



# Innovation

# Feasibility Report

## Restoring Trust in Influencer Marketing

Date Aug 18, 2025

Owner Sakshi Tapkir & Team

Meeting 0408 Excelerate SLU Innovation & Entrepreneurship Early Virtual Interns...

### Scope and deliverables

Deliverable

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Scope & Objectives Definition

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Research & Data Collection

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Deliverable

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Competitor Analysis

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Business Model Identification

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Innovation Strategy Formulation

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Market Trends & Opportunities

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Potential Risks & Value Propositions

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## Milestones

Completion date	Project phase	Description
Aug 18, 2025	Milestone 2	Innovation Feasibility Report

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## Resources

Project brief  SLU 0408 INV[Team 4] Team Charter

Research  Excelerate: Innovation Report week 1

Marketing assets  Team 04- Market Opportunity Report

# 1. Scope & Objectives Definition

## Executive Summary

This Innovation Feasibility Report evaluates potential service areas within the influencer marketing industry to address a critical crisis of trust and declining ROI. Building on our Week 1 market analysis, this report focuses on three high-potential opportunities: Micro/Nano Influencer Networks, AI-Powered Authenticity Verification Tools, and Community Co-Creation Platforms. The scope of this evaluation encompasses a thorough examination of entrepreneurial strategy frameworks, the selection of optimal business models, and a comprehensive assessment of the market viability for each opportunity.

Our research, grounded in comprehensive market analysis and data-driven evaluations, aims to provide a strategic roadmap. This report will present key findings and actionable recommendations for launching these innovative services, aligning them with evolving market expectations and high ethical standards. The ultimate goal is to identify viable, sustainable pathways for brands to rebuild trust, increase engagement, and achieve long-term competitive advantage in the influencer marketing ecosystem.

## Introduction

The global influencer marketing industry, projected to reach a staggering \$24.1 billion by 2025, is at a critical juncture. Despite its immense growth, the sector is grappling with an existential crisis of trust, driven by market oversaturation, generic content, and a significant disconnect between brands and authenticity-driven audiences, particularly among Gen Z. This erosion of trust is quantified by alarming data: 64% of consumers now distrust influencer endorsements (Nielsen 2024), engagement rates in key niches have plummeted by 30% since 2020, and a staggering 75% of brands fail to achieve their target ROI from campaigns (HubSpot 2024).

Our Week 1 Market Opportunity Report identified three high-potential service areas poised to address this crisis and chart a corrective course:

- Micro/Nano Influencer Networks: Leveraging creators with 1K-100K followers, who generate up to 60% higher engagement rates.
- AI-Powered Authenticity Verification: Real-time detection of fake followers and bots to ensure brand safety and campaign integrity.

- Community Co-Creation Platforms: Empowering audiences to participate in campaign design, which drives 55% higher brand loyalty.

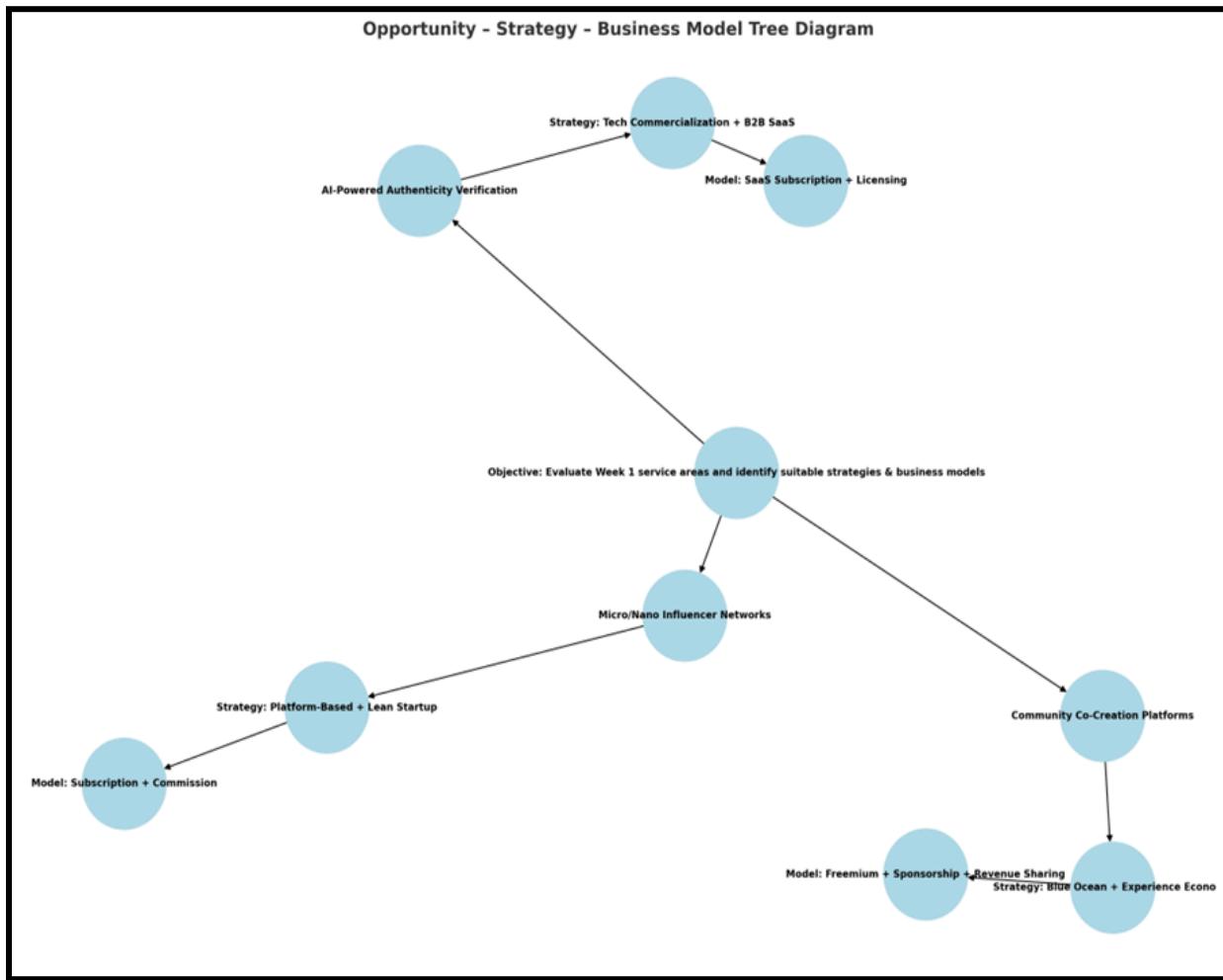
## **Objectives**

The primary objective of this report is to evaluate the strategic viability and financial feasibility of the proposed solutions, with a singular goal: to enable brands to successfully navigate the authenticity crisis.

Specifically, this report will:

- Analyse Entrepreneurial Strategies: Assess foundational frameworks such as Disruptive Innovation, Lean Startup, and Platform models to identify the most effective strategies for scaling authenticity-first solutions.
- Identify & Recommend Optimal Business Models: Evaluate relevant revenue models (e.g., SaaS subscriptions, transaction fees, hybrid freemium) tailored to the influencer marketing ecosystem.
- Conduct a Market Viability Assessment: Quantify viability through market sizing, financial projections, and analysis of resource requirements.
- Provide an Implementation Roadmap: Propose a clear roadmap for launching and scaling these services.
- Ensure Market Fit: Present data-backed recommendations ensuring clear pathways to profitability and long-term relevance.

