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2009-05-14



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A shortened version of this article appeared in the [Financial Times](#) (2009-05-14) newspaper's regular supplement on [Digital Business](#) as well as on its [webpage](#).

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New medium follows old rules - mostly

A decade ago the world's largest companies were figuring out how to take advantage of the new opportunities offered by the World Wide Web. In the last couple of years, many firms have focused on blogs and most of the noise has been made over the last year. We take a look at some examples and discuss them in some more detail.

In the past, most viewed blogs (or weblogs, to use the technically correct term) as diaries for people to write about and share their lives. However, corporate blogs are a very different kettle of fish and beyond sharing product information, they have the potential to communicate with a wider range of stakeholders, such as prospective employees, investors, suppliers and even consumers or non-profit organizations.

Most corporate blogs have been launched in the last two years, which indicates that companies are still experimenting with how best to use this tool. Consequently, the corporate blogosphere presents a heterogeneous and dynamic field for research.

While most companies ensure that a visitor is aware that he or she has landed on a corporate blog (by including a corporate design and/or landing on the corporate domain), other blogging practices and characteristics vary widely. For instance, eBay blogs under various brand names, such as Skype. Companies can choose from a wide range of blogging software (e.g., Daimler uses open-source WordPress) or can even rely on external blog-hosting sites (e.g., Nestlé's Purina Chow brand uses TypePad).

Similarly, blogging styles can vary from formal to informal, depending on what the company wishes to portray. Companies can engage almost anyone to blog publicly, from employees to whole departments to CEOs – or they can employ professional freelancers to provide relevant content (e.g., American Express and its Open Forum blog). Finally, blogs are published in a variety of different languages; while some can be translated, this process poses new challenges, such as making sure that the blogger's personal writing style is not lost in the process.

Clearly, things are still in flux. Still, there are some overriding themes common to most successful blogging ventures, as demonstrated by the [FT ComMetrics Blog Index](#) ([FTindex.ComMetrics.com/](#)), which illustrates the many different roads that can lead to corporate success in a blogging venture. In no particular order, these are things to keep in mind when blogging:

- The assumption that developments under the label 'web 2.0' are hard to spot is partially true, in part because many of these changes happen behind the scenes. Sometimes blogs may be relocated to new domains or a clear link button from the main site is lacking. Successful ventures solve this issue by at least featuring a prominent link to their blog(s) from the main corporate website.

- Successful blogs are not necessarily chatty, however, blogs can provide a chattier alternative to formal content. Accordingly, the writing style depends on the author(s), the target-audience and the company's corporate culture, as well as the original language of the written content.

- Is YouTube the answer? Not so much. Some blogs skillfully use multimedia technologies to enhance the user-experience through video clips and multi-media features. Others use such technology sparingly or not at all, while still securing a large footprint. However, further analysis has identified some guidelines to achieve effectiveness depending upon corporate objectives.

- Successful blogs encourage communication by keeping the comment feature enabled. More, these blogs use a writing style that invites comments and a serious attempt is made to give thoughtful responses and sharing or (respectfully) opposing different viewpoints.

- A flash in the pan is always bad. Developing a following takes time and keeping readers requires continuous effort. Our trend analyses (e.g., over 18 months) show that successful blogs' footprints tend to remain stable after an initial spurt. But keeping at it with regular posts indicates that a blog will show a slight upward trend over time, thereby increasing its footprint on the Internet.

- Location of successful blogs. In some cases the company's most successful blog has its home at headquarters. However, there are quite a few examples of a company's biggest corporate blog (in terms of footprint on the Internet) being housed elsewhere, such as Nestlé, whose blog calls the offices of a subsidiary home, or Renault, whose biggest blog covers their Formula One racing team. However, best practice requires that the corporate homepage feature a prominent link to the blog, especially if it is located under another domain.

- Quality is key. This sounds obvious but considering the near-impossibility of explaining calculus in 200 words or less, length of posts can be an issue with some readers (and some writers). Plus, since a picture is worth a thousand words, using images can be very helpful. No matter the decision, effective blogging requires always keeping the target-audience in mind and providing readers with things they perceive as valuable.

- Deriving value from non revenue-generating activities. Highly effective blogs uncover the hidden value of having an ongoing conversation with customers and/or suppliers. They are clearly targeted (e.g., type of customer), but remain sensitive to the fact that their readers may come from vastly different cultural values. Hence, respect and openness go hand in hand.

You can find more interesting cases and examples at ComMetrics.com/?cat=284.

Best practice: Context is everything - again

A string of European companies in sectors such as telecommunications, pharmaceuticals, automotives and manufacturing reported poor earnings as the global recession took a heavier toll on real-economy groups than banks. Moreover, soaring budget deficits and poor recovery threaten to make 2009 a year of challenges for policymakers around the globe.

