

Danny Brown  Sam Fiorella

Influence Marketing



How to **Create, Manage, and Measure Brand Influencers**
in Social Media Marketing

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Influence Marketing

How to Create, Manage, and Measure Brand
Influencers in Social Media Marketing

**DANNY BROWN
SAM FIORELLA**

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800 East 96th Street
Indianapolis, Indiana 46240 USA

Influence Marketing

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ISBN-13: 978-0-7897-5104-1

ISBN-10: 0-7897-5104-6

Library of Congress Cataloging-in-Publication Data is on file.

Printed in the United States of America

First Printing: May 2013

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Dedication

For all those who refuse to be defined by a score.

Acknowledgments

The ideas, strategies, and methodologies shared in this book were born from years of dialogue, debate, and professional work with a very large community. As such, there's no way we could mention everyone by name; however, a few people must be given special mention.

From Danny:

To my amazing wife, Jacki, and my awesome kids, Ewan and Salem—you are the true influencers of me every single day. Thank you for putting up with me more than usual for the last 12 months. I love you.

To my wife's mother, Traci, for your support and belief in Jacki and me from the very first day. I know we couldn't have done half the things we have without you. Thank you.

To Hessie Jones, Amy Tobin, and Andrew Jenkins of ArCompany, for allowing me to be around your smarts each day and showing that integrity and honesty in business aren't just a sound bite, and for shouldering my work while I was buried in book edits. Dinner is on me.

To Faheem Rauf, an influencer of the truest kind when it comes to the definition of leading by example and staying true to your morals. You inspire me.

Huge thanks to the PVSM Punks. From an idea borne out of frustration, our little group has become an area where I know I can go to laugh, cry, cheer, and be amazed, all at the same time. I'm indebted to you for letting me be part of such an amazing collective.

To the community I've been incredibly fortunate to grow with around my blog and across social media, thank you for taking the time out of your day to visit my little part of the Web. My online adventures would be very mundane without you.

And to my coauthor, Sam, a special thank you. I can't think of another person I'd rather have written this book with, and your support when the words wouldn't quite flow helped more than you could know. You're a good man and someone I'm proud to call friend.

From Sam:

To Susan, Lucas, and Vanessa, thank you for your patience, understanding, and support during the past year as I dedicated every free moment to planning and writing this book. I appreciate your sacrifices, love, and encouragement.

To my team at Sensei Marketing and clients like Nick and Peter Grande at MV-1 Canada, many thanks for your willingness to take this ride with me and for your roles in testing various influence marketing campaigns.

Thanks to Ric Dragon, Jure Klepic, Fred McClimans, Alan Berkson, Steve Woodruff, Lee Bogner, Dr. Natalie Petouhoff, Rebel Brown, and Judi Samuels for debating the issue of influence marketing with me over the past few years. Thanks also to all those who have exchanged ideas on this subject during my weekly #biz-forum debates on Twitter. You pushed me to not accept the status quo and to envision what's possible.

My section of this book was written almost entirely at the Starbucks located at the intersection of Dundas and Trafalgar in Oakville, Ontario. Gratitude to the entire team there including Erika, "the smitten kitten" barista who kept me well caffeinated and alert!

Finally, thanks to my coauthor, Danny Brown, who, between the laughs, beers, jabs, and brainstorming, turned out to be the perfect writing partner in this endeavor and an even better friend.

From both of us:

Many companies engaged in influence marketing were generous with their time and insights through the many interviews and work sessions we conducted during the writing of this book work. We want to thank each of them: Eric Weissman

from oneQube, Robert Moore from Internet Media Labs, Andrew Grill from Kred, Azeem Azhar and Ferenc Huszar from PeerIndex, Pierre-Loic Assayag and Evyenia Wilkins from Traackr, Larry Levy and Dave Fausel from Appinions, Jason Weaver from Shoutlet, Jon Ferrara from Nimble, Susan Emerick from IBM, Mark Fidelman from Evolve!, Brian Vickery from Mantis Technology Group, Matt Hixson from Tellagence, Mark Zohar from TrendSpottr, Jen Evans from Squeeze, Johnny Miller from Manumatix and Yoram Greener from Salorix.

Their support and feedback were invaluable.

To our peer editor Tonia Ries and development editor Karen E. Klein, for taking our raw words and actually making them sound smart. We hope we left some of your sanity intact!

To our amazing production team at Que—Andy Beaster, our production editor, our copy editor, Geneil Breeze, our proofreader, Sheri Replin, and our cover designer, Alan Clements. Thank you all for helping us through the scary process of authoring a book for the first time. We couldn't have done it without you.

Finally, a special thank you to Katherine Bull, our acquisitions editor. You believed in the book we wanted to write and kept us sane when the real work began. Thank you.

Online Files

Additional online resources can be found at www.influencemarketingbook.com.

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Situational Influence: A New Model for a New Era

The end result of any good marketing effort is to identify, engage, and nurture the most qualified prospects, ensuring the leads generated drive the highest customer acquisition rate—or at least it should be. There's been a backlash against the marketing industry, marketing professionals, and even some marketing software platforms because of what many see as their inability to measure the direct result of their efforts vis-à-vis the business's bottom line.

The study of marketing—and social media in particular—is often criticized for being a soft science. Critics point to exercises such as branding, community building, and social engagement as examples of efforts that may raise awareness of the brand name but are rarely able to link directly to the specific sales or profits generated by those activities. The need to measure the return on investment (ROI) of social media activities—and by extension marketing—has become a rallying cry of business executives and pundits alike.

Others claim that many modern social engagement programs are ineffectual due to their focus on short-term strategies instead of long-term value. Here critics point to the trend in acquisition of simple measures of success such as followers, “Likes,” and shares. Others cite the use of social influence scoring platforms to identify brand advocates as short-cuts driving poor and inaccurate results because they avoid the real work required to drive long-term business value and bottom-line results.

