

# Double or Nothing: Betting Big on Influencer Marketing

ACTIVATE interviewed more than 110 marketing professionals focused on the influencer marketing space to gauge their views on the most topical discussions in the world of influencer marketing today.

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# The Role of Influencers

In a year where the word “authenticity” has crept its way into nearly every conversation about influencer marketing, brands have turned to a more integrated approach, opting for influencers that feel more relatable and three-dimensional, tapping into them across multiple touchpoints of the marketing mix.

The result? Partnerships that feel more differentiated, long-sustained and resonated more deeply with consumers.

This has paved the way for influencers to claim an expanded role in the marketplace, reaching audiences through channels that extend far beyond their own social feeds and into paid social, experiential, and beyond.

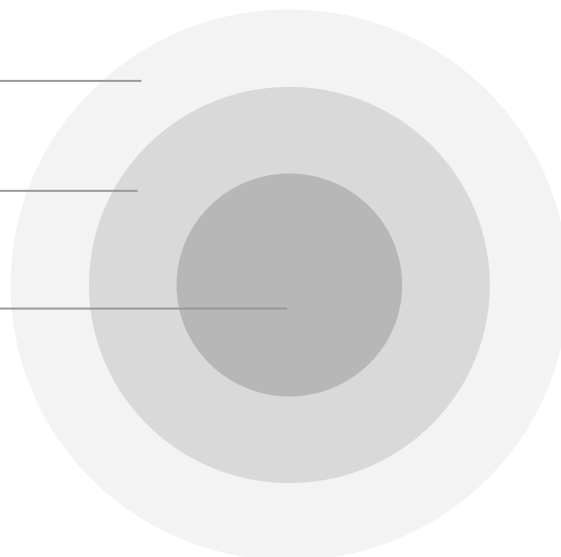
It means marketers are repurposing influencer content at a speed and scale we haven't seen before, ultimately yielding a longer-term and more meaningful return on investment. It also means that the stakes are higher than ever before, and everything from influencer vetting practices to budgets are evolving.

## Exposure Points to Consider When Tapping Influencers

IRL & Beyond

Influencer Channels + Social

Brand Channels



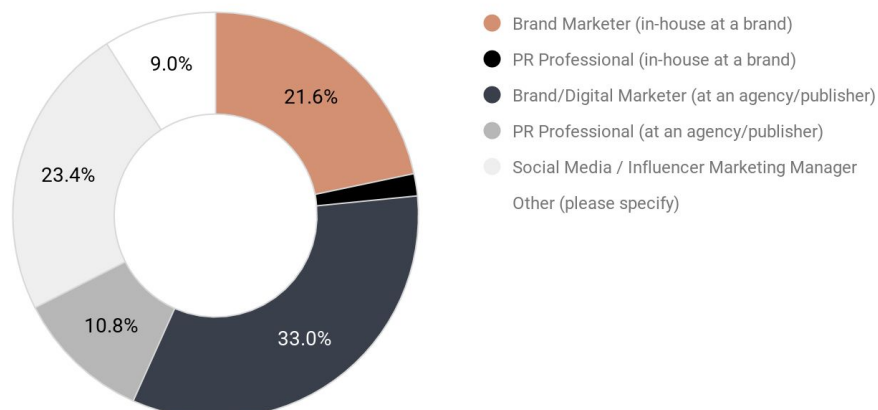
# Overview and Methodology

At ACTIVATE, we are dedicated to sharing deep insights into the broader influencer marketing industry. We are excited to publish our third annual report examining the state of influencer marketing. This year, we decided to dig into 5 topical themes in the influencer space.

We surveyed 111 marketers, ranging from brand marketers to agency executives, to explore the following areas of study:

- 1 Impact By Design: Crafting Influencer Programs
- 2 Meet Your Match: Finding and Vetting the Right Creators
- 3 The Ultimate Upcycle: Repurposing Influencer Content
- 4 On the Money: Budgeting for Influencer Activations
- 5 Talking Tech: Platform Tools and Use In-House

The marketer base was composed of a diverse group of individuals with the following roles.



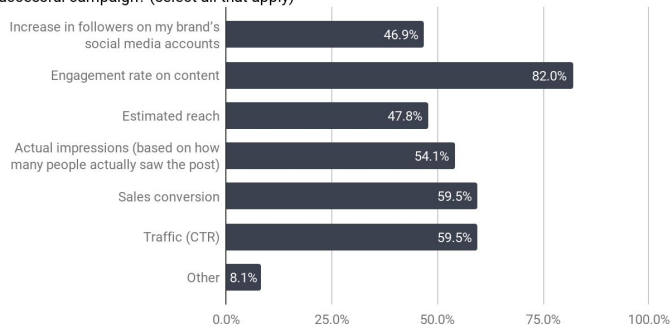
*\*Activate conducted this survey by polling 111 U.S.-based marketing professionals. Fieldwork was undertaken in February 2019. The survey was carried out online.*

# The KPIs That Determine Success

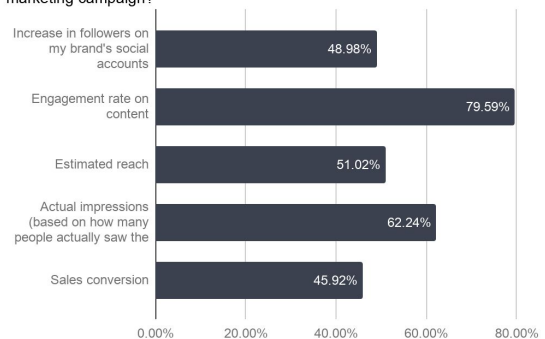
What determines a winning campaign from the rest? Engagement Rate continues to soar as the the most common KPI of a successful campaign, both in 2019 as well as when we look back at our 2017 study.

More interestingly, marketers seem to now be paying more attention to lower funnel impact, with Traffic (CTR) and Sales Conversion tie over-taking as the next two most important KPIs in 2019 versus Impressions and Estimated Reach in 2017.