In these times, people have come to expect online news and information to be free, and news about companies or products both positive and bad is quickly disseminated on the web. The FT ComMetrics Blog Index examines how well large corporations are using blogging as a new means of communication (see FTindex.ComMetrics.com/ for more detailed charts). Best practice seems to suggest that, as well as serving the fare with some charm and worrying about who they are addressing, the primary focus of these blogs is ensuring the quality of their content. Below we address this in some more detail across contexts.

Increasing brand awareness

Destroying brand value is not difficult: all it takes is relentlessly disappointing expectations. Nevertheless, online communication can be used to successfully serve a brand's clientele while building reputation. Henkel demonstrates this quite nicely with its Persil blog (see www.persilblog.de/). The blog has a clear focus, namely informing readers about what is happening with the product, including the brand's history. Sometimes blog posts provide information on getting your whites whiter, sometimes posts cover new developments that are in store and so on. This blog is focused without being pretentious - what you see is what you get.

Procter & Gamble has chosen a slightly more indirect way, by supporting blogging activities that focus on social responsibility issues and safer drinking water for people around the globe (see childrensafedrinkingwater.typepad.com/pgsafewater/).

The above examples illustrate how blogs can support corporate efforts to resonate with consumers. In turn, this helps build a stronger connection with people across borders and cultures.

Serving product line and reputation

Reputation is how people feel about a company, the other side of the coin being brand management. Some reputation-focused blogs are linked to a particular product, such as the Royal Bank of Canada (see ComMetrics.com/?p=598 for more info), which makes an effort to reach out to current and potential customers by focusing on issues of interest to post-secondary students. Volvo has numerous blogs, one of which is related to its sponsorship of sailing activities and reaches out to people who are sailing buffs or just have a passing interest.

These examples illustrate how blogging can become a communications channel that supports the company's efforts to maintain and improve its reputation with consumers.

Financial crisis

In summer 2008, the Securities and Exchange Commission ruled that US companies are permitted to use their websites to distribute market-sensitive information. In November, GE became one of the first to use a specific domain for a blog targeted at investors, shareholders and analysts (see www.gereports.com/). The site is sometimes updated several times during the workday and is the only source that provides unique information about cost-cutting efforts (for example at GE Capital). The site also features responses to articles that appear in traditional media.

Several car companies reported grim quarterly earnings, including Daimler (e.g., net loss of €1.3 billion [\$ 1.7 billion]), which used its blog to better inform workers, suppliers and employees about the firm's strategy to weather the storm (see blog.daimler.de/2009/04/28/ for details [in German]). Nissan has tried to do the same with its blog.

BBVA, Spain's second-biggest bank, reported a 14.2 per cent year-over-year decline in comparable first-quarter net profits as recessions in its main markets of Spain and Mexico slowed lending growth and eroded asset quality. Its blog (included in our ranking) tries to provide investors and customers with the information needed to maintain confidence in the company's capital ratio and continued lending growth, which grew by 5.5 per cent last year.

Here companies have used blogs to better explain their economic situation and how this might affect their clients, employees, investors and/or suppliers, while maintaining confidence in the marketplace.

Recruiting and hiring

As the current economic crisis continues, more and more students with half-completed degrees are asking themselves if they should change their plans. What will happen to the very clever students who were headed for investment banking? Some companies use blogs to point out the opportunities they have to offer those looking to start or continue their careers. One successful example is Oracle's oraclerecruiter.blogspot.com/, while Norwegian-based telecom group Telenor maintains trainee-blog.telenor.com/. Both blogs try to capitalize on students' go-getter spirit during these recessionary times and try to get them to consider these companies as possible launch-pads for their careers.

These and other blogs dealing with career, recruitment and training issues represent an effective way for corresponding with and raising awareness among people wanting to work in those fields, while getting training and development along the way. The blogs try to communicate what career opportunities exist, as well as why and how to go about applying with the company.

Corporate change

The recession has taken a toll on real economy and financial firms around the globe. However, US bank Wells Fargo was probably the first ever company to launch a corporate

blog putting the spotlight on its takeover of another firm, in this case Wachovia. The blog addressed issues such as how the takeover and revamp of operations would pay off for the firm, employees and shareholders. Moreover, its tone carefully avoids touting the end of the credit crisis and explains why earnings could remain volatile this year while nevertheless expressing cautious optimism (see blog.wellsfargo.com/wachovia/). The blog has slightly shifted its focus over time to remain relevant, from takeover effects on job security to Earth Day, corporate outreach and even discussing product innovations.

In this case, best practice means offering readers a blog with information that makes it easier to understand what changes follow a takeover. As importantly, why and how things will improve for employees and customers is also explained.

