IZEA

THE 2017 STATE OF THE CREATOR ECONOMY STUDY

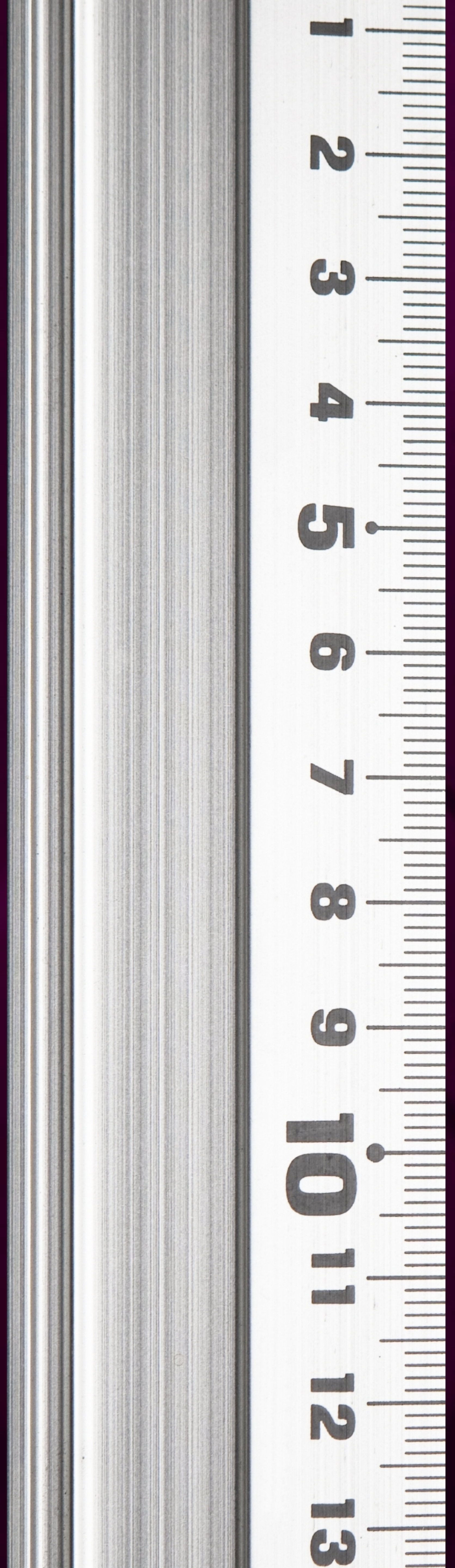
AN EXPANDED IZEA INVESTIGATION OF MARKETERS, CREATORS, AND CONSUMERS

THE RIGHT BRAIN · HALVERSON GROUP · research now · Lightspeed GMI

CONTENT + INFLUENCE + SCALE

INDUSTRY & IZEA TRUTH

- Rapid marketplace evolution
- Ever-expanding portfolio of marketing approaches
- Need for reliable, forward-focused market metrics



IZEA IMPERATIVE

Ongoing measurement of business and consumer public to understand how Influencer and Content Marketing are perceived and used.

IZEA ACTION

2017 Marketer/Creator State of the Creator Economy

2017 Consumer State of the Creator Economy

KEY CHANGES VS. IZEAFEST '15

EXPANDED SUBJECT MATTER

- Explore Influencer (Sponsored Social) and Content Marketing

EXPANDED GEOGRAPHY

- Survey Marketers and Consumers in USA <u>and</u> Canada

ENHANCED FIELDING

- Study fielded in August/September '16 to increase incidence and sample sizes

2017 Study: Same Research Partners;

Evolved Sample, Scope, & Geography

- Same Research Partners

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- Expanded Research Scope

Influencer Marketing → **Influencer + Content Marketing**

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A SNEAK-PEEK OF WHAT'S TO COME…

What was strong in influencer marketing in 2015, stayed strong in 2016...

Or became even stronger.

CONTENT IS - AND ALWAYS HAS BEEN - KING.

This year, we quantified the level that consumers engage in a wide array of online subject matter

This represents a massive, growing platform for Content Marketing engagement

7 IN 10 REGULAR USA INTERNET USERS AGE 18-70 USE SOCIAL MEDIA EACH MONTH

Social media in 2016 represent an increasingly integral part of American consumers’ lives.

They visit an average of 7.1 platforms each year,
each about 1-3x daily.

Canada is close on the heels of U.S. usage levels.


Social Media platforms that offer **quick & visual content** have the strongest positive trends in consumer engagement.
A picture seems to truly be worth 1,000 words in today's digital universe.

NOT A FLASH IN THE PAN.

Influencer Marketing continues to be seen as a legitimate and top-ranked marketing approach in effectiveness among both Marketers and Consumers.

And Momentum measures show it continues to be seen as *becoming more effective versus last year.*

A BENEFIT OF THE STUDY'S EXPANDED APERTURE

We quantified that Content Marketing approaches across the media mix are perceived to be equally or more effective as traditional ads appearing in the same media.

Content Marketing becomes even more credible when the authoring source is recognized or identified as a subject matter expert.

THE KEYS TO INFLUENCER AND CONTENT MARKETING EFFECTIVENESS WITH CONSUMERS REMAIN CONSISTENT:

- Content creator credibility
- Product experience
- Resulting follower respect

Marketers want content quality, brand fit, and metrics that prove effectiveness.

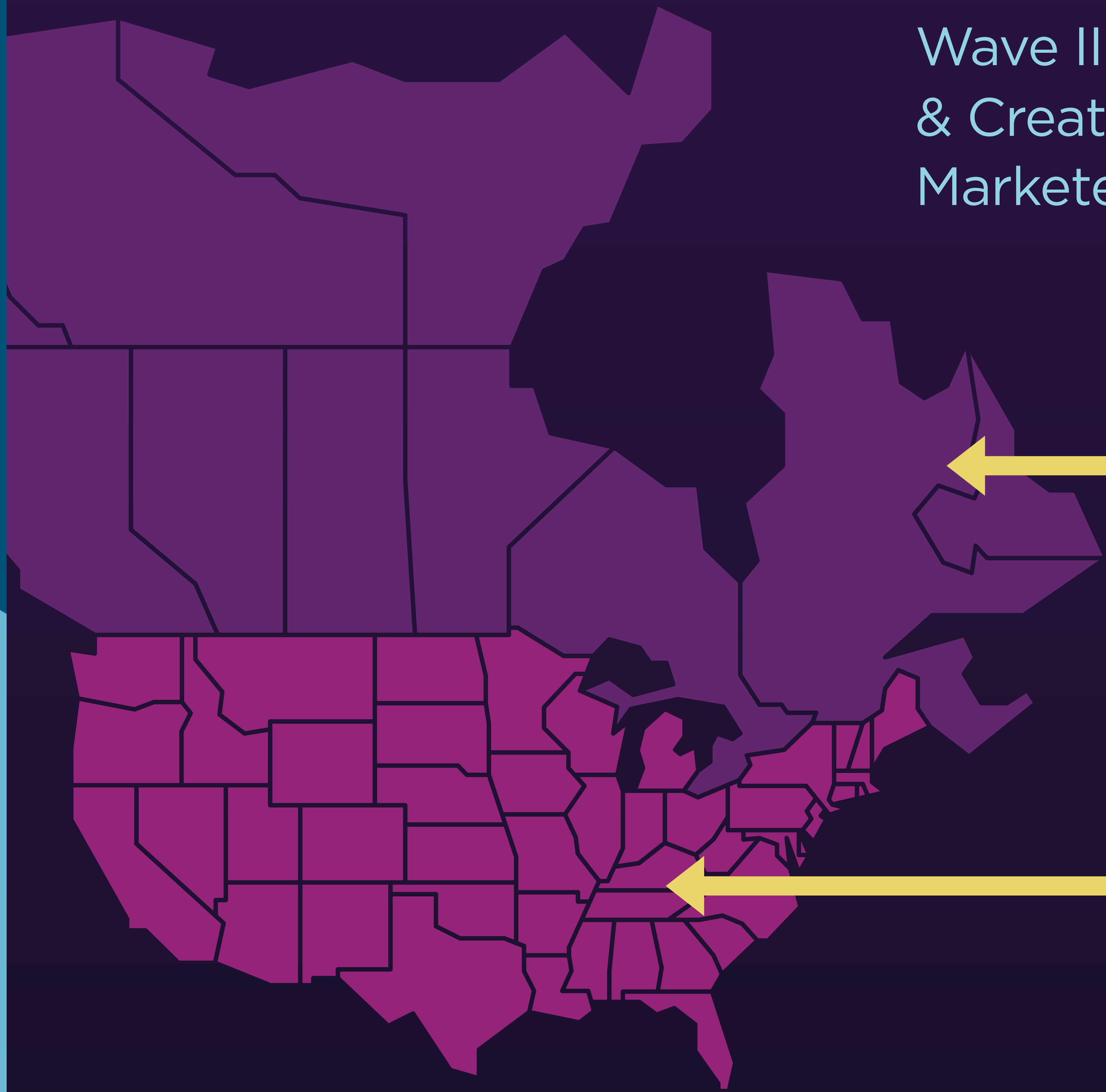
Creators are becoming **more selective** in the platforms they use, time they spend, and projects they take on.

But they remain very optimistic about the future of Influencer and Content Marketing.

STUDY METHODOLOGY

U.S. MARKETER & CREATOR LEARNING: 2016 METHODOLOGY

Wave III of USA Study yielded increased Marketer & Creator samples, while first-ever Canadian Marketer Study established baseline metrics.



145

Canadian Influencer and Content Marketers from Research Now's B2B online panel

602

U.S. Influencer and Content Marketers from Research Now's B2B online panel

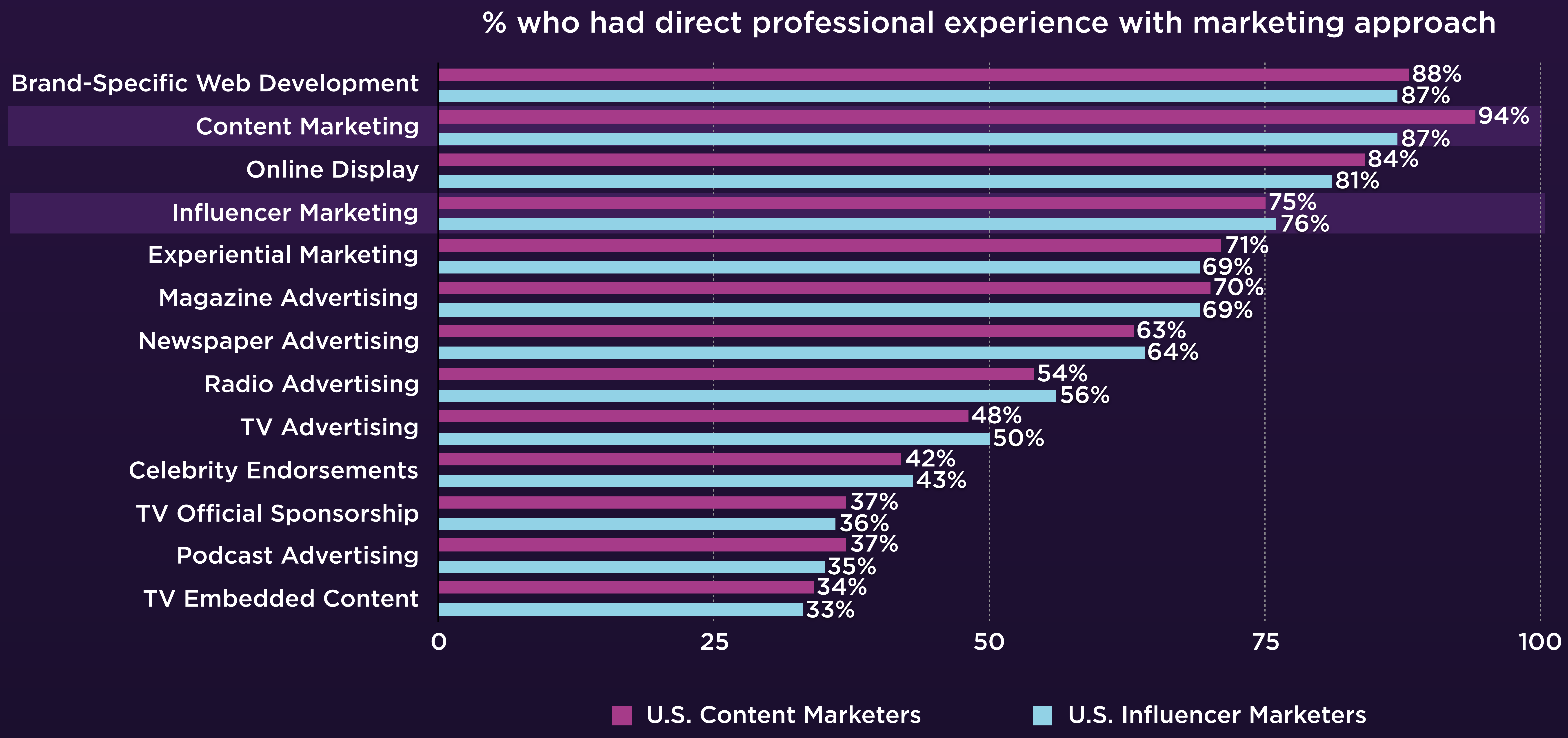
250

Influencers and Content Creators from IZEA's in-house panel

U.S. MARKETER LEARNING

U.S. MARKETER EXPERIENCE WITH MARKETING APPROACHES

Both Content and Influencer Marketer Sample had broad experience with spectrum of marketing approaches



INFLUENCER MARKETING IS INCREASINGLY FAMILIAR TO U.S. MARKETERS

Q: How *familiar* are you with Influencer Marketing?

INFLUENCER MARKETER MEAN

7.3 OUT OF 10

Up from:

6.6 IN 2015

6.4 IN 2014

CONTENT MARKETER MEAN

7.1 OUT OF 10

U.S. MARKETERS ARE EVEN MORE FAMILIAR WITH CONTENT MARKETING.

How *familiar* are you with Content Marketing?

