

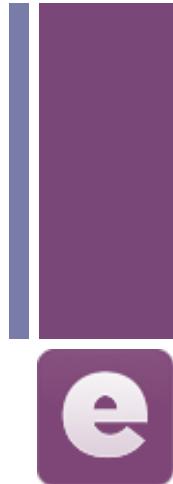


Increasing the Everpix User Base

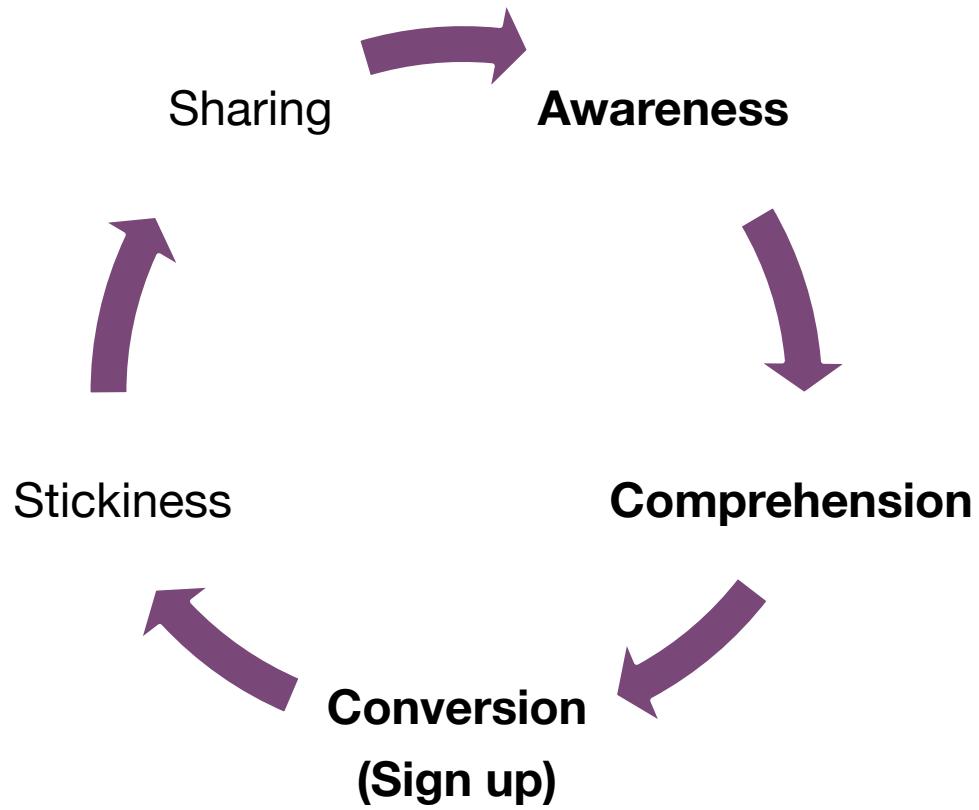
Matt Becher, Toby Huskinson,
Kellen Pirri, Nicole Santos



Rationale



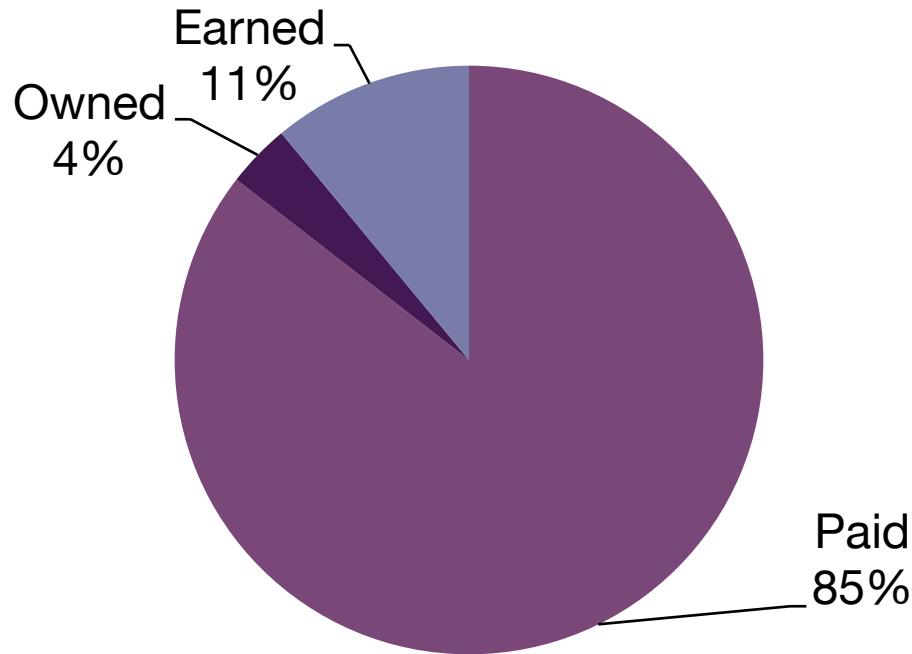
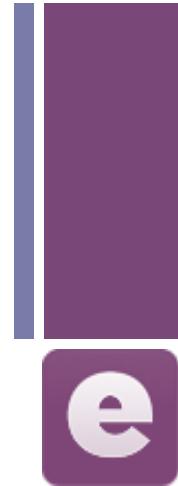
- Awareness | Comprehension | Conversion



- Target Market Segment
 - Phase 1 – Oct 2013
 - Mac Users
 - Parents (11.8M)
 - United States
 - Phase 2 – Oct 2014
 - Europe
 - 18-24yrs
 - Androids (with developer)



Budget Top Level



Total Budget: \$1,000,000

Expected increase to User Base: >250,000 @ <\$4.50 per user

Required Breakeven Users: 56,507



Budget Detail

Paid: \$855,000

Google Ad Words	\$365,500
Facebook Promoted Posts	\$365,500
Paid Banner Ads	
DPReview.com	\$54,000
CultOfMac.com	\$20,000
BabyCenter.com	\$50,000

