

# Social Media Influencers: Business Help or Hype?



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Welcome to THRIVE, a Paychex Business Podcast where you'll hear timely insights to help you navigate marketplace dynamics and propel your business forward. Here's your host, Gene Marks.

**Gene Marks:**

Hey, everybody. Welcome to this edition of THRIVE. I'm here with Jim Tobin. Jim, I should have even asked Jim before we even got started. It's Tobin, right? T-O-B-I-N?

**Jim Tobin:**

It is Tobin, yep.

**Gene Marks:**

Okay, good. All right, sometimes that trips me up. Jim, thank you, Jim is the CEO and Founder of Ignite Social Media, with offices in Raleigh and Detroit. It's [ignitesocialmedia.com](http://ignitesocialmedia.com). Jim, thank you very much for joining us.

**Jim Tobin:**

Pleasure.

**Gene Marks:**

So for starters, tell us a little bit about Ignite and what you guys do.

**Jim Tobin:**

Yeah, so we launched Ignite in July 2007, so we're coming up on our 15th birthday. We were the first social media marketing company in the United States. So, we've been doing this, really, longer than anybody. One of the things that's been important to us over the 15 years is that we stay focused on social media marketing. There's so many opportunities for brands to market in so many different ways, that we felt like being really good at one of them was better than being sort of average at all of them.

**Gene Marks:**

Got it. What does that mean, social media marketing? I only position that question because I'm an accountant, I'm a CPA by profession, and it used to be where you could be a CPA, but now, it's just expanded because you specialize in everything from personal financial planning to state taxes to estate taxes. Social media marketing, that is a big topic. Do you specialize in anything particular or ...?

**Jim Tobin:**

It is a big topic. The epiphany for us was way back when I think Facebook had a million or two million users and we thought, "Brands are going to eventually want to talk to folks who are spending their time this way." If you think about ... marketing's always trying to reach people where they spend their time, whether it's opening their mail, or listening to the radio, or watching TV, and now, one of the major sources of attention is people in TikTok and LinkedIn and Facebook and all these platforms, and so what we do is work with clients to figure out, "Okay, how can you reach those folks? How can you get their attention? How can you get them to take some sort of action that drives your business forward, in a similar way to what you might do with a TV commercial?" Except the tactics are obviously so much different on social media, where people can talk back.

**Gene Marks:**

We're going to talk about influencer marketing in a minute, but man, I have so many questions to ask you because we struggle as a company with social marketing all the time. We have challenges with this podcast. You and I are having this conversation right now. I want to get this podcast in front of business owners around the country who are interested in the topic that we're talking about as well as, I don't know, maybe people that specialize in social media, that could pick up a few tips on their own. I want to target that in social media. It's a big challenge for a lot of businesses to do that. And I wonder, to meet that challenge, is it becoming more of just paid versus organic? Have you found yourself, or like, "Hey, Gene, for you to reach the audience you want to reach, you're going to have to pay, not just us, but you're going to have to pay Facebook or LinkedIn?"

**Jim Tobin:**

Right. It's more paid, obviously, than it used to be. There were no real paid options until about 2010 or so. Prior to that, you could do all organic, but social media is a little different than buying a magazine ad, or even a banner ad on a website, in that you get a benefit if your content's good, so the organic reach of it can be very, very strong. It can be just a little, but good content goes further, and therefore, more cost-effectively than bad or average content. If your content's good, so the organic reach of it can be very, very strong. It can be just a little, but good content goes further, and therefore, more cost-effectively than bad or average content.

**Gene Marks:**

Right. Great answer. All right, let's talk about influencers. So influencers are everywhere and I'm one of them. Give your thoughts on influencers when it comes to business, particularly small businesses. Is this something just for big companies to leverage?

