



# Lenovo Achieves Customer Delight by Consistently Delivering on its Longstanding Reputation for Think Brand Quality & Service Excellence

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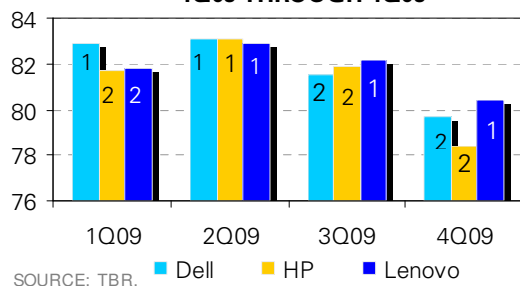
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## Executive Summary

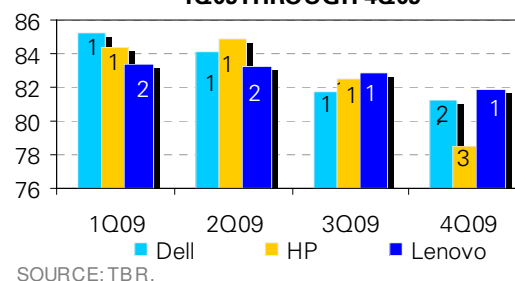
### LENOVO SEIZES SOLID NO. 1 RANKINGS IN TBR'S CORPORATE NOTEBOOK & DESKTOP SATISFACTION STUDIES

The Lenovo Think Brand has historically been recognized for exceptional product and service quality. Customers expect a certain consistency of these attributes, even during 2009, which proved a challenging year for commercial notebook and desktop systems manufacturers. The Great Recession created concerns as customers sought to maintain business operations with reduced IT budgets. While Lenovo's competitors weakened under the pressure, TBR's syndicated customer satisfaction study results demonstrate that Lenovo successfully maintained consistent delivery of quality products and services throughout these difficult times by exceeding customer expectations. Within the notebook satisfaction segment, Lenovo's overall rating climbed to a shared No. 1 in 2Q09 and achieved two singular No. 1 rankings during both 3Q09 and 4Q09. In the desktop satisfaction segment, Lenovo moved to a shared No. 1 ranking in 3Q09, and followed this with its first-ever singular No. 1, in 4Q09. Within both study segments, Lenovo's success during 2H09 in particular was bolstered by its exceptional hardware quality/reliability and technical support services satisfaction ratings.

**TBR** **CORPORATE NOTEBOOK**  
**WEIGHTED SATISFACTION INDICES**  
**1Q09 THROUGH 4Q09**



**TBR** **CORPORATE DESKTOP**  
**WEIGHTED SATISFACTION INDICES**  
**1Q09 THROUGH 4Q09**



In preparing this whitepaper, TBR analyzed Lenovo's competitive performances during the past four years, with a special focus on 2009, within our Corporate IT Buying Behavior & Customer Satisfaction Studies in the corporate notebook and desktop segments, two separate reports. This retrospective analysis focuses on the evidence supporting the premise that Lenovo possesses a unique ability to achieve customer delight, based on customer satisfaction positions that

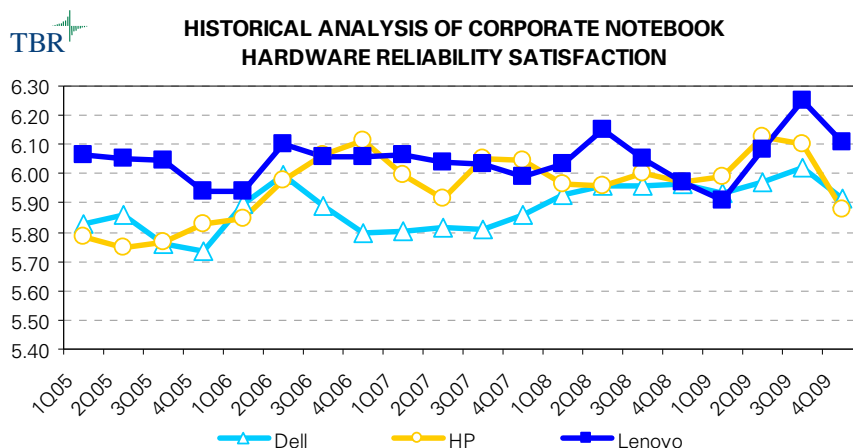
consistently place Lenovo in the lead while its competitors fluctuate widely and have generally weakened during 2H09. Based on this analysis, TBR attributes Lenovo's strong performances in both the notebook and desktop satisfaction study segments to the interrelated effects of six underlying principles:

1. **Customer Delight** – Lenovo has achieved a higher proportion of Perfect 7 ratings (on TBR's 7-point satisfaction scale) than competitors and a dearth of ratings that indicate disappointment.
2. **Consistency** – Lenovo has displayed steady leadership in key areas over the long term where competitors' ratings have exhibited volatility and, during 2009, considerable weakening.
3. **Stability** – During 2009, an economically stressed year and tough environment for vendors, Lenovo's satisfaction ratings held up to the pressure while competitors' succumbed.
4. **Solid hardware quality/reliability leadership** – Lenovo has continually met its customers' high expectations over the long term, whereas its competitors have been significantly more challenged in this regard.
5. **Strong customer support** – Lenovo's phone support and repair time satisfaction ratings have consistently met or exceeded customer expectations more than any competitor.
6. **Strengthening value propositions** – Lenovo successfully closed competitive performance gaps against its competitors in 2009 for customer perceptions of overall value.

## In-Depth Analyses

### THE PERCEPTION OF THE THINK BRAND AS OFFERING SUPERIOR PRODUCT RELIABILITY IS A DIFFERENTIATOR FOR LENOVO

Hardware reliability requirements among corporate notebook and desktop customers are the most stringent of the metrics covered in TBR's studies, as most systems manufacturers struggle to keep pace with increasing demands for quality in a highly competitive marketplace. Systems manufacturers have been working to achieve increased quality improvements, including a focus on vastly improving reliability through durability enhancements, backed by extensive testing. Meeting customer expectations for a brand name long recognized for superlative reliability and design should have been difficult for Lenovo during 2009. Yet, Lenovo has clearly been the most consistent performer over the long term in meeting the very high requirements of its customers for hardware reliability.



SOURCE: TBR.

Lenovo has a long history of investing in design elements that TBR has coined as "thoughtful engineering," meaning that the company goes through the extra trouble, and sometimes the extra expense, to make the product work better and last longer. Lenovo has carefully studied the types of usage models and components that tend to degrade over time and

engineered in added durability features and materials. Unlike competitors, Lenovo maintains full control of its ThinkPad product design. In addition, Lenovo's recent reorganization involved a realignment of its product organizations according to customer profiles to assist in designing innovative products. The streamlined new structure can now adapt more quickly to changing customer requirements and opportunities. During the stressed economic times of 2009, the study results strongly support the premise that Lenovo has not held back in applying the additional efforts that are consistent with its iconic image of superior product integrity. Lenovo has kept customer enthusiasm at optimum levels by continually introducing innovative new product solutions that do not disappoint.

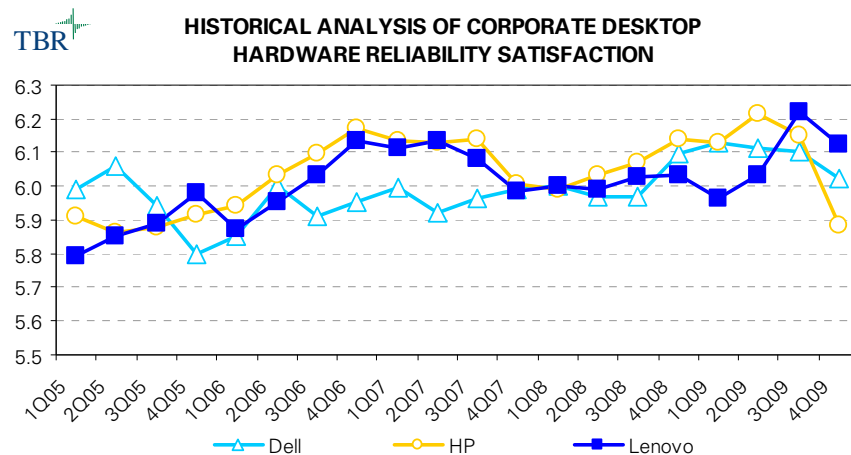
Within the notebook satisfaction segment, Lenovo has earned competitive strength distinctions for hardware reliability satisfaction in a total of 14 reporting periods since 1Q05, on average four times the incidence of any competitor during this time period. Though some competitors have sporadically achieved comparable satisfaction positions, they lack the staying power of Lenovo's ratings. Lenovo is the only competitor to have ever broken the 6.0 barrier, the mean satisfaction score on TBR's 7-point satisfaction scale. During 2H09, Lenovo earned ratings of 6.1 or higher while competitors' ratings dropped to 5.9 by 4Q09.