Owned: \$35,000

Site Content	
Copywriter	\$10,000
Videos	\$25,000
Feature Additions	
Mosaic	\$-
Blogger Press Releases	
Gizmodo	\$-

Earned: \$110,000

Paid Blog Posts	
DigitalCameraWorld.com	\$38,000
MacWorld.com	\$62,000
Cobranded Posts	
Nikon	\$10,000

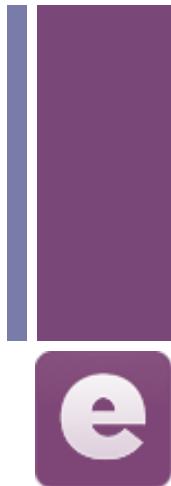
User Increase: 182k

User Increase: n/a

User Increase: 43k



Target Market: Parents



- 49% adults with children print digital photos¹
- Approx. 69.3% households in US with children(infant – 17)
- 11.8 million parents printing photos and accessing photo software
- Mac Users

¹ Mintel: The Photography Consumer US January 2012



Site Copy / Videos

- Current site is unclear in the value proposition of Everpix
- Update site copy for clarity
- Animated video with female heroine
 - She explains her needs and walks through a video that illustrates what the product actually does
- Cost:
 - \$10k for copywriter
 - \$25k for cartoon production
- Impact: Improved sign-up rate





Facebook Suggested Posts

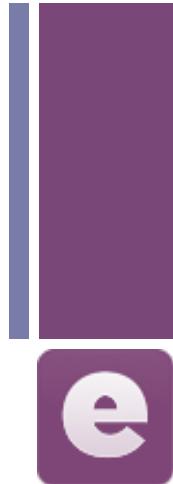
- Run a 6 month Facebook “suggest post” CPC campaign
 - External Website Ad
- Target:
 - Parents
 - Uploaded >50 photos in last month
- Cost: \$365k
- User Increase: 91k
- Allocate more resources to Google AdWords should FB subscribe rates prove ineffective



Budget: Paid
Objective: Awareness
Growth: Non-organic



Google AdWords



- Continue the AdWords campaign for 6 months
 - Optimize text and search copy to use the best performing ads (those with the highest sign-up rates)
 - Ran AdWords test; results comparable to past Everpix data

[Easy Photo Sharing](#)

Share, store, organize & enjoy
your photo collection. Try it now!
[Everbix.com](#)

- Cost: \$365k
- User Increase: 37k



Paid Banner Ads

- One week of banner advertising on untapped sites with high Klout
- Cost
 - DPRReview.com* - \$54k
 - CultOfMac.com - \$20k
 - BabyCenter.com** - \$50k
- User Increase
 - DPRReview.com - 23k
 - CultOfMac.com - 16k
 - BabyCenter.com – 15k





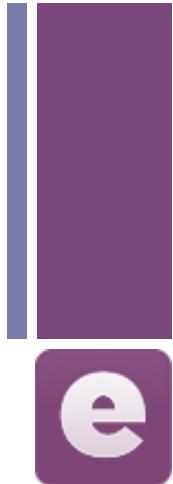
Paid Blog Posts

- Sponsor blog posts on untapped sites with high Klout
- Cost
 - MacWorld.com - \$62k
 - DigitalCameraWorld.com - \$38k
- User Increase
 - MacWorld.com - 23k
 - DigitalCameraWorld.com - 16k





Nikon Cobranded Feed Posts



- Use Nikon's clout to reach larger customer base.

Nikon
January 29

Need help getting all those awesome photos organized? Check out this great app from Everpix! <http://bit.ly/ABF3qr>

- Cost: \$10k
- User Increase: 4.3k



Feature Additions

- Encourage sharing through new features.
 - Photo from 1 year ago ->
 - Photo Mosaic
 - Slideshow video



“Check out what
Everbix made for me!”



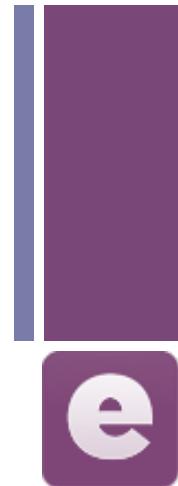
- Fix sharing capabilities within Everpix
- Cost: \$0 (Product Roadmap)
- User Increase: >20k per feature





Blogger Press Releases

- Each time we come up with a new feature, we want to let a wide-reaching blogger (e.g. Gizmodo) break the news of the new feature.
 - 21 journalists currently signed up for Everpix



EVERPIX - By BRIAN BARRET

Everpix releases new "Mosaic" feature, lets you create pictures from your old pictures

The Everpix team has given Gizmodo an advanced look at their new "Mosaic" feature which they released today. The feature will create a composite picture from all the pictures in your Everpix database. See more details after the jump!

[>> Today 9:14am](#)

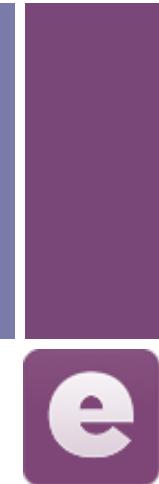


- Cost: \$0
- User Increase: >4k per post



Trial Modifications

- Change the trial such that all sign ups have full site access for one month (eliminate one-year limit)
- After one month, remove the yearly limit to incentivize subscription
- Cost: No marketing costs; adjusts cost structure (\$2 per trial)
- User Increase: Conversions (trial to subscription) moves from 1% to up to 12%

