



IPSOS AFFLUENT INTELLIGENCE

AFFLUENCERS & THE POWER OF AUTHENTIC INFLUENCE



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INTRODUCTION

While Influencer Marketing may be the marketing buzzword of the moment, at Ipsos Affluent Intelligence, we've been focused on helping companies understand Affluent Influencers, or "Affluencers" for over 40 years. Affluencers – the most influential consumers in every category – are the category enthusiasts, early adopters, and heavy spenders who others turn to for advice and recommendations.

Most of them are not celebrities, vloggers or social media stars. Affluencers' influence isn't based on social status or vanity metrics, but on authenticity, and is built from the ground up. At IAI, we've always been interested in understanding who these consumers are, what their needs and desires may be, and how they differ by behaviors, experiences and expectations. We've leveraged the data from our IAI Affluent Study and our quarterly Barometers to build a model of this authentic influence to help brands create products, content and activations that resonate with this all-important audience.

Michael Baer
Head of Audience Measurement/Ipsos Affluent Intelligence

THE RISE OF INFLUENCE

There's no argument that the marketing and media world is more complex, complicated and challenging than ever. Issues such as massive media fragmentation; the unending decline of mass media; digital media supply-chain problems such as viewability, ad fraud and bots; and the growth of ad blocking software have made it harder than ever to know who your audience is, how to engage them and whether you've even reached them at all. That's why the idea of Influence is so powerful. The possibility of identifying, understanding, and engaging with a disproportionately powerful and influential audience – one who can help distribute your brand's message and offerings and ignite their network around them – is a compelling idea. This is what's behind the rapid and seismic growth of Influencer Marketing.

Influencer Marketing is defined as a form of marketing that identifies and targets individuals who have influence over potential buyers. And its manifestation in the marketing world has marketers and agencies paying social media celebrities with large followings to promote brands to their networks. But given a moment to think about it, what consumer would say that celebrities are the most influential people in their lives? When they have a complex investment question, need help picking an off-the-grid vacation destination, or are considering a new smart home purchase, each knows whom in their personal network to ask for advice. And it's more than likely to be someone with a high degree of enthusiasm, expertise, in-market experience and spending in the category in question.

