THE FUTURE OF INFLUENCER MARKETING
1. HOW IT ALL BEGAN
A brief history of influencer marketing

The roots of influencer marketing can be traced back to the early 20th century when consumer brands like Coca-Cola and Kellogg’s used lovable characters to form an emotional connection with their customers. And even today, we still have Santa Claus drinking Coke and Tony the Tiger telling us that Frosties are ‘Grrreat’.

The first real ‘celebrity’ endorsers though were mostly famous athletes with a broad public appeal. From Chuck Taylor putting his name to the Converse All Star basketball boot back in 1923 to Michael Jordan becoming the first brand ambassador for Nike in 1984, companies have continued to leverage the social status of rising stars to build their reputation and sell their products around the world.
The rise of social media marketing

By the late nineties, the internet was gathering pace, but it was another few years before the technological advances of Web 2.0 created the ‘social web’ and facilitated the world’s first social networks - notably MySpace, LinkedIn and Bebo.

For the first time, users could interact and collaborate with each other on line, become creators of user-generated content and form virtual communities. As the number of users grew, so did the opportunity for marketers to buy advertising space on social media websites and target specific demographics.

Fast-forward to today - when nearly one in four people are on line and have smart mobile devices - Facebook is out ahead of YouTube, Instagram, Twitter, Reddit and Pinterest with 2.2 billion monthly active users.
Enter a new breed of celebrities

Back in the day, unless you were a sports personality or movie star, you would be unlikely to secure a ‘celebrity endorsement’ deal with a leading brand. But as bloggers became videographers, the ‘YouTube celebrity’ was born - and everything changed.

For many young people, these ‘YouTubers’ were becoming important sources of both entertainment and information - heavily impacting not only what they think but what they buy. The most popular YouTubers can easily have over 50 million subscribers with PewDiePie at the top of the leaderboard on 65 million.

As the reach and influence of these YouTube celebrities was growing, so audiences for the traditional media channels that marketers relied on - like linear TV advertising - were slowly dwindling. And this sets the scene for ‘influencer marketing’ as we know it today.
2. WHERE WE ARE TODAY
What does today’s influencer look like?

The explosion of social media platforms has helped fuel the growth of celebrity culture in the west. Even the criteria we use to define a celebrity are becoming increasingly blurred, and fame - once the result of outstanding athletic, musical or acting performance - is becoming a goal in itself for many young people. With rise of reality TV, people are famous for being famous - not necessarily for being talented.

**Mega influencers**
These are the real superstars - the social media gurus. Professional celebrity influencers -like the Kardashians - can reach almost anyone, drive global trends and make or break a brand with a single post.
Followers: 500k to 1 m+

**Macro influencers**
These celebrity influencers still have day jobs. They could be a famous comedian, talented tennis player or up-and-coming music star, but they run their social media accounts like a small business. The goal is to monetise their media exposure.
Followers: 100k to 500k

**Micro influencers**
Rather than being true celebrities with wide public appeal, these influencers are knowledgeable and trusted on a particular topic. Whether they are a cool yoga teacher, inspirational model or prominent food blogger, brands pay them to share content.
Followers: 1Ok to 100k

**Nano influencers**
These influencers are neither famous celebrities nor authoritative bloggers - they are normal people like you and me. The important difference is that they share content they enjoy, from brands that they love with people that they know.
Friends: 100 to 10k
Some inspirational influencer campaigns

Given their highly visual nature, social media platforms like YouTube and Instagram are often central to the influencer marketing strategy for both B2C and B2B brands. Here are a few influencer marketing campaigns to inspire you.

**ASOS Insiders**
British online fashion and beauty retailer ASOS signed up a bunch of influential lifestyle bloggers to post images of themselves wearing ASOS clothing. Leveraging the ‘outfit of the day’ hashtag #OOTD, links were provided so followers could ‘buy the look’ of their favourite insider.

**Mercedes Benz & Loki**
Global car manufacturer Mercedes Benz was keen to appeal to a younger audience, so they teamed up with canine Instagram star Loki - and his owner Kelly Lund. Focusing on video content published on YouTube, they showed a drive across the snowy wilds of Colorado through ‘wolf-dog’ Loki’s eyes.

