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26P. Enterprise Blog Categorization and Business Value

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Abstract
As more enterprises adopt Web 2.0 technologies, enterprise blog (EB) has become a popular and an important business tool not only for internal management but also for external interfacing with suppliers, business partners, and customers. For customer management, EB brings together two contemporary business developments, enhanced customer involvement and new forms of customer experience management. EB has been adopted by many organizations for the purpose of involving customers in product development, acquiring new customers, and providing customer with interactive experiences. However, in addition to the EB infrastructure, the effectiveness and success of such tool is largely dependent on the content. The purpose of this paper is to present a framework categorizing a rather complex and fragmented EB content domain. The framework was verified using data of 78 large multinational corporation’s enterprise blogs. A systematic overview of EB’s value and business model is explored.

Keywords
Blog, Enterprise 2.0, Enterprise Blog, Web 2.0

1. Introduction
With the development of Web 2.0 technologies, many organizations have moved from internal uses of Web 2.0 tools, e.g., blogs and wikis for knowledge sharing, to external uses for interfacing with suppliers, business partners and customers (Bughin et al., 2008). Some have established infrastructural support for their blogs such as blog manager (Cayzer, 2004) or a web services department (Bernoff and Li, 2008). Among Web 2.0 tools, blog has been one of the most popular one among key application categories. It has become an integral part of the media ecosystem (Bughin and Manyika, 2007; Bughin et al., 2008; Karger and Quan, 2004). Blog is an enabling tool for individual collaboration and participation since it provides a platform for individuals to communication and share information and ideas. For instance, Williams et al. (2004) view blog as a platform to show individual personality and characteristics. Gaonkar et al. (2008) consider blog as an ideal space for cutting-edge thinking. Similarly, Ives and Watlington (2005) see blog as a shared channel for personal
experiences. Compare with previous technologies, blog is a new network approach after E-mail, Bulletin Board System (BBS), Instant Messaging (IM) and it can transform both writers and readers from “audience” to “public” and from “consumer” to “creator”. More and more enterprises are adopting EB as a new channel to interface with their customer (Julian and Guillermo, 2007) as the popularity of Web 2.0 grows. EB has many advantages. It can help firms to gather customer’s demand data directly (Liu and Ji, 2009). From enterprise’s perspective, EB is useful because of its simplicity and low cost compared with such system as ERP, CRM, and SCM. Different from ERP, CRM or SCM, EB is a communication tool, EB content is an ongoing exchange of the information, ideas, and documents that continually shape and reshape an enterprise’s knowledge capital or marketing strategies. However, as EB content is not broadcasted and controlled from a central source, many firms are experiencing problems in maintaining the EB content (Bernoff and Li, 2008). Blog content should be generated so as to support the business processes (Goodwin and Vidgen, 2002). As such, organizations need to find a better way to manage EB. Presently, EB is at the crossroads of the success story of social community communications and the expectations of an intelligent network future where EB members have leading and active roles (Bernoff and Li, 2008; Chau and Xu, 2006; McAfee, 2006; Blood, 2004).

The purpose of this paper is to examine EB content to gain a better understanding of EB from content view. We examined 78 Fortune 500 company blogs and categorized them according to our proposed approach. Specifically, we make the following two statements: 1) Enterprise Blog is a multifaceted and multiphase phenomenon (Julian, 2007). The content categorization should be taken as the first step of analysis and intervention; 2) EBs deal with both technical and situational specifics (Bernoff and Li, 2008; McAfee, 2006; Blood, 2004), i.e., structures, practices, habits and ways of member’s thinking in a firm are all shaped and produced in the development of a particular EB. The paper is organized as follow. In Section 2 we discuss what the EB domain is. We also discuss whether the existing categorization is adequate to understand not only the present situation of EB but also its future. Next, in section 3, we introduce a way to categorize EB content. In Section 4, we discuss the business value of EB content using 6 Ws framework. We conclude our paper in Section 5 by making recommendations for future research work.

