

# Going pro

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## More people are quitting their day jobs to blog for a living

**O**N HER blog, called Dooce, Heather Armstrong chronicles her life as a disenchanted Mormon in Salt Lake City, her former career as a high-flying web designer in Los Angeles, her pregnancy and postpartum depression, and so on. A year ago, her blog started generating enough advertising revenue to become the main source of income for her family. She is not alone. There are now just enough people like Ms Armstrong to signify a new trend: blogging as a small business.

Until recently, there were two main kinds of blogs. Most of the 57m blogs in existence are personal diaries that happen to be online. These blogs have tiny audiences and make no effort to sell advertising. Services such as Google's AdSense, which places text advertisements on blogs and generates a few cents per mouse click, might bring in some spare change. But according to Pew, an American research organisation, only 7% of bloggers say their main motivation is to make money.

The second main kind of blogs are, in effect, niche magazines that choose to publish in a blog format. These blogs are explicitly run as businesses, with paid staff



 doing the writing and sales departments selling advertising. The best example is Gawker Media, a stable of blogs that includes Gawker, a New York gossip site, and Gizmodo, a blog devoted to gadgets. Collectively its 14 blogs get 60m page views a month. Such blogs are "the most profitable media business today," says Jason Calacanis, who runs Weblogs Inc, another stable of popular blogs that he sold to AOL, the web arm of Time Warner, a year ago. His sites, including Engadget, another gadget blog, are "an eight-figure-a-year business" with negligible distribution costs compared with the huge printing and shipping bills of traditional magazines.

Now, however, a third category is emerging: the mom-and-pop blog. "In the old days, we used to be called newsletter publishers," says Om Malik, a technology writer who quit his job at Business 2.0 magazine in June to work full-time on his blog, GigaOm. He has hired two other writers, and his blog now attracts about 50,000 readers a day, generating "tens of thousands" in monthly revenues. Costs, including salaries, are around \$20,000 a month.

One big reason why his blog works as a

small business, says Mr Malik, is that an ecosystem of support is appearing. Like Ms Armstrong, he farms out advertising sales and administration to a firm called FM, launched last year by John Battelle, who once ran magazines such as *Wired* and the *Industry Standard*. In his old business of magazines, says Mr Battelle, the cost of acquiring an audience was "stupendous"-at *Wired* it was about \$100 per subscriber. The cost of building a readership for a blog, by contrast, is nil. Once you have a lot of readers, however, the bandwidth costs become significant, and most medium-sized blogs cannot afford to hire the sales people needed to generate sufficient revenue. So FM'S 15 sales people negotiate with advertisers on behalf of blogs they represent, keeping 40% of the resulting revenues.

For people like Ms Armstrong, who has about 1m visitors to her site a month, this makes blogging worthwhile. But it is not for everybody, she notes. She works about seven hours a day on her site, and continues to work while on holiday. Mr Malik concurs. "It's not easy," he says. Building his audience has "taken me five years, and a lot of sleepless nights." 