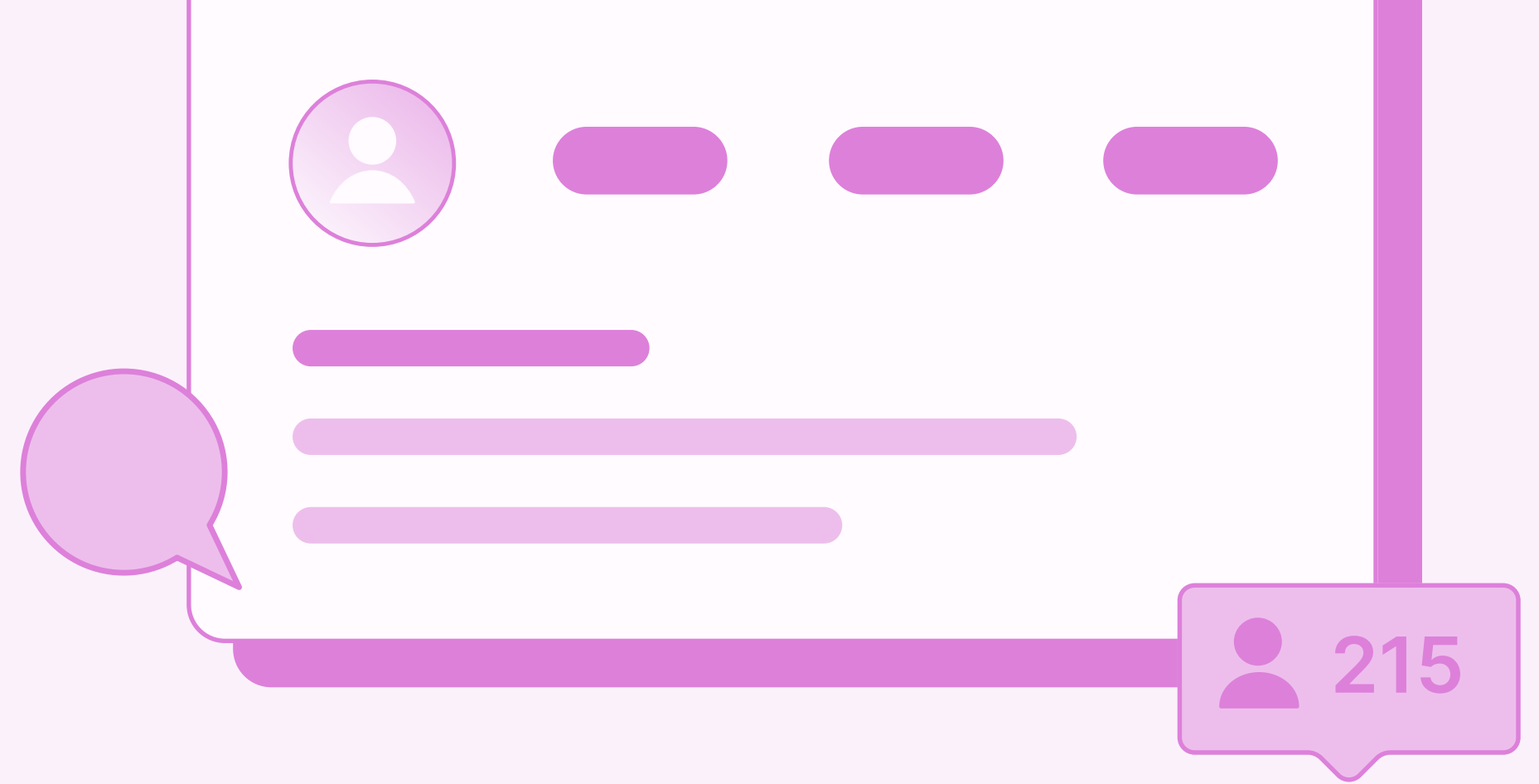


GLOBAL DIGITAL INSIGHTS



# Go Small To Make It Big:

## The Future of Micro-Influencer Marketing

DASH HUDSON

# Meet the Nano and Micro-Influencer

Could the biggest opportunities for brands really be with influencers who have under 100K followers? Yes, they can — introducing the nano and micro-influencer.

74.5% of U.S. marketers report they had tapped into influencer marketing in 2022. With dedicated spending on influencer partnerships projected to rise by 27.8% to \$4.99 billion in 2023, creator marketing will remain a critical component of brands’ social media marketing efforts moving forward.

