

# Influencer Marketing in 2019: **a 360° analysis**



## About Collectively

Collectively is a full-service influencer and creative strategy agency, backed by data-driven insights and performance analysis.

We've been leading innovation in the influencer marketing industry for the past decade and bring a wide breadth of experience and a pioneering approach to the creative campaigns and partnerships we develop with brands. In 2018, we were named to *Fast Company's* Most Innovative Companies list.

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## OUR CLIENTS INCLUDE



AND MANY MORE

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## OUR METHODOLOGY

### *Sources & Data*

# At Collectively, we push the industry forward every day.

The ever-evolving influencer marketing industry keeps our team on its toes. We learn and iterate daily. The goal of this report is to share the latest data-backed trends and opportunities we're seeing and to provide insights to help others navigate the unique challenges of this emerging discipline.

*Total influencer participants:*

# 750

*Total marketer participants:*

# 25

*Industries represented:*

Apparel & Fashion  
Alcohol & Spirits  
Beauty  
Consumer Electronics  
CPG  
Entertainment  
Health  
Home  
Online Retail  
Technology

For the third year, our network of talented social influencers weighed in on questions about their content businesses. This year, we're excited to also include perspectives and data from the skilled senior marketers in our client community representing leading consumer brands.

The report also includes data from our technology partners **Lumanu** and **CreatorIQ**, insights from our proprietary community database of **15K+ creators** and performance data from more than **200 brand-influencer collaborations** produced by Collectively in 2018.



## THE YEAR AHEAD

*What trends can marketers, influencers and consumers expect in 2019?*

After examining our data and collecting insights across our 2018 programs, we landed on these trends and forces that will undoubtedly impact the year ahead.



### Organic Posts + Paid Media

Paid media amplification that scales beyond the organic reach of influencer posts is becoming standard, with many practitioners now thinking of influencer marketing more as “influence media”—combining influencers’ engaging content and audience relationships with the power of social ad targeting and conversion tracking.

With this, influencer casting can move from a focus on follower count toward finding the most engaging creative content to amplify with paid social ads. Look for this transition to shift the economics of influencer marketing, with potential for increased content and licensing fees from influencers and a bigger percentage of overall budget allocated to paid ads.

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### Data Integration for True ROI

As the practice of influencer marketing becomes further embedded into every digital marketer’s toolkit, brands will need to integrate multiple data sources to develop accurate models for reporting and ROI—a top concern among practitioners.

To make this possible, teams may need to break down silos within their businesses and among their agency partners to identify and track appropriate creative benchmarks, and to foster close collaboration between teams managing campaign strategy, execution, deployment and optimization.

## THE YEAR AHEAD

*What trends can marketers, influencers and consumers expect in 2019?*

We're seeing changes across the spectrum—from early-stage strategy, to scoping programs, to selecting influencers, to measuring impact.



### Polarization in Influencer Selection

As marketers get more sophisticated in their adoption of influencer marketing, we expect to continue to see more programming approaches covering the low and high ends of the spectrum of influence. Scaled, always-on advocacy-based programs creatively leveraging micro-influencers will complement tent-pole campaigns featuring high-reaching celebrity and elite talent at strategic moments—leaving behind influencers who fall in between.

This middle tier of influencers have long been courted for their audiences and professional-quality content, but as newsfeed algorithms impact their engagement, and their requested fees rise, we predict their appeal will continue to diminish.

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### “Collaboration” Redefined

Not surprisingly, brand-influencer collaborations are evolving beyond social posts to include more meaningful offline elements.

We're seeing brands more regularly seek out high-touch relationship-driven activities such as collaborating at the product or packaging level, providing perspectives to research and development teams, participating in focus groups and exploring new roles such as guest creative director or designer.



## BRAND INVESTMENT

*How much are marketers spending and where is the budget coming from?*

Because influencer marketing provides impact across marketing goals—from **brand awareness to content creation to customer advocacy to conversion**—we’re seeing very different teams overseeing these investments.

