

collectively

# The Social Influence Business in 2018 & Beyond

A Collectively Report



The practice of influencer marketing has reached a new level of maturity. Today, campaigns are more dynamic and data-driven than ever before, and marketers are developing more holistic strategies for leveraging the undeniable power of social influence.

Pioneering the future of the practice requires a current and comprehensive understanding of social media influencers and content creators, the challenges marketers face in today's social media landscape, and measurable insight into what works.

In this report, we share a multi-dimensional take on the practice of influencer marketing today, as measured by responses from more than 1,000 influencers and proprietary data from more than 100 Collectively brand campaigns that took place in 2017.

We asked creators to respond candidly on a variety of topics—from today's platform strategies to brand partnership preferences—and reviewed the findings against our own internal data.

Our commitment to complete and ethical data analysis has guided our research to provide the most accurate view of the industry today.

Our research reveals actionable insights for both marketers and content creators, and our report aims to provide best practices for how they can partner successfully in 2018.



**About Collectively**

Collectively is a full-service influencer and creative strategy agency, backed by data-driven insights and performance analysis.

We've been leading innovation in the influencer marketing industry for the past decade and bring a wide breadth of experience and a pioneering approach to the creative campaigns and partnerships we develop with brands.

**collectively**

OUR CLIENTS INCLUDE



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SEPHORA

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OLLY

AND MANY MORE

## What's Inside

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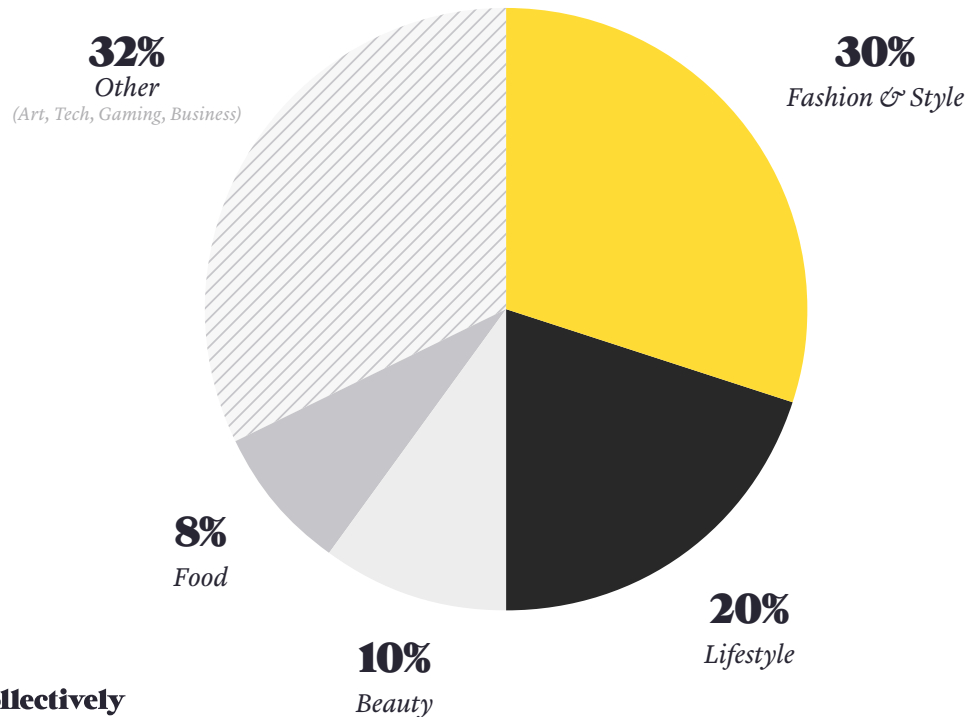


## Who Influencers Are

Today's influencer ecosystem represents a diverse group of talented creative professionals who share their content and creativity online on a mix of different social platforms.

### Content Categories

As represented by Collectively's 10,000k+ database of influencers



### Ages: 0-80+

From babies to @baddiewinkle (an 89-year-old style star), people at every age are using social platforms to connect with and influence people.

### Reach: 5K-1M+

Influencers reach audiences as few as 5,000 people, to more than 20 million. Those with small audiences often retain a more intimate connection with their followers, while wider-reaching influencers are more likely to see decreased engagement rates and less direct dialogue with their fans.

### Skills: Countless

Influencers represent a diverse set of interest areas, expertise, and professions. They include *visual artists, photographers, athletes, actors, dancers, models, writers, editors, videographers, chefs, nutritionists, software developers, gamers, designers*, and more.

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## Who Influencers Are



**Our mission is to provide inspirational content and useful, make-able projects for our readers, and we've built a dedicated audience as a result. When we incorporate sponsorships into our content, we demonstrate how people can emulate our particular point of view in their own lives. In this way, we 'influence' people."**

— **Brittany Jepsen**, @houseelarsbuilt  
*Craft, Design, Life, & Style Blog*



### **New to influencer marketing?**

Read our report alongside Collectively's Influencer Marketing Glossary of Terms.  
All the terms you need to know, defined.