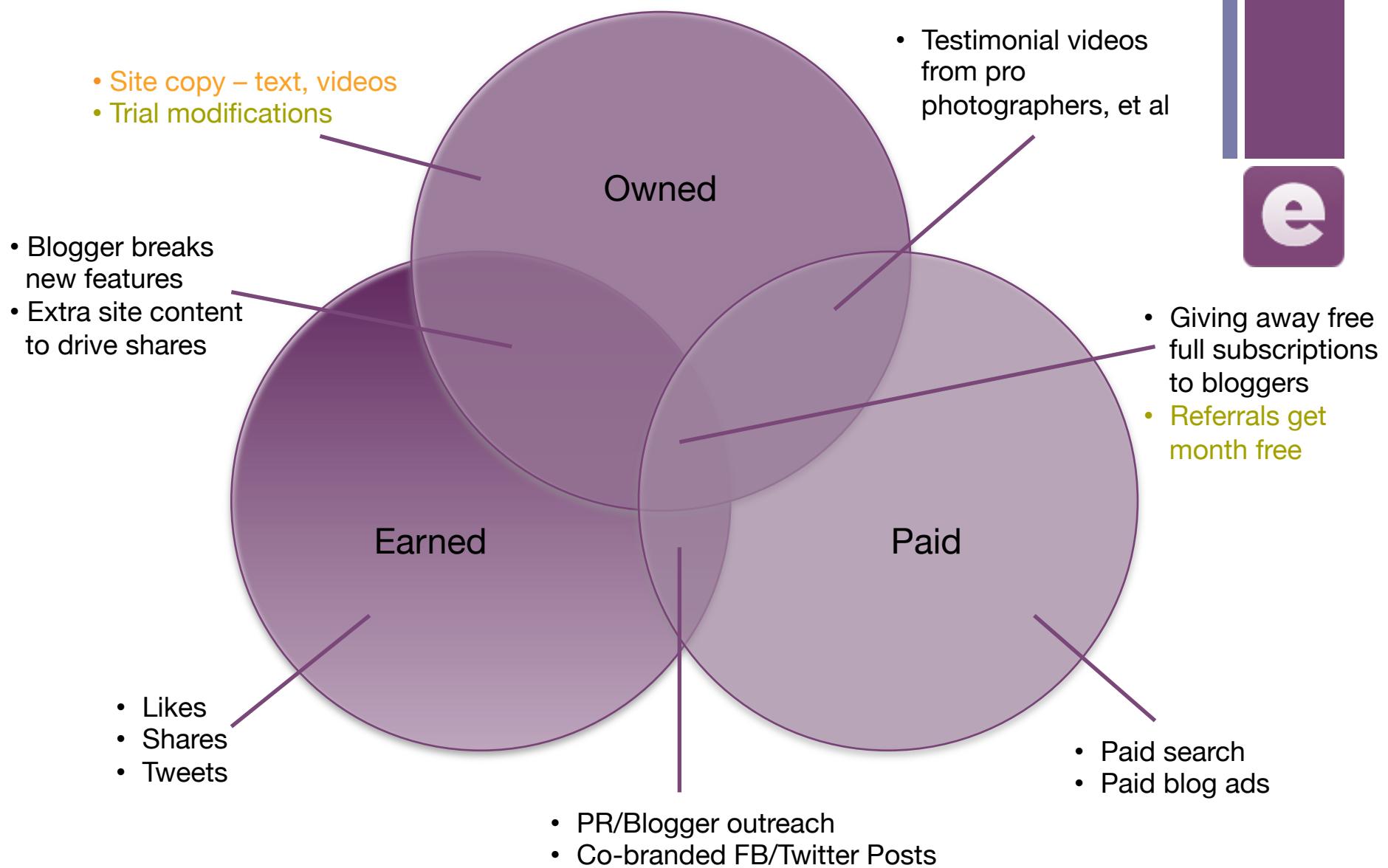
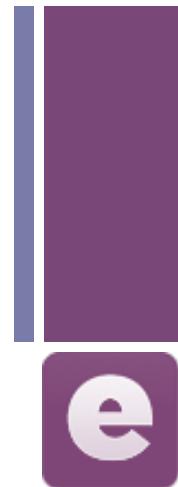




AWARENESS

COMPREHENSION

CONVERSION



+ Questions?

+ Appendix

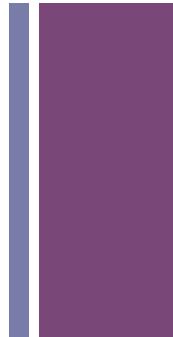


Sources

- <https://angel.co/everpix/activity#press>
- Everpix data: <https://github.com/everpix/Everpix-Intelligence>
- Mintel: The Photography Consumer US January 2012
- Mintel: The Photography Consumer US January 2013
- Facebook Data Team: <https://www.facebook.com/notes/facebook-data-team/anatomy-of-facebook/10150388519243859>
- Business Insider: <http://www.businessinsider.com/35-percent-of-friends-see-your-facebook-posts-2013-8>
- Sales Force Facebook Benchmark: [Source: http://www.salesforcemarketingcloud.com/resources/ebooks/the-facebook-ads-benchmark-report/](http://www.salesforcemarketingcloud.com/resources/ebooks/the-facebook-ads-benchmark-report/)
- Copywriter Whisperer: <http://thecopywriterwhisperer.com/how-much-should-it-cost-to-hire-a-copywriter/>
- LinkedIn: <http://www.linkedin.com/groups/Average-budget-30-second-animated-2869553.S.217140833>
- Similar Web: <http://www.similarweb.com/website/dpreview.com>



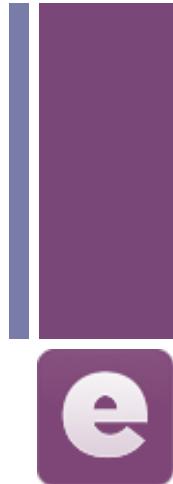
Sources



- Google Adwords: <http://adwords.google.com/>
- Digital Camera World: <http://DigitalCameraWorld.com>
- DPReview: <http://DPReview.com>
- Cult of Mac Blog: <http://CultOfMac.com>
- Mac World: <http://MacWorld.com>
- Nikon: www.Nikon.com
- Google Think Insights: <http://www.thinkwithgoogle.com>
- Klout List: www.klout.com
- Interviewed Baby Center sales Rep, Cody Morse, <http://www.babycentersolutions.com>