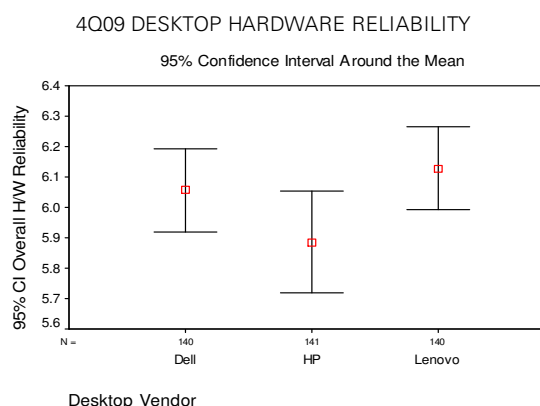
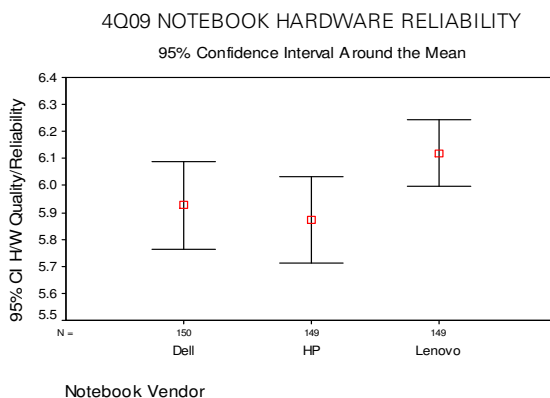
Within the corporate desktop segment, Lenovo's satisfaction ratings have steadily improved, particularly during 2009 when its scores strengthened considerably while those of competitors weakened. In fact,

Lenovo achieved scores well above the 6.0 barrier in both 3Q09 and 4Q09. During 2009, Lenovo completed the transition of its desktop manufacturing operations to a plant in Mexico, which it oversees. Throughout, Lenovo successfully maintained consistency of quality as perceived by its customers. Unique elements like

the use of solid capacitors for added reliability are among the more recent design elements Lenovo has engineered into its ThinkCentre line of desktops to meet customers' expectations.

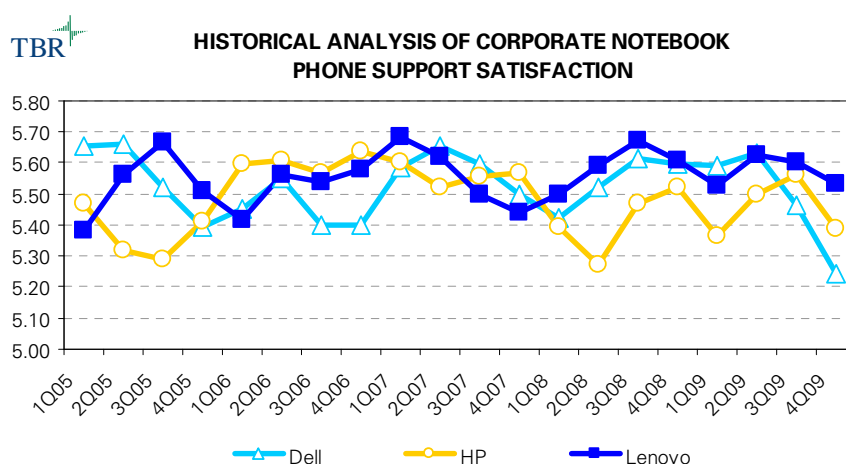
TBR has observed that Lenovo has achieved its superior marks for hardware quality and reliability through a substantial proportion of scores in the *delighted* range, and many customers rated Lenovo reliability as a Perfect 7 on TBR's satisfaction scale. As evidenced by the 4Q09 results, Lenovo's scores averaged at the highest levels of the scale for two reasons: a significantly greater number of perfect ratings (37% in the notebook segment and 33% in the desktop segment) and virtually no ratings in the dissatisfaction (<5) range. Lenovo's competitors generally earned fewer ratings at the highest levels of the scale and greater numbers of scores that imply disappointment. It has been by virtue of maintaining this delicate balance that Lenovo's performance relative to hardware quality satisfaction has been differentiated in TBR's studies; the vast majority of its scores peak at the higher levels of the scale. Another unique feature of Lenovo's performances relative to satisfaction with hardware quality is the strong consensus of opinion among Lenovo customers; meanwhile, competitors' customers' perceptions are more divided. Split opinions denote a condition where customer experiences are variable.





