

E-COMMERCE PERSONALIZATION

Influencers & Artificial Intelligence

The dynamic duo of
personalization

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Why Influencer Marketing?

With 49% of buyers relying on influencers to help make buying decisions, it is no wonder that this is quickly becoming a key part to many digital strategies. However, where to start can be a daunting task.

We have compiled a report of different aspects of Influencer Marketing to first understand, and then take it one step further by looking at how personalization fits into equation.

In this report we will:

- give a **high level overview of the different types of influencers & content**;
- different aspects to consider when **choosing an influencer**;
- **key KPIs and measurement** tactics for your campaigns;
- analyze **consumer behavior** and how **personalization** fits in;
- **solutions to bring your campaigns to the next level.**



Types of Influencer Content

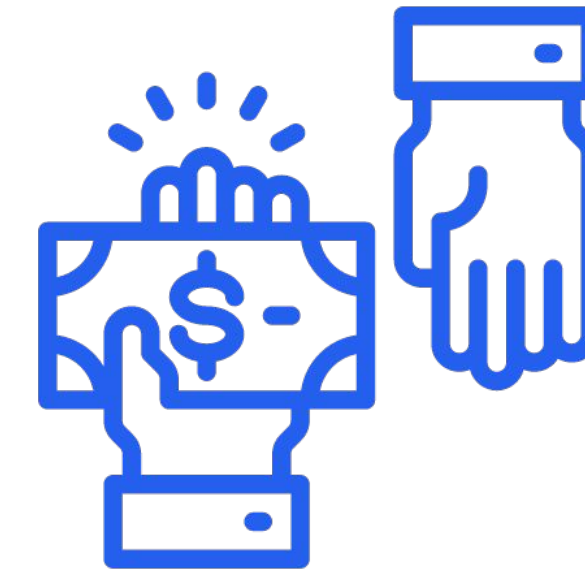
Influencer marketing is a type of social media marketing that involves an influencer endorsing or promoting a product to their audience who follow them because of a certain level of knowledge or social power

Organic Content



- The influencer **promotes** a product they love **without being paid** in some way
- Creates **authenticity** and trust with the influencer

Paid Content



- The **brand will work with the influencer** to establish the content that will be produced
- **Provides payment** in some form (money, free products, exposure etc)

A Note on User Generated Content

It is important to distinguish the difference between influencer marketing and user generated content (UGC), which is another more recent form of content marketing

