

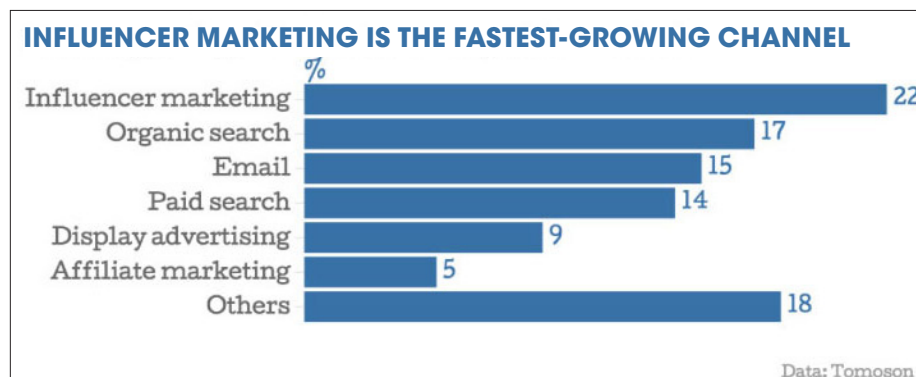
# The Power of Influencers

How brands can harness word-of-mouth and peer recommendations to connect with consumers

**W**e all hear a lot about how consumers trust friends and family recommendations when deciding what products to buy over branded messaging. That truth has become even more important as ad blocking apps—and consumer disinterest with ads in general—have exploded, allowing consumers to more easily tune out marketing messages.

Influencers play a growing and important role in word-of-mouth marketing. More and more marketers are engaging them for campaigns. A recent poll of marketing professionals conducted by Tomoson found that marketers rate influencer marketing as their fastest-growing online customer-acquisition channel, outpacing organic search and email marketing.

The benefits of influencer marketing are numerous. Partnering with an influencer can be a cost effective form of high-quality content with built in distribution. It is highly measurable and can be targeted to very specific audiences to capture high-quality leads and engagement.



“Brands pay millions of marketing dollars to get followers on Facebook,” says Holly Hamman, CMO and co-founder of TapInfluence. “For influencers it’s inherent. They build up followings in the millions based on trust. Brands can’t create these huge audiences like these influencers can without spending money.”

Take a spring campaign by Origins, an Estée Lauder brand. It worked with Plaid Social Labs, acquired in April by Corbis, to have small YouTube beauty gurus push their Original Skin Renewal Serum. More than 23 videos pushed live gaining nearly 2.5 million views.

“This is where entertainment is going for teens and Millennials,” said Ricky Ray Butler, senior vice president, Corbis. “It doesn’t matter how raw the content is. It matters how successfully it is accepted by the audience and how successful it can be for your audience.”

Butler recommends that brands work with a variety of large, medium and small influencers for maximum impact. Brands

can get a lot more views if they work with a range of sizes, including up and coming channels.

“Clients always want to work with the biggest and the best, the one that gets the most views,” Butler said. “We tell them, work with the big ones, but don’t forget the other channels and influencers that are smaller. You can get just as much impact if you work with a larger quantity of them and



This spring, influencers pushed Origins’ Original Skin Renewal Serum

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## 7 REASONS TO WORK WITH INFLUENCERS

### 1. The personal touch

There are no big-name marketing companies behind the words these influencers use to post about products. Their words are authentic, typed and posted by them, usually from their homes after actually using the products or services.

### 2. People trust them

Influencers are normal people. They aren't millionaire celebrities, or part of the royal family. People follow them for honest and real reviews of products, and genuinely trust the influencer's opinion. They're part of a community together, and that network is built on trust.

### 3. No hidden agendas

They don't deal with an editor or "red tape." They write what they want, when they want—that is both powerful and empowering.

### 4. Truly powerful paid content much more than just an ad

No flashy \$3 million commercial spots or blink-and-you'll-miss-it banner ads. Even when paying for content, influencers post only products they use, making the ad more impactful than nearly anything else you can buy. And the residual SEO value can't be beat.