## LENOVO PERSISTENTLY SETS THE INDUSTRY STANDARD FOR NOTEBOOK AND DESKTOP SUPPORT SERVICES

While perceptions of product integrity contribute most substantially to Lenovo's No. 1 rankings (hardware quality/reliability remains the most critical element of the customer experience), the importance of technical support services is rising steadily among customers' priorities in TBR studies. Given the economic stresses of 2009, one might have expected systems manufacturers to cut back on services offerings; however, Lenovo has steadily set the standard for phone support satisfaction, maintaining a solid performance gap against competitors for an extended period of time, including 2009. While competitors' scores have been quite volatile, those of Lenovo represent an unwavering history of leadership. This serves to substantially raise the bar of expectation within the industry, a goal Lenovo's competitors have been unable to achieve.



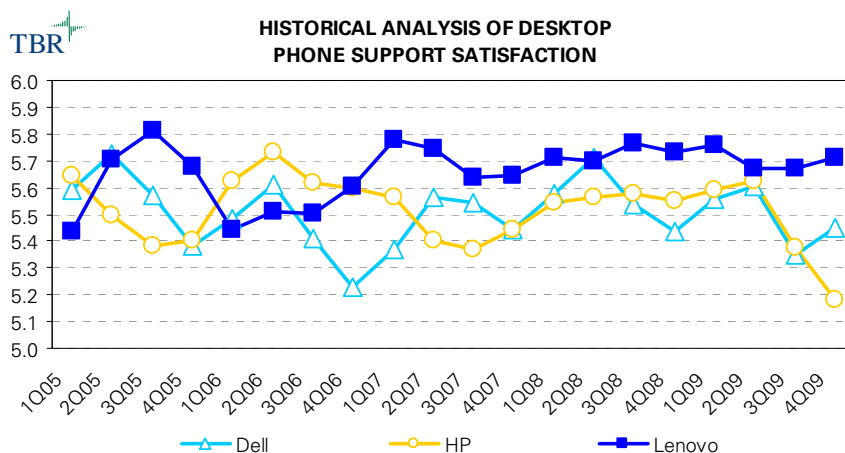
SOURCE: TBR.

While some competitors have not recognized a need for phone support services of mission-critical status in the notebook and desktop space, Lenovo has invested in its Think Plus Priority Support offering which, for a nominal fee, builds upon Lenovo's strength delivering a high-quality phone support experience. Introduced in 2009, Think Plus Priority

Support was designed to meet the needs of enterprise customers who require a higher level of technical support, including faster resolution time and more immediate access to systems experts. These are services of a quality typically reserved for server customers in this industry. Instead, Lenovo has maintained focus on the notebook and desktop end user and the enterprise IT technicians supporting them. Among the enhancements of Lenovo's Think Plus Priority portfolio: direct access to 24x7 technical support; priority call routing to advanced technical experts; expedited escalation management processes; web-based service call tracking tools; and third-party software support for basic, pre-loaded software issues. An additional service, Think Plus Priority 4, is for customers requiring faster on-site service and includes all of the above plus four-hour on-site response time for parts and field technicians. Lenovo appears to understand that customers require

continuous improvement efforts to OEM-provided support services, and continues to tweak these unique offerings. Within the notebook segment, one is struck by the consistency of Lenovo's stellar phone support satisfaction ratings, particularly during 2009 when competitors' scores continued to waver and, during 2H09, to decline substantially.

Within the desktop segment, Lenovo has achieved customer satisfaction ratings that have been both consistent and at a substantial advantage to the competition since early 2007. During 2009 Lenovo

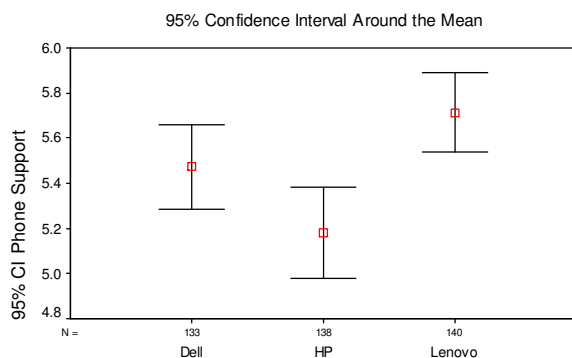


SOURCE: TBR.

sustained its lead while competitors' scores declined sharply. Lenovo ThinkCentre customers enjoy the same benefits of the Think Plus Priority program and appreciate the professionalism of the U.S.-based support center. As with its solid lead for satisfaction with hardware quality and reliability, Lenovo's phone support competitive advantage results from a substantially

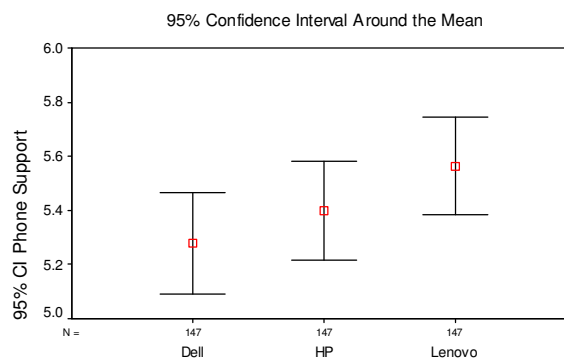
higher number of Perfect 7 ratings (24% in both study segments) against a lack of disappointed ratings; meanwhile competitors' positions missed both of these goals.

