BUZZOOLE

Measuring the impact of influencer marketing

The evolving approach to measurement of activities with creators: from fans to True Reach.

Contents

@cristencasados

@lovefashionstyle

@fashitect

@craigowilliams

Introduction 1

Influencer marketing stems from an activity that is almost imposed on companies by an unexpected market situation, driven by two main factors. On one hand, the widespread diffusion of social platforms and their ubiquity due to the boom of mobile devices, and on the other, the spontaneous birth of web personalities, which have been able to attract increasingly substantial audiences by exploiting the full potential of these new

@fresheather

stages. Various research projects currently tell a story that is hard to ignore: 60% of consumers[1] consider their peers as a credible source of information on products and services. This is added to the fact that 82% of consumers maintain that they are very inclined to follow a recommendation made by an influencer[2].

Thus, marketers worldwide actively exploring the opportunities presented by influencer marketing and experimenting with the use of large and small creators to channel their messages to audiences that were not as accepting of traditional advertising. Initially, however, isolated campaigns without any specific aims and with tight budgets, meant that results were often negligible when compared to consolidated investments in other channels. In turn, this meant that it was sometimes

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[1] Experticity Research:
Micro-influencers Have More Impact than
Average Consumers
[2] Ibidem

Introduction 1

difficult to justify additional investment to internal stakeholders and top management. Influencer marketing was essentially viewed as a cost as opposed to a business opportunity. Today this practice, at least for companies that guide marketing innovation, has become fully established in the marketing mix for a number of reasons. First of all, it has been observed that some Creators can truly become both necessary and credible connectors, where top down brand communication fails to penetrate. FOMO also plays its part and for some marketers the fact that their competitors are doing it, means that it would not do for them to be seen as behind the curve. Nevertheless, at this time, the most important challenge remains measurement. Companies have realised that it is not enough to measure the metrics imposed by social platforms (fans and followers first, then engagement) to prove the impact of influencer marketing campaigns. Therefore, there is a need for a more strategic approach to measurement that starts from the business objectives and considers business metrics. Buzzoole has taken a serious approach to the subject of measurement from its inception and has now taken the evaluation of influencers' investments to the next level - investigating in innovative and proprietary technology to connect companies and creators. After a year of research, Buzzoole has managed - with the help of Nielsen, a measurement leader - to develop a set of metrics and a new approach to help companies meet the challenge of measurement and a sector under scrutiny to evolve.

The size of the challenge

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53% of marketers believe the challenge lies in measuring the performance of influencer marketing programs

47% of marketers claim that they would be prepared to spend more in order to gauge the impact of influencers within the customer journey

The evolution of measurement

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In the beginning it was all about the fans.

Around 2010, the giddy rise of Facebook as a mass platform for upwards communication prompted companies to create an official page and put themselves to the test with a new type of marketing, social media marketing. The main concern of managers was to increase their numbers of fans, also in association with the enormous commercial "push" of Zuckerberg's people. After a number of years disenchantment settled in as it became clear that having

thousands of fans was not necessarily tantamount to attracting attention.

Despite this lesson, many companies approaching the measurement of influencer marketing activities still only concentrate on the number of fans and followers of the creators involved.

Now, as then, this is a very short-sighted approach as it is based on a false premise. In any marketing activity the onus should be on the business objective to be attained and not on a mere social objective. Therefore, social metrics may be a more or less reliable indicator of a company's approach to their business objective and should be chosen carefully.

The number of fans and followers may be the most immediate factor to assess when considering the impact of a creator or a campaign, but it is certainly not the most reliable. This is both because it does not consider the negative effect of algorithms in the distribution of content, and because it neglects the physiological action and fraudulent use of automated systems (commonly known as bots) for sweetening followers and engagement.

Engagement Metrics

Having grasped the fallacy of measurement based on numbers of fans and followers, many companies have decided to focus on so-called engagement. This is a term that, in practice, takes on different meanings from company to company and from platform to platform.

Total Engagement

This generally indicates the sum of the interactions (likes, comments, shares and other similar elements) produced by the content of an influencer marketing campaign. It is also advisable to consider interactions individually so as to have a more precise cross-section of what has taken place. For example, in some campaigns the aim could be to increase the number of shares and not the quantity of simple likes. Alternatively, an excessive number of comments could flag critical factors requiring attention such as problems related to the quality of product advertised and the reputation of the brand, which could lead to an online backlash

Engagement Rate

It is an ambiguous statement when the factors of the calculation ratio are not specified. If it relates to followers or fans it is a number provided by the relation that holds between the total interactions with the content and the number of followers of whoever produced the content. In this case it is used to measure the degree of activity shown by fans/followers of a given influencer.

