the age of influence

The power of influencers to elevate your brand

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A PDF companion to the audiobook
PART ONE

WHY INFLUENCER MARKETING?

Before we plunge into advice on how to leverage influencer marketing, we need to fully understand the paradigm shift occurring in mass communications that is enhancing the value of word-of-mouth marketing through influencers. Establishing this baseline understanding will help bring you up-to-speed as to how I see the potential that influencer marketing has for every business.

This all begins by understanding the digital climate of today. The very essence of how messages are spread has shifted. Engaging with the masses has changed. Brands are already leveraging influencers to achieve marketing objectives. Influencer marketing is one of the fastest-growing methods of spreading a message about a brand—and for good reason.

The ROI from influencer marketing is clear. In one survey, nearly 90 percent of all marketers found ROI from influencer marketing comparable to or better than other marketing channels (see Figure I.1). Another case study showed ROI on influencer marketing to be as high as eleven times the return on traditional digital marketing options such as banner ads.

With strong social media platforms globally and ubiquitous smartphones that can easily access them, everyone could be a publisher if they wanted. Everyone could have a platform, an audience, or community—including businesses. At the same time, while consumers now steer away from traditional advertising messaging, with 74 percent of consumers using one or more strategies to avoid advertising altogether, they are influenced by the online media they see from people they follow and trust. This trust is tied to the emergence of online influencers, which has led to rapid growth in influencer marketing (see Figure I.2). The older methods of engaging with celebrities don’t translate well to the new personality of influencers.

As the world catches on to the significant returns from influencer marketing, spending on influencers increases. The market for influencer marketing on Instagram alone is estimated to grow from less...
Why Influencer Marketing?

Figure I.2

INFLUENCER MARKETING ROI 11x OF DISPLAY AD

ROI vs. Average Display Ad (blog posts only)

11x vs. Display After 12 Months

SOURCE: IZEA / TAPINFLUENCE

Figure I.3

INSTAGRAM INFLUENCER MARKETING GLOBAL SPEND

HIGH RANGE: $16.16 Billion USD using a CPM value of $10, the highest reported value in INFLUENCERDB’s research.

MID-RANGE: $5.08 Billion USD using a CPM value of $5, the amount InfluencerDB uses as a standard reference CPM.

LOW-RANGE: $4.85 Billion USD using a CPM value of $3, the lowest reported CPM.

SOURCE: INFLUENCERDB
What we refer to as influencer marketing is not a new idea. What’s different now is the landscape, the medium, and the method. The rise of social media and the content-centric nature of the media we use to communicate have shifted the ways in which we receive information. It’s changed who and how we trust.

Technology has always changed how people interact and communicate with each other. This extends to communicating brand messages. Companies used to hire the traveling salesman to take a brand’s message door-to-door to connect more directly with customers than the mass communication of newspapers, radio, and television could. The shift to telemarketing and cold-call marketing couldn’t have happened without the phone being adopted in households. Digital marketing through emails and search engine optimization (SEO) began to take hold in the late 1990s when the internet became adopted in households. The rise of social media marketing is the latest manifestation.

In December 2017, for the first time digital ad spend surpassed television ad spending globally (see Figure 2.1). In 2019, it is predicted that digital advertising in the United States will finally surpass that of all traditional advertising (television, radio, print) combined, less than thirty years after the launch of the first web browser. Just like a majority of consumers, a majority of marketers are now beginning to think digital first.

Digital spending has not plateaued, either. It will continue to grow while TV ad spend stagnates (see Figure 2.2). Consumers and audiences now have a different relationship with television viewing. Network television is no longer the only way people watch television shows. Many streaming services have removed or limited ads, meaning advertising has had to find

Figure 2.1

DATA FOR 2017 AND BEYOND ARE FORECASTS SOURCE: MAGNA / VOX
Brands need to think digital first because their audience and customers already act that way. In the heyday of television advertising, a large effort was made to get audiences in front of the message. Now those eyeballs are increasingly on social media platforms. That’s where attention and time is being spent, so that’s where the money should be spent.

As audiences migrate to digital channels, a brand has various options within its digital media strategy to engage and promote the brand message. The obvious stalwarts of digital infrastructure are the website and, increasingly, smartphone applications which form the basis of a brand message. Since most people search online, you need to ensure your websites appear in search engine results organically through search engine optimization.

