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Social +

Influencers

2016 Q4 TRENDS REPORT

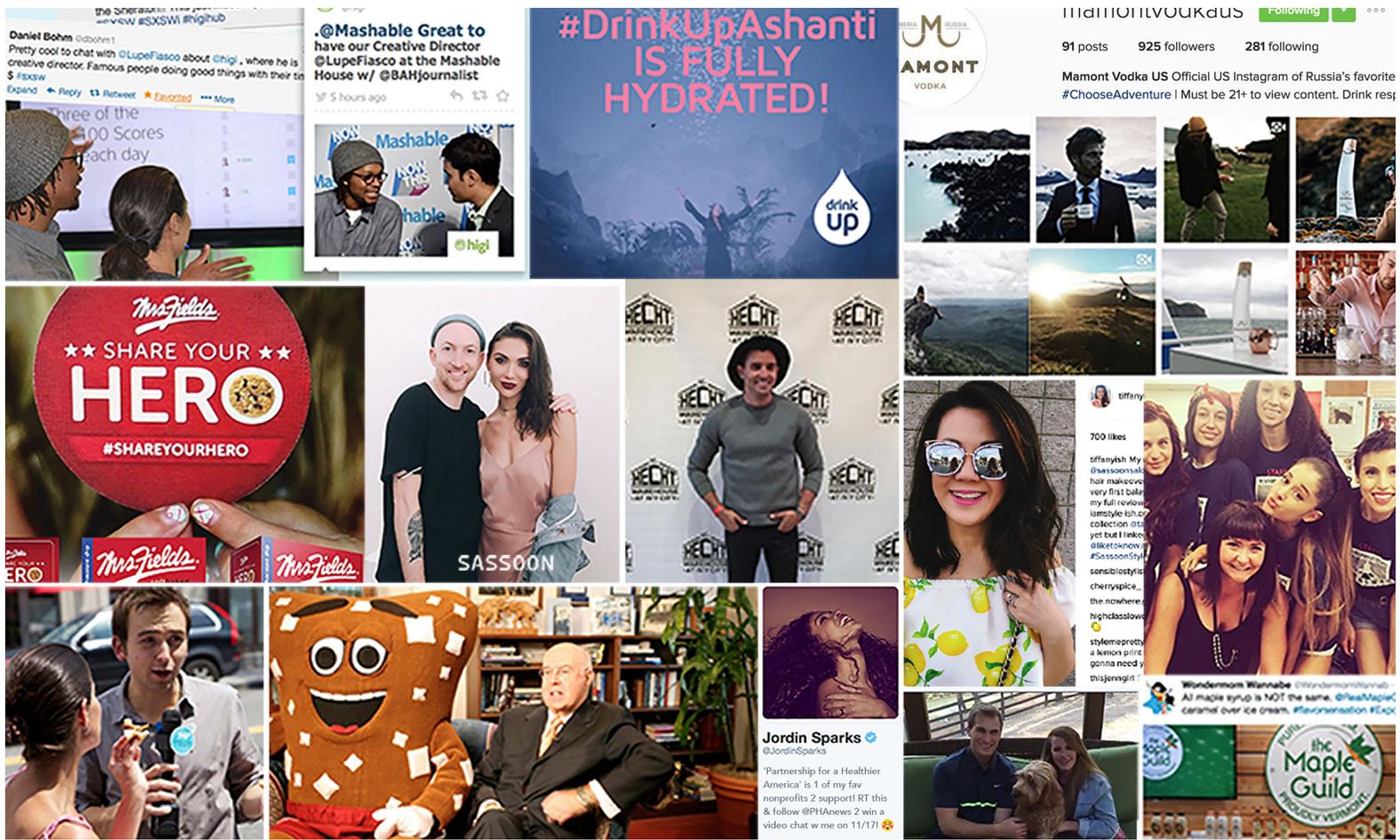


Table of Contents

I.	Overview	3
II.	The Balance of Power is Shifting	4
III.	There are Multiple Ways to Leverage an Influencer	7
IV.	You're Buying Content and Distribution – Contract Accordingly	8
V.	ROI is Becoming Easier to Track	9
VI.	There are Lots of Great Case Studies	11
VII.	Opportunities and Challenges	15
VIII.	How Delucchi Plus Does It: The Engagement Model	17
IX.	What's Next	19

The "i" Word

The Social Media Soap Opera Between Brands, Agencies and Influencers



I. Overview

"Content" is one of those words that's used so often it's almost lost its meaning. That, in fact, is the problem: It can mean almost anything. Websites, blog posts, eblasts, infographics, videos, press coverage—almost anything with brand messaging over which you have some control falls into the content marketing spectrum. But there's a less tangible component that's harder to crack: engagement.

