

US & EUROPE

May 2020

COVID-19: The Impact On Digital Creators And Brands.

The Future Of The Influencer Economy

veltmon

Executive Summary

During the past months many things have changed across the globe and our life has shifted overnight to an unprecedented new “normal” finding us unsure about what will come next.

The direct effect of being isolated at home has increased the passive consumption of content on the internet and social media, which for influencers and content creators with a relevant presence and strong relationship with their fanbase translated into a higher rate of engagement.

With consumers concerned about their future and jobs, their attention has moved toward essential matters, and more than ever brands are struggling to find a way to stay relevant and keep sales flowing.

Between March and April 2020, we surveyed 450+ content and talent creators with a combined fanbase across all social media channels up to 35M, based in the US, Canada and Europe, who create content for the industry of Fashion, Luxury, Lifestyle and Beauty to better understand how COVID-19 has impacted their organic and sponsored activities, and the relationship with their audience.

Content

1

THE SITUATION NOW

How is the industry reacting to the “new normality”?

2

THE IMPACT

What are the consequences and implications for digital creators and brands?

3

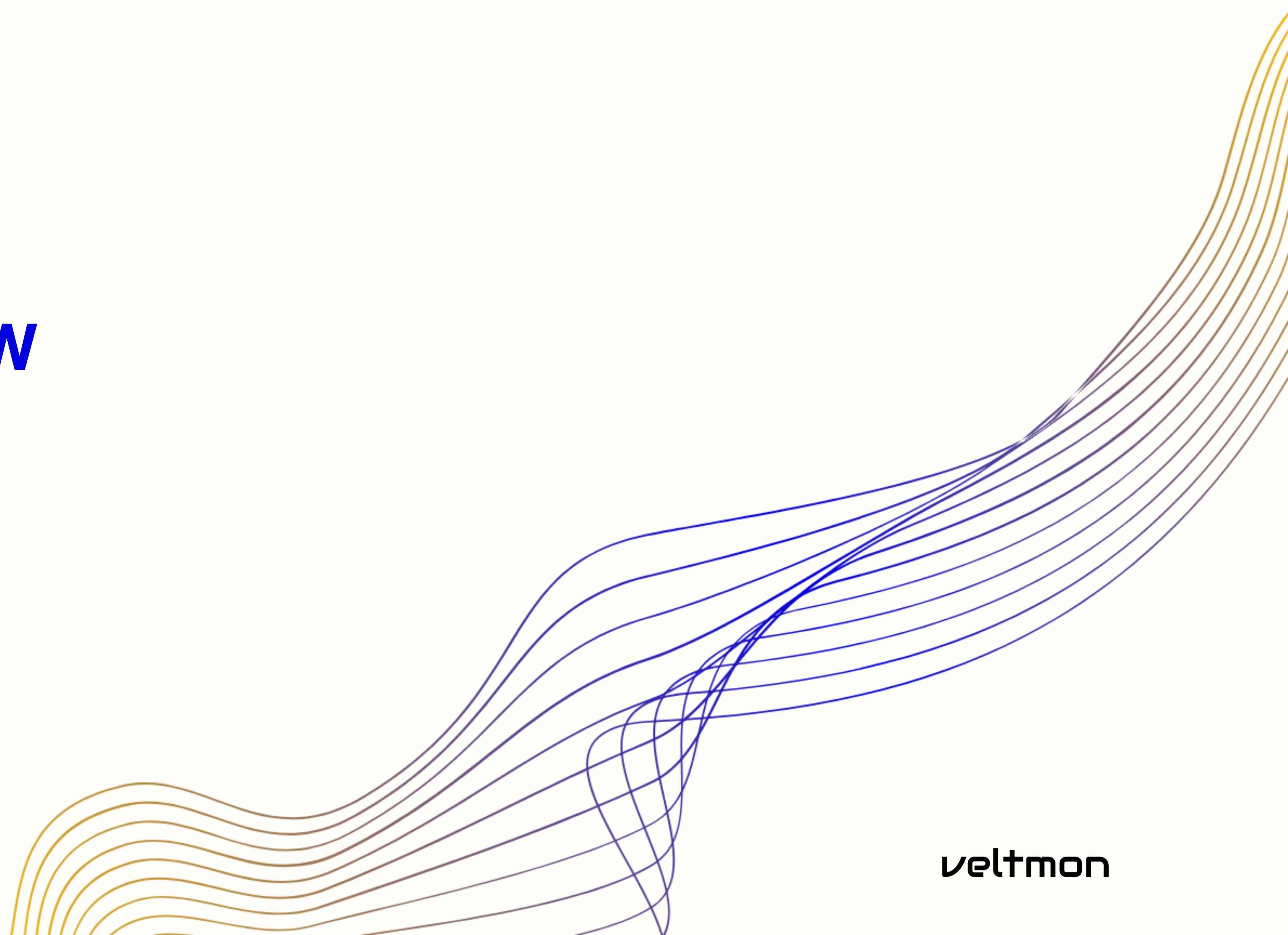
THE FUTURE OF THE INDUSTRY

Trends to watch.



