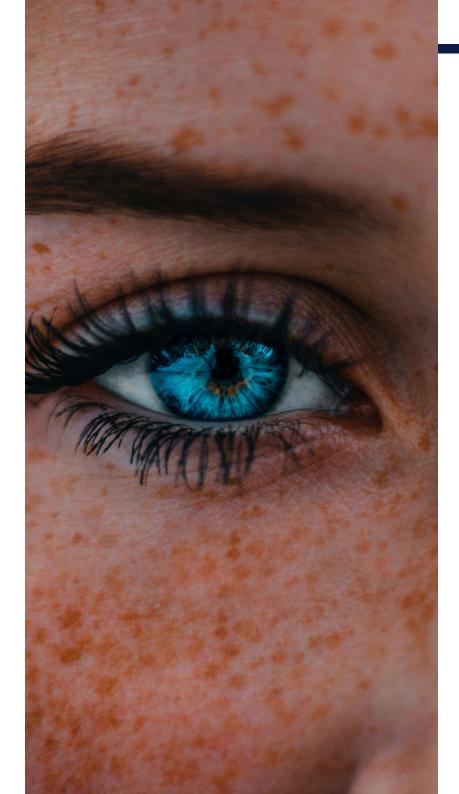




13 SOCIAL MEDIA & INFLUENCER MARKETING TRENDS TO LOOK FOR NOW



13 SOCIAL MEDIA & INFLUENCER MARKETING TRENDS TO LOOK FOR NOW

On February 8th, 2022, the Academy Awards announced the nominations for this year, including Netflix's doomsday comedy "Don't Look Up", featuring Leonardo DiCaprio, Jennifer Lawrence, Meryl Streep and Cate Blanchett. This movie eerily reflected, among other things, today's social media and influencer culture and inspired us to look into the future. What will social media and the influencer marketing industries look like in the next year or two, given that no comet will collide with our planet and cause mass extinction?



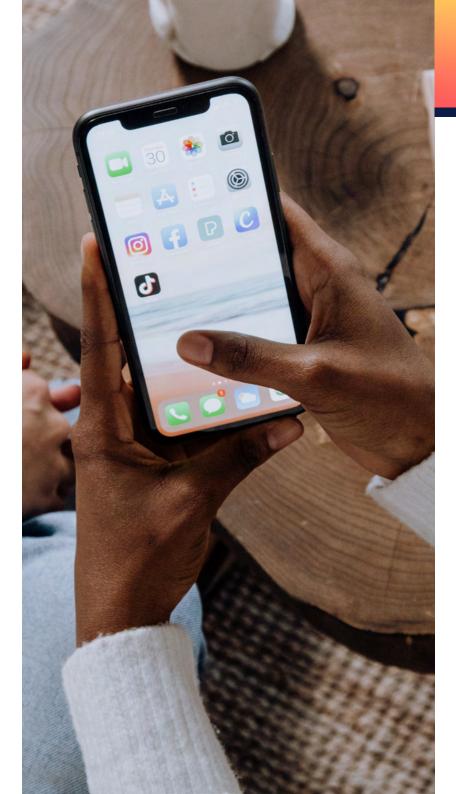
Should I consider live social video selling for my newest product? How will the Metaverse impact my industry? How will the rising popularity of NFTs affect the influencer marketing industry?

Keeping up with the latest trends can demand a lot of time and many trends are short-lived. Gathering insight from experts at Kingfluencers and our influencer partners, we've compiled 13 trends to look for, and most importantly, what brands and influencers should do about each trend to take advantage of opportunities and mitigate risks.



SECTION 1: SOCIAL MEDIA PLATFORMS EVOLVE AND EXPAND

Social media provides opportunities for influencers, brands, and platforms to generate revenue. As social media continues to have a powerful impact on the world, platforms need to evolve to stay ahead of existing competitors and new entrants alike.



SOCIAL MEDIA PLATFORMS ARE EXPERIMENTING

Social media platforms are constantly experimenting with unique features, as well as functionality which emulates competitors. For example, in 2017, Instagram launched "Stories," which has been described as a "Snapchatty" feature. On 25 Feb 2021, Twitter announced paid Super Follows which let users charge their followers for access to additional content.

Platforms will continue to evolve and reinvent themselves, offering beta tests to select audiences or select markets. Laura Parker, Senior Campaign Manager at Kingfluencers, said "I believe TikTok will be making changes to become more brand partner friendly", i.e. allowing captions to be edited or including links in videos.



Just last year alone, <u>YouTube Shorts</u>, <u>Meta, Snapchat</u>, Spotify (via <u>Greenroom</u>), <u>Twitter Spaces</u>, and <u>Pinterest</u> have launched their own allocated Creator Funds, which reward the creator community while TikTok has further expanded their Creator Fund.

Emerging platforms take Creator Funds into account from the very beginning, such as Switzerland-based naoo, a global platform with a mission "to revolutionize everyday interactions between individuals and businesses, with a focus on relevance, value and efficiency." The platform connects individuals based on their interests, combined with businesses, which meet their lifestyle needs and goals. Similar to Twetch, naoo also pays their users based on the amount of likes and other interactions per post. This way, all naoo content creators have the chance to get paid from day one after signing up to the platform.



