



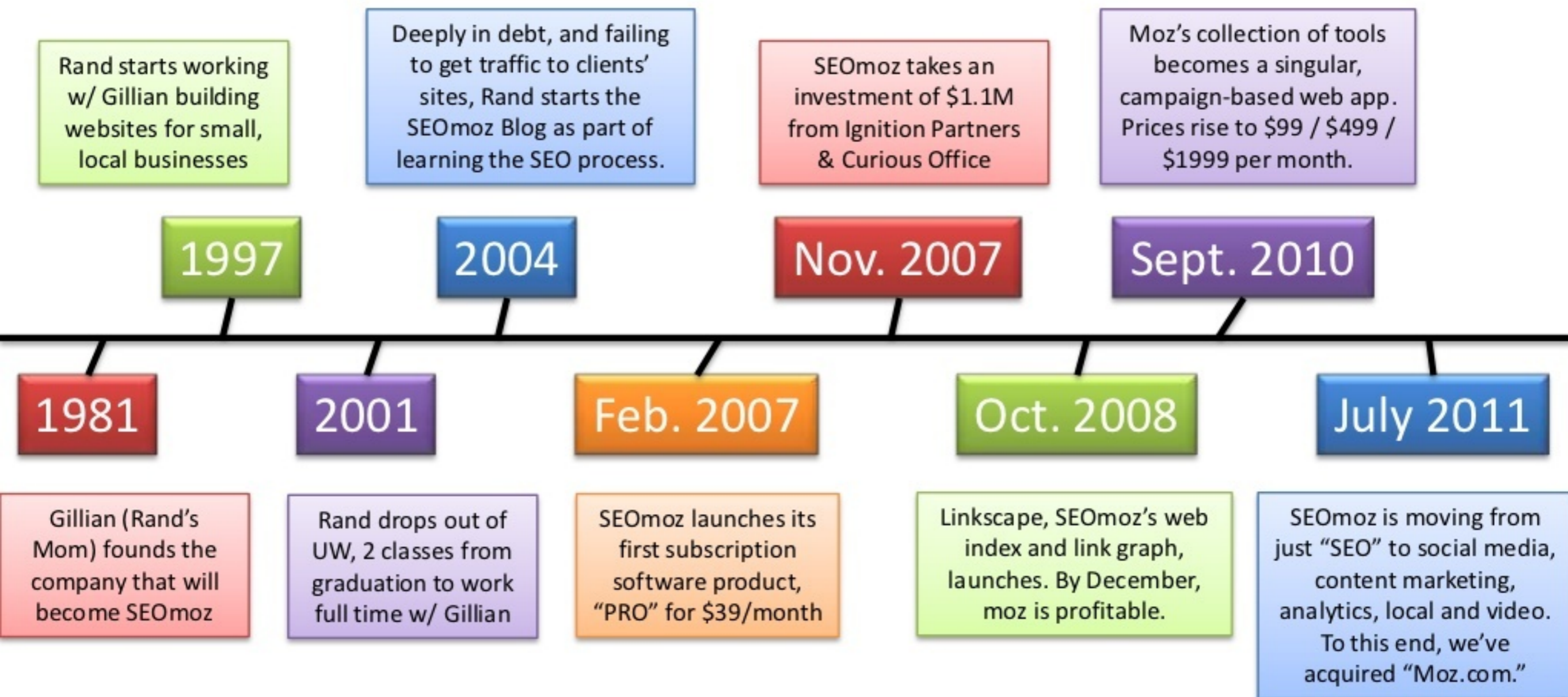
The Next Stage of Moz:

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!)