2. Categorizing Enterprise Blog Content

2.1. Enterprise blog and enterprise blog types

McAfee (2006) popularized the term of EB. The application of EB includes building on existing networks of friends, acquaintances and colleagues to enhance the social capital of a firm (McAfee, 2006), allowing team and or group immediate value in the relationship (Gillmor, 2003), sharing knowledge, opinions, and experiences (Harder, 2006), putting the power of sharing knowledge and information into the hands of the employees and fostering collaboration and encouraging innovation (Manchester, 2007), and creating group memory and team awareness by leveraging employee’s personal preferences and self governance (Udell, 2004). EB content management is also the result of technology push by software
suppliers (Sawy and Bowles, 1997; Goodwin and Vidgen, 2002). EB can help enterprise to build structured platform for supporting innovation (Knud et al., 2006). The key to most successful blogs is focus. The most useful blog, or the ones that generate the most traffic, tend to focus on specific topics. There are different ways to classify the types of blogs. Boothby (2006) suggested five types of blogs based on the roles of bloggers and the purpose of the blogs: Bio blog, Practical blog, Client blog, Engagement blog and Expert blog. In one word, Enterprise Blog can be seen as blog controlled by Enterprise for business purpose.

2.2. Research method and data collection

The general methodology involved a content analysis of Fortune 500 companies’ business blogs. Two sources were used to locate and examine enterprise blogs: Fortune 500 enterprise name list and Google Search. Fortune 500 companies were selected for this research because such companies provide leadership in the use of information technology, have the resources to develop and maintain fully-featured EBs, and represent a true global mixture of organizations (Robbins and Stylianou, 2003).

Fortune provides summary information of Fortune companies in its website (http://money.cnn.com/magazines/fortune/fortune500/2009/full_list/). The full name of Fortune 500 enterprise can be used as the key search word. The other key search word we used is “blog”

The initial data were collected and validated between April 20, 2009 and May 1, 2009 by searching Google using the key words mentioned above. The data were updated for the revision of this manuscript in February 2010 as the rapid change of enterprise blog.

A total of 78 enterprise blog were found through the two sources. This means 15.6% of Fortune 500 companies have Web sites. The original data collection (May 1, 2009) found only 59 sites, so the number of Enterprise blogs for the Fortune 500 increased from about 11.8% to 15.6% of the population during a 9-month period. This result shows there is a tremendous space for further development in EB.

To verify the data collected and the data collection process in the search of Enterprise blogs, another member of the research team performed a separate search for Enterprise blogs of Fortune 500 companies listed as not having a page in February 2010. This researcher found three additional firms with an Enterprise blog. This discovery of additional Enterprise blogs may not necessarily indicate the existence of a methodological data collection problem. The researchers think this result due to the dynamic growth of EB on the Internet that might have occurred over a two-week verification period. Table 1 lists the percentage of enterprise blog within each industry.

Blogging differed by industry type with Computer Software, peripherals and office equipment companies having the most blogs (18). Companies in this category include Xerox, Dell, Microsoft, Oracle and EMC. The Telecommunications industry represented by
companies like Verizon, Sprint and Virgin Media had 15 of the blogs studied. Food related firms like McDonald’s, Tyson, Whole Foods, General Mills and Safeway had 10 blogs. The broad coverage of industry classes indicates that the use of home pages for business practices are not restricted to certain industries; rather Web information technologies are widely used in many different industry categories.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Companies with a Blog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Software, Peripherals, Office Equipment</td>
<td>18</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>15</td>
</tr>
<tr>
<td>Food Production, Services and Drug Stores</td>
<td>10</td>
</tr>
<tr>
<td>Commercial Banks</td>
<td>8</td>
</tr>
<tr>
<td>Insurance</td>
<td>8</td>
</tr>
<tr>
<td>Internet Services and Retailing</td>
<td>6</td>
</tr>
<tr>
<td>Semi Conductors</td>
<td>5</td>
</tr>
<tr>
<td>Specialty Retail</td>
<td>5</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>3</td>
</tr>
</tbody>
</table>

The main features of the enterprise blogs include: products and services, feedback, what's new, financial facts, customer service and assist, search, employment opportunities, comments, index/directory, online business, links to other sites, and CEO messages. Table 2 shows the main contents of the home pages.

