

UNLEASHING INFLUENCER MARKETING

AND REALIZING ITS FULL POTENTIAL

A REPORT FUELED BY INSIGHTS FROM BOTH MARKETERS AND INFLUENCERS

Influencer marketing's growth and potential seems limitless. Influencer content doubled in post volume from 2016 to 2017, and companies continue to devote more of their budgets to reflect the practice's increasing role. Global spending on influencer campaigns could reach \$10 billion by 2020, up from an estimated \$6.3 billion in 2018.



Yet, marketers remain unsure of exactly how much value is derived from influencer marketing. At the same time, influencers find themselves in an increasingly saturated and more complex industry, feeling both pressured and unequipped to show the full impact of their efforts.

Allison+Partners conducted a qualitative study across five verticals of marketers and influencers to determine where there is alignment and gaps across these two audiences, along with identifying opportunities to further shape the future of this space. While most studies are quantitative and focus on marketers or influencers independently, Allison+Partners' qualitative approach allowed for more depth from marketers and influencers concurrently.

We interviewed marketers who work with influencers on a regular basis and cover a broad range of functions, from brand management to loyalty strategies. The qualitative interviews allowed for poignant conversation and follow-up questions from the moderator leading to a deeper understanding of the factors that matter most to marketing professionals.

Equally important was understanding the perspective of the influencers themselves, who have logged countless hours evaluating what content and brands work best with their audiences. In-depth interviews with this group uncovered where they think they can move the needle for a brand and what form that outreach should take.

At the core of our findings, we discovered a large divide between influencers and marketers on many topics, from the length of an ideal engagement to the essential question of return on investment. While previous years have been mostly seen as a "test, learn and tweak" phase for both marketers and influencers, there's a growing urgency to better optimize influencer engagement efforts and, more importantly, report on their value.



GREATER BUDGET SCRUTINY

C-suites are examining marketing budgets closer than ever and are putting more pressure on marketing and communications teams for better business-driven metrics. With even greater spends planned or desired, the marketers who receive the most resistance to influencer marketing are those who identify themselves in a numbers-based marketing department or business. Increased spending on influencer programs justified purely by metrics – such as comments, likes or number of engagements – is simply not sustainable.

PRICING INCONSISTENCIES

The arbitrary nature of pricing and budgets further compounds the issue of understanding value. There is no set of industry standards or consistency in pricing and measurement for influencer engagements. For example, marketers often pay "perceived high-value" influencers large sums when influencers who are "perceived low-value" can actually outperform the high-ranking individuals based on the quality and relevancy of their audience. Additionally, other than the last set of fees an influencer charged, or professional intuition based on previous experience, marketers really don't have much from which to judge pricing. In no other marketing medium is such an undefined pricing model accepted as standard.

COMMODITIZATION

Even though influencers have built their followings on relationship building and authenticity, the medium itself now faces greater risk of commoditization.

Influencers are flooding the space across all demographics and verticals, which will eventually drive down price. Tactics, such as CPC for influencer campaigns, can also contribute to the devalued price and perceived value, as well as those who approach influencer marketing as an extension of affiliate marketing.

TRANSACTIONAL RELATIONSHIPS

Overwhelmingly, both influencers and marketers in our study described an almost transactional business relationship—one where a marketer creates a brief and recruits the influencers, and influencers follow the brief and get paid. There is little collaboration, including discussion about ways to improve the content to make it more meaningful to the audience, insights about the followers or recommendations to optimize the effort.

PRIVACY

At a macro level, privacy issues could affect the ability of marketers and influencers to reach target audiences.

For example, if more people, platforms or governments tighten privacy requirements and settings, it may become harder for marketers and influencers to reach their desired consumers.

RELIANCE ON THIRD-PARTY PLATFORMS

This puts the influencer industry's fate in the hands of third parties. For example, a government can decide to deny or limit access to a social media platform, or a social media platform can change its algorithms or other rules at a whim. Both can limit influencer content delivery.



Social media platforms deliver most of the influencer content. This means influencers and marketers are beholden to the rules of those platforms and/or the governments that regulate them.