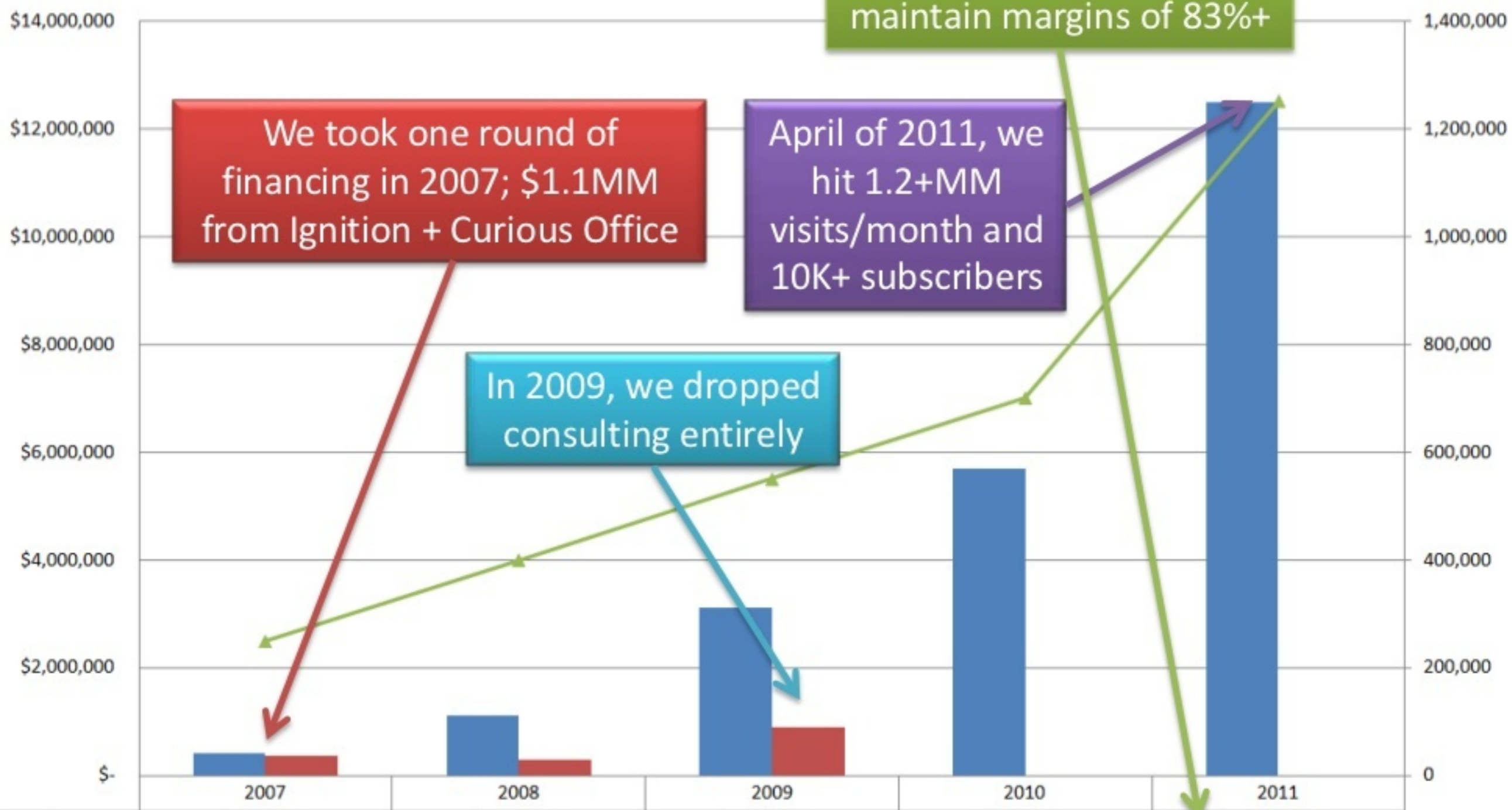
Did you know? At one point, Rand + Gillian had just under \$500K in personal debt. By 2007, it was all paid off, thanks to the magical super-awesomeness of SEO!