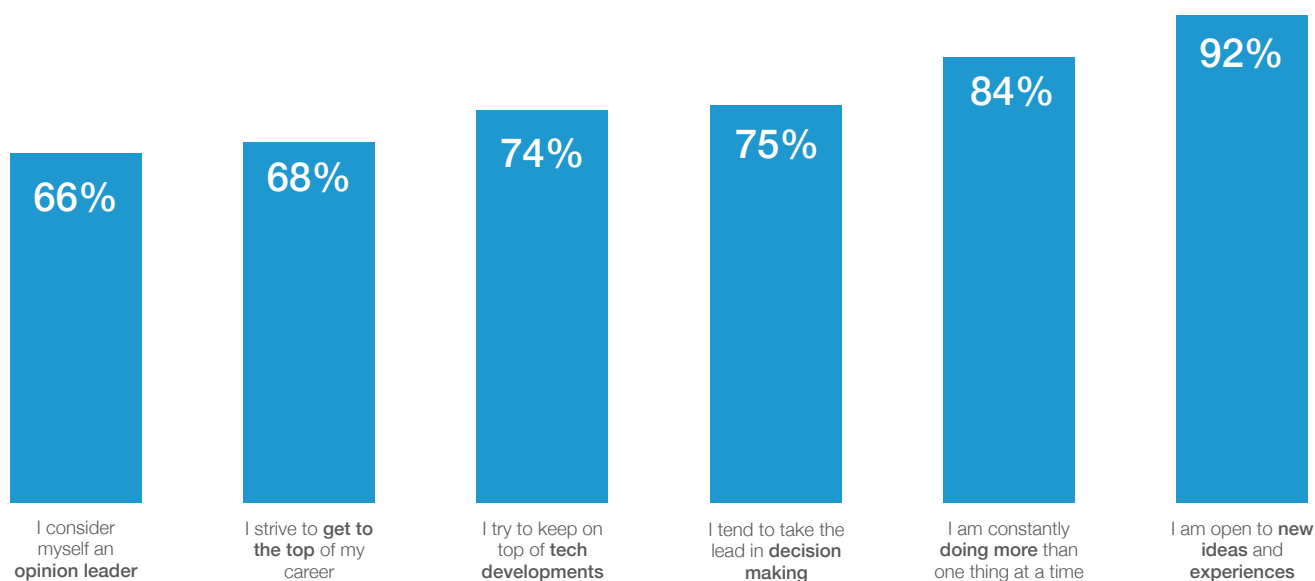
AN IMPRESSIVE GROUP OF CONSUMERS

We have leveraged data from our continuously fielded Affluent Survey to identify this powerful group of influencers – those whose influence has been built authentically from the ground up. These affluent influencers – whom we call Affluencers – are driving the adoption of new trends and brands in every category, and not just due to their buying power. They also influence the shopping and purchasing of others.

The IAI Affluent Survey measures influential behaviors and activity in 22 different categories. It's naturally at the category level that these Affluencers are most powerful to brands and marketers – where they demonstrate their category involvement, passion and influence over others. But it's also interesting to group all 22 category Affluencers into a broad group of general Affluencers. We see that, even across different interests, behaviors and passions, Affluencers are a similarly unique breed.

Demographics, median age and other traditional attributes by definition differ across all Affluencer categories (e.g., Financial Affluencers are obviously made up of very different types of people than, say, Women's Apparel Affluencers). But across all Affluencers, we see enormous commonality – they are nearly universally active, career-driven opinion leaders, risk takers and decision makers who are open to new ideas.

Affluencers are Career-Driven Decision Makers and Leaders

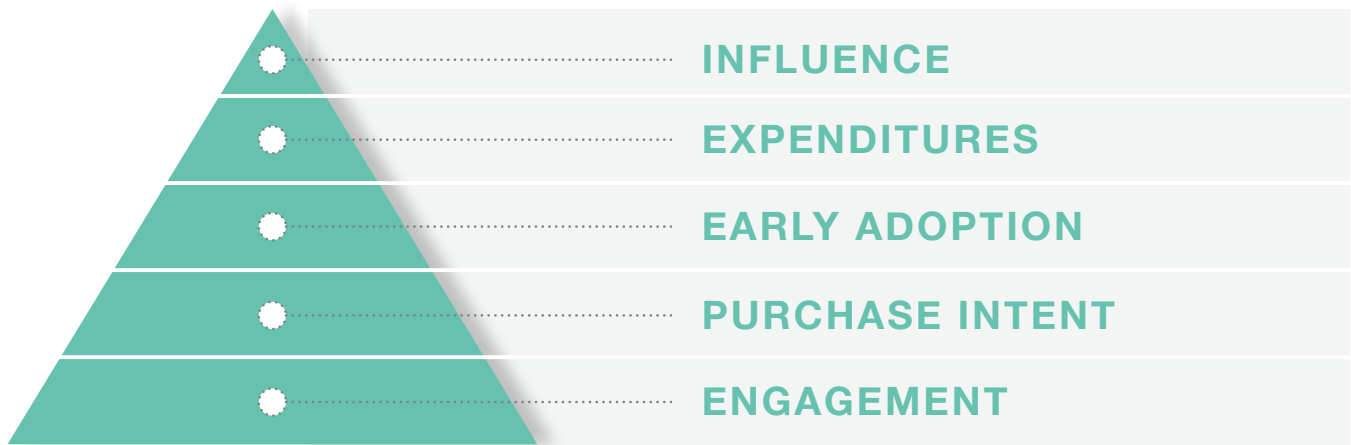


Definitely agree/Tend to Agree
Source: Ipsos Affluent Survey Fall 2018

THE AFFLUENCER PYRAMID

In addition, they are all highly influential in their own realms and interests. Again, using IAI Affluent Survey data, we have developed a model of influence – which we call the Affluencer Pyramid – that shows how influence can be earned and built authentically, from the ground up.