2019: When engaging in an influencer marketing campaign, which KPIs do you use to determine a successful campaign? (select all that apply)



2017: Which KPIs do you often use to determine a successful influencer marketing campaign?



## Our Takeaway

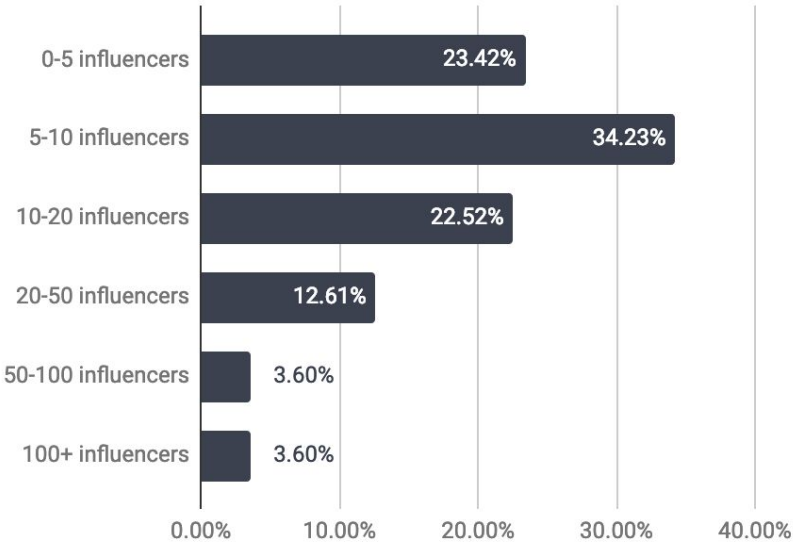
As more tools exist to track clicks, purchase intent and sales, marketers are placing a greater emphasis on these metrics to define success when working with influencers.

Anecdotally, we continue to see more commerce move from bricks to clicks, from emerging direct-to-consumer brands to retailers like Walmart and Nordstrom. Amidst this surge in digital growth, we are also seeing this impact influencer as a marketing channel. Marketers are becoming more nuanced in testing content formats, influencer archetypes and call-to-action in influencer programs to drive bottom line results.

# Working with More Influencers

Today, most campaigns average 5-10 influencers, an increase from from 2017 when most campaigns averaged under 5 creators. Even still, a whopping 42% of campaigns engage on average 10 - 100 influencers per campaign in 2019, a significant jump up from 19% in 2018.

2019: How many influencers do you typically work with per campaign?



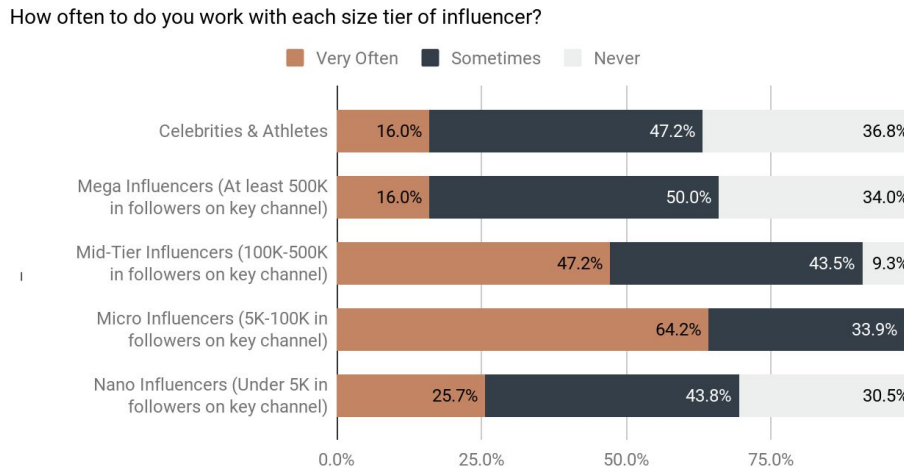
## Our Takeaway

As marketers continue to find their footing with influencer campaigns, and leverage more influencer technologies to aid their efforts, they are more readily able to cast and execute scaled influencer marketing programs.

Though we’re seeing gains with the average size of influencer campaigns, there hasn’t been a massive jump in the number of brands that are casting and executing 50+ influencer campaigns. Perhaps this is a signal that brands are taking a “quality over quantity” approach. Certainly, scaled programs require greater administrative support and can, when resources are scarce, run the risk of deviating from tight creative guidelines and preventing thoughtful influencer curation and relationship building.

# Size Matters: Most Frequently Tapped Influencer Tiers

In keeping with industry chatter, micro-influencers (those with 5K-100K followers) are the most engaged by brands, followed by mid-tier influencers (those with 100K-500K followers). Celebrities and Mega influencers (those with 500K+ followers) are generally tapped sporadically for high-investment partnerships.



