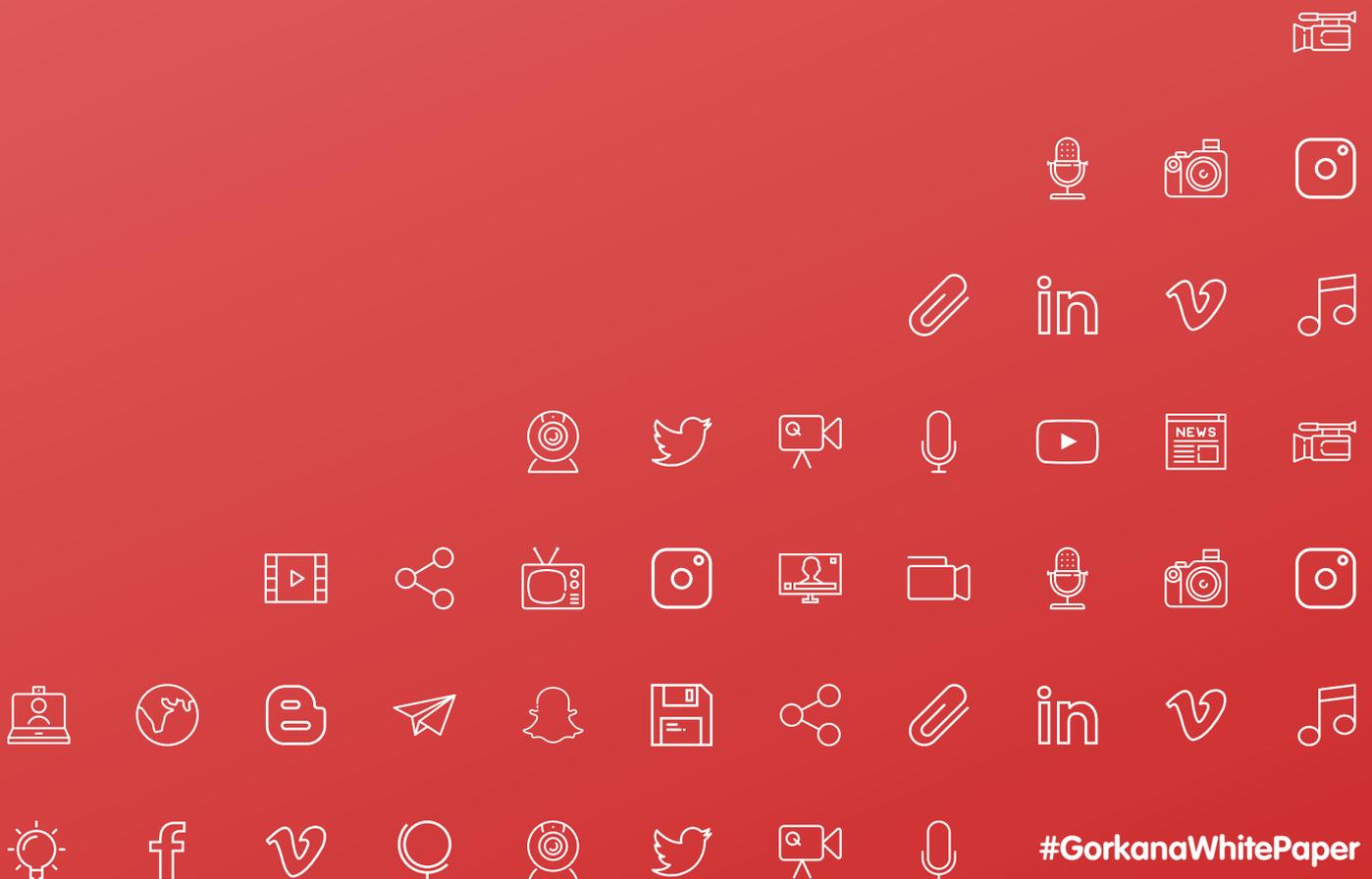


THE GORKANA GUIDE TO INFLUENCER MARKETING

DEFINING A FAST-GROWING
AND CONTROVERSIAL AREA OF
PUBLIC RELATIONS





Summary



The rise of social media as a tool for brands to communicate their message has empowered and enabled a new breed of “social stars”. For many comms professionals, however, using the voice of someone who has the ability to capture consumer attention has long been the bread and butter of a PR campaign.



