

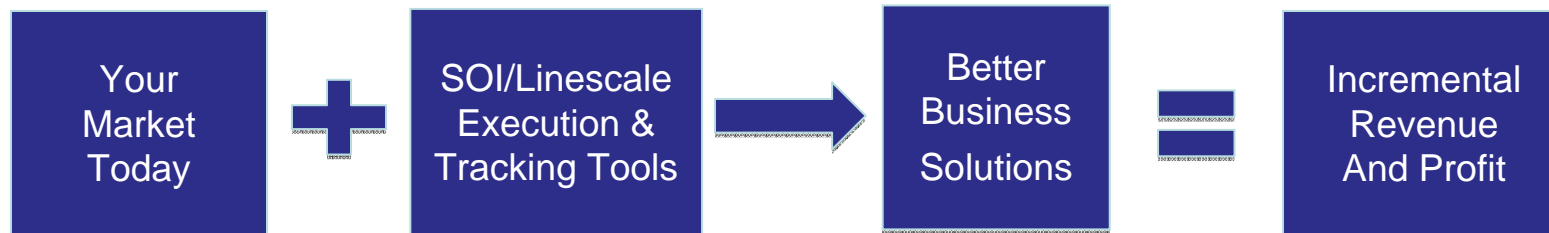


# Stages of Innovation & Linescale

It starts with an idea

stages of innovation

A Partnership To Use  
Real Time, Superior Consumer Insight  
As A Driving Force For Better Business Solutions



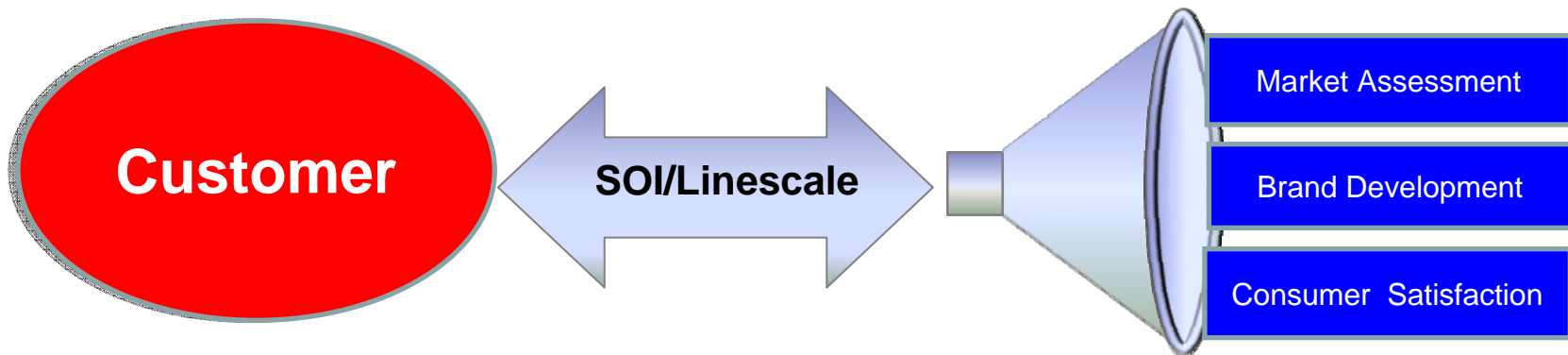


# The SOI/Linescale Difference: Superior Customer Insight

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SOI/Linescale puts any manager in direct contact with customers - real time with uniquely valid quantitative and qualitative data organized by acceptance segment that clearly guides decisions.





## SOI/Linescale Will Identify Opportunity in Tough Times

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We are doing this kind of thing already

I know customers are unhappy  
And I don't want to  
Hear it again

All of my competitors have  
The same problems so  
it will be difficult  
to differentiate

Research is soft and  
can't impact  
my business short term

SOI/Linescale does it  
Better

SOI/Linescale will  
tell you how to  
Improve Customer  
Satisfaction

Initial SOI/Linescale  
Results Show Big  
Differences Between  
Comapnies

Initial SOI/Linescale  
Results Define Low  
Capital, Short Term  
Opportunities

SOI/Linescale Superior Customer Insight

Better Business Solutions



## The SOI/Linescale Difference – SOI/Linescale Does It Better

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SOI/Linescale data is valid at the individual level

- Consumer conversations always are relative to that individual's competitive frame and expectations
- Consumers find the interview intuitive, fun and easy

SOI/Linescale conversations provide both quantitative and qualitative insight

SOI/Linescale analytics use “happiness segmentation” to provide actionable information

- How many Acceptors, Borderline, Indifferent and Rejectors do you have today?
- Why do Acceptors love you and Rejectors hate you?
- What can you do to move consumers to the next satisfaction group?