Email marketing continues to be one of the strongest tools. All of these marketing channels form the basis of traditional online digital marketing.

The innovation I see in digital marketing lies in the social aspect of digital. This covers content marketing including blogging, both organic and paid social media, and “influencer marketing.”

### Figure 2.2

**Digital vs. Traditional Ad Spend in the United States**

![Bar chart showing digital vs. traditional ad spend from 2018 to 2021]

- Traditional media ad spending (billions)
- Digital ad spending (billions)

**Source:** EMarketer

### Figure 2.3

**The Social Inside Digital**

- Website / Mobile / App
- Search Engine Marketing (SEO, PPC)
- Email Marketing (Including Marketing Automation)
- Content Marketing (Blogging, Lead Generation Asset Creation)
- Social Media Marketing (Organic and Paid)
- Influencer Marketing
Some have tried by asking things like “how was your weekend?” It doesn’t work as well as when a friend asks. Brands, therefore, need to play a different role in social media.

When asked about key factors when deciding on a purchase, consumers responded that they rely on trust and word of mouth well over 90 percent of the time. The same survey showed that online reviews were trusted 70 percent of the time—essentially word of mouth in a digital world. It used to be that only certain sources could be so influential. People might rely on the opinion of a neighbor or friend, but it was those with publishing platforms who held real sway. Journalists, stock and financial analysts, athletes, and celebrities were the most common. In the B2B realm, buyers go through the same process. It’s peer reviews, tech blogs, and opinions of others in the field that become the trusted source.

**Figure 2.4**

PERCENTAGE OF US ADULTS WHO GET NEWS FROM SOCIAL MEDIA

- **Never** 32%
- **Hardly Ever** 21%
- **Sometimes** 27%
- **Often** 20%

68% get some news from social media

SOURCE: PEW RESEARCH CENTER
Marketing strategy is about reaching your target audience. Social media strategy is an extension of that. Every time brands publish on social media, it’s done with the hope that their content generates organic engagement, while building other benefits such as trust and stronger brand identity, moving potential customers down the marketing funnel.

However, brands have a distinct disadvantage in engagement on social media. The heart of this lies in the fact that social media was created for people, not for businesses. The social network algorithms that govern newsfeeds of social media users will always favor the content of people over businesses for a variety of reasons discussed later.

The challenge then is to leverage users whose content appears prominently in the newsfeeds of your target audience.

A SIMPLIFIED LOOK AT SOCIAL MEDIA ALGORITHMS

CHANCES YOUR POST IS SEEN BY YOUR FANS

\[ \text{Chances} = I \times P \times C \times T \times R \]

- **I**: How engaged are you with the account?
- **P**: How are others engaging with this post?
- **C**: How have others engaged with this account’s posts in the past?
- **T**: Do users engage with this type of post?
- **R**: How new is the post?

SOURCE: JOSH CONSTINE / TECHCRUNCH

Figure 3.1
indicators) from organic social media are on the low side compared to your budget—you can immediately turn on the water with paid social and reach whatever marketing objectives you might have for your social media program. Paid social allows you to truly scale your social media marketing.

That brings us to the problems of paid social: It becomes more expensive with the increase in competition. Of the 350+ marketing teams and agencies that were asked in a recent Relatable “State of Influencer Marketing Report,” seven out of ten agreed that Facebook Ads were getting increasingly expensive or harder to optimize.

On a social media network, paid social can still be seen as an advertisement in a world of organic user-generated content. For that reason, people might be hesitant or unlikely to engage with

Figure 3.2
HOW VISUAL SOCIAL PRESENTS NEW CHALLENGES TO BUSINESSES AND NEW OPPORTUNITIES TO INFLUENCERS

SEPHORA’S INSTAGRAM FEED

Figure 4.1
you would expect from a cosmetics company, but many of the images show it in less traditional ways. In fact, the content, that we can assume was created by the brand itself, is the creative showcase of their colors and mashups of textures and elements.

In the case of the high-end American department store Nordstrom, we see that they sometimes actually cut off the faces of the models in their images (see Figure 4.2). The focus is clearly on the product. Despite being a store that sells a range of products covering all kinds of fashion and home furnishings, their visual social media as depicted on Instagram deals only with women’s fashion. There’s no men’s fashion on display in their visual media. They’re not trying to convey everything with their social media, but more a specific audience they want to talk to visually that they have defined as their target audience on Instagram.

