

Investor Day - Simplify Hiring

Chris Hyams - Indeed Strategy and Vision

March 27, 2024

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Chris: Hello, I'm Chris Hyams, CEO of Indeed.

I am very happy to be here today to talk about Indeed's strategy and vision.

I joined Indeed back in 2010 to lead our product team. Over the past 13 years, I've had the extraordinary privilege to witness our growth from 130 people to 12,500. Looking back to 2010, it was impossible to imagine the Indeed of 2024, and the scale of our impact on the world.

But the heart of Indeed — our mission — is completely unchanged, and has been beating steadily since our founding 20 years ago.

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Our mission is to help people get jobs. This is what gets us out of bed in the morning, and what keeps us going all day.

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Outside of family and health, a job is one of the most important things in a person's life. This mission is so much more than a slogan that looks good on a t-shirt. It's our connection to the people whose lives we touch every day. Our mission is the lifeblood of Indeed.

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As Deko said, our vision is to make getting a job as simple and fast as pushing a button.

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The result is that today, Indeed is the world's #1 job site. More people find jobs on Indeed than anywhere else.

Hundreds of millions of job seekers visit Indeed every month from more than 60 countries around the world — to search for jobs, post resumes, research companies, and more.

Over 3.5 million employers use Indeed to find and hire new employees.

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Our strategy is to transform from a search engine to a two-sided marketplace. I'll spend most of my time with you today explaining what this means, and how that translates into our focus and investments.

But to understand where we are, and where we're going, it's helpful to first take a step back to where we started.

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In 2004, when Indeed was founded, the state of the art of online job search was sites like Monster and CareerBuilder. These job boards were essentially newspaper classified ads that were put online.

There were two huge problems with the classified ads model. For job seekers, they only saw jobs that were advertised. That meant if they wanted to have a shot at finding all the relevant job openings, they had to visit dozens of websites. For employers, the classified model meant pay to post—they paid the same amount to post a job regardless of whether they got 200 candidates, or 2.

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Indeed launched in 2004, transforming the classified ads model into a search engine for jobs. We aggregated, or indexed, jobs from thousands of job boards, career sites, agencies... and yes, even newspaper sites. We brought them all together in one place to create a simple, fast, and relevant search experience for job seekers — one search, all jobs.

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The answer to these key challenges of the classified ads model became our two founding principles.

One, we put job seekers first.

Two, our business model is pay for performance.

These might seem obvious today, but in 2004 this was a revolutionary change.

Today, these principles remain the north stars for every decision we make. They are the answer to the question of why Indeed has been successful.

I'd like to take a few minutes to talk about what these principles mean, and why they're so important.

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First, the most important decision every marketplace business must make is who comes first—which side is most important?

For most marketplaces, the decision is simple—whoever pays the bill comes first. For job sites, that means employers. In 2004—and even today—most job sites prioritize product features and marketplace policies that benefit the employer.

Indeed made a deliberate, contrary decision, to put job seekers first. This is our first core principle.

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Putting job seekers first means that with every decision we make, we ask this question: "What's best for the job seeker?"

When we started, rather than visiting dozens of sites, what's best for the job seeker was to put all jobs together in a single search engine. Our original tagline: one search, all jobs.

On job boards, once a job seeker uploaded their resume, they had no control over who could contact them. Years later they would continue to get unsolicited outreach for jobs—and even to buy insurance.

What's best for the job seeker is to protect their privacy, and give them control over how and when they can be contacted. Job boards are paid for every post, and have little to no incentive to police fake job posts.

What's best for the job seekers is a significant investment in trust & safety. That's why we work hard to ensure job seekers find real jobs with accurate information, while safeguarding them from spam and fraud.

We continue to ask this question every day, and every new product, feature, and policy is driven by putting job seekers first.

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All of this leads to building trust with job seekers.

In the end, if we put job seekers first, and make it simple and fast for them to get jobs, at the end of every successful search is an employer that's made a hire.

So what's best for job seekers, is also best for employers.

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Our second core value is pay for performance.

For us, pay for performance means that we get paid when we deliver value. Critically, it also means that we don't get paid if we don't deliver value.

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Our first and still primary product is sponsored jobs. For sponsored jobs, we brought the auction based pay-per-click model used for nearly all internet advertising, to online hiring.

People often ask why our business model is a core value, but it's actually profoundly important. The most powerful incentive for any business is how they make money. It drives more decisions than anything else.

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Pay for performance means that we are successful if and only if our customers are successful. This means our primary incentives are deeply aligned with our customers.

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Just as important, pay for performance means that we can stay true to our first value of putting job seekers first.

We deliver value to our customers by connecting them with qualified and engaged job seekers. We make money when we help job seekers, so we are deeply aligned with job seekers.

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In this first phase of Indeed's business, our growth was driven by an SEO, or search engine optimization, flywheel. Because we aggregated jobs from every site, we had more jobs than anyone else. This led to SEO dominance—Indeed was at the top of nearly all search engine results for jobs, and in fact had multiple slots on most search pages. This led to rapid growth in job seeker visitors. More job seekers meant we could attract employers to sponsor their jobs on Indeed, which led to more revenue. And that allowed us to invest heavily in SEM, or search engine marketing, to bring even more job seekers to Indeed. Indeed traffic grew faster than any other site.

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By the end of 2010, just 6 years after launching, Indeed passed Monster to become the #1 job site in the US. Soon after, we reached #1 globally.

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This transformation from classified ads to search engine was Indeed's core strategy during our first phase of growth. It was enormously successful in helping us to get to #1 in traffic.

But by 2011, it became clear that we could only get so far as a search engine, and we embarked on the next phase of our strategy - which is the transformation from a search engine into a two-sided marketplace.