4Q09 DESKTOP PHONE SUPPORT SATISFACTION



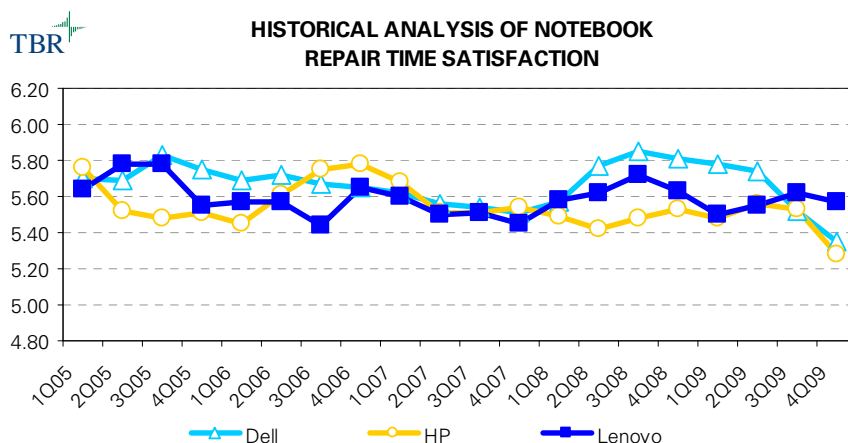
Desktop Vendor

4Q09 NOTEBOOK PHONE SUPPORT SATISFACTION



Notebook Vendor

TBR's notebook satisfaction study also covers customer satisfaction with repair time, incorporating customer assessment of both depot repair and on-site support services for commercial notebooks. The metric evaluates the customer experience around response time, resolution time and expertise and manner of systems technicians.

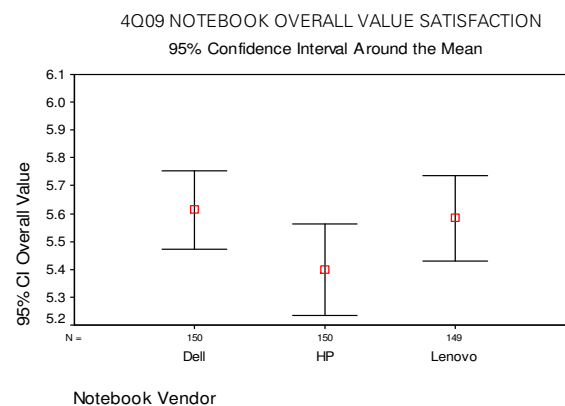
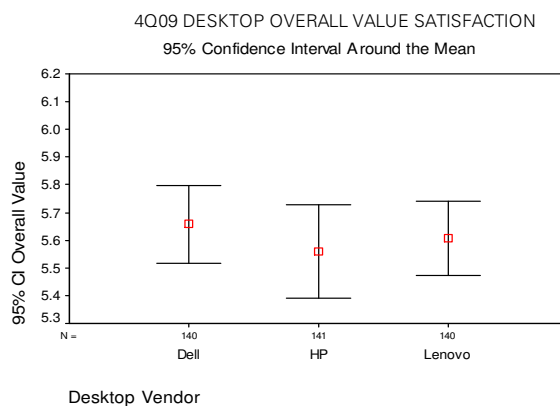


Within this category, the relative stability of Lenovo's ratings, particularly during 2009, is noteworthy. During 2009, Lenovo achieved solid satisfaction scores while competitors' positions declined. While Dell had historically earned competitive strength standings, note the progressive decline in its ratings since mid-2008. Lenovo earned a competitive strength win in 4Q09, displacing Dell from its previous leadership role.

### LENOVO CLOSES THE PERFORMANCE GAP WITH COMPETITORS FOR CUSTOMER PERCEPTIONS OF NOTEBOOK AND DESKTOP VALUE

The perception of product value is a combination of how customers feel about the price paid for their notebook and desktop solutions and the costs associated with deploying, managing and supporting these systems over their lifetimes. Over time, customers have increasingly focused on the more long-term view of product value, and product integrity and technical support services have become highly correlated with the perception of value. The typical expectation is for Dell to lead the competition for the manner in which customers perceive the overall value of their notebook and desktop solutions. Dell had earned competitive strengths for both notebook and desktop overall value satisfaction predictably from the studies' inception in 1Q07 through to 3Q05, followed by more sporadic wins that ended in 3Q08 for the desktop segment and in 1Q09 for the notebook segment. During 2009, Dell's satisfaction ratings for value declined considerably, while those of Lenovo exhibited greater consistency and achieved parity with those of Dell.

