THE LMG MEDIA ANNUAL REPORT

Influencer Marketing Industry Report 2026.

The state of the industry, the numbers that matter, and the seven trends reshaping creator marketing in 2026 — written for the brands operating strategically, and those who want to join them.

$24B	$5.20	7	4
Global Spend	Avg. ROI / $1	Key Trends	Platforms

FOR BRANDS & MARKETING TEAMS

Industry Report 2026.

"The brands that are winning are not simply spending more — they are operating more strategically. They are measuring outcomes rather than outputs, and investing in fewer, better creator partnerships."

DOCUMENT	FORMAT	PERIOD
Resource 16	Annual Industry Report	Early 2026

INSIDE THIS REPORT

The state of the industry · 2026

Contents.

INTRODUCTION · THE STATE OF THE INDUSTRY

Growth tells only part of the story.

The influencer marketing industry is projected to reach **$24 billion** in global spend in 2026 — up from approximately $16 billion in 2023. That trajectory reflects a fundamental shift in how brands allocate budgets: away from broadcast advertising and toward creator-driven content that reaches audiences where they actually spend their time.

But the more significant shift in 2026 is **qualitative, not quantitative**. Brands that are winning are not simply spending more — they are operating more strategically. They build long-term creator relationships rather than one-off activations. They measure outcomes, not outputs. They invest in fewer, better partnerships rather than broad-reach campaigns with inflated follower counts and hollow engagement.

The brands that are losing are those that have not updated their approach. They are still buying reach. They still treat engagement rate as a vanity metric rather than a commercial signal. They still send the same brief to 200 creators and hope something goes viral.

This report is written for the former group — and for those who want to join it.

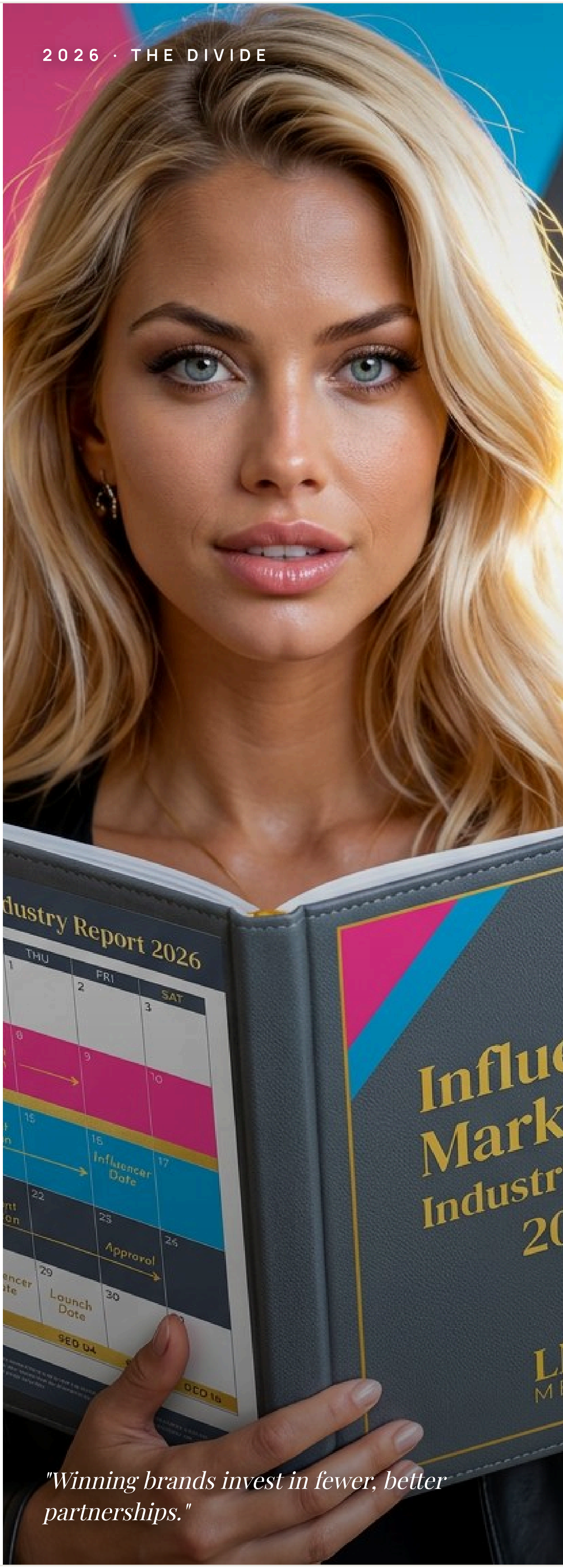
THE STRATEGIC DIVIDE

Two brands, same budget, opposite outcomes.