Costs statistics



- Between September 1st and October 1st:
- 17,300 unique visitors to everpix.com (this includes beta website)
- 3,500 user sign-ups (1,640 excluding users from beta)
- 10M photos imported
- 2,000 iPhone / iPad apps downloads combined
- 25,000 photos shared (vast majority through Photo Mail)
- 250 subscriptions sold:
 - About 85% yearly (website sales only) and 15% monthly (half iTunes Store, half website sales)
 - \$6,121.88 gross income from website sales (from which our payment processor takes 2.9% + 30¢ per transaction)
 - iTunes Store gross income is currently negligible (< \$100 and Apple takes 30%)
- As of October 8th, 14.4% of active users who have created their accounts more than 30 days ago (i.e. have reached the end of their trial period) have purchased a subscription



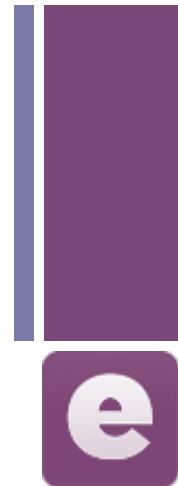
Cost & Revenue

Cost

Cost per user: \$1.40/user	(\$1.40)
Processor loss on website sales: 2.90%	
Cost per transaction: \$0.30 per transaction	
TOTAL Website transaction cost	(\$1.63)
iTunes cost: 30% Commission	(\$1.80)
Total Variable Costs	(\$4.83)

Revenue

% of yearly subscribers		
80%	\$50/year	\$40.00
% of monthly subscribers (based on full year)		
20%	\$5/month = \$60/ year	
iTunes store	10%	\$6.00
Website	10%	\$6.00
Total Revenue		\$52.00
PROFIT (Contribution Margin)		\$47.17
CM%		91%





Breakeven Analysis

Avg. Unit Variable Costs	(-\$4.83)
Avg. Revenue per Subscriber	\$52.00
Fixed Costs	\$2,665,192.34
Contribution Margin	\$47.17
Users needed to breakeven	56507

Net Profit @ 11.8M Subscribers	\$553,893,607.66
Net Profit @ 5.9M Subscribers	\$275,614,207.66

+

Fixed Cost Analysis

Expenses

Bank Charges	1,396.70
Government Fees	8,827.20
Legal & Professional Fees	
Accountants	9,251.95
Consultants	272,821.83
Legal	
General Corporate	85,775.46
General Patent	37,463.52
Immigration	2,215.00
Initial Bridge Financing	27,086.56
Investors Legal Costs	20,722.05
Series Seed Preferred	
Stock Financing	15,351.23
Public Relations	109,552.34

Office Expenses

Entertainment Meals	2,022.27
Food & Beverages	8,073.03
Hardware	10,981.09
Insurance	2,446.00
Miscellaneous	4,829.51
Rent	95,085.24
Service Subscriptions	5,039.84
Software	2,172.05

Operating Costs

Amazon Mechanical Turk	8,916.75
Amazon Web Services	394,588.35
Google App Engine	7,878.01
Other Cloud Infrastructure	15,699.84

Personnel Costs

Health Care	62,653.68
Miscellaneous	1,442.18

Payroll

Salaries	832,347.83
Withholding	360,025.20
Taxes	130,486.03
Recruiting	51,836.00
Promotional Expenses	48,007.80
Travel Expenses	30,197.80

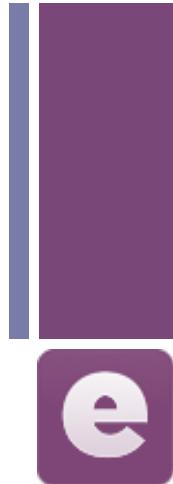
TOTAL EXPENSES **2,665,192.34**

Source: Everpix Intelligence Financials: Profit & Loss , Oct 2011- Dec 2013





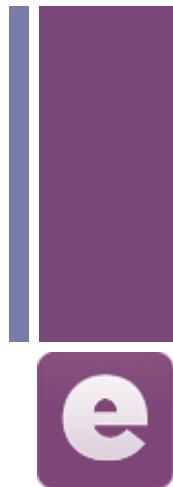
Organic vs. Paid (Non-Organic)



- Organic converts 6.5% of subscribers to paid.
- Paid converts 1.3% of subscribers to paid.
- From the Everpix Paid Search Test Results



Market/segmentation Parents



- an enormous number of people (about 35 million U.S. adults) creating art via image capture-
- can be seen as more likely to place emphasis on creating and sharing mementos and therefore more important to sales, regardless of absolute growth in the number of households with children
- 49% adults with children print digital photos,¹ → insight: accessing photos online via a form of photo software; target parents
- Approx. 69.3% households in US with children(infant – 17)



Target: Parents

Population of U.S. Adults "creating art" via image capture	35,000,000
Approx. 69.3% households in US with children (infant – 17yrs)	69.30%
Parents taking photos	24,255,000
% of Adults with children printing digital photos	49%
Parents printing photos and accessing photo software	11,884,950

