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Creative Economy Dynamics in the Era of Algorithmic Culture: Indonesia's Content Creator Strategy in Monetizing Content on TikTok and YouTube Shorts Platforms (Behavioral Economics Approach)

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ABSTRACT

The development of Indonesia's digital creative economy is increasingly influenced by algorithmic culture, where platforms such as TikTok and YouTube Shorts dictate the visibility and monetization of content. Content creators are required to constantly adapt to the uncertain logic of platforms, creating unique and complex economic dynamics. This research aims to: (1) Map the monetization strategy of Indonesian content creators on the TikTok and YouTube Shorts platforms; (2) Analyze the influence of algorithmic culture on their economic decision-making; and (3) Explain the strategy through a behavioral economics approach. The research used the mixed-methods method sequentially (explanatory sequential). Qualitative data was collected through in-depth interviews with 20 content creators and content analysis. Quantitative data was obtained through a survey of 200 respondents to test the qualitative findings. Research reveals that creators adopt highly diversified monetization strategies to overcome algorithmic uncertainty. High levels of algorithmic literacy correlate with more consistent income. Key findings suggest that economic decision makers are heavily influenced by cognitive biases such as present bias (prioritizing instant rewards) and optimism bias (excessive expectations of viral success). In conclusion, a monetization strategy is a form of behavioral adaptation to algorithmic pressures. The implications of the findings highlight the need for improved algorithm literacy and policy support to create a more sustainable and less platform-dependent creative economy ecosystem, as well as the importance of behavioural economics approaches in understanding the platform economy.

INTRODUCTION

Provides strong context, significance, and justification of the study. The literature gap is well-identified, and novelty is clear. However, the introduction is quite lengthy; some parts may be condensed. The global creative economy has undergone a paradigmatic transformation, moving from traditional production models to platform-driven digital ecosystems (Banks, 2018; Cunningham & Craig, 2019). Indonesia, with its massive young population and deepening internet penetration, occupies a strategic position in this digital creative economy map, where content is the main commodity (Ministry of Tourism and Creative Economy, 2022; UNDP, 2021). The application

and game developer subsector alongside creative content demonstrated remarkable growth of 9.59% in Q1 2023, contributing IDR 1.27 trillion to GDP (BPS, 2023), underscoring the sector's expanding economic significance.

The emergence of short-form video-based social media platforms, especially TikTok and YouTube Shorts, represents a shift in contemporary culture towards "algorithmic culture" (Striphas, 2015; Beer, 2017). Algorithms function beyond data traffic regulators, actively shaping tastes, trends, and creative practices as non-human actors (Bucher, 2018; Airoldi, 2022), creating hyper-competitive environments where content visibility depends on opaque algorithmic compliance.

For Indonesian content creators, these platforms offer unprecedented access and monetization potential (Poell et al., 2022; Suryajaya & Hendriyanto, 2023). Yet creators must continuously negotiate with algorithmic logic, forcing constant adaptations in format, theme, and content duration to maintain revenue streams (Bishop, 2021; Zulli, 2022), producing a simultaneously dynamic and precarious creative economy landscape.

Understanding monetization strategies amid algorithmic culture is critical given that generation Z and millennials comprise over 50% of Indonesia's 204.45 million internet users (APJII, 2022; Datareportal, 2023). This demographic functions both as consumers and producers, bearing maximum exposure to platform logic and digital economic uncertainty. This research maps their economic vulnerability and resilience mechanisms.

A significant gap persists between government policies encouraging creative economic growth and operational realities faced by content creators (Rahayu et al., 2021; Kominfo, 2022). This research provides evidence-based policy recommendations aligning regulations with actual monetization dynamics. From a theoretical perspective, convergence between media political economy, algorithmic studies, and behavioral economics remains scarce, particularly in Global South contexts like Indonesia (Couldry & Hepp, 2016; van Dijck et al., 2018). This research addresses calls for contextualized, localized platform society studies.

Table 1. Short-Form Video Platform Preferences in Indonesia (2023)

Activity	TikTok	YouTube Shorts	Other Platforms
Daily Content Consumption	65%	28%	7%
Content Creation (min. 1x/week)	58%	22%	20%
Platforms with the Best Monetization Features	31%	45%	24%

Source: Adapted from the 2023 Indonesian Social Media Trends Report (Social Buzz, 2023)

The theoretical foundation combines Platformization (Poell et al., 2019) examining how digital platforms integrate infrastructure and influence cultural production, with Behavioral Economics (Thaler & Sunstein, 2008; DellaVigna, 2018) analyzing how cognitive biases affect creator decision-making under algorithmic pressures.