The Takeaways: Consider following the platforms' leads and taking an experimental approach by being an early adopter. Brands and influencers should stay up to date on the latest changes so they don't miss opportunities to reach their target audience more effectively. We personally suggest Social Media Today as well as our blog and LinkedIn feed.







SOCIAL MEDIA PLATFORMS EMERGE TO TARGET INCREASINGLY SMALLER NICHES

From Twitter to Twitch to Twetch, there is a social media place for everyone and everything.



As the sheer quantity of platforms continues to rise, social media audiences become further segmented. This segmentation is increasingly based on mindset, lifestyle, values, and interests, rather than demographics.

When it comes to TikTok, "Generation T is age-agnostic... on TikTok, mindset trumps generations." Talking Influence defines Gen T as valuing community building and having a thirst for knowledge along with an interest in connecting to subcultures. Although the TikTok audience is overwhelmingly made up of younger people, with 56% of users in Switzerland being between the ages of 13 and 24, the number of 25-34 year old users is rising quickly every year.



The Takeaways: Partner with influencers, brands, and agencies that have a proven ability to stay current and capitalize on emerging trends and subscribe to their social media pages, especially if they regularly publish industry updates. Additionally, be sure to pay attention to your internal metrics to properly identify your ideal target audience to earn revenue.



SOCIAL COMMERCE IS ON THE RISE

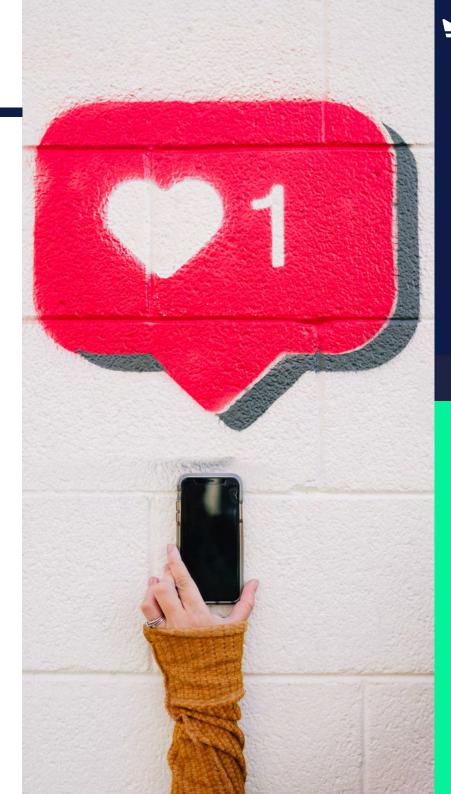
Social commerce enables consumers to make purchases directly through social media networks, rather than being redirected to an online store. Livestream shopping, a specific type of social commerce, enables consumers to interact with the host in real time and make purchases directly through the live video promotion. Livestream commerce is also on the rise, having become a \$60B industry in the APAC region, according to Forrester.

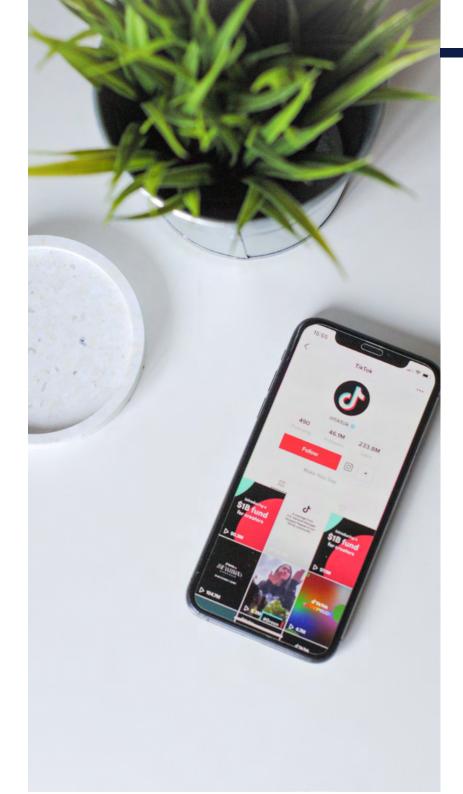


"One important, innovative tool is social commerce. We've seen great success with live shopping, particularly in Asia, since the launch of Kim Kardashian perfumes in 2018.

Check out in-app is not currently available in Switzerland, but we expect it to be soon."

Anja Lapčević, Co-CEO & Chief Influence Officer,
 Kingfluencers







<u>97% of Gen Z</u> consumers use social media as their top source of shopping inspiration.

Platforms and influencers alike are striving to investing in social commerce. In July 2021, <u>Pinterest announced</u> its first set of tools to let content creators earn money with affiliate links.

<u>Shopify</u> is a subscription-based software that allows anyone to set up an online store and sell their products. On 27 October, 2020, TikTok announced <u>a global partnership with Shopify</u> to help merchants create and run campaigns geared toward TikTokers.

The current growth and experimentation in social commerce will continue throughout 2022 and 2023. Some limitations and restrictions still exist. TikTok stores are not yet allowed in Switzerland yet, although they are in the US.



The Takeaways: Learn about the latest social commerce platforms and which capabilities are integrated into social media platforms so you can take advantage of emerging opportunities to earn revenue.