## **Opportunity – Strategy – Business Model Tree Diagram**



## 2. Research & Data Collection

### Affinity Diagram: Key Clusters

#### Market Signals & Pain Points

- Saturation: 50M+ sponsored posts/month
- Engagement decline: 4.5% (2020) → 2.8% (2024)
- Trust deficit: 64% distrust endorsements
- Only 25% of brands meet ROI goals

#### High-ROI Levers

- Micro/Nano influencers: +60% engagement vs. macro

- Long-term partnerships over one-offs
- Creator-led e-commerce & live shopping
- Performance-based partnerships

## Risk & Constraints

- Platform/regulatory shocks (e.g., TikTok ban)
- Bot/fraud risk; authenticity scoring needed
- Algorithm volatility; dependence on single channels

## Enabling Tech & Ops

- AI-powered vetting & analytics
- Real-time engagement & sentiment tracking
- Automation of campaign management (73% marketers expect)

## Consumer & Culture

- Gen Z: values 'real, unfiltered' content (88%)
- Value alignment & social purpose matter
- Global growth: Brazil/India/MENA/LATAM

## Opportunity Spaces

- Authenticity verification tools
- Co-creation/community programs (UGC, ambassadors)
- Hyperlocal & niche networks
- Multi-platform diversification

## Entrepreneurial Strategies

**Trust-First Growth:** Prioritise micro/nano networks, long-term deals, and authenticity verification.

**Multi-Platform Risk Hedging:** Diversify across Instagram, YouTube, TikTok to offset regulatory/algorithm risks.

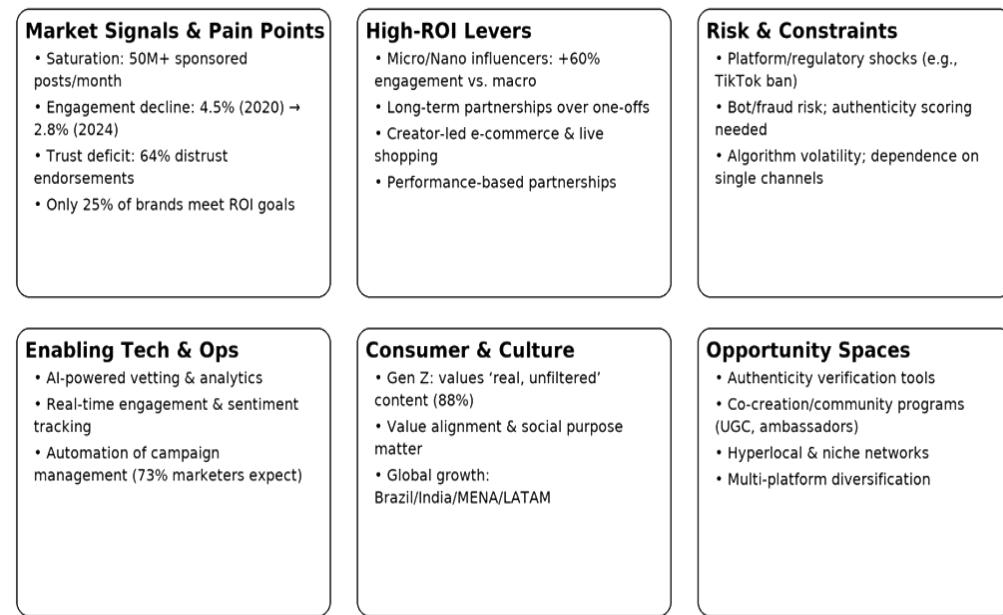
**Creator-Led Commerce & Performance:** Enable live-shopping, storefronts, and CPS/CPA deals with transparency.

**Community Co-Creation:** UGC, ambassadors, and 'real' content to align with Gen Z preferences.

**AI-Enabled Operating System:** Use AI for vetting, sentiment, predictive engagement, and campaign automation.

[Source: Team 04 — Market Opportunity Report (Aug 10, 2025), pp. 10–12]

### Affinity Diagram — Influencer Marketing: Entrepreneurial Strategies, Business Models, and Innovation Frameworks



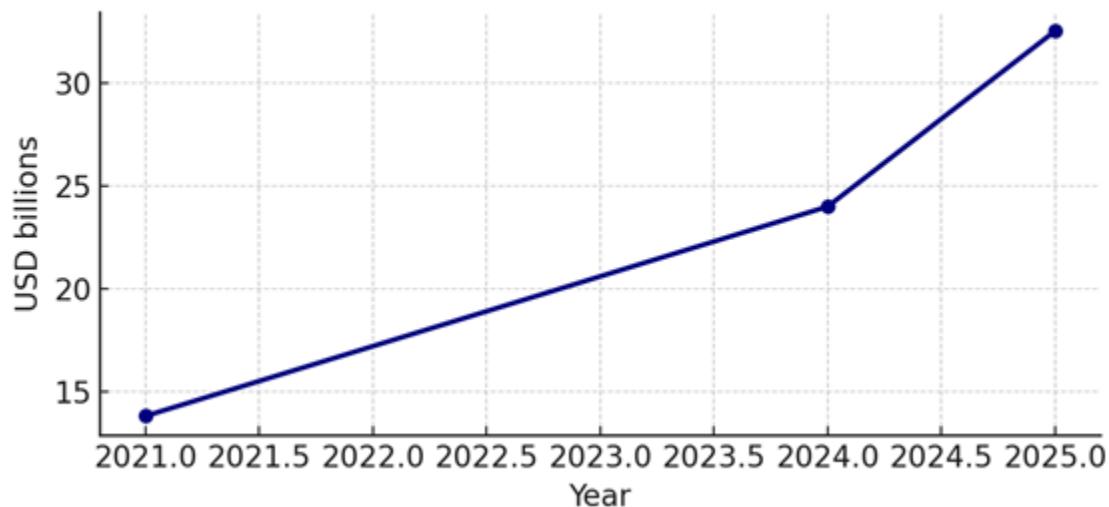
Source: Team 04 — Market Opportunity Report (Aug 10, 2025), pp. 3-18.

## 3. Competitor Analysis

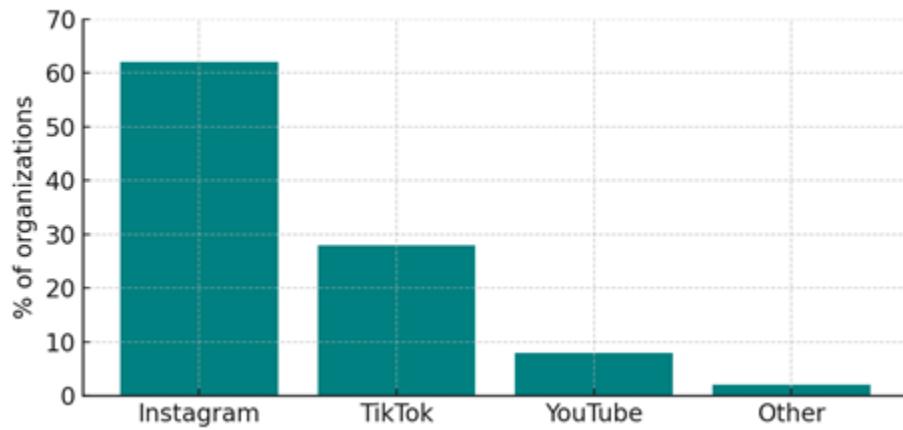
### Snapshot: Verified Market Data

- **Market size:** US\$24.0B in 2024; projected ~US\$32.55B in 2025 (Statista; Sprout Social).
- **Platform importance:** Instagram 62%, TikTok 28%, YouTube 8% (CreatorIQ 2024 Trends Report).
- **Measurement:** 70% of brands measure ROI; 30% still do not (Influencer Marketing Hub 2024 Benchmark).

