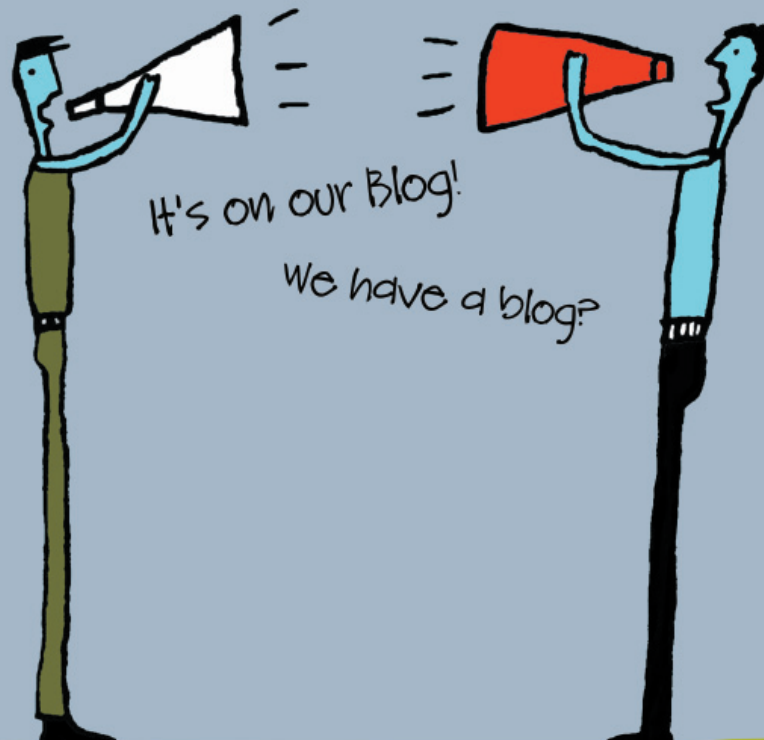


RESEARCH REPORT

Text 100 Survey on Peer Media, Corporate Blogging and Blog Relations 2005



According to the Text 100 Survey on Peer Media, Corporate Blogging and Blog Relations, only a small number of technology companies surveyed are actively leveraging corporate blogging or blog relations as strategic communications tools. The majority of corporate blogs were reported as managed outside communications groups within functional areas ranging from technology/developer groups to company ombudsmen to individuals who have personal, but company-sanctioned blogs.

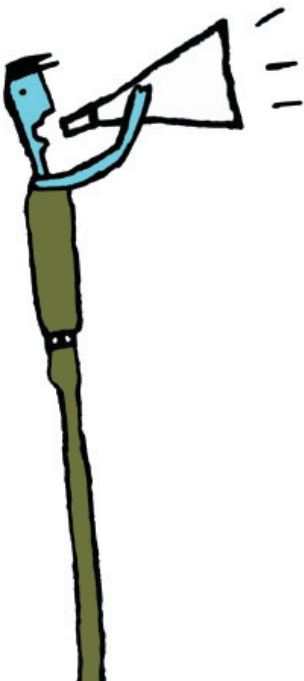
A recent analysis of Fortune 500 companies shows only 4% currently operate active public blogs by employees about the company and or its products.

From the Fortune 500 Business Blogging Wiki
(www.socialtext.net/bizblogs/index.cgi)

SUMMARY STATEMENT

While current estimates of the number of corporate blogs in existence range broadly, it is agreed that not many companies are using blogs as a communications tool, either internally or publicly. Technorati's 2004 estimates showed a total of 5000 of the blogosphere's 18 million total blogs as corporate, with the balance individually owned or 'personal' blogs. While the number seems low, this estimate appears to fall in line with the findings of this and other surveys—including the Backbone Media Corporate Blogging Survey for example—which indicate that there are not nearly as many corporate blogs as originally thought. And corporate blogs that do exist are predominantly those of smaller organizations. The general consensus is that while blogs have exponentially gained in popularity, their potential for the enterprise has only marginally been realized.

As a public relations consultancy working with some of the most progressive companies in the world, we sought to determine if the same also held true for technology companies and if so, what challenges, if any, they faced in implementing corporate blogs and blog relations efforts. Additionally, the survey provided an opportunity to assess technology companies' attitudes and opinions about peer media, how those with corporate blogs measured the success of their investment and whether respondents had experienced and were willing to share any negative or positive experiences related to blogs and blogging.



