

411.ca Significantly Improved REVENUE & CUSTOMER RETENTION

with **Veloxsites™**



OVERVIEW

COUNTRY Canada

INDUSTRY Online Directories

CUSTOMER PROFILE

411.ca, with offices in Toronto and Montreal, provides online directory services to customers across Canada.

BUSINESS SITUATION

The company wanted to boost its appeal to customers by offering a website that was fast and easy to set up, and affordable for customers. With about 50% of SMBs not having a website, the market potential was significant.

SOLUTION

411.ca selected Veloxsites™ as its premium partner to offer websites to its addressable market.

BENEFITS

- Relevant new product offering
- Increased recurring revenue
- Enhanced customer retention

411.ca is Canada's National online directory service with 22,000 customers and more than twelve million unique visitors to the site each year.

Customers are typically small to medium businesses (SMBs). Gaining new customers and retaining them (i.e., reducing churn) is a critical component of the company's operations that increases recurring revenue and profitability. To achieve this, 411.ca recognized the need for a product or service that would help its customers succeed and strengthen their relationship with 411.ca. Businesses today that do not have a website limit their opportunities for growth, and in some cases may even endanger their chances of survival. While most large businesses today have a website, many small businesses do not, despite the overwhelming weight of opinion that having a website has become a marketing essential for all businesses. This presented a significant business development opportunity for 411.ca.

“Veloxsites™ has given us a powerful new product and service that clearly meets the needs of many of our existing customers and potential customers. It's also demonstrably superior to alternative website builders.

Neal Romanchych, Senior VP, Sales & Service – 411.ca

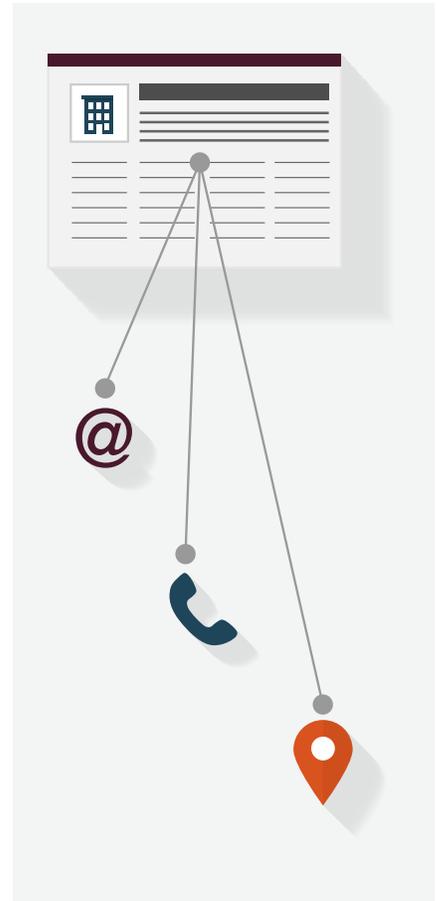
SITUATION

With the Internet now an integral part of consumers' local shopping activity, having a website has become increasingly important. Despite the almost universal usage of the Internet by consumers, many SMBs do not yet have a web presence. In Canada, it is estimated that over 1 million SMBs do not have a website.

The reasons most cited by SMBs for not having a website are cost, time constraints, and complexity.

411.ca had a vision to make it possible for its customers to be offered a custom web and mobile website INSTANTLY, with breakthrough technology that could automatically and intelligently pull data for the website fields directly from the relevant portions of the customer database. 411.ca did not want to add to the already crowded field of slow manual error prone web development point solutions, but rather wanted a truly disruptive comprehensive solution that current options could simply not touch.

The challenge was to find a product that could live up to its name as an "instant website builder."



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**The Veloxsites™
product lives up to
its claim of being
FAST, EASY and
LOW-COST.**

SOLUTION

411.ca chose the Veloxsites™ instant website builder developed by STI. “The product lives up to its claim of being FAST, EASY and LOW-COST,” says Neal Romanchych, Senior Vice President of Sales and Services at 411.ca. STI’s patent proprietary technology uses database information on the customer to: 1) select a category- specific website template; 2) create a minimum of three pages; and 3) publish the website. All of this can be completed within of one minute.

In October 2011, 411.ca launched its website builder service instantly creating websites for its customers. Over the next six months these customers were contacted to tell them a website was available for their business and to market the company’s new website service, which included the website, hosting services and domain listing. The service also included the ability to have additional pages and features added to the basic website.

