. The most expensive lot included eight boxes with the game and add-ons, priced at 31,920 rubles, and was sold 53 times [14].

Thus, crowdfunding allows a startup to attract funding from many people gathering the necessary funds for the project, receiving support and interest from the community. This innovative approach is becoming increasingly popular for financing projects, especially in startups and innovation. The advantages of crowdfunding include the possibility to attract funds from a broad audience (crowdfunding allows project creators to attract funding from people worldwide, which can be particularly useful for projects with limited access to traditional funding sources); interaction with the community: crowdfunding also allows project creators to interact with their supporters, build relationships, and involve them in the project's development.

However, some challenges of crowdfunding include competition for attention and sponsorship on crowdfunding platforms can be high; restrictions on the use of funds (When using crowdfunding, project creators may face restrictions on how they can use the funds raised); dependence on project success: If a project cannot raise enough funds, creators may face difficulties realizing their idea or product; uncertainty in investor relationships (Crowdfunding can also create challenges in relationships with investors, as project creators may face high expectations and pressure from sponsors to complete the project and deliver promised rewards successfully). For these reasons, not all crowdfunding projects achieve their goals. Projects may need more attention from potential sponsors or a wider audience due to many projects on crowdfunding platforms, information overload online, or ineffective marketing efforts by project teams. Lack of visibility on the platform and a small number of interested parties can hinder the ability to attract enough sponsors and negatively impact the project's success. Some projects may also need help managing funds or fulfilling obligations to sponsors.

Crowdfunding can finance projects such as creating new products or technologies, organizing events, supporting research in various fields, producing movies, printing books, developing video games, and other creative projects. Additionally, a specific type of crowdfunding is one-time support or donations, often requested by content creators from their followers. Many content platforms, such as YouTube, TikTok, and others, have automated this method of material support for authors and have built-in buttons for sending donations. Crowdfunding is an innovative approach to project financing that is becoming increasingly popular. It allows project creators to attract funding from a broad audience, interact with their supporters, and involve them in the project's development. However, there can be competition on crowdfunding platforms, and project creators may face restrictions on how to use the funds raised.

**5. Subscriptions**

Subscription is a business model where content, goods, or services are created and made available through subscription. This strategy allows content creators to receive a steady income from their products, as users pay regular fees for access to the product. It has high growth potential, particularly in the digital media industry [15]. Below is a table illustrating the advantages and disadvantages of the subscription model for content or services that respondents mentioned in interviews.

Table 2 - Advantages and disadvantages of the subscription model

Factor	Advantages	Disadvantages
Impact on other monetization methods	Increased revenue from producing exclusive content: Producers of exclusive content or providers of unique services may have higher revenue from paid subscriptions than from advertising views from a wider audience with free access.	Decreased revenue from other monetization methods: Limiting access to the most valuable content leads to a general decrease in traffic and a decrease in revenue from other monetization methods, such as programmatic or advertising; at the same time, free access to a large portion of content reduces motivation to subscribe.

Customer loyalty	Increased customer loyalty: Subscription creates closer relationships with customers, which means they have continuous access to the product and can become more loyal and long-term customers.	Dependency on the customer base: A subscription-based business may be more vulnerable to changes in the customer base, as it is the primary source of revenue, and losing subscribers can reduce revenue and profit.
P&L	Stable income: Subscription allows content creators to receive a stable income, as users pay regular fees for access to the product, often automatically deducted, which can ensure a continuous flow of funds.	Need for subscription management: A subscription-based business may require additional resources to manage subscriptions, including payment processing, subscription cancellations, customer support, and other aspects of the subscription model.
Market growth	High growth potential: The subscription model has high growth potential, especially in the digital media industry, as it can attract many subscribers and generates stable income.	Competition in the subscription market: With the increasing popularity of the subscription model, competition in the market can become more intense, requiring constant product improvement and innovation.
Quality of content and service	High-quality standard: The shift to a subscription model itself obliged to adhere to high-quality standards, which is a compelling motivation for the content or service provider team.	Need for regular content and service updates: Content creators must regularly create new content and improve the service to maintain subscriber interest, which may require additional resources and effort.

