

Reimagining Influencer Marketing

How to connect Likes and
Commerce to drive
business growth

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The perception of Influencers is shifting

In the past couple of years, we have noticed a shift from the one-dimensional way brands leverage influencers. Influencers are no longer seen as simply another way to drive brand awareness. Nowadays, advertisers line up their influencers as content creators in order to maintain authenticity and credibility.

Influence is in a constant state of evolution, and the new shift it is experiencing is its link to commerce. It is undeniable that influencers contribute to the decision-making process and even spark the last click. This has led to big social platforms increasingly empowering them with influencer shopping features and checkout possibilities. Several initiatives and new formats have also been created to maximise the role of influencers.

This is Influencer Commerce. It is accessible to anyone, and there is no need to partner with a Kardashian to harness and benefit from it. Indeed, its effectiveness comes from the credibility of the influencer to present a product/service regardless of the number of followers and their ability to get the audience excited; however, selecting the right influencers is still paramount to any Influencer Commerce strategy.

What is Influencer Commerce?

Influencer Commerce is the alliance of peer-to-peer selling and paid media capabilities. It legitimises influencers' role in performance tactics by allowing them to sell products from their brand partners to their community and beyond seamlessly. By leveraging the influencers' authenticity, their community's trust and the effectiveness of paid media, it is now possible to link influencers to conversion.

Who is impacted by Influencer Commerce?

Influencer Commerce is impacting every generation, from the obvious social born Gen Z to Gen X and Baby boomers. For a long time, marketers and brands thought only the younger audiences were receptive to influencers, especially at conversion level.

However, the following study from 2020 shows that Influencer Commerce has the potential to reach every generation.

Purchase Behaviour of Digital Shoppers in Select Countries* in Response to an Influencer's Social Media Posts, by Age, Nov 2019 (% of respondents in each group)

	Gen Z (18-23)	Millennials (24-38)	Gen X (39-53)	Baby boomers (54-72)
Clicked on an influencer's product post and made a purchase directly from it	24%	25%	17%	8%
Have not clicked on an influencer's product post, but did ultimately purchase the product because of the influencer's endorsement	26%	23%	15%	8%
Clicked on an influencer's product post, but never made a purchase directly as a result of clicking	24%	22%	19%	15%

Source: EPIserver, "Reimagining Commerce 2020," Feb 24, 2020

Methodology: Data is from the February 2020 EPIserver report titled "Reimagining Commerce 2020." 4,050 digital shoppers worldwide ages 18+ were surveyed online during November 13-22, 2019. Respondents were from Australia (15%), Germany (25%), Sweden (10%), the UK (25%) and the US (25%). All respondents shopped online in the past year. EPIserver is a global software company offering web content management, digital commerce, and digital marketing.

The lockdown caused by the 2020 COVID-19 crisis meant many consumers had no choice but to turn to shopping online. Fashion, beauty and even the grocery sector had to adapt. This short-term problem has led to a permanent change in consumers' behaviour, either planting or strengthening the position of online shopping in the consumers' mind.

The crisis also led to a stronger relationship between influencers and their followers. As a result, reach and engagement has increased. Therefore, we can assume that both online commerce and influence will be a winning combo for brands.

Who makes Influencer Commerce successful?

In order to be as effective as possible, there are general best practices when it comes to Influencer Commerce, which can be outlined as follows:

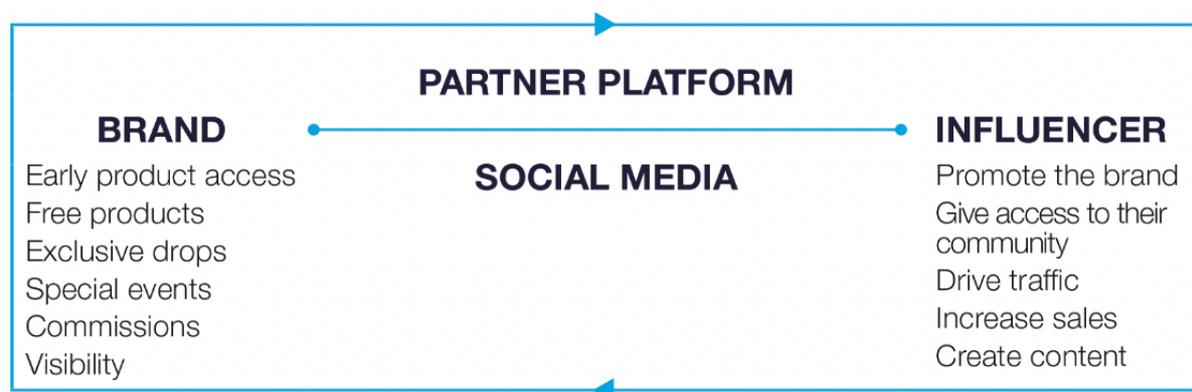
BUILD KNOWLEDGEABLE INSIGHTS

- Some platforms are more suited for conversion than others, regardless of the influencers
- Pay attention to the content and culture of the platform itself as well as your target audience

BUILD A TRUSTWORTHY RELATIONSHIP

- Give your creator freedom to come up with content that drives conversion
- Driving sales can be a delicate subject, take the time to talk about it with your influencers
- Be open about your goals, the influencers need to be aligned in order to create the best content for you
- Be realistic about what you can achieve

BUILD AN EQUALLY BENEFICIAL RELATIONSHIP



It is worth mentioning that Influencer Commerce is a tactic that can be used by any brands, with any influencers regardless of their fame and number of followers. However, not every solution at the brand's disposal will be available for all the influencers they work with. This can depend on different factors such as the country where the influencers work from, the number of followers, etc.

What solutions are available to advertisers and influencers?

There are many ways to execute an Influencer Commerce strategy. They can be grouped as follows:

- Social media in-app solutions
- Influencer e-commerce apps
- Affiliate links
- Influencer Generated Content (IGC) amplification

In this chapter, we will deep dive into each of the categories and analyse what they have to offer in order to choose the best solutions for a brand's needs.

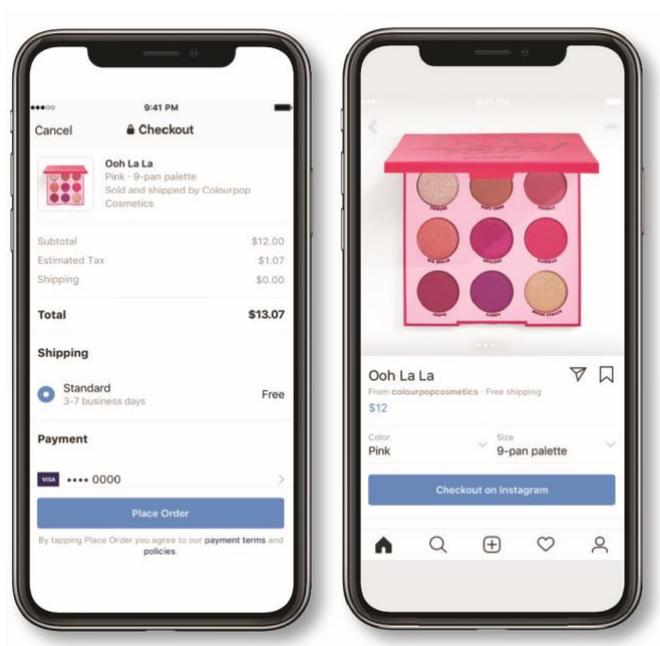
SOCIAL MEDIA IN APP SOLUTIONS

1. INSTAGRAM

With 83% of Instagram users discovering new products on the app, it is natural that Instagram has decided to develop several ways to connect its users to conversion.

a. Instagram Shopping from Creators

What is Instagram Shopping from Creators?



Shopping from Creators gives influencers and creators the ability to make their own shoppable Instagram posts to promote products from the brands they partner with. Anyone seeing the creator's content can then tap "view products" and purchase the tagged products using Instagram Checkout*.

* With Instagram Checkout, customers can tap to view a product from a shoppable post and then continue to the payment process, all within Instagram.

◀ Instagram Check Out

Here is an example of the different formats in which Product Tags are available and therefore available to Influencer Commerce strategies:

Product tag for Post



Shoppable Product Sticker in Stories



Product tag in Post caption (test)



Product tag for Instagram Livestream



Product tag for IGTV



Later this year Instagram will be testing Product Tag for its newest format reels.

