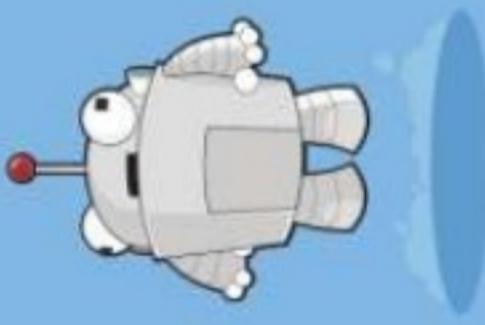




The Next Stage of Moz:

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



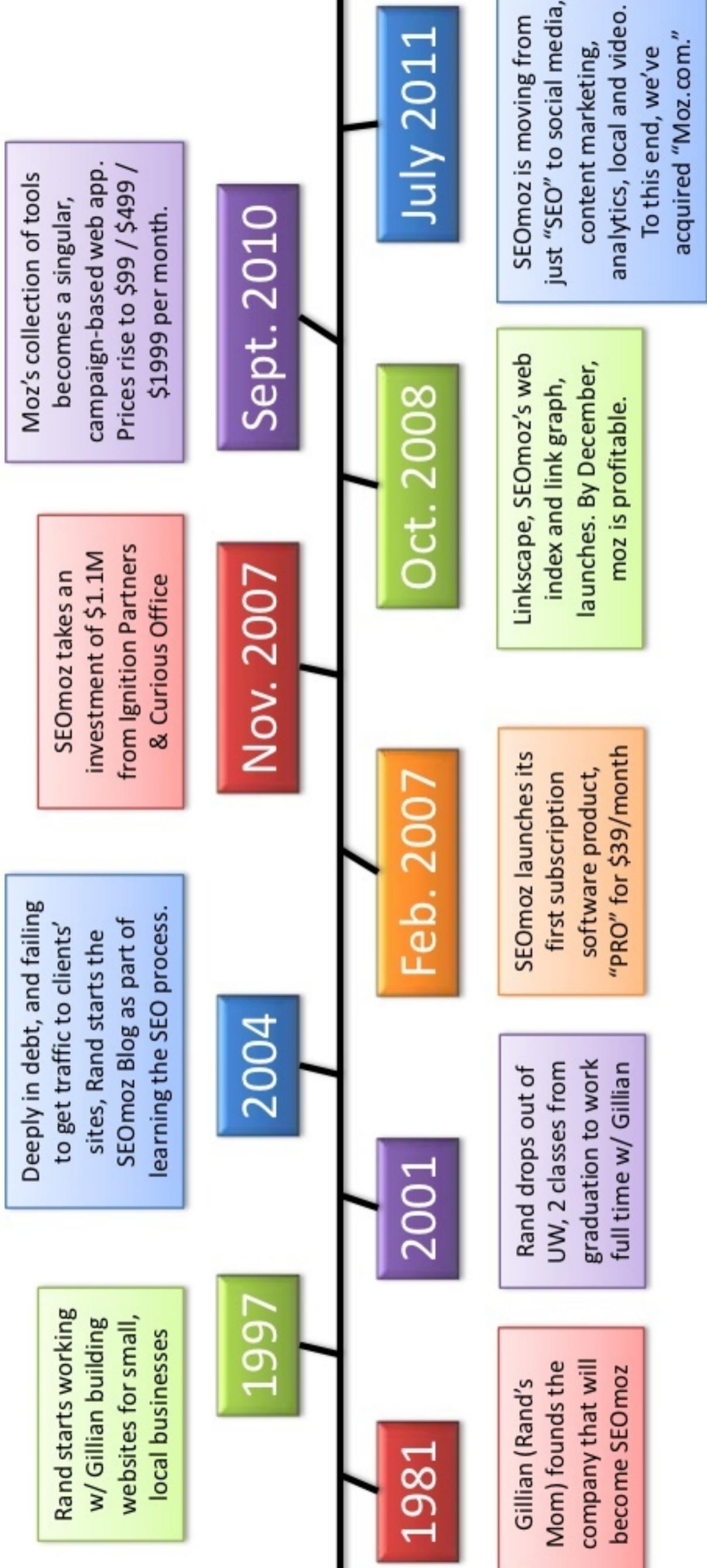
Rand Fishkin, CEO & Co-founder, SEOMoz

July 2011



Top Pitch Deck

A Little Moz History (now in color!)



