



The CMO's Guide to **Influencer Technology & Trends** for 2017

November 2016

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Diversity in Tech and Integrity of Data Matter!

We are thrilled to announce our first **annual CMO's Guide to Influencer Technology & Trends for 2017 with** key **highlights from 2016** and must-know **trends for 2017**. This is yet another milestone in our relentless quest to add clarity and structure to this very muddled space.

What's new? We have added more **verification steps** to ensure **accuracy** and **consistency** of data in a space that's overwhelmed with more hype than reality.

We <3 diversity and inclusion in tech! You will see **unique voices** of minority founders/CEOs reflected in our current as well as future reports.

We hope you find this insightful report helpful as a marketer, technologist or investor.

Shoot over a note to **briefings@lighthouse3.com** if you need additional help in **selecting** and **implementing** the right influencer technology for your organization.



Mia Dand

CEO, Lighthouse3.com

@MiaD





Recap: Influencer Marketing Technology Growth in 2016

Here are the **3 key factors** that drove the growth of Influencer Technology market in 2016.

1. Decline of advertising due to massive increase of number of **global ad-blocking users**
2. Rise in demand for Influencer programs leading to greater **need for scalability, efficiencies** and proving **ROI**
3. CMOs driving **increase in Marketing** (automation) **Technology spend**



“Digital ad spend has now met the annual investment in television. Brands are using influencer marketing as part of their core digital strategies as it connects social and commerce in an authentic way.”

