

Two Sides of the Same Coin: Exploring the Brand and Influencer Relationship in Influencer Marketing

Activate interviewed more than 800 global social media influencers and 100 marketing professionals to compare and contrast their views on the happenings in the influencer marketing industry today.

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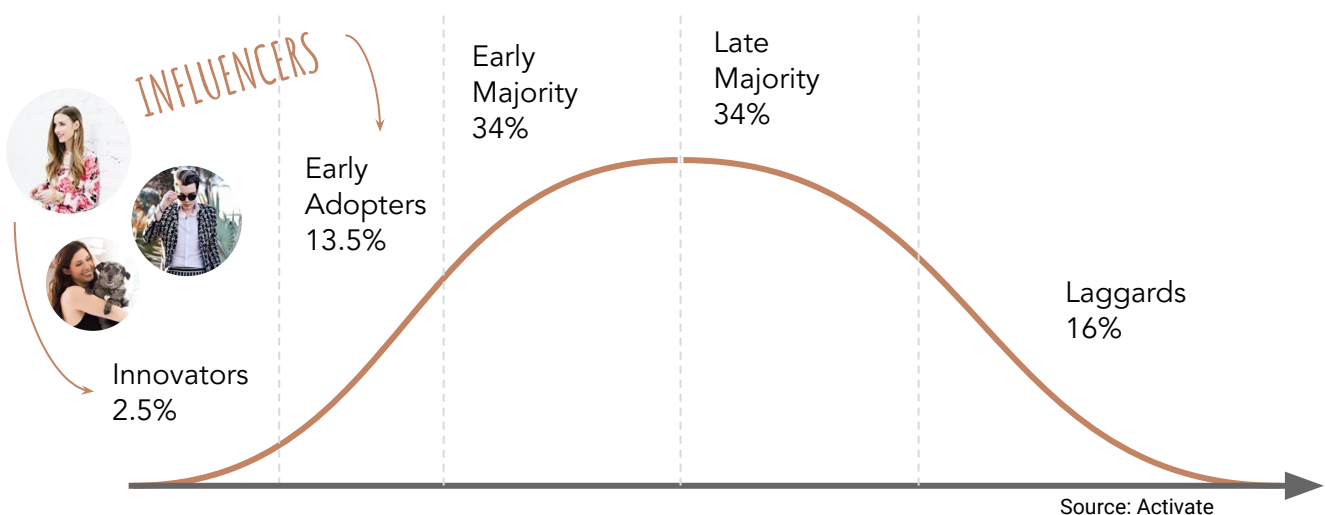
The Influencer Economy

It's Traditional Marketing Theory Fueled by Social Media

Brands have long understood that to launch a new product or shift brand perception, the innovators and early adopters must first be convinced in order for it to spread to the rest of the economy. The concept is the diffusion of innovation. This is why, in the past, brands paid such a premium to purchase full-page ads in *Vogue* or *Architectural Digest*. Those ads made an impression on the trendsetters: the early adopters and innovators.

In today's social media landscape, influencers are innovators and early adopters that have managed to attract an audience through their expertise and authentic, relatable voice. When they share recommendations they are taken as expert friends giving opinions on the latest products on the market. Imagine that amplified to millions of faithful followers on social media.

Influencer marketing is simply the diffusion of innovation, infinitely amplified by the power of social media.

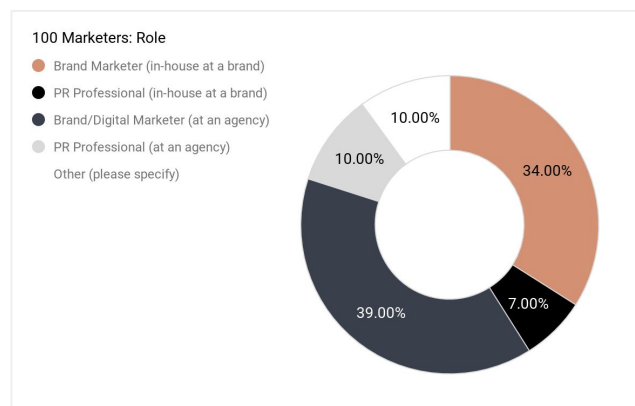
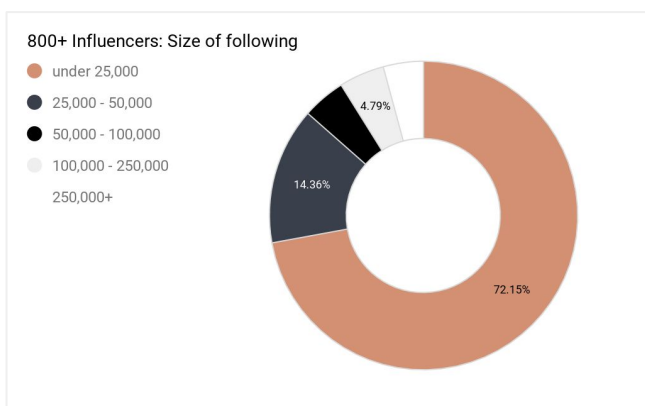


