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Brands pulsecheck: top priorities for 2023 revealed



Introduction

If there's one thing we're getting used to, it's that we need more resilience and flexibility than ever before. So how are brands and agencies planning for the challenging times ahead?

Campaign and Vamp took the temperature among marketing professionals worldwide at the end of last year to gauge their biggest issues and priorities for 2023 – and to see how they plan to switch up their media and marketing investments in response.

In particular, we wanted to know how marketers are responding to the rapidly evolving creator economy and how many solutions to the challenges of 2023 it might provide.

The results provide insights for all those looking to navigate a path to success during an economic downturn.



The context

Influencer marketing has grown significantly over the past five years – from a \$3bn business in 2017 to a \$16.4bn industry by 2022. It has also evolved significantly, through a series of different stages since it took off in the late Noughties, gaining legitimacy and acceptance as an advertising channel.

First came the artists and musicians who dominated YouTube's early years, the celebrity influencers with huge followings, and eventually the rise of micro- and nano-influencers, thanks to the growing appreciation among brands who value engagement over reach.

During this time, legions of 'influencers' upped their game. They understood their audiences ever more intimately. They taught themselves how to give them the content they want. And they honed the best of both to harness social platforms to drive their connections.

Their relationships with brand owners evolved, too. Initially, it was about free products and payment for endorsements. Over time, it came to be about creating and distributing carefully targeted brand content. Now, it is becoming more about strategic collaboration and long-term partnerships.





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The likes of Logan Paul and KSI, whose Prime drink is currently all the rage, and Mr Beast, who in November 2022 snatched the world's biggest YouTuber crown from PewDiePie, show creators are now a creative force to be reckoned with. And many are building businesses, if not media empires, in their own right.

Today, 'creators' have already established their influence over internet audiences and across social media marketing. And with a wide and ever-growing array of influencer marketing management platforms, content tools, and monetization channels, it's never been easier for brands to work with them. But as we enter 2023 - with much of the global economy heading into challenging times, the internet as we know it evolving towards Web 3.0, and brand owners struggling to get their heads around the implications of these hurdles and more - we wanted to stop and take stock.

We wanted to know: how are marketers responding to the opportunities and challenges of a rapidly evolving business landscape? What are their experiences, hopes and expectations around how they plan to engage consumers? And, how will they use creators to drive sales, build brand relevance, keep pace with new social platforms, survive the recession and thrive beyond it? So, we asked them. And the results make for fascinating - and thought-provoking - reading.

by Aaron Brooks, co-Founder, Vamp



Brands pulsecheck: top priorities for 2023 revealed

45%

staying on top of innovation

40%

reaching new audiences

38%

driving new sales



Top 5 takeaways

- **Staying on top of innovation, reaching new audiences, and driving more sales are marketers' top 3 challenges going into 2023.**
- **30% of marketers we spoke to expect their marketing spend to increase over the next 12 months – undermining any assumption that it's OK to cut marketing spend because all your competitors will be cutting back too.**
- **Brand-building campaigns, performance marketing, content & thought leadership, social & community, and events & experiential are marketers' current top 5 spending priorities.**
- **Paid social, digital display, email marketing, events & experiential marketing, and TV & streaming ads are marketers' top 5 channel priorities for the year ahead.**
- **Creator collaboration is the marketing opportunity marketers are most excited about beyond 2023. Also causing excitement are two other areas ripe for brand creator collaboration: livestream shopping and curated commerce.**





Our findings

In 2023, the challenge for all businesses will be getting customers to keep spending on their products. For marketers, this means getting people to engage with their company's brands and products more deeply. Which is where creators can play an important role.

To understand how big a role, we set out to unpack marketers' top priorities and biggest concerns for the next 12 months and present opportunities for how we think influencer marketing can help brand owners address these challenges.

We reached out to mid-senior level marketers and creatives for brand owners and agencies worldwide and 224 responded. Of the respondents who completed the survey, 55% had previously invested in influencer marketing.