Criticisms aside, the practice of influence marketing must be restrategized if it's going to become an effective marketing tactic for businesses and gain the favor of executives who control marketing budgets. The advent and use of today's popular social influence platforms and scores is not influence marketing. These platforms

are a good exercise in product and brand amplification, whereas true influence marketing is about measurable customer acquisition and lead conversion. This chapter lays the foundation for an influence marketing blueprint that demonstrates how the practice of influence marketing may return to driving measurable sales instead of just broad brand awareness.

Trend Currents

Business models and methodologies are constantly evolving to adapt to consumer trends, technological advances, and socio-economic changes. It's a common occurrence; in fact, evolving business thinking, strategy, and process is essential for corporate growth. The key, of course, is to stay ahead of consumer needs and preferences so that your product, operations, and marketing are ready when consumers make the shift. Better yet, influence them to shift toward your product. Today we have the advantage of Big Data, a term used to describe the increasing amount of unstructured business and consumer data being collected and stored by organizations. However, the term is also associated with the fact that real insights from this collection of data are difficult to ascertain due to the current limitations of commonly used software tools that capture, manage, and process that data. Ironically, technology has created an environment where we produce and collect data faster than technology permits us to effectively store and intelligently analyze it. This fact hasn't stop marketers from basing decisions on such data, however.

Steve Woodruff, president and founder of Impactiviti, a professional pharmaceutical and health-care industry referral network, states that too few marketers pay attention to the *trend currents*, which he defines as unstoppable forces (social, technological, economic, etc.) inexorably shaping the cultural landscape. He warns that the *current trends* most businesses focus on are merely metrics that contribute to much larger *trend currents*. He argues that a business's quest to mine data and manage current trends blinds them to the long-term shifts in communication; they do not see the proverbial forest for the trees. His views are an astute observation, as we're seeing more and more businesses crippled under the weight of Big Data and more and more marketers—faced with so much online data—jumping on the bandwagon of quick-fix social media solutions instead of doing the requisite work for success.

For many years now, Apple Computers has been the go-to case study of a business that stays ahead of the curve, with some arguing that its real success comes from creating the curve that people subsequently follow. Whichever you believe, the late Steve Jobs, founder of Apple, was the epitome of someone who saw only trend currents. For example, in 2000 when the music industry was focused on fighting individuals sharing copyrighted music for free across peer-to-peer networks like Napster, Apple was monitoring the trend currents. What others saw as a copyright

or financial issue, they saw as a fundamental change in how people purchase and consume music. The music community was trying to manage the current trend while Apple focused on the trend current. Jobs set out to create a solution that leveraged the Napster revolution to create an entirely new business model. Less than a year later, he introduced iTunes to the world, and within a few months was boasting a million downloads. Later that year, it launched the next iPod featuring a brand-new version of iTunes that seamlessly integrated with the songs and playlists stored on Mac computers. Within a year, Apple reinvented the industry, identifying and adapting to the trend current, not the current trend.

Arguably, at least in modern times, technology has had the biggest impact on consumer habits, business operations, and the economy in general. Social scientist Everett Rogers outlined an adoption life cycle of technology in his book *Diffusion of Innovations*, shown in Figure 5.1, which explains how technology is first embraced by a few innovators and early adopters before the majority of the public embraces it. These innovators who tend to jump on a trend quickly to gain the first-to-market advantage often fail to understand the trend current. The crossroad is typically traversed by the “early adopters” who are equally quick to jump on new technologies, but whether the path chosen leads to “early majority” adoption is based on how well the innovators understood the trend currents.

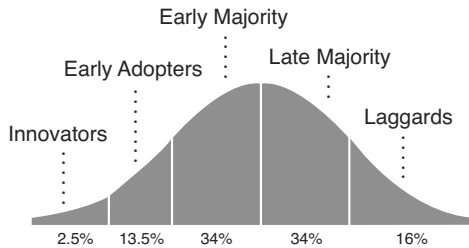


Figure 5.1 *Innovation adoption life cycle*

We’re at just such a crossroads today with influence marketing; what is the current trend and what are the trend currents? Innovators, such as PeerIndex, Klout, and Kred, witnessing the change caused by social technologies, pervasive communication, and the disruptive impact they had on word-of-mouth and influence marketing practices, developed first-to-market technologies to leverage the Big Data available across social networks to identify influencers through their level of social activity, the size of their network, and how much other social media users engage with them. They sought to provide marketers a new tool that could once again effectively identify influencers within their communities. Marketers, or the innovators and early adopters using social scoring platforms as the basis for influence marketing campaigns, are embracing current trends. However, if we suspend

our focus on the current trend, we might see where we're missing the opportunity to truly create, manage, and measure brand influencers in the future. We're not suggesting that social scoring platforms are useless, only that basing influence marketing campaigns on them is shortsighted. To measurably and effectively generate business value from influence marketing, we must first understand and navigate the disruptive forces created by social media and the pervasive technologies previously outlined in Chapter 4, "The Current Influence Model and Social Scoring." In addition, consideration for how consumers make decisions at different stages of the purchase life cycle adds a new dynamic to influence marketing strategy.

Gravity

In 1610, Galileo Galilei, an Italian scientist and philosopher, helped start the Scientific Revolution, in part, by expressing his belief that the sun, not the earth, was the center of our universe. He was branded a heretic by the church and his peers for challenging widely believed—and church-sanctioned—doctrine. Through fear, ignorance, or public pressure, his peers were comfortable with the status quo, and challenging it was unthinkable. Rebel Brown, author of *Defying Gravity*, updates this theory: "We are humans in business and humans don't like change, yet our markets, buyers and competitors are changing as we speak." Business leaders and marketers tend to seek the path of least resistance and when given the choice, opt to do what's always been done or take advantage of services offering shortcuts for jobs that require more consideration and manual work. Why do they work when others offer the tools to do that work for us? It's easy to become complacent. Throughout history, those who have benefited most from the status quo have proven to be the most resistant to different points of view, no matter how logical or how many countering views are offered. "It's this gravity that prevents business leaders and marketers from innovating," argues Brown.

