

Influencer Marketing in 2020

collectively





@steffy x Cupcake Vineyards



@daniellecooper x Delta



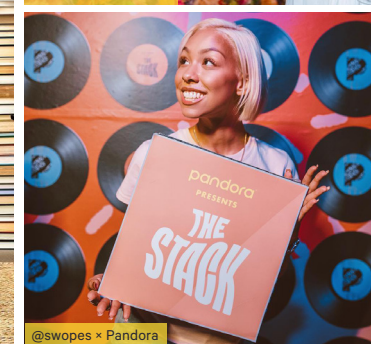
@riva_g. x Athleta



@tourdelust x Aperol



@houseofarbit x LinkedIn



@swopes x Pandora



@fromtheheelsup x ThisWorks

About Collectively

Collectively is a pioneering agency connecting brands with the most creative voices on social media to unlock the full potential of influencer marketing.

We've been leading the industry for the past decade and have been named to Fast Company's Most Innovative Companies list. Our team brings a wide breadth of experience to the creative campaigns and influencer partnerships we develop for brands.

collectively

OUR CLIENTS INCLUDE

intuit®

ABSOLUT.®



LinkedIn

eos



DELTA

AND MANY MORE

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@hayet.rida × Aperol
@cutenlittle × Frost Bank
@jas_blocker × ThisWorks
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Welcome to 2020

We've experienced fifteen years of Facebook and a decade of Instagram. The influencer economy has grown atop these and other key social platforms that have massively shaped the way we relate to each other.

Influencer marketing now stands out as a fully realized, multipurpose marketing channel that's a critical part of every savvy marketer's mix. The practice has reached new levels of transparency, measurability, and precision—as an industry, we've mastered the science.

To shape a report that speaks to this evolution, we've analyzed data from our industry surveys and hundreds of influencer campaigns.

We hope it inspires you to do big things in 2020.

*—Ryan Stern and Alexa Tonner
Collectively Founders*

OUR METHODOLOGY

Sources and data used in this report

This report draws insights from our annual marketer and influencer surveys, as well as data from more than 235 influencer campaigns conducted in 2019.

Our anonymous annual surveys are designed to reveal insights on topics including financials, partnership preferences, and common challenges to help pave the path forward.



A note on influencer classification

While there are not yet universally agreed-upon influencer tiers across the wider industry, we sought to establish consistency within this report as we assessed trends. The following labels have been applied throughout to influencers' audience size.

Nano <10K	Micro 10K-250K
Mid 251K-1M	Macro 1M+

OUR METHODOLOGY

Sources and data used in this report

475
*Total influencer
survey participants*

**Most represented
content verticals**

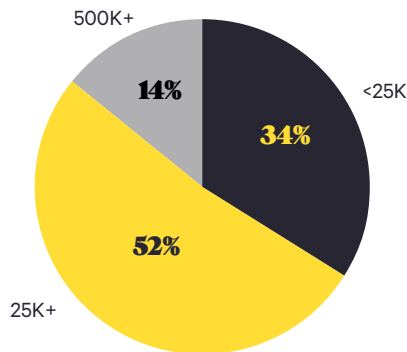
*Lifestyle, fashion,
and travel*

30
*Total marketer
survey participants*

Industries represented:

Alcohol, apparel, B2B, baby, beauty, consumer electronics, consumer packaged goods, entertainment and gaming, food and beverage, financial services, home, online retail, social media, and travel

**Audience
size represented**

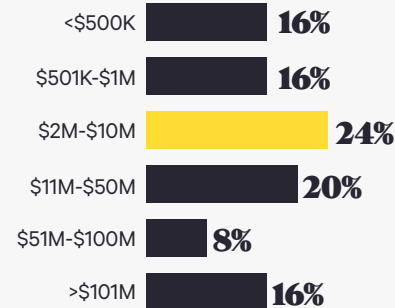


Experience level

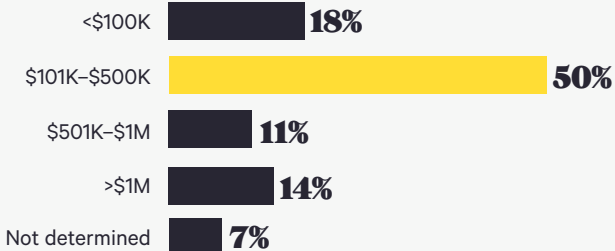
65%
have been creating content for
more than 4 years

35%
have been creating content for
3 years or less

**Annual marketing
and media budget**



**Annual influencer
budget**



A woman in a graduation cap and gown is shown from the waist up, looking upwards and to the right. The image is heavily overlaid with a bright yellow color, making the details of her face and clothing less distinct. The text 'Essential Takeaways & Predictions' is centered over the image in a bold, dark blue font.

Essential Takeaways & Predictions

ESSENTIAL TAKEAWAYS & PREDICTIONS

Analysis and insights for the year ahead



Influencer marketing enters a new weight class

Influencer marketing is now a full-funnel marketing activity and a top priority investment among marketers.

70%

say influencer content performs as well or better than brand-produced content, yet 84% of marketers say they're not using this content to its full advantage.

91%

of marketers see influencers as an effective use of budget.



Prediction

As influencers play a bigger role in social commerce, marketers will recognize the importance of global strategies and internal coordination to drive ROI.



Opportunities multiply and morph

“Influencer” is a multichannel practice that spans far beyond sponsored posts.

More collaborations are crossing new boundaries.

Savvy brands are in it for the assets.

37%

of influencers told us they'd been contacted about being featured in a brand-produced print or video campaign.

45%

of influencers created content for an assignment that did not include posts on their properties.



Prediction

Look for more brand activity outside of influencers' feeds, including live stream based virtual events, influencer-hosted podcasts, and influencer-led research and product consulting.

ESSENTIAL TAKEAWAYS & PREDICTIONS

Analysis and insights for the year ahead



Data fuels decision-making

The practice is more performance-driven than ever thanks to new levels of data transparency.



Performance indicators are shifting—the importance of clicks increased YoY by 231% and conversions by 86%.

Mentions of earned media value (EMV) as a KPI decreased 78%, and only 20% of marketers cited firm minimum engagement criteria when assessing who to partner with.



Prediction

As campaigns become more precise and illuminate influencers' value, audience metrics like age, location, and activity will increase the level of sophistication required for influencer matchmaking and program assessment.



Connections bloom beyond the feed

Fan-influencer relationships transform as platforms launch features that address consumers' desire for privacy.

1:1

Direct messaging is impacting creators' content strategies, enabling opportunities for real 1:1 connections that are less polished and public.

2019

Instagram launched Group Chat, Close Friends, and Threads, and it no longer displays followers' activity. Its aim is to support privacy and increase time spent in-app.



Prediction

Audience engagement and content production opportunities in private channels will emerge; marketers and regulators will need to adapt to consider brand-safe activity outside the feed.

ESSENTIAL TAKEAWAYS & PREDICTIONS

Analysis and insights for the year ahead



Influencer marketing drives full-funnel ROI

Sophisticated content reuse and amplification unlock the full impact of investments.

2x

Though marketers' requests for paid social rights from influencers increased 2x in 2019, 70% say they are not regularly amplifying influencer content on their own.

61%

of our client community leveraged our content amplification offering and saw return on ad spend between 2x and 12x.



Prediction

As more marketers look to influencer marketing to drive and measure conversion via paid social, influencers will increasingly seek agent support to manage the complex licensing required.

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A person wearing a Columbia baseball cap and a Columbia jacket is crouching on a sandy beach. They are holding a surfboard that has the Columbia logo on it. The background shows the ocean waves. The entire image has a warm, orange-yellow color overlay.

What Brands Are Spending

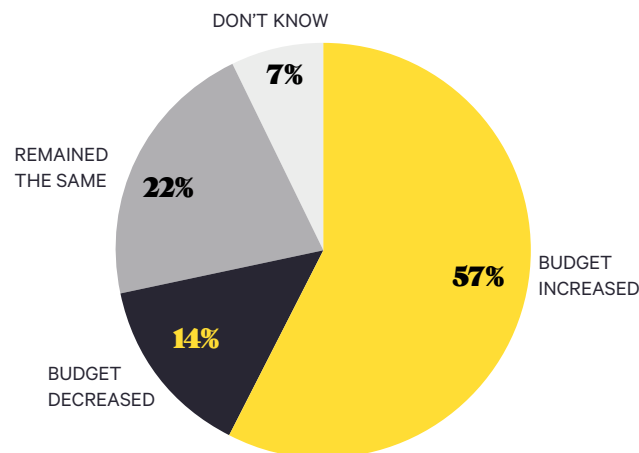
WHAT BRANDS ARE SPENDING

Influencer marketing by the numbers

Influencer investments grow and evolve

For the first time ever, digital ad spending surpassed that of traditional channels in 2019. By 2023, digital is expected to comprise 66% of media budgets. Influencer marketing is at the heart of this shift and plays an essential role in the modern marketer's toolkit. It was the third most invested-in marketing channel in 2019.

