



radius
by Impact

Driving Performance through Influencer Marketing



Table of Contents

1

Get Excited about Influencer Marketing

2

What's Influencer Marketing Have to Do with Performance Marketing?

3

Influencer Marketing Grows Up

Get Excited About Influencer Marketing

In an age where traditional advertising has received less and less attention from consumers, influencer marketing has emerged as a proven strategy among marketers. They are enamored with the colossal reach that a number of celebrities and macro-influencers have attained and the level of engagement that's possible. And with the rising threats of ad blocking and ad blindness, marketers take comfort in the research that shows that 60%* of consumers consult blogs, vlogs or social media posts on products before considering a purchase and that Influencer Marketing can generate 11x the ROI of traditional advertising. Now, as influencer marketing budgets begin to usurp traditional advertising budgets, it's time to look at how to more tangibly drive metrics that matter through influencer marketing.



But what is influencer marketing?

Influencer marketing involves a brand engaging with an individual with a sizable audience to positively reinforce a brand or a purchase decision.

Influencer marketing is particularly prevalent on social platforms such as Instagram or Facebook, because these platforms have lowered the barriers of acquiring large audiences. Celebrities, social media superstars, tastemakers, trendsetters, knowledge leaders, and other key personalities have amassed sizable networks of followers on these platforms. Influencer marketing allows brands to tap into these expansive social networks in order to deliver brand messages over influencers' wide reach.

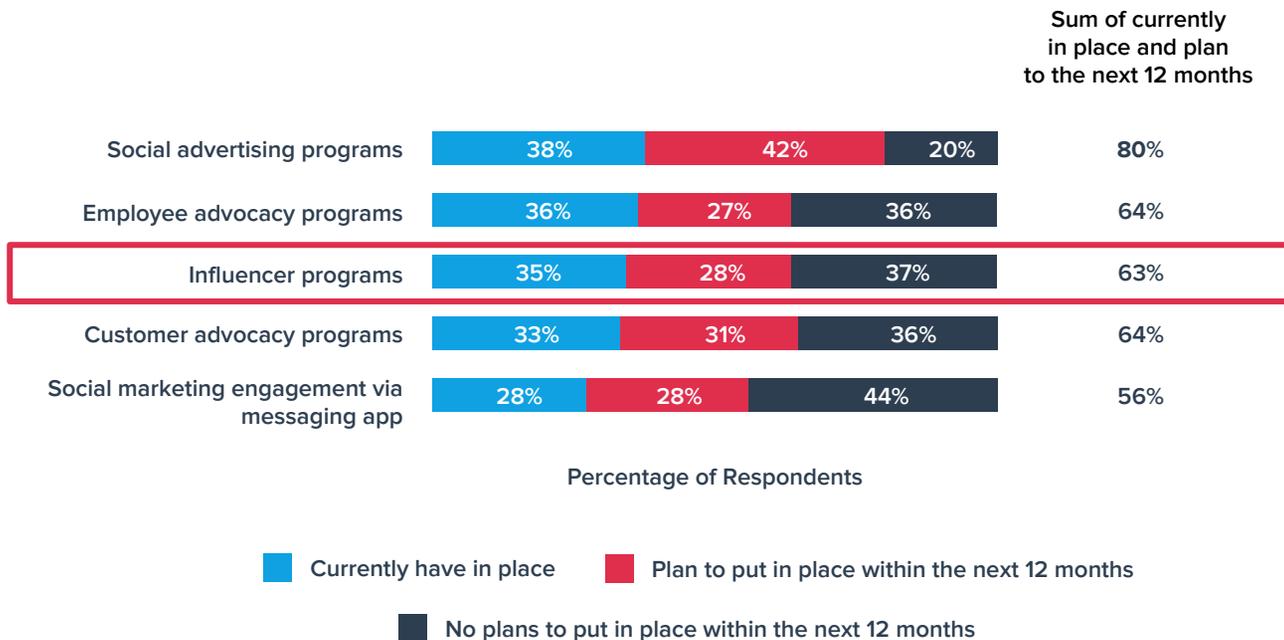
Brand messages can be delivered in a wide range of formats – from a short tweet or post, to an image or 6-second video, to longer form blog content or a 3-minute video – all depending on the influencer's format of choice.

A survey conducted by Gartner in 2016 showed that a majority (63%) of brands already have an influencer program in place, or planned to put one in place in 2017.