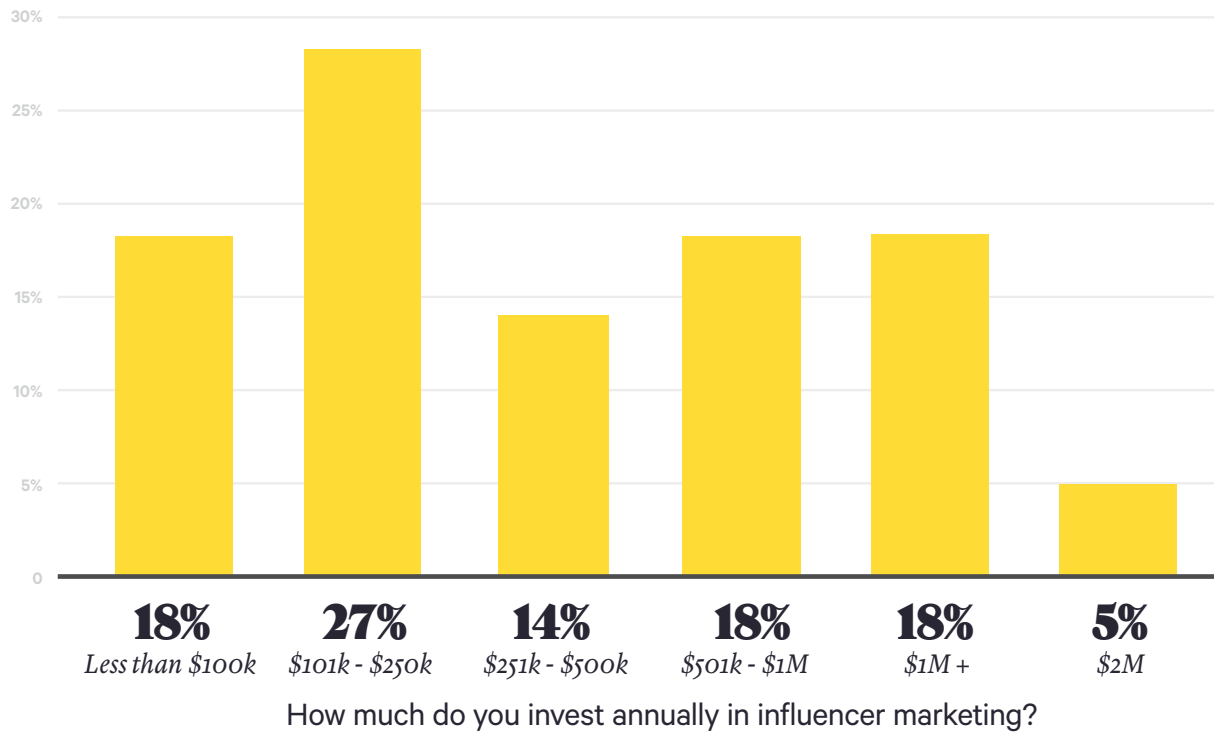
We asked our panel of leading marketers to share the details behind their companies’ investments.



## BRAND INVESTMENT

*How much are marketers spending and where is the budget coming from?*

Budgets vary widely but are on average likely to exceed more than **\$500k annually**.



**Influencer activities are likely to make up only 25% or less of a brand's overall marketing budget, particularly for large brands.**