Change in influencer marketing budgets from 2018 to 2019.



What we heard

Budget growth rates in 2019 cooled slightly, but most organizations increased or sustained their influencer budgets overall, deepening exploration of the practice.

Annual spend on influencer marketing

14% *spent more than \$1M*

25% *spent more than \$500K*

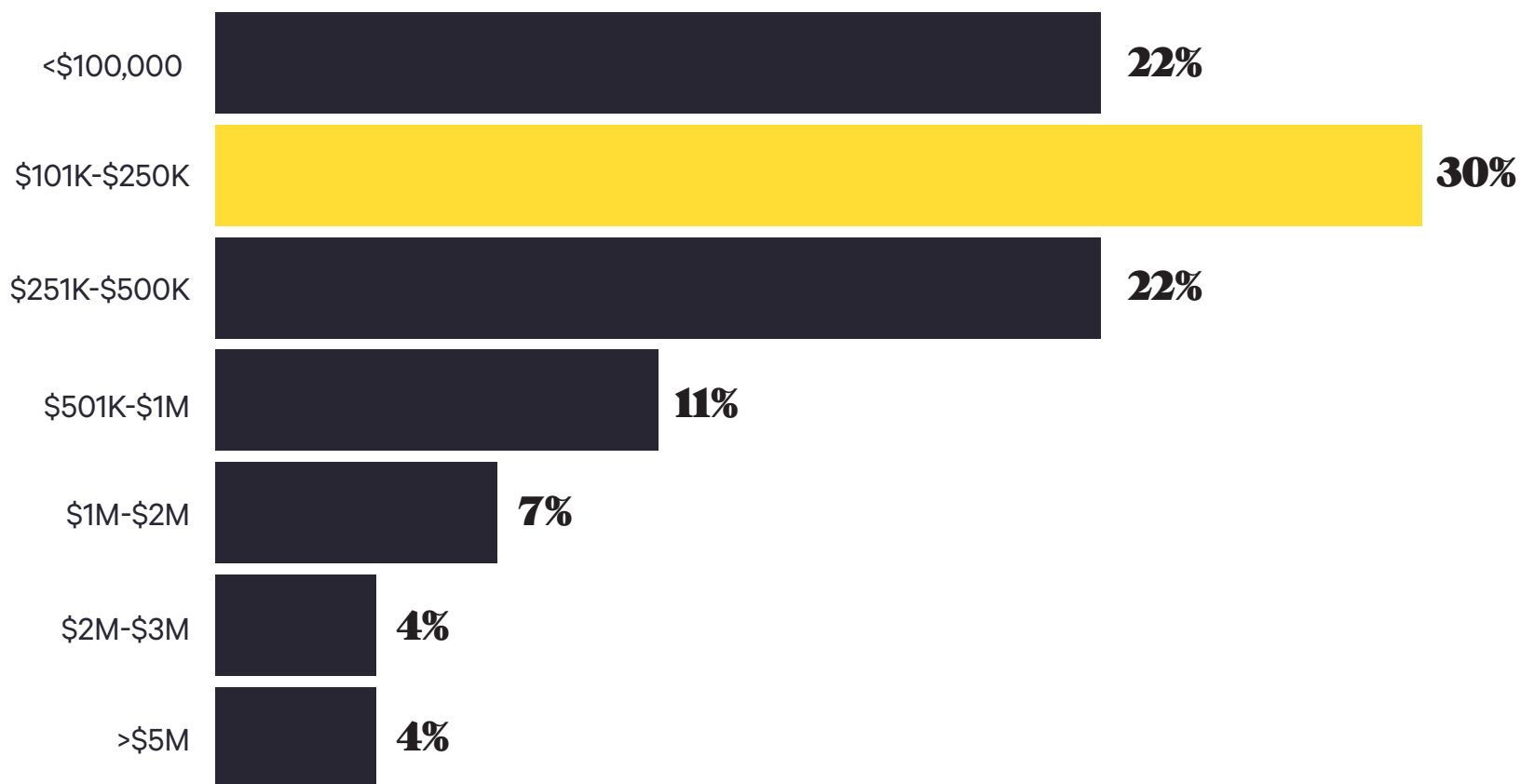
52% *spent less than \$250K*

WHAT BRANDS ARE SPENDING

Influencer marketing by the numbers

We asked our panel of marketers to share the details behind their companies' influencer investments—for some, budgets exceed seven figures.

2019 influencer marketing budgets



WHAT BRANDS ARE SPENDING

Influencer marketing by the numbers

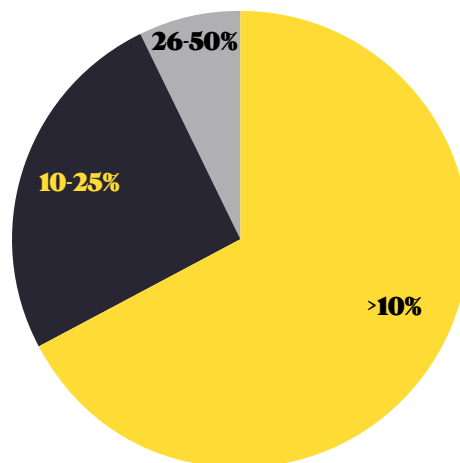
Influencers infiltrate marketers' mix

Brands are hard at work optimizing unique blends of digital, social, and influencer-led strategies to connect with customers old and new.

When asked where they invested the most in 2019, marketers most often cited digital display, social media, and influencer marketing.

Most marketers are likely to allocate around 10% of their overall budget to influencer marketing, but some teams invest as much as 25% to 50%.

Average overall budget allocated to influencer marketing



Marketing channels in order of importance based on investment level

- 1 Digital display and video ads
- 2 Social media and paid social ads
- 3 Influencer marketing
- 4 Broadcast television
- 5 Event/experiential
- 6 Celebrity endorsement
- 7 Direct mail
- 8 Search
- 9 Out of home
- 10 Print
- 11 Product sampling/seeding
- 12 Radio
- 13 Podcast advertising

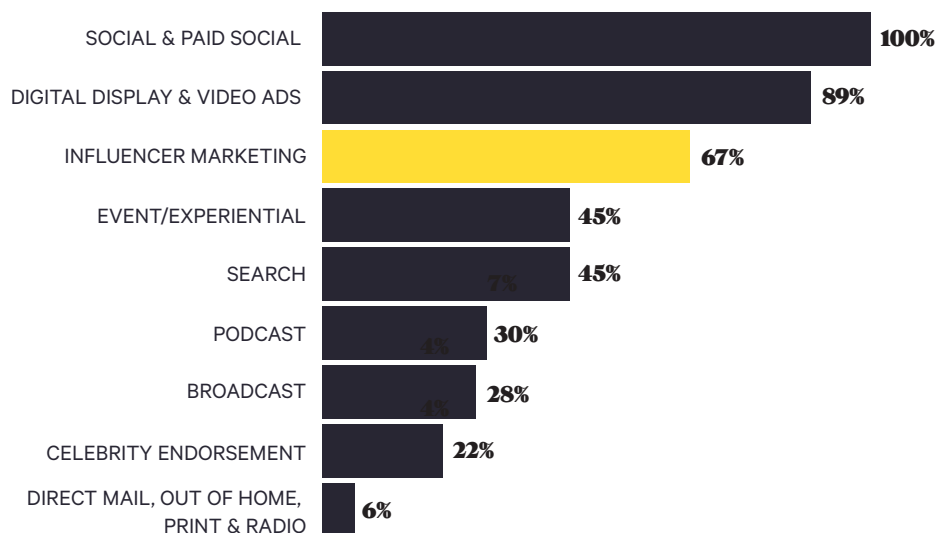
WHAT BRANDS ARE SPENDING

Influencer marketing by the numbers

2020 investment outlook

Influencer marketing will continue to grow as a top channel in 2020. The practice ranked third among the channels in which marketers plan to increase their investments.

Where marketers will increase investments in 2020



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Influencer-podcast intersection

Podcasting is the fastest growing ad-supported media channel and is predicted to generate \$860M in 2020. It has many parallels to influencer marketing, with its personality-centered format, niche audience distribution, and product endorsements by hosts. The Collectively creator community includes 150+ podcasters.



WHAT BRANDS ARE SPENDING

Influencer marketing by the numbers

Between the teams planning to increase versus decrease 2020 influencer investments, there are major differences in activities and expectations.

Companies **increasing** influencer budgets are more likely to:

EMBRACE INFLUENCERS AS A CENTRAL PART OF THEIR MARKETING STRATEGY.

50% said that influencer marketing represents more than 10% of their budget.

RUN MORE ACTIVATIONS PER YEAR.

15 average campaigns per year, or 3x more than those who plan to decrease their budgets.

VIEW INFLUENCER PROGRAMS AS DRIVERS OF AWARENESS, BUZZ, AND CONTENT CREATION.

100% of these companies share similar expectations for what influencers deliver.

