

Blogging the Market

How Weblogs are turning corporate machines into real conversations

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Abstract

It has been repeatedly argued that the process/technology of weblogs offers a novel approach towards the continuation of democratic public discourse. Within the boundaries of the firm though, the implementation of weblogs takes a whole new dimension to realising that weblogs are more than the sum of its parts: more than vibrant public forums and frequently updated streams-of-consciousness, alternative forms of publishing and online outbursts of gonzo journalism, and personal diaries. They are the embodiment of online self-organising social systems, are essentially characterised by management decentralisation and ultimately threaten to destabilise current organisational structures and re-invent the scope of management. Provided that weblogs are not co-opted by rigid corporate policies that aim at stifling the creative spirit that fosters innovation - one of the reasons for having weblog communities at the first place - weblogs can be successfully deployed within the organisation with a pervasive effect across all the stages of the value chain "achieving a greater return on connection from employee, customer and partner relationships". As an extension, they can possibly involve all interested groups; regardless of their level of attachment to the company.

In fact, weblogs have an infinite spectrum of potential applications whose viability is based on the dual understanding that weblogs are an attempt to break free from the dehumanised, standardised, conformant with corporate guidelines on how to address an audience PR speak that customers are increasingly sceptical of, and a flexible virtual platform onto which a process of cross-fertilisation among individual thoughts and ideas unfolds.

Weblogs, in other words, envisage a hierarchy circumvention mechanism, which empowers knowledgeable employees to indulge in conversations with the market rather than communicating solely by means of marketing pitches and press releases that besides have limited effectiveness in a connected market economy. For years it has been suggested that online communities will revolutionalise the way organisations operate, however, the only social process/technological infrastructure that has reached this potential and is dynamically evolving is the weblog. It takes no technical savvy to set up a weblog and start talking to your customers. That's why weblogs are huge: they take the power out of the IT department and the webmaster's hegemony and hand it over to where knowledge really resides - to the individual workers who are knowledgeable enough and know how to speak with a human voice. Now, organisational structure loses its historic role of managing power relations at a distance, and as a result the organisation becomes truly hyperlinked and power shifts to where knowledge actually resides.

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About the author

George Dafermos spent a considerable amount of his youth studying markets and organisations. During his undergraduate years, he specialised in firing marketing weapons and capturing mind share. During his postgraduate years he also paid homage to Clausewitz as any studious, self-respecting management postgrad would have done. He has yet to understand how to apply his military wisdom to markets that aim at maximizing all participants' welfare. While it took George five years to practically elaborate on how best to organise, structure organisations and communicate with the marketplace in accordance with what he has been taught of, it took him only five minutes to start a weblog and join the conversation without any prior study. He now reckons that organisations have immensely to profit from blogging and believes that it is far more cost-effective for managers to learn how to listen and speak with a real voice than to attend lucrative MBA programmes or bring an arsenal of consultants in.

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Table Of Contents

Introduction	6
The Athenian Agora	6
Work and Organisations in Ancient Athens	7
The Demise of the Argonauts	8
Production equals Progress and the “Dependence Effect”	8
Business is War	10
Niches and Relationships	18
Electronic Dreams	19
A Hitchhiker’s Guide to Adidas ‘s E - Commerce Galaxy	21
Afraid of Conversations	24
Is this really the New Marketing Era?	25
Enter the Weblog	27
Collaborative filtering: one of the same or marketing from the market’s perspective?	28
Gizmodo and blogging-for-profit	35
The search for community and profit: Slashdot and OpenFlows	38
Macromedia is blogging at full speed	44
Corporate Policy on Employee Weblogs	49
Secret CIO Vs. Weblogs	52
Re-inventing Knowledge Management behind the firewall	54
Is your corporate email broken? Don’t fix it, try weblogs instead!	57
The End of Corporate Email?	58
Authorship at Work	62
Killing Mrs. Hierarchy	65
The conversations in the marketplace have begun	66
Weblog Links Moderate Conversations	68
Weblog Links Depict Social Capital	70
Weblog Links Set Bombs	76
The End of the Destination Website	80
Conclusions: What lies ahead	81
Epilogue	83
Bibliography	85

Table of Figures

Figure 1 Stan Smith: How can I select another colour?

Figure 2 Hmm..., let's see how we can contact Adidas

Figure 3 The Adidas Website Email form

Figure 4 Customer Reviews of Harry Potter at Amazon.co.uk

Figure 5 Andrew Sullivan's Weblog Book Club discussing *Kaplan's Warrior Politics*

Figure 6 Links to Amazon from Andrew Sullivan's Book Club

Figure 7 The Gizmodo Weblog

Figure 8 The "Read the Weblog -- Get 10% off" promotion at Mike Chambers' blog

Figure 9 Radio Userland's Comments Box

Figure 10 Groove Networks CEO Ray Ozzie's Weblog

Figure 11 Ross Mayfield's Ecosystem of Networks

Figure 12 Flemming Funch's Blogging Bubbles

Introduction

We speak. We rant. We whisper and we shout. We swear and we flirt. We strike up conversations on the street, at the office, in front of the telly and while riding the bus. Some of these conversations mean to be casual whereas others mean not. It's an undisputable fact that social conduct characterises human beings and we all have an inner drive to socialise with fellow human beings. Whether that is on the street, at the office or anywhere else.

The Athenian Agora

In the city-state of Athens, about 3,000 years ago, Athenian citizens used to meet regularly at the “town centre” to announce projects, discuss politics and military affairs and decide on matters of common interest. What was so peculiar about this congregation – that came to be known as ‘agora’ – is that all Athenian citizens had the right to speak their own mind about almost anything and address their fellow citizens and when a decision had to be made, no one's vote mattered more than someone else's. And everything took place out in the open. No single Athenian was privileged in terms of public exposure and all opinions voiced at the agora were judged against their own merit. The ability to speak, raise objections, comment and criticise was equally distributed among all attendants and power to decide on the action to be taken based on what was previously debated was also equally distributed. Some embraced their fellow citizens' ideas, and joined a civic coalition to take immediate action provided of course that they managed to convince the majority while others detached themselves emotionally from these very same ideas and went on to counter argue and oppose them. Conflict, enthusiasm, dispute and all sorts of verbal demonstrations of human emotions and feelings were evident and encouraged. Legendary war campaigns, marches to the battlefield and critical community issues related to, say, education, sports or arts, were decided in this way rather than at the headquarters of the army general or at the palace of the ruling king (besides, there was no king). And that is what Democracy means in Greek: the public holds the power reigns. However, the organisation of the agora conveyed also something else: *that power shifted to where knowledge resided*. Athenians were empowered by the abstract, yet real social

infrastructure of the agora to publicly demonstrate their knowledge by means of articulating arguments in favour or against of certain propositions and on these premises, to gain the respect, the approval and the support of everyone engaged in the conversation. Yet it is striking how distant this archaic “town centre” looks from the one we are familiar with. Time went by and approximately 2,150 years ago ancient Greek forces were outperformed by the Roman army in the battlefield, and Athens was eventually taken over by the Roman Empire. The Athenian democracy and agora did not ever recover. Never again in human history had people had this staggering ability to collectively make decisions and collectively implement them.

Work and Organisations in Ancient Athens

Athenians were not working at offices. To be precise, they were not particularly fond of work; they’d rather spend their time ‘cultivating’ their body and mind rather than consuming themselves as they reckoned at work. Ironically, they didn’t think that fighting wars was consuming and they thought highly of martial arts. For some time, they were indeed very successful at fighting and conquering places. So, slaves, commodities and all kinds of material goods were shipped from the colonies and from territories enslaved by the Athenian army to eliminate the need for Athenians to work in order to cover life’s essential needs. Goods brought in from the colonies took care of their hunger, thirst and clothing needs and slaves did most of everything else. But commerce was also thriving in Athens. At the time, there were no organisations in the sense we are nowadays familiar with. Instead, merchants and anyone interested in buying or selling something met at the agora where they talked, negotiated merchandise and prices, exchanged what was agreed and shook hands. Deal closed, sale done. If someone encountered a problem with something he bought, he’d also go to the agora to see the merchant he bought it from and unless the merchant fixed the problem, another cycle of negotiations normally would begin until both parties reached an agreement as to what should be done then.

When however an organisation had to be formed to seize a market opportunity, say sail to Egypt to buy cheap silk and then sell it to Syracuse, the agora served to gather support and manpower for the undertaking too. The project announcement would be made at the agora and anyone interested in joining the organisation would shout or approach the man who made the announcement and tell him “Hey, count me in!” or

ask “What’s in it for me?”. Organisations were rather formed in an ad hoc basis, consisting of a group of people who had come together for a very specific project and once the project ‘s mission had been accomplished, say the silk from Egypt had been successfully sold in Syracuse to continue with the above example, the temporary company disbanded.

The Demise of the Argonauts

The point is that the agora was more than a place people gathered. It was a process of constantly conversing with others and it was real. Real people met real people and real problems sought real solutions. It was not plain rhetoric and it was not only for the few good men who had an angle on the king, the president, or the CEO and as such were the ones privileged to decide what is best. Looking back to the 20th century, we witness that public places resembling the agora eclipsed, and project – based organisations modelled on the Argonauts from Ancient Greece were deemed inefficient and in the name of progress were replaced with huge vertically-integrated corporate dinosaurs whose mission other than making money for the few good men, was (is) to last forever. Of course, the ‘dinosaurs’ never said they were only looking after the interests of the few good men and that they wanted to be immortal but we should not put the blame on them. After all, social welfare allegedly demanded abundance of products and ‘abundance’ demanded massive production plants and massive production sites demanded economies of scale that only gargantuan in size corporate machines could economically justify and implement. The Argonauts were simply incompetent to handle the production volume and deliver the production output required to boost progress. So, they were obliterated.

Production equals Progress and the “Dependence Effect”

In textbook economic theory and in the real world as well, the dogma that the higher the level of production output the better it is for society is almost impossible to refute. Nations estimate their well being and competitiveness according to their production output, and higher levels of production seem to offer a panacea to all kinds of social ills: unemployment, economic security and most important of all, a higher level of production results in higher standards of life as more products come out of the factory

to satisfy our wants. Put otherwise, the industrialisation that wiped the Argonauts out of the map is both economically and socially grounded. The mission of economics is to maximise production from a given set of finite resources, so every increase is for the best. And as we said, the more products that come out of the factory the more of our wants are satisfied, so the more prosperous we become.

The only problem was how to create a manufacturing system capable of skyrocketing production to until previously unheard of levels. Simple. Henry Ford prescribed a rather simple fix to the productivity problem: interchangeable workers carrying out repetitive interchangeable tasks leading to interchangeable products. “Maximize efficiency by minimizing difference”. Production was increased all right. In fact, it reached stratospheric heights. What about consumption though? For consumption to catch up with production, the help of advertising was employed. As early as in 1958, J.K. Galbraith wrote that “production only fills a void it has itself created”. He argued that increased production and more products do not necessarily amount for greater social welfare because many of our wants are manufactured by the science of advertising and salesmanship. Had products not been advertised, wants would not have existed. Galbraith dubbed it ‘the Dependence Effect’. But even in 1958, if you asked a businessman how to stimulate consumer demand or raise awareness around a new product, he would adamantly advise to throw some money into advertising. But there were further implications down the road other than convincing people to buy stuff they didn’t really need. It was only a matter of time for the avalanche of market transformations that the industrial age brought with on the supply side to catalyse the demand side too. In David Weinberger’s and Doc Searls’s lucid account of [“the industrial interruption”](#), management’s approach to re-invigorating consumption is epitomised in full swing:

Management wasted little time noticing the parallels in efficiencies they could achieve all along the production-consumption chain. If products and workers were interchangeable, then interchangeable consumers began to look pretty good too. The goal was simple. Customers had to be convinced to desire the same thing, the same Model-T in any color, so long as it’s black. And if workers could be better organized through the repetitive nature of their tasks, so customers were more easily defined by the collective nature of their tastes. Just as management developed a new organizational model to

enhance economies of scale in production, it developed the techniques of mass marketing to do the same for consumption. So the customers who once looked you in the eye while hefting your wares in the market were transformed into consumers.

This business equation gave a thoughtful lesson to organisations: workers are all the same and should be treated as such, and consumers are all the same and should be treated as such too. *Maximise profits by minimising diversity* (Ibid.). The obvious implication stemming from the homogeneous, interchangeable consumers and workforce assumption is that internal and external communications should be mass-driven, interchangeable and provided in a standardised format too. Brilliant examples of such interchangeable, mass-driven, standardised communications are the ‘message’, ‘positioning’, ‘statement of corporate intent’ and the ‘mission statement’. It’s just like giving a political speech to an incredibly large audience but without giving the ability to the audience to ask questions or catapult criticism against you. On the external side of communications, mass marketing and mass media sought to eliminate any diversity employed in the ‘message’. Only one-way conversations with the market were to be tolerated. By delivering the same ‘message’ to as many consumers as possible, organisations hoped that markets would infinitely expand. But never shrink or stagnate.

On the internal side, hierarchy was deemed similarly successful in erecting artificial blocks to prevent potentially harmful conversations from occurring at the first place. Why harmful? Because the danger of challenging power relations lies beneath any real conversation. In order to complement the artificial walls raised by hierarchy, office architecture built real walls separating blue-collar from white-collar workers. Put bluntly, the mob was grouped together and had restrictions imposed on to them as to which ‘floors’ they could go to, while the noble few had their own private space for recollection and decision-making and unlimited access to all ‘floors’. That way, unless the noble few had a mood for chat – which they almost never had – there was little, if any, room for real conversations between blue and white collars.

Business is War

Somewhere in between, we learnt that we all want the same kind of products and that deviating from the mass is unconceivable, if not rebellious; a kind of attitude observed among juvenile delinquents. It's just like rock and roll. It's evil, wrong, corruptive and will certainly disrupt our lives until it can be safely turned into a saleable commodity, a marketable product, a brand image worth paying money for, a mass product tuned in for a mass market in the midst of a mass society melody. We learnt that chaos knocks on the door when we are not satisfied by the stability and conformity that legitimate social and business institutions handsomely provide us with. Besides, the most successful institutions ever and the most long living are the army and the church. And organisations learnt that doing business is just like marching to war.

Even in year 2003, there are still numerous accounts describing the similarities between the army and business organisations and that lots can be learned from the organisation of military operations. Indicatively, a paper that appears at the 2003 January issue of [First Monday](#), entitled *Combat Power and Enterprise Competitiveness*, draws a parallel between the use and management of information in the army and the deployment of intranets and networks within business organisations. The authors, John S. Quarterman, Ken Harker, and Peter H. Salus, conclude that distribution of corporate information leads to shared awareness and increased business competitiveness, however there is not even a single mention of how power relations and management at organisations will be disturbed as a result of distributing knowledge across departments and zigzagging rigid hierarchies. It is striking that the authors seem to claim that if distributed intelligence works for the army, then it should work for business organisations too.

Even cutting-edge approaches in marketing have a warlike flavour. Neuromarketing which is still at an experimental stage, seeks to delve deeply into the cognitive processes of customers so that more efficient forms of brainwashing are employed in the not so distant future. Most of the research on the controversial science of neuromarketing takes place within academic institutions with financial backing from commercial organisations but it should come as no surprise that no one is willing to disclose which these organisations are. After all it's war, isn't it? I came across [neuromarketing at an article whose first lines read](#): ““For people like Cathy Denison [a major proponent and leading researcher in neuromarketing], the marketplace is a

jungle to be conquered. For corporations that want to sell us stuff, it's the shopper's mind that's the jungle — a territory to be mapped” (Kelly *et al.* 2002).

I once read somewhere that the writings of Machiavelli, Sun Tzu and Clausewitz are essential readings at the top business schools’ MBA programmes and are consistently proven to be of immense practical value to their clean cut, dressed to kill graduates. Even Caesar’s ‘Divide and Conquer’ infamous strategy lends credibility to the methodology of market segmentation. In much the same way that ‘Divide and Conquer’ was used in the actual battlefield, we deploy market segmentation techniques to efficiently penetrate the market. The prevailing building block in this twisted, yet established view of business pedagogy is that the marketplace constitutes the battlefield, other companies personify the enemy, and the consumer is the ultimate target of the marketing shotgun. Market domination is the name of the game and marketing is the heavy artillery.

As time went by, market forces prevailed again. In the wake of the possibility that Japanese consumer electronics and car manufacturers could win the business war in the US and Europe, more flexible manufacturing systems substituted the controversial assembly line and more flexible forms of organisation complemented rigid bureaucracies. In the aftermath of harsh international competition, companies learnt to be leaner and more entrepreneurial but nevertheless, the conversations in the marketplace were displaced by press conferences, telemarketing, mail order catalogues and advertising brochures that filled our mailboxes but we almost never bothered to read. The agora had vanished into thin air and its place had been taken over by cunning sales reps popping up everywhere and buzzing our heads with arcane value propositions like “the exit strategy for the converged is grand” and catchphrases of the “wanna be a parity or a differentiator?” kind. Not that *value proposition* sounds friendly or is comprehensible anyway, but we have become used to the mention of it.

The war that organisations had waged over the marketplace did not leave the belly of the beast untouched. It has become commonplace to speak of a conflict culture wreaking havoc on companies at which departmentalised cultures and power relations reign with say, the engineers hating, distrusting and refusing to share information and collaborate with the marketers and vice versa (Davenport & Prusak 1997). It is only a natural outcome of working under extreme pressure to ‘annihilate the enemy’ that

relationships among ‘soldiers’ get tainted and strained. In times of war, both internal and external communications are strictly monitored and confined to the bare essentials so that the danger of the messages been intercepted by the enemy is minimised and the possibility of the official hierarchy been subverted is avoided. That’s just the way it is. If you have the information, manage to keep it in the closet and exploit it commercially, you win. If however you let your enemy steal it from you and take it first to market, you lose. If you issue an order, it should be executed, no questions asked. If you though stimulate debate and dialogue rather than firmly commanding and controlling what should be done, then the hierarchy may be challenged and your supremacy be undermined. Both inside and outside the corporate fortress. Under such constraints, conversations are rendered useless and loose talk is regarded as a waste of resources. Decision-making based on hard facts is what matters. For conversations to be legitimate work, they should sound like:

Product manager: “What can you tell me about our new toothpaste?”

Market analyst: “We know that the consumer demographic - market segment of ages 15 to 40 years and income £15k - 30k thinks highly of our new toothpaste because we used state-of-the-art perceptual mapping tools to enhance the efficiency of our market intelligence methods”.

Product manager: “Are those tools you said you used accurate? And what metrics are those tools based on?”

Market analyst: “They have never let us down in the past. They depict how our new product is positioned in the market and perceived by the target group alongside our portfolio consisting of product F, product N and product R represented by axis X and competitor’s A product line represented by axis Y”. “Ah, I almost forgot to mention that we complemented the perceptual mapping findings and cross-correlated them with a sales extrapolation based on a collection of market trends from the last five years”.

Product manager: “So, what do you reckon we should do next?” “And where will we be in a year’s time from now?”

VP of Marketing engaged in the conversation: “We should increase our ‘power of voice’ in the BBC by 40% and fill the High Street with these posters that my department has already prepared”. “Well, I feel that we will have conquered 1/3 of the market within the next year provided we withdraw our products F and N from the market so that they do not cannibalise our new product and that the additional marketing resources I previously referred to are allocated to the new product’s promotional strategy”. “But again, my expectations are based upon this market intelligence report that the market analyst put together”.

This is perfectly acceptable as a fruitful conversation. What is not acceptable as a fruitful conversation sounds like:

Ben taking his cappuccino from the vending machine: “James, what do you think of this new toothpaste of ours?”

James (market analyst in the above conversation and now taking a chocolate bar from the vending machine): “Nothing special man. But when was the last time we made something special anyway?” “It’s just like any other toothpaste we ‘ve made in the last five years, nothing less, nothing more”.

Ben: “Mary told me that you were also in that briefing with the big boys. How did this one go?”

