



THE RISE OF THE MICRO-INFLUENCERS



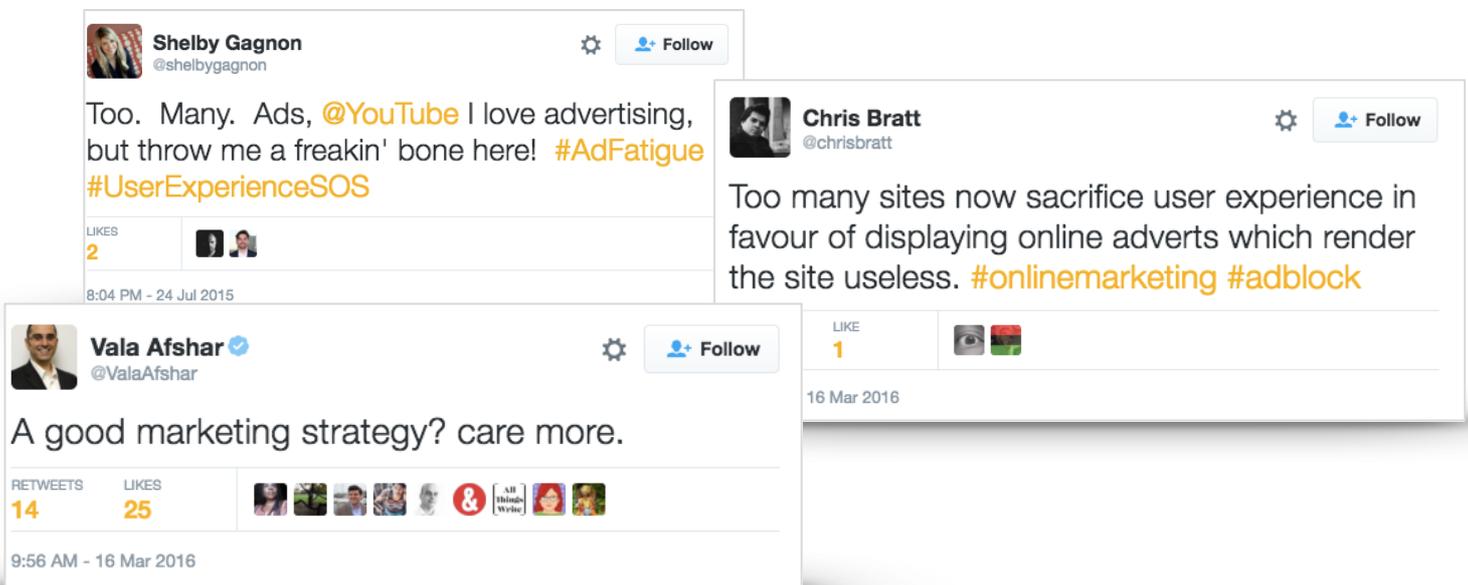
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The current state of marketing is at **a critical inflection point.**

As brands and advertisers continue to push traditional media strategies on social channels, they're repeatedly coming up short, unable to overcome today's ad hurdles: ad avoidance, ad fatigue, ad blockers, and plain old ad distrust.



There's one thing consumers do trust consistently: each other. Word-of-mouth has always been the most effective form of advertising: per [Nielsen's recent study](#), 83% of people trust and act on recommendations from people they know. But not all customers are created equal. Some possess more social capital than others, and are able to engage and influence their friends around specific topics. By tapping existing customers with influence to share branded content, brands are able to engage consumers on social media naturally.

This white paper provides an introduction to the micro-influencer category of influencer marketing and discusses its importance in a world defined by technology but powered by human connection.

