

LUXURY MEMO SPECIAL REPORTS

Influencer marketing Luxury Memo special report

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Dolce & Gabbana invited influencers to document their time in Capri. Image credit: Dolce & Gabbana

By SARAH JONES

Luxury has traditionally been about exclusivity, but the rise of influencer marketing has opened up even storied houses to wider audiences.

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Influencer marketing has become a multi-billion-dollar business as brands partner with popular social media stars to drive awareness and attention. While the popular marketing tactic seems to be continually gaining ground in the luxury market, is influencer marketing in for the long haul?

"The question marks being raised around the space are to do with authenticity and transparency," said Neil Waller, cofounder/CEO of **Whalar**, London. "Ultimately it all boils down to trust. The power of these influencers is the trust their audience has in them.

"The landscape has had explosive growth in recent years and I suspect that we'll see a slight retraction in the amount of 'influencers' but with those that remain being the ones that are credible, are transparent, are authentic and therefore maintain a strong trust with the audience," he said. "If anything this will help influencer marketing continue to grow in importance within the marketing playbooks of brands enabling greater success as it becomes even more reliable.

"Even low estimates today put it at a \$1 billion to \$2 billion industry, and that is only likely to increase as the entire industry professionalizes."

Top 5 trends in influencer marketing

- Niche over numbers

Influencers with smaller, more specific and engaged audiences are becoming more popular partners for campaigns.

- Bigger budgets

Luxury brands are allocating more of their marketing budgets to influencers, with some setting up dedicated

teams to manage influencer relationships.

- Product collaborations

Luxury brands are tapping influencers for partnerships on merchandise, picking them as co-designers for collections.

- Influencers invade traditional marketing

Moving beyond social media, influencers are starring in advertising campaigns and other marketing efforts for luxury brands.

- Data driven

Marketers are using more data to plan and implement influencer campaigns. They are also setting specific goals and KPIs to track the success of these efforts, which tend to be more focused on driving engagement and awareness rather than direct sales.

Introduction to influencer marketing

An influencer is an individual who has the power to inspire others to purchase largely due to a level of fame. This could be a celebrity who leads an aspirational lifestyle, a blogger or an expert who is an authority in a field.

Influencer marketing is a partnership between a brand and one of these social media personalities, enabling the marketer to reach followers through a familiar, trusted face.

As consumers grow more tired of traditional advertising, installing ad blockers or paying little attention to media placements, influencer marketing has allowed brands to appeal to them in a more authentic feeling format.

"I see [influencer marketing] as less of a disruption to traditional marketing and more as a new channel in a very longstanding and familiar form of marketing," Whalar's Mr. Waller said. "Ultimately an influencer is a publisher you could think of them as a modern-day magazine.

"They have an audience of followers, much like a magazine would have a readership, and those people are following them because they want to read the information that they are publishing," he said. "Within that you have very large influencers with broad audiences and you have smaller influencers with niche audiences where they specialize on topics.

"In this sense the only thing that is disruptive is the fact that it's taking place in the digital/social media sphere that has lowered the barrier to entry to allow lots of talented people to become publishers. Luxury brands have long had relationships with publishers and so it's not really anything new, which is why it's become so popular."

One type of partnership is on blogger-created content. Brands will pay to sponsor a post on an influencer's blog or social media account, typically giving the content creator a certain level of freedom and allowing them to speak in their own voice.

For example, British department store chain Harvey Nichols embarked on an Arthurian-style quest for the ideal beauty collection.

The retailer launched a five-week content series that searched for the "Holy Grail" across five cosmetic categories with help from five expert ambassadors, who each posted content on their own channels. The beauty industry is filled with new launches and a seemingly endless array of choices, making this round table an opportunity for consumers to test out products through a personable proxy ([see story](#)).

Brands may also choose to feature influencers in their own posts. Typically focused on driving social media engagement, luxury labels often tap influencers to make an appearance.

For instance, French fashion house Christian Dior has leveraged the It-girl popularity of Bella Hadid through beauty-themed social videos, which is a surefire way to glean the attention of millennials and Generation Z.

Ms. Hadid was appointed Dior Makeup's ambassador in 2016 and today counts 19 million followers on her Instagram alone, ensuring any content created with the Dior is visible beyond its own social community. Since being named the face of Dior Makeup, Ms. Hadid has been featured in a number of tutorialized-yet-candid social films that feature the brand's cosmetics ([see story](#)).

Bella Hadid shared party makeup tips for Dior

Brands have also sought to spur content by inviting influencers to events. These individuals are often on the guest lists for launch parties.

