



# THE AGE OF INFLUENCE

THE POWER OF **INFLUENCERS**  
TO ELEVATE YOUR BRAND

NEAL SCHAFFER



HARPERCOLLINS  
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Neal Schaffer

# INTRODUCTION

Several months ago, when I was in the market for a new phone, I went to my local T-Mobile store in Southern California. While going through the upgrade process with the salesman, the inevitable question came up: What do you do for a living? That's not always a quick question to answer. My work as a marketing educator and consultant means I have many roles, including as a public speaker, an author, or even working as an influencer. What makes this question more difficult is the general misconceptions that surround influencer marketing.

It was surprisingly easy to answer the question this time. In the modern-day gig economy, people often have multiple jobs. It turned out the salesperson was a local-level influencer himself who worked with nearby businesses to demonstrate the most effective ways for them to engage with influencers at events for business benefits.

In many ways, this interaction highlights why I've written this book.

Social media marketing has been around for over a decade. With few exceptions, brands are still challenged by it. Business

profiles on social have been around since the days of MySpace, but companies still tend to advertise to their consumers over social media instead of engaging them.<sup>1</sup> Many company Twitter accounts still tweet in ad-speak. The same mistakes are still being made by companies that don't understand the fundamental nature of social media. Despite all the marketing conferences and how-to blog posts that marketers read, the content they produce still pales when compared to influencers. The constantly changing landscape of social media means that despite all the money poured into platforms for advertising, campaigns are finding increasingly less traction in organic ways.

For many people, Instagram models and YouTube gamers are some of the most visible influencers today, but to assume all of influencer advertising runs through them is to lose sight of the ball at the start of the game.

Being an influencer is not about merely taking selfies, putting them online, and then getting paid thousands of dollars from brands to mention them. Influencer marketing is not about paying someone else to take selfies and put them online. It is about engagement and communication. It is about building relationships. In many ways, I don't consider the leading names often associated with influencer marketing as influencers anymore: They have priced themselves out of the equation, shown that their endorsement is money-driven, and have, in effect, become a new form of media.

The term "influencer marketing" is poorly understood. This development of big-name influencers becoming their own media doesn't particularly clear the waters. Considering only these top-rung social media users as influencers is a fundamental misunderstanding of what influencer marketing entails.

Humans are social creatures. We learn from each other. Individually, we learn from our greater society. How we communicate is always changing. We have communicated and influenced

each other in decision making since the beginning of civilization. Early cave paintings of indigenous peoples around the globe have been found to be maps and recommendations on where to hunt certain animals, information to be passed down to others.<sup>2</sup> In many ways, the printing press kickstarted society as we know it today. It fundamentally changed communication, allowed for mass publication, and ushered in the Industrial Revolution and the development of cities and plenty more societal phenomena. In recent decades, the ways we communicate have changed with incredible speed through mass communication, the telephone, and the internet. Social media has changed this again. Failing to adapt to new communication methods will leave your message unheard.

In recent years, many books, podcasts, blog posts, and TED talks have discussed the best ways to build your social media presence or to develop influence on a personal scale. Many blueprints for developing your personal brand have been published. *The Age of Influence* does not do that. While part of this book discusses how to grow more influential on social networks, my focus here is on engaging the voices of influencers, “leveraging the other” as I call it, to spread your message. It’s investing what power you have to move outside and incite word-of-mouth marketing so that “other” voices will talk about your business. It is not about merely building brand but giving you the tools to engage influential voices for a variety of business objectives. It is about returning to the original premise of engaging in social media: Inciting word-of-mouth conversations about your brand.

Social media represents the convergence of information and communication. More people are both communicating through and consuming information on social media. Communication has been democratized. Everybody has reach on their chosen social network. Everybody has a platform to connect with those

who share similar interests. Businesses are realizing the value in leveraging other social media users such as employees, brand advocates, or influencers to help spread their message.

