

## Silicon Valley Leader Turns Customer Insights Into Bottom-Line

A well-known Fortune 100 technology manufacturer looked for an innovative solution that could increase sales and profits through a better understanding of global customer preferences. It found that solution in TrueChoice® Predictive Selling, a service of New York-based TrueChoice® Solutions, Inc.

Today the manufacturer has discovered a unique win-win-win approach in which:

- *The manufacturer wins* – through immediate insights that enable optimized offers, pricing, marketing and product development.
- *Sales professionals win* – through access to a stronger pipeline of qualified leads, as well as automated conversion to sales;
- *Customers win* – through a faster, easier purchasing process that tailors the product to their exact preferences.

While the company has requested anonymity to protect its market strategy, the story behind its approach is instructive to any organization that wants to gain a competitive edge when selling a complex product or service.

### Seeking New Insights

Headquarters in Silicon Valley and respected worldwide for its innovative products, the technology manufacturer sought to boost sales within its small and medium-sized business (SMB) segment in the U.S. and emerging markets worldwide. They knew there was a large opportunity within this segment, but they had little understanding of the changing needs and preferences of entrepreneurial companies.

The company also had little insight as to why some new product launches were more successful than others. Given the fast pace of change within the technology market, they also needed to understand, as close to the product launch cycle as possible, the level of market maturity and barriers to adoption of

new technology within the SMB segment, particularly among the small businesses that recognized the need for new or additional technology in their businesses but had yet to make a purchase.

Additionally, all sales to SMBs were made through value-added resellers (VARs) and original equipment manufacturers (OEMs), which added an additional level of complexity to an already complex and nontransparent sales process.

### Complex Challenges

Challenges faced by the manufacturer, VARs and OEMs included:

- Technology products and services were complex, often bundled solutions requiring a complex decision-making process for the customer.
- SMB buyers typically had limited knowledge of computer technology and had little understanding of the many configuration options available, or of their relevance to their business.
- The selling process was advice-intensive and time-consuming for the VAR's salesforce.
- Substantial prepurchase information collection was needed to sell effectively to each customer.
- The value proposition and value created by the client's products differed for every SMB customer, making the sales and the advice process difficult to scale.

### Discovering a New Solution

Powered by a patented preference measurement technology, TrueChoice® Predictive Selling demonstrated an unparalleled ability to help the customer:

- Increases sales and qualified lead generation.

- Improve customer profitability by identifying upselling and cross-selling opportunities.
- Provide an engaging, educational, and personalized customer experience.
- Capture quantitative intelligence on buyer values, preferences, price sensitivity, etc., within a customer segment that was poorly understood.
- Improve sales productivity by offering sales support for resellers and quality assurance within the sales staff.
- Provide flexibility and innovation by offering a multilanguage, easy-to-update sales application that shares data with existing systems (CRM, inventory, etc.).

The TrueChoice® Solutions, Inc. team, led by co-founder and CEO Sev K-H Keil, customized, TrueChoice® Predictive Selling to meet the requirements of both the manufacturer its VARs

### Rapid Deployment

Operating in an ultracompetitive market that punishes even minor delays, the manufacturer needed a solution that could be up and running quickly – on a global scale. The TrueChoice® team delivered a fully customized solution that met the company's aggressive time frames.

After an agreement on the basic elements of the approach, TrueChoice® created a customizable "template" to facilitate the discussion with each VAR. The customer-facing interactive sales "dialogue" tool was also customized to the manufacturer's and VAR's branding requirements and deployed to the VAR's website, and on kiosks both in-store and at trade shows. All deployments were completed within a six-to-eight-week time frame. As one company executive reports, "The results far exceeded any other campaign we have done in the SMB space."

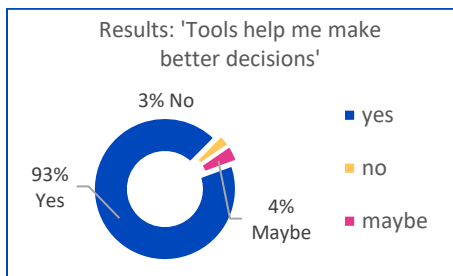


Figure 1: Our customers believe in the benefit they receive from tools.

## Global Launch

The TrueChoice® Predictive Selling solution was initially launched in four distinct global market: the U.S., India, China, and South Africa. As part of the launch, the manufacturer and its VARs received the following:

- A customized “Small Business Technology Guide,” deployed via VAR websites and kiosks that collected customer preferences and recommended a personalized technology solution based on the customer’s individual preferences.
- A sales tool for the VARs that allowed salespeople to view a preference profile of individual customers, calculate a best-fit product match and recalculate product-related constraints.
- Integration into the manufacturer’s and VAR’s websites, online ordering and inventory systems;
- Customized branding and co-branding options for a seamless presence.
- Real-time preference analytics for the manufacturer and Vars that provided customer intelligence broken down for analysis at many levels, including customer, segment, store, channel and market (country).

## Self-adaptive Technology

TrueChoice® Preference Technology is based on a proprietary technology that is completely self-adaptive to each customer, enabling a “virtual sales assistant” to guide the customer to the best solution based on their preferences and priorities.

In addition to capturing and analyzing preference data with TrueChoice® Solutions’ patented algorithms, the TrueChoice® Predictive Selling solution also collected contact details and other demographic data for each customer.

This allowed each VAR’s salesforce to respond rapidly to the qualified sales leads that TrueChoice® generated. The solution also recommended a “best match product” based on the preferences the customer had given throughout the TrueChoice® process, enabling real-time assisted selling.

In the words of one company executive, “Preference data is a great value-ass for VARs as we usually don’t have access to that data.” And in the words of one customer, “... I spent a lot more money than I had anticipated but feel that I got a lot more value out of my purchases.”

