

## CHAPTER 1

# Origins of Social Media

On June 13, 2006, Vincent Ferrari decided to cancel his America Online account. Ferrari, an active blogger, had heard complaints about AOL's customer service. The company's high-pressure tactics were legendary; sales reps were trained to make it uncomfortable for a customer to leave.

Ferrari thought it would be an interesting experiment to record his phone call with the AOL representative. If there was something funny there, he'd share it with a few friends and everyone would have a laugh. "I didn't expect much," he says.

The call was cosmic. After spending fifteen minutes on hold, Ferrari was connected to a rep named John, who spent the next five minutes trying to convince Ferrari that it would be a terrible idea to disconnect the service. Even though Ferrari demanded fifteen times to "cancel the account" during one three-minute stretch, John persisted. The height of absurdity was reached when the rep asked to speak to Ferrari's father. Ferrari was 30 at the time.

Vincent Ferrari's been blogging for four years. His Insignificant Thoughts blog gets good traffic: about 350,000 page views a month, enough to make the top 3,000 on the Technorati blog search engine. But he's hardly an A-list blogger.<sup>1</sup> Ferrari didn't think much about the re-

1. There actually is no formal "A list," but the term is commonly accepted to mean the most popular bloggers as defined by Technorati, the leading blog search engine.

ording and sat on it for a week. On June 20, he posted the audio file on his blog. "Anyone else have an interesting 'cancellation' story from AOL or some other company?" he asked. Ferrari also sent an e-mail notification to Consumerist.com, a consumer advocacy site that specializes in telling nightmare stories, and to digg.com, a social media site where readers vote for their favorite articles.

What happened next was indeed a nightmare—for AOL. Consumerist published a link to Ferrari's blog post, calling the recording "The Best Thing We Have Ever Posted." An hour later, Ferrari's Internet server crashed under the crushing load of an estimated 300,000 requests for downloads of the audio file.

Within forty-five minutes, the server had crashed again, as it would a couple of more times before the saga ended. In fact, Ferrari's server logged fifteen times its usual network bandwidth in June, almost all of it in the last ten days of the month.

By June 24, the state of the servers didn't matter any more. The story had a life of its own. Copies of the phone call were turning up all over the Internet. On Saturday, a friend called to tell Ferrari that the story had been covered in the *New York Post*. On Sunday, a squib ran in the *New York Times*. The servers crashed again.

On Monday, CNBC called for a phone interview. Then NBC. On Tuesday, June 30, just six days after he had posted the recording, Vincent Ferrari was interviewed by Matt Lauer on the *Today* show, which played a full three-minute clip of the phone call. "How did you remain calm?" an incredulous Lauer asked. Another twenty-five to thirty media calls followed; Ferrari lost count. On July 14, he was on *Nightline*.

And that was just mainstream media. Thousands of blogs and websites picked up the story, including A-list blogs like BoingBoing.net, Metafilter.com and Fark.com. On July 19, Consumerist posted what it said was an AOL retention manual, an eighty-nine-page document with detailed flowcharts showing how to head off a customer cancellation. The site ran a photo of a smoking cigarette protruding from the barrel of a gun. By August 1, a Google search on "Vincent Ferrari" and "AOL" returned more than 150,000 results.

Through it all, AOL remained grimly stoic. The company issued an apology, said it fired the rep (who was probably guilty only of overzealousness) and declared the incident "inexcusable." But it couldn't ignore the comments that were accumulating on Insignificant Thoughts;

more than a thousand of them, most of them outraged at AOL, some by AOL employees. "I'm so glad someone recorded this," read one. "I work at AOL so I know what a shit company it is." Added another self-described AOL employee, simply, "I finally feel like I have my soul back." Thousands of similar comments were logged on other sites that played the sound clip.

On August 2, AOL announced that it would stop charging certain customers for access to its service. The process of dismantling its customer retention organization had begun. A spokeswoman said the decision was reached after months of analysis and had nothing to do with the Ferrari incident.

And she was probably right. At least to a point. Vincent Ferrari may not have caused AOL to change its business model, but he must have influenced it. He lit a match that set off a conflagration of customer complaint. AOL probably knew that its hard-sell tactics were unpopular, but it probably didn't know the degree to which those tactics inspired rage among its customers.

Try this yourself: Type "aol customer service" into Google and look at the first page of results. This company had a problem. Vincent Ferrari wasn't AOL's enemy. He was merely a catalyst for the enemies to make themselves known.