DIGITALIZATION OF EVERYTHING, **INCLUDING GROWTH VR/AR & METAVERSE**

Digital advertising will continue to overtake traditional channels.

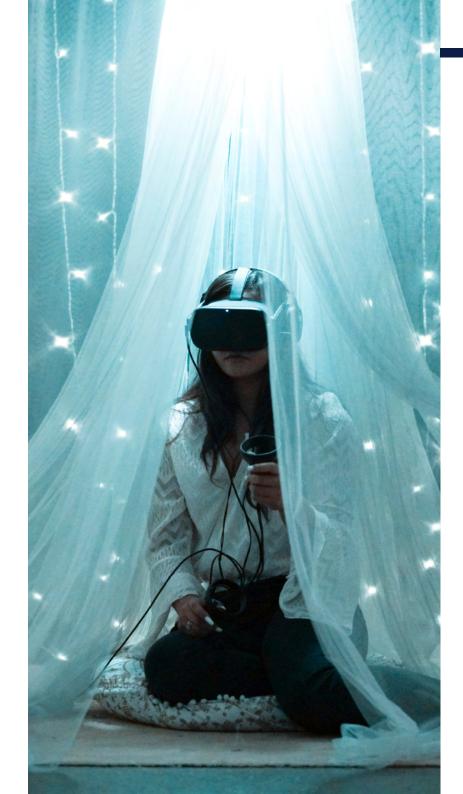


According to Media Focus's 2021 annual summary, internet is now the dominant media group in Switzerland, with a 30% share of the media mix 2021, replacing TV.

The forms of digital advertising available to brands continually expand, and the metaverse is one notable recent innovation. Brand and influencers alike are eager to be early adopters of the metaverse. New features are being built, investments are being made, and people are experimenting. The metaverse is currently a huge green field with many opportunities as well as many unknowns. We predict that it will be the hyped topic of 2022 in positive as well as negative ways.

At the moment, we don't see the metaverse playing a huge role for brands, especially since only a few brands could afford to be in it. Nevertheless, we at Kingfluencers are watching the trends and news around this topic and are eager to see how this new playing field develops.







VIRTUALIZATION IN EVERY DIRECTION

"We will see more apps such as training apps and mental health services with avatars – bots as therapists. There will be a resurgence in the popularity of digital influencers, which impacts how brands interact and communicate," said Yoeri Gabriel Callebaut, Co-CEO and Chief Growth & Marketing Officer, Kingfluencers.

Virtual influencers are growing in popularity, with the richest virtual influencer, Lil Miquela, <u>reportedly earning</u> 10 million Swiss Francs a year.



THE METAVERSE IS GROWING... BUT NOT YET PEAKING

The metaverse is an unlimited space, enabling users to create anything they want. The metaverse shifts the power to a different audience because creators must have software app development skills to deliver metaverse services. The implications and changes are massive for everyone involved in social media.

Most agree it's significant but won't necessarily hit a peak yet in 2022. "I think this growth may occur at a slower pace, with adoption increasing slowly for a few years, and taking up to 5-10 years to dominate," said Lukas Spichtig, video producer, Kingfluencers.



The Takeaways: Brands and influencers may want to consider developing strategies and carving out spaces early. Again, with the landscape changing rapidly, it's vital to pay close attention to shifts. As of today, so much is unknown, and one can be left behind in a matter of mere weeks.



SECTION II: CONTENT GROWS IN VALUE WHILE EXPANDING IN USE

Opportunities for creators to monetize their content continue to grow. While OnlyFans may be the most notorious, subscription-based social media sites have been gaining popularity. In 2021, Twitter introduced Super Follows, which let users charge for access to additional content, and a Tip Jar that makes it easy for users to send money to posters. In January 2022, Instagram also began testing paid subscriptions with a small group of creators. Patreon is a platform that provides influencers and creators with a way to generate income directly from fans or "patrons," rather than via sponsored posts.

Organizations also leverage a variety of influencers, including employees:



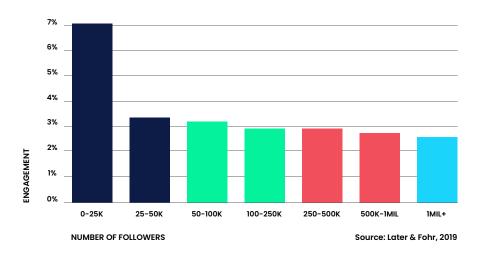
"Personal branding is increasingly important, as workers become influencers. Using tools such as LinkedIn and Twitter, companies can build up the influence of internal staff while also reaching new, interesting clients."