**14%** *Between 26-50% of overall marketing budget*

**32%** *Between 10-25% of overall marketing budget*

**54%** *Less than 10% of overall marketing budget*



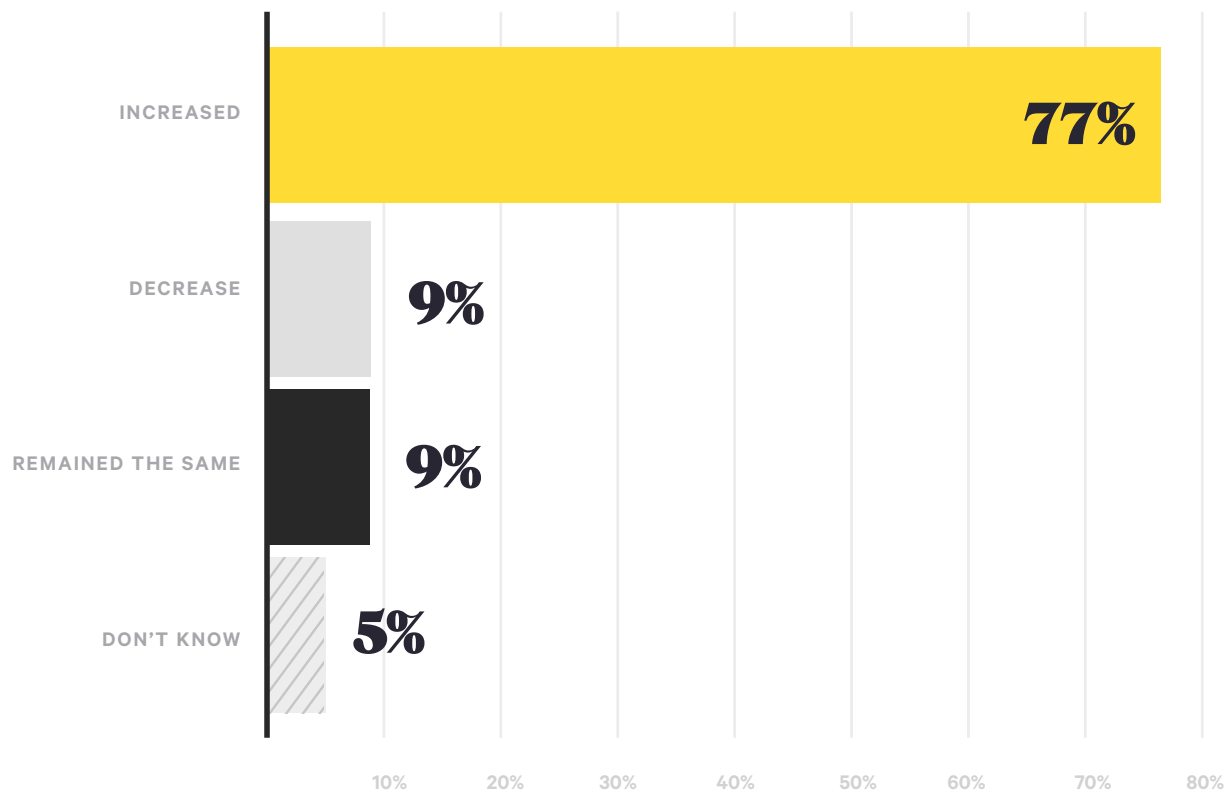
## BRAND INVESTMENT

*How much are marketers spending and where is the budget coming from?*

**77% of brands** invested more in 2018, signaling confidence in the value of influencer marketing.

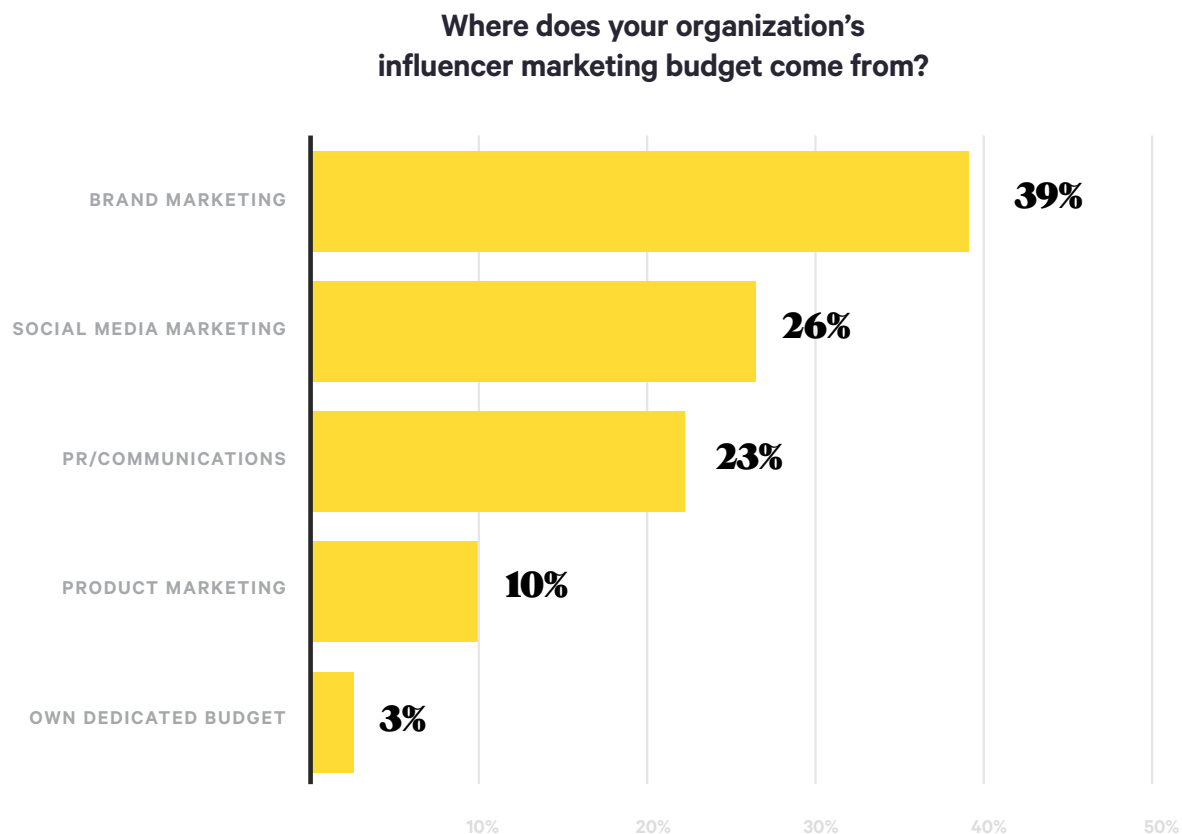


Compared to 2017, how did your organization's influencer marketing budget change in 2018?



## BRAND INVESTMENT

*How much are marketers spending and where is the budget coming from?*



Brand marketing teams are most likely to fund campaigns, but it's increasingly common to see teams co-invest.