## Blog swarms

What happened to AOL is sometimes called a "blog swarm" and it is one of the most awesome meteorological phenomena of the social media atmosphere. Blog swarms of AOL proportion don't happen very often, but smaller cloudbursts occur every day in different corners of the blogosphere. And outright swarms are becoming more common.

Understanding how these clouds of dissension form turns out to be about as difficult as modeling the real weather. No one really has the answers. But some patterns are beginning to emerge as experts try to model the complex patterns of influence in this vast peer network.<sup>2</sup>

The disruptive<sup>3</sup> power of social media is made starkly real in crises like the AOL swarm and it's something businesses will have to learn to

2. In Chapter 4, we'll look at these patterns in greater detail.

3. Throughout this book I'll use the word "disrupt" to refer to fundamental change. I don't mean the word to have a positive or negative connotation, for disruption can often set the stage for rebirth and new growth.

adjust to. "Just about every company will have a problem with a product or service, resulting in unhappy customers," wrote Marqui, a developer of Web-based marketing automation software, in a 2006 white paper. "What has changed...is that disgruntled customers now have a greater reach, a louder voice, than they ever did in the past. News travels very, very fast in the Web 2.0 world—and bad news can spread through the blogvines like wild fire."

Conventional marketing wisdom has long held that a dissatisfied customer tells ten people. But that's out of date. In the new age of social

### What's a Technorati?

Throughout this book, you'll find many references to Technorati or BlogPulse rankings. These are two popular blog search engines that, in addition to indexing the blogosphere, attempt to identify the most popular bloggers. Their formulas for doing this are imperfect and a bit controversial, but the rankings are closely monitored by many bloggers. For more detail, see Chapter 9.

media, he or she has the tools to tell 10 million. How did this all happen so quickly?

Online economics enabled new businesses to germinate and rewrite the rules of media.

It's now possible to address small audiences cost-efficiently, audiences that could never have been served

in print. In the first decade of the Web, new-media publishers like CNet, MarketWatch, TechTarget,<sup>4</sup> Motley Fool, Slate and many others grew and prospered by building affinity groups that hadn't existed before and by delivering information at a velocity that was impossible in print. eBay offered the first glimpse of what would come to be called the "long tail."<sup>5</sup>

But the first decade of the Web wasn't about publishing so much as it was about reading. Early browsers had a forms capability that enabled the

4. TechTarget is a company that understood the looming shift to targeted markets and built a business on it. I was fortunate to be there for the first six years and describe the company's success in more detail in Chapter 4.

5. The Long Tail has become an overused marketing buzzword, but the basic principle is critical to understanding the value of small markets. Chris Anderson published a book on the subject: *The Long Tail: Why the Future of Business Is Selling Less of More* (Hyperion, 2006). The original Wired article is at <http://www.wired.com/wired/archive/12.10/tail.html>. Recently, the long tail idea has come under fire. The *Wall Street Journal's* Lee Gomes took issue with Anderson's thesis in a July 2006 column, citing factual errors and quoting the author's own sources to argue that the long tail isn't nearly as great a market opportunity as Anderson claimed. A debate continues on Anderson's blog ([thelongtail.com](http://thelongtail.com)).

user to input information to a website. But the tools to actually publish that information were rudimentary. Yes, you could build a personal website but updating was a chore. Most people who built personal websites pretty much left them alone once they were running. Even if you did update your website, there was no way to tell anyone about it other than by e-mail.

Some students of social media like Stanford law professor Lawrence Lessig have called that first decade the “read-only” Internet. While it was possible to create websites, it wasn’t easy. So the people who created them were mostly organizations, who saw the Web as a billboard or a way to take orders from customers. The “read/write” Internet wouldn’t emerge until a few years ago.

## The interactive Web

Blogs give individuals a way to express their voices in a way that is highly personal and controllable. Blogs are revolutionary because they make it possible for people to publish quickly and easily under their own names. And whether for reasons of ego or control, that characteristic has struck a mighty chord with Internet users.

A survey of 7,012 people by the Pew Internet & American Life Project in mid-2006 found that 39 percent of U.S. Internet users read blogs while 8 percent write them. More than half of bloggers are under the age of thirty and more than half also said they had never published before they started blogging, podcasting or videocasting. Women represent 46 percent of the blogosphere and men 54 percent.