Just as my phone salesman built his following and a platform where he is influential, coaching local small businesses on engaging with influencers, nobody's online profile is necessarily as they seem. To customers, he is a phone salesman. To his employer, he is an employee. To his followers, he is a trusted voice to be listened to. The online persona of everyone around you cannot be judged from a single glance. While some translate well from the physical world to Twitter or Instagram, others do not. Leading CEOs who would command a room of thousands at a conference might not have a voice online. Other employees could have a following of millions. To paraphrase George Orwell's *Animal Farm*: All social media voices are equal, but some are more equal than others. Engaging with those whose voices are being heard is essential to spreading your message online, rising above the digital noise and creating meaningful relationships. Even though social networks rise and fall, this principle remains. *The Age of Influence* covers this principle of learning how to engage and build actual relationships online.

In my travels around the globe for conferences and clients, I have found that influencer marketing is more prominent in Southeast Asia and China than anywhere else in the world. The rise in consumption of media over the now easily accessible smartphone that traditional media did not keep pace with in those regions parallels the unprecedented growth of smartphones leaping over fixed wire technology much more quickly and broadly there than in Western societies. The accompanying democratization of media influence there has been filled through bloggers, YouTubers, Instagrammers, in addition to the influencers who have built communities across native Chinese social networks such as WeChat and Weibo.

Businesses in that part of the world really understand how much power these influencers hold. Revenues generated from influencers in China are thirty times greater than that in Europe.<sup>3</sup> Half of the top ten fashion brands on the leading Chinese online shopping site Taobao were launched by influencers.<sup>4</sup> A brand I met in Singapore—a large conglomerate that manages many consumer facing brands—was launching a new beauty brand. As they put it: If we want to get the word out about our new brand, how else would we do this but with influencers? Relying on traditional advertising and forms of brands for a legacy brand is one thing, but when launching a startup, sidestepping those gatekeepers and connecting directly with your consumers has a much stronger benefit.

Many businesses started out with word of mouth marketing without really knowing it. Happy and successful customers told their friends, who told their friends, and so on. When communicating on social media, the way to incite word of mouth marketing is not from the declining reach of your organic posts or your advertisements. It's about leveraging people.

Think about it: What if you shifted your investment of time and money from paid ads and paid social to joining the conversation with customers who have some influence on social media? What if you invest your organic social budget in relationships with people? This returns to the connection between customer success marketing and social customer service. People rule social media and always will.

I am reminded of a study published some time ago in the Harvard Business Review that spoke about the myths about what brands think customers want. As you continue reading, you will see how influencer marketing is a natural solution for these ideas proven false through the data in the study.<sup>5</sup>

1. **Most consumers *don't* want to have a relationship with a brand.** Social media is the domain ruled by people, and its users are increasingly creating deeper relationships with influencers, not brands.
2. **Shared values, *not interactions*, build relationships.** Brands garnering more engagement in social media doesn't necessarily mean they are building relationships with people. Influencers are building relationships by being authentic and attracting others who share their values and perspectives.

The interaction with my phone salesman highlights that businesses still don't understand how to interact with influencer marketing. It's entirely possible that his company is unaware of the influence he yields. As an employee, and a direct customer-facing employee, his affinity for the brand and knowledge about the product is a resource that is being drastically underutilized. This type of personal and knowledgeable voice in marketing content is powerful. When done right, harnessing employees' ideas for content creation and encouraging them to be more active on social media as part of an employee advocacy program can be powerful. This is a point that many brands and businesses have not yet grasped.

Elements of influencer marketing have been around for decades in many ways. Celebrity endorsement is one of the earliest ways of leveraging voices to spread your brand's message. Affiliate marketing and advocacy marketing have been part of many brands' strategies for years. Translating these to the digital age can be tricky. Who do you target? How do you approach them? How do you guarantee returns on time and monetary investments? Digital platforms are new playing fields.

Social media will always be in flux. This is the inherent obstacle. The rules frequently change. New platforms rise. The

news feed algorithms get revised again. Social networks come and go. It's impossible, and ill-advised, to stretch yourself across all of them. The sudden growth of visual social networks like Instagram launched a new generation of influencers who are distinct from their blogger, YouTuber, or even Twitter predecessors. Influencers can cover the increasingly difficult visual ground for you much better than you can yourself, while side-stepping the problems of mastering new and rising platforms, or worrying about a platform's longevity.

Harnessing true people power—and that is what the voices of influencers are—requires a different approach to how you've traditionally spread your brand's message. Influencer marketing is a shift in communicating and interacting with your customers and audience. It's also able to deliver results far, far beyond those traditional returns. It's about user-generated content. It's about community. It's about relationships. It's about engagement. It is more than just spreading a message. This is the next generation of social media marketing.



