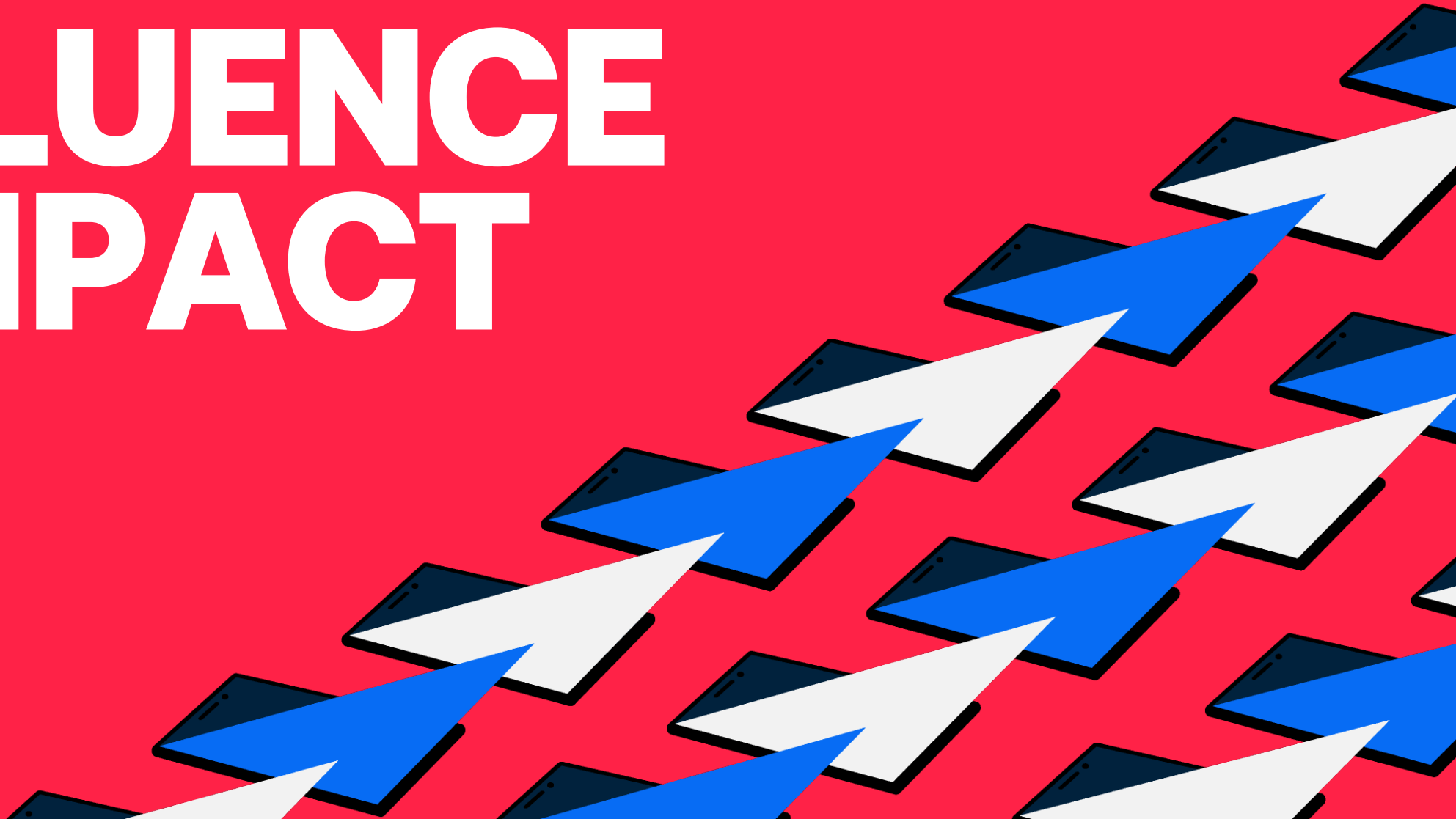




INFLUENCE + IMPACT

IN 2022



EXECUTIVE SUMMARY

/ 02

"Let us not return to
what was normal,

But reach towards
what is next."

—Amanda Gorman

As challenging as 2021 was, we continued to persevere and find new and encouraging ways to push through.

We should never forget that Influence and Influencers are pivotal channels in today's marketing ecosystem. However, we are still emerging, and at the root of Influence Marketing is story-telling with a human connection.

