



**beehiiv**



beehiiv is the best platform for creators  
to build, grow, and monetize their  
audience via email newsletters



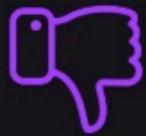
# Why beehiiv



With the creator economy exploding, there's a growing opportunity to serve them the right tools and platforms to grow and monetize their audience



Email newsletters have grown significantly in popularity



Existing newsletter platforms provide a lack of customization, limited functionality, poor UX, and business models that penalize creators at scale



While some creators can justify charging for a subscription, most cannot—excluding them from monetization



Our team has already built best-in-class newsletter tools and tech for Morning Brew (resulting in a \$75M acquisition) and we want to democratize these to be accessible for every creator

# The Creator Economy Landscape



Ad-Supported



Direct / Subscription

American internet creators earned ~\$7B in 2017  
The market is growing an estimated 10-15% YoY

# The Newsletter Space is

- Twitter acquired Revue (January 2019)
- Facebook is rumored to launch a newsletter product in summer 2021
- Substack has over 100,000 subscribers paying for at least one newsletter
- Substack has raised over \$17m from investors like Andreessen Horowitz
- Morning Brew was acquired by Business Insider for \$75M (October 2019)
- The Hustle was acquired by Hubspot for \$27m (February 2021)
- The Skimm has raised over \$28m from investors like Google Ventures
- Ben Thompson's *Stratechery* is rumored to have surpassed \$3m in profits in 2020



**Lenny Rachitsky** @lennysan · May 25, 2020

After ten months of a free newsletter, and now six weeks into paid, this thing is for real:

-  ~450 paid subscribers
-  ~13,000 free subscribers
-  ~\$56k ARR (before fees)

For anyone thinking about newsletter'ing, some early learnings in the thread below 



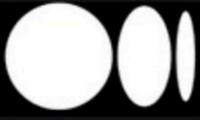
**Edwin Dorsey** @StockJabber · 2h

After one year of a free **newsletter**, and now four months into paid, this thing is for real:

-  ~500 paid subscribers
-  ~10,000 free subscribers
-  ~\$160k ARR (before fees)

For anyone thinking about launching a **newsletter**, some early learnings in the thread below 

# Competitive Analysis

					<i>Revue</i>	
Site Builder	✓	✓		✓	✓	✓
Create Blogs	✓	✓		✓	✓	✓
Create Email Newsletters	✓		✓	✓	✓	✓
Direct Subscription Revenue		✓		✓	✓	✓
No Fees on Subscription Revenue						✓
Targeted Ad Network						✓
Advanced Customization		✓	✓			✓

# Vulnerable Market Leader

**Andrew Wilkinson** @awilkinson

Substack charges a 10% fee.

Substack user making \$100,000 = \$10,000 in fees.

"This is fine" 🙄

Substack user making \$1MM = \$100,000 in fees.

"Um, no." \*exports to MailChimp\* 🙄

Am I wrong? What's the moat? Why would anyone in their right mind stick with Substack at scale?

7:23 PM · Feb 11, 2021 · Twitter Web App

23 Retweets 13 Quote Tweets 869 Likes

**justin g.** @itunpredictable

Replying to @itunpredictable

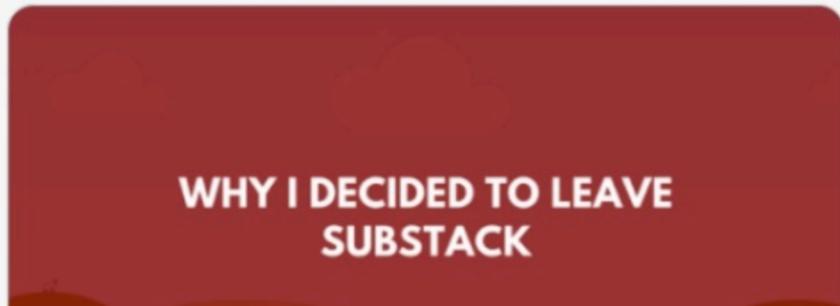
i was kind of getting tired of paying Substack 10% and their lack of support for basic growth features like referrals and custom styling, so I took a stab at rolling my own web app w/ checkout and billing. in the end I think I'm going to stick with Substack (read more)

2:20 PM · Sep 2, 2020 · Twitter Web App

1 Quote Tweet 32 Likes

**John Yedinak** @jryedinak · Dec 15, 2020

I'm a big fan of Substack and the movement behind it but moves like this get me more excited... it means people are outgrowing it and building diversified media businesses. Substack is a great launchpad, not a long term solution for operators @JayCoDon



**Henry Johnson** @TalktoHenryJ · Jul 11, 2020

3. Substack doesnt integrate with any other tools

I planned to do a referral program like @TheHustle and @MorningBre

They gained a ton of readers from it so I wanted to use that tactic as

With Substack that was impossible or at least very manual (cc. @pa

2 1 18

**Henry Johnson** @TalktoHenryJ · Jul 11, 2020

4. There was limited customization.

I believe your landing page is very important.