Companies **decreasing** influencer budgets are more likely to:

EXPERIENCE STATIC BUDGETS DESPITE THE RISING COST OF INFLUENCER FEES.

67% of these companies did not increase their 2019 influencer investments.

DEVOTE SMALLER BUDGETS TO INFLUENCERS.

84% invested less than 10% of their marketing budget on influencers.

FAIL TO DERIVE VALUE FROM THEIR PROGRAMS BEYOND INFLUENCERS' CHANNELS.

100% don't think they're using influencer content to its full potential—only 17% are regularly amplifying content.



How the Work Gets Done

HOW THE WORK GETS DONE

Collaborating for success

Cross-functional collaboration leads to the best outcomes

How marketers organize within companies can make a huge impact on their influencer investments. Through cross-functional funding, collaboration, and alignment on accountability, brands can create efficiencies with influencer rates, reduce their volume of photo shoots, speed up timelines, and streamline vendor costs.

41%

of marketers reported that two or more teams pool funding to sponsor influencer programs in a joint endeavor.

“Influencer marketing is critical to invest in. Our focus over the next few years will be to establish a global, unified influencer strategy and the right internal processes so that influencer marketing becomes a true marketing channel that the business can leverage for growth.”

Financial services marketer, \$101M+ marketing budget

HOW THE WORK GETS DONE

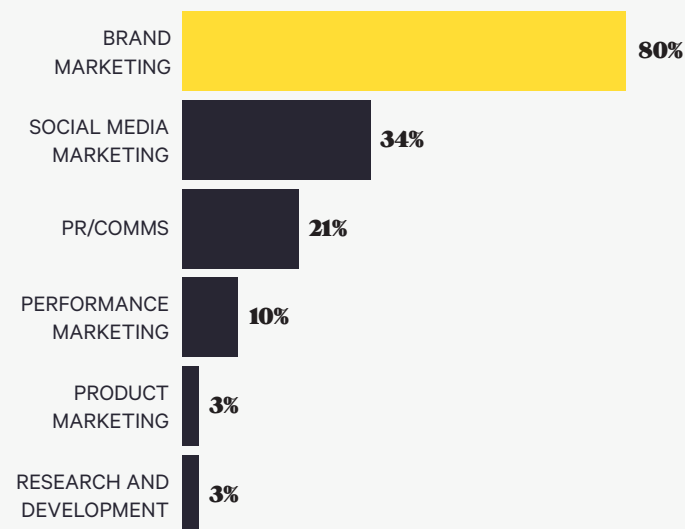
Cultivating expertise within organizations

Brand marketing teams take the lead

No longer relegated to social media or public relations silos, influencer marketing is now often being driven by brand marketing teams that oversee more holistic strategies and coordinate initiatives across marketing organizations.

This allows the smartest companies—from digital-native startups to legacy brands—to use influencer marketing across marketing goals—be they brand awareness, content creation, advocacy, or conversion.

Teams contributing to influencer marketing investments



80%

of marketers indicate that brand marketing teams contribute funding—a 25% increase from 2018.

HOW THE WORK GETS DONE

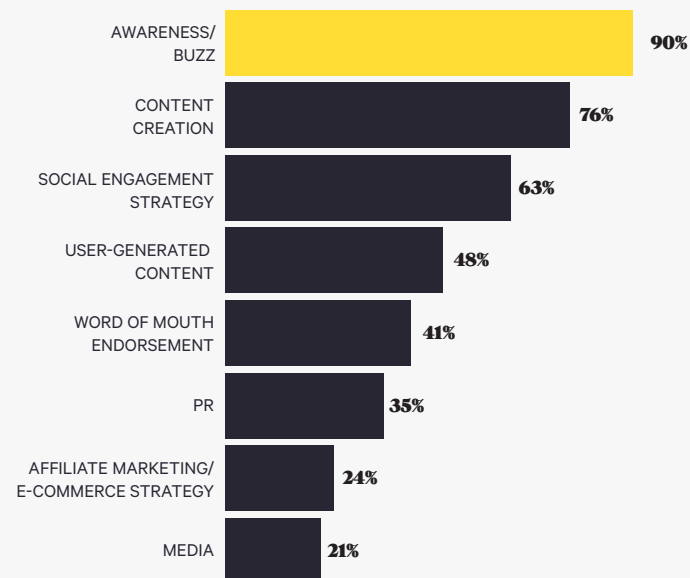
Cultivating expertise within organizations

How teams view influencers' value is multidimensional

Marketers believe their influencer investments yield at least 4 different types of value, with awareness and content creation being the most common.

With multiple layers of value at stake, it's critical to connect cross-functional teams to build a unified strategy that supports an overall mission.

How marketers view their influencer investments



2020 TIP

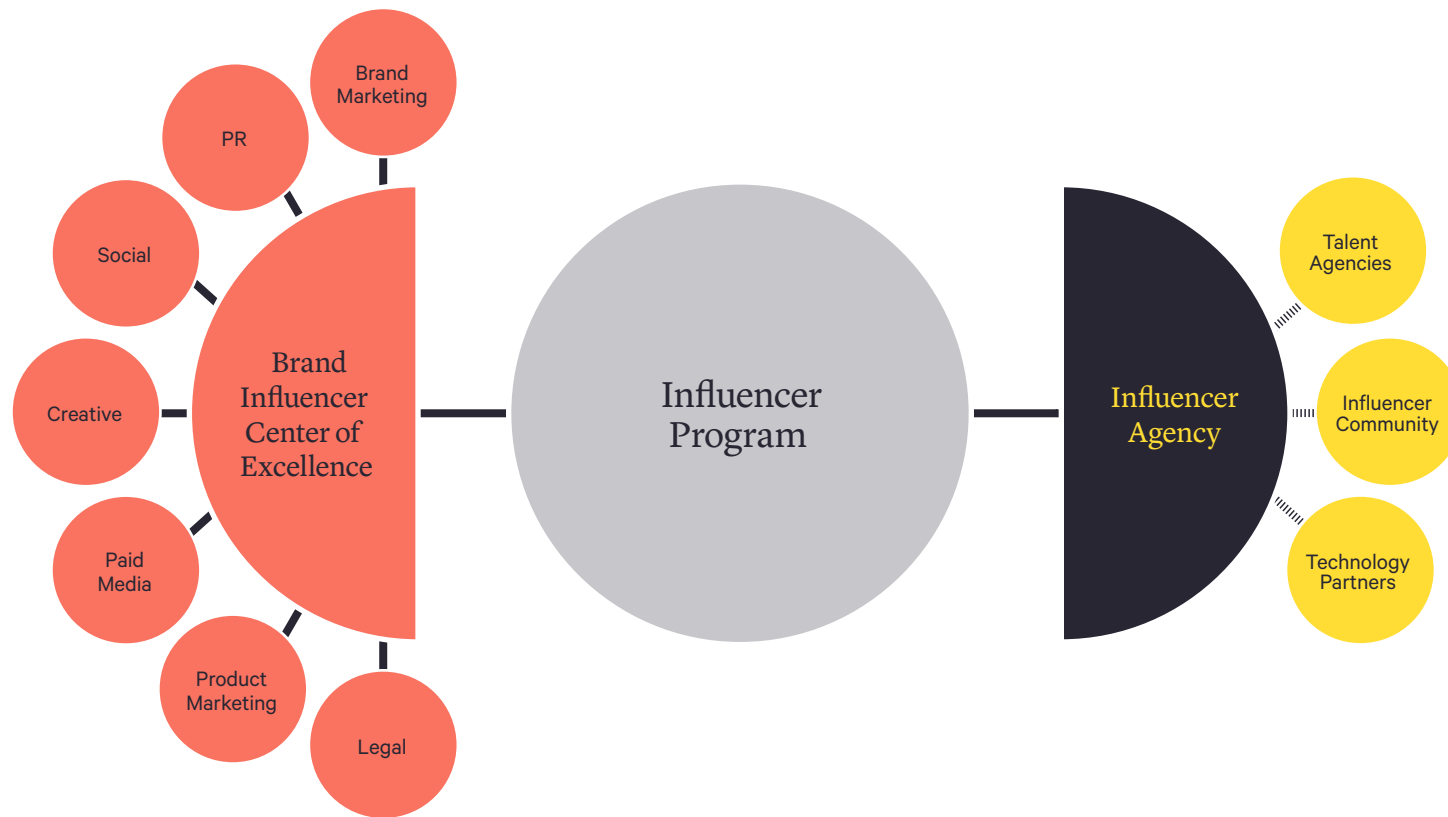
Organize to operate

To get the most out of their influencer investments, marketing leaders should organize their teams cross-functionally for efficiency and value creation.

HOW THE WORK GETS DONE

Designing the system for success

The most successful brands create *influencer marketing centers of excellence*. They collaborate closely with internal stakeholders and hire influencer agencies to manage multiple partners and work streams.

