

Market Size

Huge and Highly Fragmented Market but ample opportunity to gain market share



GEO	Market Size M*	hibu % Share
UK	£1,650	1.1%
US	£5,947	0.3%
ES	£855	0.6%
ARG	£169	1.0%
PER	£109	0.2%
CHI	£75	2%
USH	£574	0.2%

*Source: Hibu's Global Intelligence & Strategic Insight and Digital team's estimates based on number of SMBs, website market penetration and average revenue per unit.

2013 more investment in websites and social media

Change in Online and Mobile Marketing Spending in 2013 Among US Small Businesses

% of respondents



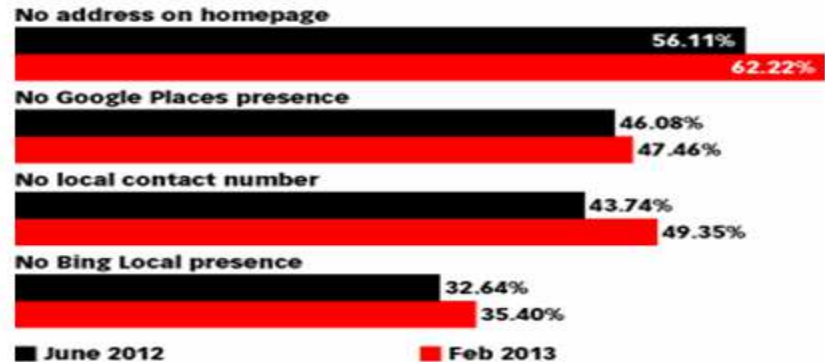
Note: vs. 2012; numbers may not add up to 100% due to rounding
 Source: Ad-ology Research, "Small Business Marketing Forecast 2013," Jan 15, 2013

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www.eMarketer.com

Website Homepage Information US Small Business Websites Are Lacking, June 2012 & Feb 2013

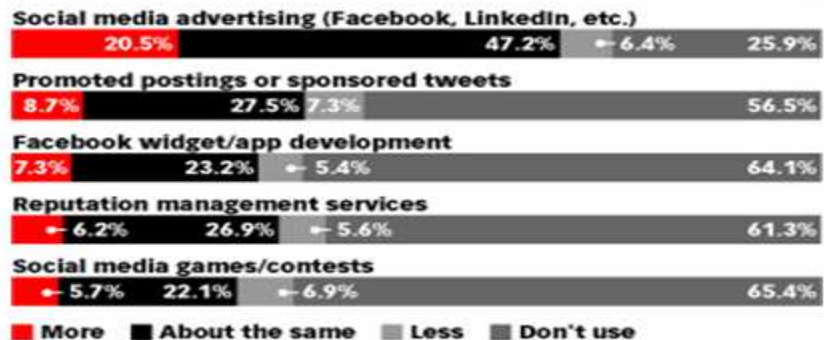
% of websites studied



Note: businesses with under 5 locations
 Source: vSplash, "SMB DigitalScape 2013 US Audit Report," Feb 1, 2013

