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CreatorIQ Exclusive Report

In collaboration with **Aberdeen Strategy & Research**

Unleashing the **Power** of Creators

An exploration of the ROI
of creator-led marketing

Overview

In this exclusive report, CreatorIQ commissioned Aberdeen Strategy & Research—a leading market research firm—to conduct a survey exploring the role influencer marketing plays in brands’ wide-ranging desired business outcomes through the lens of marketing leaders in VP roles or higher.

As the economy continues to fluctuate and budgets restrict, marketing leaders have shifted ad spend from traditional digital outlets to creator-led initiatives that drive full-funnel marketing results. By placing creators at the center of marketing strategies, brands are able to outpace previous advancements in the creator economy within their potential to scale business outcomes. When amplifying creator assets through various channels and tactics, brands can magnify their marketing efforts at a lower cost and with a deeper impact.

This report examines measurement standards and provides a deep dive into how marketing leaders are harnessing investments in creator-led marketing to drive ROI and optimal business impact.

About CreatorIQ

CreatorIQ powers advanced influencer marketing for the world’s most innovative enterprises. Our Intelligence Cloud facilitates data science-enabled creator discovery, streamlines workflow, ensures brand safety, and builds meaningful measurement. AB InBev, Airbnb, Calvin Klein, CVS, Disney, H&M, Sephora, and Unilever are just a few of the brands that utilize CreatorIQ’s platform to drive key business results across their influencer marketing ecosystems.

For more information, visit creatoriq.com.



UNLEASHING THE POWER OF CREATORS

THE VALUE OF INFLUENCER MARKETING IN 2023

— Research Highlights —

Influencer marketing leaders are **30%** more likely to increase future spend, and see a **\$4.70** return per dollar spent.

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Page 4

Influencer marketing leaders see a **4.4x** greater improvement in year-over-year customer profit margins compared to other brands.

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Page 5

Influencer marketing leaders see a **27%** greater year-over-year improvement in engagement compared to digital advertising leaders.

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Page 8

Influencer marketing leaders see a **29%** greater year-over-year improvement in conversion compared to digital advertising leaders.

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Page 9

Overview

Social media platforms continue to dominate the digital marketing landscape, and their power doesn't appear to be diminishing anytime soon. With numerous channels and more competitors than ever, growing and creating loyal customers remains a central challenge to marketing teams—and traditional digital advertising programs alone are no longer an effective solution. This research report highlights the impact of content creators on broader marketing programs, and the benefits that brands can achieve when they invest in the right technologies and tools to support their initiatives. By investing in influencer marketing, brands can maximize the full potential of their marketing campaigns, expanding and deepening the customer relationships that are critical to sustained growth.

Marketing Leaders Spend Money to Make Money

Today, scrolling, double-tapping, and sharing are second-hand nature, with social media platforms becoming increasingly prevalent in our day-to-day lives. As the digital ecosystem and customer behaviors change with this increased use, brands must stay ahead of the curve to meet these shifts and guarantee continuous brand growth. Enter influencer marketing: an innovative, effective way for brands to reach new audiences and engage with existing ones. Influencer marketing is a necessity for future marketing successes, and brands that aren't incorporating it into their marketing stack risk falling behind the competition.

To understand the role that influencer marketing plays in brands' broader marketing strategies, Aberdeen conducted a survey of 204 marketing leaders in the United States and United Kingdom who are in VP roles or higher across different industries (see sidebar). Although brands are already incorporating influencer marketing into their marketing programs, only the most effective influencer marketing practices help brands deliver exceptional customer experiences. This research report reveals that influencer marketing leaders capitalize on their efforts using strategies that:

- ▶ Actively identify potential influencer partnership opportunities that will reach new customers and build brand awareness.
- ▶ Use customer trends and behavior data to create more authentic and relevant content to nurture customer experiences and yield more loyal customers.

Definition

For the purpose of this research, Aberdeen makes the following definition:

Influencer marketing: Programs to work with content creators (e.g., creators) to increase brand awareness, drive store or e-commerce site visits, grow product/service sales, and drive advocacy by sharing positive word-of-mouth.

