

# THE STATE OF INFLUENCER MARKETING 2020

2020

*SPECIAL FOCUS ON  
FASHION, LUXURY  
AND BEAUTY  
INDUSTRIES*



More  
than \$100K  
10.8%

Between  
\$50K and \$100K  
11.7%



EUROPE  
51%

# THE STATE OF INFLUENCER MARKETING 2020

*SPECIAL FOCUS ON  
FASHION, LUXURY AND  
BEAUTY INDUSTRIES*

2020  
LAUNCHMETRICS

# INDEX

03.	Intro Letter from our CEO
05.	Influencer Marketing Effectiveness
06.	Investments and Budgets
09.	Relatability Matters
11.	Popular and Emerging Channels
12.	Consumer Generation Profiles
13.	Influencer Marketing Challenges and Measurement
14.	Influencer Challenges and Motivations
20.	Covid-19: A new Industry Climate
26.	Predictions for the Future
28.	Report Methodology

# BUILDING CUSTOMER-CENTRIC STRATEGIES IS MORE IMPORTANT THAN EVER BEFORE

2020. A year in which the direction of influencer marketing seemed clear after years of evolution and stabilization. And suddenly, the Covid-19 crisis changed everything - causing not only the largest health crisis of recent years but also a heavy blow to the fashion, luxury and beauty industries whose futures are still uncertain.

The fact that almost 95% of these industries work with influencers, or that the main objectives covered through these types of campaigns are awareness or sales is not surprising.

**Investments in influencer marketing programs in 2020 continue to grow - increasing by between approximately 10% and 30% this year.** But, when asked which markets are the primary targets for such investment, we discovered with some surprise that despite the fact that Europe continues to lead the investment objectives of most brands, the Asian market is in second position,

competing very closely with the United States. This corresponds with a recent study published by Boston Consulting Group stating that revenue from Asia will represent 41% of the sector in 2025.

Generation Z has also grown as a target for brands in their aspiration to reach the consumer of tomorrow, who will soon have a much greater *Share of Wallet*. Consequently, TikTok has established itself as a key platform in the influencer marketing spectrum. This social network, (with 46% of users between 16 and 24 years old), is already a new channel to exploit in their actions with influencers for 42% of brands within the industry.

Micro influencers with niche followings continue to be the most

## BUILDING CUSTOMER-CENTRIC STRATEGIES IS MORE IMPORTANT THAN EVER BEFORE

effective for brands whose main objective is a greater connection and closeness with their audiences. Perhaps more than ever, the key to a successful influencer marketing strategy is relatability. Building a relationship with the consumer that goes far beyond fashion or the product itself, and which is 100% customer-centric is essential. We see this trend, for example, through the finding that **56% of brands in 2020 say that they use their consumers as influencers** and 'User Generated Content' (UGC) is positioned at the forefront of many strategies now.

Since the beginning of this crisis, brands are evolving from a product-focused communication line to reinforcing the intangible values of their brand. Influencers' sponsored content has slowed in the past two months and authenticity is now translated into valuable, transparent content that is much closer and responds better to consumer needs right now.

At Launchmetrics, we are launching the sixth edition of our annual Influencer Marketing Report in the midst of an uncertain time, with the future outlook of the industry raising many questions. At the same time, as Einstein said: "in the midst of difficulty, lies opportunity." It is time for brands to rebuild direct relationships and relevancy to their consumers. **To analyze and measure what their needs are in order to maximize the result of each and every brand action.** And in this evolution, we must observe how influencers elevate their role to be part of this redefinition of the industry.

I hope you find our State of Influencer Marketing Report 2020 insightful for your business, and that it helps you to start envisioning the new future for your brand.



A handwritten signature in cursive script that reads "Michael Jais". The signature is written in a dark ink on a light background.

**CEO, LAUNCHMETRICS**



## // INFLUENCER MARKETING EFFECTIVENESS

94%

## FIND INFLUENCER MARKETING EFFECTIVE FOR DRIVING SALES



The **effectiveness of influencer marketing** for driving sales increased by **18%** compared to 2019



The three main goals brands are achieving via influencer marketing programs include; raising awareness (an increase of almost **5%** compared to last year) and supporting the digital strategy of those companies.

## Asos Insiders: Driving Products via Influencers

Although Asos' marketing initiative - 'Asos Insiders' - has been running for a few years already, its results are still remarkable. It's not just about building brand value and gaining visibility through Key Opinion Leaders (in the past year this campaign offered Asos \$8 Million in MIV®), but also about creating an authentic community of brand ambassadors driving users directly towards points of purchase.

The "Insiders" are a group of about 20 trendsetters from different corners of the globe that can be found on the [ASOS Insiders website page](#). Each influencer uses his or her social media accounts (mainly Instagram, but also Pinterest and YouTube) to promote clothes, accessories and/or beauty products that are available to buy on ASOS.com and whose code they always list in the caption of every publication they post.



### \$8M in MIV®

Is the overall value obtained by the Asos Insiders campaign in the past year. 85% was accumulated via Instagram.

### Almost \$3M in MIV®

Is what the Influencer Voice generated for this campaign, representing 31% of the global MIV®.

### Ari Fitz, @asos\_ari

Was the best performing influencer of this campaign in the last year contributing almost 18% of the MIV®.

# BRANDS

## BRANDS ARE STARTING TO FAVOR ASIA AS A TOP MARKET FOR INVESTMENT IN INFLUENCER MARKETING CAMPAIGNS.

**Europe** is the continent where brands are investing the most in influencer marketing, followed by Asia and USA.



The relevance of the luxury and fashion industries' presence in regions such as France or Italy as well as the emerging consumption of luxury products in countries such as Russia, is probably the reason why budgets for influencer campaigns are concentrated in Europe. However, it is interesting to see that brands are favouring Asia second, and very slightly above the United States, this is likely because Chinese consumers are set to make up **46% of luxury goods purchases** by 2025.