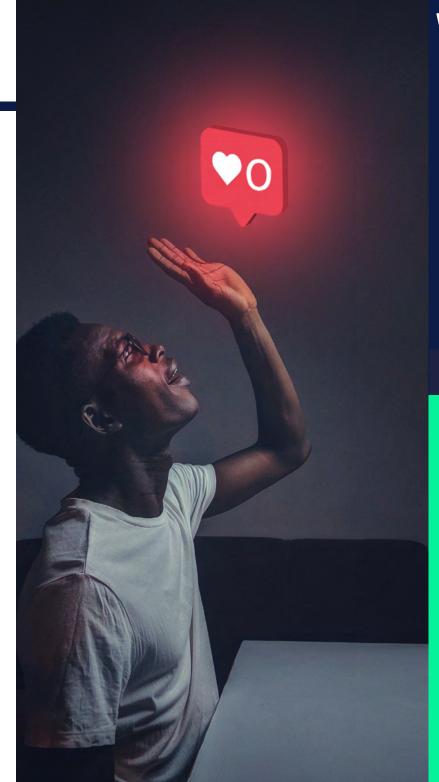
 Anja Lapčević, Co-CEO & Chief Influence Officer at Kingfluencers

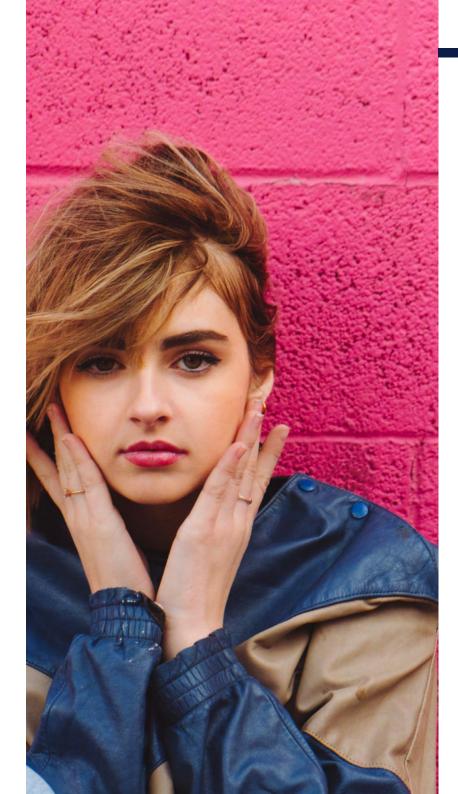
MORE LOVE FOR NANO AND MICRO INFLUENCERS

For influencer marketing campaigns, brands focus more and more on engagement rates than other metrics, such as number of followers, like or comment counts etc. According to a 2019 report from Later and Fohr, nano and micro influencers (<25K followers) have the highest engagement rate, averaging at 7%, which is more than double the bench mark of 3.21%!

Furthermore, there's no shortage of nano or micro influencers: According to <u>Buffer</u>, there are currently over 157 million micro-influencers on Instagram in every category that you can imagine. Businesses will be able to filter out influencers that don't fit their brand, don't have followers that fit the target market, have fake followers and that aren't interested in their products and services, and still have numerous creators to choose from.







Brands are also able to divide the influencer marketing budget into multiple, more affordable influencers instead of allocating the whole budget to one or two macro or celebrity influencers. This way, brands might have a higher chance of accessing the untapped audiences that don't follow mega influencers and find value in the more humble and authentic styles of nano and micro influencers.

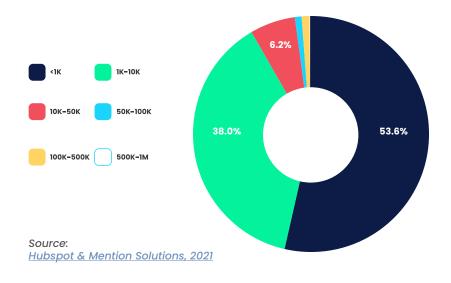
Speaking of authenticity:

h.

According to a recent study conducted by <u>ExpertVoice</u>, 82% of consumers are "highly likely" to follow a recommendation made by a micro-influencer.

This could be because smaller influencers can interact with their smaller audiences better than mega influencers with hundreds of thousands, or even millions, of followers.

Number of followers



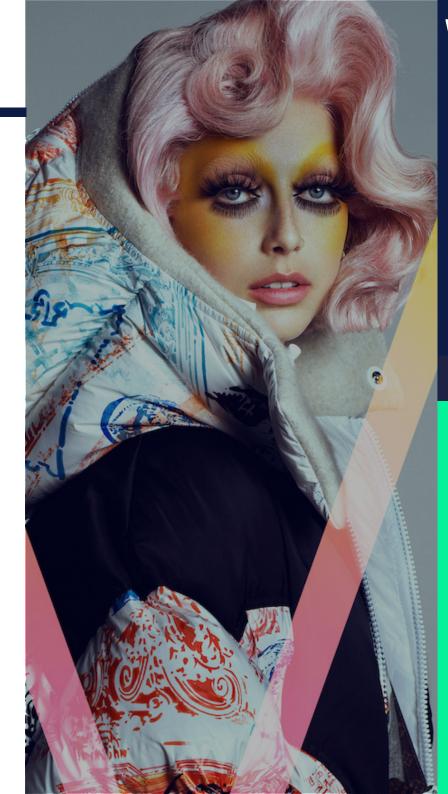
CREATOR CONTENT WILL BECOME MORE WIDESPREAD