Whether the goal is building awareness, advocacy and credibility through relevant endorsements and ambassadorship, or delivering an efficient approach to content production, marketers overseeing influencer programs should think beyond one-off campaigns.

Holistic, cross-functional strategies and investments can deliver maximum utility for brands—all while saving time and resources.

## MEASURING VALUE

*How should marketers think about measuring ROI in 2019?*

**We're now entering a new era for influencer ROI analysis** with emerging tools and data sets. While brands believe in influencer marketing's efficacy, in 2018, they still cited difficulty quantifying results.

**100%** *of survey respondents said that influencer marketing was an effective use of budget.*

**62%** *of marketers we surveyed cited challenges with measuring ROI.*



## MEASURING VALUE

*How should marketers think about measuring ROI in 2019?*

1

### Build a strategy that supports end results.

Influencer marketing spans multiple brand goals and customer journey touchpoints—credibility, relevance, awareness, consideration, intent and even conversion. To achieve a complete ROI analysis, develop campaign strategy with the end results in mind. Stating the goals up front will determine how a campaign needs to be structured and tracked.

#### Ask your team:

- What are our primary business goals?
- Does our strategy support those goals?
- Which platforms do we want to invest in? Why?
- Do we know how to map specific metrics to our goals?
- Does our team or agency have the tools needed for implementation and analysis?
- Is cross-functional collaboration required for success?

As marketers embark on influencer programs this year, here are some considerations for measuring and maximizing ROI.

2

### Employ a three-tiered approach.

Measure ROI from the **influencer channel** (reach, impressions, engagement, clicks, sentiment), **the brand channel** (engagement, sentiment, follower acquisition) and the **paid channel** (reach, impressions, conversion, follower acquisition, sentiment). Influencer-produced creative can connect across all three lanes. Defining KPIs and tracking results on each channel allows for holistic ROI analysis.

## MEASURING VALUE

*How should marketers think about measuring ROI in 2019?*

3

### Use influencer assets across the marketing ecosystem.

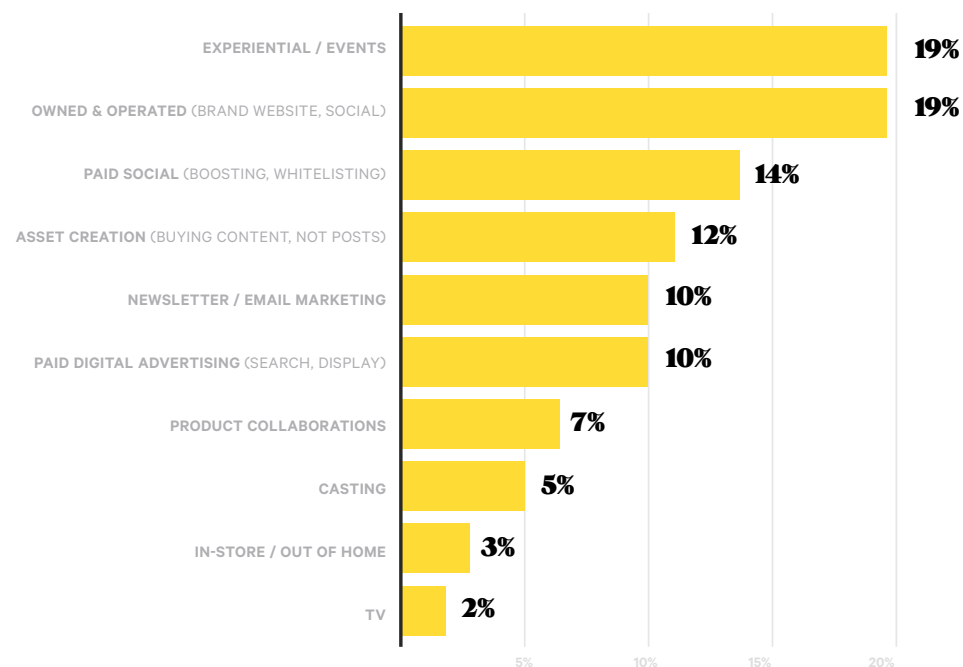
Today, brands have to produce vast amounts of content to fuel their marketing work across channels. With influencer creative integrated into asset libraries and deployed across consumer touchpoints, brands can realize the most value from their programs. Influencer-generated creative may even out-perform brand-produced creative.

#### CASE STUDY

In a holiday email marketing campaign for a spirits brand, emails that **featured influencer content** generated a higher click-through rate than emails that used **brand creative**.

**10.5%** vs **4.6%**

### How are you leveraging influencers and their content beyond their organic posts?





## MEASURING VALUE

*How should marketers think about measuring ROI in 2019?*

In 2018, Collectively developed a paid social offering to help our clients get the most out of their influencer investments. Through strategic amplification efforts across 25 campaigns in Q3 and Q4 2018, we also proved that influencer content can vastly outperform brand-created ads.