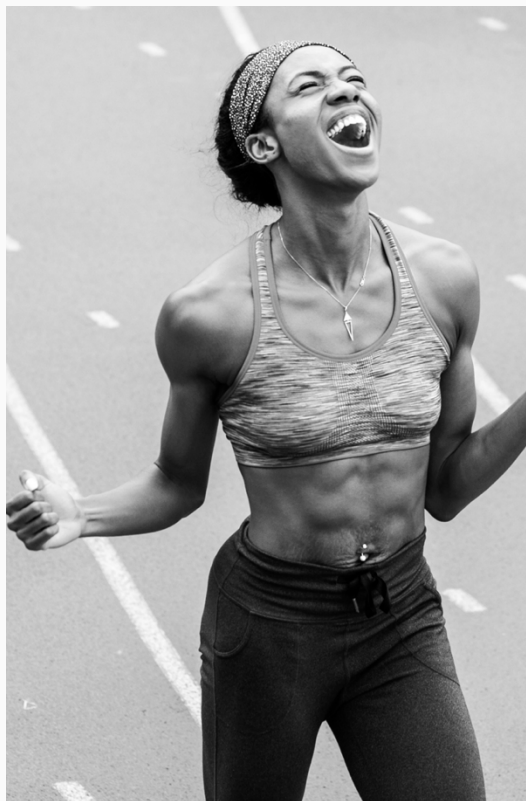
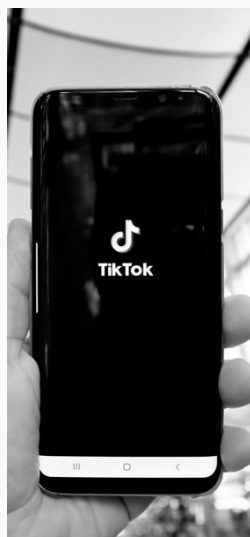
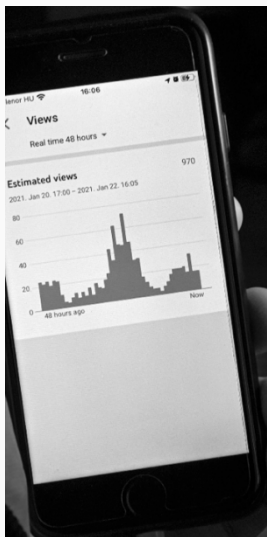
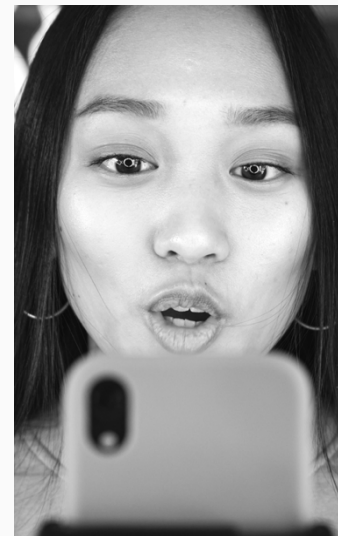
This year's trends find that balance, from the success of integrated programs and new levers of influence to the emergence of social commerce or iCommerce.

Our continued dedication to our ethos of Simple, Soulful, Purposeful, and Fearless partnered with our expanding talent, both internally and in our relationships with industry talent, make us excited for 2022 and the emergence of the trends in this report.

We look forward to having a dialogue with you around our impact findings for 2022, and this report gives you additional insight and knowledge to help with upcoming campaigns you might be considering.

Harsh, Sly, Stacy & the Influence Org
at Edelman

MOOD BOARD



INFLUENCE + IMPACT

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GEN-Z AND
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THE POWER OF INTEGRATED PROGRAMS

Agencies build program integration, which is seeded in deep knowledge of a brand's history and audience. This helps them tell stories that resonate across any medium. Brands that leverage agencies content creation expertise and best practices by platform have the foundation for campaign success.

WHY IT'S IMPORTANT

Cohesion across owned, paid, earned, and the platform creates a flywheel of the story the brand is looking to disseminate. When one piece of that puzzle is missing it doesn't maximize the performance levers. One integration across agency and platform is a symbiotic relationship that benefits both the brand by maximizing its connective tissue utilizing insights and building trust with audiences through long tail authentic storytelling.

THE OPPORTUNITY FOR BRANDS

When kicking off a program, start with the story you want to tell utilizing insights to uncover how the audience best connects. Then work with your agency partners to build out the legs of the program for your owned channels, creator, paid and earned. We work closely internally with our specialties teams as well as key social platforms to curate a narrative that is solely reliant on one pillar of a program.