Today, the media, businesses, and software vendors seem stuck on the notion that social network amplification is an effective baseline for influence marketing strategies. The conversations around influence marketing have typically been debates over the accuracy of the numerical scores assigned to individuals based on their social reach and engagement or the merits of one platform over the other. Elsewhere, heated arguments erupt over whether social media engagements can, in fact, measure any form of influence at all; they're stuck in their own gravitational pull, propelling the status quo. If we were to break free of this gravity, we'd gain the required altitude to view the trend currents and strategize how influence will eventually be used in social media marketing.

If social influence scoring platforms are the gravity preventing us from seeing the trend currents in influence marketing strategies, how do we break free?

Repositioning the Customer at the Center

The current paradigm of influence marketing places the influencer at the center of the marketing universe. The popularity of social influence scoring platforms listed in Chapter 4 has helped propagate this belief. The scientific truth that the status quo is hiding is that the customer, not the influencer, is at the center of the marketing universe; ultimately, it's the customer who makes the purchasing decision, not the influencer. Our strategies must be dictated by that truth, not the fanfare over current technologies. Influencers, along with business brands and their marketing messages, are simply planets circling the customer, vying for his attention.

Let's break down both theories. With influencers at the center of the influence marketing strategy, as shown in Figure 5.2, marketers must identify people who have a wide reach and/or a deep reach within communities focused on specific interests or keywords. To be effective, they must then attempt to understand the nature of each community and the role that the influencer has within that community. Brand messages and campaign tactics are then crafted in such a way as to piggy-back on that relationship. Influencers amplify the brand's message or offer recommendations to a wide cast of characters in hopes that some will embrace the message and, in turn, share it with their audience.

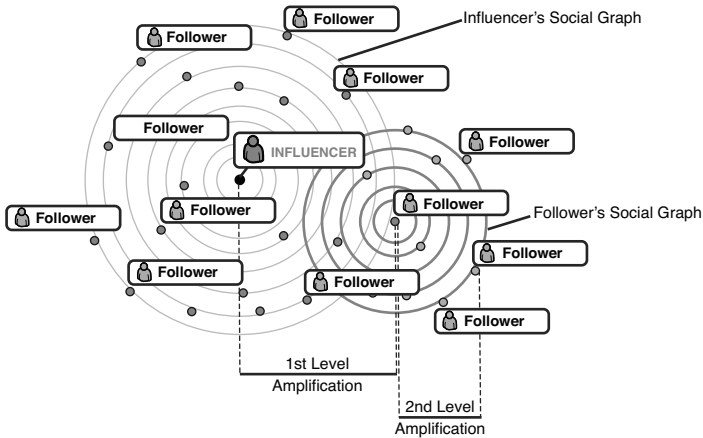


Figure 5.2 *Fisherman's Influence Marketing Model*

Even with a great deal of research and preparation, such campaigns are always a gamble because the basic tenet of the campaign is amplification with little knowledge or design toward converting a prospect to a customer. It's what we call the Fisherman's Influence Marketing Model: Identify the fish you're trying to catch; choose the right body of water; and then cast the widest net possible and hope for the best.

Fisherman's Influence Model

Applying the concept of “casting a wide net to catch the most fish” to Influence Marketing strategies, which suggests that leveraging those with the largest following and reach among large social communities will drive the greatest brand awareness and, eventually, a purchase.

Good marketers may choose to use the Fisherman's Influence Marketing Model as a first step only. The model can help identify potential influencers and their communities, which in turn may be used as the basis for further research and analysis into those relationships and their context. That additional insight and data may help create a more targeted customer acquisition campaign to fill the sales funnel with better leads. This is certainly a better strategy than sending product samples to a mass of loosely qualified followers; however, the campaign life cycle is long and still based on a faulty foundation: the influencer.

Now let's consider what happens when we shift this universe, as illustrated in Figure 5.3, to position the customer at its center. The first thing we notice from our *Customer-Centric Influence Model* is that it's not a direct reversal of the former. When influencers are at the center, the orbiting planets are their various followers. When the customer is placed at the center, an entirely new universe opens up. In this universe, the people, institutions, technologies, and communities that impact purchase decisions orbit the customer.

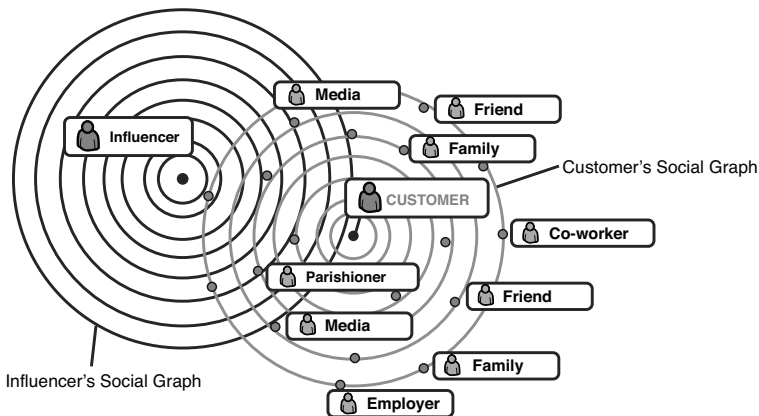


Figure 5.3 *Customer-Centric Influence Marketing Model*

Customer-Centric Influence Model

Identifying product or service decision makers, the micro-influencers in their social graphs, and aligning influence marketing campaigns around their interactions throughout the decision-making process.

When marketers orient their campaigns and technologies around the influencer, the focus becomes their attempt to drive awareness or possibly even sway purchase decisions, instead of addressing the decision-making process. Placing the customer at the center forces us to look at the decisions he or she makes and what impacts those decisions. Referencing the pervasive communication theory discussed earlier in this book, we can visualize the many interconnected factors that impact those purchase decisions. This model enables us to drill down to the people that directly interact with decision makers when they are making decisions. In this model, influencers can be seen as contextual relationships, not just broadcasters. In fact, the very flow of communication is different. In the Fisherman's Model above, the focus of the strategy is outbound or push-communication to the influencer's social graph. In the Customer-Centric Model, the focus is on identifying the context and impact of the influence flowing in from the various players in the customer's social graph.