I'm a student of @davegerhardt and @theSamParr so the fact that I

couldn't customize that page with Substack didn't sit right with me.

I wanted to test what would work best.

2 22

**Henry Johnson** @TalktoHenryJ · Jul 11, 2020

5. Segmentation is limited

This ended up not being as big of a deal. I dont segment my list like

thought I would

That said, I do like the ability to one day email people that didnt ope

few emails in a row or people that open every email but havent upgr

to premium

1 10

**The big picture:** After an explosion of newsletters from solo writers in the past year, a small-but-growing number are leaving Substack as they become more full-fledged media outfits whose needs when it comes to their tools are no longer served by the company.

- Among them: [Defector Media](#), [A Media Operator](#), [The Generalist](#), and Fintech Today.
- While most cite the need for more robust feature sets to support their activities, some also find it hard to get a more flexible business model. Substack, has for example, said it does not plan on working to build tools for advertising.

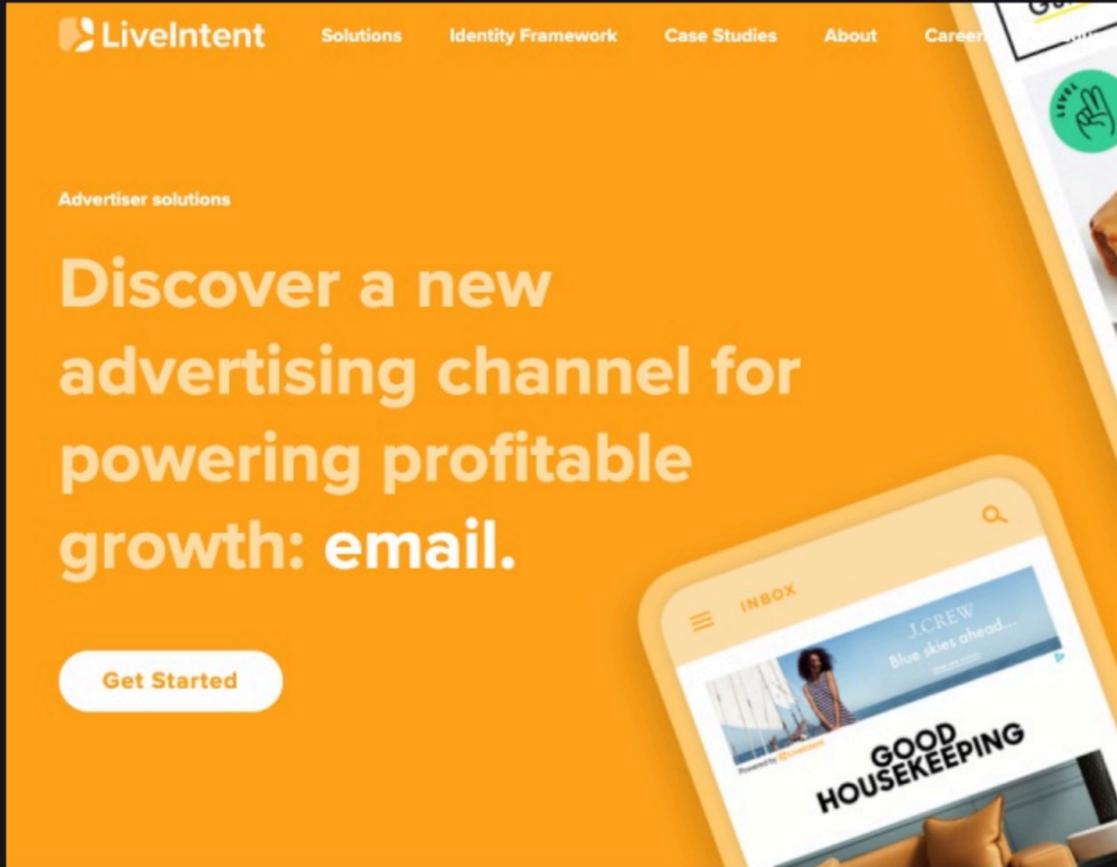
**Benedict Evans** @benedictevans

Substack's mission statement: "we will never have an algorithm, we will never make suggestions or recommendations and we will never play any role in what you see." That's a coherent position. But if your strategy is that you won't get me new readers, why would I pay you 10%?