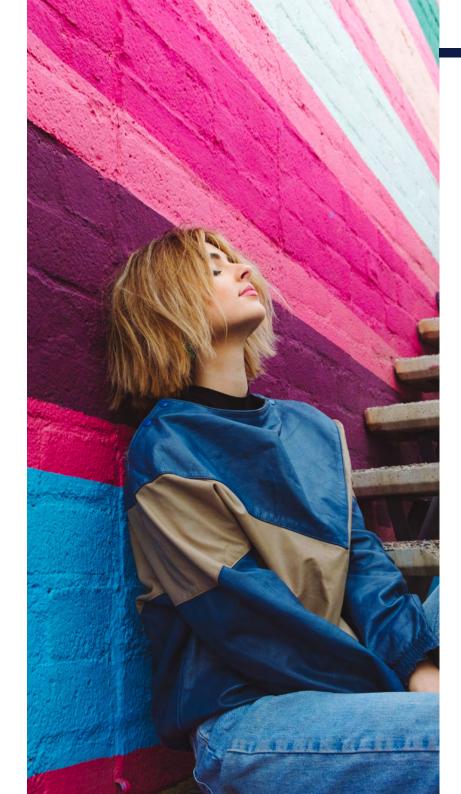
Influencers have often been associated with social media, but in 2022 we expect to see influencers play a bigger role throughout brand marketing communications. As brands work with more influencers, influencer content will become increasingly dispersed throughout other areas of marketing. For example, ads, TV, and radio shows, will feature influencer-created content more often.



"I think you might even see classical advertising being pushed out a little bit by influencers that match the brand's target audiences and are able to get the brand's message out and connect to audiences in a much more personto-person way. As influencer content becomes more important, brands will allocate a larger portion of their budget to it."

 Yoeri Gabriel Callebaut, Co-CEO & Chief Growth and Marketing Officer, Kingfluencers

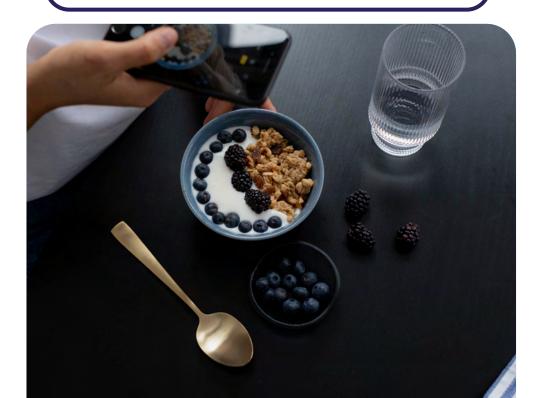




The portion of budget allocated to influencer marketing (IM) continues to grow. 38 percent of global <u>survey respondents</u> stated they invested 10 to 20% of their marketing budget into influencer marketing, and 11% devoted more than 40% to IM.



The Takeaways: Brands are advised to therefore consider the use of influencer marketing to accomplish secondary or tertiary goals, such as generating press coverage. Content generated by influencers can enrich or even replace traditional content across various channels, such as owned communities, or other advertising platforms.



CREATOR ECONOMY WILL BOOM AS CONTENT BECOMES CURRENCY

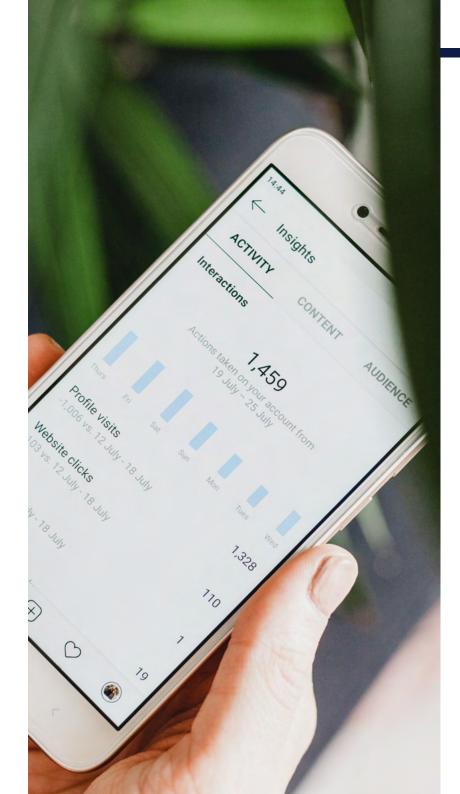
More people will try to capitalize on their content, opinion, and voice, making everything more crowded. Brands as well as social media platforms will be actively seeking and soliciting content creators.

Ironically, the proliferation of content can make it more difficult for users to find something they like. In direct contradiction to what you'd expect, increases in content often drive people to consume even faster, further accelerating the pace at which content must be produced.

Content creator and comedian <u>Taulant Gashnjani</u> recognizes the pressure but has a positive outlook. "I must continue to speed up and regularly produce good and appealing content. However, I don't see this as necessarily negative since I constantly have enough ideas."

Anja said, "There are many tools and opportunities for creators to earn by selling exclusive content. I see potential growth for creators and opportunities for communities to support creators and pay for extra content."





Also, NFTs provide new opportunities to monetize content: Non-fungible tokens or NFTs are cryptographic assets on a blockchain with unique identification codes and metadata that distinguish them from each other. Unlike cryptocurrencies, they cannot be traded or exchanged at equivalency.



"I think NFTs could be a big opportunity for digital artists and content creators. It will definitely be an interesting topic for the future."

- Lukas Spichtig, Video Producer, Kingfluencers

As explained by <u>Investopedia</u>, "NFTs can be used to represent real-world items like artwork and real-estate. 'Tokenizing' these real-world tangible assets allows them to be bought, sold, and traded more efficiently while reducing the probability of fraud."



