

00:00 (graphic whooshing)  
00:01 (bright music)  
00:06 Today, we're going to take a deep dive into the world  
00:08 of social media influencers.  
00:10 Hello and welcome to the "On-Ramp," an ongoing series  
00:13 that highlights thought leadership  
00:15 from the Sawyer Business School in downtown Boston.  
00:18 My name is Payton Geraghty,  
00:19 and today I'll be speaking  
00:20 with Marketing Professor Andrew Smith.  
00:23 Drawing on some of his research, he's going to shine a light  
00:25 on social media influencers, how they do what they do,  
00:29 and how they make money?  
00:30 Professor Smith, thank you so much for being here.  
00:32 <v ->Thank you for having me.</v  
00:33 <v ->So maybe the best way to begin</v  
00:34 is to simply ask you to define influencer.  
00:38 <v ->Yeah. Influencers we've probably all seen online.</v  
00:41 They're individuals who create content  
00:43 and they develop audiences,  
00:45 and they probably have some sort of sway  
00:47 amongst those audiences.  
00:48 The ability to shape their attitudes, their opinions,  
00:50 and maybe the behaviors that they engage in.  
00:52 <v ->All right, well, how do influencers build an audience</v  
00:55 when there are already  
00:56 so many other content creators online?  
00:58 <v ->It is a really challenging environment for them.</v  
01:01 They have to do a variety of things and sort of iterate  
01:04 and try to improve over time.  
01:06 So one of the things that they're thinking about  
01:08 is what's a topic that has an audience out there already?  
01:11 What is something that people are interested in,  
01:13 like cosmetics, or fashion, or lifestyle more generally?  
01:17 And they wanna find a general topic that there's enough  
01:20 of an audience and people are engaged around it.  
01:22 So that's the first thing that they do.  
01:23 <v ->Mm-hmm.</v  
01:24 <v ->Then they wanna produce content</v  
01:25 that is appealing to that audience.  
01:27 And so that might be content that is helpful for them,  
01:30 that solves a problem, that is entertaining,  
01:33 that is relatable, and they'll figure that out over time.  
01:37 Once they've created the content, they're going to then try  
01:39 to engage with their audience, and try to encourage them  
01:41 to like, share, subscribe, that sort of thing.  
01:45 And then create a community  
01:46 so people feel like they can relate to each other  
01:48 and to the influencer,  
01:50 and then they kind of learn from there.  
01:51 So they'll look at the analytics that they get  
01:53 from a platform and then try to revise,  
01:55 you know, "Am I speaking about the right topic?"

01:57 Am I speaking about it in the right way?  
01:59 Producing the right photographic styles."  
02:02 And then learn, iterate from there.  
02:04 But it's a very challenging task for influencers.  
02:07 <v ->Well, what are some interesting ways</v  
02:08 influencers tell stories?  
02:10 <v ->Yeah, so we probably follow a number</v  
02:12 of influencers online.  
02:13 We might, you know, follow their TikTok account  
02:16 or their Instagram account,  
02:17 but as they get more sophisticated,  
02:19 what they do is tend to get bigger in the way  
02:21 that they tell stories.  
02:22 And so they might start with a single TikTok account  
02:25 and they develop a second one.  
02:27 So there's one influencer  
02:28 who we've been studying named Stephanie Jarvis,  
02:30 and she owns a French Chateau.  
02:32 And so she developed an initial YouTube channel  
02:35 where she was taking people through her lifestyle  
02:37 at the Chateau and different sort of projects  
02:40 that she was working on,  
02:41 but she became really popular  
02:43 and people like sending her gifts-  
02:44 <v Payton>Mm-hmm.</v  
02:45 <v ->And so because of all the gifts that were coming in,</v  
02:47 she didn't have an opportunity to open them  
02:48 and to thank people on that original YouTube channel.  
02:51 So they ended up creating a second channel  
02:53 that's strictly there for opening gifts  
02:56 and trying to tell the story around those gifts  
02:58 and thank her audience members.  
03:00 But then beyond that, she's really popular.  
03:01 So she also has an Instagram channel where she travels  
03:04 to other Chateau and does tours and explains them,  
03:07 and then has a Facebook channel and a TikTok channel  
03:09 that sort of bring these things together.  
03:11 <v ->Mm.</v <v ->So what we see</v  
03:12 is she's not just telling stories on a singular platform,  
03:15 on a single channel on YouTube,  
03:16 but across a variety of channels, a variety of platforms.  
03:19 And they all sort of come together into this meta narrative.  
03:22 And what that resembles is actually the sorts  
03:24 of storytelling the media companies engage in.  
03:26 So if you can think about Disney and they own Star Wars.  
03:29 Well, there's "Star Wars" movies,  
03:31 there's "Star Wars" TV shows,  
03:32 there's "Star Wars" books and so on and so forth.  
03:34 And what we call that is a sort of transmedia storytelling.  
03:37 They're bringing together these various stories  
03:39 from different media and allowing people to track them  
03:43 across those different places.  
03:44 So influencers are getting increasingly sophisticated  
03:47 in how they tell their stories.