The dynamics of social media today are rooted in the competition between bloggers to achieve greater influence for their personal points of view, attached to their names and their identities. They’re an evolution of discussion groups, the early online conversational tools that were a hit with a small group of computer enthusiasts. Blogs are different from discussion groups, though, because they put the author in control. They do have their shortcomings; for example, their reverse-chronological format limits flexibility. But the value of personal expression is compelling for so many frustrated writers that newly empowered Internet diarists have seized blogs—and their companion, podcasts—with a passion previously unseen in the media world.

“Thousands of new Web communities have popped up offering twists on MySpace and YouTube,” wrote *Washington Post* technology col-

umnist Leslie Walker in a retrospective article in August 2006. "Partly, these start-ups are the result of something I didn't anticipate—Internet publishing costs falling through the floor, at a time when Web software grew more powerful... Falling costs will turbo-charge personal publishing even more by letting the good ones reach the Web quickly." Walker is actually wrong about the cost. If you have a computer, and an Internet connection, there are at least a dozen websites that will give you a blog for free.<sup>6</sup>

## Understanding blogs

The online encyclopedia Wikipedia.org defines "blog" as:

*...a website where regular entries are made (such as in a journal or diary) and presented in reverse chronological order. Blogs often offer commentary or news on a particular subject, such as food, politics, or local news; some function as more personal online diaries. A typical blog combines text, images, and links to other blogs, Web pages, and other media related to its topic. Most blogs are primarily textual although many focus on photographs, videos or audio.*

Wikipedia makes some distinctions that are important for marketers to understand. While the popular image of a blog is as a personal diary, the reality is that the most popular—and commercially influential—blogs on the Internet are topical. They offer a personal voice, but usually on an issue that's compelling to a number of people. They're a new style of publishing that emphasizes timeliness and opinion over comprehensiveness.

## Types of blogs

Among the fifteen varieties of blogs listed by Wikipedia.org are business blogs, cultural blogs, gossip blogs, link blogs, online diaries, photo blogs, political blogs, video blogs (vlogs) and travel blogs. For practical

6. The underlying technology forces that sparked the social media revolution are a continuation of a trend that has developed over the last twenty-five years and which I call *technology leverage*. Small changes in technology can have enormous economic and societal impacts years down the road, but we're rarely even aware of their potential at the time. In the case of blogs, the incredible deflation in the price of computer storage and the rise of so-called open-source software were the catalysts for change. In Appendix A, I explain this phenomenon in more detail and explain how a few technology forces came together early in this decade to create the social media craze.

## The Search Phenomenon

Blogs have a few distinctive features that standard web sites don't. A *permalink* is a unique blog entry—or article—with its own URL. Every blog entry has a corresponding permalink. A blog is actually a series of permalinks strung together. Most blogs simply list permalinks in reverse chronological order by default. But using “categories” or “tags,” permalinks can be combined in many different ways. This gives blogs flexibility that conventional websites typically don't have. A blogger may choose to assign an article post to one or more categories or add tags that are a more flexible equivalent of categories. A reader can then view all blog posting in a particular category or by date, with the corresponding permalinks organized according to that selection.

Permalinks have another very powerful feature. They do very well on search engines. This is because permalink file names usually correspond to the headline on the entry. Google pays a lot of attention to file names in its Page Rank algorithm, the result being that a blogger who posts extensively on a particular topic or company name can swiftly rise up the stack in Google search results. For example, HackingNetflix, a popular blog about the mail-order DVD service, was the number two result in a Google search on “Netflix” just a few months after it was launched.

This can be a problem for marketers because critics can quickly become as prominent in search results as their own brands. In a 2005 incident that came to be known as “Dell Hell,” popular blogger Jeff Jarvis posted a rant on his Buzzmachine.com blog about a negative experience he had with Dell Computer's customer support operation. Thousands of readers added their comments and linked to the Jarvis page from their own blogs. The story was picked up by the *New York Times*, the *Washington Post*, *BusinessWeek* and other mainstream media, many of which linked to Jarvis' blog. The result: by the end of 2005, Dell Hell postings were showing up in the first page of Google search results on the keyword “Dell.”<sup>1</sup>

Many blogging software packages also support TrackBack, which is a mechanism for bloggers to automatically notify other bloggers when their work has been cited. The original entry can automatically display the URL from a later commenting entry, which can help both rise in search ranks. Even casual bloggers are sometimes amazed to type search queries into Google and find their own entries within the top few results.

purposes, though, most blogs fall into one of four categories: online diaries, topical blogs, advocacy blogs and link blogs.