As audiences' habits and needs

continue to evolve, brands must dive one level deeper on thinking like a consumer. This entails starting the process by connecting insights from the consumer (data, audience, and digital consumption) and then working backwards. Ultimately, putting the agency in a prime position to be able to be the connective tissue for a brand.

Most often an agency's expertise

in a brand and its history is connected from a communications perspective, which affirms their strong knowledge in audience, messaging, and the brand ethos. Yet, as the business has evolved from communications firms to fully integrated marketing cohorts, brands have reaped the benefits of connecting digital, creator, and paid strategies with earned. These pillars of a program laid through the foundation of measurement maximize the opportunity for brands to connect with their audiences in various ways.

While agencies continue to build

their knowledge to meet the evolving needs of the consumer on behalf of the brand, they have also fostered synergistic relationships with platforms. Social platforms know what works best with their technology regarding content creation, e-commerce (opportunities continuing to evolve), and paid levers. Yet, who is able to build out the connective story across platforms, through owned, paid, earned and digital? Your agency. Melding together digital platform knowledge with an agency's expertise in holistic strategy is why brands should focus on fully integrating programs across platform, in-house representatives and helmed by agency partners.

NEW LEVERS OF INFLUENCE

Creators are looking towards the longevity of their careers, and to build up their skillset and resume as anyone would. In consortium with their management, agencies and brand partners, creators want to share their expertise in category, content creation and audience in ways that have lasting impact. Welcome to the dawn of the creator of “all trades”. Whether it is an ambassador, strategist, impact officer or creative director, creators want a seat at the table.

WHY IT'S IMPORTANT

Creators, just like the brands they partner with, also have a strategy for their business and want a return on their investment. When creators take this step it signals they have done their due diligence to ensure they align with a brand's core values and that the partnership is mutually beneficial. Effectively utilizing creators as consultants for internal strategies that have external influence adds credibility to the brand, leveraging the knowledge of someone their target audience trusts.

THE OPPORTUNITY FOR BRANDS

While it may not be appropriate for every program, strategize internally and with your agency the opportunity of partnering with creators beyond a moment in time. Brands build trust with audiences by creating longer tail narratives utilizing the same creators, maximize budget through more robust partnerships and signaling to creators that they value their opinions more than as content distributors.



Brands build trust with audiences by leveraging creators in more substantial ways and for a longer term. This drives budget efficiency, narrative extensions, and trust with audiences. More celebrities are being named as in-house consultants such as Lil Nas X, Chief Impact Officer for Taco Bell, Cardi B, Creative Director at Playboy or will.i.am as Director of Creative Innovation at Intel. While all these examples above are celebrities, this trend is on the rise with all tiers of social creators. Recently, a large consumer tech and gaming company curated an advisory board of tech enthusiast and gaming creators to meet with internal marketing, engineering, and communications teams to test a new product and view their go to market strategy.

This same trend is a rising opportunity for brands in the B2B space. Key opinion leaders lend another layer of resonance to influence strategies in an advisory capacity as many have held leadership positions in that space and their audiences are often feathered with highly engaged key decision makers. Bringing in creators in house as consultants without any external facing outcome is just as impactful because it shows the creators that you value their opinion outside of media mentions and it still drives external impact by altering the decisions that impact the consumer.

When thinking about your influence strategy for 2022, be open to curating experiences for your creators outside of content creation to reinforce that the brand is just as invested in its partnerships as it is in the return on consumer investment.

INFLUENCERS AND **BRAND** **SAFETY**

Influencers are seen as an extension of a brand's mission and values, placing a greater importance on partnership identification and risk mitigation.

WHY IT'S IMPORTANT

Inauthentic partnerships pose the risk of backlash against brands and their partners.

THE OPPORTUNITY FOR BRANDS

Invest in a thorough influencer identification and vetting process, establishing strong and trusting relationships with your influencers. Once establishing a confident relationship, trust them to use their voice and create authentic engagement with their followers.



66% of the global consumer population believes that the things we buy say something about who we are (source: Edelman Trust & The Future Consumer “The Power of Gen Z”). When considering influencer partnerships, brands must thoroughly vet for both risks and alignment with mission and values to build an authentic extension of their core brand. Each new external partnership opens the brand to absorbing the credibility and reputation of respective influencer partners – and with that comes both opportunity and risk.