Figure 1 shows the percentage distribution of main content categories for Fortune 500 home pages. Obviously, introducing products/services information account for a large percentage of Enterprise blogs' functions. After careful reviews and in-depth analyses of the main content features used by firms, the following categories were derived:

1. Enterprise Blog gaming, this kind of game are related to the product or the company, sometimes the web game can be extended to social activities, e.g. K-Swiss Blog, http://www.k-swiss.com.cn/blog/
2. Enterprise Blog article, the articles can be seen as the main part of the EB content, the purpose of the articles are multiple, such as answering customer’s questions; providing necessary help; providing feedbacks about the company, its products and services, or other related matter.
3. Enterprise Blog publication, such as E-magazine, E-book, etc., e.g., Official Nike Running Blog, http://inside-nikerunning.nike.com/
4. Enterprise Blog Advertising, firms can put advertisement directly or using some advertorial.
### Table 2 The main features of the home pages and their descriptions

<table>
<thead>
<tr>
<th>Contents</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products/Services</td>
<td>main products and services</td>
</tr>
<tr>
<td>What's new</td>
<td>news releases for the products and services; updated news; pertinent industry information; new announcements; hot topics; what's cool/hot; etc.</td>
</tr>
<tr>
<td>Search</td>
<td>search engine for users to locate available interested items within the company's Home Page</td>
</tr>
<tr>
<td>Employment opportunities</td>
<td>available opportunities for certain positions and their descriptions</td>
</tr>
<tr>
<td>Interactive feedback</td>
<td>requesting viewers to respond about their feelings/suggestions about a company Web Home Page; answering customers questions; sending forms to relevant person for products/services support; providing necessary help; etc.</td>
</tr>
<tr>
<td>Customer service/assist</td>
<td>company's Web site direction; location distribution; department addresses; office phone numbers; etc.</td>
</tr>
<tr>
<td>Index/Directory</td>
<td>detailed financial performance; connection with Internet yellow page, funny things, weather, stock quotes, gopher server, news groups, or third party vendors</td>
</tr>
<tr>
<td>Financial facts</td>
<td>for information transformation on ordering/banking through the company's Home Page</td>
</tr>
<tr>
<td>Links to other sites</td>
<td>feelings or suggestions from blog readers</td>
</tr>
<tr>
<td>Online business services/utilities</td>
<td>questions about the companies’ products, its services, or something else;</td>
</tr>
<tr>
<td>Comments</td>
<td>greetings and brief introductions from CEOs;</td>
</tr>
<tr>
<td>Vote</td>
<td></td>
</tr>
<tr>
<td>CEO’s Voice</td>
<td></td>
</tr>
</tbody>
</table>

Note: Not all Enterprise blog include all mentioned contents.

![Figure 1 Content features of Fortune 500 home pages](image-url)
2.3. Enterprise Blog content: a categorization framework

Maghiros et al. (2007) provided a framework that specifies the content according to two possible EB origins: creative content and processed information. Creative content refers to the “creation of goods with an intrinsic cultural, aesthetic or entertainment value which appears to be linked to their novelty and/or uniqueness” (p.283). Processed information refers to the identification of information and its timely adaptation to EB members’ preferences. The content is similar to an “industrialization” process and therefore its main goals are ease of use and efficiency. The “creativity” element is the main difference between the two types of content, although boundaries are sometime not well defined. We adopted the EB content definition by including both creative content and processed information. The main reason for this choice lies in the fundamental role that a blend of creative content and processed information can play in the future evolution of this domain. In addition to content, we believe that technical dimension which relies on IT must be taken into consideration since technology extends content-related activity of an EB platform (Hoegg et al., 2006). From a technical point of view, EB simply combine existing protocols and computer languages in a unique way (Kolbitsch and Maurer, 2006). Nevertheless, technologically, EB is enabled by maturing basic technologies as peer-to-peer technologies, web services and semantic web as well as new script languages such as AJAX (Yin, 2003; Kumar et al., 2004). Accordingly, EB content can be divided into community based form and target oriented form. Communities unify users through a common objective. The common goal can be something like “finding new friends”, “finding relevant information” or simply “killing time”. Community platforms offer complex services for social creation of content of various kinds. While, target oriented form can provide improved process efficiency by making necessary information as agendas, to do lists and similar accessible from everywhere and through any device. These services offer functions for online collaboration (e.g. time schedule), management of online process flows (e.g. online brainstorming), or online applications (e.g. online text processing) (Hoegg et al., 2006).

