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### 10 TECH TRENDS

Why There's No Escaping the Blog  
Freewheeling bloggers can boost your product—or destroy it. Either way, they've become a force business can't afford to ignore.

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By David Kirkpatrick and Daniel Roth



(Photo: Baerbel Schmidt)

1 Early in the evening of Dec. 1, Microsoft revealed that it planned to take over the world of blogs—the five-million-plus web journals that have exploded on the Internet in the past few years. The company's weapon would be a new service called MSN Spaces, online software that allows people to easily create and maintain blogs. It didn't take long for the blogging world to do what it does best: swarm around a new piece of information; push, prod, and poke at it; and leave it either stronger or a bloody mess. The next day, at the widely read Boing Boing blog, co-editor Xeni Jardin opted to do the latter.

She titled her critique of MSN Spaces "7 Dirty Blogs" and hilariously sent up the fickle censoring filters Microsoft appeared to have built in. MSN Spaces prohibited her from starting a blog called Pornography and the Law or another entitled Corporate Whore Chronicles; yet World of Poop passed, as did the educational Smoking Crack: A How-To Guide for Teens. Within the first hour of Jardin's post, five blogs had linked to it, including the site of 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," 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.

Typically Microsoft would have taken the hits and kept powering forward. That is the Microsoft way. For years such

behavior has done little but make people feel defenseless against the company. But this time Microsoft deployed one of its most important voices to talk back: not Bill Gates or Steve Ballmer, but Robert Scoble.

Scoble has been at Microsoft only 19 months and has neither a high-ranking title (he's a "software evangelist" who works with outside programmers) nor such corporate perks as a window in his office. What Scoble does have is a blog of his own, Scobleizer, on which he weighs in daily with opinions about happenings in the tech world—especially the inner world of Microsoft. On a recent day he posted nine remarks, each averaging a paragraph, on topics ranging from how a company programmer had fixed a security bug to the fact that his wife is becoming a U.S. citizen. Nothing too profound or insightful, yet Scobleizer has given the Microsoft monolith something it has long lacked: an approachable human face.

When it came to the criticism emanating from Boing Boing, Scoble simply... agreed. "MSN Spaces isn't the blogging service 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,'" says Scoble. "The blog is the best relationship generator you've ever seen." His famous boss agrees. "It's all about openness," says 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."

The blog—short for weblog—can indeed be, as Scoble and Gates say, fabulous for relationships. But it can also be much more: a company's worst PR nightmare, its best chance to talk with new and old customers, an ideal way to send out information, and the hardest way to control it. Blogs are challenging the media and changing how people in advertising, marketing, and public relations do their jobs. A few companies like Microsoft are finding ways to work with the blogging world—even as they're getting hammered by it. So far, most others are simply ignoring it.

That will get harder: According to blog search-engine and measurement firm Technorati, 23,000 new weblogs are created every day—or about one every three seconds. Each blog adds to an inescapable trend fueled by the Internet: the democratization of power and opinion. Blogs are just the latest tool that makes it harder for corporations and other institutions to control and dictate their message. An amateur media is springing up, and the smart are adapting. Says Richard Edelman, CEO of Edelman Public Relations: "Now you've got to pitch the bloggers too. You can't just pitch to conventional media."

Of course, it's difficult to take the phenomenon seriously when most blogs involve kids talking about their dates, people posting pictures of their cats, or lefties raging about the right (and vice versa). But whatever the topic, the discussion of business isn't usually too far behind: from bad experiences with a product to good customer service somewhere else. Suddenly everyone's a publisher and everyone's a critic. Says Jeff Jarvis, author of the blog BuzzMachine, and president and creative director of newspaper publisher Advance Publications' Internet division: "There should be someone at every company whose job is to put into Google and blog search engines the name of the company or the brand, followed by the word 'sucks,' just to see what customers are saying."

It all used to be so easy; the adage went "never pick a fight with anyone who buys ink by the barrel." But now everyone can get ink for free, launch a diatribe, and—if what they have to say is interesting to enough people—expect web-enabled word of mouth to carry it around the world. Unlike earlier promises of self-publishing revolutions, the blog movement seems to be the real thing. A big reason for that is a tiny innovation called the permalink: a unique web address for each posting on every blog. Instead of linking to web pages, which can change, bloggers link to one another's posts, which typically remain accessible indefinitely. This style of linking also gives blogs a viral quality, so a pertinent post can gain broad attention amazingly fast—and reputations can get taken down just as quickly.