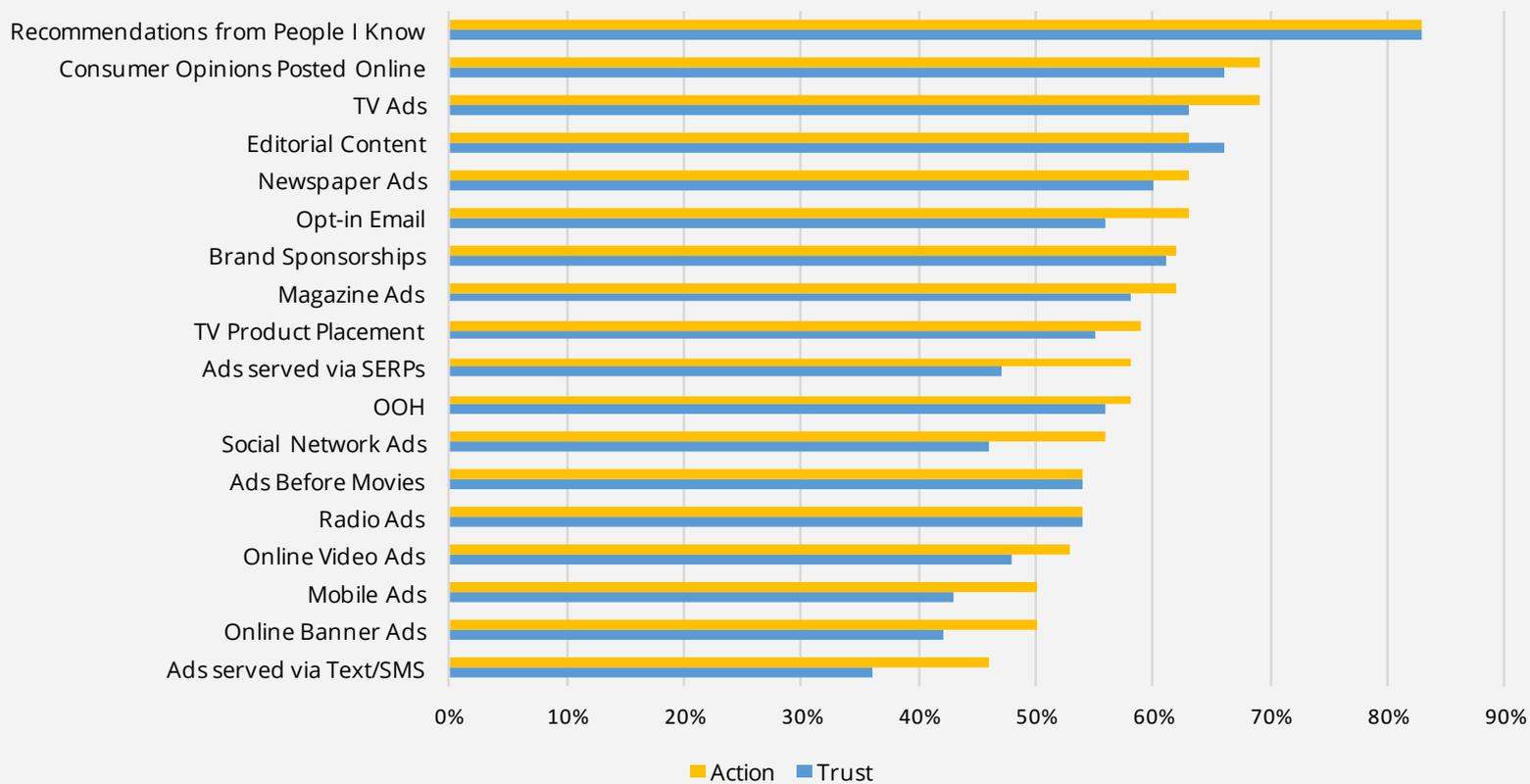


INDUSTRY OVERVIEW

Today's fragmented state of marketing is the result of brands and advertisers treating social media channels like traditional media, ignoring one key differentiator: consumers' power. Thanks to social networks, the relationship between brand and customer is now a dialogue instead of a lecture. Consumers have choice and control over who they engage with online, and in a social environment that is made by the people, for the people ... impersonal and disruptive ads are not going to cut it.

SOCIAL TRUST & CONSUMER ACTION

Percent of Respondents Who Somewhat or Completely Trust Ad Format & Percent Who Sometimes or Always Take Action on Format



Source: Nielsen, Global Trust in Advertising Report, 2015

People use the Internet for connecting and consuming, with the intent to inform, educate, entertain or buy. However, they use social networks for one main reason: to share and engage with people they know. Instead of forcing old tactics into new territories, marketers need to align with consumer behavior patterns that define social media engagement, best practices, and why consumers are on social in the first place.



WHY INFLUENCER MARKETING

With the current state of the industry, it comes as no surprise that influencer marketing is exploding onto the scene. With an average **ROI of \$6.50 per \$1 spent**, influencer marketing drives results because it is grounded in consumers' actual use of social networks – sharing and connecting through content from people they know, instead of through impersonal ads that interfere with content they want to enjoy. Here are three reasons that influencer marketing has become so effective in the current advertising climate:

1 AD BLOCK & AD AVOIDANCE

In the last year, ad blocking software reached unprecedented usage (**198 million ad blocker users globally, 45 million in the U.S. alone**), costing online publishers **22 billion dollars of lost revenue**. Ad avoidance has become so pervasive that online publishers have begun to respond with forced paid subscriptions and pleas to turn off ad blockers. As publishers beg their consumers to turn off ad blockers, the consumer experience is marginalized, advertisers still see lagging returns, and the publishers continue to lose revenue. It's a lose-lose on all sides. When marketers try to advertise to a customer base unwilling to endure any interruption to their content experience, no one wins.

2 FRAUD

Ad bots are costing the advertising industry billions. With **more than half** of online ads destined to never be seen by

a human, ad fraud is another obstacle to marketers, especially those with moderate budgets. As third-world click farms and Facebook click fraud throw soft engagement metrics (such as likes and views) into question, it has become increasingly difficult to gauge whether your ads on social are reaching your ideal customers, and even more challenging to quantify the dollar value of the impressions you do receive.

3 LOSS OF CONSUMER TRUST

Consumer ad aversion is at an all time high. The United States' click-through rate on Facebook (.14%) is **one of the lowest** CTRs world-wide. Similarly, consumers reported in an **eMarketer study** that they consider paid advertising and online bloggers to be the least trusted sources of information when making purchase decisions.

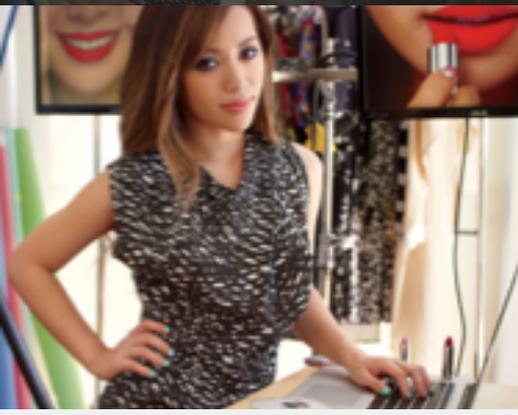


THE 90-9-1 THEORY OF PARTICIPATION

Influencer marketing's effectiveness is compounded by consumers' social network use and the emergence of social capital: 28% of time spent online is spent on social, which is more than search engines and email combined. But we all participate in social media differently, according to the 90-9-1 theory of participation. The theory follows as such: 90% of members are listeners (passive viewers of content), 9% of members drive engagement and amplify social content, and only 1% actively create new content.

