



# Blogging: A new play in your marketing game plan

Tanuja Singh <sup>a,\*</sup>, Liza Veron-Jackson <sup>b</sup>, Joe Cullinane <sup>c</sup>

<sup>a</sup> Northern Illinois University, DeKalb, IL 60115, U.S.A.

<sup>b</sup> Colgate-Palmolive, 1700 East Golf Road, Suite 200, Schaumburg, IL 60173, U.S.A.

<sup>c</sup> Joe Cullinane Enterprises, Inc., Geneva, IL 60134, U.S.A.

## KEYWORDS

Internet blogs;  
Blogs and marketing;  
Marketing technologies;  
New media;  
Web 2.0 technologies

**Abstract** The emergence, proliferation, and ubiquity of the Internet have not only transformed businesses, but also altered the relationship between businesses and the customer. Recent advances in technology have helped to migrate this relationship to an interactive level where technology contributes to brand building by creating and sustaining a long-term relationship with the customer. Media fragmentation and customer indifference to traditional marketing tools are forcing marketers to seek new opportunities so the marketing message not only captures customers' attention, but also tries to engage them with the company. This paper discusses blogs within the context of creating this new, more enduring relationship with the customer. Blogs are discussed within the framework of Web 2.0, the next generation of the Internet, which is comprised of user-generated content and social computing. The use of blogs by several companies as tools to better engage the customer in the creation, delivery, and dissemination of marketing messages is also demonstrated.

© 2008 Kelley School of Business, Indiana University. All rights reserved.

## 1. Has your company hugged its bloggers today?

In recent years, marketing to the customer has become increasingly challenging as the number of available products and services across industries has grown significantly while, at the same time, marketing tactics and customer touch points have proliferated. The continuing fragmentation of media and information overload has led customers to become less and less interested in companies' brand

messages delivered through traditional media. However, pressure for increased accountability at firms is necessitating better targeting of promotional dollars. The Chief Executive Officer (CEO) of Emarketer echoes this sentiment by noting that,

[Now that] customers are armed with iPods, TiVo machines, Blackberries, search engines, broadband connections, spam filters, and a variety of other digital technologies, they have gained unprecedented control over the media and content to which they are exposed. As a result, marketers are facing an increasingly complex web of challenges, including media fragmentation, excessive commercial clutter and a growing resistance among customers towards marketing messages of all kinds. (Ramsey, 2006)

\* Corresponding author.

E-mail addresses: [tanuja@niu.edu](mailto:tanuja@niu.edu) (T. Singh),  
[Liza\\_veron-jackson@colpal.com](mailto:Liza_veron-jackson@colpal.com) (L. Veron-Jackson),  
[joe@joecullinane.com](mailto:joe@joecullinane.com) (J. Cullinane).

This sentiment is also shared in a Yankelovich Partners study (*Business Wire, 2005*) which found that almost 60% of U.S. customers find marketing to be irrelevant for them personally. Perhaps even more importantly, almost 70% are interested in products and services that would help block marketing attempts. Somewhat ironically, the same study also found that customers respond more favorably to marketing when they have control over what they see, when they see it, whether it can be personalized to fit their needs, and when they can be active participants in the marketing process. Essentially, people may not be averse to marketing messages when they can control their delivery and format, and when the messages are personally meaningful to them.

Marketing in most developed economies is no longer just about marketing a product or a brand; it is about marketing a feeling, and having the customer's experience the product or brand. Since marketing revolves around an emotional connection, much of the media today builds on the customer's experience in the marketing message, whether it's in traditional media or technology-driven media. For example, companies like Visa (*Life takes Visa* campaign), MasterCard (*Priceless* campaign), and American Express (*My Life. My Card.* campaign) build on life experiences and moments in time that evoke a positive connection with the message and the brand. In technology-driven media, this may sometimes translate into viral marketing: the spread of a message, either positive or negative, from one person to another. The primary driving force behind these changes is that marketers are cognizant of the power that customers exert, and believe that strategies that capitalize on this power are more likely to be successful (*Elliott, 2006*).

These changes in the marketplace have forced firms to seek new opportunities to differentiate their products and services. Often this means involving the customer in the creation, delivery, and dissemination of the brand message. Businesses must answer several questions: Are ways to reach the target audience in a more effective and time sensitive manner using new kinds of media? Is there a medium that provides more than a simple message directed at customers, but which instead sends a message that engages them and creates an interactive experience that is longer lasting for both the firm and the customer? Finally, in addition to addressing the needs of the customer, is there a vehicle that can also deliver results to the marketer in the form of better market intelligence, and enhanced profits and loyalty?

This paper evaluates the potential of blogs, one such new medium, from a firm's perspective. The term *blog* originates from the fusion of two separate

terms — web and log. Thus, a blog consists of an on-line, web-based, chronologically organized entry on a multitude of subjects. The paper provides a brief overview of the Web 2.0 technologies that are facilitating this change, and elaborates upon the role of blogs in the marketing process for the company. Because these technologies engage the customer in the creation, delivery, and dissemination of marketing messages, they can overcome customers' resistance to traditional media. The paper traces blogs' origin and growth, addresses their impact on marketing, evaluates their current and expected roles, and concludes with suggestions for marketing strategists.

## 2. The new Internet: Web 2.0 is here to stay

The term *Web 2.0* is attributed to Tim O'Reilly and Dale Dougherty (*O'Reilly, 2005*). O'Reilly, the founder and CEO of O'Reilly Media, writes extensively about Web 2.0 and its applications, and sponsors an annual conference to explore it. Web 2.0 has been described by O'Reilly as a "set of principles and practices" that include looking at the web as a "platform," and aims at "harnessing collective intelligence" (*O'Reilly, 2005*). While elaborating on the differences between Web 1.0 and Web 2.0, O'Reilly compares Britannica Online and DoubleClick, which are Web 1.0 tools, with Web 2.0 tools like Wikipedia and Google AdSense. He notes that Britannica Online and DoubleClick, while they were pioneers in web services, were driven by a company-centric model that did not foster customer participation. Web 2.0 tools, however, have changed the focus from the company to the customer. Broadly, Web 2.0 differs from Web 1.0 in that it is customer-centric, user-generated, interactive and dynamic, fosters community participation, and builds on collective community intelligence. Blogs are one of the leading tools in the next generation of the Internet tools in Web 2.0. Specifically, social computing, interactivity, and customer participation are central to Web 2.0; other Web 2.0 tools include podcasts, vodcasts, social networks (LinkedIn), search engines (Google), and VOIP (Skype).

