

STRATEGIC
SPOTLIGHT

UNDER THE INFLUENCE: INFLUENCER MARKETING

OCTOBER 2018



WAVEMAKER
MEDIA. CONTENT. TECHNOLOGY.

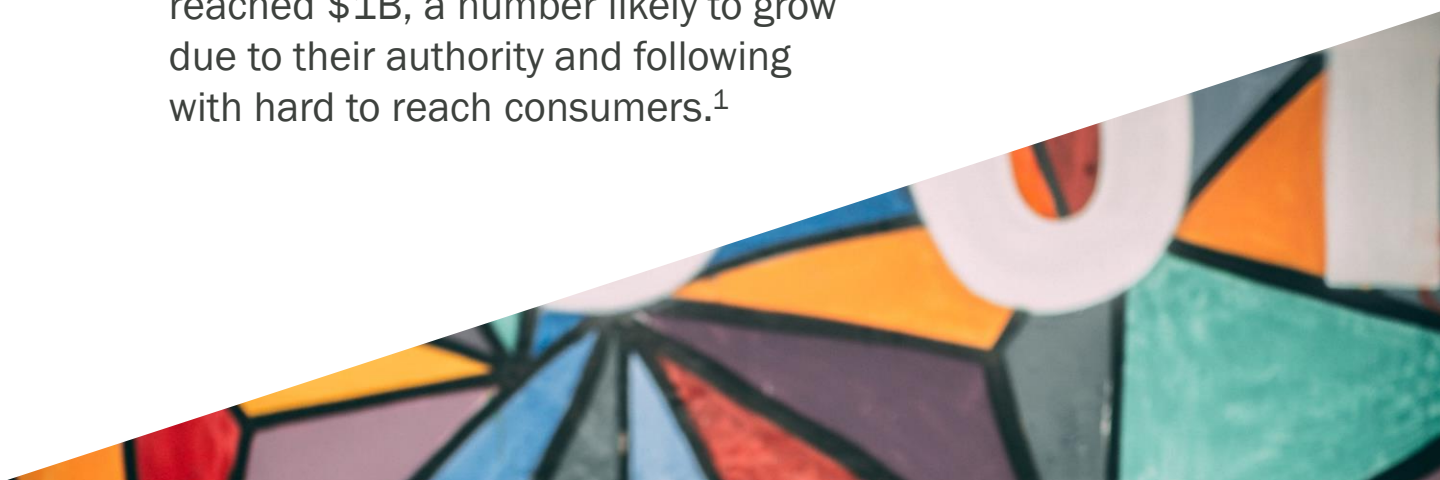
THE AGE OF INFLUENCE

Industry Outlook

It's a new era of media amidst a perpetually evolving landscape. New players mean new rules and ultimately a new narrative.

When taking into account increased disruption from technological advancements and innovation, marketers are shifting away from traditional media to digital-first; and our new two-way dialogue is changing how brands and individuals collaborate.

Sometimes called the 'Golden Child', 'New Celebrities' and 'New Brands', Influencers are dominating media conversations. In 2017 alone, marketing spend on Influencers reached \$1B, a number likely to grow due to their authority and following with hard to reach consumers.¹





INFLUENCER 101

in • flu • en • cer /'In.flu.ən.sər/

A person with the ability to influence other's behaviors and opinions.

Access to individuals and the world through our screens has evolved what we know today as Influencer

Marketing - a form of marketing that identifies and targets individuals with influence over potential 'buyers'² (often referred to as an influencers' followers).

Similar to Word of Mouth, this influence stem's from an individual's expertise, popularity or reputation but doesn't rely solely on explicit recommendations³.

**“PEOPLE DO NOT
BUY GOODS AND
SERVICES. THEY
BUY RELATIONS,
STORIES AND
MAGIC.”**

- Seth Godin



“It’s not a passing fad, but an integral part of the marketing mix.” ⁴

INFLUENCER AS CREATOR

At its core, influencer marketing harnesses the authenticity and reach of creators for the formation of authentic messaging and engagement around a specific brand’s products, services, or messages.

The growth and power of this tactic is in the individual’s ability to drive impact on consumer interest, brand recognition and, ultimately, purchase.