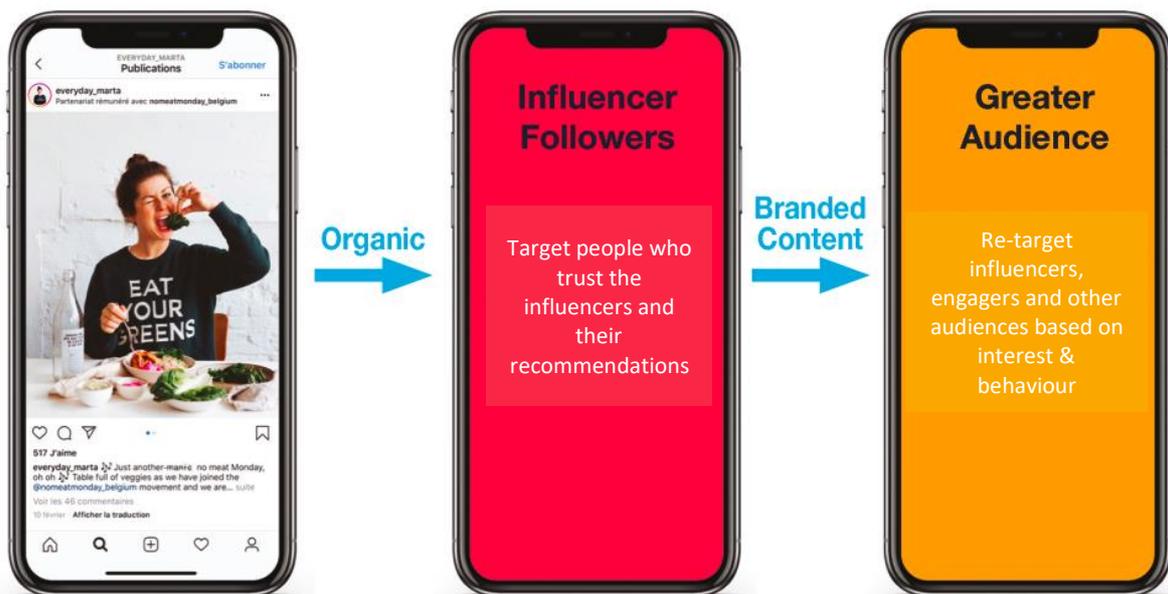
Availability of Instagram Shopping from Creators:

Shopping from Creators used to only be available for a handful of Creators and only for businesses taking part in the Instagram Checkout beta test. Fortunately, at the beginning of June 2020, Instagram confirmed that Checkout will expand globally, and the Shopping from Creators feature is to roll-out beyond the USA to the following markets:

- France • Italy
- United Kingdom
- Canada
- Germany
- Spain
- Australia
- Brazil

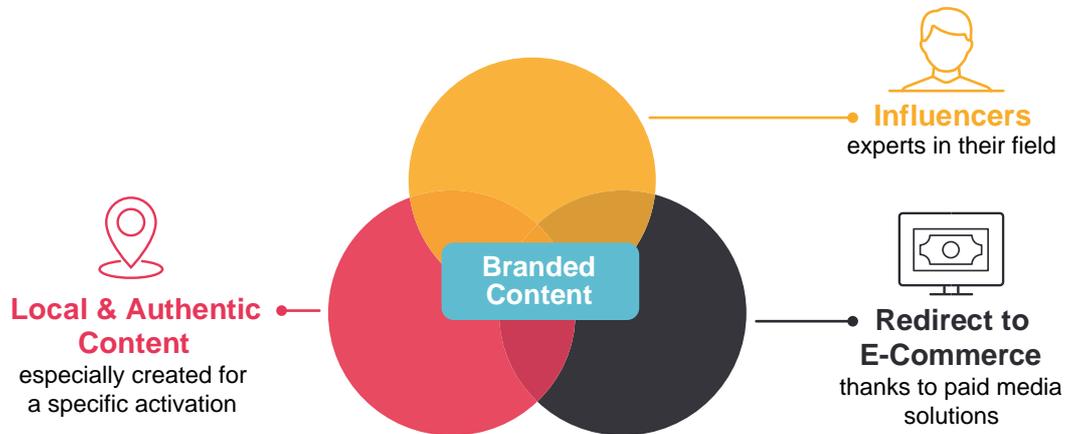
b. Instagram Branded Content

If Instagram Checkout is not available in your country, Instagram Branded Content is a solution that allows any brand partners of the influencer to amplify the content created by the influencer and link it back to their commerce touchpoints. The content will then be distributed to consumers following paid targeting options such as interests and behaviour. In this case, the content will still be shown as coming from the influencer.



