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Company Studies Blogosphere

Umbria Inc. provides market research from Weblogs

By Kelly Davidson, For the Camera
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A college-aged male signs into his Weblog and begins typing furiously. He chronicles everything from his day, starting with his morning bagel to a hot new song he downloaded onto his cell phone MP3 player. He finishes with a long-winded rant about the tuition hike at his university.

With one last point-and-click, he publishes his post for all the world to see.

Companies are taking notice of the "blog buzz" created by these raw, unprompted references to products and services. One Boulder business in particular is keeping close tabs on more than 19 million sites.

With its start in March 2004, Umbria Inc. became one of the first companies to tap the market research potential in the blogosphere, where bloggers share their intimate thoughts and respond to other blogs.

"People don't necessarily go to their blogs to talk about a company or product. They go to share stories and experiences," said Howard Kaushansky, the company's founder and chief executive officer. "Through this review of their day, opinions and perceptions of products, people and companies come out in a stream of consciousness."

From this torrent of thoughts, Umbria pulls any comments related to their clients' chosen topics and subtopics.

Unlike focus groups and other methods, this approach eliminates the bias factor because the company does not solicit the feedback in blogs, said Dave Howlett, Umbria's vice president of product management. Instead, Umbria eavesdrops on these public conversations to learn what consumers really are saying.

"Now, companies can really listen to unsolicited and unbiased opinions of themselves, their products and their competition," Howlett said.

Using a combination of software programs and mathematical models, Umbria collects updated postings — thousands per hour — from Weblogs, message boards and online forums.

Umbria's analyzer program then searches the company's database of postings for groups of words that relate to the client's specified topic and subtopics.

The program breaks down those retrieved results by parts of speech to identify the age group and gender of the speakers and evaluate the positive or negative context of the statements.

From that information, the company generates weekly or monthly online reports for each client.

Ben & Jerry's Homemade Holdings Inc., Electronic Arts Inc. and more than 35 other companies also subscribe to Umbria's "Buzz Report." Comments were not available from any of the companies.

Umbria subscribers are among a growing list of companies and individuals turning to the blogosphere for guidance.

Industry reports indicate politicians and major corporations, including 3M, General Mills Inc. and CBS Broadcasting Inc., also are looking at blogs for market research.

More than 12,000 new blogs are created each day and roughly 275,000 posts are made daily — according to the Pew Internet Project — and the numbers are reason enough for companies to listen to bloggers.

But it's the unmediated nature of the blogosphere that requires companies' attention, said Mark Weiner, president of Delahaye Inc., a Connecticut-based firm that specializes in market research and new media analysis.

"People just say it, and people believe it," Weiner said. "That degree of uncontrollability requires companies to monitor blogs and know the content, so they can respond to negative or inaccurate information. The most dangerous outcome can be negative blogging that migrates from the blogosphere to the traditional media where it gains legitimacy."

Even though the blogosphere is gaining momentum, market research in blogs probably will never supersede traditional methods because blogs represent only a small segment of the population and can provide companies with nominal demographics, Weiner said.

The 28-employee Umbria, however, plans to expand its analyzer functions to provide more comprehensive demographic data, such as ethnicity.

"People in the blogosphere talk about anything and everything under the sun," Howlett said. "It's an incredible information source that will only become more valuable to companies."

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