Chapter 2
Personal Blog Marketing

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ABSTRACT

This chapter looks at the commercialization of personal blogs and also defines some of the key terms that have emerged as a result of this phenomenon, including “sponsored posts.” Despite their importance, the authors feel that not enough attention has been paid by academics to the development of marketing in the blogosphere. The chapter also examines the concerns that marketing communications on blogs may be contributing to the shadow economy around the world. The uniqueness of this new form of advertising medium is emphasized, and it is hoped that this chapter will also add to the understanding of why the study of blogs and their commercialization is absolutely essential.

INTRODUCTION

The popularity of social media has attracted attention from marketing professionals and academics alike. Blogs in particular have emerged as a genuine alternative to mainstream media. The importance of blogs has been highlighted by AOL’s acquisition of The Huffington Post for $315 million and rumours in early 2012 that CNN was in talks to buy popular blog Mashable.com for $200m (Halliday, 2012).

Of special interest to academics and marketers alike are the personal blogs. These are blogs which normally have themes or topics of personal interest to a blogger (or bloggers) as opposed to corporate blogs, which are published and controlled by organizations. Personal blogs are extremely varied and earlier blogs were mostly hobbies or online diaries with posts on practically everything and anything under the sun, from the bloggers thoughts on politics, rants at the poor service they received at a restaurant to what they had for dinner. Now,
an increasing number of blogs are targeted at a niche readership with unique and specific themes.

It was a matter of time before companies noticed the potential of personal blogs and it is not surprising that these blogs are increasingly becoming commercialized. As early as 2008, a Technorati report showed that a majority of bloggers (54 percent) carried advertising on their blogs (White, 2008). Several personal blogs have gone on to become extremely popular and some like Mashable.com, which was started by Pete Cashmore in 2005 at his home in Scotland when he was just 19, now has its HQ in New York and has over 20 million monthly unique visitors and six million social media followers (Mashable, 2013). Thus, this chapter looks at the commercialization of personal blogs. It highlights the slowly growing opposition of consumers towards the commercialization of blogs, specifically towards sponsored posts on blogs and also examines how authorities in different countries are trying to regulate the financial activities on this unique medium.

**BLOG COMMERCIALISATION MODES**

Right now there are various commercialization modes available to bloggers (Table 1). The earliest forms of advertising to appear on blogs were the graphical banners and text ads. In this respect, Google or more specifically the Google adsense program, has been the market leader for contextual advertising solutions (Evans, 2008), where targeted advertisements are automatically displayed based on the content on the blog. An increasing number of companies are also launching affiliate marketing programs. Amazon Associates is said to be the most popular and successful affiliate program. Payment is usually commission based and on a cost-per-acquisition (CPA) basis whereby visitors from the ads on the blog leads to a sale or conversion.

Other companies later started to sponsor content on blogs to create awareness and/or to promote their products and services. This led to the growth of a new branch of marketing communications known as consumer generated advertising which refers to sponsored content on blogs, wikis, forums, etc. As opposed to the graphical ads (in the form of banners or buttons), which have been around on websites for quite some time, the sponsored content may be in the form of feedbacks, reviews, opinion, videos, etc. Forrester Research uses the term sponsored conversation which refers to sponsored conversation which involves payment to bloggers to create transparent and genuine content about the brand (for example, sponsored posts, spokesbloggers). However, it should be noted that the compensation that bloggers receive for writing sponsored posts or sponsored communication, is not just limited to money but they may also include compensation with products, services or in other ways. The terms sponsored posts, paid posts and sponsored reviews are often used interchangeably but we prefer to use the term sponsored posts which can be defined as the promoted entries or posts which contain links that point to a webpage or specific product pages of the website of the sponsor for which the blogger receives compensation in the form of money, products, services or in other ways.

<table>
<thead>
<tr>
<th>Mode</th>
<th>Description</th>
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<tbody>
<tr>
<td>Display advertising</td>
<td>In the form of banners, buttons or rich media, such as interactive videos.</td>
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<tr>
<td>Text link advertising</td>
<td>Specific key word/s on a site linked to another website.</td>
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<tr>
<td>Sponsored posts, paid posts and sponsored reviews.</td>
<td>Promoted entries or posts which contain links that point to the webpage or specific product pages of the website of the sponsor.</td>
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<tr>
<td>Direct sales/auctions</td>
<td>Sale and/or auctions of products or services directly on blog.</td>
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<tr>
<td>Others</td>
<td>Embedded YouTube videos, content available on subscription, etc.</td>
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We see sponsored posts on blogs as an evolution of the paid insertions we see in many magazines and TV shows. We can also relate them to product placement or embedded marketing in movies. Balasubramanian et al. (2006) developed a conceptual model organized around the advertising hierarchy of effects model that shows how consumers respond to the messages and have listed several key differences and similarities between advertisements and product placements. The key difference was that in product placements and sponsored posts, messages are embedded in and are not distinct from the editorial content unlike normal advertisements. Both product placements and sponsored posts do not identify the sponsor and have high levels of disguise and obtrusiveness.