As a testament to the power of influencers in today's luxury business, real estate brand Aumann Bender & Associated and Sotheby's International Realty hosted an Instagram Influencer Summer soiree. The event brought together some of the biggest Instagram influencers in the business for a swanky event in San Diego to promote the listing of a \$7.75 million home ([see story](#)).

Beyond local events, some have taken influencers on jaunts to various destinations, using the trip to prompt posts or branded content.

For instance, Lancme invited a handful of influencers to the Cte d'Azur in search of Monsieur Big, sharing clues as to the character's whereabouts and personality in a string of Instagram posts. In addition to Lancme's official content, many of the women also shared their impressions from the event, expanding the audience for the campaign ([see story](#)).



Lancme brought influencers to the South of France. Image credit: Lancme

Similarly, fragrance maker House of Creed explored the fiery spirit of its latest perfume through an influencer campaign set in a Nordic locale.

To launch Creed Viking, the brand ventured to Iceland with a group of men who represent the scent's adventurous persona, following in the footsteps of the fragrance's namesake explorers. Through a series of blog posts featuring text and photos, "The Viking Diaries" profiled the men who traveled with the brand to Iceland ([see story](#)).

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

According to a 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 Gen Z consumers driving much of luxury's growth today, influencer marketing has become a key component of marketers' outreach to these digitally-native individuals ([see story](#)).

"The main takeaway from the 2018 report was how the question is no longer why brands should start incorporating influencer marketing practices into their strategies, but how," said Michael Jas, CEO of [Launchmetrics](#), Paris. "About measurement, today it is really about three main points: how brands can balance reach and proximity, how they can measure the value influencer marketing contributes towards other marketing investments and how they can benchmark their activities with their competitors.

"While today most people are focused on how they can conduct measurement and its operational impact, at

Launchmetrics we believe that in the future brands will move to measure what these activities bring in terms of brand value and transformation," he said. "At the end, brand equity is something everyone is trying to quantify and it's our mission to work to deliver this new form of measurement to the industry."

Picking personalities

While influencer marketing can be a very effective tool, not all influencers are created equal.

Influencers can vary from having a few thousand followers to audiences of millions. And with influencers, bigger is not always better.

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, influencers considered advocates/micro, mega or celebrities are associated with the highest lifts in engagement. Those that fall in the middle, with 250,000 to 1 million followers, are overpriced for what they offer brands in terms of ROI ([see story](#)).

Additionally, HelloSociety found that influencers with smaller followings below 30,000 have greater average engagement rates, typically 60 percent higher than average.

According to a report from Celebrity Intelligence, data is becoming most influential regarding insight in an influencer campaign, with 59 percent saying it is the most important tool in finding the best influencer. However, 75 percent of brands are still using manual research to discover new influencers to work with across social media and digital platforms.

Brands believe that discovering the best celebrity or influencer is a difficult task, with 84 percent agreeing so ([see story](#)).

Beyond looking at the numbers, brands should focus on building relationships with influencers who are a right fit for them and would likely be legitimately interested in their product or service. Seeking out strong fits can lead to more authentic content.

"Brands are bringing influencer marketing in-house and building longer lasting relationships with influencers," said Gil Eyal, CEO of [HYPR](#), New York. "If 2016 was all about single photos and captions, 2017 marked the year where brands started building their own influencer networks and activate them for ongoing engagements.

"Brands are no longer satisfied with limited offerings that focus on number of followers or likes, and are now demanding the same information they're used to seeing with other forms of marketing audience demographics, psychographics, as well as messaging and targeting capabilities," he said. "Brands are starting to ask what kind of a return they're getting, and they're structuring relationships in mutually beneficial ways.

"The shift to micro continues. As brands look for more uniform audiences, they seek technology that helps them connect and work with large groups of smaller influencers that have a specialty or subject matter expertise. Perhaps we can call it a shift from fame to actual influence."

In addition to seeking out more niche partners, brands have been branching out into new forms of influencers.



Moncler tapped Lil Miquela for its Genius effort. Image credit: Moncler

Luxury labels are now embracing a different type of influencer, partnering with personalities that only exist in the virtual world. Moncler and Prada are among the brands that have worked with Lil Miquela, a computer-generated

Instagram star with an audience of more than 600,000, to debut products or build hype around an event.

While still a fairly novel concept in other nations, in Japan the concept of virtual celebrities has entered the mainstream. Pop star Hatsune Miku has developed a devoted following and performs for crowds as a hologram, belting out her hits ([see story](#)).