Edelman has helped its clients uncover criminal charges, revoked credentials, sexist and racist behavior, conflicts of interest and adversarial views for potential spokespeople, award nominees and general brand influencers. We help our clients identify and mitigate risky partnerships through:

Risk identification:

Prior to any influencer engagement, it's critical to complete a comprehensive assessment to identify any risks of partnering with an influencer that could be viewed as counter to a brand's mission & values. Our assessment leverages the research tools and techniques most often employed by political campaigns, legal teams, and investigative journalists to uncover information that may pose a reputational risk and allow our clients to make informed decisions before entering a partnership. Today's influencer marketing teams can also deploy ai-driven tools to identify past problematic content, and to identify those with artificially-inflated audience numbers driven by fake followers.

Creating authentic partnerships:

As influencer marketing evolves, so does content creators' ability to create unique, genuine, and engaging content for their followers. Once our clients feel comfortable proceeding with a partnership, we collaborate with influencers and their representation, and our client's legal teams to ensure clear governance and collective alignment to a brand's values. With risk mitigated through these exhaustive measures, brands have the confidence to “get out of the way” of their partners to interweave their voice with an authentic message, increasing engagement and product adoption.

Evolution of partnerships:

Establishing a long-term relationship with influencers over multiple programs or moments creates and enhances their authenticity in promoting a product or service. On the flip side, with evolving political and social landscapes and a growing expectations of companies to take a stand (source: Edelman 2021 Connected Crisis Study), it's important to keep a pulse on influencers to identify conflicting values that present as inauthentic to a brand's values. While termination of contract is always a last course of option, identifying these conflicts can help brands make informed decisions and get ahead of internal and external stakeholder pressure.

SOCIAL+ INFLUENCER COMMERCE

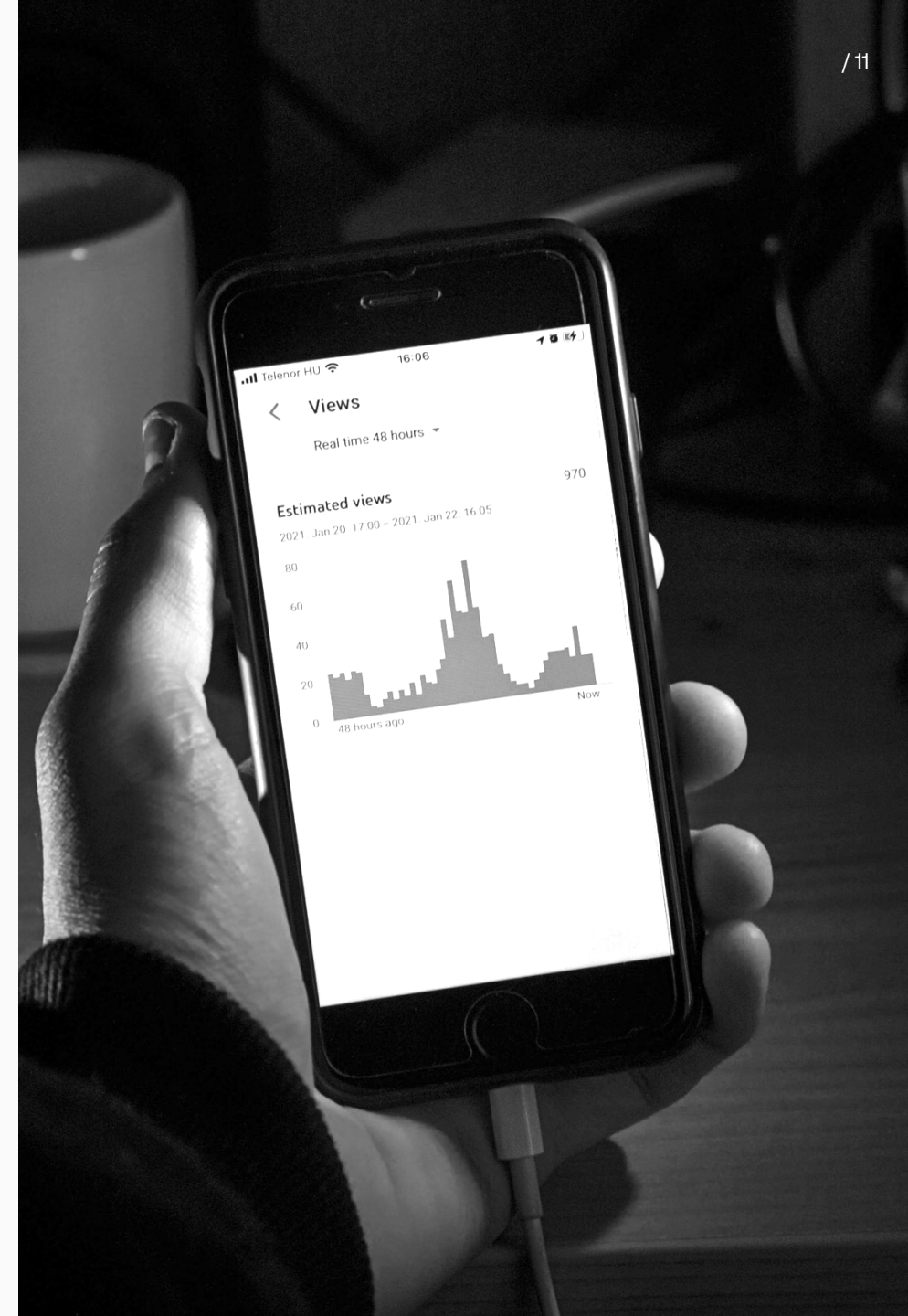
Influencers will drive more direct sales as social commerce takes flight. A meteoric rise in social commerce is paving the way for “influencer commerce.”