**Jim Tobin:**

It's not just for big companies. I think the reason is the scalability of it all. Obviously, big companies can afford to spend on all these different tactics, but I think that the general principle is, can we find someone with a relevant social following, and can we have them include what we do in that content? Now, typically, that's a paid arrangement, where you're paying the influencer. It used to be you could give them some free product, and that was enough, but that's sort of mostly gone by the wayside, although there's some

people trying desperately to keep it going. The idea is that it's a bit of a benefit to both, right? They get the credibility of being endorsed in a way by a brand, but then you get the credibility of somebody saying, "Hey, this is the, this is a good product for you to look at."

**Jim Tobin:**

What I think one of the big differences is, brands spend a lot of time saying, "This is what we do, and this is why we do it well," or, "This is what we make, and this is why it's a good product." Influencers typically take the tact of, "This is what this product did to make my life better," and that sort of inspirational-aspirational content really puts in peoples' heads the problem that your product solves, lets you reach a new audience, and therefore, has been shown to drive better business results. It's almost like if a brand says, "We're awesome," that's going to get you A result, and if somebody else says, "That brand is awesome," that's going to get you A times two or A times three result.

**Gene Marks:**

You talk about influencers having maybe small followings. They don't necessarily have to have 250,000 or more followers. It's funny that you say that because I speak every year at this huge aftermarket auto show, it's called SEMA in Vegas, the Specialty Equipment Manufacturers Association, and I do a couple presentations on cashflow, or succession planning, and I get like 50, 80 people that come to my presentations. There are people that present at these shows that are like, "I've never heard of these people before," but like, it's some guy who, he can take a carburetor apart and put it back together again, and everybody knows. It's like standing room only to see this guy. I guess my point is that you must find that in every industry, just because you're B2B doesn't mean there aren't influencers in your industry, right? They might not be household names, and they might not have 100,000 followers but they could still have a big impact on your own product's marketing, correct?

**Jim Tobin:**

Absolutely. We did a program for Ram Trucks years ago where we, they were switching — I can't remember if it was to or from the Cummins engine — and we got the guys who designed the engine. And at the time, it was a YouTube thing because there was no TikTok or anything, so it was a YouTube thing, but the people who came in were so interested in why the change was made and how the change was made. If you think about it, those were influencers reaching influencers, right? So there's truck guys, and the truck guy is who a normal person comes to and says, "Should I get a Ram, or should I get a Ford?," so the truck guys are influencing the truck guy influencers, who are influencing the regular buyers. So B2B influencer is a bit different in how you execute it, but the concept that there are experts in these spaces and that their followers follow them is very much carries over.

**Gene Marks:**

Let's say I'm a cheapskate and I don't want to afford your astronomical fees to help me — I'm just kidding — but let's say I want to get started on my own. I'm a smaller business. What would I be doing if I was looking for an influencer in my industry?

**Jim Tobin:**

I think I would start small in finding and following the people who are genuinely in your industry and then seeing about what a relationship looks like that benefits both sides. You're a B2B influencer, and what we see in B2B influencers is long ongoing relationships. What we see in B2C influencer is often one time, two times, three times. The best ones I think end up being a long term, but they're not always that way.

**Jim Tobin:**

I think the next step, though — and a lot of people think — they'll contact us and say, "What can I do with \$1,000?" I'm like, "Nothing." What can you do in marketing with \$1,000? Almost nothing. The influencer has

to be paid, the agency, if you want to use one, has to be paid. If you don't want to use an agency, you've got to invest time in figuring this out.

**Jim Tobin:**

Now, the nice part is you can start fairly small. A local influencer who maybe you know and is trying to get going in, they create really nice content, but they don't have a big following, but it would be really helpful for them to have a brand partnership of some kind. So how can you find the symbiotic relationships? The easy way is to hire an agency and pay people, right? But the way when you don't have that much budget, is to do the legwork yourself and build those relationships.

**Jim Tobin:**

But the one thing I would say if you're doing that is to make sure it's okay with the influencer and in your contract that you can take that content and amplify it, because what we have found is by the time you pay an influencer for their name, for their content creation, and then they can't reach all their followers either — none of our posts go to all of our followers — so by the time you factor that all in, you're paying roughly per 1,000 impressions, between \$15 and \$50 per 1,000 impressions. When you take that content and you boost it in a Facebook ad, you might be paying \$3 per 1,000 impressions, so you've taken that cost, that cost of content creation, and you've made it much more valuable by getting it in front of more people.

