THE WOMMA GUIDE TO INFLUENCER MARKETING

SPONSORED BY ⬇ SPEAKR

WORD OF MOUTH MARKETING ASSOCIATION
2017 EDITION

THE WOMMA GUIDE TO

INFLUENCER MARKETING

(2017 edition)

ACKNOWLEDGEMENTS

The first edition of this guide was created by the Word of Mouth Marketing Association (WOMMA) in 2013 as a resource for marketers to better understand the mechanics and metrics of influencer marketing.

This updated guide is intended to offer new insights into current industry standards, trends, and best practices.

WOMMA is grateful to the many individuals who have been instrumental in the creation of *The WOMMA Guide to Influencer Marketing (2017 edition).* The principal contributors were (in alphabetical order):

TABLE OF CONTENTS

INTRODUCTION

Why Influencer Marketing

According to a November 2016 poll of 170 marketers across the U.S., nearly half planned to ramp up their budgets for influencer marketing campaigns in 2017 (https://www.emarketer.com/Article/Marketers-Boost-Influencer-Budgets-2017/1014845). Why? According to AdWeek, 92% of consumers trust recommendations from other consumers, especially ones they respect and admire, over ads or content coming directly from the brand. Today's consumers, particularly millennials, make decisions based on what their friends and role models recommend. They also largely block advertising. This is becoming an increasing problem for brands and agencies that spend massive budgets on ad buys to reach consumers. To respond, they are turning to influencer marketing programs, which allow brands to run campaigns through influencers and in doing so, access their massive networks of targeted consumers for a fraction of the price. Additionally, because influencer content is evergreen, it continues to surface in search results and drive traffic for a brand long after a campaign ends.

A May 2015 study by Schlesinger Associates found that 84% of marketing and communications professionals worldwide expected to launch at least one campaign involving an influencer in the next 12 months. Those who had already done so were happy with the results: 81% reported that influencer engagement was effective. Even more statistics that point to the rise of influencer marketing from https://www.ion.co/essential-stats-for-influencer-marketing-in-2017:
• 70 percent of teenage YouTube subscribers trust influencers' opinions over traditional celebrities
• 51 percent of marketers say that video content produces the best ROI
• 86 percent of women turn to social networks for recommendations before making a purchase
• 71 percent of consumers are more likely to make a purchase based on a social media mention
• 86 percent of the most-viewed beauty videos on YouTube were made by influencers, compared to 14 percent by beauty brands themselves

• 57 percent of beauty and fashion companies use influencers as part of their marketing strategy. An additional 21 percent are planning to add this strategy to their campaigns in 2017
• 11.7 percent of US marketing budgets is devoted to social media, up from 3.5 percent in 2009
• On average, businesses generate $6.50-$11 for every $1 invested in influencer marketing

Not surprisingly, nearly half of surveyed marketers want to increase their budget for influencer marketing within the year. However, while three out of four marketers today use influencer marketing in some capacity, a similar percentage of brands say they have no dedicated budget for influencer marketing (http://www.linqia.com/insights/state-of-influencer-marketing-2017/). More and more marketers are acknowledging the value of influencers, yet budgets aren't reflecting this. The purpose of this guide is to help you design, implement, measure, and make a budget case for influencer marketing.

CHAPTER 1 – GETTING STARTED

What Is An Influencer?

Recognizing that people are swayed by others and that some people carry significantly more influence than others, marketers and business communicators have targeted influencers for decades, often in the form of celebrity endorsements. WOMMA defines influence as, "the ability to cause or contribute to another person taking action or changing opinion/behavior." An influencer is someone who possesses greater than average potential to influence others. The people who influencers affect are influencees, defined as a person or group of people who take action or change opinion/behavior as the result of exposure to information provided by an influencer. Influencer Marketing is "the act of a marketer identifying and engaging influencers to share information with influencees in pursuit of a business goal."

Research shows that a marketer is most effective when focusing resources on the specific types of influencers. The section below explores the attributes of different influencers for effective program design.

The Four Spheres of Influence

Influencers have variable amounts of influence or sway, depending on several factors which marketers may weigh differently depending on their goals. Generally, influencers with large audiences produce greater results than influencers whose influencee pool is comparatively small. An influencer may have a relatively small following but still wield a lot of influence in their circle as designated by engagement – likes, retweets, etc.

Micro-Influencers Defined

Micro-influencers are people who influence their immediate circle of followers and their followers' networks. Online, this would be someone with a social following of approximately 1,000 to 25,000 people. Offline, this might be someone who is the head of the PTA, the leader of a non-profit or social organization, or a company's executive.

Example of engagement

The Ice Bucket Challenge was a tremendous viral success, not just because celebrities participated, but because micro-influencers — people we all know and have connections to — participated and encouraged their circle of acquaintances to do the same.

Benefits to engaging micro-influencers

- Usually accessible with a low barrier for contact
- Demand less compensation
- Less sought-after and therefore more amenable to partnership

Challenges to engaging micro-influencers

- Fewer influencees results in less reach. For influencer marketing programs involving micro-influencers to be successful, a marketer must often engage many at once to reach scale. This is where an influencer network comes in handy.

Popular micro-influencer platforms include Facebook, Twitter, and Instagram.

Mid-Level or Power Middle Influencers Defined

Mid-level influencers are people who have influence outside of their immediate circle of acquaintances and online. Generally, they operate in the food, health, lifestyle, and beauty spaces with 25K to 100K followers, readers, and subscribers. Offline, this person is usually a full-time social influencer. These influencers are trusted in their circles online, have a loyal following, and strong engagement.

Example of engagement

A tax preparation software brand enlisted 30 mid-level influencers to promote the release of the company's new product during tax season.

Benefits to engaging mid-level influencers

- Influencers with this reach are well-known on their social channels and regularly engage with their readers
- Larger reach than micro-influencers

Challenges to engaging mid-level influencers

- These influencers may be more difficult to engage because they are widely sought after, e.g. they may be already engaged with a competitor to the brand and unable to work with both depending on exclusivity clauses
- The barrier to find and contact these popular influencers takes work
- Compensation will be more substantial than for micro-influencers. Mid-level influencers may even receive a higher value product from the brand to include in their posts

Mid-level influencer platforms include blogs, Facebook, Instagram, Pinterest, YouTube and Twitter.

Top-Tier Influencers Defined

These influencers typically reach 100k+ in followers/readers/subscribers. They have significant influence in their area of expertise which can either be by subject (food, beauty, fitness, DIY) or social channel (Snapchat, Instagram, YouTube, Pinterest) and are full-time social influencers.

Example of engagement

A premium spirits brand enlisted three influencers to work on a Halloween campaign. The influencers each had 120K+ followers and were well-known for creating and publishing gorgeous photos. They created an original recipe using top-shelf liquor. The brand chose to repurpose the content on their own social platforms furthering the ROI.