There are 2 majors' advantages to Instagram Branded Content:

- You can target existing audiences from your Business Manager, as well as new ones.
- You can add an URL link to a brand's e-comm, download page, etc.



2. TIKTOK

TikTok has developed a "Shop Now" feature with two different usage options.

Option 1

New ad product that turns influencer videos into in-feed ads featuring a "Shop Now" call-to-action (similar to Instagram Branded Content).

Option 2

TikTok is testing a feature that will include the "Shop Now" call-to-action directly in influencers' videos (organic). This can then be amplified by paid solutions. In this case, the ad revenue will be split between TikTok and the influencer. TikTok appears to be pivoting more toward a YouTube influencer shared revenue model rather than an Instagram model.

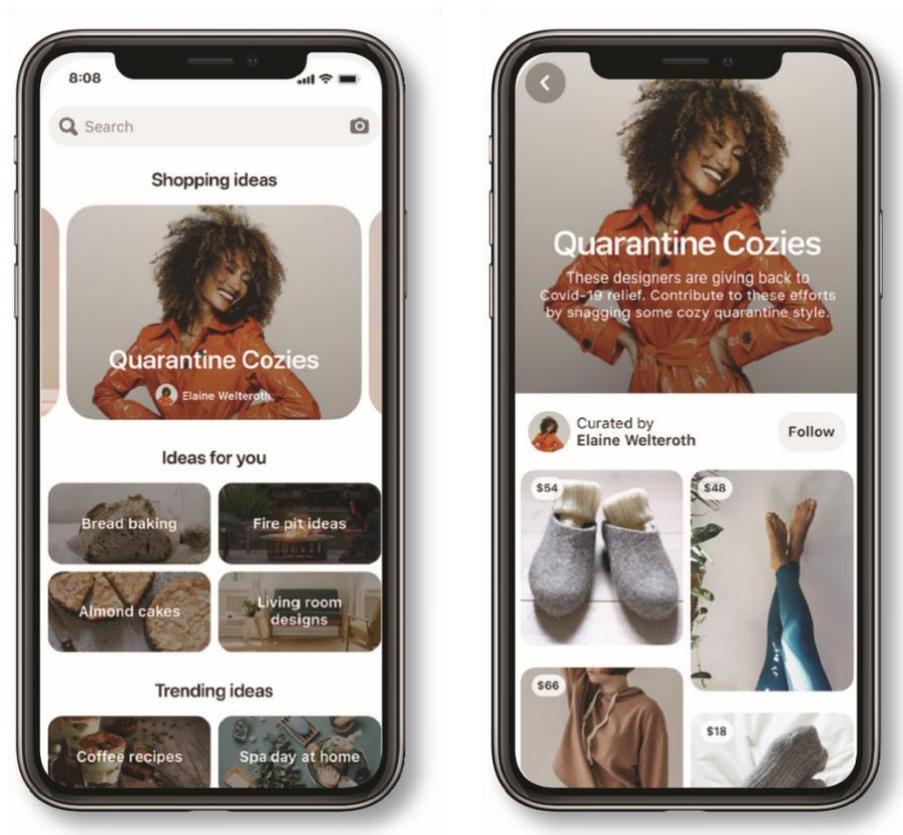
It has to be noted that this option is still in an early testing stage. This means that the influencer call-to-action ads are only available to select influencers, advertisers and agencies.

3. PINTEREST

In the USA, Pinterest has recently introduced a new tab within their app called "Shopping Spotlight". This new feature brings the expert recommendations of peoples' favourite influencers and magazines directly to a brand's audience, with the feel of a personal stylist and the look of an editorial magazine. Pinterest will be marking the launch with guest editors, such as former Teen Vogue Editor-in-Chief, as well as top fashion and lifestyle publishing partners such as Harper's Bazaar. This feature should then be rolled out to more and more influencers.

Shopping Spotlights started to roll out mid-May last year. They will begin to appear on the search tab with articles that feature Product Pins linking to in-stock products that Pinner can buy.

It has to be noted that Product Pins redirect to a landing page. It doesn't allow in-app purchase (yet).