The defining story of 2026 is not the size of the market — it is the widening gap between brands that operate strategically and those that still buy reach.

The brands winning build sustained creator relationships, measure at the creator level, and invest where engagement is genuine. **The brands losing** chase follower counts, treat engagement as a vanity metric, and broadcast identical briefs to hundreds of creators.

The same dollar, spent strategically, returns multiples of the same dollar spent on reach. This report is, at its core, a guide to which side of that divide a brand wants to be on — and how to get there.



"Winning brands invest in fewer, better partnerships."

THE NUMBERS THAT MATTER IN 2026

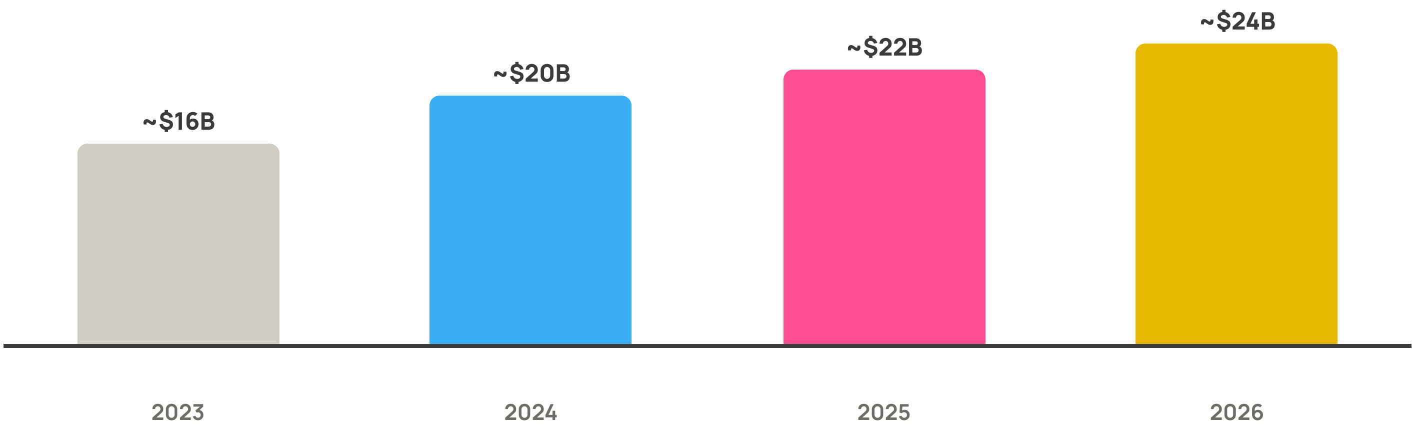
Before the trends, the benchmarks.

These figures frame the commercial context in which influencer marketing operates in 2026. Treat them as directional benchmarks, not precise measurements.

$24B GLOBAL INDUSTRY VALUE · 2026	**25–35%** YOY GROWTH SINCE 2020	**15–30%** OF MARKETING BUDGET ALLOCATED	**$5.20** AVG. RETURN PER $1 SPENT