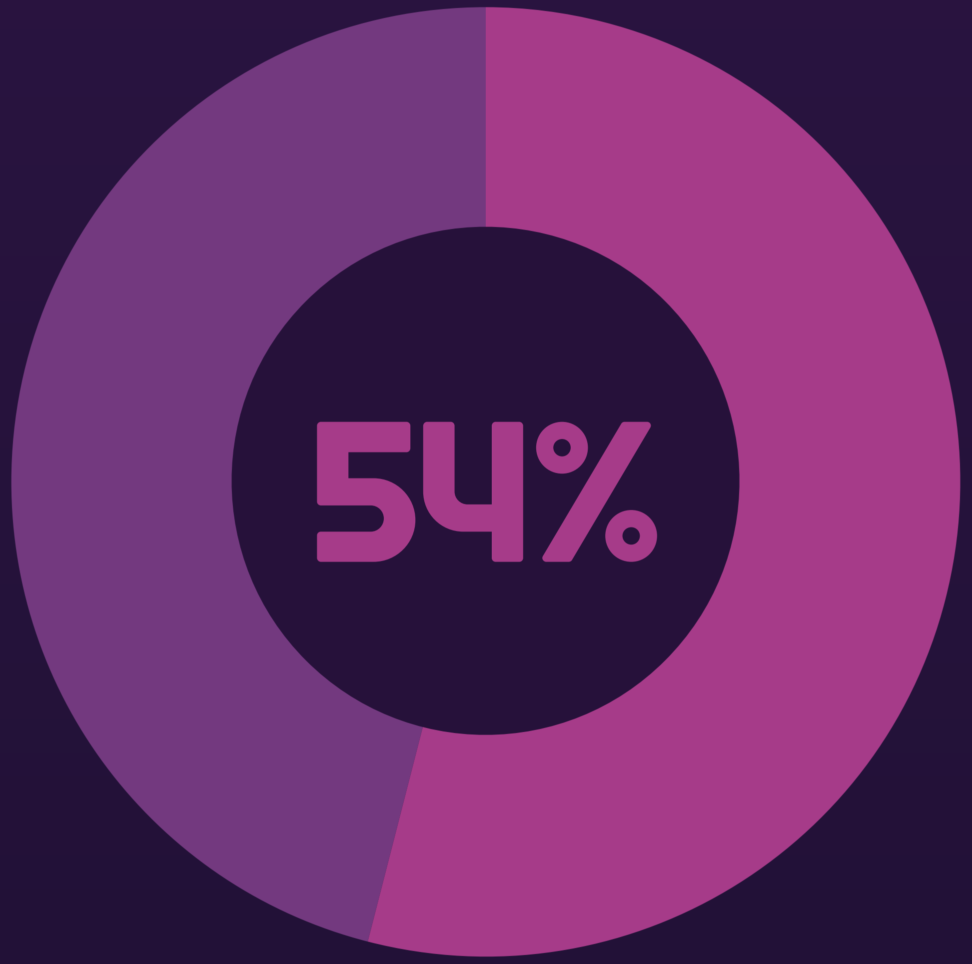
INFLUENCER MARKETER MEAN RATING

7.8 OUT OF 10

CONTENT MARKETER MEAN RATING

8 OUT OF 10

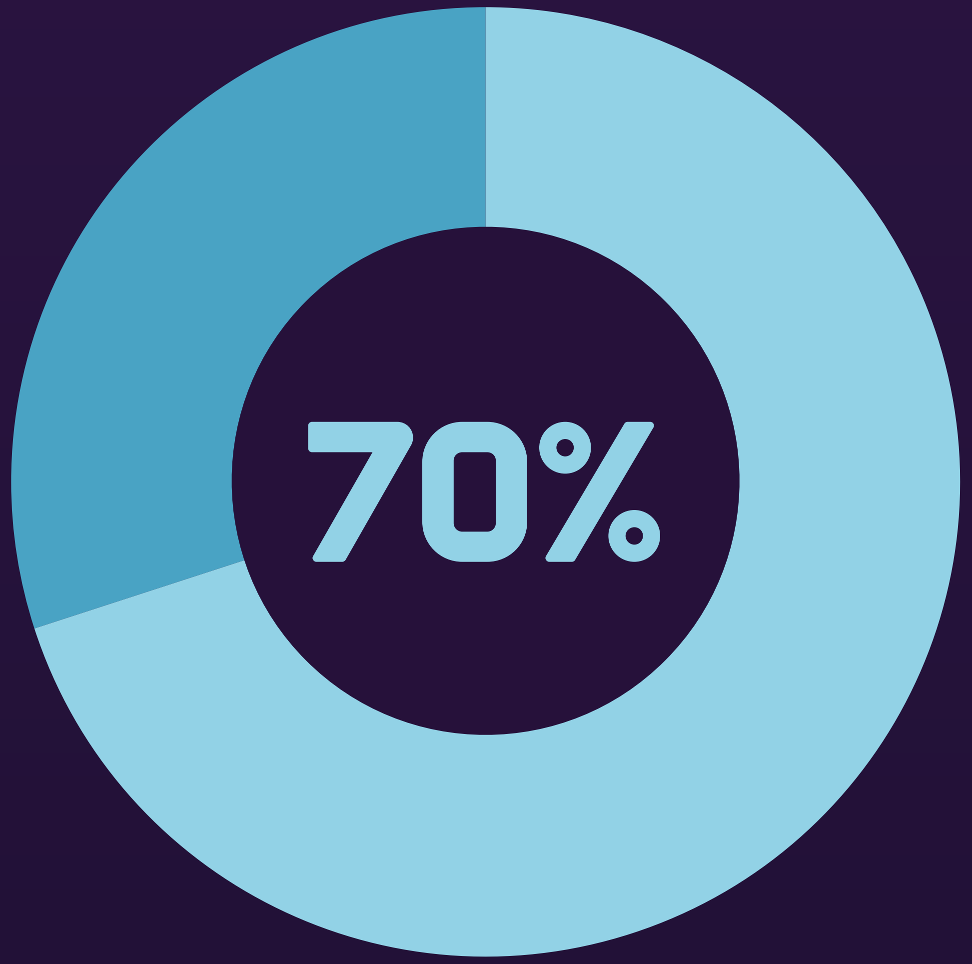
THESE TECHNIQUES ARE BEING USED BY THE MAJORITY, AS WELL



INFLUENCER MARKETING

Past year experience among Influencer Marketers

(49% for Content Marketers)



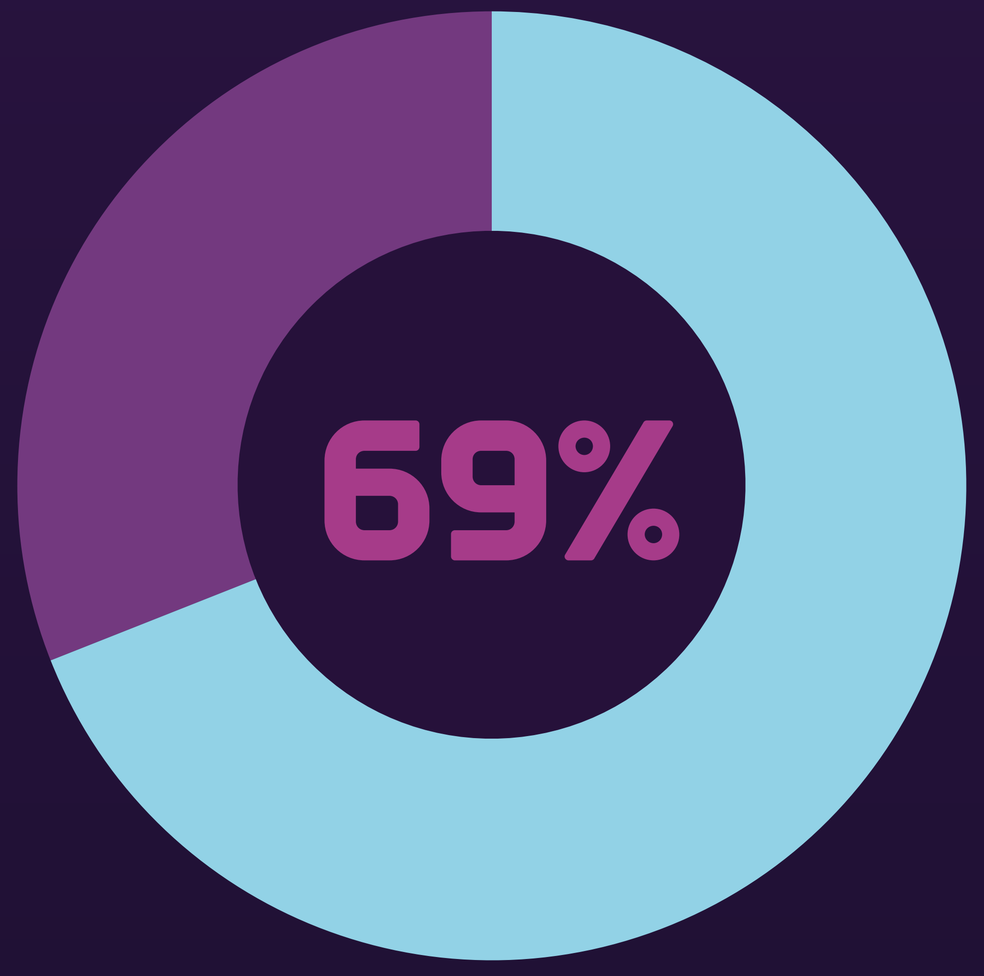
CONTENT MARKETING

Past year experience among Content Marketers

(66% for Influencer Marketers)

INFLUENCER MARKETING BRAND BUDGET

Experience with Influencer Marketing is yielding dedicated budgets



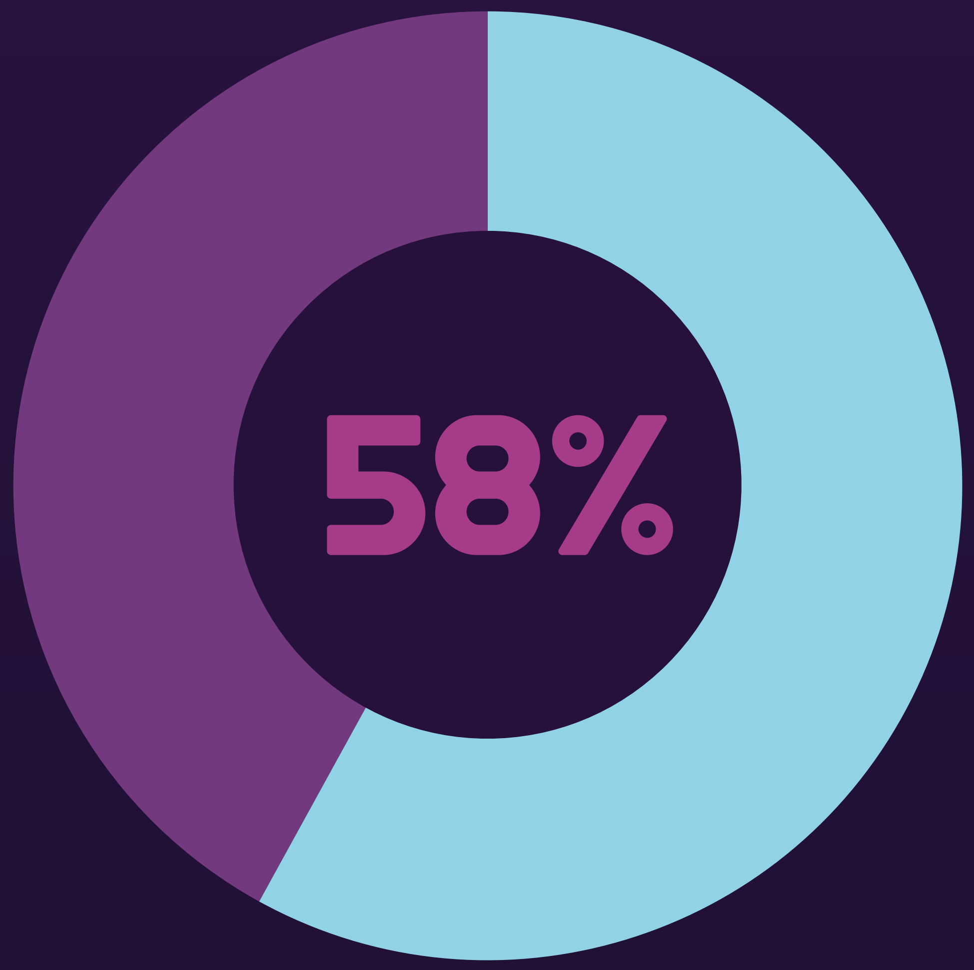
- **Over 2/3 of marketers** in companies that do Influencer Marketing have stand-alone IM budget for their brand

  Measured slightly differently in 2016 due to study evolution, but up from 52% in 2015

- Organization-wide, **33% have budgets totaling over $500k** - up from 25% in 2015

CONTENT MARKETING BRAND BUDGET

The patterns are similar for Content Marketing



- **Over 1/2 of U.S. Marketers** in companies that do Content Marketing have stand-alone CM budget for their brand
- Organization-wide, **29% have CM budgets totaling over $500k**

When it comes to Influencer and Content Marketing, **familiarity and investment** are breeding Marketer embrace

2016 Effectiveness Metrics provide proof.

U.S. MARKETING TECHNIQUE EFFECTIVENESS RATINGS

Content and Influencer Marketing achieved chart-topping Effectiveness Ratings among familiar Influencer and Content Marketers.

	2016 IM (1-10 Scale)	2016 CM (1-10 Scale)
Content Marketing	7.69	7.63
Influencer Marketing	7.56	7.54
Brand-Specific Web Development	7.47	7.47
Experiential Marketing	7.42	7.43
Celebrity Endorsements	6.84	6.77
Online Display Advertising	6.50	6.49
Podcast Advertising	6.35	6.32
Television Advertising	6.25	6.33
TV Program Official Sponsorship	6.01	6.09
TV Program Embedded Sponsorship	6.00	6.01
Radio Advertising	5.59	5.65
Magazine Advertising	5.36	5.36
Newspaper Advertising	4.69	4.56

Traditional advertising across the <u>entire</u> media mix was viewed as much less effective by Marketers in 2016.

BASE: U.S. Marketers of each type with professional experience with the given approach

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U.S. MARKETING EFFECTIVENESS TRENDS 2014 - 2016

Three-year trends show steady perceptual gains among Influencer Marketers

Influencer Marketers	2014	2015	2016
Content Marketing	N/A	7.75	7.69
Influencer Marketing	7.27	7.29	7.56
Brand-Specific Web Development	N/A	N/A	7.47
Experiential Marketing	7.25	7.46	7.42
Celebrity Endorsements	6.87	6.33	6.84
Online Display Advertising	6.32	6.55	6.50
Podcast Advertising	N/A	N/A	6.35
Television Advertising	6.54	6.46	6.25
TV Program Official Sponsorship	6.01	6.05	6.01
TV Program Embedded Sponsorship	6.27	6.15	6.00
Radio Advertising	5.41	5.65	5.59
Magazine Advertising	5.34	5.46	5.36
Newspaper Advertising	4.78	4.79	4.69

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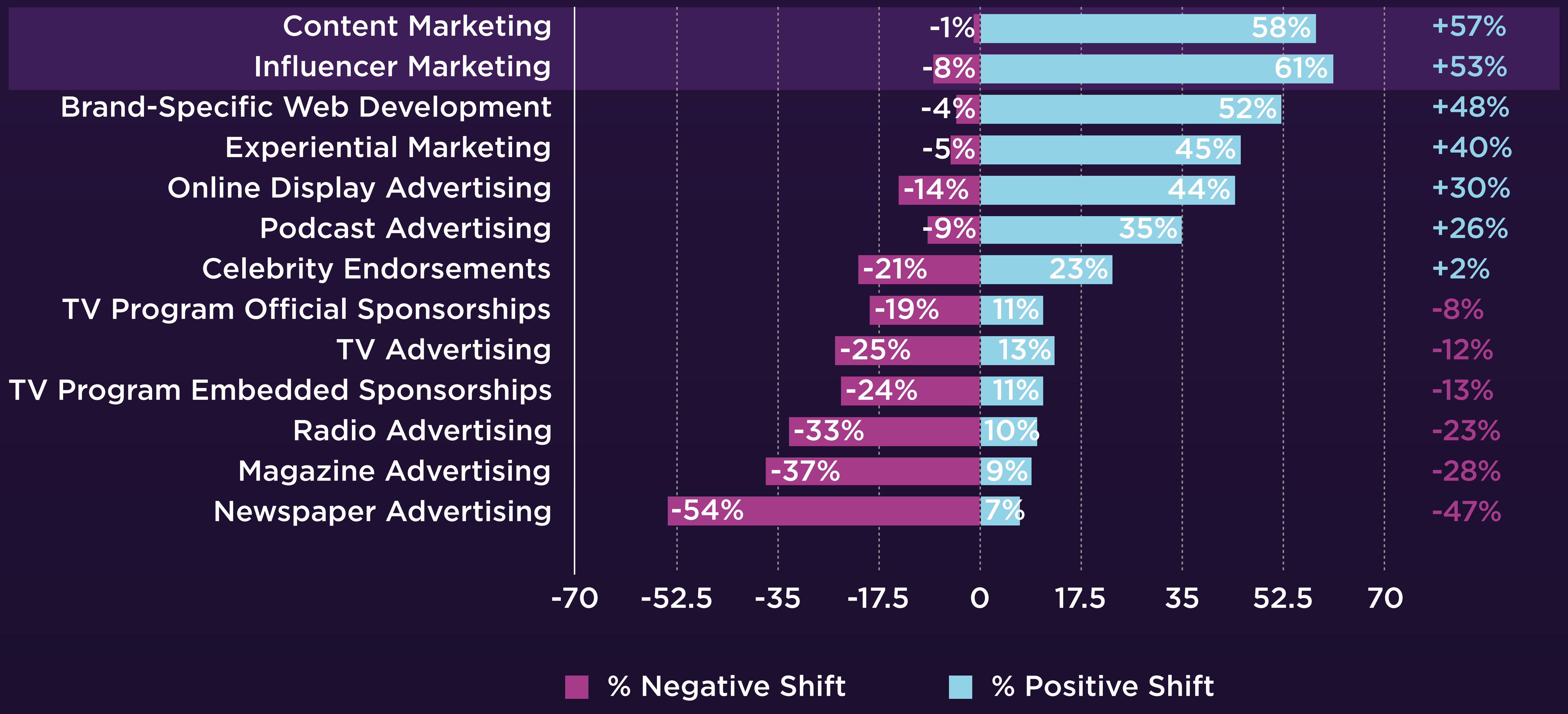
Traditional media mix advertising shows a *flat or downward* effectiveness trend line.

BASE: U.S. SS Marketers with professional experience with given approach

U.S. MARKETING APPROACH EFFECTIVENESS MOMENTUM

2016 Effectiveness Momentum also reveals Content and Influencer Marketing have chart-topping year-on-year perceptual gains.

Marketing Effectiveness Momentum vs. YA
(U.S. Influencer Marketer Sample)



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Notable that all approaches with strong positive Effectiveness Momentum have **digital roots.**

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In contrast, **all traditional marketing approaches** were perceived as having negative Effectiveness Momentum.

BASE: IZEA's 2016 U.S. State of Creator Economy Research Now B-to-B Panel Sample of 602 Client and Agency Marketers. Each marketing approach was rated by respondents who had professional experience with that approach.