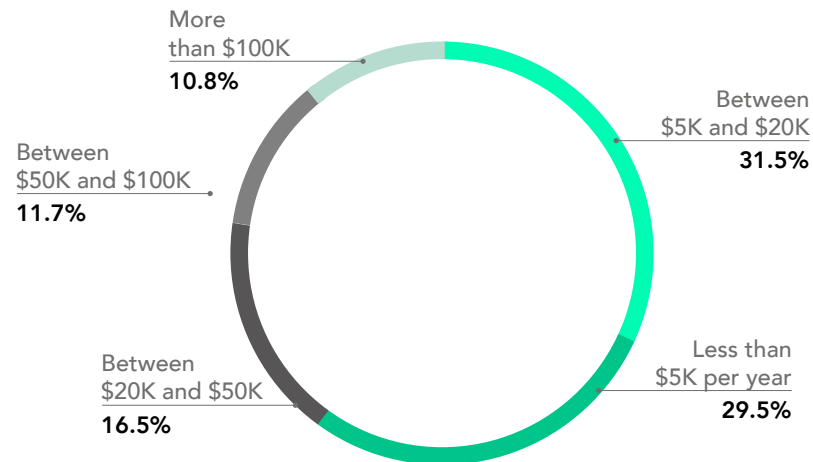
# BUDGET

## MOST PROFESSIONALS HAVE INCREASED BUDGETS BETWEEN 10% AND 30% COMPARED TO 2019

**39% of professionals claim that their brands invest more than \$20K a year in influencer programs.**

Brands in the fashion, luxury and beauty sector have increased their budgets dedicated to campaigns with influencers this year. Most of them have increased budgets by between 10% and 30%. The percentage of professionals investing more than \$10K increased by 10% compared to 2019.

## INFLUENCER MARKETING INVESTMENT



# >>> 44%

Say they will increase budgets in the next year due to the growth in overall influencer marketing activations. 18.2% say it is due to increasing collaborations with influencers in new markets.

# INDUSTRY INSIGHT

*WITH ARNE EGGERS,  
SENIOR VICE PRESIDENT, KARLA OTTO ASIA*

In other markets KOLs tend to be used as an additional element for a marketing campaign, whereas in Asia they are usually at the heart of it. Influencers are used to amplify almost every event or campaign and help brands to spread their message to wider audiences. With large and engaged audiences many KOLs in Asia are extremely effective at this, so it would be rare to see a brand plan a campaign without keeping them top of mind. Most brands would treat KOL partnerships as an “always on” strategy to maintain awareness and engagement with target consumers. But while influencer activations will play a key part in the marketing strategies for all of our clients, no brand will solely rely

on them – a successful campaign will usually be following an integrated approach that includes ATL, BTL, PR and offline activations. Marketing activations involving KOLs tend to follow different strategies compared to Western markets. In China, KOLs are now increasingly engaged to do direct-sell live-streaming for brands within ecommerce platforms such as Alibaba’s Tmall. Hence, brands in China may also have to develop strategies on identifying the right KOLs to serve specific purposes, from pushing sales to image building to storytelling etc., and on which platform.



***Most brands would treat KOL partnerships as an “always on” strategy to maintain awareness and engagement with target consumers.***

# RELATABILITY MATTERS

The success of relatable channels when it comes to influencer marketing is clear, but the way both brands and creators communicate this is **continuously evolving**. We have seen an influx of brands, particularly in the beauty industry, leveraging their customers as influencers - **56.3% of brands this year**. Not only does this method of influencer marketing bring companies closer to their customer, it also provides visual, real testimonials from the very consumers they are trying to attract.

This is also reflected in the ever-growing popularity of Micro Influencers who **tend to have a more niche following**, and therefore a strong

relationship with their engaged followers. And, creating relatable content isn't just important for brands and consumers - it's something that influencers are also paying attention to. **48% of influencers would work with a brand for free** if they really loved them, and are conscious in the content they present to audiences. If there is an inauthentic match between brand and influencer, creators may run the risk of alienating their audience, and brands may not see return.



42.9%



**Find Micro Influencers** most effective.

56.3%

Of brands **have leveraged their consumers as influencers.**



## THE TOP THREE REASONS?

1. They are **cost-effective**
2. They are **more authentic**
3. They have a **better relationship with target consumers**

48%



Of **influencers would work with a brand for free** if they really loved them.



**+10%**  
From 2019



# BRAND STORY:

## GLOSSIER'S USE OF CUSTOMERS AS INFLUENCERS



### Glossier.

A trend that has become particularly prominent in influencer marketing – specifically within the beauty industry – is utilizing customers as influencers. 56.3% of brands have leveraged their consumers as influencers in 2019, and this number is only increasing, with the likes of digitally native brands like Glossier paving the way for successful user generated content strategies.

Glossier was born out of Into The Gloss – a beauty website and blog developed by Emily Weiss “devoted to people sharing products they love”. The brand makes products designed with “real beauty routines in mind”, and has an army of Glossier reps, who started out as superfans of the brand. Glossier has built their cult social media following off of content storytelling, directly from their consumers which has built both trust and legitimacy: **“I’d say it does impact on trust when you can see that lots of people who have bought the product are loving it and want to talk about how good it is”** says Amber, a customer who has been featured on Glossier’s Instagram in the past. Grace, A.K.A. [@damselflavored](#) is a rep for the brand,

*“Leveraging customers as influencers is great, because as a consumer I like to see products in action on other customers – I feel like they are being honest.”*

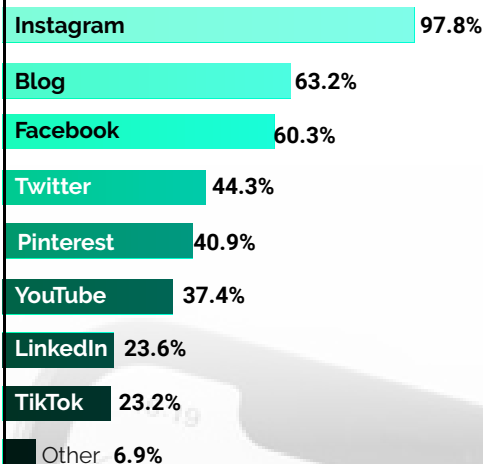
who started out by just posting their products on her Instagram, she noted that “personally I feel that leveraging customers as influencers is great, because as a consumer I like to see products in action on other customers – I feel like they are being honest.”