Global Influencer Marketing Market Size (USD billions)



Platforms rated 'most integral' to creator marketing (CreatorIQ, 2024)



## SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Community trust</li> <li>• Strong ROI potential</li> <li>• Scalable creator access</li> <li>• Multi-format adaptability</li> </ul>	<ul style="list-style-type: none"> <li>• Attribution gaps</li> <li>• Fraud/fake followers             <ul style="list-style-type: none"> <li>• Price opacity</li> </ul> </li> <li>• Platform dependency</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Short-form video growth</li> <li>• AI discovery &amp; analytics</li> <li>• Social commerce integration</li> <li>• Industry consolidation</li> </ul>	<ul style="list-style-type: none"> <li>• Algorithm volatility</li> <li>• Regulatory pressures             <ul style="list-style-type: none"> <li>• Budget tightening</li> </ul> </li> <li>• Fake follower inflation</li> </ul>

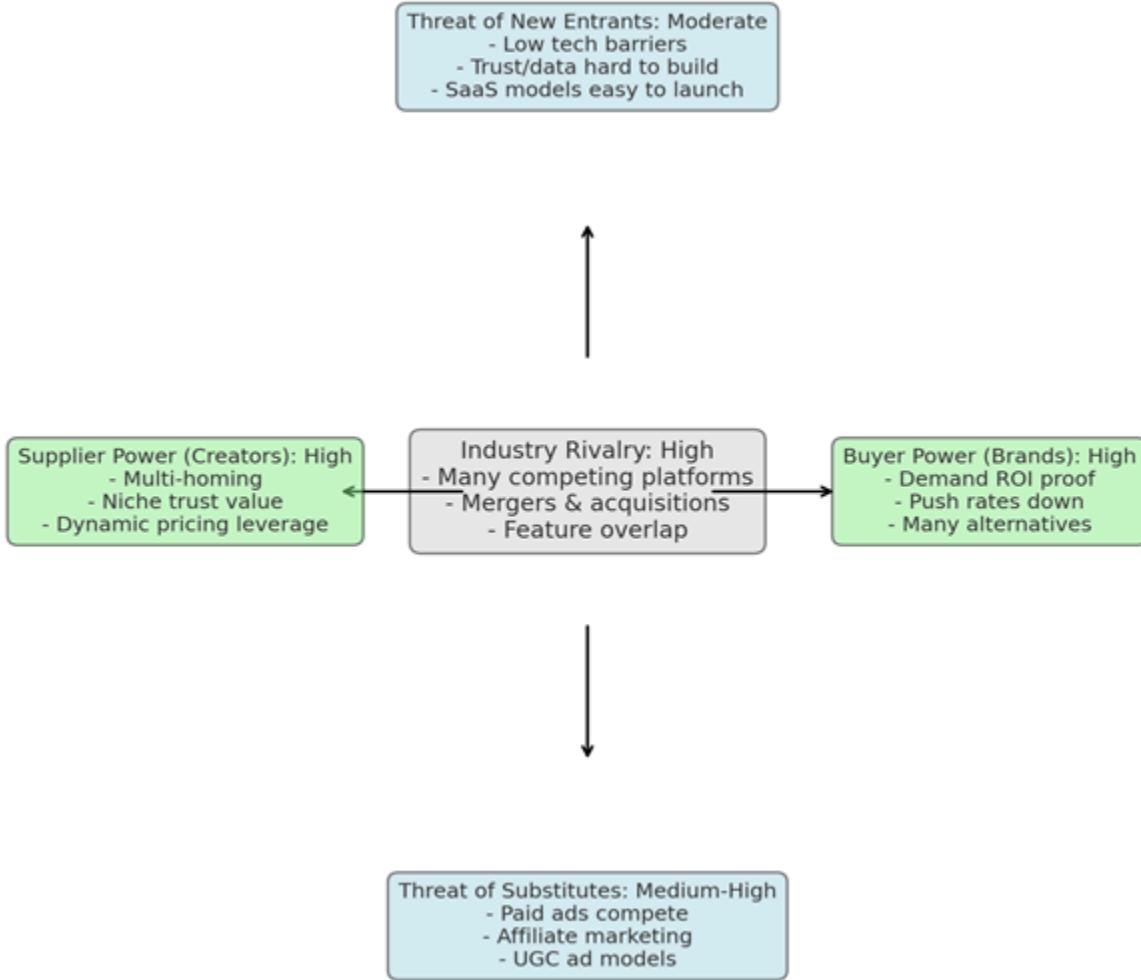
**Strengths:** Influencer marketing leverages community trust, delivers strong ROI when tied to commerce, and scales with platform growth.

**Weaknesses:** ROI attribution remains patchy, pricing benchmarks vary, and fraud/bot activity persists without robust checks.

**Opportunities:** Short-form video, creator commerce integrations, and AI-driven tools open growth pathways. Consolidation offers enterprise-scale benefits.

**Threats:** Algorithm changes, regulations on disclosure, and economic budget cuts can all disrupt growth.

## Porter's Five Forces



**Threat of New Entrants:** Moderate. New SaaS platforms can appear quickly, but enterprise-scale demands require verified data, fraud prevention, and integrations.

**Supplier Power (Creators):** High. Creators control access to authentic audiences and can choose between platforms.

**Buyer Power (Brands):** High. Brands demand proof of ROI, often push rates down through RFPs, and can shift budget to paid ads or affiliates.

**Threat of Substitutes:** Medium to High. Paid social ads, affiliate marketing, and user-generated content can absorb budget if influencer ROI is unclear.

**Industry Rivalry:** High. There are many overlapping platforms and heavy consolidation by major holding companies.

## 4. Business Model Identification

### Entrepreneurship Strategies for Influencer Marketing

#### Business Models

1. Platform-Based Model: Create a platform connecting brands with influencers, offering features like influencer discovery, campaign management, and performance tracking.
2. Agency-Based Model: Manage influencer campaigns on behalf of brands, providing expertise in influencer marketing.
3. Influencer-Owned Model: Influencers create and sell their own products or services, leveraging their audience and influence.
4. Long-Term Partnership Model: Build sustained relationships between brands and influencers, fostering authenticity and trust.
5. Co-Creation Model: Collaborate with influencers to create content, products, or services resonating with the target audience.
6. Nano/Micro-Influencer Model: Partner with nano or micro-influencers for targeted reach and higher engagement rates.
7. Affiliate Marketing Model: Influencers earn commissions by promoting products or services and driving sales.

#### Innovation Framework

##### Key Trends

- Technological Innovation: AI-powered analytics, predictive engagement modelling, and authenticity verification.
- Consumer Behaviour Shifts: Authenticity, community trust, and social proof over celebrity endorsements.
- Platform Changes & Regulation: Regulatory tightening and platform disruptions shaping the influencer space.

## **Strategies for Success**

- **Authenticity and Trust:** Prioritise authenticity and transparency in influencer partnerships
- **Data-Driven Campaigns:** Use data analytics to optimise influencer selection, content creation, and campaign performance [5].
- **Long-Form Content and Podcasting:** Utilise in-depth content formats for more nuanced discussions and intimate connections with audiences
- **Virtual and Hybrid Events:** Host events that attendees can join from anywhere, leveraging virtual reality and other technologies
- **Performance-Based Partnerships:** Focus on performance-based compensation models, aligning influencer interests with brand goals

## **Business Model Canvas**

### **Business Model Canvas 1: The Curated Micro/Nano Influencer Network**

This model focuses on building a high-touch, managed network that prioritises long-term partnerships and authentic connections over transactional, one-off campaigns. It acts as a strategic partner to brands rather than just a self-serve marketplace.

