



The Power of Influence: A Window into Influencer Marketing & ROI

collective **bias**[®]
THE POWER TO INFLUENCE™



Introduction

The influencer marketing industry has boomed over the past few years as marketers have searched to cut through the noise to reach shoppers who have become desensitized to traditional media and moved to more trusted digital and social strategies. Influencer marketing provides unique solutions that can successfully connect customers to brands by using authentic, engaging content that contributes to both online and brick and mortar sales.

As the early forerunner in shopper-focused influencer marketing, we understand the challenges brands and retailers face and the need to justify every marketing dollar down to its impact on sales. Moreover, while clients have seen the value of using influencer marketing for everything from content creation to engaging, building and finding new audiences, everyone is clamoring for a benchmark of the actual ROI of advertising spend. The truth is understanding sales lift is difficult without closing the loop between engagement and Point Of Sale (POS) data.

This industry pressure point led us to set out a plan to comprehensively analyze influencer marketing's impact by developing multiple methodologies. We looked to investigate this across multiple categories; cross-validate the effect of influencers on brick-and-mortar sales metrics; and set a new standard for the industry, focusing on bona fide sales lift not simply Earned Media Value (EMV). We also looked beyond sales to measure impact on foot traffic, basket size, and coupon redemption.

Our Approach and Methodology

We partnered with our brand, retailer, and research partners to measure sales impact for 12 campaigns each conducted over an 8 to 12-week period for national brands spanning a total time period of a year and two months, five Consumer Package Goods (CPG) categories, and more than 450 influencers.

Our four methodologies focused on:

1. **Nielsen Catalina Solutions (or NCS) Sales Effect Measurement:** Pairing in-store purchase data with Collective Bias' media exposure data to understand the effect of the advertising on driving incremental sales.
2. **Retail Sales Lift Analysis:** Digesting partner Point of Sale (POS) data and forming test/control groups across multiple retailer regions to uncover lift.
3. **Promotional Tie-Ins:** Connecting influencer activity to promotional and coupon redemption rates and sales to prove lift vs. historical sales benchmarks.
4. **In-Store Traffic Analysis:** Studying content's impact on in-store traffic via mobile geo-fencing to measure foot traffic.

This landmark study confirms the value of influencer marketing for the measurement of social impact on in-store sales.

Executive Summary

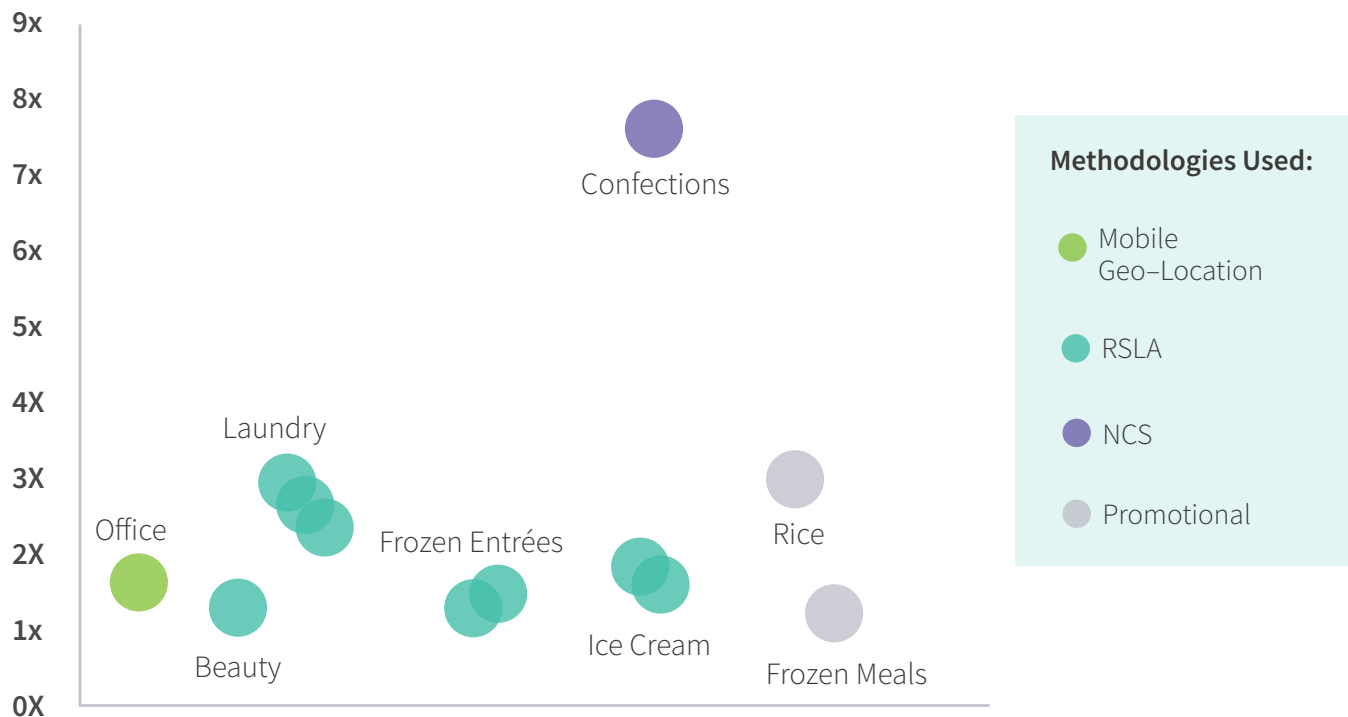
There are established methods for measuring digital campaigns and their impact on e-commerce sales with all engagements and transactions occurring within the online ecosystem. Tying these digital campaigns, particularly influencer campaigns, to in-store activity and sales requires a more rigorous analysis. Tougher technical data correlation offers a clearer view beyond Earned Media Value (EMV), which is a weak proxy measure of ROI.

