

# The 2018 State of Influence

2018

Sometimes the best way to change the future is  
to change your perception of what's possible.

BY BRIAN SOLIS

**ALTIMETER**<sup>®</sup>  
@Prophet

Altimeter, a Prophet company, is a research and strategy consulting firm that helps companies understand and take advantage of digital disruption. In 2015, Prophet acquired Altimeter Group to bring forward-thinking digital research and strategy consulting together under one umbrella, and to help clients unlock the power of digital transformation. Altimeter, founded in 2008 by bestselling author Charlene Li, focuses on research in digital transformation, social business and governance, customer experience, big data, and content strategy.



Traackr builds Influencer Relationship Management (IRM) technology that enables brands to effectively manage, measure and scale influencer strategies, while maintaining authenticity. This gives CMOs and their teams the ability to align influencers along the customer journey, impacting buying decisions at each moment-of-truth with trustworthy touch points. Traackr's SaaS platform powers leading influencer programs for B2B and B2C global enterprises such as L'Oréal, The Coca Cola Company, Samsung, Microsoft, Garmin, SAP, Orange, USAA, Merck, Roche and Capital One.

We would like to thank our agency partners that have helped us gather survey results:

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# Introduction

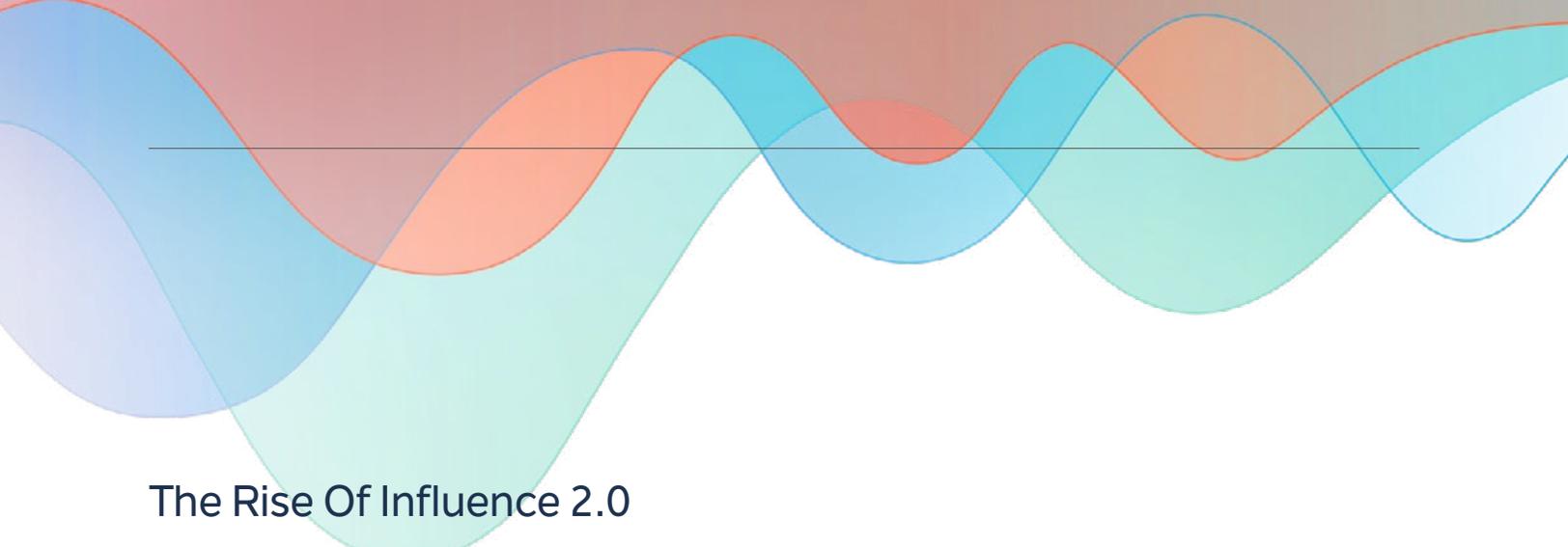
Welcome to a new era of marketing; an era where brands are shaped by the people who experience them. In a world where most consumers are connected, the experiences that they have and share online collectively shape their perceptions, impressions and actions. To a certain extent, all connected consumers are becoming influential in their own ways.

When customers or employees need information, direction or meaningful engagement, they go to the people they trust. As most consumers live in digital or mobile-first worlds, their networks of trusted authorities and peers reflect personal and professional interests. Many go online first to make decisions and seek the guidance of their networks. And at the same time, many

spend hours a day online and, in those moments, they are open to relevant engagement by the people they follow or those whom their friends follow.

Influence has never been more important. Every year, global communications marketing firm Edelman publishes its “Trust Barometer” report that captures the sentiment of trust in a variety of industries and scenarios. In its 2017 edition<sup>1</sup>, Edelman learned that the credibility of CEOs was at its lowest level ever. At the same time, the report found that trust in peers, or “a person like yourself,” is as credible a source of information about a company as a technical or academic expert. Without trust, brand marketing may fall upon skeptical, distrusting or altogether inattentive audiences.

By partnering with the right influencers, or people who tell the right stories in the right context by delivering value at each step, brands can reach people through those they trust while earning trust in the process.



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## The Rise Of Influence 2.0

In 2017, I partnered with influencer relationship management (IRM) software provider Traackr to study the state of digital influence. We observed that influencer marketing (IM), at large, is one of the most promising and still underutilized disciplines in the digital marketing mix. To help, we introduced “Influence 2.0,” a new paradigm for digital influence that focuses on peer-to-peer engagement, beyond word of mouth, to add value to customer/employee experiences throughout their journey — beyond marketing.

Influence 2.0 represents a significant shift from everyday IM and marketing in general, to a more human-centered genre of influencer and community relations.

Strategic and thoughtful influence offers the ability to directly reach desired markets through the peers they admire, respect and trust, using their native connection and communication methods. IM as we know it today however, extended traditional marketing approaches to new channels through new voices. Public/media relations, broadcast marketing, celebrity endorsements, et al., plugged influencers into campaigns and experimental pilots to amplify content and messages through their followers and vibrant communities.

Influence 2.0 creates a pivotal moment for marketing and for brands. It shifts from one-to-many and many-to-many models of the past to a one-to-one-to-many approach focused not

only on delivering important information, creating awareness about a topic or driving desired outcomes, but also on engaging people (brand, influencers and community) in ways that are mutually beneficial and builds trust between people and brands where traditional marketing erodes it.

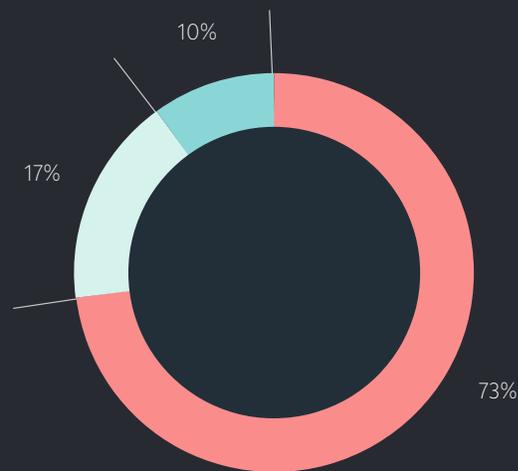
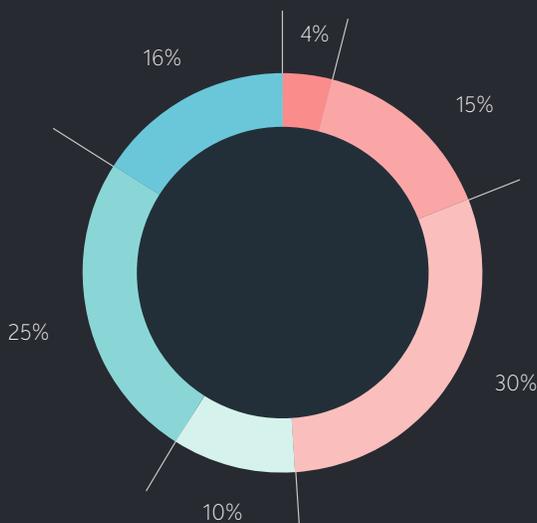
We are not there yet, but digital influence is making progress. This year, we set out to survey the landscape of more than 100 digital marketers once again to track the state and evolution of Influence 2.0. In this report, we will also share trends, challenges and opportunities to help marketers further make the case for Influence 2.0 and shift to peer-to-peer influencer relations.

# The State Of Influence 2.0

The 2018 survey included 118 digital marketers at enterprise organizations ranging from managers on the front lines to directors, VPs and CMOs. The vast majority of participating companies employed 10,000+

people (73%), including Fortune 500 (38%) and Forbes Global 2000 (28%) businesses. This year, we also sought a balanced mix between B2B and B2C companies. In this round, 31% serve business customers, 22% serve con-

sumers and 47% serve both. Amongst individual respondents, we found that 46% hold B2C focused roles, 39% focus on B2B and 15% focus on both B2C and B2B in their specific reimits.

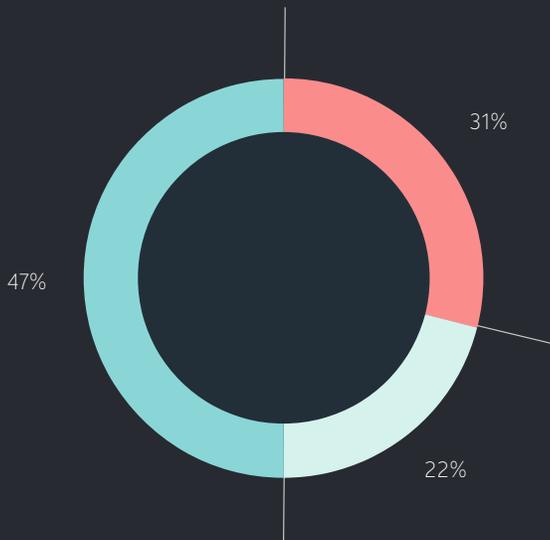


LEVEL OF RESPONDENT

- CMO or higher
- VP
- Director
- Head/Lead
- Manager
- Other

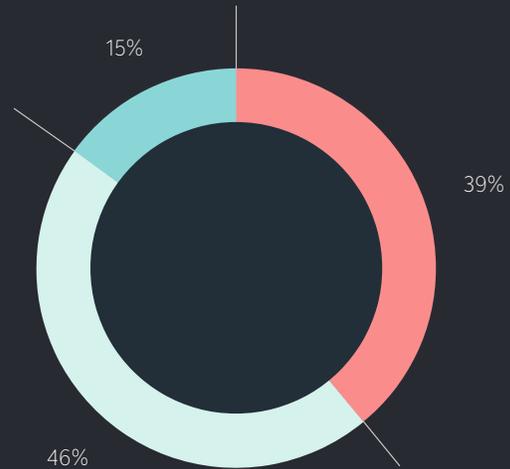
SIZE OF CORPORATION

- 10,000+
- 1,000+
- 100



B2B OR B2C ORGANIZATION

- B2B
- B2C
- BOTH B2B AND B2C



B2B OR B2C REMIT

- B2B
- B2C
- BOTH B2B AND B2C

From here, we set out to understand where influence sits within the organization, the top priorities for influence, supporting ecosystems, existing challenges and future opportunities.

**While dedicated influencer relations groups are starting to emerge within organizations, ownership is still in flux.**

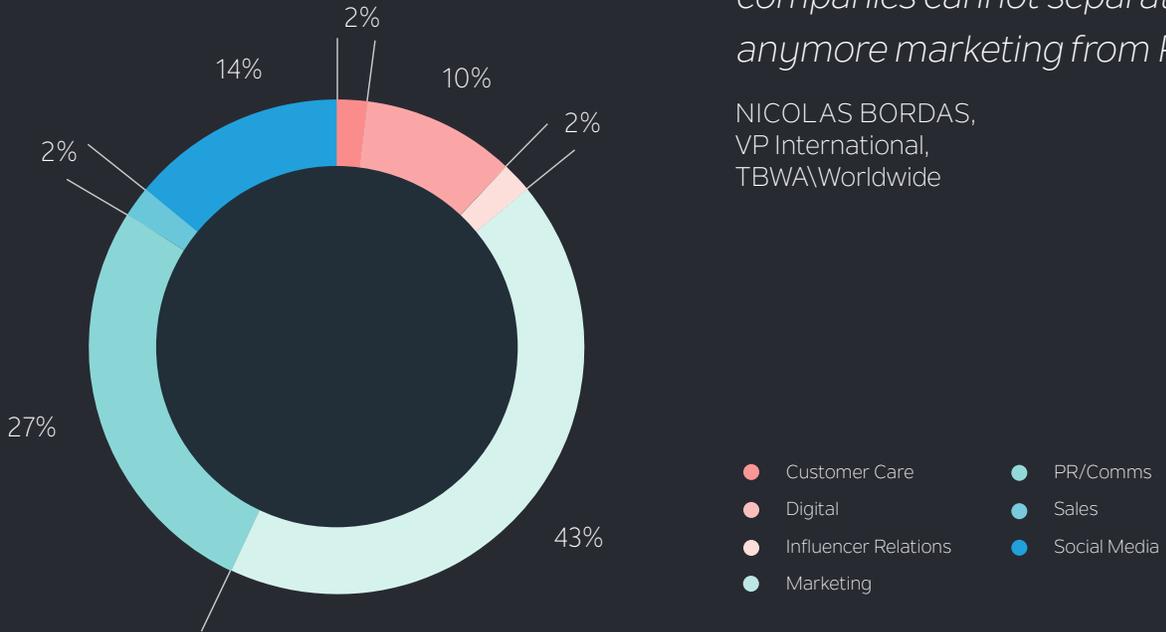
Before there can be an enterprise-wide vision, cross-functional alignment and a synchronized effort across customer journeys, influence has to start and propagate through practice. In its earlier stages, influence is often run in one or more disparate pockets throughout the organization with one of those groups aiming to “own” IM. Over time, owning IM can lead to efforts at organizing distributed programs, developing expertise and making the case to secure budget and resources. These efforts can also serve as a Center of Excellence (CoE) for the rest of the organization to establish governance, standards and coordination.

# Influencer Marketing Sponsorship

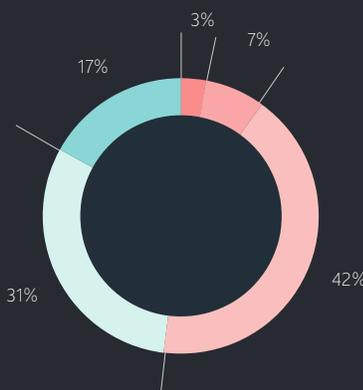
## Who Owns Influencer Marketing?