<b>Value Proposition</b>	<b>Target Audience (Customer Segments)</b>
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<ul style="list-style-type: none"> <li><b>Guaranteed Authenticity &amp; Higher Engagement:</b> Access to a vetted, exclusive network of micro/nano influencers delivering up to <b>60% higher engagement</b> than macro-influencers.</li> <li><b>Strategic Ambassadorships:</b> Facilitates long-term, multi-platform partnerships that build genuine brand advocacy and combat the audience fatigue caused by market saturation.</li> <li><b>Hyper-Niche &amp; Local Targeting:</b> Precision matching with creators in specific niches to ensure deep audience resonance.</li> <li><b>Managed Campaign Execution:</b> Full-service campaign strategy, execution, and reporting, reducing the operational burden on brand marketing teams.</li> </ul>	<ul style="list-style-type: none"> <li><b>Direct-to-Consumer (D2C) &amp; Challenger Brands:</b> Companies needing to build authentic community and trust from the ground up on a lean budget.</li> <li><b>Established Brands:</b> Large companies seeking to access niche markets or run pilot campaigns with a focus on genuine engagement over sheer reach.</li> <li><b>Marketing Agencies:</b> As channel partners, using the network to deliver higher-ROI, authentic campaigns for their clients.</li> <li><b>Micro/Nano Influencers (as partners, not paying customers):</b> Creators seeking fair compensation, long-term partnerships, and professional support.</li> </ul>
<b>Revenue Streams</b> <ul style="list-style-type: none"> <li><b>Managed Campaign Fees:</b> A percentage (20-30%) of the total campaign budget for strategy, management, and execution.</li> <li><b>Retainer-Based Ambassadorship Programs:</b> Monthly retainer fees from brands for managing their ongoing influencer ambassadorship programs.</li> <li><b>Performance-Based Commissions:</b> A share of sales or conversions (CPS/CPA) for creator-led commerce initiatives, directly addressing the brand ROI problem.</li> </ul>	<b>Cost Structure</b> <ul style="list-style-type: none"> <li><b>Creator Payouts &amp; Incentives:</b> The primary cost driver.</li> <li><b>Talent &amp; Community Management:</b> Salaries for staff who recruit, vet, and nurture creator relationships.</li> <li><b>Campaign Management &amp; Sales Teams:</b> Salaries for client-facing roles.</li> <li><b>Platform &amp; Analytics Tech:</b> Costs for the internal platform used for discovery, management, and reporting.</li> </ul>
<b>Channels</b>	<b>Key Partnerships</b>

<ul style="list-style-type: none"> <li><b>Direct Sales &amp; Consulting Team:</b> Proactive outreach to brand marketing leaders.</li> <li><b>Digital Marketing:</b> Content marketing (case studies, white papers) showcasing campaign success.</li> <li><b>Industry Events &amp; Webinars:</b> Establishing thought leadership in authentic marketing.</li> <li><b>Creator-Led Referrals:</b> Incentivising network creators to refer new talent.</li> </ul>	<ul style="list-style-type: none"> <li><b>E-commerce Platforms:</b> For seamless integration of creator-led commerce and affiliate tracking.</li> <li><b>Marketing Analytics Providers:</b> To enrich performance reporting and demonstrate ROI.</li> <li><b>Regional Marketing Agencies:</b> To expand geographic reach and offer a specialised service.</li> </ul>
<p><b>Key Activities</b></p> <ul style="list-style-type: none"> <li><b>Creator Vetting &amp; Onboarding:</b> Rigorous selection process focusing on authenticity, engagement quality, and brand alignment.</li> <li><b>Community Building:</b> Hosting workshops, providing resources, and fostering a collaborative environment for creators.</li> <li><b>Brand-Creator Matchmaking:</b> High-touch, strategic pairing based on deep data and qualitative analysis.</li> <li><b>Campaign Strategy &amp; Performance Analysis:</b> Designing and measuring campaigns that meet brand objectives.</li> </ul>	<p><b>Key Resources</b></p> <ul style="list-style-type: none"> <li><b>The Curated Creator Network:</b> The core, defensible asset of the business.</li> <li><b>Proprietary Vetting Process &amp; Data:</b> The methodology and data used to score creator authenticity.</li> <li><b>Experienced Talent &amp; Campaign Managers:</b> The human expertise that delivers the high-touch service.</li> </ul>

## Business Model Canvas 2: AI-Powered Authenticity Verification Tool

This is a B2B SaaS model providing a specialised technology solution that empowers brands, agencies, and platforms to independently verify the authenticity of any influencer, mitigating risk and validating campaign spend.

Value Proposition	Target Audience (Customer Segments)
<ul style="list-style-type: none"> <li><b>Real-Time Fraud &amp; Bot Detection:</b> Instantly analyse an influencer's audience for fake followers, bots, and engagement pods, directly addressing a primary risk.</li> <li><b>Audience Health Scoring:</b> A proprietary, data-backed "Trust Score" for any influencer, providing a simple, actionable metric for campaign planning.</li> <li><b>Brand Safety &amp; Values Alignment:</b> Scan past content for controversial topics or misaligned values to prevent brand reputation damage.</li> <li><b>Campaign ROI Validation:</b> Ensure marketing spend reaches real people by providing pre-campaign verification and post-campaign audience quality reports.</li> </ul>	<ul style="list-style-type: none"> <li><b>Large Brands &amp; Enterprises:</b> In-house marketing teams managing significant influencer budgets who need to de-risk their investments.</li> <li><b>Marketing &amp; PR Agencies:</b> To use as a due diligence tool to protect their clients and validate their creator recommendations.</li> <li><b>Influencer Marketing Platforms:</b> As a B2B customer, integrating the tool via API to enhance their own platform's credibility and value proposition.</li> </ul>
Revenue Streams	Cost Structure
<ul style="list-style-type: none"> <li><b>Tiered SaaS Subscriptions:</b> Monthly/annual fees (Basic, Pro, Enterprise) based on the number of influencer profiles analysed or reports generated per month</li> <li><b>API Access Fees:</b> Usage-based pricing for other platforms to integrate the verification technology directly into their workflow.</li> <li><b>One-Time Audit Reports:</b> A pay-per-report model for smaller businesses or for comprehensive due</li> </ul>	<ul style="list-style-type: none"> <li><b>Research &amp; Development:</b> Salaries for data scientists, AI/ML engineers to build and refine the verification models.</li> <li><b>Cloud Computing &amp; Data Infrastructure:</b> Significant costs for data processing, storage, and running AI models at scale.</li> <li><b>Data Acquisition:</b> Costs associated with accessing public APIs or purchasing third-party data.</li> </ul>

diligence on high-cost macro-influencer deals.	<ul style="list-style-type: none"> <li><b>Sales &amp; Marketing:</b> B2B marketing efforts and salaries for the sales team.</li> </ul>
<b>Channels</b>	<b>Key Partnerships</b>
<ul style="list-style-type: none"> <li><b>Direct B2B Sales Team:</b> Targeting enterprise and agency accounts.</li> <li><b>SaaS Platform (Web Portal):</b> Self-service sign-up for smaller subscription tiers.</li> <li><b>API Integration Marketplace:</b> Listing on marketing tech marketplaces (HubSpot App Marketplace).</li> <li><b>Content Marketing:</b> Publishing research on influencer fraud to build authority and generate inbound leads.</li> </ul>	<ul style="list-style-type: none"> <li><b>Social Media Platforms (Data Partnerships):</b> Negotiating access to richer, more reliable data via official APIs.</li> <li><b>Marketing Analytics Companies:</b> Partnering to bundle the verification tool with their existing analytics suites.</li> <li><b>Industry Compliance Bodies (FTC):</b> Aligning the tool's metrics with regulatory standards to become an industry benchmark.</li> </ul>
<b>Key Activities</b>	<b>Key Resources</b>
<ul style="list-style-type: none"> <li><b>AI Model Development &amp; Training:</b> Continuously improving the algorithms for detecting sophisticated fraud patterns.</li> <li><b>Data Aggregation &amp; Analysis:</b> Processing massive amounts of data from multiple social platforms.</li> <li><b>Platform &amp; API Maintenance:</b> Ensuring the reliability and security of the SaaS product.</li> <li><b>B2B Sales &amp; Customer Onboarding:</b> Acquiring and supporting enterprise clients.</li> </ul>	<ul style="list-style-type: none"> <li><b>Proprietary AI/ML Algorithms:</b> The core intellectual property and competitive advantage.</li> <li><b>Massive &amp; Diverse Datasets:</b> The data used to train the AI models.</li> <li><b>Data Science &amp; Engineering Team:</b> The specialised talent required to build and maintain the technology.</li> </ul>