“Openness as a business strategy extends beyond the ways in which product source code is shared or protected. From a communications standpoint, it means inviting and participating in dynamic discussions with all constituents including customers, partners, investors, employees, developers, analysts and journalists.”

**From Joining the Conversation:
A Perspective on Peer Media**
(http://www.text100.com/hypertext/hypertext_us_issue5.htm)

FOREWORD

The Text 100 Survey on Peer Media, Corporate Blogging and Blog Relations examines the practices, experiences and opinions of a select group of technology companies regarding blogging and blog relations. The intent is to offer communications groups within technology companies a perspective on this important trend and provide some contextual recommendations for the development of their own blogging and blog relations efforts.

This analysis was compiled from combined survey responses and direct interviews with more than 55 technology companies of all sizes and ranging across sectors. While not generalizable to the entire population of technology industry competitors, it does offer important insight into both the attitudes and practices at technology companies when it comes to peer media. Even though these companies represent only a small slice of those operating in the entire realm of technology, their experiences, insight and knowledge are still valuable.

"Dealing with the peer media environment is not optional anymore; it is a reality that increasingly affects how the communications industry does business. While the awareness for the phenomenon is increasingly there, most communicators and business owners are still unsure what to do with it."

**From Joining the Conversation:
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INTRODUCTION

As controversy bubbled over *Forbes'* recent article "Attack of the Blogs: They destroy brands and wreck lives. Is there any way to fight back?," it became obvious that peer media was evoking a strong response from both corporations and conventional media as blogs made their way into mainstream consciousness. While *Businessweek's* May 2005 article, "Blogs Will Change Your Business—our advice: Catch up or catch you later" represented the alternative view to *Forbes'*, if anything is clear it's this: regardless of where you and your company stand on the issue, there's no denying that blogs are making an impact on your business—whether you know it or not.

Blogs and other forms of peer media are here, they are happening and it's only a matter of time before companies need to get on board.

We believe this fact applies not only to corporate blogging, but especially to blog monitoring and blog relations activities. *Reveries'* recent survey of 262 marketers on how marketers use blogs, notes that 61.8% of respondents are not monitoring the blogosphere. Given the crises that have even recently risen from the blogosphere (Sony rootkit technology, for example), it's easy to question why companies aren't more aware of and more directly involved with media that could potentially derail their businesses in a costly and embarrassing manner.

THE SURVEY

As a public relations consultancy working with some of the most progressive companies in the world, we were prompted to undertake this survey by our interest in where technology companies—typically considered early adopters on the cutting edge of innovation—stood with regards to this important medium and whether their own blogging and blog relations practices were consistent with the general population of companies as reported in other surveys.

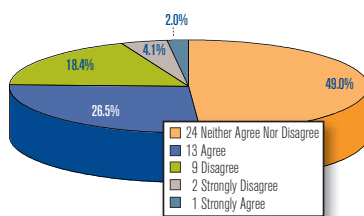
Additionally, the survey provided an opportunity to assess technology companies' attitudes and opinions about peer media, how companies surveyed measured the success of their blogging investment, whether respondents had experienced any negative or positive outcomes related to blogs and blogging and what challenges, if any, they faced in implementing their own blogging programs.

While respondents reported that they recognize the power of peer media to impact their organizations and products, they concurrently expressed that peer media is still not a top priority for their companies' communications departments. Additionally, lack of clarity around whether the benefits outweigh the risks and even as to where overall responsibility for blogs and blogging resides within the corporate structure are impacting organizations' ability to get involved, potentially to the detriment of their reputations in the longer term. Why such conflict?

Let's take a closer look.

Ultimately, only 12% of responding technology companies operate true corporate blogs.

