Influencer Marketing Starter Guide

Contents

INTRODUCTION

What is an influencer (creator)?

The term Influencer is derived from the concept of social influence, a person's ability to shape the behavior of others in their community through conformity, peer pressure, and persuasion. In this context, an Influencer is someone who creates popular content on one of many social media sites.

The term 'influencer' however is now in decline in favor of the more positive term 'creator'. This is because creators want to be valued for their work (creation of content) and not for its result (influence). For that reason, we will refer to influencers as creators for the rest of this document and suggest you do the same when communicating with them.

What is influencer marketing (IM)?

IM is a type of social media marketing whereby creators on a particular platform provide an endorsement or product placement as content or integrate it within their usual content. Typically brands and suppliers will work with creators who create content related to their product's niche however this is not always the case. The historical roots of the influencer marketing industry lie within celebrity endorsements however influencer marketing is far more democratized, relatable, and accessible to both the creator and audience.

Influencer marketing looks like...

IM takes many forms; however, the most common form of influencer marketing is for a brand to sponsor a piece of content (either a video or image post) in exchange for a portion of that content being dedicated to marketing a product (called an Integrated segment or Integration).

Integrations usually see the creator use, discuss, or otherwise promote a product followed by a call-to-action (CTA) in the form of a recommendation to learn more by following a link to the product or service landing page. It is also common for a creator to provide a discount coupon code or another form of special offer, which doubles as a tracking method for the success of the integration (in terms of conversions) and a method for gaining the audience's attention. While less common today, sponsored content sometimes takes the form of an entire video - sometimes referred to as a "dedicated video".

This trend away from full videos is because they often perform less well, are less well-liked by the audience, and are harder for the creator to create than a shorter integrated promotion. But some full videos still perform well if they are conceptually creative in the promotion of the sponsored product as opposed to being a video purely about the product. Image posts centered on the sponsoring brand however remain quite common, especially on Instagram.

How do I start influencer marketing?

Getting started with IM is as easy as reaching out to a creator who you believe would be a good fit to market your product, or more importantly, their audience is a good target demographic fit. Layout clear terms about how the product will be incorporated within the creator's usual content and for how long. Decide on fair remuneration for the sponsorship (read on for details). Finally develop a method, such as the aforementioned coupon code, to track the success (conversion rate or click-through rate) of the content. Or if your campaign's goal is something other than pure conversions then raw metrics such as views, likes, comments can be used to judge the success of the collaboration.

We believe in learning by doing, so start some conversations with creators and see where it leads. Creators are generally aware of what sponsored content should look like and often don't need too much direction.
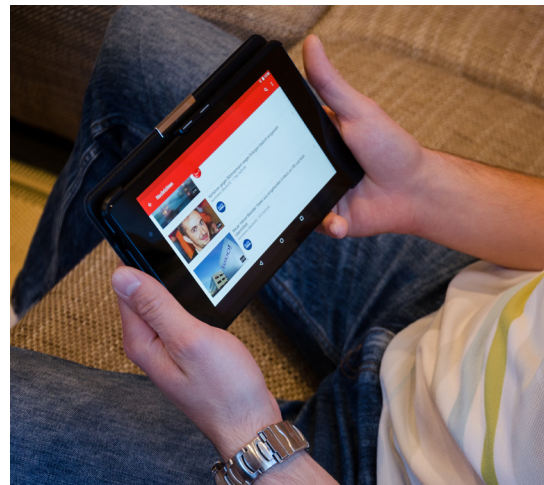
REVIEWING CREATORS

How much should I pay for creators?

There are several well-established payment structures for paying a creator to promote your product or brand. Below are the most commonly seen, however, anything is possible as long as all parties agree and terms are clearly laid out.

Before we look at payment models, it is important to keep in mind that creators who work in highly competitive niches will demand higher pay. An example would be a financial advice creator commanding far higher rates than a more saturated content area such as gaming. This is also true for more highly valued audience markets such as North America.

Flat rate payment

A flat fee paid in exchange for one or more posts on the creator's platform. This is the simplest form of payment as it requires no post-publish calculations, however, it can be difficult to judge a fair price for a piece of content and can lead to over or underpaying the creator.