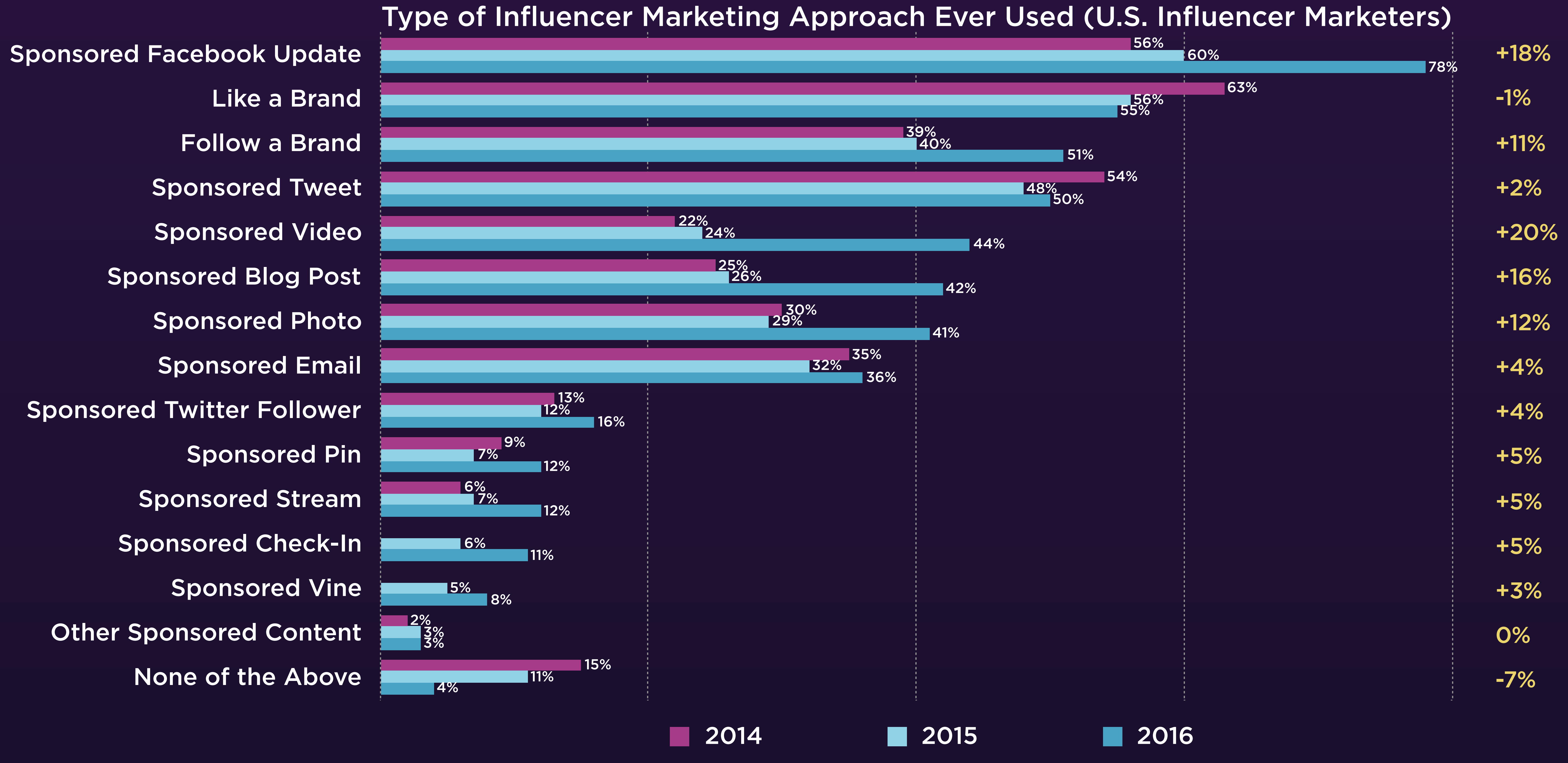
THE FAST AND THE FURIOUS

Marketers' preferred Influencer and Content Marketing approaches lean toward the quick and visual

Videos, photos, and status updates were the largest percentage gainers in this year's study.

U.S. MARKETERS: SOCIAL MEDIA MARKETING APPROACHES USED

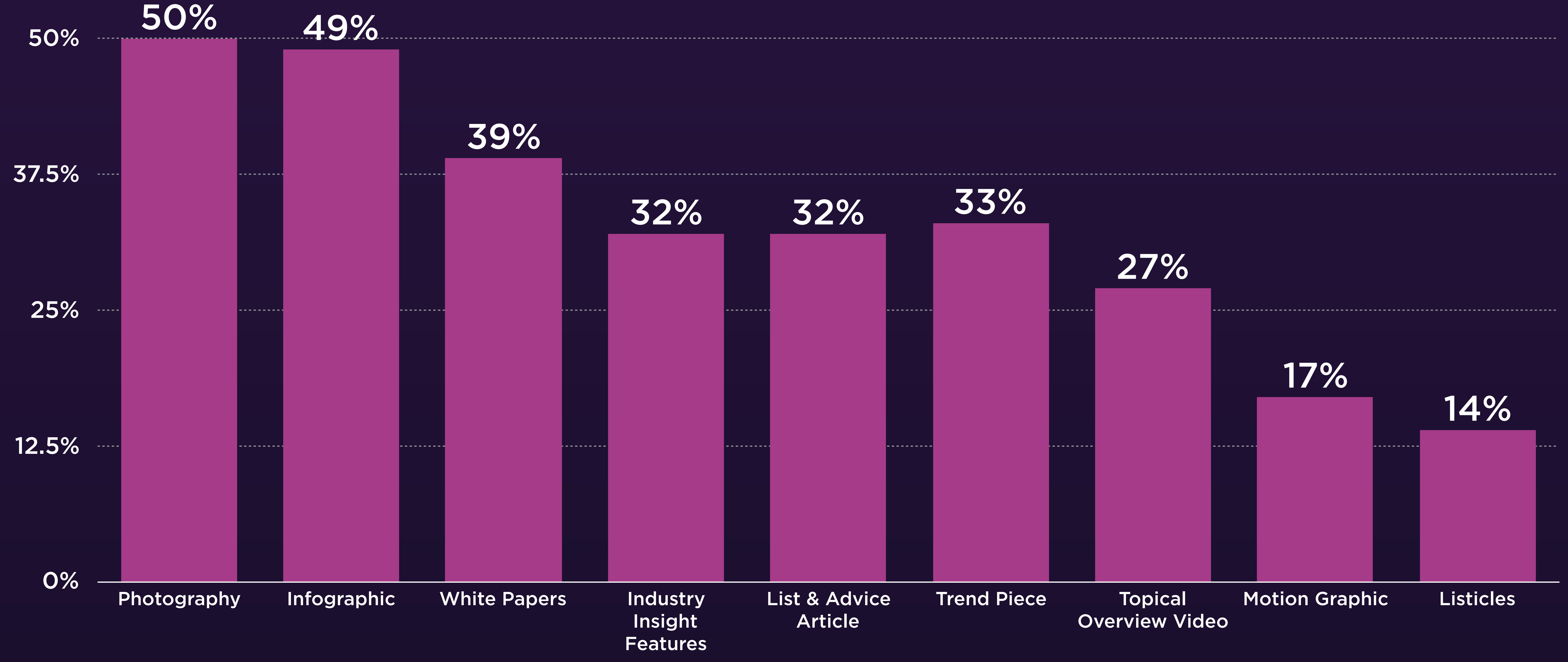
Sponsored quick/visual and blog content showing particular usage gains among Influencer Marketers, with verbal content other than blogs and “liking” growing at a slower pace (if at all).



U.S. MARKETERS: CONTENT MARKETING APPROACHES USED

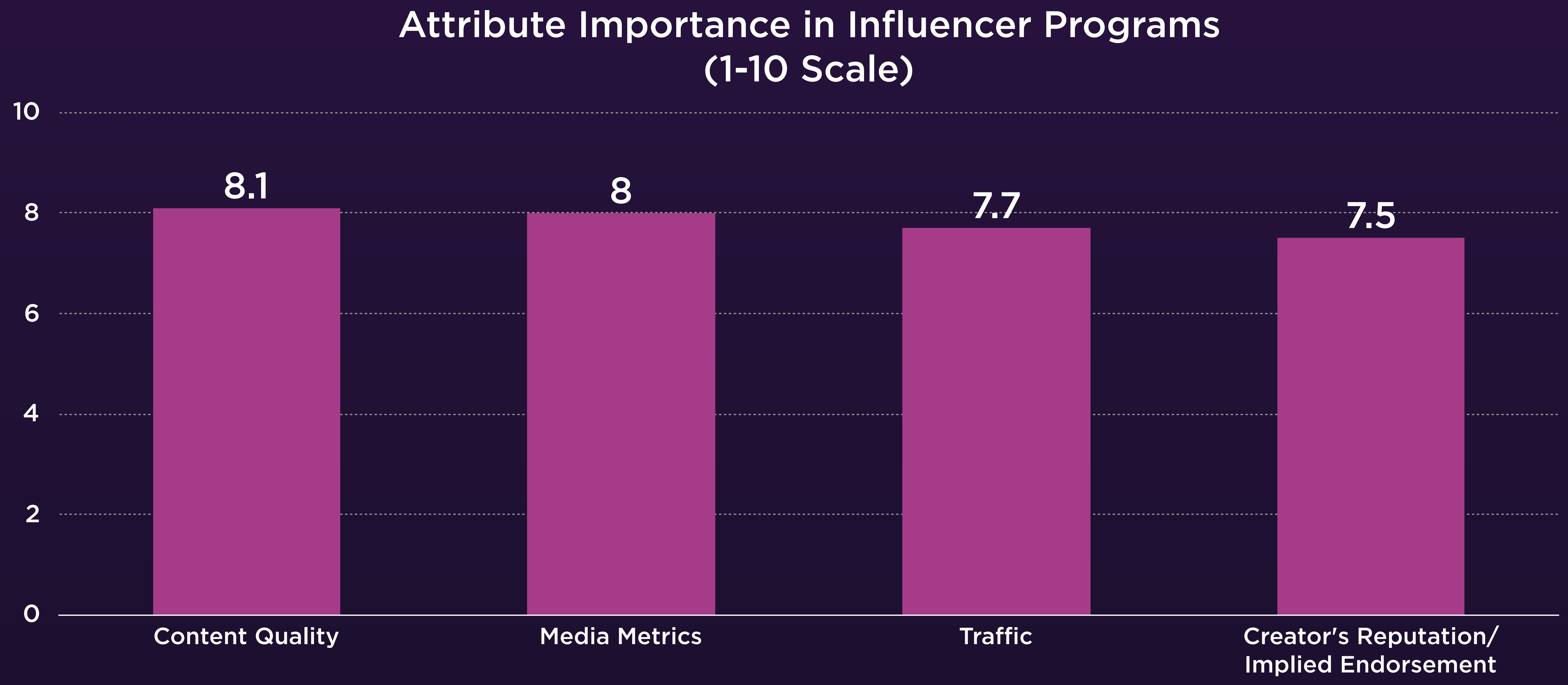
Similarly, quick/visual photography and infographics are most commonly-used Content Marketing approaches.

Type of Content Marketing Approach Ever Used
(U.S. Content Marketers)



U.S. MARKETERS: IMPORTANCE OF INFLUENCER MARKETING ATTRIBUTES

No matter the format, content quality and metrics matter to Marketers when choosing an Influencer partner.



U.S. MARKETERS: CONTENT MARKETING ACCOUNTABILITY

Content Marketing accountability straddles many U.S. corporate functions – possibly leading to process inefficiencies and lack of "centers of excellence"

Content Marketing Decision-Making and Production Responsibility

DEPARTMENT/FUNCTION	% OF U.S. CM
Brand/Account Management	57%
Digital/Social Media/Web Development	43%
Creative Department	33%
PR/Corporate Communication	30%
Media/Connections Department	14%
Search Marketing/Optimization	12%
Don't Know/Not Sure	4%

BASE: U.S. Marketers with CM function in organization

MORE CONSISTENT:

The majority of Content Marketing development is currently done in-house.

Entity that Handles Content Marketing Production

DEPARTMENT/FUNCTION	% OF U.S. CM
In-House Studio/Writers	63%
External Agency	16%
Outside Independent Contractors	14%
Content Technology Partner	6%

BASE: Those with CM function in organization

CANADIAN MARKETERS WAVE 1:

A Snapshot of Learning

CANADIAN MARKETERS

Canadian Marketers rate Influencer Marketing and Content Marketing among the most effective marketing approaches.

How Effective is marketing approach, using 1-10 scale?	Canadian IM	Canadian CM
Celebrity Endorsements	8.11	7.91
Influencer Marketing	8.04	7.94
Experiential Marketing	7.99	8.07
Brand-Specific Web Development	7.96	7.93
Content Marketing	7.86	8.2
Television Advertising	7.75	7.65
Podcast Advertising	7.75	7.98
Online Display Advertising	7.49	7.58
TV Program Embedded Sponsorship	7.48	7.85
TV Program Official Sponsorship	7.48	7.72
Radio Advertising	7.12	7.59
Magazine Advertising	6.54	7.13
Newspaper advertising	6.31	7.03

The techniques rated directionally **higher than all traditional cross-media advertising** approaches measured.

Across the spectrum, Canadian Marketers give **higher Effectiveness Ratings** to all marketing approaches measured vs. U.S. Marketers.

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AMONG CANADIAN INFLUENCER MARKETERS,

77% have a budget specifically allocated to Influencer Marketing (vs. **69%** in U.S.)

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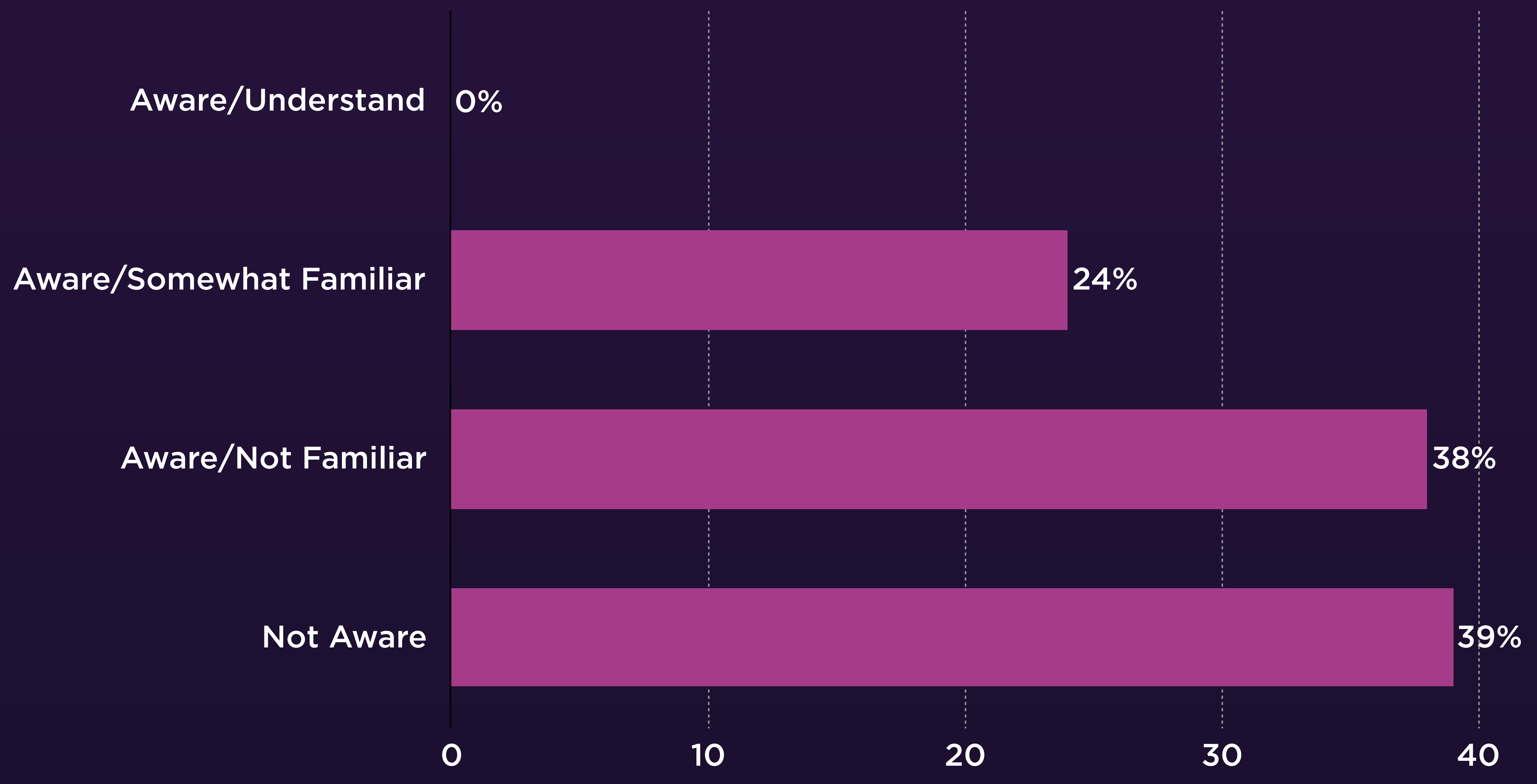
AMONG CANADIAN CONTENT MARKETERS,

74% have a budget specifically allocated to Content Marketing (vs. **58%** in U.S.)