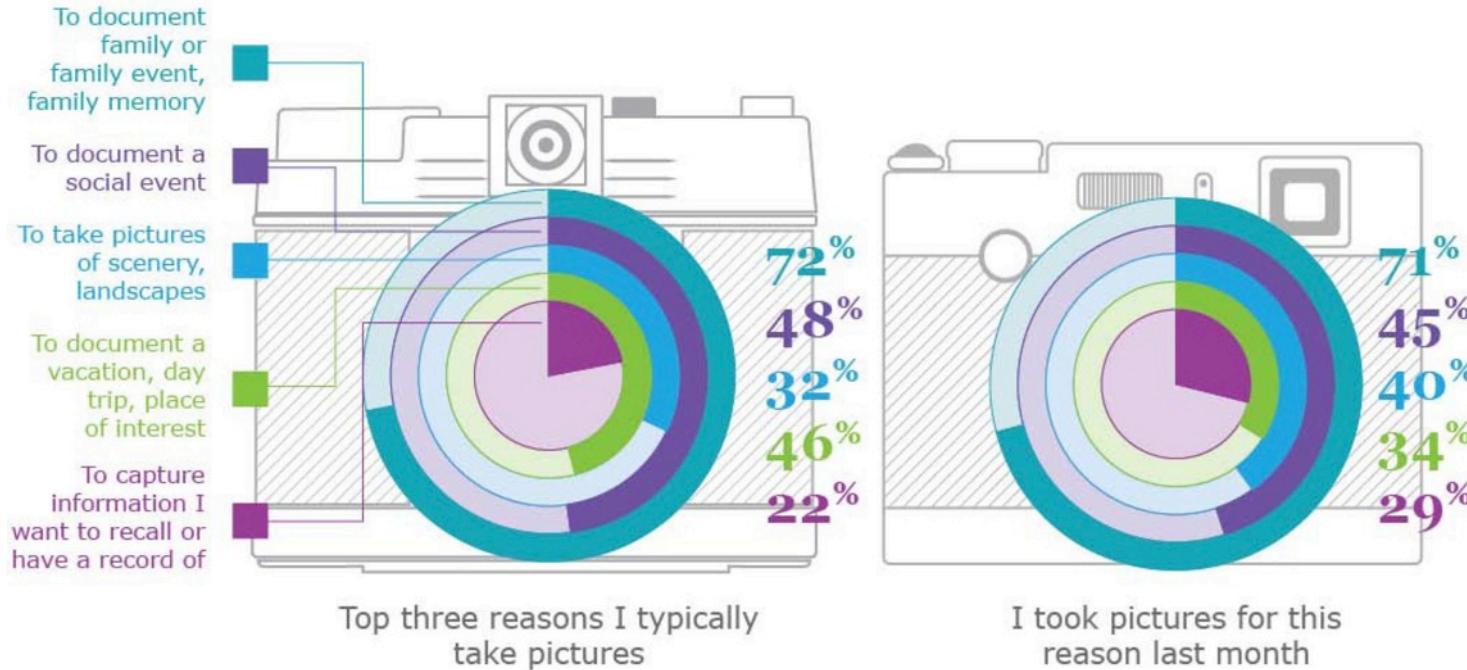


Market/segmentation Parents

Top three reasons for taking pictures

Among adults who took a picture in the last month, the three reasons they said they took photos were to document family or family events, a social event, or to take pictures of scenery or landscapes. When asked to distinguish the three reasons they typically take pictures, the choice "to document a vacation, day trip or place of interest" moves up

REASONS FOR TAKING PICTURES IN THE LAST MONTH AND TOP THREE REASONS TYPICALLY, JANUARY 2013



Base: 1,400 internet users aged 18+ who took a picture in the last month
SOURCE: MINTEL

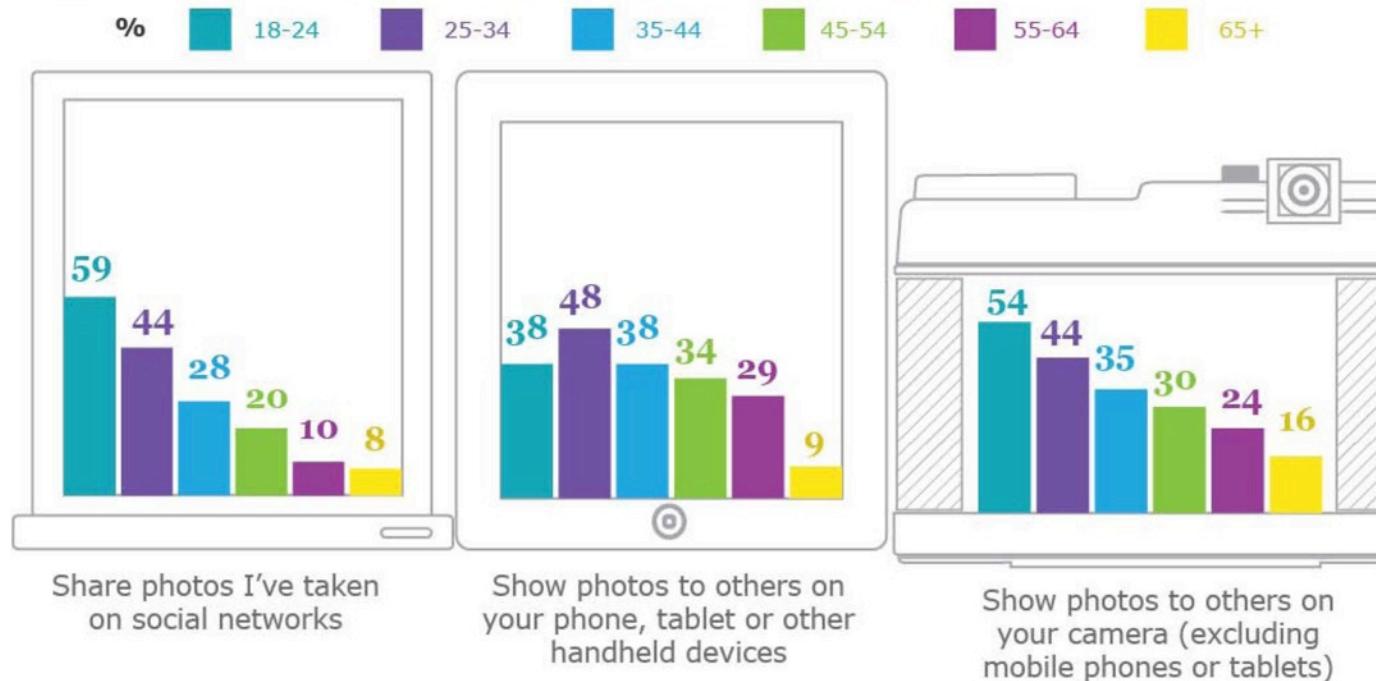


Market/segmentation

Methods of sharing photos

Despite the high-tech nature of smartphones and digital cameras, much viewing of digital photos is low tech. Sharing is done by handing the mobile device or camera to someone. This approach, used by more than 50% of adults who took a picture in the last month, has the added benefit of being a person-to-person interaction that fosters immediate feedback and discussion.

