

The State of Influencer Marketing 2017

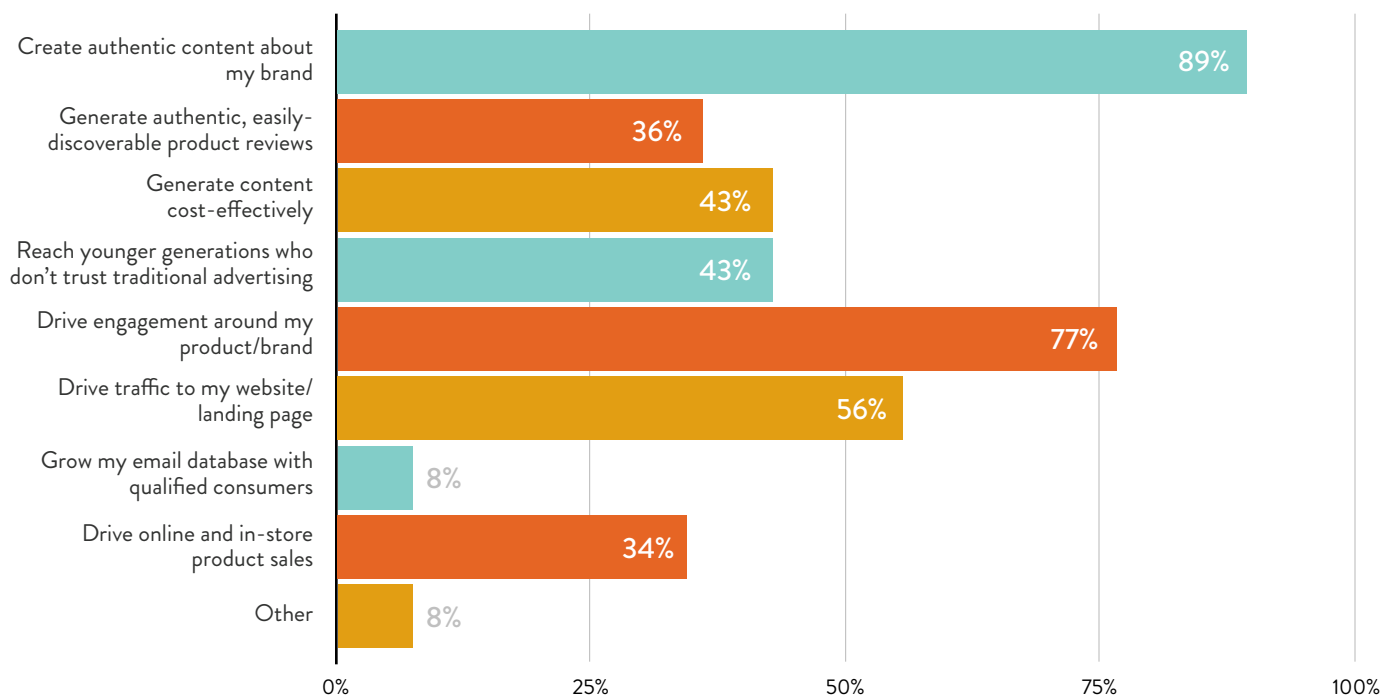
A look into how brands and agencies view the future of influencer marketing

Influencer marketing saw explosive growth in 2016, with 86% of marketers having used the tactic, 94% of whom found it effective.

The State of Influencer Marketing 2017 was designed to understand how B2C marketers are using influencer marketing today and how they plan to incorporate it into their plans for 2017. The findings include responses from 170 marketers across a variety of industries including CPG, Food & Beverage, Media, and Retail, as well as their agencies.

According to the survey, 86% of marketers used the channel in 2016, with content being the top driver. Of the marketers who used influencer marketing in 2016, 89% of marketers did so to create authentic content about their brand, 77% used influencer marketing to drive engagement around their brand and 56% used the channel to drive traffic to their websites or landing pages.

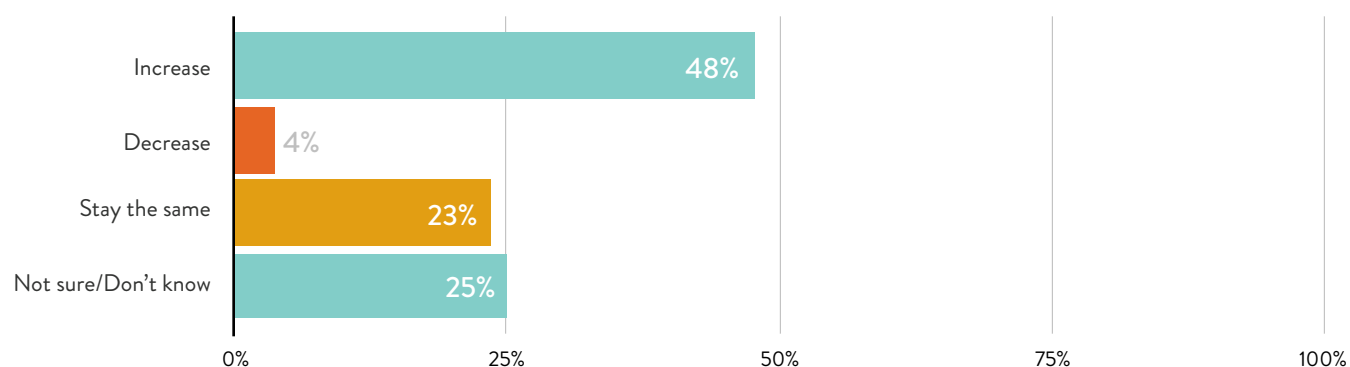
What are the top benefits of influencer marketing? (Select all that apply)