Based on above discussion, we propose the following framework for the purpose of categorizing and evaluating EB content (Figure 2).

This framework consists of the following components:

1. In Quadrant I, the EB content is creative and the technical form is community based. The Blog search engine and other Web 2.0 service (recommending system) in the EB belong to this sector. The social network based on the EB falls in this quadrant.
2. In Quadrant II, the EB content is creative and the technical form is target oriented. The collaboration (e.g. time schedule), management of online process flows (e.g. online brainstorming) and the EB activity and EB game belong to this quadrant.
3. In Quadrant III, the EB content is processed and the technical form is community based. We can put EB contents such as members’ feedback to an article in EB to this quadrant. As this kind of feedback or discussion is simple and still scarce based on
Socialtext’s research (Socialtext, 2009).

4. In Quadrant IV, the EB content is processed and the technical form is target oriented. The EB publication belongs to this quadrant.

5. The center of the framework is interfaces of the four quadrants. The interaction between firms and EB members through different kinds of content are presented in EB.

By using the framework, we can explain some phenomena in Web 2.0 communities. Let us take social network as an example, as the content in the four sectors are not stable both the content form and the technology are dynamic in nature. Some isolated feedback or discussion in Quadrant III can easily form a network with the trends of the content form, or the isolated content in Quadrant IV can also be transformed or clustered into Quadrant II through the on-line collaboration, and then form a social network through evaluating or recommending system and search engine. EB member’s involvement is a key factor to form a social network. This process can be explained in the center of the framework. The involvement and the interaction shown in the center can also help firms to form their knowledge base. On one hand, firms are facing the “grass-root” reactions about their products and services over time, often within short period of time, good or bad. On the other hand, firms can take advantage of the new channel and effectively gather information from the Web 2.0 communities to improve their products and services.

3. EB content creation and dissemination

Increasingly, the knowledge-based economy relies on the value of information such as EB content. Evidence has been shown that such content as EB has been growing in recent years. For example, according McKinsey & Company, Web 2.0 technologies adoption has been increasing and organizations are benefiting from the technologies and have realized
measurable business benefits including more innovative products and services, more effective marketing, better access to knowledge, lower cost of doing business, and higher revenues (Bughin et al., 2008; Bughin et al., 2009; Bughin and Manyika, 2007).

EB content can be seen as a hidden asset in many firms and to grow and continue to be profitable (Claudio et al., 2009; Kim et al., 2006). Based on the content practices and content management theory mentioned in Knud et al.’s (2006) research, firms will need to tap this asset in a way they have not done before. Besides the firms themselves, the appearance of Web Content Provider (WCP) and Blog Service Provider (BSP) (Hoegg et al., 2006) also brings a new way to let the blog members enjoy the different kinds of EB content. This phenomenon leads new ways to realize EB content value creation. In such case, firms have to focus on such questions as what kind of content is working and what kind of content isn’t? Where and when to generate profit from EB content?

Similar to any website content, there is lifecycle for EB content. EB content’s lifecycle ranges from creation to destruction of content: namely, creating, reviewing, storing, publishing, achieving and destroying (Goodwin and Vidgen, 2002). For the purpose of this paper, we focus on the creation and delivery of EB content stages.

Based on the complex and fragmented EB content categorization framework we discussed in Section 2, a production-delivery value creation structure of EB content is provided (Figure 3).

