

THE INFLUENCE OF INFLUENCERS

RESEARCH STUDY



JUNE 2017

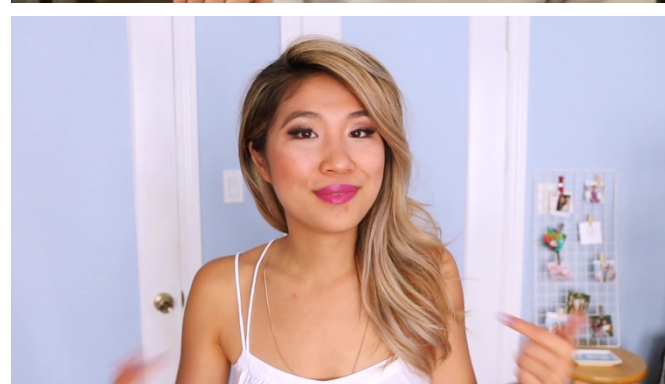


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Introduction

As fond as people are of saying how fast the world is changing, if anything we underestimate how quickly our own attitudes, behaviors and even semantics have evolved. There was a time when brands resisted selling on Amazon because they allowed actual customers to review products, a privilege previously restricted to the media. If there was even such a thing as positive consumer sentiment, it was captured in “word of mouth” spread offline through friends and family. Malcolm Gladwell described a group of mysterious amateur experts known as “mavens” who determined our preferences and one wondered who the mavens were in our own lives, secretly pulling the strings.

No one says UGC or mavens or really even word of mouth much anymore. But there is one word you still hear everywhere in the social space and that is of course Influencer. But even if it has stayed consistently in the vernacular, the meaning of Influencer has dramatically evolved over the past decade. Today, “Influencers” are the people we individually choose to listen to and, with the barriers to finding these interesting voices diminished to near zero, we are flocking to them voluntarily to learn what to wear, how to work out, what tastes great, what’s healthy and how to tell if he really likes us or not.



Why We Did The Study

Into this sea of shifting perceptions and semantics, we launched our own research. The theme is clear: as recently as 2013, Influencers were a relatively small part of the picture and friends and family were the gold standard for trust and influence.

In this 2017 study, our purpose is to share the state of the art with regard to the immense impact Influencers are having on the shopping process.

We surveyed 1,000 consumers with at least some shopping responsibility to gain insights into three key areas:

1

Social Media's Impact on Shoppers

What degree of influence does social media have on purchase behavior vs. shoppers' friends/family and other sources?

2

How Those Influenced by Influencers Shop

Gain actionable consumer insights into shoppers whose purchase is influenced by Influencer video

3

Deeper Dive into Shoppers Most Influenced by Video

What consumer groups are being influenced to purchase products by Influencer video, what are their platform and content preferences and how is video affecting their personal shopper journeys?

Methodology

1,000 consumers surveyed

Online, quantitative survey approximately 20 minutes in length. Assess the impact of Influencer Marketing and social media on purchase behavior and gain new, actionable insights across different demographic groups, product categories and retail environments

Snapshot of respondents

- **Age:** Roughly half of respondents were Millennials. Gen Z, Gen X and Boomers were also included
- **Gender:** Sample was split roughly evenly between male and female
- **Family:** Three quarters of females were moms. The ages of children in the home followed a smooth distribution

Sample Specifications

- Sample size: n=1,000
- Minimum quotas were set for each of the following core groups:

Category		Video Influence		Demographics	
Everyday items	n=650	Influenced by	n=769	Millennials	n=571
Electronics	n=350	video		Moms	n=372
				Men	n=529
				Hispanics	n=164

