



 impact.com

How to drive performance with influencer partnerships

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CHAPTER 1

Get excited about influencer marketing

As traditional advertising receives less and less consumer attention, influencer marketing continues to grow as a proven marketing strategy. Marketers are enamored by the colossal reach celebrities and macro-influencers have attained — and the outstanding levels of engagement possible. Despite the threat of ad blocking and ad blindness, marketers can take comfort in research that shows influencer marketing ROI to be 11 times greater than banner ad ROI.* As influencer marketing budgets appropriate larger portions of traditional advertising budgets, it's critical to examine how influencer marketing drives metrics that matter.



What is influencer marketing?

Influencer marketing allows brands to engage with individuals with sizable audiences. The goal is positive brand reinforcement and purchase decisions.

Influencer marketing is prevalent on Instagram, Facebook, TikTok, and other social platforms that have lowered the barriers to entry for acquiring large audiences. Celebrities, social media superstars, tastemakers, trendsetters, knowledge leaders, and other key personalities all use these platforms to amass sizable follower networks.

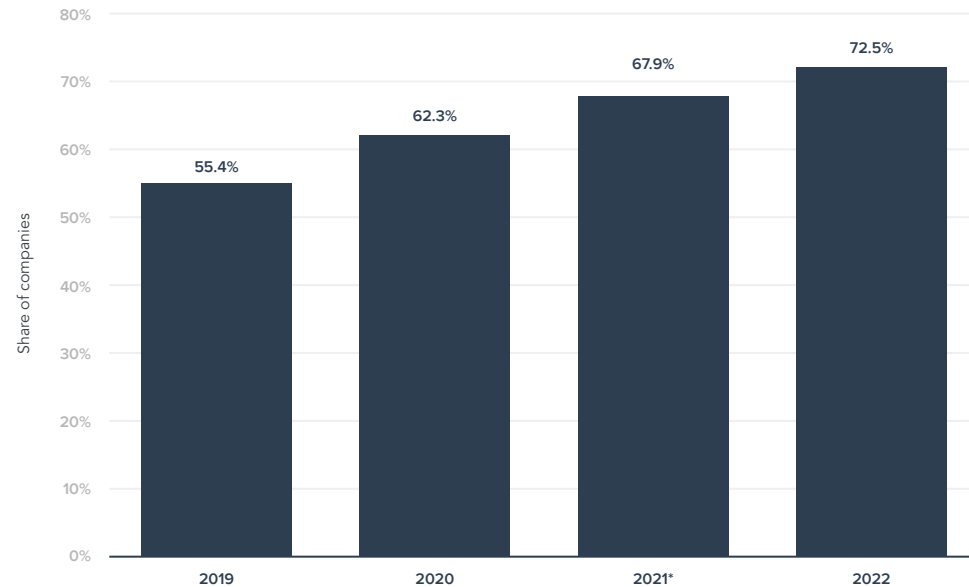
Micro- and nano-influencers are in a position to easily grab the attention of smaller, highly committed audiences. Influencer marketing allows companies to tap into expansive social networks and deliver brand messaging through the wide reach of multiple influencers.

Influencers get out brand messaging via short tweets and posts, images, seconds- or minutes-long videos, long-form blog content, and other formats — depending on their medium of choice.

Many brands already have influencer programs

According to Business Insider, 72.5 percent of companies with more than 100 employees will use influencer marketing by 2022.* Many marketers recognize the strong potential of influencer programs to amplify reach and harness the power of social platforms to boost word of mouth.