But not all Influencers are right for all brands – their audience, authority and style of content all factor into whether an authentic fit is made.



WHY IT MATTERS?

An authentic & personal relationship

Millions of consumers turn to Influencers for advice and insight, many whom even feel like long-distance friends.

Influencers have a way of bringing consumers along for their journey as they openly share personal stories, experiences and everyday trials and tribulations.

This unique level of connectivity, perceived closeness and trust makes them feel more relatable, or 'real', and a prime resource for brands looking to insert themselves into everyday conversation and situations.

INCREASINGLY BLURRED LINES

Awareness gives way to opportunity

The distinction between Influencer and brand has become increasingly less clear.

No longer the new kid on the block, Influencers have become brands in their own right. Their power lies in their often highly-dedicated, passionate and large follower base, giving retailers and brands an already built-in, loyal and opted-in audience to drive conversation, engagement and conversion.



**39% OF
BRANDS
INTENDED
TO INCREASE
SPEND ON
INFLUENCERS
IN 2018⁴**



INFLUENCER IMPACT

A tried and true strategy that
is here to stay

RAISE AWARENESS

88% of brands said Influencer tactics were effective at raising awareness⁵

DRIVE SALES

53% said Influencers were effective at driving sales⁵

DOUBLE ENGAGEMENT

Influencer accounts regularly generate more than 2X the engagement of brand-owned accounts⁶

INCREASE LOYALTY

65% said Influencers were effective at increasing customer loyalty⁵

PURCHASE INTENT

Brands that work with Influencers create much higher purchase intent with their consumers⁶

THE BALANCING ACT

Making Influencer marketing work for you

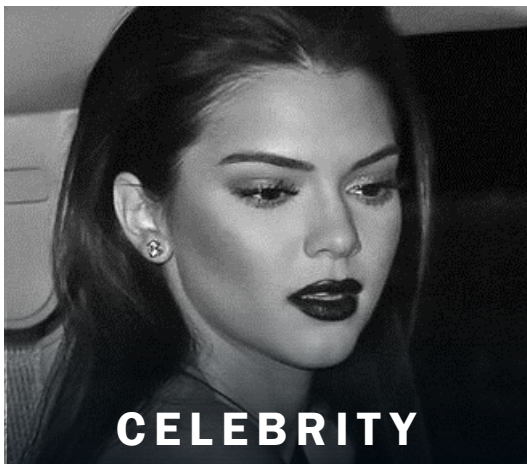
Influencer Marketing is about the balance between reach & authenticity.

It's not enough to find an Influencer with a high number of followers, nor to simply pay them and hand over a brand's products. Ensuring the right balance of authenticity and reach is key to establishing a successful partnership.

Finding the right partner to meet a brand's marketing objectives takes diligence. It's important to identify both: 1) what are you looking to achieve with this engagement and; 2) the expectant role of the Influencers (e.g. collaborator, content creator, etc.) before even jumping in.

Just as every brand is nuanced, so too are Influencer 'brands', with their built-in personal stories, unique personalities, intimate experiences and intricate messaging styles. Exploring and respecting those nuances will allow brands to find creative and authentic ways to collaborate with an Influencer that complements a brand's needs, with the right level of control and credibility to push the opportunity to new heights.


THE 4 INFLUENCER ARCHETYPES



CELEBRITY

SCALE


5M+ followers
@kendalljenner



TOP-TIER

REACH

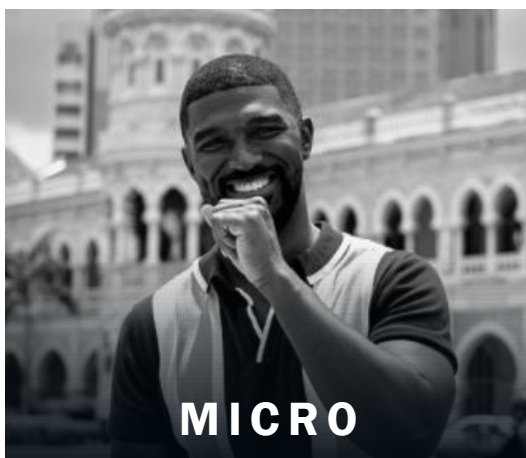
100K+ followers
@manrepeller



MID-TIER

ENGAGEMENT

25K to 100K followers
@kelawalker



MICRO

AUTHENTICITY

Under 25K followers
@marquellturner

CONSIDERATION OF THE PATH TO PURCHASE

Regardless of follower size, the way in which the Influencer is activated along the consumer purchase journey determines optimal impact. The right mix and cadence across the different categories helps align content and expertise at the right moments.