TBR believes Lenovo's strong record for hardware quality excellence, along with its enhanced technical support services, has contributed to its improved positioning relative to satisfaction with notebook and desktop value. In addition, Lenovo has designed features into its solutions that improve ease of use, manageability, security and energy efficiency. Among Lenovo's unique offerings is its ThinkVantage Technologies integrated suite of management tools, including PC backup and image control. Data protection features like Hardware Password Manager improves security by enabling the IT manager with better control over data access. In combination with Intel's vPro platform, Lenovo ThinkVantage Technologies provide strong remote management capabilities to help reduce the need for costly desk-side visits. The potentially negative effects of the 2009 economic recession on the manner in which customers experience value do not appear to have played out relative to the Lenovo Think brand, as evidenced by Lenovo's solid showing in both study segments relative to this perception. Note Lenovo's solid competitive placement in both studies during the most recent reporting period, 4Q09.



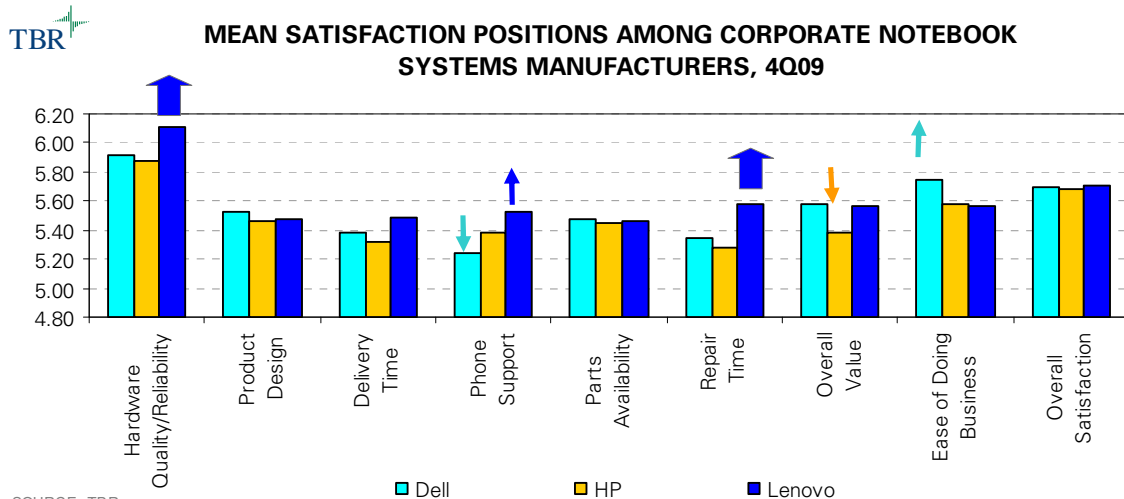
### OVERALL LENOVO COMPETITIVE POSITIONING SHOWS THE UMBRELLA EFFECT OF STRONG SATISFACTION WITH PRODUCT INTEGRITY AND SUPPORT SERVICES

When a specific competitor covered in TBR's customer satisfaction studies achieves a solid No. 1 ranking, we frequently observe that its success extends across most, if not all, of the satisfaction categories in the study. In 4Q09, this was the case with Lenovo, where the competitive strengths