	COLLECTIVELY	INDUSTRY
CPM	<b>\$2.24</b>	<b>\$4.00</b>
CPE	<b>\$0.03</b>	<b>\$0.10</b>
CPC	<b>\$0.34</b>	<b>\$1.50</b>
ER	<b>17.2%</b>	<b>8.5%</b>
CTR	<b>2.75%</b>	<b>0.90%</b>

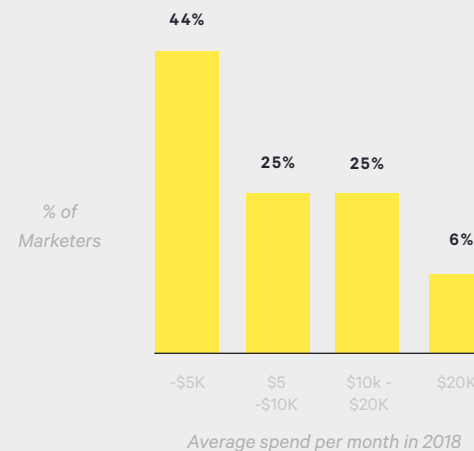
Source: Collectively campaign data and Lumanu industry benchmarks for paid media costs

4

### Leverage paid media to increase actual impressions and ROI.

With platform algorithms affecting the reach of influencer posts in news feeds, paid media has become an essential component for recognizing the most value on influencer spend and reaching the right people within influencer audiences.

### Monthly brand investment in paid amplification of influencer content



## MISSED OPPORTUNITIES

*What are the biggest mistakes brands make with influencer marketing?*

# Nix the campaign-to-campaign mindset.

While brands continue to invest in the practice of influencer marketing, we still see many operating without a long-term, holistic vision or plan. Brands operating campaign-to-campaign often aren't able to leverage influencer content over time or draw the most value from the investment.

# 71%

*of the marketers we surveyed said their organization is not leveraging influencer assets to their fullest potential, proving value is left on the table.*



## MISSED OPPORTUNITIES

*What are the biggest mistakes brands make with influencer marketing?*

# Invest time and attention in the following infrastructure to increase content use and reduce waste.



## People & Processes

Build cross-functional teams that break down traditional boundaries to avoid scenarios like overpaying for expanded licensing or seeking the wrong creative from the wrong creator. Even with an outside agency partner, it's key to empower leaders who can advocate for and drive adoption of influencer content beyond marketing silos.



## Strategy & Services

Without a smart strategy built specifically around a brand's unique needs, influencer programs often fall flat. Invest in creative strategy and evolve it with learnings from program performance. Also consider amplifying influencer posts via paid social ads to maximize audience exposure. Our recommendation is to plan for this from the beginning, setting up the tools and processes you need to create the ads and reserving budget to deploy the content in its "next life."



## IP & Compliance

Contracts with influencers must clearly articulate the full scope of brand needs and leave no detail behind. Be prepared for legal and production resources to handle increasingly technical contracts covering expanded content licensing and usage—including paid media. The extra effort and expense up front should result in greater confidence to use and optimize content down the line—but don't forget to monitor for placements that may be outside agreed-upon terms.

## TO PAY OR NOT TO PAY

*Does influencer marketing work without a budget?*

# It doesn't have to be all pay-to-play.

In 2018, Collectively managed 50% more sampling activations than in the previous year.

Successful sampling/in-kind programs—where influencers are gifted products or experiences in exchange for promotion or review—require more time and attention than one might initially think. They rely on building true advocacy and creating memorable experiences—not just sending unsolicited product to a huge anonymous list. The shortcomings of a traditional PR model, or the “spray and pray” method, is solved with thoughtful strategy that provides both brands and influencers undeniable value.

**62%**

*of influencers participate in samplings and in-kind product promotions.*

**71%**

*of respondents in that group are micro-influencers, with an audience of 100K or less.*

**90%**

*of Collectively sampling campaign participants had an audience of 100k or less.*

## TO PAY OR NOT TO PAY

*Does influencer marketing work without a budget?*



*In 2018,  
a total of **32***

*brand samplings yielded more than 7,500 social posts and more than 180 million potential impressions.*

**\$10K**  
*in content value  
was generated*

*in a recent sampling program where full-size product was gifted to 250 micro-influencers in exchange for an honest review. The campaign yielded dozens of unexpected added value Instagram posts promoting the brand or product (feed posts, video posts and stories).*

## Follow these guidelines to achieve sampling success.

1

### Focus on true advocates who love your product.

If someone adores a brand, they'll want to partner—even if it's in an in-kind capacity. Start with a simple outreach to assess influencer interest before sending products.

3

### Provide full-size products not samples.

17% of influencers surveyed who post in-kind said full-size product matters most when considering participation.

