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MARKETING



GROWTH

Episode #13

Guest: Rand Fishkin Founder and Wizard of Moz

Joel Capperella: Listen, Rand, as I mentioned in some of the prep before we got on today, we talk a lot about leadership, culture, how we acquire and nurture the talent in our organizations, our focus, things like that. That's why I'm excited to have you on today, because I've always been a fan of Moz, since ... I've been a marketing professional most of my life, and I learned a lot from what you do. I want to start right there, because it seemed to me that since your early days, Moz made a really big commitment in educating. Can you discuss what originally motivated your intent to educate the marketplace, not necessarily sell them real hard, but just educate what they need to do? Again, just explain to us why and how that became a priority.

Rand Fishkin: Yeah. It's mostly because I got pissed off at Google. That sounds overly simplistic, but I was pretty young. I was in my early 20s when I first started the SEO Moz blog. This is back in 2004, 2003, 2004. My frustration was with Google claiming to be this very different kind of company, to have transparency as a core value, to care about serving the users. To my mind, Google really was serving two users, or should have been serving, should still be serving two kinds of users: the people who create content for the web, which provides them with the potential for the business model they have that lets them make these billions of dollars, and then the people who are searching for that content through which their engine provides a pathway of navigation.

I think Google always has done a really good job of serving that second user, the searcher. They focused on the searcher. They have not always done a great job of serving the content creators, the publishers of the web or marketers of the web. As a result, in their early days, a lot of spammers had a lot of traction with Google. It was pretty easy to spam and manipulate their engine, pretty easy to manipulate rankings by buying links, by stuffing keywords, by doing all sorts of sketchy things. I think unfortunately, this gave SEO a really bad name. A lot of people got frustrated with the practice of SEO, saw it as only being an evil, manipulative thing, didn't see it as the potentially amazing web marketing channel that it is. That really chapped my hide.

I started the SEO Moz blog with the goal of making Google's operations transparent. SEO Moz, if you remember, was actually on a dot-org, because when I started it, I hadn't really intended for it to be a business. It was just like a, "Here's what I'm learning about how Google works and how search engines work. Here's what you can do. Here's what's worked for me, or here's what hasn't. Here's what other people are [inaudible 00:03:08] the space." I wrote about that for many years and eventually achieved some popularity. We started getting SEO consulting clients, as opposed to web design and development clients, which had been my previous business. Then we changed the company name to SEO Moz. I think that was in maybe 2005 or 6. Then in 2007 switched to software, and the rest is history.

Joel Capperella: What I like about that story is that it's an organic development from, through educating and improving the way folks in the marketplace were doing their jobs, the business was born. I think a lot of businesses go the other direction. They get their business model going, and they're like, "Oh. Maybe we should educate." I'm curious. You said you started to gain some consulting clients. Maybe there wasn't, and that's fine if there was not, but was there a seminal moment where the education of this marketplace made it clear that, hey, there's bits and bites here and product that would serve this community very well?

Rand Fishkin: Yep. There was, actually, conveniently. I think that was either the end 2004 or the end of 2005. I think it was the end of 2005, right around the holidays, a reporter from Newsweek magazine, when Newsweek was still a magazine that you could buy printed on the shelf, wrote about Moz. He found us actually through a black hat spammer guy in the UK who I had become friendly with online. I'd chat with him about why I thought people should pursue white hat and how Google was eventually going to catch up, and he'd chat with me about how much money he was making. I learned a lot. I learned a lot from him.

He pointed this reporter in my direction. We ended up actually having the reporter out ... I think that reporter was Brad Stone, who's now with ... He was with Wired for a while, and then I think The New York Times now. Brad came out to our [training 00:05:24] office. We were above this crappy, dingy movie theater in the university district of Seattle. Spent the whole day with us learning about SEO and stuff that we did. Then he wrote this big piece. They actually had photographers come out and take pictures of me and my mom, who, my mom was my co-founder with this business. Yeah, it was a fascinating, weird experience.