Today, engagement is driven by a distributed content model in which "traditional" information distributors—newspapers, magazines, digital editorial platforms—are struggling to retain audience share. The new mayor in media? So-called "digital influencers" whose armies of engaged followers stand ready to like, heart, ha-ha, share, click and buy whatever they're snapping, 'gramming, posting and tweeting....sponsorship be damned.

We don't need ye old editors telling us what's important anymore—we can get that from our friends, our colleagues and other people whom we follow and whose taste and judgment we trust even more (and consider more cutting edge) than someone at a major media publisher. While the players may have changed, the game remains relatively the same: Influencers, like any media buy, have their price; but their willing followers may be more likely to want, enjoy and act on whatever it is they're selling.

So how do brands navigate this rapidly changing landscape? How do you vet and contract influencers? What are the guidelines for these new relationships, and how do we know they work? And if influencers are the new editor, what's next on the horizon?

II. The Balance of Power is Shifting

Traditional publishers are focusing more on content generation and less on distribution.

With socially curated and published content becoming more central to how and where we consume information, "traditional" publishers like newspapers, magazines and digital editorial platforms are being forced to reinvent. With brands like Vice, BuzzFeed, The Atlantic and The Onion adapting themselves into creative agency models, emphasis is now on the quality of content they can produce for brands, regardless of whether it's published on their site (as "native" content), the brand's site or on a social media platform like YouTube, Instagram or Facebook.

Why? Consumers are increasingly immune to "traditional" advertising and prefer an opt-in, "native" experience. Technology like ad blocking software and DVRs have made consumers increasingly more sophisticated and savvy. Less and less do we go straight to a publisher for information, relying instead on the curated selection of news we find in our social newsfeeds. In August, [NewsWhip reported](#) that for 1/5 of publishers, somewhere between 21% and 40% of web traffic came just from Facebook.

But, with the advent of Instant Articles and other Facebook content forms, the value of social as purely a distribution platform is decreasing: As [Max Willens explains in Digiday](#), instead of following a link to a publisher's site, users consume the majority of their content without ever leaving the 'book. So, [as John Herrman notes in the New York Times](#), "old school" content publishers are relying more on social platforms like Facebook to deliver to a larger, but more targeted audience—while still focusing on creating compelling content and less on their ability to curate and disseminate it. In essence, publications are creating teams that function as in-house agencies to produce paid content that looks, feels and sounds like editorial content.

Publishers-as-agencies have their benefits...and pitfalls.

On the plus side:

- Users expect high-caliber content and enjoy the chance to indulge in what [Lucie Moses at Digiday describes](#) as “long form, thoughtful storytelling.”
- This model also allows brands to access powerful data and metrics that were previously under publisher purview.
- [As noted by Herrman](#), this model also allows for some efficiencies: In theory, brands can take this content and distribute however they see fit—they need not rely on only one distribution channel.

The drawbacks relate to service and strategy:

- Editorial operations don’t provide the service or project management skill that an agency partner would.
- Nor do these operations have the omni-channel expertise to deliver a fully integrated approach inherently designed to drive conversions

Meanwhile, social media is the new magazine—and influencers are both editor and ad buy.

So what’s the difference between native content and the sponsored posts you might see in an influencer’s blog? In a word: Taste. You probably don’t enjoy a personal relationship with BuzzFeed, but perhaps feel differently about the many bloggers whose lives and feed you follow regularly. A sponsored post is one thing, but recommendations from a beloved ‘grammer you admire (and, let’s be real, feel like you know) are another. Plus, there’s the curation factor: With so much content out there, it’s impossible to stay current. Leaving it to a trusted source (a duty once bestowed upon traditional news editors) is sometimes the only way to keep up.

