

The State of Influencer Marketing 2018

A look into how brands and agencies view the future of influencer marketing



PHOTO BY:
GENTRI LEE FOR HÄAGEN DAZS

92% of marketers who used influencer marketing in 2017 found it to be effective. As the industry matures, marketers are using integrated strategies to impact lower funnel metrics in 2018.

The State of Influencer Marketing 2018 was designed to understand how brands and agencies are using influencer marketing and how they plan to leverage the channel in 2018. 181 marketers and their agencies participated in the survey in November 2017 across a variety of industries, including CPG, Food & Beverage, Media, and Retail.

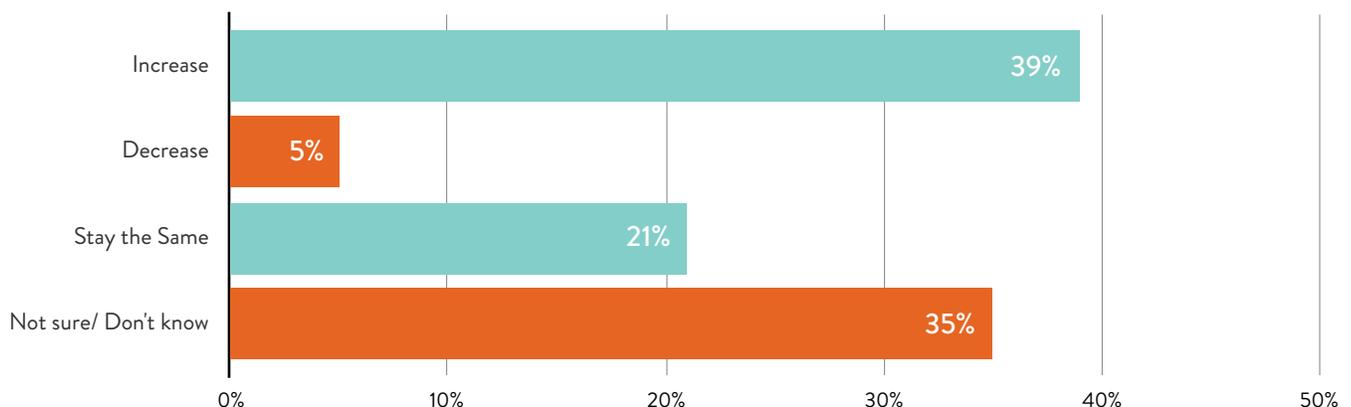
According to the survey, 86% of marketers used influencer marketing in 2017, 92% of whom found it effective. The continued widespread adoption of influencer marketing indicates that the channel is becoming an integral part of the marketing mix and is not a passing fad.

BUDGETS ARE INCREASING IN 2017

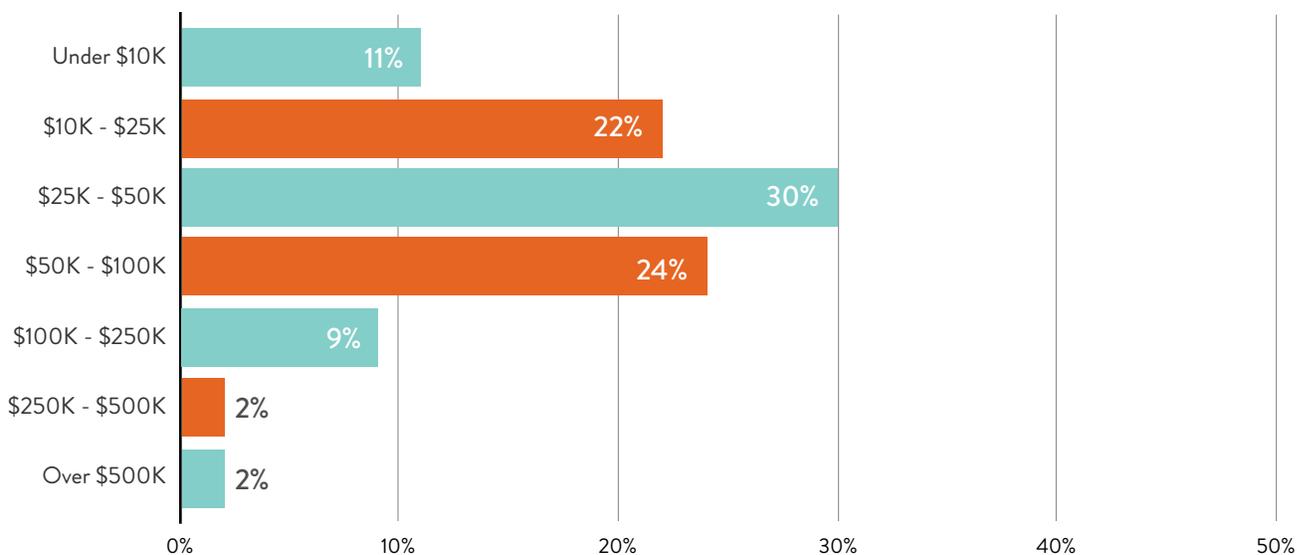
39% of marketers surveyed plan to increase their influencer marketing budget in 2018, with only 5% planning to decrease their investment in the channel. 30% of marketers report that they will spend between \$25K - \$50K per program and 25% report that they will spend between \$50K - \$100K per program in 2018. 19% plan to spend over \$100,000 per program, up from 13% last year. 46% of marketers run between 2 - 5 programs per year per brand and 31% run more than five programs per year per brand, with enterprises typically holding portfolios of dozens of brands.

“39% of marketers plan to increase their influencer marketing budget in 2018.”