James: “Not bad at all. At least it started well all right. I was explaining our research until this marketing jerk - you know the fat ugly guy who’s always in black- started shouting. He’s not well in the head you know. If he could, he would have bought the entire BBC to run ads all day non-stop. In fact, if he could, he would actually buy the whole city, to fill it with his obnoxious posters. Oh, god! Have you seen ‘em? They look nasty”.

Ben: “Nope. I haven’t. Mary though said something like these ads make her wanna puke. But at the end of the day, they say that brainwashing consumers works, you know?”

James: “I bet”.

Ben: “So, what did you tell ‘em anyway?”

James: “I told ‘em that consumers will like the toothpaste”.

Ben: “How come you know that?”

James: “I thought hey, they’ve bought all the toothpastes we ‘ve thrown at the shelves in the past, so why not buy this one too?” “I told you Benny, this one is much like the others. And we ‘re not talking about operating systems here. It’s just toothpaste. And people ‘ve gone mental with their mouth hygiene these days, ya know. They’ve become really careful when it comes to their teeth. I bet they’ll buy it. We’ve got a reputation in the market, that’s gonna come handy”.

Ben: “So, what happens if they don’t buy it?”

James: “Look, I simply told ‘em that the research shows they’ll like it. If they don’t, that ‘s other people’s problem. Not mine. Unless the fat guy’s boys screw it up with these horrible ads, the toothpaste will be OK. No one will blame me for their own incompetence”.

Product manager: “Hey you over there! It’s time you got some work done, you lazy! You’re paid to work and not to fool around. Go back to your offices now! Break’s over!”

After a year, it is obvious that the new toothpaste has not been well received by consumers. It has given quite a blow to the corporate image and the toothpaste’s marketing budget has swallowed so much money that even the CEO is furious. There’s been talk around the company that there will be quite a few jobs hatched and as a result, the air in the company smells of hostility, fear and agony. The CEO calls

*the VP of Marketing, the Product Manager and a few other big boys at this office.
Let's imagine how it goes:*

CEO: “Why we lost so much money? And why didn't we make any money? How's that possible, can you tell me, ha? The product was supposed to be a success, wasn't it? And on top of everything, we also took two of our products out of the shelves...so much money is lost every day. I am accountable to the shareholders and the shareholders ask me why? Why? You do understand that the situation is pretty serious and I won't tolerate any BS here, you hear me?” What went wrong Samuel?

Samuel aka the Product Manager: With all the respect sir, I did everything I could for the toothpaste. I gave it my soul and body. And the product had the full attention of my people at all times. My guess as to what went wrong is that every once in a while consumers change their minds about what they like. And this is probably the effect of our competitors' ads. They've bought so much prime time on TV and their ads are targeting the female segment. There is even this cute actress in the commercial, and her popularity has risen tenfold during the last year, some guy working in the show-biz told me. And I guess that lots of women do the family's weekly shopping these days.

CEO: So what you're telling me right now is that we didn't do any ads for women and that's why we made a fool of ourselves? Get a grip, Samuel! Our sales have plummeted! And what about men? Did they stop buying toothpastes all of a sudden?

Samuel aka the Product Manager: I 'm not sure about men. But I'm 100% positive that our competitors' promotional strategy was more effective than ours. And this is the marketing department's job.

VP of Marketing: “There is no such evidence which shows that women do the family’s weekly shopping and latest surveys prove that our ads are as effective as ever. In my opinion sir, the marketing department did everything within its power to make sure that the product re-inforces our positioning as a market leader. We even pioneered customer loyalty programmes this year and managed to cut some great deals. The only thing that comes to my mind as being responsible for this is the market intelligence report. Obviously, consumers never wanted this product. Otherwise, they would have bought it. I’m telling you, the mistake is in the market analysis. Where is this guy who told us that consumers would buy the product? We should give him an earful, that’s gonna teach him a lesson. With all the respect sir, if I were in your shoes, I would fire him!”

It is hard to make any sense of the above. That’s not the issue here. Organisations are missing the point. By not caring to listen to what the market (that is their customers) has to say since their favourite industrial age equation dictates that economies of scale in production should equal economies of scale in consumption, they intentionally decide to ignore what everyone around has to say. Or offer. Whether inside or outside of the corporate fortress. As anyone who ever took a marketing course knows, there are external customers (the ones outside the fortress) and internal customers (inside the fortress). The market is not only out there. It also breathes deep inside the company. And the external market is not something that stops where the internal market begins. **The two markets theory is mistaken.** There is only one market. And if you want the market to respect and trust you, you ‘d better respect it and trust it too. The practical implication is that by dismissing your internal market as mere fiction - as a modern wit of marketing theory that ought to be put back into its place by a proper amount of hierarchy - you ensure that any bonds you may have with the external market will be broken. In the above conversation, and I mean the first legitimate one, all we make out of it is a bunch of hype bundled with fictional assumptions burst out of the mouth of corporate zealots who remorselessly take their arrogance and ignorance as a symbolic manifestation of status and knowledge.

Ignorance because they discard customers as brainless consumers who are incapable of making any choices on their own, and arrogance because they dismiss their fellow workers as brain damaged corporate cogs that they can easily trick into believing that Japan is in Europe, provided they know all the catchy marketing buzzwords and deploy all these flashy powerpoints that make you go epileptic after two minutes in a dark room. Customers are not brainless and they do not want you to treat them as if they are. And people in organisations are not brain damaged. But they won't jeopardise their salary by telling you what hierarchy compels them not to say.

The only conversation from the above that can be said to have a portion of truth and substance is the second at the vending machine. It's the only conversation which tells us what two employees think of the new ads. They think it couldn't be any worse. Naturally, the CEO, the product manager and anyone else who's having *legitimate* authority to make decisions has never heard of it. And frankly, why should they? They never asked for their subordinates' view of the world. They surely never asked their customers' opinion. And most importantly, they never delegated any authority to them to make decisions. If you don't trust people to make decisions, then why should they trust you? If you don't motivate people to take their job seriously, why should they? And if you don't empower them, you can't expect them to be accountable for not telling you what they think.

Niches and Relationships

It was not long before a decline in the ideas of mass society and mass market was imminent. People no longer wanted to be identified as part of the mass and since the products we consume are always been seen as a trait of our personality, in effect defining our social identity and status (*you are what you consume*), consumers no longer wanted to be buying what everyone else bought. They started crying out for more choices and more choices they got. In the 80s and 90s, the agenda for business, politics and culture was all about expanding choice. The choices indeed proliferated. Instead of having to choose only between Italian and Chinese restaurants for a night out, Thai, Mandarin, Greek, Turkish, Mexican, French and Indian restaurants came to the rescue of our gastronomic appetite. That's what niche marketing really is: different adaptations of the same product delivered to different adaptations of the same market.

Around the same time, relationship marketing (RM) was starting to get remarkable attention. Its central thesis, as I understand it, is that by reviving the conversations in the market and starting to talk to customers, immense gains will be appropriated as the result of increased organisational responsiveness to market needs. Relationship marketing, at least in its core, was all about being close to your customers and conversing with them. For example, a restaurant owner who's always close to his customers, asking them about what they like and what they don't, and making decisions based on his customers' feedback, is mastering the art of relationship marketing (Gummesson 2001). Similar examples abound in RM textbooks and discussions. Thus, it was reckoned that RM suited service – based organisations and industries rather than product-based ones. The irony is that marketers always boast that what matters is the relationship and that key to success is the cultivation of a marketer-customer relationship, but they never seem to really take it to its word. Then the Net with its revolutionary potential to provide a platform onto which interactive, highly personalised marketing communications could be realised and economically justified even in mass markets promised to change everything.

Electronic Dreams

By the mid 1990s, no matter whether you looked in the online or offline world, mass customisation and niche marketing had become the new corporate mantra. Mass customisation was the new frontier in business competition (Pine 1993) and one-to-one marketing was the key towards competitive advantage (Peppers & Rogers 1997). Hagel and Armstrong saw the emergence of 'market segments of one' in cyberspace (Hagel & Armstrong 1997) and Don Tapscott evangelised 'mass customisation on the Net' (Tapscott 1996: 92).

The U-turn from mass to niche marketing propelled a series of management transformations. Had it not been for niche marketing, many organisations might have never considered evaluating the profitability of customers at an individual level. Marketing revolutionaries Peppers and Rogers (1997) postulated that if loyal customers generate the majority of profit and the process of attracting potential customers and converting them to actual ones constitutes a great financial burden - which is true given that advertising costs represent(ed) the greatest expense in any

marketing plan - then marketing's role should shift from customer acquisition to customer retention. By creating an interactive relationship and constantly motivating the consumer to give more information, the marketer can offer more products to satisfy increasingly more of the customer's needs, argued Peppers and Rogers (1997).

This value proposition did not go unnoticed through corporate radars. Corporations no longer had to invest in attacking new markets and obsessively trying to proselytise new customers. No more risk. Limitless growth and expansion could now be achieved by focusing on your loyal customers.

It really caught on: loyal customers cost less to retain, are receptive to what the company has to say or sell and they are the best marketers a company can have since 'word-of-mouth is the most effective marketing of all'. What customers ask for in return is a 'relationship', which on the marketing side, means 'personalisation'. And this was what relationship marketing aimed at. The so acclaimed during the dot.com hysteria¹, e-CRM, was the e-version of Relationship Marketing.

E – CRM means one of two separate things or both. “One meaning is the use of Web technology to achieve CRM objectives, for example, the sharing of customer information across the company. The other meaning is the extension of CRM to customer interactions taking place over the Internet” (Classe 2001: 44). Theoretically speaking, e-CRM means using the Internet to better serve the customers by getting to know more things about them. In practice though, e-CRM referred to two distinctively different things. One was capturing as much as possible personal customer information by tracking and monitoring every single user 'click'. Long forms to fill in, data mining techniques, cookies, and prying software that came to be known as e-CRM software was deployed to track how people get to the website, why and when they leave and where they go next. The other was replying to customer enquiries via email. No matter how simple this may sound, there are plenty of corporations struggling to respond 'in a personalised' - or simply humane - manner to customer enquiries via email.

¹ Philip J. Kaplan suggests that the eCRM craze took off as soon as the dot.com bomb had landed (Kaplan 2002: 81). Therefore, we can assume that Kaplan is referring to years 2000 – 2001 since the month most widely associated with being the beginning of the dot.com crash is April 2000. However, the eCRM craze still persists and is often portrayed as the next generation of e-commerce, which will certainly generate value for dot.coms and bricks-and-mortar companies alike (Walker 2001).

A Hitchhiker's Guide to Adidas 's E - Commerce Galaxy

I have nothing against the idea of marketer-customer relationships on the Net and it's hightime that customers had their voices heard. Unfortunately, **organisations forgot how to speak and listen**. Someone I know once sent an email to Adidas. His problem was that he couldn't find any Adidas (*Stan Smith model*) sneakers on colours other than white. He had gone to all the athletic shops nearby to where he lives (in the North East of England) but to no avail. No matter how many shops he went to, the only colour available was white. But he was a loyal customer: he never bought any sneakers other than the particular Adidas sneakers. Net-savvy as he is, he decided to check the Adidas.co.uk website. He eventually got to the below page:

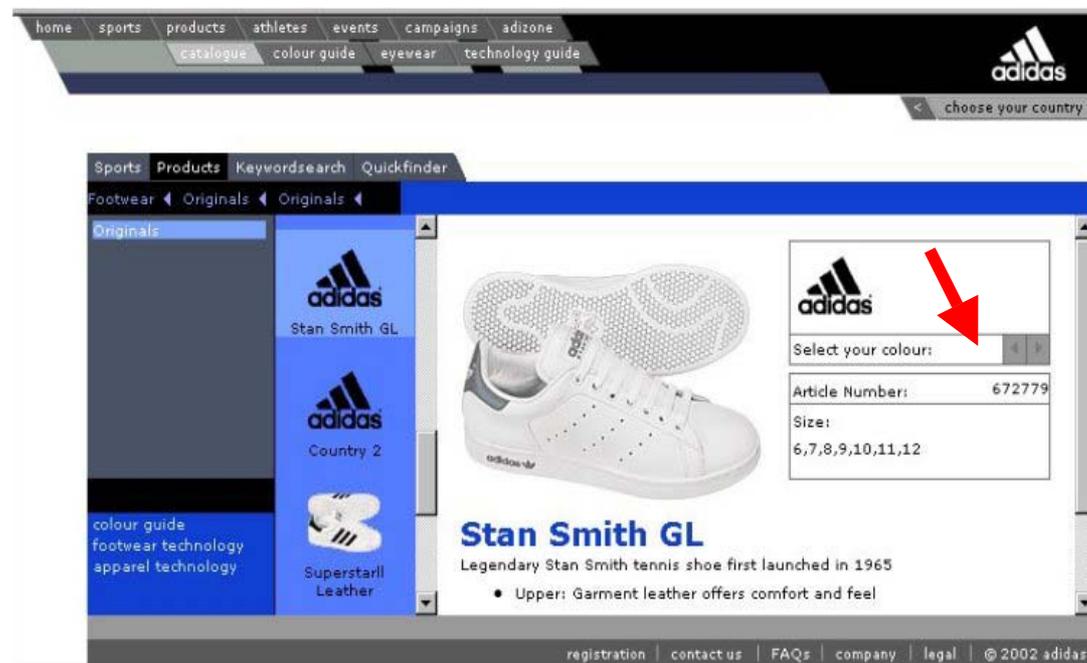


Figure 1: Stan Smith: How can I select another colour?

The shoes shown in the page were white but there was a box at the top on the right of the page which indicated that other colours were also available. My friend tried to select another colour but in vain. He thought that it was probably a technical problem with the website and decided to get in touch with Adidas. By further navigating the Adidas website, he quickly got to the bellow page:



Figure 2: Hmm..., let's see how we can contact Adidas

He checked the FAQ section and did not come across anything that answered his question. He then checked the 'Contact Information' section which provided a Fax number, a phone number and an address. He gave it a quick thought and decided that an email would be less intrusive and more appropriate for such an inquiry. Making it easy for him, the website offered the below form to fill in:

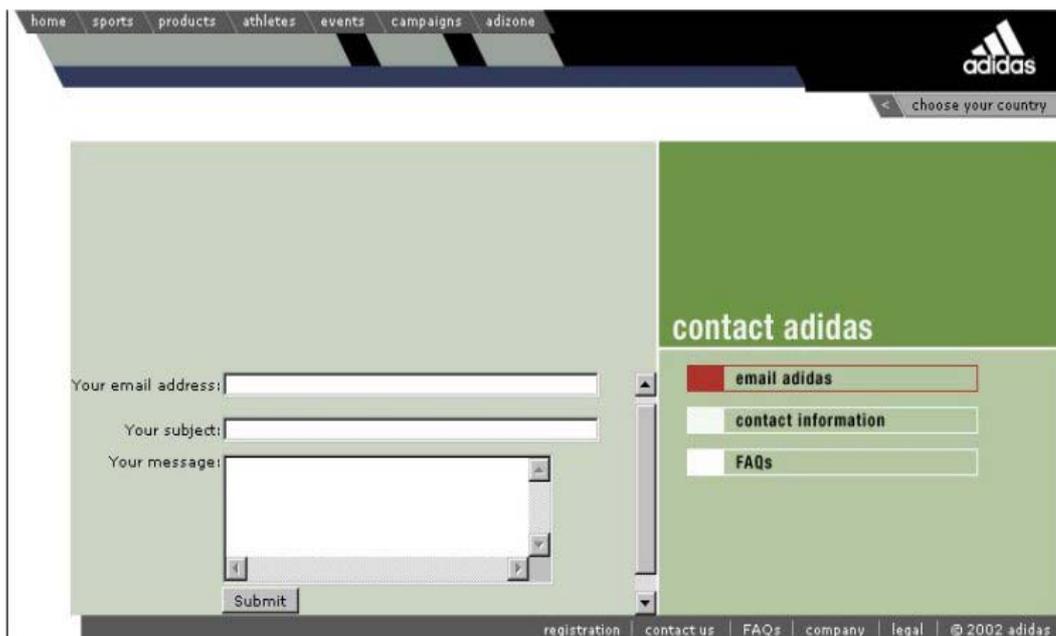


Figure 3: The Adidas Website Email form

So, he dropped a line to Adidas.

He wrote:

“I have a pair of 'Stan Smith' tennis shoes in blue. They are now worn out - can I still get another pair in anything but white (which is all the shops seem to stock)?”

A few days later, an email from Adidas hit his inbox. What they replied to his inquiry read:

Dear Sir

The only colourway of stan smith trainers the UK ranges at the moment is the white ones.

Sorry I am unable to assist further.

*Yours Sincerely
for Adidas UK Ltd*

Despite being a native Englishman, my friend could not figure out what “colourway” really means. Or why the verb “range” was used in the email. After ‘doing some research’, he reached the conclusion that they took him for a retailer, or wholesaler, or anyway some business trying to get Stan Smith trainers in white since “colourway” is a word frequently brought up during ‘business talk’. The fact that he might have been an ordinary folk wanting to buy a pair of shoes completely evaded them. Then again, his email read that he had a pair of Adidas in blue but they were now worn out. No business would have said that. **But organisations have not only forgotten how to speak; they have also forgotten how to listen.**

Afraid of Conversations

But it's not simply that organisations have forgotten how to speak and listen to their customers. They are afraid of doing so. **They are petrified of letting go.** *Third Voice* was a web browser plug-in that enabled people to write comments onto web pages, actually a sort of 'posting sticky notes' without though making any changes to the target sites. For other people to see the notes, they needed to have the *Third Voice* software installed into their computers and they could 'turn it off' whenever they got tired of looking at the notes. If the *Third Voice* plug-in was not installed, there were no changes in the way the 'annotated' websites looked like. One would expect that companies would welcome such a technology, as it would ensure that customers have a pretty easy way to tell the organisation what they think and also let other people know about it.

For example, my friend who had struggled to buy a pair of blue Adidas, could have posted a note at the page featuring the white shoes saying "*It's no good trying to choose another colour. Nothing's gonna happen. Don't know if that's because of a technical or design problem with the website or because the Adidas people wanna make us think that they have other colours than white*". The note he would stick at the email form Adidas provides would probably read like: "*Don't waste your time fellas. They didn't even bother to read my email. I simply asked them where I could find a blue pair of Stan Smith because the ones I have are now worn out and they came back to me with some nonsense, probably thinking I was a retailer. Perhaps, it 'd be a better idea to give 'em a call instead*". If you ask me, the above would be excellent feedback on the usability of the website and should be considered to be invaluable input with regard to the way Adidas handles customer inquiries. Not only companies should be receptive to such criticism, they should encourage it. In such a way, the Adidas website developers would have had an incredibly larger group of website testers to help them with than they would have ever imagined, and this would inevitably result in a much more usable and reliable website from the users' point of view. What is more important is that all this help would be for free. It wouldn't cost Adidas a single penny whereas the typical website testing process if assigned to a web development/engineering consultant or any other human-computer interaction specialist would definitely amount to a considerable cost. In a similar vein, the Adidas management team would be made aware of shortcomings in the way they deal with

customer inquiries and would sought not to repeat the same mistakes or face the music.

Third Voice went under in April 2001 and its Web site, <http://www.thirdvoice.com/>, is defunct as of 2002-11-30. Although the corporate outrage managed to shut *Third Voice* down, the website of the "[Say NO to Third Voice](http://www.worldzone.net/internet/pixelsnttv/)" campaign is as alive as ever: <http://www.worldzone.net/internet/pixelsnttv/>. Organisations loathed *Third Voice* and dreaded the possibility that some customers might see negative comments posted by other customers. If companies think they will avoid such criticism by choosing not to listen to what their customers have to say or mute them by blocking technologies like *Third Voice*, well...they are wrong. People talk to each other. The 'Adidas guy' has told his story to more than 500 people to this day and this is a very modest estimate. He happens to be the best lecturer in E-Commerce I ever had the chance of getting to know and his tutorial on e-CRM is premised on this very same story. Last year only, I reckon he told the story to more than 400 of graduate students. And I bet he has also told his friends, relatives and co-workers. That is offline conversations. God knows how many mailing lists he's a member of and how many email buddies he's got².

