![Valassis — A VERICAST BUSINESS]

UPLEVEL THE REACH AND POWER OF YOUR INFLUENCER MARKETING

INTRODUCTION

In recent years, Influencer Marketing has taken off, establishing itself as a key element in an effective multichannel marketing strategy. However, brands face multiple challenges when it comes to succesfully delivering Influencer Marketing campaigns.

In this white paper, Valassis is opening up its playbook to share how you can unlock the full value of Influencer Marketing far beyond social media channels. You'll learn how to use proven techniques and programmatic media to optimize content and expand reach.

CONTENTS:

THE CONSUMER JOURNEY IS SOCIAL

Influencer Marketing has exploded, establishing itself as an essential marketing strategy for brands to build awareness, drive traffic, increase engagement, influence purchase decisions, and when done right, drive sales and clear ROI. **The Influencer Marketing industry is projected to grow to $15B by 2022.**[1] This growth can be attributed to the evolving consumer journey and the impact of social media and influencers on that journey.

Today's modern consumers rely more than ever before on influencers to vet products and inform purchase decisions. **Studies show that many consumers believe advertising is more trustworthy when it features individuals that they follow online or can relate to.** The interplay between consumers, influencers, and brands suggests that the purchasing journey is a highly emotional process in which real-time online conversations and fervent influencer content can easily redirect consumers onto different purchasing paths.

The world is always changing. Empowered consumers continually have more information at their fingertips to make informed purchase decisions. What has not changed is the importance of multichannel marketing. Consumers get information from print advertising, in-store merchandising, TV, and digital advertising before choosing to make a purchase. How does Influencer Marketing fit in to this multichannel approach?

Influencer Marketing is powerful. **By collaborating with influencers, brands gain authentic and inspiring content to use for their advertising.** And they can use it in more than just social channels to drive results. To maximize the impact of Influencer Marketing, brands are challenged to go beyond conventional methods to pinpoint the most engaging influencer creative and successfully scale in multichannel campaigns across print, display, email, and in-store advertising.

[1] Business Insider Intelligence estimates, based on Mediakix data; [2] Nielson Consumer Trust Index, 2017;
[3] Mediakix, Influencer Marketing 2019 Benchmark; [4] Valassis + Kantar, "The Future of How People Shop", January 2020

VALUE OF INFLUENCERS

92%
of consumers trust an influencer more than a brand advertisement.[2]

71%
of brands say they receive higher-quality customers and traffic from Influencer Marketing compared to other sources.[3]

51%
of millenials (and 30% of all consumers) will try new products based on influencers' recommendations.[4]

48%
of millennials (and 25% of all consumers) trust advertising more when it features influencers or celebrities they follow online.[4]

NEW CHALLENGES OF INFLUENCER MARKETING

There are four key challenges brand marketers face today in executing successful Influencer Marketing campaigns.

01
DECLINING ORGANIC REACH ON SOCIAL MEDIA

As of late 2019, brands could only expect their organic influencer posts to be seen by an average of 5.5% of that influencer's followers.[5] Consequently, Influencer Marketing has evolved beyond organic reach to amplify and target influencer content with paid media. On Facebook and Instagram this is done most effectively through allowlisting (formerly known as whitelisting) and dark posts.

02
FINDING AND ENGAGING WITH THE RIGHT INFLUENCERS

The first step in identifying the right influencers for your brand is often the highest hurdle to get over. In fact, 61% of marketers agree that it's difficult to find the right influencers for a campaign.[6] Without internal resources and expertise, brands frequently need to rely on software solutions and specialty agencies to help.

WHAT IS INFLUENCER ALLOWLISTING?

Allowlisting (formerly known as whitelisting) for Facebook/Instagram is known by a few different terms such as "granting advertising permissions", "granting permissions" and a few others. Whatever it's called, it is the process by which the influencer gives advertisers permission to use the influencer's handle and the content they produce for the advertiser, and to target the influencer's engaged audiences.

WHAT ARE INFLUENCER DARK POSTS?

