

# Expect to spend more on influencer marketing this year

Article

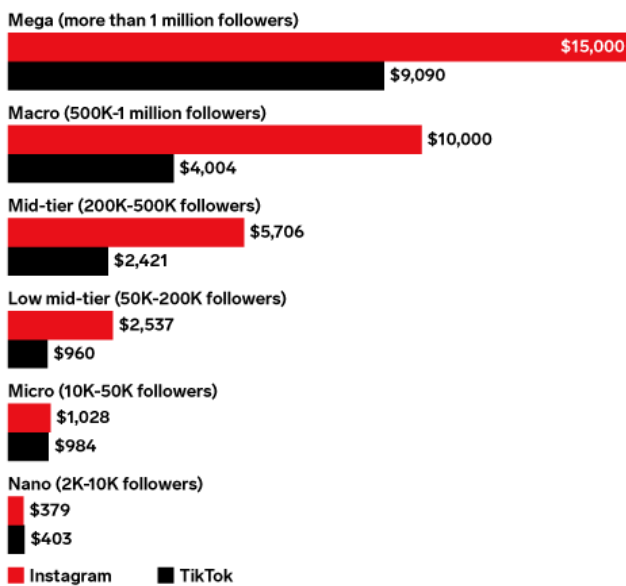
Influencer marketing is getting more expensive. While rates vary based on factors such as the platform, the content type, and creator follower counts, the overall trend for pricing is up.

- **Creators are in high demand.** Creator content has become an important source of creative for paid and owned media channels, and influencer marketing can provide a workaround to

some of the paid advertising challenges on social media. But brands are still competing for a small pool of creators: Just 16% of an estimated 86 million US creators have more than 5,000 followers and are making money from their content, per an August 2022 Adobe report.

- **Creator campaigns are getting more complex.** From the shift toward video content to the growth of multichannel campaigns, the increase in time and resources it takes for creators to develop sponsored content is also driving up prices. The average amount earned from brand campaigns by US Instagram creators in Hashtag Pay Me's network rose from \$3,653 in 2021 to \$5,111 in 2022, or by 39.9%, according to a February 2023 Hashtag Pay Me report. This year, **generative AI** will help streamline the creative process, though its impact on pricing is not yet clear.
- **Creators know their worth.** Monetary compensation is essential for brands that expect high-quality sponsored content that adheres to brand guidelines and specifications—and to avoid product waste. While 83% of influencers in a January 2023 report by Aspire said they would be willing to work with brands in exchange for free products if they love the brand or if the product value is high, those creators also expect product-only brand pitches to have flexible and optional terms. What's more, 61% of marketers in a February 2023 Traackr survey said less than half of influencers who receive gifted products post about it on social media.

### Average Brand Sponsorship Pay Rates for US Creators on Instagram vs. TikTok, by Number of Followers, Q4 2022



Source: Hashtag Pay Me, "Is Bigger, Better?: How 'big' influences creator pay," Feb 8, 2023  
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**To manage rising costs, some brands are shifting budgets.** More than half (53%) of advertisers surveyed by Advertiser Perceptions in November 2022 said they planned to increase their influencer marketing budgets in 2023. Many of those advertisers expected to shift budget from legacy media channels like print and TV, as well as out-of-home (OOH), to creator and influencer campaigns.

Report by Jasmine Enberg May 03, 2023

# Influencer Monetization 2023

