Navigating the New Era of Influencer Marketing: How to be Successful on Instagram, TikTok, & Co.

Abstract

Influencer marketing represents a $10 billion industry in 2020 and is becoming of increasing relevance for many firms, especially those operating in a business-to-consumer environment. Few firms in the fashion, beauty, travel, food, or beverage industries are running marketing campaigns these days that do not include, at least to some share, a collaboration with popular users on platforms such as Instagram and TikTok. However, many marketing managers still have a less than adequate understanding of those platforms compared with their knowledge of more traditional media channels and often find it hard to make the right decision in this fast-moving environment. To provide some guidance in this respect, this article aims to give an introduction to the most critical platforms for influencer marketing. It then presents advice to firms who want to engage in influencer marketing as well as specific questions on identifying the right influencers to collaborate with.

Getting a marketing message out to your younger customers is a challenging task even in the best of times. The media consumption patterns of Generation Z (those born in the late 1990s, so aged about 25 or younger today) are fundamentally different from the ones seen in older generations. Instead of watching TV, Generation Z watches streaming services such as Netflix. Instead of listening to the radio, they listen to Spotify. And instead of reading magazines, they rely on Reddit. These shifts have given rise to two main marketing channels: outdoor advertising such as billboards and mobile advertising, specifically on social media platforms such as Instagram or TikTok. On Instagram, 60% of users in the United States are younger than 34, and on TikTok, nearly 40% of users are teenagers between 10 and 19 years.

This shift toward Instagram and TikTok, as well as sites such as Snapchat or Twitch, has, in recent years, given rise to an entire industry of social media influencers and influencer marketing agencies. Celebrities such as footballer Cristiano Ronaldo (@cristiano) and singer Selena Gomez (@selenagomez), and starlets such as Kylie Jenner (@kyliejenner) and Kim Kardashian West (@kimkardashian), all have more than 100 million followers on Instagram. Dancer Charli d’Amelio (@charlidamelio), singer Loren Gray (@lorengray), and filmmaker Zach King (@zachking) have more than 40 million followers each on TikTok. The influencer marketing industry is forecast to reach $9.7 billion in 2020[1](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn1-0008125620958166) or about 5% of the total online advertising market of approximately $250 billion. In response, two-thirds of firms plan to increase the amount spent on influencer marketing within the next year, and 80% forecast to spend at least 10% of their marketing budget on it.[2](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn2-0008125620958166)

Influencer marketing can be hugely successful when done correctly. In 2019, the Italian fashion house Gucci used influencer marketing to support the launch of its new fragrance line Gucci Bloom. Gucci collaborated with 23 artists on Instagram to create highly creative content of the artistic interpretation of the floral universe around the fragrance. The campaign managed to create significant awareness with 135 pieces of content created, reaching nearly 750,000 followers. Gucci even used some of the resulting content on its website and Facebook channel.

Unfortunately, influencer marketing can also be very damaging when conducted in the wrong way. In 2015, the U.S. pharmaceutical company Merrell Dow Pharmaceuticals collaborated with influencer Kim Kardashian to promote their pregnancy sickness drug Diclegis. Mrs. Kardashian reviewed the drug in detail on an Instagram post—which was immediately flagged by the FDA (Food and Drug Administration), who ordered her to take down the post and then repost it including a full list of the drug’s side effects. Although the Federal Trade Commission (FTC) has developed detailed guidelines, only about 14% of influencers are compliant with those rules.[3](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn3-0008125620958166) The first lawsuits have emerged in this context, for example, against the gambling platform CSGO Lotto, which allows users to gamble using virtual items from online games. Other examples are even more severe. In 2017, Billy McFarland used Instagram and influencer marketing to promote the “Fyre Festival”—a musical festival on an island in the Bahamas. Tickets were sold between $500 and $1,500 with VIP packages ranging up to $12,000. However, the festival turned out to be a scam, and McFarland was sentenced to six years in federal prison.

Despite its increasing popularity, influencer marketing is still an activity with which the average CMO is either unfamiliar or, at least, less familiar than with more traditional forms of communication. As a result, it is, therefore, still too often outsourced to younger staff, interns, or external agencies. This article offers eight pieces of advice for firms engaging in influencer marketing. We hereby focus on general advice as well as specific questions related to choosing the right influencer. However, before we do so, we want to look into social media platforms in general to shed light on the issue of why Instagram and TikTok are, to some extent, more important today than Facebook, Twitter, or YouTube—firms which have been founded nearly a decade earlier.

