



Art'o'val Advisors
True Art of Valuation
Valuation Series

Monetizing Influence: Unlocking the Wealth in Social Media Accounts

December 2024



Unlocking the Value of Social Media Accounts

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Social media platforms have evolved from casual content-sharing spaces to valuable business tools. These accounts are not merely personal assets—they are revenue-generating digital properties with immense potential for monetization.

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As platforms like Instagram, TikTok, Twitter (X), LinkedIn, and YouTube continue to dominate our online interactions, the value of owning a strong social media account has skyrocketed.

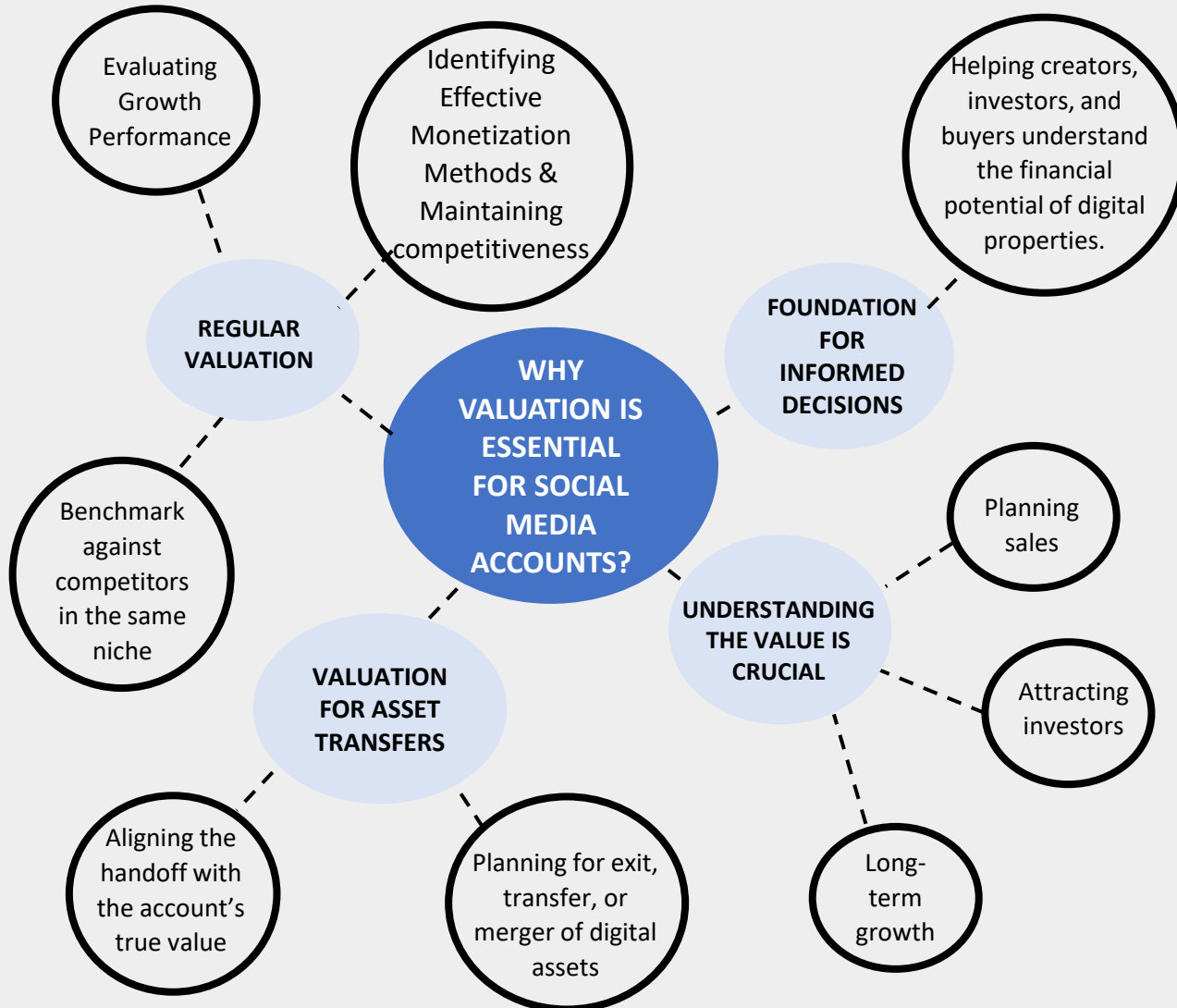
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Investors are increasingly eyeing these assets, recognizing that a high-value social media account is not just about follower count—it is a multifaceted digital asset with substantial financial potential. **\$**