55%

previously invested in influencer marketing





1. Top 3 challenges for 2023

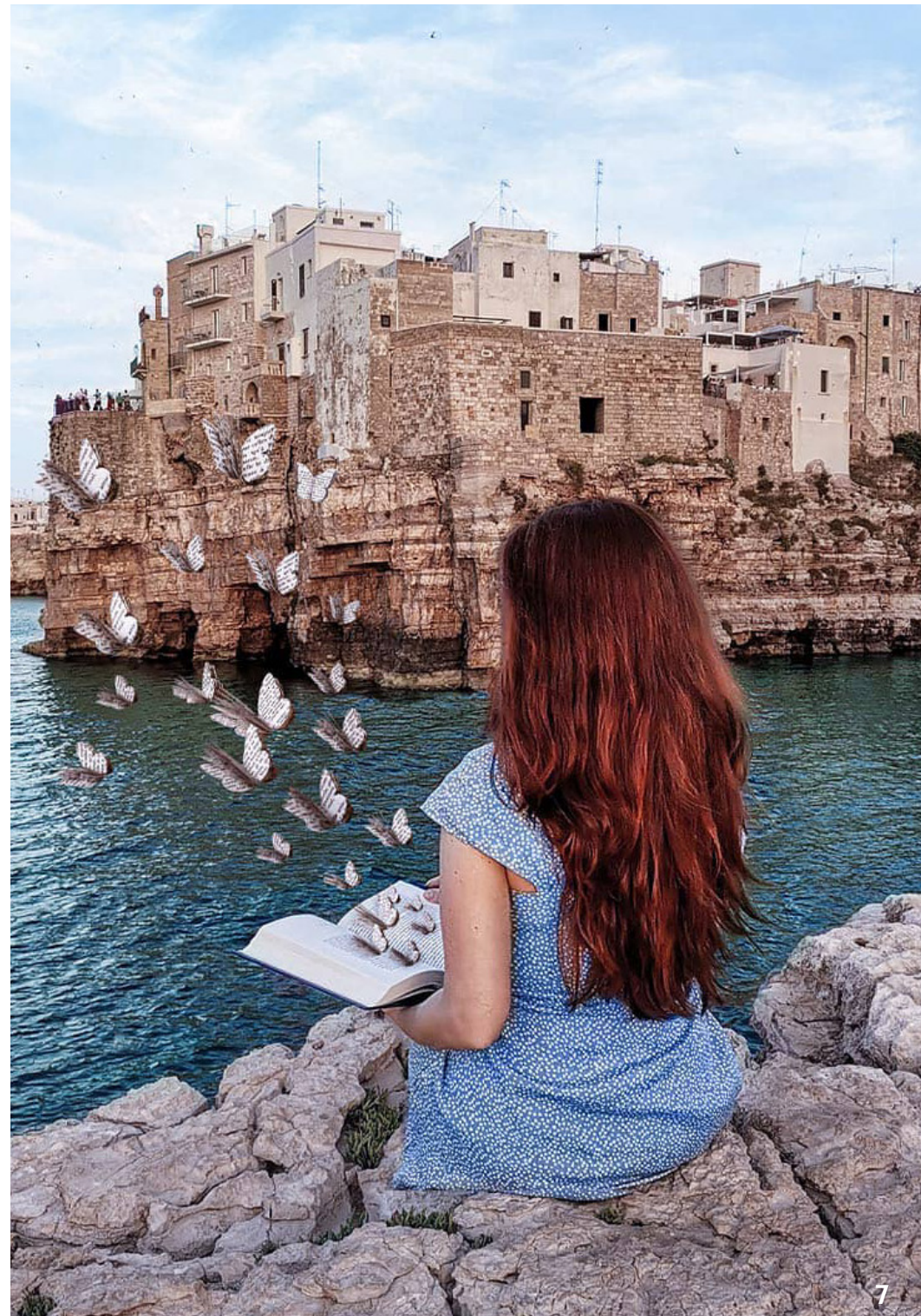
Business process outsourcing (BPO) involves the outsourcing of labour and other operational work to a third party to save money. Knowledge process outsourcing (KPO) is the allocation of relatively high-level tasks involving specialised knowledge or problem-solving to another company that has a high level of subject matter expertise.