[Get the Glossary](#)

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## The Business Is Expanding

Significant growth is reflected across all areas of influencers' businesses—from revenue and partnerships, to audience and engagement. Emerging creators continue to enter the space and are growing across their platforms.

**83%**

*of influencers reported overall business growth.*

**52%**

*of influencers reported an increase in total digital audience.*

**85%**

*of influencers who joined Collectively's community in Q3 and Q4 2017 had fewer than 100K followers, showing that new creators continue to emerge.*

## Brand Takeaway

Influencers are more business-minded across the board. Approach partnerships with mutually beneficial goals to foster true partnerships.

Working with an agency to identify and select influencers helps navigate the diverse influencer marketplace:

- Target influencers by demographics and brand affinity
- Vet quality control and audience health
- Guarantee execution efficiency

## Influencer Takeaway

As the industry grows, so do the standards for creative content. There's more pressure to produce high-quality editorial content and show proof of an engaged audience. Stay committed to your craft and continue to grow your creative expertise.

## “Micro-influencers” report 15–75% growth.

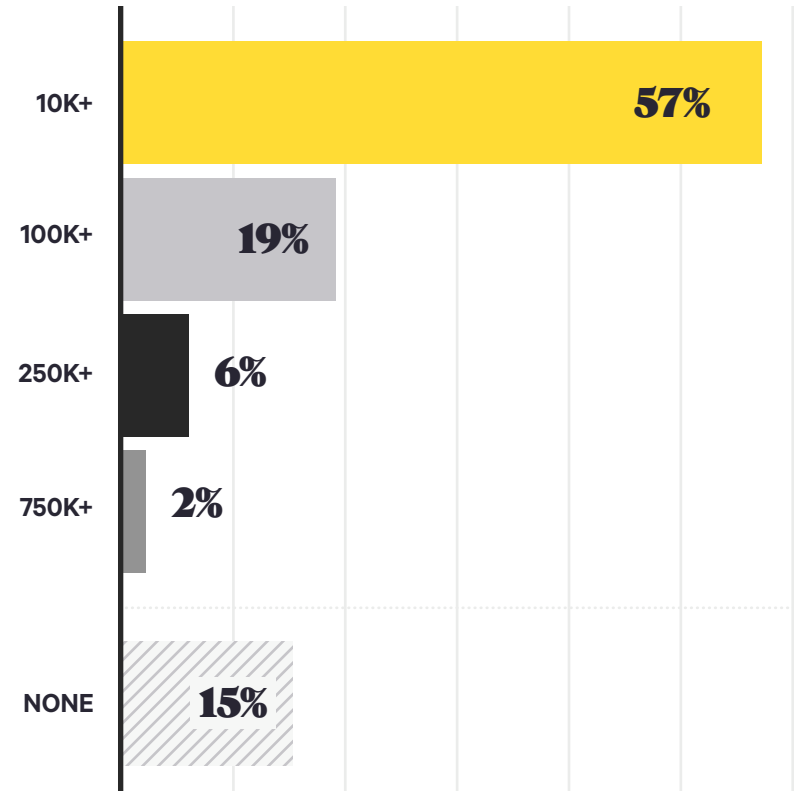
Influencers with **10–100K** total followers are experiencing significant growth, revealing that early-stage audience development often yields a higher growth rate and emerging creators can see immediate success in today’s market.

### Why?

- Overall growth of the influencer industry
- More spend from brands
- Modern techniques and tools to grow audience
- Influencers maintain a more intimate connection with their audience when they’re small and starting out

### 2017 Influencer Business Growth by Audience Size

Percent of growth measured by revenue, audience size, and partnership opportunities.





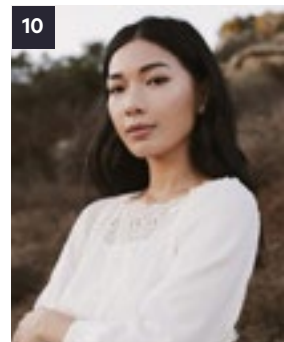
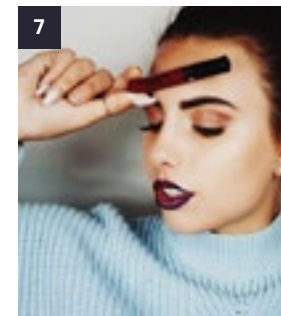
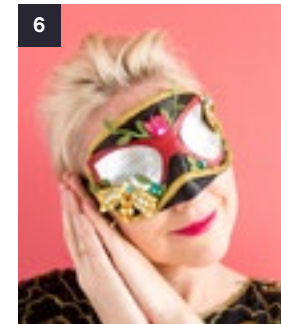
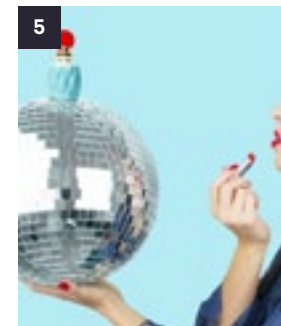
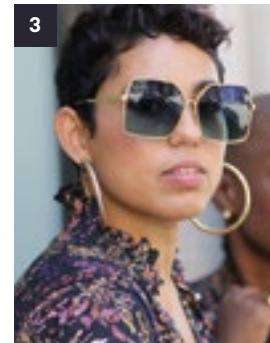
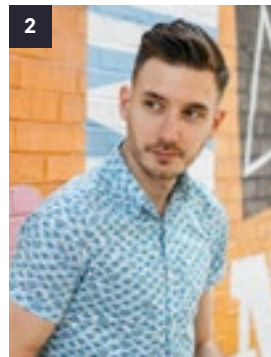
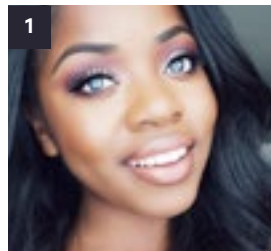
## Influencer-Brand Collaborations