Dark posts, also known as influencer ads, are targeted ads that are delivered to a specific audience, and are shown as "sponsored" content from the influencer's handle, but do not show up on the influencers' news feed or profile. An influencer must grant advertiser permissions (allowlist) in order for an advertiser to create influencer ads (dark posts).

20 - 50% HIGHER PERFORMANCE

Influencer ads outperform traditional brand ads by 20 – 50% across consumer categories, delivering engaging and desirable 'lifestyle' focused advertising from trusted third-party influencers.[7]

[5] Hootsuite, The Global State of Digital in 2019 Report; [6] Mediakix, Influencer Marketing 2019 Benchmarks; [7] Lumanu, "Influencer Whitelisting: The Benefits & Challenges," October 2019.

03
ALIGNING CONTENT TO CONSUMERS' WANTS AND NEEDS

Declining organic reach and difficulty aligning influencer followers to the brand's target audience limits Influencer Marketing's reach. So how does your brand more closely align content that meets consumers' wants and needs? Marketers must have access to detailed insights into consumer behavior in order to identify the consumers most likely to respond to influencer content. Deep consumer insights that are closely tied to media execution allows for more precise targeting across channels, maximizing performance and reducing wasted ad spend.

04
MAXIMIZING IMPACT OF INFLUENCER CONTENT ACROSS CHANNELS

Influencer content can be leveraged across channels, but it is difficult to do it well. Successful multichannel amplification requires:

- Identifying the right channels that your target audience prefers and adapting the influencer content to those channels.
- Quickly and efficiently testing vast amounts of influencer content to know which creatives will deliver the highest engagement and response.

MARKETERS MUST HAVE ACCESS TO DETAILED INSIGHTS INTO CONSUMER BEHAVIOR IN ORDER TO IDENTIFY THE CONSUMERS **MOST LIKELY TO RESPOND TO INFLUENCER CONTENT.**

THE VALASSIS DIFFERENCE:
STRATEGY + TECHNOLOGY + SCALE

Valassis transcends Influencer Marketing into a scalable engagement channel by marrying industry-leading strategies, exclusive consumer insights, and premium technology to drive measurable results. Our Influencer Marketing approach makes the greatest impact by going beyond organic reach to engage consumers - when and where it matters most - across the consumer journey. Valassis' unique solution combines art and science, layering in technology with expertise to drive scaled efficiencies through programmatic influencer media.

AN ART & A SCIENCE

STRATEGY

SCALE

RESULTS

TECHNOLOGY
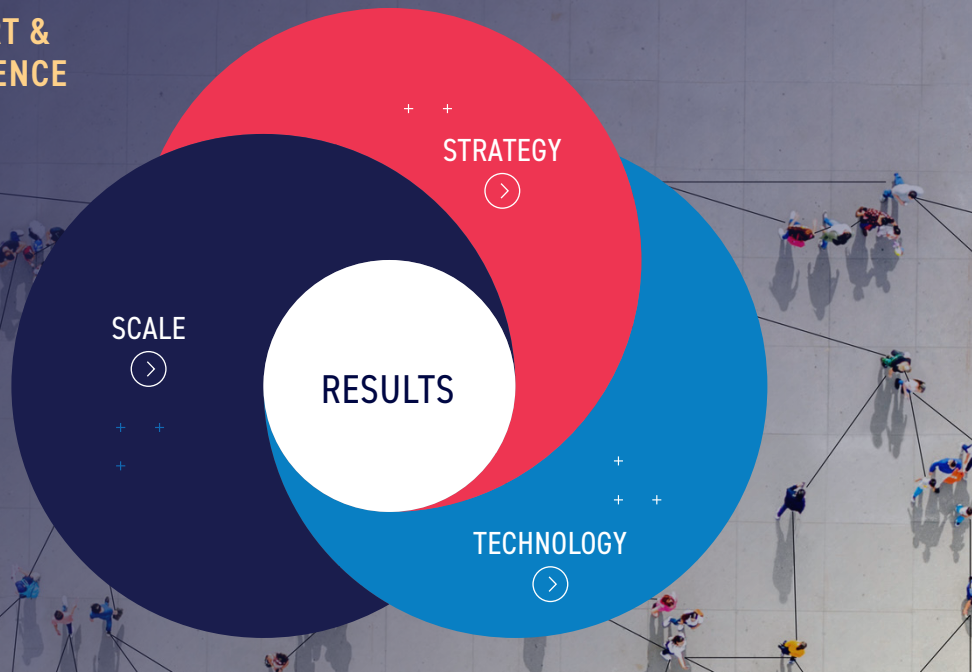
THREE KEY ELEMENTS FOR SUCCESS