MARKET GROWTH TRAJECTORY

global influencer marketing spend · USD

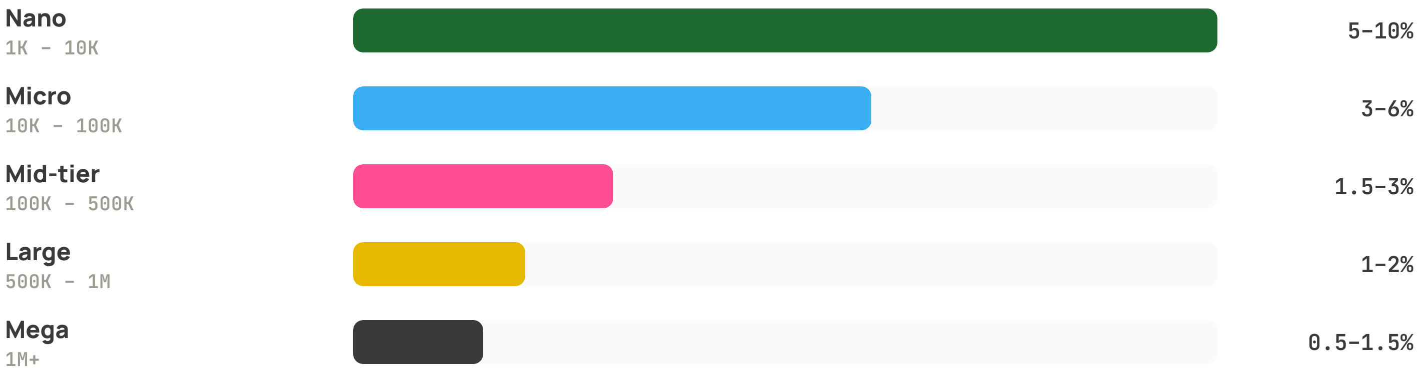


> ***Budget allocation.*** Brands allocate **15–30% of total marketing budget** to influencer partnerships in 2026 — ecommerce and DTC at the higher end, B2B and regulated industries at the lower. Instagram commands the largest share of spend, followed by TikTok, YouTube, and LinkedIn.

CREATOR TIER PERFORMANCE

The inverse relationship, visualised.

Engagement rates by follower tier on Instagram in 2026. The inverse relationship between follower count and engagement rate is now well-established — and its commercial implication is decisive.



> ***The implication for strategy.*** At equivalent total spend, a programme of micro-influencers almost always generates **more total engagement, higher conversion rates, and better cost-per-acquisition** than an equivalent investment in one or two large creators. This is the single most under-exploited arbitrage in the industry.

SECTION 03 · 2026 TRENDS

"Seven shifts separating the brands that win from the brands that spend."

SECTION 03 · SEVEN TRENDS

Seven trends reshaping 2026.

The seven shifts that matter most this year — each one a change in how the best brands operate, not just what they spend.

- **01** · The end of the one-off campaign
- **02** · TikTok Shop has changed ecommerce
- **03** · Micro-influencers at scale
- **04** · B2B influencer marketing has arrived
- **05** · Authenticity over production
- **06** · Intensifying regulatory scrutiny
- **07** · AI in discovery, not relationships

SEVEN TRENDS · 1–2

Relationships & TikTok Shop.

1

The End of the One-Off Campaign

The 2016–2022 model — identify creator, pay for post, measure impressions, repeat — is being replaced by sustained relationships: ambassador programmes, quarterly retainers, multi-month partnerships where creators genuinely integrate a brand over time. Audiences can tell the difference between a creator who uses a product and one paid to mention it once.

47% higher engagement · 62% better brand recall

2

TikTok Shop Has Changed Ecommerce Forever

Not simply a new feature — a structural shift in the relationship between content and commerce. The elimination of friction between discovery and purchase has created a direct sales channel within creator content. For beauty, fashion, food, and consumer goods, TikTok Shop creator campaigns are now among the most cost-efficient direct sales channels available. The winners are not those with the largest budgets — they are those that have built broad networks of micro and nano creators on affiliate arrangements.

SEVEN TRENDS · 3–4

Micro-scale & B2B arrives.

3

Micro-Influencers at Scale Are the Dominant Model

The strategic case has been made repeatedly. The 2026 story is operational: the infrastructure to run these programmes at scale has matured. Affiliate platforms, creator management tools, and streamlined outreach have reduced the per-creator overhead that once made large micro-programmes impractical. More brands are now running programmes of 50, 100, or 200 micro-creators simultaneously — and out-returning mega-influencer programmes at equivalent spend. The requirements: robust affiliate tracking, a scalable onboarding process, and a brief framework that works at volume.

4

B2B Influencer Marketing Has Arrived

LinkedIn influencer marketing was, until recently, discussed more than used. In 2026 it is a mature, commercially significant channel for B2B across technology, financial services, professional services, and enterprise software. The algorithm increasingly rewards creator content over brand pages; a growing cohort of practitioners and executives have built substantial professional audiences. For B2B brands the ROI model differs — conversion happens over months, and the metric that matters is **pipeline influence**, not direct attribution. Brands that measure LinkedIn through a consumer lens consistently undervalue it.

TREND 05

Authenticity replaced production.

There was a period when higher production quality in influencer content was unambiguously better. That period has ended.