4,160

customers given three months free

2,144

sign up for ongoing service

NEW WEBSITE CUSTOMERS

being gained daily

RESULTS

As expected, when the 411.ca sales team contacted the customers there was a natural attrition due to some already having websites, some no longer in business, and some who didn't want a website. However, 4,160 customers agreed to a three-month free-of-charge service. Following the free period, 2,144 of those customers signed up for continuing service over the next six months. The company was pleased with this 50% conversion rate, which far exceeded any other new service 411.ca has ever introduced. The company continues to gain new website customers every day and works closely with STI to develop enhancements that will increase customer appeal and further aid the sales process and customer retention.

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For customers having their first taste of getting a website, this is a great product for overcoming their fears.



BENEFITS

For 411.ca the benefits have been the addition of a value added product it can offer to both existing and potential customers. This has resulted in increased revenue and profit, and early indications are that it has helped with customer retention.

In the latest six months revenue increased by 5.38% as a result of Veloxsites being introduced as an added service.

SALES/CUSTOMER SERVICE EXPERIENCE

The 411.ca sales team and the web specialists who work with customers to refine their websites report that the availability of the instant website builder is proving to be an important sales tool. Additionally, there is a growing appreciation that the Veloxsites™ solution is a market leader.

"It is user-friendly—easy to change and has unlimited potential for adding content. For customers having their first taste of getting a website, this is a great product for overcoming their fears," says Ben Beatty, 411.ca Web Specialist.

The feature rich Veloxsites solution provides the flexibility that will enable the websites to meet the needs of customers for years to come. This is especially true with the growth of the mobile advertising market and the ability of Veloxsites to instantly create an accompanying mobile site every time a new website is created.

The sales rate to new online listing customers is very high, particularly when made within the first week or two of the listings sale being made.

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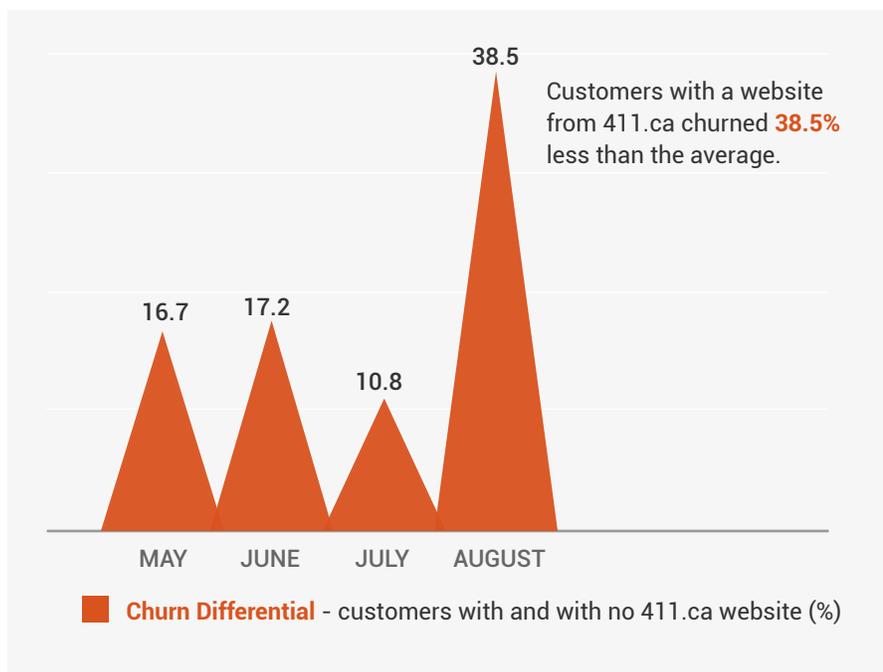


CUSTOMER QUALITY IMPROVING

A key objective for 411.ca was to reduce churn. The financial impact of a small reduction in customers discontinuing service is significant.

Although the introduction of the Veloxsites™ product is still relatively recent, trends are developing that indicate customers with 411.ca websites are an increasing segment of the total customer base, and that they are less likely to churn.

The following chart shows that the average 411.ca customer churns at a rate 20.8% higher than customers that do have a 411.ca website.



Customers with a 411.ca website churn at a significantly lower rate than customers with no website.

The percentage of customers with a 411.ca website is increasing.