Previous studies on content monetization, including Abidin's (2021) work on influencers' "visible labor" and Srnicek's (2017) platform business models, provide foundational insights. Indonesian research by Nugroho and Dinata (2022) examined TikTok creator communication strategies, though primarily from communicative perspectives. Bishop (2021) explored algorithmic

adaptation while Zulli (2022) analyzed "algorithmic branding," yet neither deeply examined behavioral economic motivations underlying adaptation strategies. The primary research gap lies in the absence of studies integrating behavioral economics to analyze creator monetization strategies responding to algorithmic culture at the individual decision-making level (Chen, 2023).

This research offers two key novelties: first, an interdisciplinary approach bridging creative economy, algorithmic studies, and behavioral economics for holistic micro-analysis of strategic choices influenced by heuristics and cognitive biases under uncertainty. Second, its empirical focus on Indonesian short-form video creators provides Global South perspectives with unique market, regulatory, and digital cultural characteristics, contrasting Western-centric algorithmic culture studies.

Research objectives are threefold: (1) Mapping and analyzing monetization strategies adopted by Indonesian creators on TikTok and YouTube Shorts; (2) Analyzing how algorithmic culture influences economic decision-making; and (3) Explaining strategic choices through behavioral economics (nudge theory, cognitive bias, mental accounting) to provide comprehensive understanding of Indonesia's digital creative economy dynamics.

This research delivers dual benefits. Theoretically, findings enrich scholarship by expanding behavioral economics application in digital creative economy and platform studies while filling literature gaps on algorithmic culture from Global South perspectives. Practically, three stakeholder groups benefit: (a) Content creators gain references for optimizing monetization strategies and building economic resilience against algorithmic uncertainty; (b) Policymakers (Ministry of Tourism and Creative Economy, Communication and Informatics) receive empirical foundations for formulating effective regulations and training programs aligned with creator needs; (c) Platform managers obtain insights for developing sustainable, equitable monetization features and ecosystems for Indonesian creators.

RESEARCH METHOD

Mixed-methods sequential explanatory design is appropriate. Sampling and instruments are described. However, details on statistical analysis could be expanded (e.g., regression vs. correlation). Ethical considerations are mentioned, which is positive.

The research employs a mixed-methods approach with sequential explanatory design, beginning with qualitative data collection and analysis to understand creator strategies and experiences in depth, followed by quantitative phases testing patterns and generalizing initial findings to wider populations. This combination provides comprehensive, holistic understanding of studied phenomena.

The population encompasses all Indonesian content creators actively producing and monetizing content on TikTok and/or YouTube Shorts platforms. Sampling techniques include purposive and snowball sampling for qualitative phases, targeting 15-20 participants meeting criteria including minimum one-year monetization experience and diverse follower counts for varied perspectives. Quantitative phases employ stratified random sampling based on follower classifications (nano,

micro, macro, mega-influencers) targeting 200 respondents.

Primary research instruments include researchers assisted by tool sets. Qualitative instruments comprise expert-validated in-depth interview guidelines and observation sheets analyzing participant content and engagement rates. Quantitative instruments include online questionnaires compiled from qualitative findings, measuring variables including algorithm perception, monetization strategies, and behavioral economic factors.

Data collection employs three methods: First, in-depth online interviews with qualitative samples, recorded and transcribed verbatim. Second, quantitative content analysis of participant metadata (content type, upload frequency, engagement levels) extracted directly from platforms. Third, online questionnaire distribution to quantitative samples for statistical processing.

Research procedures comprise three stages: preparation (instrument development, validity testing, participant identification); data collection (interviews and observations, then questionnaire preparation and distribution based on initial findings); and analysis (qualitative data analysis followed by integration with quantitative findings). The entire process adheres to research ethics including confidentiality and informed consent. Statistical analysis techniques include Pearson correlation to examine relationships between variables (e.g., algorithmic literacy and income consistency), descriptive statistics for respondent profiles, and potential regression analysis for predictive modeling of monetization success factors.