03:48 <v ->Definitely, it sounds like a lot more work</v  
03:50 than we may have perceived.  
03:51 So what are some challenges that influencers may face?  
03:55 <v ->Yeah, it is certainly a lot of work,</v  
03:56 especially because it's competitive.  
03:58 It involves this ongoing content production.  
04:00 So influencer burnout is certainly a concern  
04:03 that we hear a lot about in the media.  
04:05 We also hear about concerns  
04:07 of platforms constantly changing.  
04:09 They're changing their algorithm.  
04:11 Am I gonna get an audience?  
04:12 Am I going to be able to break through  
04:14 and engage with people?  
04:16 Audiences are fickle, taste are changing,  
04:18 trends are changing.  
04:19 So you need to kind of be on top of everything  
04:21 that's going on. <v ->Right.</v  
04:22 <v ->And so really requires an active engagement</v  
04:25 with sign up online culture an culture beyond that  
04:29 to stay relevant and keep up with that.  
04:31 And that's just a lot for people to take on.  
04:33 <v ->Yeah, and now for sort of the big question,</v  
04:35 how do influencers make money?  
04:38 <v ->Yeah. So influencers have a variety of ways to make money.</v  
04:41 I'm sure we've encountered some of them directly online  
04:43 and maybe others we haven't. <v ->Right.</v  
04:45 <v ->But one of the primary ways they make money</v  
04:47 is by quote, unquote "Advertising," kind of similar  
04:49 to what you might see a spokesperson doing-  
04:52 <v ->Mm-hmm.</v <v ->On regular TV.</v  
04:53 And so they might create sponsored posts  
04:56 where they get paid by brands.  
04:58 They might also get paid by YouTube  
05:01 or a platform based- <v ->Mm-hmm.</v  
05:02 <v ->On the advertising they bring in.</v  
05:04 They could also act sort of like a salesperson.  
05:07 And so they'll have links included in their post,  
05:09 and if someone clicks on that post  
05:10 and someone buys something,  
05:12 then they'll get what's called an affiliate link  
05:13 or a commission based off of that.  
05:15 So that's sort of one category-  
05:17 <v ->Mm-hmm.</v  
05:17 <v ->Of ways that influencers make money.</v  
05:19 They also have turned  
05:20 to becoming more entrepreneurial in nature.  
05:22 And so what we see is people producing merchandise  
05:26 or creating their own product lines.  
05:27 We see that in cosmetics.  
05:29 There are a lot of well-known influencers  
05:30 who do that- <v ->Mm-hmm.</v  
05:31 <v ->But also people in other domains</v  
05:33 like in fitness or in health.

05:34 And they'll create products around those things.  
05:37 And then the third sort of way that they make money  
05:39 is by selling their professional expertise.  
05:41 So many of them have deep expertise in particular areas.  
05:44 And so they might sell classes,  
05:46 like if you are a fitness influencer,  
05:48 you might sell a fitness class-  
05:50 <v ->Mm-hmm.</v  
05:51 <v ->And provide that experience</v  
05:52 for people to get involved in.  
05:53 Or you might be a performer.  
05:55 So there's an example of someone, Harry Mack,  
05:57 he's a freestyle rapper,  
05:59 and he'll host like live sessions on YouTube  
06:01 and people will tip him in order  
06:03 to get their content integrated into the freestyle raps  
06:06 that he's creating.  
06:07 So there are these three general ways  
06:09 that influencers make money, advertising,  
06:11 entrepreneurship, and professionalism.  
06:13 And they can expand that.  
06:14 They can expand that either by being both an advertiser  
06:17 and an entrepreneur where, you know,  
06:19 you start up producing videos  
06:20 and now you also sell merchandise,  
06:22 but you can also sort of expand across categories.  
06:24 Maybe you start up producing content as a fitness influencer  
06:28 and then you reach broader categories of people  
06:30 by becoming a lifestyle influencer as well.  
06:33 <v ->Wow.</v <v ->So lots of ways</v  
06:34 to increase the amount of income  
06:36 and reward that they get from the work  
06:37 that they're putting in. <v ->Definitely.</v  
06:39 It sounds like it.  
06:40 And this leads me to my next question.  
06:42 How do audiences benefit from sponsored content  
06:45 from these influencers?  
06:47 <v ->Yeah, so typically consumers don't like seeing ads</v  
06:52 like try to avoid it. (Payton laughs)  
06:53 We know we all skip through them-  
06:54 <v ->Mm-hmm.</v  
06:55 <v ->But one of the things that influencers bring is this sort</v  
06:57 of para-social relationship, this trustworthiness  
06:59 that they have with audiences.  
07:00 And so if influencers are introducing new products  
07:04 or telling them how to use them in better ways,  
07:06 that could conceivably be better for audiences,  
07:09 and that's a direct benefit.  
07:11 But even if they don't like those sorts of things  
07:13 that influencers are doing, they still have the opportunity  
07:16 to benefit from more content in the future.  
07:18 Because really influencers, if they're gonna continue  
07:21 to produce content, it has to be viable for them.  
07:23 So they need to make money somehow.

