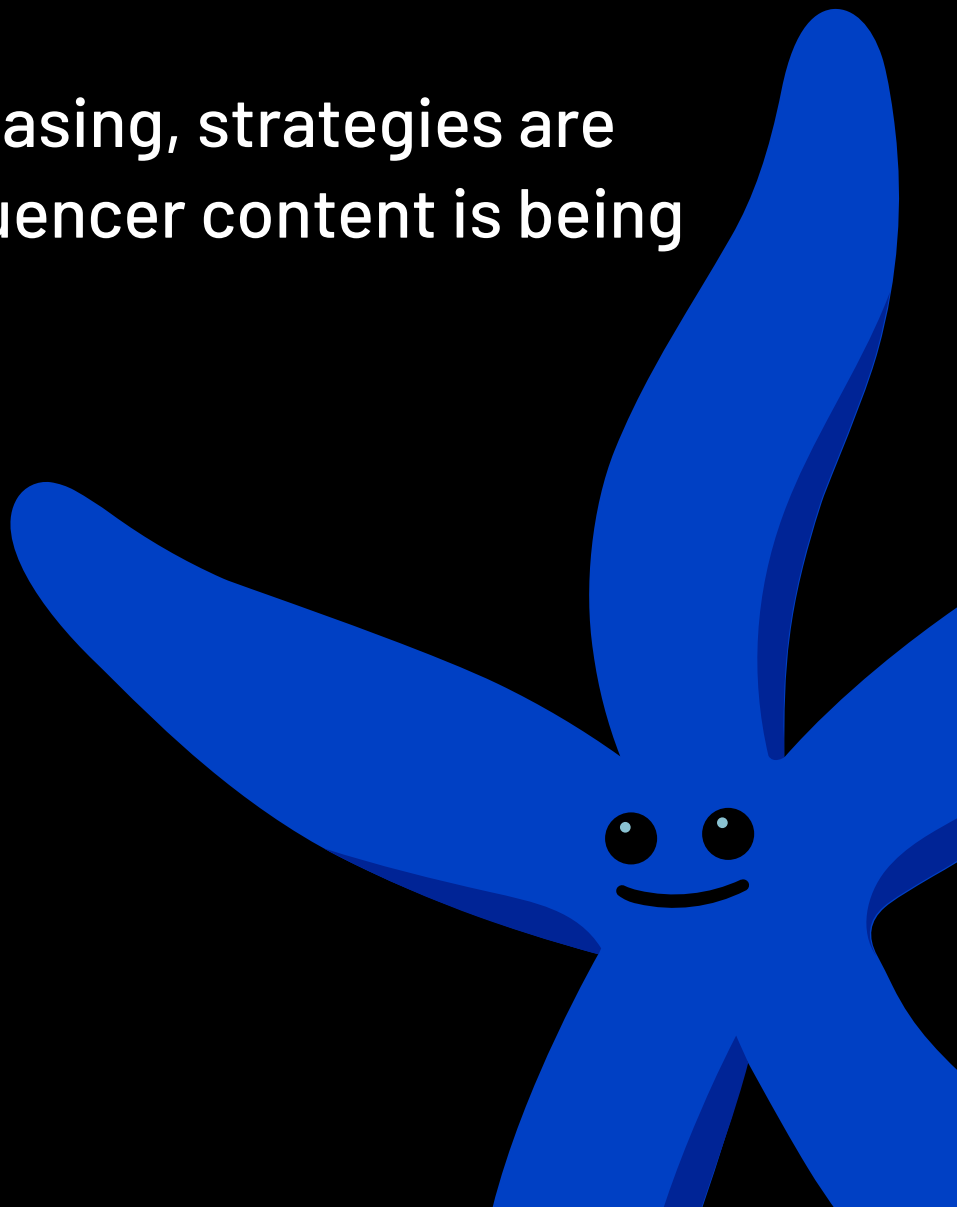


LINQIA

THE STATE OF INFLUENCER MARKETING 2023:

Budgets are increasing, strategies are evolving, and influencer content is being used everywhere



THE EVOLUTION OF INFLUENCER MARKETING

Influencer marketing has come a long way since its early days. What was once a simple means for brands to get their products in front of a wider audience has now become a sophisticated marketing strategy that can power entire organic and paid content engines.

With increased complexity - more social channels, more influencer types, more content options & overall larger budgets - it's more important than ever for marketers to seek calm in the chaos of the influencer market to drive meaningful impact. Most importantly, marketers are needing deeper performance metrics to prove the value of their investments and continue to allocate larger budgets to the channel.

In this year's survey, we focused on how enterprise marketers are spending their influencer marketing dollars, how they are measuring success, and what results they are finding.



TOP 5 INSIGHTS



LinQia surveyed over 250 enterprise brand and agency marketers who are investing in influencer marketing in 2023. Here are the top 5 insights from our 2023 State of Influencer Marketing report:



BUDGETS ARE GOING UP.

75.5% of respondents' budgets either increased or remained unchanged vs. the prior year, with 18% of respondents spending seven figures or more on influencer marketing in 2023.



MORE BRANDS ARE USING INFLUENCER CONTENT EVERYWHERE.

97% of respondents are using influencer content outside of organic influencer posts, with paid social and owned social listed as the top channels, followed by website, email, display, CTV, and OOH.



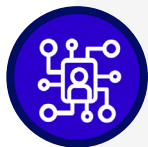
MEDIA IS A CRITICAL COMPONENT OF INFLUENCER BUDGETS.

65% of respondents are spending at least half of their influencer budgets on media amplification.



ROI REMAINS THE TOP CHALLENGE.

60% of enterprise marketers cite measurement as their top challenge, a trend that continues from our previous study.