This White Paper seeks to find out how an “influencer” is defined, what impact they have on PR, whether an influencer campaign can really be determined as earned media and what PRs need to think about before trying to find the right person who can positively impact their brand. It also highlights examples of successful partnerships between brands and influencers.



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Introduction

 It's been talked about as the new kid on the block for the PR industry in 2016, but for many, influencer marketing has long been an integral part of a PR campaign.



 Working with influencers – whether it's a celebrity, CEO, blogger, vlogger or instagrammer – to get a brand's message across and build consumer engagement plays a large part in most of today's PR campaigns.



 But a simple endorsement from a brand ambassador has long since lost its potency, and increasingly savvy consumers are shunning conventional advertising.



 The increasingly popular answer to this problem is to create a campaign where the brand's message can be communicated through an individual who carries real authority and respect amongst its target audience - in a nutshell, someone who the brand's target audience listens to and trusts.



 But how do you define an "influencer" and where do you find them?



 Getting down to the basics, in this White Paper a panel of senior PR professionals looks at the impact, if any, influencer marketing is having on the PR industry, how an influencer is identified, which platforms suit it best and how success can be measured.



 Another area of debate is whether "influencers" should be paid. Two industry experts (with differing backgrounds), W founder Warren Johnson and Takumi co-founder Solberg Audunsson, go head-to-head to debate whether influencers should receive payment by the brands they promote.



 While Johnson says paying for an endorsement runs the risk of damaging an influencer's integrity, Audunsson claims that influencers are essentially content creators and should be treated like paid journalists.



 The White Paper also provides a snapshot into the rules around paid endorsements, with a 60-second summary from the CMA (Competition and Markets Authority) on what you need to know if you decide to pay your "influencer".



 The White Paper finishes off with 10 top tips from PrettyGreen's Kezia Anim-Addo on how best to identify the right influencer for your brand.



Defining influencer marketing...

What the PR industry says



Andrew Bloch
founder and group MD
Frank

Influencer marketing is a type of marketing that focuses on using **key leaders** to drive your brand's message to a broader audience. Rather than marketing directly to a large group of consumers, you instead inspire/hire/pay influencers to get the word out for you.



David Fraser
founder
Ready10

It's the communication of a message through **an individual**, based on that person's profile and reach, rather than through a particular community or a medium in itself.

Influencers at work: **Taylor Herring** created a multi-platform influencer campaign featuring star magician **Dynamo** to launch the new Samsung Galaxy S7 and S7 edge phones. The campaign, entitled S7 Everyday Illusions, was designed to amplify and hero the advanced camera functionality of the new phones. Dynamo worked closely with Taylor Herring to create a series of seven 'Everyday Illusions'.





Influencers at work: To build the credentials of fragrance and perfume spray brand **Impulse**, PR agency **salt** brought together Impulse “Muses” from Australia and Argentina, who were flown to New York to experience the brand at a ‘Scents and the City By Impulse’ event. The first of a global event series, the “Muses” embarked on a once-in-a-lifetime fragrance workshop with global fragrance consultant **Ann Gottlieb** (centre left), which gained 9.9 million social media impressions.



Caroline Taylor
consumer business unit head
salt

Influencer marketing uses the power of influencers – bloggers, vloggers, Instagrammers or key opinion leaders – to communicate a brand’s message and drive **peer-to-peer action**. Influencer marketing can help build brand associations and perceptions, drive resonance and relevance with a target group, but, at its heart, it is about brand storytelling in a more authentic way.



Paul Charles
founder
The PC Agency

It’s a really focused new approach to working with mostly social but sometimes other media. For me, it is about working with key individuals rather than a blanket approach to a target group. It’s about identifying with good writers who have the **most influence** over potential buyers of a product, such as staying at a hotel or buying an airline ticket, and focusing our outreach and key messages towards them.