During 2016 Collective Bias partnered with brands, retailers, and research partners to measure results for 12 influencer campaigns conducted over an 8 to 12-week period for national brands spanning five CPG categories. Again, the report includes analysis across more than 450 influencers. For accuracy, we measured

impact during the duration of the campaign window, not relying on future extrapolation to inflate performance. Taking into consideration a wide variance in performance, driven chiefly by the advertiser category, seasonality, price point, purchase frequency, and budget size, **the study found an aggregate sales lift from 1.2 to 7.6X.**

Program Lift

12 Campaigns and 4 Methodologies



Topline Results From Our Four Methodologies

Sales Effect Study

By pairing Nielsen Catalina Solutions (NCS) frequent shopper and loyalty card data by Collective Bias' first-party audience data, this study examined a campaign for a major confection brand at multiple retailers. The analysis measured a **7.6x return on ad spend (ROAS)**, by weighing households exposed to the campaign's influencer content versus an unexposed control group.

In-Store Traffic Analysis

Through mobile geo-fencing and measurement partner Placed Inc., we analyzed the impact of influencer marketing campaigns on driving in-store foot traffic to large retailer locations. By examining the behavior of those exposed to influencer content versus an identical unexposed control, results showed that **48% of the exposed group visited the retailer within four days vs. only 29% in the identical but unexposed control.**

Retail Sales Lift Analysis

By using client-supplied POS data and forming test and control groups across multiple retailer regions, Collective Bias measured sales lift for campaigns across several CPG products. In one example for a major laundry detergent, based on a \$75k campaign spent, the brand saw a **sales lift of \$233K – representing a 3.1x ROAS.**

Promotions Tie-In

The promotions analysis measured the impact of Collective Bias influencer content on promotional redemption rates and sales for two campaigns– a national Rice Brand and a frozen foods brand, both at major retailers. **The Rice Brand achieved a 45% redemption rate**, far exceeding the brand's benchmark of 15%, representing a 3x lift.

Methodology #1: Loyalty Card Study

Can influencer content drive sales and increase basket size when measured with loyalty card data?

There are many different methods and proxies to use in measuring ROI. The best metric up until now has been Total Media Value or Earned Media Value. Collective Bias uses Total Media Value (TMV) for evaluating influencer marketing programs for leading brands and retailers. TMV has been thoroughly researched across sources, and the value for each social metric is based on Collective Bias and industry standards.

Through a partnership with Nielsen Catalina Solutions (NCS), we used in-store purchase data paired with our audience data. We measured influencer content for a major confection brand that was aimed at multiple retailers during the Halloween timeframe.