No one knows that better than Dan Rather. In a now infamous episode, the anchor fell like Goliath to the political bloggers during the presidential campaign. From the start, it was clear that these nobodies with laptops were going to have an impact. Conservative blogs, like the hugely popular InstaPundit, run by Glenn Reynolds, a University of Tennessee law professor, and Little Green Footballs, written by web designer Charles Johnson, or left-leaning sites like Markos Moulitsas's DailyKos, were rallying their hundreds of thousands of daily readers to whatever cause they alighted on. Then, in mid-September, came what the blogosphere—the term used in the blogging world for the blogging world—calls Rathergate. On 60 Minutes, Rather scooped rivals with memos that offered proof of George W. Bush's dereliction of duty while in the Texas National Guard—or that seemed to. Within a half hour of the broadcast, bloggers started questioning the authenticity of the memos. Others picked up on the suspicions and added their own thoughts and findings. After denying it at first, CBS later admitted it could "no longer vouch" for the memos. Soon after the election, Rather announced his retirement and the blogosphere declared victory—to the chagrin of the mainstream press. "We used to think that the news was finished when we printed it," says Jarvis. "But that's when the news now begins."

Just as Rathergate was breaking, corporate America got its

clearest sign of blogger muscle—in this case, brought on not by memos but by a Bic pen. On Sept. 12 someone with the moniker "unaesthetic" posted in a group discussion site for bicycle enthusiasts a strange thing he or she had noticed: that the ubiquitous, U-shaped Kryptonite lock could be easily picked with a Bic ballpoint pen. Two days later a number of blogs, including the consumer electronics site Engadget, posted a video demonstrating the trick. "We're switching to something else ASAP," wrote Engadget editor Phillip Torrone. On Sept. 16, Kryptonite issued a bland statement saying the locks remained a "deterrent to theft" and promising that a new line would be "tougher." That wasn't enough. ("Trivial empty answer," wrote someone in the Engadget comments section.) Every day new bloggers began writing about the issue and talking about their experiences, and hundreds of thousands were reading about it. Prompted by the blogs, the New York Times and the Associated Press on Sept. 17 published stories about the problem—articles that set off a new chain of blogging. On Sept. 19, estimates Technorati, about 1.8 million people saw postings about Kryptonite (see chart).

Finally, on Sept. 22, Kryptonite announced it would exchange any affected lock free. The company now expects to send out over 100,000 new locks. "It's been—I don't necessarily want to use the word 'devastating'—but it's been serious from a business perspective," says marketing director Karen Rizzo. Kryptonite's parent, Ingersoll-Rand, said it expects the fiasco to cost \$10 million, a big chunk of Kryptonite's estimated \$25 million in revenues. Ten days, \$10 million. "Had they responded earlier, they might have stopped the anger before it hit the papers and became widespread," says Andrew Bernstein, CEO of Cymfony, a data-analysis company that watches the web for corporate customers and provides warning of such impending catastrophes.

Those who have tried to game the blogosphere haven't done much better. Mazda, hoping to reach its Gen Y buyers, crafted a blog supposedly run by someone named Kid Halloween, a 22-year-old hipster who posted things like: "Tonight I am going to see Ministry and My Life With the Thrill Kill Cult.... This will be a retro industrial flashback." He also posted a link to three videos he said a friend recorded off public-access TV. One showed a Mazda3 attempting to break dance, and another had it driving off a ramp like a skateboard, leading in both cases to frightening crashes. Other bloggers sensed a phony in their midst—the expensively produced videos were tip-offs—and began talking about it. Suddenly Mazda wasn't being hailed; it was being reviled on widely read blogs. "Everything about that 'blog' is insulting," wrote a poster on Autoblog. Mazda pulled the site after three days and now says it never intended it to have a long run. "It was a learning experience," says a spokesman. Tig Tillinghast, who runs the respected advertising industry blog Marketingvox.com, calls Mazda's blogging clumsiness "the moral equivalent of doing an English-language

print ad that was written by a native French speaker."

"If you fudge or lie on a blog, you are biting the karmic weenie," says Steve Hayden, vice chairman of advertising giant Ogilvy & Mather, which creates blogs for clients. "The negative reaction will be so great that, whatever your intention was, it will be overwhelmed and crushed like a bug. You're fighting with very powerful forces because it's real people's opinions."

It all sounds like so much insanity: a worldwide cabal ready to pounce on and publicize any error a company makes. Yet it's not as if corporations are just sitting ducks. For one thing, not every negative voice is that influential. For every RATHERGATE or KRYPTONITE, there are thousands of other posts that disappear into the ether. Simply railing against Wal-Mart or repeating the latest conspiracy theory about Halliburton doesn't guarantee that the blogosphere will take notice.

