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Friends in online places

Business and social media

Recent years have brought a massive growth in the social networking phenomenon. So much so that a seemingly ever-increasing number of people now consider a regular fix of Facebook or Twitter to be a key part of their daily routine.

Many organizations might frown upon employees relentlessly engaging in such activities. And with some justification too. There is a strong case for arguing that keeping oneself informed about the evolving thoughts of friends, acquaintances and celebrities detracts significantly from work matters in hand.

The marketing ally

But the more astute organizations will manage to look beyond this perceived threat to productivity and regard social media as a publicity vehicle of rich potential. Indeed, certain companies have already enjoyed massive sales boosts as a direct consequence of endorsement from blogs or other online communication channels.

Readers, writers and marketers consider blogging to be cool and trendy. Some bloggers build up huge followings and achieve cult status as a result. Not surprisingly, these individuals can wield a substantial amount of influence over their readers. Equally significant is the fact that blogs have invaded the territory formerly controlled by magazines and other traditional print media.

What sets blogs apart from magazines, whether printed or online, is the interactive element. Within their articles, bloggers frequently reveal information about themselves and the opportunity for readers to add comments or feedback means that a two-way relationship effectively develops. A notable consequence is that many readers come to look upon bloggers as their friends. This illusion of having a close relationship with a media personality has been referred to as para-social interaction (PSI) and is typically associated with a television context. That many blogs are typically updated several times each day further intensifies the blogger-as-friend notions.

One of the most important things to consider is the common tendency for people making purchase decisions to be swayed by advice from friends. Indeed, word-of-mouth (WOM) recommendation from peers and significant others has long been recognized as a powerful weapon in any marketer's armory. On that premise, it is reasonable to assume that any suggestions which emerge from a blog might have an impact that is similar to a conventional WOM recommendation.

Specifically, a consumer's attitude towards a certain brand is likely to become more upbeat when that brand is referred to positively by a favorite blogger. And since attitude impacts on

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purchase intention, there is a good chance that the consumer will then choose the brand instead of the alternatives available to them.

Most people will not accept recommendations from a blogger unconditionally though. For a start, they need to know the nature of the relationship between writer and brand. They need honesty about this issue. And they need reassurance that the blogger will only wax lyrically about brands he or she has personal experience with and genuinely prefers. If such assurances are not forthcoming, consumers will question the blogger's motivation and suspect that brand endorsement is for personal gain rather than any true concern for the reader.

It is often said that it is who people know rather than what people know that generates any meaningful breaks in life. That is pretty much the case where WOM recommendation is concerned. Although the information itself is obviously important, its value can be markedly enhanced when conveyed by a source perceived as credible.

Source credibility is even more crucial in an online context because consumers are unable to test goods prior to purchase. They need considerable faith in those recommending a certain product before they commit to buy. Where blog writers are concerned, the situation is exactly the same. The more trust consumers have in the blogger, the more receptive they will be to their messages. With online magazines and other more traditional media forms, source credibility becomes less of an issue because readers feel less personally involved with the writer.

Overall, any brand publicity generated through blogs has the potential to be far more effective than similar publicity emanating from online or print magazines. Readers essentially form pseudo-friendships with their favorite bloggers and this relationship subsequently extends to brands the blogger speaks highly about.

Given the soaring popularity of social media, traditional media forms should consider trying to create a blog-type effect. One way of achieving this might be to make journalists more prominent in order to generate PSI and personalize relations with their readers. It is, however, vital to realize that audiences will see through any pretence and only engage with writers they believe are the same ilk as themselves. Instead of trying to buy consumer affection through sponsorship of social media in return for product endorsement, companies should rethink their strategies and attempt instead to nurture genuine relationships with the blog fraternity.

Why workblogs should be heeded

Another reason exists to justify company attention to blogging. For several years, workers in a wide variety of industries have produced internet-based diaries relating to their experience of work. Written anonymously, these workblogs were in the main initially produced by call center employees before those in other sectors jumped on the bandwagon.