The Step-by-Step Process

1. **Execute** an influencer campaign.
2. **Capture audience pixel data** in-store purchase data.
3. **Match Test/Control households** matched on 500+ variables during a six-month pre-window, including shopper DNA and demographics.
4. **Weigh Exposed (Test) households against Unexposed (Control) households** for incremental lift.

To measure the ROAS of the program, we paired in-store purchase data from NCS with Collective Bias first-party audience pixel data. Note: all household (HH) Level Design of Experiments (DOEs) require pixel based/cookie tracking to marry shoppers with their Frequent Shopper Card (FSC) or mobile devices, except for coupon studies. Promotional tie-ins, on the other hand, require an observational study versus the average benchmark, instead of Test and Control. Coupon studies on most platforms require users have pre-existing accounts.

Our research partners paired exposed individuals with look-a-like controls for HHs based on a list of covariates from demographics to lifestyle and actual historical purchases. Once Test HHs and controls receive vectors of their “Shopper DNA,” both groups are then paired up using distance routines such as genetic score matching or k-Nearest Neighbors (k-NN). Finally, we measured the average lift on the exposed readers.

Not only was the study able to optimize the target audience, but it also provided data-backed sales lift data to the advertiser. This sales lift model provides concrete revenue data related to influencer content that exceeds any Total Media Value increments, creating a brand new perspective for the influencer marketing industry.

The Findings

Pairing the loyalty card data with Collective Bias pixel data created the ultimate measurement opportunity for the advertiser. By serving targeted influencer content to the audience, the advertiser saw an increase in incremental spending per household.

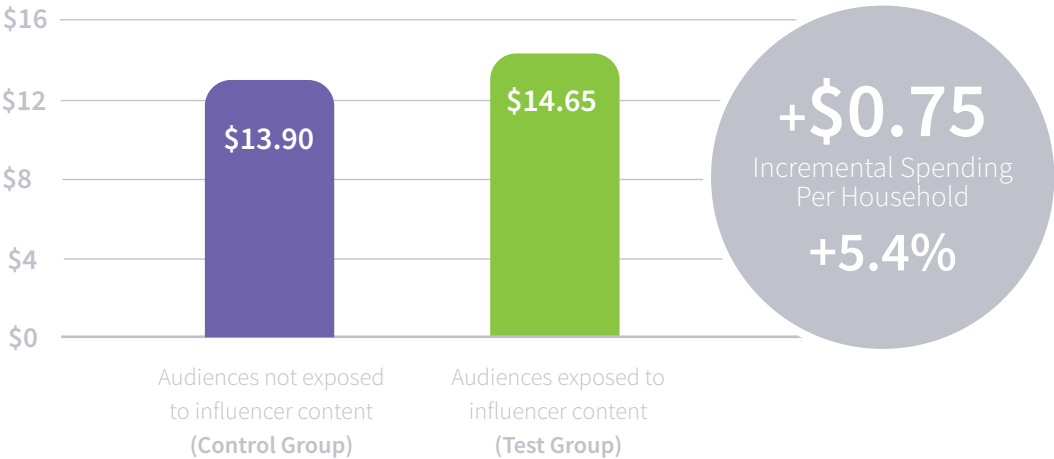
Audiences exposed to Collective Bias influencer content had an incremental spending per household of \$0.75 more than audiences not exposed to Collective Bias content, an increase of 5.4%.

Not only was the study able to optimize the target audience, but it also provided data-backed sales lift data to the advertiser.

This sales lift model provides revenue data related to influencer content that exceeds any Total Media Value in traditional influencer marketing metrics, again creating a brand new perspective for the influencer marketing industry.

Overall, this translates to \$639.7K incremental revenue during the program period for a Return On Ad Spend of 7.4X.

Average Spend Per Household



$$\begin{array}{l} 852.9K \\ \text{Unique Exposed} \\ \text{Households} \end{array} \times \begin{array}{l} \$0.75 \\ \text{Incremental Spending} \\ \text{Per Household} \end{array} = \begin{array}{l} \$639.7K \\ \text{Incremental Revenue During} \\ \text{Program period} \end{array}$$

7.6X ROAS
(\$84K Program Spend)

Methodology #2: Retail Sales Lift Analysis

Can influencer marketing drive true measurable sales lift using client Point Of Sale (POS) data?