Throughout 2020 it is likely that the prevalence of customers as influencers for beauty brands will increase, as companies try even more so to incorporate storytelling in to their content, rather than just product promotion. By putting customers at the forefront of a social media strategy, the people who have purchasing power can legitimize the brand via personal testimonials.

## //POPULAR AND EMERGING CHANNELS



What **channels** do you use to create content?



## THE PRESENT

Instagram is still the most popular channel for creators when it comes to the content they produce. **Brands also favour Instagram as the number one platform for collaborations (42%)**, specifically seeing the most results via Stories. The popularity of Instagram Stories as a medium of collaboration has increased since 2019, as creators are willing to be more flexible with content that doesn't live forever in their feeds. This means partnerships can also potentially generate higher volumes of content, if there is an option for both feed posts and Stories.

## THE FUTURE

Although Instagram is still the number one platform for influencer marketing, TikTok is making a big play when it comes to capturing Millennial and Gen Z consumers. Of the brands investing in new channels, specifically TikTok, **55% say it is because they want to engage with a new consumer**. The channel is designed for users to create fun, viral moments and take part in challenges that everyone can get involved in, making it increasingly popular, especially in today's current climate. Brands have started to notice this growth, with the likes of **Tommy Hilfiger, Burberry and Calvin Klein** paving the way with TikTok campaigns.

**42%**

of brands plan to include TikTok in their influencer marketing strategy.

**55%**

say the number one reason for this is to reach new consumers

**11%**

said the main driver was to leverage nano influencers

**23%**

of influencers name TikTok as one of their main channels

# CONSUMER GENERATION PROFILES

## GEN Z



# 15%

of brands surveyed name this group as their target consumer

Whilst Gen Z consumers don't currently have the largest *Share of Wallet*, they are increasingly on the radars for brands as future consumers and creators.

- **Key values:** transparency, authenticity, accountability
- **Key channels:** Social media: TikTok, Instagram, YouTube

## MILLENNIAL



# 67%

of brands surveyed name this group as their target consumer

Millennials currently represent the largest demographic for fashion, luxury and beauty brands. Millennials bridge the gap between Gen X and Gen Z in terms of what they expect from brands today

- **Key values:** relatability, trust, commitment to change
- **Key channels:** Social media, blogs, digital articles

## GEN X



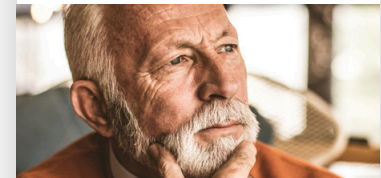
# 17%

of brands surveyed name this group as their target consumer

Gen X still hold a large *Share of Wallet*, especially when it comes to higher ticket items from luxury brands. However, this figure is slowly decreasing as Gen Z continues to rise..

- **Key values:** commitment, quality, reliability
- **Key channels:** Media outlets (physical and digital), blogs, some social media

## BABY BOOMERS



# 1%

of brands surveyed name this group as their target consumer

Baby boomers represented the smallest percentage of the current target audience. Because this group connect with influencers less in their day to day life, they are usually reached using a limited number of traditional channels.

- **Key values:** accessibility, consistency, tradition
- **Key channels:** Magazines, online media

This year, Millennials remained the number one target group for brands in the fashion, luxury and beauty industries. However, Gen Z has continued to grow as a consumer group, increasing by 9% as compared to last year. Congruently, Gen X has slightly decreased in terms of consumer profiles that brands are targeting today.

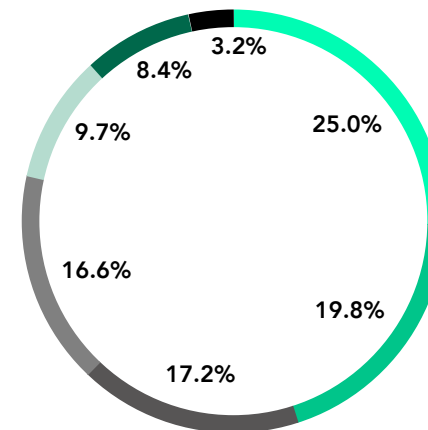
# 25% OF PROFESSIONALS CONSIDER MEASUREMENT AS THEIR MAIN CHALLENGE WHEN MANAGING INFLUENCER PROGRAMS

## What metrics do professionals use?

The number one way that brands measure the effectiveness of their influencer marketing campaigns is via social media engagement (30.85%). 25.21% look at the impact on sales and 22.55% look at the increase in website traffic.

Once again, measurement is the primary challenge for brands - maintaining a similar percentage compared to 2019. It is interesting to also observe how other challenges have increased in the last year, such as "ROI Justification: Demonstrating the value influencer campaigns offer our brand to the C-Levels in my company" or "Strategy Development: Understanding the most effective influencer marketing strategies". And, although creating unique content occupies a fourth position with 16.6% of professionals considering it their biggest challenge, we can say that **understanding and demonstrating the effectiveness of influencer initiatives has become the main concern in 2020 for fashion, luxury and beauty brands.**

## BRANDS' MAIN CHALLENGES WHEN WORKING WITH INFLUENCERS



- Measurement: Creating and tracking the right KPIs to assess the performance of influencer programs
- ROI Justification: Demonstrating the value influencer campaigns offer our brand to the C-Levels in my company
- Strategy Development: Understanding the most effective influencer marketing strategies
- Content: Creating unique content to help differentiate my brand from competitors
- Identification: Accessing reliable data to know which influencers are relevant to target
- Scalability: Managing relationships with a large number of influencers at the same time
- Legal: Managing monetary and contract issues with influencers