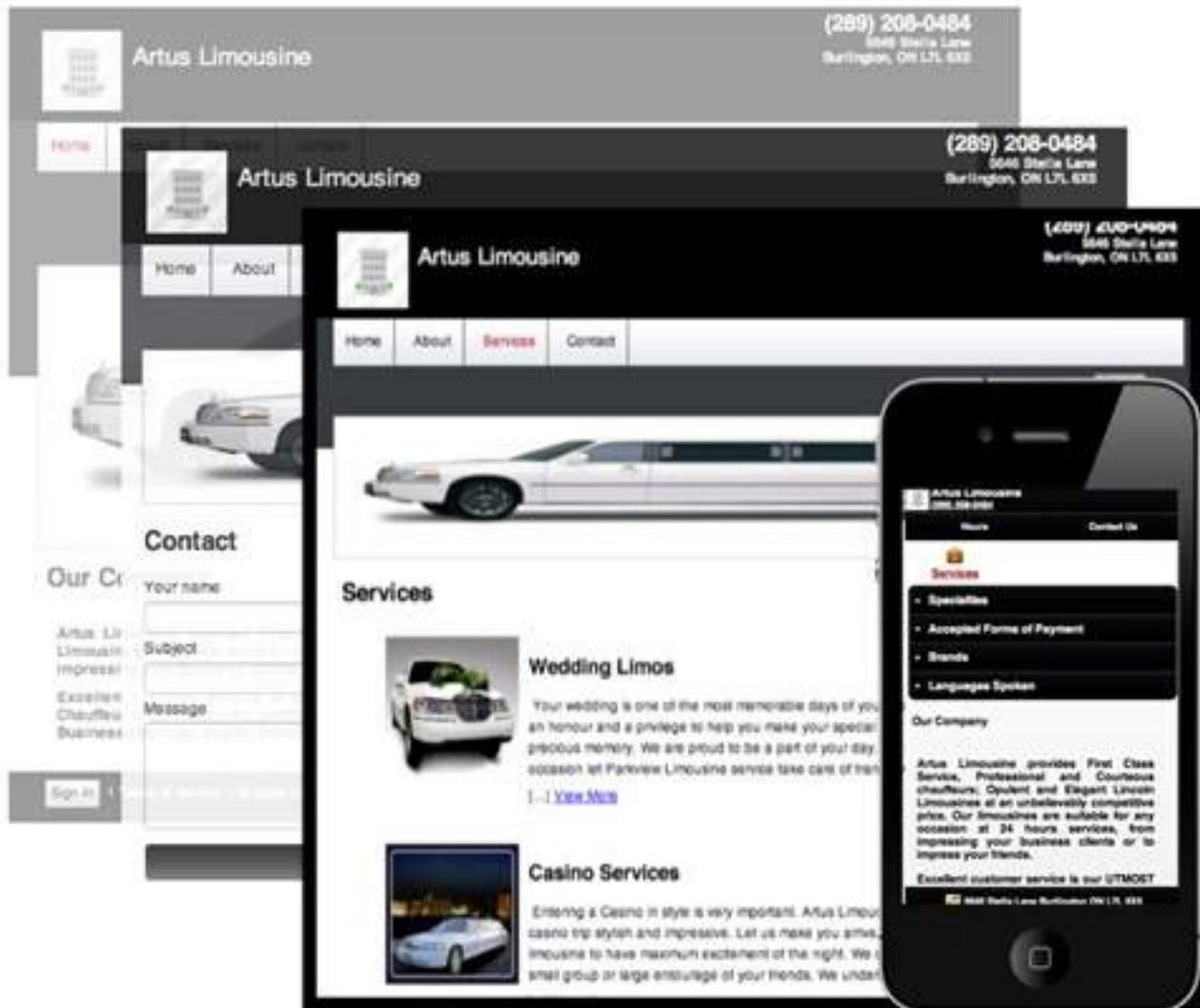
CUSTOMER FEEDBACK

Customer reaction has been very favourable. A number of customers who previously had websites and have switched to the 411.ca service have cited improvements in content and presentation, as well as lower cost among the benefits of using 411.ca's website service.

ARTUS LIMOUSINE

Artus Limousine operates in a luxury segment of the transportation market that is highly competitive. Other services maintain 'slick websites', whereas Artus prefers to clearly present its range of services and commitment to customer service. "The 411.ca site is clean, simple, and easy to navigate," says the owner.

