



News release

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For immediate release

The Goldilocks Technology Solution in Cloud-Based Computing – Endurance International Group Publishes Part II of VSB Cloud Exploration

Burlington, MA, February 27, 2014 — [Endurance International Group](#) (NASDAQ:EIGI), a leading provider of cloud-based platform solutions designed to help small and medium-sized businesses succeed online, today released the next wave of data from its Very Small Business (VSB) Exploration. This week's focus is the second of a two-part series focused on the cloud – a misunderstood and ambiguous phrase used to describe everything from email to Dropbox to SaaS solutions. While [Part I](#) focused on how VSBs currently use cloud-based applications, [Part II](#) explores how familiar VSBs are with cloud-based computing, what solutions they intend to buy or try in 2014, and what cloud-based solutions and services they wish were available in a perfect world.

In this panel, 420 VSB subscribers within the total Endurance subscriber base completed the survey. As noted in previous findings, Endurance found that when it comes to the cloud, there is relatively high awareness of its existence, but little familiarity and knowledge of what it can do. What Endurance does know is where VSBs see the cloud's perceived value. When asked to compare software solutions obtained from the cloud and solutions installed on their PC or desktop, 67% of respondents viewed the cloud as the “Goldilocks” technology solution – a choice that would be just the right size, rather than a “one size fits all” tool that is always either more limited or more robust than needed.

While the first study showed that there is still some hesitation about the cloud, the second round results prove that there is potential for increased adoption in 2014. “VSBs are interested in cloud-based solutions. However, they don't fully trust the technology yet. We believe there is a great opportunity here,” says Michael Kesselman, EVP Innovation and Strategy at Endurance. “If we can effectively communicate the cloud's benefits, we will help VSBs transform the way they do business, from how they store and share documents, to how they can use the cloud as an enablement platform for communication and collaboration. We believe the cloud can ultimately make aspects of ‘doing business’ easier – especially for VSBs with less time, money and resources than larger enterprises.”

Not surprisingly, price is the most important factor when deciding to purchase a cloud-based solution. Nearly half of respondents expressed an issue with “hidden pricing” when it came to their experience with cloud-based solutions, with 23% considering it a major problem and 24% saying it was a minor problem. According to Kesselman, “This price confusion may stem from a lack of industry standards for pricing as a function of size or capabilities. But it also creates a unique opportunity to communicate the benefits of creative pricing strategies for VSBs, the

ability to buy only what they need or pay only for what they use. We've found that VSBs are very quick to try, implement, and abandon technology, so it's important to keep the solutions cost-effective and to make the benefits of these solutions as clear as possible. Otherwise VSBs will move on to the next thing."

Backup and storage, the most well known of cloud-based services, continue to grow, with half of respondents intending to buy such products for their business in 2014. Email marketing is another area for potential growth – 39% of respondents are interested in purchasing a solution sometime this year. Both social media management and office applications could also prove popular, as 34% of respondents noted that they intend to purchase them this year.

However, not all respondents are ready to buy right away. The survey suggests that the ability to "try before you buy" will be a significant factor in whether VSBs adopt the cloud. 73% of respondents said "the ability to try it first" is one of the most important qualities when deciding to purchase a cloud-based software solution. If offered a 30-day free trial of a range of cloud-based solutions, respondents were most likely to select social media monitoring/management tools (43%), email marketing tools (41%), and backup/storage solutions (39%).

The last section of the study included a free response section for respondents to write in suggestions for cloud-based solutions or services that they cannot currently find. The wish list included coupon/flash sale tools, online video editing tools, integrated lead and promotion management tools, and an all-in-one email marketing and management system. One respondent summed it up nicely, "I dream of a simple cloud solution that does not tax my time with silly licensing schemes and doesn't require costly support and other wacky pricing models. Simple = successful."

Copies of the panel's responses can be found at endurance.com with Endurance releasing more learning in the coming weeks.

Read the first part of the [VSB Cloud Exploration](#).

About Endurance International Group

Endurance International Group is a leading provider of cloud-based platform solutions designed to help small and medium-sized businesses succeed online. Less than 20 years old, Endurance serves over 3.5 million subscribers through a family of brands that includes Bluehost, HostGator, Domain.com, FatCow, iPage, BigRock and MOJO Marketplace. Endurance is headquartered in Burlington, Massachusetts, has a presence in Asia and the Americas, and employs over 2,600 people. Endurance provides a comprehensive suite of over 150 products and services that includes web presence and mobile sites, email and eCommerce solutions, as well as more advanced offerings, such as SEO services, scalable computing, security, storage and backup, online marketing and productivity solutions. For more information, visit www.endurance.com.

This press release may contain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding our expectations for the growth and expansion of the market for cloud-based products and services. These forward-looking statements include, but are not limited to, plans, objectives, expectations,

beliefs and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as “intend”, “believe”, “could,” “potential,” “opportunity”, or words of similar meaning. Actual results may differ materially from our expectations as a result of various important factors. For additional discussion of these and other factors, please refer to our filings with the Securities and Exchange Commission. Any forward-looking statements represent our views only as of today and we do not assume any obligation to update such statements.

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