Providers of KPO are often located in a different geographic region than the company itself, such as India which has become one of the most important global hubs for KPO with a growth rate of more than 45%.

According to Deloitte, the outsourcing sector (global capability centres) in India has a gross output of about \$100bn.

The country produces more than three million graduates every year and has the second biggest pool of scientists and engineers in the world. This highly skilled and educated workforce is the basis of the success of a mature industry that is increasingly involved in specialised, analytical, and knowledge-based work.

By outsourcing in this way, a company can quickly add expertise in specific fields to boost competitiveness and increase earnings or to accomplish tasks without needing to hire permanent staff.





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It therefore helps companies reduce operational costs and streamlines efficiency. Importantly, it also frees up existing staff, including management, to do other work, boosting efficiency and productivity.

First, we asked them about their challenges, spending plans and priorities, and marketing ROI expectations for the year ahead. We found a clear connection between these needs and the things influencer marketing does best.

When invited to identify their top three challenges for 2023, most mentioned staying on top of innovation (mentioned by 45%), reaching new audiences (40%), and driving more sales (38%) – all core outputs of an effective influencer marketing activation.

Creators by nature have to consistently innovate to keep up with their own competition, platform algorithmic changes, and the expectations of brands they work with. Brands turn to them for new ideas, creative inspiration and fresh perspectives.

Recognising that a growing number of creators have monetized their audiences successfully to build their own revenue streams, they trust their audience knowledge and understanding of social channels to help them drive business outcomes.



Reaching new audiences

Adobe partnered with 62 Vamp creators whose “before and after” content showcased the power of Adobe software. Vamp then boosted these posts – amplifying content by calling users to action and driving strong conversion levels. This generated 2,709 sign ups, 10,833 web visits, and a 2x return on ad spend.

2. Budgets hold up – but need to work hard

Next, we asked about overall marketing budget expectations for the next 12 months. The results were surprising. Most notably, 30% of respondents said they expect their budgets to increase – despite the fact that in previous decades, many businesses’ knee-jerk response to recession has been to cut marketing spend.

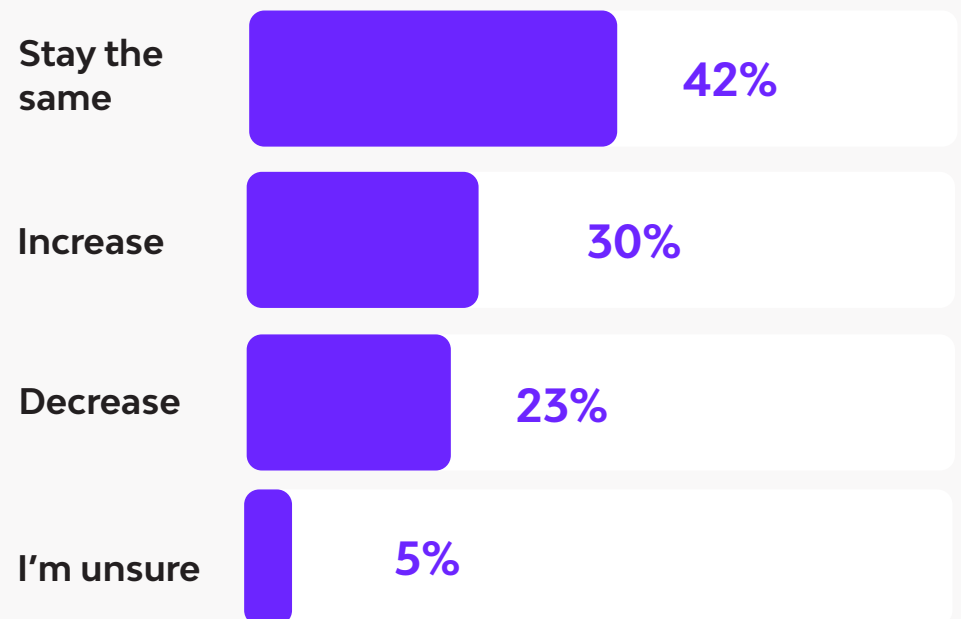
Two lessons can be drawn from this. First, no business can afford to assume that just because received wisdom is to cut marketing spend in a recession, its competitors will automatically do so. Businesses that continue to invest in maintaining their brand presence have a better chance of emerging from recession stronger, studies of past recessions have shown – as definitively detailed by Harvard Business Review.

