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Latest updates from Parallels SMB Cloud Insights™
research – practical guidance for 2012

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One year of Parallels SMB Cloud Insights™

New - 2012

United States



Brasil



Mexico



Global



2011

Australia



China



France



Germany



Netherlands



Japan



India



Poland



Spain



United Kingdom



- 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...

Meet your customers



Meet your customers



Methodology: how do we characterize buyers?

Size



- **Micro** (<10 employees, US – <20 employees)
- **Small** (10-49 employees, US – 20-99 employees)
- **Medium** (50-250 employees, US – 100-999 employees)

IT audience



- **No IT** (a.k.a. “Do-it-yourselfers”)
- **IT consultants**
- **IT staff**

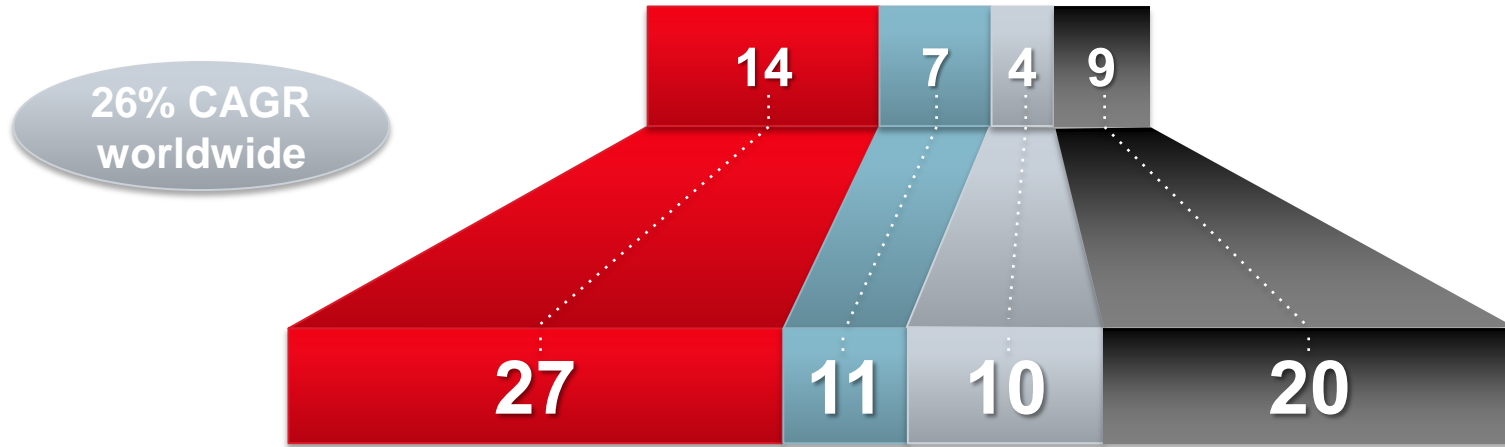
Opportunity



- **Cloud Converter**
- **Cloud Leaper**
- **Cloud Expanders**

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

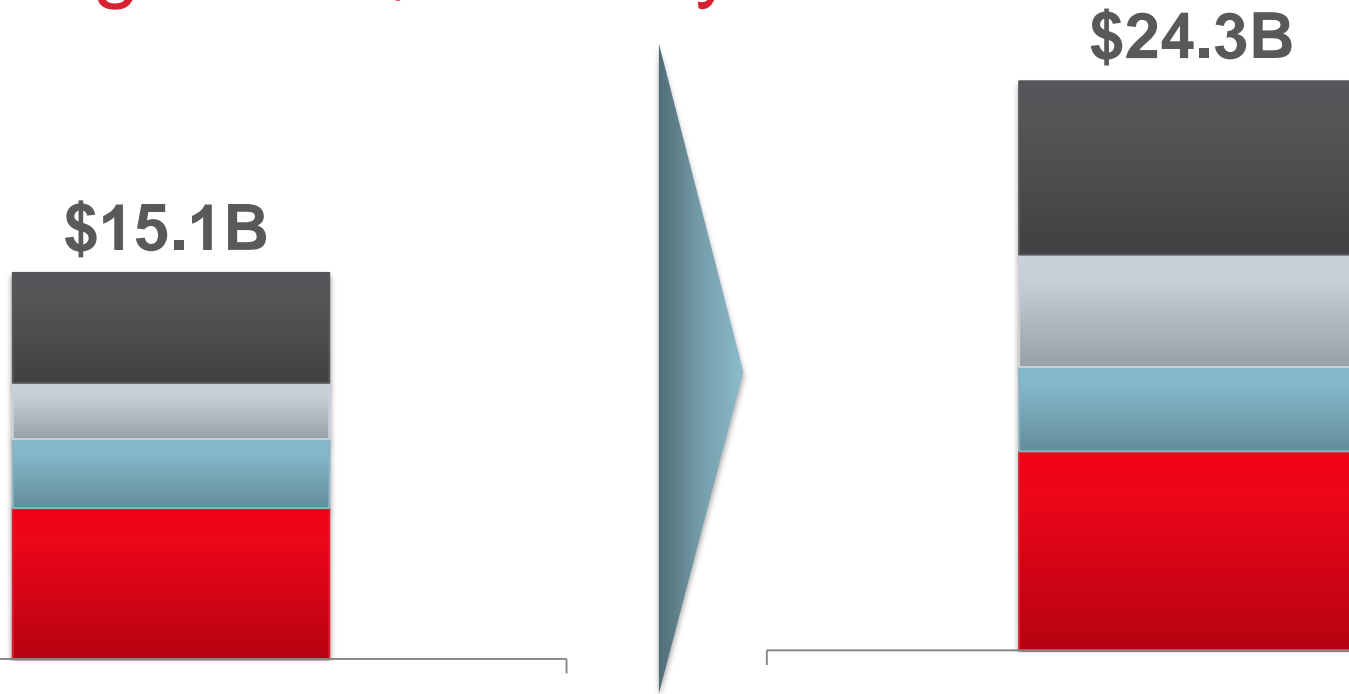
Source: Parallels SMB Cloud Insights™, 2012

