

|| Parallels®



Parallels
Summit 2012
Profit from the Cloud™

Capturing international customers
who want to buy from US hosters

Emily Kruger, Customer Insight Manager

Why should you care about emerging markets?

**67% of all
SMBs worldwide**

**Growing 3x faster
than mature markets**

**Cloud service spend
to hit \$21B by 2014**

**GoDaddy, Softlayer,
and many others are
increasing their business
from LatAm and Asia**

**25% of
US hosters'
customers are
now outside US,
mostly from
emerging
countries**

**Local provider is
least important
purchase criterion
for cloud services**

**Will overtake mature
market size in web
hosting, communication
and collaboration
by 2014**

**By 2020, China,
Russian, India and
Brazil will all be in the
top 5 economies
worldwide**

Why aren't you looking into emerging markets?

Source: Parallels SMB Cloud Insights™, 2012

One year of Parallels SMB Cloud Insights™

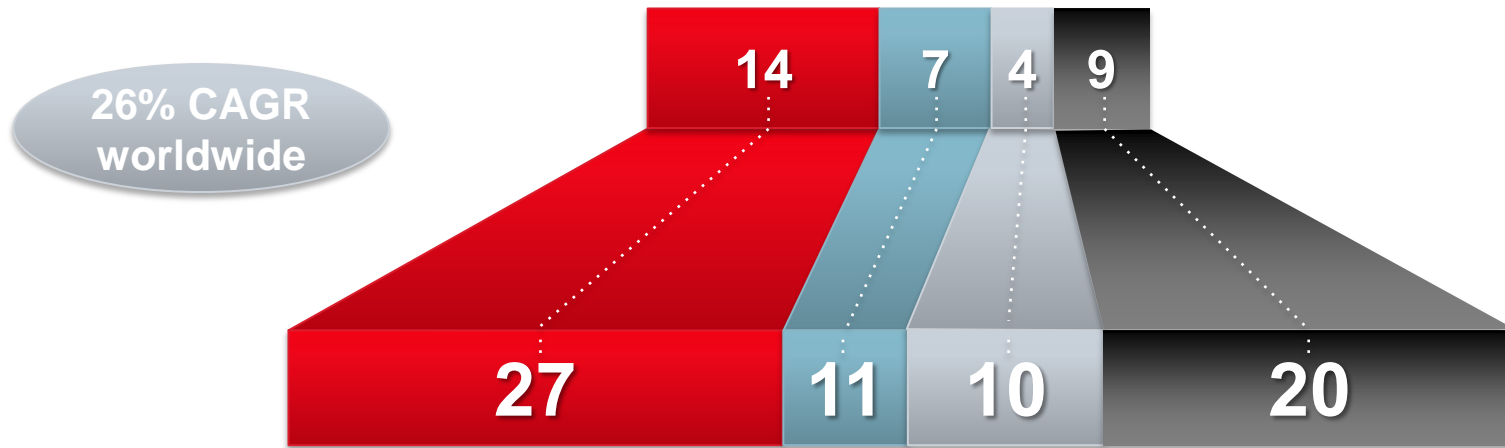


- We invested **\$2M** in primary research
- We spoke to **5,200 SMBs in 13 countries**
- We were featured in **100+** blogs, print publications in APAC, EMEA, and the Americas reaching **millions** of readers

And we're just getting started...

Worldwide, the SMB cloud market is \$34B and growing fast

Current Market (WW, 2011) = \$34B



Estimated WW SMB Market in
2014 = \$68B

Hosted
Infrastructure

Web
Presence

Communication and
Collaboration

Business
Applications

Source: Parallels SMB Cloud Insights™, 2012

But, growth is not equal and market composition is changing

SMBs in emerging markets are 6x more willing to say they want to adopt new cloud services than SMBs in developed markets

	2011 % of market	CAGR	2014 % of market
Mature cloud, developed world	50%	14%	39%
Maturing cloud, developed world	29%	25%	30%
Emerging cloud, emerging world	21%	42%	31%

Source: Parallels SMB Cloud Insights™, 2012

Why are emerging market SMBs coming to the US?

