

Tech Transactions & Data Privacy 2022 Report: #Compliance: Legal Pitfalls in Social Media Influencer Marketing

Article By:

Gregory L. Cohen

Bryan Reece Clark

[Tech Transactions & Data Privacy 2022 Report](#)

As seen in recent years, social media influencer marketing can lead to a meteoric rise in popularity for a company and its brand. 1 Potential claims under the Lanham Act for unfair competition are outside the scope of this article.

Whether an Instagram post by that famous family in Calabasas or a TikTok video from a micro-influencer, influencer marketing can do wonders to promote the visibility of a brand. As a result, it has grown into nearly a \$14 billion industry according to Influencer Marketing Hub.

At its core, influencer marketing involves a company leveraging the popularity of an influencer (i.e., a social media personality with a loyal following) to promote its products or services. In exchange, the company compensates the influencer with payment, free goods, services or other benefits.

Influencer marketing extends well beyond celebrities who have millions of followers. Companies frequently engage ordinary people with a small following in a niche category. The industry generally categorizes influencers into four groups based on the size of their social media following: mega (>1 million followers), macro (100k-1M followers), micro (10k-100k followers) and nano (