Benefits to engaging top-tier influencers

- High reach and strong engagement
- Top-tier influencers create beautiful and professional imagery and/or videos
- Top-tier influencers are meticulous about their personal brand and the content they publish – you can be confident that the content created and resulting impact/engagement will be highly successful

Challenges to engaging top-tier influencers

- Reaching these influencers can be more difficult and costly as it's becoming more standard for them to have talent agents, such as DBA, Socialyte, etc. Each of these agencies represents the "talent" and fees are quite expensive. Working through content usage rights and exclusivity adds an additional layer of complexity and cost.

Platforms top-tier influencers are on: YouTube, Instagram, Pinterest, Blogs, Facebook, Snapchat, Twitter.

Celebrity Influencers Defined

These influencers are household names such as TV and movie stars, athletes and artists.

Example of engagement

Reality stars are becoming more and more familiar to households. The Nicholas Sparks' movie, "The Choice," engaged Shawn Booth of ABC's "The Bachelor." With Shawn's reach on Instagram, he garnered 62k likes in a matter of hours.

Benefits to engaging a celebrity

- These influencers have tremendous reach on their social platforms and have an established fanbase.
- Because of their fanbase, a post by a celebrity is likely to garner high engagement and brand exposure.

Challenges to engaging a celebrity

- The cost is high and competitive
- Since celebrities are sought after more regularly, they are pickier about the brands with which they choose to engage.

Platforms celebrity influencers are on: YouTube, Instagram, Pinterest, Blogs, Facebook, Snapchat, Twitter.

Categories of Influencers

Marketers need to consider what type of influencer will best achieve their desired business outcomes as well as the platforms that will best serve their objectives. This will depend on both who the influencer is (i.e. what type of content the influencer produces – photo or video, etc.) and who the influencer reaches (i.e. influencees).

There are three categories of influencers:

Generalist: An influencer who creates or shares content without a specific focus, often referred to as a "lifestyle influencer." Content may include long-form blog posts sharing life experiences, Instagram photos depicting the influencer's daily life (e.g. kids, pets, food, scenery), videos with general thoughts, re-posts of content they find humorous, etc.

Subject Matter Expert: An influencer whose content revolves around a specific subject matter or area of interest. Influencers may or may not be experts on their subjects. For example, many influencers focus on food, sports, entertainment, photography, and humor but are not necessarily trained experts in those fields. Other subject matter experts may be professionals in their chosen fields (doctors, scientists, professional athletes, chefs, academics or industry experts etc.).

Organizational Influencer: Some individuals hold influence because of their role as representatives (paid or unpaid) of an organization. They are influential because they have information about their organization that they share with influencees, either/both solicited and unsolicited. For example, paid Zappos employees represent Zappos on social media channels, answering customer support-related inquiries, and sharing news and other information about the company. Unpaid organizational influencers may include political volunteers who seek to rally support around a candidate or party through online or offline means.

Attributes

Marketers need tools to differentiate the qualities or 'attributes' of one influencer or influencer cohort from another. Following are some practical attributes that a brand manager can use to benchmark an influencer's potential to influence.

Attribute Definitions

Affiliation. The extent to which an influencer is associated with the brand. Are they seen as independent and unbiased or possessing bias? Is there a formal relationship between the individual and the brand? Are they compensated?

Reach. A count of the number of people that the individual is connected to directly or indirectly via social media and offline channels. This represents the potential number of people who could possibly receive a message from the individual.

Network. The number and strength of connections between people in a social network. This is a statistical term that can be calculated using software when data is accessible.

Intent. The motive of the individual when communicating. While this is difficult to measure, the influencer's intent can affect their perceived trust and the outcomes achieved.

Enthusiasm. Often measured as sentiment. The strength of emotion expressed in a conversation for a given subject.

Venue Duration. The length of time in which the individual is engaged with a specific platform (Facebook, Twitter, YouTube, LinkedIn, user group, community, etc.).

Topic Duration. The length of time in which the individual posts on a given subject.

Frequency of Content. The number of repetitions of posting content on a given subject in a unit of time.

Content Quality. The degree to which the content is well written, well timed, engaging, visually appealing and audience specific.

Content Engagement. The extent to which other people share the content, its virality, and the number of comments, retweets, or forwards.

Two-Way Engagement. The degree to which the individual interacts with fans and followers' responses to and engagement with the content.

Authority and Credibility. The extent to which the individual possesses expertise and has audience trust and respect.

Geographic Reach. Where the individual is effective. Consider global, national and local, as well as language spoken and online versus offline.

Considerations for Developing an Influencer Program

Key factors to consider as you build your influencer marketing program are industry, brand objectives, and influencer attributes.

Industry-level considerations include whether you're a B2B or B2C business and whether you sell goods or services. Take into account any regional factors, whether your industry is regulated or non-regulated, channels, and brand history and attributes along with any unique industry circumstances. Determine the influencers and influencees within your industry and at what point influence would be helpful.

Consider the brand objectives for your influencer marketing program. Are you seeking to drive sales or increase market share or generate trial? Do you want to build awareness, improve customer retention or lifetime value, or accelerate customer acquisition? Is your goal to provide better customer service and support or to improve overall brand sentiment or to drive advocacy or recommendations? Where in the purchase funnel would influencers deliver the greatest positive impact?

Brand-level considerations should take into account the competitors' influencer programs as well as existing capabilities of your influencer program. An inhibitor or enabler to your brand goals may be your company's governance and FTC regulations around social media and consumer engagement. The absence of a policy may be as much an inhibitor or enabler

as the existence of an overly burdensome policy, as legal departments at some companies will require a policy to be in place before proceeding with an influencer program, should one not already exist.

For the third consideration, influencer attributes, start with a benchmark of existing influencer attributes for both your company and competitors. Have you identified key influencers? Are these influencers supporting your brand or your competition? What is their reach and degree of enthusiasm for the brand?

Once benchmark attributes are established, an influencer program could be designed with the aim of improving the attributes of influencers. You may wish to improve the reach and connectivity of the influencer network or clarify affiliation, alignment and knowledge of the brand. Your goals may include improving content quality, biographical information and individual's presence or to optimize frequency and timing of content posting per venue or optimizing venues, making sure your influencers are talking where influencees are present. Other possible goals involve improving topic duration (the length of time someone is engaged and active on a particular topic), improving the degree of enthusiasm towards the brand and topic, or honing location.

Additional influencer attribute factors to consider include whether you should improve the reach of existing influencers or recruit new influencers who have greater reach. You should also determine whether a program can improve the frequency of content or if you should design a program to encourage existing influencers to start conversations on a venue where prospects and customers (influencees) are more likely to engage.

Each category of influencer lends itself better to some program considerations than others. The job of an influencer marketing practitioner is to decide which type of influencer program to run, beginning with understanding and documenting the program considerations unique to your business and then aligning these considerations with those of the population you wish to affect.