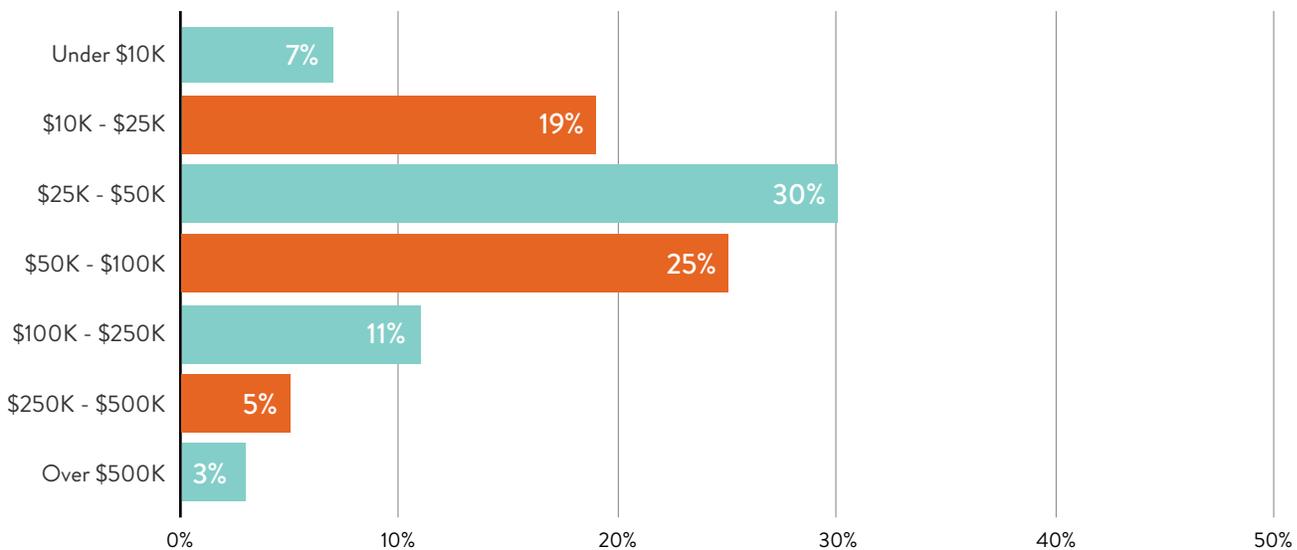
How is your influencer marketing budget going to change in 2018?



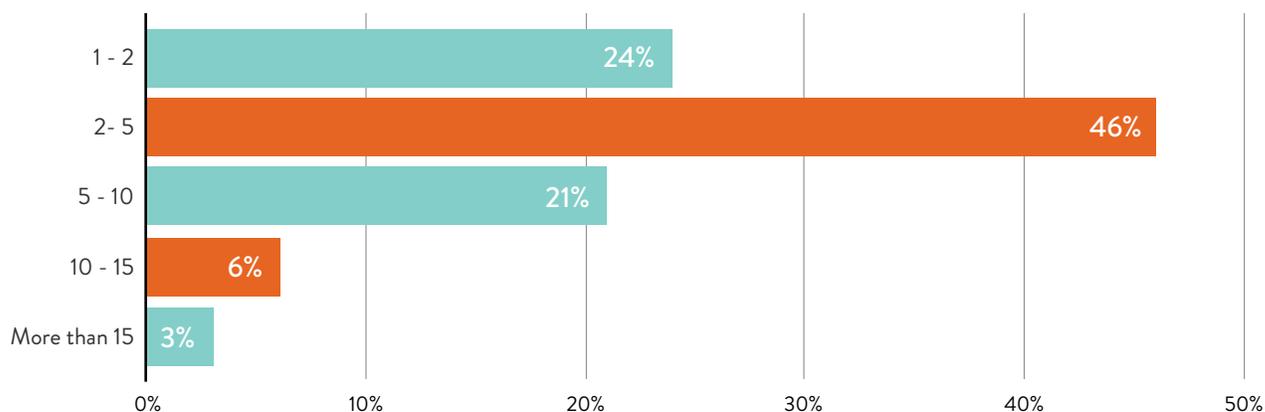
On average, how much do you spend per influencer marketing program?



How much do you plan to spend per influencer marketing program in 2018?



How many influencer marketing programs do you typically run per year per brand?



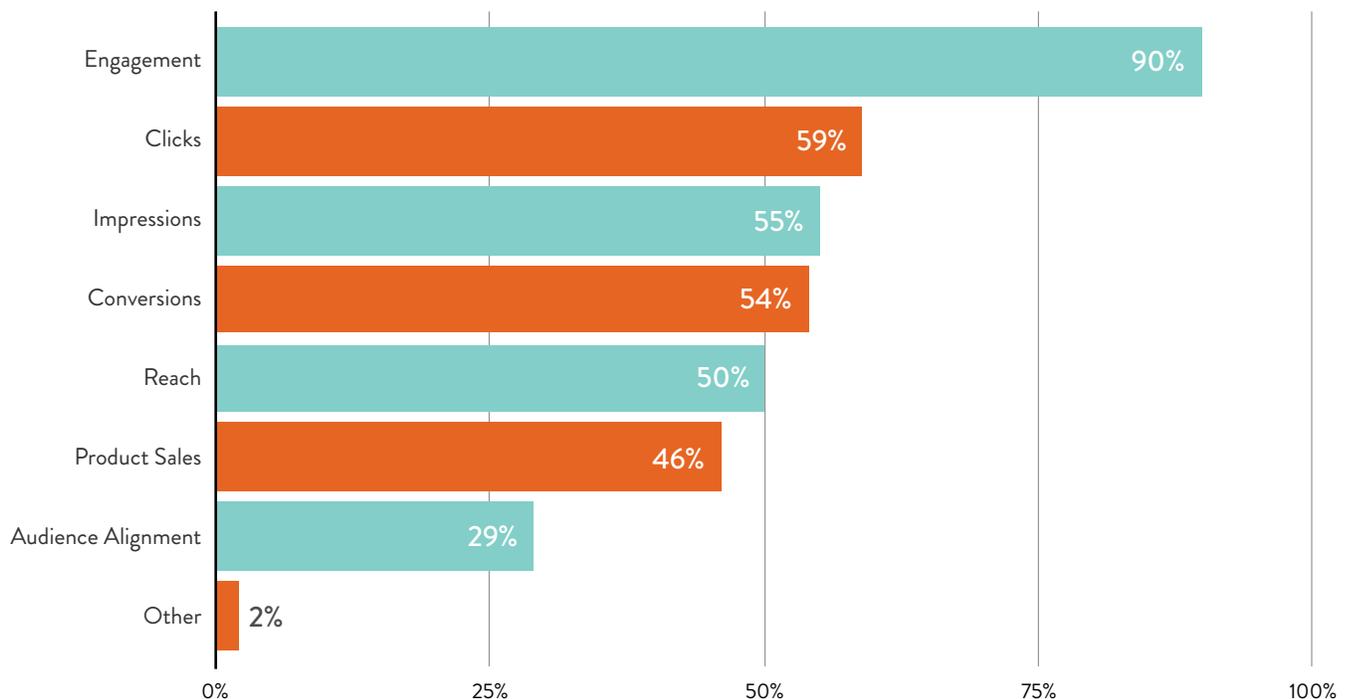
Measuring the ROI of Influencer Marketing

76% of marketers cite measuring the ROI of influencer marketing as their top challenge for 2018. However, advanced marketers are starting to look at the full consumer journey, holding influencer marketing accountable for driving lower funnel metrics in addition to awareness and engagement. When measuring the success of influencer marketing programs, marketers cite engagement (90%), clicks (59%), and conversions (54%) as top performance indicators.