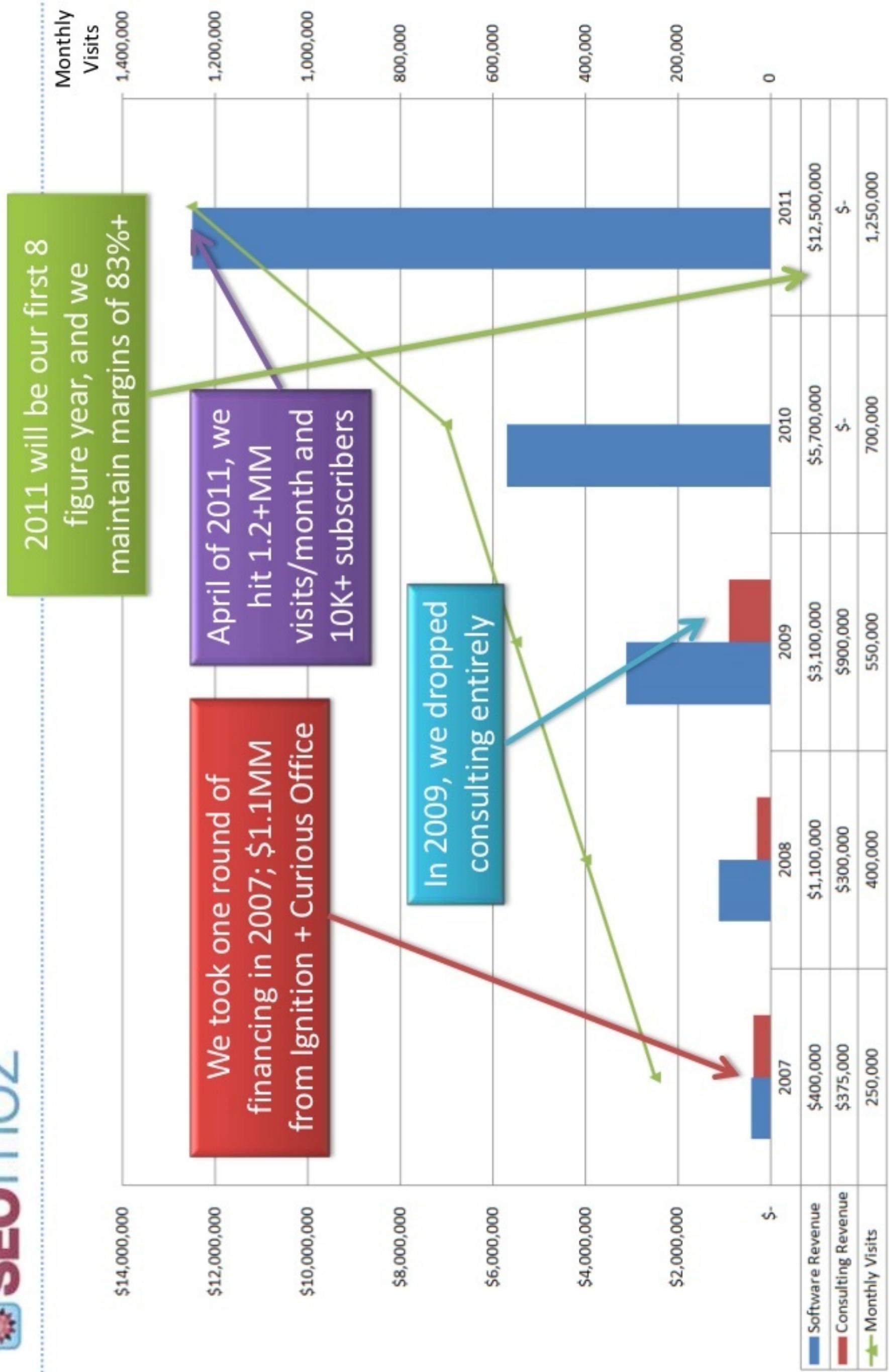
Did you know? At one point, Rand + Gillian had just under \$500K in personal debt. By 2007, it was all paid off, thanks to the magical super-awesomeness of SEO!

2011 will be our first 8 figure year, and we maintain margins of 83%+

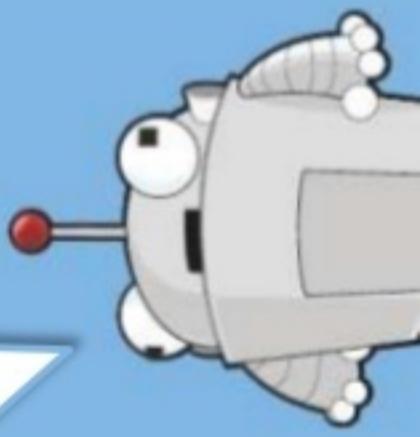
We took one round of financing in 2007; \$1.1MM from Ignition + Curious Office

