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Northwestern
University

The *next wave* of Creator marketing

LTK in partnership with
Northwestern University's
Retail Analytics Council

November 2023



Speakers



Ally Anderson
Director, Strategy & Insights
LTK



Ann Newland
Head of Integrated PR
Wayfair

Agenda

- 01** Insights from LTK brand study in partnership with Northwestern University's Retail Analytics Council
- 02** Brand Panel featuring Ann Newland Head of Integrated PR Wayfair



And the 2023 forecast played out..

Through **thousands of direct brand and retailer conversations**, LTK saw our report from Q1 of 2023 come to life:



01 The surge of short-form video content



✓ 2X LTK Video posts in Q1-Q3 of 2023 compared to Q1-Q3 of 2022

02 Gen Z Strategy - the Always-On Disruptors



✓ Gen Z creators have had the highest increase in casting compared to all other generations

03 Scaled Influence through Retail Media Networks



✓ Double digit growth in Retail Media Campaigns, Campaign spend and Creator collabs

And the 2023 predictions played out..

Through **thousands of direct brand and retailer conversations**, LTK saw our report from Q1 of 2023 come to life:



04 Influencer Generated Content (IGC) at the core



Hundreds of thousands of links published monthly

05 Created Guided Shopping as a means for search



Since 2021, the # of shoppers using search on LTK has more than doubled

Discovery to Doorstep

Curated creators, committed to authentically sharing the products, brands, recipes, and lifestyle hacks that allow them to show up as their best selves everyday





Get *personal*. Scale *faster*.

The first and largest curated Creator network.

LTK empowers **30M** consumers to be their personal best from *Creator* recommendations they trust most, more than ads or celebrities*, scaling brand adoption faster than social ads to **\$4B** in trackable sales.

3.5X

Conversion on LTK vs. Social

2X

Scale Creator reach by LTK Consumers**

#1

Trusted over ads and celebrities

12

Years Proprietary Data for unique insights

LTK consumer are:

Early Majority

\$100K+
HH Income

Higher
Education

Major/Mid
Metros

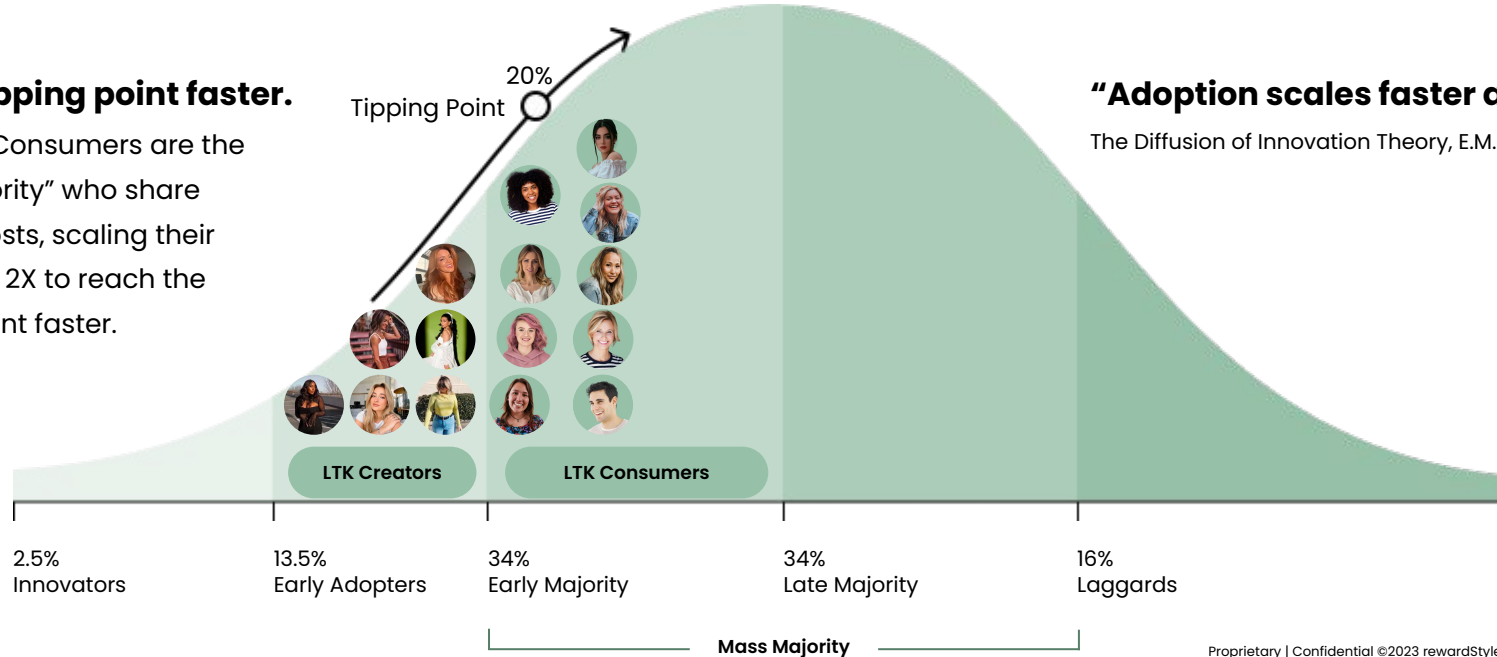
Home and Family
Splurgers

Highly Influential on
Social Media

LTK gets *personal* to reach *tipping point* faster.

Reach tipping point faster.

LTK's 30M Consumers are the "Early Majority" who share Creator posts, scaling their audiences 2X to reach the tipping point faster.



"Adoption scales faster at 20%."

The Diffusion of Innovation Theory, E.M. Rogers, PhD, 1962

8

Our relationship with Media has evolved

Widespread proliferation of content across constantly emerging platforms disrupted traditional media consumption.



Brand study methodology

This report summarizes key findings related to the a study conducted by LTK in collaboration with Northwestern University's Retail Analytics Council

Methodology

Brand survey conducted on August 23-25, 2023, with 164 marketing leaders and decision makers that have invested in Creator marketing in the last 12 months.



Brand survey participants



94%

Decision Makers

79%

Ultimate Decision Makers

70%

Over \$500M in Annual Revenue

52%

Over \$1B in Annual Revenue

Marketing leaders spanning industries

27%

Fashion Brands

27%

Beauty Brands

23%

CPG Brands

21%

Service Brands

10%

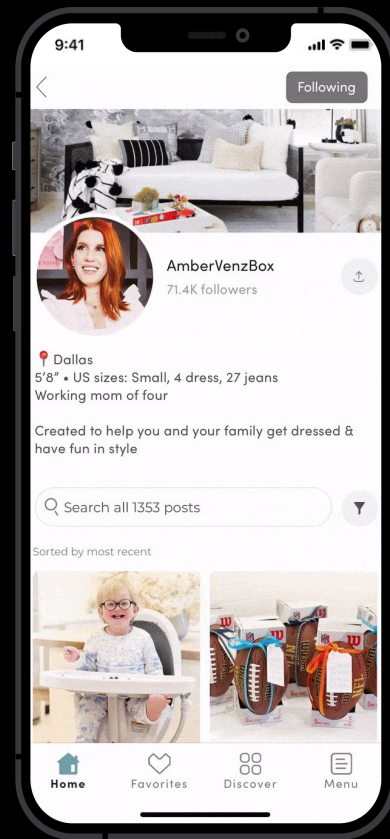
Home Brands

19%

Other Brands

All brands invested in Creator marketing in the last 12 months

** brands may represent multiple industries*



Brands and Consumers agree that Creators are the most trusted

Gen Z & Millennials consistently rank creators as **most trusted** for shopping recommendations*

LTK has watched this trend increase over time through multiple consumer surveys



And the majority of surveyed brands agree



say consumers **trust creators the most** compared to social media ads and celebrities