### Business Model Canvas 3: Community Co-Creation Platform

This is a platform-based model that shifts the focus from "influencing" to "participating." It provides brands with the tools to mobilise their actual fans and customers to create authentic content, guided and amplified by micro-influencers.

<b>Value Proposition</b>	<b>Target Audience (Customer Segments)</b>
<ul style="list-style-type: none"> <li><b>Unlock Authentic User-Generated Content (UGC) at Scale:</b> A structured platform for brands to launch campaigns (or "missions") that empower their most passionate fans to create content.</li> <li><b>Drive Higher Brand Loyalty &amp; Engagement:</b> Directly leverages the insight that community participation drives <b>55% higher brand loyalty</b>.</li> <li><b>Align with Gen Z Values:</b> Caters to the 88% of Gen Z who value "real, unfiltered" content by putting real customers at the centre of the marketing narrative.</li> <li><b>Cost-Effective Content Library:</b> Generate a high volume of authentic, rights-cleared marketing assets for use across all digital channels at a fraction of the cost of traditional campaigns.</li> </ul>	<ul style="list-style-type: none"> <li><b>B2C Brands with Strong Communities:</b> Especially in verticals like gaming, beauty, fashion, fitness, and CPG.</li> <li><b>Companies Focused on Purpose &amp; Values:</b> Brands whose mission can inspire genuine user participation and storytelling.</li> <li><b>Marketing Agencies:</b> Offering community-led marketing and scalable UGC campaigns as a new service for their clients.</li> </ul>
<b>Revenue Streams</b>	<b>Cost Structure</b>

<ul style="list-style-type: none"> <li><b>Tiered SaaS Subscriptions:</b> Monthly/annual fees based on the number of active community members, campaigns run, or UGC assets managed.</li> <li><b>Managed Services Add-On:</b> Premium fees for strategic support, community management, and moderation services.</li> <li><b>Product Seeding &amp; Logistics Fees:</b> A handling fee for managing the distribution of products to community members for review or use in content creation.</li> </ul>	<ul style="list-style-type: none"> <li><b>Platform Development &amp; Maintenance:</b> R&amp;D for features like campaign builders, UGC submission portals, content moderation dashboards, and analytics.</li> <li><b>Community &amp; Customer Success Teams:</b> Salaries for staff who help brands build and manage their communities on the platform.</li> <li><b>Cloud Storage &amp; Content Delivery:</b> Costs for hosting a large volume of user-generated video and image content.</li> </ul>
<b>Channels</b>	<b>Key Partnerships</b>
<ul style="list-style-type: none"> <li><b>SaaS Platform with a Freemium/Trial Model:</b> Allowing brands to explore the platform and launch a small pilot campaign.</li> <li><b>Direct Sales to Community &amp; Brand Managers:</b> Targeting the specific roles within a company that would use this platform.</li> <li><b>Partnerships with CRM &amp; Loyalty Platforms:</b> Co-marketing to brands that already have an established customer base.</li> </ul>	<ul style="list-style-type: none"> <li><b>E-commerce Platforms:</b> Integrating to link UGC directly to product pages ("Shop This Look").</li> <li><b>Loyalty &amp; Rewards Program Providers:</b> To integrate co-creation "missions" as a way for customers to earn points.</li> <li><b>Legal Tech Firms:</b> To automate the process of securing content rights and usage permissions from creators.</li> </ul>
<b>Key Activities</b>	<b>Key Resources</b>

<ul style="list-style-type: none"> <li><b>Platform Feature Development:</b> Building intuitive tools for campaign creation, content submission, and moderation.</li> <li><b>UGC Rights Management:</b> Creating a seamless and legally sound process for brands to acquire rights to user content.</li> <li><b>Community Engagement Analytics:</b> Providing brands with data on participation, content performance, and sentiment.</li> <li><b>Onboarding &amp; Education:</b> Creating playbooks and resources to teach brands how to succeed with co-creation.</li> </ul>	<ul style="list-style-type: none"> <li><b>The Co-Creation Platform Technology:</b> The intuitive, scalable, and legally compliant software is the key asset.</li> <li><b>Data on Community Engagement:</b> Insights into what motivates user participation and what content performs best.</li> <li><b>Templates &amp; Best-Practice Playbooks:</b> Resources that de-risk the process for brands and accelerate their success.</li> </ul>
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## 5. Innovation Strategy Formulation

### Scalability and Sustainability:

#### Business Model 1: The Curated Micro/Nano Influencer Network

##### Scalability Assessment

- **Technical Scalability:** The model's technical needs, centred on an internal platform for discovery, management, and reporting, are moderately scalable. While initial operations can be managed with existing tools, scaling requires investment in a proprietary platform to efficiently manage a growing roster of influencers and campaigns.
- **Operational Scalability:** This is the primary constraint. The high-touch, "managed service" nature depends heavily on human capital—talent managers, campaign strategists, and sales teams. Scaling operations means a linear increase in headcount, which can be difficult to manage while maintaining service quality and a consistent culture of creator support. Scaling a service-based business of this nature often presents challenges in maintaining quality and margins.

- **Market Scalability:** The market is robust. The influencer marketing industry is projected to continue its significant growth, with a substantial portion of this expansion occurring in the micro-influencer segment. Brands are increasingly allocating budget towards more authentic engagement, moving away from celebrity endorsements, and reaching a large and accessible market.

## Sustainability Assessment

- **Financial Viability:** The model presents a clear path to profitability through managed campaign fees (20-30%), retainer-based programs, and performance commissions. However, profitability is contingent on maintaining high-value contracts and managing the primary cost driver: creator payouts. Profit margins in agency models can be thin, demanding efficient campaign execution and strong client retention.
- **Competitive Moat:** The defensible asset is the "Curated Creator Network" itself and the proprietary vetting process. The trust and quality associated with this exclusive network create a barrier to entry. Building a strong brand reputation for delivering authentic, high-engagement campaigns serves as a significant competitive advantage over more transactional, volume-based marketplaces.
- **Ethical/Reputational Sustainability:** The model's core value proposition is authenticity, which is ethically sound and reputationally positive. By championing fair compensation and long-term partnerships for smaller creators, the business positions itself as a positive force in the creator economy. Maintaining this requires rigorous enforcement of its vetting standards.

## Business Model 2: AI-Powered Authenticity Verification Tool

### Scalability Assessment

- **Technical Scalability:** As a SaaS platform, the technical architecture is highly scalable. Leveraging cloud computing allows for the processing of vast datasets and serving a growing number of API calls and user reports. However, this scalability is dependent on significant ongoing investment in cloud infrastructure and data processing capabilities. The core challenge lies in ensuring the AI models remain performant and cost-effective as data volume increases.
- **Operational Scalability:** Operationally, this model is far more scalable than the agency model. Once the core technology is developed, the cost of serving an additional customer is relatively low. The key operational focus shifts from campaign management to R&D, platform maintenance, and B2B sales and customer support.

