

ON-LINE MARKETING

Flog on a blog: The next ad frontier

Weblogs a new way to reach consumers

BY KEITH MCARTHUR

TUESDAY, DECEMBER 7, 2004 PAGE B1
MARKETING REPORTER

On her personal blog -- "The Life & Times of Sooz" -- Susan Kaup writes regularly about her friends, her Internet radio station and Boston's indie rock scene.

She also writes about **Marqui Inc.**, a small Vancouver content management company that is paying a select group of 17 bloggers \$800 (U.S.) a month to write about the company on their weblogs.

"It became clear to us that as a small company, we had to find new, creative ways to get to market," says Stephen King, Marqui's chief executive officer.

Marqui produces Web-based text editing software for clients including the BC Ferry Authority and the David Suzuki Foundation. As the company expands into the United States, it hopes to win new business by expanding its on-line presence -- especially through blogs.

Marqui's efforts have spurred a vigorous debate about ethics in the rapidly accelerating corner of the Internet known as the "blogosphere." Web purists say the blogosphere is one of the last spaces on the Internet that's still largely free from corporate influence -- but not for long.

"My guess is that a lot of brands will trip all over themselves as they learn about blogs," says Pete Blackshaw, chief marketing officer for Cincinnati-based Intelliseek Inc., which tracks companies' Internet exposure.

"You've got a lot of senior managers that will say 'let's go influence the bloggers' without really knowing the consequences of this very, very opinionated group."

Mr. Blackshaw says he doesn't recommend paying people to blog, because consumers will see through the effort.

Mr. King says Marqui knows it has to be fully transparent to be taken seriously. The company has published the terms of its contract with bloggers on its website. Marqui promises to pay even if bloggers say bad things about the company and its services.

"I think this is extremely risky," Mr. King says. "In a traditional marketing sense, what you try to do is control your message. And what we're saying is that the world's changed and a company with integrity has to go out there and let the world discuss its products."

Bloggers can earn an extra \$200 a month if they generate business leads for Marqui. The firm plans to pay out as much as \$180,000 a year to its roster of bloggers, which will roll over every three months.

The company, formerly Maestro CMS, might not be able to control what its bloggers say, but efforts to boost its presence in the blogosphere are working. According to Intelliseek's blogpulse.com, references to Marqui on blogs have increased tenfold over the past month -- partly because of the ethical debate over blogging for pay.

So far, the most common method of establishing a corporate profile in the blogosphere is to get employees to write about their company, or for a CEO to blog. Big-name corporate bloggers include Sun Microsystems CEO Jonathan Schwartz and Mark Cuban, owner of the Dallas Mavericks.

Craig Flannagan, marketing manager in Canada for the Microsoft Developer Network, says he uses his blog, which is hosted on a Microsoft site, as a marketing tool to keep in touch with customers. Blogs are a great communications tool because they're raw and unfiltered, he says, without intervention from copywriters or lawyers. But those same attributes mean that bloggers have to be careful not to post anything that would hurt the employer, Mr. Flannagan says.

Many of Marqui's bloggers say they're participating in what appears to be a new and exciting experiment. As Ms. Kaup jokes on her blog: "Stay tuned to see if I turn into a brainwashed Marqui monkey!"

Jason Calacanis, co-founder of New York-based Weblogs Inc., is among those most concerned about the pay-to-blog model. He says the separation of advertising and content works well in traditional media and should be maintained on blogs. He says that although many of Marqui's bloggers are going out of their way to distinguish the sponsored section from the rest of their blogs, it leaves readers skeptical.

"Every time they write anything remotely related to that category of software, a certain percentage of people are going to remember that they were on the payroll of that other software company. And it's going to taint everything they do," says Mr. Calacanis, whose company publishes several commercial blogs, which are supported through traditional advertising.

A group of former McGill University students have started another company to match bloggers with potential advertisers.

Umair Haque, co-founder of London-based Blogversations, says thousands of people have signed up for its service, with slightly more advertisers than bloggers. Sponsored discussions are scheduled to begin in mid-December.

Mr. Haque says his bloggers will be paid to write about topics recommended by sponsors, but won't have to toe the company line. He says he's aiming to help marketers cut through the clutter of traditional advertising.

"We think it's more interesting for people to read what bloggers have to say about a given discussion topic, without any of the restrictions of traditional advertising media."

© Copyright 2005 Bell Globemedia Publishing Inc. All Rights Reserved.