Promise Phelon, CEO, TapInfluence

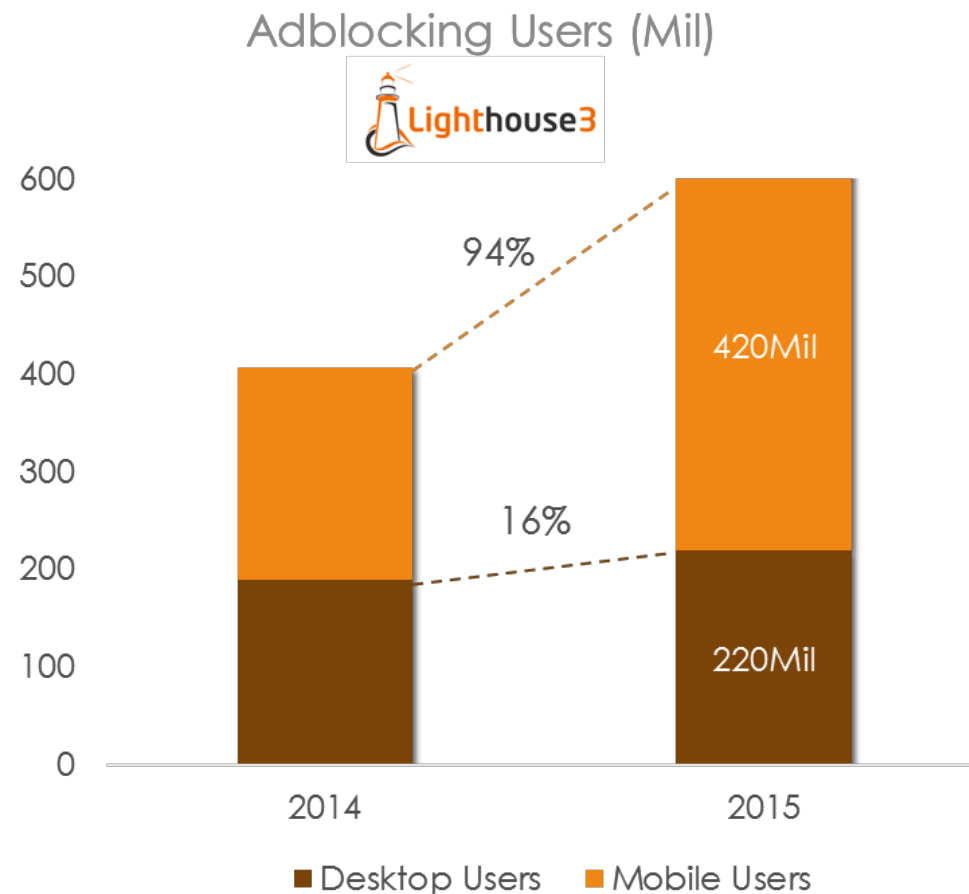




Key Trend #1: Decline of Advertising

The U.S. advertisers spending on digital advertising is expected to overtake TV in 2016 and hit **\$103 billion** in 2019¹.

But the number of **global ad blocking** users has grown by **94%** (420MM) on mobile phones and **16%** (220MM) on desktops over the past year².



Source: <http://www.kpcb.com/internet-trends>

¹ <http://adage.com/article/media/digital-overtake-tv-ad-spending-years-forrester/295694/>

² <http://www.kpcb.com/internet-trends>

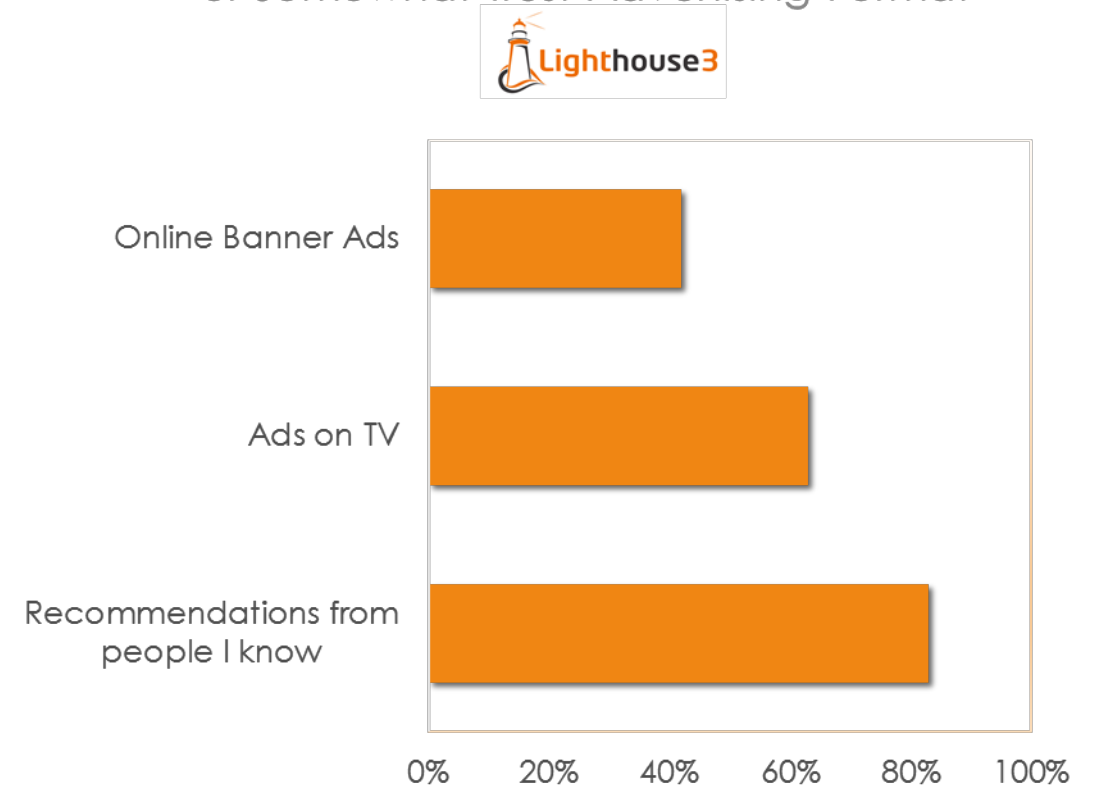


Key Trend #2: Rise of Social Influence

More than **83% of global respondents** say they trust recommendations from **people they know** over online banner ads (42%)³.