Understanding retail sales lift can be complicated to measure for clients when considering influencer campaigns and content. Many factors make proving verified-sales-lift from influencer campaigns a non-trivial task compared to established online e-commerce data.

Another issue is that clear-cut Test and Control groups are not easily defined massive-online-opt-in advertising, especially since influencer media can be consumed in ubiquitous anonymity. By digesting partners' POS data and forming test/control groups, Collective Bias is now able to uncover sales lift in this process. We are currently using POS data similar to that for Marketing Mix Modeling (MMA/MMMs). Retail Sales Lift Analysis (RSLA) provides a data-driven, objective and comparative approach to constructing a composite weighted control store group using regional and/or national Point Of Sale (POS) data.

We used univariate and multivariate time series analysis to fit control pools to test pools for a more robust Control Store Test (CST) method. Collective Bias' RSLA allows for confounding factors to be blended away, factors such as other in-market marketing activity, while rendering a conservative model of sales lift.

Control Store Test Methods were performed in partnership with brands directly and consisted of carving out the effects of influencer content coupled with geo-targeted amplification. Amplification areas are labeled as a test pool, while areas of the country not optimized for geo-amplification act as a control pool.

Test and Control areas matched mean store performance using time series weighting applied to the controls to remove confounders from seasonality, level, and trending. The time series matching and the resulting control weights by control pool region are established using a one and a half to a two-year window before the influencer campaign kicks off.

Sales lift is measured for the duration of the campaign only and the individual/HH methods incremental sales lift is measured between test and control in the program window only; this way, lift numbers are not skewed by seasonal marketing pulses, especially if reading influencer campaigns off major media blitzes.

How the Collective Bias Retail Sales Lift Analysis Works:

1. **The treatment groups and the control pool** are identified based on the presence (or lack thereof) of geo-targeted ad spends at the State Level.
2. **Sales data is rolled into a mean composite score** for the treatment and control group utilizing relevant predictor variables culled from the POS Time Series Data (i.e. typically Seasonality, Level, Trend, Pricing Fluctuations, etc.).
3. **A control store group**, which is a weighted combination of several control groups from the national subset control donor pool, is constructed to be approximately equal to the treatment group in the pre-treatment program window. Again, Time Series Analysis was used to match treatment group characteristics such as Pricing, Seasonality, Level and Trend.

The Findings

Results show that unique influencer content does make an impact on sales lift at the retail level.

During 2016, Collective Bias and its brand, retailer, and research partners measured sales results for 12 campaigns spanning five categories, utilizing 452 influencers, and 1.33MM pageviews.

The Collective Bias conservative valuation of Earned Media Value (EMV) for the underlying programs was 1.99X, and the measured sales lift Return on Ad Spend (ROAS) came in at 2.85X. So, our conservative EMV is backed by a strong correlation to an even more conservative measurement of actual sales.

Let's see Retail Sales Lift Action in action:

3.1X
ROAS

\$233K
Sales Lift

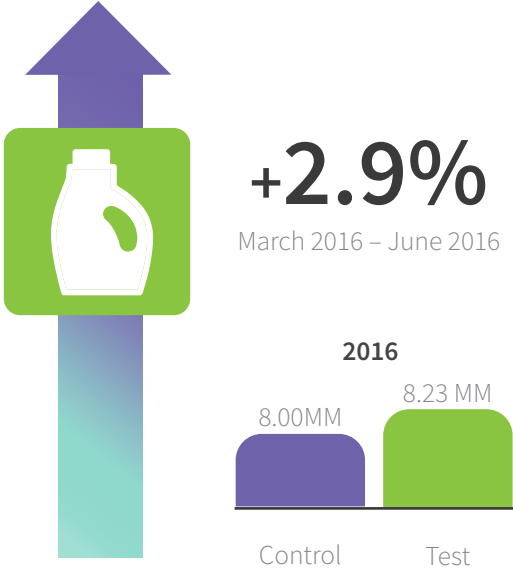


\$8.23MM
Test Region



\$8.00MM
Control Region

EXAMPLE A LAUNDRY DETERGENT



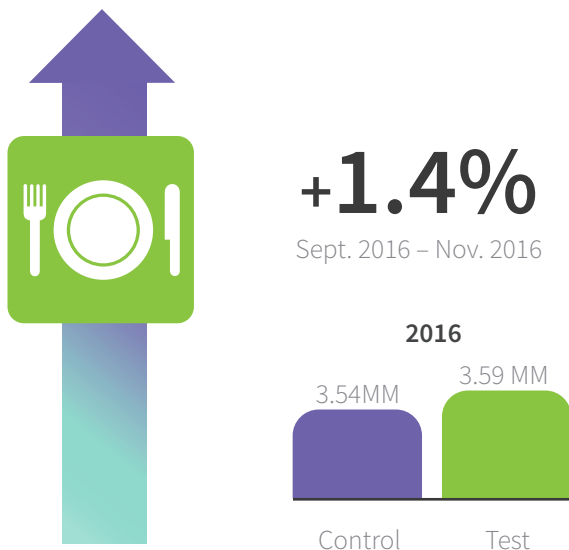
The test group, made up of California, Texas, Florida, Illinois, Michigan, Ohio and Pennsylvania, saw 2.9% higher sales than control states during the campaign time frame in 2016, compared to 0.2% higher sales for the same group during the previous year.

The Findings

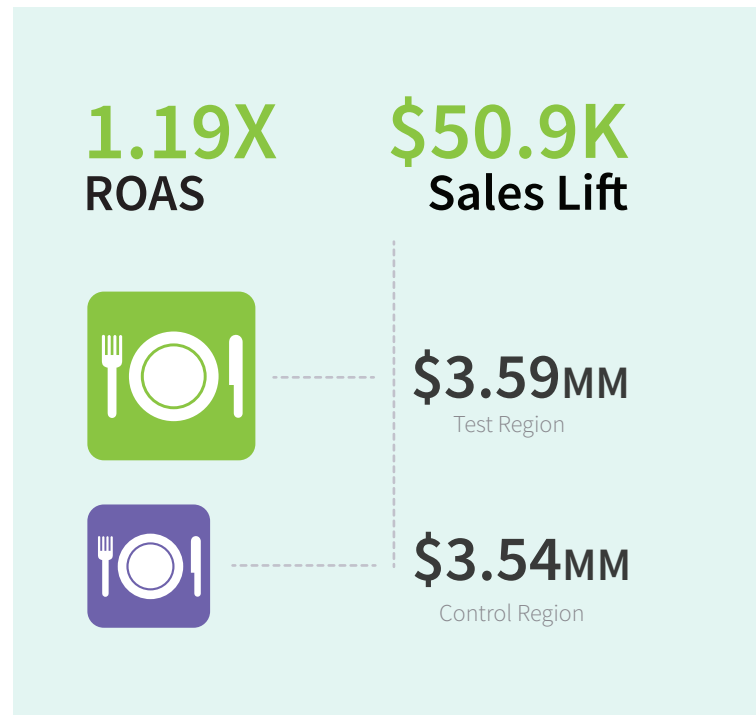
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EXAMPLE B FROZEN ENTRÉE

The second Retail Sales Lift Analysis test was performed using data from a Frozen Entrée advertiser.



The test group, made up of California, Texas, Florida, Indiana, Ohio, Michigan and New York, saw 1.4% higher sales than control states during the campaign time frame in 2016, compared to -1.6% lower sales for the same group during the previous year.



Methodology #3: Promotional Tie-ins

Can influencer marketing drive sales lift through redemptions for promotional offers?

Many clients have requested unique promotion offers in influencer campaigns. So to accommodate this variety and prove the value of influencer marketing, we analyzed the impact of influencer content and its ability to drive coupon redemption rates. Redemptions and sales were measured for a national rice and frozen foods brand at major retailers. Whereas the first three studies were based on Test and Control, promotional tie-ins require an observational study versus the average benchmark. The studies employed unique digital rebates, integrated with major digital coupon platforms, so that all exposure could be attributed to actual redemptions.

We sought to gain insights into influencer content's ability to connect consumers to a brand product through relevant stories, creating a personal experience with the content and brand. This style of content builds an authentic relationship with the consumer, making the process seem less transactional and more enjoyable and inspirational, overall. When tying an offer to unique content that builds a relationship, the purchase decision becomes less of a risk for a consumer. Not only does the content provide recipe inspiration, but it makes a coupon less transactional.