Overview and Methodology

At Activate, we are dedicated to continuing to provide deep insights into the happenings of the industry. Overall, influencer marketing is seeing exponential growth. 62% of marketers are growing their influencer marketing budgets this year. Meanwhile, 61% of influencers report an increase in sponsored partnership opportunities in 2017 than in the year before. These strong statistics give way to this research report that we have conducted to connect two thriving sides of influencer partnerships: influencers and marketers. In this report, we will be sharing influencers' and marketers' views on the following topics:

- 1 Emerging Trends in the Influencer Industry:** Understanding where the industry is headed.
- 2 Winning Influencer Partnerships:** Dissecting strategies and tactics on collaborations.
- 3 The Nitty Gritty:** Sponsorship disclosures, compensation, content repurposing, and all the details not to forget.

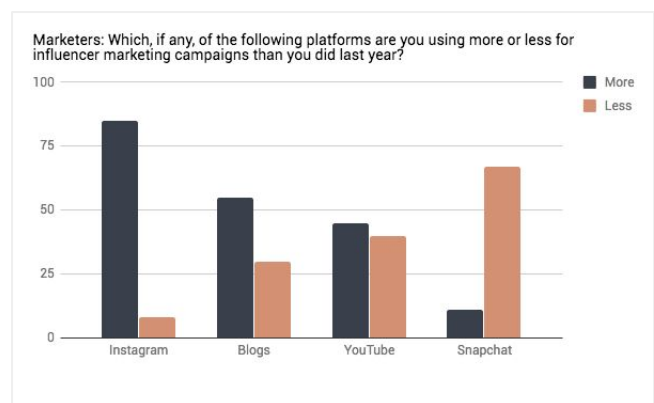
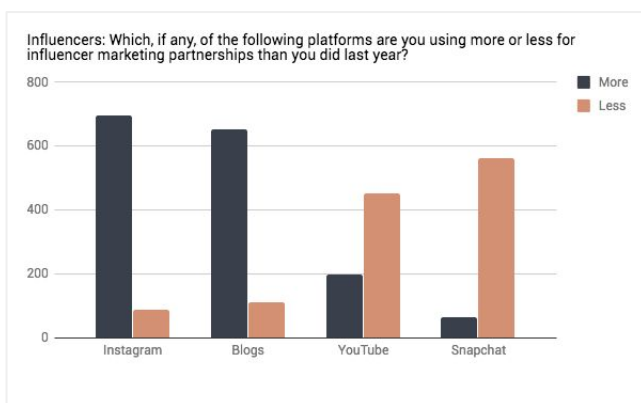
We spoke with 100 marketers and over 800 influencers to paint a holistic view of influencer marketing.



**Activate conducted this survey by polling more than 800 influencers and 100 U.S.-based marketing professionals. Fieldwork was undertaken in March 2018. The survey was carried out online.*

Leading the Way: The Social Media Platforms That Are Dominating the Space

To start things off, we were eager to know which social media platforms were trending with influencer marketing activity. Both influencers and marketers agree that Instagram and blogs are the two social media channels seeing the most partnership activity. Facebook, Twitter, and Pinterest sit at the middle of the pack with no substantive increases or decreases. Snapchat and YouTube, however, take a hit as they deal with serious declines in usage.

