



**Guest Name and Title:** Ryan Schram, chief operating officer  
**Guest Company:** IZEA

**David:** Hi, this is David Patrick. Welcome to The Brand Show. Today, we're talking with Ryan Schram. He's the chief operating officer of IZEA. Welcome, Ryan.

**Ryan:** Thanks for having me.

**David:** Super, thanks. Hey, tell us a little bit about IZEA.

**Ryan:** So back in 2006, IZEA created the very first online marketplace that was designed to facilitate what we call online sponsored influencer marketing — basically the practice of compensating social influencers to work on an endorsement and sponsorship basis with brands.

**David:** That sounds really interesting. Tell me how you scale that. I can understand how social influencing works one to one, but if I'm a manufacturer or if I'm a retailer, how do you scale that for me?

**Ryan:** So ultimately it boils down to deal flow and mutual interest — essentially creating the widest amount of opportunities for influencers to work with the widest variety of brands. We happen to do that through a lot of cloud-based technology, right? So that allows us to work through every major social channel out there and in countries all around the world, because we wanted ultimately at IZEA for advertising to have the same advantage as content — something that people would want to click on and engage with and share with their friends. And social is a wonderful way to do that, because it acts as a natural evolution of the advertorial, but it's in the voice of actual consumers who are endorsing a brand.

**David:** I know you work with both influencers and celebrities. Tell me how you define an influencer and how you would find an influencer?

**Ryan:** So as an influencer, you can't confuse the expertise or passion necessarily



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with someone's size of audience. You know, we have a minimum requirement that to be an influencer and a part of the IZEA family you have to be a creator of some kind. You have to be an active blogger or tweeter or pinner on Pinterest, and have a legitimate following of some sort. You know, the old analog is that you can have influence in a small circle of friends, which that influence can be very, very valuable and very powerful, or you can be someone like a celebrity, who may have a lot of awareness and can be influential, but not in that intimate, personal way as maybe a close friend or family member who you're connected with online. So our influencer ecosystem team at IZEA is ultimately charged with building and maintaining that family of influencers to be able to help all those different parties work together.

**David:** So if I had a food product that I wanted to get awareness about, and I thought I could do that by having people that talk about food, write about food, foodies if you will — whether they be chefs or people that write about and comment on food — tell me how you would take a project from start to finish.

**Ryan:** What happens first is that we'll sit down with our brand marketing partners, and they'll identify a number of different objectives. Those can typically be things like increasing the share of voice for new a product launch, being able to have new consumers engage with a product, and it may also be more price driven, you know, awareness from a value perspective. And what we'll also then do is then ask about, well, who is the end desirable buying audience for that particular product. And through our technology we have the ability to do some very dynamic things and identify social influencers who will be able to help accomplish those goals. So what will then happen is those different influencers will be availed of what we call an opportunity to work with that brand, and this is where a double handshake occurs — where the brand solicits the interest of an influencer, but just as importantly we want the influencer to work with that brand and not be a paid shill to go out and broadcast a message, because it's that authentic, genuine content relationship that's so critical. So from there what will happen is that the influencer will accept the opportunity on a compensated basis. They'll develop content on the platforms in which they publish other forms of content, so that might be everything from blogs to Instagram. And then the brand has the opportunity to review that content before it goes live, and then





eventually it's distributed to that influencer's social following.

**David:** I can see how your methodology works extremely well for manufactured products or probably services. Tell me how you might partner with a retailer.

**Ryan:** Sure. You know, we've been very fortunate at IZEA to partner with a wide variety of retailers, from big boxes like Best Buy and Walmart domestically, to department stores like Selfridges in the U.K., to high-end fashion retailers like the L Brands Inc. here in the U.S. and in Canada. And we believe ultimately it's about taking the consumer journey and transforming it from online to offline through really authentic storytelling. And when you stop and consider this already kind of happening in the space organically, you'll see people post a pin on Pinterest about a shopping trip, about a product they like at a retailer. You might even see beauty or fashion influencers YouTube or Vine a video of that experience. So ... with social media sponsorship through influencer marketing, we can overlay mainstream branding messages, we can promote promotions especially like chance to win promotions or sweepstakes, channel marketing assistance or even driving awareness of cause marketing by way of engaging influencers' on behalf of the retailers themselves.