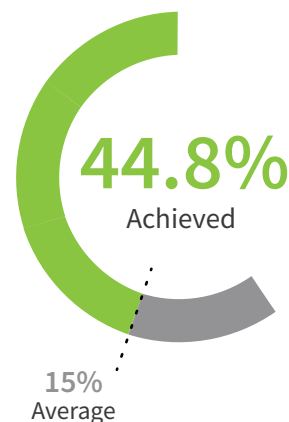
STUDY 1

The national Rice Brand wanted to drive trial by accelerating redemptions at Walmart. Always up to the challenge of scaling the offer's reach, Collective Bias activated influencers to discuss spending quality family time in the kitchen and creating new usage occasions for the brand.

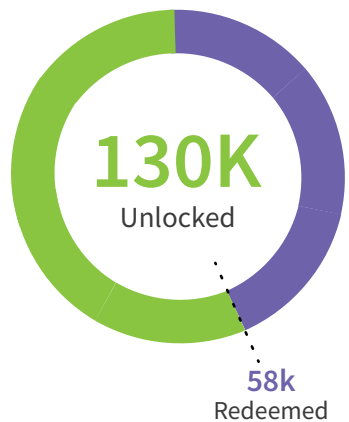
THE FINDINGS

Historically, the brand generates a redemption rate of 15% through standard digital channels. Using influencer content as a comparative study to promote this offer, the brand reported a 44.8% offer redemption rate, exceeding performance expectations and historical average.

Redemption Rate



Unlocking Rate



2.4x
Total Media Value

325k
Content Views

64.6k
Blog Page Engagements

78MM
Total Impressions

Methodology #3: Promotional Tie-ins

Can influencer marketing drive sales lift through redemptions for promotional offers?

STUDY 2

This Frozen Meals brand wanted to drive awareness and trial for their product through social amplification and the offer, asking Collective Bias to link those two priorities. In addition to mouthwatering recipes, our influencers naturally incorporated messaging about the coupon offer. Since the exact promotion was run the prior year without Collective Bias' involvement, we were able to compare Year Over Year (YOY) results.

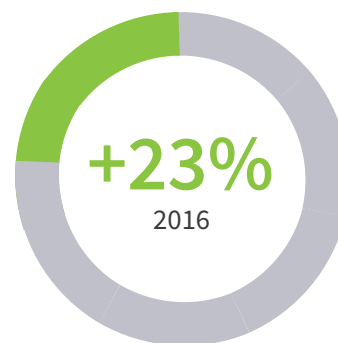
THE FINDINGS

We thought to test a category not often thought of as engaging, such as frozen meals. Collective Bias influencers brought life to the product through recipes and beautiful plating presentations to make the frozen meals an exceptional experience for readers.

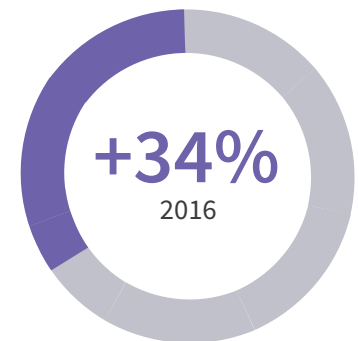
The offer, in coordination with influencer content, was successful in driving redemptions, resulting in a lift in promotional sales for the client. The client saw a 34% increase in offer redemptions and a lift in promotional sales of 23% from the 2015 benchmark, providing definitive proof that influencer campaigns are valuable for driving redemptions and sales.

Redemption Results

Promo Sales Lift



Redemption Rate



2.3x

Total Media Value

54k

Content Views

33.3k

Blog Page Engagements

35MM

Total Impressions

Methodology #4:

In-Store Traffic Analysis

Does influencer marketing increase engagement when measured with foot traffic data?

As an Influencer Marketing company focused on retailer-specific content, it was important for us to understand if influencer content actually drives traffic in-store. We partnered with Placed, Inc. who owns the world's largest opt-in location panel and specializes in location analytics. Placed Panelists opt-in and install a mobile app that measures billions of locations consistently in the background. Privacy is ensured through Placed's multi-step processes. Together with Placed data and Collective Bias first-party audience pixel data, we sought to quantify the impact of social content on in-store visits. Can the right content increase foot traffic and increase basket size?