Why Social Media Matters

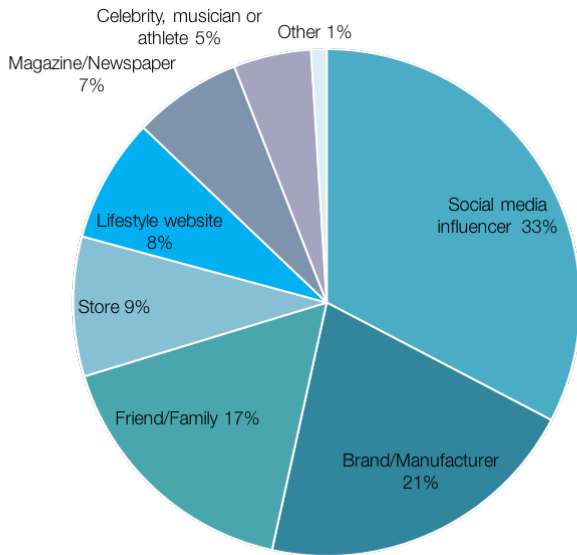
90%

of social media users were influenced to make a purchase after seeing relevant social content

We are at a moment of disruptive change. Rather than acting on instinct or simply following the crowd, smart Brands, Agencies and Retailers will leverage consumer insights to take advantage of the opportunities leveraging the Influence of Influencers.



Why Social Media Matters



Consumers now trust Influencers over Friends and Family at a rate of two to one and seven to one over Celebrities for information on making a purchase

These findings represent a dramatic shift from studies we've seen in the past. A 2013 Forrester study found that only 18% of consumers trusted Influencers, which still included celebrities. In the same year, Nielsen found that Friends and Family were trusted by 92 percent of respondents. A shift started to emerge in 2015, when, for example, Formats Research reported in Adweek that Influencers on Twitter had almost caught Friends and Family at 49% to 56% in terms of reliable recommendation sources. Although the study methodologies vary, these examples highlight how attitudes and even semantics are evolving.



Where Social Media Has The Greatest Influence

Social media is not just influencing Gen Z, its primary influence is on core shopper targets (Millennials, a mix of men and women, parents and multicultural).

Millennials' media consumption preferences are driving the rise and prominence of social media and influencers



Millennials (avg age 33)



Both Men and Women



Parents



Multicultural

Influence By Platform By Source

While Influencers overall were the most trusted source of content, there were some distinct differences by platform

- Influencers were most influential on YouTube followed by Instagram and Blogs
- Friends and Family and Brands tended to have the greatest influence on Facebook followed followed by Instagram and Pinterest
- Other sources like Brands, Retailers, Celebrities (musician/athlete) did have influence as well, but only on Instagram and Facebook
- Interestingly we did not see high influence scores across sources on Snapchat

	Influencer	Brand	Store	Magazine /News- paper	Celebrity/ musician/a thlete	Family member	Friend	Lifestyle website
Blogs	55%	39%	39%	42%	36%	33%	38%	45%
Facebook	50%	52%	52%	45%	44%	58%	56%	46%
Instagram	55%	54%	53%	51%	53%	51%	54%	49%
Pinterest	41%	48%	38%	34%	27%	47%	51%	42%
Snapchat	35%	35%	33%	39%	33%	36%	32%	32%
Twitter	47%	42%	38%	43%	44%	44%	47%	41%
YouTube	59%	40%	34%	32%	40%	33%	34%	40%

Total n=1000

Impact By Category By Social Platform

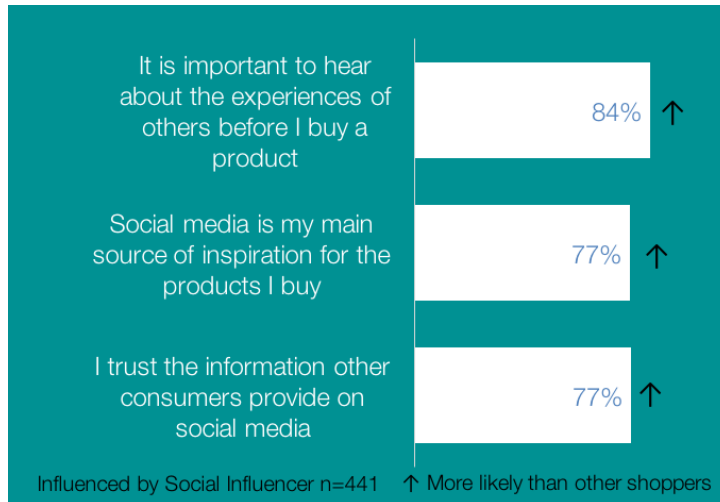
Social Platforms with the greatest influence on purchase vary by product category

