

Forget Instagram, Amazon Is The Influencer Platform Of The Future

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I recently guest lectured in a UCLA Extension class on social media marketing, in part talking about the platforms beyond the Big Four that companies and influencers should be using. The topic sent me off in several absorbing directions, but toward one conclusion: Amazon is the influencer platform you need to work with next.

One recent study estimated that 13 million social-media influencers generated \$7 billion in revenues last year. The hottest platform of late has been fast-growing Instagram, which seems to have avoided much of the blowback that has so buffeted parent company Facebook.

Companies like Viacom unit WHOSAY are connecting brands and influencers with what CEO Steve Ellis calls “premium creative assets” that perform better than just an influencer’s hot take in the middle of a YouTube video or Twitter feed. The result is typically backed with paid placement on the big social platforms and across Viacom’s own web sites, streaming services and even TV networks.

“The beauty of these (social) platforms, to give Facebook and the others credit, is they’re designed to be paid-media platforms with effective targeting,” Ellis said. “So if you make good creative and you use those tools effectively, you can distribute those assets to anybody you think you need to reach as an advertiser.”

But running ad campaigns behind the assets is necessary because the big platforms have made organic reach nearly extinct, to extract more dollars from brands. Search ads, which have undergirded profitability for Google and YouTube, are also seeing some eroding popularity.

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A recent Forrester Research study snapshotted the transition in digital marketing, away from traditional search ads and toward voice and voice-activated queries on, yes, Amazon’s Alexa and its competitors from Google and Apple. Alexa-powered devices already seem omnipresent (CEO Jeff Bezos said in a recent statement that the Echo Dot smart speaker was the company’s most popular-selling device at Christmas), but in a few years, voice-powered devices truly will be everywhere, transforming the way we search for and advertise about things.

Forrester pointed to forward-thinking brands such as Capital One, Domino’s, Humana and L’Oréal that already are incorporating voice search into their marketing strategies. Expect that to accelerate as traditional search-ad spending flattens out and other brands get comfortable with a voice-activated world and its consequences.

Cost-per-click, which dropped 28 percent on Google in Q3 of 2018, has fallen 14 straight quarters, the Forrester study said. That decline is a harbinger of digital marketing’s evolution, as people use other tools, many of them in Amazon’s areas of strength, including voice skills, SEO, branded content and content on shopping-friendly sites such as Pinterest.

But what site is more shopping-friendly than Amazon, which now controls more than 50 percent of the e-commerce pie in the United States? The company is even winning business in search, because more consumers are beginning to research their purchases on Amazon rather than Google. As well, Amazon is now routinely host to ferocious price wars that can break out at any minute for a given product, sometimes forcing a brand to bid against its own channel partners for customers.

That’s helping drive Amazon’s growing share of the U.S. advertising business. It’s now third behind the Duopoly. During its last quarterly earnings announcement, Amazon reported \$3.4 billion in “other” revenue, mostly advertising, and up 95 percent year over year, helping drive the company’s record profits. eMarketer now forecasts Amazon will grab nearly 9 percent of 2019’s digital ad market.

More than a year ago, Amazon also created its own influencer program, a more exclusive version of its affiliate marketing system that is open only to high-end influencers on Twitter, Facebook, YouTube and Instagram. Participants get a custom storefront and vanity URL, choose products they want to spotlight, and receive a share of resulting sales revenue.

For a smart brand, getting its products in the right influencer stores can be a powerful opportunity to connect directly with that influencer’s most devoted fans in a commerce-connected way that Google, Facebook, Twitter, and Instagram still can’t match, at least not yet.

“Amazon moved into this space in a big way,” said Tim Sovay, COO of CreatorIQ, an influencer-marketing platform for managing campaigns. The company tracks millions of influencers and about 5 million brand deals. “If I’m a creator, I’m very interested in seeing what Amazon does in this space. I tend to believe when Amazon does something they tend to do it quite well.”

And it’s not just the influencer program that bears watching.

Amazon keeps experimenting with ways to make its gamer-focused live-streaming platform Twitch a broader phenomenon. Already, 3 million on-air personalities stream at least some programming on Twitch each month. One of the site’s fastest-growing categories is “Just Chatting,” which features the kinds of people who talk about pretty much everything except Twitch’s core topics of games and esports.

The most successful Twitch streamers seem to spend most waking hours interacting with fans in live settings. For a non-endemic brand, that means there are more chances than ever to connect with Twitch’s viewers, and Amazon’s.

Twitch has around 1,000 advertisers, according to Kym Nelson, Twitch’s West Coast director of sales, who with Sovay was part of a digital-marketing panel I moderated recently.

“There are spectrums of (advertisers) who are willing to take chances with branded content and user-generated content and influencer marketing” on Twitch, Nelson said. “And there’s those who will take big risks. And they’ll give us lots of leeway to do creative things.”

That batch of adventurous brands includes the Hollywood studios and networks, game publishers, and such Gen Z-focused brands such as Doritos, Budweiser and Unilever’s Dollar Shave Club, Nelson said.

“They recognize that that is their current and future consumer,” Nelson said. “And they are the ones who I think are really embracing the trends that are happening in the marketplace.”

As Sovay notes, creators have to be highly entrepreneurial, taking advantage of whatever systems a given platform provides for them to make money. Twitch offers more of those money generators, from digital currency to subscriptions, than just about any social-media outlet.

Other platforms increasingly are emulating those options, but no one yet has quite matched Twitch’s range. For instance, most streamers festoon their home pages with sponsor links and badges. The visiting fans in their chat rooms can’t miss those badges and links, or the in-game shoutouts from the talent. The opportunities are endless for sponsored content, though it takes a certain confidence from the brand in the trustworthiness and reliability of a given influencer.

“Creators are going to move where they can monetize best,” Sovay said. “We’ve seen the fall of platforms like Vine that didn’t take care of influencers. I’m curious to see how Twitch evolves from predominantly gaming into a broader live-streaming platform.”

I’m curious, too. On any given day, Amazon might be the world’s most valuable publicly traded company. Last year, it passed \$200 billion in annual revenue for the first time. And as it’s doing with video entertainment, healthcare, food and a bunch of other sectors, Amazon is trying multiple approaches to leverage influencer marketing and the influencer economy. As bets go on the future of influencer marketing, Amazon seems like a good one