Target solved their visual language issues and the obstacle of preventing their visual social from looking like advertisements by removing people completely and infusing creativity into their content (see Figure 4.3). They used bright colors and arranged items from their stores in unlikely ways. A backpack becomes a face laughing at us. Even words, like “free shipping,” are displayed written in packing tape, another product sold at Target stores. The images are sparse, product-centric, and creative, adding a playfulness and humor to the visual work instead of a sales-minded approach.

All three of these examples show companies with defined visual voices specific and well developed to the brand. They convey the brand’s attitudes, engage creatively and playfully, or in other ways reflect the brand’s culture. This is the challenge. This is why it’s so hard for brands to present themselves on visual social.
The campaign generated a reach of 177,228 people with 5,931 likes and 114 comments. That equated to an overall engagement rate of 4.9 percent.

Influencers bring an authenticity and human touch to a brand message that brands can't deliver on their own. Chinese airline Xiamen Airlines engaged with influencers to spread the message that travelers could now fly nonstop from North America to China and use Xiamen as a base to fly all over Asia. One particular image represented an influencer's voice as a mother and family woman. The image of her gorgeously dressed toddler sitting on a large and decorated bed holding a model Xiamen Air model plane and explaining how they hope to take their daughter to places like Bali in the future is an image and story that the airline itself couldn't have created authentically (see Figure 4.4). It humanized the brand, engendered...

Figure 4.4

bubbly.and.blush Before we had Aleia hubby & I enjoyed traveling & one of our fave places to go to is Bali. We can't wait to be able to bring Aleia there to experience the beautiful Balinese culture! Xiamen Airlines a member of the SkyTeam Alliance has routes available from LA, NY, Seattle & Vancouver to Bali & so many beautiful countries!! We look forward to traveling more as a family & flying with a reputable airline! [ad] #FlyForBetterWorld #XiamenAirlines @xiamenairlines

#girlmom #toddlerstyle #lovelylittlesquares #toddlerstyle #mynameismama #documentyourdays #momlifeisthebestlife

1,133 likes

FEBRUARY 27
The power of influencer marketing comes down to engaging your community. A brand's community of customers and followers is always a small subset of its potential in any given industry. In other words, people who already know you already know you: The value in influencer marketing through social networking comes from tapping into those who don't fully know or understand the value of your brand. This is where influencers can elevate a brand in the sea of billions of users represented by social media.

Just as there are different approaches with a short-term marketing campaign for quicker results and marketing strategy for a longer term return, there are influencer campaigns and influencer marketing. A long-term view must be taken to get the most out of influencer marketing. Using short-term campaigns brings smaller returns, often at a higher cost, but the true power of influencer marketing comes in taking a longer term approach.

Let's look at the car rental market, where the interest in the United States, according to the Facebook Ads Manager, is 8.4 million people. For the leading U.S. car rental companies with accessible data, we see the following Facebook fan numbers:

- **Hertz**: 890,000
- **Enterprise**: 210,000
- **National**: 150,000

Hertz, the rental company with the largest number of Facebook fans, engages with only about 10 percent of the potential market (see Figure 5.1). Even considering demographic and

Figure 5.1
UNDERSTANDING THE INFLUENCER LANDSCAPE

The Different Types and Levels of Influencers

The definition of an influencer is as broad as the definition of influence. By taking a look at the different types and levels of influencers, you will begin to better picture those influencers who will best fit your company’s plans.

When we talk about the kinds of influencers we can work with and how they fit with the entire social media landscape, we have to remember why influencers exist in the first place. People make decisions based on advice from people they trust. Increasingly, though, we are influenced by people we don’t know personally but have gotten to know through social media.

Beyond this, people want to hear from trusted voices with authority. Traditionally speaking, the trusted sources were businesses and the media. There were—and still are—entire departments within companies responsible for media relations, ensuring brand messages were released to the appropriate people. Brands had spokespeople to make statements to people with influence who would then broadcast the message to their setting, their place as a trusted voice doesn’t translate within the realm of social media. Singers and musicians such as Beyoncé, Selena Gomez, and Taylor Swift are all prominent on Instagram. Others like Bono from U2 or Coldplay front man Chris Martin are certainly comparable celebrities but haven’t transferred their audience into an equally influential social media presence. Although Coldplay has an Instagram account, Chris Martin doesn’t engage personally.

