

Influencer Marketing Overview

Influencer Marketing is a strategy—it is not a tactic within the traditional marketing plan. Marketing executives are well aware of the diminishing returns of most traditional marketing plan activities. The 2008 Channel Performance Outlook Report, produced by the CMO Council, found that companies are wasting billions of dollars on ineffective marketing and channel building campaigns. The Council's 2008 Marketing Outlook Report summarized their findings as, "What we are seeing is much stronger sensitivity to engage directly with customers and learn more about what shapes, influences and impacts purchasing decisions and intentions to do business."

In short, companies are looking to Influencer Marketing as a natural strategic evolution to marketing.

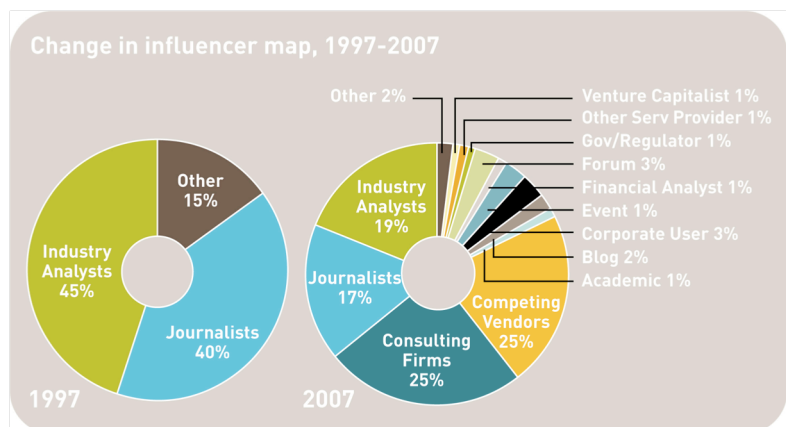
NETGEAR
Doug Hagan
Head of Global Marketing
Netgear Inc.

"Influencer50 has been like shining a light on the Rolodexes of the leaders of our networking sector. Who they know, who they listen to and where they turn to for their information. More importantly, it's shown who and what influences our customers. It's saved us months if not years short-circuiting who we should be communicating with and influencing."

Influencer Map of Change

Typical public relations and analyst relations activities no longer reach enough of the right people. The type of people in a position to exude influence over purchase decision-makers has changed.

Effective Influencer Marketing requires dedicating resources to identify the right individuals. In the past, fewer people had influence over decision makers and those individuals tended to be Industry Analysts or Journalists. Today, decision-makers look to a wide variety of individuals for advice and analysts and journalists make up less than 40%.



An effective Influencer Marketing Strategy should include:

- » Identification of the top influencers within your market based on established criteria.
- » An understanding of why and how those individuals are influential.
- » How your offerings map to influencers' work or agenda.

- » A tactical plan of activities to engage those individuals, educate them on your offerings in terms of interest to them and develop them as advocates for your products or services.

As any sales executive can tell you, sales teams are finding it next to impossible to reach their targets' decision makers, thus they have little opportunity to persuade them to purchase. They're also encountering more and more objections to proposed offerings that they can't adequately counter. A potential customer today is far less likely to believe any counter arguments put to them by a salesperson, because they expect a salesperson to say whatever they need to make the sale. Influencer marketing addresses these issues by getting your messages to those individuals who have the decision maker's ear and gives salespeople the ammunition to make counter-arguments that are backed by people they are more likely to believe—people without a personal stake in the potential deal—their influencers.

Influencer Marketing with Influencer50

At Influencer50 we use a proprietary methodology, the SFERE Process, to identify and rank influencers and build outreach and marketing engagement activities. Our approach includes five tactical areas in two program phases:

Phase 1

- » Select: Identifying and ranking influencers

Phase 2

- » Focus: Outreach to influencers
- » Engage: Marketing through influencers
- » Recruit: Marketing with influencers
- » Evaluate: Measuring success

[Learn more about Influencer50 Identification and Engagement Programs](#)

Influencer50 uses only legitimate and ethical means to identify and reach out to influencers. The point of Influencer Marketing is to build a relationship with your company's greatest influencers—those who will have the greatest impact on the decision makers in your market space—a relationship that encourages them to be an advocate for your company's products or services.

Learn more about Influencer Marketing and how you can benefit:

- » [Who are Influencers?](#)
- » [Benefits of Influencer Marketing](#)
- » [Influencer Marketing for You](#)

Influencers

Influence can be defined as the capacity or power of persons or things to be a compelling force on or produce effects on the actions, behavior, opinions, etc., of others. An *influencer*, in business terms, is an individual who significantly shapes the customer's purchasing decision, but may not ever be accountable for it. Influencers are people, not companies or associations. People make decision, and they use other people—*influencers*—to aid in the decision making process.