Across virtually every category, content that feels genuinely authentic — shot on a phone, unscripted, visually imperfect — now consistently outperforms highly produced branded content on both engagement and conversion. The quality audiences evaluate is **authenticity, not polish**.

The implication for briefs is significant. Brands that over-specify creative direction — dictating camera angles, scripting captions, demanding revision rounds on content that looked natural in its first draft — are actively destroying the commercial value of their partnerships. The best brief gives clear strategic parameters and genuine creative freedom within them.

"Real and honest beats expensive and promotional."

SEVEN TRENDS · 6–7

Regulation & the right use of AI.

6 Regulatory Scrutiny Is Intensifying Globally

Disclosure requirements exist in every major market and are being enforced with increasing rigour. In the US, the FTC has extended brand liability for non-compliant creator content. In France, the 2023 Loi Encadrant l'Influence Commerciale created the world's most specific national legislation. The UK's ASA continues active monitoring; the UAE's National Media Council regulates with specific cultural standards. Non-compliant content now exposes the **commissioning brand** — not just the creator — to regulatory and reputational consequences. Explicit compliance briefing and contractual disclosure obligations are non-negotiable.

7 AI Is Changing Discovery — But Not Relationships

AI-powered discovery and analytics platforms have genuinely improved the efficiency of vetting and selection — analysing audience authenticity, predicting performance, identifying alignment across large datasets. What AI has not replaced, and shows no sign of replacing, is the quality of the human relationship between brand and creator. The most productive partnerships are built on mutual respect, creative trust, and long-term commitment — none of which can be automated. The right use of AI is to make discovery efficient, freeing time for the relationship and creative work that actually drives results.

SECTION 04 · PLATFORM INTELLIGENCE

Where to invest in 2026.

Each platform plays a distinct role in a 2026 programme. Platform selection should follow audience and objective — not trend.

Instagram

The largest single platform for spend

Reels for reach, carousels for education, Stories for direct response and affiliate conversion. Mature affiliate infrastructure (LTK, brand-native).

BEST FOR · Fashion · Beauty · Lifestyle · Luxury · Food · Fitness

TikTok

The fastest-growing platform

TikTok Shop is the most direct ecommerce channel available. Algorithmic organic reach makes it the most efficient platform for new-audience discovery at scale.

BEST FOR · Ecommerce · Accessible consumer · Under-35

YouTube

The highest-ROI long-form platform

Review and tutorial content compounds over 12–24 months. Largest production investment, longest content shelf life.

BEST FOR · Tech · Beauty · Fitness · Finance · High-consideration

LinkedIn

The primary B2B platform

Growing rapidly for professional services, technology, finance, and any brand targeting senior decision-makers. Requires a pipeline-influence measurement model.

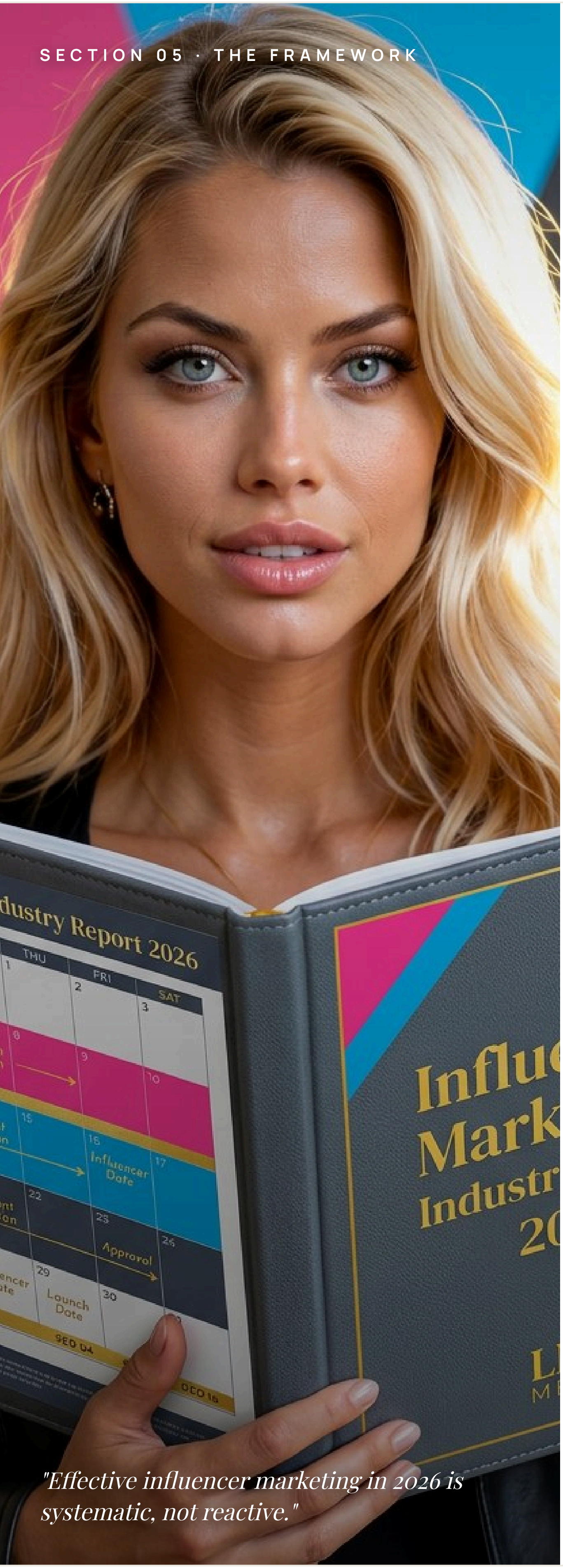
BEST FOR · B2B · SaaS · Professional services · Finance