Online diaries like Yarn Harlot, CourtingDestiny and Wil Wheaton are mainly focused on recounting personal experiences, often in touch-

ing or hilarious detail. They tend to get less traffic than linked commentaries, but the readers who visit them are often passionately committed to the blog and the blogger. They read every day.

Topical blogs are the most popular and commercially successful. They include leading titles like Engadget.com, Gawker.com, Lifehacker.com and TechCrunch.com. Often written by multiple authors, they provide highly focused and passionate coverage of subjects like consumer electronics, politics, media and sports. Their audiences may be large or small, but they are often just as passionate about a subject as the authors of the topical blogs. In my view, these are the most important blogs for marketers to watch, since they have the most potential to move markets.

Advocacy blogs (my own terminology) are usually written by individuals and are intended to reflect a point of view on a variety of topics. Examples include Instapundit, Daily Kos, Huffington Post and Michelle Malkin. Usually authored by an individual, advocacy blogs offer the blogger's opinion—often very pointed—on current events. They also inspire a passionate following of readers who share the author's point of view.

Advocacy blogs are a mixed bag for marketers. A lot of them are about politics, which makes them of limited interest to business. However, many focus on workplace rights, consumer affairs, corporate governance, lobbying and other topics that may affect businesses. Wal-Mart, for example, has fought an ongoing battle against bloggers who criticize its employee relations practices. Some advocacy blogs have very large readership. On the other hand, some companies have such passionate followings (Apple and Harley-Davidson, for example) that they spawn a community of enthusiastic fan blogs. As we shall see in Chapter 3, this community can be tapped for feedback and viral marketing, often at nominal cost.

Link blogs are also very popular. They include BoingBoing.net, Metafilter.com, Fark.com, Waxy.org and RobotWisdom.com. These sites are essentially collections of commented links to other information on the Internet, but their distinctive voices can make them hugely influential. BoingBoing, for example, can send hundreds of thousands of visitors to a website with a single link.

Link blogs frequently have distinctive voices and political or social agendas. Fark.org, for example, is known for biting sarcasm while the somewhat more intellectual BoingBoing has been a vocal critic of digital rights management. Although these sites don't do original reporting in

the conventional sense, they initiate and guide conversations based on where they choose to link. The lines between topical and link blogs are usually fuzzy, because so much of blogosphere content consists of links between sites.

## Style points

Different content requires different formats. Online diaries are generally the least frequently updated blogs, but the posts can be carefully crafted personal essays, often of 1,000 words or more. Diarists' stock-in-trade is their personality and voice. Their topics are drawn from life experience and they are likely to link to other bloggers in a close-knit community of people with similar interests.

Advocacy blogs are also all about personality but the author's objective is to promote a point of view. Advocacy blogs typically link to and comment upon news stories and other blog entries, often with frenetic frequency.

Instapundit is a prototypical advocacy blog. Written by Glenn Reynolds, a law professor at the University of Tennessee, it's the 17th most popular blog in the Technorati rankings. Reynolds posts fast and furiously. On June 16, 2006, he posted twelve blog entries from 7:52 A.M. to 6:18 P.M. ranging from five words ("GEORGE W. BUSH: Gun felon?") to three hundred words.

Reynolds' postings are typically a mix of uncommented links to other articles on the Web that reinforce his conservative political agenda and impassioned opinions seeded with extensive excerpts from speeches and blog postings. This style is part of Reynolds' voice and his readers—some 200,000 daily—respond to it. Reynolds' frenetic posting schedule is also part of his style. There's always something new on Instapundit and that keeps readers coming back.

Actually, June 16 was a light day for Reynolds, who frequently posts more than twenty entries daily. But he could be excused for that. He was on vacation.

## Topical blogs

Topical blogs are the closest thing in the blogosphere to mainstream media because many of them report on current events. Frequently they are political, but some of the most popular topical blogs—like Engadget, Gawker, TechCrunch and Make—write extensively about products and

companies. They most closely resemble mainstream media in the blogosphere.

Autoblog is an example. Ranked 131st by Technorati, the site serves a dedicated audience of hard-core car lovers. It was launched in 2004 by Weblogs, Inc., the blogging network that also owns Engadget. The idea was to take the Engadget formula and extend it to a new market, according to David Thomas, 30, the founding editor of Autoblog.<sup>7</sup>

The small staff used the Engadget editorial guidelines: find something interesting on the Web, describe it, comment on it, link to it, find a photo and get in on the site. Then start looking for something else. It's a rapid-fire, manic work style with few items running more than a couple of hundred words. But the staff posts new content, on average, every hour or two, seven days a week.

