# How Far Is Your Dollar Taking You? Measuring The Effectiveness Of Your Ad Spend for True ROI

## **An Introduction**

As influencer marketing continues to rise in popularity and competitiveness, so does the need for marketers to be able to make their brand stand out. The key weapon that experts have to differentiate themselves is creativity and of course, their budget.

At the end of the day, what determines whether or not your influencer marketing campaigns are a success is if you've maximized ROI in relation to the budget you're operating with. However, without proper benchmarks and standards, marketers are left to rely on their instincts to determine how much to spend on campaigns. You're in luck; we took a peek under the hood to get you the numbers you need to succeed.

## **Data Analyzed**

Presented in this document is data gathered from over 625 videos run on the Grapevine platform to help you answer the question, "how far will my budget take my campaign?"

The total spend on these campaigns was over \$587,000.

As of October, 2017, these videos generated 15,945,004 views with 217,208 clicks, reaching over 102 million subscribers.

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#### **Quartile Analysis**

Max: The highest metric in the dataset

**1st Quartile:** The top 25% of the dataset, the 25th percentile

**Median:** The top 50% of the dataset, the 50th percentile

**3rd Quartile:** The top 75% of the dataset, the 75th percentile

**Min:** The lowest metric in the dataset

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#### Audience Reach in Subscriber Count

## **Subscriber Count**

Subscriber count is one way to get a quick sense of the creator's fan base, but it can also tell an incomplete story. It's important to check other factors like their CPV, estimated views per video, and audience engagement on recent videos to make sure you have the right expectations of how the video should perform.

You'll want to look at the style of video that will best align with the style you're looking to create. For example, want a haul video? Look at the views on the 'haul videos' published in the past few weeks on the creator's channel to provide an accurate view estimate.

## We Recommend

Stack your deck for success. Leverage creators of different sizes to maximize your potential reach and also your engagement. Diversify your influencer "portfolio" by investing in up and coming talent with high engagement instead of going all in on one large creator. Target creators starting in the range of the upper 100,000s and be prepared to spend at least \$1,000 dollars to get the influencer you want.

Pro Tip #1: Look at the view counts from recent video. What percentage of the total audience base do the views represent. A good rule of thumb is to aim for 20% of the sub count. For example, if a creator has 1M subscribers but is averaging 50,000 views per video, it could be a signal that their content is stale. Generally speaking, the better the view/sub count ratio, the fresher and more engaged the audience will be.

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### Average Amount of Clicks vs Cost

## Clicks

In many ways, users who click on your tracking links are expressing an intent to make a purchase or try a service.

They are a solid measure of whether or not the content and/or your product are resonating with the audience. High click through rates suggest that audience is responding well to both the content and product.

## We Recommend

Encourage creators to use the product and integrate it into their content as authentically as possible. At the same time, be sure that they include a call to action for their audience to learn more or make a purchase.

Pro Tip #1: Always make sure your call to action is linked and is at the very top of the description.

Pro Tip #2: Provide some type of unique promotion with your content to maximize conversion rates and get the most from your content.

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## Views

Everyone talks about views. They are an important data point as they represent the total distribution of your sponsored content to your audience.

Additionally, if you're using a flat-fee payment model (industry standard), more views will mean a lower Cost Per View (CPV). Views are an important, if not the most important metric to track during a campaign.

## We Recommend

There is a strong correlation between influencer costs and overall view count. In other words, yes, money buys views. We recommend using research tools like Grapevine Discover to find influencers with competitive prices and high estimated view counts.

Pro Tip#1: Don't be afraid to negotiate. It's very common and we often see that pricing and deliverables are just as much a part of the collaboration as the content itself. You can also negotiate more than just pricing. Ask the influencer to add complementary Instagram post to maximize your reach.

Pro Tip #2: Leverage pricing insights for other creators as a talking point for negotiating a competitive price

Pro Tip #3: Expect to pay considerably more when working through an MCN or a talent agency rather than working direct with a creator or through a platform like Grapevine. If you are working with an agency, try to get clarity on their pricing formula and don't be afraid to ask questions and make an offer that works for you.

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## So How Much Should I Spend?

Influencer marketing really can work for budgets of all types. Many Grapevine advertisers spend less than \$1,000 dollars per month on campaigns, and others commit in the hundreds of thousands of dollars.

Most brands we work with spend around 25% of their budget on Influencer efforts, and the number is generally increasing with major spikes around holidays.

## We Recommend

Pro Tip #1: Have a number in mind for your total budget, but deploy your spend over time as you find the right talent and strategies to support your objectives. You are in control of your budget. We recommend booking a "wave" of initial talent and make incremental optimizations based on results.

Pro Tip #2: If you see results that are totally off the charts, don't hesitate to collaborate with the creator again. Often times building a relationship with the creator and their audience, over multiple videos, will decrease the cost per video. Creators love to work with brands on a long-term basis and are willing to reduce rates in that case.

Pro Tip #3: Give yourself time. It takes time to book talent, and time for them to create great content. Give yourself 4-6 weeks to start seeing content come in. Knowing this, it's important to plan ahead and give yourself some buffer, especially if your campaigns are part of a product launch or a holiday push.

Pro Tip #4: Assign an internal champion. People are building entire businesses exclusively using influencer marketing. To do it well and at scale you need to have someone dedicated to the success of the channel and willing to put the time in. If you don't have the internal bandwidth, fully managed campaigns could be a good option, but they often require higher spend commitments or management fees.

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## Grapevine helps marketers run end-to-end influencer marketing campaigns



# Sep 28, 2017 2.35 PM | Kimberley at boohoo.com Thank you Tasha, go ahead and post! Sep 28, 2017 3.37 PM | Tasha Farsaci (flercelytasha) Did it work? It is saying my video isn't live Sep 28, 2017 3.54 PM | Kimberley at boohoo.com It worked, you're all set! Sep 28, 2017 4.00 PM | System Notification Delverables Confirmed



## Discover

Access our network of 135K+ of the world's best YouTube and Instagram content creators

## Collaborate

Schedule content and manage relationships all within the Grapevine platform

## Measure

Access real-time analytics to measure success and scale future influencer marketing campaigns

## **GET STARTED NOW**

Need more information? E-mail us at support@grapevinelogic.com