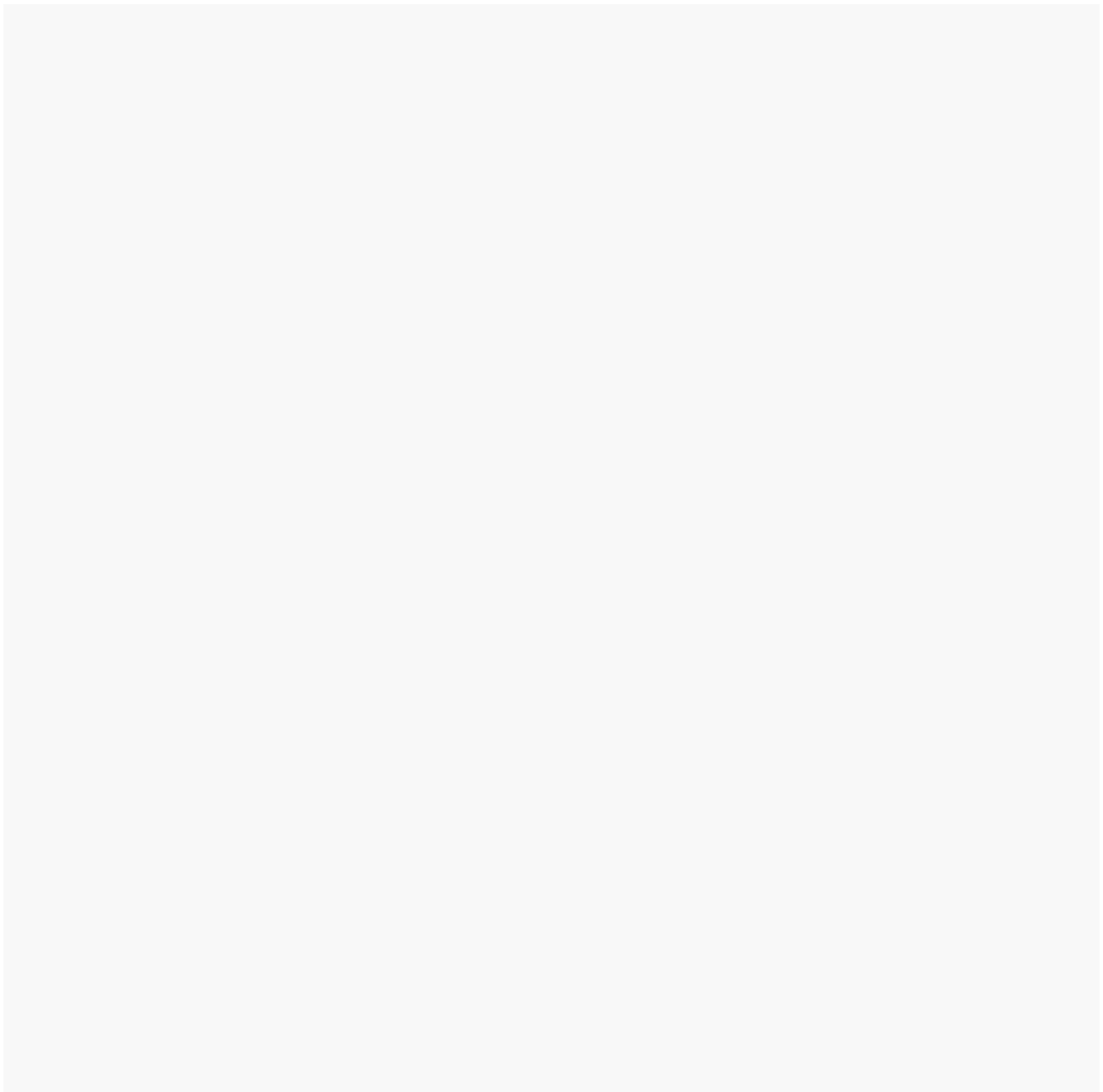
Channel choices

Reflecting the luxury industry's obsession with Instagram, the photo-centric platform is also a popular choice for influencers marketing high-end goods and services.

According to L2, Instagram is the platform of choice for most influencers. The researcher estimates the Instagram influencer market will reach around \$2 billion by 2019 ([see story](#)).

Luxury campaigns perform much better than mass brands' efforts on Instagram, with a 30 percent higher performance rate, according to a report from HelloSociety.

HelloSociety looked at the difference in performance from luxury brands on Instagram and Pinterest, and found that luxury brands can particularly benefit from influencer marketing campaigns on the two platforms due to their aspirational nature ([see story](#)).



