Context

A report by [Statista](#) says that the Influencer Marketing Industry is slated to exceed $16 Billion by the end of 2022. Additionally, [Shopify](#) reports that 61% of the users trust influencer recommendations, and 38% trust branded social media content. Platforms like Google have predominantly occupied the top spot when it comes to search-and-learn behavior. However, social media platforms like Instagram are gearing up and making the platform more search-friendly and shoppable content suggestions.

One key format that crops up when a user searches for products or information related to the product is influencer content with Paid Partnership tag. Other aspects of the usage of paid partnership tag are to make the process of brand recommendations more transparent for the intended audience and additionally provide more authenticity to the creator's content.

Brands can now access the data on how the sponsored content campaigns are performing on Instagram, allowing them to make better decisions for future Instagram marketing campaigns. Brands only have 14 days to see the performance of stories tagged as Business Partners. Brands can use this information to determine which influencers are more effective for their products/services and estimate what ROI to expect from individual influencers involved in the campaign strategy. It's essential for brands to track metrics such as reach, likes, comments, views, etc. in order to make informed decisions for future social media campaigns and optimize their influencer marketing efforts across platforms simultaneously.

For research purposes, we have considered Instagram to analyze the impact of the "Paid Partnership" tag on the engagement rate of the creator content. It is important to note that Instagram is still the most popular social media channel among brand marketers looking to execute influencer campaigns. The aim of this study is to help them understand whether using "Paid Partnership" enhances or further lowers the engagement on said posts.

Methodology

We considered over **five thousand posts from the last twelve months** with a "Paid Partnership" tag and used Crowdtangle to source data for this study. These are the actual number of posts made by creators of various sizes with the tag. Besides this, great care has been taken to eliminate aggregator pages publishing branded content to maintain consistency.

For analysis, we calculated Engagement Rate (ER) for the posts with a "Paid Partnership" Tag by identifying the % of total engagements received on these posts and the usual channel engagement rate

- Calculate Partnership Post ER for each creator
    - Consider followers as the basis for Post ER calculation

- Collate Average channel ER for the creators from Crowdtangle

- Segregate post data basis country and later by creator sizes

- Compare & plot the difference between partnership post-ER & average channel ER

Creator Size Segregation :

- Nano influencers (1K–10K followers)
- Micro influencers (10K–100K followers)
- Macro influencers (100K–1M followers)
- Mega or celebrity influencers (1M+ followers)

Markets Considered

| Country	Number of Creators
United States	429
India	393
Brazil	183
United Kingdom	98
Spain	59
Indonesia	55
France	46
Germany	33
Italy	43
Philippines	41
Mexico	38
Russian Federation	21
Poland	17
South Africa	15

Key Learnings

1. Creator Type

1(a) Mega Creators

There is a slight dip in engagement rate when it comes to Creator content with "Paid Partnership" Tag as compared to posts without the "Paid Partnership" Tag. Median **Post Engagement Rate is 2.26%** whereas Median **Channel ER is 2.95%** i.e. creator posts with a **"paid partnership'** tag yield **23% lesser engagement** than the content pieces without the tag. Some followers may be less likely to engage with posts that they perceive as being sponsored or influenced by outside parties, even if the content is high-quality. This could explain why posts with the tag have lower engagement rates. Other Factors such as Content Quality, Audience Alignment and Timing must have also affected the result.

On the other hand the chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. This scatter chart suggests that influencer content is inherently organic and possesses the capacity to generate consistent levels of audience engagement. This indicates that the mega creators are skilled at building and maintaining communities around their content, which can lead to stable engagement and loyalty among followers.
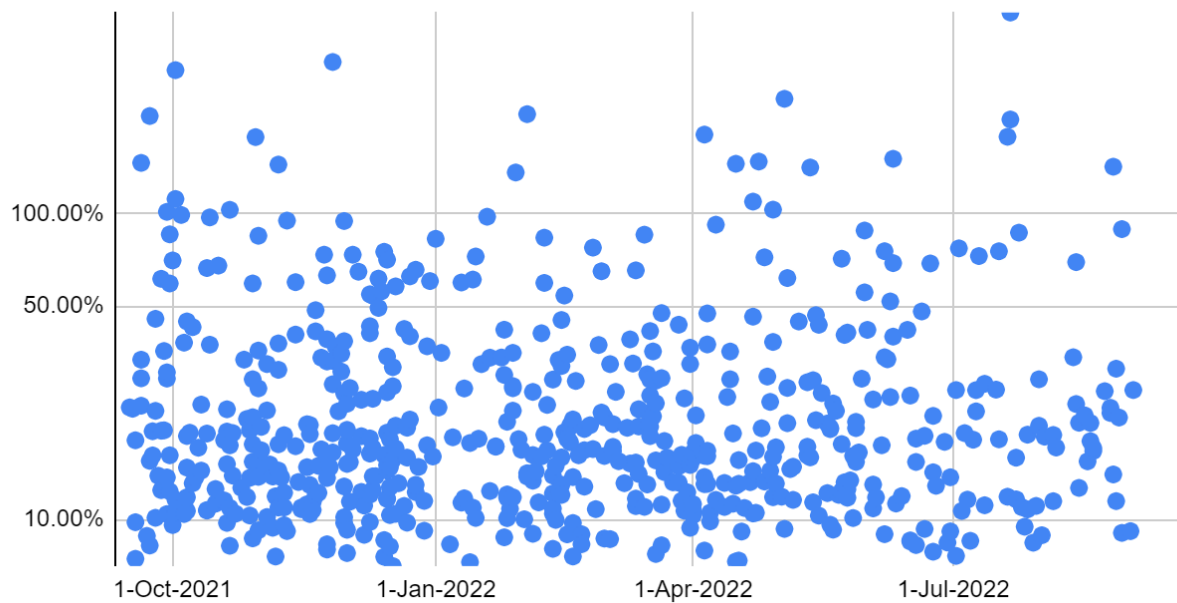