Influencer marketing and PR

Identifying an “influencer” ...



Caroline Taylor
consumer business
unit head
salt

Well-known digital analyst and author, Brian Solis, correctly pointed out that we often get confused between ‘influence’ and ‘popularity’ when trying to define an influencer. We absolutely agree. Influence is not measured by the number of followers a blogger or Instagrammer has, but rather by their ability to **cause an effect** on a particular audience. We often find that the most successful influencer programmes are those where we work with mid-level influencers; those that may not have the biggest audiences, but are ‘on-the-up’ and often have a much deeper connection with their followers.



David Fraser
founder
Ready10

An influencer is a specific individual that broadcasts to a particular audience of a reasonable size. The size of audience in itself is specific in each case, but there can be huge value in working with an influencer who has a relatively small audience depending on the brand objectives. What is most important is that the influencer has the **respect of their network** in how they consider and interact with the information they put out. In reference to numbers, the old adage, “it’s not the size but what you do with it”, really does apply to influencer marketing.



Paul Charles
founder
The PC Agency

It’s someone who is prominent on social media, perhaps traditional media as well; who is on-the-ball, innovative and **well-connected**. I particularly like influencers who are regarded highly because of their knowledge and advice, as well as their opinion.



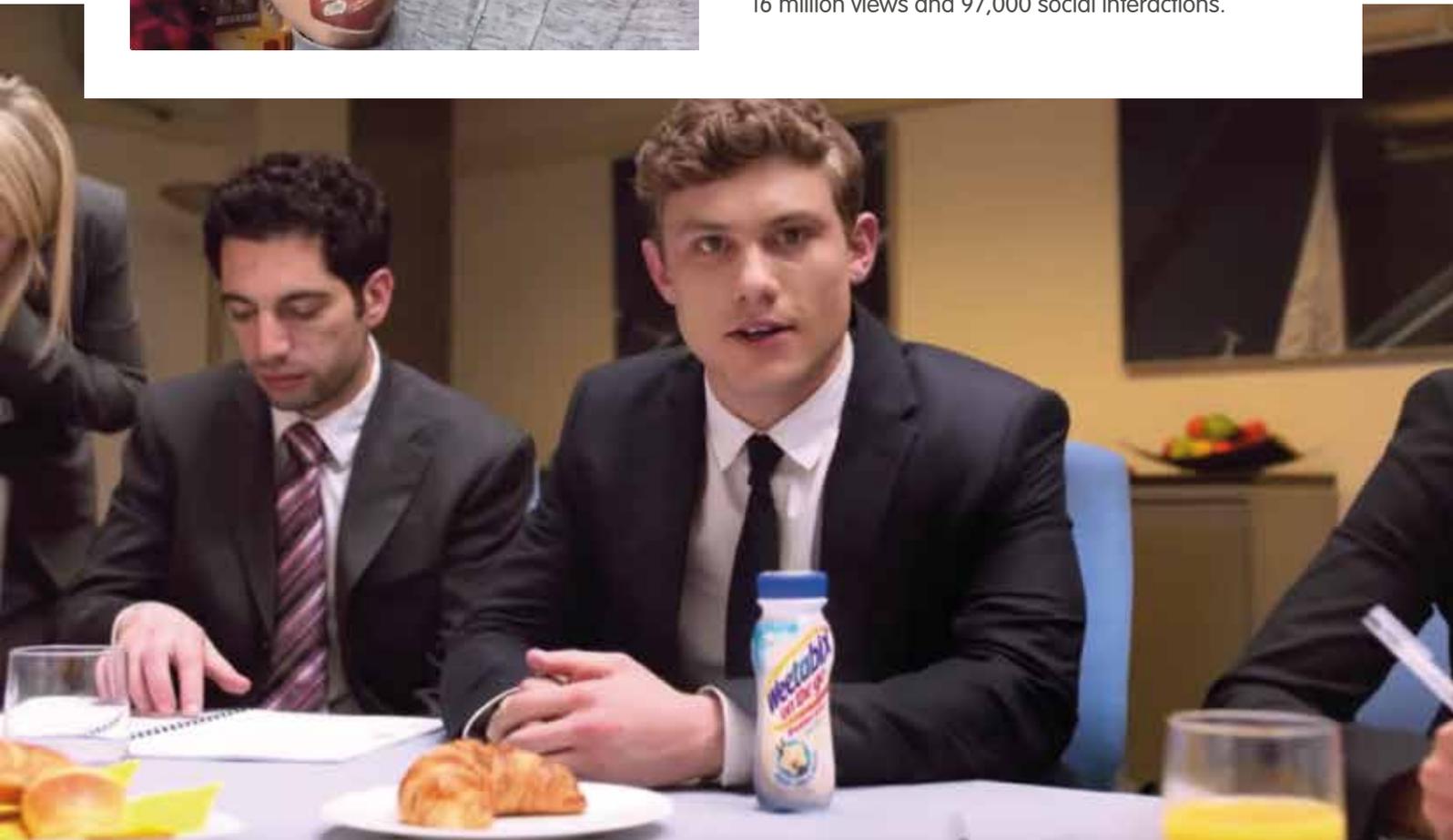
Claire Etchell
founder
NakedPRGirl

An influencer is typically a person who has **authority** and respect within the field you are working within, so for every brand, the influencer they will be working with will differ. These can be editors, models, celebrities, bloggers or people who work in the industry you are targeting.

If you make luxury shoes, you might look for an influencer renowned for their love of expensive heels to take a look at your products and hopefully start wearing them. Their followers are most likely to be your target customer, so an endorsement or review from them will be rated quite highly and benefit your social platforms and provide a digital link back to strengthen your website.



Influencers at work: Looking to promote **Weetabix On The Go (WOTG) Breakfast Drink** off the back of the brand's TV ad campaign, **Manc Frank** created a #MorningCheats platform to position WOTG as the ultimate morning cheat. Capitalising early on the emergence of 'Vine comedians', Manc Frank partnered the WOTG with **Ben Phillips** to bring his own interpretation of #MorningCheats to life through a series of Facebook and Snapchat videos. The results? 16 million views and 97,000 social interactions.



