

Why influencer marketing, still a small slice of digital budgets, seems recession-proof

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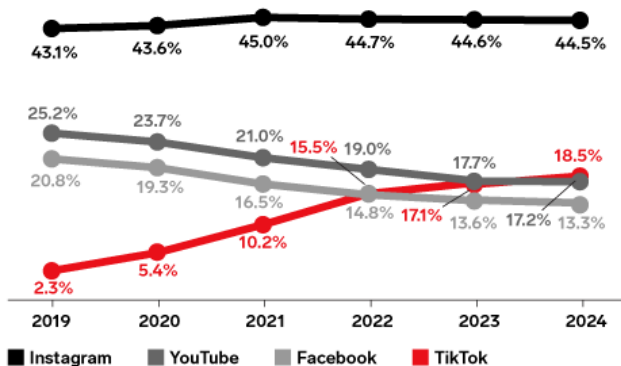
Marketing budgets, though under scrutiny, **are expected to rise in 2023**. That's especially true for influencer marketing due to Instagram's entrenchment and TikTok's ascent with users.

“Influencer marketing certainly isn't immune to a potential budget pullback. But what we've seen so far is that it has been more resilient than other types of digital marketing, and brands have continued to spend on their partnerships, particularly with long-term creator partners, throughout this volatile economic environment,” our analyst Jasmine Enberg said on a recent **“Behind the Numbers: The Daily”** podcast.

“I do expect that there will be brands that will tighten their budgets even further, but for now, it's among one of the better-growing digital marketing tactics.”

US Influencer Marketing Spending Share, by Platform, 2019-2024

% of total influencer marketing spending



Note: payments made to influencers or their representatives to promote products and services primarily on social media and other platforms featuring user-generated content; excludes noncash payments such as free products or trips; excludes paid media
Source: eMarketer, July 2022

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Why the resilience? “Well, there [are] a couple of reasons,” said Enberg. “Influencers, especially micro-influencers and nano-influencers, have really risen up over the past year, and they have been able to prove that they can drive real sales, especially from certain subsets of consumers like Gen Z and some millennials.”

- Micro-influencers have between 10,000 and 50,000 followers, while nano-influencers have between 1,000 and 10,000 followers, **according to Partnerize**. What they lack in scale they make up for in engagement, as these communities can be deeply passionate.

“We're seeing brands fuel more money into micro- and nano-influencers, and that combined then is pushing up the amount of money that's being spent on influencer partnerships overall,” said Enberg.

The other reason? TikTok. TikTok continues to rise in both consumer usage and brand usage, said Enberg, resulting in more money flowing to influencer marketing on the platform.

Spending outlook

We forecast that companies will **spend \$5 billion on influencer marketing in 2022**, rising to \$6.16 billion in 2023. For comparison, we expect all digital advertising spend to hit \$248.72 billion this year. Here are a few more stats to know:

- 74.5% of marketers are using influencer marketing today, but that will hit 88.7% in 2026.
- Instagram gets the bulk of spending, with \$2.23 billion expected in 2022.
- TikTok sits in third place, behind YouTube, though it will pass the video platform in 2024.

“Instagram creators tend to charge a much larger fee, as do YouTube creators, than say creators on TikTok, even though that gap is starting to narrow,” said Enberg.

Chasing the leader

“Instagram is still, by and large, the leader in the influencer marketing space in terms of both the number of marketers that are using the platform as well as the amount of money that they're spending there,” said Enberg.

“But what we're also seeing is that a lot of that content that they are posting on to Instagram is being repurposed from TikTok.”

In fact, only about 20% of creators on Instagram are posting there regularly, **according to internal Meta documents reviewed by The Wall Street Journal**.

“We're really seeing TikTok start to move in on these sort of OGs of influencer marketing as it rises,” said Enberg.

These factors combined mean it's a good time to experiment with influencer marketing on TikTok. Prices are still lower than other platforms, while momentum is certainly behind the ByteDance-owned platform.

Two tips for working with creators

1. “Focus strategies on short video,” said Enberg. “Instagram itself is pushing Reels and marketers should take note.”

2. “Work with trusted creators and also make sure that creators are disclosing paid partnerships.”

[Listen to the full podcast.](#)

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