“Marketers cite engagement and clicks as top performance indicators.”

In 2017, 46% of marketers also used product sales to determine the success of a program, a notable jump from just 34% in 2016. Conversely, 50% of marketers measure success based on reach, an 11% drop from last year. This signals a shift away from surface level metrics that are impossible to measure organically as marketers become more sophisticated.

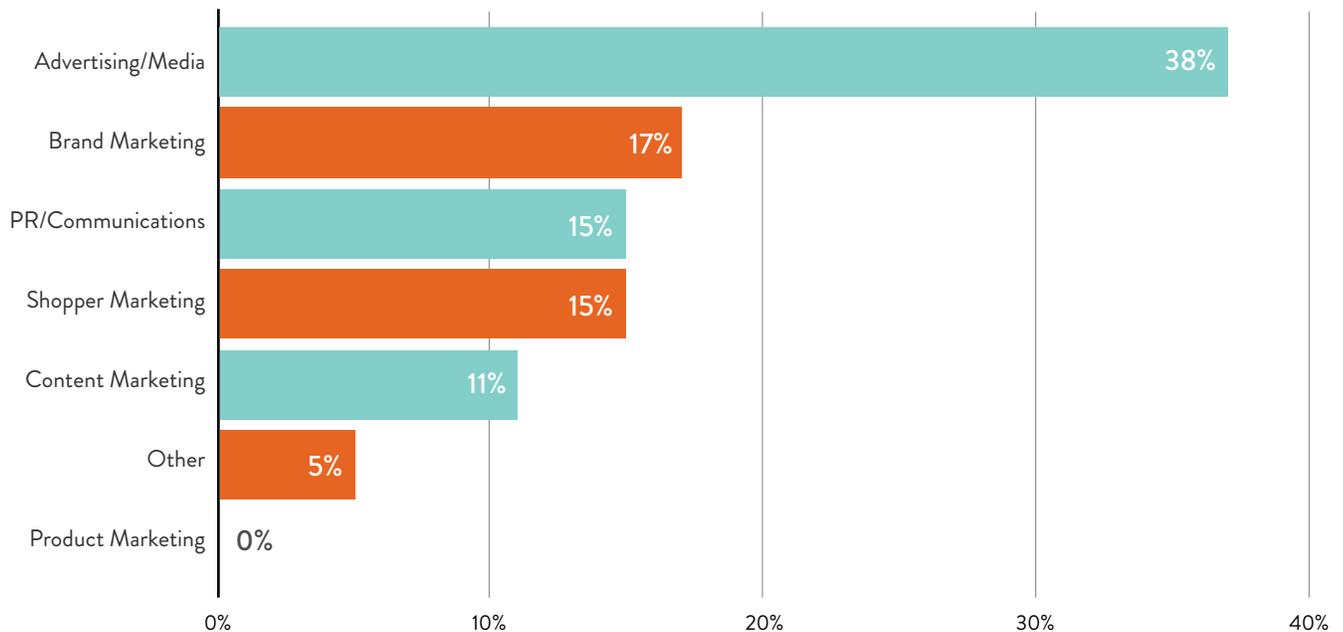
How do you measure the success of your influencer marketing programs?



A SHIFT IN OWNERSHIP

Influencer marketing has traditionally been viewed as a PR/communications tactic and is widely used as a reach and awareness tool. However, as the industry matures, there has been a clear shift in ownership. The survey found that 38% of influencer marketing owners are on advertising/media teams, whereas only 15% are with PR/communications, a notable decrease from 31% last year. Media teams are taking ownership of influencer marketing as targeting capabilities evolve and budgets continue to increase, and are managing programs with the same rigor that they use to manage other digital advertising channels.

What is your functional area?



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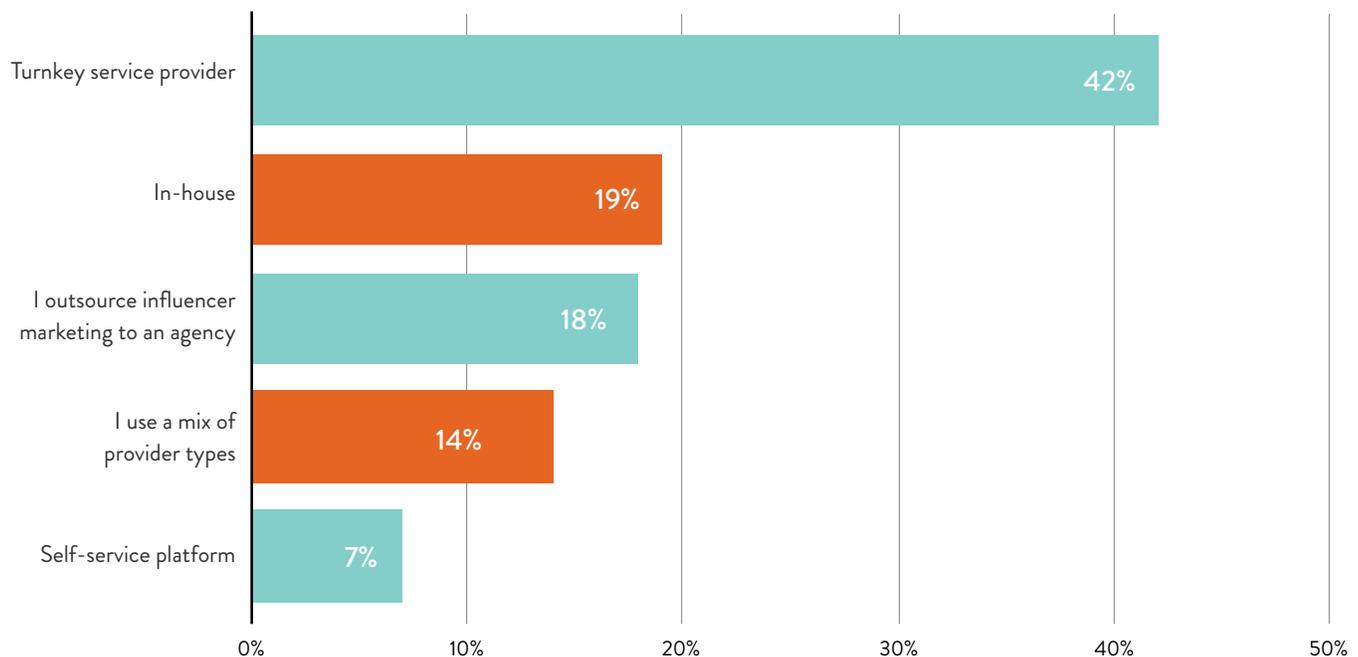
Managing Influencer Marketing

WORKING WITH INFLUENCER MARKETING PARTNERS

Influencer marketing programs can be time-consuming to manage, and marketers must make room for influencer marketing in an already bustling schedule. As a result, the amount of time it takes to manage influencer marketing programs is ranked as one of the top challenges of 2018. To alleviate the strain on bandwidth, 42% of marketers partner with a managed service or “turn-key” provider to run their influencer marketing programs and another 18% rely on their agencies to plan and execute campaigns. 19% manage programs in-house and 14% use a blended approach. At only 7%, using a self-service platform is the least common choice.