- Involves brands reusing organic content posted by a customer on their personal social medias and actively engaging with the customer
 - Get a ton of content from different sources, all of which are actively promoting your brand in an authentic and spontaneous way
 - With everyone able to access social media and post about their experience, the consumer is quickly becoming the next ambassador
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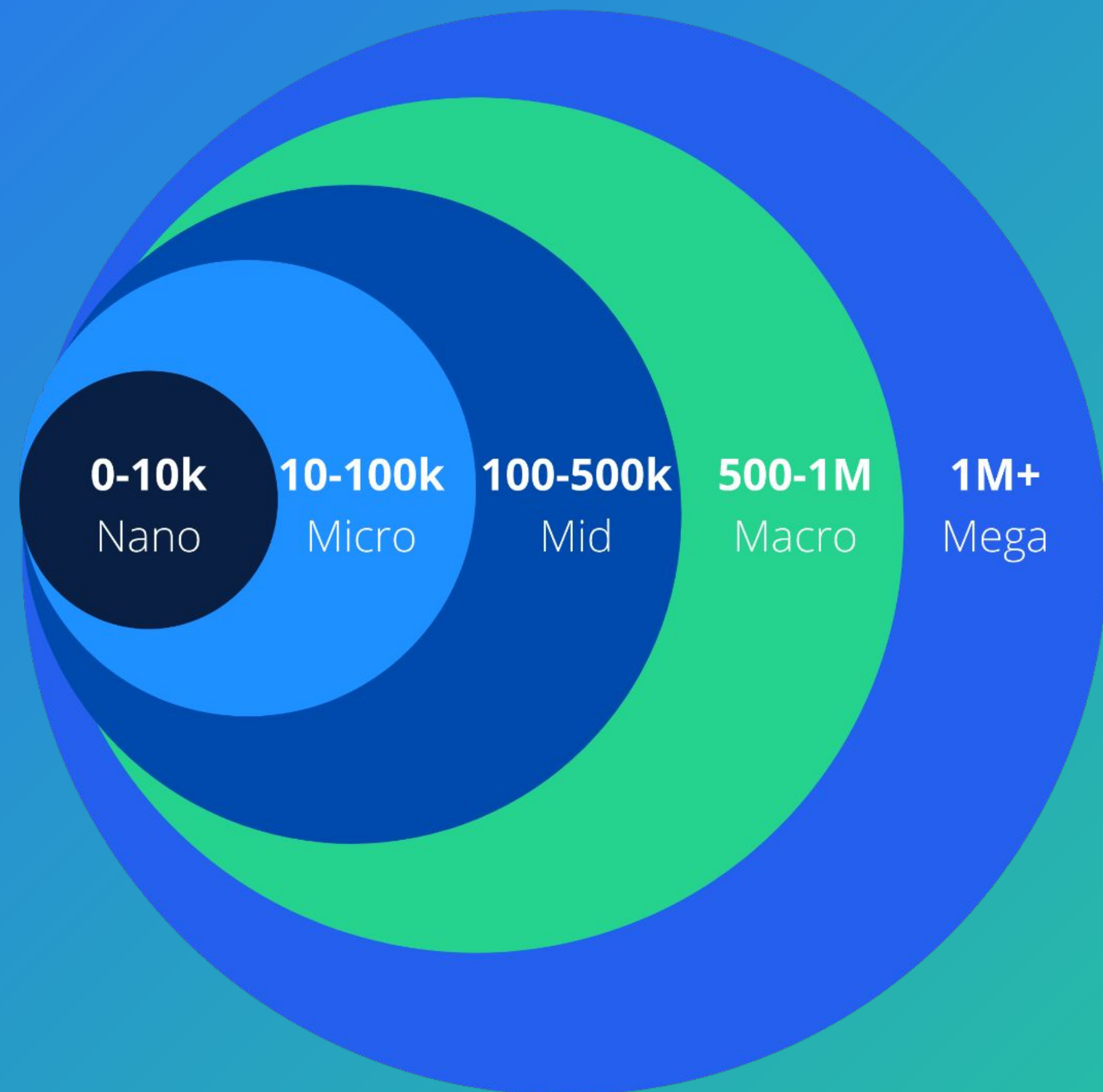
A leader in UGC marketing

As shown to the left, Lush Cosmetics actively uses UGC on all their channels, including the website to promote products and reviews.

Using hashtags & account tagging, they constantly promote their customers to post with the product creating a two way conversation with their ambassadors.

Types of Influencers

Within influencer marketing there are different tiers of influencer, depending on the size of their audience



- **Nano:** Seen as the most authentic, typically influence on the side, very common to use for UGC. The least expensive
- **Micro:** can access more features on social media channels (like swipe up links). More established and more likely to create content full time
- **Mid:** works as an influencer full time, have their niche and base audience established and actively engaged. Rates will reflect this
- **Macro:** have a wide reach and can be used for significant brand awareness or help to shift brand perception to a new or existing audience
- **Mega Macro:** often are multi faceted (author, designer etc), create content as an extra source of income. The most expensive due to the size of their audience

[Later & Fohr](#) looked at 3.5M posts across all the different types of influencers and found:

- Average rate of engagement = 1.9%
 - Nano = 4%
- Average reach* of an infeed post = 17.9%
 - Nano=33.8%
- Average reach of sponsored content = 16%
 - Nano=30.7%

Keep in mind: even though the % is higher with Nano influencers across KPIs, when considering the typical follower count, the total number of people is actually quite small

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*number of unique accounts that see a post in relation to follow count

So which influencer tier is best for your brand?