To better illustrate this concept, consider a mobile phone provider that wants to introduce a new phone model to the market. The manufacturer could choose the Fisherman's Model, in which case it would seek the favor of individuals and communities perceived as influential across their target market.

The first step involves the identification of the target audience's demographics and the communities they engage in most often both online and offline. Typically, experienced brand marketers will invest in analyzing the subject matter and tone of the conversations occurring in those communities to identify the opportunities and challenges in promoting the new product. Individuals with the greatest reach and perceived authority are identified in hopes of converting them to brand ambassadors or, if they're current customers, to advocates. These are *macro-influencers*, people with a large, general audience made up of communities with whom they have varying levels of relationship. Today's trend has marketers turning to social influence scoring tools discussed in Chapter 4 to help quickly identify these macro-influencers or to help further segment them into specialized groups.

Once the communities and their influencers are identified, the manufacturer's marketing team attempts to educate, encourage, and incentivize the chosen influencers to broadcast encouraging brand messages through the influencer's media channels (radio shows, magazine columns, etc.) and social channels (blogs, Twitter, Facebook, etc.). Leveraging gamification strategies, they further engage the

audience with awards and status gimmicks to encourage them to rebroadcast and share those same interactions with their own social graphs.

Gamification, the use of addictive game mechanics in nongaming scenarios, has proven effective in many marketing campaigns.¹ Marketers create tactics and leverage technologies to motivate specific behaviors in selected influencers by appealing to various human needs and senses. Some of the common tactics are the use of badges awarded in exchange for a required action, an achievement status bar demonstrating progression along a desired path, or virtual currency earned and exchanged for other products, services, or future considerations.

Gamification

The use of addictive game mechanics in nongaming scenarios to encourage greater participation and use.

When completed, the Fisherman's Influence Marketing campaign is typically measured by the earned media it acquired for the product. Earned media is the free, favorable publicity gained through promotional efforts as opposed to paid media, which is publicity gained through paid promotion and advertising.² Success is also gauged by the increased website traffic, volume of online discussions, and positive sentiment in those discussions. More sophisticated marketers and software may track sales volumes to the amplification created by their chosen influencers; however, in most cases these measures are unreliable.

If the manufacturer chooses the Customer-Centric Influence Model, the first step is the same: Identify the target audience's demographics and the communities they engage in most often; however, that's where the similarities end. The subsequent study of the subject and tone of conversations within those communities take on a different meaning. This analysis isn't undertaken to identify keywords and sentiment to fuel influencers' amplification but to identify the individuals and categories of individuals who are engaged with the target customer on specific subjects.

By using social monitoring technologies, the marketing team first looks at trending topics and sentiment of conversations within the target communities. Once grouped, they can drill down to the individuals engaged within those conversations. By applying user profile filters or by appending third-party data, they can tag customer profile types to the individuals engaged in those discussions. As shown in Figure 5.4, this provides the phone manufacturer in this case study a unique insight into who is talking to whom.

Our experiences support this scenario and point to the fact that true influence—that which impacts a purchase decision—is based on dyadic relationships. A dyad is a group of two people, the smallest possible social group. A dyadic relationship

refers to discussions or communication between two people involving their mutual ideas, thoughts, behaviors, or ideals. A chance meeting between two persons at a trade show or between the host and participant within an online webinar, for example, that does not continue after the initial event does not have a lasting effect on each other. The theory suggests that the impact of personal interactions between two people with shared culture, ideals, or circumstances is greater than the looser interactions such as someone reading another’s blog. Because of the dyadic relationship between coworkers, for example, a product recommendation is more likely to be acted upon than a recommendation by a well-respected journalist in a trade publication. The power in these relationships is based on the time the individuals spend together and the emotional intensity of their connection.

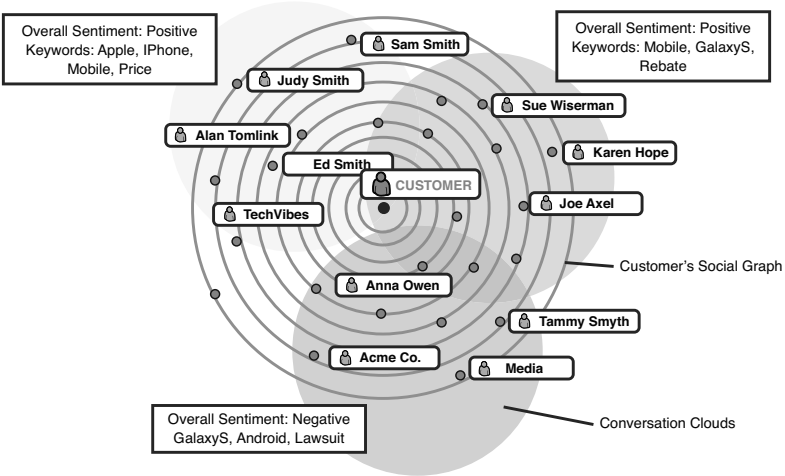


Figure 5.4 Conversation/influencer profile segmentation

Identifying dyadic relationships among a brand’s audience is not easy, especially for larger organizations with many prospective customers and followers. However, the goal is not to identify each individual and all those they speak with most. Instead, we identify user profiles and formulate models that can be extrapolated across the entire audience, as illustrated previously in Figure 5.4.

This study allows us to plot connections around specific individuals’ profiles. For example, instead of knowing that John is talking to Karen, Sue, Joe, Acme Co., and TechVibes, this model allows us see that a prospect is having conversations with peers, a coworker, parishioners, and a blogger. Overlaying the roles of the people engaged in this conversation begins to apply context to the conversation, which, in turn, allows us to establish the context of the relationships.

