

The Professional Marketer's Guide to Influencer Marketing

Discover the secrets that allow the experts to make the most out of their influencer campaigns:

- Advanced Influencer discovery and evaluation techniques
- Fraud detection
- Negotiation tactics and market rates
- Optimizing outreach efficiency
- Effective measurement and reporting



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From Fame to Actual Influence

- From 5,000 Famous Influencers to millions of micro-influencers
- Why micro-influencers have a much better audience than large influencers
- Why thought leaders are far less expensive than large influencers
- How to identify a large amount of Influencers



From Fame to Actual Influence

The concept of celebrity endorsements is not a new one. It has been around for hundreds of years and has served as a template for the way marketers have been running influencer campaigns.

As the industry has evolved, the trend has been to target smaller, lesser known influencers as opposed to the big name influencers everyone knows. The idea smaller influencers are thought leaders in their space. Working with them presents completely different challenges than working with big name celebrities.

Traditional Influencers	Micro-Influencers
Famous	Subject Matter Experts
Receive large amounts of offers	Receive occasional offers
Tend to ask for upfront payment	Flexible compensation structure
Easy to find	Hard to find
Diverse audience	Uniform Audience
Manager, agent, lawyer	Unrepresented
Expensive	Inexpensive

5 YEARS AGO



5,000 INFLUENCERS

TODAY



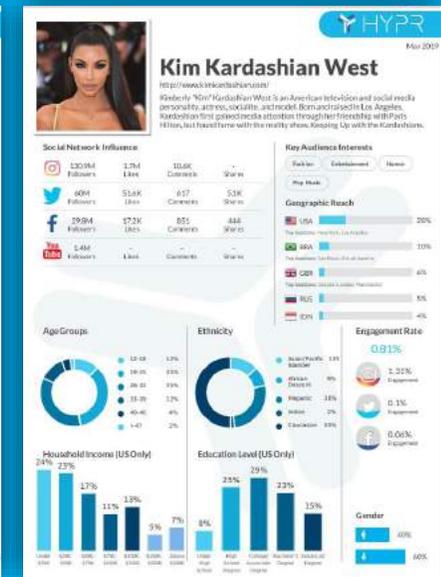
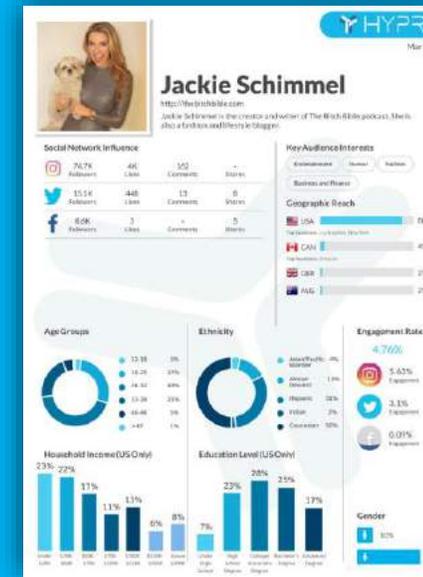
MILLIONS OF INFLUENCERS
ACROSS THOUSANDS OF VERTICALS

The advantages of thought leaders

As marketers, we have a natural inclination to follow the big names. Influencers like the Kardashian sisters, Jake Paul and Fuck Jerry dominate our social feeds and the news cycle, and it seems intuitive that they would produce the best results for our brand. Often though, this is not the case.

“Famous” influencers are bombarded with offers. This results in them being picky and dictating terms that are often strongly in their favor. They are also surrounded by professional help that increases costs – agents, lawyers, managers. This is compounded by the fact that their relationship with their audience is weaker than the relationships subject matter experts have, and that the audience is often very diverse and irrelevant to the brand.

Lets evaluate a certain super famous reality show sister for a fashion brand targeting a female audience. She has over 100M followers, but as you can see on the right, many of them are irrelevant. Jackie Schimmel, and thousands of other influencers have a far more relevant audience. A relevant engaged user costs more then 15 times as much when you work with Kim K.



Followers	~100,000	~150,000,000
North America Based	92%	28%
Female	90%	60%
Engagement Rate	6.91%	1.31%
Estimated Cost Per Post	~\$500	~\$500,000
Alternative Influencers	>25,000	<10
Effective Post Reach	~5,721	~330,120
Cost per Engaged Relevant User	\$0.09	\$1.51

Why Micro-Influencers Work Better

Experts and opinion leaders have significant advantages over generalists.