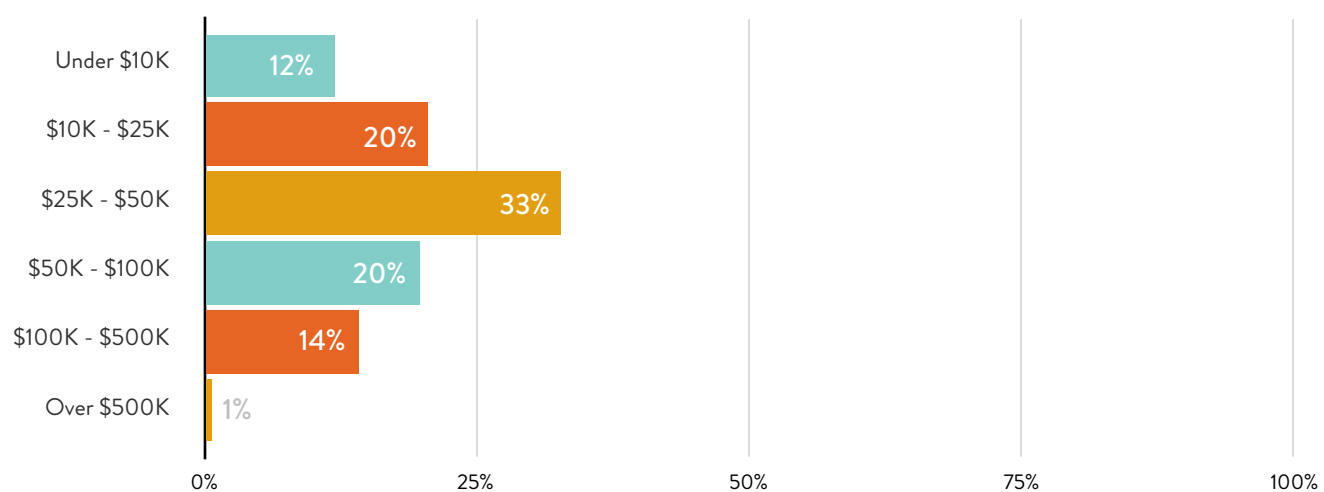
BUDGETS ARE INCREASING IN 2017

While it remains a highly popular marketing tactic, most marketers say that determining the ROI of influencer marketing will be their top challenge in 2017. In large part, this call for accountability is because budgets are increasing. In 2016, most marketers spent between \$25,000 - \$50,000 per influencer marketing program, which survey respondents report will double to \$50,000 - \$100,000 per program in 2017. Overall budgets are set to increase as well, with 48% of marketers planning to increase their influencer marketing budgets in 2017 and only 4% planning to decrease their investment in the channel.

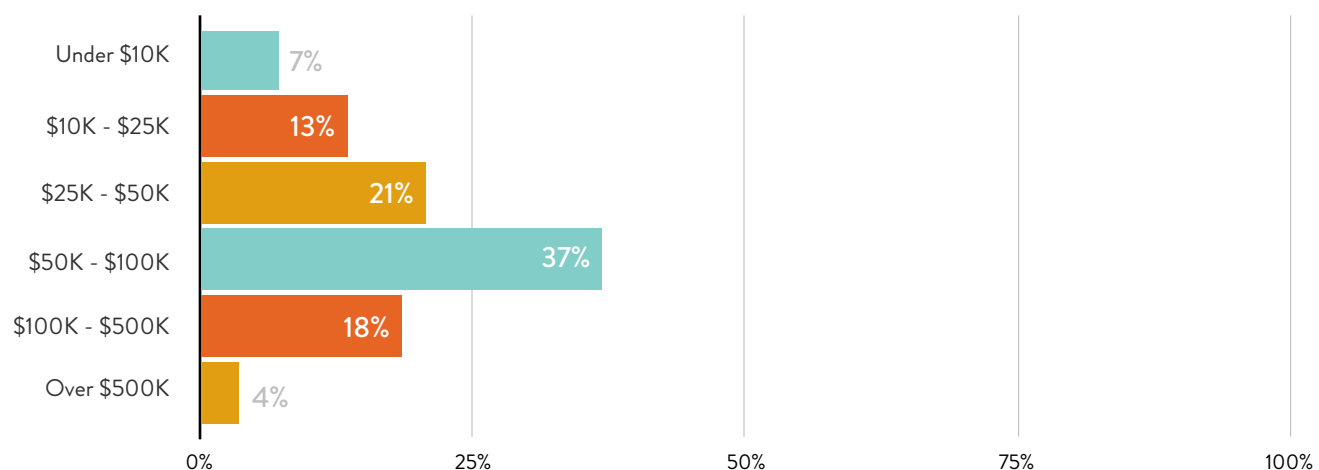
How is your influencer marketing budget going to change in 2017?



On average, how much do you spend per influencer marketing program?