Change in Social Media Marketing Spending in 2013 Among US Small Businesses

% of respondents



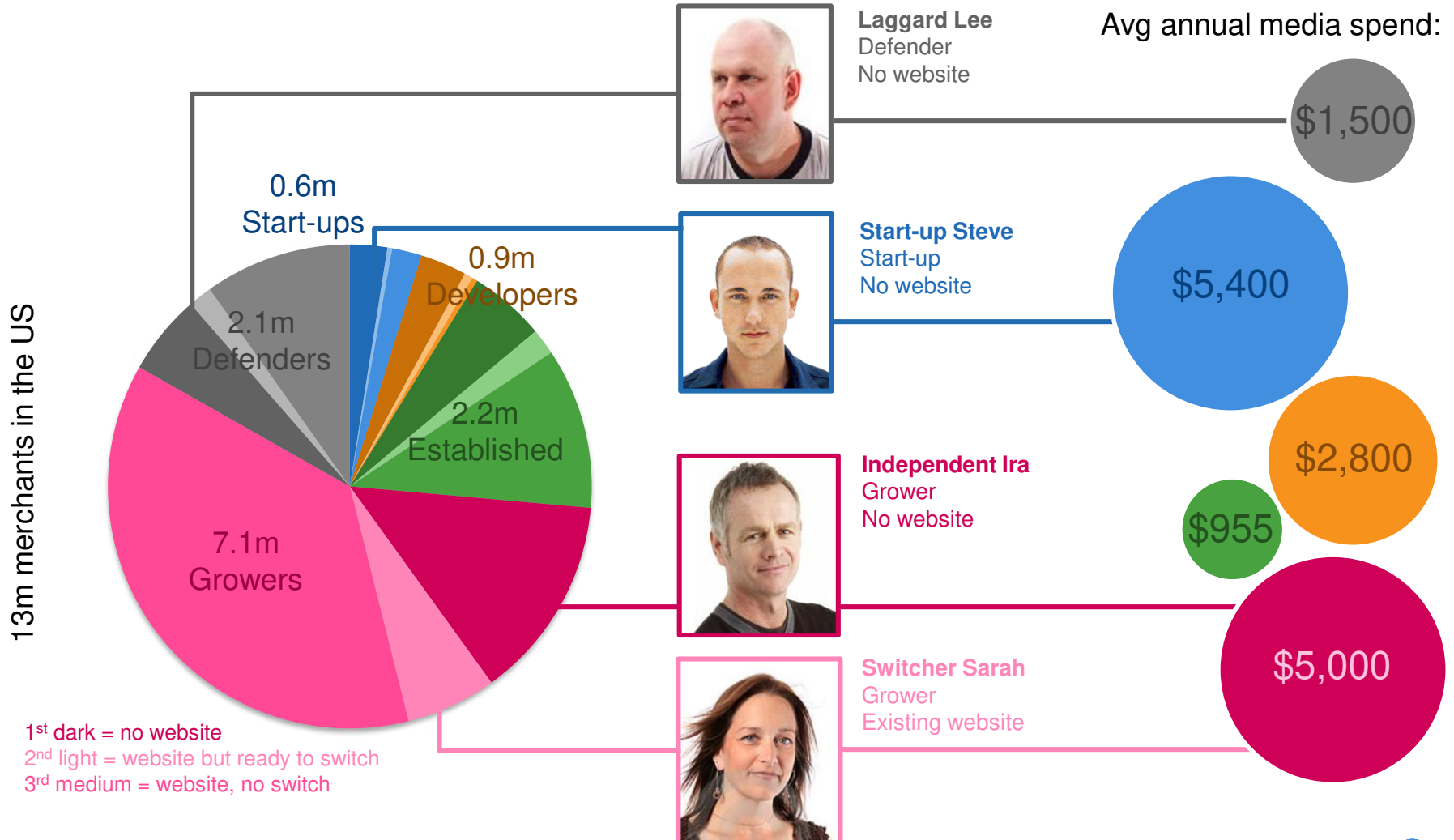
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Market Sizing

Archetypes selected by segment size and wallet



Target Market



Most likely buyers - not our typical target



	Current hibu customer	Customers most likely to buy
Verticals	Traditional trades (home, auto, construction)	All
Geos	Rural, suburban	All
Size	<5 employees	>10 employees
Online spending	<\$1000 per year	>\$1000 per year
Lifestage	>5 years in business	New businesses (start ups) <i>Growers</i> (>3 yrs, ambitious, tech users)
Maturity	Unsophisticated	Digitally savvy
Website	Don't have a website	70% have one, can be sold upgrade