07:25 And sponsored content is one way that they do that.  
07:27 So what we found in our research  
07:29 is that people are forgiving or accepting  
07:31 of influencers producing sponsored content  
07:34 because they see it as a way for them as audiences  
07:37 to get better content in the future,  
07:39 more content in the future,  
07:40 and stay connected to the influencers who they love.  
07:43 <v ->Right.</v  
07:44 And what types of sponsored content do audiences  
07:46 like to see from influencers?  
07:48 What are some examples of that?  
07:50 <v ->So audiences would typically prefer to see content</v  
07:54 that is like authentic and organic,  
07:56 (Payton laughs) that is not sponsored.  
07:57 <v ->Right.</v <v ->Right.</v  
07:58 And so, you know, that would be their first choice.  
08:01 <v ->Mm-hmm.</v  
08:01 <v ->But content that integrates closely into the lifestyle</v  
08:04 of the influencer would be something that appeals more.  
08:08 And then if it's not something they're interested in,  
08:11 content that it's sort of hidden away,  
08:13 like the sponsorship is not the core part of the video.  
08:16 Sometimes, we see videos where it's all  
08:18 about that product- <v ->Right.</v  
08:19 <v ->That the influencer</v  
08:20 is hawking that day. <v ->Mm-hmm.</v  
08:21 <v ->But what we found in our research</v  
08:23 is that people would be more engaged if it's just sort  
08:25 of like a brought to you by moment  
08:26 towards the end of the video. <v ->Uh-huh.</v  
08:28 <v ->And if it's more involved,</v  
08:31 then they wanna hear about the experiences of the influencer  
08:34 because they have that relationship, they trust them.  
08:36 And so they wanna know a little bit more  
08:38 about their experiences with that product  
08:39 rather than presenting dry content.  
08:41 You know, like it can go this fast  
08:44 or it has these ingredients in it,  
08:45 because I can get that from a website.  
08:47 Right? <v ->Yeah.</v  
08:48 <v ->I don't need the influencer to give that to me.</v  
08:49 <v ->Definitely, and what else have you learned</v  
08:51 about influencers from your research?  
08:54 <v ->One of the things that's become really salient</v  
08:55 is just how challenging it is for influencers.  
08:58 We talked about those issues  
08:59 that they face- <v ->Mm-hmm.</v  
09:00 <v ->And so their biggest kind of asset is the audiences</v  
09:04 that they've been able to create.  
09:06 And so, you know, the average influencer  
09:08 that we see doesn't wanna continue  
09:10 to produce content endlessly  
09:11 because that grind

09:12 is so tough for them. Mm.  
09:13 <v ->So what they're looking to do is often like,</v  
09:16 you know, take advantage of that audience that they have  
09:18 and gain more ownership over it, rather than giving it  
09:21 to the platform, which can often decide,  
09:23 you know, do you see that post?  
09:25 Do you not see that post? <v ->Yeah.</v  
09:26 <v ->And so we see influencers trying to develop newsletters</v  
09:30 or create their own websites where they're bringing  
09:32 that audience away from the platform  
09:34 where they have less control and bringing it into a domain  
09:37 where they have more control,  
09:38 so they can actually get more value from the work  
09:40 because we know they're putting in a lot of work.  
09:42 But who's getting that benefit?  
09:44 It's oftentimes the Facebook, the Instagram, the TikTok,  
09:48 and less of it is them.  
09:49 And if they're able to have some of that engagement  
09:52 with audiences on their own platforms,  
09:54 that means that they can be rewarded.  
09:57 <v ->Professor Smith, thank you so much for being here.</v  
09:59 <v ->Thank you so much for having me.</v  
10:00 <v ->Thank you for joining us.</v  
10:01 We'll see you next time on the "On-Ramp."  
10:03 (bright music)