

Executive Summary

We know you're busy. Here are some quick hits from this report, and where to find them:

Creator Content
Drove More ROI
than Traditional
Digital Advertising

66% Brands

82% Agencies Page 19 83% Industry Leaders

Page 26

The State of Investment

Page 6

55% of organizations reported an **increase in influencer marketing investment year-over-year**, with one in four brands investing \$1M or more.

Digital Ads Featuring Creators Is the Most Impactful Marketing Strategy

Page 8

Sponsored digital ads featuring creators proved the most impactful marketing strategy for marketers at both brands and agencies, edging out other creator-led strategies like affiliate marketing and user-generated content (UGC).

Driving ROI, Inadequate Budgets Present Challenges for Brands

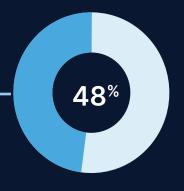
Page 13

Driving ROI was the greatest challenge for brands, while **inadequate budgets remained marketers' biggest roadblock** for the second year in a row.

Brand Awareness Is Prioritized 3x vs. Conversion—But Is That the Full Story?

Page 11

For 48% of brands, creator marketing software is the most effective method for tracking influencer marketing performance, outpacing methods like website traffic analytics or search performance, tracking sales, and affiliate links or promo codes.



55%

In-House Traditional Advertising Costs Increase, While Creator Content Production Costs Hold Steady

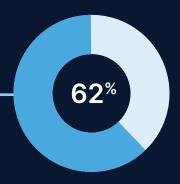
Page 10

55% of brands reported that content production costs for creator marketing have remained the same YoY.

Instagram 2x More Integral for Marketers than TikTok

Page 23

62% of organizations considered **Instagram their primary platform**, 2x the rate of any other platform. For 28%, TikTok proved most integral.



About the Survey

Organization Demographics

We surveyed 225 organizations, from small businesses to enterprises to agencies. Respondents assessed changes that they experienced in influencer marketing practices from September 2022 to August 2023. Unless otherwise noted, our findings refer to this period of time.

61% percent of respondents were based in the United States. The other most common geographic locations included the U.K., Canada, Germany, the Netherlands, and Brazil. We've included demographic data to provide context for our creator marketing insights.



The report highlights relevant data from our surveys. We've elected to round percentages to the nearest whole number, and have also incorporated multi-selection responses.

As such, some responses may not add up to exactly 100%.

Primary Verticals Represented



Agency



Beauty



Retail & Shopping

Ψ4

Food & Beverage



Media & Entertainment



Health & Wellness



Fashion

Other Verticals Represented

Software

Sports & Outdoors

Technology & Computing

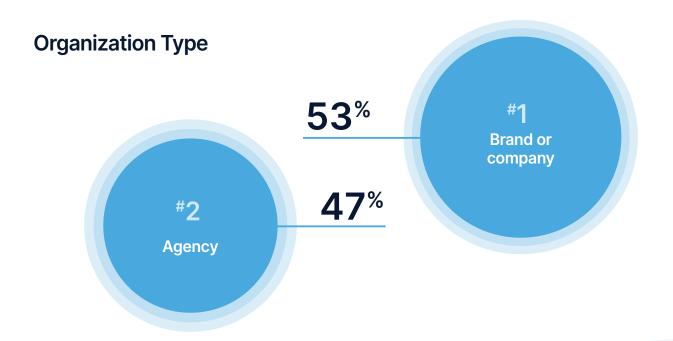
Business

Gaming

Consumer Electronics

Home & Garden

Travel



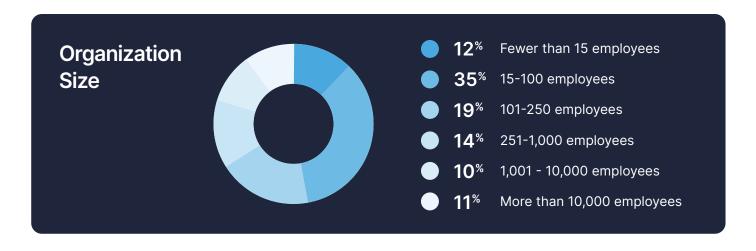


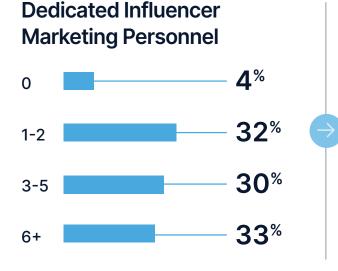
Organizations

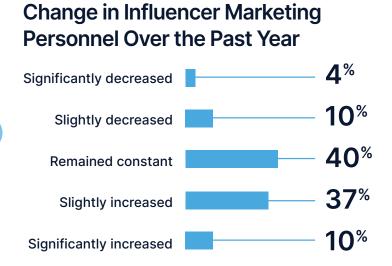
The State of Investment

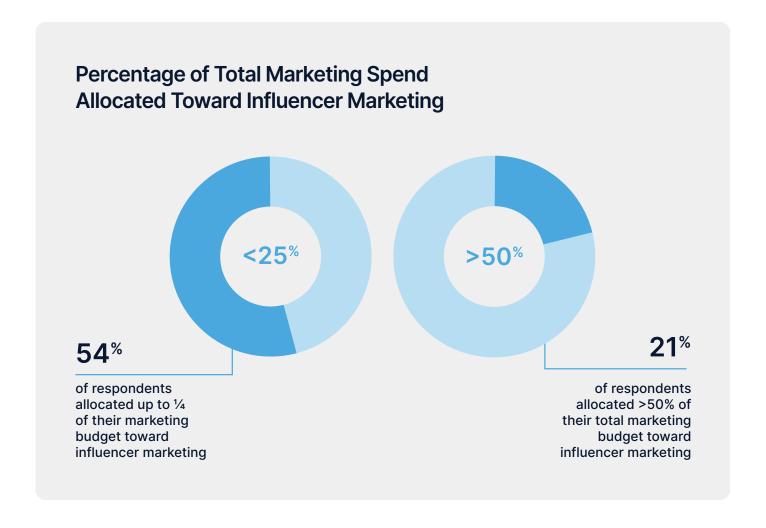
This year, 55% of organizations reported increasing their investments in influencer marketing year-over-year, with one in four investing greater than \$1M annually. While this percentage marks a slight decrease from the previous year's YoY growth rate (previously 67% for brands, 83% for agencies), the total funds allocated toward creator marketing proved greater this year.

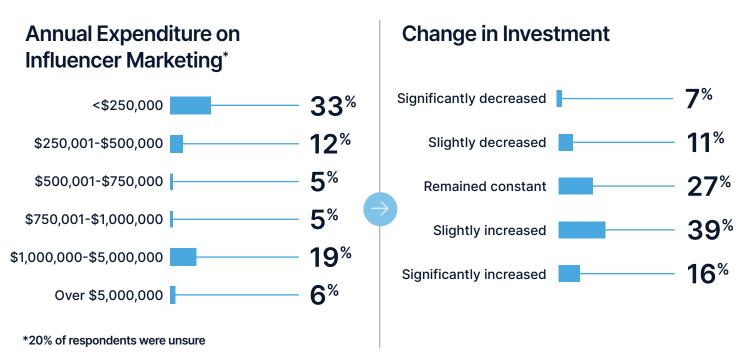
In terms of team resources, 33% of respondents claimed more than six dedicated influencer marketing personnel, while 47% reported that the number of team members who focus wholly on influencer marketing has grown YoY.











Brands

Digital Ads Featuring Creators Is the Most Impactful Marketing Strategy

We've come a long way from flavorless, traditional ads—though we can't knock the commercials that gave us the tunes we still remember decades later (thinking of you, Oscar Mayer).