Influencer marketing and PR

Influence on PR...



Claire Etchell

founder ·
NakedPRGirl

“PR is not as straight forward as it was ten years ago! You’re working with brands, but with a different end goal. The way you approach an influencer is the same way you approach a journalist - with research, care and attention to detail.”



Paul Charles

founder ·
The PC Agency

“If you can influence an individual about sensible, key messages then influencer marketing is purely another form of PR. It is no different to influencing an editor of a paper or magazine about the benefits of a client.”



Caroline Taylor

consumer business
unit head · salt

“Influencer marketing has a natural home within the PR scope. In a sense, it is no different to the fundamentals of traditional PR – you cannot force someone to tell your story and we believe that this is the same with influencers.”



David Fraser

founder · Ready10

“PR was always about interaction with influencers – traditional journalists – on behalf of a client and crafting a story or message in the right way so that it becomes justifiable for them to pass it onto their audience. It’s only the medium and the day job of the influencer that has now changed.”

How new is influencer marketing?



Caroline Taylor · consumer business unit head · salt

The principles behind influencer marketing aren't new – celebrities and experts were the main influencers in the past and brands would partner with them to front their campaigns and deliver brand messages to the audience but this was a paid relationship that lacked the authenticity of today's Influencer Marketing. With numerous studies showing that consumers now trust digital influencers nearly as much as their friends and family (70% and 92% respectively according to Nielsen) it is no surprise that brands are tapping into this new way of delivering their message.

How do you measure success?



Andrew Bloch · founder and group MD · Frank

01. Total Investment

You need to determine how much you are actually investing in influencer marketing before figuring out return on investment.

02. Reach and Ratio

It is easy to make the mistake of focusing on the number of followers that an influencer has. While a high number of followers could be advantageous, it does not necessarily guarantee the results you want if their followers are not engaged. An influencer with a smaller but much more involved and interactive following could drive far better results.

03. Sentiment

The right influencers have the ability to obtain buy-in from the audience. Consequently, it is important to measure the sentiment of your marketing message throughout the campaign, and adjust messages according to the response and reactions they receive.