Charlene Li, an analyst for Forrester Research, believes that Web 2.0 reflects the essence of a new generation of marketing where technology is viewed as empowering communities, not institutions (*Cooley, 2007*). This new focus on the customer was also demonstrated when *Time* magazine selected the people who create user-driven content, as "Person of the Year" for 2006. In making this

selection, *Time* noted, "And for seizing the reins of the global media, for founding and framing the new digital democracy, for working for nothing and beating the pros at their own game, TIME's Person of the Year for 2006 is you" (Grossman, 2006).

In essence, it is clear that recent advances in technology have helped migrate the relationship between the firm and the customer where the customer occupies a central role, and technology contributes to brand building by creating and sustaining a long-term relationship with the customer who has become an active participant in the process. Studies report that many of these new marketing tools, such as blogs, e-mail marketing, and search marketing, will occupy a significant percentage of marketers' efforts and budgets in the coming years. At the same time, many marketers do not feel prepared to meet these challenges. For example, Sherman and Weinberger (2006) report that less than 20% of marketers surveyed by the marketing agency Draft Chicago believe that their own industries are effectively managing the challenges that face them. Therefore, while firms realize that the mediascape has changed over time, they do not believe their own industries have done an adequate job of addressing the effects of this change.

There appears to be a gap between the potential of the technologies that are available to build a more personal relationship with the customer, and the efficacy with which they are currently being used. Marketers clearly need a better strategy to reach these new, technology-savvy customers who are more demanding and more vocal than before. Ideally this new approach involves a customized communication that engages the customer, builds customer trust and loyalty, and leverages the Internet by optimizing its potential for community building among customers. While these challenges are not new to marketers, the speed at which this change is occurring is forcing them to evaluate these alternatives a lot faster than before.

### 3. The evolving promotional landscape: Blogging for relevance

As noted earlier in this paper, marketing has evolved from marketing a product or service to marketing a feeling, and having the customer experience the product or brand in such a way that the customer remains engaged with that experience. This creates a challenge for marketers whose promotional strategies must incorporate a new reality where the customer often desires a connection with the company or the brand on his or her own terms, and frequently co-creates the experience. Often this

connection has to be personally meaningful to the customer, especially if the company is to create a longer-term relationship with the customer. While the idea of creating a loyal customer is not new to marketing, the tools have certainly changed. In fact, the proliferation of new media has proven to be a double-edged sword for marketers. It has provided marketers with the tools to better target their most lucrative customers, while at the same time it has made customers increasingly powerful by providing them with tools that help them take control of how they are targeted. For example, customers can control and often completely skip advertising and other promotional tactics directed at them through traditional channels such as network TV. However, the same technology has also created opportunities for a different kind of communication between the marketer and the customer.

Communicating with the customer involves using the many tools available to the firm, and targeting them in an integrated manner so the message remains focused, differentiated, and relevant. While traditional tools such as TV, radio, print, and billboards have become less effective, new tools have emerged to supplement that media. Today an integrated marketing communication campaign often involves creating a *buzz* around the product or service using new media. Scholars and practitioners of marketing agree that this buzz may be as important to the success or failure of the product or service as the product or service is to itself (Dobele, Toleman, & Beverland, 2005; Phelps, Lewis, David, & Raman, 2004). To illustrate, viral marketing, sometimes referred to as *controlled infection* (Dobele et al., 2005, p. 143), is one way marketers can create buzz around their product, service, or idea. Research suggests this buzz is uniquely effective for customer persuasion, even when initial news of an innovation may have been acquired via mass media such as TV, print, or audio (Phelps et al., 2004). From a social networking perspective, viral marketing works because the originator of the virus is able to convince and recruit others to the network due to the personal nature of the communication.

Viewed within the context of integrated marketing communication, blogging can be viewed as a form of viral marketing because it also uses social networks, user-generated content, and interactivity to spread the message. It shares several advantages with viral marketing, from low cost to voluntary customer participation. Dobele and colleagues (2005) describe several characteristics of a good viral marketing campaign, including that it should be fun and intriguing, well targeted, and originating from a credible source. In that sense

blogging is similar to viral marketing. However, blogging is more enduring, and possibly more effective because, unlike viral marketing, which is generally unidirectional with a limited life span, blogging is interactive, dynamic, and has a longer life span. Corporate blogs, for example, can continue ad infinitum, and blogging about a firm and its products and services can be an integral part of the long-term integrated marketing communications strategy for a company.

It is not surprising that blogs have quickly become a major force in the new generation of marketing. Most researchers and industry experts believe that blogs are now an important part of a sound marketing strategy. As of December 27, 2006, Technorati tracked 63.2 million blogs, which points to the significance of this new medium in today's digitally connected world. A *Business Week* article notes that

You cannot afford to close your eyes to them, because they're...the most explosive outbreak in the information world since the Internet itself. And they're going to shake up just about every business. Blogs are not a business elective. They're a prerequisite. (Baker & Green, 2005, p. 56)

The vast majority of bloggers are individuals who blog about everything from political issues to technology trends. However, the primary focus of this paper is on business firms and how they can use blogging in conjunction with other technology-driven media such as podcasts, Really Simple Syndication (RSS), and interactive videos to support their integrated marketing communications strategies. It is important to note that since corporate blogs are often directed at individuals, a discussion of corporate blogs requires an understanding of customers' relationships with blogs and their reaction to them. Companies such as General Motors, IBM, Sun Microsystems, Microsoft, GE, Home Depot, Guinness, Honda, and Southwest Airlines, to name just a few, are embracing this medium as a communication platform with individual customers and other stakeholders. Before one can understand how blogs work, however, it is important to review how this medium has evolved.

