E-Commerce

Links to a Sustainable Media Business

- ► A gadget reviewer's success with commissions inspires copycats
- "We move as much product as a place 10 times bigger than us"

Brian Lam doesn't run many ads on his gadget review site, the Wirecutter. He doesn't have to, because the reviews themselves are loaded with links to Amazon.com and other places where readers can buy the name-checked products. If you click through and buy the item, Lam's site gets a single- or low-double-digit percentage of the purchase price. It adds up: Quantcast says the five-year-old site and its housewares spinoff, the Sweethome, combined for 3.4 million U.S. visitors in March, and last year its staff of 59 drove \$150 million in online sales and turned a profit, according to Lam. "We move as much product as a place 10 times bigger than us in terms of audience," he says.

While Lam didn't invent this kind of affiliate marketing, his site was the first to make it a mainstream media success. Some of the industry's biggest names have begun following Lam's lead in the past few months, including **BuzzFeed**

and **Hearst**. "Publishers know that advertising is a difficult business to be in if you're not named Facebook and Google," says Brian Wieser, an analyst at Pivotal Research.

The Wirecutter posts only a few dozen articles a month: "The Best Laptop," "The Best Open-Back Headphones under \$500," "The Best Subcompact Crossover SUV." Each, Lam says, requires 20 to 200 hours of testing and research, often including interviews with engineers or chemists. While reviewing bike locks, one contributor consulted a bicycle thief. While testing waterproof iPhone cases, another contributor swam a quarter-mile in the ocean. "People trust us," says Lam, a former editor at Gawker Media's technology site Gizmodo and Condé Nast's Wired magazine. "We earn that trust by having such deeply researched articles."

Lam brushes off concerns about conflict of interest, arguing that the Wirecutter has more incentive to make sure readers buy the best gadgets than a website with conventional ads. If readers who've bought products through Wirecutter links end up returning them, the site forfeits its commission. "So the more we help readers, the better our business does," Lam says.

In February, BuzzFeed launched a Facebook page called "Buy Me That," which promotes articles filled with links. (Sample headline: "Here are 9 Affordable and Stylish Suits.") The company declined to comment.

Hearst, the publisher of Esquire, Cosmopolitan, and Good Housekeeping, in November introduced a website, BestProducts.com, that publishes 10 to 20 reviews a day of electronics, fitness, and parenting gear. "We wanted to create something that's engaging and people find useful," says Troy Young, president of Hearst's digital media division. "If there's another way to monetize it beyond traditional advertising, that's an added bonus." Young says tech reviews yield most of the link-driven revenue but wouldn't disclose sales.

Gawker and **Vox Media** use Skimlinks, an automated service that links words in articles to the sites of 20,000 retailers. In February, Vox posted a job listing for an editor who can help readers "discover great products for purchase." Gawker says its five-person affiliate marketing team drove more than \$150 million in retail

sales last year. "It turns out we have a growing audience interested in home goods," says Ryan Brown, Gawker's vice president for business development. "People buy mattresses from us." Pivotal's Wieser says affiliate marketing may pay the bills for smaller operations but would likely have trouble replacing conventional digital ads for most big publishers.

The Wirecutter is trying to expand its audience, teaming up with the *New York Times* to assess Wi-Fi routers and tricks for extending phone battery life. Lam's team is also widening the range of its reviews, covering dashboard cameras and windshield wipers. "You wouldn't think it makes a difference," says Lam, who realized his latest blades had gone a year without leaving streaks. "I didn't know that windshield wipers could annoy me so little." —*Gerry Smith*

The bottom line The Wirecutter helped sell \$150 million in goods last year through affiliate links. Other media companies are trying to follow suit.