

BLOGS

A GLOBAL CONVERSATION

A Master's Thesis on the Social Phenomenon of Blogs

By James Torio

BLOGS

A GLOBAL CONVERSATION

A Master's Thesis on the Social Phenomenon of Blogs

By James Torio

Abstract

Recently, there has been no escaping the mention of Blogs in the media.

Blogging has emerged as a social phenomenon, which has impacted politics, business and communication. Blogging software has enabled people with limited knowledge of the Internet to publish their thoughts online and participate in a global conversation; while the Blogosphere has hyper-accelerated the spread of information.

Technorati, a Blog search engine is now tracking over 7.8 million Weblogs, and 937 million links, and reports that there are about 30,000 - 40,000 new Blogs created a day.

The majority of people who Blog do so as a hobby, using Blogs to publish their thoughts, feelings and viewpoints on whatever topics interest them. Blogging software also enables people to post pictures, music and more recently videos. For many people Blogs are used as online journals or diaries; other people use Blogs to communicate with their family and friends.

There are some Bloggers who strive to turn their Blogs into successful businesses. Although Blogging as a business is in its infancy, a number of Bloggers have managed to earn money; others have generated a significant amount of revenue. Some media analysts have called Blogs the “Next Internet Boom” and predict that in near future these micro-publishing sites will receive heavy investment.

This work will examine how Blogs have impacted business and communication, how some Blogs create revenue, how some companies are using Blogs, how Blogs greatly boost the spread of information, how Blogs add richness to the

media landscape, how Blogs work in the Long Tail, how some companies are tracking the Blogosphere and what the future of Blogging may be.

I carried out quantitative research by twice sending out a survey via email to 750 Bloggers who are ranked by Technorati. A total 174 Bloggers filled out the survey.

Some significant findings include: 49% of survey participants use RSS readers to collect information for their Blogs, 85% allow commenting on their Blogs, 33% of the Blogs use Google AdSense for advertising, followed by 22% who use BlogAds.

Regarding revenue generated directly from Blogs in a 12 month period: 45% do not generate any revenue at all, 40% generate under \$5,000 and 4% generated over \$100,000.

Whether people generate revenue with their Blogs or use them as a hobby the one thing they all have in common is that they are part of the Blogosphere, or network of Blogs that gives people a voice and allows them to spread information at an unprecedented rate.

Blogs

A GLOBAL CONVERSATION

A Master's Thesis on the Social Phenomenon of Blogs

By

James Torio

B.A. SUNY Stonybrook, 1999

THESIS

Submitted in partial fulfillment of the requirements for the degree of Master of
Arts in Advertising Design in the Graduate School of Syracuse University.

August 2005

Approved: _____

Date: _____

Copyright 2005 James Torio

TABLE OF ILLUSTRATIONS

1.1	2005	designsponge.blogspot.com	Page 15
1.2	2005	sifry.com/alerts/	Page 18
1.3	2005	pewinternet.org , The State of Blogging	Page 19
1.4	2005	gizmodo.com	Pages 21-24
1.5	2005	treehugger.com	Pages 25-26
2.1	2005	we-make-money-not-art.com	Page 33
2.2	2005	londonist.com	Page 34
2.3	2005	google.com , Google Ads for the search “theses”	Page 35
2.4	2005	gothamist.com	Page 36
2.5	2005	gofugyourself.com	Page 37
2.6	2005	bloghouston.net	Page 38
2.7	2005	kottke.org	Page 41
2.8	2005	kottke.org	Page 42
2.9	2005	cafepress.com/boingboing	Page 43
2.10	2005	gridskipper.com	Page 46
3.1	2000	The Tipping Point	Page 54
3.2	2000	The Anatomy of Buzz	Page 58
3.3	2000	The Anatomy of Buzz	Page 61
3.4	2005	xiaxue.blogspot.com	Page 62
4.1	2005	en.wikipedia.org/wiki/Metcalf%27s_Law	Page 66
4.2	2004	treehugger.com	Page 69
4.3	2000	The Anatomy of Buzz	Page 70
4.4	2005	smallbusinesses.blogspot.com/	Page 81
4.5	2005	www.gapingvoid.com/	Page 82
5.1	2004	ranchero.com/netnewswire/	Page 95
5.1	2005	en.wikipedia.org/wiki/Long_tail	Page 97

TABLE OF CONTENTS

Chapter 1	INTRODUCTION	Page 8
Chapter 2	THE BUSINESS OF BLOGGING	Page 26
Chapter3	WORD OF MOUTH	Page 47
Chapter 4	THE GLOBAL CONVERSATION	Page 63
Chapter 5	BLOGGERS AS NAVIGATORS	Page 86
Chapter 5	AN INVESTIGATION AMONG BLOGGERS	Page 98
Chapter 6	THE FUTURE FOR BLOGS	Page 118
Chapter7	LESSONS LEARNED	Page 122
	END NOTES	Page 130
	BIBLIOGRAPHY	Page 137
	GLOSSARY	Page 145

CHAPTER ONE

INTRODUCTION

Blogs are another inflection point in the unfolding history of mass communication. Before the invention of printing, mass communication was laborious and time consuming and quite naturally expensive. Therefore, it was the powerful and privileged classes that maintained control over this technology. For example, during the middle ages, a great deal of time was needed by the average person just to maintain a subsistence living. In 1455, not many of the average European working class, even after the invention of movable type, could take advantage of this new technology.¹ However, as economic productivity gradually increased, this enabled more and more people to learn to read and have the leisure time to devote to reading, thereby increasing the demand for mass communication.

Yet, even by the late 1800's with the invention of the telegraph, it was still capital-intensive to own the means of producing communications that could reach widely distributed groups of people. Later, in the beginning of the 20th Century, radio, was able to communicate with an even wider portion of the population and it captured the imagination and the hearts of many within the general population. However, it was far out of reach of the average citizen to even dream of having control of the content. Most of the population would be a passive receivers of the information; however, it was a vast improvement over anything that was available before. It was an improvement in immediacy over the newspaper (which required physical distribution) but it still lacked an interactive feature that left the average person's voice unheard.

Television added richness to the communication which was a welcome improvement, yet it still remained only one way, and again how many could control the content of what they saw on their TV sets, let alone create content for TV?

A number of separate, but critical, advances in electronic technology occurred in rapid succession and these resulted in a critical mass of support for and interest in the World Wide Web. First, personal computers during the 1980's were growing more and more powerful. Then in the early 1990's Moore's law (CPU [See glossary] speed will double every 18 months) and Microsoft's operating system (first mass received non-geeky DOS [See glossary] based computer) *Windows* aligned to create a tornado of adoption whereby main street business owners either embraced or migrated in droves to the new platform. This more user-friendly computer interface had a trickle-down effect as non-programmer office personnel had to become conversant in this now almost standard office equipment.

Stanford University professors founded Cisco around the same time, and this enabled computers of otherwise incompatible platforms to be able to communicate with each other. During this time, the government opened the Internet to general commercial use while Netscape developed a user-friendly technology to rove about and explore this new realm of cyberspace. All of these metaphorical planets aligned correctly and the public enthusiastically began to embrace this exciting new technology. Although this new frontier was generating much excitement, it was still not nearly as simple to upload information as it was to download. Now enter the Blog software.

Prior to full-blown Blog software, the options for interactive communication via the Internet were narrow and problematical. First was e-mail. It had the advantage of range, speed and cost-effectiveness since it was an inexpensive alternative to ordinary mail. Yet it was limited by the fact that it could only be

sent or received. It was not available to be viewed by all Internet users, but only for those who happened to be already on the sender's list. It was not meant to be universally accessible to everybody everywhere.

Instant messaging solved some problems of the interactivity in cyberspace. Still it was client specific and, therefore, only those with the same base platform or program could communicate with each other. For example, if one user is using Yahoo's instant messaging service, he will not be able to connect instantly with someone who is using any other instant messaging software tools. While a step forward in the interconnected experience of being on-line, it was still not universal.

Chatrooms solved some of the problems. They enabled people of similar interests to come together to read and relate to each other's posted messages. Some of the more successful ones E.g. (Silicon Investor) were dedicated to news and information on the stocks and technological advantages and disadvantages of various companies' financial prospects. Others were dedicated to emotional and social connections. However, the chatroom format is boundary-less in nature, and this is a two-edged sword. While it results in one-person, one-comment equality, for all intents and purposes it is not an expert centered publishing format. Thus one needs to sift a lot of sand before accumulating a significant amount of useful knowledge. On the other hand, the Blog has many advantages over these formats while retaining some useful core aspects of them all.

The social phenomena of Blogging, as well as its unique software, have the serious potential to become a disruptive technology that will "disintermediate" many aspects of traditional media. First and foremost the Blogging software

does not require the user to have specialized knowledge to be able to get up and running. Its user-friendly interface requires no depth of technological know-how before users are able to publish their own site (See glossary).

This leads to the inevitable question, what is a Blog? This question has multifaceted answers and, depending on whom you ask, may determine what kind of answers you receive. In an article for *Wired News*, Adam Penenberg said, “The term Blog has even made it into the Merriam-Webster dictionary as the #1 word of the year, based on the number of online lookups.”²² Merriam-Webster dictionary defines Blog as, “Blog (noun, short for Weblog): a website that contains an online personal journal with reflections, comments and often hyperlinks (See glossary) provided by the writer”²³ This is a launch point to get a basic idea on the nature of Blogs.

The bigger picture of Blogging reveals what might be termed the “Blogosphere” or the network of Blogs as a whole that are connected together in a Global Conversation. Furthermore, Blogging is a distinct social phenomenon, which is exerting a growing influence on the business world, politicians and mass media. Blogging has even influenced the way many people communicate with their friends and families.

The Blogosphere may be in its infancy; however it is having a global dialog and is growing at an enormous rate. In fact, it is an intricately connected network that has evolved into its own cyber universe. Besides being able to exchange information and ideas so liberally, this new phenomenon has the ability to allow people from all over the world to participate in information sharing and creating knowledge bases together.

In an article for *Wired News*, entitled “Like it or Not Blogs Have Legs”, Adam Peneberg says, “In a sense, Blogs function like peer-review journals do in the academic world, but there’s a key difference. The distribution of articles in academic journals is largely controlled by a publishing cartel that charges exorbitant amounts for subscriptions, which are subsidized by the institutions that can afford them. Think of it as a socialist model for information exchange.

With Blogs, however, anybody with an Internet connection can engage anybody else. Concepts are presented, attacked, sliced, diced, added to and subtracted from, mangled, massaged and molded until what is left is an amalgam of the finest we as an online society has to offer. For the digitally well-endowed, it’s akin to free-market capitalism, with information as its currency. And not only do we all get to watch, we can join in.”⁴

According to a Pew Internet study, more than one-in-ten Internet users have posted (See glossary) material or comments on other Blogs...Many of those posters themselves have Blogs.⁵ People are just not passively taking in information but they are processing, adding, reacting and spreading it around themselves. The rate that the Blogosphere can spread information gives it the ability to move quickly to produce a major impact on whatever topic is being discussed.

There are Blogs on just about every conceivable subject, from shopping to shark fishing, from advertising to politics. (See figure 1-1.) Some are written by lawyers and are read and respected by many; others poke fun at the latest outfits worn by celebrities. There are celebrities who write blogs, politicians who write about politics, other blogs mock politics. There are professors who Blog; also teenagers, senior citizens, and domain experts. Some Blogs are serious; others funny, some jour-

nalists write Blogs, as do corporations, small businesses, and pastors.

There are Blogs used as personal online diaries, some used as PR tools to promote a product, new music, or a newly released book. Most Blogs are written by one person. However, there are Blogs that have several authors, which are group Blogs, or community Blogs. There are also publishers who create Blogs and hire writers to create the content.

Some Blogs attract over 400,000 visitors a day from all over the world; while others attract only a handful of the Bloggers' (See glossary) friends and family. There are Blogs that charge \$4,500 a week for a small advertising space on the site. A number of people have used Blogs to launch into careers and other people have been fired from their jobs because of what they wrote in their Blogs. The one thing they all have in common is that they are part of an intricately interconnected cyber world—the Blogosphere, and to varying degrees they can participate in the global conversation.

Although Blogs are on the Internet, they are not like other forms of media, such as radio or television. Blogs consist of a person's thoughts, feelings, and views. It's a unique voice. Radio and television deliver a one-way message. Content is designed for their passive viewers or receivers; the system is similar to books and readers. Blogs are capable of being a conversation. Whereas other media is a one way message from a sender to a receiver, Blogs are two-way.



Figure (1.1) On the Blog DesignSponge, the Blogger posts an entry about the sculptures of artist Perry Lancaster, and then readers begin to comment.

A Brief History of Blogs

Biz Stone, the author of “Blogging Genius Strategies for Instant Web Content”, traces the history of Blogs back to the inception of the web. Stone relates that Tim Berners-Lee (one of the principal architects of the Internet) would “link” to new web pages as they came online. So we can immediately see a two way process. First the foundation for Blogging, was web pages that had links to other web pages. The second process was that Berners-Lee was also personally navigating people around the web, becoming a tour guide in a sense. It is this navigating function that has become a bigger part of today’s Blogs.

Fast forward to the late 1990’s, according to Rebecca Blood, “In November 1998 Jesse James Garret, editor of Infosift, another of the original Weblogs, (See glossary) collected a list of “sites like his” and sent them to Cameron Barrett, maintainer of Camworld. Adopting Jon Barger’s term “Weblog” to describe the kind of site he maintained, Cam wrote an essay in January 1999 called “The Anatomy of a Weblog”, which detailed the elements of the form. He placed the list in a narrow column to the right of his Weblog...and a movement was born.”⁶ Blood, also states that “In early 1999 Brigitte Eaton compiled a list of every Weblog she knew about and created the EatonWeb Portal.”⁷ The criterion Eaton used for evaluating the submissions was that the website had to consist of dated entries.

While the foundation of today’s Blogs were being laid since the inception of the web, most of the people who were creating Blogs at that time were tech savvy-people. They were primarily computer programmers and web designers; people who had knowledge of how the Internet worked and were conversant with

HTML (See glossary). Outside their jobs they would create their Blogs, participating in these small communities with fellow “techies.” Because of the skills and understanding required to create Blogs, they were not nearly as widespread as they are today.

It was not until software like *Blogger* came along in 1999 that Blogging was really brought to the masses. Because of *Blogger* it was no longer necessary to understand the technical side of web publishing; now anyone with an Internet connection could publish a Blog. Enter the era of *push button publishing*; anyone with a connection to the Internet who can understand basics of personal computing could publish their own Blog. Software like *Blogger*, *Type Pad*, and others helped Blogs grow exponentially. Finally in 2003, Google’s purchase of Pryn Labs, the company that created the *Blogger* software, brought even more attention to the world of Blogging.

Blogging Today

According to David Sifry, founder and CEO of Technorati, a company that tracks Blogs, “Technorati is now tracking over 7.8 million weblogs, and 937 million links. That’s just about double the number of Weblogs tracked in October 2004. In fact, the Blogosphere is doubling in size about once every five months. It has already done so at this pace four times, which means that in the last 20 months, the Blogosphere has increased in size by over 16 times.

We are currently seeing about 30,000 - 40,000 new weblogs being created each day, depending on the day. Compared to the past, this is well over double the rate of change in October 2004, when there were about 15,000 new Weblogs

created each day. The remarkable growth over the past three months can be attributed to the increase in new, mainstream services such as MSN Spaces, and in increases of use of services like Blogger, AOL Journals, and LiveJournal. In addition, services outside the United States have been taking off, including a number of media sites promoting Blogging, such as *Le Monde* in France.” (See figure 1.2.)

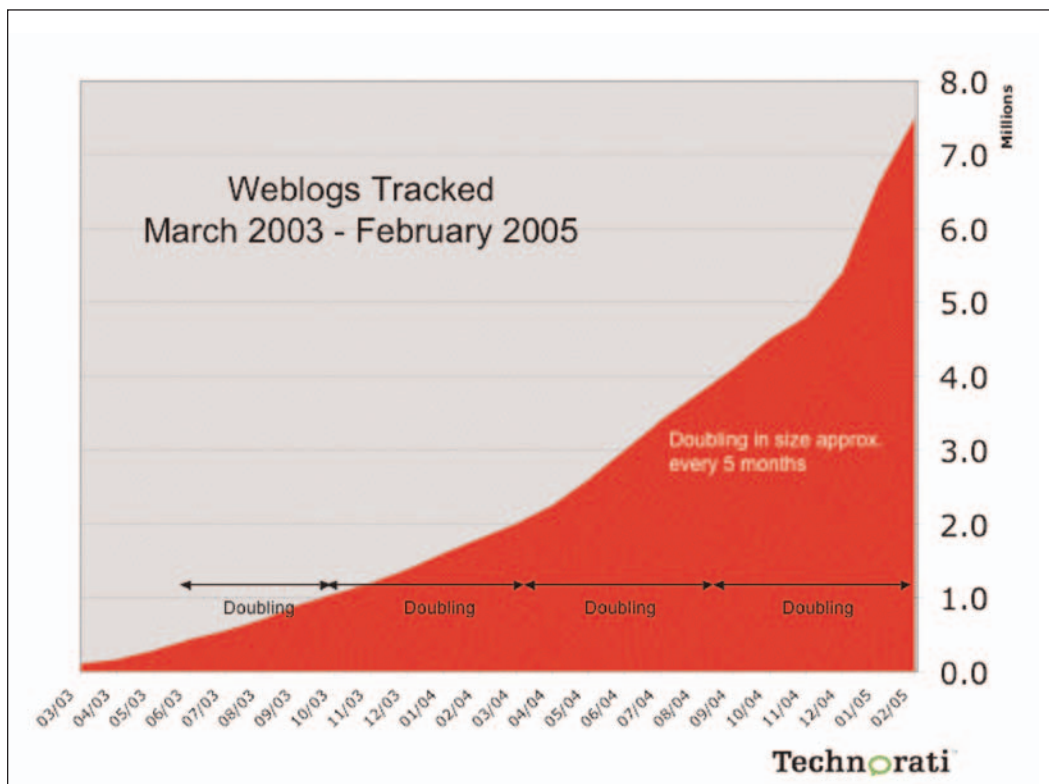


Figure (1.2) According to Sirfry, “The Blogosphere is doubling in size about once every five months.”

A Pew/Internet Study dated January 2005 states that:

- 7% of the 120 million U.S adults who use the Internet say they have created a Blog or web-based dairy. That represents more than eight million people.
- 27% of Internet users say they read Blogs; a 58% jump from the 17% who told us they were Blog readers in February 2004. This means that by the end of 2004, 32 million Americans were Blog readers. (See figure 1.3.) Much of the attention to Blogs focused on those that covered the recent political campaign and the media. At least some of the overall growth in Blog readership is attributable to political Blogs. Some 9% of Internet users said they read political Blogs “frequently” or “sometimes” during the campaign.
- The interactive features of many Blogs are also catching on: 12% of Internet users have posted comments or other material on Blogs.

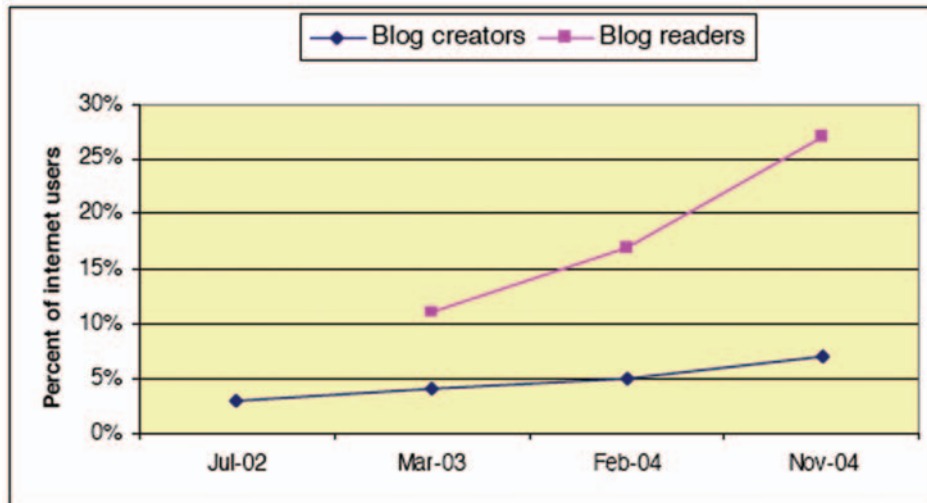


Figure (1.3) Growth of the Blogosphere according to the PEW/INTERNET & AMERICAN LIFE PROJECT

- At the same time, for all the excitement about Blogs and the media coverage of them, Blogs have not yet become recognized by the majority of Internet users. Only 38% of all Internet users know what a Blog is. The rest are not sure what the term “Blog” means.⁸

The study goes on to say that Blog creators are more likely to be:

- Men: 57% are male
- Young: 48% are under 30
- Broadband users: 70% have broadband at home
- Internet veterans: 82% have been online six years or more
- Relatively well off financially 42% live in households earning over \$50,000
- Well educated: 39% have college or graduate degrees⁹

As for Blog readers the study states, “An even more dramatic story emerges in Blog readership. We began asking about this in the spring of 2003 and found that 11% of Internet users at that time had read Blogs. The figure jumped to 17% this past February and leapt to 27% in November. The growth in 2004 alone amounts to 58%”

Blog readers are somewhat more of a mainstream group than Bloggers themselves. Like Bloggers, Blog readers are more likely to be young, male, well educated, Internet veterans. Still since our survey (February 2004), there has been greater-than-average growth in Blog readership among women, minorities, those between the ages of 30 and 49, and those with dialup connections.”¹⁰

The next four pages illustrates the details and characteristics of a typical Blog. (See figure 1.4: Anatomy of a Bog)

GIZMODO
THE GADGETS WEBLOG

SEARCH

grand theft auto *San Andreas*

MONDAY, NOV 1 2004

Dynamism Selling Sushi USB
filed under [peripherals](#)

Dynamism has a pretty decent holiday line-up coming together, but the most notable has to be the Sushi USB flash drives. These, too, can be yours, for the extremely expensive price of \$110 apiece for a 128MB version, or the less-money-but-even-more-ridiculous price of \$80 for a 32MB version. If I'm keeping my maguro straight from my tekka, that means it would cost \$980 to replicate the meal pictured.



But at least they do offer to ship them on dry ice.

Oh, they've got the Sharp Zaurus SL-C3000—the one with the 4GB hard drive inside. That'll set you back \$900, to start.

[Catalog Page](#) [Dynamism] [\[EMAIL THIS ENTRY\]](#)

Cingular Selling V3 Razz
filed under [cellphones](#)

Cingular finally has the Motorola V3 Razz online. If I weren't all tenty about the Treo 650, this would probably be my next phone. In fact, I'm really thinking about getting one to go with my nice outfits, most of which are all totally metal, as well.

It's \$500 with a two-year contract. (Thanks, Matthew!)

[Home Page](#) [Cingular] [\[EMAIL THIS ENTRY\]](#)

Sonos Onos: Delayed Until '05
filed under [homeentertainment](#)

Sonos Digital Music System—a networked music streaming platform probably most notable for its iPod-like remote control—has been delayed until Q1 '05, according to Om. I saw them showing off their gear at DigitalLife and it looked ready to rock, but they reportedly delaying due to some "fine-tuning issues" (says Om). That probably means, "We just discovered a catastrophic failure in our hardware design that couldn't be fixed with a post-release patch," or "We can't get these things actually built." Either way, sucks to be them.



