The Evolution of Influencer Marketing

AND THE 5 INFLUENCER INSIGHTS THAT MATTER MOST
INTRODUCTION

A New Brand of Consumer Influence

Most everyone today knows the one-to-many, brand-consumer dynamic has undergone a pole reversal, with consumers now firmly in control of when, where, how, and even if brand engagement will occur.

In other words, traditional media’s EF Hutton may still be talking, but those captive audiences of old have voluntarily shifted their attention to a new breed of influencers that they are more likely to believe and heed. Or as Intuit CEO Scott Cook has repeatedly stated, “A brand is no longer what we tell the consumer it is – it is what consumers tell each other it is.”

These modern influencers hail from all walks of life – industry and topical experts, activists, celebrities, bloggers, academics, YouTube producers, etc. – and are leveraging the Web’s connective tissue (along with consumers’ longstanding preference for word of mouth recommendations), to build, inform, engage, and influence dedicated populations of followers.

Ironically, one-to-many has come full circle, but today it’s driven entirely by consumers and the influencers they choose to follow. As McKinsey & Company puts it, the “digital revolution has amplified and accelerated its reach to the point where word-of-mouth is no longer an act of intimate one-on-one communication. Today it operates on a one-to-many basis.”

1 “A new way to measure word of mouth marketing,” McKinsey & Company, April 2010
The Logic of Influencer Marketing

Not surprisingly, brands want in on this influencer action, particularly given abundant evidence that:

- Word of mouth is more important than ever. ²
- A significant majority of consumers now use at least one social channel ³ (and a majority of online adults used two or more social channels ⁴).
- Consumers are more likely to follow the opinions and decisions of others on social media.⁵
- Consumers are swayed (consciously or not) by the content they consume on social media. ⁶

From a brand perspective, influencer marketing promises to deliver far more bang for their limited marketing dollars. Instead of wading into the digital masses in an impossible bid to understand, inform, and engage one elusive consumer at a time, these companies instead can focus those same energies and resources on a much smaller corps of influencers who have earned the trust of a much larger population of consumers.

Specifically, influencer marketing enables brands to capitalize on:

- Consumers voluntarily and openly self-organizing around the interests, outlets, and influencers who are most importance to them.
- Influencers facilitating this process by building passionate, informed and, in some cases, brand-focused followers.
- Influencers and their followers generating great volumes of data that can be used to better understand and engage them.
- Capturing and analyzing this data through a social business management platform and its complex algorithms, this data can be used to identify and influence brand-relevant influencers.

² "Word of mouth more important than ever for social network generation," Oxford University, July 2014
⁵ "Social Defaults: Observed Choices Become Choice Defaults," The Journal of Consumer Research
⁶ "Experimental evidence of massive-scale emotional contagion through social networks," National Academy of Sciences, March 2014
All Influencers Are Not Created Equal

Given its obvious appeal, most companies today practice some form of influencer marketing. Yet far too many continue to pursue a one-size-fits-all approach that pays disproportionate attention to the size of an influencer’s following rather than its quality, including, for example, the degree to which the audience is actually engaged or the influencer’s appropriateness to a specific brand.

“Having a lot of Twitter followers or a large blog readership doesn’t inherently make a person influential,” says marketing consultant, Jay Baer. “True influence drives action, not just awareness, and very few online demi-celebrities have enough juice to drive action in droves.”

On the receiving end of that equation sits a consumer class increasingly weary (and wary) of blatantly inauthentic campaigns looking to leverage little more than an influencer’s following.

Instead, these consumers are flocking to a more passionate, credible class of influencers, such as Michelle Phan, who parlayed her passion for makeup and affinity for YouTube into nearly eight million followers and, ultimately, a co-branded L’Oreal line.

Or Arvin Lal, CEO of SHREDZ, who used Instagram to transport his fitness business from his parents’ basement into a multi-million dollar enterprise. “We are actually a marketing company,” says Lal. “We just happen to enjoy fitness and see it as a market where you can make good revenue and help people.”

