

Twitter Thread by [Lillian Li](#)



[Lillian Li](#)

[@lillianmli](#)



1) Let's talk about a key part of the Chinese creator economy. The creator management and incubator agencies known as Multi-Channel Networks (MCN). We'll summarise key lessons for the western creator economy.

And know how Li Ziqi got her 12m YouTube subscribers

2) MCNs are modern-day talent agencies (but more) who target influencers and creators as their clients. It originated in the US but has proliferated in China, with industry estimates of 5k-7k Chinese MCN operating as of 2020.

3) Typically, as creators gain enough following, they find it difficult to be an-all-in-one content creator, editor, customer support rep, accountant, lawyer, and marketing guru that the job demands.

Enter the MCNs who offers the creator the following:

4) Audience and traffic growth, PR management, monetisation through ads & e-commerce and support with retail fulfillment.

Their services are more holistic than western MCNs, who's offerings are more domain-specific.

5) Agreements between Chinese MCNs and creators can get into guarantees of the number of followers provided, copyrights, subtitling and distribution help, as well as providing analytical feedback on their content.

6) Monetisation methods are also more varied. Whereas the majority of western creators monetise through ads. The majority of Chinese creators monetise through retailing. Opening up a Taobao store or holding livestreaming e-commerce session to do this is the norm.

7) The MCNs will charge a cut of GMV sales from these sales, typically a 30%-70% split with the creators. In most cases the creator is only responsible for the goods' promotion and MCNs would be in charge of production, fulfilment and post-sale support.

8) At this point, you might recognise that MCN are a combination of talent agencies and 3PL and you'd be right. The lines between entertainment and commerce are blurred in China.