

Influencer Marketing Trends

[SLIDE 1] Hi everyone! I'm thrilled to kick things off here at Southby. I'm NAME at Suzy. For those unfamiliar with us, Suzy is an end-to-end consumer insights platform that integrates AI-powered quant, qual, and high quality audiences into a single connected research cloud. Since the theme of our content for the next few days is grounded in brand marketing leadership, I'm going to kick things off with a keynote about trends we're seeing in the influencer space. Suzy has used our consumer panel to tap into a nationally representative sample of consumers to find out what they care about when it comes to influencer content and where they are being influenced to make purchases.

[SLIDE 2] *Influencers come in all shapes and sizes.*

Talking about influencer marketing as a monolith misses a lot of the nuances that make this an impactful marketing medium for brands to tap into. Let's break this down:

Mega - These influencers have over a million followers. Think celebrities like The Rock or folks that started as influencers and became celebrities like James Charles and Addison Rae who started out with dances on TikTok and how now crossed into the acting realm.

Macro - These influencers still have a major following, but haven't quite reached mega status yet. This group has between 100,000 and 1 million followers. There are a plethora of influencers in this group, but an example is Janae Brown, who has capitalized on her following to produce authentic sponsored posts in the areas of home decor and mind/body wellness

Micro - Micro influencers have captured a lot of attention recently. They have between 10-100,000 followers. And while their follower count may not be huge, their fanbase is loyal. We'll dive a little deeper in a couple minutes on this emerging cohort.

Nano - influencers have between 1,000 and 10,000 followers, but they have some of the highest engagement amongst their followers. With a smaller follower base, people trust the recommendations of these influencers. The coupling of Authenticity and Enthusiasm have made these small voices resonate strongly with their loyal followers.

Niche - Niche influencers influence their audience on one specific subject only. Whether it's fitness, plant care, pottery, RV living, health, or more. Niche influencers are arguably the most trusted by their audience in terms of purchase recommendations since their messages are succinct, consistent, and easily demonstrated throughout their feeds. .

[SLIDE 3] *The industry of influencers is expected to grow to \$24 billion by the end of 2024.*

-Influencer marketing had an estimated market size of only \$1.7 billion back in 2016. With a boost in influencer content during the covid pandemic in 2020, particularly thanks to platforms like TikTok, the market size skyrocketed to \$16.4 billion by the end of 2022. Keeping on this trajectory, it's expected to keep growing, reaching \$24 billion by the end of 2024.

[SLIDE 4] *41% of consumers have purchased a product based solely on influencer recommendation*

The ROI for influencer marketing makes a compelling case. Looking at Suzy research from January and February, 41% of consumers reported making a product purchase based SOLELY on an influencer recommendation. How many people here would fall into that group? Consumers are purchasing products across sectors based on influencer recommendations. CPG is obviously huge for influencers, but we're seeing a continued rise across categories from finfluencers (financial influencers) to gaming.

[SLIDE 5] *How can brands stay ahead of influencer trends?*

Things move really quickly in the online world. So how can brands develop successful campaigns that

- Are authentic in your brand's voice?
- While also on brand with the influencer(s) you're partnering with?
- Meet KPI?
- Pass the many layers of approvals from the involved team members. And so on?

Well, we can start by keeping up with the trends. For the next few minutes, I'm going to dig into 5 different trends we are seeing in the influencer space...

[SLIDE 6] *We're still betting big on beauty. 64% of consumers said they have purchased celebrity endorsed beauty products.*

- When it comes to CPG products, nothing is more influential than beauty/skincare products. This category has been a mainstay in influencer marketing since the early days of youtube tutorials and we expect beauty to remain a major mainstay in influencer marketing.
- Across the board, our respondents expressed both the highest level of awareness for influenced products in the beauty category AND the highest purchase intent for these products.
- A great example of a mega-influenced beauty brand is Rare Beauty. It feels like a new celebrity beauty brand is launched every day, so what makes this one set apart? A couple of things. The products, for the most part, are good. While I don't personally wear blush, my marketing partners assured me that the Rare Beauty blushes live up to the hype. The products are also pretty affordable compared to some other celeb brands. But the biggest standout? Celebrity founder Selena Gomez actually wears the products. She routinely does get ready with me TikTok's where she does her own makeup, using her own products.
- We also have Huda Beauty. Huda Kattan is an influencer and makeup artist with over 54 million followers on instagram. She has parlayed this massive following and expertise into her own beauty line and just announced that she's stepping back in as CEO of the company. Despite being an independent brand, it consistently outranks beauty competitors in social media popularity.

[SLIDE 7] *Authenticity is everything. 65% of consumers are looking for brands to have a cohesive message across platforms - and this includes the influencers they partner with.*

Consumers are looking for authenticity from both their brands and their influencers. Gone are the days of the major influencers working with the same few brands and promoting items that they very clearly don't use. Brands need to work with influencers that are authentically aligned with the products they represent.

