

The Future of Digital Marketing: How Influencers have impacted digital strategies

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Abstract

Marketing has been a constant evolution over time, transitioning from traditional methods to digital platforms, and currently social media as a main focus. This paper will address many kinds of digital marketing strategies, especially influencer marketing, and how they work. It explains, why some companies like digital marketing and others don't. I approached this topic by reviewing literature, comparing and contrasting all the kinds of digital marketing vehicles, and evaluate evolution of digital marketing. On the other hand, I also looked into the money side of digital marketing. My keys finding are the major criterias for companies to select influencers. They look into their audience, credibility, and how many followers they have to determine their cost. Furthermore, I concluded that influencer marketing tends to be very effective especially in the long run. If an influencer shows consistent results, then the company would keep investing in them and develop a long term relationship.

Introduction

Throughout history marketing has remained an ever revolutionary industry. It all started around the time of the world's first forms of written languages. Records of the very first advertisements were found on clay tablets. Traditional marketing became a secondary option to new businesses when digital marketing was introduced. Traditional marketing was distributing flyers, billboards, tv advertisements and much more. When digital marketing was introduced in the 2000's, people started using it more because it allows brands to reach their target audience much easier at a much lower cost. Later on digital marketing was adapted by most businesses across the world to increase their reach. (Maksic)

Marketing has changed a lot, especially leading up to the 21th century. My research paper aims to highlight how marketing has evolved over time and how brands use social media platforms to reach people. This paper will also talk about how brands pick which influencer to use for their marketing, and why some brands like influencers, while others don't.

I researched different types of marketing and realized that social media is now a huge part of the marketing industry. Various industries use different methods of marketing to reach their target audiences. Some industries like working with influencer marketing because it can reach a wider audience, while other industries don't think it is a good idea. This paper explores the reasons behind these decisions made by big industries, such as audience fit, engagement, and cost efficacy.

Furthermore, it looks at the financial side of digital marketing, by looking at how much money marketers make. This research gives a deeper understanding of the changes in marketing, especially in social media. It will offer a valuable look for marketers, businesses, and anyone interested in understanding the modern take on marketing.

Body

Types of social media marketing

There are many different types of digital marketing methods. They are display ads, Influencer marketing, Newsletters marketing, Video marketing, Email marketing, Audio messages, Blogging, Website marketing, and podcast marketing. Some businesses prefer multichannel marketing over other kinds, which is where they use different forms of marketing to

reach their target audience. It involves sending messages through other channels to spread the word about the business. For example, this can be digital, like websites, blogs, etc. It can also be in person, for example, billboards, flyers, etc. (Sapega)

Display ads usually drive brand awareness, because they are mainly found on sites where their potential audience is already spending their time. Google matches the things you search, watch, and ads to relevant pages across many websites. Display ads are images, videos, or sometimes even small gifs. They are very cheap and the average cost on display ads is under a dollar. These ads are meant to catch the users eye with colors, and different types of animations. They mainly get triggered when users are browsing websites or watching something. A main disadvantage of display ads is when they pop up during videos, it can annoy the customer and they may not engage with them. (Mialki) (“What is Display Advertising?”)

Email Marketing is up to 40 times more efficient than other social media platforms, according to a study done by “McKinsey & Company”. That same study also shows that email marketing happens to have a 3 times faster sell rate than other social media marketing platforms. There are many kinds of email marketing. Promotion emails highlight sales and deals coming up in the store or online. Newsletters share about the business, new products and give updates about what is going on. Retention emails are sent to existing customers to try their best to keep them a loyal customer. Event emails are sent out to invite people to events that are happening locally around them. Welcome emails are sent out to welcome potential customers to their direct brand. On the other hand, the downsides of email marketing are that it is hard to obtain email sign-ups, and it also needs a lot of management. (“What is Email Marketing? Here's Everything You Need to Know”) (“What Is a Newsletter? How It Works (+ 5 FREE Templates)!”)

Audio messages (including podcasts), and video marketing, have become one of the tools in modern marketing methods, each of them offering a way of connecting with different and more diverse audiences. Audio messages use apps like spotify and other radio channels or podcast channels to promote their brands, they are like verbal display ads. These verbal display ads are usually 15-30 seconds long. Moreover, video marketing shows essential, and informative in a video about products or services provided by a company with a visual to engage the audience. Doing this makes it easier for the audience to engage and understand about what the business does. The major downside of email marketing is that, some people find it annoying for emails to keep popping up and eventually unsubscribe or stop interaction with them. Furthermore, it is also hard to get people to sign up for email marketing. Together, all these types of marketing will help brands reach their target audiences where they are. Influencer marketing is also a big part of the digital marketing industry. (“What Is Video Marketing? Full Guide (+ Strategy and Examples)”) (“Podcast Advertising: The Ultimate Guide [2024]”)

Blogging and websites are mainly used in online advertisements, they offer businesses a platform to share information about their brand. Blogs are basically personal pages, which let creators to display their experiences, passions, and a different perspective on things. Furthermore, blogs allow their creators to show their experiences, and unique perspectives on things. They also are updated regularly, with new information. Websites, on the other hand, give information about a brand, it might also include relevant blogs as part of the main site or linked to the main site. For example, the brand Glossier has a main website, which gets updated, for new deals or new products, but the website is where sales and transactions are happening with its e-commerce feature. There is a blog, which isn't attached to the website, called into the gloss. Moreover, it is updated regularly and it is made of the Glossier website. (“Term: Blog Marketing -

Content Marketing Glossary by clickworker”) (Maluckovic) (“Face – Glossier”) (“Interviews - Into The Gloss”)

Pros and Cons of Digital marketing

Digital marketing also has many positive, as well as negative sides to it. The positive sides of online marketing is that for companies it is more affordable, increases visibility faster, and it also helps provide marketing data. It helps provide marketing data, because they can see how many people visited their website. Digital marketing also has a very wide outreach, and anyone can give feedback, which can help the brand thrive. The audience can also learn a lot about your business and can interact with your posts by commenting, and sharing with family and friends.