We trust influencers more than brands...including, sometimes, editorial brands.

Influencers are required, by law, to disclose when they’re being paid to promote a product, so why does this still often work better than more traditional forms of advertising? Because it’s way more targeted, and as the new “word of mouth,” we’re confident in the endorsements of our trusted social “friends.” When fans and followers opt-in to follow an influencer, they’re asking to receive that content, sponsored or not. Similarly, an influencer’s ability to select only the most brand-aligned partnerships means the ads feel carefully vetted ... and the sponsorship feels inconsequential. [SocialTimes](#) reports that “92% of consumers

trust recommendations from other people—even someone they don't know—over brand content." Furthermore, "47% of U.S. readers consult blogs for finding new trends and ideas," and "35% of U.S. readers look to blogs for discovering new products."

[60 Minutes](#) recently called such influencers "the newest stars of Hollywood," profiling residents of the apartment building 1600 Vine, where "the Snapchat queen" and other personalities reportedly garner 35,000 views within minutes of posting a snap. Influencers have become both the content creator and distributor. [In the LA Times](#), Rachel Strugatz calls them "digital natives," whose recommendations feel more authentic and organic than a magazine's. "As long as sponsored posts are clearly labeled as such," writes Strugatz, "an influencer's individuality and authentic voice allows them to connect to readers in a way that magazines are struggling to do."

So what's in it for them? Besides collecting a steady paycheck, there are other advantages identified in the [2015 State of Influencer Marketing report](#), including 1) growing their audience, 2) becoming opinion leaders, 3) creating better quality content with access to exclusive information and expertise, and 4) developing their image for future opportunities.

For brands, this means that large volumes of quality content—and content that is supported by strategic paid distribution—is now the rule, not the exception.

Seasoned marketers know that a big investment in content, no matter how great, can fall flat without a strategic plan for inspiring consumers to take action, whether it's increasing awareness, furthering consideration or making a purchase. The best way to support an investment in content is through an integrated strategy across channels, including post engagement ads on social, paid search, display and, yes, paying influencers to post about your brand on your channels and theirs.

III. There are Multiple Ways to Leverage an Influencer

Create an experience.

Products, communities and even services have their own distinct personality, yet the sales experience seems to be very similar. To stand out and attract influencer attention, create a quintessential personality for your brand and box it up – literally. We often send 3-D mailers to influencers to create an experience that touches all the senses, including sight, smell, taste, sound and touch. Our goal? Create the perfect Instagram-worthy moment and vignette that supports our client’s brand personality.

Consider a FAM trip.

Rather than sending your product to the influencer, consider sending the influencer to the product. FAM—or “familiarity” trips—are an old school PR tactic that are enjoying a new audience. Increasingly, brands are designing exclusive press trips for digital influencers, which aim to immerse the influencers in the history, making and story behind the product, whether it’s visiting a travel destination, taking a crash course in coffee production or embarking on an epic adventure in support of a brand’s spirit of exploration. In some cases, covering travel, meals and lodging is enough to secure a basic contract of social media documentation. In other cases, the influencer may require a fee on top of the experience.

Co-host an event.

Influencers are by definition dynamic people, so why not leverage those personalities to convert online relationships to action “in real life”? At Delucchi Plus, we’ve contracted bloggers to co-host exclusive, invite-only events to which they invite their followers to not only meet in person but also experience the product, community or service. This typically entails pre-event promotion on the influencer’s blog and social channels, a cross-promoted “takeover” of the brand’s social channels during the event, and also a wrap-up post that might also include a contest or giveaway.

Create a content collaboration.

Experiences lend themselves to user-generated content (UGC) from both the influencer and those in-the-know. Whether you contract sponsored contest entries for your UGC campaign or invite an influencer to do a day or weekend-long takeover of your social channels, the goal is to unleash their creativity around your messaging and use their channels to drive traffic to yours.

IV. You're Buying Content and Distribution – Contract Accordingly

Vet carefully.

