# The brand's guide to community advertising

Tactics to tap trusted sources, from influencers to affiliate marketing, via retail media



**DIGIDAY | Best Buy. Ads**<sup>\*\*</sup>

### Who's in this guide

<u>Ryan Diehl</u>, director of affiliate and partner marketing, Best Buy Ads

<u>Allison O'Keefe</u>, senior influencer marketing manager, Best Buy Ads

Emma Heaton, affiliate and influencer manager, Best Buy Ads

<u>David Bowler</u>, onsite product reviews program manager, Best Buy Ads As brands work to cut through the noise and reach engaged audiences, they are increasingly leveraging community advertising to build lasting relationships with consumers.

According to <u>McKinsey</u>, brands see high returns from participating in digital communities to earn engagement and loyalty. Community as a whole has become a focus for brands as shoppers increasingly trust the recommendations and behaviors of people most like them. In light of that trend, community advertising takes this focus a step further, as marketers engage with groups of like-minded individuals, typically in online environments via influencer marketing, onsite product reviews and affiliate networks to establish genuine community connections – fostering loyalty and positive brand perception. And while brands increasingly want to build their own communities, they are also tapping into existing communities that consumers know and trust to deliver authentic messaging to engaged audiences who value the opinions of trusted, third-party sources.

To facilitate these relationships with existing communities and third-party sources, brands are turning to retail media networks. Operated by retailers or e-commerce platforms, RMNs create advertising spaces within their owned and operated channels as well as across the web and in-store to connect brands with their shoppers. Through partnerships with RMNs, brands can integrate community advertising strategies to enhance their reach and impact within specific niches or target audiences.

"Amplifying a brand's message through these communities can lead to a more authentic connection with a brand and help drive customer awareness, consideration and, ultimately, conversion," said Ryan Diehl, director of affiliate and partner marketing at Best Buy Ads. "Retail media networks like Best Buy Ads spend years cultivating strong, longstanding relationships with our community partners to build trust and develop turnkey operations to scale campaigns and maximize results on behalf of brands."

In this Tactics + Insights guide, Digiday and Best Buy Ads explore how brands leverage RMNs and community advertising to drive customer consideration and conversions. By emphasizing honesty in influencer content and product recommendations, brands build trust while capturing the attention and loyalty of everyday consumers.



# Throughout the funnel, influencers are connecting brands with their communities

Across sectors, brands use influencer partnerships for upper- and lower-funnel activities, including driving awareness and consideration among new audiences and conversions through unique content and affiliate links. As part of the community ad toolkit, influencer marketing allows brands to tap into creators' pre-existing communities or followings to promote products or services through authentic and relevant messages.

While much of the conversion around influencers has long centered on mega and macro influencers with broad reach, brands are also collaborating with influencers with smaller followings. Nano-influencers <u>are categorized</u> as creators with 1,000–10,000 followers, while micro-influencers are creators with 10,000– 100,000 followers. For brands, micro- and nano-influencers are a lower-cost alternative to mid-, macro- and mega-influencers (whose audiences range from 100,000 to more than 1 million followers).

# Why brands are engaging with RMNs for influencer marketing

As retail media networks launch their own influencer networks, brands have new ways to leverage strategic partnerships. In addition to their in-house programs, RMNs like Best Buy Ads engage with platforms and affiliates like LTK and MagicLinks depending on campaign goals, objectives and target audiences.

By partnering with RMNs on influencer marketing, brands unlock more efficient processes and rates.

"Our clients can further drive qualified action by pairing engaging influencer content with our proprietary customer database and prior product history, along with strategically developed targeting," O'Keefe said. "This fuels overall influencer campaign performance beyond what brands can achieve on their own."

According to Emma Heaton, affiliate and influencer manager at Best Buy, affiliate networks allow brands to scale their influencer campaign efforts to drive consideration and conversion by leveraging proprietary affiliate sales data.