*First research round based on US, UK

Target - New Customers



How	Detail
Verticals	<ul style="list-style-type: none">• Classical areas of hibu strength (trades, business services, secondary markets)• Underpenetrated verticals (arts/leisure/entertainment, business services, health/life management)• <i>Exclude Agriculture</i>
Other	<ul style="list-style-type: none">• >10 employees• Spend > \$1K per year in online advertising• Urban areas
Hibu Segmentation	<ul style="list-style-type: none">• <i>Innovators and Evolvers</i> (High and Medium digitally sophisticated)• <i>Growers and Defenders</i> (>3 years, ambitious or concerned)• <i>Start Ups</i> - Within first year of business
Using Evaluation tools	<ul style="list-style-type: none">• No website• Weak website:<ul style="list-style-type: none">• Silktide score less than 5• Low hibu SEO score• Poor “findability” UBL score
Database Scoring	<ul style="list-style-type: none">• Propensity Modelling in Data by July 8th to ensure sales can target effectively• Data scored in Media Pro
DIY Websites (Online)	<ul style="list-style-type: none">• DIY appeals to entrepreneurs and home spun / creative business often budget constrained• 60% of Weebly customer group are entrepreneurs



Existing Customers



Who	Detail
Customers on Foundation bundles	<ul style="list-style-type: none">• Both at Renewal and Mid-contract• 12k still available to sell to
Most Valuable Customers (MVC's)	<ul style="list-style-type: none">• 12K most valuable digital solutions customers• Heavy buyers of iYP, Print
Customers on solo hibu website offerings	<ul style="list-style-type: none">• 1-page Foundation standalone websites• 3-page Small websites• May lack pages, mobile, online directory distribution
Customers who recently declined orders	<ul style="list-style-type: none">• Wanted digital products only• Wanted better website product eg with DIY / Mobile / Shop capability etc

¹From R Moskowitz: 12.6K. SEO Elite Presence: 1,250, WR Elite: 160, WR Classic: 8,200, Display: 490, WR Basic: 2,500

Digital Sophistication Targets

Products	Key Targets	Digital Sophistication			Life Stage & Aspiration				
		High	Medium	Low	Start-ups	Developers	Established	Growers	Defenders
Websites	Medium / High Sophisticated Growers	7.9%	10.4%	0.0%	1.8%	0.7%	1.7%	10.0%	2.8%

Dimension One:



Degree to which a business is likely to adopt / embrace new technologies and cutting-edge digital solutions

High Sophistication

'Innovators'



*Wants to use technology, digital & innovative solutions
Expects high levels of expertise & credibility as well as clear monitoring & measurement tools*

'Partner Relationship'

US Market Figures shown

Number of merchants*

Average Ad Spend Wallet



4.6m



\$6,245

More likely to say:
- They use technology more / are doing better than competitors
- "Bringing new customers" is their top priority
Less likely than others to say "building credibility & trust" is top priority

Medium Sophistication

'Evolvers'



Open to new ideas, technology and digital solutions – if combined with the right level of support

'Advisor Relationship'



6.2m



\$1,824

Plus: Mine hibu customer data to identify persona characteristics...

Life Stage Targets

Products	Key Targets	Digital Sophistication			Life Stage & Aspiration				
		High	Medium	Low	Start-ups	Developers	Established	Growers	Defenders
Websites	Medium / High Sophisticated Growers	7.9%	10.4%	0.0%	1.8%	0.7%	1.7%	10.0%	2.8%



- More likely to say they use technology more / are doing better than competitors
- Moderately likely – “bringing new customers” is top priority
- Moderately likely – “building loyalty” is top priority

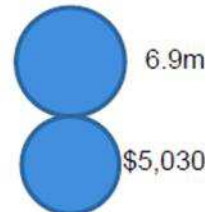
*In business for over 3 yrs
Business going well & has a strong desire & ambition to grow*

*In business for over 3 yrs
Business is struggling & they have concerns about the next 12 months*

- Less likely to say they use technology more / are doing better than competitors
- Moderately likely – “bringing new customers” is top priority

‘accelerator programme solution’

‘remedy & get back on track solution’



Plus: Mine hibu customer data to identify persona characteristics...