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

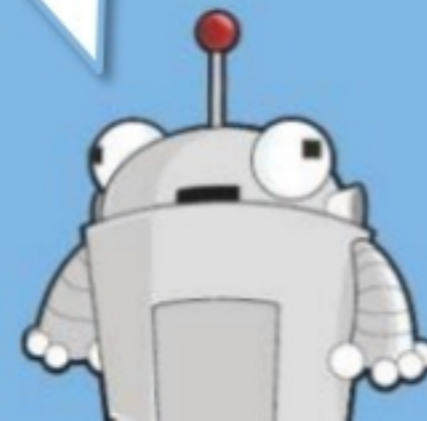
In 2009, we dropped consulting entirely



| | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------|-----------|-------------|-------------|-------------|--------------|
| Software Revenue | \$400,000 | \$1,100,000 | \$3,100,000 | \$5,700,000 | \$12,500,000 |
| Consulting Revenue | \$375,000 | \$300,000 | \$900,000 | \$- | \$- |
| Monthly Visits | 250,000 | 400,000 | 550,000 | 700,000 | 1,250,000 |



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.

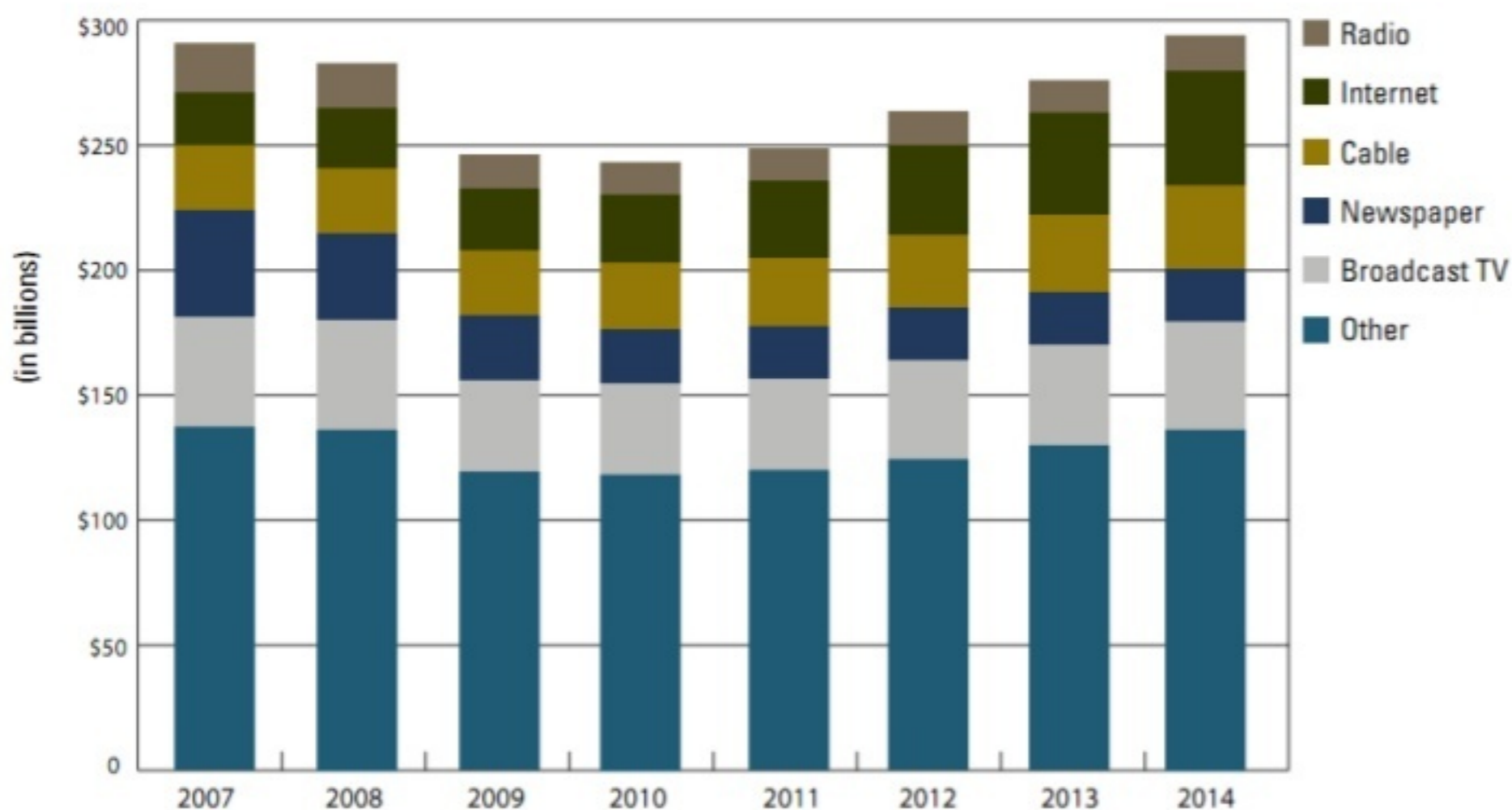


Macroeconomic Trends that Benefit Moz



Marketing Spend is Still Unbalanced vs. Behavior

Historical and Projected Advertising Spending by Media

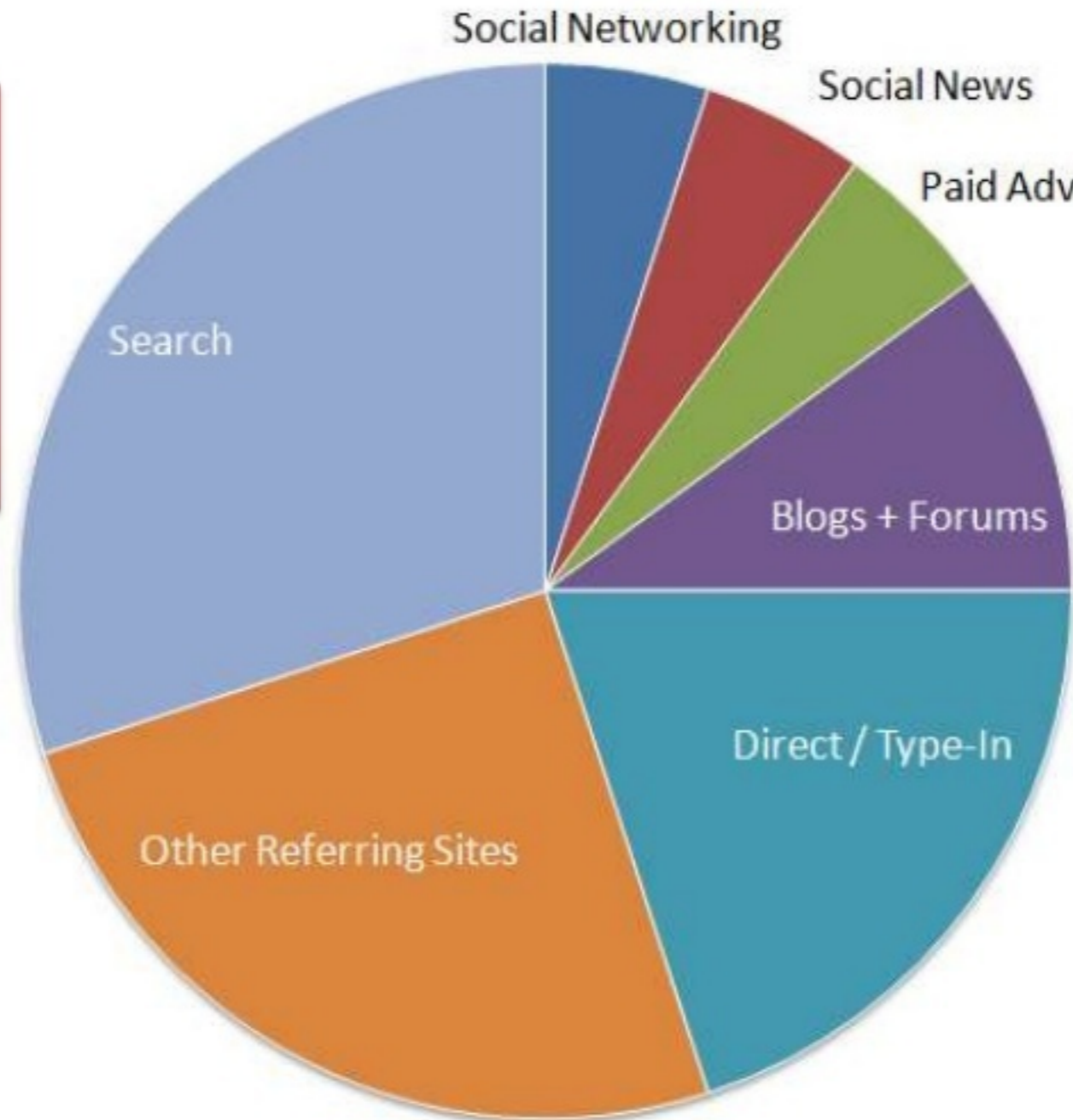


Source: FTI Consulting



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

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



DO MORE
WITH LESS!

Executives

(Sealevelis HIPPOdronica)



WE NEED MORE FREE
TRAFFIC, BUT IT ONLY
SCALES W/ PEOPLE

Marketing Managers

(Stuckinnio Middlicom)



GIVEN THE RIGHT
TOOLS + DATA, I CAN
DO THE WORK OF 10!

