



DEFINING SUCCESS IN INFLUENCER MARKETING

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S **SIDEQIK**

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PART I: INTRODUCTION

So you have decided to take the plunge and work with influencers as part of your marketing strategy. Social media is everywhere, and more and more consumers are discovering new products and making purchasing decisions based on recommendations of friends and influencers.

Influencers are truly trusted by their audience, making their recommendations very valuable. These people have found their tribe. They have cultivated a strong following based around passion points. Influencer marketing is the digital transformation of word-of-mouth marketing. It's finding the audience you want to speak to and the experts around it.

As influencer marketing has evolved, more and more marketers are finding it's frustrating to measure results. Either influencer data is stored in massive, messy spreadsheets, or actual metrics are based on vanity instead of real data. As a major brand, you don't want to be managing your marketing dollars this way.

There are many steps to a successful influencer program. You have many decisions to make, including identifying and recruiting the right influencer, negotiating terms, executing a successful campaign and measuring the whole process. But for the scope of this eBook, we'll focus on two main steps. These are clear goals and strategic measurement.

In terms of measurement, things are evolving. When brands first started working with influencers, they relied heavily on spreadsheets and manual labor. When working with only one influencer, it's conceivable to track each post manually, tallying up likes, comments and shares and putting it all in a document. However, this isn't scalable. Now, there are many tools out there that allow you to track measurements at large scale, so you're seeing the same accuracy with 500 influencers as you would be with one.

The harder part of an influencer marketing plan is goal setting. Launching an influencer program without goals is like sending a ship into sea without a rudder. It will go somewhere, but it's unlikely that it will find the desired destination. Even if you do reach your desired results without clear goals, it's all up to chance.

This eBook will walk you through how to identify key goals, how to measure results and how to know when your influencer program is successful.



PART II: GOAL SETTING

It's important when setting out to complete any form of marketing that you make sure you're setting the right goals. While some numbers may seem positive just by their size, many metrics that marketers track are not very helpful. There's a massive difference between key performance indicators (KPIs) and vanity metrics. Vanity metrics are areas of measurement that have little overall value, but instead look positive. When you're measuring success you need to have real meaning. Site traffic can make you feel good, but what do those numbers really mean? Instead, a better KPI would be bounce rates, which show if people who are counted in traffic numbers are exiting your page immediately. When accounting for bounces, your site traffic doesn't seem so great now, does it?

In influencer marketing, there are often two types of marketers. Those who are primarily focused on awareness and social engagement, and those who are primarily focused on conversions from influencer content.

The first group are often brands that sell through retailers and cannot measure conversions directly. They may see a lift in sales after an influencer campaign, but it is difficult for them to accurately measure lift from social content.

The latter, or groups that are focused on conversions, are much more focused on direct conversions and dollar amount returns on investment.

For groups looking at social awareness, it's important to talk about social numbers and the value they have intrinsically. These values are reach, impressions, and engagement.

Reach is the potential distance your brand can travel when working with an influencer. It is the sum total of all their subscribers across networks. In terms of an individual post, it's the number of eyes that saw a piece of content. So if one influencer shares a post that is seen by 100 people, and 5 people share it with 100 more people, the total reach is 600. When looking at potential reach, you're primarily looking at the number of followers an influencer has. While it may seem to make sense to target the largest reach, studies have shown that users are more engaged with influencers with a smaller following, somewhere in the 4,000 to 100,000 follower range.

While the number of followers gives you some indication of how many people could see your content, real impressions and engagement numbers are a more accurate measurement for understanding how much attention any given influencer may drive. Reach is a weak area of measurement because no matter how many followers an influencer has, they won't all see any given piece of content. Mere fractions of an influencer's followers may actually see a post.

In order to measure returns on investment through the lens of reach, you'd have to quantify the value of overall reach compared to dollars spent.