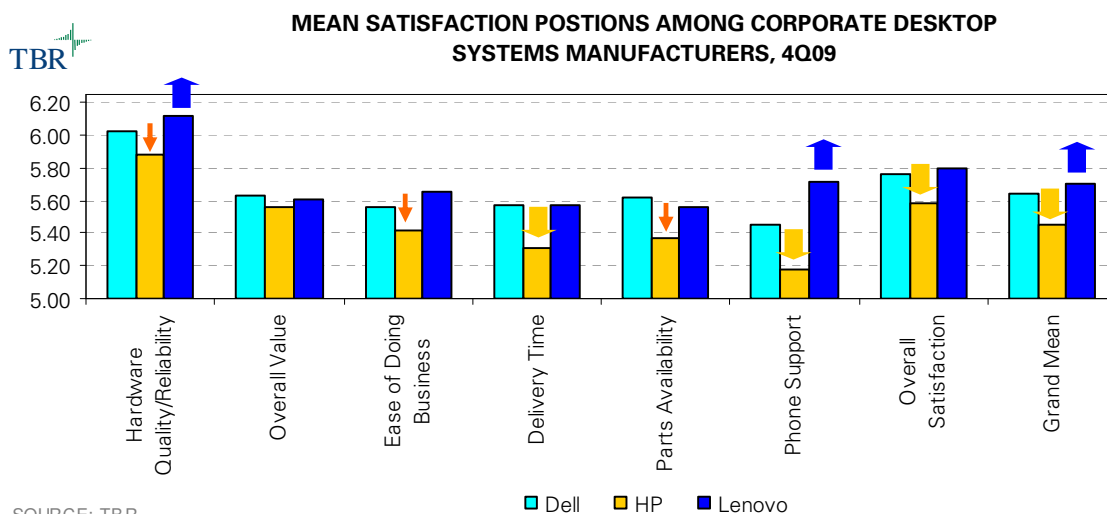


earned in the areas of product quality and support services created a spill-over effect of customer delight that transcended every aspect of the customer experience.

Within the notebook study segment, Lenovo scored significantly higher than the industry averages to earn competitive strength wins in the categories of hardware quality/reliability, phone support, and repair time. In other areas, Lenovo scored on par with industry averages, though Dell did marginally outpace Lenovo for ease of doing business. This metric tends to serve as a lagging indicator, and if current trends continue, Lenovo could eventually see at least a parity position against Dell for this category, which represents the perceived quality of the relationship between customer and OEM.



Within the desktop study segment, Lenovo earned competitive strengths within the categories of hardware quality/reliability and phone support, achieving ratings substantially higher than industry averages. Across the remaining categories, Lenovo's mean scores were at least on par with industry averages. Note its ease of doing business rating was marginally higher than that of Dell, suggesting that Lenovo may be on course for outperforming Dell in the very near future.

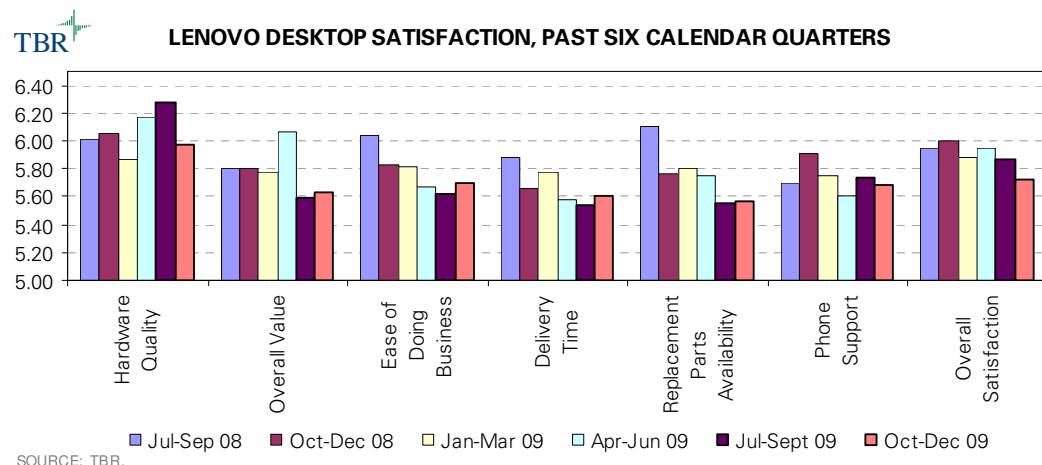
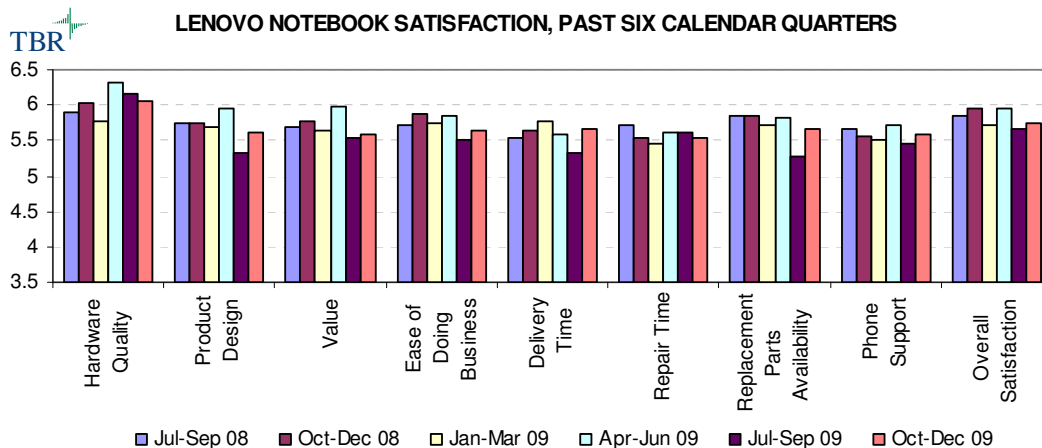


It is particularly noteworthy that Lenovo's satisfaction performances in the notebook and desktop studies are similar, exhibiting common areas of competitive strength. This finding is a testament to Lenovo's consistency of delivery; its competitors' scores tend to differ between notebook and desktop satisfaction relative to both product integrity and services.