Social Media Platforms for Influencer Marketing

The concepts of influencer marketing and social media are inherently linked: influencers need the exposure provided by social media platforms to get notoriety, and those platforms achieve at least part of their appeal through the content posted by influencers active on them. [Table 1](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "table1-0008125620958166) provides an overview of the most important social media sites: Facebook, Twitter, YouTube, Instagram, and TikTok. Of course, this list is not exhaustive, and we could have added others such as Snapchat—a messaging app that allows for making content available for a short time only before disappearing—or Twitch—a streaming site focused on gaming. Nevertheless, we believe that those five sites are a representative subset of the different platforms available in the market and represent the most significant players to date.

Looking at [Table 1](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "table1-0008125620958166), three insights emerge. First, there is a significant difference in audience characteristics and specifically age. While users on Facebook and Twitter tend to be in their 40s, Instagram attracts consumers in their 30s, and TikTok in their 20s. Note that it is precisely this younger population that has different media consumption patterns, is more skeptical toward traditional advertising, and for whom influencer marketing is, therefore, particularly important.

Second, looking at mere size, one may get the impression that Facebook is the place to be. It is the most established platform (launched in 2004) and has the most extensive user base with 2.4 billion active users. Besides, it has the highest number of monthly sessions (160, which averages to about five visits per day), the highest total monthly usage of about 13 hours, and the highest share of users posting weekly (53%). Nevertheless, it feels that Facebook is on a declining trajectory. It has the lowest satisfaction score of all platforms (63), the highest share of users who consider leaving it (29%), and the most significant drop in engagement between 2017 and 2019 (–26%). Combined with the relatively high age of Facebook users, this may explain why the cost for an influencer marketing post is the lowest among all platforms ($395) and why only less than a quarter of marketing managers consider a Facebook post as most effective for influencer marketing.

Third, content format plays a crucial role in the suitability of a platform for influencer marketing. This can be seen when looking at Twitter, which is mostly text-based and, therefore, has the least rich content. Although it was founded nearly 15 years ago, Twitter has the lowest number of active users (about 390 million), lowest monthly usage (about 2.5 hours), and second to lowest satisfaction index (69). In terms of influencer marketing, less than a fifth of marketers consider a Twitter post the most effective content. Interestingly, the price per post is still slightly higher than on Facebook ($422), which may be explained by the relatively homogeneous user base on Twitter for specific content areas.

The relatively limited appeal of both Facebook and Twitter for influencer marketing may be found, at least in part, in the reasons for which people use these platforms. Facebook is primarily a tool to stay in touch with friends and family, while Twitter is used as a news source. These usage reasons not only determine why users visit those sites but also how networks are formed. Connections on Facebook are, for the large part, online representations of offline relationships, while connections on Twitter are triggered by content relevance. These reasons are fundamentally different on YouTube and Instagram, where entertainment and the wish to kill time play a much more significant role.[4](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn4-0008125620958166) This makes it easier to become influential on those platforms since users may follow other users for their mere entertainment value, even if they have never met these users in real life.

Combining all of these insights shows why Instagram and TikTok stand out regarding their importance for influencer marketing: They have the youngest user base and therefore attract customer segments who are particularly susceptible to this form of marketing communication. While they are still smaller than more established players (notably Facebook), their future trajectory looks much more appealing. Engagement on TikTok increased 15-fold between 2017 and 2019, and the combined user base of TikTok and Instagram is close to two billion. Furthermore, Instagram and TikTok offer a rich content format consisting of images and videos, which better allow for influencer marketing than simple text-based platforms such as Twitter. Besides, a focus on entertainment makes it relatively easier for influencers to obtain a significant follower base even among users they have never met offline.

For these reasons, we use Instagram and TikTok as examples for the remainder of this article (see Appendix for an introduction into both platforms.). We do not explicitly include YouTube since many consider YouTube more an entertainment site comparable with Netflix than a social media platform. Also, the cost for influencer marketing on YouTube is relatively high ($6,700 per video—about four times the value for Instagram), which may put this platform out of reach for many firms. Still, while we do not explicitly mention other platforms below, most of our advice can be applied similarly to influencer marketing on other sites.

Four Pieces of Advice for Firms Engaging in Influencer Marketing

The vast majority of users on both Instagram and TikTok are regular individuals who use the platforms to either share content with their social circle or to enjoy content produced by others. However, a small group stands out in the sense that they are followed by significantly more users, which results in the fact that content uploaded by them is diffused to a substantially larger audience. These users are referred to as influencers (we provide a more elaborate definition of the term below). Influencers can be individuals who have obtained fame outside of the platform (e.g., athletes, actors, singers) or individuals who became famous in the platform itself, usually because they produce outstanding content. Firms are naturally interested in collaborating with such influencers to ensure their content is endorsed by users trusted by others and diffused to a broad audience. We now focus on giving advice to firms who want to engage in collaborations with such influencers (see Figure 1.).

