



## Influencers marketing: Roi measurement: A challenge

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### Abstract

Influencers marketing is the coveted social media marketing trend. Brands across the industries are propelling billions of dollars in influencers marketing. One of the biggest issues faced by the businesses is how to measure the return on investment when influencers marketing strategy is adopted. The present paper explores the various metrics which can help us to find out the return on investment in influencers marketing. The probe was further extended to find out various marketing tools available in the market to execute the influencers marketing technique. The study revealed that various metrics like impressions, reach, conversion, engagement, referral traffic, Click through Rate (CTR), Call to Action (CTA), shares, comments, mentions etc can help us find out the return on investment in influencers marketing. The key performance indicators or the metrics which have to be taken and analyzed to find out ROI would depend upon the goals to be achieved by the organisation.

**Keywords:** return on investment (ROI), metrics, influencers marketing, brand image, conversions

### 1. Introduction

Influencers marketing is a form of social media marketing where a person can influence other persons by way of and due to his knowledge, trust and credible relationship with followers, resulting in his strong online community. Bigelow tea partnered with bloggers like Ashley and generated more than 32000 blog engagements along with impression above 44 million resulting in 18.5 percent increase in the sales. Good Food Company partnered with 60 influencers generating 70,450 engagements and conversion rate between 34.2 % and 44.5%. Tiktok generated over 250 million views on Instagram by engaging influencers for the apps, new video, savour the flavor. According to the report of Influencers Marketing Hub 2020, the collaboration of brands with social media influencers across the channels have led to the development of influencers marketing. It has moved to 9.7 billion dollars industry. Tomosom data analysis 2019 revealed that brands are making 6.50 dollars for each 1 dollar spent on influencers marketing. According to the influencers marketing survey 2019 by Media Kik, 80% of the marketers found influencers marketing as very effective. 89% of the marketers found the results from influencers marketing better than other marketing channels. Two-third of the marketers plans to increase their influencer marketing budget. 71% of the marketers were of the view that the quality and traffic from influences marketing is better than that from other marketing channels. 48% of the marketers were of the opinion that the returns from influences marketing is better than that of other channels. Influencers marketing is when brands collaborate with the influencers with the target of increasing brand awareness or conversion within a specific target audience. Influencers marketing has emerged as a game changer because when customers have to take a buying decision they look towards influencers and their endorsements. The reason behind this is that customers have more trust on influencers rather than on brands.

Brands also derive benefits from influencers marketing. The

exposure of influencers to a large audience results in increased brand exposure and when the brand is endorsed by the trusted influencers, followers follow. This results in increased brand image. The right audience is targeted and influencers suitable for the niche and brand image can do this task of targeting the required audience. The trustworthy followers of influencers result in creating loyal customers, when genuine feedback is given by the influencers. Influencers give their own perspective to the content which the followers find trustworthy and they also share it which expands the content visibility. Engaging the audience in the form of likes, comments etc. is a tough task which can be carried through the influencers. For example, brands collaborate with influencers for takeaway on Instagram and these posts result in engagement. Expanded brand awareness, improved traffic to the website and shared content are the results which a brand can get through influencers marketing. This results in SE ranking at higher position culminating in the growth of business. The final objective of any business is to increase the sales. Nowadays, however, it has become increasingly difficult as customers are well informed and go for online researches. Therefore, when some trust for the influencer recommends a brand it is easily accepted by the customers leading to real sale.

### 2. Literature Review

Godey *et al* (2016) <sup>[11]</sup>, found that two important components of brand equity are brand awareness and brand image. Sound media marketing impacts these components in a particular way. Hajli (2014) <sup>[12]</sup>, explained that reviews are given after the experience of the product by the user which acts as online social support to the vendors and helps in developing relationships with the customers. According to Stever and Lawson (2013) <sup>[13]</sup>, some people connect themselves with the views using social media to establish trustworthy relationships with them. Celebrities and prominent figures engage their views on these social media sites converting them into a marketing tool with high power.