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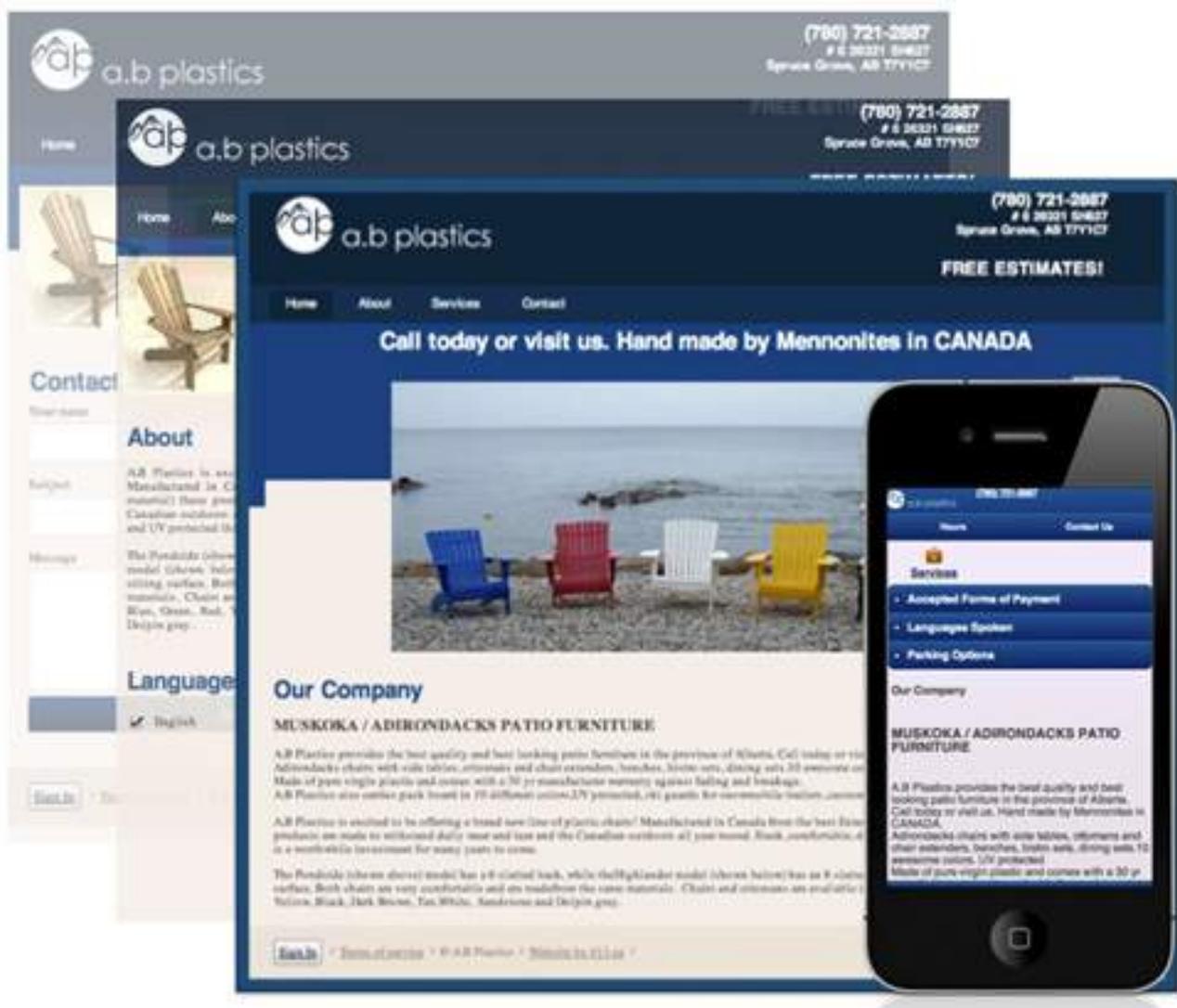




“Our site from 411.ca was so easy to set up, and it looks great on mobile phones too!”

A.B. PLASTICS

A.B Plastics' previous website was developed by a professional web designer. However, the Home page did not clearly present the company's unique selling proposition. 411.ca worked with the customer to re-develop the site to have more customer impact at a lower cost.





“Finally, we have a website for our company. It was so fast to set it up, the guys at 411 did it all for us.”

GUIDEPATH

This website showcases a new product innovation that helps users navigate their way around a superstore or a mall. The inventor, a retired technologist, wanted his website up and running within a few hours for a big meeting.

He was very impressed with the turnaround time, and found the website extremely easy to navigate afterwards.