**Jim Tobin:**

Now, the question that people always ask is, "Is the influencer influential to people who don't follow them?" What we've found is the answer is yes, if the content is good, because the ideas tend to be what's influential more than the person and their name. So good ideas carry well beyond the person who came up with them.

**Gene Marks:**

What you're saying is that the influencer itself doesn't necessarily have to be some big popular rockstar if they are producing really good content for you. That tends to have longer legs than just the name recognition of the influencer, right?

**Jim Tobin:**

Correct. Really good content varies. I mean, we did a program for lots of beauty brands and that content's beautiful. We did a program about Medicare Part D. That content was informative, and that's the beauty of that content was that it actually answered some questions in a confusing space for people. Having that content really add value ...? It will get legs if you help it along.

**Gene Marks:**

Do you find that most of the influencers that you work with are in the business of being an influencer, or are they doing something else when you approach them, and they're like, "I didn't even realize that I could make money doing this?" What do you find?

**Jim Tobin:**

Most of them have it as sort of a ... Our sweet spot is people who have being an influencer as a side hustle, so they have a day job, they're doing things, but they've done it before, because what we want to see is, do they have a business account? Have they done this with a brand and they understand there's rules, you have to say you were paid, those sorts of things? We're looking for somebody with enough experience that we think they're professional and credible. But what happens with full-time influencers is they've got to feed the beast, so they take everything, and then their audience starts saying, "You know what? You don't believe all this stuff, you're not ..." and their influence goes down, even sometimes as their reach goes up, but you don't see the click-through, you don't see the purchases.

**Gene Marks:**

Jim, can you give me an example, if you can, of an influencer or two that you've worked with in the past that you're like, "This person is really legit, really good, and my client really got value working for that person," just so we can learn what makes a good influencer versus somebody not as good?

**Jim Tobin:**

Yeah. I mean, there's dozens of them. I think one that comes to mind is she's a mom of a couple small kids and she has another, a day job as well, and so she can talk about a lot of things. There's so many challenges that come with raising young children in terms of taking care of yourself, and then taking care of these kids, so there's products that come along, there's life themes that come along, and there's a big audience of people in a similar life stage. So with all those things, the one I'm thinking of we've used on several programs because the stuff she says is believable, and the stuff she says, is things she's going through in her life, and she's creating content that nobody is paying for that's also about her life, so she started out as a content creator, doing this because she wanted to share information about her life, and then brands started sponsoring some of it. That's the good situation.

**Jim Tobin:**

When the influencer, the people ... Mom influencers or mom bloggers were sort of the first to get famous doing this and they were just sort of sharing about their life. Then brands started coming in and saying, "Wait, you have an audience. That's the audience I want to reach," so that's still the ideal sort of situation is somebody who still produces content just because they like to, and they like having their following, and then brand partnerships are a subset of that.

**Gene Marks:**

Now, let's do the opposite. Give me your thoughts. Obviously, you're not going to name names here, but does anybody come to mind that was just a disaster, or somebody that was, you looked at and you know? Come on, Jim, you've been doing this long time. Someday you're going to be an old man, and you'll forget all the successes, but you're going to remember, right, the 10 or 12 catastrophes that you had in your business, you know? What can we learn from one of those? Tell me so we can avoid working with somebody like that.

**Jim Tobin:**

Well, there's two that come to mind. One, there's the Instagram Feed and then there's Instagram Stories. Particularly, early on in Stories, the Feed was always perfect, right, on this one influencer. Everything she shared was beautifully curated, beautifully shot. In her Stories, she would say, "Here's where I'm going to share the real reel," and she would talk about, badly, about the brands that were paying her.

**Gene Marks:**

Oh, my goodness.

**Jim Tobin:**

Yeah. She would sell the product. "I just got this. Anyone want to buy it?" I mean, it was just ... She was drunk in some of them. We follow, I think, every influencer we look to hire, and so you see that, and that influencer goes on the blacklist of, "We're not hiring them for anybody, because it's high risk." That was one kind.