Highlights from 2012 SMB Cloud Insights™ for the United States

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SUMMIT

The US SMB cloud market has reached \$15.1B and will grow to \$24.3B by 2014



■ Hosted Infrastructure ■ Web Presence ■ Communication & Collaboration ■ Business Applications

- Growth since 2010: 25%
- 1 million+ new SMBs entered cloud
- Top Growth: Hosted Communication & Collaboration

- 3 year CAGR: 16%
- Top growth: Hosted Infrastructure and Business Applications

Source: Parallels SMB Cloud Insights™, 2012

SMB CLOUD INSIGHTS™ DAILY

HOSTED INFRASTRUCTURE

Micro SMBs “leaping” into the cloud for servers

In 2011, 13% net new micro SMBs (<20 employees) purchased servers, and these companies were **3x more likely to choose cloud over on-premises services**. Overall, use of hosted servers grew 20% among US SMBs, driven by companies replacing in-house servers and by new users of servers.



Strong upsell opportunity among small and medium SMBs

24% of Small SMBs and 38% of medium SMBs report that they will increase their spending on hosted infrastructure in the next 3 years – especially in value-added services like security, backup, and control panels.

Practical guidance for Hosted Infrastructure

Target micro SMBs

- ✓ Educate on business benefits of hosted servers
- ✓ Offer economical options to attract smaller SMBs – VPS or Cloud

Focus on upsell opportunities among existing customers

- ✓ Make it easy to purchase higher levels of service
- ✓ Offer value-added applications, like backup, security and control panels
- ✓ Leverage Parallels – Plesk storefront, PA for Cloud Marketplace

Learn more at Summit: Best practices for IaaS with Parallels
Virtuozzo Containers – Next 2:20-2:45pm

Best Practice: Upselling VPS offerings

The screenshot shows the GoDaddy website interface for configuring a Linux Virtual Dedicated Server. The page is titled "Linux Virtual Dedicated Server — Value" and includes a "Change plan" link. The configuration is broken down into several sections, each with radio button options:

- Backup:** Options include "No FTP backup" (selected), "15 GB FTP backup: \$3.99/mo", "30 GB FTP backup: \$7.99/mo", "60 GB FTP backup: \$12.99/mo", and "120 GB FTP backup: \$19.99/mo". Under "Managed Backup Services", options include "No Managed Backup" (selected), "Daily Managed, 7-day retention: \$19.99/mo", "Daily Managed, 30-day retention: \$39.99/mo", "Weekly Managed, 4-week retention: \$29.99/mo", and "Weekly Managed, 12-week retention: \$49.99/mo".
- Bandwidth:** Options include "No additional bandwidth" (selected), "Add 500 GB/mo: \$14.99/mo", "Add 1,000 GB/mo: \$29.99/mo", "Add 1,500 GB/mo: \$44.97/mo", and "Add 2,000 GB/mo: \$59.96/mo".
- Assisted Service Plan:** Options include "No Assisted Service Plan" (selected) and "Assisted Service Plan: ~~\$469.99/mo~~ \$129.99/mo (3 mo minimum) [A Parallels Plesk Panel is required.](#)".
- Control Panel:** Options include "No control panel" (selected), "Parallels Plesk Panel 30 Domains: \$4.99/mo", "Parallels Plesk Panel 100 Domains: \$6.99/mo", and "Parallels Plesk Panel Unlimited: \$9.99/mo".