In this day and age, consumers are exposed to an endless stream of content. Even mentions of aliens in congress can't hold our attention for long. The content most likely to make an impression is usually made by, or features, creators whom consumers love.

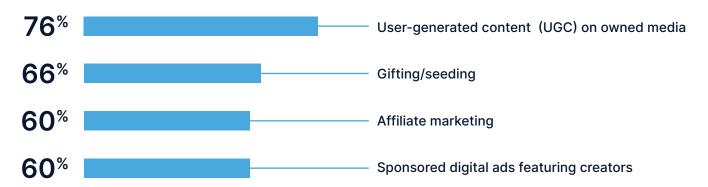
66% of brand respondents reported that creator content drove more ROI than traditional digital advertising (without creators) over the past year. The exact strategy an influencer marketer chooses depends on a host of factors: whether the campaign is an always-on program or a one-off activation, whether the goal is centered

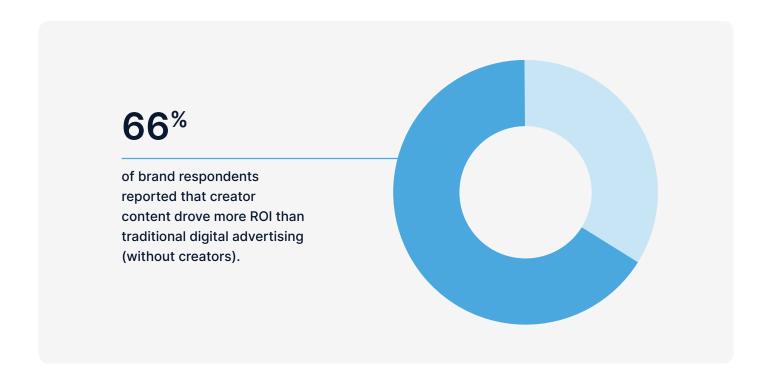
around awareness or conversion, and even which creator partners you've partnered with, and their particular strengths.

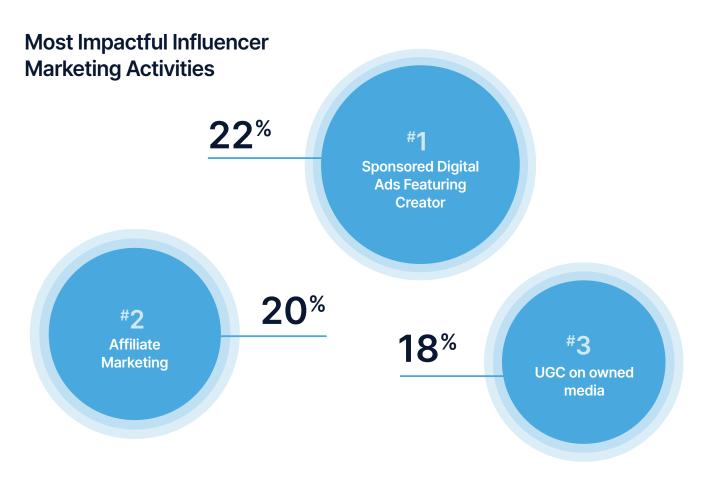
Even among the various creator-led strategies available, one stood out to marketers: 22% of brand marketers identified sponsored digital ads featuring creators as the most impactful marketing strategy, edging out other creator-driven strategies like affiliate marketing and user-generated content (UGC). This marks a change from last year, when 33% of brand respondents chose gifting/seeding as the most effective marketing strategy.

But 'most common' and 'most effective' aren't always the same. UGC ranked as the most common activation by brand respondents with a 76% usage rate—a shift from last year, when paid advertising was the most frequent.

Most Common Influencer Marketing Activities







In-House Traditional Advertising **Costs Increase, While Creator Content Production Costs Hold Steady**

At present, creator content represents only a small sliver of digital advertisements. For a majority of brands (69%), creator content was used in less than a quarter of their digital ads. Only 13% of brands incorporated creator content into a majority of their digital advertisements.

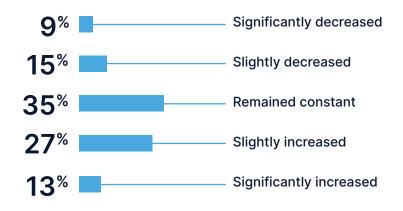
That means that there's still more room for brands to incorporate creators into their marketing activities. As organizations mature, this number will only grow (a sneak peek: 31% of creator marketing leaders incorporated creator content into a majority of their digital advertising). One reason why? Creator content is more cost effective.

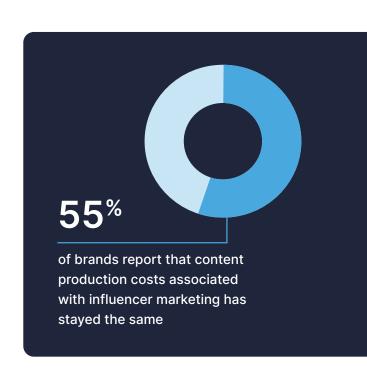
We've known that creator content outperforms traditional advertisements, but in the past year, 40% of brands have experienced a YoY increase in costs associated with traditional advertising (i.e. without creator content). At the same time, content production costs associated with creator content is at an equilibrium, according to the 55% of brands who reported that the content production costs for creator marketing stayed the same YoY.

If you could get more bang for your buck for less, why wouldn't you?

YoY Changes in In-House Spending on Traditional Digital Advertising

(not including creator content)





Brand Awareness Is Prioritized 3x vs. Conversion—But Is That the Full Story?

We asked brand respondents to choose the most important aspect of their influencer marketing program. The majority of brand respondents (51%) selected developing an influencer marketing strategy that drives results. Which begs the question: which results matter, and to whom?

It depends. Companies are under more pressure than ever to demonstrate their bottom line. Notably, when asked which metric they used to justify their influencer marketing program to decision-makers, conversion was the most selected answer, chosen by 26% of brand respondents.

However, when we asked brand respondents to write in their top priorities, respondents overwhelmingly wrote "brand awareness." In fact, marketers were three times more likely to write in "brand awareness" as their top priority than "conversion."

Elsewhere, marketers reported that building brand awareness and loyalty were the least challenging aspect of their influencer marketing programs. Was brand awareness truly the goal for these marketing practitioners, or did uncertainty about how to drive conversion via influencer marketing render it less top-of-mind?

The truth is that different campaigns require different approaches. Inevitably, the maturity model for the industry necessitates measuring conversion, among other key metrics. Across the board, the most popular way to track creator marketing performance was via creator marketing software. **Respondents selected software at 5x the rate of tracking website analytics or search performance.**

influencercontent creators content aquisition influencers EMV Sales

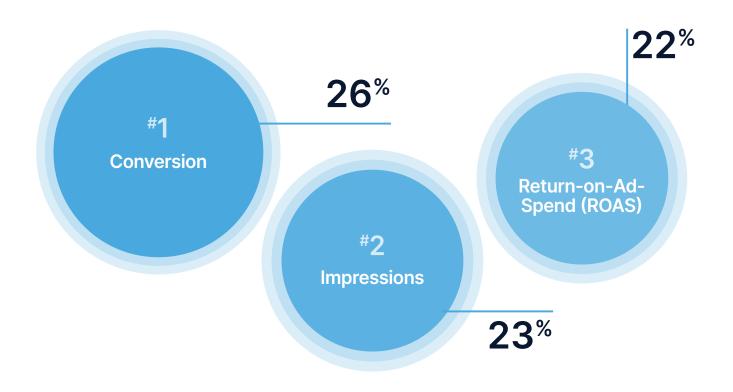
product reachGrowth Awareness scale

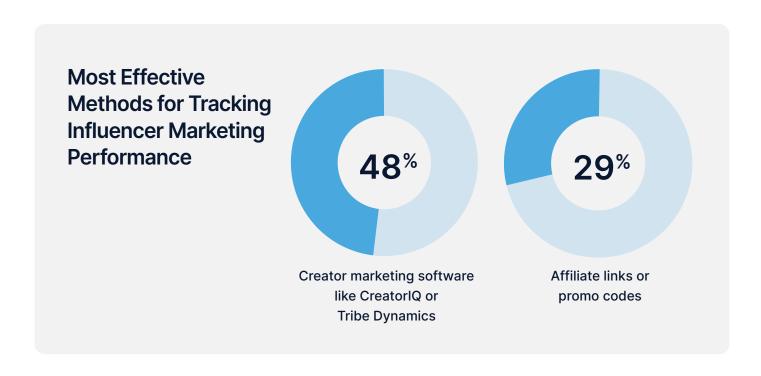
brand awareness paid brand Traffic

Driving community building Increase revenue impressions

conversion engagement Grow Generating

Top Three Marketing Metrics to Justify Influencer Marketing Program to Decision-Makers