A creator's following is often used as a rough guide on how to price these types of deals. It's also common to arrange several pieces under one agreement in this form. The upside is that creators and brands know exactly what to expect making budgeting your campaign easier. The downside is that brands may end up getting a poor return on investment (ROI) on a below-average performance.

There are some metrics that brands can look at in order to reduce their own risk in flat rate arrangements. The first of which is checking the consistency of views/impressions of their recent content, high variability means higher risk. Also, growth can be a strong signal that a creator's average views or engagements on their content will increase over time which means a brand could get potentially additional value out of a long term agreement.

Affiliation

This model has a brand pay the creator a set amount or a percentage of profit for every one of their audience members who click through and purchase a given product or service. The term comes about as the audience member is said to be affiliated with the creator, and the creator is affiliated with the brand. The upside of this model is that creators are incentivized to put effort into promoting the product, with the downside being that if no conversions are made then the creator may be unhappy with little to no payment. For this reason, it's generally disliked by creators and many won't want to work with you.

Hybrid models are also somewhat common where the brand can guarantee a minimum payment to creators while also giving an affiliate percent of sales as a bonus to the creator.

Performance based deal (CPM deal)

It's becoming increasingly common to see brands pay a creator for the number of views a sponsored piece of content receives. Typically deals will be structured around Cost per Mille (CPM, per thousand views) with a fixed price per thousand views, usually paid out after a pre-agreed amount of time (typically 30 days) after the content is published. This has the benefit of incentivizing good work from the creator (to get more views and maximize payment) while reducing the brand's potential for overspending. It feels more "fair" and is somewhat liked by creators, flat rate deals remain more popular, however.

Non-monetary (working for product)

In lieu of money, products and services can be given to creators in exchange for a promotion. This is often the case when a creator's reach is smaller. This model has the added benefit of the creator physically having the product they are promoting leading to a more authentic feeling promotion. This is the cheapest option for most brands making it popular, however many creators will not work only for products and will require financial compensation as well.

This becomes more feasible when the value of the product is higher. A hybrid approach is also common by providing free products along with flat rate payments. This will generally be cheaper for the brand.

As you can see each compensation model covered here has its strengths and weaknesses. Experimentation is often the best route in finding the best fit for your or your partnered brands, while also keeping the creators you are working with satisfied.

Estimated Influencer Marketing Growth (YOY)
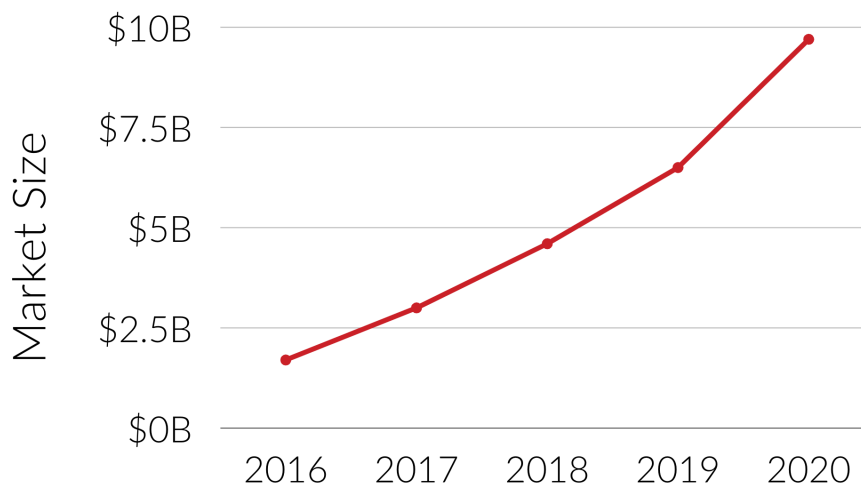
Data derived from Influencer Marketing Hub

AGENCIES

Working with other agencies

It is often the case that when reaching out to creators an agent representing them will respond on their behalf. Typically larger creators will sign binding contracts for representation with an agency that will organize and negotiate deals on their behalf, typically for a % share of earnings. This relationship is usually symbiotic with the creator getting to focus on their craft and not on answering dozens or sometimes even hundreds of emails, and the agency receives money for services rendered. This arrangement also doesn't necessarily affect the creator's bottom-line earnings, as their agency will fight hard to negotiate better rates for their talent.