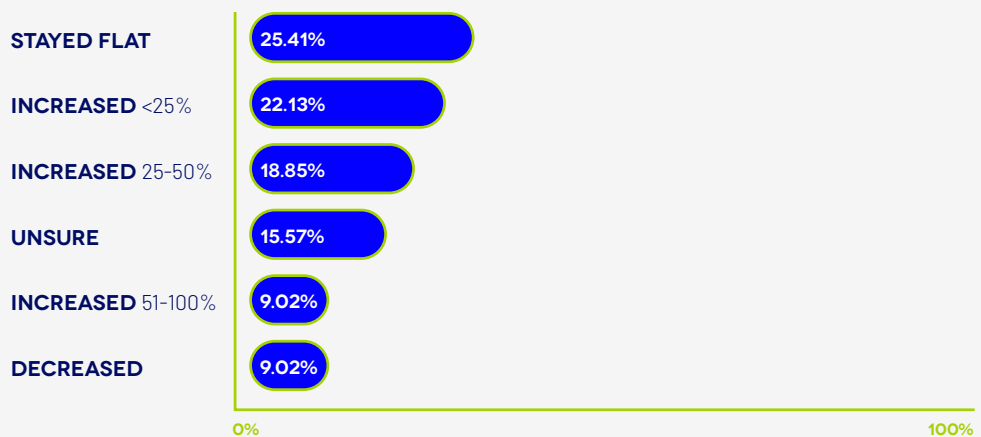
AI, THREADS AND CGC MAKE THEIR FIRST APPEARANCE.

Brands want to leverage AI to better find the right influencers, a surprising number of marketers plan to execute with influencers on threads, and creator generated content is quickly emerging as a budding category in influencer marketing.

GROWING COMMITMENT TO INFLUENCER MARKETING

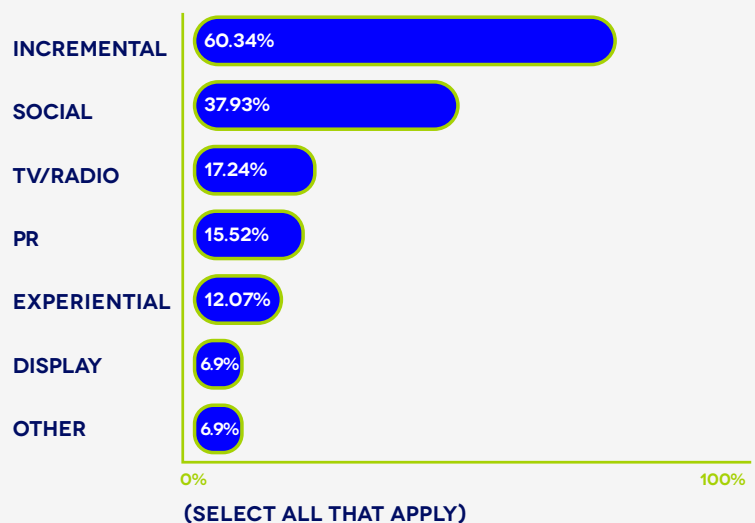
Despite economic headwinds and contracting overall marketing budgets in 2023, it appears that influencer marketing is still growing strong. In fact, influencer marketing budgets increased for over half of our State of Influencer Marketing respondents in 2023. 75.5% said their budgets either increased or remained unchanged vs. the prior year, with 18% of respondents spending seven figures in 2023. Only 15% are investing \$100k or less on influencer marketing.

HOW DID YOUR BUDGET FOR INFLUENCER MARKETING CHANGE IN 2023 VS 2021?



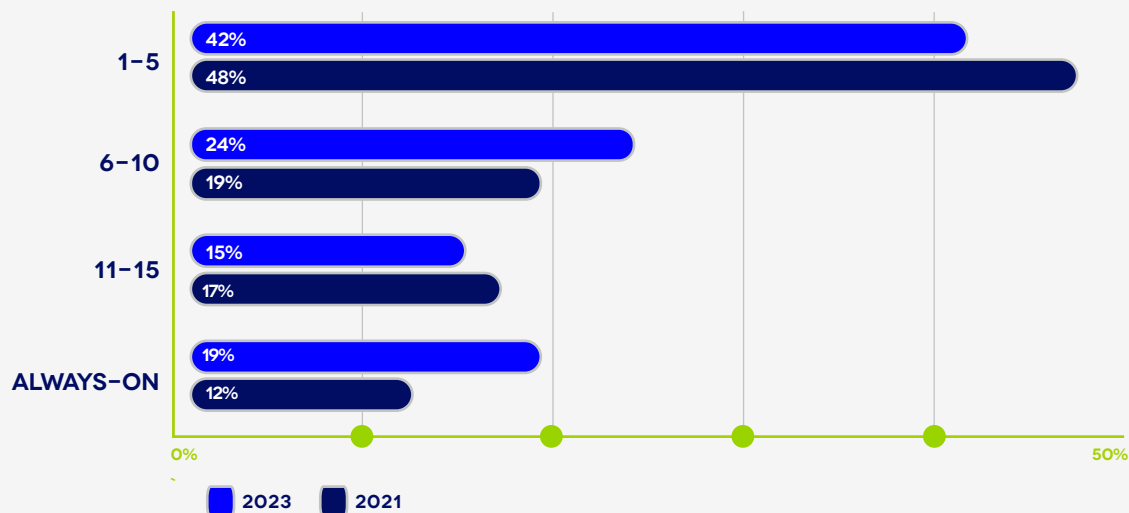
Of respondents whose influencer budget increased in 2023, 60% said the funds were incremental to the Marketing budget, 37% said the budget came from Social, and 17% said the budget came from TV/ Radio.

IF THE BUDGET INCREASED, WHERE DID THAT FUNDING COME FROM?



The number of campaigns brands are executing in 2023 is higher than ever. 58% of respondents are running more than 5 influencer campaigns in 2023 (vs. 48% of respondents in 2021), with 19% executing an always-on influencer strategy (vs. 12% in 2021). Influencer is no longer being viewed as a one off tactic, but an integrated part of an annual marketing plan.

HOW MANY INFLUENCER MARKETING CAMPAIGNS DO YOU PLAN TO RUN IN 2023?



