

Arianna Online: AOL targets Huffington's cachet

February 22 2011, By Robin Abcarian

Elegantly clad in black lace, her famously copper hair now blond, Arianna Huffington was surrounded by friends and well-wishers as she arrived Saturday at a fundraising dinner for Columbia University's student newspaper. Everyone wanted to congratulate her on AOL's \$315 million purchase of the Huffington Post.

"You're in the big show now," said David Stone, Columbia's executive vice president for communications.

Huffington gently shook her head, widened her eyes and replied, "It's all a little too much, isn't it?"

With Huffington, you could say, it's always been a little too much. The native of Greece has never taken a minimalist approach in her many New Worlds - Cambridge, Mass.; New York; Washington, D.C.; Montecito, Calif.; Los Angeles. She came with ambition, smarts, charm, letters of introduction and an unfailing sense of whom to cultivate for maximum success.

The best-selling polemicist, biographer and pundit, whose friends told her she was too old to start an Internet venture when she launched the [Huffington Post](#) six years ago, has now conquered a corner of cyberspace.

After several unprofitable years, Huffington's website - combining news from traditional journalism sources, unpaid blog posts, fluffy photo

galleries and a smattering of original stories - says it turned a profit last year, and expects revenue to double to \$60 million in 2011.

With about 25 million monthly visitors, the Huffington Post is one of the Web's most popular news sites. But how much that will help AOL transcend its dial-up roots, its ill-fated acquisition of [Time Warner](#) and its hemorrhaging bottom line is the subject of debate in the blogosphere and beyond. (Last year, AOL's ad revenue dropped 29 percent, said Chief Executive Tim Armstrong, and the company laid off a third of its workforce, which is now about 5,000. HuffPo employs 210.)

Huffington said she persuaded co-founder Kenneth Lerer, a former AOL Time Warner executive, and their board to sell to AOL even though it probably wasn't the most lucrative deal possible.

"I really convinced them that this was not the best price - because we could have gotten more - but the best home," she said.

The mostly cash deal, finalized on Super Bowl Sunday, puts Huffington in charge of all editorial content for AOL, which includes Politics Daily, TechCrunch, FanHouse, PopEater and Patch - a network of about 800 hyperlocal news sites - as well as MapQuest and Moviefone. Her challenge will be to inject some cachet into a faded Internet brand. She begins, in some sense, by just being herself.

At the Columbia dinner, Huffington was among equals in the top echelon of old media players. Her tablemates included Wall Street Journal Managing Editor Robert Thomson, a Rupert Murdoch protege who has criticized sites that aggregate. (She knocked his boss the other day, saying she couldn't understand why anyone would call an iPad news app "The Daily," as Murdoch has done. "The whole point of the Internet is that it's not daily," she said; it's "immediacy.")

Norman Pearlstine, Bloomberg's content chief, sat on Huffington's right, and Paul Steiger, chief executive of the nonprofit investigative venture ProPublica, introduced Huffington. He praised her "penetrating wit," noting that "she appeared on ... 'Family Guy' and witheringly destroyed Brian the talking dog."

At 60, Huffington will have a real boss for the first time. It is unclear what portion of the sale price she will receive, or what her annual salary will be. She would not comment on reports that put her take at about \$18 million with a salary of \$4 million. She will answer to Armstrong, who headed ad sales for Google before arriving at AOL 20 months ago.

Huffington will be judged on her ability to make AOL's content "magical," which will then make its advertising "magical," Armstrong said, adding that "consumers are smart and know when they see magical experiences."

Huffington Post recently has been producing more original content. And AOL, particularly with Patch, has become one of the few expanding news operations.

But journalistic hearts were chilled this month when a leaked memo, "The AOL Way," was published by Business Insider. It emphasized search engine optimization and profitability, not journalism or the public interest, and said AOL staffers should produce five to 10 stories a day - basing their topics on traffic, revenue potential and turnaround time.

"I thought the leaked memo was horrifying," Huffington friend and DailyCaller.com blogger Mickey Kaus said in an e-mail. " ... I don't buy the idea that journalists have to be coddled and well paid because they have some mystical intuition ordinary citizens lack. But the memo made AOL seem like a terrible place to work."

Armstrong was unfazed. The press may have reacted strongly to the memo, he said, but "Internet-based companies were saying, 'This is how we do business every day.' "

Nor does one high-profile Huffington Post editor seem worried.

"I push back very strongly against the idea that this place is a content farm," said executive business editor Peter Goodman, hired from the New York Times. "I would not have come over for that."

In typical fashion, Huffington has been on the go since the deal was announced. She and Armstrong left the Feb. 6 Super Bowl at halftime and flew to New York for the announcement. They appeared the following Tuesday at a Los Angeles media conference. She keynoted a World Affairs Council dinner the next day in San Antonio, then a day later held an all-hands meeting at HuffPo headquarters.