A huge audience does **not** equal huge results. Follower counts matter, but they're a distant second to engagement. The more engaged the audience, the better your results. A community mom blogger with 6,000 local followers, for example, will most certainly move the needle for a new suburban retailer moreso than the Kim Kardashians of the world, whose audiences span various interests, demographics and geographies. Not only do you want to ensure your target audience matches your influencer's, but ask for case studies, too. It's OK to get past campaign and conversion numbers, and even to tier compensation based on how many contest submissions, form downloads or coupon redemptions these campaigns drive.

Know that sponsorships must be disclosed.

Federal Trade Commission rules (and so, too, Facebook best practices) dictate that advertisers must be "disclosed or displayed as co-authors under the post or video," [notes Herrman in the Times](#). While this may seem like a buzzkill, it may actually be the reason influencer marketing is so effective: Fans and followers trust influencers to be upfront when they've been paid to cover something, and trust influencer taste in choosing where to take payment.

Never force authenticity.

The value of influencers is the trust and relationship they have with their fans, which means authenticity of collaborations is vitally important. Forcing a partnership that doesn't feel natural can devalue that currency.

Insist on cross-promotion.

Beyond beautiful content, influencers are valuable for the followers they bring to the table. Takeovers, trips and promotions should be covered on their own channels ("Today I'll be posting from @BRAND—follow along!") and yours.

Let influencers do their thing.

Once you have a solid contract in place, get out of your own way. You hired these people for a reason and should trust their creative vision, so don't art-direct their content or provide too much guidance beyond the theme, objectives and required number of posts.

V. ROI is Becoming Easier to Track

In 2015, 81% of marketers interviewed for the [State of Influencer Marketing report](#) cited an increase in positive results from their influencer campaigns, up from 79% in 2014. And, as John Harrington reports [in PR Week](#), “According to Twitter, if a consumer sees a branded tweet, their intent to purchase the item grows 2.7 times. If it is promoted by both an influencer and a brand, the intent to purchase increases 5.2 times.” Regardless of platform, [SocialTimes](#) reports that influencer-distributed content increases conversions somewhere between three and 10 times. So how do you track all this?

KPIs should mirror your goals.

As noted in the [SocialTimes](#), structuring influencer campaigns—and tracking their success—continues to be a challenge for some brands, with 75% reporting that finding the right influencer was their biggest challenge, and 53% reporting difficulty with how to measure results.

Working with an experienced agency is one way to ensure you’re spending your influencer budget on the right people, but how do you know what metrics you should measure that will effectively gauge success? Start with identifying your goal in the customer journey and choosing a corresponding KPI to track.

- If you’re trying to build awareness, **number of views** and **total reach** are probably your most important numbers.
- To measure consideration, you’re looking for actions slightly further along in the funnel, such as **comment** and **click-through**.
- If your goal is purchase, then it makes sense to track **coupon redemption** and **conversion** (more on that below).
- Finally, something like a UGC campaign is probably more about building loyalty and creating brand ambassadors—and that’s something you can track easily with **entries** or even **hashtag usage**.

No matter your goal, another important metric to consider is **CPE**, or cost per engagement: Understanding how much you spent versus what was delivered will help you identify the best influencers to work with going forward.

New technologies are making it easier to track every action.

In addition to tracking views, likes, hashtags and comments, new technologies are emerging that allow influencers to directly account for conversions driven by their content. [Emoticode](#), [described by Garrett Sloane in Digiday](#) as “screenshot commerce,” is a technology created by publisher PopSugar Inc. that enables

consumers to screen shot (and later, buy) products linked in Snapchat and Instagram stories. The technology has launched with a number of clothing and retail brands, and PopSugar expects it to take off with recipe, workout and other themed content too.

Then there's [LIKEtoKNOW.it](#), a tool that allows Instagrammers to send links to promoted products straight into follower inboxes.

According to [AdWeek](#), Instagram is dipping its toe into the world of e-commerce by allowing brands to test taggable products in their photos. The Facebook-owned app is beta testing organic posts that let nearly two dozen retail brands, including J.Crew, Kate Spade and Warby Parker, tag products for sale in photos that lead directly to a brand's website.

