

Avoiding the Cost of Customer Burnout

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The greatest cost of customer burnout is the risk of eroding the marketing-sales relationship. This inevitably results when customers are over-used or abused, and when sales has to intervene. This paper identifies the real costs of losing precious customer relationships and provides clear steps for protecting against such casualties.

Return on ReferenceSM Series White Paper #3



Overview

As the marketplace heats back up and companies begin buying The reality of the term “customer-centricity” has come to mean that more and more organizations want time with and input from customers. For prospects, press and product management, battle-tested and proven customers are a source of perspective, guidance and information, which means that requests for customer validation have reached pervasive levels in many organizations. The result? Strained customer relationships, and redundant and complicated requests, culminating in what is otherwise known as customer burnout.

Through our work with leading enterprise companies, and with their sales teams and customers, we have created the calculus for determining the quantifiable cost of burning out a customer. In doing so, we concluded that the actual customer burnout cost—or the loss of an existing investment in a customer relationship and the development of a replacement relationship—is not financially great. However, our work and research also illuminated that the greatest “cost” of burnout is the risk—a grave one, at that—of eroding the marketing:sales relationship, which inevitably results when customers are over-used or abused, and when sales has to intervene.

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The advent of the customer relationship management (CRM) discipline in the nineties steered business professionals away from identifying the customer as a simple transaction or assumed revenue source. It provided a new way to think about customer relationships in terms of interactions, conversations and touch-points. Customer-centricity emerged as a critical success factor for happy customers, profitability and growth. And, as a result, the customer is now at center stage in most companies' internal workings. Various groups vie for the ability to tap into the voice of the customer, but no one has yet taken the ball when it comes to protecting and effectively managing customer relationships—from the inside, out.

In this brave, new customer-centric world, marketing has the opportunity to evaluate how a company should leverage the emerging post-sale customer relationship and to create initiatives and programs that would cultivate this valuable resource. But no one foresaw the flurry of market forces that would create a greater and greater demand for the voice of the customer.

In this brave, new customer-centric world, marketing has the opportunity to evaluate how a company should leverage the emerging post-sale customer relationship and to create initiatives and programs that would cultivate this valuable resource. But no one foresaw the flurry of market forces that would create a greater and greater demand for the voice of the customer. These forces have included:

- IT vendor consolidation, which led to greater competition from fewer, more powerful vendors;
- New buyer norms that translate into skeptical, longer and increasingly complex sales; and
- A market challenged by highly reactive and budget-conscious enterprise technology companies.

A combination of these market forces and the power of “word of mouth” has significantly increased the need for customer evidence and recommendation: prospects want to hear first hand from current customers about the solutions they are considering; market, media and industry analysts want to harvest what customers are saying for input into reports and published opinions; marketing, sales and product organizations want to tap into valued clients for ideas, opinions, case studies, testimonials and any other input that will help them meet their organizational objectives.

For the most part, however, the activities of these various “consumers of customer” have lacked cohesiveness and clarity around the golden rules of customer engagement. This absence of structure and procedure has, therefore, led to the burnout of key customer relationships. Customers are perplexed and annoyed by their enterprise technology vendors' lack of consistency, as well as by what they perceive as a lack of respect for their time and energy. With multiple organizations and individuals approaching key customers with requests for their insights and time, as well as with multiple queries to catalog their successes with vendors' solutions, it is no surprise that relationship burnout occurs.

Some companies have tried to avoid burnout through well-run

customer reference programs that maintain large bases of qualified, satisfied and successful customers to meet the demands of tactical reference requests. However, without a holistic approach and a new rule book, no program will tackle the real need to protect those relationships and minimize marketing's risk of losing sales as an advocate. In every company, an employee in desperate need of a customer reference will go around the program and outside of the process to get to a customer for a case study, site visit, video or other need that can only be met by a real-life customer.

In this paper, we discuss the actual costs of burnout and why it is critical to avoid even a whiff of customer dissatisfaction. We then look more broadly at the signs and causes of customer burnout. Finally, we present concrete, actionable steps that marketing may implement to avoid burnout and to ensure the maintenance and growth of effective customer relationships.

This paper includes the following sections:

- Casualties of Customer Burnout
- Customer Reference Programs Cannot Do It Alone
- The Relationship Casualty
- An Ounce of Prevention
- From the Customer's Eyes
- Creating a Method for Leveraging Customers
- Implementing an Effective Customer Leverage Program

In spite of the low direct costs, the intangible price a company pays for customer burnout is high. Repairing the injury takes time and energy from sales and, in the case of burned out key customers, time from the executive suite. The extra demands on resources required to mend fences with customers may also impact sales effectiveness and, by association, revenue growth.