### 5. No politics

No bosses means that no one else is controlling content. Nobody with a secret agenda is telling them what they need to write about; these truly transparent conversations are happening already—why aren't your favorite brands participating?

### 6. Target marketing made easier

Looking for a peanut-butter-loving stay-at-home dad of three? There's a blog for that. Seriously. Engaging with bloggers allows brands to market to uber-specific audiences that will be more apt to connect with their product/service. It's just smart.

### 7. Cost Effective

Compare it to a running ad in a magazine or a commercial slot on television and you've got yourself a good deal. No production costs!  
— *Cristine Viera, co-founder, Find Your Influence*

they're much more hungry for the work. Even though you get less views the smaller channels often have higher engagement and loyalty that is harder to find in the larger channels."

Whether large or small, the influencers' audience needs to be fully engaged.

"We identify strong influencers by their engagement which includes likes, comments and retweets, for example. This shows that their audience is really engaged and interested in that influencer's content," says Erika Bennett, vice president of African American marketing at Allied Moxy, a division of Allied Integrated Marketing. "When we are looking to engage influencers, we look at both reach and engagement as potential barometers for how content will be received by influencers and their audience. It's important not to just offer the people with the widest reach, but to also target influencers with the right audience and the right engagement for your target audience. It has to be targeted."



Influencer DC Young Fly posted, "this fast and furious trailer got me trippin #Furious7 man go check it out now."

To amplify the global debut of the anticipated "Furious 7" trailer last November, Allied Moxy worked with Universal Pictures to activate top-tier social influencers, chosen based on their total reach, audience demographics and overall fandom of the franchise. Some of the influencers included DC Young Fly, DJ Enuff and Emmanuel Hudson. Influencers live tweeted the E!

event and created custom content such as trailer reactions. This initiative created a social moment that drove strong engagement and early awareness for the film, Bennett said.

Moxy has a number of strategies to identify which celebrities or influencers it will engage on a given campaign. It stays "plugged in" by closely monitoring conversations about who's out in the social sphere and what is driving day-to-day culture in the African American space. For the "Furious 7" campaign, it partnered with Allied Integrated Marketing's digital arm, 87AM, which provided digital insights on influencers based on audience and reach, those that talked about the film and had an interest in car culture or action films.

"We pulled together a great cross section to reach the audience," Bennett says. "We understand what content works best with each influencer's audience so it's authentic and organic to their voice and plat-

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## WHAT AD BLOCKERS REALLY MEAN TO MARKETERS

Ad blockers are popular. This isn't news. They've actually been available for years on desktop and Android mobile devices, but since they just became available for iOS, the conversation around them has exploded. Thanks, Apple!

The net result for marketers? Consumers are paying to block your ads. Not necessarily because they hate ads, but because they hate a poor web experience. The unspoken agreement that consumers would willingly view ads in exchange for free content was violated when pop-ups, auto-play video and data tracking drove content download times off a cliff. While the rise in adoption of ad blockers and plummeting banner ad click-thru-rates may seem like a nightmare at first, don't shoot the ad-blocking messenger. There could be a day that you will come to love them.

Ultimately this shift is happening because consumers are voicing their opinions, with their wallets, that they want a better web experience and a better exchange with the brands they love. In fact, if you look at the top paid apps in the iTunes app store you'll see that the even though Purify and Crystal ad-blocking apps are listed No. 9 and No. 10 as of this publication date, No. 8 is actually an app from PewDiePie, a YouTube influencer with 40 million subscribers who make millions each year from brand sponsorships. Not only do consumers prefer influencer content, they are willing to pay more for it. PewDiePie's gaming app cost more than twice that of the average ad-blocking app. What does this mean?

It means consumers prefer to get their content from influencers rather than brands and they'll pay more for it. The more brands shift dollars to influencer marketing, the more people become influencers on opt-in social channels that are trusted, shareable, and cheaper than banner ads. So, while the transition from investing in banner ads to influencer marketing might seem like a major shift, the outcome is better for everyone.