Second, all – including the 23% of our respondents who told us they expect their overall marketing budget to decrease – will be working harder than ever during the recession to maximise the return on what marketing investment they do make.

Both underline the importance of considering carefully the respective value of every different channel and platform in the mix and, also, optimising performance.



Looking at the next 12 months, do you expect your overall marketing budget to:



3. How to spend it

We then turned to marketers' current and anticipated spending priorities and found strong positive sentiment around performance marketing and social & community.

When invited to identify their top three spending priorities today, brand building campaigns (68%), performance marketing (41%), content & thought leadership (39%), and social & community (38%) came out top. This was interesting for a number of reasons.

First, it's good to see long-term commitment to brand building at a time when economic uncertainty traditionally fuels short-termism. And that's good for creators, because of the role influencer marketing can play to drive brand awareness and top-of-funnel activity in the market.

This is powerfully demonstrated by the 24.3x higher than platform benchmark engagement rate and thousands of low-cost clicks achieved in one recent campaign by UK brand Dylan Dyes.

Social is the natural habitat of creators, a place where they build and connect to audiences. Having a deep understanding of their audience enables them to create content that generates reach, while the relationships they have with their followers enables them to do this with authenticity.

Other top areas receiving marketing budget are:



68%
brand building campaigns

41%
performance marketing



This is critical to brand building success, as audiences are moved further down the funnel from awareness through to engagement and intent.

When we asked if they expect to lean more into performance marketing than longer-term brand building over the next 12 months, we found no strong indication either way. Signalling, perhaps, a degree of guarded confidence in the importance of spreading their bets in the current climate.

Performance marketing and influencer marketing are not the same, of course. But the relationship between the two has evolved, and among more experienced and sophisticated influencer marketing users, the lines blur.

One powerful way for a brand to maximise the impact of creator content is to amplify – or boost – it, by taking the best-performing creator content and running it as a paid social advertising.

Boosting improves the precision of demographic targeting beyond your chosen creator’s followers, by harnessing a social platform’s targeting powers. It delivers cheaper CPMs. As the boosted content’s origin is organic, it will naturally feel more native, authentic, and dynamic.

Boosting can also extend an influencer campaign beyond awareness and engagement to unlock mid-funnel (traffic)

and bottom of funnel (conversion) objectives leading to sales, registrations, or app installations. Recent campaigns by Australian home decor chain West Elm and Tamimi Markets, a Saudi Arabian food retailer, are great demonstrations of this.

Another way to maximise creator content is within a reactive, “always-on” creator strategy - encouraging creator content that taps into social media trends, cultural moments or trending news stories. This positions the brand as fresh, engaging and relevant and also allows it to connect with its audience every time that audience logs in – usually, every day of the week.





4. Where to spend it

Next, we asked which channels they expect to prioritise in 2023 and found paid social (mentioned by 29% of respondents) ranked highest ahead of digital display advertising (23%), email marketing and events & experiential (both 22%), TV & streaming ads (20%), and influencer marketing (14%).