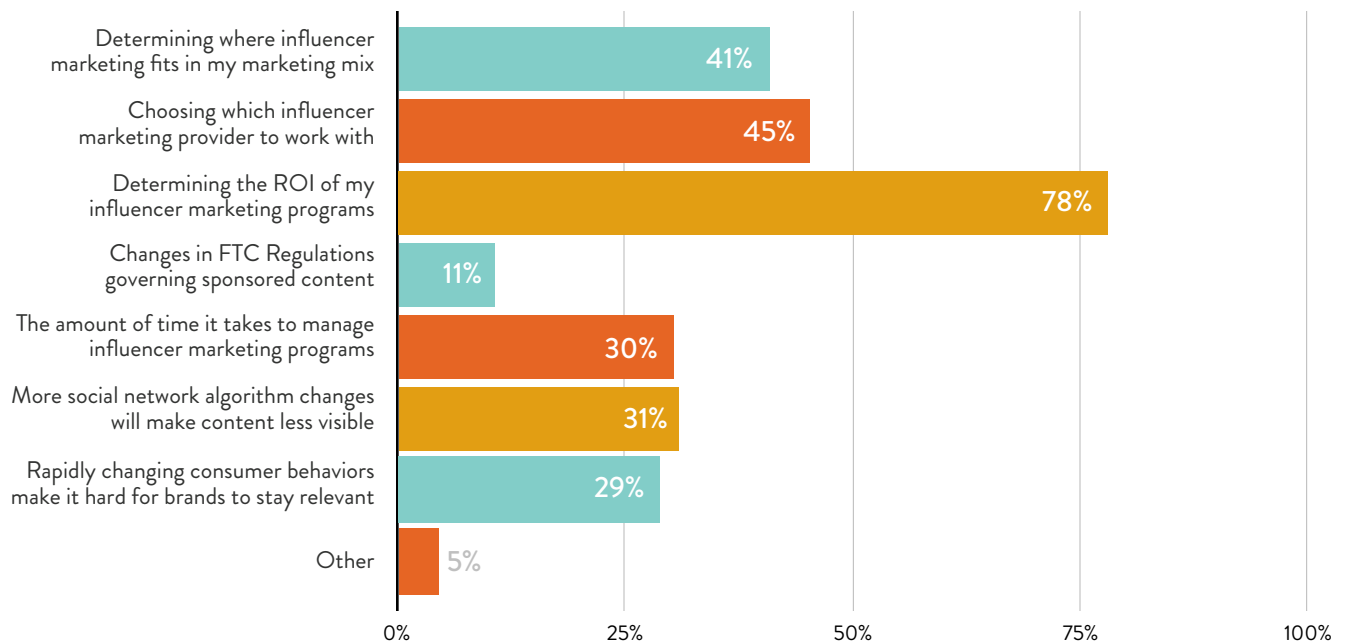
How much do you plan to spend per influencer marketing program in 2017?



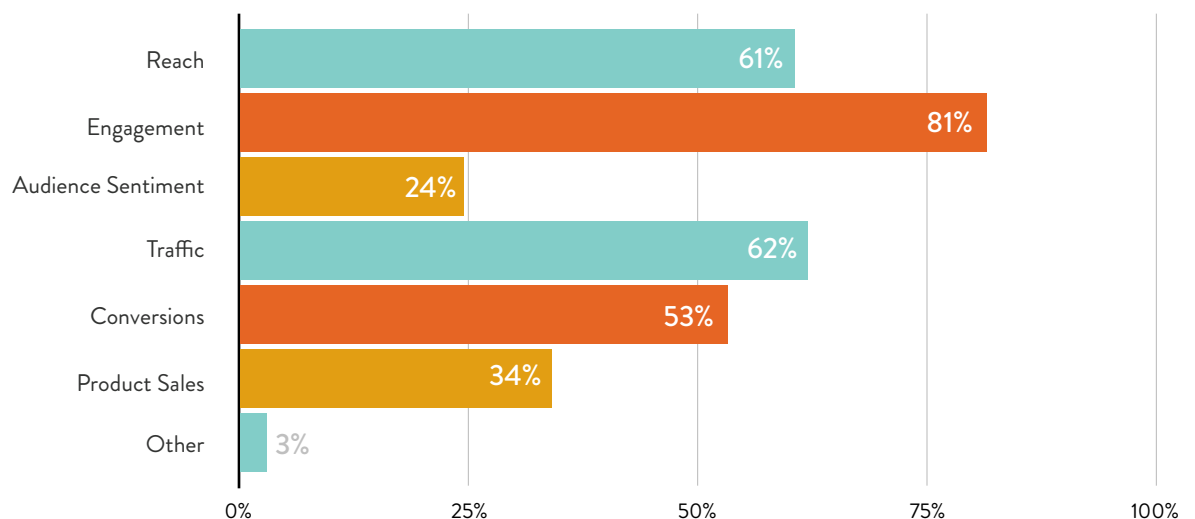
Measuring the ROI of Influencer Marketing

Seventy-eight percent of marketers cite measuring the ROI of influencer marketing as their top challenge for 2017, yet 61% of marketers are still measuring the success of their programs through audience reach, which is a metric that can be easily falsified through the purchase of “fake followers.”¹ To address this challenge, smart marketers have started to look at the full consumer journey and examine how consumers are moving through the entire path to purchase, instead of just looking at reach. Eighty-one percent of marketers cite engagement as their top metric for measuring influencer marketing success, followed by 62% who analyze the amount and quality of traffic driven to their website.

What do you see as the top challenges for influencer marketing in 2017? (Select top three)



How do you measure the success of your influencer marketing programs? (Select all that apply)



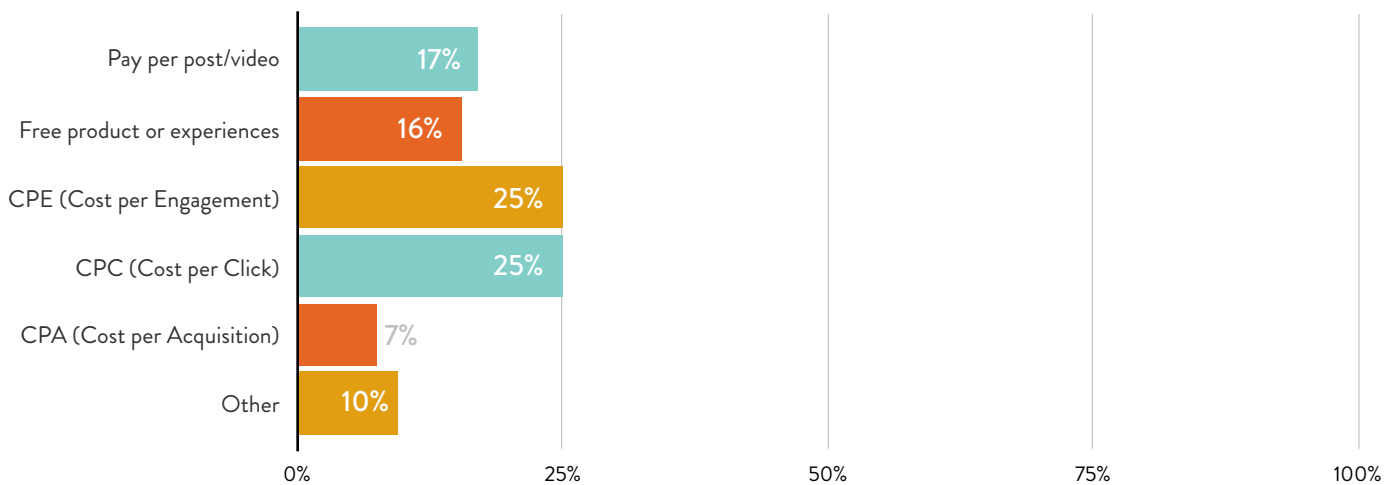
¹ Inc. “The Influencer You Use May Be Ripping You Off.” September, 2016