Many marketers recognize the powerful potential that influencer programs have in amplifying their reach and harnessing the power of social platforms to spread word-of-mouth.

Influencer programs already exist in many brands

What is the current stage of deployment for each of the following social media marketing initiatives?

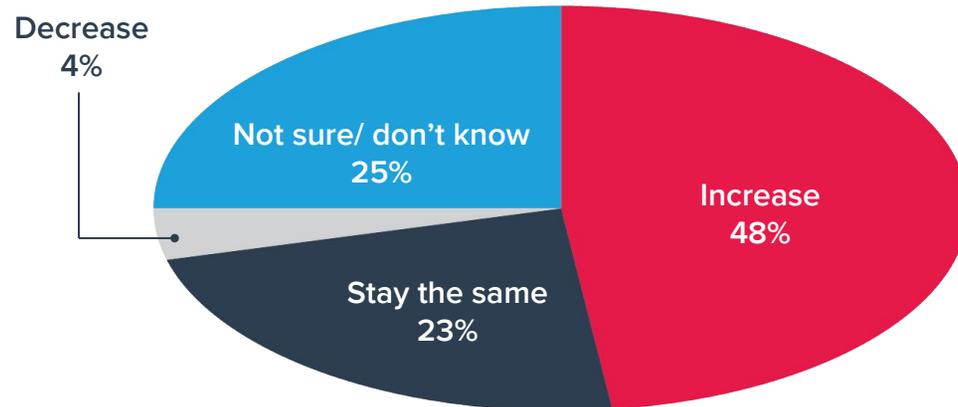


Influencer marketing is on the rise

In the U.S., about 48% of marketers increased their marketing budgets for influencer marketing in 2017.

Expected Change in Their Company's Influencer Marketing Budget in 2017 According to US Marketers

% of respondents



It's apparent from this data that marketers that have experimented with influencer marketing programs have liked what they've seen so far.

Bubble Pricing?

Is it worth such high eCPMs?

According to the New York Times, by the later part of 2016, influencers with 100K followers could charge an average of \$2,000 per promotional tweet, while one with a million followers could earn \$20,000.

If you do the math, that equates to about ~\$20 eCPM *per tweet*, matching the CPMs of advertising on a number of premium publishers.

Influencers engage

What's caught brands' attention?

Engagement rates, especially on platforms like Instagram, are often much higher than what they see on traditional digital advertising channels.

Engagement in influencer posts on Instagram range from 1.5% to 8% – significantly higher than what marketers typically see from other channels.

Average Engagement Rate on Instagram and Twitter in 2017

We analysed 100,000+ influencer profiles
across leading Influencer Marketing Platforms

	<1,000 followers	<5,000 followers	<10,000 followers	<100,000 followers	100,000+ followers
Instagram	8%	5.7%	4%	2.4%	1.5%
Twitter	1.5%	1.45%	0.55%	0.45%	0.3%

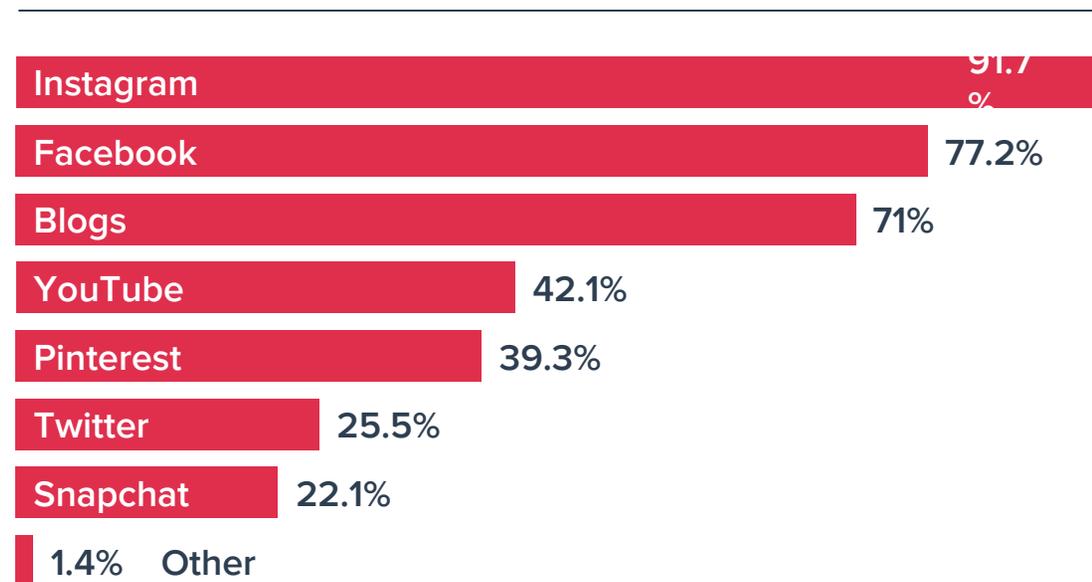
Preferred platforms

Influencers can operate on one or more platforms.