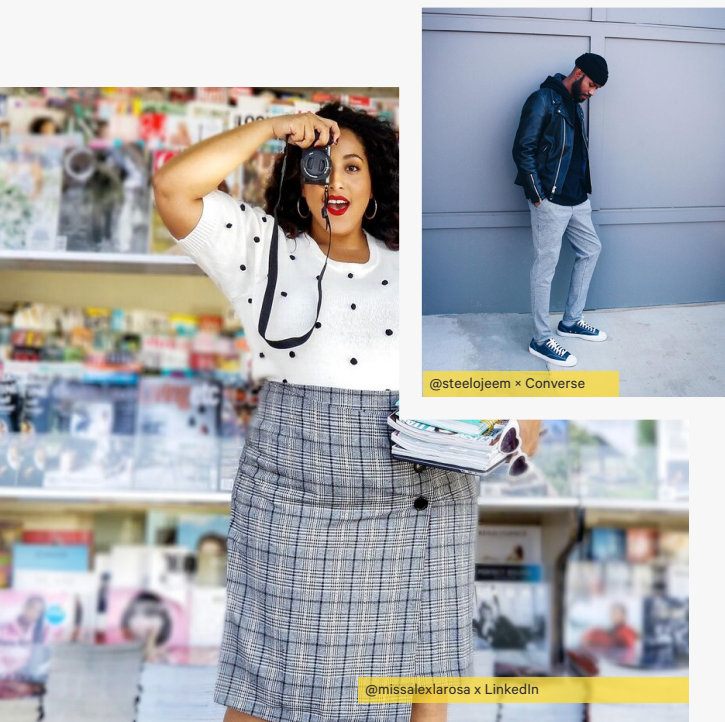


HOW THE WORK GETS DONE

Zooming in on industry-specific activity

Expertise and focus vary by industry

We analyzed data from the most represented industries in our marketer survey to explore how influencer marketing differs from sector-to-sector.



Apparel and Fashion

- / Least likely to co-fund programs
- / Most likely to be experiment with Instagram shoppable posts
- / Highest volume of campaigns per year

Consumer Electronics

- / Least likely to provide cash payments to influencer partners
- / Avoid the nano-influencer space—0% collaborating with this tier
- / Not yet regularly amplifying influencer content

Consumer Packaged Goods

- / Highest annual program budgets, including \$2M and \$5M+ investments
- / Most unique activation strategies, including product collaborations, podcast integrations, and influencer-led focus groups
- / Heavily invested in paid amplification of influencer content—66% say it's essential to their strategy

Financial Services

- / Likely to consider influencers as part of their affiliate marketing strategy
- / 100% said influencers comprise less than 10% of marketing mix
- / YouTube and blogs preferred; Instagram less likely to be top platform

Alcohol, Food, and Beverage

- / Annual influencer budgets grew in 2019 but were generally <\$250K
- / Lags behind in content amplification
- / Invests heavily in Instagram, but “when and how to invest” is a commonly cited concern

Online Retail

- / Most likely to cite budget and internal resources as challenges
- / Relies on licensed influencer content in email marketing strategies
- / Most likely to believe influencers deliver a wide-range of value, including affiliate, PR, user generated content, and word of mouth

A man and a woman are lying on their stomachs on a patterned blanket in a grassy field. The man is sitting up, smiling, and holding a drink with a straw. The woman is lying down, also smiling, and holding a drink with a straw. A bottle of Absolut Vodka is visible on the blanket. The entire image has a strong orange and yellow color overlay.

What the Work Looks Like

WHAT THE WORK LOOKS LIKE

Casting the right people

Influencer selection is an art and a science. Brand aesthetic and values, plus rigorous post performance and audience data analysis, are equally important.

1

Brand fit is the most important criterion on marketers' minds when considering who to collaborate with.

Fit is just as critical to influencers.

72%

of influencers report that the company's brand, product, or message must be one that they believe in and are excited to support.

Takeaway

Marketers must be able to articulate their brand values and manage their programs in ways that reflect their missions.

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2

When selecting influencers, marketers were

2x

more likely to emphasize content quality and audience demographics as “very important” compared to reach, pointing to an overall trend of downplaying follower count.

Takeaway

Focus on reach when amplifying content—not during recruitment for the organic posts.

WHAT THE WORK LOOKS LIKE

Casting the right people

3

In 2019, engagement rate was the 4th most important criterion for partner selection, and only 50% of marketers viewed it as “very important.”

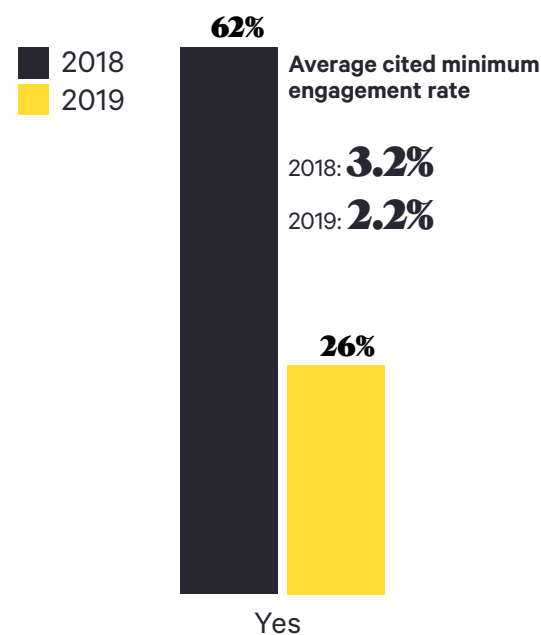
58%
↓

decrease YoY in the percentage of marketers who had minimum engagement rate benchmarks. In 2019, 74% of marketers said they do not have a firm threshold.

Takeaway

Marketers are increasingly aware that influencers are at the mercy of mysterious platform algorithms and are subject to shifts in engagement rates.

Do you have a firm minimum engagement rate when selecting influencer partners?



2020 TIP

Focus on audience data

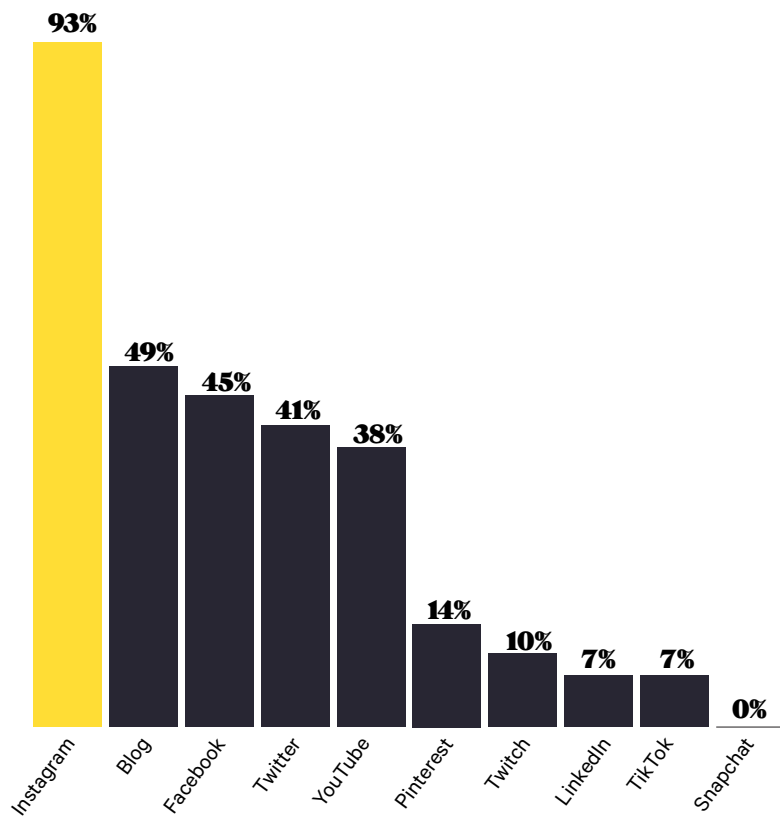
As companies and creators get more access to first-party audience demographics, marketers can make data-backed casting decisions and feel confident that they are reaching the right people.

WHAT THE WORK LOOKS LIKE

Selecting the right platforms

With Instagram's dominance, brands may miss opportunities to stand out on less saturated platforms.

When working with influencers, which platforms do you invest in?



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4

When it comes to platforms for sponsored content collaborations, nearly all marketers are activating on Instagram, and 89% of marketers said it was the platform they invested in most (up 10% YoY).



Blogs, Facebook, Twitter, and YouTube remain prominent, with 40% to 50% adoption among marketers.



Investment in Twitch and LinkedIn, which offer unique formats and audiences, were up YoY, and Snapchat remained notably absent from marketers' influencer strategies.



TikTok, which was deemed "the biggest star at Vidcon 2019," is the platform marketers are most interested in testing in 2020.

WHAT THE WORK LOOKS LIKE

Selecting the right platforms

Influencer activations are possible across all social platforms—each with unique audience and content opportunities.

