



ZILLIANT

Pricing. Optimized.



Executive Overview

“If, as an executive, you were exposed to something that could possibly increase your profit margins by 20% or more, you would be extremely remiss to not stop and investigate it. Well, here it is – pricing optimization.”

–Tom Martin, former VP of Marketing, Dell Computer Corporation

Do you truly understand how your customers react to your pricing decisions?

Achieving performance objectives is hard in today’s competitive business environment. After all, companies offer more products and services than ever before. We all sell to increasingly diverse customer segments. And we face a market environment that can change overnight. Still, few companies grasp their customers’ sensitivity to price, and have little support for major pricing, promotion, and discounting decisions.

Zilliant illuminates this darkness. Zilliant gives executives clear answers and actionable recommendations about where, when, and how pricing can be used to achieve business objectives. We eliminate the guesswork around this critical profit lever. We provide the visibility, speed, and control you need to achieve corporate goals, outmaneuver competitors, and capitalize on market changes. And best of all, we do it fast. In fact, we have helped our client companies experience profit improvements of 10-20% within months.

Consider how you measure up:

- Do you have a good understanding of how your customers react to price changes or discounting policies?
- Have you correctly segmented your customers when it comes to pricing and discounting?
- Can you quickly adapt to market changes to achieve short-term objectives without sacrificing margin or damaging long-term growth?
- Do you have real-time visibility into profit performance by channel, product, and customer segment?
- Are you able to quickly sense and respond to emerging opportunities and competitive threats as they arise?
- Is your pricing and promotion strategy driven only by your costs and competition - instead of driven by the final judge of value, your customers?

Can you afford to say no to any of these questions? Of course not, since companies failing to proactively take advantage of optimizing price decisions are leaving money on the table, and missing a key opportunity to improve financial performance. Start saying, “Yes!” with solutions from Zilliant and successfully address the challenges of pricing. With Zilliant, you can make price changes, adjust price rules and discount guidelines, as well as tune customer and product segmentations to achieve business

Price Right.

Zilliant focuses on pricing decisions, which is the least understood aspect of marketing and the most under-utilized tool for achieving business success. Price optimization has tremendous potential to help you improve your margins, increase revenues and increase volume across multiple channels.

Profit and revenue optimization (PRO) is what we do. PRO is a next generation approach that uses pricing as a business tool to increase profits and drive additional revenue. Zilliant recognizes this potential by focusing on the final judge of price, the customer.

Our enterprise software helps you seize the power of price by concentrating on three core value propositions:

- Precision price setting
- Creating “optimized deal envelopes” (negotiation ceilings/floors and discounting levels)
- Implementing effective price promotions and product bundling

With “precision price setting,” we help you set the *right* list prices for your products and services – and gain an understanding about what the right price should be in different markets and for different products.

We create “optimized deal envelopes” for clients by establishing floors and ceilings that optimize volume and margin. We set negotiation boundaries for discounting policies. We find the most effective methods for discounting – based on

objectives – all to optimize margin, revenue, market share, or other business goals.