THE INFLUENCER SPECTRUM

Mega-influencers >> Macro-influencers >> Micro-influencers

		
Michelle Phan, Mega-Influencer, Creator 1M+ Followers	Blair Eadie, Atlantic-Pacific Macro-Influencer, Engager 10k – 1M Followers	Crossfitters Micro-Influencers, Amplifiers 500 – 5k Followers

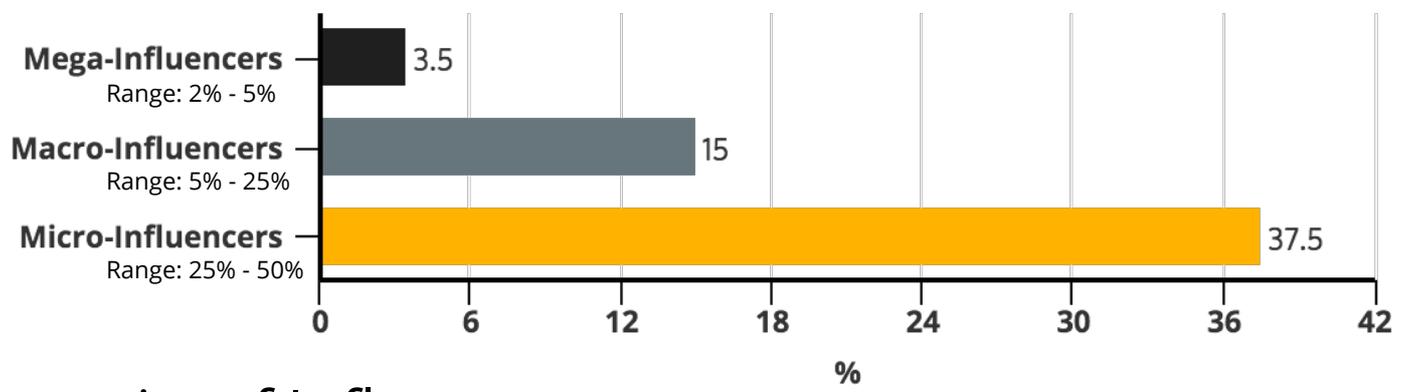
Not all influencers are **created equal**.

What does this mean for your influencer strategy? Creators, engagers and amplifiers possess the social capital to deliver value from the remaining 90% (the listeners, fans, brand advocates and more). Among the 10%, not all influencers are created equal. The spectrum of influencers ranges from mega-influencers who have millions of followers, such as celebrities and YouTube stars, to micro-influencers, everyday consumers like crossfitters, who are highly engaging among friends around specific topics.

