

MARKETING

Marketers should beware influencer "middle ground" to augment ROI

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Celebrity influencers' paid posts result in modest engagement rates. Image credit: Bella Hadid for Dior

By JEN KING

With contract values estimated to exceed \$2 billion by 2019, influencer marketing is here to stay, but the concept still lacks insightful data and analysis for brands to base strategy on to maximize ROI.

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According to L2's "[Insight Report: Influencers Measuring Impact](#)" report, there is a dearth of available data for brands to leverage when working on an influencer campaign, despite the frequency with which marketers orchestrate such efforts. From mass to luxury marketing, social influencers, most prevalent on YouTube and Instagram, have had a substantial impact on a brand's ability to amplify reach and engagement rates with potential and established consumers.

"While it's easy to go with your gut and approach influencer marketing by picking and choosing the influencer that is making waves for other brands, there are a lot of untapped influencers that could benefit your brand waiting to be activated," said Mike Froggatt, director of intelligence at L2, New York.

"Brands should avoid cherry-picking influencers and rely on data, whether collected on their own or with trusted partners and/or tools, to help identify potential unsung heroes," he said.

For its Insight Report, L2 looked at 875 brands across industries and their relationships with more than 5,000 influencers.

Data-driven influence

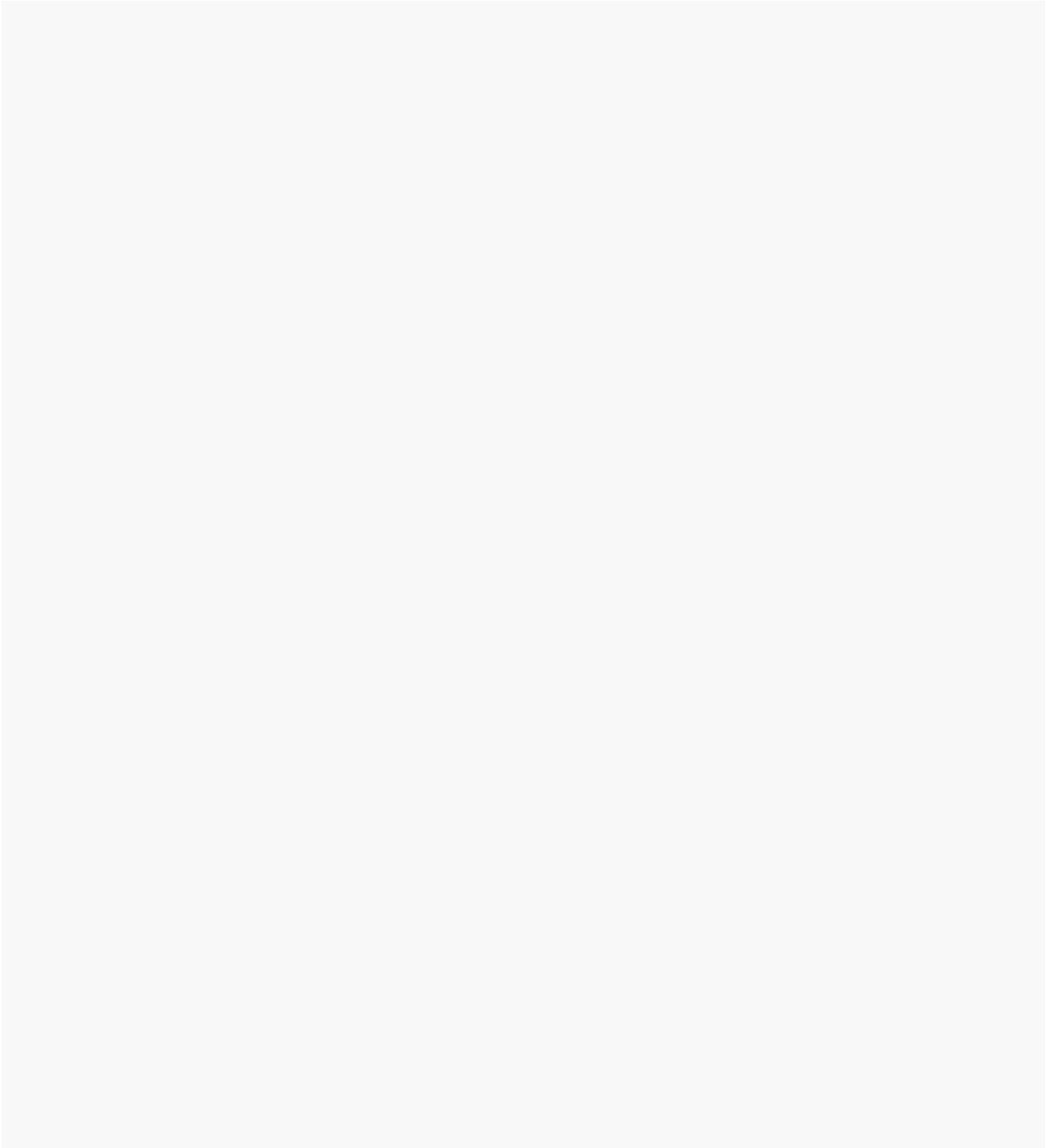
Influencer marketing has become a driving element in many campaigns. Brands now have a bevy of individuals, ranging from micro, macro and celebrity influencers, all with a strong social following, to pick from to drive engagement and reach.