71% of respondents weren't sure whether blogs were a good use of company resources. [CHART 10]



VERY FEW TAKING PART

Corporate blog adoption among technology companies surveyed mirrors what we see generally, indicating that an advanced knowledge of technology and Internet trends doesn't necessarily mean a company will also be an early adopter of emerging tools, despite the potential they hold. Only 24% of the Text 100 survey respondents report currently operating company-sanctioned blogs. Of these, a very small number are owned within PR or communications groups, with the majority managed by areas ranging from technology/developer groups to company ombudsmen, government affairs and product marketing. Interestingly, the largest percentage of reported corporate blogs were actually those of individual employees (although sanctioned efforts) and not actually company developed and managed blogs at all. Adjusted for this error, the actual percentage of respondents operating true corporate blogs falls to 12%. [CHART 1]

Interestingly, as this report neared completion, another attempt to assess the blogging efforts of Fortune 500 companies was initiated by Chris Anderson (long tail fame) and others, and shows only 4% of the most recent Fortune 500 companies as operating active, public blogs.

CHALLENGES

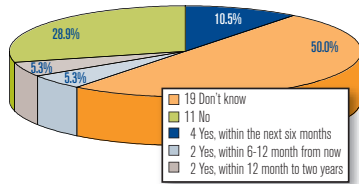
Conflicting Views and Fear

Why is this the case? Ambivalence about peer media may be fueled by uncertainty inherent to this largely uncharted communications territory. All companies except one expressed facing obstacles or concerns implementing corporate blogging programs. Responses topping the list included "unsure what the benefits are", "not enough time to manage properly" and "lack of understanding of blogs and technologies" (tied with "unclear ownership/responsibility"). While articles like "Attack of the Blogs" add fuel to the fires of already-tentative would-be corporate bloggers, companies have valid reason to hesitate, if only because a potentially high level of public recrimination could cripple internal support for any peer media effort moving forward.

Throughout the survey, four key challenge themes were echoed and supported across all areas, illustrating that issues surrounding blog adoption are complex and permeate multiple domains within companies, making them potentially more difficult to address:

- **Lack of clarity around where responsibility for corporate blogging lies.** More than 42% of respondents indicated that responsibility for blogging lies outside the PR/communications group and 25% said that ownership for blogging was yet undefined. [CHART 3]
- **Level of priority/resources undefined.** Responses indicate a high degree of ambivalence when it comes to assigning priority status to blogging. 71% either disagreed or were not sure whether blogs were a good use of company resources [CHART 10] and 52% either disagreed or strongly disagreed that blogs were a priority for PR/communications in their companies. [CHART 8]

29% of responding companies report that they don't expect to implement a corporate blog any time soon. [CHART 28]



- **Undefined level of risk.** Blogs and blogging represent an as-yet-undefined level of risk for companies that have become more averse through the economic downturn. This may apply more so to technology companies; responding organizations reported 58 [CHART 26] individual instances of blogging impact on their companies. While some of these experiences were positive, fear is a powerful driver, potentially leading many to steer clear until benefits are more easily and measurably defined.
- **Potential risk exacerbated by lack of policy to govern blogging activity may also be to blame.** Only 25% report having a policy in place that has been communicated to staff, while concurrently reporting that blogs pose challenges managing both company information and company messaging. [CHARTS 4, 14, 15]

Given the broad array of concern and lack of clarity arising from multiple fronts, it's not surprising that the majority of companies responding that don't already operate a corporate blog, are unsure that they will implement one. 29% report that they are certain they won't. [CHART 28]

CONCLUSION

While companies recognize the potential influence of blogging and blog relations—both positive and negative—on their businesses, they are still sorting out how to progress these initiatives internally. Additionally, responding companies aren't clear yet whether the opportunity that peer media presents outweighs potential risk and are hesitant to engage in anything which may bring their companies under scrutiny.

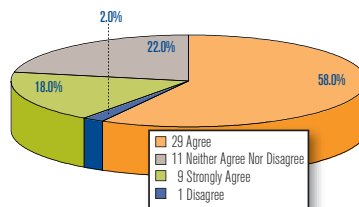
BLOG IMPACT

Mixed Messages

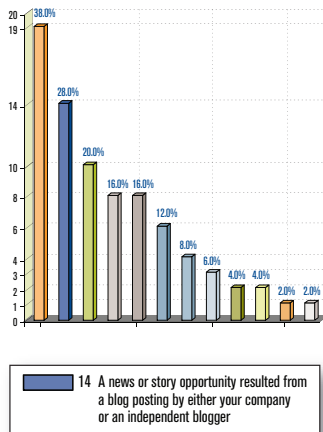
Despite potential challenges, 68% say they believe blogs and bloggers influence media and their customers, and 76% say blogs can impact their businesses. [CHARTS 22-24] As well, 66% say they believe blogging and blog relations can be used to support strategic communications strategy [CHART 6] and that one of the top methods for measuring blogs, in their view, is thought leadership. [CHART 5] However, these views aren't necessarily inspiring respondents' confidence in jumping into blogging; only 38% say that blogs and blogging will be, or are, an important part of their communications strategy. [CHART 7] Again, another disconnect in terms of respondents recognizing the potential power that peer media hold, but still being hesitant or unclear about how to join in.