It's obvious that most companies are bewildered by the ever perplexing web of conversations that the network of networks is actually made of. On the one hand, they are not willing to abandon their mass-driven, one-way approach to the market and engage into real conversations. There is no need to do so: bombarding customers with marketing messages works fine (that's what they think anyway) and lobotomising employees with the hierarchy axe so that they are unable to have their own mind also works. On the other hand, there is the Net which envisages an ideal infrastructure for circulating ideas and indulging into conversations. This is the great tension that management currently strives for reconciling: how to make use of the Net without deviating from established best practices, how to network without becoming really networked, how to connect without being connected.

Is this really the New Marketing Era?

² Many thanks and appreciation to Alan Charlesworth, Professor of E-Commerce at Sunderland University, School of Computing and Technology, for sharing this experience of his with the MSc in E-Commerce Applications class during the years 2001-2002, and for delivering such an interesting and hands-on course. His story is real.

Paul Postma's *The New Marketing Era* does a fine job in highlighting this agony, without having any intention of explicitly doing so though. Postma shares his contemporaries' superficial zeal that "information and media are transforming the marketing environment and that relations make the world go round". He has also jumped on the e-marketing bandwagon according to which "mass marketing in consumer markets can be complemented, and sometimes replaced, by one-to-one marketing". In short, Postma's main thesis is that it is now "possible to establish a personal relationship with customers in mass consumer markets in a way that was previously impossible on any significant scale" by listening to what the market has to say. No more top-down monologues, says Postma, where the company calls out to the market. Now, the company listens to what customers say and reacts by providing them with the products and services they have asked for.

In the first half of his book, Postma prophesises that conversations between customers and marketers will eventually override one-way marketing communications and he centres his arguments on the proliferation of technological innovations that render old assumptions obsolete. Moving on to the second half of the book though, Postma focuses almost exclusively on marketing databases. Databases are the key to sustainable competitive advantage in the new marketing era, says Postma, and urges marketers worldwide to develop a new attitude towards databases: "*We should dare to listen to the database instead of talking to it*". By that, Postma means that widely used demographics, especially when based on managers' assumptions of the market rather than the criteria used by actual customers, will inevitably result in wrong decisions. But nevertheless, what Postma proposes boils down to filling the database with as much customer information as possible and then segmenting this information into commercially focused groups. Apparently, the lion's share of database marketing efforts never results into one-to-one customer – marketer relationships since some form of segmentation, clustering or grouping is always sought. Although the book includes some excellent advice on direct marketing and thought-provoking examples of how customers respond emotionally to ads, there is no other insight to be found there. In all, Postma's starting point is that conversing with the market is the way forward but then, somehow disappointingly I should admit, he goes on to convince the reader that conversing with databases is what market conversations are all about. My question is why should a database intervene between a marketer and a customer? And frankly, I don't really get it: how you can carry on a conversation with a database? This is the real chasm that organisations hesitate to cross: moving from

what sustains the institutional rigidity - the one way monologue with the market – to what the market really is – a dialogue, a story, a tale told with a human voice.

But now for the first time in history, the agora might come back. Weblogs promise to change all that. They promise to bring the conversations back to the marketplace. If you keep your ears open, you can hear the murmur getting louder and louder and louder...until power shifts to where knowledge resides.

Enter the Weblog

Bloggers are turning the hunting and gathering, sampling and critiquing the rest of us do online into an extreme sport. We surf the Web; these guys snowboard it. Bloggers are the minutemen of the digital revolution (Henry Jenkins 2002).

It's quite hard to accurately describe what a weblog really is. Or what people mean when they say they are blogging. One could easily conclude that a weblog is a technology, or a social process culminating in an online phenomenon or even an online kind of a diary, if not to say a new form of journalism. The term is as broadly defined as peer-to-peer, to say the least. In fact, a weblog can be all of the above and none of it. Some people blog for fun, some for business and others for god knows why. Just like any other technology, if we could say that it is a technology, a weblog rests upon the people who adopt it to find a purposeful application for it. Technology shapes people, but people also shape the path upon which technology evolves. What matters is not technology but the use technology will be put into when in the hands of people. The same goes for any social process. Democracy differs enormously from place to place, say from ancient Athens to contemporary Athens. If you think that the above does not make any sense, you'll be further puzzled down the road. If you ask me what a weblog is, I would say that a weblog is a personal website but not static and unchanging like the websites we're used to (best examples of which are 99.99 percent of corporate websites), but it can also be a group website where people brainstorm, rant and ramble about whatever is on their mind without paying much attention to typos and consistency in style. A weblog can be updated and change frequently, sometimes many times within a single day, but this of course rests upon

how lazy or energetic and passionate the blogger is (or bloggers are). To add further confusion to the above, a weblog can be highly interactive in the sense that random people can play an active part in the ongoing discussion by commenting on what's already written on the weblog or they can even start an off-the-topic discussion, provided the weblog's infrastructure allows for such things. On the other hand, a weblog can be a very solitary textual account of one's feelings and thoughts, a written manifestation of a person's vanity when an ego trip has taken over and does not allow any space for interactivity with the outer world.

According to the book which tracks the evolution of [my favourite weblog](#) from a student's website to a weblog jointly written and maintained by as many as 30,000 people,

a weblog can be anything from a journal to a stream of consciousness commentary or even a full-blown news site. The important features are a steady stream of fresh content and a willingness to link to other existing sites as a *raison d'être*. Think of the Captain's log on Star Trek and how it usually served to introduce and frame the upcoming story, and add in a very quick feedback loop. For the most part, weblogs are simple and straightforward. People can publish their thoughts, even for the first time, with almost no training (Chromatic *et al.* 2002).

A weblog can be a story or just a pointer to a story worth reading and telling others, a conversation or something like an online post-it note with some commentary attached, a professional journalist's terrain or an amateur writer's playground, a company's official online presence or a disgruntled ex-employee's angry outburst. A weblog is what we make it to be. But first, let me tell you a little about bookselling.

Collaborative filtering: one of the same or marketing from the market's perspective?

“Weblogs and collaborative filtering make traditional marketing look stupid. Marketing for 100 years or so has consisted of the beaming of messages to demographic segments. Now marketing

means me and my web buddies make fun of the messages being beamed to us. I can find out in 0.87 seconds whether Maytag washers are really more reliable. Further, the last person I want to talk to about Maytag washers is Maytag, Inc. because I know they'll just lie to me" (Interview with David Weinberger).

In a thorough study of the leading e-tailer, Sandeep Krishnamurthy (2002) chronicles Amazon's business evolution and attributes its success *as a bookseller* to a wide spectrum of factors, most important of which being that Amazon turns its inventory faster than bricks-and-mortars, has reduced the book return rates, passes on cost savings in the form of cost reductions to consumers and enables unknown authors - 'outsiders' - to reach a global audience. But most crucial above all, in Krishnamurthy's view, is Amazon's vision: to become Earth's most customer-centric company and biggest store; essentially a "platform on which you can do a lot of things" as Amazon.com's founder, Jeff Bezos puts it (Hof 2000).

Amazon has not revolutionised the bookselling industry because it offers such a vast collection of books, many of which are cheaper than at high-street bookstores. Neither because it has laid the ground for cross-selling opportunities by deploying highly sophisticated CRM technologies which track and record every single customer click. What is so special about Amazon.com is that it invites readers to send reviews of books and to rate them on a five-star scale along with a commentary expressing their thoughts and opinions on the book. Authors have the right to reply and other reviewers can comment on how useful the review was to them but they cannot change the review.

This process or technology - called collaborative filtering, weblogs or social navigation - has drawn quite some attention³. "Among marketers, the hope is that such computerized recommendations will increase demand...It means that people might read more, or listen to music more, or watch videos more, because of the

³ Bluntly put, the main difference between the collaborative filtering system that Amazon has implemented and any ordinary weblog is that in the former case the Amazon system generates computerised recommendations through the use of algorithms and specialised custom-made software while in the latter people are the ones who navigate through the mass of opinions and views expressed by other people. In short, a typical weblog does not make recommendations but nonetheless Amazon's system is essentially a weblog. For more information about the Amazon system, see Linden *et al.* 2003.

availability of an accurate and dependable and reliable method for them to learn about things that they might like” (Gladwell 1999) former Microsoft executive and co-founder of [Net Perceptions](#), a firm specialising in collaborative filtering, Steven Snyder says. According to Net Perceptions’ website, “This is an example of where technology really is helping us provide better service and sell more — and that is the name of the game”. And e-commerce specialists Fingar, Kumar and Sharma (1999) claim that “collaborative filtering is at the heart of one-to-one personalisation and community building...the technology can be used to collect ratings about items available in an I-Market...Once an I-Market has collected a critical mass of ratings, it can respond to customer enquiries with recommendations that are tuned to customers’ preference patterns. Customer-driven collaborations and buying patterns tracked by collaborative filtering facilities can also be used to achieve advertising precision never before possible – the ultimate tool for up – selling and cross-selling”.

While Fingar, Kumar and Sharma (1999) regard ‘collaborative filtering’ as a community building and personalisation tool that aims at seizing cross-selling and up-selling opportunities, Malcolm Gladwell (1999) is far more radical. He believes that ‘collaborative filtering’ gives the chance to under supported (in terms of traditional marketing promotion) ‘outsiders’ to beat the ‘blockbuster’. It gives the opportunity to the ‘no-brand-name’ to outperform the established brand. Gladwell (1999) explains that collaborative filtering...

...works as a kind of doppelgänger search engine. All of us have had the experience of meeting people and discovering that they appear to have the very same tastes we do—that they really love the same obscure foreign films that we love, or that they are fans of the same little-known novelist whom we are obsessed with. If you and your doppelgänger love the same ten books, chances are you’ll also like the eleventh book he likes. Collaborative filtering is simply a system that sifts through the opinions and preferences of thousands of people and systematically finds your doppelgänger-- and then tells you what your doppelgänger's eleventh favorite book is.

Chris Locke is sure that collaborative filtering is neither just a “sophisticated version of “Would you like fries with that?” [nor a technology which simply] automates

cross-selling and up-selling opportunities” (Locke 2001: 113). As he says, the view looks radically different from a high vantage point. “Collaborative filtering works bottom-up by feeling out the edges of emergent micromarkets based on personal tastes and interests, in effect defining potential online communities” (Ibid). Locke reminds us that the ideal form of marketing is world-of-mouth or ‘markets are conversations’ and all these kids that rush to the *Harry Potter* dedicated pages at Amazon.com do not see ‘collaborative filtering’; they see ‘conversations’ among people sharing the same interest: *Harry Potter*. So, “They are beginning to talk to one another. They understand. No one had to explain it to them” (Ibid:109). So, “what’s the commercial benefit?” The fact that the forthcoming but yet unpublished Harry Potter book is from now amazon’s number one bestseller should be indicative of these conversations’ commercial value.

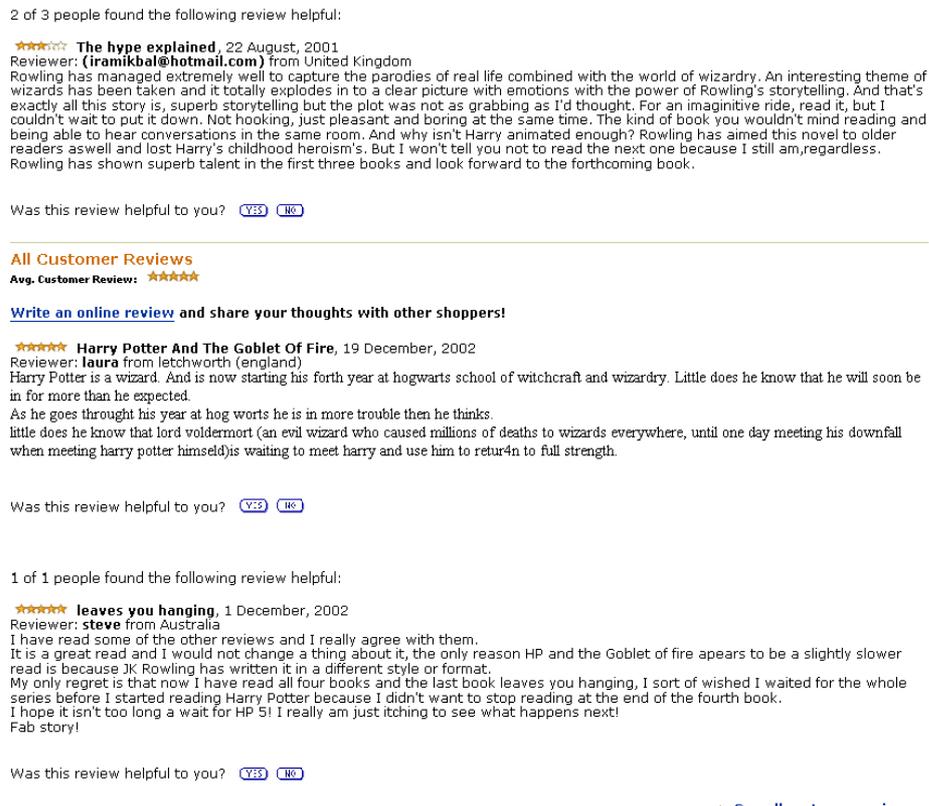


Figure 4: [Customer Reviews of Harry Potter at Amazon.co.uk](#)

Locke contends that “Amazon.com’s real innovation was to create a marketplace where customers, not advertisers and marketers, could access the value of products...the really interesting marketing action is not how this information is being used to pitch products – “would you like War and Peace with that?” – but in how it’s

being used to hook people up and get them talking with each other. “Hey, I just read War and Peace, and man, I gotta tell ya, this Tolstoy dude rulez!”” (*Ibid*:114). And Amazon.com does whatever possible to enrich its relational space through member pages, wish lists, purchase circles and discussion boards; essentially encouraging online communities to coalesce around topics of interest, such as books, movies and music.

Still not convinced? A friend recently told me that he’s never paid much attention to customer reviews at amazon since he reckons it’s all fake (however I always do) so I owe to provide him with another story: the story of Andrew Sullivan’s “Unfit to Print” Weblog. Andrew Sullivan, former editor of *New Republic*, is a blogger. And his blog has an online following well exceeding 500,000 people. So what Andrew Sullivan does in order to stimulate some discussion between him and his readers is to choose a book every month and encourage his readers to discuss it with him throughout the month by means of posting notes and opinions, raising objections, asking questions, recording their musings and reflections at his Book Club which is a category under his weblog. Apparently, the Book Club is not only a category of Sullivan’s Weblog but a rather vibrant community as within days from founding the book club, his first book-to-be-discussed, *Robert D. Kaplan's Warrior Politics*, skyrocketed up the Amazon charts into the top five. And the last selection of the Book Club, *Christopher Hitchens' Why Orwell Matters*, went in a few hours from 1074 to number 3.

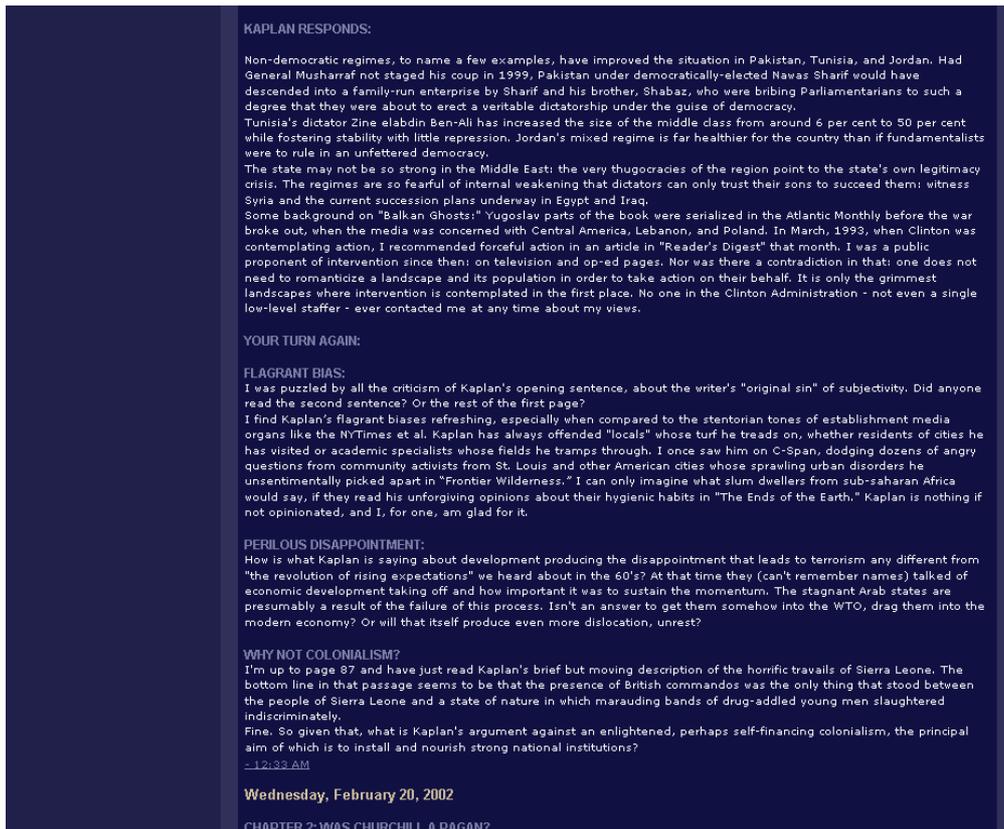


Figure 5: [Andrew Sullivan's Weblog Book Club discussing Kaplan's Warrior Politics](#)

My friend can rest assured that none of Sullivan's readers are being paid for contributing reviews, they're just in it for the fun of blogging along with others. For the fun of discussing a book those others too have read. Intelligently, Sullivan came up with a way to make some money out of these book discussions: for every book that's discussed at his weblog's Book Club, there's a link to the Amazon's online bookshelf and Sullivan gets a 15% percent on sales if you buy the book by following the link to Amazon from his weblog.



Figure 6: Links to Amazon from [Andrew Sullivan's Book Club](#)

One might counter that what *Sullivan's Book Club* does is nothing new as it is just an example of a prominent opinion leader and that's what opinion leaders do: influencing the masses into making certain decisions or buying certain products. Of course, this is a top-down process of 'marketing coercion', from the opinion leader to the masses. I would certainly agree with the assertion that Andrew Sullivan is an opinion leader. But I firmly believe that it's the power, the passion and the energy embedded in his weblog that boosted the sales of Kaplan's book rather than the compulsive opinion of a single man. Had not been for the weblog, all Sullivan could have done, as an opinion leader, is to suggest a book for others to buy. That's not what he does though. What he does is to invite others to join the conversation and I am sure that his readers do not see an opinion leader but someone who's keen on having a chat with them.

So, you may now think that weblogs work for 'pushing' and boosting the sales of books, records, films and other products which Malcolm Gladwell calls "taste products", but that need not mean that weblogs will also work for companies other than those in the bookselling or music business. OK then, you're not selling books or CDs or videos. **Let's start from betting your company on a weblog.**

Gizmodo and blogging-for-profit

Somewhere in the fascinating world of weblogs, a flaming conversation has begun: is blogging-for-profit viable and where does its potential lie? A new weblog about tech gadgets called [Gizmodo](#) appeared on the blog-for-profit horizon in August 2002 and its founder, Nick Denton claims that revenue will flow in from affiliate referrals to Amazon's electronics store in much the same way that Andrew Sullivan is making money from affiliate referrals to Amazon's virtual bookstore⁴.