Influence is at the top of the pyramid because it's the high ground for consumers (and most desirable for marketers) – they're not just buying brands/products for themselves but influencing the shopping and buying habits of others. But we've found that influence can only be earned literally from the bottom up, via the other four layers of the pyramid: high category engagement, consistently high purchase intent, early adoption in the category, and very high category expenditure. It's these behaviors that earn a consumer their influence.



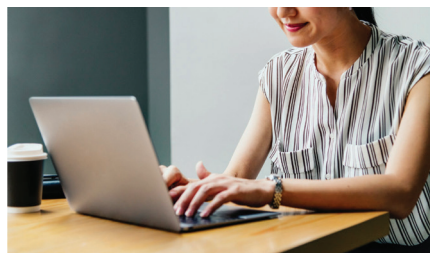
ENGAGEMENT

To begin with, Affluencers are passionate, category enthusiasts who read, watch, listen to, and surf vertical, category content significantly more than non-Affluencers. They say they like to stay up to date on category content and that they like to be the first to know about new products, services and innovations. Affluencers are voracious consumers of all category content – from magazines to websites to consumer reviews to Vlogs to videos to podcasts. They research and stay engaged almost as if it's their job.

Because of all this research, overall they are heavy media consumers. Affluencers in general read 1.5 times as many publications than non-Affluencers, index 134 for time spent online, and 167 for time on social media. When it comes to social media, they not only are reading content and reviews to enrich their category expertise, they're also posting ideas and links that express their opinions.



PUBLICATIONS READ
Index 151



HOURS SPENT ONLINE
Index 134



SOCIAL MEDIA
Index 167

We see even more intense engagement levels when we look at the category-specific content consumption of category Affluencers. For example, Financial Affluencers and Travel Affluencers are nearly 2.5 times as likely to read category publications than non-Affluencers. Technology Affluencers are nearly 4 times as likely to watch tech programming. Auto Affluencers are over 4 times as likely to say they follow developments in the auto world.