By 2018 we estimate that inventory from social

influencers like PewDiePie and others could actually exceed available banner inventory. This "influencer inventory" is pure opportunity for marketers to create genuine, trusted relationships with consumers directly through the influencers that they already follow and adore. And the shift is already happening.

Why is influencer marketing such a great alternative to digital advertising? For one, it's opt-in on all fronts. The consumers opt-in to follow the influencer even knowing that some percentage of the content they're exposed to will be sponsored and influencers only opt-in (at an average 80%+ rate) for campaigns that align with their content and audience's interests.

So why love ad blocking? It forces creativity and discussion in an industry plagued with a lack of true value and disparity in how units are tracked and measured. It forces marketers to think critically about what they're putting

into the market and how much of what they're still doing is a "push" message versus a genuine, two-way dialogue. It also accelerates and improves the customer experience online—whether on mobile or desktop. As consumer attention spans shorten, they're increasingly separating out their "browsing" time from their more aggressive content consumption time. While they may be open to looking at a sponsored Instagram from their favorite food blogger,

the same brand doing a full screen takeover ad while they're doing research for work is no longer going to fly.

It also forces marketers to pick their heads up from listening to data long enough to actually listen to people. We've been told to be data driven at every turn. We've bought into analytics solutions and visualization tools trying to read the tealeaves and derive action and meaning from them. But we've not really been listening—or seeking out—the why behind those data points. Ad blocking is re-humanizing all of our consumers for us and forcing advertisers to use channels, technologies, and solutions that improve the digital experience for consumers instead of hijacking it.

—Holly Hamann, CMO/co-founder, TapInfluence



form. That's when we see that the content that we put out there work the hardest for our campaigns."

Some 50% of marketers use influencer marketing to generate leads and drive sales, and 40% are focused on brand engagement. The remainder are focused on content promotion or other activities, the Tomoson poll found.

## FINDING INFLUENCERS

There are plenty of tools and companies available to crawl the web in search of influencers, but it can also require a manual process to get it right, said Mandy Shunk, account director, influencer partnerships, Kicking Cow Promotions.

"It can be really important for someone to filter through and find those right influencers," she says. "For us the output has been some really great engagement. An Instagram influencer may post a food photo and people will ask questions about the food or why the influencer is plugging the product. The influencer comes in and responds to these questions and really advocates for the products. That's more powerful than anything you can buy in traditional media and you can really see those conversations happening."

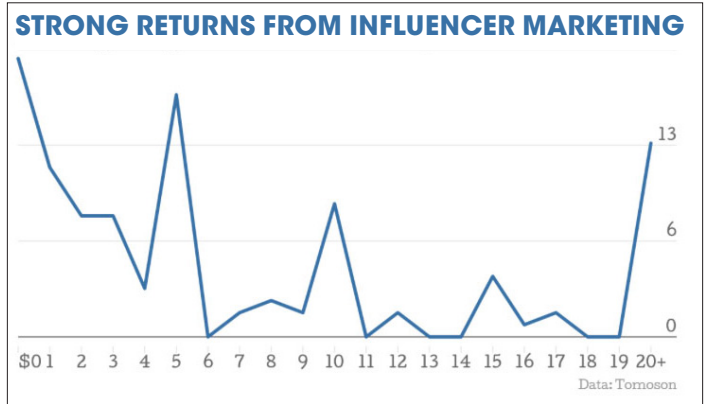
For MSL Group and its client Frank's RedHot finding the right influencers meant looking to the brand's most avid fans and advocates.

The cheeky ad slogan for Frank's RedHot hot sauce: "We Put That \$#!t On Everything" has great awareness, particularly in the Northeast and Midwest. But the brand wanted more, so MSLGroup schemed to get traction nationwide.