When it comes to choosing your influencer strategy, Later & Fohr suggests three tiers to consider in relation to your brand



Based on the insight provided, working with multiple nano influencers at once can be a very interesting strategy to consider if you have a small budget or niche market. However, it will take more work and managing to reach the same number of people as one mid or macro influencer.

You ran a campaign! Did it work?

One of the biggest challenges with Influencer Marketing is around the question of what makes a campaign successful and how to measure it properly, specifically when it comes to Return On Investment (ROI)

1. Choose your most important KPIs

Some examples include:

- **Engagement:** Likes, shares, comments, reposts, and any other interaction with the post
- **Impressions:** Number of times a piece of content has been viewed
 - Can be considered as the “actual views” metric.
- **Reach:** Number of unique accounts that see a post in relation to follow count
 - indicator of audience size, helpful to forecast potential impressions
- **Results/Resonance:** How many people took action based on the post, for example, sales

2. Calculate your ROI

One example of how to compute

$$\text{ROI} = \frac{\text{Return (KPIs)}}{\text{Investment (Total Spend)}}$$

Why is this a challenge?

- Access to these numbers might requires relying on the influencer to send them to you
- Need to keep track of individual tracking links
- Managing multiple campaigns can be time consuming

***Good news!** Agencies do exist to help you manage these challenges!

Key Statistics around user behavior and Influencer Marketing

92%

of consumers trust
nano/micro influencers
more than traditional
advertising

66%

say that social media is a
key destination for
information before buying a
product

49%

of online shoppers would
buy a product from a
influencer live stream

85%

say user generated content
is more impactful than
brand generated content

Where is personalization?

62% of users say personalization on an individual level is important to them and that is no different when it comes to experiences with influencers

Imagine this chain of events:

1. You have chosen an influencer to work with, and the subsequent content they will create.
2. You send them your product, the content is created and the content then runs on your chosen social media platform
3. The audience sees it, and makes the decision to click through to the product page of the item being shown

What happens next?

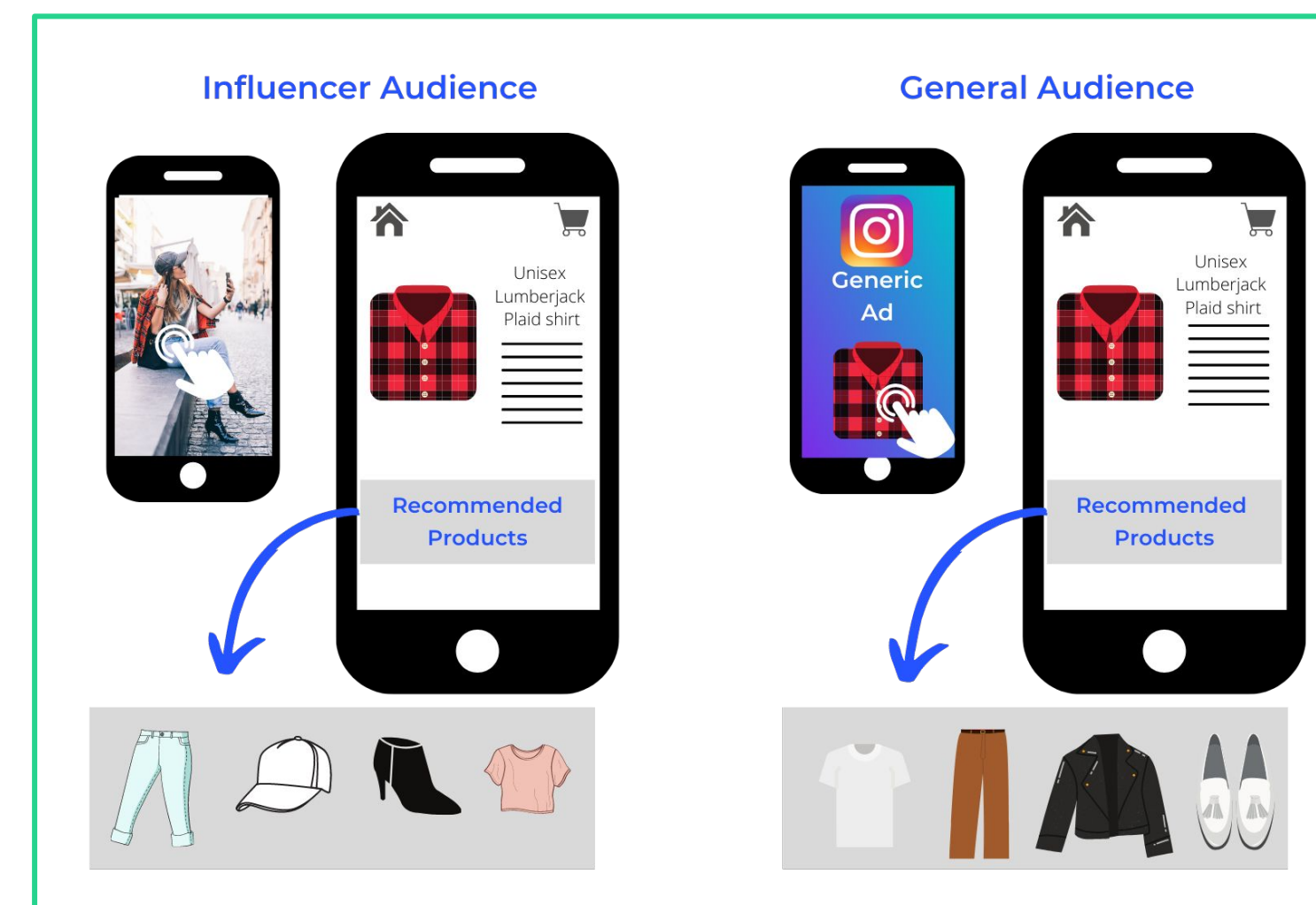
A new user: seeing as there is no first data on that user yet, they will most likely be shown the most popular items, perhaps something similar or other complimentary items.

