TechnoratiMedia

2013 Digital Influence Report

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Contents

TechnoratiMedia
2013 Digital Influence Report

I. Introduction

Founded over a decade ago, Technorati Media has grown into one of the largest social media ad networks bringing top brands and valuable influencers together at scale. With an advertising reach of approximately 130 million US unique users/month[1], we sit in the middle of an incredible social media nexus and have long believed that our data, relationships and unique perspective are important elements for us to share.

With this in mind, we present to you our 2013 Digital Influence Report, which replaces our historical State of the Blogosphere and expands the concept of all things social. We hope you'll benefit from the valuable insights culled from surveys that included over 6,000 influencers, 1,200 consumers and 150 top brand marketers.

[1] comScore, December 2012

II. Executive Summary

Sixty percent of brand marketers predict an average increase of 40 percent in social spend for 2013. Currently, the bulk of brands' overall digital spend goes to display advertising, search and video, with spending on social, including influencer outreach, making up only 10 percent of their total digital spend. Within their social budget, more than half goes to Facebook, followed by YouTube and Twitter, with the remaining 11 percent of their social spend going to blogs and influencers.

Though blogs and influencers don't get a large portion of brands' digital spend, they rank high with consumers for trust, popularity and influence. When making overall purchase decisions, for consumers, blogs trail only behind retail and brand sites. With regard to overall sources for information on the internet, blogs rank among the top five "most trustworthy" sources. As an example, according to consumers, blogs are more influential in shaping opinion than Twitter, and when it comes to affecting purchase decisions, more important than Facebook.

In short, where brands are spending is not fully aligned with how and where consumers are seeing value and being influenced. This has much to do with an essential hurdle faced by most content creators: a lack of metrics and the fragmentation that leads to their complexity as a purchasable medium.

This report also details how different social platforms stack up against

CONTINUED ON NEXT PAGE

II. Executive Summary (cont.)

FROM PREVIOUS PAGE

each other. You'll see that influencers ranked page views above all other metrics when focusing on their own key metrics, while Google Analytics is the leader among tracking tools. Brands had different top metrics for identifying and selecting influencers, with comScore/Nielsen ranking first, closely followed by number of Twitter followers, Facebook friends, and the influencer's potential to draw likes. It is important to note here, however, that due to their niche size, influencers are not well represented in comScore/Nielsen, further underscoring the disconnect between influencer desirability and an ability to effectively find them at scale.

According to brand marketers, when metrics from their earned media goals are ranked, Facebook likes, traffic to their website, Facebook fans, and Twitter followers are the main contenders – a reversal from influencers, where monitoring traffic/page views ranked No. 1, followed by Facebook likes.

TechnoratiMedia

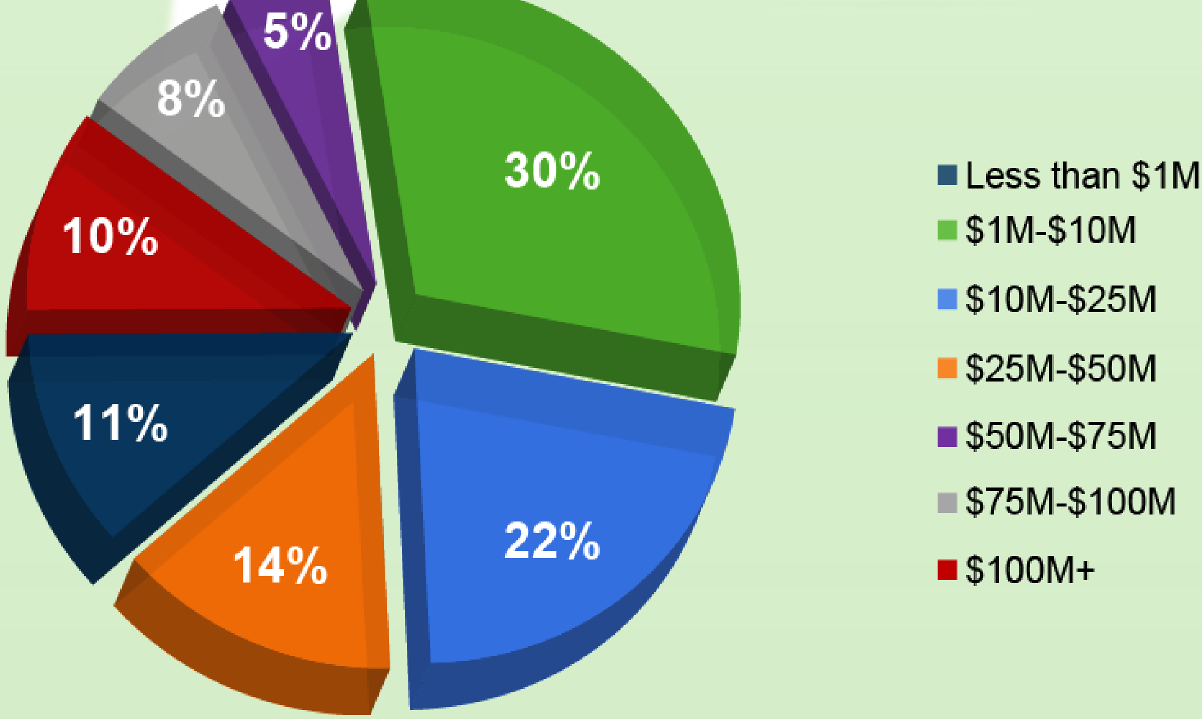
2013 Digital Influence Report

III. Brand Digital Messaging: Going Social

WHERE BRANDS ARE SOCIAL

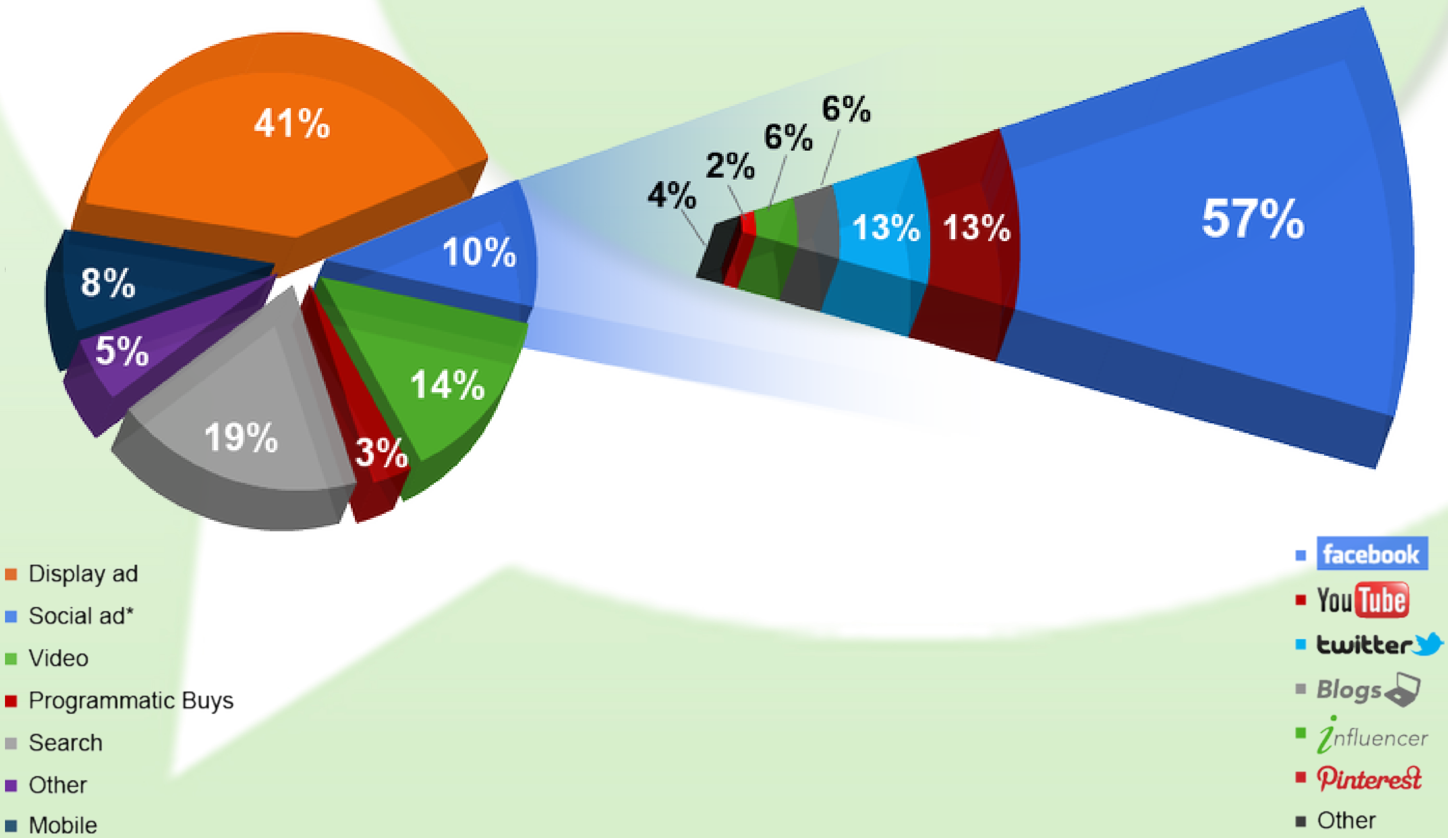
Brands' digital messaging has gone social. More than 90 percent of brands surveyed for the Technorati Media Digital Influence Report stated they have a presence on Facebook. It's nearly as high for Twitter (85%) and YouTube (73%). Google+ wasn't as popular with brands, with only 26 percent of brand managers reporting a presence on that service.

