

# Business

## Pulling in buyers, a few thousand at a time

Advertisers see value in 'nanoinfluencers' to promote their brands

BY SAPNA MAHESHWARI

By now you have probably heard of influencers, that group of internet-famous people who have more than a million social media followers and can make big money by plugging various brands. And you may have even heard of microinfluencers, who do the same thing for a still sizable but somewhat smaller social media audience — from the tens to low hundreds of thousands.

Now get ready for the nanoinfluencers.

That's the term ("nanos" for short) used by companies to describe people who have as few as 1,000 followers and are willing to advertise products on social media.

Their lack of fame is one of the qualities that make them approachable. When they recommend a shampoo or a lotion or a furniture brand on Instagram, their word seems as genuine as advice from a friend.

Brands enjoy working with them partly because they are easy to deal with. In exchange for free products or a small commission, nanos typically say whatever companies tell them to.

With roughly 2,600 Instagram followers, Alexis Baker, 25, had a relatively ordinary social media presence, with photos of fashionable outfits and tropical vacation spots filling her feed. But her online persona changed when she started posting in praise of products like Suave Professionals Rose Oil Infusion shampoo, Clinique Beyond Perfecting foundation and concealer, and Loco Coffee, a mix of cold brew and coconut water.

People who know Ms. Baker were surprised when the hashtags used to denote advertisements — #sponsored and #ad — started popping up on her account. They were also a little impressed that she was Instagramming like an influencer.

"My friends were like: 'Wait a minute — you don't have tens of thousands of followers. How did you get contacted about this?'" Ms. Baker said in an interview. "I didn't really have an answer for them."

Ms. Baker, a leasing manager in Alexandria, Va., said she had stumbled into the hobby-slash-gig after being scouted by Obviously, which describes itself as "a full-service influencer marketing agency."

To Mae Karwowski, the chief executive of Obviously, nanoinfluencers are a largely untapped and inexpensive opportunity.

"Everyone who's on Instagram has that friend who is just really popular and is racking up 'likes' and comments and has great content," said Ms. Karwowski, who defined nanoinfluencers as people with roughly 1,000 to 5,000 Instagram



ALEXIS BAKER, from Alexandria, Va., stumbled into her role as nanoinfluencer after being scouted by Obviously, which describes itself as an "influencer marketing agency."

followers. "They've probably never worked with a brand before, but they're just really good at social media."

Companies are seeking out relative unknowns during a gold rush in advertising through popular social media personalities. But as influencers — like the 20-year-old fashion model Luka Sabbat, with his 1.4 million Instagram followers — have grown in popularity, they have started charging more. And with their success and online fame, they may be losing the homespun quality that once distinguished them from the crowd of celebrity endorsers.

"There is such a saturation at the top," Ms. Karwowski said. "We've seen a real push to work with smaller and smaller influencers, because their engagement is so high and we have the technology to work with a lot more influencers now and track and measure what is and isn't working."

The influencer economy is opaque —

and rife with questionable tactics — but there's no doubt it attracts big money. A reminder of that came recently when a public relations firm sued Mr. Sabbat, saying he failed to fulfill the terms of an agreement with Snap Spectacles. According to the suit, Mr. Sabbat was offered \$60,000 for providing one Instagram post and three Instagram Stories and for being photographed during fashion weeks while wearing the spectacles.

Prices have climbed, even for the mid-level group known as microinfluencers. Taylor Camp, for example, who has almost 37,000 Instagram followers on an account called TheTieGuy, said in an interview that he had recently earned \$500 for two Instagram posts for a men's shaving company.

For most nanoinfluencers, money isn't part of the deal. Free products are viewed as fair compensation for the ads they post outside their day jobs.



MAE KARWOSKI, who is the chief executive of Obviously, said that the company has 7,500 nanoinfluencers in its database and plans to double that number by March.

"If it does happen to blow up and take off full time, then great," Ms. Baker said. "But that is not what I'm looking for at all. It's just something I love doing."

"I love taking really, really great-quality photos," she continued. "I love challenging myself with how I can advertise and market something, and seeing the impact it has on people is really rewarding."

Kelsey Rosenberg, a 26-year-old in Columbus, Ohio, with 1,900 Instagram followers, saw an opportunity when influencer marketing took off. She contacted companies, including bars and restaurants in her area, and now regularly incorporates advertising into her Instagram feed.

"It's like one of your friends telling you a new skin care product is amazing, but instead of me telling my friends at happy hour, it's me telling them on Instagram," she said.

There are strings attached, though.