### 3.1. How blogs began

The early applications of blogging were primarily in the business realm. They were originally used in the late 1990s as web-based project management tools for technology-based organizations. The purpose was to facilitate collaboration among various functional areas within an organization. Since then blogging has continued to evolve, and has gained

considerable popularity as a result of growing Internet usage.

Companies such as Pyra Labs and Userland were some of the earliest entrants in the blogging space. Pyra Labs launched Blogger in 1999, which was acquired by Google in 2003. What made early blogging particularly attractive was that users did not need a technical background to engage in blogging. In fact, they did not need to know HTML or even own a computer to blog; they simply needed to have access to a computer. In addition, because many blogging tools were server-based, users did not have to install anything on their computers. This ease of creation and use contributed to the growth in blogs by individuals. The acquisition of Blogger by Google added further legitimacy to the practice and to the business model itself (Stone, 2004).

As blogs gained widespread usage and recognition, the terminology related to them also became mainstream. The Oxford dictionaries added the words *web log*, *web logging*, and *web logger* to the dictionary in 2003, and today *blog* is a legitimate word, defined as a web site on which an individual or group of users produce an ongoing narrative. Marken (2005) refers to blogs as a collective conversation; it is similar to a message board or Internet posting, but goes beyond that since it facilitates conversation by enabling individuals who blog on behalf of firms or on their own to post comments and link to other blogs.

Despite the wide variety, blogs do have some common elements. These include comments (comments that a reader adds), categories (subjects that the entry discusses), trackbacks (links to other sites that also discuss the entry), and permalinks (permanent URLs to individual posts). For example, a permalink is what another blogger will use to refer to an article or send a link to a story in an e-mail message. These elements provide continuity and facilitate the on-going collective conversation.

### 3.2. Why blogs are important

Even for technology experts, statistics on blogging may be somewhat surprising. The *blogosphere*, which is the term for the collection of all blogs on the Internet, is made up of more than 60 million individual blogs, and the number is growing daily (Murphy, 2006). There are approximately 50,000–70,000 blogs launched every day, with 29,100 updates every hour (Martin, 2005). Approximately 90% are U.S.-based (Martin, 2005), although blogs are also gaining momentum in the UK, across Europe, and in Asia, particularly in China despite recent attempts to regulate content.

A report by Pew Research (2005) describes how readers used political blogs during the 2004

elections. About 9% of Internet users reported having read political blogs either frequently or occasionally during the campaign. Another Pew Research report (Scheffler, 2006) found that the number of adult blog readers is 40%, which compares well with the size of the nation's talk radio audience, and is about 20% the size of the newspaper-reading population. With approximately 73% of U.S. adults using the Internet at home, work, or another location, it is not surprising that blogging has become another way for people to connect in this digitally savvy world (Fox, 2006; Madden, 2006). Significantly, the younger generation is clearly more digitally connected; 88% of Americans aged 12–29 are online, while only 32% of people over the age of 65 are online (Fox, 2006). This easy access to technology is also fueling the growth in blogs and blogging activities.

Jonathan Schwartz, Chief Operating Officer (COO) of Sun Microsystems, notes that one of the biggest advantages of blogging is that it “lets you participate in communities you want to cultivate” (Schwartz, 2005, p. 30). That is the premise and promise of the basic framework for blogging: the ability to cultivate relevant communities. Clearly, individuals are much more comfortable using blogs as a place to express their opinions and read about the opinions of others, including those held by businesses.

There are six ways in which blogging can provide a means to cultivate communities that are critical to a firm's success. First, firms that use blogs are finding that it provides them a new way to stay relevant to their customers. GM acknowledges that a key function of blogs for GM is “to keep the 97-year old company culturally relevant” (DeFelice, 2006b). For example, in April 2007 GM's North American President, Troy Clarke, met with a group of bloggers to discuss the latest lineup of cars from Chevrolet in the same way he would have met with other journalists. This illustrates the relevance of blogging to GM's integrated marketing communications strategy.

Second, since differentiation is one of the key drivers to companies' interest in blogs, marketers can use blogs to address the challenges arising from changing media dynamics. A Draft Chicago survey of Fortune 1000 Chief Marketing Officers (CMOs) found that marketers are adjusting their marketing model to address changes in customer behavior and trends in information access (Sherman & Weinberger, 2006). Results suggest that 77% of CMOs use data to segment and personalize their interaction with customers, and more than 60% have increased both the level of personalization and the level of customization of interactions with their customers. Blogs afford marketers the ability to achieve these objectives with relative ease, and the data collected

from such personalization can be a valuable tool for future marketing efforts and continuing dialog with the customer.

Garmin, the market navigation company, is a perfect example of blogging for differentiation. By featuring news stories of users who range from novice users to aviation experts, Garmin's blogs are an information source for its users, and do not simply pitch points for its products. For example, Garmin's blogs discuss topics ranging from bike racing tips for outdoor enthusiasts to NASCAR events. The product mention is made within the context of the main story, whether it is bike racing or other outdoor activities. By being relevant, interesting, and current, the Garmin blog provides a reason for its users to subscribe.