OVERALL DIGITAL SPEND



III. Brand Digital Messaging (cont.)

DIGITAL BUDGET BREAKDOWN **SOCIAL BUDGET BREAKDOWN**



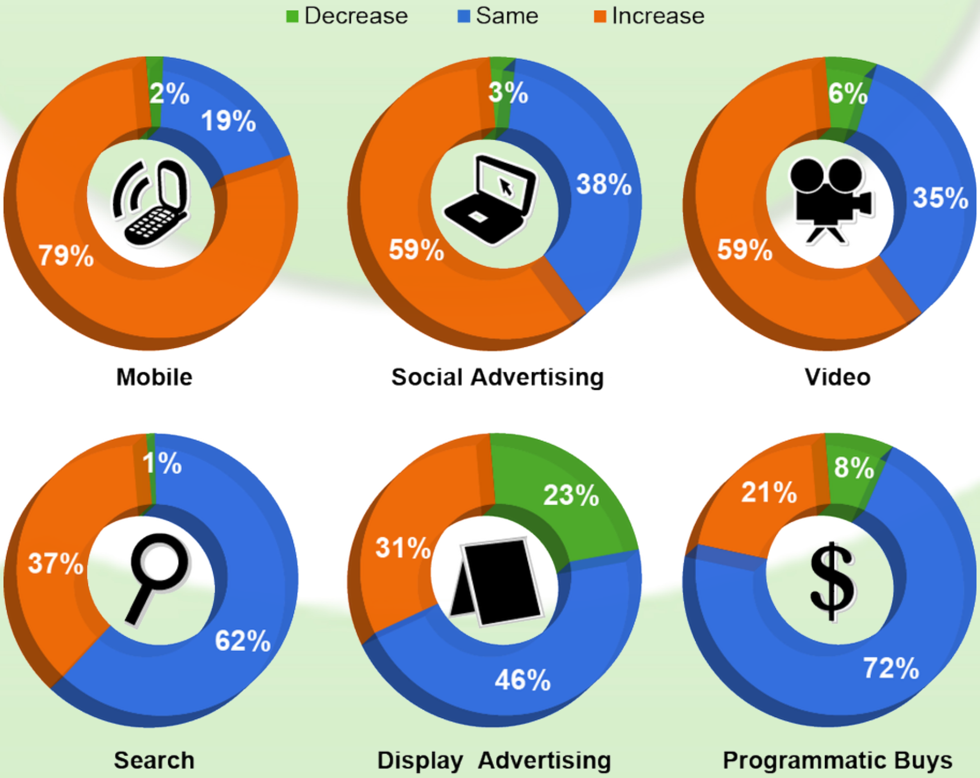
We see that brands are spending the largest parts (nearly 75 percent) of their digital budget on display advertising, search and producing video. Spending on social, including influencer outreach, makes up only 10 percent of brands' digital marketing spend.

Of that social budget, more than half goes to Facebook. YouTube and Twitter each get 13 percent, while about six percent is spent on influencers and 5 percent advertising on blogs.

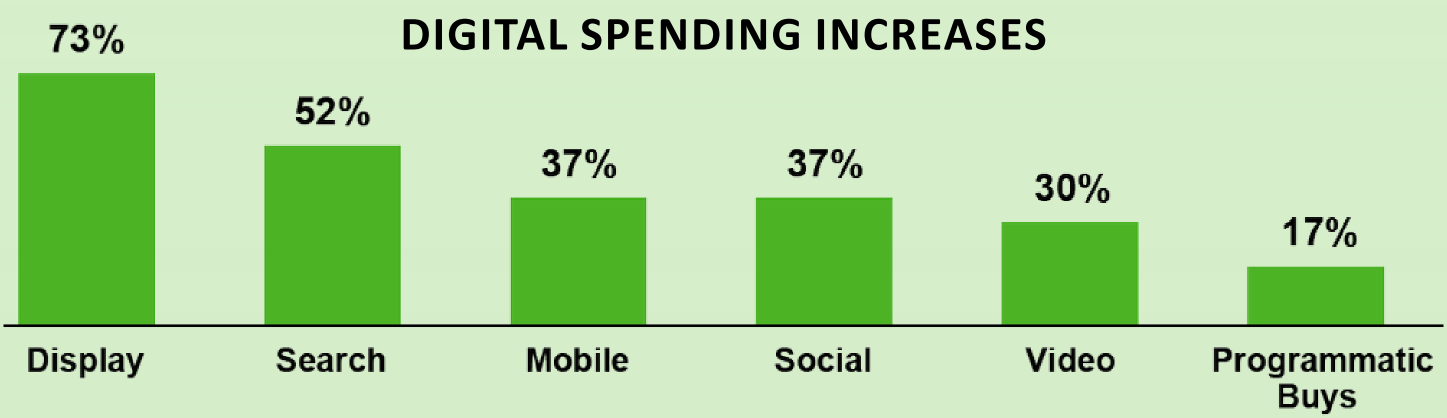
III. Brand Digital Messaging (cont.)

Brand managers report an expected increase in budgets for digital marketing in the upcoming year. Mobile spend is expected to increase for 79 percent of brands surveyed, while social and video tie at 59 percent of brands expected to spend in those two areas. Of the additional budget, most of the increases are going to display advertising (73%) and search (52%). Social and mobile make up the second tier of expected increases, each category getting 37 percent of budget increases. Only 3 percent of brands say they expect to decrease social spending.

DIGITAL BUDGET OUTLOOK



DIGITAL SPENDING INCREASES



III. Brand Digital Messaging (cont.)

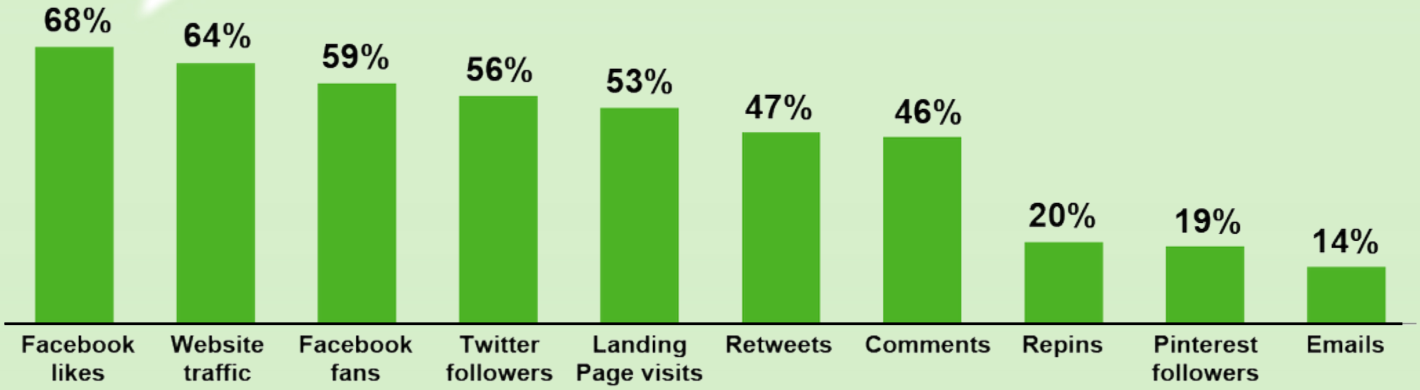
More than half of brands say they have earned media goals, and that those goals fall in the categories of Facebook likes/fans, website traffic, Twitter followers and landing page visits. In terms of measuring their campaigns, brands report that success is defined as increased activity and traffic on Facebook, Twitter and on their websites. Spend is not necessarily commensurate with the areas in which the consumer impact is greatest, however (e.g. spending on Facebook ads trumped spending on blogs).

55%

OF BRANDS HAVE

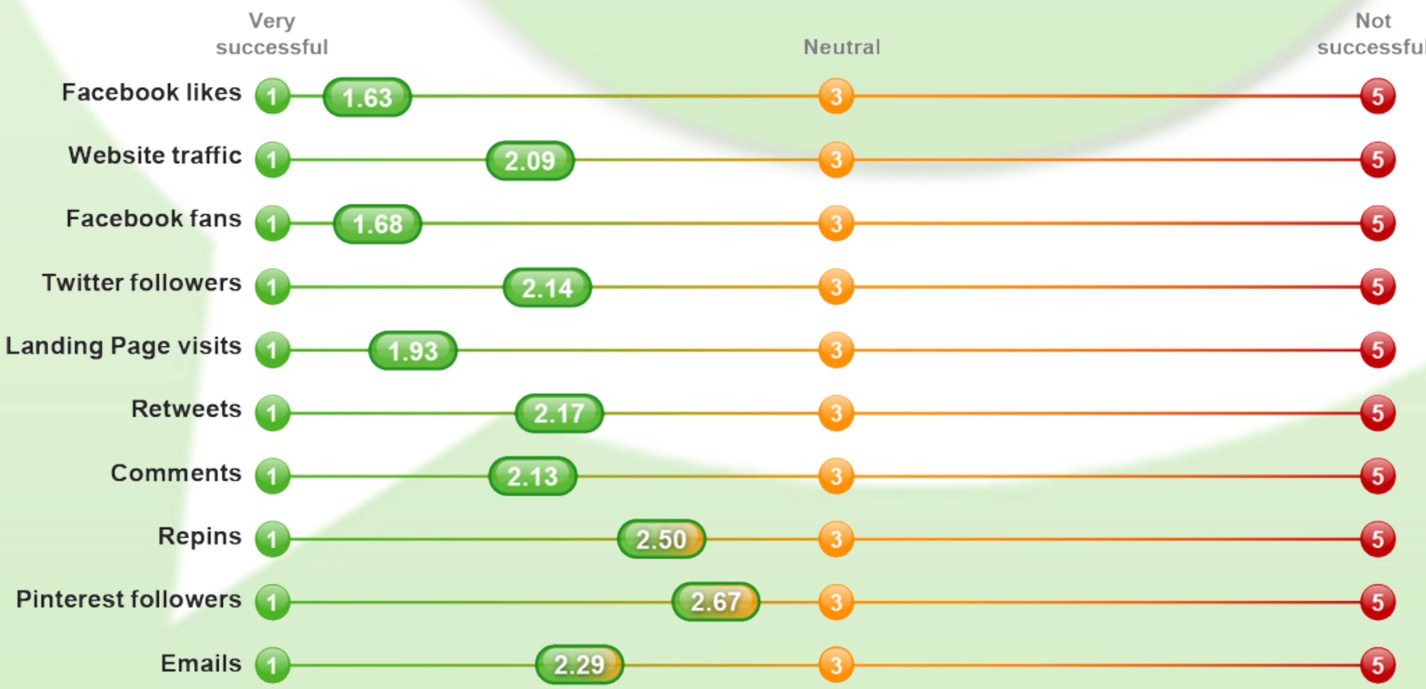
EARNED MEDIA GOALS

EARNED MEDIA GOALS BREAKDOWN



III. Brand Digital Messaging (cont.)

HOW BRANDS MEASURE EARNED MEDIA SUCCESS



III. Brand Digital Messaging (cont.)

Sixty-five percent of brands participate in influencer-based marketing and when it comes to selecting which influencers to work with, brands are using metrics like comScore and Nielsen indices, Twitter and Facebook following, and basic blog statistics.