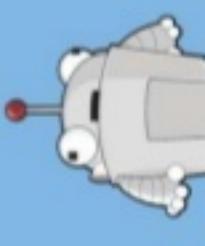
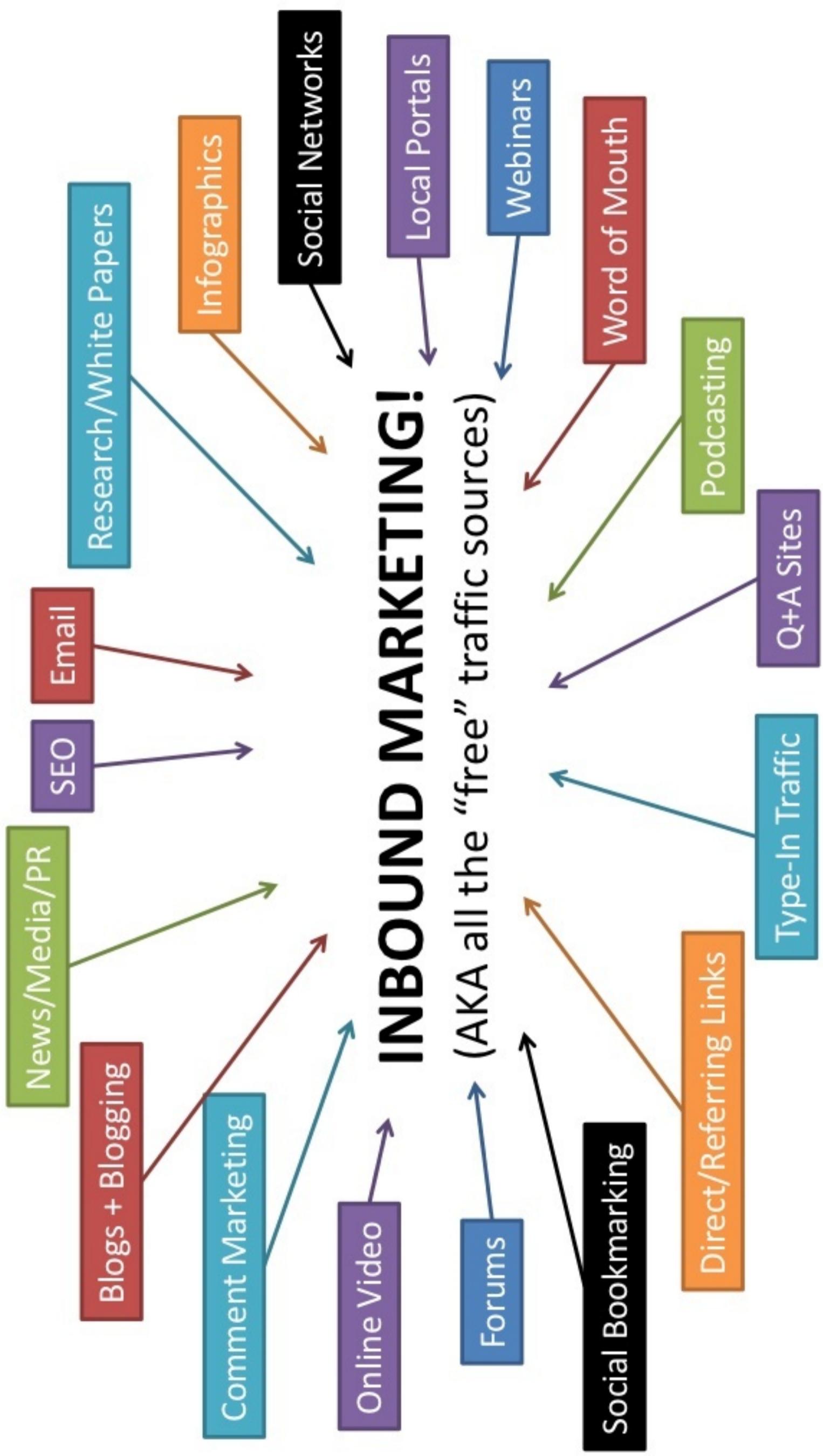
April of 2011, we hit 1.2+MM visits/month and 10K+ subscribers

In 2009, we dropped consulting entirely



How'd We Do That?

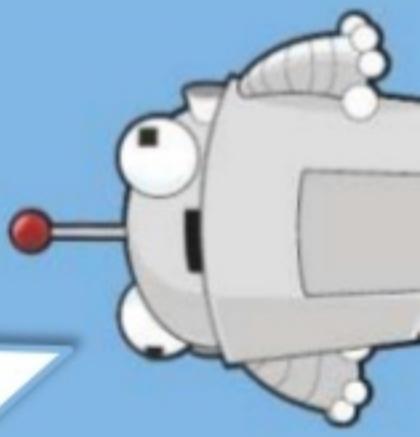




Up until 2010, SEOMoz had never spent money directly to acquire customers! (No PPC, no ads, just conferences and content production, aka “sweat marketing”) ☺