Case Study (Sponsored Content)

SPEAKR

Influencer Selection: Perception vs. Reality

Controlling Your Influencer Selection Can Cost 300% of Your Campaign's Performance

OFTEN TIMES SELECTING INFLUENCERS CAN FEEL LIKE SPEED DATING. You have to quickly make a decision about a person who you hardly know based on the limited information you have about them. You do your best to select people who have all, or close to all, of the qualities you're looking for, but there's always a chance you'll either pick the wrong person or end up finding no one.

Advertisers are just as frustrated with selecting influencers for their ad campaigns, and in a recent eMarketer study, 75% of marketers agreed that selecting influencers was their biggest challenge. But with change comes evolution, and top advertisers have undergone a major transition from working with a handful of endorsers to now activating over a hundred per year. This requires marketers to constantly filter through an endless array of on or off-brand personalities, characteristics, and attributes for every influencer campaign. The selection process has become overwhelming simply due to there being too many human and data variables for the mind to process on its own without the help of technology.

Naturally, marketers feel they are the most qualified to select their influencers but after analyzing hundreds of campaigns and thousands of posts, we discovered that influencers selected by Speakr performed three times better than influencers selected by clients.

Yep, that just happened.

To bring this data to life, we found a case study where Speakr ran two separate campaigns with a major CPG brand that selected influencers for one campaign and gave Speakr free range selection for the other.

Both campaigns featured the same brand, had close to identical content, promoted the same product, and shared the same campaign goals of reaching 1.5M impressions with 30,000 guaranteed engagements.

Although both campaigns performed to goal, the results showed that Speakr-chosen influencers delivered higher reach and stronger engagement rate.

Don't believe us yet?

We evaluated over 400 campaigns, 900 posts, and over 6M engagements, separated and categorized by Speakr and client selected influencers. The data showed a large performance gap between the two groups with 3x higher average engagement rates for Speakr-selected influencer posts and performance lifts of up to 426% for Speakr-controlled Twitter campaigns, and 140% lifts for Speakr-controlled Facebook campaigns.

Influencer Selection Outcome
Platform Engagement Rate

Facebook
- CLIENT: .15%
- SPEAKR: .35% — 141% Increase

Instagram
- CLIENT: 2.98%
- SPEAKR: 3.73% — 25% Increase

Twitter
- CLIENT: .05%
- SPEAKR: .25% — 427% Increase

Benchmark Comparisons
Platform Engagement Rate

Twitter — SPEAKR 45% / 0.17% Eng Rate / CLIENT -73%

Instagram — SPEAKR 24% / 3.0% Eng Rate / CLIENT -1%

Facebook — SPEAKR 36% / 0.26% Eng Rate / CLIENT -43%
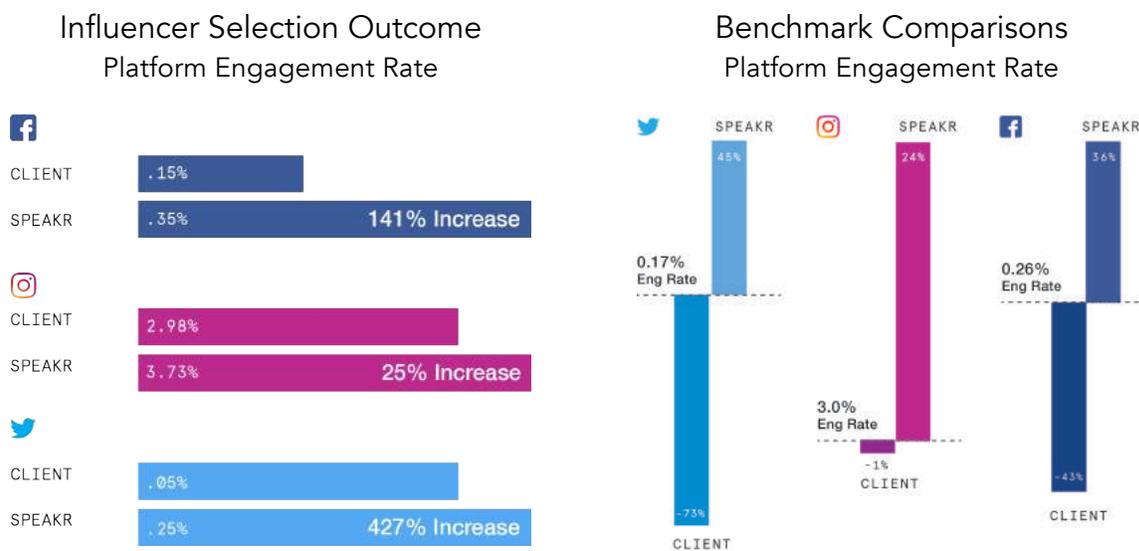
Speakr-selected influencers on Twitter (+45%), Instagram (+24%), and Facebook (+36%) all performed above the platform benchmark which, in retrospect, showcased suffering engagement rates for client-selected Twitter (-73%), Instagram (-1%), and Facebook (-43%) campaigns.

THE VALUE OF PERCEPTION IS WHERE HUMAN MEETS TECH

Without ignoring the data, there is still a ton of value in a marketer's perception of what is on or off-brand for their campaigns; while they are the most qualified for selecting influencers, they cannot rely solely on brand perception. Neither brand intuition or technology alone can pinpoint the correct influencers for every campaign or the best use for them. It's the human variables such as look, feel, creativity, and reputation that have to

marry with data-driven variables such as reach, audience demographics, engagement, and pricing to unlock the true power of influencer selection.

Neither brand intuition nor technology alone can pinpoint the correct influencers for every campaign or the best use for them.