Impact by Category							
	Baby Products	CE	Food/Bev	HBA	HH Supplies	Pet	Avg by Platform
Facebook	89%	81%	59%	71%	79%	89%	78%
Instagram	97%	88%	79%	92%	87%	91%	89%
YouTube	100%	89%	67%	80%	82%	95%	86%
Twitter	95%	85%	87%	87%	87%	93%	89%
Avg Cat	95%	86%	68%	81%	83%	92%	

- Not surprisingly, YouTube and Instagram are the most impactful social platforms for shoppers
 - Instagram is in the top two in every category, highlighting its pre-eminence in inspiration
 - YouTube only slips where demonstration may not be a central consumer need
- Facebook's lower scores suggests its impact is higher in the funnel (with subsidiary Instagram covering the lower funnel). Pinterest's inability to best Instagram in any category indicates a risk of becoming second-tier vs. vertically focused
- Those who work in the Influencer space may be shocked by the low average score for HBA, until seeing the huge spread by platform and the dominance on Instagram and YouTube
- Likewise, anyone who believes household products aren't impacted by social media is missing out on an opportunity on-par with consumer electronics

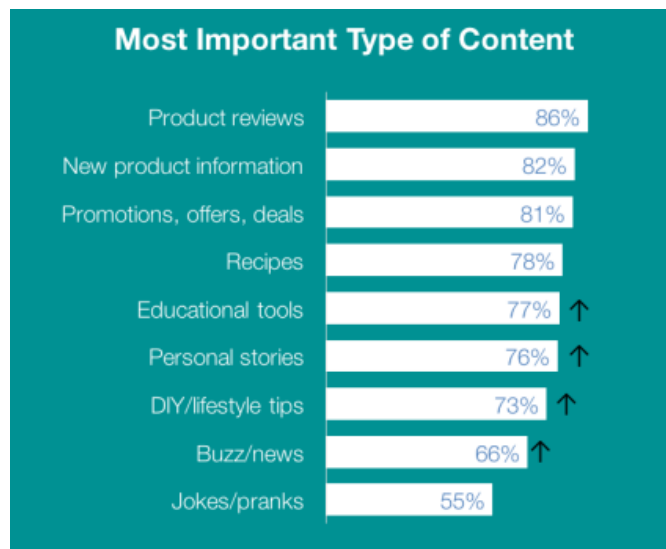
Those Influenced By Social Media Influencers...

...are looking for inspiration and credible information from other consumers. They consider influencers on social media their primary, trusted source of information



Although plenty of studies have proven consumer aversion to “sales pitches” these consumers are actively seeking out reviews, new product information and promotion tips from trusted Influencers

They were also more engaged with a variety of different types of content and over indexed for educational tools, personal stories, DIY and Buzz/News vs other shoppers

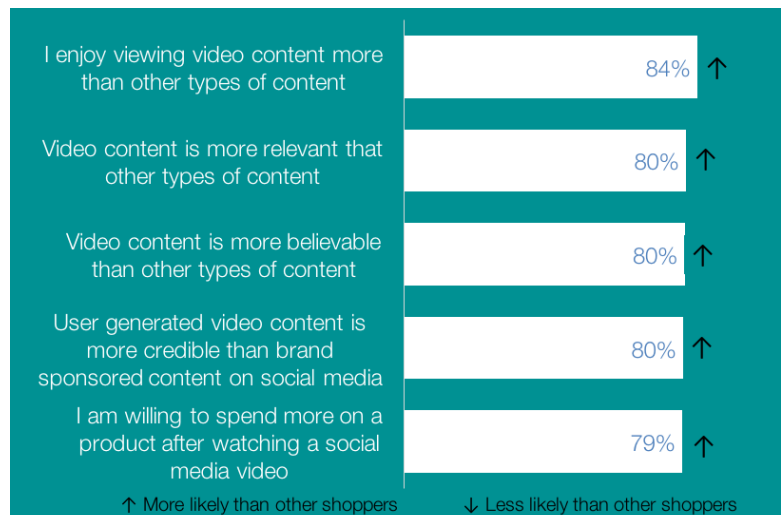
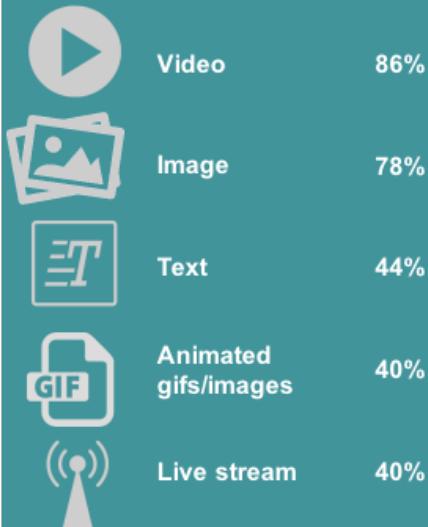