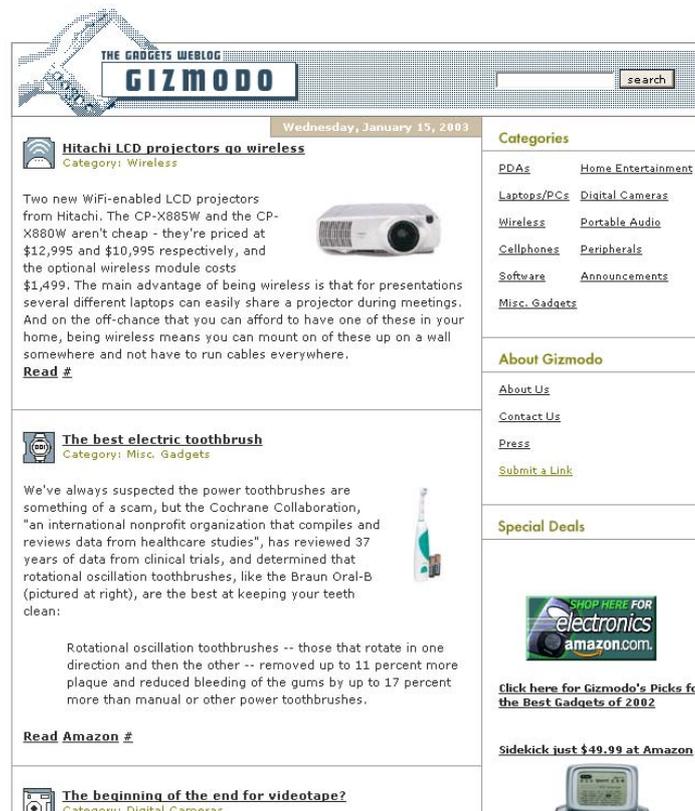


Figure 7: [The Gizmodo Weblog](#)

At his [personal weblog](#), Nick Denton explains the rationale behind this new venture:

I have no idea how much Gizmodo can bring in revenues. All I know is that weblogs are a compelling form, gadget addicts are all online,

⁴ However, the difference between Andrew Sullivan's blog and Gizmodo is that the latter employs someone (*Pete Rojas*) on a full-time basis to blog whereas the former is solely sustained by the unpaid labour pains of Andrew Sullivan. On the other hand, it should be noted that even though Andrew Sullivan is not being paid to blog, he has pioneered the *tip jar*, which is a way to collect donations and it's obviously working because according to his own claims these donations made him \$27,000 last year only.

and Amazon.com's API makes it easy to connect product with content. Most importantly, this is a low-risk commercial experiment. Most media companies suffer from overblown editorial, an ad sales force with padded expense accounts, and overly complex publishing systems with a team of primadonna sysadmins to maintain it. By contrast, Gizmodo will be a couple of hours a day of Pete's link-picking skills, some automatically generated Amazon.com links, and \$150-worth of Movable Type. Media has never before been this lean (http://www.nickdenton.org/archives/2002_08.html).

It's not surprising to see why statements and ventures such as the above trigger a plethora of reactions by bloggers and non-bloggers alike. At the first place, it sparks the good old discussion about blogging for money. This discussion usually revolves around two main tenets: first, some believe that only professional bloggers are well suited to do the job (and be paid for doing it) and thus, companies willing to pursue a 'blog strategy' should put one professional blogger into their payroll and assign him to cover all aspects relevant to their business as a full-time job. This is the professional blogger business model that Meg Hourihan (2002) suggests.

Others rely their hopes on donations by readers and advertising revenue. However, for such a model to be sustainable, numbers and eyeballs matter more than anything else and there are not many Andrew Sullivans out there purportedly making \$6,000 per month through donations. Even Andrew Sullivan (2002) claims that there is no one-size-fits-all business model, if there is any, and that he blogs for reasons other than making money. He recognises the potential pay-off in terms of promoting one's work to an audience quite bigger than otherwise within one's offline reach and that one's career prospects may be enhanced but nonetheless no one has yet offered him any money to blog. This is the case for indirect methods of revenue into which the affiliate model that Gizmodo relies upon has also come to be included.

Clay Skirky (2002) has put forward a lucid explanation as to why blogging-for-money is not tangible:

A lot of people in the weblog world are asking "How can we make money doing this?" The answer is that most of us can't. Weblogs

are not a new kind of publishing that requires a new system of financial reward. Instead, weblogs mark a radical break. They are such an efficient tool for distributing the written word that they make publishing a financially worthless activity. It's intuitively appealing to believe that by making the connection between writer and reader more direct, weblogs will improve the environment for direct payments as well, but the opposite is true. By removing the barriers to publishing, weblogs ensure that the few people who earn anything from their weblogs will make their money indirectly.

Shirky agrees with Sullivan that only indirect methods for revenue are feasible and that blogging “is mass amateurization, and it points to a world where participating in the conversation is its own reward”. Even so, Gizmodo’s affiliate model is such an indirect business model and thus, is subject to several factors that will ultimately decide upon its fate.

Not to forget, Gizmodo has near zero costs. As a [blogger noted](#): “sure it's got a chance to be profitable. Eventually, with affiliate revenue, (maybe) some ad or sponsorship revenue and near zero costs, it will probably eke out a profit someday. Nothing wrong with profit....”.

[Dave Winner responded](#) that the odds of making a profit are slim since hordes of people interested in tech gadgets will exhibit more or less the same behaviour: they will blog and most importantly, they will blog for free. So he’d rather ‘google’ when he’s on the lookout for a new gadget rather than go directly to Gizmodo. Of course, if Gizmodo’s reviews showed up on Google, then he might pop to Gizmodo’s blog. In a follow-up to the same discussion, [he pointed out](#) that the CEOs of gadget companies will be blogging in the years to come and that’s the most direct business model for weblogs. Anything else is doomed to fail simply because of all those bloggers out there blogging for free, blogging for the mere fun of doing so.

From there on, the discussion snowballed into myriads of other directions. A blogger called [Jenny Berger voiced the opinion that](#) “Asking why blogging should be profitable is about as productive as asking why shouldn't it be profitable. Have we not yet figured out that on the Web, there is no "should," only "can?”

Another blogger, Rick Bruner (2002), [pointed out](#) that it's very hard if not actually impossible for this Gizmodo-like model to be economically sustainable unless you have massive traffic.

Although all previous comments have their own merit, the [most constructive comment](#) was concerned with the power of engaging the market in a real conversation and that commercial value stems from a real voice unhindered from bureaucratic constraints and standardised corporate PR formats:

It [Gizmodo] looks like a great source of information, and it serves that purpose well. But most of the popular weblogs I read have other aspects that make them more compelling. Things like the personality of the editor(s) behind the weblog. Gizmodo, in its current state is pretty "dry." **There's no personality or character there at all, just info. Weblogs should have opinions. Weblogs should have character.** Tie it all up together with good information, and you've got a site people will come back to again and again.

So, it's a matter of whether you speak with a real voice or not. Expanding on the previous comment, another blogger [commented](#) that "if enough readers make a "connection" with Gizmodo, if they hear something unique in the voice of the site editors, if they learn to trust the instincts of writers, they'll keep coming back". That's the point. Even Dave Winner who had previously positioned himself as a non-believer [agreed](#) that if weblogs have a true voice, they also have a chance of succeeding.

The search for community and profit: Slashdot and OpenFlows

[Slashdot](#) is perhaps the most vibrant weblog community. On any given day, the Slashdot weblog, entitled *News for Nerds, Stuff that Matters*, hosts a dozen or so of incredibly lively discussions bonded together by an underlying interest in how technology shapes society, business and politics and vice versa. Housing the virtual discussions of scores of IT professionals, computer science students, open source supporters, and technology enthusiasts, Slashdot has scaled from a one-man-show to a global community unlike any other.

One would logically suspect that for a website to serve over a million of page requests a day (OSDN 2001) and offer an endless flow of news items with accompanying discussions among thousands of people, a legion of system administrators would be required. And it is. Myriads of people voluntarily submit stories to the Slashdot system which with the help of a select few ‘lead-gatekeepers’, who actually constitute the first level of moderation, filters through the sea of submissions and decides which stories will make it to the weblog for discussion among the community. But moderation is not the issue here. In a business world where numbers matter, the sheer volume of community members – calling themselves *slashdotters* – would normally be expected to be more than sufficient to pay the bills. Slashdot sells a wide spectrum of [stuff that nerds](#) are intrinsically interested in. Illuminated keyboards for nocturnal types, cups featuring *geek friendly* logos, fancy gadgets, sci-fi books, DVDs, CDs and then some are on sale. Plenty of *slashdotters* are also submitting [reviews of books](#) they’ve read along with links that take you straight to bookshops. They also [sell space to advertisers](#) who are more than keen to have their banner ad on the top of such a bursting with traffic weblog. But in the end it seems that affiliate marketing, banner ads and all those products fail to provide a sustainable revenue stream. Not enough to keep Slashdot afloat anyway. To supplement its revenue or actually to survive, Slashdot relies on **corporate underwriting** by the [Open Source Development Network](#) (OSDN), a network of web resources catering for the needs of open source developers and owned by [VA Software Corporation](#), whose revenue model in turn is based on selling hardware tuned in for running open source software.

From the viewpoint of a marketer, Slashdot represents an unsolved enigma. Any marketer would pride on the economic invulnerability of a website whose online following and subscriber base equals that of powerful mass media. Any marketer would dream of masterminding a web venture whose main product and organisational process is turning conversations into marketable content. Why then, given the admittedly well-balanced portfolio of revenue streams, does Slashdot have to depend on corporate underwriting instead of sailing off on its own? And if Slashdot, which has garnered a huge community that continuously contributes to the ongoing conversations in the absence of any direct financial incentives, is in absolute need of corporate underwriting, what should one expect from more mediocre undertakings? Is blogging-for-profit, in other words, doomed from the outset? Or to dig a bit deeper

isn't the *online community* a valuable addition to e-commerce ventures as so many publications and consultants seem to suggest?

For one thing, subscriptions and *tip jar* donations are not likely to work because volunteers provide the content that makes slashdot what it is. How could anyone ask the slashdotters to pay for access to what themselves provide for free? The same goes for donations. They could, however, insist that slashdotters pay for the privilege of using the community space that the slashdot weblog infrastructure essentially is. I had once rented a huge deserted garage space in the outskirts of Athens to have a party with my friends. I had no objection to paying some money in order to use that space so why not do the same with slashdot? Oops. I forgot that anyone could start a weblog at no cost outside of the time required to set it up. And given that most of the slashdotters are computer-literate, that is not likely to be much of a hassle. I also forgot to mention that the [underlying source code that powers the Slashdot](#) weblog – called *Slash*⁵ - is free software. That means that anyone could set up their own version of Slashdot by using *Slash*. And with some minor tweaking, one could easily change the look-and-feel of the weblog so that it wouldn't look exactly the same. So, even if one feels that the Slashdot infrastructure is technically or aesthetically superior, there is no restraint in using it and no way whatsoever in forcing one to pay for using it. In fact, there are scores of [weblogs powered by Slash](#).

[OpenFlows is one of those weblogs](#) and a lively one. It is an online community sheltered by a weblog. At the same time, [OpenFlows](#) is also a commercial organisation whose business model is based on implementing, customising and providing support services on open source/free software. So what does this have to do with weblogs? I will explain. Say I am writer and I have decided to start a weblog to promote my new book and discuss with my readers the ideas in it. Say that I also like the Slashdot weblog and would really like mine to work in a similar manner but look different so that to have its own personal aesthetic character. Unfortunately, even though Slash is free and I could adopt and modify it to suit my needs, I know next to nothing about programming. So what do I do? I arrange that Openflows do it for a fee. This hypothetical example is not far from the truth. [No Logo, a weblog dedicated to discussing the ideas](#) in Naomi Klein's *No Logo* book is powered by Slash and OpenFlows is the company that *tailored* it. [That's how Openflows makes money](#).

⁵ Slash stands for "Slashdot Like Automated Story-telling Homepage", is licensed under the GNU GPL, and the website devoted to the development and use of it is <http://www.slashcode.com>

A friend of mine while reading the above shouted “So is it customisation and selling services to companies who want to jump on the blogwagon where the money is?” and he went on “consultants and website designers have been doing this for ages...or is it selling weblogs to the masses?”. First of all, I reckon we all agree that consultants and website designers have been doing it for a long time. And selling weblogs to the masses is not my point here, although companies such as [Radio Userland](#) and [Pyra Labs](#) (recently acquired by Google) are doing pretty well by doing exactly that. My aim is to show that weblogs mean business but not necessarily in such easily identifiable ways. Had it not been for the OpenFlows weblog, which is of course free for all to use, I doubt if any company or individual would hire the programming talent of the company known as OpenFlows. The weblog, in other words, is a living ad of the company. It demonstrates in real-time and under real-world circumstances, rather than in a closed-doors demonstration distanced from reality of the typically encountered product marketing pitches during industry conferences, that the company’s product does not collapse under pressure and the company is really committed to what it’s selling. By engaging in community dialogue at its own weblog, it also demonstrates that the company is open to criticism and feedback from the marketplace. The company is not distancing themselves from the marketplace; on the contrary, they do all they can to connect to the marketplace and engage in a conversation.

In the infuriating [Cluetrain Manifesto](#), theses 34 – 40 read⁶:

To speak with a human voice, companies must share the concerns of their communities. But first, they must belong to a community. Companies must ask themselves where their corporate cultures end. If their cultures end before the community begins, they will have no market. Human communities are based on discourse – on human speech about human concerns. The community of discourse is the market. Companies that do not belong to a community of discourse will die.

⁶ These seven theses appear in the form of a paragraph, exactly as in the above text, in Chris Locke, *Gonzo Marketing*, Capstone, 2001, pp.118.

For one thing, OpenFlows understands that “companies that do not belong to a community will die”. We should remind ourselves that OpenFlows is cashing in on open source/free software. Making money out of open source/free software is not evil - as some people wrongly believe - as long as the community rules are strictly adhered to. To rephrase that, if the company does not ‘belong’ to the community, a commercial symbiosis (between the community which provides the product to start with and the company) is most certain to fail. And failure results in inability to use the product. Therefore, it is safe to say that Openflows is a community-centric organisation; is run in harmony with the open/source community ethics and its weblog is dedicated to the continuation of public discourse centred on issues of interest to the community.

Felix Stalder, co-founder of OpenFlows, wrote in 1999 that portals exemplify an “old trick all over: if you cannot sell to the audience, sell the audience” and judging by his tone, he wouldn’t be keen on betting his company on mass marketing practices. Three years later, in [Open Source Intelligence](#), which he co-authored with Jesse Hirsch, the other co-founder of Openflows, it is made clear that their professional activities and leisure interests are compliant with the community principles. The term *Open Source Intelligence*, they write, refers to “the application of collaborative principles developed by the open source software movement to the gathering and analysis of information”. Interestingly, the *No Logo* weblog is one of the three case studies discussed in the paper.

Community weblogs can be immensely valuable for organisations. That is obvious. What is not so obvious is where the revenue will come from. Unfortunately, there is not one-size-fits-all model. For Chris Locke (2001) only corporate underwriting could be a viable and guaranteed revenue model as any other model is currently unable to ensure that community members are not been alienated in the corporate race to eke out a profit. “The problem is that commercial enterprises have clearly defined goals: to sell something. Real communities, on the other hand, are amorphous and can change their goals and, the moment they become incompatible with the goals of the company, they clash. Since the company that owns the servers dictates the policies (after all, it’s private property), communities tend to lose in such conflicts”⁷.

⁷ Interview with Felix Stalder.

Corporate underwriting, in order to harness the community, loosens up the burden on the success criteria that corporate-backed weblogs are judged against. “Success should be measured on the quality of the content and the diversity of its sources – instead of by the sales leads it generates” (Locke 2001:106). These criteria are in stark contrast to the ones set in a e-CRM driven community which evaluate the community’s success based on “the number of participants, amount of time spent in the community, and transaction intensity – [and whose ultimate goal is] to create profiles on individual customers which will yield rich data sets about both individuals and customer segments” (Hagel & Armstrong 1997:143). By this token, Slashdot is immensely successful.

Nevertheless, as a headstrong marketer, I still believe that money can be made. I do not wish to enter the debate on micro-payments. I do however wish to discuss the possibilities of affiliate marketing in the context of massive community weblogs like Slashdot. In the space of a week, more than a thirty posts (or stories) linked to specific products make it to the Slashdot weblog. Some of these posts are celebrating a product, others make sure that none will ever dare to buy it. It is naïve to assume that none of the Slashdotters would buy products discussed favourably within the weblog. Of course they do. As [Flemming Funch \(2003b\)](#) states, collaborative filtering works best with people we trust rather than algorithms and systems similar to Amazon’s that make recommendations based on past purchases. So, in such an affiliate marketing scenario, revenue flows in from referrals. But who gets the money? Is it the marketing genius behind Slashdot who pays for the server expenses that should get the money or the volunteer who provided the link to the product and wrote the review at the first place? Or both? If it goes to the marketing genius, it’s not fair for the volunteers who are then been exploited. If on the contrary it goes to the volunteer, it’s not fair for the marketing genius who through his efforts to put a community together has exposed the link to an audience way beyond the volunteer’s otherwise potential reach. What if they split the profit halfway? The volunteer who provides the link (and the ink) gets 50 percent of the commission and the ‘owners of the weblog’ get the other 50 percent. That would be fair. Of course, a mechanism for automatically distributing the profit would need to be devised but this wouldn’t be that hard to achieve either. The real problem lies in setting up partnerships with e-tailers, not to mention that not all e-tailers offer affiliate marketing programmes the way Amazon does. This is the main flaw in such a business plan. But given time I reckon this flaw could be overcome and this model could offer a glimpse of the future to come as either more and more e-

tailers start their own affiliate marketing schemes or eBay and Amazon become the definitive electronic marketplaces for all kinds of products.

Macromedia is blogging at full speed

Macromedia has come a long way down the weblog road. A few months ago, the company's efforts seemed a bit loose and disorganised but nowadays, Macromedia is an undisputable blogged organisation. The "[Full as a Goog](#)" weblog lists all Macromedia-related weblogs at <http://www.fullasagoog.com/blogsontap.cfm> and categorises them according to which Macromedia product they each discuss (*Coldfusion MX*, *Dreamweaver MX*, *Flash MX*, *Web Builder*), and serves as an aggregation service for news and stories from all of the Macromedia-related blogs. It should be noted that there are more than fifty of them as of January 2003. Some of these blogs are maintained by Macromedia MX product and community managers while others are not. Slightly disturbing is Macromedia's decision not to include links to any Macromedia-related blogs from its [corporate homepage](#) but this is about to change, hints Ed Krinen (2002). Besides, this is counterbalanced by the popularity of several of the Macromedia blogs, as a quick search for any MX product at google will reveal.

Ed Krinen, the Vice President for Community Development at Macromedia who also oversees the Macromedia community managers, the Team Macromedia volunteer program, and the content publishing processes for the Designer and Developer Center at Macromedia, has contributed a manifesto celebrating Macromedia's innovative approach and advocating the use of weblogs for companies. In his "[Blogs are HUGE](#)", which is hosted at a Macromedia page, he explains his enthusiasm for blogs:

Blogs give us the fantastic opportunity to mass communicate directly and quickly with our customers, in an easy-to-read format, without going through slow corporate processes. While [Macromedia's online forums](#) are also a very popular method for discussing our products, the blogs give our community managers centralized areas where they can each point out the top topics that they're seeing in the community on a daily basis.

In what I see as a landmark Macromedia document, Ed Krimen makes a compelling case for corporate blogs. There may have been some problems that Macromedia had admittedly encountered during the launch period such as deciding on an appropriate corporate policy regarding the use of weblogs by Macromedia employees for promoting Macromedia products (*“Should we associate the blogs with Macromedia? Should the association be clear or vague? Should the blogs be personalized for each community manager?”*), but once the ball had started rolling, the feedback from customers and the surrounding community of developers was too overwhelming to ignore. Krimen conveys a great sense of optimism for the future of corporate weblogs and there is no one who can blame him for that. Indeed, the technology press has hailed and welcomed Macromedia’s revolutionary ‘blog strategy’ as being a step ahead of the game, a move that will certainly mesmerise other companies to join the blogosphere.

