



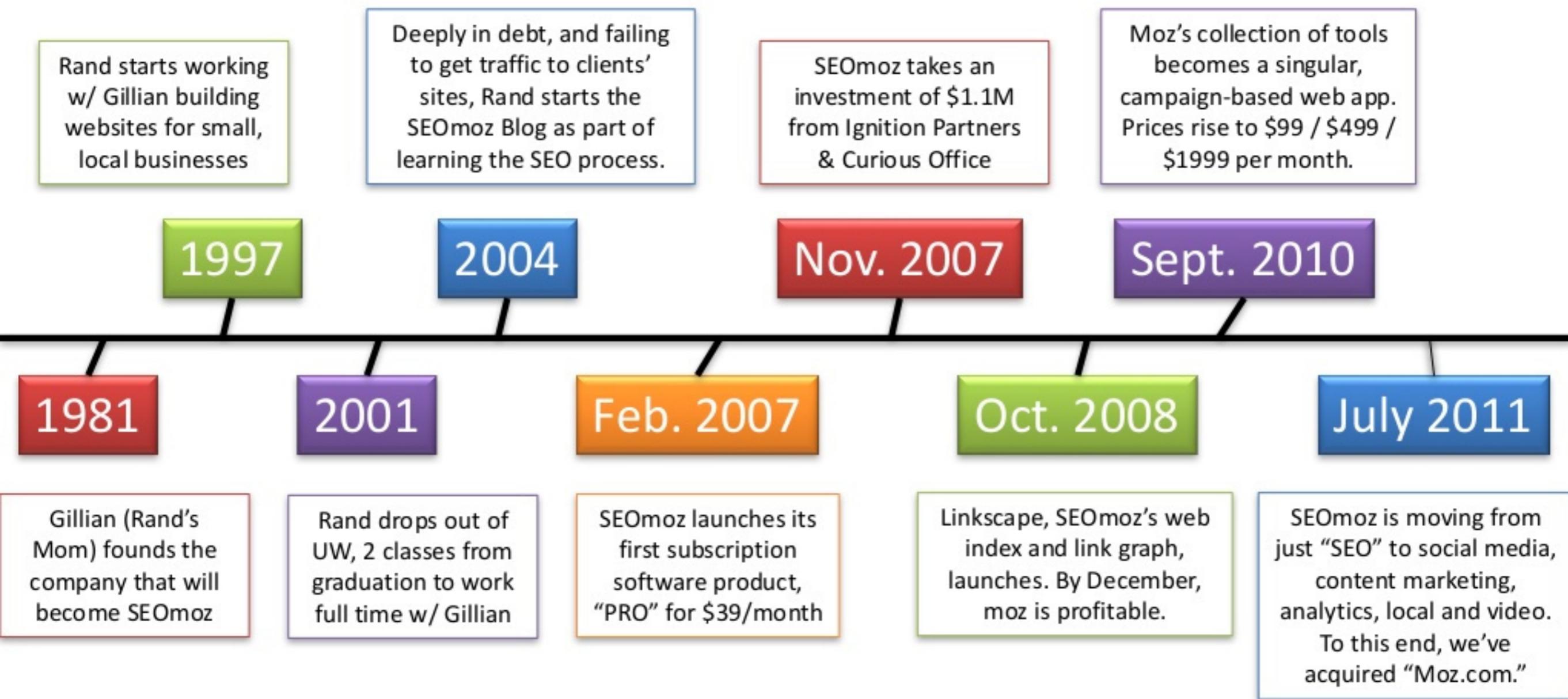
The Next Stage of Moz:

How a tiny Mom + Son consultancy became the world leader in SEO Software, and our roadmap to being Seattle's next \$1 Billion company