The study measured impact on those exposed to influencer content versus an identical unexposed control. Measuring foot traffic through pixel data combined with geo-fencing technology allowed us to tap into the shopper DNA and consumer intelligence that has been lacking in the past.

The Step-by-Step Process:

1. **An influencer campaign** is executed using Collective Bias influencers.
2. **Audience Pixel Data is captured.**
3. **Married to Placed Geo-Fencing Data.**
4. **Exposed (Test) households are weighed against Unexposed (Control) households.**

Test households are pixelated upon visiting influencer content pages and then are further cooked to check for overlap with Placed's opt-in location panel. The Exposed panel's mobile devices are routinely polled for location (latitude & longitude) i.e. frequency, proximity, and time spent at the target venue, be it a retail store or other event based locale.

Control households for comparison are chosen from look-a-like panel members not exposed to content. Again, since traffic studies like loyalty card studies, are household based DOEs (Design of Experiments), our research partners paired exposed individuals based on a list of covariates from demographics to lifestyle and actual historical location and temporal history where appropriate.

Once Test HHs and Controls receive vectors of their "Trip/Location DNA," both groups are then paired up using distance routines such as genetic score matching or k-Nearest Neighbors (k-NN).

By pairing the Placed data from the program period with Collective Bias' first-party audience pixel data, we examined the behavior of those exposed to influencer content versus an identical unexposed control. Our results showed that **48% of the exposed group visited the retailer within four days vs. only 29% in the identical but unexposed control.**

The Findings

The positive store conversion rate of 18.2% for the Test vs. Control affirms that influencer campaigns can impact in-store traffic when implemented alongside audience pixel data. Pixel data allows clients to target an audience they know is already interested in their product or brand.

By serving specialized influencer content to that audience, the chance of a consumer taking an action is already notably higher. Tracking the physical path-to-purchase through geo-fencing at a specific retailer provides the solution for justifying influencer content creation that clients have been searching for.

Within the audience exposed to Collective Bias influencer content, 48% of the group visited the retailer within four days. The content not only drives consumers in-store but does so in a timely and measurable way.

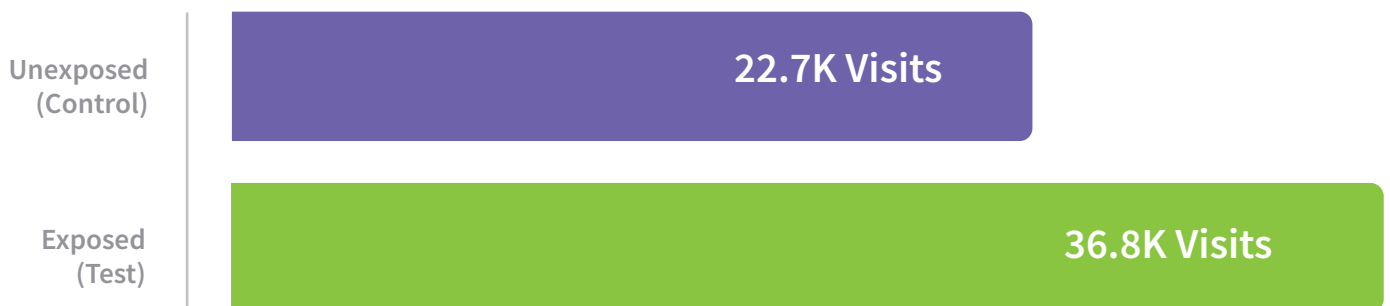
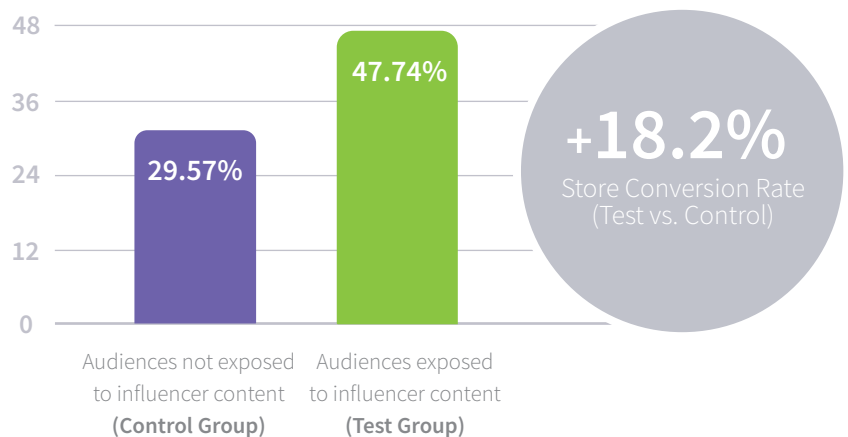
Traditional and digital media struggle to record the actual relationship between content served and foot traffic related to advertising content. This new measurement offering will enhance a brand's presence among consumers while providing valuable store conversion data.

