

Brands and Retailers Are Changing Their Approach to Influencer Marketing

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As the pandemic continues to alter consumer behavior, some brands and retailers are shifting influencer marketing initiatives to highlight products and services that are now in demand. Influencer agencies and platforms are seeing more interest from industries that were not investing heavily in influencer marketing previously, and some marketers are taking a more performance-based approach to working with creators.

"Advertisers that would normally work with creators on makeup and skincare products have switched to household goods, like cleaning products, air fresheners and hand sanitizers," said Mary Keane-Dawson, group CEO of influencer marketing agency Takumi. "They've been using the same influencers, but to activate very different products that we haven't really experienced before."

Alessandro Bogliari, co-founder and CEO of The Influencer Marketing Factory, said his clients in the toy industry—who often rely on traditional media like linear TV ads and industry fairs—have been spending more during the pandemic. Bogliari also noted increased activity from app developers, notably in the fitness, food delivery and personal finance spaces.

"It's really interesting to see the polarity in decisions from different brands," said Jennifer Piña, global director of brand partnerships at social commerce platform MagicLinks. "Some are quite literally frozen in time and can't do anything. Others are moving forward with business as usual, seeing the best sales they've ever seen before."

Despite heightened interest from some marketers, influencer marketing has suffered due to the pandemic. A survey conducted in mid-March by influencer marketing firm **Mavrck** found that 27.3% of US influencers had fewer collaborations because of the coronavirus. While some influencers are **now seeing brand deals resume**, popular categories like **travel and live entertainment** are likely to remain on hold until their industries recover.

The decline of in-store shoppers, limited advertising reach outside the home, as well as a noticeable **downtick in paid social** could also explain why certain brands are spending more on influencer marketing—and some with an emphasis on performance over brand marketing.

"There's certainly a drive from advertisers to have more attributable activity from our influencers," Takumi's Keane-Dawson said. "Fast-moving consumer goods brands and self-care brands need to be able to sell products. It's completely logical to have a performance element to it."

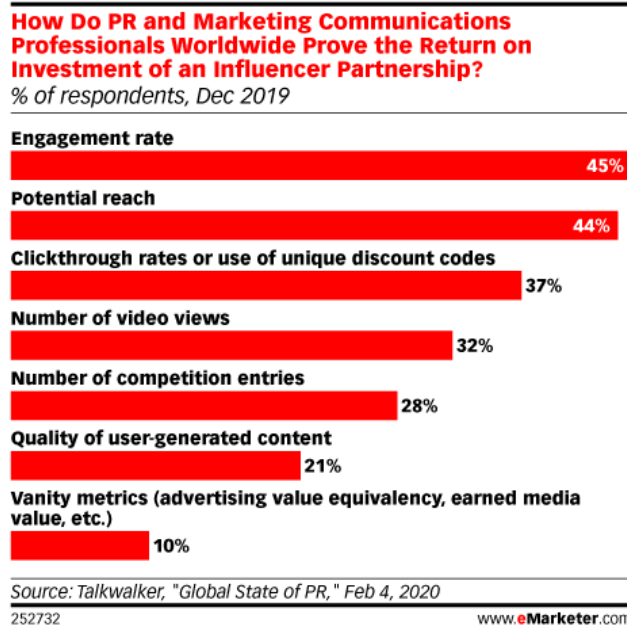
The same goes for app developers, who are using influencers to help drive downloads in a time where consumers are using apps for entertainment, working from home, and staying connected with family and friends.

"When it comes to apps, even if the company is super digital, it spends the majority of its time in paid media," Bogliari of The Influencer Marketing Factory said. "These companies want direct return on investment [ROI], they want to know cost per install, so they're really data-driven."

But not all industries that are turning to influencer marketing during the pandemic are interested in performance. Takumi's Keane-Dawson noted an increase in activity from finance companies, including retail banks in the US. These companies are using influencer marketing

exclusively for brand building, with an emphasis on awareness about services that consumers may find useful during the pandemic.

A December 2019 survey from **Talkwalker** found engagement and reach were the two most prominent measures of success for proving influencer ROI, according to PR and marketing communications professionals worldwide.



But the economic implications of the coronavirus will likely cause some brands to reduce marketing budgets, and performance-based ROI could become more prominent if marketers are going to justify spending in the influencer space.

Brands that are investing more heavily in influencer marketing to mitigate the loss of other marketing channels may not continue with that tactic in the long term. And marketers dealing with budget restrictions in the months to come could find it difficult to justify influencer marketing unless collaborations drive sales. However, industries that did not traditionally invest in influencer marketing are now learning how to navigate the space and may continue investing in the future.