THE SITUATION NOW

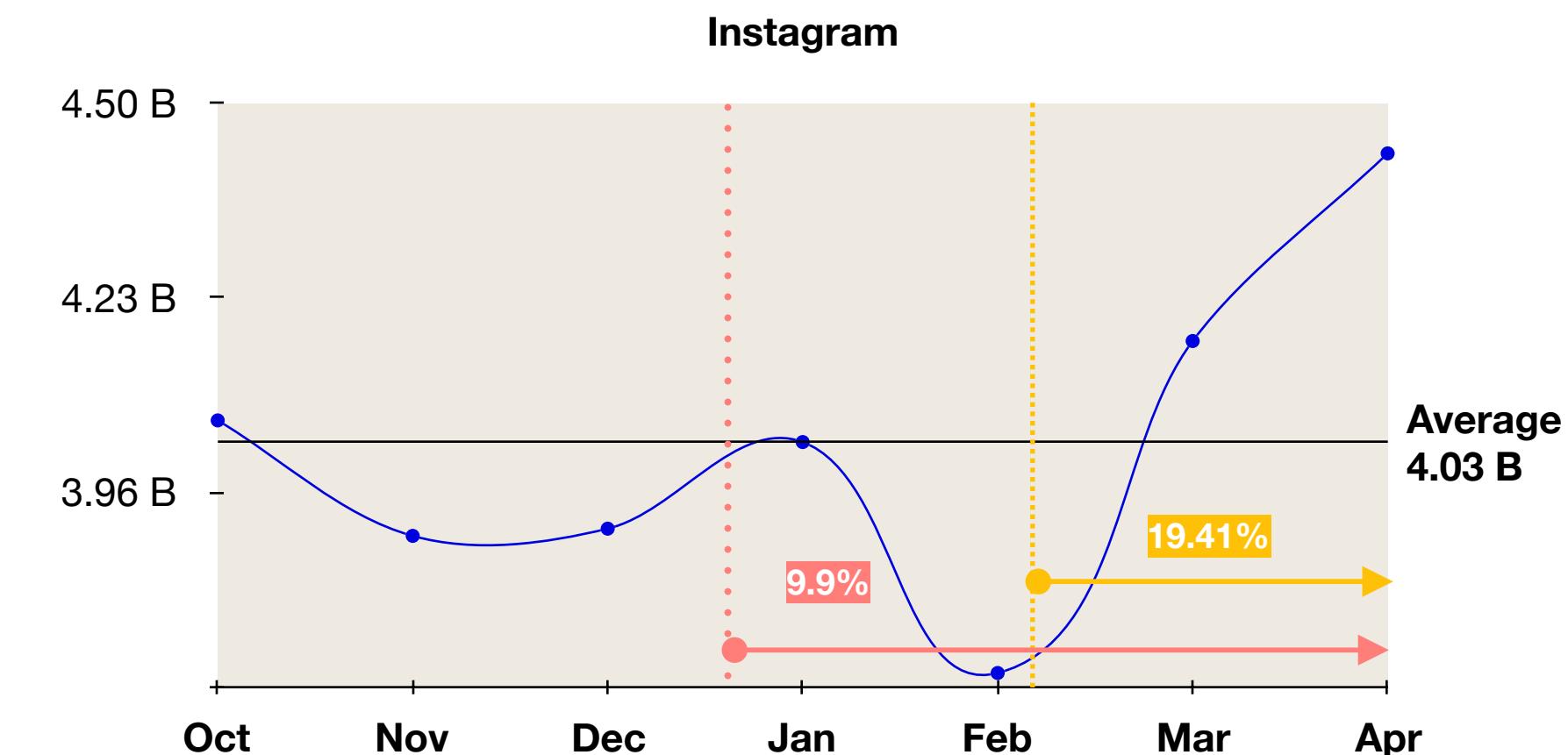
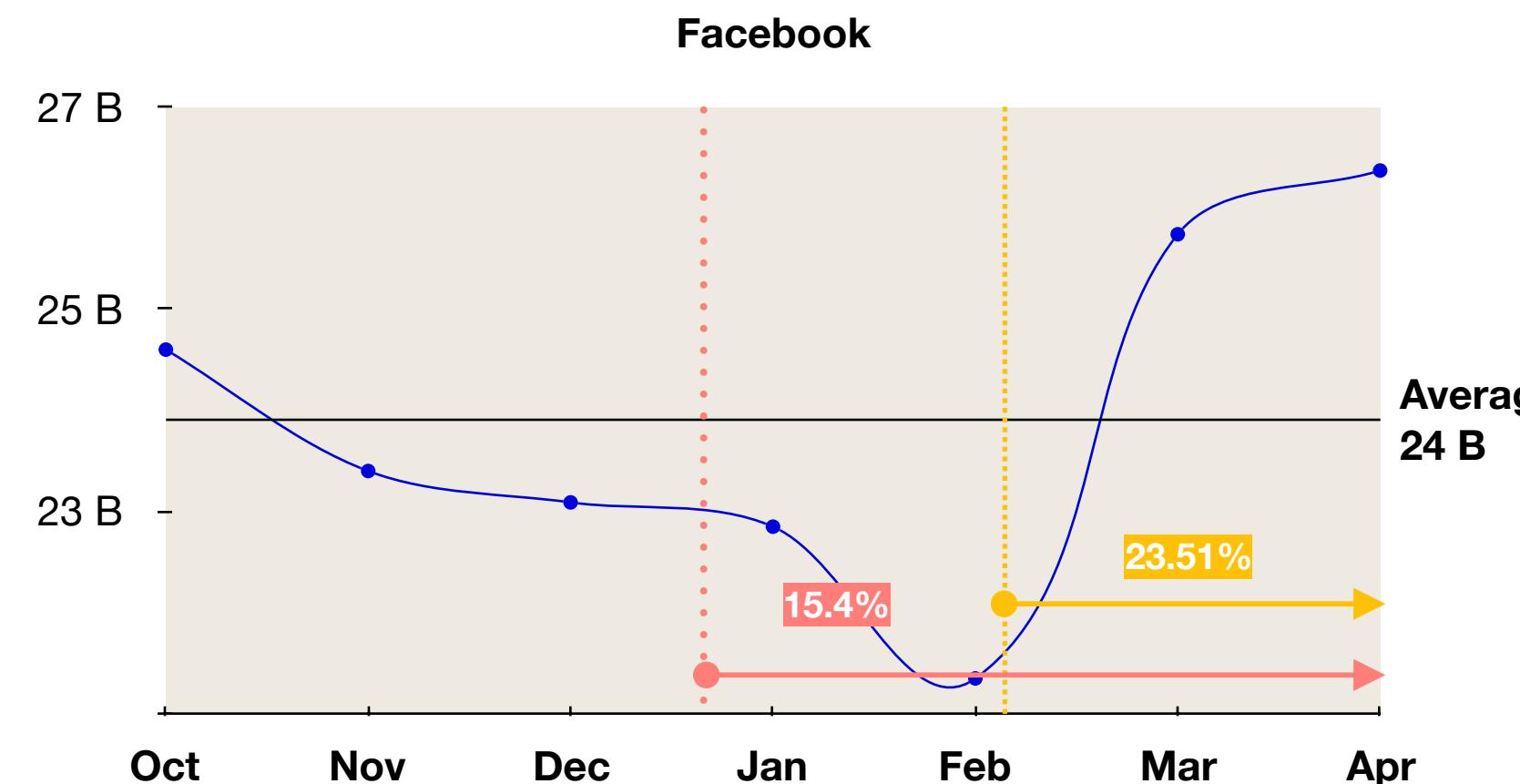
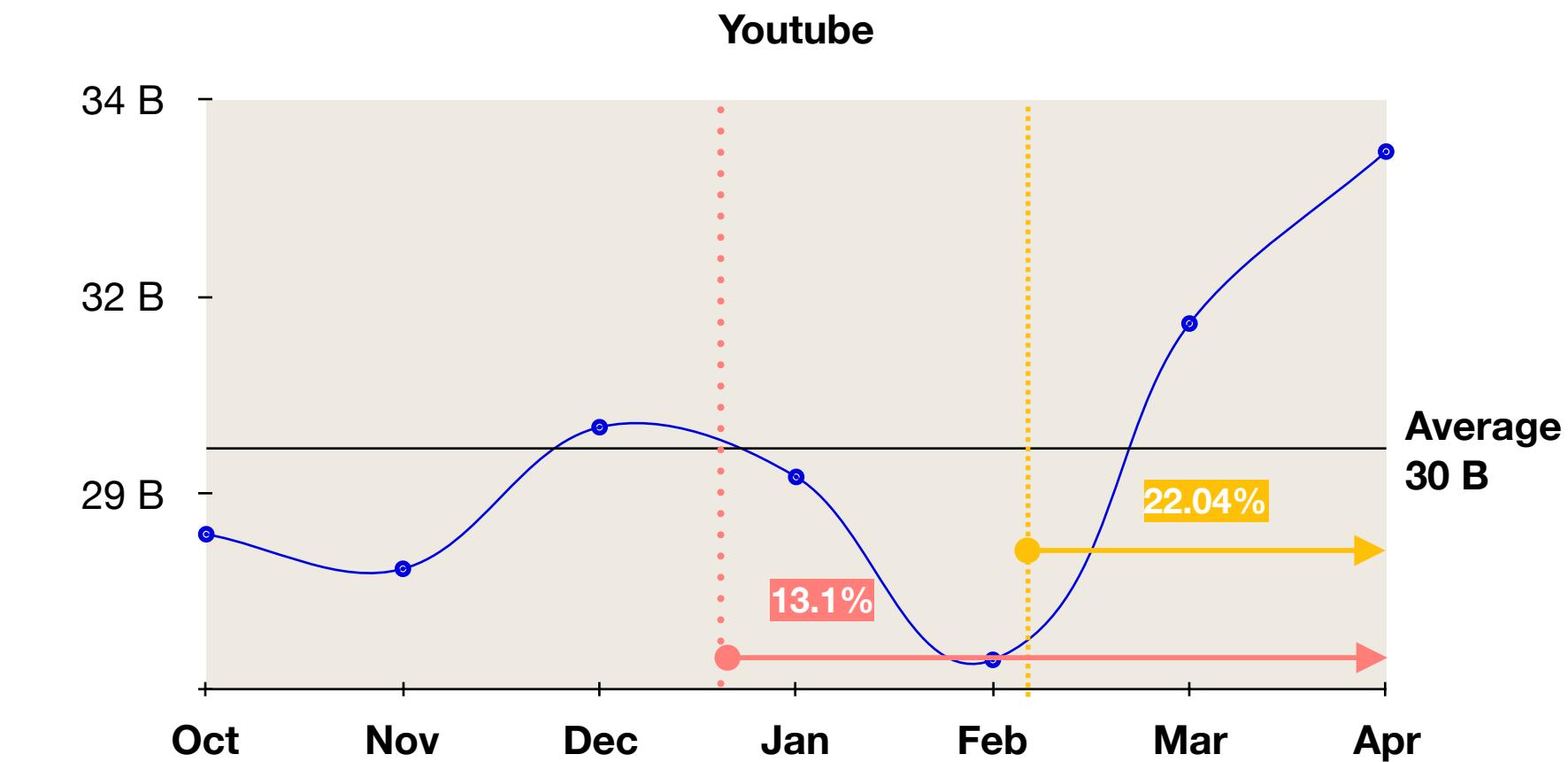