Jeremy Allaire (Macromedia CTO): <http://radio.weblogs.com/0113297/>
Mike Chambers (Flash MX): http://www.macromedia.com/go/blog_mchambers
Matt Brown (Dreamweaver MX): <http://radio.weblogs.com/0106884/>
Bob Tartar (Director): <http://btartar.blogspot.com/>
John Dowdell (All MX related): <http://jdmx.blogspot.com>
Sean Corfield (ColdFusion MX, Architecture): <http://www.corfield.org/blog/>
Waldo Smeets (Macromedia Sales Engineer): <http://www.waldosmeets.com/>
Michael Williams (Flash Product Manager): <http://www.markme.com/mwilliams/>

**Macromedia bloggers speak with a real voice:
a few of the most popular of Macromedia weblogs**

It’s captivating to see how responsive the market can be to a blogger speaking with a true voice, even when the blog is solely focused upon the products and services that the company (for which the blogger works) is selling. At first glance, one might reckon that a blog discussing products would not be any appealing – besides, who wants to read about dull stuff like Flash MX? And how could anyone possibly associate with a blogger who’s only writing about products his company sells? Well,

quite a few people [wished Mike Chambers a happy birthday by leaving a comment](#) at Mike's blog, although he never said when his birthday is. The fact that his 'customers' found out about Mike's birthday from [another weblog](#) without him telling them lends further credibility to the business case for blogging. And it is not rare for Mike to ask his buddies about their opinion on Macromedia plans. Recently, Mike, who's Flash Community Manager at Macromedia, [asked for feedback](#) on Macromedia's plans to roll out a subscription service (and sixteen people commented on it within the first day that Mike posted the request for feedback), and it was not long ago when [he ran a promotion on his blog](#) (in order to test the effectiveness of the weblog as a promotional vehicle) that the response was so overwhelming that Mike admitted he never expected so many people would go for it.

[Read the Weblog -- Get 10% off](#)

We are trying out something new today. Basically, we have a limited number of 10% off coupon codes for the Macromedia store. This is on a first come, first serve basis, and is an opportunity for us to give something back to to the core of our community.

So, todays code is : SP23CMMRBK

This code is good for the [Book / Training section](#), which among other things, includes the [Macromedia MX Developer Resource Kit \(DRK\)](#).

More codes to follow in the coming days. Thanks to [Matt Brown](#), the Dreamweaver MX community manager, who organized this. Note, please do not distribute the code. We would like people to access it through our weblogs, so we can see how useful it is.

Update : Apparently some people are having trouble with the code. We are looking into it, and apologize for the hassle. Has anyone successfully used the code yet? If so, could you post in the comments?



3:42:01 AM # [comment \[13\]](#) [Google It!](#)

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

[Aug](#) [Oct](#)

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[MX Examples](#)
[Articles](#)
[Flash Forward](#)
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[Jeremy Allaire](#) [*]
[Christian Cantrell](#) [cf/j]
[JD on MX](#) [*]
[Matt on MX](#) [dw]
[Bob on MX](#) [d]
[An Architect's View](#) [cf]

Resources
[Developer Resource Kit](#)
[MM Des / Dev Center](#)
[Flash MX App / Dev](#)
[Flash Communication](#)
[Server MX App / Dev](#)
[Mobile Dev Center](#)
[CF MX App / Dev](#)
[Java App / Dev](#)
[flashkit](#)
[ultrashock](#)
[were-here](#)
[DevMX](#)

Figure 8: The “Read the Weblog -- Get 10% off” promotion at Mike Chambers’ blog on September 18, 2002

Source: <http://radio.weblogs.com/0106797/2002/09/18.html#a281>

Since then, promotions have been regular at Mike's blog, exemplifying how weblogs can be put into use for promotional purposes. [Mike Chambers's blog](#) is demonstrably

proving that the market will embrace a blogger when he is out there to communicate with the market rather than trying to sell the 'audience' on to some hidden PR agenda.

But why stop there? Why not transform Macromedia's corporate homepage into a weblog? In a *Wired News* article (Manjoo 2002), published only a week after the launch of the first five Macromedia weblogs, Tom Hale, Macromedia's Vice President in charge of Developer Relations, explained: "Would it have been a true blog if we put it on Macromedia.com? Not really." The article praised the effort and recognised that "it was important to Macromedia that its blogs seemed true, that readers perceived them as the thoughts of helpful community managers instead of corporate shells. If the effort felt disingenuous, like the company was merely jumping on the blogwagon, it could have backfired". Hale added that "Macromedia asks only that its bloggers keep their postings relevant -- no blogging about what they ate for breakfast, in other words. They're free to discuss any aspect of the software".

There are certain issues to be stressed here. First, it is obvious that unless the weblog is unique, it's not going to work. Weblogs are an attempt to break free from the dehumanised, standardised, conformant with corporate guidelines on how to address an audience PR speak. This is why they work and Macromedia's Tom Hale gets it when he says "readers should perceive the weblogs as the thoughts of community managers instead of corporate shells". No doubt. But then he says that they wouldn't have been true blogs if they had put them on Macromedia.com. Why? Is it OK for employees to speak with a real voice but it's not OK for companies to do so? Primarily, it's a matter of mindset. Organisations have been stuck with rigid frameworks for way too long. It's only because of these mind frames that companies are compelled to traffic their voice to press conferences, press releases, investors and shareholders reports. Channelling one company's voice into routes more dialectic than traditional corporate outlets has been frowned upon as a mere illusion. But there is no illusion here. It all depends on your definition of a company and corporate (or marketing) communications.

But it seems that Macromedia is not constrained by rigid mindsets. As a testament to the power of blogging, Tom Hale responded to my essay when it first appeared at my personal weblog and left a comment:

I don't think it's "OK for employees to speak with a real voice but it's not OK for companies to do so?" Corporations are made up of people, but in many cases they must hew to the "company line". We *do* link to our blogs from our website, but we make it clear that the blogs are the publications of the individuals, not of the corporation. BTW, I love it when corporations talk "human" to me... If anything, the blogs are the human face of macromedia - managing to be both part of the corporation and separate from it. We are blazing some new trails here - so thanks for the feedback and attention.

tom

Another reader anonymously alerted me to my errors. I thought that there were not any links to the weblogs from any Macromedia pages outside of Ed Krimen's *Blogs are HUGE* manifesto. I was wrong. The anonymous comment read:

*fyi, the Macromedia weblogs are linked from:
<http://www.macromedia.com/desdev/>
which is the macromedia developer center

bc*

Indeed, the time has come and Macromedia is no longer distancing itself from weblogs, if it ever was. There is a link from Macromedia's [corporate homepage](#) to the [Designer & Developer Center](#) which is where you go if you are a developer and where eight of Macromedia employees' weblogs are listed. It should come as no surprise that those weblogs' URLs have also changed to reflect Macromedia's commitment and embracement. For instance, Mike Chambers's weblog (focused on Flash MX) is accessible at http://www.macromedia.com/go/blog_mchambers and Matt Brown's blog (focused on Dreamweaver MX) is accessible at www.macromedia.com/go/blog_mbrown.

I should note though that had it not been for my weblog, I would not have known all that. Do you still have any doubts that Macromedia is conversing with the market and that weblogs are market conversations?

Corporate Policy on Employee Weblogs

It is imperative that a corporate policy on employee weblogs be existent so that company lawyers will not worry that someone could take a casual remark or a personal opinion as official policy. As a first step, it would be wise that a notice is put on one's weblog that makes clear that the views expressed in the weblog are not (necessarily) shared by the 'parenting organisation'. For example, the notice on [Ray Ozzie's blog](#) reads:

The views expressed on this website are mine alone and do not necessarily reflect the views of Groove Networks, Inc.

Similarly, [Jorgen Thelin's weblog](#), *The Architect.co.uk*, mentions that:

This is a personal weblog by Jorgen Thelin, Chief Scientist at Cape Clear Software Inc. The opinions expressed here represent my own and not necessarily those of my employer.

And [Tim Oren](#) who is a Venture Capitalist with a [weblog](#), states:

This blog is kept by Tim Oren. I'm a partner at the venture capital firm that hosts it, Pacifica Fund.... What I write here is what interests me, and is my own opinion. I make no pretence to objectivity. A VC without a point of view is a useless VC. My opinions don't necessarily reflect those of my partners or the firm, something I find out regularly. Likewise my opinions don't necessarily represent those of other venture capitalists, firms, or the industry as a whole (if there is such a thing). It's all mine, love it or hate it.

That is fairly straightforward and in most likelihood there will be no problems when a single person-employee is responsible for posting to a weblog, especially when the weblog is meant to be a personal project or hobby. The tricky part is with corporate weblogs, when more than a couple of employees post their thoughts to the blog. Regardless of whether the blog is inward - looking (hidden behind a firewall and thus accessible only to employees) or outward - looking (public and accessible to everyone), consider a corporate weblog that serves for brainstorming among twenty employees. This is not a wild dream. Instead of launching ten separate weblogs by ten individual employees which is the solo approach followed by Macromedia, a company may choose that a group weblog in which ten employees will be responsible for posting daily content and stimulate discussion is more likely to result in a vibrant community. It's not hard to understand why a company would go for such a blogging strategy. The more interesting the content and the livelier the discussion is, the more chances are that an online community will coalesce around a weblog. And beyond any doubt, ten people will probably have more ideas and thoughts to write about than a single person would, even though in the process a few of them may stand out as more knowledgeable or more attention-grabbing individuals. Moreover, as the burden of maintaining the weblog is distributed across several people, redundancy is weaved into the system. Redundancy, in this case, means that even when an employee is unable to fulfil her blogging duties due to other work obligations or for whatever reason (ie. sudden illness or maternity leave), the remaining bloggers will ensure that the conversation does not die off and the weblog does not stagnate in the absence of fresh and frequently updated content.

In a discussion I had with some friends regarding the implications of such a group weblog, it was evident that some people do not share the belief that a group weblog will (most of the times) be more interesting when compared to a single person's blog. As a friend pointed out, she 'd rather associate with a blog that expresses a sole author's views with an attitude rather than having to deal with what she likens to a corporate melting pot adhering to strict corporate guidelines. But a *melting pot* does not have to be compliant with totalitarian guidelines or to wrap views up in a homogeneous manner tailored for easy digestion. A group weblog should not be seen as an aggregation service catering for those lazy enough to bother checking more than a handful of weblogs. If the group bloggers collaborate toward a **shared goal**, the diversity inherent in their interactions will metamorphose the blog into a process of cross-fertilisation among individual ideas and thoughts.

A shared goal provides context and doesn't have to be an abstract concept. In the case of the community weblog *Slashdot*, the shared goal, or the context if you prefer, is established through only six words prominently displayed at the top of the site: [*news for nerds, staff that matters*](#). These six words convey the purpose of Slashdot. Come to think of it, it is a sort of a mission statement, but unlike most corporate mission statements which are seldom meant to be discussed or criticised in the open, this one is meant to lie at the core of the occurring conversations.

It is this process of cross-fertilisation among individual posts that is most amenable to external top-down control, perhaps in the form of undemocratic and authoritative moderation, which in turn can backfire and stifle innovation. Managers should resist the temptation to control because attempts to control the conversations can kill them or send them underground (Cothrel & Williams 1999). “The real question is whether the benefits of control are worth the potential drawback of dampening the creative spirit that fosters innovation – one of the reasons for having online communities in the first place” (*Ibid*: 57). To make sure this doesn't happen, Meg Hourihan (2002) suggests that *acceptability guidelines* be established. Apart from satisfying Human Resources and lawyers, these guidelines will ensure that the removal of inappropriate content (such as a post saying nasty things about the company's competitors or a colleague that climbs up the corporate ladder because of consistently backstabbing others), is not been interpreted as censorship. As she says, “you'll find people aren't much interested in contributing if they feel their content may be censored” without being given proper explanations.

Groove Networks has such a [*corporate policy*](#) in place. Although the weblogs maintained by Groove employees, including its CEO, are publicly accessible, the set of guidelines could also be applicable to weblogs hidden behind the corporate firewall. In short, the policy states:

1. put a notice which makes clear that the views expressed are your own
2. do not disclose any proprietary or confidential information.
3. be respectful to the company, fellow workers and competitors

and

4. we may ask you to stop if we feel that what you blog about is what we pay you for
5. we may ask you to confine your weblog commentary to topics unrelated to the company
6. we may ask you to stop if we believe it is necessary or advisable to ensure compliance with securities regulations or other laws.

Apparently, the last three guidelines are open to interpretation. While some people might feel that such guidelines are more restrictive than they should be, there are also people who regard them as essential. Interestingly, a while ago, a journalist on CNN's payroll, named [Kevin Sites](#), [was asked to suspend his war blogging](#) from Iraq. Since Kevin Sites was the only professional journalist blogging about the war live from Iraq, the reaction from scores of bloggers that disapproved of CNN's move was in the least anticipated. On the other hand, there were also some bloggers who took a more [balanced view](#) on the grounds that real world constraints such as squandering scarce and expensive bandwidth dictated CNN's seemingly authoritative decision to temporarily shut down Site's blog.

Secret CIO Vs. Weblogs

Perhaps the real reason for shutting Sites' s blog down lies elsewhere. In "Beware the Blog in your Company's Future", a *secret CIO* (with the nickname Herbert W. Lovelace) urged corporate decision makers to be ultra-sceptic of weblogs. "The reason is threefold: quality of data, time expended versus value received, and the reality of litigation". According to the secret CIO, the argument for dismissing blogs as pure hype hinges upon the hypothesis that employees will be wasting their time blogging when they should be doing real work instead; intellectual property concerns compel intelligently run companies to keep everything in the closet; and weblogs simply make the task of filtering through an abyss of information harder.

First, I fail to grasp how weblogs mean 'waste' when employees find it easier to organise their thoughts, collaborate and share knowledge with other clusters of employees and communicate with the customers in what ought to be seen as the ultimate objective of any well conceived marketing approach. And the "litigation

issue” that the secret CIO thinks as the most compelling reason for companies to stay away from weblogs is equally absurd. None said that weblogs should be used to post all corporate information on the Web. Weblogs are a market conversation. But the secret CIO seems to be well scared of the power of conversations. “As Microsoft has learned from keeping old E-mail too long, in this age of writs of discovery, what you've said way back when may really hurt you” says the secret CIO. Well, I can't say he's entirely wrong. If your weblogs are no more than discussions among top corporate brass about how to most effectively stifle competition, and leaking all sorts of rubbish-like reports to the press with the intention of distorting marketplace reality and manipulating customers' perceptions, then I have to admit that weblogs are probably not going to work for your company. But I guess there could have been none better to answer this than *Microsoft* itself. *Microsoft*, in what I reckon is an excellent strategy to get rid of its notorious reluctance to share information and engage in a dialogue with their customers, is transforming into a weblogged organisation. A [weblog](#), characteristically entitled *Microsoft Blogs*, is listing all weblogs maintained by Microsoft employees and as of March 2003, there are more than fifty of those. Well, secret CIO, what do you have to say about that?

Third and last, the secret CIO asserts, weblogs will make it harder to navigate the information maze to find what is really valuable. He believes that all employees will start posting all kinds of nonsense to the corporate weblog, making it all the harder to make the right decisions. If you regard and treat employees as corporate cogs or even worse as intellectually crippled corporate servants with a severely limited capacity to think and act reasonably and responsibly, then again the weblog may not be the ideal strategy for your organisation. But even then, a weblog may remind those at the top that knowledge is oblivious to corporate ladders. Domain and subject-knowledge expertise may be hidden if you look through the lens of the corporate scaffold. Although many organisations keep track of individual employees' hobbies as an indication of where specialised knowledge may reside, not all organisations do. For example, one of my best friends would make a fine mechanical engineer if he didn't chose to read economics and to pursue a career in finance. That's not the exception but rather the rule. Most people's job definitions and job titles fail to convey the width and depth of knowledge they possess outside of a narrowly identified work category. Is the absence of a degree a reason good enough to prevent some knowledgeable people from contributing? Perhaps, the geek from the IT department knows more about professional photography than the marketers assigned from the

holy top to promote a new camera. Should the geek 's opinion be ignored since he lacks a degree in professional photography and he's never worked as a professional photographer? A weblog will not only help reveal this hidden knowledge, it will also transfer that knowledge from the *source* to the *action*.

Furthermore, as increasingly more people start to realise, not even domain experts could possibly know everything. Our collective knowledge and wisdom greatly exceeds that of any one person's grasp (Gillmor 2003b). David Weinberger (2002) learnt that from first hand while searching at eBay: "No matter how unsystematic and uncertified this knowledge is (these reviews are), because they come wrapped in a human voice, the knowledge they communicate is richer and, in some ways, more reliable: the lively plurality of voices sometimes can and should outweigh the stentorian voice of experts".

In all, and mostly for the sake of avoiding any probability that removal of content is seen as censorship, a corporate policy is not a bad idea. But as David Weinberger (2000) says "businesses take legal risks just by shipping products".

Re-inventing Knowledge Management behind the firewall

"Where community processes are likely to have a significant financial benefit is in the enterprise. Organizing and distributing information among workers is a critical need of every information-dependent organization. Weblog-based tools will be the foundation for a new discipline of bottom-up knowledge management, which will lead to efficiencies and productivity boosts for companies."(Interview with Kevin Werbach)

In much the same way that weblogs can be deployed to communicate with customers, they can also be used for inter and intra-organisational communication purposes. By adopting weblogs within an intranet context, organisations will boost their employees's productivity and present viable alternatives to current knowledge management systems. It is elementary to recognise that knowledge management implementations and practices vary greatly across organisations. Several companies adopt hierarchic knowledge management systems whose spine is a database; others

regard their corporate librarian's ability to hook people together as the most effective knowledge management ever considered. Keeping a record of individual employees' interests and skills along with an evaluation of their past performances in specific projects by their peers is another type of knowledge management. Job rotation and project-form of organising is yet another as it ensures that individual workers' tacit knowledge is disseminated and shared as a result of their interaction with the network of their co-workers. In short, there is an increasingly wide spectrum of KM applications and methods. It is true that many commentators feel that the field is still in its infancy, however tools and approaches towards knowledge management have dramatically proliferated during the last ten years. From neural networks, intelligent agents and Bayesian statistics to Enterprise Information Portals (EIP) and Case-Based Reasoning, and from Unified Modelling Language (UML) and Ontologies to Groupware and data mining, organisations have never had such a vast array of tools and out-of-the-shelf commercial solutions at their disposal to choose from. By no means does the advent of weblog technology render all these knowledge management systems obsolete. In many cases, using weblog technology will not eliminate the need for different knowledge management systems to be used in parallel. Each organisation should carefully consider its individual needs and choose to proceed to a well-balanced portfolio comprised of different KM applications. However, weblogs are a harbinger of a new type of human relationship and information management and several of its characteristics exemplify that weblogs, even when used as a stand-alone KM system, will fundamentally change our perceptions of organisational memory and knowledge management. Their harmonic balance between centralised referencing of knowledge and decentralised distribution of power and capacity for self-rule poses unprecedented challenges even to the most sophisticated, state-of-the-art knowledge management systems.