If, on the other hand, the Engagement Rate is calculated as the relation that holds between the total interactions with the content and its reach, it may be useful for calculating the degree of interest aroused in the people reached.

Therefore, it is crucial for a marketer to be aware of what they aim to measure and which of these interpretations of Engagement Rate a specific service provider (of analytics or influencer marketing) can expose.

Reach

The term Reach means the number of people effectively reached by the content. In particular, it refers to the people who have had the opportunity to see the content as the social network distribution algorithm selected it for their news feeds. The only platforms that provide this kind of data, are Facebook and Instagram. Nevertheless, it is only visible to the producer of the content. Accordingly, the platforms and agencies that offer Influencer Marketing Services may not be able to provide exact statistics but more an estimate. A platform such as Buzzoole, on the other hand, has the precise value as all the creators involved in its campaigns agree to connect their profiles (via social logins) to the system. This ensures the utmost transparency both in choosing who to involve as well as in the provision of post-activity measurement.

Impressions

The term impressions (usually translated as "views") means the number of times the content has been viewed or, rather, the number of times the distribution algorithm has included it in users' news feeds (it may not necessarily have been viewed). The number of impressions is a datum containing overlaps as the same person may have been able to see the content both on a desktop and on a mobile device, on different occasions.

Sentiment

In particularly sensitive influencer marketing campaigns or where a shift in brand perception is a key driver, it is also recommended to measure the so-called sentiment, i.e. the quality impact thereof. Within the Buzzoole platform, brands are also given an indication of the number of positive, negative and neutral messages (without polarities) developed by the activity performed. This is also a useful indicator for collecting and understanding feedback left by users, which is valuable for orienting feedback and driving subsequent product/service development actions.

True Reach and Ad Recall

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Thanks to its collaboration with Nielsen, a world leader in the measurement of marketing activities, Buzzoole has developed a tool able to provide more precise assessments of the success of influencer marketing actions. Companies that use Buzzoole will have two new metrics visible in their final report.

True Reach indicates the number of people reached by the content produced by an influencer marketing campaign across the different social media used. Both the value for the respective social media as well as the total value are indicated, the former in order to understand the contribution of each one, the latter to measure the overall impact of the campaign. This metric is innovative in that it allows the reach to be estimated even for media channels that do not provide this statistic as a native feature. In fact, while the activities performed on Facebook and Instagram provide this precise value for business accounts since it comes from the actual platforms, other media do not offer the possibility to calculate it. However, through an algorithm

@iriwkis

developed by Buzzoole in association with Nielsen, it is now possible to extend beyond these platforms and calculate the number of accounts reached by the communication across all relevant media.

The parameters examined for developing the algorithm behind the True Reach metric include:

- **Social following:** the number of followers that an influencer has on each social channel;
- **Effective readership:** a visibility metric based on the data collected through surveys performed by the brand activating the campaign and the number of followers claiming that they saw a brand message;
- **Influencer interaction rate:** number of interactions with each individual post by the followers;
- **Influencer activity:** number of posts published per month by the creator.

Ad Recall is a new metric introduced to the Influencer Marketing space that estimates the percentage of people reached by a campaign and who remember seeing it. In addition to the interactions generated, it is very useful as an indicator to find out whether it really stuck in people's minds.

The two proprietary algorithms underlying True Reach and Ad Recall are based on a comparison between the core social media performance indicators (number of followers, frequency of posts, involvement rate) and the information collected through periodic surveys relayed by fans/followers registered on a diverse range of social media.

Digital Brand Effect Study

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In addition to the metrics previously described, the brands concerned can also request the ad hoc production of a "Brand Effect" study. This type of analysis, which Nielsen has been using for some time to measure the impact of communication on different media, has only recently been applied to influencer marketing.

@yelyzavetasemenova
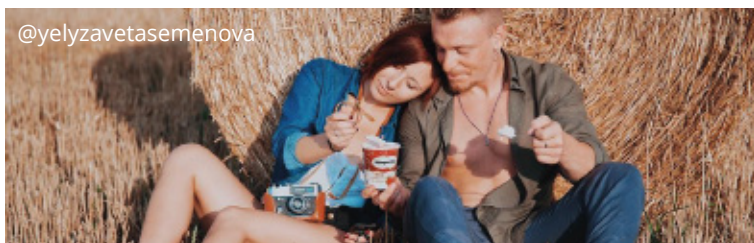
A Brand Effect study allows the effect of a campaign to be explored in more detail, highlighting different "brand uplift" KPIs through interviews conducted with two groups: one of 18+ users which has been exposed to the influencer campaign, while the other has not. This comparison emphasises the real contribution of communication using a series of primary and secondary KPIs:

- Top of mind
- Spontaneous awareness
- Prompted awareness
- Favourability
- Recommendation
- Intention to buy

It is also possible to find out how the target audience of a campaign reacted compared to the general people exposed i.e. whether the communication was particularly effective for the primary target that the brand intended to reach.