"Unlocking affiliate data at the SKU level allows us to build out campaigns to drive results for brands," Heaton said. "We also gain efficiencies through mixed payment models and the resulting halo effect." Regardless of the size of their followings, influencers are known for maintaining strong connections with audiences, creating a sense of community around shared interests or values.

"Influencer marketing is an increasingly maturing channel, and we recommend advertisers engage with a mix of both micro- and macro-influencers for full-funnel objectives and content creation," said Allison O'Keefe, senior influencer marketing manager at Best Buy. "While it can be cost-effective to work with micro- and nano-influencers, brands can also unlock greater efficiencies of scale by working with fewer mega- and macro-influencers versus managing a larger volume of content from micro-influencers."

Whether they're creating content for channels like Instagram, TikTok and YouTube, influencers' approaches differ. Micro- and nano-influencers often create lo-fi, relatable content like peer-to-peer product reviews, while mega- and macro-influencers offer more professional, developed content styles that reflect their credibility and expertise.

O'Keefe advised against providing influencers with a script or verbatim brand messaging. Instead, the recommendation is to allow them enough time with products to speak authentically about their experiences and demonstrate the products from their unique point of view.

The visibility of influencers participating in a paid influencer campaign leads to increased organic affiliate promotion of the brand or related products as other influencers work to get noticed, expanding both consideration and sales.

#### **Tactics and insights:**

- Brands are partnering with influencers with followings of all sizes to support full-funnel activities, such as brand awareness and conversions.
- Giving influencers creative freedom on their projects, rather than providing a script, results in more authentic and engaging content.

# Affiliate partnerships are community conduits during discovery and consideration

Brands are partnering with trusted third-party sites specializing in content and cash savings to reach consumers researching new products.

Through affiliate marketing, publishers earn commission by promoting an advertiser's product or service through an affiliate link. As part of a community advertising strategy, these partnerships allow brands to tap into publishers' existing relationships with particular audiences or communities. The content – created independently of advertisers – reflects publishers' audiences' unique characteristics and interests, resulting in authentic and impactful messaging.

For example, leading publishers such as Wirecutter and CNET create in-depth product breakdowns, best-of lists and other content to offer consumers a reputable analysis of products, leveraging professional writing and SEO. This content is resonating with consumers. A <u>recent survey</u> shows seven in 10 consumers enjoy reading online articles before purchasing.

Advertisers are seizing the opportunity to work with these publishers and keep a brand's product or message top-of-mind when customers are ready to make an informed purchase. <u>Research</u> shows that half of U.S. marketers are using affiliate marketing throughout the purchase funnel – from awareness and consideration to acquisition and conversion.

However, while many consumers visit affiliate and cashback sites and apps as part of their regular routines, not every community fits every advertiser. Therefore, brands and retailers must have insights into which users their affiliate partners reach.

"We work with hundreds of consumer electronics-based and lifestyle-based publications and understand the strengths of their unique audiences," Diehl said. "Using these audience insights, we work with brands to reach the right audiences based on the brand's campaign objectives."

## **Tactics and insights:**

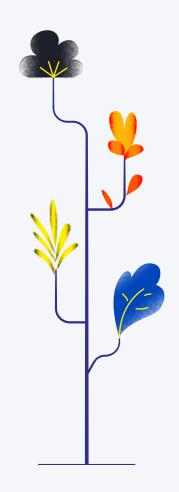
- Affiliate partnerships allow brands to tap into publishers' existing relationships with their communities.
- Content from online destinations, including product breakdowns and best-of lists, provides consumers with trustworthy analysis of products and services.
- Advertisers and brands need to work with publishers who have robust audience insights so campaigns can reach relevant users.

# Onsite product reviews build credibility and fuel community conversations

Onsite product reviews are a potent form of community advertising, allowing brands to connect with consumers through genuine and user-generated feedback. Reviews fuel dialogue as customers share experiences, insights and recommendations within a brand's online space.

As consumers have become inundated with different products and services, peer online product reviews have become essential for shoppers to cut through the noise and feel confident about their purchases.