[Sonos Digital Music System Delayed](#) [GigaOm] [\[EMAIL THIS ENTRY\]](#)

PMDs: Big Drives, Small Size
filed under [portableaudio](#)

There's a new Portable Media Device in town (well, a few, actually) but you might not recognize it (them). No screen? Well, the screen isn't part of the portable equation, you see. The portable part only applies to the media itself, and quite a lot of it at that: up to 400GB on some of these which, for something roughly the size of an external hard drive enclosure, isn't bad. In fact, you'd be forgiven for thinking these were just bulky USB 2.0 drives until you saw the myriad of connectors on the back panel, including at least RCA audio and video outs—S-Video and SPDIF adorn the higher class models. These relatively small players (compared to a Media Center PC, for example) are made possible by Sigma Designs media processors, which have started appearing in products with increasing frequency.



MobileMag claims these 'next-gen' high capacity, smallish players are available from their manufacturers, but I had a hard time finding purchase links. Regardless, they're sure to become more widely available before long.

[New Category of PMDs Announced](#) [MobileMag] [\[EMAIL THIS ENTRY\]](#)

WELCOME
Gizmodo is an online review dedicated to gadgets, gizmos, and cutting-edge consumer electronics.

Send tips/stories to lolrnc@gizmodo.com

BY THE EDITOR: BY
G
GAWKER - WONKETT
GIFAMER - GIZMODO
FLESHBOT - JALOPNIK
KOTAKU - SCREENHEAD
KINJA

CATEGORIES
[Cellphones](#)
[Digital Cameras](#)
[Gadgets](#)
[Home Entertainment](#)
[Laptops/PCs](#)
[PDAs](#)
[Peripherals](#)
[Portable Audio](#)
[Software](#)
[Wireless](#)
[Deals](#)
[Press](#)
[Announcements](#)

Wired's GadgetLab Newsletter with Gizmodo Reports: [Subscribe](#) [Archives](#)

ARCHIVES
[November 2004](#)
[October 2004](#)
[September 2004](#)
[August 2004](#)
[Complete Archive List](#)

ABOUT GIZMODO
[About](#)
[Contact](#)
[Advertising](#)
[Press](#)
[Privacy Policy](#)
[Terms of Use](#)
[Visitor Survey](#)
[Submit a Link](#)
[XML RDF Atom](#)
[Syndication](#)

CREDITS
editor: [Joel Johnson](#)
design: [Patric King](#)
production: [Nick Aster](#)
coding: [37signals](#)
software: [Movable Type](#)
systems: [Rice Durwoodie](#)
operations: [Gabriela Giacoman](#)
publisher: [Nick Denton](#)

RECOMMENDED
[BIOS](#)
[GadgetMadness](#)
[Portagame](#)
[PocketLint](#)
[DesignTechnica](#)
[Engadget](#)
[iAU](#)
[CoolHunting](#)
[Necchi](#)
[ShinyPlastic](#)
[CacheOp](#)
[TheGadgeteer](#)
[MobilePCMag](#)
[FirstDoppler](#)
[GearBits](#)
[AlltheLive](#)
[Parbo](#)
[ShinyShiny](#)
[GizmosandGeeks](#)
[GadgetsBlog](#)
[EverythingUSB](#)

Mobile Media
[MisticRiver](#)
[DAPReview](#)
[iPodLounge](#)

Advertise on Gizmodo

[Kevin Krangle.com](#)

Screenhead from Gawker
Media: The Mindless
Entertainment Guide

Buy a Link Now

PS2 HDLoader
Install and play PS2 games from a HDD.

Linode.com Servers
Virtual Servers, root access, \$19.95/mo

Free Remote Access
LogMeIn: Great for PDAs!
Secure and Free

Speaker Revolution!
Big Sound From Small, Stylish Orbs \$219+

Cheap Laptops
Read laptop reviews and notebook deals

Online Photo Albums

Digital Camera Reviews

Mini Pocket Bikes

JALOPNIK
a modern auto review

Jalopnik from Gawker
Media: Unhealthily Obsessed with Flying Cars

Advertise on Gizmodo

Figure (1.4) Anatomy of a Blog

The next couple of pages are screenshots of the Blog Gizmodo. The purpose of the screen-shots is to get a better understanding of what a typical Blog looks like today, as well as their functions and features. Gizmodo would be considered one of the of *bigger Blogs* because their are a team of people who work on it to generate revenue.

The color of the text box represents the area that is being discussed on the Blog.

Section A is where the Blogger would post their entries, of the three vertical columns this column typically takes up the most space.

Section B serves the function of mapping the site so as to allow the reader to navigate through it. Although, some have argued that from a design standpoint this navigation column fails to clearly display information; because it often displays an extensive amount. Often times the words in the list are written in the same font and same point size which can overwhelm the reader. However, this is not the case with the Gizmodo Blog.

Section C is typically where most Blogs display other companies advertisements. Excepting advertisements is one way a Blog can generate revenue. There are a number of different advertising methods, some of which will be discussed in detail later in the theses.



MONDAY, NOV 1 2004

Dynamism Selling Sushi USB

filed under [panoramas](#)

Dynamism has a pretty decent holiday line-up coming together, but the most notable has to be the Sushi USB flash drives. These, too, can be yours, for the extremely expensive price of \$110 apiece for a 128MB version, or the less-money-but-even-more-ridiculous price of \$80 for a 32MB version. If I'm keeping my maguro straight from my tekka, that means it would cost \$980 to replicate the meal pictured.



But at least they do offer to ship them on dry ice.

Oh, they've got the Sharp Zaurus SL-C3000—the one with the 4GB hard drive inside. That'll set you back \$900, to start.

[Catalog Page](#) [Dynamism]

[EMAIL THIS ENTRY]

Cingular Selling V3 Razzr

filed under [cellphones](#)

Cingular finally has the Motorola V3 Razzr online. If I weren't all tenty about the Treo 650, this would probably be my next phone. In fact, I'm really thinking about getting one to go with my nice outfits, most of which are all totally metal, as well.

It's \$500 with a two-year contract. (Thanks, Matthew!)

[Home Page](#) [Cingular]

Related

[Razzr Archives](#) [Gizmodo]

[EMAIL THIS ENTRY]



Sonos Onos: Delayed Until '05

filed under [homeentertainment](#)

Sonos Digital Music System—a networked music streaming platform probably most notable for its iPod-like remote control—has been delayed until Q1 '05, according to Om. I saw them showing off their gear at DigitalLife and it looked ready to rock, but they reportedly delaying due to some "fine-tuning issues" (says Om). That probably means, "We just discovered a catastrophic failure in our hardware design that couldn't be fixed with a post-release patch," or "We can't get these things actually built." Either way, sucks to be them.



Section D shows the date when the entry was published. Entries could be written and then published at a later date. Some of the Blogging software contains a feature called *future post*; this allows the Blogger to schedule in advance when the entries will be published. Blogs have a number of automated features that simplify the process of publishing.

Section E is the title of the entry. The title is the equivalent of a headline in a magazine or newspaper article. Usually, the title is bolded or underlined and a little larger than the rest of the text in the entry.

Section F is a method for categorizing entries by subject called *filed under*. If a reader is interested in a subject, they can click the filed under button to read entries pertaining to that subject. Most Blogging software is set up to automatically file the entries by category. Blogging Software was originally designed as *content management* software. Its purpose is to simplify the management of information.

Section G is an entry, many entries consist of a graphic or photo, most of the photos posted on Blogs are used without getting permission from the copy write holder. Bloggers will also post their thoughts about a particular article, subject or event and then link to the website where the story was published. Photos can also be set up as links.


If the Blogger gets information from another Blog, it's socially expected to give credit to and or link to the source of information.

MONDAY, NOV 1 2004

Dynamism Selling Sushi USB

filed under [peripherals](#)

Dynamism has a pretty decent holiday line-up coming together, but the most notable has to be the Sushi USB flash drives. These, too, can be yours, for the extremely expensive price of \$110 apiece for a 128MB version, or the less-money-but-even-more-ridiculous price of \$80 for a 32MB version. If I'm keeping my maguro straight from my tekka, that means it would cost \$980 to replicate the meal pictured.



But at least they do offer to ship them on dry ice.

Oh, they've got the Sharp Zaurus SL-C3000—the one with the 4GB hard drive inside. That'll set you back \$900, to start.

[Catalog Page \[Dynamism\]](#) [\[EMAIL THIS ENTRY\]](#)

Cingular Selling V3 Razzr

filed under [cellphones](#)

Cingular finally has the Motorola V3 Razzr online. If I weren't all tenty about the Treo 650, this would probably be my next phone. In fact, I'm really thinking about getting one to go with my nice outfits, most of which are all totally metal, as well.

It's \$500 with a two-year contract. (Thanks, Matthew!)


[Home Page \[Cingular\]](#)

Related
[Razzr Archives \[Gizmodo\]](#) [\[EMAIL THIS ENTRY\]](#)

Sonos Onos: Delayed Until '05

filed under [homeentertainment](#)

Sonos Digital Music System—a networked music streaming platform probably most notable for its iPod-like remote control—has been delayed until Q1 '05, according to Om. I saw them showing off their gear at DigitalLife and it looked ready to rock, but they reportedly delaying due to some "fine-tuning issues" (says Om). That probably means, "We just discovered a catastrophic failure in our hardware design that couldn't be fixed with a post-release patch," or "We can't get these things actually built." Either way, sucks to be them.




[Sonos Digital Music System Delayed \[GigaOm\]](#) [\[EMAIL THIS ENTRY\]](#)

PMDs: Big Drives, Small Size

filed under [portableaudio](#)

There's a new Portable Media Device in town (well, a few, actually) but you might not recognize it (them). No screen? Well, the screen isn't part of the portable equation, you see. The portable part only applies to the media itself, and quite a lot of it at that: up to 400GB on some of these which, for something roughly the size of an external hard drive enclosure, isn't bad. In fact, you'd be forgiven for thinking these were just bulky USB 2.0 drives until you saw the myriad of connectors on the back panel, including at least RCA audio and video outs—S-Video and SPDIF adorn the higher class models. These relatively small players (compared to a Media Center PC, for example) are made possible by Sigma Designs media processors, which have started appearing in products with increasing frequency.



MobileMag claims these 'next-gen' high capacity, smallish players are available from their manufacturers, but I had a hard time finding purchase links. Regardless, they're sure to become more widely available before long.

[New Category of PMDs Announced \[MobileMag\]](#)

Related

Section H is the *Email this entry* function; this allows readers to email a particular entry to some one who might be interested in reading it. The ability to e-mail entries is one of the features that enable Blogs to spread information so quickly.

Section I is a short description, mission statement or introduction of the Blog. The statement may identify the subject or subjects which are written about in the Blog.

Section J is the BlogRoll, this area consists of the Blogs or websites that the Blogger recommends. Almost every Blog has a BlogRoll or link list.

In other forms of publishing the idea of directing a reader to another publication is unheard of. It would be as if The New York Times recommended reading an article in the Wall Street Journal, however with Bloggers it is a common practice. This practice may be a result of Blogs started out as personal journals.

Section K is the category section, when the Blogger writes a new entry he assigns it to a category. Categories can be thought of as topics. The Blogger chooses what categories will be on the Blog and he can create a number categories. I have seen Blogs with a few as four and as many as twenty categories. In the case of Gizmodo, if a new entry is posted on cell phones, it will automatically go under the *cell phone category*. The Blogger does not need to have any knowledge of computer programming, because this is one of the many features that are automated in the Blogging Software.

Section L is the archives section. Every entry that is published becomes archived. There are a number of different methods for archiving entries, they can be archived by weeks, months and category. Each entry is given an individual web address, enabling readers to link to specific entries. This feature is also automated in Blogging software.

Wired.com
 Gizmodo is an online review dedicated to gadgets, games, and cutting-edge consumer electronics.

Send tips/stories to: traine@gizmodo.com

PERFORMED BY
 GUNNERS MEDIA
 GAWKER - WONKETT
 STAMBA - GIZMODO
 FLEHRBI - JALOPNIK
 KOTAK - SCREENHEAD
 KINAF

ADDITIONAL LINKS
[Cellphones](#)
[Digital Cameras](#)
[Gadgets](#)
[Home Entertainment](#)
[Laptops/PCs](#)
[PDAs](#)
[Peripherals](#)
[Portable Audio](#)
[Software](#)
[Wireless](#)
[Deals](#)
[Press](#)
[Announcements](#)

Wired's GadgetLab Newsletter with Gizmodo Reports: [Subscribe](#) [Archives](#)

Archives by
 November 2004
 October 2004
 September 2004
 August 2004
[Complete Archive List](#)

ABOUT GIZMODO
[About](#)
[Contact](#)
[Advertising](#)
[Press](#)
[Privacy Policy](#)
[Terms of Use](#)
[Vendor Survey](#)
[Submit a Link](#)
[SdM, BDF Atom](#)
[Sponsorship](#)

CREDITS
 editor:
[Joel Johnson](#)
 design:
[Patric King](#)
 production:
[Nick Aster](#)
 coding:
[37 Signals](#)
 software:
[Movable Type](#)
 systems:
[Brice Dunwoode](#)
 operations:
[Gabriela Giacomari](#)
 publisher:
[Nick Denton](#)

RECOMMENDED BLOGS
[BIGS](#)
[GadgetMadness](#)
[Postage](#)
[Pocketnet](#)
[GadgetLifestyle](#)
[Engadget](#)
[All](#)
[TechCrunch](#)
[Nashie](#)
[ShowPhoto](#)
[Cnet](#)
[TheGadgeteer](#)
[MobilePCMag](#)
[FastCompany](#)
[Gambit](#)
[AbuseLaw](#)
[Pando](#)
[Shoichiro](#)
[GamerForGeeks](#)
[GadgetsBlog](#)
[EventingUSB](#)

GIZMODO
THE GEEKY WEBSITE

grand theft auto San Andreas

Dynamism Selling Sushi USB
filed under [peripherals](#)

Dynamism has a pretty decent holiday line-up coming together, but the most notable has to be the Sushi USB flash drives. These, too, can be yours, for the extremely expensive price of \$110 apiece for a 128MB version, or the less-money-but-even-more-ridiculous price of \$80 for a 32MB version. If I'm keeping my maguro straight from my tekka, that means it would cost \$980 to replicate the meal pictured.

But at least they do offer to ship them on dry ice.

Oh, they've got the Sharp Zaurus SL-C3000—the one with the 4GB hard drive inside. That'll set you back \$900, to start.

[Catalog Page](#) [Dynamism] [\[EMAIL THIS ENTRY\]](#)

Cingular Selling V3 Razzr
filed under [cellphones](#)

Cingular finally has the Motorola V3 Razzr online. If I weren't all tenty about the Treo 650, this would probably be my next phone. In fact, I'm really thinking about getting one to go with my nice outfits, most of which are all totally metal, as well.

It's \$500 with a two-year contract. (Thanks, Matthew!)

[Home Page](#) [Cingular]

Related
[Razzr Archives](#) [Gizmodo] [\[EMAIL THIS ENTRY\]](#)

Sonos Onos: Delayed Until '05
filed under [homeentertainment](#)

Sonos Digital Music System—a networked music streaming platform probably most notable for its iPod-like remote control—has been delayed until Q1 '05, according to Om. I saw them showing off their gear at DigitalLife and it looked ready to rock, but they reportedly delaying due to some "fine-tuning issues" (says Om). That probably means, "We just discovered a catastrophic failure in our hardware design that couldn't be fixed with a post-release patch," or "We can't get these things actually built." Either way, sucks to be them.

[Sonos Digital Music System Delayed](#) [GigaOm] [\[EMAIL THIS ENTRY\]](#)

PMDs: Big Drives. Small Size
filed under [portableaudio](#)

There's a new Portable Media Device in town (well, a few, actually) but you might not recognize it (them). No screen? Well, the screen isn't part of the portable equation, you see. The portable part only applies to the media itself, and quite a lot of it at that: up to 400GB on some of these which, for something roughly the size of an external hard drive enclosure, isn't bad. In fact, you'd be forgiven for thinking these were just bulky USB 2.0 drives until you saw the myriad of connectors on the back panel, including at least RCA audio and video outs—S-Video and SPDIF adorn the higher class models. These relatively small players (compared to a Media Center PC, for example) are made possible by Sigma Designs media processors, which have started appearing in products with increasing frequency.

MobileMag claims these 'next-gen' high capacity, smallosh players are available from their manufacturers, but I had a hard time finding purchase links. Regardless, they're sure to become more widely available before long.

[New Category of PMDs Announced](#) [MobileMag]

Related
[Sigma Designs Media Processor Product Guide](#) [SigmaDesigns] [\[EMAIL THIS ENTRY\]](#)

Gizmodo is an online review dedicated to gadgets, gizmos, and cutting-edge consumer electronics.

Send tips/stories to tipline@gizmodo.com

FI READER BY
G
GARDNER - WINKLE
BEAVER - GILWOOD
LESHOOT - JACOPPIN
BILKID - SCHEINBERG
KINJA

CATEGORIES
Cellphones
Digital Cameras
Gadgets
Home Entertainment
Laptops/PCs
PDAs
Peripherals
Portable Audio
Software
Wireless
Deals
Press
Announcements

Wired's GadgetLab
Newsletters with
Gizmodo Reports:
[Subscribe](#) [Archives](#)

Archiving to
November 2004
October 2004
September 2004
August 2004
[Complete Archive](#)
List

Categories
About
Contact
Feedback
Press
Privacy Policy
Terms of Use
Visitor Survey
Submit a Link
3M, RFP, Atom
Solicitation

Archives
editor:
Joel Johnson
design:
Peter Luo
production:
Nick Austin
coding:
37 Signals
software:
Movable Type
systems:
Eric Duranmode
operational:
Graham Hancock
publishing:
Nick Dennis

Site Content
RSS
GadgetMadness
Podcasts
PocketList
Design/tech
Engadget
LBU
Cool/Uncool
Niche
Shiny/Plastic
CacheUp
TheGadgeteer
MobilePCMag
FirstDopster
GigaOm
allAbout
Pardio
ShinyShiny
GizmoForGeeks
GadgetsBlog
EventstendUSB

Mobile Media
MusicRiver
DAPReview
iPod Lounge

Camera/Photo
DigitalPhotoBlog

POSTED BY
Kevin Krugle.com

UNHEALTHILY OBSESSED

[Screenshot from Gawker Media: The Mindless Entertainment Guide](#)

[Buy a Link Now](#)

PS2 HDLoader
Install and play PS 2 games from a HDD.

Linode.com Servers
Virtual Servers, root access. \$19.95/mo

Free Remote Access
LogMeIn: Great for PDA's!
Secure and Free

Speaker Revolution!
Big Sound From Small, Stylish Dots \$219+

Cheap Laptops
Read laptop reviews and notebook deals

Online Photo Albums

Digital Camera Reviews

Mini Pocket Bikes

JALOPNI
a modern auto review

Advertise on Gizmodo

Section M is the About section. The About sections usually contains a profile of the Blogger, the contact information, advertising information, press coverage and syndication, which is the RSS feed (See glossary).

Contact is done almost exclusively through email. Most Blogs do not offer a mailing address, phone or fax number, some offer contact through instant messaging. Other Blogs choose to omit their contact information; reseason for this vary, it could be from receiving spam or too many emails. Sometimes Bloggers will temporarily remove their contact information.

Section N is the Credits sections; this area list who works on the Blog and their job function.

Section O is the Header, normally a logo or the title of the Blog will go here. There may also be brief description of what the Blog is about, similar to a tag line.

Section P is the search function, this allows readers to search the Blog for information. The search function is also automated in the Blogging software.

Section Q is a banner advertisement. Some Blogs have an advertisement below the header and above the first entry. This is one of the more expensive places to advertise because it is highly visible.

One of the clear distinctions between Blogs and websites are the ability of Blogs to be part of, and work in the *Blogosphere*. An important navigational feature of Blogs is known as the “permalink”, a permanent link to a specific article or entry (See glossary). The link remains with the entry even after it has been archived and is no longer on the home page. This is automatically done by the Blogging software. The *permalink* is a feature that allows Bloggers to communicate about the same subject or entry.

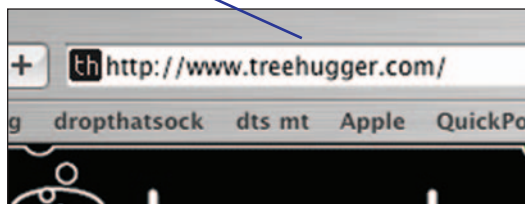
For example, (See figure 1.5.) if someone wanted to refer to a specific entry on the Blog treehugger.com they could use the *permalink* address instead the general address of treehugger.com. The following screen-shots will discuss

Figure (1.5) The screen-shot to the right is of the Blog treehugger.com’s home-page. When a new entry is posted on a Blog, it generally appears descending order, newest entries at the top. The screen-shot shows two different entries on the homepage:

1. Modular & Sustainable Walkways: Mr Boardwalk

2. Prototype Cellphone Fuel Cell Inches Closer To Production

They are being shown at the following address



The web address has been increased 50% for viewing.

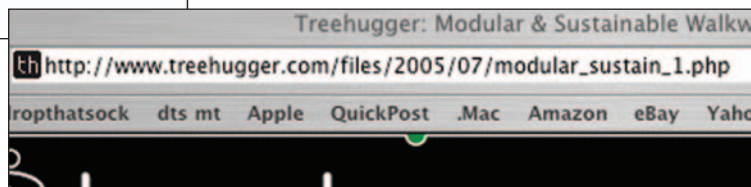
the *permalink* further.

Blogs and websites share many of the same features. Some people feel if a website consists of dated entries than it is a Blog. Others feel that for a website to be considered a Blog it must be able to participate in the social phenomenon that is the Blogosphere. There are many websites that are designed to look like Blogs, some even have similar features to Blogs; the *permalink* is a feature that clearly separates Blogs from websites and enables a Blog to be part of the Blogosphere. However, the topic of defining what a Blog is could be a study unto itself.



If a reader clicks on the “Modular & Sustainable Walkways: Mr Boardwalk” to read the entire entry, the address of the Blog will change; what appears is the entries “permalink” or permanent address.

There may be a number of entries on a homepage, each entry will have its own “permalink.” This gives readers the ability to link to a specific entry as opposed to the Blog in general.



The web address has been increased 50% for viewing.

CHAPTER TWO

THE BUSINESS OF BLOGGING

It is a well-established fact that there can be large cost benefits to publishing information in an electronic format. The World Wide Web acts as a facilitator for those people with similar small niche interests who are widely distributed geographically. Through the web they can gain access to information which can quickly and easily be shared with others. A.J. Liebling said that, "Freedom of the press is limited to those who own one." Because of Blogging software, *anyone* with an Internet connection and minimal understanding of computer software can now publish on the Internet.

One of the most important points to understanding Blogs is that they are by nature conversations. That is what separates them from websites and all other forms of media, Blogging is not broadcasting a message and it is not truly a medium, after all it's part of the Internet. It's a conversation or at least a venue for a person, the Blogger and his thoughts. This is one of the reasons why many advertisers shy away from Blogs, because not all Blogs deliver content as this is associated with traditional media, but they are a place where the Blogger can voice to his/her opinions, so these opinions may not be censored or edited or be made politically correct. However, if enough people like what the Blogger has to say they will keep listening, and if allowed, join in the conversation. As the number of visitors to the Blog increases, so does the advertiser's desire to have their products seen on the Blog.

Many people who Blog do not do it for money, but rather to express themselves, or as a hobby. However, there are some Bloggers who use their Blogs as money-making endeavors, as well as to gain expert status in their field. Their goal may not be to make money directly from Blogging, but their Blogs

have enabled them to obtain new clients and generate revenue beyond a local geographic area.

Most Bloggers work by themselves, whether they Blog full-time or part-time. This is mainly because of the available technology through Blogging software, so that no one else is needed. The software has enable people with little technological know-how to start their own Blog. In addition, Blogging software has automated many features so the Blogger does not have to be concerned about maintaining a website. There are some Blogging services that are offered free, others cost under \$100.

These factors: ease of use, features automated by the software and the low cost of starting and maintaining a Blog; enable people who can write well, or may be experts in a specific field to focus on writing, with the hopes of building up readership.