# PART ONE

## WHY INFLUENCER MARKETING?

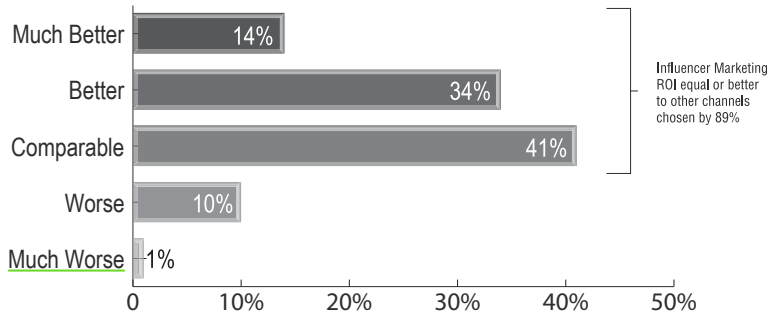
Before we plunge into advice on how to leverage influencer marketing, we need to fully understand the paradigm shift occurring in mass communications that is enhancing the value of word-of-mouth marketing through influencers. Establishing this baseline understanding will help bring you up-to-speed as to how I see the potential that influencer marketing has for every business.

This all begins by understanding the digital climate of today.

The very essence of how messages are spread has shifted. Engaging with the masses has changed. Brands are already leveraging influencers to achieve marketing objectives. Influencer marketing is one of the fastest-growing methods of spreading a message about a brand—and for good reason.

The ROI from influencer marketing is clear. In one survey, nearly 90 percent of all marketers found ROI from influencer marketing comparable to or better than other marketing channels (see Figure I.1).<sup>1</sup> Another case study showed ROI on influencer marketing to

### INFLUENCER MARKETING ROI COMPARED TO OTHER CHANNELS



SOURCE: MEDIAKIX

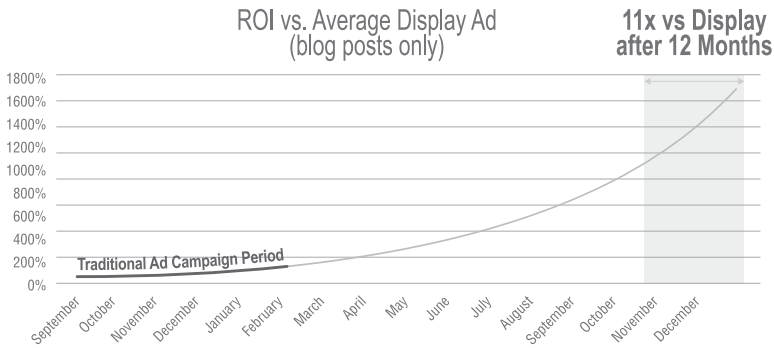
Figure I.1

be as high as 11 times the return on traditional digital marketing options such as banner ads.<sup>2</sup>

With strong social media platforms globally and ubiquitous smartphones that can easily access them, everyone could be a publisher if they wanted. Everyone could have a platform, an audience, or community—including businesses. At the same time, while consumers now steer away from traditional advertising messaging, with 74 percent of consumers using one or more strategies to avoid advertising all together, they are influenced by the online media they see from people they follow and trust.<sup>3</sup> This trust is tied to the emergence of online influencers, which has led to rapid growth in influencer marketing (see Figure I.2). The older methods of engaging with celebrities don't translate well to the new personality of influencers.

As the world catches on to the significant returns from influencer marketing, spending on influencers increases. The market for influencer marketing on Instagram alone is estimated to grow from less

## INFLUENCER MARKETING ROI 11X OF DISPLAY AD



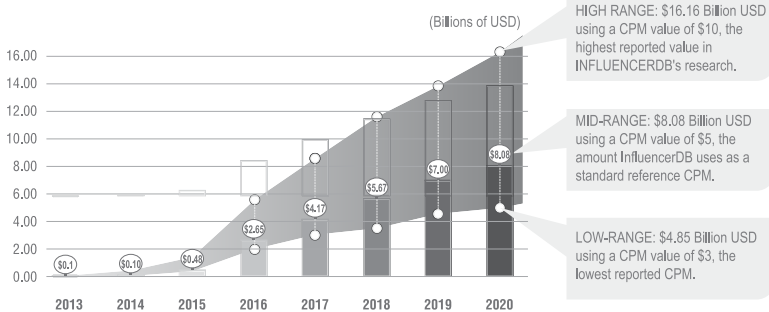
SOURCE: IZEA / TAPINFLUENCE

Figure I.2

than \$1 billion in 2015 to as high as \$16 billion in 2020 (see Figure I.3).<sup>4</sup>