The art of Barocco. @carodaur Find the Embroidered Barocco #PalazzoEmpire bag at the link in bio.

YouTube has been dethroned as the number one source for beauty promotion by Instagram, according to Celebrity Intelligence's Influencing Beauty report ([see story](#)).

Launchmetrics also found that Snapchat, YouTube and blogs have seen decreased preference among influencers in the last year, while Instagram has gained their favor.

Instagram has rolled out a number of updates that make it more appealing to influencers, including the ability to post 10 photos at once, Instagram Stories and shoppable posts. Easing disclosure, the platform also debuted a "paid partnership" tag.

Disclosure do's and don'ts

Unlike traditional advertising, influencer posts appear in a format that closely resembles organic social media content. This has led to issues surrounding transparency.

While influencers were in essence sharing ads as they posted for brands, sometimes promoted content was not explicitly labeled as such. Responding to this often murky lack of identification, a number of government agencies have looked to implement regulations regarding influencers.

The United States Federal Trade Commission has sought to make influencer disclosures more "clear" and "conspicuous."

In 2016, the FTC held department store chain Lord & Taylor responsible for the actions of social influencers hired by an agency, underscoring the need for marketers to tread carefully as such programs become more prevalent.

Lord & Taylor saw significant sales success during March 2015 after it paid bloggers and the fashion publication *Nylon* for social media posts showcasing a dress. Images of bloggers modeling their interpretations of the dress went up on social media, which included a tag to Lord & Taylor's Instagram and the hashtag #designlab, but lacked any reference to an ad.



Lord & Taylor landed in hot water with the FTC for lack of disclosure. Image credit: FTC, photo from @Caraasantana

The FTC's case against Lord & Taylor is a tale of caution for advertisers, proving that the agency will not back down in holding marketers responsible for cases in which ad campaigns are not made clear on social media ([see story](#)).

Last year, the FTC issued letters to about 90 influencers and marketers reminding them to adhere to disclosure guidelines.

Per the FTC, simply including a hashtag such as #sp or #partner is not sufficiently clear to consumers that the endorser has a material relationship with the brand. Including a disclosure in a string of links or at the end of a long caption also makes it more likely that a consumer will miss it.

The FTC suggested that brands that do not have disclosure instructions in place for their influencers should establish guidelines for their partners.

In September, the FTC settled its first 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 business, 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](#)).

Similarly to the FTC, Britain's Advertising Standards Authority has worked to make influencer marketing more apparent to consumers.

Since 2014, influencers in Britain have had to identify sponsored posts with the hashtag #ad or #spon.

Last year saw the ASA crack down on influencers who were not compliant. The watchdog has also shown that it will hold influencers to the same standards as marketers when it comes to advertising, such as the ability to make health claims.

While brands may feel as though marking an influencer post may make it feel less authentic to consumers, research has shown that followers are still interested in overtly branded content.

Regulatory pushes for greater transparency in branded influencer content have not hurt the consumer response to these campaigns, according to a recent report from Mavrck. Quelling concerns that disclosure would hamper audiences' interest in branded posts, engagement rates for influencer-generated content (IGC) on Instagram grew 34 percent in 2017 ([see story](#)).

Risks and rewards

Influencer marketing is an effective marketing channel for luxury brands.

TapInfluence has found that influencer efforts are 11 times more effective than display advertising. However, brands need to pay attention to performance data, influencer data and audience data to see the right results ([see story](#)).

For instance, Gucci gifted influencer and makeup entrepreneur Jeffree Star with a set of custom pink luggage, and the personality drove \$1.6 million in earned media as he posted about his experience with the brand, according to data from Tribe Dynamics.

Mr. Star posted a total of 32 pieces of content about the brand, including a YouTube video about his experience and haul. Within the vlog, broadcast to his millions of followers, he talks about the brand's attention to detail, including getting the precise shade of pink ([see story](#)).



Gucci made Jeffree Star custom luggage. Image credit: Jeffree Star

Aside from having an engagement benefit for brands, influencer marketing could also lead to sales, according to

new research.

Many luxury brands have adopted influencer marketing strategies, but it is not always easy to connect partnerships with personalities into conversions. A report from Olapic proves the commercial potential of these content collaborations, showing that 31 percent of consumers have bought a product or service because an influencer posted about it ([see story](#)).

In China, influencers, or key opinion leaders (KOLs) hold even more commercial power.