Agency to agency collaboration is common, where an agency representing a brand wants to activate a creator that's represented by the other agency.

Pros

When speaking with an agency, you can expect frequent, fast, and professionally written responses. This can be a refreshing change from the sometimes curt responses received from a creator. The representing agency has a vested interest in ensuring the creator continues to create quality sponsored content and therefore will assist you in directing the creator to create something to your client's liking. If you're new to IM then they can also serve as a fountain of information and ideas about how to run campaigns. We highly suggest utilizing their experience and expertise wherever possible.

Finally, representative agencies often work with many creators, and therefore can be a good source of other creators for the same campaign. Simply ask them if they have other creators that might be a good fit for your campaign and they'll happily open up.

Cons

The major drawback to collaborating with another agency is the price. While a representing agency will negotiate more formally and professionally, they will also negotiate harder and request more money as there is another party now involved and requiring payment. They will also be acutely aware of the value of their creator and therefore you'll rarely get an amazing deal for your client. What's more is that any relationships they build with creators while you work with them will be theirs and theirs alone at the end of the campaign, often making it hard to work with a specific creator again without that agency being involved.

In short, working with representing agencies is commonplace and typically a pleasant experience. You are required to do less hands-on work with the creator, but this comes at the cost of reduced margins for you and often a more expensive piece of content for your client.

> *Based on 80% of customer feedback, agencies overcharge both influencers and brands by 30% on average.*
>
> *- SocialBook.io*

PAYING CREATORS

How much should I pay for creators?

When considering a creator there are several key data points that you should review. While these vary a little from platform to platform there are plenty that are applicable everywhere. Here are the key data points that we consider most important to us at CreatorDB.

Subscribers/followers

This is an obvious starting point. A creator's subscriber/follower count is a quick way to get an idea about their reach and social influence capacity. This figure alone is not enough to correctly price a piece of sponsored content but it remains an important consideration and allows for quick judgments about the creator's potential and cost. A potential pitfall is that sometimes a follower count is more of a tell about how long the creator has been making content versus its current popularity.
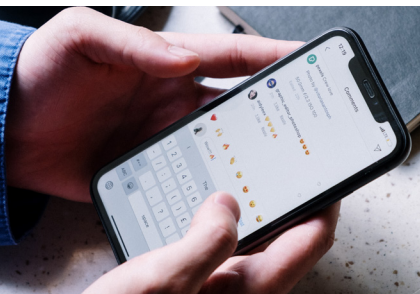
Engagement rate

This figure is found by dividing a creator's viewer or subscriber count by their (average) engagement count. Engagements are likes, shares, and comments. Engagement rate is therefore a quick measure of a creator's ability to get their audience to act as well as how attentive their audience is. A low engagement rate (<1%) is a red flag that the creator is boring/ineffective or has potentially purchased subscribers to artificially inflate their following, we'll return to this later.

In our opinion, this is the single best indicator that a creator can make a good return on investment and should therefore always be considered. Also keep in mind that as a creator's following grows, it is typical for engagement rates to linearly decline which we will discuss more in the next section.
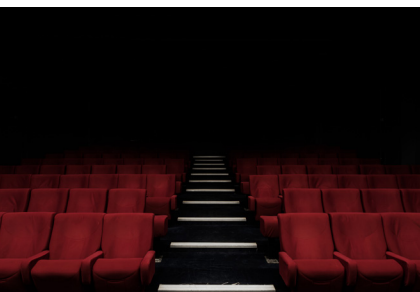
Average views

This is simply the average amount of views a creator's past content has received. It is used as a quick way to judge how many views are likely to be generated on a sponsored piece of content and therefore is a very important consideration when determining pricing. It is usually a good idea to only consider recently published content when calculating averages as audiences grow and shrink over time. The only time this isn't applicable is if the content is 'evergreen' and will remain relevant (and therefore searched) for a long time into the future. We at CreatorDB consider using the creator's 20 most recent posts/videos as the best practice.