*“Now Marketing has to meet PR! With Influencer Marketing, companies cannot separate anymore marketing from PR.”*

NICOLAS BORDAS,  
VP International,  
TBWA\Worldwide

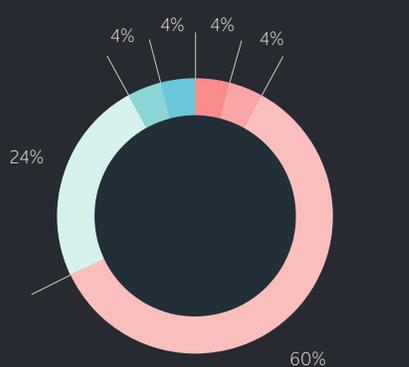


OWNERSHIP CROSSED WITH B2C



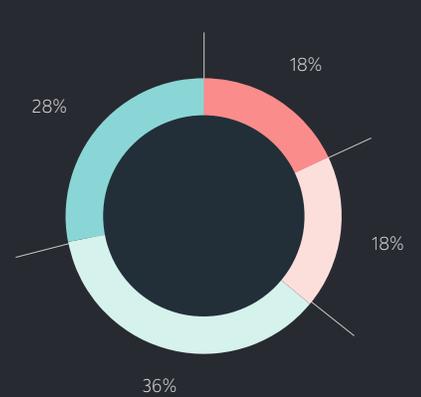
- Customer Care
- Digital
- Marketing
- PR/Comms
- Social Media

OWNERSHIP CROSSED WITH B2B



- Digital
- Influencer Relations
- Marketing
- PR/Comms
- Sales
- Social Media

OWNERSHIP FOR BOTH B2B & B2C



- Digital
- Social Media
- Marketing
- PR/Comms

In this year's research, we found that marketing continues to maintain ownership of IM at 43%. However, this number has decreased from 70% in 2017. This means that ownership is spread much wider across the organization this year. The broader distribution of ownership could be a sign of heightened focus on IM rather than an afterthought.

Public relations (PR) is now the second most cited leadership group for IM at 28%, jumping from 16% last year. There's also a noteworthy addition this year — the rise of a dedicated department for IM. While just a blip compared to the other groups, it is a significant entry in the fact that influencer rela-

tions indicate the potential formalization of a CoE or internal strategic consultancy or agency.

### Influencer marketing is equally sponsored by CMOs and VP-level executives.

IM appears to be reaching the CMO dashboard with 31% of participants citing CMOs as their primary program sponsor. Equally, 31% named VPs as their executive sponsor, followed by directors at 18%. As IM matures, it will consume a larger portion of CMO dashboards. By connecting the dots

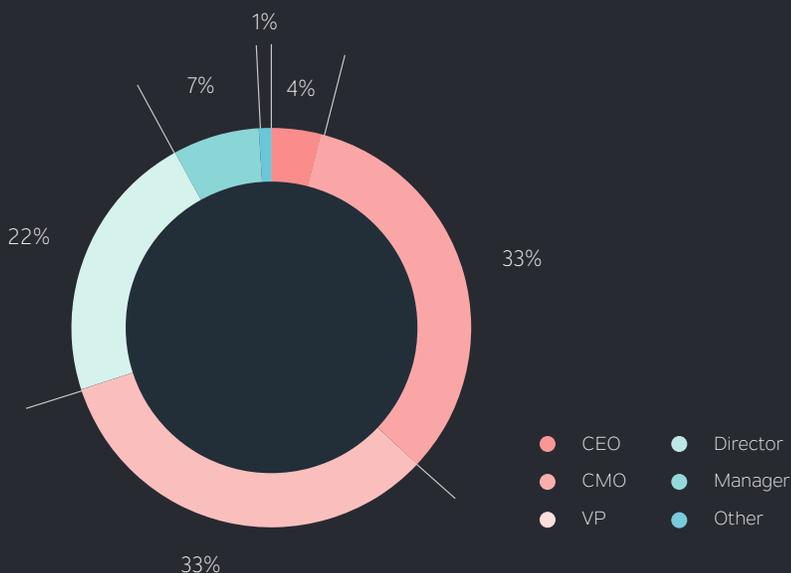
between influence and ROI, IM will then be able to help CMOs make the greater case for influence, and the overall role of digital marketing, as a key driver for business performance and growth.

Influence is still in its early phases. Who owns or practices it within the enterprise and where influence is focused is still all over the map, though it remains a function that belongs mainly to upper and senior leadership.

*“Organizations need to implement the appropriate standards, workflows and technologies to ensure every member of their team adopts a consistent approach to influencer outreach and relationship management. Establishing a global center of excellence to define a common set of IM standards that your local teams can tailor for their country or region is critical for success.”*

JOEL BACKALER,  
Author of Digital Influence &  
MD at Frontier Strategy Group

### Who Is The Executive Sponsor?



## Case in Point: Interview with Chelsea Riggs of amika

By Evy Wilkins



The Brooklyn-based professional hair care brand, amika, has built its name on the anti-theatrical premise that beauty is perfectly smooth and straight. I spoke with Chelsea Riggs, its Brand President to learn how the brand connects with consumers.

How is your approach to influencer marketing different than other beauty brands?

amika has worked with influencers long before they were labeled “influencers.” If you can believe it, there was a time when many brands looked at influencers as a phase or a waste of money that wouldn’t translate into sales. Even with limited budgets in the beginning, we saw the power and scalability of influencer marketing, and so we put the majority of our investment into these partnerships. Our approach to influencer marketing differs because we treat influencers like brand ambassadors, and not as media buys.

Even with our paid campaigns, we collaborate on content and give the influencers creative freedom - of course within some guidelines and boundaries - but authenticity is imperative for all our partnerships. We are in constant search of the perfect influencers to partner with who embody the amika customer values, regardless of race or gender. We also incorporate their content into our distribution. For example, we look to influencers to create how-to videos for our Sephora product pages to authentically demonstrate best usage.

As you’ve scaled your program from a few vloggers to over 1,000 influencers, what have been the biggest challenges to overcome?

Our biggest challenge was to retune the mindset of how our team functioned. We knew early on that influencers were where we wanted to spend our money, but it was a process to change the thought process of our team. For example, our PR team needed to look at editors as influencers and influencers as editors. Our social media team went from focusing solely on creating our own content to working with influencers for 75% of our content. Our marketing plan went from launching to clients first, to launching on social first. Overtime, we transitioned from one-off campaigns to an integrated influencer practice.

What types of organizational and talent decisions did you have to make as you grew your program from one-off campaigns to an integrated practice?

We restructured our marketing team from traditional silos to incorporating influencer marketing into every role. As a professional brand, we work with many celebrity and “insta-famous” hairstylists in addition to consumer influencers. Our PR team is not only focused on traditional consumer and trade media, but also on partnering with professional stylists who are influencers on their own and are often featured in press. Our social team is integrated to collaborate on content, community management and influencers, while each team member focuses on a specific type of influencer, such as micro influencers, unpaid vs. paid, or brand ambassadors.



Was that cross-collaboration difficult to establish? What advice would you share to integrate influencer marketing throughout brand strategies?

In the beginning, it was somewhat difficult to establish cross-collaboration within our team, but the result was exceedingly worthwhile. My advice to anyone trying to integrate influencer marketing throughout their brand strategies is to first incorporate a level of responsibility in each department head. Our entire team participates in some form at amika - we even involve our sales team in the influencer identification decision-making process. They also help us determine which products to promote with influencers and what kind of influencer-generated content will resonate best with our clients. Today, everyone on the marketing team plays some role in influencer marketing and we have hired team members specifically for integrated influencer marketing.

With influencer marketing in-house, how do you maintain authentic relationships with so many people?

Maintaining personal relationships with each of these influencers has definitely been a challenge, however, we felt strongly that keeping this in-house was the only way to ensure this was possible. We did attempt to work with agencies in the past to help execute against a specific campaign, however, the results and authenticity of the campaigns suffered.

In the early days, we hired very junior social talent, which led to some turnover, and coupled with the fact that we tracked everything in Excel, we ended up losing a lot of data. I realized that if we truly wanted influencer marketing to be the heart of our marketing strategy, and not just a tactic, we needed to restructure the team and bring on software to make us more efficient.

I understand you stopped tracking EMV at amika. What metrics do you track?

We do not use Earned Media Value (EMV) as a metric, because for amika, it's not about the media equivalent cost, **it's about achieving a specific marketing goal**. On a weekly basis, we are looking at activated influencers per tier, the number of brand mentions per influencer, our total share of voice and influencer response rate. For specific campaigns, we will look at impressions, total engagement, CPM and CPE.

 [Read the full interview](#)  
[“Staging a Brand Rebellion: How amika Scales Authentic Influencer Marketing”](#)

## Marketing Priorities

**For 2018, marketing priorities are diverse with performance and growth efforts gaining prominence.**

Almost half of marketers (47%) see “raising brand awareness” as the most important marketing priority for 2018. This is important as influence can prove instrumental in achieving this goal. Even though influence is but one of many on the list of tools for marketers to reach desired audiences, connecting to and through the right voices

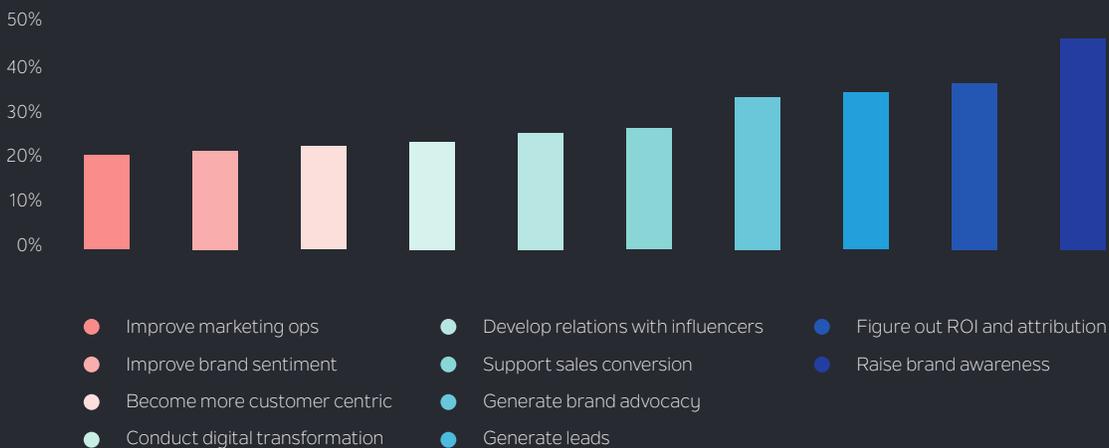
and platforms cuts through the noise to reach people directly in ways that traditional marketing rarely could. Influence, when done right, is much more human.

The second top priority, at 37%, is to “figure out ROI and attribution.” This is a significant development, and, at the same time, it is also a reckoning of sorts. With the rapid rise of digital, social, and mobile, marketers were forced to experiment, test and learn, perpetually. Now, marketing is expected to grow up, forcing the practice to shift from experimentation to accountability, which will help it

ultimately become a strategic partner in business growth.

Influence too, can play a role in contributing to business outcomes. ROI, which could now also represent, “return on influence,” measures the relationship between cause and effect. It’s up to marketers who have a growth and performance mindset to design influence programs with the end in mind, to natively and intuitively inspire communities to act, react or transact (A.R.T.) in ways that are mutually beneficial.

### TOP MARKETING PRIORITIES



### *Raising brand awareness is a shared goal for B2B and B2C marketers.*

When we compare marketing priorities between B2B and B2C, we see a notable difference in where companies are focusing resources. While raising brand awareness is the top priority for both (58% B2B and 49% B2C), the

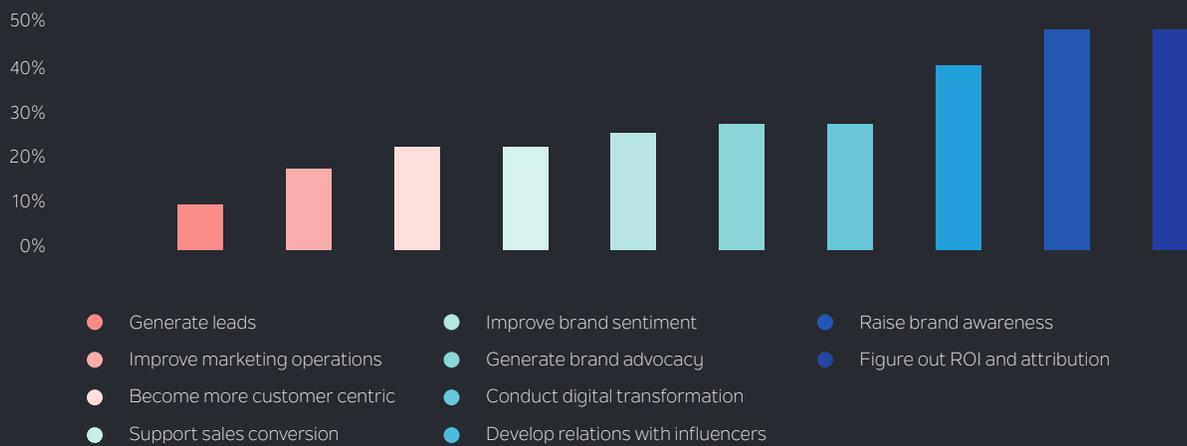
second and third top priorities differ. The second and third B2B priorities are generating leads (55%) and generating brand advocacy (36%). Whereas top B2C priorities include figuring out ROI and attribution (49%) and

developing relations with influencers (41%), indicating that consumer-facing brands are deeper into influencer marketing adoption.