Influencer marketing usage rate in the United States, 2019 to 2022



*"Influencer marketing stats: How creators have impacted businesses in 2021," May 17, 2021.
<https://www.businessinsider.com/influencer-marketing-important-for-brands-2021-5>

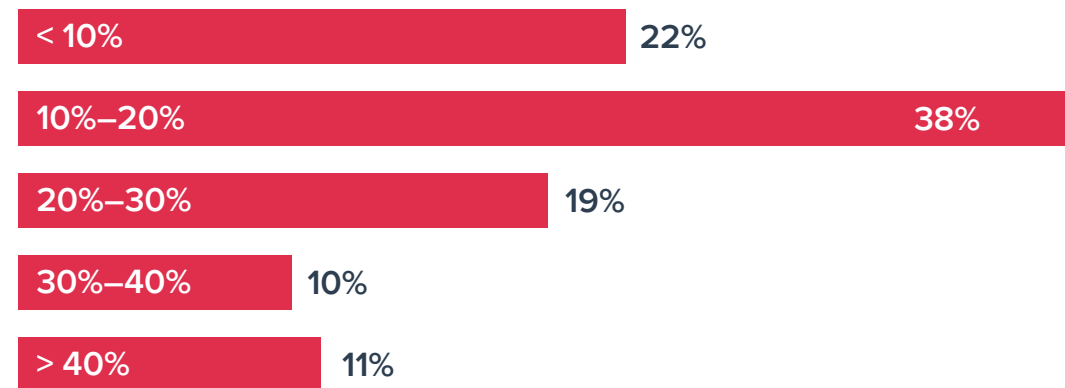
Source: Statista, "Influencer marketing usage rate in the United States from 2019 to 2022," November 2020.
<https://www.statista.com/statistics/1198525/influencer-marketing-share-usa/>

Influencer marketing is on the rise

Approximately 62 percent of marketers worldwide said they intended to increase their influencer marketing budgets in 2021, while one-fifth expected their influencer budgets to remain the same as in 2020.*

Planned allocation of marketing budget for influencer marketing in 2021 according to marketers worldwide, January 2021

% of respondents



Source: Influencer Marketing Hub and Upfluence, "Influencer Marketing Benchmark Report 2021," February 15, 2021. https://influencermarketinghub.com/ebooks/influencer_marketing_benchmark_report_2021.pdf

The data above shows that marketers liked what they saw when they experimented with influencer marketing programs.

Influencers engage

What caught the attention of brands?

Engagement rates on platforms such as Instagram are often significantly higher than rates brands see for traditional digital advertising channels.

With rates of up to 5 percent, micro-influencers lead in engagement. The engagement rate for all influencers on Instagram was 2.2 percent in 2020.* At 17.99 percent, the engagement rate for TikTok was even higher.**

Influencers	Instagram	YouTube	TikTok
Micro < 15k	3.86%	1.63%	17.96%
Regular 15k–50k	2.39%	0.51%	9.75%
Rising < 150k–100k	1.87%	0.46%	8.37%
Mid 100k–500k	1.62%	0.43%	6.67%
Macro 500k–1m	1.36%	0.44%	6.20%
Mega 1m+	1.21%	0.37%	4.96%

*Statista Research Department, "Engagement rates among Instagram influencers worldwide 2020," Statista, August 16, 2021. <https://www.statista.com/statistics/992887/growth-engagement-rate-influencers-followers/>

**Statista, "U.S. TikTok influencer engagement rate 2020," accessed October 7, 2021. <https://www.statista.com/statistics/1166174/usa-tiktok-influencer-engagement-rate-us-worldwide/>.

Preferred platforms

Influencers can operate on one or more platforms

Here are the major social media platforms ranked by popularity among U.S. marketers.*

Which social media platforms do U.S. marketers plan to use for influencer marketing?

% of respondents, February 2020 versus March 2021

	February 2020	March 2021
Instagram	97%	93%
Instagram Stories	83%	83%
TikTok	16%	68%
Facebook	79%	68%
YouTube	44%	48%
Instagram Reels	-	36%
Pinterest	29%	35%
Twitter	35%	32%
Snapchat	16%	26%
Blogs	24%	25%
Twitch	5%	13%

Source: Linqia, "The state of influencer marketing 2021," April 20, 2021. <https://www.linqia.com/insights/the-state-of-influencer-marketing-2021/>

*Insider Intelligence, "Influencer marketing stats: How creators have impacted businesses in 2021," Business Insider, May 17, 2021. <https://www.businessinsider.com/influencer-marketing-important-for-brands-2021-5>

Preferred platforms (continued)

Instagram reigned supreme for this segment, with 97 percent of the sampled population indicating that it was among the most important platforms.*

What's up with TikTok?