Here are the platforms ranked by popularity among U.S. marketers.¹

Social Media Platforms that Are Most Important to Their 2018 Influencer Marketing Strategy According to US Marketers

% of respondents



For this segment, Instagram reigns supreme, with 91.7% of the sampled population indicating that it was among the most important platforms.

¹ [Influencer Marketing 2018: Why Disclosure Is a Must—and How Branded Content Tools Fit In](#)

What's up with Snapchat?

Snapchat after all, is a very visual platform, but its popularity sagged relative to Instagram because originally, it didn't prove to be a friendly platform for influencers.

"Snapchat is an app for friends, not creators."¹ was the original response to influencers trying to work with the platform. But Snapchat took a 180-degree turn later on in 2017 when it started extending its Official Stories feature, originally limited to famous celebrities, and allowed access to the broader community of influencers.²

Time will tell if Snapchat's about-face will allow it to catch up to Instagram's massive base of influencers.

² ['A dicey situation': Snapchat gives influencers the cold shoulder](#)

³ [Snapchat warms up to social stars, extending verified accounts to influencers](#)

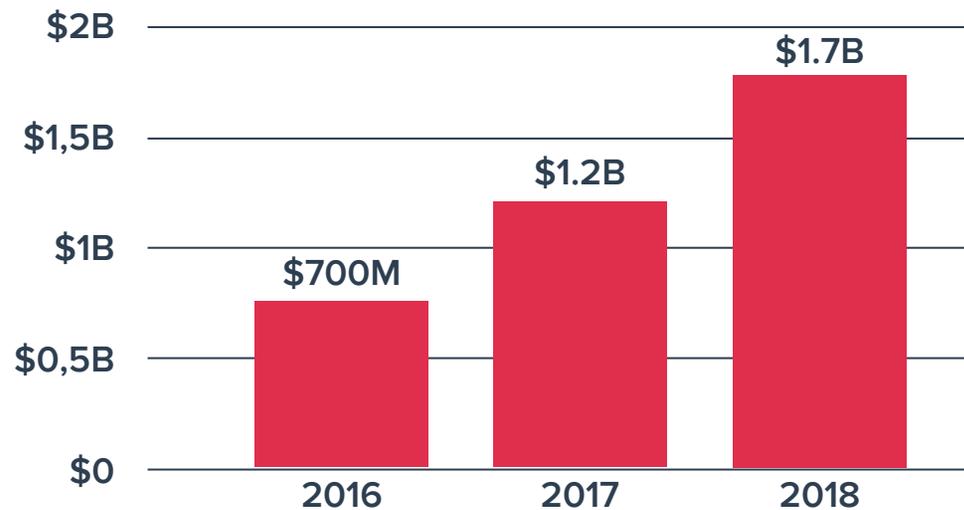
The Rapid Rise of Influencer Marketing

Influencer marketing is growing fast.

Marketing spend is expected to grow 42% in 2018.

Spending estimates range all over the board, but In 2017, marketers spent anywhere from \$570M to \$1.2B on influencer marketing on a single platform – Instagram. One can extrapolate that the total marketing spend across all major social platforms is significantly higher.

Instagram Estimated Influencer Marketing Growth (YOY)



* [The Remarkable Rise of Influencer Marketing](#)

Trends driving influencer marketing growth

Influencer marketing continues to grow aggressively due to a number of factors

1. Rise of Social Platforms

Though a number of social platforms have always carried a large footprint, some have only recently recognized the potential of leveraging the platform for influencer marketing. Some social platforms ignored or rejected this use case, while others have embraced influencers wholeheartedly – creating specific features and analytics to support the needs of this specific audience segment.

A recent evolution in social platforms is the rise of visual social media – via images and short video, marked by the rise of Pinterest, Instagram, and Snapchat. It's now easier than ever for creators like influencers to produce and distribute in these new forms – expanding the ways that they – 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, with average standard display CTRs at a low 0.05%¹, and with ad blocking on the rise – many marketers have found the higher engagement rates from influencers quite appealing.