Senft (2013) <sup>[14]</sup>, revealed that the traditional form of influencers marketing on social media was done through celebrities. They are able to influence a large audience working along with mass media. Lu *et al.* (2014), conducted a study on sponsored post on the blogs and found that customers have no objection if the influencers get money for reviewing from the brands. In fact, it reflects the honesty of the influencer. Bijen (2017) <sup>[15]</sup>, showed that as compared to the social media influencers, the social media micro influencers (SMMI) were able to positively influence the buying behavior and trust on the brand. Kahle and Homer (1985) <sup>[16]</sup>, revealed that an influencer will have more influence on customers if they perceive them attractive.

**3. Objectives of the Study**

The major objectives of the study are as follows:

1. To identify the various metrics which can be used to measure return on investment in influencers marketing.

2. To explore the various marketing tools which can help us to measure and execute the influencers marketing.

**4. Analysis**

The text below discusses the exploration of these two objectives under A and B sections.

**a. Influencers Marketing - Roi Tracking Metrics**

One of the most difficult issues in front of the business is how to measure return on investment when influencers marketing is adopted. To address this issue, some of the return on investment tracking metrics have been identified and investigated. It has also been found that the selection of a particular metric which should be analysed to find out ROI would depend on the goals of the business.

The following table summarizes the goals to be pursued and the related identified metrics to be analysed for ROI.

**Table 1:** Metrics to be analyzed for Roi

<i>Goal</i>	<i>Metrics to be analyzed for ROI</i>
Brand engagement	Comments, followers, likes, engagements
Brand image	Sentiments, mentions, share
Create brand awareness Attract new audience	Impressions audience data, web traffic, referral traffic, reach, CTR, CTA
Sales conversions	Affiliate links, referral traffic, sign ups, campaign, URLs, conversions

**Source:** Based on author’s analysis

Some of these metrics tabulated above are explained in the following paragraphs.

**Reach**

Reach refers to the number of people who preferred to get engaged with the content through likes, shares or comments by clicking it. Tweets made, stories posted on Instagram or Facebook event page can give information about the reach.

**Conversions**

Conversions occur when the user responds to the call to action. Conversions have not always to do with sales but it is when a user fulfills the desired course of action such as subscribing a newsletter, download an eBook, clicking a link, opening an email, filing a form to read the contents, subscribing a mailing list. Promo codes, unique UTM tags, discount codes, unique landing pages and affiliate link help to track the source of traffic.

**Engagement**

Engagement is very crucial on any social platform for building brand and moving to a sustainable relationship with the present and prospective audience. It gives an insight about how many audiences is interacting and how often. The engaged audience interacts with the brand through shares, retweets, comments, likes, followers, click through, mentions and by using branded hashtags. It is a measurement of likes, comments and shares. Engagement leads to greater visibility of the content, brand affinity, referral and better relationship with the customers. It also helps the marketing team to analyze the content created, measures performance, engagement of influencers and to target the right audience.

**Referral traffic**

Visitors landing the site when they click on a URL of the other website are called referral traffic. UTM codes are used

to track the source of traffic. It helps to improve recognition of a brand, develop the network opportunities and tap new audience. It helps to know the external sources which are pushing the business.

**Click Through Rate (CTR)**

The number of clicks divided by the impression expressed in percentage is called *click through rate*. It is important as it gives information regarding what is working and what is not, to reach the target audience. High CTR would indicate that prospective customers are drawn towards the content. Click through rate can be addressed by the use of hashtags which work across multiple platforms like Twitter, Facebook and LinkedIn. Using images or visuals and inviting call-to-action are used for CTR.

**Call to Action (CTA)**

CTA is a prompt which appears on the website encouraging the visitor to do something. It can be a sign up, subscribe, try for free, get started, learn more or join us. It helps to convert visitors into a lead.

**Comment**

Response on social media post in written form is called comment. It is the qualitative metric which shows the popularity of the content. The real sentiments can be found out by reading the content of the comment. Positive sentiments are shown through intention to purchase, positive emojis, use of hash tagging friends and complements.