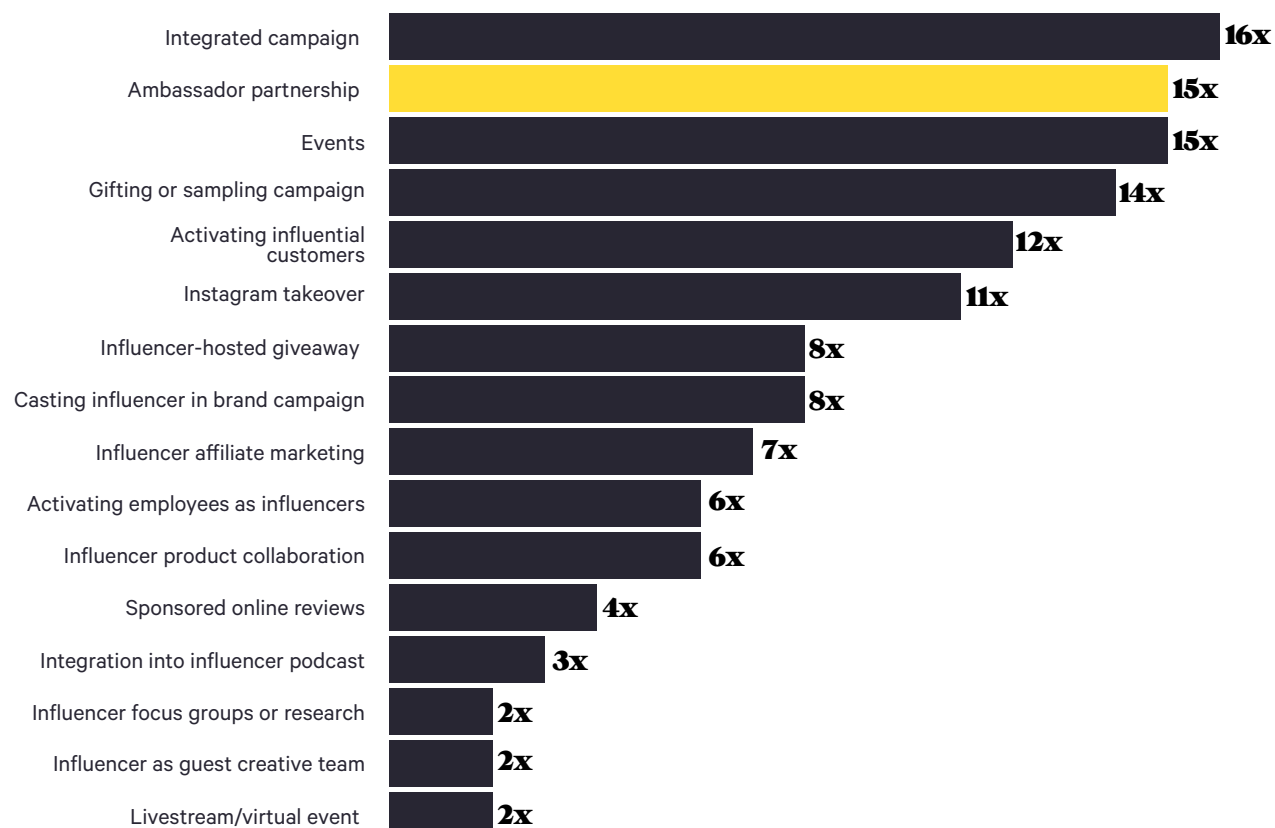
	Instagram	Facebook	YouTube	Twitter	Pinterest	TikTok
Key Benefits	<ul style="list-style-type: none"> / Most actively used platform / Largest influencer community / E-commerce and targeted digital advertising 	<ul style="list-style-type: none"> / Targeted digital advertising platform / High conversation relevancy / Links available with all content formats 	<ul style="list-style-type: none"> / Long-form storytelling / SEO keyword support / Reaches more 18 to 49-year-olds than any cable network 	<ul style="list-style-type: none"> / Share information in real time / Brand conversations / Cultural relevance 	<ul style="list-style-type: none"> / Significant reach among women across different demographics / Used for discovery and shopping 	<ul style="list-style-type: none"> / Fastest growing social media platform / Promotes expression and creativity / E-commerce capabilities and virtual currency
Size	/ 1B Global MAU (120.7 U.S. users)	/ 2.4B Global MAU (190M U.S. users)	/ 2B Global MAU (201.6M U.S. users)	/ 330M Global MAU (68M U.S. users)	/ 300M Global MAU (87M U.S. users)	/ 500M Global MAU (123.8M U.S. users)
User Demos	<ul style="list-style-type: none"> / 52% female / 42% male / 71% of users are <35-years-old 	<ul style="list-style-type: none"> / 57% female / 43% male / Users >55 years are the fastest-growing group 	<ul style="list-style-type: none"> / 62% male / 38% female / 81% of 15 to 25-year-olds use the platform 	<ul style="list-style-type: none"> / 66% male / 34% female / 22% of U.S. adults are active users 	<ul style="list-style-type: none"> / 70% female / 30% male / Most popular among users >49 years old 	<ul style="list-style-type: none"> / 56% male / 44% female / 41% of users are 16 to 24-years-old
Usage Trends	<ul style="list-style-type: none"> / Increase in Stories over in-feed posts / Longer captions, higher engagement 	<ul style="list-style-type: none"> / Connection with audiences through Groups / Source of news 	<ul style="list-style-type: none"> / Source of “how-tos” and entertainment / Used to help make purchase decisions 	<ul style="list-style-type: none"> / 74% use platform for latest news and culturally relevant information 	<ul style="list-style-type: none"> / Used to find fashion tips and plan recipes and DIY projects 	<ul style="list-style-type: none"> / Entertainment platform / Hashtag challenges / Branded lenses
Content Formats	<ul style="list-style-type: none"> / Feed posts: images, videos, carousels / Stories, IG Live / IGTV 	<ul style="list-style-type: none"> / Page posts: images, videos, gallery posts / Facebook Stories / Facebook Live 	<ul style="list-style-type: none"> / Videos / Reels 	<ul style="list-style-type: none"> / 280-character posts / Images / Videos 	<ul style="list-style-type: none"> / Images / Videos / Pins 	<ul style="list-style-type: none"> / 15-second looping videos with music and filters

WHAT THE WORK LOOKS LIKE

Deploying a variety of strategies

Most marketers deploy a variety of influencer strategies beyond sponsored posts, including event attendance, ambassadorships, and channel takeovers.

Influencer strategies executed in 2019



38%

of influencers would prefer an ambassadorship of 6 to 12 months.

37%

of influencers have been asked to perform as a model or actor in brand-produced broadcast or print campaigns.

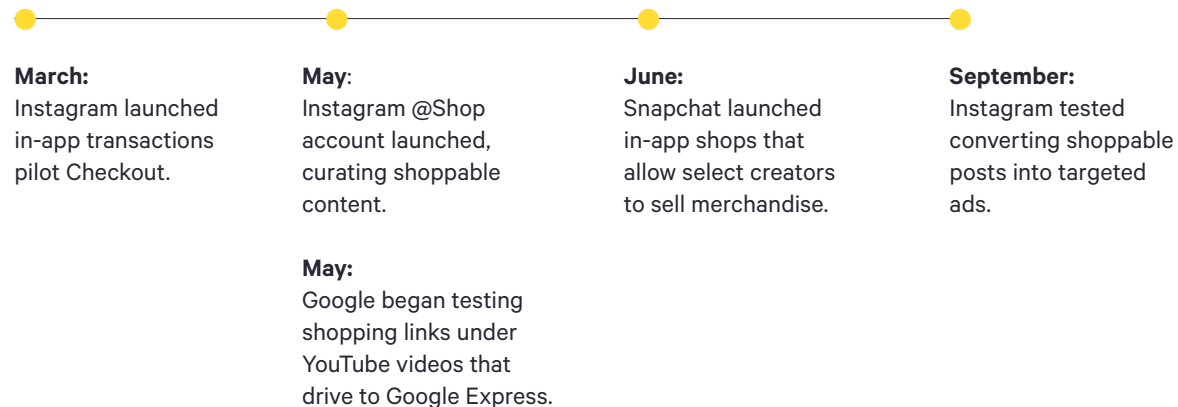
WHAT THE WORK LOOKS LIKE

Optimizing for commerce and conversion

The new era of influencer commerce

Social platforms innovated in 2019 with new products and features that enable shopping and direct, measurable conversion.

2019 Developments



24%

of marketers see their influencer investments as part of affiliate marketing or e-commerce strategies.

67%

of influencers earn commissions through affiliate programs including RewardStyle and Amazon Affiliate—and it's the No. 2 driver of overall revenue.

46%

of influencers saw affiliate opportunities and revenue increase in 2019.



Industry Evolution

INDUSTRY EVOLUTION

Integrated strategies transform the practice

Content reuse unlocks value

Content reuse skyrocketed in 2019 and will continue to become a cornerstone of the practice. While repurposing influencer creative is industry standard, marketers are now exploring how these assets can support content needs at scale.

Most marketers view their influencer programs as content-creation investments.