3. Focusing on Gen Z

Gen Z loves influencer marketing and they love it even more than Millennials. In fact, 70% of Gen Z find their favorite YouTube influencers more relatable than celebrities².

And with marketers' obsession with youth and the next-big-thing, something that's quite popular with the latest generation is bound to make a tremendous splash on marketing budgets.

¹ [Display Ad CTR benchmarks - January 2018 update](#)

² [5 Differences Between Marketing To Millennials Vs. Gen Z](#)

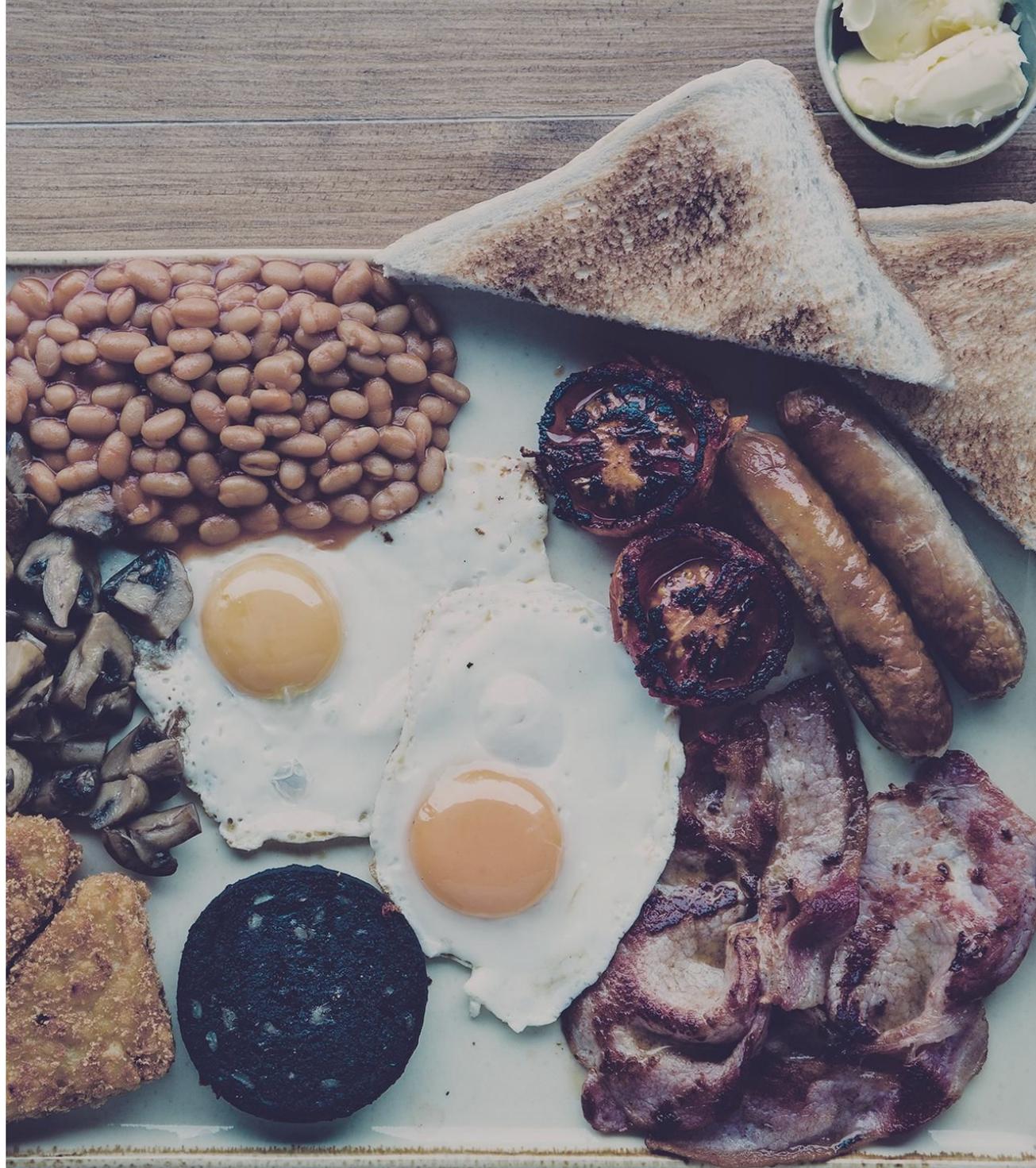
What does Influencer Marketing have to do with Performance Marketing?