04. Brand Effect

Ultimately, you need to determine what effect the message has on your brand. You need to evaluate such metrics as the amount of traffic generated to your landing page or website, the number of times your product or brand is mentioned online, the number of new subscribers received, or the number of new followers or fans added on social networks.

05. New Sales

For most businesses, the ultimate goal of any influencer campaign will be the number of new sales directly attributed to a marketing message or campaign.

Which platforms suit it best?



David Fraser · founder · Ready10

The aim of the game is to get engagement – comments, shares, likes – and so the platforms that facilitate the easiest user journey for this are the ones that do that best. For me, that's Facebook and Instagram right now. Snapchat is interesting but its not quite as effective a discovery tool as it could be. I personally love Twitter, but collective wisdom seems to be that whilst it's reach is still big, it's influence may be waning. A very big media brand recently told me that they achieve the best quality consumer interactions on Facebook as "real people in the real world are not on Twitter, where it's just media people talking to each other".

The pitfalls?



Paul Charles · founder · The PC Agency

If an "influencer" has a bad or poor quality experience during the process, you're campaign can go very wrong. It's no different to treating a journalist with kid gloves. There also needs to be a clear understanding of deliverables otherwise clients and agencies will end up feeling bitter about the campaign.



Influencers at work: With a brief to create an iconic PR stunt for sports clothing and accessories company **Under Armour** ahead of Wimbledon, **PrettyGreen's** Tunnel Vision campaign saw the team spend just two hours with Tennis Star **Andy Murray** to create a series of images to demonstrate his innovative training process. The campaign resulted in a 60% social share of conversation during Wimbledon and 17,000 new fans across the brand's social channels.

To pay or not to pay?



W's founder and CEO, Warren Johnson, argues that, while influencer marketing is a "hugely powerful tool", the practice of paying "influencers" to promote a product defeats its purpose...

"I was disappointed to read the new set of guidelines from The International Consumer Protection and Enforcement Network (ICPEN) earlier this year, requiring online influencers to disclose when they have been paid for content.

Not because I think it's OK for influencers to conceal payments. Not even because it implies that brands are complicit in concealing payments to their influencers. But because I believe that, more often than not, brands shouldn't be thinking in terms of just throwing money at influencers.

Nearly three quarters (72.7%) of PRs and marketers expect influencers to participate in brand campaigns for free in exchange for product or credit*

Let me explain. Wikipedia defines influencer marketing as "A form of word-of-mouth marketing which leverages the trust enjoyed by certain individuals (influencers) in favour of your brand." It's clear. It's concise. And it's unhelpful, because it leaves open the question of whether or not you should pay your influencers. Looking at how influencer marketing is transacted today, that seems to me the core question.

Influencer marketing is a hugely powerful tool in the marketer's armoury. It can help with pretty much any marketing or communications task that needs greater engagement: NPD; beta testing; qualitative research; promotions and activation; trade marketing; loyalty programmes and brand building – as well as areas such as media relations and celebrity endorsement. But its power lies in its authenticity.

Consumers easily sniff out in-authenticity – which is one reason why advertising increasingly doesn't work. So simply paying influencers to broadcast brand messages is problematic in two ways.

First, the moment you pay an influencer to distribute your message, you run the risk of compromising the integrity of their influence and therefore its commercial value. It's the great paradox of influencer marketing. If you turn it into an old-fashioned media buy then it's more about reach than quality of engagement. And it's the quality of engagement that makes influencer marketing most effective.

Second, both UK and US regulators agree with ICPEN. They all maintain that if a blogger or vlogger is paid to just promote a product or service, and an advertiser controls the message, then it becomes an ad and must say so. Research from Twitter suggests that the mere inclusion of #ad or #spon reduces effectiveness by a quarter. I'm surprised it's not much more.

So, in the interests of both ethics and effectiveness, the best way to get around the disclosure/effectiveness conundrum is not to pay your influencers. In other words, to treat influencer marketing like earned media.