Call center staff saw blog writing as some escapism from their perceived humdrum existence and an opportunity to stick up the proverbial two fingers at their organization. A whole blogging community emerged and often used humor to convey a sense of shared frustration about working life and conditions. The picture was not totally clear though. Amid the disparagement there was evidence that at least some individuals were crying out for employer recognition of their efforts and contribution at work.

Surveillance and sanction is the predictable company response. While this initially made blogging during working time far more hazardous, the emergence of handheld devices like Blackberries and iPhones have proved a godsend to those hell-bent on continuing to engage in the activity.

Perhaps organizations should take a more tolerant view and try to emphasize with employee concerns. The most valuable asset for any firm is its people, although an alarming number appear to lose sight of that fact. An odd dissenting voice here and there is one thing but collective disenchantment is something else altogether. Just think of the negative impact on output that is likely to spawn.

Paying closer attention to blogs might enable company leaders to better understand how the working environment can be improved. Realization is also needed that interacting with other workers through their writing can actually help to transform an individual's outlook. Nevertheless, gaining access to work-related blogs is not always as simple nowadays thanks to the emergence and growing popularity of social networking applications like Twitter and Facebook. It is usually possible to access content on the former, although the strict character limit on the Tweets generated provides only a fleeting glimpse of the writer's reflections. And while Facebook users generally operate under their real names, the account holder determines exactly who is granted access to the content of their pages.

A world beyond advertising?

Interest in Facebook is guaranteed as long as it remains the marketers' darling. The application offers a huge captive audience whose actions are monitored closely. An army of mathematicians beaver away in the background trawling through endless streams of data to work out formulas and build up consumer profiles. The reason for such a painstaking operation? So that consumers can be targeted with precision by advertisers. Online advertising is a big bucks industry and several others have followed in the wake of Facebook to get in on the act. Game maker Zynga and Groupon, the coupon distributor, are two of the more renowned. It is no real surprise to find investors chomping at the bit too.

But those with vivid memories of the dot-com crash are worried that the latest bubble will have the same unhappy ending. Should history repeat itself, there is little doubt that giants like Facebook will survive. The future is, however, much less clear for the plethora of new companies clamoring to get in on the online ad act.

Breakthrough ideas from one technology generation have provided the foundations for the subsequent one. The real concern now is that such legacies might have come to an end, at least temporarily. Being so obsessed with online advertising means that technology is not diversifying enough to provide a substantial core for the next cycle.

There is hope though. Certain firms are trying to break the mould and have grander ambitions than learning about Facebook likes. Cloudera is one such organization. Founder Jeff Hammerbacher became disillusioned with the ad-based business model after serving time at Facebook and created the data-analysis software company in the aftermath. A core aim of Cloudera is to build a different type of operating system using technology that enables firms to break down huge masses of data and gain insights that can be used productively to, for instance, help aid the development of new drugs. What is obvious is that the company seems eager to bring back a sense of entrepreneurialism into technology that has somehow been left behind over recent years.

Comment

The review is based upon: "Following the fashionable friend: the power of social media – weighing the publicity effectiveness of blogs versus online magazines" by Jonas Colliander and Micael Dahlén, "Workblogging in a Facebook age" by Abigail Schoneboom, and "Are social networks gonna blow?" by Ashlee Vance. In the first piece, the authors argue that online blog writers can exert considerable influence on brand choice and purchase behavior of their readers. This interesting account reveals how readers come to regard bloggers as

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friends and that the influence functions similarly to proven word-of-mouth recommendation. Colliander and Dahlén also point out how issues like source credibility and writer-brand relationships impact on the reader's perception of what is being endorsed in the blog. Schoneboom examines the significance of blogs written about their jobs and workplace conditions by generally disenchanted employees. She looks at the origins of the practice and how it has developed in the face of company restrictions and advances in technology. As suggested in the article, some valuable insight is offered into worker roles in the labor process. In her piece, Vance considers the obsession with online advertising that has emerged with the rapid growth of networking services like Facebook. The lack of diversification prompts some authorial concern about the future direction of technology – should the social networking bubble burst. However, she tempers this by detailing how some new data-analysis software companies are exploring different avenues to enable data to be used differently such as in the search for ground-breaking drugs.

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