Retired Los Angeles Lakers’ star Kobe Bryant is an example of an athlete who achieved celebrity status. After initially not engaging on social media and actually stating that he didn’t see the point, Bryant now has a following in the millions on Instagram. Bryant built his online brand. He is famously ambitious and aspirational and perhaps this swayed his thinking about social media engagement. Following his retirement, Bryant has

![Figure 6.1 - The Tiers of Influence on Instagram](source: mediakix)

**Figure 6.1**
SIZE DOESN'T (ALWAYS) MATTER

Influencer size doesn't always matter. In fact, many large audiences are not engaged at the rate of smaller audiences. Studies have shown that for Instagram audiences, the percentage of likes as a percentage of followers peaks around a thousand followers with 8 percent engagement (see Figure 6.2).5 As the audience grows to over a million followers, the engagement declines to 2 percent of the community. The highest rate of engagement is seen for the nano-influencer category (under 10,000 followers) with about 6 percent engagement.

Smaller influencers are listened to and valuable. Sometimes a deeper, more personal connection can be developed with a nano-influencer than someone with a million followers. These smaller influencers can have more sway with their communities; from the perspective of a brand hoping to engage with this community, they are easier to succinctly target and reach. By marketing, it’s the opposite. Since everyone is a publisher and everyone is an influencer, engaging those with an affinity for your brand already is a much stronger first step.

The first level of the affinity search is employees (see Figure 6.3). This is such an important and overlooked aspect of engagement. The livelihood of your employees is directly tied to the success of your brand, so it’s only natural that they become your most passionate advocates. Now that social media is truly a mainstream communication channel transcending generations, it’s safe to say an overwhelming majority of today’s employees have their own social presence, place on networks, and way of sharing information. When there’s a major accomplishment for the brand, or a new product they’re proud to be involved with, it makes sense to encourage employees to share the information with their audience. Capitalizing on your employees’ own networks brings huge benefits and not just in promoting your brand—employee engagement is a wonderful side-effect of utilizing this tactic properly.
The second week will not sell as many as the first week, and in the fourth week it will sell less than the third week. By the third month, daily sales will be significantly lower. Stocking DVDs takes space and the rate of sale will at some point be too low for the store to stock the DVD in the same numbers—if at all. People may still want to buy the DVD a year later but not in enough numbers to be in the store's best interest to stock the DVD. This is the reality facing physical stores with limited shelving space. This benefits companies like Amazon who can cater to this concept of selling more for longer. They capitalize on the long tail. They can stock books and movies, for example, that people will engage with long after the fever of the initial release.

When applied to marketing, the idea translates to a campaign with a shelf life that's often short. After weeks, if not months, of preparation you launch your campaign. You post videos and launch hashtags, wanting to see the new product or

Figure 6.4

SOURCE: CHRIS ANDERSON / WIRED
THE EMPLOYEE AS INFLUENCER

While we are beginning to see the emergence of what we call employee advocacy programs at larger enterprises, the concept of utilizing employees as influencers is still a largely untapped resource. One reason might be the complex legal issues that it entails, and needless to say I urge you to consult with your legal team should you wish to engage with employees in the method I suggest in this chapter. However, when looking at engaging with influencers or exploring ways of expanding their brand's social media community, most people overlook the power of their employee base and the strength already in their company. Employees already have an affinity for your brand. They care about your message, and—as shown in some cases I’ll discuss later in the chapter—they’re actually the group that is best able to deliver your message.

There are some deeper implications of employee advocacy programs to consider from an HR standpoint. It’s not uncommon for companies to have a blanket ban on employees mentioning share your message in this environment exposes a new audience and demographic to your message that would otherwise be unreachable in your current social media strategy.

Employee advocacy taps into the communities your employees have created. This presents the opportunity to expose your message to a new audience organically, authentically, and from a trusted voice. The average overlap of your employee followers and company followers is rarely even as high as 10 percent. A study showed that the crossover for Cisco, whose employees had ten times more followers than their corporate accounts at the time, sat at only 2 percent.