The mobile short-form video app TikTok is beloved by Gen Z users and beyond. TikTok passed the one billion downloads mark in 2019 and continues to grow.

Influencers and brands need to find customers where they live, so if your brand is looking for followers under 35 you'll probably find them on TikTok.**

TikTok is new enough that brands are still learning from influencers how to make the most of it. These partnerships are built on flexibility and experimentation.

*Statista Research Department, "Engagement rates among IG influencers worldwide 2020," Statista, August 16, 2021. <https://www.statista.com/statistics/992887/growth-engagement-rate-influencers-followers/>

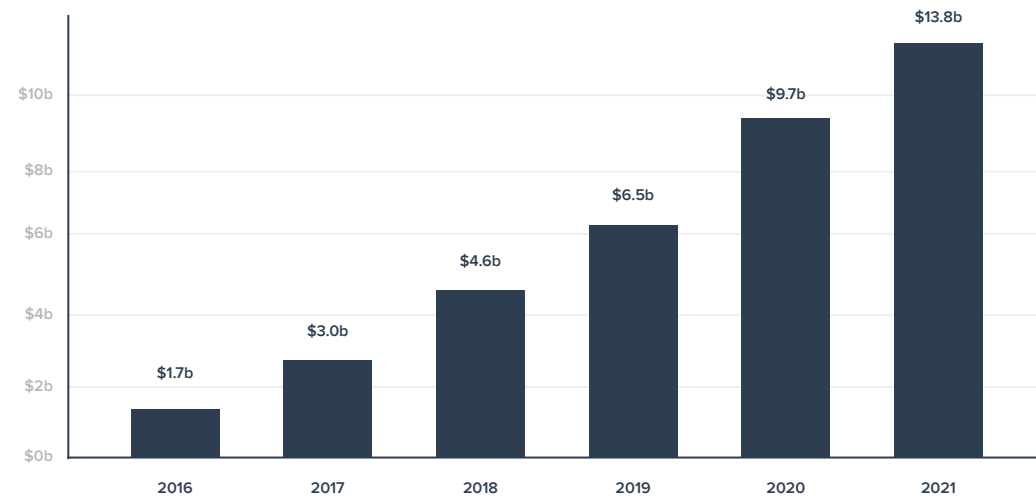
**Ismael El Qudsi, "What to know about influencer marketing on TikTok," Forbes, April 3, 2020. <https://www.forbes.com/sites/forbesagencycouncil/2020/04/03/what-to-know-about-influencer-marketing-on-tiktok/>

The continued rise of influencer marketing

Influencer marketing is growing fast

Influencer marketing spending grew from \$9.7 billion in 2020 to \$13.8 billion in 2021. That's a whopping 42 percent increase*.

Estimated influencer marketing growth, year over year



Trends driving influencer marketing growth

Influencer marketing continues aggressive growth: 3 trends

1. The rise of social platforms

Although a number of social platforms have had large footprints since the beginning, some have only recently recognized the potential of leveraging their platform for influencer marketing. And while some have ignored or rejected the influencer use case, others have wholeheartedly embraced it, creating specific features and analytics to support this audience segment.

A recent evolution within social platforms saw the rise of visual social media via the images and short videos that mark the trajectory of Instagram, YouTube, and TikTok. It's now easier than ever for creators to produce and distribute, expanding the ways these influencers (and brands) can tell their stories.

Trends driving influencer marketing growth

2. Ineffective engagement in traditional advertising

Billions of dollars flow through traditional digital advertising. However, a Google study quoted in Forbes reported the standard display click-through rate (CTR) as below 0.1 percent.* With ad blocking on the rise, many marketers are finding higher influencer engagement rates quite appealing.