According to <u>research</u>, 98% of customers read reviews before they shop, and online reviews affected \$3.8 trillion in revenue in 2021 alone. Brands are bringing these reviews to the forefront, highlighting them on product pages to share the perspectives of knowledgeable customers. This approach fosters a sense of community trust among consumers and prospects.



Advertisers are engaging in product seeding to drive reviews of new products. This involves sending new products to consumers who specialize in giving honest, thoughtful and informative feedback. RMNs streamline the process by identifying engaged and passionate community members for these opportunities and sharing best practices. For instance, Best Buy's Tech Insider Network members receive training on FTC guidelines, product seeding logistics and the importance of writing thorough reviews to help other customers make informed purchases.

"There's a misconception that a seeded review must be a positive review, but that's not true," said David Bowler, onsite product reviews program manager for Best Buy Ads. "As long as the reviews are honest and educated, we know that products with 20–30 onsite reviews early in the product's lifecycle have a higher conversion rate and a lower return rate."

By implementing <u>policies against fraudulent testimonials</u>, brands benefit by making their review sections more trustworthy. This creates a community-driven atmosphere where customers feel heard and valued.

Advertisers and brands also encourage onsite product reviews by offering consumers incentives, such as discounts or reward points. For instance, the Best Buy Ads Review Accelerator program prompts shoppers to provide feedback in exchange for an instant Best Buy reward certificate.

"Onsite product reviews are foundational to the customer journey because almost every customer reads reviews on the retailer's product detail page before making a purchase," Bowler said. "Without onsite product reviews, a brand would be missing a critical piece of the shopping journey and may risk closing the sale."

### **Tactics and insights:**

 Brands emphasize online reviews on product pages to reach the overwhelming majority of consumers who read reviews before making purchases.

Product seeding helps brands create a stable

 number of reviews for product pages early in a product's lifecycle, driving higher conversion rates and lowering return rates.

- To encourage onsite product reviews, brands and advertisers offer consumers incentives like discounts and reward points.
- When using product seeding or incentivizing reviews, brands should emphasize honest and educated feedback over positive feedback to maintain authenticity.
- By implementing policies against fraudulent testimonials and encouraging honest feedback, brands make their review sections more trustworthy and credible for consumers.

# How community ads and retail media partnerships are driving success for brands

Although influencers and community members can encourage their followers or peers to purchase specific products or services, brands must remember that the impact of these efforts can be challenging to measure for various reasons.

As reported by <u>Digiday</u> earlier this year, TikTok struck a global deal with Unilever to sponsor one of its biggest communities. Around 100 creators across the 10 active markets are expected to participate in Unilever's sponsorship of the #CleanTok hashtag, but measuring the effectiveness of these creators poses a challenge as each influencer performs differently.

"This entire partnership comes with a major project behind on the cost per reach," Eduardo Campanella, home care Chief Marketing Officer at Unilever, told Digiday. "So we are measuring this on the approach to make sure we are making it as efficient as possible."

Diehl also echoed this challenge in measuring ROI and ROAS through community advertising and influencer marketing.

"Last-click sales don't tell us everything about the impact of influencer marketing," said Diehl. "People may be influenced to purchase after seeing content but not follow the trackable purchase journey through shoppable links. The impact of influencer content lives on past our typical reporting periods."

Partnering with RMNs allows brands to scale and optimize these community advertising initiatives more easily. The key is working with networks that lead with data-driven decisions, helping brands maximize their campaign results with real-time data and insights.



# **About Best Buy Ads**

Best Buy Ads is Best Buy's retail media network. No one knows consumer technology – and has the deep relationships with the people who buy it – like Best Buy. Best Buy Ads connects brands with customers in the moments their brand matters most. The Best Buy audience isn't mindlessly filling carts. Best Buy is with customers as they learn, imagine, troubleshoot, try, buy, compare and use... and, with Best Buy Ads, brands are right there, too. Advertising with Best Buy Ads is more than brand safe, it's brand building.

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