66
58%

**RUNNING MORE THAN
5 CAMPAIGNS IN 2023**

MOST IN-DEMAND INFLUENCER TIERS

Micro influencers (5k-100k) have dominated the influencer discussion over the past five years, with many viewing smaller influencers as better given their niche following. This influencer tier is still incredibly popular with most marketers, but the percentage breakout amongst tiers is starting to look different from years past.

In our 2021 survey, micro-influencers were the top choice for respondents, with 90% of marketers planning to leverage them. But this year, that number dropped to 74%, and macro-influencers (100k-500k followers) became the most in-demand tier, growing from 72% of respondents in 2021 to 81% in 2023.

Celebrities also saw a significant uptick, growing from 14% of respondents in our 2021 survey to 29.5% of respondents in 2023. A combination of brands focusing on fewer, bigger, better influencer partnerships, rising micro influencer rates and the bifurcation of creator content and true influencers are all contributing to these trends.

WHAT TYPE OF INFLUENCERS DO YOU PLAN TO WORK WITH IN 2023?



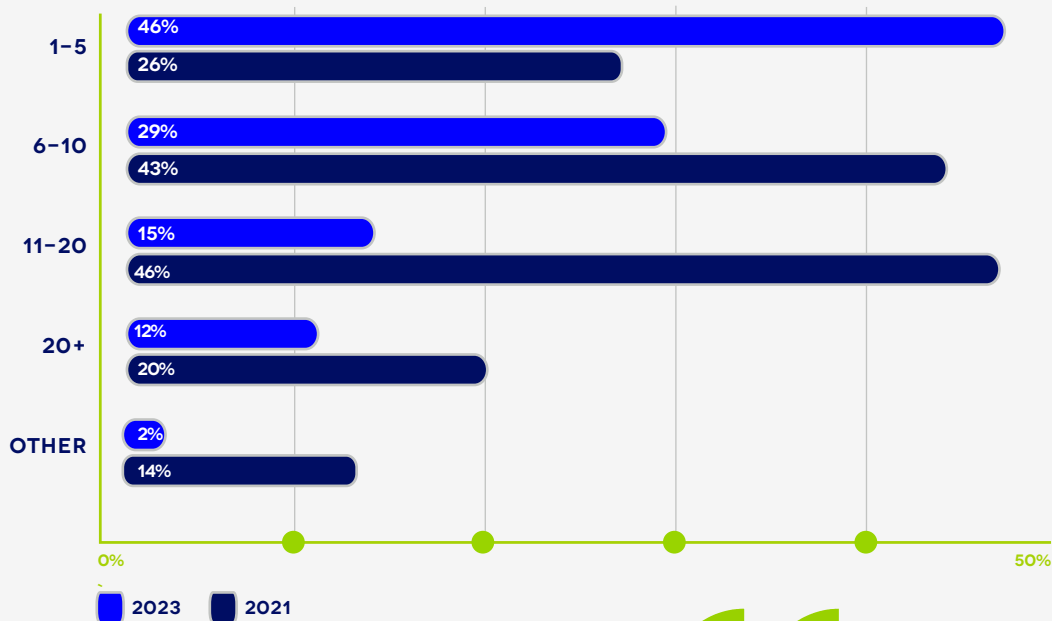
THE NUMBER OF INFLUENCERS PER ACTIVATION

In addition to the size of the influencer, the average number of influencers per campaign is changing for brands and agencies. Back in our 2018 report, 62% of marketers activated more than 10 influencers on a single campaign. In fact, 28% said they activated more than 25 influencers.

A lot has changed since then, with the biggest change being a shift to fewer, bigger & better influencer partnerships. The focus for brands is clearly on finding the right influencers who align with brand values and create the most compelling content to engage audiences.

In 2023, the most popular selection for respondents was activating 5 or fewer influencers at 46% (up from 26% in 2021), followed by 6-10 influencers at 29%, (down from 43% in 2021). Combined, this translates to 75% of marketers activating 10 or fewer influencers per campaign.

NUMBER OF INFLUENCERS PER CAMPAIGN

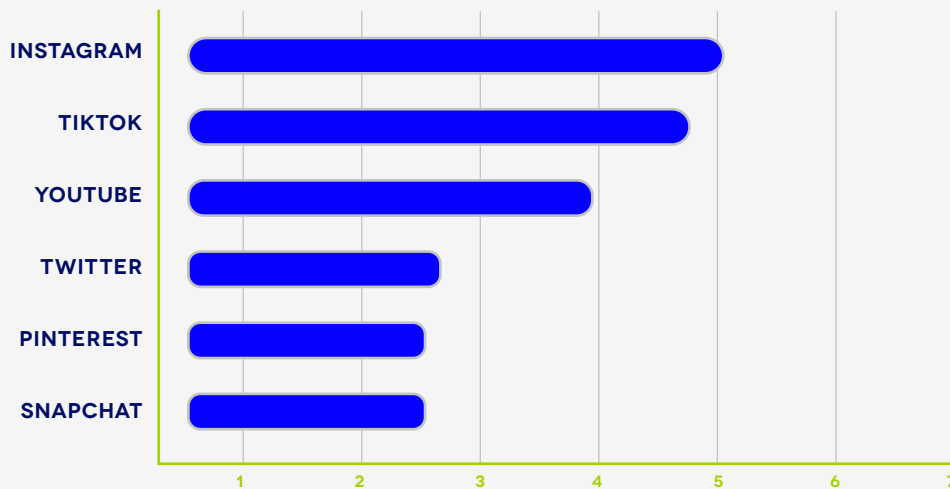


“FEWER, BIGGER & BETTER INFLUENCER PARTNERSHIPS”

THE TOP SOCIAL MEDIA PLATFORMS

Instagram still reigns supreme. On a distribution curve, 49% ranked Instagram as the number one social platform for influencer marketing, while TikTok was ranked second by 38.5% of respondents (the same amount ranked it as number one), and 47% of respondents ranked YouTube third. Twitter, Pinterest, and Snapchat rounded out the priority list with very similar usage scores.