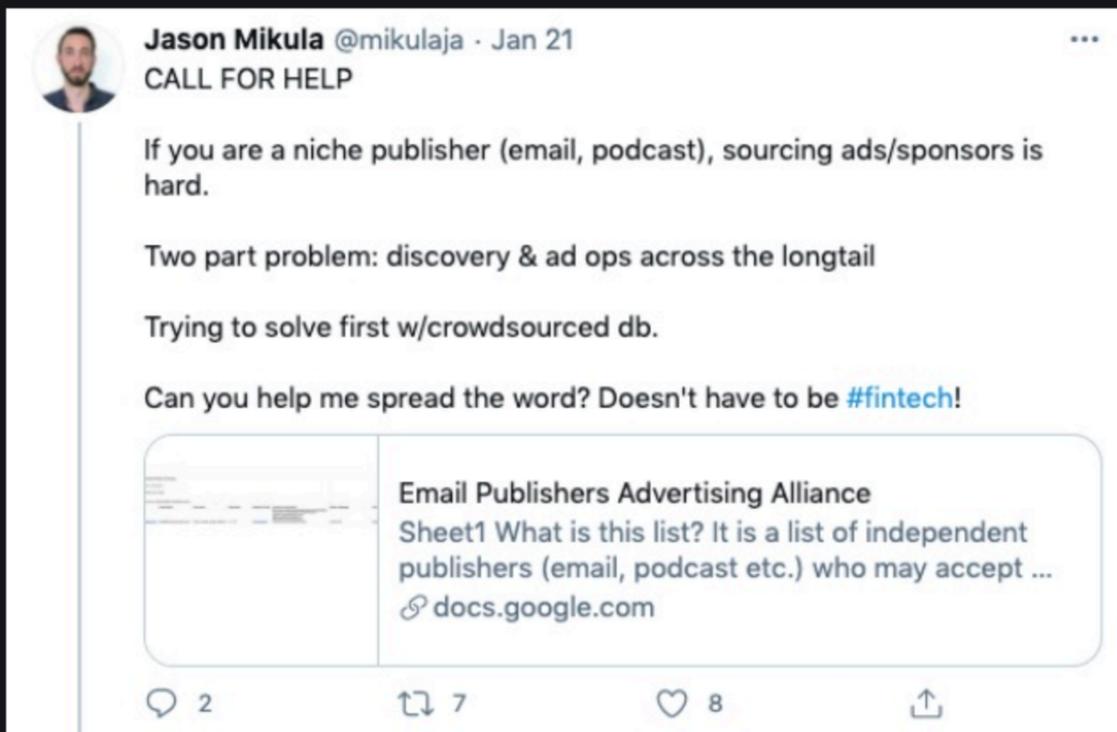
4:02 PM · Dec 25, 2020 · Twiterrific for iOS

28 Retweets 12 Quote Tweets 585 Likes

# Appetite For Email Advertising



- LivelIntent provides programmatic banner ads in email reaching over 250m people per month
- LivelIntent's estimated revenue was \$52m in 2019
- Native ads are less spammy and more effective than programmatic banner ads (what LivelIntent offers)
- Sourcing ads as a creator is time-intensive and not scalable
- Creators on Substack are already beginning to dilute their efforts in manually sourcing ads themselves (and also handle tracking, reporting, invoicing, etc.)
- Advertising in newsletters as a marketer is also time-intensive and not scalable
- Newsletters have high engagement, native ads are extremely effective (case study: Morning Brew, The Hustle, The Skimm, etc.), and marketers are willing to pay a premium for them





beehiiv democratizes creators' access to the same resources of fully-scaled, data-driven publications

the value  
of beehiiv





# Primary Features

## Create

- Create and build responsive posts + newsletters for browser and email consumption
- “No code” solution for advanced customization of web presence and newsletters

## Monetize

- **Paid Subscription:** Monetize your audience directly by charging a subscription fee for your newsletter
- **Ad-Supported:** Use beehiv’s robust native ad network on-demand without the need for a sales team

## Analyze

- Top tier email analytics with advanced acquisition attribution, segmentation, and cohort analysis
- Customized data collection to derive a greater understanding of your audience

## Grow

- Best-in-class, customizable referral program available out of the box
- Platform optimized for content and creator discoverability



# The Formula

*webflow* Site Builder

●● Medium Publishing Tools

📧 substack Newsletter Distribution

👉 LiveIntent Email Ad Network

☕ MORNING BREW Referral Program

+ **NETFLIX** Content Discoverability

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beehiiv



# Business Model

## SaaS + Ad Network

Tiered pricing relative to # of subscribers

20% share of ad revenue sourced via ad network\*

- No barrier to entry for newer / smaller creators
- Significantly more favorable for creators losing money to fees on subscription revenue with competitors
- Ad network operates at zero marginal cost and is a tremendous value-add for creators looking to diversify revenue (and advertisers interested in newsletters as a channel)

\*Optional at creators discretion