

HOW TO

NEGOTIATE

WITH CREATORS FOR YOUR NEXT

CAMPAIGN



NEOREACH



Negotiating pay is not a new phenomenon in any sense of the word. However, in a world where anyone and everyone can be a content creator at the click of a button, negotiating compensations with influencers has suddenly become trickier and trickier.

Is there a standard formula to follow to find what a content creator should be paid? What if my budget doesn't cover the cost? Are what influencers are negotiating with me fair for them to ask for? These are all great questions! And we have all the answers for you.

MICRO VS. MACRO-INFLUENCERS

AND WHY THE DIFFERENCE MATTERS

As aforementioned, in a world where anyone and everyone can be a content creator, the influencer marketing landscape has to shift to the influx of creators that are all suddenly working in the same space. With this sudden influx of influencers came the invention of Micro-influencers and Macro-influencers; but what are they and what's the difference?

MICRO INFLUENCERS

Micro-influencers are those creators that picked up their phone one day, hit record, and by some stroke of luck racked up tens of thousands or even millions of likes and views. Now, they find themselves having somewhere around 10-50k followers. Though their follower number may not be at the height of the Charlie D'Amelios of the world, their followers tend to be a closer knit community, resulting in higher engagement rates.

MACRO INFLUENCERS

Macro-influencers are the Charlie D'Amelios of the world; their names are near-to household names and people could even consider these influencers to be famous. Macro-influencers are those creators that could have started as micro-influencers and grew their account from there, or were creators with a large following on a different platform already that brought that following over to TikTok, Instagram, or elsewhere.

WHY THE DIFFERENCE MATTERS

As aforementioned, micro-influencers commonly have a smaller circle of followers. This means that when a micro-influencer creates a post their success rate when it comes to likes, views, and comments may vary, but because of their smaller circle, they've still been able to curate a closer knit community that are more likely to engage in their content. With that closer knit community comes more communication between the micro-influencer and their audience.

When it comes to macro-influencers, however, most if not all of their posts will instantly receive thousands of views, likes, comments, and shares. Many macro-influencers excel at engaging with their audiences, but they rarely continue the conversation past a one-word comment.

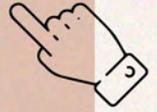


So why does the difference matter?

Credibility: viewers are more likely to believe a micro-influencer is credible when promoting a product or service.

Cost: micro-influencers will cost you less but you'll be able to figure out a cap on your reach based on their engagement.

Reach: macro-influencers, though will cost you considerably more than a micro-influencer, will get you a considerably higher reach for your product.



Knowing what your money would get you when pursuing influencer marketing is half the battle. The other half is knowing what—or in this case, who—you can afford according to your budget.

According to Brittany Bright, the founder of The Influencer League, a platform dedicated to educating creators about being a creator, an influencer's following, reach, and engagement should determine their base and final rates include additional factors such as usage and exclusivity.

HOW RATES HAVE FLUCTUATED

IN RECENT YEARS

Intellifluence, an influencer marketing platform that helps influencers and brands that are wanting to work with each other find each other with ease conducted a survey surrounding influencer compensation both in 2021 and in 2023 and the fluctuation between those two years was shocking.

Joe Sinkwitz, CEO and co-founder of Intellifluence, stated, "In 2021, when the initial survey was conducted, we were a bit surprised to see how compensation stopped following a linear path after a certain audience size, suggesting a shift in the supply and demand curve for celebrity type influencers. That curve helped to explain why larger accounts are able to charge significantly more than the standard \$0.01-\$0.20 per follower rate that still pervades the industry."

Sinkwitz is right, the industry is still very stuck in its ways, but Bright says that, "The days of \$100 for every 10k followers is over. The most recent rule of thumb of '4% of your overall following' has merit, but it's still a starting point, and doesn't take into account everything a creator needs to consider when pricing their rates."

2021 Influencer Compensation Report

"DO YOU BELIEVE YOU ARE BEING FAIRLY COMPENSATED FOR YOUR WORK?"

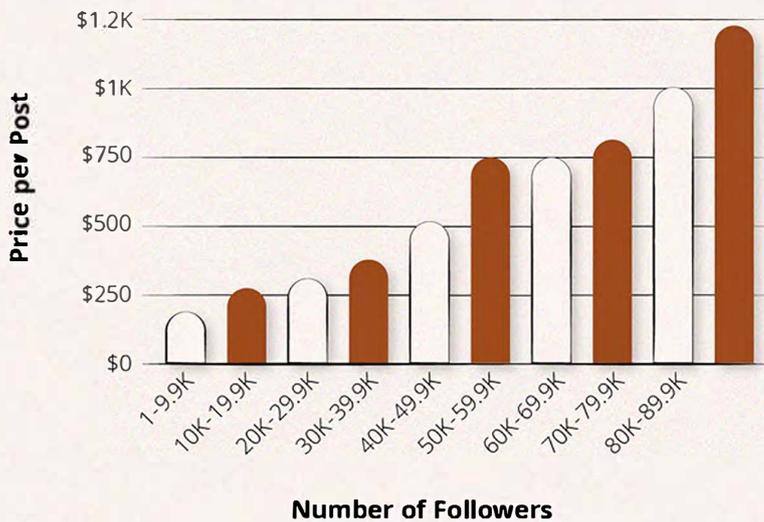


Yes 30.4%
No 27.8%
I'm not sure 25.1%
It depends 16.7%



In their 2021 survey, Intellifluence found that 41% of influencers do not feel as if they are being compensated fairly for the service they are performing for brands' products or services. An important note to add is that Intellifluence did not ask this question to their influencers surveyed in their 2023 influencer compensation survey.