The engagement company looked to those brand advocates who are prolific content creators. They love to photograph and post about the product, usually showing how they use it and sharing the "I Put That \$#!t on Everything" slogan. The idea was to tap into and harness those advocates—and sign on some influencers—to help the brand gain national attention and online word-of-mouth.

It used social analytics and listening tools, including Radian 6 and Brandwatch, to gain insights into brand perceptions and to identify the social platforms that would work best. It discovered that Instagram and Twitter were the central platforms of conversation for Frank's RedHot. It analyzed the most popular conversations to inform social content for the campaign.

To avoid confusion with other hot sauce brand fans who also used the slogan, "I Put That \$#!t on Everything," the program strategy was simple, to go from tagline to hashtag with a simple acronym: #IPTSOE became the focus of a digital campaign. The



goal was lofty: to reach 3.5 million social impressions, achieve a 1.5% to 3% engagement rate and to amplify the effort using influential social publishers. All this was accomplished with a \$167,000 budget.

MSLGroup identified and recruited six Vine and Instagram stars to reach the persona for the brand's target. This persona was given the identity "Mike," a 30-something, Midwestern, married man who enjoys time with friends.

The content creators had the audiences and the irreverent voices needed to spread awareness of #IPTSOE. The content sparked conversations on social and the brand encouraged active and non-active super fans to post their own unique #IPTSOE."

The hashtag was used consistently across all social and digital channels. Strategic paid ads were posted on Facebook and Twitter along with radio spots. A special campaign hub, [www.iptsoe.com](http://www.iptsoe.com), was developed housing a photo contest. Incentives like a Frank's RedHot truck, motorcycle and ATV were used to encourage entries. Brand execs voted on their favorite photos each month. The social content was optimized throughout the campaign based on real-time reporting and insights.



At one point, this post from Jason Nash had 1,260 likes and 32 comments.

The influencers began pumping out wild and engaging content that began flowing through the social sphere. One fan made the questionable decision to paint their child's face the hot sauce. Another used the hot sauce as a body wash in the shower. The social content revolved around

putting that \$#!t on the wildest food items possible using Twitter and Instagram.

The bar had been set for who could produce the craziest #IPTSOE content. A healthy competition ignited and the winner got to take home the truck.

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## INFLUENCER DOS AND DON'TS

### DO

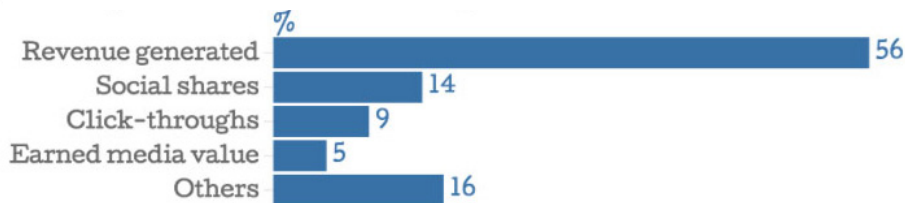
- Communicate clearly and specifically. Be precise from day one what your brand objectives, deliverables and expectations are.
- Make it a priority to reach a consensus with the influencer and their audience concerning the content of their video. Having a consensus between brand, influencer and the audience is key to a successful campaign. This will increase engagement and excitement around the brand messaging.
- Be open to different genres of influencers, as this increases the reach of a campaign. If the content seems too raw or boring, try to keep your focus around the engagement of the influencer. You might not like the content because you are not the target audience.
- Have a goal of achieving a nearly 1% click-through rate. Influencer sponsored videos usually see much higher clickthrough percentages than other online rich media advertising. In some cases, campaigns have seen between 3% -10% clickthroughs.
- Work with a partner. They'll represent you in the negotiation process—and make sure they have good relationships with the influencers.