*Budgets have increased in 2020, which implies that the need to understand the return on investment of this type of campaign is increasingly crucial.*

Michael Jaïs,  
Launchmetrics CEO

# THE INFLUENCER PERSPECTIVE

We also surveyed creators and influencers about their current view on the state of influencer marketing today. Interestingly, but perhaps unsurprisingly, **the biggest pain point for influencers is still 'unclear creative briefs' (56%) followed by 'too many guidelines' (35%)** and 'lack of transparency' (35%) when it comes to collaborations and partnerships. It is clear that there is a real need for an increase in more open communication between brands and influencers, in order to form more fruitful partnerships. Trust and transparency is key in a fairly new industry that is still evolving.

On the other side of the coin, the top two motivations for working with brands in the first place are

monetary compensation and valuable content for their community. The lowest motivation is the number of followers they may receive as a result of a collaboration, making it important to reiterate that campaign partnerships have to make sense. **Creating valuable content for an influencer's community requires that said content really resonates with their audience. Careful and considered matches between brand and influencer are therefore fundamental in making a win-win situation,** where brands reach engaged audiences, and creators are able to remain in line with their brand tone of voice.

## CHALLENGES



**56%**

of influencers say the number one challenge is unclear creative briefs



**35%**

say too many guidelines



**35%**

also say lack of transparency in communication

## MOTIVATIONS



**56%**

of influencers say the number one motivation is monetary compensation



**37%**

say valuable content for their community



**+ Growth in followers** is the lowest motivation for influencers



# TIERS OF INFLUENCERS

## MICRO INFLUENCER



20k-100k



**Laura**

📷 theblondehills

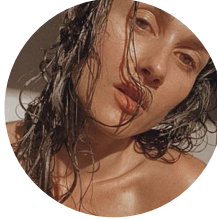
*"The main challenge is simply to satisfy the brand, whether in terms of content creation or post-campaign impact, while remaining authentic."*

**Laura, Travel and Style Creator**

## MID-TIER INFLUENCER



100k-500k



**Sarah Barlondo**

📷 sarahbarlondo

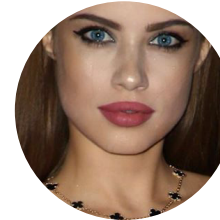
*"I think authenticity, consistency, and quality over quantity is what can make an influencer successful."*

**Sarah Barlondo, Actor, Influencer and Director of The White Flamingo Agency**

## MEGA INFLUENCER



500k-2M



**Xenia Tchoumi**

📷 xenia

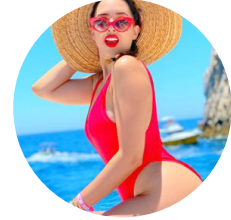
*"I try to use my platform to educate both men and women on the prejudices females still face."*

**Xenia Tchoumi, Digital Fashion Creator and Entrepreneur**

## ALL-STAR INFLUENCER



> 2M



**Mariale Marrero**

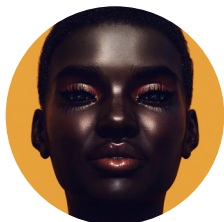
📷 mariale

*"My followers know me so well, so they would know if I partnered with a brand and it wasn't genuine. I make sure every brand I work with is a brand I really use and love."*

**Mariale Marrero, YouTuber**

# EMERGING INFLUENCERS

## VIRTUAL INFLUENCER



**Shudu**

📷 shudu.gram

## MAKEUP ARTIST



**Camille Thompson**

📷 killahcamz

## MODEL



**Starr Clare**

📷 starr\_clare

## CUSTOMER



**Tania Syan**

📷 taniasyan

*"I think virtual influencers are opening brands' eyes to the possibility of different ways of social media marketing."*

**Cameron James Wilson,**  
CEO of The Diigitals

*"Today we have Instagram which is an amazing platform to broadcast the art of makeup. People love watching me transform my clients."*

**Camille Thompson,**  
Makeup Artist

*"I get most of my modelling jobs through social media now, and I see a lot of other models doing this and going freelance. Instagram is kind of like a little agency in itself - brands can check people's profiles and decide whether they fit the brief."*

**Starr Clare, Content Creator & Model**

*"Seeing everyday people choose to purchase and enjoy using Glossier's products gives a sense of trust that seems genuine- you know they are sharing it because they want to."*

**Tania Syan, Glossier customer and Founder of Olive and Piper**

# THE INFLUENCER PERSPECTIVE:

## AN INTERVIEW WITH LEONIE HANNE

**L**eonie Hanne is a German All-Star Influencer and entrepreneur with over 2.1 million followers on her Instagram alone. Leonie mainly creates content around the luxury fashion industry, also running a successful blog, [Ohh Couture](#) which covers all things fashion, lifestyle and travel. Starting as a strategy consultant, Leonie has three degrees under her belt, beginning her career as an influencer by selling clothes on Kleiderkreisel - Germany's biggest platform for re-commerce and fashion. Ambitious and highly numbers-driven, Leonie quickly learnt how to strategically post content according to the algorithm of the platform, from there, building up a dedicated follower-base who migrated with her to Instagram.

**How have you balanced being able to produce content with the change of the influencer marketing climate as a result of Covid-19?**

In the beginning during the first week when everything got serious, I had to think. Normally, I post fashion content and work with high end brands and I was thinking "what can I post without being insensitive?" So, over the first few days, I was monitoring what was going on and then I saw that people at home actually missed things that got their heads out of being bored. Whatever it is that entertains people, even if it's fashion, it's still something that people enjoy - these days magazines can't produce and brands can't produce, but I can still try to provide creative fashion content - and people seem to really appreciate it.