65%
OF BRANDS PARTICIPATE IN INFLUENCER MARKETING

BRANDS MEASURING INFLUENCER ATTRIBUTES

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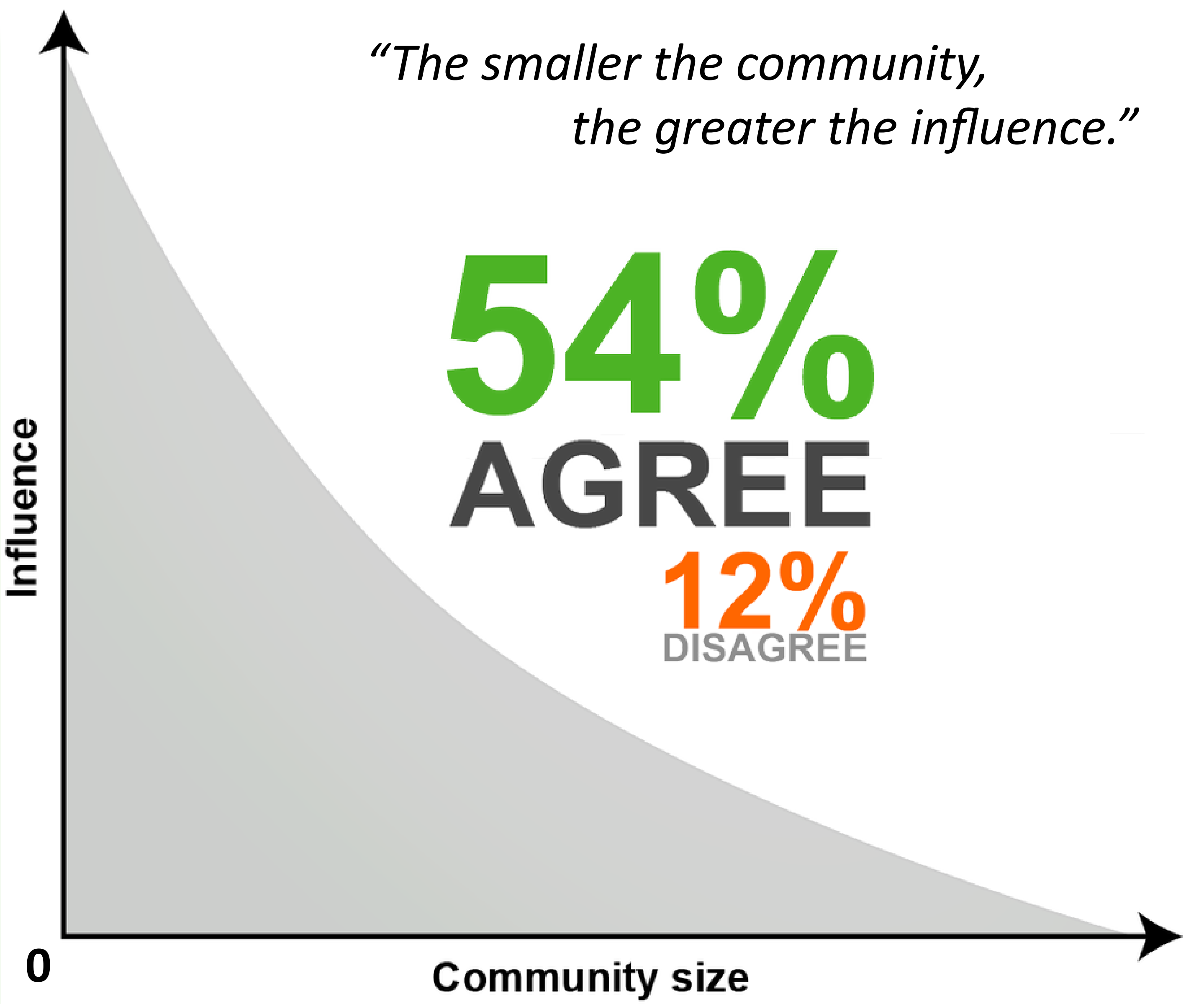
2013 Digital Influence Report

IV. Consumer Behavior

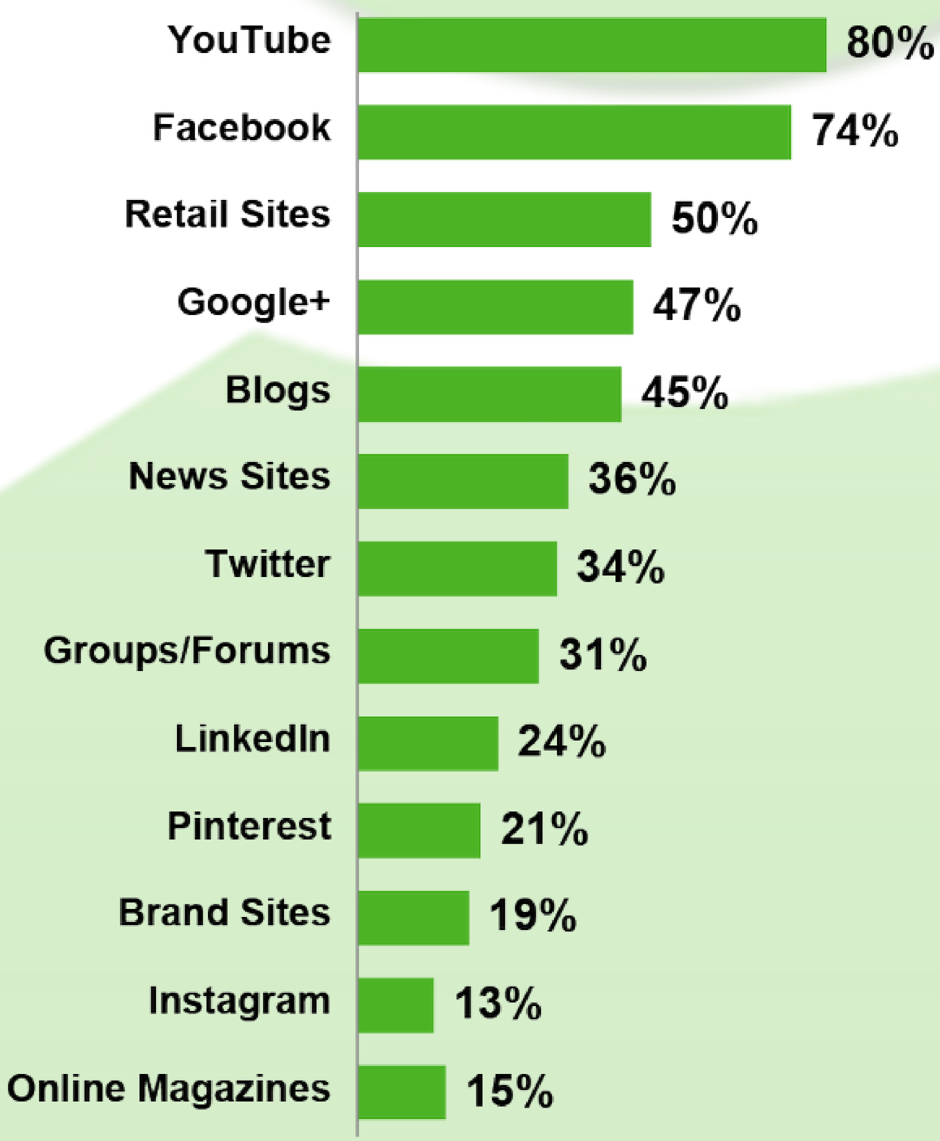
When it comes to community size, 54 percent of consumers agree that the smaller the community the greater the influence.



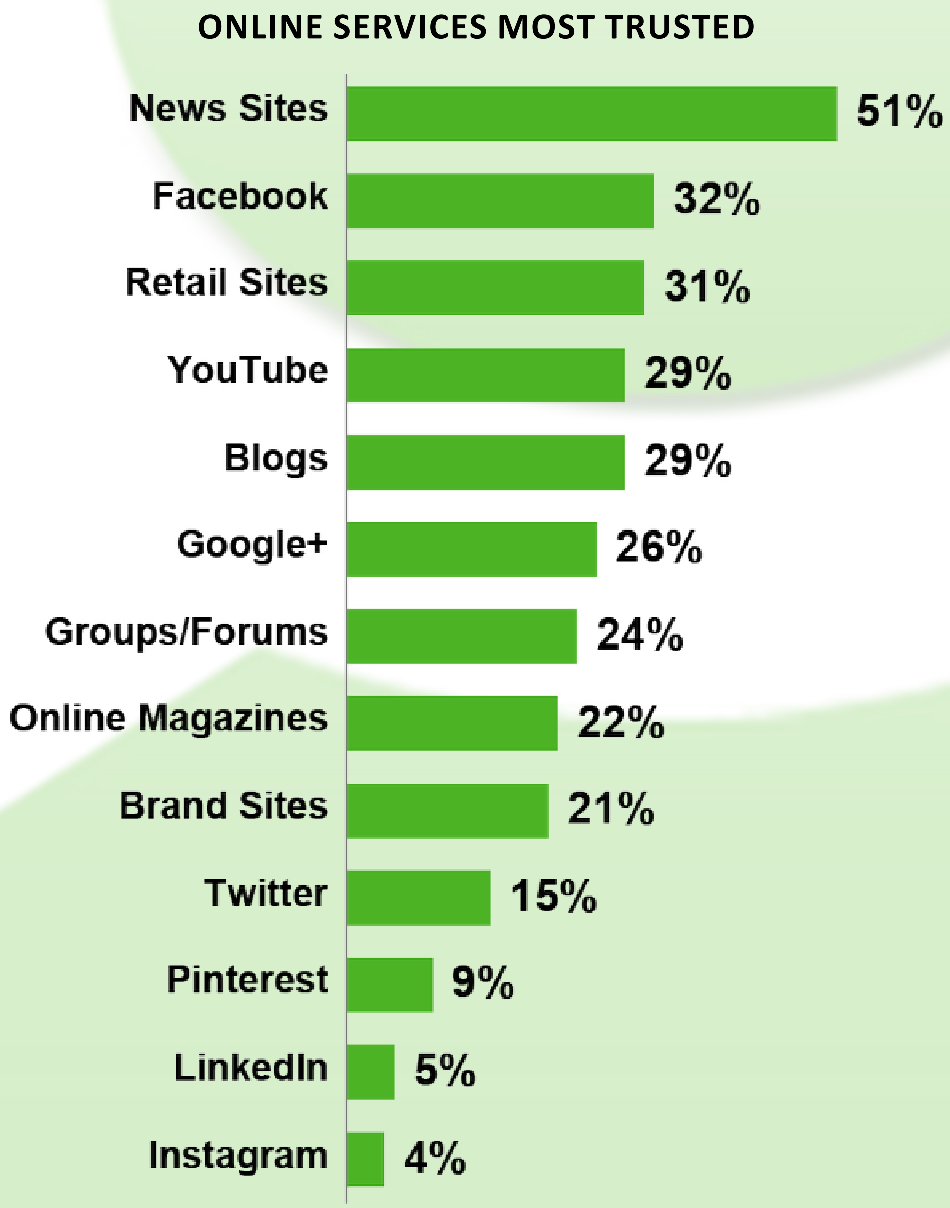
IV. Consumer Behavior (cont.)