## Our Takeaway

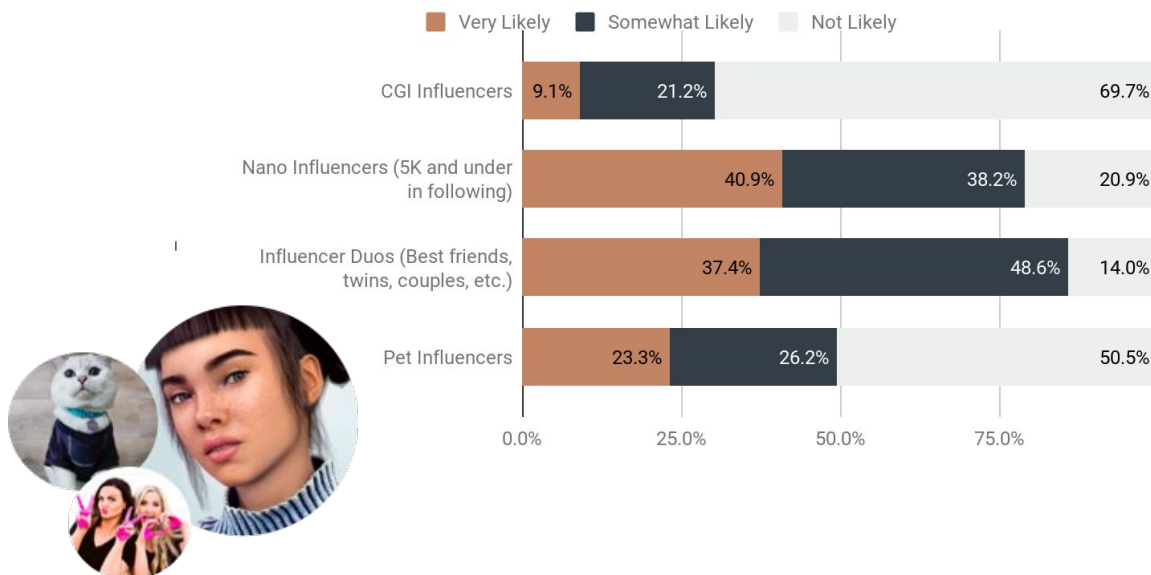
Brands clearly appreciate the stellar engagement rates (and presumably affordable price tags) that micro influencers frequently provide. Mid-tier influencers, who generally possess premium content creation skills and category credibility, continue to be a go-to option as well.

Nano-influencers, while having made headlines this year as an emerging tier of creators, haven't achieved the same popularity with marketers. This may be due to the difficulty in efficiently scaling nano-influencer activations. It can be challenging and time consuming to execute through novice creators who may showcase staggering engagement percentages but do not actually drive high volumes of social actions. Moreover, these creators typically are not generating content that is quality enough to invest in.

# Casting Unconventional Influencers

As the industry matures, both consumers and marketers are shunning archetypal influencers in lieu of those with more ingenuity and unconventionality. These influencers, while unexpected, are still more than capable of cutting through the noise. Of the unconventional creators leading the charge today, marketers are most open to aligning with nano-influencers and influencer duos.

When thinking about building campaigns in 2019, how likely are you to cast the unconventional influencers listed below?



## Our Takeaway

Aligning with influencer duos is an efficient way to collaborate with two creators for the price of one and generate differentiated content in the process -- we saw so much demand for this that we curated a micro-network called "Dynamic Duos". Similarly, nano-influencers, while not even close to the popularity of micro or mid-tier influencers, garnered significant curiosity and consideration from marketers.

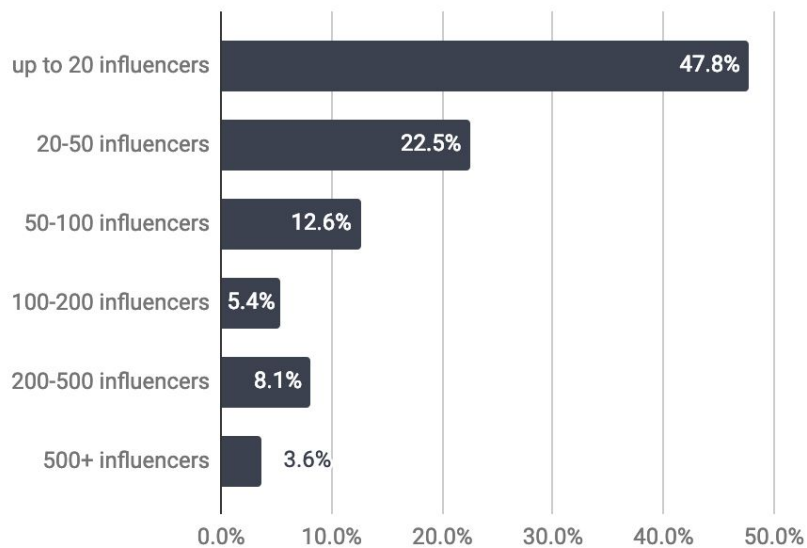
Pet and CGI influencers, while setting headlines in the press for their novelty, see less engagement on campaigns, perhaps due to the lack of relatability they represent to consumers.



# The Largest Influencer Campaigns of 2018

Typically, the highest volume campaign that a marketer has executed features up to 20 influencers. That said, more than 52% of influencers have executed large scale campaigns ranging from 20 to more than 500 influencers.

What is the largest influencer campaign that you've executed in 2018?



## Our Takeaway

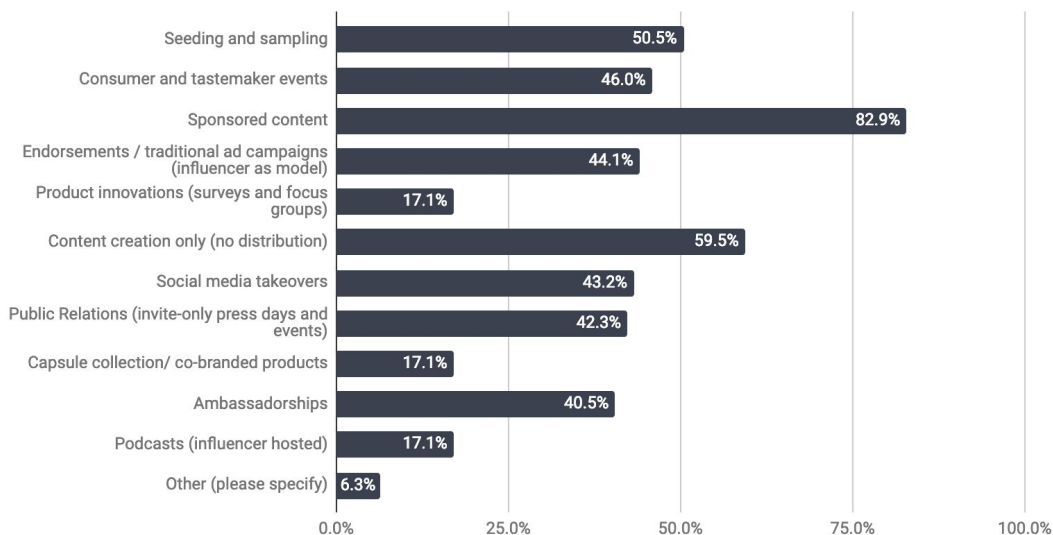
It appears that brands may be taking a “test and learn” approach to high volume influencer activations, opting to go the scaled route in select instances.