*I can still post fashion, but I need to incorporate storytelling, it's all about communicating.*

**It's also been so successful for you because you have been honest in how you communicate with your followers and share your life at home.**

I feel like this might be the next step. Currently, a lot of high-end brands work with the people they think are cool - they always just show how amazing influencer relationships are with brands but they don't actually communicate with people. I think this is now the massive difference - I can still post fashion, but I need to incorporate storytelling, it's all about communicating. We realise it also matters how you communicate. We have an assistant and someone that helps us with the website and sometimes, they write things and I say to them: "I really like it, but at the moment we need to communicate differently." It's more about the message, and at the moment we all need to be really smart about how we communicate.

## //INFLUENCER CHALLENGES &amp; MOTIVATIONS

## &gt;&gt; THE INFLUENCER PERSPECTIVE: AN INTERVIEW WITH LEONIE HANNE

**You've also started investing more time into TikTok. Could you talk a bit more about the transition from Instagram to TikTok?**

I feel like a lot of influencers now are asking why their followers from Instagram aren't migrating to TikTok - but it's a different audience. Whatever channel you are using, it's all numbers work and it's about having a different strategy. This is how I started, and this is how it works. Online is so fast, so you can't rest, you always need to understand each channel at that moment and be smart about it.

**56% of influencers surveyed said one of the biggest challenges when they work with brands is unclear creative briefs. When you work with brands what do you expect?**

I think it depends so much on the brands you work with, and how much experience you have. For me and my partner, Alex, it's very different. Everything is two-sided and brands don't force you to work with them - It's a relationship. When we talk about projects, we always make sure it's the

DNA of the brand but it's also our DNA. I'm not a billboard - they can't send me something and say "please post on your Instagram" - but it's also because I'm very clear on who I am as a brand, and what brands I want to work with. I've never in the history of blogging worked with a brand where I feel like it didn't really fit, or I was in for easy money.

**So, you prefer to have longer term relationships with brands.**

Yes, for example, I have a great relationship with Dior. It's more of a partnership as we work collaboratively, sometimes I'm educating them on the processes from my perspective. For people that still struggle with this topic, I think the smartest advice is to always ask: "what kind of content are you looking for, and can you go to my Instagram, and send me 3 links of what you had in mind?" Because, if they look closely at your feed, they will see that they have to translate to your audience and how you would actually communicate.

There's not one brand that would invite me to a show without knowing me. It's

*It's so important for brands to trust people they work with.*

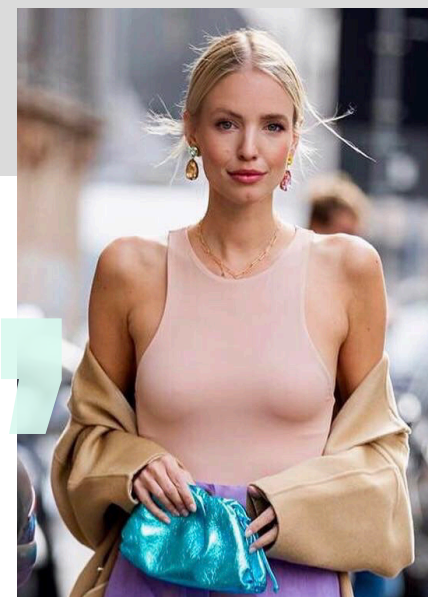
so important for brands to trust people they work with. What people forget is behind every brand I post especially at fashion week, there is a long term relationship that needs to be taken care of. A lot of people think about a logo, but when I post I think about the people I know from the brand.

**Talking about brands, you've mentioned Dior, is there any particular brand that you would say is doing it right in influencer marketing?**

For me, relationship-wise, I'm happy and proud of our relationship with Louis Vuitton. In the beginning Louis Vuitton contacted me and said "we love you but I'm not sure whether you are a Louis

Vuitton girl." But they took a chance with me. I tried hard to create content I never had before. And this worked - they said all the content I made was more like what the team would produce there, in-house. So, we won their trust and they also realised that even if I'm not their 'typical look,' I'm still selling.

I think that this is an amazing example of a two-sided relationship. For me when I know I produce for TikTok or Instagram,





## //INFLUENCER CHALLENGES &amp; MOTIVATIONS

## &gt;&gt; THE INFLUENCER PERSPECTIVE: AN INTERVIEW WITH LEONIE HANNE

even in lockdown, I'm always making sure to include Louis Vuitton. But I never think about whether it's paid or not, I know it's a relationship and I see how they reciprocate that when it's the other way around.

Another good example was Amazon Fashion. When we launched The Drop collection for them it was really exciting as we had 15 international magazines who wrote about it, including Vogue. We produced a collection made on demand so there were no samples produced, people bought the items, and they would look at the numbers and produce accordingly. They said to me that they wouldn't sell out, and from my 11 items 7 sold out immediately, even those that to me they said weren't possible.

**How do you communicate your value, or the ROI you offer to brands?**

There's so many sides to what we do which makes it more difficult to measure. An example was when I was here for the Dior exhibition and some girls came up to me in a coffee shop where I was with the PR team. The girls that came up to me were wearing Dior

Saddles and they wanted to take a picture with me, afterwards using the hashtag #DiorSaddle in their posts. In the Dior boutique in London, the store manager came to me when I was there for the first time and she showed me a picture, where I was wearing a Dior bathing suit and she told me they sold out of this bathing suit because everyone came to the shop with this picture. And this is something you can't usually see online or show in numbers.

I also know that I'm influencing other influencers. I can see what people respond to because a lot of people will copy it. Even if they are not working with the brand or getting paid, it shows that I am not only influencing my audience, but other industry leaders.



*It's a relationship. When we talk about projects, we always make sure it's the DNA of the brand but it's also our DNA*



# THE NEW INDUSTRY CLIMATE



While the state of influencer marketing has undergone a drastic shift from the time we launched this annual survey until this moment, we felt the key takeaways and themes coming through from the survey data connected quite relevantly to those we believe will be critical in this next period. With that in mind, **we wanted to take a moment to share a deeper analysis of what is slowly becoming "The New Industry Climate."** Our aim is that this, alongside the other data in this report will help each of you as you evaluate how you adapt your plans around influencer marketing as well as answer some of the questions many of you have about how your brands should be responding during this fragile moment.