INFLUENCER MARKETING PRICING MODELS

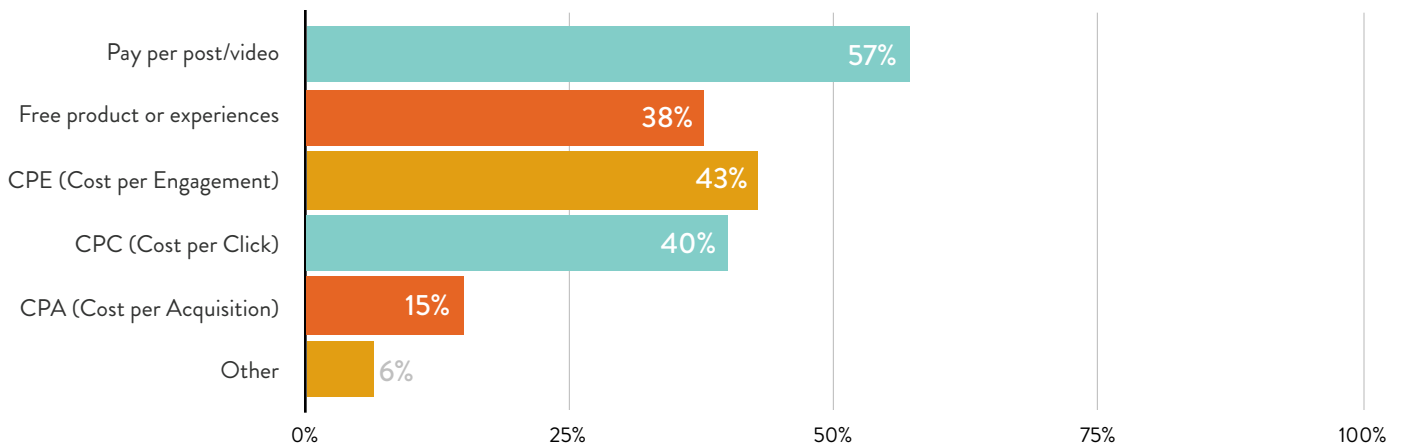
In line with this trend of increased accountability, performance-based pricing models are gaining traction, with 50% of marketers reporting that cost-per-click (CPC) and cost-per-engagement (CPE) pricing models are the most effective for driving results. Only 17% of marketers think that pay-per-post or “flat rate” pricing, which is the most widespread form of influencer compensation, is effective. Influencer marketing pricing models are defined as:

- > **Pay per post or video** - individual influencers are paid a flat rate for creating and publishing a piece of content, whether that be a tweet, a photo, a video or a blog post.
- > **Free product or experiences** - brands offer product or travel compensation in lieu of monetary payment, which can range from an all expenses paid trip to being among the first consumers to use a new product.
- > **Cost per engagement (CPE)** - influencers are compensated based on the number of engagements their content draws (likes, shares, retweets).
- > **Cost per click (CPC)** - brands pay for consumers who have taken an action after being inspired by influencer content (typically clicking through to visit a brand’s landing page).
- > **Cost per acquisition (CPA)** - influencers are compensated based on the number of sales or subscription sign-ups they drive.

Which influencer marketing pricing model have you found to be the most effective?



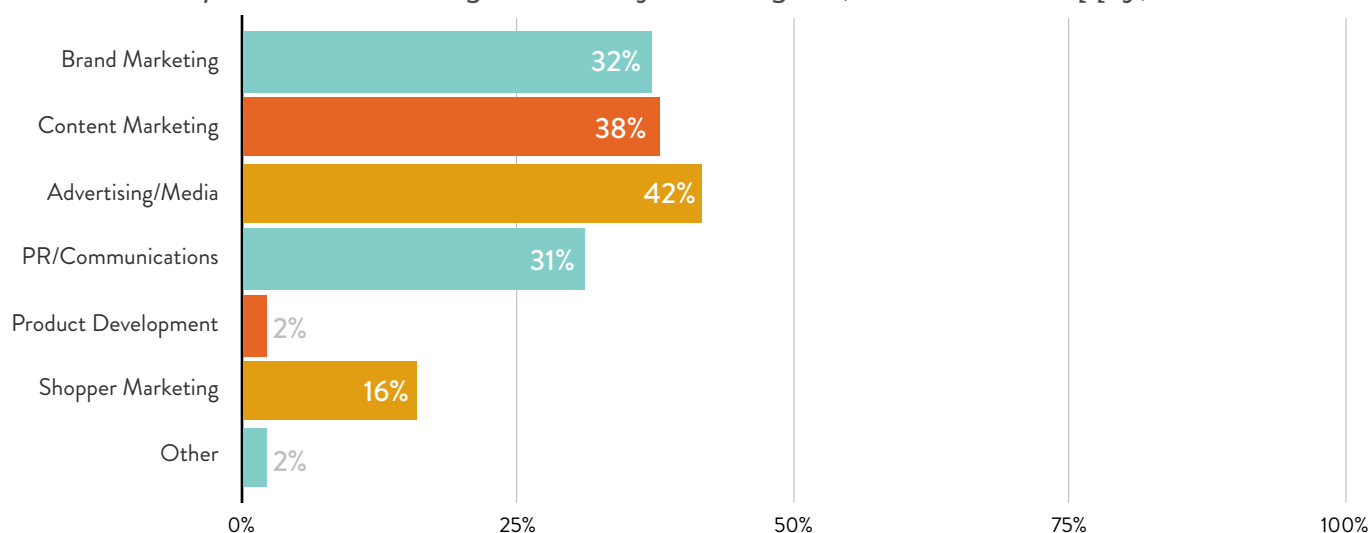
Which influencer marketing models have you tried? (Select all that apply)