Okay, I get it.

There's a ton of hoopla about influencer marketing because it's better than bacon.

But before we go too wild over it – exactly what has it got to do with performance marketing?

We ARE reading an eBook about driving performance with influencer marketing – after all! And you've made it all the way to Part 2, so let's make the connection clear.





It's not ALL been utopia for marketers.
Maybe this influencer marketing thing is a
bubble. Maybe these astronomical numbers
will fall back down to earth. It may or it may not
– but chances are, if we do this properly,
we can still turn it into a pretty effective
marketing channel.

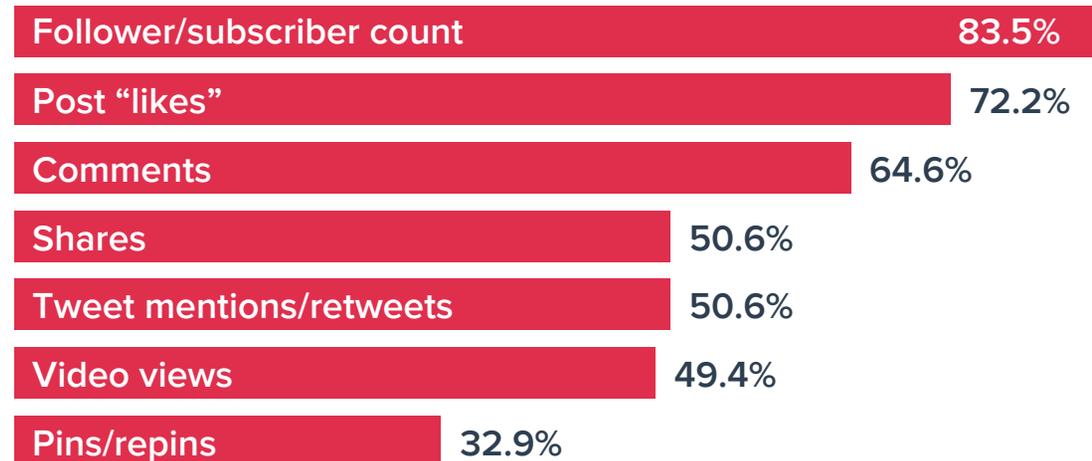
On their way out: Vanity metrics

Let's start with the problem.

To date, most influencer marketing programs have used vanity metrics to measure success.

US Influencers' Most Important Metrics for Measuring Success, Nov 2016

% of respondents



Many marketers hate these metrics which translate to Earned Media Value (EMV) based on arbitrary dollar amounts. They say little about the true impact of your marketing effort. Traditional social media marketing started with these metrics too, but moved on after noting these metrics are ineffective. Influencer marketing will repeat that trend.

* [The Remarkable Rise of Influencer Marketing](#)

Influencers themselves don't value ROI

Unfortunately, influencers need to change their mindset around performance metrics too.

Leading Factors in Executing a Successful Branded Content Campaign According to US Influencers*, Sep 2017

% 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 in order to optimize branded post

12.5%

Proving ROI for the brand

7.5%

Only a paltry 12.5% of influencers cite "Access to performance metric" and 7.5% cite "Proving ROI" as leading factors to successful influencer campaigns. For influencer marketing to truly thrive, influencer mindsets need to be changed.

¹ [Influencer Marketing 2018: Why Disclosure Is a Must—and How Branded Content Tools Fit In](#)

On their way in: traditional marketing metrics

Marketers were surveyed about the challenges they had with influencer marketing.

“Determining the ROI of my influencer marketing programs” comes out in top place! “Determining where influencer marketing fits in my marketing mix” is #3! These are all excellent challenges that are impossible to surmount with traditional vanity metrics. Metrics like ROI are the home territory of traditional marketing metrics. But how do we get there?

Challenges of Influencer Marketing in 2017 According To US Marketers

% of respondents

Determining the ROI of my influencer marketing programs

78%

Choosing which influencer marketing provider to work with

45%

Determining where influencer marketing fits in my marketing mix

41%

More social network algorithm changes will make content less visible

31%

The amount of time it takes to manage influencer marketing programs

30%

Rapidly changing consumer behaviours make it hard for brands to stay relevant

29%

Changes in FTC regulations governing sponsored content

11%

Other

5%

* [Challenges in Influencer Marketing in 2017, According to US Marketers \(% of Respondents\)](#)



**Metrics are
often
determined by
ownership**

Before we answer the question “how do we measure traditional marketing metrics in our influencer program?” let’s answer another important but related question: “Who handles an organization’s influencer marketing program right now?”