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

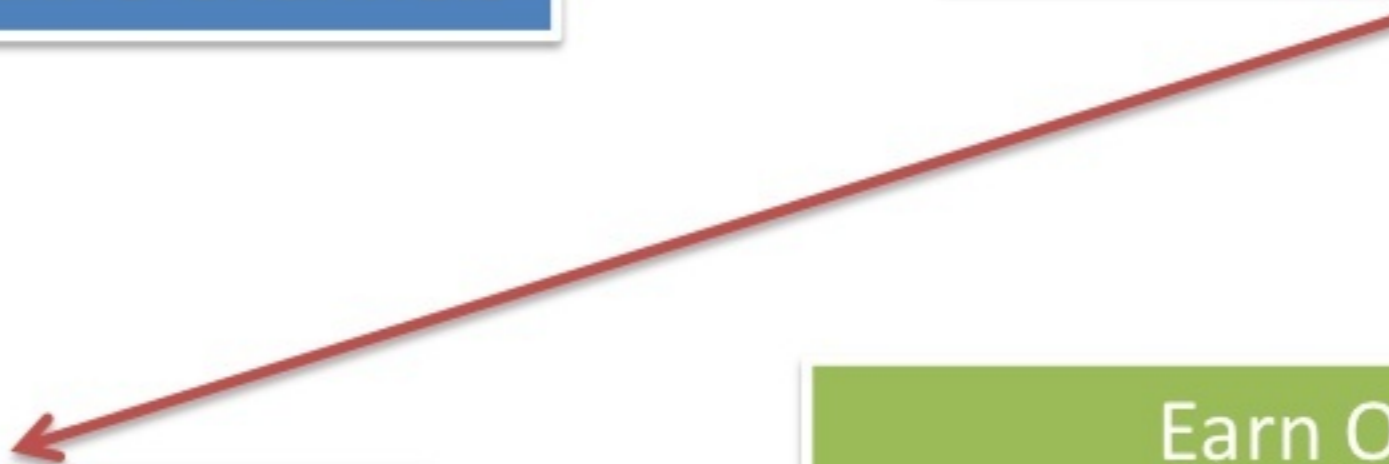


Organic Web Marketing is Poorly Understood

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



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

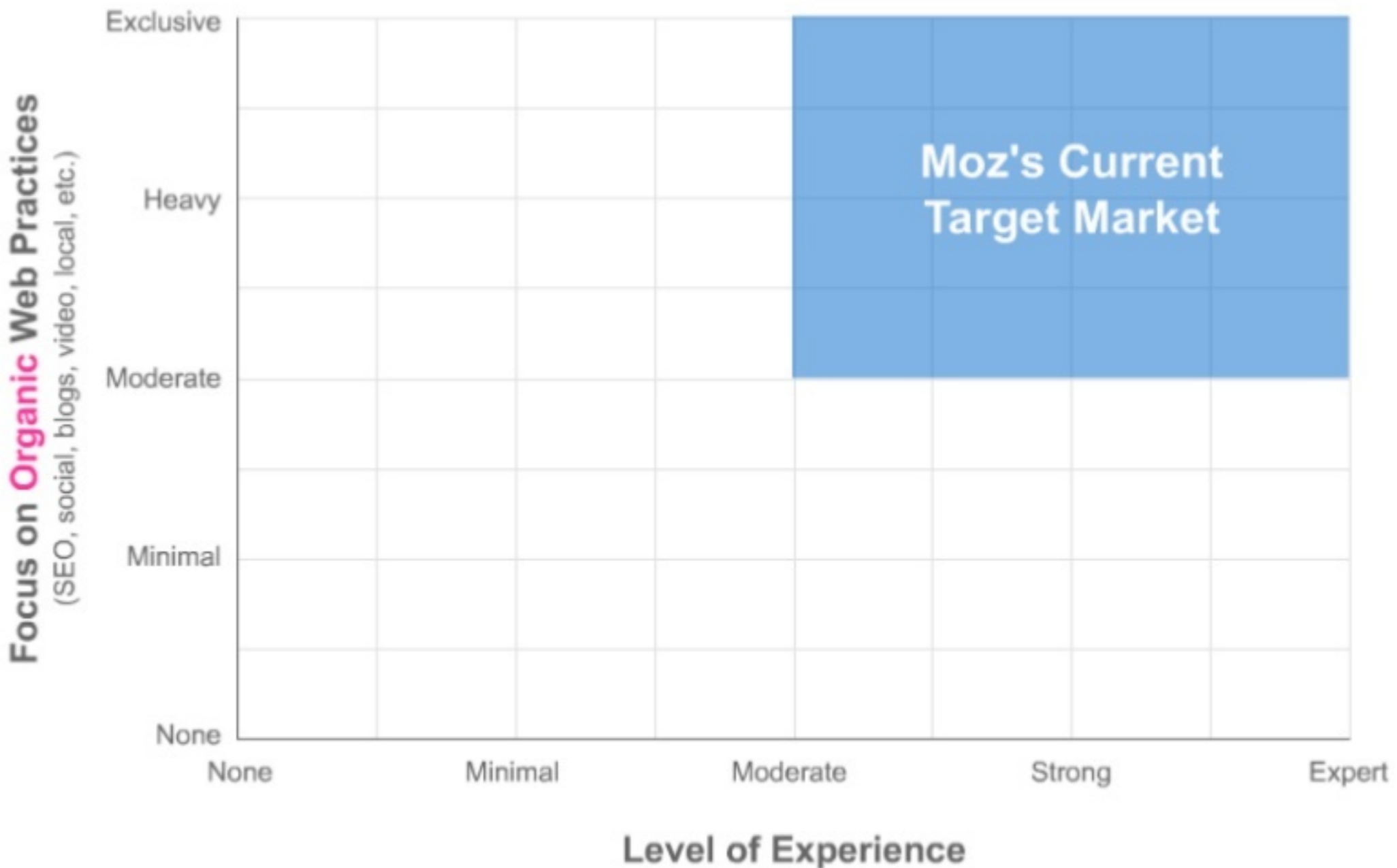


Moz has captured an estimated 5-10% of just these 2 circles to date

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

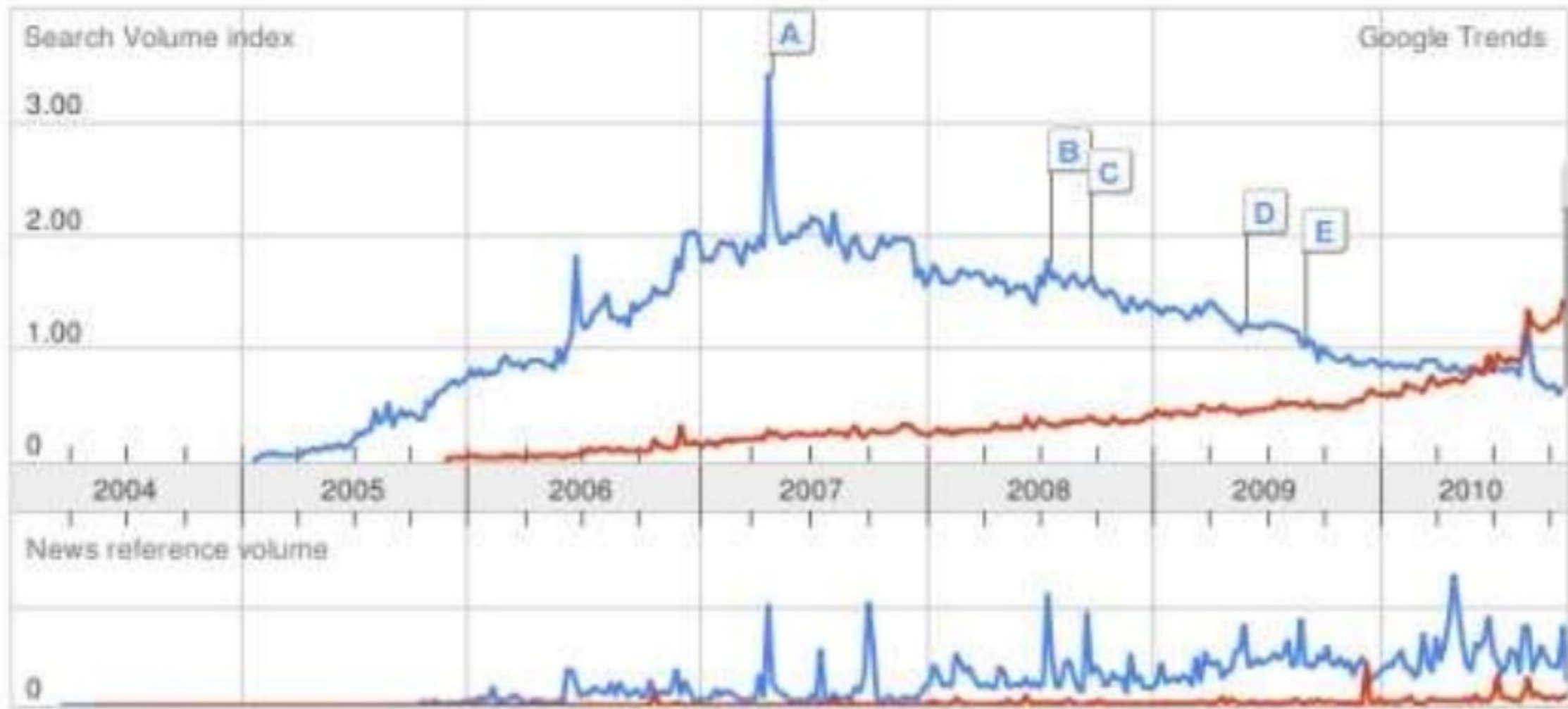