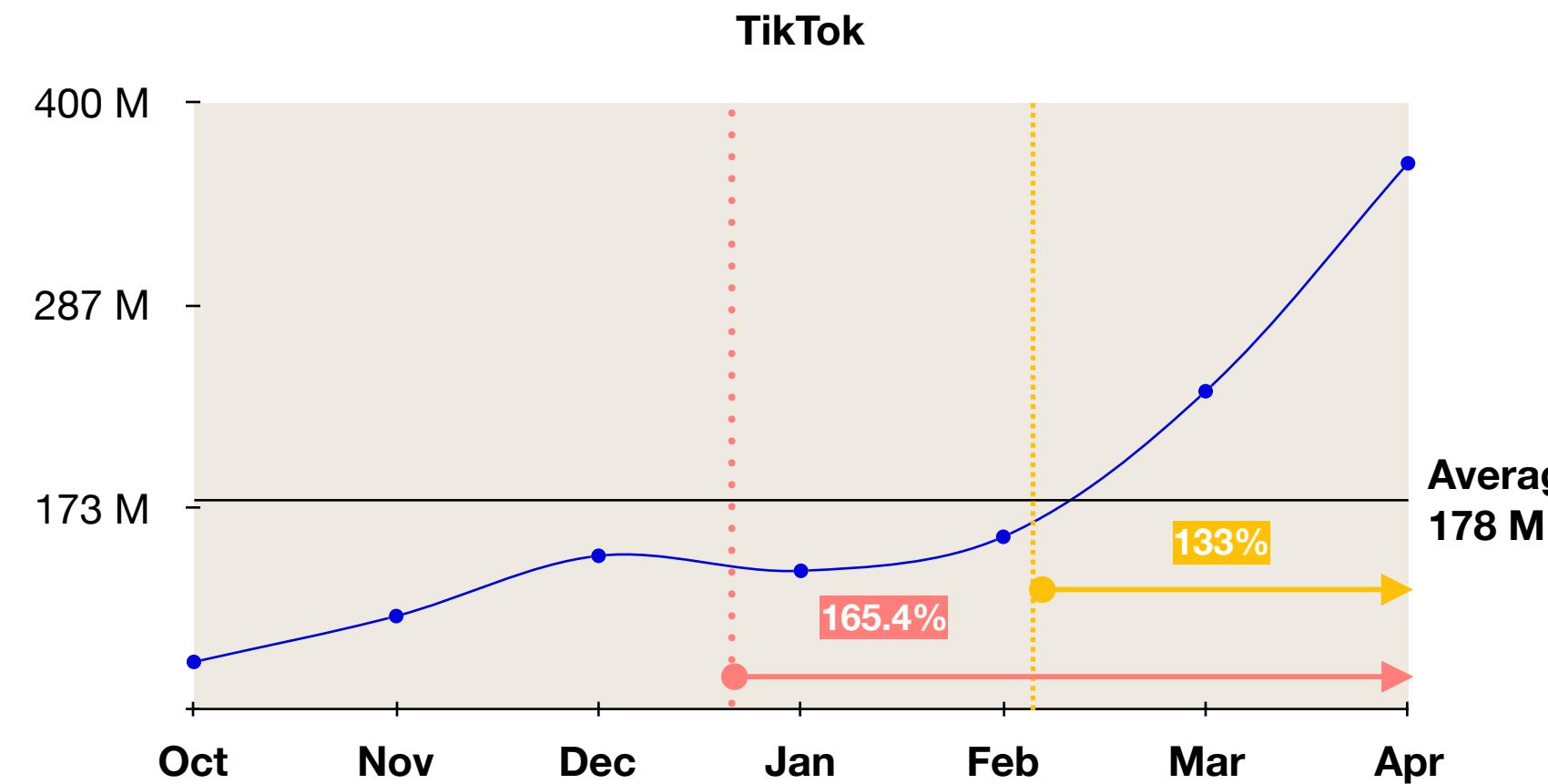
The World Has Shifted Online
Creators Pivoted Their Narrative
Relevant Content Is (Still) King