The next wave of Creator marketing

The integration of Creator

INSIGHT #1

Creator marketing budgets growing quickest

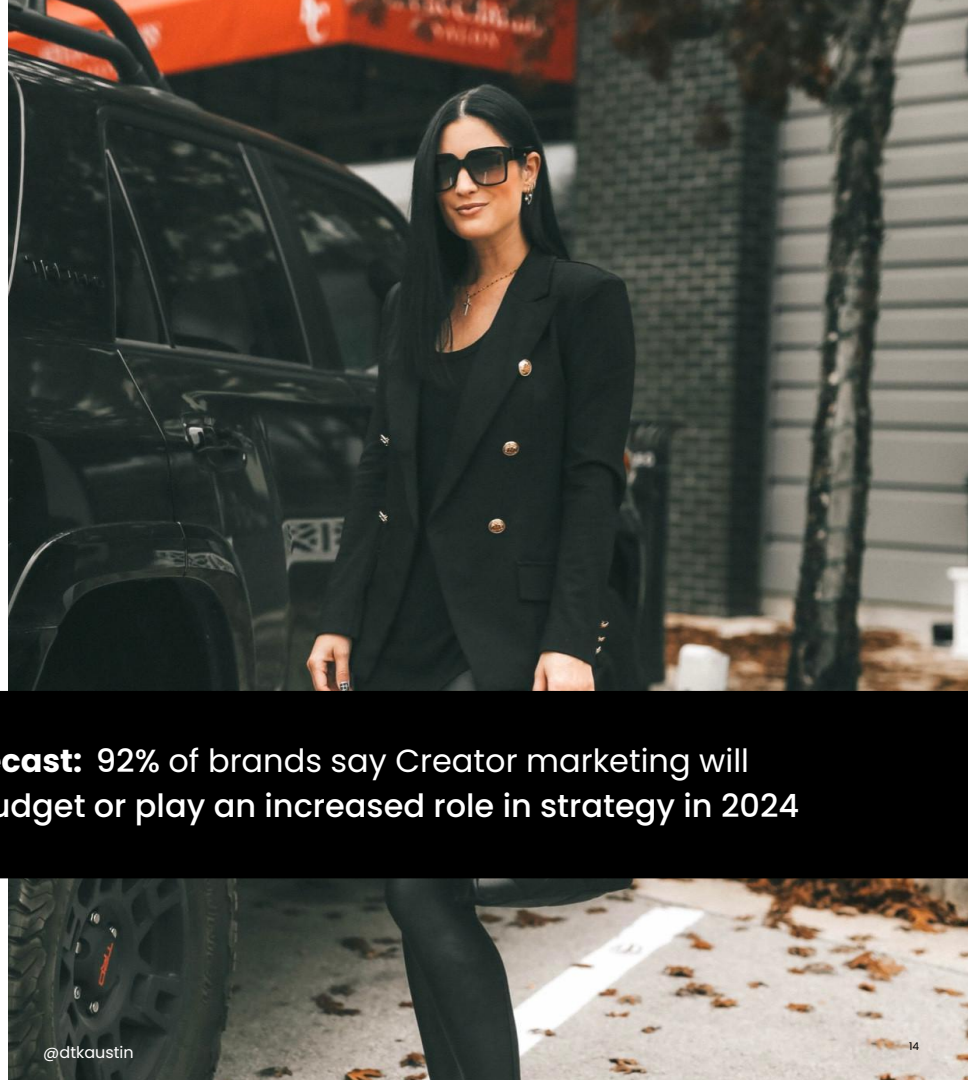
When stacked against other channels, Creator marketing ranks #1 for investment growth, *beating out channels like paid search and paid social*

2024 Brand Forecast: 92% of brands say Creator marketing will have a higher budget or play an increased role in strategy in 2024