The following analysis is based on **100+** campaigns involving **1,700** influencers producing more than **25,000** pieces of content throughout 2017.

### Key factors for influencers when determining a partnership:

- **The brand partner.** Does the brand have a product or message that the influencer believes in? *This is a top priority for 64% of influencers.*
- **Creative freedom.** Is the brand encouraging the influencer to truly create authentically?
- **Compensation offered.** Does the offer align with expectations of value? *This is the #1 reason influencers turn down collaboration opportunities.*

1. **Cydnee Black**, @cydbee
2. **Will Taylor**, @brightbazaar
3. **Mimi Goodwin**, @mimigstyle
4. **Darius Benson**, @mrlegendarius
5. **Lizzie Darden**, @lizzie\_darden
6. **Brittany Jepsen**, @houselarsbuilt
7. **Natalie-Tasha Thompson**, @natalietasha
8. **Cara Loren**, @caraloren
9. **Steven Onoja**, @stevenonoja
10. **Stephanie Liu**, @honeysilk



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## Influencer-Brand Collaborations

Partnerships with brands are the top source of income for digital content creators today, and more brands are buying in.

**83%** *of influencers report that paid posts are the most lucrative form of revenue for their business*

### Some Stats to Know:

- Instagram brings in the most revenue for influencers.
- In 2017, Collectively influencers have earned a total of more than \$500K for Instagram content alone, reflecting a 54% increase from 2016 earnings.
- The majority of influencers today participate in two different brand partnerships at any given time.

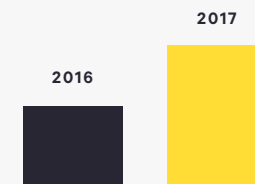
## Collectively Insight

As brands become more willing to experiment in the influencer space, and as the influencer pool diversifies, brand strategy has expanded to include new types of experiences and partnerships.

2017 saw an increase in both social-only and sampling programs, with brands allowing influencers more creative freedom to integrate brand messaging into their content.

### TRENDING PARTNERSHIPS INCLUDE:

- Social-only campaigns
- Product trial and/or sampling
- Event attendance & experiences
- Travel

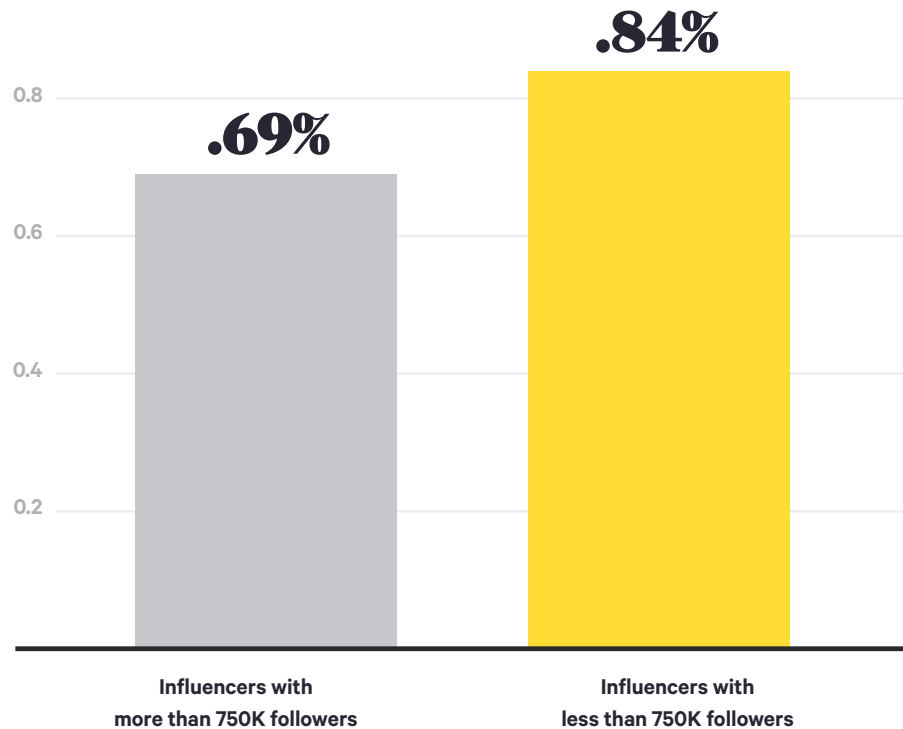


INFLUENCERS' INSTAGRAM REVENUE

## Finding the Perfect Match

Finding the right influencer is a complex challenge, but clear goals help. For example, prioritizing engagement rate can lead brands to influencers with smaller audiences.