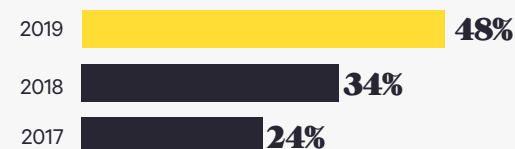
70%

of marketers indicated influencer content outperforms or performs as well as brand-produced assets.

45%

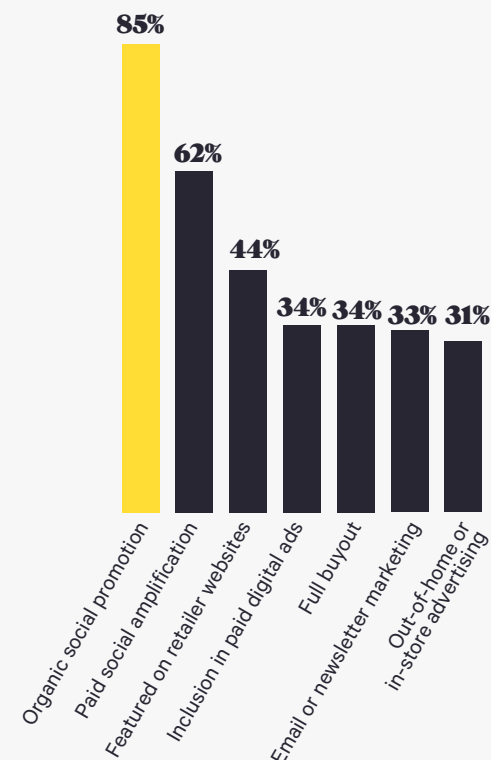
of influencers reported earning revenue solely for creating assets, without posting on their channels.

Percentage of influencers earning content licensing fees:



Common licensing requests

(Source: Influencer-reported)



INDUSTRY EVOLUTION

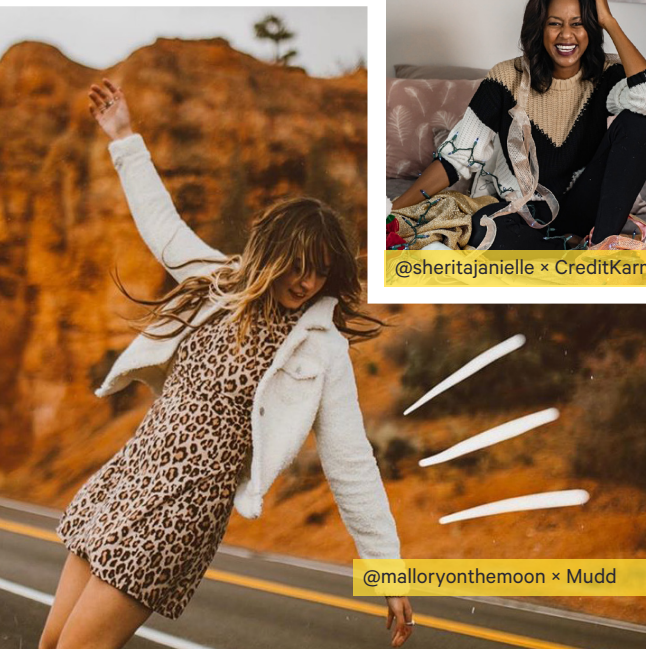
Integrated strategies transform the practice

Extending beyond influencer posts

Coordinating the ongoing usage of influencer content and likeness beyond social posts requires marketers to think even more strategically when developing programs.



@sheritajanielle x CreditKarma



@malloryonthemoon x Mudd

Most common use cases

- / Reshares on brand social channel
- / Paid boosting of posts on social
- / Creating brand ads using assets

Strategies gaining traction

- / Email marketing
- / Integration into brand website
- / Leveraging influencer audiences for ad targeting (separate from boosting)

Emergent opportunities

- / Voiceover in radio, podcast, and voice-activated tools
- / Point of purchase (in store and digital)
- / Print media and catalogue

2020 TIP

Content licensing considerations

Exclusivity:

The greater the exclusivity window, the higher the costs.

Channels and usage terms:

Term lengths and channels selected impact influencer rates.

Niche licenses:

Assume additional costs for print, in store, point of sale, video, and out of home.

Whitelisting:

Rights to amplify or “whitelist” influencer content often entail extra fees.

INDUSTRY EVOLUTION

Complex asset licensing and management

Influencer asset management

84% of marketers believe their organization is leaving value on the table by failing to leverage influencer assets to their full potential.

Asset management creates new workflows for brand teams and requires increased collaboration among cross-functional stakeholders. Organization and efficiency are critical.

32%

of influencers say they've seen brands use their content outside an agreed-upon term; 20% of marketers noted making this mistake.

57%

of influencers said they would take action if a company was using their content outside of agreed-upon terms.

Top 3 barriers to improving content use and maximizing ROI:

- / Monitoring term windows and content placements
- / Negotiating licensing terms
- / Resistance from internal partners

"We do not have a good content strategy in place to house the influencer assets for other teams/marketing channels to use. We're trying to fix this."

Financial services marketer,
\$101M+ marketing budget

INDUSTRY EVOLUTION

Paid social meets influence

“Influence media” drives full-funnel value

A major breakthrough in 2019 was the advent of “influence media,” which combines influencer content and audience relationships with ad targeting and conversion tracking. It’s paid social, supercharged by the power of influence.

While Instagram’s Branded Content Tool has made paid amplification accessible, third party solutions are preferable as they offer brands more flexibility and control.

44%

of influencers were asked to use Instagram’s Branded Content Tool in 2019.

61%

of Collectively clients used SmartBoosting, our paid social offering, in 2019.

Applying paid social to influencer marketing

Campaigns can be optimized across four core performance metrics:

- / **Reach:** Show influencer content to the maximum number of people at the lowest cost.
- / **Engagement:** Show influencer content to audiences most likely to comment, like, share, watch, or respond.
- / **Clicks:** Show influencer content to audiences more likely to click-through to specific websites.
- / **Purchase:** Integrate Facebook pixel to measure conversion beyond last click.

INDUSTRY EVOLUTION

Influence media in action at Collectively

CASE STUDY

Driving customers to learn more

OVERVIEW:

A client tapped influencers to create engaging social and blog content that brought to life the everyday benefits of a new credit card.

STRATEGY:

High-performing Instagram posts were boosted to drive traffic back to influencer lifestyle blogs, educating scaled, targeted audiences on the value of the card.

OBJECTIVE:

Link clicks

RESULTS:

74%

Click-through rate (CTR) was 74% over goal (3.48%)

77%

Cost per click (CPC) was 77% below goal (\$0.29)

CASE STUDY

Driving holiday sales

OVERVIEW:

To drive holiday sales, our client worked with influencers to show their outdoor apparel in action and make the case for checking out the brand's holiday gift guide.

STRATEGY:

Instagram and Facebook posts were boosted utilizing the brand's Facebook pixel to measure conversion and serve influencer content to custom lead audiences.

OBJECTIVE:

Purchases

RESULTS:

/ 13x

return on ad spend



Overall purchase value topped **\$1 million**

A woman with long blonde hair is running on a sandy beach. She is wearing a light-colored sports bra and dark leggings. The image is overlaid with a semi-transparent yellow filter. The text "Understanding Performance" is centered over the image in a bold, dark font.

Understanding Performance

UNDERSTANDING PERFORMANCE

Establish an ROI framework

Find a framework to unlock full-funnel influencer ROI

Influencer programming can have an outsize impact across a brand's marketing mix. The smartest brands are building their own unique frameworks to measure success across various goals—from awareness through purchase.

30%

of marketing organizations have defined an influencer ROI framework. 100% of those marketers believe influencers are an effective use of budget.

59%

of marketers cited “determining how to measure ROI” as a top concern for 2020.



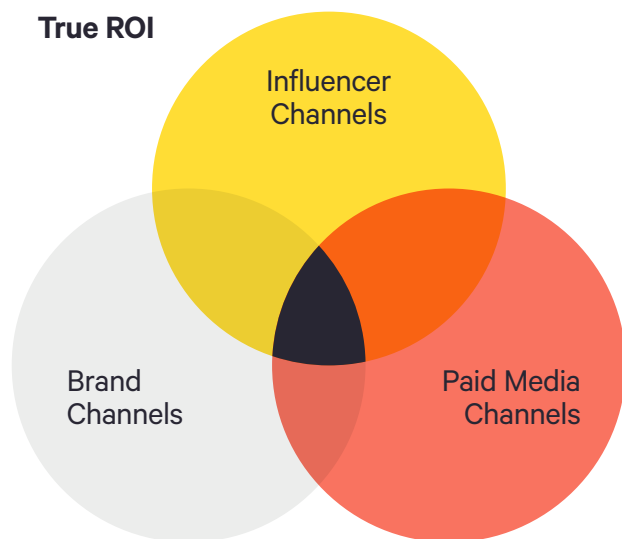
UNDERSTANDING PERFORMANCE

Establish an ROI framework

Develop your own unique approach

Marketers should consider performance in three distinct channels where influencer-related content appears. Design measurement around the main goals for each.