The survey findings also indicate that many of those consumers are turning to blogs when looking to make a purchase. Blogs were found to be the third-most influential digital resource (31%) when making overall purchases, only behind retail sites (56%) and brand sites (34%). In fact, blogs were found to be the fifth-most trustworthy source overall for information on the internet. YouTube, Facebook and Google+ are the most popular social properties for consumers.

ONLINE SERVICES MOST USED

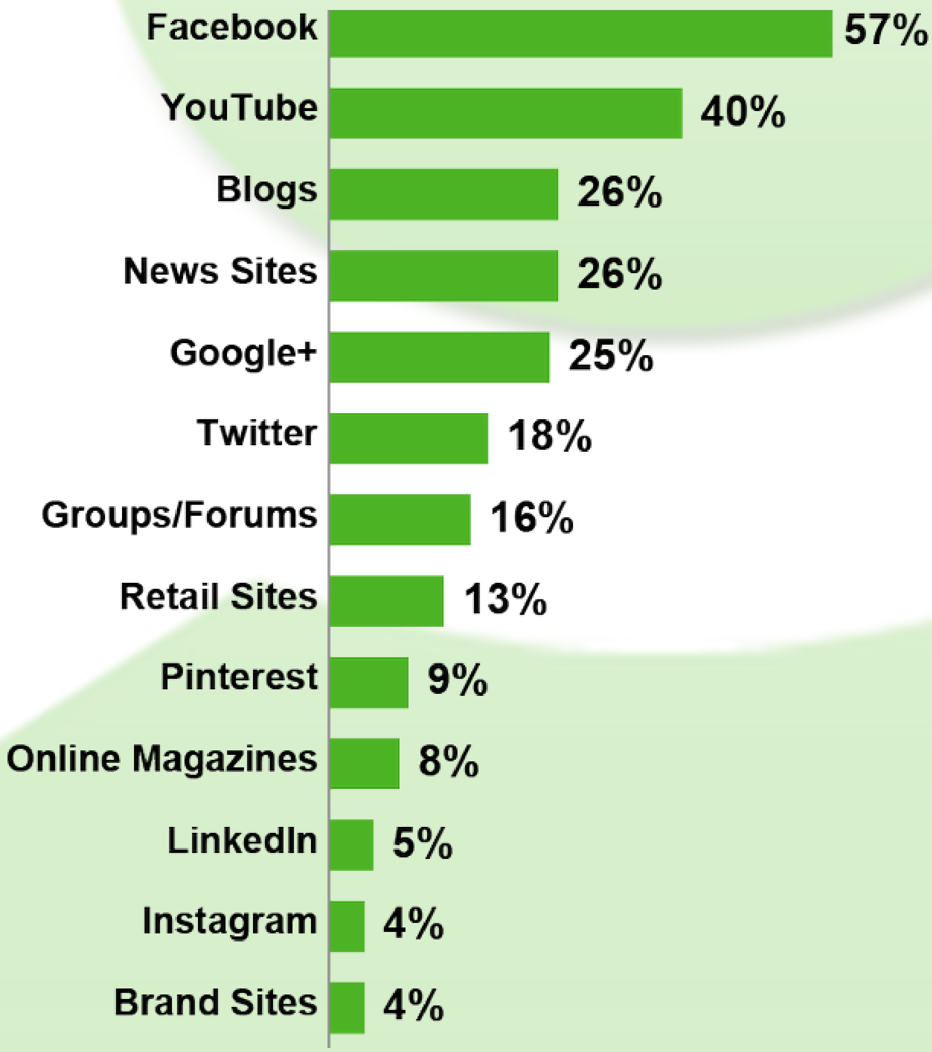


IV. Consumer Behavior (cont.)



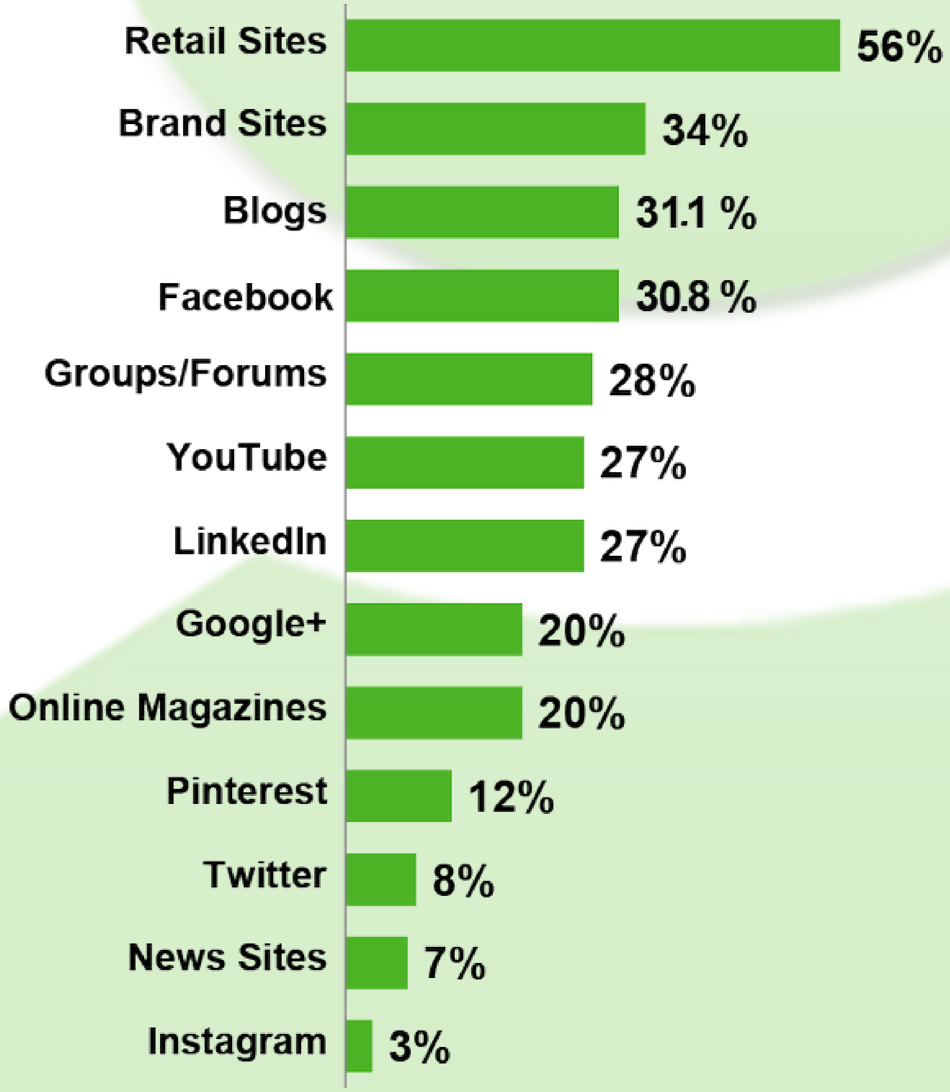
IV. Consumer Behavior (cont.)

ONLINE SERVICES SHARED FROM THE MOST



IV. Consumer Behavior (cont.)

ONLINE SERVICES MOST LIKELY TO INFLUENCE A PURCHASE



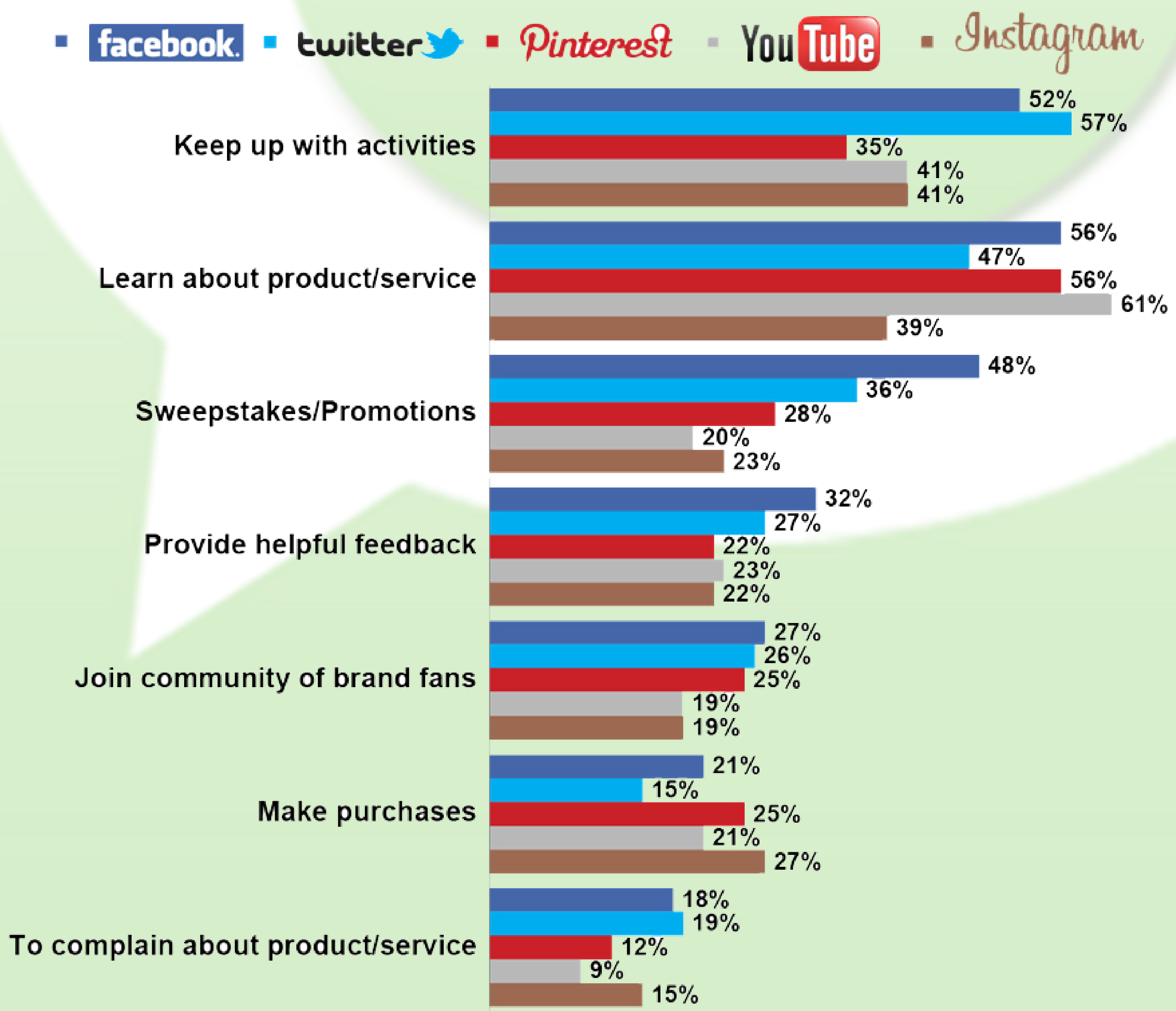
IV. Consumer Behavior (cont.)