Digital Brand Effect Study 5

Lastly, the value of each of these different metrics can be compared to the value recorded by alternative digital activities. This translates into more effective measurement of the influencer marketing activities. Over recent months Buzzoole and Nielsen have performed a wide range of Brand Effect studies (in Italy, the UK and the US), and based on an initial cross-industry sample of 10 we have highlighted some results that have the potential to be used by other companies as benchmarks.

In all six KPIs observed, the percentages were higher in the exposed group than in the non-exposed group, despite the brands involved in the studies having a 'high' starting awareness.

Across secondary KPIs (favourability, recommendation and intention to buy), more significant increases were observed between the non-exposed group and the exposed group, with a growth comprised between 15% and 20%.

The graphs also outline the "norms" datum, namely the mean value in relation to display and social campaigns performed in Italy and the UK. Hence, it emerges that, especially on the secondary KPIs, the positive effect of influencer marketing campaigns is superior to that of digital campaigns. This proves that influencer marketing campaigns can have a significant impact on brand knowledge, but also on the inclination to buy and to suggestion.
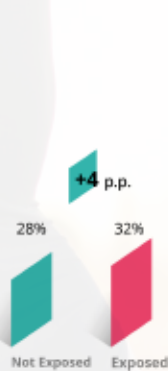
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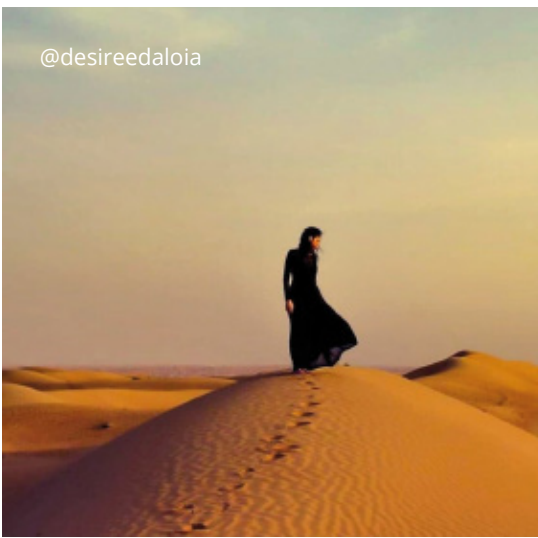
Brand Awareness

Exposure to Buzzoole campaigns generates a percentage increase on all three awareness indicators; among these, spontaneous awareness displays the highest growth (+4%).

Top of Mind

+2 p.p.

19% — Not exposed
21% — Exposed

Spontaneous Awareness

+4 p.p.

28% — Not Exposed
32% — Exposed

Prompted Awareness

+2 p.p.

89% — Not Exposed
91% — Exposed

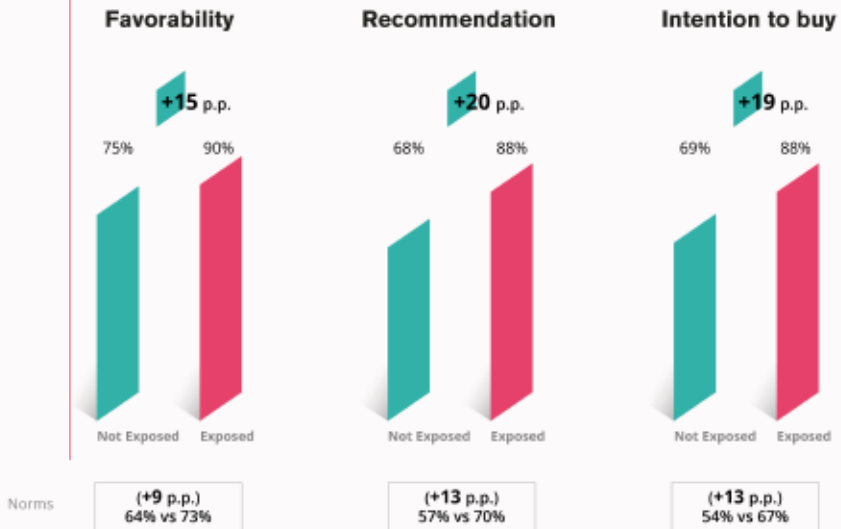| Norms	Top of Mind	Spontaneous Awareness	Prompted Awareness
	(+2 p.p.) 19% vs 21%	(+2 p.p.) 36% vs 38%	(+2 p.p.) 84% vs 86%

Secondary brand KPI

It is chiefly secondary brand KPIs that show a trend upwards among the exposed vs control groups. Moreover, all three indicators show double digit growth. 'Recommendation' is the KPI with the highest growth (+20%).