Anecdotally, we have seen a rise in demand for more scaled programs of 50+ influencers, in some cases upwards of 2,000+ influencers for a program. We do find that in instances where we are looking to test content formats and influencer archetypes, garner a volume of quality content, and identify top conversion oriented influencers, this can make a lot of sense.

# Looking Forward: The Ways Marketers Are Working with Influencers

Brands are diversifying their influencer engagements in a myriad of ways. While tried and true sponsored content collaborations (83%) continue to be the go-to activation approach, marketers are engaging influencers beyond social media through events, endorsements, podcasts and more.

How many ways have you worked with influencers this year? (select all that apply)



## Our Takeaway

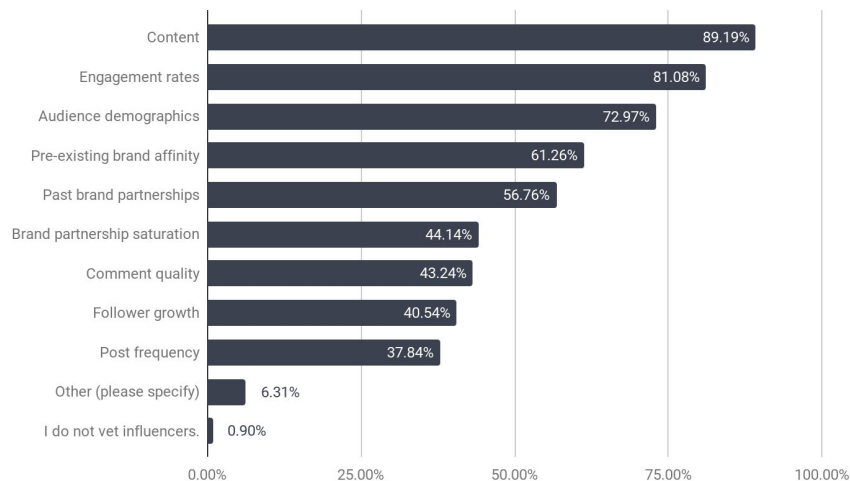
Though brands align with influencers for product innovation, capsule/co-branded collections and podcasts, these highly visible and high commitment engagements are still an area where many brands are still in testing mode, aligning with a trusted and select few.

That said, are influencers the new creative agencies? Brands are more readily considering influencers for content creation only opportunities, positioning influencers as independent “micro studios” with the capacity to generate premium content that is built for social at a fraction of the price of a production company.

# What Brands Consider Most When Vetting Influencers

Unsurprisingly, when marketers vet influencers for campaigns they most often consider an influencer's content. Next, they move on to more analytical points of consideration including engagement rate, audience demographics, and pre-existing brand affinity.

What do you consider most when vetting influencers for campaigns? (select all that apply)



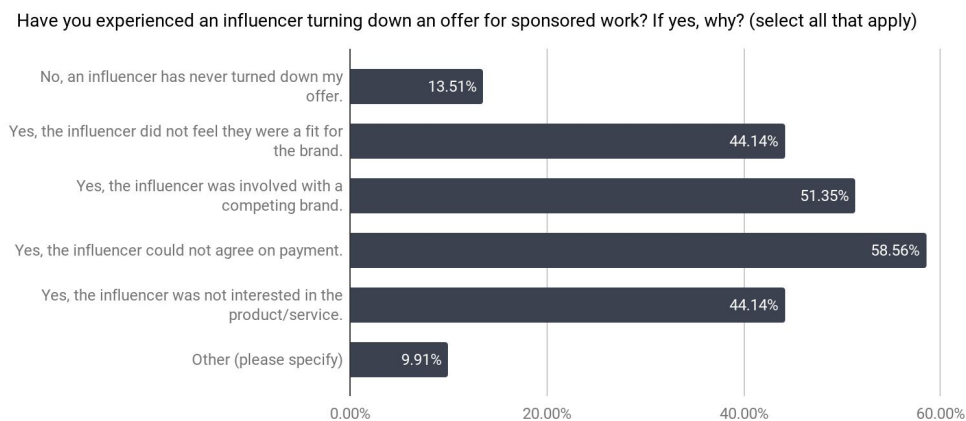
## Our Takeaway

We like seeing a mix of qualitative and quantitative aspects being taken into account when evaluating influencers, as taking a purely analytical view can be limiting given the “human” nature of this industry.

Overall, brands almost universally recognize that vetting an influencer is an important step in the casting process. With several examples of influencer deals gone wrong gracing headlines in the last year (hello, Fyre Festival), marketers understand that aligning with the wrong influencer could potentially spoil brand credibility and consumer trust.

# Dealbreakers: Why Influencers Say No to Partnerships

For marketers that are newcomers to the industry, it can be surprising that an influencer may turn them down. We found that over 85% of marketers have been turned down before for a variety of reasons. An inability to agree on payment is the most common reason an influencer says no to a partnership. Interestingly, the second most common reason is that an influencer is involved with a competing brand. The third most common reason was a lack of alignment between the brand and influencer.