Driving ROI, Inadequate Budgets Present Challenges for Brands

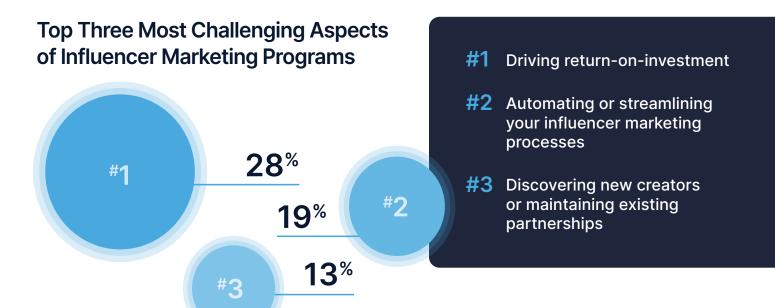
Since we launched the Trends Report back in 2020, inadequate budgets and inadequate personnel have stood out to respondents as the biggest roadblocks to their programs' success. This year marks the second year in a row that inadequate budgets has been the No. 1 roadblock marketers face—the case for three out of our last four reports.

Even as creator marketing budgets and teams have steadily increased, the resources allocated to creator marketing haven't kept pace with the growth of the industry.

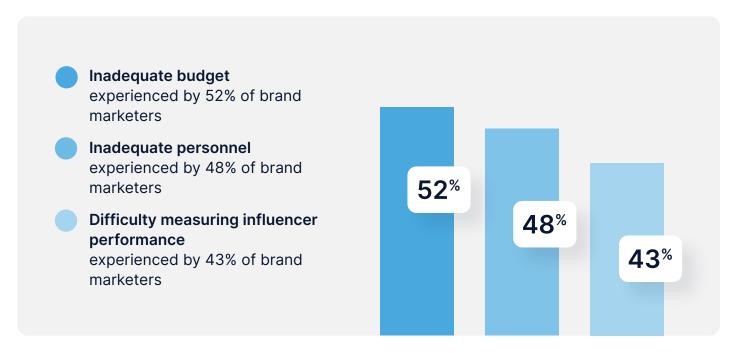
The best creator marketing is measurable. While software tools offer a competitive advantage, marketers are still tasked with knowing what levers to press, how to pivot in real time, and how to translate their efforts to

decision-makers. Having an effective program strategy in place is key to driving a return-oninvestment, and 28% of brand respondents struggled to capture ROI over the past year.

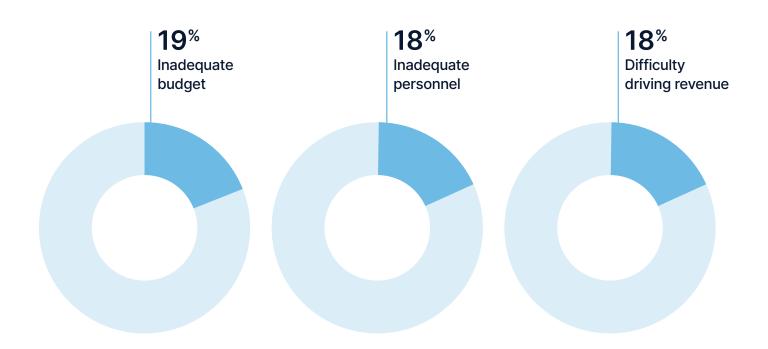
Those brands might focus on forecasting ROI by measuring the cost of working with creators and comparing this figure to how much it would have cost to achieve these results with ads. It's important to keep in mind that not all creators are equal—and that's great! Some creator cohorts are better suited to connecting with consumers and getting your name out; others are skilled at driving conversion. Evaluating your creators' skillsets (and being open to training creators via recurring partnerships) can go a long way toward generating ROI.



Top Roadblocks for Brands

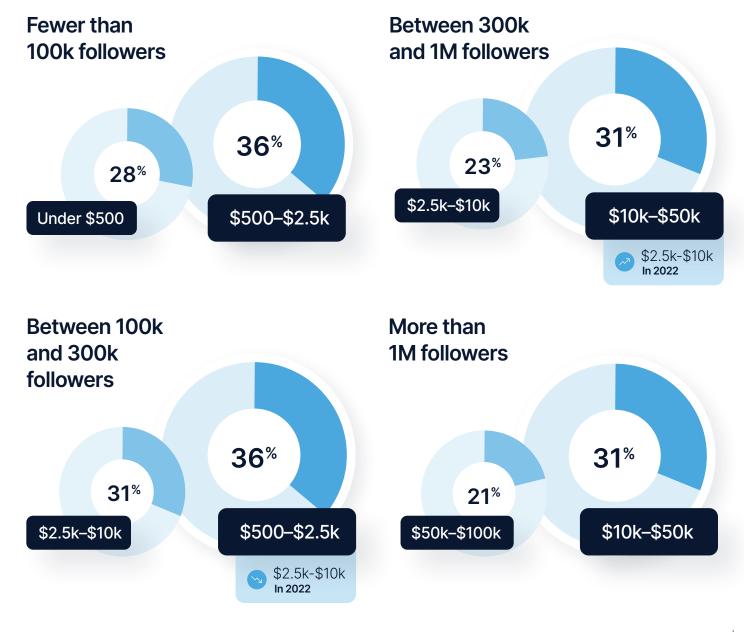


Most Challenging Roadblocks for Brands



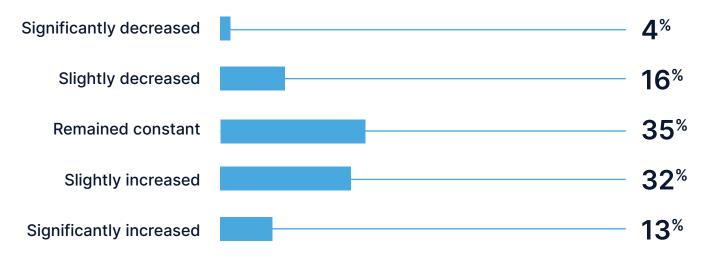
A Single Instagram Post Frequently Yields Between \$10k-50k for a Powerhouse Creator

We polled brands on how much, on average, they pay creators of various follower counts for a single Instagram post about their brand. These numbers reflect the two most frequently selected responses for each follower count, and the percentage of brands who selected these responses.