While there are many positive sides to Digital marketing, there are also some negative sides. Digital marketing takes lots of time, and can ruin a brand's reputation easily. It can ruin a brand reputation if fake news about the brand starts spreading. A risk of doing Digital marketing is that there are possible data leaks, hackers. In the case of a data leak it can risk the company’s or customer’s privacy, which can lead customers to stop trusting the brand and potential lawsuits and financial implications. Moreover, it can also get very expensive, for example, hiring a high class influencer can be extremely expensive. (“What are the Advantages and Disadvantages of Digital Marketing”)

Influencer Marketing

Influencer marketing allows brands to interact with people through an influencer with a big following. These influencers help advertise the company's product for money. Different companies choose different influencers based on their following, reliability, and who their target audience is. It is used by thousands of brands, and 79% of them spend more than 10% of the marketing budget on them. They can cost anywhere from \$10 per post to over \$10,000. Moreover, there are many different kinds of influencers, who all have some similarities but many differences as shown in the chart below.

Type of Influencers	Follower Count Range	Per Post Cost Range
Nano-influencers	1,000–10,000	\$10-\$100
Micro-influencers	10,000–50,000	\$100-\$500
Mid-tier influencers	50,000–500,000	\$500-\$5,000
Macro-influencers	500,000–1,000,000	\$5,000-\$10,000
Mega-influencers	1,000,000+	\$10,000+
Celebrities	Varies- Higher than Mega	\$1Million+ (Varies)

Influencers are usually paid by companies/brands because of the services they provide. They also get paid per post, about their product, and how many followers they have, which is shown on the chart below. Furthermore, They also get paid by tips and donations. There are also advantages and disadvantages of each kind of influencer. (Geysler)

Pros and Cons of Influencers



Nano-Influencers keep their followers like a mini family, and their costs are the lowest compared to other influencers, because of their low following. Moreover, they have less reach, and it would take a brand more time to gain the visibility. Micro-Influencers usually have relatable content, and higher engagement. Rates Their costs are also fairly low. They also need more management, and just like Nano-influencers they also have a limited reach. Mid-tier influencers have amazing engagement levels, and are cost efficient for more companies, but they have a lower impact on community, and also a slow impact. Macro influencers have a large reach, lots of exposure to make business visibility grow, plus they also have their audience's credibility and trust, but they cost a lot and low engagement rates. Mega Influencers expand brand visibility a lot, are very noticeable, and have a big and engaged audience. Although mega influencers are great for marketing they cost a lot, can have fake or inactive followers, and strict guidelines to follow during partnerships. Celebrities are the best to make a brand more desirable and relevant, it allows them to reach a specific audience, and helps increase the brand's sales fast. Celebrities also have extremely high costs which can be \$1+million and it can be out of budget for many companies. Celebrities involved in scandals can ruin a company's whole reputation. (Zote)

Choosing the right influencer

Before a company chooses what influencer is needed to help their brand grow, they need to define their goals about what they want to achieve. They also need to understand who their target audience is, and research potential influencers who they believe can help reach their goals. Once they shortlist a few influencers, they also need to look at engagement levels and what kind of audience they have, by looking at comments, shares, and saves their video.

Companies also check to see if the influencers content seems authentic, and if their audience trusts them. Cost is also a major aspect when choosing an influencer because it depends on the company's marketing budget. While Macro-influencers are more expensive they have a larger following, they also have much more reach. This can make your brand's visibility grow fast. On the other hand, Micro influencers are more affordable and have higher engagement rates, but a small reach. Once the company has identified the influencer that they would like to use, they usually have to negotiate terms about their contract. They negotiate stuff like timelines, usage rights, etc. Once they find an influencer who is consistent with delivering results and displays company values, then the brand considers being in a long term relationship with that influencer. For example, Brands like Coca-Cola use celebrity because they have a very high marketing budget, while brands like LaCroix use micro-influencer strategies. LaCroix is a smaller sparkling water brand, which has existed for long time, and became popular recently in 2015. Since they are still a small brand, their marketing budget is probably lower, causing them to use micro-influencers. LaCroix's target audience is millennials, and they use micro-influencers so that the product doesn't pop up a lot making it feel like a discovery. (Huntsman) (Duran) ("LaCroix Sparkling Water: A Millennial Marketing Success | by Anna V") (Guide)

Conclusion

My key findings are the major criteria for companies to select influencers. They look into their audience, credibility, if their audience trusts them, and how many followers they have to determine their cost. Larger companies, with a greater marketing budget, prefer to use influencers with a bigger following, while smaller companies with a low marketing budget prefer to use influencers with less following. This is because all influencers have different costs, and their costs are based on how many followers they have. Furthermore, I concluded that influencer



marketing tends to be very effective especially in the long run. If an influencer shows consistent results, then the company would keep investing in them and develop a long term relationship.



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