* based on the % of brands planning to increase investment in the next year

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@dtkaustin

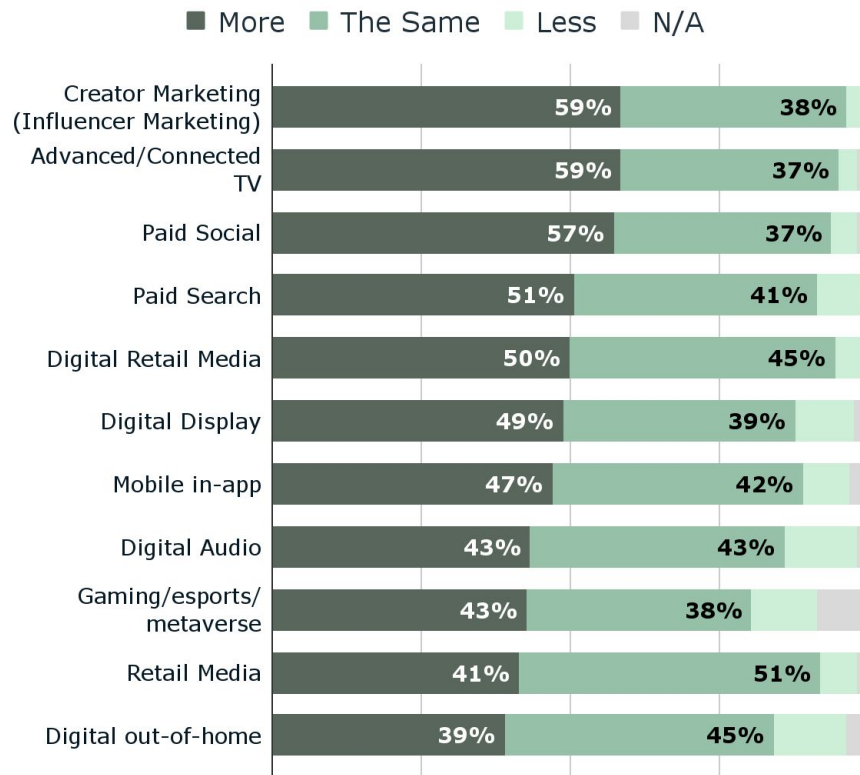


INSIGHT #2

CMOs investing in Creator with funds from other practices

CMOs are **using Earned Media Value (EMV)** as justification to **increase Creator marketing budgets** funded from Digital Advertising, Email and Owned Social Media Marketing.