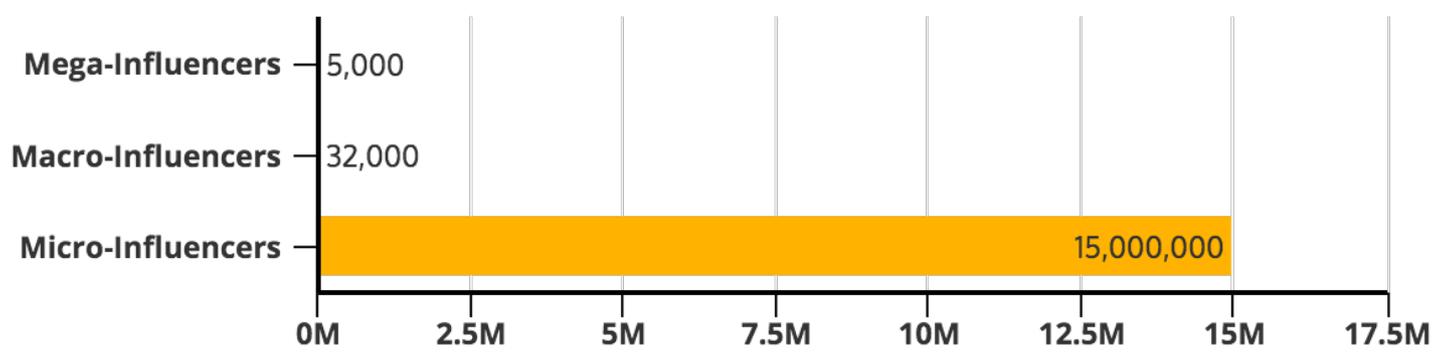


THE INFLUENCER SPECTRUM

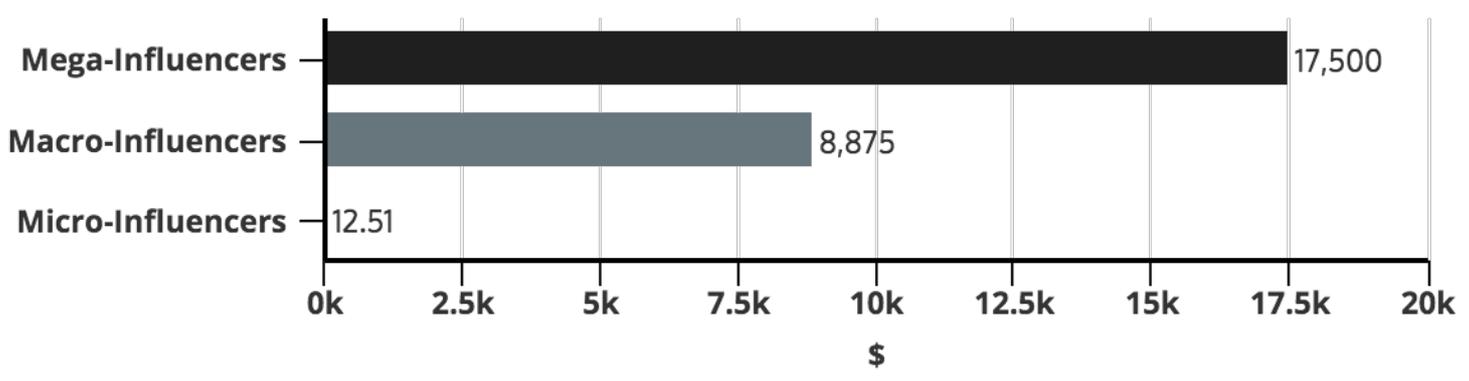
Average Engaged Reach



Quantity of Influencers



Average Cost per Activation



MEASURED BY



EASE OF IDENTIFICATION



MOTIVATED BY

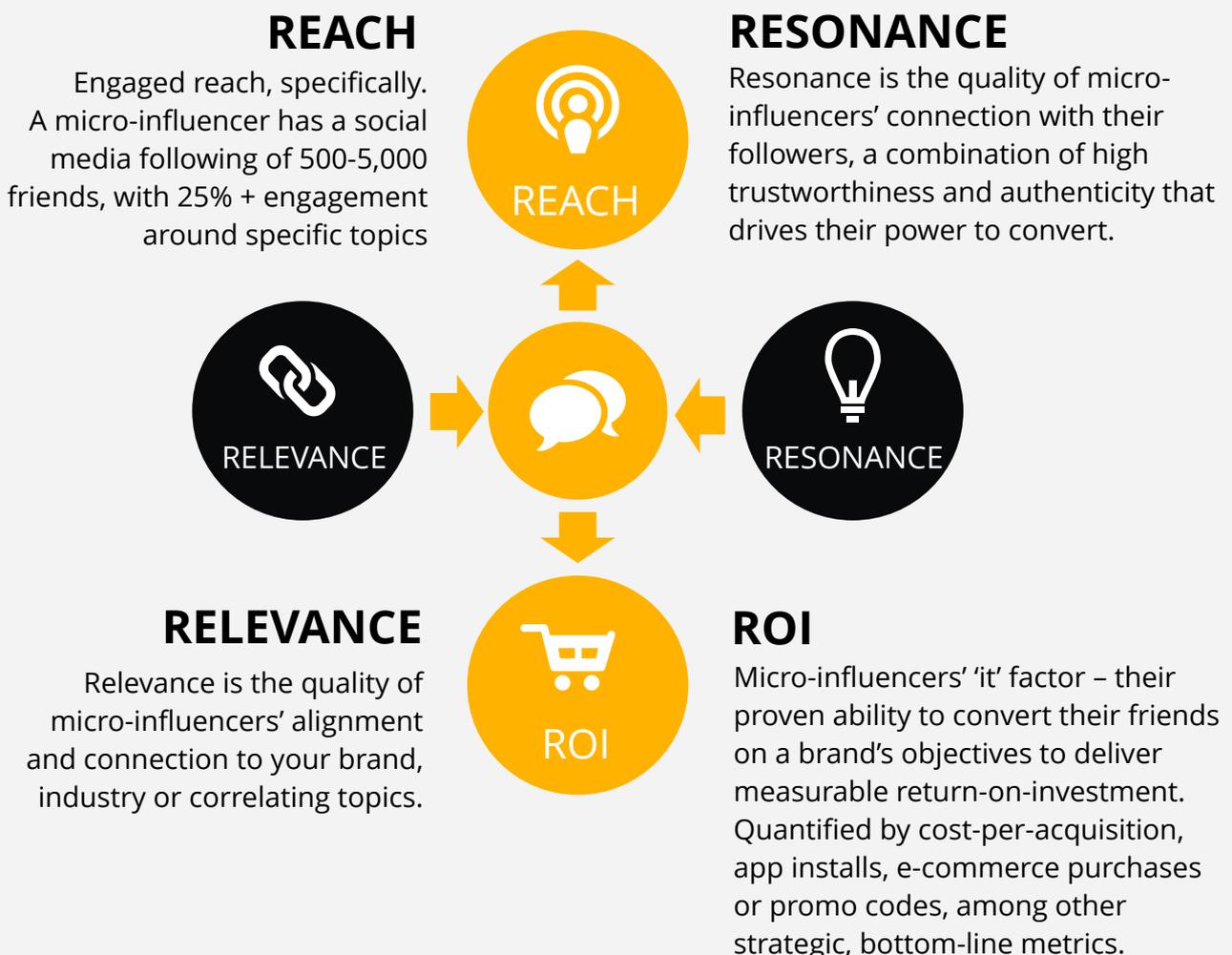




RISE OF THE MICRO-INFLUENCERS

With the proliferation of social media, influencer marketing evolved to become human-to-human marketing at scale. The most effective influencers have always been the ones that consumers engage with the most frequently in real life: people that they already know and trust. In fact, according to a study by McKinsey and Company, word-of-mouth triggers over 50% of purchases. But word-of-mouth was hard to scale on social, until the emergence of micro-influencers: everyday people who have no more than 5,000 friends or followers, but engage a high percentage of them around a brand's relevant topics. This new category is defined by their reach, relevance, resonance and return-on-investment.