MEASURE WHAT MATTERS

Outcomes, not outputs.

The single behaviour that most reliably separates high-performing programmes from the rest is measurement discipline. Impressions and follower counts are outputs. Conversions, cost-per-acquisition, pipeline influence, and content shelf-life value are outcomes. The brands compounding returns in 2026 measure at the creator level — and reallocate budget toward the individual partnerships that demonstrably perform.

8–12× MICRO AFFILIATE · HIGH-AFFINITY ROI	**2–3×** BROAD MEGA-INFLUENCER AWARENESS	**47%** ENGAGEMENT LIFT · LONG-TERM	**62%** BRAND-RECALL LIFT · LONG-TERM



SECTION 05 · BUILDING A 2026 FRAMEWORK

Systematic, not reactive.

The brands that consistently outperform have built repeatable operational frameworks covering every stage of the campaign lifecycle.

Five disciplines define the framework — and each maps to a resource in this series: **define objectives** before selecting creators, **invest in vetting**, **brief for creative freedom**, **build attribution before outreach**, and **measure at the creator level**.

The next page lays them out in order. None is novel on its own. The advantage comes from doing all five, every time, as a system.

THE 2026 INFLUENCER MARKETING FRAMEWORK

Five disciplines, one system.

Effective influencer marketing in 2026 is systematic rather than reactive. These five disciplines, applied every time, are what separate good programmes from great ones.

01 **Define objectives before selecting creators**

Selection criteria for a direct sales campaign differ from those for awareness. Platform, tier, format, and measurement all flow from the objective. Starting with creator selection is the most common source of misaligned campaigns.

02 **Invest in creator vetting**

Follower count is the least useful metric. Engagement quality, audience authenticity, sponsored-vs-organic performance, and genuine brand alignment predict commercial outcomes. Time spent vetting before a brief is sent pays back many times over.