Impressions are the number of eyes that actually see a piece of content. This is usually a portion of overall reach and a number that grows quickly and then has diminishing returns over time. The number of impressions generated by a post is a valuable way to tell how one influencer is performing against another. When two influencers with similar reach post content, it's good to track which influencer's audience is more likely to actually see it.

For return on investment, impressions can be quantified by assigning a dollar amount to a single impression on each social network. Perhaps your company values Pinterest more than Twitter, or Facebook or any other combination of networks. You can reflect this in terms of measurement by assigning greater values to those networks.

The third area of measurement is engagement. Engagement is likes, shares and comments on a piece of content. In the hierarchy of social actions, engagement is the most highly valued because it proves that an audience not only received a message, but they were also motivated to engage with it, meaning they will be unlikely to immediately forget. Similarly to impressions, engagement is a tool to measure influencers against each other. When launching an influencer campaign. You often want to leverage the most engaged audience.

In terms of value, not all engagements are created equal. On most networks a "like" is a passive engagement, often tossed out while scrolling without fully consuming content. Similarly, a comment may seem more worthwhile, but it's actually just someone sharing their two cents. "Nice post" does not add great value. While infrequent, shares are the most valuable engagement an influencer can receive. Sharing means someone viewed the content, received the

message and decided to share it with their own network.

When calculating returns, be sure to quantify engagements according to their importance and level of participation.

How do you put a dollar value on social content? If you aren't directly measuring conversions from that content — something we'll get into next — it's hard to know what a social post is worth. As a marketer, you know that exposure and engagement have value to your brand and multiple touch points are required to drive a sale. But how do you measure that value. At Sideqik, we used a metric called Earned Media Value to solve that problem. Earned Media Value is a measure of how much money a brand would have needed to spend on paid media or advertisements to achieve a similar level of engagement to what an influencer provides. This isn't a perfect metric — the value of an influencer is often much higher than their posts Earned Media Value, because an influencer has the trust of their audience and you are reaching a highly targeted audience that is part of their tribe. However, Earned Media Value does give you a benchmark by which to value social actions.

If you've decided to use Earned Media Value as a metric to measure influencer value, it can be hard to decide what values to assign. If you're a brand that regularly uses paid media, you can simply measure what you spend on media and calculate the average impressions and engagements you receive as a result. We provide some benchmark values in a chart below, but we recommend brands calculate their own internal metrics whenever possible. In our calculations, an impressions is worth less than a cent, while a share on Facebook is worth more than a dollar. These dollar amounts makes it easy to set goals based around money spent, an easy version of ROI.

(see next page for Earned Media Value table)



EARNED MEDIA VALUE TABLE

INSTAGRAM

METRIC	VALUE (\$)
Impressions	0.00452
Likes	0.33
Comments	3.77

YOUTUBE

METRIC	VALUE (\$)
Views	0.12
Likes	0.48
Comments	1.75

FACEBOOK

METRIC	VALUE (\$)
Impressions	0.00193
Likes	0.39
Comments	1.75
Shares	1.67

TWITCH

METRIC	VALUE (\$)
VOD Views	0.12
Stream Hours Watched	1.008

TWITTER

METRIC	VALUE (\$)
Impressions	0.00173
Likes	0.39
Shares	1.93

**THESE ARE SOME INDUSTRY AVERAGES AND WON'T WORK FOR ALL BRANDS. THE MOST IMPORTANT THING IS THAT YOU HAVE SOME WAY OF ASSIGNING VALUE TO CONTENT SO YOU CAN DETERMINE HOW TO ALLOCATE BUDGET*

It's important to set goals when launching an influencer campaign. Are you looking for a large reach? A massive number of engagements? What else? There are more goals beyond these superficial numbers. What are those? Conversions. Otherwise known as steps beyond social actions that, if possible with your business, you can measure to weigh the success of your influencer program.