1. MARKETING MATURITY

Influencer marketing is, and should be, an important part of the marketing mix. But as a growing marketing medium, it has been adopted and deployed often haphazardly—our study shows, for example, that marketers often choose influencers based solely on select pieces of past content and influencers gladly accept paychecks for canned posts.

As more money flows to the medium, it must mature in the same way as social, content marketing and other newer media have evolved.

FULLY INTEGRATED

First, influencer marketing should not operate standalone, nor should it be confined to digital-only—a sentiment many marketers shared in our study. If marketers take the opportunity to leverage influencers because they value their ability to reach new and different audiences, why would the marketers confine that content to only a few channels? Influencer strategies should extend to events, marketing emails or even websites. And because the content itself is such an asset, it should be leveraged and have its shelf-life extended as long as possible with an amplification strategy.

BETTER APPROACHES TO IDENTIFICATION

One of the biggest challenges identified by marketers was the inability to confidently identify and select effective influencers. As a start, marketers need to move beyond selecting influencers based solely on reach and content—two of the biggest factors marketers identified in our analysis. They need to identify the different factors that ensure a fit for their brands and specific campaigns. Advanced influencer identification should include an objective look at a more holistic picture, including follower behavior and the ability to drive consumer consideration. One clear solution is to employ a set of standards, such as influencer scoring parameters. Allison+Partners, for example, scores influencer impact with a proprietary formula: [Reach + Authenticity] X Power = Influencer Score. Marketers can also develop their own scoring methods to ensure consistency and objectivity in their

"I really do think that there's power in trying to reach people in a platform that they're using. It's the power of word of mouth." - Morgan, marketer

influencer selection by looking at those factors most important to them, such as recency of other campaigns, brand voice and detailed insights on their actual followers.

At the same time, influencers need to be active partners in this process. Most influencers in our study said they don't provide all or even some detailed audience insights unless asked; nor do they map their potential to a marketer's needs. Many also said they have their own media kits, but marketers rarely ask for them. Instead, the marketers simply view the influencers' social feeds or their blogs to get a sense of recent brand collaborations, campaigns and tonality. Clearly, this is a landmine. Marketers wouldn't invest in traditional paid media without a deep dive into the audience and performance metrics, so why treat influencer marketing differently?



AUTHENTICITY MATTERS

Assessing authenticity is a key component of the identification effort. Most influencers indicated marketers generally asked only for reach, unique pages views or monthly blog views. Ironically, influencers feel some of their best value is found instead in the authentic comments and interactions, rather than the likes and follows. Marketers also need to understand how to know if, and when, followers and engagements are real or fake. Some influencers trick the system by using "comment pods" to gain their positions as influencers and drive engagements.

Marketers share this pain point. They struggle to verify quality followers and capture insights from the interactions. While they can see the amount of likes from a post, figuring out where the majority of respondents come from and whether the influencer experiences quality interactions over time is difficult to measure. There's opportunity for both sides to bridge the gap and partner to gain more extensive reporting and insights about the interactions from a campaign.

CONTENT AND CHANNEL BIAS

In many cases, marketers also don't consistently ask influencers what type and tone of content has performed best on their channels. For example, one influencer in our study recalled a blog post he wrote for a company two years ago; it remains one of the top performing pieces of content, generating thousands of website hits a year. Imagine if this was known during or after campaign planning and the impact it could have on the nature of the creative and content executions.

Marketers also expressed preferences and beliefs about the channels in which the content appears. Some felt that content that lands on Instagram or Facebook and then disappears a few days later may not be as valuable. How long content remains relevant and continues to get shared also depends upon the medium and amplification strategy. Yet, some influencers won't allow boosting unless marketers pay more.

This all demonstrates the glaring gap in communication that if fixed would help the creation of optimal content and campaigns and delivery of better reporting on value. It behooves both sides to have content targeted at the audience's needs and tastes and leveraged in multiple channels for ultimate impact.



"There's always that desire to maintain your number of page views, to maintain your follow count and increase it. And the way to do that is to be consistent with what you're producing. So for blog content, I find that if I'm not writing three pieces of content a week then that can kind of slip. If I'm not posting things to Instagram then I notice that my follower count drops.