True ROI



Influencer channels

- / Posts authored by influencer
- / Lives on influencers' social feeds or operated channels

Key Metrics:

Reach, impressions, views, engagements, conversations, clicks, conversions, purchases

Paid media channels

- / Social ads, display, search programmatic
- / Promoted from either influencer's or brand's handles
- / Features influencer assets and likeness

Key Metrics:

Reach, impressions, CPM, engagements, CPE, clicks, CPC, conversions, purchases, CPA

Brand channels

- / Posts authored by brand
- / Lives on brand's social feeds or operated channels
- / Leverages assets created by influencers or influencer likeness

Key Metrics:

Reach, impressions, views, engagements, conversations, clicks, conversions, purchases, asset usage, email click-through, share of voice, sentiment, follower/lead acquisition

The metrics that matter are changing

91% of marketers reported that their 2019 influencer investments were an effective use of marketing budget—but success looks different across brand profiles. While reach, engagement, and sentiment continue to be at the center of success, performance-based metrics are on the rise.

Earned Media Value (EMV) decreased by

↓ **78%**

↑ **231%**

Clicks increased in importance by 231% and conversions increased by 86%.

Percentage of marketers citing each metric as critical

KPI	2019	2018	% change
Engagement	78%	93%	-16%
Reach	60%		
Sentiment	56%	53%	6%
Impressions	52%	66%	-21%
Clicks	43%	13%	231%
Conversions (downloads, sign-ups, purchases)	39%	21%	86%
Earned Media Value (EMV)	10%	47%	-78%

Top three performance indicators in 2019

/ Engagement
/ Reach
/ Sentiment

UNDERSTANDING PERFORMANCE

Priority metrics

Metrics to watch in 2020

Expect engagement rates to dip in 2020. Our early analysis of life in a post-like world following Instagram's and Facebook's move to hide like counts shows engagement benchmarks trending downward.

With content amplification and shopping features gaining traction, watch for new emphasis on comment rates, sentiment analysis, saves, mentions in DMs, tags in shopping posts, replies, and conversions.

An increased emphasis on influencers in paid channels will present new opportunities to consider the value of influencer audience acquisition and retargeting in the overall ROI picture.



The Business of Influencing



THE BUSINESS OF INFLUENCING

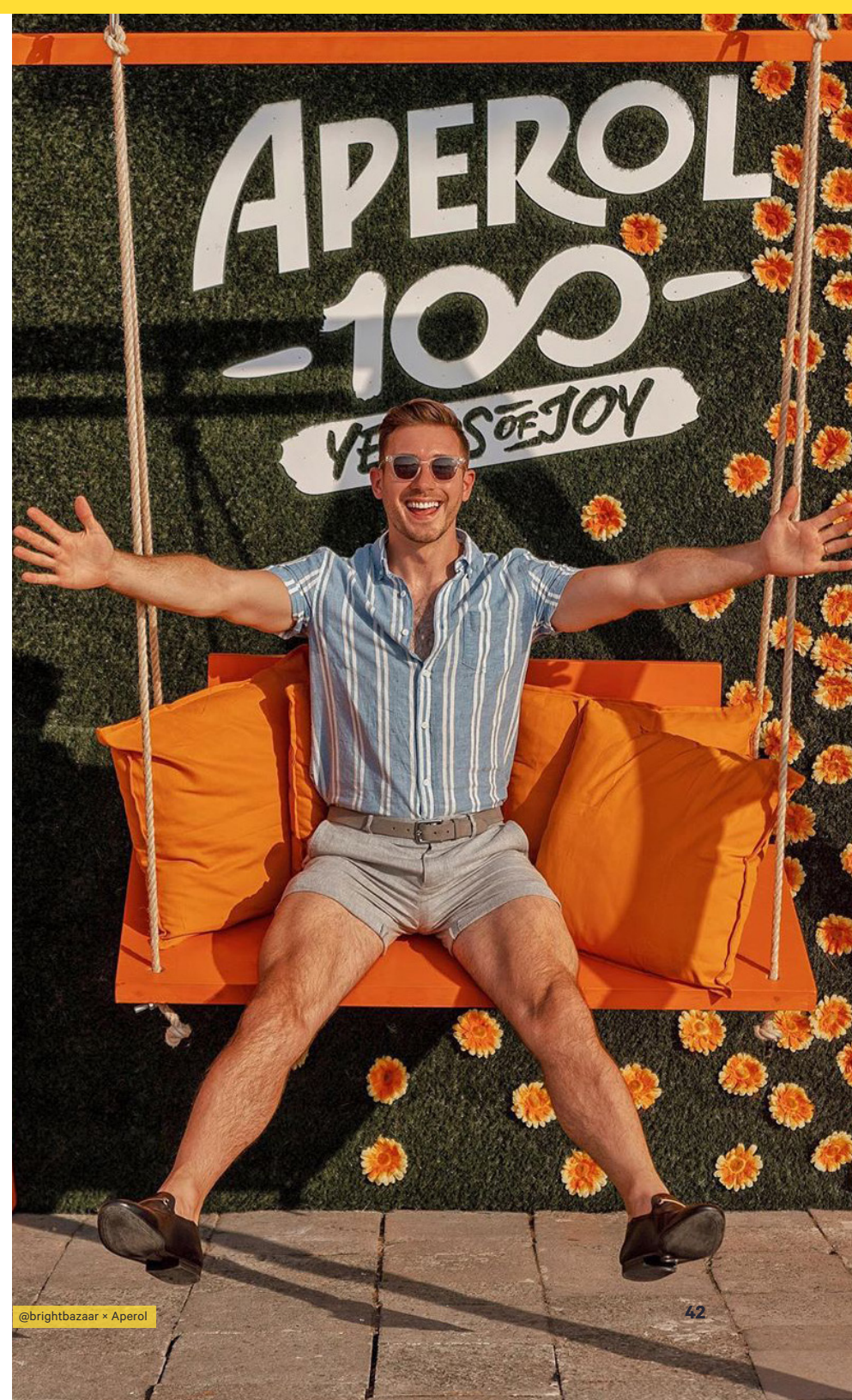
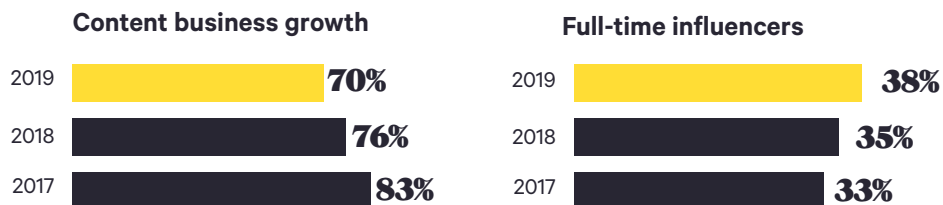
Behind the scenes with the creator community

Influencers see growth and competition

Influencers have reported overall growth for their content businesses over the past three years—however, the rate of growth is cooling. Meanwhile, the number of influencers going full-time is up YoY.

Growth was most concentrated among the macro-tier (1M+) and lower micro-tier (10K-100K).

31% of the upper mid-tier (500K-1M) reported decline, likely tied to pricing pressure.



Compensation remains a point of tension

Most marketers “usually” (39%) or “always” (13%) pay influencers—but some rely on products or experiences in lieu of monetary compensation. Influencers fight to prove their worth and often seek support from professional agents and managers to maximize their revenue.

“Influencers have unique value propositions that impact their pricing, be it the endorsement of a high-profile personality, conversion, customer acquisition, or content. Agents and managers consider the long-term strategy and look to diversify the revenue potential beyond affiliate and sponsored posts. We think through how opportunities impact future business extensions into products, publishing, and TV.”

Reesa Lake, Partner & EVP, Digital Brand Architects

Revenue trends

- No. 1** source of income is sponsored content.
- 57%** of creators will consider in-kind compensation.
- 46%** cited an uptick in affiliate opportunities.
- 49%** earn revenue from asset creation—a 12% increase from 2018.
- 5** paid campaigns per month is most common.

Influencer income may not cover the bills

Even as the industry matures and collaboration opportunities increase, the majority of influencers earn less than \$15K annually.

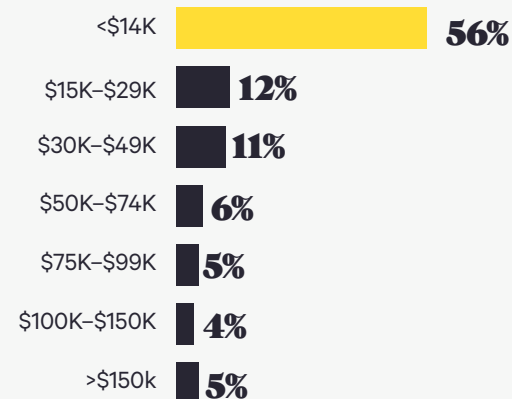
Collectively contracted creators for more than 3,000 unique content assignments in 2019. Our experience brings unique perspective into rate fluctuations across influencer tiers.