A returning user: will be shown items that also take into account their previous purchase history and click history.

One key element is **NOT being considered** in both cases is an obvious one: **the fact that the user came from a specific influencer campaign.**

Imagine taking the specific known characteristics of an influencer and their audience, and factoring that into your recommendations, along with the specific intent that the user clicked onto that specific product.

AI takes it one step further by using the behavior of the audience, to make recommendations that are targeted and relevant to that specific influencer's audience.



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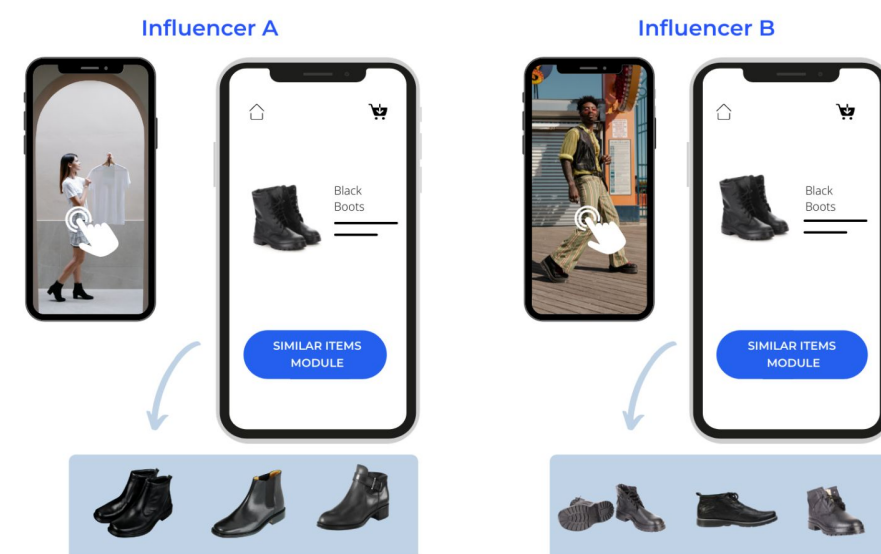
How can you add this dimension to your campaigns?