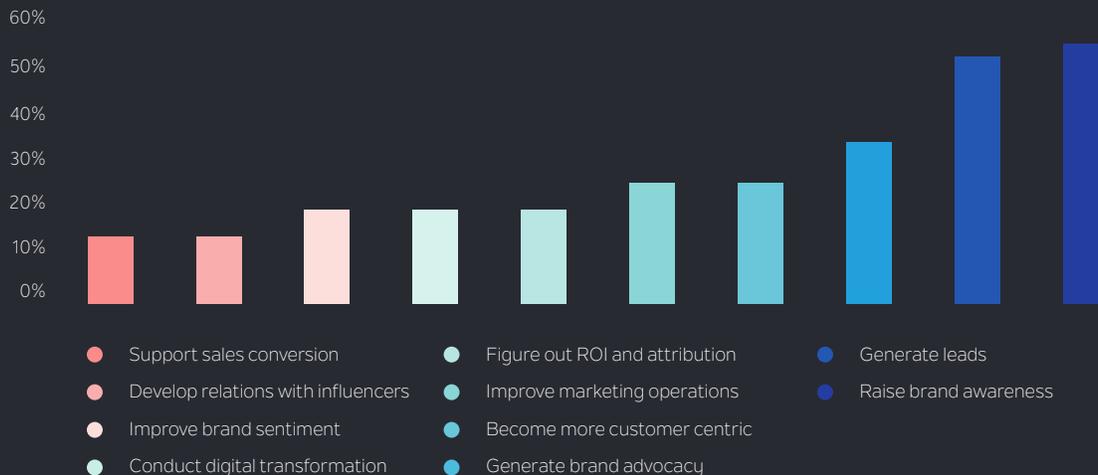
*Genuine influencer relationships are an increasingly important marketing priority, especially for consumer facing brands.*

While only 15% of B2B companies surveyed indicated that building relationships with influencers is a priority, 41% of B2C companies rank genuine relationships as key to their program, closely following raising brand awareness and figuring out ROI and attribution.

### TOP MARKETING PRIORITIES FOR B2C



### TOP MARKETING PRIORITIES FOR B2B



## Social Media Tactics to Achieve Goals

### Marketers Value Owned and Earned; See Paid as Means to Amplify

In order to achieve the stated marketing goals, respondents count on owned social media strategies first, earned second, and paid third. Notably, the marketers surveyed place greater importance on developing partnerships with influencers in an earned capacity (81%), compared to paid partnerships (61%).

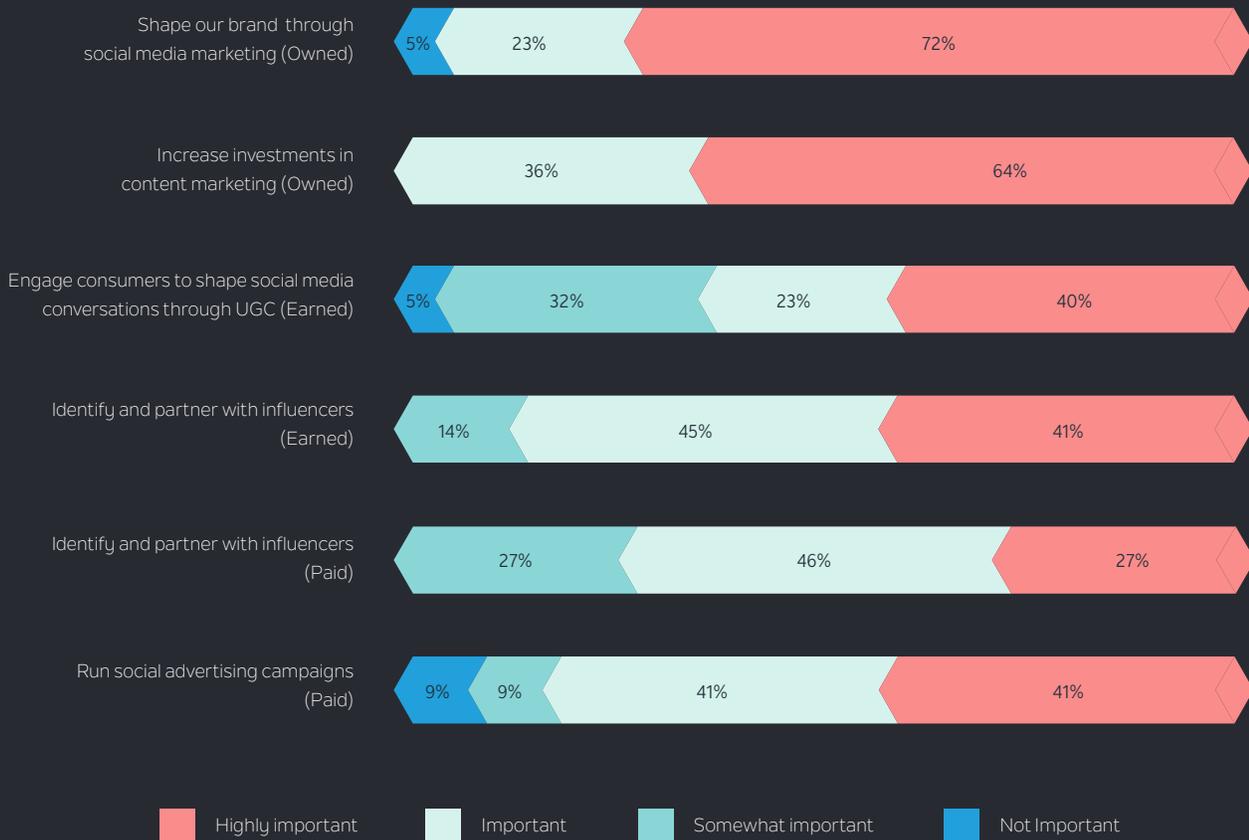
Also interestingly, outreach and relationship development with influencers takes precedence over customer generated content. It seems brands are increasing their reliance on influencers as a proxy for outreach to communities of customers.

When it comes to paid tactics, advertising is still very important to achieving marketing objectives, but integrated with an owned and earned strategy.

#### WHAT SOCIAL MEDIA TACTICS DO YOU USE TO ACHIEVE YOUR MARKETING PRIORITIES?



## SOCIAL MEDIA TACTICS TO BECOME MORE CUSTOMER CENTRIC



*“The role of content is increasingly important, yet it seems respondents placed less emphasis on user-generated content (UGC). I think it’s important for marketers to realize that UGC can take many forms and, in fact, influencer content is nothing but a very high level of UGC.”*

SHONALI BURKE,  
President & CEO,  
Shonali Burke Consulting Inc.

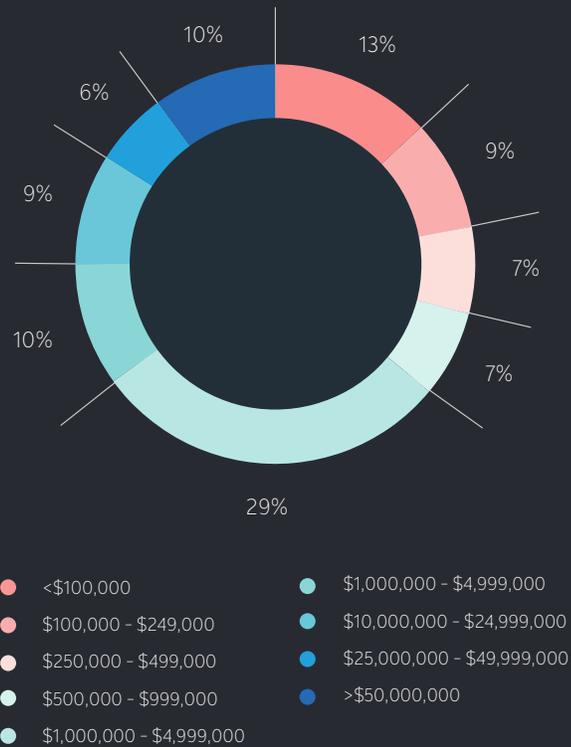
# Influencer Marketing Budgets

**Influencer marketing is still underfunded compared to its perceived importance to achieving marketing goals, signifying most companies have yet to establish frameworks for IM spending.**

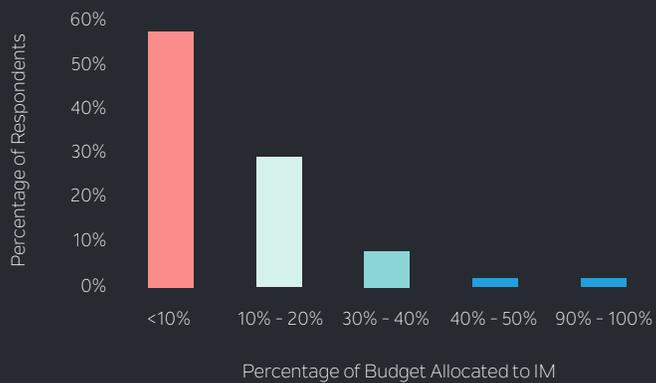
The number of potential marketing tools available to today's CMOs is vast. IM is one of many. In our research, it appears that IM is still searching for broader support. A whopping 57% of companies reported that IM accounts for less than 10% of their total marketing budgets. Another 29% stated that IM represented just 10-20% of the marketing mix. Barely 9% of the companies we surveyed allocated 30% to 40% of budget to IM.

When spending data is contrasted with the value placed on various marketing tactics, it's clear there is a misalignment between budget and vision. While "figuring out ROI and attribution" is one of the top marketing priorities, it seems today's marketers lack a framework for measuring the performance of non-traditional marketing tactics and are actively seeking to rectify the situation—a promising development for the future of Influence 2.0.

OVERALL MARKETING BUDGET



PERCENTAGE OF BUDGET ALLOCATED TO IM

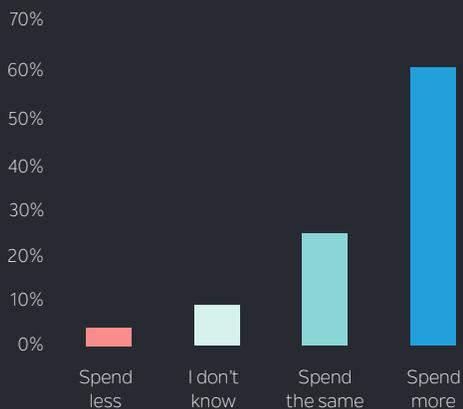


## IM budgets are on the rise, but budgets are strewn across a wide range from trepid to moderate to bold and ambitious.

### IM BUDGET



### FUTURE IM SPENDING PLANS



In last year's report, half of those we surveyed reported significantly smaller 2017 IM budgets when compared to the rest of the marketing mix. Most (50%) allocated less than \$100,000 and another 25% invested between \$100,000 and \$250,000 annually. And, 55% of those marketers indicated that they planned to spend more in 2017. For those companies that had already spent more than \$250,000 annually, the percentage of companies that planned to increase budget for the next year jumped to 67%.

In our latest report, we find that IM budgets are indeed on the rise, but also distributed across larger budgets. While only 28% of participants reported IM budgets of less than \$100,000, 46% reported spending between \$100,000 and \$500,000 on IM. What's more, 22% reported spending between \$500,000 and \$5 million, and 16% reported spending between \$1 million and \$5 million. Finally, 4% of participants are spending between \$5 million and \$10 million on IM.

Next year, IM will continue to see increases in budget. For example, 59% of companies already had plans of spending more next year compared to 56% in 2017 compared to one-quarter of the companies we surveyed that planned to spend the same.

When looking at respondents with advanced and / or decently-funded programs, a staggering 72.2% are planning to spend more in 2019 and 67% of those already spending 250K+ are also planning to increase IM budgets.

Although most participants are still spending less than 10% of their overall budgets on IM, the responsibility of IM has gone (as per the executive sponsor) further up the hierarchy ladder, and budgets are notably increasing.

## Case in Point: Interview with Amanda Duncan of Microsoft

By Mark W. Schaefer

For Amanda Duncan, lifestyle influencer relations manager at Microsoft, making a career transition to influencer marketing simply made sense.



*“To be effective at corporate communications today, you have to set your mindset to the consumer,” she said. “How does a person prefer to get their information these days? They ask their friends, they search the web, they read reviews. That suggests a communication model and a strategy that is vastly different from the traditional corporate broadcast methods, doesn’t it? It means we need to actually be in conversation with people. I find that to be an incredible challenge!”*

The trick is scaling those conversations on a global scale. A Microsoft scale! The Redmond, WA-based company is the largest software company in the world with 120,000 employees around the globe. Influencer marketing has become a mainstream marketing channel and its growth at Microsoft has increased rapidly. From experiments through outside agencies just a few years ago to the creation of a dedicated team of in-house global experts today, Microsoft is swiftly **scaling its efforts**.

*“Influencer relations is the natural evolution, this is the place to be because this is the future of communications.”*

Microsoft’s influencer outreach programs are now spreading throughout the world, but the function and accountability remains local. “There are so many different customs, laws, and languages,” she said. “It makes sense to connect to influencers at a local level with local people.” Her counterparts around the world frequently share ideas and best practices to grow as an organization. “It’s incredibly important to spend time internally making sure you’re on the same page.”

She said that influencer marketing makes sense to Microsoft because its products play such an intimate role in a customer’s life. “We sell to people, so as a company we need to learn to talk like a person. It can’t be a campaign with peaks and valleys. We can’t go dark. We should be as interested in our influencers as they are in us. And if you approach it as human communication instead of company communication,

those relationships will grow over time, just as a friendship can grow over time.

For Microsoft, scaling influencer marketing is a constant, methodical process. The company is approaching this growth in a few different ways. “There are people that the team has worked with previously and there is the opportunity to examine their networks to see who else they might be connected to,” she said. “Technology helps, but there is definitely still a very large human component involved in identifying relevant influencers.”

The search for influencers is methodical and on-going, and nearly all of Microsoft’s influencer connections are unpaid. “The process is important,” Amanda said. “It is relationship-based. **We strive for authentic advocacy. It has to be mutually-beneficial and the values have to be aligned.** I think that is an important way we have grown.



Yes, reach, relevance and resonance are important, but we want the values to mesh as well.”

She stressed that the collaborative decision process is just as important for the influencers they work with. “You can’t flip trust,” she said. “If you’re advocating for a company one day and then advocating for a competitor the next day, you are sending the wrong message to an audience. They will begin to think you’re simply looking for a payday and you’ll lose their trust. And when that happens, you’re no longer effective. If you chase dollars everybody loses so both the company and influencers have to be mindful of trust at every step. You have to develop a long-term vision of how the relationship will evolve and how we will work together.”

Influencer marketing is also extending to other parts of the organization. “We find that many different departments can benefit from outside connections and collaborations,” she said. “We may not call it influencer marketing all the time, but that’s what it is. One influencer might have five or six different touch-points in an organization, so we’ll be flexible in terms of who leads on the relationship. We try to meet the influencer’s needs.”

Although Microsoft has come a long way with its pioneering influencer marketing efforts, Amanda knows that they are just at the beginning of this new world of customer conversations. The company is scaling the level of its conversations by constantly experimenting and piloting new ideas.