According to Josh Bernoff of Forrester research, ‘sponsored conversations’ fits somewhere between public relations and advertising (Bernoff, 2009). He explained that PR involves trying to get a blogger to talk about you but you are still not sure whether this would be successful as the blogger might not talk about you. On the other hand, it is possible to get a placement via advertising in the form of banners, buttons or text links on the blogs. However, having the blogger promoting the product or services in their words may be more effective. Bloggers may require an incentive for them to take an interest in posting on their personal blogs.

Disintermediation

The disintermediation as a result of the spread of social media has lead to a paradigm shift in the way ad campaigns are created and run. Many companies are connecting with their consumers directly though various social media including their own corporate blogs and by actively working with bloggers (Mutum and Wang, 2010). The disintermediation has resulted in the breakdown of the traditional advertising model, where the advertising agencies were usually the only interface with the customer. Examples include British mobile company 3, mobile phone manufacturer Nokia, Asian low cost airline AirAsia and US retail giant Kmart (Lukovitz, 2008). On the other hand, this has resulted in new opportunities as well. Despite the fact that traditional advertising firms have been slow to adopt this new medium, several start-up companies specialised in consumer generated advertising on blogs have stepped in to fill this vacuum. The commercialization of blogs has also had some unexpected positive impacts to certain members of the society by empowering them in a way which was not possible before.

Social Impact

The commercialization of blogs has had some interesting impacts to society. One important impact of blogging has been the empowering of the “work at home mums” or WAHMs. Most of them have “mommy blogs” which attract large number of readers. Building on the definition provided by Morrison (2010), mommy bloggers can be defined as “women bloggers who share their everyday experiences on their blogs, with parenthood as the major theme of their blogs”. Many creative and talented women who gave up their careers to care for a family (voluntarily or otherwise) have suddenly found their voice again..

PARADIGM SHIFT

The commercialization of personal blogs has resulted in several interesting changes in the dynamics of traditional marketing channels. It also has resulted in some unexpected positive impacts to certain members of the society by empowering them in a way which was not possible before. These are discussed below:
Personal Blog Marketing

and are getting paid to blog – many have become commercial bloggers. While looking at the conflicts within the female blogging community and highlighting the importance of mommy blogs, Lopez (200, p. 737) declared “finally mommy bloggers were being recognized as an important force to be reckoned with”. She also pointed out that these bloggers have been identified as the “prime commodity audience for advertisers” (p. 739). Morrison (2010) has also highlighted the importance felt by these mommy blog authors, of participating in the online blog communities, besides writing and receiving feedback on their blogs. However, she has not examined the financial and marketing aspects of blogging. The opportunity to make money online through their blogs has become a stronger motivating force to blog, even though initially, it was probably the social networking aspect that motivated them (Mutum, 2007). Now, a number of “daddy bloggers” are joining their ranks as they see blogging as a lucrative occupation (Martelli, 2009).

The top bloggers today make more than a million dollars annually (Mooney, 2007) and many have left their jobs to become full time bloggers. However, this has led to some major issues, namely the rise of the opposition to sponsored posts.

OPPOSITION TO SPONSORED POSTS

The opinion of experts and commentators towards commercial activity on blogs also differ vastly. Some believe that it enables the shift of locus and control of marketing communication from companies to consumers, facilitates open participation and hence is a positive progress towards democratisation. On the other hand, there are those who believe that using blogs for any form of commercial activity, such as consumer generated advertising, will destroy the blogosphere’s credibility (Kirkpatrick, 2006). Lopez (2009) points out that the backlash against mommy bloggers, who post ads on their blogs, may actually weaken the potential impact of advertising. Obviously, it is clear that not all bloggers welcomes the commercialisation of blogs with open arms. Grossman (2004, p. 3) gave the example of two blogs, namely, Gawker.com and Wonkette.com, noting “they’ve lost their amateur status forever” as a result of carrying ads.

Kirkpatrick (2006) believed that this new development will completely destroy the blogosphere’s credibility and Calacanis, a famous blogger, entrepreneur and founder of Weblogs Inc., even compared Izea’s (which was previously known as PayPerPost.com) actions to prostitution. Such criticisms raises the question whether sponsored advertising on blogs are unethical?