Those Influenced By Social Media Influencers...

...are Highly Engaged With Video

- Twice as likely to be influenced to purchase a product based on engaging with video vs. text, with this preference skewing even higher for Millennials
- This cohort also over indexes for perceiving video as more relevant, believable and credible than other formats
- Echoing other research we've done in the past showing that the consumption of video leads to larger basket sizes, 79 percent of this group are willing to spend more after watching a social media video
- 23% stated that they view the entire video from Influencers no matter what

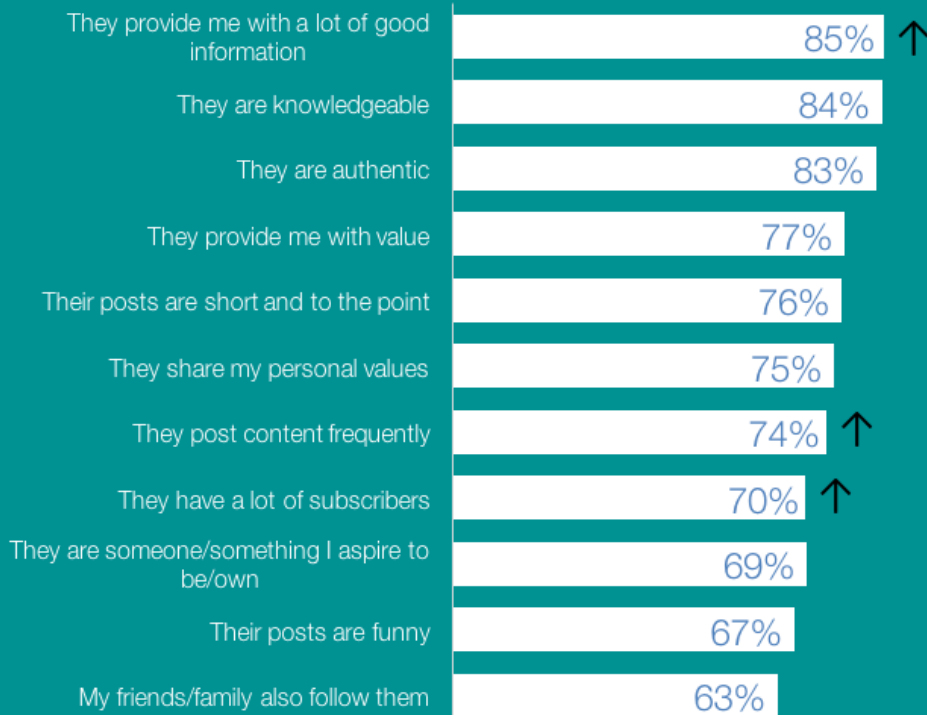
Format Influence



Top Factors In Who They Follow

When deciding which Influencers to follow, perceived expertise is determinative. Maintaining authenticity is also critical, an important thought to keep in mind for sponsoring brands. These findings are all consistent with consumers looking for and viewing Influencers as their most trusted source.