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



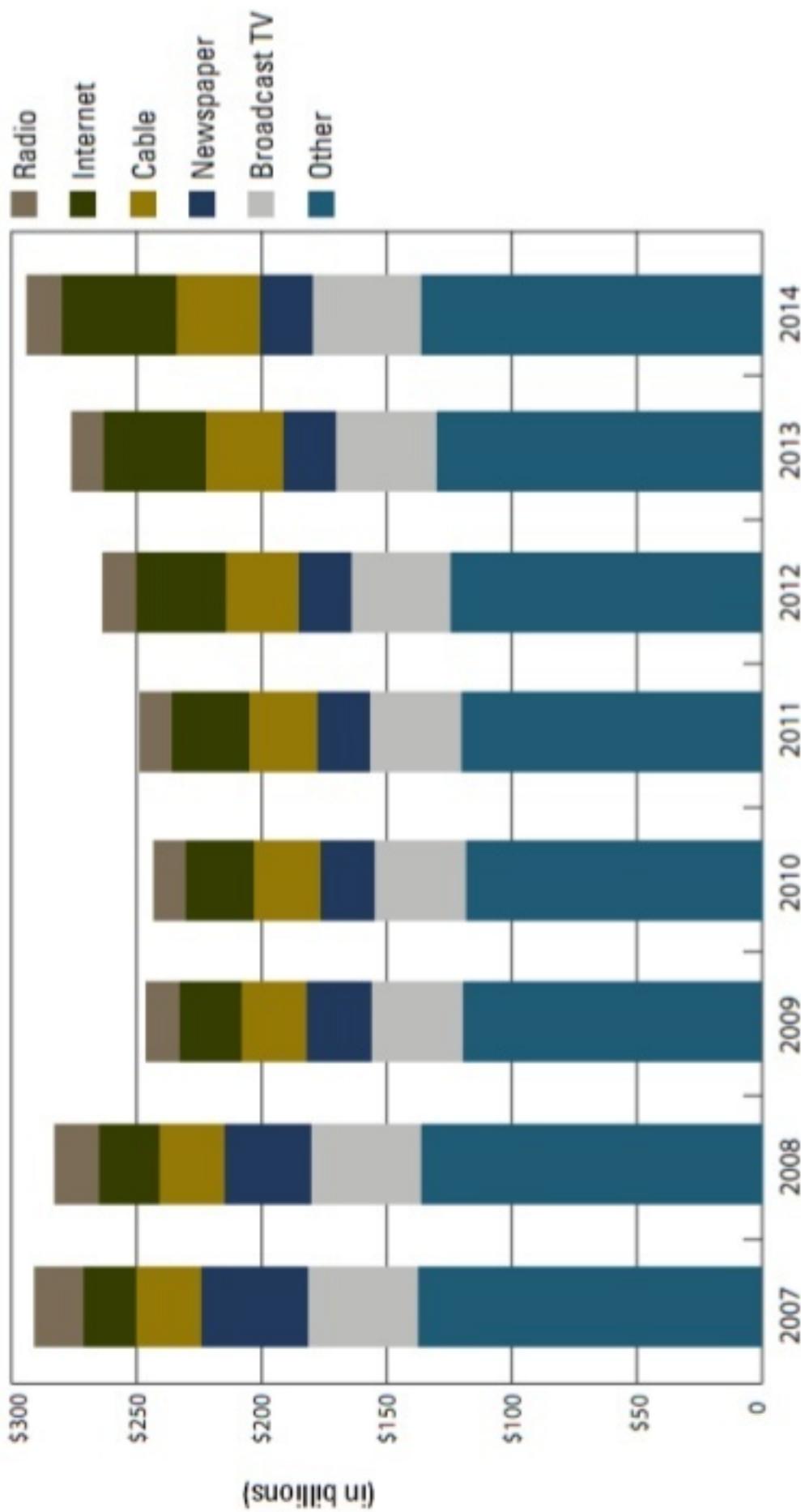


Macroeconomic Trends that Benefit MOZ



Marketing Spend is Still Unbalanced vs. Behavior

Historical and Projected Advertising Spending by Media

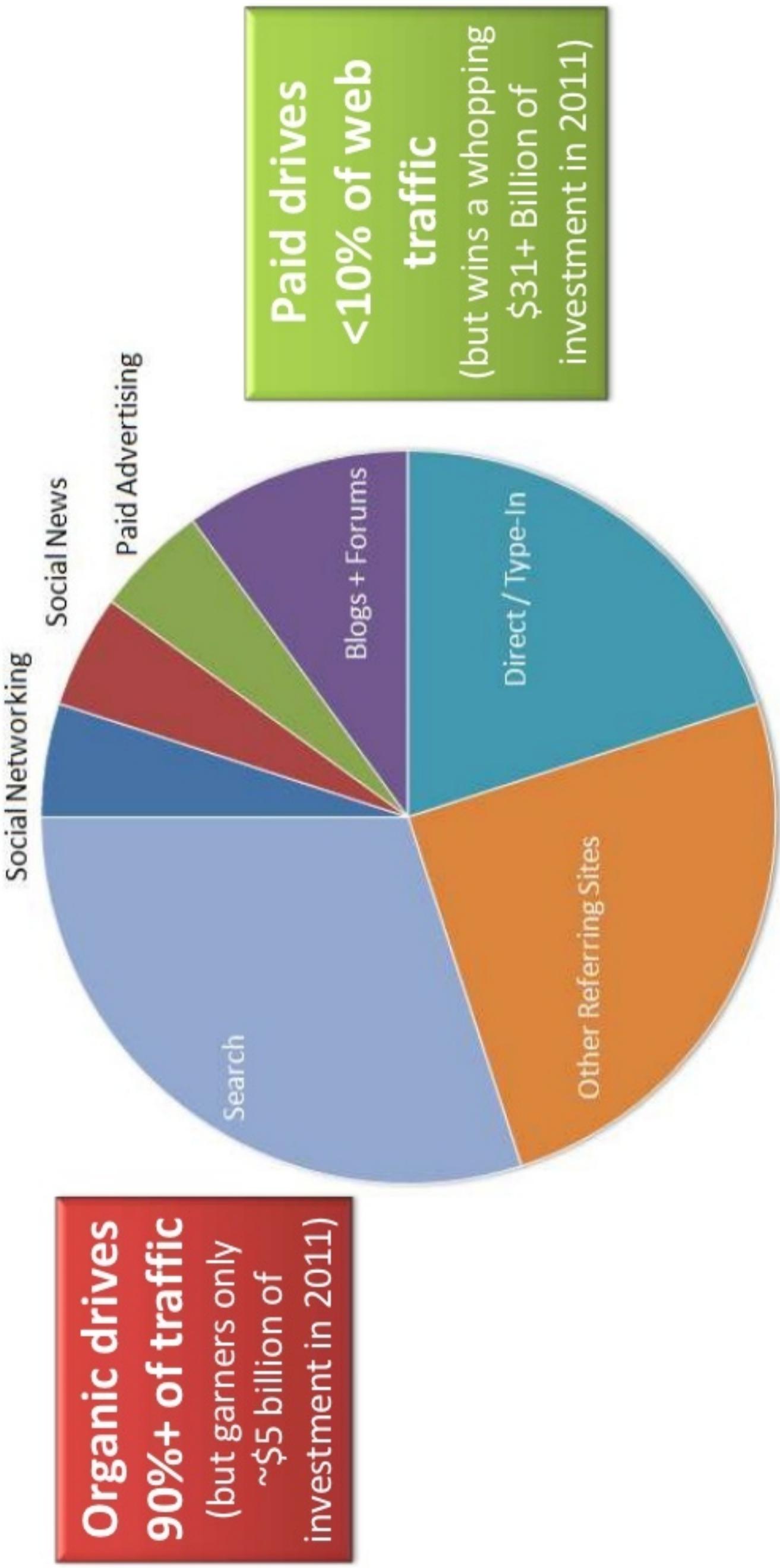


Source: FTI Consulting



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

Organic Marketing is Under-Invested

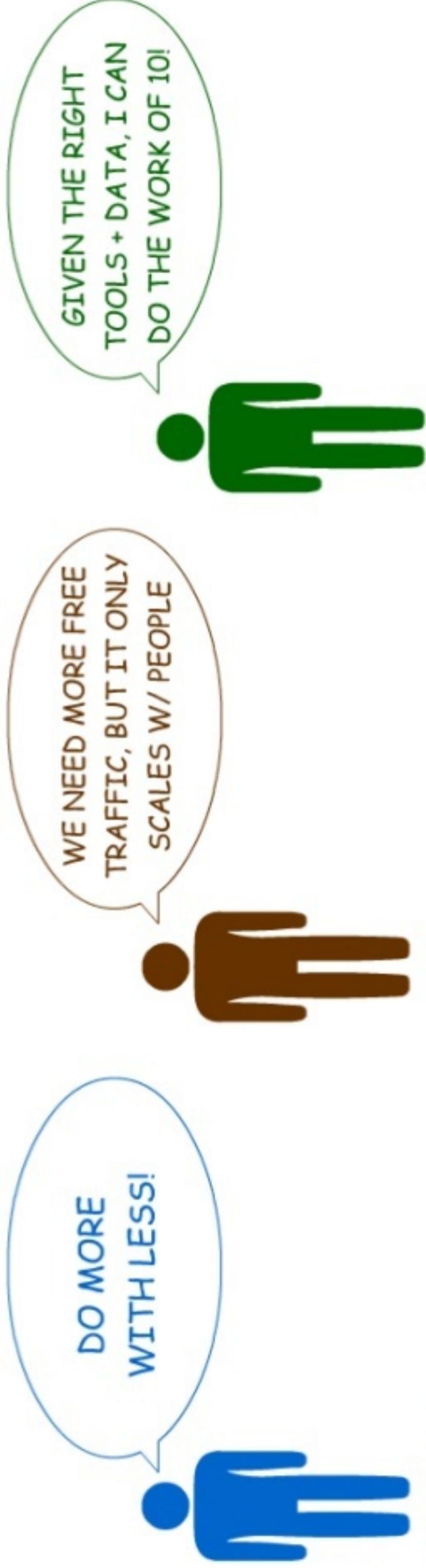


Percent of Web Traffic from Various Sources to the Average Website



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.

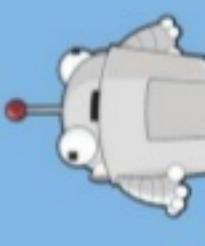
It's a Data-Driven World and Efficiency is King



Executives
(Sealevelis HIPPÖdronica)

Marketing Managers
(Stuckinnio Middlicom)

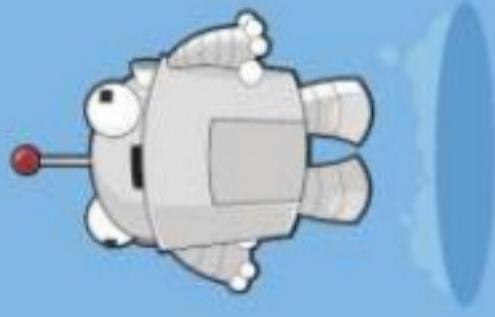
Web Marketers
(Organicus Ninjitsu)



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.

Top Deck

Problem(s) We're Here to Solve



Organic Web Marketing is Poorly Understood

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



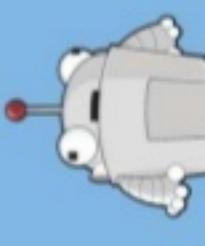
Measure Traffic and
ROI Effectively



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.

Top Deck

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

Yahoo! Site Explorer

Most (~50%):