## WHAT DIFFERENTIATES LENOVO MOST IS THE GROWING MOMENTUM OF CUSTOMER DELIGHT DURING CHALLENGING ECONOMIC TIMES

During 2009, Lenovo's competitors experienced declining customer satisfaction ratings, particularly during the last six months of the year. The economic recession placed additional burdens on IT managers to maintain consistent business operations while budgets were forcibly shrinking. As a result, customer sentiment reflected a decidedly negative slant. Yet Lenovo's performances did not reflect this trend, and bore up remarkably well.

TBR uses six-month moving averages in its reporting periods, incorporating six months' worth of data for each study, moving ahead by one calendar quarter with each study period. By measuring the satisfaction scores on a pure calendar quarter basis, we can see that the outlook may have been somewhat compromised during the summer of 2009. For Lenovo, however, this was less often the case, and its scores tended to remain within a narrow range. Within both study segments, satisfaction scores began to strengthen considerably during 4Q09. With respect to technical support satisfaction, scores hardly moved at all for the past year and a half. TBR sees this as substantial evidence that Lenovo has been very consistent with the delivery of its products and services, continuing to fully meet, and often exceed, its customers' expectations. The fact that Lenovo's satisfaction scores have been largely consistent, and are currently trending upward, bodes well for the upcoming 1Q10 study, as it forms a solid foundation from which to continue to dominate the competitive field. When corporate spending on notebooks and desktops begins to pick up in 2010, and our study results suggest that it will, Lenovo will be better-positioned than its competitors to continue building customer confidence with next-generation notebook and desktop solutions.





**SUMMARY: TBR'S ASSESSMENT OF LENOVO'S CUSTOMER SATISFACTION SUCCESS POINTS TO STABILITY, CONSISTENCY OF LEADERSHIP AND CUSTOMER DELIGHT**

Lenovo's strong showing in TBR's 2009 customer satisfaction studies has been the result of a perceived consistency of product and services quality that lends added credibility to the company's long-standing reputation around the Think brand. The fact that competitors' satisfaction positions have had a history of wavering, and weakened considerably during the second half of 2009, suggests that their customers have not experienced the same dependability of product and service delivery as Lenovo customers. Lenovo customers have a high expectation for quality that relates to the Think brand's iconic status. This reputation has endured, even during hard economic times, as evidenced by the stability and strength of Lenovo's customer satisfaction positions throughout 2009.

### About the Studies

In early 1997, Technology Business Research, Inc. decided to take on the responsibility of filling a relatively vacant industry niche by developing and implementing what would ultimately become an industry-standard measurement for PC customer satisfaction. TBR's goal was to originate a repeatable methodology for tracking end-user customer satisfaction at medium and large North American enterprises on a quarterly basis. The project quickly rose to its current status as a reliable, consistent and timely measurement of customer satisfaction among IT managers.

TBR's Corporate IT Buying Behavior & Customer Satisfaction Studies (published in four separate volumes each quarter covering Desktops, Notebooks, x86-based Servers and Service & Support) have been conducted since the first quarter of 1997. For vendors, distributors, large end-users and the investment community, this program has become the preeminent tactical tool for monitoring customer satisfaction from quarter to quarter. These studies have been designed to "grow" with the industry without sacrificing their basic integrity as dependable, objective tracking tools.

TBR's Corporate Notebook and Desktop Customer Satisfaction studies have been published quarterly since their inception in 1Q97. The 4Q09 studies, published in March 2010, were based on the views of 440 notebook and 421 desktop decision-makers at midsize and large corporations in the United States and Canada, representing a total installed base of 700,000 notebook PCs and 1.25 million desktop PCs.

### About TBR

TBR specializes in providing in-depth and timely insights within the computer, software, telecom, mobility, and professional services industries. These critical insights can provide value to all levels of your organization: executive, sales, marketing, product and business development, finance, procurement, and others. We deliver this intelligence in a format that is uniquely responsive and tailored to your needs, and we do so as an objective source, which allows you to look at the market from a fresh, impartial perspective.