SOI/Linescale conversations happen with internet speed



## SOI/Linescale Superior Customer Insight – Easy To Implement

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### SOI/Linescale Conversations require only...

- Definition of the Market Space
- A List of Potential Likes and Dislikes in that Space
- A Test Item

### SOI/Linescale Conversations consist of...

- Get Controls – Consumer's Favorite, Next Favorite, Expectation
- Get Test Rating
- Get Diagnostics
- Custom Questions



## SOI/Linescale Superior Customer Insight – Easy To Understand

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### **SOI/Linescale lets your customers tell you...**

- What they think of you
- What they think of you versus competition
- What they expect of you
- How satisfied they are compared to their expectations
- What key factors, features, attributes drove their satisfaction —qualitative and quantitative
- How to improve satisfaction and market performance

### **SOI/Linescale information has many uses...**

- Market Assessment and Opportunity Identification
- Screening and Development
  - Positioning and Communication
  - Product and Package
  - Pricing and Promotion
- Performance Tracking



## SOI/Linescale Analytics

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SOI/Linescale uses four Satisfaction Segments to define customers and Driver Analysis to define what is causing satisfaction.

The Segments are:

- **Acceptors** are strong endorsers, satisfied in all respects (800 – 601)
- **Borderline** are either missing a strong benefit or there is a negative (600 – 501)
- **Indifferent** are generally not satisfied (500 – 401)
- **Rejectors** are very dissatisfied (400 and Below)

### Satisfaction Segments – How Many People Are How Satisfied

1. Preference Segments by Linescore				
Total Sample	Acceptors 601 - 800	Borderline 501 - 600	Indifferent 401 - 500	Rejectors 200 - 400
<b>127</b>	<b>14%</b>	<b>22%</b>	<b>29%</b>	<b>35%</b>



## SOI/Linescale Analytics

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### Satisfaction Segments Discriminate

- Airline Situations Are Different
- Airline Strategies and Actions Should Be Different

	Company1	Company2	Company3	Company4	Company5
Satisfied Customers	31%	23%	8%	7%	3%
Acceptor Best Feature	Flight Attendant Attitude	Cleanliness of Aircraft	Flight Attendant Attitude	Flight Attendant Attitude	Flight Attendant Attitude
Rejector Worst Feature	Leg Room in Coach	Handling of Problems in General	Personal Space in Coach	Leg Room in Coach	Cleanliness of Lavatories



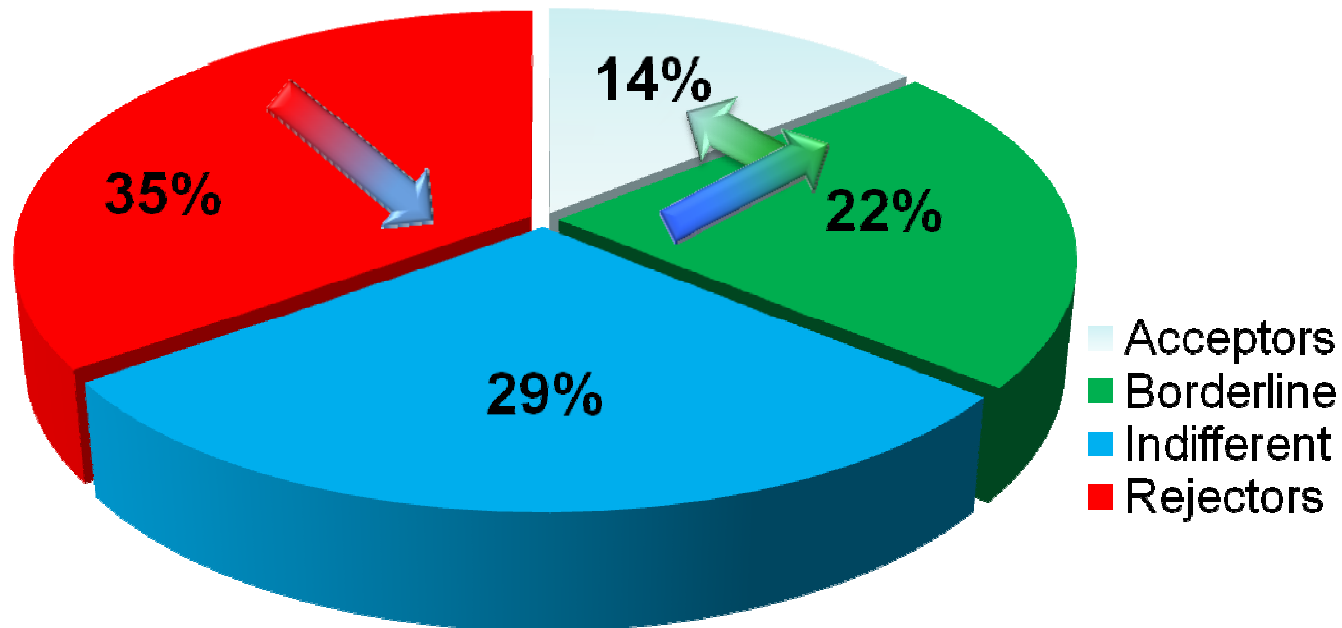
## The SOI/Linescale Goal – Increase Consumer Satisfaction