Engagement Rate On "Paid Partnership" Tag Post
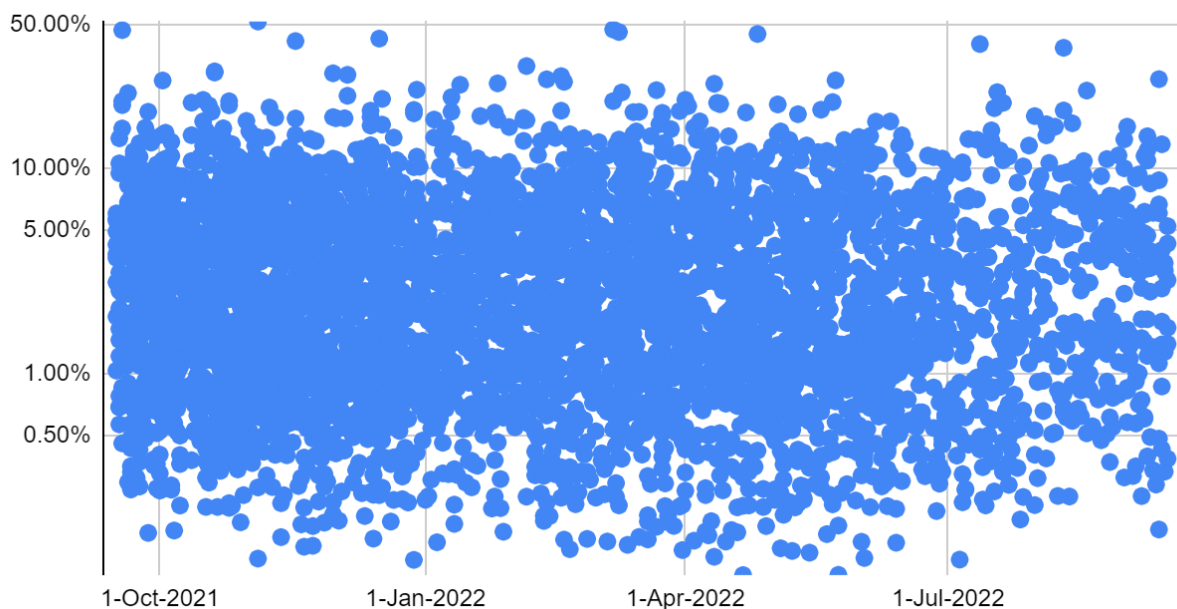
1(b) Macro Creators

The data shows that creator content featuring a 'paid partnership' tag generates a median post engagement rate of 17.32%, which is 59% higher than the median engagement rate of 10.89% for content without the tag. This suggests that the 'paid partnership' tag has the potential to significantly increase engagement among macro creators.

However the chart below which represents the engagement rates of the posts with the "paid partnership" tag highlights the fluctuating engagement levels. This may be the result of Inconsistent use of sponsored promotions, engagement manipulation, the possibility of viral content.

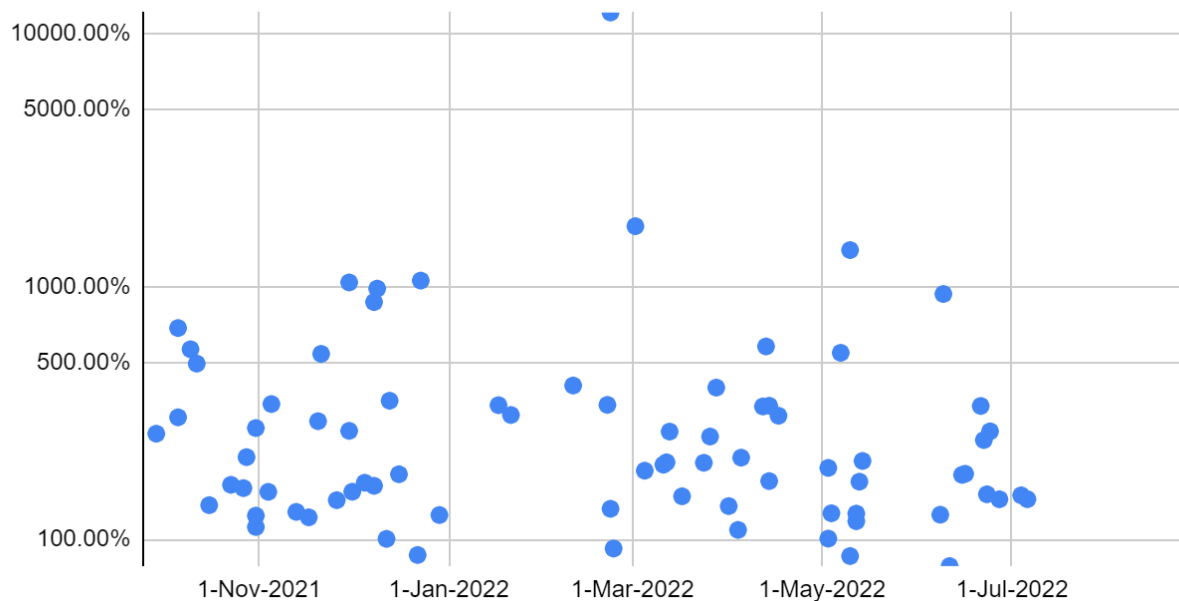Engagement Rate On "Paid Partnership" Tag Post