So who typically owns a brand's influencer program?

Turns out, that typically differs from company to company. The practice is relatively new, and hasn't really found a traditional 'home' yet. It's not a one-size-fits-all world.

We've seen a number of different departments own the influencer program across brands.

1. **Social Marketing Teams**

Because most influencers build out their audiences within social platforms, it's natural for many organizations to push influencer marketing responsibilities to their existing social teams.

2. **Influencer Marketing Team**

Sometimes, the easiest way to get a new program off the ground and ensure momentum is to build a dedicated team to support it. Though this is not a common phenomenon in organizations, it can sometimes exist as a standalone unit.

Influencer program owners

3. Content Marketing Teams

The content marketing team owns much of the collateral and talking points of a brand – great raw material to influence the influencer and ensure that they remain somewhat consistent to the brand’s messaging.

4. Business Development Team

On rare occasions, particularly when dealing with cross-media paid celebrity influencers, the business development team may end up owning the program, but is likely to focus only on larger influencers.

5. PR Departments

PR departments are also among the natural owners of influencer programs. Having influencers say great things about your product or brand can easily be viewed as a form of earned media, similar to having news sites cover a product launch. PR agencies specialize in maximizing a brand’s earned media.

Managing it
this way is
sub-optimal

Though many of these teams do well managing a brand's influencer program, it may not be optimal for them to handle all influencer types.

Why they aren't equipped

Departmental ownership has an impact on what metrics their programs are judged by. It's a reason why many brands struggle to measure the ROI and financial impact of their influencer programs.

They may not have the measurement discipline

Some have only measured vanity metrics like likes or retweets and see no need to change; others measure media coverage. A few may not even measure any sort of KPI at all.

They are treated as a silo outside of media

Many marketers are relatively good in measuring and evaluating their paid media due to the sophistication of their tools and processes. However, the typical owners of the influencer program are often separate from teams responsible for paid media.

They ignore the long tail

Because influencers are managed and tracked manually, these teams often don't have the bandwidth to handle more than a handful or influencers – leading them to focus on the biggest ones, and ignore smaller partners.

They are manually measuring

If they are doing some form of measurement, chances are, they are manually setting up the tracking, and pulling together the reports manually. This is extremely inefficient.

How do you know if influencer marketing is helping?

But how DOES one measure the impact of an influencer campaign? If your ROI calculations depend on a conversion event occurring, then the most direct way to understand the role of the influencer is to see where they are along a person's path to conversion. We've laid out various roles below –

- **Introducers.** Those who introduce a brand or product into a consumers' mindscape.
- **Contributors.** Those who contribute and ensure that the brand or product remains top-of-mind as they contemplate their purchase decision
- **Closers.** Those who close the deal and are the final point of persuasion that drives the purchase decision through

Influencers often function as introducers or contributors, and are less likely to be found towards the end of a conversion path. So when evaluating whether the efforts of an influencer are worthwhile – always make sure you look at the full attribution path, and not just the last event.



ROI and
Attribution...
Sounds like
performance
marketing's
sweet spot!

... and so it is!

We strongly believe that influencer marketing should be folded into, or at least supported by your performance partnership program.

Track it beyond vanity metrics

Vanity metrics such as “likes” and “shares” that are common on social platforms are inadequate KPIs or measures of success. Performance programs have always provided deep mastery around how to track and attribute everything back to how it drives revenue – which is exactly what’s missing from the influencer marketing conversation today.

With payout AND revenue data, you can confidently calculate ROI

Without having visibility into both the spend and revenue data, it is impossible to calculate a reliable ROI number, which is one of the most important metrics in marketing. By folding the influencer program into the performance arm of a company, marketers are able to pull payout and revenue data and calculate ROI per influencer.

Besides, it's time to take your performance program to the next level

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

But some forward-thinking performance programs have expanded their outlook on what constitutes 'performance marketing' into a more holistic view of 'partner marketing'. Because, overall, marketers want to pay for value delivered regardless of the partner type.

Here are a number of less-common types of media partners that could be tracked, managed and monitored by your partner program:

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

At Impact, we have seen many performance partnership programs grow beyond their traditional affiliate roots to embrace other forms of paid marketing initiatives such as these.