So being consistent about what you're producing and where is really key in the industry right now."

- Leticia, influencer, Tech Savvy Mama

2. PROCESS & RIGOR

As influencer marketing matures as a discipline, it will require the same process and rigor that is applied to other marketing initiatives. Yet, there are some glaring inconsistencies and missed opportunities for marketers and influencers alike. Both groups in our study lamented the almost sterile way an engagement begins and often continues through the lifecycle. There are some simple solutions and best practices that can address these challenges.

CREATIVE BRIEF

Beyond details called out in the contracting phase, a consistently applied creative brief will ensure marketers and influencers remain on the same page about expectations. Key items marketers should address in influencer briefs include:

- · Campaign overview and goals
- Brand attributes and mission as relevant to the campaign
- Influencer's role with clear expectations about what is needed and key messages
- · Thought starters to inspire ideation and creativity
- Dos and Don'ts of what to include within content or leave out
- Disclosure guidelines to ensure the content is compliant

Marketers need to ask influencers their opinions, because they know their audiences best – what will be authentic and what will generate engagement.

EDITORIAL PLANNING

Imagine a campaign with 10 influencers. Marketers need to get different content from each person and spread out that content just like any editorial calendar for social media. Strategically planning the content ensures no unnecessary coverage overlap and that all the various viewpoints and messages are represented. It requires real partnership between the marketer and the influencer.

Within this phase, marketers need to ask influencers their opinions, because they know their audiences best – what will be authentic and what will generate engagement. However, our study found a big divide here.

Many influencers said they don't feel comfortable offering their opinions about how posts can be improved. Many also admitted they're unlikely to offer their suggestions to marketers unless prompted to do so, or if they feel something is off-brand or off-voice. Too often, marketers come to influencers with content or ideation developed and simply want influencers to execute on that. A two-way partnership would be more beneficial to both parties.





OPTIMIZATION

Just as they would in traditional marketing disciplines, testing, learning and revising need to be an integral part of the influencer marketing strategy. Here, our study found yet another disconnect between marketers and influencers—only some marketers conduct testing with influencers to see what type of content works best. Further, influencers said they generally stick with the approved content over the course of the engagement regardless of the outcome, creating another missed marketing opportunity.

While influencers often voice their opinions during the creative planning phase, the majority said they don't generally provide additional suggestions for improvement in the execution phase – something they need to take responsibility for. Influencer marketing must mature and evolve to a place where the consultation, relationship-building and optimization occurs as it would in other parts of the marketing mix.

Marketers tend to be trained to deal in transactions. However, the relationship with influencers should be a partnership, not a transaction. Influencer marketing is more like a one-on-one relationship, with a combination of PR and marketing. It requires a higher touch and the human element of storytelling.

LONG TERM VS. SHORT TERM RELATIONSHIPS

Optimization, integration and extension are all much easier in long-term influencer relationships. Influencers confirmed this, telling us that all paid, one-post campaigns do is fill their feeds with ads. Whether or not a marketer subscribes to the Rule of Seven, there's no debate that messages are more effective when repeated often. One of the few points influencers agreed upon unanimously in our study is that longer-term campaigns are more beneficial and better cultivate brand authenticity. Followers are simply more likely to believe the authenticity of the content if they see it more than once.

3. MEASUREMENT & VALUE

As C-Suites continue to insist marketers show the business impact of influencer campaigns, influencers continue to struggle to show their value in a comparable way to how marketers think about other marketing mediums. Formulating a measurement structure and ultimately showing that value is difficult—a sentiment lamented for years and one our study echoed. However, we also found a more intense urgency from both marketers and influencers to solve this problem.

The underlying current of our study—a communications and relationship gap between marketers and influencers—comes to light in measurement perhaps more strongly than any other topic we explored.

