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BARKS & BITES

Does Your CEO Still Dog Blogs? Here's Proof They Can Shape (or Sap) Your Reputation

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Think back ten years. Who will admit that in 1996 they questioned—even doubted—the power of the Internet to transform the way business everywhere would be conducted? Early skeptics need not raise their hands. Despite evidence of another major shift, many executives seem determined to doubt the Internet's power to alter business paradigms.

Take blogs. While senior executives have weblogs on their radar, the Makovsky 2006 State of Corporate Blogging Survey, conducted by HarrisInteractive®, concluded that most senior executives at large companies are slow to react to corporate blogs growing credibility as a communications medium.

Conducted in February and released last week, the survey found that only 30 percent of the 150 senior executives from Fortune 1000 companies said they had a "thorough understanding" of the term "Internet blog." (Remember having to explain what a website is, let alone how it could drive business?)

Some 83 percent of the survey respondents believed that blogs are a form of "citizen journalism." Blogs are

actually far more. In fact, a weblog is a website that typically combines text, images and links to create personal commentary.

Blog search engine Technorati estimates that 37 million blogs now reside on the Internet, and that 75,000 blogs—one every second—are added daily in the

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U.S. Admittedly, much of this content has an audience in the dozens. But the most influential blogs contain compelling content from writers who combine expertise, insight and passion. The entries often contain external links to buttress very opinionated writings. There's a culture clash with businesses. Blogging values communiqués that are frank, spontaneous, provocative and even shocking. It's a sharp contrast with

journalistic neutrality or the control found in many business communications.

If you think bloggers from different groups can't attract an audience or affect corporate action, consider this:

An engineer's blog raised the first questions about Raytheon CEO William Swanson's authorship of a book of management sayings Swanson had published under his name. It cost Swanson a very public \$1 million.

Political bloggers started the questions about Dan Rather's initial story about President Bush's military record.

Consumer bloggers hounded Dell Computer and generated a negative *BusinessWeek* cover story.

Yet blogs remain a great unknown for most corporations. The Makovsky survey found that only 20 percent of the executives surveyed have any process for monitoring blogs written about their company. The most active 21

percent of the respondents report reading business-related blog once weekly. It's reported elsewhere that only 29 companies in the Fortune 500 (or 5.8 percent) have active public blogs written by their employees about the company or its products. One of the most notable is GM's "Fast Lane," begun by its Vice Chairman Bob Lutz.

The lack of corporate policies about blogging could create vulnerabilities for

some businesses and confusion for employees. Even though there are only a few company-sponsored blogs, some 77 percent of our respondents believe there should be policies concerning how employees contribute to blogs sponsored by their company. Another 40 percent of the respondents believe there should be corporate policies regarding posts to sites unrelated to company activities. Companies and their employees haven't remained unaffected: Some 12 percent of the executives surveyed said their companies have taken legal or other action towards employees in response to a blog posting.

In short, the Makovsky survey illustrates that few Fortune 1000 executives are sure of what a blog is. Even fewer are monitoring the content being written about them in a medium that's growing at the rate of one per second, and invites passionate opinion about their companies, its executives, products and practices. Because blogs can shape opinion about your company at Internet speed, PR executives risk their company's reputation if they are ignored. Just which blogs affect your company will depend on its issues and industry. Develop a strategy to engage blogs effectively. Don't just watch it happen. And if your CEO thinks blogs are

a fad, ask him or her to think back ten years: How much of a fad is the corporate website?

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Does your company have/should it have any of the following policies regarding corporate blogging?