As a percentage of global advertising spending, \$16 billion is still a small amount—but it may prove to be only the tip of the iceberg in terms of spending on influencer marketing.

## INSTAGRAM INFLUENCER MARKETING GLOBAL SPEND



SOURCE: INFLUENCERDB

Figure I.3



## THE ORIGINS OF INFLUENCE IN THE MODERN WORLD

While *influencer marketing* has become a popular buzzword in today's marketing circles, the fundamental concept has been prevalent in marketing throughout history. Tapping into the power of someone with authority, an audience, and followers to spread one's message is the foundation of marketing. The ways people consume their messaging and the ways those who hold influence communicate have changed over time. The present state of digital media has transformed the ways people communicate and the ways your message can be heard. Influencer marketing encompasses strategies to engage people with your message in a more trusted manner with a longer-term perspective.



## THE HISTORY OF INFLUENCER MARKETING

The concept of leveraging celebrities or those with influence to endorse or promote a product has been fundamental for centuries. In the 1760s, Josiah Wedgwood impressed the Queen of Great Britain, Charlotte of Mecklenburg-Strelitz, enough with his new form of earthenware that she gave him permission to call it Queenware, making it the first documented endorsement.<sup>1</sup> The approval of the royal family certainly helped Wedgwood establish itself as a brand of choice.

When John Jaques and Nathaniel Cook designed a new set of chess pieces in 1849, they approached the English chess master Howard Staunton to write about the set in his newspaper column.<sup>2</sup> Having a current chess master endorse the chessmen in his column would be a coup in spreading the news about their new design. It went even better than planned: Staunton was so impressed with the pieces he not only covered and endorsed them but derided other designs. Eventually this early celebrity endorsement broadened, to the point where Staunton signed the sets as they were sold and received a royalty from each sale. The pieces are still the standard used in competition chess today.

In the late 1800s, companies began to print trade cards to include with their products. For instance, famous actors such as James Lewis and Mrs. G. W. Gilbert were shown in one of their best-known stage roles—but holding a bottle of Ayer's Sarsaparilla.<sup>3</sup>

British-American actress Lillie Langtry was linked to multiple brands including Pears Soap.<sup>4</sup> Mark Twain lent his name to cigars and other tobacco goods.<sup>5</sup>

## THE RISE OF MASS MEDIA AND INFLUENCER MARKETING

The twentieth century rise of mass media including radio and television allowed for all marketing, including celebrity endorsement, to become much more widespread. Tobacco companies were early adopters of the format with James Stewart and Ronald Reagan endorsing brands like Chesterfields.<sup>6</sup> Athletes like Babe Ruth also endorsed tobacco products.<sup>7</sup> Alfred Hitchcock endorsed Western Union telegrams for swift communication from on-set.<sup>8</sup>

One of the most visible product endorsements, and one that undoubtedly changed the approach to sports endorsements, was the partnership between Nike and Michael Jordan. Nike had a stronghold on the track and field shoe market but were strangers to the basketball market when they signed Michael Jordan in 1984. The visibility of Jordan and his on-court accomplishments helped Nike grow to the brand we know today. Jordan's position and devotion to his role as the face of Nike reached something of a watershed moment during the 1992 Olympics. The Team USA uniforms were sponsored by Reebok. Jordan felt that he shouldn't stand on the dais to receive the gold medal while wearing a competitor's logo. Instead, he went into the crowd before the medal ceremony and asked fans for flags from the USA to drape over his shoulder, obscuring the Reebok logo.<sup>9</sup>