Comparing Engagement Rates by Audience Size



\*Engagement rate is calculated using the equation  $=(\text{comments}+\text{likes}+\text{shares})/\text{total potential impressions}$

### Takeaway

**Establish clear goals and KPIs** to identify the right mix of influencers. For example, a celebrity YouTuber is not the right choice for long-term advocacy, but may be the best option for mass awareness. Understand what impact each platform is likely to yield, and plan accordingly.

**Consider the unexpected.** Brands and influencers reach new audiences when they partner with people who can complement and expand their potential reach.

**Size isn't everything.** Partnering with an influencer who has 1 million followers isn't always the best strategy. Our campaign data reflects a decrease in engagement rate as audience size increases.

**Know your target.** Find alignment between your brand's target customer and an influencer's audience. Understanding who you're trying to reach is crucial to selecting the right influencers. On the flip side, influencers should only partner with brands that their audience would find relatable or appealing.

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## Partnership Logistics

More brands are engaging in long-term, always-on partnerships that span 3-6 months.

**1 post**

PER MONTH, FOR A TOTAL OF 3 MONTHS

*is the right frequency to keep audiences engaged in a brand over time.*

**54%**

*of influencers report an increase in engagement, when posting about a single brand over time.*

**61%**

*of influencers report an increase in positive brand references within comments of sponsored posts for a single brand over time.*

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## Brand Takeaway

**Long-term partnerships are preferred** *(and more successful).*

When influencers create ongoing content for a single brand over time, acting as a brand ambassador, everyone wins.

**Think ahead!** Develop always-on influencer campaigns that span key moments for your business across the year to generate deeper brand affinity among audiences over time.

**Encourage creative freedom** to ensure campaign content retains relevance throughout the year.

## Influencer Takeaway

**Track what works!** Test various posting cadences to measure what resonates with your audience. Position your strengths to interested brand partners: The deeper insight you have into how your content performs and how your audience responds, the stronger partner you are.

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## Partnership Logistics



“

We prefer to work with fewer brands but for bigger campaigns. We don't find a lot of success for either party on one-off posts. With the amount of content and posts out there, it's so easy to get lost. But, if a brand is repeatedly incorporated into our content and we can be very upfront and open that they are an exclusive partner, we really like that. By building a strong relationship with a brand you can grow together, and test what works and what doesn't.”

— Molly Longest & Katherine Crowley, Founders, *@followthelala*  
*A publication for college-age women*

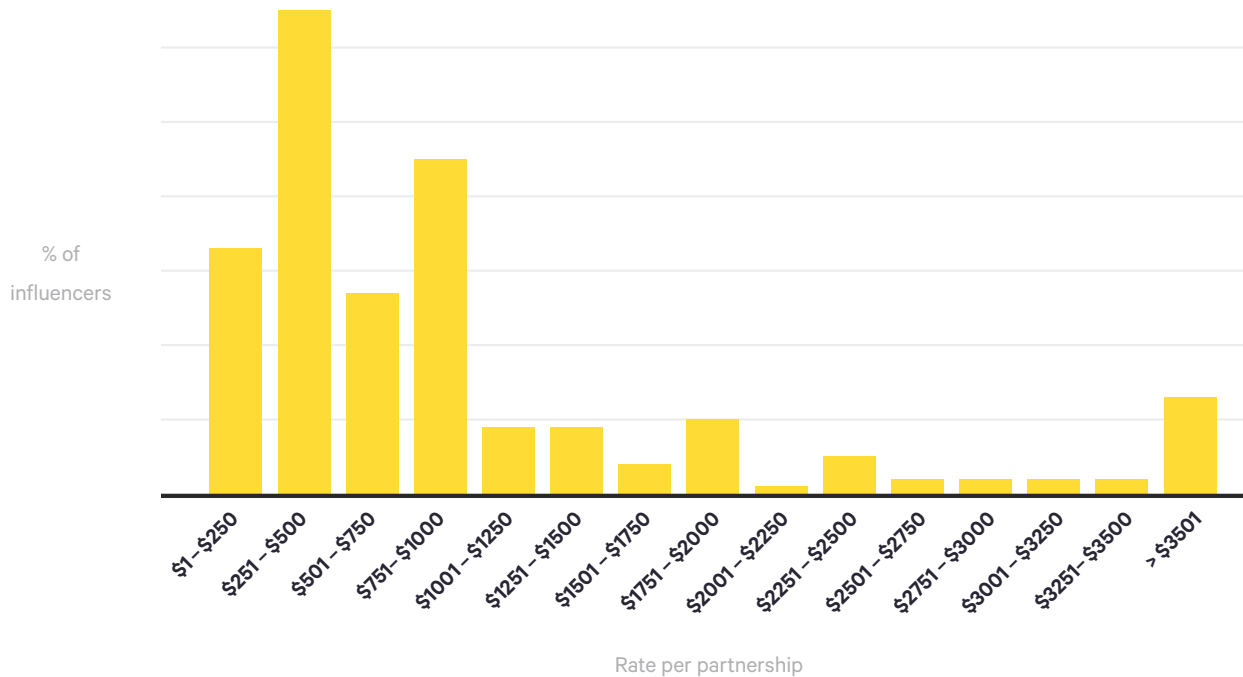


# Influencer rates vary widely—it's still the *Wild West*.

The guiding principle for influencer-brand collaborations is simple: influencers and brands are in a position to mutually benefit from each other. There's more than one way brands can provide value, but cash is king.

