



# BANKOFF'S

# TIME

Is Vox Media CEO James Bankoff WG'96 a Henry Luce for the Digital Age?

BY ALYSON KRUEGER

**I**N 1922, a 24-year old journalist named Henry Luce quit his job at a Baltimore newspaper to launch the country's first weekly newsmagazine. Writing to his future first wife, Lila Hotz, he promised that his new publication would offer "articles on politics, books, sport, scandal, science, society, and no article will be longer than 200 words" and that it would "serve the illiterate upper classes, the busy business man, the tired debutante, to prepare them at least once a week for a table conversation."

Luce was on to something. *Time* became a huge success, and he used the same model to launch such iconic titles as *Fortune*, *Life*, and *Sports Illustrated*. By the 1960s, Time, Inc. was the country's largest and most prestigious magazine publisher, reaching mass audiences across America and raking in advertising money. As for its founder, in the words of his recent biographer, historian Alan Brinkley, he secured a place in history as "one of the great media visionaries of the twentieth century."

But that was the last century. The revenue model that sustained Luce's empire and a host of other newspaper and magazine properties is profoundly broken; audiences have fragmented and been lured away by other entertainment and information options; and for the modern media-mogul hoping to replicate both Luce's innovative vision and material success in the 21st century there is no clear path forward.

One person who thinks he's found a way is James Bankoff WG'96, chair and CEO of Vox Media, Inc. Unlike Luce, Bankoff isn't a kid anymore—at 46, he's old enough to have witnessed most of the history of the commercial internet, having started his career with AOL in 1996 during what we now call Web 1.0 (at the time, naming internet eras like software versions hadn't been invented yet). But similar to the Time, Inc. visionary, Bankoff has looked around his industry landscape and realized something was missing. The market was under-supplying the kind of targeted, beautiful, smart websites that Bankoff wanted to build.

"Just as great magazine companies that have multiple titles were built in one era, and great cable networks that have multiple different topics were built in another era," says Bankoff, "we recognize, OK, the great digital brands that are focused on big consumer categories are going to be created in this era, and we want to invest accordingly and go for it."

PHOTOGRAPH BY DUSTIN FENSTERMACHER



“The Vox Media sites, they feel like magazines,” says Joshua Benton, director of the Nieman Journalism Lab at Harvard University. “They are high production value.”

In his seven years leading Vox Media, Bankoff has launched or acquired such digital brands as *SB Nation*, a collection of fan sites focusing on different sports and teams; *The Verge* (technology); *Polygon* (gaming), *Eater* (food and drinks); *Curbed* (real estate); *Racked* (fashion); and *Vox* (“a general interest news site for the 21st century,” edited by the former *Washington Post* columnist and blogger Ezra Klein). In late May it was announced that the company had acquired *Re/Code*, a tech site started by former *Wall Street Journal* technology reporters Walt Mossberg and Kara Swisher after they left the paper in 2013. *Re/Code* continued the *AllThingsD* website and tech-conference business they’d developed for the *WSJ* and parent company News Corp, but which, though highly respected, had never acquired a solid following as a standalone.

Joining Vox Media may help solve that problem. The company currently boasts 400 employees, and claims its sites receive more than 170 million unique viewers a month—a number that far exceeds media sites such as *The New York Times*, which gets 55 million visitors a month, and *Bloomberg News*, with 25 million. In November Vox Media raised \$46.6 million from General Atlantic, a New York investment firm, which reportedly put the company’s value at \$380 million.

Lewis D’vorkin, who worked with Bankoff at AOL and is currently chief technology officer of Forbes Media, praises his former colleague and current competitor. “I pay very close attention to what Jim does, and I enjoy and I take the lessons from following [him] that apply to me,” he says, adding, “There aren’t many Jim Bankoffs out there.”

A big part of Vox Media’s appeal comes from Bankoff’s vision of making the company the next Time, Inc., says Benton. “It’s an understandable model that is both echoing something that has come before, but having the advantage of building something from the ground up.”

But in today’s complex media environment, such a model is problematic, especially when it comes to the business side of the equation. “For the largest time, 50 years, 75 years, a singular mod-

el worked,” says D’vorkin. “Now there is no singular model that guarantees success, and there are so many different models that people are trying.”

While *The Huffington Post* is trying to be an internet newspaper, a site like *Buzzfeed* aims to produce content that is shared on social media and goes viral, to take just two examples. Vox’s approach—to provide high-quality content to smart, affluent people—hasn’t yet proven itself. It also faces numerous challenges in maintaining and growing its readership numbers—and making a profit. “I’m certainly not hanging up any ‘Mission Accomplished’ banners,” says Klein.