3. Focusing on Gen Z

Gen Z loves influencer marketing. In fact, 97 percent of Gen Z consumers use social media influencers as their main source of inspiration when shopping.** And since marketers are obsessed with youth and the next big thing, something that's popular with this younger generation can have a tremendous impact on marketing budgets.

*Dr Augustine Fou, "Digital advertising benchmarks 2020. What's a good click rate?," Forbes, July 11, 2020.
<https://www.forbes.com/sites/augustinefou/2020/07/11/digital-advertising-benchmarks-2020--how-do-you-stack-up/>

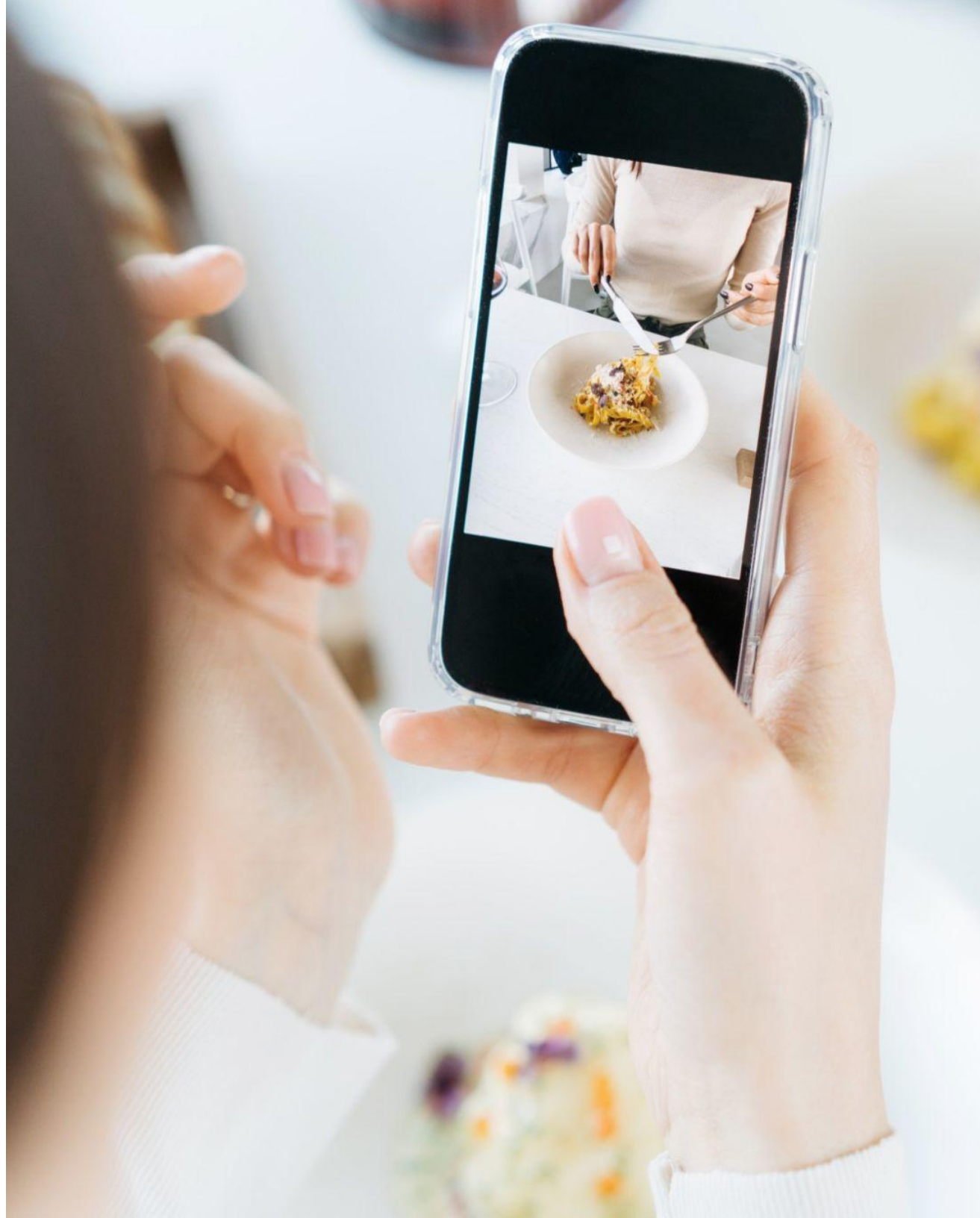
**"Report: 97 percent of Gen Z consumers use social media platforms as their main source of shopping inspiration," Digital Information World, accessed September 8, 2021.
<https://www.digitalinformationworld.com/2021/03/report-97-percent-of-gen-z-consumers.html>