For example, Nike does not need technology to prove that athletes will influence their target audiences, but it's technology like Speakr's that will allow them to discover who, besides athletes, Nike should work with to reach their campaign goals.
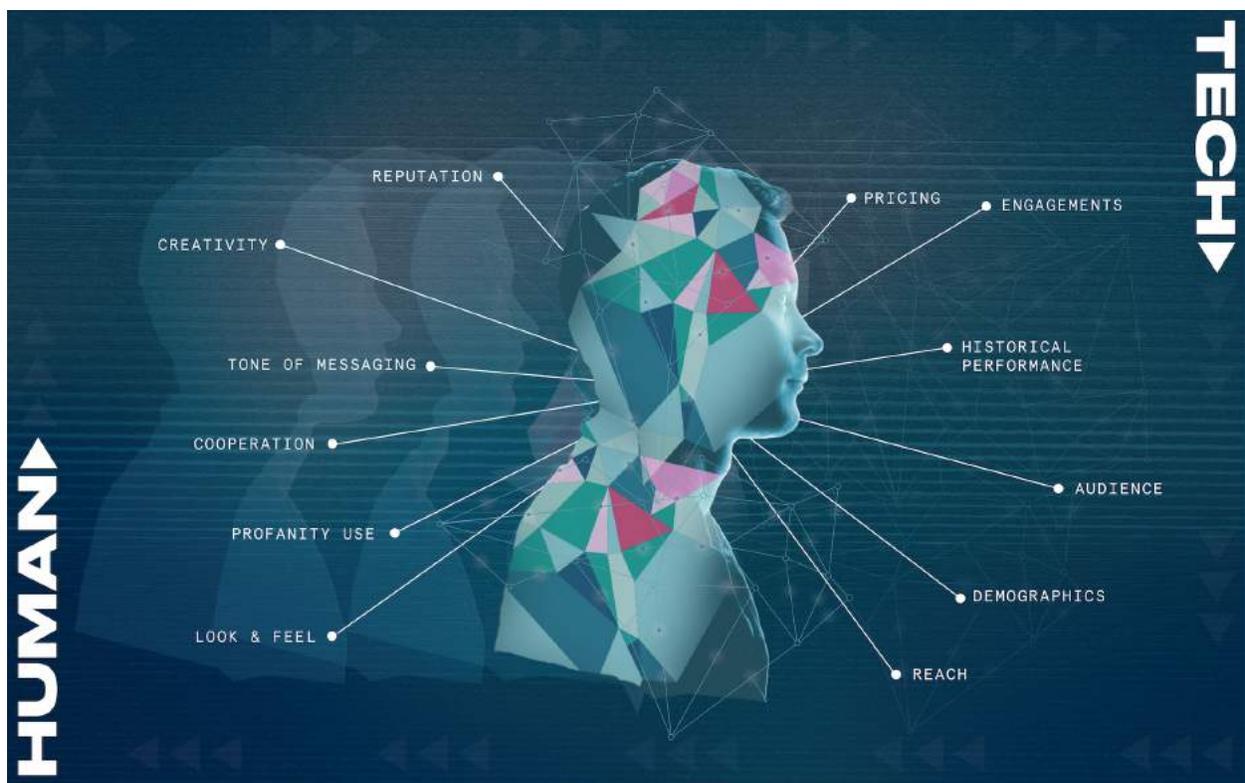
Speakr campaigns performed 2x better than campaigns ran in-house by advertisers.

Another added value of influencer technology is the staff, who hold real life relationships with influencers, and utilize it pre, post and mid campaign to optimize campaign performance and ensure success. The value of influencer expertise coupled with technology is proven in a recent study that showed,

regardless of the influencer selection, Speakr campaigns performing 2x better than campaigns ran 100% in-house by advertisers.

It's no secret why marketers struggle so much with influencer selection. While technology will never be able to determine what is on or off-brand for an advertiser, it's the understanding of the influencer's data that allows marketers to intelligently select influencers. There are too many human and tech variables to consider, and the task is simply too large for marketers to do without technology. On the other hand, strictly relying on brand perception is not enough insight to make proper influencer decisions either. It's the application of brand insights combined with industry experience and technology that allows vendors like Speakr to pinpoint the best influencers.

Entrusting a vendor to apply on-brand guidelines during the influencer selection process can be a difficult hurdle for brands to overcome. However, brands need to understand that this is not so much an exchange of power as it is more about leveraging the expertise and technology needed to avoid sacrificing campaign performance.

For a further look into this study, please visit http://Speakr.com.

This case study was sponsored by:

SPEAKR

Examples of Top Influencer Campaigns

Since 2006, WOMMA's annual WOMMY Awards have recognized top influencer marketing campaigns from across the globe. Past winners include Coca-Cola, Whirlpool, Kimberly-Clark, Motorola, Pedigree, GameStop, Audi, Toyota, Dole, Philips, Honda, GroPro, Hewlett Packard, General Mills, Microsoft, Sephora, Intuit, Hulu, Nestle, and more. To view videos of recent award-winning campaigns, visit https://womma.org/2016-wommy-winners/ and http://womma.org/2017-wommy-award-winners/

Advocacy: A Unique Kind of Influence

Marketers wishing to engage influencers have two options: to provide compensation or not. Influencers who are given some form of compensation are considered sponsored influencers and fall into the category of paid media. Uncompensated influencers are considered advocates and fall into the category of earned media.

Who is a sponsored influencer?

Sponsored influencers are individuals who show support for a brand, cause, product, or service and who receive compensation in some form (cash, product, services, etc.). Sponsored influencers must clearly disclose the nature of their relationship with their sponsor. Brands generally have contracts with paid/sponsored influencers, which is why they're considered paid media even though their promotion often results in greater earned media for the brand.

Limitations of Using Sponsored Influencers

Sponsored influencer programs, especially when activated at scale, are costly.

Who is an advocate?

Advocates are individuals who show support for a brand, cause, product, or service while remaining formally unaffiliated with the brand. <u>Advocates are not provided with any form of compensation</u>. Advocates use their influence to promote something of their own volition; they simply choose to do so. Because advocates remain unaffiliated with the brand, their influence is considered earned media.

Limitations

Only uncompensated influencers are advocates. Advocates operate entirely independently. This makes advocacy a challenge to predict, manage, or control.

CHAPTER 2 – ADVOCACY MARKETING BASICS

What is Advocacy Marketing?

Advocacy marketing leverages the passion conversations and support of individuals who operate independently of a brand. Open and willing to share positive sentiment with others over their personal networks, <u>they are trustworthy because they earn no material benefit from their support.</u>

Advocates typically fall into one of three general categories:

- Consumer Advocates
- Employee Advocates
- Social Advocates

All three advocate types share some key characteristics. They are brand fans who are compelled to share their passion, tag friends, or bring them into the conversation through user-generated content, stories and photos. Each advocate type also has unique attributes which distinguishes it from the other categories.

Consumer Advocates

Consumer advocates are everyday individuals who are fans of a brand and who share their positive experience with their personal networks (online and offline). A consumer advocate is not formally recognized or compensated by or affiliated with the brand.

What Consumer Advocates Do

During the natural course of their interaction with a brand, consumer advocates make a case for the brand – sharing positive sentiment, offering a recommendation, or suggesting a purchase. A consumer advocate is more

than just a customer, fan or influential member of a brand community. A true advocate will stand up for a brand, tell their friends and family members about an experience and drive new business for a company simply because they believe in its vision and product. Simply put, consumer advocates grow brands through their passion, knowledge and influence throughout their personal networks.

When Consumer Advocacy Occurs

Advocacy occurs when a person has a high degree of emotional attachment towards something and is compelled to tell another about it. Advocacy can be one time or the individual can advocate over a long period of time.

Why Consumer Advocates Are Relevant to a Brand

There is a direct link between online advocacy and offline sales. When advocacy increases, sales increase. According to 2014 WOMMA research, WOM (word of mouth) drives an average of 13% of sales. According to the Department of Commerce, in 2013 that 13% of consumer sales in the US amounted to $6 trillion in sales. For comprehensive insights into how word of mouth drives sales and amplifies the effect of paid media, please see the WOMMA Return on Word of Mouth study in Chapter 3 of this Guide or download the full study at https://womma.org/returnonwom/.

Employee Advocates

Employed by a company either in full-time, part-time or even short-term contract positions, employee advocates have a positive sentiment about the brand and are willing to share their specific experiences with their personal networks.

Employee advocates are authentic and trustworthy because they believe in the brand message/vision, are fully aligned with it, and can use influence (offline and online) to help ensure that resulting reach is also on brand.