According to a report 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. This trend is exploding with influencers helping brands to sell products directly rather than a simple branded content post ([see story](#)).

"Luxury brands sell more than just products - they sell a lifestyle," said Adam Rivietz, cofounder and chief strategy officer of [#paid](#), New York. "Luxury products also tell a deeper story, as their value often extends beyond the tangible.

"Telling that story through traditional means, however, is often difficult, as is finding the right audience to engage," he said. "Social media influencers have been proven highly effective for luxury brands because they solve those two key problems: they can tell a more in-depth story to a more targeted and engaged audience.

"Influencers are especially effective for more traditional luxury brands that want to reach a new, younger demographic. Perhaps that is why nearly 80 percent of fashion, luxury and cosmetic brands utilized influencer marketing in 2017."

Despite all of the potential positives of influencer marketing, working with outside talent can go wrong.

While influencers are in theory tapped to share their personal perspective on a brand, a handful of personalities including supermodel Naomi Campbell have been caught copying captions verbatim from their marketing partners.

The influencers included emailed instructions along with a caption, making it obvious that the post was not in their own words. This leads to too much transparency, creating an effort that appears staged rather than authentic.

"Influencer marketing doesn't work like traditional ad buying," HYPN's Mr. Eyal said. "You need to find influencers that genuinely care about your product and are looking to build a long-term relationship with you.

"Naomi Campbell and Scott Disick are examples of influencers who couldn't care less about the product they just wanted the paycheck," he said. "This shines through the content even if they do post correctly, and it happens way more often than you think there are literally hundreds of examples.

"Brands need to appoint someone who is in charge of these relationships, who speaks to the influencers themselves, who gets a feel for their level of excitement and commitment and doesn't treat their social pages as a hidden advertising opportunity or billboard."

A Pepsi campaign aimed to create buzz by featuring social media star Kendall Jenner, but instead it led to backlash. The ad, which has since been pulled by the brand, featured the model at a protest quelling a standoff between protestors and police with a can of soda.

Many criticized the commercial for trivializing a serious topic. The use of a wealthy, famous spokesmodel was also deemed an ill-fitting choice.

Another cautionary tale is the Fyre Festival, which was promoted with a heavy Instagram and social media advertising campaign featuring models, yachts, beaches and music painted a picture of luxurious relaxation and partying.

During what was supposed to be three days of luxury in the Bahamas, the inaugural weekend of Fyre Festival April 27-30, 2017 turned into chaos as attendees were left stranded on the island with little food, entertainment or guidance as they desperately tried to leave.



In case you're wondering, those "cabanas" are actually disaster relief tents.

#fyrefestival



The Fyre Festival ignited social media fury

The event was chronicled in real-time on Twitter as a series of devastating organizational errors turned the festival into something out of "Lord of the Flies." The organizers of the event, including rapper Ja Rule, were forced to apologize and postpone the event.

Fyre Fest was a disaster not just for the organizers, but also for the influencers and celebrities who attached their names to it ([see story](#)).

Luxury brands also need to consider how they treat influencers. Recently, hotels in particular have been fielding numerous requests for partnerships as individuals who consider themselves influencers pitch social media placement for free stays.

One hotel faced backlash from influencers after it publicly shamed a blogger on Facebook for requesting a barter deal ([see story](#)).

"Brands should consider a formal process for engaging with influencers that fit the bill," Mr. Rivietz said. "That may include an automated or downloadable form on their Web site where influencers can apply for a partnership.

"There the influencer can provide all of the necessary demographic information and provide a formal proposal of how they intend to add value," he said. "Luxury brands may also want to consider a dedicated email address where influencers can send their requests and designated staff can vet opportunities.

"Furthermore, it's important that luxury hotels have a clear idea of what they want out of the partnership, and how they're going to extract real value. That may include having the influencer create custom content for the hotel's social media page, or just setting clear expectations of how often they will post about what during their stay, using which hashtags.

"Luxury hotels stand to gain tremendously from partnering with influencers, but should ensure the influencer provides a clear pitch with meaningful deliverables first, and has a verified audience that aligns with the brand's target demographic."