More important, obsessive blogs can mean obsessive customers. The witty blogger behind Manolo's Shoe Blog may bash Birkenstocks and Uggs, but he drools over Coach, Prada, and, of course, Manolo Blahniks. Before blogs, finding someone like him—a person who probably helps others make buying decisions—would have been difficult and costly. Now it's just a matter of Googling or searching on any of the blog-specific search engines like Technorati or Feedster. For those who want to go deeper, firms like Intelliseek and BuzzMetrics use sophisticated software to analyze the blog universe for corporate clients. They use this growing online database of constantly updated consumer opinion for marketing and product-development ideas.

But how to speak directly to this swarm? Wary of a Mazda-like fiasco, most companies that want to blog try to walk a fine line: telling employee bloggers to be honest but also encouraging evangelism. Corporate propaganda almost always drives readers away; real people with real opinions keep them coming back. At the GM Smallblock Engine Blog, employees and customers rhapsodize about Corvettes and other GM cars. Stoneyfield Farm has several blogs about yogurt. Not surprisingly, the earliest adopters have been tech firms. The biggest chunk of the 5,000 or so corporate bloggers comes from Microsoft, but others work at Monster.com, Intuit, and Sun Microsystems—where even the company's acerbic No. 2, Jonathan Schwartz, gets in on the action. (A recent Schwartz post openly criticizes competitor Hewlett-Packard: "Yet another series of disappointing announcements.")

At best, these blogs can act like tranquilizers in an elephant: slowing a maddened charge against a company but not stopping it. Macromedia three years ago set up a few employee blogs to give customers a one-stop place for info and tech support. The blogs, and the employees running them, quickly became an important resource to customers—as well as to the company. When Macromedia in 2003 released software that was

maddeningly slow, the company bloggers quickly acknowledged the need for fixes, helping ease some of the tension. "It was a great early-warning system and helped us frame the situation," says senior vice president Tom Hale. "It accrued a huge benefit to us."

"I need to be credible," says Microsoft's Scoble. "If I'm only saying, 'Use Microsoft products, rah rah rah,' it sounds like a press release, and I lose all ability to have a conversation with the world at large."

Unfiltered conversations aren't exactly the kind of things in-house counsel encourage, though. And employees have been fired at Starbucks, Harvard University, Delta, and social-networking software company Friendster for blogs the organizations apparently deemed offensive, though none will comment. Even blogging boosters Microsoft and Sun have hit bumps. Microsoft fired a temp who posted photos of Apple computers sitting on a company loading dock. Sun CEO Scott McNealy was urged not to blog after he showed trial posts to company lawyers and colleagues. "I've got too many constituents that I have to pretend to be nice to," he says.

As big companies try to maintain a delicate balance, it's often the smaller players who are nimbly working blogs to their advantage. Entrepreneurs like Shayne McQuade have learned that bloggers can be an easy—and free—marketing arm, if used right. McQuade, a onetime McKinsey consultant, in 2002 invented a backpack with built-in solar panels that enables hikers and Eurotrippers to keep their gadgets charged. He spent \$15,000 getting the company up and running, outsourcing design and manufacturing to jobbers in Asia and warehousing and shipping to a company in New Jersey. The only thing left for him was getting the word out: He ended up outsourcing that to bloggers.

In late September, just after McQuade received an early sample of the Voltaic Backpack, he asked a friend, Graham Hill—who runs a "green design" weblog called Treehugger—if he'd mention the product. Start up the swarm! Within a few hours of Voltaic's hitting Treehugger, the popular CoolHunting blog mentioned McQuade's product, which got it seen by Joel Johnson, editor of Engadget competitor Gizmodo. Each step up in the blogging ecosystem brought Voltaic to a broader audience. (Yes, for all its democratic trappings, there are hierarchies of influence in the blogging world.)

In came a flurry of orders. Ironically, McQuade—who had helped research *Net Gain*, a seminal book on how the Internet would change business—was unprepared. "Overnight what was supposed to be laying a little groundwork became my launch," he says. "This is the ultimate word-of-mouth marketing channel."