What's really interesting is, when that piece was published, my big concern was that tons of people who'd never been exposed to SEO before were about to hear about it, so I wrote something called The Beginner's Guide to SEO. I spent a tremendous amount of time and energy writing this document, published it on our site when the magazine hit the newsstands. Actually, the magazine did not drive very much traffic. It was a dud. I thought, "Oh, big magazine publication. This is Newsweek, right? It's nationally distributed. Tons of people are going to read it." No, not really. We maybe got a couple phone calls from that.

The real thing that was a catalyst for our business taking off was that Beginner's Guide to SEO. That went to the top of Slashdot. It was very popular all over the web. It was covered by a bunch of tech industry publications and search-specific and marketing-specific organizations. People emailed it all over. That document became a starting point for tons of people who were training SEOs in their organizations or their agencies, and has been ever since. We've kept it updated and put a lot of effort and investment into it. That was a, yeah, a remarkable moment, almost a light switch moment in my head, like, "Wow, wait. Helping people means we get customers, too."

Joel Capperella: I like that. It's funny, because I had Oli Gardner from Unbounce as a guest the other day. One of the things he frequently speaks about is, for him, on your platform, he published a very large infographic about ... Shoot. It escapes me. Social media, I think it was? I think it was ...

Rand Fishkin: It was this online marketing guide, and it had this color wheel of all these different channels and how they fit together. Yeah. It was a remarkable piece that he did.

Joel Capperella: Yes, yes. It's very similar, because he talks about that being a pretty big moment, because it was so broadly distributed. They've developed their personality and voice, and they test a lot of things out. I like that. Again, really, I've learned so much from what you've done. It makes me believe that culture matters to Moz, because the volume of content that you produce, the level of education that you're delivering to the marketplace doesn't get done unless it's a priority, a cultural priority. I guess the question is, is that true? Am I reading that right? [Does 00:08:35] culture ...

Rand Fishkin: Yeah. We've formalized that inside Moz. Our marketing team, specifically our audience development team, which basically does all of our content production and content strategy, and then our community team, who manages a lot of social promotion and engagement and community-building efforts, their mission is not "Acquire customers." Their directive is not "Get us more paid customers. Get more people into the free trial." That's not their job. Their job is "Help marketers succeed." We believe that if they help marketers succeed, a wonderful byproduct of that will be lots of people taking our free trial, and checking out our software, and seeing what we do.

If you go through our marketing, you'll see that it's one of the cleanest, least intrusive, least marketing-like experiences in the software world. There's not a overlay, "Click to sign up." There's not a push when you sign up for our email newsletter to take a free trial. We really are dedicated and those teams are dedicated to helping online marketers succeed at their job. That's just a cultural thing that I think actually makes us, ironically, more successful at getting customers, because we don't intentionally do it.

Joel Capperella: Sure. Let's stick with that for a second, because that, what you define and how you describe it, a lot of companies give that stuff lip service. You guys are clearly doing it. It sounds like you even have it documented. How many employees do you have now?

Rand Fishkin: We're a little over 160.

Joel Capperella: Okay, so 160-plus employees, and I'm sure you're growing. Once you get past 10, 20 employees, and there's different departments all of a sudden, managing that cultural impact of who you want to be as a company gets even more challenging. That's what a lot of our listeners gain from this. Can you share with

us the growing pains there and how you actually operationalize this very important thing to you about, "Hey, that's really, sincerely, make it your job to make marketers more successful"?

Rand Fishkin:

Yeah. I think this is something where founders and leadership have to set the example. It's very easy to pay this lip service. I see lots of organizations do it. They say, "Hey, yeah, let's create some great content and help our community out. Then marketing, you're responsible for delivering 200 new leads to the sales team this quarter." You go, "Wait. Wait. Those things don't work." If the thing that you measure and the thing that you judge us on is a metric of customer acquisitions, then you're not really saying, "We believe in marketing through helping people." You're just saying, "We believe in doing whatever it takes to get to these numbers, and this is one particular strategy that we want you to try. If it doesn't work out and you [don't 00:11:52] hit your numbers, we management won't really care."