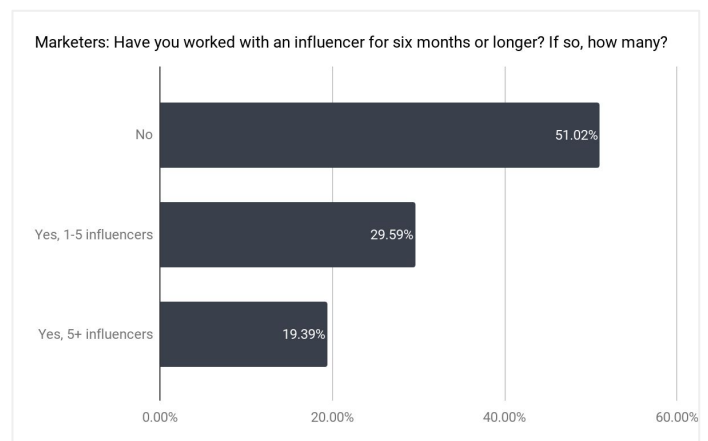
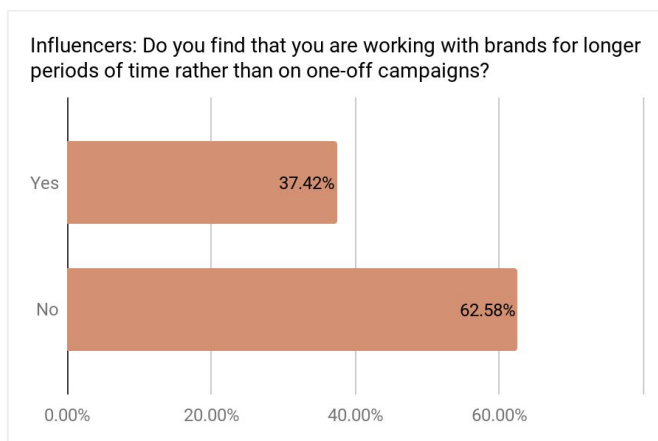


Our Takeaway

These findings, especially the declines, echo what we see happening on our platform. Instagram and blogs are the two channels where clients and influencers consistently show interest. YouTube and Snapchat see decreased interest due to the unique challenges they present. For instance, while video is a growing trend, the barriers to entry for influencers on YouTube are high. High quality YouTube videos require more production skill and access to video equipment. Snapchat, on the other hand, has low barriers to entry but faces other concerns from brands and influencers over a lacking influencer ecosystem and difficulty with tracking metrics.

In It for the Long Haul: Always on Partnerships

Both marketers and influencers are ditching the short game, instead opting to go steady with campaign partners. Nearly 50% of marketers are now working with influencers for six months or longer. Influencers are voicing similar sentiments. Nearly 40% state that they have established long-term partnerships to boot.



Our Takeaway

Brands and influencers are increasingly more interested in always-on partnerships as both benefit in unique ways. Influencers secure long-term work and shield their audiences from a parade of sponsored collaborations with many different brands. Meanwhile, brands secure an individual with whom they can build a long-term narrative and leverage as a true brand ambassador. This is very much in line with what we are hearing from our community and a trend that we only expect to grow.

Partnership Goals

To cut to the core of the marketer's mindset it is important to know the main motivation behind what drives brands to pursue influencer marketing.



Our Takeaway

There may be a disconnect between influencers and marketers in their understanding of partnership goals. Only 37% and 22% of influencers say that brand awareness and sales conversion are the goals of their sponsored partnerships. Whereas, more than double the amount of marketers (78% and 45% respectively) say that brand awareness and sales conversion are the main goals on their end. If influencers have a better understanding of marketers' goals they can better optimize their content to help achieve them.

Influencers are one of the few channels that can be leveraged effectively for both top of the funnel and lower funnel objectives like brand awareness and sales conversion. However, the key challenge for marketers will be how they balance their investment throughout their marketing mix to drive efficient overall cost of acquisition.

Content Direction: A Truly Collaborative Effort, Myth or Reality

One of the holy grails of influencer marketing is the ability of marketers and influencers to truly team up to tell compelling brand stories. Yet, responses revealed that only 29% of influencers are asked for their opinion on content direction. Worse, the majority of marketers (55%) admit that the content strategy and direction of a sponsored partnership is decided well before influencers are added to the mix.



Our Takeaway

We have seen magic happen between brands and influencers when the conditions are right for a true collaboration. First, there should be a hefty amount of due diligence in selecting influencers. Understanding the influencers, their audience, and what they stand for should drive content direction and strategy. This is the only way that content stands a chance to resonate authentically. The goal of influencer marketing is not to simply pay someone to regurgitate pre-packaged brand messaging. Rather, it is to establish bidirectional relationships with influencers so that sponsored messaging reaches a level where it becomes genuine storytelling instead.

Making the Match Between Brands and Influencers

How Brands Find Influencers with Whom to Collaborate

This time last year, we polled marketers to find out how they typically find influencers to engage on campaigns. What we found both last year and this year is that many marketers are using multiple methods to reach influencers.

Direct outreach remains the most common method.