While employee advocates are often part of formal employee advocacy programs and are taking part in some sort of points-based or "gamified" system, that is not always the case. Employee advocates can be, and often are, unprovoked advocates of the brand for which they love to work.

What Employee Advocates Do

In addition to general promotion of the brand, employee advocacy is important as an amplifier to company releases, announcements, campaigns or launches. Employee advocates can be the best word of mouth promoters for on-brand messaging.

When Employee Advocacy Occurs

Employee advocacy occurs when a person feels compelled, whether organically or through a formalized employer-run program, to promote the brand for which they're proud to work. This could be triggered by a new product launch or in defense of the brand.

Why Employee Advocates Are Relevant to a Brand

Successful employee advocacy programs should empower employees to be the human faces of a brand. By giving these company representatives the autonomy to be experts on the products and experiences they are responsible for, it gives the brand an opportunity to spread positive sentiment by tapping their employees' personal networks, often a combined 10X the size of a corporation's audience.

Employee Advocates & Disclosure

If an employee is talking about his/her company or even about a competitor's company or brand in a way that might influence audience action or opinion, they need to disclose that they work for the company. More on disclosure, compliance, and an FTC case involving a major brand that failed to instruct its employees to disclose and the resulting fines in Chapter 4 of this Guide.

Social Advocates

Social advocates are individuals who believe in the message, mission, or the values of an issue or interest group. Supporters in this category include legal, healthcare, political, and human rights advocates. Their support can also be in defense of a brand that has been wrapped up in a controversy. 2017 examples include attendees of the Women's March on Washington, supporters of net neutrality, and proponents of the Affordable Card Act.

What Social Advocates Do

Social advocates are compelled to speak out and make a case for an issue or group's policy or principles – sharing positive sentiment, offering a recommendation, suggesting a call to action, protesting, or proposing a legal change. In some cases, it serves a brand to provide an opportunity to bring social advocates into the conversation. It can be very delicate though and a brand should engage their PR resources heavily to consider what message to promote and how best to engage with followers and detractors alike.

When Social Advocacy Occurs

Social advocates come into play when a brand chooses to promote a message to incite change or support a cause, or in response to an event that has circumstantially encompassed a brand. A perfect example occurred in January 2017 during the Trump administration's Muslim immigration ban. While New York taxi drivers were striking in protest, Uber was sending drivers to New York's JFK airport in droves and charging surge pricing to riders, many of whom were going to the airport simply to protest the ban. Lyft in contrast, Uber's top competitor, had responded to the ban by pledging to donate $4 million to the American Civil Liberties Union. Social advocates used Twitter and the hashtag #DeleteUber to encourage a ban of Uber and the downloading of the Lyft app. As a result, for the first time ever, Lyft surpassed Uber in iOS app store downloads and become the 4th most downloaded free app (http://mashable.com/2017/01/30/delete-uber-trump-immigration-ads/). When a brand is under fire, social advocates can play a significant role in defending or defaming its integrity.

Harnessing Advocate Influence

The goals of an advocate program include sharing the results of a positive experience, countering negative press, creating a new position for a brand, and driving support for an existing position.

Determining advocates' potential to influence

Advocates' potential to influence is determined by several factors including the number of people they bring into the conversation (especially potential new customers), the size and influence of their networks, and the degree of positive sentiment they display toward the brand. Additional factors include the length of time they've been generating conversations or content about the brand, the social media channels they use, their alignment with a brand's preferred channels, and the degree of two-way engagement with their content.

Observing advocates' actual influence

Advocate influence can be measured in several ways. You may see new people engaged in the conversation because of advocate content or unique URL click-throughs to a website from advocate content. Further evidence of advocate influence may include new content they create that references the brand, product reviews or testimonials, or use of referral codes and coupon redemption.

Special Considerations for Working with Advocates

Working with advocates can be sensitive. Any brand-led engagement must be authentic. Don't assume that just because individuals advocate for a product on their own that they want to be considered ambassadors of a brand. It may be wise to first build a relationship with an advocate by reaching out to them, thanking them, and even sending an unexpected token of appreciation. At that point, you can reach out and ask if the advocate wants to do more with the brand and serve in a bigger, more formal capacity.

If you offer the advocate something in return for their advocacy (e.g. coupons, discounts, exclusive content, free products, or early access to sales), you must also instruct the advocate to disclose those benefits in line with the FTC's requirement to disclose any material relationship. Once a material relationship is established, the advocate becomes a paid influencer for your brand. In the event the advocate relationship evolves into an influencer relationship, different disclosure rules apply. More on disclosure rules in Chapter 4.

Examples of Top Advocacy Campaigns

In 2016, the WOMMY Awards http://womma.org/wommy-awards/ started recognizing top employee and customer advocacy campaigns through its Advocacy Award category. To view videos of the 2016 and 2017 Advocacy Award winners, visit https://womma.org/2016-wommy-winners/ and http://womma.org/2017-wommy-award-winners/

CHAPTER 3 – INFLUENCER MARKETING MEASUREMENT: A YARDSTICK FOR PROGRAM SUCCESS

Integrating measurement criteria into your influencer marketing program strategy is essential to determine how well it is performing and its ROI. To measure success, you must establish benchmarks for specific outcomes targeted to a specific category of influencers, measure and report performance results, and adjust accordingly. This chapter will help quantify the value of your influencer campaign and suggest benchmarks for standardizing measurement and performance.

Quantifying the Value of WOM Marketing

It is widely known that positive word of mouth is a marketer's most valuable resource. Difficulty in measuring the precise dollar ROI of word of mouth marketing has long been the largest obstacle to marketers committing sizable budgets, the way they do with paid advertising. With the rise of social media however, marketers now have the unique ability to access instant data on customer reach, reaction, and sentiment to online word of mouth and influencer marketing. In 2014, the WOMMA Return on Word of Mouth study https://womma.org/returnonwom/ became the first major independent study to quantify word of mouth's ROI. It revealed that word of mouth often work well with paid advertising, amplifying advertising's impact by 15%. Other key findings include:

WOM (word of mouth) drives a significant portion of sales, across categories– an average of 13%

- For context, paid marketing in total drove 20-30% of sales, on average, for the brands participating in the study
- Categories in the study included telecom, personal care, software, TV programming, and consumer packaged goods
- WOM's impact is greater for higher-consideration categories, smaller for lower-consideration
- WOM's impact was lower for brands in the study whose KPI was "total sales," as opposed to a subset of total
- 13% of consumer sales in the US was $6 trillion in 2013, according to the Department of Commerce

Two-thirds of WOM's impact is from offline WOM, one-third from online

WOM plays both a direct and indirect role in driving business performance

- WOM directly impacts business performance
- WOM is driven by and amplifies online and offline media, which then impacts business performance
- WOM also drives Search and Website visits, which then impacts business performance

Two-thirds of WOM's impact is direct; one-third is as an amplifier of paid media

- WOM amplifies the effect of paid media by 15%

WOM has a more immediate impact than traditional media

- About 90% of online WOM's impact is in the first two weeks
- About 73% of offline WOM's impact is in the first two weeks

A WOM impression has much more impact than a paid media impression

- An offline WOM impression drives at least 5 times more sales than a paid advertising impression, and much more (as much as 200 times more) for higher-consideration categories

Measurement Guidelines: Core Metrics and Definitions

These measurement guidelines are best practices endorsed by WOMMA for measuring and reporting all word of mouth marketing, including influencer marketing. They are intended to maximize accuracy and consistency across the industry and they are intentionally as concise as possible so that marketers will use them, and brands will hold marketing partners accountable.