I think the way that it's worked at Moz is for us not to give the marketing team those numbers. We look at the numbers. We all do. We're just content with what they do. I think there have been a couple times when we've thought, "We do need to bring up our free trials. We do need to get these numbers a little higher." Instead of saying to the marketing team, specifically the content and community teams, "Hey, we need you guys to get more commercial," we've said, "Hey, let's work on our conversion rate optimization from our landing pages about our tools into the funnel and into the free trial." That's always worked much better for us than trying to force people to convert, especially force people to convert too early.

Another thing that was wonderful is the business model actually makes this strategically a more intelligent decision. This is an interesting stat for us, and one that really helps us pursue this strategy, which is, if someone comes to Moz for the first time, they read The Beginner's Guide to SEO maybe, if they sign up for a free trial on that first visit, chances are good that they will churn out in their first month. If, however, they come to us seven times or more before they sign up for a free trial, they're going to stay with us much longer. They'll pay us nine months', 10 months' worth of service. If they don't sign up until their 25th or 30th visit, that lifetime value is extended even further.

For a SaaS business, for software as a service, churn is the metric you care about. Retention is the metric you care about, not raw acquisitions. Our business model actually says, "Hey, you know what? Don't push anyone. Wait for them to become ready before they sign up. If you push them, you're going to get low-quality free trialers. If you wait, you're going to get high-quality, high-retention customers who really believe in what we're doing."

Joel Capperella:

Wow. It's funny, because again, Oli talked a lot about churn, as well. I actually spent some time in the software industry, so I'm quite familiar with the concept. I really find it encouraging, two things, that you're looking at that metric and

that, hey, a longer lead cycle actually produces a healthier customer, a healthier client. The question I would have in there is, this seems to be the hidden secret sometimes about these types of marketing strategies and tactics, content marketing or helpful approach that you guys take, is that it takes a tough stomach, because usually it takes time for this content to take root.

By the way, the effort is pretty high. It's not like pushing out brochures like we did 10, 15 years ago. It's, hey, it's got to be very high quality. It's got to be helpful. You have to continuously try new things. That always drives us into the temptation to jettison that, to do the quick hit. Can you talk about that? Because I see that as a problem again and again, for business leaders that want to attach themselves to these types of strategies but are fearful of doing so because they don't have the patience nor the stomach to wait around until it sees return.

Rand Fishkin: I think there's another thing missing there, which is oftentimes the passion for it. I would not say, "Oh, everyone should do content marketing. Everyone should invest in SEO. Everyone should build a community, and try and be helpful, and do social media marketing." No. I don't believe that. I think some people should build their product, work on making that great, and then acquire their customers through advertising, and a good sales team, and paid acquisition. That is just fine for a lot of companies.

If you don't have true passion around creating content, and serving people, being helpful, building a community, beyond just the business value that it provides ... For me, it's wonderful that Moz has become a moderately successful software startup, and makes money now, and can employ lots of people, and grow, and all those kinds of things. That's great. What I'm really proud of is the community that we've built and the hundreds of thousands, millions of marketers that we've helped, and the people that we help every month. That gets me out of bed in the morning.

I'm serious when I say this. When I wake up in the morning, if I know that I personally published a blog post the night before ... That's usually when I publish. I publish late at night, and then I do some social sharing, and I wake up in the morning. I am so excited to see how it's done, who's commented on it, who it's helped, whether I got any emails about it. I jump out of bed in the morning with a spring in my step. That is literally what gets me excited, what gets me out of bed in the morning. A hundred people signed up for free trial yesterday [versus 00:17:14] 150. Eh, great. I love if the tools help them, but that's a longer-term process. I think you need to have that passion ingrained if you want to be good at this stuff long term.

Joel Capperella: You know what? I like that, because like I said, I talk a lot about, hey, if you're going to take these strategies, you have to take them seriously. You have to invest in them. You have to be willing to wait them out. I missed that. I inherently understand that, but I missed the fact that, hey, you have to be

passionate about what you're doing in educating, or else it might not work, because you can't do it ... It doesn't seem sincere from just doing it for whatever the [key 00:17:54] might be or whatever the offer might be. That's a good one. I really like that. I'm going to borrow that, if you don't mind.