An "Order Summary" box on the right displays the total price of "\$35.99 per month" and includes a "Proceed to Checkout" button. A "Print Quote" link is also present. A note at the bottom of the summary states: "*Additional bandwidth costs are billed monthly." The top navigation bar includes links for "Domains", "Hosting & Servers", "Storage", "Web Design", "Generate Income", "Email", "SSL & Security", and "Auctions". The GoDaddy logo and contact information are also visible.

SMB CLOUD INSIGHTS™ DAILY

WEB PRESENCE

SMBs are becoming more social: 44% on Facebook

In the past year, **Facebook page use grew 25% among SMBs**; 44% of all SMBs are now using Facebook pages to promote their business. Even more significantly, SMBs without employees are using Facebook pages for their businesses at the same rate – indicating **growing web presence use among these 21M SMBs**. SMBs also **tweet, blog, use ratings sites and LinkedIn** to spread the word about their businesses.



Nearly 50% of US SMBs design website in-house

45% of SMBs and 77% of non-employer SMBs are designing their websites in-house – a difficult task for small businesses without IT expertise. These SMBs are looking for **low-cost tools** to help them create **sophisticated and customized websites easily and quickly**.

Source: Parallels SMB Cloud Insights™, 2012

Practical guidance for Web Presence

Keep web hosting profitable through targeted upselling

- ✓ Site-building tools for small SMBs designing their sites in-house
- ✓ Integration with social media tools for SMBs – Facebook, Twitter, blogs
- ✓ Use tools included in Web Presence Builder, Plesk Storefront to help

Use demos and trials of web presence tools to attract/upsell

- ✓ Acquire new customers inexpensively by letting them try out the tools they need
- ✓ Target SMBs without websites with Web Presence Builder trials

Learn more at Summit: Best practices for web presence and shared hosting with Parallels Plesk Panel – Today 4:20-4:45pm

Best Practice: Trials and demos

Try Google Apps for Business for free

Google Apps

Wondering how online communication and collaboration tools might help your business?

You don't even need a credit card to try Google Apps for Business. It's **free for 30 days** for up to 10 users - just fill out this quick form to create your account.

Enter a domain name for your organization

I already own this domain

I am all set! Set up Google Apps with this domain.

Submit

Don't have a domain yet?

No Problem. You can register a new domain for only \$10 a year.

Find domain

Create your administrative account

This will be your email address in your new Google Apps account.

Username: @mycompany.com

Password: [Password strength:](#)

Confirm password:

About your organization

Organization name:
Optional

Country/Region:

Street Address:

Talking to SMBs



SMB CLOUD INSIGHTS™ DAILY

COMMUNICATION & COLLABORATION

Medium SMBs' use of premium hosted email up 110%

Premium hosted email saw a staggering 110% growth among US medium SMBs during 2011. SMBs switching from free email providers like Gmail or upgrading from free hosted email fueled this incredible growth. And stay tuned, medium SMBs plan to add another 7M premium mailboxes in the next 3 years.



Huge growth in hosted PBX driven by micro SMBs

Nearly all of the 75% growth in hosted PBX last year was driven by micro SMBs who did not previously have PBX. Hosted PBX allows these SMBs to have enterprise-level phone systems at a reasonable monthly rate, without the hassle of installation and maintenance.

Source: Parallels SMB Cloud Insights™, 2012

Practical guidance for Hosted Communication & Collaboration

Drive email profitability through upselling premium email

- ✓ Capture micro SMB business with low cost / freemium email and upsell over time
- ✓ Focus on upselling premium email offerings, particularly Medium SMBs still on POP
- ✓ Provide a variety of email options by working with Parallels (Microsoft Exchange, OX, Zimbra)

Target micro SMBs with the hosted PBX value proposition

- ✓ Educate micro SMBs about the business benefits of enterprise-level phone system
- ✓ Bundle hosted PBX with domain registration and Web presence to increase ARPU
- ✓ Leverage Parallels turn-key voice offerings – Broadsoft, Microsoft Lync, Infracast, 4psa/VoipNow

Learn more at Summit: Hosted PBX for Dummies Beginners –
Today 3:30-3:55pm

Best Practice: Apptix and SMB messaging



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Why Apptix?

Over 20,000 organizations around the world choose Apptix for their hosted communication, collaboration, and infrastructure needs. Apptix delivers **Reliable, Easy-to-Manage** services backed by 24/7 Customer Service

Website Hosting



Apptix offers a comprehensive range of Website Hosting services for businesses to create and maintain a corporate website.