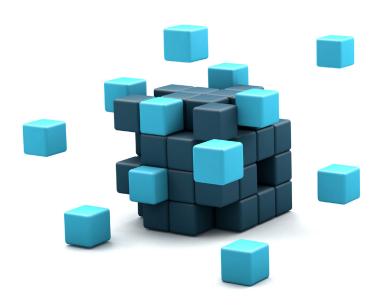
Influencer marketing measurement is difficult for several reasons—some generated by the nature of the medium and some self-imposed by marketers and influencers. Despite the challenges, a pragmatic approach combining measurement and analytics approaches with technology can help show value like never before. Our study uncovered several common challenges worthy to explore:

DEFINING THE BASIS FOR INFLUENCER MARKETING

One of the fundamental inconsistencies we uncovered among marketers is about the best use for influencer marketing. While most marketers see influencer as a means for brand awareness, many need it to prove itself as a demand medium. This likely comes from the marketing philosophies the individual or the organization they work for believes and it drives the need for two different sets of accepted metrics.

From an influencer perspective, our study revealed most believe influencer marketing is clearly a brand marketing effort. They believe their greatest value is their ability to connect authentically with target audiences in a way brands cannot themselves. And while they can't show sales, they believe their work eventually leads to conversions.

Of course, influencer marketing can be strong for brand and strong for demand. Simply put, this determination of



the basis for the engagement—brand awareness or demand generation—must be laid out clearly in the early phases of the planning cycle so a measurement strategy can be formulated.

LACK OF BENCHMARKS

Even with clearly defined basis for engagement, a lack of benchmarks hangs like a dark cloud over influencer marketing measurement when compared with older, more-established marketing practices. It has created a context void made worse by the variety of strategic functions an influencer marketing campaign can take and is compounded by issues like industry, target audience and budget.

Without benchmarks, contextual measurement will lack. The lack of benchmarks may also prohibit influencer campaigns from being greenlit in the first place as marketers used to gaining expected outcomes before they purchase may be hesitant to pull the trigger.

Fortunately, there are multiple ways to approach this challenge. And it represents another opportunity to bridge the gap between marketer and influencer in a fruitful way for both parties. In our study, marketers revealed they rarely asked for outcomes of similar campaigns or shared enough information to help influencers even make a connection. At the same time, marketers don't collect their own data. If marketers could couple their existing data with data from similar campaigns influencer partners have run, it could paint a much better picture of expected outcomes and targets for future campaigns.

THE STANDARD METRICS MYTH

A set of standard, outcome-based metrics is not realistic in influencer marketing. At the most basic level, there's a wide variety of strategic and tactical uses for influencer marketing. From driving people to an event to donating or creating simple awareness, the possibilities are endless. The marketing campaigns also use a variety of channel-mix strategies. Therefore, the metrics – particularly outcome-based metrics – cannot be standardized industry-wide.

While common KPIs are readily found on the Internet, they are typically just indicators—not outcome-based metrics that show the impact on the brand. And marketers fuel this reliance on common KPIs. Our study showed the core metrics marketers request from influencers most often are

page views, reach and likes. And marketers are comfortable presenting these to others in their company because they believe these are the best options currently available.

A PENDING PLATEAU?

Though not abandoning influencer marketing, some marketers indicated plans to scale back influencer campaigns if they aren't able to get a better understanding of value, while others see an evening out of investment without valid measurement. Both opinions are cause for concern. While investment currently appears steady and growing, these types of emerging opinions may indicate influencer marketing could plateau without a better effort to show value.





From standard measurement and data approaches to technology and process, influencer marketing measurement can improve in several ways.

ALIGNMENT ON OBJECTIVES

The need to align business objectives with strategy is one of the core elements of any measurement campaign. In our study, we found marketers don't spend much, if any, time in this phase. Many said they just want to get in front of new audiences in an authentic way. And fewer could define clear, desired outcomes. For the most part, marketers do not even tie specific revenue goals to influencer campaigns.

Unsurprisingly, influencers said they have scant insight into what marketers want to achieve or how they fit into a larger brand objective. Often, marketers give influencers a brief and ask them to create content with specific messaging, but they don't provide context or simple campaign objectives. Influencers felt that with better understanding of what the campaign was set out to achieve, they could create more meaningful content that would perform at a higher rate.