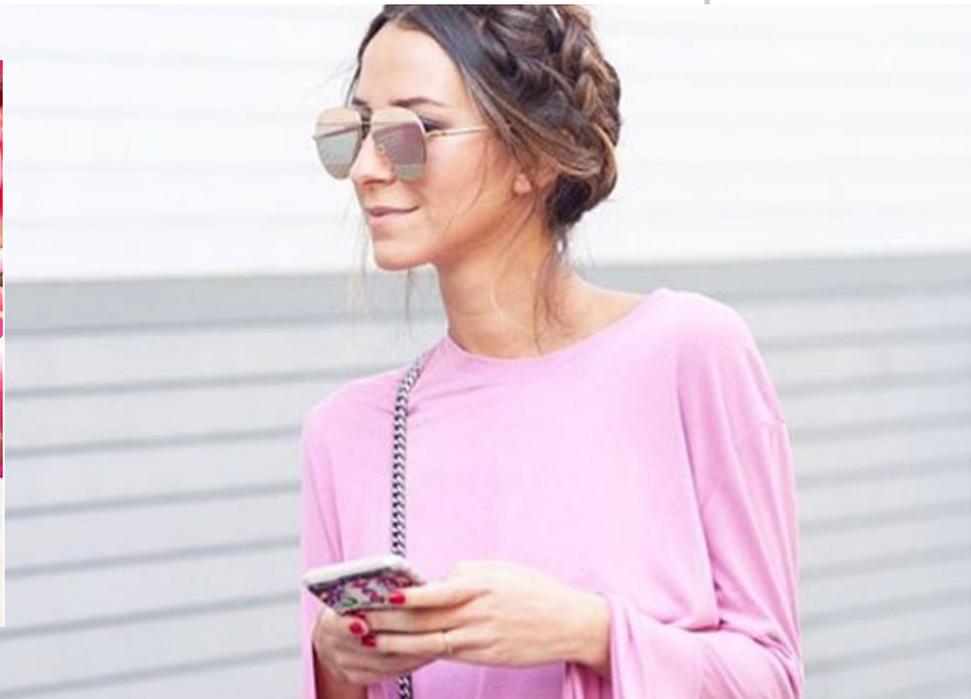
"The option is not meant to shorten the number of steps between discovering and buying a product, but instead meant to 'reduce the friction' between each step," says James Quarles, Instagram's VP of monetization, in the article by Marty Swant.

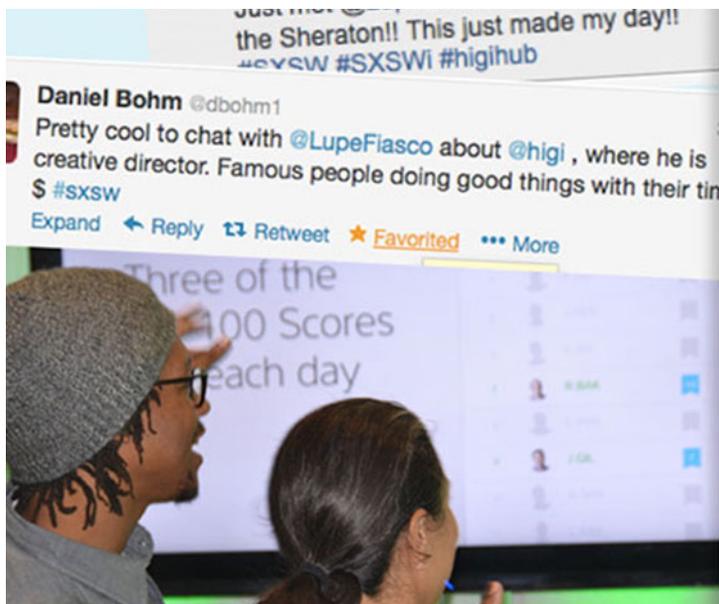
VI. There are Lots of Great Case Studies

Success stories are everywhere in the realm of brand and influencer collaborations. Here are just a few examples we've seen where companies (including Delucchi Plus clients) have successfully used the power of the influencer to create dramatic, positive results for their own businesses.

Peter Thomas Roth sees a Snapchat-based sales spike.