Better bandwidth
/ connectivity

SMB-focused
offerings

Reliable service
providers

Lower Prices

Privacy from own
government

Hope to get US
customers
(specific industries)



Approach emerging markets differently

US

78%

Emerging markets

<30%

Latin America

<10%

Africa

<40%

Russia & Middle East

<35%

Asia

Internet penetration

Source: Parallels SMB Cloud Insights™, 2012

Approach emerging markets differently

US

70%

Emerging markets

<20%

Latin America

<30%

Russia & Middle East

<5%

Africa

<20%

Asia

SMB Website use

Source: Parallels SMB Cloud Insights™, 2012

Approach emerging markets differently

US



Price, technical characteristics

Emerging markets



Clear & informative website, pre-sales support

Top cloud purchase criteria

Source: Parallels SMB Cloud Insights™, 2012

Approach emerging markets differently

US

- Upsell and cross-sell existing customers
- Steal customers from competitors

Emerging markets

- Educate SMBs on cloud services to drive new adopter
- Offer entry level pricing and bundles

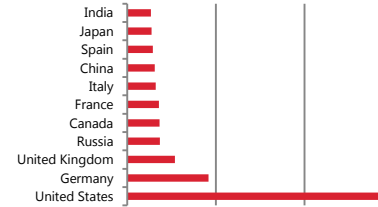
Top ways to drive growth

Source: Parallels SMB Cloud Insights™, 2012

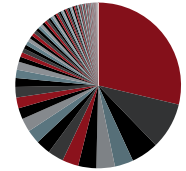
What can you do now?

Analyze your website traffic, customer base

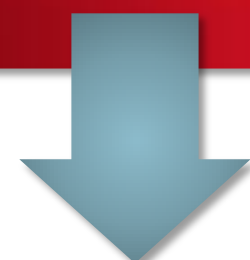
Monthly website visitors by country (> 50K visitors)



Monthly distribution of visitors by country



Leverage Parallels ecosystem and expertise to learn more



Choose a market and try localizing your site



How Parallels can help

Localized software

- All products are localized into 12 languages -- “pluggable” language option for others

Support for local currency platforms

- Parallels Business Automation supports 25+ gateways for billing in multiple currencies

Multi-tier channels

- Ability to build multi-tier channels can let you create a strong reseller network internationally

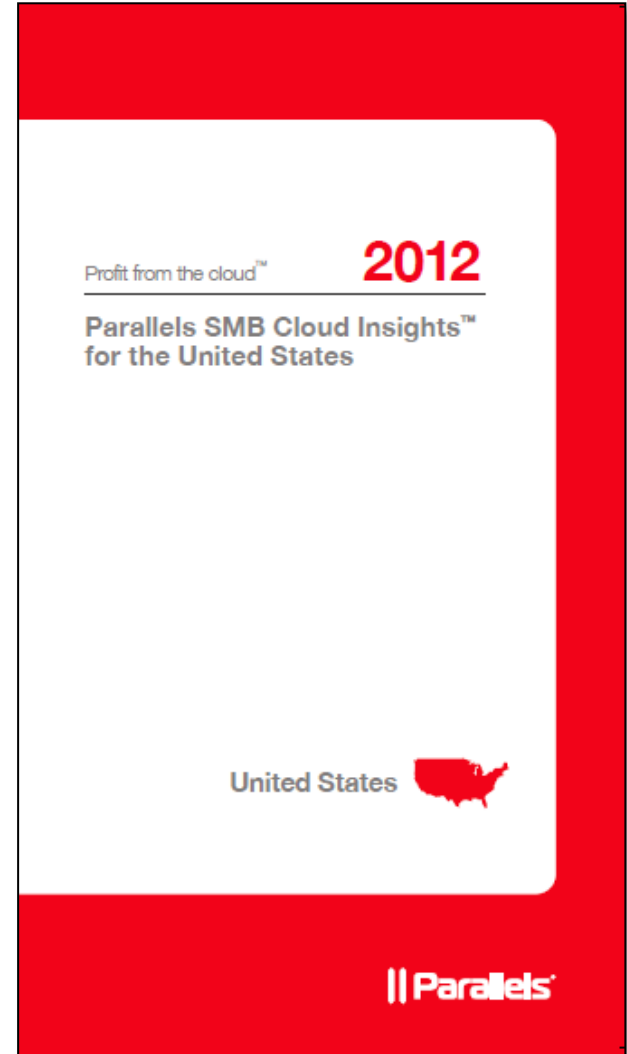
Worldwide domain registrar

- Parallels can help you offer wide-range of domain TDLs to international customers

Get the SMB Cloud Insights™ reports

Find all 14 SMB reports at:

- Parallels Innovation Zone:
 - Look for the SMB Cloud Insights™ wall
- Online:
 - Parallels Partners: Go to PartnerNet
 - <https://parallelsnetwork.com/>
 - No registration form
 - Anyone else: Register for reports
 - www.parallels.com/SMBreport



Thank you!

|| Parallels®

SUMMIT