“42% of marketers partner with a managed service.”

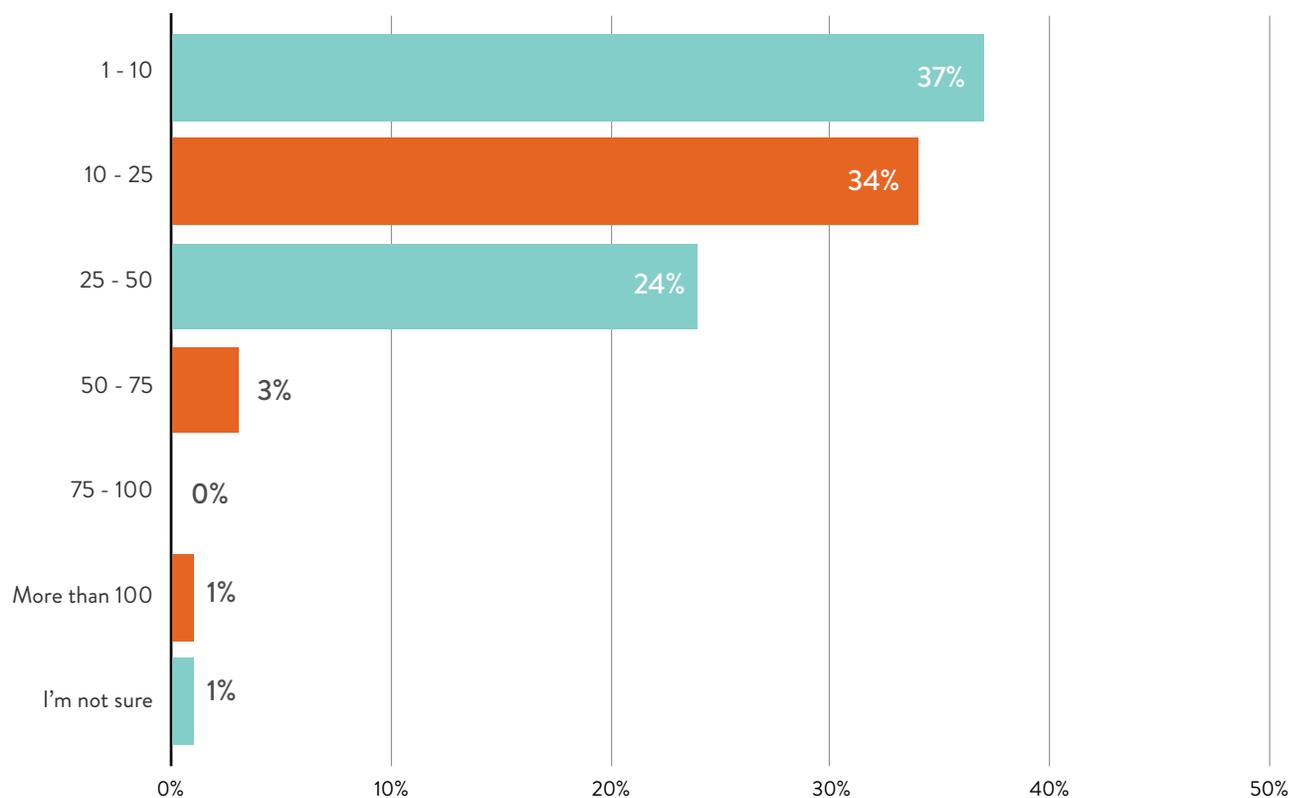
How do you manage your influencer marketing programs?



WORKING WITH INFLUENCERS

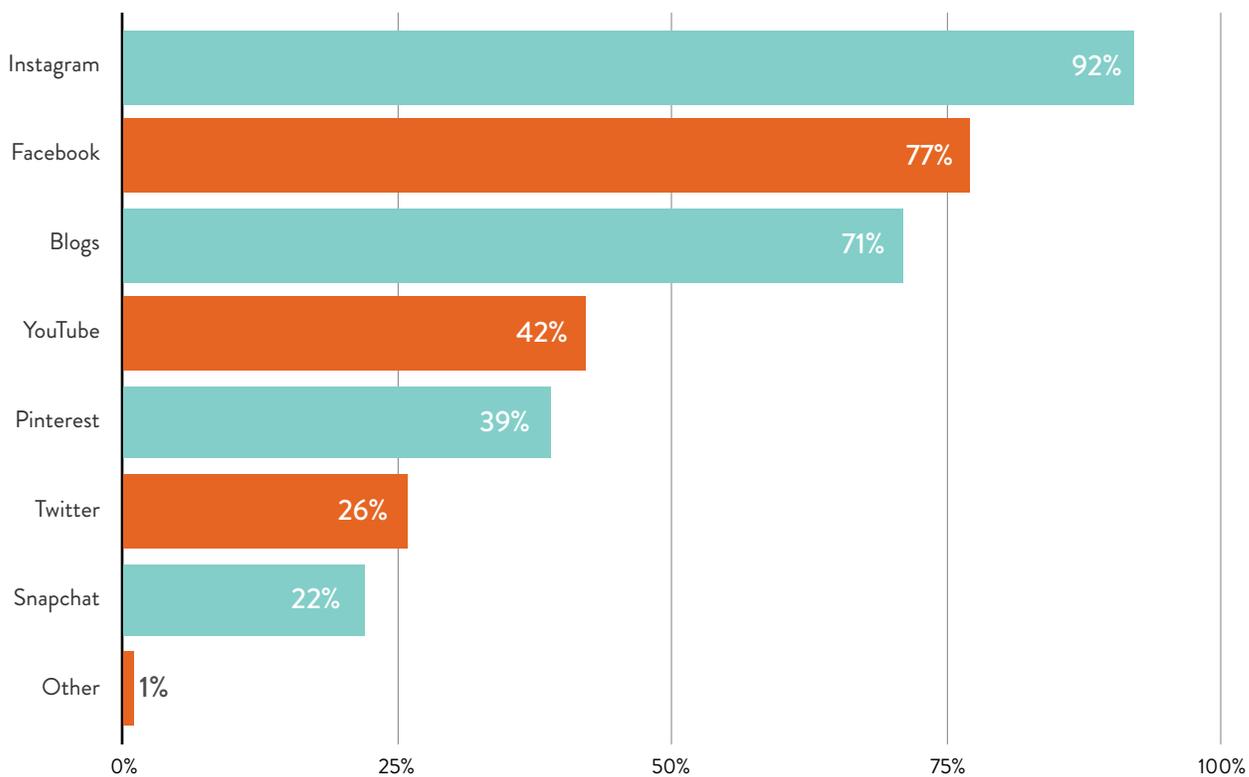
As marketers gain more experience working with influencers and find trusted partners to work with, they are scaling the size of their influencer marketing programs. 63% of marketer are now working with 10 or more influencers per program. In 2017, nearly a quarter (24%) of marketers worked with 25-50 influencers per program, an increase of 14% from the previous year, while only 34% of marketers worked with 10-25 influencers per program, down from 52% in 2016.