Creating a financially successful Blog is not as easy as setting up the Blog. With 12,000 new Blogs a day being created¹, there is a lot of competition to get potential readers attention.

More must be done, traffic (See glossary) must be brought to the Blog, advertisers must fill ad space, the Blogger must write in a manner and have information that makes readers want to return. Writing a Blog is not as easy as it may appear. There have been many cases of Bloggers suffering burnout. On top of all this, there has to be some level of buzz that spreads about the Blog, especially if there is no budget for advertising; and for many Bloggers, advertising is not even a an option.

Despite the afore mentioned obstacles, and there are others, some

Bloggers have managed to generate revenue with their Blogs, in fact there are some who have taken the business of Blogging to another level.

Nick Denton is an entrepreneur and the publisher of Gawker media, a media company that publishes 13 Blogs. The Gawker business model is not like most Blogs. Denton thinks up the topics for the Blogs and then hires the Bloggers to write. The Bloggers get a salary and must post a specific number of entries a day.

Gawker media also has employees in advertising sales, business development and production. It is not a one person show like most Blogs. Gawker attracts bigger advertisers and sponsors; the Blog LifeHacker is sponsored by Sony and the Blog Jalopnik is sponsored by Audi. There are a number of Blogs in the Gawker network, when a new Blog is launched it can get traffic from the already established Blogs.

Gawker was mentioned in the media countless times in 2004, and rightly so, there Blogs are well written and receive amazing traffic for Blogs. The Blog Gawker, which is about gossip receives on average of 111,905 hits per day, Defamer, also about gossip, receives on average of 101,974. These are substantial numbers for what would be considered *micro-publishing*.

Recently there has been media coverage on Blogs joining together to form networks. One reason for doing this is so that advertisers can reach a larger segment of the audience they are trying to send a message to. This direction appears to be a step in the maturation cycle and developing into full-scale business ventures. Furthermore, many companies have been reluctant to advertise their products on Blogs since Bloggers have a reputation of being a writer sitting

at home in their pajamas with no editors, no one checking facts and no one to answer to. Forming networks is one way for Bloggers to become more credible to advertisers.

The following are a few different methods, that have been established for creating revenue with a Blog. This is only a general overview of some of the possibilities that are available to Bloggers. They are by no means the only way of generating revenue, Blogs are constantly evolving and so are the possibilities to create revenue with them.

Revenue Streams for Blogs

For now, it seems many of the Blogs that are generating revenue have based their business models on something similar to other forms of publishing. Generally they create revenue by offering advertising. Fortunately for Bloggers there are a number of different ways advertising can be used on their Blogs. For most Blogs, this means teaming up with a company that will either sell advertisements for the Blog and take a portion of the sales, or the Blogger can designate a certain space on the Blog where advertisements can automatically be placed without the Blogger having to sell, post or update the advertisements. These kinds of services are extremely valuable for Bloggers because Blogs typically consist of one person who is not backed up by a team of sales people, marketers, IT staff, business developers nor do they have financial funding.

A number of people publishing Blogs are only able to do so because of the ease of use of the software, unfortunately handling advertisements may fall out of the realm of the capabilities of what the software is capable of, hence the

reason for teaming up with other companies that offer advertising systems.

For one person, working alone, to have to change ads regularly can be time consuming. Few Bloggers create a databases of potential advertisers or, solicit them to advertise on their Blog. A lack of skill, desire, funds or time to take on that responsibility may be the reason.

The advertising options that will follow allow a Blogger to focus the bulk of their time and energy on creating content, rather than deal with ads. There are advertising options as simple as putting a few lines of code (See glossary)in the Blog and the ads will appear, and update on their own. There are other options that offer the Blogger the ability to approve the advertisement before it appears on the Blog. However, it is because of the available technology allows Bloggers to offer advertisements and to create revenue.

Google AdSense

Google AdSense is a program that places text ads on Blogs or websites in which the publisher of the Blog gets paid every time a viewer clicks on the ad. They are simple text ads, the Blogger does not have to do anything but sign up and in a few days the ads will appear on the site, what makes the Google ads so powerful is that they are targeted to the specific audiences. For example, if you have a Blog about dogs, Google AdSense will deliver ads that pertain to dogs, they structure the ads to be relevant to the content that is on the Blog. The Blogger can take it a step further and add a Google search box to their site. If a visitor searches for dog food, using Google's search tool for example, then all the advertisements that will appear for that search will be relevant to dog food. This

system is an effective way to advertise because the ads capitalize on what is known about the searchers interests. Although some have argued that not every ad is always relevant to the information that is on the Blog, I have never found that to be the case. (See figure 2.1.)

There are some drawbacks with Google AdSense: issues with leaks in the revenue stream model. I have read stories of people with bad intentions who are taking advantage of the pay per click advertising structure, nightmare stories of people in India spending all day clicking on Google ads or programs that have been written to do automated clicking. This would cost the advertiser money and the ads would not send any traffic to the advertiser's website. Another drawback is that the Blogger is not able to decide which ads will be placed on the Blog;

they automatically appear.

While Google AdSense is easy to set up, it requires putting some code in the Blog, then Google takes care of the rest. Yet as with most things in life a small effort produces little results. To use Google AdSense effectively they need to be in harmony with the overall design of the Blog. It must be used as a design



Figure (2.1) A screen-shot of the Blog, we-make-money-not-art.com. The entry is about “wearable system of mountaineering devices”, or gadgets. To the right of the entry are the Google ads, notice how the ads are relevant to the entry.

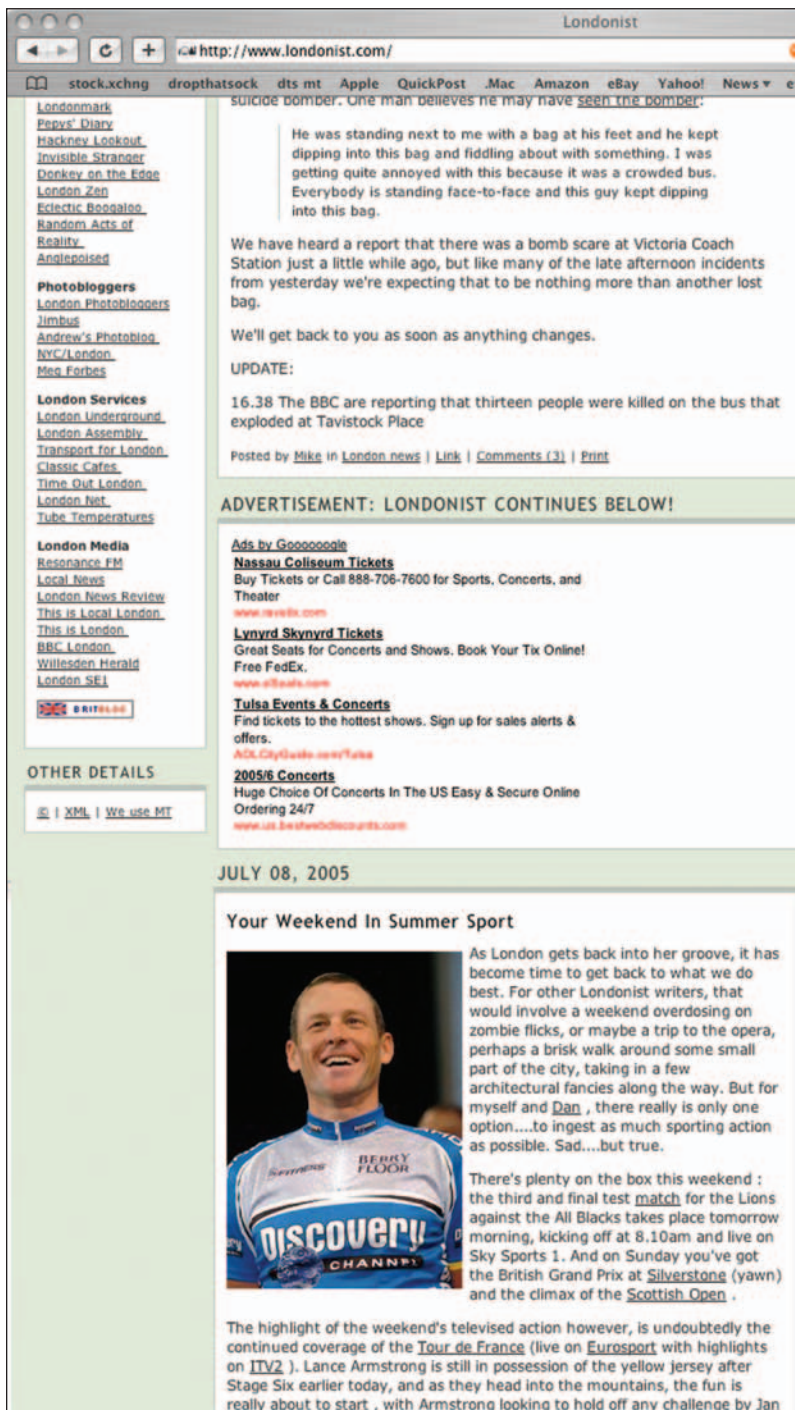


Figure (2.2) A screen-shot of the Blog “Londonist.” Here the Google ads are placed between two entries. Placing an ad within the entries area of a Blog is usually one of the most expensive places to advertise. Google ads can be effective here because they are relevant to what is being read in the entry.

element, otherwise it will appear as nothing more than a couple of lines of static text that may not catch the viewer’s eye and will only take up valuable space on the Blog. (See figure 2.2.)

Some Bloggers are using them quite effectively and they are paying off for a small number of websites that have AdSense. In an *Investor’s Business Daily* article, Pete Barlas said, “A few years ago, advertisers paid an average of 50 cents to \$2 per click for key search terms like ‘drug rehabilitation’ and ‘conference call.’

Those days are long gone. Today, advertisers that want to get the very top listing on the results page for the term ‘drug rehabilitation’ can expect to pay \$25 per click for the privilege...So if 10,000 unique

Web visitors (See glossary) click on that ad, that drug rehab advertiser will be paying \$250,000. Clicking on an ad, a link to a firm's Website, does not mean that a clicker is buying anything. The pay per click structure has certainly come a long way.”²

As search continues to play a growing role in finding the information we are looking for, AdSense will continue to grow in importance because it delivers the eyeballs to the advertisers, with the knowledge that such ads are relevant to the information that is being sought. (See figure 2.3.)

Figure (2.3) A sample of Google ads that appear when a Google search is conducted for “theses.”

Sponsored Links

[Want Thesis Help?](#)
100% PhD writers. APA, MLA & other formats. Installment payment option
www.originalthesiswriting.com

[Thesis or Dissertation](#)
Instant access. 50,000 examples. Download anytime. Low Prices!
www.dissertationsandtheses.com

[Edit your thesis](#)
Edit your thesis or dissertation with ClearEdits® editing software
www.clearedits.com

[Original Thesis](#)
Premium thesis writing service Any level. Money back guarantee
www.MasterPapers.com

[Theses](#)
Products and info about **Theses.**
eBay.com

[Dissertation & Thesis](#)
1000's of them - Low cost per page High Quality Papers & Free Delivery
Mostpopular-Term-Papers.com

[theses](#)
Custom **Theses** & Dissertations. 15/P 20% Off. For Masters To PhD Level.
OriginalThesis.com

[Master/PhD Thesis. \\$17/pg](#)
Compare our service to all others! Any topic and premium, PhD quality.
www.phd-dissertations.com



Figure (2.4) A screen-shot of the Blog Gothamist.com. The BlogAd strip runs vertically down the right side of the entries. On many Blogs advertisements are identified as an “ADVERTISEMENT.” The top spot on the BlogAd strip is considered “Premium” and would be the most expensive to place to advertise.

BlogAds

BlogAds is a company with its own advertising system which is also easy for a Blogger to set up and maintain. The way BlogAds works is by putting the BlogAds HTML code in the Blog and a *BlogAd* strip will appear on the side of the entries. As with Google AdSense, the Blogger does not have to tediously update the Blog with new advertisements, nor does the Blogger have to go out and sell advertising for the Blog. (See figure 2.4.)

The way BlogAds works is that potential advertisers go on the BlogAds company website, where they can browse through hundreds of Blogs that may target an audience they are

PalmerCash American Tees



PalmerCash is an idiot, wears the same dirty shirt everyday, and smells really bad -
ExGirlfriend

PalmerCash and his band of misfits have collected all sorts of artsy, vintage, random and ohh so witty tees for your enjoyment. So stop by and check out our selection of **Men's Tees and Women's Tees**
[Read More...](#)

looking for. Once an advertiser chooses a Blog to advertise on, then they also choose how long they want to advertise. The third step is simply to upload a graphic and type in the text they want to appear on the ad, pay for their ad via PayPal and the advertisement is ready to go.

The BlogAds company gets 20% of what the Blogger charges for advertising space, with the Blogger setting the price for the ads. Once an ad has been placed on the Blog, all the Blogger has to do is approve the ad. If the Blogger does not want the advertisement on the Blog, the potential advertisers have their money refunded. (See figure 2.5.)

One of the drawbacks to BlogAds is that the Adstrip is a vertical column on the side of the Blog and the images that are used for the advertisements can only be submitted as jpeg (See glossary) or gif (See

Figure (2.5) To create a BlogAd, first the graphic is uploaded and then the copy is added separately. makes the advertisements in the BlogAd strip similar in size. However, the advertisers can change the ads as frequently as they would like to see what ads work better. Unlike AdSense, BlogAds allow for graphics as well as text. These are obviously more aesthetically pleasing. Advertising rates run from \$4,500 a week on highly trafficked Blogs like “DailyKos.com” to as modest as \$5 a week on Blogs with smaller amounts of traffic like “velorution.biz.”

AdBrite

AdBrite is similar to Google AdSense in that it is text based advertising, however, with AdBrite the advertisers pay a set rate for the link, regardless of whether it is clicked on or not; and the advertisement does not have to be relevant to the information that is on the Blog. Google AdSense is a couple of lines of text whereas an AdBrite advertisement looks like a regular hyper-link. (See figure 2.6.) Some Bloggers have AdBrite ads on their sites and refer to them as sponsored links. On AdBrite's home page there are websites whose cost range from \$7.00 a week for an ad on pajiba.com to \$1,500 dollars a week ads placed on big-boys.com.

The screenshot shows the homepage of BlogHouston.net. At the top left is a cityscape image with the text "blogHOUSTON.net". To the right is a navigation bar with "Politics - Media - Life - HOUSTON". The main content area features a date "08 July 2005" and a headline "Chronicle makes Best of the Web, con't.". Below this is a paragraph of text with a link to an "amusing entry". Further down is another link "What Would Women Do Without Bra-Fitting Experts?". The page also includes a "Food and drink roundup" section with several entries. On the right side, there is a "SITE MENU" with links like Home, About, Archives, etc. Below that is a "WEATHER/TRAFFIC" section with a sun and cloud icon and weather details. At the bottom right, there is a "SEARCH" box and a "SPONSORS" section. The "SPONSORS" section contains two advertisements: "Own land in Harris County" and "Reliant Stadium Purchase Tickets".

Figure (2.6) On the Blog, BlogHouston.net the AdBrite advertisements are labeled as "SPONSORS." They are located in the column that is furthest to the right, below the search button.

AdBrite can fill a niche for Bloggers and advertisers alike. The Blogger can offer a form of advertising for companies with smaller budgets, the trade off being that the advertisement doesn't take up too much space. On most Blogs, the AdBrite's normally appear on the bottom of the Blog. The reasons for that could be aesthetic or the fact that the Blogger doesn't want to give prime real estate on the website away for text ads. Companies may also use this form of advertising because of the way ranking works on search engines.

Websites get higher ranking on search engines on the basis of at least two factors: the number of incoming links, and the number of visitors to the site. Furthermore, the higher the site is ranked on search engine results, the more visitors the site will get. A website that ranks #5 on the first page of Google for a certain key word like "Treo 600 phone" will receive many, more visitors than a website that is ranked #7 on the tenth page of the Google search results.

The higher a website ranks, the more importance it receives from the search engines. This has a snowball effect. Consider a site ranked on the first page of Google that has 300,000 hits a day is linked to a Blog. This link alone could boost the Blog's ranking on the Google search. Contrast this with some obscure website linking to the Blog that ranks on the 300th page of Google and has 20 hits a day.

Realizing this is the way search engines work, some people may feel that it is worth paying money for a link from a highly-ranked site; because it may artificially boost the ranking of the site that it is linking to. In turn, this will result in more traffic on the site, which lead to more potential sales.

Fast Click and Burst Media

Fast Click and Burst Media are two different companies that offer similar advertising options. However, they are different from those already considered. Both companies supply a Blog or website with advertisements, and in turn take a portion of the profit. Burst Media gets 50% of the profit from the advertising with the caveat that the Blog must sign up for a year-long contract. Fast Click gets 45% of the profit and does not require the Blog to sign year-long contracts.

Both Burst Media and Fast Click offer a variety of advertising formats from banners to pop-uppers, as well as text links. The difference between BlogAds and these two companies is that BlogAds only supports Gif and jpeg files in the AdStrip, and is a website where advertisers can go to look at Blogs as possible sites to advertise on. Burst Media and Fast Click actively supply the Blog with multiple forms of advertising.

With Fast Click and Burst Media, the Blog can have a variety of sizes of ads positioned in different places, some even offer a variety of rich media as opposed to static jpg's and simple gif animations. The draw for Bloggers is that they would not have to be involved with selling advertising or maintaining and updating the ads.

Another major difference is that any Blogger can sign up for BlogAds and put a BlogAd strip on their Blog; however, the Blog will not show up on the BlogAds website for advertisers to see until the Blog has had at least 3,000 hits. With Burst Media, the Blogger must contact the company and apply to have it run advertisements on the his Blog. Burst Media will determine if the Blog qualifies. As with other forms of publishing, the more reach the publication has or in

the case of the Blogs, the more hits or traffic the Blog has, the higher the price they can charge companies that are interested in advertising.

Affiliate Programs

The way affiliate programs work is the Blogger reviews, recommends or writes about a product and posts it on the Blog. For example the Blogger links to Amazon.com and for every purchase that is made through the link, the Blogger will get a percentage of the sale. Blogs drive traffic to other sites through a specially formatted, link enabling companies like Amazon to track revenue producing niches. In the case of Amazon they offer the “associates or affiliates” 10% of the sale. There are many companies that offer affiliate programs. (See figure 2.7)

One advantage of an affiliate program is that it doesn't require any additional space on the Blog; it is a link within the entry. For many Bloggers it is common to write about and recommend the books they are reading, music they are listening to and products they like. With affiliate programs, Bloggers can build revenue by recommending products or services to people who read their Blog.

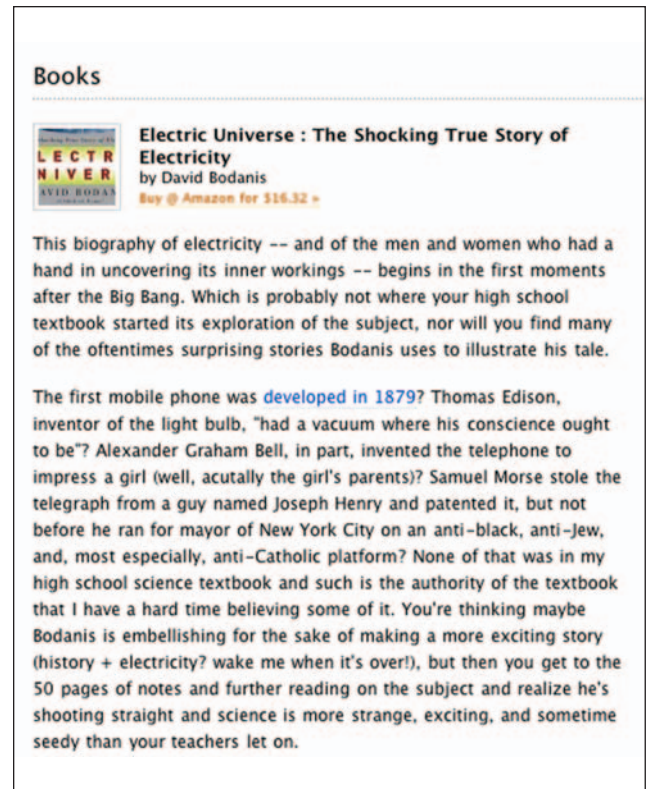


Figure (2.7) The above screen-shot is an entry from the Blog kottke.org. The Blogger is reviewing the Book Electric Universe, if the reader clicks on the link they will be taken to Amazon.com. If they purchase the book from Amazon, the Blogger will receive 10% of the sale.

Contribution or Donations

Some Blogs offer readers the options to donate or to contribute financially to the Blog; there are Blogs that accept contributions in addition to advertising while others offer it to keep their Blog advertisement free. There are Bloggers whole feel the whole concept of offering advertisements on their Blog corrupts everything that Blogs stand for. Some Bloggers feel that Blogs should not be used to make money at all.

To donate to the Blog, there is a link where visitors can contribute money. Many Blogs accept the contribution of donation via PayPal. For someone to use PayPal, they must sign up for an account and PayPal allows them to send money to anyone with an email address who also uses PayPal. (See figure 2.8)

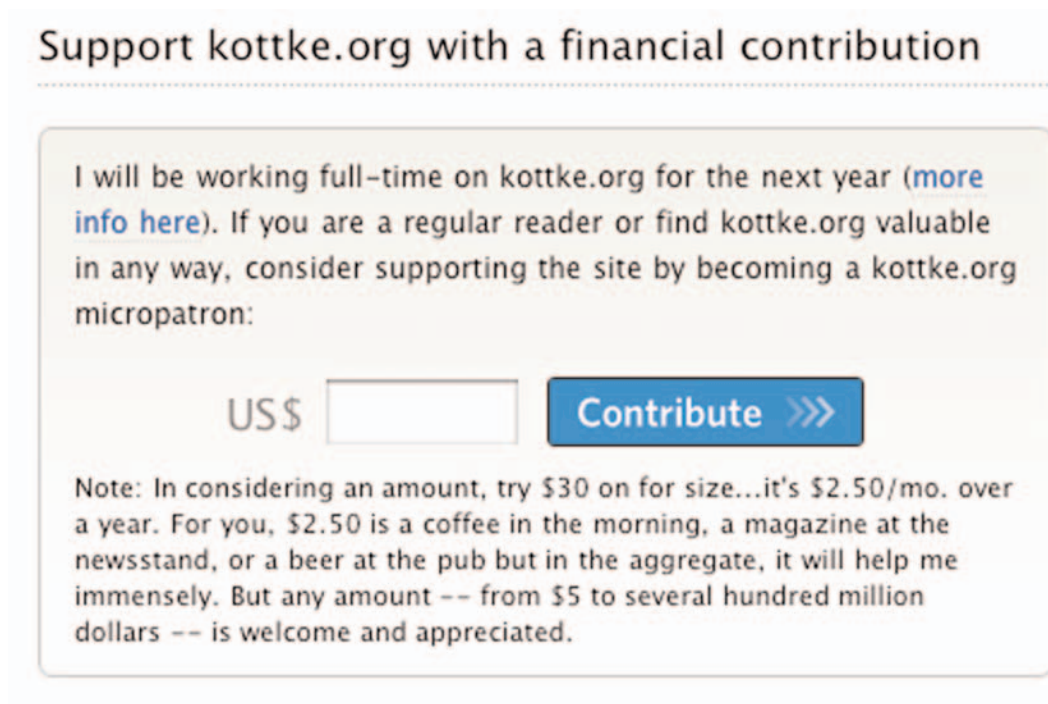


Figure (2.8) Recently, there was some media coverage about the Blogger Jason Kottke, who left his job as a web designer to focus full time on his Blog which is exclusively funded by donations.