WHAT DETERMINES INFLUENCE?





Existing micro-influencers are among a brand's best assets on social. But, since micro-influencers are everyday social media users, it can be difficult to discover and activate them because their user information is private. As a result, word-of-mouth platforms have become a popular tool for brands to automate influencer marketing at scale. There are several steps that brands can take towards automating a micro-influencer work flow.

7 STEPS TO INFLUENCER MARKETING AUTOMATION

1 DISCOVER

Discover your relevant & trusted existing customers who influence friends/followers in your target market.

2 SEGMENT

Create audiences of identified micro-influencers to activate at scale.

3 ACTIVATE

Select a goal and control content shared on specific social networks.

4 INCENTIVIZE

Manage and fulfill incentives offered in exchange for activation.

5 TRACK

Track posts, engagements, clicks and conversions driven per influencer, network, campaign or creative type.

6 ANALYZE

Monitor performance of your influencer initiatives and optimize in real time to maximize ROI.

7 RETAIN

Keep micro-influencers continuously engaged with your brand to drive recurring ROI.

THE COST TO ACTIVATE

Unlike celebrities, social media stars and bloggers who increasingly require huge sums of money in exchange for promoting a brand, micro-influencers have a very low cost of activation. Most micro-influencers, often unaware of the social capital they possess, are motivated by VIP treatment rather than monetary rewards. There are a variety of incentives that you can provide to micro-influencers in exchange for creating, sharing and amplifying branded content. Here are eight different ways that you can incentivize and reward micro-influencers without ever exchanging money:



Instant Win vs. Sweepstakes Contests

Winning a gift card or product instantly drove 7% higher of an activation rate compared to high value sweepstakes.



Perceived Value

Coupon or promo code discount as an incentive drove 27% less of an activation rate than a sweepstakes or instant win.



Attainable Rewards

A gift card less than \$10 drove 1.73x higher activation rate than \$10+. A lower gift card value is perceived as more attainable than a high value giveaway.