01
INFLUENCER MARKETING EXPERTISE AND INFLUENCER CONTENT

Using both quantitative and qualitative methods, we apply a unique, holistic approach to evaluate and find the best influencers for a brand. We leverage AI-powered technology to sort through thousands of influencers in our own network and hone in on the content creators that will have the strongest alignment with the brand and their campaign objectives.

All of our influencers go through a highly stringent vetting process, where we not only look at engagement rates and follower counts, but also vet audience data with a fine-tooth comb to ensure the influencers have healthy content, proven credibility, and little to no fraudulent activity, bots, or fake followers.

We also provide advice on creative approach and strategy to influencers to ensure they are effective storytellers, producing authentic content about a brand.

02

TECHNOLOGY: PREDICTIVE CONSUMER INTELLIGENCE

Understanding consumers and predicting what motivates them to act is in the Valassis DNA. With exclusive, predictive intelligence designed to engage consumers at critical moments, the award-winning Valassis Consumer Graph™ connects online and offline signals to understand consumers more fully and predict what motivates them to act. Our exclusive consumer insights enable brands to connect with their ideal audiences when and where it matters, delivering smarter multichannel campaigns that drive results.

Often social media marketing partners rely solely on Facebook audience targeting to reach their ideal consumers with paid advertising. This is where the Valassis Consumer Graph shines, boosting Facebook targeting with our complementary and robust predictive consumer intelligence. Some of our distinct consumer insights include:

- **Immediate Purchase Intent:** Pinpoint who is ready to buy now through examination in spikes in online activity over the last 7 days
- **Interest Over Time:** Identify long-term interest from analysis of online browsing history from 110B daily intent signals
- **Purchase Preferences:** Narrow-in on buying habits based on insights into past purchase behavior and retail spend
- **Promotional Sensitivity:** Determine who is likely to respond to value offers from advanced analysis of nearly 2B coupon redemptions

With these insights and more, we can build more sophisticated custom audiences and upload them to Facebook for superior targeting precision. In addition, we can use look-alike modeling to extend reach to find people who are similar to an influencer's followers. With the combined power of the Valassis Consumer Graph and Facebook audiences, Valassis is uniquely positioned to deliver smarter, more precise targeting that puts authentic influencer content in front of the consumers who need it most.

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02

INFLUENCER MEDIA: TECHNOLOGY TO UNLOCK MULTICHANNEL SCALE

By using additional sophisticated technology behind the scenes, Valassis is able to unlock scale by automating all the manual aspects of influencer media to deliver high-performing influencer content across channels.

Once influencers are identified and contracted, then the difficult allowlisting process begins. Marketers and influencers that have allowlisted know it can take hours and even days to get or give the advertising permissions required to allowlist. Valassis uses Lumanu's platform to automate the influencer permissioning process, simplifying the effort to just a few clicks by the influencer.

With Lumanu, Valassis launches campaigns in record time while simultaneously building and maintaining strong relationships with influencers.

Also for any single campaign, influencers will create vast amounts of content. So how can brands know which creatives will deliver the highest engagement and response? Valassis uses Lumanu's SmartBoost technology to rapidly test large amounts of content and find the highest performing creatives and messages. This removes all the guesswork as to which content will work.

