TIME

Building the Web's Biggest, Smartest, Scariest Article Machine

By Dan Fletcher

I'm hardly qualified to dash off authoritative articles on the theological bona fides of African critters. But one recent evening, I made $15 for writing tips on hard-disc data recovery, another $15 for telling people how to repair burnt carpet and $7.50 for teasing out the answer to that most pressing of questions: Is a giraffe sacred?

The reason for my nighttime writing adventure was to see what life is like on a massive content farm. I was working for Demand Media, the content-provider start-up that has quickly become the Web's least understood and most vilified juggernaut. The company has come up with a ruthlessly efficient way to churn out stories it knows will be profitable online. The topics may seem bizarre, but the method, though controversial, is unquestionably a success.

You've likely read some of Demand's content without realizing it. Founded in 2006, the company runs a slew of popular Internet portals, including .com .com .com that receive 100 million hits a month--more traffic than any of the digital properties of Disney, NBC, ESPN or, yes, Time Inc. The company, based in Santa Monica, Calif., is also directing an army of freelancers to write stories that appear in traditional media outlets, most notably in the Atlanta Journal-Constitution's weekly travel section, and a Demand executive says more deals with large off-line brands will be announced soon.

The finely tuned assembly line is the brainchild of Demand's co-founder Richard Rosenblatt. Best known as the CEO of Intermix Media, owner of MySpace, when the company was sold for $580 million to News Corp. in 2005, Rosenblatt says he learned from his experience with social networks that there were plenty of people producing reams of data online. "But only 1% of that was relevant to more than just people's friends," he says. "What if we could find a way to find those content creators, tell them what to write and create a broader audience?"

It's a business model that starts with mountains of user-behavior data, culled from search engines, YouTube and Demand's websites. To make money, the company also needed to factor in advertising data and figure out which keywords are the most lucrative to create content around. All this gets fed into an algorithm that spits out only the most-in-demand story ideas, no human guesswork required. Sometimes the results make sense ("Nightlife in Paris," for example), but the computer often generates cryptic or oddly specific titles as well, like "How to Start a Lace-Wig Business in Maryland" or "How to Make a Room with a Waterfall."

For now, though, Demand still needs humans--namely, writers, editors and video producers--to crank out content. That's where its horde of more than 7,000 freelancers comes in. One person earns a few cents for taking the algorithm's output and turning it into a headline. Another person writes the article, typically earning $3 to $15, depending on the specified length, and passes it on to a copy editor, who banks $3.50 for fact-checking and fiddling with grammar. All told, it may take less than a day, at a cost of less than $10, for a short article to move through the system and get posted on one of Demand's sites, where it immediately starts earning ad revenue.

The result is a company that's able to produce profitable content on a scale that traditional news organizations can only envy. Demand estimates that it took in $200 million in revenue in 2009, enough to turn a profit. It helps that none but the company's most prolific content creators get health insurance or, for that matter, a minimum hourly wage. Critics have dubbed the company a digital sweatshop. Jay Rosen, a journalism professor at New York University, has called Demand "demonic," and many writers prickle at the thought of being paid a few cents--rather than a few dollars--per word.

It's not unfair criticism. The best way to make decent money through Demand, as I discovered, is to research and write at breakneck pace, and the result is content that only just squeaks through the system. Working as fast as possible, I could make close to $60 an hour at Demand, a nice improvement on what I'm paid for my day job, but I'd be producing articles that were thinly sourced and poorly written.

Demand does have standards, however. Every article requires at least one source (no Wikipedia allowed), and would-be writers are required to submit a résumé and writing samples, and the company says the approval rate is less than 50%. I'm a journalism-school graduate with a full-time job at a magazine (the one you're reading right now); I got in, but a friend with less journalism experience did not.

As part of my moonlighting experiment, I pushed through an article with a few factual errors. A copy editor bounced it back with a terse note to check my sourcing. When I strayed too far from an assignment's parameters, I was asked for a rewrite. All told, 40% of the 20 or so articles I submitted required some additional work before they got posted. My deliberate haste and sloppiness with Demand stories have led copy editors to give me, on a five-point scale, a pretty crummy 3.5 for grammar and 3.7 for research. If my scores dip too low, Demand will banish me from the system.

If you fault its product, you're missing the point, says co-founder Shawn Colo. "It doesn't pay to do journalism," he says. He's right. Sending writers to Haiti, for example, would defy the company's No. 1 rule: Every piece has to be profitable. That's why Demand's algorithm favors quick explainer pieces like "How to Remove Dents in a Hair Dryer."

As much as Demand execs say they don't want to do journalism, they think they can offer it some help. The company envisions its how-tos running alongside stories in more traditional media, sharing revenue and reducing the need for news outlets to produce certain types of service-oriented content. "We're not saying we're going to save traditional media. That's arrogant," Rosenblatt says. "But we're definitely not going to kill it."

That's only part of the company's vision. The other is to keep amping up its production: more writers, more sites and a lot more stories. One of the tenets in the company's manifesto is "Never rest."

The same applies to all the cogs like me in Demand's ever whirring machine. After Google helped me track down an article that claims people near a small city in Kenya see the giraffe as a divine omen of good luck (close enough), which I used as a source for my piece, I am ready to tackle my next assignment: home remedies to remove cat urine from parquet floors. Florid prose it may not be, but according to Demand, it's what you want to read.