Creating a high-quality product to attract and retain users is necessary to implement a subscription-based business model successfully. This can include informational articles, news, audio and video content, educational courses, music, games, and other digital products. It can also include goods or services, such as meal delivery programs, delivery of new cosmetics, weekly cleaning services, regular discounts on taxi services through a subscription, and regular supplies of "consumables" for children or pets. An example of the successful use of the subscription-based business model is Spotify (a popular music streaming platform). They offer various subscriptions with different access levels to music content, such as ad-free listening, offline mode, high-quality sound, and other benefits. Users pay for a monthly subscription to access the music content, allowing Spotify to generate a stable income and develop as a company. However, it should be noted that creating high-quality subscription products requires significant investments. These may include product production, marketing, infrastructure support, and other expenses. Therefore, successfully implementing a subscription-based business model requires careful planning and financial resource management.

In conclusion, subscription is an effective funding strategy that allows creative businesses to generate stable income from their products. However, it also requires significant investment in creating high-quality products, marketing, and support to attract and retain subscribers and ensure business growth and development.

## 6. Integrations and Advertising

Creative businesses often generate revenue from selling space, time, or areas. Advertising can be integrated natively, without special marks, and be similar to the leading creative, or stand out with marks. In addition, content platforms commonly use programmatic services and monetization models for content creators. Three parties can earn from the "Integrations and Advertising" strategy distributors' platforms, where the content is placed (media, social network, application, aggregator); services for centralized advertising placement (programmatic platforms); content creators.

When using an individual approach, when an advertiser works directly with an author, it is possible to use an advertising model in the integration format. In the integration, the advertising material is embedded in the main content to smoothly and naturally interact with the audience. For example, a brand mention may be softly integrated into an article in the media, a character in a movie may be shown driving a specific car, or a blogger may have a drink on the table they are promoting.

Direct advertising is not integrated and reproduced in separate blocks, such as website banners, commercial breaks in videos, or advertising inserts in music streams. It is more often marked with labels and is more strictly regulated by legislation. For example, audio ads may be played between tracks when listening to

music on streaming services, such as Spotify or other online radio stations, or played in between tracks. Automated advertising placement using programmatic services is a popular method. Programmatic is used to automatically aggregate ad listings from multiple advertisers and distribute them across various content platforms. Content distribution platforms can connect to programmatic services and designate certain positions for displaying ads on their resources. The main mechanisms of programmatic services are automatic ad selection (Programmatic advertising uses machine learning algorithms and technologies that analyze user data, context, and other factors to automatically select the most suitable ad for display on the website); playback on designated positions (Website owners can pre-determine positions on their resources where they want to display ads, such as banner slots, side panels, or pop-ups. Video and audio hosting platforms can choose specific time slots within videos or before playback begins. The programmatic service automatically plays ads in these designated positions under pre-established rules and settings); calculation of payment to the content distribution platform (Programmatic services also allow for the automatic calculation of payments to platforms for displaying ads on their resources and simplify calculations with advertisers).

Depending on the business model, ads may have costs for clicks, views, user actions, or other metrics. Automatic payment calculation is based on data on ad impressions and user actions. Accounting is simplified because instead of multiple payments from different clients, calculations are made with one or several major platforms. For example, the company Adlook specializes in website monetization through video advertising. Founded in 2018, the company has already shown over 4 billion advertising creatives and paid publishers over 260 million rubles. The company offers various video advertising formats, such as in-stream, out-stream, direct js-tag distribution, vast/paid, and sending traffic to the endpoint [16].

Not only content platforms but also authors can earn money from automated ad displays. Monetization for authors involves creating popular content on a particular platform, such as a video hosting or social network, and receiving a share of advertising revenue proportional to the popularity of their content. The more revenue the platform earns from displaying ads while users are watching the author's content, the more revenue the author will receive. The author's income can be calculated based on various metrics such as impressions, views, clicks, and other user actions related to advertising content. The monetization model for authors on YouTube has proven effective and has become a popular way to earn money for many bloggers. One successful example of using this model is PewDiePie, which earned millions of dollars from advertising revenue on YouTube.

Earning revenue from ads and integrations is a popular monetization strategy in the creative business. Content creators and distributors can earn revenue from selling ad positions on content platforms. The emergence and widespread adoption of automated monetization models and programmatic technologies speak to the popularity of this strategy among content platforms, content creators, and advertisers.

## **7. Related products**

The model of monetizing creative business through sales of related products is a common way of earning additional income for brands and celebrities. It is based on using the popularity and recognizability of a brand or celebrity to promote and sell products under their name or logo. This monetization model can be applied in many industries, including fashion, sports, entertainment, culinary, and technology. For the successful implementation of this monetization model, a brand or celebrity must have a strong image and a loyal audience willing to purchase products associated with their name or logo. The easiest solution is to produce branded items such as t-shirts, hats, bags, and more is the easiest solution. A famous brand or personality can attract fans who want to buy such products and become part of the community.