### DON'T:

- Try to have complete creative control. Influencers have an audience because they know how to best communicate with them. This doesn't mean the brand won't have input, but they shouldn't plan on writing the script.
- Over pay or offer too little. Learn how much an influencer is worth.
- Expect that influencer integration's work the same way as traditional forms of advertising. They require special attention to detail because aspects such as time frames, communication and ownership are all very different when working with influencer integrations.
- Expect a commercial. Remember your brand is being featured in the influencer's brand content. It is important that the brand integration is authentic and consistent with the influencer's other content.
- Change objectives and plans last minute. Although digital media seems like a very good place for short turn-around projects, influencers don't do well with unexpected changes.

—Ricky Ray Butler, VP, digital, Corbis Entertainment and president, Plaid Social Labs

### REVENUE IS THE MOST IMPORTANT METRIC



Data: Tomoson

This story ends well. The campaign generated 20 million+ earned impressions and a total 50 million impressions, 600% of the goal. Engagement rates ran from 3.86% to 5.86%, which some content achieving a wild 20% or more. As for the hashtag, there were more than 6,500 uses and more than 3,000 pieces of user-generated content. The influencers generated more than 9.2 million Vine loops and drove more than 123,000 user engagements on Instagram and Vine. To top it all off, this campaign won a Honorable Mention 2015 PRO Award in the Best Influencer Marketing Category.

Some 51% of marketers believe they acquire "better" customers through influencer marketing, when

asked to rate the average quality of customers acquired through the channel. Another 38% cited "same" customers and 11% reported "worse," according to the Tomoson poll. When asked about the most effective platform for influencer marketing, 37% chose blogs. Facebook was next, with 25%, making it the most popular social network. YouTube, Instagram and Twitter each got 5% to 6%, failing to collectively add up to the power of Facebook.

Getting to credible measurable metrics is becoming a higher priority for brands. It can't just be about engagement, it has to be about concrete actions and sales. Marketers consider sales figures to be the most important influencer marketing metric, selected by 56% of participants in the Tomoson poll. Clicks (9%) and social shares (14%) are still favored by some, and earned media value was the least popular.

"It's really evolving," Kicking Cow's Shunk says. "The way we had been measuring is by looking at engage-

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## 3 RISKS OF CELEBRITY INFLUENCERS

Before social media showed us the importance of brand transparency, celebrity endorsements ruled the world of traditional marketing. Global giants normalized the practice to the point where few instantly recognized the oxymoron in an athlete's endorsement of McDonald's Happy Meals.

Indeed, there are more than a few holdovers from the era of traditional marketing that still persist. We still have a soft spot for putting famous faces alongside brands. Even though celebrity deals going horribly wrong have become commonplace in the industry, the sheer number of people whose purchasing decisions they can influence leave us undeterred.

There is a missed lesson here. The demand for influencer marketing, the social media extension of celebrity endorsement, has hit a high point this year and is likely here to stay, so let's take stock of why and how giving the keys to your brand to an influencer could go wrong.

### 1. RISK TO FINANCIAL STABILITY

Often it can cost the national debt of a small country to put a brand's product in the hands of a celebrity. In fact, sports stars often have endorsement deals that dwarf their annual contracts. At his peak, Tiger Woods, the world's first billionaire sports personality, earned less than 10% of his income from winning on the golf course.

The sky-high cost isn't restricted to celebrities in the traditional sense of the word. Fashion blogger Rachel Parcell transformed what began as an online journal into an incredibly influential website that caught the attention and dollars of both TRESemmé and J.Crew, and now can earn up to \$1 million a year in

affiliate commission.

Data does show that consumers are twice as likely to buy from a blog recommendation than from a celebrity endorsement, but finding the right influencer for your brand is an effort-intensive affair as well.

### 2. INFLUENCER MAY NOT EVEN LIKE YOUR BRAND

For the amount of money one has to spend on influencer marketing, it can be quite a gamble.

Celebrities are notoriously loose cannons. To be fair, they are human beings in charge of their own actions and decisions, and we've all made decisions we regret. Which is no big deal, unless you've hitched your brand wagon to an influencer who winds up making you look a fool.