Over **1 in 3 marketers** say they expect their Influencer Marketing budget to increase and **84%** expect to run at least one influencer campaign in 2016.

Percentage of Global Respondents Who Completely or Somewhat Trust Advertising Format



Source: <http://www.nielsen.com>

³ <http://www.nielsen.com/us/en/insights/reports/2015/global-trust-in-advertising-2015.html>

⁴ <http://www.augure.com/resources/whitepapers/influencer-engagement-report>



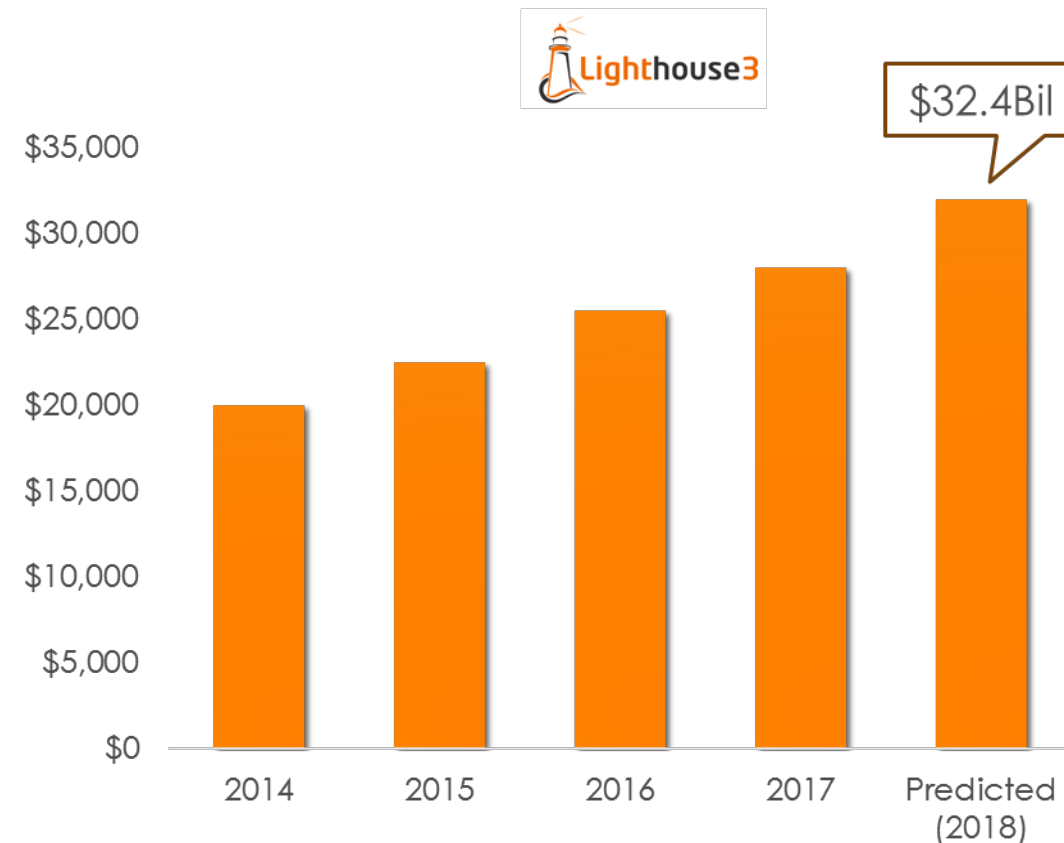
Key Trend #3: Increase in Digital Marketing Tech Budgets

Growing popularity of Influencer Marketing = more demand for **efficiencies** via **automation technology**.

Enterprise Marketing Technology Market Size is projected to grow **\$25B** with CMOs driving marketing tech spending to **\$32.4B** by 2018⁵.