Direct experiences and bloglore may certainly be to blame. After all, who hasn't heard about the Kryptonite lock company's product-failure blogosphere mishap or even the more recent scuffle between noted blogger/journo Jeff Jarvis and Dell. Possibly companies hope if they just ignore the blogosphere, it will go away, or at the very least, hope that stepping lightly will ensure they won't be dragged into the fray by a cranky blogger or a disgruntled former employee.

Companies are unclear how to demonstrate ROI of blogging efforts: 76% say blogs can impact their businesses. [CHART 23]



28% reported that a news or story opportunity with conventional media resulted due to their own or another's blog. [CHART 26]



The leading measure of blog success within responding companies is visitor traffic, followed by thought leadership.

But avoidance is a poor strategy. Responding companies did report 58 individual incidences in which blogs and bloggers had impacted their business, including 10 instances of an independent blogger questioning or criticizing their companies or products via a blog. [CHART 26]

However, more positively, good experiences were reported equally to more negative ones. 28% reported that a news or story opportunity resulted due to their own or another's blog, and 20% identified and addressed product issues or improved a product as a result of a blog-based discussion.

Success Measures

Among all companies, measures of blog success were diverse, including both business-impacting measures/uses of blogs and general assessment of blog-specific metrics like visitor traffic and links. At the top of the heap were visitor traffic and thought leadership (ranked 1 and 2), followed by links, story opportunities generated, customer retention and leads generated. [CHART 5] A total of nine different measures were assessed.

When it comes to measurement, however, companies admit to wanting more information about how to measure the success and impact of corporate blogging efforts and blog relations programs (82%) but many agree (54%) that they are unsure what the benefits are.

Conclusion

If anything is agreed upon by survey participants, it's that blogs can impact business. However, this doesn't necessarily mean they're ready to jump in, despite indications that peer media can be leveraged to help achieve goals as diverse as supporting recruiting, improving product development or building thought leadership programs. Again, given the newness of peer media to most corporations and especially communications groups, assessing how much (or whether to become involved in peer media) becomes an issue of weighing risk vs. benefit, and of defining just how much resource commitment is required to obtain that benefit as compared to other, more familiar and easily measured communications initiatives they could undertake. Also, direct experiences and those of others already publicly chastised are prompting companies to tread lightly in this new area.

Companies initiating peer media activities should critically:

- *Gain clarity on ownership*
- *Identify which tools to use for both engagement and measurement of impact*

SUMMARY CONCLUSION

Despite the numerous contradictions this survey exposes, the major finding is not **if** companies will engage in corporate blogging and blog relations, but **how**. While respondents appreciate that blogs impact their business and communication practices, they are still assessing how to maximize opportunities while mitigating risks. Therefore, any discussions about peer media within companies should initially focus on the following issues:

- **Gain clarity on rules of engagement:** Define where ownership for peer media lies within the company and which tools should be used to engage with the blogosphere, both for blog relations and corporate blogging.
- **Gain clarity on potential impacts:** Define both positive and negative impacts of peer media and understand how to measure the effect of this new sphere of influence on their business, using both available and bespoke tools as necessary.

ABOUT TEXT 100

Text 100 is a global PR agency serving companies that use technology for competitive advantage. Built organically from the ground up, Text 100 uniquely offers the dedication of local agencies and the power and reach of a global firm. With award winning practices covering all public relations disciplines, Text 100 represents leading brands in 30 offices around the world. Clients of the company include Cisco, Fujifilm, IBM, Philips and Xerox. For more information about Text 100, please visit www.text100.com.

For more information about this survey or Text 100's peer media services, contact Georg Kolb, georgk@text100.com or 212-331-8422.