In some cases, brands and celebrities may use an "exclusivity" strategy to sell their original collections or items. This strategy may include claims that the celebrity personally developed the product, such as a perfume scent, making it more rare and unique. Such claims can attract the attention of buyers interested in purchasing a product closely related to the celebrity's personality. They may consider that such a product will reflect the unique style and taste of the creator, which, in turn, can bring them closer to their personality.

This strategy can effectively promote a product if the celebrity has a good reputation and a loyal audience willing to purchase products created under their name. In addition, to effectively use this strategy, the product must be truly unique and of high quality to justify its cost and attract buyers. However, such claims may also raise questions from consumers about the extent to which the celebrity personally participated in the product development and how unique it is. Therefore, for the successful implementation of this strategy, brands and celebrities must be honest and transparent about the product development process and ensure the high quality of the product to meet the expectations of their buyers. An example is the product from video blogger Valentin Petukhov, known as Wylsacom, who is hugely popular on YouTube. He developed a unique product in the Russian fintech services market - a payment ring made of precious silver with a rhodium coating. This ring is the result of the collaboration of several companies, including the Russian company PayRing, which provided the technology for its manufacture, and MTS Bank, which provides banking services in connection with the use



of the ring. Valentin Petukhov organized this collaboration and is responsible for the product's commercial success. The ring was presented on a big stage and shown to the entire audience of the Wylsacom channel [17].

Thus, selling branded goods can be profitable for a famous brand or celebrity, as they can receive additional income from selling goods and improve their image and recognizability. For small, starting brands, this way of receiving financial support from a loyal audience can also be justified, even if the user does not directly donate by transferring funds but instead purchases a product, even if it is above the market price.

## **7. Education and consulting**

Often, manufacturers of innovative products monetize not only their products but also their knowledge and unique expertise. By selling their knowledge and expertise along with the product itself, the manufacturer can generate additional income and open up new sources of revenue. This can also help the manufacturer become a leader in their niche and establish themselves as an expert in the field, which can attract new customers and increase the loyalty of existing ones.

An example of this approach is Bob Ross, a popular American painter known for his televised video tutorials on oil painting. He created his painting technique, called "wet-on-wet," and conducted lessons where he demonstrated his approach to creating landscape paintings. Bob Ross became known thanks to his lessons, where he explained his methods and shared his knowledge and techniques with millions of viewers. However, Bob Ross conducted free television lessons and monetized his knowledge and expertise. He also sold his courses and video tutorials on DVDs and offered books, brushes, paints, and other products related to his painting techniques. Thus, he not only earned money by selling his paintings but also by providing access to his lessons and selling his products. With his video lessons and the sale of his products, Bob Ross was able to establish himself as an expert in the field of oil painting and create his successful brand line of products. His unique approach to painting and accessible teaching attracted many fans and became a source of additional income for him.

Therefore, monetizing the knowledge and unique expertise of manufacturers of innovative products can bring additional income and help them establish themselves as experts in their niche, become leaders, and attract new customers, increasing the loyalty of existing ones. Monetizing knowledge in unique expertise opens up new opportunities for manufacturers of innovative products, promoting their growth and development.

## **8. Additional strategies**

There are rarer, combined, and derivative strategies, such as selling licenses for creative works, patents, franchising, creating holding companies under a creative brand, and consulting. Talented business people can also allow others to use their already established brand for creating joint projects, such as co-authoring books, music collaborations, or artist features. Combining creativity with more conservative industries and generating new products and ecosystems is possible. Overall, there are many opportunities, and only talented business people can use them for their purposes. Examples of such strategies may include:

- **Selling licenses for creative works, patents:** Companies or individual authors can sell licenses for their creative works, such as photos, music, videos, software, or inventions. An example could be the company Shutterstock, an online platform specializing in selling licenses for photos, videos, vector images, music, and other creative works. Photographers, videographers, musicians, and other authors can upload their works to the Shutterstock platform and sell licenses.
- **Franchising:** Companies can use the franchising model, where they grant the right to use their creative brand and business model to other companies or entrepreneurs in a particular territory. For example, the company "Painting with a Twist." This is an American network of painting studios where customers can attend painting classes in an informal setting, under the guidance of experienced artists, and create their works of art. "Painting with a Twist" grants the right to use its creative brand and business model to franchisees in a specific territory. Franchisees receive all the necessary tools and resources to open and successfully run their painting studio, including staff training, the development of unique painting lessons, marketing support, and technical support. Franchisees of "Painting with a Twist" can adapt the business model to their local market situation, choose a convenient location for their studio, and use the corporate brand and recognition of "Painting with a Twist" to attract customers. The company also provides regular updates to training programs and resources to support franchisees in the successful operation of their studios.
- **Creating holding companies under a creative brand:** Companies can create holding companies or alliances that bring together multiple businesses under a shared creative brand. For example, The Walt Disney Company combines many different businesses, such as movie studios, amusement parks, television networks, children's products, and others, under the unified Disney brand, allowing them to increase revenue

and create synergy between different businesses. Disney is not in the movie business or the theme park business, or even the entertainment business. Disney is in the business of making people happy [5].

- **Joint projects and collaborations:** Companies and individual creators can collaborate with other businesses or creative personalities to create joint projects, such as co-authored books, music collaborations, joint clothing collections, or design projects. One well-known example of such collaboration is the song "Despacito," performed by Puerto Rican singer Luis Fonsi and rapper Daddy Yankee. This song, released in 2017, became an international hit and broke many records, including the most extended stay at the top of global charts. The collaboration between two artists with different music styles, performances in different languages, and various musical elements led to the creation of a popular and successful composition [18].

Combining creativity with more conservative industries: Companies can combine creative and innovative ideas with more traditional industries or products to create new products or ecosystems. For example, Nike, one of the leading brands of sports apparel and footwear, actively uses virtual fitting rooms in the metaverse to attract and interact with consumers. The metaverse is a virtual reality where users can create and customize virtual characters and interact with other users. Nike offers its customers the opportunity to use virtual fitting rooms to try on virtual models of their sneakers before purchasing. Users can create a virtual character, choose a Nike sneaker model, and visually "try on" the sneakers on their virtual character in the metaverse. This allows Nike customers to interact with the brand's products in a virtual environment, determine the most suitable option before making a purchase, and get a new experience of trying on clothes in a unique metaverse. It also helps the Nike brand attract the attention of young and technologically advanced consumers, demonstrating an innovative approach to online sales and creating additional sources of income in the virtual environment [19].

Another example is, Churches in Western Europe are faced with dwindling congregations, not to mention the falling numbers of those going to confession. In order to remedy this situation, the German Catholic organization 'Kirche in Not' decided to take an unusual step. Under the motto 'Confession made easy,' it set up the Mobile Confessional, a specially equipped VW camper van where priests take confession 'on tour.' The Mobile Confessional service was established under the auspices of the Bishop of Eichstätt, Dr. Walter Mixa, and it is accessible to parishes and religious communities free of charge. The project aims to give people the opportunity to speak to a priest, to obtain spiritual counsel or, if desired, to confess and obtain absolution, not only at organized events such as the World Youth Conference but also in the course of their everyday lives, in public places [6].

Overall, these examples demonstrate the diversity of strategies that can be used in the creative business sphere. They allow talented business persons and entrepreneurs to use their creative potential, monetize their creative works, and create innovative products and services. Combining different strategies and approaches can be an effective way to develop a creative business and achieve success in the market.

### **Conclusion**

This article presented the main methods of monetizing creative businesses, as well as their advantages and disadvantages. Studying these methods and strategies can help entrepreneurs determine the optimal strategy for their creative business and choose the most effective ways to generate commercial benefits from creative activities. The creative business is an area where an innovative approach and a willingness to take risks are essential. However, with the help of the methods and strategies presented in this article, entrepreneurs can reduce risks and increase the likelihood of success for their businesses.

Choosing an effective monetization strategy is an essential aspect of the successful operation of a creative business. There are several diverse monetization strategies, such as custom creative work, content licensing, financing, crowdfunding, subscription, advertising, selling related products, consulting, and combined and derivative strategies. It is crucial to approach the choice of a monetization strategy carefully, considering the specifics of one's business and the audience's expectations. Combining different monetization strategies or experimenting with non-standard approaches can be a successful solution. As a result of a well-developed and implemented monetization strategy, creative entrepreneurs can achieve financial success and long-term sustainability in the competitive creative business market.

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