RANK THE SOCIAL PLATFORMS IN ORDER OF IMPORTANCE OF INFLUENCER EFFORTS

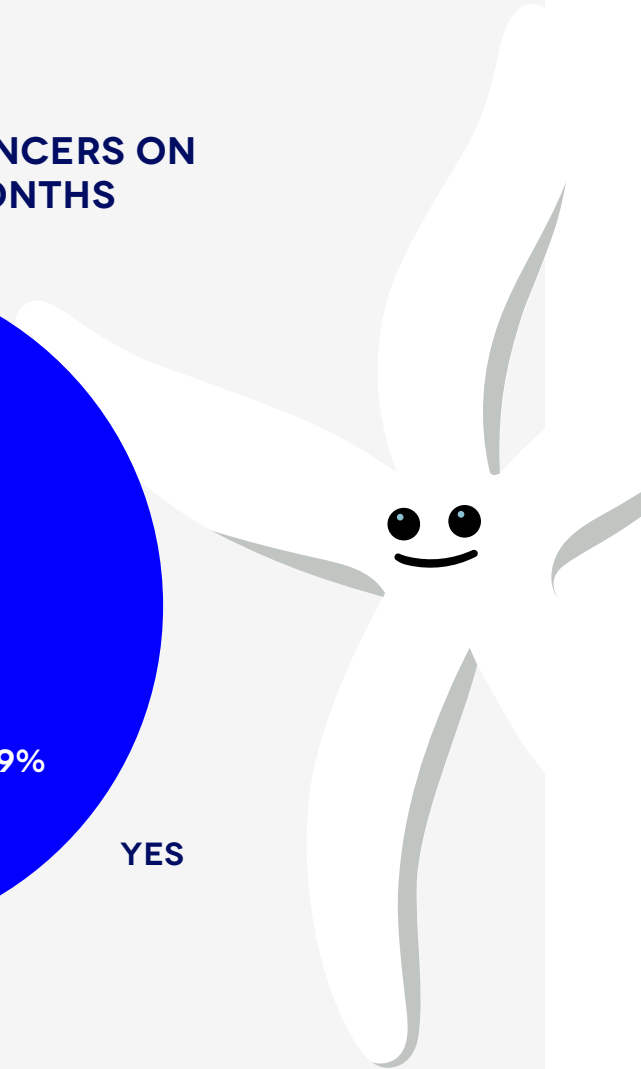
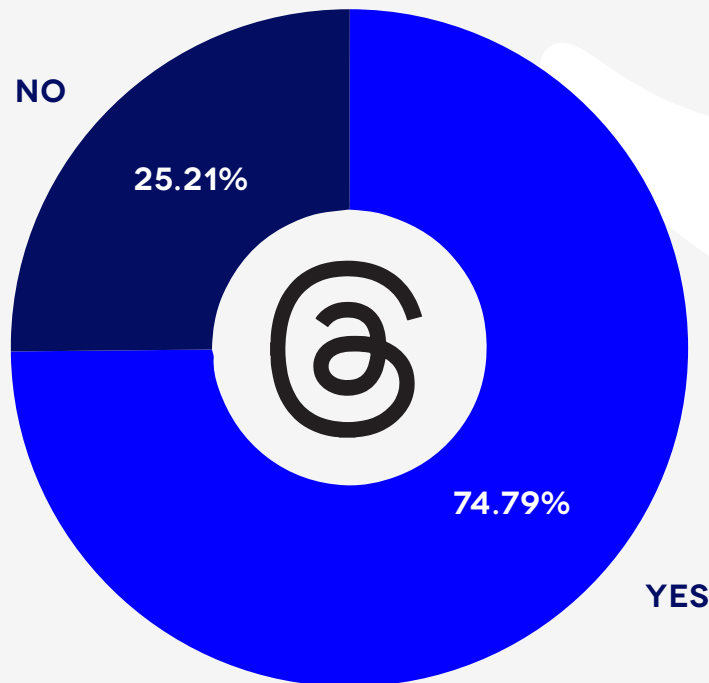


UP-AND-COMING PLATFORMS

THREADS:

An astounding 75% of respondents said they plan to test influencer activations on Threads within the next 12 months. The survey was issued in the first month of Threads being in market, so it will be interesting to see how this sentiment changes over time and how many brands who intended on activating do in fact invest given the drop off in monthly active users since the launch in July.

