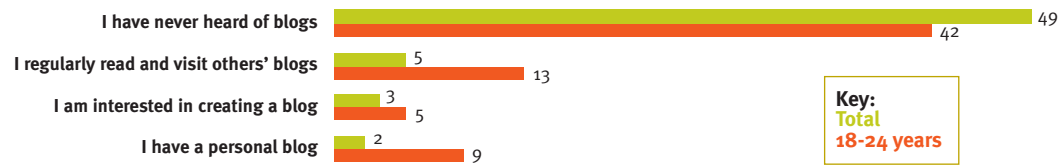


Blog users represent a small but influential target (%)



Base: US online consumers

Source: Forrester's Consumer Technographics, August 2004 North American Devices, Media and Marketing Online Study

about it. However, the bloggers were asked not to mention they'd been briefed but to write as if they were personally excited about the product. It resulted in a Raging Cow blogging boycott.

Ignoring blogs carries its own peril. Kryptonite bike locks found itself unprepared when a blogger posted detailed instructions about how to pick a Kryptonite lock with a bic pen. This information spread rapidly causing a consumer uproar seemingly before Kryptonite knew there was a problem. The company eventually offered rebates for replacement locks which cost an estimated \$10m (£5.2m).

The blog as a curate's egg

General Motors is not the most obvious brand to get involved with an upstart medium like the blog. However, since October of last year, the American car company has been posting a blog devoted to the small block engine, which it developed 50 years ago for Chevrolets. It's blogging for car geeks by car geeks and perfectly fits the medium.

In January of this year, it launched a more ambitious blog called FastLane where GM leaders post their latest musings. GM's vice chairman Bob Lutz is a regular contributor. In April he wrote that although the blog began as an experiment, it had become an important communication channel for GM. "It has given me an opportunity to get much closer to you the public. Often I find your comments insightful and compelling. At times, your criticism is harsh," he said.

Michael Wiley is the director of new media at GM and the person behind its blog operation. He points out that in a time when it is traditionally difficult for a company to have a normal conversation with stakeholders, blogs have made it possible to have a direct line with the general public.

"It's a great way to get feedback, it's a real-time focus group and gives us an outsider's perspective. These comments are being read at the highest level – some are very well thought out and will have some impact," he reveals. Before GM launched its blogs, it was most concerned about blogging in a way that was acceptable to pundits.

Wiley admits that the blogs have become very

time consuming for the car company, which relies on a PR agency to host, design and read through the comments. While GM will publish criticism, it does not publish profanities.

In hindsight, Wiley acknowledges that it was risky for GM to allow anonymous comments to be published on the blog: "I often think twice of that decision. These comments could be coming from competitors. We're not thin skinned and we are willing to accept criticism," he says.

One of the challenges facing companies who have engaged in the blogosphere is keeping up with the conversations. Wiley makes sure he responds to comments about GM on other blogs: "If you're not interacting in the blogosphere then the conversation doesn't continue; you need to monitor what others say," he warns.

However, it is changing the expectations about GM and the way it communicates. The car company is currently embroiled in a dispute with *The LA Times* about a car review. GM believed the review was incorrect and pulled its advertising. The blog is demanding that GM explains what has happened but the car company is in confidential conversations with the paper. "It gets complicated," sighs Wiley. "People's expectations have changed."

GM's blogs are not improving its financial results though, as it posted a loss of over \$800m (£418m) in the last quarter; but Wiley is thrilled with their effect on perceptions of the brand. "People had an image of GM as a stodgy, old-fashioned company. I've been blown away by the network effect of blogging. We've touched an influential audience who now have a fresh perspective of GM. No one thought we could be so candid, so willing to accept criticism," he says.

Transparency and honesty are key for companies who want to dip their toes in the murky waters of blogging. For those brave enough to leap in, blogging enables them to have a conversation with an important customer group. For small companies, blogs are a cheap, quick promotional tool that cuts out the middle man. For large companies blogs are the tool of humanisation – a chatty down-to-earth voice amid the din of bland corporate speak.