## Our Takeaway

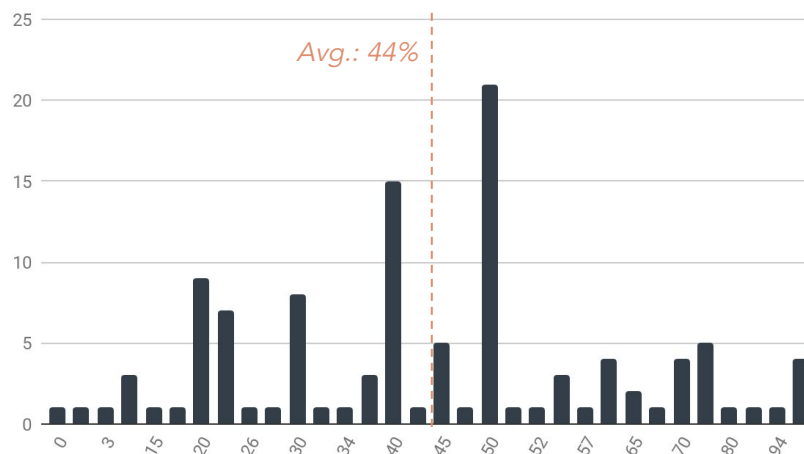
As the industry continues to mature, we see quality creators (from macro to micro) start to float to the top -- those that truly drive impact will have the ability to be much more selective in choosing their brand partners, and will look to work more closely with brands over longer periods of time.

This is a win for audiences as well, who will benefit in receiving branded content that has more depth and thought behind it. For brands, this means really digging in to see which influencers drive impact and investing to lock in those relationships in a meaningful way.

# Sponsorship Saturation: How Much Is Too Much?

As influencers become more seasoned with brand partnerships, it begs the question: Is there a point at which too many sponsorships makes an influencer unattractive to prospective partners? It turns out there is. On average, brands deem influencer feeds with more than 44% sponsored content as oversaturated.

At what point do you consider an influencer's percentage of sponsored content too high?



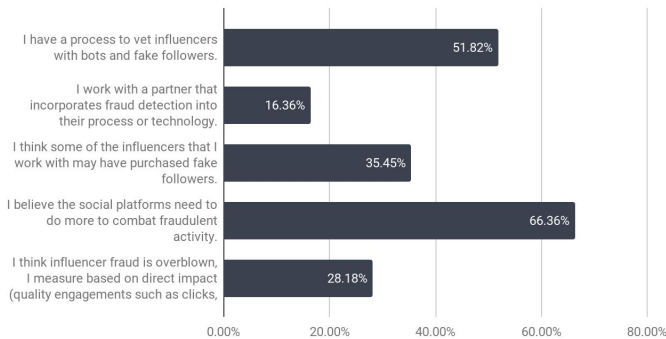
## Our Takeaway

As more brands engage in influencer marketing, influencers are receiving a higher volume of partnership offers. Ultimately, brands look to influencers that can make the most impact with an authentic message. Influencers with high sponsorship saturation rates can be seen as less effective as audiences can be desensitized to a strong stream of advertisements. Whereas influencers with a lower sponsorship saturation rate, may have less experience with branded partnerships. Nonetheless, the minimum and maximum ideal sponsored saturation rates varied from roughly 10% to 90% indicating that there are still outlying marketers that prefer influencers with relatively no sponsored content experience and those that are unbothered by influencers with ad-saturated content feeds.

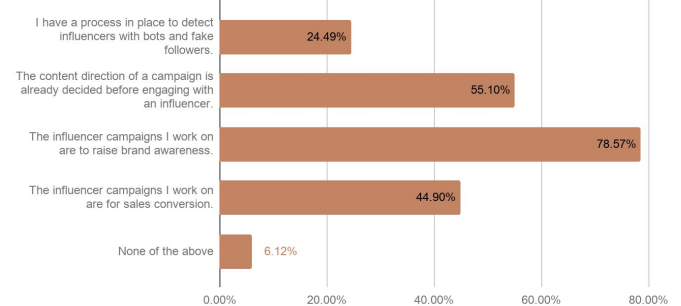
# Getting Real on Fraud

Let's get real on fraud, one of the industry's most buzzy topics. More than 50% of marketers say that they now have a process to vet influencers with bots and fake followers. This is up from just 25% in 2018. More interestingly, 66% of brands are calling on social platforms to take more action to combat fraudulent activity amongst their users.

2019: Check all of the following statements that you agree with. (select all that apply)



2018: Which, if any, of the following statements concerning branded campaigns do you agree with?



## Our Takeaway

Social platforms have made headlines for purging fake followers in the last few years. Still, it continues to pop up as an industry problem that skews both influence and campaign performance.

Marketers are feeling the pressure to take matters into their own hands. They are anticipating and combating influencer fraud directly whether that's through aligning technology partners or employing a vetting process all their own.

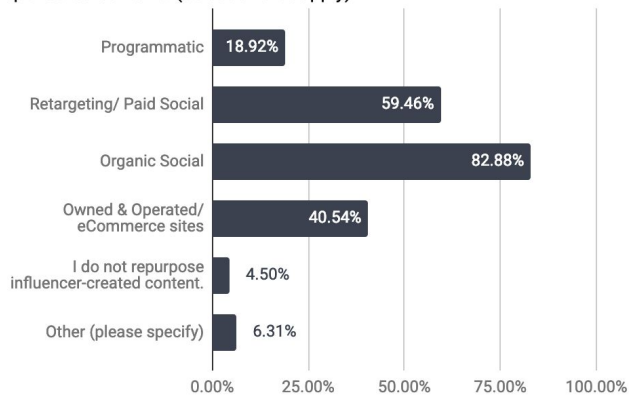
Ultimately, every influencer will have "bot followers" to some degree. Only the influencer and the social platforms themselves are the absolute source of truth on this topic. That being said, we find that influencer fraud is best managed by a combination of elements: analysis of trends in followership and engagement, the quality of engagement or conversation generated by the influencer, and an influencer's historical performance records.