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Increase Satisfaction – Keep Acceptors Happy and Move Customers from **Rejectors** To **Indifferent** To **Borderline** To Acceptors





# Customer Satisfaction \* What Moves the Needle?

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## Example Airline Study

11. All Reasons Ranked by Frequency						
Reason	Total N=114	Total	Acceptors 601 - 800	Borderline 501 - 600	Indifferent 401 - 500	Rejectors 200 - 400
Like electronic ticketing	n=44	39	69	63	24	21
Pleasant, competent personnel	n=43	38	75	52	33	16
They fly where I want to go	n=38	33	44	59	30	13
Price Value is very good	n=37	32	56	56	24	13
Uncomfortable or cramped interiors	n=34	30	0	33	33	37
Excellent, easy to use web site	n=32	28	28	44	30	11
On-time performance	n=29	25	56	44	12	11
I don't feel like a valued customer	n=24	21	0	7	24	37
Condition of aircraft is very good	n=24	18	56	22	9	8
Great attitude, makes me feel comfortable	n=20	18	50	26	3	11
Unnecessary, poorly handled delays	n=18	16	0	7	24	21
Everything is efficient, timely and sensible	n=17	15	44	19	15	0
Hidden charges and fees	n=16	14	0	4	18	24
Don't fly where I want to go	n=16	14	0	7	15	24
Flight schedules not suitable for me	n=15	13	0	19	12	16
Clear and consistent language, terms and conditions	n=14	12	19	11	12	11
Consistently too expensive	n=14	12	0	11	12	18
Can't count on them to do what they promise	n=12	11	0	0	18	16
Good Reward program	n=11	10	25	19	3	3
Considerate food and beverage service	n=11	10	19	11	9	5
Inefficient	n=10	9	0	4	9	16
Unpleasant personnel or personnel policies	n=9	8	0	7	3	16
Poor baggage handling/loss	n=9	8	0	4	12	11
Enjoy their in-flight entertainment	n=8	7	25	0	3	8
Spacious and comfortable plane interiors	n=7	6	25	7	0	3
Condition of aircraft not what it should be	n=5	4	0	4	0	11
Reward program not as good as it should be	n=4	4	0	4	3	5
Undesirable airport locations	n=3	3	0	0	0	8

Driver analysis defines what causes Satisfaction - attributes, features, and/or values respondents feel best explain their ratings

Top reasons overall and for acceptors:

- Electronic ticketing
- Personnel
- Price value
- Destinations
- Efficiency
- Website

Key negatives are:

- Uncomfortable interior
- Delay handling
- Hidden charges/fees
- Destinations
- Not valued customer