These guidelines also align with the Media Rating Council's *Social Media Measurement Guidelines,* available at: http://womma.org/free-womm-resources/. These guidelines are comprehensive but not meant to be exhaustive; other metrics and practices may be used.

How to Measure an Influencer Program

There are two types of measurement relative to influencer marketing: the potential to influence before the campaign and actual, observed influence during or after the campaign. Keep in mind that it is rare to measure actual influence. Instead, we observe proxies of influence in the form of outcomes or actions taken, for example, the redemption of a coupon code shared by an influencer. Measurement of potential to influence requires determining who is influential in a space or sector. While there are no guarantees, your objective is to determine the key influencers or cohorts who will maximize the influencer program outcomes for your brand. Current methodologies assess the following:

- The offline conversation volume and brand awareness
- Third-party scoring results
- The individual's or cohort's sentiment towards a brand or topic
- Content quality and quantity
- Network size and centrality
- The individual's or cohort's authority, trust and credibility

Consider the following example. You have decided to launch a celebrity influencer program. You made this choice because you determined a celebrity influencer best addresses your business objectives and aligns to both your industry and brand level considerations - and you have the budget.

Having decided to use a celebrity influencer, you must then determine which celebrity is best suited for your influencer marketing program. To do this, you need a methodology to rank each potential celebrity. We suggest documenting the key attributes (see the Attributes section in Chapter 1 of this *Guide*) for each celebrity and evaluating the attributes against your brand and program goals. Collectively, these attributes can be used to assess multiple celebrities to indicate their potential to influence. There are two prominent methodologies for measuring actual, observed influence. The first is metrics attribution to the influencer or cohort using web analytics, unique URL tracking, and campaign codes. The second is observing changes in activity or attitude before and after a program or in the absence of a program.

To document actual, observed influence you will need to gather metrics over time, including the following:

- Number of conversations about the campaign or topic of interest
- Number of people who share the influencer's content
- Number of comments on the influencer's content
- Number of actions taken on branded properties because of the influencer's actions (click-through rates, time on site)
- Purchases attributed to the influencer's content
- Referrals attributed to the influencer's content
- Matched market studies
- Survey for before and after changes in activity and attitudes attributed to the key influencers

The observed measurement of conversations can include both web analytics and social monitoring (listening) measurement capabilities. In addition, you may also need to include off-line measurement techniques such as surveys and syndicated studies. Attributing sales to the influencer campaign requires being able to link the purchase back through to the key influencer's content or conversation.

To summarize, there is a distinction between the predictive measures of potential to influence from that of measuring actual, observed influence. A methodology for determining both states of influence in influencer marketing program design is important.

Measurement Issues and Best Practices

Transparency & Assumptions. Measurers must fully disclose their methodologies. They must especially disclose and support any assumptions, and they should use recognized industry standards wherever possible.

Data Collection. Results that can be measured should be measured (e.g. by social listening software or other data analytics tools). Those that can't (e.g. attitudes and offline behavior) can be measured using tools like surveys.

Sponsorship. Because the effectiveness of WOM is directly proportionate to its authenticity, it would be desirable for WOM driven by paid influencers to be reported separately from that driven by unpaid influencers. This is unfeasible, however, for many reasons including that today's technology doesn't fully enable it.

Online & Offline. Online and offline WOM should be reported separately, and the measurement tools and methodologies for counting both data sets should be fully disclosed.

Generations. The reporting of offline WOM that is measured in generations from the influencer-out should be limited to three generations -- the influencers ("Generation 1"), the people they tell ("Generation 2") and the people they tell ("Generation 3") -- and any assumptions must fully be disclosed and sourced. WOM measurement not dependent on generational assumptions (e.g. "impressions" counts from Facebook Analytics) need not segment or limit generational measurement.

Timeframe. Because WOM can continue to spread long after the end of the program that drove it, it is permissible to report 'Lifetime' WOM, but all WOM should be time-stamped, at least by month.

Social Overlap & Reach. There is currently no reliable way for measurers to know the overlap of WOM receivers in a program (e.g. friends/followers of multiple participants of the same WOM program, on and across platforms; receivers of WOM both online and off, from the same participant in the same program; etc.). Until there is a way to know the overlap, "unique people reached" cannot be accurately reported.

Demographics & Targeting. Because measurers often cannot identify the demographics of WOM participants beyond generation 1, when reporting demographics they must disclose which audiences are, and are not, being described.

Value. When calculating and reporting program value (e.g. using attribution, market mix modelling, matched market analysis, shopper data analysis, media value, etc.) the following must be adhered to:

- Methodologies and assumptions must be disclosed.
- For ROI: the "I" (investment) must be thoroughly defined, itemizing both the costs included and omitted, from agency fees to coupon redemption; the "R" (return) must be clearly defined, whether gross revenue, net profit, etc.
- For "equivalent market value": the value of engagement metrics and impressions should be data-supported, "recognized industry standards" when possible; the number of impressions must be based on the number of estimated actual impressions, or digitally verified impressions, not potential impressions.

CHAPTER 4 – INFLUENCER MARKETING ETHICS AND DISCLOSURE ESSENTIALS

Ethics

Successful influencer marketing occurs when consumers and marketers operate within an environment of trust and transparency. Marketers and their partners should commit to compliance with laws and regulations that govern the prevention of unfair, deceptive or misleading marketing practices.

The following six key ethical principles which make up WOMMA's Code of Ethics all come into play with influencer marketing:

1. Trust: Engage in practices and policies that promote an environment of trust and transparency between the audience and the marketer.
2. Integrity: Comply with the requirements of current laws, regulations and rules concerning the prevention of unfair, deceptive or misleading advertising and marketing practices. Engage in practices that are designed to enable the reasonable audience acting rationally to make better informed decisions.

3. Respect: Promote and abide by practices that focus on audience welfare, recognizing that the industry is best served by recognizing that the audience, not the marketer, is fundamentally in charge, in control and defining the terms of the audience-marketer relationship.
4. Honesty: Audiences should be free to form their own opinions and share them in their own words unencumbered by any efforts that tell them what to say or how to say it.
5. Responsibility: Marketing efforts geared toward minors require sensitivity and care, given minors' particular vulnerability to manipulation and deception.
6. Privacy. Marketing efforts should respect the privacy of audiences and employ practices which promote the most effective means to promote privacy, such as opt-in and permission standards.