PLAN TO TEST WITH INFLUENCERS ON THREADS IN NEXT 12 MONTHS

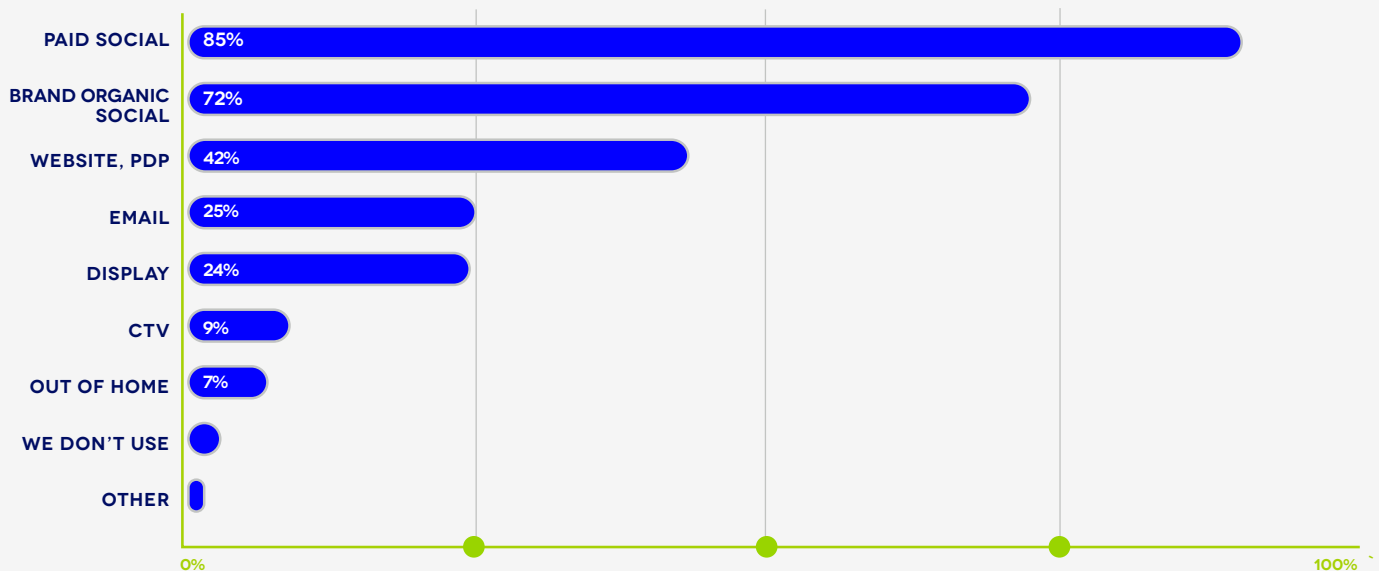


INFLUENCER CONTENT IS EVERYWHERE!

If the last few years have seen the rise of influencer content in paid social media, the next will be about bringing creator content beyond the walls of social. Creator content is raw and authentic, and that's what consumers want to see from brands, not just on their social media pages, but everywhere. Brands are seeing this content perform better than business as usual (BAU) content in virtually all channels, and performance is highest when they activate a combination of both.

In our 2023 survey, we asked brands and agencies where they are using their influencer content. 97% of respondents (up from 85% in 2021) are using influencer content outside of organic influencer posts, with paid social and owned social being the top channels (85% of respondents and 72% respectively), followed by website (42%), email (25%), display (24%), CTV (9%), and OOH (7% of respondents).

WHICH CHANNELS DO YOU PLAN TO USE INFLUENCER CONTENT FOR?



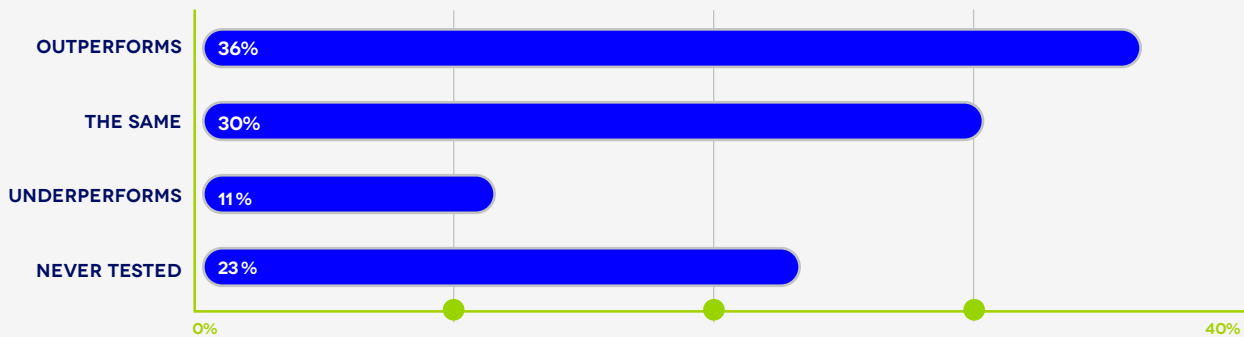
97%

USING INFLUENCER CONTENT OUTSIDE OF ORGANIC POSTS

INFLUENCER CONTENT PERFORMANCE

In 2023, almost a third more respondents reported testing influencer content against brand created content vs. our 2021 survey. 86% of those testing said influencer content either matches the performance or outperforms their brand-created content. This has become an important metric for influencer marketers to prove the impact of their investments.

HOW DOES INFLUENCER CONTENT PERFORM VS. BRAND-CREATED CONTENT



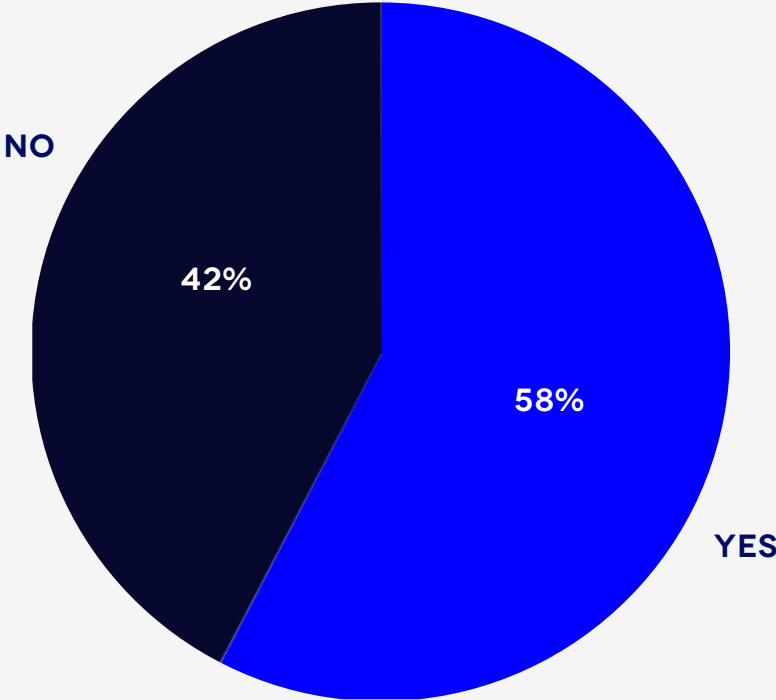
THE RISE OF CREATOR-GENERATED CONTENT (CGC)

Not only are brands repurposing influencer content in other channels, they are also working with content creators to provide content solely for the brands' paid and owned channels, without the creator posting that content to their own feeds.

