A brand new Evite invites subscribers

Illustration: Annelise Capossela/Axios

Digital invitation giant Evite has found success switching from a largely ad-based model to one that is a premium subscription, CEO David Yeom tells Axios.

Why it matters: While advertising has historically been the main source of revenue for companies like Evite, increasingly subscriptions are a more stable business model.

The intrigue: Due to its growth, an IPO is now a realistic option in three to five years, Yeom says.

- The Glendale, Calif.-based privately held company celebrated 25 years since sending its first electronic invite in August 1998.

How it works: Evite's premium offering lets users send out a "premium invite" for an extra, one-time fee, or users can sign up for premium packages, at price points that range from $17.99 to $99.99.

- Annual subscriptions cost $249.99.

Catch up fast: Yeom, alongside online coupon business Honey co-founder George Ruan, bought Evite in 2020 for an undisclosed sum from media conglomerate GCI Liberty, which was subsequently acquired by Liberty Broadband.

What's happening: Yeom says 1 in 5 users now elect to send premium invitations, which account for two-thirds of revenue, the CEO says.

- That's in part due to brand partnerships with the likes of Disney, Marvel, "Star Wars," "Sesame Street," and Minecraft, among others, Yeom says.
- Commerce or gift affiliate marketing, which replaced banner ads, make up most of the remainder of sales, he notes.
- At one point, banner ads made up 90% of revenue and required a large sales team, but now ad revenues are less than 10%, he adds.

By the numbers: Evite is on track to more than double revenue this year versus last, Yeom says.

- He declined to disclose current figures. The company was generating $25 million in revenue (per an SEC filing) in 2019, the year before it was sold.
- Profits at Evite, which has SaaS-like margins, over the last 12 months are greater than what Evite generated in its first 10 years total, Yeom says.
- The company is sending out more than 500,000 digital invitations to unique users per day, with a 75% acceptance rate among invitees, he says.
- Evite also has more than 100 million users in the U.S., Yeom says.

Of note: The number of Evites sent on an annualized basis, extrapolated from the company's average daily volume, would about match what it was sending out back in 2008.

- It's a level of activity not seen in over a decade, the CEO says.

What's next: Evite aims to be a $1 billion business as it goes global, launches a digital greeting card business to supplement its digital invite business, and adds gift cards to its offerings by partnering with Blackhawk Network, Yeom says.

- M&A is also a possibility, with interesting assets up for

sale that could add to its digital invite business, such as photo- and video-sharing startups, Yeom says
- Evite taking on a strategic partner is also a possibility, he says.

What they're saying: "People's desire to want to get together and celebrate is back. It is back with vengeance," Yeom says.

Flashback: After being founded in 1998 by Al Lieb and Selina Tobaccowala, Evite was acquired by IAC/InterActiveCorp in 2001.

- Liberty Media then gained control of Evite along with Gifts.com (in addition to receiving $220 million in cash) from IAC in 2010. In return, Liberty handed over its equity stake in IAC.
- In 2017, Liberty gained control of General Communication, or GCI, by gifting it Evite and other more valuable assets, culminating in the creation of GCI Liberty.
- "There aren't that many digital companies that have had our longevity," Yeom says.

State of play: Evite competitors include Punchbowl and Paperless Post, the latter of which worked to recover its revenue after a pandemic hit its topline.