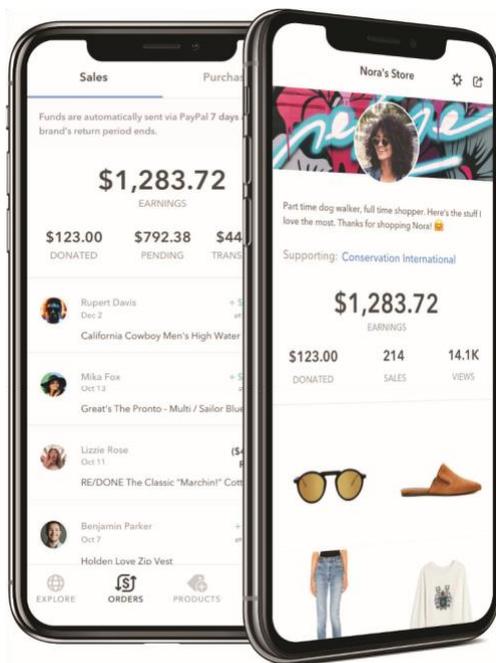
INFLUENCER GENERATED CONTENT (IGC) AMPLIFICATION

IGC is the new UGC (User Generated Content). Influencers are not just communication channels; they are tiny production houses that can produce locally and culturally relevant content at a lower cost than an actual production house. For an IGC strategy, reach is not as important; content and story quality are. In the current climate, with stricter rules regarding travel, influencers are a smart way to replace big production houses. Influencers are already used to producing content from the comfort of their own homes.

That is why, at VMLY&R Commerce, we already include IGC in the paid media strategy of several of our clients, and the results are promising. This means brands can maximize the assets received by the influencers through paid media solutions to benefit from the full potential that influence brings.

INFLUENCER E-COMMERCE APP

Influencer Commerce is not only tied to social media. Developers have been creating apps dedicated to finding what influencers are promoting on their social media channels. Each app operates similarly but with a few important differences; it allows consumers to find and easily shop their favourite influencers' looks thanks to a direct link to the e-commerce store. The incentive for influencers is that for every sale made through them, they receive a commission that varies from 4% up to 30%. Some apps and sellers give influencers the opportunity to donate a percentage of their earnings to non-profit partners. One example of such an app is "Like to Know It (LTKit)".



a. Pros

- High influencer commission (up to 20%)
- Commission from anything bought through the link
- Can drive traffic from Instagram to the app
- LTKit gives extra visibility by posting on its own social media channels

b. Cons

- First set up takes time (validation process by RewardStyle)
- Brands need to be affiliated to LTKit
- Photo only (no video yet)
- Only available for influencers approved by RewardStyle
- Not very popular outside the USA

MARKETPLACES

From East to West, marketplaces are opening up to influencers. This is changing how influence works by connecting the influencers to an infinite range of products.

The strongest game player comes from China, Alibaba, with features such as Taobao Live, Tmall Live and Little Red Book. The tech giant has enriched the e-commerce experience with a content-rich interface that includes video, live streaming, and full social media capabilities.

About 60 to 70 percent of Tmall and Taobao's mobile apps are all about content. Content encourages e-commerce shoppers to "hang out" as if they were on a social media or content platform, which is an opportunity for brands to leverage popular e-commerce influencers. In 2018, Taobao Live delivered more than 100 billion yuan sales of products, a YoY growth rate of nearly 400%. Taobao Live aims to deliver 500 billion yuan in sales in the next three years.



Consequently, the Chinese success story of Alibaba Influencer Commerce has inspired their western counterparts, especially the giant Amazon. It launched a beta version of Amazon Live last July for a selected group of influencers. Amazon Live is a live streaming session with an influencer who introduces, tests and reviews products in front of an audience in real-time.



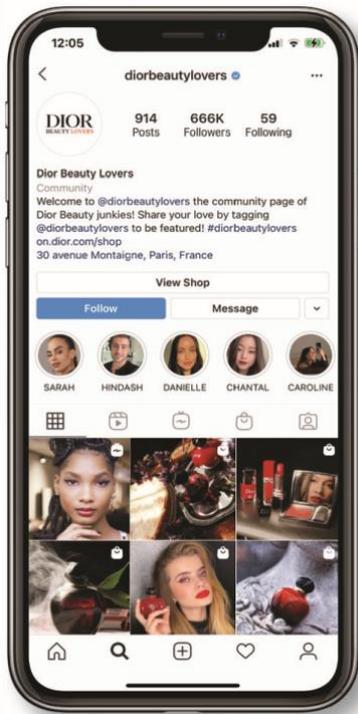
AFFILIATE LINKS

An affiliate link is a specific URL that contains the affiliate's ID or username. It allows advertisers to record the traffic that is sent to the advertiser's website and track sales made by a specific affiliate in order to give him/her commissions.