The Web Becomes Less Open



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

digg 1.00 reddit 0.26



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

(Diretories 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

Engineering

(Build Amazing \$#!)

Broad Web Crawl

Rankings Data

Local Data

Social Data

Front End / Web App

Fresh Web Data

Marketing

(Bring in Customers)

Content/Media/Research

Community Management

PR / Press / Outreach

Events

Paid Acquisition

Operations

(Make Moz Run Smoothly)

Financial + Accounting

Facilities

HR/Mozzer Happiness

Customer Success

(Delight Moz Members)

API & Higher-Tier Sales

Customer Service

Customer Outreach

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

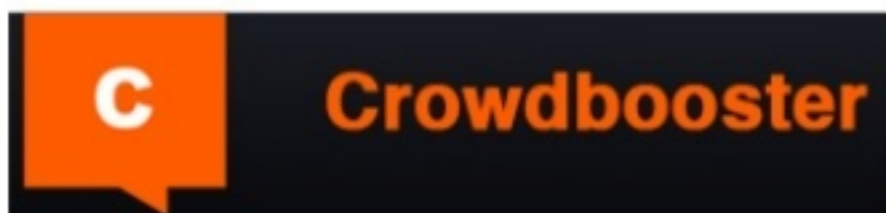
(\$10/mth competitor to G Alerts)

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.