How many influencers do you typically work with in a program?

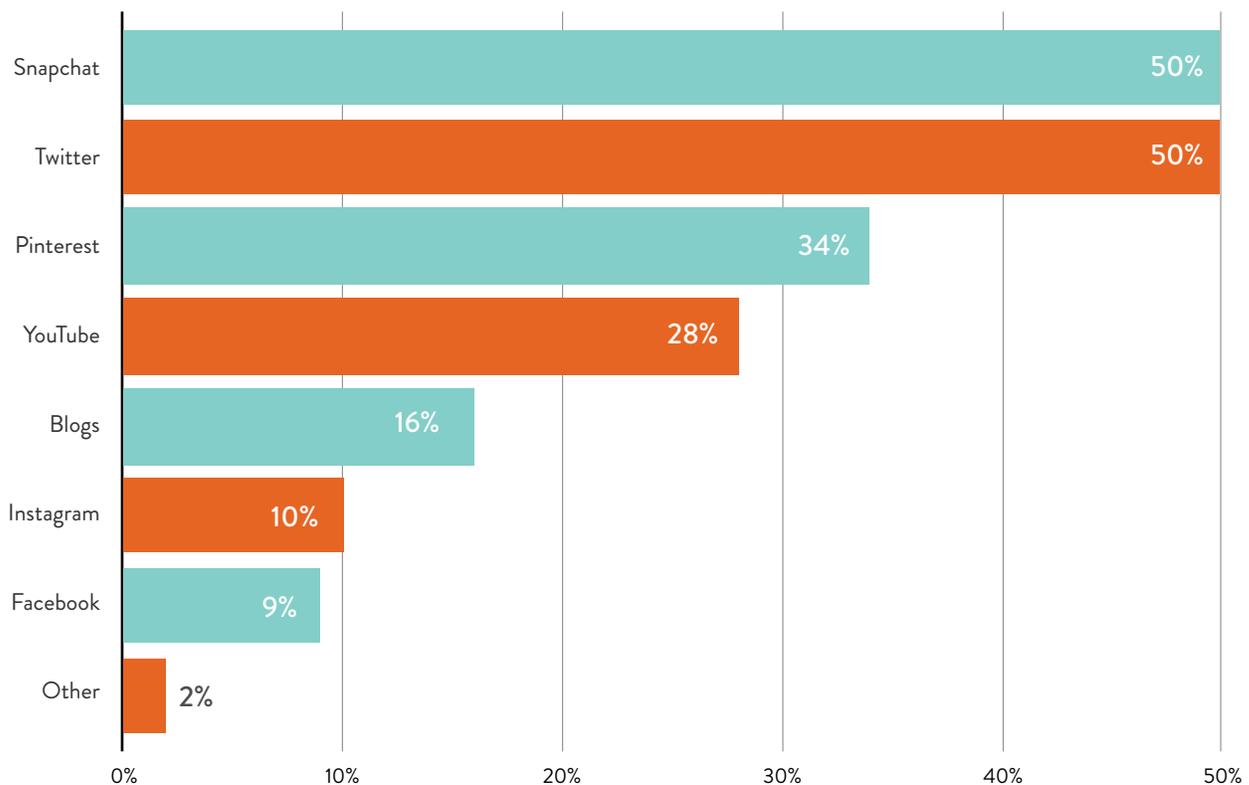


92% of marketers cite Instagram as the most important social network for influencer marketing in 2018, followed by Facebook (77%). At 71%, blogs are a close third, up from 48% in 2016. However, the blog's rise in importance comes at the expense of Snapchat, which was named the least important social network for influencer marketing in 2018 by 50% of the marketers surveyed.

Which social platforms are **most important** to your influencer marketing strategy going into 2018?



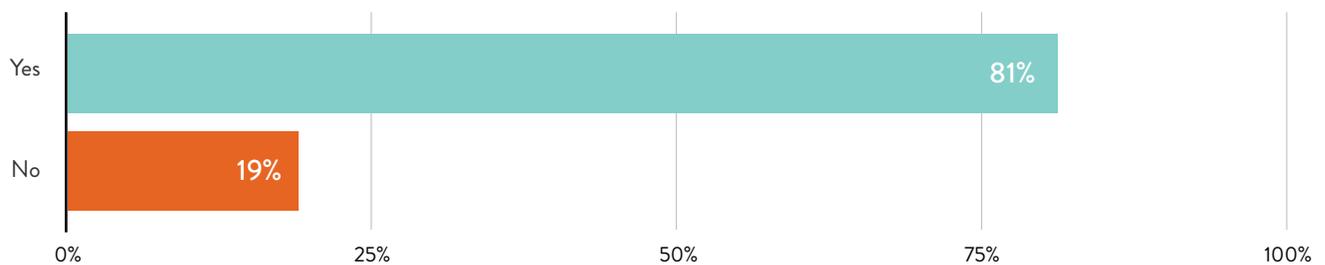
Which social platforms are **least important** to your influencer marketing strategy going into 2018?



