

# Tealeaf Technology, Inc. Acquisition Close

## Purpose

The purpose of this document is to address particular questions and provide additional insight about IBM's agreement to acquire **Tealeaf Technology, Inc.** To view the full press release please visit: <http://www-03.ibm.com/press/us/en/pressrelease/37982.wss>

## Q. What are you announcing?

On June 12, 2012, IBM announced that the acquisition of Tealeaf Technology Inc. has closed, and Tealeaf is now an IBM Company.

Tealeaf is a leading provider of online customer experience management solutions and customer behavior analysis.

## Q. Who is Tealeaf? What do they do?

Founded in 1999, Tealeaf is a leading provider of online customer experience management solutions and customer behavior analysis, Tealeaf enables companies to better understand the “why” of a customer’s website and mobile interactions and uses this insight to optimize the customer’s digital experience across the marketing, sales, and service functions leading to improved business results and customer satisfaction. Tealeaf’s powerful customer experience analytics empower companies to optimize e-business by eliminating obstacles that block successful conversions or completion of business processes.

Tealeaf has over 450 customers worldwide including 30 of the fortune 100 companies. These customers are predominantly in financial services, travel, and retail and communications services. Current clients include Dell, Wells Fargo, Air Canada, GEICO, Orbitz, Crate & Barrel, Neiman Marcus, Expedia, Zappos, ING Direct, Best Buy, DirecTV, McKesson, and StubHub. The Tealeaf products and offerings are designed to help businesses understand customer experiences and overcome obstacles by:

- Increasing conversion rates and revenue, and recognizing customer struggle
- Optimizing mobile channels and supporting multi-channel experience
- Resolving application problems and improving site usability
- Reducing call handle times and improving first call resolution
- Managing customer disputes and driving adoption of web self service

## Q. Why is IBM planning to acquire Tealeaf?

Tealeaf is the recognized leader and innovator in the area of online customer experience management and analysis. With its unique “network capture technology” customers are up and running quickly, as Tealeaf requires no change to existing web applications, has no impact on web application performance and is easy to install on-premises. In addition, Tealeaf has a rich set of capabilities to search and analyze individual customer experiences on web sites and mobile devices, providing realtime playback to customer service representatives. With such a strong history of innovation and customer success, it’s clear why Tealeaf is such a good fit for IBM

With this agreement, IBM extends its Smarter Commerce initiative by adding qualitative website and mobile analytics to its digital analytics capabilities to provide richer insight and automated response to customer behavior across both website and mobile devices.

Tealeaf’s solutions will extend the current quantitative web and digital analytic capabilities in IBM’s Smarter Commerce portfolio with **qualitative** digital analytics capabilities which capture, replay, and analyze a customer’s web and mobile interactions to provide a more granular and richer view of a customer’s experience. This enables marketers to answer the question of “**why**” customers interact as they do and thus provides a more optimized online customer experience

leading to improved revenue, customer satisfaction, customer service productivity, and profitability.

Tealeaf's mobile customer experience management suite enables sophisticated customer experience analysis across mobile web sites and apps to help understand mobile device usability issues. This combined with IBM's mobile device quantitative analytics (e.g. which device type drive conversions, response attribution associated with mobile clickstream, etc), can help marketing and eCommerce executives to improve mCommerce business results.

Tealeaf's customer experience management solutions will extend IBM's Smarter Commerce "Service" offerings by giving a customer service representative real-time visibility into a customer's current and recent online interaction history. This ability for a service representative to replay and view customer's recent interaction and continue to co-browse the site together with the customer can be provided through an existing CRM console, and allows for quicker and more cost effective issue resolution for increased customer satisfaction and lifetime value.

Tealeaf's solutions will provide the same qualitative customer experience analytics capabilities to IBM's WebSphere Commerce and WebSphere Portal products and customers.

Tealeaf's solutions will deepen IBM's suite of offerings, targeted at the Chief Marketing Officer, VP of Customer Loyalty, VP Customer Service/Support, and VP of eCommerce and enable IBM to better serve these growing business areas.

**Q. How will Tealeaf fit within the IBM software portfolio?**

The Tealeaf offerings will become part of the Industry Solutions portfolio within IBM Software Group. The combined capabilities of IBM and Tealeaf will help our clients increase revenue and profitability with increased qualitative analytics capabilities. Together, IBM and Tealeaf can offer the industries most comprehensive offerings to enhance commerce in the digital marketplace delivered via mobile or the web.

Since the Enterprise Marketing Management (EMM) group was created in late 2010 there are numerous examples of how we are integrating our marketing products with IBM products in order to provide better and more competitive solutions. For example:

- Coremetrics is tightly integrated with WebSphere Commerce: intelligent auto tagging with pre built WebSphere Commerce tags, automatically collects data required removing many of the manual steps needed in a standard implementation and speeds implementation and on going execution of marketing campaign management.
- Coremetrics Content Recommendations has integration with WebSphere Portal to quickly deploy content recommendations within WebSphere Commerce.
- Unica Campaign flows can leverage SPSS Modeler scores or SPSS can be called / triggered as a service during campaign execution, allowing for even more targeted campaigns.
- Unica Campaign can leverage native Netezza capabilities for improved performance.

**Q. How will Tealeaf clients benefit?**

Tealeaf clients will benefit from the combined technologies and skills of both companies, including increased investment, global reach, industry expertise, and support available from IBM, along with IBM's commitment to innovation in general.

IBM will continue to support and enhance Tealeaf's technologies and clients while allowing them to take advantage of the broader IBM portfolio, including Cognos, Coremetrics, DemandTec, Sterling Commerce, Unica, Webshere Portal and other Smarter Commerce solutions, as well as enhanced service options from IBM Global Services and increased international support (people, product localization, etc.).

**Q. How will the acquisition affect Tealeaf Business Partners?**

IBM intends to extend and grow with the skilled Business Partner community that has helped make Tealeaf successful. As IBM works hard to deliver portfolio enhancements based on Tealeaf technology, Business Partners are encouraged to find out more about establishing a deeper relationship with IBM by visiting [IBM PartnerWorld](#).

- Q. How will the Tealeaf team fit organizationally within IBM?**  
Tealeaf will become part IBM Industry Solutions business, lead by Craig Hayman, General Manager, IBM Industry Solutions, within IBM Software.