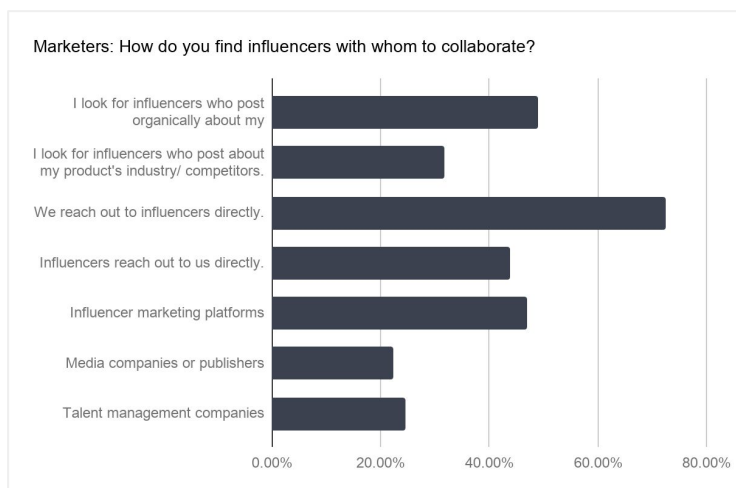
2017: 59% selected direct outreach as the way they find influencers.

2018: 72% selected direct outreach as the way they find influencers.

Influencer marketing platforms have a strong jump in popularity.

2017: 34% said they use influencer marketing platforms to find influencers.

2018: 46% said they use influencer marketing platforms to find influencers.



Our Takeaway

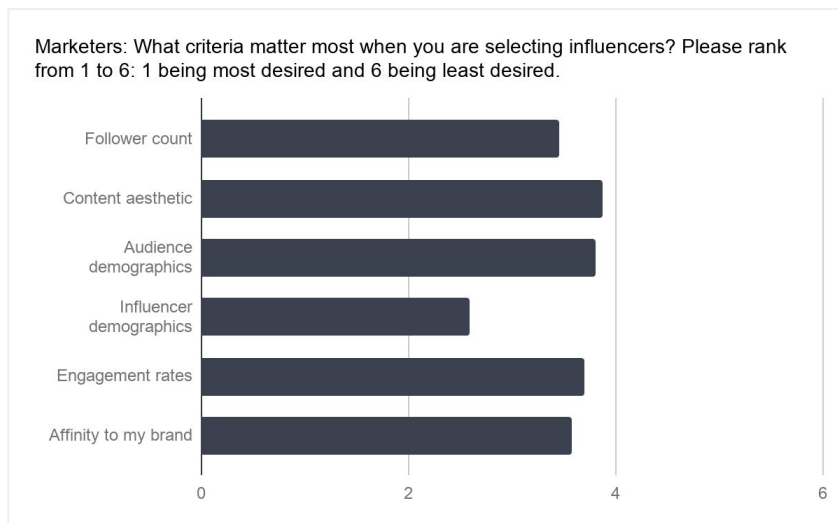
Influencer Marketing can be very complex at scale. Marketers are beginning to understand that platforms can alleviate this complexity. Platforms can offer access to influencers, as well as drafting, payment, and FTC compliance tools to streamline partnership execution. They can also offer data and reporting tools to evaluate post-partnership success. This leaves room for marketers to focus on the creative aspects of a partnership instead.

Making the Match Between Brands and Influencers (cont.)

What Brands Consider When Selecting Influencers

In 2018, the top considerations for selecting influencers changed quite a bit. “Content Aesthetic” pulled far ahead from 2017’s last place position to be the top consideration this year. Given the newer prevalence of repurposing influencer content, it is crucial that content aesthetic aligns well with that of brands.

Additionally, this year “Audience Demographics” took second place from “Size of Following”. Meanwhile, “Engagement Rate” held steady at third place both this year and last.



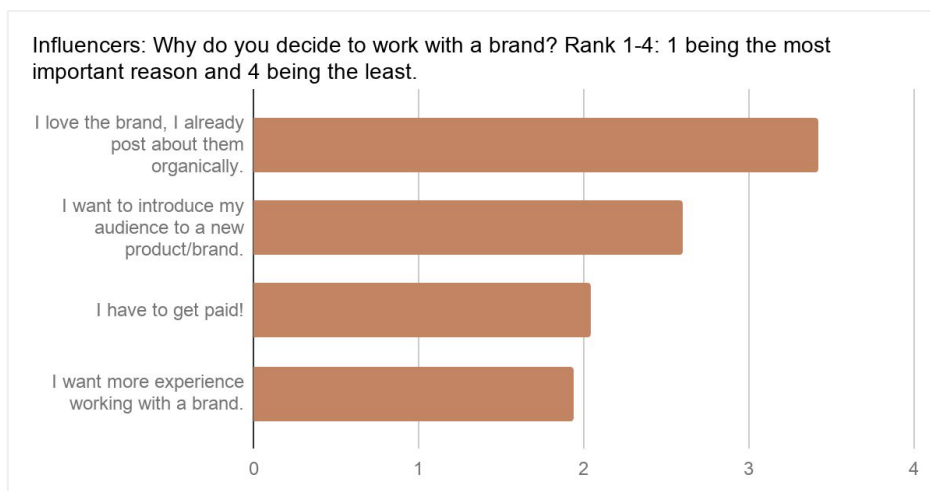
Our Takeaway

Superficial filters like “Follower Count” are falling behind more refined considerations like “Audience Demographics”. This speaks to an evolution in thinking within the influencer marketing industry. Marketers are understanding that the considerations for selecting influencers aren’t as shallow as they used to be.