They *lean in* to their categories



Read Business/
Finance Pubs
Index 244



Read Travel
Pubs
Index 245



Watch Tech
Programming
Index 382

FINANCIAL AFFLUENCERS

TRAVEL AFFLUENCERS

TECH AFFLUENCERS



Follow Auto World
Developments
Index 404



Watch Beauty/
Fashion Programming
Index 361



Read Shelter
Pubs
Index 165

AUTO AFFLUENCERS

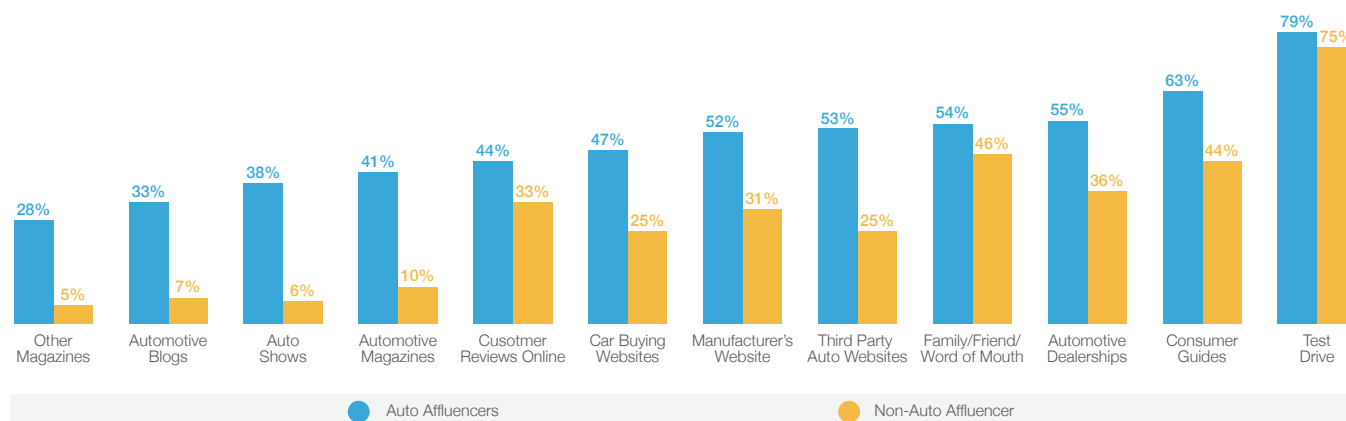
FASHION AFFLUENCERS

HOME AFFLUENCERS

Source: Ipsos Affluent Survey Fall 2018

In fact, auto affluencers demonstrate they are ravenous consumers of category content from the very beginning to the end of the purchase cycle – to the tune of 2, 3, 4, even 5 times that of non-Affluencers across each touchpoint.

Top 12 Sources of Information When Deciding Which Car to Buy



Source: 2018 IAS and Q3 2018 Barometer

A very positive side-effect for marketers of Affluencers' category engagement is they also view advertising more positively than non-Affluencers. This makes sense, since Affluencers aim to know what's new in their category – and advertising and marketing content helps them do that. As you can see, Affluencers index 120+ on "Advertising helps me learn about new products and services". This direct question is likely a tough question to answer yes to (who admits that advertising *helps* them do anything). But we see even higher skews for the statements "products with great ads usually are *higher quality*" and "I have *bought a product* due to great advertising."

Affluencer category	Advertising helps me learn about new products/services	Products with great ads usually are higher quality	I have bought a product due to great advertising
	122	205	166
Banking	120	202	165
Home Design	123	202	171
Life Insurance	124	231	181
Personal Care	121	187	164
Cosmetics	126	216	180
Watch/Jewelry	126	241	196
Women's Fashion	123	204	176

Source: Ipsos Affluent Survey Fall 2018

PURCHASE INTENT

Affluencers also demonstrate significantly higher purchase intent than non-Affluencers. This isn't surprising since their category engagement and content consumption aligns with in-market behavior to begin with. When asked their intent to purchase, across all categories, Affluencers are significantly more likely (some categories even 4-5 times more - see below chart) to say they plan to purchase in the category in the next 12 months. Affluencers, as a group, index 228 on "Sometimes I treat myself to something even though I don't need it," a reasonable demonstration of being constantly in-market.

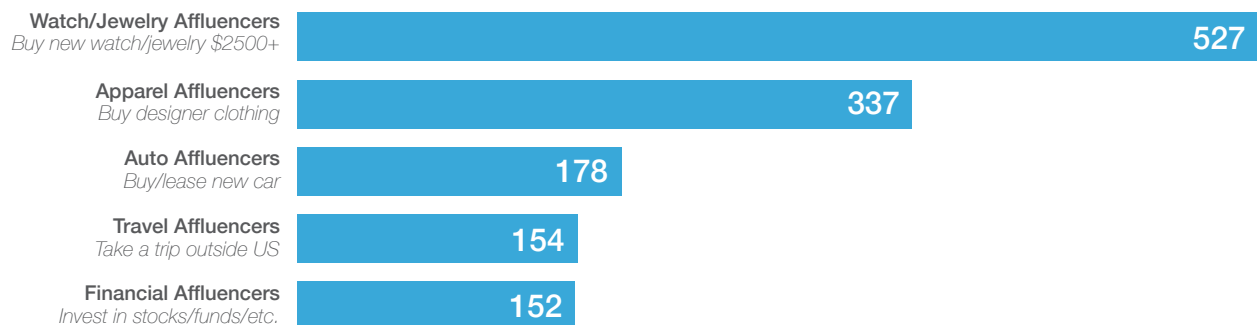
"Sometimes I treat myself to something even though I don't need it."