During conversations I had with friends, it dawned on me that knowledge management has become so complicated as a notion that many people fail to grasp its importance. They do not really know what KM is trying to achieve: is it about better storage, retrieval and management of data or is it something that could provide solutions to complex problems? Is it something to be used only by the top-layer managers or could it make all employees' working lives more flexible and productive? Is it about enhancing control over one's work or is it about fuelling innovation? Same thing about many technical KM systems: friends of mine keep telling me that they cannot afford to invest the time required to gain familiarity with

the new KM system recently rolled out at the company they work for since their working life is already full. And when they manage to find some spare time between meetings and other tasks, they 'd rather do something more relaxing and fun, such as socialising with their fellow workers at the cafeteria, rather than stumbling upon how a new piece of software functions. They find most KM systems to be boring, if not useless and soulless. Sometimes, they even consider KM systems as a direct threat to themselves. As a friend who's working in finance once told me: *"What happens if I put all my contacts into the system and store everything I know – all the experience I have - into a database and then I get fired? I lose my competitive edge. Perhaps, if I do put all my contacts into the system, they'll have a pretty good reason to fire me straight away. They won't need me anymore. They 'll give some rookie half the money I get to do what I do by using my contacts. And I don't want that to happen. No doubt I need a KM system and that's why I have this filofax. But with all these stories going around about people getting fired and having their personal things collected by the security while they're asked to go see their managers, I'd better keep it at home"*. With the exception of a couple of friends who told me they have effortlessly familiarised themselves with their company's Enterprise Information Portal and use it everyday to get the latest corporate news and announcements, most people I know agree that the best 'knowledge management' ever is to get to know as quickly as possible the employees who are so well connected that somehow *they know things* or *they know to whom one should speak to*. But even those two people who find the corporate portal to be a valuable component of their company's knowledge management strategy, they admit they get the official news from the portal but then they get to know the unofficial version of the news, the corporate gossip if you want, by chatting with their fellow workers during the coffee and lunch break.

There is no need for KM to be confusing. Unfortunately, like so many other domains of organisational life that supposedly simplifying frameworks have penetrated, KM falls prey to misinterpretations and hype. Since Peter Drucker (1993), the father of contemporary management theory, prophesied the rise of the knowledge society and coined the terms "knowledge work" and knowledge worker", knowledge has become the hotbed for innovation, profits, competitiveness, sustainability, leadership and generally it appears that effective knowledge management is responsible for every corporate success. This claim may sound exaggerated but it is not hype and theoretical bluff. Although Drucker along with other leading management thinkers are responsible for popularising the field and turning it mainstream, there is widespread

recognition of the economic and social significance of knowledge since ancient times. Who can deny that knowledge is crucial to all aspects of our societies and businesses? From building bridges to coping with environmental crises and from designing commercial technologies to conducting medical research and structuring organisations, knowledge is the link that binds all successful endeavours together. Regardless of how we choose to define it, experience or creativity, know-how or skills, brainpower or ingenuity, knowledge matters.

In simplistic, but nonetheless accurate terms, KM is the process that nurtures the creation of ideas and by which vague ideas translate into concrete actions and identifiable skills, capabilities and corporate assets. In recognition that knowledge is ultimately beheld by individuals and initially developed within a small group context, knowledge needs to be effectively communicated, shared with the group and disseminated through the organisation so that ideas are tested and contribute to the development of better products, services and business processes. Bluntly speaking, KM is about creating better organisations through better communication. This is the cornerstone of KM: for ideas to become something specific and tangible that an organisation can exploit, knowledge needs to be managed. **Prior to its management though, knowledge needs to be communicated.**

Is your corporate email broken? Don't fix it, try weblogs instead!

A great example of how weblogs are being put into use by organisations as a tool for managing knowledge is vividly described by Meg Hourihan and her friends (Bausch, Haughey, and Hourihan 2002). They tell the story of *Stuff*, an internal weblog at *Pyra Labs*, the company (now acquired by Google) that along with *Radio Userland* is mainly responsible for turning weblogs mainstream by selling them to the masses. Back then *Pyra* was still a two-people show, and thus most of the communication bottlenecks typically encountered in large organisations were largely unknown at *Pyra*. *Stuff* was originally developed to keep track of important information that *Pyra*'s two employees deemed rather important, but which they would not interrupt each other's flow of thought and concentration to share. They knew that [*email is broken*](#) as emails containing crucial information quickly sank to the bottom of their inboxes, and hence were of no practical value. So, even though they were just sitting ten feet away from each other, they started posting bits of information to *Stuff* to

ensure that this information would be available when they had the time and inclination to check it at a later time. However, as the company grew bigger and more people joined the Pyra team, they realised that *Stuff* was more than a centralised archive of information suited for asynchronous communication. It quickly became the definitive repository of organisational memory. Instead of educating new employees about what the company stood for through a formal mission statement, they told them to check *Stuff* out. “It was a visual representation of the team and of a collective stronger than each individual who made it up”. Not only weblogs display and record the final outcome of a certain decision-making process, they also unveil the context and the *journey* through which these decisions were reached. And understanding the evolutionary dynamics of the process that led to a decision can be much more crucial in understanding how an organisation works, explains Ton Zijlstra (2003a, 2003b).

Meg Hourihan explains:

“When new people joined our company, one of the first things folks did was read back through *Stuff*—all the way to the beginning. In a few hours they had a better sense of what Pyra was about than any mission statement could have hoped to communicate. We didn't need to tell anyone what our corporate values were; the spirit of the company was revealed through the posts available everyday in *Stuff*”. (Bausch, Haughey, and Hourihan 2002)

The weblog became the place where employees shared knowledge, jointly created a shared context for their work, and through which they defined their company.

The End of Corporate Email?

Of course, they didn't stop emailing others, and it would be simplistic, if not naïve, to support that email should be entirely abandoned. A good deal of critical corporate knowledge is communicated via emails, and besides, it would be hard to convince people to stop using their email. But weblogging and emailing are not mutually exclusive. On the contrary, they can interoperate quite efficiently so that value is captured where it is created. As part of a business implementation, weblogs can be

made to interoperate with commonly used business applications like popular Office Suites, instant messengers (IM) and email. In fact, by enabling blogs and popular business tools to interface with each other, knowledge will be captured the moment it is created. For instance, an email exchange between two salesmen can be *easily* posted to the internal weblog so that this information becomes a resource for other salesmen to use and draw upon, let alone it does not go away when those two salesmen decide to flee. The *differential factor* hinges on how easy it is for employees to post their emails to the weblog. If it requires any burdensome process or technical savvy for emails to be converted into weblog posts, it simply is not going to work. For example, the only requirement in *Radio Userland's* popular weblogging software in order to automate the mail-to-weblog process is to enter a pre-defined keyword in the email subject line field. Not much of a hassle. Similarly, the ability to easily post one's spreadsheets, word-processed documents, and slide presentations to the weblog is of paramount importance. However, as Dave Pollard (2003a) notes, employees have to be educated in using the internal weblog *wisely*, so that not all of their emails make it into it, or that important email communication is not been left out. If the *mail-to-weblog* process is automated, and it is only a one-click away from posting an email to the internal weblog, then it becomes obvious that employees will have to think twice about the potential *current* and *future* value of the communication stored in the email. Employees should pause for a second, or two, and think carefully if the email should be on the weblog, Pollard remarks.

Others though, are far more extremist and radical in prescribing how weblogs will be used. In fair recognition that [*email is broken*](#), Joi Ito (2003b) and Ross Mayfield (2003e) positively state that weblogs are perfectly suited to all internal communications, with the mere exception of one-to-one communications, in effect offering an almost complete replacement for email. It is true that a good percentage of email is spam, and email filters block another good percentage as if it were spam, even when it is not, let alone the unwanted extra information overload that *occupational spam*⁸ adds up to. Weblogs are easier to administer, moderate and make for easier navigation, information retrieval and reading, says Mayfield (2003e). Most important, Mayfield (*Ibid.*) adds, is that weblogs prevent email overload due to the non-intrusive, decentralised character of weblog tools and technologies like RSS

⁸ "Occupational spam refers to unwanted or unnecessary email that clogs corporate mail systems, characterised by excessive CC'ing" (Mayfield 2002b)

subscriptions⁹ and news aggregators¹⁰, which enable users to receive only information they have explicitly chosen to receive when they need it in a timely fashion. Latest industry intelligence (Singel 2003) reports that [such weblog tools enable users to keep up to speed with a large number of news sources in less than half the time it would take using a web browser, and a favourites bookmark](#). But the most compelling argument is the elimination of waste. Time that was previously wasted in managing one's email, could now be redirected into other productive uses. Mayfield (2002a) uses the real example of a product manager at a major software company who proposed the adoption of a weblog as a solution to his ever-growing pains of answering the same question time and time again in order to illustrate why weblogs are indeed the ultimate replacement for corporate email. What follows [is the email sent by the product manager](#) in which he clearly identifies his problem and the solution he proposes:

Here's the situation: I'm managing four products that are sold by about 300 sales engineers and 300 sales people worldwide. That translates into a lot of sales-related questions sent via email. There is some degree of overlap to these questions. Currently I'm answering these queries by responding individually to each email, and this takes a big chunk of time...Given this situation, I'm thinking of setting up a weblog (aka blog) to post answers to questions likely to be of interest to a significant chunk of the sales team. ([Mayfield 2002a](#))

⁹ According to Mark Pilgrim (2002), "RSS is a format for syndicating news and the content of news-like sites, including major news sites like *Wired*, news-oriented community sites like *Slashdot*, and personal weblogs. But it's not just for news. Pretty much anything that can be broken down into discrete items can be syndicated via RSS...**RSS-aware programs called news aggregators** are popular in the weblogging community. Many weblogs make content available in RSS. A news aggregator can help you keep up with all your favourite weblogs by checking their RSS feeds and displaying new items from each of them". Therefore, one could choose to read a weblog not by typing the weblog's URL into the browser, but by using a news aggregator instead. The significance of which is that when someone subscribes to a weblog's RSS, he consciously decides to read every single post that appears at that weblog via the news aggregator application, and that involves a certain amount of dedication and attachment. In other words, one would not subscribe to a weblog's RSS, unless he wants to be informed of all the posts that make it to that weblog, and that is not what an occasional reader would do. For instance, many bloggers subscribe to the RSS feeds of all the weblogs that are listed in their *blogrolls* (see footnote #14 for a definition of *blogroll*).

¹⁰ See footnote #9

It's straightforward economics that drive the adoption of weblogs within organisations: better communication does not need to be more time consuming. However, as one of my valued proofreaders pointed out, why didn't the above manager set up a FAQ (Frequently Asked Questions) Section to address his problem? "An HTML document giving answers to some questions would more or less do the job", he told me. Indeed, I agree that an HTML document would be sufficient, if the questions never were to change. But as more and different products come out of the factory, and the sales force has to sell them in different ways, the questions will most definitely change, and multiply. MP3, minidisk, CD, tape, and vinyl are all formats used to distribute and sell music, but do they require the same approach to marketing? I doubt it. What about the industry dynamics? Do they ever change? Is the *Sony Walkman* currently marketed the same way it was fifteen years ago? I don't think so. And as those marketplace dynamics change, the sales force should change its approaches and methods too. So, instead of winding up with a long series of HTML documents stored in a non-user friendly corporate database and having no consistent location, why not put a weblog up with all the latest tips that the sales force needs to know?

But weblogs do not simply provide a more polished view of FAQs. And it would be also naïve to assume that questions would automatically vanish because of the mere presence of a weblog. But if each weblog entry had a corresponding comments section, and each had a consistent location (a URI), then any question would only be answered once. That way, whenever a new sales rep emailed the troubled product manager with a question that had been raised in the past and had been answered in the weblog, the manager would reply with a single line indicating the location (URI) of the relevant question-answer, rather than having to answer the same question all over again. Or if newcomers are advised to read the weblog archives before resorting to email, and the weblog offers search capabilities, the only thing one would need to do is enter the question, or a keyword, into the weblog search engine field, and find out the answer to the question without having to email anyone, and most importantly, without having to wait for the reply. No time wasted, no aggravation, and consistent, time-enduring storage of knowledge. What else can anyone ask for from a knowledge management system? In addition, the presence of a *comments box* (see **figure 9**) would introduce a conversational effect across the system, which in turn would give the opportunity to knowledgeable sales reps to demonstrate their expertise by helping other less educated sales reps out. Apart from identifying where knowledge resides,

the burden on the product manager would be substantially lighter, as knowledgeable reps would take on the task of giving further clarifications, or answering questions.

Thanks Tutor. You are schooling me even more.
[Indigo \[indigo@i-o.com\]](#) • 8/20/03; 7:53:15 PM

Indigo,
We both know that in the end what you do in caring for those who most need it is far more important. All I could ever do is to draw attention to the good works of others, "in the trenches."

The Happy Tutor [phil@mygiftcoach.org] • 8/20/03; 7:58:44 PM

Tutor,
Not to open up a mutual admiration society on your blog, but I have to argue with you on this one. Those of us "in the trenches" won't last here without the clarity, personal insight, strength of conviction, et al, that comes from the dialogue with others of high intentions who walk different paths. I do not believe in a hierarchy of roles within the one great work. I do however believe in a diversity of need and of use. May we all be of use.

[Indigo \[indigo@i-o.com\]](#) • 8/20/03; 8:29:43 PM

Diversity and community and common purpose - "Be the change you seek."
The Happy Tutor [phil@mygiftcoach.org] • 8/21/03; 10:58:52 AM

Add your comment: [[not George Dafermos?](#)]

Comment:

Figure 9: Radio Userland's Comments Box

Authorship at Work

The ability to demonstrate one's knowledge, and being given credit for it, compels us to recognise the growing significance of work ownership. In *Working Knowledge*, Prusak and Davenport (1997) pontificate that there is a market for knowledge at work inside all organisations, and in much the same way that marketplace transactions are governed by *quid-pro-quo* relations, the corporate knowledge market depends upon a give-and-take mechanism in order to function efficiently. Put differently, a salary is seldom a reason good enough for employees to share their knowledge, as they might reckon knowledge is their competitive advantage, and by giving it away they might lose their edge, and possibly their job by becoming more dispensable to the company they work for. The answer, according to Prusak and Davenport, lies in properly motivating people to share what they know. Yet motivation is a notion wide open to

subjective interpretation, and managers have been frequently observed to employ instruments of fear to motivate employees when promising more money and lucrative stock options turns out to fall short of expectations.

In the excellent *Up the Down Escalator*, Charles Leadbeater (2002: 235-244) discusses the changes in the evolving model of capitalism, and argues that micro-entrepreneurship, extended study, self-employment and free-lancing are all attempts on the workers' part to claim more ownership and control over their working lives. Of course, *ownership*, carries many connotations, and is a very complicated concept at the heart of business governance. Leading business thinker Charles Handy (2002: 86), for instance, attacks the widespread Anglo-Saxon belief that companies are owned by shareholders, and he is certain that the time has come for when "a collection of people turning ideas into products is a piece of property that can be owned by someone else will come to seem absurd". For the sake of avoiding unwanted oversimplifications in the context of this paper, by referring to *ownership* I mean that workers need to be provided with the intangible, yet real, sense that they are authors of their own work. This is not only key to innovation, but also to reduced bureaucracy and improved efficiency. When you ask people to sign their name under their work, the quality of the end product invariably rises. Not because workers are afraid of management retaliation for work badly done, but because they want to take pride in their own work. This has been empirically proven over and over again. This is precisely why there are so many names mentioned at the end of movies, and why brands were introduced in communist Russia. By saying brands I don't make any references to advertising and marketing gigs. On the contrary, in communist Soviet Union, brands meant names. As the quality of products constantly deteriorated, it was reckoned that forcing producers to put their name and corporate eponymy on the products that they manufactured and brought to stores' shelves could somehow restore quality. And it did. Obviously, in the case of Russia this was aimed at corporate accountability. Nevertheless, credit and work ownership is a strong form of motivation, communist Russia's experiences notwithstanding.

In many companies, workers are reluctant to share what they know because they feel their bosses might hijack this knowledge and present it as their own. This breeds resentment, and reinforces a corporate culture where knowledge is hoarded. With weblogs, it is made clear which employee is responsible for contributing which piece of knowledge, so credit and acknowledgement are given where appropriate. This is

also why weblogs stand a good chance of superseding current knowledge management systems, especially those used for discussion purposes. By making *owning your words* a requirement, the system is not seen as anonymous, and indeed, it gives a sense of belonging to the lifeblood of the organisation – its employees. To visualise how this could come into practice, imagine a fictional company where a manager is charged with leading an experimental project. Rather than email his subordinates and ask them to email him back with their thoughts and suggestions, he sets up a weblog. In order to overcome any reluctance to share, the project manager invites his assigned project team to share ideas and contribute to the process. Employees would post their ideas to the weblog, and would collaboratively lead the task in cooperation with the manager. Or alternatively and more democratically, he could set up a weblog, post the weblog's location (URI) along with a description of the project to the intranet homepage where major corporate news and projects are announced, and the intranet homepage could well be a weblog too, and ask for any would-be interested project partners to visit the weblog and get involved as their interests and expertise best dictate.

As a good first step, many suggest that employees should maintain their own personal weblogs, and use them as a replacement to their filing cabinets (Pollard 2003a). Individual weblogs offer an added advantage with respect to facilitating work groups to form more effectively. Communities of practice and social networks are easier to form as the blog serves as a personal CV, in essence economising on the time it would take for two employees to familiarise with each other's professional interests and areas of expertise. As John Robb¹¹ says, "many organizations use discussion groups. Unfortunately, as most have found, discussion groups are typically dominated by a few talkative individuals that drown out people that actually have value to contribute. K-Logs¹² change that dynamic by providing every contributor with a forum. Through subscriptions and community-monitored traffic, the valuable contributions and contributors can be identified. Additionally, discussions groups usually are topic-based. One thing that I have found (and this is universally applicable) is that my method of organizing topics is different than everybody else's. We all structure the

¹¹ Quoted in Bausch, Haughey, and Hourihan 2002. *We Blog: Publishing Online with Weblogs*, Chapter 8.

¹² K-Logs stand for Weblogs for knowledge management; a term coined by John Robb.

world differently. K-Logs organize information around individuals and time¹³, both of which are universally understood”.

Killing Mrs. Hierarchy

By looking in front of the glass, the individual employee weblogs that many have envisioned stretch beyond a strictly professional weblog. Imagine a junior analyst in a professional services firm being uncurbed by the hierarchic axe and posting his objections to an impending human resources policy, thus raising serious questions as to its viability. If he has proper arguments to substantiate his discontent with the new regime, his voice will be heard throughout the entire organisation. And this is a very powerful argument to dismiss.

Organisations ought to experiment with weblogs both internally and externally, testing how personal weblogs tied to individual employees, weblogs centred on projects, and weblogs as a corporate homepage work for them. There is *no one size fits all* solution, and this is why early experimentation, and gradual roll-out combined with corporate education programmes are crucial in order to identify where weblogs are needed and will make the greatest difference, as well as ensure that employees are equipped to get the best out of this new tool. Yet it is inevitable that weblogs will dismantle corporate bureaucracies, as increasingly more employees will have a say in how the organisation is being run. Naturally, there will be exceptions. Some organisations will implement weblogs as part of a totalitarian idea designed to silence voices and satisfy pure hype. This can be done, and it will be done. If none else outside of the management elite has the capacity to post to the weblog, or criticise other people's post, then weblogs are bound to be perfect candidates for the new hype-bubble. If weblogs are only deployed to appeal to technophile customers, or investors, no actual change will occur in how communication is channelled across departments, work groups and workers. The same problems will persist and communication bottlenecks will not be resolved. On the other hand, if a corporate-wide initiative on weblogs, with the full support of the top management, is aiming at exploring new and better ways to communicate with the customers, and seeks to establish a platform where unhindered collaboration among workers and teams is

¹³ Weblog posts usually appear in reverse chronological order with the most recent post being at the top of the page.

fostered, then the stage is set for rapid transformations, ultimately catalysing new corporate structures and bringing about a more collaborative culture.

The conversations in the marketplace have begun

Increasingly more companies are convinced of the commercial value that weblogs can add to their corporate and marketing strategy and have started exploring weblogs' potential for a spectrum of applications.