## Range of Influencer Prices

Graph represents partnership prices across a group of influencers with a total digital audience size of 100-150K.



# 70%

*of influencers point to low compensation as the #1 reason they turn down partnerships.*

# 80%

*of influencers report that the majority of their income is generated from paid posts, where they receive cash value in exchange for content.*

# In-kind can still be a meaningful exchange.

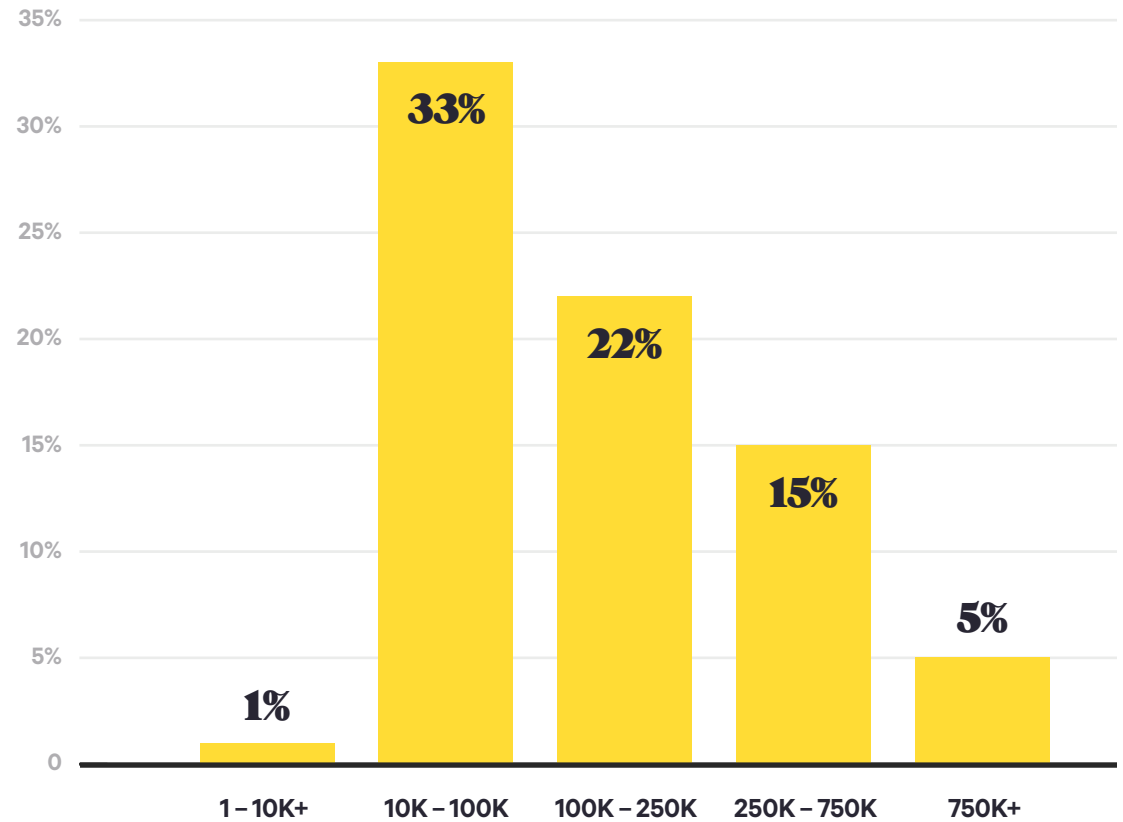
**45%**

*of influencers would consider posting about a brand in-kind, even if the product was sent unsolicited.*

**54%**

*of influencers indicate Instagram Stories as their preferred platform to post in-kind content.*

In-kind Campaign Participation by Audience Size



Graph represents the percentages of influencers by audience size who have participated in an in-kind partnership or sampling opportunity in 2017.

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## The Value Exchange

# 54%

of influencers say they would be more likely to post *in-kind*, or in exchange for free product, if they're a true fan of the product or brand.

### CASE STUDY

The Rodial logo is displayed in white text on a solid red rectangular background.

In 2017, UK beauty brands Rodial and Nip + Fab executed an always-on sampling program and saw more than **800** social posts and videos, generating more than **11M** potential impressions, and more than **200K** engagements.

### Brand Takeaway

Understanding how to approach the value exchange with influencers is one of the most important components of an influencer marketing strategy.

Most influencers won't participate in a sampling or in-kind program unless the brand provides full-size product or complimentary access to their service.