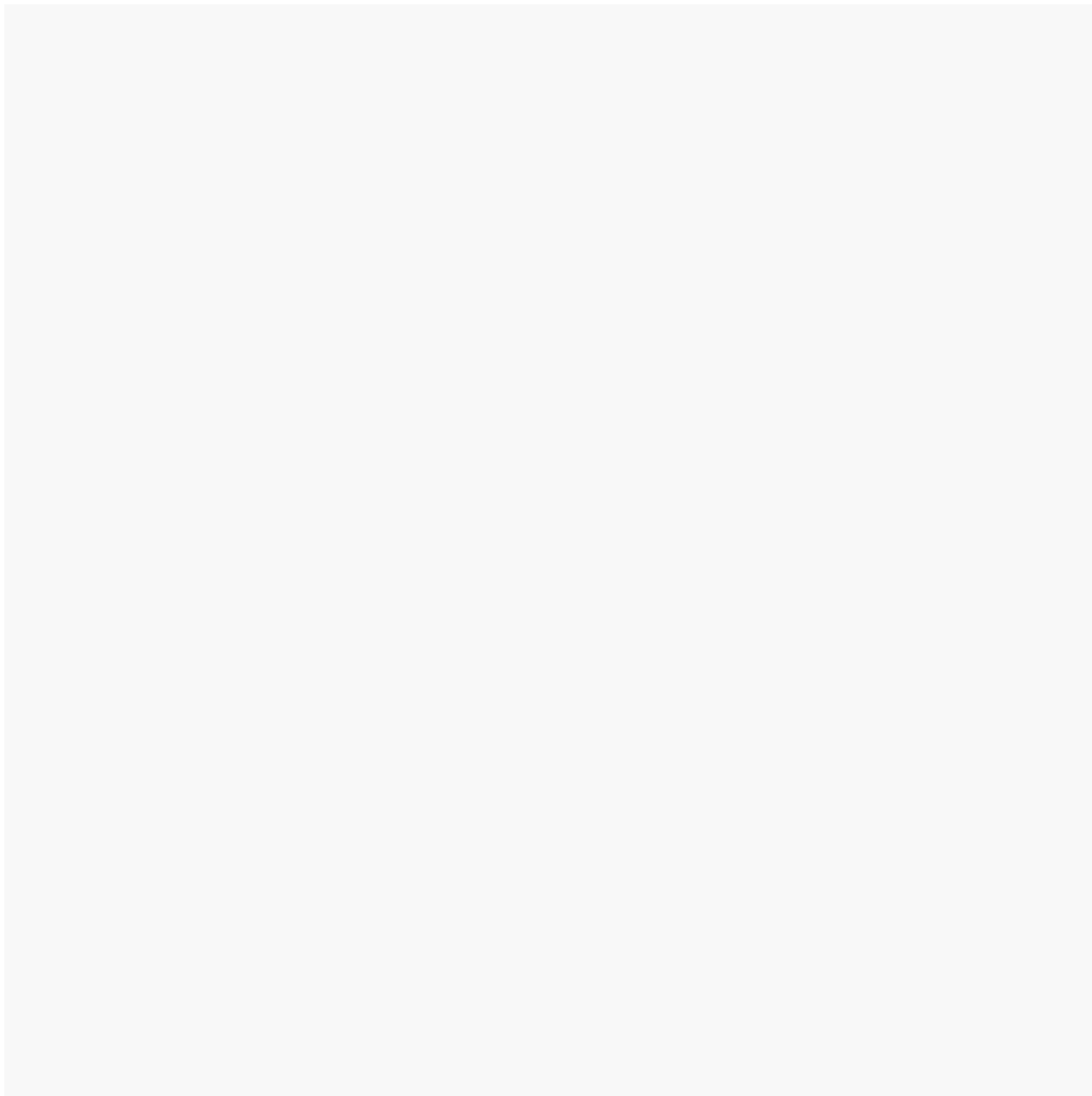
Beyond social media

In addition to working with influencers on social media campaigns, luxury brands are taking these partnerships to new levels and channels.

Some have cast influencers in roles traditionally reserved to models or celebrities.

Looking to raise the social media attention for its runway show during Paris Haute Couture week, fashion label Ralph & Russo cast an influencer in its model lineup.

Brazilian blogger Camila Coelho closed the spring/summer 2018 show on Jan. 22 in the brand's bridal gown. While many fashion labels have enlisted influencers for social media documentation of catwalks, this move by Ralph & Russo is indicative of the increasing roles these personalities are taking on via brand collaborations ([see story](#)).



The beautiful Spring Summer 2018 bride @camilacoelho in the Ralph & Russo Paris Atelier during her final fitting.
#ralphandrusso #SS18 #Bridal

A post shared by Ralph & Russo (@ralphandrusso) on Feb 1, 2018 at 7:06am PST

Influencers have also been cast as the faces of advertising campaigns.

Italian fashion label Furla is taking a digital-first strategy for its fall/winter 2018 campaign by casting a handful of influencers as the spokesmodels for the season.