Audience demographic data

While hard to retrieve at times, a creator's audience demographics (especially age, gender & location) are important to consider when selecting who to work with. If the audience is not primarily your products target demographic, you will have a very hard time getting conversions. For gathering this data, using a tool, such as CreatorDB, can be especially helpful as the only other way of obtaining this data is gathering it directly from the creators.

The above four data points are often enough to correctly price your sponsored content pieces and campaigns. That said there are many more than can be considered and at times are necessary. CreatorDB offers over 100 data points, the ability to search by what's important to you, and to ignore those that are not.

The true effect of audience size

The size of a creator's audience typically affects only a few metrics, however, these are important to consider. The first is obviously the price, creators with larger audiences will require more money as their social influence is higher and you will be competing against other brands and agencies for their time. While total costs go up as audience size increases, it's normal to see CPMs (cost per 1000 views) go down meaning your dollar goes further.
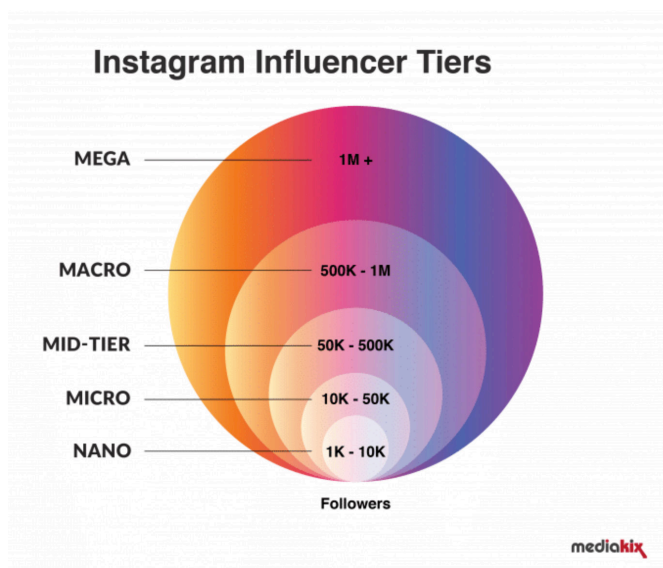
The second point to consider is a well-observed phenomenon where creators with a larger following have a lower engagement rate, and conversely smaller creators have higher engagement. Smaller communities are typically more engaged and trusting of the creator and therefore command a higher CPM.

AUDIENCE SIZE

	1K-10K	10K-100K	100K-1M	1M+
Instagram	4.4%	2.4%	1.8%	0.7%
YouTube	6.7%	6.2%	5.0%	4.0%

Engagement rates by follower size

Categorizing creators by audience size

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Instagram Influencer Tiers

MEGA — 1M +
MACRO — 500K - 1M
MID-TIER — 50K - 500K
MICRO — 10K - 50K
NANO — 1K - 10K

Followers

mediakix

Nano-Influencers (1-10K)
Highly engaged and insular with niche content

Micro-Influencers (10-50K)
Highly engaged with broader content

Power Middle-Influencers (50-500K)
Moderately engaged with accessible content

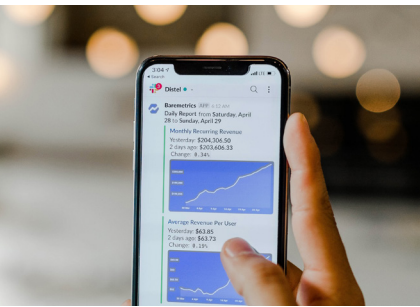**Macro-Influencers** (500K-1M)
Less engaged with highly accessible content

Mega-Influencers (1M)
Least engaged with very general content

PAIN POINTS

Common pain points

There are several obstacles that stand in the way of a quick and easy campaign when working with creators. Some of these are unavoidable but all must be considered.

Subscribers/followers

The first major problem that many run into is how to contact a creator they're interested in working with. If you're lucky they will include a contact email somewhere within their social platforms.

For YouTube, creators often set a business email that is accessible but only up to 5 per day (and often require a tedious CAPTCHA). Many creators will not include a contact method anywhere and you're left to attempt contact through a linked Instagram or Twitter private message. On top of all of this, creators typically get hundreds if not thousands of messages a day from fans, brands, and marketing agencies looking to recruit – it's very easy to get lost in the noise. There is no true solution for these problems however CreatorDB does employ several different methods to retrieve a creator preferred and most up to date contact method to assist you in getting in contact with your chosen creator.