Influencers, most likely, don't buy from you and have no need for your products. They influence your customers and influence your market.

The biggest attribute of influencers that you need to be acutely aware of is:

Influencers likely don't care about you, your products or, least of all, your marketing messages.

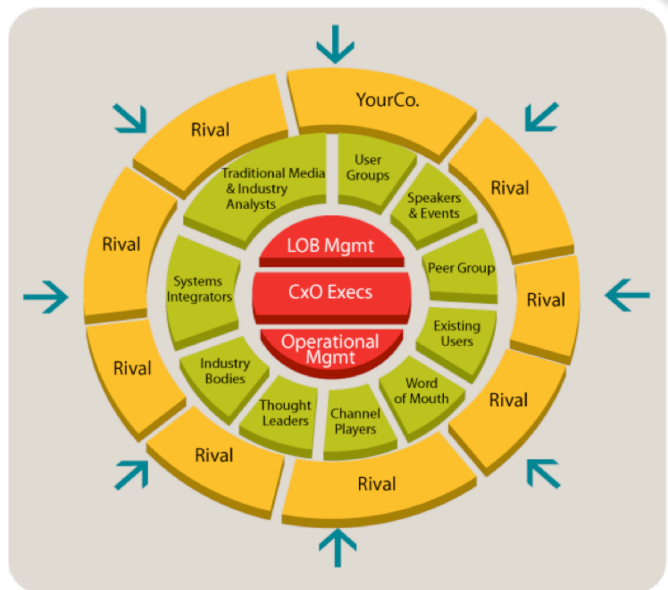
The Pressure Wheel

An ecosystem of influencers act as advisors to decision makers.

You, as well as all of your competitors and vendors in other spaces, are trying to reach the same few decision makers. Whether you're in the B2B or B2C sector you can't sell your product or service unless the person with purchase authority—the decision maker—gives their approval.

Those decision makers are not listening and are actively trying to avoid sales pitches and marketing collateral.

Who are they listening to? An ecosystem of influencers, individuals they trust to advise them. In the B2C world that might include friends, family, or coworkers. In the B2B world we've identified 25 different categories of influencers.



The Pressure Wheel illustrates how a decision maker's ecosystem of influencers help shield them from vendors. This example includes only 10 categories of influencers.

Why Influencers Matter

As an individual, when you make a large purchase such as a car or a home, you probably consult with people whose opinions you trust. As a business decision maker you have an even greater need to receive trusted recommendations.

Individuals in a position to influence the decision makers within your current customers and prospects come from a variety of sources. These include, but are not limited to:

- » Industry analysts
- » Business & Trade Journalists
- » Broadcast Media
- » Top-Tier Management Consultancies
- » Financial analysts
- » Your competitors
- » Conferences & events
- » Customer organizations & User Groups
- » Authors & Management Thinkers
- » Niche Consultancies
- » Systems Integrators & Outsourcers
- » VARs, distributors and other channel partners
- » Online Forums
- » Consumers and consumer groups
- » Individual Consultants
- » Blogs
- » Industry Bodies, Forums & Federations
- » Venture capitalists and financiers
- » Retailers
- » Procurement Authorities & Buyers Groups
- » Government agencies & Regulators
- » Complementary Partner Brands
- » Standards bodies
- » Academics
- » Commentators and other individuals
- » Regulators, standards bodies and conferences will typically have high Market Reach
- » Top-tier management consultancies, authors & management thinkers, and academics will enjoy high Quality of Impact
- » Journalists, Online Forums and Blogs will exhibit a high Frequency of Impact
- » Individual consultants, procurement authorities and systems integrators will often rank highly on Closeness to Decision.

Now you may be saying to yourself, "We're already aware of these people and their powers of influence in the market." But the knowledge that these influencers exist is not enough.

Influencer50 takes into account market segmentation that is specific to your offerings, cultural aspects of purchasing within your target regions, and the market forces that impact your business. We then go a step further and determine the strength and breadth of each individual's influence on your target audience using our proprietary rating system that examines six criteria:

- » Market Reach
- » Quality of Impact

- » Frequency of Impact
- » Closeness to Decision
- » Pressure to access advice
- » Involvement

By understand which influencers have the highest level of influence on your target audience you can tailor your engagement activities to have maximum impact on each person.