8 “Why Online Influencer Outreach is Overrated and How to Fix It,” Social Media Today, June 13, 2012
10 “Instagram Marketing Helped Make This Multi-Million Dollar Nutritional Supplement Company,” Forbes, March 19, 2014
What Phan, Lal, and other social entrepreneurs are teaching brand marketers is that bigger isn’t always better. In fact, a Technorati Media survey revealed that a majority of consumers believe “the smaller the community, the greater the influence.”

So if marketers can’t solely trust in the surface metrics of influencer popularity or expect such campaigns to deliver the results they want, what are best practices to identify, monitor, and engage the right influencers and, by extension, reach their followers?

For starters, we believe it is critical to look beyond mere keywords and social metrics and examine the metadata that defines these influencers, their relationships and networks. Humans are dynamic creatures, constantly evolving, learning, growing, and changing. Smart influencer marketing takes this into account and seeks to capture and mine the informational subtleties that will better explain influencers, their followers, and the relationships between them.

The Growing Complexity of Influencer Marketing

Anyone familiar with digital technology knows that sophisticated platforms and algorithmic processing are necessary for capturing, combining, and mining large volumes and varieties of data for actionable marketing intelligence.

Influencer marketing is no different. As influencers and their followers continue to embrace new and evolving forms of social engagement, brands will necessarily require increasingly dynamic social intelligence platforms for identifying, monitoring, measuring, and engaging those influencers.

Gone are the early, easy days of influencer marketing where reach alone may have been all that was needed. As consumers – particularly social-savvy Millennials – become more discerning, brands must dive deeper and incorporate metadata into their equations.

This metadata adds the psychological and contextual hues that, together, offer a far more accurate and fully formed portrait of influencers and their followers.

Instead of using keywords or social metrics alone, brands are able to decipher why and how influencers are driving response and action and answer such questions as:

- Why is one influencer more credible than another?
- What is the influencer saying and how is he/she saying it?
- Which channels are most effective and when?
- What is the form and format of the message?
- How long does a particular message or post have legs?

As the social media landscape continues to evolve, and with it the practices and habits of influencers and their audiences, it will be more important than ever for companies to dive deeper into the metadata that drives and shapes these relationships.

How? Through sophisticated analytical tools that not only can manage the big data volumes and varieties in question, but can even identify influence where brands may not have been looking.

Ultimately, that metadata corresponds to five distinct influencer attributes that every brand must consider if it wishes to succeed in influencer marketing.
So which criteria are to be used in identifying and engaging the influencers most capable of helping your brand? What should you look for in your target influencers and their followers? Which metrics matter most in calculating your influencer marketing spend?

**The 5 Influencer Attributes That Matter Most**

Relevance is the degree to which an influencer’s messages, posts, comments, and other social mentions align with your brand’s most important keywords and interests. The more precise your company’s understanding of these connections, the more easily you can rank and prioritize the particular influencer relationships you wish to pursue.

Additionally, the greater the synergies between your brand’s interests and those of your influencers, the more likely you’ll be able to establish a mutually successful relationship. Influencers enjoy the status conveyed by their association with your brand, its products, and services; and by extension brands benefit from more personally relevant access to an influencer’s audience.

Furthermore, brands can leverage their own credibility, thought leadership, content, and followers to assist influencers in expanding their own reach, relevance, and impact. Or as Lee Odden, founder of Top Rank Online Marketing, puts it, “Work with an influencer, you’re friends for a day. Help someone become influential and they’re a friend for life.”

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And of those channels, which days of the week does the influencer post and which channels are strongest in terms of follower interaction?

**IMPACT**
Impact measures the number of followers who interact with an influencer’s brand-relevant posts as well as the number of interactions generated by a particular social mention. Impact can be gauged across the entirety of an influencer campaign, including:

- Ranking influencers during the selection process
- Measuring audience interaction
- Determining whether those interactions translate into direct brand engagement (i.e. does an audience member actually buy or otherwise make contact with your organization)

Impact is where most brands begin to see actual earned media outcomes as a result of their influencer marketing efforts. Considerations include the kinds of content that influencers deploy in their posts and the ways in which social links propagate across the Web.