Although often mistakenly referred to as User Generated Content (UGC), which is content created by everyday consumers and not part of a paid partnership, Creator Generated Content (CGC) is paid for and produced in collaboration with the creator and brand.

In this year's survey, we asked how many marketers are activating CGC, and 58% of respondents said they are actively working with creators to provide content exclusively for their paid and owned channels.

ARE YOU WORKING WITH CGC CREATORS?



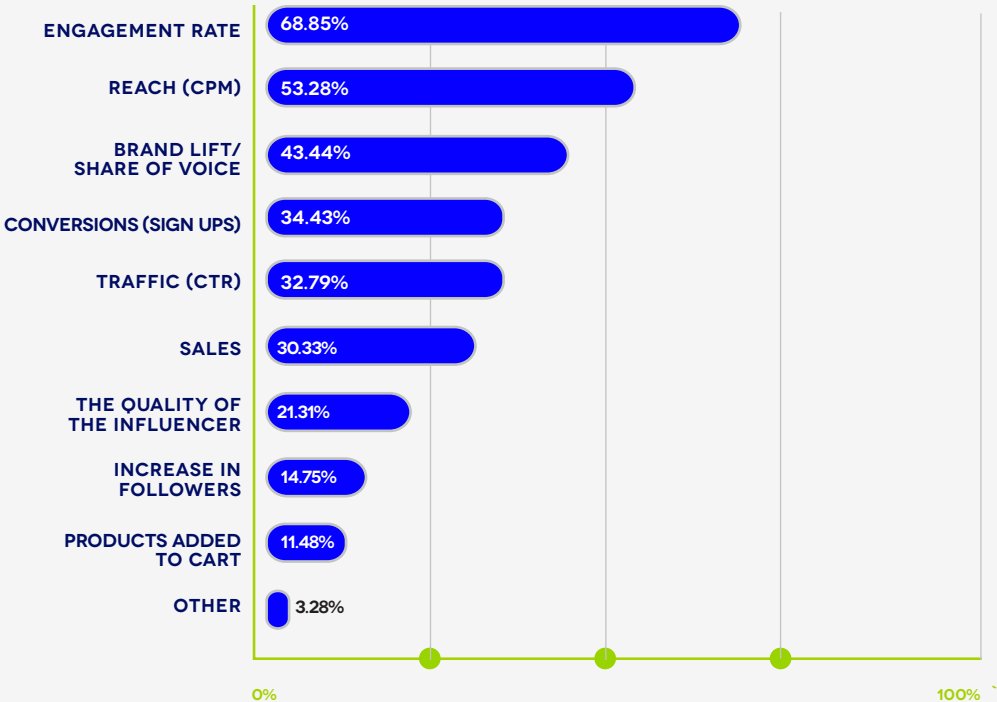
MEASURING SUCCESS

With all the ways to track influencer marketing campaigns, the big question is how do you measure success? Much like years past, we saw a variety of ways marketers are going about measurement.

When asked “what are your top three measures of success for your influencer marketing programs”, engagement rate was the most popular metric, with 69% of marketers using that as a top three KPI. Reach came in second with 53% of respondents, and share of voice rounded out the top three with 43%. Conversions, Traffic and Sales all ranked closely as the next most popular measures of success, with each selected by roughly 30-35% of respondents to be a top three success metric.

With marketers facing increased pressures on lower funnel objectives amongst economic headwinds in 2023, it’s interesting to see that most still view influencer marketing as an upper funnel strategy.

WHAT ARE YOUR TOP 3 MEASURES OF SUCCESS FOR YOUR INFLUENCER MARKETING PROGRAMS?

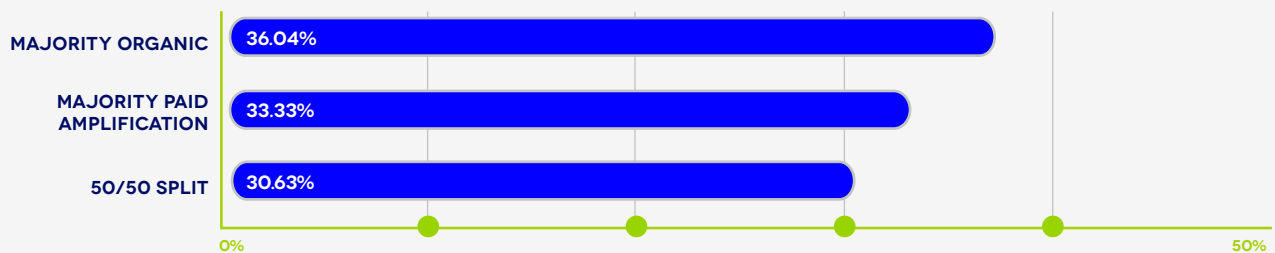


ALLOCATING BUDGET TO MEDIA VS. ORGANIC

Paid media is playing an increasingly important role in influencer budgets. One third of marketers are spending a majority of their influencer budgets on paid media, and 31% of respondents are splitting their budgets evenly between paid and organic. Organic includes the cost of influencers creating and posting content to their feeds, and paid includes the cost of amplifying that content with paid media dollars.

With organic reach becoming more and more difficult with each social media algorithm update, paid media has emerged as a critical component of influencer plans to effectively demonstrate the performance of influencer investments.

WHAT PERCENT OF YOUR BUDGET GOES TO ORGANIC INFLUENCER POSTS VS. PAID MEDIA/AMPLIFICATION?