Extending this exercise across other discussions and communities creates a powerful, contextually oriented database of users. The lesson learned by applying this filter in the Customer-Centric Model is the identification of user profiles and relationships that most influence other decision makers in specific conversation types (subject matter, tone, and sentiment of conversation). In contrast to the Fisherman's Influence Model, we can narrow the prospect's social graphs and apply a new, more accurate metric for the identification of influencers. Much research has been done on the greater impact of one's close social circle over celebrity dating back as early as 1944. That year, Paul Lazarsfeld published his book *The People's Choice* in which he outlined his study of women in Decatur, Illinois. Lazarsfeld's study proved the women's decision-making processes were more influenced by interaction with personal contacts over prominent media personalities.³

Marketers Kevin Casey and Ed Roche, owners of The Idea Factory, a full-service marketing agency, shared a case study that demonstrates this fact is still true today, even in our highly social world. This popular marketing firm boasts many national clients including Corby Distilleries Limited, which produces and distributes many popular brands of spirits, liqueurs, and wines across the world. The agency was tasked with the promotion of one of Corby's brands: Lamb's Rum. Market research identified that the product was mostly popular within the Canadian Province of Newfoundland and Labrador, so the campaign created sought to capitalize on its local popularity. The campaign titled, "Lamb's Nation," featured endorsements by celebrities and well-known citizens. When initial results fell short of expectations, the agency surveyed customers and learned that its sales growth was attributed to the brand's die-hard fans not speaking about their love of the product publicly but among their "buddies" at in-person gatherings. Lamb's Nation, the sentiment behind the campaign's theme, was accurate and on-target, but the product's growth was based on a one-on-one personal experience between friends—who wanted to keep it that way. The resulting shift in tactics from online influence strategies to traditional, offline word-of-mouth ground-swell campaigns proved successful at driving up sales.

Understanding that prospects are engaged in direct conversations with specific types of social contacts such as peers, coworkers, family members, journalists, or bloggers is more meaningful to the purchase decision-making process than identifying individuals who have a large online following. Today's influence marketing strategies are typically based on identification of influencers, including social celebrities, popular bloggers, or any individual with high scores on social influence scoring platforms. While this model might be quicker and require less effort, it's also less effective. The value of broad amplification and recommendations is lessened by the unidentified quality of relationship, context of conversations, or accuracy of

the target audience, all leading to a lower conversion and purchase rate. Forrester analyst Michael Speyer confirms this analysis in a published report⁴ where he states that to be successful, “vendors need to identify and characterize the influencers in their specific market...which requires a comprehensive influencer identification program.” Determining the characteristics of influencers within a community becomes critical to success.

Robert Axelrod, professor of political science and public policy at the University of Michigan, produced another study on social influence, which claimed that people are more likely to interact with others who share many of their cultural attributes and that these interactions tend to increase the number of cultural attributes they share (thus making them more likely to interact again).⁵ In our model, these people are called *micro-influencers*, meaning they’re individuals with whom prospective customers are more closely engaged at the time a purchase decision is being made. Because of the dyadic nature of their relationships, these people are the key to a successful influence marketing effort in our hyperconnected digital world. But before we discuss micro-influencers, we need to better understand the situations that impact those relationships and our decision making.

Micro-Influencers

Individuals within a consumer’s social graph, whose commentary, based on the personal nature of their relationship and communications, has a direct impact on the behavior of that consumer.

Situational Influence

Understanding the profiles of consumers and those they engage with more personally in their social graphs is only step one in the Customer-Centric Influence Model. Be they online or in person, personal interactions are affected by external factors that impact—positively or negatively—the reception of a recommendation from any influence. Known as “situational influence,” they’re factors that exist independent of the communication between influencer and prospective customer but also impact the customer’s decision-making process. The theory is deep rooted in the study of psychology and sometimes referred to as *situationism*, which has proven that people are as influenced by external, situational factors as they are by their internal traits or motivations, if not more.⁶ These situations act as a disruptive force in the brand and influencer communications, which further derail current amplification-based influence models.

Situational Influence

The external or societal factors that surround a community and consciously or subconsciously influence the nature of their interpersonal interactions such as geography, religion, or economics.

Four types of external situations may impact the influence that macro- or micro-influencers exert over their social connections, discussed in the following sections.

Communities

The nature of the relationship or conversation between people morphs when they are experienced in different communities, even when it's the same two people engaging in different communities. A conversation about mobile phones, for example, between a person and a coworker will take on a different meaning, and potentially result in a different outcome, than if that same conversation occurred between the person's spouse or friends on social networks. The community situation coworkers find themselves in skews the conversation toward the mobile phone's use in a professional environment, such as its capability to easily sync to the corporate email exchange server or how it meets security requirements. The same conversation with a spouse might focus on the monthly costs, availability of family call-free plans, or connectivity with home computers. When discussing the choice with friends on social networks, branding and status enter the discussion with specific groups advocating for the brand they believe is "coolest." The coworker, the spouse, and the social networking friend are all micro-influencers that directly impact the decision-making process, but in different ways based on the micro-community they belong to.

Economic

Economic forces, defined as personal, business, or national financial considerations—real or perceived—that affect purchase decisions made by consumers, also interfere with the normal communication path between influencers and consumers. This is a broad category that can be impacted by something as specific as the individual's credit card debt to something more generic such as the international debt crisis that most countries are struggling with currently. In either case, consumers weigh the impact of their needs and desires, regardless of the recommendations and social pressures, against their comfort level at spending money in the face of financial pressures. Economic uncertainty is a powerful force in the decision-making process and in most cases effectively halts influence marketing messages from converting to purchases.

What should be of further concern to marketers is that economic situations don't need to be as overt as the U.S. "debt-cliff" crisis of 2012. They can be more subtle and personal. For example, in the spring of 2011 Apple, Inc., and Samsung Electronics, two of the world's biggest mobile device manufacturers, went to war. Apple struck the first blow with a multinational lawsuit against Samsung, claiming it infringed on many of Apple's technology patents. Devices listed in the lawsuit included some of Samsung's most popular and high-profile devices, such as the Galaxy S2, Galaxy S, and Nexus S, as well as the Galaxy Tab 10.1 tablet.

