



The Guide to
**Influencer
Marketing ROI**



Table of Contents

1. Introduction: ROI Formula & Setting Campaign Goals	1
2. Brand Awareness Goals & KPIs	5
3. Direct Response Goals & KPIs	14
4. The Costs of Influencer Marketing	18
5. ROI by Social Media Channel	26
6. Tools for Measuring & Tracking Influencer Marketing ROI	32
7. Post Campaign: Analyze Your Results to Calculate Influencer Marketing ROI	39
8. Examples of Calculating ROI for Campaigns	43
9. Tips for Achieving a Positive ROI	52



1 Introduction: ROI Formula & Setting Campaign Goals





Influencer marketing is one of the **fastest-growing** advertising channels. One of the most daunting issues businesses face when adopting an **influencer marketing strategy** is how to measure their return on investment (ROI). There are valid concerns, but also **a host of misconceptions**, around determining influencer marketing ROI. This causes some brands to avoid influencer marketing altogether.

Successful influencer marketing programs require brands to allocate a budget. Social media influencers charge a fee for partnering with a brand on a sponsored post. Both parties negotiate the cost of a partnership based on many factors, especially:



Social reach of the influencer (i.e. how many followers across given social media channels)



Type of sponsored content (e.g. Instagram in-feed post, Instagram Stories post, YouTube video, Twitter Tweet, Twitch activation, blog post, Facebook post)



Length of sponsored integration (for example, a one-off Instagram Stories post will cost less than a series of Instagram videos spanning several months)



@rachmartino x Noosa Yoghurt

How can marketers measure their return on investment for influencer marketing campaigns? Marketers must think critically about all the costs associated with an influencer marketing campaign before setting a budget.

This article aims to point out potential hidden costs that impact ROI but aren't initially obvious. Ultimately, marketers must decide how they will measure campaign success in order to judge effectiveness.

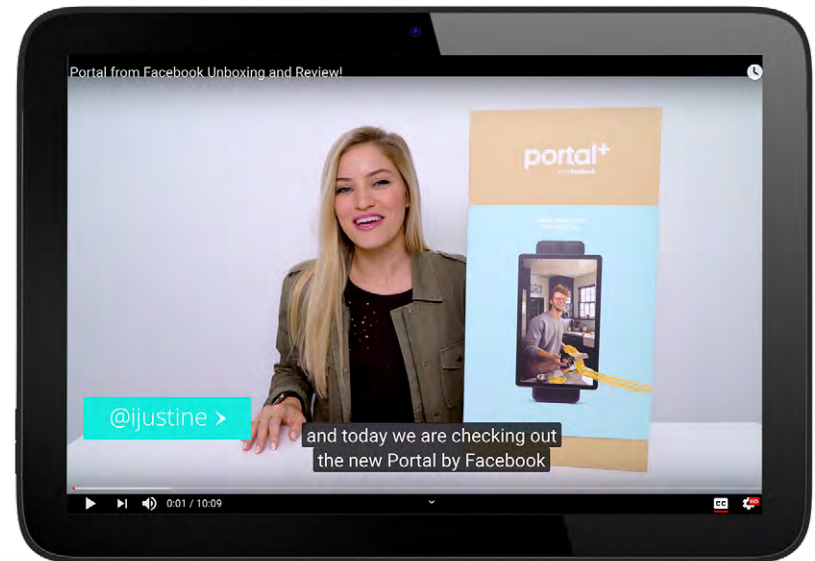
The Formula for Influencer Marketing ROI

Return on investment is generally reflected as a percentage (i.e. the percentage of each dollar invested that will yield a profit). The simple formula for calculating influencer marketing ROI is:

$$\frac{\text{Profit Return}}{\text{Total Amount Spent (Investment)}} \times 100$$

For example, a brand spends \$10,000 in total for an influencer marketing campaign which goes on to generate \$20,000 in profit. The ROI for that campaign can be calculated as follows:

$$\frac{\$20,000 \text{ Return}}{\$10,000 \text{ Investment}} \times 100 = 200\% \text{ ROI}$$



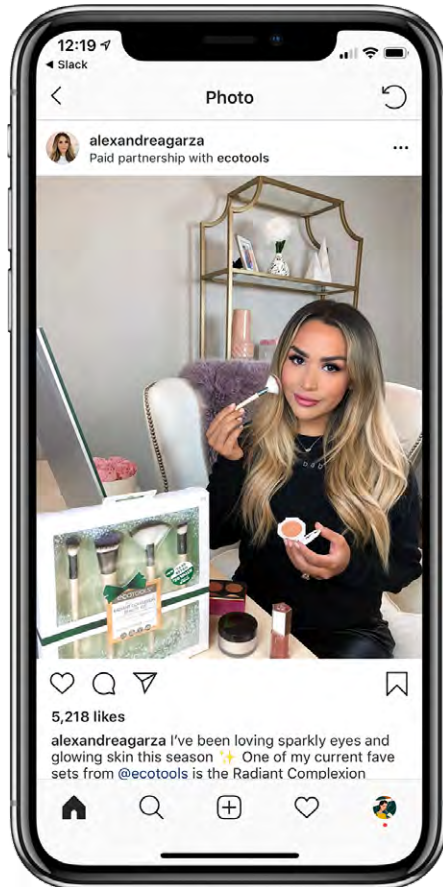
iJustine x Facebook Portal

That means this campaign generated a positive ROI and can be considered a resounding success.

This hypothetical example is simple, but calculating influencer marketing ROI gets more complicated in practice.

Depending on your business model and your goals with influencer marketing, there are many different ways to measure investment and profits.

\\ Goals of Your Influencer Marketing Campaign: Brand Awareness or Direct Response



@alexandreagarza x EcoTools

Use Goals To Establish Key Performance Indicators (KPIs)

One of the most crucial steps to launching an influencer marketing campaign is deciding on your goals. Your goals will inform how you measure results. Campaign results are a critical component of measuring the return.

The KPIs for your influencer marketing campaign are determined by your overall goal. **Influencer marketing campaign goals generally fall into two broad categories: brand awareness or direct response.** In the next chapter, we will dive into specific KPIs for both campaign categories.