Breakdown of Exposed (Test) Group

47.74%
Store Conversion Rate

Of the 77K verified views of influencer content, 37K of these unique users visited the retailer within 4 days.

Store Conversion Rate



Foot Traffic During Program Window

The Future of Influencer Marketing Measurement

We believe this study creates a new level of standards for measurement with influencer marketing. Brands will now have a suite of tools in their arsenal of analytics that tie online social influencer campaigns to offline sales, in a much more flexible and robust way. And this is only the beginning of proving the true value of influencer marketing efforts. In the near future, marketers will be able to take advantage of:

Closed-Loop Media Measurement

Using Inmar's intelligent commerce networks and retailer and manufacturer partnerships opens the door to measurement efficacy of influencer content from engagement to sale. Inmar's first-party shopper data gives marketers a unique opportunity to close the loop between media exposure and empirical data on shopper activity, at the basket level.

Shopper-Driven Content Intelligence

Using shopper behavioral and basket data by product to deliver recommendations about the optimal content will allow marketers to create strategic insights at the beginning of any influencer initiative. Leveraging this data will also help marketers inform the timeframes in which content is in market to maximize sales impact. Influencer marketing is evolving and is much more than mere influencer selection.

By analyzing market basket data, marketers can shorten purchase cycles across retailers, uncovering which items are co-purchased most frequently alongside your brands to rapidly develop relevant content. This intelligence combined with online engagement data from influencer content gives marketers an understanding of what motivates shoppers and informs influencer content strategies.

Social Graph Mapping

Understanding the influencer's and campaign's sphere of influence is still uncharted territory in influencer marketing. As social graph data becomes more connected, marketers will not only understand how resonant their content is to the influencer's audience, but to the audience's network as well. Mapping the degrees of separation content travels provides a stronger picture of influenceability and virality.

IN SUMMARY

There is no doubt influencer marketing is an important weapon in a marketer's arsenal. "Within the marketing and advertising landscape, the widespread use of influencer campaigns by brands is a relatively new development, and one which has been primarily lauded for generating awareness and buzz," said Bill Sussman, President of Collective Bias.

"We at Collective Bias have always been pioneers in this industry, and now we're setting a new standard for accountability. We know our advertisers are not satisfied with hazy metrics. Now with the power of Inmar Analytics, we can truly understand the data science of online influencers and content, what is driving in-store activity and the real numbers that show return on spend."

About Collective Bias and Inmar

At the forefront of influencer marketing and measurement, Collective Bias' proprietary data and technology enables influencer selection and management, resulting in campaigns that drive true engagement and impact sales for leading brands across multiple verticals. Collective Bias was named one of Forbes' "Most Promising Companies" three years in a row and listed in the "Inc. 5000." Social Fabric® is Collective Bias' hand-selected community of over 9,000+ shopping-focused influencers with an aggregate multi-channel reach in excess of 80 million.

Collective Bias is a wholly-owned subsidiary of Inmar, Inc. Anyone who has redeemed a coupon, filled a prescription or returned a product, has touched Inmar. We apply technology and data science to improve outcomes for consumers and those who serve them. As a trusted intermediary for over 35 years, Inmar has unmatched access to billions of consumer and business transactions in real time. Our analytics, platforms and services enable engagement with shoppers and patients, and optimize results. Together, Collective Bias and Inmar are set to measure the impact of influencer marketing along the entire purchase funnel.

FOR MORE INFORMATION,
please visit [Collectivebias.com](https://collectivebias.com)
or find us on
Facebook or LinkedIn.