[Camille Jacks blogs](http://www.ecriteria.blogspot.com/) for eCriteria, a web services firm, at <http://www.ecriteria.blogspot.com/>. The weblog is wittingly titled: "Blog Discussion for Web Service tools integration, improved publishing and refined content". Unfortunately, there is no link to the weblog from eCriteria's homepage. Another web services firm, Collaxa, has its own weblog at <http://www.collaxa.com/news.blog.html> and Collaxa links to it [from its homepage](#), however they've changed the URL of the blog for a couple of times and this has resulted in degrading the blog's listing at Google. Yet another tools vendor, Cape Science, is also blogging at <http://capescience.blogspot.com/>. This weblog is focusing on developers and there is a link from Cape Science's homepage to the blog.

Groove Networks has also joined the conversation. Groove attracted lots of attention when its CEO and founder, [Ray Ozzie, started his own blog](#). There is a link from the [corporate homepage](#) to a [page listing all](#) employees' blogs as well as other blogs that write about Groove. Ray Ozzie's commitment to blogging demonstrates a worthwhile lesson that corporate managers and CEOs should better pay attention to. By becoming a blogger himself and encouraging employees to join his 'blog parade', Ozzie has paved the way for a collaborative, democratic organisation that places great value to communicating one's honest opinion with the marketplace. This is the best approach an organisation can follow to reap full benefit out of weblogs. By making weblogs an integral part of Groove's corporate strategy and organisational life and making them publicly accessible on the Web, Groove ensures that it experiments with the cutting edge of organisational innovation and marketing but most importantly it also lays the ground for a collaborative culture wherein employees are not afraid to speak their minds and become actively involved in steering the company forward to the future.

Ray Ozzie's Weblog

home
stories
people
organizations
technology
groove
who? why?

Sunday, November 17, 2002

Alas, the blog takes a back seat to work & life. I'm learning that travel 7 of 9 weeks isn't conducive to the blogging state of mind, regardless of technology.

welcome to **m**life.
7:46:31 PM #

Saturday, November 02, 2002

Jon Udell: "A linked web of XML documents is a potent architecture that Web services can and should exploit. Happily, GWS does." As usual, a tremendously articulate and thoughtful analysis. Thanks, Jon.
5:20:11 PM #

Friday, November 01, 2002

Still catching up. Great commentary by Kevin Werbach on decentralization: "decentralization is neither automatic nor absolute. The most decentralized system doesn't always win. The challenge is to find the equilibrium points--the optimum group sizes, the viable models and the appropriate social compromises". Indeed, and well stated. Finding the right equilibrium - the right mix of centralization and decentralization given a specific business problem - is key to mastering the network form.
2:47:47 PM #

Thursday, October 31, 2002

Holy ... my sincerest congratulations to you, Peter!
4:36:38 PM #

Well, I'm back, trying to work through an unbelievable backlog! Quite a trip. New opportunities, new potential Groove customers, partners, and friends. I so very much enjoy travel in Asia: The English-speaking Web, within which my mind spends so much time, creates an illusion of one world - a small world. But occasionally when I forcibly disconnect from my safety 'Net, and transplant myself into a completely different culture (albeit briefly), it brings a needed dose of reality .. and in particular, a renewed appreciation for the importance of embracing diversity and local norms in our work.

November 2002
Sun Mon Tue Wed Thu Fri Sat
3 4 5 6 7 8 9
10 11 12 13 14 15 16
17 18 19 20 21 22 23
24 25 26 27 28 29 30
Oct Dec

Figure 10: [Groove Networks CEO Ray Ozzie's Weblog](#)

And this determination to mould technology for effective collaboration and communication is reflected in Ozzie's [thoughts about weblogs and collaboration](#) at Groove: "Our work lives are all about interpersonal connections, our businesses processes are structured into connections amongst people and systems that must be coordinated. What better use of technology than to help people to connect?"

It seems that weblogs are steadily creeping into organisations of all sorts. *Demos*, based in the UK, is a leading independent think-tank with a [weblog](#) that frequently challenges conventional notions on education, politics, public services, and business.

Above, I mentioned that even a company as notorious for hoarding knowledge as Microsoft has started experimenting with weblogs. Apple, not to be outdone, has also jumped on the blogwagon. Ken Bereskin, VP of OSX marketing, is promoting feature enhancements in OSX at his weblog at <http://radio.weblogs.com/0100676/>. Naturally, the market has responded with *AppleScript Info* at <http://radio.weblogs.com/0103146/>

which is a conversation among Apple customers that will certainly prove of immense help to the company. There is also the [MacNet Journal weblog](#), where Rob McNair-Huff, co-owner of White Rabbit Publishing, shares tips and thoughts with his Mac buddies. What started as an e-zine and an email newsletter and went under in 1997, [was revived as a weblog in 2000](#) when Rob could no longer resist to blog and since then his community of Mac friends keeps getting larger. With the help of donations from his Mac friends, Rob hopes to keep his blog afloat.

Jupiter Research also joined the conversation on January 13, 2003. [In a press release at Yahoo!](#), Jupitermedia Corporation announced that its Research division will be the first research advisory firm to offer dedicated research analyst weblogs covering technology and business news and events and offering timely analysis on the latest developments as well as individual analysts' personal thoughts and essays. Jupiter Research Director Michael Gartenberg commented "the addition of the Weblogs allows us the opportunity to engage our clients in new ways and to share our insight with the world". Indeed, seven Jupiter research analysts have launched their personal weblogs. [There is a page listing all analysts' weblogs](#) and is linked from the [corporate homepage](#). You can also locate the weblogs by searching for individual analysts from the corporate homepage which takes you to individual analysts' homepages with a link to their respective weblog. This may sound a bit troublesome in order to find an analyst's weblog, but it does work.

It only remains to be seen if these weblogs are compelling and engaging enough to carry on the conversation with the market. One way or another, the jinni is out of the bottle and corporate weblogs are springing up everywhere.

Weblog Links Moderate Conversations

Yet, one may wonder why it is important to link to an employee's weblog from the corporate homepage. Obviously, it's a matter of commitment and trust. Aside from promoting an employee's blog, a link from the corporate homepage is a rough estimate of a company's encouragement toward the employee - blogger. It is as if the company is saying that an employee, who is not necessarily designated to speak on behalf of the corporate headquarters, is nonetheless speaking. And whose musings, thought they may be unofficial and not representative of the shareholders or the top

management team, are not to be discarded as unsubstantial or irrelevant. Understanding that “markets are conversations” and that real commercial value lies in conversations that are not moderated or steered from the top, it is as if the company publicly states its respect for its employees and firmly acknowledges that is interested in what they have to say.

Furthermore, links, **as they are used in weblogs**, are more than connections to scattered bits of information. Although not so obvious at first, links can be used as a tool to moderate space and conversations. Ray Ozzie (2002b) [was stunned](#) to find out that:

...blogs accomplish public discussion through a far different architectural design pattern. In the Well's terminology, taken to its extreme, you own your own words. **If someone on a blog "posts a topic", others can respond, but generally do so in their own blogs, hyperlinked back to the topic's permalink.** This goes on and on, back and forth. In essence, it's the same hyperlinking mechanism as the traditional discussion design pattern, except that the topics and responses are spread out all over the Web. And the reason that it "solves" the signal:noise problem is that nobody bothers to link to the "flamers" or "spammers", and thus they remain out of the loop, or form their own loops away from the mainstream discussion. A pure architectural solution to a nagging social issue that crops up online.

By glancing through Ozzie's weblog posts, one would reckon that he's averse to receiving any commentary, since there's no place in Ozzie's blog to leave any comments. But Ozzie suggests that anyone having any comments to make should reply on their own blog, and point back [by linking] to Ozzie's blog.

What distinguishes this type of moderation is that it does not depend upon a central moderator to decide what is 'noise' and what is not; instead it is moderation from the community and is decentralised across the network of bloggers.

Weblog Links Depict Social Capital

Moderation aside, links in a weblog context, are visualising relationships among blog nodes, in effect constituting a varied social barometer against which social ties can be identified and measured as to their relative strength or weakness. Ross Mayfield (2003a) has vividly encapsulated the [significance of links](#) in order to identify covert relationships:

...weblogs are distinct from the web and web sites. They are really communication tools that are personal and provide diverse link-modes that make it a social medium. Link-modes include:

- Post links
- Blogroll links¹⁴
- Comments
- RSS Subscriptions¹⁵
- Trackback¹⁶
- FOAF¹⁷

¹⁴ The *Microcontent News Glossary* [defines](#) *blogroll* as “the section of a weblog that lists the sites that the blogger reads on a regular basis. This is usually located on the side of a blogger's frontpage, or on a separate page linked off of the frontpage”.

¹⁵ See footnote #9

¹⁶ In my opinion, it is close to impossible to understand what **Trackback** is, unless you see it in action. I would say it is a technological feature specific to several weblog tools (ie. *Movable Type*) that enables one blogger to alert another blogger to a post relevant to a specific post, (with the two posts appearing at different weblogs) in essence making the continuation of a conversation feasible in a decentralised fashion across different weblogs. An excellent graphical step-by-step explanation of what *Trackback* is, how it looks like and what it does is provided by Michael Pusateri in *How Trackback Works* at <http://www.cruftbox.com/cruft/docs/trackback.html>. Another overview of *Trackback* is provided at http://www.movabletype.org/docs/mtmanual_trackback.html and yet another at <http://www.muhammad.com/islamicblog/what-is-tb.htm>. In his original post, Mayfield (2003a) cites the explanation given by Ben Hammersley in his post entitled *Trackback in the Saddle Again* at <http://www.benhammersley.com/archives/003862.html>. There's also a weblog dedicated to tracking the development of *Trackback* at <http://www.movabletype.org/trackback/>.

¹⁷ According to the *FOAF Project Website* at <http://www.foaf-project.org/>, “the Friend of a Friend (FOAF) project is about creating a Web of machine-readable homepages describing people, the links between them and the things they create and do”. Bill Dumbill (2002a, 2002b) explains that “FOAF allows the expression of personal information and relationships, and is a useful building block for creating information systems that support online communities”. Simply put, FOAF's use is akin to that of RSS (see footnote #9). You create a FOAF file, upload it to your server, and share its URL so that applications can use the information stored into it. The important thing is that it does not contain information about information as per se (metadata), but information about oneself, and thus if this information is aggregated and cross-linked, decentralised communities centred on topics of interest (or people) become easier to form.

These link-modes provide a diverse selection of how blog-to-blog relationships can be defined. The etiquette for forming relationships is in flux, and link-modes provide ways of declaring them. The denser the link-mode declarations, the stronger the social ties.

Links and particularly the ways they are been put into use by bloggers, are a mechanism to add a social element to blogging that further amplifies social bonds, in turn unveiling and schematising online communities of bloggers. In this area, the ever-growing contribution of [Ross Mayfield](#) has been invaluable. In his [Ecosystem of Networks](#) and [Distribution of Choice](#), Mayfield lays the foundations for a thorough and methodical examination of the political economy of weblogs. Based on the premise that not all links are created equal and conversational relationships are not scale-free, Mayfield suggests that our understanding of weblogs will be advanced if we conceptualise them as collaboration and communication tools rather than merely as pointers to stories and online journals in the context of alternative publishing media. Expanding on the basis that “a link to a site you read isn’t the same as a link to someone you know through their blog or someone you actively collaborate with”, Mayfield explains that there are three different kinds of weblog networks.

The largest of the three is the **Political Network** and can possibly scale up to thousands of individual weblogs. However, the *Political Network* tends to exhibit economies of scale and is configured around a *star system* that emerges as a natural outcome of its **Blogs-as-mainstream-media** character. This, in practical terms, implies that *Joe Newcomer* is doomed to remain in the shadows of the *Andrew Sullivans* of the weblog world. Political Networks of weblogs fall prey, in other words, to a winner-takes-all predator effect. Whether it is first-mover advantage, positive feedback, increasing returns or any other aspect of path dependency and network effects, it is obvious that although more and more people join the conversation, their voice does not travel as fast, nor does it travel as far and wide, as that of the stars of the network - the *A-list* or *clique* if you like of widely respected bloggers who attract the lion’s share of the attention and thus, manage to orchestrate the conversation.

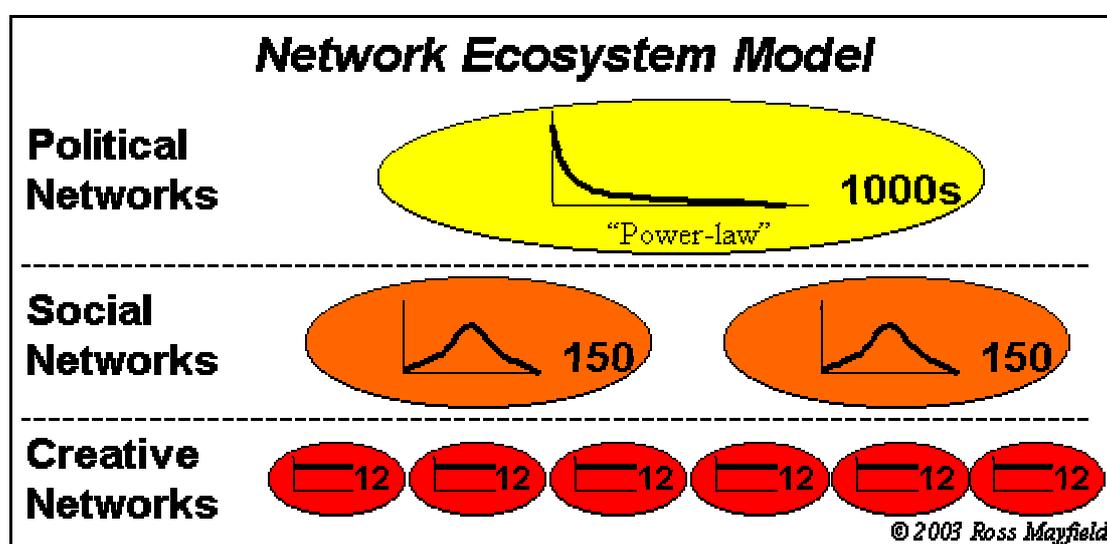
Of course, this is not to say that commercial opportunities are nowhere to be found in the political network nor that it is saturated from the viewpoint of a market. But it is

subject to the same laws that determine the profitability of businesses whose revenue model is based on *traffic* and *eyeballs*, albeit being more interactive than most mainstream publications and programmes since the *audience* can play an active part by means of adding commentary. Herein lies the opportunity for marketers to experiment in ways that have always proven successful with one-to-many publishing and broadcasting media in the past. One can either focus on specialised content whether that is tech gadgets ([Gizmodo](#)), law and politics ([Glenn Reynolds](#)), politics ([Andrew Sullivan](#)), or blogging ([Dave Winer](#), [Meg Hourihan](#), [John Robb](#), [Trotts](#)) or cover a far wider range of subjects, but in less depth, in much the same way that the first wave of Web portals did. However, general and broad content seems to offer considerably less opportunities than specialised content. To stand a chance of making money, therefore, as [Jeff Jarvis](#) (2003a) and [Tom Oren](#) (2003) pointed out, one ‘d better *go niche*.

The second-in-size network is the **Social Network** which can possibly scale up to about one hundred and fifty weblogs¹⁸, and is the most typically encountered of weblog networks with most weblogs falling within this class. This network is again built on weak ties, however, **bloggers that participate in the Social Network are aware of the existence and contribution made to the conversation by other bloggers that participate in the same Social Network too**. As Mayfield says: “The Social Network is based upon functional weak ties instantiated by an investment in time such as conversational inter-linked posts. A Social Network is transactional by nature, with the means of establishing a relationship commoditized. Close to the Law of 150 in scale, a time investment is made for each node to be at least peripherally conscious of the other nodes and the information flow between them”.

¹⁸ Malcolm Gladwell’s “The Tipping Point” (pages 169-192) is perhaps the best place to start an exploration of the magic number of 150. In short, the number one hundred and fifty is particularly important because, oddly enough, going above one hundred and fifty members in any given group seems to result in communication bottlenecks and breakdowns of group processes. Communication breakdowns aside, “the figure of one hundred and fifty seems to represent the maximum number of individuals with whom we can have a genuinely social relationship, the kind of relationship that goes with knowing who they are and how they relate to us” (Gladwell 2001:179). There is indeed a growing body of knowledge supporting that when a group of people – regardless of what binds them together, may that be work, leisure, religion, or politics - grows beyond that number, some unintended consequences such as alienation and distancing among group members suddenly crave in to overwhelm group processes and devastate the social dynamics that form the nucleus of group cohesion and co-operation. More specifically, if a factory unit crosses the one hundred and fifty workers threshold, the same model of (informal) organisation that was so far capable of sustaining the collaboration spirit and communication flow among fellow workers, is almost certain to falter. As if by magic, the rule of one hundred and fifty seems to govern communities and groups that are functional, productive, and ultimately successful in whatever it is they are doing without requiring formal hierarchies to coordinate their interactions.

The smallest in size is the **Creative Network** and can possibly scale up to about twelve weblogs¹⁹. In this network, bloggers are closely connected to each other and it is not rare for them to engage in a highly absorbing process of creative peer production such as collaboratively writing a script, planning to launch a start-up, working on a project as part of a closely-knit work team, exchanging notes and building on one another's work as part of a group assignment, or simply having a conversation of the kind one is having with his close friends. The essence is that the **occurring conversations are personal and not intentionally meant to be of interest to anyone outside of the closely-knit network.**



Network	Size	Description	Distribution
Political Network	~1000s	Blogs as mass media	Power-law (scale-free)
Social Network	~150	Blogging Classic	Bell Curve (random)
Creative Network	~12	Blogs as dinner conversation	Dense (equal)

Figure 11: Ecosystem of Networks

Source: <http://radio.weblogs.com/0114726/2003/02/12.html#a284>

¹⁹ See Malcolm Gladwell, *The Tipping Point*, 2001, pp.176-177. The number 12 is indicative of the size of the social group with which one has a very close relationship, as for instance the number of people we would be deeply in sorrow for their loss, or the number of people to which we are most closely attached. In the context of Mayfield's post, it refers to the average number of people with whom one engages in deep intellectual discourse, as it is the case with closely knit project-based teams.

No sooner had Mayfield posted his thoughts on the political economy of weblogs to his personal weblog than others started commenting and expanding on his observations. It should be noted that Mayfield argued that these three networks are clearly interconnected and taken together they form an ecosystem, but his analysis at the time was not sufficient to explain how these interconnections occur, nor succeeded in justifying the supposedly existent interdependencies among the three networks. The missing component in Mayfield's analysis, Fleming Funch (2003a) [wrote](#), is the role played by the creative individual and the power of a personal opinion (or conversation) which can spread like a wildfire through the information ocean spanning the three networks and expanding exponentially the reach of a specific weblog post.