PART III: CONVERSIONS

What's a conversion? It may be different depending on your brand, but generally, it's when a social media user goes from passively consuming your content through the help of an influencer, to actively engaging with whatever goal you have decided to measure. For some brands a conversion is a new user, or an app download, or a product being purchased on their e-commerce site. For savvy marketers, you may have multiple conversion steps along your funnel. Did they click the link? Did they add an item to the cart? Did they checkout?

While typically many people consider a conversion to be a concrete step in the sales funnel, for some marketers, it's important to broaden your idea of a conversion. This is why we focused so much on goal setting, because a conversion is whatever a consumer's next step toward that goal would be. So yes, when we say conversions, we may mean a social mention or taking part of a hashtag campaign. For the purpose of this exercise, a conversion is an independent response to a call to action.

For more traditional conversions, it's important to measure each step toward your ultimate goal and the conversion rate for each step of that funnel. To some extent, the most you can hold an influencer accountable for is getting someone to click a link to your website. Once someone is at your website, it's out of the influencer's control. But if you are measuring how a consumer moves from social to website to purchase, you may find an influencer with a larger number of followers drives more clicks, but a higher percentage of clicks from a smaller influencer actually downloads your app or makes a purchase. By measuring these conversions, you are able to understand which influencers are more effective and therefore reinvest in who and what is producing results for your organization.

Some examples of both soft and hard conversions follow here.

FOLLOWER GROWTH

One common trackable gain is growth in followers. This can be achieved through links and tagging. With a goal of follower growth, your influencers would be aimed at driving traffic back to your brand's social media channels. In their calls-to-action they would ask audiences to follow your brand on social media, or at least check out your pages. A goal like follower growth can increase the potential of marketing campaigns in the future.

One way to increase follower growth is through influencer-partnered promotions and giveaways. While you typically wouldn't want followers who are only interested in free stuff, not your brand, using an influencer for a giveaway closely targets an audience. As long as your influencer's audience is a good match for your brand, you're likely to gain highly engaged followers.

It's worth noting that follower growth should never be only KPI due to

the insignificance of organic reach for most brands. Generating followers quickly can be a short-term tactic to drive your organic reach higher, but it can also mean a brand isn't doing the right thing. As an example, Pepsi's organic followers ballooned after their gaffe with the Kendall Jenner protest commercial, but that isn't an indicator of good performance.

BRAND AWARENESS

Perhaps you have a goal of general brand awareness. This is a common and easily achieved goal because it is primarily based on impressions. To measure the returns on a brand-awareness-based campaign, you'd look for an increase of social mentions as your influencer campaign progresses. This is worthwhile because it makes you "top of mind" when consumers are looking to purchase products.

Brand awareness is also somewhere where post sentiment comes into play. When working with an influencer, you want their post sentiment to both generate the most engagement and reflect your brand most accurately. When PETA mentions McDonalds, it's sure to generate buzz, but not the kind the fast-food chain likely wants. Sentiment is an invaluable tool for determining if people are saying positive or negative things about you.

When attempting to promote and measure brand awareness, you want to see posts that have a positive or neutral sentiment. Additionally, it can be good to measure the sentiment of comments on your influencer's posts to see if your brand is being received positively. This can be measured either manually, by assigning someone to monitor activity on influencer posts, or through a software solution.

Similar to measuring follower growth, a call-to-action when you are looking to increase brand awareness would ask audiences to check out your

social media or website.

EMAIL SUBSCRIBERS OR SIGNUPS

Want more people in your email list? Have influencers point in the direction of your landing page. If you see an increase in subscribers, you can attribute it to your influencer program. If you'd like to get more specific, you could possibly use a trackable link that is unique to each influencer, so you know which influencer is providing the most email signups.

To determine the return on investment, you have to decide what each individual signup is worth to you in monetary terms and then calculate that against money spent.

This method also works with form completions, landing page or website traffic and other similar conversions.

PURCHASES

One of the easiest conversions to assign value to is purchases. For many brands, influencers are great sales generators. According to Sprout Social, 74 percent of shoppers make buying decisions based on social media.¹ This means if you're pushing a new product, influencers may be the right way to go.