A SHIFT IN OWNERSHIP

As influencer marketing continues to mature and evolve, marketers are evaluating where the channel should sit as a line item in their budgets. The survey found that 42% of marketers now account for influencer marketing as part of their advertising/marketing budgets, whereas only 31% account for influencer marketing as a PR/communications line item. This signals that the industry is evolving from an organic channel owned by communications to a paid channel owned by marketing.

Where does influencer marketing sit within your budget? (Select all that apply)

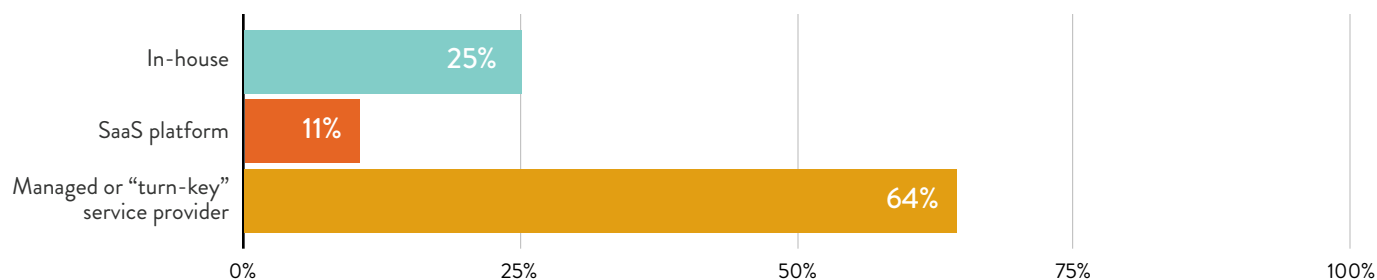


Managing Influencer Marketing

WORKING WITH INFLUENCER MARKETING PARTNERS

The surge in influencer marketing has also spawned a variety of platforms and providers that aim to help brands navigate this emerging sector. As a result, identifying which influencer marketing partner to work with is ranked as the second biggest challenge of 2017. Today, 64% of marketers use managed or "turn-key" services when executing their influencer marketing programs while 25% still use a manual process involving email and spreadsheets for influencer outreach and management. Only 11% of respondents use a self-service SaaS platform to automate influencer outreach, management, and reporting.

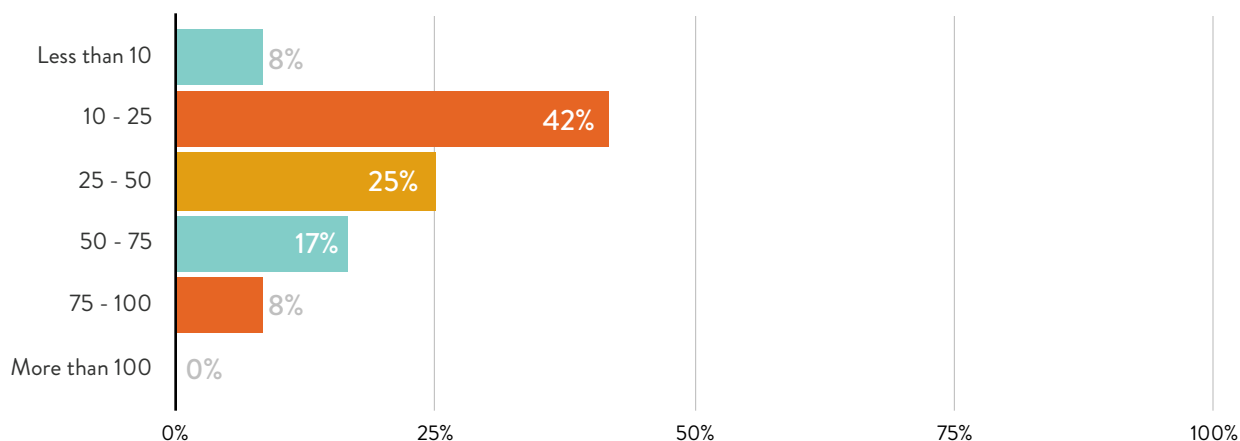
Do you manage programs in house or through an influencer marketing platform/vendor?