- **Market Scalability:** The addressable market is extensive, encompassing any entity investing in influencer marketing, from large enterprises to other marketing platforms integrating the tool via API. With influencer fraud costing businesses billions annually, the demand for reliable verification tools is strong and growing, creating a large potential customer base.

## Sustainability Assessment

- **Financial Viability:** The recurring revenue from tiered SaaS subscriptions and API access fees provides a predictable and stable financial foundation. This model has the potential for high-profit margins at scale, as revenue can grow exponentially while costs increase more linearly. The key financial challenge is the high upfront and ongoing R&D investment required to stay ahead of sophisticated fraud techniques.
- **Competitive Moat:** The primary competitive advantage is the proprietary "Trust Score" and the underlying AI/ML algorithms. The effectiveness and accuracy of these algorithms, trained on massive and diverse datasets, create a powerful intellectual property moat. There is a significant barrier to entry for new competitors who would need to replicate this data and engineering investment. However, the space for influencer analytics tools is already competitive.
- **Ethical/Reputational Sustainability:** The business is positioned as a guardian of trust and transparency in the ecosystem. Its reputation hinges on the accuracy and impartiality of its "Trust Score." Any algorithmic bias or significant inaccuracies could rapidly damage credibility. The model must also navigate data privacy concerns related to analysing influencer and audience data.

## Business Model 3: Community Co-Creation Platform

### Scalability Assessment

- **Technical Scalability:** The platform is technically scalable, designed to handle a large volume of users, campaigns, and media assets. Key technical challenges for scaling include robust content delivery networks (CDNs) for hosting video and image content, as well as scalable databases for managing user and campaign data.
- **Operational Scalability:** The model is operationally scalable, particularly with a freemium or self-service tier that allows brands to onboard and run campaigns with minimal direct intervention. The operational focus is on platform development, customer success (providing playbooks and support), and community management services for premium clients.

- **Market Scalability:** The market for authentic content is vast. The model taps directly into the growing demand for UGC and the values of younger consumers, like Gen Z, who prioritise "real, unfiltered" content from peers over polished brand messaging. The platform is applicable across numerous B2C verticals, including fashion, beauty, gaming, and CPG, indicating a large potential market.

## Sustainability Assessment

- **Financial Viability:** A tiered SaaS subscription model provides a predictable revenue stream. Additional revenue from managed services and product seeding fees adds diversification. The value proposition of generating a high volume of marketing assets at a lower cost than traditional methods is compelling and supports financial sustainability. The main costs are platform R&D and cloud storage.
- **Competitive Moat:** The key defensible asset is the platform's technology, specifically its intuitive tools for campaign building, moderation, and, crucially, its integrated UGC rights management system. Building a library of best-practice playbooks and fostering a network effect—where more brands attract more engaged community members—can create a strong competitive advantage.
- **Ethical/Reputational Sustainability:** The model is built on an ethical foundation of celebrating and empowering genuine fans. It promotes an authentic relationship between brands and their customers. The main reputational risk lies in content moderation; the platform must have robust systems to prevent inappropriate or off-brand content from being amplified, and to ensure the co-creation process feels rewarding, not exploitative, to participants.

## Prioritisation Criteria Framework

To analyse these ideas/ gaps effectively, it is quite important to establish criteria.

Four Criteria:

- Impact
- Effort
- Viability
- Strategic Fit

A detailed rationale is provided below:

### **Impact: Potential to Restore Trust / Solve ROI Problem**

This criterion assesses the degree to which each business model directly addresses the two most critical pain points in the influencer marketing industry: the erosion of audience trust due to inauthenticity and fraud, and the difficulty for brands to measure a clear return on investment (ROI). A solution that fails to address these fundamental issues is unlikely to achieve long-term market leadership. Solving for trust and ROI is not merely a feature but the core value proposition demanded by an increasingly sophisticated market. Models that offer clear, measurable solutions to these problems will have the most profound market impact.

- **Scoring Method (Scale 1-5):**

- **1 (Low Impact):** The model has only an indirect or minor effect on trust or ROI.
- **2 (Slight Impact):** The model offers a marginal improvement to either trust or ROI, but not both.
- **3 (Moderate Impact):** The model provides a clear solution to one of the core problems (trust or ROI) but is less effective on the other.
- **4 (High Impact):** The model significantly improves both trust and ROI, offering a compelling value proposition.
- **5 (Transformative Impact):** The model fundamentally redefines how trust is established and ROI is measured, positioning it as an essential tool for serious marketers.

### **Effort: Technical Complexity & Resources Required**

This criterion evaluates the feasibility of implementation by analysing the required technical development, operational setup, and resource allocation (capital, talent, time). A lower effort level corresponds to a higher score, indicating a faster and less risky path to market. Every business idea is constrained by practical realities. A concept that requires groundbreaking technology or immense upfront capital carries significantly higher risk and a longer timeline than one that can be launched and iterated upon more quickly. This criterion prioritises models that can achieve market validation and revenue generation more efficiently.

- **Scoring Method (Scale 1-5, where 5 = Low Effort):**

- **1 (Very High Effort):** Requires deep R&D, scarce/expensive specialised talent (e.g., PhD-level AI scientists), and massive upfront capital. The timeline to a minimum viable product (MVP) is exceptionally long.
- **2 (High Effort):** Involves significant technical challenges and a large, specialised team. Capital requirements are substantial.

- **3 (Moderate Effort):** Requires a skilled, but not necessarily elite, team and standard development cycles. Capital needs are manageable for a venture-backed company.
- **4 (Low Effort):** Can be built with readily available technology and a small, agile team. The primary challenge is execution, not invention.
- **5 (Very Low Effort):** The core service can be launched quickly with minimal technical development, perhaps relying on integrating existing tools. The model is operationally focused.

### **3. Viability: Market Size & Revenue Potential**

This criterion assesses the commercial attractiveness of the model. It considers the size of the total addressable market (TAM), the pricing power of the solution, and the scalability of its revenue streams. A viable business must operate in a market large enough to support significant growth and generate substantial revenue. This criterion looks beyond the elegance of the solution to its raw commercial potential, favouring models with recurring revenue, high margins, and access to a large and growing customer base.

- **Scoring Method (Scale 1-5):**

- **1 (Low Viability):** Targets a small niche market with limited growth. Revenue is likely to be transactional with low margins.
- **2 (Slight Viability):** Addresses a defined market, but scalability is limited by the business model (e.g., heavy reliance on services).
- **3 (Moderate Viability):** Operates in a large market with good potential for scalable, recurring revenue, but faces significant pricing pressure or competition.
- **4 (High Viability):** Targets a large, high-value market with a highly scalable revenue model (e.g., enterprise SaaS/API). Strong potential for high margins.
- **5 (Exceptional Viability):** Aims to capture a significant share of a massive, growing market. The model has clear network effects and the potential for exponential revenue growth.

### **4. Strategic Fit: Alignment with "Trust-First" & "AI-Enabled" Vision**

This criterion evaluates how well each business model embodies the core strategic pillars of the enterprise: 1) establishing and monetising **trust** as a primary asset, and 2) leveraging **Artificial Intelligence** as a key enabler and competitive differentiator. A successful strategy requires focus. The selected business model should not be a standalone venture but the foundational element of a long-term vision. This criterion ensures the chosen path is in perfect alignment with the desired identity of the

company, ensuring that future efforts will build compounding value toward a single, clear goal.