What's Important when Deciding Who To Follow

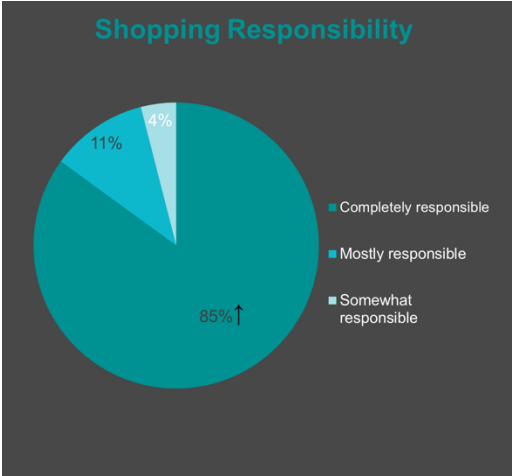


Shoppers Influenced by Video are More Valuable

The bulk of our study was focused on the importance of Influencer video content. The balance of the white paper is focused on comparing the subset of survey responders who were influenced by Influencer video content

Let’s take a closer look at these video influenced shoppers:

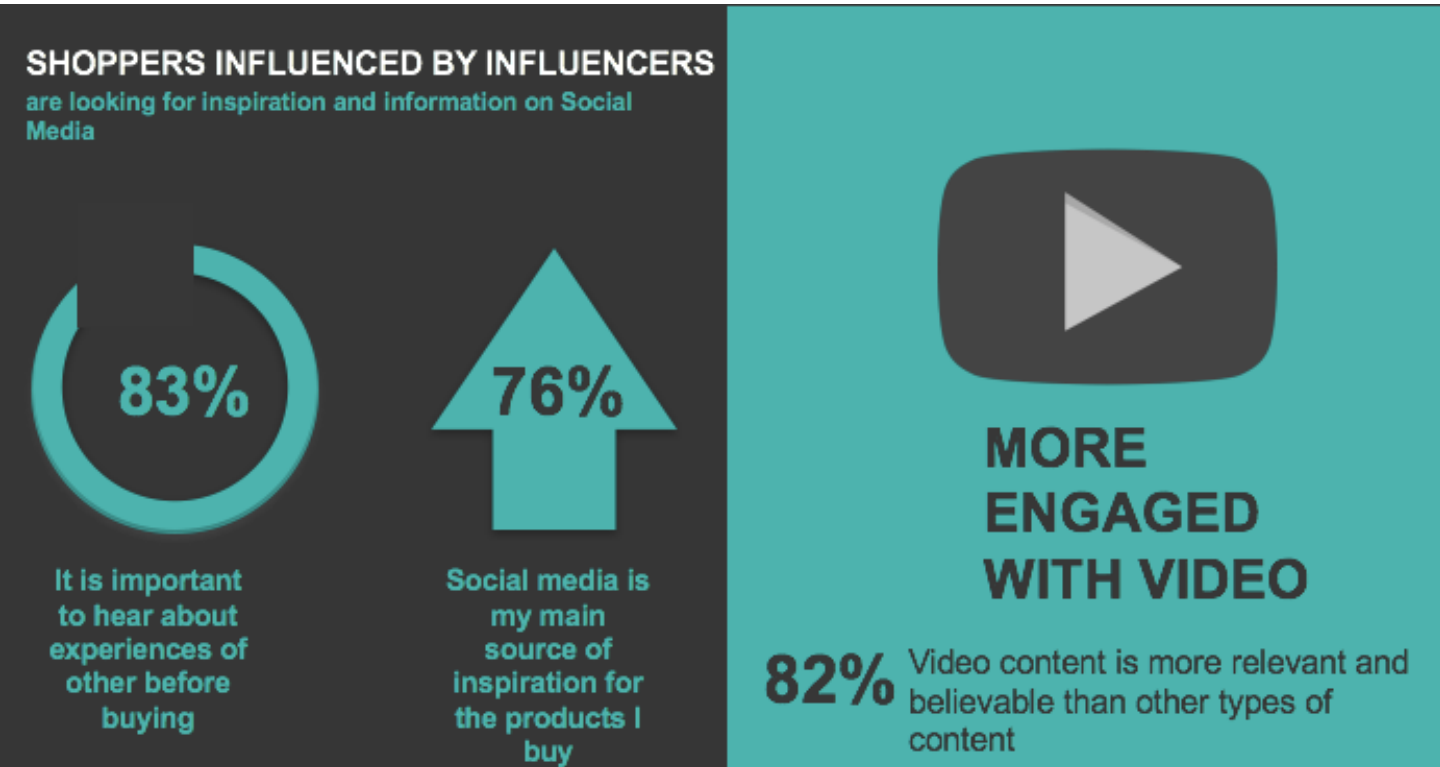
1. They are the primary household purchase decision makers
2. They make purchases across a wider variety of channels and shop more often than typical consumers