2

Brand Awareness Goals & KPIs






@jaglever x Fjällräven

Brand awareness reflects how recognizable your brand is to customers. Brand awareness is tricky to measure since it's not quantifiable as a whole; brand sentiment and brand lift are difficult to capture in a metric.

Measure brand awareness by breaking down its components:

- Social Reach
- Engagement: Likes, Comments, Sentiment, Shares, Mentions
- Press & Media
- Website Traffic

Examples of Brand Awareness Goals

Type of Company	Primary Goal
 Entertainment company promoting an upcoming feature film	 Reach: Promoting the film to as many people as possible to create buzz and drive moviegoers
 New media outlet targeting a teenage audience	 Engagement: Social media engagement and follower growth
 Well-known international brand recovering from a few controversial PR dings	 Sentiment: Building up positive brand affinity
 International hotel brand opening a glamorous new resort in the Hamptons	 Press & Media: Earning editorial news coverage that features beautiful photos of the property to attract future guests
 Non-profit organization which supports foster children wants to draw attention to National Foster Care month	 Website Traffic: General public visits the website to learn more about foster parenting as a cause



Social Reach

Followers & Subscribers

Social media following is the tally of followers an influencer has across their channels. If an influencer shares sponsored posts on their Instagram and YouTube channels, then add up their Instagram followers and YouTube subscribers to calculate total following.

One thing to note, only a small percentage of followers see an individual social media post and actual impressions vary due to algorithms. This is especially true on YouTube, where someone with fewer subscribers but a highly engaged fanbase can pull more views than someone with more subscribers who are less active. Therefore, “following” is best used as a relative metric for vetting influencers as opposed to measuring true campaign reach.

Impressions

Social media impressions are defined as the number of users that have viewed a social post. Impressions are a critical metric for determining a campaign’s reach and a preferred way to measure social reach compared to “following.”

Instagram Insights: Reveals the number of unique accounts that saw a sponsored post or Story via their feed, in addition to total number of impressions.

YouTube Studio Analytics: Shows the number of impressions in search results, unique viewers, and click-through-rate (CTR) for each video.

Facebook Insights: Reveals the number of unique accounts who saw a sponsored post or Story on their feed, but not the total number of impressions.

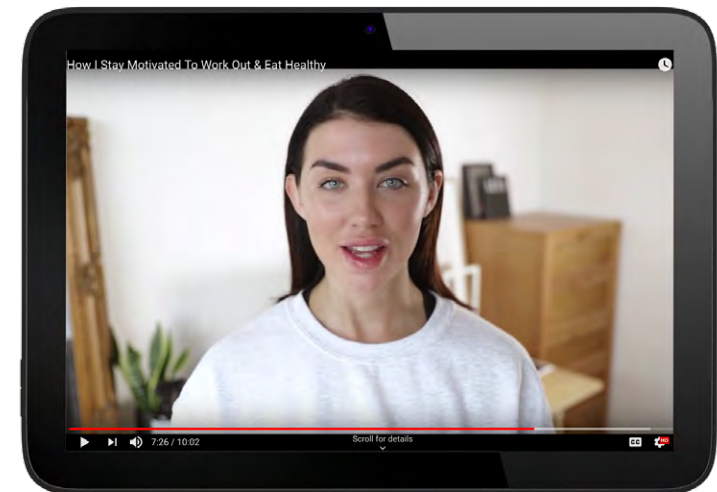


Engagement

Engagement rate measures the audience's interactivity in relation to a social media post. Engagement speaks to how well an **audience receives a post**.

The key performance indicators (KPIs) that are tracked for social media engagement are:

- Likes
- Dislikes
- Comments & Social Sentiment
- Shares
- Follower Growth
- Mentions & Hashtags
- Dark Social AKA DMs



Rachel Aust x Lifesum App

Likes

A “like” is the virtual thumbs-up that’s ubiquitous across social media platforms. A well-liked photo or video not only signifies esteem with users, but also factors positively into some **social platform’s algorithms**, increasing the post’s visibility. For example, the more likes an Instagram photo receives, the more prominently it will be featured on users’ Instagram feeds.

In the chart on the right, you can see slightly different terminology is used for “Likes” on certain channels.



Instagram



likes are reflected as a double-tap heart



Facebook



users choose from a palette of social reactions in addition to Likes including “Love,” “Haha,” and “Sad”



YouTube



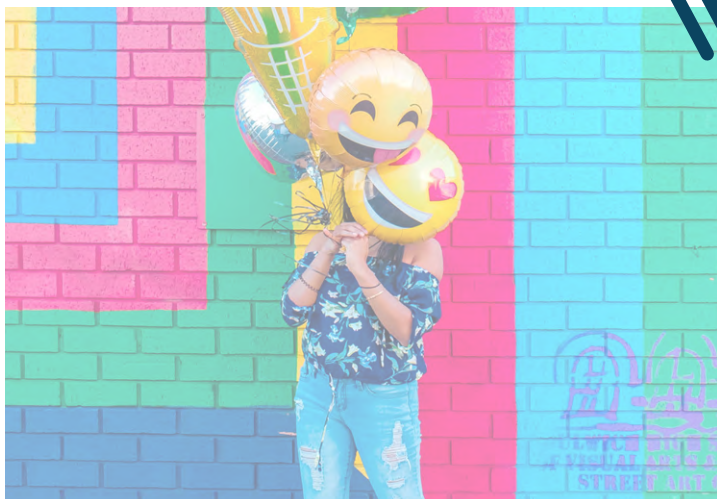
likes are tallied as a “thumbs-up”



Twitter



users “favorite” Tweets



Dislikes

On YouTube & Facebook, users have the option of disliking posts. YouTube viewers can “thumbs-down” videos and Facebook users can react with anger or sadness to posts. The ratio between Likes and Dislikes will indicate which posts resonate with users.

Comments & Social Sentiment

Comments are written responses to a social media post. Users who leave a comment are showing exceptional interest in a post. Comments speak to the post's popularity, particularly when commenters start a dialogue about its content.

Comments are also a useful qualitative metric and an excellent way to understand user response to social media content. Gauge user sentiment by reading the actual content of comments.