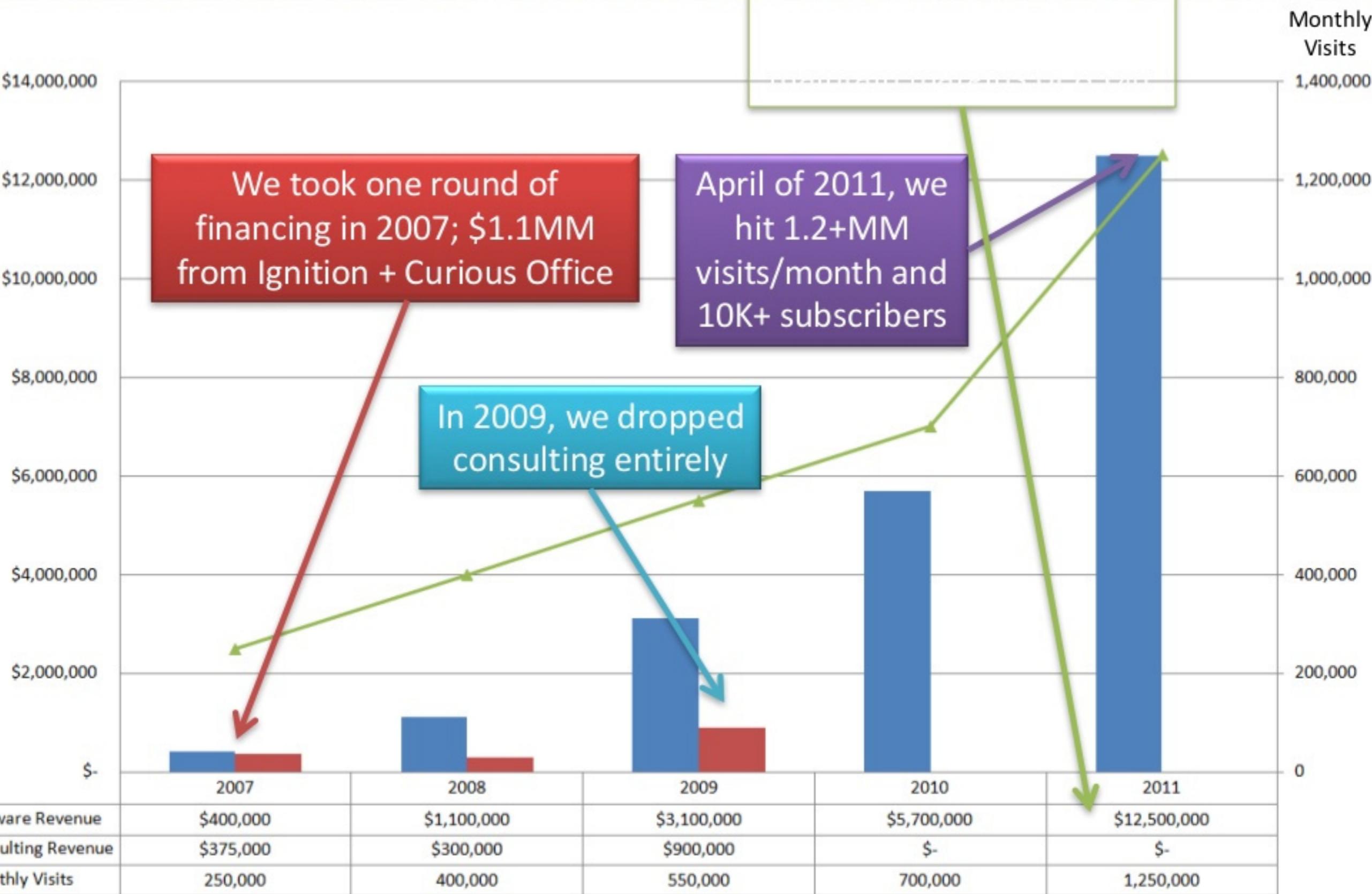


Rand Fishkin, CEO & Co-founder, SEOMoz
July 2011

A Little Moz History (now in color!)

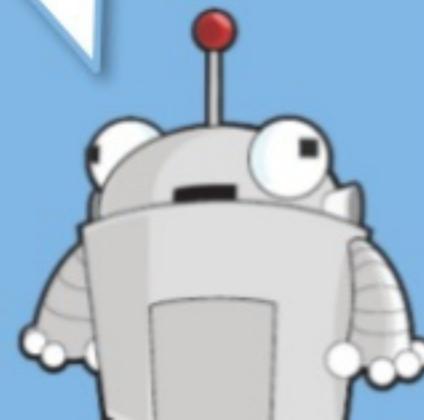


Did you know? At one point, Rand + Gillian had just under \$500K in personal debt. By 2007, it was all paid off, thanks to the magical super-awesomeness of SEO!



More about our history <http://www.seomoz.org/blog/the-story-of-seomoz>

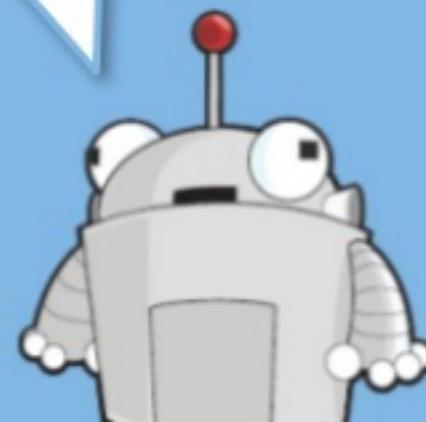
How'd We Do That?