With the big investments brands are making on the social platforms, consumers said keeping up with a company's activities and learning about products and services were the top reasons for following brands on Facebook, Twitter, YouTube, Pinterest and Instagram.

WHAT CONSUMERS THINK ABOUT HOW OFTEN BRANDS POST

IV. Consumer Behavior (cont.)

WHY CONSUMERS FOLLOW BRANDS

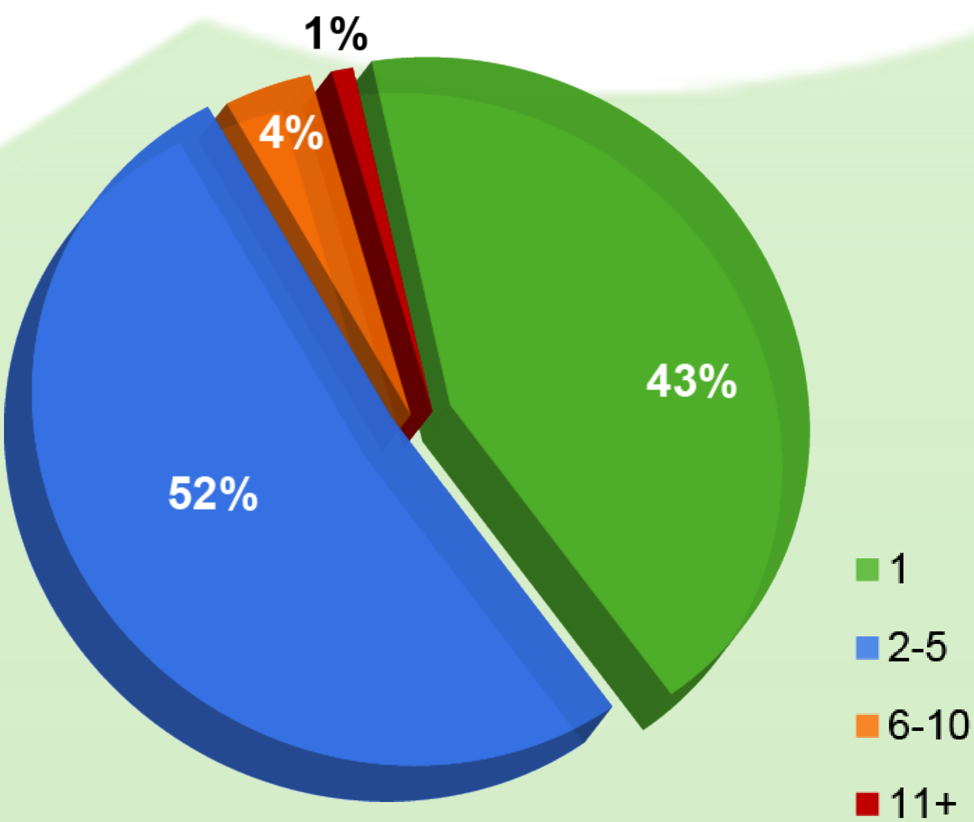


V. Creating Influence

Influencers are most active on blogs, as 86 percent say they have them and 88 percent of those say they blog for themselves. Blogging is the primary publishing tool, and about a third of influencers say they have been blogging for five or more years. Most bloggers (52%) operate two to five blogs, while 43 percent run just one. Only 5 percent of bloggers operate six or more blogs.

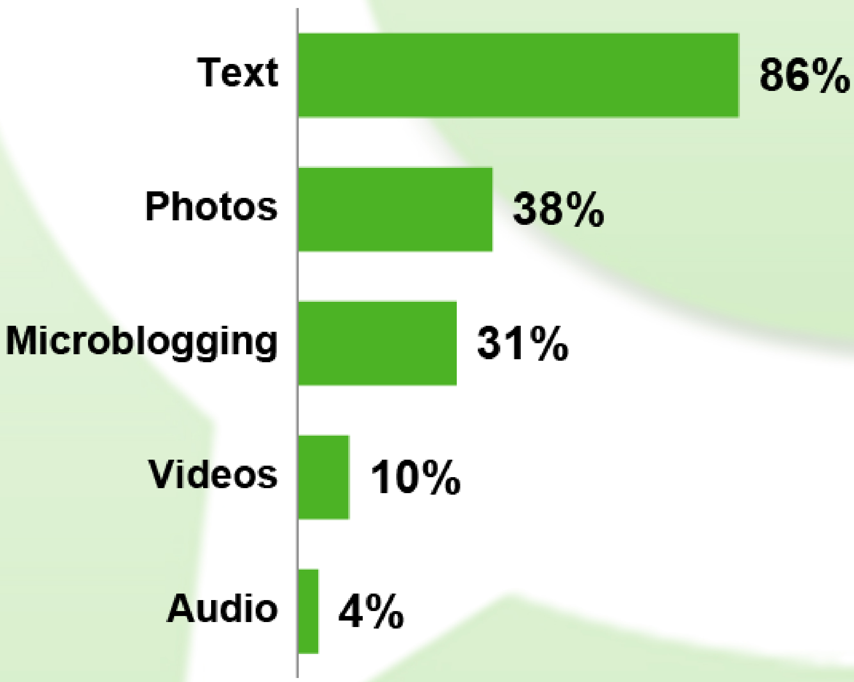
86%
OF INFLUENCERS
BLOG

HOW MANY BLOGS



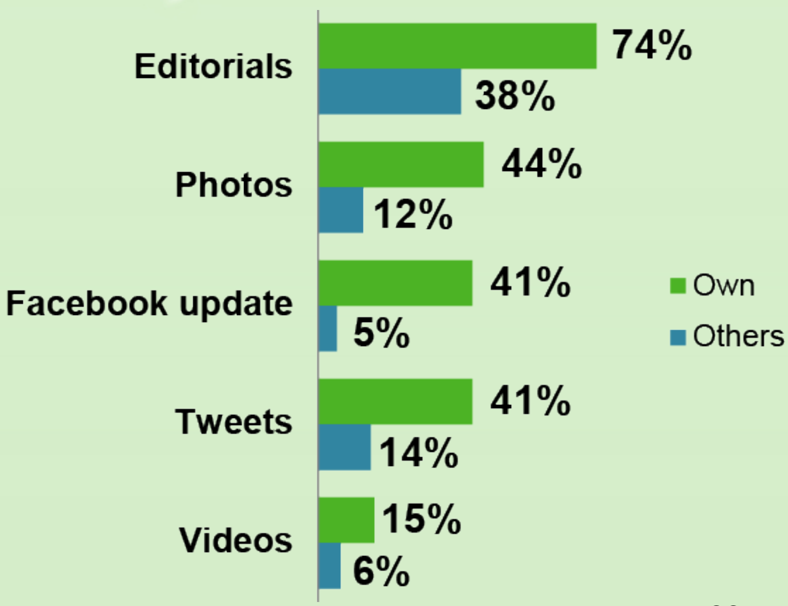
V. Creating Influence (cont.)

HOW INFLUENCERS POST



The primary method for bloggers is text (86%), but photos and microblogging (like Twitter) come in at 38 percent and 31 percent, respectively. Only 10 percent of bloggers use video as their primary method, and less than that (4%) prefers audio.

WHAT INFLUENCERS POST



When it came to type of content published the most, editorials were a clear leader among influencers, either their own original content (74%) or links to others' articles (38%), making up the majority of blogging content.

TechnoratiMedia
2013 Digital Influence Report

V. Creating Influence (cont.)

31%
OF INFLUENCERS
HAVE BEEN BLOGGING
FOR 5+ YEARS

Primary publishing platforms	
A blog	59%
A website (non-blog)	11%
Facebook	10%
Twitter	10%

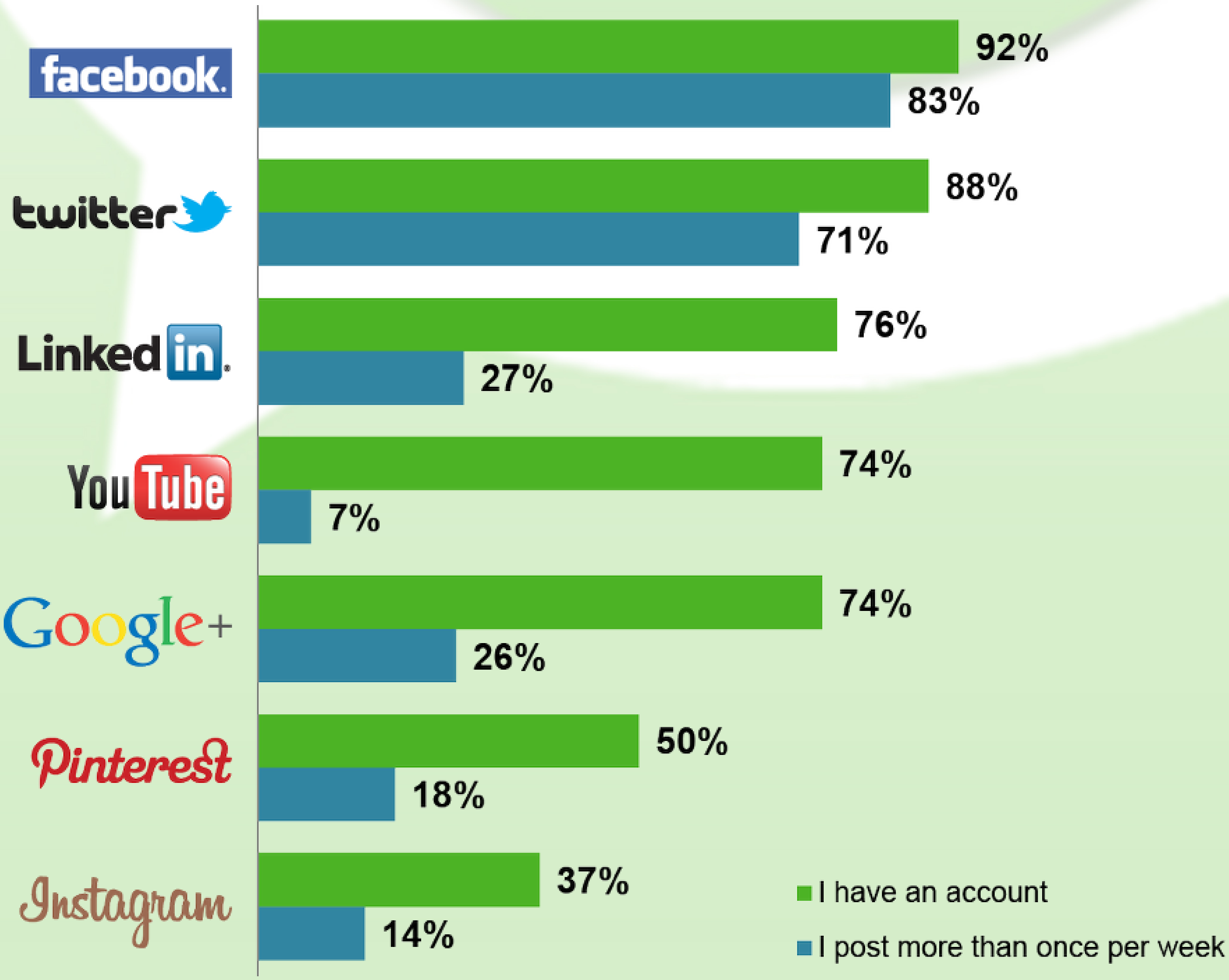
Bloggers also say that other bloggers are very influential (18%) when it comes to choosing their own content to publish.