Bottom line

In the current economic climate, a company's brand represents an important portion of the value of its business. Those included in the FT ComMetrics Blog Index have effectively leveraged their brand by using social media to reach a larger audience. While Twitter or Facebook may be all the rage, blog estate works better to raise brand awareness, as well as start and maintain a long-term conversation to foster better relationships with a company's stakeholder groups.

The blogs listed in the FT ComMetrics Blog Index have used their blogs to keep stakeholders abreast of actions taken to successfully navigate this economic storm. As the above examples illustrate, best practice comes in many forms and depends on what the blog's main focus is (e.g., corporate change versus explaining restructuring or recruiting on college campuses).

Another emerging trend is the relative unwillingness of some large companies, especially in Asia, to embrace blogging. By contrast, North American and European firms and some subsidiaries in countries like Australia and South Africa have been relatively quick to embark on their own blogging adventures. The reasons for these differing adoption patterns have yet to be sufficiently explained, but we have noted a few cases in Asia that, while still in their infancy, look extremely promising.

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The FT ComMetrics Blog Index Methodology

The FT ComMetrics Blog Index is composed of blogs from 75 of the world's top 500 companies (according to market capitalization) and ranks their effectiveness. It evaluates how companies' corporate blogs are achieving their objectives (e.g., customer/investor relations, social responsibility) according to a series of broad metrics including reach, message and contact, as well as a series of specific metrics including how well the blog fosters conversation and participation.

The FT ComMetrics Blog Index ranks the effectiveness of the corporate blogs of the top 75 companies from the US, Europe and the rest of the world listed on the FT Global 500 2008. It evaluates how they are achieving their objectives according to a series of broad metrics, including reach, message and contact, as well as specific metrics including how well the blog fosters conversation and participation. We look at the entire blog, covering non-English content where important.

A division of CyTRAP Labs GmbH, ComMetrics has developed a methodology and web-based software-as-a-service tool that allows for detailed comparison and benchmarking of corporate blogs (i.e. what works and what fails, where to improve and incorporating trends). ComMetrics has also developed good practice checklists from these data. The [FT ComMetrics Blog Index](#) uses a scaled-down version of this methodology that focuses on a blog's footprint.

ComMetrics' methodology divides the metrics into two groups: overall and specific. Specific metrics concentrate on how well the blog serves interest and user groups, as well as providing a link between financial data (for example, stock price) and social media. The table on below focuses on the overall metrics.

We normalize the data received and give each indicator equal weighting before adding everything up to get the rankings. After examining the data for each indicator, the value of each is standardized around the mean using [z-scores](#). The **highest-scoring corporate blog is given the number 100**, and the other firms' scores are recalculated as a percentage in relation to that top score. Every enterprise's performance is presented relative to the other firms with which it is being compared. **A corporation with an overall score of 100 does not necessarily top out on every indicator; rather, it has accumulated the highest composite score.**

View the **complete rankings** at FTindex.ComMetrics.com

The following categories are used in the table of raw data.

- [Google PageRank](#) interprets web links and assigns a numerical weighting to each site.
- [Technorati Authority](#) analyses the number of links to a blog from other sites.
- [Technorati Ranking](#) rates blogs according to authority and popularity.
- [Yahoo! InLinks](#) monitors links to a blog.
- [Google Blog Search](#) is a search engine for blogs that produces lists of results, the
- [ComMetrics Footprint](#) is the [rankings we calculate using the above indicators](#)

Find out more about the [FT ComMetrics Blog Index](#) using these links: [Leaders by metric](#), [What is top class](#), [Methodology](#), [Good and best practice](#), [Lessons learned](#), [Trends to watch](#), [Your own index report](#), [Free download: PDF report](#).

Relevant blog metrics for diary, personal and business blogs.

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About ComMetrics

ComMetrics, a division of [CyTRAP Labs GmbH](#), is an industry leader in the analysis of corporate blogs in Europe, creating web-based software used by social media experts, in-house professionals and advertising agencies helping companies improve social media performance in the blogosphere.

As an independent consulting body, we have been monitoring best practice since its inception at the turn of the 21st century and advise corporations, non-profits and governmental organizations on their social media presence. For these tasks we have developed a range of web-based software tools, some of which are offered for public use. These are available at My.ComMetrics.com/.

[Urs E. Gattiker](#), Ph.D., the founder and chief technology officer, is based in our **Zurich office**. [Stefan Beck](#) specializes in Web 2.0 tools and mash-ups, while Dr. [Helga Treiber](#) concentrates on blog strategy/project management and [Freydun Michael Badri](#) focuses on helping clients improve media analytics and compliance. Our **Canadian team** includes Daniel Shorten, a computing science expert with a focus on open source technology, and Melanie Sartori, a media and communications specialist.

Our team of experts is standing by to serve you.