# Releveraging Influencer Content

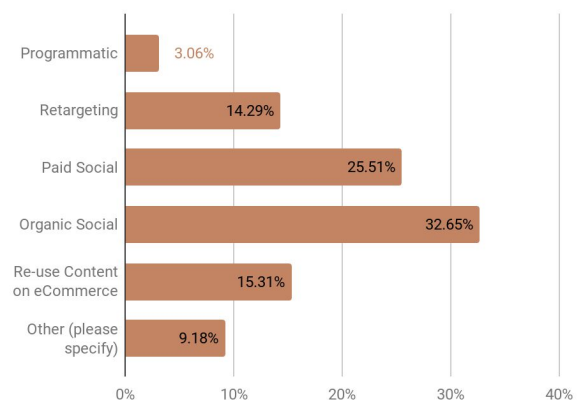
We saw significant year over year jumps in various methods of repurposing influencer content in 2019.

A whopping 82.9% of marketers are repurposing content for organic social (versus 30.8% in 2018), with 78.4% of marketers leveraging influencer assets for programmatic, re-targeting or paid social ads, (versus 44.2% in 2018), and finally 40.5% of marketers leveraging the content for eCommerce or brand sites (versus 15.4% in 2018).

2019: What are the ways that you are repurposing influencer-created sponsored content? (select all that apply)



2018: Do you repurpose content? If so, how?



## Our Takeaway

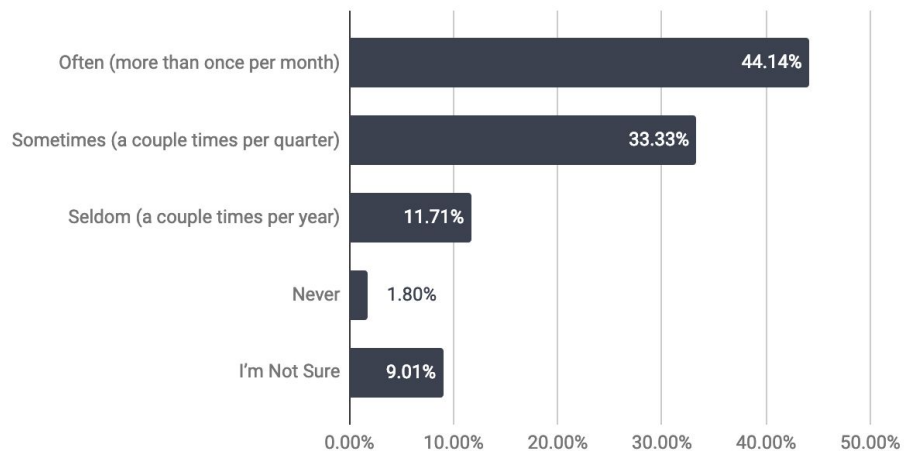
Marketers continue to see long-lasting value in influencers as content creators as well as audience builders -- so much so that they're confident re-leveraging content across the full marketing mix.

Anecdotally, we are excited to see this trend continue, as the industry norm of paying based on followership does not fully encapsulate all that an influencer has to offer. In an influencer is a model, photographer, creative director, editor, copywriter and distribution all in one.

# A Recurring Habit: How Often Marketers Repurpose Influencer Content

Given that most marketers re-purpose influencer-created content for tried and true organic social, followed by owned and operated eCommerce sites, it begs the question: how often are they making use of repurposed goods? Turns out, repurposing influencer-created content continues to be a mainstay in 2019. More than 75% of marketers upcycle influencer-created assets at least sometimes or often.

How often do you repurpose influencer-created sponsored content?



## Our Takeaway

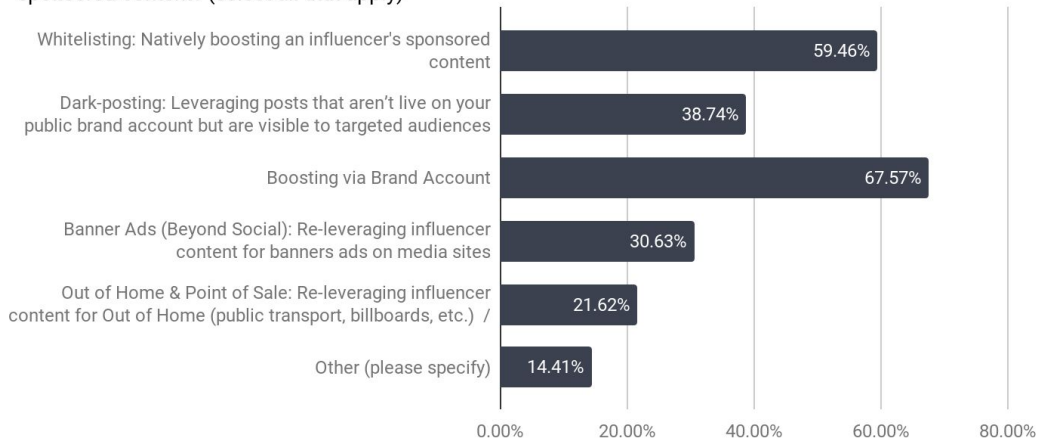
Influencers are clearly giving life to content far beyond social media. Given how common the re-use of influencer-created content has become, one starts to wonder if influencers are being compensated accordingly for the additional benefit they offer. It will be interesting to see if this growing habit of repurposed content will drive up influencer fees.



# Boost, Baby, Boost: Amplification of Influencer-Created Content

Not surprisingly, amplifying on social channels, whether it be via an influencer's account (whitelisting) or through a brand account, happens to be the most popular method of amplification. It's great to see the majority of marketers taking steps to extend the life of influencer-created content beyond the initial posting.

