

MARKETING

Influencer marketing adoption grows as brands seek Gens Y, Z

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Brands are driving influencer marketing growth with bigger budgets. Image credit: MyTheresa

By SARAH JONES

NEW YORK Seventy-eight percent of marketers working in fashion, luxury and beauty report leveraging influencer campaigns, marking a 13 percent increase in the past year.

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According to a new report from Launchmetrics, brands are also investing more heavily in this tactic, with 60 percent of marketers expecting their budgets for influencer efforts to grow in 2018. With millennial and Generation Z consumers driving much of luxury's growth today, influencer marketing has become a key component of marketers' outreach to these digitally-native individuals.

"I've witnessed quite an evolution of this industry over a decade," said Yuli Ziv, founder and CEO of [Style Coalition](#), New York, which is part of Launchmetrics.

"When I started first back in 2008, it was mostly knocking on doors and talking about the importance of influencers, and most people looked at you like an insane person," she said. "Obviously, these days you don't have to explain anymore who the influencers are."

Launchmetrics' "[The State of Influencer Marketing](#)" report was based on a January survey of 600 marketing professionals in the fashion, luxury and cosmetics sectors, as well as interviews with 200 influencers.

Relationship building

Now further in the minority, the marketers who did not tap into influencer campaigns in 2017 were most apt to mention budgetary constraints as their reason for not implementing this tactic.

However, on the whole, influencer marketing budgets grew in 2017. Sixty percent of respondents dedicate 10 percent or more of their overall marketing and communication budgets to influencer efforts.

Additionally, while most brands have their PR or communications team handle influencer relationships, 9.3 percent of companies now have a dedicated in-house influencer relations team. This is up from just 7 percent in last year's survey.



Brands are increasingly creating teams dedicated to influencer relations. Image credit: Dolce & Gabbana

Those who deploy influencer campaigns are typically after younger clientele. Around three-quarters of marketers who worked with influencers in the past year said that their primary target was millennials.

Brands are most likely to seek out an influencer to help with a product launch, with 41.6 percent saying this is their most used purpose for this marketing tactic. Events are also popular times for influencer partnerships, coming in second with 28.1 percent.

About nine in 10 of those surveyed say that influencers have effectively boosted brand awareness. Also, 73 percent noted the ability to drive loyalty through influencers, and 69 percent have seen these campaigns produce sales.

While slightly less marketers noted influencer marketing's efficacy at leading to sales compared to 2017, Launchmetrics partly attributes this to the types of campaigns brands are running, which favor brand building.

In fact, brands mention social media engagement as the top KPI used to determine the efficacy of a campaign, putting this metric ahead of sales.

Picking the right personality is the top challenge marketers identify when working with influencers.

Brands were most apt to say that micro influencers were most effective for them, with four in 10 opting for social media stars with less than 100,000 followers. However, a significant portion of marketers still prefer celebrities or macro influencers.



Only 11 percent of brands favor celebrity influencers such as The Blonde Salad's Chiara Ferragni. Image credit: Tod's

Follower counts are not the top consideration, though, with the quality of content and engagement levels surpassing audience numbers in importance of criteria for influencer selection.

Versace is one of the brands leveraging more niche influencers to reach a specific audience ([see story](#)).

When reaching out to influencers, most brands use sample gifting to get on their radar, with 98.5 percent sending free items. Social media outreach and invites to parties were also popularly used tactics for seeking out placement.

While influencer interest in receiving free goods has grown, these talents' top priority in working with brands is monetary compensation. However, only 41 percent of brands always or frequently pay their partners.

Influencers favor Instagram over other platforms, with Snapchat, YouTube and blogs seeing decreases in preference

among these individuals since last year.

Looking to help brands find and manage their influencer partnerships, Launchmetrics has created a new influencer relationship management tool.

Influencer advice

In a discussion with Launchmetrics' senior vice president of industry relations Jessica Michault, blogger Garance Dor of Atelier Dor noted the changes in brand-influencer relationships.

Today, she finds that brands are more precise in what they ask for, wanting specific hashtags or captions to run with a promoted post.

About 97 percent of influencers would be willing to talk about brands for free, something that Ms. Dor exemplifies. She says that most of the content she produces is not tied to compensation, since she will share what she loves with her audience.

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.

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 ([see story](#)).

"For me, what works the best is honest and happy communication," said Ms. Dor. "And if people come to me and respect my point-of-view, I have a very good expertise of what I can do with your product and service and what you want to sell for my reader. And any time we are able to talk about that and also be honest about the means we are going to put behind an idea not be delusional with your budget and the results you want to have, because some things are impossible when it's like that it really works well."

"What I really love is also working with brands on repeat," she said. "We're pretty careful with the brands we choose to work with, and I personally filter it more for the things I personally support."

"So when I put myself behind a brand or a project, I would love my reader to understand that it's something that's thought about and when I do it more, I think they understand that and they believe that. And also developing long-term relationships is a better way to understand what works better."

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