Understand that Each Platform Has Its Own User Culture and Language

Marketing managers have known for decades that communication rarely follows a “one size fits all” strategy. Since the 1960s and 1970s, literature has therefore recommended segmenting markets, developing differentiated offers for specific segments,[5](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn5-0008125620958166) and that the young, especially, require proper understanding and communication.[6](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn6-0008125620958166) Instagram and TikTok are no exception to this rule. A picture that works well in a print advertising or a Facebook campaign may flop on Instagram, and a video that makes a great Instagram story may barely reach any likes on TikTok. What is notable, though, is that these effects go beyond what can be expected by looking at audience demographics alone. Instead, firms must realize that these platforms have their own culture, language, idioms, and styles and that those need to be reflected in their content.

This platform-specific user culture has at least three implications for firms who want to engage in Instagram or TikTok: First, companies need to carefully select those social media platforms in which they want to engage. Since content cannot be easily transferred from one platform to another, each platform requires new skills and resources. Some firms, especially smaller ones, may quickly run out of time, budget, and human resources to be present everywhere. Generally, platform-based thinking (“We need to be present on . . . ”) is not recommendable. The question is less which platform to establish a presence in and more which target group to reach with which idea and then, in a second step, which channel is most efficient for achieving this goal.

Second, companies need to understand the user before they can establish their own presence, and developing such an understanding requires time. Therefore, instead of setting up a company channel from Day 1, it is advisable to start working with influencers who know the platform better, learn from them, and only engage in content creation in a second step. Influencers, in this sense, not only help to increase reach and exposure, they are essential resources to learn to speak the right language.

Third, companies need to give users a reason to engage with them. Merely being a well-known brand may often not be enough. Look at the restaurant chain Chipotle (@chipotle) as an example. In the beginning, Chipotle mostly showed polished pictures of their dishes on Instagram. However, few users see value in being exposed to pictures that look as if they came from a product brochure. So in summer 2018, the firm started to use a different strategy and instead relied on no small extent in memes, which received substantially higher engagement rates.

Realize that Influencer Marketing Is Often More than Booking a Post

In advertising research, it is widely recommended that communication needs to be integrated across different channels.[7](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn7-0008125620958166) Instagram and TikTok are no exception to this rule. While booking a single Instagram post with an influencer can be efficient in some cases, only a few can convert isolated posts into sales. Still, examples of such strategies do exist, such as the music streaming service Spotify who encouraged micro-influencers to post about their “year-end recap” on social media at the end of 2019. Nevertheless, in most cases, multiple exposures to the same content (up to 15) are required, which makes frequency an essential driver of campaign success. To reach such frequencies, influencer marketing needs to be integrated into a larger marketing plan, especially since research has shown that there are strong interaction effects between influencer marketing, advertising, and sales promotions.[8](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn8-0008125620958166) Such integration affects influencer marketing in three ways.

First, it means that firms should leverage the content produced by influencers in other forms of marketing communication, such as print advertising, billboards, or emailing. This makes the creation of content an essential part of the influencer value proposition. Note that this content will not be like the traditional advertising content produced by creative agencies. It is not supposed to be since, as mentioned above, each platform has its own culture. Instead of getting a traditional print advertising at a discount, the objective of this strategy is to put the authenticity of social media advertising into the offline space. Such a strategy also implies that the fee paid to an influencer should compensate for two forms of value creation—the production of content (which in some cases can reach commercial quality) as well as the distribution of this content through social media platforms.

Second, it raises the question of exclusivity, which is a topic regularly discussed in the marketing literature.[9](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn9-0008125620958166) Frequently exclusivity is not enforced by agencies, with the exception that directly competing brands should not be promoted by the same influencer in very short succession. Moreover, the need for being exclusive also heavily depends on the product category. While consumers usually only own one car (which means the same influencer should not work with multiple car brands at the same time), they often use competing cosmetics products in parallel. In such a case, enforcing exclusivity may neither be necessary nor credible. Still, exclusive partnerships often emerge naturally when influencers and brands start to collaborate on a long-term basis (usually 3-12 months).

