



## The customer was not surprised | The Xpragmatic View



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 by [Marc Buyens \(@mbuyens\)](#), Xpragma  
[marc.buyens@xpragma.com](mailto:marc.buyens@xpragma.com)  
 url: <http://www.xpragma.com/view58.php>

At the start of a new year, most analysts publish their predictions for the trends of the coming year. Very few of them (dare to) look back at their predictions of last year. However, analysts are not the only ones to blame. Every single company should have a closer look at its own performance (or lack of performance) during the past year. And this will not always be a pleasant picture...

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The customer was not surprised. At least not in a positive way. This is the main theme when I look back at my own customer year 2003. I run a very small business, but I do have my fair amount of suppliers and service providers. Still, none of them succeeded in surprising me last year in a positive way. However, the opposite did occur all too often...

### Dreams on wheels

For the past 4 years, I drove a leasing car, rented via the financial services department of the car manufacturer itself. Every few months, I did receive glossy, expensive magazines promoting the quality of the car I already selected. However, when reaching the end of the leasing period, not a single message. No suggestion that... No proposal to...

Of course, I do like this car. There is no reason why I would like to switch to another brand. However, this is a missed opportunity. When looking back at the complexity and the paperwork involved with ending the leasing contract and buying a new car, things just might have been a little bit easier.

### Your bank, your friend

I am a lifetime customer of the same banking and insurance company. When I started my own little business, I remained the same loyal customer.

As you also might know, Belgium does have one of the best social security systems in the world. However, there are some important differences between the conditions for regular employees and those for people who run their own business, like myself. Especially retirement conditions are rather poor for this second group.

Consequently, self-employed people better make sure that they plan for some "extras" to complement the basic social security offering. This can be done via various forms of life insurances, pension plans, etc.

As can be expected, financial institutions are well aware of this. Therefore, shortly after starting my business in 1999, I was contacted by various firms promoting their specific offering. However, not a single message from my own bank and insurance company...

Now, this is a bit weird. In Belgium, the very first thing you have to do when starting a new

business is to make a deposit for the initial starting capital in a banking account. Therefore, your bank is always the very first one who knows about your new initiative. However, as said, my bank was not really interested in my future retirement conditions, so I signed a couple of contracts with other insurance companies.

Nevertheless, my bank does have some kind of CRM system. End of December 2003, nearly 5 years after starting my business, one of their insurance agents suddenly, without prior notice, appeared on my doorstep, bringing me the message of their superb offering. I assume he got inspired by the Christmas feeling, but Santa was too late this time...

## Support and heart diseases

I run virus detection and firewall software from a well-known provider. I do like their products and their support. Typically, when reporting a problem, you get a reply within 24 hours. I mean, a real reply, that gives some valid feedback and not some kind of automated reply.

This time, after installing a new e-mail program, I experienced a problem that was not really blocking, yet serious enough to give it some attention.

I do think I am an experienced computer user, so I try to do the right things. I have the latest and the greatest version of the product installed (and of all other products that might interfere). I only call support after experiencing the problem more than once. I try to drill down to the conditions that cause the problem to occur. I read the knowledge base. I thoroughly search for similar reported problems. And then, if all fails, I send my problem report.

At least, I try. Unfortunately, this time I had to discover that their problem reporting procedures had changed. Instead of being able to directly report my carefully selected, well-documented, double-checked problem report, I was forced to run a number of so-called "wizards" that guided me through a slew of verifications, clearly aimed at the average donut customer.

In total, it took me one and a half hour to drop my problem report. I have read a dozen of reports describing obscure problems that were not mine. I had to re-install part of the product. I have rebooted the machine three times. I have reintroduced countless times the same information regarding the product, release, type of problem, until finally...

And oh miracle, hardly 15 minutes later, there was an answer telling me that they were already aware of the problem (though not mentioned in the knowledge base), that they were unable to reproduce the problem on their systems, and that there was no solution available.

Well, for a customer who had just experienced the other "advantages" of their support system, it didn't quite seem the appropriate answer.

## Predictions for 2004

None of these examples are new or exceptional. I am sure that all of you already did experience this one way or another.

Neither is this unexpected. The economic boom of a couple of years ago has been followed by several years of sluggish economy. Cost reduction was once again the mantra. Even worse, many organisations are facing today the reality of a business model that can no longer cope, in an economic way, with the realities of today's business and customer behaviour.

In the November 2003 issue of the Harvard Business Review ([www.hbr.org](http://www.hbr.org)), Paul F. Nunes and Frank V. Cespedes published an article called "The Customer has Escaped". Their analysis was that previous business models essentially tried to be successful by targeting the "right" customer. Once a potential customer was identified, perfect execution of the sales and marketing processes would transform this suspect into a customer. Indeed, the only reason this suspect was within your sales and marketing process was because he/she was interested in your product.

Today, your organisations is likely to experience the presence of a multitude of suspects within your sales and marketing processes. However, most of them do not have the intention to become your customer. These suspects are there because they want to compare prices, have a second opinion, validate information, are looking for options, etc. In most cases, they have no intention whatsoever to buy from you. Allowing this and supporting this with traditional sales and marketing processes will result in so-called "stranded costs", costs the company is unable to recover with the sales they make.

Companies can address these issues in many ways, but the most popular approach is rigid cost control and this will continue in 2004. If we have a look at the 2004 IT-predictions of the Forrester research group ([www.forrester.com](http://www.forrester.com)), we see IT-trends such as a move towards Linux, growth of offshore outsourcing, no growth in CRM, and of course RFID.

Very few of this has anything to do with a better customer experience and a lot with cost control. Therefore, this trend will not change in 2004. Paul Nunes and Frank Cespedes do claim that "The Customer has Escaped". However, my view is that the customer only gets a cheap product with a lousy support.


Have fun!

## About the author



Marc Buyens is analyst, management consultant and owner of Xpragma. Marc started Xpragma in 1999 after a 20+ years career in the IT sector. Today, he provides advice, training and mentoring services focusing on the intersection of technological evolution, organisational change and business strategy: a messy world of unfulfilled promises.

 <http://www.facebook.com/marcb254>

 <http://www.linkedin.com/in/marcbuyens>


 <http://www.twitter.com/mbuyens>

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Xpragma bvba - Mechelsesteenweg 254 - 2820 Bonheiden - Belgium  
Tel. +32-(0)15-340 845 - [info@xpragma.com](mailto:info@xpragma.com) - [www.xpragma.com](http://www.xpragma.com)

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