Third, blogs provide a way to bridge the generational gap. Younger customers who are technology savvy are often skeptical of marketers' overt attempts to sell to them. However, 71% of 16-34 year olds in the U.S. have participated in a blogging activity, and they are three times more likely than people 35-49 to manage or write their own blog. These blogs can provide marketers with an unadulterated look at the likes and dislikes of *Gen-Next* customers (Universal McCann, 2006). Perhaps even more importantly, while blogging activities for the younger group involve discussing pop culture and personal information, the older bloggers use the blogosphere to discuss, share, and analyze everything from the political climate to product information, which is information marketers can use. The Southwest Airlines blog, which attracts a wide assortment of readers, ranging from college students to retired army officers, is an example of how a well-written and interesting blog can create passion about a brand, irrespective of the age of the audience. Furthermore, just as with other media, firms can segment their blogging audience by writing multiple blogs focusing upon specific target markets.

Fourth, blogs are used by thought leaders to share their expertise and experiences with interested people. Many leading consultants, writers, and academics share their expertise via blogs, providing readers with the most current information in their respective fields. Thought leaders such as Tom Peters, Charlene Li, Guy Kawasaki, and Seth Godin are some of the well-recognized names in the blogosphere. Thought leaders within firms can discuss their views about relevant issues in the firm and provide opportunities for internal communications. This individualized communication emanating from a person, rather than from the firm, makes the communication seem more human when compared to a faceless corporate communication that is often perceived as distant and impersonal.

Fifth, blogs are global by nature. Publishing a blog provides a global platform for firms to reach a world audience. An increasing percentage of blogs originate from diverse points around the globe. Japanese (37%) and English (36%) are currently the two predominant blog languages, followed by Mandarin Chinese (8%). The democratization and globalization of blogs is also evident in the fact that non-Western languages have been quick to occupy the blogosphere; Farsi recently moved up to the 10th most popular language, bumping Dutch to the number 11 spot.

Finally, because blogs provide an opportunity for ordinary people to voice their opinions, they enable firms to see their organizations from the viewpoint of the customer. Firms that allow customers to communicate directly with them can get a deeper understanding of their customers' likes, dislikes, interests, and concerns. This provides marketers with an opportunity to respond or address customers' comments, while setting the expectation that their opinion will result in a better product, service, or brand in the long run.

In summary, blogs are conceptually similar to other channels, like print, video, audio, and so on. However, the interactivity inherent in blogs allows for a higher level of connectedness with the customer. In that sense, blogs have a better ability to manage customer relations, facilitate internal collaboration, aid knowledge management, improve media relations, and test new ideas for products and services.

Surprisingly, when examined from an organizational performance perspective, little if any research has been done on how blogs might affect performance. Firms such as Market IQ are beginning to develop better matrices for measuring the impact of blogs relative to traditional media. For example, Market IQ's matrix claims to distinguish between high traffic versus high impact blogs, a critical distinction for firms. Other firms such as Bazaarvoice and Buzzmatrix also offer measurement tools, but the relationship between blogs and specific performance measures has not been clearly established, and rigorous studies on the impact of blogs are relatively rare. If firms expect to benefit from the true potential of blogs, the next step should be to link blogging with performance measures such as customer satisfaction, customer complaint behavior, and market research.

### 3.3. Blogs and their marketing potential

As noted earlier, blogs exist for a multitude of categories and topics. There are informal and personal blogs, informational blogs, corporate blogs,

and mobile blogs. The following discussion relates specifically to corporate blogs or blogs that are used as part of company strategy. Corporate blogs add value to the communication chain both internally and for public/customer communications. From providing top-down (from the CEO) and bottom-up (from employees) communications, to fostering communication between the marketer and the customer, blogs have a multitude of objectives. Some are geared towards gaining marketing intelligence, while others provide an on-going dialog between the customer and the marketer. It is important for firms to clearly delineate the specific objectives for blogs within their own context in order to better evaluate their impact. Broadly, blogs can be used by firms in the manner outlined below.

#### 3.3.1. Blogs as marketing communication tools

Research suggests that customers value a unique, more personalized message, and marketers continue to seek opportunities that will deliver that message in innovative and interesting ways. Blogs offer firms the ability to connect with customers in a unique and personalized manner where everything from brand promotions to new product ideas can be effectively communicated. GM is an excellent example of blogging to improve marketing communications. For example, GM has several different categories of blogs, including the Fastlane blog, FYI Blog, Cadillac Drivers blog, and GM tuner source. Each is strategically geared toward a different audience. The Fastlane blog, about cars and trucks, is where GM leaders discuss their opinions and provide feedback. The GM tuner blog, on the other hand, discusses racing and other events where GM products may be featured. The Cadillac blog is the "story of two engineers who test drive the new Cadillac CTS all over the world" ([www.gmblogs.com](http://www.gmblogs.com)). A quick scan of these blogs and opinions posted at the blogsite reveals the very targeted nature of GM's blogs.

The growing dollars funding this new media suggest that many marketers already recognize blogs as a legitimate marketing vehicle. A study by PQ Media, a provider of alternative advertising and market research, estimates that the combined spending for blogs, podcasts, and RSS advertising rose 198% in 2005 to reach \$20.4 million, and spending was expected to increase an additional 145% in 2006. In addition, blog advertising, which was estimated in 2005 to be \$16.6 million, is expected to reach \$300.4 million by 2010 (PQ Media, 2006).

Still, less than 5% of Fortune 1000 companies currently use blogs strategically, although this number is expected to triple in next two years (DeFelice,

2006a). Most companies allocate very little of their media budget to new technologies, including electronic media, and therefore may be ignoring the potential of this promising tool (Woffington, 2006).

### 3.3.2. Passive or limited applications

The level of usage and the strategy behind blogs are as varied as the firms themselves. While firms use blogs for internal communications and market research, business applications of blogs range from limited to tactical to strategic. Again, firms need to assess which use is the most rewarding and relevant given their own context and marketing objectives. Firms simply seeking what others are currently saying about their brand or product, or about competitive products in other blogs, can be classified as limited or passive use companies. Limited use companies recognize the value of word-of-mouth and customer feedback, and use this knowledge to stay relevant to the customer. These companies may utilize various sources, including blogs, replies to blog entries, customer review sites, and message boards to gain customer insight.