[According to Strugatz](#), Something Navy blogger Arielle Charnas' post about the brand's Rose Stem Cell Bio-Repair Gel Mask on Snapchat led to 502 sales (\$17,565) in 24 hours.¹ After snapping about the Volume Effect Cils Shocking in Deep Black, 422 units (\$13,500) are sold in 24 hours. These are some cold, hard numbers.





higi taps Lupe Fiasco to connect wellness and pop culture.

Celebrity collaborations are another spin on the influencer model, as long as you follow the same rules of authenticity. Case in point: When wellness tracking platform [higi](#) named GRAMMY-winning hip-hop artist Lupe Fiasco as its Creative Director with the app’s 2013 launch at SXSW, the product suddenly became intriguing: What was once an old blood pressure machine in the back of the pharmacy was now a powerful new tool in forming healthy habits, something about which Lupe—himself a wellness buff—could speak eloquently and from the heart. [Our work with higi](#) and Lupe led to traditional earned media coverage in the likes of Fast Company, Forbes, TIME and Men’s Fitness, along with 10 million kiosk check-ins and a significant second wave of VC funding.



Mamont sends New York City influencers to Iceland.

To create awareness around Mamont Vodka arriving to the US—with a New York launch in September 2016—Delucchi Plus worked with two New York influencers to “infiltrate” and document The MAMONT Mission III, an expedition that unifies both chef and bartender talents in a multi-national mixology and gastronomy competition.

By offering both of their followings two unique first-person points of view on “the world’s most adventurous bartender competition,” the influencers created a multi-faceted yet seamless “his and her” storyline surrounding the mission with custom content before, during and after the The Mamont Mission. The campaign resulted in 24 original pieces of content, more than 300 new Instagram followers and a 400% increase in engagement across Instagram.



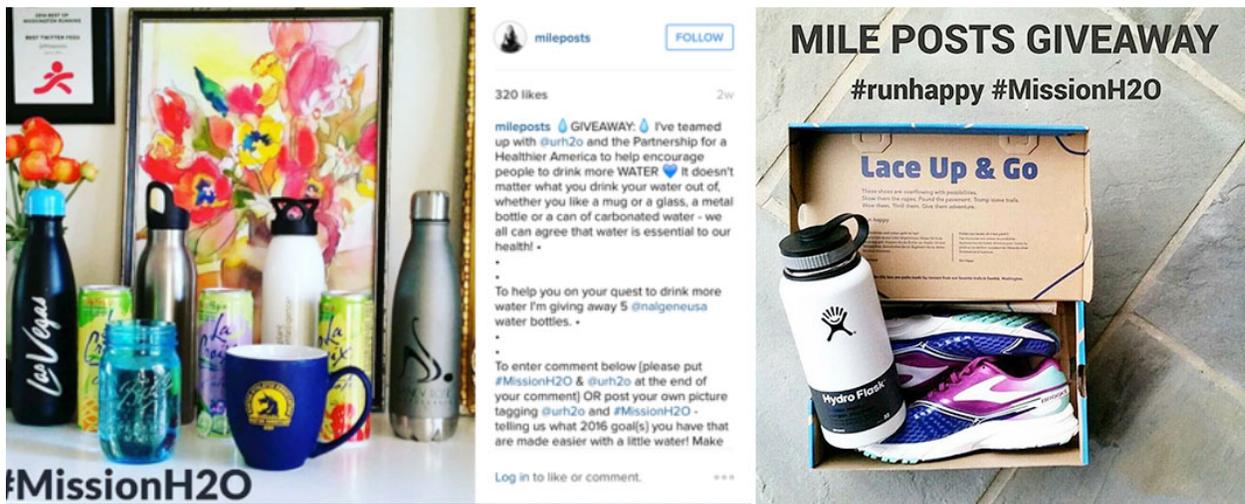
Mrs. Fields enlists mom bloggers to help get out the vote for America’s Hometown Hero.

