

The Influence of Influencers: How Social Media is Dominating the Marketing Industry

In a year of disease running rampant, video chatting becoming the new working norm, and a home buying rampage, one thing is certain: consumer use of online services has never been higher.

Services like Zoom, social media sites such as Instagram and Twitter, and even grocery delivery services like Instacart have seen outstanding success during these crazy times. With this unbelievable success among consumers comes a great opportunity for the tech-savvy marketers to leverage the profound success of the pioneers of these sites, the so-called "Influencers".

Social Media is Changing the Way We Purchase

With more and more time spent behind a screen, social media companies have behind-the-scenes access to consumers like no other company has ever had before. They can push notifications to their target's phones, grabbing interest with catchy tag lines and personalized content to pull them right back into the app.

But beyond just the vacation photos and selfies that litter Instagram, or the memes of Twitter, there lurks another form of media that consumers have become more and more accustomed to viewing: advertisements.

Online Marketing: An Evolving Landscape

Social media is a marketer's heaven when it comes to advertising to the public. Feeds have been highly tailored to each individual's interests by complex algorithms. It has become a place of comfort, where people go to see the things and people they want to see. And advertising right in someone's "comfort zone" is an impressive and profitable way for companies to convert sales, all without needing to rent out billboard ads or other traditional marketing products.

Consumers have a great eye for cheap ads, however, and the Pay-Per-Click method of buying generic ad space isn't as successful as it once was. This spray-and-pray tactic develops no bond between consumer and corporation, coming across as purely a transaction rather than a buying experience.

Companies have used social media sites to give the consumer the choice in what they see -- or, more precisely, *who* they see. This is the impact that Influencers, specifically through Influencer marketing, have on the bottom line of these companies.

Companies are Pushing for Micro-Influencers

Marketers have used individuals to push their brands for quite some time now, initially with programs such as affiliate marketing programs. Some of the most prominent figures in this realm are sports athletes, actresses, or other high-profile experts in a niche field. But with social media having such an impact on consumers, companies are looking for a way to make their marketing even more personalized than ever before.

For years, influencer marketing spending has been on the rise, beginning at around \$1.7 billion in 2016 and expected to rise to \$13.8 billion in 2021, according to a report published by the Influencer Marketing Hub. This staggering change shows just how effective influencers are at understanding their audiences.

Companies can leverage the trust that these Influencers have built over the years to create a strong buying experience, all while being able to characterize who exactly is seeing their products. This has led to astounding success for minimal investment, and the scale at which these social media influencers are being utilized is almost incomprehensible.

Over 80% of brands across the globe have some form of an affiliate marketing program. Of these brands, the United States holds a whopping 39% market share of the industry. And this isn't slowing down any time soon, as one of the interesting characteristics of influencer marketing is that the pool can't get too saturated.

The Rise and Growth of Influence

Companies have found some success with the big-name influencers that people across the globe have heard of, but the real success is found with the micro-influencers, those with audiences smaller than a celebrity, but still larger than the normal person.

These people are the sweet spot between those that we can connect with and understand on a personal level but still have the platform and the skills to reach a hefty audience of people that the marketers are looking to leverage. Call it the "perfect storm" of a social media user.

These micro-influencers are becoming more and more plentiful every day, as people take to social media to build their brands and share the products that they love. And they take this role seriously, as well: most influencers will only recommend products that they personally have tried, selecting their followers' interests over glamorous paychecks.

Companies no longer need to hire an ultra-popular celebrity to push their brands; they simply need to employ dozens of these micro-influencers with high engagement rates to see even more success than ever before, not only for themselves but for their customers as well.

Consumers Are Building Trust (and Buying!)

The personalized marketing campaign that each and every one of us has in our feed is continuing to connect us with products we want or need that have been verified by the people that we trust.

From a consumer standpoint, influencer marketing is a way for a trustworthy friend to test out a product and let others know whether it's worth buying or not. Getting real, honest reviews on products that influencers use every day is a great way to build trust, and trust is the foundation of any sales transaction.

It's also a great way for a consumer to get into new markets that they may want to try out, such as a new financial tool or sports equipment. Reports have found that best affiliate marketing programs are responsible for up to 16% of all sales revenue from online orders, a huge increase for very little investment. This highlights the effectiveness that influencer marketing is having for companies and the positive reaction of consumers.

Being able to look up to the people that have found success in a new field is a great way for consumers to continue to develop themselves. It promotes entrepreneurship, can improve quality of life, or can simply help someone find a new passion or hobby that they love.

It's truly a win-win-win for all parties involved, and it all boils down to the influencer marketing campaigns of companies. It's no surprise to anyone that influencer marketing spending will likely continue its upward trajectory into the future, connecting consumers with the products they love.