Selling merchandise via Cafe Press

Selling merchandise is another way Bloggers can create revenue. Cafe Press is a company that allows the buyer, in this case the Blogger, to personalize various items, such as clothing, stationary, stickers, posters, books, etc, and sell them through Cafe Press. The Blogger would design a graphic, logo, photo, etc, and Cafe Press will put it on it on any of the items the Blogger wishes to sell. (See figure 2.9)

All the Blogger has to do is supply the art they wish to use and pick the products that they would like to have the art applied to, and Cafe Press does the rest. Cafe Press charges the Blogger a set price for an item and then the Blogger can mark up the cost of the product to make a profit. For example, Cafe Press charges the Blogger \$10.00 for a shirt, and the Blogger can set the price of the shirt at \$15.00.

Cafe Press provides an end-to-end solution. They keep the inventory of the items, do the printing and the shipping. They also offer an option so that the

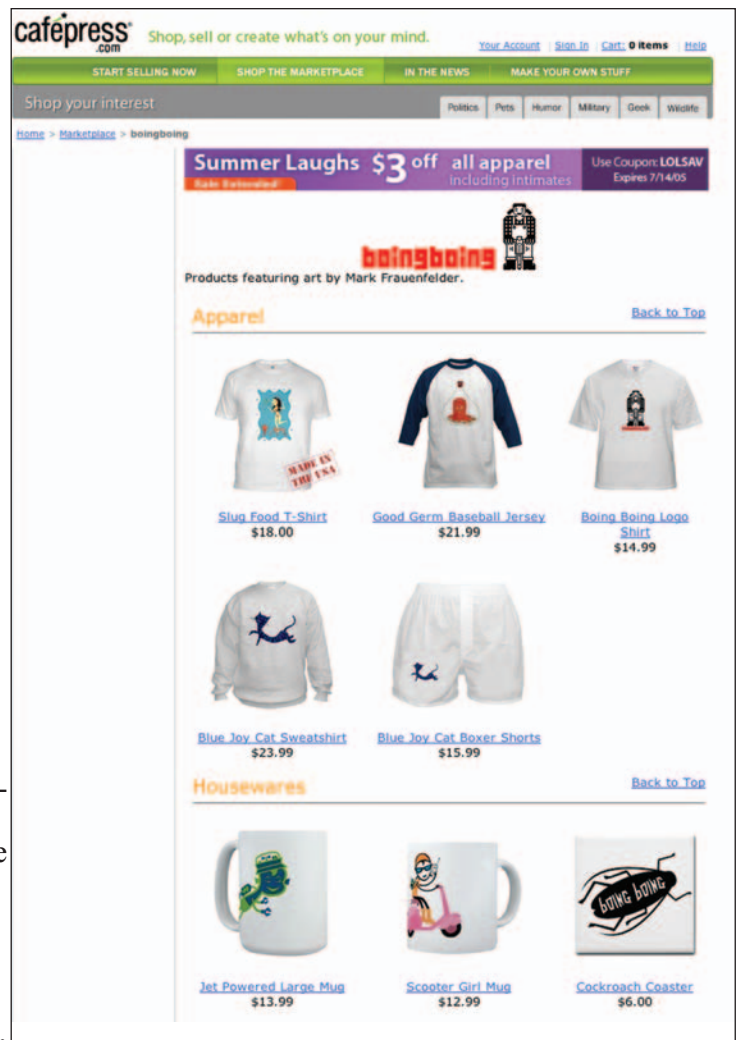


Figure (2.9) The Blog BoingBoing.net has a store via Cafe Press.com. The Blogger sends in the art work, picks which products the art appears on, sets a price for the products and Cafe Press does the rest.

products the Blogger is selling appear as though it is an actual store on their Blog and not a separate site. There is no investment on the part of the Blogger to work with Cafe Press. Simply sign up, pick the products, send Cafe Press the art and the Blog has its own store to sell merchandise.

Online Advertising Projections for 2005

Most profit making Blogs have a revenue structure similar to printed magazines where advertising accounts for the majority of the revenue. As usual there are somewhat differing views on how much companies are going to spend on online advertising. With this caveat in mind, the following are a few projections for 2005.

- According to Merrill Lynch's recently released monthly report on advertising and publishing, "online advertising will account for 4.6 percent of all U.S. advertising this year, up from an estimated 3.7 percent in 2004."³
- According to Jupiter research, "Online advertising revenue is expected to reach \$16.5 billion by 2005... Jupiter analysts believe that the rapid growth will lead to explosion in clutter, with users receiving in excess of 950 Internet-based marketing messages per user, per day, in five years. To outpace the growing clutter, advertisers must diversify their use of online tactics and advertising models. Successful publishers must expand their offerings and develop their sales strategies to address the advertising sprawl."⁴

- According to Advertising.com Inc, research, “Key revenue growth areas for 2005 include text links, large rectangles and small banners... Additionally, publishers identified rich media, streaming content and behavioral targeting as advertising channels that will have the greatest impact on their 2005 ad revenue.”⁵

- According to clickz.com, “Online ad spending—excluding paid search—will increase 11.2 percent this year over 2004, according to a forecast by TNS Media Intelligence.”⁶

- According to an article on mediapost.com, Wendy Davis states, “Almost 9 out of 10 marketers—84 percent—plan to increase their online ad spending in 2005, according to report by Forrester Research.” The study, “US Marketing Online Forecast: 2005-2010,” was based on a February survey of 99 national marketers, interviews with 20 vendors, and in-depth conversations with Google, Yahoo!, MSN, and America Online. Overall, Forrester predicted that online advertising would reach \$14.7 billion this year—a 23 percent increase over 2004 estimates. By 2010, Web advertising will reach \$26 billion, or 8 percent of all advertising spending, predicated the report. Internet advertising was more effective than traditional advertising when it came to driving traffic to a website, delivering promotions, or generating leads:
 - 91 percent of respondents said Web advertising was more effective for driving traffic

- 62 percent said the same for delivering promotions
- 60 percent said online advertising was more effective for generating leads.”⁷

The above information makes it seem likely that some companies will apportion more of their advertising budgets for online campaigns. Although advertising on the Internet may be on the rise, an article in the *Wall Street Journal* by Jessica Mintz, claims, “Many companies are wary of putting their brand on such a new and unpredictable medium. Most Blogs are written by a lone author; they are typically unedited, and include spirited responses from readers who can post their own commentary at will. Some marketers feel that Blogs will criticize their products or ad campaigns.”⁸

The article goes on to say that when Gawker Media launched a travel Blog called Gridskipper, the Blogs sole sponsor was Cheaptickets.com. However, after a

few days all of Cheaptickets advertisements were removed from the site. Apparently Gridskipper had written posts about “eating psychedelic mushrooms in Amsterdam at the Van gogh Museum and the pricing policies of an escort service in Prague. (See figure 2.10.) Cheaptickets declined to comment but Nick Denton, Gawker’s



Figure (2.10) A screen-shot of the Blog gridskipper.com. Many Blogs are viewed by companies as unpredictable.

founder, says he thinks the site was 'too naughty' for its sponsor."⁹

Gawker Media is in a different position from most Blogs because it is a company that publishes a number of Blogs, and has several writers on staff. Gawker is not just one Blogger working by himself. Ironically, the publicity from the story could have generated more buzz and business for Gawker Media than keeping Cheaptickets as a sponsor. The article goes on to say, "Although advertising on websites was a \$9.6 billion business in the U.S. last year, according to the interactive advertising bureau there is little data to date on Blog ad-spending. BlogAds says that its business has grown from 28 ads in September 2002 to 1,685 ads last month."¹⁰

The concept of Blogging as a business model that generates revenue from advertising is still in its infancy, and like many other innovations it takes a while for "critical mass" to erupt and lead to rapid adoption. Despite the fact that there millions of Blogs being published, few are making money at this moment. Although it should be added that not all the Blogs that are being creating are doing so as a publishing ventures with revenue in mind.

Not everyone agrees with *The Wall Street Journal* article, "Big Media Companies Weigh Blog Strategies", which states: "As many as 64 percent of marketers are interested in advertising on Blogs, according to a Forrester Research study, though their investments would still be a fraction of the \$14.7 billion expected to be spent on Internet ads this year."¹¹

The same article it quotes Rupert Murdoch as saying, "We want to experiment with the concept of using Bloggers to supplement our daily coverage of news on the net... Chief among the risks is maintaining our standards for accuracy and reliability."¹²

CHAPTER THREE

WORD OF MOUTH

People talk, some more than others. With each conversation, information is spread from one person to another, and if the topic of conversation is interesting, exciting, or has value; people will discuss the topic with other people. In the book *Anatomy of Buzz*, Emanuel Rosen lists six reasons why people talk, they are:

1. “Because we are programmed to talk, it’s basic to survival. We may not be hunting for food but we talk to others when we are hunting for a job, This reliance on others as sources of information becomes most obvious in crisis situations. In 1980, when usage of *Rely* tampons was linked to cases of fatal toxic shock syndrome, women all over the country started warning each other about the brand.”¹

Talking is also important because we need to survive at our jobs. Jerry Kaplan wrote in his book *Startup*, “Hardware engineers tend to hang out together, in fear of missing the one critical word-of-mouth factoid that might save them their jobs.”² Talking and sharing information is vitally important to survival, it’s hardwired into humans and is a basic part of what we do.

2. People talk to establish alliances. And according to Robin Dunbar author of the book *Grooming, Gossip, and the Evolution of Language*, “About two-thirds of people’s conversations revolve around social issues: Who is doing what with whom, and whether it’s a good or bad thing; who is in and who is out, and why.”³ People talk about their daily lives whether it

be at school, around the water cooler at work, at the dinner table or at a bar, most of the information that people spread is about theirs or other people's lives.

The products we use can also be part of the information we spread. One of my friends bought an *iPod shuffle*, I watched him at a meeting as he proceeded to tell 10 to 20 people what a great investment it was for him; and how it was so small he can bring it to the gym, and use it when he goes running, how he could upload books to listen to them, and all this for \$99.00.

He couldn't praise the product enough because it had added real benefit to his life. Rosen also related, "In other cases we use products to send messages to the people around us. By announcing to the world what book we read, where we ate last night, or what electronic gadget we bought, we tell others about our wealth."⁴ Whether we read the *NY Times* or *Wall Street Journal*, wear Gap or Old Navy Clothes, have an iPod or a Walkman, drive a Toyota or BMW, whether it's books, movies, music or clothes, what we recommend makes a statement. *In fact, we build our own personal brand and the products we use are how establish it.*

3. We talk to make sense of the world. Rosen gives the example of men in the Bedouin tribe who are nomads and have to find land for their animals to graze. The men gather at the magaa'd, a central tent used for social

gatherings⁵ and as Rosen puts it, they talk about, “Everything: life, food, where to buy what, what’s the best price for gas and cigarettes, where to go next.”⁶ The magaa’d “became their ‘newsgroup’ hundreds of years before computers were invented.”⁷ And the Bedouin men use it to find where they can bring their herds. It is a central location where new information is brought and shared with the group; it aids in survival.

According to Rosen, “Word of mouth has always served two functions: to spread information (‘There’s rain not far from here’) and to analyze it (‘Maybe we should go over there.’)⁸

4. We talk to reduce risk, cost, and uncertainty. Talking can save us time, whether we are trying to find a location or trying to invest money. A quick way to get information is to ask other people what or how they do something. By asking others what doctors they use, it reduces risk. Whether it’s buying a car or a computer, talking to others reduces the risk of purchasing a worthless product or wasting time.
5. We talk because it makes economic sense. Rosen gives the example of a fax machine, saying, “If you are the only person in the world who owns a fax machine, its value to you is zero. To increase that value you are likely to encourage others to get their own fax machines.”⁹
6. We talk to others to relieve tension. Rosen says, “Sometimes we talk to let off steam or vent anger. The most common source of negative buzz

comes from a negative experience a customer has had with a company.”¹⁰

Some people talk more when they are upset. I had a workmate who first thing in the morning would go from one office to the next telling the same story of how somebody did something wrong to her and how mad she was.

People *want* to talk, according to a survey by Roper Starch Worldwide who interviewed 35,000 adults and teenagers in 35 countries. They found that, “spending time with family and friends is high in the list of most popular leisure activities: Seventy-three percent of adults and sixty-three percent of teenagers said that they frequently spend time with their family. Thirty-two percent of adults and sixty-two percent of teenagers surveyed frequently spend time with friends. These numbers are higher than the percentage of time spent watching TV, playing sports, listening to music, or shopping.”¹¹ And, according to Diane Crispell of Roper, “People are extremely social, and [reaching] people through their relatives and friends is extremely powerful.”¹²

In addition to mass media, the most basic way people spread information is through face-to-face communication. People are bombarded with information from radio, television, Internet, billboards, email, instant message, etc., which we either consciously or subconsciously filter out. Regarding the Internet alone, Jupiter analysts believe that in 2005 Internet users will receive over 950 advertisements a day, per user.¹³

As information continues to flood people, it will become increasingly harder for companies to send messages that break through all the clutter and communicate clearly and effectively to a targeted audience. Increased importance

will be placed on getting people to talk about a product, service, or brand. For the most part, people love to communicate, interact and connect with other people, (granted some of us are better than others). It may be our natural inclination to communicate well with people.

Whether we talk about the new car we bought, a recent trip we went on, or ask a trusted friend about the best printer for our new computer; we are always spreading information and ideas, influencing and being influenced.

In his book, “The Tipping Point” Malcolm Gladwell presents ideas on how information or trends spreads. He finds a few significant personality types and explains how they are critical to spreading information. Two of those personality types are *Connectors* and *Mavens*. The power of spreading information by word of mouth becomes more compelling in the Blogosphere, because Blogs are a conversation and have the ability to hyper-accelerate the spread of information.

Connectors

Connectors are the type of people who know a lot of people, and more importantly, keep in contact with the people they know. Meeting people, keeping in touch, connecting is naturally what these people do. In the book, Gladwell presents a number of studies to show the existence and the power of “Connectors” when it comes to spreading information.

One of the studies Gladwell conducted was the *acquaintance survey*. The survey is based on 250 surnames taken from a Manhattan telephone book. The way the survey was conducted is that the participant gets one point for every person they know with a surname on the list. The survey was taken by people from

different backgrounds, ages, professions; people from all walks of life. There were survey participants who were in their teens who were recent immigrants to the United States; and they knew on average 21 names on the list. Other survey participants who were health educators, mostly white in their 40's and many with PhD's, knew on average 39 names. Another group of survey participants were a sampling of Gladwell's friends and colleagues who were in their late 20-30's, and knew on average 41 names. (See figure 3.1.)

What is interesting is how varied the results were from people knowing the fewest number of names to people who know the most names. In a college class that was surveyed, the low score was two and the high score was 95. In the random sample the low score was nine and the high score was 118; with the medical educators the low score was 16 the highest was 108. In total, the survey was given out to about 400 people and around 2 dozen knew under 20 names, 8 knew 90 and 4 knew over 100. What does this mean? Among every social class, age and education level, there are a few people who

Algazi, Alvarez, Alpern, Ametrano, Andrews, Aran, Arnstein, Ashford, Bailey, Ballout, Bamberger, Baptista, Barr, Barrows, Baskerville, Bassiri, Bell, Bokgese, Brandao, Bravo, Brooke, Brightman, Billy, Blau, Bohlen, Bohn, Borsuk, Brendle, Butler, Calle, Cantwell, Carrell, Chinlund, Cirker, Cohen, Collas, Couch, Callegher, Calcaterra, Cook, Carey, Cassell, Chen, Chung, Clarke, Cohn, Carton, Crowley, Curbelo, Dellamanna, Diaz, Dirar, Duncan, Dagostino, Delakas, Dillon, Donaghey, Daly, Dawson, Edery, Ellis, Elliott, Eastman, Easton, Famous, Fermin, Fialco, Finklestein, Farber, Falkin, Feinman, Friedman, Gardner, Gelpi, Glascock, Grandfield, Greenbaum, Greenwood, Gruber, Garil, Goff, Gladwell, Greenup, Gannon, Ganshaw, Garcia, Gennis, Gerard, Gericke, Gilbert, Glassman, Glazer, Gomendio, Gonzalez, Greenstein, Guglielmo, Gurman, Haberkorn, Hoskins, Hussein, Hamm, Hardwick, Harrell, Hauptman, Hawkins, Henderson, Hayman, Hibara, Heilmann, Herbst, Hedges, Hogan, Hoffman, Horowitz, Hsu, Huber, Ikiz, Jaroschy, Johann, Jacobs, Jara, Johnson, Kassel, Keegan, Kuroda, Kavanau, Keller, Kevill, Kiew, Kimbrough, Kline, Kossoff, Kotzitzky, Kahn, Kiesler, Kosser, Korte, Leibowitz, Lin, Liu, Lowrance, Lundh, Laux, Leifer, Leung, Levine, Leiw, Lockwood, Logrono, Lohnes, Lowet, Laber, Leonardi, Marten, McLean, Michaels, Miranda, Moy, Marin, Muir, Murphy, Marodon, Matos, Mendoza, Muraki, Neck, Needham, Noboa, Null, O'Flynn, O'Neill, Orłowski, Perkins, Pieper, Pierre, Pons, Pruska, Paulino, Popper, Potter, Purpura, Palma, Perez, Portocarrero, Punwasi, Rader, Rankin, Ray, Reyes, Richardson, Ritter, Roos, Rose, Rosenfeld, Roth, Rutherford, Rustin, Ramos, Regan, Reisman, Renkert, Roberts, Rowan, Rene, Rosario, Rothbart, Saperstein, Schoenbrod, Schwed, Sears, Statosky, Sutphen, Sheehy, Silvertan, Silverman, Silverstein, Sklar, Slotkin, Speros, Stollman, Sadowski, Schles, Shapiro, Sigdel, Snow, Spencer, Steinkol, Stewart, Stires, Stopnik, Stonehill, Tayss, Tilney, Temple, Torfield, Townsend, Trimpin, Turchin, Villa, Vasillov, Voda, Waring, Weber, Weinstein, Wang, Wegimont, Weed, Weishaus.

Figure (3.1) Malcolm Gladwell's acquaintance survey shows that Connectors know more people, and they keep in touch with them, making them instrumental to the spread of information.

know a lot of people. These are the people that Gladwell describes as Connectors.

Gladwell also points to a study that took place in the late 1960's by psychologist Stanley Milgram; the purpose of Milgram's research was to understand how people are socially connected, and how information spreads through a population. Milgram created a package like a chain letter, and sent the packages out to 160 people living Omaha, Nebraska. In the package, there was the name and address of a stockbroker who was living in Massachusetts. Each person who received a package was asked to write their name on the package and send it to somebody they thought might get it closer to the stockbroker. The idea was to see how many hands the package went through to get to the final destination.

Milgram found that most of the packages reached the stockbroker in five or six steps. Twenty packages reached the broker at his home, and most interestingly 16 of the 20 packages had all been sent to the same person before reaching the stockbroker. The balance reached him at his office and the majority of those came through two other men. Half of all of the responses were delivered by the same three people.

The studies findings reveal that not everybody is linked to everyone else in five or six steps, but rather that *there are a few people who are linked to the world in smaller steps and everyone else is linked to them.*

Gladwell did his own experiment by analyzing how he met each person in his social circle. Out of a list of 40 of his friends, 30 of them can all be linked to one person. The experiment made him to realize that what he thought was his circle of friends was really more of a pyramid, with the one friend responsible for

most of his connections on top of the pyramid. He also realized that his circle of friends did not belong to him, but that he had been invited into a sort of social club revolving around his one friend. Through these studies, it is clear that some people can spread information on a wider scale than people who do not have the characteristics of the Connector.

Mavens

Mavens are people who are the most expert of the experts. They are savvy in the marketplace; they possess a wealth of information and willingly share it. Not only does Gladwell describe them as the kind of people who read *Consumer Reports* magazine, but they are the types of people who write in to correct the editors. And according to Gladwell, Mavens read more publications than the average person, which may be a reason why they have so much information to share.¹⁴

Mavens are the kind of people who do research to gather information on a product and then share their information with others. Because of the information Mavens have, and their willingness to share it, they play an integral part in spreading information. Mavens like helping other people, which makes them a very credible source to listen to. People may filter out advertisements, but they do listen to people they know and trust.

I have a friend who is a Maven; he is the kind of man you turn to when you are thinking of buying a computer or any other piece of technology. In fact, no matter what you are talking about, he is more than likely to have wealth of information on the subject, if he does not, he will research.

When I was planning a trip to California not only did he tell me the best roads to drive along, but he gave me maps, created an itinerary and told me the about the best GPS (See glossary) software that is available.

If you are looking to buy a car he can tell you which ones have the highest safety rating. He knows how to fix computers and gives expert real estate advice. He will give you an article from *The Wall Street Journal* that has to do with a conversation you had. He is a trusted source of information for everyone I work with.

When he shares information with other people, he does so naturally, not to prove that he is smarter, but to help. Mavens are the people who have information and spread it; connectors can get information from Mavens and spread it to large numbers of people.

Hubs

In the book, *Anatomy of Buzz*, Emanuel Rosen relates the experience of Jim Thompson, who after purchasing a Palm Pilot developed a fascination with it. Thompson would use the Palm for everything, from keeping track of his car mileage to playing games. He talked about the gadget everywhere he went; with friends, family, cashiers at stores, even with the medical groups he belonged to.

Rosen goes on to relate how Thompson even started a web page entitled, "Jim's Health Care Pilot Page." As a result he received contacts from physicians who use the Palm or were interested in purchasing the gadget. Soon Jim started to play the role of tech support from his home in Canada to Palm users as far away as Japan, Australia and other countries. Users started to recognize him as

an expert on the devices' medical application. People kept coming to him for advice and according to Rosen; loves to help and was happy to be able to offer advice.¹⁵

Jim Thompson is what Rosen refers to as a “Network Hub”¹⁶ Rosen defines network hubs as, “Individuals who communicate with more people about a certain product than the average person does.”¹⁷ Some people also refer to them as opinion leaders, influencers or evangelizers.

According to Rosen there are four kinds of hubs:

1. Regular Hub. These are the kind of people who spread information and influence other people about products. They may connect with a few people or a few dozen. Jim Thompson would be considered a regular hub.

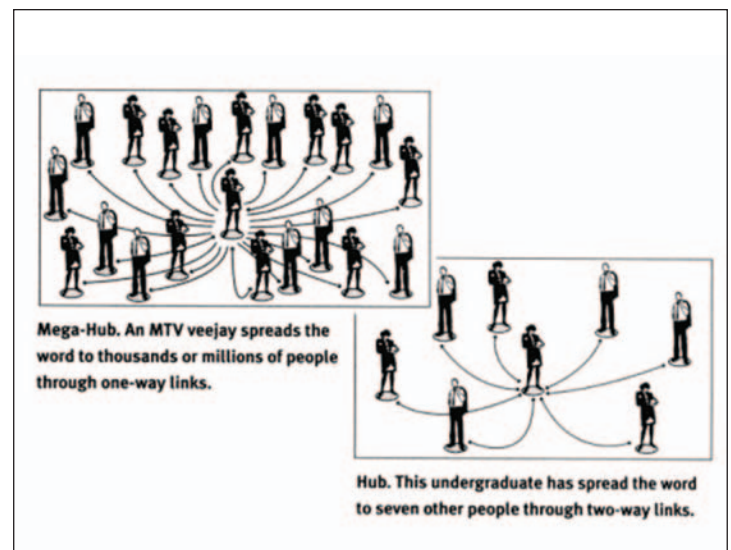


Figure (3.2) Hubs are imperative to the spread of information. The Internet and now Blogs gives people the ability to become Mega-Hubs, without having to be a celebrity in the traditional sense.

2. Mega Hubs. These are mostly people who are famous:

celebrities, politicians, or people in the media. They have two-way links, similar to regular hubs but they also have thousands of “one-way” links with people. (See figure 3.2.) These Mega Hubs communicate primarily through the media. They are part of a social network like all other people,

but their power lies in their connections with thousands or even millions of people. Because of the Internet, and now Blogs, it is now possible to achieve Mega Hub status without having to be a celebrity in the standard sense.