Priming Stage (Celeb Level): Easily recognizable personalities. Drive reach (6x higher avg. than Promotional Level on Instagram) but with lower engagement (though can still have impact). Awareness driving – typically 800k plus followers.

Trigger (Top & Mid-tier Expert Level): More targeted to use cases and audiences. Provide both audience specific reach and engagement and are often considered by partners as the “sweet spot” for an influencer campaign. Their followings typically range anywhere between 100K-800K followers. On average 134% more engaging than Celebrity Level on Instagram, for example.

Active Stage (Micro or Promotional Level): These influencers can drive strong engagement, however their content reaches a very limited group of people. Good for sharing links rather than original content creation. Typically 100K-10K followers. Smallest drop in engagement for sponsored versus non-sponsored posts.

MEASURING INFLUENCER SUCCESS

A campaign's objective should determine how impact is evaluated for a given Influencer program and being grounded in data from the onset will ensure success.

OBJECTIVE	AWARENESS ► ENGAGEMENT ► CONVERSION		
RELEVANT KPIS	<ul style="list-style-type: none">• Reach• Views (video)• Listens (podcasts)• Shares	<ul style="list-style-type: none">• Likes• Comments• Positive brand sentiment	<ul style="list-style-type: none">• Purchase• Follower count on brand channels• Views/engagement on brand content• Click-through to campaign website• Campaign form completion
ADDITIONAL CONSIDERATIONS	<ul style="list-style-type: none">• Are the views above or below the average for this influencer?	<ul style="list-style-type: none">• Is the engagement above or below the average for this influencer?	<ul style="list-style-type: none">• Purchase can be measured with influencer-specific discount codes or custom links
DATA SOURCE(S)	<ul style="list-style-type: none">• Social analytics• Influencer self-reporting• Ad server data	<ul style="list-style-type: none">• Social analytics• Influencer self-reporting	<ul style="list-style-type: none">• Web analytics• Social analytics

THE FUTURE OUTLOOK

More, Easier, Safer

MORE PLATFORMS

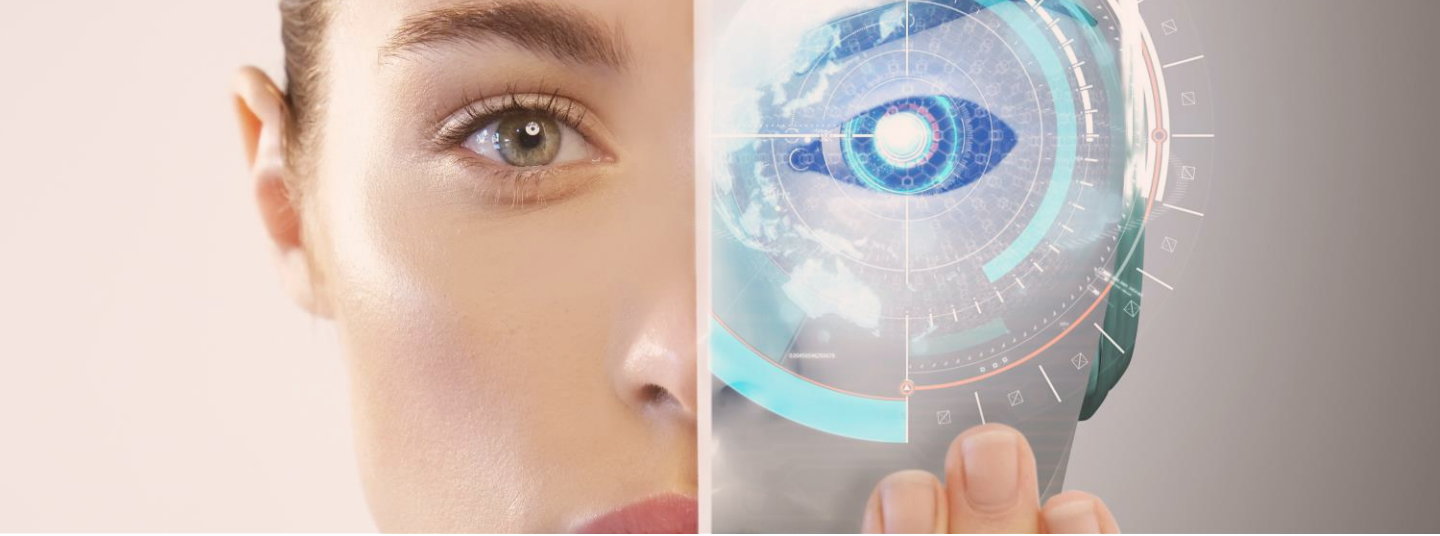
Any platform that has user generated content and scale can give rise to Influencers. Inevitably, as major creators continue to make a lucrative living on platforms as varied as Twitch, Instagram, YouTube and Snap, newcomers will look to replicate their success. Look for platforms like Amazon and Spotify to emerge as new Influencer hotbeds.