## SPONSORED CONTENT FROM INFLUENCERS HAS GONE FROM AN AVERAGE OF 35% TO 6% DUE TO THE COVID-19 CRISIS

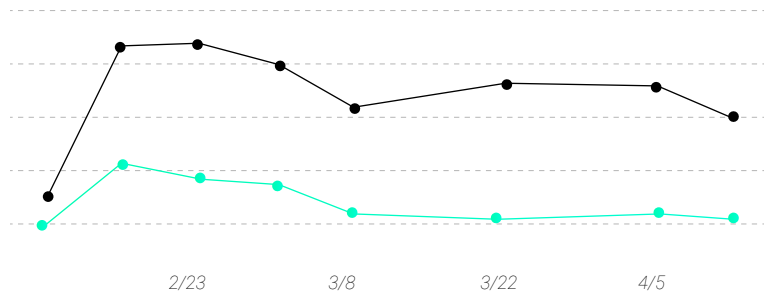
The recent Covid-19 crisis has become not only the world's greatest health threat, but also a dangerous enemy for a fully globalized industry. Most of the brands in the fashion, luxury and beauty sector have seen their stores close all over the world, keeping exclusively - and in some cases not even - their e-commerce stores open. **The digitization processes have had to be accelerated, to respond to the needs of a consumer whose only window of access to the world is the internet and online channels.** However, in the midst of this crisis, and with a

customer whose last priority is consumption, brands and content creators face a much bigger challenge: playing a social and responsible role to satisfy their consumers' needs now. And this is done by sharing the best of themselves through their transparent and sincere content and stories.

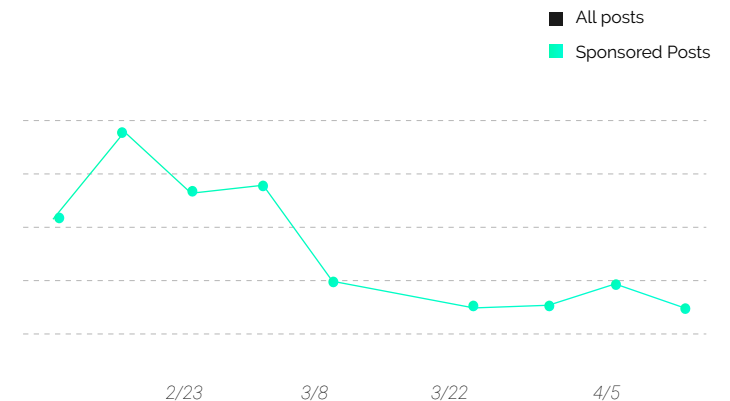
**The key fact demonstrating this change: influencers' sponsored content has experienced a significant decrease week after week since mid-February** when the crisis emerged. Sponsored content has gone from representing

an average of 35% of all influencers' publications, to 4%. The question right now is: Will the industry evolve to a much more customer-focused strategy? Probably, yes. What we are seeing during this new climate is that building a relationship - far beyond the product - became a priority for brands. And as part of that evolution, influencers became a key tool for reaching out to consumers through authentic and relevant stories. It's not about fashion itself anymore, it's about elevating the role influencers are playing as part of the industry to continue being a key part of this new scenario.

### WEEKLY INFLUENCER POSTS



### WEEKLY % OF SPONSORED POSTS



# COVID-19

## BRANDS AND INFLUENCERS: HOW ARE THEY ADAPTING THEIR STRATEGIES DURING COVID-19?

Here, we look at the brand and influencer response to the Covid-19 crisis, impacting almost every corner of the globe. With thousands of stores closed and a considerable decrease in sales, **brands and Influencers have had to squeeze their creativity and content production capacity to help society** in different ways. Here are some forward-thinking examples.

*Customer communication should focus on community-building efforts and addressing consumers' changing needs and concerns.*

VOGUEBUSINESS



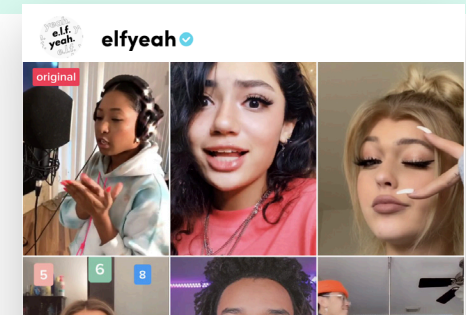
A conglomerate of Inditex, European clothing brand, Oysho, has used their platform to partner with influencers for workshops, workouts and more. With much of the global population working from home, and unable to resume their typical routines, Oysho has brought yoga classes, bread baking tutorials and DJ sets with some of the top names in the industry straight to our screens.



Fashion retailer, Pretty Little Thing is already known for their presence on Instagram via their plethora of influencer partnerships. In response to Covid-19, the brand hosted an 'at home' awards featuring some of the top influencers and celebrities today. They have also introduced an IGTV series: '#StayHomeWithPLT' where the brand partners with influencers who showcase what they get up to whilst isolating.



Italian luxury fashion house Gucci has taken to their Instagram to craft engaging content for their audience in the wake of Covid-19. The brand has partnered with influencers of all walks of life, to give them a platform to share snippets from their at-home life - featuring anything from musical performances to advice from Korean star and celebrity - Kai.



As one of the first beauty brands to adopt a TikTok strategy, e.l.f. were quick to create a campaign that encouraged viewers to wash their hands and stay safe during Covid-19. With some of the top influencers from TikTok on board such as Loren Gray, the trend quickly went viral and was shared across multiple social platforms, encouraging users to make a video of their own.