228 INDEX

Top box agreement

And, within many of the specific categories, this "always in-market" behavior is even more dramatic. For example, Jewelry and Watch Affluencers are more than 5 times as likely as non-Affluencers to say they plan on buying new high-end jewelry/watches in the next 12 months. Similarly, Women's Apparel Affluencers are nearly 4 times as likely to say they plan on buying designer clothing. In the auto industry, we see that Auto Affluencers are nearly twice as likely to say they're in-market for a new car this year (and also happen to be nearly twice as likely to have bought or leased one last year, literally showing they are practically always in-market).

Plan to....(In the next 12 months)



Source: Ipsos Affluent Survey Fall 2018

EARLY ADOPTION

The third level of the Affluencer Pyramid is early adoption. Affluencers are significantly more likely to be the first to try and buy new products and services. In fact, we've studied a number of categories that are being disrupted by new products, technologies and innovations (e.g. FinTech, Smart Home, Automotive). In each case, it's the category Affluencers who are the first to embrace these new category offerings – and then are the ones helping to spread adoption to the early majority.

There are several key reasons that Affluencers are likely to be early adopters. First is their high category engagement. They are likely to be the first to learn about the new developments and products in their category – so they also tend to want to be the first to try them.

The second reason comes from within their DNA. As mentioned, they tend to be risk takers, which is exactly what being an early adopter requires – you're buying a product without a lot of reviews, without much network support, and with a chance that it won't live up to expectations. The Affluencer is prepared psychologically to assume that risk.

Finally, let's not forget that they are affluent to begin with and are more likely to have the financial means to experiment.

For all these reasons, Affluencers are more than twice as likely to say they're the first of their friends and network to try new products and services (index 234). And in many of the specific categories it's even much higher than that.

For example, Entertainment Affluencers are the people standing in long lines for hours and hours on movie opening weekends (index 274). Tech Affluencers are similarly the first to buy new tech products (index 284) - which also sometimes involves waiting for hours in lines. But early adoption doesn't have to be only about big cultural events or tech innovations. Affluencers are also variety seekers who crave new offerings in the categories they are passionate about. For example, Wine & Spirits Affluencers are significantly more likely to like to try new and different liquors (index 238) than non-Affluencers. This is why we say that Affluencers are doing now what everyone else will be doing next.