Digital Marketing budgets for large enterprises are growing at **10% YOY** and that **33%** of **Marketing Budgets** go to technology⁶.

Projected CMO Marketing Technology Spend (\$Mil)



Source: <http://www.idc.com>

⁵<http://www.idc.com/getdoc.jsp?containerId=US40823615>

⁶<https://www.gartner.com/doc/3154117/cmo-spend-survey--digital>



What We Learned in 2016

- Influencer technology is still a very **nascent space**
- Confusion around **influencer vs. advocacy** abounds
- **Hype** from vendors, influencers based on little or no verifiable technology
- 2016 was a **good year** for **acquisitions** but light for funding
- **“Tool sprawl”** and lack of **integration** still an issue for brands





Influencer marketing is still a very young industry with massive potential. New influencer technologies are being born every week. The fact is, the industry still has inefficiencies that prevent it from scaling and dropping all barriers of entry.

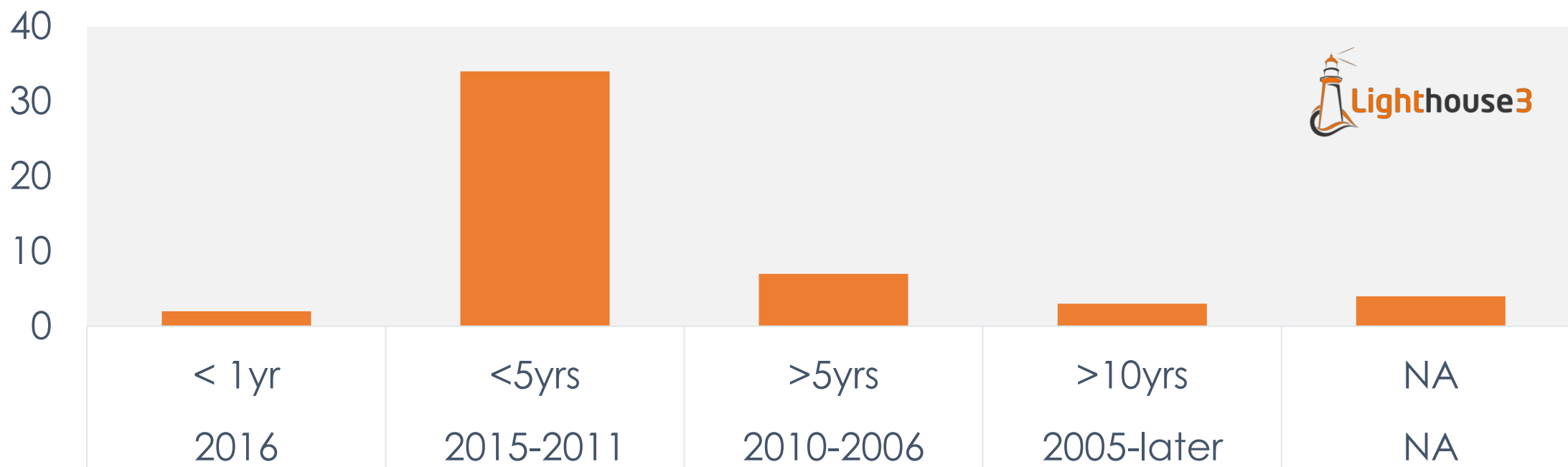
Chico Tirado, CRO & Co Founder, Gnack



Nascent Space: Recently launched

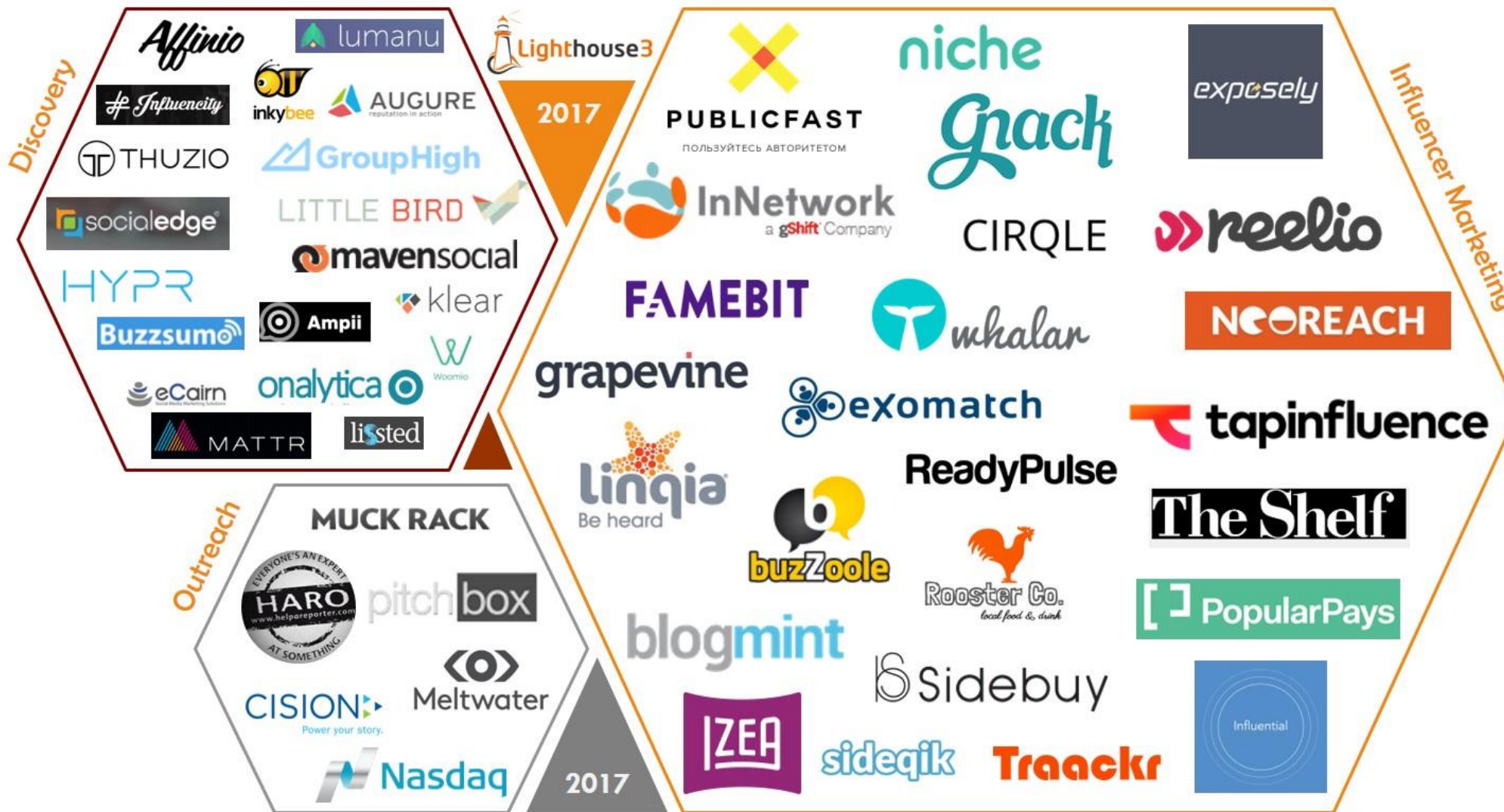
Over 70% of Influence technology vendors were launched within the **last 5 years**. Only **2** – Lumanu and Lissted were launched in 2016.