Spend in 2023

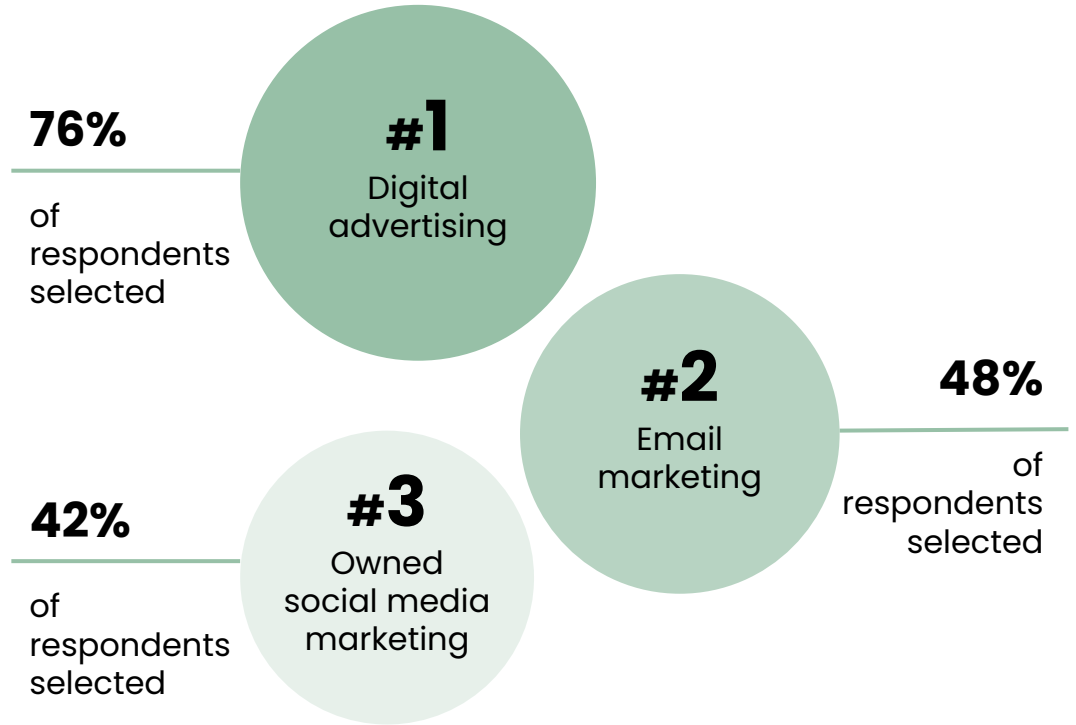


Source: LTK / NW Study August 2023

INSIGHT #2

CMOs investing in Creator with funds from other practices

Top three sources for Creator marketing budget increase



Source: Creator IQ Study August 2023

INSIGHT #3

Creator marketing budgets outpace other digital channels

80% of brands increased
Creator budgets in 2023

More brands plan to increase spend on Creator marketing compared to other channels

+16%

Compared to
Paid Search

+2%

Compared to
Paid Social

+20%

Compared to
Digital Display



INSIGHT #4

CPG, Fashion and Beauty brands outpace Creator marketing investment to others

% that increased creator marketing investment in 2023



36%

of surveyed brands spend at least half
of their digital marketing budget on
Creators



INSIGHT #5

Brands and Retailers solving full funnel challenges

What challenges is your organization working to solve?

Increasing repeat purchases or basket size

Brand or product recognition

Loyalty

Expand consideration to a new category or audience

Retention



Creator strategies drive positive business impact

Creators are driving full funnel marketing for brands

Sales

Brand awareness

Increased customer lifetime value

New audiences reached

Improved brand perception

Facilitating and increasing Lead Gen

Bringing in Millennial and Gen Z Shoppers

51%

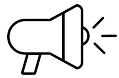
Fashion brands
Say that creators improved their brand perception