The World Has Shifted Online

..... Jan. 21, 2020: 1st confirmed case in the United States.

..... March 9, 2020: 1st day of lockdown in Italy.



87%

Of Creators Changed The Narrative During The Lockdown

Revaluating the tone of the content based on the daily news

91%

Communicating openly with the community and taking feedbacks

36%

Sharing informative and helpful resources

63%

Supporting the mental and emotional wellbeing of the audience

79%

25%

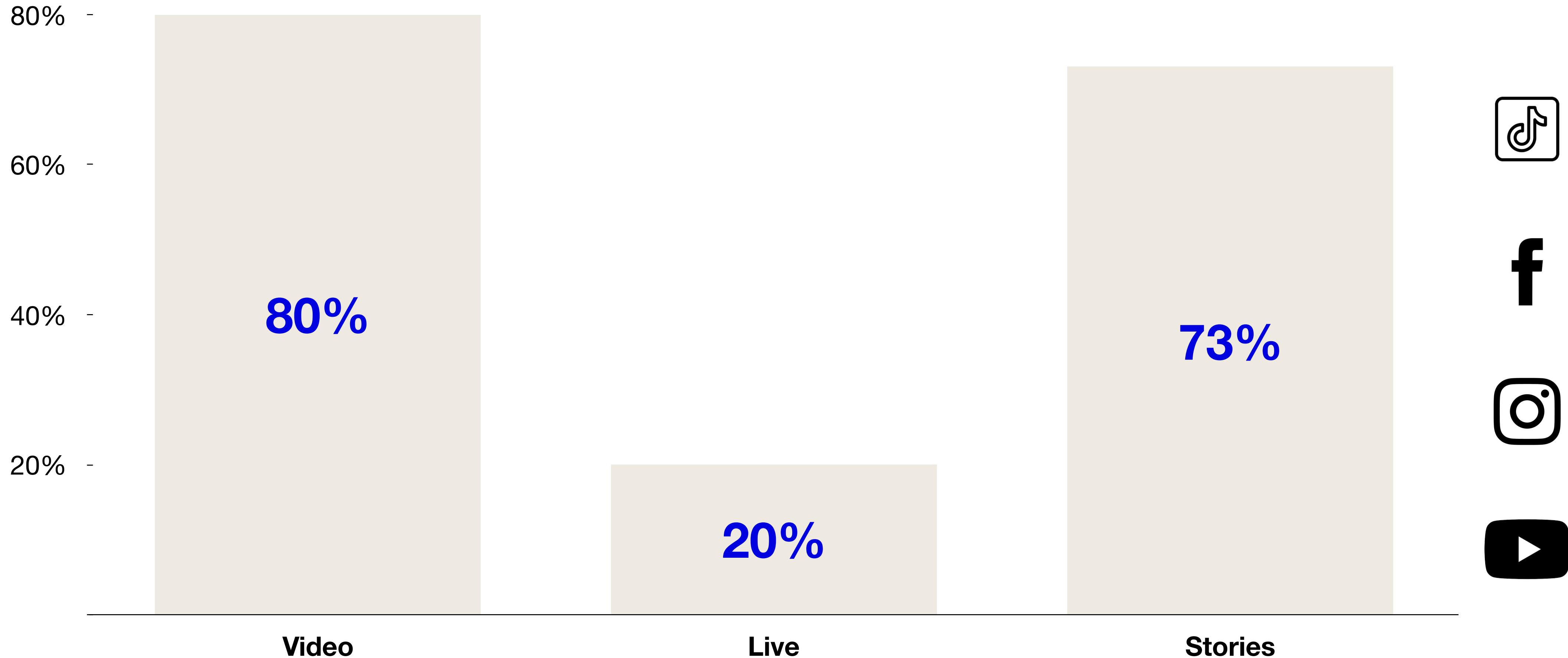
50%

75%

100%

74%

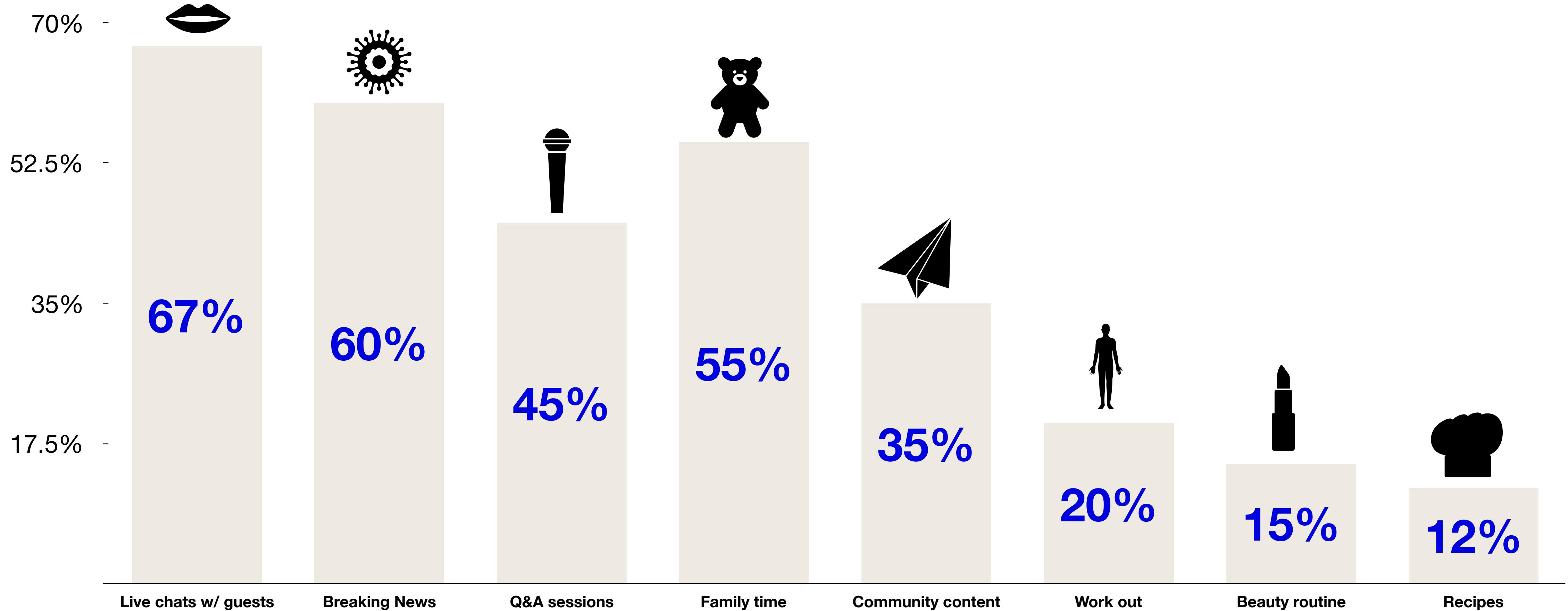
Of Creators Is Producing More Video & Live Content



Source: Veltmon's data from internal survey of content creators across the United States of America and Europe. March – April 2020.
intelligence@veltmon.com