2

### Leverage micro-influencers (10K-100K).

This cohort continues to be most likely to accept in-kind opportunities.

4

### Respect influencers' ideal timeline and platform of choice.

Without offering cash, it's best to provide timing and format flexibility. Instagram Stories continues to be the preferred choice for most influencers.



## THE BUSINESS OF BEING AN INFLUENCER

*How much money are influencers really making?*

The lines between influencer, freelancer, entrepreneur and celebrity continue to blur.

These individuals represent the new ranks of publishers—having cultivated committed audiences that can sometimes rival the traditional media industry. They're thinking and operating like businesses by building teams, expanding their offerings or even seeking outside investment.

This professionalization of established talent has led to an influx of new creators dreaming of making it big. Yet, looking at the real economics of the content creation business, few people are able to rely on it as their sole source of income.

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Over the past year, how has your content business performed?

**77%**

*said it grew*

**7%**

*said it shrank*

**16%**

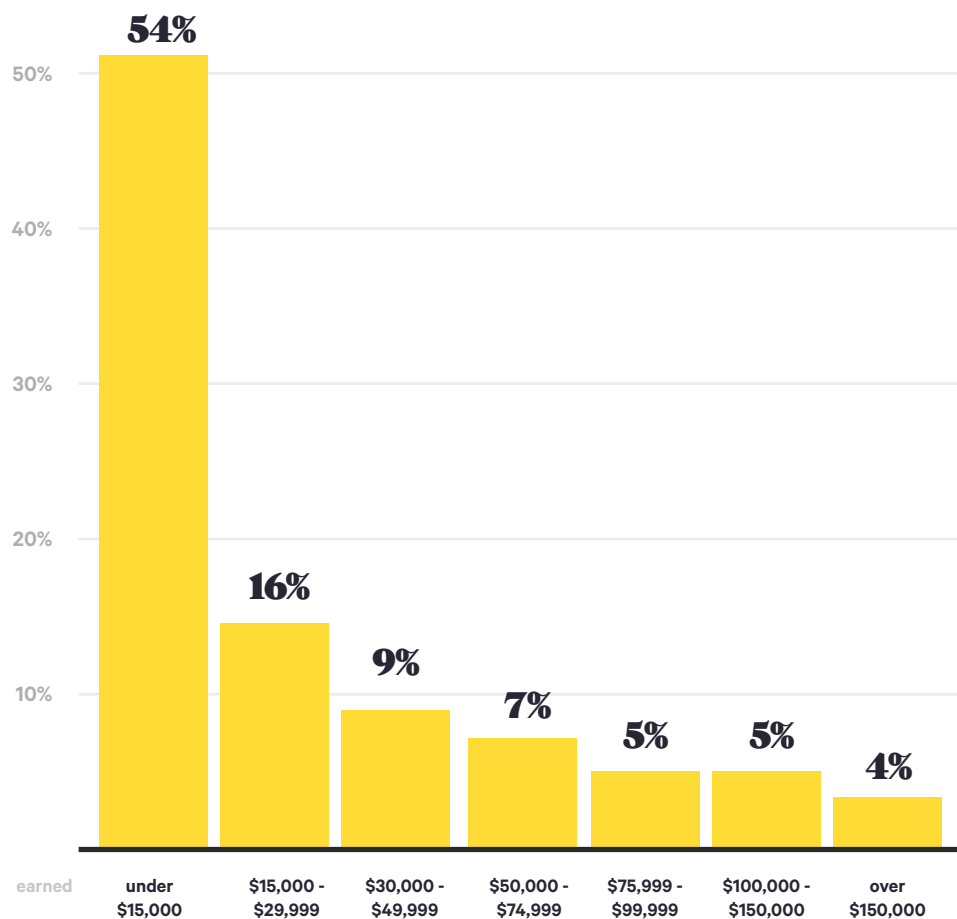
*said it remained the same*



## THE BUSINESS OF BEING AN INFLUENCER

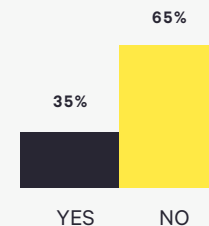
*How much money are influencers really making?*

How much income have you earned from your content business in 2018?

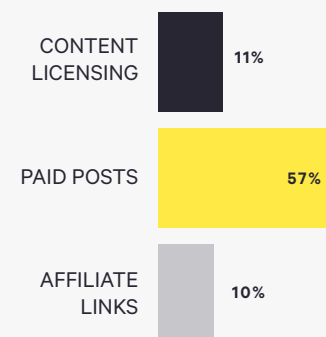


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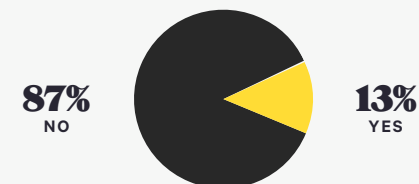
Is your content business your sole source of income?



