

# INFLUENCERS + RETAIL

# DIGITAL DISRUPTION IN THE MARKETPLACE

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This presentation shall not be construed as legal advice



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# WHAT IS AN INFLUENCER?

“An influencer is an individual who has the power to affect purchase decisions of others because of his/her authority, knowledge, position or relationship with his/her audience.”

“An individual who has a following in a particular niche, which they actively engage with. The size of the following depends on the size of the niche.”

- [Influencemarketinghub.com](https://influencemarketinghub.com)

# WHAT IS A MICRO INFLUENCER?

“Micro influencers are creators on social media platforms who typically have between 1,000 and 100,000 followers. These creators typically build followings around niches like travel, fashion, beauty and photography, and cultivate communities surrounding their content. Many of them interact with fans and followers regularly and, as a result, micro influencers may sometimes see high engagement and active audiences.”

- [Mediakix.com](https://www.mediakix.com)

# EVOLUTION OF INFLUENCER MARKETING

- Affiliate Marketing
  - 10%
- Brand Deals
  - One-off campaign that is integrated into the influencer's content
- Brand Ambassador
  - Aimee Song x Laura Mercier – unprecedented one-year deal in beauty in 2017

# EVOLUTION OF INFLUENCER MARKETING

- Appearances
  - In-Store appearances that drive in-person traffic
- Licensing
  - Something Navy x Nordstrom - \$1M in sales in less than 24 hours during initial launch
- Collaboration
  - Sterling Ruby x Calvin Klein



# EVOLUTION OF INFLUENCER MARKETING



# How Does This Affect Advertising REGS?

The FTC has jurisdiction over all advertising on social media and created Endorsement Guidelines for brands and social media influencers to follow regarding appropriate disclosures.

There are “blessed” disclosures, there are disclosure that are deemed insufficient and there’s the grey area – where brands and influencers get creative and where lawyers get nervous.

# GENERAL SOCIAL MEDIA GUIDELINES

- A disclosure in the form of #ad, #sponsored or some other clear and conspicuous form must be included if the influencer has a material connection to the brand
  - There is a “material connection” when the influencer receives any form of consideration from the brand
  - “Consideration” can be in the form of payment, a free product, the opportunity to attend an event
- A material connection can mean the influencer is an employee or owner of the brand
  - Employee is required to disclose its relationship to the brand when posting in favor of the brand, e.g., #LAEDCEmployee



# QUESTIONS?

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