Suggested read:

[How to Approach the Value Exchange](#)

### Influencer Takeaway

Consider your growth goals, current workload, and bottom line. Accepting an in-kind partnership with a brand who's not yet ready to provide cash value could lead to paid projects.

Suggested read:

[The Value Exchange Conversation](#)



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## How Brands Use Influencer Content

Today, influencer content is created to be optimized for distribution across the larger marketing mix.



### Social Whitelisting & Paid Amplification

Promoting an influencer's social media post, for a cost, using any of the various platform features available to do so. Promoted posts can be targeted to specific audiences within social feeds.



### Social Media Advertising

Repurposing influencer content for social media ads. This is different from promoting an influencer's social post in that the brand creates a new social ad using influencer content as the creative asset.



### Email Marketing

Influencer content repurposed to appear in email communications. In this case, the content can add a more human element to the brand's message.



### Paid Digital Advertising

Using influencer content in advertising campaigns across various website display advertising outlets. Specific permissions must be granted by the influencer and their content must be optimized for desired ad formats.



### Point of Sale

Trusted influencer reviews and recommendations that provide consumers with an added view into the product they're considering. Influencer content that supports a specific product can be shared alongside a digital point of sale to build credibility for the product.



### Editorial Content

Leveraging influencer content for a brand's owned and operated channels in an unpaid capacity, with proper attribution. This is the simplest and most affordable way to amplify a campaign message.

## Brand Takeaway

**Budget accordingly.** When it comes to licensing, negotiating can be tricky—broad usage can increase the price tag on content. It's best to know exactly how your team plans to use the content to mitigate costs.

**Give credit.** Attribution is expected in most cases, and can further incentivize some creators who are seeking increased exposure.

## Influencer Takeaway

**It's the new normal.** Licensing is becoming a central and often required component of a brand's influencer marketing strategy. There is no standard pricing model for budgeting these costs.

**Remain flexible.** When negotiating costs, consider a brand's available budget, the specific terms they're requesting, and the long-term value the partnership offers.

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## How Brands Use Influencer Content

Here's a rundown of how content redistribution is working:

# 77%

*of influencers report that brands often repurpose their content through social promotion.*

# 43%

*of influencers report positive results after a brand repurposes their content.*

- ✓ Increased blog traffic
- ✓ Increased social media followers
- ✓ Increased recognition and credibility among the influencer community

# 50%

*of influencers charge extra for use of their content beyond non-paid promotion.*

# 40%

*of influencers are investing in paid promotion across Facebook or Instagram to increase engagement and grow their audience.*

## What Brands Are Saying

Collectively partners have seen stand-out engagement as a result of leveraging influencer content in their marketing initiatives.

### CASE STUDY



The photo book publishing company saw their highest email click-through rate in July 2017 after featuring influencer content in their customer newsletter.

## What Influencers Are Saying



**Brands should always ask prior to using an influencer's photos. Tagging is expected and courteous."**

—Jessica Fay, @lipstickheelsandababy  
Life and Style Blogger

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## Platform Evolution

Social platforms dictate how content is distributed, and they evolve constantly. Savvy creators build audiences across multiple platforms and experiment with new ways to connect. Here are some new developments worth tracking:



### Instagram Stories & Posts

Stories are best for real-time moments, while posts are typically highly curated and planned ahead of time. Since launching in August 2016, Instagram Stories has become a central product offering of the platform. Recent data shows that roughly 50% of Instagram's users are regularly using Stories—creating or viewing content.



### YouTube

Brand safety on YouTube is a real concern, and stricter advertising policies for creators have affected ad revenue. As YouTubers rely more heavily on strategic partnerships and brand collaborations for income, we have to wonder: will the high price of YouTube content and the abundant supply of video creators on other platforms lead to a decline in YouTube campaigns as we know them?



### Live Streaming

Whether through Facebook, Instagram, Twitch, or Music.ly, live streams allow influencers to connect more intimately with their audience by giving fans an opportunity to engage in real-time. The medium fosters deeper conversation, leading to greater trust between audience and host. Live streamed video views are increasing, and the production costs are low, making it an effective choice for event coverage, unboxings, and reviews.



### Twitch

Collectively has seen a sharp increase in the number of campaigns developed for Twitch as brands attempt to reach its 15 million daily users. The streaming platform primarily centers on live gaming, and has evolved to offer new features that provide creators more ways to monetize. The shared interests of Twitch creators and their viewers have expanded to include eSports, cosplay, anime, food and a range of other topics.



### Blogs

Bloggging is alive and well, with more than 90% of influencers actively maintaining a blog. Blogs are the only platform where a creator can truly own the content they produce. Blog content is great for long-form storytelling and can be easily repurposed after it goes live.



### Twitter

Twitter is trying its best to stay relevant, and it may be making strides in the right direction with the expansion of tweet character limits from 140 to 280. While Twitter may not be the best place for real-time sharing anymore, it remains a reliable source for news and current events.



### Pinterest

Pinterest is all about highly engaging and aesthetically pleasing imagery. Power-pinner help distribute beautiful brand content and make it more discoverable. Professional stylists, designers, and photographers can help elevate a brand's content by creating quality assets for a lower cost, with built-in distribution.