WHY IT'S IMPORTANT

Influencers are proven top of funnel awareness drivers, but they are increasingly playing in the “last click” space. It is no longer unusual, or any less authentic, for influencers to post direct sales messaging and paths to purchase. In fact, done right, influencer commerce can be the best of all worlds: highly targeted placement + authentic storytelling + engaging content + clear paths to purchase.

THE OPPORTUNITY FOR BRANDS

While there are distinct differences between “social commerce” and “influencer commerce,” they are inextricably linked. There would be no influencer commerce without social commerce behaviors and tools. Conversely, social commerce would not be as interesting without influencers. Some of the most innovative social commerce trends, such as live shopping and haul videos, rely on influencers. Any brand looking to drive online sales should consider an influencer commerce pilot.



Three key principles

for implementing influencer commerce.

Edelman has worked with several brands to drive sales via influencers. Our work with a top CPG brand saw a 25% lift in online sales via an influencer campaign. We drove an 8% add to cart rate when we partnered with micro influencers for a global beauty brand campaign. In the tech space, we have mapped out strategies that fuse influence, content, and commerce seamlessly to drive results.

Our experience has informed three key recommendations for brands looking to pursue influencer commerce:

- 1** Create people-led moments, not commerce led moments. The beauty of influencer marketing rests in its authenticity. To maintain credibility as they move into the commerce sphere, influencers need to maintain their style and voice when driving sales. Their commerce enabled posts should still embody their energy with engaging content at the forefront. Any commerce element, such as tags or links, should be clear and actionable but not supersede the story. Commerce is simply a layer of a larger story, so you can monitor and measure results!

- 2** Go beyond tagging with innovative formats and ecosystem integration. Many platforms limit commerce features for influencers while organic and paid posts can utilize robust shopping mechanisms like shoppable reels or multiple product tags. Except for Pinterest and YouTube, influencers are limited to tagging and linking a singular product to a general shop page.

To go beyond these limitations, brands can work with influencers to host live shopping events on social platforms and marketplaces. Reposting influencer content on a brand's social feed can also drive more direct sales while infusing owned channels with personality.

Many retailers have worked with influencers to create content for impactful paid campaigns. Influencers infuse paid campaigns with personality and energy. Together, influencer content + the commerce features available with paid posts, is a force to be reckoned with.

- 3** Social commerce growth may be booming, but it is still relatively new with few best practices established. Accordingly, the best strategy for both social and influencer commerce is to launch pilots before programs.

To test influencer commerce, be sure to include a range of 10-20 influencers, work across more than one platform (Instagram, Facebook, TikTok and YouTube are top performing, but it depends on your target customer), experiment with different formats and leverage organic and paid. Most importantly, be sure to set up tagging so you can monitor and measure results!

RISE OF REGULATED INDUSTRIES

Now that the Metaverse and TikTok are allowing branded pharmaceutical and FinServ content in the influencer space, we are seeing an increasing number of partnership between creators and brands from these regulated industries.

WHY IT'S IMPORTANT

More people are searching for relatable content and testimonials on social media and with the rise of regulated content, social media will quickly become a component of consumer's healthcare and financial journey especially during the research process. Being able to activate here is key for Health and FinServ brands.