Making the Match Between Brands and Influencers (cont.)

Why Influencers Decide to Work with Brands

Contrary to what many may think, most influencers do not decide to work with a brand just to get paid. The #1 reason that influencers will engage on an influencer marketing partnership is because they love the brand and often organically post about them. The desire to introduce a new product or brand to their audience followed closely behind as the second reason.



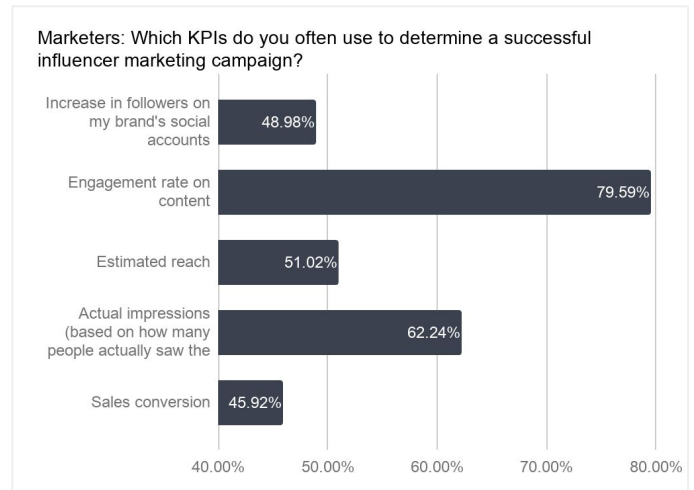
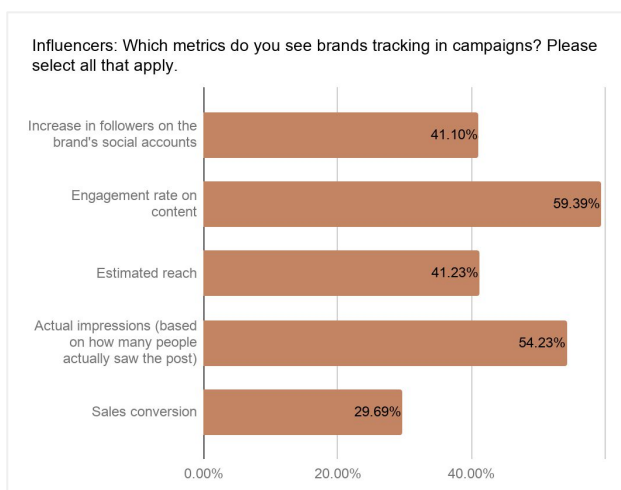
Our Takeaway

For one thing, it's clear that influencers want to protect their audiences from oversaturation of sponsored content. Before engaging in a partnership, influencers want to ensure that there is a natural narrative between them and the brand. This can even go so far as to impact pricing. We cannot say that there is or is not a certain amount of money that will entice an influencer to consider working alongside your brand. But what we can say is that an influencer may accept less money for a collaboration if they truly love and believe in your brand. That said, money won't guarantee your partnership an outstanding performance, only your brand's affinity with the influencer's audience and a strong content strategy can secure that.

The True Measure of Success: Examining KPIs

How do brands measure the true success of an influencer marketing partnership? Let's cut to the chase by asking both marketers and influencers for their take on the age-old question.

Both sides agree that the "Engagement Rate" on sponsored content is by far the metric that brands pay attention to the most, followed closely by "Actual Impressions" and "Estimated Reach".



Our Takeaway

Few influencers were able to accurately identify the KPIs that brands measure the success of a partnership. This could indicate that influencers are being brought into partnerships without being fully briefed on goals and KPIs.

Years ago, "Estimated Reach" (based on Follower Count) was the most referenced KPI. Today, it's falling behind other KPIs like "Engagement Rate" and "Actual Impressions" as both sides understand that a partnership is successful when the content is not just seen but when it resonates with the consumer.

Diving Deep into Instagram

As Instagram is one of the leading social media channels in influencer marketing, we were eager to understand how brands and influencers are leveraging the platform.

Instagram Stories has proven wildly popular.

55% of influencers and 70% of marketers say that they have incorporated Instagram Stories into their sponsored partnerships.