For example, Playboy Entertainment Group gathers information from user sources like Yahoo.com groups about customer likes and dislikes. Dixie Retail Business utilizes the Internet through the sponsorship of a weekly Internet radio show called MommyCast. This provides the company with unfiltered feedback on its product lines, which in turn helps redefine product attributes. According to the director of marketing at a San Francisco consulting firm, this type of customer insight provides marketers with an opportunity to learn about its customers in real time (Sherman & Weinberger, 2006). While these companies and others like them do not have their own corporate blogs, they utilize blogs in conjunction with other resources to gain valuable customer insight.

### 3.3.3. Tactical applications

Companies that use blogs as a marketing tool to specifically drive traffic to their site, or as a promotional tactic, can be classified as tactical use companies. This category includes companies such as Budget Rent A Car, Honda, and Guinness (Marken, 2005; Smith, 2006). For example, the Budget Rent A Car company blog enables users to post stories of travels and adventures while also offering them the ability to register for gifts and other promotional offerings. This type of blog clearly uses the medium in an integrative manner, but also links customers with specific promotional events.

Most tactical use companies have corporate-sponsored blogs but, unlike user-generated blogs, these are used to increase awareness of their brand

or to drive traffic for specific promotional events. For example, Budget Rent A Car launched a promotional blog called *Up Your Budget* in October 2005. The specific objective of this blog was to drive traffic and create excitement around the promotion, and Budget was very successful in its strategy (Nudd, 2006). Vespa, the Italian moped manufacturer, is yet another company utilizing blogs in a tactical manner. Many of Vespa's customers, who are passionate about the company and its products, blog on the company site to offer an insider's look at the product. Their posts add legitimacy to the brand because the blog is user-generated. This helps other customers identify with Vespa, and helps to spread news about new products. These companies expect to gain customer insight, build brand loyalty, and generate buzz about their products, brands, and promotional activities as customers share their opinions with other customers.

### 3.3.4. Strategic applications

Strategic-use companies use blogs as a true interactive vehicle, which is driven by senior management and reaches across functional areas. These companies use blogs for internal communication, external communication and feedback, to conduct market research, initiate customer communication, gather competitive intelligence, generate new product ideas, and supplement promotional efforts. The true value of blogs as a business tool is most evident in strategic application companies. Strategic-use companies recognize that insights gained through these tools provide valuable information on customers, markets, competition, and trends. These companies value the ability of blogs to allow them to share information with the customer, garner feedback and respond to customer concerns, gain competitive intelligence, and drive product development. All these exercises are geared toward building brand loyalty and customer connectedness.

General Motors, Boeing, Microsoft, Southwest Airlines, and Garmin are some of the companies using blogs in this manner. General Motors' blog, written by GM Vice Chairman Bob Lutz, is often used as an example of what a good corporate blog should look, sound, and read like. According to Michael Wiley, Director of New Media for General Motors, "GM isn't always considered to be on the forefront of cultural trends...by getting in at the forefront of a communication trend...being a part of that kind of gives you a fresh image" (Dizon, 2005). In a similar manner, Ken Levy, product manager for Visual Studio Tools Ecosystem (a Microsoft company), uses his blog to discuss the latest news, information, and trends for developers who build add-ins for the firm's products. The blog provides links to relevant events

and tools that may be of interest to his community of users. Ken's Microsoft connection is relevant only within the context of the discussion, and does not overshadow the discussion of the product. Other companies clearly have similar objectives, as evidenced by the number of employees who blog on behalf of their employers, and by the number of blogs that are read by the final customer. About 2,000 employees of Sun Microsystems are involved in blogging where managers and developers post about everything from company culture to product news (Bulkeley, 2006).

## 4. Making blogs work for you

It is clear from the number and types of companies utilizing blogs that there are definite benefits to be gained from blogging. So it is somewhat surprising that less than 5% of Fortune 1000 companies currently use blogs strategically. While several reasons could account for this apparent reluctance, one which has been discussed at some length is the perceived risk of blogging. However, as with any media vehicle, the key is to understand and weigh the benefits with the risks, while at the same time recognizing that, when managed effectively, blogs can be a valuable addition to the company's overall marketing strategy. Advantages of using blogs include real information that translates to timely market research, brand loyalty, product development ideas, better targeting, and ease of use at a low cost. Challenges include the loss of control, the on-going resource requirements, and the risk of creating negative publicity.

### 4.1. Why companies should blog

#### 4.1.1. Real information and valuable market research

Many users of corporate blogs cite the unfiltered nature of blogs as a key benefit. Blogs appear to humanize a faceless business, and give customers insight into the company. Furthermore, a well-designed blog also gives the company insight into the customer and his or her thinking. More importantly, since many blogs are anonymous and the postings are almost always unsolicited, the information that most people provide is candid and uncensored. This unfiltered look at the customer is perhaps the biggest advantage for the marketer. In addition, the interactive nature of blogs allows a company to participate in its own market research, and to respond to feedback provided by the customers.

As for generating negative publicity, it is important to realize that, with the availability of

electronic media, people will share comments about their experiences with a company regardless of the existence of a blog. If these comments can be solicited and responded to in a company-sponsored blog, the company can better control or manage the information. More importantly, it can respond to appropriate criticism or accolades in a fast and effective manner. For example, consumer-generated online word of mouth is obviously one area that firms would like to measure more accurately in order to understand opinions, attitudes, and motivations of their customers. The recent acquisition of Cymfony by TNS Media Intelligence, a firm that used to be primarily in the traditional media expenditure measurement business, is an example of how firms are realizing the market research potential of blogging.

#### 4.1.2. Brand loyalty

Blogs can play a significant role in engaging the customer through on-going communications, which in turn can help support brand loyalty. Because blogs tend to be time-sensitive and driven by customer-defined interactions, the message involves the customer, and is relevant to the customer. Customers use blogs to reflect their brand experience, both bad and good. Firms can empower customers by enabling them to have a role in the product or brand. This in turn can help build loyalty by providing them with a feeling of ownership in the brand (Nardini, 2005; Woffington, 2006). From a competitive standpoint, blogging, when done right, can show a customer that the company cares about its products and its customers. This, too, strengthens the company's image and helps build loyalty and trust.