3. Expert hubs. These are the people who are listened to because they have become an authority in a certain field: the kinds of people that you ask advice from when buying a car, or traveling etc. These are the types of people Gladwell refers to as *Mavens*.

4. Social hubs. These are the kinds of people who connect with other people, and bring people together, Gladwell's *Connectors*. They have similar characteristics as people who act as hubs. For example, they are usually ahead in adoption of new things compared to the majority of people.

According to a study on "Influential Americans;" Roper Starch Worldwide states, "We have learned that in fact those folks are leading-edge consumers in many ways."¹⁸ "They are the first to do just about anything, says Diane Crispell of RSW. For example, in 1982, 8 percent of these individuals owned a PC, compared with 3 percent of the public as a whole. This trend had continued over the years. In 1995, 53 percent of influential Americans owned a PC, versus 24 percent of the total public."¹⁹

Characteristics of Hubs

The following are characteristics of Hubs according to Rosen:

1. They are connected: Network hubs, in the high tech industry tend to gravitate toward other network hubs where they can get more information. They share information with others that they gather both online and off. They go to trade shows, belong to users groups and online forums.

2. They tend to travel: In a study by the pharmaceutical company Pfizer conducted in the 1950's, physicians who adopted tetracycline earlier than other doctors went to more out-of-town medical institutions. In another study conducted on farmers, the farmers that were the first to adopt a hybrid corn seed took more trips to Des Moines, Iowa's largest city. To date, I am not aware of a study to see if people who have the characteristics of "Hub" travel more on the Internet than other people. However, it would seem probable since they collect information and share it with others.

3. Information-Hungry: They serve as "experts," so they are always learning, always looking for facts. For example, they are readers of magazines like *PC magazine* and *Consumer Reports*.

4. Vocal: They have opinions and they share them. According to Roper Starch Worldwide, "37 percent of people who demonstrate the characteristics of a network hub made a recommendation about a car or truck in the last year, while only 19 percent of the total public says they have done the same."²²

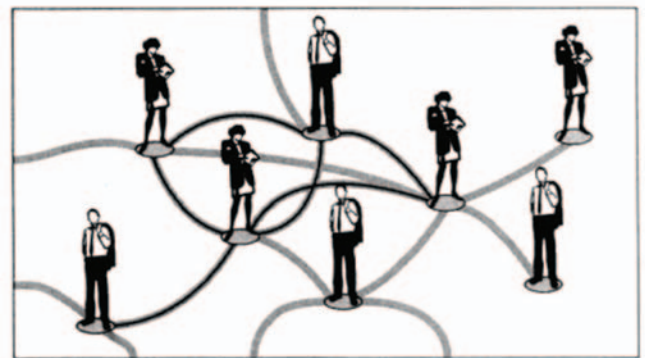
5. Exposed to the media: They read more. One study found that financial opinion leaders are more likely to read publications such as *Money*, *Barron's* or the *Wall Street Journal*, or watch TV programs such as *Wall Street Week*.²¹ Hubs gather

information from the outside world and spread it to the people they are connected to. Because Hubs travel and are information hungry they can connect and share new information with other people.

Bloggers Hyper-Accelerate Word of Mouth

To illustrate how information spreads offline, Emanuel Rosen and his assistant conducted a study of a group of college students to examine how *Buzz* or the exchange of information spreads. They asked the students to name people with whom they discussed the movie *Shakespeare in Love*.

The illustration depicts the network of information exchange in action. The figures represent the students, the gray lines are social ties, and the thin black line indicates



A snapshot of the buzz about *Shakespeare in Love* among eight students.

Figure (3.3)

the path of communication exchanged by the students. (See figure 3.3)

When the varies types of personalities, Connectors, Mavens and Hubs, are injected into the Blogosphere, their ability to spread the information becomes hyper-accelerated. Gladwell speaks of a man who faxes a dozen people to tell them about a new restaurant.

If the man had a Blog, he could have posted an entry about the restaurant for the readers. In turn, maybe some readers want to go to the restaurant themselves. Perhaps others will email the entry to their friends, still other readers may have their own Blogs and could link to the original restaurant entry, exposing more readers to the entry. Whether the Blog has 25 readers or 250,000 the infor-

mation could spread exponentially. Connectors become hyper-connected, spreading more information at exceptionally faster rates. The power of spreading information by word of mouth becomes tremendous.

Figure 3.4 is from the Blog, xiaxue.blogspot.com. The Blogger posts a photo of herself and recommends the nail salon that gave her a manicure. The readers begin commenting about her manicure, and about going to the salon for themselves. This is a snapshot of the global conversation in action: people communicating, information spreading through the Blogosphere.

This is also a company's dream, to have people talking about and recommending their services. Although there are 4 people comment-

ing in the screen-shot, the Blog has a readership of 9,291 visitors a day, i.e. 278,730 visitors a month. Some of those readers could have spread the information further, posting it on their Blogs and emailing it to other people. (See figure 3.4.)

It is highly unlikely that the nail salon has an advertising budget to reach that many people and how effective would their advertising be? How much more likely are we to listen to a recommendation of a friend or a trusted source over



Figure (3.4)

advertisements? Bloggers that exhibit the personality types of *connectors*, *mavens* or *hubs*, not only spread information but can also have an impact on their readers because there is a relationship between the Blogger and the readers: A relationship built on trust.

Many Blogs have a personal writing style. It is almost as if one of your friends were talking to you, rather than your reading an article in a newspaper or magazine. The style of writing is very informal, and sometimes quite funny. Readers may feel that they can develop a relationship with the Blogger because the Blog is an ongoing conversation about a particular topic, or topics so readers can get to know the likes, dislikes, views and opinions of the Blogger. Most Blogs also have a biography and photos of the Blogger, and a number of Blogs allow the readers to comment, which makes it an interactive experience that readers get to participate in.

Blogs tend to be transparent; a reader would not expect a Blogger to have a hidden agenda as to what is posted on the Blog. If a Blogger says that “they like or dislike a certain product,” readers typically feel as though that is their true opinion and not what a corporation is paying them to say.

Some Bloggers have been paid to write about products, doing so without telling their readers. When it has been disclosed that readers have been misled both the Blogger and the company lose credibility. Blogging is based on trust. It would be similar to a friend recommending a product, only to find out later he has actually been paid to do so.

Other companies have gone as far as to set up Blogs to create *buzz*, deceitfully hiding the fact that the Blogger is part of the company itself. These vain attempts to misuse the Blogosphere and deceive people have also been exposed.

CHAPTER FOUR
THE GLOBAL
CONVERSATION

The Blogosphere allows people to search for answers, to challenge and to build on established theories. It gives a person a voice in the global conversation, which is unrestrained by national borders, although some governments do tightly control the use of the Internet. The Blogosphere can take a spark of an idea and turned it into an inferno. In fact, it has already been used to bring a serious back-lash against political figures, to question mainstream media, to challenge companies, and to influence popular culture.

Bloggers hyper-accelerate the spread of information and ideas. A Blogger in New York can post information on his/her Blog and in an instant it is available for everyone on the web to view, comment on and spread the information to other people. The global conversation begins, and information is spread around the Blogosphere for anyone who wants to share in it. As the number of Bloggers continues to increase, so does the power of the Blogosphere.

Metcalf's Law and the Blogosphere

Metcalf's (See glossary) law states, "the usefulness, or utility, of a network equals approximately the square of the number of users of the system"²² By observing Metcalf's law in the case of the Microsoft Windows operating system, we can see how the law would also apply to the Blogosphere. When Microsoft first released Windows in November 1983 it was not the standard operating system for PC's.²³ It had a limited value because only a small percentage of the market was using it at this point. With each new computer that uses the operating system, the value of the operating system or "network" as Metcalf calls it, increased. As more people adopted the operating system, it reached critical mass and now a high

percentage of PC's are being run on the Windows operating system.

Today, so many computers run Windows and its office programs such as Word and Excel, that it could hinder a company if they weren't using the programs. Economists call this, "network externalities": that certain products become more valuable as more people use them."²⁴ (See figure 4.1.)

By applying Metcalf's law to the Blogosphere, we can see that the more Blogs that are being created and read, the more value, power and influence the

Blogosphere will have. The Blogosphere as a network is full of users and keeps growing and multiplying at a massive rate.

The Technorati website states, "Technorati tracks over seven million Weblogs, up from 100,000 two years ago. The Pew Internet study estimates that about 11%, or about 50 million, Internet users are regular Blog readers. A new Weblog is created every 7.4 seconds, which means there are about 12,000 new Blogs a day. Bloggers — people who write Weblogs — update their Weblogs regularly; there are about 275,000 posts daily, or about 10,800 Blog updates an hour."²⁵

As the Blogosphere grows, so does its power and influence. In 2004 the Blogosphere's effects were felt by the business world.

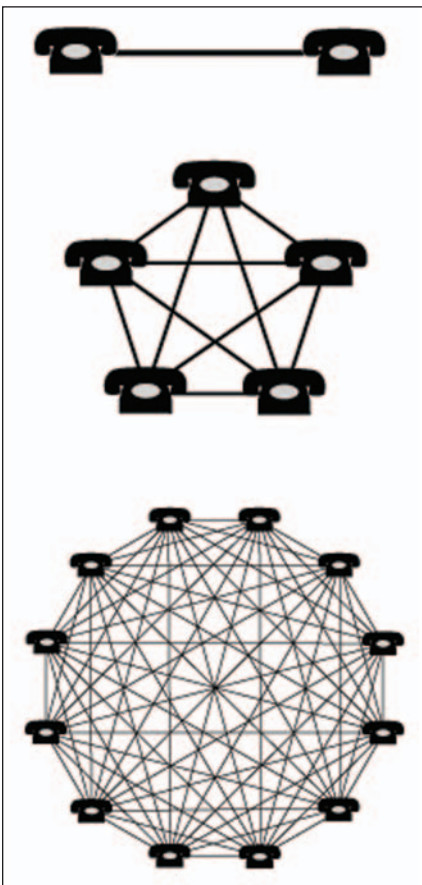


Figure (4.1) As the number of telephone users increases so does the value of the network of telephones.

The Blogosphere's Impact on Business

In an article on *fortune.com*, David Kirkpatrick and Daniel Roth wrote about Shane McQuade, who had just launched a start-up company that produced the Voltaic backpack: a pack with solar panels which can keep gadgets, cell phones, laptops, PDA's charged. This pack would be especially useful for hikers and people who spend much time outdoors. Once McQuade received a prototype of his backpack, he asked a friend who happens to be a Blogger, to mention it on his Blog *treehugger.com*, a Blog about "green living."

Within a few hours the Voltaic backpack was being mentioned on the *treehugger* Blog. Another Blog, *coolhunting.com*, picked up the story and posted it on their Blog. The Blog *engadget.com* picked up the story and posted it as well. Each time the story was picked up the audience for the product grew. The result: McQuade only planned on using the *treehugger* post to create a little buzz about his product. Not only did the post create buzz, but in came a flood of orders, and the Blogosphere helped launch the company overnight.

The power of the Blogosphere is clearly seen here: people freely sharing information much the way *Mavens* do offline, finding information about a product or subject, and sharing that information with other people. In the Blogosphere people are connecting at a hyper-accelerated rate, spreading information exponentially, across borders and times zones, taking the conversation globally. This is not to say that every product or service mentioned on Blogs will meet with similar success.

Much had to do with the product and the Blogs it was mentioned on. The Voltaic backpack is new, trendy and can be thought of as a disruptive technology.

And the Blogs that mentioned the pack; treehugger, a Blog about green living, coolhunting a Blog about design, and engadget, a Blog about gadgets and consumer electronics, all these Blogs cater to niche audiences. Their audiences tend to be people searching for new products and information, people who are innovators, early adopters and *Mavens*. (See figure 4.2)



Figure (4.2) The entry on the Blog treehugger.com that helped launch the Voltaic backpack. Notice that the Blogger “fully discloses” that the product was created by a friend.

How the information spread regarding the Voltaic backpack can be better understood by looking at an experience from history. In the *Tipping Point*, Gladwell, refers to “what sociologists call a diffusion model, which is a detailed academic way of looking at how contagious ideas or products or innovations move through a population.”¹ He sites a diffusion study by Bruce Ryan and Neal Gross, who analyzed the adoption rate of a new corn seed by farmers in Iowa in the 1930’s.

According to the study, “The new corn seed was introduced in Iowa in 1928, and it was superior in every respect to the seed that had been used by farmers for decades before. But it wasn’t adopted all at once. Of the 259 farmers studied by Ryan and Gross, only a handful had started planting the new seed by 1932 and 1933. In 1934, 16 took the plunge. In 1935, 21 followed, then 36, and the

year after that a whopping 61; and then 46, 36, 14 and 3, until by 1941 all but two of the 259 farmers studied were using the new seeds.”²² The rate at which the farmers adopted the new seed determined the kind of adopters who would be labeled by the diffusion researchers. The adoption categories are *innovators*, *early adopters*, *early majority*, *late majority* and the *laggards*.

The first group to adopt the hybrid seed was the innovators. The second group to adopt was the early adopters; they watched what the innovators were doing and then they started using the seed. Gladwell says of the early adopters, “They were the opinion leaders in the community, the respected, thoughtful people who watched and analyzed what those wild innovators were doing and followed suit.”²³

The next group to adopt was a big group called the early majority; afterwards the late majority, described by Gladwell as, “the deliberate and the skeptical mass, who would never try anything until the most respected of farmers had tried it first.”²⁴ And the last to adopt are the laggards who are not interested in changing. (See figure 4.3)

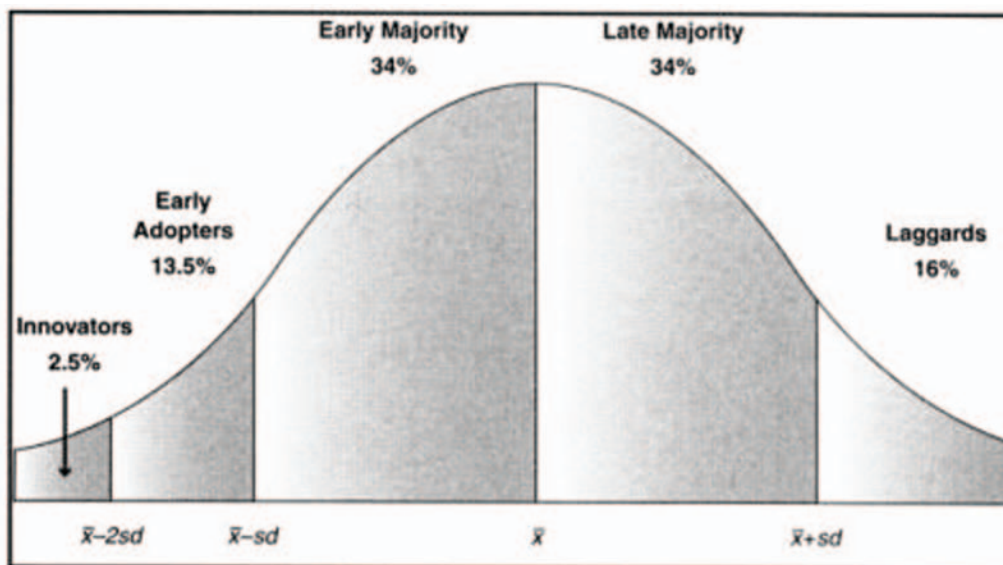


Figure (4.3) The chart is used to show both the adoption rate of people and their percentage of the overall population.

According to Gladwell, “The first two groups, the innovators and the early adopters are the visionaries. They want revolutionary change, something that sets them apart qualitatively from their competitors. They are the people who buy brand-new technology, before it’s been perfected or proved or the price comes down. They have small companies. They are just starting out. They are willing to take enormous risks.”⁵

These are the types of people who influence others with the clothes they wear, the cars they drive and the technology they use. An understanding of how people adopt new technology gives us a clearer picture of how the Voltaic backpack spread around the Blogosphere so quickly. It also sheds light on the fact that *not only are many Bloggers innovators and early adopters, but so are many of their readers.*

In addition, according to a Pew Internet study, “27% of American Internet users say they read Blogs.”⁶ And according to Technorati, “there are about 12,000 new Blogs a day.”⁷ Because of these factors, information travels at exceptional speed. Not all people reading Blogs are doing so passively; some of them are actively spreading the information themselves, becoming evangelizers. Much the same way, the news about Voltaic backpack spread.

In my own experience, I set out to create some buzz for the Blog drophatsock.com. Within two days, drophatsock was mentioned and linked to three other Blogs. A few days later more Blogs posted entries and had links to drophatsock.

Some Bloggers find information they like and post it on their Blogs for readers, allowing readers to comment. Other readers, may see the entry and post

it on their own Blogs or send an email about it to their friends. The information keeps spreading and reaching different readers. The information spreads in a word-of-mouth style, people recommending the things they like or find interesting to other people. Within a few weeks dropthatsock was linked to a number of Blogs from around the world and was getting over 5,000 hits a day.

When *Mavens* and *Connectors* get together, they can spread information through word of mouth which can start trends. When they meet in the Blogosphere the information they spread may bring about changes: political, economic or social.

The Voltaic back pack fits the profile of a contagious product. Its revolutionary, a solar panel back pack that charges gadgets. Some people want to tell others about the products they think highly of, and this can create buzz by saying, “look what I found, and I thought you would like this.”

The book *Anatomy of Buzz* lists, “the flowing products that buzz played a major role in the purchasing of the products:

- Sixty-five percent of customers who bought a Palm organizer told the makers of this device that they had heard about it from another person.
- Forty-seven percent of readers of *Surfing* magazine say that the biggest influences on their decisions about where to surf and what to purchase comes from a friend.
- Friends and relatives are the number one source for information about

places to visit or about flights, hotels or rental cars, according to the Travel Industry Association. Of people surveyed, forty-three percent cited friends and family as a source for information.

- Fifty-seven percent of customers of one car dealership in California learned about the dealership by word-of-mouth, “This is not unusual,” says Jim Callahan of the company Dohring, which conducts surveys on about five hundred car dealerships around the country every year.
- Every year we hear about movies such as “The Blair Witch Project” or “There’s Something About Mary” that are driven by word-of-mouth. Fifty-three percent of movie goers rely to some extent on recommendations from somebody they know, according to a study by Martiz Marketing Research. No matter how much money Hollywood pours into advertising, people frequently consult with each other about what movie to see.
- Seventy percent of Americans rely on the advice of others when selecting a new doctor according to the same study. Sixty-three percent of woman surveyed by *Self* magazine cited, “friend, family or coworker referral as one of the factors influencing over-the-counter drug purchases.”⁸

Blogs are effective for disseminating information because they have similar characteristics to word of mouth. People tend to listen to the recommendations of

friends and trusted resources and many Bloggers are viewed this way by readers.

In December 2004, Microsoft announced that it would also get into the Blogging business by offering *MSN Spaces*, software, which would enable Internet users to create Blogs. The next day Xenia Jardin a co-editor of the Blog *Boing Boing*, wrote an article entitled “7 Dirty Blogs.” Jardin wrote about titles of Blogs she tried to create using MSN Spaces, and how the built-in censor in Microsoft’s software reacted.

She was able to create a Blog entitled “World of Poop” and “Educational Smoking Crack: A How-To Guide for Teens.” The software would not allow her to create a Blog called “Pornography and the Law” or “Corporate Whore Chronicles.” According to David Kirkpatrick and Daniel Roth, “Within the first hour of Jardin’s post, five Blogs had linked to it, including the site of the widely read *San Jose Mercury News* columnist, Dan Gillmor. By the end of the day, there were dozens of Blogs pointing readers to “7 Dirty Blogs,” with a proliferation of links that over the next few weeks topped 300. There were Italian Blogs and Chinese Blogs and Blogs in Greek, German, and Portuguese. There were Blogs with names like Tie-Dyed Brain Waves, Stubborn Like a Mule, and LibertyBlog. Each added its own tweak. “Ooooh, that’s what I want: a Blog that doesn’t allow me to speak my mind, wrote a Blogger called Kung Pow Pig. The conversation had clearly gotten out of Microsoft’s hands.”

The man who came to Microsoft’s rescue was Robert Scoble. He is a software evangelist for Microsoft who writes a Blog called the “Scobleizer.” According to Kirkpatrick and Roth, “When it came to the criticism emanating from *Boing Boing*, Scoble simply agreed. “MSN Spaces isn’t the Blogging serv-

ice for me,” he wrote. Nobody at Microsoft asked Scoble to comment; he just did it on his own, adding that he would make sure that the team working on “Spaces” was aware of the complaints. And he kept revisiting the issue on his Blog. As the anti-Microsoft crowd cried “censorship,” the nearly 4,000 Blogs linking to Scoble were able to see his running commentary on how Microsoft was reacting. “I get comments on my Blog saying, ‘I didn’t like Microsoft before, but at least they’re listening to us,’ The Blog is the best relationship generator you’ve ever seen.” His famous boss agrees. “It’s all about openness,” said Chairman Bill Gates of Microsoft’s public Blogs like Scobleizer. “People see them as a reflection of an open, communicative culture that isn’t afraid to be self-critical.”¹⁰

The following is an entry from the Blog *gapingvoid.com* about Robert Scoble entitled “**TROGGING: Trust + Blogging**

i.e. “Using Blogs to build trust and transparency.”

It occurs to me that my opinion of Microsoft has risen considerably in the last year. Not that I ever belonged to the “Bill Gates is Satan” crowd. I never was into computers enough to really care whether a guy in Redmond wrote the code, or some guy in Toledo. The same way I don’t really care who made my telephone or my microwave, so long as it works. It’s not an area where I project a lot of myself into. Still, there is something quite monolithic about Microsoft, and one always keeps an eyebrow raised when something gets that big, quite rightly.

So what happened? A new product? Nope. I still use the same Windows 98 and creaky, old Dell as always. Great new advertising campaign? Nope. Not watching much TV these days. Bill Gates gave all his money to cancer research? Nope. Not seen that much mention of him in the media recently. What happened

in there's this guy called Robert Scoble who has a Blog that I've been reading a lot this last 6-9 months.

Robert works for Microsoft. Robert seems like a smart, honest, regular guy who holds down a job, same as the rest of us. He just happens to work for Microsoft. Robert writes about his job and his company the same way I would if I worked for them and liked my job. Informal, informed, friendly, it gives real insight about his company where possible-he tries to be as open and insightful as he can without disclosing trade secrets. In other words, he seems sane, reasonable, trustworthy, human and somebody who knows what he's talking about. Which to me helps make Microsoft seem likewise.

One guy and his Blog, doing more real good for his company than any multi-million dollar ad agency campaign could ever hope to achieve. As somebody in the ad business, I find the implications staggering. Long live Robert Scoble, King of the Troggers!¹¹

Microsoft felt the backlash from the Blogosphere, and to their credit they did not issue press releases or create new advertisements for damage control, rather a Blogger who was objective joined in on the conversation; he worked with Microsoft's customers and listened to what they had to say: building Microsoft's brand equity. Blogs can be effective because of their transparency. Readers comment, enabling a conversation rather than a company sending a one-way message.

Microsoft was not the only company to hear from the Blogosphere. An article by Sarah Staples, says, "Apple's decision to offer replacement batteries for the iPod, came, coincidentally, after rumors spread through the Blogosphere that the batteries only last 18 months."¹²

There were also companies that did not listen to the Blogosphere, such as the lock company Kryptonite. A video circulated around the Internet showing a man opening up a Kryptonite lock in less than a minute using only a pen.

The Blog *gapingvoid* humorously documents how Kryptonite handled the situation.

THE KRYPTONITE FACTOR

Here's how the drama unfolded:

DAY ONE:

KRYPTONITE: Our bike locks are the best.

THE MARKET: Yes, your bike locks are the best.

DAY TWO:

KRYPTONITE: Our bike locks are the best.

THE MARKET: Yes, your bike locks are still the best.