For starters, **experts have a far more uniform audience.** Thought Leaders on makeup, photography, cooking, basketball or any other subject, tend to attract a *very uniform audience*. Unlike generalists, the audience is *following them because of their expertise in that subject*. Who would you trust to recommend a book about playing poker? A professional player or Justin Bieber?

Furthermore, **generalists tend to have lower engagement levels.** Top tier Instagram influencers average less than a 2% engagement level on their Instagram content. Subject matter experts can reach much higher numbers – often exceeding 5%. Social posts don't reach all of an influencer's audience. As such, you need to target high engagement influencers who are willing to post multiple times.

Finally, **smaller influencers get significantly less offers and are willing to do a lot more.** Smaller influencers are easy to replace and this allows you to dictate payment terms and pricing. Because there are so many of them, they get approached less often. Most importantly, they tend to be viewed as more genuine and relatable than larger influencers.



 **10M** Instagrammers have over 25,000 followers.

 Large influencers tend to reach less than **2%** of their audience when they post on Instagram. Smaller influencers often reach

over **5%** with a post.

 A large portion of posts declared by influencers as sponsored don't actually have a sponsor.

Principles for Working with Smaller Influencers

Now that we've established the advantages of small and mid-tier thought leaders over large, celebrity style influencers we have to actually find them. There are a few key principles we need to keep in mind:

1. We want to find a large amount of options so that we can dictate the terms and have alternatives.
2. We want to ensure they have the right audience.
3. We want to make sure the audience is engaging them when speaking about relevant subjects.

We recommend working with a powerful search and discovery solution that provides timely information about which influencers are impactful in which contexts. Platforms with an opted in roster of influencers won't do the trick because they have an incentive to drive you to select the influencers that work with them. Find real search and discovery solution that empowers you to search the Influencer Universe by up to date audience interests and demographics as well as updates its data on a regular basis..





2

Efficiently Engaging Influencers at Scale

- Sorting through thousands of options
- Audience quality as a key metric
- Managing outreach to large groups
- Pricing offers correctly and the different business model



44% of Twitter users have never tweeted.
Source: [The Inquirer](#)



Research claims **30%** of Instagram accounts are inactive.
Source: [Business Insider](#)



44% of 18-29 year old Facebook Users have deleted the app from their phone in 2018.
Source: [Pew Research](#).



70% of self defined micro-influencers work on less than 5 campaigns a year. Source: [Bloglovin](#)

Sorting Through Thousands of Options

If your search was conducted properly, you should have a very large amount of options to choose from. Industry practice would suggest there is an eye test to understand which influencers will perform better than others, and that vague concepts such as “authenticity” can dictate the success of your campaign.

The truth is that Influencer Marketing isn’t different from traditional marketing. You would never advertise in a magazine without knowing who reads it. Why would you behave differently with influencers? We suggest you focus on audience relevance with a simple formula:

$$[\% \text{ of audience in the right geography}] * [\% \text{ of audience of the right gender}] * [\% \text{ of audience in the right age group}] * [\text{Engagement Rate}] * [\text{Audience Interest in your topics}]$$

Obviously, you can customize this formula to fit your specific audience target. Influencers that score high are more likely to perform well on your behalf.

Audience Quality is a Key Metric. Plenty of so called industry experts talk about influencer fraud as a major issue for the industry. This may be correct, but it is only part of a much bigger problem. Audience inactivity is a huge issue. Many influencers have no access to 90% of their audience simply because it no longer uses the social network where they were followed. This doesn’t stop them from touting millions of followers – that will of course never see your content.



A Scalable Approach to Influencers

Once we have created a large pool of influencers who fit all our demands, its time to reach out to them. Generally speaking, when dealing with large influencers we need to weigh their cache and “cool factor” (for example, they’re a famous singer or they won a reality show). When we work with smaller influencers, these factors usually don’t come into account.

We recommend you be as systematic as possible when making offers and start on the low end. You can make a relatively low offer because you only need to hire a small subset of your original pool. You can always raise your offer if there isn’t enough response.

We strongly recommend you notify the other influencers that you are reaching out to many, and only have a limited amount of spots. Finally, set a deadline for them to accept the offer before you move on to someone else.

All of these help establish a relationship where the Influencers are competing for your business – and this allows you to dictate the terms. For example, unlike larger influencers, smaller influencers often work for compensation in kind (free product), low fees, or success based payment (paid per referral).

The final step is reaching out to everyone at once and keeping track, through a tool or with a spreadsheet, of all the interactions with each influencer to ensure you have a large enough pool.