This demonstrates that influencer marketing is now established as a solid channel in the marketing mix. It also underlines the growing importance of paid social, and the potential benefits of more closely linking the two – harnessing the multiplier effect achievable when organic creator content is boosted as paid social ads.

When we asked the reasoning behind these priorities, the importance of data and access to data – for measurements, segmentation, targeting and relevance – was clearly underlined.

We then asked which channels respondents felt most confident would deliver the best ROI over the next year and found paid social ranked second (21%) – after email marketing, events & experiential, TV & streaming ads, and digital display advertising (all at 25%). Influencer marketing ranked third (17%).





This was in line with expectations given influencer marketing’s relative youth, and related industry concerns about data – concerns that new tools and services are now able to address. Delivering better and more detailed metrics and accountability is driving growth in confidence in influencer marketing as a performance channel.

And the balance of investment demonstrated underlines how creators are increasingly being seen – and used – as an always-on channel.

The lower score for programmatic – not so long ago, marketers’ darling – is also interesting and, perhaps, a reflection of concerns around the deprecation of third party cookies, fuelling growing focus on how brand owners can best generate (and own) first party data.

When it comes to generating first party data – such as by inviting people to sign up to receive newsletters, or special offers, or a loyalty programme – creators can again have a role to play.

21%

what paid social is expected to deliver in terms of ROI

Which of these channels do you intend to prioritise over the next 12 months?



5. Creator collaboration: assumptions, expectations & excitement

Next, we drilled down into respondents' experiences, approaches, and expectations of influencer marketing. The findings reveal both an enduring assumption by some that influencer marketing is a campaign-based strategy and, also, a growing maturity among others in their approach to it.

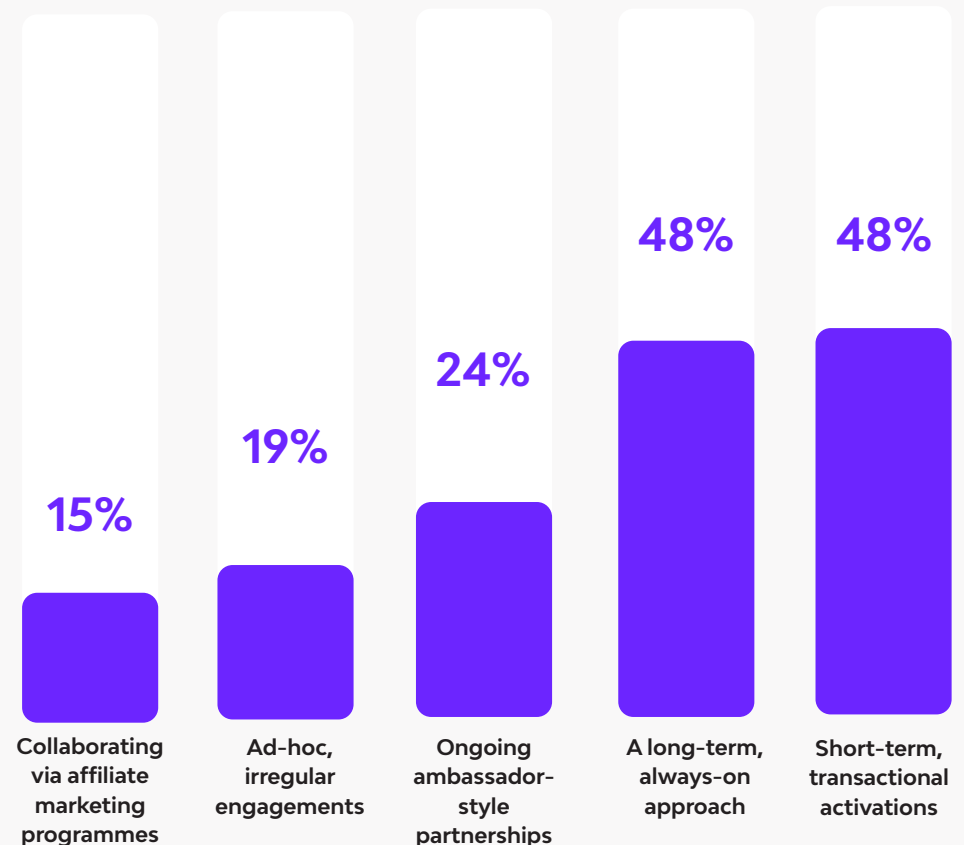
Some 48% use influencer marketing for short-term transactional activations, such as ad-hoc irregular engagements as needed.