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For investors, understanding how to evaluate and maximize the financial potential of these accounts is critical. In this valuation series, we aim to provide a detailed breakdown of key valuation metrics, real-world examples, and monetization strategies, tailored for those seeking to capitalize on the digital economy.

Why Valuing Social Media Accounts Matter?



The importance of social media account valuation lies in its implications for business planning, investment strategies, and asset transfers.

Accurate valuation empowers creators, investors, and buyers in:



1. Identifying revenue opportunities through targeted monetization strategies.
2. Understanding market positioning by benchmarking against competitors.
3. Planning for growth, mergers, or sales by aligning expectations with account performance.

How do we assess the value of a social media account?

It's not just about follower counts or flashy posts

It's about uncovering the layers of influence, engagement, and revenue potential.


Understand what are social media metrics?

Social media metrics are points of data essential to tracking the performance of your social channels, content, strategy and the impact it all has on your business goals.



Determining the real worth of an account

From analyzing authentic audience interactions to evaluating platform-specific metrics like **RPM** (Revenue per Mille) and **CPM** (Cost per Mille) a detailed approach reveals the real worth of these digital assets.



Unlocking the Income Potential – Quantitative Metrics

Social media platforms offer multiple avenues for generating revenue, ranging from straightforward and easily quantifiable methods to those requiring more effort and strategic planning. Let us now explore these revenue streams, their calculation methods, and their respective impact on valuation.

Follower Count

Size matters

A larger follower base can indicate a broader reach.

Growth Rate

Is the follower count increasing consistently? Accounts with steady growth are usually more valuable.

Engagement Rate

Likes, Comments, and Shares

Higher engagement indicates that followers are active and interested.

Accounts with 1-3% engagement are average. 5% or higher is excellent.

ENGAGEMENT RATE

$$\text{Engagement Rate} = \frac{\text{Total Interactions (likes, comments, shares)}}{\text{Total Followers}} \times 100$$

Reach and Impression

Reach

Number of unique users who see the content.

Impressions

Total number of times the content is viewed (including multiple views by the same user).

Consistently high reach/impressions indicate strong content visibility. **RPM** represents the actual revenue a creator earns for every 1,000 views on their content. This metric reflects the direct earning potential of a social media account.

$$\text{RPM} = \left(\frac{\text{Total Revenue}}{\text{Total Views}} \right) \times 1000$$

*While YouTube applies RPM to long-form content,
Instagram incentivizes short-form content through Bonuses and the Shorts Fund.*



Unlocking the Income Potential – Quantitative Metrics

Demographics

Knowing the **age, gender, location,** and **interests** of followers can help assess the relevance to potential advertisers or brands.

Content Performance

Analyzing metrics like video views, watch time, and **click-through rate (CTR)** for links. Regularly high performing content signals strong audience interest.

$$\text{CTR} = \frac{\text{Clicks}}{\text{Impressions}} \times 100$$

Monetizing Metrics

Affiliate Link Conversions: If the account uses affiliate marketing, the conversion rate can show its sales effectiveness

Ad Revenue: Income generated through platform ad programs (e.g., YouTube AdSense).