Up until 2010, SEOMoz had never spent money directly to acquire customers! (No PPC, no ads, just conferences and content production, aka “sweat marketing”) ☺

That's what we want to help other companies measure + improve through our cloud-based software.



Macroeconomic Trends that Benefit Moz





50FOLDS

- Fundraising
- Startup Consulting
- Venture Building

Want to learn more?

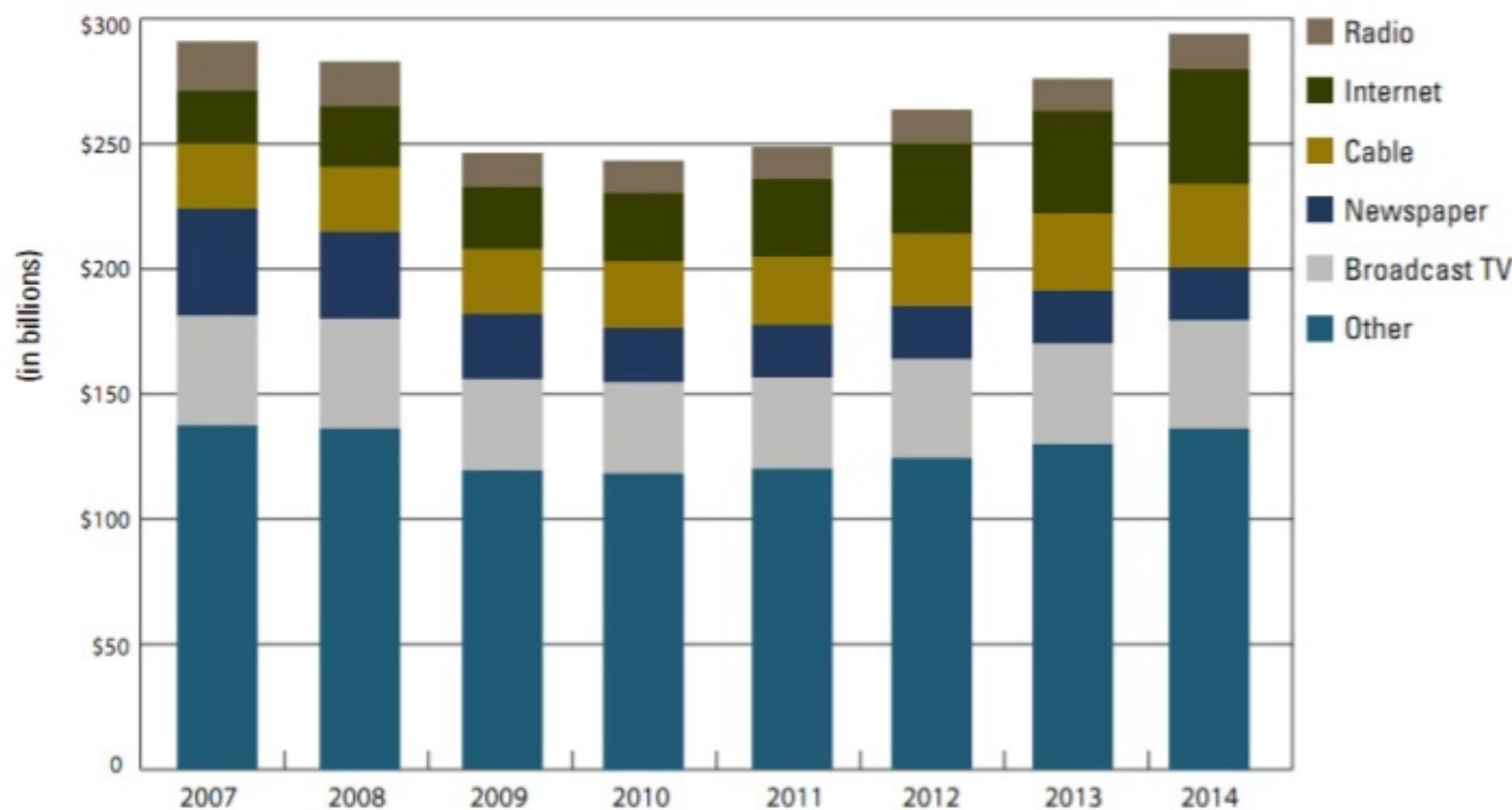
**GET FULL, IN-
DEPTH ADVICE
FROM A PRO**