**David:** When you partner with an influencer, what are some of the things that they're asking you? What do they want more from the manufacturer?

**Ryan:** I think that in the mind of the influencer, they don't want to be just pitched to endlessly by junior PR team members on a one-off basis. The best influencers in things like fashion, DIY, food, lifestyle are interested in really partnering with brands, because that for them is a part of their career. We've been doing a state-sponsored influencer marketing study for the last four years, and this year's results in 2013 found that 78 percent of top influencers are requesting cash compensation in and above any other form in working with brands. I think the old way of having PR teams doing the outreach was one, it was subscale. You might have gotten 10 or 12 influencers to work on behalf of the brand. What we now know is that you need hundreds or thousands for a single campaign to really make a dent in the social sphere.





**David:** What are some of the more important variables that create a story? Is it the value, the proposition? Is it the nuance of a product or a story? What have you've seen that kind of affects the success rate?

**Ryan:** The first and most important part is each party wanting to work together. I often will see misfits if you will, that are out there, that are campaigns that IZEA has not been doing where it's obvious that the influencer, the brand or both shouldn't have been working together. There's a very heightened barometer that consumers have who are consuming that content, and they can tell if it's a legitimate tone or not compared to that influencer's other posts. So that's the most important thing. The second most important thing that goes along side of that is the willingness for disclosure. Many brands and influencers don't realize that FTC regulates disclosure in compensated situations, and compensation can range from getting a free t-shirt to getting thousands of dollars. There's this grey market mentality of oh, I don't necessarily want to work for this brand, but I took a kickback, so I'm just going to do the post and hope for the best. That's a recipe for disaster not only from a legal perspective, but also for the end execution. I think that when it's done correctly, what you'll find is that those influencers who love those brands are going to create some really amazing storytelling experiences in photography that they take. For example, foodies are some of the best amateur photographers and videographers on the planet. And many times we get comments back from brands that the photos that were taken of food products for packaged food companies, for example, might be better than the stock work they had laying around on glossy prints at the office. Down to people who are in the fashion category going through and actually acting as an advocate on behalf of that brand in the "@ replies" on Twitter or comments on the blog post, or even repinning things down the road that have nothing to do with the compensated campaign, because they have now an affiliation with that brand.

**David:** As you've grown your business model and you've worked with more and more marketers, directors, VPs, and chief marketing officers, what are you hearing from them?

**Ryan:** Well, we're first of all hearing that influencer marketing as a subset of





native advertising is one of the best hot buttons of 2013. This has been really a breakout year for our company in the space overall. What's also interesting is that when you look at sort of the old school forms of shopper marketing and retail marketing, many brands, whether they're on the retailer side or on the packaged goods side, are looking at leveraging influencers as part of sparking part of the conversation.

**David:** Ryan, what else should we know about IZEA?

**Ryan:** Well, that we're continuing to innovate. Our company is built on a very proud culture of innovation. Our founder Ted Murphy was in this space starting in 2006, long before it was even considered to be relevant. And ultimately what we're trying to do is be a marketplace. The beauty of having not to be a Facebook or be a Twitter is we can simply be agnostic and build the technologies that connect brands and influencers in whatever current or, more importantly, future social channels are relevant to marketers. And ultimately we're focused on the fact that at the end of the day, genuine storytelling for brands builds genuine results, and that's what we're all about.

**David:** Ryan, this has been wonderful. Thank you for being a part of The Brand Show today.

**Ryan:** Thanks so much for having me, David.

**David:** Great, thanks.