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This is a simplified view of a job seeker journey: they search, find some interesting jobs and click on them. They apply to the most interesting ones, and hopefully then interview and eventually get hired.

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When Indeed launched as a search engine, we aggregated—or what we call “indexed”—jobs from thousands of career sites, agencies, and job boards. Job seekers came to Indeed to search, and we connected them to those jobs.

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In this view of the journey, a job seeker searches and clicks on a job, then we send them to that career site, agency, or job board where the job is hosted because that’s an external site, we have no idea what happens after that click. We don’t know if they liked the job, if they applied, let alone if they got an interview or an offer.

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The key problem is that a lot happens after the click—in fact the most important parts of getting a job. If everything happens off our platform, we can’t help with these steps, we can’t make them simpler and faster.

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This is the difference between a search engine and a marketplace.

So we set out to transform into a two-sided marketplace, by bringing the apply through hire steps onto the Indeed platform.

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The jobs we index come from these external sites. And the most common platform for a career site is an ATS, or applicant tracking system.

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Mid- to large-size employers use an ATS to post their jobs, message and manage candidates, and track status and outcomes.

Nearly all marketplace activity happens in the ATS.

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So, we built a new product to enable employers to post their jobs directly on Indeed.

We call these hosted jobs, because they are hosted on our platform.

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Hosted jobs is essentially a simple Indeed ATS. Employers can post jobs, message & manage candidates, and track status—all on our platform.

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The most important innovation for hosted jobs was the introduction of Indeed Apply. For indexed jobs, job seekers click away to apply on a company site. But with hosted jobs, job seekers stay on Indeed when they apply.

We control the entire application experience, so we can make it simple, fast, and consistent.

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But the real key is that when a job seeker applies on Indeed, they need to upload a resume.

Indeed Apply became the conversion point for job seekers to create an Indeed account and upload a resume. We parse that resume and convert it into an Indeed resume, which the job seeker can then use to apply to the next job even simpler and faster.

As we grew the accounts and resumes on Indeed, we then built a resume search engine to allow employers to find and connect with active and qualified job seekers who had not even seen their jobs.

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Indeed Apply was the key enabler of our first steps in transformation from a search engine to a two-sided marketplace.

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In this next phase of our business, our growth has been driven by a marketplace matching flywheel. The more marketplace jobs, the more deep data about jobs we get, which leads to more visits from job seekers. They create more accounts, which gives us more deep data about job seekers, which leads to more connections and hires. Marketplace activity on our platform gives us more downstream outcome data—interviews, offers, and hires. These results lead to more employers coming to the platform, which creates even more jobs.

All of this feeds unique data into our AI matching, which makes the entire marketplace more and more effective.

This is a virtuous cycle, which means the better we get at matching, the better we keep getting.

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Hosted jobs on Indeed's ATS are all marketplace jobs. But the indexed jobs — those on external ATSes — still felt like a search engine to job seekers. So we developed the Indeed Apply Sync API, which brings the Indeed Apply experience to external ATSs.

With Indeed Apply Sync, every job can be a marketplace job.

We have integrated with more than 300 ATSs globally, which allows job seekers to apply to all of these jobs with the same simple and fast experience they have for hosted jobs.

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Indeed Apply Sync is part of a larger ATS Sync API. In addition to publishing jobs and enabling Indeed Apply, we can also sync candidates from other Indeed sourcing and hiring products, and sync dispositions, to bring outcome data from an external ATS into the Indeed platform, which powers further improvements in our AI matching.

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ATS adoption of Indeed Apply has grown considerably over the past 10 years. But today, less than half of all jobs are Indeed Apply-enabled, which means there is still tremendous opportunity for continued growth from further ATS integrations.

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Indeed Apply is a key enabler of our marketplace.

And the key to our marketplace strategy is that Indeed Apply helps grow hires and revenue. Indeed Apply is better for employers—the simplicity and speed for job seekers means that on average, Indeed Apply jobs get 5 times as many completed applications.

This translates into the metric that matters most—Indeed Apply jobs are 2.5 times more likely to lead to a hire. Indeed Apply is also good for Indeed—on average employers spend twice as much for each job.

And as great as these improvements are today, we think we can do even better.

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The result of this strategy is that today Indeed is the leading global two-sided talent marketplace.

Hundreds of millions of job seekers visit Indeed and our sister site Glassdoor every month. They connect with more than 3.5M employers.

Across the world, 23 job seekers are hired per minute on Indeed—more than one every 3 seconds.

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Our product suite today maps into the search and marketplace journey. We call these areas attract, connect, and hire.

Attract is the original search engine business. We deliver interested candidates through sponsored jobs without Indeed Apply, and Employer branding on Indeed and Glassdoor.

For connect, part of the marketplace opportunity, we deliver quality, engaged candidates through sponsored jobs with Indeed Apply, and Smart Sourcing, our AI-powered resume search.

Hire is a massive future opportunity within marketplace. Over the past several years, we have introduced new, early stage experiments like Indeed Hire—a full service recruiting agency built on Indeed's data and AI matching technology, and Indeed Flex—an e-staffing marketplace for shift workers in the US and UK.

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Together, this makes up our overall strategic framework.

We have two simple goals: grow hires and grow revenue.

Our strategy is to continue our transformation from a search engine to a two-sided marketplace and we have two strategic priorities, which we'll spend the next sections diving into.

First, grow marketplace effectiveness through broad reach of jobs seekers and employers, AI powered matching and faster connections.

And second, grow effective monetization of the marketplace.

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I will now turn it over to Maggie and Raj, who will talk about our first strategic priority, growing marketplace effectiveness.

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