

THE NORDIC LARGE CAP BLOGGING INDEX:
Corporations and the Conversation



Burson•Marsteller

Introduction

Hundreds of millions of consumers have embraced personal publishing platforms such as blogs, social networks and photo sharing sites. A large portion of online content is now being produced by individuals. Activity online today is driven by users who share thoughts and information about everything from politics to brands, from the very personal to the deeply professional, and in the process they assert influence upon people far beyond their immediate social group. Thanks to the adoption of social media we have seen a fundamental change in the communications landscape. Businesses and organisations are slowly trying to adapt to this new environment where they are no longer able to control communications and instead have to learn to influence their message, and thus their brand positioning.

There are many ways for companies to participate in the online conversation, with perhaps blogging being one of the tools that is most easily accessible. It is also one of the most challenging as it requires a shift in mindset that companies are still coming to terms with. Traditionally, companies have carefully controlled their messages within corporate communications departments. Blogging on the other hand requires a more personal communications style than what is custom in many corporations today.

Although uptake has probably been slower than in the U.S., blogging has certainly taken off in the Nordic region during the last few years. For example, it is estimated that there are now 350,000 blogs in Sweden and that 33% of the online population in Sweden read blogs regularly.

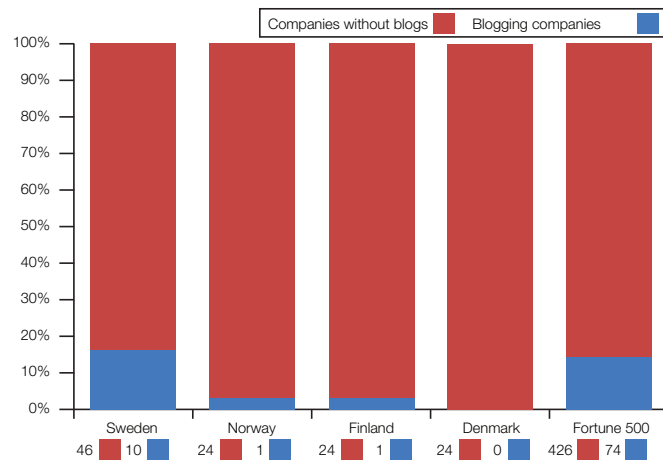
This report considers data on participation in proactive blogging activities within the Nordic Large Cap list which includes corporations with a market capitalisation of at least 1 billion euro and that are listed in Denmark, Finland, Norway or Sweden (as of July 18, 2008). By proactive blogging we mean development of company sponsored blogs to create dialogue with stakeholders.

Burson-Marsteller used the OMX Nordic Large Cap index, complemented by the corresponding Norwegian index, as the data set due to its role as being representative of general corporate communications best practices.



Nordic Large Cap companies with blogs

| Corporation | Industry sector |
|-----------------------------|----------------------------|
| Sweden | |
| ABB | Industrials |
| Electrolux | Consumer discretionary |
| Ericsson | Information technology |
| NCC | Industrials |
| Skanska | Industrials |
| Swedbank | Financials |
| Tele2 | Telecommunication Services |
| Telia | Telecommunication Services |
| West Siberian Resources Ltd | Energy |
| Volvo | Industrials |
| Finland | |
| Nokia | Information technology |
| Norway | |
| Telenor | Telecommunication Services |



Blogging within the Nordic Large Caps

Approximately 9.1%, or 12 companies, of the 132 Nordic Large Caps have company sponsored blogs. This number represents a lower percentage than the 14.8%, or 72 companies, with blogs on the Fortune 500 list in the U.S. A reason for the lower penetration among Nordic companies could be that the U.S. market in general is ahead on the adoption curve when it comes to both social media and innovation in marketing communications.

One third (33.3%) of those Nordic companies with blogs have two or more blogs associated with the company. For Fortune 500 companies the figure was 35.1%.

Corporate blogging is much more common among the Swedish large corporations than in the other Nordic

countries. Ten of the 56 companies, or 17.9%, that are listed on the Swedish Large Cap list have one or more corporate blogs, which is an even higher percentage than the 14.8% of Fortune 500 companies, identified in a separate survey done by Burson-Marsteller in February and March this year. A reason for the high penetration among Swedish listed companies could be the less hierarchical nature of Swedish business culture, making it easier for employees to implement ideas that have not previously been tried and tested.

Finland and Norway are lagging considerably with only one company each with a corporate blog, while in Denmark none of the 24 companies have a corporate blog. Tele2 and West Siberian Resources Ltd have shut down their blogs since the research was performed.



