Blogs and banners
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The Australian

A MONTH after launching Spaces, its home for bloggers, internet giant ninemsn says it has more than 100,000 users.

Now the company is taking its message to advertisers, hoping to convince them that the personal diaries and commentary websites are the next wave in the online marketing revolution.

Others fear, though, that advertisers may affect and perhaps even destroy the nature of blogs - which tend to be opinionated and often controversial - if they are allowed to get a foothold.

In the US, advertising on blogs has exploded in the past year, with the likes of Volvo, Audi, Miller and Sony staking a claim in the blogosphere. Companies such as Microsoft are encouraging staff to start blogs in which they can talk about the company and possibly receive feedback.

Although there are millions of blogs, there is a key element missing from the marketers' point of view: accountability. Thus far, no one knows what the blog advertising market is or how it will grow.

Some bloggers have set up fan sites for brands such as Pepsi and Gatorade, where they write with passion about the product. But in other cases, marketers have been greeted with cynicism when they have tried to copy the style by setting up their own blogs and gushing about their products.

Online measurement company Nielsen Netratings' chief executive William Pulver says it is early days for blog ads. "There is a lot of interest and a lot of talk around it, but there is not actually a whole lot of data at this point. It reminds me of the early days of the internet. It's unregulated, there is stuff going on which no one really controls."

Adam Ferrier, one of the founding partners of Sydney media agency Naked, says before anyone even thinks of blogs as a marketing opportunity, they have to understand exactly what blogs are. "Why do blogs exist? Blogs exist because they appeal to human needs, the need to be noticed and to even become famous," Ferrier says. He describes blogs as a form of reality TV. "It is an unadulterated view of the world from real people -- it cuts out the bullshit."

Australian advertisers are only beginning to contemplate the possibilities of blogging as a marketing tool, but ninemsn has decided to dive in by launching
Spaces, a simple-to-use website that hosts blogs. More important for ninemsn is the fact that Spaces can be used to lure advertisers.

In the US, Volvo last month signed a deal to advertise on Spaces and ninemsn Australian director of consumer services Dominic Finnegan says he sees opportunities for local advertisers.

"I think Spaces is an acknowledgement that user-created content on the internet is becoming more important," Finnegan says.

With its 100,000 users, Space has shot up the charts of internet measurement company Hitwise to become the market leader, with a 28.3 per cent share.

"We think there is a huge potential for the advertiser. The advertising dollars are always going to follow the eyeballs and we see this as having great growth potential."

Finnegan says the power of Spaces is it takes blogging out of the niche area into mass media, offering a single source for thousands -- if not millions -- of blogs. He sees the 3.7 million users of msn's instant messenger service as prime candidates for Spaces.

But for purists the concept of Spaces flies in the face of what blogging represents, and in Australia there are few blogging sites that could even approach its market share.

Spaces may have nearly 30 per cent of the market, but most blog sites fail to gain even a 1per cent share. Sites such as Margo Kingston's webdiary, Tim Blair, Boing Boing, Bloglines and The Best Page in the Universe might be in the top 20, but their audiences are minute.

In such an environment, there are those who suspect blogs are incapable of generating more than a passing interest. "I have been hearing about the potential of advertising with blogs for a long time," says Moults Agency's David MacDonald. "I even have three blogs I do myself, but does anyone care?"

Strategy company Cynic's founder Rob Campbell says the danger is that clumsy marketers could cause problems. "It is slowly slipping out that marketers are using blogs. A lot of kids are questioning the validity of what is being written," Campbell says.

Even if the messages online are valid and are read by bloggers, the question remains whether the Australian market is large enough to support blog ads as anything more than a niche marketing opportunity.
In the US, targeting a niche market can still mean an audience of hundreds of thousands, if not millions, but in Australia the scale is much smaller, according to Michelle Lee, an account planner with Australia's largest online media agency, Netx. "I think Australia has the issue that there is just not as much critical mass as in the US," she says. [Australian] blogs will just not get the traffic.

Lee says advertisers should be wary of what they are buying into. In the US recently, blog advertising company Blogads, which sells advertising space directly on behalf of bloggers, questioned whether advertisers understood what sort of content they may be buying when joining a blog. According to Blogads, a five-minute word search of Spaces blogs turned up thousands of profanities and examples of offensive and racist language.

Bloggers themselves consider it inevitable that marketers will invade their medium, either through overt above-the-line ads, such as banners and pop-ups, or more insidiously by paying bloggers for content or writing it themselves.

"It's not [a question of] if but when," says Perth-based blogger Richard Giles. "Once one company does it successfully, others will follow."

Lee says the use of blogs as a marketing tool will be limited to the brave in the short term. "You need to be brave enough to hear what people have to say. In that sense, it's the best form of research out there. I don't see it turning up tomorrow, but eventually it will hit."

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