## IN GOOD AND BAD TIMES, WHY DO WE FOLLOW INFLUENCERS?

For many fashion, luxury and beauty brands, the idea of ambassadors or celebrities toting products is not novel. However, with **the recent shift in consumer behavior away from a product-centric world to a renewal of value-based marketing**, we ask ourselves - how did the phenomenon of influencer marketing gain its traction to begin with, and why do consumers continue to follow these digital creators today?

Influencer marketing has existed since the beginning of time, it's just the "influencers" who have changed. Before, it was royalty and religious figures, then celebrities became the faces pushing products and representing brands around the world. More recently, with the rise of digital media, new content creators arose amongst a shift from push marketing, to pull. This shift was fueled by the desire for consumers to be part of the dialogue and not just on the receiving end, marking the inauguration of inclusive communities where key opinion leaders would create two-way conversations with their fans

about their favorite products, services, brands and more. As already mentioned in this survey, **the connectivity and relatability these digital tastemakers offered their communities is what made (and makes them) successful.**

The excitement of this new phenomenon quickly spurred something that was originally a simple two-way dialogue into a multi-million dollar industry where brands were ready to pay-for-play and a price could be made for nearly any type of activation. That said, **since the onset of Covid-19, a renewal in the spirit of influencer marketing has reverted to resemble more of its origin - the authentic conversation between creator and community** - with influencers returning to a focus on content that truly adds value to the lives of their followers as well as the wider world in general. Today, in this new climate we explore the question, why do we follow the influencers we love? And what value do influencers provide to their followers?

# INFLUENCERS: OFFERING GREATER VALUE DURING QUARANTINE



## ENTERTAINMENT

📷 @queenofjetlags

Noor, A.K.A. @queenofjetlags is one of the many influencers embracing fun and viral challenges online. To marry fashion with humor, she took part in the #pillowchallenge, where creators convert their pillows into dresses to create a pseudo-high fashion look. This, alongside the #fliptheswitch challenge and more have been shrouding audiences' feeds especially via TikTok and Instagram, as influencers try to provide comic relief during an otherwise potentially stressful time.



## EDUCATION

📷 @iamamyjackson

There has been a huge uptick in the accessibility to online courses, such as live workout sessions or cooking classes, and influencers that fit within a specific niche are getting involved. Amy Jackson, for example, has posted at-home workouts to educate her audiences on the best tips and tricks for staying fit at home, as well as allowing them to participate alongside her when she does her daily workout routine.



## ADVICE

📷 @thestylebungalow

Many creators have been utilizing their platform in a positive way to give advice on how they are getting through isolation, from a more personal perspective. Stephanie Hill is a great example of this, as she has created a new branded hashtag: #AtHomeWithTSB where she shares the best ways to relax and stay busy. Hill gives daily updates, book recommendations, interior inspiration and more to her 212k followers on Instagram.



# COVID-19

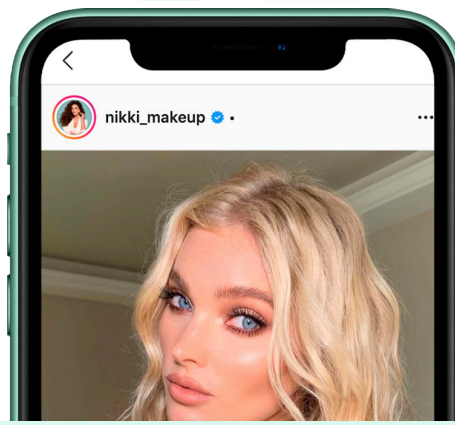
## INFLUENCERS: OFFERING GREATER VALUE DURING QUARANTINE



### SOCIAL RESPONSIBILITY

📷 @chiaraFerragni

Italian All-Star Influencer, Chiara Ferragni, has been incredibly vocal on her platform in light of the impact Covid-19 has had on Italy, raising €4 million for relief efforts. The digital entrepreneur has also adapted her content to share an honest, behind the scenes look at her life at home, partaking in more candid TikTok challenges, and speaking directly to her fans and followers.



### INSPIRATION

📷 @Nikki\_Makeup

Celebrity makeup artist, Nikki Wolff has been getting creative with her platform and how she utilizes it during this time. As she typically creates slick makeup looks on celebrities, Nikki has started live tutorials on her Instagram, starting with a walkthrough featuring Elsa Hosk. Nikki has also been sharing her tips and tricks for video conference makeup and has done well to evolve her content to remain relatable to her makeup-loving audience.



### SELF-EXPRESSION

📷 @jessicawang

Jessica Wang has created an #athomeseries where she shares engaging and artistic images of her life at home. Jessica pairs beautiful photography with her styled looks, to create visually stunning content to keep her followers engaged. The creator has also incorporated a story highlight in her feed which shares a more personal look behind the scenes of her isolation lifestyle.

# PREDICTIONS FOR FUTURE INFLUENCER MARKETING STRATEGIES



## 1. Brands will start to use **smarter metrics**

Looking only at Engagement as a metric for determining success is no longer a reliable indicator for brands. When you analyze engagement numbers in comparison to overall reach, it is clear that the potential value of an influencer for a brand is not reflected in the engagement rate shown. Brands need smarter metrics to really evaluate success and ROI, which can only be done via a holistic campaign analysis, using fine-tuned data-driven metrics.



## 2. Consumer connections **will strengthen**

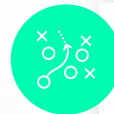
Now, more than ever, consumers are looking to brands and influencers who they can connect with and relate to. The content that is being produced as a result of this will become less product-focused, and will start to tell more of a story, that sheds light on how brands fit in to creators' lives. Those that recognize and empathise with the situation that many of their followers are in, whilst remaining honest with their audiences will win out.



## 3. Influencer marketing will **no longer be top-down**

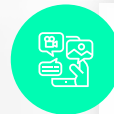
The influencer marketing industry will make a shift from being a solely top-down approach, to being more bottom-up. Content development for brand-creator collaborations will be influenced more directly from creators themselves, as they try and develop more entertaining content for their existing audiences. The shift away from product-led activations will allow the direction to land more significantly in to the influencer's hands.