Third, selecting the right influencer becomes critical, especially in an environment where simple measures (such as the number of followers or engagement rates) can be biased and misleading. (We provide more advice on how to do this below.) To ensure that a post on Instagram is more than product placement, companies need to identify influencers who can reach the relevant community and who actually and authentically use the products they promote. Firms, therefore, need to spend a certain amount of time to brief influencers and immerse them into the brands they are supposed to advocate.

Choose When to Use Micro versus Macro Influencers

A common question marketing managers ask themselves is whether they should rather work with one influencer who has 8 million followers (e.g., Jamie Oliver, @jamieoliver), 16 influencers who have 500,000 followers (e.g., Brad Lau, @ladyironchef), or 160 influencers with 50,000 followers (e.g., Molly Tavoletti, @mollytavoletti). Academic research has generally recommended focusing on hubs,[10](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn10-0008125620958166) frequently defined as the top 10% of users with most connections. However, while smaller influencers will have lower engagement in absolute terms, they tend to have higher engagement rates relative to the total number of followers and a more homogenous follower base. In response, the influencer marketing industry has created a large variety of terminologies, such as mega, macro, micro, and nano influencers, with no commonly accepted consistent definition. While it is without question that niche influencers are critical in times where having a relevant community and authentic content is essential, there is, unfortunately, no simple answer to this question. Instead, three factors need to be considered.

First, the choice should be driven by the objective of the influencer marketing campaign. If a national or international brand wants to create awareness for a new product, then big influencers are the way to go. Not only do these accounts ensure sufficient reach, but they also allow for associating the firm with a face that is easily recognized—a factor especially important for brands with an aspirational image. On the contrary, if a client mostly cares about reaching an audience in a specific geographic location (e.g., national brands, local chains only present in some cities) or aims at creating content that is perceived as highly relatable, then smaller influencers may be the better choice.

Second, the cost of managing multiple influencers should be taken into account. Working with dozens or even hundreds of influencers for one campaign means that dozens and hundreds of people need to be briefed and managed. While, in some cases, software may help to automate tasks, this is not possible or desirable in all cases or for all tasks. Influencers with more than one million followers usually have managers who facilitate interactions, but smaller ones do not and may, therefore, be less experienced in the strategic and operational aspects of influencer marketing. Therefore, even if smaller influencers may have benefits compared with larger ones in some instances, the cost of managing them can easily make the net benefit unfavorable.

Third, selecting the right niche influencers is far from trivial. Smaller influencers in the same domain may have a high overlap in their audience, which means their follower numbers cannot be simply added up to approximate total campaign reach. Also, smaller influencers may be less experienced in producing high-quality content, which limits the ability of firms to reuse that content in another context. They may also lack creativity, which leads to multiple influencers generating very similar posts. Few brands may want possible customers to be exposed to very similar content from multiple influencers at the same time since this gives more the impression of advertising than influencer marketing. This raises the issue of how to brief influencers, which we address in the next section.

The bottom line is that there is no straightforward answer to the question of whether large influencers should be preferred over small ones or vice versa. In each case, the decision needs to balance the objectives of the campaign and the cost of managing and finding influencers. In many situations, the recommended course of action will even be to work with a mix of both, in varying proportions depending on the specific situation. Take the Swiss chocolatier Lindt & Sprüngli as an example whose #MyLindorMoment campaign involved a total of 280 influencers of varying sizes. This made #MyLindorMoment the most significant influencer marketing campaign in Switzerland. Within ten days, the campaign generated 800 posts and 425,000 interactions leading to a total reach of approximately 13.6 million—nearly twice the size of the entire population of Switzerland (about 8.6 million).

Avoid Managing and Briefing Influencers too Closely

For three decades and since the seminal work of Kevin Keller on customer-based brand equity,[11](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn11-0008125620958166) firms know how vital customer perception of brand elements is. This is particularly true for iconic marketing assets, that is, visual cues which consumers actively and spontaneously associate with a brand. Iconic marketing assets include iconic product shapes (e.g., Coca-Cola bottles), design elements (e.g., BMW kidney grille), textures (e.g., Burberry tartan), advertising figures (e.g., Michelin man), and, most prominently, brand logos. Marketing managers, therefore, have the understandable desire to control tightly any form of communication about their brands, be it within the social media space or outside of it. Nevertheless, in the case of Instagram and TikTok too much control is more often a bad than a good thing, for the following three reasons.