The Jordan signature shoe changed the playing field for sports brands in the early 1980s. Before then, most NBA players wore the same Chuck Taylor All-Star shoe no matter how big of a player they were, from Bill Russell to Wilt Chamberlain, Magic Johnson to Julius Erving. Now close to twenty active NBA players have signature shoe lines. Even non-athletes have signature shoes, such as Kanye West designing sneakers with both Nike and Adidas.<sup>10</sup>

## PEOPLE TRUST PEOPLE

People trust people—that's the principle at work here. Humans are social beings. We communicate with people, even when it's online and digital. We trust people over messages from companies, corporations or brands. Nielsen finds the most powerful and relied-on source of trust comes from people, with 92 percent of people likely to trust a recommendation from a friend.<sup>11</sup> The next most-trusted source (70 percent) is consumer reviews online, another form of listening to a trusted person. Editorials by editors, authors, or journalists were the third most trusted source.

For brands, garnering trust means winning business.

The Edelman Trust Barometer clearly spells out the importance of trust and its impact on our purchasing decisions as consumers.<sup>12</sup> When consumers were asked about their deciding factor for doing business with a brand, trusting the brands was the fifth popular response after key product attributes such as quality, convenience, value, and ingredients.

How does a brand best gain the trust of consumers in a digital-first world? Celebrity endorsements were the traditional choice because they make it easier to align your brand with elements of the celebrity's image and their popularity. The glamor and power of the celebrity's identity and brand transfers to the product. It's success and class by association. It's easy to trust a current chess master on the best kinds of chessmen. It's why Nike had a \$1.6 million increase in the golf market because of its ties to Tiger Woods, despite a scandal that caused other sponsors to drop him.<sup>13</sup> Jordan's continuing celebrity and brand as an all-time basketball great means Nike continues to release Jordan shoes and sell astronomical numbers despite the fact Jordan hasn't played an NBA game since 2003.

Celebrity power lasts because it's based on people with authority. This is where influencer marketing enters the picture

and is beginning to compete with celebrity endorsements for marketing budgets. Edelman Trust Barometer looked at the 18 to 34 predominately millennial demographic and found that not only was relatability to a given influencer twice as important to their popularity or celebrity status, but also a whopping 63 percent trusted what influencers said about products more than what brands say about themselves.

It should then come as no surprise that in a more recent study 82 percent of consumers said they were very likely to follow the recommendation of an influencer they follow, which shows that trust translates digitally.<sup>14</sup> Twitter has even reported that users trust influencers nearly as much as their own friends.<sup>15</sup>

Clearly the ancient concept of trust combined with advances in digital technology has brought upon an incredible transformation of how we decide who to do business with and who influences us in our purchasing decisions.

## HOW THE INTERNET CHANGED INFLUENCE

We've seen the internet change how people communicate and get information. Specific knowledge is now gained with great speed, and communication happens at an unprecedented rate. Over the last decade, social media has fundamentally changed how people communicate, streamlining social interaction while lowering barriers between everyday people. Smartphones mean online access from anywhere at any time of the day, not just at home or in the office. The ease of content creation, publication, and distribution has democratized fame modeling, and hundreds of thousands of influencers have emerged. Celebrity status isn't required. A person can claim status as an Instagram celebrity simply because they have thousands of followers.



At the same time, studies show certain groups of consumers trust celebrity endorsements less than before.<sup>16</sup> Celebrity endorsements won't go away or fade completely—it's been a tentpole of influencer marketing for over a century. Some of the skepticism comes from celebrities not aligning with their own identity and the engagement clearly being an ad. Celebrity influencers have received backlash, also, for when the endorsement comes across as not natural. In the case of the Fyre Festival, the influencers were paid for their promotion of the festival without disclosing that their posts were ads.<sup>17</sup> The spectacular failure of the event reflected back on the influencers whose credibility then took a hit. The skepticism came from the impersonal, transactional nature of the engagement.