# PREDICTIONS FOR FUTURE INFLUENCER MARKETING STRATEGIES



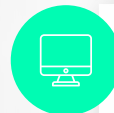
## 4. Brands will **diversify their strategies**

Whilst Millennials are still the largest target when it comes to brands in the fashion, luxury and beauty sectors, brands are slowly moving away from Gen X, and towards Gen Z who will hold the largest *Share of Wallet* in the future. Brands need strategies to meet the needs of all consumer generations, and because of this, the channels that they activate really matter. Retailers will look to the channels, Voices and platforms that are needed to engage each generation - be it Influencers or beyond.



## 5. Branded content will become **more creative**

With less opportunity for in-person events, brands will need to become their own content creators. Previously, a brand could host an event or show, and have hundreds of opportunities for content creation just in the front row. But, with no option for live events, brands have to fuel their own content engine with the right Voices to amplify their message and continue to build brand momentum whilst increasing brand performance.



## 6. The physical will **become digital**

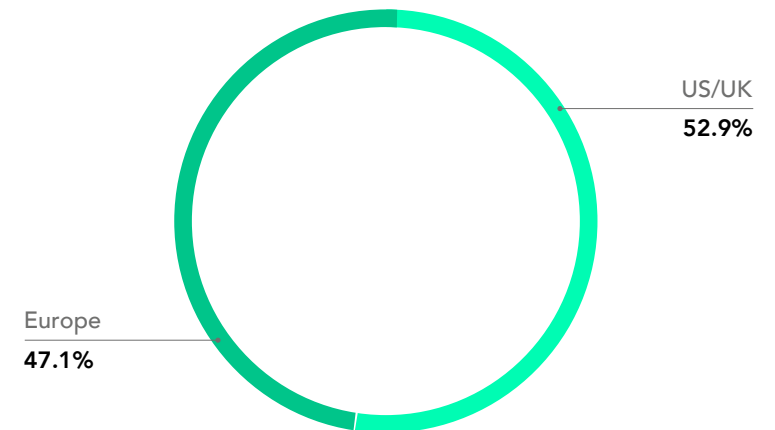
Covid-19 has forced everyone to become more global, by transforming digital channels to reach people around the world. The landscape will become less regional, and digital will connect brands with consumers better than ever before. This is why creating a digital engagement strategy is key. Whilst it is hard to tell what globalization will look like, it is clear that digital has become a 'must' in just one month for the fashion, luxury and beauty industries.

# REPORT METHODOLOGY

This report is based on a survey that was sent out between the 13th of January and the 21st of February 2020. A total of 600 professionals in marketing, communications and PR from the fashion, luxury and beauty industries completed the survey, as well as 300 Key Opinion Leaders in both, Europe and United States.

On the following pages you will find a breakdown of the profiles of the participants.

## SURVEY ANSWERS BY REGION



## AREA OF EXPERTISE

PR & Communication	31.0%
General Marketing	30.0%
Digital Marketing	11.6%
Social Media	11.4%
Influencer Marketing	9.3%
Content Marketing	6.7%

## LEVEL OF SENIORITY

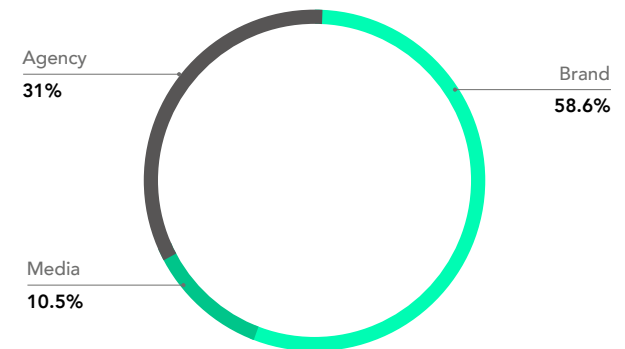
Senior Management	31.0%
Middle Management	27.7%
Other	15.1%
C-Level	14.7%
Entry Level	7.9%
Trainee/Intern	3.4%

# REPORT METHODOLOGY

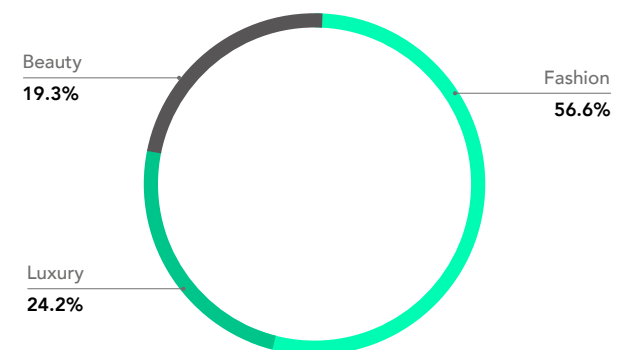
Part of this report's data to analyze the current impact of specific campaigns or marketing activities was gathered with the use of Launchmetrics' proprietary Media Impact Value™ algorithm (MIV®).

**About Media Impact Value™ (MIV®):** Launchmetrics' proprietary Machine Learning algorithm provides brands with a unified currency to measure the value of all marketing activities across Voices, Channels, and Markets by assigning a monetary amount to every post, interaction, and article. Finely tuned to specificities of Fashion, Luxury, and Beauty, the algorithm was trained on actual media rates and 5+ years of FLB specific campaign data. It analyzes more than 100 quantitative and qualitative attributes including audience engagement, industry relevance, source authority, and content quality, to create a highly accurate method of measurement. MIV® offers a unified way to calculate how brand equity is being created and which strategies create the most ROI.

## WHICH COMPANY TYPE DO YOU WORK FOR?



## WHAT INDUSTRY DOES YOUR COMPANY OPERATE IN?





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