"You have to keep it on your feed for a certain amount of weeks," Ms. Rosenberg said, "and they want you to say certain keywords, like something is 'cruelty free' or something 'smells good,' or whatever their marketing says. They want you to mimic that."

Haley Stutzman, a 22-year-old in Bentonville, Ark., who has around 5,500 Instagram followers, said most advertisers approved her work before it went up. "I'll send a screenshot of my blog draft, or I'll give them a few photos to pick from, if it's going to be one post for Instagram," she said. "They'll send kind of like a contract, and the bigger the brand, the more intense their contract."

Ms. Stutzman, a product specialist at Better Homes & Gardens, said her co-workers didn't quite understand what she was up to on social media, even as her account has grown into a "part-time side hustle kind of thing." Her parents were also mystified — until she snagged

a couch from Burrow, a start-up, and a trip to Myrtle Beach, S.C., through Kate Somerville, a beauty brand.

Sarah Stovold, a managing director at NextWave, a consultancy with a focus on youth marketing, said younger consumers, especially the 13- to 21-year-old cohort known as Gen Z, had a different relationship with companies than their elders. "There's a strong entrepreneurial spirit in this group," Ms. Stovold said. "They've seen friends and people they see as friends developing some prosperity from doing this type of engagement with brands."

Krishna Subramanian, a founder of Captiv8, another influencer marketing firm, said he was skeptical about brands' marketing their wares through people with unremarkable social media followings.

"Are they able to actually measure something out of it and say, 'This is successful, we want to do more of it?'" he asked.

**"My friends were like: 'Wait a minute — you don't have tens of thousands of followers. How did you get contacted about this?'"**

But Ms. Karwowski, of Obviously, said she was confident in the strategy. Her firm has 7,500 nanoinfluencers in its database, she said, and it plans to double that number by March.

"The youngest generation has grown up with this technology, so they're very accustomed to seeing people talk about products they like and are recommending, so now there is a new willingness for them to participate in that," Ms. Karwowski said.

She added, "You're able to place a lot of really small bets rather than, 'We're going to work with Kim Kardashian.'"

Some nanoinfluencers are still grappling with allowing brands into their social media accounts.

Erin Gee, a 34-year-old government worker and spin-class instructor in Ottawa with just over 1,200 Instagram followers, started promoting the Fré skin care brand after getting a direct message from the company.

"They said: 'We like your Instagram page and what you're posting. Would you be interested in testing out our products to see if they work for you?'" Ms. Gee said.

Along with the free stuff, the company sent her instructions.

"They gave specific strict guidelines, like 'Here's the possible text you could use, here's the hashtag, and we expect a post within this amount of time,'" she said.

Ms. Gee admitted to having mixed feelings.

"I feel kind of like an infomercial, and I'm generally kind of uncomfortable pushing things on people," she said. "But I've seen a return on that, albeit small."

## Close encounters: Putting Facebook's Portal to the test

BY MIKE ISAAC AND FARHAD MANJOO

Facebook's new gadgets, Portal and Portal Plus, are meant to bring people closer together.

So we — Mike Isaac and Farhad Manjoo, two technology writers for The New York Times — took the \$199 and \$349 devices for a test run over the past week to see if they could make us feel more connected to each other.

We both installed the Portal, which starts shipping on Thursday, in our homes (our bedrooms, to be exact). The devices are video-calling machines that people can use to talk through a screen to other Facebook users. They have a 12-megapixel camera with high-definition video and artificial intelligence software; the camera follows people about as they move around.

The Portal has raised some privacy concerns, especially since Facebook has been scrutinized for the amount of information it already has on users.

Were we worried about what these always-on devices might collect on us? Here's how it played out.

**Mike:** Why hello, Farhad! It's been a while since we last shared a column together.

**Farhad:** I've had the time of my life not talking to you. Then last week, I learned I'd be getting Facebook's new video-calling machine so you could call me up whenever you felt like it. Oh boy.

Do you know how The Times has been running ads showing all the hazards reporters have to go through to get important stories? I think agreeing to install a Facebook-designed machine that puts me on speed dial for Mike Isaac should get me a starring role in one of those spots.

**Mike:** You should be so lucky. So I have to say, waking up next to you in my bedroom was, uh, quite an experience. I put my Portal Plus on the desk that sits beside. The screen saver cycled through my photo albums on Facebook and Instagram — and also occasionally your face.