1(c) Micro Creators

Content pieces created by micro-creators with a "Paid Partnership" tag have a median post engagement rate of 204.30%, which is significantly higher compared to the median engagement rate of 9.46% for posts without the tag.
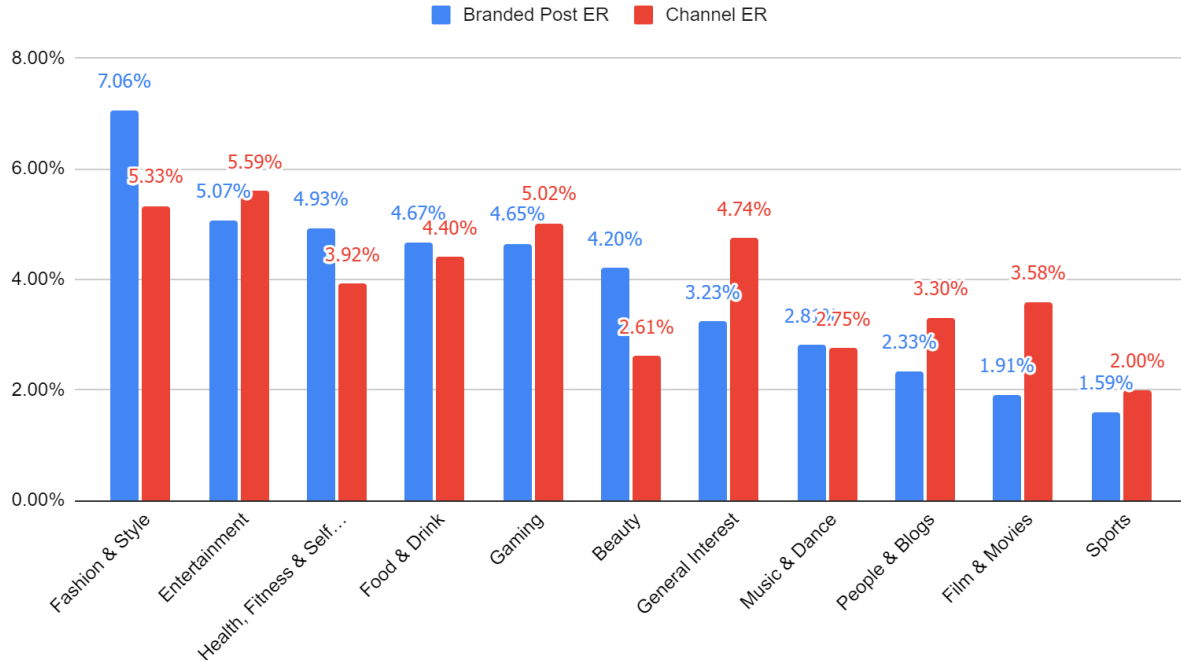
The inclusion of a "Paid Partnership" tag in micro-creator content results in a remarkable 2060% increase in engagement compared to posts without the tag.

One reason could be that the tag helps to increase the visibility and reach of the content. When a post is marked as a paid partnership, it may be more likely to appear in the feeds and search results of relevant audiences, which can lead to increased engagement.

Engagement Rate On "Paid Partnership" Tag Post

2. Creator Genre

Legend: ■ Branded Post ER   ■ Channel ER

Chart data:
- Fashion & Style: 7.06%, 5.33%
- Entertainment: 5.07%, 5.59%
- Health, Fitness & Self...: 4.93%, 3.92%
- Food & Drink: 4.67%, 4.40%
- Gaming: 4.65%, 5.02%
- Beauty: 4.20%, 2.61%
- General Interest: 3.23%, 4.74%
- Music & Dance: 2.82%, 2.75%
- People & Blogs: 2.33%, 3.30%
- Film & Movies: 1.91%, 3.58%
- Sports: 1.59%, 2.00%

Across all genres except for Fashion & Style, Health, Fitness & Self Help, Food & Drink, Beauty, and Music & Dance, the channel engagement rate exceeds the engagement rate for branded posts.

Based on these findings, it appears that influencers in these 5 categories tend to have a stronger connection with their audience, resulting in higher engagement rates with branded content. Brands looking to maximize their campaign's impact should consider leveraging influencers from these categories to drive better results.

The use of the 'Paid partnership' tag negatively impacts engagement rates for branded content in the six other categories.

To sum up,the impact of the 'paid partnership' tag can have both positive and negative effects on different categories of content creators, resulting in a roughly equal balance between positive and negative outcomes.

3(a) United States of America

Creator content with "Paid Partnership" Tag performs almost at par with the posts without the "Paid Partnership" Tag. This is indicative of the channel-natural nature of influencers' content and the content's ability to incite stable engagement.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 4.44%** whereas Median **Channel ER is 4.38%** i.e. creator posts with a **"paid partnership'** tag yield **1.4% better engagement** than the content pieces without the tag.
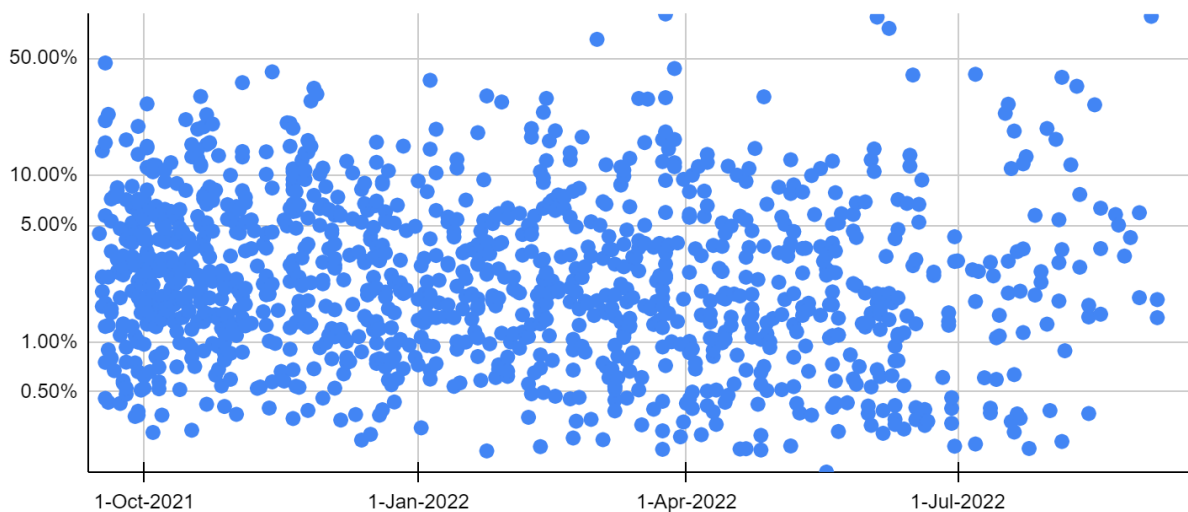
Engagement Rate On "Paid Partnership" Tag Post
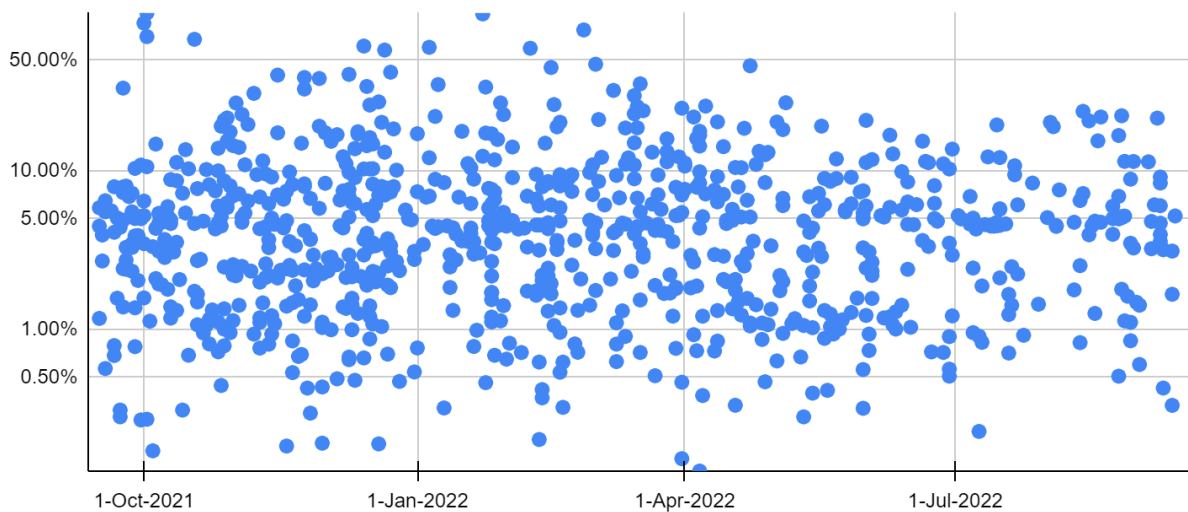
Besides the above, it is important to note that creators under the category **"People & Blogs"** garnered **28% lower engagement on posts with paid partnership tag** and similarly, creators under the category "**Music & Dance**" garnered a whopping **37% lower engagement on the posts with paid partnership tag**. However, interestingly creators under the **"Entertainment"** category garnered **15% higher engagement on the posts with the "paid partnership" tag** than on the ones without the tag.