Key Benefits

- One-stop shop for domain registration, website hosting, and website development tool
- 24/7/365 live US-based customer support
- Easy-to-use Plesk SiteBuilder to create a professional website
- No set-up fees or maintenance/infrastructure expenses
- Statistics tools to analyze the performance of your website

Standard Features

Talking to SMBs



SMB CLOUD INSIGHTS™ DAILY

BUSINESS APPLICATIONS & SAAS

Online backup & storage is the “must-have” SMB app

Across all sizes of SMBs, online backup and storage was the single most popular app to add in the next 3 years. Overall, 13% definitely plan to purchase online back up and storage by 2014, and another 33% are considering adding it. This is the one application service providers don't want to leave out of their offerings.



Types of SaaS apps SMBs want vary by size of SMB

While all SMBs want online back-up and storage, **the hottest online applications differ by SMB size.** Micro SMBs also want online accounting and file sharing. Small SMBs add e-mail archiving and phone conferencing to their most-wanted apps. Medium SMBs want to add every online application. Web conferencing, phone conferencing, and online accounting are the top three.

Practical guidance for Business Applications

Create application bundles for different SMB types

- Target SMBs with specific app bundles to suit their size and/or industry
- Make sure online backup and storage is included in your bundles
- Work with Parallels experts to create the right bundles

Launch a rich application storefront

- Leverage Plesk Partner Storefront or Parallels Automation for Cloud Marketplace
- Add 100s of APS-enabled free and paid applications

Learn more at Summit: SaaS 101: Grow profits by 50% – Thursday
1:30-2:20pm

Best Practice: LuxCloud and PACM storefront

The screenshot displays the LuxCloud website storefront. At the top, the LuxCloud logo is accompanied by the tagline "Enabling SaaS Business" and a navigation menu with links for Product, Partner Programs, News, Support, About, and Contact. Social media icons for LinkedIn, Facebook, and Twitter are also present, along with a Login button. Below the navigation, a breadcrumb trail reads "Home > Product > Applications". A dark blue banner prominently features the word "Applications".

The main content area is organized into several sections:

- Web Presence & Application Hosting:** This section features a collage of logos for various domains (.com, .net, .org, .uk, .gov, .fr, .no, .eu) and technologies (MySQL, PHP, .NET, SQL Server). A list of services includes Web Hosting (Linux & Windows), Domain Registration, and ePages - eCommerce.
- Messaging & Collaboration:** This section includes logos for Microsoft Exchange and OXO. The services listed are Hosted Exchange 2010, Microsoft SharePoint, and Open-Xchange Groupware.
- Reliability:** This section features logos for Keepit and BackupAgent. The services listed are BackupAgent and Keepit.
- Infrastructure:** This section includes logos for Virtuozzo Containers, Microsoft Hyper-V, and IBM CloudBurst. The services listed are Virtuozzo Container, Microsoft Hyper-V, and IBM CloudBurst Enterprise.

A sidebar on the right side of the page provides detailed descriptions for key services:

- Applications:** Deliver cutting-edge SaaS applications, from web hosting to business tools.
- Business Management:** Storefront, online payments, product provisioning, promotions and discounts, up-selling.
- Control Panels:** You and your clients manage everything through branded Control Panels.
- API:** Integrate our platform in your existing billing lifecycle using our SOAP APIs.
- Private Labeling:** Create completely customized service plans, billing and account management included.

Below the sidebar, there is a link to "Download 2 page Fact Sheet:" followed by a preview of the fact sheet document, which includes a table of contents and a screenshot of the LuxCloud storefront.

Parallels SMB Cloud Insights™ in 2012

- New and updated 2012 SMB Cloud Insights™ Reports
- PartnerNet's SMB Knowledge Headquarters
- Support for Parallels Business Consulting

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SMB Cloud Insights™ Reports

During 2011, Parallels interviewed SMBs of different sizes, industries and countries about their cloud service consumption, future plans and attitudes. We have created comprehensive views of the SMB market for Cloud services in 2011 for the United States, United Kingdom, France, Spain, Germany, Netherlands, Poland, China, India, Australia and Japan. You can download these reports and use them with your customers to help support why they should be investing in specific services from you based upon trends and the need to stay competitive. Some of our partners have used these reports in their marketing and sales lead generation. For example, some have run ads to their target audiences offering a report as a premium in return for submitting an inquiry form.

	Australia 2011 SMB Cloud Insights™	English	
	China 2011 SMB Cloud Insights™	English	Chinese
	France 2011 SMB Cloud Insights™	English	French
	Germany 2011 SMB Cloud Insights™	English	German
	India 2011 SMB Cloud Insights™	English	
	Japan 2011 SMB Cloud Insights™	English	Japanese
	Netherlands 2011 SMB Cloud Insights™	English	Dutch
	Poland 2011 SMB Cloud Insights™	English	Polish
	Spain 2011 SMB Cloud Insights™	English	Spanish
	U.K. 2011 SMB Cloud Insights™	English	
	U.S. 2011 SMB Cloud Insights™	English	

Learn more at Summit: Grow your business: Parallels partner resources – Thursday 4:45-5:10pm

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