Newspapers are influencers: would you pay them for editorial coverage? No. And in most situations, the same principle should be true for influencers. You gain coverage by providing them with stories and materials that are so interesting they want to write or talk about them.

And it's a philosophy that should hold true even if money has to change hands – with brands and influencers acting as collaborators in creating relevant, authentic content that has both integrity and real value and – yes – earns the attention of its audience.

Undertaken properly, the beauty of earned influencer marketing is precisely that its value is so clear to see – with a wide range of engagement metrics, from simple likes and average dwell time, through to content sharing, sentiment tracking, and even direct sales.

But if you still don't believe that influencer marketing should be approached like earned media, test it for yourself. Send out two branded tweets, identical in every way, except that one contains #ad. The difference in response will be so stark that you'll think twice before paying next time.

The average PR / marketer works on seven influencer campaigns a year*



Solberg Audunsson, co-founder of Takumi, a free app, which helps brands engage with influencers on Instagram, disagrees with Johnson. For him, influencers, like paid journalists, are content creators, and any worth their salt still have the final say on what they create and share...

“With any ‘new’ form of PR or marketing there is always a lot of debate, from the type of influencer to work with, on whether to pay them or not, and where, in the marketing mix, this type of activity sits. For some, the rate of change is so fast that it's hard to keep up, and with a practice such as influencer marketing, which blurs the lines of paid for and earned content, there are some who unfortunately cannot see the wood for the trees.

Many PRs and marketers believe that paying an influencer to promote a product defeats its purpose. They fail to see this new kind of influencer goes further than product placement – yes, you are reaching their audience of followers but they are also content creators. And whilst they may be working alongside a brand on a campaign, they ultimately have final say, like any publication would, on what they create and share. It's worth remembering that all influencers worth their salt self-police and will only work with brands they genuinely approve of, otherwise they face the very real risk of haemorrhaging followers and losing their influencer status.

At Takumi, we see payment to influencers as vital for ensuring the best quality content. Payment doesn't influence their opinion about a brand, instead it rewards their work as masters of their craft. This is the primary reason that a campaign can be "earned" even if influencers are paid, and there are more.

12.5% of PRs and marketers say they have paid over £1000 for a single post*

One of the most powerful advantages of an influencer campaign is the wealth of relevant, high quality content that brands receive. Acquiring creative from influencers has significant advantages over brand agencies, designers, stock photo services and in-house teams, not only in terms of time but also budget.

We've seen anecdotal evidence of UGC content from influencer campaigns re-purposed for Facebook ads and resulting in a 200% uplift in click-through rate versus agency supplied creative. This is because the photos have already gone through rigorous testing from people who are specialists in social engagement.

The sheer number of advantages to partnering with an influencer completely contradicts the presumed notion that the purpose of the payment is for a positive review and it's not just a logistical requirement to pay, it's a moral one too.

One key development we have seen in 2016 has been the rise of the micro-influencers. Instagram users with as few as 1,000 followers have been analysed to have achieved much higher engagement rates than their counterparts with audiences ten times the size. Brands are finally tapping into the potential that these hyper-authentic tastemakers have and it is these influencers more than any that deserve and require payment. These users that know their audience intimately and any brand wanting to gain exposure on their feeds or channels must respect the relationship that has been forged between influencer and follower. Unlike other mediums there is no other form of revenue for these talented and respected individuals so payment is essential to support their on-going existence.

The landscape is changing and the lines are blurred but ultimately this kind of coverage, although paid-for, is genuine third party endorsement and should be classed as earned. We're all guilty of being a bit territorial when it comes to certain disciplines, but we need to avoid pigeonholing ourselves and adapt.

Of those that do pay influencers, the average spend is £800 per post*

**Takumi conducted a survey of PR's and marketers (502 respondents) studying their attitudes and approaches to influencer marketing.*

What our panel thinks.....

Should “influencers” be paid?

YES

“Influencer marketing done well converts paid media to earned media. The vast majority of influencers with a significant reach are now paid for their endorsement. As the whole influencer sphere has become more established, with it has come the commercialisation of the industry. As is the case with 'traditional' celebrities, there is no issue in paying for endorsement, so long as the influencer is a believable, credible and authentic voice for the brand.”