Signs of positive social sentiment are:




- # Branded hashtag
- Tagging friends
- Mentioning your brand, especially engaging in conversation, replying to questions, making inquiries, or using branded hashtags
- Compliments about the content itself (“Really creative photography!”)
- Enthusiasm for your product, especially indications of purchase intent (“NEED those metallic sandals!”)
- Positive emojis


Shares

When a user shares a social media post, they are explicitly endorsing that content. Shares expose the content to new audiences outside the reach of the original post. Each social media platform has its own set of Share options:

 **Instagram:** Sharing to your feed in a conventional sense requires a “repost” app or screenshot (the best way to track is by reviewing your brand mentions on Instagram).

 **Facebook:** Sharing displays the post on your own Facebook timeline

 **Twitter:** Retweeting posts the Tweet on your Twitter feed

 **Pinterest:** Repinning a Pin adds it to a Pinterest board that you choose

Shares aren't recommended KPIs for YouTube and Twitch, because the Share options are off the platform and difficult to track.

Mentions & Hashtags

Social media mentions happen when a user mentions your brand by name using an @ tag (e.g. @Mediakix). Users will also integrate brand hashtags into their posts. Both hashtags and mentions show a high level of brand affinity and social alignment. Generally, mentions expand your brand's exposure while hashtags help disseminate buzz about a specific marketing campaign.



@margoandme x Moët USA

Follower Growth

Your brand may base an influencer marketing campaign around growing your own social media following. Track the average follower growth in the months leading up to an influencer activation as a benchmark, so that you can distinguish organic follower growth from followers who discovered your brand via an influencer.

Dark Social AKA DMs

“Dark social” refers to social media actions taken that are private, meaning the interaction is only visible to the user and their recipient. For example, direct messaging is private, thus only the sender and recipient can view the contents of a message.

Dark social metrics will show you when a user:

- Saves or favorites a social post
- Uses direct messaging to share social content
- Emails the link to the social post





Press & Media

Press coverage about your influencer marketing campaign helps to spread your message even further. Influencer campaigns must truly stand apart to generate any press attention, or even go viral. Influencer campaigns that garner media coverage often contain:

- Highly creative storytelling and visuals
- Noteworthy, recognizable influencers or celebrities
- Funny, entertaining, and relatable content
- A charitable angle or non-profit organization affiliation (i.e. cause marketing)
- A topical theme that speaks to a current trend, cultural movement, or news event

Media mentions and links to your website boost brand awareness across many channels:

- **Organic:** Anything published online mentioning your brand's influencer program will be visible via Google Search results including News, Video, Local, and Image searches. This provides another point of entry for new impressions.
- **Referral:** Publications covering your influencer marketing campaign will link to your website and social profiles, further amplifying your message.
- **Social:** Major media sites, blogs, and influencers may share your brand campaign via their official social media channels. In addition, users who connect with the sponsored content itself might share it on their social feed or via direct message to other users.

// Website Traffic

People will want to learn more about your brand after seeing a sponsored post or reading press about it. Some potential customers will opt to visit your site directly to learn more.

You'll find that increased media coverage produces a "halo effect" around your website, increasing the overall traffic from all sources: organic, referral, social, and direct.



Direct



Social

**Your
Brand**



Organic



Referral





3

Direct Response Goals & KPIs











@heyklaire x Olehenriksen

Direct response is an attributable, specific action that a user takes in response to a campaign. For influencer marketing, a sponsored social media post contains a clear call-to-action prompting the user to take action.

If the goal is direct response, KPIs might include sales, downloads, or signups, depending on the product or service.

Examples of Direct Response Goals

Type of Company	Primary Goal
 Consumer cosmetics brand that wants to drive sales	 Purchases: Cosmetics sales
 Subscription meal-kit service aiming to gain additional subscribers	 Signups: New subscribers sign up to start receiving weekly meal kits
 International hotel brand is opening a glamorous new resort in the Hamptons	 Clicks: Referral traffic to website with visitors reading one or more articles
 B2B software company looking to acquire more enterprise customers	 Downloads: Form submissions to request a software demo

Purchases

Product purchases are a gold standard of measuring return. Product sales can be analyzed with greater nuance by honing in on:

- Revenue, or the total money brought in by a purchase
- Profit, or the total revenue minus costs (AKA the bottom line)
- New versus existing customers
- Price point of products purchased
- Average order value
- Customer lifetime value (CLV)
- Cost-per-acquisition (CPA)



💡 PRO TIP

CLV refers to the entire amount a customer spends spanning across multiple orders throughout their life. If you have a solid grasp of CLV, you can project future returns even after an influencer campaign has concluded.

Signups

A signup occurs when a customer submits their information to:

- Subscribe to a newsletter or product (e.g. start a beauty box subscription)
- Create an account (e.g. join the Starbucks Reward Program)
- Become a member (e.g. enlist in the ACLU)



@heatherpoppie x Native Deodorant

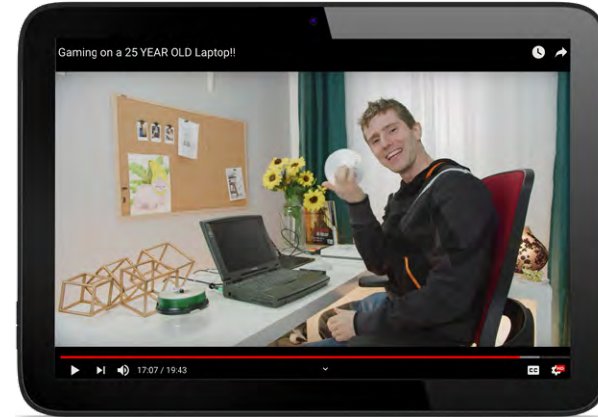
Click-Through Rate (CTR)

“Click-through” or [click-through rate \(CTR\)](#) describes the number of times consumers click on a suggested link in a promotional post. These clicks will lead the user to a dedicated URL (like a landing page or product page) where they are prompted to convert.



💡 PRO TIP

CTR can help identify holes in your funnel! If CTR is high but conversions are low, this could indicate that the offer is un compelling, the landing page has poor user experience, or there’s a mismatch between user expectations and the actual content of the destination page.