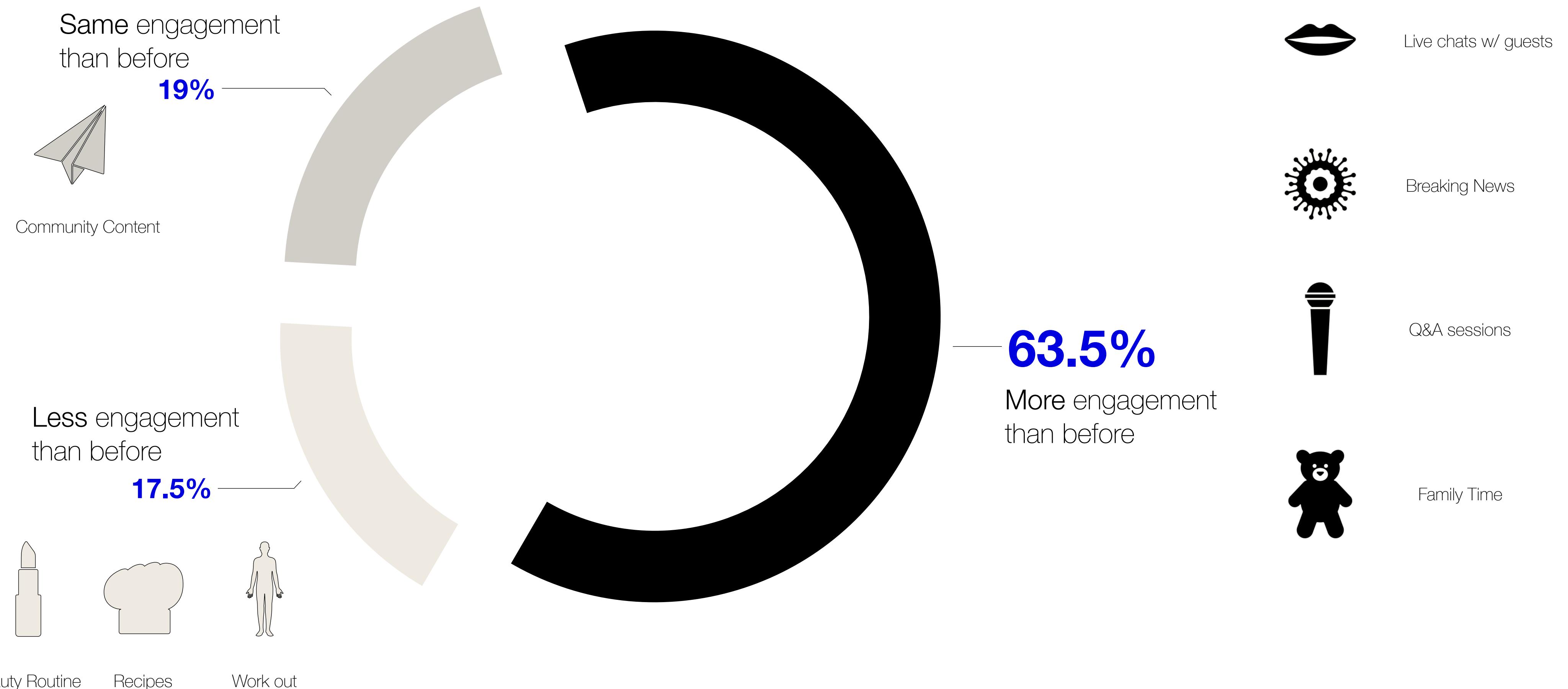
veltmon

What Drivers Of Conversation?



Source: Veltmon's data from internal survey of content creators across the United States of America and Europe. March – April 2020.
intelligence@veltmon.com

The Audience Is More Engaged Than Ever As Content Has Become Much More Personal

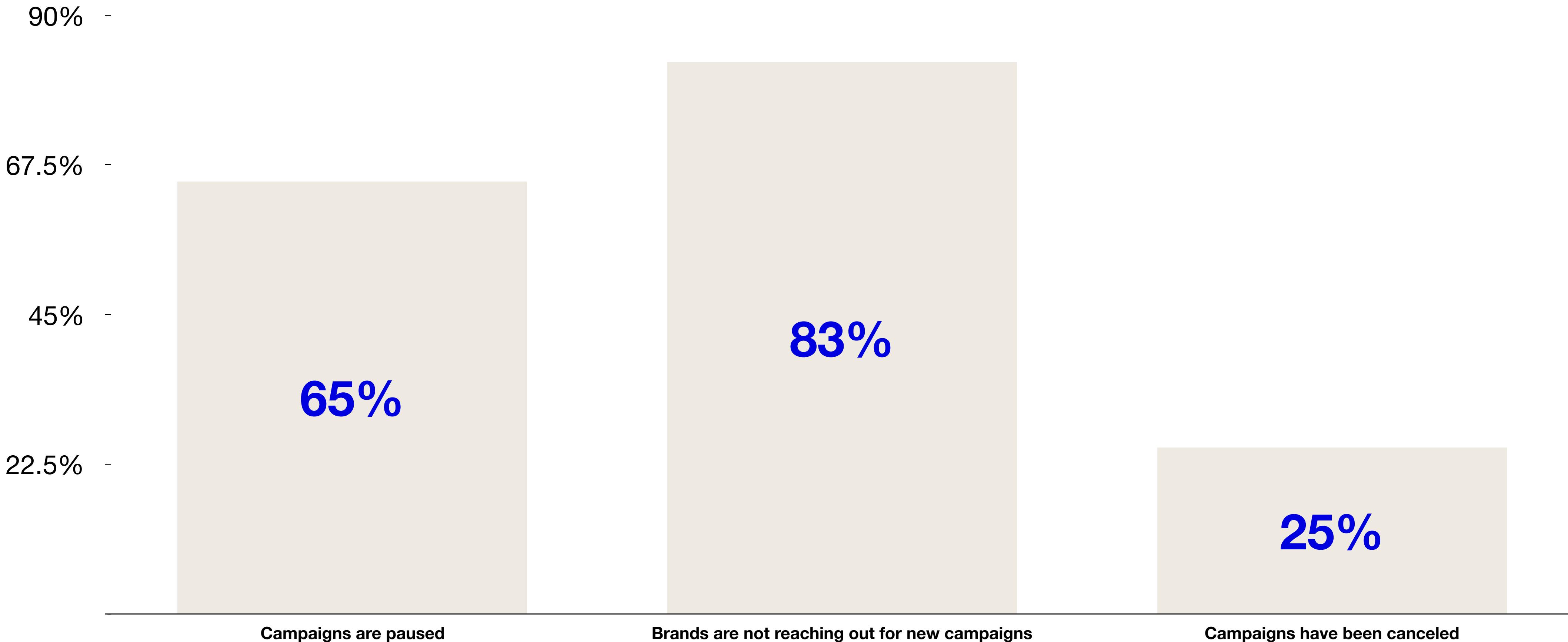


Source: Veltmon's data from internal survey of content creators across the United States of America and Europe. March – April 2020.
intelligence@veltmon.com