 **Andrew Bloch · founder and group MD · Frank**

“We are strong believers of earned influencer engagement and that this can be achieved if there is a clear value exchange between brand and influencer. A strategy focused on co-creation, where you are inviting them to experience your brand in a way that is bespoke and personal to them, or better yet, giving them something that no other brand can offer, allows you to generate earned engagement, that can then be supported via paid, where appropriate, to amplify even further.”

 **Caroline Taylor · consumer business unit head · salt**

NO

“While it happens in some cases, I don’t agree with it. It doesn’t necessarily show impartiality even if the influencer can be trusted. I used to work at the BBC – I believe in impartiality and reporting good news based on the quality of the story.”

 **Paul Charles · founder · The PC Agency**

“There is a place for paid and unpaid influencer content, but when there is a financial transaction, it’s called an advert. That doesn’t mean it’s not without huge value but it needs to be labelled correctly and not mislead the audience. As a PR person, I firmly believe that the most effective form of influencer relations are the unpaid types, where the content is so compelling, creative and shareable that the influencer wants to naturally broadcast it to their audience.”

 **David Fraser · founder · Ready10**

IT DEPENDS

A lot of PR activity in the media is unpaid and that is because you have to balance out the potential benefit from exposure vs looking for a fee. I always take these things case by case because it isn’t advertising, so isn’t as clear cut. If you are an influencer, and you run like a business, you have to consider reputation, reach, how much time it will take and consider the potential value of aligning with the brand that has approached you.”

 **Claire Etchell · founder · NakedPRGirl**



Influencers at work: When **Tourism New Zealand** wanted to promote the country overseas, travel PR guru **Paul Charles** (who founded The PC Agency this year), brought YouTube star **Louis Cole**, better known as Fun for Louis, on board to experience the best that New Zealand had to offer.





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THE RULES: If you decide to pay an online influencer as part of your brand campaign, bear in mind the guidelines set out by the Competitions & Markets Authority (CMA)

60-Second Summary

Online Endorsements: being open and honest with your audience



Blogs, videos and other online publications influence people's buying decisions. Businesses know that securing a positive endorsement can help sell their product. Consumers need to know when the endorsement they are reading or viewing has been paid for.

It's not illegal for businesses to pay people or publications to promote their products in blogs, vlogs, tweets or other online articles - but the people that publish such content, businesses that want to get their products endorsed and any media agencies that place endorsements all need to make sure that the consumer knows the endorsement has been paid for. If not, they risk breaking the law.

How should people that publish content online make it clear that they've been paid to endorse or review something online?

If someone who publishes content accepts payment to endorse something, they need to make sure that the content is clearly identifiable as being paid-for. For example, they could label posts or videos as "Advertisement Feature" or "Advertisement Promotion".

What should businesses which approach online channels to endorse their service or product do?

If a business wants to pay someone to endorse their service or product online, they should work with the people that run the channel to make sure that the content published is clearly labelled as paid for, and help ensure they understand that their endorsement might be considered an advert.

What do PR or marketing agencies which engage with online publishers on behalf of a client need to do?

Media companies who arrange for the publication of content on behalf of businesses also risk breaking the law if it is not clear when content is paid for. They should always make sure that such content is clearly identifiable. For example, they should:

- Provide clear instructions to the person publishing the content, and anyone else involved, on how paid-for content should be identified
- Ensure that the marketing agency's staff training materials, internal policies, corporate brochures, contracts and related material, accurately reflect the requirements of the law

The UK Advertising Codes contain similar industry rules on making sure that marketing communications are easily identifiable. You can get fast, confidential advice on complying with the Codes from the Committee of Advertising Practice (CAP).

If paid endorsements aren't identified, you may be breaking the law



Why is this important?

Checking blogs, vlogs and other online endorsements is an increasingly common way for consumers to decide which product or service to buy.

Around 6% of consumers use blogs or vlogs before making purchases.

If you mislead consumers you may breach consumer protection law. You might also breach industry rules on advertising.

Where can I find more information?