**Jim Tobin:**

The other was a great influencer. She produced wonderful content, on time, on brand, just super buttoned-up, and so we started using her fairly regularly, and then we realized so were all these other brands, and that's when we realized 100% of her content was paid. Her engagement rate was plunging, her click-through rate was plunging, and so we stopped using her, and she actually called and said, "What

happened?" We told her and she said, "Oh, yeah, I totally understand your perspective, but I've gotta ... I'm getting paid every day. I've got to take this money for my family." That's one of the risks of using someone to do this who doesn't really know what they're doing, is you end up hiring her. You think the content's good, but you don't know her followers have sort of given up on her.

**Gene Marks:**

You mentioned earlier about the cost of these people. I'm wondering if we can just circle back to that just again because I'm a business owner, I don't know what I'm going to pay to get an influencer involved. What do these people expect? I know you're going to be, "It depends," so there's going to be a range, but as I've gotten older, ran a business for as long as I have, I realize that ... By the way, it's not just business, but in my personal life, I find myself answering a lot nowadays with, "Well, it depends," because people are complicated. So it does depend, but can you give us an idea of what kind of costs, and also, how do you measure it?

**Gene Marks:**

If I'm gonna ... businesspeople hate you, and marketers like you, because it's all out there, and I'm going to spend money on you, and I don't know. I can buy a piece of equipment for my shop floor and I know exactly how many pieces I'm going to produce out of that equipment that day. You, I don't know. So tell us what kind of costs will be involved? Give us some advice on how can we measure the success of an influencer.

**Jim Tobin:**

Yeah, so obviously, it does vary. You can go everything from someone who'll do it for free, to Kim Kardashian's \$250,000 for a single Instagram post, but most commonly we see people between probably \$1,000 and \$5,000 for the assignment, and the assignment may be a few different pieces of content. Now, we've certainly paid a bit less, we've paid a bunch more, but that's a frequent sort of range in there. We're looking for people with over 20,000 followers, typically, so that's gives you a sense of that.

**Jim Tobin:**

Then what we do with our syndication, we can actually guarantee a minimum number of clicks to a particular landing page on a website, or we can guarantee a specific number of true view impressions among a target audience, so we're trying to track that. Before iOS 14 with the pixel limitations, we could track a ton of stuff. Now, we can track a bit less, but we do — with clients who are selling on e-commerce — we do try to work with them so we can see the conversions coming from each influencer, coming from each type of content, so we can optimize to the actual sale, because we've got enough case studies with enough clients. This does work if you get the right piece of content in front of the right people.

**Jim Tobin:**

That's part of it, it's not just, "Okay, influencer posted." I saw one guy he hired, I think, 400 influencers, and he said, "Well, nothing happened," but he didn't have any measurement strategy set up. So why would you hire hundreds of influencers with no way to measure? Why don't you start with five, and a measurement strategy? You get what you measure, is what they say, and so I think starting out with, "How are we going to know if this is successful?" is a legitimate question in any marketing. And if you can't answer that, I'd be hesitant to invest the dollars.

**Gene Marks:**

Yeah. 400 people that you hire, it sounds like he's planning a wedding, rather than hiring actual influencers.

**Jim Tobin:**

Yes, yes.

**Gene Marks:**

I mean, that really does, that sounds a little crazy. Okay, let's also talk just a little bit about the types of businesses that are good. You had mentioned just earlier that you can always make it work, you can always get those impressions, I mean, and so I guess I got to challenge you on that. Say, really, can you? I mean, if I'm selling tires, you can make it work versus if I'm selling something else? I guess at marketing, if you spend enough and target enough, you can get results. It's whether or not the return is there. What businesses do you think of the highest probability of succeeding with influencers? Talk to me about that.

