Signal Intelligence
CREATOR RISK INTELLIGENCE
Issue 11 · November 2024

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The Signal

Monthly intelligence on Creator Risk, regulatory change, and brand safety incidents. Issue 11 · November 2024

Chiara Ferragni still has 28 million Instagram followers. Matilda Djerf's engagement metrics have barely moved. The audience, in both cases, has largely stayed. This month we examine what the evidence actually shows about audience forgiveness — and what it means for how brands should think about Creator Risk.

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01 — THE AUDIENCE FORGIVENESS QUESTION

Creator recovery data · Brand risk implications · November 2024

A persistent assumption in creator risk management is that a brand safety incident permanently damages a creator's commercial value. The assumption is understandable — it is the basis on which morality clauses are drafted and termination decisions are made. But the evidence from 2024 suggests the picture is more complicated.

Chiara Ferragni was fined €1 million, faced a criminal fraud investigation, lost several major brand partnerships, and endured months of sustained negative press coverage. As of November 2024, she retains approximately 28 million Instagram followers — a figure that has declined from its peak but remains enormous. Matilda Djerf faced workplace culture allegations that directly contradicted her brand's values positioning. Her engagement metrics declined modestly and then stabilised. The audience, in both cases, stayed.

What the data shows about recovery

Audience forgiveness, where it occurs, tends to follow a consistent pattern. Initial audience reaction is strongly negative — comments, unfollows, and engagement drops in the days immediately following a controversy. But audiences that followed a creator for reasons unconnected to the specific controversy tend to return to prior behaviour within weeks. The core audience — the people who followed because of the content, the aesthetic, the personality —

separates from the audience that followed for the values claim.

This separation is the critical insight for brands. A creator's audience may forgive and return. A brand's association with that creator during the incident period does not forgive in the same way. The brand partnership that runs during a controversy generates press coverage, social media commentary, and consumer sentiment data that outlasts the creator's own recovery timeline.

What does not recover

The cases where audience trust does not recover share a common feature: the controversy directly contradicts the specific claim on which the creator's relationship with their audience was built. Ferragni's brand was built partly on charitable giving and social good. Pandorogate was specifically about deceptive charitable marketing. Djerf's brand was built on warmth and inclusivity. The workplace allegations directly contradicted that positioning. In both cases, the contradiction between the public brand and the private conduct is irreconcilable for a segment of the audience.

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Audience forgiveness is a poor proxy for brand safety recovery. The creator's audience may return. The press coverage, the brand association, and the consumer sentiment data from the incident period do not. Monitoring is not just about predicting cancellation — it is about knowing before your legal team does, so the decision to stay or exit is made on your terms, not the story's terms.

RECOMMENDED ACTION

Ongoing monitoring is not a crisis response tool. Its value is in the gap between when a signal becomes detectable and when it becomes a headline. Ask your team: how would we know if a creator's situation was deteriorating? If the honest answer is: when it makes the news — that is the gap.

02 — DMCCA: WHAT THE UK'S NEW ENFORCEMENT POWERS MEAN

UK · Digital Markets, Competition and Consumers Act · November 2024

The Digital Markets, Competition and Consumers Act 2024 received Royal Assent in May 2024. Its unfair commercial practices provisions will begin taking effect from April 2025. For brands and creators running UK campaigns, the DMCCA represents a significant change — not in the substance of what is required, but in the enforcement architecture that backs it.

The CMA's new powers under the DMCCA are substantially broader than those available under previous consumer protection legislation. The CMA can now impose financial penalties of up to 10% of global turnover for unfair commercial practices — a ceiling that applies to brands, not just individual creators. The practical significance for influencer marketing is that the CMA now has the tools to pursue brand-level enforcement actions for systematic non-disclosure practices in creator programmes.

The DMCCA also operates alongside, not instead of, the ASA self-regulatory framework. A brand that is already under ASA investigation for non-disclosure can simultaneously face CMA scrutiny under the DMCCA. The two systems are not mutually exclusive.

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The DMCCA changes the financial risk profile of UK influencer marketing non-compliance. Ten percent of global turnover is not a compliance budget line item — it is an existential exposure. UK brand teams that have treated influencer disclosure as a soft guideline rather than a hard compliance requirement should review that position before April 2025.

RECOMMENDED ACTION

UK brand teams should conduct a DMCCA readiness review before Q1 2025 — covering disclosure practices, creator contract terms, and monitoring processes. The CMA has published guidance on its new powers. Read it before April 2025, not after.

03 — REGULATORY NOTE

UK · France · Italy · USA · November 2024

UK	DMCCA unfair commercial practices provisions coming into force April 2025. CMA enforcement powers significantly expanded. ASA Active Ad Monitoring continues proactive sweeps. The ASA has confirmed it will refer systematic non-compliance to the CMA under the new framework — creating a direct pipeline from self-regulatory identification to statutory enforcement.
FRANCE	ARPP AI monitoring expanding. The ARPP published updated guidelines in November 2024 clarifying that AI-generated content used in influencer marketing requires disclosure under existing French advertising standards — ahead of EU AI Act implementation. France remains the most active European market for creator compliance enforcement.
ITALY	AGCOM Code of Conduct implementation timeline confirmed: applies from January 2025 to creators meeting the 500k follower / 1M views threshold. Ferragni trial ongoing — no verdict expected before 2025. DDL Beneficenza still in parliamentary process.
USA	FTC finalised the Consumer Reviews and Testimonials Rule on 14 August 2024 — effective 21 October 2024. The rule explicitly bans fake social media indicators including followers and engagement metrics. Civil penalties up to $51,744 per violation. Brands using creators with fraudulent metrics are now potentially liable under the rule.

The FTC's Consumer Reviews and Testimonials Rule taking effect in October 2024 is the most significant US regulatory development of the year for influencer marketing. For the first time, the purchase of fake social media indicators is explicitly prohibited by federal rule — giving the FTC enforcement authority beyond the guidance-level standard of the Endorsement Guides. Brands running US creator programmes should audit their vetting processes for audience authenticity against this new standard.

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The Signal is published monthly by Signal Intelligence. Each issue covers real Creator Risk incidents, regulatory developments, and the intelligence that brand-side teams need before they need it. Subscribe at signalintelligence.consulting — and if this issue was forwarded to you, make sure you're on the list for the next one.