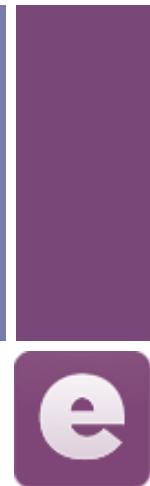
METHODS OF SHARING PHOTOS, DAILY OR WEEKLY, BY AGE, JANUARY 2013



Base: 1,400 internet users aged 18+ who took a picture in the last month
SOURCE: MINTEL



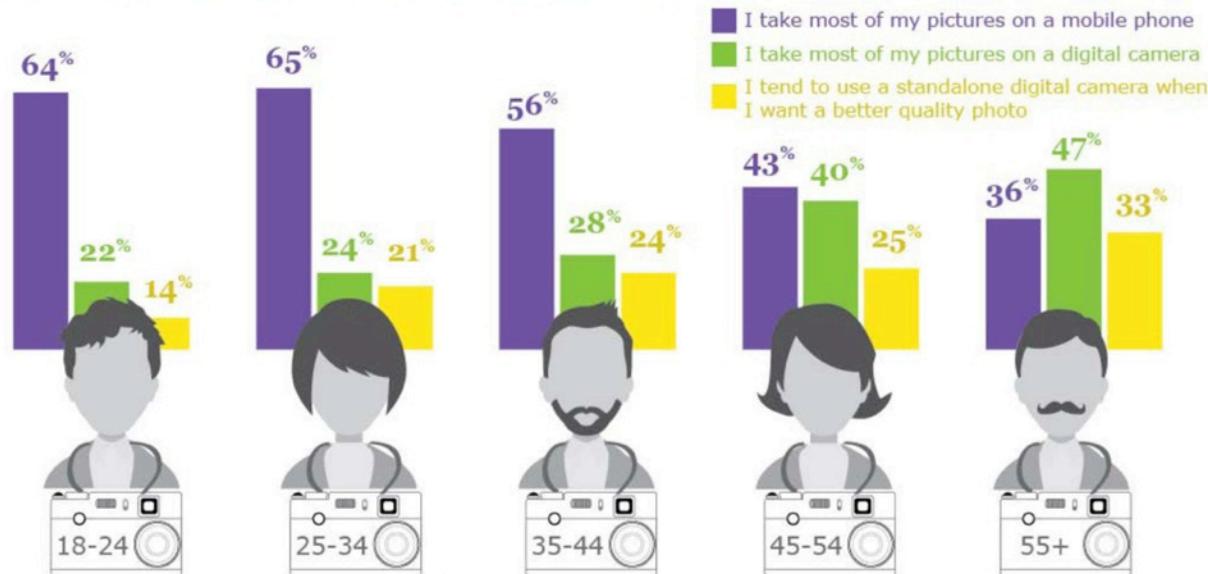
Market/segmentation Parents



Preferred device for taking “most” pictures

There is a generation gap in taking pictures on a smartphone or standalone camera. The smartphone is the photo device of choice among adults aged 18-54 who took a picture on a smartphone or tablet in the last month. More than half of these adults say they take most of their pictures on their mobile phone, adults aged 45+ are more likely to take most of their pictures on a digital camera.

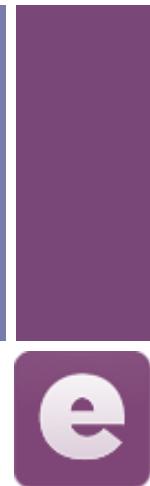
PREFERRED DEVICE FOR TAKING “MOST” PICTURES, JANUARY 2013



Base: 1,142 internet users aged 18+ who took pictures on a smartphone or tablet in the last month
SOURCE: MINTEL



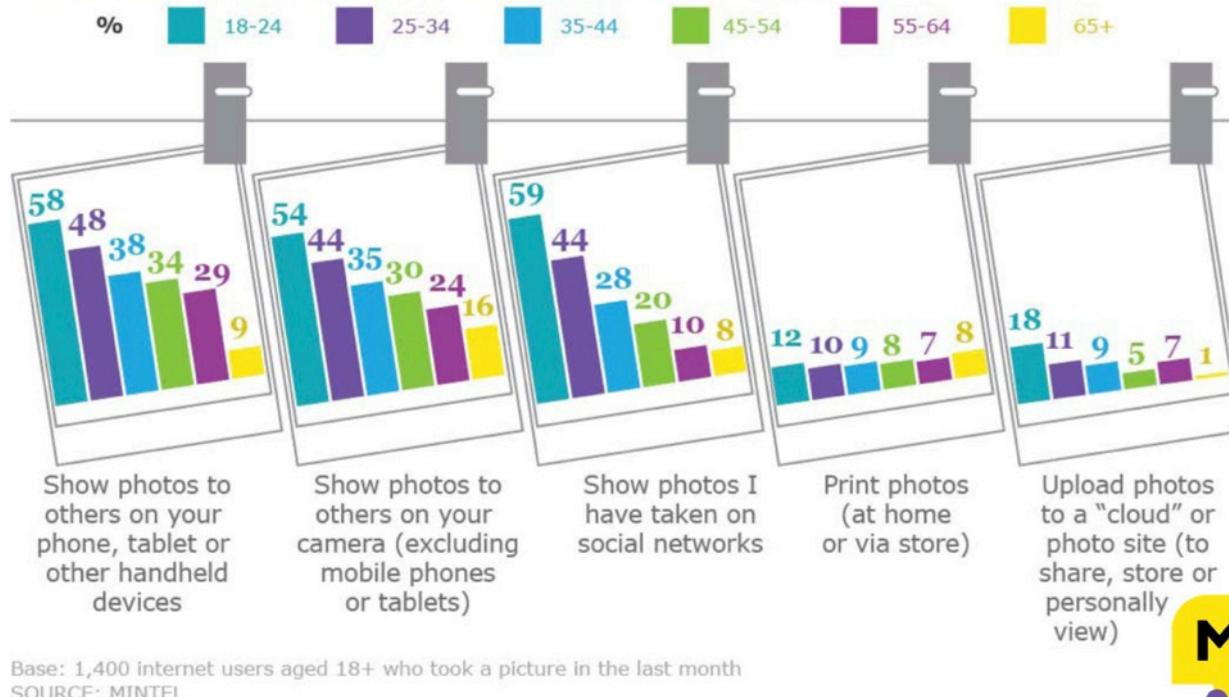
Market/segmentation Parents



What do people do with photos?