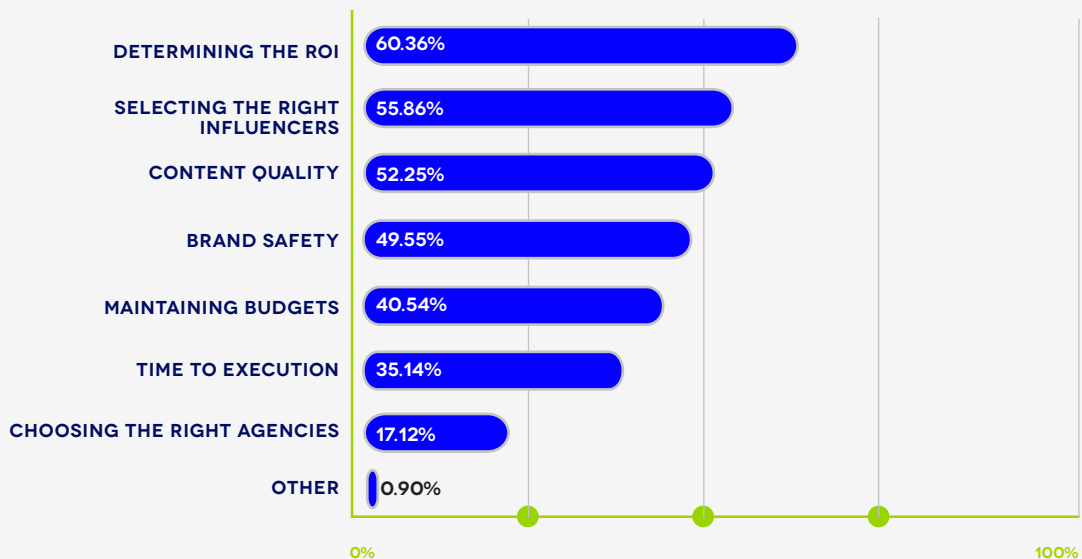


INFLUENCER MARKETING CHALLENGES

Enterprise marketers continue to be challenged in proving the value of their influencer investments. In both our 2021 and 2023 state of influencer marketing surveys, the top challenge was determining ROI, selected by 65% of survey respondents in 2021 and 60% of respondents in 2023.

Selecting the right influencers came in second with 56% of respondents (up from 42% in 2021), followed by content quality (52%) and brand safety (50%). Interestingly, brand safety saw the biggest increase since 2021 (up from 26%), and time it takes to run an influencer campaign saw the biggest decrease from 51% in 2021 to 35% in 2023.

WHAT ARE THE TOP CHALLENGES WITH INFLUENCER MARKETING IN 2023?



#1 TOP CHALLENGE:
DETERMINING ROI

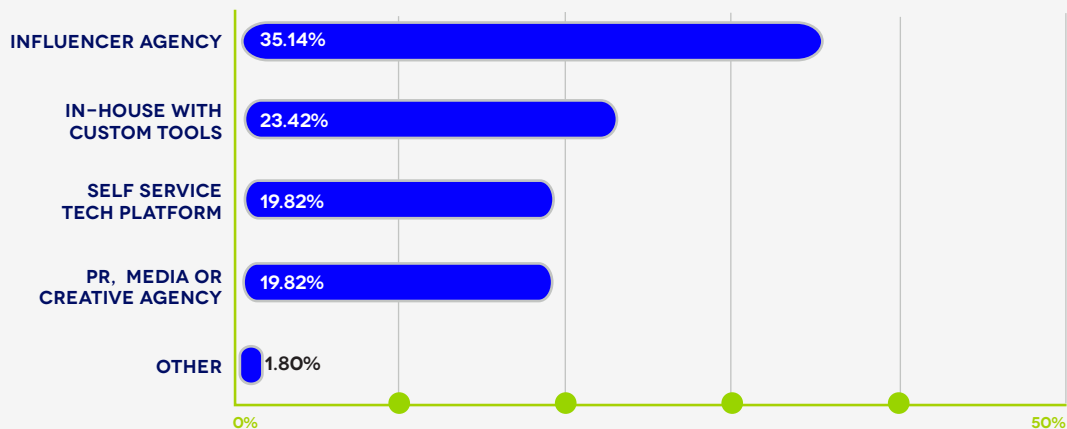
#2 CHALLENGE:
RIGHT INFLUENCERS

HOW DO MARKETERS MANAGE INFLUENCER CAMPAIGNS?

Brands and agencies have a lot of options when it comes to managing their influencer activations. Most marketers (55%) are working with external agencies to execute their influencer marketing campaigns, the majority of which are working with a specialist influencer agency (64%) vs. a media/PR/creative agency (36% combined).

43% of marketers are executing influencer work in house, with 46% of those in house teams working with a 3rd party influencer platform to help streamline the process.

HOW ARE YOU MANAGING INFLUENCER MARKETING PROGRAMS IN 2023?

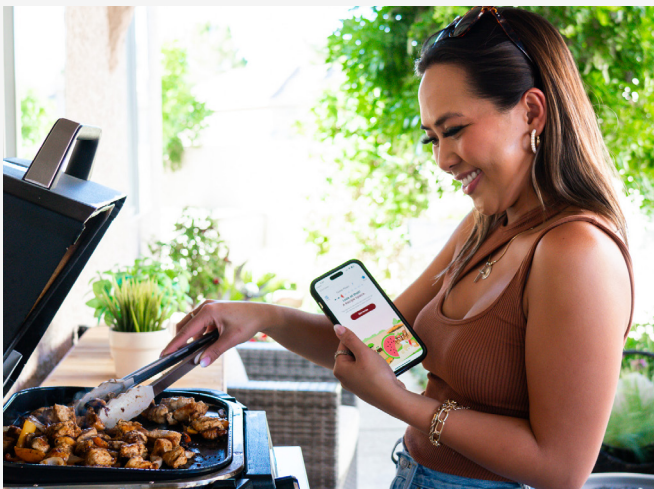
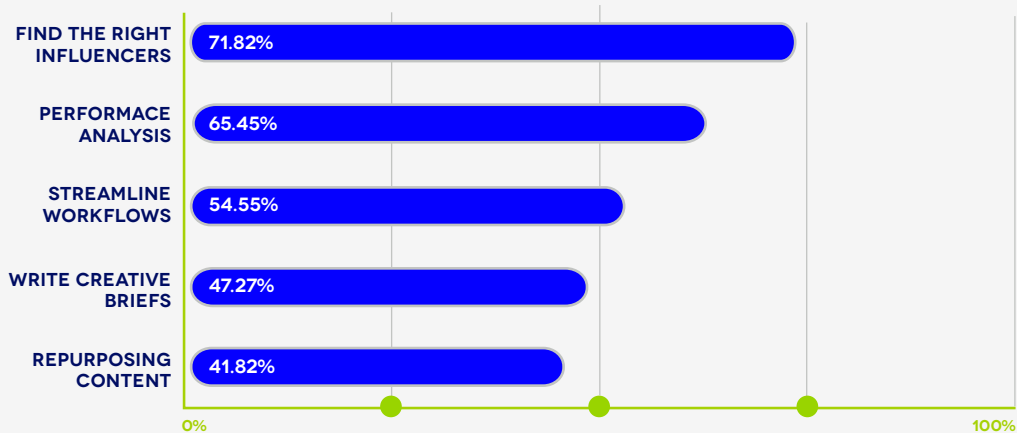