Instagram Story Highlights also performed well.

While still a relatively new feature, 25% of influencers and 22% of marketers have incorporated Instagram Story Highlights into their sponsored partnerships as well.

Instagram Polls, however, was noticeably lower on both sides.

Despite having launched well before Story Highlights, just 16% of influencers and 14% of marketers have incorporated Instagram Polls into sponsored partnerships.

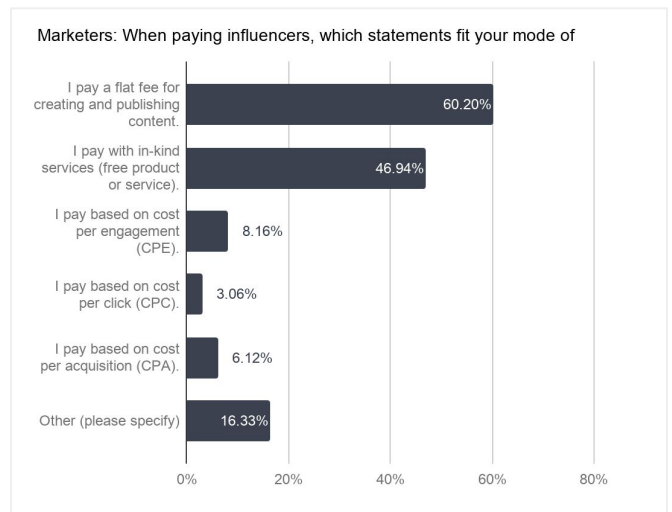
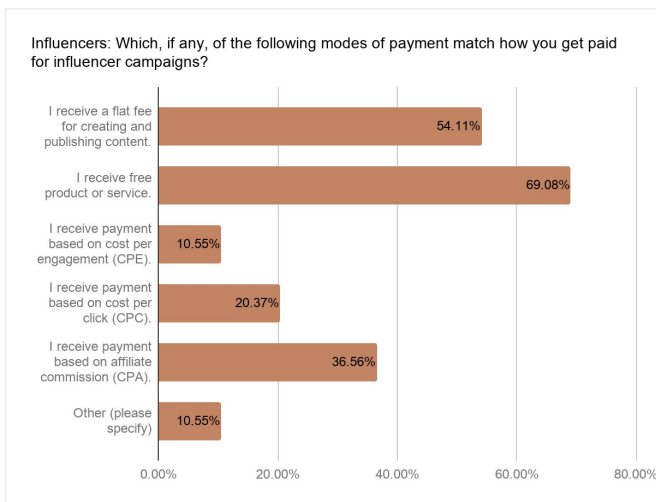
Our Takeaway

It's wonderful that influencers and marketers alike are making great use of Instagram Stories and Instagram Story Highlights. However, features like Instagram Polls may be underutilized. Based on our testing of Instagram Polls, we saw consistent engagement rates between 12-15% strong. That is incredibly high compared to static Instagram posts, Instagram Live, and the other varieties of content available on the app. To the extent that it makes sense, Instagram Polls could be good to incorporate into a sponsored partnership to engage with audiences and elicit a direct response.

Money Talks: Flat Fee and In-kind Compensation Take the Cake

Performanced-based payment models have not quite caught on. We discovered that 62% of marketers pay flat fees to influencers for creating and publishing content. Close behind, 45% of marketers selected in-kind compensation as their method of payment.

Either way, when compensating influencers, we encourage brands to consider their creative and production budgets separately as creators are not just distributing content, they are also creating content on behalf of the brand.