Influencing the influencers' content	
Other blogs	18%
Colleagues	11%
Twitter	10%
News websites	10%
Facebook	9%
Friends/Family	8%
Print media	5%
TV/Film	4%

V. Creating Influence (cont.)

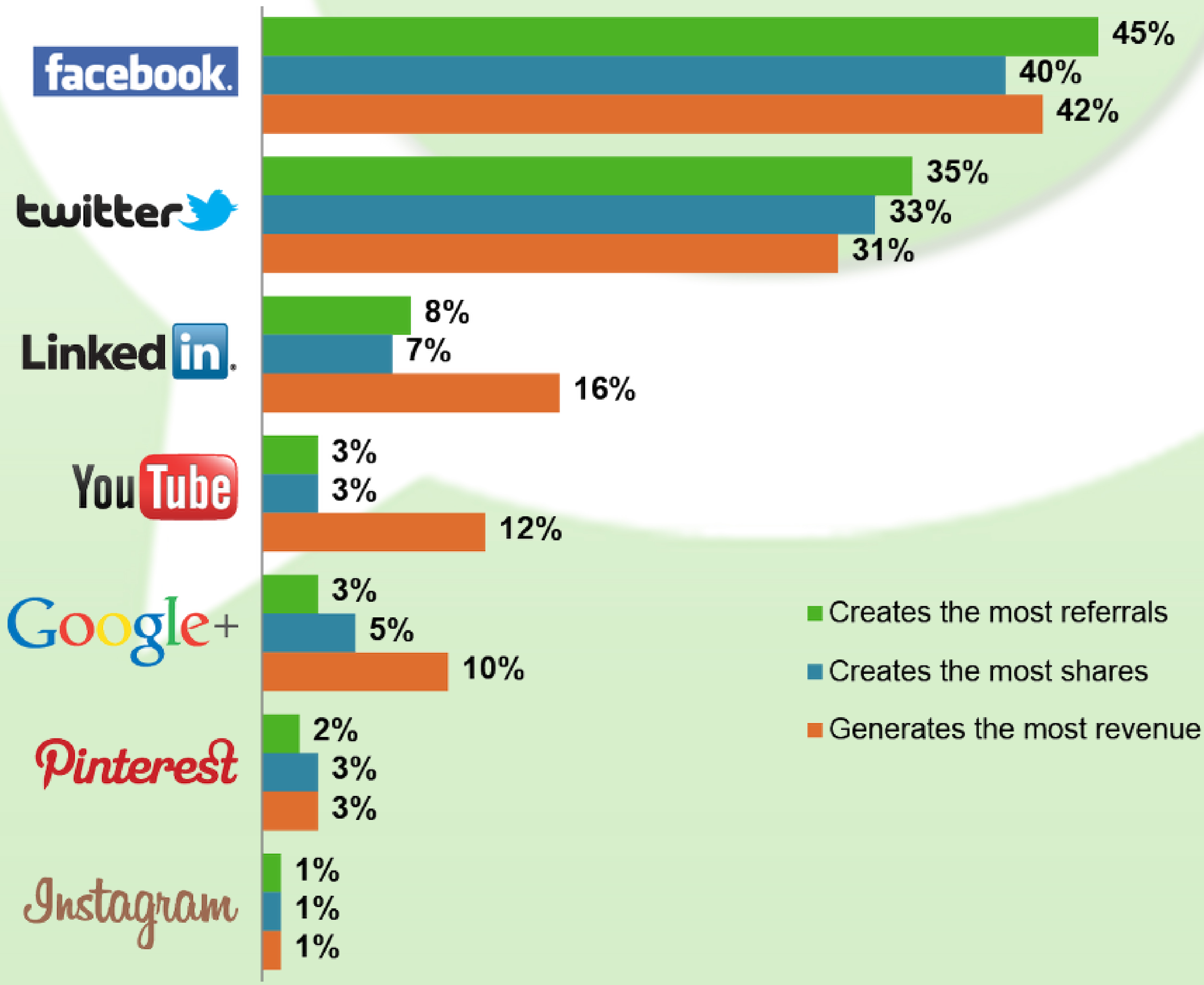
Facebook and Twitter are the most popular social platforms for bloggers, which are the same platforms that generate the majority of blog referrals and shares. Facebook and Twitter are also the top platforms from which bloggers are generating revenue.

WHERE INFLUENCERS ARE SOCIAL



V. Creating Influence (cont.)

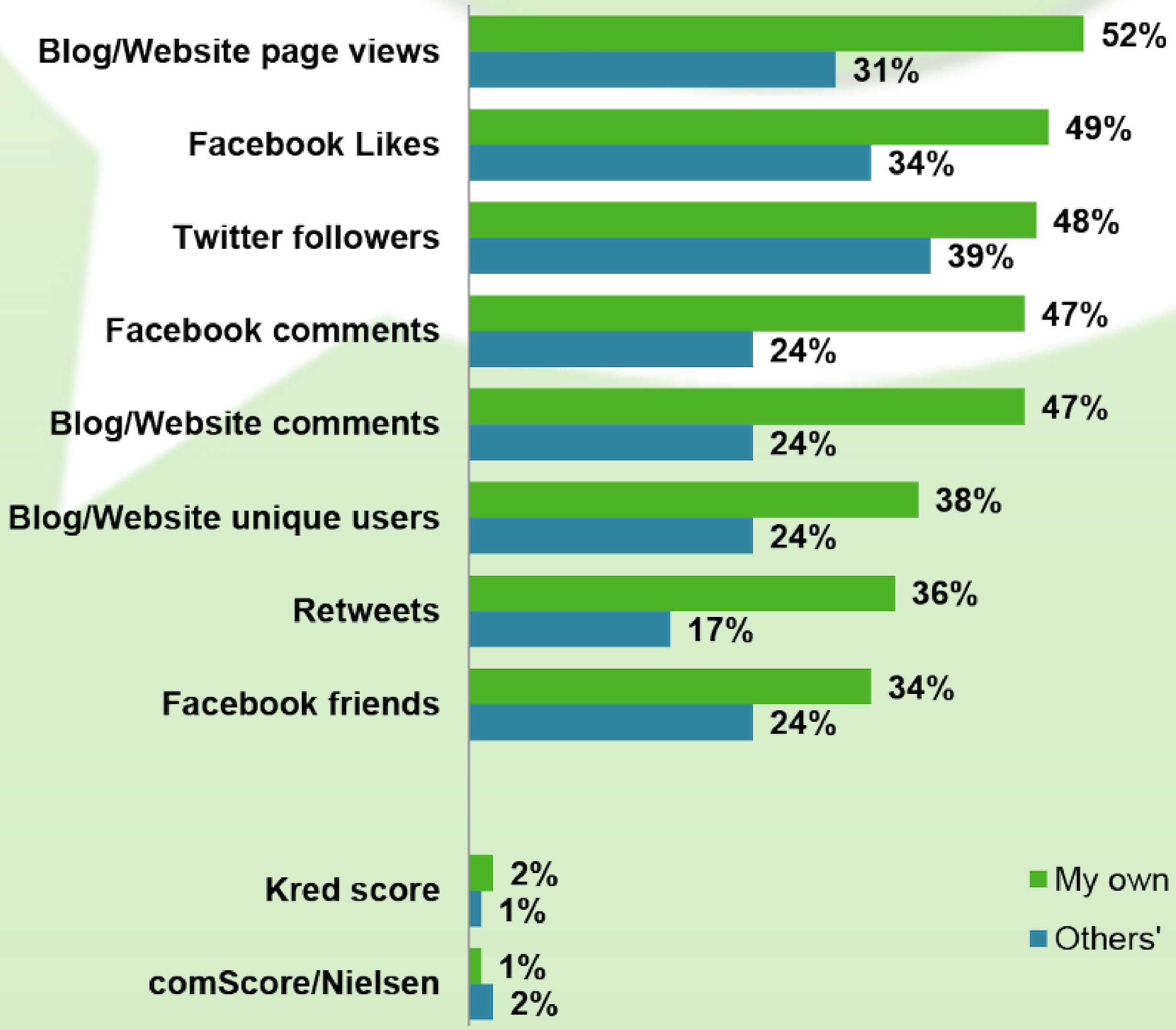
HOW SOCIAL WORKS FOR INFLUENCERS



V. Creating Influence (cont.)

When it comes to measuring their own success, blog/website page views rank highest (52%) among influencers. Social following (Facebook likes, Twitter followers) and user interactions (comments) also rate high among influencers. When it comes to sizing up their peers, Facebook likes and Twitter followers have the attention of influencers.