For more information on influencer marketing ethics, please visit http://womma.org/ethics/.

Disclosure

WOMMA's Social Media Disclosure Guidelines address the changing landscape of WOM marketing in rapidly emerging platforms such as Twitter, Facebook, Instagram, Pinterest, YouTube, Snapchat, and more. Regardless of the platforms used or the type of relationship with an influencer, marketers have several responsibilities when engaging in influencer marketing.

Standards of Conduct for Influencer Marketers

- **Standard 1 – Disclosure of identity**: Marketers and their partners should require their representatives to make meaningful disclosures of their relationships or identities with audiences in relation to the marketing initiatives that could influence an audience member's purchasing decisions.
- **Standard 2 – Disclosure of consideration or compensation received**: Marketers and their partners should require their representatives to disclose meaningfully and prominently all forms (but not monetary amounts) of consideration or compensation they received from the member, marketer or sponsor of the product or service.

In other words, marketers shall not engage in practices where the marketer/sponsor or its representative provides goods, services, or compensation to the audience (or communicator) as consideration for recommendations, reviews, or endorsements, unless full, meaningful, and prominent disclosure of such relationship is provided.

- **Standard 3 – Disclosure of relationship**: Marketers and their partners should require representatives involved in a word of mouth initiative to disclose the material aspects of their commercial relationship with a marketer, including the specific type (but not amount) of any remuneration or consideration received.
- **Standard 4 – Compliance:** Marketers and their partners should comply with the Guides Concerning Use of Endorsements and Testimonials in Advertising promulgated by the Federal Trade Commission and other applicable regulatory guidelines.
- **Standard 5 – Genuine honesty in communication**: Marketers and their partners might provide sample brand-approved language, but should not tell their representatives what to ultimately state in their communications about a particular product or service, so as to enable the audience to reflect his or her honest opinions, findings, beliefs, or experiences.
- **Standard 6 – Respect for venue**: Marketers and their partners should respect the rights of any online or offline communications venue (such as a web site, blog, discussion forum, traditional media, or live setting) to create and enforce its own rules pertaining to the operation of its platform(s) as it sees fit.
- **Standard 7 – Marketing to children and adolescents**: Marketers and their partners should comply with all applicable laws dealing with minors and marketing in any of its word of mouth marketing programs or campaigns, including the Children's Online Privacy Protection Act ("COPPA").
- **Standard 8 - Compliance with media-specific rules**: Marketers and their partners should comply with existing media-specific rules regarding marketing to children.

Avoiding Influencer Marketing Ethical Missteps

One of WOMMA's core missions is to help marketers maintain the highest standards of integrity in their word of mouth marketing. WOMMA's Ethics Assessment Checklist was developed to help protect and build trust between consumers and marketers by identifying and eliminating unethical word of mouth marketing campaign tactics. Designed for use by marketing leaders, agencies, and vendors/contractors, this tool can help avoid painful missteps in an influencer marketing campaign. The questions spotlight unethical practices, actions that should be avoided, and gray areas that could require changing or haulting a campaign.

Use the below checklist to assess whether your organization has appropriate policies, frameworks, and protocols in place to ensure compliance on an ongoing basis, as well as on a campaign-specific basis to audit compliance before, during, and after a campaign.

1. Do influencers use their true identity and clearly and understandably disclose their affiliation with our company?
2. Do we forbid deceptive practices by influencers such as making false claims about such factors as age, gender, race, and familiarity with or use of the product?
3. Do we train brand and agency employees on the importance of identifying their employment relationship, if they engage in social media conversations about a promoted product or service?
4. Do we make sure audiences are fully aware of all forms of compensation or consideration (the fact of compensation, not specifically its value) – including incentives, coupons or samples – provided to influencers?
5. Do the statements made by our influencers express their honest and authentic opinions without manipulation or falsification?
6. Have we provided our influencers adequate training and tools such that we are confident they will act in an ethical manner relative to our customers?
7. Do we insist that our campaign sponsor(s) disclose their involvement with the campaign and provide contact information when requested by a consumer or the media?
8. Can a reasonable person in our audience trust that all claims are truthful, accurate and substantiated?
9. Do we provide factual and honest information to influencers, consumers and the media?

10. Do we actively instruct and insist on compliance in all ethical practices and behaviors by our Influencers, including familiarity with and adherence to FTC Guidelines?
11. Do we have a plan to monitor for any inappropriate word of mouth content generated by our influencers?
12. Are we prepared to take full responsibility to promptly correct any inappropriate or unethical word of mouth activities by us or our influencers?
13. Do we insist on compliance with all applicable terms and conditions of each social media platform and website on which we or our influencers participate?
14. Do we require our agencies to subscribe to the same high standards of ethical behavior and practice as we do and to implement those standards in their arrangements with their employees, contractors, and third parties?
15. Does our agency have reporting and/or operational review procedures that will permit us to ensure they are in full compliance with all legal and ethical standards throughout the campaign?
16. Does every aspect of the campaign (including, for example, marketing opt-ins) respect audiences' privacy rights and preferences?
17. Is the campaign in compliance with applicable media-specific rules regarding marketing to children?
18. Do we feel comfortable that we have the right to use the materials included in our campaign, i.e., that we are not misappropriating others' content or infringing any third-party rights?

Best Practices for Transparency and Honesty

In today's constantly evolving interactive world, with opportunities to deliver messaging across countless platforms and devices, it can be difficult to figure out the best way to ethically, accurately, and consistently disclose required information in your communications. However, disclosure is critical not only to communicate with audiences ethically but also to avoid damage to your brand's reputation and potential legal, regulatory, and financial risk. Below are some fundamental principles to keep in mind when conducting your marketing and communications activities in digital, social, and mobile. Please note this guide is provided as a courtesy the industry at large, but is not intended to be legal advice or to address every possible situation. Always consult your own attorney to apply current law to your specific circumstances.

Be transparent in your communications.

- **What is transparency?** Transparency is ensuring that the audience knows the identity of the speaker and the existence of any "material connection" between the speaker and the brand/company the speaker is referencing, as well as any important limitations or restrictions on an offer. For purposes of this Guide, "speaker" means whoever is communicating, regardless of whether the message is written, spoken, or an image/video.
- **What is a "material connection"?** A "material connection" is any relationship between a speaker and a company/brand that could affect the credibility audiences give to that speaker's statements or influence how the audience feels about a company/brand. This can include any benefits or incentives such as monetary payment, free product, exclusive or early access, discounts, gifts (including travel), or an employer/employee or other business relationship.
- **Employees, agents, and business relationships**. If an employee is talking about his/her company or even about a competitor's company or brand in a way that might influence audience action or opinion, they need to disclose that they work for that company. A 2015 FTC case involving Sony and its agency Deutsch LA that resulted in significant fines was brought to bare in part because Sony employees were asked to create awareness and excitement about the new PlayStation on Twitter, without being told to disclose their business connection to Sony (https://www.ftc.gov/news-events/press-releases/2015/03/ftc-approves-final-orders-related-false-advertising-sony-computer).
- **Engagement with external people/groups.** If a brand engages a blogger, celebrity, or other influencer directly or through an agency/partner to help promote your company or a product, they must disclose to their audience that they have a relationship with you and you as the brand are responsible for communicating that responsibility to the influencer. For example, if you give an influencer free product or any other monetary or non-monetary incentive including a one-time gift, any and all communications about your company/brand or about a competitor's company/brand must be disclosed. The influencer must alert the audience that a material connection exists and if they do go into detail about their connection to the company/brand, they should describe it

fully, meaning if they were paid and received free product, they shouldn't just say that they received free product.