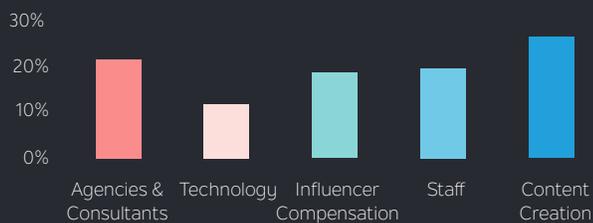
*“We’ve come a long way and there still is not much of a road map,” she said. “So we experiment. Pilot programs are big here. And yes, we fail, but the only real failure is if you fail to learn. You can’t be so afraid to make a mistake that you don’t try anything different. It gives you an opportunity to try more, to do more.”*



Read the full interview  
[Conversations at Scale:  
Interview with Amanda  
Duncan of Microsoft](#)

Influencer marketing budgets are largely focused on content marketing, staff and influencer compensation, which indicates the increasing importance of influencer-generated content for brands, as well as, the necessity of in-house resources to build relationships with influencers.

#### SHARE OF IM BUDGET



One of the leading forms of influencer activation beyond traditional brand mentions is content creation. Brand approved content is often developed around campaigns and distributed through influencers in orchestrated waves. Content creation continues as the top recipient of IM budgets, growing from 22% in 2017 to 27% this year.

Budget allotted for influencer compensation has also almost doubled from 10% in 2017 to 19% this year. Influencers are learning that their time and the attention of their communities are valuable beyond recognition and engagement from brands. As a result, monetary engagement is becoming more mainstream. This

percentage will most likely rise year over year for the foreseeable future. Taken together, content creation and influencer compensation account for nearly 50% of IM budgets.

*“More advanced companies use content marketing more; whereas more tactics-driven companies rely more on social media. That tells me that more advanced companies are thinking long-term with influencers about co-creating or partnering across many platforms. As with any kind of marketing... relationships are what always deliver.”*

ANN HANDLEY,  
Chief Content Officer,  
MarketingProfs

**Technology usage is on the rise; influencer identification and relationship management tools are main areas of investment.**

Technology is a key component of the IM budget that tends to represent a higher percentage in smaller budgets but provides economies of scale as budgets expand. Compared to 2017, technology usage has significantly increased. This year respondents were 30% more likely to use some form of influencer technology. Usage of influencer identification technology has more than doubled, while opt-in network usage has declined by nearly 20%. Usage of influencer relationship management technology has increased by 32% demonstrating a growing need

within organizations to centralize their influencer databases in one system of record.

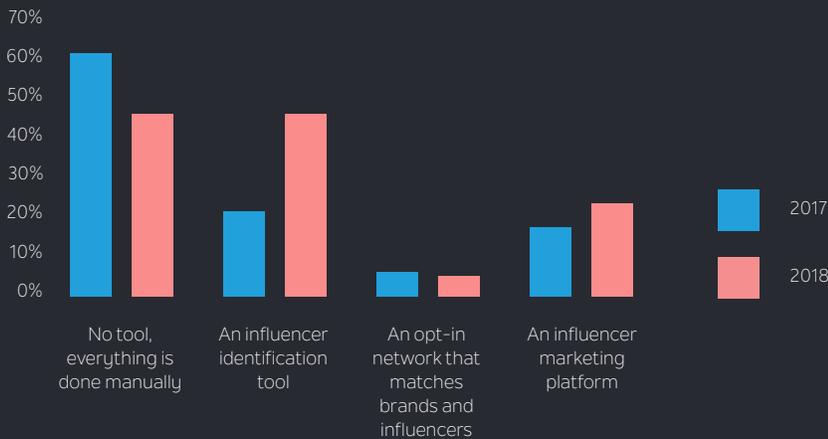
**About one-quarter of budgets are spent on agencies and consulting.**

The investment in staff has remained the same from 2017 to 2018, while reliance on agency partners has increased. Investments in agency support for IM have grown from 12% in 2017 to 17% in 2018 with another 5% aimed at support from consultants. As IM gains executive sponsorship and more resources are allocated to influence strategies, it's likely that agency support will continue to adapt based on the needs of brand marketers as their needs shift and grow.

Of the executives we surveyed, 62% lean on agencies to help them iden-

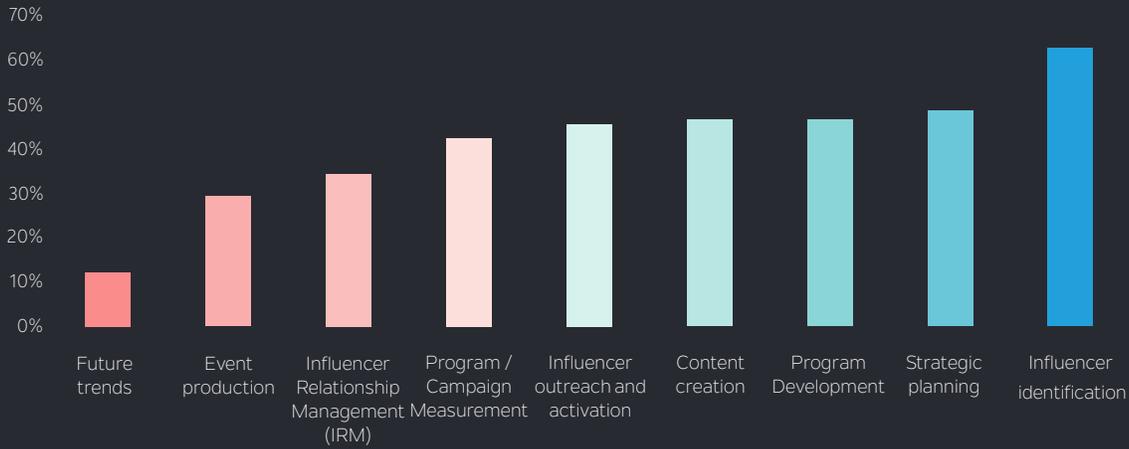
tify influencers. How agencies do so ranges from manual research to various software platforms to existing relationships. More so, we learned that almost half of agencies (48%) tend to lead campaign strategy and 46% are responsible for program/campaign development. Agencies are also executing on behalf of brands with 46% driving content creation and 45% leading influencer outreach and activation. Brands are also turning to agencies (42%) to help them measure programs and campaigns.

**TOOLS TO IMPLEMENT INFLUENCER MARKETING**



The 2018 State of Influence 2.0

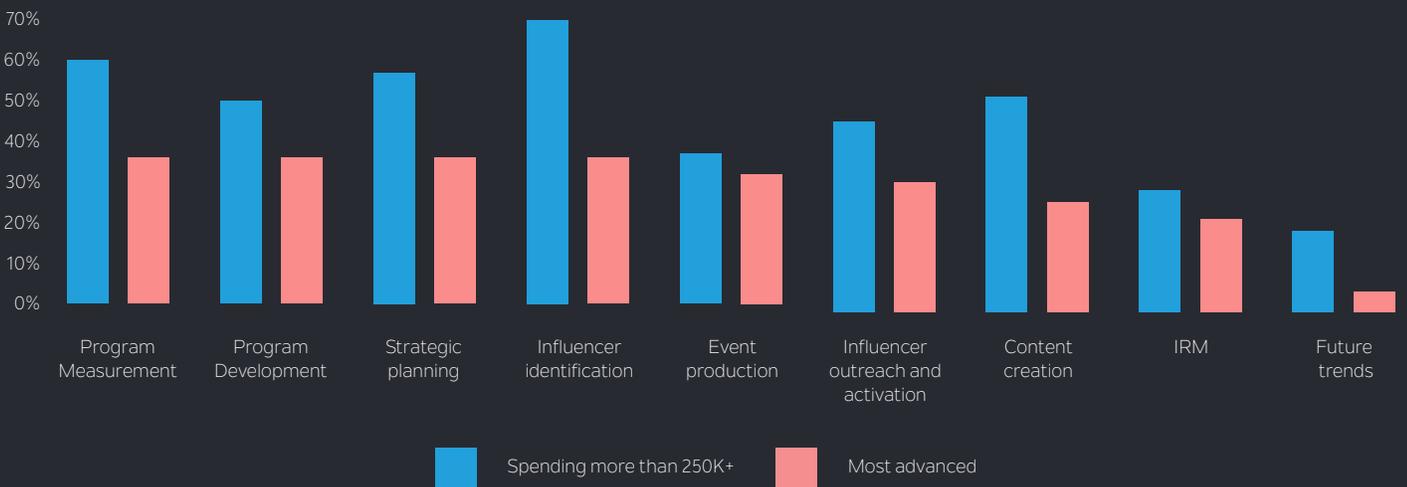
WHERE DO YOU UTILIZE AGENCIES?



Advanced companies work with agencies very differently than organizations at the tactical stage. Among advanced programs, there is far less reliance on agencies for influencer identification, program development, strategy and content creation.

Traackr founder Pierre-Loic refers to this phenomenon as the “commoditization of agencies.” As budgets and programs scale, agencies are then used to fill resource gaps and fulfillment rather than high margin work.

USE OF AGENCIES: COMPARING THOSE WHO SPEND MORE THAN \$250K AND MOST ADVANCED PRACTICES



Often, partnering with agencies helps brands execute on important programs without having to make the case for internal staff and resources. They can help ramp up expertise and start building relationships with key influencers in the process. It’s important however, for brands to remain hands-on throughout agency partnerships. Influencer rela-

tions is more important than campaigns, content and metrics. These relationships can grow and prosper over time, but to do so, the relationships must be cultivated. Without brand participation, agencies become the sole beneficiaries of these relationships.

# Influencer Marketing Experience

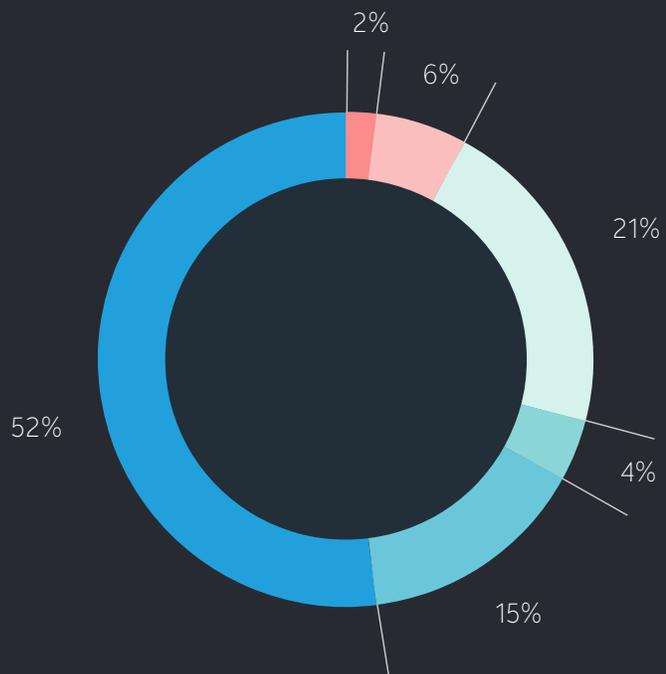
More than half (52%) of IM programs are led by an internal team with relevant experience. At the same time, 21% of companies run IM campaigns through an external program lead with an internal marketing management team. Only 6% of campaigns are fully run and managed by external experienced teams. We were also surprised by the relatively high number (15%) of IM programs run by an internal team with admit-

tedly very little IM experience. On one side, it shouldn't be a surprise. IM is still relatively nascent and as we see in this year's report, the state of IM isn't following an accelerated growth path. This demonstrates the tremendous potential and opportunity for IM. While just over half of companies are leading IM programs internally with experienced teams, there is room for improvement, experience and education. IM can greatly benefit and grow

with experienced and pioneering teams who learn about the true possibilities of IM. Practitioners must push themselves to deliver results that impact the business and deliver value to influencers and their communities. The key is to set goals that are commensurate with capabilities and resources but that also push them forward to grow from practitioners to strategists.

## WHAT EXPERIENCE DO YOU HAVE IN INFLUENCER MARKETING?

- External team with external experienced program leader
- External team with internal experienced program leader
- Internal team with experienced program leader
- Inexperienced internal team
- Internal team with very little influencer marketing experience
- Internal team with experienced program leader



*“Influencer Relationship Management as a skill and job title are just now getting on the radar. IM is like social media marketing in 2007 or email marketing in 2002: brands have woken up, gotten out of bed and are just starting to make breakfast.”*

ANDY CRESTODINA,  
Co-Founder & CMO,  
Orbit Media Studios, Inc.

## Case in Point: Interview with Santiago Garcia Solimei of Meliá Hotels International

By Scott Guthrie



**Meliá Hotels International** is one of the largest hotel companies in the world. I spoke with **Santiago Garcia Solimei**, Global Director of Social Media, to better understand how the operator works with influencers globally at an enterprise level.

### What drives Meliá Hotels International to use influencer marketing?

About 11% of traffic to our booking website **Melia.com** comes from social. More and more people are reaching out to social media channels to discover new hotels and to discover destinations. So not only do we need to be present on social, but we need to be present with really good content and the way to ensure we have amazing and varied content is through influencer marketing.

We used to operate a company-wide PR and social media strategy that was well established by brand and region but lacked a system approach and specific methodology to influencer marketing. In January 2017, we made the switch to a system-based approach. The move was a response to the increasing number of influencer requests being received at the hotel, regional and global levels, plus the amount of time needed to evaluate, consider and respond to all those requests.

### Can you give me an idea of the scale of influencers you work with?

We categorize influencers at three stages: identified, engaged and advocates. We only keep relevant influencers in our Traackr database. So far we have identified 896 relevant influencers. This gives you an idea of the size we're talking about. Of those 896 influencers, 150 are engaged. That means they're doing something with us. A further 75 we classify as advocates. Overall about a third of our influencers are associated with the **ME by Meliá brand**. But, every year each one of our seven brands runs a global campaign which contains an influencer marketing component.

### How do you identify the most appropriate influencers to work with for each brand?

The brand marketing department creates a persona of an ideal influencer for each brand. These profiles cover the ideal interests, age, and trends that these people follow, along with brand configurations, and reach. We have a very clearly spec'd out map of what an influencer should be for each of our brands. It is really important for us that we do not share influencers across different brands. Each brand has its own specific targets and profiles.

We engage with influencers on an exclusive basis. We look very carefully at the values of that influencer and our brand, the message the influencer is portraying to his or her audience; what type of audience it is and where they are located.

### Which team 'owns' influencer marketing'?

The Global Social Media department is responsible for the influencer marketing vision, strategy and program, plus the way it's implemented by the regions and hotels. We have created a methodology called the MHI Influencer Best Practice Guide. PR and social media agencies engage with influencers based on our methodology. They use Traackr as the influencer database and reporting framework.

We devise the framework strategy centrally. We then present this strategy to our PR agencies, social media agencies and hotels worldwide. Given our geographical spread we rely on PR agencies and social media agencies - our specialized resources - to conduct local training with hotels. They take the strategy down to a property level.