Autoblog and topical blogs like it leverage the unique characteristics of blogs, which are speed and links. The site doesn't pretend to be a major source of breaking news, but it keeps readers apprised of what other people are saying in near real-time. It is more likely to post an unverified rumor than its mainstream media counterparts, but that's part of Autoblog's voice.

In that respect, Autoblog is like a wire service. "You're not so much creating stories yourself as finding stories, pointing to them and explaining their relevance," Thomas says. "It's a really fast, as-it's-happening, one-stop kind of place." And there's an important dimension of blog protocol: always cite the source.

This near-real-time news style is what's made it possible for Autoblog to prosper in a market that's chock full of car sites. That and voice. Voice is very important in the blogosphere. In fact, any successful blogger can tell you in detail what his or her voice is.

Voice is the way you speak to readers. Your voice may be friendly, edgy, snarky, academic, sagacious or enthusiastic. Two blogs can cover much the same material yet be successful with different audiences because they have different voices.

Autoblog's voice "is how you'd sit in a bar talking to your buddies about cars," Thomas says. "It's informal but informed. Some of the car sites are dry as can be. They're lab reports. We know we're speaking to the kind of people who see a new Mustang and just have to have it."

7. Engadget's successful formula is explained in more detail in "The Gadget King," a sidebar to Chapter 3 that profiles founding editor Peter Rojas.

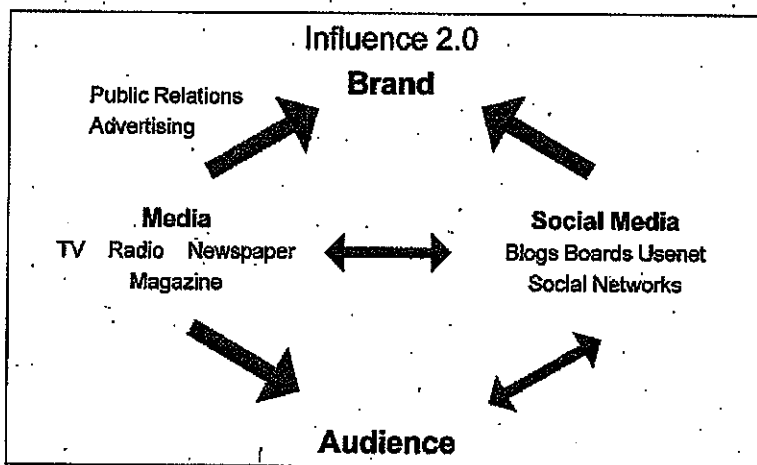
To demonstrate the importance of voice, Thomas talks about a recent project: launching a blog for auto site Cars.com. The Cars.com audience is completely different from Autoblog's, he says. Visitors are consumers looking to make intelligent buying decisions. They aren't enthusiasts. So the Cars.com blog will emphasize facts and recent news, presented with a serious and authoritative voice. "Autoblog is an enthusiast publication. Cars.com is a tool for helping people," he says. The voices may be different, but both can succeed with their audiences.

### Mainstream media meets the blogosphere

Some social media advocates like to portray bloggers as being in conflict with mainstream media. The implication is that one side is set against the other, as if there will be a winner and a loser.

In fact, mainstream media and the blogosphere are remarkably complementary. Bloggers need newspapers, magazines, radio stations and their accompanying websites to provide a constant stream of source material. Mainstream media, though it may not want to admit it, can use bloggers to provide feedback on the work it does. A struggle is playing out there, but it's a constructive struggle.

If you think of mainstream media as the news section of the Internet, then the blogosphere is like the op-ed page. Few blogs report breaking news, although some bloggers do cover events like conventions and trade shows through their medium. But the format and organization of a



In Influence 2.0, a model proposed by influence measurement firm Cymfony, mainstream and social media are intertwined, forming an idea and feedback loop that is unlike anything marketers have ever encountered. *Source: Cymfony*

blog really doesn't lend itself to news reporting. Blogs have no hierarchy and relatively poor indexing. There's no "front page" on a blog. It's just one continuous narrative that starts at the end and goes back to the beginning.

Newspapers and news sites are designed to deliver a wide range of topics in a random-access format. Front pages and home pages present the reader with a lot of choices. Navigation is by category and chronology has little to do with it. You read a news site completely differently than you read a blog.