- **Sponsored or paid marketing activities**. These same principles apply to sponsored or integrated marketing activities including native advertising, when disclosure would be appropriate to distinguish between editorial and advertising content.

Make the necessary disclosures.

The disclosure should be clear and conspicuous and should accompany or be part of every message that requires disclosure. It is not sufficient to be stated on the influencer's profile page or be included with only some of the messages that talk about the company or brand. The disclosure should be as close as possible to each applicable message, must be included even in space-constrained messages like Twitter posts, and should be included in such a way that it travels with the message (e.g., if the message is shared or reposted by users). Some ways to do this include:

- Posting as the brand through a brand-controlled website such as an official Facebook Page
- Using a brand-designated handle such as "@JohnFromACME"
- Making the disclosure within the message itself in plain language and in a clear and conspicuous manner, such as "I work for ACME, . . ." or "My partners at ACME . . ."
- Using a prominent hashtag that is understood by potential audiences to mean that a material connection exists between the influencer and the brand, for example hashtags such as "#Ad" and "#Sponsored"
- Explanatory hashtags that specifically disclose the existence of a material connection (e.g., "#IWork4ACME" or "#IWorkWithACME"), provided the hashtag stands out– it shouldn't be buried in other text, and when possible you should use bold, italic, or a different color font for the hashtag. Note that the FTC has cautioned against the use of abbreviated hashtags or other hashtags that may not have a clear meaning to the audience (such as "#Spon"), even in platforms with character or space limitations
- In situations in which you want to use a hashtag other than the types described above, you should consider whether the hashtag you plan to use is understood by audiences to denote the existence of a material

connection. For example, simply using "#ACME" or the brand's slogan in the form of a hashtag (e.g., in the case of Nike, #JustDoIt) might not go far enough if people who see it only think that the influencer is a fan of the brand but doesn't have a paid relationship with the brand. Likewise, the effectiveness of hashtags that might only be understood by individuals who work in the industry but not by the public, such as "#Client", is questionable.

Be truthful and have substantiation.

- Any seemingly objective statements the brand, its employees, or influencers it engages make must be truthful and not misleading. Have substantiation to support such statements in your files at the time the statement is made.
- This means you should give your employees, agents, and the external individuals/groups you engage accurate information about your products and programs and instruct them that they must speak truthfully
- Influencer or advocate postings should reflect their honest opinions, beliefs, and experiences. The brand should not instruct them to write only positive things about products and services. If the brand is asking them to post comments or reviews, it should not delete the negative comments or base compensation or participation upon positive reviews.
- Even if an unrelated third-party initially made a particular statement, you could still be held responsible if you amplify that statement (e.g., linking to an article or reposting a comment made by someone else places responsibility on you to verify the accuracy of the statement.)

Disclose all material terms.

- When making comparative claims or promoting products or offers that have limitations on availability or supplies, or restrictions on applicability or eligibility, be sure to give audiences all the material information they need to properly evaluate what you're talking about. Some ways to do this include:
    - Wherever practical, incorporate relevant limitations or qualifying information within the message itself

- When the above is not practical, you should include a clear and conspicuous disclaimer/disclosure that would put your audience on notice that there is additional information they should know and inform them where they can get that information. This disclaimer/disclosure should be as close as possible to the triggering message, be viewable on whatever platforms/devices those audiences might be using (e.g., mobile), and when placing the qualifying language on a separate page, ensure that the link is labelled in a way that clearly discloses the importance, nature, and relevance of the information on that page. For example, instead of using a generic shortened URL (e.g., http://bit.ly/dwSQr5), or a generic label such as "Terms and Conditions" use something like "Important restrictions apply; click here for details".

Responsibility of Companies and Brands

Companies and brands have a responsibility to ensure that their relationships to employees, business partners, and influencers are adequately disclosed and that statements made by these engaged parties about the company's products or services or those of their competitors are truthful and accurate. To meet this responsibility marketers are encouraged to:

- Institute company-wide social media policies designed to ensure compliance with these principles
- Make sure that any agencies or other vendors retained for social media activities have a social media policy that is in alignment with theirs
- Educate and train employees, agencies, partners, vendors, and influencers they engage with on circumstances when disclosure is required and what it should look like
- Reasonably monitor all campaigns for compliance with policies regarding disclosure of material connections and truthfulness of claims
- Make commercially reasonable efforts to correct situations in which appropriate disclosures are omitted or non-compliant claims are made
- Visit the FTC's website (www.business.FTC.gov) regularly for their latest rules on proper disclosure

Need Help Ensuring Compliance & Proper Disclosure?

WOMMA offers three easy, online courses that summarize the current FTC laws for disclosure, common missteps, and how to best avoid them. Each course is under 45 minutes and includes a digital badge for social media showing proof of completion. Don't put yourself or your brand at risk. More at http://wommauniversity.com/all-courses/. Enterprise licenses and pricing are available.

CLOSING

WOMMA hopes that you find this Guide to Influencer Marketing to be a valuable tool as you cultivate your brand's influencer marketing program. Please encourage members of your team to use it at every stage in your organization's influencer marketing strategy development – from the first steps in an influencer marketing campaign and understanding the differences between influencers and advocates to measuring your influencer program success and ensuring the highest integrity in disclosure practices.

About WOMMA

Since 2004, WOMMA has been a driving force in advancing ethical word of mouth marketing and cultivating consumer trust through its strong relationships with the FTC and the respect it garners from brand and agency marketers, lawyers, cause marketers, influencer platforms, and top service providers. Through diverse leadership communities, cutting-edge live events, training and online education, new research and publications, prestigious industry awards, and vast opportunities for knowledge-sharing, WOMMA is a trusted source for unbiased content, collaboration, advocacy, industry recognition, and the latest thought leadership.

Watch this 1-minute video to find out why Fortune 500 companies like Google are WOMMA members: https://youtu.be/6FQEt9v29fA

Learn more about membership in the Word of Mouth Marketing Association and find additional information about word of mouth marketing and influencers at these WOMMA links:

·   Membership http://womma.org/membership/member-benefits/

·   WOMMA http://womma.org

·   WOMMA - Twitter https://twitter.com/womma

·   WOMMA - Facebook https://www.facebook.com/WOMMA/

·   WOMMA - LinkedIn https://www.linkedin.com/company-beta/78928/

WOMMA