Paying **\$1,000**
for every

100,000

Instagram Followers is
industry standard.

If you have a lot of
options you can
definitely start as low as



\$50 per post.

84% of Micro-

Influencers charge less
than \$250 per post.

97% charge less



than **\$500**

3

Rules for Effective Influencer Content

- Influencers are a channel to an audience
- Influencers do not know their audience better than you do
- The “Hook”
- The Call to Action



Generating Effective Influencer Content

Its time to dispel a few industry myths that lead brands to make poor decisions. These myths are often propagated by influencers or managers who want to increase their perceived value. Usually though, the value is limited or doesn't exist.

Myth #1 Influencers can magically make your product cool.

The truth is that influencers don't possess any special powers. They are only effective when they promote products that their audience is interested in. As such, focusing on the data and metrics is often more important than on whether the feed is beautiful.

Myth #2 Influencers know their audience... let them drive the process.

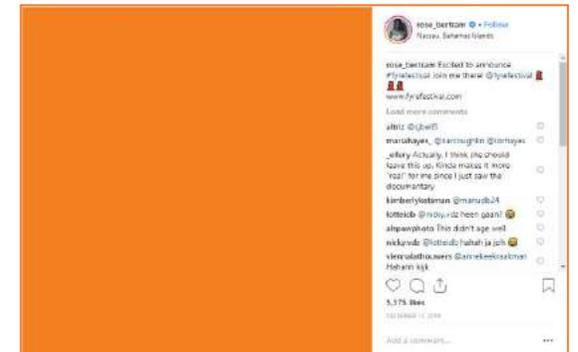
While there is an element of truth here, its amazing to see how many brands are willing to simply relinquish control to influencers even though they are not professional marketers. Influencers often don't understand basic concepts such as targeting, messaging and calls to action. Make sure you have a say in the content and that it contains messaging that you have already tested to be successful.

Myth #3 People will engage with your content because an influencer posted it. The truth is that content quality is exceptionally crucial for



Case Study

The infamous Fyre Festival was touted for its brilliant use of social influencers to raise awareness. It was their decision to have all influencers post an orange square that really got them in front of people. The content disrupted the normally colorful Instagram feed and got them significant audience attention.



Up to **50%** of engagement in sponsored posts in a specific study were fraudulent. Source: [Digiday](#)



15% of Influencers who sign on to run a campaign never post. Source: [Digiday](#)



Pods create a huge issue as overlapping audiences are reached but often counted as unique when pricing the campaign, The Jenner

Sisters have an over **30%** overlap between their followers. Add Kim Kardashian and you reach **40%**

Rules for Effective Influencer Content

1. Authentic. Don't promote things no one would believe an Influencer is involved with. Don't hire Scott Disick to promote a product he would never use.
2. Customize content for your specific audience. If you are letting the influencer create the content make sure to guide them towards content that you know has been effective in the past.
3. Test content. Has this message worked for your brand? If you're trying untested content you are taking a gamble.
4. Clear call to action. Too many influencer campaigns have no associated calls to action. The result is that it is impossible to understand whether or not a post was effective.
5. Align Interests. Find influencers who are willing to be compensated based on results (at least partially). This allows you to mitigate the risk but also ensures the Influencers actually care about what they post.



4

Performance Tracking

- Death to vanity metrics
- Measuring engaged audiences
- Fraud detection
- Removing ineffective participants



Performance Measurement & Tracking

“What gets measured, gets better”. Insist on proper performance tracking and your results will improve.

1. Death to vanity metrics. Number of followers. Total shares. Total likes. Total comments. *Pseudo metrics* designed to make marketers feel like they aren’t just throwing money into the wind.

2. Metrics that matter. Digital marketing brought in a revolution of performance measurement and you should expect the same quality of metrics.

- **Attribution.** The king of metrics is attribution. The ability to understand which users performed a specific action after viewing a social post. In the past, flawed attribution was tracked by placing a link on an Instagram bio, but today Instagram allows influencers to link out in their Stories, and other platforms allow clickable and trackable links.
- **CPV/CPM (Cost per view or cost per mil).** Reach metrics help evaluate whether or not a post was seen by a big enough audience. These metrics are often coupled with value based metrics such as Earned Media Value (the amount it would have cost you to acquire equivalent media). These metrics should be coupled with metrics that help understand whether or not the audience reached matches the target audience.

Activating large amount of influencers requires working with a platform that helps track all activity.