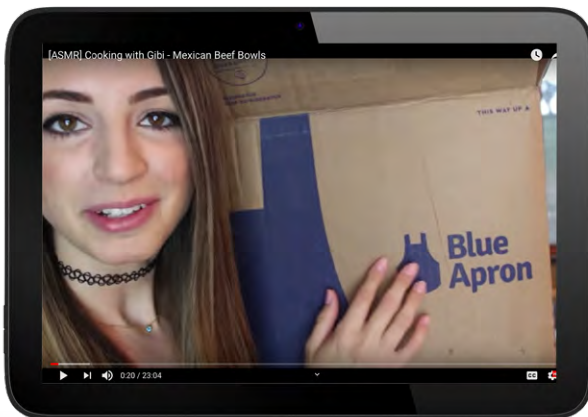


Linus Tech Tips x World of Warships

Downloads

Downloads are digital products, like apps, software, ebooks, or whitepapers. Download transactions are common KPIs for mobile games and B2B companies. Examples of influencer campaigns with downloads as a KPI:

- A mobile game developer company with the goal of gamers downloading the latest puzzle game in a flagship franchise
- A dating app with the goal of getting more singles to download the app and create an account
- A sales organization with the goal of getting potential prospects to download a new white paper



Gibi ASMR x Blue Apron

4

The Cost of Influencer Marketing



In order to calculate ROI, you'll need to tally the costs that go into an influencer marketing campaign. Possible costs include:

Time & Staffing

Properly researching and vetting potential influencer partners requires many hours scouring social media channels and the internet. Next, you'll need to track down influencer contact information, create a campaign brief, and reach out to the set of influencers.

As many influencers are inundated with brand requests, your message must be carefully polished to cut through the noise. After, there's negotiation and coordination with influencers which requires time to manage the relationship(s).

These steps are time-consuming and require personnel to manage. Depending on the size of your influencer marketing program, this might mean investing in training programs or creating a dedicated **role for influencer management**.



Software Costs: Influencer Marketing Platforms

Brands can manage their influencers and campaigns through specialized **influencer marketing software**. An influencer platform is a software-based directory where companies can search for influencers across social media platforms.

These searchable online directories contain a wealth of data about influencers (e.g. gender, audience demographics, engagement rate).

It's a two-way street—influencers themselves can also join a platform to seek out brand sponsorship opportunities.

Platforms are subject to recurring monthly fees to access the platform. Many platforms will charge a flat fee or percentage fee of total campaign budget for activations that result from platform use.

Platforms can offset certain costs:

- Databases provide powerful search and filter functionality, which makes the searching process much quicker than manually compiling a list.
- Platforms provide a financial safety net by being the “broker” between both brands and influencers. This mitigates some brand risks because the platform can withhold payment until the influencer has met all of the terms of the agreement.
- Platforms often provide “managed services lite” by allocating an account manager to help with both negotiation and relationship management. This helps cut down the tedious back-and-forth between your company and influencer partners.

For example, a beauty brand wants to launch a sponsored YouTube campaign with beauty influencers targeting at least 500,000 subscribers with a female audience ages 26-35-years-old. Using a database, this beauty brand can use specific criteria to find the right YouTubers with just the click of a button.



💡 PRO TIP

Most influencer marketing software has analytics capabilities which streamline reporting and analyzing results.

Marketing Agency Fees

Well-established **influencer marketing agencies** that execute campaigns from beginning to end charge a fee for their services. Although marketing agencies tend to require a sizable investment, they can reduce costs in other areas.



@fleurdeforce x Fage

The major financial benefits of working with an influencer marketing agency are:

1. **Time Saved:** Outsourcing the major time investment needed to manage an influencer marketing program.

Partnering with an influencer marketing agency greatly reduces your brand's need for manpower to run a successful influencer program. Agencies can own the work that your brand's internal staff would otherwise manage.

2. **Lower Influencer Rates:** Securing lower influencer fees by leveraging established relationships.

Influencer marketing agencies have cultivated relationships with influencers and possess records of their performance.

Agencies also have the ability to negotiate influencer fees. This allows agencies to secure preferred influencer rates to help keep costs down. Agencies can offer an economy of scale by bundling costs across multiple campaigns.

3. **Data-Driven Campaigns:** Applying data from past campaign performance to inform influencer selection.

Agencies can leverage experience and data to guide brands towards choosing the influencers who will likely provide the best ROI. Their industry expertise can help your company avoid wasting money on influencer activations that won't achieve your desired goals. Agencies only work with influencers who use reputable business practices (i.e. no fake followers or fishy engagement stats), so the metrics achieved are reliable.

Influencer Fees

Influencers charge brands payment in exchange for creating sponsored content. That payment is nearly always in the form of cash. Up-and-coming influencers are sometimes willing to create branded content in exchange for high-ticket products (e.g. furniture, fine jewelry, watches) or travel accommodations. Trade agreements are becoming less common as the influencer marketing industry grows and creators have more opportunities to monetize their following.

For professional influencers, creating branded content is their full-time job and primary source of income. Nano-influencers (influencers with <1,000 followers) charge a few hundred dollars per post, while macro-influencers (influencers with >1,000,000 followers) can charge tens of thousands of dollars for sponsored posts.

Influencers are able to set their fees based on their:

- **Popularity:** The number of followers across all social media channels.
- **Engagement:** How much their audiences respond to their content through shares, comments, and likes. Many influencers take this engagement to the next level, by launching their own products or hosting events, which can impact their ability to command larger fees from brands.
- **Production Quality:** Creators put effort into creative planning, production, and marketing for a full campaign. Social media influencers who are especially skilled at photography, videography, editing, visual design, or writing can charge more for brand sponsorships.
- **Niche Skills:** Specialized skills like baking, crafting, construction, interior decorating, sewing, singing, painting, and humor can all translate into higher fees for sponsored content.
- **Past Performance:** It's now an industry standard for influencers to have an impressive portfolio of brand collaborations, a media kit, and proven results working with other brands. Creators who can vouch for their ability to drive results for brands can justify a hefty fee.
- **“It” Factor:** Like anything, some influencers just have that indefinable “je ne sais quoi” which makes them a desirable ambassador to many brands. Whether this comes from buzzworthy content, cult of personality, sensational stunts, celebrity friends, or an outstanding personal style, influencers who achieve that “it” status will be able to charge more based on demand.