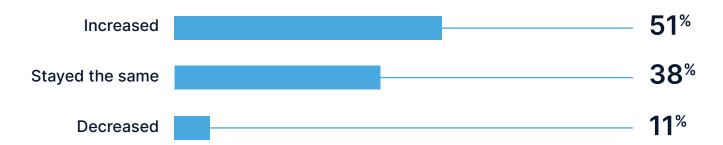




YoY Change in Proportion of Creators Brands Financially Compensate



YoY Change in Recurring Partnerships With Creators



64%

of creators viewed financial compensation as "very important" 33%

of creators viewed financial compensation as "somewhat important"

Agencies

Conveying Value-Add to Clients and Retention, Top Priority for Agencies

The role of agencies differs by client. Sometimes they're holistic partners that provide guidance to brand partners on the best way to achieve their aims. Often, they're running entire programs or campaigns for brand clients.

Agencies tend to be ahead of the curve on best practices for creator marketing, in part because they have to hone creator marketing strategies for various stakeholders. For marketers at agencies, it's not one-size-fits-all: the most effective strategies depend on the client's aims. It's no surprise, then, that the top priority among agencies was retaining clients and conveying their value-add.

Similarly, what proved most challenging for marketers at agencies was communicating the importance of influencer marketing to stakeholders. 24% of respondents reported facing this challenge, while 1/5 of agency marketers indicated that measuring the performance of creator programs was the most challenging aspect of their roles.

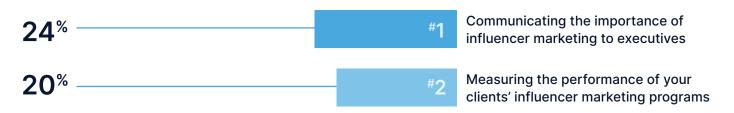
Like brands, agencies often encountered inadequate budgets as a roadblock. However, 42% of marketers at agencies also reported unclear campaign goals from clients as a roadblock they experienced in the past year.

Top Influencer Marketing Priorities for Agencies





Most Challenging Aspects of Influencer Marketing Programs for Agencies



Key Problems Solved by Creator Marketing Software

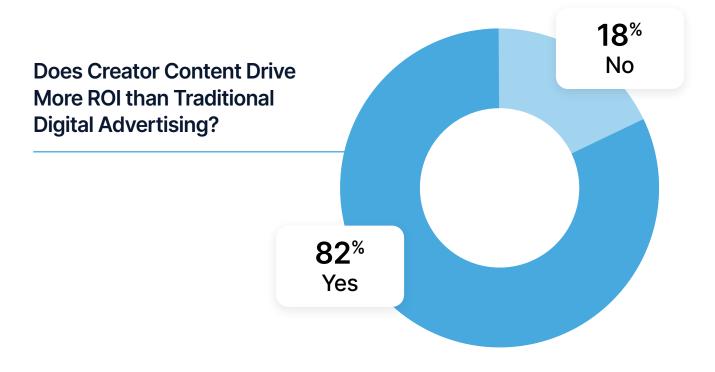
management new campaigns finding data creator reporting clients

influencers discovery audience information streamline

Creator Marketing Software Proves More Than 3x as Effective as Traffic Analytics at Measuring Performance

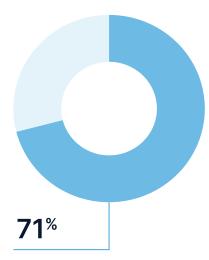
Agencies often reported best practices and preferences that aligned with brand responses—with slight differences. For agencies, sponsored digital advertisements that feature creators was both the most popular marketing activation, as well as the most effective. Additionally, 82% of marketers at agencies found that creator content drove more ROI than traditional digital advertising (i.e. advertising that didn't feature creator content), greater than the 66% of brand respondents who believed the same.

When it came to the best way to track influencer marketing performance, 49% of marketers at agencies chose creator marketing software from a list of options that included website traffic analytics or search performance, tracking sales, and affiliate links or promo codes. Notably, numerous marketers wrote-in influencer screenshot analytics as a useful way to track performance. Finally, as with brands, conversion was selected as the best metric to justify the value of creator marketing programs.

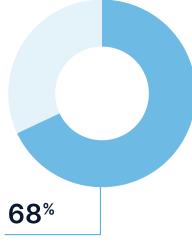


Agencies

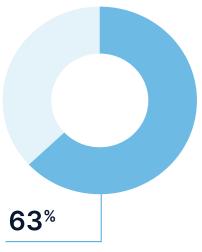
Top Influencer Marketing Activities



Sponsored digital ads featuring creators



User-generated content (UGC) on a client's owned media



Product collaborations or gifting/seeding

Most Effective Influencer Marketing Strategies for Clients



38%

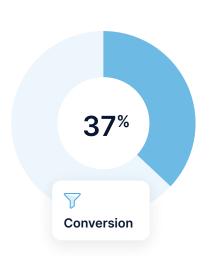
Sponsored digital ads featuring creators



19%

Product collaborations or gifting/seeding

Top Metrics to Justify the Value of Influencer Marketing Programs





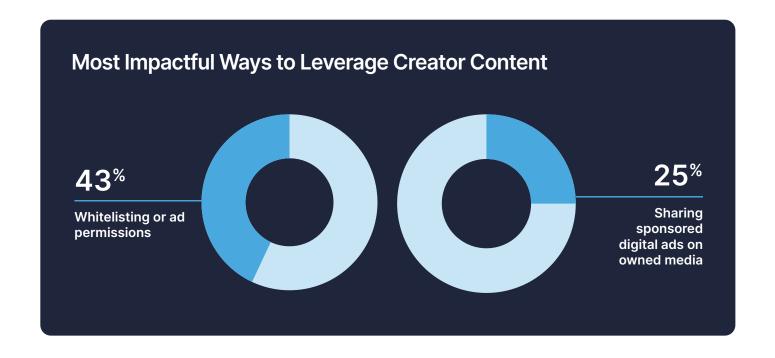
Ad Permissions (Whitelisting) Is the Most Impactful Way to **Leverage Creator Content**

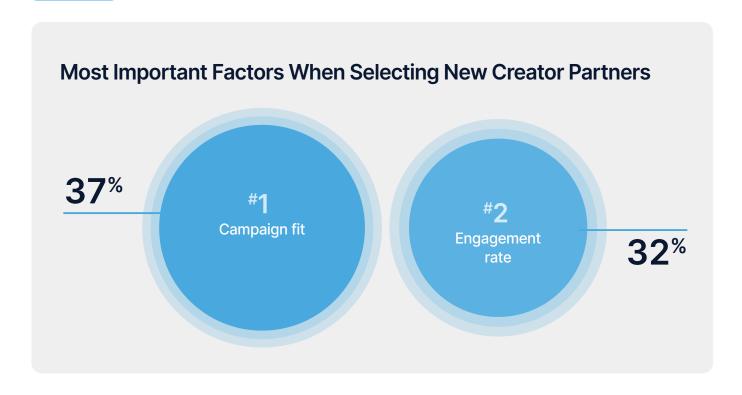
This year, we got access to more in-depth insights on how marketers at agencies used creator content, as well as how they think about partnering with creators.

Last year, aesthetic alignment proved most important for agencies when choosing which creators to partner with. This year, marketers prioritized campaign fit. 37% of marketers at agencies selected campaign fit as the most important factor, while 32% selected engagement rate.

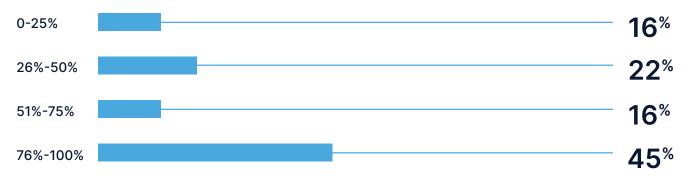
On the whole, agencies incorporated creator content into more ads than brands: only 36% used creator content in <1/4 of ads (compared to 69% of brands), while twice as many agencies incorporated creator content into greater than 3/4 of ads compared to brands.