Real-Time, Performance-Driven Optimizations

**01** Paid social ads are created using influencer-produced content and targeted to your best audience segments — built by unifying robust data sets including:

✓ Influencer Engaged
✓ Influencer Look-alike
✓ Interest-based
✓ Store Visits
✓ Purchases
✓ Demographics
✓ Brand Audiences
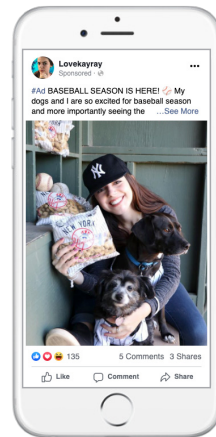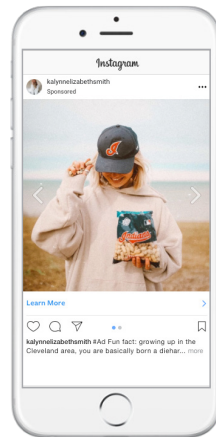
02 Paid social ads are bought programmatically and delivered exclusively through premium placements across Facebook & Instagram via your influencers' handles.

03 Performance data across influencers, content, and audiences informs real-time campaign optimizations that maximize budget efficiency and prioritize results.

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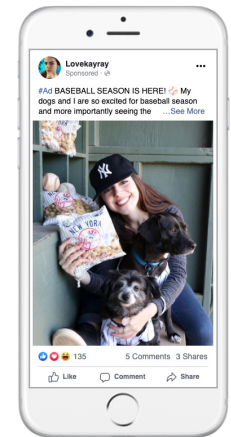
UNLOCK MULTICHANNEL SCALE

However, knowing which content performs best is only the first step to bringing influencer content to life across different media and channels. Valassis has decades of experience in multichannel advertising, enabling you to reach the right consumers in the right channel at the right moment. Using the power of the Valassis Consumer Graph and our diverse print and digital media, we engage your audience with the right influencer content in the channels they prefer to maximize your ROI.
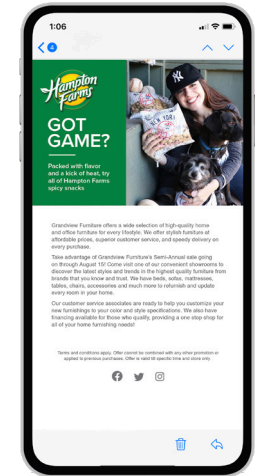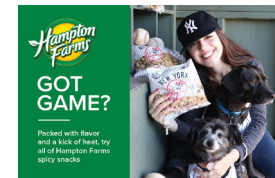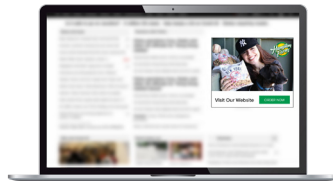
Influencer	Display	**Save** Direct Mail Wrap	Dynamic Postcard	Email

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PROVEN SUCCESS: DEFINING NEW BENCHMARKS WITH INFLUENCER MEDIA

Our unparalleled approach combined with Lumanu technology delivers exceptional results for brands. Valassis consistently exceeds industry benchmarks across two key Influencer Marketing campaign objectives: Awareness and Traffic.

AWARENESS CAMPAIGNS (IMPRESSIONS):

64% higher engagement rate (ER)

27% lower cost-per-thousand (CPM)

TRAFFIC CAMPAIGNS (CLICKS):

110% higher click-through-rate (CTR)

70% lower cost-per-click (CPC)

Valassis cumulative 2H2019 + 1H 2020 Global Performance Metrics, as compared to industry benchmarks. Results based on 32 Consumer Packaged Goods (CPG) brands testing nearly 3000 different pieces of ads/creative.

VALASSIS IS DEFINING AND CREATING NEW BENCHMARKS FOR INFLUENCER MEDIA WHILE AT THE SAME TIME PIONEERING THE WAY OPTIMIZED INFLUENCER CONTENT IS LEVERAGED FOR HIGHER RETURN ON AD SPEND.