FROOMLE Influencer Boosted Modules

Focus on using your first party cookie data in combination with the audience demographics to capitalize on this engaged audience and show the most relevant recommendations

"Similar Items"

- A personalized module focused on similar items to the product being promoted to help reduce bouncing.
- Considers the audience of that specific influencer when making recommendations.



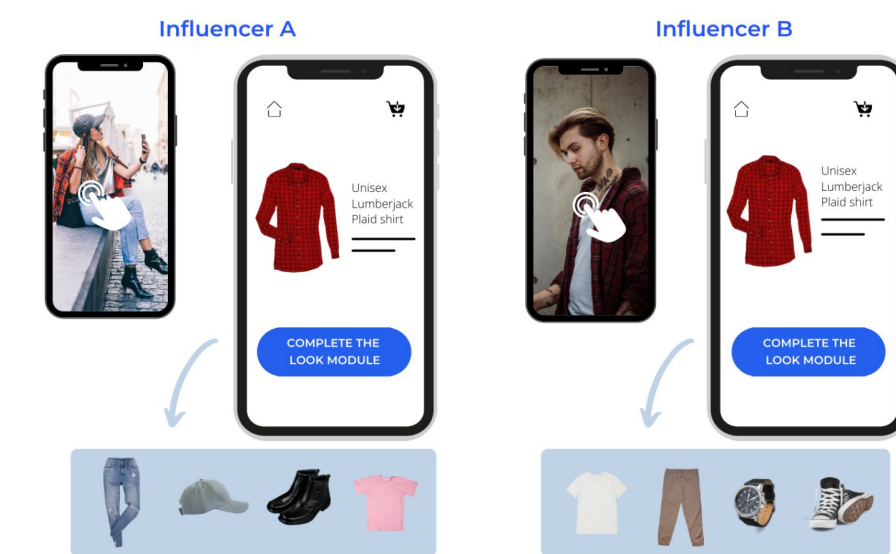
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Both modules excel in:

- **Automating & optimizing product recommendations** using AI driven decision making
- Using data to show most **relevant products** to that **individual audience member**, creating a link to your brand

"Complete the Purchase"