- **Scoring Method (Scale 1-5):**

- **1 (Poor Fit):** The model has no clear connection to either the trust-first or AI-enabled pillar.
- **2 (Slight Fit):** The model has a weak or indirect link to one of the strategic pillars.
- **3 (Moderate Fit):** The model strongly aligns with one pillar (e.g., builds trust but has no AI) but not the other.
- **4 (High Fit):** The model aligns well with both pillars, using one to support the other in a meaningful way.
- **5 (Perfect Fit):** The model is the ultimate expression of the strategy, where building trust is the core function and AI is the indispensable engine that drives it, creating a powerful, synergistic loop.

Criterion	Curated Influence Network	AI Authenticity Tool	Community Co-Creation Platform	Rationale for Scoring
<b>Impact</b> (Restore Trust / Solve ROI)	4	<b>5</b>	3	The <b>AI Tool</b> directly and quantifiably tackles fraud and validates ROI, offering a transformative impact. The <b>Network</b> builds trust through human vetting but has a less direct ROI mechanism. The <b>Platform</b> builds trust via UGC but is more focused on content volume than direct ROI validation.

<b>Effort</b> (Low Effort = High Score)	2	2	3	The <b>AI Tool</b> and <b>Network</b> both score low due to high effort; the former requires elite, expensive AI talent and deep R&D, while the latter requires a large, operationally-heavy team to scale. The <b>Platform</b> requires standard SaaS development, representing a more moderate and manageable effort.
<b>Viability</b> (Market / Revenue Potential)	3	5	4	The <b>AI Tool</b> has exceptional viability due to its highly scalable SaaS/API model and a massive addressable market of all influencer-related spenders. The <b>Platform</b> is also highly viable with a strong SaaS model in the growing UGC space. The <b>Network's</b> service-based revenue model limits its scalability and margin potential.
<b>Strategic Fit</b> ("Trust-First" & "AI-Enabled")	3	5	3	The <b>AI Tool</b> is the perfect embodiment of the strategy, using AI as the core engine to manufacture trust at scale. The <b>Network</b> and <b>Platform</b> are strong on the "Trust-First" pillar but are not fundamentally "AI-Enabled," making them a less precise fit for the long-term vision.
<b>Total Score</b>	12	17	13	

## **Strategic Recommendation**

Based on the prioritisation matrix, the recommendation is unequivocal:

### **The primary innovation to pursue is the AI-Powered Authenticity Verification Tool.**

This business model is the clear strategic winner, scoring the highest in every critical category except for Effort. Its perfect alignment with the "Trust-First" and "AI-Enabled" vision, combined with its exceptional market viability and transformative impact, makes it the superior choice. While the technical effort is high, the potential reward and competitive moat it creates justify the investment. This venture positions the company not just as a participant in the creator economy, but as a foundational technology provider seeking to fix its most critical flaws.

## **Secondary Opportunity**

The **Community Co-Creation Platform** represents a strong secondary opportunity. It scored well and presents a different, yet complementary, value proposition focused on content generation rather than verification. This model could be considered as a potential second product line or a future strategic move once the core AI verification tool has achieved market traction. Its lower implementation effort could allow for parallel, smaller-scale exploration.

The **Curated Micro/Nano Influencer Network**, while valuable, should be deprioritised. Its operational intensity and limited scalability make it less attractive as a primary innovation compared to the technology-driven models. It functions more like a next-generation agency than a scalable, defensible technology company.

## **Marketing Ideas**

### **AI-Powered Authenticity Verification Tool**

The marketing for this B2B SaaS product must build authority and trust in its technology. The strategy should focus on demonstrating the tangible financial risk of influencer fraud and positioning the "Trust Score" as the industry standard for mitigating it.

### **Inbound Marketing: "The Influencer Fraud Calculator"**

Develop a free, interactive tool on the company website that allows a marketer to input their campaign budget and estimated audience size, and then calculates their potential financial exposure to bot activity and follower fraud based on industry averages.

This tool would be a powerful lead-generation engine. After seeing their potential losses quantified, users would be prompted to sign up for a free trial or request a one-time audit report to analyse a specific influencer. This tactic directly connects the problem (fraud) to a financial metric (ROI) and presents the tool as the immediate solution.

### **Product-Led Growth (PLG): "Freemium API Access"**

Offer a limited, free-tier API access for other influencer marketing platforms and developer ecosystems (e.g., HubSpot App Marketplace). This allows potential B2B customers to integrate and test the core functionality within their own environment.

The free tier could allow a small number of profile analyses per month. This "foot-in-the-door" strategy allows the technology to demonstrate its own value, generating organic adoption and creating a direct pipeline for upselling to paid, high-volume API and enterprise SaaS plans. It turns potential competitors into customers by enhancing their platforms.

### **Public Relations & Content: "The Fraud Exposure Index"**

Leverage the tool's data to publish a quarterly "Fraud Exposure Index" that ranks different social media platforms or content verticals by the prevalence of bots and engagement pods.

Release these findings to marketing trade publications and technology journalists. This data-driven content marketing would generate significant media coverage, build brand authority, and drive organic traffic. Aligning the tool's metrics with regulatory bodies like the FTC would further solidify its position as an industry benchmark, making it a "must-have" for compliance and due diligence.

## **6. Market Trends & Opportunities**

### **Key Market Trends in Influencer Marketing**

## **Exponential Market Growth**

Influencer marketing continues its rapid expansion, with the global market projected to reach \$32.55 billion in 2025, up from \$24 billion in 2024 - representing a 35.6% year-over-year increase and a 33.1% CAGR over 2014-2025. This growth significantly outpaces traditional advertising channels.

## **Shift Toward Micro and Nano-Influencers**

Creators with smaller followings are outperforming larger influencers in both engagement and cost efficiency:

- Nano-influencers (1K-10K followers) and micro-influencers (10K-100K followers) now comprise over 75.9% of Instagram's creator base and deliver up to 60% higher engagement rates than macro influencers in saturated verticals.
- Brands are reallocating budgets toward hyperlocal campaigns with niche creators to foster genuine community connections.

## **Performance-Driven Partnerships**

There is a clear pivot from one-off sponsored posts to measurable, ROI-focused collaborations:

- Performance-based compensation (commission, affiliate links, bonuses) is replacing flat fees, aligning influencer incentives with brand outcomes.
- Over 73% of marketers believe AI-powered analytics can largely automate campaign management, enabling real-time tracking of conversion rates, customer acquisition cost, and lifetime value.

## **Integration of Social Commerce**

Influencers are becoming direct sales channels as platforms embed shoppable features:

- Live shopping on TikTok Shop, product tagging on YouTube, and in-app checkout on Instagram reduce friction from discovery to purchase.
- 78% of TikTok users report discovering products through influencer content, driving impulse purchases and measurable sales attribution.

## **AI-Enabled Optimization**

Artificial intelligence underpins key capabilities in influencer marketing:

- Authenticity verification tools eliminate bots and fake followers, using audience scoring to guide partnership decisions.

- Predictive engagement modelling and sentiment analysis enable dynamic campaign optimisation, with 66.4% of marketers reporting improved outcomes through AI integration.

## **Regional Diversification and Platform Risk Mitigation**

- North America holds the largest market share, while Asia-Pacific is the fastest-growing region, driven by rising social commerce and a surge in local creators.
- Regulatory uncertainties (e.g., potential TikTok bans) and algorithm changes compel brands to diversify across Instagram, YouTube, emerging micro-video channels, and explore B2B influencer opportunities on LinkedIn.