Representative Nordic Large Cap Industry Sectors

Six of the Nordic Large Cap index ten industry sectors have at least one company with a blog. Industrials is the sector with most blogging companies (4), followed by Telecommunications Services (3), Information Technology (2), Consumer Discretionary (1), Financials (1) and Energy (1). The results are somewhat unexpected considering that companies within fast moving consumer goods traditionally are leading the development of new communications tools. Instead we have seen a number of Swedish FMCG companies reaching out to influential bloggers by for example inviting them to events and sending them products for reviews, rather than via corporate blogs.

| | |
|-----------------------------|---|
| Industrials | 4 |
| Telecommunications Services | 3 |
| Information Technology | 2 |
| Consumer Discretionary | 1 |
| Financials | 1 |
| Energy | 1 |

Open for Participation

Nine out of the eleven Nordic companies have commenting functionality enabled on at least one of their blogs. In other words, the leading Nordic corporations are starting to open their conversation to stakeholders in hopes of active dialogue. Nordic Large Cap companies have implicitly placed increased trust in their stakeholders in order to build lasting relationships. Commenting functionality within the Nordic Large Cap index fosters not only increased interactivity, but also increases transparency among company-related discussions which effectively builds engagement.

Another way to open up for dialogue and to encourage external stakeholders to contribute to the discussion is to allow trackbacks, which is a way to show which blogs link to a specific blog post. Only three of the twelve companies have trackbacks enabled on at least one of its blogs, suggesting that it may be easier for companies to allow comments on the blog than trackbacks, because comments can seemingly still be “controlled” to an extent, although in reality there is not such a big difference.

Push vs. Pull

Companies that embrace social media are starting to adopt a new approach to communications. Instead of focusing on getting the customer to visit the corporate website, social media allows companies to spread their messages to places where the customer is, also by using other customers as carriers of the message. Tools like RSS (Real Simple Syndication) and social bookmarks (online services that let users save and share links with others) make it easier for the user to access and share relevant information online.

Eight out of the twelve companies have RSS enabled on at least one of their blogs, while only two companies have social bookmarks enabled.

Who's blogging?

Businesses approach corporate blogging differently and bloggers are found on very different levels within the organisations. A common approach is to let trainees blog, while others have marketing people signed up as bloggers. Some even use external people, indicating that the blogs focus mainly on softer topics within or outside the organisation and that corporate blogs are mainly seen as recruiting or marketing tools.

But there are companies that use the blog as a voice in corporate matters, for example West Siberian Resources Ltd., whose blog is run by the company Managing Director (this blog has been discontinued with the appointment of a new Managing Director as of Oct 30, 2008). Another take on blogging is the expert blogs, run by specialists on Manager, Director or Vice President levels who often blog about topics closer to the core business, such as product related topics.



Conclusion

Corporate blogging is part of a new set of communications tools that have enabled a different approach to building relationships with different stakeholders. With 12 of the 132 largest listed Nordic companies actively engaged in the online conversation, corporate blogs are slowly making way into the leading and most admired companies in the region.

Although the Nordic Large Cap companies represent only a fraction of businesses throughout the Nordic countries, these companies are leaders and trendsetters in their respective industries. When they invite external stakeholders to participate and contribute, it will encourage other companies to follow suit.

Methodology

For our research and methodology, a blog is a website where entries are commonly displayed in reverse chronological order with a clearly visible author. To be included, a company blog had to detail participation under the company/subsidiary name, including sponsorship of the blog. Some blogs had many contributors, but each individual post is clearly attributed to one person. Companies may participate in blogging as long as participation is clearly attributed to the company in addition to hosting a company blog, entailing corporate branding and sponsored content/media. To be counted as active, a blog had to have had at least one post during the twelve months ending Sept 2008.

This research was conducted during August and Sept 2008 and studied proactive blogging activities within the Nordic Large Cap list which includes corporations with a market capitalisation of at least 1 billion euro and that are listed in Denmark, Finland, Norway or Sweden (as of July 18, 2008).

About Burson-Marsteller:

Burson-Marsteller is a fully integrated communications agency with a core competency in digital media. The agency develops communications strategies around social media/community, online reputation management, interactive experience design, digital business management, and mobile marketing on behalf of corporations, consumer brands, government agencies and other large organisations. In the past year, Burson-Marsteller's digital practice has led award winning programs such as the Treasury Department's digital unveiling of the new \$5 bill, Second Life on behalf of The Mexico Tourism Board, Hormel Foods digital overhaul, and integrated communications planning and execution for Transitions Optical. Burson-Marsteller is a part of Young & Rubicam Brands, a subsidiary of WPP (NASDAQ:WPPGY), one of the world's leading communications services networks.

Blog: Digital Perspectives Blog

<http://www.digitalperspectiveblog.com/>

B-M on Twitter

<http://twitter.com/BMdigital>

Contact

Hans Kullin, Digital Strategist Nordic,
+46 70 291 78 22,
hans.kullin@bm.com,
<http://twitter.com/kullin>

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Burson-Marsteller