



## Competitive Supplemental Web.com

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Competitive Analysis: Website Product

Version 1

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## Document Use Instructions

The purpose of this document is to give a detailed overview of main competitors in the website market space and how they position relative to our offering. The content explores many aspects of the competitor's strengths and weakness, as well as comparing features and benefits that they provide.

The content and research in this document will be consumed by internal stakeholders and will be utilized in the creation of various sales enablement tools and training materials. It should be viewed as an evolving document and will be audited and updated accordingly as the competitive landscape changes. It can be used in the creation of:

- **Competitive Battlecards**
- **Sales Enablement Tools**
- **Sales Training Materials**
- **Internal Presentations**

**Important:** The Competitive Supplemental Guides will be evolving documents that will give us intelligence and insight into our competition and their unique offerings. The analysis is meant to be a high-level overview of their strengths, weaknesses, product strategy and messaging to the market. It will give the reader a quick summary of the competitor and our take on how we position and differentiate against them. This information can then be used in the creation of various tools, resources and strategies for sales and other functions within the company. Product Marketing will continue to audit and update the information on this company as necessary.

## Company Information & Financials

### Web.com

Web.com is a provider of online marketing products and services for the small business market. At Web.com the mission is to help small businesses succeed online. From custom websites to social media; ecommerce to lead generation, they offer a full suite of online marketing services for the small business market.

<b>Company Name</b>	The Web.com Group, Inc.
<b>Founded</b>	1999
<b>Headquarters</b>	Jacksonville, FL
<b>Stock Listing (if available)</b>	NASDAQ: WWWW
<b>Employees</b>	2,000 (est.)
<b>Direct Sales Markets</b>	16 (8 new in 2014)
<b>Customers</b>	3,100,000 (est.)
<b>Retention Rate</b>	99%
<b>Core Products</b>	Domains, Hosting, Websites
<b>Additional Products</b>	SEO, Online Marketing, Social
<b>Market Channels</b>	TV, Radio, Online Banner & Display

### Company Financials

Highlights	2013	2014	Change
Non-GAAP Rev.	\$434mm	\$491mm	+9%
Gross Profit	\$434mm	\$491mm	+9%
Operating Expenses	\$310mm	\$283mm	+9%
Net Income	\$10mm	-\$36mm	460%
Adjusted EBITDA	-\$65mm	-\$122mm	88%
Cash Flow from Ops	\$153mm	\$145mm	29%
Debt Repayments	\$86mm	Not Disclosed	Not Disclosed

## Company SWOT

This section gives a detailed overview of the competitor's strengths, weaknesses, opportunities and threats. The analysis is only on the company itself and not a direct product comparison.

### Strengths

- 15 years of business (since 1999)
- Aggressive Direct TV and Radio marketing-Large marketing budget
- Effective inbound response unit to convert leads into sales
- Local direct sales in 16 major markets
- 50+ small business summits in 2014
- Referrals from channel partners such as Legalzoom.com, other affiliates

### Opportunities

- Focuses on cross-selling higher average revenue per use (ARPU) products sold as subscriptions
- Bills customers every 4 weeks vs. monthly which provides additional revenue of 13 payments per year
- Continued expansion and cross-sell via 9 additional websites such as register.com, networksolutions.com and leads.com
- Perception as a growth stock (EPS of 22.9% in 2013) could help create additional awareness and Wall Street positive chatter
- Additional market expansion for direct sales force

### Weaknesses

- Majority of web services sold month-to-month while good for customers it can difficult for the company and its revenue goals
- Not profitable in 2013
- Debt load of \$358mm in May 2014

### Threats

- Focus on getting "new" businesses online or established businesses that never had a website (27 million small businesses in the US without a website)
- Direct TV/Radio is building brand awareness and resonating with audiences
- Hold small business advocacy and teaching seminars to educate and build loyalty
- Adding 8 more local market direct sales to bring it to 24 total markets

## Website Product Overview

This section gives the reader an overview of the competing website product (both DIY and DIFM if available). It explores the main functionalities and benefits as listed by the competitor in their literature or online.

