

The impact of influencers on advertising and consumer protection in the Single Market

The [original full study](#)¹ defines influencers and analyses their impact on advertising and consumer protection in the Single Market. The study also identifies best practices and provides recommendation for future action.

Background

An Influencer is a **content creator** with a **commercial intent**, who builds **trust and authenticity-based** relationships with their audience (mainly on social media platforms) and engages online with commercial actors through different **business models for monetisation** purposes.

The influencer marketing industry has grown significantly in recent years. Consumers engage with influencers voluntarily but are at the same time exposed to advertising that relies on the parasocial relationship between the consumer and the influencer, which raises concerns about the protection of consumers.

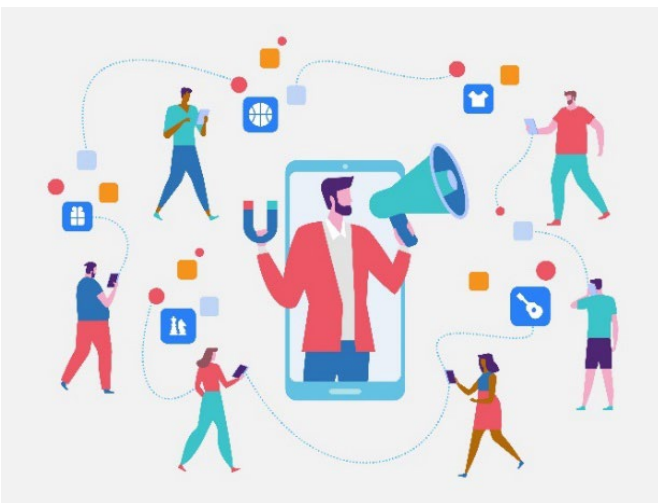
Key findings

Influencer marketing is one of the main business models used by influencers (though not the only one). Since 2019, its global market value has more than doubled, reaching 13.8 billion US dollars (12.2 billion Euros) in 2021, a 700% increase compared to 2016 levels².

The ways in which influencers interact with their audience have gone beyond influencer marketing, with the emergence of different ways to interact with the followers on platforms and through online communities. In terms of

business models, creators are diversifying their revenue streams and are often funded directly by their fans or through their own business ventures. New business models have emerged around social media platforms, such as:

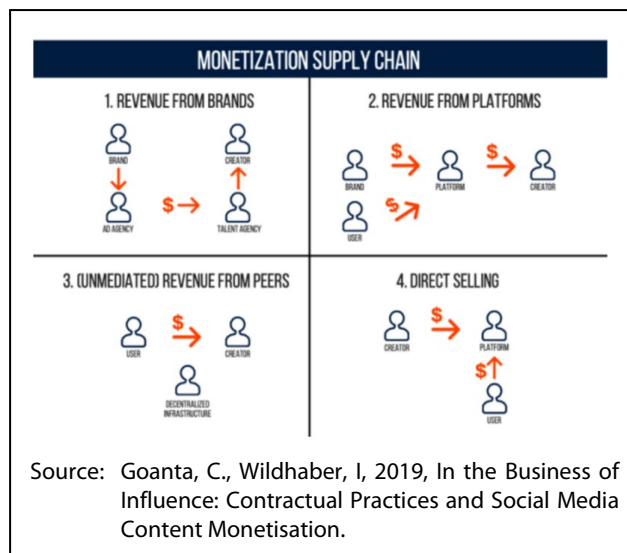
- tokenisation ('virtual currencies' which are obtained in exchange for real money and allow users to interact with or receive access to exclusive content by their favourite content creators);
- subscription/crowdfunding;
- ad revenue; or
- direct payments (overview presented on the next page).



Check out the
[original full study](#)
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QR code!



Research on the behavioural effects of influencer marketing highlights the **negative impact** of certain practices on consumers, especially on vulnerable consumers such as children and teenagers. The potentially harmful marketing practices identified encompass the **lack of transparency and unclear disclosure, lack of separation between advertising and content, misleading messages, and messages targeting vulnerable consumer groups**. On the legislative side, influencers are subject to EU and national consumer protection rules applied by national courts and authorities, as well as to industry self-regulation.



Recommendations

This study puts forward that regulating influencers' activities requires **striking the right balance** between, on the one hand, enabling the Single Market for commercial activities as well as for (online) social interaction and the creation of non-commercial content, and, on the other hand, protecting the interests of consumers.

Relying on and expanding existing **consumer protection legislation is generally considered to be the right path to tackle influencer marketing**. National courts and authorities already apply existing legislation to influencer marketing practices. In particular, the Unfair Commercial Practices Directive (UCPD), as amended by Directive (EU) 2019/2161, provides an immediate and preferred framework to frame influencer practices. The recent UCPD guidance and the upcoming Digital Services Act (DSA) also provide further clarity on the obligations surrounding influencer marketing practices. Moreover, **national authorities should be supported in developing and using digital tools** that facilitate the monitoring of influencer marketing activity and the enforcement of consumer rights. While information and guidance that help influencers comply with applicable rules already exist at national level, the EU could create a resource centre where this information is centrally available. Lastly, all market actors, which are not limited to **influencers** but also include brands and platforms, **must know their duties** and obligations and collectively act in a professional and responsible way.

Based on this assessment, the EU should **keep monitoring** to what extent current industry practices effectively guarantee the protection of consumer interests. The effectiveness of practices could be verified and confirmed through consumer testing and behavioural research.

1. Michaelsen, F., Collini, L. et. al., 2022, The impact of influencers on advertising and consumer protection in the Single Market, Publication for the Committee on Internal Market and Consumer Protection (IMCO), Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, Luxembourg. Available at: [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/703350/IPOL_STU\(2022\)703350_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/703350/IPOL_STU(2022)703350_EN.pdf).
2. Statista, 2021, Influencer marketing market size from 2016 to 2021. Available at: <https://www.statista.com/statistics/1092819/global-influencer-market-size/>.

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