In July 2012, a U.S. judge awarded Apple a preliminary injunction pending the outcome of the trial that could have forced Samsung to remove its Galaxy Tab 10.1 tablet from stores. News of the injunction spread like wildfire through blogs, social networks, and news channels. Influencers speculated that by being served an injunction, Samsung devices would start disappearing off store shelves and/or technical support would not be provided to those who managed to scoop up one of the extremely popular Android-based tablets. Fear and uncertainty was echoed by the journalists, bloggers, and analysts who publicly predicted that a successful suit could lead to higher costs and diminished user experiences on Android-based phones from all makers. "Consumers may pay more for these devices. Consumers may have a device that solves the same issues in a less elegant feature set," predicted Jefferson Wang of IBB Consulting Group. According to Anthony Scarsella of Gazelle, a popular phone trade-in company, "consumers seem to be jumping ship [and] we expect this trend to continue." Regardless of the initially fast-paced sales of the Samsung mobile products, fueled by the positive advocacy of influencers across social channels and the fact that no final court verdicts were in, consumers were fearful and making decisions based on that fear.

On April 24, 2012, a federal jury in San Jose ruled that Samsung infringed on multiple Apple patents, awarding the Cupertino, California, maker of the iPhone and iPad more than \$1 billion in damages. However, during the same time period other jurisdictions such as South Korea, Japan, and the United Kingdom ruled in favor of Samsung. Regardless of the rulings in favor of Samsung, the market was still concerned; the uncertainty was deep rooted, especially since the one jurisdiction that favored Apple's suit was in the large U.S. market. Gazelle reported that the company had seen a 50% increase in the number of customers looking to unload Samsung devices during this period, regardless of the continuing positive product reviews shared by Samsung advocates.

Social and Cultural Groupthink

Another disruptor in the influencer's amplification path is social or cultural groupthink that consciously or subconsciously contradicts technical influencers. Groupthink is a psychological phenomenon that describes how the need for

harmony within a social group forces its members to assume a belief, opinion, or attitude, even when some leaders provide a genuine evaluation of the virtues of the alternative. Originally explored by Irving Janis, a research psychologist from Yale University⁷ in the early 1970s, the concept has been given renewed importance due to the mass adoption of social media communication by the global community. A modern application of Janis' groupthink is the "wisdom of crowds," which represent the sentiment: If enough people post something online—regardless of whether or not you know them—what they say must be true. Crowdsourced opinion has become fact. Consumers are almost blindly accepting commonly shared opinion (via online posts) without seeking alternative viewpoints or assessments.

Keeping with the theme of mobile device manufacturers, let's consider the case of Research in Motion (RIM), maker of the landmark BlackBerry smartphone. RIM, credited for inventing the smartphone industry, was once the most valuable company in Canada and essentially owned the world's smartphone market share. In 2011, reported profits were more than \$1 billion, but RIM's fortunes reversed almost overnight; it recorded a net loss of \$753 million in the first half of 2012. While technology analysts continued to advocate for the vastly superior phone, email, security, and instant messaging (BBM) service available on the BlackBerry, the once dominant mobile phone manufacturer lost its market share to rivals Apple and Samsung in meteoric fashion. Pundits argued that the decline in market share was a result of the company's fixation on the phone's business function, resulting in a small ecosystem of personal and gaming apps and the lack of innovation in the device's graphical user interface, two areas where the company's rivals excelled. Eventually, even security-concerned IT managers bowed to the pressure of their employees demanding they adopt Apple's iPhone or the plethora of Android-based mobile devices by Samsung, Motorola, and others.

The one certainty is that the public perception of the BlackBerry's brand declined even faster—and with more verve—than its stock price. BlackBerry owner Rachel Crosby, in an interview with the *New York Times*⁸ in October 2012, referenced her BlackBerry phone the way someone might speak of an embarrassing relative. "I'm ashamed of it," claims Crosby, a Los Angeles sales representative who acknowledges she no longer publicly uses her BlackBerry at cocktail parties or at conferences. In business meetings, she admits to hiding it behind an iPad so that clients won't judge her. This was not a case isolated to individuals but businesses as well. To upgrade Yahoo's failing public image, the newly appointed CEO, Marissa Mayer, offered employees the option to trade in their BlackBerrys for iPhone and Android devices.⁹ Owning a BlackBerry or publicly praising the device's functions branded you a social outcast and the butt of everyone's jokes.

In some cases, the need for harmony isn't about the group publicly sharing the group's belief but not talking about it. During her 2005 tour of Japan, worldwide music superstar Madonna publicly praised Japan's "Washlet," an "intelligent" toilet

that provides—among other features—posterior-cleaning water jets, hot air dry function, ambient background music, and odor-masking technology. “I’ve missed the heated toilet seats,” the pop-diva promoted upon leaving the country. She was not alone in her praise, many famous and well-connected people have gone on record promoting the virtues of the ultra-modern toilet.

It’s the earned media and public advocacy that brand marketers would die for, the type of public promotion many try to emulate when accessing social celebrities and socially active people with high Klout scores. Find people who are perceived to have a popular voice and get them to talk about your product, and their audience will beat a path to your door, open wallets in hand.

Yet, while the ingenuous toilets are found in 70% of Japanese homes, hotels, and businesses, they’re one of world’s best kept secrets. Hiromichi Tabata, head of the international division at Washlet-maker TOTO does not hide the company’s desire to become a major player in international markets. The company has attempted to crack foreign markets, including the lucrative U.S. market, for more than 10 years with little success despite the volunteer endorsements by many internationally known celebrities (such as Madonna) and business executives. “It’s because of the cultural taboo over talking about toilets,” reports Tabata. “Americans avoid talking about those kinds of things so we can’t expect success from word-of-mouth, even if they recognize our products are excellent.”

Psychologists and social scientists continue to explore this phenomenon by demonstrating how groupthink impacts collective avoidance as well as collective advocacy.¹⁰ Interestingly, there is growing evidence that groupthink’s impact is moving beyond publicly shared beliefs and impacting the decisions people make.¹¹ Clearly, this is a critical consideration in planning influence marketing strategies.