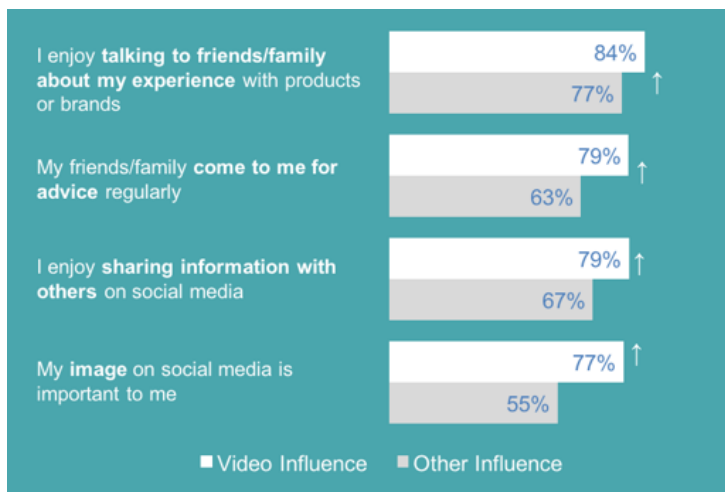
Shopping at Least Once per Week		
<div>Walmart</div> <div>70%↑ 46%</div>	<div>Grocery</div> <div>64%↑ 55%</div>	<div>amazon</div> <div>61%↑ 41%</div>
<div>C-store</div> <div>56%↑ 47%</div>	<div>Electronics</div> <div>57%↑ 38%</div>	<div>TARGET</div> <div>58%↑ 34%</div>
<div>Club</div> <div>54%↑ 35%</div>	<div>Drug</div> <div>52%↑ 37%</div>	<div>Beauty</div> <div>42%↑ 16%</div>

3. They are more invested in Influencer and video content as part of the shopping process

- Video influenced shoppers are actively looking to discover new products, to add variety to their lives and to be well-informed when making those decisions



4. They are Influencers themselves

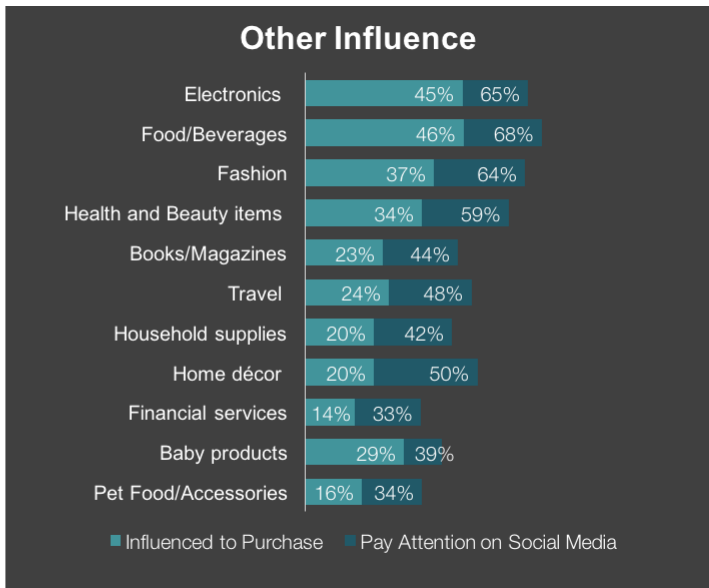
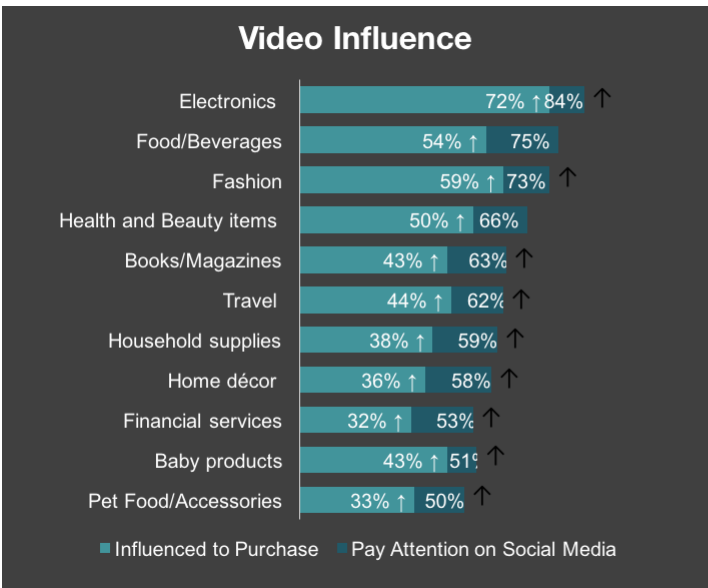