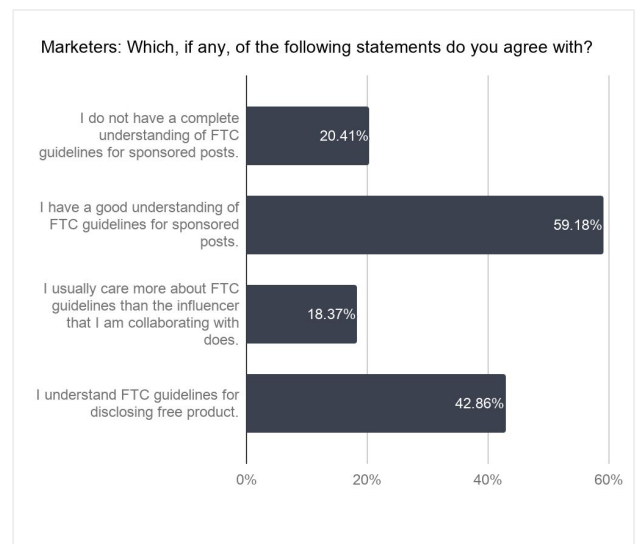
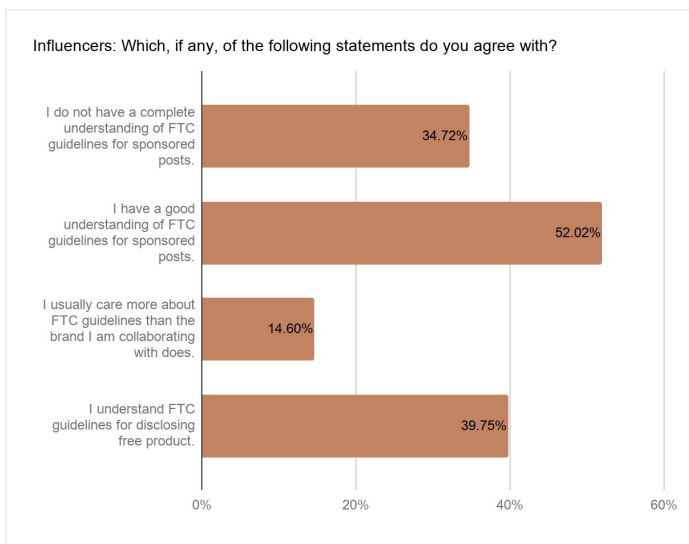


Our Takeaway

On both sides, flat fee and in-kind are the two clear leading methods for brands to partner with influencers. This is understandable as they are much more straightforward than other payment methods. Conversely, performance based payments like cost per: engagement, click, or affiliate commission may be lacking behind as they are much more transactional. If too transactional, these methods can force an influencer to function as a salesperson pushing affiliate links and coupons and not as a content creator, thus defeating the purpose of a custom collaboration.

Say It Loud, Say It Proud: Sponsorship Disclosures

Only 52% of influencers and 60% of marketers feel that they have a good understanding of FTC guidelines for sponsored posts. Furthermore, only 56% of influencers and 31% of marketers were able to correctly identify how to disclose free product gifted to an influencer.

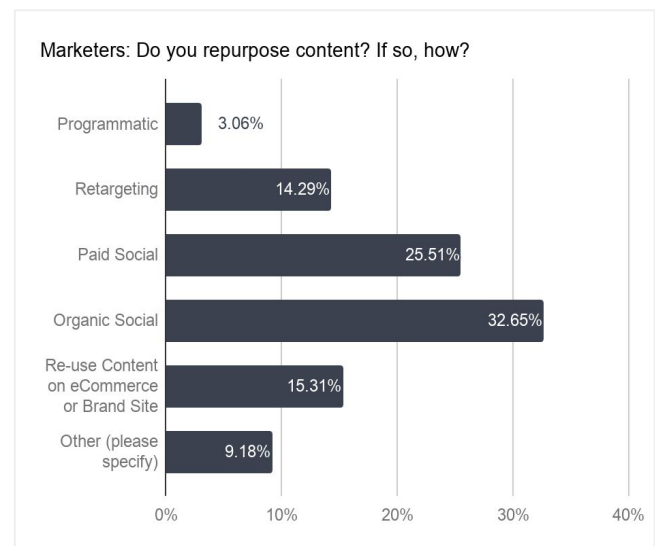
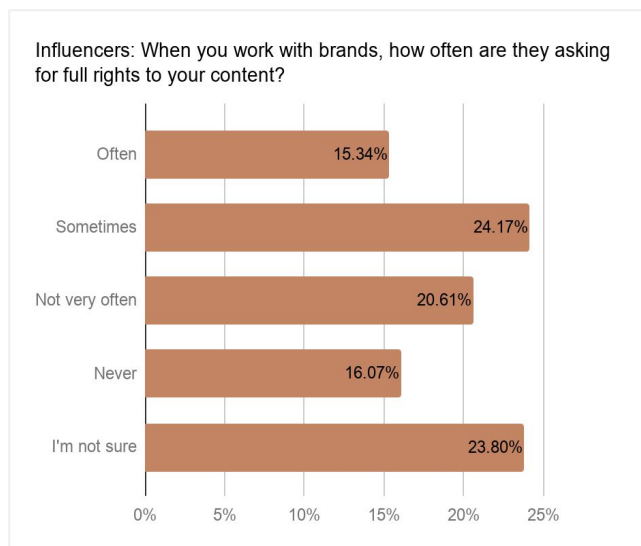


Our Takeaway

Marketers should not shy away from disclosures for fear of lower performance. In our prior research, we determined that they are not what most discourages consumer engagement with sponsored content. Inconsistent messaging with an influencer's organic feed takes that crown. Regardless, these results clearly reflect that there is still a need for more discussion and clarity on FTC guidelines and what they mean for sponsored partnerships, especially amongst marketers.