- One example of this is Indy Clinton. She's an mom-influencer from Australia, who shares daily videos of her life with her three young kids to her 1.7 million followers on TikTok. Unlike most mom-influencers on the platform, the snippets of life that she shows are pure chaos. Her content is intentionally messy, from kids running wild to laundry piling up to her own exuberant energy pouring through the screen. And the other thing about this creator is that she rarely partners with brands, so when she does, her followers listen.
- Another example is Jake Cohen. He's a best selling author and culinary content creator who shot to foodie fame with his stylized cooking videos. He's worked with plenty of brands, from

Amazon to Goldbelly, but he makes sure to integrate the ads into his content. If he's promoting a product, he's also using it in his videos. It becomes part of the recipe that he's sharing with his followers that day so people can see the actual application and success (or not) of the endorsement.

[SLIDE 8] *Micro influencers are on the rise. 85% of consumers see micro influencers as more relatable than other types of influencers.*

-Since I just shared that authenticity is key to your influencer marketing strategies, it should come as no surprise that we're expecting a rise in micro and niche influencers. Overall, consumers find these types of influencers to be more authentic than their mega and macro counterparts. And their engagement numbers average between 5-9%.

- Take Martino Savage, a coach, former NFL player, and micro influencer. He posts regularly about his training sessions with young athletes for his 64k+ followers. So what keeps people engaged? His content is not only helpful for his audience, he also responds to comments on his instagram page. He's relatable and accessible to his core demographic building truer connections in the process.
- And we're seeing more brands hop into partnerships with micro influencers. Take the recent super bowl, for example, influencers were all over the ad campaigns for the game. From the commercials to the omnichannel campaigns brands executed around the game, there were lots of people that I know I may not have recognized but the gen z and gen alpha folks in my life definitely did.

[SLIDE 9] *But don't count out the celebrity influencer. 55% of consumers are willing to pay a premium for celebrity-endorsed products.*

-How many swifties do I have in the audience here today? Taylor Swift is a prime example of a mega celebrity influencer. If she wears an outfit out to dinner, it automatically sells out the next day. She released over 20 versions of her last album, *Midnights* - I lost count in my research for this presentation at 27 different physical copies, and that doesn't include digital exclusive downloads. And some fans bought all of them.

- Looking at the screen, we have two different examples of successful celeb endorsements from celebs with followings that are dedicated, but not quite as loyal as the swifties. First, we have Oprah who endorsed small business clothing brand Ayr as one of her favorite things, and immediately increased visibility for the brand and sold out their stock.
- The second example is Harry Styles. He wore Adidas Gazelle shoes throughout his multi-year Love on Tour concerts. His fans nicknamed the shoe "Satellite Stompers" after one of his songs and started purchasing them to match his style. In the end, Adidas got in on the fun and added the nickname to the promotions of the 50-year-old shoe line. Styles never said a word about wearing the shoes, but influenced millions.

-All of this is to say, that as much as we talk about micro-influencers, celebrities still have pull when it comes to influencing. And the biggest celebs can make a huge impact in subtle ways.

[SLIDE 10] *AI & Influencers. 3 in 10 consumers are embracing AI influencers.*

-AI is particularly interesting when it comes to influencer marketing because there's really two sides to the AI influencer story.

- On the one hand, you have influencers that are AI-generated. Lil Miquela is one of the most popular AI influencers, with over 2.6 million followers. The character is a California-based, 19-

year-old instagram model and has partnered with tons of fashion brands over the years on content, including luxury brands like Prada. In reality, the character was created by two humans, Trevor McFedries and Sata DeCou in 2016.

- Ok, so I would imagine some of you are thinking, "Great! Let's fire up our preferred AI tool and make an in-house influencer! We don't need to pay to partner with AI-generated ones." Well, it's not that simple. While we're seeing some success with AI influencers, consumers still aren't totally there when it comes to embracing this type of influencer. Ones like Lil Miquela have been building their brand for years, and there's an audience trust level with their partnerships. AI influencers need to feel as real and authentic as human ones. Our consumer survey showed us that nearly 80% of people are concerned about deepfake technology and the use of AI in social media.
- The other side of AI & influencers is human influencers using AI technology in their content. We expect to see more and more influencers using AI to help them create content, but this also comes with concern from consumers. It's not that consumers are necessarily against creators using AI, they just want them to be honest. Do you have a filter on? Tell me!

[SLIDE 11] *An omni-channel approach to influencer content is key in 2024.*

-Now that we've talked through the individual trends, and you've weighed the benefits of working with a mega or a micro or a niche influencer, how should you approach your next influencer marketing campaign?

- -Approach it authentically and partner with influencers that feel synergistic, but don't be afraid to think out of the box with your next partner either.
- -And of course, build an omnichannel marketing campaign. Influencers are not meant to just post your ads on their channels. They should be part of your channels too. Whether that's through social takeovers, inclusion in advertisements (like we saw at the super bowl), product collabs, or ambassador programs, influencers can help bring cohesion to your omnichannel campaigns and build brand identity with your core consumers.

[SLIDE 12] And that's it for me! Thank you all for coming to today's keynote. I hope we provided practical tips that you can apply to your own consumer marketing efforts. My contact information is also on the slide behind me if you'd like to get in touch. I'll see you downstairs for networking! Thank you!