Take Helena Bonham Carter's deal with Yardley Cosmetics. While the face of the brand, Bonham Carter ranted on in an interview about how she never wore makeup, didn't understand why people did, and was baffled as to why Yardley had chosen her as the face of their brand. Needless to say, she wasn't for much longer. When you rely on influencers to represent and promote a brand, you run the risk of completely losing control of your how your brand is perceived.

### 3. IT DOESN'T TRANSLATE TO MORE ENGAGEMENT

We are oddly infatuated with leveraging assumed influence as a marketing cure-all. But the facts and track records tell a very different story. Yes, paying someone to declare their undying love for your brand will bring attention, but people seeing your brand and people

engaging with your brand are two very different ideas.

At no point in history has the consumer has so much information (read: power) at their fingertips. It's no coincidence that endorsements are now taken with a large grain of salt. There now lives an underlying assumption that the vast majority of celebrities couldn't care less about the brand they're endorsing. Hell, they may have never even tried it! Let's be honest, is anyone really buying into the idea that Sofia Vergara is as enamored with Diet Pepsi as she seems to be in the commercials? Or that Cristiano Ronaldo uses a robotic smile-enhancer on the daily?

Essentially, the whole setup is artificial, contrived and inauthentic, and since consumers can so clearly see the wood from the trees, shouldn't we as marketers be spending our invariably tight budget elsewhere?

### HERE'S THE LESSON

Influencer marketing certainly does pay off. For every dollar spent, you have a return of \$6.50 in additional earned media on top of it. However, it still only generates half the sales of true word-of-mouth. So it boils down to what your company is looking for.

It's more worthwhile and cost effective to identify and leverage true brand advocates rather than putting your fate in the decidedly expensive hands of celebrity influencers. Their social media followers may be more to the tune of a thousand rather than a million but their recommendations tend to be taken much more seriously. Their ability to create excitement and induce positive action is many times that of their celebrity counterparts. — *Jean-Guy Faubert, CEO, Tagga*

ment—likes, comments—and cost per engagement and did the overall campaign meet the objective. We're seeing that the brands are turning more to an interest in what is the cost per action. There is a real interest to understand how to get consumers to take a specific action, versus just engagement or impressions. Brands want more than a like, then want them to take that next step like click through a link to learn more about a product or click for a coupon or a promotion. So it's really stepping up the game a little bit."

## DOLLARS AND SENSE

The costs, of course, can vary greatly depending on the vertical, the platform and the influencer and have to make sense for the brand. Costs can range from a couple thousand dollars to upwards of \$100,000. The signs are there that money is moving to influencers. Some 59% of the respondents to the Tomoson study said they plan to increase their budget for influencer marketing over the next 12 months.

"We're now getting to the point where are clients are moving TV budgets to digital," Corbis's Butler said.

The Tomoson study found that businesses are making \$6.50 for each \$1 spent on influencer marketing, with the top 13% earning \$20 or more. A resounding 70% are earning \$2 or more, with the rest either breaking even or failing to generate a return on investment.

"We found that if you look at the cost compared to traditional media, it can be very cost effective,"

Shunk said. "If the influencers are great content creators and have great communities it can be very effective."

Reaching the same consensus is the magic triangle between the brand, influencer and the audience.

"If you don't know what you're doing, it's not hard to get burned," Butler said. "These are media giants. Not only are they the face of their content, it's all theirs. You need to work with them and reach that consensus to have a successful campaign. Sometimes brands want to turn influencers into commercials and that never goes well. Even if you pay them to do something that they don't always do, there's a higher risk of a backlash. The audience needs to see that the content is similar to what the influencer does. If all are happy that's some of the most effective ways to advertise. If it's within the context and people like it or it improves the content followers end up being influenced by the advertising."

"It's really important when working with influencers to consider them a partner," Shunk added. "That's critical. It's their community. They know what they're community responds to and in most cases they are really driving the creative. It aligns with the brand and the brand objective and that's really important."



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