First, excessive control necessarily reduces the creative freedom of influencers. In extreme cases, this can lead to a situation where multiple influencers show the same content, sometimes using the same wording, to their follower base. This situation gets aggravated when firms use the same briefing documents for influencers on different platforms. While the message may be the same, how it should be presented is usually different. Instagram may ask for a beautiful story, but TikTok will require a crazier set-up and a careful selection of the associated sound. In some instances, influencers may even refuse to participate in campaigns with too much control out of fear of alienating their follower base.

Second, in many cases, requiring approval of content before publication is more efficient than controlling the production of content from the beginning. Of course, firms need to verify the information influencers communicate. In some cases (think of financial services, health care, or insurance), wrong information may lead to legal liabilities. In other situations, influencers may use the product in the wrong way. Imagine an influencer who puts your laundry detergent into a dishwasher. In others, again, the brand may be shown in combination with other brands by mistake. Approval before publication is the best way to balance the necessary creativity of influencer marketing with the risk of misinformation. Approving content becomes particularly essential when dealing with controversial products. Instagram influencer Giovanni Bonamy (@gioboyparis) received substantial criticism for posts targeted toward teenagers featuring a beer bottle. Similarly, Kim Kardashian was heavily criticized for her collaboration with Flat Tummy—a product claimed to “reduce bloating, support your metabolism, cleanse your system, and improve digestion.”

Third, creative briefings are still necessary. They ensure that influencers focus on the right elements (e.g., showing the hotel which should get promoted and not themselves at the beach in front of the hotel) and that firms get the content they want. Nevertheless, instead of giving strict controls, they should consist of guidelines that influencers should and should not do since less stringent briefings result in more and better content. While influencers usually give the promotion a serious effort and try to be creative, some may be too far from the mark for the client to be useful.

For an example that no briefing can lead to impressive results, look at the Swedish watch company Daniel Wellington. The brand relied exclusively on influencer marketing for growth by sending a watch to a sample of influencers with the only requirement was to post one photo of the watch on their feed. This created a massive buzz around the brand, which became iconic among teenagers and young adults. Daniel Wellington’s owner Filip Tysander invested just $1,500 for kick-starting the company in 2009, and six years later, in 2015, he sold one million watches worldwide for a profit of $220 million.

Four Questions to Choose the Right Influencers

Arguably the most critical decision in any influencer marketing campaign is to identify the right influencers to work with—those who can provide content consistent with your brand objectives. While choosing the right communication channel is essential for any form of advertising, the interpersonal relationship between influencers and their followers makes this choice particularly essential in influencer marketing. In this section, we want to focus on four key questions that can help firms to identify the right influencers to work with (see Figure 2.).

What Is an Influencer Anyway?

According to a study conducted in 2019 by Awin,[12](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn12-0008125620958166) becoming a social media influencer or a YouTuber is a career wish for 17% and 14% of all British 11- to 16-year-olds, respectively. This puts these two choices into the Top 3, only trumped by the wish to be a doctor (18%). It also raises the question of how even to define the term social media influencer, which is, surprisingly, difficult to answer. What is clear, though, is that simple quantitative measures—such as the number of followers (commonly referred as degree or centrality in academic literature)[13](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn13-0008125620958166) or the ratio of likes, comments, and shares to the total follower base (a frequently used measure of engagement)[14](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn14-0008125620958166)—cannot be relied on exclusively. Such measures can easily be biased, for example, by purchasing fake followers or automated likes. A rule of thumb in the industry is that only 20% to 25% of influencers are influential in the sense that they generate more benefits (e.g., incremental sales) than they cost.

We define a social media influencer as a person with a large and engaged follower base on social media platforms, which one would not know unless one follows them. Many people may know Cristiano Ronaldo, but most of them associate him with his career as a footballer. The fact that he has more than 200 million followers on Instagram (@cristiano) is, therefore, probably more a consequence of his outside fame than the source of it. Sophie Hinchliffe, on the contrary, may be unknown to most, except the three million people who follow her and her family (@mrshinchhome) and enjoy her advice on home cleaning products. This makes Cristiano Ronaldo a celebrity and Sophie Hinchliffe a social media influencer. What is relevant is not the size of the follower base but the fact that the influencer can connect to a community and inspire this community to take action based on his or her recommendations. Influencers can be people, brands (such as Nike, @nikesportswear), or even robots (Miquela, @lilmiquela).