Audience fatigue

The next is something that concerns creators greatly. That is they do not want to be seen by their audience as 'selling out' by promoting too many different products in a short period of time. Creators who don't concern themselves with this run the risk of alienating their audience leading to lower engagement rates, unfollowing, and criticism.

Creators that overly concern themselves with it may be reluctant to work with you or be overly choosy with what they decide to promote. Again there's no easy solution to this pain point and creators differ greatly in their opinions on the matter. Larger creators that are often approached by brands are likely more comfortable in doing sponsored content but may have the ability to be pickier about which brands they wish to work with. On the other hand, audiences could respond positively to smaller creators getting sponsored because they wish for their favorite creators to be rewarded for their hard work.

Inbox fatigue

Creators can also become fatigued if they receive a high quantity of sponsorship offers. It is not unheard of for creators to simply stop reading or replying to outreach from brands and agencies looking to work with them. As a result, you should never become too attached to the idea of working with any specific creator, and instead, consider many and hope that one or more are interested. We recommend A/B testing email subject lines to find something that works. Being succinct, honest and straightforward is the best practice. Also following up with creators a few days after getting no response could greatly increase your response rate.

Determining highest performers

They are several key indicators that can be used to predict the likelihood of success of a creator's ability to influencer their audience. Channel growth is key because it gives provides insights into whether new people are finding their content interest and engaging enough to follow, while negative growth indicates they are losing their audience because their content is boring or not useful. Also important is the ratio between a creator's followers and their average views & engagements. If only 5% of subscribers are watching new content, then this can indicate the audience has tuned out. We collate these indicators as well as a creator's averages to give them an overall ranked score, which we call their CreatorDB score. Working with the best is as simple as ordering your search results by this value and working from the top down.

Demographic data

A creator's audience demographic data (age, gender, location), as we covered earlier, is a key consideration when planning and pricing a campaign. This is generally not public data and therefore must be attained by other methods. In most cases you can request this from a creator during initial discussions about working together and usually, they are happy to oblige. This becomes a bigger problem when you are dealing with 10s or 100s of creators. Demographic data can be estimated using complex data analysis. We have included this in CreatorDB's creator profiles as well as allowing searches to be made for specific demographics.

There will always be some friction in running creator campaigns. Your best bet is to be aware of these problems, utilize technology to cover gaps where possible, and if you find creators who act professionally try to maintain relationships with them for future campaigns.

UNSCRUPULOUS BEHAVIOR

> " 68% [of agencies] claim to have experienced influencer fraud, up from 63% last year.
>
> – Influencer Marketing Hub "

Creators have at times acted in unsavory ways.

Inappropriate language and behavior on camera

Creators are de facto representatives of the brands that they create sponsored content for. Therefore it is key to select creators who have similar values and presentations to the image you are looking to present to the public. The most common issue found is creators who cuss and curse in their usual content reflecting poorly when juxtaposed against the brand's messaging. Due diligence when researching creators to work with is therefore required, especially if you are an agency managing creators on behalf of a brand.
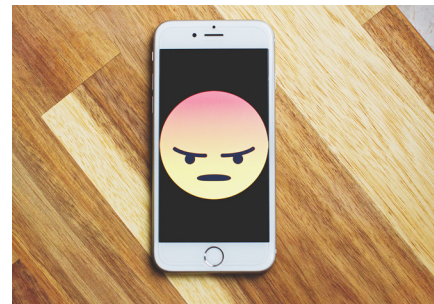
The role of news media

Larger creators hold similar social power to celebrities and should be viewed as such. What this means in practice is that the poor actions of a creator can and usually will be picked up by news media of one kind or another. It pays to steer clear of creators who run a higher than average chance of falling into disrepute and taking you or your client's brands down with them. It is therefore recommended to have a good idea about a creator before reaching out to them, and an online search of their name wouldn't hurt either.