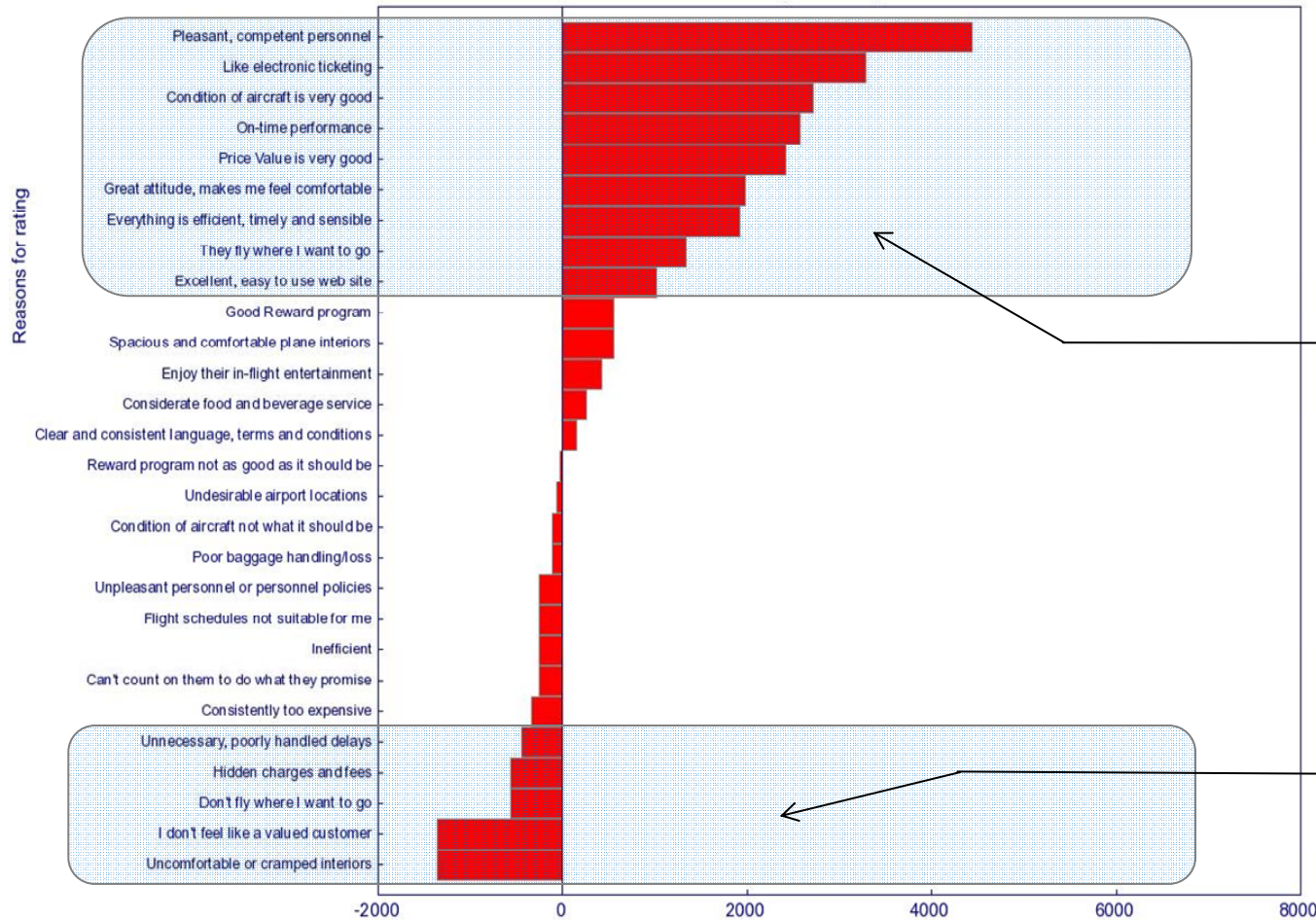
# What Drives Satisfaction \* Acceptors versus Rejectors

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## Example Airline Study

Acceptors vs. Rejectors



This chart shows differences between **Acceptors and Rejectors.**

**Acceptors value –**  
Competent personnel  
Electronic ticketing  
Condition of aircraft  
Price value  
Efficient/on-time  
Destinations  
Website

**Rejectors cite –**  
Not valued customer  
Uncomfortable interiors



## Customer Satisfaction \* In Depth; In Their Own Words

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### Example Airline Study

<b>17</b> <u>633 (Raise it)</u>	I wish they flew out of Lexington KY so that I wouldn't have to drive to Louisville to take advantage of their low fares and multiple travel options. Also, I love that they let me use a ticket months after my daughter got sick and could not use an already-purchased ticket.
<b>M/F, Age, ZIP, HHI</b>	Female age 48 from Richmond, KY, with HHI of \$45,000 - \$49,999
<b>Reasons for rating</b>	Great attitude, makes me feel comfortable; Everything is efficient, timely and sensible; Like electronic ticketing; They fly where I want to go; Condition of aircraft is very good; Pleasant, competent personnel; Price Value is very good; On-time performance; Spacious and comfortable plane interiors; Considerate food and beverage service; Excellent, easy to use web site; Clear and consistent language, terms and conditions
<b>18</b> <u>right</u>	... time ... go ...
<b>52</b> <u>467 (About right)</u>	I don't agree with the new baggage policy. When I flew, they charged for the 2nd bag. Now charging for any bag, that is OUTRAGEOUS!!!! If they had just increased the rates by the amounts they are charging, I would not have had the reaction I am having now.
<b>M/F, Age, ZIP, HHI</b>	Female age 31 from Great Falls, MT, with HHI of \$80,000 - \$84,999
<b>Reasons for rating</b>	Like electronic ticketing; They fly where I want to go; Uncomfortable or cramped interiors; Hidden charges and fees

7. (About



## Consumer Satisfaction \* Better Business Solutions

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### Example Airline Study

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- This “thought starter” data suggests opportunity exists to increase Acceptor liking and convert Borderline consumers. Indicated actions include:
  - Improve the “service component” of a customer’s experience
  - Find out why the plane’s interiors are uncomfortable and re-engineer
  - Improve customer satisfaction with web interface
- **Make Customer Satisfaction the Driving Force of the Enterprise**
  - Identify key strengths (e.g., competent personnel) and leverage them to increase customer satisfaction
  - Identify reasons for dissatisfaction and evaluate options to eliminate dissatisfaction



## Proven Solutions / Global Capabilities

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# SOL/Linescale Clients



UNIVERSAL MUSIC GROUP



NFLPLAYERS