CANADIAN MARKETER AWARENESS OF ASC GUIDELINES

Proposed ASC Guideline familiarity is minimal among Canadian Marketers thus far.

% of Awareness Levels of Proposed ASC Guidelines



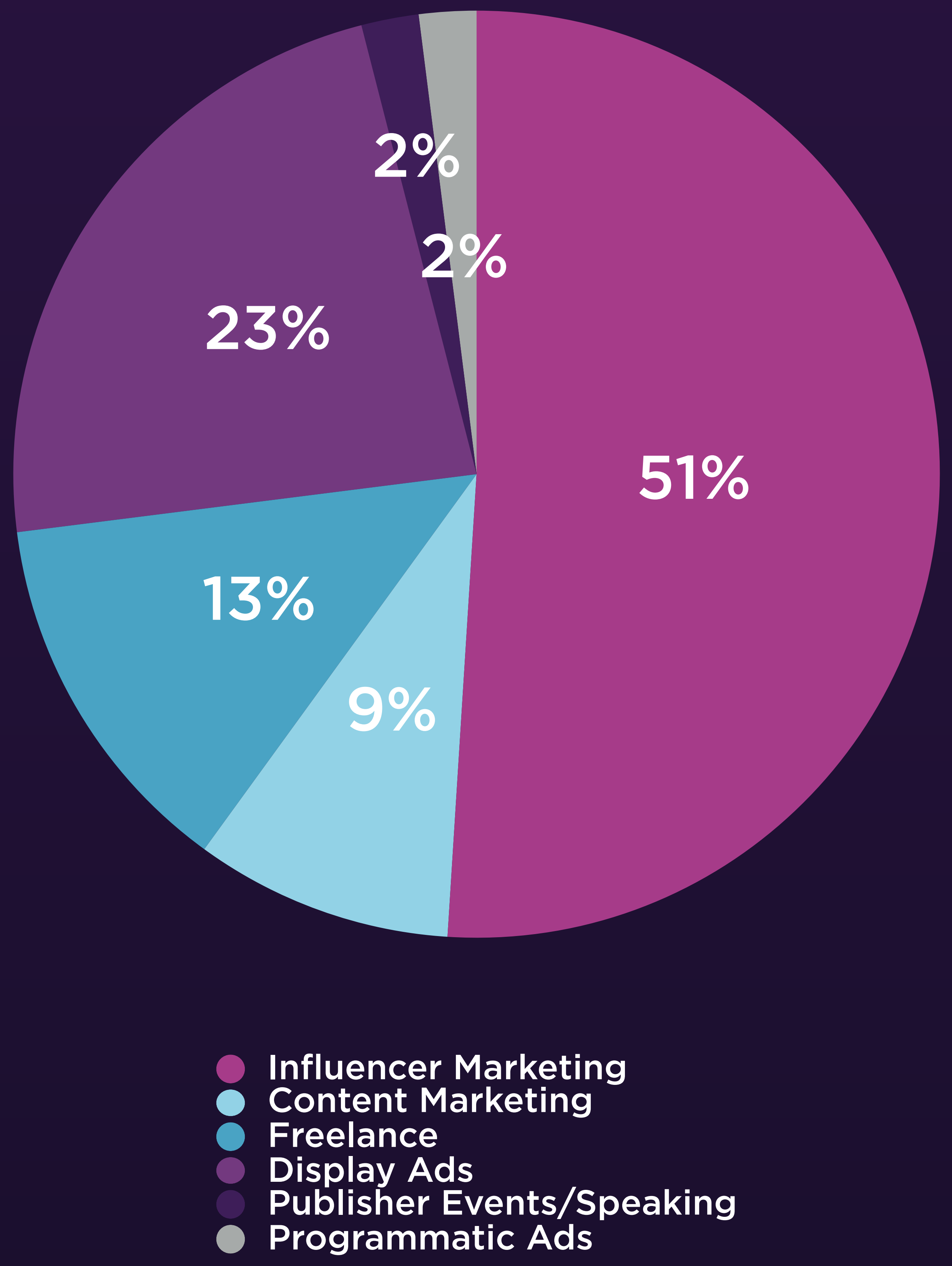
Much work to be done in gaining Marketer understanding around **proper disclosure** in Canada.

BASE: Clients with Past 3 Yr. SS Experience

THE CREATOR PERSPECTIVE

INFLUENCER CREATOR INCOME SOURCE

Influencer Creators made over 2/3 of their income from IM, CM, and freelance engagements in 2016.



- **Influencer engagements continue to be Influencer Creators' #1 income source**
  - *Account for about ½ of Influencer income*
  - *First year that Content Marketing and Freelance work were asked separately – these account for a combined 21%*
- **Display ads account for only 23% of income --** essentially flat since 2014

CREATOR TIME DEVOTED TO SOCIAL CONTENT

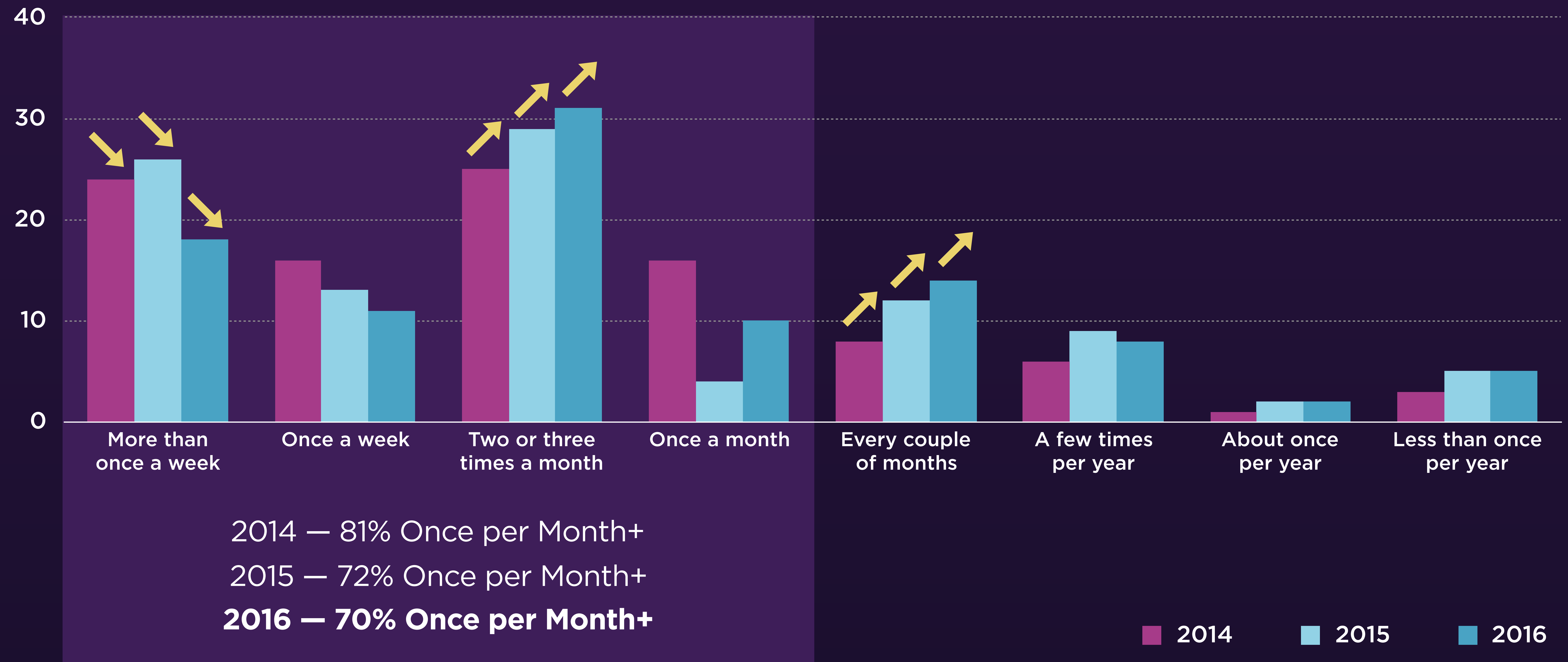
The three-year trend is toward Creators spending *less time* developing social media content each month.

	0-39 Hours/Month	40-79 Hours/Month	80-124 Hours/Month	125+ Hours/Month
2014	29%	25%	18%	28%
2015	41%	21%	14%	23%
2016	44% ↑	26%	14%	17% ↓

THREE-YEAR DOWNWARD TREND IN MONTHLY-PLUS COMMISSIONS

This is possibly the result of a decrease in frequency of commissioned Influencer Marketing engagements on a per Content Creator basis

Frequency of Influencer Marketing Projects (Creators)



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CREATOR PLATFORMS USED

Also, short form continues to dominate – but trends indicate Content Creators trending toward more selective, specialized platform focus

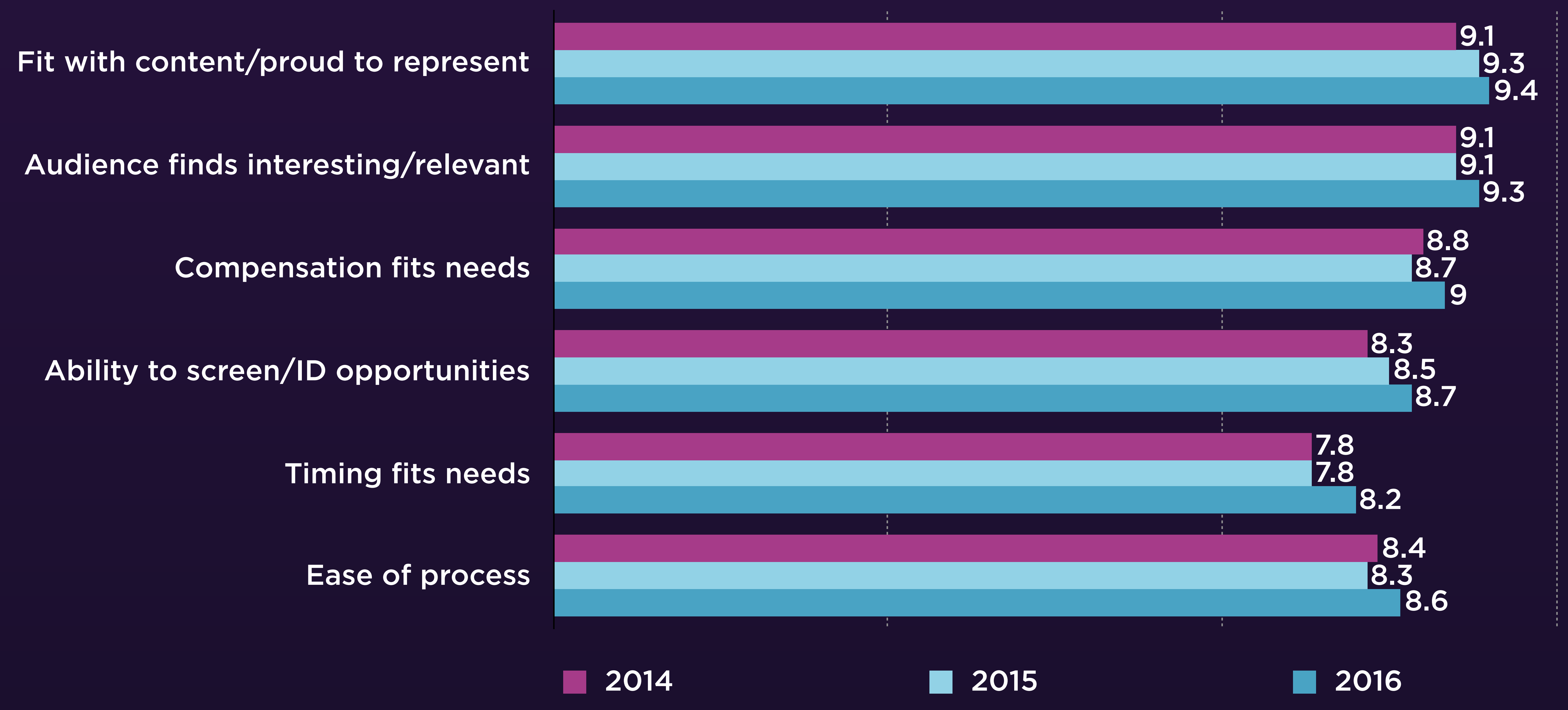
Content Platforms Used	2014	2015	2016	% Pt. Chg. vs. YA
Twitter	95%	97%	93%	-4%
Facebook	94%	97%	92%	-5%
Instagram	83%	86%	89%	+3%
Pinterest	N/A	89%	80%	-9%
Blog	91%	95%	78%	-17%
YouTube	52%	60%	50%	-10%
LinkedIn	51%	44%	26%	-18%
Snapchat	N/A	16%	18%	+2%
Tumblr	21%	24%	13%	-11%
Periscope	N/A	30%	9%	-21%
Vine	N/A	11%	5%	-6%

More time-intensive blogging and video platforms showing notable declines since 2015

CREATOR ENGAGEMENT CONSIDERATIONS

Protecting Creators' personal brand – not compensation – remains paramount in considering Influencer Marketing engagements. But trends indicate Creators also becoming more discerning in acceptance of commissions.

How important is factor in considering IM program?
(Influencer Creators — 1 - 10 Scale)



Ability to screen opportunities, timing, and ease of process are now nearly as important as compensation.

BASE: Influencer Creators

FTC GUIDELINES: AWARENESS & COMPLIANCE

FTC GUIDELINE BASICS

Compensation for content can be in the form of:

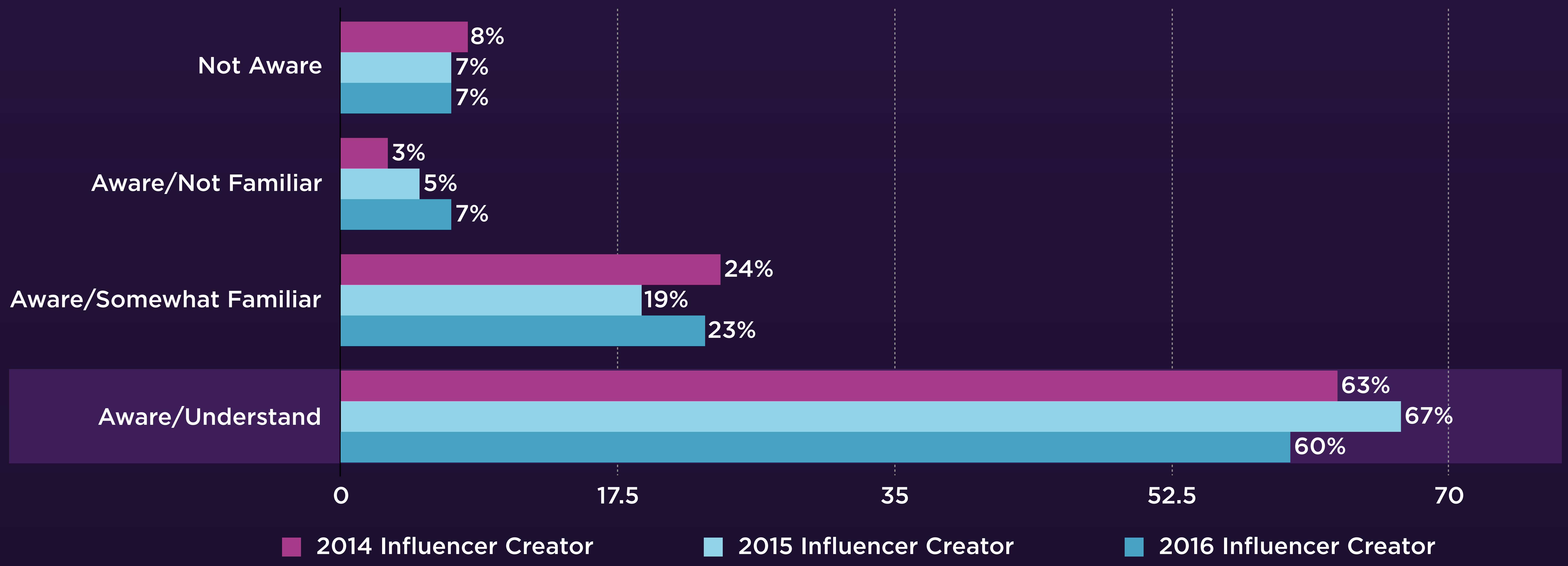
- Cash
- Free product or service
- Experiences
- Discounts or coupons
- Other special incentives

If it is compensated, it is sponsored and **must be disclosed.**

FTC GUIDELINE AWARENESS & COMPLIANCE: CREATORS

- The vast majority of Influencer Creators remain aware of and familiar with FTC guidelines, nearly 2/3 “understanding” them.
- Slight slippage in claimed understanding vs. 2015.