Clear expectations

It's important to set strong expectations of what the sponsored content will look like. Sponsored content should be personal and freedom should be given to the creator on how to shape it, but if not given any guidance whatsoever there is a chance that they will create something that isn't to your liking. This can lead to a warping of your brand's message into something that does not reflect your product or image well.

Looking for and asking for examples of past work is a best practice when reviewing creators. Many will gladly provide examples of past work, and often they're happy to pitch you ideas of how they can integrate your product into their content.

PITFALLS & LEGAL ISSUES
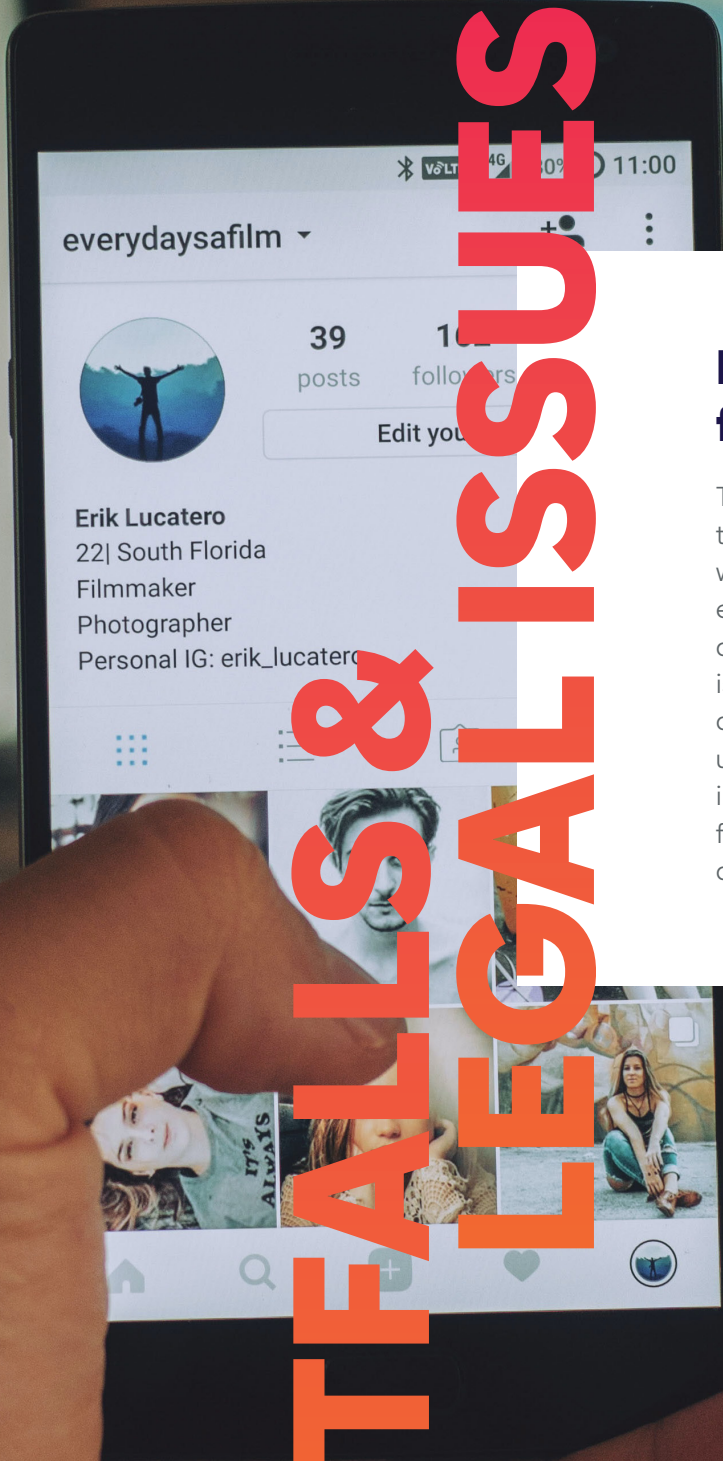
Fake views and followers

This is a continuation of the previous section about creator behavior that we feel warrants its own section. Views and followers are the currency of online marketing and therefore hold real tangible worth. This is despite the fact that viewing content and following a creator's content is free to users. This reality has led to services opening up that accept payment in exchange for views and follows from what have been dubbed 'click farms'.