Received wisdom is that you do influencer marketing in campaign contexts, so this was unsurprising. As the market grows more sophisticated, received wisdom is being questioned as growing numbers realise influencer marketing that's ad hoc and short term is a missed opportunity.

The best results come from long-term thinking, consistent application and working in partnership.

Some 24% of respondents use on-going ambassador-style partnerships with creators. Meanwhile, 15% collaborate via affiliate marketing programmes earning a commission from the clicks or sales they generate from their promotions, which is a powerful incentive that builds trust and partnership between brand owner and influencer for the long term.

What influencer marketing is currently used for among respondents:





Collaborating with creators as part of an affiliate marketing programme provides a valuable opportunity to boost ROI and build longer-term relationships. It allows a brand to recruit and test different types of creators and optimise the line-up, honing its choice of creators over time based on who creates the best-performing content

When we asked respondents to rate what their investment in influencer marketing has resulted in, the top three deliverables were access to new audiences (37%), credibility with a younger demographic (27%), and faster content publishing on social (21%). A powerful endorsement of its ability to meet the top challenges they identify for the year ahead: staying on top of innovation, reaching new audiences, and driving more sales.

Its role is especially important for reaching and engaging younger audiences, who are most likely to be early platform adopters, and delivering the authenticity and credibility - so important to build engagement and trust. Worth noting here is just 13% of Gen Z follow celebrities while 86% prefer to follow Instagram influencers, according to Omnicom Media Group's recent Omnifluence Report.

When we asked how respondents' approach to working with influencers will change over the next 12 months, an appetite for greater clarity and precision was clearly evident - good news, as sharply focused intent and objectives are critical success factors - and, also, a determination to switch from tactical applications to more strategic.

Building brand advocacy

Origins partnered with 9 Vamp creators to film a 'get unready with me' style video - starting out glammed-up, then using Origins to remove their make-up and prep for night time. This generated 116,000 impressions, 9,000 engagements, and 243,000 hours of view time.

86%

of Gen Z prefer to follow Instagram audiences, rather than celebrities

The benefits of being always-on

Weet-Bix, the wholegrain wheat breakfast cereal, partnered with 9 Vamp creators who produced content inspired by 'the overnight Weet-Bix hack' - a recent viral food trend on social media. It then used the content to magnify the trend to drive product awareness among TikTok users. This generated 5.7 million organic views, 162,9000 engagements, and 9 high quality branded video assets to re-purpose across other channels.



A number cited plans to choose influencers “more carefully” and use them “more strategically”. “We will lean more into creator commerce opportunities”, one said, while another flagged “trying to use more the power of micro-influencers”.

Even so, some concerns were also raised. This demonstrates the work still needed to drive understanding of influencer marketing’s true potential and build greater awareness of the tools and support already available in the marketplace to help optimise it. One claimed that, in their experience, influencers “do not drive sales” while another lamented “insufficient ROI”- despite widespread evidence to the contrary, on both counts.

When asked what developments they would like to see within influencer marketing in 2023, respondents demonstrated an appetite for more creative and sophisticated relationships with influencers, greater authenticity and transparency, better data and increased accountability.

“More creative ways to leverage influence within a community” and “partnership between brands and influencer to try new ways to measure engagement”, one said. “Better data from influencers” and “more accountable real time ROI analysis”, others observed.