SOCIAL METRICS FOLLOWED BY INFLUENCERS



VI. Influencers & Revenue

64%
OF INFLUENCERS
MAKE REVENUE
FROM BLOGGING

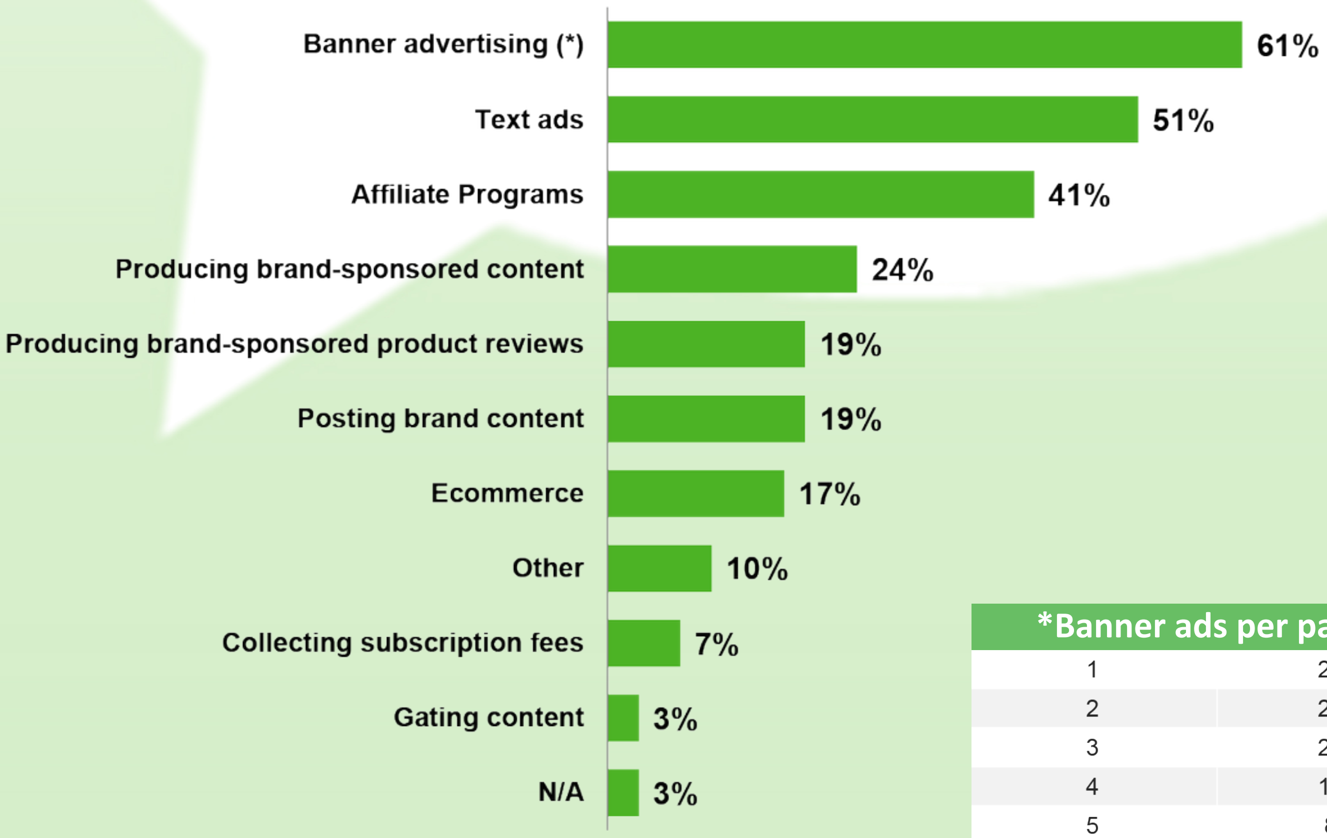
Nearly two-thirds of influencers say they make money from blogging, but more than 80 percent say it's less than $10,000 per year. Only 11 percent of bloggers report making more than $30,000 per year.

Annual Revenue	
52%	Less than $1000
20%	$1,000 - $4,999
10%	$5000 - $9,999
7%	$30,000 - $100,000
4%	$100,000 or more
4%	$10,000 – $19,999
3%	$20,000 – $29,999

VI. Influencers & Revenue (cont.)

Most bloggers' reported income was a result of advertising (61% banner, 51% text). Affiliate programs (41%), sponsored content (24%), sponsored product reviews (19%) also were top earning methods.

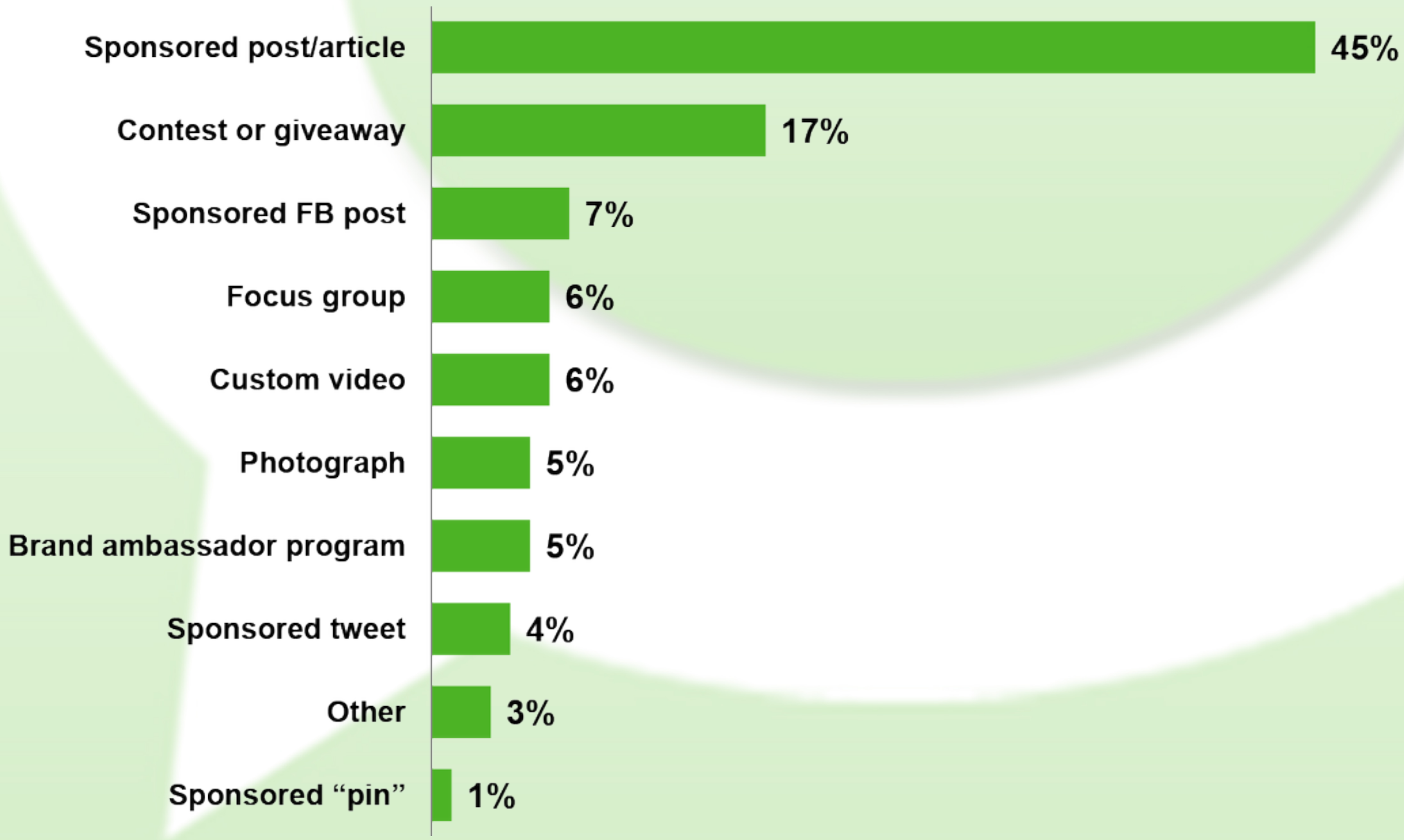
HOW INFLUENCERS EARN REVENUE



*Banner ads per page	
1	20%
2	25%
3	28%
4	10%
5	8%
6	4%
7	1%
8	3%
9	0
10+	1%

VI. Influencers & Revenue (cont.)

WHAT INFLUENCERS ARE PAID FOR



Nearly half of influencers report having been paid for a sponsored post or article, while ecommerce, affiliate links, banners, text ads, brand-sponsored content and product reviews are all listed among desired revenue methods by influencers. Interstitials (full-page ads that appear after a user clicks on a link, but before the user gets to the content) and roadblocks are among revenue opportunities in which influencers are the least willing to participate.

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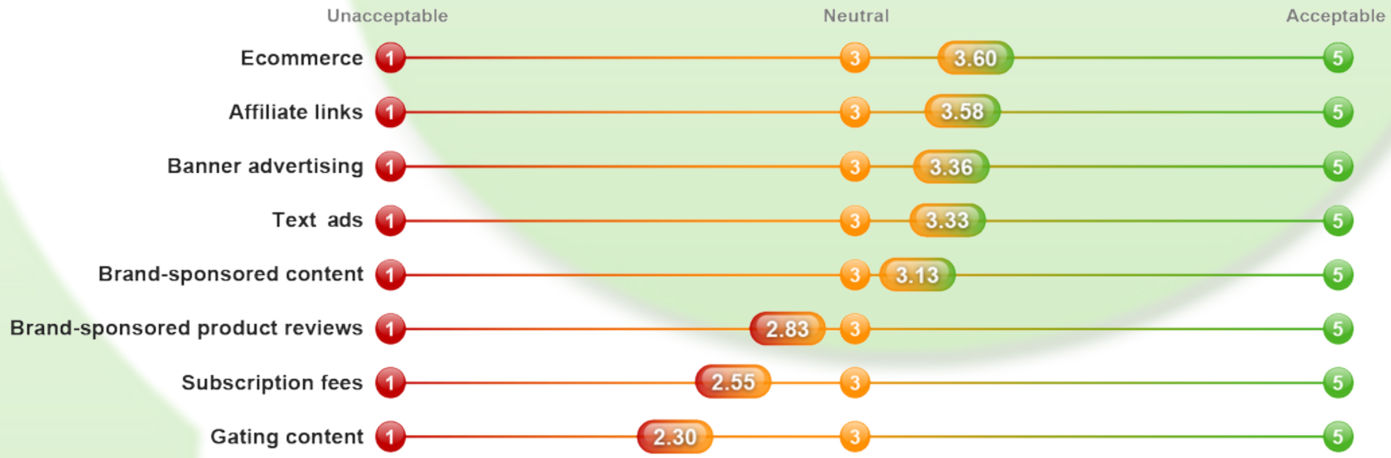
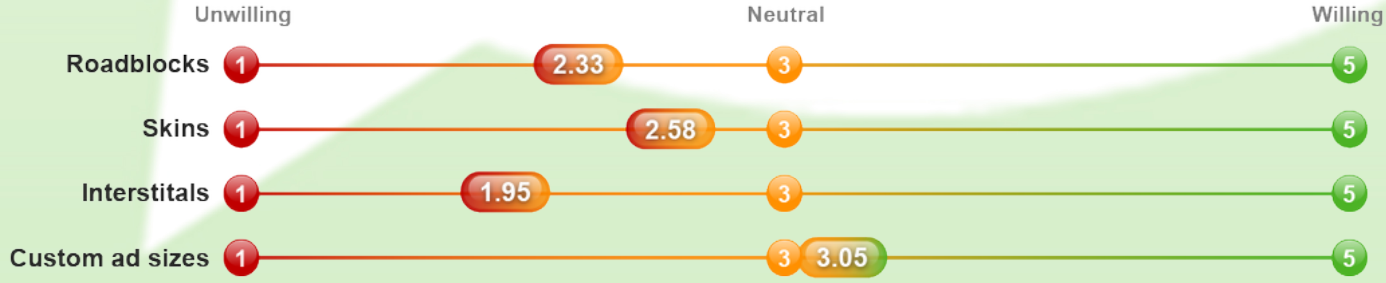
2013 Digital Influence Report