Types of advertising that generate the most revenue (top 3)



Do you have an agent who helps you source opportunities?



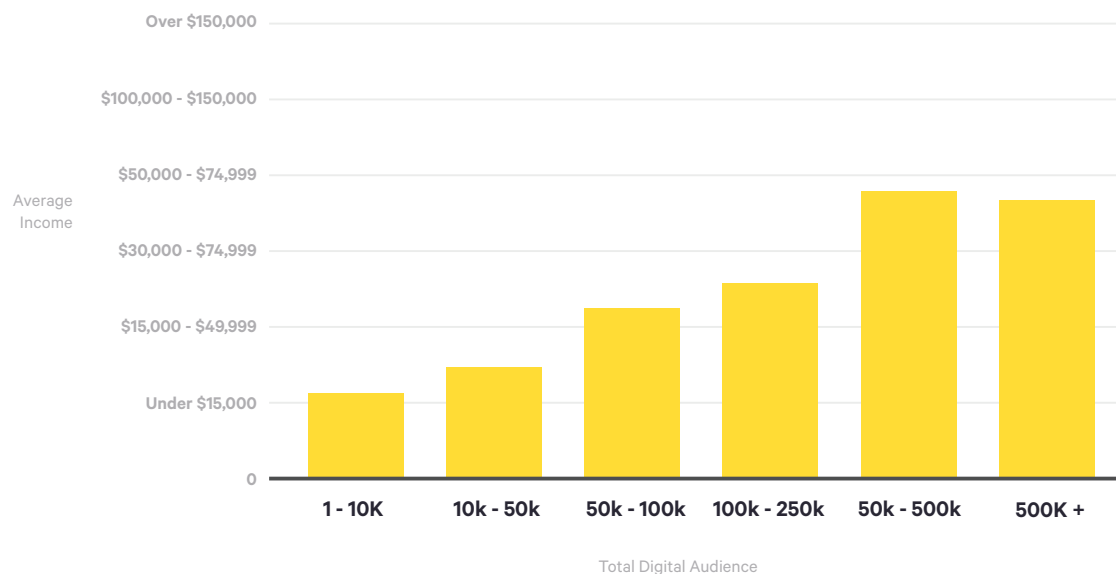
\*2x increase from 2016

## THE BUSINESS OF BEING AN INFLUENCER

*How much money are influencers really making?*

Influencers' rates and incomes vary widely even among influencers with similar audience sizes.

Average Income by Audience Size



Twitter is the most affordable platform, with prices starting at

**\$50** / tweet

(in the micro-influencer community)

...and capping at \$2,500 when looking at influencers with over 250K followers. Tweets are also commonly provided as added value when bundled with a larger content buy.



YouTube dedicated videos—or videos that highlight one brand only—

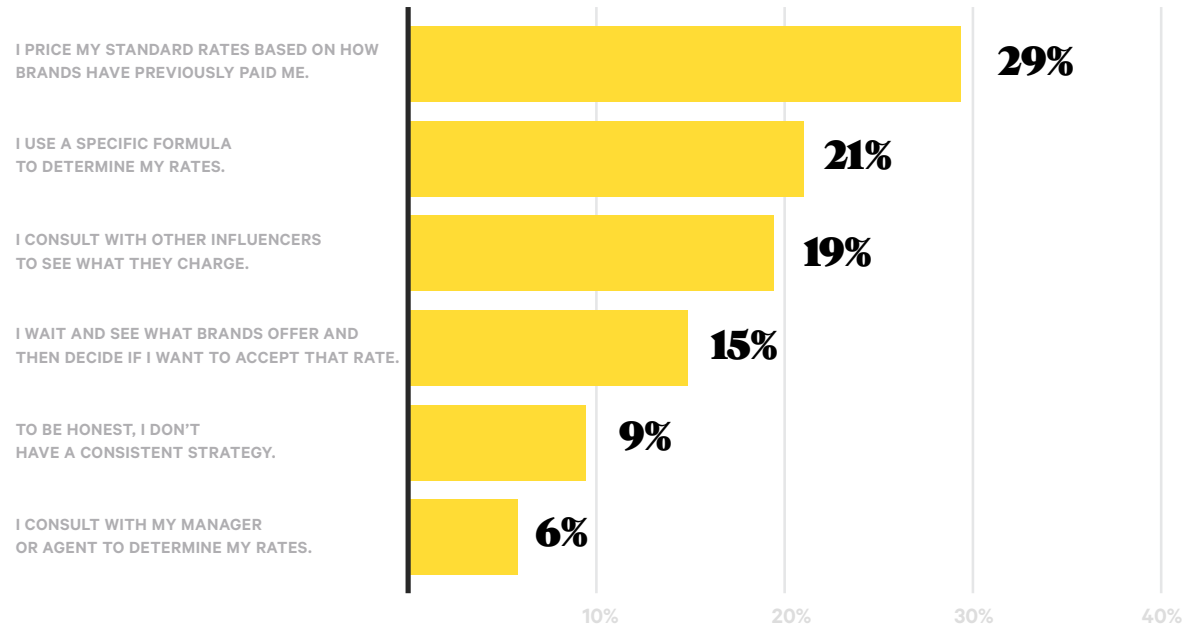
are by far the most expensive content format, with the highest reported price of