Sponsorship Earnings: Current earnings from brand deals provide a direct valuation basis.

$$\text{RPM} = \left(\frac{\text{Total Revenue}}{\text{Total Views}} \right) \times 1000$$

Unlocking the Income Potential – Quantitative Metrics



Monetize your channel by enabling ads.

This can be achieved for example by turning on ads from Google and its partners which let creators earn whenever viewers interact with them. You get a share of the ad revenue. For YouTube, it is measured using CPM (Cost per Mille)



Exclusive Memberships

Subscribers can pay a monthly fee on platforms like Instagram (Subscriptions) or YouTube (Channel Memberships) to access exclusive content, privileges, and recognition features, enhancing engagement and providing recurring revenue.



Fan Support: Turn Appreciation into Income

Fans can show appreciation by purchasing gifts on Instagram or using YouTube's Super Thanks, providing additional revenue through highlighted messages and gestures of support.

Unlocking the Income Potential – Qualitative Metrics



Qualitative Metrics

Content quality & Uniqueness

Original, high-quality content with a unique voice fosters loyalty and trust.

Brand Affinity

Successful brand collaborations and audience alignment increase account value.

Trust & Reputation

Authentic, credible accounts with positive interactions hold more influence.

Influence & Impact

Accounts shaping trends or driving behavior, with viral potential, are more valuable.

Competitive Analysis

Benchmarking performance against similar accounts highlights relative value.

Key Metrics in Social Media Account Valuation

Comparison Between Revenue Per Mille (RPM) and Cost Per Mille (CPM)

RPM and CPM are critical metrics for understanding the financial dynamics of social media accounts, but they serve different purposes. While RPM reflects the revenue earned by content creators, CPM indicates the cost advertisers pay for impressions.

RPM Vs CPM

RPM

- RPM measures the revenue a creator earns for every 1,000 views or impressions.
- Focuses on the creator's earnings, showcasing how well the content monetizes.
- Helps content creators understand their income efficiency from ads, subscriptions, and other monetization sources.

$$\text{RPM} = \frac{\text{Total Revenue Earned}}{\text{Total Impressions}} \times 1000$$

CPM

- CPM measures the cost advertisers pay for 1,000 ad impressions.
- Focuses on the advertiser's expenditure for reaching an audience.
- Helps advertisers evaluate the cost-effectiveness of their campaigns.

$$\text{CPM} = \frac{\text{Total Ad Spend}}{\text{Total Impressions}} \times 1000$$

Key Metrics in Social Media Account Valuation

Follower Count vs. Engagement Rate

Follower Count

- Follower Count represents the size of the account's audience.
- However, a high number of followers is less valuable if they're inactive or not aligned with the account's niche.

Engagement Rate

- Engagement Rate measures interaction (likes, comments, shares) per post.
- This reveals audience loyalty and responsiveness.

Example

Kylie Jenner's Instagram account, with over 395 million followers, commands an estimated 2.3 million per sponsored post. Despite her massive following, her value is driven by an engagement rate exceeding 3%, coupled with her niche influence in beauty and fashion.

Key Metrics in Social Media Account Valuation

Content Quality vs. Content Frequency

Content Quality

- High-quality content attracts loyal followers and higher brand collaborations.

Content Frequency

- Consistent posting helps maintain visibility, but excessive posting may lead to follower fatigue.

Example

MrBeast's YouTube channel, valued at around \$700 million in 2024, thrives on high-quality, high-production videos. Each video generates millions of views and interactions, thanks to his creative and engaging content

Key Metrics in Social Media Account Valuation

Revenue Potential: Click-Through and Conversion Rates

Click-Through Rate

- Click-Through Rate (CTR) measures how often users click on links in posts or bios.
- It is a leading indicator of audience interest.

Conversion Rate

- Conversion Rate tracks how many clicks result in desired actions, such as purchases or sign-up

Example

Pinterest accounts excel in driving e-commerce sales. Business accounts reported an average engagement rate of 5.93%, up from 4.36 % in 2023, with high CTRs turning platform activity into tangible revenue.