3(b) India

Scatter chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or content virality. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 2.27%** whereas Median **Channel ER is 4.76%** i.e. creator posts with a **"paid partnership'** tag yield **52% lesser engagement** than the content pieces without the tag.
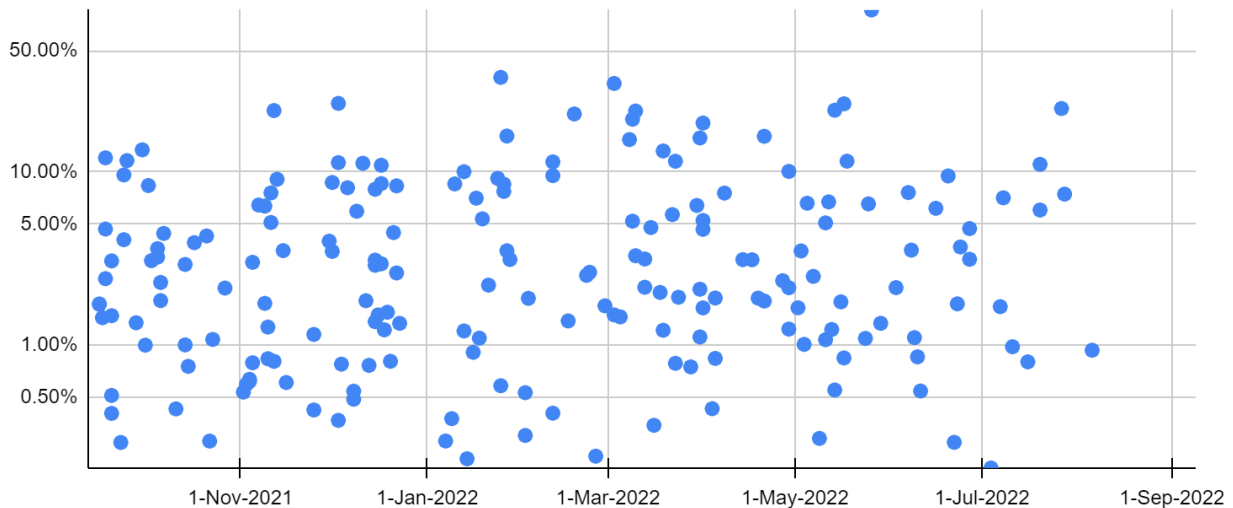
Engagement Rate On "Paid Partnership" Tag Post

Besides the above, it is important to note that creators under the category "**People & Blogs**" garnered **50% lower engagement on posts with paid partnership tag**. Other genres individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres.

3(c) United Kingdom

Higher degree of scatter on the chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or content virality. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 1.72%** whereas Median **Channel ER is 2.37%** i.e. creator posts with a **"paid partnership'** tag yield **13% lesser engagement** than the content pieces without the tag.


Engagement Rate On "Paid Partnership" Tag Post

Besides the above, it is important to note that creators under the category "**People & Blogs**" garnered **engagement almost at par on posts with paid partnership tag against the posts without the tag.** Other genres individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres

3(d) Indonesia

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 3.77%** where as Median **Channel ER is 2.53%** i.e. creator posts with a **"paid partnership'** tag yield **49% higher engagement** than the content pieces without the tag.