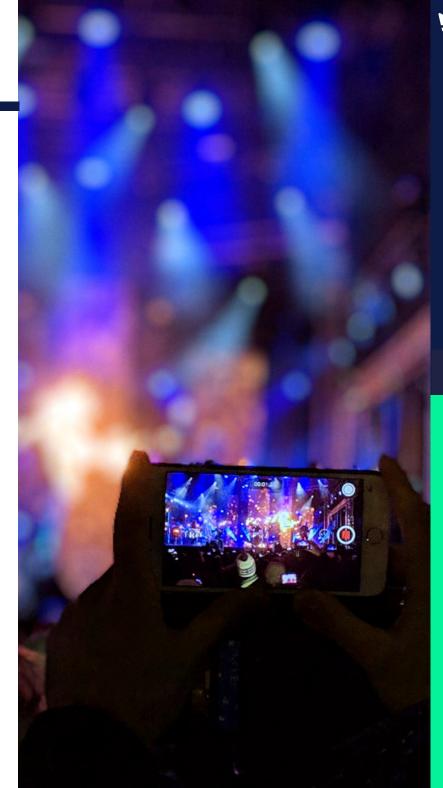
The Takeaways: A booming creator economy means brands have more people to work with, but also must put more effort into their selections. Choosing the right people requires expertise and will take time. This is one of many challenges an experienced influencer marketing agency can help brands tackle.

VIDEO IS DOMINATING

Video content will continue to increase in relevance and importance. More information and messaging will be conveyed through videos, rather than classical ads with text or static images. As video becomes the dominant medium, other formats are even less likely to be noticed. **Brands will have to produce more video content to share.**



As part of their Global Social <u>Advertising Trends 2022</u>, Smartly.io asked B2C advertisers, "Which type of visual asset does your social media advertising team plan to increase usage of THE MOST in 2022?" The most popular of the 3 options, with 47% of the votes, was, "Motion creative (e.g. animations, videos)."







RETHINKING WHAT VIDEO SHOULD BE

With smartphones, billions of people now have an amazing camera constantly at their disposal. How video is perceived will be increasingly flexible and pragmatic. What's demanded of video in terms of style, quality, approach, will be more democratic and spontaneous.

Videos don't need fancy production with camera crews and pro editing.

Brands and influencers alike can stay nimble and use the tools readily available to create simple videos that can be equally effective (if not more effective!).

Lukas added, "I think most social media videos will be short. TikTok and Instagram Reels are made for videos lasting 10-30 seconds. Brands should try to put longer videos on YouTube and only put short teasers on Instagram or TikTok."



"Quality of videos will decrease, but the quantity will continue to increase."

- Taulant Gashnjani, Content Creator and Comedian

AND TIKTOK IS SETTING THE MOOD

The move towards video is accelerated by the success of TikTok. As TikTok has grown explosively, we've seen other platforms attempt to copy them, such as Instagram "Reels," described as a direct competitor of TikTok. "Many of our clients are now moving towards TikTok and video content. Some of the biggest beauty brands in Switzerland are running a majority of their TikTok campaigns with us," said Laura.

Kingfluencers' clients are ahead of the curve, because as Lukas stated, "Many Swiss brands haven't yet started a TikTok account, but soon it will be almost mandatory like Facebook or Instagram. I see a huge potential there, especially for Swiss brands."

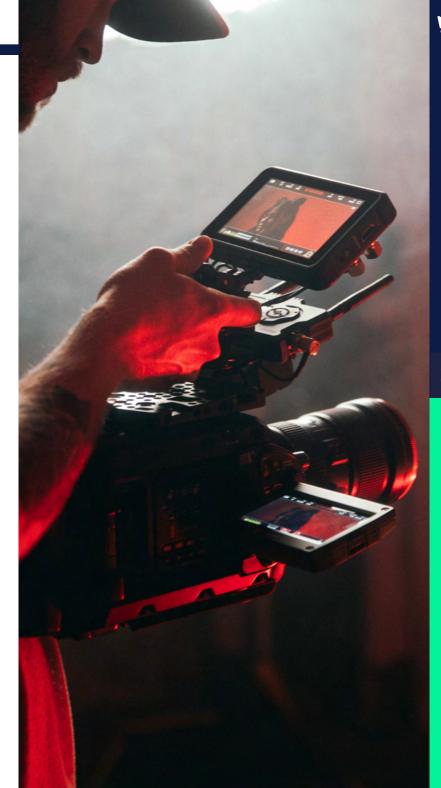


TikTok has been the authority on what's hot. From songs and artists to fashion and products, the platform serves as a popularity stress test.

As part of their <u>reinvention efforts</u>, fashion brand Hugo Boss sponsored a TikTok dance challenge, and worked with various models, music stars, and TikTok influencers.



The Takeaways: Even without fancy production, videos still take longer to finalize than static photos. Brands and influencers must be sure to invest the time needed. Also, while this is a great opportunity for influencers, it will also be a challenge for any creators who aren't well-versed in video. Specifically, their content will not be shown as much on Instagram, where there is a clear move to prioritize videos.