Platform-Specific Metrics Examples



Instagram

Focus on engagement rates, follower growth, and story reach.



YouTube:

Analyze views per video, watch time, and ad revenue (CPM).



LinkedIn

Evaluate post engagement and lead generation potential.



TikTok

Prioritize video views and shareability.



Pinterest

Assess external referral traffic and conversion rates.

Factors Influencing Social Media Monetization

Social media monetization depends on various factors that directly impact revenue generation and account valuation. For investors, understanding these elements is crucial to evaluate the growth potential and financial prospects of digital assets.

Geographical Audience Location

The geographical distribution of an account's audience significantly affects its revenue potential. Advertisers prioritize regions with high purchasing power and favorable advertising rates.

High-Value Markets: Audiences from countries like the United States, Canada, and Western Europe yield higher CPMs (Cost per Mille) due to their spending habits and advertiser demand.

Example: A YouTube channel targeting U.S.-based viewers can command a CPM of approximately \$20 or more, compared to channels with a predominantly Southeast Asian audience, where CPMs are significantly lower.

Investor Takeaway: Evaluate audience analytics to identify the primary geographic regions and align them with high-value advertiser markets.

Audience Demographics and Purchasing Power

Age, income level, and consumer behavior of the audience directly influence the types of ads and partnerships the account can attract.

Young Adults with High Disposable Income: Accounts targeting professionals aged 25–34 often receive higher ad revenue due to their buying capacity.

Example: Fashion and tech influencers often command premium ad rates due to their audience's inclination toward lifestyle upgrades.

Investor Takeaway: Accounts catering to high-value demographics are better positioned for premium sponsorships and collaborations.

Factors Influencing Social Media Monetization

Content Niche and Industry Focus

The content niche plays a critical role in monetization, as some industries attract higher-paying advertisers.

Lucrative Niches: Topics such as finance, healthcare, insurance, and real estate typically offer higher RPMs (Revenue per Mille). For example, a finance YouTube channel discussing investment strategies may secure a CPM of \$30–\$50.

Example: Channels in less competitive niches, such as arts and crafts, may experience lower monetization rates despite high engagement.

Investor Takeaway: Assess the account's niche to gauge its monetization ceiling and potential for collaboration with high-value advertisers.

Seasonality and Content Timing

Revenue can fluctuate based on seasonal trends and the timing of content delivery.

Seasonal Spikes: Health and wellness accounts may see a revenue surge in January due to New Year's resolutions, while retail-oriented channels benefit significantly during holiday shopping seasons.

Evergreen Content: Accounts producing consistent, timeless content (e.g., financial advice or educational resources) ensure steady year-round engagement.

Investor Takeaway: A diversified mix of evergreen and seasonal content can stabilize revenue across different times of the year.

Platform-Specific Monetization Guidelines

As we've explored various monetization strategies and the factors influencing revenue, it is equally important to consider the specific eligibility criteria established by platforms like YouTube and Instagram.

Adhering to these requirements is not only essential for unlocking monetization features but also for optimizing earning potential and ensuring sustainable growth.

YOUTUBE PARTNER PROGRAM

- Reside in a country where the Program is available.
- Must have no Community Guidelines strikes within the last 12 months
- At least 1,000 subscribers and 4,000 public watch hours in the past year, or 10 million public YouTube Shorts views within the last 90 days.

INSTAGRAM MONETIZATION REQUIREMENTS

- 10,000+ followers
- A minimum of 30 days of activity on the platform
- At least 300 engagements (likes, comments) within the past month
- A Business or Creator account
- Compliance with Instagram's content guidelines and policies

Platform-Specific Monetization Guidelines

To offer a realistic view of YouTube earnings, ARTOVAL ADVISORS analyzed financial data from the popular YouTube channel Think Media Podcast over a 90-day period (January to March 2023), extending an additional 24 days into April. This analysis provides a clear, data-driven understanding of the revenue potential for well-established channels.