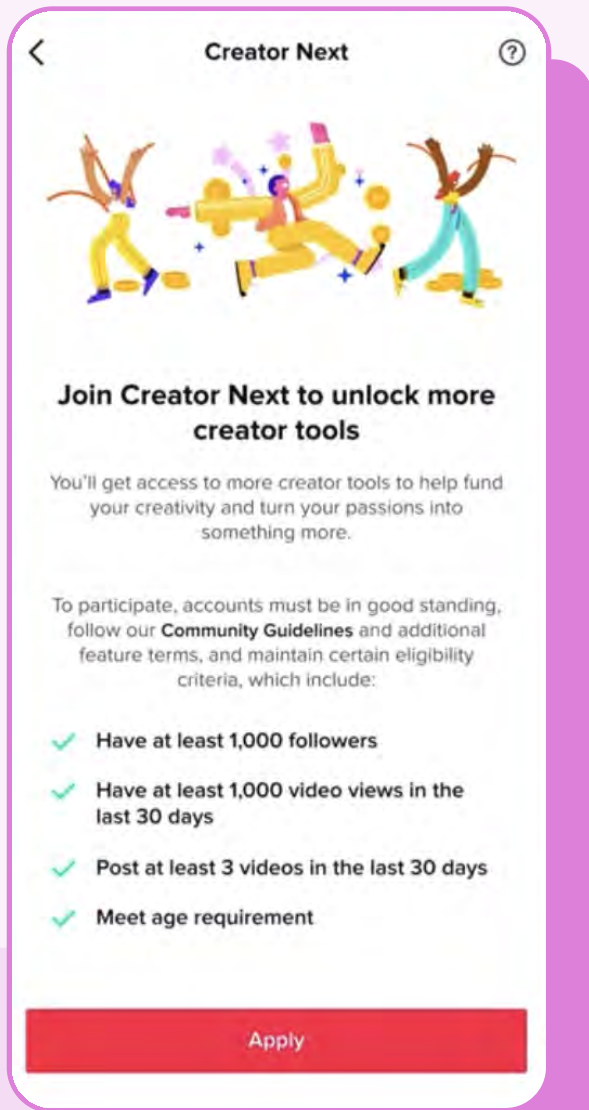
When companies find the right creator — one who understands the company’s values and audience and creatively navigates the two — the resulting content has the potential to be a substantial driver of impressions and meaningful ROI.

## The Competition for Creator Talent Stays Red Hot

As the leading social networks look to grow their daily active users and prove their value to brand advertisers, they prioritize attracting the best creative talent. To differentiate their platform experience, these channels are making substantial investments. Platforms are aiming to diversify monetization opportunities and expand revenue-sharing, add more best-in-class content production and editing tools, provide resources to grow individual creators’ audiences and attract more brand partners. Marketers must keep a close eye on this competition to stay ahead of potential shifts in allegiances amongst creators and audiences if a clear winner emerges — remember the Vine exodus to YouTube? Don’t get left behind staking all your efforts on an underperforming social platform.



TikTok Creator Next gives creators the tools and features they need to turn creativity and passions into monetization partnerships with brands.



75% of U.S. marketers reported using influencer marketing in 2022

Source: Statista

Influencer marketing spending is projected to rise by 28% to \$4.9 billion this year

Source: Insider Intelligence

## Data-backed Matchmaking Eclipses Casting Calls

Choosing the right creator to work with requires a nuanced approach. Marketers must consider complex factors like audience demographics and metrics like follower counts and engagement rates when evaluating a potential partner. If it were as easy as picking someone based solely on the most extensive reach, then the same handful of celebrity influencers would sell nearly every product on the market. Instead, successful brand marketers are leaving nothing to chance by turning to sophisticated data-backed analytics and relationship management tools to help identify ideal creator candidates, streamline relationship management and track critical KPIs to measure partnership performance.

## The Rise of the Nano-Influencer

While still important, the size of a creator's follower count is losing ground in comparison to the quality of their engagement. Brands now recognize that awareness alone is less powerful than awareness plus intent. Once their audience scales, the most popular creators invariably lose some of the personal connection they've developed with their fan base, which is easier to maintain when numbers remain small. Enter the nano-influencer with audiences under 10K who excel at fostering a social environment built for meaningful interaction.

Brands are catching on —they're spending 220.5% more on marketing with nano-influencers, making nano-influencing the fastest-growing segment where budget is concerned.

**Nano-influencers receive:**

**192%** higher Effectiveness Rates than micro-influencers

**213%** higher Engagement Rates than micro-influencers

### What's the difference between Engagement Rate and Effectiveness Rate?

#### Effectiveness Rate

How much short-term and long-term revenue is generated from a campaign, and whether or not customer acquisition rates decrease.

#### Engagement Rate

Metrics that describe how users interact with your content — these include clicks, likes, comments, dwell time, shares, and more. Engagement Rate for a typical day is calculated by looking at total daily engagements, divided by total followers and multiplied by 100.

## Cultivating a Roster of Brand Ambassadors

While one-off and short-term creator partnerships can temporarily boost brand campaigns and product launches, the positive impacts are often hard to sustain. In addition, a lot of time and effort goes into building rapport with a creator and agreeing on creative direction and project parameters, not to mention all the logistics and paperwork involved.

To overcome these hurdles, many brands are exiting this hamster wheel by changing how they work with creators. Several brands are establishing a roster of creators and empowering them to act as ambassadors through content and beyond. These creators see mutual value in these more collaborative models, which can give them access to more resources and boost their visibility in the marketplace.

While selecting the right long-term partners can be tricky to navigate, the benefits can be far more impactful. These relationships have the potential to reinvigorate brand audiences and lead to new business and engagement opportunities.