Number of Startups Launched by Year





Influencer Technology Landscape 2017





A Dashboard is **NOT** a Technology Platform

With additional vetting, we narrowed down our list to **50** vendors* across the **3** influencer marketing technology categories:

- **25 Influencer Marketing** technology vendors that offer self-service and/or marketplace platforms
- **19 Influencer Discovery** platforms with varying capabilities to search, sort and rank influencers
- **6 Influencer Outreach** platforms designed for outreach to media/journalists

*We removed some vendors from our report because we weren't able to verify their technology offering. Examples include: Post-acquisition platforms - PeerIndex, Hello Society, defunct - Tellagence or only had a reporting dashboard - Boosterinsider

Some notable additions to our list:

- Ampii
- Gnack
- HYPR
- Influencity
- Lumanu
- Matrr
- MavenSocial
- Nasdaq
- Popular Pays
- SocialEdge
- TheShelf
- Thuzio
- Whalar
- Woomio

Currently, the influencer tech market is a crowded space that covers multiple disciplines from advocacy to social listening. Advocacy, sampling, influencer ID, scraping tools, and a number of other platforms or agencies positioning themselves as technologies create a chaotic message in the market.

John Ale, Vice President, Noro-Moseley Partners





Influencer Marketing and Advocacy are NOT the same.

Influencer Marketing is related but different from **Advocacy**.

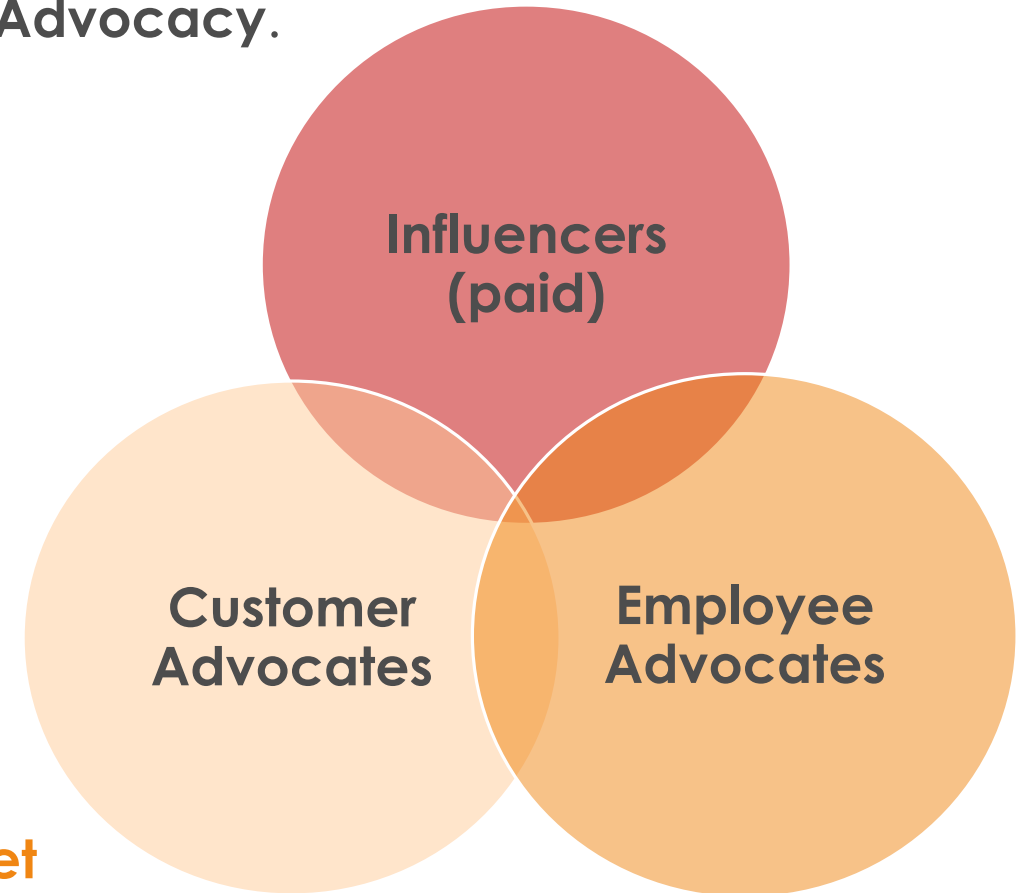
An **Advocate** has a positive sentiment towards your brand. **Influencer** may have a negative, neutral, or positive view.