Minority groups in particular are becoming wary of traditional celebrity endorsement. Brad Pitt may be a film star, but his endorsement can be pointless if your brand aims for a smaller demographic that doesn't connect with, or trust, a Hollywood actor. As a result, more people are turning to alternative sources for information they trust. Some of these are bloggers and “everyday experts”—people the consumer identifies with on a personal, friendly basis, someone “more like me.” The rise of the “mommy blogger” phenomenon is an example of this. For a brand wanting to connect with new mothers, engaging with an “everyday influencer” in a niche market like mommy bloggers might bring far more benefits than an association with a Hollywood star. Google themselves have already stated that, for millennials who spend a lot of time watching online video, YouTube stars are already more influential than traditional celebrities.<sup>18</sup>

All of this is driving influencer marketing in a new direction. More than two-thirds of millennial consumers value peer endorsement over those from celebrities.<sup>19</sup> As influencer marketing begins to mature and see the value that non-celebrity “peer”

influencers bring, it is no surprise that 94 percent of marketers now think that transparency and authenticity are key to influencer marketing success.<sup>20</sup>

An agency manager handling the #IGNITEYourCity influencer marketing campaign for the running shoe company PUMA said it best: “We felt that actually getting those real life runners in our target markets speaking for PUMA would be a more authentic way to deliver our message than simply putting out promotional material.”<sup>21</sup>

New companies have emerged to help marketers discover, engage, and measure activities associated with influencers in this new landscape. The sheer number of potential influencers forces us to scale beyond human capabilities to better understand many social media users’ influence over a wide range of communities discussing almost anything imaginable. These same tools help you target the demographics important to you. Engaging a celebrity endorsement from Brad Pitt would be a game-changer for most companies, but it wouldn’t suit every brand or product from a target audience, cultural alignment, or budget perspective. Tapping into these smaller markets is more powerful for niche brands. You can reach further through harnessing the influence of everyday experts with powerful influence over unique communities.

Influencer marketing can engage both celebrities and non-celebrities. The concepts in this book are applicable to anyone with a platform and an audience. Social media has democratized both media authority and its influence. The influencer is seen as more trustworthy because of their authenticity, or their everyday person type of testimonial. The rise of networks like Pinterest and Instagram that cater to more specific demographics, along with the prevalence of YouTubers and bloggers with opinions suited to smaller and more precise audiences, has shifted marketer and consumer attention to micro-influencers.

It's no longer vital to aim for the largest demographic. Targeting specific audiences open to your message can be more efficient.

## THE ADDITIONAL BENEFITS OF INFLUENCER MARKETING IN THE AGE OF SOCIAL MEDIA

Would encouraging people to talk to their friends about your product or brand organically over coffee each day add to your marketing campaign? If they talked to their friends in social media about your product, the viral power of that communication would only work to your benefit.

Engaging with an audience through influencer marketing strategies has the same effect. While leveraging influencers for traditional time-limited marketing campaigns is still widespread, there is greater value in establishing relationships with influencers to build a larger social media community. People share your message on social media to a whole field of people they influence whenever they interact with your brand on a regular basis. Over time, organic engagement with your product increases, and you will successfully leverage other people including consumers, employees, advocates, and friends into helping spread your message through the channels that most people spend most of their online time in.

Influencer marketing is the extension of a tried and tested form of marketing that works. The popularity of social media and resulting democratization of influence has transformed the way companies need to adapt in order to continue to reap its benefits.

Nordstrom shows us what the future might look like for those that adapt. One study showed that four out of every five of mobile web visits and nearly 40 percent of desktop visits to

retailer Nordstrom.com's site that were referred from another site were driven by an influencer.<sup>22</sup> But are they just visiting or are influencers actually influencing purchasing decisions?

The results of a recent survey by global ecommerce company Rakuten paint a clear picture of how the resulting digital democratization of influence has influenced purchasing.<sup>23</sup> Of the 3,600 shoppers surveyed in the United States, Europe, and Australia, 61 percent interacted with an influencer daily and 35 percent multiple times a day. Nearly 90 percent of surveyed consumers said they were inspired to make a purchase based on what they saw from an influencers, and 80 percent actually made a purchase recommended by an influencer by clicking on the link or image. When probed further for details, 74 percent of consumers surveyed spent up to \$629 on a single purchase that was inspired by an influencer they follow.

All of this data indicates that these trends provide unparalleled opportunities for marketers who can tap into the growing commercial influence of this new generation of digital influencers. If nearly three-quarters of luxury goods purchases, whether they take place in physical stores or online, are influenced by what consumers do online, you can begin to gauge the enormous potential influencer engagement has for your brand.<sup>24</sup> That influence will only grow as McKinsey has estimated that in the long-term that what consumers do online will influence 99 percent of online *and offline* purchasing decisions.