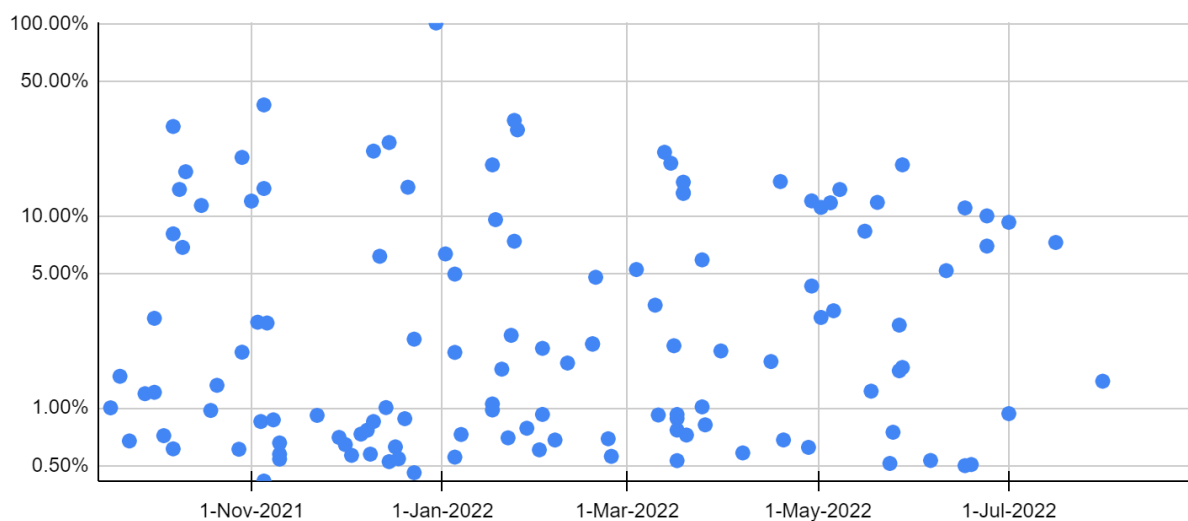Engagement Rate On "Paid Partnership" Tag Post
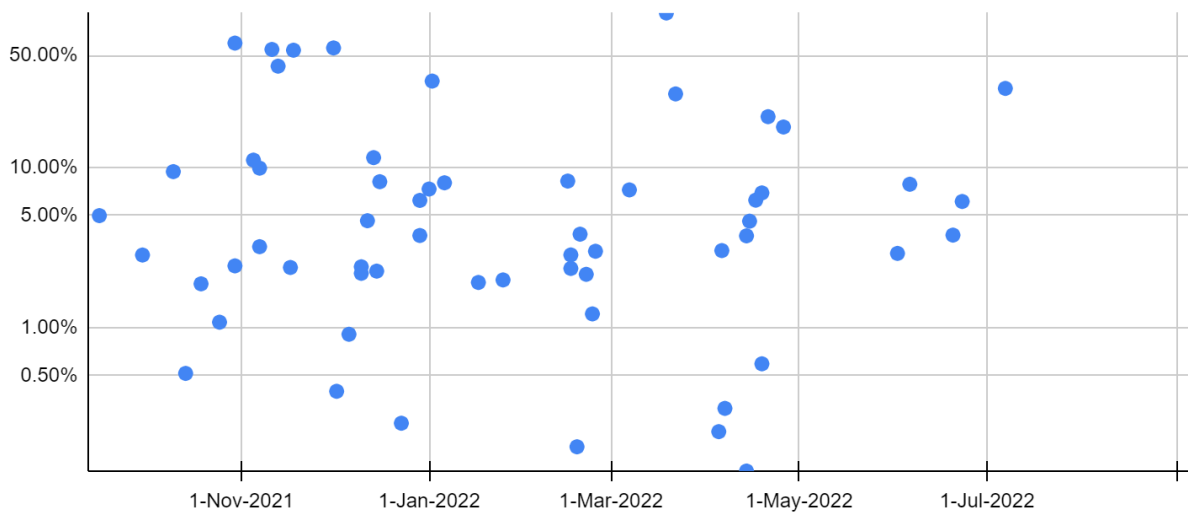
Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(e) Philippines

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 1.72%** whereas Median **Channel ER is 2.37%** i.e. creator posts with a **"paid partnership'** tag yield **25% lesser engagement** than the content pieces without the tag.
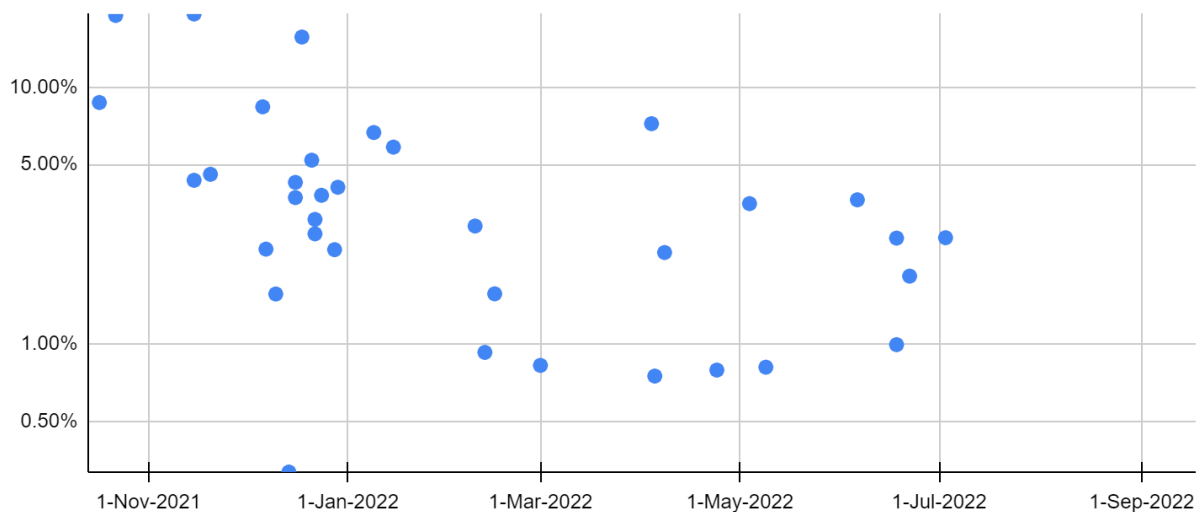
Engagement Rate On "Paid Partnership" Tag Post

Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(f) Russia

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 3.52%** whereas Median **Channel ER is 3.40%** i.e. creator posts with a **"paid partnership'** tag yield ~**3% lesser engagement** than the content pieces without the tag.