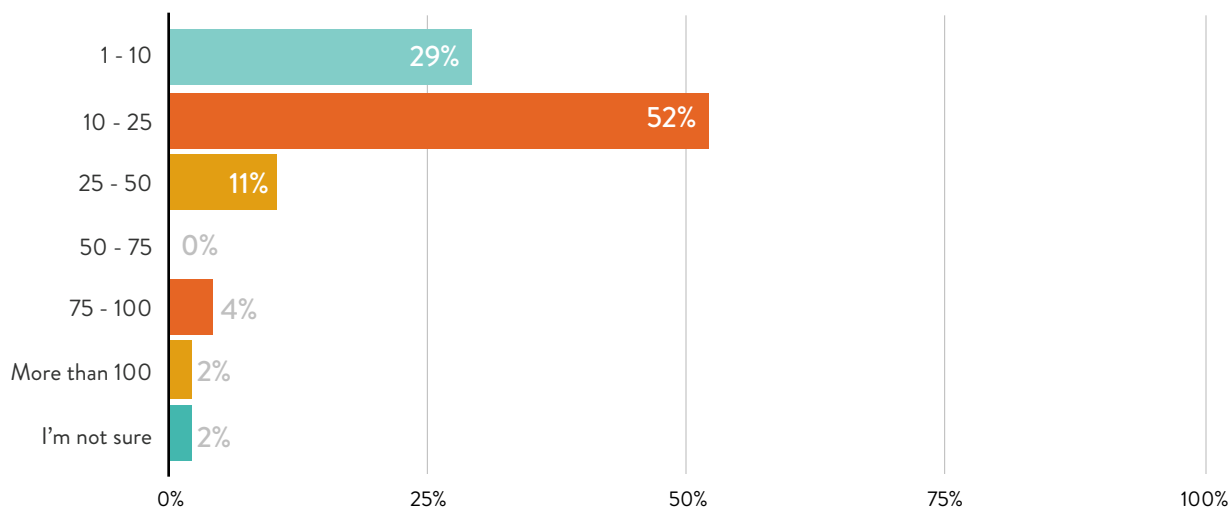
WORKING WITH INFLUENCERS

Because the process of managing influencer marketing programs can be so time consuming when handled in-house, 52% of marketers who do so only work with an average of 10-25 influencers per program. 50% of in-house program managers estimate spending more than 25 hours managing each program while 25% spend more than 50 hours managing each program.

How many hours do you spend managing an entire influencer marketing program?



How many influencers do you work with on average per program?

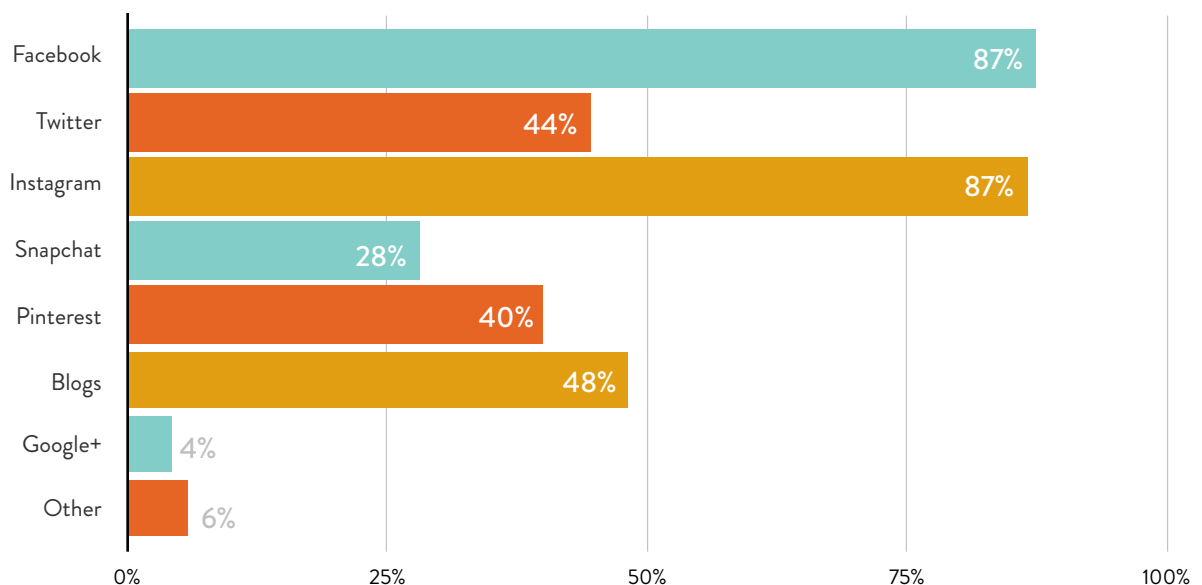


PREFERRED SOCIAL CHANNELS

In April 2016, the Pew Research Center announced that “Millennials have surpassed Baby Boomers as the largest living generation in the U.S. There are now 75.4 million people who were between 18 and 34 last year, compared to the previously largest generation, Baby Boomers, who numbered 74.9 million.”

In keeping with this finding, marketers overwhelmingly cite Facebook and Instagram as the most important social platforms for their influencer marketing programs. Influencer blogs are the next most important channel, with nearly half of respondents leveraging them as a tool for improving discovery and SEO.

*Which social media platforms are most important to your influencer marketing strategy?
(Select all that apply)*



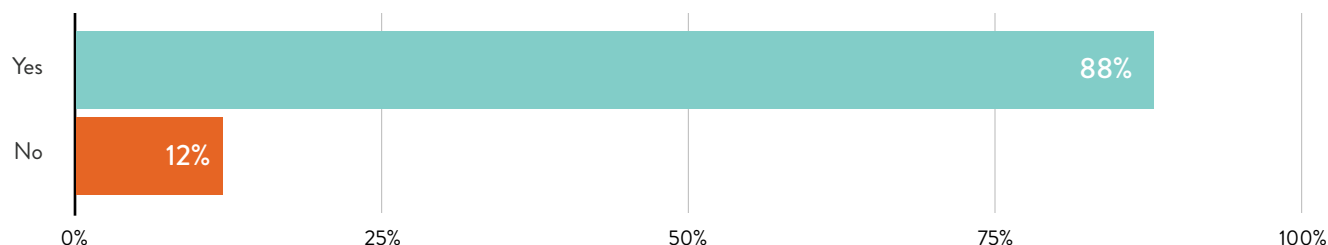
Blogs are an especially interesting component in that they offer the ability to tell a story. Marketers use this tactic to establish an emotional connection between their brand and the consumer, rather than a fleeting impression delivered through a display ad or social post. Social channels are especially effective when they are used to reach new audiences and drive traffic to long-form content, such as a blog post or video, that has been proven to convert.