## **Revenue Opportunities**

Opportunity	Drivers & Benefits
Micro/Nano Influencer Networks	Lower partnership costs; higher engagement (up to 60% lift); authentic community trust
Performance-Based Partnerships	Aligns creator incentives with sales; improved ROI visibility; justifies growing budgets
Social Commerce & Shoppable Content	Seamless checkout; impulse buying; direct attribution of sales to influencer content
AI-Driven Verification & Analytics	Reduces fraud; ensures authentic reach; real-time optimisation of performance metrics
B2B and Enterprise Influencer Programs	Longer sales cycles; high deal values; performance tracking drives C-suite buy-in

Regional & Hyperlocal Campaigns	Access to emerging markets (LATAM, MENA, India, Brazil); culturally relevant engagement
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## Customer Segmentation

**A nuanced understanding of customer segments enables targeted influencer strategies:**

- Gen Z: 56% discover new products on YouTube; 50% make purchases via social media.
- Millennials: Hold \$2.5 trillion in spending power and drive adoption of social commerce with shoppable tags on Instagram Reels and Stories.

## Analytical Insights

### 1. ROI Maximization

Shifting from mass-reach macro influencers toward micro and nano influencers can recapture audience trust and boost ROI by up to 60%.

### 2. Full-Funnel Activation

Embracing influencer marketing across the entire customer journey—from awareness through conversion and loyalty—can elevate its status from a brand-building tactic to a sales lever, with as much as 78% of TikTok shoppers attributing discovery to influencer content.

### 3. Automation & Accountability

Deploying AI-powered dashboards to track performance metrics in real time transforms influencer campaigns into data-driven investments, reducing wasted spend on underperformers and optimising budget allocation continuously.

By leveraging these trends, brands can unlock new revenue streams, deepen customer engagement, and future-proof their influencer marketing strategies against market saturation and platform volatility.

## 7. Potential Risks & Value Propositions

### Potential Risks

When evaluating the feasibility of introducing new services into the market, it is essential to identify possible risks that could affect sustainability and competitiveness. A structured risk analysis ensures that challenges are recognised early and mitigation strategies are in place. Using a **Process Decision Program Chart (PDPC)**, the following key risks and responses have been mapped:

- **Market Uncertainty**

- *Risk:* Rapid changes in consumer preferences or technological disruptions may reduce demand for the proposed services.
- *Mitigation:* Conduct continuous market research and trend monitoring using tools like Euromonitor and SurveyMonkey. Build flexibility into the business model to allow quick adaptation to changing needs.

- **Financial Risks**

- *Risk:* Higher-than-expected development costs or slower revenue generation may affect profitability.
- *Mitigation:* Prepare realistic financial projections with conservative estimates. Include a break-even analysis and maintain contingency reserves. Explore partnerships or phased rollouts to minimise upfront costs.

- **Operational Risks**

- *Risk:* Limited resources, skill gaps, or supply chain disruptions could hinder service delivery.
- *Mitigation:* Invest in capacity building, secure reliable supplier agreements, and adopt digital tools (e.g., Airtable for tracking operations) to improve efficiency.

- **Competitive Risks**

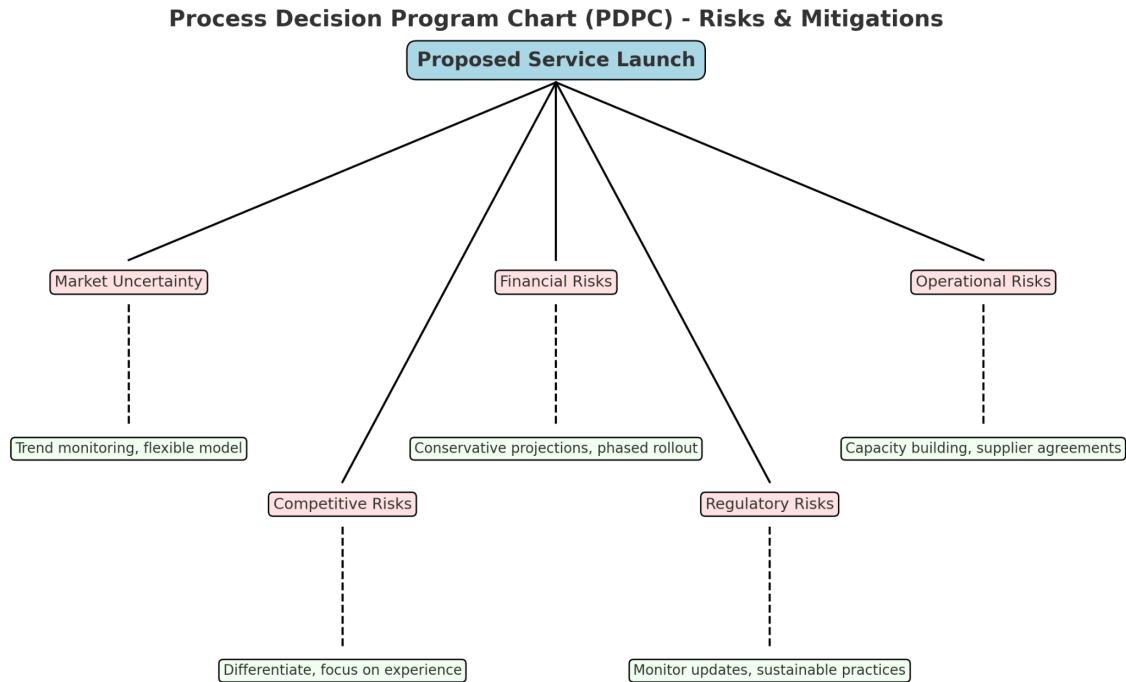
- *Risk:* Stronger or more established competitors may respond aggressively with price cuts or better offerings.
- *Mitigation:* Differentiate through innovation, emphasise unique value propositions, and focus on customer experience rather than competing

solely on cost.

- **Regulatory and Compliance Risks**

- *Risk:* Changes in laws, industry standards, or ethical concerns could restrict service operations.
- *Mitigation:* Stay informed on regulatory updates, incorporate sustainable practices, and maintain compliance documentation proactively.

By systematically addressing these risks, the proposed services can be positioned on a stronger footing and reduce potential barriers to market success.



**Figure: Process Decision Program Chart (PDPC) – Risks and Mitigation Strategies**

Source: *Self-developed using PDPC methodology (based on JUSE – Union of Japanese Scientists and Engineers).*

The PDPC illustrates the key risks that may affect the feasibility of the proposed service launch and the mitigation strategies designed to address them. Visually mapping risks

against preventive actions supports decision-making, reduces uncertainty, and strengthens the foundation for business model evaluation.

## **Value Propositions**

A **value proposition** clearly communicates why customers should prefer the new service over existing alternatives. It highlights how the service meets unmet needs, delivers superior benefits, and aligns with current market trends. For the identified service areas, the following value propositions strengthen feasibility and competitiveness:

### **1. Customer-Centric Solutions**

- The service is designed based on validated consumer insights, ensuring it directly addresses gaps in convenience, affordability, or functionality.
- Example: Personalised offerings through data-driven analysis to improve customer satisfaction.

### **2. Innovation and Differentiation**

- Integration of emerging technologies (AI, IoT, or blockchain, depending on the service area) provides a cutting-edge advantage.
- This positions the service as forward-looking and adaptable to future needs, making it stand out in a competitive market.

### **3. Sustainability and Ethics**

- The service embeds sustainable practices, which not only comply with regulations but also appeal to environmentally conscious consumers.
- This creates long-term loyalty and aligns with global trends toward responsible business practices.

### **4. Scalability and Flexibility**

- The business model is designed to scale with increasing demand, ensuring long-term growth potential.

- Flexible structures (e.g., hybrid revenue models combining subscription and transaction) allow adjustments as market dynamics evolve.

## 5. Trust and Reliability

- By emphasising quality, transparency, and customer support, the service builds trust, which is a critical driver for adoption and retention.

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