Purchase Influence Of Video

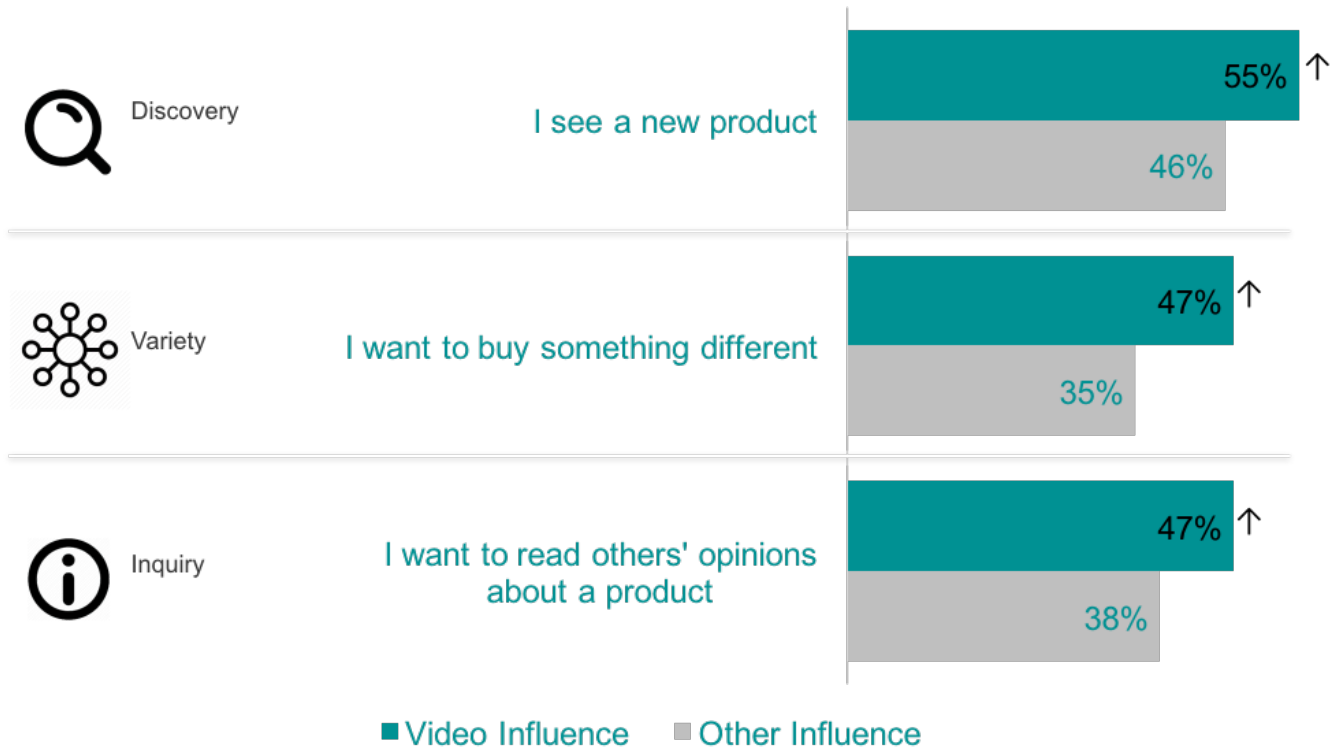
Those influenced by video are highly valuable because they are active shoppers. They actively browse social media and as a result, are more likely to be influenced to purchase across a range of categories based on their social media ‘discoveries’