Proposition Appeal



		1-9 Employees				10+ Employees		
US	Total	1	2-3	4 - 5	6 - 9	10 - 49	50 - 99	100 - 249
DIY	34%	41%	45%	30%	28%	26%	23%	29%
DIFM	43%	42%	38%	47%	45%	42%	50%	46%
Fully Managed	23%	16%	17%	22%	27%	32%	27%	25%
UK	Total	1	2-3	4 - 5	6 - 9	10 - 49	50 - 99	100 - 249
DIY	31%	55%	39%	27%	18%	20%	23%	14%
DIFM	46%	33%	44%	47%	54%	48%	53%	53%
Fully Managed	23%	13%	17%	26%	27%	32%	24%	33%

- DIY clearly appeals to smaller businesses informing the Online channel strategy
- DIFM appeals across the board - [slightly greater appeal in UK]
- Fully Managed proposition is broadly more appealing more to organisations with 10-49 employees

Customer Archetypes & Needs

Target Audience

Archetypes to represent target customers

<h3>Independent Ira</h3>	
	
<p>Vertical: Retail</p> <p>Lifecycle stage: Grower</p> <p>Digital sophistication: Med-High</p> <p>Location: North London</p> <p>Products particularly interested in: Website, Search, Payments, email marketing</p> <p>Top priority: Bringing new customers</p> <p>Avg ad spend: £1800</p> <p>Avg job value: £70</p> <p>No. employees: 3</p> <p>Years in business: 2</p>	<p>The Pitch:</p> <ul style="list-style-type: none"> • Simple eCommerce • Beautiful designs at your fingertips • Mobile and social automated • We grow with your ambitions • Free trial
<p><i>"I know I can sell my clothes online, but with business a little slow and my digital experience, I'm looking for a slick DIY solution"</i></p>	
<p>Channel: DIY</p> <p>Awareness: Web research</p> <p>Approach: Subtractive</p>	

<h3>Start-Up Steve</h3>	
	
<p>Vertical: Health and beauty</p> <p>Lifecycle stage: Start-up</p> <p>Digital sophistication: Medium</p> <p>Location: Manchester</p> <p>Products particularly interested in: Website, search, email marketing, loyalty, eCommerce</p> <p>Top priority: Bringing new customers</p> <p>Avg. ad spend: £3500 (high)</p> <p>Avg job value: £33</p> <p>No. employees: 4</p> <p>Years in business: First year</p>	<p>The Pitch:</p> <ul style="list-style-type: none"> • Simple setup and easy-to-use • Template design quality • Mobile and social automated • We grow with your ambitions • Free trial
<p><i>"I know what I want and confident I can build it myself with the right tool. It's got to look great and encapsulate my business."</i></p>	
<p>Channel: DIY</p> <p>Awareness: Word of mouth, web research, third parties</p> <p>Approach: Accretive</p>	

Target Audience

Archetypes to represent target customers

Switcher Sarah



Vertical	Business services
Lifecycle stage	Grower
Digital sophistication	Medium
Location	Bristol
Products particularly interested in	Website, search, email marketing, loyalty
Top priority	Bringing new customers
Avg ad spend	£3300 (high)
Avg job value	£131
No. employees	12
Years in business	4

"My website is not performing. It's not mobile, doesn't drive enough new business, and I can't get ahold of the designer"

The Pitch:

- Dedicated switching service & offer
- The service flip - total flexibility
- We live and breath mobile
- Built to perform
- We'll build it in a week

Channel **F2F + DIY**

Awareness **Web research, above the line, targeted comms**

Approach **Subtractive**

Laggard Lee



Vertical	Home services
Lifecycle stage	Defender
Digital sophistication	Low-medium
Location	Swindon
Products particularly interested in	Website, Loyalty, Payments
Top priority	Brining new customers
Avg. ad spend	£1000
Avg job value	£130
No. employees	3
Years in business	7

"I'm not digitally savvy, but I think I'm starting to suffer because of it. I need to catch up."

The Pitch:

- Fully managed solution - let us take care of everything
- You'll be set for 2013 - design, SEO, and mobile.
- We have experts in your industry
- Switch the model whenever you like

Channel **F2F**

Awareness **Web research, above the line, targeted comms**

Approach **Subtractive**

Customer Value Proposition

Websites for Growing Businesses

SME's, looking at website providers, just want to know that a choice they make now will work for them no matter what is round the corner. They want to know that their website will be able to flex, impress and deliver.