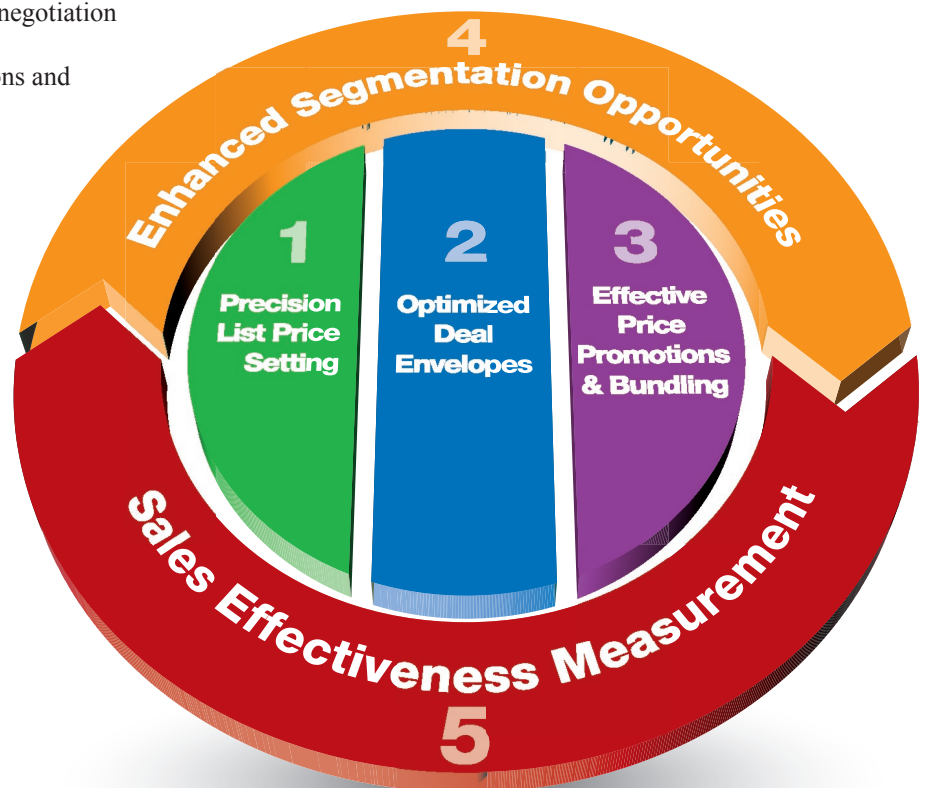
In short, we help you gain a surefire understanding about how your customers react to your pricing decisions.

specific customers and specific products – to get optimum returns on volume, revenue or profit margins.

By helping you “implement effective price promotions and product bundling,” we help you understand *what* segments of your customer base will respond to price promotions – and *how* they will respond. So we not only assist in implementing promotions, but also in measuring their effectiveness. On a deeper level, we can actually measure the effectiveness of your sales channels as you implement discounts, promotions and list prices, so you can see what part of your sales channel is most effective in utilizing your pricing policies.

“Today’s economy is pushing people to find every opportunity they can to improve profitability. In the 1990s, most companies attacked cost. Pricing remains one of the few untapped levers.”

- Craig Zawada, Associate Principal, McKinsey & Company, Inc., CIO Insight, March 2002



Rethink price.

Pricing is an important lever that few executives grasp, both literally and figuratively. With Zilliant you can take control and make better decisions. Zilliant helps you rethink how you segment your customer base when it comes to price decisions, and optimizes how you set prices, establish deal envelopes, and plan more effective price promotions.

By focusing on our three core value propositions, we help you gain an enhanced view of new segmentation opportunities. Moreover, by truly understanding your customers' reactions to prices at the micro-segment level, you can interact with your customers—through your targeted pricing decisions—in a very targeted manner. Imagine discounting to the segment of customers where it will make the most impact. Visualize setting prices for different customers based on the value

“Without a customer-focused pricing solution like Zilliant, it is nearly impossible to set pricing that balances our commitment to discount pricing, revenues, and profitability at the optimum levels.”

they will derive from specific products. Envision planning different discounting and pricing actions through anticipating your customers' behavior to your actions. Now, that's true segmentation of customers.

For example, if you offer discounts to your customers, we can show you if it actually influences purchase behavior and increases volume or profits. Armed with an understanding of how customers react to discounting, as well as price increases, you can more effectively plan your market strategies.

And it gets better. We can identify new opportunities to micro-segment your customers, and to measure the sales effectiveness of list price changes, deal envelopes or promotions.

– Hotwire

Surely you must be asking: How?

Zilliant gives you vital insight.

Zilliant's solution is comprised of the Profit and Revenue Optimization (PRO) Platform, Recommendations Module and Testing Module.

Zilliant's PRO Platform provides the foundation for Zilliant's Profit and Revenue Optimization software. The Zilliant PRO Platform provides the infrastructure to collect, manage and view pricing information. The Zilliant PRO Platform is designed for high performance and provides benefits with minimal disruption to existing pricing systems. The Zilliant PRO Platform is made up of the pricing datamart, optimized pricing schema, high performance pricing engine, connectors and adapters, data integration services and a web browser user interface.