Entertainment Affluencers

See movies opening weekend **274**



Tech Affluencers

First to buy new tech products **284**



Alcohol/Spirit Affluencers

Like to try new/different liquors **238**



Auto Affluencers

Prefer vehicles with latest tech **151**

Source: Ipsos Affluent Survey Fall 2018

**Affluencers are doing
now what everyone
will be doing next**

CATEGORY EXPENDITURE

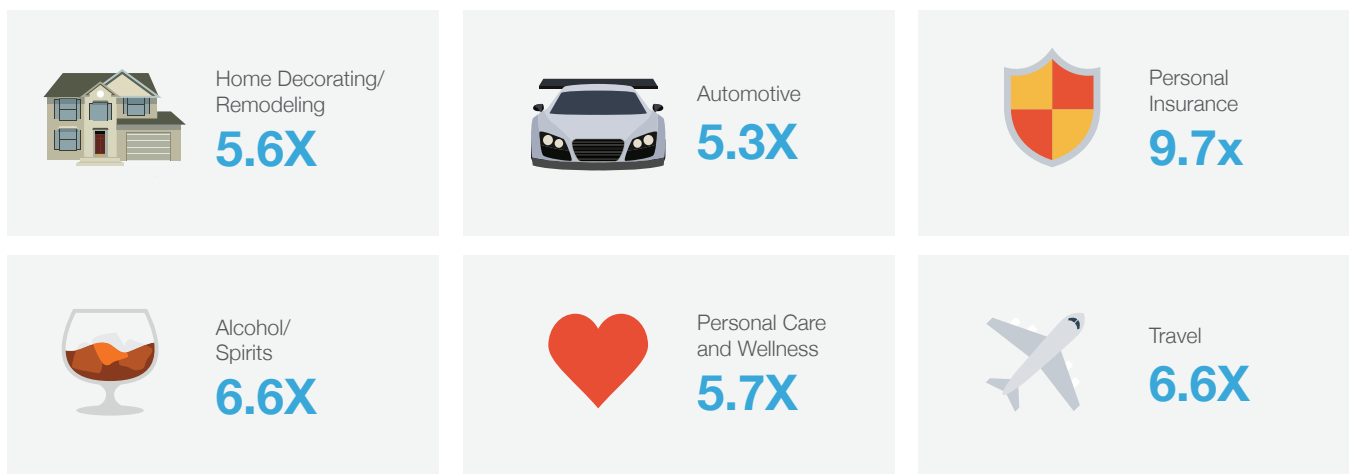
It won't come as a surprise that Affluencers represent a hugely disproportionate amount of category spending. When you take intrinsic interest and enthusiasm; combine it with being constantly in-market; add in a desire to be the first to try new products; and also the fact that these folks are affluent – you get category spending levels 5-10 times those of non-affluent consumers.

Home and Remodeling Affluencers, Women's Apparel Affluencers, and Auto Affluencers all spend more than 5 times non-affluents in those categories. Travel and Spirits Affluencers spend nearly 7 times more. Personal Insurance Affluencers spend 10 times more when compared to the non-affluent. These figures alone should suggest that a focus on a brand's category Affluencers would be more than worthwhile.

Category Interest
+ In-Market
+ Early Adoption
+ Affluence

5-10X Category \$

In the specific categories they influence, Affluencers may spend up to 10x more than Non-Affluencers.