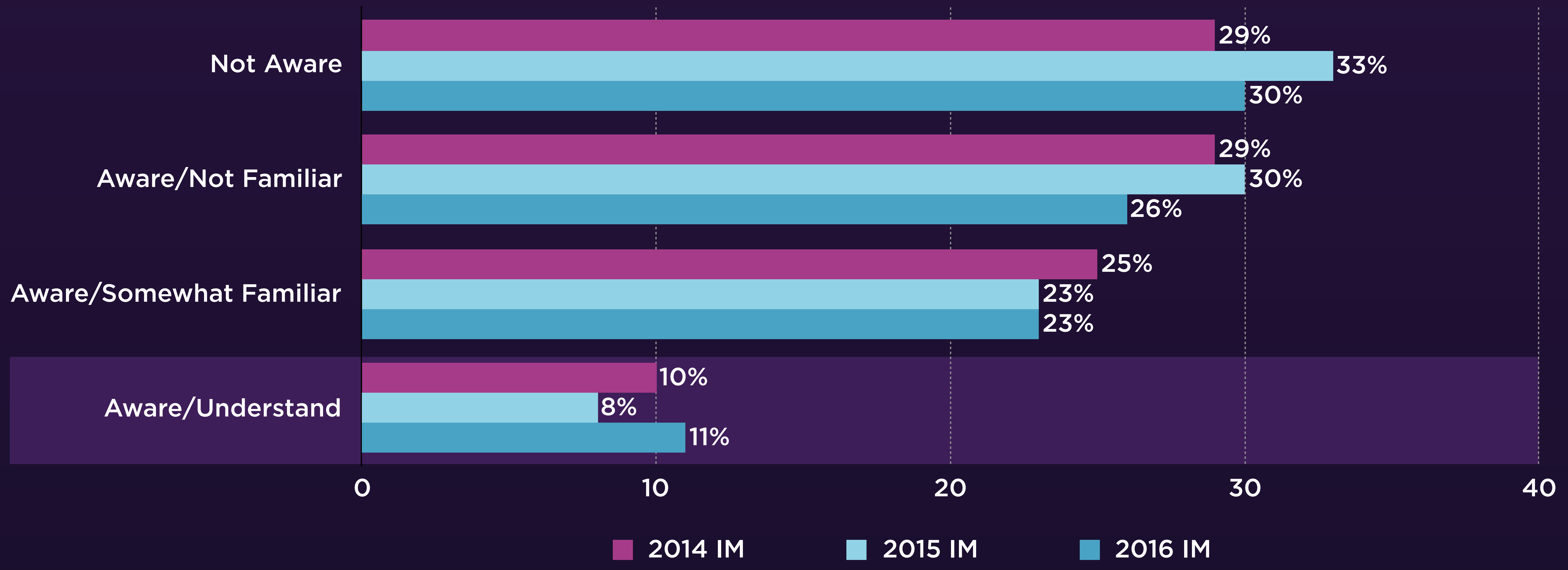
% of Awareness Levels of FTC Guidelines: IM Creators



FTC GUIDELINE AWARENESS & COMPLIANCE: U.S. MARKETERS

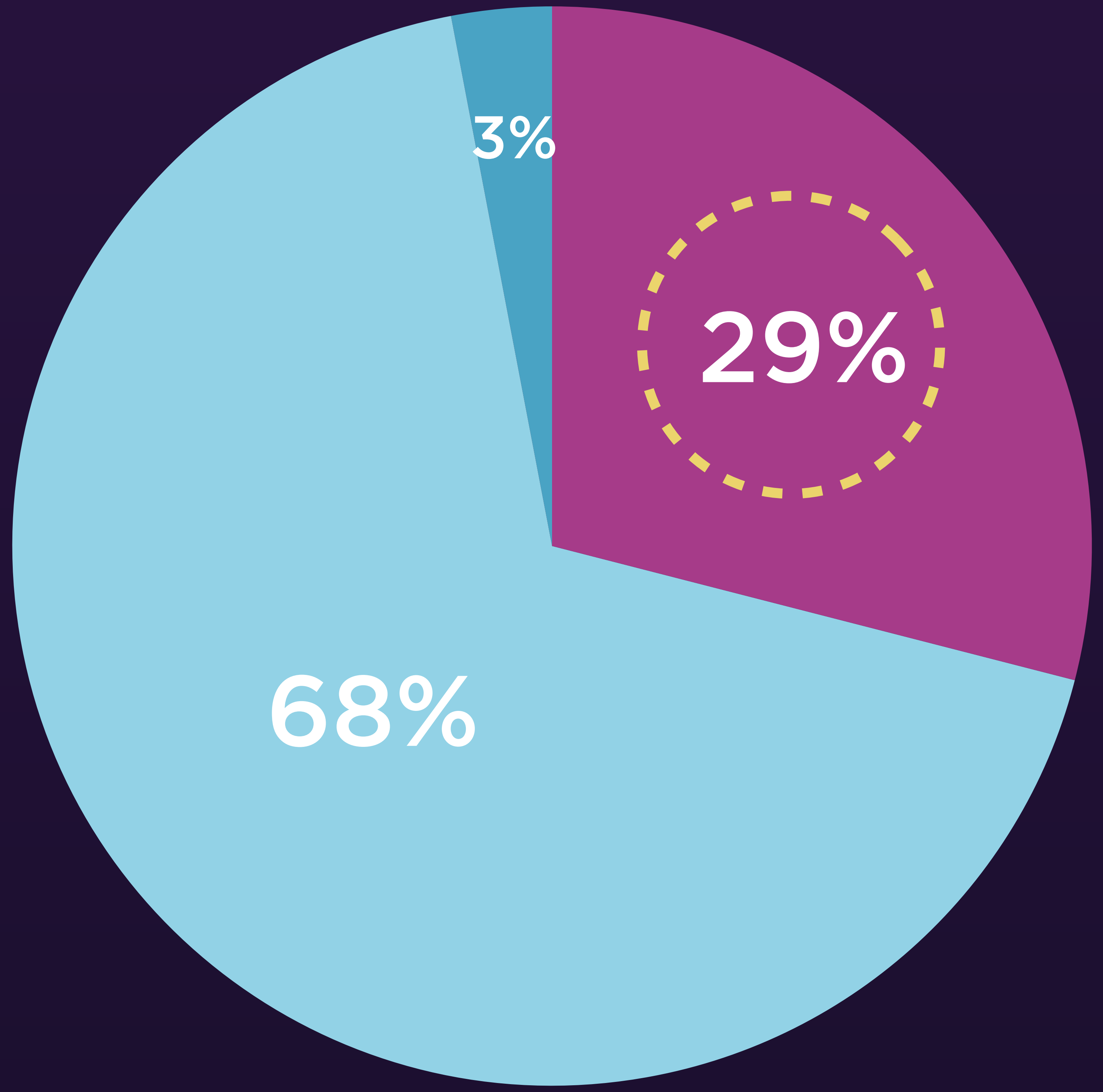
- For the third year running, the same cannot be said of U.S. Marketers
- At 56%, a majority still lack basic familiarity with FTC Guidelines in 2016, with only 1 in 10 claiming full understanding
- **IMPLICATION:** clear need for more proactive Marketer education

% of Awareness Levels of FTC Guidelines: IM Marketers



CLIENT DISCLOSURE PRESSURE

Asked for the first time, nearly *3 in 10* have been asked by Clients or Marketers *not* to disclose compensation – a clear industry issue.



● Yes ● No ● Prefer Not to Answer

29% Asked by Client/Marketer
Not to Disclose Compensation

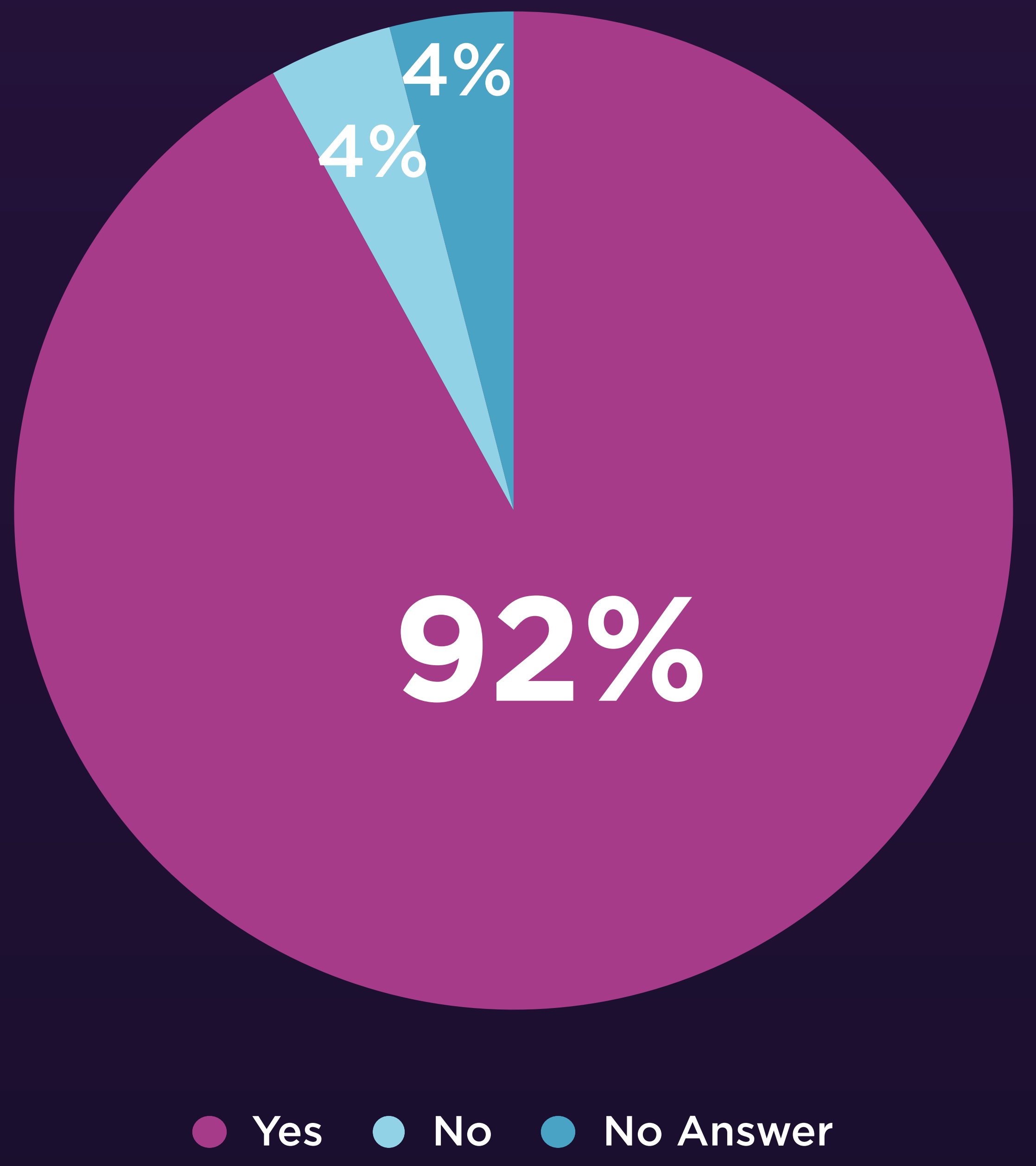
Given sensitivity of question (asked for first time in 2016), **actual level may be even higher.**

BASE: U.S. Influencer Creators

CREATOR APPROACH TO DISCLOSURE

The vast majority of Influencers continue to disclose sponsorship, with most doing so in-post.

Do you typically include Disclosure in IM Content? (Influencer Creators)



Notable backslide in In-Post disclosure vs. 2015

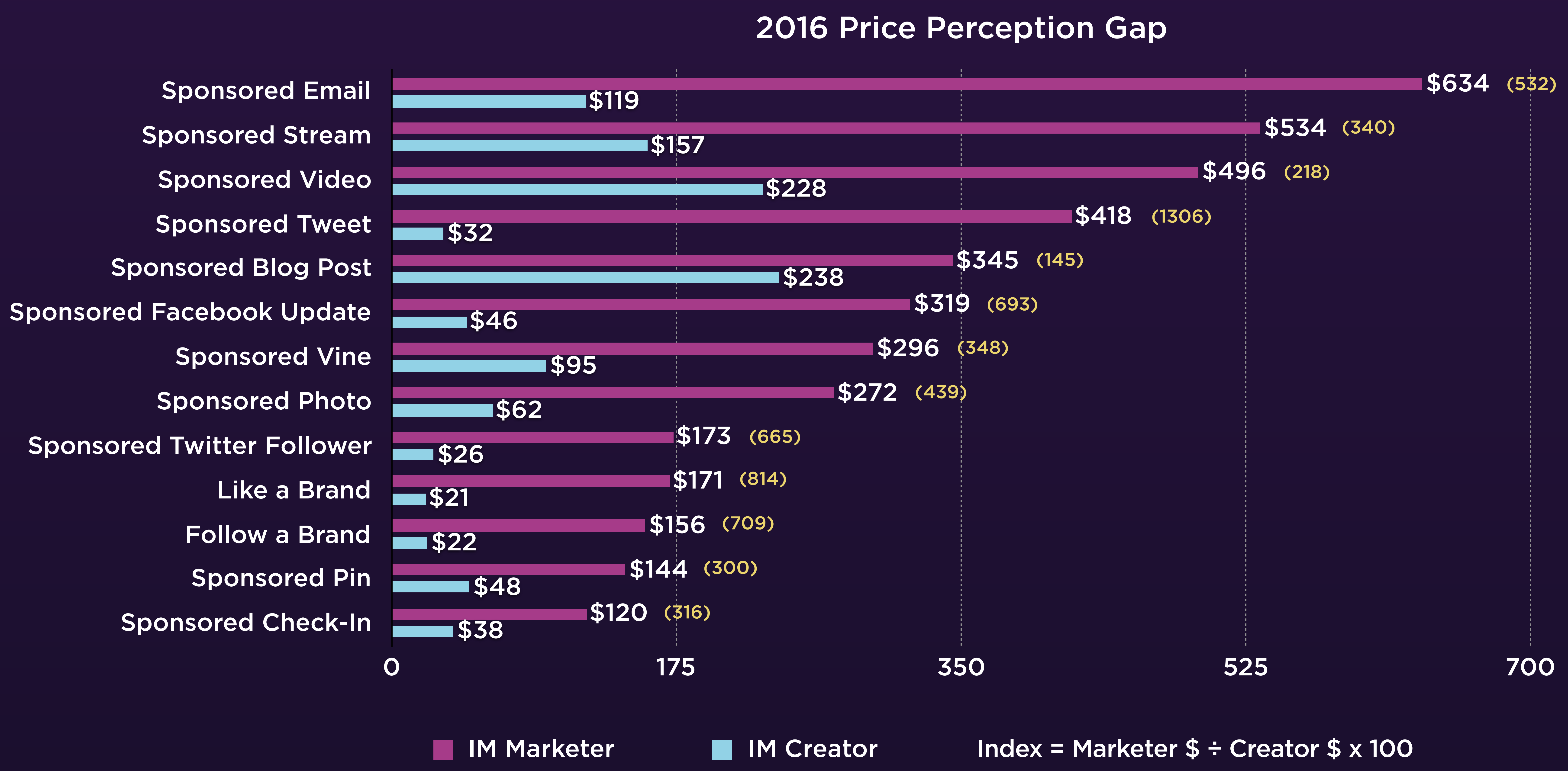
Type of Disclosure	2014 % Influencer Creators	2015 % Influencer Creators	2016 % Influencer Creators
In-Post	63%	75%	67%
Disc. Policy Statement	49%	40%	35%
Both	49%	48%	47%
Other	2%	6%	2%

MATERIAL DISCONNECT

The study revealed wide disparities in price perceptions for Influencer and Content Marketing approaches.