### Do it Yourself

Product Name	Price	Main Features
Website Builder	\$114.95/mo.	<ul style="list-style-type: none"> <li>Free Domain</li> <li>9500 layouts</li> </ul>
Website & Online Marketing	\$2.95/mo.	<ul style="list-style-type: none"> <li>Business Profile in local search engines</li> <li>Submission to Google, Yahoo &amp; Bing</li> <li>SEO consultation w/ experts</li> </ul>
Website, Marketing & Store	\$3.95/mo.	<ul style="list-style-type: none"> <li>Sell up to 500 products</li> <li>Accept credit cards w/ secure shopping cart</li> <li>Powerful email marketing tools</li> </ul>

### Do it for Me

Product Name	Price	Main Features
eWorks XL Custom	\$114.95/mo.	<ul style="list-style-type: none"> <li>Professional website design and copy-writing</li> <li>Domain registration</li> <li>Hosting</li> <li>SEO and ongoing analysis</li> <li>Search engine submission</li> <li>Google Directories listing</li> <li>Internet Directories listing</li> <li>Google Maps submission</li> <li>Web statistics</li> <li>Telephone call activity</li> </ul>
Ignite!	Included	<ul style="list-style-type: none"> <li>Promote your business on major search engines</li> <li>Listed on GPS devices</li> <li>Appearing on Facebook places</li> </ul>
eCommerce	\$55.00/mo.,	<ul style="list-style-type: none"> <li>Design</li> <li>Setup</li> <li>Configure the online store</li> <li>Shopping cart</li> </ul>
Facebook Boost	\$189.95/mo.	<ul style="list-style-type: none"> <li>Design or update the business profile page on Facebook</li> <li>Includes monthly advertising and postings</li> </ul>

## Target Market/Opportunity

The purpose of this section is to explore how this competitor would define their customer and target market. This is in contrast to the hibu target customer, where we can begin to see the differences in approach, process and strategic capability.

### Market Opportunity

- 27 million small businesses in the United States with fewer than 500 employees.
- Believe that SMEs, mostly so sole proprietors, have limited support staff and must devote most of their time to running the daily operations of their businesses.
- Believe that SMEs have limited knowledge of how to build a web presence and limited time to acquire the skills to do so.
- Growing acceptance among SME's that Internet presence is critical
- Believe businesses are shifting their marketing budgets from traditional media to online channels.

### The Web.com Customer Profile

#### Needs

- Ease of use
- Speed to market
- Minimal design and editing capability

#### Wants

- Low pricing
- Painless buying process
- Technology that will grow with them

#### Desires

- A website that will perform
- Responsiveness from the provider
- A one stop shop for future needs

## Messaging Overview

This section summarizes the competitor's main value proposition and explores their messaging pillars that are present in collateral, sales lyrics and public communications.

### Company Main Value Proposition

Everything you need to be successful online

### DIFM Website Value Proposition

Web.com Small Business website designers build a small business website that represents your business in the best possible way.

### Main Messaging Lyrics

- Customized website design
- You say it. We build it. It's as easy...
- Its handled for you with just a phone call to an expert

### DIY Website Value Proposition

Create a Unique Website for your business today.  
Be online for your customers tomorrow.

### Main Messaging Lyrics

- Creating a unique website is easy
- Include everything you need to create a unique and successful presence for your business
- Easy-to-use website building tool
- Customize your design
- Make your site attractive and relevant to your customers

**Our Take:** Web.com uses very simplistic messaging that centers around "easy" and "professional". This is important to note as it is meant to resonate with their target customers who are sole-proprietors and very small businesses just getting started. It is very straightforward and does not attempt to get overly technical or too benefit driven.



## Voice of the Customer

This section is a summary of feedback and various reviews that have been written, posted and vocalized by this competitor's customers on the Internet and other forums where they can be found. It can also feature 3rd party reviews by bloggers and writers. It contains positive, negative and neutral review summary but is meant to capture the voice of the customer and help highlight the strengths and weaknesses of this competitor and their product.