Keeping Up with FTC Regulations

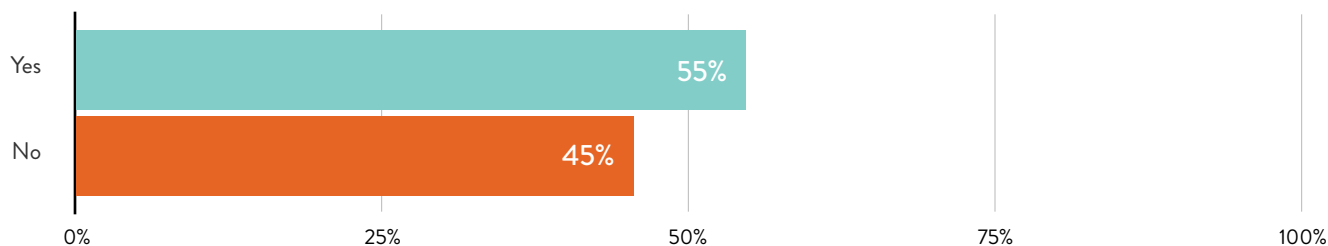
The U.S. Federal Trade Commission (FTC) exists to protect consumers from unfair business practices both on and offline. When it comes to influencer marketing, the FTC requires disclosure of sponsorship within all paid influencer-created content, including social posts. As influencer marketing continues to evolve, so do the FTC's guidelines for sponsored content.

88% of marketers surveyed state that they require that influencers disclose sponsored content to comply with FTC regulations. However, only 55% report that they know what the most recent disclosure guidelines are, signaling a need for broader education amongst brands, agencies, and the influencers that they work with.

Do you require that influencers disclose sponsored content to comply with FTC Regulations?



Do you know what the most recent FTC disclosure guidelines are?



HOW TO COMPLY WITH FTC REGULATIONS

The FTC requires that all influencers disclose sponsorship as close to the beginning of the content as possible. Sponsored social media posts must include clear disclosures such as “#sponsored,” “#paid,” or “#ad” before any links leading back to a brand's landing page. In a blog post, the disclosure statement must come before the affiliate link and above the “fold” or “scroll.” Influencers also cannot use tiny fonts or pale colors in an attempt to disguise sponsorship disclosure. For videos and audio content, there must be either an audible verbal disclosure at the start or a written disclosure on a clearly legible title card at the beginning of the video.

It is also beneficial to work with an influencer marketing provider who stays abreast of regulations and enforces them on behalf of your brand.