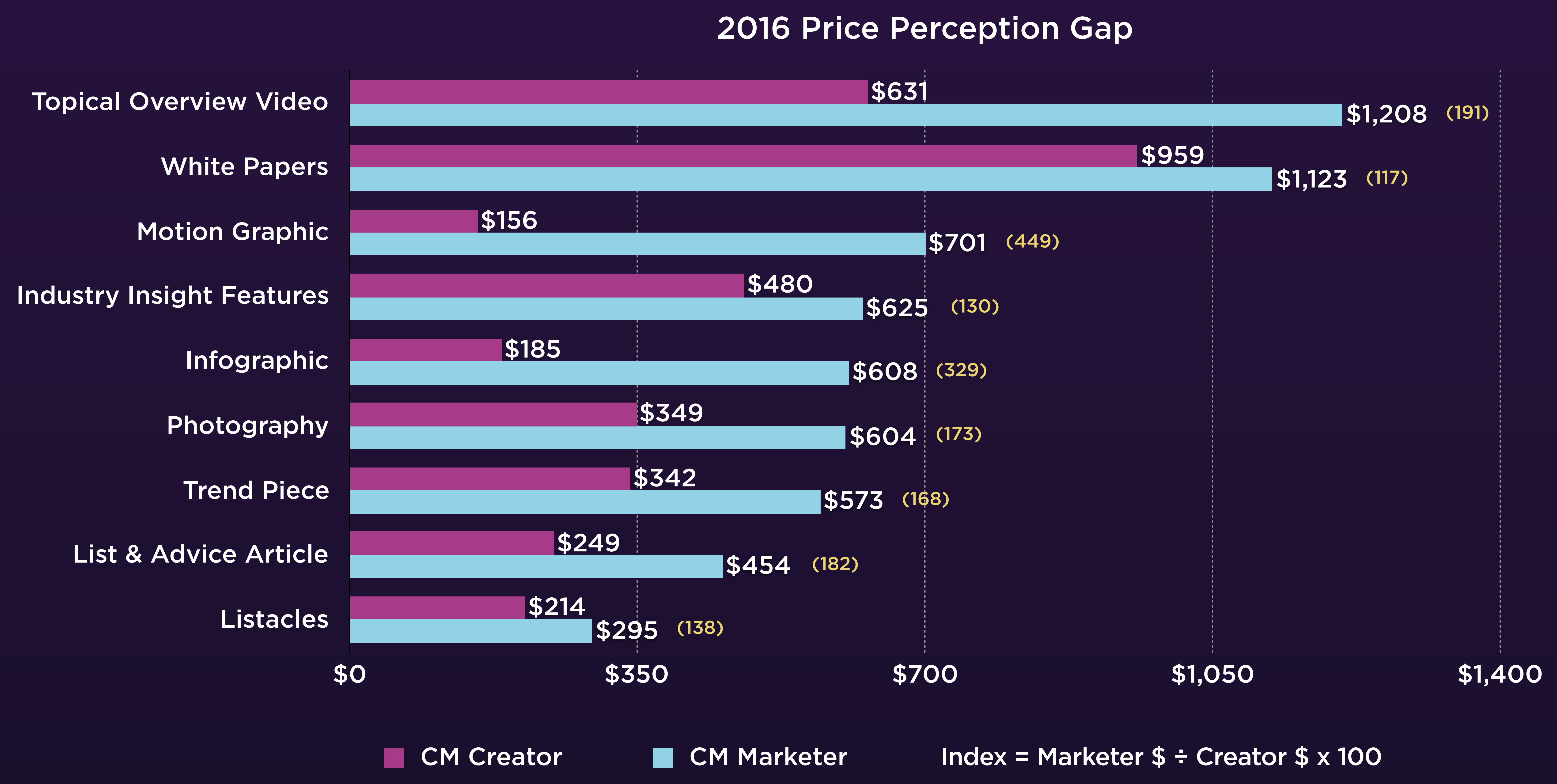
INFLUENCER MARKETING PRICE PERCEPTION GAP

For Influencer Marketing, Marketers assign costs ranging from *3 to 13 times* what Creators claim to charge on average.



CONTENT MARKETING PRICE PERCEPTION GAP

In contrast, Content Marketers assign costs *1.5x to 5x higher* than Content Marketers request for their assets.



FUTURE OUTLOOK: CREATORS

Creators' attitudes about the state of the Influencer and Content Marketing industry show future-focused optimism, tempered by the need for more industry know-how and best practices.

Creator Attitude Statements	Creator Mean Score (1-10 Scale)
The future is bright for Content Marketing	8.60
The future is bright for Influencer Marketing	8.34
Marketers need more training in IM to know how to optimize	7.76
Marketers need more training in CM to know how to optimize	7.58
Online Marketplaces are helping me optimize my revenue earning	7.47
I am able to provide the metrics marketers want me to	6.97
I need more training in IM to know how to optimize it	6.6
Marketers provide me sufficient briefing on my IM engagements	6.58
Marketers provide me sufficient briefing on my CM engagements	6.34
I need more training in CM to know how to optimize it	6.16
I believe marketers know how to measure the value of my content	5.58

Creators perceive a **need for more training**, especially among Marketers

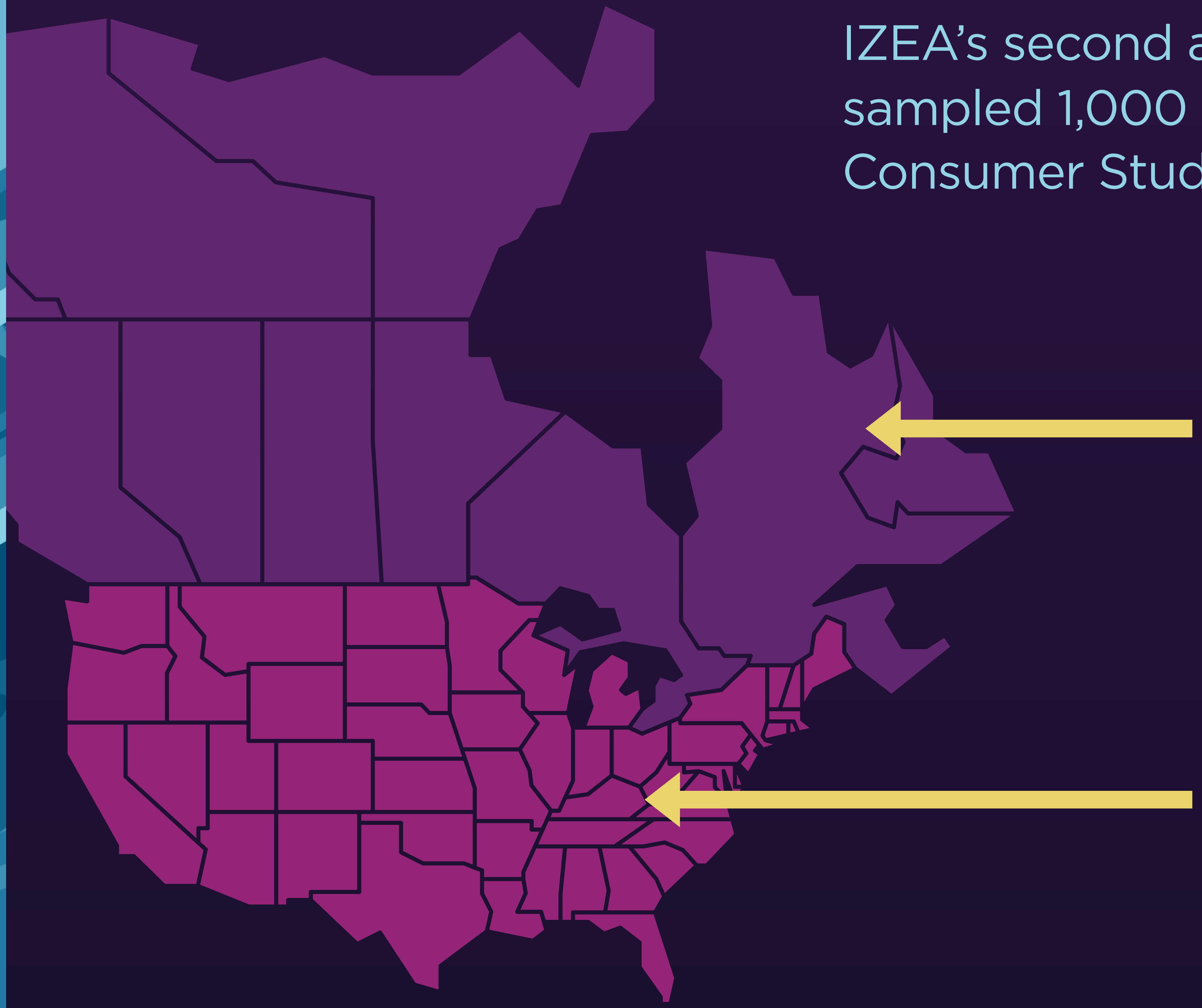
THE CONSUMER PERSPECTIVE

U.S. Consumer State of the Creator Economy

Canada Consumer State of the Creator Economy

U.S. CONSUMER SOCE LEARNING: 2016 METHODOLOGY

IZEA's second annual USA Consumer Study again sampled 1,000 consumers, while first-ever Canadian Consumer Study established baseline metrics.



300

Canadian online social media consumers age 18-70

Lightspeed GMI National Online Canadian Consumer Panel

1,000

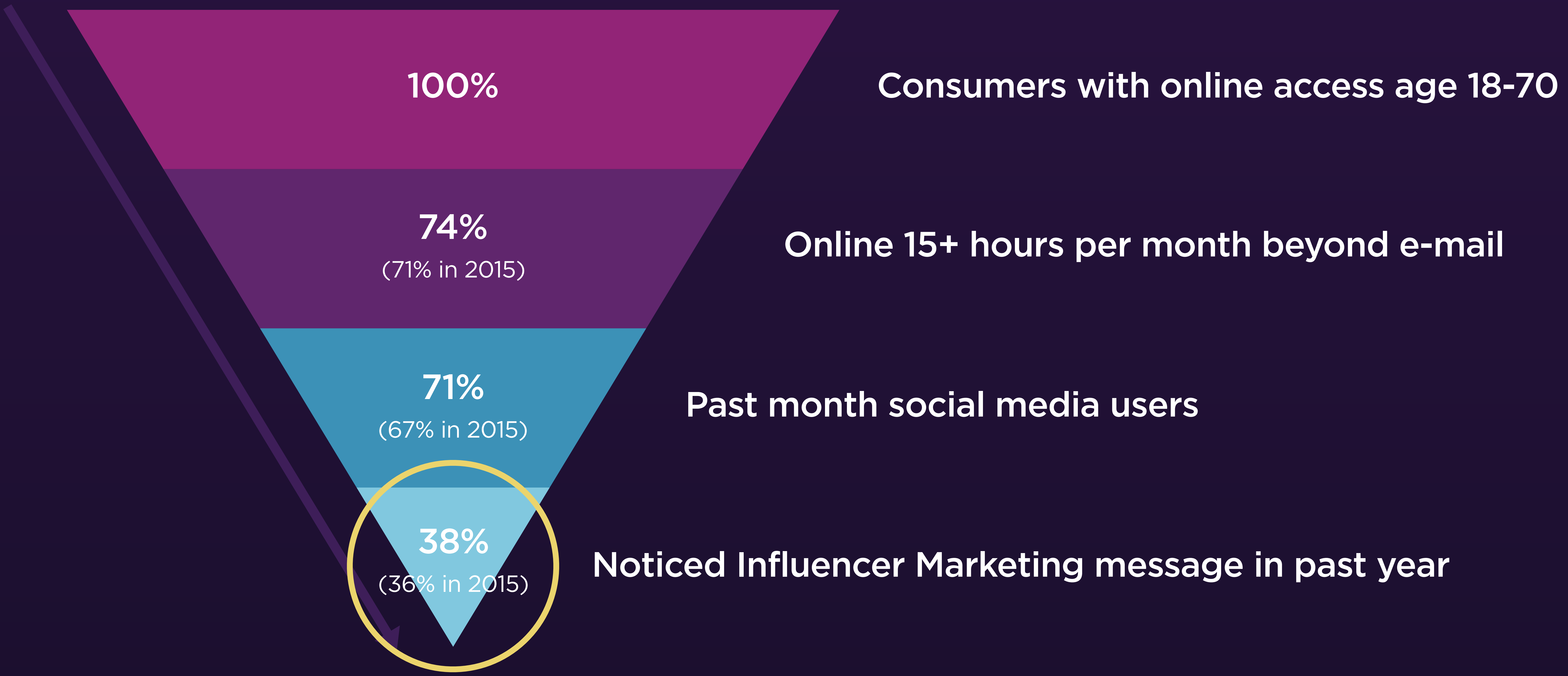
U.S. online social media consumers age 18-70

Lightspeed GMI's National Online USA Consumer Panel

IZEA'S CONSUMER SOCE STUDY: U.S.

Nearly 2 in 5 U.S. adults age 18-70 qualified for the 2016 U.S. study

This will be the USA sample base unless otherwise noted



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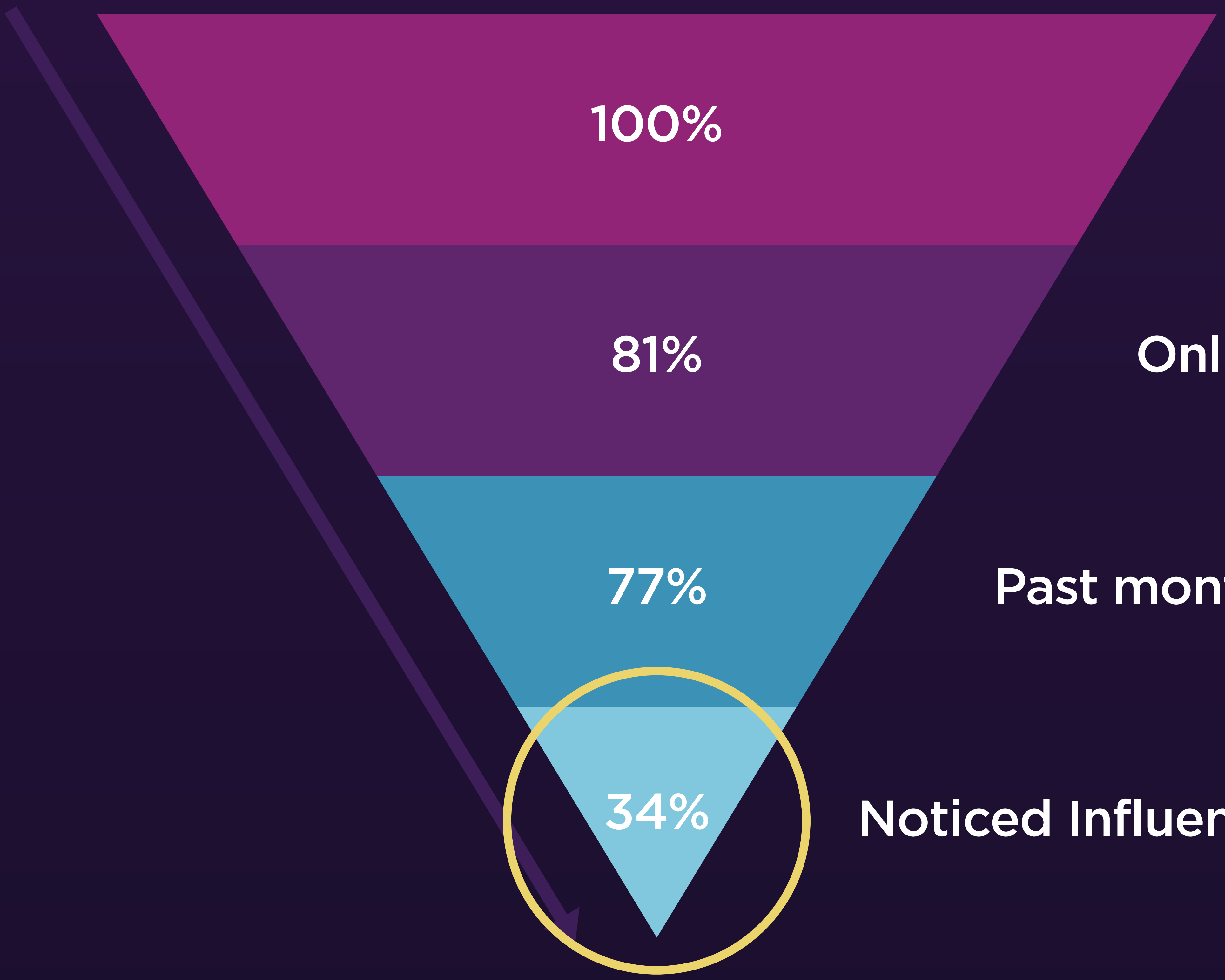
IZEA'S CONSUMER SOCE STUDY: CANADA

One in 3 Canadian adults age 18-70 qualified for our Wave I study

This will be the Canadian sample base for reported learning unless otherwise noted