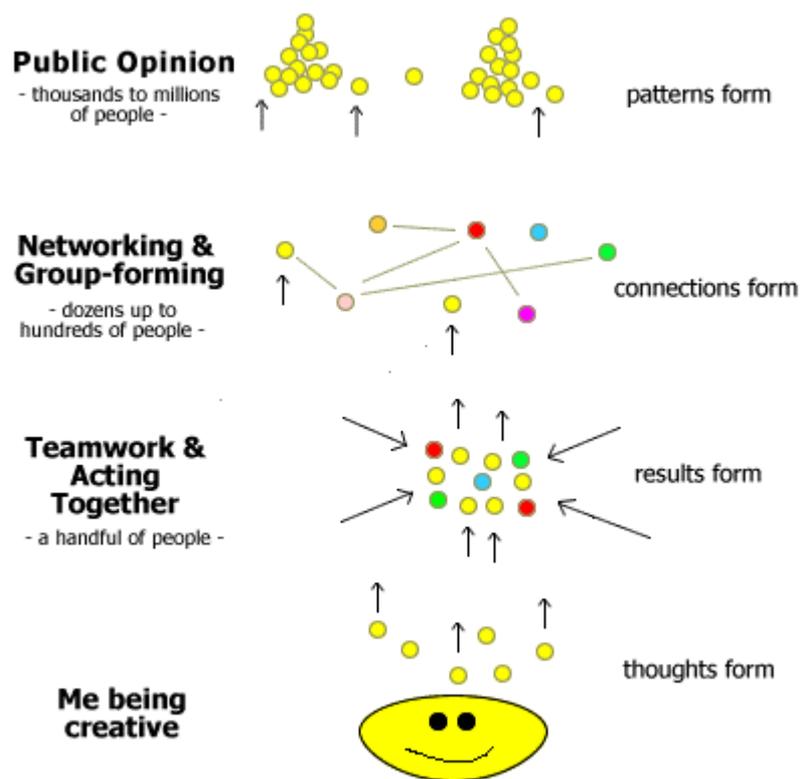


Figure 12: Blogging Bubbles

Source: <http://ming.tv/flemming2.php/ d10/ v10/ show day/ w2003-02-14#000010-000568>

Funch (2003a) proposed a bottom-up conceptualisation of the political economy of weblogs. It all starts, he said, with the individual blogger and the decisions he makes as to what he should write about. The fundamental unit of the weblog economy is thus a thought, an idea taking shape in a weblog post. This idea is communicated to the handful of people the blogger has a personal relationship with and reaches on a daily basis through his weblog posts. At this point, the idea or thought infects the small network and spurs an active conversation. But all these people are probably connected to a larger network of people, some of whom they may already know and some of whom they may not. This is the moment that the idea is about to start travelling from a single network based on strong ties to other networks based on weak ties. From there on, given that this idea, thought or conversation is *contagious* (interesting enough for other people to want to pass it on), it's only a matter of time until a social epidemic starts which ensures that the idea is diffused within a much larger network of people²⁰ than originally anticipated.

Hence, an idea (in the form of a single weblog post) metamorphoses into a dynamic conversation, engaging more and more bloggers in its passage from a *creative network* to a *social network*, and as if by magic reaches a stage of critical mass which in turn ensures that the conversation will spread even wider, in a way similar to how epidemics suddenly tip. For this process of diffusion to be clarified, we need to recognise that the blogosphere, for all its diversity²¹, multitude²² and perceived separateness²³, has the *means*²⁴ by which ideas, if enthralling enough, will traverse

²⁰ My analysis inevitably downplays the role played by 'different' kinds of people who are particularly charismatic when it comes to spreading ideas and influencing the masses and as such should be the main focus of entrepreneurs in their effort to develop and plan the diffusion of an ideavirus. For further information about those peculiar individuals and how to make use of them, see **Geoffrey Moore's "Crossing the Chasm"** (Moore's classic "Technology Adoption Life-Cycle" distinguishes between *Innovators*, *Early Adopters*, *Early Majority*, *Late Majority*, *Laggards* and offers advice on how each group should be dealt with), **Malcolm Gladwell's "The Tipping Point"** (Gladwell identifies three particular kinds of individuals - *Connectors*, *Mavens* and *Salespeople* - who play a decisive role on the potential success or failure of any given product, service, process or idea diffusion) and **Seth Godin's "Unleashing the Idea Virus"** (Godin suggests that *Promiscuous Sneezers* and *Powerful Sneezers*, depending on how they are approached and dealt with by the company, are the two groups that will either transform a business idea into a staggering commercial success or make sure it sinks into oblivion and notoriety).

²¹ Not all bloggers share the same views. It is a mistake to regard the blogosphere as a group of like-minded individuals who personify a community of a sort closely resembling a political party or a professional association. I thought this needed to be clarified since there is a common misperception that all bloggers are more or less representing the same ideals, notions and viewpoints. While it is true that many bloggers share an interest in technology and a profound enthusiasm in weblogging, it is naïve in the least to assume that the blogosphere is a homogeneous community.

²² As previously said, not everyone blogs for the same reasons.

²³ By referring to the *perceived separateness*, I mean that the occurring conversations are not self-evident and may be hidden to the eye of the *unsuspected* external observer. For example, many

from one weblog to myriads of weblogs, and in the process be made available to a gargantuan in size audience that only mass media could until now reach.

I have yet to come across a better explanation of how ideas evolve into large-scale conversations and then cross the chasm to the mainstream reaching bloggers and non-bloggers alike than Flemming Funch's gripping account of the process by which his posts - that he calls *blogging bubbles* - initially enable people to connect, and at a higher level become accessible by the masses through search engines that act as catalysts for further dissemination. In his words:

My blogging bubbles float up and get spread wider. People I don't know read my blog, and read various people's blogs, and we get attracted to each other. **Connections form**. It might just be that we read each other's stuff, or we link to each other, or we start talking in other ways. That becomes a good basis for forming new groups that can act together. All of our bubbles, mine and those from other blogs, with the **added value of our collective linking choices**, will float up and into the cloud of the web. Specifically they will end up in an assortment of directories and **search engines**, most notably in Google. (Funch 2003a).

Weblog Links Set Bombs

With the “added value of bloggers’ collective linking”, ideas propagate through networks and weblogs are communication tools that further augment the diffusive capacity of ideas. But links do not merely make it possible to choreograph and

weblogs do not allow for comments to be left underneath individual posts, however, this need not mean that there are no other ways through which the conversations might be occurring. This can be explained because conversations might be taking place in a massively decentralised fashion spread across weblogs. Of course, it would be possible to unveil and follow those conversations by following the *trackback* (see footnote #16), and the hyperlinks associated with the specific posts, or by deploying the specialised help of services such as [Technorati](#) that enable bloggers (and non-blogger alike) to find out who's linking to their blogs and what they are saying. Needless to say, those services have a clear reputation management function, which in turn plays a decisive role on the extent of diffusion of any given weblog post.

²⁴ The diffusion of ideas (weblog posts) is a social process facilitated by technological tools, such as hyperlinks, RSS subscriptions (see footnote #9), Trackback (see footnote #16), search engines, specialised web services providers such as [Technorati](#), etc. As has also been previously mentioned, services like *Technorati* also reflect a reputation management system, which in turn plays a decisive role on the diffusion of any given weblog post.

establish blog tribes; weblog links are also an excellent match with the most popular of search engines – Google. Indeed, as John Hiler (2002a) exclaims, it is “a match made in heaven!” capable of energising the most powerful of electronic bombs: [google bombs](#).

People link freely to bits of information and weblog posts on the Net while in the midst of a constant and ever-growing conversation that uncontrollable as it is, it spirals towards a plethora of directions oblivious to traditional market research. Not only are hyperlinks the definitive element on the Web, but search engines have also become so established and widespread that *google* is nowadays used as a verb. In effect, Google has become the unofficial heart of the Net. People google for all conceivable reasons. They google for news. They google to locate old friends and acquaintances. They google for products and companies. They google for anything and everything. *Googling* is like searching a giant decentralised database, a massive archive that spans every imaginable category and then some, and that grows constantly bigger. Unsurprisingly, this has even spawned a new marketing branch, usually referred to as *Search Engine Marketing* or *Search Engine Optimisation* (SEO). It’s no secret that having your page turn up in the top ten results at google (or any other search engine as well) is good marketing. Therefore, it’s far more important that the corporate and employees’ weblogs turn up on a google search than just having a link from the corporate homepage to the weblog. Getting more specific about Google, a parameter that improves search engine listing is links. The more links to and especially from related (in terms of content) sites, the more favourable the ranking will be. Another parameter that Google favours is fresh content. And as we know, weblogs are link-driven sites with constantly updated content. This very fact renders weblogs extremely powerful in unleashing ideaviruses and spreading memes.

But what is a google bomb? When searching on Google for “Internet rockstar” [Ben Brown](#)’s website turns up. When searching for “macromedia weblogs” a weblog post of mine comes up even though my weblog is not owned by or affiliated to Macromedia. When searching for “second superpower” it is an [essay](#) on [James Moore](#)’s weblog. “Second superpower”, as a phrase, is most of the times used to refer to the power of public opinion. Strangely, James Moore’s essay is contemplating the central role that web-enabled communications will play in the future for emergent democracy. One may assume that Google acts in strange ways. Not really. Adam Mathes (2001) [explains](#):

Google always shows you pages that have the exact keywords you are looking for, but also shows you pages that don't have those keywords, but other pages linked to that page with those words.

I first discovered this when searching for internet rockstar, which turned up Ben's [Ben Brown] page. At the time though, he did not actually have that phrase on his page however the legions of teenybopper blogger morons who linked to him always used that phrase in their links.

In a bizarre surreal bow to the power of perception on the web, what you say about a page becomes just as important as the actual content of the page. The page must be what other people say it is.

Simply linking to a weblog post by including a specific phrase (link text) is the basis of the explosive material. Of course, for the bomb to actually go off, a considerable amount of people have to link to the same piece of information by including the same piece of text. Immediately following his discovery, Mathes (2001) coined the term “google bombing” and as [a practical joke](#) went on to try it out. All the harm that his *bomb* was meant to cause is returning [Andy Pressman](#)'s site as the result on a google search for “talentless hack”. No big harm you may think. When the target is a friend and the bomb is just a prank between friends, yes, it's harmless and funny.

However, when Matt Haughey, founder of the community weblog [MetaFilter](#), decided he had enough with a company called *Critical IP* and invited others to link to his post entitled *Critical IP sucks* or to alternatively link directly to the [Critical IP website](#) with the text “Critical IP sucks”, the commercial impact on the company went far beyond that of a prank. The result: whenever one searched for Critical IP on Google, possibly looking for the company's website, the result that turned up was most likely a link leading all the way back to Haughey's original MetaFilter post where he explained for which personal reasons Critical IP sucks. I bet Critical IP was not much amused.

Flemming Funch (2003a) [writes](#) about his own personal experience with a google bomb. His target was Nestle Corporation:

A rather random example is that I wrote a couple of little blog entries about Nestle doing some not very nice things. Now, if you do a web search on CNN or on Google on "Nestle sues Ethiopia", I'm number one. If you just want to know about "Nestle Corporation", I'm number four, before several of Nestle's own sites. Nestle last year made 5.5 billion dollars in profits, but yet you and I, by linking a bit to each other's posts, can compete very well with their web presence and influence public opinion. Not me, but us. It wasn't even my own info I posted.

What does this mean for business? First of all, corporate decision-makers should not dismiss weblogs as hype. Weblogs inevitably influence what you see when you search on Google. And this is not likely to change now that Google acquired [Pyra Labs](#), the company behind the popular weblog technology [Blogger](#) and [Blogspot](#). “More than most Web companies, Google has grasped the distributed nature of the online world, and has seen that the real power of cyberspace is in what we create collectively. We are beginning to see that power brought to bear” (Gillmor 2003a). What does this mean for Google? “The company is already blogsmart and will get even smarter” (Jarvis 2003b). What does it mean for bloggers? “[Our influence will grow and grow smartly](#)” (*Ibid*). Regardless of whether the business world likes it or not, weblogs have influence disproportionate to their traffic, and this enables them to compete head-to-head with heavily financed corporate-owned mass media in the battle for information and dis-informaton alike. Maybe it is a sort of “mob justice”, as John Hiler (2002a) says, or the revenge of the nerds as the most niche of media – weblogs – are capable of reaching a mass audience through [the heart of the Web](#).

Marketers assumed that the same process of linear targeting at which they have excelled, would be similarly employed by people when searching online. This assumption is entirely flawed. Cyberspace and search engines turn this linear marketing model to its head. Ironically, while the [industrial – age interruption](#) invented mass media and mass marketing to turn customers into consumers; weblogs interrupt the mass media messages by disturbing the electronic waters with a conversational filter that turns passive consumers of corporate information back into customers.

The End of the Destination Website

Participation websites will be part of the next stage of the Internet's evolution. Destination websites are in danger of becoming the seaside piers of the information age: vast, beautiful and elaborate constructions, condemned to a brief life. ([Leadbeater 2001](#))

In 2001 Charles Leadbeater wrote that [“the era of the destination website is over”](#). What is a destination website? 99.9 percent of corporate websites are destination websites. Some of them are beautiful and well organised. A few of them make it easy to find what you are looking for. For the rest, usability has become the elusive quality. Whenever consultants are brought in to find out what is going on and people are not so keen on buying stuff, they do a usability analysis and almost invariably conclude that usability, user interface, information architecture and navigation are to be blamed for the apparent lack of consumer enthusiasm. As soon as they create a website that consumers find easy to navigate, people will start buying and managers' headaches will go away, consultants tell managers. But what they don't tell managers is that all corporate websites are faceless; the embodiment of a barren corporate land depicted on a nice looking web template. One thing the dot.com bomb has taught us is that people will not buy things just because things are available for sale. The Internet and the e-commerce explosion have not turned us into shopping maniacs, as many dot.com speculators would like us to behave. It's true that we cannot do without the occasional bouts of shopping. Yes, we still buy things online but we do not get online just for the sake of buying stuff. We are there to communicate, explore and find new things and perhaps better ourselves in the process. The Internet is neither a shopping paradise, nor a giant news database. It's all this and much more. It's a shopping paradise, a living news database, a rock concert, a sex chamber, a cryptic game, a living conversation, a whirlwind of cultural change, and much much more. It is a mad, mad world. Just like the one we physically inhabit, albeit slightly different in that it has its own rules. One thing that has not changed, although we sometimes refuse to accept it, is that commerce essentially remains a human activity negotiated between human parties. Just like it always has been. Just like organisations.

Organisations are not solely websites or factories or design and marketing gung-ho outfits. They are processes²⁵. Delving more deeply into this rather philosophical pondering on the grand scheme of organisations, organisations are nothing more than a set of human-made, human-managed processes developed for dealing with humans and coping with the complexity that humans inevitably manifest and produce when they interact. So, processes deal with stuff that humans make, think and communicate. Some processes are based on mental models and rules whereas some others are based on physical models and rules. But processes are essentially human since humans are the focal point. The only question is whether these processes will be managed in a sequential, linear, pyramid fashion or in a weblike manner modelled on the emerging form of social organisation. Having a weblog as the corporate homepage is not likely to appeal to your customers if there is not a sense of a real person behind it. It's not just a matter of embracing weblogs: weblogs are not a panacea to all corporate ills. Weblogs are just a tool to connect with the marketplace. Weblogs can help us ["achieve a greater "return on connection" from employee, customer, and partner relationships"](#) (Ozzie 2002a). From there on, organisations will find themselves on a steep learning curve: they will have to learn again how to speak and listen. As Ray Ozzie, *Chief Executive Blogger* of Groove Networks says: "lots to learn. And through this medium, perhaps we'll all learn something in the process". **The actual gains stem from being connected with the real marketplace; not the one you think as real – the one that is real.**

Conclusions: What lies ahead

It would be naïve to assume that business managers will turn to weblogging as the solution to their ever-growing pains with customers. Or entertain the possibility that organisations will dissolve entirely into virtual networks just because software enabling human participation and augmenting human communication regardless of geographical location will be in place. The revolution will not come overnight. In fact, I believe it will not come at all. The transition will be as silent as email, mobile telephony and instant messaging. But it is poised to be similarly disruptive.

²⁵ Since organisations modify their processes and adjust their conduct based on the signals they receive from their surrounding environment, we could safely argue that organisations are nothing more than information processing systems, however, they differ in the mechanisms they use to process information. For a more thorough discussion and a path breaking account of the changing nature of business management, see Richard Langlois, *The Vanishing Hand: The Changing Dynamics of Industrial Capitalism*, 2001.

Nowadays, there is no doubt that most people in organisations rely upon their mobile phones and email as their primary means of communicating with their fellow workers. In much the same way that mobile telephony was originally regarded as a fad or as an unnecessary techno – gadget that would only enhance one’s ego, rather than promote tangible business ends, weblogs will slowly but gradually infiltrate offices and work groups.

The case for weblogs is irresistible: massive productivity gains through far more efficient communication, collaboration, and knowledge management. More efficient communication and collaboration because people will no longer worry that their inboxes have become practically unusable due to thousands of incoming emails. No more silly bandwidth problems of the type “your inbox is full, you are advised to delete a bunch of emails and attachments”. With weblogs, files will be there when you want to download them and conversations will be traceable when you want to be reminded of what ensued a year ago during that discussion you had with your now-gone team mates. Email is fine but its contribution to a repository of organisational memory is short – lived and limited. We communicate better with stories. And discussion threads at weblogs come much more closer to real conversations and stories than piles of disparate emails. Email is superb if you just want to alert someone, but for discussions populated by more than two people, it is severely limited in effectiveness as it becomes increasingly hard to track the flow of emails and make out who’s saying what and to whom. From data, databases and information piles to knowledge management through conversations.

In much the same way that weblogs are bound to lubricate the communication flow within organisations, marketing has a lot to learn from weblogs too. Marketing does not have to be intrusive, and it neither has to be about bombarding people with hocus pocus and other PR gibberish. The one-to-one marketing that so many marketing revolutionaries have envisioned and still advocate is not likely to come from technologies that track every single customer click and automatically customise the content and look-and-feel of the website accordingly. Neither such one-to-one marketing will stem from the farcical anecdote that opt-in marketing is, and from emails whose subject line reads “We are asking your permission to market to you staff you probably don’t need”. Mind you, one-to-one marketing could be exactly that: a marketer and a customer. The marketer writes and says things that are of interest to him, and the customers, if they want, can talk back. No permission needed. Enthused

by the spark of the marketer, the customer should be the one who ignites the dialogue, rather than the other way around. No more thinking about how to cut through the clutter, and no more money wasted in prime-time marketing bombs. In the always – connected marketplace, you don't have to look for the market, the market will find you instead. So, be prepared. Because when the market reaches out for you, what you are going to say is what matters. You can't just spit the multi-thousand dollar marketing message out and expect that the market will say "Oh, yeah, this is the message. OK then". Messages were the ideal marketing vehicle in the disconnected age. Back then, *prime-time* was so expensive that you just could not afford to say anything other than a few words. Besides, customers had no means of speaking back, so what would be the point of actually speaking to them? But now, in total contrast to the age of mass numbness, you have to speak, and you are expected to speak. People will not aggregate around your website because of your "message". But they will come if what you say makes for a good conversation.

Another good reason for jumping on weblogs is because weblogs are user-centred rather than IT- centric. Until very recently, whenever Jane from the marketing department had an idea about something that should be on the corporate website, she had to go and tell the IT department and they would take care of it. Or they wouldn't. Most of the times, she wouldn't even bother telling them. Maybe she couldn't understand them or it was the other way around. The only other alternative she had would be to tell her superior officer or the management board and then they would in turn tell the IT department. Who said that hierarchic power relations don't work? The point is that she knew nothing about Web content management systems, and programming Internet applications, and she had no appetite for learning. But now, and thanks to weblogs having replaced the old boring corporate website, she can easily post her thoughts and ideas within a minute. That's why weblogs are huge: they take the power out of the IT department and the webmaster's hegemony and hand it over to where knowledge really is - to the individual workers who are knowledgeable enough and know how to speak with a human voice. Now, organisational structure loses its historic role of managing power relations at a distance, and as a result the organisation becomes truly hyperlinked and power shifts to where knowledge actually resides.

Epilogue

James Wolcott wrote in “Blog Nation”:

This is what blogging is all about, a one-on-one unmediated relationship between writer and reader paradoxically made possible by the most mass of media, the Internet. Each blog is like a blinking neuron in the circuitry of an emerging, chatterbox superbrain. Resistance is futile. WE ARE THE BLOG. YOU WILL BE ASSIMILATED.

I would make a minor change to the above so as to read:

This is what blogging is all about, an unmediated relationship between people in the market. Each blog is like a blinking neuron in the circuitry of an emerging, chatterbox superbrain. Resistance is futile. We, the Argonauts, the customers, the marketers, the 8-7 workers, the nudists on the late shift, the academics, the journalists, the professionals and amateurs, we the people are the blog. YOU CORPORATE BUREAUCRAT, STANDARDISED VOICE IN THE MARKET WILL BE ASSIMILATED OR ANNIHILATED. THE CHOICE IS YOURS: SPEAK WITH A REAL VOICE, TELL US A STORY AND JOIN THE CONVERSATION OR BECOME DEFUNCT.

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