Affiliate links are usually distributed organically through:

	In Bio Swipe-up			In video description Information button		On Post
	In Post caption Swipe-up			In Bio In Post caption * Test phase on TikTok		In Post caption
	Swipe-up			In Post caption Live Stream (test phase)		

There are two ways to implement an affiliate strategy: in-house or through a third-party.



1. IN-HOUSE EXAMPLE: DIOR BEAUTY

Dior offers creators the opportunity to be part of their Dior Insider Private loyalty program. This program allows creators to share content about Dior products and earn commission on sales they generate thanks to their personal affiliate link shared on their social accounts. As another incentive, Dior shares its favourite content on the @diorbeautylovers Instagram account followed by more than 600k people.

a. Pros

- Redirects directly to owned e-commerce
- Decide the % of influencer commission
- Easier to track performance
- No commission to third party

b. Cons

- First set up can be time-consuming (need to create an affiliate program)

2. THIRD-PARTY EXAMPLE: AMAZON AFFILIATE PROGRAM

The Amazon Associates Program is one of the largest affiliate networks in the world. It helps creators, publishers, and website owners monetise their traffic. With millions of products to choose from, they advertise products from Amazon.com on their sites by creating links. When customers click the links and buy products from Amazon, they earn referral fees.



Sign up



Recommend



Earn

a. Pros

- Redirects directly to owned e-commerce
- Decide the % of influencer commission
- Easier to track performance
- No commission to third party

b. Cons

- First set up can be time consuming (need to create an affiliate program)

How to measure ROI?

There is a myth that it is not possible to effectively track conversion driven by influencers. The reality is that we now can measure pretty fairly the impact of influencers on sales.

If the consumer journey happens within the same environment from discovery to purchase as happens with Instagram Product Tags and Checkout, it is possible to link it back to influencers.

When other means are used, it needs a proper tracking system to be put in place to measure conversion.

BRANDED CONTENT

As Branded Content lives on the Facebook eco-system, it is possible to track conversion thanks to Facebook pixels as the amplification comes from the agency/brand Business Manager even though it is distributed through the influencer's profile.

ORGANICALLY

It is possible to track conversions thanks to a UTM link dedicated to each influencer. However, this depends heavily on the brand's analytic tool and features it has access to. For instance, if the brand works with Google Analytics and has access to the right feature, it is possible to link the UTM link to a campaign ID to follow the customer journey in order to see if sales were made and/or where the customer dropped out.

IN GENERAL

- Have realistic goals, not everyone is Kylie Jenner.
- Conversion/Performance is not always about sales (it can also be about driving qualified traffic, downloads, registration etc.).
- The approach to measurement and expectations needs to be adapted depending on the product. An approach to drive shoe sales cannot be the same as one for luxury hotel bookings.
- Create trackable links.
- Track each influencer individually.
- Link results to your other tracking efforts in place: web-pixels, in-store, etc.
- Track which product(s) the influencers' community is mostly interested in. This will give insights on what your audience is interested in and allows you to improve future Influencer Commerce strategies.

How to motivate Influencers to achieve your goals?

Influencers are human, not just an online channel. That is why a fair remuneration model that is both accepted and understood by the brand and the influencer is paramount. There are 3 different models that can be applied, all with their advantages and disadvantages either for the brand or the influencer. It is really up to both parties to agree a model that works for them both. It has to be noted that depending on the region/country the influencer is based in; the influencer might be more or less receptive to certain options.