DAY THREE:

KRYPTONITE: Our bike locks are the best.

THE MARKET: Ummm... yeah I'm sure they are, but what's all this about some recent video on the net that's supposed to show how you can crack your locks in 10 seconds using a simple Bic ballpoint pen?

DAY FOUR:

KRYPTONITE: Our bike locks are the best.

THE MARKET: Hey, I just saw that video on a friend's website. And I'm kinda ticked off because I just paid \$60 for one of your new locks 3 weeks ago, and I'm wondering if a Bic pen can crack my lock or not... does the pen crack all Kryptonite locks or just one or two models?

DAY FIVE:

KRYPTONITE: Our bike locks are the best.

THE MARKET: Hey, I just visited your website and saw no mention of the Bic pens. What the hell are you doing about it? Are you going to fix the locks? Are you going to give me a refund?

DAY SIX:

KRYPTONITE: Our bike locks are the best.

THE MARKET: No, they're not. You guys are *#!'s.

So what was the final outcome? How did Kryptonite address the problem? Did they fix the lock in the end? I have no idea. I'm just assuming their locks continue to suck. I suppose I could go visit the company website for more info, but... Eh. I can't be bothered. I'm just assuming it'll have the usual... PR when I get there. Life is short.

One decent, smart, young, credible part-time Blogger on \$500 a month, writing from the front lines on their behalf could have saved Kryptonite millions of dollars. Not to mention decades of slowly-and-painfully built brand equity.

Without warning, Kryptonite's market got smarter and faster than they did. And it only took a couple of days to unleash the full wrath. Boom!

You have been warned."¹³

As reported on Canada.com, "Lock manufacture Kryptonite tacitly acknowledged the impact of Bloggers when it agreed to spend millions to placate customers whose U-shaped bicycle locks, an Internet billboard found, could be picked in seconds using a ball point pen."¹⁴

Because Blogs are a conversation, companies can neither ignore what customers are saying about them nor simply send a one way message.

People talk, especially when they are upset about a situation, Emanuel Rosen cites a study done by Coca-Cola to measure if people pass on more information when they have a negative or positive experience with a company. The study was based on a mail survey that was sent out to around 1,700 customers who had complained or inquired.

The study found that people who were satisfied by the way Coca-Cola handled their complaints told four to five people about it. However, people who were unsatisfied with the way the problem was handled told nine to ten people.

Interestingly, the data change depending on the industry. General Motors found that when it comes to cars, people told an average of six people of a positive experience, and an average of 16 if the experience was negative.¹⁵

The Blogosphere could move companies to increase the quality of their products and services. If people tell six other people about a bad experience offline, think of the impact on revenue when they can tell 15,000 people online, who could in turn tell 5,000 who may tell 2,500 and so on. Negative backlash can spread around the Blogosphere like a wildfire. More than ever, companies have to live up to what they claim to be. As Kryptonite found out, just because they say, "Our locks are the best" doesn't mean they are or that consumers will continue to believe them.

Blogs that offer their readers the opportunity to comment, enable readers to both gather and ignore information about a product or service. If companies don't live up to their claims, these can be exposed and the information spread

around the Blogosphere.

A community can form around a Blog. The Blog becomes an interactive community that sifts through information and discuss it, like the Bedouin tribe who gather at the magaa'd. The magaa'd or tent became the hub where the men meet to talk. Online, a Blog can become a hub or a resource where people exchange ideas. Blogs are more than people posting or looking for information. It is a conversation that can help build a company's brand, or poke holes in it and expose them whenever companies are not living up to their brand.

Businesses Using Blogs Successfully

In an article by Ilana DeBare in the *San Francisco Gate*, she writes about GreenCine, a small online DVD rental company with a staff of ten. The company started a Blog called daily.greencine.com, which had one full-time employee writing about alternative and independent cinema as well as industry news, reviews, and recommendations. After two and a half years of the Blog being online, it receives about 80,000 visitors a month. The Blog is credited with doubling the company's sales in 2004.¹⁶

GreenCine was able to tap into a niche audience and become a resource. They did not use their Blog to push products, or tell people about video sales, rather they used it to create a community; and to start and take part in conversations about independent film. Blogs can develop trust, when they are used in a transparent way. In the case of GreenCine, people go to their Blog to find highly specific and unique information they are looking for. If the Blog proves to be a reliable resource they will return in the future. Blogging doesn't work if compa-

nies use it as another tool to drive a one-way message into the heads of their customers. The power lies in the conversation.

Debare also relates the experience of Anita Cambell, a business consultant based in Ohio. The article states, “Her Blog helped position herself as national expert who is now making more money speaking and writing about small business than from local consulting.”¹⁷ This seems to be a path that many people are trying to take, to use Blogging to launch their careers and for some it seems to be working. (See figure 4.4)

Some companies are leveraging company-generated Blogs to build stronger relationships with their clients. Whether they are huge companies like General Motors and Google or mid sized like Stony Field Farms or small like GreenCine.

Small Business Trends
the forces driving small & midsize business

Home | TrendTracker | PowerBlog_Reviews | The Experts | Newsletter

ABOUT
SMALL BUSINESS TRENDS brings you daily updates on trends that influence the global small business market.

Anita Campbell, Editor
Past life: CEO, corporate executive, tech entrepreneur, retailer, general counsel, marketer, HR ... [\(more\)](#)
[email me](#)

SPONSOR

FREE WEBSITE EVALUATION
Web site not driving the results you want? Business development expert John Lawlor can help. [Get a FREE web site evaluation -- limited time](#)

SPECIAL RESOURCES

box
www.box.net
Box.net lets you Save, Browse, Share, and Retrieve your Documents, Photos, and Files from ANY Computer. 1GB of Online Storage for only \$2.99 Per Month. 100% Money Back Guarantee.
[Click here to sign up for only \\$2.99/mo](#)

Friday, July 08, 2005

When and Why Most SMBs Will Do Business in China

A [McKinsey Quarterly article](#) suggests that small and midsize manufacturing companies in Europe and North America are passing up opportunities in China:

"For many small and midsize enterprises in Europe and North America, the prospect of doing business in China can be daunting. In fact, as a result of their reluctance, such companies seem increasingly vulnerable on several fronts: they are not only forfeiting opportunities to sell goods and services in China and to source low-cost products in its factories and workshops but also face new Chinese competition at home.

But rather than wait passively for the day when these competitors show up on their doorstep, they can pursue strategies that could help them overcome the barriers to entering China's domestic and export

Figure (4.4) Anita Cambell used her Blog to position herself as an expert on small business, because of her Blog she now generates more money from speaking and writing than from local business consulting.

The following is an entry on the Blog gapingvoid. It demonstrates how corporate Blogging, if done correctly can be an asset for companies.

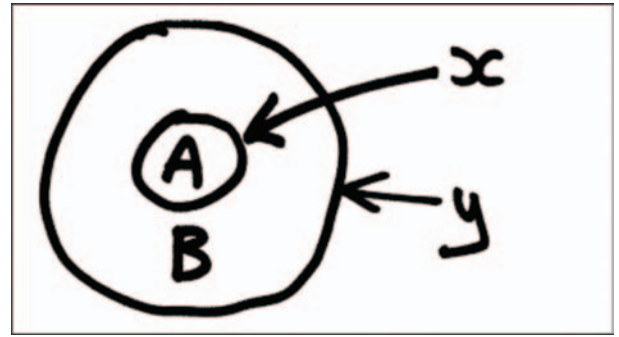


Figure (4.5)

“The porous membrane: why corporate Blogging works.”

1. In Cluetrain parlance, we say “markets are conversations.” So the diagram above represents your market, or “The Conversation”. That is demarcated by the outer circle “y”. (See figure 4.5.)
2. There is a smaller, inner circle “x”
3. So the entire market, the “conversation” is separated into two distinct parts, the inner area “A” and the outer area “B”.
4. Area “A” represents your company, the people supplying the market. We call that “The Internal Conversation”.
5. Area “B” represents the people in the market who are not making, but buying. Otherwise known as the customers. We call that “The External Conversation”.
6. So each market from a corporate point of view has an internal and external conversation. What separates the two is a membrane, otherwise known as “x”.
7. Every company’s membrane is different, and controlled by a host of different technical and cultural factors.
8. Ideally, you want A and B to be identical as possible, or at least, in sync. The things that A is passionate about, B should also be passionate about. This we call “alignment”. A good example would be Apple. The people

at Apple think the iPod is cool, and so do their customers. They are aligned.

9. When A and B are no longer aligned is when the company starts getting into trouble. When A starts saying their gizmo is great and B is telling everybody it sucks, then you have serious misalignment.

10. So how do you keep misalignment from happening?

11. The answer lies in “x”, the membrane that separates A from B. The more porous the membrane, the easier it is for conversations between A and B, the internal and external, to happen. The easier for the conversations on both side of membrane “x” to adjust to the other, to become like the other.

12. And nothing, and I do mean nothing, pokes holes in the membrane better than Blogs. You want porous? You got porous. Blogs punch holes in membranes like it was Swiss cheese.

13. The more porous your membrane (“x”), the easier it is for the internal conversation to inform and align with the external conversation, and vice versa.

14. Not to mention it makes misalignment, if it happens, a lot easier to repair.

15. Of course this begs the question, why have a membrane “x” at all? Why bother with such a hierarchy?

But that’s another story.¹⁷

Companies can use a corporate Blog to open up a dialogue with their customers, creating an alignment between the two. Corporate Blogs have many

advantages over traditional methods of communication with consumers. Blogs are a conversation and not a one-way communication. As the Blogosphere becomes more powerful, companies are going to want to know what it is talking about and what effect it will have on their business.

In the book, *The Cluetrain Manifesto* Doc Searls and David Weinberger say, “For thousands of years we knew exactly what markets were: conversations between people who sought out others who shared the same interests. Buyers had as much to say as sellers. They spoke directly to each other without the filter of media, the artifice of positioning statements, the arrogance of advertising or the shading of public relations.

“These were the kind of conversations people have been having since they started to talk. Social. Based on intersecting interests. Open to many resolutions. Essentially unpredictable. Spoken from the center of self. ‘Markets were conversations’ doesn’t mean ‘markets were noisy.’ It means markets were places where people met to see and talk about each others work.”¹⁸

Blogs are helping move markets back to conversation. Companies can make claims about their products, but now more than ever they must live up to those claims. Customers are talking to each other and with Blogs they can tell thousands of people what they think about the product.

Companies who realize that they can have a conversation with their clients will be able to understand what their clients are looking for and can build better relationships, products and services, essentially aligning with their markets.

Keeping an Eye and Ear on the Blogosphere

CooperKatz is a Public Relations Firm and their website states they “Have a service to help corporations monitor, analyze, plan for and respond to issues that might bubble up from Blogs and other emerging online channels.”¹⁹ Andy Cooper, an agency principal, says on the site, “Corporations need to pay attention to this online commentary as well as engage in a one-to-one dialogue with its ‘authors.’ We see an opportunity to create a new kind of service that helps companies listen, prepare and manage issues - as well as their overall reputation - in this emerging era of citizen’s media.”²⁰

In an article in *Business Week* entitled “Blogs Will Change Your Business,” Steve Rubel, an executive at CooperKatz gives the example of Netflix, an online movie rental company. When Netflix was asked by Mike Kaltschnee, a writer for the Blog, Hacking Netflix (this Blog is not part of the Netflix company), for interviews and information on the company, they turned him down.

In return Kaltschnee wrote about being turned down by Netflix on his Blog and then Netflix was engulfed in criticisms. Since then Netflix passes on company information to Kaltschnee which he posts on his Blog for his readers.²¹

Public relations firms are taking advantage of the opportunities that the Blogosphere offers and there are a number of companies similar to Cooper Katz that are offering this service.

What the Blogosphere is talking about will become more important to companies. In the same *Business Week* article, David Sifry the founder of Technorati, a Blog search engine, says, “The web we have come to know is

mostly a collection of documents. A library. These documents don't change much. Try Googling Donald Trump, and you're more likely to find his web page than a discussion of his appearance last night on *The Apprentice*. Blogs are different. They evolve with every posting, each one tied to a moment. So if a company can track millions of Blogs simultaneously, it gets a heat map of what a growing part of the world is thinking about, minute by minute. Email has carried on billions of conversations over the past decade. But those exchanges were private.

Most Blogs are open to the world. As the Bloggers read each other, comment and link from one page to the next they create a global conversation.”²²

The kind of Internet search that David Sifry is referring to is called, *persistent search delivery*. For example, a company can search its name to see what the Blogosphere is saying . Why is this important? As Tim Hanlon, vice president of Starcom explains, “Blogs are a real-world temperature gauge as to what’s really going on out there.”²³

People can track buzz around the Blogosphere, whether it’s a publishing company interested in knowing what people are saying about a newly released book, politicians wanting to find out what people think of their latest speech, movie producers looking to see what viewers are saying about the movie, or advertising agencies finding out if campaigns are working in certain markets. The types of companies that can tap into the Blogosphere for information and measure buzz are endless.

Companies can gather intelligence; In an article on news.com, Stefanie Olsen writes about monitoring the Blogosphere for Buzz regarding Super Bowl advertising. Olsen says, “Cincinnati-based Intelliseek, for one, plans to monitor

positive and negative commentary about commercials in more than 3.5 million Blogs, charging advertisers upward of \$20,000 for its intelligence. That's about one percent of the \$2.4 million price tag for a 30-second spot during the game this year, up from \$2.3 million last year."²⁴ Blogs offer marketers the opportunity to find out what people are saying about their companies and what adjustments the companies could make.

CHAPTER FIVE

BLOGGERS AS

NAVIGATORS

We are drowning in a sea of information. It's a growing torrent that no single person can possibly drink. In the book, *Amusing Ourselves to Death*, Neil Postman identifies a turning point in the history of mass communication, the invention of the telegraph. Prior to the telegraph, most of the information people took in was relevant to their lives, and the main way they took in information was through reading it. With the invention of the telegraph, suddenly people started to be bombarded with information that had no direct bearing on their lives; it neither caused nor required any kind of direct action.

Suddenly people would learn about earthquakes in faraway places and hear of the lives of government officials in other countries, although this gave people a global perspective, at the same time most of the information was just facts, facts that they could not put into action. Information became a commodity; it was no longer highly valued because it was everywhere, and most of it was irrelevant to people's daily lives.

To use the title of a book by Thomas Friedman, *The World Is Flat*: it is more connected and globalized than ever before. Today, an earthquake, in one part of the world can have a direct bearing on the stockmarket in another part of the world, directly impacting people's lives. Now more than ever, it is important to know what is going on around the world and to have an understanding of how to deal with it on both cultural and economic levels.

What Postman is pointing to is the high percentage of information we are confronted with on a daily basis: information that we are not looking for, nor can we do anything with. Even when we find what we are looking for, we may have too much of it to deal with it effectively.

In his book, *Information Anxiety*, Richard Saul Warman says that, “A weekday edition of the *New York Times* contains more information than the average person was likely to come across in a lifetime in seventeenth-century England.”¹ How much information or how many messages are we hit with today? In the *Anatomy of Buzz*, Emanuel Rosen says, “Advertising experts estimate that each customer may be exposed to more than fifteen hundred ads everyday.”²

This is an estimate of advertising which does not take into account the rest of the information that we are flooded with. It’s too much, how can we make sense of it all and find what we are looking for? Not many people have the time to sift through an entire copy of the *New York Times* each day; at best we can look through it to see what is important to our lives, careers, families or what interests us.

Richness or Reach

In the book by P. Evans and T.S. Wursters, *Blown to Bits: How the New Economics of Information Transforms Strategy*, authors speak about *richness* and *reach*: how companies could offer either rich information that is highly specialized and geared towards a niche market or they could have reach, more generalized information that is not as rich, but has a broader appeal.³

An example in commerce would be the retail store CompUSA. They have reach: a number of different products from different manufactures all under one roof. A person could buy a Dell Computer, a Cannon printer, a Motorola cell phone, a Sony video camera, Microsoft software, and hundreds of other technological products. They do however lack richness, CompUSA has few sales people

that have in-depth knowledge and understanding of the products, mainly because there are so many products and they appeal to such a wide audience.

The Apple Store on the other hand has richness, it caters to a niche audience, people who want Apple products. Their sales people are highly educated and trained on both Apple hardware and software. The Apple store doesn't carry hundreds of different products by different manufacturers. All these factors contribute to the richness. Companies have to make a trade-off between how rich they will be and how much reach they will have.

Google it

Communication with consumers is being turned on its head. People now search for or *Google* what they are looking for. The old adage of, *build it and they will come*, no longer holds true. There are too many options. People are trying to weed out all the irrelevant information in their lives, while not spending too much time at it.

In a *Wired News* article, entitled, "Googling the Bottom Line," Adam Peneberg reports on a study by "oneupweb.com" a search optimization firm. The study was conducted to measure the results of a website as it moved higher in the Google search rankings. Peneberg says that, "Oneupweb found that the first month a site appeared on the second or third page of Google results, traffic increased *five times* from the previous month and in the second month, traffic was *nine times* greater. The number of unique visitors *tripled* when the company moved from page two to page one, and in the second month doubled again to more than *six times* the traffic it received before it broke the top 10. More impor-

tantly, Oneupweb discovered a correlating impact on sales: 42 percent more the first month, and nearly double the second month.”⁴

The article relates the experience of the company, Eastwood, which is a client of Oneupweb that sells automotive refurbishing tools to a niche market. It has optimized its website so that search engines like Google can pick it up more easily and in the last five years online sales has made 44 percent of total sales, which has also increased 40 percent. The Eastwood site gets about 1 million hits a month.

On the Google home page it says that it searches 8,058,044,651 web pages. No one human can process all this information. How can we find what we are looking for? If someone is looking to buy an iPod and they do a Google search for “iPod,” in 0.15 seconds Google shows 60,100,000 pages of results. It is impossible to deal with that amount of information, if the search is narrowed to “iPod Reviews,” in 0.26 seconds 13,300,000 results will be listed: still too much information. Narrowing the search to “iPod shuffle reviews,” in just 12 seconds 3,380,000 pages of information will turn up. If a person was to look only at the first three pages of the Google results, it is still 30 websites to look through to check to see if the desired information is there and trustworthy.

Google has *reach*; it has the ability to search 8,058,044,651 web pages to find information. Where the problem lies is that there is too much information.

Blogs Ad Richness

If we start sifting through the ipod search results, the #2 result of the Google search is iPodLounge.com, a Blog. I am calling it a Blog, because it has the features of a Blog dated entries the site offers the ability to link to individual entries etc. However, I am uncertain if they refer to themselves as a Blog.

What they do say about themselves is that they are, “an independent provider of information about Apple Computer Inc.’s iPod digital audio players, accessories, and related software... Based in Irvine, California, the iPodlounge website is owned and operated by Dennis Lloyd, and is not affiliated with Apple Computer or the manufacturers of iPod-related products...Our slogan has been, and continues to be, ‘All things iPod.’ iPodlounge is committed to providing the world’s best coverage of iPod-related products and breaking information, so we welcome your contributions to the site, whether they be through posts in our forums, offerings of new editorial content, or advertising requests.”⁵

The site is solely dedicated to all things iPod. If someone were to read the “iPod shuffle review,” it’s an extensive review with numerous pictures followed by over 50 comments of what the site’s readers feel about the product.

In the book *The Cluetrain Manifesto* Doc Seals & David Weinberger state, “The Cluetrain Corollary: the level of knowledge on a network increases as the square number of users times the volume of conversation.”⁶ The more readers that use the iPodlounge, the richer the resource becomes. The more readers that comment, the more knowledge the network has. Because the iPodlounge has a niche audience, it caters to people exclusively looking for information on iPods.

iPod lounge also posts news about what other websites or news services

say about the iPod, adding to the richness of the information. It's a source of information where a visitor can see what other people have to say about the iPod. Most importantly, it's a conversation. The Bloggers sift through and edit the information for the readers, helping the readers find information from around the web in one place, at the same time the Bloggers become the "go to" expert. The more people who value or trust what the Blogger has to say, the more people will link to and recommend the Blog. The Blogger *navigates* readers around the web to find information that is relevant to his niche audience. iPodLounge has on average of 16 million page views a month.

Obviously not everyone who Blogs is an expert. Because Blogs are relatively easy to set up everyone may have a voice. However the Blogosphere can act like a giant self-correcting editing tool. Bloggers can and on many occasions do challenge what other Bloggers have to say. If the information a Blogger is giving is not of the best quality or truthful, it eventually becomes exposed. There is no hiding place. Once a Blog has been exposed as untruthful people will no longer use that Blog as a resource.

A technological factor that is changing the way people are using the web is RSS, an acronym that stands for Really Simple Syndication. Once a user determines that a particular subject is personally important, he can set up his browser to receive daily updates from Blogs and news sources that most interest him.

For example, if the Apple computer company updates its operating system, and if a person who is interested in such a change wanted to find out what organizations like *The New York Times*, *Wired News*, *The Wall Street Journal*, *BBC News* as well as a number of Blogs had to say about the update, they would

have to go to the individual websites to read what each article has to say.

If the same person had an RSS reader he would not have to go to the individual sites as long as *The New York Times*, *The Wall Street Journal*, *Wired News*, *BBC News*, *CNN*, *LA Times*, and other respected individual Bloggers who follow this technology, offer an RSS feed. All these sites would

appear on one page, thus eliminating having to waste time gathering information from around the web, RSS puts all the information you are looking for in one place. (See figure 5.1.)

This enables a greatly enhanced, highly targeted means of keeping up to date with information. This would be prohibitively expensive in print media. Rather than reading or scanning many magazines dedicated to computers, one can simply narrow one's focus to Apple updates if this is so desired. RSS offers substantial times savings, cutting down on tedious searching for desired information. In this example, the individual Blogger can capture all this information, have it available on his Blog, add his own commentary on the stories from the information sources.

Some Bloggers have become the de facto *navigators* of information, gath-

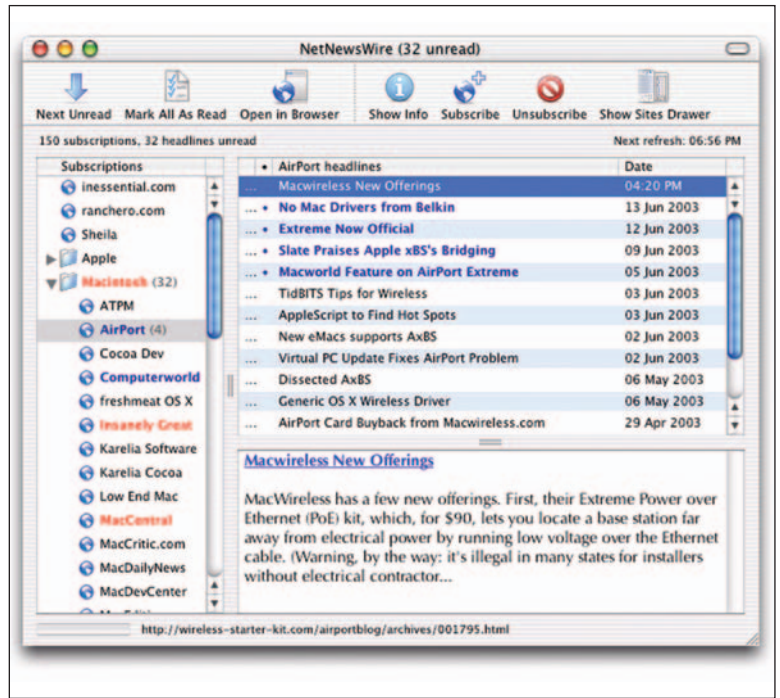


Figure (5.1) A screen-shot of an RSS reader; the user decides what websites or Blogs he wants to receive updates from, so he no longer has to go to individual websites to read the latest information, it all comes to him.

ering and winnowing the search process for the end-users of the information. In the book, *Blown to Bits: How the New Economics of Information Transforms Strategy*, the authors make the point that “Brand navigators, delivering quality content for a subscription are likely to emerge.”⁷⁷ Whether it be subscription-based or paid for by advertisers, some Bloggers will wind up being compensated for the service they perform. In the case of Bloggers, they gather information on a subject, get traffic on their Blogs and can charge money for advertising.