This positioning places the website product as a partner to a SME, giving the sense of joint commitment with hibu. Rather than a one-off purchase.

hibu can grow with this positioning, with each feature / service release making this more of a reality. It's an active statement that gives a sense of journey. Growth is the positive expression of change for hibu to be associated with.



Websites for Growing Businesses



Key substantiation:

- Websites that are ready for whatever you throw at them: extra modules, widgets, products, pages, images and ad hoc amends. Even if you don't have them yet your website is designed to accommodate them should you choose to add them later
- Choose the build and service level that's right for you, right now: you can switch hibu's care packages on and off to make sure you've always got the right level of cover for your needs.
- As you grow, you'll inevitably want to update your website. It's easy to make ad hoc amends yourself, or have one of our professional designers do it for you
- Update in an instant – always have up to the minute content, create temporary and seasonal amends and add extra pages and images when you need them
- Look good in all environments – your site is mobile and tablet optimised as standard, so wherever your customers are looking, they'll see you looking your best
- Mobility – because your site is optimised for tablets and mobiles as standard, you'll always be where customers are looking and get more views, more leads and more business.
- Monitoring, support and advice means you'll always know what is and isn't performing well, be able to optimise and be up to date with the latest in web design and best practice



Creating the Value Proposition

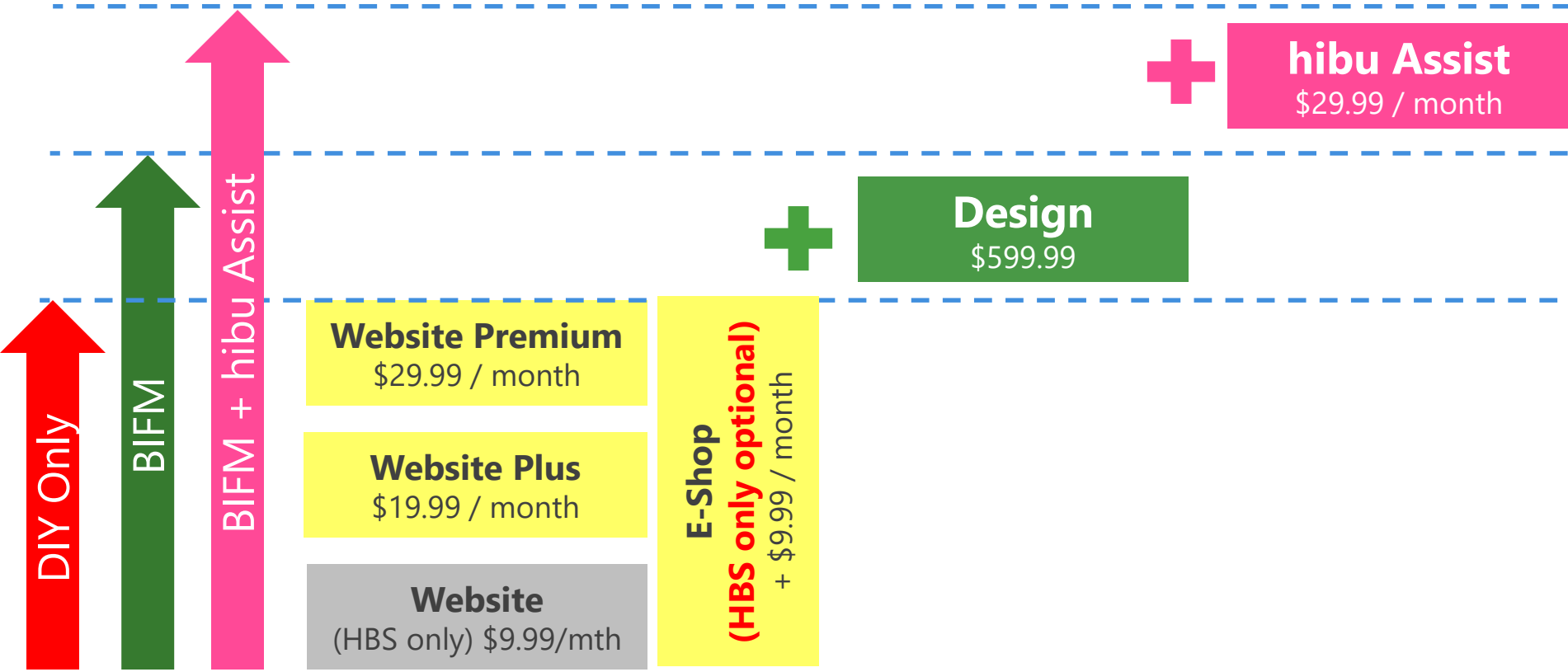


Select the website option that you need

Do you want an eshop?

Do you want to Build it or get us to Design & Build it for you?

Do you want us to update / maintain your website for you?



hibu Websites

1

DIY

Get a new site in minutes - simple and fully mobile, with an eCommerce option

- Mobile and tablet optimised
- Get a new site in minutes - easy DIY setup and management of website and shop
- 100s of categorised designs for you to customise as much as you like
- Access to high quality professional imagery via Getty library (make reference to market-leading supplier)
- Free trial available
- Flexible build and care options whenever, however you need them

2

BIFM

Custom design, mobile and tablet optimised, professional copywriting. We build it, you get the keys.

- We design and write 10 customised pages for you, all search engine optimised & tailored to your business
- We assign a dedicated web consultant to manage the entire process for you
- Complete DIY access so you can make changes quickly and easily
- We create a mobile version of your site that is automatically updated