Personal Ideology

Ideology, such as political and religious affiliation, is becoming an increasingly disruptive role in influence marketing. This is not a new concept: Politics and religion have always been divisive forces in society; however, as with social and cultural groupthink, social media and pervasive communications have increased our ability to both amplify and share personal views. In fact, it has emboldened people to share those views more than ever before across social channels and, more to the point, reject and rebel against the views others share.

Consider the comments made by Dan Cathy, the chief operating officer of fast-food chain Chick-fil-A, opposing same-sex marriage in the middle of 2012. Cathy publicly opposed gay marriage rights in an attempt to influence his followers in the months leading up to the November 2012 U.S. presidential election. The buzz around his comments escalated when it was reported that his company’s

family-run charitable foundation donated millions of dollars to political parties that opposed same-sex marriage. His attempt to influence voters was seen as a “line in the sand,” and people gathered on both sides based on religious and political affiliations. Protesters called for a permanent boycott of the restaurants. In reaction, counterprotesters organized mass “eat-ins,” encouraging supporters to purchase more of Chick-fil-A’s food and more frequently.

The effects of ideological disruption can be calculated and planned as part of an influence marketing strategy designed to earn much desired viral marketing effect and earned media. In the case of Chick-fil-A, the public reaction was definitely a disruption in consumers’ purchase decisions as evidenced by the company’s statement in July 2012, which stated “Going forward, our intent is to leave the policy debate over same-sex marriage to the government and political arena.” However, ideological disruption can work in a brand’s favor, as exemplified by the Kraft Oreo campaign in June 2012, which saw a picture of the iconic Oreo cookie posted on Facebook with the typical white cream center replaced with rainbow colored cream layers as a show of support for the lesbian, gay, bisexual, and transgender events being held later that week. The post received 150,000 likes and 20,000 comments on the company’s Facebook page; most were positive comments with a few negative ones calling for boycotts of the popular cookie. Analysts called the threats by would-be boycotters “empty threats” and reported no negative impact on sales.¹²

Situational Factors

Just as influencer communications are impacted by community, economic, socio-cultural groupthink, and ideological situations, these universal situations are further impacted by local “situational factors;” they represent the personal factors in the consumer’s life that interact with the universal situations outlined previously to further impact the purchase decision-making process.

Situational Factors

Personal circumstances such as household finances, lifestyle, and relationships that influence the decision-making process of individuals within communities.

Situational factors are discussed in the following sections.

Personal Situational Factors

The consumer’s familial situation is a key disrupter to a marketer’s brand messaging and call to action. Personal situational factors are typically dictated by

proximity, intimacy, and nature of the consumers' personal relationships. For example, a woman who is the mother of three young children makes purchase decisions differently than a woman without children. If the three children, for example, are grown and off to college instead of young and at home, purchase decisions take a different form yet again.

Thousands of women may actively follow a popular Mommy-blogger, reading and even commenting on her every post. Yet, for example, when the blogger recommends a particular game system, the age and sex of the reader's children will dramatically impact her decision to purchase that product or not. If a business' audience is mothers, simply broadcasting recommendations to all of them through popular bloggers without an understanding of their personal situational factors will miss the mark with most of them.

Environmental Situational Factors

The environments, both physical (geography) and digital (devices), where brand messages and recommendations are received are yet another disrupter of the brand's messaging path. Brand messages received on mobile devices while in a store versus a desktop computer when at work are interpreted in vastly different ways. For example, a positive rating on a restaurant by a friend is more impactful on the consumer's purchase decision if received on Yelp or Zagat's mobile app while walking down the street searching for a place to eat, than if they viewed a positive brand mentioned by that same person when reviewing their random positive comments or pictures on social sites such as Facebook or Instagram.

Consider the decision-making process of this same consumer looking for a restaurant when travelling in a new city while using the geolocation social networks such as FourSquare or Facebook's Places. They see who of their friends or colleagues have "checked in" in that city or at a specific restaurant in the city and choose a location based on their need to connect with a friendly face.

Emotional Situational Factors

Emotions or the emotional state of a consumer might have the most effect on a consumer's final decision-making process. For example, consider the state of mind of auto workers in December 2008, when the three major U.S. auto industry companies—GM, Chrysler, and Ford—asked the federal government for a \$34 billion bailout to avoid bankruptcy. The emotional state of the millions of workers associated with the industry was decisively negative in the months after this presentation. Or, on a more micro level, consider the emotional state of the possible consumer of a wheelchair or other accessibility device in the weeks after an accident that gave them a permanent disability? The emotional state of prospective customers

have a significant impact on their motivation to embrace or ignore an advocate's recommendation.

Life Cycle Situational Factors

The final localized factor to consider is where the customer is in the purchase life cycle of a product. A consumer who is in the *needs identification* or *awareness* stage of the purchase life cycle will react differently to an influencer's message than someone at the decision stage. Similarly, if the audience receiving the message is already a customer, are they at the loyalty stage where they're willing to buy more from you or are they at the advocacy stage where they're willing to voluntarily advocate your brand to their audience?

This is the blueprint that we use when servicing our clients, moving people along the customer life cycle to build business value and profit by improving the customer experience. As part of that methodology, we recognize that not all customers are—or will be—advocates. Once they become a customer, there's a period of "satisfaction" where customers look to have their purchase decision justified by good customer service, product utility, and so on. Once proven, they move toward "loyalty," which is represented by their willingness to buy more from the business based on its continuing good service, utility, and possibly recognition or rewards for continued patronage. Some, but not all of those within the loyalty stage of the life cycle, become so happy that they choose to voluntarily advocate the product and service to their business.

Micro-Influencers

When we apply the situational influences and situational factors that interfere with our brand message, we can visualize how these influence disruptors impact the communication path. It becomes evident that a host of factors can conspire to derail an influencer's intended conversion. Or are they opportunities?

Adequately identifying prospective customers, and further segmenting them based on situations and situational factors, enables us to identify the people and businesses—or technologies and channels—that are closest to them in each scenario. We call these *micro-influencers* and see them as the business's opportunity to exert true influence over the customer's decision-making process as opposed to macro-influencers who simply broadcast to a wider, more general audience. In short, it's the difference between a branding exercise among a loosely defined audience and a formal lead capture and conversion strategy.