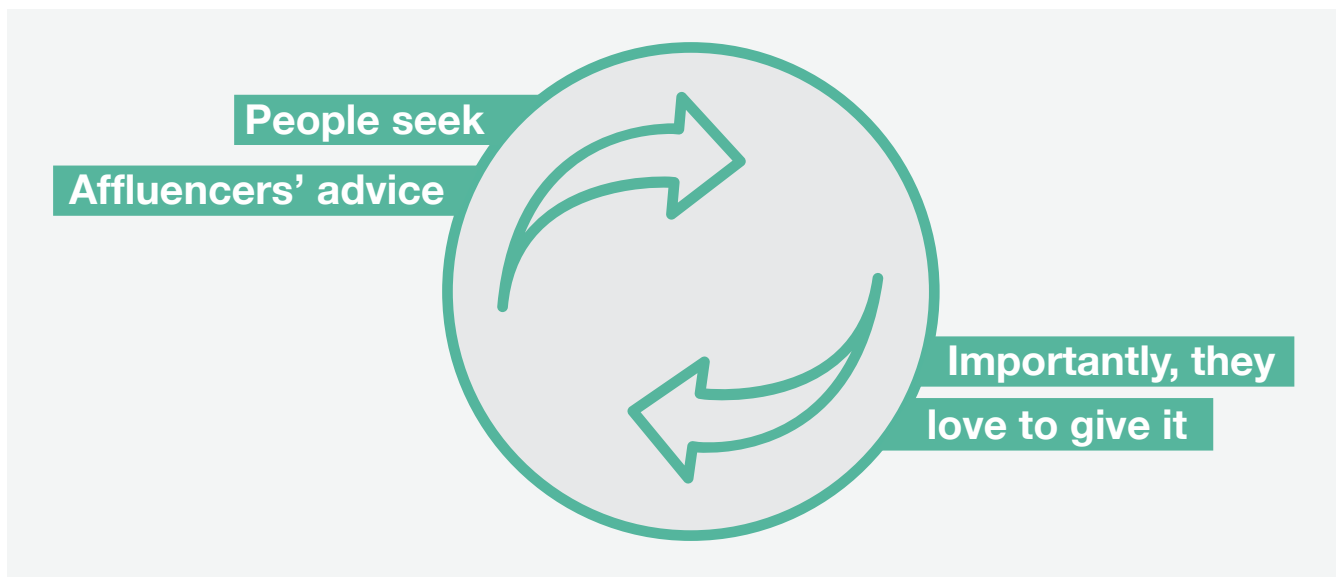


Source: Non-Affluent Spending Data: US Consumer Expenditure Study

INFLUENCE

Affluencers thus become influential via these first four layers of the Affluencer Pyramid. It is through their authentically earned category expertise, their in-market experience and their high category spending that their advice and recommendations become in-demand by others.

What's more – it's a virtuous circle. Non-Affluencers want the help and advice of those with so much category experience. And Affluencers like sharing their knowledge. In fact, nearly a quarter of them (23%) say they view it as their responsibility to help their friends make good purchase decisions.

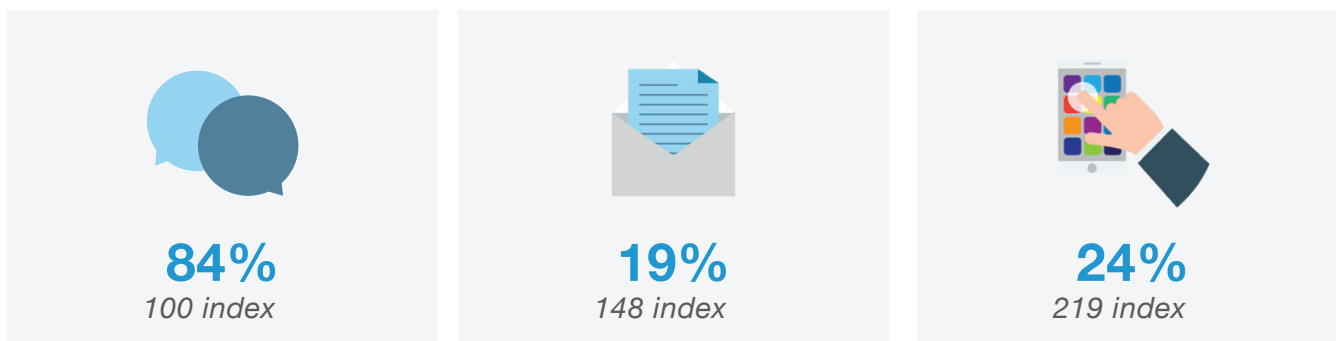


Channels of Influence

We have also dug into *where* Affluencers influence others. No surprise, the majority say one-to-one (in person or on the phone) – as that is generally how people seek advice and recommendations. Even non-Affluencers say that if/when they give advice, it's one-to-one (hence the 100 index for Affluencers).

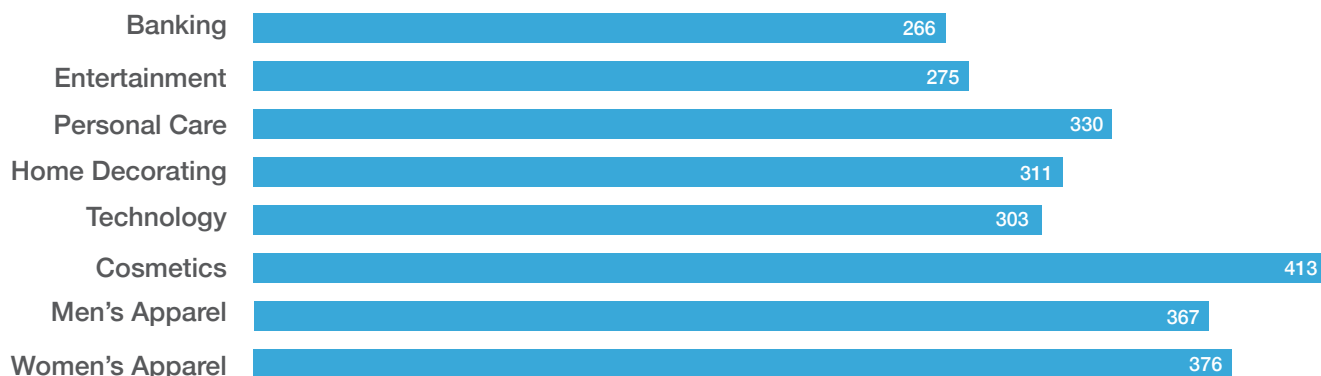
Where Affluencers separate themselves from non-Affluencers is digitally. First, nearly 20% of them say they use email when influencing (index 149). But it's social media where they totally differentiate themselves. Nearly a quarter of all Affluencers say they use social media to influence others (index 219).