Click farm services in the modern day are extremely cheap. A quick online search will turn up hundreds of results, which only cost a few dollars to become thousands of followers or tens of thousands of views and likes. Creators who choose to engage in this behavior will therefore appear to be more valuable to your brand by raw numbers. This leads to a very poor return on investment for any sponsored content you make with them as the audience is not real, but instead are either uninterested people working for a click farm or just as often, botting software.

How to avoid working with bad actors?

My advice is to check the two following things.

To begin a creator's engagement rate, as previously mentioned, is an effective quick check of audience integrity. Bought followers and views have extremely low engagement, often not commenting, liking, or sharing the content they are viewing. Any creator with an engagement rate of less than 1% should be treated with caution. This is not only because there is a chance of purchased followers, but also because even if their audience is legitimate - they aren't very interested and engaged in what the creator is doing.

It is worth remembering that as audiences get larger, engagement rates drop lower so keep this in mind. 1% engagement rate on a power-middle or smaller influencer is terrible while being not unheard of for quality Mega-influencers. CreatorDB calculates engagement rates for all creators within the platform automatically and it's a metric that I include by default in any campaign discussions (as it also affects my pricing).

Click farmers have also begun to bundle together followers with views, comments, likes, etc. to artificially boost engagement rates. Many social media platforms have internal systems to try and combat this practice by hiding views from a suspicious account if their pattern of use matches that of a click farmer or bot, however, it's been our experience that many make it through regardless.

What we recommend you do is scroll through some comments on a piece of content made by your creator and see if there is anything suspicious. Click farmers work in bulk and as a result, the comments are easily identifiable by their broadly applicable writing. Also, paying attention to the ratio between likes and comments as an engagement is a useful factor as likes are easier to fake.

This is an imperfect science and takes time to get a feel for. There are only two real identifiable smoking guns of this behavior. The first is a longer comment (not an emoji or short phrase) that is repeated within a comment section by two different accounts. This is a sign that stock comments are being used by a click farmer to save time.

The second is if a significant amount of comments are posted to a video within a very short amount of time, in the order of a minute or two.

Legal implications

There are a few legal considerations when working with creators. Typically you will want to work under a contract that lays out the agreed-upon payment, expected publish dates, if revision requests are possible, and some content guidelines. For some small to medium size creators, this can be a friction point as they may not have signed many contracts of a similar nature before. It is therefore recommended to keep legal language to a minimum where possible and keep them concise. Aim to have an agreement/ contract of two pages or less. Remember that agreements are there to protect both parties and often diffuse difficult situations before they arise.

Next is that many countries (and nearly all developed countries) have strict laws regarding the disclosure of sponsored content as it constitutes a form of advertising. It pays to research in-depth any country that you operate in however if this is not possible then you should aim to at least achieve the following.

The creator should clearly disclose verbally (if in a video) AND in writing that their content has been sponsored. They can achieve the first by one of many phrases such as "This video has been sponsored by..." or "Brought to you by...". To cover the second point, creators should include a written statement in their video description or under an image post that clearly states that this content is sponsored, for example, "Sponsored by...". If you are operating on YouTube, creators should be directed to check the 'Includes paid promotion' checkbox on upload which will cause a small bubble that reads the same thing to be included at the beginning of the video. Another common

way to flag an advertisement is simply having the creator write "#ad" in the caption or description of the content. To sum up it should be obvious to the average viewer that the creator received payment in exchange for promotion within a piece of content.

Conclusion

Influencer marketing comes in many different forms and operates on many different platforms, there is no one size fits all approach. All that we have covered should be enough to get you started and you will quickly begin to find what works for you as an agency or brand. There is no better way to learn than through doing.

This has been brought to you by CreatorDB, a platform designed from the ground up to assist in creator discovery and outreach. We've worked hard to equip agencies and brands with all the information they might need to make the most informed decisions when selecting creators. CreatorDB also assists in pricing sponsored content from each of the hundreds of thousands of creators on the site, as well as recommending top performers in each of its Topic and Niche categories.

Try it out for a month for just a dollar by visiting creatordb.app or emailing noah@eastwestimg.com.