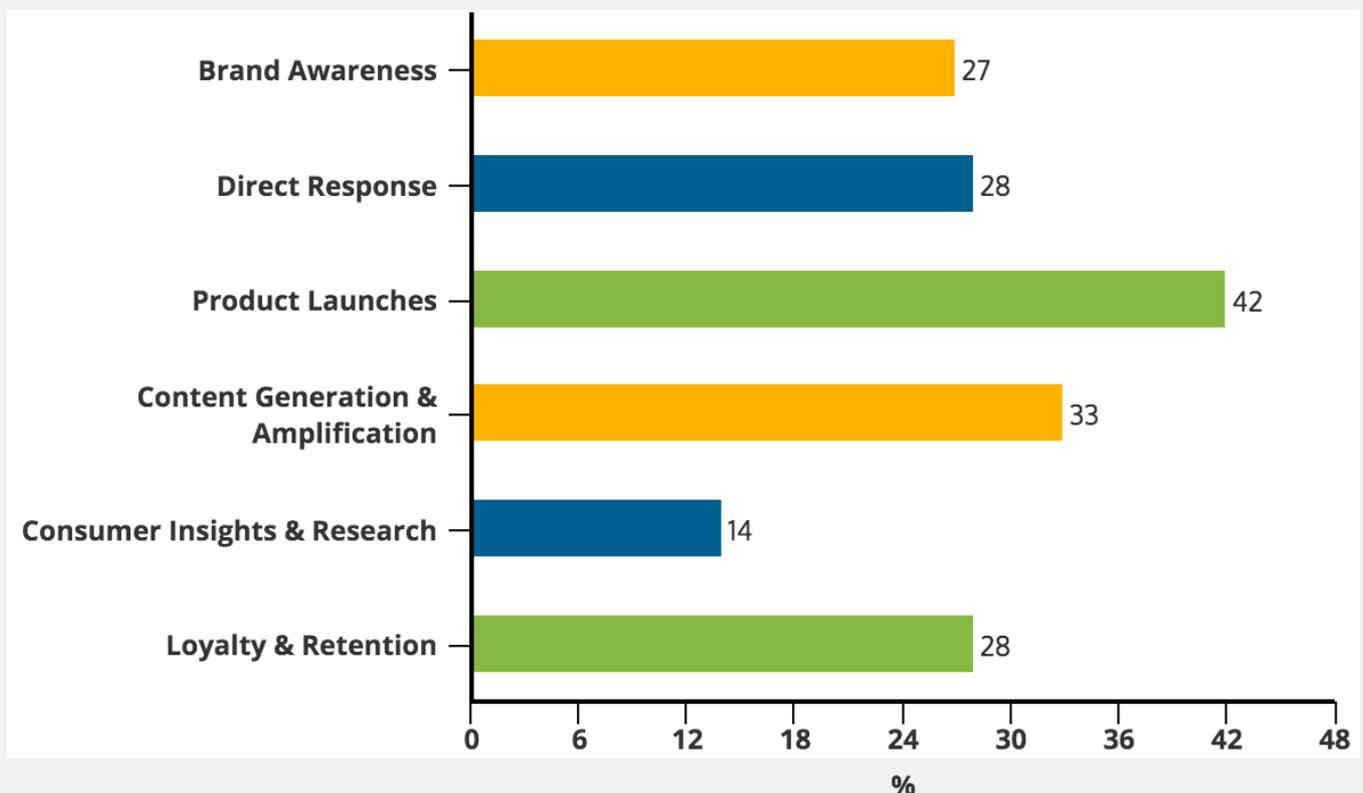


MICRO-INFLUENCER USE CASES

Whether it's combatting ad avoidance, amplifying branded content or connecting with Millennials on social, micro-influencers drive conversion at every point of the consumer decision journey. The use of micro-influencers as a primary influencer marketing strategy has grown in popularity as its success has been proven across several metrics. In a recent study of director-level and higher brand marketers, 47% are using micro-influencers to achieve their influencer marketing objectives, while only 28% reported using celebrities or athletes.

Here's a breakdown of how the brand marketers polled are using micro-influencers to achieve their business goals and examples of these strategies in action in the case studies to follow. We've proven that for every micro-influencer activated, three friends convert on a brand's objectives.

TOP INFLUENCER MARKETING USE CASES



Source: Mavrck; Influencer marketing programs often have multiple goals, percentages do not add to 100%



By starting (rather than ending) with existing customers, brands that discover and activate their own micro-influencers are able to distribute content supporting a number of marketing objectives. What they don't have to worry about is the massive churn that inevitably occurs in traditional marketing and influencer tactics. No blanket ad pushes or mass appeals on social; only promotion from trusted customers to their like-minded friends.

COMMON MICRO-INFLUENCER GOALS



User Generated Content



Generate Real Video Views



Collect Survey Data



App Installs



Drive Product Reviews



Increase Web Traffic & Conversions



Amplify Branded Content



Redeem Coupons & Promo Codes



Trending Hashtag

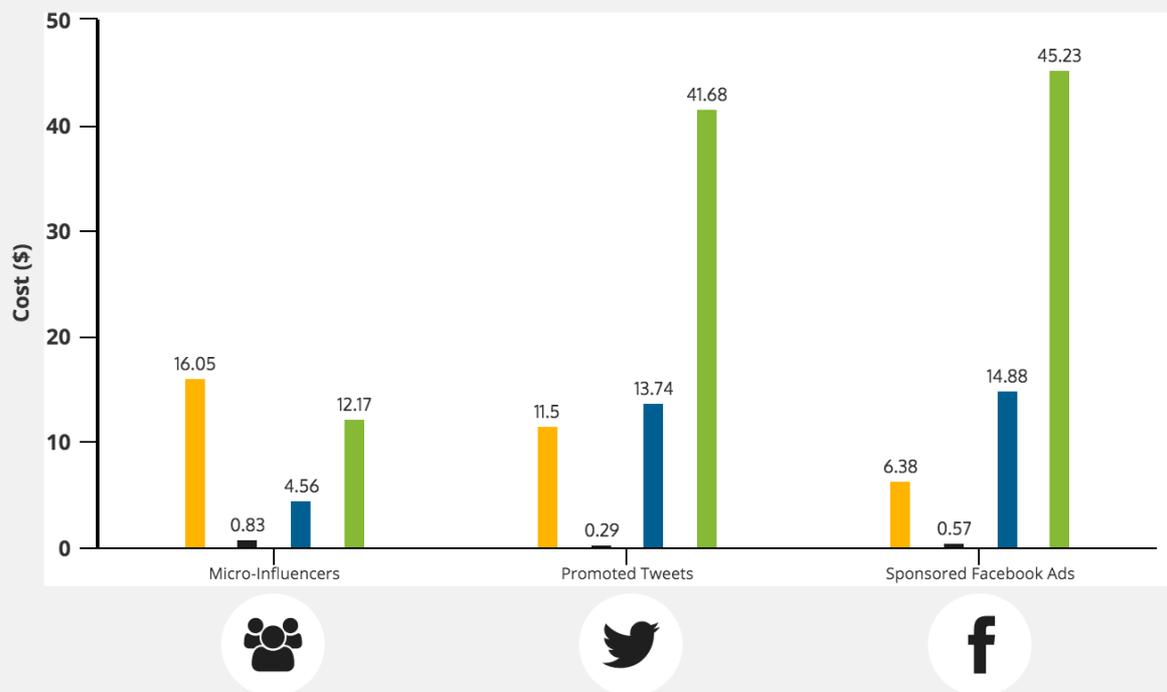
Within each customer experience, micro-influencers drive more value with each new customer they convert. Unlike the traditional top-down marketing funnel, where paid mass-media campaigns target millions to deliver one customer; micro-influencers are an existing bottom-up megaphone whose content rises above the noise to convert millions. From CPM to CPA, the difference is in the data of how micro-influencers stack up against other influencers and traditional digital marketing strategies.