Which of the following amplification strategies have you leveraged in the last year on influencer-created sponsored content? (select all that apply)



## Our Takeaway

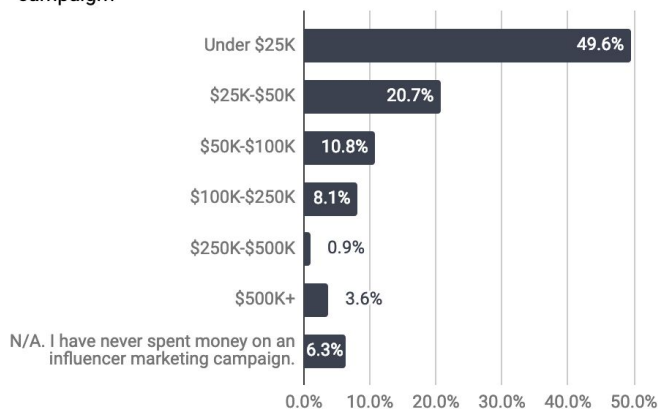
In working with our partners, we are seeing firsthand the readiness to test new amplification strategies when it comes to a fantastic piece of influencer content. Most notably a rise in whitelisting and dark-posting, but increasingly an interest in repurposing for non-social channels like Out of Home (OOH), Point of Sale, and Media Banner Ads.

# How Much Are Marketers Spending On Activations?

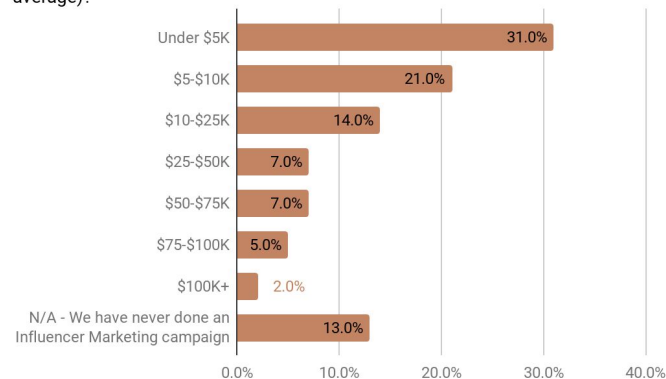
As we look back to 2017 versus 2019, we are seeing influencer marketing spend for activations continue to grow.

Most notably, in 2017, 66% of marketers were spending an average of less than \$25,000 per campaign. Fast forward to 2019, only 49% are spending less than \$25,000 per campaign. Moreover, we see over 12.5% of marketers spending an average of more than \$100,000 per influencer program in 2019, versus only 2% of marketers doing so in 2017.

2019: How much do you typically spend on an influencer marketing campaign?



2017: How much do you spend on an Influencer Marketing campaign (on average)?



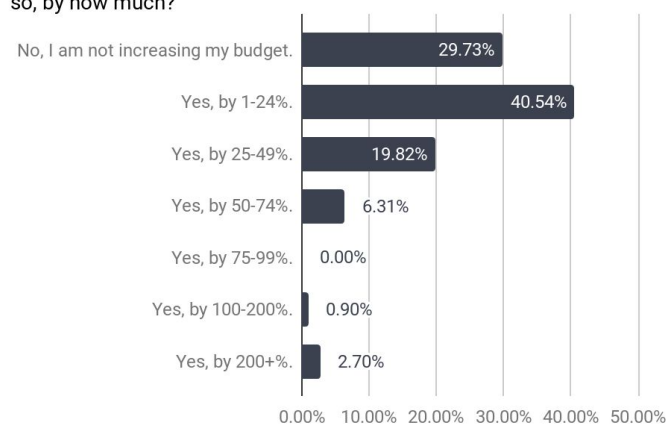
## Our Takeaway

It is evident that very few marketers are only limiting themselves to unpaid campaigns -- both from the research as well as from our conversations with brands. Marketers that once were committed to unpaid only, now play in sponsored opportunities. This could signal that the industry is moving toward a pay for play model and away from in-kind compensatory models. This is representative of creators maturing and demanding more of their partnerships.

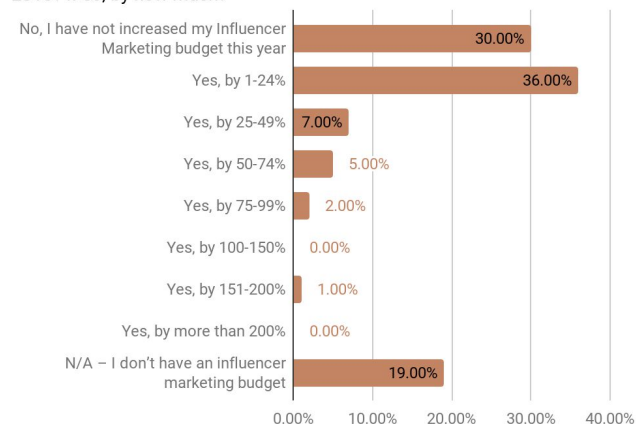
# Are Marketers Increasing Their Overall Budgets?

In tandem with increased budget for each program, marketers are also continuing to increase their overall budgets year over year. 70% of marketers said they are increasing their budgets from 2018 to 2019, up from 62% of marketers who said they would increase budgets from 2017 to 2018. Most are increasing their investments by 1-25%.

2019: Are you increasing your influencer marketing budget in 2019? If so, by how much?



2018: Have you/your brand increased your Influencer Marketing budget in 2018? If so, by how much?