Consumers with online access age 18-70

Online 15+ hours per month beyond e-mail

Past month social media users

Noticed Influencer Marketing message in past year

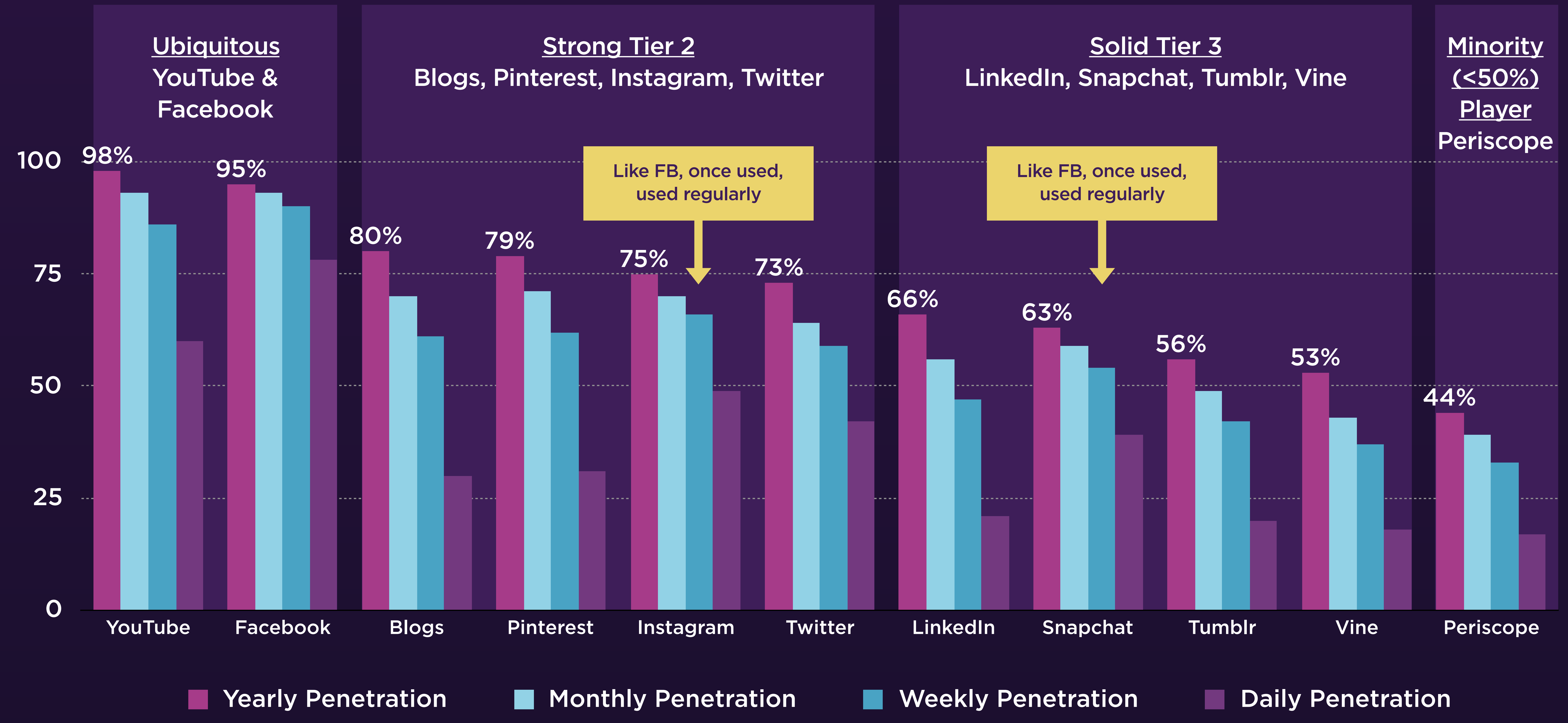
U.S. CONSUMER LEARNING

Key Highlights and Headlines

U.S. CONSUMER SOCIAL MEDIA USAGE

Social media = America's 2016 social currency

Average U.S. online user visits an average 7.1 social media platforms annually



BASE: US Contact Sample who use Internet 15+ hours per month

U.S. CONSUMER 2016 VISIT FREQUENCY

Monthly visitation trends underscore FB power of continued growth and visitation dominance, plus visitation inroads by quick/visual platforms

Social Media Platform	2015 Mean Visits per Month among users	2016 Mean Visits per Month among users	INDEX 2016 vs. 2015 (Arrow = Rank Order Change
Facebook	91	101	(111)
Instagram	56	64	(114)^
YouTube	59	61	(103)
Snapchat	48	55	(115)^
Twitter	51	48	(94)
Pinterest	30	34	(113)^
Tumblr	37	31	(84)
Blogs	25	27	(108)
Vine	22	25	(114)
LinkedIn	21	25	(119)
Periscope	17	25	(147)

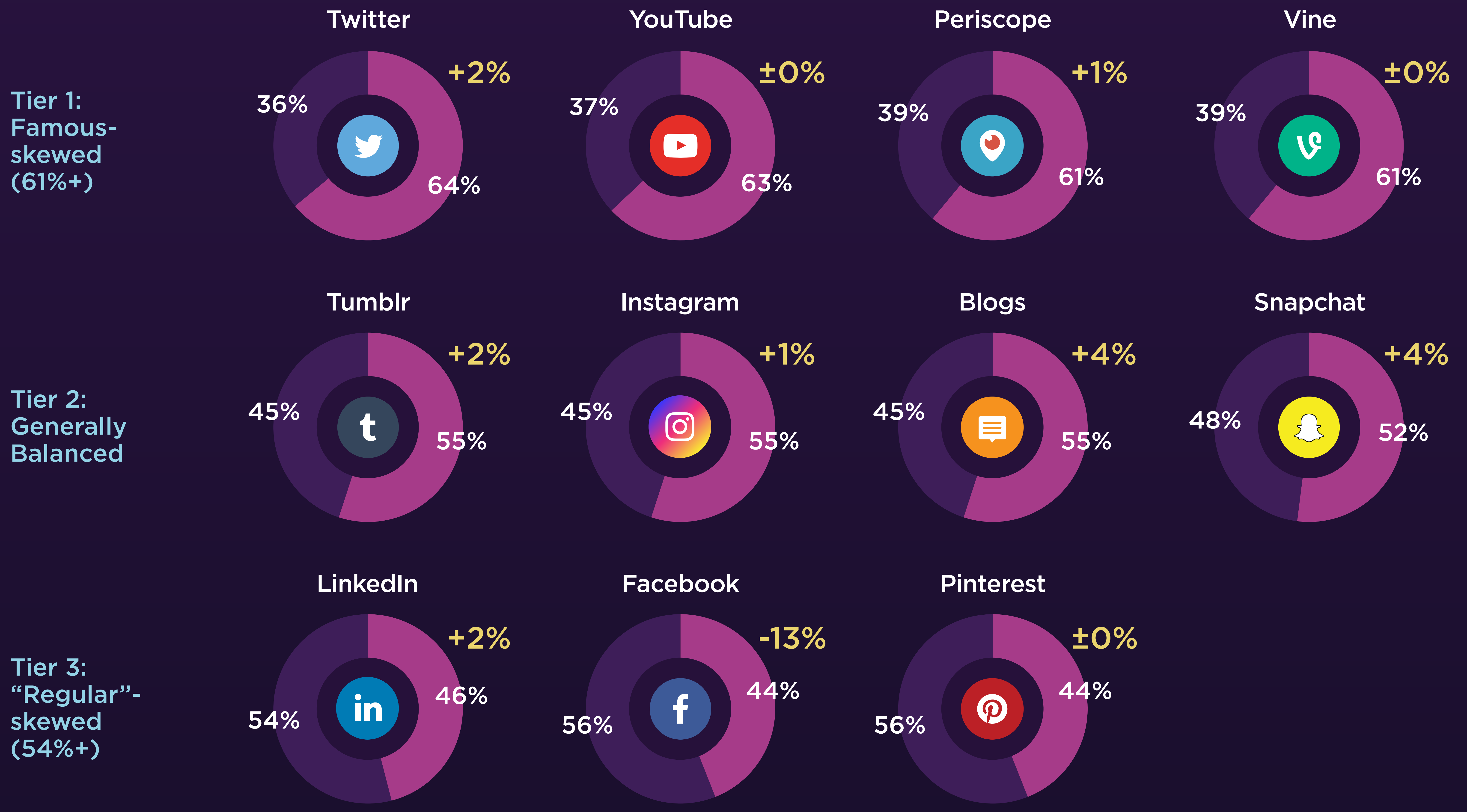
Facebook stands alone as **undisputed king of visitation frequency**

BASE: US Final Qualified Study Sample (N = 1000); users of each social media platform

U.S. CONSUMERS: TYPE OF PEOPLE "FOLLOWED"

Consumers appear increasingly interested in the "famous" among us.

Year-on-year, majority of platforms trending toward "famous" in terms of who is followed.



Of note, Snapchat is the most "balanced" of all platforms studied.

OF NOTE:

MORE MESSAGES → CONSUMER IMPACT

U.S. CONSUMERS: MARKETING EFFECTIVENESS RATINGS

Consumers again rated marketing approaches *other than* Influencer and Content Marketing as *"Pretty Good" (6.1 – 7.2 out of 10)*

Media Marketing Message Type	Total Rater Mean Effectiveness Rating (1-10 Scale)
TV Commercial	7.2
Online, digital, satellite radio or podcast commercial/product mention	7.1
Online magazine ad/e-magazine ad	7.0
Online, digital, or satellite radio/podcast sponsorship/underwriting	7.0
Social Media product/brand "Like" or "Following"	6.9
Unpaid search result on a search engine	6.8
Online newspaper ad/e-newspaper ad	6.8
Television sponsorship	6.7
Television embedded content	6.6
Online video commercial on a website	6.6
Paid search result on a search engine	6.4
Print ad in a newspaper	6.4
Broadcast radio commercial	6.4
Embedded ad or product message on a social media stream	6.3
Banner advertisement on a website	6.3
Broadcast radio program sponsorship/underwriting	6.2
Print ad in a paper newspaper	6.2
Radio host/disc jockey endorsement	6.1

U.S. CONSUMERS: INFLUENCER MARKETING EFFECTIVENESS RATINGS

In contrast, effectiveness ratings of *Influencer Marketing* approaches across all 11 social media platforms: *Decidedly Better (7.1 - 7.9 out of 10)*

Influencer Marketing Message Type	Total Rater Mean Effectiveness Score (1-10 Scale)
IM message on Periscope	7.9
IM message on Vine	7.9
IM message on Snapchat	7.7
IM message on Tumblr	7.5
IM message Twitter	7.5
IM message Instagram	7.4
IM message LinkedIn	7.4
IM message Pinterest	7.3
IM message Blogs	7.2
IM message YouTube	7.1
IM message Facebook	7.1

U.S. CONSUMERS: TOP-RATED APPROACHES

Net: Influencer Marketing messaging is regarded by social media users 18-70 as **equally or more effective than all other forms of marketing messaging measured.**

Influencer Marketing Message Type	Mean Score (1-10 Scale)
Influencer Marketing message on Periscope	7.9
Influencer Marketing message on Vine	7.9
Influencer Marketing message on Snapchat	7.7
Influencer Marketing message on Tumblr	7.5
Influencer Marketing message on Twitter	7.5
Influencer Marketing message on Instagram	7.4
Consumer quality/product ratings on an online consumer review website	7.4
Influencer Marketing message on LinkedIn	7.4
Influencer Marketing message on Pinterest	7.3
Written review or article on an online consumer review website	7.2
Influencer Marketing message on Blogs	7.2
TV commercial	7.2
IM message on YouTube	7.2
IM message on Facebook	7.1

U.S. CONSUMER LEARNING

Ratings of a spectrum of *Content Marketing approaches* measured for first time in 2016: *"Span the effectiveness range"*

Content Marketing Message Type	Total Rater Mean Effectiveness Rating (1-10 Scale)
Written review or article on an online consumer review website	7.2
Brand-sponsored article in an online magazine	7.0
Brand-sponsored article in a paper newspaper	7.0
Brand-sponsored article in a paper magazine	6.9
Brand-sponsored article in an online newspaper	6.7
Brand-sponsored long-form videos on a website	6.6
Brand-sponsored article in a social media stream	6.5
Brand-sponsored short-form videos on a website	6.5
Article/written information on a corporate or brand website	6.4
Infographic, photo, or chart on a corporate or brand website	6.4
Brand-sponsored infographic, photo, or chart in a social media stream	6.4

Perceptions of Content Marketing approaches, in general, were **rated equally or more highly than traditional advertising** in the same media

BASE: US Final Qualified Study Sample (N = 1000)

We again recognized that current users of each medium might regard marketing in those media more favorably.

So, for an apples-to-apples view, we compared message effectiveness ratings only among current users of each given medium to ratings of Influencer Marketing effectiveness among each platform’s users.

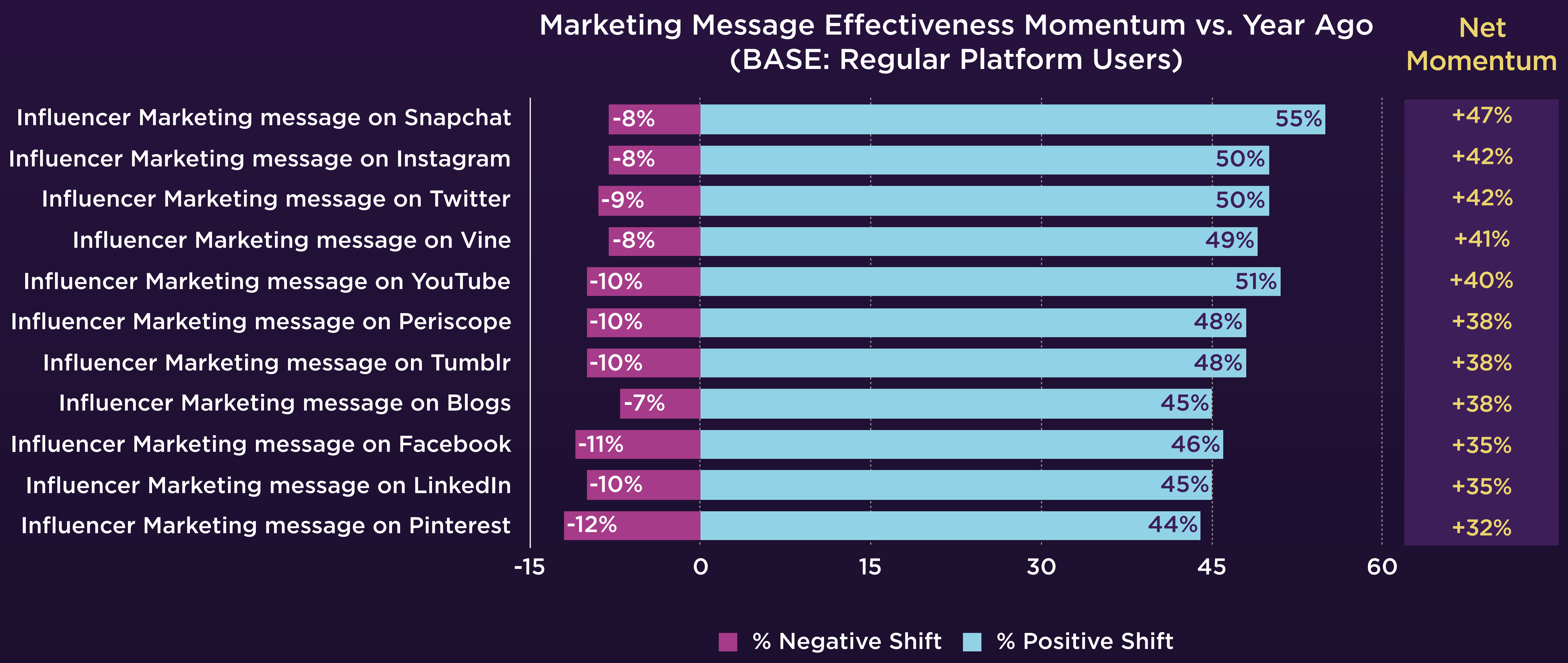
THE RESULT?

Even with these raised "current user only" ratings, Influencer Marketing messages ratings were as high or higher than all other marketing messages.

And most others received lower absolute ratings.

U.S. CONSUMERS: EFFECTIVENESS MOMENTUM

No weak links revealed in year-on-year Effectiveness Momentum scores across all social media platforms measured.



This year, we also quantified Content Marketing opportunities based on frequency of consumer subject matter engagement.

The average U.S. consumer reads 207 articles and visits 398 websites monthly -- representing 20 daily content marketing opportunities!

IMPLICATION:

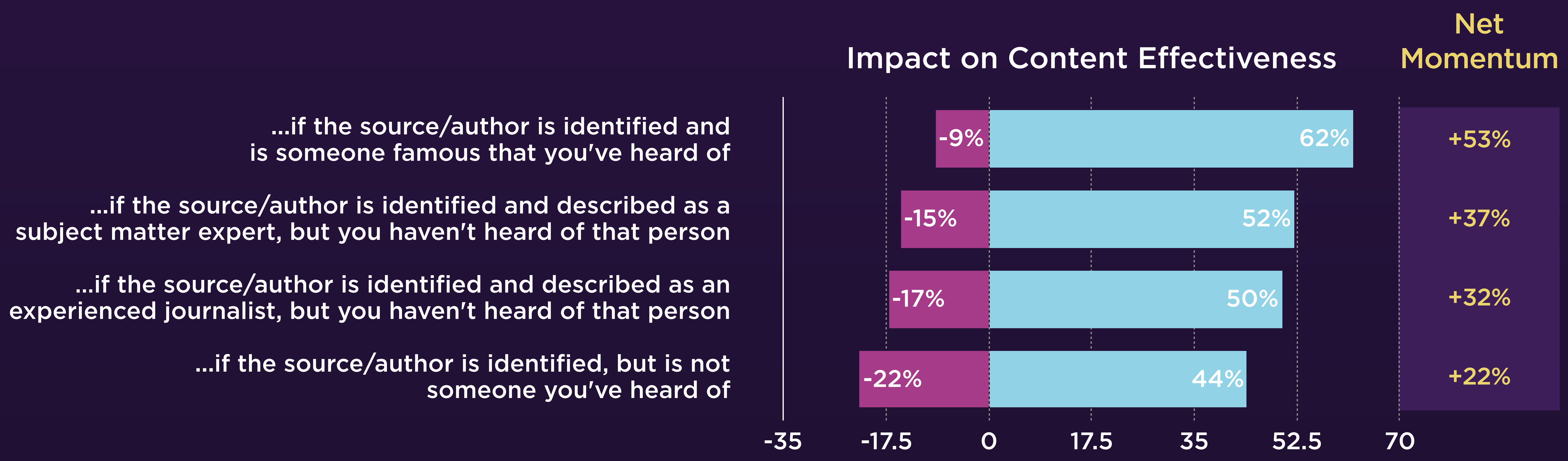
Frequent Consumer Subject Engagement =
Clear Content Marketing Opportunity

U.S. CONSUMER LEARNING: IMPORTANT INFLUENCER ATTRIBUTES

Content Creator credibility, expertise, and respect – plus firsthand consumer product experience – are top message effectiveness drivers.

