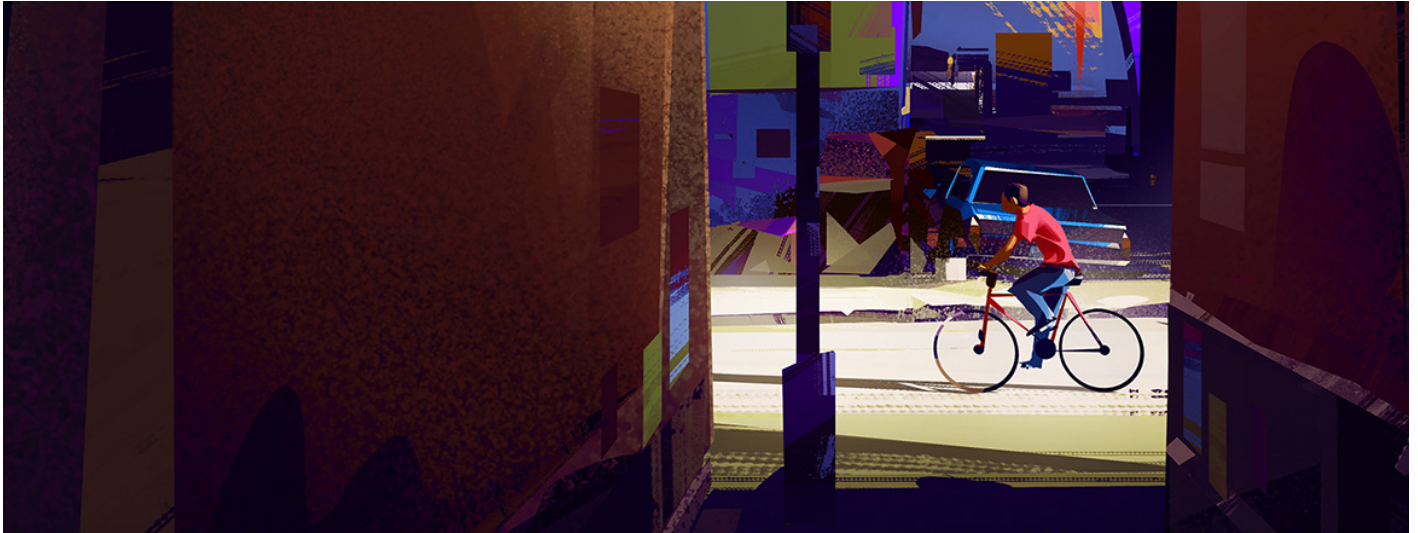


How we price and package our software



Business software is overpriced and unnecessarily complex. High price allows software companies to support sales and marketing costs that are often greater than half of their entire revenue. No other industry enjoys this luxury. Software complexity adds implementation and integration costs that tack on multiples—not mere percentages—to the customer cost of the software itself.

It should come as no surprise that business software is priced to serve large companies with deep pockets. And software vendors have had little incentive to change this up because it suits them quite well.

Zoho has sought to change this from the day we started writing software. We planned on low prices and went about building a profitable business to fit that strategy.

Focus on Value

We built our business model so we may willfully leave money on the table. Making our software affordable makes it available for all kinds of customers, not just large ones. We constantly upgrade our software, add new capabilities, and continuously refine it—without passing on these costs to our customers. We've never had to raise our prices. That's our contribution to the democratization of software.

Reducing Customer Risk

Another way to bring customer value is to assume, or reduce, their risk. Cloud software companies take the burden of software security, maintenance, and upgrades, away from the customer and onto ourselves. Zoho goes further. We offer free versions of all our products—that stay free

forever—so the customer can try, before they buy. We're transparent; we don't lock customers into our products or make it difficult for them to switch. We don't impose multi-year contracts. We are very clear that customers own their data and can take it with them, should they choose to leave. We even offer tools for that.

Creating Meaningful Choices

We package our software in ways that create customer choice. We offer different editions of our products to suit different customer needs. This allows us to charge a higher price for editions with advanced capabilities—for customers with complex needs, who are willing and happy to pay us more. This allows us to keep prices low for the larger customer population.

A customer can also buy from Zoho in three different ways: a single product (eg, Zoho Desk), a bundle of products (eg, Zoho CRM Plus), or a complete operating system that can run their entire business (ie, Zoho One). The choice is truly left to the customer, for we will not pressure or compel them. The customer can even change their choice at any time, within reasonable limits.

Being Transparent

Our pricing is transparent and clear. You can find it on our website for any of our products. We never ask you to “call for pricing”. We have no hidden fees, no wily clauses, no catches, and no fine print.

Gentler Sales Approach

We earn our money only from the software license fees that our customers pay us. We don't take side bets, like revenue from advertising, that can compromise our principles—and thus, customer privacy. Even our free products show no ads. Our sales approach is not pushy. We don't push upgrades at customers. We even allow customers to downgrade, without penalties. All of this works because there are no incentives in the system to support these behaviors.

No Discounts

We don't discount our software. We don't need to. We do not nickel-and-dime our customers and we think it's only fair to expect the same from them. Under pressure to post better revenue numbers, software vendors have trained customers to expect discounts at the end of a business quarter. Discounts create a false sense of urgency that drive customers into purchase windows that suit the vendor. We'd rather offer incredible value everyday. So please don't push us to discount. It subverts our model to bring you lasting value.

As a private and profitable company, Zoho is optimized for the greatest customer value and not for the highest share price. This is the reason we can provide incredible value, that's surprisingly

zoho perspective

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<http://mirror-server/praveen/perspective>

affordable—everyday.