WHAT ROLE SHOULD AI PLAY IN 2023 AND BEYOND?

Unless you've been living under a rock, you know that AI has been the hottest topic of 2023. When it comes to AI in influencer marketing, brands and agencies want the technology to help find the right influencers more than any other task. 72% of survey respondents listed influencer identification as their top opportunity for AI improvements, followed by deeper performance analysis (65%), and streamlined workflows (55%).

With influencer identification also listed as a top two challenge for influencer marketers in this year's survey, it's clear that finding the right influencer partners is no easy task and an area where marketers are hungry for help.

HOW WOULD YOU LIKE TO SEE AI IMPACT INFLUENCER MARKETING?

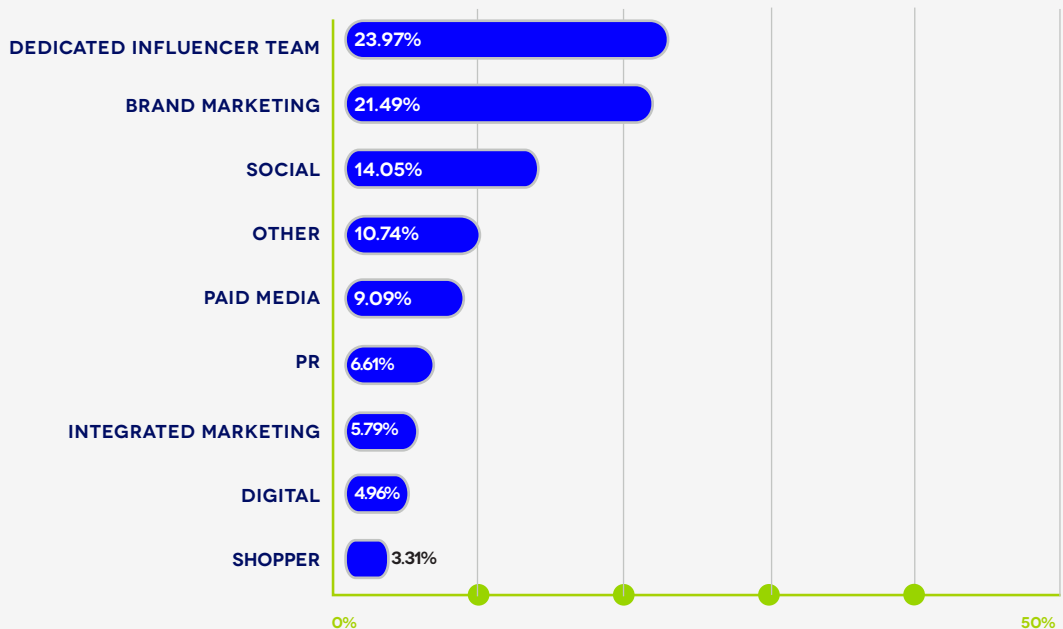


THE RISE OF DEDICATED INFLUENCER TEAMS

Three to five years ago, you would be hard-pressed to find a large brand with even a single internal influencer marketing role. But in our 2023 survey, 24% of respondents said that they have a dedicated influencer team at their company, showing the growing importance of this channel.

PR has seen the reverse trends, with only 6.5% of respondents in 2023 saying their influencer efforts are run under PR. When influencer marketing first started taking off, PR was typically the agency and budget lead, so there has been a clear changing of the guard.

WHAT TEAM PRIMARILY LEADS INFLUENCER MARKETING AT YOUR COMPANY?



24% HAVE DEDICATED INFLUENCER TEAM

CONCLUSION

Influencer marketing is no longer a one off tactic for brands, it's a critical component of an integrated marketing strategy. As budgets continue to increase for influencer marketers, so does the pressure to effectively measure its performance. The ability to demonstrate brand lift, engagement, traffic or conversions (depending on the campaign goal) with every influencer activation will be a necessary part of the industry's sustained growth.

Studies like this are important for the industry to have quantitative data and peer input, and that is why Linqia is dedicated to continued research that pushes the influencer industry forward. Between the number of social platforms, volume of and tiers of influencers, metrics for measuring success and number of providers offering influencer services, it can feel like a sea of chaos for many marketers. Linqia is the calm in that chaos, and we remain dedicated to making the complex feel simple for our many brand and agency partners.

Over 250 enterprise marketers and agency professionals participated in the 2023 State of Influencer Marketing Survey across a variety of industries including CPG, Food & Beverage, Media, Retail and their agencies. Companies who participated in the survey include Pepsi, Clorox, Canva, Best Buy, Home Depot, H&R Block, and more.

ABOUT LINQIA

Linqia is the calm in the chaotic sea of influencer marketing. Linqia is a full-service, tech-enabled platform that handles campaigns for the world's leading brands, from influencer selection to creative strategy to media amplification to measurement.

While some influencer companies offer only technology and others operate as creative agencies, Linqia leverages both science and storytelling to help brands create high performing content backed by quantitative results. Linqia has worked with some of the largest brands in the world, including McDonalds, Kraft, Nestle, Bayer, Clorox, and many more.

CALM IN THE CHAOS