U.S. CONSUMER LEARNING: IMPORTANT CONTENT CREATOR ATTRIBUTES

Further, a *known/recognized and/or expert source* adds more to the effectiveness of a content piece than someone unknown/unidentified.



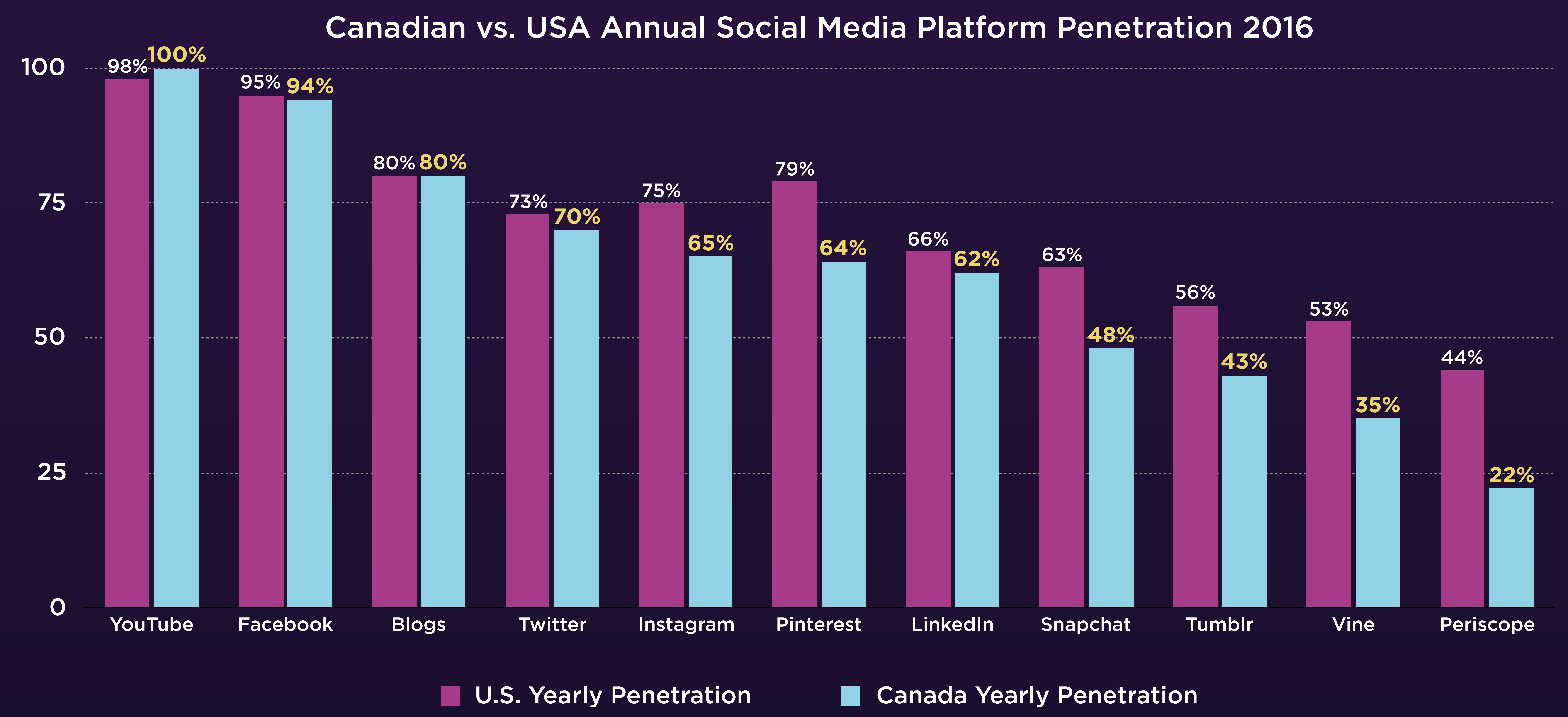
Q: "Compared to a Content Marketing message that has no source noted other than the sponsoring brand/service/product, indicate how much more or less effective, if at all, such a message would be..."

CANADIAN CONSUMER LEARNING:

Key Highlights and Headlines

CANADIAN CONSUMER YEARLY SOCIAL MEDIA PENETRATION

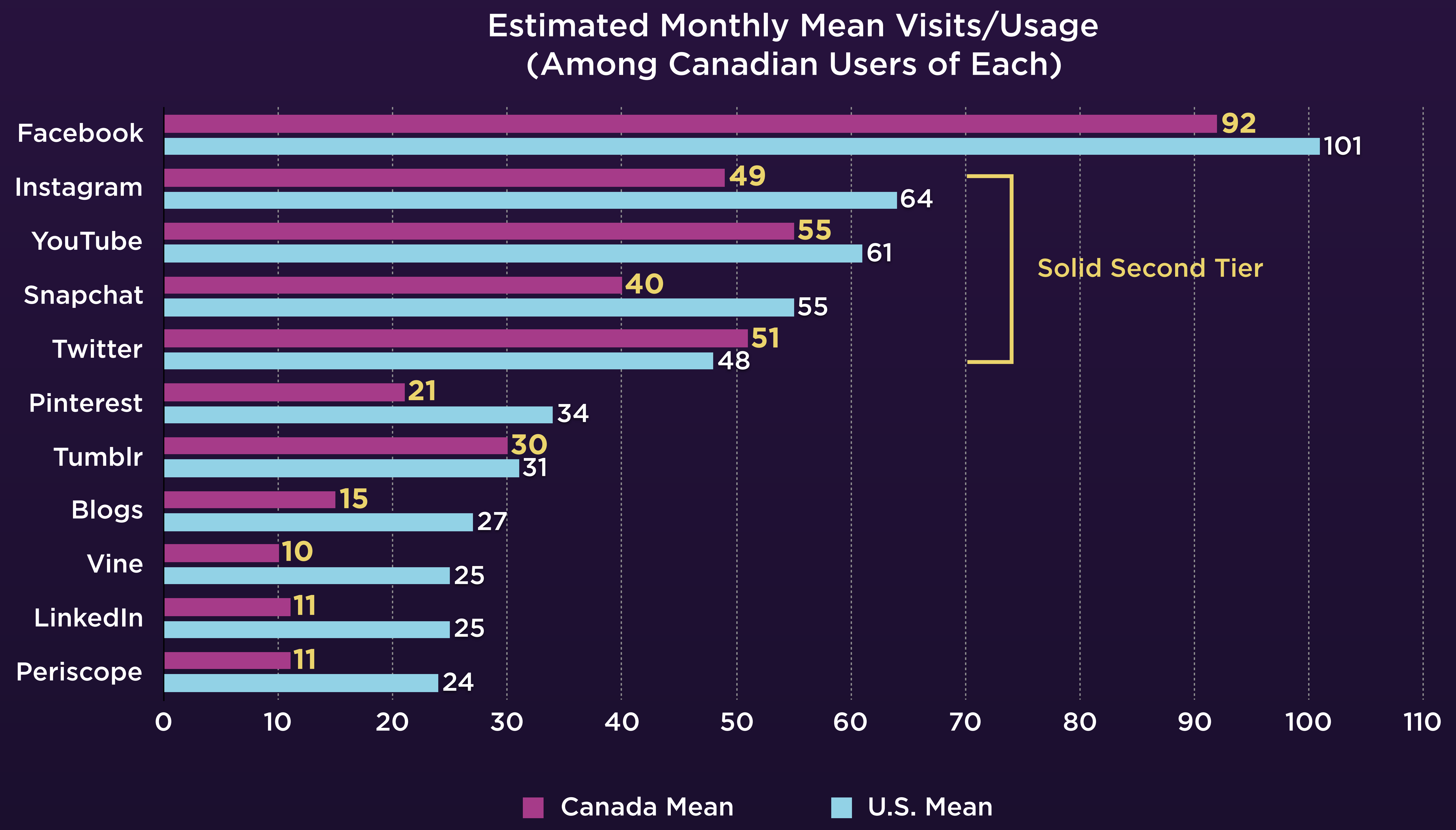
Canadian social media platform yearly penetration equals the U.S. for the Top 3 players, comes close for Twitter and LinkedIn, but lags across all others.



BASE: Canada Contact Sample who use Internet 15+ hours per month

CANADIAN CONSUMER MONTHLY SOCIAL MEDIA VISITATION

FB dominates in Canadian monthly visitation, with Instagram, YouTube, Snapchat, and Twitter in a solid second tier.



R

Canadians visit <u>all</u> platforms except Twitter less often per month than U.S. consumers

BASE: Qualified Canadians who are users of each platform

IT'S NOT ONLY WORKING, IT'S GROWING IN MOMENTUM.

Canadian users placed Influencer Marketing at top of their Effectiveness Ratings list with a few select other message types.

And year-on-year, Influencer Marketing had top-ranking positive Effectiveness Momentum scores, as well.

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CANADIAN CONSUMER PERCEIVED MESSAGE EFFECTIVENESS

Versus U.S., Canadians appear to be marketing skeptics overall, with ratings of non-Influencer Marketing messages: **“Mediocre to Pretty Good” (5.5 – 6.9 out of 10)**

Media Marketing Message Type	Total Canadian Sample Mean Effectiveness Rating (1-10 Scale)
Consumer quality/product ratings on an online consumer review website	6.9
Written review or article on an online consumer review website	6.8
TV Commercial	6.5
Brand-sponsored article in a paper magazine	6.2
Online magazine ad/e-magazine ad	6.2
Unpaid search result on a search engine	6.1
Television sponsorship	6.1
Online, digital, or satellite radio commercial or product mention	6.1
Social Media product/brand “Like” or “Following”	6.1
Brand-sponsored article in a paper newspaper	6.1
Brand-sponsored article in an online magazine	6.1
Online, digital, or satellite radio sponsorship/underwriting	6.0
Brand-sponsored article in an online newspaper	6.0
Online newspaper ad/e-newspaper ad	5.9
Brand-sponsored long-form videos on a website	5.9

CANADIAN CONSUMER PERCEIVED MESSAGE EFFECTIVENESS: PART 2

Media Marketing Message Type (Continued)	Total Canadian Sample Mean Effectiveness Rating (1-10 Scale)
Television embedded content	5.9
Paid search result on a search engine	5.8
Brand-sponsored infographic, photo, or chart in a social media stream	5.8
Article/written information on a corporate or brand website	5.8
Infographic, photo, or chart on a corporate or brand website	5.8
Embedded ad or product message on a social media stream	5.8
Broadcast radio commercial	5.8
Print ad in a paper magazine	5.8
Online video commercial on a website	5.7
Brand-sponsored article in a social media stream	5.7
Banner advertisement on a website	5.7
Print ad in a paper newspaper	5.6
Broadcast radio program sponsorship/underwriting	5.6
Brand-sponsored short-form videos on a website	5.5
Radio host/disc jockey endorsement	5.5

CANADIAN CONSUMER PERCEIVED INFLUENCER MESSAGE EFFECTIVENESS

As in U.S., Canadians' effectiveness ratings of Influencer Marketing messages across all 11 social media platforms: **Decidedly Better on Average (6.2 – 7.4)**

Influencer Marketing Message Type	Canadian Total Rater Mean Effectiveness Score (1-10 Scale)
IM message on Periscope	7.4
IM message on Tumblr	7.3
IM message on Vine	7.1
IM message on Snapchat	7.0
IM message on Twitter	6.6
IM message on Pinterest	6.5
IM message on LinkedIn	6.4
IM message on Instagram	6.4
IM message on Blogs	6.3
IM message on YouTube	6.2
IM message on Facebook	6.2

BASE: Canadian Users of each platform

CANADIAN CONSUMER INFLUENCER MESSAGE EFFECTIVENESS: NET

In fact, across the 41 total marketing message types rated, only online quality/product ratings, online reviews/articles, TV commercials, and print and e-magazine ads were rated as highly as Influencer messages.

Marketing Message	Total Rater Mean Effectiveness Score (1-10 Scale)
IM message on Periscope	7.4
IM message on Tumblr	7.3
IM message on Vine	7.1
IM message on Snapchat	7.0
Consumer quality/product ratings on an online consumer review	6.9
Written review or article on an online consumer review website	6.8
IM message on Twitter	6.6
TV Commercial	6.5
IM message on Pinterest	6.5
IM message on LinkedIn	6.4
IM message on Instagram	6.4
IM message on Blogs	6.3
Brand-sponsored article in a paper magazine	6.2
Online magazine ad/e-magazine ad	6.2
IM message on YouTube	6.2
IM message on Facebook	6.2

BASE: Canadian Raters of each approach

CANADIAN CONSUMER CONTENT MARKETING MESSAGE EFFECTIVENESS

As in U.S., Canadian Content Marketing Effectiveness Ratings span the spectrum, for the most part ranked as high/more highly than traditional ads in the same medium.

Media Marketing Message Type	Total Canadian Sample Mean Effectiveness Rating (1-10 Scale)
Brand-sponsored article in a paper magazine	6.2
Brand-sponsored article in a paper newspaper	6.1
Brand-sponsored article in an online magazine	6.1
Brand-sponsored article in an online newspaper	6.0
Brand-sponsored long-form videos on a website	5.9
Brand-sponsored infographic, photo, or chart in a social media stream	5.8
Article/written information on a corporate or brand website	5.8
Infographic, photo, or chart on a corporate or brand website	5.8
Brand-sponsored article in a social media stream	5.7
Brand-sponsored short-form videos on a website	5.5

SAME IMPLICATION IN CANADA:

Frequent Consumer Subject Engagement =
Clear Content Marketing Opportunity

SUMMARY & CONCLUSIONS

U.S. MARKETER SUMMARY OF FINDINGS

- **Solid familiarity with Influencer & Content Marketing**, with half using approaches in past year
- Trending toward use of **simpler & more visual-approached** content and platforms
- Continuing to rate Influencer Marketing approaches as **Top Tier in effectiveness**, while traditional advertising approaches flounder
- Majority have **designated budgets** for both Influencer and Content Marketing
- Influencer and Content Marketing accountability/ownership is **fragmented across organizations**
- **Continued room for improvement** in FTC guideline understanding and compliance

U.S. CREATOR SUMMARY OF FINDINGS

- Trending toward being **more-selective** in engagements and using **less time-intensive** approaches
- **Wide disparity** between actual compensation and what clients perceive to be the “market” rate card
- See a bright Influencer and Content Marketing future, but **recognize need for both client and practitioner training**
- **Fully understand** and (for the most part) comply with FTC guidelines, but with notable counter-pressure from clients

U.S. CONSUMER SUMMARY OF FINDINGS

- **Social Media = U.S. social currency**, as reflective by pervasive and growing usage
- More Influencer Marketing messages are **'breaking through the clutter'**
- Influencer Marketing messages continue to achieve **top-tier Effectiveness Ratings** in the minds of consumers using social media
- **Frequent monthly engagement** in personally-relevant content represents fertile foundation for Content Marketing
- Perception of Content Creators/Influencers as **trustworthy, credible, and/or recognized** clearly influences message impact

CANADIAN SUMMARY & CONCLUSIONS

IZEA'S first-ever 2016 Canadian State of the Creator Economy revealed similarities and distinctions vs. U.S. stakeholder groups.

CANADIAN MARKETERS

- **More familiar** with Influencer & Content Marketing than U.S. Marketers
- As with U.S. Marketers, Influencer Marketing **effectiveness is ranked in the top-tier**, above most mainstream/traditional advertising
- Canadian Marketers are funding Influencer Marketing & Content Marketing with **higher-than-U.S. budgets**
- As with U.S., **fragmented Influencer Marketing & Content Marketing accountability** across roles
- **Complete lack of awareness** of proposed Canadian ASC guidelines around disclosure

CANADIAN CONSUMER SUMMARY OF FINDINGS

- Strong use of social media platforms, through **lagging U.S. in all but most-dominant**
- Influencer messages are **cutting through the “marketing noise”**
- **More-skeptical of all marketing** than their U.S. counterparts, but still rate Influencer Marketing in the top tier vs. all other approaches.
- As with U.S. consumers, **strong engagement in personally-relevant content**. This creates a compelling Content Marketing opportunity for marketers.
- Overall, **perception of the Creator** directly impacts how well the marketing messages are received.