Top Industries Represented

(% of respondents selecting)

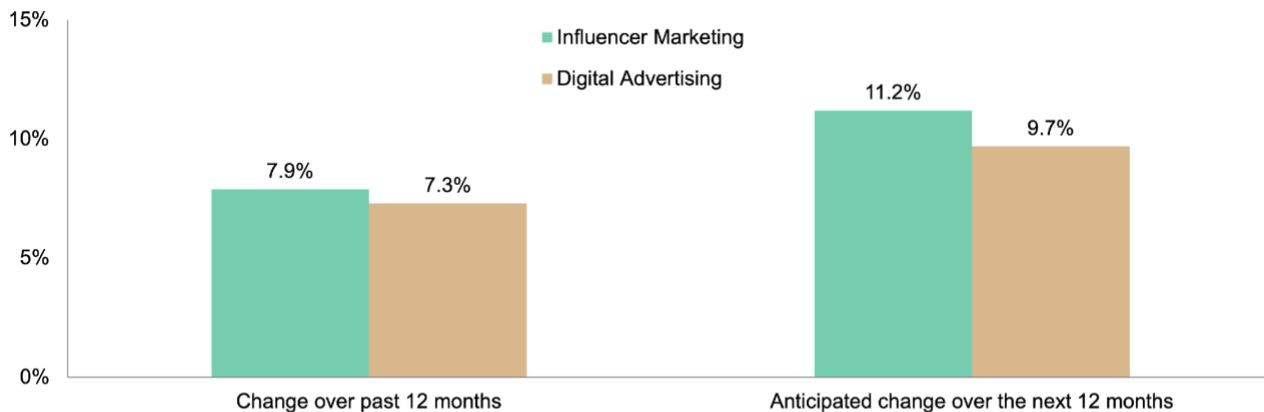
- ▶ Beauty, **37%**
- ▶ Consumer electronics/CPG, **28%**
- ▶ Gaming, **17%**
- ▶ Media/entertainment, **7%**
- ▶ Retail/fashion, **7%**
- ▶ Food/beverage, **4%**

- ▶ Capture and analyze key performance metrics to accurately compare the ROI of different marketing channels and guide future strategies and initiatives.

Brands are Growing Their Influencer Marketing Programs

Marketing leaders understand that they need to spend money to make money—or else they risk missing out on new opportunities (Figure 1). Influencer marketing and traditional digital advertising programs are both critical components of a brand’s overall marketing strategy.

Figure 1: Influencer Marketing Spend is Anticipated to Increase at a Greater Rate than Digital Advertising Spend



Percent of respondents, n=204
Source: Aberdeen, April 2023

Average Percentage Change

Over the past 12 months, brands have increased their spend in these marketing efforts, with influencer marketing seeing a 7.9% increase and digital advertising seeing a 7.3% increase. Although spend growth has been similar between the two programs in the past year, looking forward, **brands anticipate increasing their spend on influencer marketing programs at a 13% higher rate compared to digital advertising** (11.2% vs. 9.7%). This indicates that brands already using creators within their marketing programs are more than satisfied with their current experiences—in fact, they plan on increasing their reliance on it in the future via growth on key social media platforms such as Facebook, Instagram, and Twitter (see sidebar).

Top Social Media Platforms with Anticipated Growth

(% of influencer marketing practitioners who anticipate increased spend)

- ▶ Facebook, 51%
- ▶ Instagram, 50%
- ▶ Twitter, 48%
- ▶ YouTube, 47%
- ▶ TikTok, 38%

Looking at all the brands that currently practice influencer marketing, we see a subset that are not only using creators within their marketing activities, but increasing their investment in these programs (Table 1). This subset is known as “Influencer Marketing Leaders”, defined by Aberdeen as the top 20% of influencer marketing users based on their performance in key business metrics (e.g., impression, engagement, conversion, and annual revenue, as shown in Table 2). On average, these Influencer Marketing Leaders plan on spending 30% more on their influencer marketing programs compared to other brands (15.9% vs. 11.2%).

Table 1: Influencer Marketing Leaders See Greater Returns

Average Percentage Change in Spend & Average Return per Dollar (n=204)	Influencer Marketing (Leaders)	Influencer Marketing (All)
Anticipated change in spend over the next 12 months	+15.9%	+11.2%
Average return per dollar spent	\$4.70	\$4.58

For savvy brands, spending more on influencer marketing pays for itself by yielding better returns. Specifically, **Influencer Marketing Leaders see a return per dollar spent of \$4.70, compared to \$4.58 for other brands**. This discrepancy highlights the need for continued investment in existing influencer marketing strategies and technologies, which help brands drive key business outcomes and spark more money via their marketing efforts.

