

With fresh investment, BuzzFeed expands anew (Update)

August 11 2014, by Rob Lever



The logo of news website BuzzFeed is seen on a computer screen in Washington, DC, on March 25, 2014

The social news group BuzzFeed unveiled a major new expansion plan, using a fresh infusion of \$50 million in venture capital.

Andreessen Horowitz, the big Silicon Valley venture group, announced late Sunday it is investing \$50 million in BuzzFeed and that one of its partners, Chris Dixon, will be joining the company's board.

Details of the investment were not disclosed. But the New York Times reported that the deal values BuzzFeed at some \$850 million.

BuzzFeed meanwhile said it would expand in several ways.

Its video division will expand and become "BuzzFeed Motion Pictures," which will "focus on all moving images from a GIF to feature film and everything in between," according to a statement Monday.

BuzzFeed's editorial team will expand to cover more breaking news, and will double the number of foreign correspondents.

BuzzFeed said it will also launch a test kitchen and food lab in Manhattan "to create more original lifestyle content."

BuzzFeed International will create news sites to India, Germany, Mexico and Japan this year, in addition to the French, Spanish and Portuguese editions announced last year.

"We created BuzzFeed because people still want to be informed, entertained, and inspired but the way they consume media has dramatically shifted," said BuzzFeed founder and chief executive Jonah Peretti.

"Today we think the time is perfect to grow our company, build our brand and greatly increase the content we are producing so we can be the number one digital media brand. The investment from Andreessen Horowitz will allow us to double down on our company's mission by creating a new organization and expand rapidly in all areas."

A serious news organization

Dixon said on his blog that BuzzFeed is growing into a more serious news organization following its debut focusing on offbeat and oddball coverage.

"BuzzFeed started out focusing on lightweight content like memes, lists, funny photos, etc," Dixon said.

"This led some industry observers to dismiss BuzzFeed as a 'toy.' The company has since moved steadily up market, following the typical path of disruptive technologies. It now has an editorial staff of over 200 people covering a wide range of topics—politics, sports, business, entertainment, travel, etc—and plans to invest significantly more in high-quality content in the coming years."

Dixon added that BuzzFeed "is a media company in the same sense that Tesla is a car company, Uber

is a taxi company, or Netflix is a streaming movie company... The most interesting tech companies aren't trying to sell software to other companies. They are trying to reshape industries from top to bottom."

Andreessen Horowitz's Marc Andreessen also touted the merits of BuzzFeed in a series of tweets.

"BuzzFeed has technology at its core. Its 100+ person tech team has created world-class systems... Engineers are first class citizens," he wrote.

"And then on top of its technology core, BuzzFeed's reporting team is now routinely committing breathtaking investigative journalism..."

According to Dixon, "BuzzFeed now reaches over 150 million people per month, is consistently profitable, and will generate triple digit millions in revenues this year."

© 2014 AFP

APA citation: With fresh investment, BuzzFeed expands anew (Update) (2014, August 11) retrieved 8 December 2022 from <https://phys.org/news/2014-08-fresh-investment-buzzfeed-eyes-coverage.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.