45%

Beauty brands
Say that creators improved their brand perception

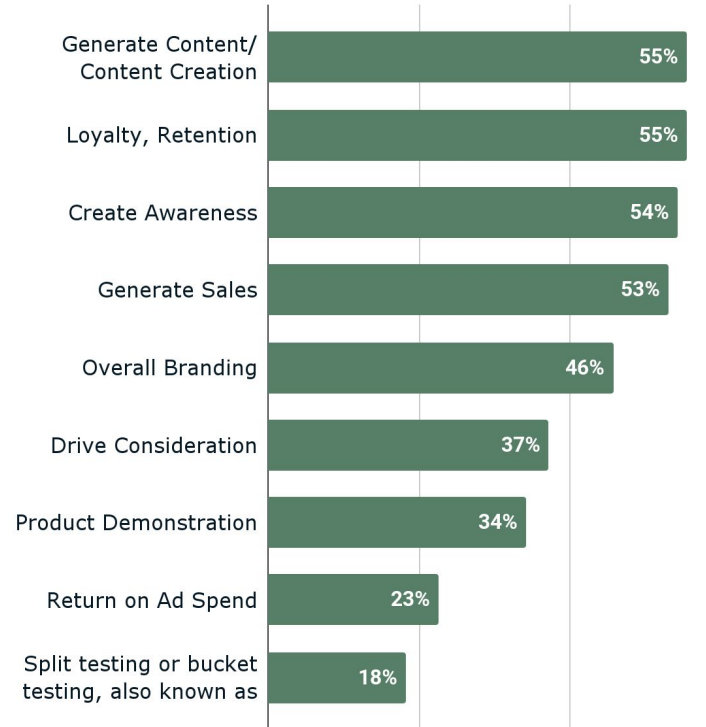
INSIGHT #7

Generating content and driving loyalty are most important Creator goals



Each brand averages 3.8 goals when running creator campaigns

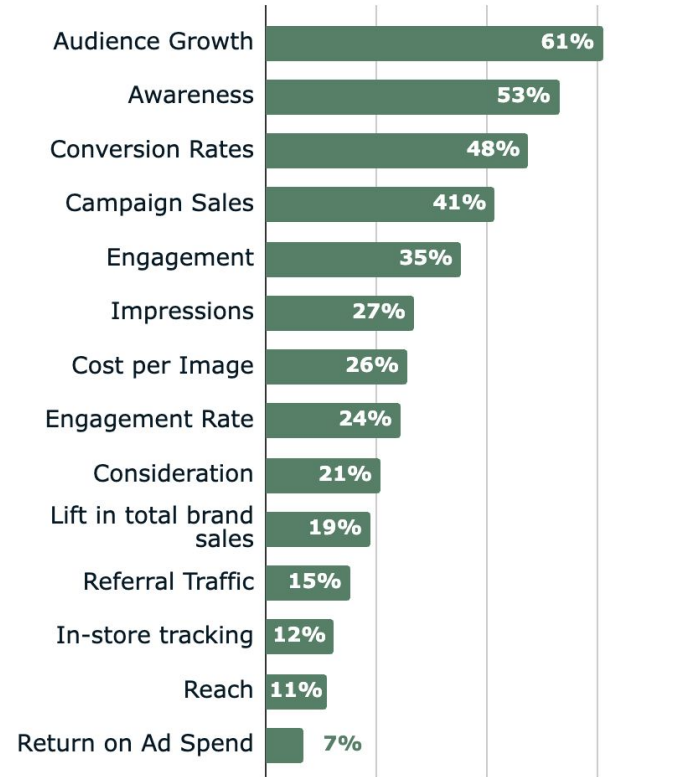
Most important Goals for Creator campaigns



INSIGHT #8

Audience Growth and Awareness are most important Creator metrics

Most important Metrics for Creator campaigns



INSIGHT #9

Brands working with Creator across departments

Top departments that work with Creators



3.2

Avg # of
departments
that use creators
within each
organization



Creators help brands drive innovation with emerging technologies



AI

84% of brands currently invest in **AI to sell their products** online

90% plan to invest in AI to sell their products online **in 2024**



Live Streaming

92% of brands plan to incorporate **live streaming** into **creator programs** in the next year



Boosting

78% of brands use Creator Content in **Social Media Ads**

Top boosting channels include:

Instagram
Facebook
YouTube



Strategies from winning Brands

Surveyed Brands that are increasing spend and have Creator as a top spend tactic

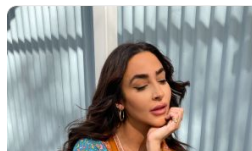
Brands increasing Creator spend in 2024 and have Creator as a top spend tactic

Ranking of industries

- 1 CPG Brands
- 2 Beauty Brands
- 3 Fashion Brands

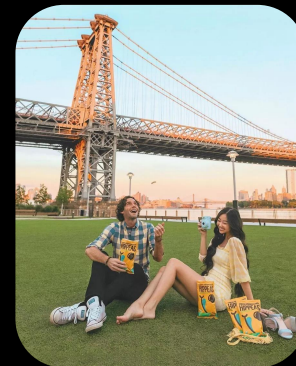
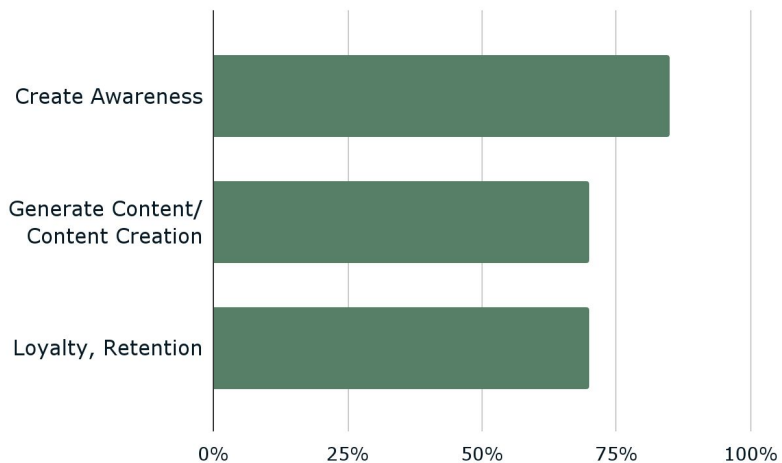
65%