Brands also should consider the influencer’s potential reach – which is the total number of followers, fans, subscribers, etc., who are connected to the influencer across different media channels.

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Relevance is a measure of social media’s most visible metric – e.g. followers, fans, likes, subscribers, etc. Because these figures are the most obvious (and often gaudiest) indicators of influencer popularity, it is easy to understand why many brands focus a disproportionate amount of energy and resources on them.

But popularity alone does not equal influence. Instead, brands are advised to consider less obvious but more substantive expressions of an influencer’s reach, such as the number of followers actually engaged on a particular subject or the influencer’s credibility on a topic.

Or as social media strategist Julia Cantor writes, the influencer a brand may really want to engage is “someone who has regular conversations with their audience and engages their followers in particular ways.”

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Recent polls show a majority of teens follow YouTube producers and nearly two-thirds confirm they’d try a product based solely on a YouTuber’s recommendation.14 Meanwhile, Hollywood’s Variety magazine recently acknowledged that YouTube stars now enjoy larger followings than major film and TV stars.15

**QUALITY**

Quality takes into account the number of followers interacting with an influencer and, more importantly, gauges their relative value. A weighting formula gives credit proportionate to the quality of the interaction, meaning that a retweet is going to rank lower than a reply but higher than a Facebook like.

The deeper the degree of audience engagement, the more relevant the post and/or influencer. In other words, the more effort put forth by the follower, the more likely the influencer post is resonating with him or her. A single-click action is not going to rank as high a response to a blog post, for example.

Ultimately, the brand wants to recognize the influencers and audience members who are sufficiently moved or motivated to take meaningful action on behalf of the brand. This enables brands to identify and even nurture up-and-coming influencers who may have brand-friendly opinions but lack the reach and impact to make an appreciable difference.

**ACTIVITY**

Activity tracks where, when, and how often your influencers post. This information is important not simply for determining the ideal intersections with your own brand goals, but also will enable you to monitor their posts and follower engagement once your influencer campaign has begun.

For example, your influencer campaign might kick off by establishing measurement benchmarks for what an influencer said, where and when they said it, etc., then compare with the same data collected during and after your campaign.

This is particularly important given the constant evolution in the kinds (and popularity) of channels, devices, content types, and influencer outposts. Each influencer uses one or more combinations of social channels to communicate, foster conversation, drive engagement, and interact with an audience and it is imperative that your brand be in the right place and right time to have the best chance of driving brand-friend activities.

Similarly, you can connect the dots between an influencer’s posts and your own brand touchpoints, such as website visits, upticks in social connections, and more.

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14 “Do YouTubers Fuel Purchase Intent Among Teens,” eMarketer, March 24, 2015
Conclusion

Speaking at CES earlier this year, Brian Solis, principal analyst for the Altimeter Group, pointed out two remarkable phenomena that, in their own unique ways, tell brand marketers everything they need to know about the future of their business.

First, nearly 90% of consumers are now influenced by the online comments of other consumers. Second, that a new generation of social media producers is busy creating a “financial ecosystem .. reminiscent of Hollywood in the early 1900s.” The same Hollywood whose producers and stars dominated global culture for nearly a century.

“More kids can name online celebrities than they can traditional movie and music stars,” said Solis. “To capture attention, advertising and content will require an entirely new approach.”

Though still a relatively young phenomenon, however, influencer marketing is moving into a more complex phase of development. Brands must look beyond obvious keyword references and social metrics and into the psychographics and contextual intelligence that will help them better understand the unique nature of an influencer-follower relationship and why it drives specific results.

Given the volumes and varieties of data involved as well as the constant evolution of social channels, companies will need to deploy sophisticated social management tools and practices that can deliver the insights they need to influence the influencers and, by extension, their followers.

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