veltmon

76%

Of Creators Is Looking For Alternative Ways Of Monetization



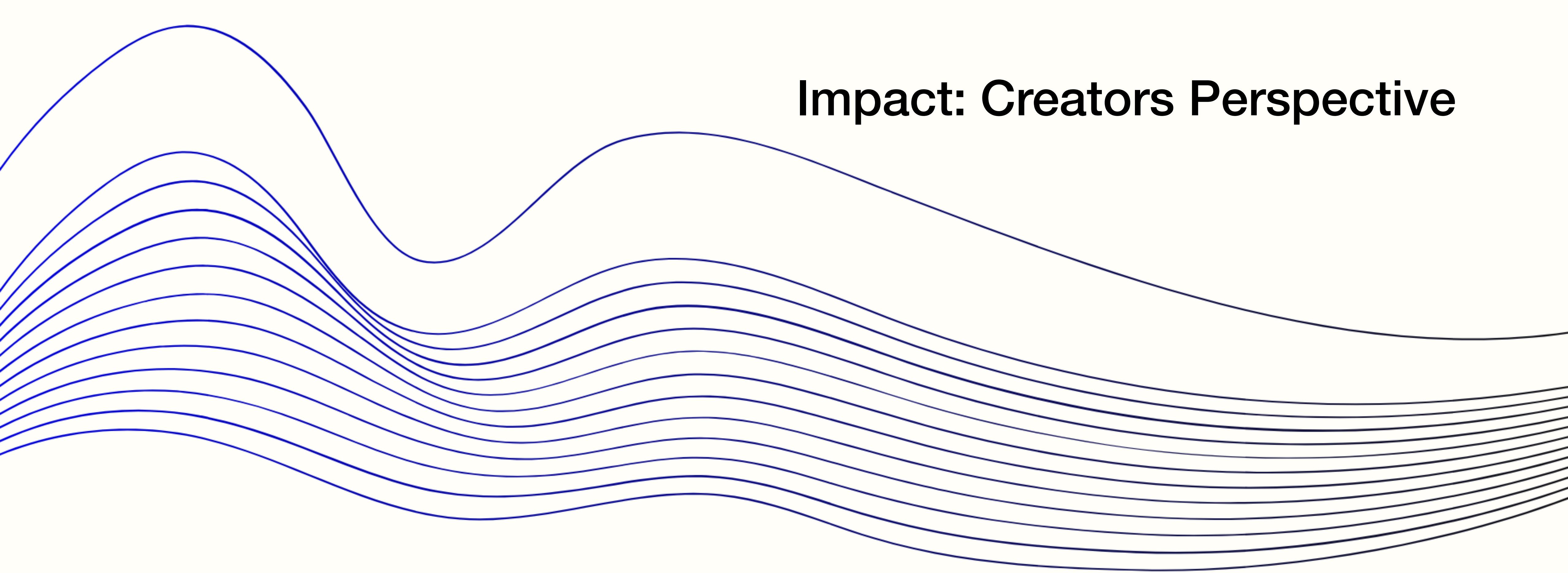
Source: Veltmon's data from internal survey of content creators across the United States of America and Europe. March – April 2020.
intelligence@veltmon.com

veltmon

IMPACT & OPPORTUNITIES

Creators & Brands Perspective





Impact: Creators Perspective

COMPETITION

Surge of competitors on each social media platform.

PRICING

Price per piece of sponsored content expected to drop (from 15 to 25%), in the short term, across all traditional social media platforms.

REVENUE STREAMS

Affiliation programs and live events expected to be no longer the predominant revenue stream.

Opportunities: Creators Perspective

DIVERSIFICATION & MULTIDIMENSIONALITY

Invest in new content verticals, create small-scale content, and experiment with new formats on growing platforms.

CONTENT STRATEGY

Focus on deep connection with the audience: human values and shared experiences.

CROSS POLLINATION

Partnerships

Activate partnerships with influencers in different niches to reach new audiences.

NEW BUSINESS MODELS

Revenue streams

Rethink the business model to diversify revenue streams and find new ways to capitalize on the presence on social media.

Impact: Brands Perspective

BUDGET REVIEW

In the near term, digital ad spend is down 33% and traditional media is down 39%.

CONSUMER BEHAVIOURS

Difficulty to bring some categories of product in front of the consumer who is more sensitive and focused on essentials.

NETWORK OPTIMIZATION

Scrutiny and optimization of the current network of influencers & content partners.

DIGITAL SHIFT

Sales shifted from brick-and-mortar stores to digital platforms.