As easy as it sounds, the quickest and easiest thing marketers can do to boost measurement and outcomes is to outline clearly their business-related objectives for influencer campaigns.

DATA CAPTURE AND PRACTICES

Similarly, the simple act of gathering, structuring and storing data is a fundamental best practice for measurement. But our study also revealed that this, too, lacks in influencer marketing efforts.

A small subset of marketers said they work to gather their own internal data, such as coupon codes redeemed or website visits, while others said they rely entirely on the influencer to provide metrics. None of the respondents indicated they collected and structured both internal and external data. Obviously, collecting both would offer more opportunities for different metrics. And it would be a great first step to bridge the gap related to understanding potential impact and outcomes.

Though collected data often remains siloed, influencers said they're willing to provide back-end metrics with marketers if requested, particularly on paid campaigns. But they don't actively provide back-end metrics unless asked.

"There's a lot of metrics you could use. You've got the obvious ones of their reach and resonance, of the type of content they put out. Whether it tends to be positive or neutral or negative, and what percentage their content buckets fall into. We also look at how they've worked with other brands in the past and specifically other brands that we find complementary to our brand or competitive."

- Amy, marketer

Influencers also said they generally provide basic reports or metrics, and marketers usually don't ask for much more. To advance, marketers and influencers must create deeper relationships and accept data will advance both of their interests.

OUTCOME-BASED DATA BEST PRACTICES

Though social, web, paid and almost every other digital marketing mix have used outcome-based data capture methods for years, it has yet to translate to influencer marketing. Only a handful of marketers in our study said they provide data-capture methods (coupon codes, links, etc.) to influencers. The reasons may include a brandmarketing approach vs. demand or a belief it would create a layer of diminishing authenticity in posts.

Influencers in our study were not opposed to these types of requests from marketers, but they cautioned it must fit with their tone and styles. They believe long-term contracts with marketers could actually make this demand-gen insertion easier, as the influencer followers will genuinely see and believe the influencers have an affinity for the brand.

Hard data capture may not be right for every influencer campaign, but it can be effective, and marketers don't use it enough to show outcomes.

TIME TO IMPACT

Marketers and influencers must also gain a better understanding of the time to impact influencer marketing has on their brands and measure accordingly. In our study, a small number of marketers – one in the automotive space and one in planned travel – acknowledged this. Both fundamentally understood it would be abnormal for a consumer to see a new car review on an influencer's Instagram feed and as a result, buy a new car that same day. Using a method such as correlation analytics, we can calculate how to determine time to impact.

Influencers also understand they likely have much greater value than they report. For example, content can live longer than a reporting cycle. Or, there may be indicators the marketer would find valuable but doesn't know are available, such as DMs asking for more information or coupons.

So, marketers and influencers must look beyond a "moment of time" in reporting and understand things like time to impact content life span and holistic data capture. Again, this can provide a much greater reporting depth for both sides if they bridged gaps and communicated better with each other.

THE CUSTOMER JOURNEY

A lack of understanding of how influencer marketing impacts the customer journey presents another obstacle to sound influencer measurement. Few respondents in our study mentioned this as important or even considered it generally. While there are many ways to measure how influencer marketing affects customers, from a simple survey of customers to advanced analytics models, it would benefit marketers to explore this option. It will give them the ability to report on business impact or refine campaigns to maximize impact depending at what stage their intended audience is in the marketing funnel. It will also have a strong bearing on the actual content and channels used.

CORRELATION ANALYTICS

Used often in public relations measurement—another medium with hard-to-capture outcomes—correlation analytics can be a strong option to measure influencer campaigns. Explained simply, correlation analytics is the process of taking two data points and determining if there is a statistical correlation between the two. For example, "true impressions" and "sales." From there, the possibilities are endless and can span any data sets.

A statistical method like correlation analytics is fairly easy to implement and offers great flexibility. It can span both the brand marketer and demand marketer, or do both at the same time.

In the true spirit of partnership, it would also be beneficial for marketers to share these insights with influencers so they can continually optimize their content and effort.