Identifying influencers, especially in their early stage, is often as much an art as a science. Agencies regularly scout social media to find those hidden gems that have not been discovered before. They commonly use the number of followers and engagement rates as a starting point (e.g., at least 10,000 followers and an engagement rate above 10%, that is, at least 1,000 likes, comments, or shares per post on average for an influencer with 10,000 followers). Those measures are then combined with the composition of the follower base in terms of gender, geography, language, and age, or the change in these measures over time (a significant jump in followers over a short period may indicate the purchase of fake followers or other forms of strategic manipulation). In some niches, say, truck drivers or diving enthusiasts, even influencers with only a few thousand followers, may be relevant. In others, such as fashion, food, or travel, a higher threshold is usually applied. However, what matters is less the characteristics of the influencer than those of the community, which needs to be interactive and where the opinion of the influencer matters and triggers behavioral change.

Who Is Ready to Do Whatever It Takes?

According to a recent report, 21.5% of all Instagram users have more than 10,000 followers, and 5.6% have more than 50,000.[15](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn15-0008125620958166) While this may appear little, it still amounts to millions of potential influencers. Those numbers may make it seem that choosing the right person (or even becoming an influencer in the first place) seems like a hopeless task.

Outstanding influencers may earn $200,000 to $300,000 per year. These numbers are sometimes seen by marketing managers with raised eyebrows who consider them as inflated and exaggerated. For users, they are a strong motivation to spend extreme effort in building up a social media presence. However, what both—companies and future influencers—often forget is that being an influencer is hard work and that the job is much more than merely taking pretty pictures. First, it may take a long time for influencers to get to the point where firms become interested in them. It is not uncommon in the industry that influencers take 5 to 10 years before they can live from their profession. Expecting to become famous overnight can happen, especially in smaller niches (Sophie Hinchliffe, @mrshinchhome, is one example), but it is often not realistic.

Second, at a certain point, influencers may not be able to do everything on their own anymore. Above one million followers, influencers usually hire an agency where a team of managers helps with finding and negotiating deals. This takes about 20% of all revenue. Some may have an assistant to take care of scheduling and travel arrangement or a professional photographer. Nevertheless, even with a team, many tasks cannot be outsourced. Most importantly, engaging with followers, such as responding to comments or messages or engaging with their content, needs to be done by the influencer herself, and this may take several hours per day.

Make a simple back-of-the-envelope calculation: Assume an influencer earns $250,000 per year. A lot of money, right? More than eight times in the median income in the United States. Now take away $50,000 for the agency and another $50,000 for an assistant, support staff, and equipment—which leads to an income of about $12,500 per month. Assume the influencer works eight hours per day, seven days a week (Instagram or TikTok do not stop on the weekend). So the average income per hour turns out to be $55—about the same salary as a marketing manager or a software developer.[16](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn16-0008125620958166)

Third—and this is probably the most crucial—influencers need to be willing to share a substantial part of their personal life with the outside world. They need to decide if they want, or even can, leave out a part of their personal life and how their pets, children, partner, and family should be involved. They need to be willing to get up in the dark to shoot a selfie on the beach at sunrise, which makes that free vacation feel much more like work than a holiday. Most wannabe influencers drop out, even once they have created an audience, because of the considerable commitment and time that is required to grow and maintain a community of followers.

From a firm perspective, this implies that it is vital to identify those influencers who are in the industry for the long game and who are willing to put in the effort required. Nothing can be more frustrating than having to work with an influencer who lacks the necessary professionalism or to start a collaboration that is supposed to be long term just to realize that the influencer drops out after a short period.

Where Are the Influencers Genuinely Passionate about Your Industry?

Firms need to give users a reason to engage with them—and the same applies to influencers. If the growing industry of growth services, bots, and fake followers shows anything, it is that a rising share of new users on Instagram and TikTok establish a presence not to talk about a topic they are interested in, but in the desire to become famous. However, wanting to become an influencer is generally not sufficient. Users are unlikely to follow a person simply because they want them to. Instead, it is those influencers who find a topic they are genuinely and authentically passionate about who are achieving growth. The most successful influencers have been influential even before entering social media. They have been the person who their friends always asked for advice on makeup, restaurants, or workout routines, and one day they started talking about those topics with a larger group of people online. Identifying those influencers who are interested and influential in your industry is the first and probably most crucial step.