But then, *Time* was a chancy proposition when Luce started out, too. “I can only say that Vol 1 No 4 will be published,” he wrote in March 1923. “And that Vol 1 No 5 may or *may not* be published.”

**LIKE** Luce, who stayed up nights cutting up *The New York Times* and rearranging the paper into a new format he liked, Bankoff has always been an avid student of media.

“Not to overanalyze it, but I grew up an only child,” he says. “I had to find ways to entertain myself, and you can only throw a ball against a brick wall and catch it yourself so many times before you start looking for other forms of entertainment.” So he read books and magazines, watched television, listened to music, and eventually started wondering how “this stuff was actually made and who made it.”

As a senior at Emory University in the early 1990s, he had an internship at CNN. It was the time of the first Gulf War, and a high point for the cable news network in terms of both audience reach and journalistic credibility. After that excitement, there was no turning back, he says. “I got bit by the bug.”

Early stories about the internet were beginning to appear, and Bankoff remembers reading articles about the World Wide Web in newspapers. Interested, he would cut them out and collect them in a small binder so he could retrieve the information. “Then, all of a sudden everything was media, and I couldn’t keep up anymore,” he says, and he began reading about the internet *on* the internet.

From the start, what fascinated Bankoff was the internet’s business potential. “I think there are a lot of people who fall

in love with the internet because of the discovery and exploration, but he had the skill to understand it was also a business,” says D’vorkin.

The first time Bankoff surfed the Web was as a Wharton MBA student, in a communal computer lab in Vance Hall. Another time he tried to impress the cute girl next door by showing her how to sign into AOL and pull up a picture of Tom Cruise. “She’s like, ‘Yeah, whatever, can you get out of here, please? I have work to do,’” he remembers. He used his classes to study the tactics of forward-thinking media players like Ted Turner, Rupert Murdoch, and Warner Communications (and later Time Warner) CEO Steve Ross.

When it came time to secure an internship, he set up an informational interview at a company just entering the public consciousness: America Online, Inc. But after traveling from Philadelphia to the appointment at the company’s Virginia headquarters, he realized he’d come on the wrong day. He was walking around, feeling gloomy, when he saw a group of men walking towards him on the AOL campus.

“I’m Jim Bankoff, and I’m here for a job interview,” he said. The lead man responded, “Well, kid, you have five minutes. Tell me why I should hire you.”

The man—Ted Leonsis, a senior executive who would later become a vice-chairman of AOL and president of the company’s audience group—did hire Bankoff, who would end up working in a variety of capacities at AOL for the next tumultuous decade. During that time the company experienced explosive growth, forged its famously ill-fated 2000 merger with Time Warner, and struggled to stay relevant as the era of dial-up connections gave way to broadband and a much more competitive landscape rife with new and deep-pocketed players.

When Bankoff started, most people’s experience of the internet—to the extent that they had any—consisted of dialing into portals like AOL, Yahoo, or MSN where they would check their email and then sign off. AOL was starting to think about what else people could do once they were in their portal. Could they chat with other users? Could they be entertained or educated? And if the company could provide this content, could it be monetized?

Because he was there for this pivotal time span, Bankoff got a front-row seat

to the action. “AOL was inventing the future,” says Leonsis, who led the company’s efforts developing websites and selling advertising, “and Jim did everything. He was in technology, in programming, in marketing. He ran businesses ... He got a 360-degree view of running and scaling a growing business.”

As an executive vice president on the media side of the company (as opposed to AOL’s role as an internet service provider, or ISP), Bankoff helped launch and oversaw AOL Instant Messenger and the celebrity-gossip website TMZ, as well as Mapquest, Moviefone, AOL Music, and the technology site Engadget. In 2006, he accepted the first Emmy Award ever given to a digital company, for AOL’s live streaming of the Live 8 benefit concerts that took place in London, Paris, Berlin, Rome, Philadelphia, Barrie (Canada), Tokyo, and Moscow on July 2, 2005, for which he served as executive producer. Bankoff still chuckles as he remembers being presented with the award by TV journalist and host Meredith Vieira. “It was a cool recognition, but behind the recognition was a lot of hard work and risk and invention that needed to take place,” he says. “Now we have Netflix and YouTube, but back then it was a big achievement, so we helped move the needle forward.”

But by around 2005, Bankoff felt that AOL wasn’t innovating as aggressively as it needed to. Web. 2.0 had arrived—a period when “people said, ‘I’m signing up with my cable company for broadband, and I’m using Gmail for my mail, and I’m going to get sports from *ESPN* and *SB Nation*, and I’m going to get my news from *Newser*,’” explains Leonsis, who since leaving AOL has become the owner of sports franchises and arenas in Washington. As consumers started feeling comfortable choosing where to go on the internet for themselves, it was up to companies to provide different products that would appeal to them.