Advocates are typically not compensated. Influencers generally expect **compensation** for their time and effort.

Different objectives require different technology capabilities & features.

Common platform features:

- Influencer Marketing => Influencer **rate-sheet**
- Advocacy/WOM => **Gamification** features





“There's a broad spectrum of influencer marketing technologies available. On one end are the opt-in platforms for paid influencer engagement. On the other end of the spectrum are the companies that focus on discovery of independent influencers, thought leaders, and experts.”

Marshall Kirkpatrick, Co-founder, Little Bird



“5 Capabilities” Model for Influencer Technology Platforms

Lighthouse3 developed the “5 Capabilities” model to organize and categorize **Influencer technologies**.

Influencer Marketing platforms typically offer features from **#1 to #5**, **Discovery** platforms focus on **#1**, and **Outreach** platforms offer capabilities **#1** and **#2**.

5 CAPABILITIES of INFLUENCER TECHNOLOGY PLATFORMS



The influencer marketing landscape continues to heat up as more brands turn their attention and marketing spend that direction. Similar to other hot markets, (these) point solutions create a lot of noise and confusion in the market that brands need to sift through in order to find the solution that works for them.

Lawson DeVries, General Partner, Grotech Ventures



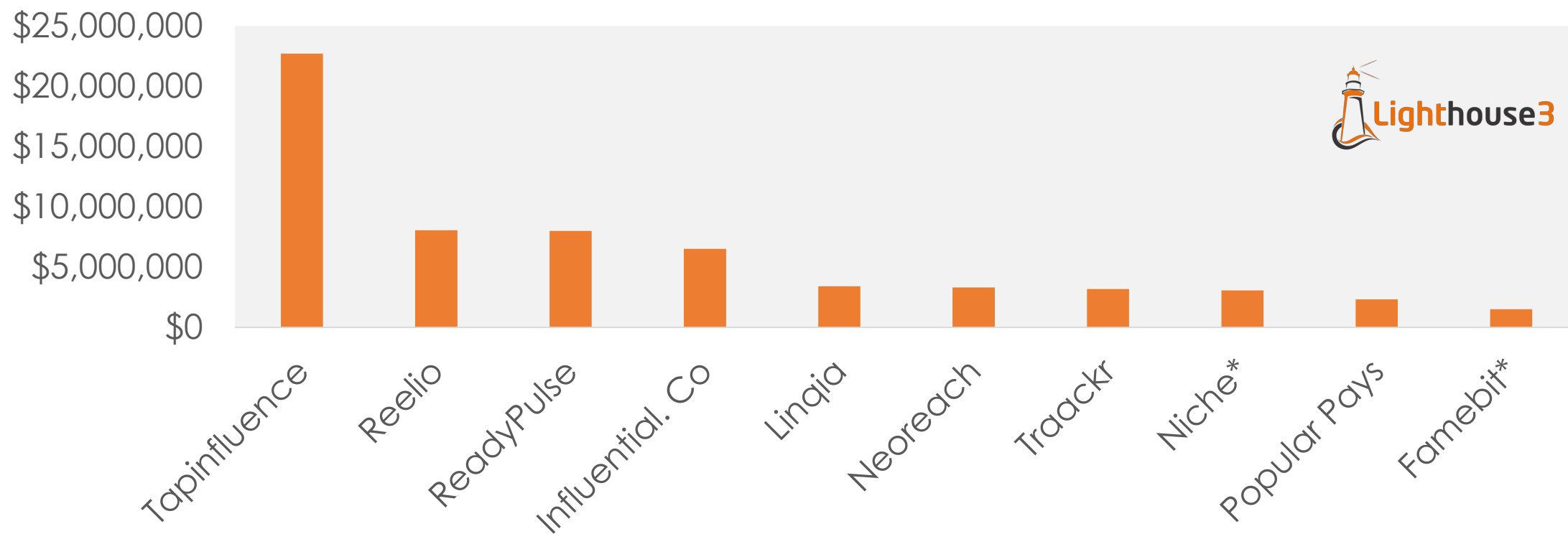


Light year for New Funding

Despite all the hype, it was not a great year for funding. Only two vendors publicly disclosed receiving new funding - **TapInfluence** and **Influential**.