Features:

- Executive dashboard
- Business alerts
- Real-time margin and sales effectiveness reporting

Benefits:

- Summarize critical pricing and revenue information in a single screen
- Quickly identify when performance thresholds for products, customer segments, locations or channels are broken
- Keep up-to-date on sales performance, including discounting and negotiation trends

Zilliant's Recommendation Module leverages statistical analysis and optimization techniques to deliver actionable pricing decision recommendations. Zilliant's Recommendation Module automatically analyzes customer price response for dozens of potential price decisions to determine the price decision that best supports the business goals.

Features:

- Recommendations based on volume, revenue and margin maximization
- Interactive what-if analysis
- Micro-segmentation analysis - by customer and/or product

Benefits:

- Automated evaluation of current prices to identify opportunities to increase margin
- Respond more quickly to market changes
- Refine pricing segmentation to drive increase margin

Zilliant's Testing Module provides full support for in-market testing of pricing and price promotions. Zilliant provides an easy-to-use wizard interface to setup in-market tests and powerful reporting and drill-down to analyze test results.

Companies with Six Sigma initiatives use Zilliant's Testing Module to support a best practices Design of Experiment approach.

Features:

- Management of in-market testing
- Targeting by product, customer segment, location and channel
- Powerful reporting and drill-down analysis of test results

Benefits:

- Infuse controlled variation into the marketplace to measure customer price behavior
- Focus testing on targeted areas of the business
- Analyze test results by product, customer segment, location and channel

Our solution to the price puzzle combines technology and analytics to optimize pricing and increase profits. We're able to do this because we've got pricing down to a science. In fact, our staff is comprised of a team of experts with advanced degrees in operations research, statistical science and analytics. These powerful minds have built one of our strongest assets: the Zilliant Datamart.

The Zilliant Datamart combines both your historical data with newly captured customer behavior information, which we use to analyze precise data for specific pricing problems. The system generates mathematical models that predict customers' responses to pricing decisions. And we capture that data in unique ways. We can capture data on a day-to-day basis as sales happen, or we can implement a test to infuse a change in the market and measure you customers' responses to pricing decisions.

By supplying up-to-date information about how customer segments respond to various pricing actions such as price increases, price decreases, and promotions, Zilliant better equips

Drive profit through pricing.

The technology and approach Zilliant offers is unique. And so are the results.

By managing profit through pricing, Zilliant's solution provides the visibility, speed and control executives need to achieve corporate goals, outmaneuver competitors and capitalize on market changes.

Zilliant provides forward-thinking executives with powerful analytics and detailed customer price sensitivity information to optimize profitability. This industry-leading combination anticipates customer and market response to price and allows for rapid response, providing bottom-line results.

business leaders with the insights they need to make informed pricing decisions that will strengthen business performance, and optimize pricing across multiple product and customer segments.

Zilliant is the first to fully integrate world-class price analytics, a robust pricing data model, and an executive dashboard that delivers the business insight to decision makers. Our focus on customer price behavior and value drivers ensures that you have the most current and relevant information regarding customer and market response to price.

The Zilliant solution benefits companies of all types and sizes, and does not require business process reengineering or a lengthy software implementation. Through our unique **Proof of Value Pilot**, in just weeks Zilliant's solution delivers critical customer information using minimal organizational resources. The result is a seamless integration into any environment and significant profit impact within weeks.

“Zilliant was easy to implement and worked perfectly. There was no disruption in service to customers, and we saw an immediate 10-20% increase in new customer acquisition. This was a direct result of the strong analytics and actionable findings delivered by Zilliant. With the information provided by the Zilliant software, we can set optimal pricing and service options to meet customer needs.”

– DHL Worldwide Express

“Zilliant’s product supports multi-channel optimized pricing and promotional strategies, thereby near instantaneous response to changing market conditions and buyer behaviors”
– META Group

If you're ready, Zilliant solutions can help your company successfully address the challenges of pricing. With Zilliant, you can make price changes, adjust price rules and discount guidelines, and tune customer and product segmentations to achieve business objectives.

We offer a one-day on-site workshop we call an Opportunity Assessment to give you a clear understanding of what kind of returns may be possible by effectively managing price decisions. Contact us to schedule an Opportunity Assessment and take hold of the pricing lever. The returns will speak for themselves.