Chat with us at 50folds

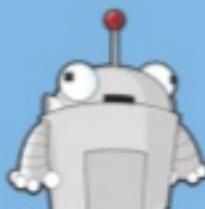


Marketing Spend is Still Unbalanced vs. Behavior

Historical and Projected Advertising Spending by Media



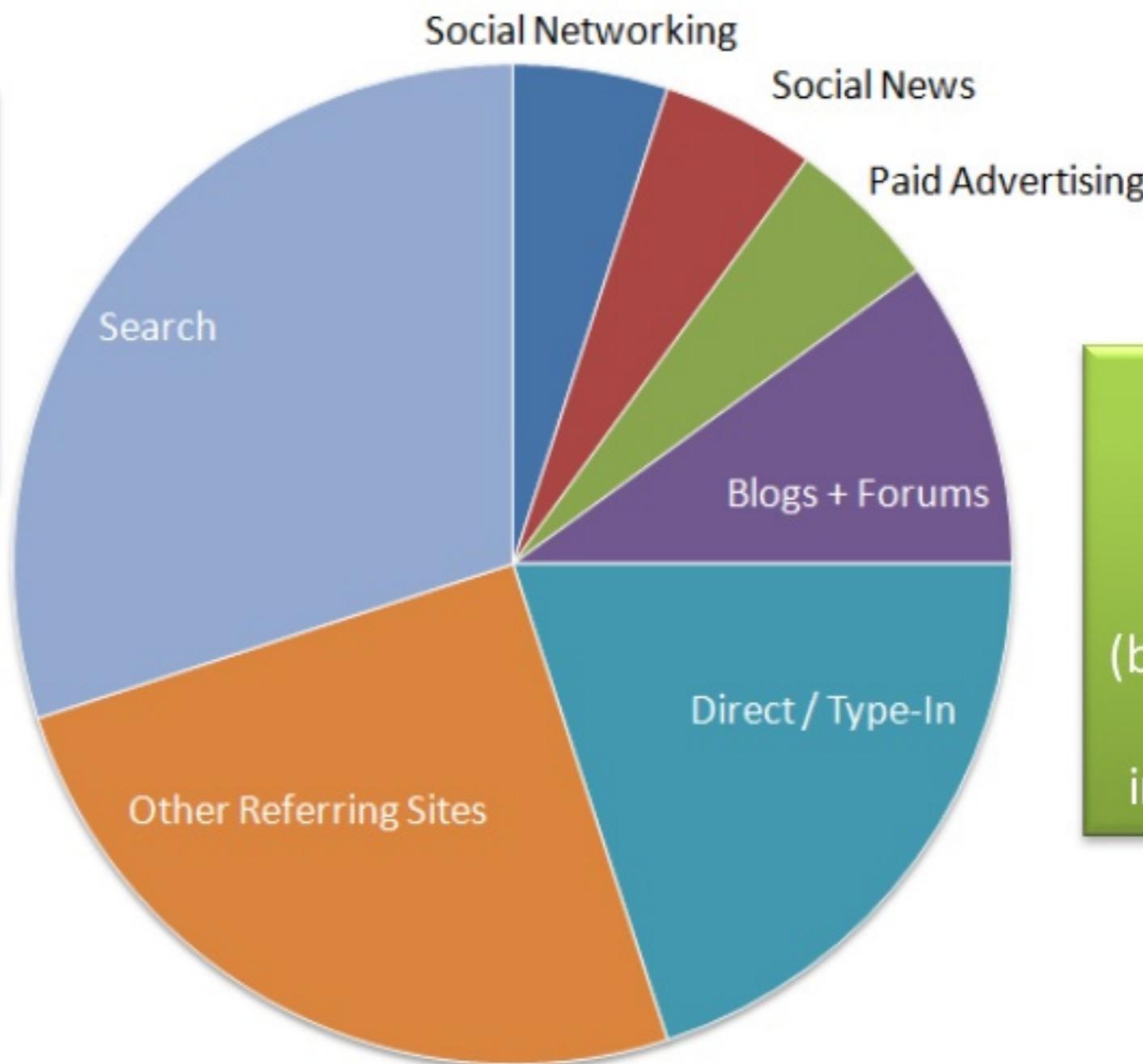
Source: FTI Consulting



Via http://www.ftijournal.com/images/uploads/Journal_p6-7.pdf

Organic Marketing is Under-Invested

**Organic drives
90%+ of traffic**
(but garners only
~\$5 billion of
investment in 2011)



**Paid drives
<10% of web
traffic**
(but wins a whopping
\$31+ Billion of
investment in 2011)

Percent of Web Traffic from Various Sources to the Average Website

 Web Traffic is driven almost entirely by organic/earned media, yet nearly all of the investment in driving traffic to websites is through paid channels... This is an unsustainable dichotomy.