[Learn more about Influencer50 Identification and Engagement programs.](#)

Benefits

Influencer Marketing is less scatter-shot and more rifle-shot. Influencer targeted programs focus on far fewer people than traditional marketing—which solely targets prospects—but instead, seek out those individuals that carry the most influence over those prospects. These are the people decision-makers turn to for advice, input and guidance. As a result, you can reduce the amount of marketing you do, but significantly increase its effectiveness.

- » 80% of sales for +\$20k are impacted by 5 or more influencers

Influencer50 is the leading influencer marketing company, setting standards for influencer marketing strategy and identification and engagement programs.

- » Less than 40% of influencers today are journalists or analysts. The other 60% are probably unknown to you.
- » You're likely spending too much of your marketing budget on the 40% and next to nothing on the 60%.
- » Just 9% of companies specifically target these other influencers. Achieve significant competitive advantage by forging 1-to-1 relationships with them.

Influencer50 clients use influencer marketing to:

- » Optimizing current programs to maximize effect and budget utilization.
- » Establish new routes to market.
- » Prove marketing ROI in quantifiable terms.

Optimizing Marketing Programs

Influencer marketing focuses your marketing budget and other resources where they can make the most impact. Once you know who your influencers are, and the strength and reach of their influence, you will be able to concentrate on building relationships with those who can help you the most. Many of our clients achieve ROI with their Influencer50 Identification program simply by adjusting their current marketing activities to focus more directly on their top 50 influencers. But as with any strategic business change, many companies choose to defer to domain experts to implement changes rather than attempting those changes alone. Thus, many of our clients work with Influencer50 for Engagement Programs to build relationships with their top 50 influencers.

New Routes to Market

Influencer marketing identifies non-traditional influencers that can offer new ways of reaching prospects. It enhances product launches by targeting and informing key influencers before the launch date. It can also provide access to untapped audiences via their influencer ecosystem. This approach works whether you are aiming for a new

audience in your traditional market or whether you're aiming for a new vertical or geographic market.

Proving ROI in Marketing

ROI in Influencer Marketing is measurable in cash terms. With an influencer marketing strategy you're able to build programs around influencers, then align those influencers with typical sales objections, you can create a set of marketing messages that directly influence sales. Sales will increase, and you can tangibly measure the impact on sales from your marketing programs.

Our clients tell us they achieve rapid ROI from influencer marketing programs in two ways:

Optimizing current marketing activities:	Increasing sales effectiveness:
Identification of key influencers focused resources on the individuals that really count, reducing the waste of resources on unimportant 'scatter-shot' outreach <i>Typical savings of: 40%, time and cost</i>	Shortened sales cycles and increased closure rates by using influencers to address sales objections <i>Typical revenue uplift: 4%</i>
Knowledge of which events to attend as opposed to events that aren't influential <i>Typical savings of: 50%, time and cost</i>	Improved lead generation by embedding influencers into collateral and events <i>Typical revenue uplift: 2.5%</i>
Focused blogger relations activities on the blogs that influence decision makers, not just other blogs <i>Typical savings of: 80%, time and cost</i>	Partnership strategies fine-tuned based on the most influential partner firms <i>Typical revenue uplift: 4%</i>
Improved collateral development to be more relevant to the sales process <i>Typical savings of: 70%, time and cost</i>	Opened new routes to market <i>Typical benefit: 12% increased market share</i>
Created opportunities to engage with influencers at key points along the sales chain that were traditionally ignored due to budget, lack of knowledge or other reasons <i>Typical benefit: increased touch-point opportunities with influencers</i>	Improved sales' utilization of marketing collateral <i>Typical perception uplift: 35%</i>
Fine-tuned marketing messages that resonate with influencers and prospects <i>Typical benefit: increased awareness and understanding of offerings in the</i>	Guaranteed product launch success by pre-influencing the market prior to launch <i>Typical benefit: the marketing team is a</i>

marketplace

hero in your organization

Influencer Marketing and You

Influencer50 programs directly impact your ability to source leads, counter sales objections and win deals. We know what you're thinking:

- » "We already know who are influencers are."
- » "Influencer marketing is nothing new, we've been doing this for years."
- » "Our public relations/analyst relations people already do influencer outreach."

We urge you to take a moment to reconsider:

- » Do you know all the top influencers in your space? Or do you only know the 40% that consists mainly of journalists and analysts? What activities are you doing to engage the influencers and get them recommending your products and services to decision makers?
- » What activities have you been doing that you consider influencer marketing? Are your activities focused on the right individuals as influencers? Do you have strong relationships with those individuals? Do those individuals think highly enough of you to be your advocate?
- » Are your public relations and analyst relations people looking at the other 60% of individuals that make up decision-maker eco-systems? Are they researching why and how those 60% of individuals are influential so they can tailor messages and outreach programs to them?