**American Express: Love My Store**
Multinational financial services corporation American Express has run a number of influencer marketing campaigns to reach both consumers and corporate clients. For example, the ‘Love My Store’ campaign used influential lifestyle bloggers to connect with small business owners whilst the #AmexAmbassador campaign targeted business executives.
Five trends shaping influencer marketing

Whilst influencer marketing is firmly established as a key component of many brand awareness and promotional strategies, recent developments in the industry are now driving a seismic shift.

1. **Changing platforms**
   Established social media players – like Facebook and Instagram – are changing their algorithms to prioritise user-generated content and posts from friends and family. This will provide a powerful boost for influencer marketing campaigns – especially those at the micro and nano end of the scale. Newer platforms – like Snapchat and Periscope – are also creating new ways for brands to engage and influence their audiences.

2. **Bigger budgets**
   Despite the need to continually demonstrate a good return-on-investment, there is a view across the industry that budgets for influencer marketing campaigns are on the rise.

3. **More strategic**
   As the influencer marketing industry continues to mature, brands and their agencies are creating more integrated campaigns and looking beyond pure brand awareness to lower funnel tactics – like shoppable content.

4. **Deeper relationships**
   Another impact of a maturing influencer marketing industry is the need for brands to develop longer term, more strategic relationships with the influencers and ambassadors they truly trust.

5. **Smaller audiences**
   Consumers today are digitally and socially savvy. They can sense when an influencer has been paid to promote a particular product or service – it just doesn’t feel genuine. This is leading marketers to focus their campaigns on micro and nano influencers which also gets them one step closer to the holy grail of word-of-mouth marketing at scale.
3. THE BIG PROBLEM
Influencer marketing is hard, very hard

Despite the plethora of tools and platforms out there to help marketers find influencers and manage their relationships, the fact remains that influencer marketing – with mega, macro and micro influencers at least – is very hard.

Brands not only need to clearly define their goals – whether that be awareness, engagement, traffic or conversions – so they can find the right influencers, they need to ensure the people they find are aligned with the brand and what it stands for too. To avoid costly mistakes, it’s also important to assess the nature and quality of a potential influencer’s content, and that takes time – a lot of time.

Whilst it’s hard to identify the right influencers in the first place, it’s even harder to attract and engage them in a crowded marketplace. It’s also extremely difficult to measure the ROI of traditional influencer marketing campaigns – and that is a big problem.
Fake followers and influencer fraud

It’s easy to imagine how tempting it must have been for a fledging social media star to buy followers – mostly fake – to increase their reach and rise up the ranks of influencers. With up to $100k on offer for a single post from an influencer with a million followers and $2k for an influencer with ten thousand, it’s not surprising that dishonest behaviour has become so prevalent.

The problem is now so severe that leading global brands are refusing to work with any influencer that has – even in the distant past when they were getting their social media careers off the ground – bought followers. The problem is that these influencers can’t undo the past – they can’t effectively cull their subscribers or eliminate fake followers.

It is clear that urgent action is needed to rebuild trust in the influencer marketing industry and the only way to ensure that is more transparency and integrity across the board.
You can’t have it all: authenticity, engagement and reach

As the old saying goes; You can have it cheap, fast or good – pick any two you like! With most things in life, there is always a trade-off – and influencer marketing is no different.

Reach is clearly important. The more people that see a social media post or view some content the better – but that often comes at the expense of authenticity. How many people will be genuinely influenced – influenced enough to act and even to buy – if the message doesn’t feel genuine? A campaign won’t be effective if people feel like their favourite celebrity is only doing it for the money or if they feel they are being sold to – it may even be counter-productive. Amplifying this kind of reach through hollow engagement is equally likely to fail.

The pursuit of true word-of-mouth marketing is all about capturing authenticity and leveraging genuine interest. It’s all about people trusting people they know as well as like and people sharing content they believe in from brands they love. The difficulty here is one of scale. Sure, you can share authentic messages with family, friends and colleagues as genuinely as you like, but you could never achieve the necessary reach and engagement levels required for a successful influencer marketing campaign – until now that is. With the new Nano Influencer Marketing Platform from Hollywaad, you really can have it all!
4. WHY NANO INFLUENCERS
Nano influencer marketing is easy, very easy

So, we’ve outlined some of the problems and difficulties with traditional celebrity influencer marketing campaigns and explored the fact that they are hard to deliver for a variety of reasons – and possibly getting even harder every day. But what about nano influencer marketing?

