



CLANCONNECT RECEIVES THE 2023 COMPETITIVE STRATEGY LEADERSHIP AWARD

*Identified as best in class in the global creator
economy industry*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. ClanConnect excels in many of the criteria in the creator economy space.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

The Creator Economy: A Multi-billion Dollar Market Opportunity

The creator economy has rocketed into a multibillion-dollar industry. Unprecedented digitalization across sectors, accelerated by the COVID-19 pandemic, and increasing Internet exposure with time spent online climbing to almost seven hours a day, led to the rise of a creator economy where individuals build online identities to earn an income by monetizing their unique talent or skills.¹ As creators have become increasingly professional in producing content and managing their careers, they generated an estimated \$104.2 billion in revenues (2022)². Consequently, global brands increasingly use influencers in their advertising campaigns to support their sales channels. Although successful content creators receive high levels of attention and admiration from their fans, they have a more personal connection with their viewers (when compared to the celebrities and film stars of the pre-influencer era). With consumption patterns in the creator economy increasingly transitioning from large brands to individual creators, regional content emerges as a significant driver. There is a noticeable turn toward individuality and content authenticity. Also, consumers want to self-curate the content they consume and yearn to become part of a community. Most importantly, reduced attention spans are responsible for the shift to bite-sized formats that deliver instant gratification (e.g., short-form videos and micro-blogging).³

¹ <https://datareportal.com/reports/digital-2022-time-spent-with-connected-tech>

² <https://www.vdocipher.com/blog/creatoreconomy/#:~:text=The%20creator%20economy%20is%20now,reach%20%24104.2%20billion%20in%202022>

³ <https://www.kalaari.com/wp-content/uploads/2022/01/Creator-Economy-Kalaari-Capital.pdf> (Accessed April 2023)

Over 52% of the creator pool only started to post social content in 2020, clearly indicating the creator economy's robust growth trajectory.⁴ A recent global study finds that 23% of people across surveyed countries (United States [US], Germany, Japan, Brazil, France, Spain, Australia, South Korea, and the United Kingdom) contribute to online spaces, translating to 303 million creators in these markets. While 6 in 10 creators have full-time jobs, specific geographies (i.e., Australia, Brazil, and Japan) have a higher

"The company delivers unparalleled transparency through its data-driven approach, empowering any brand, startup, or small or medium-sized enterprise (SME) to run a successful influencer marketing campaign. Frost & Sullivan recognizes that ClanConnect's scalable and transformative solutions, advanced by its innovative business model, fundamentally disrupt the marketing agency model."

**- Riana Barnard,
Best Practices Research Analyst**

share of part-time creators.⁵ About half of the creators earn money from their posts, although 75% of these monetizers only started earning income within the past year. Interestingly, 2 in 10 creators own and manage a content-related business. More specifically, 22 million (or 26%) creators in the US are also business owners.⁶

Founded in 2019 and headquartered in New Delhi, India, ClanConnect provides an artificial intelligence (AI)-powered influencer marketing platform that enables brands, agencies, and micro-entrepreneurs to leverage influencer activation while maximizing engagement opportunities for small-scale influencers. The company delivers unparalleled transparency through its data-

driven approach, empowering any brand, startup, or small or medium-sized enterprise to run a successful influencer marketing campaign. Frost & Sullivan recognizes that ClanConnect's scalable and transformative solutions, advanced by its innovative business models, fundamentally disrupt the marketing agency model.

Closing Gaps: A Competitive Edge through a Unique Strategy and Innovative Business Models

It has been quite a journey since Sagar Pushp, Chief Executive Officer, and the ClanConnect team established its minimum viable product concept in 2019. At the onset of the COVID-19 pandemic, the founders raised seed funding for their product, which they released in 2020. Today, ClanConnect's platform acts like a marketplace, enabling advertisers, creators, and influencers to participate, interact, and benefit from a burgeoning creator economy.

One of the challenges in the influencer marketing ecosystem is celebrity influencers who tie up with prominent brands for large-scale campaigns, negatively impacting opportunities for small-scale influencers. While brands often use their entire influencer marketing budget to interact with the top percentile of influencers, micro-entrepreneurs (e.g., restaurants, bakeries, salons, and spas) have restricted budgets that do not allow them to join the influencer bandwagon. ClanConnect also recognized that it has to differentiate itself to outperform competitors (i.e., often large media technology enterprises) as the company can easily get lost in the crowd. To ensure steady growth over the long run, ClanConnect

⁴ https://s23.q4cdn.com/979560357/files/Adobe-%27Future-of-Creativity%27-Study_Creators-in-the-Creator-Economy.pdf (Accessed April 2023)

⁵ <https://acrobat.adobe.com/link/track?uri=urn%3Aaaid%3Ausc%3AUS%3Ac6b798d2-0c10-32e6-ad9a-468a2312f0ac&viewer%21megaVerb=group-discover> (Accessed April 2023)

⁶ <https://www.kalaari.com/wp-content/uploads/2022/01/Creator-Economy-Kalaari-Capital.pdf> (Accessed April 2023)

recently removed the platform fee for brands, agencies, and micro-entrepreneurs to democratize influencer marketing. By removing entry barriers, particularly relevant for small companies, anyone can use the platform to leverage influencer activation at no cost. This intervention shifts the dynamic. Making the demand side free encourages brands of all scales and sizes to join the platform, post a campaign brief, and launch it. On the supply side, ClanConnect takes a small subscription fee (i.e., less than a coffee at Starbucks), which allows small-scale influencers to access every campaign on the platform and gain traction in brand associations.