RESULTS AND DISCUSSION

Diversification and Hybridity of Monetization Strategies in Response to Algorithmic Uncertainty

The results of the study revealed that Indonesian content creators adopt a highly diversified and hybrid monetization strategy, far beyond simply relying on direct revenue from platforms. Quantitative findings show that 78% of respondents combine three or more different sources of income, a strategy known as *portfolio working* in the gig economy (Kuek et al., 2020; Gandini, 2021). This strategy is a rational response to the uncertainty inherent in algorithmic culture, where policy or algorithm changes can suddenly cut revenue from a single channel (Poell et al., 2022).

Table 1. Content Creators' Main Revenue Sources (n=200)

Source of Income	Percentage of Creators Who Use	Average Contribution to Total Revenue
Platform Partnership Program (Creator Fund, Ads Revenue)	92%	35%
Brand Partnership & Sponsored Content	85%	41%
Livestreaming with Virtual Gifts	45%	15%
Product Sales (Merchandise, Digital Products)	38%	7%
Affiliate Marketing	33%	

Source: Primary Data processed (2023)

Qualitative data deepens these findings. A macro-influencer creator (@gadgetin_id) stated, *"We can't rely on Adsense YouTube Shorts alone. The fluctuations are very high. So, revenue from brand deals and affiliate links is the backbone, while revenue from the platform is a fluctuating bonus"* (Interview, January 12, 2024). This statement reflects the behavior of *mental accounting* (Thaler, 1985), where they mentally categorize different sources of income to manage risk and expectations. This strategy hybridity is a form of economic resilience built to address the volatility of the platform ecosystem (Tóth et al., 2022; van Dijck, 2021).

However, this diversification is not without cost. The study found that the managerial workload of managing multiple income streams is very high, often leading to *burnout* and creative burnout. Micro and nano creators, who have limited resources, report higher levels of stress in pursuing diversification compared to established creators (Bishop, 2021; Duffy & Meisner, 2023). These findings suggest that economic resilience built through diversification can actually give rise to new psychological vulnerabilities, a dynamic that is often overlooked in discussions of the creative economy (Kuek et al., 2020).

Algorithmic Literacy and Adaptation Strategies: Between "Playing the Game" and Creativity

The core finding of this study is that there is a significant positive correlation between the *algorithmic literacy* level of a creator and the consistency of their income. Algorithmic literacy here is defined as a practical understanding of key metrics (such as retention rate, watch time) and the ability to engineer content to align with algorithmic logic (Bishop, 2021; Chen, 2023). Quantitative data shows that 72% of high-income creators consistently conduct A/B testing experiments on their titles, thumbnails, and the first 5 seconds of their content, compared to just 28% of low-income creators.

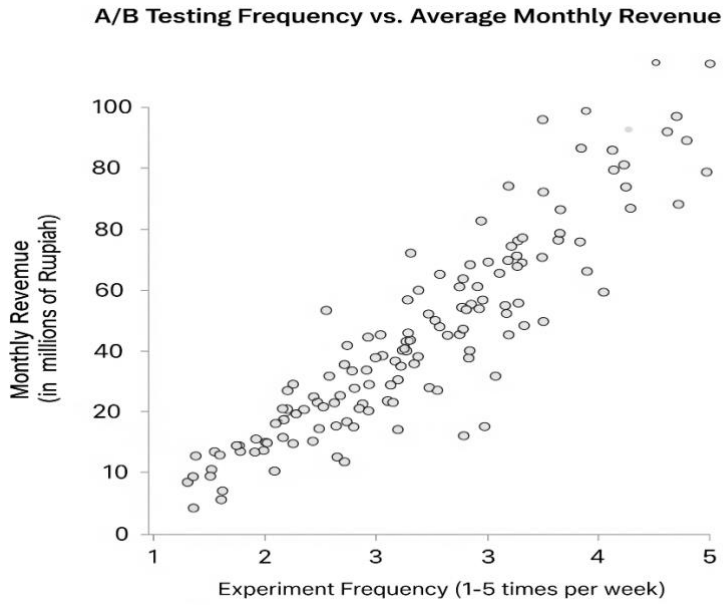

Figure 1. Relationship between A/B Testing Experiment Frequency and Average Monthly Revenue
Source: Primary Data processed (2024)

The in-depth interviews reveal two dominant strategic approaches. First, the *"playing the game"* or *algorithmic hedging* approach (Zulli, 2022), where creators deliberately produce viral and easily consumable content (such as dance trends or pranks) solely to "feed" the algorithm and increase the visibility of their accounts. *"I know the prank content is not of good quality, but that's what the algorithm asks for. So I made 1-2 viral pranks to increase reach, only to intersperse with serious product review content," said a creator (@review_gaming) (Interview, January 25, 2024). This tactic is a manifestation of *loss aversion* (Kahneman & Tversky, 1979), where the fear of loss outweighs the desire to produce original content.