### Positive

- Easy to use web tools
- Website builder contains flash
- Over 9500 templates

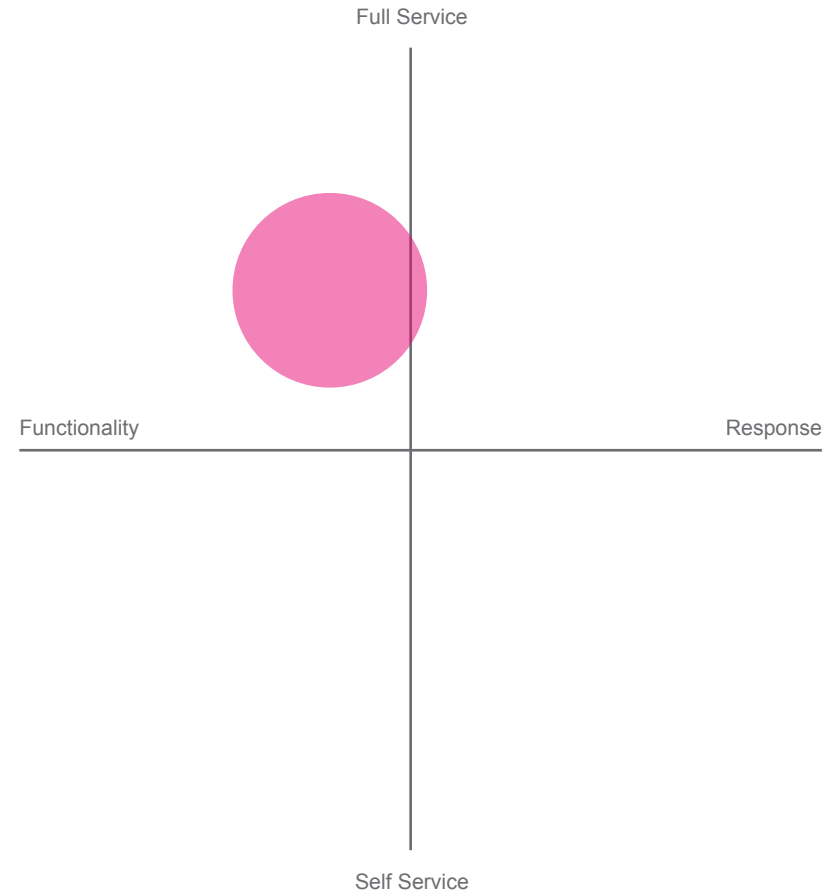
### Negative

- Quality control issues
- Amateur design
- Mediocre support
- Troublesome billing

## Positioning Approach

The positioning analysis of this competitor aims to summarize the main attributes and strategy employed in the marketplace.

Promotion	<ul style="list-style-type: none"> <li>Sophisticated and sustained commitment to direct marketing channels</li> <li>Strong inbound telesales performance</li> <li>Always upselling and cross selling</li> <li>Very confident tone and delivery</li> </ul>
Product	<ul style="list-style-type: none"> <li>Lead with DIFM website and Facebook Boost offers</li> <li>Upsell eCommerce store and SEM services</li> <li>Average quality and acceptable design</li> </ul>
Price	<ul style="list-style-type: none"> <li>Direct-Response centric with FREE as the hero</li> <li>Consumer facing channels are consistent</li> <li>Include services normally sold as upgrades</li> <li>Use 13 billing cycles vs. normal 12 (annual) to reduce the consumer perception of price</li> </ul>
Process	<ul style="list-style-type: none"> <li>Engineered for speed over quality</li> <li>Frequent, regular and positive communications stream post-purchase</li> <li>Allow for customer channel and care choice</li> </ul>
Proficiency	<ul style="list-style-type: none"> <li>Achieving 3.8x return on sales and marketing spend</li> <li>Similar gross margin to hibu websites but twice our EBITDA</li> </ul>



## Sales Approach

The following is Product Marketing’s take on Web.com and how to best position hibu websites against their offerings.

**Free is not always better**

Web.com eWorks XL website is a good alternative for a small business owner not concerned about amazing design, the right built-in SEO to get customers found, or working with a company capable of making accurate changes in a timely manner.

**A better website for established businesses**

Talk to the SME and understand how long they’ve been in business, and how long they’ve had a website.

Understand the importance of amazing design, utilizing the right content to get picked up by search engines, and how often they think they’ll need to update their site/make changes, etc.

**Design as the differentiator**

A hibu website can deliver the better design and service needed to enhance your online presence and get found by customers.

**Showcase and stress top design**

Web.com may be a free design up front, but you’re getting the acceptable UX level of “OK” design that you’re not paying for, and then paying a high monthly rate over time to offset the expense of the work they did.

**Upfront understanding**

hibu will seek to understand your unique business proposition, take some basic information, and design and copy write an amazing, mobile optimized, SEO-enabled site.

**Understand SME value**

Instead of understanding your key value propositions and allowing experts to create amazing content, there’s a lengthy consultation process, and a lot of work for the SME to do before the site goes live.

**You say it. We build it.**

With Web.com, you’ll be asked to do all the copywriting for them during the interview. “You Say It.” With the hibu Design Service, we’ll develop the design and content so you can run your business.

**Competing w/ Free Web.com build**

For a one-time \$599, hibu will quickly understand your unique propositions, build the site, optimize it for the right keyword searches, and make sure you’re 100% satisfied, or your money back.

## References

Company website

[www.web.com](http://www.web.com)

2013 Web.com Annual Report & 10K

[http://files.shareholder.com/downloads/WSP/13168515135x0x739271/C60B56D4-3D85-4075-85F0-6919FB665996/WWW\\_2013\\_Annual\\_Report\\_and\\_10K.pdf](http://files.shareholder.com/downloads/WSP/13168515135x0x739271/C60B56D4-3D85-4075-85F0-6919FB665996/WWW_2013_Annual_Report_and_10K.pdf)

Marketwatch.com Analysis

<http://www.marketwatch.com/investing/stock/www>