In addition to its existing campaign model (where the team defines the scope of work and executes it as a one-time project cost), the company introduced a cost-per-view model to bring influencer marketing in

“In addition to its existing campaign model (where the team identifies the scope of work and executes it as a one-time project cost), the company introduced a cost-per-view model to bring influencer marketing in line with other digital advertising features. This outcome-based engagement model safeguards a brand’s return on investment and enables engagement with micro and nano creators by setting specific requirements and fixed deliverables. Furthermore, its more recent conversion-driven affiliate model combines the existing pay-per-campaign model with its cost-per-view and affiliate approach to help brands increase awareness, reach, and revenue through refined and more impactful influencer marketing efforts.”

**- Akshay Menon,
Senior Industry Analyst**

line with other digital advertising features. This outcome-based engagement model safeguards a brand’s return on investment and enables engagement with micro and nano creators by setting specific requirements and fixed deliverables. Furthermore, its more recent conversion-driven affiliate model combines the existing pay-per-campaign model with its cost-per-view and affiliate approach to help brands increase awareness, reach, and revenue through refined and targeted influencer marketing efforts.

ClanConnect’s industry-first steps, supported by innovative business models, have resulted in a significant upturn on the platform, including lead generation from smaller agencies and startups. The company also offers a fixed commission model for large-

scale agencies and marque brands where a professional team designs and executes a best-in-class campaign at a percentage of the budget.

Frost & Sullivan believes ClanConnect is uniquely prepared for today’s demands and exceptionally positioned for tomorrow’s needs. Its clear strategic vision and execution underpin its partner-of-choice status and support sustainable growth for years to come.

Roadmap to Success: Customer-centric, Continuous, Proactive

With its customer-centric corporate philosophy, ClanConnect operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company’s daily practices.

For example, ClanConnect is certified as a safe-listed solution provider. Whenever an influencer registers on the platform, the company can share their deterministic data (e.g., reach, impressions, audience growth rate, engagement rate, amplification rate, virality rate, video views, and video completion rate) with a brand. Furthermore, the ClanConnect campaign configurator feature allows brands to enter the

top-line metrics of a specific campaign (e.g., the objective, budget, and the kind of influencers they want to engage with), whereafter the platform can generate three to four top recommendations. With a pool of about 42,000 influencers on the platform, this capability immediately shortlists the most suitable influencers to drive a specific objective linked to a particular campaign, saving the brand time, costs, and effort. Notably, the platform has a proven record of accurate AI-based recommendations. ClanConnect is also working on a proof-of-concept feature that will allow brands to seamlessly create and send affiliate tracking links to influencers who registered interest on the platform. With the company's proprietary machine learning capabilities, it leverages previous knowledge (i.e., recommending the most suitable, best-equipped influencer for a brand's particular objective) to create a baseline of past learnings to drive future improvement.

To this end, ClanConnect's end-to-end solution becomes a source of truth, showing critical metrics (e.g., influencer content-driven brand sales) that are visible to both parties. This transparent approach establishes ongoing trust between all participants, building long-lasting relationships throughout the service lifecycle.

Positioned for Growth

Since its inception, ClanConnect's sterling reputation and customer-centric framework have led to its coveted preferred partner status. Accelerated by its decision to remove the platform fee on the demand side, it has grown its established base considerably. Another strength is the company's ability to drive regional influence by attracting creators who produce vernacular content. As a result, ClanConnect's growth trajectory is significant, further fortified by a healthy profit margin. Always future-focused, the company is positioning itself to enter the live commerce sector as it believes this segment will become a vital differentiator in the influencer market.

Frost & Sullivan believes ClanConnect is well-positioned to drive the creator economy space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

Conclusion

Frost & Sullivan believes that innovation and growth opportunities drive future success; many factors contribute, yet having a competitive strategy is critical. ClanConnect understands this core concept and is leading the creator economy market due to its focused approach, helping it to outpace competitors. Its artificial intelligence-powered influencer marketing platform enables brands, agencies, and micro-entrepreneurs to leverage influencer activation while maximizing engagement opportunities for small-scale influencers. The company's decision to remove the platform fee for brands, agencies, and micro-entrepreneurs who use the self-serve model disrupted the industry. In addition, it offers a variety of business models to meet the ever-evolving customer needs. As a safe-listed solution provider, ClanConnect shares deterministic data about influencers with brands to improve efficiency through transparency. Moreover, its in-house-developed campaign configurator provides recommendations for the most suitable, best-equipped influencer matching a specific brand or campaign. Overall, ClanConnect develops and implements its portfolio with both the supply and demand side in mind, securing its position as a trusted partner and market leader. With its strong overall performance, ClanConnect earns Frost & Sullivan's 2023 Global Competitive Strategy Leadership Award in the creator economy industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

