

# BuzzFeed to cut jobs, refocus advertising

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Buzzfeed CEO Jonah Peretti says a reorganization will seek to diversify revenue at the digital media startup

BuzzFeed said Wednesday it was cutting an estimated 100 jobs as the news and entertainment website reorganizes its advertising efforts in the face of disappointing revenues.

The cuts will be mainly in the business and [advertising](#) divisions in the US operations, with a number of editorial and business employees cut in Britain, a spokesman said, confirming an earlier report in the Wall Street

Journal.

The reductions represent around eight percent of its US workforce and less than six percent of BuzzFeed's 1,700 employees worldwide.

The move is part of a reorganization to diversify [revenue](#) in a difficult advertising market where online giants Google and Facebook are dominating.

Jonah Peretti, BuzzFeed co-founder and chief executive, said in a memo to staff: "As our strategy evolves, we need to evolve our organization, too—particularly our business team, which was built to support direct-sold advertising but will need to bring in different, more diverse expertise."

The Journal reported earlier this month that BuzzFeed—one of the most high-profile digital media operations which has been expanding globally—had delayed plans for a public share offering and would miss its revenue target of \$350 million by 15 to 20 percent.

A similar scenario is playing out at rival Vice Media, suggesting that digital news startups are facing tougher-than-anticipated growth.

BuzzFeed has built its business around so-called "native" advertising which is custom-made content designed to resemble news, which is costly to produce.

This model saw some early successes but has floundered as online giants scoop up ad revenues with "programmatic" ads which are less expensive.

BuzzFeed has attracted investments including a \$400 million round from NBCUniversal at a valuation of some \$1.7 billion.

Digital media startups have seen expansion in recent years, but their gains have only partly offset the declines in the newspaper sector, according to recent studies.

Although startups like BuzzFeed and Vice have attracted capital, it remains unclear if the digital sector can develop profitable [business](#) models.

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