While the influencer concept is relatively simple in design, worthwhile execution and the return on investment can be difficult to accurately measure due to a lack of data-driven recommendations.

First, brands must understand what constitutes an influencer. By L2's definition, anyone with less than 25,000 followers is an advocate or micro influencer, while those with between 25,000 and 100,000 are small influencers.

A medium influencer counts a community of 100,000 to 250,000 and a large influencer has between 250,000 and 1 million followers. The top tiers include mega influencers with 1 to 7 million followers and celebrities who have an audience of more than 7 million.

L2 sought to analyze the data available to gauge the efficacy of partnering with different influencers.



My latest ring obsession. Shot and Styled by me for @ippolitajewelry Link in bio. #IPPOLITAstyle
#IPPOLITA_Ambassador

A post shared by Kendall (@kendalljenner) on Sep 6, 2017 at 7:15am PDT

Noting that 70 percent of its 875 brands surveyed have Instagram-based influencer partnerships, L2 examined the impact of follower count, competing endorsements and perceived authenticity on engagement.

Per its findings, influencers considered advocates/micro, mega or celebrities are associated with the highest lifts in engagement.

Larger influencers, or those with the widest audience, are more commercially active than their lesser-known peers, regardless of engagement lifts. As such, L2 found that those with a community count between 100,000 and 2.5 million are overpriced in terms of their ability to boost engagement for brand partners.

For brands thinking about executing an influencer strategy, L2 suggests marketers first correctly assess cost to optimize planning for cost per follower as well as net interactions. Doing so will lead to more effective and predictable influencer campaigns.

Brand marketers should also "beware the middle ground," or influencers categorized as small, medium and large. These influencer tiers produce "feeble" results when featured in a branded post, but do have the ability to broaden a brand's reach beyond its own established community. However, L2 acknowledges that influencer reach at this level can be hard to measure for ROI.

Lastly, L2 recommends establishing a predefined selection framework that sets clear goals and guidelines for influencer partnerships. These goals and guidelines should be framed around influencer community size and expected engagement by tier.

Per its research, L2 found that celebrity and mega influencers are best leveraged for brands looking for a broad net of reach while micro influencers are better for authenticity and consistent engagement efforts.

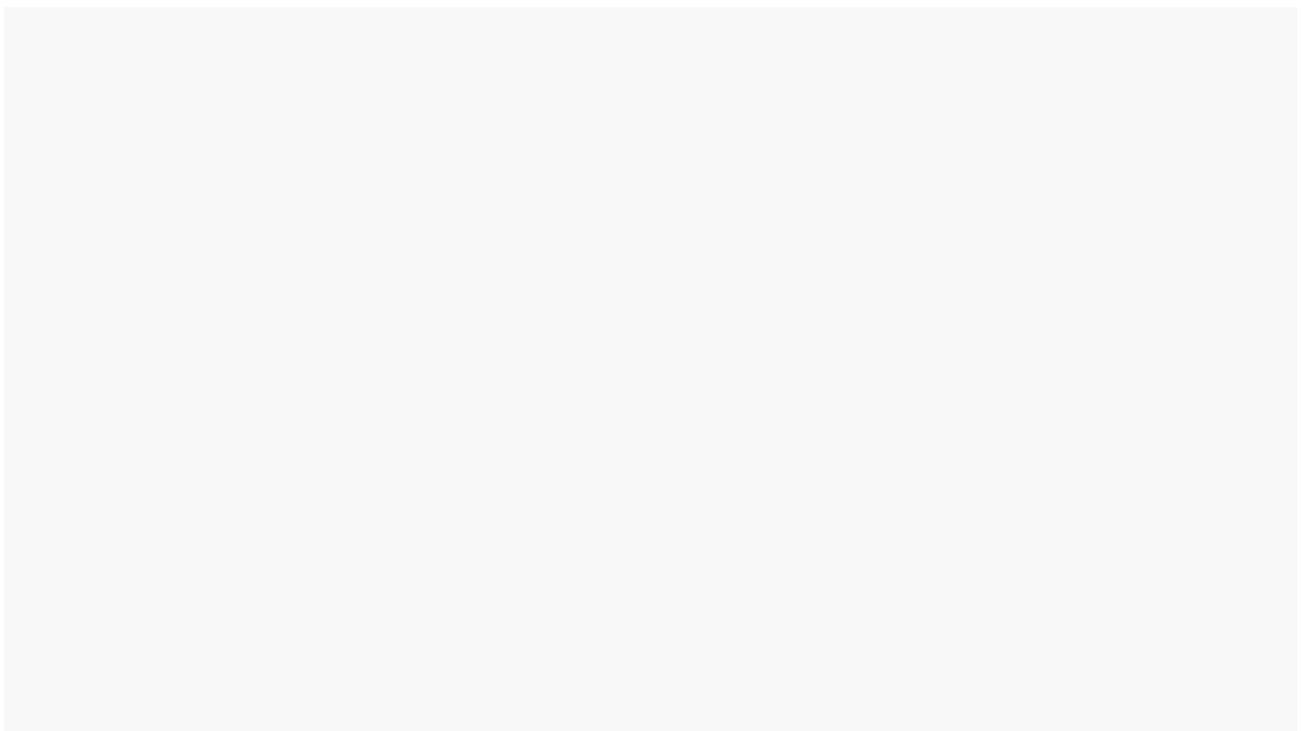
"Authentic, transparent influencer marketing, where brands partner with appropriate influencers and stay away from one-off promotional posts, has significant runway and a lot of gas in the tank," Mr. Froggatt said.