MEASURING SUCCESS

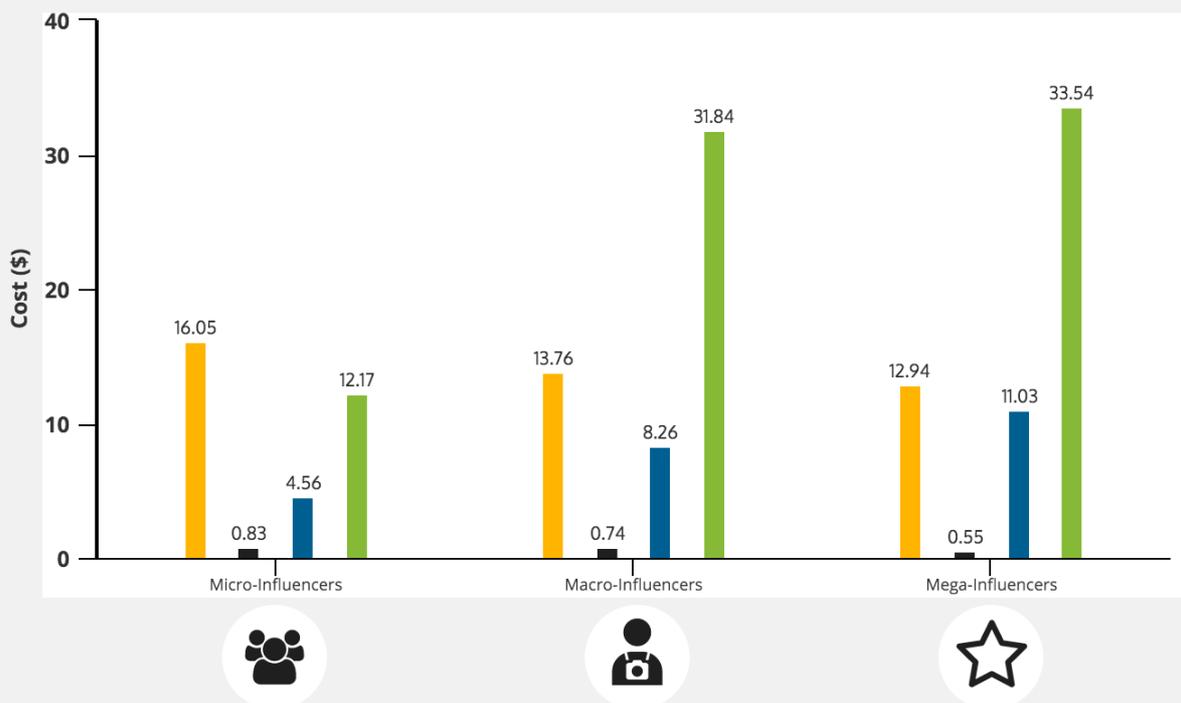
MICRO-INFLUENCERS vs. PAID SOCIAL

■ Cost Per 1,000 Impressions (CPM)
 ■ Cost Per Engagement (CPE)
 ■ Cost Per Lead (CPL)
 ■ Cost per Acquisition (CPA)



MICRO vs. MACRO vs. MEGA-INFLUENCERS

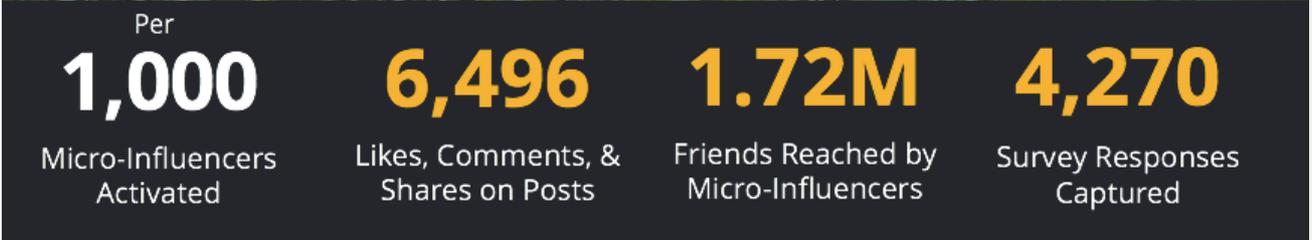
■ Cost Per 1,000 Impressions (CPM)
 ■ Cost Per Engagement (CPE)
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 ■ Cost per Acquisition (CPA)