Influencing Marketing Leaders Are Successful Across All Brand Funnel Stages

Influencer Marketing Leaders excel at all key brand funnel stages (Table 2). At the top of the funnel, Influencer Marketing Leaders see 9.1x greater year-over-year improvement in impressions (number of views on ad/video) compared to other brands (46.5% vs. 5.1%).

In addition, these Leaders also see an 8.2x greater year-over-year improvement in engagement rates (46.7% vs. 5.7%) and an 11.7x greater year-over-year improvement in conversion rates (% of leads converted to product/service purchase) (42.0% vs. 6.6%). Collectively, this strong performance across all brand funnel stages drives higher annual company revenue, with Influencer Marketing Leaders seeing 6.2x greater year-over-year improvement in this metric (41.4% vs. 6.6%).

To evaluate maturity, Aberdeen classified respondents into two categories based on self-reported performance across several key metrics highlighted in Table 2:

- ▶ **Influencer Marketing Leaders:** Top 20% of brands using influencer marketing.
- ▶ **Other Brands:** Bottom 80% of brands using influencer marketing.

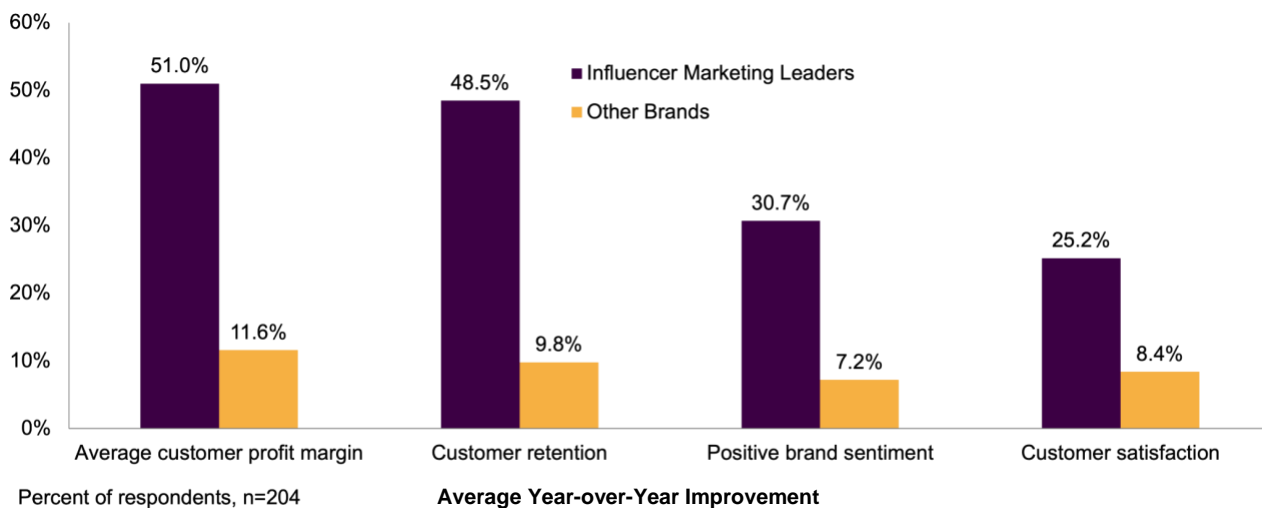
Table 2: Influencer Marketing Leaders vs. Other Brands Performance Matrix

Average Year-over-Year Improvement (n=204)	Influencer Marketing Leaders	Other Brands
Engagement (number of clicks on the ad/video)	+46.7%	+5.7%
Impressions (number of views on ad/video)	+46.5%	+5.1%
Conversion (% of leads converted to product/service purchase)	+42.0%	+3.6%
Annual company revenue	+41.4%	+6.6%

Influencing Marketing Leaders Achieve Better Brand Health Metrics

Ultimately, brands know that long-term success is contingent on maximizing their return on marketing investments. Using advanced analytics and resource planning technologies allows influencer marketing leaders to scale their marketing efforts more efficiently, leading to improvements in average profit per customer (Figure 2).