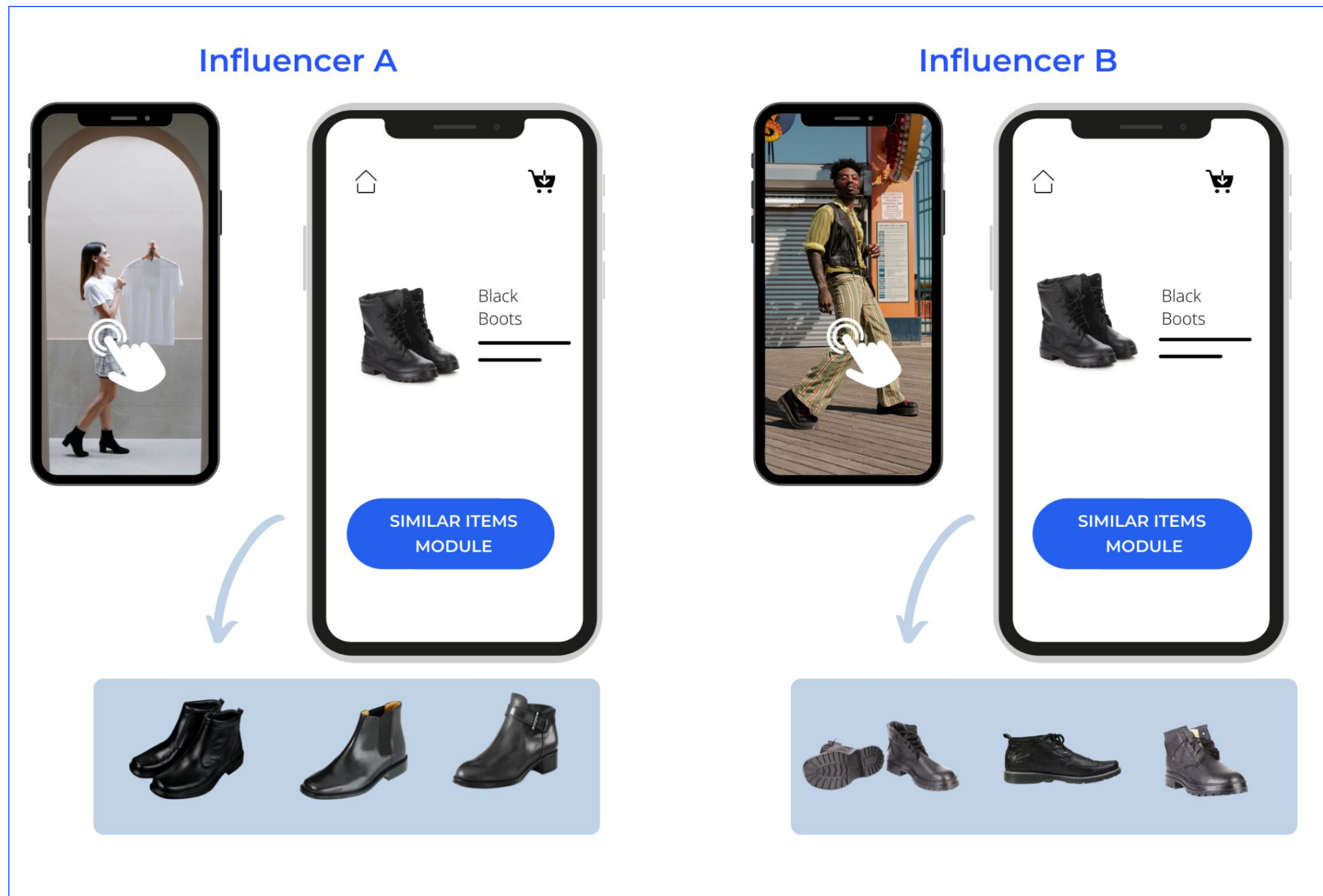
- Create a personalized module focusing on similar items to the product being promoted.
- Keep in mind the audience of that specific influencer when making the recommendations.



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Influencer Boosted Similar Items

This module takes into account **which** influencer brought the user to the product page and will show Similar Items that are most relevant to their specific audience