\$5M-\$20M Creator Marketing Budget



Winning Brands prioritize awareness goals

Creator Marketing Campaign Goals



85%

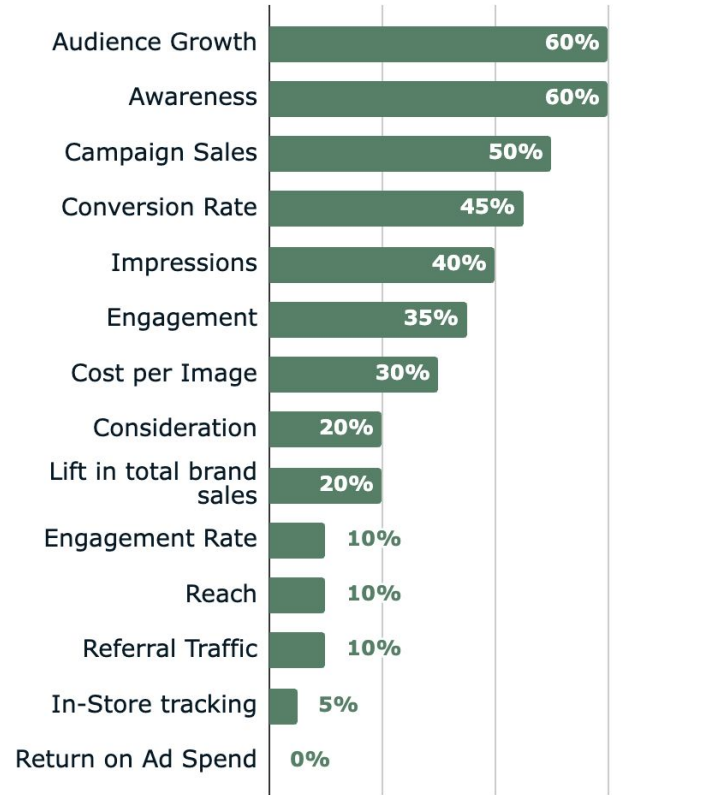
of brands who are leaning into creator marketing have Create Awareness as a campaign goal

+70%

compared to other brands

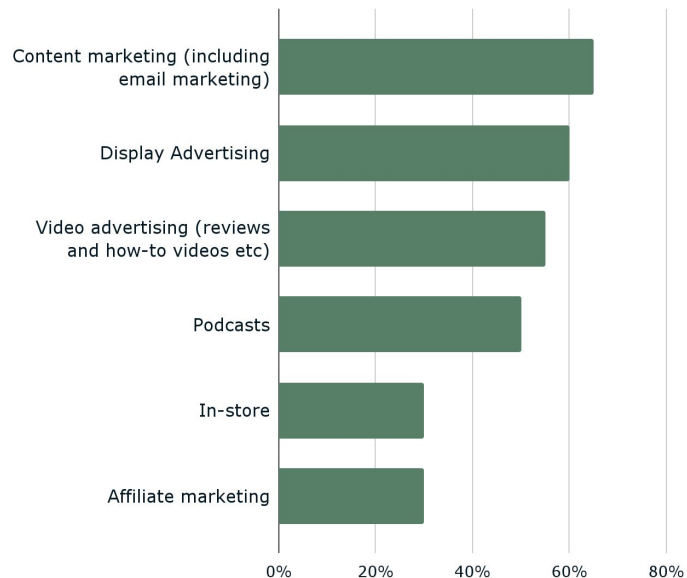
Winning Brands focus on upper funnel metrics