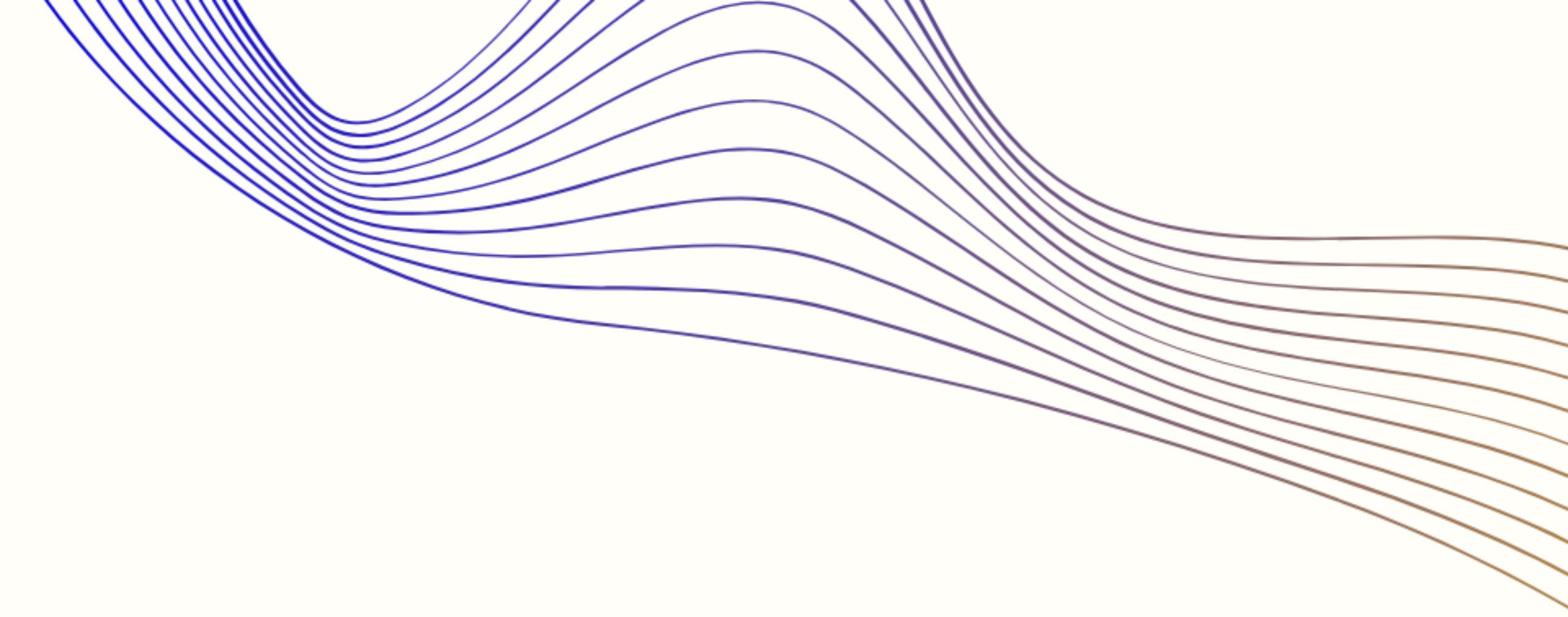
Opportunities: Brands Perspective

VALUES FIRST

Pivot from profit to purpose.

INFLUENCER STRATEGY

Leverage relevant influencer partners to reach customers with content that truly resonates with the target consumers.



IS THIS THE END OF INFLUENCING AS WE KNEW IT?

Trends To Watch

Is This The End Of Influencing As We Knew It?

Finland it's the only country in the world that has classified social media influencers as **essential workers**, along with doctors, bus drivers and grocery store workers.

the guardian

Finland enlists social influencers in fight against Covid-19

Government advice sent to bloggers, rappers and writers to get to those not reached by traditional media



In a time of crisis, Finland is calling in the cavalry: social media influencers.

Helsinki has classified social media influencers as critical actors to society during a crisis, along with doctors, bus drivers and grocery store workers. Finland says it is the only country in the world that has defined social media as a critical operator.

The role of influencers during a crisis is to disseminate information on social media.

"We are aware that government communication doesn't reach everyone. Before this was possible through traditional media like television, but today especially young people get their news through social media," said Aapo Riihimäki, a communications specialist at the Finnish prime minister's office.

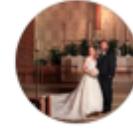
Is This The End Of Influencing As We Knew It?

Some influencers have faced [backlash](#) for [tone-deaf](#) posts during the pandemic.



kayla_r_russell I can't with this. I really enjoyed your blog and Instagram feed, but have to unfollow now. I encourage anyone else who sees the wreck less ness of sharing this on social media to unfollow as well.

3w 339 likes Reply



julieotte5 So basically the rules to stay inside don't apply to you because you're bored? Got it.

3w 418 likes Reply



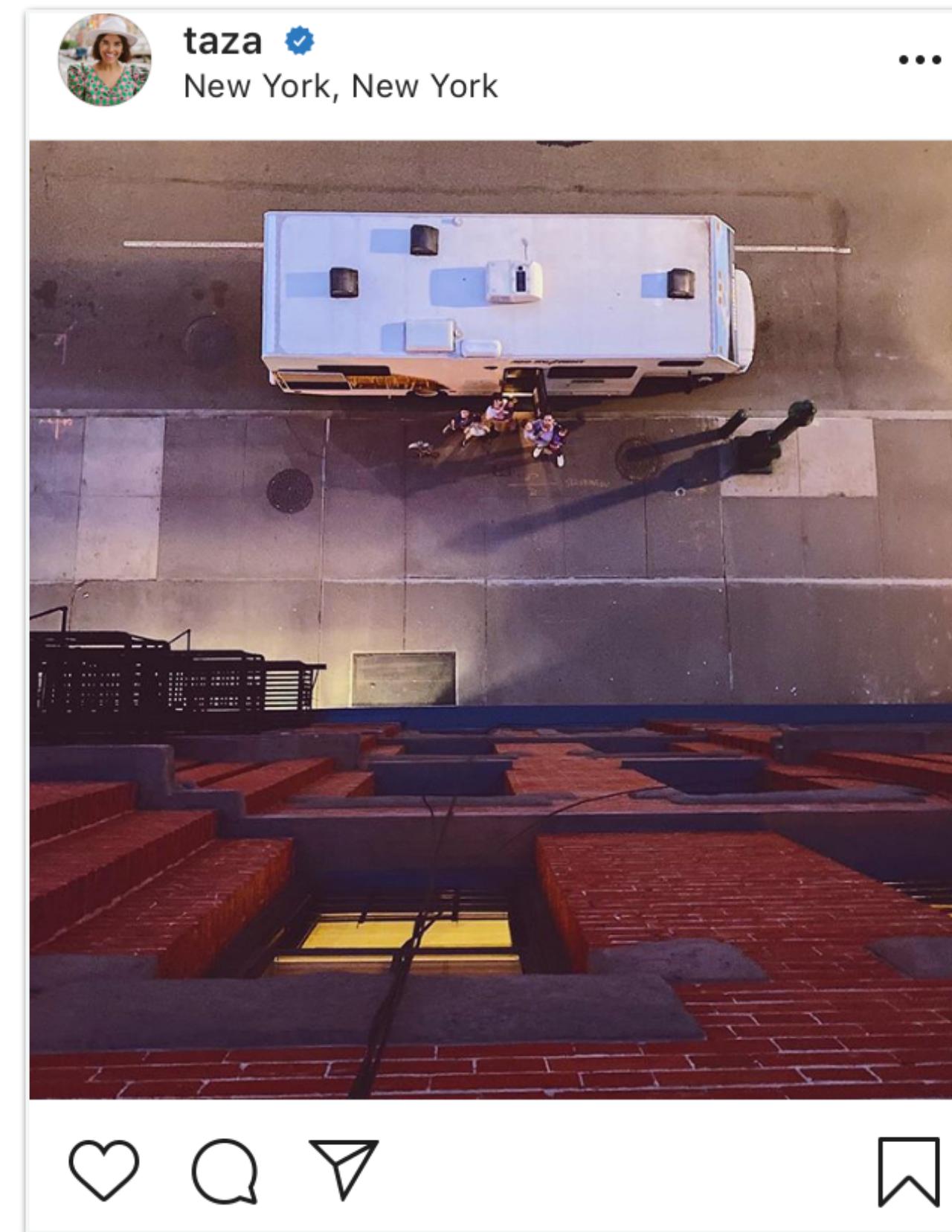
cmccloud16 This is exactly what you're not supposed to do.

3w 886 likes Reply



houseintheheights Beat unfollow I've ever done.

3w 506 likes Reply



taza ✨
New York, New York

...



michelle30166 Wow... doing exactly what we have been told not to do

3w 332 likes Reply



rebeccaelisa30 Please use your influence for good. Encourage people to stay home!! For their safety and the safety of our neighbors and cities and states. People will see this and think they are an exception to the rule. We are not. We must do our part. If not for our own children, then for the babies in the middle of chemo, the grandmas, the doctors and nurses who have no choice. This isn't a grand adventure (we love road trips as much as the next family) this is a pandemic. If you felt you had to do this, then please keep it to yourselves because so many look up to you and imitate what you do. ❤️

3w 624 likes Reply



thennings You've been specifically asked NOT to do this.

