

US influencer spending to surpass \$3 billion in 2021

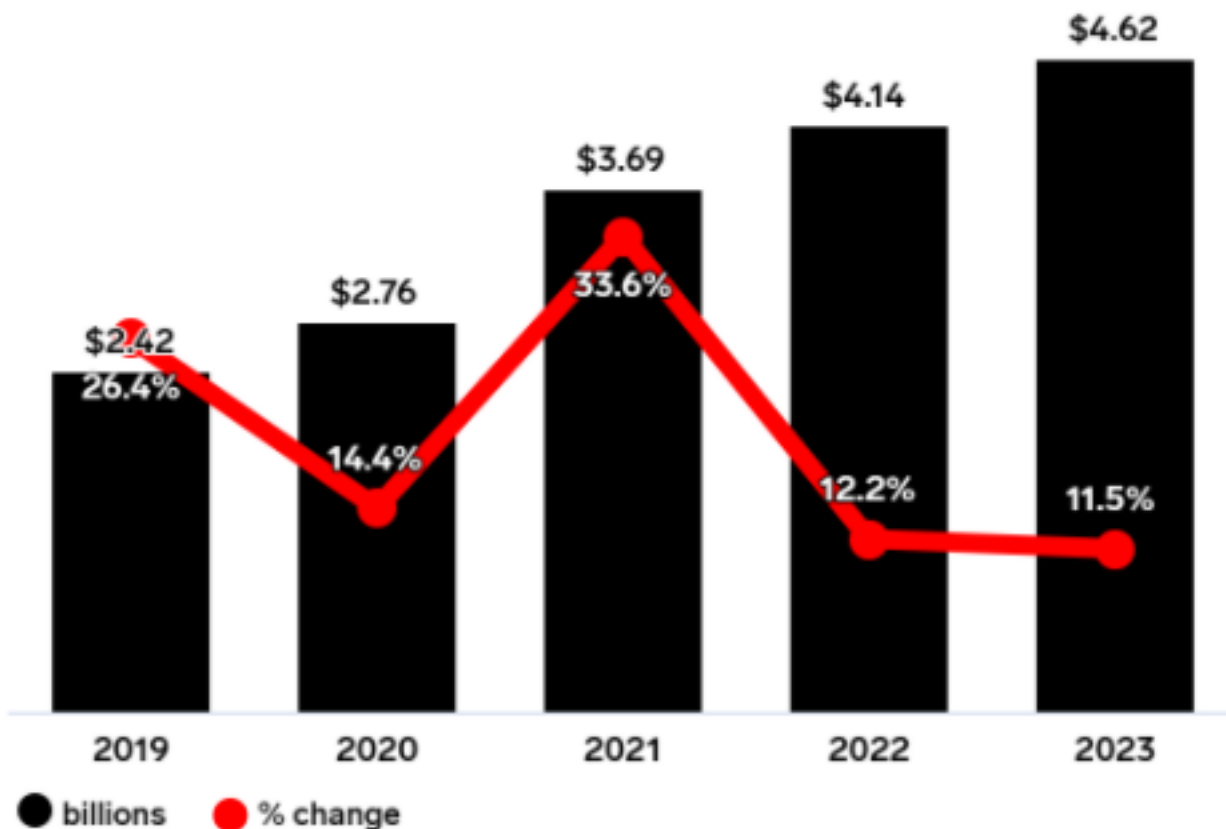
Article

Influencer marketing spending in the US is set to grow more than 30% this year and surpass a key milestone. According to our inaugural forecast on US influencer marketing spending, the category will exceed \$3 billion in 2021 and will surpass \$4 billion next year.

We define influencer marketing spending as payments made to influencers or their representatives to promote products and services primarily on social media and other platforms featuring user-generated content. It excludes non-cash payments such as free products or trips and paid media.

Influencer Marketing Spend

US, 2019-2023



Source: eMarketer, June 2021

eMarketer | InsiderIntelligence.com

Growth of influencer marketing spend was more modest in 2020 than in recent years. The category grew 14.4% last year, as the pandemic put a strain on many marketers' budgets. In 2021, we expect influencer marketing spend in the US to grow 33.6% to reach \$3.69 billion in 2021.

“In the early part of the pandemic, many marketers temporarily paused their influencer marketing campaigns,” said Jasmine Enberg, eMarketer senior analyst at Insider Intelligence. “But as the pandemic also accelerated many new creator-driven social trends, including short video and social commerce, marketers quickly resumed and are now increasing their spending on influencer marketing, as they realize that influencers are their ticket to reach those audiences.”

The return of travel is another key element to this year's strong growth, as it's a category that invests heavily in influencer marketing.

“Travel restrictions and social distancing measures disproportionately affected travel influencers, and many had to pivot their strategies to collaborate with brands in new categories, like finance and CPG,” Enberg said. “Continued improvements in branded content tools from the social platforms, combined with influencers’ increasing role in lower-funnel marketing goals, will help drive more money into the influencer marketing space over the next few years.”

While we don't publish break-outs for influencer marketing tied to specific platforms, we estimate that Instagram is the market leader with roughly half the market, while YouTube and Facebook see a significant amount of spending as well. TikTok is likely smaller but growing quickly.

It's noteworthy that influencer marketing spending is still a drop in the bucket when compared with social network advertising. This year, social network ad spending in the US will reach \$58.66 billion. Both US social network ad spending and influencer marketing spending will continue to grow in tandem as marketers allocate more of their budgets to social media.

Definition Note: *An influencer is an individual who can sway the brand preferences, buying decisions, and loyalty of a broader population, regardless of follower count. Examples include celebrities, public figures, YouTube/Instagram/TikTok creators, and subject matter thought leaders/experts.*