

Influencer Marketing: a boom or bubble about to burst?

The Covid-19 pandemic fostered the explosion of influencer marketing, catapulting it into the mainstream. But is this boom a bubble about to burst?



Source: © john-schnobrich [Unsplash](#) The Covid-19 pandemic fostered the explosion of influencer marketing, catapulting it into the mainstream

Coyne PR's head of social media and influencer, Armando Triana, explores the [current state of influencer marketing](#) and the trends we're seeing for the future.

A strong current state

The current state of influencer marketing is strong.

According to Influencer Marketing Hub, the influencer marketing industry is set to grow to approximately \$16.4bn in 2022, a 41% increase from 2020. We have seen budgets from other marketing and communications disciplines shift to influencer-focused campaigns across key industries, including skincare/beauty, parenting, food and, most recently, travel.

In fact, when asked at the beginning of 2022 by Influencer Marketing Hub, 68% of marketers surveyed said they plan to increase their influencer marketing spend this year.

Made or marred

In the last two years, brands have either been made or marred by the influence of a social media personality. One example is the L'Oreal skincare brand CeraVe.

Social media posts by popular influencers, such as YouTube star Hiram, not only drove online mentions, but saw products in such high demand they were sold out across stores. The brand capitalised on the opportunity of an influencer who authentically and organically posted about products to build a natural relationship for paid content which was embraced by followers and carried cross-platform, including his TikTok.



Level of influencer and reach

To dive deeper into the boom, we commissioned our influencer technology partner, Julius, to provide data analysis of the industry in April 2020, at the start of the Covid-19 pandemic, and two years later in April 2022.

Julius' database of millions of influencers with data points on their followers, including interests, demographics and geographic information, helped to tell the story. We tracked follower growth as the quantitative metric to show the level of influence and reach of the influencer.

Audience health, identified as Poor, Good or Exceptional, was the qualitative metric analysed to identify the followers are from valid accounts and not spam/bot accounts.

We also specifically looked at industries and verticals that Coyne PR most often executes influencer marketing campaigns within, including skincare and beauty, family and parenting, food/cooking and travel.

As we saw the success of CeraVe and a Hiram partnership, the data across the skincare/beauty space saw an average follower growth of 29% and an audience health rating of Good, since early 2020. The data for the other tracked industries shows both a follower growth increase and, at minimum, an audience health rating of Good.

Parenting/Family:

Average follower growth: 77%

Average audience health: Good

Cooking/Recipe Development:

Average follower growth: 69%

Average audience health: Exceptional

Travel:

Average follower growth: 34%

Average audience health: Good

You'll notice the Cooking/Recipe industry has an Exceptional audience health rating. This can most likely be attributed to the surge of followers of all ages on TikTok the last two years. With more adult followers on platform, content trends changed, including an increase in step-by-step recipe video content.



4 key elements to successful influencer marketing campaigns

Pieter Groenewald 8 Jun 2022



Not a red flag

One call out from the Julius data: influencer engagement rate across verticals was similar, or slightly lower, from 2020 to 2022. While this may seem like a red flag for influencers, platform trends and algorithms explain otherwise.

TikTok is inherently a video platform, while Instagram prioritises video content, including Reels. Users are consuming and watching video content, sometimes going down an hours-long rabbit hole (thanks algorithm! ?).

Their interaction with the content is counted as a view, but not necessarily as an engagement. Thus, the traditional engagement rate metric can be skewed since an influencer's overall reach and content consumption may be very good.

The business of an online presence

One factor important to the growth of the industry is how influencers have become more educated about the overall business of their online presence. There was a time when influencers would post on behalf of a brand in exchange for free product, services and branded swag items.

Now that the industry has exploded, it is becoming more difficult to find influencers willing to collaborate in exchange for anything other than monetary compensation. The way influencers are compensated will continue to evolve just as the way consumers find and engage with content.

What's next

To look ahead at what's next for the influencer marketing industry, we can look at the recent past:

- **Influencers will be vital to communicate facts**

Misinformation and disinformation can spread like wildfire. Influencers can be an important communication asset to leverage to reach and educate audiences during a critical time, especially long-term brand partners and advocates. Brands that have cultivated relationships with influencers and can quickly create turnkey content to disperse accurate information from a reliable, trustworthy source, will continue to succeed. In skin care, for example, credentialed skincare experts are activated to share sound-worthy advice, debunking myths about ingredients, product application, routines and benefits.

- **The TikTok influencer is the new Netflix Original**

Doom-scrolling through the endless negative news during 2020 caused users to want a fun, entertaining outlet. TikTok was already a mainstay for younger users, but adults began taking to the platform seeking refuge from the doom and gloom they found in-feed on other social media platforms. Match that with a powerful algorithm that creates a unique feed experience (aka For You Page) for every user, and you have what seems like a never-ending binge of your favourite video content.

- **The meta-fluencer**

Brands have begun experimenting and developing a presence in the metaverse. Consumers took to understand and

experience the metaverse for themselves. As metaverse communities grow, so will the opportunity for influencers to connect with these audiences. It will be another touch point for brands to leverage influence to reach and engage with their consumers.

Continue to evolve

Similarly, the influencer industry will evolve and continue to prove its value as a viable marketing and communication option. Consumers will crave and demand engaging and accessible digital content and brands will get savvier on how to share their message and story to consumers through these channels.

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