She appeared last Friday on "Real Time with Bill Maher," where she spoofed her merged roles. Maher pretended to call Moviefone, and Huffington's heavily accented voice said, "Hello dahling, you've reached Moviefone. Now playing: 'The Kids Are All Right.' But the kids are not all right. They are suffocating under a mountain of debt, accumulated mostly during the Bush administration."

She told Maher, one of her original bloggers, that his audience would be much bigger now.

"What about back pay?" he joked, getting at the bitterness felt by some of HuffPo's unpaid bloggers.

Huffington ignored him, but at the Columbia dinner she offered a spirited defense: Her employees, she said, "are the people expected to meet deadlines, turn up every day, even over the weekend when

something like the Tucson shooting happens."

The site's 9,000 bloggers, she continued, "have no obligations. ... You send a blog today, for which we are very grateful because that's how we get great content, but if you don't send another blog for another two years, nobody's going to bother you."

Huffington sat for an interview last week in her cozy SoHo office, decorated with seven colorful paintings that look like fine embroidery. They were made by her younger daughter, Isabella, who attends Yale, as does her eldest, Christina.

She has said that her 1997 divorce from Michael Huffington was very difficult for her children, and the experience was one reason she launched a divorce section on the Huffington Post last year. Though her ex, a former congressman turned film producer, supported Arnold Schwarzenegger for governor in 2003 instead of Arianna (who ran as an independent), their relationship is cordial. He has occasionally blogged on her site and threw her a 60th birthday party.

Huffington, too, was a child of divorce. When she was 16, she moved with her mother and sister from Athens to England. She became a star of the debating society at Cambridge and landed a book contract in her early 20s. In 1980, she moved to New York and by 1983 was the subject of a New York magazine story, "The Rise and Rise of Arianna Stassinopoulos: How the East Side was Won."

A ubiquitous media presence, she is an author whose work spans biographies (Maria Callas and Pablo Picasso), memoir ("On Becoming Fearless") and politics ("Right is Wrong," "Third World America"). She left the Columbia dinner early to fly to Washington, where she appeared the next morning on ABC's "This Week." Total airtime: about two minutes.

Huffington and Armstrong bristle at the suggestion that users and advertisers might be turned off by her site's liberal roots. They call it a "red herring."

"We welcome voices from across the spectrum," Huffington said. "When Newt Gingrich or Joe Scarborough or David Frum or Tony Blankley write for us, they are always treated respectfully, and they get good play."

But the site was conceived as a liberal response to the conservative Drudge Report. Huffington and Lerer founded it in May 2005 after John F. Kerry's loss to George W. Bush. Lerer has contributed nearly \$200,000 to Democrats since 1994, according to the Center for Responsive Politics.

In 2008, Portfolio media reporter Jeff Bercovici noted that the Huffington Post was moving into nonpolitical areas to appeal to advertisers. If that continued, he wrote, "maybe, someday, HuffPo will be a \$200 million business."

Her old friend Andrew Breitbart, the conservative Internet entrepreneur, who worked for her as she developed the site, said he left because he was turned off by its lefty orientation. But for two mostly glorious years, he said, he worked in her Los Angeles home, in her "Anne Frank makeshift hideaway office" - accessed by swinging open a large painting of two clergymen, one of whom has caught the other cheating at cards.

Kaus said he thought Huffington, a onetime Republican and now a registered Democrat, was never as left-wing as many believed her to be.

"If you listen to her closely over the years, I think it's been clear she's not any kind of socialist," Kaus said. "She wants a market economy but just wants to punish the bad actors and scammers and polluters."

As a boss, Huffington has both inspired and tormented her employees. Watching her in action, Breitbart said, was a lesson in developing a thick skin.

"I don't really see it as thick skin," Huffington said. "I see it as being permeable. I mean, if you look at children, the way they deal with things they don't like, they might cry and be really upset, but five minutes later, it's like it never happened. That's what I aspire to."

Even employees who felt overworked came away with something positive. "For all the heartache ... it was a completely invaluable experience. I would do it again," said a former employee who nonetheless spoke on the condition of anonymity to avoid angering Huffington.

And of course, there were the sweaters. Her employees get an expensive one each Christmas, handpicked by Huffington.

Armstrong recalled that when [AOL](#) did its due diligence, "someone said, 'There is a giant budget in here for "miscellaneous;" what is that?' I said, 'It's the sweaters.' "

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Distributed by McClatchy-Tribune Information Services.

Citation: Arianna Online: AOL targets Huffington's cachet (2011, February 22) retrieved 27 April 2024 from <https://phys.org/news/2011-02-arianna-online-aol-huffington-cachet.html>

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