Bing Webmaster Tools

Google Alerts

Feedburner

Bit.ly

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

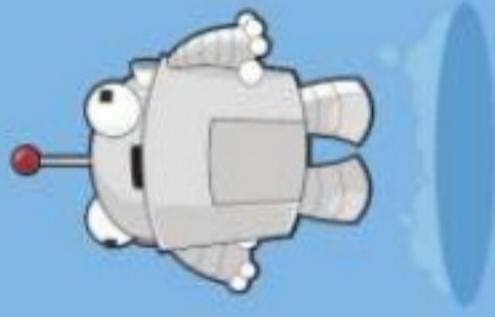
Training New Marketers



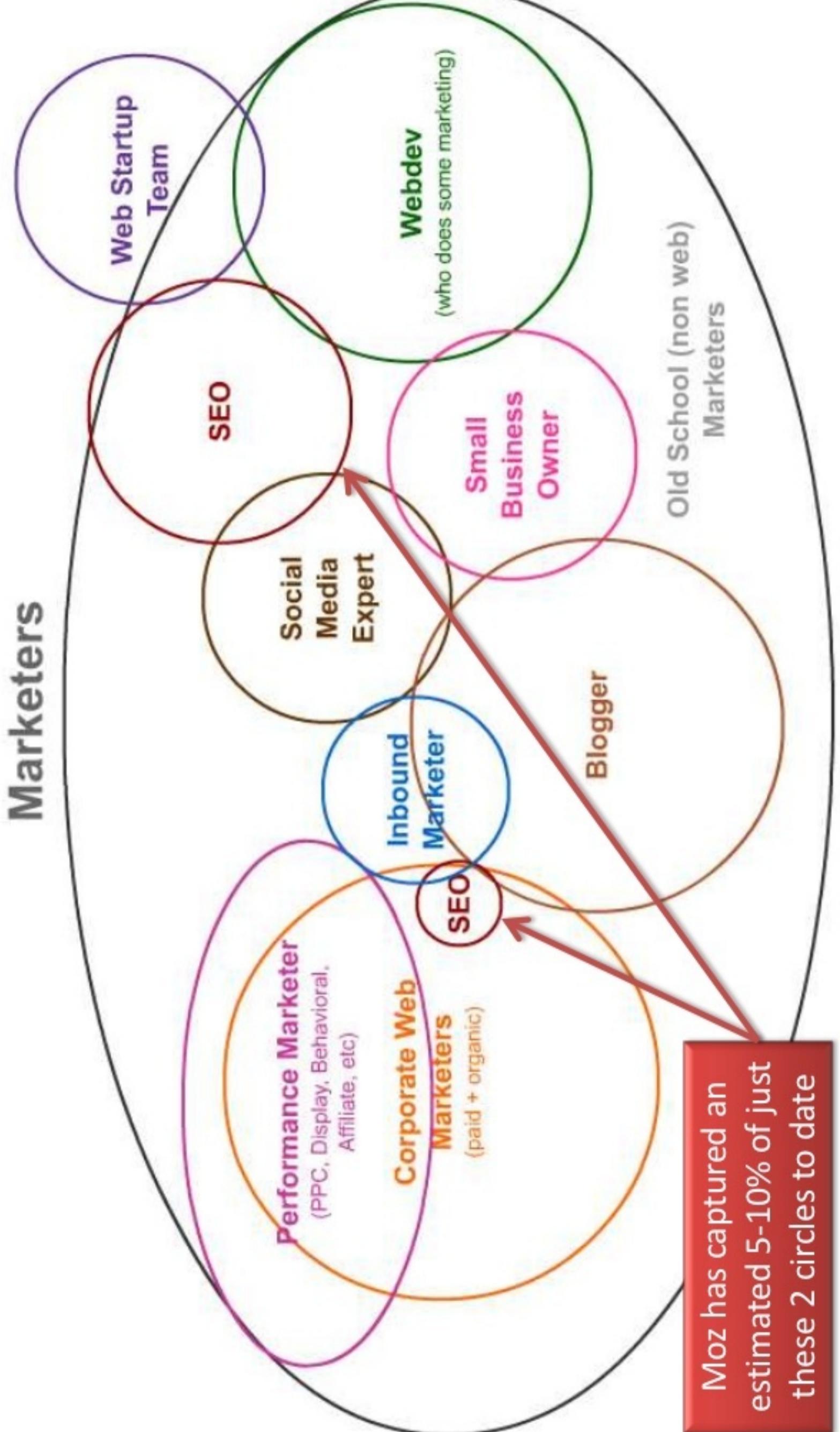
These challenges require scalable, high quality software to solve. Very few companies are investing in this space in a serious way, and almost none target the SMB market.