Two for One: Repurposing Influencer-Created Content

Only 40% of influencers say that brands ask for full rights to their content often or at least sometimes. Yet, 97% of marketers report that they are repurposing influencer-created content. Of those brands repurposing content, the majority (33%) say that they repurpose influencer content for organic social. Paid social follows closely behind with 26% of marketers saying they repurpose content for that as well.

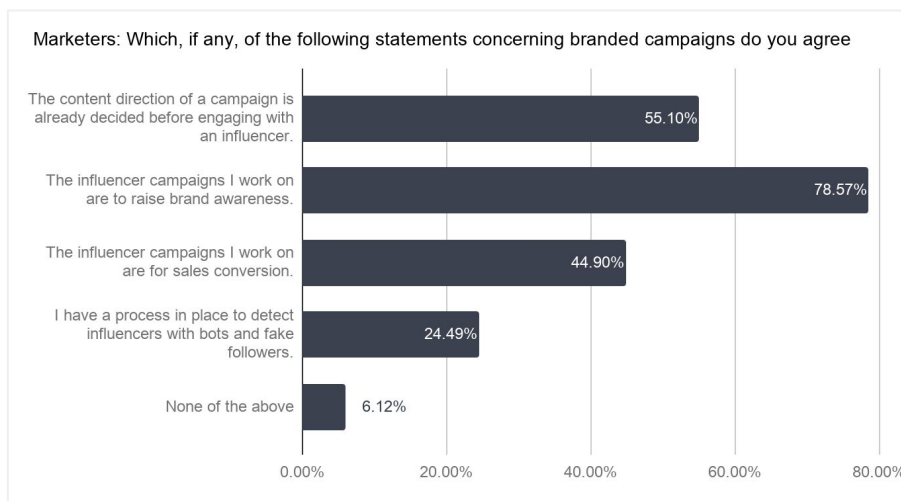


Our Takeaway

It has become commonplace in the industry for brands to repurpose influencer-created content. Given the quality of content created by influencers, it makes perfect sense for brands to repurpose. What is concerning, however, is the disconnect between the two sides on just how often repurposing takes place. While 97% of marketers are repurposing content, only 59% of influencers are explicitly asked for rights to their content. Influencers tend to be more lenient in providing permission when marketers are re-using their content for organic social, but if paid spend is put behind the content (paid social, programmatic, etc.) the expectation is that pricing will go up.

On High Alert: Fraud and Bot Detection

Given that bots and fake followers are such a hot-button topic in the industry, we thought we would ask marketers what steps, if any, they're taking to keep them from interfering with their branded partnerships. Surprisingly, our findings show that only 25% of marketers have a system in place to detect bots.

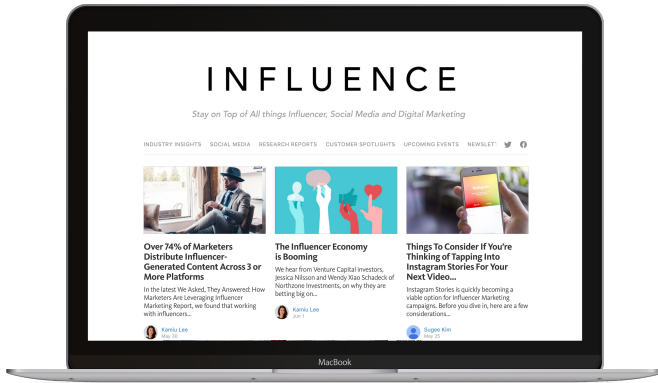


Our Takeaway

It is important to know that there are systems that can be put into action to guard against bots and fake followers. It takes a combination of deep audience data, understanding of follower growth, analysis of engagement trends, and a relationship with the influencer to build a robust system around this. It is also pertinent to remember that while it's certainly easy to purchase fake followers or fake engagement, we must also acknowledge that as influencers grow they may inadvertently attract them. There is always some percentage of most followings that will be bots, as bots are programmed to follow and engage with profiles in hopes of building up their own following. We have seen these unfortunate cases even go so far as to manifest as DDoS attacks where influencers' sites are intentionally bombarded with traffic that may appear fraudulent. Honest conversation and mediation with the influencer community is needed to guard against fraud.

Learn more from Influence

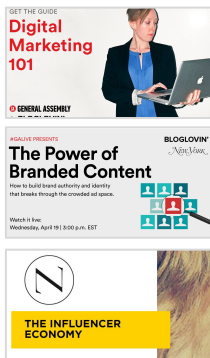
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