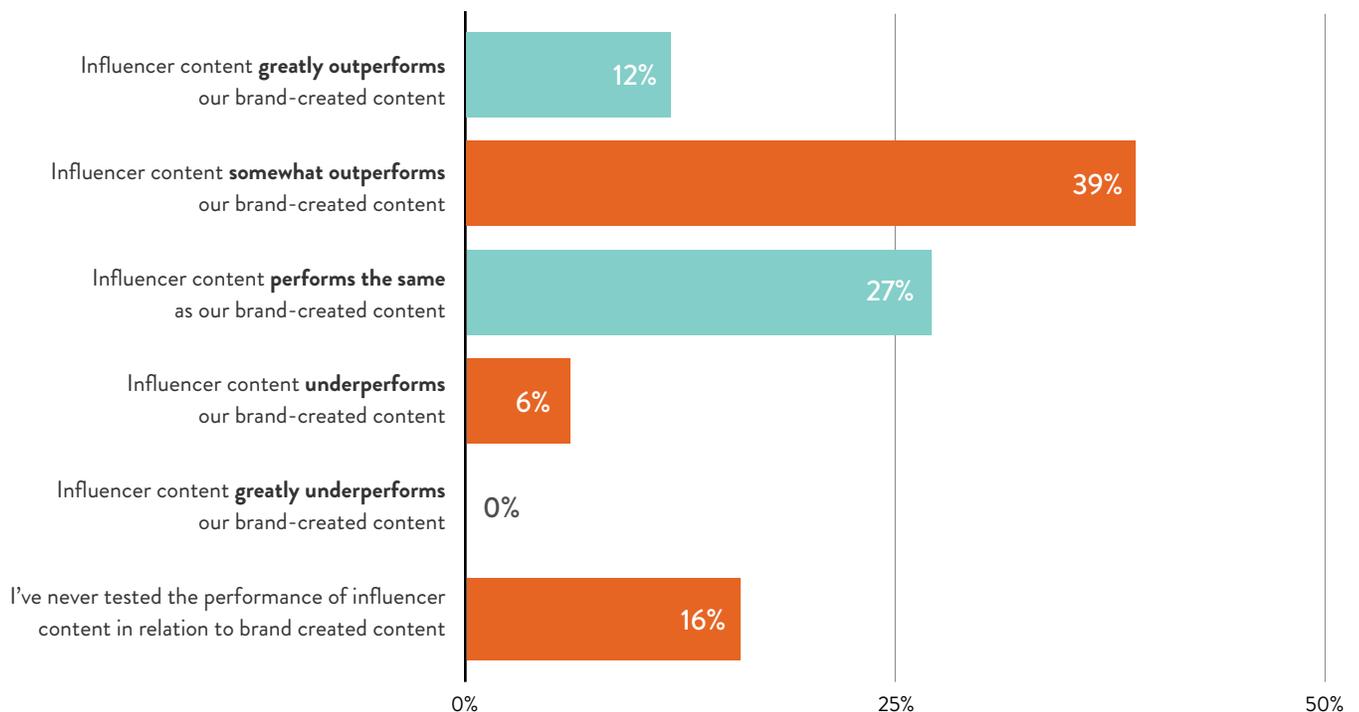
INTEGRATING INFLUENCER MARKETING WITH OTHER CHANNELS

Influencer content is effective because of its authentic nature, which makes influencer marketing programs a strategic content investment in addition to a media channel. 81% of marketers are currently using influencer content in other channels, with 51% reporting that it outperforms brand-created content. Of those that haven't tested influencer content against brand created content yet, 59% are planning to do so in 2018. Another 44% are going to use it to improve the performance of other digital channels while 36% of marketers plan to integrate influencer content with e-commerce to drive product sales.

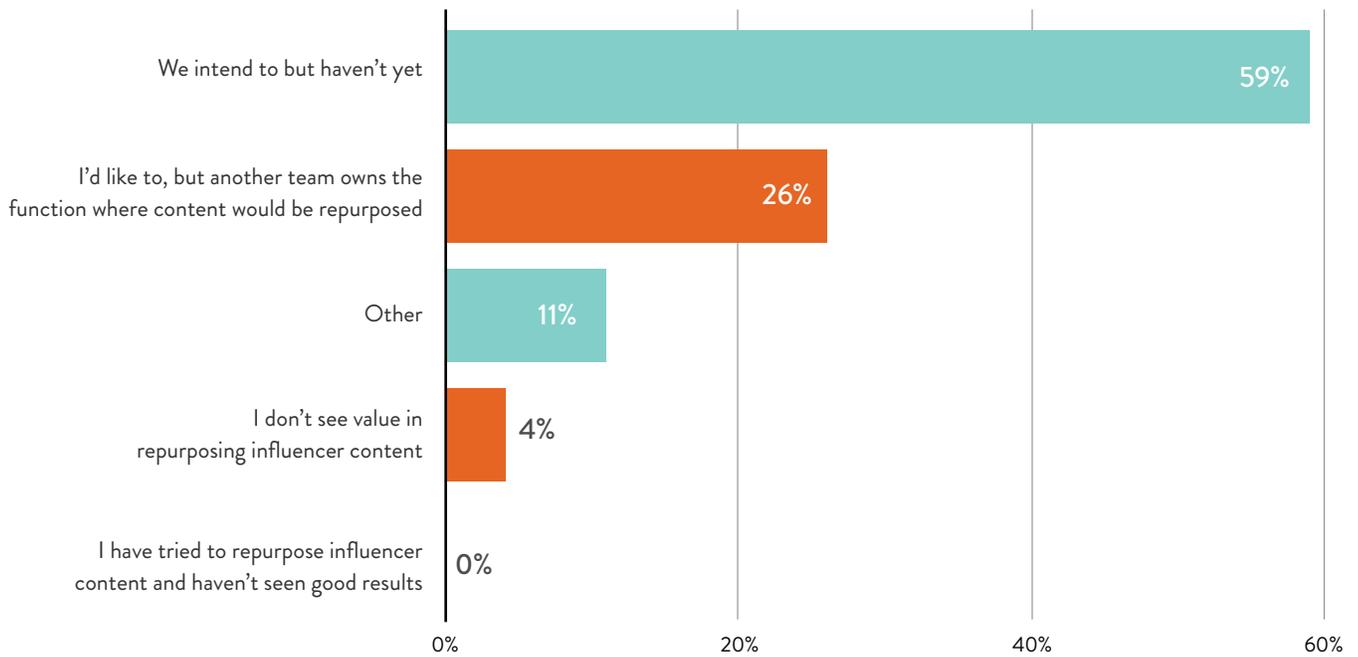
Do you use influencer content in other marketing channels?