Demonstrable ROI

Selfridges partnered with 11 Vamp creators to create content and share it organically among its Instagram followers. Vamp then boosted the posts, targeting Selfridges’ desired customers directly, achieving a return on ad spend of £113 on every £1 spent – 46x higher than average.

72%

of the incremental cost per conversion

Building engagement – and lowering costs

FlowerStore partnered with creators to boost sales during the festive season. The content produced was also run as Facebook branded-content ads. The combined campaign built engagement – more views, more intent to buy – at 72% of the incremental cost per conversion that would have been achieved just using business-as-usual ads.



6. An exciting future for creators beckons

Finally, we asked respondents to identify the marketing opportunities beyond 2023 they are most excited about and creator collaboration was number one by quite some margin – mentioned by 43% – ahead of gamification which ranked second at 35%. This is exciting. For while ‘influencer’ as a term has earned itself a questionable reputation in recent years, the potential to work more closely with ‘creators’ – ideally, in partnership and over the long term – is fast-becoming widely the preferred way forward.

Creators’ value as audience experts – knowing their followers intimately to deliver the content they want, social strategists – using social platforms to connect and build, and as early adopters – embracing newcomers like Shuffles or BeReal early, makes them highly attractive to a brand. But, to be effective, brands should work with creators in partnership.

This means handing over a degree of creative control so the creator produces what they know will appeal best to their audience in their own unique way. It ensures authenticity. Brand safety is top of mind for many marketers, and rightly so. But by asking to approve a creator’s content before it goes live, brand owner concerns can be eased.

Moving forward, creator collaborations will also increasingly cut across some of the other opportunities respondents expressed excitement about, notably livestream shopping and curated commerce.

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Top 5 things we learned

- Staying on top of innovation, reaching new audiences, and driving more sales are marketers' top 3 challenges for 2023.
- Almost 1 in 3 of marketers expect their marketing spend to increase in 2023 – so no-one can afford to assume it's OK to cut marketing spend because everyone else will, too.
- Social & community is one of marketers' current top 4 spending priorities.
- Paid social is marketers' top channel priority for 2023.
- Creator collaboration is what marketers are most excited about beyond 2023.

