

I DON'T KNOW WHAT THEY ARE TALKING ABOUT!

We get the NY Times every day. I read the first section, and though most of the news—local, national, international-- makes me unhappy, I understand it. However, as soon as I turn to the business section, now called “Business Day,” I am in the dark. They write about deals I can’t understand, technology that is beyond me, and companies that I have no idea what they do, or what function they serve. As I was about to consign the June 3, 2015 business section to the recycle pile, the lead story, headlined, “After Deal, Whence Huffington Post?” caught my eye. The writer, Ravi Somalya, observed that, “...an array of media companies, venture capitalists and wealthy individuals have quietly explored buying a stake in the Huffington Post.”

I think I know what venture capitalists and wealthy individuals are, but what I thought of as media companies, has changed. It used to be newspapers and magazines, radio and TV stations. The subhead mentions Verizon. It must be a media company, like Sprint and RCN. I have a cable/phone/internet package with RCN, and I keep getting letters from Verizon urging me to switch.

Next, what is the Huffington Post? I have to admit I have never read it. The article says it is a “site.” Where can I find it? I remember someone on one of the Sunday talk shows was identified as a reporter for Huntington Post. Is he on salary, or does he get paid by the article? And why would venture capitalists and wealthy individuals want to buy a stake in the Huntington Post? How does it make money? The article says its most recent valuation was about \$1 billion, “and it built its growth on relentless aggregation and search engine optimization,” whatever that means. Does it sell ads? Are its stories syndicated?

AOL bought it in 2011 for \$315 million, and now Verizon bought AOL for \$4.4 billion! Why did Verizon buy AOL? It has been around for 10 years “and built its growth on relentless aggregation and search engine optimization,” whatever that means. It hired several well known journalists and won a Pulitzer prize in 2012 for national reporting. It gets 200 million visitors a month.

So, it is like a news service. And why did Verizon buy AOL? According to Mr. Somalya, for its “advertising technology,” whatever that means. In addition, HP will be able to provide Verizon with “mobile video offerings,” whatever that means. According to a venture capitalist, that is where the future is.

Just below that story was “Instagram to Open Its Photo Feed to Ads.” This one was written by Vindu Goel. (I guess if you are writing about technology, it helps if you, or your parents, are from India.) He described Instagram as a mobile photo-sharing service. It was bought by Facebook in 2012. The big news is that it will open its feed to ads. It has 300 million users. I am not one of them. It will be able to target ads by interest, age, gender etc. just as they can on Facebook. They are also testing ads that will allow viewers to click on a link to buy a product. A Wall Street firm estimated that Instagram can bring in \$1.3 billion to \$2.1 billion in additional revenue to Facebook, this year alone.

Instagram's founder built the feed as "a place to relax and appreciate beautiful photos and videos...that users have chosen to follow." He also got \$1 billion when he sold it to Facebook. Ads will change that. But then everybody is going to make a lot of money. How, I don't know.

And finally, another story, by Mike Isaac (a non-Indian) describing how "Pinterest, the online social scrapbooking service" has added a "buy it" button to retailers' posts. Again, I never heard of Pinterest, but the article says it was founded in 2009 by entrepreneur Ben Silberman, and it has raised more than \$1.3 billion in venture capital, and is valued at \$1 billion. Oh boy! It has an audience of more than 75 million in the US. I am not one of them. The shopping is expected to be done on mobile devices. Payments will be powered by Stripe, an e-commerce start up, and Braintree, a payments processing company owned by Pay Pal.

If I am correct, all this is a modern day variation of buying and selling. When I was a kid, I gave the candy store man a nickel, and he gave me a newspaper. The newspaper company had an owner, the owner hired a publisher, the publisher hired an editor, the editor hired reporters, the reporters wrote the stories that appeared in the newspaper, alongside ads. The owner made a profit because people bought the paper and companies placed ads in the paper.

People worked at all kinds of jobs. Some made things: cars, steel, clothes, food, fuel, books, buildings, roads, Some sold things, including the things other people made Some did things for other people: teachers, hospital workers, hotel and restaurant workers, transportation workers, government workers. There were businessmen who owned businesses that employed the people that did all these jobs. There were Federal, state and local governments where the people who were elected to run them, employed people to do other jobs.

And I was nervous and excited when I got my first check book and credit card. I had to comprehend that it would be the equivalent of cash money.