With nano influencer marketing, it’s super easy to identify and target the right influencers. They are the people that like and follow your brand, engage with your content, sign up to your newsletters and buy your products. With the Nano Influencer Marketing Platform from Hollywaad, reaching them couldn’t be easier either – especially if you have already compiled a customer email list.

It’s easy to attract them to join in an influencer marketing campaign if you offer rewards that they will value – like your latest product. It’s easy to get them to engage in your influencer marketing campaign if you empower them and make it enjoyable – like a fun competition.
Nano influencer marketing delivers better results

As well as being much easier to deliver than celebrity influencer marketing campaigns, nano influencer marketing also delivers better results – results that are measurable too.

To begin with, you don’t have to pay large sums of money to your influencers, so the ROI calculation is already tipped in your favour. You can offer your fans a reward or prize based on the actual results they deliver rather than on a promise of some exposure – so you are directly linking costs with performance.

Friends are more powerful than followers too. Whilst each nano influencer might only have a few thousand friends, you can target many thousands of them in one go. Then the network effect multiplies your reach and the authentic nature of the posts increases their impact. It is well known that word of mouth generates many times more sales than paid for advertising.
How nano influencer marketing works

There are lots of influencer marketing platforms and tools on the market today but only one dedicated Nano Influencer Marketing Platform. Here’s how it works.

**Competitions not commissions**
The Nano Influencer Marketing Platform from Hollywaad gives you the flexibility and control you need to promote the messages you want to convey and the competition format that is right for your audience - using recognised gamification techniques like leaderboards and countdown clocks. By rewarding the winning influencers with your own products, you can ensure that you attract only the best advocates for your brand. Unlike micro, macro and mega influencer campaigns, you don’t have to worry about whether your influencers are being deceptive or dishonest in any way – and you don’t have to waste your valuable time monitoring them and tracking their activity.

**Prizes not payment**
Hollywaad’s Nano Influencer Marketing Platform allows you to compensate your influencers with prizes not cash. Rewards could be a new product you are about to launch, a back-stage pass to an upcoming gig you are promoting or a weekend away at a trendy new hotel that is just opening. Prizes like these can create a much stronger bond between the influencer and your brand - they can also generate even more buzz and engagement once they have been enjoyed.

**Fans not divas**
Let’s face it, celebrity influencers can be a pain to deal with - even the D-listers. Nano influencers though are your fans, not divas. They are your most loyal customers and might even be your ‘super fans’. They are much more likely to have time on their hands too - time to communicate properly with their friends about your brand and time to respond to their questions and queries.
5. WHAT TO DO NEXT
Perform an influencer marketing audit

How well are your influencer marketing campaigns performing? That’s probably a good place to start.

Write a list of your campaigns and the type of influencer – mega, macro, micro or nano – you use for each. Include the campaign budget, influencer payments and results if you can and see if any patterns emerge. For example; are your micro influencer marketing campaigns delivering a better ROI than your mega influencer marketing campaigns?

More difficult to measure perhaps but equally important, how hard are the campaigns to set up and run? How hard is it to find the right influencers? How hard is it to engage the influencers once you’ve found them? How hard is it to monitor activity and ensure your influencers are doing the right thing? Maybe you could add up the time it takes to manage the whole process or maybe just give a score out of ten for how much of a pain it is to the brand and agency team.
STEP 2.

Explore the Hollywaad platform

We’ve introduced you to the Nano Influencer Marketing Platform from Hollywaad and we encourage you to learn more about the features and benefits by visiting our website at hollywaad.com and booking a one-to-one demo.

We’d love to talk to you about any upcoming influencer marketing campaigns you may have too so please feel free to get in touch with our team at contact@hollywaad.com.
STEP 3.

Run a trial campaign

We believe that the best way to understand a new platform or martech solution is to roll up your sleeves and just dive in. And we want to make that as easy as possible for you so would like to give you your first campaign FREE.

Just visit our website at hollywaad.com to sign up - the platform is super intuitive and easy to use so we’re sure you’ll be up-and-running in no time at all.

Good luck!

Hollywaad
Nano Influencer Marketing Platform

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