Mrs. Fields asked us to help launch two new cookie flavors on the market, Butter Pecan Praline and Dark Chocolate Oatmeal. Interbake, on behalf of Mrs. Fields, wanted to build public awareness of the new flavors’ availability at Kroger and Walmart in some key locations: Cincinnati, OH (Kroger HQ); Bentonville, AR (Walmart HQ); Atlanta, GA; and St. Louis, MO. In addition to building a new website, and advertising through social media, we enlisted 100 social influencers through SheKnows.com to tout the campaign and contest. The campaign resulted in:

- 16.7k people sharing their heroic stories with us.
- 29 bloggers participating and garnering nearly 7 million impressions.
- Social influencers generated over 14 million social impressions.
- 36 million total earned campaign impressions earned.
- 55k website sessions logged in the 45 day campaign.
- All 4 target cities accounting for our top 5 website traffic sources.

Drink Up asks fans to share their #MissionH2O for 2016.

Leveraging its measured, realistic approach to drinking more water—encouraging more people to drink it more often—Drink Up began 2016 with the goal of reenergizing fans and followers in the new year around resolutions made easier with help from a little hydration. We enlisted health and wellness bloggers to write posts about their #missionH2O, sharing with fans what they hoped to accomplish in the new year with water by their side. In the end, #MissionH2O garnered more than 15 original posts, 1,500 new Facebook fans, 530 Instagram followers and 400 entries to the social contest over the course of two weeks.



15

VII. Opportunities and Challenges

Opportunities

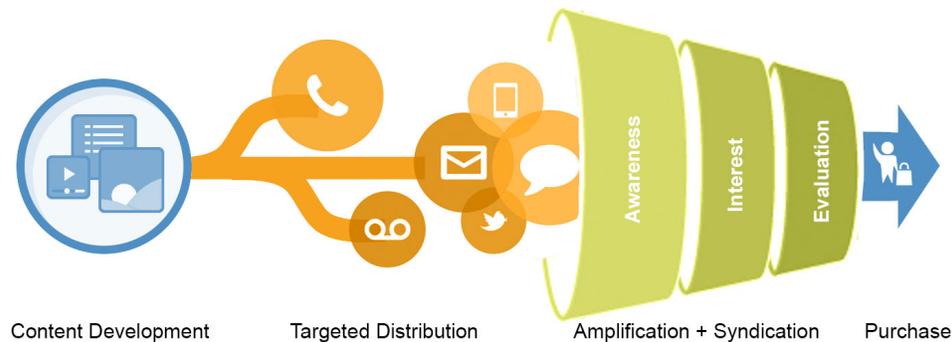
- **Third Party Endorsement:** It always helps to be trusted by a trusted brand.
- **Instantaneous Word of Mouth:** Social media is the new “word of mouth”; we tag friends in comments, send images directly to their Instagram inbox, and invite them to join Facebook events and groups.
- **Built In Distribution Channel:** Paying for an influencer relationship is more than paying for great content...it’s also paying for a distribution channel and a highly engaged, opt-in audience.
- **Control Over the Message:** Unlike the traditional earned media model, influencer engagements give brands a lot of power.

- **Quality Content:** Two birds, one stone. If you're doing it right, your influencer partnership will result in a cache of custom content you can use for years to come.
- **Targeted Audience:** While this is a paid media play, it's not placing an ad in a general-interest publication. Topics should be niche and appeal to followers who actually want to see the ad, paid or not.

Challenges

- **Time Consuming:** Vetting, contacting, contracting and managing influencer relationships is no small task...refer to earlier sections on vetting and authenticity. It takes someone with knowledge of the landscape and the influencers in your space, plus a deep understanding of your brand and marketing goals, to find and negotiate the right fit.
- **It's Only One Piece of the Pie:** There are publishers now acting like creative agencies, and agencies now acting like booking agents. Both are great at what they do, but neither has the expertise to manage integrated campaigns and ensure all tactics are actually aligned to meet your goals. It's like self-diagnosing your symptoms and heading straight to the surgeon without ever seeing a general practitioner....or taking into account the big picture.
- **Engagement Requires More Than Influencers:** On a related note, engagement requires a careful orchestration of multiple tactics. Great blogger coverage will go only so far if your organic social content is lackluster, you have zero earned media coverage and you don't show up in search results.
- **Price, Depending on Your Perspective:** Influencers are an ad buy, there's no doubt about it. Compared to buys in mainstream media, influencer marketing is a much more affordable—and infinitely more trackable—way to spend your marketing dollars. It's when you start thinking of how influencers are traditional earned media sources that fees (any fees!) can feel daunting. Set expectations accordingly.