Most frequent actions are showing photos to others on a mobile device, a camera, or a social network. Only 9% had printed a photo. Adults aged 18-24 were much more likely than average to share photos on a social network or on a device.

POST PHOTO-CAPTURE ACTIONS, DAILY OR WEEKLY, BY AGE, JANUARY 2013





shutterbean

FOOD
PHOTOGRAPHY
PRETTY THINGS &

A CUP O F JO



SEA OF SHOES

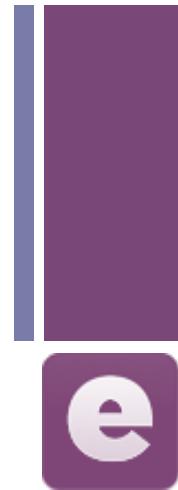


mommy potamus



Feature Additions Calculations

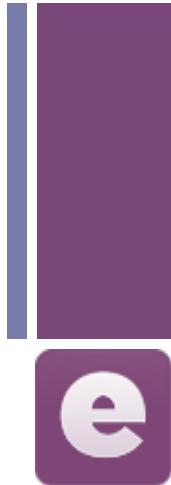
- 4k jump in daily active users after Fireball sponsored post
- Fireball has 700k unique visitors per month
- .57% of people signed up
- Median FB user has 100 friends₁
- **500k** Everpix users (after growth strategies)...
- **500,000*100*.0057*.35 = X** new users
- Assumptions: 100% of these people share and they all have a FB account. We felt that over estimating is OK here, because we aren't accounting "shares of shares" and "likes of shares" which is show up in feeds of other, unaccounted for friends.
- Note: Currently the Photo Mail way of sharing is totally busted. There's no access to contacts and there does not appear to share the content easily. We feel Everpix really missed the mark here.
- 35% of users see your posts.₂



¹ <https://www.facebook.com/notes/facebook-data-team/anatomy-of-facebook/10150388519243859>

² <http://www.businessinsider.com/35-percent-of-friends-see-your-facebook-posts-2013-8>

+ Cobranded Feed Posts Calculations



- Nikon has 2,172,434 likes.
- 35% of friends see your post.¹
- Reach = 760,351 people
- CPM: Target similar to blog banner ads with cobranding premium: $13.57 \text{CPM} = 10\text{k total}$
- Signups @ .57% = 4.3k

¹ <http://www.businessinsider.com/35-percent-of-friends-see-your-facebook-posts-2013-8>



Facebook Promoted Post Calculations

- CPC \$0.22
- Budget 50k
- Everpix ad study showed that from people who clicked on text ads, 20% signed up.
- Clicks = $50,000/.22 = 227,272$
- Signups = $227,272 * .20 = \text{roughly } 45k$



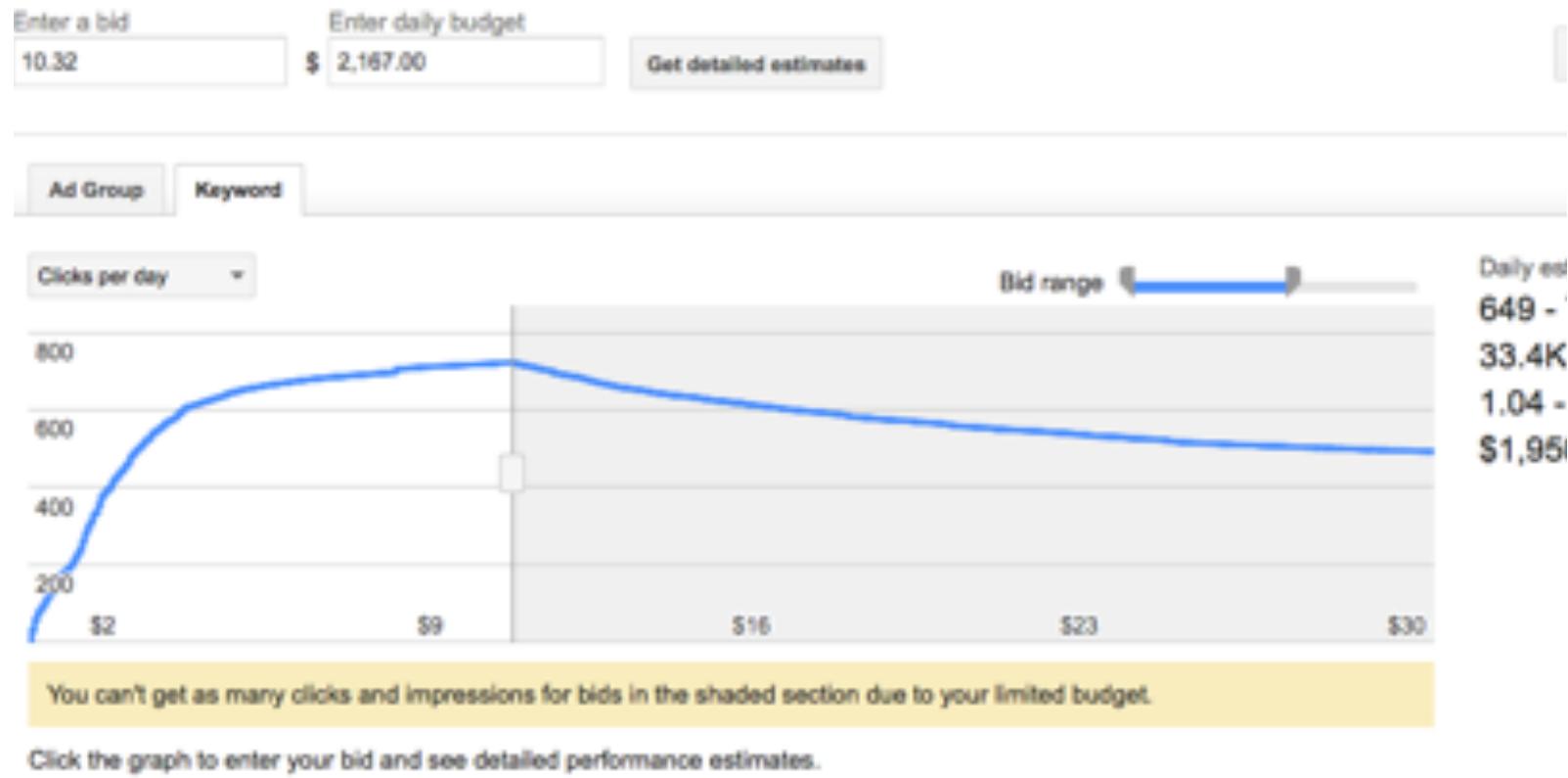
Google AdWords Initial Keyword List for Subsequent Optimization