💡 PRO TIP

If you're working with bloggers, metrics like site traffic and email subscriber list also factor into their popularity and creator fee.



@sincerelyjules x Revolve



Content Production

At a basic level, production costs like shooting and editing content are oftentimes included in the influencer's fee. A brand may be responsible for production costs if the campaign is especially elaborate, requiring:

- Travel
- Specialized props or sets
- Costumes
- Additional talent like models, hosts, or actors
- Makeup artists
- Hair stylists

Product Samples

If your brand sells a product, you'll need to provide creators with product samples. If your brand sells a service or experience, the influencer will need to try it out before creating branded content. These hard costs should be taken into account as an expense when calculating ROI.



💡 PRO TIP

Repurpose the high-quality content created by influencers for your blog, social channels, and email marketing in order to make the most of your investment. Be sure that your influencer agreement grants you usage rights, so that you can legally share the campaign creative.



Measurement & Tracking

Tracking results is a crucial component of measuring influencer marketing ROI. In terms of data measurement, costs to take into account include:

- Analytics software or platforms
- Developer resources to implement tracking
- Time spent crunching numbers
- Manual gathering of screenshots and qualitative results

Legal Costs

Developing **influencer contracts** and agreements around terms, **ownership**, licensing, and disclosure need to be factored into any influencer marketing budget. Whether you have an in-house attorney or a contract lawyer, legal fees can be substantial. This belies the importance of using an airtight influencer contract and adhering to **FTC guidelines** around sponsored content to protect yourself from a costly legal hassle down the line.

Promoted Posts

Your brand can opt to boost a social post after an influencer has shared it on their feed, using paid advertising to acquire even more impressions. This form of social media advertising generally uses a cost-per-thousand-impression (CPM) model, an expense to add to your balance.



5

ROI by Social Media Channel

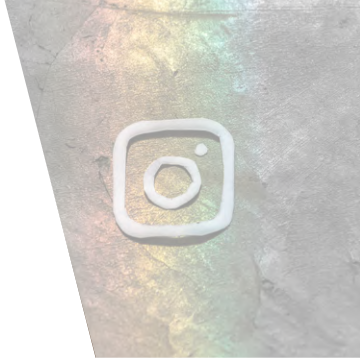


All social media channels are not created equal when it comes to measuring ROI. Some social media channels and content formats offer relatively stronger engagement levels, more extensive analytics, and greater capabilities for measuring and achieving ROI. In addition, depending on the nature of your brand's products or services, certain channels are better suited to communicate your value proposition.

// Instagram ROI

Instagram Post Formats

When planning an Instagram based influencer campaign, marketers should consider the desired post type and the implications of that medium.



Instagram Stories

Instagram Stories appear at the very top of user feeds in reverse chronological order, making them the right conduit for direct response campaigns that are time-sensitive. Stories allow influencers to use two types of CTAs: a verbal call to action and the “Swipe Up” trackable link.

IGTV

IGTV, the Instagram spinoff app, allows creators to share long-form vertical video content. So far, much of the content on **IGTV** is repurposed from regular Instagram in-feed video posts, YouTube, and other social channels. IGTV is relatively new, and since many influencers haven’t embraced the platform for unique video content, there’s opportunity for branded content to stand out within this unsaturated channel.

Instagram In-Feed posts

Sponsored Instagram posts are difficult to measure for direct response campaigns because linked CTAs are not allowed within Instagram post captions. Users tend to scroll through their Instagram feed quickly, whereas they are more likely to linger on video content. Instagram in-feed posts allow for more engagement than Stories, making them the right format for branding campaigns.



💡 PRO TIP

Instagram posts are ephemeral—older in-feed posts are rarely seen and Stories disappear within 24 hours. Keep time-sensitivity in mind when planning an Instagram influencer campaign.

What to Promote: Visual, Photogenic Products

Instagram is well-suited to brands with highly visual products that are best understood through photography. Photocentric brands in industries like fashion, beauty, and travel are a natural fit for Instagram where users get an impression of the product even as they scroll through their feed.



Long-Form Videos

YouTube videos provide many opportunities for user conversion. Audiences are highly engaged with video content and YouTube offers comprehensive video impression metrics for tracking engagement on a sponsored video. The key CTA in a YouTube video is verbal— influencers will encourage their audience to take action during the video itself, when viewers are paying close attention. YouTubers can also add a trackable link in the video description box or offer coupon codes.

Video Discoverability

YouTube content is not as “feed-centric” as other social media channels, which means even older videos can be a powerful marketing tool. YouTube promotes the discovery of videos in two primary ways:

- **Recommended Content:** YouTube serves video content recommendations based on past viewing behavior, even if videos are several years old. This allows videos to hold residual value long after they are initially shared.
- **Search Engines:** YouTube videos rank well in Google Search, offering a dynamic way to get in front of audiences who aren’t following the YouTuber that created the sponsored video. YouTube videos generate many views via users conducting product research on Google.

What to Promote: Complex, Multi-Step Products & Services

YouTube is well-suited for brands with complex, feature-rich products or multi-step services that are best understood through demonstration. Brands in industries like personal technology and meal-kit delivery will perform well with the long-form video format of YouTube. YouTube is known as a **destination** for researching and comparing different products.

Nicheness

There’s a correlation between nicheness and ROI, and YouTube channels tend to be very specialized. For example, if a tech brand sponsors a product review on a technology enthusiast YouTube channel, they’ll generate a higher ROI than choosing a more general lifestyle YouTube channel with a larger following.



Blog Post Format

Sponsored blog posts are more trackable due to the robustness of web analytics, which provide extremely detailed results on user behavior. Bloggers include trackable links and written CTAs within the body of their blog post, which can be tracked directly back to site traffic or conversions.

SEO Value

Blog posts will continue to surface long after publication via search engines, meaning sponsored posts have longevity and residual value.