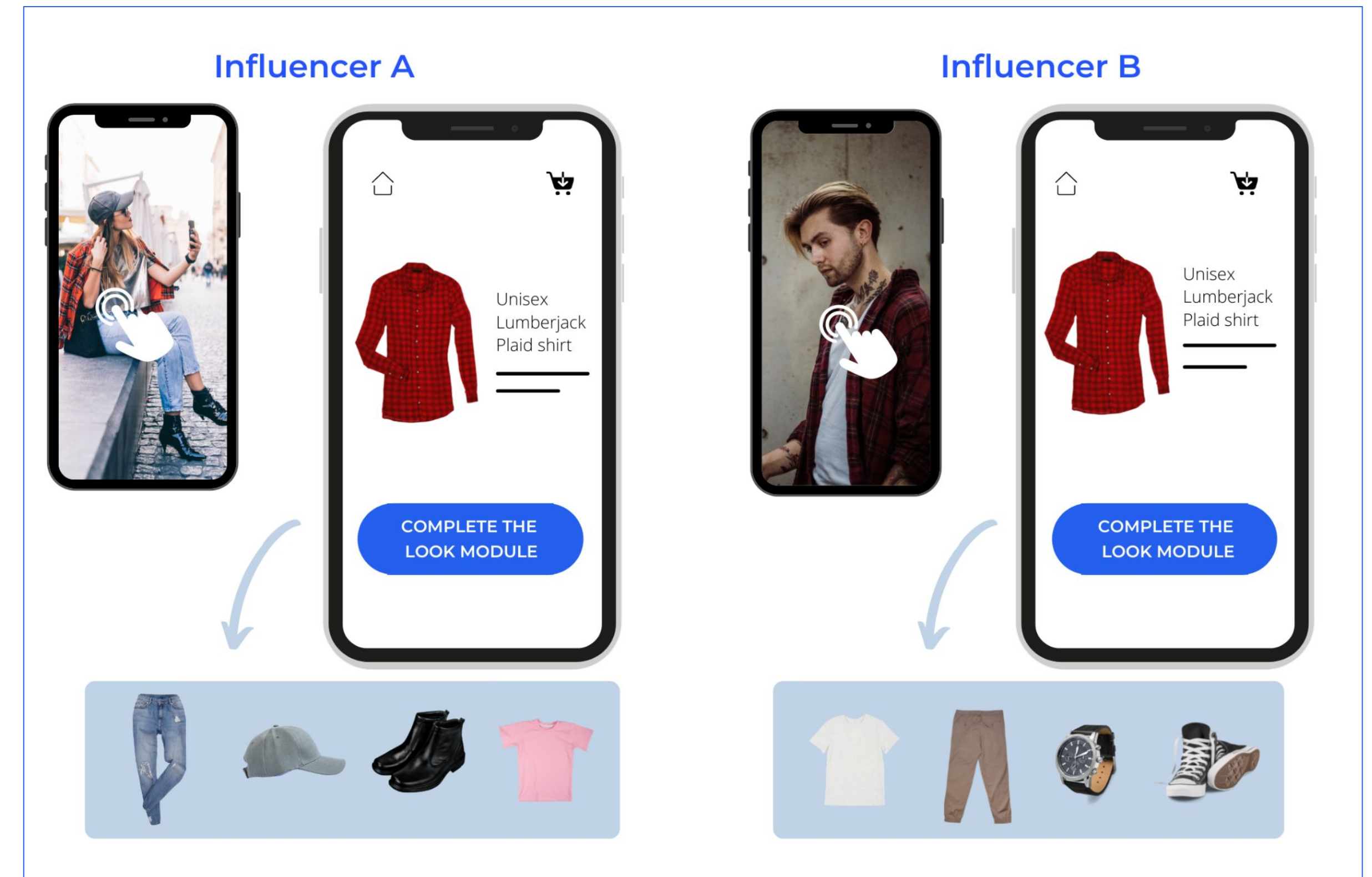


- The **product being promoted is the same** BUT the **additional product recommendations will be different** to show the **alternatives** that are most relevant
- This can be **optimised** to your **specific business goals**, such as showing high margin products or low stock items
- Showing similar products **helps avoid the consumer bouncing from your shop** if the chosen product does not match their expectations