Key Metrics

RPM (Revenue per Mille):

- Long-form videos: \$7.98 per 1,000 views
- Shorts: \$0.06 per 1,000 views

CPM (Cost per Mille): \$20.49

As per their report, Think Media Podcast retains 39% of the CPM, with YouTube taking a 61% cut. From this we can figure out, that the percentile of share differs for each channel.

Breakdown of Revenue (Jan - Mar 2023, along with the first 24 days of Apr 2023):

Fan Funding (Super Chats, Stickers, Thanks):
\$150

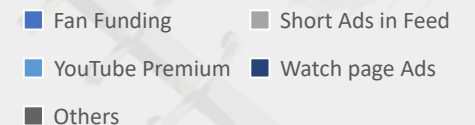
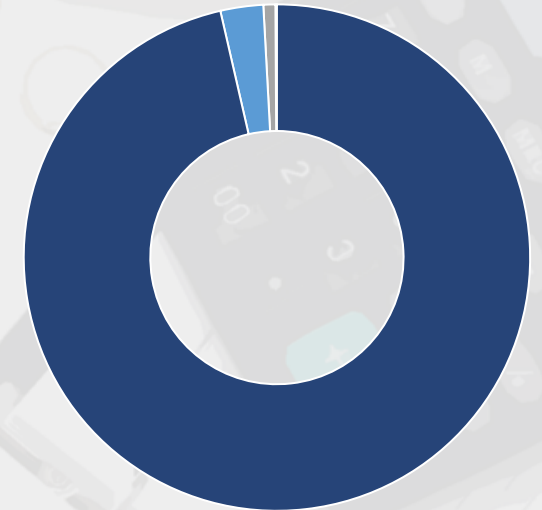
Short Ads in Feed: \$1,197

YouTube Premium: \$4,280

Watched Page Ads on Normal Videos: \$151,098

Others: \$2.21

Total Revenue: \$156,727.21



Source: Artoval Advisors In house research

Key Investments for Channel Growth

1. Professional Filming Equipment

High-quality visuals and audio are non-negotiable for audience retention and engagement. To achieve this:

- i. Invest in a superior camera capable of capturing crisp, high-resolution videos.
- ii. Include essential accessories such as a durable tripod for stability and a high-quality microphone for clear, professional audio.

2. Advanced Editing Software

Editing is where raw content transforms into polished, engaging videos.

Choose software based on your team's technical proficiency:

User-Friendly Options: Ideal for beginners or smaller channels focusing on efficiency.

Advanced Packages: Equipped with sophisticated features for complex edits, suitable for creators aiming for cinematic production quality.

3. Professional Consulting Services

Engaging a YouTube consultant can dramatically enhance channel performance:

Experts provide data-driven strategies to optimize content for maximum reach and engagement. **Consultants** offer guidance on trends, audience behavior, and monetization opportunities, ensuring sustained growth.

4. Promotional Ads: Driving Visibility and Growth

Investing in promotional ads effectively expands your channel's reach and builds niche authority.

By targeting specific audiences, ads boost visibility, attract subscribers, and accelerate initial growth. Though requiring upfront costs, they often deliver lasting benefits by driving engagement and audience traction.

Unlock Your Asset's True Potential with Artoval Advisors

At Artoval Advisors, we specialize in providing comprehensive valuation services across a diverse spectrum of assets, ranging from traditional enterprises to cutting-edge digital properties. Our expertise equips clients with precise insights into the true worth of their investments, empowering informed decision-making.

As social media continues to transform industries and redefine revenue streams, Artoval Advisors is committed to empowering both creators and investors. With an established presence in over 20 countries, we have successfully helped clients unlock the full potential of their digital properties, including high-value YouTube channels and other social media assets. Guided by a commitment to innovation and strategic advisory, we remain a trusted partner in navigating the fast-evolving, digital-first economy.



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