2020 TIP

Negotiate content licensing

Creators should leverage content licensing requests to maximize their earnings. Meanwhile, marketers can avoid overpaying by getting clear on the usage they actually need.

Reported income in 2019



Highest earning platforms

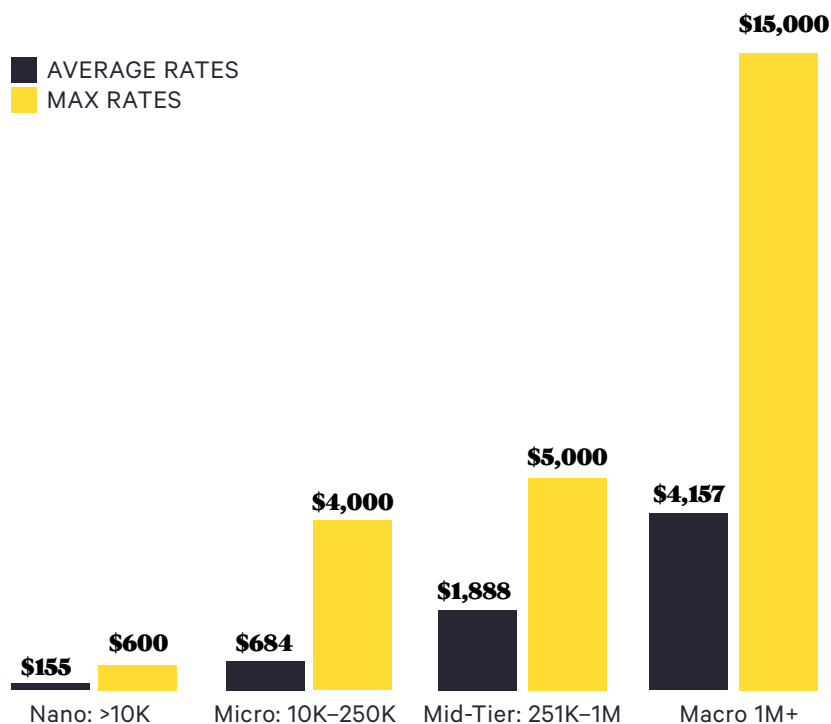
\$\$\$ Instagram
\$\$ Blog
\$ Facebook

Highest cost formats

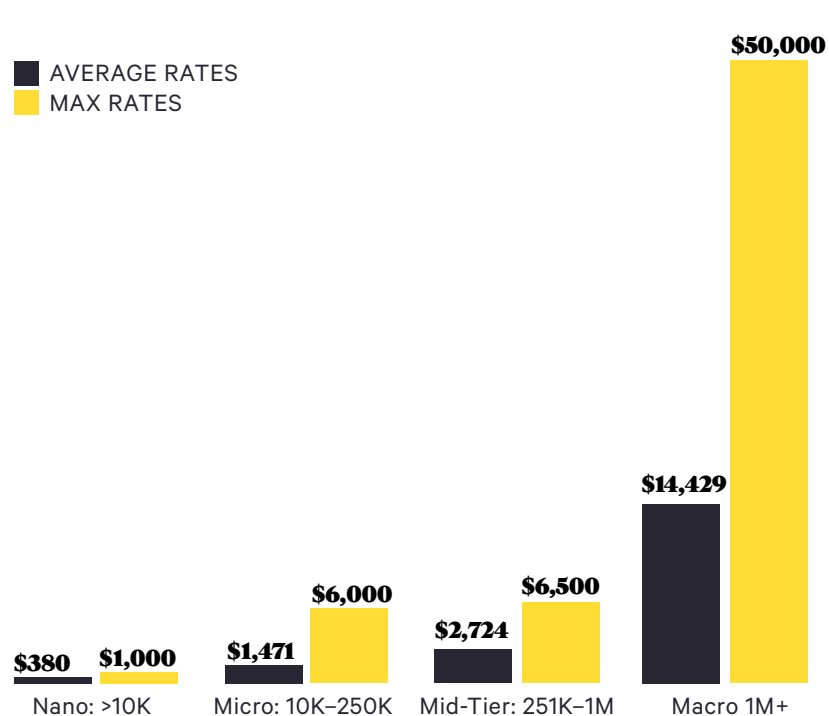
\$\$\$ YouTube Video
\$\$ Instagram Video
\$ Instagram Carousel

In 2019, there's still little consistency in the market—influencers with similar-size audiences reported vastly different rates.

Instagram Rates by Tier



YouTube Rates by Tier



Audience access and health are top concerns

52% of influencers were concerned about the protection of the personal data they share online—but nearly all were concerned about the unpredictable nature of platform algorithms. These shifts restrict their access to hard-earned audiences and impact the success of their business.

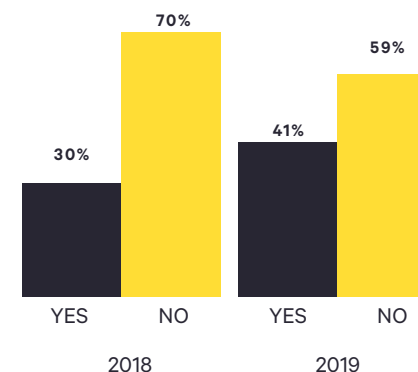
75%

of influencers think the Instagram algorithm negatively affects their business.

35%

pay to boost Instagram content to reach more of their audience.

Influencers' concerns about audience health increased YoY



Some creators believe Instagram Stories are now being affected by the algorithm and they're reporting a decline in views.

"It (Stories) used to be more interactive but now, even Stories are affected by the algorithm and views have decreased."

Lifestyle creator; 10K-100K total audience

2020 TIP

Expect tension

Creators should think about ways to develop their audiences outside of Instagram. Marketers should set aside budget for boosting to scale campaigns.



Platform Updates to Watch

PLATFORM UPDATES TO WATCH

Influencer-fan connections deepen

Instagram Stories take over

Two and a half years into Stories, the feature has prevailed as a top source of income for 72% of influencers. 67% reported positive feelings about Stories, saying they appreciate the format's ability to drive personal connections.

However, some influencers reported that the transition to a Stories-centric audience has attracted less committed “fleeting followers” who are less engaged with core feed content.

“Instagram Stories have completely replaced Snapchat for me. The highlights feature is especially useful for saving a specific event as a story. Features like polls and replies create instant feedback from my audience.”

Travel creator; 101K-250K total audience

collectively

2020 TIP

Experiment with Stories

Marketers can get fans into informal conversations by leveraging chat stickers, or combining quiz or polling stickers with Stories ads to gather customer insights.



@joyfullygreen x Zappos

PLATFORM UPDATES TO WATCH

Influencer-fan connections deepen

Direct messaging

The influencer-fan relationship is changing quickly, and 1:1 messaging brings the thrill of an IRL meet-up to the palms of followers' hands.

For some influencers, Instagram DM is the new email. But even a few thousand followers create a new workload to manage.

94%

of influencers use DMs to support their content business.

38%

of influencers receive daily DMs about products they've endorsed.

88%

of influencers use DMs to chat with fans, and 11% host group chats with fans.

2020 TIP

Brief for behind the feed

Marketers should expect their brand to be discussed "behind the feed" and should expand influencer briefings to cover these more private conversations.

How influencers use 1:1 messaging:

- / **Planning:** 79% say the feedback they receive via DM helps inform future content strategies.
- / **Fielding questions:** Influencers answer common questions and may broadcast responses to all followers.
- / **Cross-promotion:** DMs help direct fans to long-form blog or video content for in-depth information.
- / **VIP forums:** Creators reported using group chats like to provide more detail to subsets of audiences who are extra engaged.
- / **Connect with peers:** Creators support each other through influencer group chats.
- / **Opt out:** Many influencers turn off DMs on creator accounts to support balance and privacy.

Close Friends and Threads

Instagram's Close Friends feature launched in 2019 and is still in the early days of adoption—27% of influencers said they use the functionality for more private posts (eliminating the need for their “finstas”, or fake Instagram accounts). Others use it to create special spaces for superfans, and even charge for access via Patreon or Venmo.

Instagram Threads launched in October 2019, and is a standalone app that syncs with Close Friends lists. It's had a slow start—only 4% of influencers reported using it—but as Instagram grows unwieldy with additional features, Threads may become more appealing.

How influencers are using Close Friends

- / Sharing sneak peek content for email subscribers
- / Building subscriber lists for new businesses or offerings
- / Influencer-influencer brainstorming
- / Sourcing opinions on photo selects
- / Sharing posts that reveal location without compromising privacy
- / Raw, unfiltered content for superfans



Comments, questions, or just wanna chat?
We'd love to hear from you.

For Brands

Interested in learning more about our approach?

Email our New Business Team at
new@collectivelyinc.com

For Influencers

Want to collaborate with Collectively
brand partners?

Email our Community Team at
community@collectivelyinc.com

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