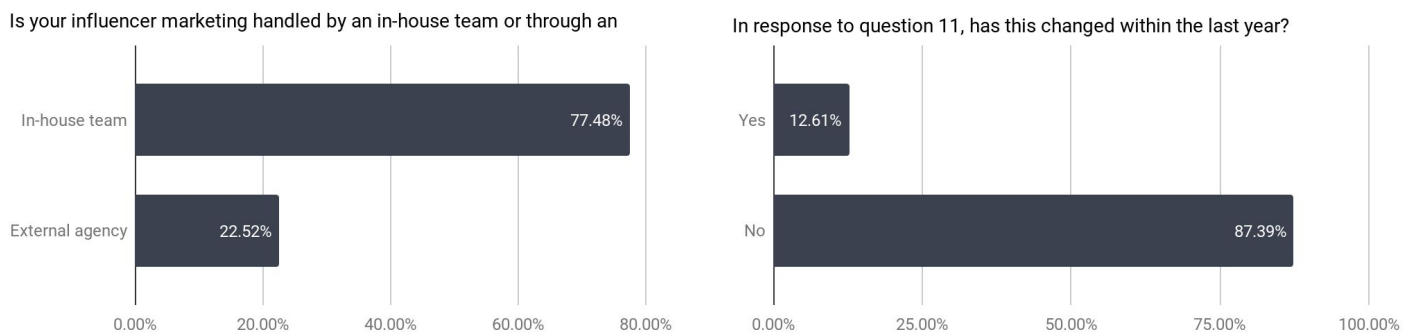


## Our Takeaway

Increased investment signals continued confidence in influencer marketing as a whole. In spite of hiccups that may arise as the space develops into a mature industry, marketers are still seeing strong value in leveraging influencers and their ability to achieve campaign objectives. Moreover, increased investment in influencer marketing indicates that influencer is continuing to make up more and more of digital and social media marketing budgets.

# In-House or Agency?

In-house or Agency? This is one of the biggest questions in influencer marketing today for marketers looking to make the most of the energy in the space. By the looks of it, most marketers (77%) have a preference for handling their influencer marketing endeavors in-house.



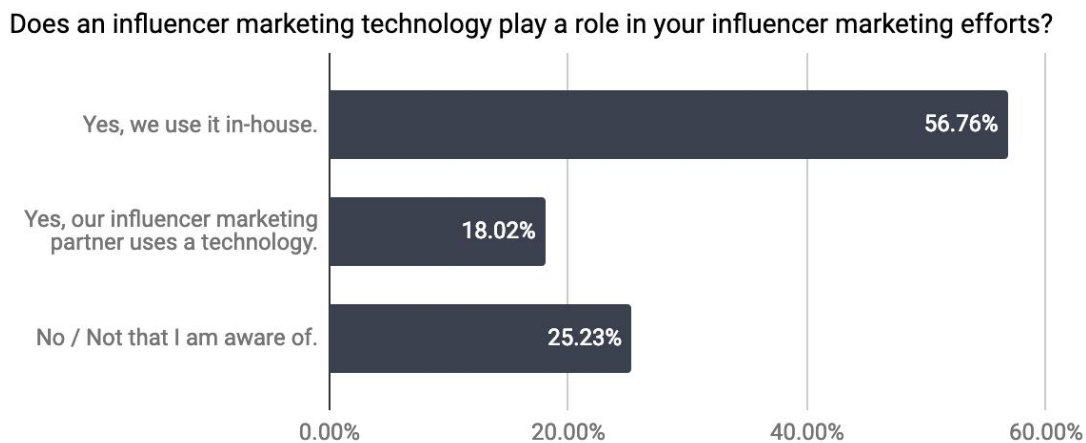
## Our Takeaway

Clearly, this has been a long standing trend as most say that this has not been a change they've made within the last year. More interesting, 56% say that they are leveraging an influencer marketing technology to assist their efforts, signaling that marketers actively look for ways to streamline their processes.

While we do see brands turning to agencies for creative strategy help or execution support for scaled programs, there is undoubtedly significant benefit to direct conversation between the brand and influencer -- oftentimes equating to more added value content driven by the personal relationship alone.

# The Role of Influencer Marketing Technology

Technology has become core to the influencer marketing industry, with 57% of marketers leveraging some form of technology to run their influencer programs in-house, and another 18% letting us know that their influencer marketing agency uses a technology. Only 25% responded no or not aware of the use of technology.



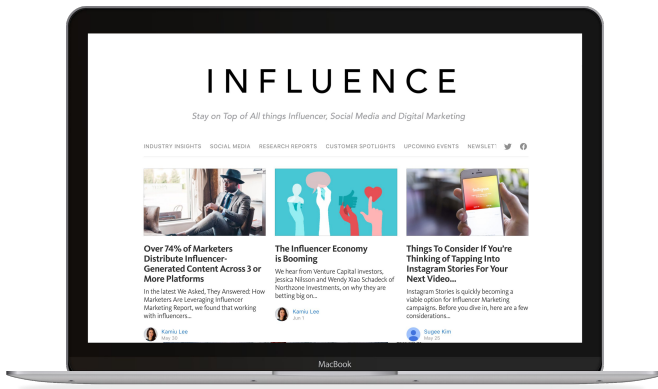
## Our Takeaway

The shift towards the use of technology is unsurprising. Given the movement towards more scaled, long-term influencer programs in the last 12 months, as well as more careful vetting of influencer partners, operating in this industry without a technology can be inefficient or downright impossible.

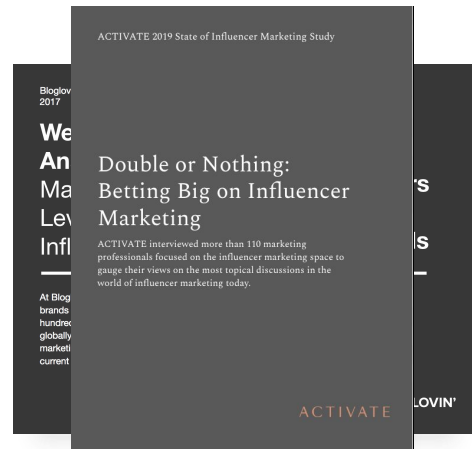
Working with 200 micro-influencers, mapping out an influencers' audience, tracking the sentiment around a program, as well as other key metrics are all aspects that would be impossible without technology to support.

# Learn More from Influence

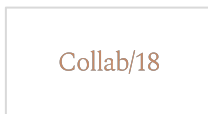
## Thought Leadership, Industry Analysis and Updates



## Whitepapers and Research



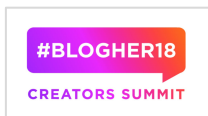
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