From here, Intellifluence asked their influencers how much compensation they expected to receive from a typical post/campaign. Another interesting note from the two case studies is that in 2021 Intellifluence asked creators about how much compensation they expected to receive from a typical Instagram, Twitter, Facebook, and YouTube post. In 2023, Intellifluence asked how much compensation they expected to receive from a typical Instagram, Twitter, Facebook, YouTube, and TikTok post.



2021 Influencer Compensation Report

"HOW MUCH CASH DO YOU EXPECT FOR A TYPICAL INSTAGRAM POST?"



2023 Intellifluence Compensation Report

"AS OF TODAY, HOW MUCH DO YOU EXPECT TO BE PAID FOR A TYPICAL INSTAGRAM CAMPAIGN?"



As you can see here, in 2021, Intellifluence broke down their survey based on the number of followers further than they had in 2023 because influencers reported pay ranges that continuously went up on a linear scale until they hit 100k followers. Once reaching that threshold, their pay suddenly skyrockets far above anywhere near those of what the other creators were reporting. Why is this the case? Celebrity influencers are in high demand and therefore request for higher compensations.

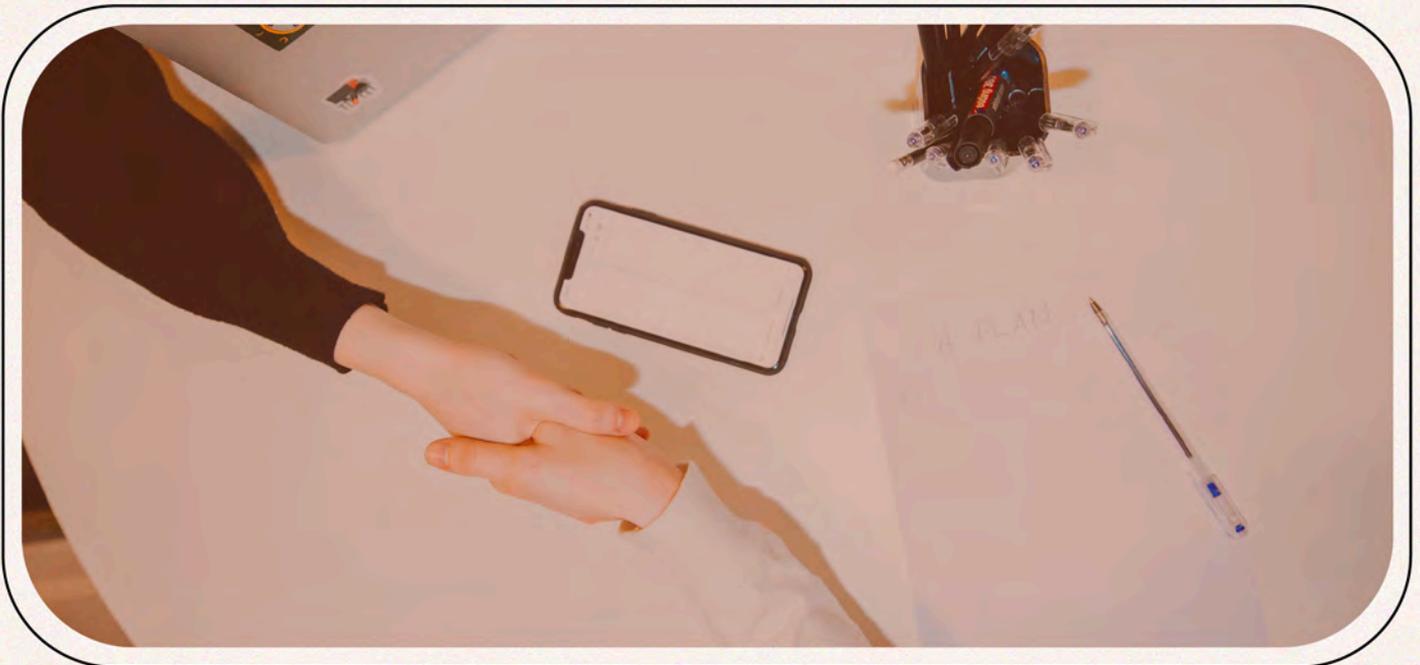
Since many smaller influencers are hobbyists or not completely full-time, they're willing to take smaller sums of money. With this in mind, that doesn't mean businesses should be underpaying micro influencers as they "sometimes provide better ROI when hiring many micro influencers than single big influencers."

CONCLUSION

The influencer marketing industry is ever changing and that means that the way that we have to think about how influencers are being compensated needs to change with it. Influencers know their worth and businesses and brands know it too.

Therefore, businesses must put in that same effort to offer them the compensation they deserve, and if they are unable to, not hiring that specific influencer for the campaign is always an option and always everyone to leave the exchange amicably.

If you want to harbor healthy and wonderful relationships with influencers, you need to consider their background outside of content creation and what they will bring to your campaign!



Resources

- <https://www.dashhudson.com/blog/micro-vs-macro-influencers-when-to-tap-and-why#:~:text=Macro%2Dinfluencers%20have%20a%20higher,audience%20than%20micro%2Dinfluence%20content.>
- <https://www.buzzfeed.com/alexalitzta/heres-how-much-creators-should-charge-per-post>
- <https://www.agilitypr.com/pr-news/public-relations/2021-influencer-compensation-new-research-reveals-emergence-of-a-new-pricing-paradigm/>
- <https://www.agilitypr.com/pr-news/public-relations/influencer-compensation-in-2023-new-research-explores-rate-fluctuations-impact-of-inflation/>