Versatility

Virtually all blogs are based in HTML and the blogger themselves controls their content. All social media platforms have rules that constrain content, for example:

- YouTube videos must have a 3:2 aspect ratio
- Instagram allows no more than 20 hashtags per comment

Sponsored blog posts are not bound by any rules, which means marketers can use blog content to bypass the structural or contextual rules that exist on social media platforms. Sponsored blog posts allow marketers to:

- Have more freedom with featuring photos and videos because there are no restrictions on size, dimensions, or quantity
- Promote NSFW content for brands in cannabis or adult entertainment industries
- Edit, update, and expand the blog post easily at any time

This means that brands that choose to sponsor bloggers have a much greater ability to customize their content.

What to Promote: Personalized, Heavily Researched Products or Services

Blogs are well-suited for brands with highly-personalized products or services that consumers research a lot before making a purchase decision.

Brands that sell vitamins, personal stylist services, or mattresses will perform well in a blogging format, where a blogger will explain their detailed decision making process and personal experience with the product.

The blog format works well for things that are meant to be more effective over time, especially anything habit-related like diet, fitness, or productivity. Blogs allow an influencer to detail their experience using a product for a longer time period, including a “before and after” reveal.

Dedicated Readership

Successful blogs have a dedicated readership that trust and relate to the blogger. Many blogs have their own micro-communities in the form a “commentariat,” which refers to regular blog readers who post comments and discuss each new blog post. This deep level of engagement provides bloggers with ample sway over their readers.



Simply Taralynn x Cheerios

Twitch Sponsorships Are Intertwined With Twitch Culture

One notable aspect of Twitch is that sponsorships are highly woven into the platform and culturally accepted by the community. Streamers provide content to their fans for free, and in turn, fans support their favorite streamers and want them to bring in an income through brand sponsorships on the platform. Twitch users tend to have less distaste for sponsorships than users on other platforms, like Instagram and YouTube.



💡 PRO TIP

There's a positive correlation between the number of Tips and Donations a streamer earns and how successfully an influencer marketing campaign will perform. You can compare Donations between streamers to get a relative sense of how much their audience endorses them.



Twitch Trackability

Livestreams

Twitch livestream activations are difficult to track because streamers promote brands as part of a livestream broadcast and then cross-promote the content on multiple social channels. While viewers are highly engaged during Twitch Streams, it's difficult to track direct engagement with the brand. Because Twitch is an emerging format within influencer marketing, there truly isn't enough data to make fixed generalizations about the ROI implications for using Twitch.

Other Twitch Ad Formats

Twitch brand ambassadorships, ongoing sponsorships between a brand and Twitch streamer, are more trackable. Typically, the streamer will share affiliate links and discount codes with their subscribers. This shoutout might entail placing display ads on their Twitch user profile or mentioning promo codes on their livestream.

Further, Twitch offers a varied array of creative ad formats including chat commands, themed overlays, co-viewing video content, mini-games, polls, and branded in-game alerts. There are dedicated agencies, like StreamElements, which specialize in livestream influencer marketing.

What to Promote: Products That Appeal to Gamers

Twitch is well-suited for brands that make products that resonate with a niche, video-game-enthusiast audience. Gaming audiences have a specific user profile, predominantly males ages 18-34, so brands with a similar audience profile should consider partnering with Twitch streamers. Twitch doesn't currently offer granular demographic data or targeting abilities for its user base.

Besides promoting video games, gaming hardware, streaming software, and video game accessories, advertisers are leveraging Twitch influencers to promote energy drinks, snack foods, and feature films. Like most influencer marketing campaigns, a product will perform well if it's on-brand for the Twitch creator.





6

Tools for Measuring & Tracking Influencer Marketing ROI



@weworewhat x Naadam



You'll need to lock down appropriate measurement tools to track KPIs before launching influencer marketing campaigns. Set up tracking on appropriate measurement tools prior to launching a campaign so you can more accurately calculate ROI.

Recommended tracking methods include:

Qualitative Research

Measurement of brand sentiment and brand affinity will require qualitative research. Third party analytics tools can use algorithms to review the language used in comments and provide this qualitative data. For smaller campaigns, a manual approach might be the most practical.

Web Analytics

Google Analytics (GA), the ubiquitous platform for tracking website performance, is a powerhouse of data. GA is completely free and extremely customizable; you'll be able to track traffic, unique visitors, traffic sources, goal completions, and more. Other data analytics platforms can be used instead of, or in conjunction with, GA including Adobe Analytics, Tableau, and Salesforce.

Social Analytics

Third Party Analytics

Use a third party analytics tool that's able to synthesize social media metrics to provide deeper insights. Some social media analytics tools can pull in data from other data sources (like Google Analytics, your company's CRM, or manual uploads), which greatly boosts their power in providing detailed data. Using a social media suite can be especially helpful for complicated influencer marketing campaigns that involve multiple influencers and social channels. Popular tools include:

- **Hootsuite:** A popular social media software that focuses on visual data and time-flexible basic metrics like traffic, growth rates, and engagement.
- **Sprout Social:** A social media analytics platform that aggregates social media data across all multiple profiles.
- **HypeAuditor:** An AI driven tool that checks influencer account insights for fake audience and engagement.

Social Platform Native Analytics

Social platforms have native analytics to track platform specific metrics like impressions, views, likes, hashtags, and comments. Specific data will vary by social media platform.

- **Instagram Insights:** Track interactions, reach, discoverability, and impressions. View likes, comments, shares, and saves for every post. Review audience insights to learn more details about fans.
- **YouTube Analytics:** Check video watch time, views, subscriber demographics, and engagement level via YouTube's robust analytics platform.
- **Facebook Insights:** Learn reach, impressions, engagement, and other KPIs on sponsored Facebook posts.



💡 PRO TIP

Using a social media analytics suite is highly recommended for complex influencer campaigns since you'll be able to drill down data for individual activations or take a high-level look at the overall campaign success.

Promo Code

Create a unique promotional code for influencer campaigns involving signups or purchases. Promo codes could offer a percentage discount from a purchase or a special redemption offer for signing up. You'll be able to attribute conversions to a specific influencer through their unique promo code. Discounts provide an incentive to audiences to make an impulsive purchase.

Dedicated Landing Pages

Develop a dedicated landing page with messaging tailored specifically to an influencer's audience. Through that landing page entry point, you can track visits and conversions resulting from the influencer's branded post.

Conversion Pixels

A conversion pixel is a tiny 1x1px image which is placed on the destination page linked to a sponsored social media post. Whenever a user reaches the destination page, the image loads counting as a visit. Conversion pixels are used exclusively in conjunction to paid social media campaigns, like Facebook Ads.