SECTION III: BRANDS, INFLUENCERS, AND AGENCIES ADAPT

Finally, we've identified a few trends about how brands and influencers, as well as the agencies supporting them, are adapting to the shifting social media landscape. Through all the platforms and technologies, **authenticity remains vital.** "Communities want transparent and honest communication. People are becoming pickier about trust and brands can't fake it, especially with younger generations," said Anja.

INFLUENCERS FACE INCREASING PRESSURE TO INNOVATE

With growing competition, influencers and agencies alike will have to be increasingly creative, innovative, and generate real measurable value. Sure, taking pretty pictures will remain a common, popular type of post, but influencers will have to do more and be more creative, leveraging new formats and ways to engage audiences.



"Brands are challenged to be increasingly creative because purely beautiful images are no longer enough. Most social media managers aren't entertainers, so brands will need to rely on content creators."

– Fabian Plüss, Co-Founder & CCO, Kingfluencers





In addition to stepping up their game overall, **influencers will have to increase customizations for each platform**. Distinct styles and approaches are needed for TikTok, Instagram, YouTube, etc. Also, influencers can't continue to rely on the same tactics that drove their initial success.

Another way influencers can innovate is by becoming more entrepreneurial, such as forming clans to offer comprehensive service packages. Technology, such as social commerce and livestreams, also presents another huge opportunity for additional revenue for brands and influencers alike.



The Takeaways: While maintaining that vital foundation of authenticity, influencers are encouraged to keep experimenting, even within the same platform, with different ways to connect to their audiences so they can deliver value for their brand partners. When selecting influencers for campaigns or long-term partnerships, brands should look out for influencers who demonstrate innovation, so they can maintain long-term partnerships while staying current.

CONSOLIDATION IN INFLUENCER MARKETING

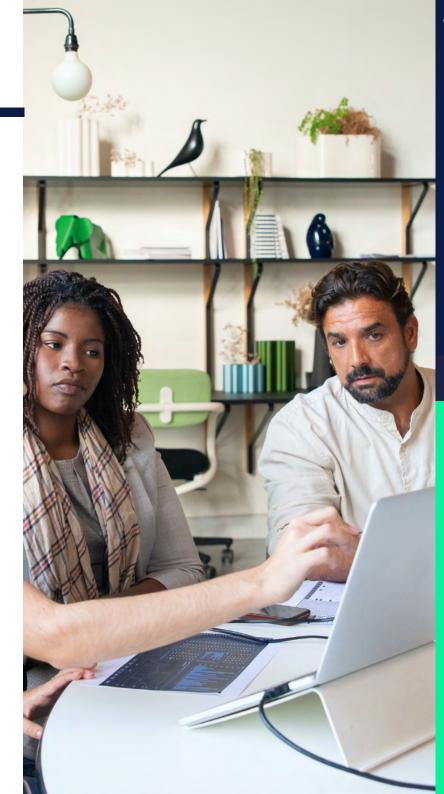
The influencer marketing industry will experience increasing consolidation in technologies, agencies, and service providers. "More influencers will team up to form clans to promote their services to brands. We'll also see consolidation in agencies and technology, which is necessary because a certain scale is required to be profitable," said Yoeri.

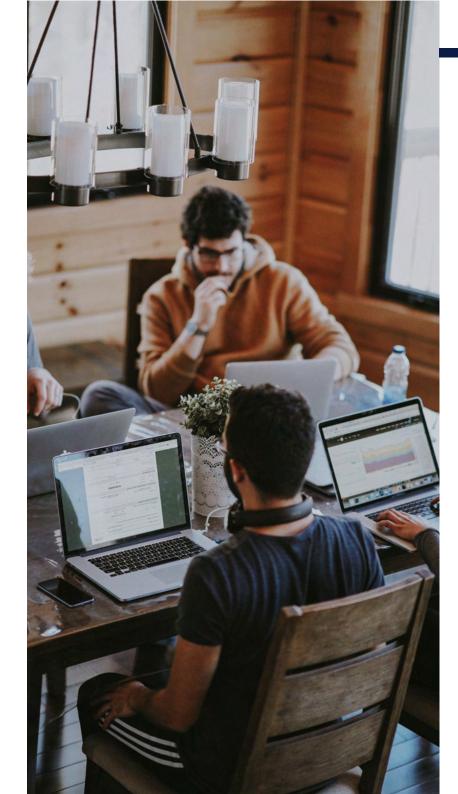


Larger market share will enable the winning platforms to achieve economies of scale, providing even better solutions at lower price points.

With influencer marketing continuing to grow, agencies providing services such as advertising, communications, and branding need to incorporate IM expertise to serve their clients. Some agencies will focus on one small niche, such as a single platform, audience, or type of content, which is a viable business approach. At the same time, we'll see consolidation among general providers, vertically and horizontally. Consolidation can take various forms such as:

- Agencies merging
- Bigger marketing agencies acquiring influencer marketing agencies
- Influencer marketing agencies expanding into new fields to provide a broader scope of services





Some influencer marketing technology platforms are starting to pull ahead of the pack. For example, Mavrck, Traackr, and GRIN are attracting millions in investments, enabling them to develop faster. Leaders will emerge to capture significant market share, as marketing automation systems HubSpot and Marketo did in years past.



The Takeaways: For brands, consolidation results in fewer options for agency support. But the service providers who survive consolidation will be the most experienced, skilled, and cost-effective. Influencers are encouraged to look for complimentary influencers and team up to offer brands more comprehensive services.