## How does Meliá Hotels International allocate resources to its influencer programs?

We have a central influencer budget allocated to each brand that covers travel, hosting and related expenses. As part of our global campaigns, there is also a budget for influencer marketing-related actions specific to each campaign. We want to engage with influencers who fully connect with our brands at an emotional level so we invite them to an unforgettable hotel experience where all expenses are covered. We only pay for the influencer participation on specific ad-hoc activities (for example for DJing, art interventions, or Ted Talks). We believe this approach will result in more effective and authentic content as well as a long-term relationship of brand advocacy.

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

Part of proving the ROI of social is via a data-driven approach. Through Traackr, we're able to generate a report of every relevant influencer campaign. Within the report, we can see all of the coverage generated plus the mentions and interactions. We can see which content has worked best for us on each social network and by specific influencers.

We're also putting together internal business cases which show results on all the different campaigns. Globally, about 11% of traffic to our booking website [Melia.com](https://www.melia.com) comes from social. In some countries, social media drives 15% of traffic to the booking site. Through business cases and reports we show our hotels' general managers how much coverage has been generated and how much traction was achieved.



Read the full interview

[How Meliá Hotels International Scales Influencer Marketing Across 7 Brands and 4 Continents](#)

# CMO Involvement

CMOs are taking a more hands on role in connecting to influencer marketing programs, which could represent a pivotal moment in the evolution of IM in the marketing mix.

When we analyze budget and executive sponsorship data, we see CMOs increasingly involved in influencer marketing. We found that CMOs oversee IM in companies with the largest and smallest budgets, but they also maintain a strong presence across the board. For budgets larger than \$5 million, CMOs are the sole sponsor.

This signifies that executive engagement, at the highest level, can steer IM strategy to align with business objectives. As a result, IM can gain greater prominence within the marketing mix and the organization by playing a bigger role in driving business outcomes, beyond playing a small role in traditional marketing mixes.

## BUDGET ALLOCATION COMPARED TO EXECUTIVE SPONSOR



## Departments Involved in IM

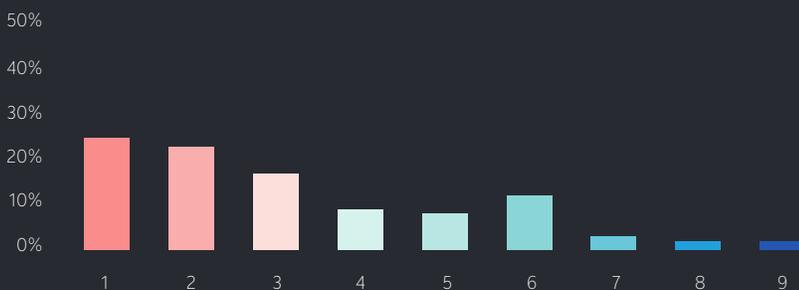
**Influencer programs are spread across the organization; which demonstrates opportunity for organized and collaborative Influence 2.0 programs.**

Influencers exist because they engage their communities in unique and value-added ways. They don't simply exist to market to audiences. Looking at how influencer engagement is managed within the enterprise today, the elements of influence 2.0 are present. Given that each marketer, on average, identified more than three departments that engage in IM, unity and orchestration are essential.

*"We see our IM program having a large positive impact on our own comms organization and our culture. External influencers have helped shape our thinking and we are integrating IM into all comms and marketing activities. In other words, IM also has an organizational change aspect – one that also expands beyond the communications department into the business."*

PATRICK NAUMANN,  
Global Influencer Engagement  
Manager,  
Siemens

NUMBER OF DEPARTMENTS ENGAGING IN IM



Of the groups running IM programs today, PR leads the way, with 64% of these practitioners running IM programs, according to participants. The next most popular group running IM programs is social media marketing (58%), followed by brand/product marketing (52%) and digital marketing (41%). It's worth noting that in this year's report, PR has overtaken social media marketing as the primary leader in IM for the first time. These groups also represent the earliest adopters of influence who have been some of the industry's longest practitioners.

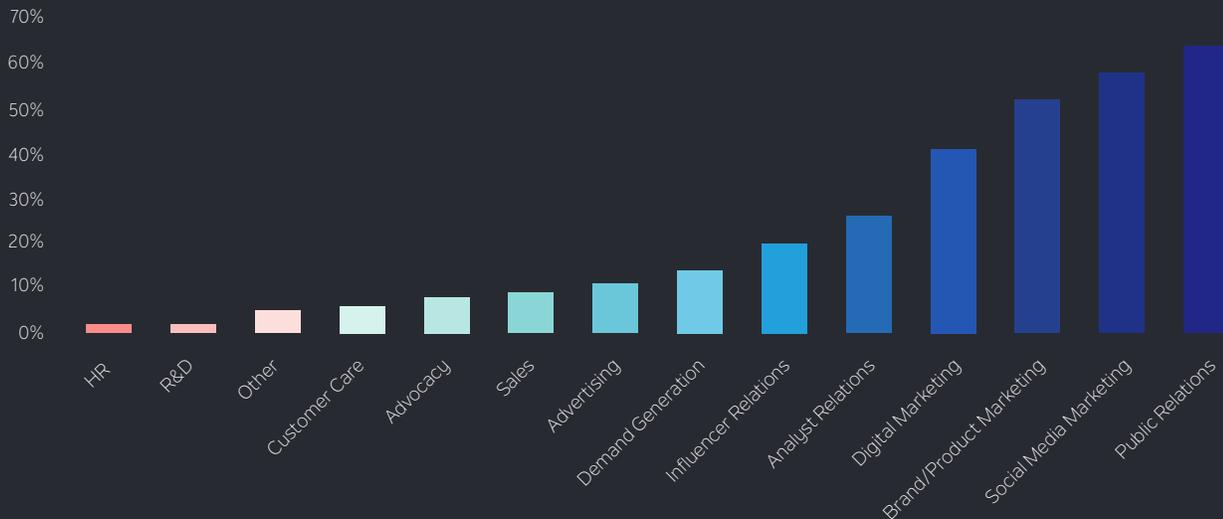
Examining the various touchpoints of a customer journey, key stakeholder groups are already represented.

They include the following:

- Demand Generation
- Advertising
- Sales
- Advocacy
- Customer Care
- R&D
- HR

To add peer-to-peer value throughout the customer journey, these groups need leadership, coalition and coordination.

DEPARTMENTS ENGAGED IN IM



*“IM is not being fully utilized across the organization. For example, only 2 percent have connected influencers to R&D. Influencers are passionate experts in their field and they are fueled by having access to things that are new. Why not connect them to the people responsible for all things new?”*

MARK SCHAEFER,  
Executive Director,  
Schaefer Marketing Solutions

*“In the future, much more research will be led with influencers and their communities to understand more on consumption trends and even new use cases and innovation.”*

MARIE DOLLÉ,  
Digital Strategist

# Influencer Marketing Priorities & Impact

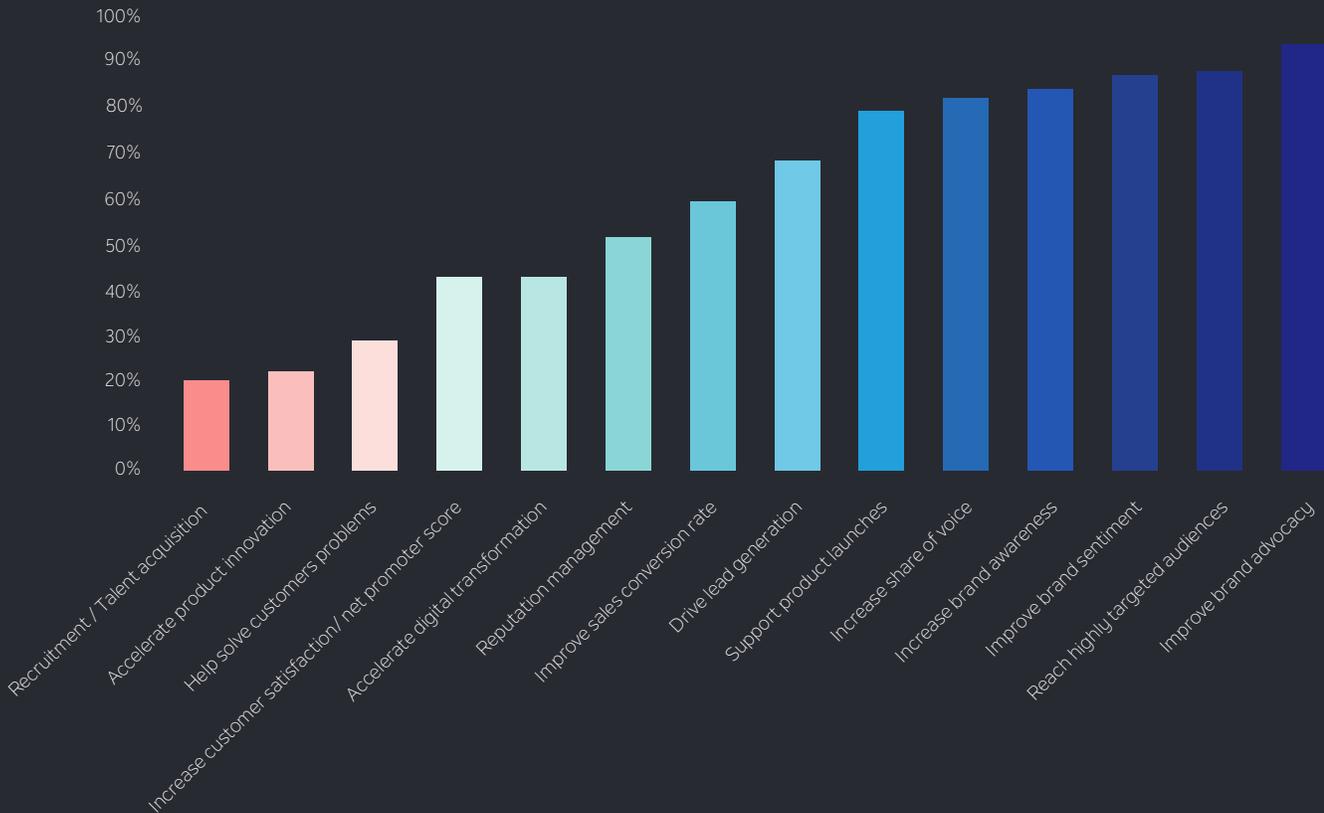
Improving brand advocacy is the leading goal for IM, but objectives also reflect the diverse promise for influence across the enterprise.

Marketers are nearly unanimous on improving brand advocacy as the most important goal for IM at 95%, a stable result compared to 94% in 2017. The long-list of competing IM program targets; however, is as diverse as it is promising. The top six goals are separated by the smallest of margins and are still in flux. But collectively, they highlight the significance of traditional marketing metrics, reach,

sentiment, awareness, share of voice and amplification.

- 95% - Improve brand advocacy
- 89% - Reach new/highly targeted audiences
- 88% - Improve brand sentiment
- 85% - Increase brand awareness
- 83% - Increase share of voice
- 80% - Support product launches

GOALS OF IM



Marketing performance initiatives typically represent a maturing focus for influence. In 2018, we see that growth/performance KPIs are notable. For instance, IM that focuses on driving lead generation and improving sales conversion rates are top priorities among 69% and 60% of practitioners,

respectively. When compared to last year however, the numbers dropped from 74% and 67%. Sales are obviously critical and this is in no way a statement otherwise. Most likely, influence is further permeating the enterprise and efforts are increasingly distributed.

In fact, many other stakeholder groups are also represented in the top list of influence goals. These include customer-focused programs, product innovation and human resources.

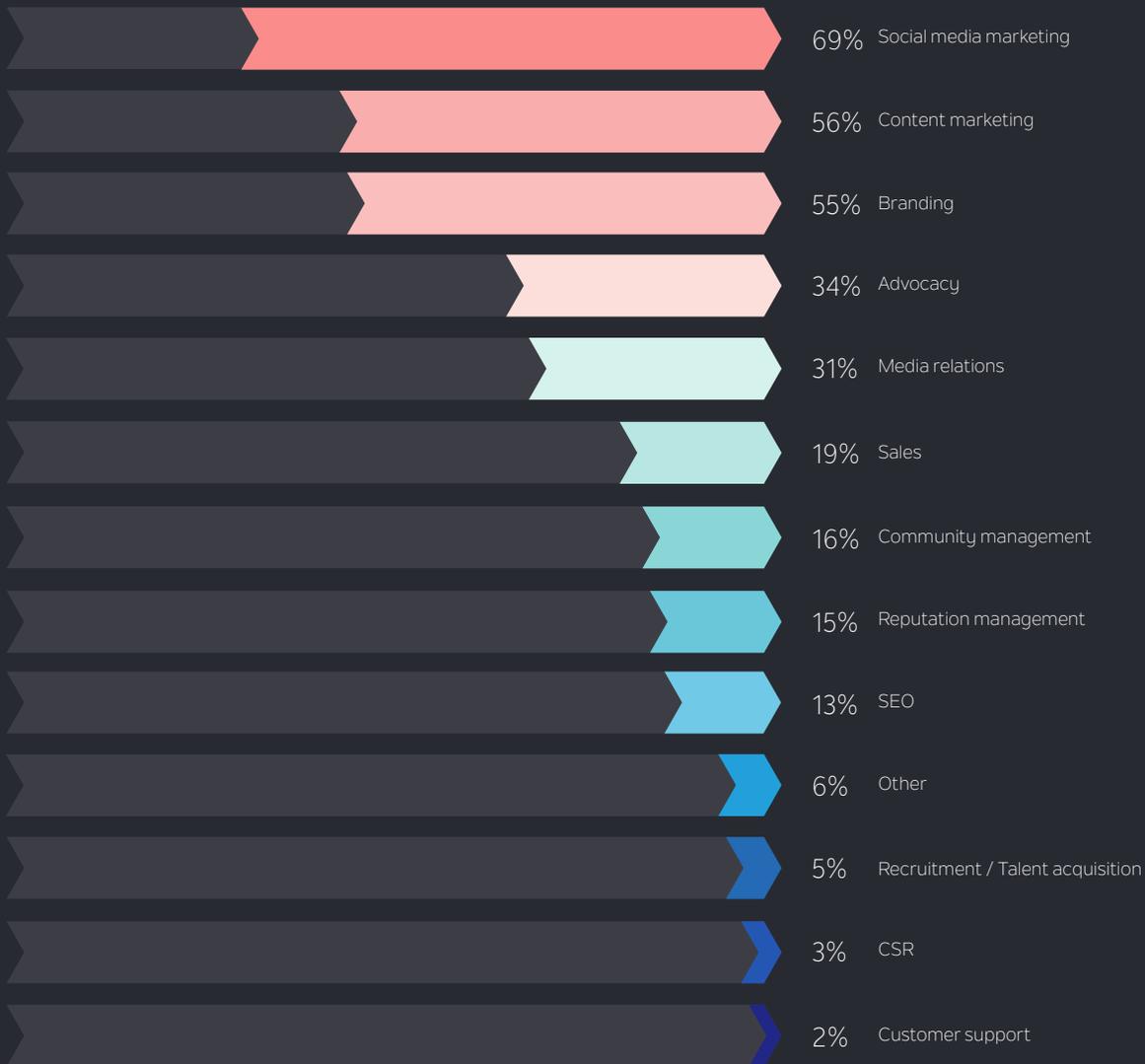
**Influence is deemed impactful across several marketing fronts; cross-functional initiatives are absent, requiring greater experimentation and ROI to drive Influence 2.0.**

With purpose, thoughtfulness and execution, peer-to-peer influence can deliver impact across the journey.