Where They Influence



Source: Ipsos Affluent Survey Q4 2018 Barometer

And many of the specific category Affluencers are even more heavily skewed towards social media influence – even in categories that aren't obviously social media intensive, e.g. Banking Affluencers (index 266) and Personal Care Affluencers (index 330). Where we see social media influence skewing highest is in the categories that are naturally more conducive to social media – fashion and beauty. The percentage of these category Affluencers that say they use social media to influence others is nearly 50%.



Source: Ipsos Affluent Survey Q4 2018 Barometer

Our data also shows what behaviors Affluencers use to influence through social media – and, no surprise, they are heavily engaged in a number of influential sharing behaviors. Affluencers index 203 on “commented about great product experience”, 319 on “provided informative links about products on Facebook” and a whopping 405 for “shared feedback on products and services”. And the same data for the more social media intensive categories is 1.5 - 2 times as high. Clearly, category Affluencers are social influencers, keen on sharing experiences and information that helps and influences the behaviors of others.

Affluencers are extreme social sharers



Affluencers



Women's Apparel



Automotive



Cosmetics



Technology

	Affluencers	Women's Apparel	Automotive	Cosmetics	Technology
Share feedback on Products and services	23% 405 Index	40%	34%	40%	32%
Provide informative links about products on Facebook	15% 319 Index	25%	25%	24%	22%
Commented about great product experience on social media	20% 203 Index	28%	27%	27%	28%
Regularly influence friends to buy particular products/services	18% (top box) 570 Index	33%	26%	29%	26%

Source: Ipsos Affluent Survey Q4 2018 Barometer

SUMMARY

Affluencers are category enthusiasts who are nearly always in-market. As a result, they are often the first to try new products and services and it's their spending that drives category growth.

Their innate drive for research, combined with their in-market experience and a sense of responsibility for helping others helps Affluencers earn their influence authentically.

Given the weight Affluencers carry across every category, it's important for marketers to understand just who these Affluencers are, how they behave, where they find inspiration and how they share their discoveries.

ABOUT IPSOS AFFLUENT SURVEY USA

Ipsos Affluent Intelligence began our Affluent study over 40 years ago because we understood that Affluents are one of the most powerful and influential target audiences across all industries, driving revenue, adoption of new technologies and experiences, and influencing purchases among their peers and network.

Affluents control the lion's share of U.S. household net worth and outspend non-affluents in virtually every category. Consequently, marketers of everything from automobiles to watches, technology to media, and entertainment to travel rely on capturing both the share of wallet and share of mind of this critically important group.

For the purposes of this White Paper, the definition of Affluents is adults aged 18 and over, living in households with at least \$125,000 in annual household income. Data presented here are from the Fall 2018 Ipsos Affluent Survey USA, which consists of online interviews of 24,503 respondents and a Q4 2018 re-contact of 1,000 IAS respondents.

For more information:

<http://www.ipsos-na.com/go/affluentsurvey>

<http://www.twitter.com/affluentintel>

Michael.Baer@ipsos.com

IpsosAffluentIntelligence@ipsos.com