Most important Metrics for Creator campaigns



Winning Brands use Creator content across digital channels

Marketing channels where brands use creator content

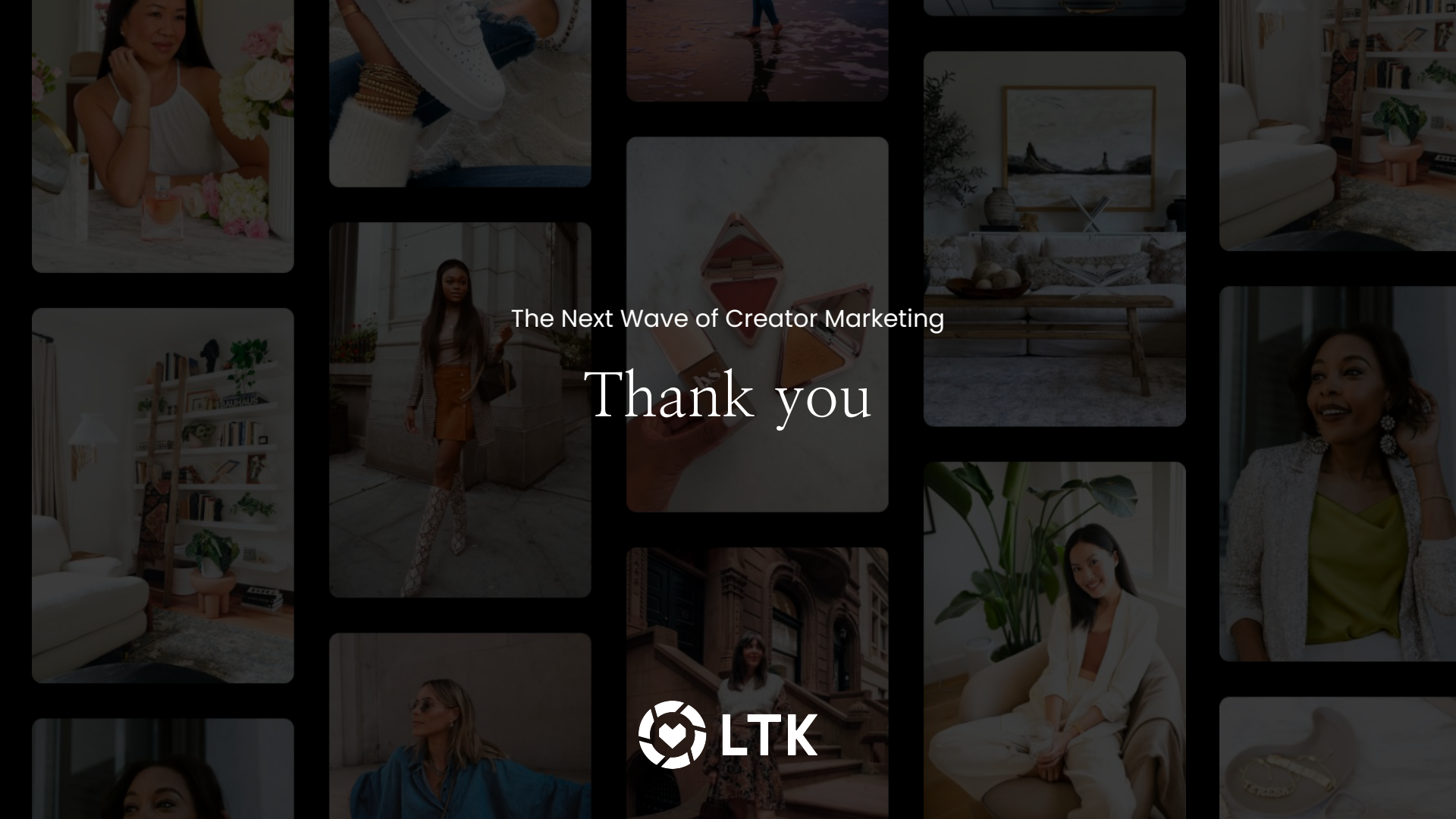


65% use Creator Imagery in Content Marketing



The next wave of Creator marketing

- 1 Brands and Retailers are investing more than ever in Creator building their brand
- 2 Creator is the top in investment growth and is funded from Digital Advertising, Email and Owned Social Media Marketing
- 3 Brands are hyper-focused on growing their audience through Creator, which in-turn grows brand awareness, customer lifetime value and improves brand perception
- 4 Through new technology, additional opportunities to innovate with Creators will emerge, which will grow the number of internal departments working with Creators



The Next Wave of Creator Marketing

Thank you