Ultimately, blogs are valuable for companies that care about their customers' reactions irrespective of the company's size or the type of the industry in which the firm competes. For small companies, such as Denali Ice Cream or Stonyfield Farms, blogging helps strengthen their core competency, meaning their reputation as manufacturers of quality (Denali) or organic (Stonyfield) products. For larger companies, such as Honda and Microsoft, blogging humanizes the corporation. In both of these instances the company can build brand loyalty and get one step closer to its customers.

#### 4.1.3. Targeting

Corporate blogs are ideal for targeting, as the customer has already been segmented and, in some cases, has already expressed an interest in the product. As a result, many marketers currently target customers and users via blogs to fine tune their product or communication message (DeFelice, 2006a). GM's Michael Wiley states, "When we feel

we need to get a direct response out there, we've certainly got this bully pulpit to some extent. . . it's a place where we can talk directly to people unfiltered" (Dizon, 2005). Further targeting can come in the form of using blogs in conjunction with other technology-driven media, such as iPods and cell phones. Just as people are able to define what news feeds and e-mail alerts they receive, the same level of selectivity can exist for blogs.

#### 4.1.4. Relative ease and efficiency

Blogs make it easy to share knowledge and experience among employees, customers, and markets. As discussed earlier, blogs provide a relatively easy portal, whether for the dissemination of information or receiving feedback. Likewise, establishing and managing a blog is relatively easy. Many software and related product companies now facilitate the process for the startup, and provide extensive monitoring of blogs and blog content.

As companies become more sophisticated in the use of blogs, and better understand what is required for the on-going management of the blog sites, the cost of participation, data filtering, and analysis of content will become more reasonable. Many companies that currently utilize blogs believe the customer insight gained is invaluable compared to the relatively low investment.

## 4.2. Limitations of blogging

### 4.2.1. Lack of control and boundaries

There are differing opinions regarding the level of blogging sophistication that exists today. Some still believe that blogging is in its infancy, while others believe that blogging is becoming commoditized as more firms enter the blogosphere (Carter, 2006). However, the relatively small percentage of companies that currently have a strategy to incorporate blogging into their marketing tool kit seems to contradict the view that the blogosphere is becoming oversaturated. In fact, the small number of corporate users may instead be an indication that there is still fear of the unknown. While those who currently utilize blogs find value in the unfiltered information contained in blogs, many firms view the lack of control and lack of boundaries as a challenge.

While positive and negative feedback arguably provide insight, the anonymity of the negative feedback makes it difficult to evaluate the context in which the critical comment was made. This makes it hard to understand the true root of the problem. Furthermore, some contend that the anonymity of a blog does not allow a company to directly address the negative feedback, although it does make them aware of the concern. Some traditional marketers

believe that they have nothing to gain from customer empowerment, and that blogging only results in brand bashing (Murphy, 2006). Finally, marketers have been accustomed to telling the customer the message they want the customer to hear, rather than the message the customer truly cares about. This attitude sometimes makes it difficult to share power with customers, which is a pre-requisite of blogs and other customer-centric tools.

However a blogger who is truly engaged with a company or brand often knows what the company is doing, has an opinion about it, and can serve as a valuable ally. Due to the speed at which information is transmitted, marketers may sometimes feel they are losing control of the message. In an electronically governed society where the customer feels empowered, marketers have to accept that today's customers want to share their experiences with each other and with the marketer. There is inherent value in such interactions that must be harnessed and not feared by the marketer.

### 4.2.2. Commitment and continuity

Because blogs are dynamic and the intent of a blog is to be an interactive tool, not managing a blog properly defeats the purpose, and sends a mixed message to the customer. After soliciting feedback a marketer will need to provide a timely response to demonstrate that the blog is being used as a two-way communication vehicle. Requesting feedback and then not acting on it will certainly create a negative perception of the company. Similarly, while corporate blogs clearly identify the marketer, the product, or the brand, using blogs as a form of advertising may be challenging. If executed well, it can be successful. However, if it is done poorly, the company may alienate the customer or cause the blog to be viewed as just another gimmick.

To illustrate, Nike successfully launched a blog as a form of advertising, while both Mazda and Raging Cow failed in their attempts to do so. What made Nike's efforts successful, while the other two were unable to capitalize on this tool, can be understood by looking at how these companies used their blogs. Nike was candid and upfront about the blog, and clearly identified that it was being used as a promotional vehicle, while the other two companies established blogs that were not credible as genuine blogs. Today's sophisticated customers recognize fake blogs, and will respond to them much more negatively than if the company clearly identifies the blog as a promotional vehicle. Finally, to remain relevant for the customers, company blogs need to be updated regularly, and to provide information that is of interest to their target audience. An old blog with no updates can result in customer dissatisfaction and

trigger his or her quick departure from the firm's radar screen.

## 5. The universe of blogs: Ensuring your firm has a presence

All research seems to indicate that the use of blogs will continue to grow as a communication tool. According to Jason Goldman of Blogger, blogs are a major factor in the growth of the Web (Baker & Heather, 2005). A recent study conducted by the American Association of Advertising Agencies also reported that blogs were identified by 20% of the respondents as the form of new media that will show the greatest growth in the coming years; other media forms identified by marketers included Internet video (50.2%) and podcasting (29.6%). Because the power of the blog resides not as much in profitability as in the opportunity to share opinions, information, and knowledge, the current blog boom is unlikely to become a blog bubble. Venture firms financed only \$60 million in blog startups in 2006, and the investment remains quite modest compared to traditional media.