Based on most recent funding data, here are the **top10 Influencer Marketing** platforms*.

Top 10 Funded Influencer Tech Vendors



*Doesn't include publicly traded firms or those with multiple influencer technology offerings.

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There are a handful of social activation types: branded channels, employee advocacy, executive social engagement, influencers, and every possible admixture. But these end up requiring many different software platforms and workflows and tracking.

Casey Hall, Social Media Lead, Thomson Reuters



2016 was a Good Year for Acquisitions

There were **5 acquisitions** in Influencer Technology category in 2016, most recent acquisition being **Little Bird** by Sprinklr in November. We will most likely see this trend continue in 2017 as larger vendors in same or adjacent categories use acquisitions to fill capabilities gaps. This will reduce “**tools sprawl**” fatigue mentioned by many brands.

FAMEBIT

ReadyPulse



LITTLE BIRD



3 other acquisitions in influencer-related space (no verifiable technology platform)



FANBREAD

"Social influence technologies have evolved over the last couple of years, but remain somewhat fragmented in their offerings. Brands continue to look for solutions that are scalable across the enterprise while being user-friendly and seamlessly integrate into existing platforms."

~**Michael Lopez**, VP, Social Media, Wells Fargo





Influencer Tech Partner Agencies

There are hundreds of agencies that offer a wide variety of influencer marketing services. Here is a shortlist of **agency partners**, from the technology vendors. These agencies help them **scale** their offerings for large brands who may not have in-house expertise or resources to run scalable **paid influencer marketing programs**.



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What's **Next**?

TRENDS FOR **2017**



What's next?

Here are our **top 4** predictions for **2017**!

1. **Continued churn** as this space matures and platforms evolve and/or get acquired or exit
2. **Influencer 2.0** - Standardization of core capabilities and more robust workflow features
3. **More deeper analytics** focused on performance management and ROI measurement
4. **Year of micro-influencer and hyper-local** regional influencer technologies

You can download our **Top 10 Influencer Technology Trends for 2017** at
<https://lighthouse3.com/influencertechtrends>





Continue the Conversation...

In 2017, we will continue to track these platforms based on our “**5 Capabilities**” model and get you the latest insights on the **Influencer Technology** space.

Questions? Send us a note at briefings@lighthouse3.com to get deeper insights on how to **select** and **implement** the right influencer technology platform for your organization.

We look forward to hearing from you!



Mia Dand
CEO, Lighthouse3.com



Our Methodology aka “Secret Sauce”

For our **research**, we used publicly available data and supplemented it with proprietary research data. We have excluded agencies from our report since the focus of this report is software + technology platforms. We have assumed one vendor = one platform but some of the larger vendors have multiple offerings so we’ve included only the influencer offering in our report.

Important: We have made the decision to keep influencer technologies separate from advocacy marketing. Influencer technologies are focused on paid influencers whereas advocacy technologies focus on uncompensated engagements with customers and employees.

Data sources: Crunchbase, Angellist, vendor websites, interviews with technologists, enterprise marketers and their marketing agencies.

All data is current as of September 30, 2016.

For any inquiries, please contact us at briefings@lighthouse3.com.

The not-so-fine print: Lighthouse3.com does not endorse any vendors, products or services included in our research nor do we advise technology users to select only those vendors reviewed as part of our report. This research is based on Lighthouse3.com team’s opinions and should not be construed as statements of fact.