In the latest incarnation of its "The Furla Society" campaign concept, the social media personalities are invited by the branded club to join an event at a lavish Italian hotel. Through its use of influencers, Furla aims to make the

campaign more accessible to consumers ([see story](#)).

Influencers have also been tapped as co-designers on collections.

Chiara Ferragni of The Blonde Salad worked with Tod's to create a limited-edition Gommino capsule collection. Through the collaboration, the influencer gave consumers a firsthand look at Tod's craftsmanship via a trip to its atelier ([see story](#)).

Similarly, to celebrate the 2018 Lunar New Year, Longchamp teamed with Chinese influencer Mr. Bags to design products that featured paw prints and other dog-themed patterns to celebrate the Year of the Dog. First rolled out on Weibo and WeChat, the bags were also available in stores all around the world ([see story](#)).



Influencer Mr. Bags collaborated with Longchamp for Chinese New Year. Image credit: Mr. Bags

Department store chain Nordstrom has also worked with Arielle Charnas of SomethingNavy to develop an exclusive brand. The Something Navy fashion label will be sold at Nordstrom stores and the retailer's ecommerce site later this year.

As influencer marketing has become a bigger business, influencers have turned into entrepreneurs. A number of famous figures have turned their notoriety into lifestyle businesses.

Blogger Michelle Phan launched Em Cosmetics with L'Oreal in 2013. Last year, she bought the label from the beauty group and relaunched it on her own.

Ms. Ferragni has evolved her Web site into a fashion ecommerce destination.

"We've already seen how influencers have become a sort of 'middleman' helping designers more accurately understand what their audience wants as well as inspiring audiences to discover new ideas, brands and more," Launchmetrics' Mr. Jas said. "This special connection allows influencers to fuel designer sales and engage customers in a new way and has especially helped brands become closer to their millennial consumers, which is one of the fastest growing segments for luxury shoppers.

"Through influencer marketing, brands can remain exclusive but accessible to new audiences, allowing consumers to personalize their relationship with the brands and above all, influencer marketing has been a key component in the democratization of fashion without diluting this luxury essence."

Alternative influencers

The face of a campaign should not depend on fame, but rather consumer and brand relatability, according to panelists at the ad:tech New York 2014 conference.

Influencers are no longer just traditional celebrities such as musicians or movie stars. Instead, they are pulled from within companies, from consumer bases or they natively achieve stardom on social media ([see story](#)).

One of the biggest hurdles for implementing influencer marketing remains budget.

The majority of brands now have influencer marketing strategies, but budget remains an obstacle, according to a report from Fashion and Beauty Monitor.

Almost 70 percent of brands, which include United States and British brands mostly in luxury, but also in the mass-market sector, say they have or will soon have influencer-marketing strategies, but two-fifths are held back by budget constraints ([see story](#)).

While influencer marketing is a hot topic in social media today, another report finds that celebrity personalities do not hold as much sway as individuals who are perceived as regular people.

Sprout Social found that 61 percent of consumers would be apt to look into a product after a friend recommended it, compared to only 35 percent who would consider a purchase after hearing about it from an influencer. With consumers responding more to their peers, Sprout sees a big potential for the budget-friendly tactic of using a brand's own employees as influencers ([see story](#)).

In addition to employees, many brands have tapped consumers as advocates.

U.S. fashion label Marc Jacobs held a casting call to find the brand's next beauty ambassador.

Launched in November 2016, Marc Jacobs turned to its social audience in the Cast Me Marc effort that relied on the brand's community of followers to source a brand ambassador. As Gen Z consumers move up in the ranks, brands are beginning to formulate efforts in response to the demographic's penchant for video tutorials produced by amateur influencers ([see story](#)).

Rhea Jacobs for #BeautyMarc

Beauty marketer Lancme has similarly been leveraging user-generated content to drive conversions in a more personal and realistic approach to marketing, which has gleaned significant results.

Lancme was able to derive a 4 percent conversion lift after launching a user-generated campaign for its portable compact, Miracle Cushion. Using the hashtag #MiracleOnTheMove, the brand was able to create an online gallery from the best consumer photos, which it also shared with Ulta and Macy's ([see story](#)).

Using existing customer bases could be even more effective for luxury brands. Wealthy consumers are proving extremely influential in terms of retail, with 70 percent classified as affluents who double as social influencers, or what Ipsos refers to as "affluencers."