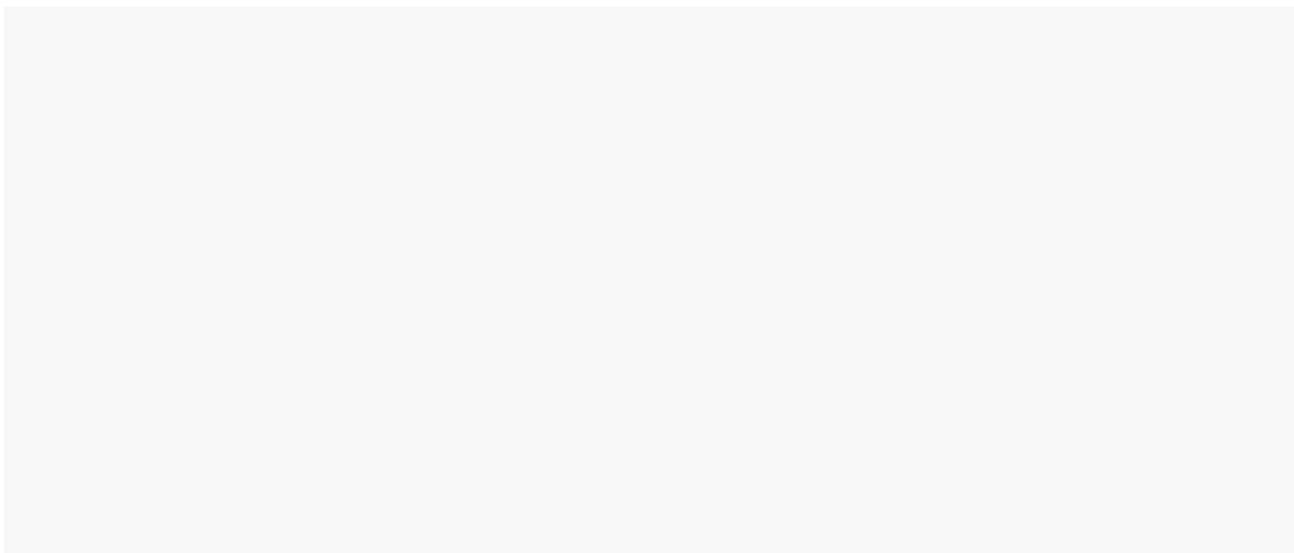
"Existing tactics are really only scratching the surface, limited mostly to older models of affiliate marketing and endorsements, and both brands and influencers have a vested interest to continue to create and communicate value to their audiences," he said.

Micro vs. macro

In a previous report looking at the differences between micro and mega influencers, L2 found that micro influencers have a greater impact for brands when compared to celebrities due to their niche audiences.

Celebrities and mega influencers, such as models Kendall Jenner and Bella Hadid, who have worked with Estee Lauder and Dior Makeup, respectively, see modestly elevated engagement rates. Ms. Jenner counts 85.9 million followers and Ms. Hadid has a social audience of 16.4 million.





Swipe to see how I keep my brows fresh @diormakeup #focused #diormakeup

A post shared by (@bellahadid) on Dec 30, 2017 at 2:19pm PST

In comparison, micro influencers tend to see much greater engagement rates, but on average post eight times more sponsored posts with brand partners than celebrities, which can annoy followers over time ([see story](#)).

Nevertheless, brands have increased campaigns that partner with micro influencers that may have a smaller following because their content is better received and deemed as more authentic.

Paris-based cosmetics brand Guerlain, for example, told how each woman has her own makeup story in a film series starring international influencers.

Guerlain filmed the KissKiss Matte Stories series to highlight its matte lipstick range of the same name through the lens of relatable figures. Influencer marketing is extremely useful for beauty brands, as consumers in the sector are more likely to take advice from social media-famous voices.

Guerlain's first KissKiss Matte Stories episode featured Japanese model and DJ Sayo Yoshida, who goes by @SayoBaby on social media and has 128,000 followers on Instagram ([see story](#)).

Data-driven recommendations will help brands feel confident in their choice of influencers.

"Focusing on data to select influencers will help brand marketers forecast the impact those influencers provide on brand engagements across social media as well as direct sales through the use of affiliate links," L2's Mr. Froggatt said.

"In addition, it adds a level of accountability and gives a way to measure return on investment, which becomes especially important as influencer marketing matures into a bonafide channel in marketing spend plans," he said.