VIII. How Delucchi Plus Does It: The Engagement Model



Step 1: Content Planning + Development

Our world-class Content Studio is comprised of award-winning wordsmiths, journalists, artists, photographers and videographers who craft and curate informed, insight-driven content designed to perform in the digital space. Content is the core component to any successful engagement campaign and must bring your existing brand, and the lifestyle it promotes, to life in a way that is timely, relevant, useful and interesting to our target audience.

Deliverables in this phase typically include:

- Content strategy playbook
- Editorial calendars
- Shot lists
- Content packing and development

Such content could include any of the following formats:

- Blog posts
- Editorial articles
- Lifestyle vignette photos
- Podcasts
- Coupons
- Facebook 360 photos and videos
- Snapchat or Instagram stories
- How-to videos, stop-motion videos, animated videos
- Gift guides
- Event guides
- People profiles/Q&As
- White papers
- ebooks
- Custom publications and digital magazines

- Custom landing pages
- Display ads
- Digital films
- Animated graphics
- Episodic videos
- Virtual reality experiences

Step 2: Content Publishing + Targeted Distribution

Once content is developed, we distribute strategically across owned and earned channels—as identified in the playbook—to get the right message to the right consumers at the right time. Depending on the strategy and the scope of our campaign, this distribution plan could include any of the following tactics:

- Social media publishing
- Social media community management
- Blog publishing and optimization
- Email marketing
- User-generated content campaign
- Media + influencer list development
- Press kit development
- Blogger box development
- Media pitching
- Influencer vetting and outreach
- Celebrity gifting

18

Step 3: Content Amplification + Syndication

This is where we turn up the volume and add reach to our distribution model with media buys designed to drive exposure and reach — a key component to successful engagement campaigns in the increasingly pay-to-play social and influencer space. Amplification tactics could include:

- Social media post engagement ad campaigns
- Objective-based social media ad campaigns
- Dedicated eblasts
- Paid search
- Display advertising
- Sponsored/"native" content placements
- Sponsored influencer collaborations
- Content syndication networks
- Strategic Partnerships

IX. What's Next

Influencer marketing has taken the ad world by storm over the past five years...so what can we expect to see next? Here are just a few predictions.

Publishers will build niche, standalone sites to regain audience share.

As [Willens reports](#), NYT Beta, a unit of the New York Times, has been producing more narrowly focused, interest-targeted content destinations like [Well](#), [Cooking](#) and [Watching](#) to dissect its general-interest content into “standalone media properties,” which is one way to solve the curation challenge. We suspect more publishers will follow suit, allowing each channel to cater to a more targeted audience and allowing audiences to pick and choose their content channels more easily.

Distribution will continue to dominate the equation.

Power is where the people are. Publishers may be able to create beautiful and thoughtful content, but it only matters as far as its reach. Targeted distribution across an integrated suite of specialty channels ensures a brand's message connects with the right person at the right time. Leaning on subject matter experts who understand the whole equation will continue to be your best bet in ensuring appropriate amplification of your message.

We'll always still be in the business of connecting people, both online and off.

While tools have emerged to streamline the research, recruitment and management of influencers, it takes more than a quick Google or Twitter search to find and connect with the ones that will be most relevant and valuable. Furthermore, influencer marketing does not use a one-size-fits all approach: Compensation, trends, deliverables and networks change at light speed. New players come onto the scene on a daily basis and one major campaign can change the landscape. Leveraging experts with industry connections across mediums (whether traditional outlets, bloggers or celebrities) ensures you're diversifying your marketing investment no matter how the media tides turn.

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Delucchi Plus is a content marketing firm driving engagement, sales, influence and loyalty in collaboration with Streetsense, Combined, we are an informed strategy and design collective firmly focused on end-user experiences and delivering measurable, transformative results for our clients. With experience spanning research + analysis, branding + marketing strategy, architecture + interior design, brokerage + real estate, and creative + content development, we have an unparalleled depth of understanding, expertise, and engagement, enabling us to connect with customers and consumers at an entirely different level.

Download previous reports and meet our team at:
<http://www.delucchiplus.com>.

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