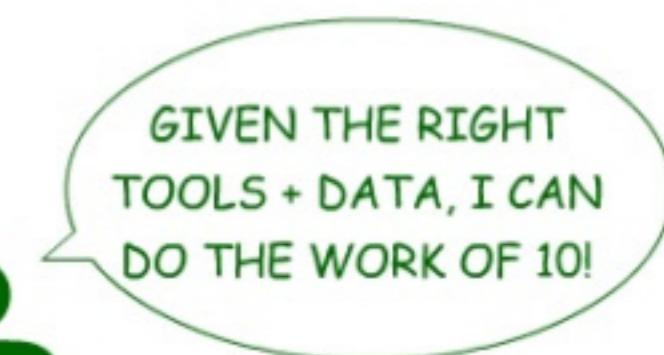
It's a Data-Driven World and Efficiency is King



Executives
(Sealevelis HIPPOdronica)



Marketing Managers
(Stuckinnio Middlicom)



Web Marketers
(Organicus Ninjitsu)



These challenges require scalable, high quality software to solve. Very few companies are investing in this space in a serious way, and almost none target the SMB market.

Problem(s) We're Here to Solve



Organic Web Marketing is Poorly Understood

Invest in Content, Search,
Social, Local and/or
Participatory Online Channels



Measure Traffic and
ROI Effectively

Re-Invest in ROI-
Positive Channels



Earn Outsized
Traffic/Branding/Customer
Acquisition Rewards vs. Paid
Marketing Channels



Even those marketers who have an understanding of the process often get lost in the details or mired in the complexity of tying creative to metrics.

The Web Marketer's Weekly Analytics Challenge

Every week (sometimes daily), web marketers need to log in to each of these services (or a suitable substitute) to collect their KPIs:

Many (75%+):

Google Analytics

Facebook Insights

Twitter (Topsy/Hootsuite)

Google Webmaster Tools

Most (~50%):

Bing Webmaster Tools

Google Alerts

Feedburner

Bit.ly

Yahoo! Site Explorer

Some (~10%):

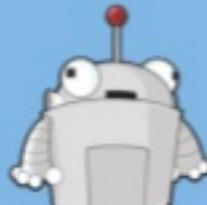
SEOMoz

PostRank

FourSquare

Google Local

Yelp



Why should a marketer log into 10+ sites/tools just to get the basic numbers they need to measure and improve their campaigns? Moz can (and should) put this all in one place.

Specific, Painful Web Marketing Tasks

Each of these requires special tools, large amounts of manual labor or custom-built, in-house/agency solutions:

Researching New Opportunities

Identifying High-ROI Channels

Prioritizing + Managing Tasks

Finding Errors + Problems

Optimizing Existing Channels

Training New Marketers



These challenges require scalable, high quality software to solve. Very few companies are investing in this space in a serious way, and almost none target the SMB market.