1. REMUNERATE THE INFLUENCERS FOR THEIR CONTENT CREATION AND POSTING

- **Pros:** The relationship with influencers is already well established. Negotiation is easier.
- **Cons:** Influencers might not be as motivated to convert

2. REMUNERATE THE INFLUENCERS A FLAT FEE FOR THEIR CONTENT CREATION AND POSTING. THEY WILL RECEIVE ADDITIONAL REVENUE FOR CONVERSION

- **Pros:** Brands portray a real partnership and show that they value the influencer creation and network
- **Cons:** Negotiations with influencers take more time

3. REMUNERATE THE INFLUENCERS ONLY ON A COMMISSION BASIS FOR CONVERSION (HIGHLY LINKED TO CULTURE: CHINA >< EUROPE)

- **Pros:** Brands only pay when conversion happens
- **Cons:** Brands don't show value to the creativity of the influencer (creation, community). Difficult to convince influencers

Case Studies



INSTAGRAM BRANDED CONTENT

Rimmel London, Ultimate Jelly

Brief. Drive awareness, product advocacy and consumer engagement in order to generate sales for the product

Challenge. Combine relatability of influencer campaigns with a greater reach

Solution. Use both organic and paid solutions to increase conversion rate

Results.

Traffic to the e-commerce: **+6x** compared to organic results

Cost per click: **2.6x lower** than the industry average

TIKTOK SHOP NOW

Levi's, Future Finish

Brief. Send traffic to the e-commerce site for Levis' laser-powered Future Finish 3-D denim customization technology

Challenge. Connect with online shoppers amid the COVID-19 pandemic

Solution. Using the Influencer's videos as in-feed ads with a direct link to buy the same design on the e-commerce.

Results.

Ads watchtime: **2x** compared to TikTok average

Product views to the "Future Finish" page: **+2x** for the products featured in the TikTok campaign



IGC

IKEA IGC integration in paid strategy

Brief. Increase consumer interactions with Ikea's paid ads in order to maximize the Return on Ad Spend

Challenge. The brand's content is seen as too sterile by the audience

Solution. Integration of Influencer Generated Content (IGC) in the paid media strategy in order to be more authentic and relatable to the audience

Results.

Return on Ad Spent: **200%** higher

Cost per Conversion: **20%** cheaper

View Through Rate: **10%** higher

Cost per Click: **25%** cheaper

Click Through Rate: **20%** higher

Key Takeaways

Influencer Commerce is on the rise

Influencer Commerce is expanding and becomes a habit to many consumers. Nothing indicates that this trend will fade.

Knowledge, trust and incentive

Know your audience, trust your influencers and foster a mutually beneficial relationship.

Social Media in-app features will soon be available to everyone

There are many different ways a brand and influencer can interact with their audience, within social media apps and lead them to convert. Even though every feature is not available globally yet, we can see more and more are being rolled out and are becoming more accessible to an increased number of markets. This lets us think it will soon be available globally for any brands and their partners.

An easy start into Influencer Commerce

IGC amplification is a great first step into Influencer Commerce. It doesn't require much commitment, and it showcases the effectiveness of Influencer when it comes to driving sales.

Beyond Social Media

Influencer Commerce has a wider eco-system than just social media apps. Either used in parallel or as an alternative to other solutions, influencer e-commerce app and marketplaces are definitely something to be aware and taken advantage of.

Growing popularity for Live Streams

Live streams are becoming more popular. Even though the Chinese market is more mature in term of Influencer Commerce livestreams, we can confidently say that it will soon be a strong trend in other regions of the world.

Influencers are part of your team

Motivate influencers as you would motivate employees. As long as there are incentives for influencers to convert on your behalf (through affiliate links, for instance), they will be highly motivated to support you in achieving your goals.

There is no “guess” in “measurement”

We now can link back conversions to single individuals and improve strategies based on actual results.

Conclusion

Influencer Commerce is only at the start of its journey. In the last couple of years, we have seen more movement in this space than ever before, with social networks developing new features, testing them and releasing them into markets at pace.

Whilst Digital and Social Commerce was already on the rise, the impact of the pandemic has permanently affected our social media and shopping habits. The restrictions placed on our lives, have led brands to significantly accelerate the integration of Influencer Commerce into their social commerce strategies.

For too long, companies have categorised influence as an awareness tactic, but it is time to showcase its effectiveness in driving performance and show that marketers shouldn't only invest in likes and reach but also in real business outcomes such as sales.

That is why we believe 2021 will be the ascent of Influencer Commerce in performance marketing strategies.

About

Social Commerce+ is an innovative new practice designed to help brands accelerate purchase and business growth by connecting commerce to social.

The practice turns the traditional marketing funnel on its head, by identifying business goals from the outset e.g., volume of instore /online sales, subscriptions or footfall, followed by calculation of a unique blend of channels needed to deliver the goals. The model leverages paid social channels and media buying to one that leverages a broader collection of touch points to drive incremental reach and conversion.

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