Additionally, 45% of agency respondents reported that more than 3/4 of their influencer marketing campaigns were sponsored. Whitelisting (ad permissions) proved the strategy of choice to leverage creator content (claimed by 43% of agency respondents).

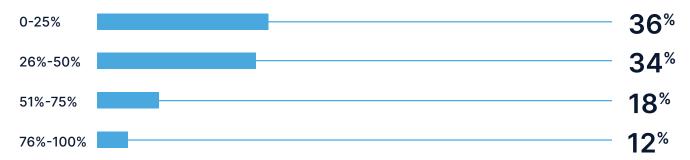




Percentage of Sponsored Influencer Marketing Campaigns



Percentage of Client Ads That Incorporate Creator Content



Organizations

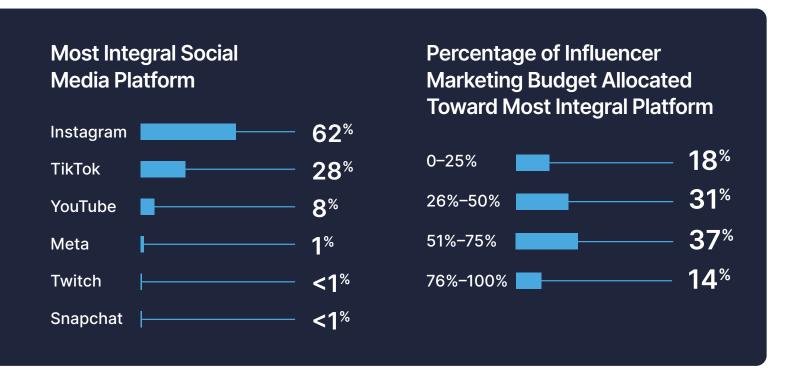
Instagram 2x More Integral for Marketers than TikTok

Last year, TikTok cemented itself as more than the platform with viral dances, or the arbiter of the "millennial pause." Brands selected TikTok as the second platform of choice, while Instagram took the crown.

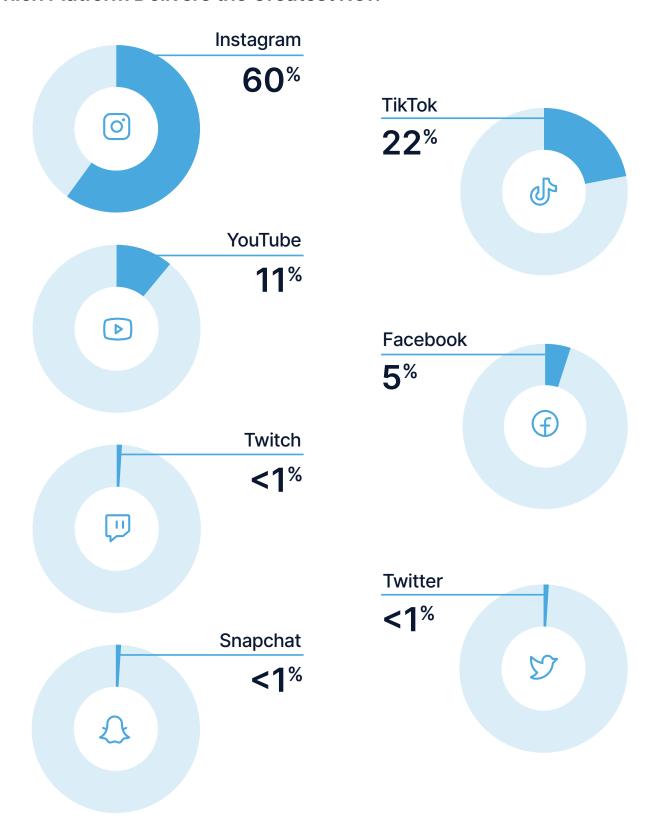
Instagram delivered again this year: 62% of organizations selected it as the most integral social media platform for their creator marketing programs. Instagram proved twice as popular for marketers than TikTok, the next contender for most integral platform.

Instagram's share as marketer's go-to platform has decreased marginally. Presumably, a portion of this 4% YoY drop has gone to YouTube, which crept up from 5% last year to 8% this year.

Still, like last year, Instagram remains the platform that delivers the greatest ROI, as selected by 60% of organizations. Meanwhile, 22% of organizations claimed that TikTok drove the greatest ROI.



Which Platform Delivers the Greatest ROI?

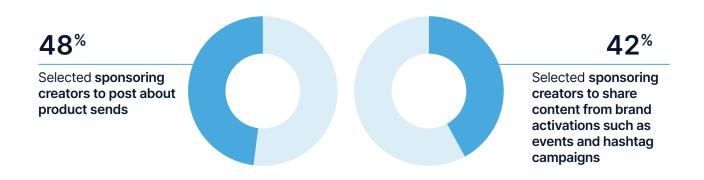


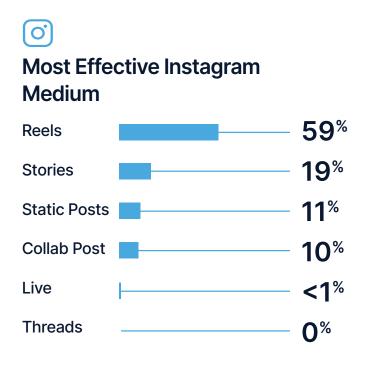
Organizations

Despite continuous changes to the algorithm, video content is still thriving. 82% of organizations reported that both Instagram Reels and TikTok have significantly changed how they approach brand activations. For Reels, 41% of organizations reported a very significant change in their brand activations approach. Meanwhile, 39% reported a very significant change for TikTok.

Let's not sleep on YouTube, whose YouTube Shorts format has made an impact. Over 41% of companies have tried YouTube Shorts for influencer marketing over the past year.

Top Two Social Media Strategies for Influencer Marketing







Industry Leaders

83% of Industry Leaders Believe That Creator Content Drives More ROI than Traditional Advertising

While the creator economy as a whole has matured, there's still a gap between organizations that conflate influencer marketing with sharing sponsored posts on social media, and organizations that push the boundaries of what creator marketing can do. We tracked how responses from industry leaders differed from respondents as a whole.

Industry leaders were defined as companies whose highest ROI program over the past year was the result of influencer marketing. This cohort also contributed \$1.0M or greater annually to influencer marketing. These brands formed 6% of our respondent pool, and represented verticals ranging across beauty, fashion, food & beverage, retail & shopping, and technology & computing. Industry leaders included a two-day delivery service, a prominent upscale yoga apparel brand, a celebrity-founded clean makeup brand, and one of the largest global beauty brands, among others.

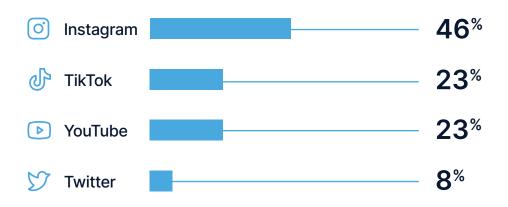
62% of our industry leaders boasted an organization size of 10,000 or more employees. A majority had more than six dedicated influencer marketing personnel, while 69% experienced an expansion in their influencer

marketing personnel over the past year. 62% of these industry leaders significantly increased their influencer marketing investment over the past year, while 77% increased their investment either slightly or significantly.

While brands overall felt that driving ROI was the most challenging aspect of their program, industry leaders were more focused on figuring out how to automate or streamline their influencer marketing processes. And while inadequate budgets and personnels were the most common roadblocks for brands overall, a majority of industry leaders (69%) mentioned difficulty measuring influencer performance as both the most common and most challenging roadblock (selected by 36%).