According to Leonsis, while Bankoff understood that AOL needed to up its game to meet these challenges, the company did not.

“When I retired from AOL, I recommended Jim become president,” he says. “I thought Jim was the up-and-comer and would have been a great leader and would be representative of the next generation of what we were trying to accomplish.”

But AOL’s leadership had other ideas. “The new management wanted to put in someone else, and I thought they made a huge mistake.”

But Bankoff isn’t interested in looking back. “Instead of complaining about it after a great 11-year career,” he says. “I decided to leave, and wound up doing something entrepreneurial myself.”

From the outside, Vox Media’s New York headquarters (they have another one on Washington’s Dupont Circle) looks like its Midtown Manhattan neighbors. The shiny glass-and-steel tower has a fancy lobby; law firms and financial institutions share the space. Once you arrive at Vox’s ninth-floor offices, however, the vibe is all startup. Millennials in jeans and plaid shirts wander around with their laptops looking for a spare beanbag or oversized bright orange chair to sprawl in. There’s even a “secret room” for playing video games. On display in the reception area are retro typewriters and tape players—an appropriate touch for a company trying to experiment with new forms of journalism while hanging on to the prestige and credibility the media has enjoyed in the past.

Vox Media got its start in 2008 when Bankoff was asked by a sports blogging network called *SB Nation* to help it raise money and then serve as its CEO. It was a surprising move; Bankoff would be going from a prestigious job at an established company where he managed 1,600 people to what was essentially a startup. But *SB Nation* was the perfect first brand for Bankoff—because it had arguably the most important ingredient a media company needed to thrive in Web 2.0: a strong publishing platform, or content-management system (CMS), called Chorus.

“*SB Nation* was a million different sites with a bunch of not particularly amazing editorial content,” says financial journalist and blogger Felix Salmon, who writes often about media companies. “It wasn’t exactly winning any Pulitzers. But the CMS was f-ing amazing! Jim saw how that could then be extended.”

Chorus was leagues ahead of similar programs like Word Press that competing media companies were using. It created vivid, beautiful content and could accommodate a range of projects. So

Bankoff grabbed it to launch a website about technology, *The Verge*, and then used it as bait to get existing digital brands under his roof.

“Jim said, ‘I have this amazing CMS. Go play with it and create something awesome!’” says Salmon. “All of those people—Lockhart Steele, Ezra Klein—they are like, ‘Oh, Chorus, shiny, exciting, we can do amazing things with it!’”

Lockhart Steele is a former managing editor at blog publisher Gawker Media who went on to build a mini-empire of successful websites focusing on real estate, fashion, and food (*Curbed*, *Racked*, and *Eater*, respectively), which he sold to Vox Media in November 2013. He’s now editorial director at the company.

Vox Editor-in-Chief Ezra Klein shot to prominence during the run-up to the 2012 elections as the manager of *The Washington Post*’s “WonkBlog.” His departure from the *Post* in January 2014 to work with Bankoff on a news vertical called *vox.com* was seen as a triumph for Vox Media and a bit of a watershed moment in the media landscape. “What is D.C.’s most famous young policy wonk doing leaving the *Washington Post*?” ran a teaser headline in *New York* magazine. “Trying to start a news organization he thinks could one day eclipse it.”

Klein confirms that he chose Vox Media to partner with because of the way the company was creating content. “The things we needed to do, they were already in the process of doing,” he says. “What was instantly clear was that we were not going to be able to build a product team or a product editorial culture as [good as] the one Vox Media already had.”

While Steele acknowledges the attractions of the Chorus publishing platform—“In terms of tools for digital storytelling, it really is the best thing out there,” he says—he adds that what actually makes Vox Media stand out among digital-media companies is its culture.

Digital journalism requires close collaboration between the editorial and the technology team. However, many organizations—especially legacy brands struggling to transition from print—have a hard time getting their engineers and journalists on the same page. “Vox is the first company I’ve worked at where editorial and product are true equals,” says Steele. When Edward Snowden released a huge cache of docu-

ments from the NSA and the writers wanted to search for particular topics, the engineering team performed a data analysis for them in less than two hours.

Bankoff also has a saying: “Substance goes viral.” So while many companies are in a “race to the bottom,” says Steele, publishing slideshows or listicles just to get viewers, “Jim talks about us being engaged in the race to the top.” All content should offer something meaningful to readers.

“I like to point to them for people who question [whether] the internet is a place where news always chases the lowest common denominator, and it’s kind of cheap and tawdry,” says the Nieman Lab’s Benton. “I think their sites, and Vox Media, are aiming a lot higher than that.”

To hit that target, Bankoff puts real resources into his sites. When Vox Media bought Steele’s dining site, *Eater*, he provided a six-figure budget to hire two full-time food critics in New York in addition to its roving critic Bill Addison, who travels the country 40 weeks a year. *Eater* claims he is currently the most well-traveled food writer in America.

