

# Blogging for bucks

Business blogs are an untapped – but potentially large – platform from which to reach consumers in China

By Jeremy Goldkorn and Maya Alexandri

**B**logging is becoming a big business in China. In August, Sina announced that its blogs had generated US\$1 million (€700,000) in revenue in the second quarter of 2007. A month later, the internet portal revealed that it would introduce ad revenue-sharing with some of its top bloggers.

But Sina's success hasn't been replicated at other portals or in other industries. In general, blogs have proved difficult to monetise and typically aren't direct sources of revenue. Nonetheless, they play an increasingly prominent role in the international business landscape, and businesses operating in China and elsewhere have shown resourcefulness in deploying blogs for a variety of business purposes.

At the outset, business blogs can take a number of forms, but two of the most common in the international business world include the CEO blog and the corporate blog. CEOs of companies ranging from Sun Microsystems to Marriott International to Macmillan have written blogs, and companies including Google, Southwest Airlines, and Penguin (China) maintain corporate blogs. In China, Pan Shiyi, the superstar real-estate developer of the many SOHO residential and office complexes around China, is probably the most prominent CEO blogger.

Pan has used his blog (*panshiyi.sohoxiaobao.com*) largely as a pub-



Real estate magnate and Chinese blogging celebrity Pan Shiyi (right)

licity platform. One of China's most well-read and famous bloggers, Pan has parlayed his blog prowess into television appearances, as when he instigated an online debate with fellow real-estate magnate Ren Zhiqiang over the advisability of class-stratified real-estate development (Ren was for segregating rich and poor; Pan was against).

## At (b)loggerheads

Pan's challenge escalated into a confrontation between the two tycoons on Phoenix TV – with the upshot of Pan receiving nationwide publicity. Even Pan's wife, Zhang Xin, told the *Wall Street Journal* that she'd reluctantly been won over by Pan's blog: "When he started it, I said this was such a waste of time. He should be running a company, not writing a blog. But the blog has become an important speaking place for us."

The purpose of CEO and corporate

blogs often extends beyond mere publicity and promotion. They can further corporate transparency and provide helpful information to investors. Though publicly traded Chinese companies have not yet exploited blogging for this purpose, they may soon: Chinese investors are hungry for financial information, and media offerings in this area remain slimmer than they are elsewhere in the world.

Corporate blogs additionally can be used to open a dialogue with, and gather feedback from, consumers. For example, movie star, director and online media entrepreneur Xu Jinglei decided to launch an e-zine, *Kai La*, after ascertaining from the comments on her blog that there was consumer demand for such a product.

Another area in which blogs have smoothed the way for business is networking. Blogs allow business people to meet potential clients, partners and

employees without having to rely on expensive head hunters or hobnob at finger-food events. Posting job announcements on blogs can be an effective way to locate suitable candidates. Blogs also afford their authors opportunities for free-wheeling, or even inadvertent, business pitches. Dan Harris, who writes the China Law Blog ([www.chinalawblog.com](http://www.chinalawblog.com)), has successfully used his blog to win clients. At a panel (moderated by Trackbacks co-author Jeremy Goldkorn) that was part of the recent American Chamber of Commerce event, "Under the Digital Influence", Harris described how he wrote a blog post criticising a certain company's legal strategy in China. To Harris' surprise, the company phoned him shortly afterward to say, "You're right, and we want to hire you."

Site traffic is an all-important factor in setting advertising rates for all online businesses in China, and blogs – whether CEO blogs, corporate blogs, or otherwise – can boost traffic. Sina's list of the 300 most popular blog posts of 2007 includes more than 100 posts that have been viewed more than 100,000 times to date. The most popu-

lar of these posts has received almost 1 million hits. Meanwhile, Xu Jinglei's blog has received more than 100 million hits and was rated by Technorati as the most popular blog in the world.

### Keep it real

Ideally, business blogging signals a hip receptiveness to and understanding of the internet, which can foster consumer goodwill. Of course, the risk is that business blogs may also give rise to the opposite outcome. CEOs who use ghost writers, for example, typically incur the ire of their readership, and other forms of deception may result in even worse reputational damage. One embarrassing example was "Wal-Marting across America," a blog purportedly written by a couple driving cross-country in a recreational vehicle and staying overnight in Wal-Mart parking lots. When it was exposed as a public-relations stunt, Wal-Mart lost credibility. While CEO and corporate blogging in China has yet to produce a faux pas as scandalous as "Wal-Marting across America," Chinese celebrity bloggers have disappointed their fans by using ghost writers, and the risks of trusting the person behind

the blog were starkly highlighted when kung fu novelist Louis Cha's identity was hijacked by an impostor writing an unauthorised blog in his name.

Despite the risks and the investment of time – and probably a dedicated employee – that business blogging demands, it offers an impressive array of possible benefits for businesses. Companies operating in China have yet to exploit this potential fully. Notwithstanding Pan Shiyi and Sina, which mainly features celebrity blogs, there still seems to be room for CEO and corporate blogs to stake a claim and establish themselves in China's online universe. Given this relatively open field, the return on an investment in business blogging could be very high indeed. ■

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