The company most targeted by critics of sponsored posts is Izea (formerly known as PayPerPost.com). The main reason the Orlando based start-up is widely criticised is probably due to the fact that it popularised sponsored posts and became the market leader for consumer generated advertising. Furthermore, the fact that they did not initially require any disclosure of the sponsored posts by the bloggers contributed to the critics’ anger (Kirkpatrick, 2006, WOMMA, 2007). Despite this, the company went from strength to strength (Hof, 2006) and even secured funding from investors. Later on, they responded to the criticisms by creating and funding the website DisclosurePolicy.org with the aim of creating blogosphere transparency. They now actively encourage bloggers who sign up with them, to adopt a disclosure policy.

Regulating Commercial Activity on Blogs

The US was the first country to introduce rules to control the spread of sponsored content on blogs and other social media. Rules vary by country and most countries do not tax online freelancers. For
example, in the UK, if a blogger earns an income from blogging, then they are required by law to register with HM Revenue & Customs (HMRC) and pay tax on that income. According to Here Georgi Rollings of Starfish Accounting, using the lack of knowledge as an excuse will not be accepted and “you could end up having to pay penalty charges as well as back taxes” (BritMums, 2012).

Concerned with the rise in paid endorsements on blogs in the US, the US Federal Trade Commission (FTC) introduced new rules governing endorsements and testimonials, which came into effect in December 2009. According to the revised guides, bloggers need to disclose their ‘material connections’ (payments or free products) with advertisers (FTC, 2009). The FTC revised guide also includes new examples of connections between advertisers and bloggers (which they call endorsers) or other ‘word-of-mouth’ marketers. According to the revised guide:

... while decisions will be reached on a case-by-case basis, the post of a blogger who receives cash or in-kind payment to review a product is considered an endorsement. Thus, bloggers who make an endorsement must disclose the material connections they share with the seller of the product or service. Likewise, if a company refers in an advertisement to the findings of a research organization that conducted research sponsored by the company, the advertisement must disclose the connection between the advertiser and the research organization. And a paid endorsement – like any other advertisement – is deceptive if it makes false or misleading claims.

Ann Taylor Stores was among the first companies who have been warned under the new guidelines. The company had given gifts to bloggers who had attended the preview of its summer 2010 fashion collection. However, a number of the bloggers failed to disclose that they had received gifts while blogging about the event. It was revealed that Ann Taylor does have a written policy regarding disclosures and the FTC warned the company to enforce the policies or face action from the authorities (Hailey and Knowles, 2010).

Other than the US, there have not been any legislative enactments in other countries, regulating the commercial activity in the blogosphere.

FUTURE RESEARCH DIRECTIONS

Due to the lack of research, the concerns of the bloggers and the response of their readers to the commercialization are still unclear. Furthermore, there is not enough evidence to suggest that bloggers conceal incomes from their blogs and contribute to the shadow market economy around the World. The fact that many bloggers are anonymous actually contributes to the issue. It is recommended that future studies should examine the attitudes of bloggers towards disclosure of their incomes and whether they are aware of the tax regulations related to their commercial activities. Future studies could also look at it from a different perspective and examine the legislative environment associated with the development of the blogosphere as a medium for marketing communications.

CONCLUSION

Various organizations and marketers have realized the importance of the role that blogs play in the new model of marketing communication and they see immense potential in this newly emerging medium. They are actively engaging with the bloggers and as a result many bloggers have moved on from blogging as a hobby to blogging as a freelance work. The commercialization of personal blogs mainly through sponsored posts,
whereby bloggers are compensated in money or kind to write sponsored content on their blogs, while having some positive impacts, has also given rise to a number of controversies and is beginning to start a huge debate.

Many bloggers around the World have benefited from ad revenues (with the Google Adsense program one of the most popular) and see blogs as a source of steady income. This had actually created a relatively unregulated economy because many bloggers are not aware that they are required to pay tax on their income from their freelance work on their personal blogs in several countries including the UK and the US. However, it is expected that Governments around the World will start moving in to control the spread of sponsored posts and also to benefit from the transactions by enacting legislation. Finally, we believe that the blogosphere would benefit from the voluntary disclosures of any commercial activity by bloggers themselves – it would help encourage transparency and create an atmosphere of trust.

REFERENCES


**KEY TERMS AND DEFINITIONS**

**Blog:** An interactive website with posts that may contain links, images, video or music clips, of interest to its author or authors that are usually archived usually updated frequently and arranged in reverse chronological order.

**Blogger:** An individual who blogs (posts/writes on blogs).

**Blogosphere:** The community of blogs, bloggers along with the blog posts and the visitors to the blogs.

**Mommy Bloggers:** Women bloggers who share their everyday experiences on their blogs, with parenthood as the major theme of their blogs.

**Personal Blogs:** These are blogs which normally have themes or topics of personal interest to a blogger (or bloggers) not controlled by an organisation.

**Sponsored Posts/Paid Posts/Sponsored Reviews:** Promoted entries or posts which contain links that point to the webpage or specific product pages of the website of the sponsor.