@zara_mcdermott x Abbott Lyon

Types of Trackable Links

Trackable links are the ideal way to measure CTR. Common ways to track links include:

Original URL

<https://mediakix.com/ipad-giveaway-2018>

Shortened URL

Shorten a long URL using a link shortener - Bitly and Google URL Shortener are popular choices.

<https://bit.ly/2BgTNlu>

→ redirects → Original URL

Vanity URL

Use a vanity URL that's short and easy to remember, which redirects to the full destination URL.

mediakix.com/ipad

→ redirects → Original URL

UTM URL

Add a UTM code to specify the source, medium, and campaign associated with your campaign within the URL.

https://mediakix.com/ipad-giveaway-2018/?utm_source=instagram&utm_medium=social&utm_term=lele-pons

Customized URL

A unique, custom URL for each influencer in your campaign.

mediakix.com/lele-pons-ipad-giveaway-2018





7

**Post Campaign:
Analyze Your Results
to Calculate ROI**

1. Add Up Your Expenses

Start by adding up every expense that went into your influencer marketing campaign.

Account for Hard Costs

Account for hard costs, like the influencer fee, agency fee, and production costs first.

Decide How to Measure Tools Used for Multiple Campaigns

Next, you'll want to add up costs for tools used for multiple activations, like influencer platforms or social media analytics software.

Recurring expenses, like subscription to a software, are slightly more complicated because they often span across multiple campaigns. The key is to replicate the same formula for each influencer campaign so you can compare results between campaigns.

Say, for example, you use an influencer marketing platform for five different influencer activations over the span of a month. You would count 1/5th of the monthly subscription fee as a cost for each individual influencer activation.





@clementstwins x Lanoosh



2. Add Up Your Return

Direct Response Benchmarks

Start by adding up direct response KPIs like purchases and subscribers. These types of returns are the most straightforward to quantify.

There are many ways to determine a value for direct response KPIs, for example:

- **Site Visit:** Calculate the average CPC for paid search traffic
- **Social Media Follower:** Divide revenue originating from social channels by your total number of social media followers over a specified time period
- **Newsletter Subscriber:** Divide revenue via the email channel by your number of active subscribers over a specified time period

There are no universal industry standards for measuring the return of an influencer marketing campaign. Most businesses rely on existing sales funnel data to establish their own benchmarks to assign value to each KPI.

Brand Awareness Benchmarks

Establish values for each KPI (i.e. a social impression is worth \$0.08, a site visit is worth \$1.06).

Brand awareness KPIs are not associated with a standard dollar amount because the value varies tremendously based on industry and business model.

3. Calculate Influencer Marketing ROI

Once you establish a standard method of exactly how you're calculating costs and expenses, use the formula to calculate your influencer marketing ROI.

Influencer Marketing ROI Formula

$$\frac{\text{Profit Return}}{\text{Total Amount Spent (Investment)}} \times 100$$



8

Example

of Calculating ROI



Here we'll break down how to calculate ROI using influencer campaign examples to help illustrate the process in more detail. We'll explain any assumptions that go into the ROI methodology.



Alo Yoga: Brand Ambassadorship on Instagram for a Series of Sponsored Instagram Posts

Alo Yoga, an athletic apparel brand specializing in workout clothing for yoga, works with many influencers on Instagram. Instagram influencer Seonia is one of Alo's official brand ambassadors—she regularly posts photos of herself in impressive yoga poses. As part of the agreement, this yogi carefully follows brand requirements in her posts by:



@seonia x Alo Yoga

- Tagging the brand to indicate sponsorship (@AloYoga, @AloMoves)
- Using campaign-based branded hashtags (#ReflectAndFlourish, #AloYogaChallenge)
- Wearing exclusively Alo Yoga apparel including clothing pieces from the newest seasonal collection
- Noting that she's an @AloYoga ambassador in her Instagram profile summary

The goals of Alo Yoga's brand ambassador programs are acquiring new customers, thus the KPIs are product sales and email signups.

1. Add Up Your Expenses

Alo Yoga takes a hybrid of two common influencer strategies:

- Always-on (meaning Alo partners with influencers on an ongoing basis)
- Campaign-based (Alo's team of ambassadors shares campaign specific content)

Assume that Alo pays a flat influencer fee to Seonia for her ambassadorship and they renew the agreement each quarter.

Here are all of the expenses that Alo Yoga would want to take into account for this activation:



Expenses



Total

Employee Time

Alo doesn't have a dedicated role for influencer marketing—all of the employees involved in influencer activations are salaried and do many other tasks. Thus, Alo always excludes employee time as an expense any instance where they calculate ROI.

- Social media manager conducts influencer discovery, outreach, and day-to-day communication
- VP of marketing reviews and signs off on decision to partner with Instagram influencer
- Accounts payable associate completes influencer invoice
- Fulfillment team sends off merchandise

\$0

Influencer Fees

Alo pays its ambassadors a flat monthly fee for a three month commitment. Their agreement stipulates that the influencer must post at least 10 original in-feed posts and 30 Story posts. Seonia exceeded the minimum number of posts.

- Seonia's monthly fee is based on
- her following (200k+ followers)
 - high quality photography
 - elite yogi talent

**\$2,500/month x 3 months in a quarter
= \$7,500**

Product Samples

Influencers are given a \$3,000 quarterly clothing allowance based on retail prices. The product sample expense should be calculated based on cost of goods and services (COGS) and shipping the merchandise. Assume that COGS is 50% of the retail price and the clothing samples were sent monthly at \$10 per shipment.

- Influencer models approximately 63 new styles:
- 23 leggings at **\$110** avg. retail
 - 27 tops at **\$60** avg. retail
 - 13 sports bras at **\$60** avg. retail

**\$1,500 yoga clothes total
\$30 shipping**

Product Costs

It's an assumption, mutually agreed upon before finalizing the business relationship, that Alo brand ambassadors cover their own production costs (photography, travel to shooting locations, hair, makeup). Any production costs are already accounted for within the influencer's fee.

\$0



Expenses



Total

Lawyer Fees

Alo sends off influencer agreements to their contract lawyer for review before signing.