These are still the early days of blogging, and the form is still

morphing. Blogs that host music and video are popping up, people are starting to blog text and photos from their phones, and sites like NewsGator, using a technology called RSS, allow people to subscribe to blogs. Plus, an arms race is building behind the scenes. Venture capitalists last year invested a still tiny \$33 million into blog-related companies, but that was up from \$8 million the year before, according to research firm VentureOne. Blog ad companies, which place ads and pay per response, are enabling bloggers to earn money from their sites. And blogging publishers have emerged. Two of the most prominent, Jason Calacanis and Nick Denton, are going head-to-head with stables of popular blogs (Engadget and Autoblog vs. Gizmodo, Gawker, and Wonkette, among others). More important, some of the most competitive companies in tech are throwing their weight behind blogging.

The newest kid on the blog block, Microsoft, has already seen what the sites can do for it. Now it thinks it has a chance to grab the youth market. Blake Irving, the VP who oversees Hotmail, the e-mail service, with 187 million users, and MSN Messenger, with 145 million IM accounts, views MSN Spaces as "the third leg of the communications stool," one that Microsoft hopes to turn into an advertising-fueled business. MSN is already selling ads on some Spaces for things like Lacoste shirts at Neiman Marcus online. E-mail is for old people, says Irving; kids prefer to communicate by phone and IM, and, now, by keeping blogs. So Spaces is tightly integrated with the latest version of MSN Messenger. Says Bill Gates, who claims he'd like to start a blog but doesn't have the time: "As blogging software gets easier to use, the boundaries between, say, writing e-mail and writing a blog will start to blur. This will fundamentally change how we document our lives."

Google, the company that Microsoft is playing catchup with (its Blogger.com division is the largest blogging service right now), also expects blogs to become as important as e-mail and IM. Right now, it's working on ways to better help people find content they want in blogs, says Jason Goldman, Blogger's product manager. But if Google's internal use of Blogger is any indication, it also sees it as an essential business tool. Since 2003, when it bought Pyra Labs, the company that launched Blogger.com, Google's employees have created several hundred internal blogs. They are used for collaborating on projects as well as selling extra concert tickets and finding Rollerblading partners. Google's public relations, quality control, and advertising departments all have blogs, some of them public. When Google redesigned its search home page, a staffer blogged notes from every brainstorm session. "With a company like Google that's growing this fast, the verbal history can't be passed along fast enough," says Marissa Mayer, who oversees the search site and all of Google's consumer web products. "Our legal department loves the blogs, because it basically is a written-down, backed-up, permanent time-stamped version of

the scientist's notebook. When you want to file a patent, you can now show in blogs where this idea happened."

But when you live by the blog, you die by the blog (or at least feel serious pain). Perhaps the best example comes from Mena and Ben Trott, the husband and wife team who founded Six Apart, creator of Movable Type, the blogging software that now runs some of the most prominent blogs on the web, including InstaPundit and Jarvis's BuzzMachine. The Trotts, both 27, started the company after the success of Mena's blog, Dollarshort.org. ("A day late and a dollar short," she says. "A lot of my stories were about people picking on me and being a dork.") Unhappy with the software she was using, Mena enlisted programmer Ben to design their own blog software. They announced the product in October 2001 with just a post on Mena's blog, and had 100 downloads the first hour. Companies paid a flat rate of \$150 and individuals were invited to pay what they thought the product was worth. "If we got \$50 or \$60, that was nice," says Mena.

The Trotts soon started a hosting service for blogs, called TypePad, and lured \$11.5 million in venture financing—along with some big customers, including Disney, the U.S. Air Force, Fujitsu, and Nokia. Yet until May, Six Apart was relying on its original pricing scheme. The Trotts decided to upgrade. Mena posted a long message describing the new fee structure on her company blog, Mena's Corner. Less than three hours later, the first comments started rolling in. "Looks like I'll be dumping Movable Type soon" was the first. Many others echoed that outrage in what became a total of 849 customer comments in about ten languages.

Six Apart didn't erase any of the comments, even the most negative ones. Mena read every comment in full, then kept posting notes explaining why the company had changed the pricing structure and that it was still working on revising it. Looking back now, she says, "We made people feel heard." And she knows that sooner or later, the process will start all over again. Says CEO Barak Berkowitz: "When everybody has a tool for talking to the rest of the world, you can't hide from your mistakes. You have to face them. Once you commit to an open dialogue, you can't stop. And it's painful." As the impact of blogs spreads through global business, that pain—and promise—will be something companies will have to deal with. And if they don't? You're bound to read about it in a blog.

Next: [The Siren Call of the Digital Home](#)

Oliver Ryan, reporter associate

*Feedback:* [dkirkpatrick@fortunemail.com](mailto:dkirkpatrick@fortunemail.com),  
[droth@fortunemail.com](mailto:droth@fortunemail.com)

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