Influencer Boosted Complete the Look

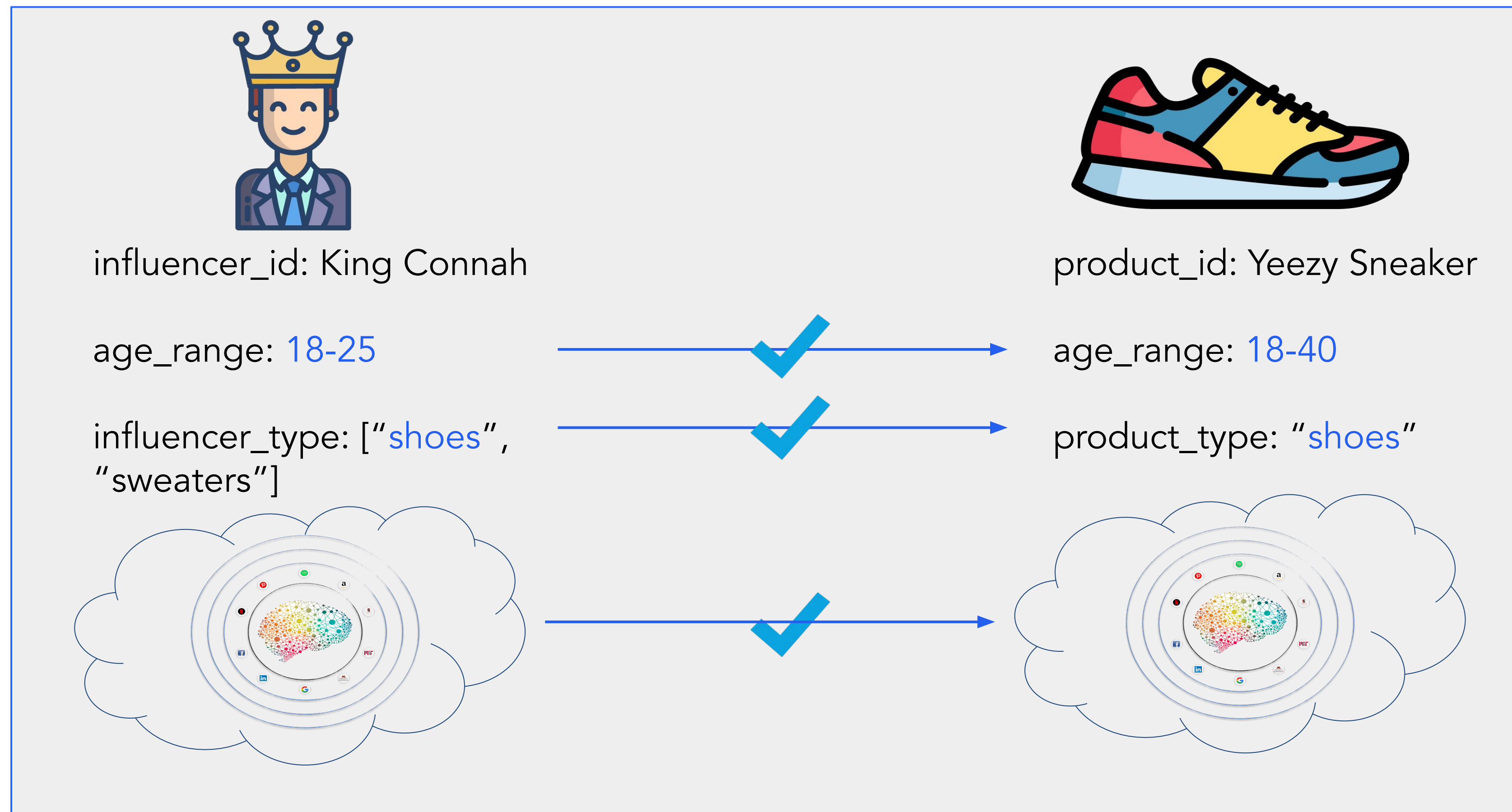
This modules take into account which Influencer brought the user to the product page and will show a bundle of complimentary items that are most relevant to that audience

- The **product being promoted** is the same BUT the **additional product recommendations will be different** to show the complementary bundle that are most relevant
- **Increase AOV** by promoting the purchase of a bundle of items
- Our research shows simply by seeing how a product fits nicely with other products **increases conversion** on the main product
- Depending on your industry, the **name of this module can be adapted**, for example Complete the Look for fashion
- Showing alternative products **helps avoid the consumer bouncing fom your shop** if the chosen product does not match their expectations.



AI Matchmaking Game

Froomle combines human intelligence with AI by exploiting both the information you provide on influencers and products, and the relationships learned by the AI to deliver optimal recommendations



By running our algorithms using this match making, the AI is able to learn using ALL of the data from different influencers and products to make recommendations continuously stronger while showing a more diverse set of products than a marketing team could maintain

Common concern: minimal traffic

A question we often get is : What is the minimum amount of traffic that should come from an influencer campaign to make the boosted recommendations really different from general recommendations?



If you are in the beginning of your influencer journey and are concerned about minimal traffic, this module can be configured to consist of an "ensemble" of two algorithms that we lay in balance:

- An algorithm that learns from all interactions with all items
- A recommendation algorithm that is based only on interactions with influencers

Depending on the weight given to each algorithm, the Froomle AI has the capability to ensure even minimal traffic influencer audiences still receive recommendations that complement your business goals.

Our algorithm will change these weights once we trust an influencer, which means as soon as they have over a certain number of interactions with your website

All criteria can be customized to meet your specific goals and influencer strategy

THANKS FOR READING!

Interested in learning more?

[Let's Chat!](#)

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