Source: Mavrck; analysis based on 1 billion impressions

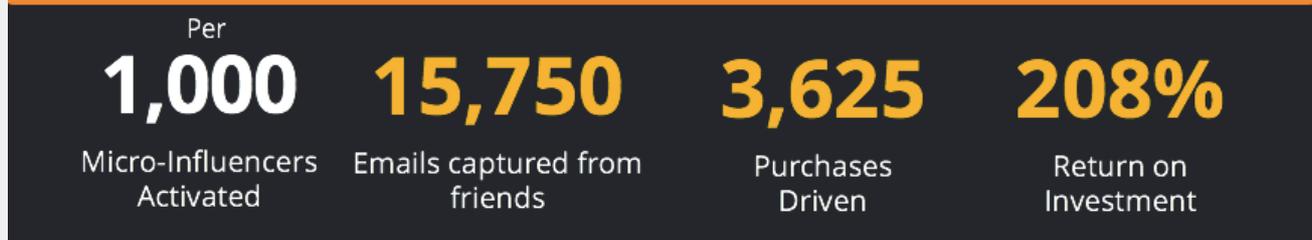
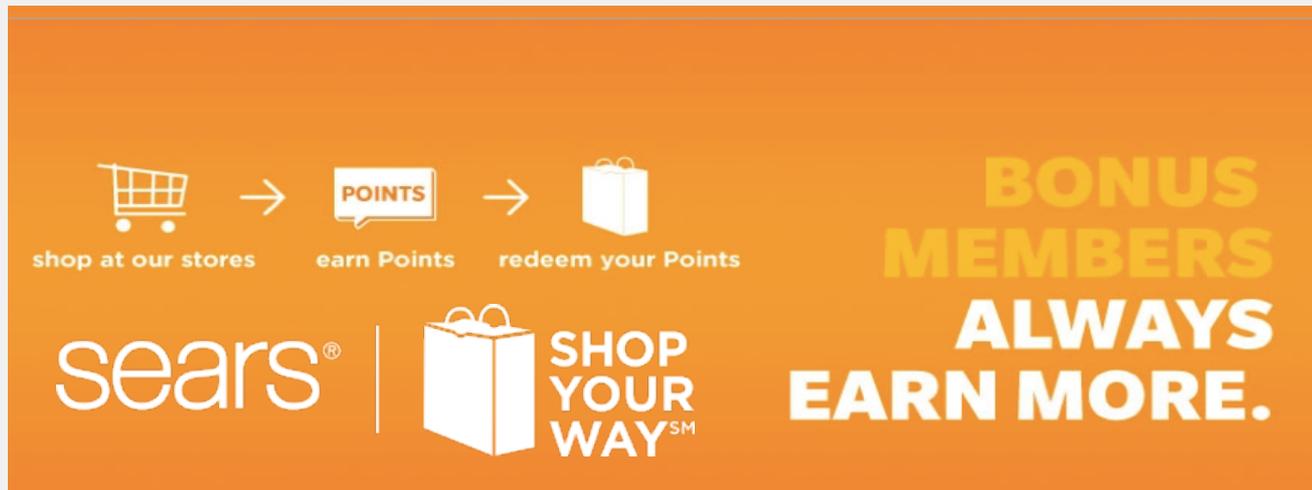


CASE STUDIES



BRAND: Tom's of Maine

USE CASE: Content Generation & Amplification, Research



BRAND: Sears

USE CASE: Loyalty & Retention



CASE STUDIES



Per
1,000

Micro-Influencers
Activated

2,038

Posts created by
Micro-Influencers

5,913

Likes, Comments, &
Shares on Posts

8,997

Clicks Driven to
Product Landing Page

BRAND: Confectionary Brand
USE CASE: Product Launch



Per
1,000

Micro-Influencers
Activated

2,152

User-Generated Posts
by Micro-Influencers

1,004

Branded Posts Amplified by
Micro-Influencers

19,286

Engagements Driven
By Micro-Influencers

BRAND: American Greetings
USE CASE: Content Generation & Amplification



CASE STUDIES

Unilever

TAKE THE **7 DAY** SCALP & HAIR Challenge

GET STRONGER, MORE BEAUTIFUL HAIR IN 7 DAYS, GUARANTEED.*

Per	1,000	11,323	3,878	5x
Micro-Influencers Activated		Engagements and Clicks Driven	Email Addresses Captured	Improvement in Net Promoter Score

BRAND: Unilever Clear

USE CASE: Brand Awareness

MAVRCK

Per	1,000	17,940	7,563	6,703
Micro-Influencers Activated		Engagements & Clicks Driven	Email Addresses Captured	Coupons Downloaded

BRAND: Leading Men's Care Brand

USE CASE: Direct Response



Conversions Will Determine Influencer Marketing Success

What happens when you track by the person, and not ad the unit? You can track their behavior all the way through the funnel of your business objectives, eventually tying any performance metric to its ability to drive bottom-line value. Looking ahead through 2016 and beyond with the emergence of the micro-influencer category of influencer marketing, marketers now have the ability to track activity through to the point of sale, by measuring consumers and their actual activity.



While “softer” metrics such as reach and engagement are still valued, the most successful influencer marketing campaigns will focus on conversion and ROI. The ability for marketers to track micro-influencers’ activity down to their direct sales impact will evolve influencer marketing from tested tactic to a must-have strategy.

Social Capital’s Impact on the Customer Decision Journey

With human attribution through the conversion funnel then comes the ability to understand how consumers’ social capital impacts every point of the customer decision journey. Not all customers are created equal, and should be treated as such. Beyond a direct marketing context, the value of knowing the social capital of your customer base transforms how brands build and foster relationships.

As brands gain a unified social view of their customer base, they’ll understand how they can use this layer of influencer to drive incremental revenue from every consumer experience. Beyond bottom-line sales impact, the actions and feedback from the most influential customers will be able to drive conversion across each touch point, including mobile, e-Commerce, loyalty and customer service.



DO YOU KNOW WHO YOUR MICRO-INFLUENCERS ARE?

Discover the top micro-influencers among your brand's Facebook fans for free with Fan Grader

[GRADE MY FANS](#)

ABOUT MAVRCK

@MavrckCo

We empower brands like Converse, Tom's of Maine and Craftsman to rise above the noise through marketing people trust. With Mavrck, you harness the power of human-to-human marketing at scale by tapping into your most valuable asset: existing customers with influence.

Our patented influencer activation engine powers brands to discover and activate millions of their most influential customers to distribute content and drive conversions across social networks. By adding the Mavrck platform to your existing eCommerce site, Mobile App or Social Community, our "always-on" activation engine will get three friends to convert for every one micro-influencer activated.

To learn more, visit www.mavrck.co.

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