Rand Fishkin: Oh, yeah. Please steal it, please spread it, because I think so many people are told, "Content marketing, that's this great strategy. You should really pursue it." It is a great strategy, but you should only pursue it if it speaks to you. I don't think it's for everyone.

Joel Capperella: Yeah. Seriously, it's like a light bulb moment for me, because I've tried to help folks that just don't get it. It's always been, "What is the 'it' they don't get?" I think you've nailed it with that, so I'm encouraged to hear that. Let me choose that as a catalyst to talk about talent, because all of the things you discuss ... Look, from what I know about Moz and about you, because you've been very transparent with how you've led the company, when you transitioned into a new role, and things like that, that you've really lived to your values and what's important to you. This company that you built, you're going to bring people into the organization that align to that culture and those values. Can you talk to me a little bit about the idea of talent acquisition and how this approach has bled into how you identify and bring people into the organization that are going to help propagate this vision?

Rand Fishkin: Yeah. We do something relatively unique at Moz. We have a pretty classic funnel for recruiting and trying to get new people onto the team, but we do something unique called ... We have our six core values called TAGFEE, the acronym, it's TAGFEE. Of course, the first one is transparency, authenticity, generosity, fun, empathy, and the exception, as in the exception to the rule. We don't like doing things like other people. Those six values are things that we look for in our candidates. We do something unique called a TAGFEE screen.

Let's say you apply for an engineering role on the big data team. You talk to a few of the big data engineers. They think you're very talented and skilled and that you can help them. The TAGFEE screen might consist of you going out to lunch with two people from our customer service team. We've found that this is actually a great model, because a lot of times, very highly paid, skilled, advanced software engineers will have a low opinion of people who do customer service. We want to explore that. We want to see if that's the case here.

Two or three folks from customer success or the help team will take you out for lunch. They'll come back, and they'll actually write up a review of that person, as well. That TAGFEE screen is used in considering whether to make an employment offer. Much to my frustration, because we've been having a hell of a time trying to hire for the big data team, but we've had two people who the team thought, "Yeah, that person's talented. They could really help us," and in the TAGFEE screen, they were ruled out, because they were just not did match our core values, didn't believe the same things we believed, didn't treat people

the way we think people should be treated. That rules them out for us. I think that's one way of making sure that your core values are represented in the hiring pipeline.

Joel Capperella: Before I wrap it up, I'm curious. I know you're on the speaking circuit with a fair amount of frequency. Is there anyone, a keynote speaker, that you really are always happy to see when you get an opportunity to maybe speak alongside them? I'm just curious. Who's one of the folks on the speaking circuit that you think is worth listening to?

Rand Fishkin: [Inaudible 00:22:03]. There are so many. Yeah, I'll give you a few of my recent favorites. I've been very impressed by a woman named Lexi Mills, who's based in the UK. She does a lot of public relations, but she has an SEO background. She combines these technical and creative, and understanding of the press. Her presentations are just so incredibly useful. She shows me how to operate in a world I don't really understand and have incredible success. Press and PR is a lot like content marketing and content strategy. Once you dive in, there are so many deep rabbit holes you can go down, and things to understand, technical parts of the process, art and science. She's a terrific speaker, as well.

Another one that's really impressed me, actually also in the UK, Nathalie Nahai. Her website is The Web Psychologist. She has this deep understanding of users and user behavior, why people do what they do on the web, not just in interacting with specific design and UX elements, but also with broader behavior. Why do they perform searches? Why do they go to their friends for advice? When do they do those things? For what types of purposes or engagements should you look at different channels, and why, and how? She's, yeah, very, very impressive.

Then there's a woman who gave a keynote talk at MozCon this year who blew me away. She talked about brand and the importance of brand marketing in a world where ... I'm so obsessed with direct marketing, with content, with social, with SEO, which are very direct marketing types of channels. Brand plays this huge role in all of those. Brand is what makes people decide to follow your Twitter account, or become a fan of your Facebook page, or subscribe to your email newsletter, or prefer to click on you in search results. All these impacts that brand has. Her name's Dana DiTomaso. She runs an agency in Edmonton in Canada called Kick Point. Another super impressive [inaudible 00:24:46].