![Figure 3 EB content and value creation](image)

3.1. EB content production and process

EB content can be created/produced and processed by many types of organizations including traditional businesses and EB specific firms. They include the following four types of firms. 1)
Traditional web content providers (Bernoff and Li, 2008; McAfee, 2006; Blood, 2004). These kinds of firms (Condé Nast, SONY MUSIC, etc.) mainly provide content only for other firms unless they also have their own EBs. From content perspective, the content they provide are multi-faceted, e.g. article, video and e-books, etc.; 2) EB specific content providers. These kinds of providers are still in infancy, some of these kind providers are even free-lancers (Hoegg, 2006). Their jobs include both providing EB content and discussing with EB members, which are different from traditional businesses. They can get paid for blogging. They write about web sites, products, services, and companies and earn cash for providing their opinion and valuable feedback to advertisers; 3) EB application providers for EB content. They can provide EB applications (e.g. online text processing) to support EB members to upload content, store it, tag it, interact with it, or exchange it; 4) Advertising and marketing industries. They post advertisement and provide some applications, e.g. on-line payment, etc.

Note that the content provided by EB specific content provider can be seen as the content type in Quadrant II, Quadrant III and Quadrant IV because they also provide service like discussing with the EB member (see Figure 1). There is not a clear boundary among these quadrants. This can also explain why EB content is dynamic changed. And the Web Content Provider (WCP) and Blog Service Provider (BSP) we discussed above belongs to the center of the framework mentioned in Section 2, as they can increase the interaction between firms and EB members. They are also an important role in the production-delivery-value model which will be discussed later.

3.2. EB content dissemination

After the EB content are created or produced, they have to be delivered so the content can reach to readers/users. EB content can be delivered in a number of ways, either through “content brokers” (Howells, 2006) by using existing infrastructure such as search engines, links, social networks and web communities; or through dedicated EB technologies such as RSS, Ping, Trackback, Free Tags and Permalink, evaluating and/or recommending system; or through wireless service provider due to the popularity of mobile devices (Gebauer and Shaw, 2004).

Value creation here means getting business value from EB content. As discussed in Section 2, EB content has both content property and technical property, and based on the above discussion in Section 3.1 and Section 3.2, we find that the EB content are produced first and then delivered through technical ways. From content provider’s perspective, the EB content value is created when the content are produced. Specifically, EB content providers can gain profit from their customers when they provide content, they can also provide related services. For instance, Blog service providers (BSPs) can provide blog spaces and blog templates. From technical provider’s view, software developer and suppliers can gain profit when providing the technology to support EB content delivery. For example, wireless service provider plays an important role in EB content delivery. As such, we believe that hardware/software/service (mobile phones, MP3 players and PSPs, etc.) providers will play
significant role in EB value creation, e.g., Apple (from iPod to iPhone), Nokia (Symbian development platform or the Ovi platform), or application providers like Google (the Android suite).

4. EB content and business value

The “6 W Dimensions” framework (6WDs), namely, “when, where, who, why, what, and how,” is a framework for getting the “full” story on something and it has been widely used in various disciplines (Bui and Tan, 2007). We adopt the 6WDs as a framework to analyze the EB content and business value creation. For the purpose of this paper, we focus on who, why, what, and how.

4.1. Who create EB business value

“Who” refers to the stakeholders in EB. It includes content provider, the technology provider, and mobile operators. For the firms that own EB, they can gain the following advantages by using EB. 1) Increasing search engine visibility of the firms’ information through EB content. Google, Yahoo and MSN all provide blog search engine service. These tools can help firms to deliver the EB content; 2) Reducing the cost of public relations activities. For example, Dell’s blog solution team solved the “Dell Hell” crisis in 2005 by posting articles in blog) (Bernoff and Li, 2008); 3) Gathering customer’s demand information through online discussion. Many firms have extended their customer management approach by moving towards online approach. Identifying customer demand and collecting online data have become one of the important determinants of business success. Through EB and online customer comments about product and service, a firm can gather important and timely data, and hence improve and innovate and gain competitive advantage. It is an important first step for firms to monitor and collect customer demand data online before processing and utilizing the information; 4) Integrating data into the firm’s knowledge database. Customer feedbacks from EB have become an important source of knowledge for the firms. Instead of having a few people controlling the threads on traditional Internet forums, EB allows anyone to express their ideas and thoughts. The information shown on the EB can help firms to reduce cost, gain access to new research results, and acquire key technological components of a new product. For EB members, they get interested in the specific content, collaboration and communication around which the EB evolves (Hoegg et al., 2006). EB members also can be viewed as potential customers. We believe that EBs have expanded and will continue to expand organizational and relationship boundaries between EB members and firms as we have witnessed the similar phenomenon when the Internet and e-commerce became a technological source of power since mid 1990s when many organizations applies the technology in managing their relationships with the suppliers and business partners.