Figure 2: Influencer Marketing Leaders Create Happier, More Loyal Customers



Compared to other brands, Influencer Marketing Leaders achieve 4.4x greater improvements in average customer profit margin (51.0% vs. 11.6%). For example, Influencer Marketing Leaders invested in technologies that gave them the ability to track creator affiliate link performance, and therefore identify which types of content drive the highest traffic to their sites. Furthermore, Leaders used these performance metrics to strategize on the content types that drive the most engagement and deserve further investment.

Influencer Marketing Leaders also achieved higher levels of customer satisfaction, with Leaders experiencing a 3.0x greater year-over-year improvement in customer satisfaction compared to other brands (25.2% vs. 8.4%). Investing in technologies that can analyze key trends among customer bases grants Influencer Marketing Leaders the ability to personalize content and experiences that suit the needs and interests of their customers. Furthermore, other technologies give these Leaders the ability to quickly onboard relevant creators and guide them on key messages to highlight, further building customer trust and expediting the content creation process.

When they experience personalized and relevant brand content, customers are more likely to purchase from a brand in the future. As a result, Influencer Marketing Leaders see a 4.9x greater year-over-year improvement in customer retention than other brands (48.5% vs. 9.8%). Loyal and happy customers view brands more favorably, with Influencer Marketing Leaders enjoying a 4.3x greater year-over-year improvement in positive brand sentiment (30.7% vs. 7.2%). All in all, Influencer Marketing Leaders proactively leverage their technology solutions to identify areas of improvement that yield more impactful relationships with both customers and creators.

Influencer Marketing, When Done Well, Outperforms Digital Advertising in the Long Term

As social media platforms continue to proliferate, traditional digital advertising efforts alone won't be enough to keep up with evolving customer behaviors and needs. Brands that want to maximize the value of their marketing efforts need to weave influencer marketing across their different programs—and they need to do it well. Furthermore, they also need to be able to accurately measure and compare the value of each program against the other. Today, nearly all brands (99%) would rate their ease in comparing the value of influencer marketing programs and digital advertising programs to be “average,” “somewhat easy,” or “very

Definition

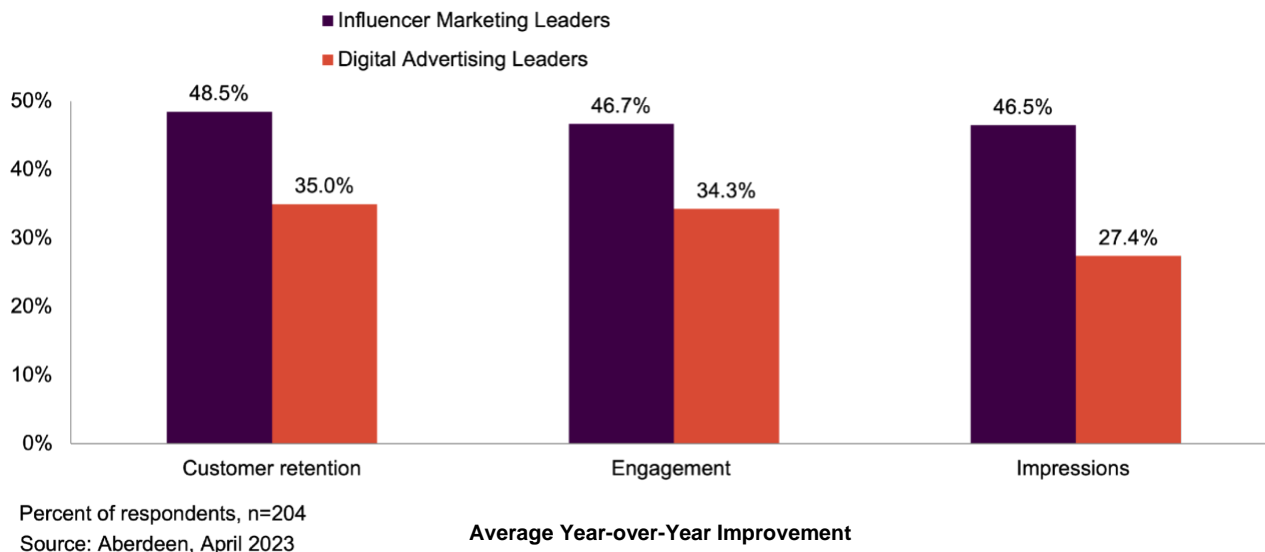
Aberdeen defines “Digital Advertising Leaders” as the top 20% of brands using digital advertising within their marketing activities, based on their performance in the metrics below compared to the bottom 80% of brands:

- ▶ **Engagement:** 34.3% (vs. 8.9% for other brands)
- ▶ **Conversion:** 29.9% (vs. 7.0% for other brands)
- ▶ **Impression:** 27.4% (vs. 5.5% for other brands)
- ▶ **Annual Revenue:** 36.2% (vs. 6.7% for other brands)

easy.” This comparison allows these brands to truly understand the return on their various marketing campaigns, and strategize accordingly.

While digital advertising typically focuses on creating ads for a mass audience, influencer marketing takes a bottom-up approach. Brands collaborate with creators who leverage their content to promote the brand to their followers. This process yields more organic content that resonates with individuals across all stages of the marketing funnel (Figure 3).

Figure 3: Influencer Marketing Leaders Have Stronger Conversions Compared to Digital Advertising Leaders



Customers are the most critical component of a brand’s success, and ensuring their loyalty is essential for continued growth. Influencer Marketing Leaders experience a 28% greater year-over-year improvement in customer retention rates compared to Digital Advertising Leaders (48.5% vs. 35.0%). The reason? Modern customers tend to respond negatively when they feel that they’re overtly being sold to (e.g., display ads, online video ads, audio ads), a feature that’s typical of traditional digital advertising. However, when a creator promotes a product, consumers view the resulting content as more authentic and less disruptive to their daily lives. Furthermore, because customers are already following creators, they view them as trusted figures whose opinions and recommendations carry more weight.

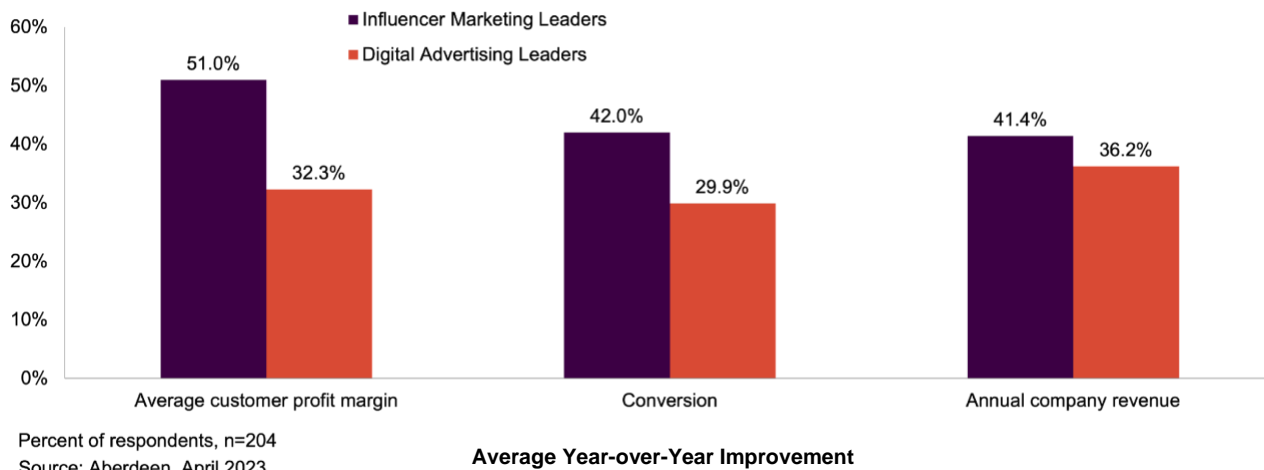
In addition to driving customer loyalty, Influencer Marketing Leaders also achieve better improvements when it comes to different top-of-funnel metrics, such as awareness and consideration. Influencer Marketing Leaders experience a 41% greater year-over-year improvement in

impressions (number of views on an ad/video) compared to Digital Advertising Leaders (46.5% vs. 27.4%). This boost in awareness stems from the fact that creators have many followers across multiple social media platforms, which allows for brands to disseminate their content amongst a wider audience. When brands partner with creators, they can engage with customer bases that would've otherwise been untapped, helping these brands expand their presence. Brands can do all this by investing in a single creator, as opposed to launching large, expensive media campaigns to reach a similar audience via traditional digital advertising.