1 billable hour to review influencer contract

\$250

Measurement & Tracking

Google Analytics tracks website visits, email marketing signups, and most importantly, product sales. Google Analytics is free of cost.

The tools that Alo uses to track the performance of their digital marketing campaigns are Google Analytics (**\$0**) and the social media analytics platform Curalate.

Curalate measures social media engagement, changes in following, social sentiment, and the demographics of Alo's Instagram fanbase.

Since paid tools like Curalate are used for many initiatives, it's broken down as follows:

- 50% used to manage Alo's in-house social media properties
- 50% used to track the success of influencer campaigns for 10 brand ambassadors

$\$1,000 \times 50\% / 10 = \50

Grand Total Costs: \$9,330





2. Add Up Your Return

Next, calculate your KPIs to determine your return on Alo's partnership with Seonia for one quarter.



Returns



Total

Product Sales

Seonia uses a custom UTM code for all of her Instagram Story posts. Alo uses the UTM code in conjunction with Google Analytics to track product sales produced via her Instagram profile.

\$7,800 in product sales

Email Signups

Alo Yoga uses existing data to determine the value of a single contact in their email database, based on projected sales via the email channel. Each new subscriber is worth \$4.25—this might seem really low, but it's typical in retail to convert a relatively small fraction of a brand's total email marketing list of customers.

1,270 new email signups x \$4.25 = \$5,398

Instagram Engagement

Using Curalate, Alo is able to determine that in total, Seonia's sponsored posts generated 308,000 likes, 4,800 comments, and 15,000 video views. Curalate also enables Alo to gauge social sentiment and glean insights on the demographics of Instagram users who are engaging with Seonia's branded posts.

\$0

These soft metrics don't correlate to a hard dollar amount, but they promote brand awareness and brand affinity and provide valuable insight into their target customer demographic.

Grand Total Return: \$13,198

3. Calculate Influencer Marketing ROI

Going back to our formula, we can calculate Alo's ROI for partnering with Seonia as a brand ambassador for one quarter.

$$\frac{\$13,198 - \$9,330 \text{ (Return)}}{\$9,330 \text{ (Investment)}} \times 100 = +41.5\%$$

In addition to achieving a 41.5% monetary ROI on this initiative, Alo Yoga also benefited from brand exposure and customer data via Instagram. Seonia has proven to be a valuable partner for the Alo Yoga brand in terms of boosting product sales, number of email marketing contacts, and overall brand awareness.





Tips for Achieving a Positive ROI

As with any type of paid media, it's not possible to guarantee a positive outcome. Working with an experienced influencer marketing agency or hiring a seasoned influencer manager will help.

Some guidelines for achieving a positive ROI on your influencer marketing campaign:

One CTA

Focus on ONE call-to-action for your campaign—conflicting CTAs usually lead to confusion and no action.

Do ✓

“Get 10% off your purchase using the discount code NEW10”

Don't ✗

“Sign up for our newsletter to get 10% off your purchase! Click the link in bio to shop our newest collection today. Don't forget to like our post and tag a friend to be entered to win a product haul giveaway!”

Focus Your Message

Provide limited talking points to influencers to hone your message.

Do ✓

Provide 1-2 high level points about your brand as guidance to influencers.

Don't ✗

Ask influencers to post a pre-written, canned message that sounds like your marketing team. Using a script will come across as inauthentic and defeat the purpose of working with influencers.

Vet Your Influencers

Do your homework vetting influencers so you don't work with an influencer who has **fake followers** or an audience that isn't suited to your brand.

Do ✓

Carefully review an influencer's followers, followings, content, engagement, and online presence to ensure they are the real deal. Hire a seasoned employee or influencer marketing agency to vet influencers—it requires a great deal of experience to properly vet influencers.

Don't ✗

Be swayed by a polished looking press kit or website—look at actual social media assets to get an accurate read on an influencer.

Creative Freedom

Allow the influencer creative freedom—this will elevate the content and make it more organic.

Do ✓

Develop a campaign brief that frames your brand's objective and any must-have components for influencer content. Ensure that influencers adhere to your brand's style guide within the campaign.

Don't ✗

Squelch creative freedom by providing too many limitations and being overly rigid in your approval process. If your brand has a very exact vision, putting resources into an in-house marketing campaign (where your brand has control over all aspects of the content) might make more sense.



Connect With Audiences

Make your campaign interactive, which might mean hosting an event, sponsoring a giveaway, or offering an exclusive promo.

Do 

Partner with influencers who have a proven track record of success with experiential marketing. Interactive campaigns are logistically more complicated than a standard sponsored activation because there are more moving parts (and thereby things can go wrong even with the best of planning). Events, in particular, are hard to pull off, so partner with influencers who have a history of success with supporting brands through in-person appearances.

Don't 

Blindly follow trends—do what's right for your brand. Even if pop-up shops seem to be everywhere, assess what makes sense for your business.



PRO TIP

Marketers will have to be prepared for the “flake factor” when it comes to getting influencers to show up to events in-person. In addition to paying for posts at the event and writing up a contract up front, it helps to offer an additional incentive like paid transportation, free products, VIP ticket (+1), or admission to a celebrity meet and greet.

Test, Test, and Test Again

Iterate! Test campaigns on various influencers, learn from successes and failures, and embrace trial-and-error as part of the process.

Do 

Partner with a diverse set of influencers with different follower counts and audience demographics, and let the campaign be the control variable so you can compare results. For example, a gaming company should work with different types of influencers but use the same game title, CTA, and offer for each influencer.

Don't 

Put all of your budget into working with one influencer, because you'll have trouble identifying what factors made the campaign a success or a failure.

About Mediakix

Established in 2011, Mediakix is a leading influencer marketing agency. We create, execute, and manage high-impact sponsorships for brands with social media influencers, YouTubers, Instagrammers, bloggers, Twitch broadcasters, Facebook creators, and emerging social channels.

With a network of thousands of social influencers and a reach of millions, our campaigns have been among the highest-performing marketing channels for clients.

To see how our influencer marketing campaigns can drive ROI for your brand, **contact us today for a free evaluation with an experienced influencer marketing specialist.**

[LEARN MORE](#)

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