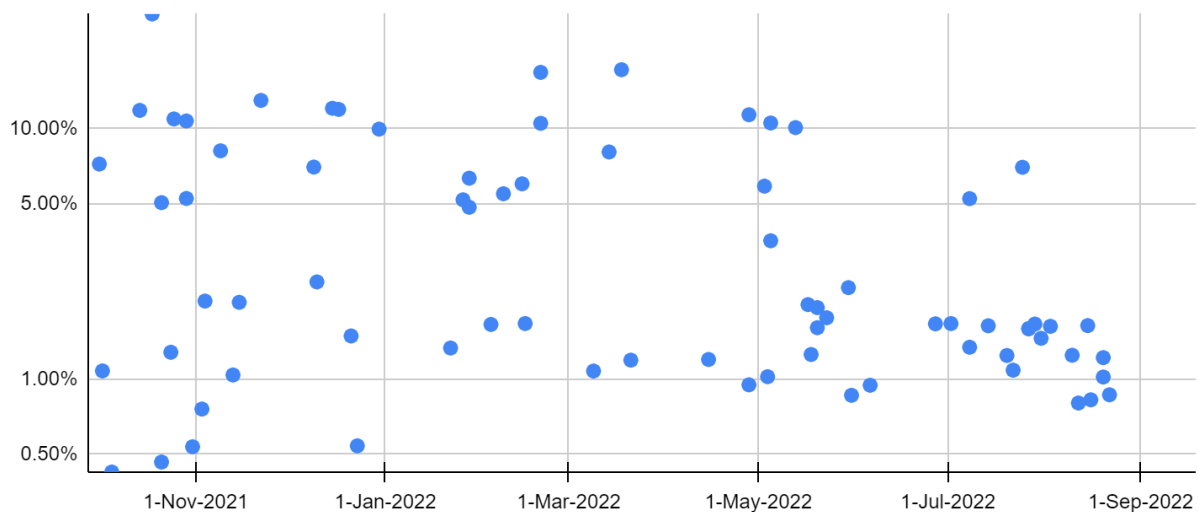Engagement Rate On "Paid Partnership" Tag Post

Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(g) Poland

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 1.66%** whereas Median **Channel ER is 3.8%** i.e. creator posts with a **"paid partnership'** tag yield ~**46% lesser engagement** than the content pieces without the tag.

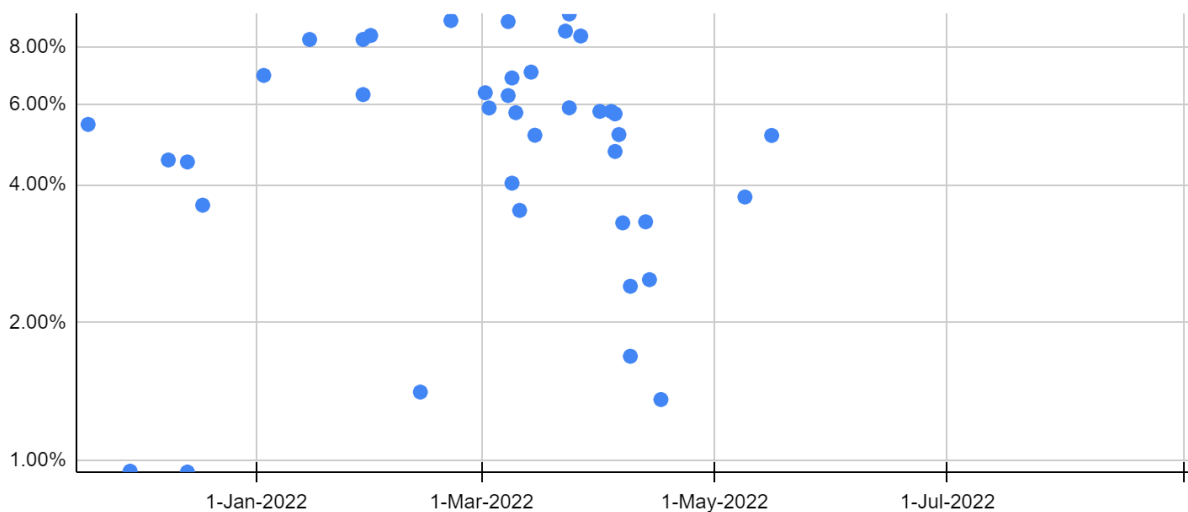Engagement Rate On "Paid Partnership" Tag Post

Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(h) South Africa

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 5.14%** whereas Median **Channel ER is 4.76%** i.e. creator posts with a **"paid partnership'** tag yield ~8% **higher engagement** than the content pieces without the tag.
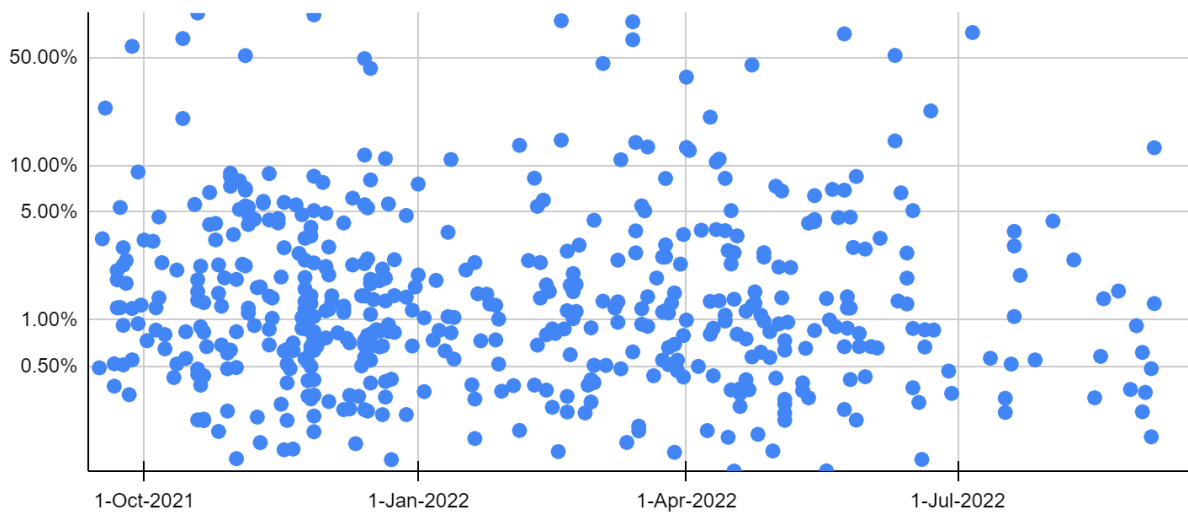

Engagement Rate On "Paid Partnership" Tag Post

Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(i) Brazil

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 1.12%** whereas Median **Channel ER is 2.07%** i.e. creator posts with a **"paid partnership'** tag yield **-45.77% lesser engagement** than the content pieces without the tag.