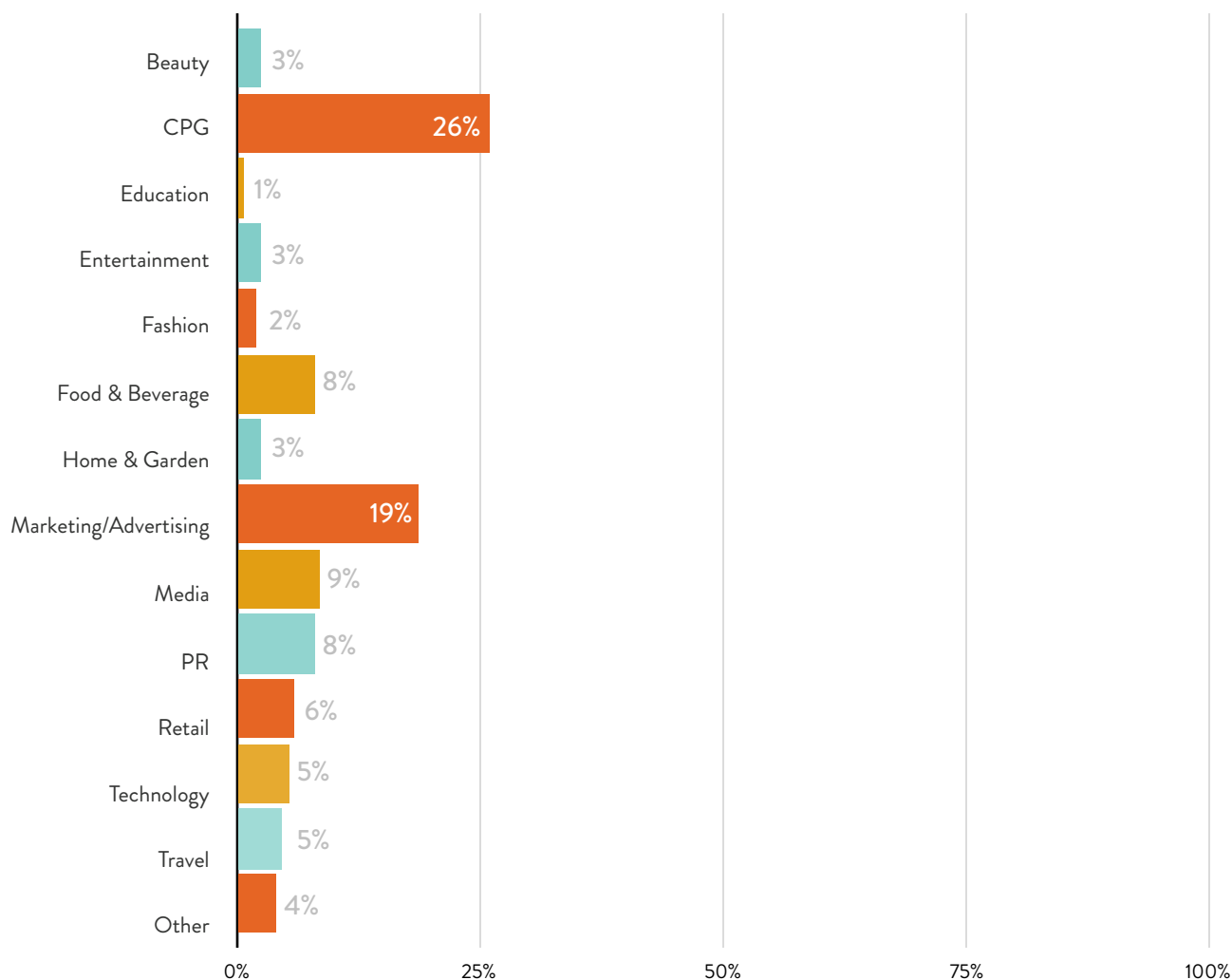
Conclusion

While the vast majority of marketers are employing some form of influencer marketing today, program budgets are set to double in 2017 as marketers expand their use of the channel and double down on the success that they have experienced to date. As influencer marketing matures from an experimental channel to a strategic part of the marketing mix, heads of marketing are demanding accountability from that spend, fueling increased adoption of performance-based pricing models. These shifts align with the natural evolution of any emerging channel as it continues to prove its effectiveness.

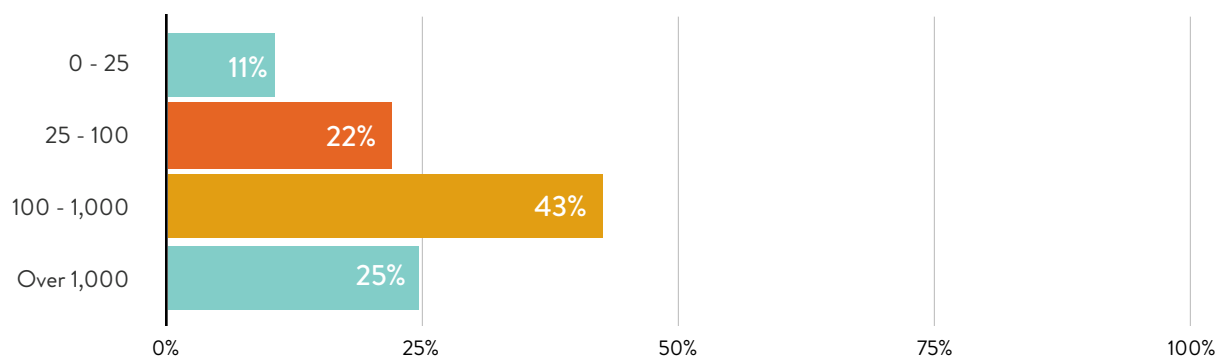
Survey Demographics

170 marketers participated in The State of Influencer Marketing Survey across a variety of industries, including CPG, Food & Beverage, Media, Retail and their agencies. This survey was conducted in November 2016.

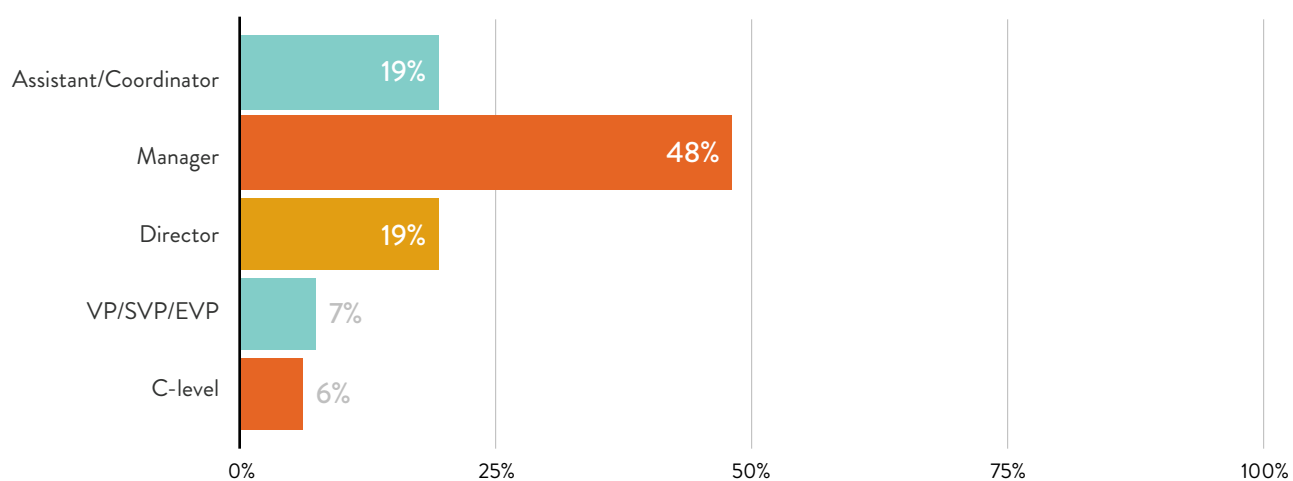
What industry do you work in?



What is your company's employee size?



What is your role?



About Linqia

Linqia is a leader in performance content marketing technology, delivering turnkey influencer marketing programs that are guaranteed to deliver concrete business results. Linqia is the easiest way to inspire action with your target audience, reaching today's consumers through authentic, influencer-generated content. Our performance pricing model means you only pay for consumers who have developed an emotional connection with your brand and have taken an action as a result. As programs continue to run over time, the Linqia platform identifies the best performing content and enables you to amplify it through social and native advertising, reaching "look-alike" consumers with content that has been proven to deliver results.

Founded in 2012, Linqia works with over 200 leading national brands including Black & Decker, Epson, Gerber, Herdez, JP Morgan Chase, Kimberly-Clark, Mezzetta, NBC, Nestle, Purina, Samsung, Unilever, Viacom and Walmart. Linqia is headquartered in San Francisco, CA with offices in Chicago and New York.

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