EASIER ACCESS

Influencer networks are thick on the ground but the ones that are standing out have easy ways to sort, discover, and communicate with Influencers. The new standard will be customizable dashboards and easy approval processes baked into mobile software. Some platforms like Instagram are known to be exploring their own direct Influencer product that could be built into their ad buying tools.

SAFER ENVIRONMENTS

Facebook has already made FTC compliance part of the platform for any sponsored content, including Influencer work. Look for more third-party verification to emerge, ensuring content viewability metrics. Look also for stronger brand safety controls built into platforms that can alert and even suspend Influencers automatically at signs of fraudulent activity.



THE ARTIFICIAL TYPE

Contending with the future of AI

There is a new breed of Influencers challenging authenticity in all its forms.

A rapidly-growing number of virtual Influencers and computer-graphic simulations have hit platforms like Instagram, touting the ability to deliver on a brand's marketing needs via custom-built influencers designed with a specific brand in mind.

With personalized backstories, these virtual like Influencers offer brands greater control over the narrative without having to deal with the requirements associated with real world talent. For some this could be a lucrative option, yet it remains to be seen if these avatar-like Influencers replace real-world Influencers, many of which people feel deep-rooted connections with.

INFLUENCER BEST PRACTICES

The Do's & Don'ts

1

ALIGN INFLUENCERS WITH YOUR BRAND

Choose authentic Influencers with social listening. By building relationships you'll grow affinity, better creative outcomes and genuine content that Influencers are excited about. Honesty (or, disingenuousness) can easily come across in content.

2

TARGET AN AUDIENCE'S PSYCHOGRAPHICS

Focus on attitudes, interests, and aspirations. Don't focus on followers' numbers alone. Avoid the 'either/or' approach and consider both micro & mega influencers.

3

CONNECT INFLUENCERS WITH OTHER INITIATIVES

Influencers can amplify experiential events, create buzz around product launches and expand conversations around ad messaging.

4

BRAND SAFETY MATTERS

Monitor Influencer metrics for unusual or unexplained spikes that could be signs of fraud by working with Influencer monitoring networks and by enforcing FTC compliance standards contractually.



SOURCES:

1. [MediaKix Influencer Marketing](#). (2017, May) "Instagram Influencer Marketing is a \$1 Billion Dollar Industry"
2. Wong, K., [Forbes](#). (2014, Sept.). "The Explosive Growth Of Influencer Marketing And What It Means For You"
3. [Marketing-Schools.Org](#). (2018). "Influencer Marketing: Types of Influencer Marketing"
4. [Linqia](#). (2018) [The State of Influencer Marketing Report](#)
5. [Launch Metrics](#). (2017). [The State of Influencer Marketing Report](#)
6. [L2](#) (2017). [Intelligence Report: Influencers](#)

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