Influencer marketing programs also provide brands with better targeting capabilities, which translates to greater improvements in brand consideration. Specifically, Influencer Marketing Leaders see a 27% greater year-over-year improvement in engagement (number of clicks on an ad/video) rates compared to Digital Marketing Leaders (46.7% vs. 34.3%). Creators build their audiences by crafting posts that are relevant to their audiences, resulting in more precise targeting capabilities than digital advertising, which typically leverages content made to appeal to the masses. By using creators to promote certain products, brands can more effectively target the relatively niche audiences that are already more likely to purchase a given product.

By building a wider customer base, targeting this audience in the right way, and gaining their loyalty, brands maximize every opportunity within the purchase funnel, which translates into greater financial success (Figure 4).

Figure 4: Influencer Marketing Leaders Outperform Digital Marketing Leaders in Year-Over-Year Financial Improvements



Compared to Digital Advertising Leaders, Influencer Marketing Leaders experience a...

28%

Greater YoY improvement in **customer retention** (48.5% vs. 35.0%)

41%

Greater YoY improvement in **impressions** (46.5% vs. 27.4%)

27%

Greater YoY improvement in **engagement** (46.7% vs. 37.3%)

This funnel optimization drives better conversion rates (% of leads converted to product/service purchase), with Influencer Marketing Leaders experiencing 29% greater year-over-year improvements compared to Digital Advertising Leaders (42.0% vs. 29%). Ultimately, leveraging creators gives brands more flexibility to craft content better suited to customers' expectations and preferred channels.

For example, a makeup brand can partner with multiple beauty influencers to create content on both YouTube and TikTok that promotes a new line of skincare products. Longer content forms (e.g., full swatches of the entire skincare line) would be better suited for YouTube, whereas shorter content forms (e.g., "5 best skincare products") would be better suited to TikTok. By leveraging both social media platforms, brands ensure that their content and products are shown to a set of customers that's both larger and more targeted. In addition, since creators have some degree of control over what they post, no two content pieces are the same, which makes this marketing register as more authentic to customers. With more organic interaction, and increased trust in the creators they follow, customers are more likely to continue interacting with and purchasing from the brand in the future.

Because they can increase their number of customer purchases with fewer marketing resources, Influencer Marketing Leaders see a 1.6x greater year-over-year improvement in customer margins compared to Digital Advertising Leaders (51.0% vs. 32.3%). When combined with their ability to reach a larger audience, Influencer Marketing Leaders achieved a 41.4% year-over-year growth in annual company revenue, compared to 36.2% for Digital Advertising Leaders. The ability to successfully convert potential customers to repeat purchasers while increasing profit margins is what powers influencer marketing programs to outperform traditional digital advertising.

Elevate Your Influencer Marketing Programs to Maximize Your Returns

With different social media channels in play, customer behavior is constantly changing. If brands want to foster positive experiences for both partners and customers, marketing programs need to change with it. Influencer Marketing Leaders invest in their programs, and plan to continue doing so in the future.

By investing in their programs, Influencer Marketing Leaders are not only able to nurture partner and customer relationships, but also increase their efficiency, setting these brands up for future growth. When thinking about

Influencer Marketing Leaders are more efficient at turning prospects into repeat customers, helping these brands maximize their marketing efforts.

strategies to maximize the value of your own influencer marketing programs, there are three key pillars to strive for:

1. Expand audience reach and brand awareness by proactively identifying partnership opportunities.
2. Drive customer consideration and brand loyalty by using trends and data to create content that truly resonates with customers.
3. Guide future strategies and initiatives by analyzing performance metrics to accurately compare the returns of different marketing content.

Aberdeen suggests that brands follow the above pillars and invest in technologies that allow them to strategically grow and engage with their customers. In doing so, brands can make their marketing programs even better, and position themselves for sustained growth.

About Aberdeen Strategy & Research

Aberdeen Strategy & Research, a division of Spiceworks Ziff Davis, with over three decades of experience in independent, credible market research, helps **illuminate** market realities and inform business strategies. Our fact-based, unbiased, and outcome-centric research approach provides insights on technology, customer management, and business operations, to **inspire** critical thinking and **ignite** data-driven business actions.

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