How does influencer content perform in relation to your brand-created content when you use it in other channels?



Why don't you repurpose influencer content in other marketing channels?



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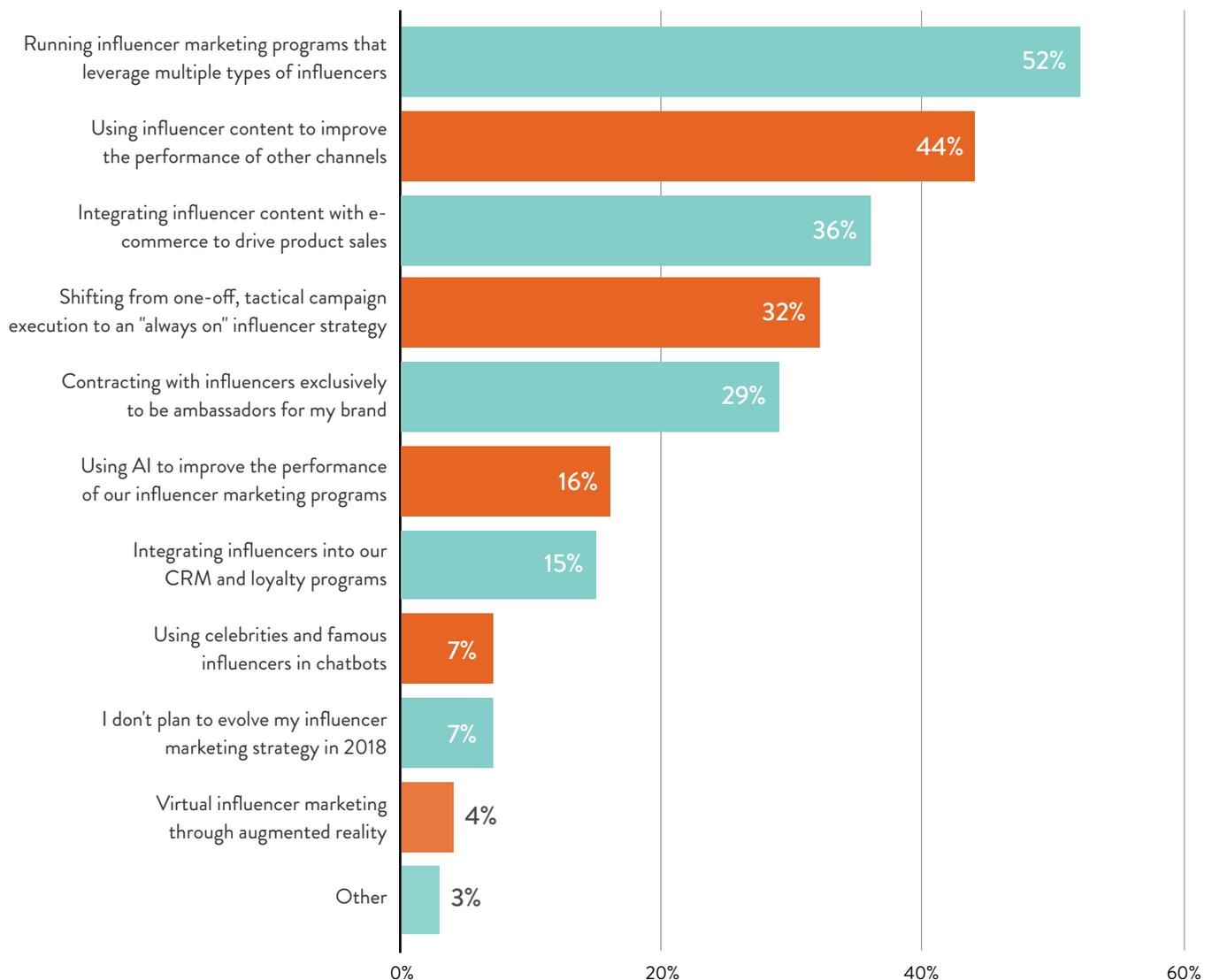


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2018 Influencer Marketing Trends

When asked which influencer marketing trends they plan to adopt in 2018, 52% of marketers cited running influencer marketing programs that leverage multiple types of influencers (celebrities, top-tier, micro-influencers) as part of an integrated strategy. 44% plan to use influencer content to improve the performance of other channels and 36% plan to integrate influencer content with e-commerce to drive product sales. Nearly a third (32%) of marketers will shift from one-off, tactical campaign execution to an "always on" influencer strategy while 29% plan to contract exclusively with influencers to be brand ambassadors.

Which of the following influencer marketing trends are you planning to adopt in 2018?