Influencers are extremely powerful in making an impact on followers' shopping behaviors and decision-making. The affluent segment of the population is proving to be a major source of this influence, according to a survey from Ipsos ([see story](#)).

As brands look beyond celebrities, a new ad platform aims to make use of "everyday influencers" to increase word-of-mouth branding and help retailers attract new customers through organic social advertising.

GlobalWide Media has announced the creation of RYPL, its new ad platform that the company claims can contribute to a potential 40 percent lift in ROI on advertising. The platform's appeal rests on its ability to create conversations between consumers around a brand and not just between the brand and the consumer ([see story](#)).

"Word-of-mouth certainly plays a huge role [in retail]," said Pau Sabria, cofounder of [Olapic](#), New York. "In fact, with social media platforms being ubiquitous parts of life for many consumers, brands simply must be aware of the conversations that consumers are having about them online, as they can shape the public perception of brands.

"While it's not always possible to directly influence how consumers talk about brands online, it's important that brands be authentic, transparent and responsive, working to serve the needs of their customers in a trustworthy way if they are to create the foundation for a positive perception by consumers," he said.

"In addition to the effect that influencers can have on purchase considerations and decisions, our study also found that 24 percent of respondents have recommended a product or service based on an influencer post, showing that influencers can also impact word-of-mouth."

Best practices for influencer marketing:

- Michael Jas, Launchmetrics:
 - "Today, the keyword in influencer marketing is authenticity, and this should be the main theme throughout all of a company's initiatives. With that in mind, I think one of the most overlooked areas to find ambassadors is within your own customer database. These people already know you and have a personal affinity to your brand, so leveraging these authentic relationships [is] critical when building an organic influencer marketing strategy.
 - "Too many brands take an influencer-centric approach when deciding who to work with, allowing an influencer's perceived popularity to hinder their decision. At Launchmetrics, we support an audience-

centric approach to selecting influencers, allowing data to guide decision-making. In this method a brand focuses on matching the areas of interest of their customers or potential customers with those of an influencer whose metrics mirror those."

- Pau Sabria, Olapic
 - "Seek out influencers that truly connect with your audience, while also aligning with the values of the brand. When a marketer thinks they've found a good match, they should dig deep into the numbers and interactions to ensure the influencer is really as effective as they claim to be. There's been a lot of news coverage lately around influencers who boost their numbers through bots and fake followers. If an influencer has a healthy number of followers, but relatively little engagement with them, then that person either isn't engaging the audience, could have fake followers, or possibly both.
 - "Set expectations at the outset. Understand how the influencer wants to be compensated, whether it's in exchange for goods/services, through a flat fee, or a pay-for-performance model. Marketers should know their KPIs, communicate what their expectations are from the engagement and design influencer programs that support them.
 - "Brands and influencers alike should remember to disclose the nature of the relationship openly and in accordance with Federal Trade Commission guidelines. Using appropriate hashtags that communicate the relationship between the brand and influencer within posts doesn't just help both parties avoid penalties. It ensures transparency with consumers so that both the brand and influencer maintain an authentic relationship with audiences."
- Gil Eyal, HYPR
 - "Find influencers who are real fans of your products. There's no better champion than someone who actually loves your stuff, and this will create value everywhere authenticity, lower costs, longer-term relationship and loyalty to your brand.
 - "Pick influencers from a large pool. Don't settle for a few options you found online or people that have a long list of followers and happen to share the same managers. Do your due diligence and find the people that genuinely have a voice with your audience. You wouldn't advertise in a magazine without knowing who reads it. Why work with an influencer without knowing they hit your audience?"
- Neil Waller, Whalar
 - "Within the influencer community are incredible creative minds and leveraged properly they can give you a nimble, scalable and global production opportunity. We worked with Dior on a campaign that saw them have creative assets produced by 200 influencers from 58 different countries, all working to the same brief and producing content for that brief that came from across the globe.
 - "With regards to consumer insights, it can be easy to forget that influencers are also consumers and leveraging that to learn how you might communicate with different audience groups, in different markets and in different mediums, is another opportunity that exists within influencer marketing. Ultimately, you should be looking at each influencer marketing campaign from a creative production, audience engagement and consumer insights perspective."
- Adam Rivietz, #paid
 - "Influencer marketing can provide a lot of value to luxury brands, but only if the partnership is executed properly. Since luxury marketing often seeks to tell a more in-depth story to a more specific demographic, we strongly recommend that they work with influencers that have smaller, more targeted audiences. It is also vital that these audiences are vetted properly, not just for their size and content but their engagement numbers, to verify they are speaking to a real and captive audience."