In 2018, social media marketing, content marketing and branding topped the chart for impact at 69%, 56% and 55%, respectively. It's important to note that this year, we widened the list of areas to document the impact of influence throughout the enterprise.

Sales makes an impressive entry onto the list at number 6 with 19% of companies connecting influence to impact. Customer service also appeared on the list for the first time, making a slight dent at 2% impact. In the coming years, we expect the diversity of influence programs impacting business performance and growth across the enterprise.

WHERE HAS IM BEEN MOST IMPACTFUL?



# Crossing the Influencer Marketing Chasm

Key success factors from the most advanced companies' influencer programs.

Organizations that invest in IM are still largely learning on the job. While the promise of Influence 2.0 is helping an elite group of progressive companies more effectively engage peers to empower their peers across the customer journey, the majority of companies are taking a tactical and largely campaign-centered approach to influencer programs.

The good news is that more organizations have graduated beyond experimenting with IM. The bad news is that many organizations remain stuck in a tactical execution of IM strategy. In the following section, we'll explore the differences between these two groups and highlight the characteristics of organizations who have truly established IM in their core business.

When we compared last year's maturity data to 2018, we found that companies are moving from experimenting with IM to more tactical programs. We refer to this as the "tactical trap" as IM becomes more functional, i.e. traditional 1.0 broadcast marketing approaches rather than strategic influencer relationship building or partnering with influencers to add value beyond the top of the funnel throughout the entire customer journey (aka influence 2.0).

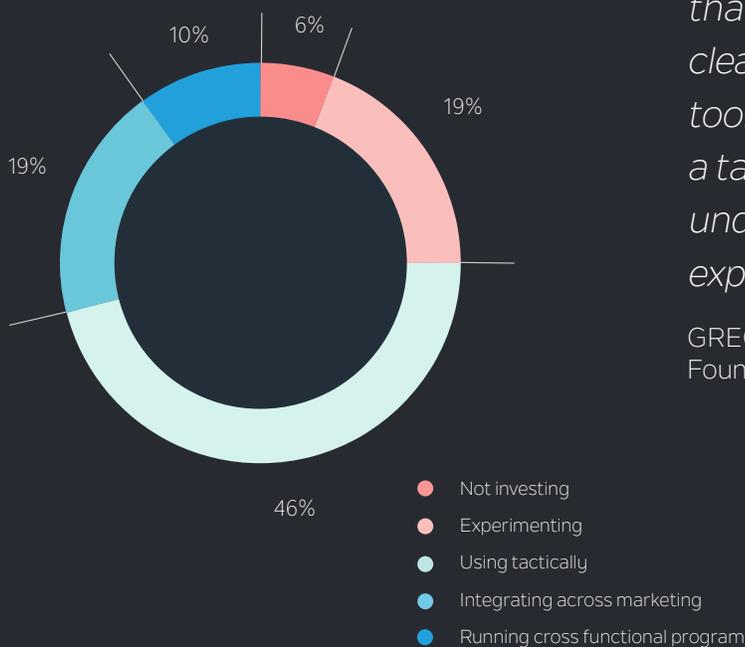
Most notably, there is a massive chasm between IM maturity stages that separate influence 1.0 and 2.0. For example, 46% of marketers say that they're still in the tactical stage of using IM across marketing activities without integration. Another 19% are still in a preliminary,

experimental and proof-of-concept stage. While significant, it's promising to see that organizations were 60% less likely to report being at the experimental stage compared to last year.

In terms of advanced programs, this year 29% of marketers said they were running integrated or cross-functional influencer marketing programs, a 9% increase from last year's report.

Said another way, while the number of companies investing in IM is extremely high (94%), a large share (73%) are still in the very early stages of Influence 1.0. Two thirds of companies recognize the importance of IM and though they are not experts yet, they are actively investing in learning how to take advantage of it.

## MATURITY OF IM PROGRAMS



*“The gap is widening between brands that have understood the ROI, with a clear organization and use of relevant tools, and those that are still stuck in a tactical approach without a clear understanding of what return they can expect from influencer campaigns.”*

GREGORY POUY,  
Founder, La Mercatique

## Case in Point: Interview with Marc Duquesnoy of L'Oréal

By Olivier Cimelière



Olivier explores how the world's beauty leader is scaling its strategic vision of influencer marketing in 150 countries with Marc Duquesnoy, Social Media Performance Director for the L'Oréal Group's Global CDO Team.

How and why did  
influencer marketing  
become one of  
L'Oréal's top digital  
strategy priorities?

Influencing our ecosystem has always been an intrinsic part of L'Oréal's activities. Well before digital reshuffled the cards, hairdressers were the first influencers recommending our products to their clients. Then magazines, opinion leaders and celebrities became influence drivers to nurture this word-of-mouth, which remains essential for brand adoption. The rapid ascent of digital influencers has naturally led us to broaden our communication and marketing strategy. These influencers increase our legitimacy and act as trustworthy relays to our consumers. This is all the more important since consumers are increasingly wary of advertising and brand messages, but also better informed, notably thanks to influencers' content. Influencers play a bigger role though, as they create trends and trigger new dynamics around topics closely related to L'Oréal brands.

For us, it is essential to be active within these communities and to engage with authoritative influencers. Based on their own style of expression and target markets, each brand identifies and categorizes influencers. This mapping may naturally vary depending on market segment or country. But generally speaking, we distinguish two types of influencers: Those with a huge following that transcend national borders, with whom we tend to focus on short to long-term contractual relations and at times exclusivities and co-creations. Local micro-influencers who are just as important as they speak to very specific communities. With them, we are more in the realm of product sends, or invitation to an event or an experience.

How is your influencer  
marketing strategy  
organized, considering  
a portfolio of 34  
brands and operations  
in 150 countries?

Roles are precisely and pragmatically divided up. The International Marketing Direction is tasked with developing and overseeing the image platform for each brand, drawing on rules and guidelines that local markets need to follow. It is also in charge of managing directly some global influencers and internationally renowned

figureheads. However, developing and consolidating engagement with influencers and their communities is a local affair split between our Marketing, Communication and Digital teams, depending on the brand's objectives and criteria. An illustration of this is the Face Awards by makeup brand NYX. Over the past three years and in different countries, amateurs and professionals have been invited to create their own makeup looks based on given themes, and upload their creations to YouTube and Instagram. The best looks are awarded by a jury made up of L'Oréal representatives and local influencers.

Which teams are  
primarily involved in  
influencer marketing  
activities?

There's no specific hierarchy, but the Communication, Digital and Marketing teams are always involved. Because of its PR and press culture, Communication is central to transforming the relationships with the influencers and their communities. Digital is more involved in technological aspects such as selecting the professional softwares and platforms, like Traackr, that we use. They also work on operations and the exploitation of statistical and analytical data. Finally, Marketing is responsible for designing



a 360-degree approach and defining budget allocation between online and offline, based on the well-established model combining “earned, owned, shared and paid media” in order to generate interactions, viralisation and business leads.

We also have agencies working on these aspects, supporting and advising us to optimize operations.

## How are these direct relationships important for L’Oréal brands?

It’s crucial that we have a proper understanding of our influencers’ audiences. What do their communities expect, what are their usages? This in-depth understanding allows us to refine our customer targeting and gives us insight into their typical day. This is based on four key criteria: Awareness (the brand’s visibility), Consideration (the brand’s credibility), Purchase (the act of buying) and Recommendation (word-of-mouth and loyalty). Depending on how a brand is perceived in a given market, we’ll then more or less emphasize one or several criteria using digital initiatives and offline activities.

## What do you think are the key upcoming stakes for influencer marketing?

In my opinion, there are three topics that are already being discussed, and which are set to intensify. The first relates to influencer relationships and budget optimization. The focus on the Return On Investment is going to grow, as digital programs are deployed. The General Data Protection Regulation (GDPR) enforcement in the European Union from May 25th 2018 signals the growing pressure regulators and consumers will put on the use of personal data. This legal aspect is something we’ll need to more and more integrate. Finally, e-reputation risks are more sensitive than ever. This is why it’s so important to know the influencers you choose to work with, to avoid any nasty surprises.



Read the full interview

[How L’Oreal Scales its Strategic Vision of Influencer Marketing Around the World](#)

# Lessons from Organizations on the Cutting Edge of Influence 2.0

In this section, we explore the differences between organizations at the advanced and tactical stages to identify lessons for those on the path to Influence 2.0.

We also identified how tactical and advanced teams work differently. Notably, advanced teams:

- Have more internal expertise in IM, larger budgets, and more departments involved.
- Experience the impact of influencer marketing in different ways.
- Spend more on staff and influencer compensation and leverage agencies partners very differently.
- Are significantly more likely to use an IM management platform or an influencer identification tool.

Additionally, advanced marketers are not tying IM strategies to broadcast marketing or “new” celebrity endorsement cam-

paigns. They're taking a customer-centric (or stakeholder-centric) approach to understand their needs, who influences them and why, and then develop programs/content/relationships that add value to everyone involved in the journey. The difference between earlier and more advanced stages is the ability to create a value chain that connects directly to either business metrics, outcomes or both.

In our research, we found a correlation between budget and IM maturity. It can be presumed that companies spending greater annual budgets on IM have discovered compelling cases for ROI.

For the most advanced companies, 78% have budgets above 250K, and 65% manage IM through internal teams with the internal program lead having influencer marketing experience. And, 62% are managing IM programs in three or more departments across the enterprise.

Their goal is predominantly to drive brand advocacy, sentiment and share of voice, above awareness. Of the programs where IM is having the most impact, content marketing takes the lead (jumping from 56% to 81%) and advocacy also jumps by 10 points.

When we look at how the two groups leverage agency partners, we see a noticeable difference across the board.

Advanced influencer marketing programs are significantly less likely to rely on agencies for key elements of influencer programs including influencer identification, program measurement, content creation and influencer relationship management.

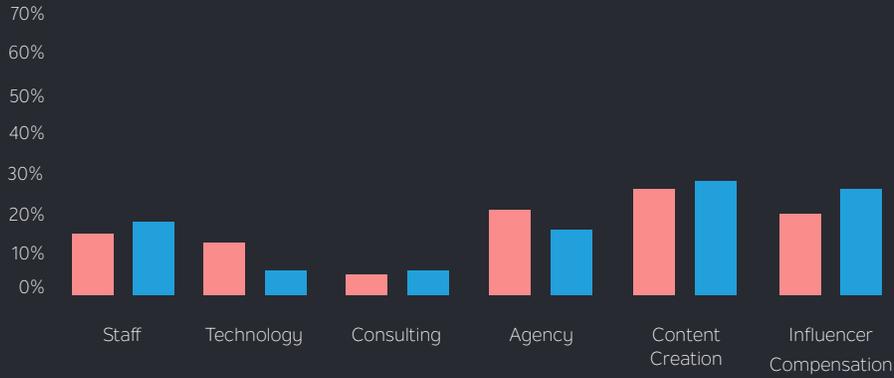
Presumably, based on their increase in budgets on staff, advanced organizations are bringing more strategic IM elements in-house. Events was the sole area where advanced organizations tend to rely more on agencies.

## EXPERIENCE



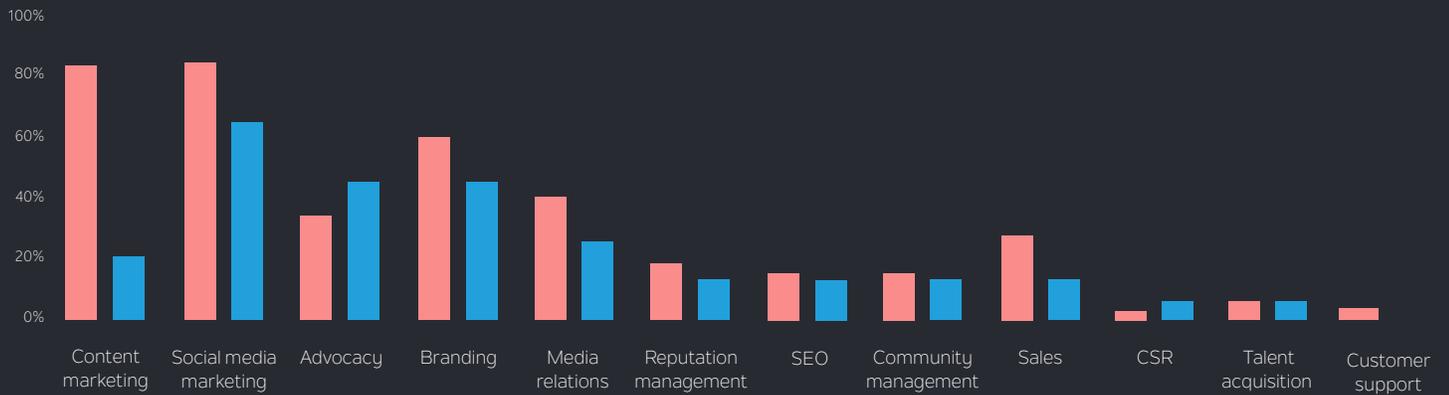
## SPENDING AREA

Tactical Advanced



## WHERE IM HAS BEEN IMPACTFUL

Tactical Advanced



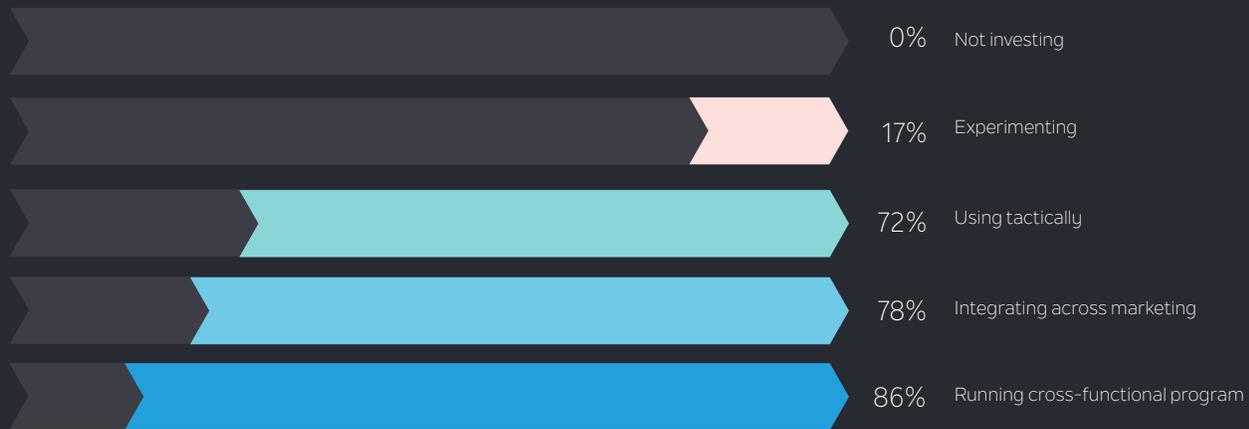
## USE OF AGENCIES

Tactical Advanced



## Technology adoption comes with maturing influencer programs.

### USE OF TECHNOLOGY COMPARED TO IM MATURITY



Many of those we surveyed (44%) are not using any technology tools and are instead still manually identifying, managing, and measuring programs. However, with maturity comes technology adoption.