### Snapchat

Snapchat, now public as Snap Inc., is best for raw, real-time, personal moments and behind-the-scenes event coverage. The user demographic skews younger than that of Instagram, with 45% of its users under 24. There are challenges ahead, though: Instagram Stories is more widely used.

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## Platform Evolution

In 2017, **90%** of influencers we polled reported that they actively maintain a blog.



@spoonfulflavor



@realfoodbydad



@jaceyduprie



@thekentuckygent

**77%**

*of Collectively projects included blog content in 2017.*

**75%**

*of bloggers reported an increase in blog readership.*

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**56%**

*of bloggers reported an increase in sponsored blog opportunities.*

**45%**

*of influencers indicated that blogs generate the most clicks, compared to other content.*

## Brand Takeaway

Blogs are a natural medium for long-form, creative storytelling. They continue to be the best place to share links and help build SEO.

Blog content and assets can be easily repurposed and used to promote larger brand narratives, and support editorial and marketing initiatives throughout the year.

## Influencer Takeaway

Having a blog isn't mandatory today as it was in years past, but it does continue to be a preferred medium for long-form storytelling.

Blog content feels more permanent than social posts, and can be amplified across a variety of other platforms—it's also the one platform that you can truly own yourself.

Suggested read:

[Should I start a blog in 2017?](#)

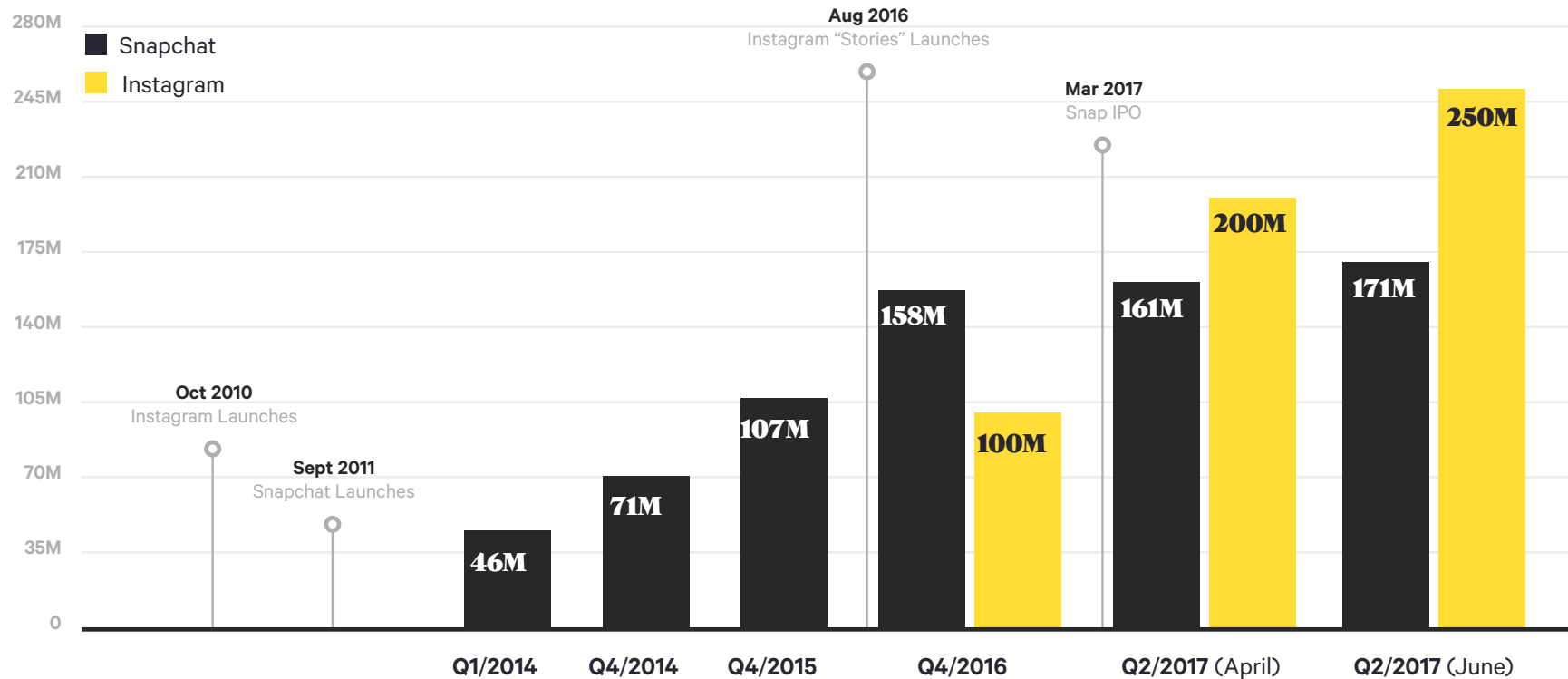
# The growth of ephemeral content.



## Instagram vs. Snapchat

A brief history...