The Committee of Advertising Practice:

www.cap.org.uk

Consumer Protection Regulations:

www.gov.uk/government/publications/consumer-protection-from-unfair-trading-regulations-traders

Business Companion:

www.businesscompanion.info

For more information on reviews and endorsements:
<http://bit.ly/CmaOnlineReviews>

These materials do not constitute legal advice and should not be relied upon as such.

Ten Top Tips for finding the right influencer for your campaign



Kezia Anim-Addo · senior account director · Pretty Green

1. Clear criteria:

The research phase is crucial, and shouldn't be rushed. Developing brand relevant criteria will provide a solid framework and clear filter for your long list of influencers.

At the very least ensure you're searching for influencers that:

- a. Have a genuine interest in your brand or sector
- b. Appeal to your audience
- c. Have the reach you need

4. Build relationships:

Allocate time to build a relationship with the influencer and get to know them properly. You're inviting influencers to become a 'friend of the brand' so forming a 'friendship' is key.

7. Agree a tailored value exchange:

Influencer relationships should be mutually beneficial to both the brand and the influencer. The nature of the relationship and its benefits will differ from one influencer to the next, so tailor each individual relationship. Being open and honest about the value exchange will manage expectations on both sides, and ensure effective evaluation.

10. Measure success:

It's important to measure a return on investment even if money hasn't exchange hands with influencers. Evaluate each influencer relationship individually based on the agreed value exchange to measure the success of a relationship.

2. Catch them early:

It's more efficient and effective to engage influencers as they rise to top than after they've hit the big time. Forming close connections with agents and management companies is crucial as they will be able to alert you to new faces and upcoming influencers.

5. Induct and educate:

Maximise brand advocacy output opportunities by fully inducting your influencers into your brand. Influencers should be knowledgeable enough on your brand to create their own content without being spoon-fed. Consumers are savvy - they can tell when an influencer is posting something they haven't written!

8. Invest, invest, invest:

Once influencers are on board, keep investing to make them feel valued - don't be the brand that's only interested when you want something. Remembering birthdays, or congratulating them on a success, will mean your brand is a constant in their lives. Talking to influencers on a regular basis also allows you to identify additional mutually beneficial opportunities for activation.

3. Don't be too subjective:

When narrowing down your long list, don't disregard a potential influencer because you don't like them! This can be made easier by creating a small panel to review your influencers against the set criteria. Independent, third party tools are also available to provide insights, identify influential brand followers and help match brands to influencers.

6. Review regularly:

There are always new influencers to engage. An influencer programme should be organic and flexible - don't be restricted by a target number.

9. Be honest about 'advertising':

Be prepared to pay for actual time or services, and be sure to follow the Cap Code and ASA guidelines that require influencers to use #spon #ad in any social posts. A paid-for relationship with a contract will ensure that all parties are clear of the 'rules' and 'deliverables'.



Influencers at work: TVC teamed up workplace pensions provider **NOW: Pensions** with TV presenter and reality TV star **Stacey Solomon** to help clarify some of the jargon associated with pensions.



Influencers at work: The agency also brought Hollywood actress **Liv Tyler** and British brand **Belstaff** together to celebrate intrepid women at London Fashion Week.



Influencers at work: **Bacardi** also got TVC to get hip hop singer **Swizz Beatz** to launch a no commission art performance at a secret location in The Bronx.



Conclusion



The power of influence has always been an integral part of PR, but as social channels mushroom and take centre stage for consumers, the attempt to influence them is only going to increase.



“Influencer marketing sits firmly in PR”, says The PC Agency’s Paul Charles. “If you can influence an individual about sensible, key messages then it is purely another form of PR.”



Where it differs from other PR activity centres on the question of payment and whether a financial transaction turns an endorsement into an advert.



Integrity seems to be the watchword – both the brand and the influencer it recruits need to be honest with the audience they target.



Consensus lies in the intelligence and savvy of the consumer. They will not be fooled by a dodgy recommendation, and once bitten, twice shy.



Like any campaign, influencer or otherwise, the key to its success will be measured by the number of new sales that can be attributed to it.



Sources

www.gorkana.com/news

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