**Shares**

When a user shares, he explicitly endorses the content. It takes the content to new audience. For example, in Twitter, it is retweeting the post; in Pinterest it is repining; in Facebook a post being displayed on user’s Facebook. Shares are not recommended as the metric for ROI as they cannot be easily tracked.

### Mentions

Mentions occur when user mentions a brand by name using @tag. They also bring brand hashtags in the content. High affinity towards brand and social alignment is shown through both hashtags and mentions.

### Impressions

It refers to how many times the content has been displayed. Whether the content was clicked or not does not matter. Only exposure matters. Facebook ads on screen, users seeing tweet on Twitter, users seeing a story, video or post on Instagram are some of the ways through which impressions can be registered.

### b. Marketing Tools to Measure and Execute the Influencers Marketing

To measure and execute influencers marketing techniques, the following marketing tools are available with the marketers:

- HubSpot

This tool can be used for content management, tracking the email and connection with the leads. Companies which are using HubSpot as a measure are Aatlassian, purple, Wistia, B2B and B2C companies.

- Upfluence

It helps to manage campaigns right from identification to pay out. Companies using it include PayPal, Havas, Lauren.

- Influencer

It helps the brand to make connections and drive engagements. VOX are used to enhance conversation about the product. Companies involved are Loreal, P&G.

- AspireIQ

It is a content generation platform which has influencers database and content Library. Companies making use of this tool are Bare Minerals, Grubhub.

- Linqia

It is an artificial intelligence driven platform resulting in Greater return on investment. The companies making use of it are Black and Decker, Walmart, McDonald's.

- Klear

It is influencers search engine and is used by the companies like Adidas, Huawei, Visit Britain.

- Mavrck

This tool can measure online conversation, offline sales, brand lift along with fraud detection. It is widely used by Nike, Reef, Banana Republic.

- Pixlee

Management tools along with email marketing, influencers and their management are the features of this tool. It is used by Sportsman Guide, Panasonic, Munchkin.

- Traackr

Having network of global influencers and growth based on real metrics along with 360 degree analysis. This tool is used by Nissan, Loreal, Garmin.

- NeoReach

This can be used for cross channel social profiles and can analyse audience demographics. It is used by Airbnb, World of Tanks, TLC.

- Fanbytes

This tool can measure views, CPM, clicks, CTR effectively. Oevo, Deezer Lens are using it successfully.

- Tidal Labs

This tool helps to report the return on investment across the

campaigns. Reebok, Old Spice have employed this tool.

- Captive 8

It connects brands to digital influencers. Honda, Nissan, Amazon constantly employ this tool.

### 5. Conclusion

Influencers marketing is a form of social media marketing where a person can influence other person due to his knowledge, trust, and credible relationship with followers, resulting in strong online community. Influencers marketing has emerged as a great investment and everyone is running after it but how to measure the result backfires them. Due to high investment, it is important for the businesses to find out the return on investment. The present study identified certain metrics which can be used to find out the return on investment. The decision as to which metric should be used under what circumstances will depend upon the goals which the organisation wants to achieve by using the strategy of influencers marketing. If the goal is to increase the brand engagement, then the metrics such as comments, followers, likes and engagements can be analyzed. If the objective of the business is to improve the brand image, then the metrics such as sentiments and mentions should be studied in detail. If the goal of the organisation is to create awareness and to attract new audience, then the metrics to be deployed are Impressions, audience data, website traffic, and referral traffic. If the objective of the business is to find out the sales and the real conversions, then affiliate links, campaign URL, downloads, sign up and referral traffic should be analyzed in detail. The study also pointed out certain tools which are used by dominant companies to measure the metrics for finding out the return on investment in influencers marketing.

The paper also opens up new scope of study where influencers marketing impact can be analyzed in specific Industries such as fashion industry, food Industry and so on. The impact of influencers on various social platforms affecting the business can also be further researched.

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