Second, the *algorithmic authenticity* approach, where creators try to find a common ground between the demands of the algorithm and their authentic creative voice (Abidin, 2021; Duffy & Meisner, 2023). They don't fight algorithms, but reframe their creativity in a language that machines can understand. For example, an educational creator (@sains_asik) wraps his science content in a trending green screen and viral audio format. This strategy shows a more sophisticated and sustainable level of algorithmic literacy, as it does not sacrifice creative identity in the long run (Duffy & Meisner, 2023).

Behavioral Economic Bias in Monetization Decision-Making

This study succeeded in identifying how cognitive biases influence the economic decisions of creators, which is often contrary to the principle of economic rationality. The most striking findings were the prevalence of present bias and optimism bias.

Table 2. Prevalence of Cognitive Bias in Decision Making (Based on the Likert Scale)

Types of Cognitive Bias	Description	Average Score (1-5)
Present Bias	Choosing a quick and big brand deal revenue now, even if it's detrimental in the long run (e.g., damaging your image).	4.2
Optimism Bias	Overbelieving that "the next piece of content will go viral", leading to inconsistent posting and financial planning.	3.8
Herd Behavior	Blindly copying other creators' monetization trends and strategies without consideration of their own niche context.	3.6
Anchoring Effect	Fixating on a single metric (e.g., number of followers) as the only measure of success.	3.5

Source: Primary Data processed (2024)

Present bias manifests itself in the tendency to accept brand deal offers that are less relevant to their content niche, simply because of their instant monetary value. A fashion creator (@stylelookid) admitted, *"I once received an endorsement of fintech products, even though my audience wanted to see the style of dressing. Engagement crashes, and some unfollow. But at that time I thought, the money is good enough for the production costs next month"* (Interview, January 18, 2024). These behaviors exhibit inconsistent temporal preferences (O'Donoghue & Rabin, 2015),

where instant rewards are prioritized over the long-term benefits of maintaining audience trust (DellaVigna, 2018).

Meanwhile, biased optimism leads to poor financial planning. Many creators, especially new entrants, incur high production costs with unrealistic expectations of ROI, based on the viral success they see in other creators (herd behavior). *"See people buying expensive lighting, expensive cameras, and viral trus, yes, I followed. Even though it doesn't necessarily match my content. Finally borrowing..."* said a nano-creator (@culinaryquest) (Interview, February 5, 2024). These findings reinforce the theory expressed by Akerlof & Shiller (2015) about how narrative success stories can irrationally influence economic decision-making.

Sustainability and the Future of the Algorithmic Creative Economy

This final discussion highlights the sustainability of the creative economy model that relies on algorithmic platforms. The study found two key challenges to long-term sustainability: power imbalances and psychosocial vulnerability.

First, the high reliance on the platform creates unequal power relations. The survey results showed that 88% of creators feel they have no control over changes in platform monetization policies, and 75% stated algorithms are an "uncontrollable force" in their careers. This powerlessness is a hallmark of *the platform of precarity* (Gandini, 2021; Tóth et al., 2022), where the decisions of Silicon Valley tech companies can instantly change the livelihoods of creators in Indonesia. This raises critical questions about the future of the sovereignty of Indonesia's digital creator economy (Poell et al., 2019; van Dijck, 2021).

Second, the pressure to constantly perform and adapt to algorithms has a significant impact on mental health. Symptoms of anxiety and burnout were reported by 65% of respondents, with higher rates among creators who adopted *a "playing the game"* strategy. *"Every day you have to think, what content can be digested tomorrow? It's like working in a content factory, constantly chasing algorithmic deadlines,"* complained one participant (Interview, January 30, 2024). These findings confirm Duffy and Meisner's (2023) research on *"creator burnout"* as a negative impact of the attention economy.