Nevertheless, although the blogging industry is still relatively small, larger companies like Google, Yahoo, and MSN are acquiring blogging firms. In addition, companies like Technorati, Bazaarvoice, BuzzMetrics, Market IQ, and MicroPersuasion are establishing platforms that support blogs, act as data filters, and provide data mining and management support. Bazaarvoice, for example, offers a hosted way for businesses to analyze and manage detailed customer product reviews. Another application searches customer posts, which are placed into an index; the index is then mined for brands or concepts and feedback (Anfuso, 2006). If the current trends continue, blogs are likely to become another market research tool providing real time feedback and performance measurement to companies.

In addition to acceptance and use, one of the biggest challenges for companies regarding blogs is establishing a structure around the blogosphere to determine if it is understanding the information, obtaining the appropriate metrics to assess relevant feedback, or accurately assessing the results. As noted earlier, knowledge harvesting is a key component of effectively utilizing blogs. Whether or not a company elects to actively participate in or launch its own corporate blog, resources should be allocated to ensure that this vehicle can be used strategically.

In order to realize the full potential of blogs, firms must first identify the specific objectives for which its blogs are being created. It is also advisable to

establish a performance matrix for each objective to evaluate whether or not blogs are achieving their intended effects. For example, the objectives of enterprise blogging are very different from those of blogging for media relations. While each has its place, it is important to understand that the expected outcomes for enterprise blogging are quite different than those for media relations. The following discussion provides an overview of how firms could use blogging for each of these activities.

### 5.1. Enterprise blogging

Blogs began as an internal communications tool, and this facet of blogging will likely continue to grow as it becomes more and more important to quickly disseminate and exchange knowledge internally. Specifically, there are several avenues in which enterprise blogging can be used. Blogs' dynamic nature and the ability to customize the message provide an opportunity for management to communicate with their teams easily and frequently. By delivering the message in the first person rather than in a corporate memo-type format, it is more likely to be read. Blogs are more authentic because, unlike company newsletters or memos, they are able to link the opinion or the idea with a real person. Blogs can also be effective as a means for project coordination, and to share knowledge and experiences with customers. They can help minimize miscommunication, and offer the potential to be the single application for corporate intranet.

### 5.2. Blogging and relationship building

The increasingly fragmented media has made the task of the marketer a difficult one. Blogs, however, can help alleviate some of the concerns that come with traditional marketing. For example, blogs build awareness and loyalty by engaging the customer in co-creation of expectations and experience. Purchasers of a product can read a blog about a product before buying it, and post comments and engage in discussion about the product; this personal communication helps create an open and trust-based conversation. Through this open dialogue, a customer becomes an active participant, and can feel good about a product or a brand, which will likely lead to increased loyalty (Nardini, 2005).

Blogs also show that a company cares about its customers and their opinions, particularly if the company responds to customer opinions and concerns quickly and honestly. Many believe that Microsoft manager Robert Scoble puts a personal touch in this way on a company that some may view unfavorably. Through his *Scobleizer* blogs he gives a human

face to Microsoft (Nardini, 2005). In the same light, blogs allow companies to confront issues when there is negative feedback. A company can address the issues directly, which can help build credibility and trust in the eyes of the customer. Companies like Cisco Systems, Boeing, and General Motors have all used blogs towards this objective. For example, when GM launched the Pontiac Solstice, the product did not get to market when anticipated, and customers expressed frustration with the delay. GM's blog explained the reasoning behind the delays, and reported that it was related to product safety issues. Customers responded favorably to GM's honest disclosure, and it helped strengthen communication with loyal GM customers (DeFelice, 2006b).

Blogs can be used creatively by companies. For example, Cadbury-Schweppes encouraged its new hires to blog about their experiences at the company. This form of blogging can help with brand building as well as attracting additional new recruits, who will then come to the company with an understanding of both company culture and the expectations for new recruits (Murphy, 2006).

### 5.3. Dynamic market research and competitive intelligence

While traditional market research such as surveys and focus groups are valuable, they are often time-consuming. Blogs, on the other hand, have the ability to identify trends that may take months to gauge using traditional market research methods. Blogs are also viewed by some as never-ending focus groups due to their relatively fluid and flexible nature. Blogs can provide customer need data for product development, or customer experience data with new products. Microsoft uses its blogs as a way to get feedback and understand customers' perceptions of new features. These insights help in the development of differentiated products, and can provide a platform for growth.

One of the most touted uses of blogs is their ability to garner competitive intelligence. Blogs can provide real time insight on what customers like or dislike about a company's product versus the product of a competitor. Blogs, often written by market leaders, provide a platform where a company can hear about competitive products that are being tested.

### 5.4. Potential for targeting

As market research and relationship building converge, blogs can be used to generate market research, and then engage the customer in an on-going relationship. Blogs can be developed for specific target markets where information is tailored to

particular segments. The resulting community building can help a company differentiate itself. Targeting through blogs, where a community of users can relate to each other and to the company, can strengthen a company or a brand's proposition to the customer, and ultimately be more effective in delivering results than traditional media. For example, as the use of Internet videos becomes more common, video blogs or *vlogs* can provide an opportunity where the marketer provides the video content, but the customer controls the timing, access, and feedback. Applications utilizing podcasting or RSS may also enable a customer to self-diagnose a need, and develop his or her own solutions. For example, for P&G's Mr. Clean Bathroom Explorer a customer sees a video demonstration customized to a current unmet need. The actions taken by the customer are then tracked as a means of providing market research and targeted product development for the given segment (Woffington, 2006).

The advantages of participating in the blogosphere far outweigh the challenges. Firms that actively manage the world of blogs can gather powerful market intelligence, create communities of dedicated brand advocates, and reach the elusive customer more effectively than is possible through traditional media. The only requirement is that companies must truly believe in customer empowerment, and be willing to share power with the technology-savvy customer of today.

