

Will inflation and uncertainty affect brands' influencer marketing spend?

Article

The news: Reports that some companies are starting to cut back on influencer marketing surfaced as creators and industry execs gathered at last week's **VidCon** in Anaheim,

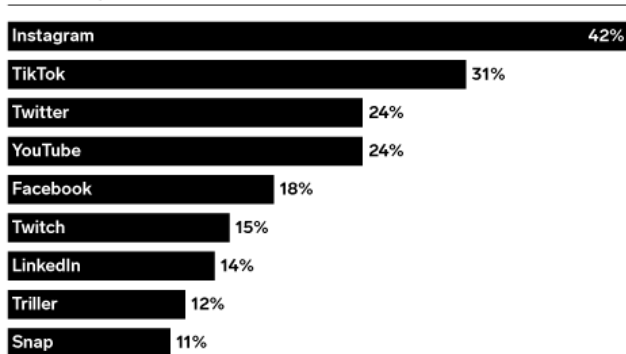
California.

The back story: We believe the power of creators is just as strong, if not stronger, today than it was during the pandemic, which helped drive significant gains in influencer marketing spending in the US last year, up 33.6% to \$3.69 billion.

(We use the term “creators” to refer to individuals in the influencer marketing space and “influencer marketing” when discussing our forecasts and describing the general practice of engaging individuals to create sponsored content.)

Which Social Platforms Are Communications Specialists Worldwide Planning to Invest in Most as Part of Their 2022 Influencer Marketing Strategy?

% of respondents



Source: Influencer Intelligence, "Influencer Marketing 2022," March 16, 2022

275604

eMarketer | InsiderIntelligence.com

Why creators? Marketers turn to creators because they can help them:

- Reach consumers who are increasing their social media usage and spending more time with creator-led content.
- Gain access to alternative creative to supplement in-house or agency resources.
- Gain a direct line to customers for whom influencers create authentic content that can sway brand preferences and purchase habits.

Survey says: 78% of online adults said creators were influential to help them discover new brands, per March 2022 research by **Meta Platforms** that was conducted in nine countries including the US, UK, Germany, and Japan.

Taking a hit: Some business categories such as **cryptocurrencies** and the **automobile industry**, which are currently experiencing a lot of turmoil, may end up **pulling back on influencer marketing as part of broader budget cuts**.

Silver lining: The current travel boom will likely lead to bigger expenditures on influencer marketing as businesses such as hotels, travel destinations, and cruise lines woo vacation-starved consumers. Forty-nine percent of US Gen Z adults and 50% of Millennial adults followed at least one travel influencer, per a 2021 Morning Consult data.

Our take: Our new forecast for US influencer marketing spending, scheduled to be released in a few weeks, is likely to still show double-digit growth this year, thanks in large part to brands increasing their spending on **TikTok**.

More highlights: What else did you miss at VidCon?

- **Meta announced it won't take a cut of creator revenue** until 2024. It previously said that would happen in 2023.
- **Senegal's Khaby Lame is now TikTok's No. 1 creator**, with 144.6 million followers, surpassing Charli DiAmelio.
- **TikTok's got nothing on Minecraft.** A panel featuring members of the Dream SMP server drew 2,000 in-person attendees and 135,000 video livestreams.

More to come: Watch for our updated forecast for influencer marketing spending in July and a full report on the topic later this summer.