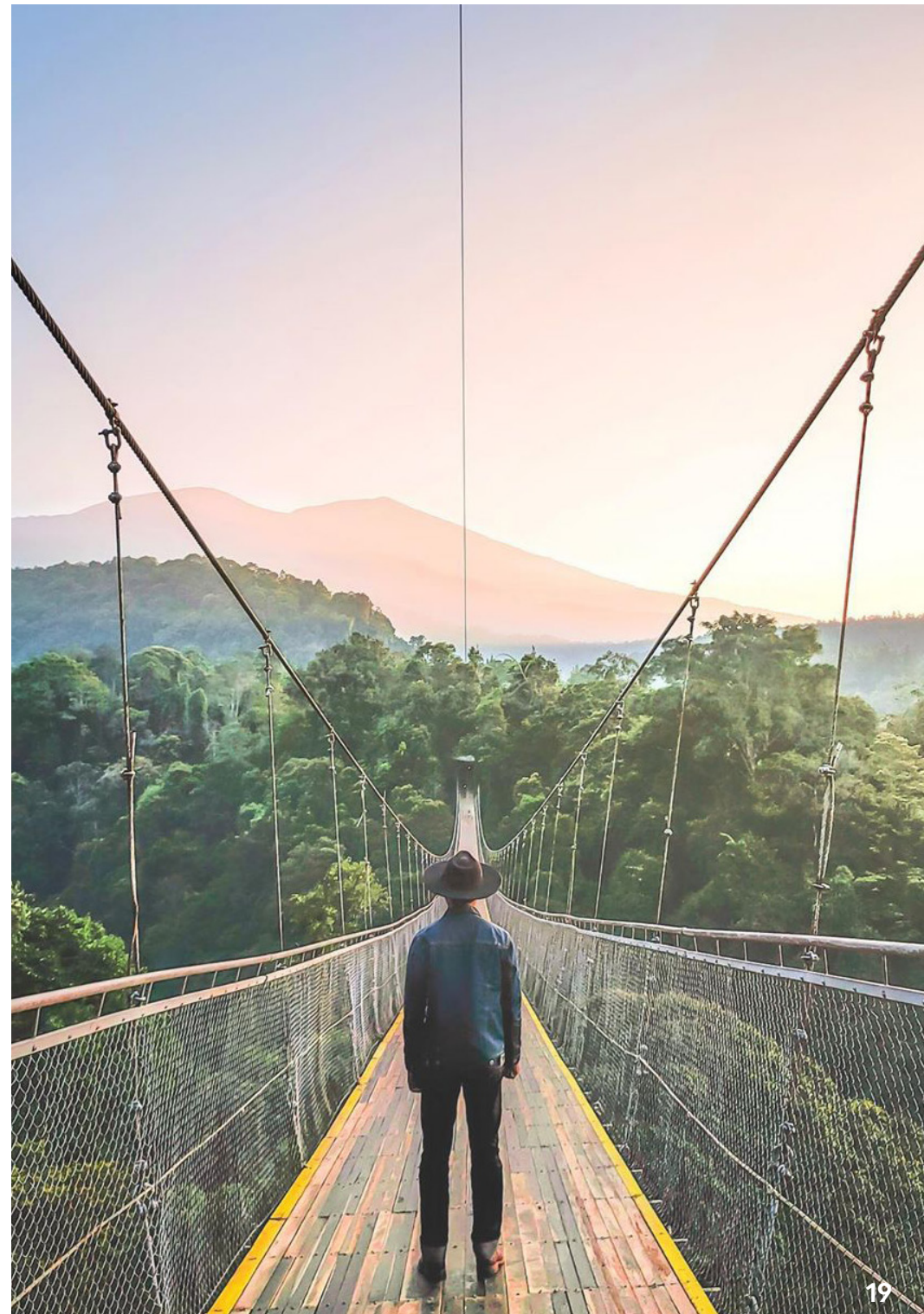


The way ahead

Over the year ahead and beyond, brand owners will be looking to navigate the recession, and creators can help them with that. They will also be looking to find ways to gain competitive advantage by embracing Web 3.0 and the metaverse. Creators can help them with that, too.

Awareness of the support, platforms and tools already out there to help manage and optimise influencer marketing could be improved. Likewise, the sophistication of brand owners' approach to collaborating with creators, and appreciation of the benefits to be had from doing so in partnership and long-term.

But both are improving. And, increasingly, creators are being recognised as valuable social experts for brands, and influencer marketing as a performance channel in its own right. The message is as strong as it is clear. The future for and benefits of brands and creators to collaborate for mutual benefit is bright.





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About the research

We reached out to mid-senior level marketers and creatives for brand owners and agencies worldwide and 224 took part in the survey.

About Campaign

Campaign is the world's leading business media brand serving the marketing, advertising, and media communities. Its mission is to provide industry professionals with the creative firepower they need to attract and engage consumers.

campaignlive.co.uk

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About Vamp

Vamp is an award-winning influencer marketing platform. We connect global brands like Adobe, Estée Lauder, GAP, Nestlé and Volkswagen to a vetted community of creators, to drive brand awareness, consumer engagement and purchase consideration through social platforms. As a Meta Marketing Partner, TikTok Creative Marketing Partner, and YouTube Creative Partner, Vamp provides brands with an omni-channel, always-on solution to managing the entire lifecycle of their creator collaborations. Founded in Australia in 2015, Vamp has run influencer marketing campaigns in 65+ countries through a global footprint of offices in key markets.

Learn more at vamp.com