CHAPTER 2

Influencer marketing meets performance marketing

Influencer marketing really is better than bacon.

Just like bacon, It's versatile and can be added to any program to solve a variety of issues and create positive outcomes.



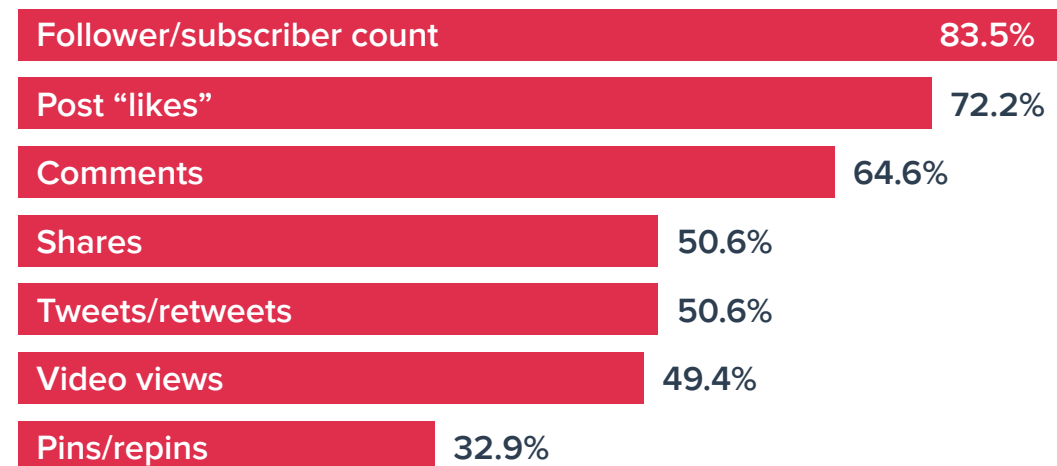
On their way out: Vanity metrics

Let's start with the problem

Influencer marketing programs historically have used vanity metrics to measure success.

U.S. influencers' most important metrics for measuring success, November 2016

% of respondents



Marketers are not fond of vanity metrics, which translate to earned media value (EMV) based on arbitrary dollar amounts and say little about the true impact of marketing efforts. Traditional social media marketing also used these metrics in the beginning, but moved on once their ineffectiveness became apparent. Influencer marketing is set to repeat that trend.*

Influencers themselves do not value ROI

To be successful, influencers need to change their mindset about performance metrics, too.

Leading factors in executing a successful branded content campaign, according to U.S. influencers,* February 2018

% of respondents

Authenticity/creative freedom

63.7%

High engagement rate

59.9%

Reach/follower count

40.6%

Geographic relevance

13.3%

Access to performance metrics to optimize branded post

12.5%

Proving ROI for the brand

7.5%

A paltry 12.5 percent of influencers cite “access to performance metrics” and 7.5 percent cite “proving ROI” as leading factors in successful influencer campaigns. For influencer marketing to truly thrive, influencer mindsets need to change.

*Williamson, Debra Aho, “Influencer Marketing 2018: Why disclosure is a must—and how branded content tools fit in,” eMarketer, February 13, 2018.