Now, even those influencers who started as passionate sometimes risk losing sight of what is essential. A common issue is that once they become famous, some influencers start to partner with too many or the wrong brands—sometimes out of mere excitement of being noticed. Alternatively, they integrate those brands poorly into their overall feed. As a firm, it is essential to identify and avoid such problems since they can easily backfire to the brand. If you sponsor an influencer to promote a conditioner, it is probably not a good idea to take a photo of the product in a coffee shop. In the end, this is not where one would usually take care of one’s hair. However, the opposite extreme can be harmful as well. Some influencers create content that looks too perfect or too polished and, therefore, becomes less relatable to their community. What matters at the end of the day is collaborating with influencers who are honest and authentic—not perfect. Look at Yovana Mendoza Ayres (@rawvana) as an example. Yovana got famous on Instagram and YouTube by talking about her vegan lifestyle and motivated over one million followers to change their way of living—until a video emerged in which she was eating fish. Her followers, deeply disappointed by her lack of honesty, turned their back on her. Today her Instagram account counts less than 100 followers.

Which Platforms to Use to Reach Your Base?

Even when you focus on collaborating with genuinely authentic, genuine, and unique content, obtaining high levels of engagement and exposure is getting more and more challenging. Instagram and TikTok are increasingly fueled by artificial intelligence algorithms,[17](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn17-0008125620958166) which decide which content a user sees on his or her feed. Therefore, good content alone is unlikely sufficient to reach a broad audience. Companies should, therefore, identify influencers who are present on more than one platform to broaden their reach, decrease their dependency on a single platform, and to leverage the possibilities of alternative formats. While Instagram may be useful to post pictures of short stories of how products integrate into daily life, longer videos are better placed on YouTube, and more elaborate explanations and product reviews should be put on a blog. Blogs which have been around since 1997 are seeing a revival in this context. Of course, the downside of this is that this increases the effort required for content creation since it is usually hard to leverage the same content twice on two different platforms. Most influencers, therefore, have one central platform they devote most of their effort to and several secondary platforms, for additional information or to feed followers on their main channel.

This cross-platform strategy should not stop in the online world. As mentioned above, followers are interested in honesty and authenticity, which leads to them wanting to connect to their favorite influencer in real life. More and more companies, therefore, encourage influencers to organize live meetings, ranging from simple “meet and greet” events in coffee shops to live performances or live podcast recordings that can fill a concert hall. Such live appearances are also of high relevance for firms: What better way to promote your vineyard or your recently opened grocery store than hosting a wine tasting with some of your favorite Instagram influencers or TikTok stars?

Appropriate integration between different environments also helps to solve a critical challenge that the influencer marketing industry is still struggling with: measurement. Firms today know that engagement is a helpful intermediate step, but what matters most at the end is the incremental sales generated due to the influencer.[18](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn18-0008125620958166) In 2018, Instagram introduced shoppable Instagram tags that allow users to move to purchase directly from an Instagram post or story. Their importance will likely rise in the future since they allow for engaging in a purchase without leaving the app and, therefore, create a more seamless experience.

The Instagram campaign of Huel, a British meal replacement drink, shows the potential of integrating multiple platforms. Huel selected a set of influencers and gifted them some of its products, in exchange for a post showing how Huel fits their lifestyle. The best performing content created was then boosted by Huel itself through paid advertisements on Facebook and Instagram. The campaign—which only created 21 posts—reached an impressive 4.5 million impressions and nearly 2.000 purchases resulting in a cost per acquisition of about $30.

Outlook and Conclusion: What Will the Future Bring?

The world of influencer marketing is a continually moving target. Strategies that used to work for firms a year ago may no longer be effective today. We are confident that the advice given above will be of relevance for a more extended period. However, the question of what the future will bring is still lingering. Here we want to focus on four fundamental changes that will likely be of high importance in the short and medium term.

Changes Due to the Strategic Behavior of Platform Owners

A crucial aspect to keep in mind is that Instagram and TikTok, or rather Facebook and ByteDance, the companies owning those platforms, are managed to be profitable business ventures. They are, therefore, subject to the strategic decisions of those firms that can severely affect firms and influencers alike. TikTok, for example, promotes content based on its artificial intelligence algorithm, the details of which remain opaque. In most cases, whether a given video becomes successful or not appears to be a random stroke of luck from the perspective of content creators. While it is understandable that ByteDance is reluctant to share its proprietary know-how, it is open how long they will be able to keep this information hidden. Firms who start to invest considerable money into the platform, as well as influencers who spend significant time producing videos, may not always be willing to accept that success cannot be predicted.