Migrating Influencers to your Performance Programs

At the end of the day, you should look at influencers in a similar way that you look at media partners. Though you may not be able to convince your largest influencers to move to a performance basis, you should be able to migrate your micro-influencers into a performance-based compensation scheme. Large celebrity influencers are generally more aligned with branding and awareness goals, while micro-influencers are better for driving performance with their audience.

For more information about the different types of influencers, we recommend you read out eBook, [Managing Different Types of Influencers](#).

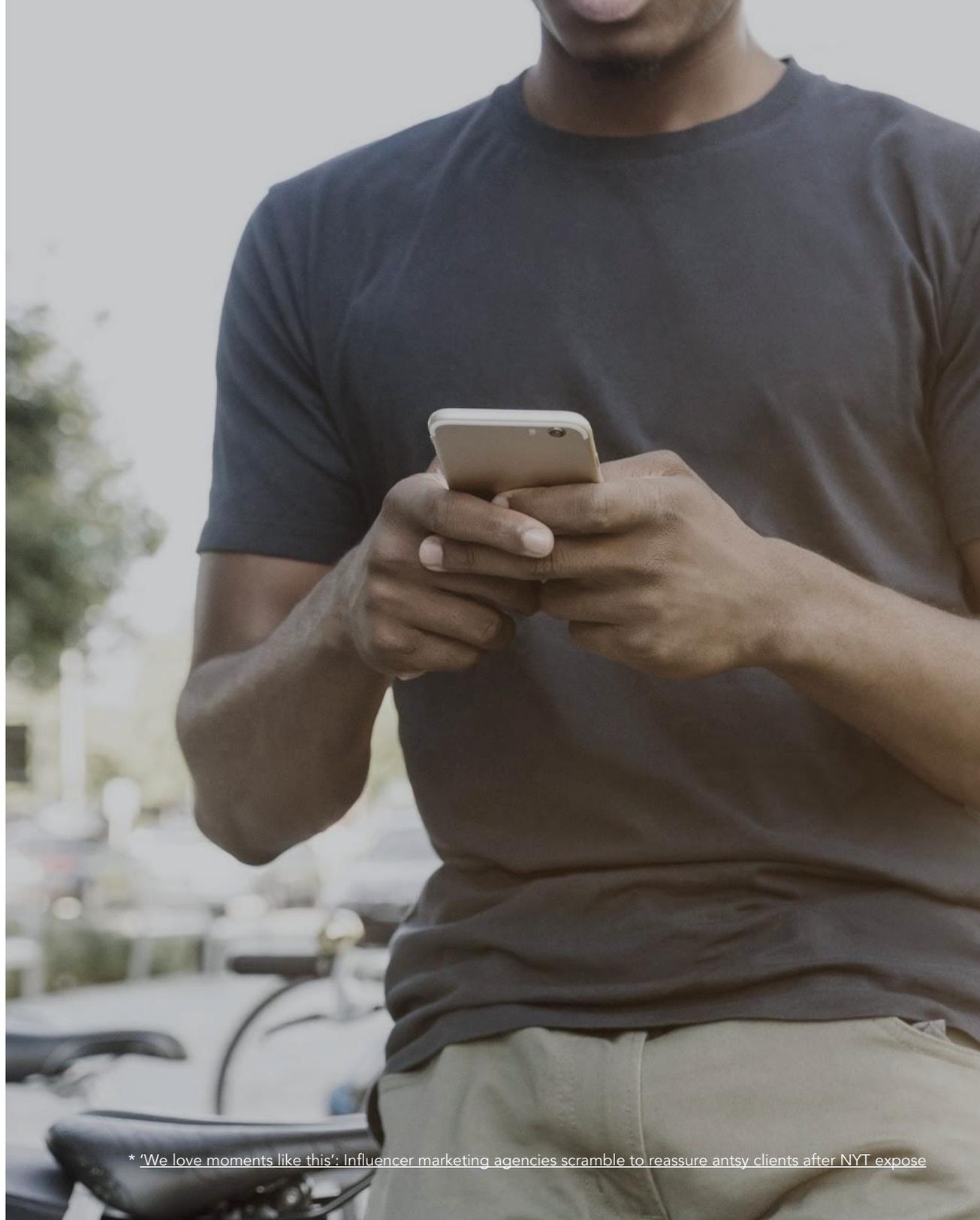
Influencer Marketing Grows Up

“The era of non-strategic influencer marketing is dying,” - Sybil Grieb, the head of Edelman’s US Influencer strategy and programming¹

More and more marketers see influencer marketing moving out of its experimental childhood years. It’s reasonable to start treating it more like its more mature media brethren.