<https://www.emarketer.com/Article/Creative-Freedom-Solidifies-Partnership-Between-Influencers-Brands/1013261>

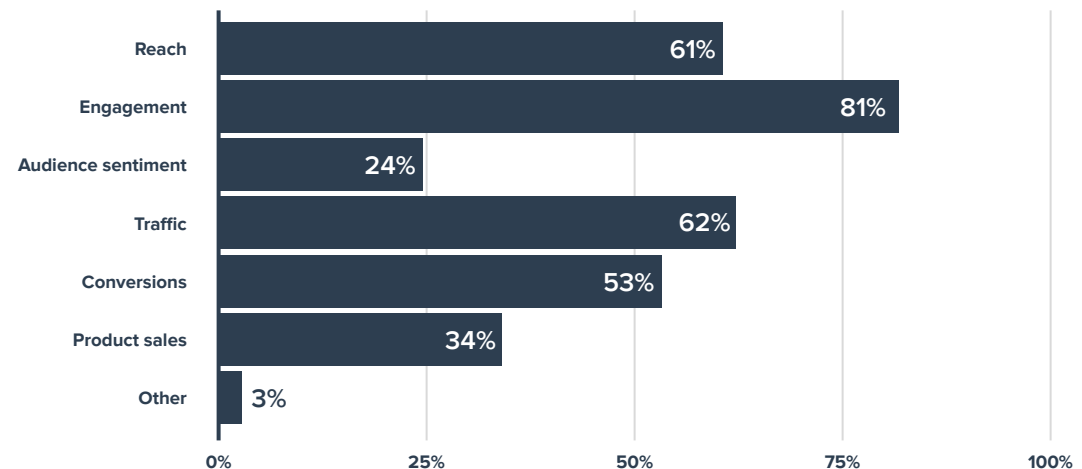
Performance marketing: Using marketing metrics

As influencers become more and more professional, influencer marketing becomes performance marketing. Setting goals and tracking metrics is the path to success.

Tracking performance metrics includes:

- Reach
- Engagement
- Audience sentiment
- Traffic
- Conversions
- Sales

How do you measure the success of your influencer marketing programs?



Source: Shane Barker, "Calculate your influencer marketing ROI in 5 steps," Content Marketing Institute, March 19, 2019. <https://contentmarketinginstitute.com/2019/03/influencer-marketing-roi/>

Ownership often determines metrics

Before you can answer the question, “how do you measure traditional marketing metrics in your influencer program?,” it’s important to determine “who handles your organization’s influencer marketing program right now?”



Who typically owns a brand's influencer program?

Influencer program ownership varies from company to company. Since the practice is different from traditional marketing channels, it can find a home in many places within a company. Influencer programs are not one-size-fits-all, either.

A number of departments can own a brand's influencer program.

- 1. Social marketing teams**

Since most influencers build their audiences within social platforms, many organizations push influencer marketing responsibilities to existing social teams.

- 2. Influencer marketing team**

Sometimes the easiest way to get a program off the ground and ensure its momentum is to build a dedicated team to support it. Although not common, an influencer program may exist as a standalone unit.

Influencer program owners (continued)

3. **Content marketing team**

The content marketing team already owns much of a brand's collateral and its talking points — all great raw material to guide influencers and ensure they present consistent brand messaging.

4. **Business development team**

On rare occasions the business development team may own an influencer program, particularly when a brand deals with cross-media paid celebrity influencers. However, it's likely to only focus on larger influencers.

5. **Public relations department**

The public relations (PR) department is the natural owner of a brand's influencer program. Having influencers say great things about your product or brand can easily be viewed as a form of earned media, similar to a news site covering a product launch. PR agencies also specialize in maximizing a brand's earned media.