Geofencing

When collected, these contextually based dyadic relationships form what we call *geofenced communities*. Geofencing is the influence marketing tactic of identifying where the prospective customer is in the purchase life cycle, and the profiles and roles of micro-influencers who impact their decision-making process as filtered in various situations and situational factors. Charting customers in this manner allows us to identify true influencers and create influence marketing campaigns that are less likely to be disrupted by situational influences and factors. Further, it helps define the content marketing strategies and highly targeted calls-to-action that are more likely to convert prospects into customers in each scenario.

Geofencing

Segmenting decision makers and their personal social graphs, including micro-influencers, based on specific situations and situational factors as applied to a specific stage in the decision-making process.

To illustrate this concept, let's explore the case study of a computer manufacturer that sought to increase its sales of laptops to college students. Having identified a growth opportunity in this category, the marketing and R&D departments developed a product at the right price point with the features and software most applicable to this audience. The following sections explain the steps taken in the Customer-Centric Influence Marketing Model.

Step One: Community Identification

Social media monitoring and analytics software was used to identify communities engaged in discussions around the keywords: “laptops,” “college applications,” “college tuition,” and “student loans.” User profiles were displayed around the keywords in a tag cloud along with other keywords that the software identified as related to the main terms. A social graph was drawn using the connected people around the chosen terms and both community and user profiles were saved. A thorough vetting process that scrubbed each audience group included clearing out the fake or little used profiles and the identification and categorization of user profiles within each group.

For example, in the discussion community that formed around “college tuition,” the marketing team identified profiles that included college applicants/high school seniors, college applications/adults, parents of high school seniors, the business's employees, competitors' social media accounts, competitors' employees, official brand accounts for colleges, college alumni, media and blogger profiles, and so on.

Step Two: Situational Analysis and Factors

Next, contextual analysis was performed to identify the nature of the conversations occurring among each community to identify the situational influence that might be at play. For example, within the “college tuition” discussion community, two situational influences were identified: economic (associated to cost of tuition in a tightening economy) and cultural-socio groupthink (“cool-factor” associated with certain brands). Next, marketing analysts applied the localized situational factors (or combinations of factors) that might impact a purchase decision. These included, among others, personal factors, such as the household income and availability of funding; emotional factors, such as the distance college was from parents’ home; environmental factors, such as the location where discussions were occurring (e. g., on school forums or on social networks); physical location (geography) of those identified; and so on.

Step Three: Identification of Customer and Micro-Influencer

This analysis allowed the marketing team to understand, among those in the online community, who the decision makers were, such as parents of teens applying for college or adult students returning to college. With each group profiled, the community social graph was reoriented around the decision maker to help identify who their micro-influencers were, as illustrated in Figure 5.5. Profile data pulled from data suppliers such as Kred and PeopleBrowse, collected data such as degrees of separation, relationship status, sentiment of discussions, and traditional analysis including past knowledge, experience, and market research were used to further segment the profiles of the micro-influencers.

However, to develop the correct influence marketing strategy and corresponding communication and promotional tactics, they went one step further. As highlighted by the situation formulas denoted in each quadrant of Figure 5.5, the marketing team matched the situation(s) with the situational factor(s) that might impact the purchase decision.

As an example, in Figure 5.5 the formula for the top-left quadrant breaks down like this:

Situation A: Economic Situational Analysis: Cost of tuition was unaffordable by those in the community identified.

+ Factor 3: Personal: Household income of parents below national average.

+ Factor 4: Environmental: The availability of funding for students, geography of students and available colleges.

+ Factor 7: Timeline: More than 12 months from college application due date.

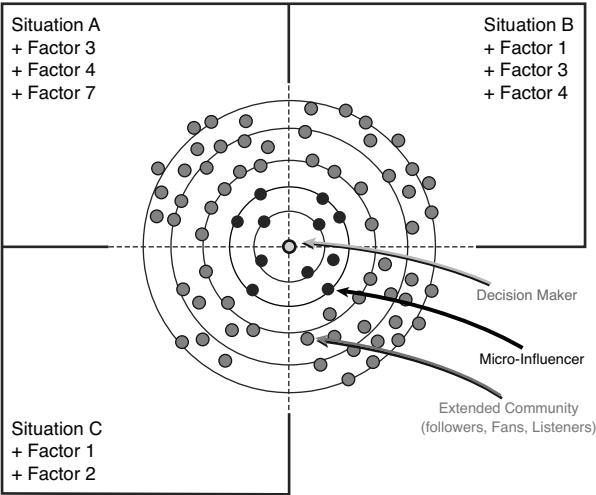


Figure 5.5 *Geofenced communities*

With decision makers identified and each social graph filtered by the possible situations that impact their decision making, the marketing team was able to craft the appropriate influence marketing campaigns that targeted the micro-influencers at key moments in the online conversation. Situational forces determined the urgency of influencers’ recommendations and impacted the conversion ratio from those same recommendations. In the end, the geofencing exercise increased the number of warm leads and the overall sales of the product within the target audience.

Applying Situational Factors

It’s important to note that the situations and factors outlined within this chapter don’t necessarily apply to every business. Different industries and geographies are each impacted by different combinations of factors. Further, as our society, technologies, and the manner in which people communicate change, so too will the situations and situational factors that impact influence marketing change. However, all businesses can use the customer-centric influence model and geofencing to identify, chart, and track the situations their customers find themselves in when making purchase decisions.

Pervasive communications combined with these situations and situational factors impact the business-influencer-customer communication flow and have changed

the nature of influence marketing forever. The key consideration is no longer an influencer's reach and amplification but who and what influences their followers to make purchase decisions. One more area of study is required before we can look at leveraging this new model: the actual purchase decision. Understanding the factors that impact the purchase decision is important, but we cannot predict what path influence will take, without a strong understanding of the consumer's actual decision-making process. The next chapter will explore this process.

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