Blogs and the Long Tail

Wikipedia defines *The Long Tail* as, “Products that are in low demand or have low sales volume that can collectively make up a market share that rivals or exceeds the relatively few current bestsellers and blockbusters, if the store or distribution channel is large enough.”⁷⁸ .

The article on Wikipedia goes on to say, “The same could be said for Amazon’s book inventory or NetFlix’s movie inventory. The total volume of low popularity items exceeds the volume of high popularity items relationship between the Long Tail and storage and distribution costs. The key factor that determines whether a sales distribution has a Long Tail is the cost of inventory storage and distribution. Where inventory storage and distribution costs are insignificant, it becomes economically viable to sell relatively unpopular products; however, when storage and distribution costs are high only the most popular products can be sold. Take movie rentals as an example: A traditional movie rental store has limited shelf space, which it pays for in the form of monthly rent; to maximize its profits it must stock only the most popular movies to ensure that

no shelf space is wasted. Because Netflix stocks movies in centralized warehouses, its storage costs are far lower and its distribution costs are the same for a popular or unpopular movie. Netflix is therefore able to

build a viable business stocking a far wider range of movies than a traditional movie rental store. Those economics of storage and distribution then enable the Long Tail to kick in: Netflix finds that in aggregate ‘unpopular’ movies are rented more than popular movies.” (See figure 5.2.)

The Long Tail kicks in with GreenCine, the DVD movie rental company in San Francisco that has a Blog, Because of the Internet, GreenCine is able to have customers outside their local area. This enables them to have a larger audience who are interested in independent and alternative movies, so GreenCine can reach a niche audience that may actually be larger than the number of people who want to see the biggest “Hollywood BlockBusters.” GreenCine can cater to the individual needs of a niche where BlockBuster must sell only the biggest hits from Hollywood and cater to a broader audience.

According to wikipedia.com, “The Long Tail is not just a positive economic effect; it can also threaten established businesses. Before a Long Tail kicks in the only products on offer are the most popular, but when the costs of inventory storage and distribution fall, then a wide range of products suddenly becomes available; that can in turn have the effect of reducing demand for the most popular products. For example, Web content businesses with broad coverage like



Figure (5.2) In the model of the Long Tail, the red peak represents the high popularity items, while the yellow represents low popularity items. The volume of low popularity items, exceeds the volume of the high popularity items.

Yahoo!, *CNET* or even *TheStreet.com* may be threatened by the rise of smaller Web sites that focus on niches based on content, and cover that content better than the larger sites. The competitive threat from these niche “category killer” sites is related to the cost of establishing and maintaining them and the bother required for readers to track multiple small Web sites. These factors have been transformed by easy and cheap Web site software and the spread of RSS.”⁹

Blogs stand to benefit in the present media landscape for a number of reasons. Because of the overload of information it is impossible for people to keep up with all of it. Information needs to be sifted through and made sense of. Bloggers also add richness to the already established reach of mass media. Blogs can cater to niche audiences that mass media cannot because mass media must focus on the most important or biggest issues at hand. Because of the Internet a Blogger can have a niche audience of 5,000 readers a day from around the world. A major factor is that Blogs have little to no overhead to set up and run. All that is needed is a computer and an Internet connection and a Blogger can be up and running, so the distribution costs are cheap.

The Long Tail can already be seen in the retail sector with companies like *The White Store* in London, which specializes in home furnishing principally in white, and *From Rice to Riches* a store in Manhattan that sells rice pudding in over 20 flavors and nothing else. Today consumers can have their every need met and there are so many options to choose from, that companies can cater to niche audiences and have a thriving business because of the richness they offer. The same is true with Blogs. They cannot compete with the reach of major websites but they can add richness and cater to a micro audiences with narrowly defined

needs or interests.

Generally Blogs have micro audiences: they do not have the traffic of major web sites which receive millions of hits a day. What they do have is a audience of readers who have highly specific interests. For example, Manolo's Shoe Blog, a Blog that is geared towards women's shoes. And that audience is there for a reason: they are interested in women's shoes looking at them, talking about them, and buying them. The readers of the Blog are the audience that some women's shoe designers are looking for.

According to the site meter on the Blog, a site meter tells how many hits or visitors a day the Blog gets, Manolo's shoe Blog gets almost get 4,000 hits a day, which can average around 120,000 hits a month from women interested in shoes. The Blog narrows down the focus and in a sense separates the wheat from the chaff.

CHAPTER FIVE
AN INVESTIGATION
AMONG BLOGGERS

The primary purpose of the survey was to investigate what factors contribute to making Blogs financially a business. I was looking for patterns in the survey results with regard to: the topic of the Blog; if the Blog were ranked on the first three pages of Google; how long the Blog has been published; the average visitors per day; if the Blogger uses RSS to collect information for the Blog; how many times a day the Blog is updated with new posts, the software the Blogger uses; if the Blogger allows readers to comment; how does the Blogger draw traffic to the Blog; if the Blog was mentioned in the media, the revenue streams for the Blog; the forms of advertising that are used on the Blog; if anyone is selling advertising for the Blog, and the amount of revenue the Blog has generated in a 12 month period. I was hoping to draw on these patterns and make connections to help understand how to make Blogs financially successful as a business.

Criteria for the Survey

Technorati tracks Blogs, similarly to the way the Google ranking system works, by the number of incoming links to the Blog. The more incoming links, the more people are referencing the Blog, the more important the Blog is perceived to be. This is part of the criteria for getting a higher ranking on the Technorati list. I contacted Technorati and they supplied me with a list of the 2,000 highest ranking Blogs. Unfortunately, I had to go to the Blogs to get their email addresses. Needless to say the majority of the Blogs were not designed in a way that made it easy to find the email address. After eliminating Blogs because they were not written in English, or were considered pornographic and filter out.

was on the computer I was using. I was able to get 750 email addresses. I sent the survey twice to the 750 Bloggers on the list and a total of 173 Bloggers filled out the 15 question survey.

The Survey Results

1. What is the Blog about? A general “about” statement is fine.

- 29 Blogs are about technology, software, hardware, programming, gizmos, web design, Blogs, and tech news.
- 38 Blogs are about politics.
- 77 Blogs are about the daily life of Blogger or their interests. E.g. my Blog is about culture, music, traveling, politics and web design, and whatever else interests me.
- 23 *Other* Blogs have a broad range of topics: knitting, culture, music/art, fiction, religion, shopping, sports, law, food, a corporation, and science.

2. If a person does a Google search for the general topic of your Blog, as you defined in question one, does your Blog appear within the first three pages of the Google results?

	Total Response	Response percent
Yes	102	61%
No	66	39%

Total Respondents 168

Five people skipped this question.

3. How many years has the site been published as a Blog?

	Response Total	Response Percent
Less than 1 year	11	6%
1 year	18	11%
2 years	49	29%
3 years	53	31%
4 years	16	9%
5 years	16	9%
Over 5 years	9	5%

Total Respondents 172

One person skipped this question.

4. What is the average number of visits per day?

Under 1,000	47
1,000 - 5,000	60
5,000 - 10,000	18
10,000 - 20,000	17
20,000 - 30,000	4
30,000 - 40, 000	5
60,000 - 80,000	2
126,000	1
200,000	2
300,000	3
650,000	1
Don't know	6

Total Respondents 166

Seven people skipped this question.

5. Do you collect information for the Blog using RSS?

	Response Total	Response Percent
Yes	83	49%
No	87	51%

Total Respondents 170

Three people skipped this question.

6. How many times a day is the Blog updated with new posts?

	Response Total	Response Percent
Less than 1	37	22%
1	47	28%
2	23	14%
3	17	10%
4	6	4%
5	16	9%
6	6	4%
7	1	1%
8	1	1%
9	0	0%
10	2	1%
More than 10	14	8%

Total Respondents 170

Three people skipped this question.

7. What software is used to publish the Blog? (Check all that apply)

	Response Total	Response Percent
Movabletype	68	40%
Typepad	6	4%
Blogger	45	27%
Other	59	35%
WordPress	27	16%
Hand coded	14	8%

Other software with 2 or less users: Blogdrive, BlogSmith, Live Journal, Ecto, Scoop, Text editor, Radio Userland Outliner, Radio Userland Salon, dasBlog, Expression Engine, Microsoft Frontpage, Nucleus, Bzero, Drupal, MSN Blog, BlogWare.

Total Respondents 170

Three people skipped this question.

8. Do you allow commenting on the Blog?

	Response Total	Response Percent
Yes	143	85%
No	26	15%

Total Respondents 169

Four people skipped this question.

9. What do you do to draw traffic to the Blog?

	Response Total	Response Percent
Advertise	9	6%
Send out a subscription-based email	20	13%
Offer an RSS feed	103	67%
Other	95	62%
Comment on other Blogs	52	34%
Write good content	10	7%
Link exchange	5	3%
Nothing	20	13%

There were there other answers given; Blog also has forum, work on SEO and GoogleBomb (See glossary).

Total Respondents 153

20 people skipped this question.

10. Has the Blog been mentioned in the media?

	Response Total	Response Percent
Newspapers	110	64%
Magazines	97	57%
Radio	70	41%
Television	64	38%
Other	24	4%
Books	2	1%
Online	22	13%
Never been mentioned	37	22%

Total Respondents 171

Two people skipped this question.

11 What are the revenue streams for the Blog?

	Response Total	Response Percent
Advertising	76	51%
Affiliate programs	39	26%
Donations	47	31%
Other	78	52%
Sell Merchandise	11	7%
Contribution	2	1%

Indirectly makes money		
Become expert	2	1%
Sponsorship	1	1%
Subscription	1	1%
Blog doesn't make money	61	40%

Total Respondents 150

Twenty three people skipped this question.

12. Do you use any of the following for advertising on your Blog?

	Response Total	Response Percent
No	89	54%
Google AdSense	55	33%
BlogAds	36	22%
AdBrite	9	5%
Other	20	12%
Manually put up ads	6	4%
Affiliate programs	10	6%

The following had two or less users; Pheedo, Burst Media, Fast Click, Tribal Fusion.

Total Respondents 166

Seven people skipped this question.

13. Does anyone actively sell advertising for the Blog?

	Response Total	Response Percent
Yes	12	7%
No	156	93%

Total Respondents 168

Five people skipped this question.

14. In any 12 month period, has the Blog had revenue of:

	Response Total	Response Percent
Zero	75	45%
Under \$5,000.00 (US Dollars)	65	40%
Between \$5,000.00 and \$10,000.00	7	4%
Between \$10,000.00 and \$20,000.00	4	2%
Between \$20,000.00 and \$30,000.00	2	1%
Between \$30,000.00 and \$40,000.00	2	1%
Between \$40,000.00 and \$50,000.00	0	0%
Between \$50,000.00 and \$60,000.00	2	1%
Between \$60,000.00 and \$70,000.00	1	1%
Between \$70,000.00 and \$80,000.00	0	0%
Between \$80,000.00 and \$90,000.00	1	1%
Between \$90,000.00 and \$100,000.00	1	1%
Over \$100,000.00	6	4%

Total Respondents 166

Seven people skipped this question.

Connections from the survey

Most of the topics the Bloggers write about fall into three main categories.

1. Technology, and I am using the term loosely, is a perfect fit when it comes to Blogging, because there is an abundance of information and the field is constantly changing. It is an ideal place for a navigator, some one who can lead others to sources of information; a *maven* who can, gather, analyze, and comment on information. It is a field where people are looking for information and advice. People can read technology Blogs to gather information for a purchase, to find out what product or software best fits their needs, how to write computer code, or to tell others about products they are using. Technology Blogs can add richness to a field that has tremendous reach.

Information about technology is ubiquitous on the Internet and people do not need to be in a specific location to take advantage of information. With Blogs knowledge bases can be formed and grow with each user that joins building and strengthening a community.

2. Politics are another major topic for Bloggers; frankly Blogs and politics seem like a natural fit for one another. For those people who have strong political views and want to voice them, Blogs can help amplify that voice. Because Blogging is a conversation, it allows people with similar thoughts, beliefs, convictions or feelings to connect with one another. Blogs are also inexpensive and they can be used to spread information quickly; they are an effective way to keep party members who are spread out geographically in contact with one another. Some politicians have found effective ways to use for Blogs during political campaigns.

3. The category that has the highest number of Blogs in it would be “*The daily life or interests of the Blogger.*” When filling out the survey these are the Bloggers who said, “My Blog is about whatever interests me.” The fact that many Blogs fall into this category could result from those Blogs originally starting out as journals. This may also be a factor why Blogs are written in a personal manner.

Josh Rubin’s Blog, coolhunting.com, originally started as a way for him to catalog things that he both liked and inspired him. Fortunately for Josh his interests are; design, art, devices, future, mobility, t-shirts, food, music, sneakers and travel. This may sound like a contradiction in terms Blogs are supposed to be narrowly focused and attract a niche audience, yet this Blog covers several different topics.

One of the reasons why this Blog is successful is because of the psychographics of the readers; their lifestyles, attitudes, values, behavior, and opinions. Blogs do not need to be about one topic, but a range of topics can fall into someone’s *lifestyle* and the Blog can still have a niche audience.

Where a Blog ranks on a Google search is important, it can mean the difference between the Blog’s success and failure, depending on the topic. Sixty-one percent of the Blogs surveyed said they will appear on one of the first three pages of Google’s search results. Most of the people who visit Blogs fall into one of two groups. One group is already familiar with the Blog and returns regularly to read the newest information that has been posted.

The second group finds the Blog through a Google or similar search, they locate the information they searched for on the Blog, and they may read a

couple of entries, than leave the site. Depending on whether they like the Blog or not will determine if they come back.

The traffic that the Blog receives from Google could be vital. For example, if 20,000 people a day do a Google search for the word “iPod”, and half of those users go onto a Blog listed on the search result, that’s 10,000 visitors a day from Google alone. The key is optimizing the Blog for search engines so the Blog will appear only in searches that are relevant to the Blog’s topic. Again, this enables the Blogger to add richness to Google’s reach.

The majority of Blogs surveyed are between two and three years old. For many people Blogging is a new venture with a lot of uncharted territory. This is one of the reasons why there aren’t many established business models for Bloggers to follow, and may also explain why many Blogs follow business models of traditional print publications where the majority of revenue is made through advertising. Most Bloggers who are trying to generate revenue are still trying to figure out how to be successful.

On most of the Blogs surveyed, the average visitors range from having fewer than 1,000 hits per day up to 5,000 hits per day. A Blog that averages 5,000 hits per day can have monthly averages of around 150,000, remembering Blogs are “micro sites”; 150,000 hits per month, depending on the topic, may be enough traffic to attract advertisers.

A little less than half of the Bloggers surveyed use RSS readers to collect information for their Blogs. According to a Pew Internet Memo only 5% of American Internet users use RSS readers¹, Bloggers could be considered *innovators* or *early adapters* when it comes to using this technology. RSS will soon move

towards critical mass because some of the newer browsers have RSS readers.

The majority of Blogs are updated with new posts at least once a day. The second highest rate of updating is less than once a day. That may be due to the fact that many of the Bloggers who took the survey, are not using their Blogs to generate revenue. However, the next highest rate of updating is two posts per day, followed by three, then five and then there is a jump to more than 10 posts per day.

Many of Bloggers surveyed use Movabletype software to publish their Blogs. This is interesting because the software is not free, and it is not generally thought of as an entry-level Blogging software. Movabletype requires the software to be set up on a server and although it is one of the most highly functional, there is other software that could appeal to less experienced Internet users.

The second most used software is *Blogger*. Using *Blogger* is free; it only requires a couple of minutes to sign up and a person with limited understanding of the Internet and Blogs can be up and Blogging in minutes. *Blogger* would have more appeal to people who are not trying to use their Blogs as business, although some revenue generating Blogs are set up using Blogger. Interestingly, there are a number of survey participants who created their Blogs using code, or without the use of Blogging software.

An overwhelming majority of Blogs 85% allow readers to comment. Commenting is what allows readers to have a conversation, and enable them to build a community around the Blog. Although it is possible for the Blogger to interact with readers without allowing commenting, readers can use instant message or email to contact the Blogger. Allowing readers to comment is also a good

way to gauge how healthy a community is, or how involved with the Blog they are.

Most of the Blogs surveyed do not actively seek ways to promote their Blogs. Only 6% advertise and 13% send out an email. However 67 % offer an RSS feed. 20 of the 173 Bloggers do not do anything at all to promote their Blogs; again many of the survey participants are not actively trying to generate revenue with their Blogs. Some of the Bloggers may be trying to generate money but may not know how to draw traffic to their Blogs or do not have any money to do so. 52 out of the 173 survey participants comment on other Blogs to try and draw traffic to their Blog. This also shows that there are a good number of Bloggers who are interacting with one another and spreading information.

Another factor that may contribute to a Blog's success is being mentioned in the media. Only 37 of the 173 Blogs in the survey have never been mentioned in the media. 65% have been mentioned in newspapers and 57% have been mentioned in magazines. Being mentioned in the media can help the Blog reach new readers and draw traffic to their Blog.

More than half of the Blogs surveyed generate revenue through advertising. More than a quarter of the Blogs generate revenue through affiliate programs and 32% through donations. Interestingly, two of the Bloggers said they could not put a value on their Blog because it does not directly generate revenue. However, because of their Blogs they have received expert status in their fields and that has helped them to obtain work as consultants and speakers. 61 of the 173 Blogs do not generate revenue, which should come as no surprise.

More than half of the Blogs surveyed (54%) do not use any of the adver-

tising methods mentioned in this paper. The form of advertising that Bloggers are using most is Google AdSense, 33% have AdSense advertisements on their Blogs, followed by 22% of Blogs that have BlogAds advertisements.

Both AdSense and BlogAds have been mentioned numerous times in the media, and both systems are relatively easy to set up. This may be a reason why these two forms of advertisements are used most by the Bloggers. While researching for the paper, I found little information in the media about the other advertising systems.

An overwhelming number of Blogs do not actively sell advertising space on their Blogs; they focus more of their energy on writing good content. This may be a reason why 61 out of the 173 Blogs do not generate any revenue. Only 12 Bloggers actively sell advertising space on their Blogs, connecting and creating relationships with companies that have products or services that would be of interest to the Blog's readers. Again, this may be due to the fact that many of the Bloggers don't want to have advertisements on their Blogs, don't have the time to call on advertisers or don't know how to sell advertising space.

As for how much revenue Blogs have generated in a 12 month period, it should come as no surprise that 45% have not generated any revenue at all. This could be due to that fact that many of the people who Blog are not interested in making money, as some of them vehemently expressed that in the survey.

An interesting fact is that 39% of the people surveyed make under \$5,000. This again could be due to a number of the people who Blog are not doing it as a business, but they have people who read their Blogs so they can generate a little money through advertising and donations. Many of the people

who filled out the survey said that financially the Blog was not worth their time, that it barely pays for itself, or that they make enough money to go out to dinner once a year. However, the reason they Blog is because they enjoy it.

Out of the 173 people who took the survey, there are six Bloggers who are making over \$100,000 a year. By examining these Blogs we can see what patterns exist.

Patterns Among the Blogs that Generate the Most Revenue

The most important topics for the Blogs are (I) Politics, (II) Religion & Culture, (III) Ideas, (IV) New York, and (V) Technology; there are two Blogs on Technology. Each of these topics can cater to a niche audience. The fact that five out of the six Blogs ranks on the first three pages Google's search results seems to be in harmony with the previous findings. As for the amount of time the Blogs have been published, it varies greatly; two have been published for one year, another has been published for 2 years, one for five years and two for more than 10 years.

There may also be some unknown factors that could be involved with the financial success of these Blogs. Some of the Blogs may have financial backing, enabling them to advertise and draw traffic to the site. They could also have connections in or be part of the media. In addition, with the recent popularity of Blogs and how frequently they have been mentioned in the media, these factors could have generated more "buzz" for them.

Another interesting fact is the difference in the number of visitors per day; it varies from as low as 6,000 to as high as 650,000. This information shows

that there is no direct link between the amount of traffic a Blog has and the amount of revenue it generates. In terms of revenue generated through advertising, there is more of a direct link between the two. However not all of these Blogs generate their revenue through advertising. This is the reason why there can be such dramatic differences in the number of visitors and the fact that the Blogs still generate substantial revenue.

Five out of the six Bloggers use RSS readers, again this should not come as a surprise because as a whole Bloggers can be viewed as early adopters. There is also no direct link between the number of times a day a Blog has new posts and the amount of revenue the Blog generates. Three of the Blogs post three times a day, one posts twice and the other two post more than 10 times a day.

Some people feel that one of the reasons why people read Blogs is because they are updated many times through out the day, this is one of the reasons Blogs are said to have an additive quality, which keeps readers coming back.

Personally, there are Blogs that I check many times a day, some once a day and some once a week, regardless of whether the Blog updates many times a day. I think that it has more to do with surfing habits more than anything else.

Movabletype seems to be the software of choice, with four of the six Bloggers using it. Movabletype offers Bloggers the ability to customize and control the look and feel of their Blog. It also has a community of developers that are constantly working and upgrading the software and it has been mentioned in the media several times, especially when it received backing from venture capitalist. These may be some of the factors contributing to so many Bloggers using the

software.

All six of the Blogs allow commenting; again commenting plays a part in the Blog becoming a community, and a source of information. When it comes to drawing traffic to the Blogs there is no pattern; only two of the six Blogs advertise, half send out subscription based emails, five offer RSS feeds and only one sells merchandise. Because three of the six Blogs solely generate revenue through donations, this may be a factor why the Blogs are not actively advertising.

Only two of the six Blogs create revenue through advertising, and they are using Google AdSense and BlogAds; only one Blog has someone actively selling advertising. As previously mentioned, three of the Blogs exclusively generate revenue through donations or contributions. Advertising may not be the only or the best way to generate revenue with Blogging. Generating revenue through donations will only be effective with certain topics and audiences. Politics is one area where donations seem to be effective. However if the audience is women and girls looking a clothes, it is highly unlikely that accepting donations will create revenue.

There is more than one way to make money from Blogging, whether it is directly, through advertising, donations or merchandise; or indirectly, the Blog generates business for the Blogger, which in turn generates revenue. People have only started to figure out ways to use Blogs to generate revenue. Depending on what the Blog is about and who the target audience is, this can also determine how the Blog can be set up to try to create revenue. One thing is for sure, Blogging as a business that is going to continue to evolve as people search for ways to make them successful.

CHAPTER SIX
THE FUTURE FOR
BLOGS

Blogs as a Business Venture

As a business, Blogs are still in their infancy and people are trying to develop successful business strategies. Most Blogs make their money from advertising and because of that, we will see a natural progression of Blogs coming together to form networks to attract advertisers. This is already starting to take place with the Pajama network, and BlogAds has begun to form networks on topics like New York City, gossip, music, and left-wing politics.

If potential advertisers want to reach people who are interested in New York City, they can advertise on the Blogs in that network. Blogs forming and joining networks are going to be a method of survival for Bloggers who want to reach a larger group of readers. In time, media companies will see the value of niche audiences and begin to buying up Blogs.

Bloggers may be writers who work for a publishing or media company. More Blogs will have a similar set up to Gawker Media, where Nick Denton publishes 13 Blogs and hires writers. In the future, bigger companies will get involved with this game.

Once the big media companies get involved, this will not only separate which Blogs succeed and which fail and determine comes out on top. This will of course have a direct bearing on the market share of the major media companies.

With the abundance of information available, being able to capture a niche audience will be more important than ever. In the future there may be a popular political Blogger, who people read and whose opinion they value. However, the Blog may be owned by CNN.