VI. Influencers & Revenue (cont.)

ACCEPTABLE REVENUE METHODS ON BLOGS



WILLINGNESS TO RUN ADVERTISING TACTICS



VII. Influencers & Brands

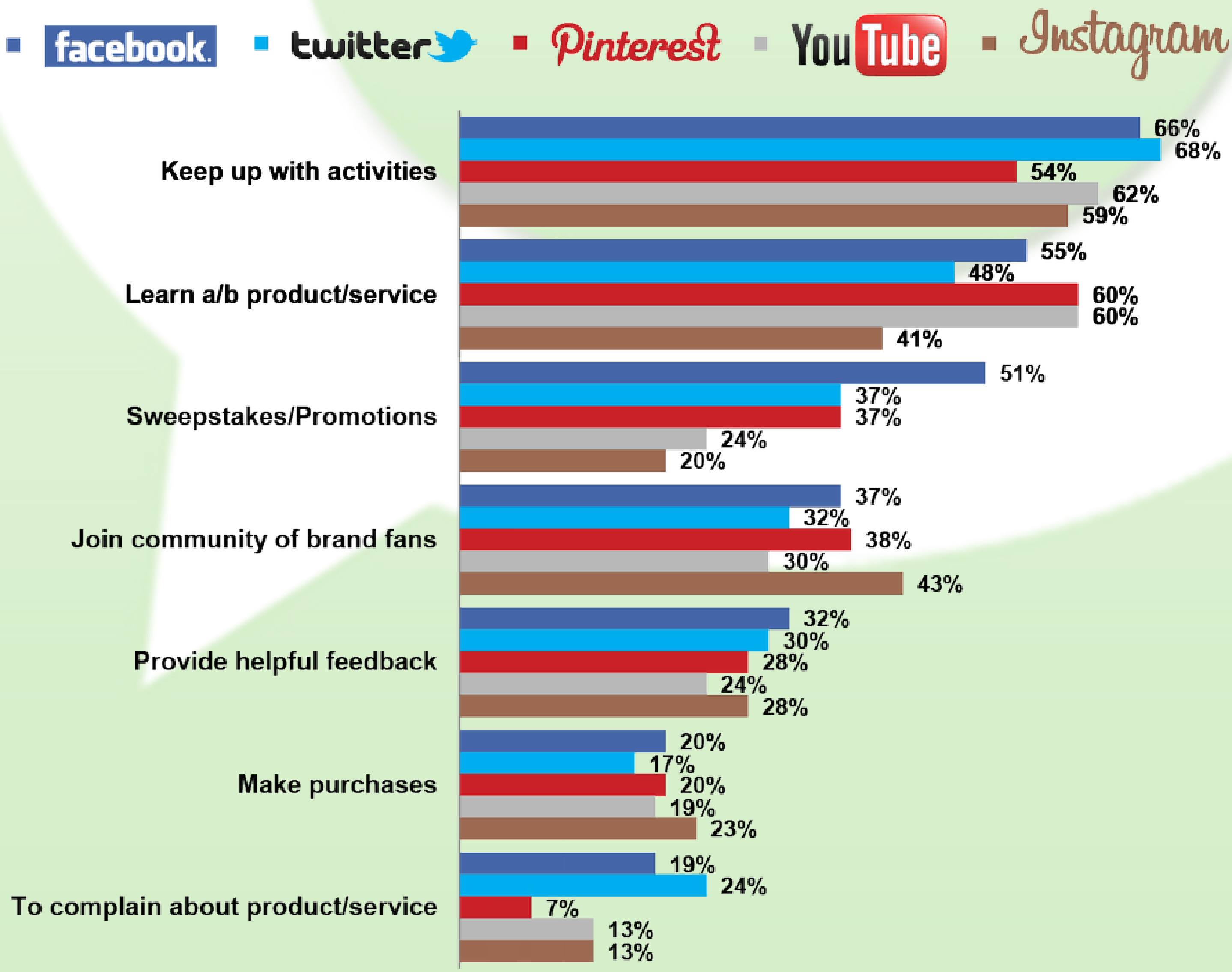
WHERE INFLUENCERS FOLLOW BRANDS

Many influencers are following brands on Facebook (47%) and Twitter (38%) because they want to keep up with brand activities and to learn about products and services. Fewer influencers are following brands on YouTube (17%), Pinterest (11%) and Instagram (7%), but the reasons for doing so are, by and large, the same.

INFLUENCERS' THOUGHTS ON BRAND POST FREQUENCY

VII. Influencers & Brands (cont.)

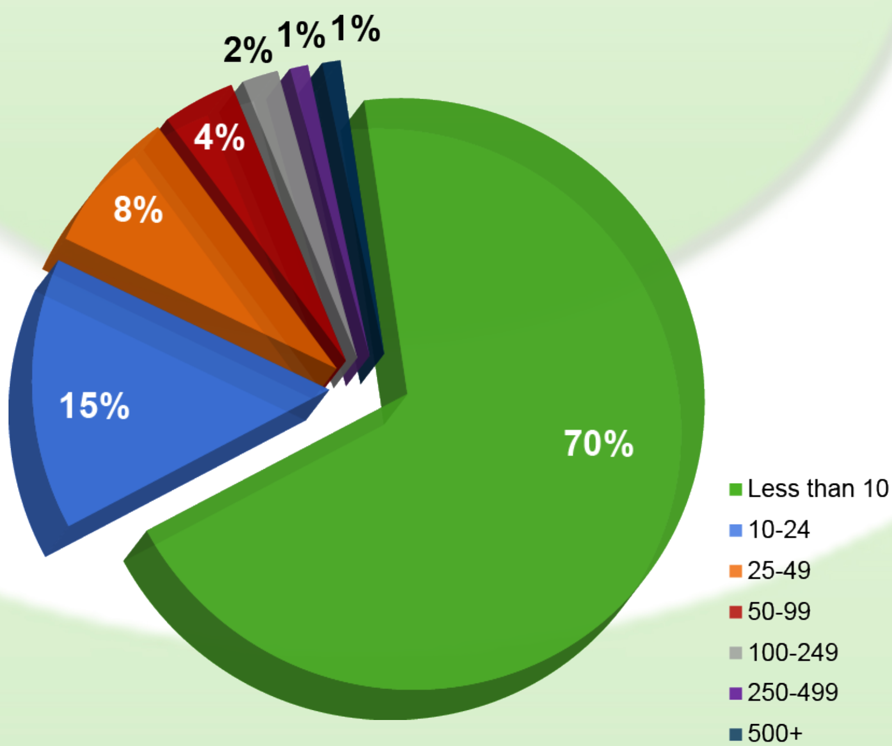
WHY INFLUENCERS FOLLOW BRANDS



VII. Influencers & Brands (cont.)

Across all influencer types, most influencers (70%) on average receive just under 10 opportunities to work with brands a week. One of the top reasons influencers would work with a brand is because they have access to an audience the brand would want to reach (61%). Other top factors include influencers' affinity to the brand (68%), the campaign type (61%) and the category of the product being pitched (60%). Influencers say that most of their branding opportunities come from the PR agencies that have reached out to them (37%).

BRANDING REQUESTS PER WEEK



Basis for working with brands	
Affinity to the brand	68%
Audience the brand wants to reach	61%
Campaign type	61%
Category/product type being pitched	60%
Amount brand will to pay	56%
Type of media requested	43%
Requirements for an article or program	34%
Tone of content requested	33%
Timing of the initiative	27%
Campaign length	23%
Social networks required	20%
Whether they've worked with brand before	14%

Source for branding opportunities	
PR agencies find me	37%
Facebook	14%
Twitter	10%
Conferences	9%
Direct sales through my website	9%
Networks/Agent that represents me	8%
Social Spark	3%
Press	2%

VII. Influencers & Brands (cont.)

Influencers most prefer receiving a first look or review opportunities for new products, features or releases when presented with branding opportunities as well as being paid to create custom content. Also high on the scale are prizes and samples to give away to their audience.

PREFERENCE OF BRANDING INITIATIVES

TechnoratiMedia
2013 Digital Influence Report

VIII. Influencers & Brands: Evolution

Influencers report that unsuccessful branding opportunities are most often caused by irrelevant pitches and expectations on their time. Influencers also report that those opportunities sometimes don't represent a relevancy to their blog or audience.

Influencers' top branding pain points	
68%	Expectations by brands that my time is free
50%	Number of irrelevant incoming pitches
38%	Brands not listening to your ideas about content that works for your audience
38%	Negotiating rates
33%	Miscommunications or excessive back and forth with the brad/brand rep
24%	Brands not coming through with negotiated payments/products
22%	Number of inbound requests from brands
20%	Lack of standards in contracts, requirements, etc
8%	Other

What influencers say brand sources lack	
Relevancy of products or pitches to my blog and audience	30%
Don't pay enough	22%
Not enough leads/scale	12%
Limited contact information	9%
Responsiveness	7%
Negotiating on my behalf	6%
Not easy to filter/be selective	6%
Too many leads	2%
Other	6%

IX. Conclusion

According to brand marketers, social spend in 2013 will increase substantially. Despite this increase, however, spending on social makes up only one-tenth of brands' total digital budget. On the flip side, blogs still are one of the most influential mediums, ranking high with consumers for trust, popularity and influence. The disconnect between brand marketers and influencers is a result of a challenge they both face – a lack of uniform metrics to effectively measure the success of influencer marketing campaigns. At present, brands primarily look to comScore/Nielsen ranking for identifying and selecting influencers first, yet influencers are not well represented in these indices.

Furthermore, when gauging the success of campaigns, where influencers are monitoring traffic/page views, brand marketers are measuring Facebook likes.

Looking at social platforms, Facebook and Twitter are the most popular social platforms for bloggers, which are the platforms that generate the majority of blog referrals and shares, as well as those from which bloggers are generating revenue. For consumers, YouTube, Facebook and Google+ are the most popular platforms. As for brands, 90 percent have a presence on Facebook, closely followed by Twitter and YouTube, but Google+ was not as popular a platform.

For questions on this report or to share ideas, contact:

Shani Higgins
CEO, Technorati Media
shiggins@technoratimedia.com
@shiggles

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