Our Target Market

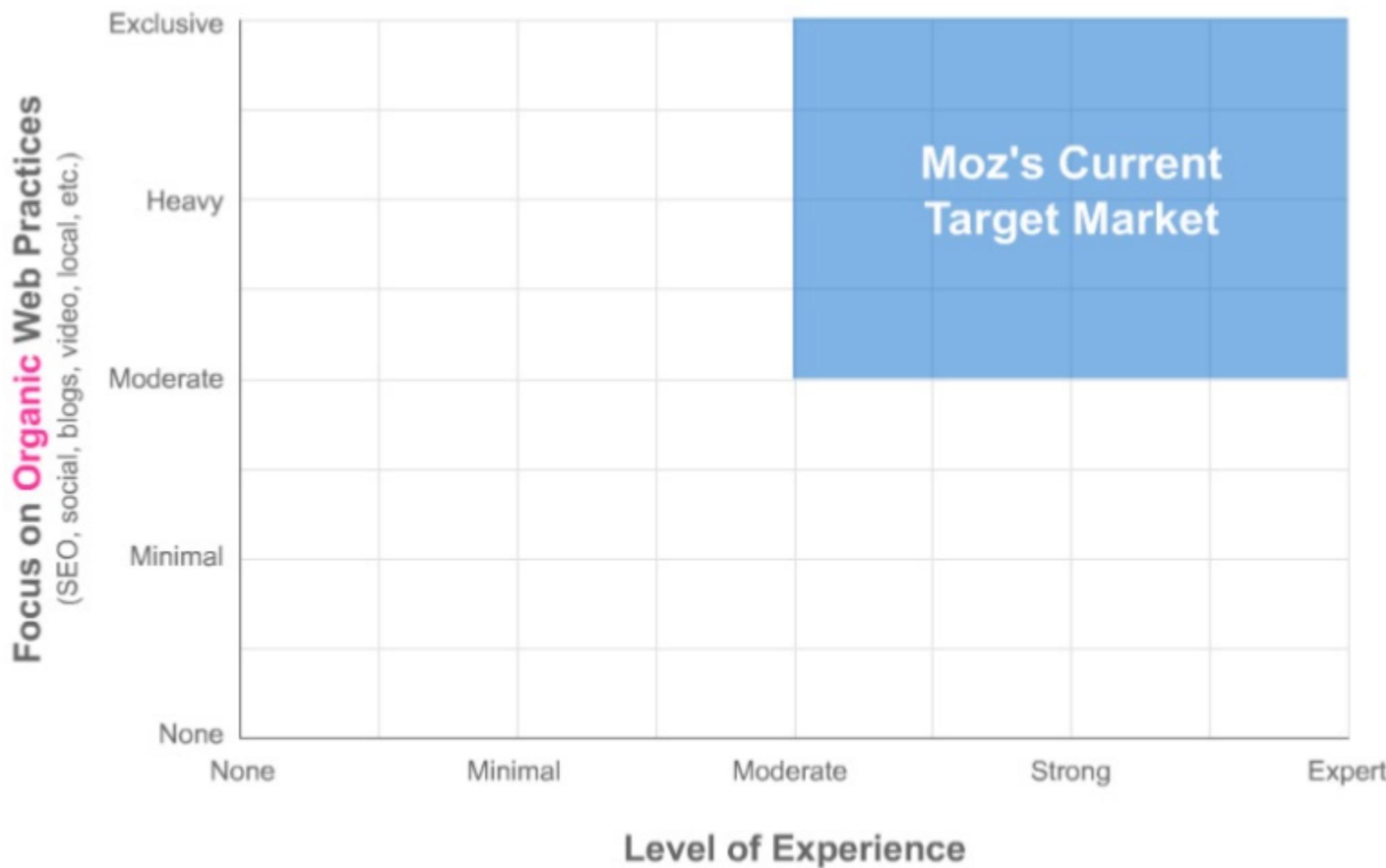


Marketers



Today, Moz focuses on just the red "SEO" circles. In the future, many more of these will become customer targets. (BTW - I cheated by using two bubbles for "SEO" – sorry about that Venn Diagram purists!)

We Help Marketers Who Focus on Organic



We believe we've captured ~5% of this market as paying customers and ~15% as registered members

Immediate Customer Targets:

These titles/job functions represent our current (2011-13) targets:

In-House

(~55% of current members)

Director of Marketing

SEO Specialist

Search Marketer

Online Marketing Manager

Director of Growth

Inbound Marketer

Consultant/Agency

(~35% of current members)

SEO Consultant

Organic Marketing Consultant

Search + Social Consultant

Web Marketing Consultant

Independent

(~10% of current members)

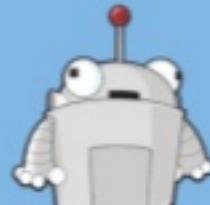
Blogger

Social Media Expert

Site Owner

Webmaster

Domainer



These job titles/functions have the most direct use for our current software subscription.

Where are We Today?



2011 Estimated Revenue	\$12 - \$13 million
Current Revenue Run Rate (June)	~\$10.8 million
Number of PRO Subscribers	~13,500
# of New Free Trials / Day	~100
Avg. Customer Lifetime Value	~\$900
Implied Customer Life	~9 Months
Avg. Cost of Paid Acquisition	~\$100
Avg. Monthly Revenue / Subscriber	~\$93

% of Free Trials Converting to Paid

~57%

Churn Rate in 1st 2 Paid Months

~25%

Monthly Visits to Moz + OSE

~1.25 million

Email Subscribers

~300K

Gross Margins

~82%

Estimated Net Profit in 2011

~\$1 million

Staffing Costs

~\$650K / Month

Crawling, Serving, Hosting + Processing

~\$180K / Month

Planned Investment Round



Raising:

\$20-\$25 Million

Founder Equity:

\$6-7 Million

Onto Balance Sheet:

\$13-19 Million

New Board:

2 Investors (Michelle +1)

2 Insiders (Rand +1)

1 Independent (TBD)

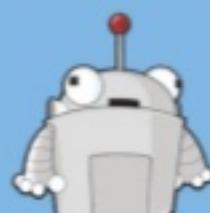
Business Risks



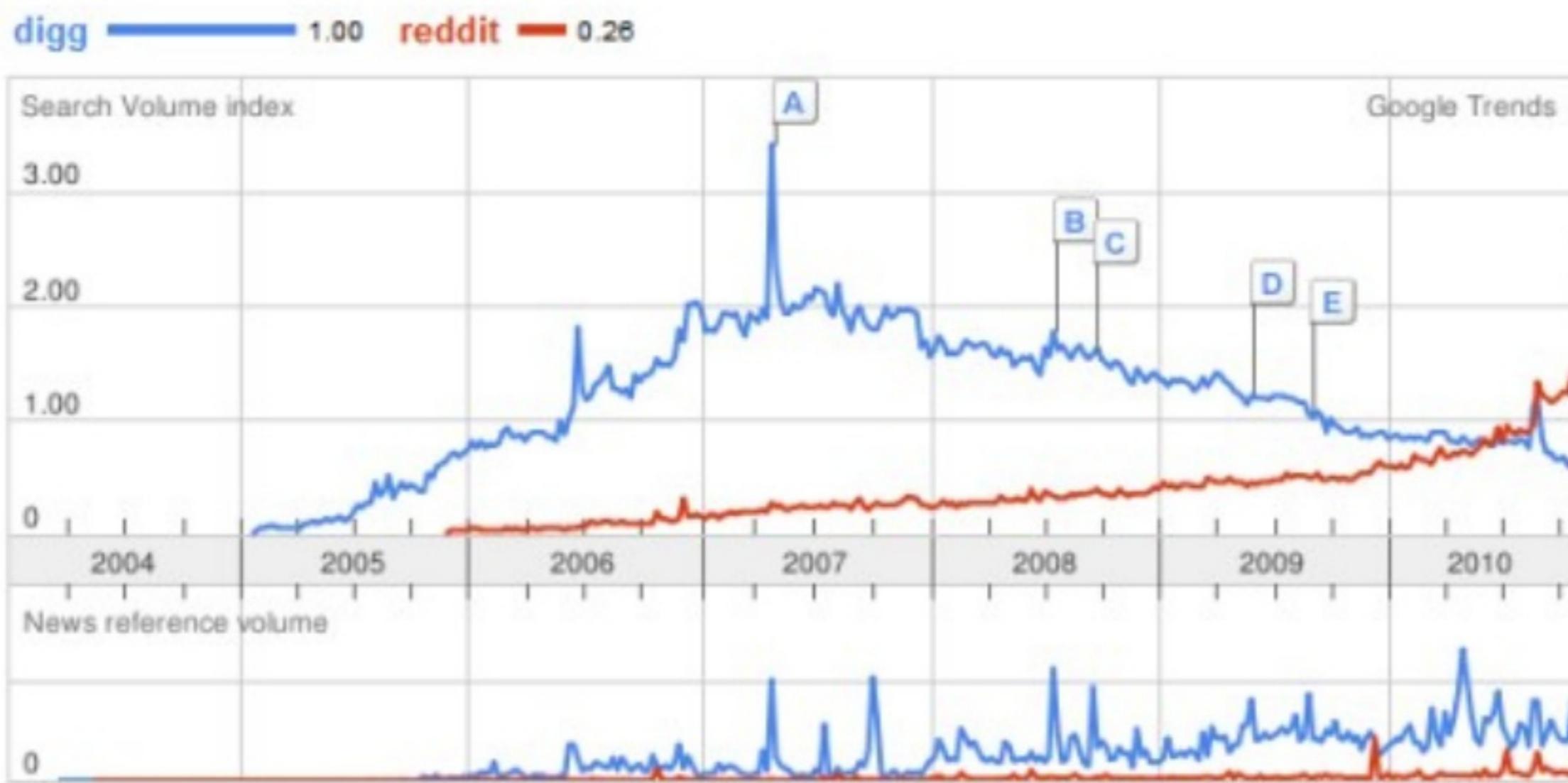
Google Integrates Much More SEO & Social Analytics Functionality in the Short Term



The Web Becomes Less Open



We Fail to Adapt/Grow Fast Enough to Keep Up w/ Organic Marketing Shifts



Our Reputation Suffers Due to Missteps in Culture, Data Quality or Reliability



Use of Funds / Growth Opportunities

2011-2012



Serve a Wider Audience w/ Expanded Product

2011

Organic Search/SEO
(Google, Bing, Yahoo!)