**\$50K** / video

## THE BUSINESS OF BEING AN INFLUENCER

*How much money are influencers really making?*

### How do you determine your rates for sponsored content?



Content creation has become cheaper as the industry has become more saturated.”

**Natalie Migliarini,** [@beautifulbooze](#)

## INFLUENCER CHALLENGES

*What are the biggest challenges for influencers today?*

# Unpredictable Algorithms

Influencers publishing on social platforms (Facebook and Instagram in particular) don't fully control access to their hard-won audiences and are subject to unpredictable algorithm shifts that impact content distribution, view-ability, engagement and channel growth. This, coupled with marketers enforcing minimum engagement rate criteria when considering who to partner with, creates increased competition among influencers.



The Instagram algorithm changed my business drastically. Even being verified on all social sites, I still have to prove that I have an authentic audience and am worthy of investing in."

**Kaylen Zahara,** [@amazedbykay](#)



# 80%

*of marketers stated Instagram is the platform they invest in most—making it the most valuable channel in the market right now.*



# 2%

*the most commonly cited brand-enforced minimum engagement rate on Instagram*



## INFLUENCER CHALLENGES

*What are the biggest challenges for influencers today?*

# Talent Influx

In 2018, Collectively worked with more than 2,200 influencers (a 12% increase from 2017) and saw an increase in the number of sign-ups to our community.

# 85%

*of Collectively sign-ups in 2018 had a total digital audience of under 100K.*

*We saw a*

# 46%

*increase in sign-ups from creators with 1-10K followers from 2017 to 2018.*

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A more saturated talent marketplace drives competition for partnership opportunities, building pricing pressure at a time when brands are coming to the table with more complex asks and seeking greater creative control. In addition, the need to remain unique while creating at the breakneck pace of content consumption can be daunting, leaving many influencers exhausted.



@everettwilliams



@sierradallas



@rorykramer



@nikkilimo



@stevenonoja



@thaniapeck



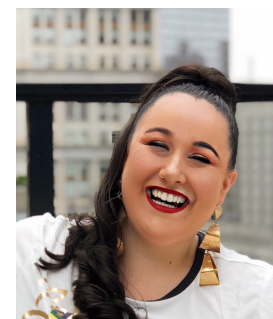
@benjaminortega



@dylanasuarez



@patrickvannegri



@readytostare

## INFLUENCER CHALLENGES

*What are the biggest challenges for influencers today?*

“I have had homophobic people comment on my marriage and Instagram did not take the appropriate action, sadly.”

**LGBTQ Influencer,**

*Source: Collectively's 2018  
Influencer Insights Survey*

**68%**

*percent of influencers we polled  
said they believe that bullying  
and harassment on Facebook and  
Instagram is a problem.*

## Harassment and Bullying

As social platforms continue to face criticism for threatening overall individual privacy, we expect to also see more conversation about their responsibility to maintain safe environments where harassment is promptly addressed.

## TAKEAWAY QUESTIONS

*How can you make your influencer marketing programs even more successful in 2019?*

# Use these questions to spark conversation and new ideas in your organization.

- 1** *Do you have a long-term vision for 2019 influencer initiatives? If not, what might you gain from an annual strategy?*
- 2** *Have you developed a program that drives advocacy through in-kind partnership? What results are you seeing? Is there room for optimization?*
- 3** *Is it time to test or establish more firm benchmarks for influencer content amplification via paid media?*
- 4** *To better measure ROI, what data sources do you need to integrate into influencer reporting? Who are your allies and how can they build a framework that works for your organization?*
- 5** *What can you do to extract more value from your influencer engagements? What are you doing to nurture relationships with your top influencer partners?*



Comments, questions, or just wanna chat?  
We'd love to hear from you.

#### For Brands

Interested in learning more about our approach?

Email our New Business Team at  
[new@collectivelyinc.com](mailto:new@collectivelyinc.com)

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#### For Influencers

Want to collaborate with Collectively  
brand partners?

Email our Community Team at  
[community@collectivelyinc.com](mailto:community@collectivelyinc.com)

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#### Sources

*Collectively's 2018  
Influencer Insights Survey*

*Collectively's 2018  
Brand Marketer Survey*

*Collectively Campaign Data*

*Instagram*

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*TechCrunch*

*The New York Times*