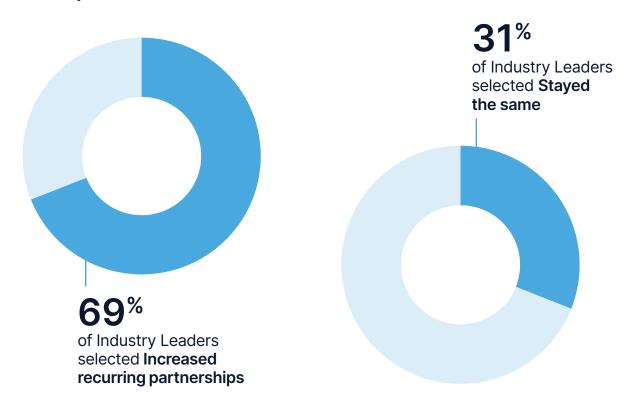
A majority of industry leaders engaged in an integrated marketing strategy, participating in everything from digital advertising to agency partnerships to growth ad performance. For these leaders, return-on-ad-spend (ROAS) was the most useful metric for justifying their influencer marketing budget to decision-makers. Notably, 100% of industry leaders reported that their rate of recurring creator partnerships stayed the same or increased YoY.

Platforms that Deliver the Most ROI **According to Industry Leaders**





Industry Leaders Enjoyed More Recurring Partnerships Over the Past Year



Where do you think the creator economy is headed in the next couple of years?

Trends to Come in 2024 According to Industry Leaders



Over the last 10 years, I have witnessed the creator economy come to life. We first started with blog writing and amplifying our content on Twitter, then posting on our Instagram feed and hosting Instagram Lives and creating IGTV content. Ten years later, we now have a creator economy filled with all different types of influencers—from fashion, to food and beverage, all the way to the kid YouTubers that my kids watch to learn how to put together certain legos and toys.

The creator economy is only going to continue to grow, especially as we see new generations so fully enamored with learning how to create content on either TikTok or YouTube to show their friends.

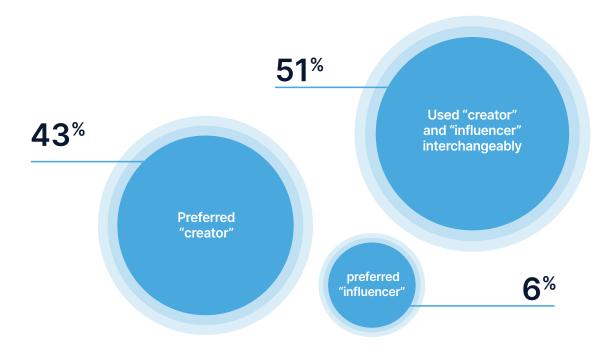
I believe that new platforms will continue rising, new ways to monetize will emerge, and the community will only continue growing as more people are influenced by those they follow to make purchasing decisions."

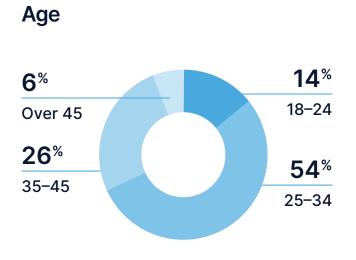
— Katy Coffield, CEO of Foodie Tribe

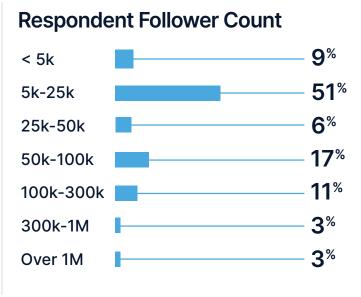
Creators

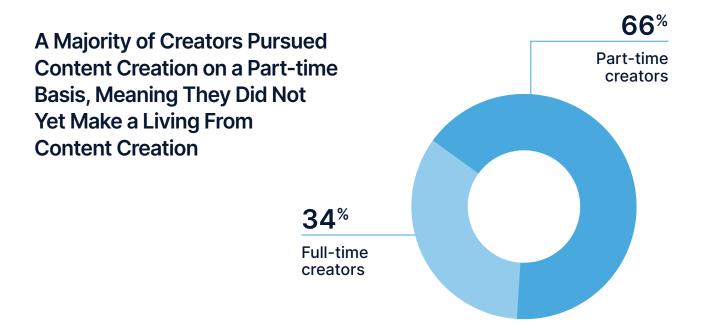
43% Prefer to Be Called "Creators"

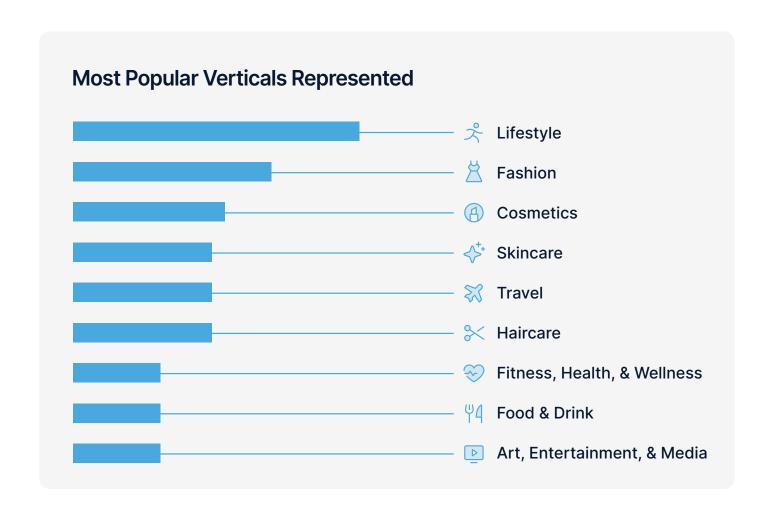
We can't take a pulse on the creator economy without asking the foundational members of this everevolving industry! We sampled a select group of 35 creators for a deep dive on how they worked with brands. The majority of our creators were based in the U.S.











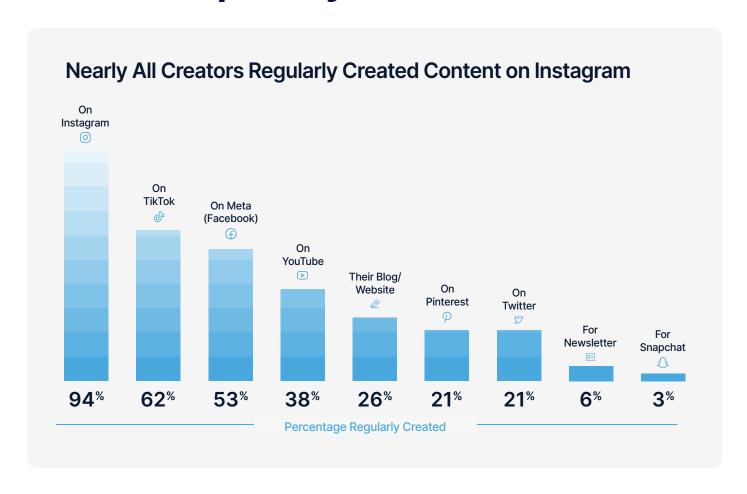
The Vast Majority of Creators Worked Solo