4.2. Why EB value being created

“Why” refers to the objectives and motivations to create EB content. As discussed in Section
3, the objective means the value creation. From the content perspective, blog is a free journal organized by date, topic, page that are tagged for internet marketing purpose, EB members can post any kinds of content. From technical perspective, writing in EBs does not need sophisticated programming skills. It is easy to update, post information that can be both private and public. Bloggers just start out for fun when they are now finding that they have full blown businesses on their hands. More and more firms are considering post product placement on blogs.

4.3. What EB business value being created

“What” refers to the components and the content of EB. This is discussed in Section 2 by categorizing the EB content. The EB content has both content nature and technical nature. While traditional media such as TV, radio, print, and bill-boards have become less effective, EBs have emerged to supplement that media, providing a new channel to keep a closer relationship with customers. For many firms, marketing has evolved from marketing a product or service to marketing a feeling (Bernoff and Li, 2008), and having the customer experience the product or brand in such a way that the customer remains engaged with that experience. EBs create a challenge for firms whose promotional strategies must incorporate a new reality where the customer often desires a connection with the firms or the brand on his or her own terms, and frequently co-creates the experience.

4.4. How EB business value being created

“How” refers to the methods of gain business value. In general, there are three popular methods, subscription, advertising, and collaborating. From content perspective, firms or BSPs can charge EB members a periodic (daily, monthly or annual) fee for subscribing EB content and related services. More and more EBs service providers are asking members to pay a fee to subscribe to all or part of the content. For advertising, it's becoming apparent that more businesses are noticing the influence of blogs and have spent money on blog advertising and marketing. Blog readers are the targeted recipients of the advertisement. The readers are not necessarily just young, hip college students. It's a hyper-literate audience; some blogs are read heavily by white collars at work, government politicos, and, especially, the mainstream media. Blog ads must connect with people. Normal web ads focused on special offers or incentives won’t work on blogs because they lack substance and humanity. Like the blog itself, successful blog ads rely heavily on content. A successful ad might have image, plus several different sections or headlines, or might be a headline, an image, and some thought-provoking text. The best blog ad looks like actual blog content. The third way for business value creation is through cooperating with related industry players such as mobile operators and service providers. Members can upload article, videos, pictures and music into blogs by PDAs, mobiles, MP3 players or PSPs, they can also upload their feedbacks. Members pay for service to both BSPs and mobile operators. One successful case of mobile blog is Cyworld (us.cyworld.com), a Korean website. Cyworld was acquired by SK

5. Conclusion and discussion

We started the study with a purpose of understanding EB, EB content type and EB’s business value within a rather complex and fragmented EB domain. We identified, collected, and performed content analysis using 78 EB samples of Fortune 500 companies’ blogs which include text, image, video and web link data types. We presented a categorization method of EB content and explored EB’s business value using 6 WDs framework. We concluded that, based on our case studies and our review of literatures, that enterprises are using blogs in their operation for engaging their employees, customers, and business partners. We are convinced that EB can help firms achieve unique business value through such formats as content-guest book comments, formal surveys, random interviews and online feedbacks. Future research should test the magnitude of the influence of model with quantitative studies. The framework built in this study has embraced prior findings from big companies. It will be interesting to test the framework in other cases, e.g., small and medium-sized enterprises.

References