- Unlimited images from our **40k+** Getty image library
- Available 24/7 via phone or email
- If you are not 100% satisfied with your website we will refund the costs

3

BIFM + hibu Assist

Flexible, cost-effective ways for us to help you keep your website up-to-date

- Ongoing performance through fine-tuning and evolution
- Keep your site fresh without incurring expensive ongoing design costs
- Invest in the future, with a new free website after 2 years
- Save over £1500 on equivalent costs for one-off changes & future site build
- Speak to us or email 24/7 and we'll always make changes in 2 working days.



For	For all businesses ideally those seeking to grow
Who need	A beautiful website to represent their business that is easy to navigate and maintain, mobile-friendly and offers a high degree of service flexibility .
Our product	hibu Websites
Provides	<ul style="list-style-type: none">• Amazing Design - Beautiful, powerful and uniquely designed websites that are easy to navigate - meaning you get a website you can be proud of• Getting Found - Build once, and because you're mobile and tablet optimised as standard, you'll look great wherever customers are looking• Ease - Ready to grow with your business, convert more traffic into more leads and more business. When you grow the build and service level can grow with you.
Unlike	Unlike costly agencies and with flexibility of making updates as and when you need
Payoff	You'll look great and get found online and take control of your website without wasting money or time
Proof points	<p>Great Design:</p> <ul style="list-style-type: none">• New industry categorised designs (100+) a better first impression• 40k+ high resolution images relevant to your business• Post-build review with website expert based on your selection• Site refresh every 2 years <p>Being Everywhere That Matters:</p> <ul style="list-style-type: none">• SEO best practices [Content, HTML, Architecture compliance]• Online presence on Yellowbook.com, Yelp, Youtube, and other top properties• Mobile and tablet optimized configured for mobile• Photo-motion video included <p>Ease / Peace of Mind</p> <ul style="list-style-type: none">• DIY access for all• Add Design & hibu Assist service options whenever you need• 24x7 phone and email Customer Support• 100% build satisfaction guarantee (when we Design)



Total Satisfaction Guarantee

100% total
satisfaction
guarantee!*

hibü™

Description:

- 100% refund, no questions asked” - hibü Website customers only
- Hibü will refund all fees, including set-up, domain registration and other fees paid or prepaid at time of cancellation
- Expires at “**build complete**” of website PLUS 7-business-day grace period

Implementation

- Customer is refunded as a credit to their account
- Site is then cancelled and taken down