Social Networks
(FB, LinkedIn, Twitter, Google+)

2012

Local Search + Portals
(Google + Bing Maps, Yelp, FourSquare)

Brand + Link Monitoring
(Blogs, Press Releases, Mainstream Media)

Q+A / Social Content Sharing
(Quora, StackExchange, Reddit, SU, Tumblr)

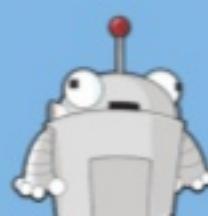
2013+

Forums / Q+A
(StackExchange, Quora, Y! Answers)

Video
(YouTube, Vimeo, Self-Hosted)

The Next Big Thing
(Directories 2.0? Mobile Photo-Sharing?)

**Become the Default Productivity + Research
Suite for Organic Web Marketers**



Whatever organic marketers are using to drive traffic and derive value, we'll help them measure, monitor and improve it with a suite that's simple enough for anyone but powerful enough to support advanced-expert level practitioners.

2 Year Team Roadmap from 40-100 Mozzers

Product

(Design the Right Software)

User Experience

Design + UI

Subject Matter Experts

Wireframing + Specs

Testing / QA

Operations

(Make Moz Run Smoothly)

Financial + Accounting

Facilities

HR/Mozzer Happiness

Engineering

(Build Amazing \$#*!)

Broad Web Crawl

Rankings Data

Local Data

Social Data

Front End / Web App

Fresh Web Data

Customer Success

(Delight Moz Members)

API & Higher-Tier Sales

Customer Service

Customer Outreach

Marketing

(Bring in Customers)

Content/Media/Research

Community Management

PR / Press / Outreach

Events

Paid Acquisition

Retention

(Keep PRO Members PRO)

Quant + Cohort Analysis

Email + On-Site Messaging

Q&A Assistance

Sales/Marketing Investments

Organic
(Grow Free Traffic)

Paid Acquisition
(PPC, Behavioral, Social, etc)

Branding
(Make Moz Known + Trusted)

Technology Investments

Web Crawl
(Grow Breadth + Freshness)

Fresh Web
(Compete w/ Google Alerts)

Social Graph
(Map the Major Networks)

Product Investments

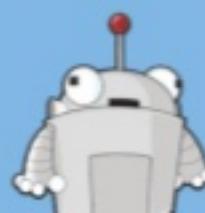
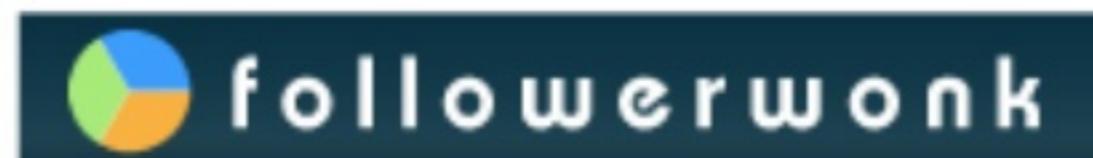
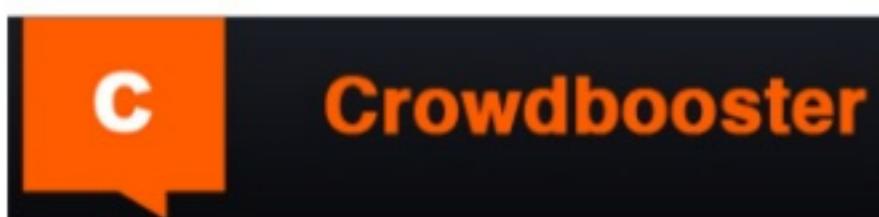
Low Price Model
(\$25/month for lighter use)

Moz Alerts
(\$10/mth competitor to G Alerts)

Classifying the Web
(Employing Human Raters)



Potential Acquisitions



Why Moz is Uniquely Positioned to Win the Organic Market



#1:

Passionate community of 300K+ marketers

#2:

Our technology lead is very hard to catch

#3:

Proven record of 2X+ growth for 4 years

#4:

Unique, world-changing culture & attitude

We have a rare opportunity to become
Seattle's next \$1 billion+ company, and we'd
love to have you join us for the ride.