Why influencer program owners aren't equipped

Departmental ownership impacts which metrics an influencer program is judged by. For this reason, there are many ways to measure a program's financial impact and ROI. It's important to be aware of these potential pitfalls:

- **May not have a measurement discipline.** Some program owners only measure vanity metrics such as likes or retweets, and see no reason to change. Others solely measure media coverage. A few may not measure key performance indicators (KPIs) at all.
- **Treated as a silo outside media.** With access to sophisticated tools and processes, many marketers are good at measuring and evaluating paid media. However, influencer program owners are typically separate from teams responsible for paid media.
- **Ignore the long tail.** If a team is used to traditional marketing, it may not have the bandwidth to handle more than a handful of influencers. This may lead the team to focus on big partners and ignore smaller ones.
- **Manually measured.** When a team does perform some type of measurement, chances are it manually sets up tracking and pulls together reports. This method is extremely inefficient and no longer necessary or optimal.

How do you know whether influencer marketing works?

How *do* you measure the impact of an influencer campaign? If your ROI calculations depend on conversion events, the most direct way to understand an influencer's role is to see where they stand along the customer's path to conversion. Several roles are involved:

- **Introducers.** Those who introduce a brand or product into a consumer's mindspace.
- **Contributors.** Those who contribute to the content and ensure that your brand or product remains top-of-mind as a consumer contemplates a purchase decision.
- **Closers.** Those who close the deal and are the final point of persuasion to drive purchase.

Influencers often function as introducers or contributors, yet brands measure toward the end of the conversion path. When evaluating whether an influencer's efforts are worthwhile, always look at the full attribution path — not just the final event.



ROI and
attribution:
Sounds like
performance
marketing's
sweet spot . . .

. . . and it is!

It makes great sense to fold influencer marketing into your performance marketing program — or to at least support it there.

- **Track beyond vanity metrics**
Vanity metrics such as the likes and shares common on social platforms are inadequate KPIs or measures of success. Performance programs have deeply mastered how to track and attribute all things back to the way they drive revenue. This is exactly what's missing from today's influencer marketing conversation.
- **Confidently calculate ROI with payout and revenue data**
Without visibility into both spend and revenue data, it's impossible to reliably calculate ROI — one of marketing's most important metrics. Folding an influencer program into the performance arm of a company allows marketers to pull payout and revenue data and calculate ROI *per influencer*.

It's time to take
your
performance
marketing
program to the
next level

Performance marketing has been synonymous with deal, coupon, rewards, and loyalty sites for far too long

Performance programs have expanded their outlook on what constitutes performance marketing into a more holistic view: partner marketing — because marketers overall want to pay for value delivered, regardless of partner type.

Your partnerships program can track, manage, and monitor less common media partners, including:

- Social influencers
- Influencers on blogs and other content marketing channels
- Brand and local ambassadors
- Strategic revenue-generating partnerships

impact.com has seen many performance partnerships programs grow beyond their traditional affiliate roots to embrace paid marketing initiatives like these.

CHAPTER 3

Migrating influencers to your performance programs

Influencers can be viewed like you view your media partners. Although it may be difficult to convince your largest influencers to move to performance-based compensation, it makes sense to migrate micro-influencers to that type of compensation. And while large celebrity influencers are generally more aligned with branding and awareness goals, micro-influencers drive better audience performance.

For more information about various types of influencers, check out impact.com's ebook, [Managing different types of influencers](#).



Influencer marketing grows up

“The era of nonstrategic influencer marketing is dying.”

— Sybil Grieb, head of Edelman’s U.S. influencer strategy and programming*

As more marketers see influencer marketing outgrowing its experimental childhood years, it’s time to treat it as a contemporary of mature media.

Whether you work with celebrities, macro-influencers, micro-influencers, or all of the above, the fundamentals are the same:

- Define your goals and align them with the types of influencers you recruit
- Track and monitor everything!
- Iterate, iterate, iterate

*Shareen Pathak, “‘We love moments like this’: Influencer marketing agencies scramble to reassure antsy clients after NYT expose,” Digiday, January 30, 2018.