Those companies that are mature in their adoption and practice of influence are also the ones leading the way toward Influence 2.0. For example, 78% and 86% of companies running consistent IM campaigns integrated across marketing activities and also managing cross-functional IM

programs, are investing in technology to scale influence.

In our previous report, we documented an emergent state of IM that focused on influencer relations across the total customer or employee journey/lifecycle.

This was the basis for Influence 2.0, one in which influencer relations were coordinated, cross-functionally. For most companies, IM is still focused on marketing. But ultimately, we're seeing IM move across other key stakeholder groups. In more mature companies,

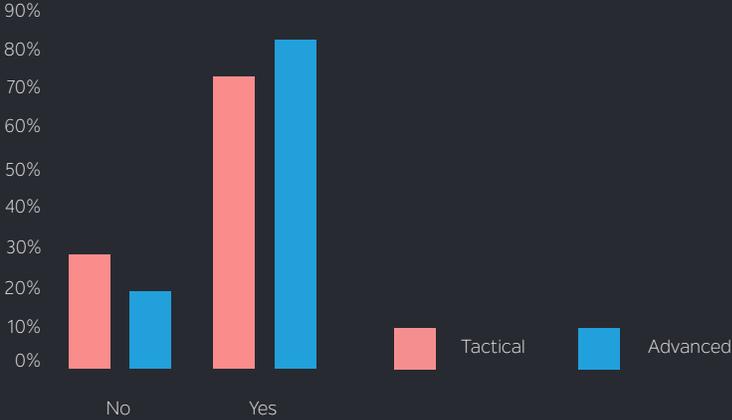
we found that, among companies with larger IM budgets, cross-functional programs were more common across the organization (beyond marketing).

When comparing budget and experience related to maturity, it is clear: more experienced companies invest more in IM and we can suppose that gaining maturity can be a byproduct of those investments.

*“Competent use of technology with such a data intensive practice is essential for all aspects of influencer relationships from identification and qualification of the right influencers to relationship management and especially measurement.”*

LEE ODDEN,  
CEO & Founder,  
TopRank Marketing

### TECHNOLOGY USAGE



### BUDGET ALLOCATION CROSSED WITH MATURITY



## Case in Point: Interview with Shelley Macintyre of Sipsmith

By Scott Guthrie



Since 2009, Sipsmith has played a significant role in the resurgence of artisanal gin distilling. I talked with Shelley Macintyre, Global and UK Marketing Director about building and scaling a brand through influencer marketing.

### How integral is influencer marketing to Sipsmith?

Influencer marketing and word-of-mouth marketing are absolutely central to everything that we do at Sipsmith. Bartenders were our first key influencers. They love the quality of the ingredients and the quality of Sipsmith gin. We hold that if bartenders believe in the product's integrity they'll want to talk about the product to the person they're serving because they're proud of what they're using.

As more people started to like our approach we then looked at how we could get the word out in a more scaled way, beyond only bartenders - whilst always retaining integrity. We use Traackr to find people who are already talking about gin. People with a genuine love for it who are talking about authenticity and the importance of quality in gin making. Particularly those interested in craft, provenance and artistry. We look at the type of content these influencers are creating. The look, the feel, the ambience, the themes. We don't go after people

just because they've got a lot of followers. Instead it comes down to the relevance of a person and how their content might resonate with both our audience and theirs.

Once we've identified a potential influencer based on relevance and resonance we introduce them to Sipsmith. We'll give them a distillery tour, for instance. You quite quickly get a sense of whether there is a shared chemistry once you meet face-to-face. As our approach towards influencers has evolved, we've become more attune to what people are searching for online.

### Do you pay influencers?

We have never wanted to pay people to tell our story. We genuinely believe that if we've got something interesting to share, and we give people content which is useful they'll want to talk about it. For us when you pay an influencer it's not a story shared by someone on behalf of the brand because they love it, it's shared because they're benefiting financially from it. And, I think the consumer is more than savvy to that now. When working with influencers we are very willing to hand over control. We never say 'would you mind just dropping in this sentence to your piece' or 'could you make sure you write about this aspect'. We believe a story shared from the heart is a lot more authentic than a story shared under duress.

Influencer marketing doesn't have a stand-alone budget at Sipsmith. It's integrated into everything we do. For instance, at the beginning of the year we hosted Hot Gin Roof at Ham Yard Hotel in London. We ran the event in three phases: a media and influencer night first followed by night for the industry which came ahead of a consumer run of events.

The approach was a success. We benefited from 80 organic posts during the media and influencer evening. And, by putting the media and influencer evening first they were able to share exclusive content with their audiences. We didn't have to put a budget aside for the influencer event. We were doing the event anyway for the consumer. The event was designed to drive publicity and give 1,500 people a memorable experience that they could then share with their friends. That was all without paying people to be there. Time and salaries are expensive but that's our only influencer investment.



Sipsmith is now owned by Beam Suntory. Has this affected your approach towards influencer marketing?

Beam Suntory are a wonderful partner. They don't want to change us other than to help us grow internationally. In fact, they want to use our word-of-mouth approach with other brands in their portfolio. They see it nourishing the credibility with the broader PR plan. Traackr allows us to collate all relevant influencer information to use in a scalable way so that we can sense-check what is working, learn from it and apply that knowledge to international markets helping guide those local teams. The distillery sets and shares best practice and then, in partnership with key markets, we guide the strategy. The local markets write the strategy with us and they then execute their local plans.

How does Sipsmith measure influencer marketing success?

The questions we ask are: is the influencer content and relationship authentic? Is it relevant? Does the content resonate with our audience? Is it a win-win relationship? If we're ticking those boxes, that's how we'll continue to do it. But, it's harder to scale that relationship. It takes time.

Influencer marketing measurement is more of an art than a science at Sipsmith. We don't measure conversions to purchase. That's not the point for us. It's more about other people sharing our stories. Hearing about Sipsmith from someone else is more powerful than hearing it from us as the brand.



[Read the full interview](#)  
[Scaling an Artisanal Gin Globally Through Influencer Marketing](#)

## Challenges

**For organizations at all levels, IM still faces challenges associated with an emergent discipline; staff and budget are scarce and limited ROI and lack of understanding of the value of IM impair growth.**

There are several key challenges hindering IM expansion within the enterprise. Most notably, the two “most difficult” obstacles are also directly linked: “Limited ROI data available,” and “not enough resources (staff and budget).” Teams cannot make the case for greater budgets nor can they demonstrate the value of IM towards business objectives, if they don’t have the data or insights necessary to do so. And,

the two are essentially tied when combining the rankings of “most difficult” and “difficult.” Between the two, “limited ROI” totals 46% and “not enough resources” adds up to 45%.

Another key area tied to growth, is the lack of understanding of IM’s value to the organization. Here 25% reported that this was the “most difficult” or “difficult” area to overcome.

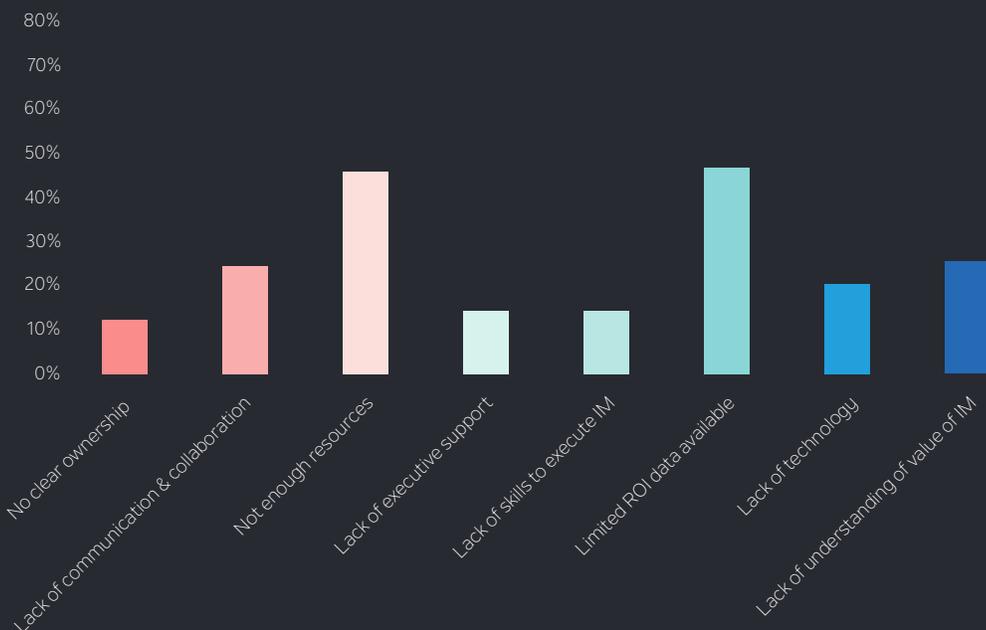
When combined, these challenges symbolize the essential levers for achieving Influence 2.0. For now, IM is projecting many of the challenges that digital marketing faces as a whole:

- a lack of resources and support;
- difficulty in demonstrating ROI to gain resources/support;
- and a lack of understanding of its potential impact on the organization.

IM strategists must focus on accessing transparent IM data, establishing measurement frameworks and experimenting with attribution models in order to overcome challenges demonstrating ROI. When that happens, many of the other top barriers will be removed.

Progressive companies already get this, which is one of the reasons their IM programs are successful. When it comes to planning and measurement, strategies must start with business objectives in mind that executives can understand and value.

### WHERE HAS IM BEEN MOST CHALLENGING? (MOST DIFFICULT & DIFFICULT)



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# The Path to Influence 2.0

## Lead with IM Performance Measurement

The rising investment in influencer programs requires marketing and communications functions to rethink the structure for how influencer work is accomplished across their organizations.

“Leading with measurement” is akin to performance marketing or driving toward meaningful outcomes. The difference between traditional 1.0 and more advanced, emergent 2.0 programs is that metrics evolve as a result of programs that start to focus on business impact. As such, strategies, teams and workflows adapt to perform against these desired metrics.

Exploring the metrics data we have in this regard, we can see that as influence marketing matures, challenges

to measure performance decline. For example:

- Use of agencies (as highlighted earlier) to support campaign measurement drops from 52% among more tactical approaches to 36% for most advanced practitioners.
- The challenge to gather and measure ROI attributable data drops from 59% in tactical campaigns to 45% for the most advanced programs.

As brands see the impact of influencer marketing initiatives throughout the customer journey, the pressure is on to develop sophisticated, measurable programs capable of supporting large-scale strategies.

The challenge facing organizations is to develop an influencer marketing practice that aligns with overarching business strategy, while ensuring leadership has the data and reporting framework required to evaluate suc-

cess and prioritize spending.

Often when an organization seeks to develop their influencer marketing practice, there is pressure from executives to demonstrate positive results before additional resources are allocated. This can lead to a chicken and egg scenario where marketers find themselves at a standstill because they can't get the resources they require to deliver the results they need to move forward.

On the flip side, it's equally as challenging to attempt to change your entire process, workflow and team structure at once.

The solution to both situations is to start with influencer marketing measurement. Empower your team to benchmark the current of your brand(s) performance among relevant influencers and measure the performance of your company's influencer marketing efforts.

*“ROI remains a challenge, which is no surprise when many clients still want AVEs for coverage and social! Moving evaluation further down the path to purchase, tracking what content and format nudges consumers nearer to a sale, has to be a USP for influencer marketing.”*

TANYA HUGHES,  
President,  
SERMO Communications, TALK.GLOBAL

## Case in Point: Interview with Kevin Maletterre of Michelin

By Olivier Cimelière



As the world's leading tire manufacturer is ploughing significant investment into online influencers, Olivier Cimelière interviewed Kevin Maletterre, B2C Marketing Vice President for the Michelin group's Northern Europe region.

Influence is in Michelin's genes, as per the launch of its famous restaurant guide in 1900. Why and how is influencer marketing becoming one of Michelin's digital strategy priorities?

The first and foremost reason we are ramping up our efforts is our consumers. In Northern Europe, whether motorcycles, city cars, sedans or others, 70% of future tire buyers start with online research. They read manufacturers' websites and specialist media platforms, but they also view content generated by influencers on Instagram, YouTube, Facebook, blogs etc. Our studies show that 40% to 50% of them stick with their first impressions when the time comes for them to buy a set of tires. This emphasizes just how important it is for a brand like Michelin to develop a closer relationship with these communities. Influencers are excellent bridges between them and us.

Then, we want to enhance our user experience. The idea is to engage consumers more as users than just buyers. We want to be present in their daily lives and offer them brand experiences. To achieve this, we strive to work all points of contact with our consumers throughout the consumer journey,

In this sense, influencers are key partners we're inviting to events to learn more about our products and services. They then go on to describe and share their experience with their communities. The tire is also a slow-moving product: at best, in countries such as Austria or Switzerland where the change of summer / winter tires is required, the consumer only returns to the store twice a year. Using the influence of influencers throughout the year allows us to anchor the brand in the daily lives of our customers.