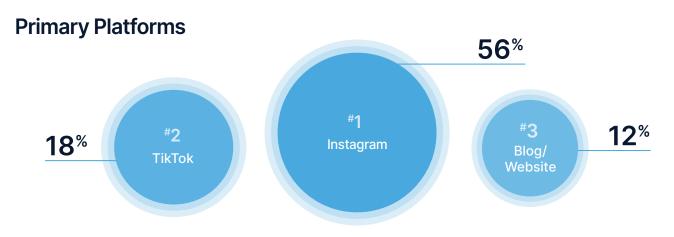


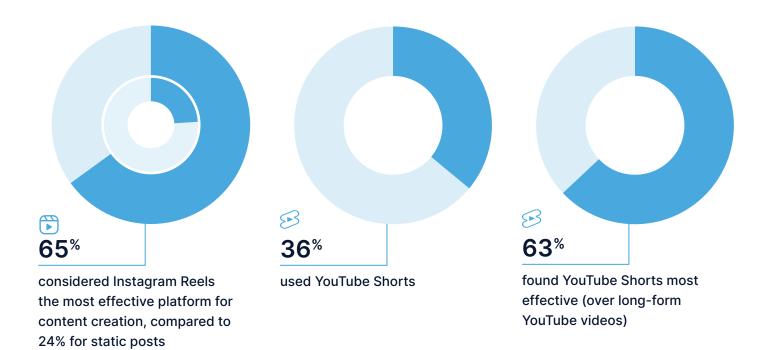
Monthly Revenue From Content Creation

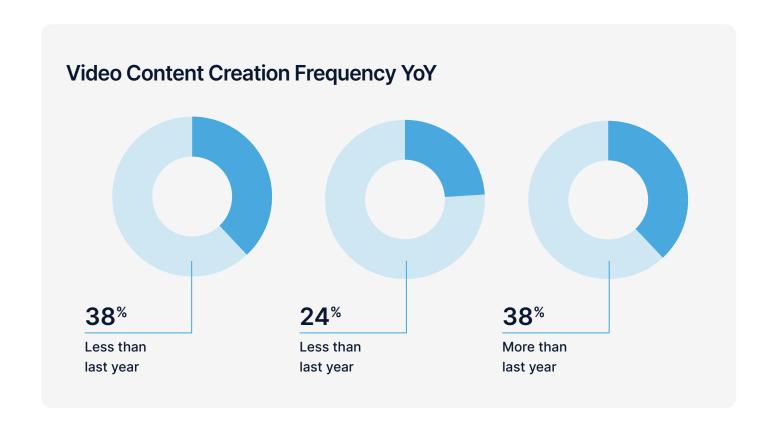


Instagram Is Most Lucrative Platform, but 41% Used TikTok More Frequently

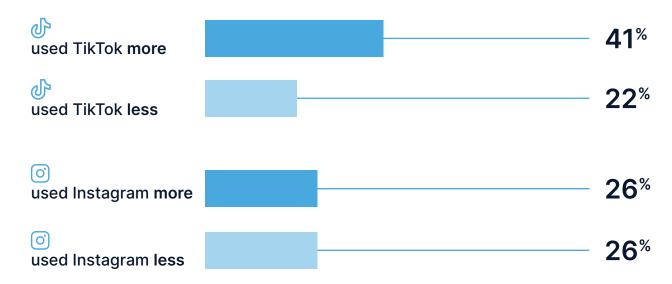


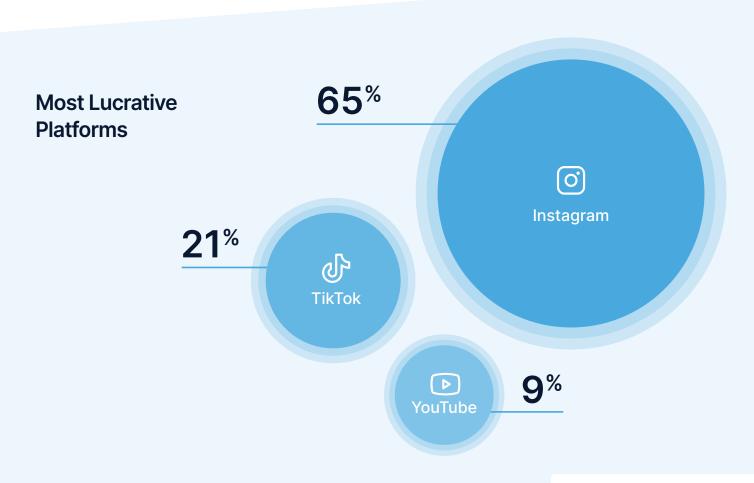






TikTok and Instagram Usage Changes YoY





The #1 Factor in Determining Brand **Partnerships: Product Quality**

Like last year, product quality proved the #1 factor in determining whether or not a creator will work with a brand. The percentage of creators who selected product quality as the most important factor is up this year (56%) compared to last year (43%).

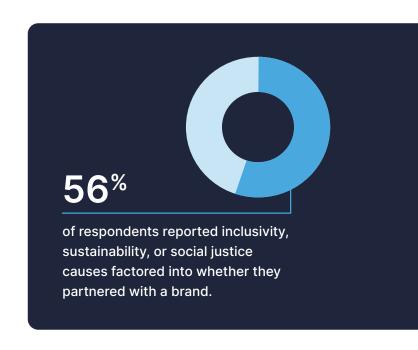
While compensation didn't rank as the most significant factor when deciding whether to work with a brand, the rate of creators who selected compensation is up YoY. 59% of creators reported that compensation contributes to brand satisfaction, up from 44% last year.

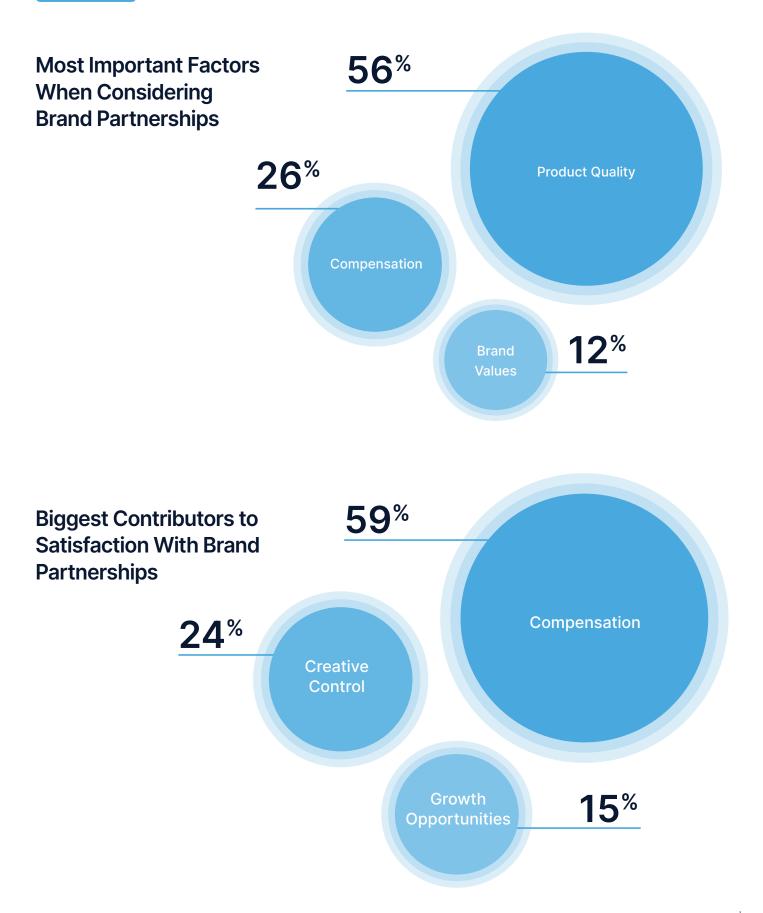
In general, compensation was still "very important" to 64% of our creators, and "somewhat important" to 33%. Notably, a majority of our creators (61%) only received compensation for less than 1/4 of their content. 39% reported receiving about the same amount of compensation as the previous year, while 21% reported receiving "significantly more" per post this year.

