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CAROLINA PAD AND THE BLOGGERS  
CASE SOLUTION

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## The Case:

Carolina Pad, a maker and distributor of school supplies, is trying to boost their marketing with a limited promotional budget by having bloggers write reviews on their websites about their products. The bloggers are now asking for payment, and April Whitlock (CP's director of brand management) is concerned that this practice of paying bloggers is unethical. This prezi will highlight the strengths, weaknesses, opportunities, and threats that this tactic would pose towards Carolina Pad, followed with an overall explanation of my own opinion on the matter.



# STRENGTHS

## EFFECTIVE

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100. Rather than spend  
advertisement of a magazine  
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## #1: VISIBILITY

By placing their products on multiple blogs and having bloggers write reviews and put up photos of their products and designs, Caroline Pad has a great advantage in adding visibility of their product. Blog sites had accumulated 77.7 MILLION unique visitors by 2008 and about 3/4 of internet users regularly read blogs (pg. 470). Compared to billboards or newspapers, whose audience is unique to their geography and demographic, blogs provide an outlet to reach anyone, anywhere. Even if their target audience is teenage girls (which, hello! that is perfect for social media like Instagram or Facebook to reach them) they can still target other niche demographics like visual artists, fashion students, and crafty moms. Their audience increases tremendously, whether or not it is 'ethical'.



## #2: COST EFFECTIVE

Despite not having a budget for marketing and promotions, paying bloggers is still more cost effective than traditional marketing tactics. If they paid 25 top mommy bloggers \$1,000 with an average of 50,000-100,000 unique views per month, they would spend only \$25,000 and reach an audience of 125,000-2,500,000. Rather than spend \$27,300 for 1/3 of a page in advertisement of a magazine that may or may not catch the eye of a reader that may or may not purchase the magazine or get to that page, their money would be better spent on paying trusted bloggers with a strong following to review their product, which leads me to my next point...



### #3: TRUST

Whether it's Instagram or Blogspot, Facebook or Twitter, any blogger with a major following has established some level of trust with their audience. They're either liked for their writing, images, personality, or a combination of all three. If bloggers are writing positive reviews on Carolina Pad products, then readers will trust Carolina Pad products because they trust their blogger. It's that simple. Of course, they can try out the product and decide for themselves if they like it or not. This, however, is also where the main issue in paying bloggers lies...

**WEAKNESSES**

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## #1: TRUST/DISCLOSURE

- if we pay the blogger to write reviews for us, will they disclose how much we are paying them? What information do they disclose?
- how does it make us look?
- will our audience still trust us if they know we paid a blogger and that blogger wrote a positive review?

It's all about perception and how Carolina Pad's audience will view them, should the information between the company and bloggers be disclosed



## #2: BAD REVIEWS

- What if the blogger writes a bad review about us?
- Why would we pay someone to write a bad review about us?
- If we decline their offer, are we destroying our relationship with the blogger?

Obviously, any company wants to avoid having bad reviews about their product being discussed or promoted anywhere, ESPECIALLY online, where the bad review (i.e. - Yelp) is visible to anyone around the world. I see this as a minor issue; if the product is of high quality and you have confidence in the product, then why be worried about getting bad reviews? If anything, a bad review can be an opportunity to improve the product, have the blogger review it again, offer a positive review in response to their previous post, and show your customers that you are listening and you care. Carolina Pad wins even if they receive less-than-a-favorable review... and this is actually cost-effective, as it doubles in paying for production research. Customer satisfaction... 100%. Period.



## **SOMETHING TO CONSIDER:**

Although it could be an opportunity to improve and expand on a product in response to a negative review, Carolina Pad would have to be quick to respond and should closely monitor the reviews as they are being published and reader responses. The internet is a weird place - it is so interactive, and things can quickly escalate. Bad reviews can be hard to come back from if not confronted and dealt with in a timely manner. Bloggers are vicious, their business and brand revolves completely around their opinions, so they tend to give strong ones, and their readers often times respond with strong opinions as well. Respond quickly to any issues arising from bad reviews and use it to improve company image; Carolina Pad will succeed in their goal in creating buzz through bloggers if they follow this cardinal rule.



## Opportunities:

Several opportunities lie in utilizing paid bloggers to promote CP's products and brand, such as:

- guaranteed exposure
- product reviews without having to conduct polls and surveys
- saving money on advertisement
- creating/establishing trust with customers and bloggers
- making sure you are reaching your target demographic
- direct feedback from blog readers in addition to the bloggers themselves (oftentimes in the comment sections or written in other blogs as responses to the original posts)



## Threats:

- bad reviews
- escalated reader responses that cast Carolina Pad in negative light
- being a part of an online community means having any and all dirty laundry (whether real or false) exposed
  - false information being published
  - company scandals being publicized over the product benefits
- bloggers putting up comparative reviews to competitors



## ULTIMATELY...

While I understand April's fear that paying bloggers is unethical, I have to respectfully disagree and believe she should pay bloggers to write reviews. Carolina Pad is guaranteed exposure to their target demographic, receiving customer reviews (both positive and potentially negative -- which still helps the company troubleshoot and improve their product), and creates loyal customers by transfer of blogger-reader trust. The pros far outweigh any risks. Seeing as her main concern other than the ethics of the practice involves bloggers writing negative reviews, I would suggest she ensure that the product is of top quality before sending out to bloggers. It sounds to me like a concern of the product not being good enough, which is severely problematic and should be dealt with by the company's development department. You can market and promote a product all you want, but if the quality is lackluster, you can't expect people to write positive reviews.

http://www.ppt4015.com

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## HOWEVER...

It's obviously not a black-or-white situation either. April should be careful as to which bloggers to choose. If she is so concerned of the ethics, then maybe she should try to see if she can initially avoid paying some in monetary value and instead offer them a large quantity of the product (if they like it). Also, although blogs are popular among the masses, she should also look into other sources of online promotions, specifically Instagram. There are many people who are willing to accept free products because their blog/instagram doesn't have enough followers yet to justify receiving monetary compensation. One compromise I would make with April if I was working as her adviser would be rather than finding 25 top blogs to pay, find 100 smaller blogs with a decent following that she can donate the product to. This takes away the ethics behind the practice of paying bloggers, though she should realize that it also puts more risk for the bloggers to write negative reviews since they are not being paid in monetary compensation. I strongly believe she would do better by paying a small amount of top bloggers to promote the product on their blog. Customers will ultimately find out themselves if they like it or not -- the blogs are just helping provide the company exposure.



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