

Survivor's Guide to Influencer Marketing

Influencer marketing (also known previously as celebrity endorsement) and product placement have been a key marketing component for years. Whether it's an athlete strutting a clothing brand, a product being featured in a film or TV show, or an actor promoting a product they "revere", businesses are increasingly using this subtle form of marketing to drive brand awareness and sales. It's not news that consumers tend to gravitate towards celebrities and the brands they support. But why is that the case? And why has it changed dramatically in today's world of digital marketing? In this article, we're going to discuss what exactly influencer marketing entails and the psychological/sociological levels that are so impactful when it comes to the purchase decisions of a consumer. We'll also be discussing how to build an influencer marketing strategy and some key issues to look out for when executing this tactic.

Influencer marketing today is a type of social media marketing where key individuals with a significant number of loyal followers on a social platform push brand messages and endorse various products. According to [Sprout Social](#), Influencer marketing is successful due to the high amount of trust influencers can generate with their following, and recommendations from them are seen as a form of "social proof" of the quality of a brand.

[Mediakix](#), an influencer marketing agency, surveyed marketers on how they felt about influencers when planning for the new year. Their results show that 89% of marketers stated that ROI from influencer marketing was comparable to or better than other marketing tactics. Another keynote from this survey was that when asked, 65% of marketers planned on increasing their influencer budgets for 2019.

Theories

There are many theories on why social media influencers can be important authorities when it comes to purchasing decisions for consumers. We'll be focusing on two main theories: Social Influence Theory and Social Comparison Theory. The common thread of these theories is the trust people assign to influencers and the role they play in persuading their decision making. The rationalization is the belief that individuals see an influencer as either someone similar to themselves, someone they admire and want to emulate, or someone that is an expert of some sort. As a result, there is a level of artificial trust that occurs in social media.



Social Influence Theory

Social, personal, and psyche are all influential factors in consumer buying behavior that is reflected in an effective marketing campaign. Rashotte once defined social influence as “a change in an individual’s thoughts, feelings, attitudes, or behaviors that results from interaction with another individual or a group.” People trust the opinions and judgement of the majority. Just take a look at the Asch Conformity Experiment done in 1951. This classic test devised by Solomon Asch showed the junction of social psychology. And because people trust the judgement of the majority, it demonstrates why people not only follow but accept as truth what an individual may state due to the fact that they have a massive following.

When an individual views an influencer as an expert there is an internalized influence that occurs. This is a form of informational social influence acceptance because the influencer is seen as an expert in their field. People will support the influencer (and the information/message they provide) until it is no longer relevant. An example of internalized influence could be seen when certain influencers review products on their YouTube page.

When an individual feels a sense of connection and a desire to replicate the qualities of another individual (an influencer) to gain a closer relationship with them then it is classified as Identification Influence. This is the primary impact of celebrity endorsements. Compliance Influence, on the other hand, is someone following and mimicking the behaviors and opinions of a group to either gain approval, solicit advice, or avoid being chastised.

Social Comparison Theory

Social Comparison Theory asserts that people will go through a methodical selection process where they study comparing factors before purchasing. When a consumer is unsure about purchasing a specific product, they will consider the opinions of others who are similar to them. For instance, someone who is unsure about purchasing a certain piece of clothing or product will seek out reviews of people who have similar body features or taste to qualify the value of the product. Some brands feature their customers posting images of themselves wearing/using the product on their social media account. This is a great way to show how people enjoy and interact with your product without paying for it. Free advertising!

People compare themselves and their status to others as a way of measuring their success. [Kayleigh E. Burke](#) touches on how researchers have concluded that people use comparison tools for accurate self-evaluation, self-enhancement, and self-improvement. We use reference groups (usually people who seem similar to us) as a way to gauge our abilities, attitudes, and/or beliefs. We tend to have separate reference groups for the physical world and the virtual world. In the physical world, our reference groups are typically people we know like friends and family. Celebrities are also used as a reference group in the physical world. However, virtual reference groups comprise of social media influencers and online communities. When someone follows an influencer with similar qualities and characteristics, it provides a sense of hope in the possibility that they can improve themselves and become more like the influencer. Studies show that within these reference groups, social comparison can increase one’s willingness to purchase a product. That is because people constantly want to improve themselves and increase their self-esteem, and they find that it’s easiest when comparing oneself to others.

Best Practices When Utilizing Influencers

There are a few do's and don'ts when it comes to utilizing social media influencers for your campaign. Setting up an influencer campaign is similar to other marketing tactics: determine your brand goals, identify the target audience, research your category and influencers that resonate with your audience, establish how engaged you want to be with your customers, and set a budget. Make sure that when you're doing your research you select the appropriate platform that best supports your product. For instance, if your product is makeup, YouTube and Instagram would be the best platforms to employ an influencer because these consumers are looking for information and how-to tips. However, if you're in the gaming industry, Twitch would be your go-to platform.

Another important step is to research the appropriate compensation for an influencer. [Influence.co](https://www.influence.co) published Instagram influencer rates. They looked at the average cost per Instagram post. They found that the overall average price per post was \$271. The average price for a single post from a micro-influencer (fewer than 1,000 followers) was \$83. versus the average price of a single post from an influencer (more than 100,000 followers) was \$763.

There are a few things to watch out for when researching influencers for your campaign. Don't always rush to influencers with the greatest number of followers. Make sure to find influencers with real, engaging followers. Previously, some influencers realized that they could buy fake followers and likes cheaply to convince brands in investing in their accounts. Early on quantity was more important than quality. But what's the point of spending money on an influencer with a large number of followers if no one is engaging with the post and thus your product? Brands usually will notice that engagement rates fall as follower counts grow (real or fake). Micro-influencers tend to have the strongest engagement rates with a rough estimate of 20,000 to 200,000 followers. [Jim Tobin](#), Forbes Council Member, explained, "We've found, over the course of our programs, that either flat-fee compensation or sale-based compensation (such as affiliate models) best remove the perverse incentives brands have created that encourage influencers to artificially inflate their numbers."

After netting down your influencer list, the next step should be to look at their saturation rate. What this means is the percentage of sponsored content compared to an influencer's overall total content. When sponsored content increases and outweighs original content on an influencer's account, their engagement rate plummets. People follow influencers for multiple reasons, but mostly to follow trends, inspiration, and discovery. People go to influencers for purchase decisions because they deem them "experts" of some kind. It's important for followers to feel like the influencers they follow are authentic and are recommending products that they would suggest to a close friend - not just someone who's trying to make a quick buck. Content needs to feel organic and not commercial.

Summary

Influencer marketing is becoming a bigger piece of the overall marketing plan. Influencer marketing's only constant is change. With that being said, it is important to understand the benefits of influencer marketing, the role it can play in your overall marketing campaign, and how to find the right influencer for your brand. A good influencer can represent your brand in an authentic and personal way that other marketing tactics cannot deliver on. Influencer marketing can extend your marketing dollars by targeting your best customers, creating a direct relationship with them, and building trust and loyalty for your product.