What key questions need to be asked before developing an influencer marketing strategy?

The first prerequisite is to ensure that the digital influencer marketing strategy is aligned with the overall marketing strategy. Next, depending on the size of the target markets, we work to fine-tune our segmentation, as we've done in Germany, the UK, Switzerland and Austria. In parallel, there is also another crucial segmentation work to be done. The tire is intrinsic to the criteria of consumer behavior. Sports car enthusiasts want technologically advanced tires. Off-roaders want durable tires. Those who have family vehicles will prefer comfort for long journeys. City-dwellers who multiply short journeys want adapted ones. Transportation professionals need tires that endure heavy loads. Hence the importance of the granularity of our targeting in our communication and marketing actions.



Who is responsible for your influencer marketing strategy and who oversees activities relating to operational tools, processes and shared best practices development?

Like many major companies, we work within a structured organizational matrix. To keep things simple, I'll describe it as three levels of responsibility. In the marketing team, we have "Segment managers" whose role is to define the positioning and the intrinsic attributes of each range of tires. Then, we have within our team a "Customer Experience management" who defines the strategy for each segment and a Social Media manager who sets to music and implements influencer strategy for each country in question. He is attached to the communication department but works closely with marketing and deals with all the segments. For some special campaigns, we work with the external communication, internal communication and press relations teams.

With so many market-specific criteria and constraints, does it become tricky to define the influencer profiles that will have the most effective impact?

That's precisely where the benefit of a tool like Traackr is precious, making it easy for us to identify the right influencers. That said, we have two recurring categories of influencer irrespective of country:

"Vertical" influencers, who talk about cars, mechanics, transport, with a stronger focus on industry and technology.

"Horizontal" influencers, who are generally more interested in lifestyle. As we said earlier, each tire is linked to specific technical expectations from drivers, and different well-defined lifestyles.

It's up to us to source and mix relevant influencers from both categories.

However, we don't limit ourselves to influencers who already have huge communi-

ties and followings and/or are media stars or brands themselves. This type of influencer can sometimes have excessive financial demands. In these cases, we prefer to skip them. Some have even come back to us reviewing their demands after realizing they had missed out on an amazing opportunity. It's crucial that the relationship between the brand and the influencer remains authentic. Without authenticity, the exercise is pointless. That's why we also follow other influencers who may have a smaller reach or ability to go viral but a tone of voice and personality that make us want to involve them to build lasting relationships and generate more engagement. That being said, it's not always easy. The influencer world is a volatile one.



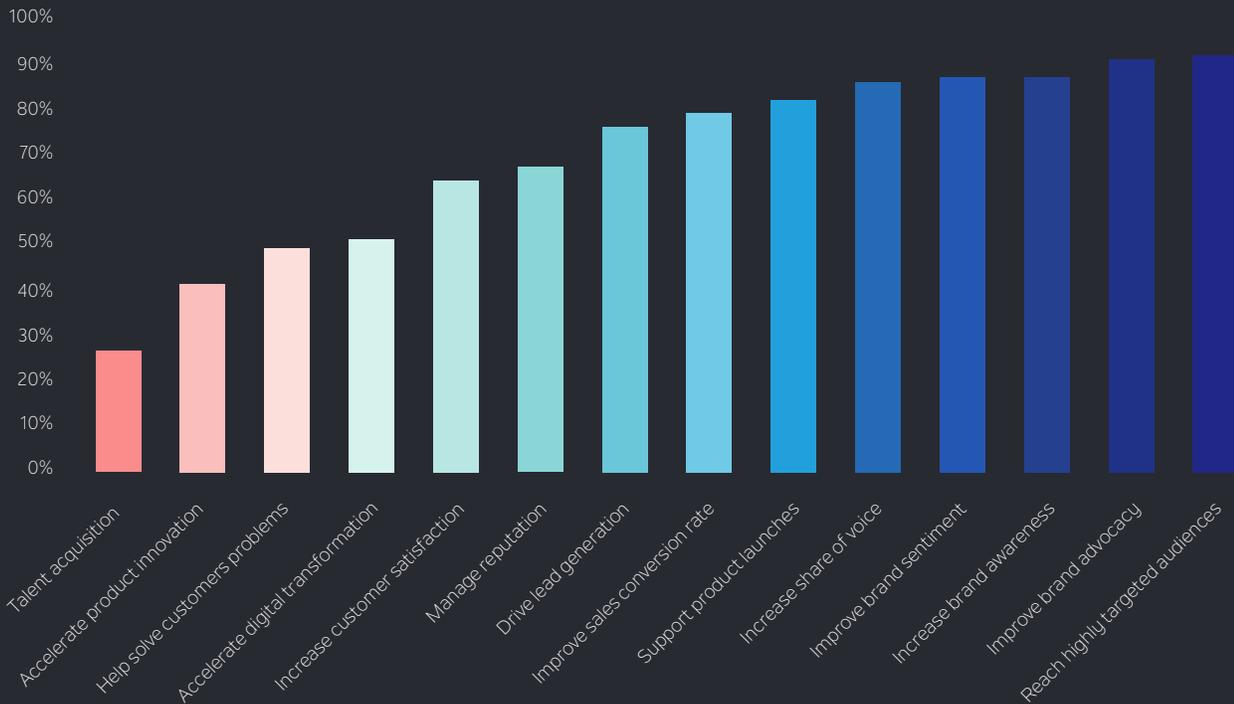
Read the full interview

[Michelin Goes Full Speed](#)

[Ahead with Influencer Marketing](#)

# Focus on the Customer Journey

## HIGHLY IMPORTANT AND IMPORTANT FUTURE OBJECTIVES



**In the next three years, businesses aim to shift from quantity to quality as influence expands its potential beyond marketing.**

The shift from broadcast marketing (influence 1.0) to peer-to-peer engagement across the user journey is slow, but it is unfolding. While IM today is largely focused on marketing, influencer marketers are thinking ahead to a more holistic genre of influence that reshapes customer (and all stakeholder) journeys. Most notably, future IM objectives are prioritizing highly targeted peer groups and their communities vs. 1.0 broadcast or “spray and pray” strategies.

In the next three years marketers see IM as possessing Influence 2.0 traits, shaped by diverse possibilities and areas of impact. At the top of the list, companies seek to reach highly-targeted audiences (93%) through IM. In 2017, we captured a closely related goal, “reach new targeted audiences,” which ranked third last year at 88%. Quality engagement is where influencer relations begins.

The remainder of top goals are still reflective of the marketing and communication departments’ reign over IM. They include the following:

- 93%** - Reach highly targeted audiences
- 92%** - Improve brand advocacy
- 88%** - Increase brand awareness
- 88%** - Improve brand sentiment
- 87%** - Increase share of voice
- 83%** - Support product launches

As the list continues, the promise of Influence 2.0 takes shape. Top goals expand beyond marketing, highlighting the realization that IM can impact the sales funnel. For example, “improve sales conversion” climbed from 74% in 2017 to 80%, “drive lead generation” rose from 67% to 77% and “increase customer satisfaction” remained stable with an increase from 63% to 65%.

Cross-functional goals also spanned the entire customer journey and lifecycle ranging from customer satisfaction to customer service to product innovation and employee recruitment.

# Integration & Cross-Functional Collaboration

## WHAT ROLE DO YOU SEE IM HAVING IN FUTURE?



**Influencer marketers aim to integrate IM in all marketing activities, supported by larger budgets and run by a dedicated IM group; progressive practitioners are working toward cross-functional IM beyond marketing.**

In the next three years, 63% of those we surveyed are driving to integrate IM in all marketing activities and 33% envision IM as becoming a primary area for digital marketing investment. Influence in the next three years should also be run by a dedicated function according to 27% of participants.

Looking beyond the realm of marketing and onto the near horizon, 33% of participants would like to see the role of influence as a cross-functional discipline that will expand across the enterprise. This is the foundation for Influence 2.0. The work between the state that's presented in this report and the manifestation of enterprise-wide, cross-functional collaboration is an area, which requires leadership and diligence. This is where influence will see its greatest strides in innovation and ROI.

In 2018 - 2019, these goals must shift from a list of future objectives to immediate strategies. This requires an intentional effort by those who currently "own" or are leading influence investments or groups that are operat-

ing in smaller pockets to include other cross-functional groups in planning, collaboration and measurement. There is no best practice as to who starts those conversations, only that they need to take place, and earn the support of an executive sponsor to sanction cross-functional influence.

# Conclusion

INFLUENCE 1.0	INFLUENCE 2.0
<b>Focus:</b> Top of funnel	<b>Focus:</b> Customer Journey
<b>Target:</b> Broadcast	<b>Target:</b> 1 to 1 to Many
<b>ID:</b> Popularity	<b>ID:</b> Authority
<b>Style:</b> Endorsements	<b>Style:</b> Influential experiences
<b>Metrics:</b> Reach	<b>Metrics:</b> Growth with outcomes
<b>Value:</b> Brand Association	<b>Value:</b> Relationships & loyalty

Influence 2.0 is still in its dawn. And, influence 1.0 stands at a crossroads. The gaps that separate the stages between influence 1.0 and 2.0 are significant, with an emphasis on practitioners who are languishing in tactical purgatory. The chasm between the campaign-driven tactics and those who have graduated to more meaningful IM engagement is incredible. Only a small group of those we studied are organizing around IM and employing in key functions across the enterprise. Those advanced companies have invested in internal experts and technology so that the entire company can rally around an important, global strategy to make consumers love their brand. For the time being, there is a disparity across experimentation and maturity and without vision, strategy and execution, IM will continue to slowly advance.

But, our research shows strong indicators that IM, when considered as a strategic tool for customer engagement beyond experimentation and campaign tactics, is on a promising path. And this sets the stage for what's possible. There's much work to do and that's why this is such a promising time.

For now, engaging influencers in various aspects of digital marketing campaigns is trendy but increasingly common. While helpful and engrossing, it can distract from the bigger picture. At the same time, building relationships with key influencers who maintain communities that focus on critical touchpoints in the customer/employee journey is underutilized. However, this, combined with cross-functional collaboration, will spread influence across customer and employee journeys to pave the way to Influence 2.0. Connecting the dots between influencer and customer value and business impact will also lay the foundation for IM strategies that go beyond traditional campaigns.

Someone has to take the lead.

Marketing is more than a top-of-the-funnel discipline, especially now that strategic influence demonstrates value in key moments before, during and after transactions. It's difficult to see the broader impact when practitioners are so focused, and measured, by their work on their immediate fronts.

However, this is exactly the moment when IM champions can look to other groups to align IM's capabilities with their respective goals.

There's an "influencer for that".

Whomever the audience, there's always "an influencer for that." The opening here for marketers, and marketing executives, is to realize that influence and strategic marketing overall, impact business performance and growth as purposeful engagement spans the entire customer/employee journey.

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Customers and employees are seeking direction, insight and engagement. Influencers are already connecting to them in other facets of their work and lives. Marketers must understand what people cherish throughout the entire value chain to guide influencer strategy and metrics.

- 1. Influencers to followers**  
Who reaches customers/employees and why?
- 2. Communities of influence**  
What are the pillars of these relationships?
- 3. Brands to communities of influence**  
What value can the brand deliver?
- 4. Communities to brands**  
What value can communities return to brands?

To earn greater support and respect from senior executives and ultimately the board, marketers must focus on IM that delivers value to communities of influence and also create a path of value back to the brand. IM isn't just a facet of digital marketing. It is a direct bridge between brands and their real world markets. As such, marketers must speak the language of the C-Suite. This means that campaigns must be linked to business impact and some forms of ROI, directly or indirectly, through strategic attribution.

Influence isn't relegated to top of the funnel activities such as brand awareness and share of voice. Influence can and should operate cross-functionally across the enterprise to engage customers and influencers throughout their journey. Among advanced

brands, IM and digital marketing are focusing on growth and performance without losing sight of relationships and the value of peer-to-peer engagement.

This introduces an internal opportunity, and a strategic role, for "influence as a service" to support all areas of the business. It's clear that the understanding of what IM is and what's possible is distributed. This is a chance for IM leaders to partner with cross-functional groups to add value to critical touchpoints that define the customer/employee journey. Through influencers, content and updated touchpoints, IM must invest in "marketing for the marketing" to teach other stakeholders in the organization about the value and capabilities of value-added IM.

The differences between the progress made from 2017 to 2018 is modest, but encouraging. There is plenty of room for more ambitious advancement. And, those who take the initiative will join the elite. Now, the question is, what will progression look like in our next report. If marketers and IM stakeholders have anything to say about it, it's that this is a clear and present moment to blaze a path from incrementalism and experimentation to bridge the gap between Influence 1.0 and Influence 2.0.

# Methodology

This research study was commissioned by Traackr to understand the current and future state of influencer marketing in leading enterprises.

The research was conducted by Traackr with the guidance of Brian Solis from Altimeter using an anonymous online questionnaire between October 2017 and January 2018. In total, 118 brand strategists and marketers from leading companies from around the world responded. These

included L'Oréal, Coca-Cola, Samsung, Microsoft, SAP, Orange, Monoprix, Merck, Sanofi, Nissan and many more.

This custom report is sponsored by Traackr. While the research in this report has been informed by the qualitative research study, all analysis and insights are independent and represent Altimeter's body of research.

73% of respondents come from companies sized 10,000+, 17% of respon-

dents come from companies sized 1,000+, 66% come from either Fortune 500 or Forbes Global 2000

Of the respondents, 25% are CMOs or higher, 40% are VPs or higher, 81% are Directors or higher.

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## About Brian Solis

Brian Solis is a digital analyst, anthropologist, and also a futurist. Solis studies the effects of disruptive technology on business and society. More so, he humanizes these impacts to help people see people differently and understand what to do about it. He is an award-winning author and avid keynote speaker who is globally recognized as one of the most prominent thought leaders in digital transformation, experience design and innovation.

Traackr partnered with Brian on the “future of influence” because of his pioneering work in digital influence. With roots in the 1990s, he helped shape how digital influencers “become influential,” developed best practices in influencer relations and measurement, formed a practice in 1999 dedicated to influencer engagement and also rose to become an influencer in his own right. Brian also authored a groundbreaking research report on “The Rise

of Digital Influence” in 2012, which is still regarded as one of the most comprehensive studies and forward-thinking pieces on the subject. Brian has also authored several best-selling books including What’s the Future of Business (WTF), The End of Business as Usual and Engage! His latest book “X,” explores the intersection of where business meets design to create engaging and meaningful experiences.



# Make influencer relations a priority now.

*Learn how Traackr's IRM capabilities can enable your brand to effectively manage, measure and scale its influencer strategy.*

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