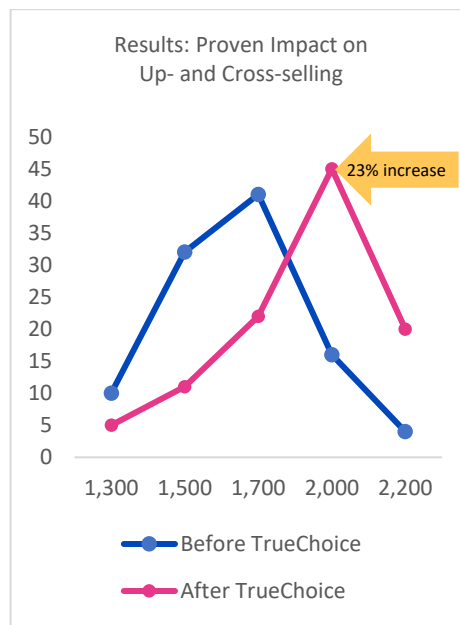


Figure 2: Dramatic Sales Gains by with TrueChoice® Solutions

## Dramatic Results

Results from the initial deployments of VARs in India and South Africa validated the selection of TrueChoice® Predictive Selling. When asked by an independent consulting organization to rate the TrueChoice® experience, the overwhelming majority (greater than 90 percent) of customers in India found the tool to be of value in helping them to choose the right technology for their business.

In addition to the positive response rates in initial deployments, real ROI was achieved when measuring results tied to TrueChoice®:

- Dramatic increase in sales leads of 400 percent.

- Sales increases by category from 15 to 60 percent.
- Increase in revenue per customer of 11.3 percent

In addition to the hard ROI, customer product preferences for features and services were also helpful in identifying a gap in VAR inventory for a premium product. Once the gap in VAR inventory was filled, an additional increase of 23 percent in revenue per new customer was achieved.

## Benefits Across the Value Chain

The Silicon Valley manufacturer has discovered that TrueChoice® Predictive Selling delivers real benefits across the value chain.

- *For the customers:* Improved sales experience. Personalized advice and decision support, customer-driven upselling, decision making focused on customer value rather than price;
- *For the VAR:* Increase in qualified leads, increase in sales, improved individualized value proposition for each customer, customer-driven up selling opportunities, real-time insights for sales, marketing, product and services;
- *For the manufacturer:* Increased product demand yielding increased sales, insight and validation of the value proposition for SMBs, customer insight and individual willingness to pay for current and emerging features most valued by the end customer, customer-driven upselling, insights for the entire organization including sales, marketing, product development and the executive suite.

## A New Standard

Based on the success of its initial program, the Silicon Valley technology company has continued to apply TrueChoice® Predictive Selling to other areas of its global marketing strategy. And it continues to experience significant increases in revenues, profits and customer satisfaction wherever the TrueChoice® technology is applied. And it is not alone. To date, global companies in such industries as financial services, telecommunications, manufacturing and healthcare have discovered that the TrueChoice® Predictive Selling solution sets a

new standard for driving top-line sales growth and bottom-line profits – while delivering a customized 1-1 experience to end customers.

### **What is TrueChoice® Preference Technology?**

TrueChoice® Preference Technology shows the “why and how” of customer decisions, rather than focusing on the conventional “what.” As a result, it delivers real-time insights that drive real bottom-line results

- An on-demand, Web-based software and analytics solution;
- Easy to use, configured and hosted by TrueChoice® Solutions;
- Deployed as a stand-alone application or as an integrated software application through XML data feeds or Web services.
- A unique solution that quantifies an individual’s preference structure, willingness to pay and profit reserve – in real time;
- A patented product that is based on TrueChoice® Solutions’ 400+ proprietary algorithms and more than 15 years of thought leadership in the field of marketing science.

### **Close-Up: The components of TrueChoice® Predictive Selling**

TrueChoice® Predictive Selling consists of three major components:

#### **Willingness to Pay**

Pricing is too often an art – based on hindsight and guesswork. But through its “Willingness to Pay” feature, TrueChoice® Predictive Selling transforms pricing into a science – one that can be applied in real time.

Willingness to pay is derived through TrueChoice® Solutions’ patented algorithms that decompose a respondent’s preferences for each attribute of a product or service and calculate an exact price that the customer would pay for the change or addition of that feature from the existing (baseline) product or service.

It is a powerful metric that TrueChoice® Predictive Selling calculates after a customer completes the interactive dialogue session. And it can have a dramatic impact on a company’s bottom line by optimizing the

profit from each sale. In addition, it provides a valuable statistical basis for future pricing decisions.

### **Improving Cross-Selling with the ‘Trusted Advisor’**

In online transactions, customers can miss out on the expert guidance of a sales professional. And marketers can miss out on the potential for upselling and cross-selling.

TrueChoice® bridges this gap with its “Trusted Advisor” feature.

Acting as an “intelligent” online sales assistant, the Trusted Advisor helps identify value drivers for each individual customer. And it identifies products and services with features and functions that are most relevant to the customer’s needs.

This value-based understanding yields a value-based buying decision and selling process, increasing the opportunities for additional sales.

### **Relative Importance of Product Features**

Which product features do customers value most? For complex products/services, the answer can be difficult to determine. But TrueChoice® Predictive Selling illuminates customer preferences by breaking down the decision-making process into discrete steps – and measuring the level of customer interest in each one.

TrueChoice® analytics reveal the relative importance of one attribute with respect to other attributes for either the individual customer or the aggregate customer population (or segments thereof). The real power of the relative importance analysis is that it normalizes preference for one attribute over another at the individual customer level.

That individual relative importance data can then be aggregated across the entire population and sliced by demographic segment.