03 **Brief for creative freedom within clear parameters**

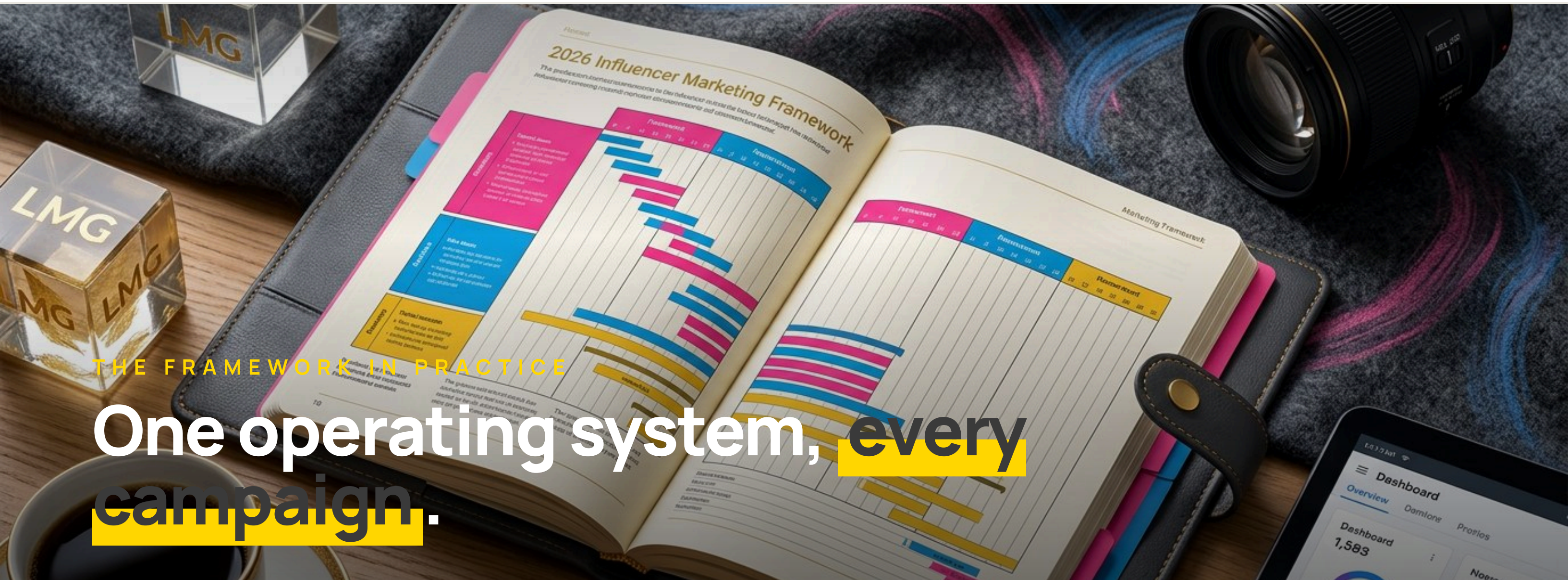
The brief's job is to give the creator everything they need — not to script the content. Define objective, audience, three key messages, mandatory inclusions, and creative boundaries; then trust the creator's judgment within them.

04 **Build attribution infrastructure before outreach**

Unique UTM links, creator-specific codes, and affiliate tracking must be set up and tested before any creator begins producing. Retrofitting attribution after launch is expensive, incomplete, and a source of disputes.

05 **Measure at the creator level**

Programme-level reporting is necessary but insufficient. Knowing which individual creators generate the strongest CPA, content value, and sustained engagement is what enables the continuous optimisation that compounds returns.



THE FRAMEWORK IN PRACTICE

One operating system, every campaign.

Each of the five disciplines maps directly to a resource in the LMG Media series — the Vetting Checklist, the Campaign Brief Template, the Contract Template, the Outreach Templates, and the Timeline & Calendar. Together they form a single operating system for running creator programmes that compound returns rather than chase one-off virality.

→ **Define & vet**
Resource 14 · Influencer Vetting Checklist — the discipline of selecting on signal, not follower count.

→ **Brief & contract**
Resources 11 & 12 · Campaign Brief and Contract & Usage Rights — clear parameters, protected terms.

→ **Outreach & plan**
Resources 13 & 15 · Outreach Templates and Timeline & Calendar — personalised contact, owned milestones.

FREQUENTLY ASKED QUESTIONS

Budgets, platforms & ROI.

Q How much should brands allocate to influencer marketing in 2026?

Industry benchmarks suggest **15–30% of total marketing budget** for consumer brands, varying by category and strategic priority. Start with a defined test budget — enough to run a proper programme across 10–20 creators over 8–12 weeks — measure rigorously, and scale based on demonstrated returns rather than arbitrary percentage targets.

Q Which platform should brands prioritise?

Platform selection should follow audience and objective, not trend. **TikTok** for under-35 consumer audiences and ecommerce conversion. **Instagram** for broad consumer brand building. **YouTube** for higher-consideration purchases and long-term content value. **LinkedIn** for B2B. Most effective programmes use 2–3 platforms in combination.

Q What is a realistic ROI expectation?

Average benchmarks suggest **$5–$6 return per dollar**, but this varies significantly. Micro-influencer affiliate programmes in high-affinity categories regularly achieve 8–12×; broad-reach mega-influencer awareness campaigns may generate 2–3×. Set expectations based on your specific category and programme structure, not industry averages.

FREQUENTLY ASKED QUESTIONS · CONTINUED

Fraud & competing on budget.

Q How do brands avoid influencer fraud?