The advent of disappearing content has provided an opportunity for influencers to connect more intimately with their audiences by presenting an imperfect, “real” side to content creation. Instagram Stories is the most widely adopted medium for real-time sharing and is constantly advancing its platform to offer new ways to create, monetize, and track ephemeral content.



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## Platform Evolution

91% of influencers report that their Instagram content generates the highest engagement, compared to content shared on other platforms.

**69%**

*of influencers use Instagram Stories only.*

**78%**

*of dual users say they get more engagement on Instagram Stories than they do on Snapchat.*

**92%**

*of influencers who use both Instagram and Snapchat say: “I get more views on Instagram Stories.”*

- ✓ Influencers report strong click-through rates on Instagram when sharing a URL in their profile or when using the Swipe Up feature.
- ✓ The majority of dual users say that Instagram Stories is best for documenting curated features and editorialized content, whereas Snapchat is best for unfiltered, personal moments.
- ✓ The majority of influencers report that the Swipe Up feature is more successful for conversion, compared to a link in their bio.
- ✓ 30% of influencers indicate that Instagram generates the most clicks, compared to URLs shared on other platforms.

## Brand Takeaway

**Embrace all of Instagram’s features.** Find what works based on campaign goals. Work with creators across a range of audience sizes to maximize impact based on available budget.

**Stay flexible.** There are always outliers to general trends—flexibility and collaboration will reveal the best strategy for a specific campaign.

**Integrate Stories** as an added layer to your campaign to amplify and support real-time moments (product unboxing, behind the scenes, events, and experiences).

**Prioritize Instagram business account users** to glean deeper insights into influencer Story content.

## Influencer Takeaway

**Stay public.** Private accounts are less desirable as they lower the earned media value and block brands from being able to view the content you produce.

**Optimize your bio.** Include your contact information and a few words to set you apart.

**Set up a business account.** Get the most insights possible with a business account.

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## 2018 Predictions

2017 saw massive growth for the social influence industry, and major platform shifts that impact our work. What's next? Collectively partners and industry experts shared their thoughts on the future of influencer marketing in 2018.

### TALENT MANAGEMENT

**Reesa Lake,**  
**Sr. Vice-President & Partner**

*Digital Brand Architects*

“2018 will bring continued growth to influencer marketing as advertising budgets continue to shift from traditional print and digital to influencer-driven campaigns. As the line continues to blur between celebrity and influencer we will see more talent launching brands, appearing in global advertising campaigns, and driving significant retail sales through affiliate marketing. More traditional agencies will build out teams solely dedicated to influencer marketing to service the growing demand.”

### TALENT MANAGEMENT

**Larry Shapiro,**  
**Founder**

*Ensemble Digital Studios*

“Influencer marketing will evolve and mature to move past vloggers pushing integrations, to influencer filmmakers becoming the next generation of commercial directors. These new filmmakers are the ones who are changing entertainment behavior and introducing new production values that millennials want to see.”

### TALENT MANAGEMENT

**Kyle Hjelmeseth,**  
**Founder**

*God & Beauty*

“Brands will step back from massive gifting efforts and move toward more strategic alignment and spend. The market is saturated, and ambassadorships and longer-term campaigns will play a big part in de-saturating the field. Of course, gifting isn't going to go away, as it's a necessary introduction to a relationship in some cases, but top-down strategy will necessitate re-looking at who's out there representing your brand, and being a bit more discerning about who gets what product.”

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## 2018 Predictions

### INFLUENCER

#### **Jacey Dupree, Fashion Blogger**

*Damsel in Dior*

“Larger, global luxury brands will continue to get on board with influencer marketing and we will start to see influencers as the face of much larger advertising campaigns and editorials.”

### INFLUENCER

#### **Steffy Degreff, Life & Style Blogger**

*Steffy's pros + cons*

“The influencer marketing industry will continue to grow, and I see video and Stories becoming the next big focus. Feeds were once dominated by beautifully curated stills, but the industry seems to be focusing more on ‘real’ and ‘relatable’ content, which comes across easier in video.”

### INFLUENCER

#### **Kirsten Alana, Multimedia Creative & Brand Storyteller**

“We will see an explosion of influencers getting into 360, VR, and AR video content as a direct response to brands asking for it or as a way to stay ahead of the competition who might stick with photos and traditional video. I also believe we will see more and more live streaming of content now that there’s no shortage of options across the board from Instagram, which expires, to Facebook and Periscope that are watchable at later dates.”

### BRAND

#### **Blurb Inc.,**

*Collectively Brand Partner*

“With the saturation of influencer programs across social platforms, the need for heavy curation of influencers and authentic partnerships are more important than ever to ensure genuine storytelling and engagement.”



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](mailto:new@collectivelyinc.com)**

**For Influencers**

Want to collaborate with Collectively  
brand partners?

**Email our Community Team at**  
**[community@collectivelyinc.com](mailto:community@collectivelyinc.com)**

**Sources**

*Collectively's 2017*

*Influencer Insights Survey*

*Collectively Campaign Data*

*Facebook*

*Forbes*

*Instagram*

*Omnnicore*

*Statista*

*Techcrunch*

*TubeFilter*