Another example of this can be seen when looking at Instagram. In spring 2019, the platform started to roll out the significant change of hiding likes in posts, following increasing concerns of anxiety, self-esteem, and depression. Likes are still used internally as a rating system for the algorithm to decide how to prioritize content on a user feed and shown to the content creator—but other users can no longer see them. Different from other social media platforms such as YouTube, Instagram does not pay its influencers for content production or share any revenue generated with them. This has made likes similar to a virtual currency on the platform: users rely on likes to express appreciation, and influencers use them to get instant feedback and social capital in return. Removing likes removes, to some extent, the incentive to produce content, especially for smaller influencers who do not receive financial compensation through sponsorships. However, Instagram depends on this community to produce content that makes the platform attractive. It is, therefore, conceivable that the removal of likes will force Instagram sooner or later to provide some form of compensation to content producers—although such a strategy would be highly complex to implement given the massive number of content producers on Instagram.

Changes Due to the Authentic Self-Presentation of Influencers

As noted above, being authentic is crucial for success. The availability and ease of use of highly sophisticated picture editing tools have resulted in a trend of intensive image processing in order to get content Instagram ready.[19](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn19-0008125620958166) This, in turn, makes it straightforward to create a virtual impression that may have little to do with actual reality. It is, for example, effortless to pretend sitting in a private jet or shopping in high-end luxury stores even if one only takes selfies in the living room.[20](https://journals.sagepub.com/doi/full/10.1177/0008125620958166" \l "fn20-0008125620958166) The future will likely bring more unfiltered content. On Instagram, this has already resulted in the emergence of Fake Instagram or Finsta accounts that give a view on the real life behind influencers. On TikTok, authenticity is engrained into the DNA of the platform since videos either show users in a very natural way or an obviously staged and stylized manner.

Changes Due to COVID-19

A question on everyone’s mind is how the pandemic will affect influencer marketing. At this stage, making any form of assessment seems next to impossible. On one hand, COVID-19 has pushed more and more people online, and cursory evidence suggests that the use of TikTok especially has exploded during this period, triggered by the confinement of millions of teenagers around the globe. Combined with the fact that online retailing received a significant boost, more companies may, in the future, move increasing shares of their advertising budget online, which could make influencer marketing more important. On the other hand, the economic consequences resulting from lost jobs and lost incomes may lead to a more minimalistic lifestyle in the future. In a period of severe crises, users may no longer be attracted to the positive and sometimes idealistic lifestyle of influencers. This could decrease the effectiveness of influencer marketing and make the channel less attractive for firms. Only the next months or years can tell which one, if any, of those conjectures will be the more valid one.

Changes Due to Regulation

Many reasons can explain the explosive growth of TikTok. However, one of them is undoubtedly that TikTok is the only social media platform that is popular both inside and outside of China. While TikTok itself is not available in China, it has an official version consistent with the controlled online environment there called Douyin. Both TikTok and Douyin are owned by ByteDance, a firm headquartered in Beijing. This closeness to the massive Chinese market is both a curse and a blessing for ByteDance. In the social media space, China largely separated from the Western World. While outside of China, Facebook, YouTube, Twitter, and Instagram are the leading players, those apps are not available in China. Instead, users in China rely on Weibo and WeChat—yet, although these platforms can also be accessed outside of China, they have never really taken off. TikTok is in the unique position of tapping into both markets at the same time.

Unfortunately, being owned by a Chinese firm makes TikTok also subject to bans and political regulation. In June 2020, India banned TikTok in response to deadly clashes between Indian and Chinese soldiers in the Himalayas. In the United States, the app is already banned for users in the U.S. Army, and the Navy and discussions for a ban on all government-issued phones are underway. It is even conceivable that TikTok will be banned entirely from the United States due to a mixture of privacy concerns and political retaliation. Does this mean that all of what we wrote above is obsolete? Very likely, the answer to this question is, no. Even if TikTok were to disappear in the United States, and at this stage, this outcome is not likely, its functionalities would survive. Instagram is already rolling out some of the TikTok functionalities within its app in selected countries. So in a similar way as Vine, Google Plus, and MySpace have been shut down, the phenomenon they started has not been affected much by their disappearance.

The implications of those major changes are, however, not the only points that remain open. The novelty of influencer marketing leaves many critical questions unanswered: How is the promotion of a product with a mega influencer who has hundreds of millions of followers different from the more established concepts of celebrity marketing or advertising in general? Does word of mouth remain a pervasive form of communication even if the sender has orders of magnitude more followers than people usually have friends in real life? Is there a systematic difference between content that uses company hashtags (e.g., #cocacola) and content that simply shows the brand (e.g., the bottle or logo) without using a hashtag? How much information gets lost if firms rely on textual information instead of more sophisticated image processing for marketing research? These are critical questions. What Instagram and TikTok have shown us, however, is that a picture is indeed worth a thousand words. And a video probably even more than that.