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Silicon Alley's Philosopher-Prince

By Lynnley Browning

TALK is Omar Wasow's stock in trade.

As a hip visionary for the digital era, Mr. Wasow appears three mornings a week on WNBC-TV in New York. Dressed in Gucci suits, his hair in dreadlocks, he offers viewers dulcet-toned ruminations on technology. He is also an Internet pundit for MSNBC, the NBC "Today" show and "Oprah," where last year he taught Oprah Winfrey how to surf the World Wide Web. And he is in demand as a speaker at technology conferences with titles like "Applied Brilliance" - a recent gathering in Sedona, Ariz., of architects and interior designers.

Mr. Wasow, 30, also runs BlackPlanet.com, a Web site with more than 2.5 million registered users, more than any competitor. BlackPlanet.com invites blacks to engage in frank discussions of issues from ebonics to the latest D'Angelo album. The Web site reflects Mr. Wasow's belief that digital discussion groups and e-mail, now the most popular tool on the Internet, promote ethnic bonds among Internet users.

In its nearly two years of existence, BlackPlanet.com has yet to make money. But Mr. Wasow is out to

demonstrate that the ephemeral voices of online ethnic communities can make for a profitable business. According to Mr. Wasow, who grew up in a multi-ethnic family (his father is of German Jewish heritage, and his mother is African-American), "Our company is built around the idea that ethnic identity is a useful organizing principle for people."

Started in 1999 by Community Connect Inc. of New York, a builder of community Web sites, BlackPlanet.com features message boards, instant messaging, chat rooms, news and e-mail, and lets members create personal Web pages. All of it is free. The message boards focus on politics, history, pop culture and lifestyle topics. One forum discusses reparations by insurers that overcharged black consumers; another looks into the personal politics of interracial dating.

The privately held site, based in Silicon Alley in Manhattan, operates on part of the \$20 million that Community Connect has raised from venture capitalists and private investors, including Sandler Capital Management of New York and Robert Goldhammer, a retired vice chairman of the former Kidder Peabody.

BlackPlanet.com also gets advertising revenue from corporations like Hewlett-Packard and Microsoft. Despite the dot-com downturn, which has scared off many Web advertisers, BlackPlanet.com expects revenue to increase 80 percent this year, to more than \$12 million, mostly on new ads and on sponsorships that offer exclusive advertising rights to high-profile areas of the site. Mr. Wasow, whose job is to manage BlackPlanet.com and its 15 staff members, attract advertisers and devise new ideas, said the company could be profitable by early next year.

But industry analysts, and even the Web site's investors, are skeptical.

"From a business perspective, they're doomed," said Ekaterina O. Walsh, a senior analyst at Forrester Research in Cambridge, Mass. When asked if online communities could profit, Mr. Goldhammer praised Mr. Wasow's sales skills with corporate advertisers but replied, "Who knows?"

Ms. Walsh asserted that people deep in digital conversation were unlikely to click on ads. She said the company would need to charge subscription fees - a hard sell to consumers who are accustomed to free service. And grouping consumers by ethnicity, rather than through categories like gardening, is ineffective, she added.

None of that sways Mr. Wasow, who has a reputation as a sort of philosopher-prince of the digital age. Last year, People magazine named him the "Sexiest Internet Entrepreneur."

"The best the Web has to offer is community-driven," Mr. Wasow said.

He sees the community principle at work in such varied places as eBay, the online auction site, and even Google, the search engine that ranks results according to their popularity among users, he said.

Such musings have gained Mr. Wasow a following. "Omar Wasow is one of the most thoughtful theoreticians on the Internet today," said Henry Louis Gates Jr., a professor of African-American studies at Harvard University, and the creator of Africana.com, a Web site he sold to AOL Time Warner. Steve Jurvetson, a prominent venture capitalist in Silicon Valley, called Mr. Wasow "very kind, smart and empathetic."

But Mr. Wasow acknowledged that competitors like BET.com and BlackVoices.com had sometimes lured advertising from his company. And he said the financial troubles of online communities like iVillage.com, a Web site aimed at women, had hurt his efforts to woo more advertisers.

Still, some companies see potential rewards in marketing to online ethnic communities like BlackPlanet.com.

In February, Time magazine used the site to begin its first Web-based marketing effort aimed at black consumers. It offers articles, like profiles of prominent African-American leaders, from its 50-year-old archive, and free trial subscriptions to BlackPlanet.com members.

"We see an opportunity to reach the African-American marketplace," said Brian D. Wolfe, director of consumer marketing at Time. But, he added, "it's an experiment for us."

BooksOnline.com, part of a joint venture

of AOL Time Warner and Bertelsmann, agreed last month to sponsor the books area of BlackPlanet.com. BooksOnline will contribute interviews with authors and first chapters of new works, and will feature articles on literature with African-American themes, said Seth Radwell, the president and chief executive of BooksOnline.com.

Despite those deals, Mr. Wasow said, he does not want to rely only on advertising. Last month, BlackPlanet.com started a fee-based dating service, where members can pay up to \$19.99 a month to screen other members. Mr. Wasow said he might also expand his site into a minority job-recruitment bank that corporations could use for a fee. And BlackPlanet.com may start an advertising consulting agency for companies trying to reach minority consumers on the Web.

Mr. Wasow, whose father is an economist and whose mother is an education fund-raiser, displayed an early passion for technology. Growing up in Manhattan and Brooklyn in the 1980's, he frequented a club for Macintosh enthusiasts. In 1993, after studying race and ethnicity at Stanford University, he founded New York Online, a company that designed Web sites for Consumer Reports, Vibe and The New Yorker.

"It was bleed into a hard drive in your living room, live on rice and beans and pray the next dollar comes in," Mr. Wasow recalled. He ran the money-losing enterprise from his Brooklyn apartment and financed it through credit cards, friends and family. He closed the company after Community Connect wooed him to start BlackPlanet.com.

Mr. Wasow expressed scorn for executives who hyped the Internet, only to flee when the technology-stock bubble burst last year.

"Those who are still in this business are here because they have a passion for these technologies and their possibilities," he said. "It's back to living on a dollar and a dream."

Photo Credit: Marilyn K. Yee/The New York Times

Caption: Omar Wasow of BlackPlanet.com is much in demand as a speaker for television and technology conferences.