Thorough pre-campaign vetting using both qualitative content review and third-party analytics tools (HypeAuditor, Modash) to assess audience authenticity, engagement quality, and follower growth patterns. See the LMG Media **Influencer Vetting Checklist** (Resource 14) for a complete step-by-step evaluation framework.

Q How do smaller brands compete with larger budgets?

Micro and nano-influencer affiliate programmes level the playing field. A brand spending **$5,000 per month** on a well-structured micro-influencer affiliate programme can consistently outperform competitors spending ten times that amount on large creator partnerships. The advantages of smaller creators — higher engagement, lower costs, genuine community trust — compound at scale.

> ***The through-line of this report.*** In every question above, the same principle holds: in 2026, **strategic structure beats raw spend**. The brands that win are not the ones with the biggest budgets — they are the ones that vet rigorously, brief well, measure at the creator level, and reinvest in what demonstrably works.

KEY TAKEAWAYS

The report in seven lines.

If you read nothing else, read this. The seven conclusions that should shape every 2026 influencer marketing decision.

SEVEN TAKEAWAYS FOR 2026

- [ ] **The market is $24B and growing 25–35% a year** — but the qualitative shift toward strategy matters more than the headline growth.
- [ ] **Micro beats mega at equal spend.** More total engagement, higher conversion, better cost-per-acquisition — almost every time.
- [ ] **One-off campaigns are over.** Sustained relationships deliver 47% more engagement and 62% better recall.
- [ ] **TikTok Shop is the most efficient direct sales channel** for consumer brands — won with micro-creator affiliate networks, not big budgets.
- [ ] **B2B influencer marketing has arrived** on LinkedIn — measured by pipeline influence, not direct attribution.
- [ ] **Authenticity beats production,** and over-briefing destroys commercial value. Compliance is now non-negotiable in every market.
- [ ] **Use AI for discovery, not relationships.** The human creative partnership remains the decisive advantage.

ABOUT LMG MEDIA

Where Quality Brands Meet Iconic Influence.

LMG Media is an influencer marketing agency working with brands across **fashion, beauty, luxury, fitness, gaming, ecommerce,** and **tech** — in markets including London, New York, Dubai, Los Angeles, Miami, and Paris.

If you would like support building a creator programme that delivers measurable results in 2026 — from strategy and vetting through brief, contract, outreach, and reporting — get in touch.

This report reflects LMG Media's campaign experience and market research as of early 2026. Market data figures are drawn from publicly available industry research and should be treated as directional benchmarks rather than precise measurements.

Start Your Campaign →

Get in Touch

lmg.media

HOW WE WORK WITH BRANDS

From report to results.

The trends in this report are only useful if they change how a programme is run. We work as an end-to-end agency partner or on a single-stage basis — most clients begin with strategy and vetting, and expand across the full workflow.

01
Strategy & sourcing
Objective-led strategy and creator sourcing across six global markets.

02
Vetting & briefing
Third-party authenticity analysis, brand-safety review, and clear-parameter briefs.

03
Contract & outreach
Negotiated terms, usage rights, and personalised first-touch outreach.

04
Measure & optimise
Creator-level reporting at 7 and 30 days, and continuous reallocation to what works.

Start Your Campaign →

Get in Touch

lmg.media

METHODOLOGY & SOURCES

How this report was compiled.

The figures and observations in this report draw on two sources: **LMG Media's own campaign experience** across hundreds of creator partnerships in 2024 and 2025, and **publicly available industry research** on market size, growth, and platform dynamics.

Engagement benchmarks reflect aggregate performance across the agency's managed campaigns, segmented by platform and creator tier. ROI figures are directional — actual returns vary significantly by category, creator tier, platform, and campaign structure.

Market-size and growth figures are expressed as ranges to reflect the variation between published industry estimates. They should be read as directional benchmarks for planning, not as precise measurements.

Where this report references other LMG Media resources — the Vetting Checklist, Brief Template, Contract Template, Outreach Templates, and Timeline & Calendar — those documents contain the detailed operational frameworks the trends in this report imply.

> ***A note on benchmarks.*** Treat every figure in this report as a starting point for planning, not a target. The most valuable benchmark is always your own — measured rigorously, at the creator level, across your specific category and programme structure.

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Where Quality Brands Meet Iconic Influence.

$24B	*7 Trends*	*4 Platforms*	*1 Framework*