Favorability

+**15** p.p.

75% 90%

Not Exposed Exposed

(+**9** p.p.)
64% vs 73%

Recommendation

+**20** p.p.

68% 88%

Not Exposed Exposed

(+**13** p.p.)
57% vs 70%

Intention to buy

+**19** p.p.

69% 88%

Not Exposed Exposed

(+**13** p.p.)
54% vs 67%

Norms

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The Sheba Case

Sheba, the famous premium cat food brand, needed to reinforce its perception and awareness as a brand that is attentive to the relationship between people and their four-legged friends. To do this, it asked Buzzoole to design an influencer marketing campaign to support the initiative #graziegatto (thanks cat). The project was centred on the creation of an actual digital communication platform built on research into the human-cat relationship. The analysis showed that cats can enrich people's lives, so Sheba set out to be the spokesperson for those who share their lives with cats and feel the need to thank them. This resulted in the creation of the hashtag #graziegatto and a video of real testimonials showcased as part of the platforms launch through Facebook and Instagram. Buzzoole supported the #grazie-gatto initiative with the roll-out of an influencer marketing campaign. A mix of 56 macro and micro target creators were involved, the former to contribute to the top of the marketing funnel (Awareness and Consideration) and the latter to contribute to the lower part (Intent and Purchase). A made-to-measure brief was produced to deliver accurate storytelling, and the channels selected for the delivery of the campaign were Facebook and Instagram, with the support of stories. The creators produced 156 posts, with a total of 50,000 interactions and over 60,000 views.

@deddacirelli

The Sheba Case 6

The brand effect

The cooperation between Buzzoole and Nielsen allowed the brand team at Sheba to access information and insight that allowed them to assess the success of the campaign and the ensuing impact on the brand. In fact, the Brand Effect analysis allowed them to compare the KPIs through interviews conducted with two different groups: one exposed and one not exposed to the influencer campaign so as to be able to appraise the effect on awareness, favourability, recommendation and intention to buy.

Specifically, for the campaign in support of the Sheba #grazie-gatto initiative, extremely positive results were recorded following the analysis performed: Sheba's Top of Mind reached 11.4% for the exposed group (+6.2% vs. the non-exposed group), while the growth of Spontaneous Awareness achieved 16.1% among the non-exposed as compared to 19.1% among the exposed group. Sheba's Spontaneous Awareness attained 86.9% among the exposed group, recording a 3.8% increase as compared to non-exposed users.

Brand favourability was the KPI that accomplished the highest growth: 72.9% of the non-exposed group as compared to 89.6% of the exposed group. Brand Recommendation recorded 73.3% with the non-exposed group as compared to 88.5% with the exposed group. Intention to buy reached 88.5% among the exposed group, a 16.2% increase as compared to non-exposed users.

Favourability and intention to buy are the parameters that contributed most to improving the positioning of the Sheba brand with respect to its main competitors. The target that reacted best to the campaign was women over 35.

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Conclusion 7

Influencer marketing is now an essential marketing lever in the media space. The affirmation of platforms such as Facebook, YouTube and Instagram and the promising growth of Pinterest, Snapchat and Tik Tok, represent new stages on which thousands of new creators prosper. This is an attractive opportunity for companies wishing to deploy these new web protagonists and reconnect with audiences far from the world of the traditional media.

Influencer marketing is the main tool employed by marketers to do this successfully, but it is imperative to use workflow management and investment effectiveness measurement tools.

Through the development of sophisticated algorithms and cooperation with Nielsen it is now possible for Buzzoole to gauge how many people have actually been reached by a communication (True Reach) and the percentage of those who remember

having viewed the content produced by a creator or creators (Ad Recall). It is also possible to investigate further and study the impact of a campaign across Brand Effect metrics (awareness, favourability, recommendation, intention to buy). Lastly, it is now possible to measure the effectiveness of influencer marketing campaigns beyond social metrics and possible to compare them with advertising campaigns using other media. The most important challenge for this industry remains measurement and only via continued investment, innovation and careful analysis of the results will it be possible to gauge for which phases of the purchase funnel influencer marketing activities work best and improve performance over time.

BUZZOOLE

About us

Technology driven Influencer Marketing that works for every strategy. Buzzoole offers a 360 degree solution for brands, agencies and media partners.

We work across all Creator tiers and platforms to deliver long-term and campaign specific impact.

A technology powered marketing services company that uses cutting-edge Artificial Intelligence and data to automate, manage and measure investments with Creators.

Get in touch

Our office

London
One Aldgate, London,
EC3N 1RE, England

Contact

info_uk@buzzoole.com

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