Top Deck

Our Target Market



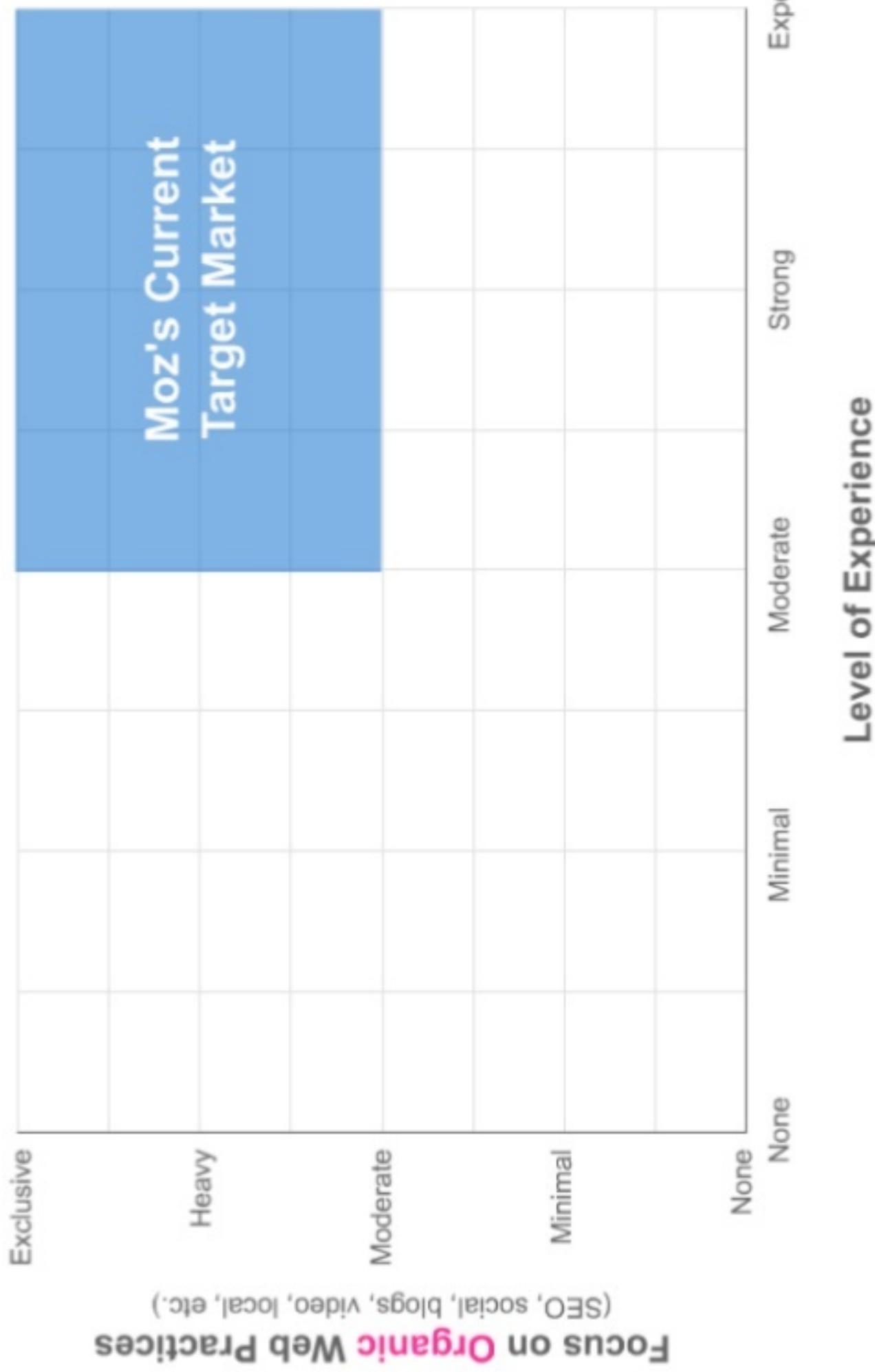
Marketers



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 Yenn Diagramck 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)

Consultant/Agency
(~35% of current members)

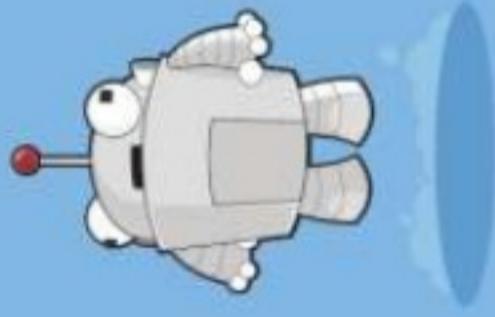
Independent
(~10% of current members)

- Director of Marketing
- SEO Specialist
- Search Marketer
- Online Marketing Manager
- SEO Consultant
- Blogger
- Organic Marketing Consultant
- Search + Social Consultant
- Web Marketing Consultant
- Social Media Expert
- Site Owner
- Webmaster
- Domainer
- Inbound Marketer
- Director of Growth



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

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

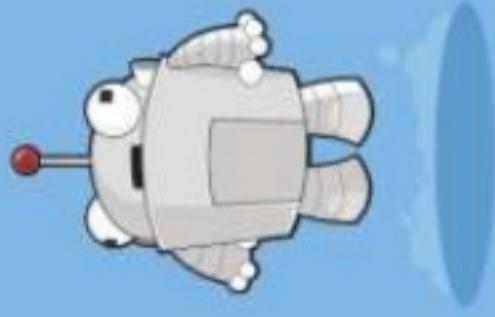
Staffing Costs

~\$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:

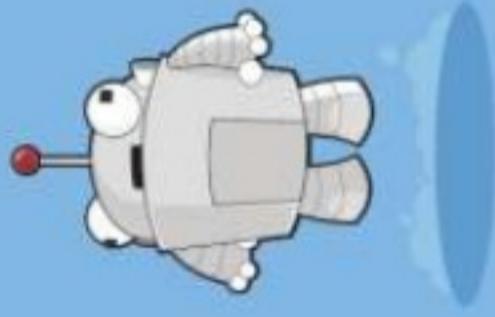
2 Investors (Michelle +1)