3w 3.456 likes Reply



andreakellyc ooh yes violating state orders and bringing pandemic to small towns, sounds like a great idea!

3w 2.103 likes Reply

Is This The End Of Influencing As We Knew It?

“One-dimensional influencers — those with a single platform, single topic, single revenue stream — will fall away as collaboration revenue will become too unpredictable for a sustainable business and consumers will crave relatable talent,”

- *Amber Venz Box, Co-Founder Of Rewardstyle.*

Is This The End Of Influencing As We Knew It?

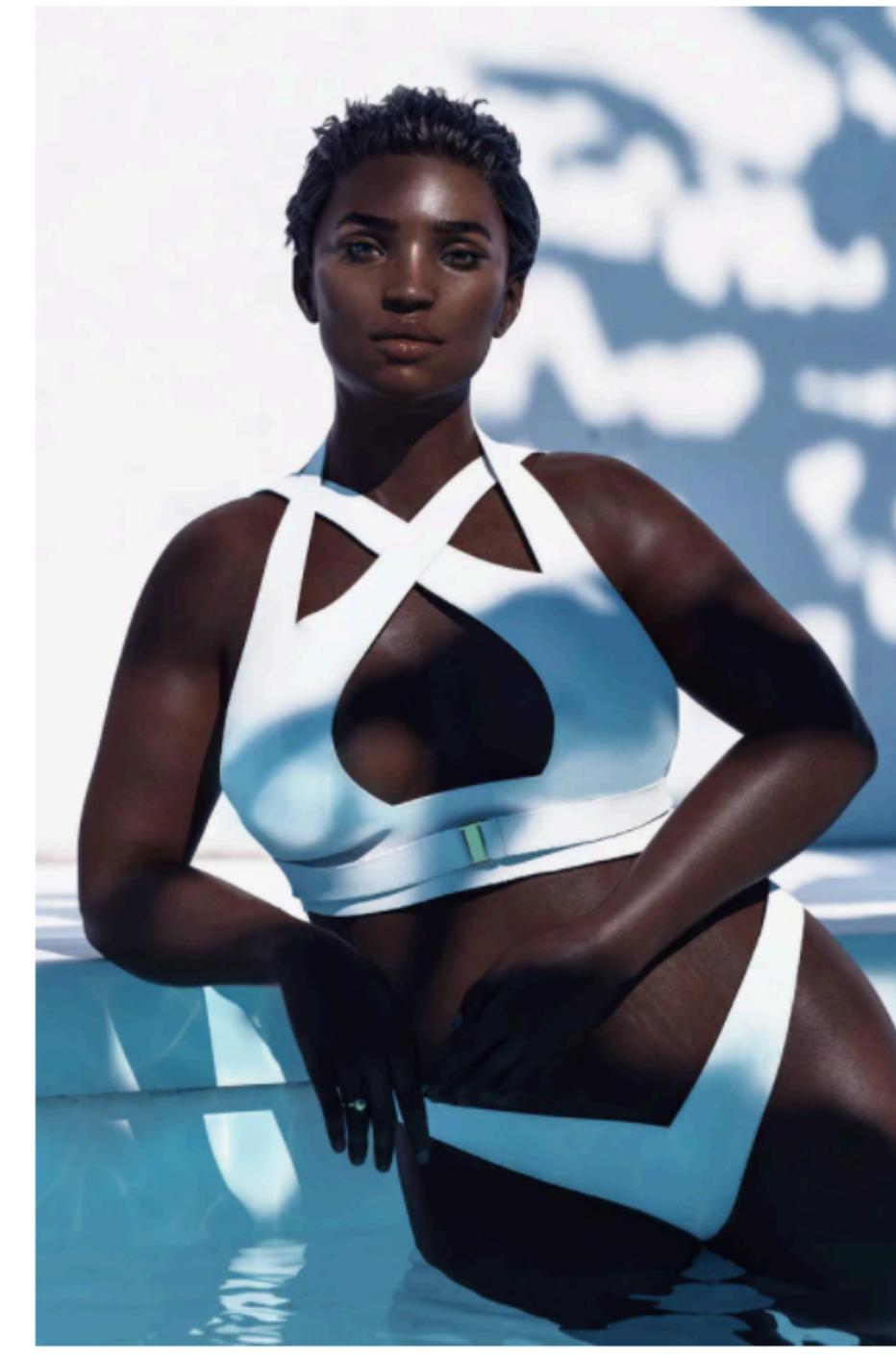
Real models digitally dressed



These models have been digitally dressed by Zeekit for Asos. Zeekit is providing "digital production" for Asos for the Covid-19 period, and has a database of 450 models.

© Zeekit

Virtual models



Brenn, a digital model created by The Digiitals, which now has seven models on its roster.

© The Digiitals

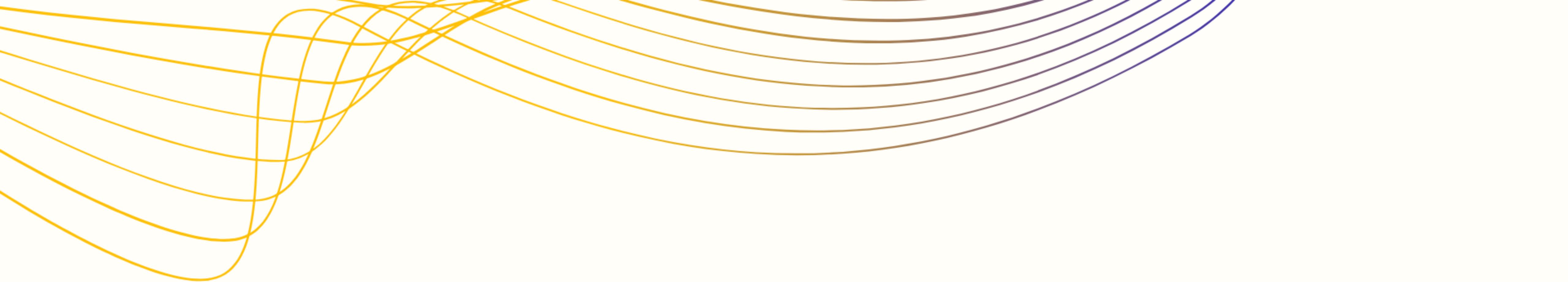
Key Takeaways

FOR CREATORS

While the price per piece of content dropped during the pandemic, in the long run, influencers with strong core values and a solid audience will be at the center of the attention of brands.

FOR BRANDS

Brands, finding themselves at risk of tone deafness in marketing, are turning into selected influencer partnerships to talk to customers and this trend will be more predominant than before COVID-19.



veltmon