## References

- Anfuso, D. (2006). *Word of mouth 101*. Retrieved June 12, 2006, from <http://www.imediaconnection.com/content/8051.asp>
- Baker, S., & Heather, G. (2005, May 2). Blogs will change your business. *Business Week*, 56–67.
- Bulkeley, W. (2006, April 3). The inside view. *The Wall Street Journal*, p. R7.
- Business Wire. (2005, April 18). *Marketers must change how they appeal to consumers if they want to capitalize on promise of new media, according to study; Yankelovich unveils new marketing receptivity study at ARF conference*. Retrieved January 15, 2008, from [http://findarticles.com/p/articles/mi\\_m0EIN/is\\_2005\\_April\\_18/ai\\_n13627973](http://findarticles.com/p/articles/mi_m0EIN/is_2005_April_18/ai_n13627973)
- Carter, B. (2006, March 1). Blogs in business. *Marketing*, 35–36.
- Cooley, A. (2007). *The key to developing maps of the future*. Retrieved January 15, 2008, from [http://www.teleatlas.com/stellent/groups/public/documents/content/ta\\_ct012527.pdf](http://www.teleatlas.com/stellent/groups/public/documents/content/ta_ct012527.pdf)
- DeFelice, A. (2006a). A new marketing medium. *Customer Relationship Management*, 10(1), 32–35.
- DeFelice, A. (2006b). *Let's review: A new web marketing tool*. Retrieved August 06, 2006, from <http://www.destinationcrm.com/articles/default.asp?ArticleID=5816>
- Dizon, N. Z. (2005). *Corporations entering brave new world of blogs*. Retrieved August 6, 2006, from <http://www.thetimesonline.com/articles/2005/06/05/business/business/387921418eb5d2a08625701500634a42.txt>

- Dobele, A., Toleman, D., & Beverland, M. (2005). Controlled infection! Spreading the brand message through viral marketing. *Business Horizons*, 48(2), 143–149.
- Elliott, S. (2006). *Nowadays, it's all yours, mine or ours*. Retrieved July 6, 2006, from <http://www.nytimes.com/2006/05/02/business/media/02adco.html?ex=1304222400&en=123ed25a14234c46&ei=5088&partner=rssnyt&emc=rss>
- Fox, S. (2006). *Internet usage trends—Through the demographic lens*. Retrieved January 15, 2007, from [http://www.pewInternet.org/PPF/r/165/report\\_display.asp](http://www.pewInternet.org/PPF/r/165/report_display.asp)
- Grossman, L. (2006). *Time's person of the year: You*. Retrieved January 15, 2007, from <http://www.time.com/time/magazine/article/0,9171,1569514,00.html>
- Madden, M. (2006). *Internet penetration and impact*. Retrieved January 15, 2007, from [http://www.pewInternet.org/pdfs/PIP\\_Internet\\_Impact.pdf](http://www.pewInternet.org/pdfs/PIP_Internet_Impact.pdf)
- Marken, G. (2005). To blog or not to blog, that is the question? *Public Relations Quarterly*, 50(3), 31–33.
- Martin, J. (2005). Blogging for dollars. *FSB: Fortune Small Business*, 15(10), 88–92.
- Murphy, C. (2006). *Blogging: Waste of time or corporate tool?* Retrieved August 12, 2006, from <http://www.personneltoday.com/Articles/2006/03/21/34506/blogging-waste-of-time-or-corporate-tool.html>
- Nardini, J. (2005). Blogging 101. *Frozen Food Age*, 53(12), 32–33.
- Nudd, T. (2006). Indescribable. . . indestructible! Nothing can stop it! The blog *Adweek*, 47(1), 16–17.
- O'Reilly, T. (2005). *What Is Web 2.0: Design patterns and business models for the next generation of software*. Retrieved June 6, 2006, from <http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html>
- Phelps, J. E., Lewis, R. M., David, L. P., & Raman, N. (2004). Viral marketing or electronic word-of-mouth advertising: Examining consumer responses and motivations to pass along. *Journal of Advertising Research*, 44(4), 333–348.
- PQ Media (2006). *New PQ Media report: Blog podcast, RSS advertising grow fastest among alternative media, surging 198% in 2005 and forecast to grow 145% in 2006*. Retrieved January 15, 2008, from [pqmedia.com/about-press.20060411-amrs1.html](http://pqmedia.com/about-press.20060411-amrs1.html)
- Ramsey, G. (2006). *Digital marketing strategies in the age of customer control*. Retrieved June 6, 2006, from [http://www.emarketer.com/Article.aspx?1003886&src=article\\_head\\_sitesearch](http://www.emarketer.com/Article.aspx?1003886&src=article_head_sitesearch)
- Scheffler, M. (2006). *I am @ work right now – check this out*. Retrieved June 6, 2006, from [http://www.chicagobusiness.com/cgi-bin/mag/article.pl?article\\_id=25585&seent=1](http://www.chicagobusiness.com/cgi-bin/mag/article.pl?article_id=25585&seent=1)
- Schwartz, J. (2005). If you want to lead, blog. *Harvard Business Review*, 83(11), 30.
- Sherman, E., & Weinberger, D. (2006). Out of control. *Advertising Age*, 77(14), 9–12.
- Smith, C. (2006, March 1). Don't fear the blogosphere. *Marketing*, 27.
- Stone, B. (2004). *Who let the blogs out: A hyperconnected peek at the world of weblogs*. New York: St Martin's Griffin.
- Universal McCann (2006). *The new digital divide: How the new generation of digital customers are transforming mass communication*. Retrieved December 12, 2006, from [http://universalmccann.com/page\\_attachments/0000/0018/The\\_New\\_Digital\\_Divide.pdf](http://universalmccann.com/page_attachments/0000/0018/The_New_Digital_Divide.pdf)
- Woffington, J. (2006). *Outlook 2006: CPG marketers find web is place to build relationships*. Retrieved January 15, 2008, from <http://www.dmnews.com/Outlook-2006-CPG-Marketers-Find-Web-Is-Place-to-Build-Relationships/article/90304>