**Farhad:** I'm guessing you loved this thing.

**Mike:** Er, not exactly.

What was your experience like initially? The unboxing process was funny to me. It felt like an Apple design moment; every piece of plastic and "pull here" tab was carefully placed, with the intentionality that Apple usually saves for its device packaging, but with a very Facebooky twist on things. There was an iconic Facebook thumb on my power cord holder, for example.

Setting up my Portal Plus was easy. Popped the thing out of the box, plopped it on my desk, plugged it in, connected to Wi-Fi and my Facebook account. From there, I think, I called you almost immediately.

**Farhad:** You sure did!

I was frankly blown away by how well-designed Portal was. It has one purpose — calling other people who use Facebook — and it does that extremely well. I've used other calling devices, like Amazon's Echo Show, but to me they've been more promising than practical.

The great thing about these devices is that they are stationary and always on. When you want to call someone, you just tell it to call the person — no looking for your phone, no holding the phone while you chat. It all just works with a single utterance. (Everything old is new: These devices are like landlines!)

The problem with Amazon's Echo Show is its fixed viewing angle — if you don't have it pointed exactly at you, it's hard to have a conversation. My kids, who use the Show to call my parents, are always fighting with each other about who gets to stand right in front of the screen.

The Portal solves that problem in a neat way: It uses software to follow you around a room, always keeping the speaker in frame and cropped. I found this very useful.

**Mike:** The hardest part for me was dealing with how much I instantly liked the device. I expected it to be chintzy because it's the company's first piece of hardware. But it wasn't. The screen is



Mike Isaac, a Times technology reporter, talking with his colleague Farhad Manjoo through Facebook's Portal video-calling device.

huge on my Portal Plus — basically like an iPad Pro strapped to a tall Sonos — and the calls were all crystal-clear video quality.

I will also admit I loved the augmented reality lenses, a flourish Facebook is adding to pretty much all of its camera-based apps. Just like Snapchat, I can choose a filter that turns my face into a werewolf, or stick a (live) cat on my head as a hat. Cat-as-a-Hat: a goofy gimmick worthy of Dr. Seuss — but it works!

**Farhad:** Of course, I can see people objecting — wait, not only are you putting a Facebook-connected machine in your house, but its camera will also follow you

around the room, like some kind of digital Eye of Sauron?!

**Mike:** That was my biggest problem — and likely Facebook's most difficult hurdle to overcome when selling the Portal. It was the idea that I was putting an always-on camera in my home, connected to Facebook, 24 hours a day. There was no shaking the feeling that I was being watched.

Facebook anticipated this. To protect from that creepy feeling, they built a kill switch into the hardware that turns off the microphone and camera. They also provided a piece of plastic to physically sheathe the camera's eye. No more tapping over the laptop lens, as Mark

Zuckerberg, Facebook's chief executive, once did.

Facebook also went out of its way to let us know that all video chats are encrypted, and the company does not store the contents of the calls, nor does it listen in on them.

But even that wasn't enough for me! Whenever I wasn't using the Portal, I unplugged it. I turned the camera around to face the window looking over the back yard. I would periodically check to make sure all lights or microphones were off when I took a phone call or text.

Am I too paranoid? Maybe. But that's only because of the tech environment we find ourselves in, largely a situation

of Facebook's own making. The company doesn't really have anyone to blame but itself.

**Farhad:** I think your fears are reasonable, both about these types of devices in general and about one made by Facebook in particular.

Facebook has a demonstrably worse record on privacy than many of its big-tech peers. It also has a business model, targeted advertising, which encourages it to walk up to the limit of what users will accept, and sometimes to walk beyond that line. Let's not forget that Mark Zuckerberg once said that privacy is an outdated social norm.

I don't think he believes that anymore, and Facebook has been working to improve how users can manage their private data on the platform.

Still, if you're going to choose between a calling device made by Facebook and one made by Amazon or Apple, you wouldn't be crazy to discount Facebook's device because of its business model and history.

All that said, a lot of people are just fine with the level of insight Facebook has into their lives. If you already chat and call on Facebook Messenger on your phone, then chatting and calling from Portal isn't putting you in any greater danger.

**Mike:** Are you going to buy one?

**Farhad:** Probably not — not because I don't like it, but because I doubt it would be very useful for me. I have an Echo Show, and I like that it gives my kids an easy way to talk to my parents (who also have one). But it's not an everyday-use case, and there are plenty of other ways to make video calls.

Portal is better than the Show at making calls, and for a first piece of hardware, it's quite impressive. But it's still a device of fairly limited functionality — a well-designed luxury at this point.

**Mike:** Agreed. But I'll admit: I'll miss our Portal calls when we return the units to Facebook.

I guess we'll always have our Slack chats.