LONG-TERM PARTNERSHIPS BETWEEN BRANDS & INFLUENCERS

"Credibility and authenticity are vital and paid posts can be viewed with greater skepticism. To retain credibility, it's important for influencers to work only with brands they genuinely love and in the best case, they work with them long-term. It's beneficial for both the brand and the influencer. Many of our brands conduct year-long campaigns with influencers where they talk about the brand throughout the whole year," said Selina Gabriel, Senior Campaign Manager, Kingfluencers.

According to research from The Zurich University of Applied Sciences (ZHAW), 40% of Swiss companies currently work with external service providers as part of content marketing, particularly for content production in video, photography, and layout.



The Takeaways: In addition to the positive impact on credibility, long-term partnerships enable brands to negotiate lower rates per-posting. An agency such as Kingfluencers can assist with these negotiations to build cost-effective campaigns. For influencers, authenticity, professionalism, and reliability are always important, but particularly when seeking to earn and retain long term relationships. Especially for long term partnerships, reputations are more important than ever and influencer should consistently show value for brands.



HEIGHTENED AWARENESS OF THE RISKS OF SOCIAL MEDIA

The damage that can result from social media is no secret, from the battle against misinformation, to the lax handling of user data and the ways in which algorithms incite rage, sow division, and exploit users' insecurities. Large tech companies hold disproportionate amounts of power and influence in society, and too often, they fail to wield that power in ways that benefit society. Policing and stopping criminal activity are extremely difficult. With the exponential increase in content available as brands compete for attention, consumers can also be easily overwhelmed, exacerbating screen addiction.



The Takeaways: "Be one of the "good guys" and make your position clear. Follow and advocate responsible social media use, and work with brands/influencers to promote constructive and positive messaging. The Conscious Influence Hub Code of Conduct can serve as a template. It's always beneficial for brands to assert your commitment to truth, privacy, and wellbeing," said Anja.



ALL ABOUT GEN Z



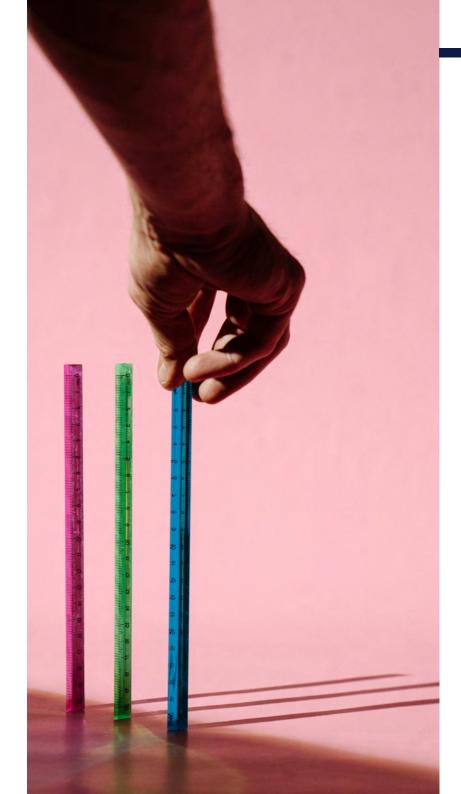
79% of Gen Z across 18 countries <u>responded that</u> companies behaving more sustainably is even more important since the Covid-19 outbreak.

The existing focus on Gen Z as a coveted demographic will continue, particularly as they're entering the workforce. "Beyond their status as a significant spending group, **Gen Z will set new cultural trends in multiple areas** such as music, art, work, and ethics. While the differences are often exaggerated, there is some truth to the fact that Gen Z is changing how people view the world and how things are done. As they grow to be the most economically powerful force in the world, that influence will only expand," said Yoeri.



The Takeaways: Brands as well as influencers should consider Gen Z in their campaigns. Influencers whose audience consists primarily of other age groups could partner with Gen Z influencers to help provide their brand partners the comprehensive scope of services needed.







NOT A 2022 TREND: CAMPAIGN PERFORMANCE METRICS

We'll take a look at some things that might be important, but not trends. For example, some influencer marketing agencies have proposed that metrics are a 2022 trend.

Marketing became more metrics based as early as 15+ years ago. Brands and marketers have been able to benefit not only from easier and faster access to metrics, but more granularity. For example, we know not only that someone clicked a post to visit a website, but how many web pages they subsequently visited and how long they remained on the site. But we don't currently foresee metrics as a 2022 trend, for example we don't expect the emergence of any new metrics or new ways to capture metrics.

Quite on the contrary, we see an increased emphasis on qualitative indicators, such as human connection, authenticity, and selecting the right influencers. Brands are focusing on fulfilling their purpose and values, while recognizing the importance of social commitments, wellness, and engagement.

THE BOTTOM LINE(S)

The increase in opportunities to connect with audiences and generate revenue benefit brands and influencers alike. Unfortunately, they're accompanied by the challenges of increased complexity and competition. Brands and influencers can get lost in the struggle to connect with multiple audiences across multiple platforms with distinct approaches, including virtual worlds, while also keeping up with the ever-changing trends and algorithms. It all takes coordinated strategizing and organization. Contact Kingfluencers for help tackling challenges while taking advantage of the myriad opportunities.



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