Relevance to You

The perception of marketing's usefulness and effectiveness is at an all-time low. Marketing practices are under the most intense scrutiny since the discipline began. Companies are seeing diminishing returns on the marketing programs that used to work. Marketing and sales teams have alienated themselves from one another:

"Marketing doesn't produce the materials we need get our foot in the door and certainly nothing that would help us close a deal."

"Sales expects Marketing to do all the work—get the leads and close the deals—they're never happy."

If this sounds all too familiar, read the following paragraph that relates to your position.

Who are you?

Chief Marketing Officer:

According to Spencer Stuart, the leading privately held, global executive search firm, CMOs today aren't expected to last two years in a position. As a CMO that isn't very comforting. The CMO Council's 2008 Marketing Outlook Report determined that senior marketing professionals are most frustrated by their organization's culture, senior management mindset, insufficient budget, fewer resources needing to accomplish more, politics and power plays, and being too reactionary and tactical.

Perhaps it's time to make some changes. You can decrease your frustration by adopting an influencer marketing strategy to help:

- » Improve your department's relationship with sales and other departments through more effective, influencer-focused marketing programs.
- » Alter senior management mindset by increasing market share and helping to decrease the sales cycle with the influencer backed sales collateral.
- » Optimize the use of your limited budget by focusing on reaching the individuals that really count and reducing the waste of resources on unimportant 'scatter-shot' outreach.
- » Accomplish more with fewer resources by knowing who has the most influence with your targets' decision-makers and why.
- » Deal with politics and power plays... Well, maybe influencer marketing can't help with all your frustrations.
- » Move from reactionary and tactical activities to proactive, targeted marketing programs.

VP of Sales/Sales Director/Head of Sales

Are marketing efforts helping your sales team reach their goals? Are your sales people spend too much of their time creating marketing collateral to address prospect objections?

No one disputes that a divide exists between sales and marketing. In Philip Kotler's Harvard Business Review article *Ending the War Between Sales and Marketing*, Kotler details why that divide exists and ways to combat it. Traditional marketing programs don't work as well as they used too and traditional sales tactics to get to leads are being deflected by the decision makers. Influencer marketing utilizes marketing research and program coordination sales-orientated relationship building.

An influencer marketing strategy helps the marketing department create influencer-led collateral that sales can use to counter sales objections effectively. Targeted influencer marketing engagement programs encourage influencers to carry your message to decision-maker—and hearing it from the influencers gives more credibility to the information. Your prospects don't believe the collateral created by you, because they believe you'll say anything to make a sale. But they do believe influencers, independent third parties that tell your prospects what to buy.

Corporate Communications Professional

Marketing communications professionals have traditionally been tasked with journalist (PR) and/or analyst relations. This approach is more than 20 years old and things have changed. Press and analysts no longer hold the balance of influence. At best, PR and AR reach only 40% of the individuals that your target decision-makers listen to. The truth is, marketing communication professionals were never asked to target the most influential individuals, just the most obvious and convenient ones.

With an influencer marketing strategy your programs can extend beyond just media analysts to reach the 60% of influencers who have been ignored by traditional marketing communications. With a focused influencer marketing identification plan and targeted programs to reach those influencers, you won't need to add additional funds to the marketing communications budget. You'll be utilizing your budget more effectively by getting to the top influencers rather than wasting all your time and money on analysts and journalists who may not have much influence with your market any more.

By identifying the handful of the most influential journalists and analysts, you are able to dedicate more of your resources to targeting other, non-traditional influencers, too. And you align with the trend towards integrated influencer relations.

Start-up Entrepreneur/CEO

Start-ups don't generally have the bandwidth to address even the traditional public relations, analyst relations, marketing communications, and marketing program needs all at once, even if they have the funding for those activities.

As an entrepreneur, you know you want attention from the media and analysts. But to be competitive and grow your company you'll also need channel partners, blog coverage, and interest from systems integrators and consultants. Can you prove yourself amongst the established companies?

Most start-ups begin marketing with a public relations plan. But PR covers just one dimension of influence. For the cost of an average annual PR retainer, you can identify all of the influencers for your target market and begin to engage them. These influencers will have a bigger impact on your target decision makers than any banner ad campaign you could possibly run. And you may have the coolest booth at the trade show, but one mention of your product from a key influencer carries far greater weight with decision makers than flashy booth graphics.