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CASE STUDY: HAMPTON FARMS HITS A HOME RUN WITH INFLUENCER MARKETING AND DISPLAY ADS

Hampton Farms drove awareness and sales of seasonal Major League Baseball peanut packages at select retailers by partnering with Valassis to amplify organic influencer content with highly-targeted Paid Social and Display ads.

OUR SOLUTION

PRECISE TARGETING
Utilized the Valassis Consumer Graph to identify interest and purchase intent for peanuts, snack foods, baseball, and spring sports, as well as past buyers of peanuts and snacks in key markets.

POWERFUL MEDIA & ENGAGEMENT
Micro-influencers developed 62 pieces of organic content which were tested and optimized. The four best-performing ads were then targeted to consumers via Mobile Display, resulting in 0.28% CTR, exceeding the benchmark of 0.20%-0.25%.

OPTIMIZED CAMPAIGN
By optimizing influencer creative based on consumer engagement, Valassis delivered a 0.38% Paid Social CTR that exceeded the 0.15% industry average. Efficiencies achieved through optimization allowed us to deliver nearly 5M social media bonus impressions worth almost $54K.

SUPERIOR RESULTS

7x
Return on ad spend

$53,908
Value of bonus media delivered

0.38%
Paid social click-through-rate

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SUMMARY

Effective Influencer Marketing is both an art and a science. **What separates great partners from good ones is the talent to recommend expert strategies for effective storytelling and content creation; predictive intelligence to reach more of your ideal consumers: and the technology to efficiently test, optimize, and scale content across multiple channels for maximum impact.**

At Valassis, we provide a white-glove service to manage Influencer Marketing campaigns guided by two powerful pillars: influencer content and influencer media. This approach allows marketers to:

• Influence purchase decisions with authentic recommendations from a trusted influencer
• Attract attention and grow awareness and trial with a receptive audience
• Maximize ROI by efficiently amplifying high-quality influencer content to reach more of your ideal consumers

To successfully achieve these results, an Influencer Marketing partner must have the ability to layer expertise with technology, such as Lumanu, to drive scaled efficiencies through programmatic paid ads.

When selecting an Influencer Marketing partner, ask:

• Do they have a holistic approach to selecting influencers, including brand affinity, content strategy, and audience alignment?
• What consumer data beyond Facebook audiences is available for targeting?
• How do they test content at scale to identify top performing creatives?
• What tools are they using to efficiently extend reach of influencer content with paid ads?
• Can they leverage top performing content across multiple channels and execute with rapid speed and efficiencies?

With the right approach, brands can unlock the full value of Influencer Marketing far beyond social media channels by using proven tools and techniques to optimize content and expand reach. To learn more about how your Influencer Marketing campaigns can benefit from Valassis' expertise, please visit valassis.com.

WITH THE RIGHT APPROACH, BRANDS CAN **UNLOCK THE FULL VALUE OF INFLUENCER MARKETING FAR BEYOND SOCIAL MEDIA CHANNELS** BY USING PROVEN TOOLS AND TECHNIQUES TO OPTIMIZE CONTENT AND EXPAND REACH.

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ABOUT VALASSIS

Valassis, a Vericast business, is the leader in marketing technology and consumer engagement. We work with over 60,000 companies and brands in a wide array of industries, partnering to anticipate consumer intent, inspire action, and create demand. NCH Marketing Services, Inc. and Clipper Magazine are Valassis subsidiaries, and **Save** is its consumer brand. Its signature Have You Seen Me?® program delivers hope to missing children and their families. **Follow Valassis on LinkedIn and Twitter.**

[Twitter] [LinkedIn]

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MARKETING PARTNER

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ABOUT LUMANU

Lumanu is the first truly automated influencer allowlisting/whitelisting and advertising solution on the market. With a mission of maximizing the value of the Creator Economy, Lumanu builds technology that reduces the friction between all those involved - from creators to brands, publishers, and agencies. Through a universal content rights and distribution platform, Lumanu allows marketers to unlock the power of Influencer Marketing at scale. **Follow Lumanu on LinkedIn and Twitter.**

[Twitter] [LinkedIn]

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