THE OPPORTUNITY FOR BRANDS

Pharmaceutical and Financial companies should view social media and influencer partners as a new opportunity to share their brand's messages in a creative and personal way. Brands in these industries should consider integrating influencer marketing into their holistic campaigns in ways they did not and could not before.



Proceed with caution.

Having new channels to democratize health and financial messages through trusted third parties is a great step forward.

It gives brands new opportunities to create content that helps potential consumers, those who may be at risk for certain diseases, etc. on channels and with content that resonates, especially younger audiences who are turning to influencers for guidance on more than just their next purchase. This also provides great opportunities for further integration and more interesting and engaging creative from brands who have been beholden to traditional advertising for years.

However, with these new opportunities come added vulnerability. Social media is inherently uncontrolled, so having a keen eye on the compliance side of health and finance and ensuring all partners know the rules will be key to be successful. While TikTok and the Metaverse are open to having this type of content on their channels, FDA and FTC regulations still hold true. Ensure you are still abiding by these laws clearly and doing so in ways that make sense for the platform you're activating (we're looking at you ISI) to be successful, engaging, and compliant.

Now that social platforms including TikTok, Facebook and Instagram are newly allowing branded pharmaceutical and financial content in the influencer space, we are seeing more and more brands partnering with influencers to share why they take/use/or would consider a prescription drug or procedure. On the financial side it's all about financial literacy. Covid exposed that many Americans are not prepared for a financial crisis, so the shift is all about how to make your money work for you. Content that was once reserved for traditional ads on TV is now being converted into lifestyle content from a third-party perspective using influential voices in a testimonial style. This is a new take on traditional unbranded disease state awareness work and taking it a step further to include the product itself.

More people are searching for relatable content and testimonials on social media across all disciplines, and with the rise of pharmaceutical content on social, this channel will quickly become an integral part of a consumer's healthcare journeys and their research process. While these industries are now allowed to activate on social, there are steps that need to be taken to ensure all content is compliant with the FDA, FTC and the social platforms themselves. This does not change the rules and regulations required and all content should still be reviewed and approved by all partners' medical, legal and regulatory teams. Brands and their marketing partners will need to take extra precaution to ensure their third-party partners are aware of these rules and feel comfortable following them.

Pharmaceutical and Financial companies should view social media and influencer partners as a new and exciting opportunity to share their brand's messages in a creative and personal way. Brands in these industries should consider integrating influencer marketing into their holistic campaigns in ways they did not and could not before partners are aware of these rules and feel comfortable following them.

GENZ: DEMAND FOR SOCIAL CHANGE

Gen Zers believe in unity and the power of coming together to create change for the common good. So how does this become the main stay in creator brand partnerships?

WHY IT'S IMPORTANT

Gen Zers believe that the companies and people they support can do good and do well at the same time. Essentially, financial stability does not have to come at the expense of helping the greater good. They believe that no one person can change the world, and it is going to take the collective “we” to move the needle.

THE OPPORTUNITY FOR BRANDS

This generation expects brands to use their reach, money and scale to impact change, as 9 in 10 Gen Zers want the brands they buy to get involved in causes that better the world. It will be key for brands to have causes they support and be able to story-tell these efforts in a meaningful way. It is also essential for brands to be knowledgeable about current topics and take an informed and thoughtful stance. Additionally, Gen Z is not focused on just good looks and fashion trends. When building partnerships with influencers, it is important to have creators who are engrossed in social impact work and be able to show how your business helps support them in their journey.



Gen Zers are truth seekers

who are fueling the desire for impactful influence. They are following creators that drive towards social impact and align with their personal values. An example of a company with a commitment to social change is Dove. The Dove “Real Beauty” campaign created the foundation for the company to support the Black Lives Matter movement and champion the Crown Act.

Gen Z is asking brands

for help in the areas of climate change, poverty, COVID-19 and gender equality. In a society where they are often accused of being internet bully activists and mobilizing cancel culture, they truly desire accountability. 1 in 3 want brands to take responsibility for their wrongdoing.

When thinking about

influence strategy, think of ways to highlight longstanding commitment to change. By proactively being an agent of change, the brand is not only establishing trust with target audiences, but also as a brand that creators aspire to work with.

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The background features a large, dark gray triangle pointing downwards, centered on a black background. Behind the triangle are several concentric circles in varying shades of gray, creating a subtle, layered effect. The text "THANK YOU" is centered horizontally across the middle of the triangle.

THANK YOU