In fact, if you market correctly to influencers, they will market for you to your prospects. And they'll do it with more credibility and authority than you, or your PR agency, could ever do.

Identification Programs

When identifying your top 50 Influencers it is critical to take into account market segmentation, cultural aspects of purchasing within your target regions, and the market forces that impact your business.

Identifying Your Influencers

The Influencer50 Identification Process is the first step in developing an Influencer Marketing plan. Our influencer research is customized and targeted for each individual client. We do not offer a turnkey solution or sell static lists of individuals. These approaches don't work because the top influencers for one company will not necessarily be the top influencers for another, even if they are within the same market space.

Influencer50 provides not only the names of those individuals who have the most influence for your target audience, but we also profile your influencers. To maximize your Influencer Marketing activities our Influencer Profiles provide you with an understanding of:

1. Who each Influencer is, including their current position and past relevant positions.
2. Why they are influential within your market space and to your target audience.
3. How their influence manifests itself through published pieces, blogs, presentations, direct contact, etc.

Influencer50 employs a mix of ex-tech sector industry analysts, former international marketing executives and agency heads as well as a global team of experienced researchers to provide you with a customized report on your top 50 Influencers.

Kick-Off through Identification Report Presentation

Our Identification Programs start with a kick off meeting to determine the scope of your program, which may focus on a particular product line, a new product launch, or a re-branding campaign.

Influencer50 research takes a wide view in and around your market space to scope out a broad spectrum of individuals who may have influence with your target audience. We then refine our research to focus on individuals with specific expertise within your domain. Finally, we do in-depth research on each individual for relevant details of their work. All of our research goes through a validation



process to ensure accuracy and determine any missed information.

At the conclusion of our research, we go through a 2-step process to determine the strength of each individual's influence on your target audience. Using our proprietary rating system we do an initial ranking to determine your top 50 influencers and then we do a more detailed ranking to identify order of importance of your influencers--some influencers are more influential than others and understanding the ways in which they are influential and the strength of that influence will help you build relationships with them.

We measure each individual against the following criteria to determine their ranking:

- » Market Reach - the number of people an individual has the ability to connect with. This measures accessibility of the influencer.
- » Quality of Impact - the esteem in which an individual's view and opinions are held. This measure incorporates both credibility and independence of the influencer.
- » Frequency of Impact - the number of opportunities an individual has to influence buying decisions.
- » Closeness to Decision - how near an individual is to the decision-maker. This does not necessarily mean physical proximity - it can be online or indirect via some other channel. Whatever, great advice or insight has little influence if it is not heard by a decision-maker.

The final report will include the ranked set of profiles of the most influential people in your marketplace. These findings can be used to focus existing marketing activities—PR, AR, direct mail, events, etc.—on the most effective areas, thus improving marketing efficiency, as well as highlight the need for new approaches to engage with influencers who require 1-to-1 relationships.

Engagement Programs

Identifying individuals with the power to influence your target audience is very important, but engaging with those individuals will actually have an impact on sales. You may already know some of your influencers, but are they positively influencing decision-makers for you? Influencer50 Engagement Programs are designed to help you build relationships with influencers to market to, through, and with them.

[Learn more about Influencer50 Engagement Programs.](#)

INFLUENCER50
RESEARCH TABLE

EXTRACTS FROM A US IDENTIFICATION REPORT

#16

Dr. SEVERUS
VP of Strategic Services
Nordia Business

Market Reach 85%
Quality of Impact 75%
Frequency of Impact 75%
Closeness to Decision 75%

Dr. SEVERUS is a leading expert in his industry, and is highly respected by his peers. He has established the strategic services group in Nordia, which is currently the primary contributor to the business. He has a strong track record of successful projects, and is highly respected by his peers. He is currently the primary contributor to the business, and is highly respected by his peers.

#17

Mark Smith
Executive VP of Sales
Nordia Business

Market Reach 85%
Quality of Impact 75%
Frequency of Impact 75%
Closeness to Decision 75%

Mark Smith is a leading expert in his industry, and is highly respected by his peers. He has established the strategic services group in Nordia, which is currently the primary contributor to the business. He has a strong track record of successful projects, and is highly respected by his peers.

#18

Mark Smith
Executive VP of Sales
Nordia Business

Market Reach 85%
Quality of Impact 75%
Frequency of Impact 75%
Closeness to Decision 75%

Mark Smith is a leading expert in his industry, and is highly respected by his peers. He has established the strategic services group in Nordia, which is currently the primary contributor to the business. He has a strong track record of successful projects, and is highly respected by his peers.

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