DEPLOYING EXISTING TECHNOLOGY

An abundance of technology used in other digital marketing media can be applied to influencer marketing measurement. But that has yet to be the case, perhaps due to the channels where influencer marketing lives. For example, the use of pixels or tags is largely non-existent, even for mediums that readily accept them. But it shouldn't be. This implementation would allow for retargeting, boost conversions and create great depth of understanding for those who interact with influencer content.

And it's particularly true for those who engage influencers for brand awareness. Pixels can help quickly measure how influencer campaigns impact brand awareness. Influencers can place a pixel on a piece of content. Once that content is served, the viewer receives a survey with brand awareness impact questions that can be compared against a control group. This method can even be modified for platforms that don't allow pixel placement, such as Instagram.

With effort from both marketers and influencers, this can easily be done with existing technology and methods already used in other parts of the marketing mix. Doing our due diligence shouldn't be an excuse for why influencer marketing campaigns don't employ proven and tested methods used regularly in other digital marketing efforts.

UNLEASHING THE POTENTIAL

Influencer marketing has had one of the largest impacts in the industry over the course of the past decade. Brands have a vested interest in its success, as do the influencers whose livelihoods depend on it.

The beauty of influencer marketing is that it doesn't fit in a box. But that beauty also fuels its challenges. Marketers exacerbate some of these challenges, influencers exacerbate others. Overwhelmingly though, both work against their own well-being and self-interest by keeping the practice tied to a past state.

By communicating better, implementing process and rigor, best practices and – perhaps most important – methods to show value, marketers and influencers will be able to see the full and realized potential of influencer marketing.

Now is the time to unleash influencer marketing.



UNLOCKING THE FULL POTENTIAL OF INFLUENCER MARKETING

IN A RECENT STUDY, ALLISON+PARTNERS FOUND THAT A GAP EXISTS BETWEEN MARKETERS AND INFLUENCERS. HERE ARE SOME



MARKETERS



INFLUENCERS

OBJECTIVES

WHAT DOES SUCCESS LOOK LIKE AND HOW DO YOU GET THERE?

WHY ARE YOU RUNNING THIS CAMPAIGN? WHAT

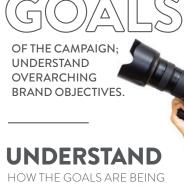


PAST CAMPAIGN RESULTS
TO HELP YOU DETERMINE
WHAT'S ACHIEVABLE.

DETERMINE

WHERE INFLUENCER
MARKETING FITS IN YOUR
CUSTOMER'S JOURNEY.

ASK MARKETERS THE



MEASURED.

DON'T LIMIT REPORTING ON OBJECTIVES TO THE END OF THE CAMPAIGN.

AUTHENTICITY

LOOK BEYOND NUMBERS TO VERIFY AUTHENTICITY.





PARTNERSHIP

MOVE FROM A TRANSACTIONAL RELATIONSHIP TO A PARTNERSHIP.

DETERMINE AN INFLUENCER'S STRENGTHS AND WEAKNESSES.





CONTENT PERFORMS BEST.

O consider

LONG-TERM RELATIONSHIPS.

SPEAK UP (IF YOU DISAGREE.



THINK BEYOND THE CREATIVE BRIEF.

DON'T LIMIT CAMPAIGNS TO PURELY DIGITAL CHANNELS.

OPTIMIZATION

WHAT'S WORKING AND NOT?



SHARE
WHAT CONTENT IS
PERFORMING BEST.

OFFER SUGGESTIONS FOR IMPROVEMENT.



METRICS

UNCOVERING RESULTS IS A TWO WAY STREET.

THROW "TOTAL POTENTIAL"

IMPRESSIONS AND REACH

OUT THE WINDOW.

CREATE AN OBJECTIVES-BASED

RELEVANT

DATA

SET UP STRUCTURE

FOR DATA CAPTURE,
INCLUDING CONTRACTS
THAT PROVIDE BACK-END DATA.

CONSIDER NEW



EVALUATION M

METRICS

LIKE SURVEYS, CORRELATION ANALYTICS AND PIXEL PLACEMENT.



TO THE NUMBERS. WHAT

INSIGHTS

DO COMMENTS AND ENGAGEMENTS REVEAL?

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