To track returns on investment for purchases, simply compare the money generated to money spent. In terms of strategy for purchases, you'll need to decide how you want to approach an influencer. Many brands choose to provide free product to an influencer, which can keep costs low and returns

¹ Beese, Jennifer. "Social Networks Influence 74% of Consumers Buying Decisions." Sprout Social, 23 Feb. 2017, sproutsocial.com/insights/social-networks-influence-buying-decisions/.

high. Free product combined with a monetary agreement increases cost, but does usually mean an influencer is contractually obligated to post about the product, as opposed to a free gift.

When tracking purchases, it can be useful to provide direct response or giveaways with discount code emails to catch immediate buyers as well as those who are more hesitant. Remarketing efforts after an influencer exposure can be very effective when persuading consumers to purchase.

When using influencers with the ultimate goal of increased sales, it's important to remember that an influencer is part of your marketing team, not your sales team. Influencer efforts are most effective when partnered with other channels such as email and social media marketing.

OTHER NOTES ON CONVERSIONS

1) When it comes to conversions, specifically click-this-link conversions, not all social channels are created equal. While the value of an engagement may be higher on Instagram, the photo platform doesn't allow links in post captions. Be sure you are selecting influencers who are popular on channels that will convert according to your goals.

2) When planning a campaign with influencers, it's important your execution aligns with your ultimate goals. If you're hope is gain social followers or grow brand awareness, having an influencer authentically talk about your company is great. If you are aiming to increase sales, then the influencer will need a link to a landing page and that landing page should correlate with what an influencer is saying.



PART IV: TIPS FOR MEASURING YOUR MARKETING

Brands who are new to influencer marketing sometimes struggle to quantify results. While some conversions are easily tracked with special links or social listening, other require clear planning and work in order to effectively track them. Here are some best practices to help track all forms of conversions, whether they be socially minded or ecommerce-based.

1. SET CLEAR GOALS.

It's important that you always engage with an influencer with a clear goal in mind. Otherwise, you won't know what impact an influencer is having on your brand.

2. TRACK CORRELATIONS

Even if you can't track a conversion through links, make sure you're linking action A (an influencer's post) with action B (a conversion of some sort.) After setting your goals, define realistic timelines in which you plan to

see results. For example, maybe you will attribute website views within one week of an influencer post to be connected to an influencer.

3. USE TRACKABLE LINKS WHEN POSSIBLE

The easiest way to measure an influencer is through designated links. These show clear conversions where someone has viewed an influencer's content and decided to take an action as a result of it. Many influencer marketing platforms, including Sideqik, offer conversion tracking by generating individualized links for influencers to use.

4. PROVIDE PERSONALIZED PROMO CODES

If you can't use a trackable link, consider offering influencers' promo codes. That way whenever someone uses the code INFLUENCER2018 you'll know their conversion was directly related to an influencer's post.

5. CONSIDER A #HASHTAG CAMPAIGN

If you aren't aiming for signups or purchases and instead are looking to create brand awareness, consider creating specific hashtags for your influencer campaign. Then listen online. If an influencer is asking their audience to post with a specific hashtag, you'll want to see an uptick in use of that hashtag. Make sure it's unique to your campaign, otherwise you'll conflate it with other organic mentions of your brand.



PART V: CONCLUSION

Influencer marketing isn't going anywhere. It's a perfect storm of combining social media strategies with traditional word-of-mouth marketing and when done well, it can yield truly unbelievable results.

As more companies jump on the influencer marketing bandwagon, it's important that your influencer program is a well oiled machine. It needs to be precise, measured, and aimed in the right direction.

By making sure you have clear goals and accurate measurement, you can always know the return on investment of your influencer program. If you aren't measuring, you can't improve in the future.

Hopefully these tips will help you as you move forward in your influencer marketing journey.