Topical blogs and advocacy blogs need mainstream media, which is why the vaunted clash between the two sources is so improbable. Instapundit, Michelle Malkin, Engadget, Autoblog, 43 Folders, Huffington Post and many other blogs would be nowhere without mainstream media sites to mine for news. When pushed, bloggers will admit that mainstream news organizations do the leg work and grunt work that they won't. The two groups have an odd love-hate relationship. Mainstream media feeds the blogosphere but increasingly get story ideas and tips from it. Bloggers criticize mainstream media for its well-publicized lapses but link to newspapers and magazines far more than any other source.<sup>8</sup>

That symbiosis can sometimes get pretty heated. In a notable incident in 2004, bloggers attacked a *60 Minutes* report that claimed to have documented proof that President George W. Bush had evaded the draft. CBS posted the documents online and bloggers immediately cried foul, pointing out that fonts used in the documents were unavailable on typewriters at the time they were allegedly published. After a couple of weeks of denial, CBS eventually admitted that the documents were suspect and issued an apology. The story didn't end there, however. CBS continued to suffer attacks in the blogosphere over its handling of the incident. When *60 Minutes* commentator Dan Rather resigned six months later, many media-watchers cited "Rathergate" as a leading factor.

In the fall of 2005, blogger Mark Russinovich unearthed a backdoor security vulnerability called a rootkit in Sony BMG music CDs. Rootkits can enable hackers to gain access to a computer that had come in contact with the infected disk. It was a serious security compromise,

8. In my survey of 163 bloggers (Appendix A), mainstream media was the bloggers' second most often-cited external source of ideas (57 percent) behind other bloggers (70 percent). However, link analyses by professional researchers shows that bloggers in general cite mainstream media sites as sources far more than other blogs.

particularly in a product that was not sold as computer software. Russinovich posted a detailed account of his discovery on his blog on Halloween Day and the blogosphere immediately exploded. More than 1,500 people commented on Russinovich's discovery and the story was quickly picked up by news sites like Slashdot.org and TheRegister.com. From there, it spread into mainstream media.

Sony first denied, but eventually admitted to its overzealousness in including the hidden software on music CDs.<sup>9</sup> It offered a fix, but Russinovich found that the fix actually worsened the security vulnerability. The blogosphere, again, went nuts. The story generated mainstream media coverage in the *New York Times*, the *Boston Globe*, the BBC, *BusinessWeek* and dozens of other major publications. For two months, it seemed that Sony could do nothing right. Every attempt it made to quell the criticism resulted in more blog rants, sparking more media coverage and more demands for compensation. Dozens of class action suits were filed against Sony in New York and California. The state of Texas also filed suit.

Sony eventually admitted that at least fifty-two CD titles had been released with the hidden rootkit. Researchers estimated that a half million customers in 165 countries had been infected. Sony agreed to pull hundreds of thousands of CDs out of stores, compensate affected customers and tighten its policies on the disclosure of copy protection methods in the future. There's no clear estimate of how much the mistake cost the proud Japanese firm, but the damage was easily in the tens of millions of dollars. And that's not counting the hit that Sony's reputation took as the story spread. Six months after the incident, mainstream media were still covering the scandal. "We made a mistake and Sony paid a terrible price," Sony CEO Howard Stringer told Walt Mossberg of the *Wall Street Journal*.

The Sony story dramatizes two important truths about the blogosphere. One is that the mainstream media and bloggers can work together constructively to develop a story. In this case, not only did bloggers alert journalists of the existence of a problem, but they also provided detailed explanations of the technical factors at hand. Coverage in newspapers like the *New York Times* openly complimented bloggers for defin-

9. Press accounts later revealed that many Sony executives weren't even aware that the software was there; it had been authorized by a few overzealous officials who were worried about intellectual property protection.

ing and explaining the issues. And for the first time since blogs exploded on the scene, mainstream media coverage was genuinely positive about the contributions of the blogging community.

Another truth with the blogosphere is that transparency is key to working in this medium. Sony's biggest mistake arguably was not that it planted the spyware platform on the music CDs but that it failed to respond quickly and openly to complaints. The company's ducks and dodges in the face of a storm of blogger complaints and mounting pressure from the media made the company look evasive and sneaky. In fact, it was probably just confused.

This premium on transparency may be the single greatest cultural shift that businesses will face as they engage with social media. The move from messages to conversations will tax many marketers and swamp some. The emerging culture of transparency and openness in social media is a story taking shape, but it's clear that companies that choose to participate will need to speak to their communities in very different ways.