<https://digiday.com/marketing/love-moments-like-influencer-marketing-agencies-scramble-reassure-antsy-clients-nyt-expose/>

The evolution of influencer marketing

The meteoric rise of influencer marketing signals its transition from childhood to maturity

In the early days, brands sent sample products to key influencers in the hopes they'd organically post favorable content. This strategy aimed to stimulate word-of-mouth marketing.

Over time, brand management of the channel matured and brands began to pay for the creation of posted content. Both marketers and influencers had to be cautious, though: If perceptive followers detected inauthentic brand endorsements, a strong backlash often occurred.

One such incident prompted the U.S. Federal Trade Commission (FTC) to introduce policies related to endorsement guidelines,* which required influencers to disclose the paid nature of their posts with hashtags such as #ad or #sponsored.

By now, influencers and their followers are used to sponsorship tagging and appreciate the clarity.

*Kellen Beck, "Scandal prompts FTC to crack down on social media influencers," Mashable, September 8, 2017. <https://mashable.com/article/ftc-counter-strike#nj4e1TA9AqqM>

Looking forward . . .

Marketers will get serious about measuring the impact and ROI of influencer campaigns

While marketers learned that paying influencers to amplify brand messaging works, they had to take a step back to avoid damaging their influencers' authenticity.

Although it's important to avoid micromanaging influencer content, it's critical to strictly measure everything. Whether you mainly work with celebrities, large-scale influencers, micro-influencers, or a mix of all three, track how each uniquely contributes to driving performance and the value they contribute to your business. Tracking presents challenges (e.g., attribution that may not be straightforward since influencers tend to play a role higher up the sales funnel), but it needs to be performed as well as possible.

Some final tips

The following tips on performance-based influencer marketing are pulled from the key practices discussed in this ebook.

To learn more about ideal influencer profiles for your performance program, read impact.com's ebook, [Managing different types of influencers](#).



Some final tips (continued)

Start onboarding influencers to your performance program	To scale, onboard to a management platform
<p>Start with a goal. If your goal is to drive performance, provide influencers with oversight from your performance marketing team.</p>	<p>Achieve scalability with a robust platform that supports influencer management, especially when you require numerous influencers for significant revenue growth. Ensure that your platform can support each influencer's unique tracking, reporting, and commissioning needs.</p>
Shift from flat-fee only to value-based rewards systems	Avoid micromanaging influencer posts
<p>Shift influencers from flat-fee models to incentive-based plans that align with your goals. Leverage value-based rewards but make it economical and sustainable for your influencers. For example, rather than simply rewarding last click, guarantee a minimum monthly payout.</p>	<p>Brands naturally want to control product positioning. But exerting too much control over influencer messaging may be counterproductive. Compliant influencers may be perceived as inauthentic by their audiences, which can limit the value delivered to your brand.</p>
Ensure proper disclosure	Get to know your large and high-converting influencers
<p>Get to know FTC regulations and communicate compliance expectations to your influencers.</p>	<p>Just like partnerships programs, influencer programs don't run on autopilot. Put in the effort and get to know your extended marketing team.</p>

About impact.com

[impact.com](https://www.impact.com), the leading global partnerships management platform, has been transforming the way enterprises discover and manage all types of partnerships — including affiliates, influencers, commerce content publishers, B2B, and more — since its founding in 2008. Its powerful, purpose-built platform helps businesses, including brands, publishers, and agencies, to build authentic, enduring, and rewarding relationships with both publishers and consumers. By providing visibility across the entire consumer journey, businesses are able to aggregate, orchestrate, and optimize the total value of the entire mix of partnerships with ease and transparency, driving growth and creating new value for consumers.

To learn more about how [impact.com](https://www.impact.com)'s technology platform and partnerships marketplace drive revenue growth for global brands such as Walmart, Uber, Shopify, Lenovo, L'Oreal, Fanatics, Levi's, and 1-800-Flowers, visit www.impact.com.

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