

Blog Buzz Helps Companies Catch Trends in the Making

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ConAgra Foods Inc. got an early warning from chatter on the Internet that the low-carb craze was fading. The huge food company seized the chance to promote an alternative menu, its Healthy Choice soups, entrees and lunch meats.

"By utilizing online message boards you pick up nuances in the marketplace -- customer statements, thoughts -- that enable us to distinguish whether something is a trend that has long term impact or a fad that will be short-lived," said Nick Mysore, director for strategy and insights at ConAgra, which also makes Butterball turkeys, Chef Boyardee ravioli, Rosarita refried beans and scores of other products.

For companies like ConAgra, the individual opinions blasted out in cyberspace are becoming an increasingly powerful force. Together, they form the fabric of online word of mouth that can determine the hottest new product, make or break a TV show, or set off a customer revolt. Eager to tap into the buzz, a growing number of companies are turning to sophisticated new technologies that track what's said on Internet social networks, blogs, message boards, product review sites, listservs -- wherever people congregate publicly online.

The comments are particularly valuable for measuring customer sentiment because they're gut-level and spontaneous. "Internet word of mouth is extremely important," said Steve Rubel, a marketing expert and senior vice president at Edelman public relations. "You see what the most vocal consumers have to say about you and about your competitors -- and they're saying it without necessarily knowing you're watching them."

Following online conversations is the latest attempt by companies to grapple with the growing clout of their customers. Empowered by the Internet, consumers can broadly express their skepticism of brand icons, demand the lowest prices and mobilize for action. In recent years, many companies have tried to influence consumers by generating their own favorable word of mouth. But measuring sentiment expressed in cyberspace -- whether provoked or not -- has always been difficult. The high-powered new technologies aim to fill in the missing pieces by searching, tabulating and assessing Internet postings.

To capture the chatter, Nielsen BuzzMetrics, a giant in the industry, uses software that collects hundreds of thousands of comments a day. The technology can scan for specific companies, products, brands, people -- anything searchable. It can slice data into a range of categories to quantify the number of times a subject was discussed online, the individuals who mentioned it and the communities where it appeared.

The company, formed last week by the merger of BuzzMetrics and Intelliseek, also can assess the tone of opinions by analyzing writing style and even individual words used. For example, if a blogger is discussing a new sport-utility vehicle and says he loves it but isn't pleased with how it handles, the software is clever enough to score the posting as an overall positive with a negative on the handling.

By trawling in cyberspace, ConAgra sensed that consumer interest in portable snack foods is growing as people's schedules get busier, the kind of intelligence that helps guide expensive decisions on research and development of new products. Spurred in part by remarks floating around the Internet, Mysore said, ConAgra is exploring possible new snack foods, which it won't discuss for competitive reasons.

As a food company that uses lots of chicken, ConAgra also scours the chatter online to understand customer perceptions and fears of avian flu and better plan its response should an outbreak hit North America.

"What kind of thought processes are consumers going through?" Mysore said. "As an organization, we are able to leverage that information to strategically create marketing programs to address that issue."

Companies that track online word of mouth emphasize that it is only one of many tools they use to assess consumer sentiment. Focus groups, surveys and other offline research complement information gleaned from cyberspace.

"If I were a company I wouldn't necessarily make any enormous decisions based just on what people are saying on blogs or messages boards, but it certainly can help point you in the right direction," said Tim Calkins, a professor of marketing at Northwestern University's Kellogg School of Management.

Hewlett-Packard, the computer and technology company, lately has picked up from cyberspace that customers really hate leaving their computers at shops for repairs; far better, the company learned, is having technicians repair the machines in homes. "What that makes us do is that when we think about investing more in that area, we say, yes, it's positive to do that," said Rickey Ono, business strategy manager for HP. "We drill into the individual comments and it helps to justify our expenditure on in-home repair."

Even NBC's weak Olympics ratings were partly foreshadowed by chatter in the blogosphere. A sweep of postings shows that conversations about the Olympics peaked around the time of the opening ceremonies then fell off precipitously to just above the low hum weeks before the Games began, according to an analysis prepared for The Washington Post by BuzzMetrics. The survey, which measured the quantity -- not the tone of the statements -- also found that bloggers posted their thoughts about the hugely popular Fox TV show "American Idol" with just about as much frequency as they did about the Olympics.

Specific comments online offer a deeper glimpse into why viewers may have stayed away from NBC's coverage. "I hate the Olympics," said one blogger called TinaPoPo. "The Olympics are so boring and they disrupt my regular TV-watching schedule. So I hate them."

Another touched on NBC's competitive troubles. The Olympics faced off not only against ABC's "Dancing With the Stars" but also the latest installments of "American Idol." "Why am I posting about the Olympics anyway?" wrote a blogger called Todd-tastic. "American Idol is on tonight." NBC's ratings were sharply below those of the last overseas Olympics.

Even a sports fanatic like Jill Manty, who ran an Olympics blog, had divided loyalties. She told her readers during the first week that she would skip NBC's coverage and instead tune in to "American Idol." Her voice was just one in the nonstop conversation across the Internet, where millions of blogs compete for attention. But in the banter that forms Internet word of mouth, her lone opinion reverberates.

"It surprises me that it is possible to create something that can have that much impact on how people view what's going on in society," Manty said of her blog.