Prudential Financial saw this potential when they engaged in an employee advocacy program aimed at their employees’ LinkedIn pages. The company recognized that they had 15,000 employees on the LinkedIn platform. There was an average of

Figure 7.1

THE EMERGENCE OF EMPLOYED MEDIA

SOURCE: DOUG KESSLER / CONTENT MARKETING INSTITUTE

Figure 7.1
The entire focus of marketing is anchored to the concept of return on investment, of a gain in market or sales in some way. Where influencer marketing differs, of course, is in the ability to engage organically to provide those returns. It also holds a certain unique status in that it’s leveraging the voices of others that can provide long-term returns that are otherwise unattainable with a short-term advertising campaign.

There is a concept I addressed in my previous book, *Maximize Your Social*: Why pay for social media when it’s free? It’s a valid question. The same point can be raised about influencer marketing. Connecting on social media costs nothing. So, the question remains: Why pay?

If we step back and look at influencer marketing as an extension of your social media strategy, then we can understand the context better. When social media first made an impact, some companies experienced social media engagement so intensely that they diverted their company site URLs to their Facebook covering the accommodations and travel of the influencer, then there would be an expectation that the fee would be altered accordingly. The usage rights to their material, which give you permission to use their images or videos in your own marketing content at a later date, also factors into the agreement. The content an influencer creates is legally their work, and it’s entirely understandable that you would want to be able to use their content in your brand’s social publishing.

The issue of exclusivity also comes into the conversation. If you require the influencer to not work with competitors or other brands in your market, and to take on your brand exclusively, then this is another element to consider. This might also work the other way, ensuring the influencer has exclusivity on content related to your brand to help them to continue building their relationships.

**Figure 9.1**

**HOW MUCH IS YOUR INFLUENCER MARKETING BUDGET?**

<table>
<thead>
<tr>
<th>Budget Range</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0–1,000</td>
<td>15%</td>
</tr>
<tr>
<td>$1,001–10,000</td>
<td>19%</td>
</tr>
<tr>
<td>$10,001–50,000</td>
<td>17%</td>
</tr>
<tr>
<td>$50,001–100,000</td>
<td>14%</td>
</tr>
<tr>
<td>$100,001–500,000</td>
<td>18%</td>
</tr>
<tr>
<td>$500,001–1,000,000</td>
<td>10%</td>
</tr>
<tr>
<td>$1,000,001+</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Source: Mediatoolkit*
Before undertaking an influencer marketing-specific strategy, it's important to look at the grand scheme of your social media strategy to holistically understand the landscape and where influencers fit in. As with any business program, knowing the playing field is key to knowing how to strategize and engage. It's essential to look at this from a business perspective to understand what return you want from influencer engagement.

Social media is the new convergence of communication and information, the aftermath of which is the further democratization of communication and influence. Since influencers are dominant in social media, they hold the power to communicate and—obviously—influence on platforms. But there's a catch: the platforms are always evolving. Your strategy has to take into consideration this constantly changing environment rather than one goal.
After working through the identification process, you’ll have a pool of influencers you want to work with. These are the ones to begin to create a relationship with. Focus on them. Like sales, creating relationships with influencers is a percentage game. Not everyone you want to engage with will do so. Not everyone you reach out to will fit. Sometimes the timing isn’t right for whatever reason. From the pool you have, you will convert some of these influencers to advocates. Some you won’t.

**SENDING SOCIAL SIGNALS**

First you have to qualify with the influencer. You have to let them know that you’re aware of what they’re doing, and that you’re into it. It’s a bit like dating. Eventually you reach out to them to gauge mutual interest. It’s the first contact. First impressions count.

At certain points there will be a way to gauge who fits you best. There will be points where influencers, or even you, will decide that you’re not compatible. The process will not go further with that influencer and it’s not a bad thing; why continue with someone who wants different things? Move your energy elsewhere.

**Identify**

This is the process covered in the all of chapter 11. It means finding the pool of influencers who you wish to engage.

**Send Social Signals**

Working with the power of social networks, you begin to form a relationship and engage with the influencers, sending social signals, just as social media users would.