Bankoff is also good at hiring talented people and “letting them do the things that he has hired them to do,” says Benton.

A key focus at Ezra Klein’s *Vox* is experimenting with a new type of website where people can get the full history of an issue, not just information about what happened with it today. That’s pretty much the exact opposite of click-bait, but because Klein doesn’t have a boss who micro-manages him, he has the space to make this happen.

Klein also believes he benefits from a boss who takes risks: “Jim is pretty good at placing a bet to make something much bigger than it was before him,” he says. “But it’s funny because he is a laid back, chill guy when you deal with him, and then you kind of think about what he does. I would be incredibly manic ... I assume he has a glass-breaking room or something!”

Vox Media also has great appeal to advertisers, who are eager to reach the company’s 170 million unique visitors a month. “Our brands are trying to be smarter, savvier,” says Bankoff, “so they appeal to people who are curious about the world around them, so that self-selects into a young, affluent audience.”

The company has also launched a division called Vox Creative that will employ

the same technology tools that make the sites’ editorial product so attractive on behalf of its advertising clients. “We have a whole lot of experience making content good, and we’ve applied that to making advertising content good,” Bankoff explains. “It’s not just a crappy old banner ad. It’s more analogous to a beautiful magazine layout or a beautiful video so it engages the audience better and it performs better.” After all, he adds: “When was the last time you liked an online ad or even noticed it?”

According to Benton, “this higher-end, more polished, better packaged advertising stuff” has the potential to be a stable source of income for Vox Media, especially since traditional digital advertising is on the decline. The problem, however, is that no company has yet been successful at offering this type of service.

“It’s clear what Vox Media needs to do in terms of moving up the advertising value-chain,” says Salmon. “It’s not yet clear they are actually capable of doing it ... It just hasn’t been done.”

Vox also has to prove that it can attract advertisers of all kinds, he adds. The company’s first three brands—focusing on sports (*SB Nation*), tech culture (*The Verge*), and gaming (*Polygon*)—were all tailored to youngish men with disposable income. The other sites are newer, and the company has less practice attracting advertisers to them.

Vox also faces a number of other challenges—“Oh my gosh, there are 100,000 of them!” says Steele—regarding its reputation as a publisher. Vox Media may be building better websites than anybody else, but they are still producing the same type of content, Benton points out. “I don’t think anybody looked at the internet a few years ago and thought, ‘Man, there’s not going to be enough sports coverage,’ or, ‘Man, there isn’t going to be enough tech coverage,’” he says. “What would be revolutionary is if they could figure out how to write about local communities or issues that aren’t of interest to the rich populations advertisers are interested in reaching.

“I think Vox Media can completely ignore those questions and be a very profitable, very successful company,” he adds. “I’m just saying that, from my perspective, those are the questions that seem hard to answer. The question of how do you build a business around writing about

sports doesn’t seem as hard of a question.”

And then there are those who, even now, don’t view digital journalism—no matter how high the quality—as prestigious, reliable, or worthy compared to print. Steele tells a story about interviewing a well-known writer, someone who would add cachet to the team, for a position as drinks editor at *Eater*. The interview was going well until the very end when the writer said, “Can I throw something out there? If this really works, and we become really popular on the internet, can we launch it as a magazine?” Steele’s reaction: “Damn it.”

“Magazines are read by 20,000 people an issue; what *Eater* is doing is read by millions of people a day!” he says. “We have this multi-media platform to tell stories, not just a piece of paper and ink. Doing media on the internet is the single greatest place to do media that’s ever been invented. It’s way better than print, and I believe that whole-heartedly, and I want to work with people who believe that.”

**T**hat’s a vision Jim Bankoff has been pursuing for as long as almost anyone in the business, ever since he showed up at AOL on the wrong—and lucky—day.

The tale of Bankoff’s impromptu interview—which Leonsis confirms is “gospel truth”—has become part of Wharton lore, according to classmate Jason Trennert WG’96. “When I talk to young people I always tell them the Jim Bankoff story,” he says. “I just think he had an ability to see the potential in some of these things. There is an art of having a longer-term view, while everyone else is just assuming if they get the job at McKinsey all their troubles are over, their life is set. It takes a lot of guts to recognize there are other paths.”

Besides being unorthodox for the time, Bankoff’s path wasn’t especially lucrative to start, either. He remembers that, when the salary ranges for his class were posted, his was the second to lowest. “And the lowest one was someone who was working in a nonprofit, and at least they were doing something noble with their lives,” he adds. But he pursued it anyway, because he believed creating content for the internet was the future. “I’ve since dedicated my career to that,” he says. ♦

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