2 Insiders (Rand +1)

1 Independent (TBD)



Business Risks



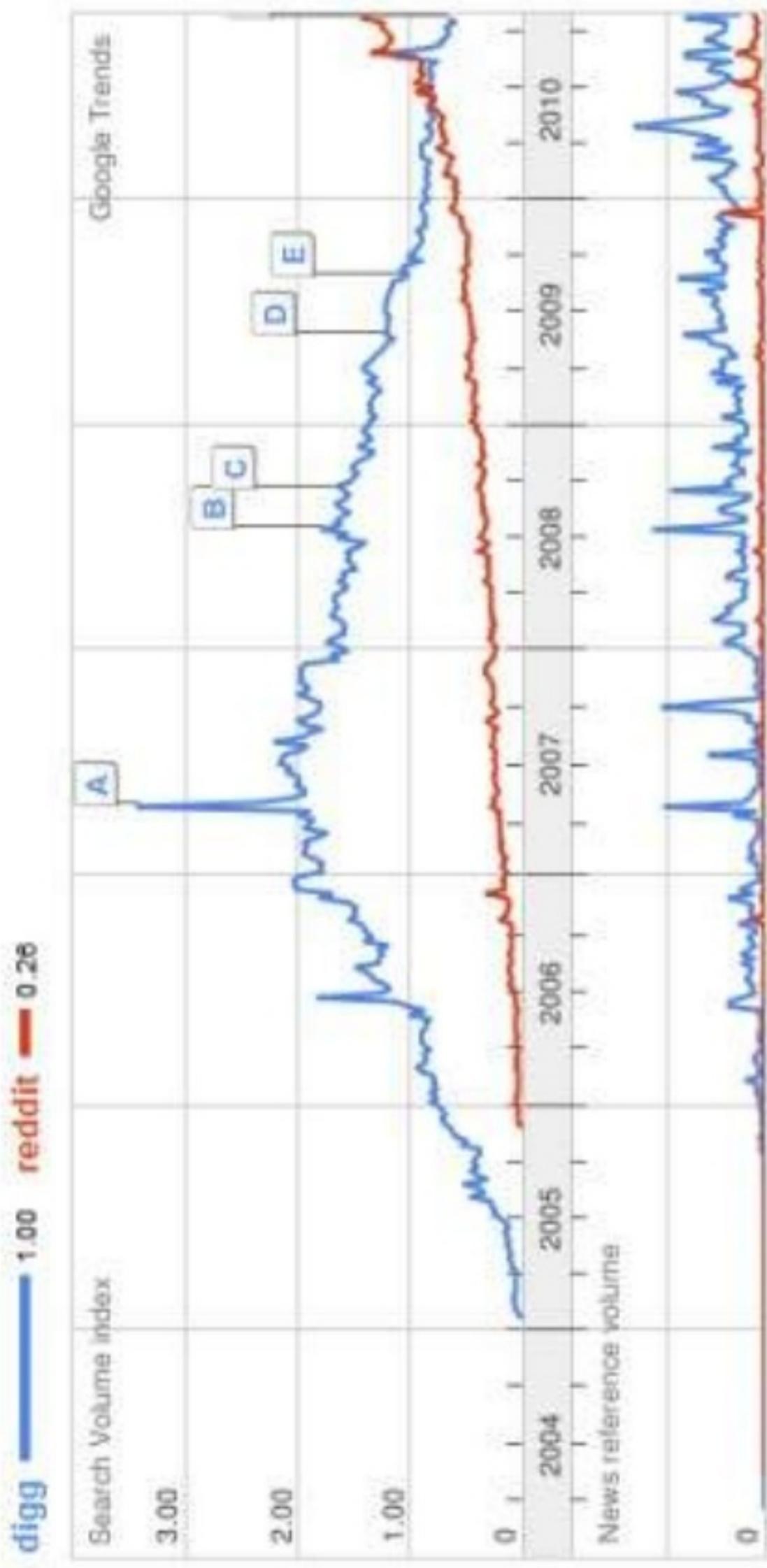
Google Integrates Much More SEO & Social Analytics Functionality in the Short Term



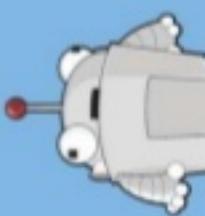
The Web Becomes Less Open



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

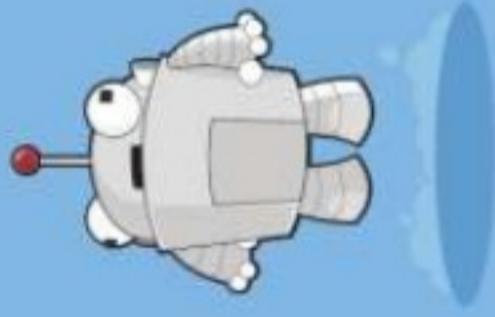


Our Reputation Suffers Due to Misssteps in Culture, Data Quality or Reliability



Use of Funds / Growth Opportunities

2011-2012



Serve a Wider Audience w/ Expanded Product

2011

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

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

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

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

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

Video
(YouTube, Vimeo, Self-Hosted)

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

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

2012

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

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

2013+

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

Video
(YouTube, Vimeo, Self-Hosted)

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

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)

Engineering
(Build Amazing \$#*!)

Marketing
(Bring in Customers)

User Experience

Broad Web Crawl

Content/Media/Research

Design + UI

Rankings Data

Community Management

Subject Matter Experts

Local Data

PR / Press / Outreach

Wireframing + Specs

Social Data

Events

Testing / QA

Front End / Web App

Paid Acquisition

Fresh Web Data

Customer Success
(Delight Moz Members)

Operations
(Make Moz Run Smoothly)

Retention
(Keep PRO Members PRO)

Financial + Accounting

Facilities

API & Higher-Tier Sales

Quant + Cohort Analysis

Customer Service

Email + On-Site Messaging

HR/Mozzer Happiness

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

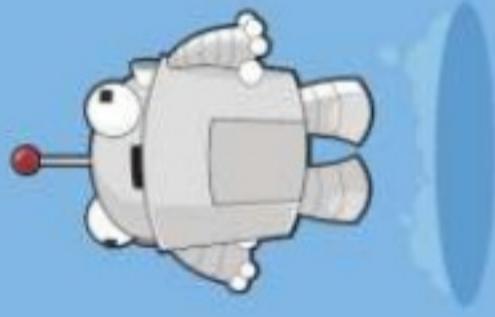


TweetStats

In ur Tweets, Graphin' Your Stats!



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.