Engagement Rate On "Paid Partnership" Tag Post

Besides the above, it is important to note that creators under the category "**People & Blogs**" garnered **44% lower engagement on posts with paid partnership tag**. Other genres individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres.

3(j) Spain

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 2.80%** whereas Median **Channel ER is 2.36%** i.e. creator posts with a **"paid partnership'** tag yield **18.44% higher engagement** than the content pieces without the tag.
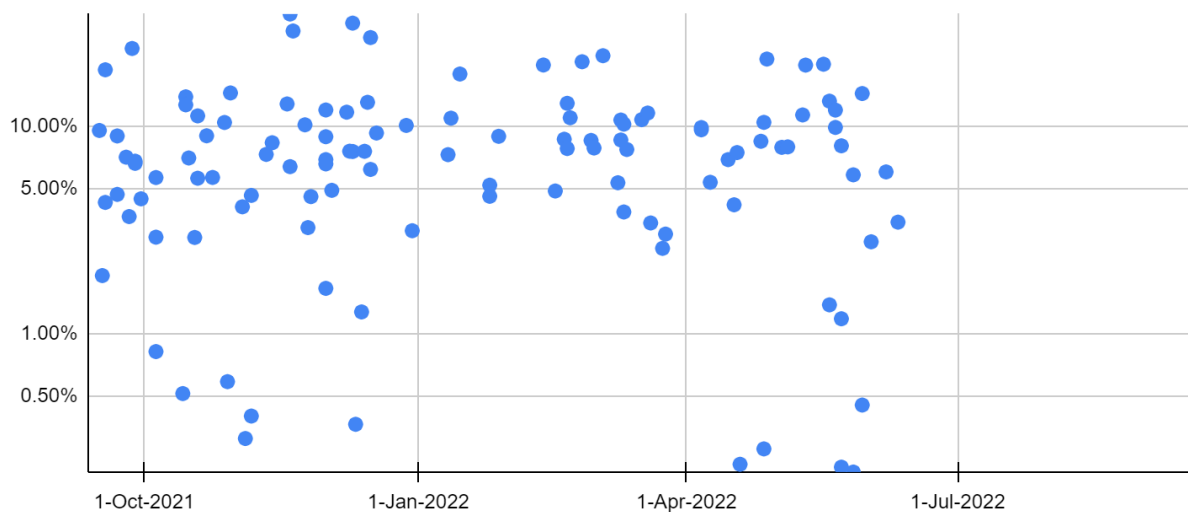
Engagement Rate On "Paid Partnership" Tag Post
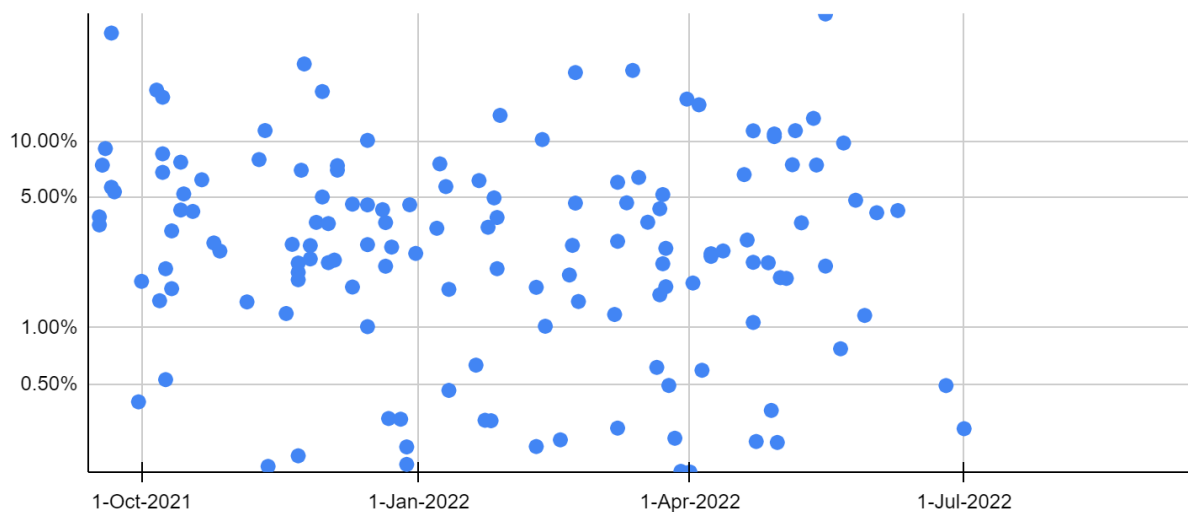
Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(k) France

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 7.56%** whereas Median **Channel ER is 5.77%** i.e. creator posts with a **"paid partnership'** tag yield **31.07% higher engagement** than the content pieces without the tag.
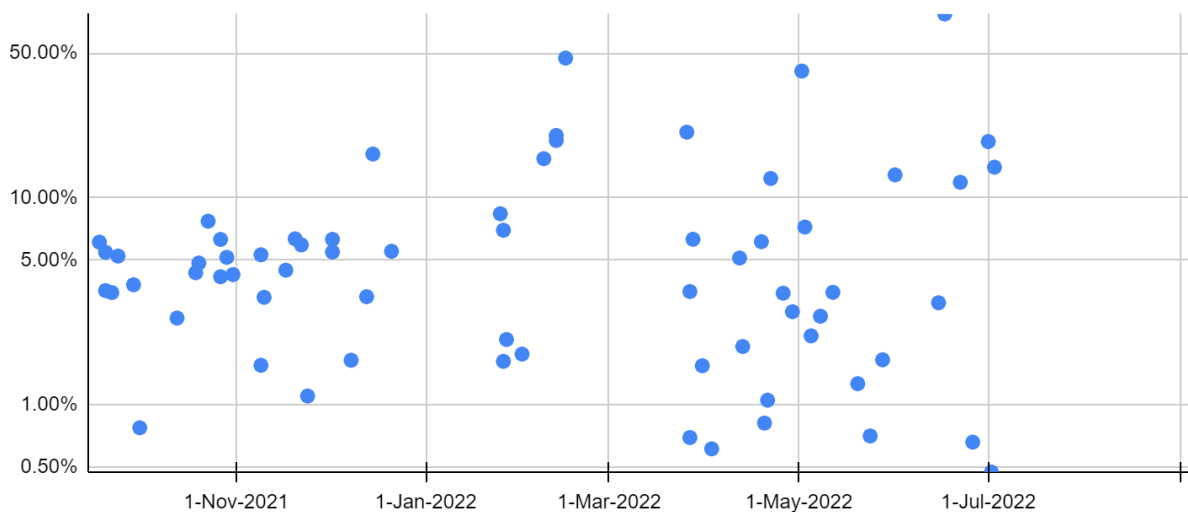
Engagement Rate On "Paid Partnership" Tag Post

Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(I) Germany

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 4.30%** whereas Median **Channel ER is 6.48%** i.e. creator posts with a **"paid partnership'** tag yield **-33.64% lesser engagement** than the content pieces without the tag.
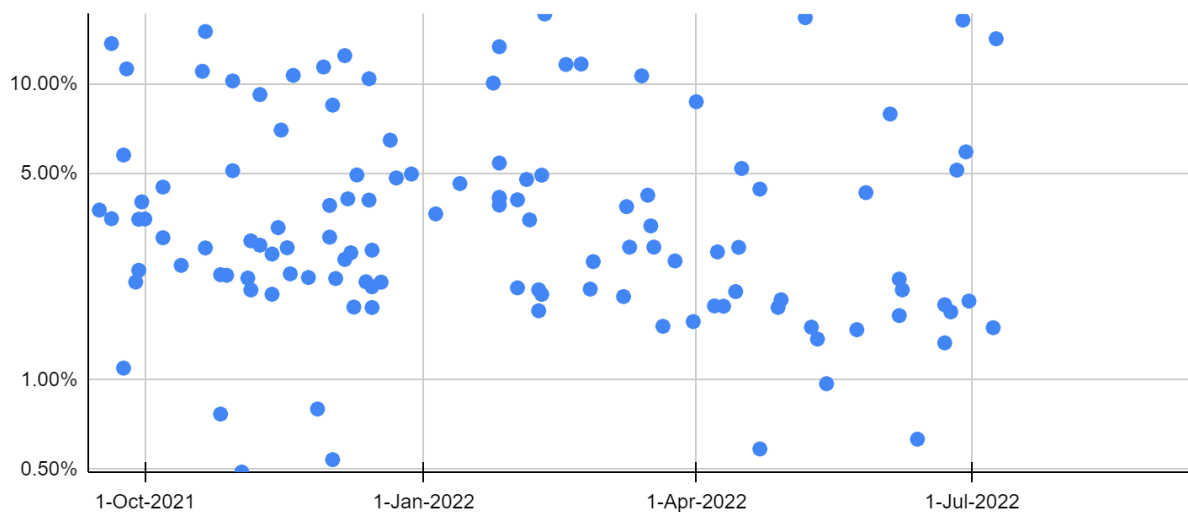
Engagement Rate On "Paid Partnership" Tag Post

Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(m) Italy

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 3.00%** whereas Median **Channel ER is 3.46%** i.e. creator posts with a **"paid partnership'** tag yield **-13.27% lesser engagement** than the content pieces without the tag.
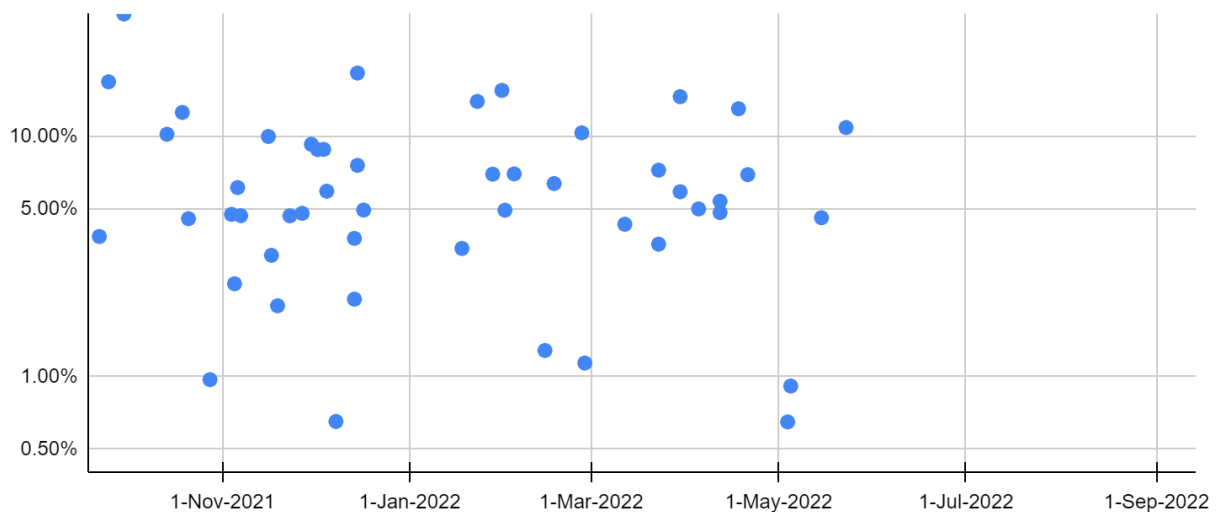

Engagement Rate On "Paid Partnership" Tag Post

Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.

3(m) Mexico

The chart below indicates the volatile nature of engagement potentially due to sporadic paid promotions activations, engagement farming, or virality of the content as well as a **lesser number of content pieces with the "Paid Partnership tag**. Mathematically, there isn't a way to deduce the reason for such scatter, hence we can only speculate.

The chart below is representative of the post engagement rates of the posts with the "paid partnership" tag. Median **Post Engagement Rate is 4.96%** whereas Median **Channel ER is 4.03%** i.e. creator posts with a **"paid partnership'** tag yield **23.04% higher engagement** than the content pieces without the tag.

Engagement Rate On "Paid Partnership" Tag Post

Genres of different creators individually didn't yield enough confidence i.e. less than 100 posts each were attributed to creators under different genres hence further detail into genres is not available.