

THE ADVERTISING REPORT

Questions For ...

Peter
HirshbergMinding the Blog
Is the Next Big Thing
In Managing Brand

COMPANY: Technorati Inc.
TITLES: Chairman and Chief
Marketing Officer

By BRIAN STEINBERG

To reach consumers through traditional means such as TV and print, advertisers have reliable and longstanding techniques: 30-second spots and print ads. When it comes to blogs and other emerging Web venues, however, marketers are less certain.

Technorati, the Web portal that tracks blogs and other online content, is trying to help ad agencies find their way in these new areas. The San Francisco company is joining with WPP Group PLC's Ogilvy North America to provide new services to the agency's clients, Ogilvy announced recently.

For Ogilvy, the alliance will help the agency reach consumers who spend their time creating content on the Web rather than watching or reading content produced by someone else, said Steve Hayden, vice chairman and chief creative officer of Ogilvy & Mather Worldwide. "Our whole industry for 200 years has been focused on talking or broadcasting," he said. "We need more listening."

Technorati Inc.'s Peter Hirshberg suggests marketers are becoming less anxious about using blogs and other Web content and discusses some strategies they can use.



Technorati

'If you went to a cocktail party and heard everything everyone was saying about you all the time, and took it all really seriously, it might drive you nuts. You need to use judgment,' says Peter Hirshberg.

The Wall Street Journal: Should advertisers really be paying attention to every little thing going on in the blogosphere? There seems to be a heightened sensitivity about the need to engage with bloggers who may have something negative to say about a particular product or marketer. How much of this is really feasible, or even necessary?

Mr. Hirshberg: If you went to a cocktail party and heard everything everyone was saying about you all the time, and took it all really seriously, it might drive you nuts. You need to use judgment. But it turns out that if you read what people are saying, you very quickly get a sense of how you are playing. Are people passionate? Are you doing a good job? Is your competition doing a good job? Marketers need to be careful to not overreact.... Is there something you could learn? If we are being criticized for poor customer service, are we aware of this? If people repeatedly say our product is confusing, maybe we could make our product easier to use. You can learn a lot by going through this stuff.... The important thing is to read this stuff and consider it.

WSJ: How possible do you think it is for an advertiser to react to Web conversation in real time?

Are marketers ready to hire Web and blog monitors to keep track of conversations as they happen?

Mr. Hirshberg: Marketing organizations really ought to have somebody on board whose job is to listen to, converse with and ensure the company is engaging with its customers, whether they are on blogs, MySpace, YouTube, whatever. In other words, companies have field-marketing people, companies have public-relations people...specialties built up around a traditional communications environment.... If you have one person who minded this, it would be good. That one person could do many things. They can manage a blog. They can respond to blogs. They can listen.... You should hire someone who is of that world, hire someone who can focus and understand social-networking by nature. These people, the new 24-year-old person you will hire, you will be amazed by the knowledge they bring to the table.... You should respond if someone says something inaccurate. You should go on to the blog that day and correct it. If someone says something great, you should thank them. If a brand pays attention to its customers, wonderful things happen.

WSJ: How do you envision Ogilvy using Technorati?

Mr. Hirshberg: I think this is an important new tool to start getting advertisers to think about more than one-way marketing.... A brand that is sponsoring a new film festival can create a page that aggregates all the conversation around that event that not only draws the brand closer to the event but highlights the bloggers covering the event, ultimately making the brand more central to the event.... We are anxious to see, working closely with Ogilvy, what forms of marketing evolve.

WSJ: You have been involved in a range of Web and technology ventures, including a stint at Apple Computer. In your experience, how long does it take a big-spending advertiser to catch on to new and emerging forms of communication?

Mr. Hirshberg: One thing we see is that technology brands and entertainment brands are early adopters, because they know it's all about word of mouth.... Our first customers were independent films. Independent films live for word of mouth.... Prestige, high-concept brands, brands that really put a lot of time into curating and polishing every aspect of it, take longer to get on board, because they think there is more to lose. In fact, there is more to gain.... I got on the Technorati board less than two years ago. Until maybe last summer, until nine months ago, when you said 'the blogosphere' to a brand, it ducked. The basic reaction was, 'I hope they don't say bad things about me. I'm not sure I want to advertise on a blog, because I can't control it, and I'm very nervous about letting my users talk about my brand online because that would be giving up control.' This is until about nine months ago. Then, all of a sudden, I think brands saw an emerging growth of MySpace, of YouTube and the blogosphere.... The brand people got over the control issue. They actually realized that the next generation of branding involved listening to and including the audience in marketing and building a dialogue.

WSJ: Technorati is betting that blogs and Web-based chatter are here to stay. But could blogs be usurped by some new format? Is there a sense that over time, people will gravitate to only a few while the rest dwindle in importance?

Mr. Hirshberg: It is a fact that people spend a lot of time on the popular blogs, and we have seen an evolution over the last couple of years that the most popular blogs have gone more mainstream.... That said, the most interesting action in the blogosphere is really in the hundreds

New York Office Vacancies Rise

By JANET MORRISSEY

Manhattan's class A office-market vacancy rate rose in January, the first increase since last March, according to a new study. But one month doesn't make a trend, so industry watch-

He said he expects Manhattan's vacancy rate to resume its downward march in February and believes the vacancy rate could fall to 5% by year end. He said financial-service and law firms continue to hire, causing demand for real-estate space to

has not seen a lot of new construction, other than properties such as 7 World Trade Center, making the office market tight. "It would take some big block [tenants] moving out of the city" and sharp rent increases for the demand/supply

of topic areas where communities coalesce and people are having conversations.... Blogs are just one form of user-generated content. [There are] podcasts, video, pictures. All of this stuff is growing.... We'll probably see a lot of growth in areas that aren't blogging, but the blog-