**Influencer Engages**

This stage is up to the influencer. After engaging through social networks, they follow you.
14

MEASURING YOUR INFLUENCER MARKETING ROI

KPI GOALS

<table>
<thead>
<tr>
<th>Increase brand awareness</th>
<th>Share of voice, impressions and views</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amplify reach</td>
<td>Impressions and views</td>
</tr>
<tr>
<td>Grow engagement</td>
<td>Clicks, comments, shares; impressions and views</td>
</tr>
<tr>
<td>Grow community</td>
<td>Follower growth</td>
</tr>
<tr>
<td>Expand email database</td>
<td>New subscribers</td>
</tr>
<tr>
<td>Increase website traffic</td>
<td>Referred traffic</td>
</tr>
<tr>
<td>Expand product awareness</td>
<td>Mentions, reviews, etc.</td>
</tr>
<tr>
<td>Generate leads or sales</td>
<td>UTM tracking</td>
</tr>
<tr>
<td>SEO</td>
<td>Back links and ranking</td>
</tr>
<tr>
<td>Ad spend ROI</td>
<td>Cost per mention, per click, etc.</td>
</tr>
</tbody>
</table>
WHY AND HOW EVERY BUSINESS SHOULD BECOME MORE INFLUENTIAL

THE 90–9–1 RULE

- 90% Lurkers
- 9% Intermittent Contributors
- 1% Heavy Contributors

90% of postings from 1% of users
10% of postings from 9% of users
No posting from 90% of users

SOURCE: JAKOB NIELSEN / NIELSEN NORMAN GROUP

Figure 15.1
empty restaurant next door, or the way that adding a laugh track to a television show will encourage us to laugh along, social media works as validation. It works as social proof of our own choices, in the way that testimonials validate a choice.

Being influential also helps your inbound influencer marketing. Beyond being more receptive to your outreach, the more influential your brand is, the more influencers will reach out to you to work together. Naturally, having more influencers who are working with you will draw even more influencers who want to work with you.

BUILD TO YIELD

Becoming influential is conceptually simple. Figure 15.2 shows the four steps of building influence. As with most things in life, it’s the execution that’s a little more challenging.

Figure 15.2

THE FOUR STEPS OF BUILDING INFLUENCE

- Build Influence (Over Time)
- Build Trust (Personal Interaction)
- Build Community (Engagement)
- Build Brand (Contents)
The Future of Influencer Marketing and the Role of Artificial Intelligence

From the democratization of influence to leveraging influencers to becoming an influencer yourself, the industry of influencer marketing will continue to evolve hand-in-hand with the evolution of social media, media consumption, and technology.

Now that we understand The Age of Influence, I would like to address a question that I often get asked after my speeches: What does the future hold for influencer marketing?

When I began working on this volume, it was my intention to write a book that would provide you sound advice many years after the publication. But the business world is being bombarded by a number of new technologies and their acronyms, such as the Internet of Things (IoT), Augmented Reality (AR), Virtual Reality (VR), Blockchain Technology, Crypto Currencies, and Artificial Intelligence (AI). I believe AI will withstand the test of time and help harness the future of influencer marketing.
How much would it take to do a search manually?

30 seconds per tag

400,000 influencers

1.5 average posts per day (based on our data)

refreshed every 30 days

150,000 hours of manual labor per month

Al does the work of

1,000 people

Human Hours

\[
\text{Time per period needed} = \frac{\text{Number of Influencers} \times \text{Pieces of Content} \times \text{Tags (Average keyword per content)} \times \text{Time Manually process content tag}}{\text{Period Time desired to refresh data}}
\]

Figure 17.1
Visually recognizing and dissecting an image is the gateway to uncovering unparalleled information from social media content. If an influencer posts an image with little text description and a generic hashtag like #tbt, it is simply impossible to determine the nature of the content and influence without image-recognition technology. To take this a step further, visual media is often comprised of a collection of images, such as when someone is traveling in the mountains with skis mounted on a Mercedes-Benz SUV, potentially indicating three different tags.

Better understanding the contextual relationship between items in an image, their relationships with hashtags and other text being used, and different ways audiences engage with contextual relationships, helps you uncover deep insights simply by cross-referencing millions of contextual tags identifying influencers rather than a few dozen categories (see Figure 17.2).

![Figure 17.2](image_url)