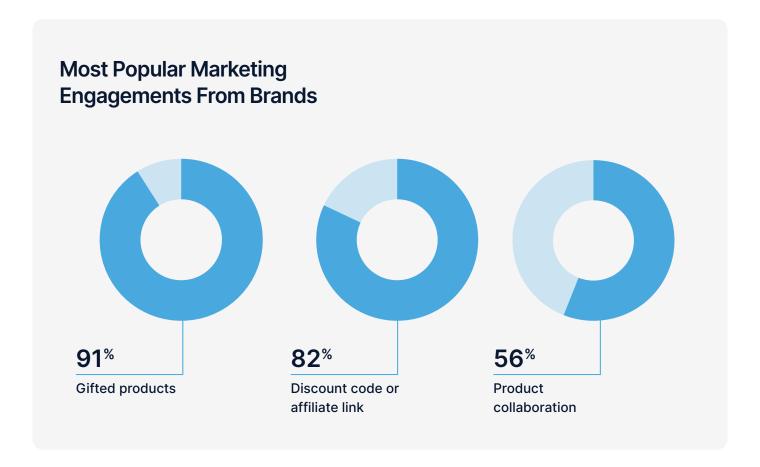
Anecdotally, brand values are increasingly important to both consumers and creators. Among our creator respondents, the rate of those who ranked brand values over everything else fell from 20% YoY, declining to 12% in 2023. However, for 56% of our respondents, inclusivity, sustainability, or social justice causes factored into whether they partnered with a brand.

The most frequent brand interaction that creators experienced was gifting and seeding. With 91% of our creators receiving a free product from a brand, brands can break through this saturation by tailoring sends to creators who are aligned with the offering. Personalizing these sends according to various milestones (like birthdays, holidays, follower count achievements, or recent press) can further help break through the noise.

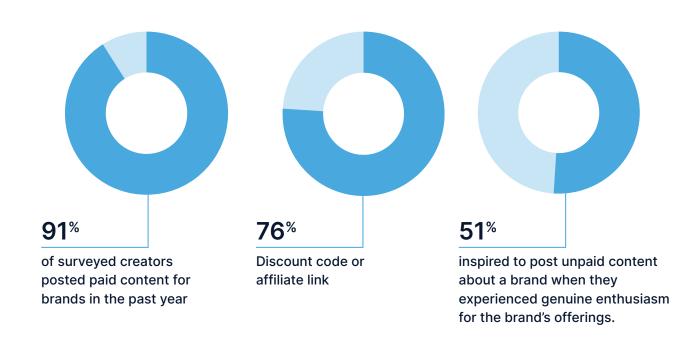
Creative control remained very important to creators, even more so than the previous year: 82% of our creators considered creative control "very important." Finally, as far as what creators were posting, they reported sharing more lifestyle and fashion content than the previous year.







Paid and Unpaid Partnerships with Brands



Creators Want to Work With Brands That Offer Products They Love



67%

were willing to work with brands other than their favorites, but they still have to like these brands' products.



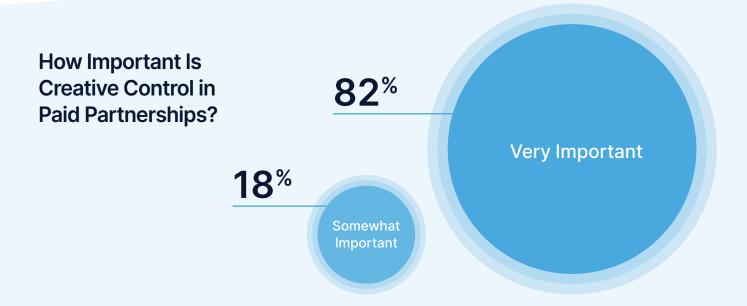
24%

only work with brands whose products they genuinely love.



9%

would work with a brand with lower quality products if the compensation was high enough.



2024's Biggest Influencer Marketing Trends



TikTok All the Way

TikTok took over the responses as brands put in their predictions for 2024. Specifically, updates such as Anchor Links, and live shopping integration more broadly, present an opportunity for more direct attribution.

influencer
short video
micro influencers
brand
UGC
affiliate
creators

TikTok
YouTube influencers
increase believe marketing
Continued focus
influencer marketing



Rapid Adoption of YouTube Shorts

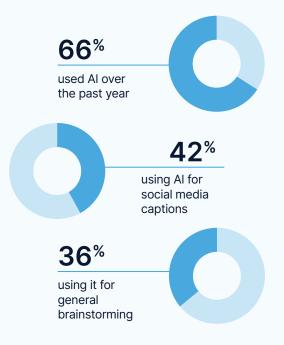
With short-form video reigning as the supreme content type in the industry, it was only a matter of time before YouTube Shorts gained traction.

Respondents predicted that the platform will make waves in Europe because of reported higher engagement rates than Instagram. Plus, upcoming changes will render YouTube Shorts even more attractive.

Artificial Intelligence, a Content Generator

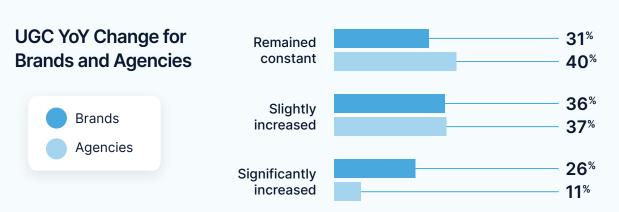
What can we say? Wait, maybe AI will tell us. While Al-generated creators might be the stuff of Black Mirror, Al will continue to provide rapid advancements in the industry.

66% of respondents acknowledged using Al over the past year. Of this cohort of fearless, tech-savvy marketers, 42% were using AI for social media captions, while 36% were using it for general brainstorming. Other popular uses included email and blog writing—so it's safe to say by next year, this report might write itself. In all seriousness, marketers can anticipate using Al as a way to free up time to strategize or accomplish their work tasks at scale.



UGC on the Rise

Marketers foresee UGC being leveraged for owned marketing across social media, as well as email channels. More UGC will allow for a return to the less-polished, more authentic content that's most likely to connect with consumers. While UGC was ranked as the most frequent marketing activity, and 62% of brands reported a YoY increase in UGC, respondents still felt that it would be even more prominent in 2024.



Key Takeaways



While traditional advertising has its uses, as costs increase, marketers can look to creator marketing to keep their content production costs steady, all while **expanding their reach by leveraging creators as publishing partners**.



Even though Instagram is tried and true, **experimentation is the bedrock of the creator economy**. Brands stand to benefit from testing out other popular platforms such as YouTube Shorts.



Take a cue from our Industry Leaders: focus on automating and streamlining workflows when possible, leveraging an integrated marketing approach, and measuring campaigns' success via creator marketing software and key metrics such as ROAS.



Organizations can woo creators with superior product quality, adequate compensation, and initiatives that focus on issues like inclusivity, sustainability, and other social causes.



Grow with Creators. Scale with CreatorlQ.

CreatorIQ is the industry's most trusted creator marketing software, powering advanced creator marketing insights and program management for the world's most innovative enterprise brands.

Supported by cutting-edge data science, our Intelligence Cloud enables creator discovery, streamlines marketing teams' workflow, ensures brand security, and provides customized performance metrics. Our intuitive, comprehensive features have helped make CreatorIQ the chosen creator marketing software solution for brands such as AB InBev, Airbnb, Calvin Klein, CVS, Disney, H&M, Sephora, Unilever, and more.

Founded in 2014, CreatorlQ is headquartered in Los Angeles, with offices in New York, Chicago, London, and Ukraine. In September 2021, CreatorIQ further bolstered our benchmarking and insights capabilities by acquiring Tribe Dynamics, a leading influencer marketing platform that helps passion-driven brands understand the value of their digital earned media.

Ready to take your creator-led marketing to the next level?

Learn More at creatorig.com