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

- Define your goals and make sure it aligns with the type of influencers you recruit
- Track and monitor everything!



The evolution of influencer marketing

Influencer marketing's meteoric rise signals its transition from its childhood into maturity.

In the early days, brands sent out sample products to key influencers in hope of persuading them to post favorable content organically. The strategy was to stimulate word-of-mouth marketing.

Over time, brands matured their management of this channel by paying for the creation of the posted content. Both marketer and influencer had to be cautious though, since inauthentic brand endorsements discovered by perceptive followers often created a strong backlash. One such incident caused the FTC to introduce policies around endorsement guidelines¹, requiring influencers to disclose the paid nature of their posts using indicators like #Ad or #Sponsored.

¹ [Scandal prompts FTC to crack down on social media influencers](#)

Recent FTC ruling shouldn't have a big impact

The FTC required influencers to disclose their posts as ads or sponsored content. Many feared this would negatively impact the effectiveness of influencer marketing. Early indicators seem to show that the doomsdayers were wrong.

Primary Attitude Toward a Influencer When US Social Media Users Know Posts Are Properly Labeled as Sponsored Content, Oct 2017

% of respondents

Positively - I can trust that sponsored content is labeled



Negatively - I don't like that they are getting compensated



It does not change my sentiment



A recent survey* performed by eMarketer indicates that audiences don't appear to care that much about disclosures – a significant majority of respondents indicate that the disclosures would not change their sentiment about an influencer's post, and ~15% said providing this indication may even positively impact sentiment.

* [80% Of Influencers Report Never Receiving A Negative Comment On Sponsored Content](#)

Looking forward...

We anticipate that marketers will start getting serious around measuring the impact and ROI of their influencer campaigns

Influencer marketing holds strong. Marketers grasped that paying influencers to amplify brand messages works, but overstepped and had to step back to avoid damaging the authenticity of their influencers.

Even though marketers SHOULD avoid micromanaging their influencers' content, they SHOULD also be stricter about measuring everything. Whether you have mainly celebrities, large-scale influencers, micro-influencers, or a mix of all three – marketers need to uniquely track how each influencer contributes to driving performance and what value they contribute to your business. There will be challenges – attribution for influencers may not always be straightforward because they tend to play a role higher up in the funnel – but it all needs to start with tracking everything as best as possible.

Some final tips

To conclude, we wanted to leave readers with a series of tips around performance-based influencer marketing that were mentioned (either explicitly or implicitly) throughout this eBook.

We also do encourage you to read our other eBook, [Managing Different Types of Influencers](#), to learn more about the ideal profiles of influencers for your performance programs.



Some final tips

1. Start onboarding influencers to your performance program

Start with the goal. If the goal is to drive performance, then make sure that influencers get oversight from your performance marketing team.

2. Onboard to a management platform to scale

In order to achieve scalability, leverage a robust platform to support management of influencers, especially when you need lots of them to see significant revenue growth! Ensure that your platform can support influencers' unique tracking, reporting and commissioning needs.

3. Shift away from flat-fee only to value-based reward systems

Shift influencers from flat-fee models to incentive plans that align with your goals. Leverage value-based rewards, but don't forget: you must make it economical and sustainable for your influencers. Don't just reward the last click. You can do things like guarantee a minimum payout per month.

4. Avoid micro-managing your influencers' posts

It's natural for brands to want to control the positioning of their products. But exerting too much control on influencers' messaging may lead to disaster. Compliant influencers will be perceived as inauthentic by their audience: the value delivered to your brand will be limited.

5. Ensure proper disclosures

Get to know the FTC regulations, and communicate to your influencers that they must comply.

6. Get to know your big and high converting influencers

Your influencer program, just like your partner program, should not go on auto-pilot. Put in the effort to get to know your extended marketing team!



About Radius

Radius expands your capacity for managing partners and affiliates. It heightens your efficiency every step of the way, beginning with contracting, then tracking true performance, and delivering payment.

We designed Radius to be versatile, so you can adapt it to your constellation of partners. It also offers immediate and direct access to your data so you can track what's working (or not), moment by moment.

Contact sales@impact.com to learn more about Radius!