Google AdWords Keyword List

Photography	Photographic	Photograph(s)	Photo(s)	Picture(s)	Cloud Photo Storage
" " Organizer	Mac Software				
" " Organizing	Mac Photo Software				
" " Sharing	Blog Photography				
" " Software	iPhoto Alternatives				
" " Cloud Storage	Professional Photography				
" " Aggregator					
" " Syncing					
" " Site					

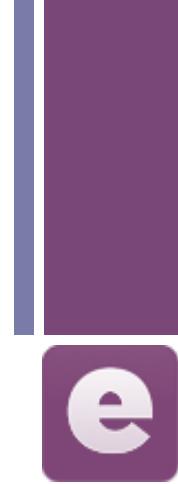


Google AdWords: Keyword Test





Paid Search Calculations

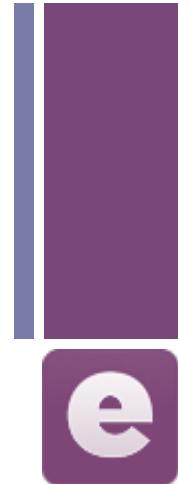


- The study determines it will costs \$10 for every user signed up.¹
- 1.3% of these users convert to paid.

¹ <https://github.com/everpix/Everpix-Intelligence/blob/master/Online%20Paid%20Customer%20Acquisition%20Test%20Results.pdf>



Site Copy / Videos Calculations



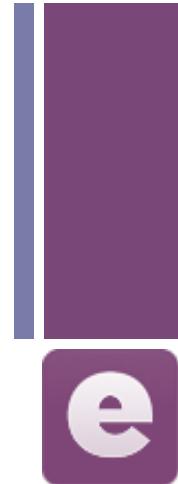
- Copywriter 10k for one month.¹
- Cartoon production 25k
 - Why a heroine? Our site attracts females.
- Effects of changes to site copy can be hard to quantify
- Interviewed Greg Meffert, former CTO to the mayor of New Orleans, regarding increasing subscription rate through optimized site copy/web experience

¹ <http://thecopywriterwhisperer.com/how-much-should-it-cost-to-hire-a-copywriter/>

² <http://www.linkedin.com/groups/Average-budget-30-second-animated-2869553.S.217140833>



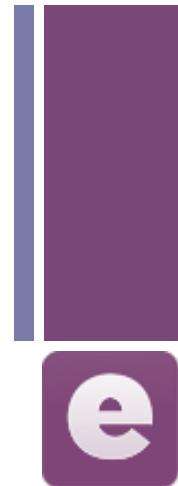
Blogger Press Release Calculations



- We use the fireball metrics as a proxy. Actual numbers would be reflected by the amount of average visitors the blog has.
- We could also consider continuing with Press Tours through Allison Partners.



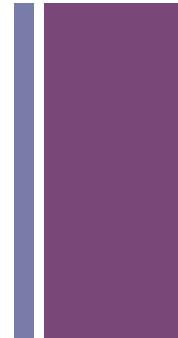
Paid Banner Ads Calculations



- Targeted sites found from Klout and not listed in Everpix PR listings. Klout search keyword was “cameras”
 - Blogs.babycenter.com (doubleclick)
 - 31.7 million unique visitors in a month. Fireball 700k. Fireball is 9,500 to advertise a banner. So assume babycenter is about 430k. Too expensive...
 - Digitalcameraworld.com (doubleclick)
 - 2.8 million unique visitors in a month. Fireball 700k. Fireball is 9,500 to advertise a banner. So assume dcw is about 38k.
 - Fireball grew 4k users, so dcw grows 16k users
 - Dpreview.com (AdSense)¹
 - 4 million unique visitors in a month. Fireball 700k. Fireball is 9,500 to advertise a banner. So assume dpreview is about 50k.
 - Fireball grew 4k users, so dpreview grows 23k users.



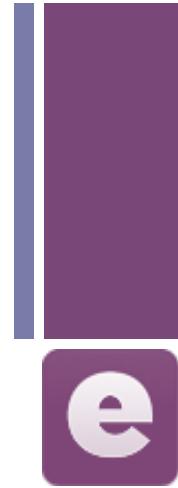
Paid Blog Ads Calculations



- We would like to target babycenter.com but the user base is so huge that we would anticipate a really high cost. We will rethink this later if the paid blog posts really show effectiveness.



Case studies



■ Samsung Coast to Coast

- An example of how companies can capitalize on this trend is illustrated in Samsung's Coast to Coast Photo Post campaign, in which 25 consumers in 25 cities were offered the opportunity to snap and upload photos from the newly introduced SH100 camera. Individuals were selected on the basis of being powerful social influencers. Photos taken by these individuals were showcased on Facebook, offering them a national audience for their camerawork.¹