

Agencies are trying to keep pace with influencer marketing's evolution

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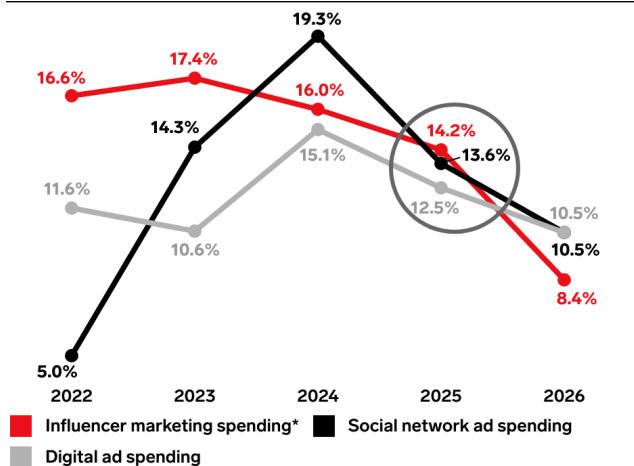
Influencer marketing has become an important part of the media mix. It is now seen as an important (if not core) part of ad campaigns, not simply as an add-on or nice-to-have. There are already signs of how serious brands are about the space. For example, consumer health product company Kenvue—the owner of household names like Neutrogena and Tylenol—

recently launched a global review of its influencer agencies. And holding company Publicis Groupe bought influencer marketing platform Influential in July 2024.

Marketing spend in the sector is rising quickly YoY. We expect influencer marketing spending in the US to reach \$9.29 billion in 2025, up 14.2% YoY. That growth rate will outpace both digital's and social's ad spend growth in the US—though influencer marketing's share of marketing dollars will remain significantly smaller.

Influencer Marketing Spending's Growth in the US Will Outpace Social and Digital Ad Spending in 2025

% change in US influencer marketing spending and digital and social network ad spending, 2022-2026



Note: influencer marketing spending includes payments made by brands to creators or influencers to promote products and services on social media; excludes noncash payments such as free products or trips; excludes branded content amplified as paid media; includes video platforms with primarily user-generated content (e.g., Twitch, YouTube); social network and digital ad spending includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; social network ad spending also includes paid advertising only; excludes payments to influencers or other creators to produce sponsored content; includes branded content amplified as paid media; *numbers are from the March 2024 forecast
Source: EMARKETER Forecast, Nov 2024

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In 2026, influencer marketing spending growth will slow to 8.4%, but that doesn't necessarily indicate waning interest in the sector. A slowdown is natural as the industry matures. Plus, our influencer marketing spending forecast excludes paid media, affiliate marketing, and channels outside of social media. So total spend going into this sector is likely much larger. In fact, brands are increasingly putting advertising spend behind influencer content via tactics like boosting and paid ad formats. So it's likely that social ad spend is absorbing influencer budgets as well.

Marketers are tapping influencers for campaigns outside of social media. They’re incorporating them into aspects of their campaigns like connected TV (CTV) and out-of-home (OOH). Meanwhile, creators and influencers are diversifying their revenue streams. They’re increasingly earning income from things like affiliate marketing, newsletters, and merchandise, giving brands more opportunities for partnerships.

Overall, the sector is starting to look like more traditional forms of media. As a result, brands are looking for a clearer ROI and are demanding better measurement tactics. They are also putting more paid media behind their influencer partnerships, all while creators and influencers increasingly call for fair and timely payment. The “Wild West” days of influencer marketing are gone—something that has major implications for agencies.

Report by Minda Smiley Dec 16, 2024

The Influencer Marketing Agency Ecosystem 2024

