

Australia has an influencer marketing problem, and it's not alone

Article

The news: A significant portion of posts from Australian social media influencers may have breached advertising standards mandating payment disclosure, according to a report by the

the Australian Competition and Consumer Commission (ACCC). The consumer watchdog also mentioned possible “enforcement activity.”

- The watchdog's study discovered issues in 81% of posts made since January by 118 notable Australian influencers, primarily involving not disclosing payments or gifts or not indicating that the content was an ad.
- The most worrisome posts were from fashion industry influencers, with 96% of their content deemed "concerning." Parenting and travel influencers also had a high percentage of problematic posts, according to the report.

The problem: In Australia's self-regulated advertising system, advertisers must disclose commercial agreements and label content as ads. However, the ACCC notes that influencers may lack motivation to comply, as their appeal often hinges on authenticity.

- A **Meta** representative told Business of Fashion that the company mandates content creators to comply with Australian advertising laws and regulations, and creators sharing branded content on its platforms must use the "paid partnership" label.
- The worldwide influencer market is projected to reach \$24.1 billion by 2025, according to figures cited by the ACCC, a significant increase from \$6 billion in 2020.

The bigger picture: Although Australia is a smaller market, there appears to be a growing appetite for reining in influencers across multiple locales.

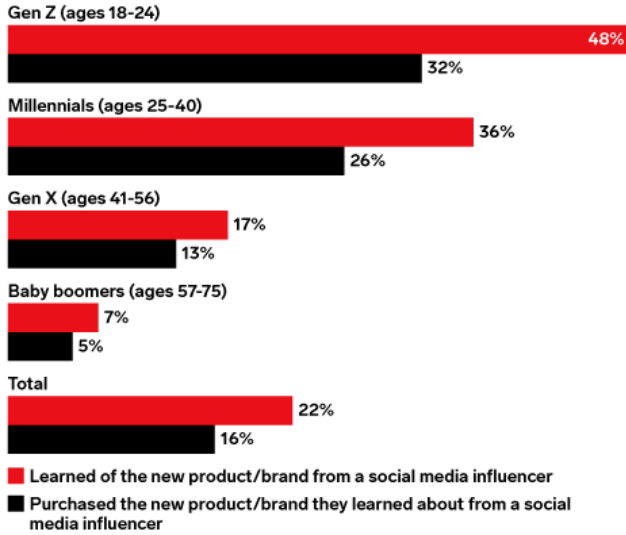
- India is [tightening influencer regulations](#), requiring "wellness influencers" to disclose qualifications in health or wellness-related posts.
- The French Directorate-General for Competition, Consumer Affairs, and Fraud Control (DGCCRF) found that 60% of influencers didn't comply with online advertising and consumer law regulations. Four bills have been presented to the French National Assembly proposing provisions such as creating a dedicated legal and contractual framework for influencers and prohibiting the promotion of certain products. Platforms will be responsible for some of these obligations, including Informing users about prohibited commercial practices and publishing an annual report on content moderation activities.

Our take: While the US has influencer regulations, laws aren't enough without enforcement. While many high-profile creators recognize the importance of adhering to rules lest they be

“canceled” and lose their authenticity, a not-insignificant number don’t disclose when their posts are ads.

Adults Worldwide Who Have Learned About a New Product/Brand From an Influencer vs. Who Purchased It, by Generation, Nov 2022

% of respondents in each group



Note: in the past 6 months

Source: Capgemini, "What Matters to Today's Consumers: 2023," Feb 1, 2023

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