

MARKETING

Choosing the right influencer is a matter of scale versus engagement

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Luxury tops all other categories for use of influencers on Instagram. Image credit: L2

By DANNY PARISI

Luxury is far and away the most-prolific collaborator with influencers on Instagram, but brands need to be aware of how to pick the best tastemaker with the right scale and focus for the campaign.

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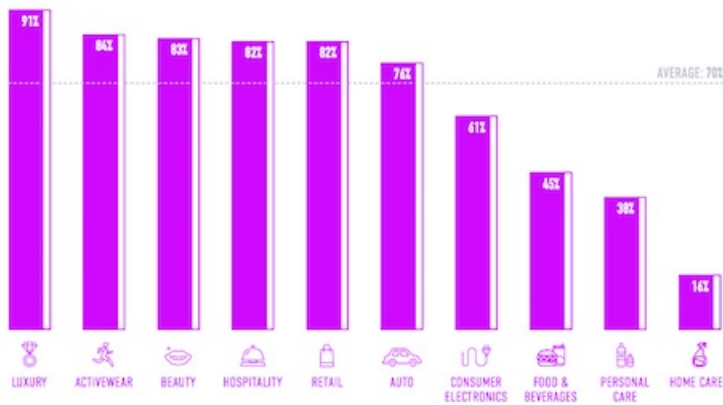
L2 has released a report delving into the data of influencers to help brands understand how follower count, authenticity and other factors play into an influencer's effectiveness. The key point is that not all influencers are created equal and brands need to pick the right influencer that works for them.

Scale vs. engagement

While influencers are common throughout the marketing world, some industries have made better use of them than others.

For example, only about 45 percent of food and beverage brands use influencers while 84 percent of activewear brands do.

Luxury, however, is by far the industry that is making the most of influencers. According to L2, 91 percent of luxury brands have a relationship with influencers on Instagram.



Source: L2 Intelligence Report: Influencers, September 2017

Luxury tops other categories. Image credit: L2

Also, Instagram is the platform of choice for most influencers. L2 estimates the Instagram influencer market will reach around \$2 billion by 2019.

As tempting as it may be to rush into influencer marketing as soon as possible, L2's analysis shows that the type of influencer a brand picks has a major effect on the success of the campaign.

L2's report breaks influencers down by follower counts into sections. From micro-influencers, with up to 15,000 followers, to celebrities with more than 7 million followers.

The key tradeoff when picking an influencer is that of scale or engagement. A partnership with someone like Amber Rose may get millions of eyes on a brand's ad, but it will lack the kind of nuance and depth that a brand might be able to get from a smaller, yet more focused influencer account.

Influencer marketing

Another major factor in the influencer marketing world is the subject of disclosures. While many influencers make at least some attempt to let their followers know when a post is coming directly from them and when it is part of a sponsored deal, some do not.

Last month, the United States' Federal Trade Commission settled its first-ever lawsuit against influencers for not properly disclosing their financial relationship with the product they endorsed.

In this case, the lawsuit was over a pair of popular video game influencers who endorsed a company without disclosing that they were partial owners, but the ramifications extend beyond the world of video gaming and into any industry that relies on influencers for marketing purposes.

For the luxury industry, this shows that brands need to tread carefully with how they interact with influencers, as anything construed as misleading or deceptive could land them in trouble ([see story](#)).

INFLUENCERS: Factors Impacting Influencer Effectiveness
Percentage of Respondents
February 2017, n=1,000 US Social Media Consumers



Source: "The State of the Creator Economy," IZEA, February 2017.

Factors impacting influencer effectiveness. Image credit: L2

In China, brands have begun to successfully translate influencer campaigns into ecommerce success.

China's key opinion leaders are causing influencer marketing to evolve from content publishing to drivers of ecommerce sales, according to new findings from The Luxury Conversation.

KOLs such as Mr. Bags and Gogoboi have massive social media followings with global reach, and their communities are responding to sponsored posts and brand collaborations through ecommerce.

In China especially, the Luxury Conversation has noted in its "KOLs in China – From Publishers to Ecommerce" report that this trend is exploding with influencers helping brands to sell products directly rather than a simple branded content post ([see story](#)).

L2 suggests that brands strike a balance between big, celebrity-led influencer campaigns and the smaller, more focused campaigns that will be able to drive a lot of engagement from a specific subculture, community or demographic based on follower analytics.

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