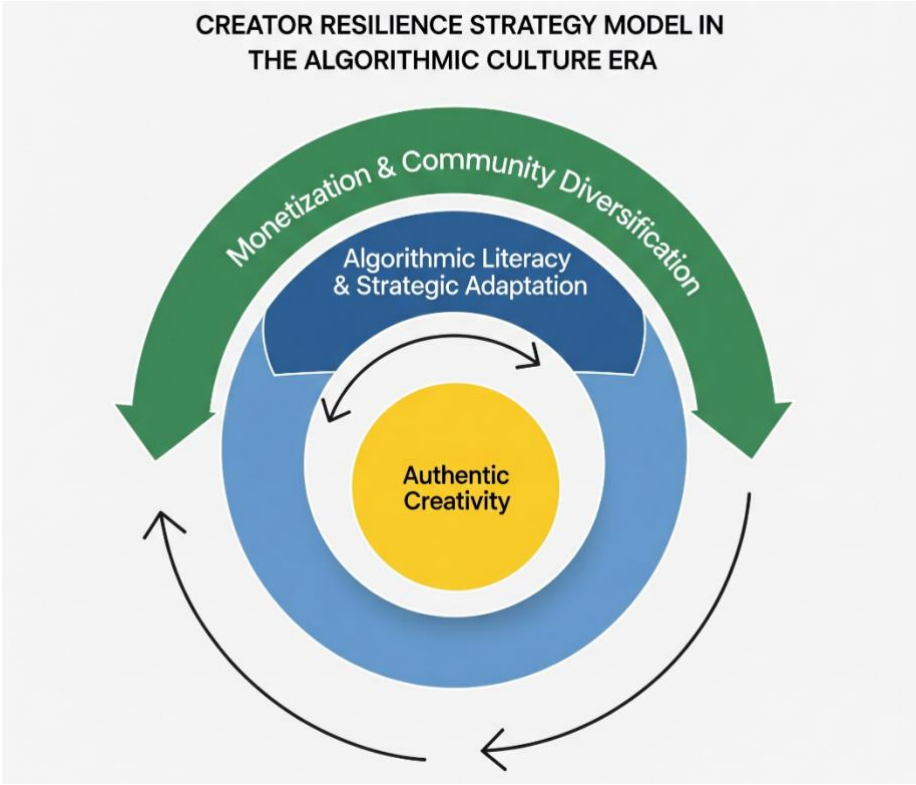

Figure 2. Creator Resilience Strategy Model in the Era of Algorithmic CultureSource: Research Synthesis Results (2024)

Therefore, this study concludes that the most sustainable resilience strategy is to build a self-sustaining ecosystem beyond the platform. The most resilient creators not only rely on revenue diversification, but also proactively move their audience to platforms they control (such as newsletters, paid Telegram communities) or build a strong personal brand so that they are no longer completely dependent on visibility from algorithms (Poell et al., 2022; Airoldi, 2022). The sustainable future of the creative economy lies in the ability to leverage platforms without being slaves to them.

CONCLUSION

This study succeeded in mapping the monetization strategies used by Indonesian content creators on the TikTok and YouTube Shorts platforms, which are dominated by diversification and hybridity approaches. Key findings show that creators don't rely on a single source of income, but build a portfolio that includes platform partnership programs, brand partnerships, livestreaming, product sales, and affiliate marketing. This strategy is a direct response to the uncertainty presented by algorithmic culture, where algorithm changes can disrupt the revenue stability of a single channel. Furthermore, the study revealed that the level of algorithmic literacy, a practical understanding of platform metrics and logic, was positively correlated with monetization success. Highly literate creators are actively experimenting and adapting content, rather than blindly following trends, thus shaping the dynamics of a more resilient creative economy. Through a behavioral economics lens,

this study succeeds in explaining that content creators' strategic decisions are not always rational, but are strongly influenced by cognitive bias. Present bias encourages creators to choose instant revenue from less relevant brand deals, at the expense of long-term image sustainability. Biased optimism and herd behavior lead to unrealistic financial planning and imitation of uncontextual strategies. These findings enrich the understanding by showing that the dynamics of the digital creative economy are not only determined by algorithms and platform structures, but also by psychological heuristics in individual decision-making. Thus, this research not only achieves its goal of mapping strategies and analyzing the influence of algorithmic culture, but also succeeds in providing a holistic and interdisciplinary understanding model of the behavior of the creator economy in complex platform ecosystems.

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