For example, within the Electronics category:

- 84 percent of video influenced consumers are paying attention to content about Electronics products on social media and 72 percent were influenced to purchase
- By contrast, 65 percent of consumers preferring other content forms (image, text, etc.) are paying attention to content about Electronics products on social media and 45 percent were influenced to purchase










What motivates them to actively search for video on social media?



What Type of Content do they Consume on Various Platforms?

Not surprisingly, the influenced by video cohort consumes a variety of content on YouTube and they consume Influencer content across platforms

But Influencer content is most differentiated on YouTube and Blogs vs Celebrities and Brands

							
Influencer	57%	55%	53%	51%	50%	46%	37%
Celeb	41%	54%	39%	47%	47%	34%	35%
Brand	41%	54%	41%	52%	41%	46%	35%



58%

of video influenced consumers found Instagram to be extremely influential in purchase decisions and 90% found it extremely/very influential

On Instagram, shoppers are most commonly looking for promotions/deals and new product information





Most Desired Content	Content Format
 Promotion/Deals 55%	
 New product info 54%	



55%

of video influenced consumers found YouTube to be extremely influential in purchase decisions and 90% found it extremely/very influential

On YouTube, shoppers most commonly are looking for how-to's and new product information





Most Desired Content		Content Format
	How-to's 57%	
	New product info 55%	



52%

Of video influenced consumers found Facebook to be extremely influential in purchase decisions and 84% found it extremely/very influential

On Facebook, shoppers are most commonly looking for new product information and promotions/deals.

Most Desired Content	Content Format
 New product info 55%	
 Promotions/deals 55%	

Key Takeaways

- Think holistically when planning social media and Influencer campaigns. Along with building awareness and brand affinity, there is an opportunity to influence purchase behavior among prime shopper targets including Millennials and Parents. Consumers are actively looking for product information
- There has been a dramatic shift in who consumers trust and where they seek reliable product information. Influencers are in a sweet spot combining the authority of traditional experts with the trustability of Friends and Family. This shift implies an urgency for brands to be active if they aren't already. While this can also present a challenge to marketers, they do need to be willing to relinquish some control so that Influencers can represent their brands with authentic content.
- Remember that Influencer video is meant to be engaging and fun...a full sensory experience. It's the next best thing to physically having the product to touch/feel.
- Start with insights. All media is grounded in finding the right consumer. It may be slightly less direct in Influencer Marketing but it's no less important. Influencer video's impact on shopping behavior differs by demographics, category shopped, platform and content types. Leverage insights to deliver the right Influencer content in the right format on the right platform.
- Don't think in silos. Consumers are engaged across multiple social platforms and digital tools. Influencer and video should be seamlessly integrated into marketing plans to maximize brand storytelling impact.
- Have a plan that goes beyond today's campaign. Influencer video is an exploding but relatively immature space. Influencers and their subscribers have an affinity for brands who are actively engaged. Best practices will emerge from experience and consistent participation.

About gen.video

[gen.video](#) is a turnkey solution that combines a best-in-class technology platform to identify and collaborate with Influencers across social media platforms and unique ecommerce distribution network. Our point of difference is our ability to bridge the gap between social media and ecommerce to drive brand awareness/engagement and retail traffic and increased sales.

About Geometry Global

Geometry Global is an award-winning, multi-practice marketing agency that influences people's buying behavior with transformative creative solutions informed by rich data and sharp insights. Using cutting edge insight tools to map and analyze people's Purchase Decision Journeys, the agency develops brand engagement programs that drive conversion and measurably impact client business. With teams in 56 markets, Geometry Global is the largest and most international agency of its kind and has expertise in shopper, digital, experiential, relationship, promotional and trade marketing. Geometry Global is a WPP company. (NASDAQ: WPPGY).