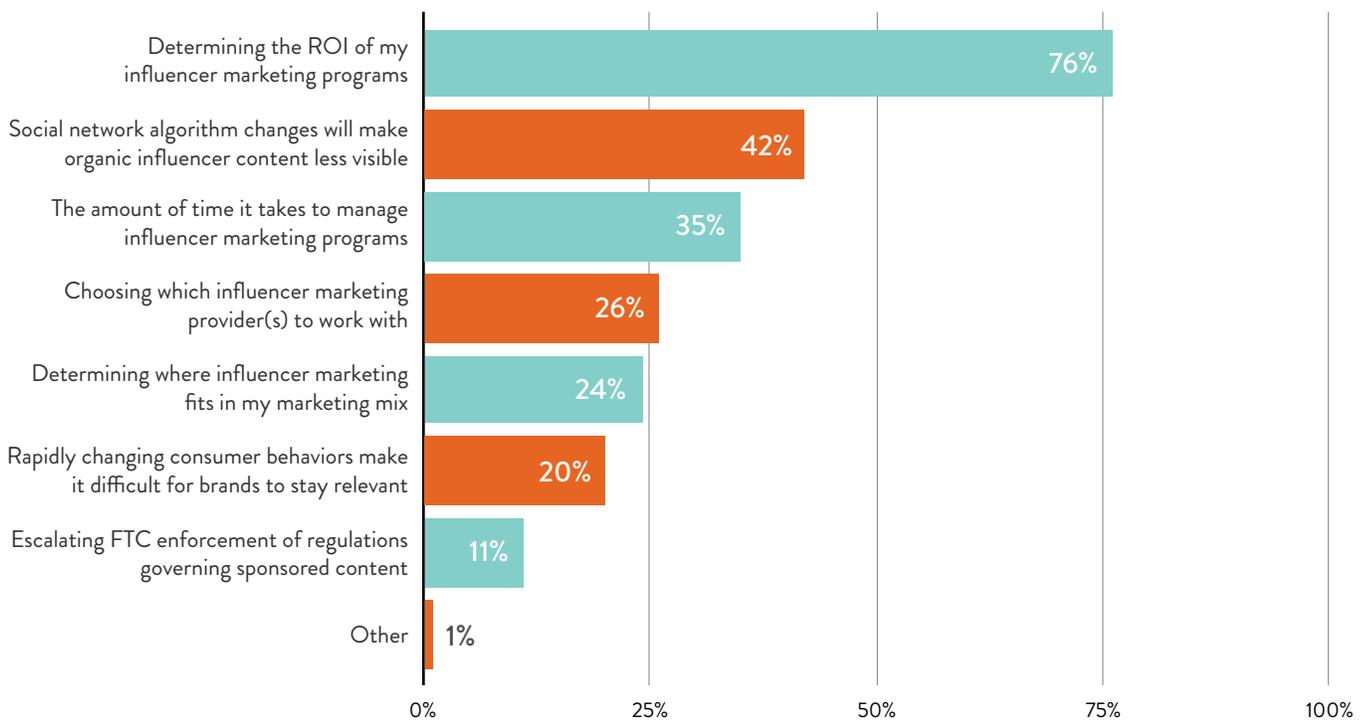


TOP INFLUENCER MARKETING CHALLENGES OF 2018

76% of marketers are still struggling to determine the ROI of influencer marketing and cite it as the number one challenge of 2018. As the industry matures, marketers need to take a serious look at their measurement methodologies and hold their influencer marketing programs to the same measurement standards as their other media investments.

Marketers are also concerned that changing social algorithms will make organic influencer content less visible, as Facebook requires that influencers tag all sponsored content on Facebook and Instagram via their branded content tool. 42% of marketers ranked changing social algorithms as the second biggest challenge of 2018. In addition, 35% of marketers are looking to decrease the amount of time that it takes to manage influencer marketing programs and 26% cite vendor selection as a top challenge.

What do you see as the top influencer marketing challenges in 2018?

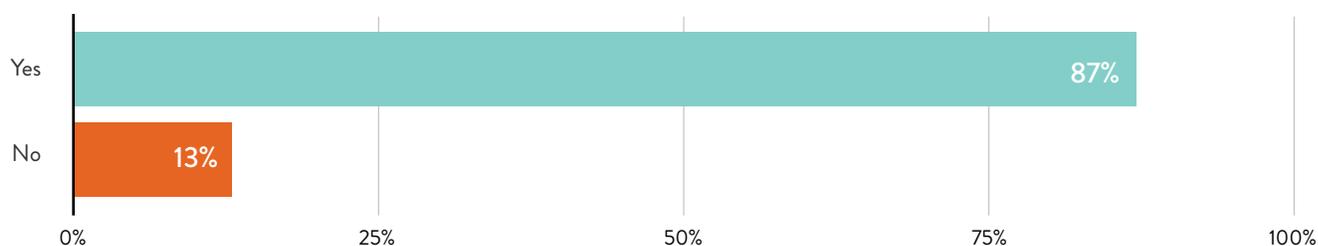


Keeping up with FTC Regulations

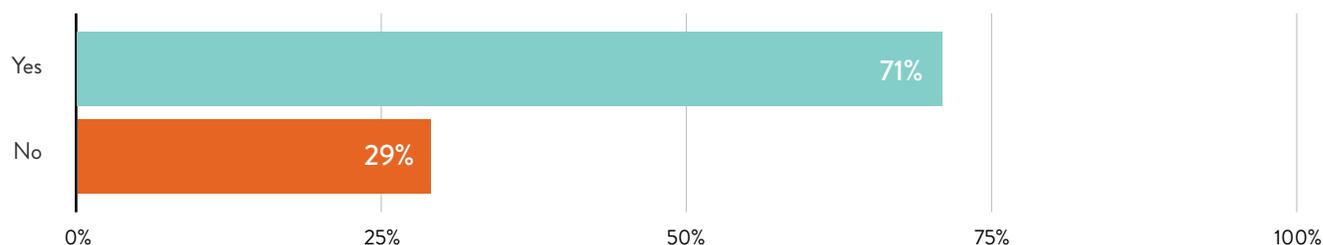
The U.S. Federal Trade Commission (FTC) exists to protect consumers from unfair business practices both on and offline. When it comes to influencer marketing, the FTC Endorsement Guides have become increasingly stringent, requiring that influencers clearly disclose sponsored posts if they received monetary or in-kind compensation.

87% of marketers report that they require influencers to disclose sponsored content and comply with FTC regulations. 71% say they are up-to-date with the current guidelines, up from 55% in 2016, indicating that marketers are taking these guidelines more seriously in the wake of escalating enforcement.

Do you require that influencers disclose sponsored content to comply with FTC Regulations?



Do you know what the most recent FTC disclosure guidelines are?



The current FTC guidelines require that sponsored social media posts include the hashtags “#sponsored” or “#ad” as close to the beginning of the content as possible and before any links leading back to a brand’s landing page. In a blog post, the disclosure statement must be clearly visible and come above the “fold” or “scroll” ahead of any brand links. For video and audio sponsored content, there must be either an audible verbal disclosure or a written disclosure on a clearly legible title card at the beginning of the file.

Conclusion

As influencer marketing matures, marketers are starting to use the channel strategically to impact lower funnel metrics like clicks, conversions, and product sales. They are also integrating influencer marketing with other digital channels and leveraging influencer content beyond the initial program to improve the performance of their paid, owned, and earned media. Marketers are beginning to benchmark the performance of influencer content against brand-created assets, and social networks that make content easily discoverable and repurposable are taking a larger part of the influencer media plan.

SURVEY DEMOGRAPHICS

181 marketers participated in *The State of Influencer Marketing Survey* across a variety of industries, including CPG, Food & Beverage, Media, Retail and their agencies. This survey was conducted in October and November of 2017.

About Linqia

Linqia combines the science and accountability of online media with award-winning service to deliver guaranteed influencer marketing results for our clients. Our AI-driven platform and team of experts are leading the transformation of influencer marketing into a scalable media channel. Linqia Performance Platform also serves as a social content lab, where marketers can organically test and amplify the best performing influencer content to drive greater ROI from their paid, owned and earned media.

Founded in 2012, Linqia works with over 300 leading national brands including Kimberly-Clark, McDonald's, NBC, Nestle, Unilever, Viacom and Walmart. Linqia is headquartered in San Francisco, CA, with offices in New York, Chicago, and Bentonville.

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