Fraud Detection	Real Time	Legal Compliance
Fraud has become an extremely challenging issue. Most platforms deal with fake followers and engagement but do not track fraud on live campaigns. Make sure your platform knows how to recognize and alert you when audience behavior is fraudulent.	Performance tracking should be done in real-time to allow you to replace poorly performing influencers before you have invested too much in them and to focus on pushing additional posts with successful Influencers.	When working with a large amount of influencers its important to ensure they do not attract issues with compliance and reporting. A good tracking solution ensures all content is disclosed properly .





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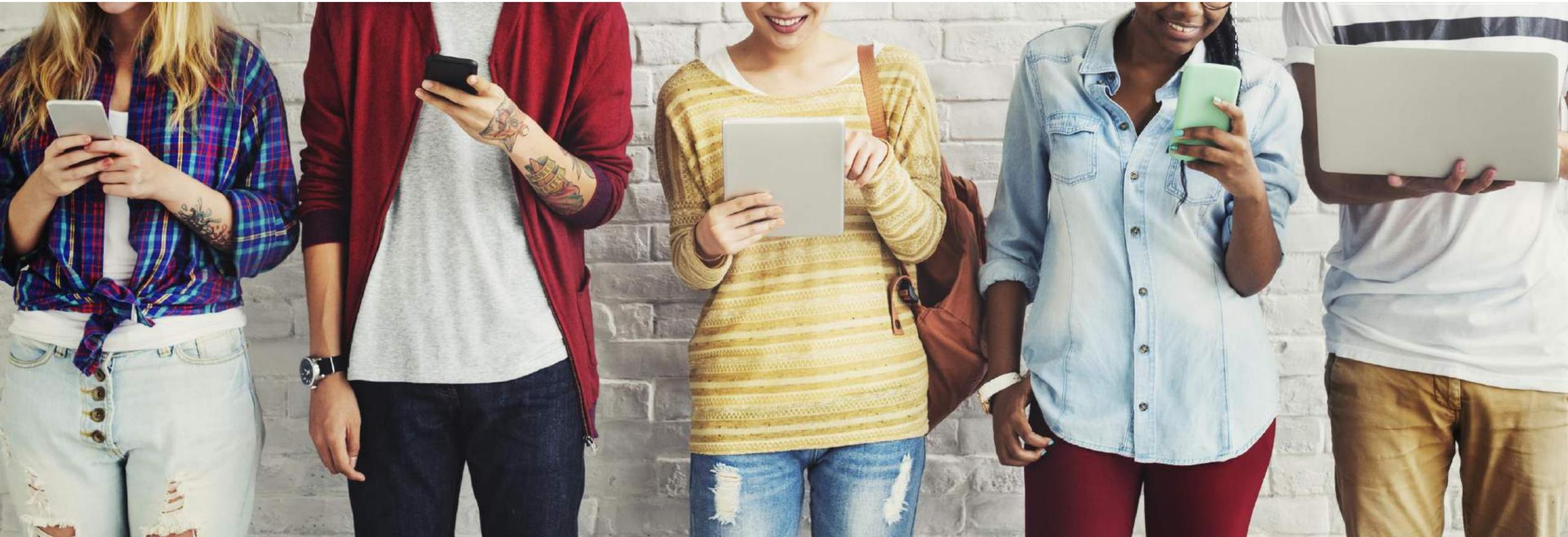
What's Next for Influencer Marketing?

- Full Automation
- Programmatic Activations

The Future is Bright for Influencer Marketing

Set to cross \$10B in 2020, Influencer Marketing is looking at a promising future. The main challenges for scale will be removed as technology automates discovery, evaluation, outreach, activation and payment and influencer campaigns start looking more like traditional digital media. This will allow for programmatic activations that will drive prices down and open the market to smaller long tail players.

While the idea of activating large scale influencers will never be replaced (and in our mind, will not be automated any time soon), the players who are on the cutting edge of the micro-influencer and thought leader revolution are set to profit greatly.



About HYPR

Established in 2013, HYPR is the world's leader in Influencer Marketing automation solutions. HYPR's R&D team is composed of data scientists and developers that gained their experience working in prestigious units in the Israeli Army.

HYPR's approach to Influencer Marketing stands out in that it is extremely data driven and focused on maximizing ROI for marketers. Gil Eyal, HYPR's CEO, is on record for stating that "Influencers are a commodity, and should be treated as such".

This e-book was written to help marketers that are already doing Influencer Marketing produce significantly better results. If you are just starting to learn about Influencer Marketing, this is not the e-book for you, yet.

Got questions? Give us a call at 212-266-0067 or contact us below.

[Contact Us](#)