Hundreds of thousands of people will try to cash in on the opportunity to

capture niche audiences with Blogs. I feel the 80-20 rule will apply; only twenty percent of those Blogs created will actually make substantial money during the process. The rest will just fall by the wayside. Maybe the writer will stop after a few months because of circumstance in life or they may realize that it actually requires a fair amount of work to make a successful Blog.

The Blogs that are able to build and maintain substantial niche audiences are the ones that stand to benefit the most when media companies turn their attention to the Blogosphere.

The Blogosphere is going to become a more important resource for marketers and advertisers. They will use it to find out what people are talking about and how they can leverage that information to give companies advantages. It will be like a giant focus group. Advertisers will also find effective ways tap into the Blogosphere to reach customers, and advertising on the Blogosphere will be constantly evolving. There will be more companies who track the Blogosphere and sell the information, and as more people use Blogs, the more power and influence the Blogosphere will have the more valuable the information will become.

The United States Congress will eventually weigh in on Blogs, determining if they are covered under free speech under the first amendment or if they are to be governed by the FCC like television and radio.

The Blogosphere will continue to have an effect on the economic, cultural, and political systems. Blogs will also influence how we communicate with friends, families and workmates. Companies will continue developing new features for Blogs; making them easier and more exciting to use. Soon Bloggers will be posting music, photos and videos on their personal Blogs.

Neil Postman's words can be a fitting conclusion, "Anyone who is even slightly familiar with the history of communications knows that every new technology for thinking involves a trade-off. It giveth and taketh away, although not quite in equal measure. Media change does not necessarily result in equilibrium. It sometimes creates more than it destroys. Sometimes, it is the other way around. We must be careful in praising or condemning because the future may hold surprises for us."²

CHAPTER SEVEN

LESSONS LEARNED

How Businesses Can use a Blog to Strengthen Their Brand

For businesses, Blogs allow them to have an ongoing dialogue with their customers. Blogs can help companies find out what their clients think and feel about them and their products; also how customers use a company's products, how products can be improved, and what features consumers like. If a company is honest with itself, it can listen and consider what people are saying and read-just accordingly. Now more than ever, it's important to know what people have to say about a company, even if it's not flattering. It's good to remember *people complain about things they care about and are interested in*. Companies should only be afraid when customers are not saying anything at all.

Blogs allow companies to become more transparent. Bloggers can also build brand equity and create a personality for the company. As with the case of the Scobolizer Blog and Microsoft, people can put a face to the company; and realize that their voices are being heard and that the company wants to improve its products.

Blogs can also help build a community around a product, service or company. Not only can companies get useful feedback, but some clients may turn into evangelizers. People want to talk about things that are important to them, and most people like belonging to some sort of a group. I know of number of people who read Google's Blog and share the information they find relevant with friends and workmates.

A Blog can also become a knowledge base or information resource for customers. GreenCine, the DVD rental company in San Francisco, is using its Blog as a resource for independent and alternative films; not just to say, "Come

rent movies from us, we have a sale and we are the best, hurry before it's too late!" In contrast, they use it to form stronger relationships with customers, and their Blog becomes a useful tool for anyone interested in independent films.

When Macro Media launched a new version of its software, the product managers used Blogs to open up a dialogue with their customers. The Blog kept everyone up-to-date, whether or not they worked for the company. Software users could report glitches and could then see what Macro Media was doing to remedy the situation.

Most corporate Blogs fail because they use their Blog as another way of sending one-way messages about how great their products are. Blogging requires companies to adopt a new way of thinking. It's about becoming a resource to clients, finding their needs and filling them. Blogs can also help companies look for new areas to develop business; they can have their finger to the pulse of their client base. They can also strengthen relationships: by letting customers know the company is interested in them, and that the company can communicate with clients without trying to sell them anything.

Blogs can work in a number of industries; the key is to address the customer's needs and desires. If one of the big hotel chains like Hilton created a Blog for travel agents, not only could they tell the agents about low rates and specials, but they could also have articles about marketing and how to build up their business; write about software and technology that would benefit the agents; articles about attractions near their hotels. The travel agents can participate with the Blog. In short this program will help them build a stronger business for themselves. Two keys for successful corporate Blogging are: to educate and entertain.

No amount of advertising, marketing or PR could build that much brand equity.

Blogs are not the silver bullet for every product or company. If the companies' products or services are no good, it doesn't matter if there is a team of Bloggers working on their behalf; a Blog is not what is needed to solve the problem. Blogs can be a powerful and effective tool if they are used correctly, but just like any tool, they don't work well for every job. First the company's situation needs to be explored to see if a Blog would be beneficial.

Blogs can also work in harmony with other media; Recently there was a TV show about tattoos on the A&E channel; the producers of the show also created a Blog. This takes viewers from being passive to interactive. Those viewers who want to can get involved; can give their opinions about what was on the show and make recommendations. The Blog is now a resource for people to learn about tattoos and is building a community. Companies can use Blogs effectively whether their product is a new book, a new music, new television show or new software.

When thinking about setting up a corporate Blog, time is needed to research the target audience: to find out if they know what Blogs are, if they use them and know how they work. Some questions that need to be considered are: What added value will the Blog have to the client? What information could be beneficial to them? Why are people going to spend time reading it? Then a strategy can be developed so that the Blog can strengthen the relationship. An effective Blog is a resource that can educate and entertain.

Launching a Blog as a Business

One of the major factors that give Bloggers the opportunity to create revenue with their Blogs is the cost of Blogging. There is generally no overhead, setting up an account with the company *Blogger* is free, and if more control over the Blog is needed, purchasing Movable Type costs under a hundred dollars.

Bloggging is also a simple process. A highly focused and motivated person can handle everything by themselves. It is this process of simplicity that can help Bloggers turn it into a money-making venture.

My first attempt at creating a business from Blogging failed, and it wasn't until I invested countless hours into the project that I realized why. The whole project was too complicated; there was nothing simple about any of it. I wanted to create a Blog that I would want to go on, to see documentary videos, to hear music from around the world, to see trends from around the world, whether it be technological, design, or fashion. Basically all of my interests in one place. There was nothing simple about any part of the project.

I started shooting videos of street dancers, designers, artists, bee keepers, photographers and everyone else I could get to let me follow them around with a camera. Anyone who has ever shot a video knows this is not a simple process. You need to involve other people, which means there are points of failure; people don't show up for shoots, they come late, forget equipment. Everywhere I turned I needed to involve other people to get something done: whether it was to get a video compressed, get an MP3 player to work on the website, figure out my next move when people don't show up for a shoot, or contact writers in other parts of the world. There were too many people involved to make it work. Needless to

say the project never even got off the ground.

Blogs should be simple. After realizing the many reasons why my first venture failed; I had a better understanding.

I saw another opportunity: I knew a great writer who was also a dog trainer. I researched the competition, the target audience and how to reach them. Researched potential advertisers and partners and how they could be reached. Then designed the site. Within a few weeks of the site launching, it was getting an average of 5,000 hits a day.

The simplicity rule is seen here. The writer loves dogs; wants to surf the net, gather information and share it. Nobody else is needed once the site is up and running.

The following is a list of questions that could be asked when wanting to start a Blog as a money making venture. They are just some suggestions.

Do you love the topic?

Who is the competition?

What is their strengths and weakness?

Who is the target audience?

What are their online habits?

How can they be reached?

What are the possible revenue streams?

What kind of advertisements will be on the Blog?

Who are the potential advertisers?

How can they be contacted?

Are they relevant to you audience?

Is the design of the Blog in harmony with the topic?

Be consistent about updating the Blog, people will stop returning if they don't know when new information is posted. Involve the readers with the aim of building a community. It's amazing how many people will participate if they are given the opportunity.

Using the Blogosphere to Create Buzz

Many companies are skeptical about the power of the Blogosphere when it comes to reaching people with a message. Although the Blogosphere has the ability to spread information around at a hyper-accelerated rate, it doesn't mean that everyone who uses it to spread information will meet with success. The following are a few suggestions to think about before advertising in the Blogosphere.

Is the audience right for the product? Only advertise on Blogs whose readers would find the product relevant. Taking another look at the Voltaic backpack (described earlier), one of the reasons that product took off was because it was the right product for its audience.

Try something innovative, Nike teamed up with Gawker media, a publisher of Blogs, and had short films play on the Internet for a limited time. The campaign created a lot of buzz and was written about in newspapers, magazines and the Internet. If there is a big enough budget, try not to place a standard advertisement.

The Blog I am working on at present offers a number of advertising and partnership options, one of the options that are offered to companies is to sponsor

contest, and so far everyone has been happy. The sponsor gets the word out about the products, and readers get to participate in contests with a chance of winning free products. Altogether, the surface has only begun to be scratched.

Endnotes

CHAPTER 1

1. Murray, Janet, *Hamlet on the Holodeck* (New York:The Free Press, 2000) 28.
2. Penenberg, Adam, *Media Wish List for 2005* (WiredNews.com, Dec16, 2004)1.
3. Penenberg, Adam, *Media Wish List for 2005* (WiredNews.com, Dec16, 2004)1
4. Penenberg, Adam, *Like It or Not, Blogs Have Legs* (WiredNews.com, Jan 20, 2005)2
5. Rainie, Lee, *The State of Blogging*, (Pew Internet & American Life Project, Jan 2005) 3.
6. Blood, Rebecca, *The Weblog Handbook, Practical Advice on Creating and Maintaining Your Blog* (Massachusets: Perseus Publishing, 2002) 3.
6. Blood, Rebecca, *The Weblog Handbook, Practical Advice on Creating and Maintaining Your Blog* (New York:Perseus Publishing, 2002) 5.
7. Sirfry, David, *The State of the Blogosphere* (sifry.com/alerts/ march14, 2005) 1.
8. Rainie, Lee, *The State of Blogging*, (Pew Internet & American Life Project, Jan 2005) 1.
9. Rainie, Lee, *The State of Blogging*, (Pew Internet & American Life Project, Jan 2005) 2.
10. Rainie, Lee, *The State of Blogging*, (Pew Internet & American Life Project, Jan 2005) 2.

CHAPTER 2

1. (technorati.com/about)

2. Barlas, Pete, *Search Advertising's Success Finds Rates Rising Rapidly*, (OPA Intelligence Report, Covering March 21 - April 1, 2005)
3. Davis, Wendy, *Wall Street Revises Online Ad Outlook, Raises Share of Total Ad Spend*, (mediapost.com, Feb 4, 2005) 1.
4. About.com, *Online Advertising to Boom, Despite Dot.com Gloom, Spending to Grow to 16.5 Billion by 2005*,(about.com, August 16,2000) 1.
5. Strategiy.com, *Traditional Advertisers to Increase Online Spending by 20% in 2005*, (strategiy.com, Feb 17, 2005) 1.
6. McGann, Rob, *'05 Forecast: Online Ad Spend to Grow 11 Percent*, (clickz.com, Feb 2, 2005) 1.
7. Davis, Wendy, *Forrester: Online Ad Spend to Reach \$14.7 Billion in 2005*, (mediapost.com, May 4, 2005) 1.
8. Mintz, Jessica, *Many Advertisers Find Blogging Frontier is Still Too Wild*, (*Wall Street Journal*, March 25, 2005) B1.
9. Mintz, Jessica, *Many Advertisers Find Blogging Frontier is Still Too Wild*, (*Wall Street Journal*, March 25, 2005) B1.
10. Mintz, Jessica, *Many Advertisers Find Blogging Frontier is Still Too Wild*, (*Wall Street Journal*, March 25, 2005) B1.
11. reuters.com, *Big Media Companies Weigh Blog Strategies*, (reuters.com)1.
12. reuters.com, *Big Media Companies Weigh Blog Strategies*, (reuters.com)1.

CHAPTER 3

1. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York:DoubleDay, 2000) 31.

2. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 31.
3. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 32.
4. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 32.
5. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 34.
6. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 34.
7. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 34.
8. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 34.
9. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 36.
10. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 38.
11. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 40.
12. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 40.
13. about.com, *Jupiter: Online Advertising to Boom, Despite dot.Com Gloom, Spending to Grow to 16.5 Billion by 2005*, (about.com, August 16, 2000) 1.

14. Gladwell, Malcolm, *The Tipping Point, How Little Things Can Make A Big Difference*, (New York: Little, Brown and Company, 2000) 67.
15. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 43.
16. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 43.
17. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 43.
18. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 49.
19. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 49.
20. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 51.
21. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 51.
22. wikipedia.com
23. computerhope.com/history/windows.htm
24. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 36.
25. technorati.com

CHAPTER 4

1. Gladwell, Malcolm, *The Tipping Point, How Little Things Can Make A Big*

- Difference*, (New York: Little, Brown and Company, 2000) 196.
2. Gladwell, Malcolm, *The Tipping Point, How Little Things Can Make A Big Difference*, (New York: Little, Brown and Company, 2000) 196.
 3. Gladwell, Malcolm, *The Tipping Point, How Little Things Can Make A Big Difference*, (New York: Little, Brown and Company, 2000) 197.
 4. Gladwell, Malcolm, *The Tipping Point, How Little Things Can Make A Big Difference*, (New York: Little, Brown and Company, 2000) 197.
 5. Gladwell, Malcolm, *The Tipping Point, How Little Things Can Make A Big Difference*, (New York: Little, Brown and Company, 2000) 198.
 6. Rainie, Lee, *The State of Blogging*, (Pew Internet and American Life Project, January 2005) 1.
 7. technorati.com
 8. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 5,6.
 9. Kirkpatrick, David and Roth, Daniel, *10 Tech Trends, Why there is no Escaping the Blog*, (fortune.com Dec 27, 2004) 1.
 10. Kirkpatrick, David and Roth, Daniel, *10 Tech Trends, Why there is no Escaping the Blog*, (fortune.com Dec 27, 2004) 1.
 11. Macleod, Hugh, *TROGGING: Trust + Blogging i.e. "Using Blogs to build trust and transparency."*, (gapingvoid.com, Sept 18, 2004)
 12. Staples, Sarah, (Canada.comNews)
 13. Macleod, Hugh, *The Kryptonite Factor*, (gapingvoid.com, Oct 20, 2004)
 14. Staples, Sarah, *Net Searched has it's Ears to the Blog*,(canada.comNews, Feb 28, 2005) 1.

15. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 41.
16. Debare, LLana, *The Business of Blogging, Small Companies Promote Themselves Through Web Logs*, (sfgate.com, May 5 2005) 1.
17. Macleod, Hugh, *The Porous Membrane: Why Corporate Blogging Works*, (May 9, 2005)
18. Searls, Doc and Weinberger, David, *The Cluetrain Manifesto*, (New York: Perseus Publishing, 2000) 77.
19. cooperkatz.com
20. cooperkatz.com
21. Baker, Stephen and Green, Heather, *Blogs Will Change Your Business*, (BusinessWeekcomm May 2, 2005) 3.
22. Baker, Stephen and Green, Heather, *Blogs Will Change Your Business*, (BusinessWeekcomm May 2, 2005) 4.
23. Olsen, Stefanie, *Bloggers Tackle the Super Bowl*, (news.com, Jan 26, 2005) 1.
24. Olsen, Stefanie, *Bloggers Tackle the Super Bowl*, (news.com, Jan 26, 2005) 1.

CHAPTER 5

1. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 14.
2. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth Marketing* (New York: DoubleDay, 2000) 14.
3. Evans, Philip, Wurster Thomas, *Blown to Bits: How the New Economics of Information Transforms Strategy*, (The Boston Consulting Group, 2000)

4. Penenberg, Adam, Googling the Bottom Line, (wirednews.com, Feb 2005) 1
5. ipodlounge.com
6. Searls, Doc and Weinberger, David, *The Cluetrain Manifesto*, (Perseus Publishing, 2000) 85
7. Evans, Philip, Wurster Thomas, *Blown to Bits: How the New Economics of Information Transforms Strategy*, (The Boston Consulting Group, 2000) 132
8. Wikipedia.com
9. Wikipedia.com
9. Wikipedia.com

CHAPTER 6

1. Rianie, Lee, *The Current State of Blogging*, (Pew Internet and American Life Project, Jan 2005)1

BIBLIOGRAPHY

1. Murray, Janet, *Hamlet on the Holodeck* (New York: The Free Press, 2000)
2. Penenberg, Adam, *Media Wish List for 2005* (WiredNews.com, Dec 16, 2004)
3. Penenberg, Adam, *Like It or Not, Blogs Have Legs* (WiredNews.com, Jan 20, 2005)
4. Rainie, Lee, *The State of Blogging*, (Pew Internet & American Life Project, Jan 2005)
5. Blood, Rebecca, *The Weblog Handbook, Practical Advice on Creating and Maintaining Your Blog* (New York: Perseus Publishing, 2002)
6. Sifry, David, *The State of the Blogosphere* (sifry.com/alerts/ march 14, 2005)
7. (technorati.com/about)
8. Barlas, Pete, *Search Advertising's Success Finds Rates Rising Rapidly*, (OPA Intelligence Report, Covering March 21 - April 1, 2005)
9. Davis, Wendy, *Wall Street Revises Online Ad Outlook, Raises Share of Total Ad Spend*, (mediapost.com, Feb 4, 2005)
10. About.com, *Online Advertising to Boom, Despite Dot.com Gloom, Spending to Grow to 16.5 Billion by 2005*, (about.com, August 16, 2000)
11. Strategy.com, *Traditional Advertisers to Increase Online Spending by 20% in 2005*, (strategy.com, Feb 17, 2005)
12. McGann, Rob, *'05 Forecast: Online Ad Spend to Grow 11 Percent*, (clickz.com, Feb 2, 2005)
13. Davis, Wendy, *Forrester: Online Ad Spend to Reach \$14.7 Billion in 2005*,

- (mediapost.com, May 4, 2005) 1
14. Mintz, Jessica, *Many Advertisers Find Blogging Frontier is Still Too Wild*,
(*Wall Street Journal*, March 25, 2005)
15. reuters.com, *Big Media Companies Weigh Blog Strategies*, (reuters.com)1
16. Rosen, Emanuel, *The Anatomy of Buzz, How to Create Word of Mouth
Marketing* (New York: DoubleDay, 2000)
17. about.com, *Jupiter: Online Advertising to Boom, Despite dot.Com Gloom,
Spending to Grow to 16.5 Billion by 2005*, (about.com, August 16, 2000)
14. Gladwell, Malcolm, *The Tipping Point, How Little Things Can Make A Big
Difference*, (New York: Little, Brown and Company, 2000)
15. wikipedia.com
23. computerhope.com/history/windows.htm
24. Kirkpatrick, David and Roth, Daniel, *10 Tech Trends, Why there is no
Escaping the Blog*, (fortune.com Dec 27, 2004)
25. Macleod, Hugh, *TROGGING: Trust + Blogging i.e. "Using Blogs to build
trust and transparency."*, (gapingvoid.com, Sept 18, 2004)
26. Staples, Sarah, (Canada.comNews)
27. Macleod, Hugh, *The Kryptonite Factor*, (gapingvoid.com, Oct 20, 2004)
28. Debar, LLana, *The Business of Blogging, Small Companies Promote
Themselves Through Web Logs*, (sfgate.com, May 5 2005)
29. Searls, Doc and Weinberger, David, *The Cluetrain Manifesto*, (Perseus
Publishing, 2000)
30. cooperkatz.com

31. Baker, Stephen and Green, Heather, *Blogs Will Change Your Business*, (BusinessWeekcomm May 2, 2005)
32. Olsen, Stefanie, *Bloggers Tackle the Super Bowl*, (news.com, Jan 26, 2005) 1
33. Evans, Philip, Wurster Thomas, *Blown to Bits: How the New Economics of Information Transforms Strategy*, (The Boston Consulting Group, 2000)
34. Penenberg, Adam, *Googling the Bottom Line*, (wirednews.com, Feb 2005)
35. ipodlounge.com

GLOSSARY

Blog is a web-based publication consisting primarily of periodic articles (normally in reverse chronological order). Although most early weblogs were manually updated, tools to automate the maintenance of such sites made them accessible to a much larger population, and the use of some sort of browser-based software is now a typical aspect of "blogging". Source: Wikipedia

Blogger is the person who writes the Blog.

Buzz an exchange of information.

Code is computer programming language.

Connectors are people who know a lot of people, and keep in contact them.

CPU is the central processing unit (CPU) is the part of a computer that interprets and carries out the instructions contained in the software. Source: Wikipedia

DOS The acronym DOS stands for disk operating system, an operating system component for computers that provides the abstraction of a file system resident on hard disk or floppy disk secondary storage. In some cases, the disk operating system was called DOS, and on the PC compatible platform, an entire family of operating systems was called DOS. Source: Wikipedia.

Entry is where the Blogger writes the an article on the Blog.

HTML In computing, Hyper Text Markup Language (HTML) is a hypertext markup language designed for the creation of web pages and other information viewable in a browser. Source: Wikipedia

Hub Are people who spread information and influence other people.

Hyperlink or simply a link, is a reference in a hypertext document to another document or other resource. As such it would be similar to a citation in literature. However, combined with a data network and suitable access protocol, it can be used to fetch the resource referenced. This can then be saved, viewed, or displayed as part of the referencing document. Source: Wikipedia

Gif (Graphics Interchange Format) is a bitmap image format for pictures and animations that uses 256 (or fewer) distinct colors. Source: Wikipedia

Google bomb or Google wash is an attempt to influence the ranking of a given site in results returned by the Google search engine. Due to the way that Google's PageRank algorithm works, a website will be ranked higher if the sites that link to that page all use consistent anchor text. Googlebomb is used both as a verb and a noun. Source: Wikipedia

GPS is a satellite navigation system used for determining one's precise location and providing a highly accurate time reference almost anywhere on Earth or in Earth orbit.

JPEG In computing, JPEG (pronounced jay-peg) is a commonly used standard method of lossy compression for photographic images. Source: Wikipedia

The Long Tail Products that are in low demand or have low sales volume can collectively make up a market share that rivals or exceeds the relatively few current bestsellers and blockbusters, if the store or distribution channel is large enough. Source: Wikipedia

Mavens are people who are the most experts of the experts. They are savvy in the marketplace; they possess a wealth of information and willingly share it.

Metcalf's law states the usefulness, or utility, of a network equals approximately the square of the number of users of the system.

Permalink is a permanent link or address to an entry.

Post after the Blogger writes an entry they will upload it to the Internet or post an entry.

Robert Metcalfe (born 1946 in Brooklyn, New York) is an American technology pioneer who invented Ethernet, founded 3Com and formulated Metcalfe's Law. Source: Wikipedia

RSS is a family of XML file formats for web syndication used by news websites and weblogs. The abbreviation stands for one of the following standards:

Rich Site Summary (RSS 0.91)

RDF Site Summary (RSS 0.9, 1.0 and 1.1)

Really Simple Syndication (RSS 2.0)

RSS provides short descriptions of web content together with links to the full versions of the content. This information is delivered as an XML file called RSS feed, webfeed, RSS stream, or RSS channel. In addition to facilitating syndication, RSS allows a website's frequent readers to track updates on the site using a news aggregator. Source: Wikipedia

Site is a website.

Site Meter shows how many hits or visitors a day a Blog gets

The Cluetrain Corollary the level of knowledge on a network increases as the square number of users times the volume of conversation.

Traffic are the people who view the website, the more people the higher the traffic.

Trogging the act of using Blogs to build trust and transparency.

Visitors: see traffic.

Weblog: See Blog.

BIOGRAPHY

James Torio was born in 1975 in Bethpage, New York. He holds a B.A. from the State University of New York at Stony Brook, with a concentration in cultural anthropology, art history and studio art. He has worked for Time Warner as a co-coordinator, and as a designer for both Lanco and IATAN. In 2004 he was instrumental in launching the start-up dropthatsock.com. In 2005 he launched everyhuman which at the time of this writing is a branding and design consultancy. Right now, James is obsessed with innovation, trend-spotting, strategy, ideas, problem solving, seeing the big picture and bringing order to chaos.