**Jim Tobin:**

Yeah. Things that do well on social, do well with influencer because now you're taking what people are expecting to do when they're on TikTok, or Instagram, or wherever they are, and you're amplifying it, and you're injecting into the conversation. Nobody wants to buy tires on Instagram. Nobody wants to search for tires on Instagram. When you need tires, you go a whole different path, and so we do well with food and fitness and fashion and lifestyle and retail, and things that generally people often put in their feeds, anyway.

**Jim Tobin:**

If you're doing things like tires or some B2B things, the strategy completely switches, you might be looking at YouTube videos and blog posts that aren't going to drive much traffic in the short term, but they're going to help you be discovered in search engines over the long term. So, I think, thinking about, "All right, yeah. We're tires. How does somebody buy tires? How do we get in the search results or the consideration set when somebody's in that buying set?" leads you to the tactics that are most likely to work for you

**Gene Marks:**

Jim, before ... we only have a couple minutes left, but when we were taking a little bit of break, you were saying how you were working with a lot of bigger companies, which is fair enough, because big companies spend, and they get it and they have marketing teams and this is, they're in for the long run. I guess I just want to give you the opportunity as we close this out, to just give us a reality check, if you're small, because I know over the years you've come across small business owners who have high expectations, and don't get what's involved to really see results, so just give it to me straight. What is the reality of using influencers to help market your business?

**Jim Tobin:**

Yeah, I had someone contact me not too long ago and they said, "We want to do a brand awareness campaign and we want to make sure people know our brand," and they said, "What do you think?" I said, "Please tell me you have more than \$10,000,000," because when you talk about TikTok alone, TikTok spent over a billion in advertising in a single year, advertising the platform, and when you look at the Caspers and the Purple Mattresses and Warby Parker, they're spending hundreds of millions of dollars to build brands, and they're not profitable. Those D2C companies are not profitable. And so when somebody calls up and says, "I just want to do brand awareness and I'm a small company," my initial question is, "Do you really? Or do you really need to make some sales to make sure you're still a small company in a couple of months?"

**Jim Tobin:**

So I think a lot of brands underestimate how much it costs to get attention among an audience of potentially 350 million Americans, who are all busy doing other things. So, awareness and brand-building is very, very expensive and a lot of these famous D2C companies aren't profitable yet. I'm not at all suggesting it's easy, or magic, or if you give me a dollar, I guarantee you're going to make four. Because if I did, if I could do that, I would just do it for myself. It's hard work. It does work better than a lot of other tactics, I'm quite comfortable in that. But it's not an easy thing. No brand — even the big brands we work with — has enough money to do everything. I think the first question for a small company is, "Do we have

the bandwidth to do this financially, time-wise?" If the answer is no, that's okay, just what's going to bring you sales and growth the easiest is probably where you should spend your time.

**Gene Marks:**

Yeah, that's such great advice, and that's language actually that I really understand. I mean, if you're going to spend money, where's the return going to be? The return is sales. So, if we're going to go and do an influencer campaign, how is that going to generate, not just clicks — I hate the whole clicks and impressions — I'm talking about closed deals, products being sold. What is the best campaign that will do that? It might not be influencer marketing, right? It might be something else.

**Jim Tobin:**

Yeah. Gene, we don't do influencer marketing for Ignite.

**Gene Marks:**

Yep.

**Jim Tobin:**

Because that's not how people choose a social media agency. We blog. We blog a lot. We're ranked really well because when people turn for an agency, they turn to Google, and so that's where we spend. We spend more time on blogging, than we do on Facebook because we've thought about, "How are people, how are we going to get on the list for business?" That's where we invest our dollars.

**Gene Marks:**

Yeah, I'm glad you said that because I should have asked you that question, like what you do to generate work for your business. You're a small business, you're not Microsoft, so it's the same thing.

**Gene Marks:**

Jim Tobin is the CEO and founder of Ignite Social Media with offices in Raleigh and Detroit. It's [ignitesocialmedia.com](http://ignitesocialmedia.com). We've been talking about influencer marketing, but Ignite does everything under the umbrella of social media marketing. Jim, thanks very much for joining us.

**Jim Tobin:**

Thank you, Gene.

**Gene Marks:**

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**Announcer:**

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