

welcome

The discontented moans of PC executives echo down the industry's corridors of power, but on the ground level it's a different story for the buyer. Tough times mean lax suppliers go under and the survivors have to sharpen up their acts, providing you with better service

The big debate in the computer industry currently is when will things get better. Compared to the slight downturn in the general economy, the IT business has fallen faster than a bad bear day on the FTSE 100.

Some analysts say the computer business has hit rock bottom and is already showing signs of picking up, predicting a return to growth in 2003. But then I've also heard economists reason that, because wealth drives consumption and since a lot of wealth was destroyed by falling share prices, there will be a corresponding drop in consumption which we haven't seen yet. So there will be a 'double-dip recession', as there have been with all other recessions, with the second dip still to come.

But I'm not going to rehearse the reasons for the rapid descent of the computer business from the vertiginous heights of 2000, nor the factors that may or may not lead to a recovery of demand; those are debated elsewhere (page 158).

No, the question I would like to ask is: so what?

Hot water

Most of the pain in the computer business is being felt by the suppliers. And most of the howling is being done by wealthy Americans who stood to make millions from over-inflated share prices. But is the situation bad for the average British business or consumers looking to buy PCs?

When demand is high and life is good for suppliers, how much do you, as an individual customer, matter? I would suggest that despite what the chief executive and his spin doctors might say about running a customer-facing organisation, when times are good the attitude of the sales staff will be that there's plenty more fish in the sea.

But when things get tough for suppliers and demand is low, suddenly each



When things get tough for suppliers, suddenly each customer matters because there might not be another one coming along for a while

customer matters a whole lot more because there might not be another one coming along for a while. Suppliers will be desperate for your business and surely that's good for customers.

Their loss is your gain

I would like to suggest that because of this, in a downturn suppliers improve their customer service. And in the computer business, boy, does customer service need improving. No one can fault the energy of the people selling PCs and the product itself is extremely good value given the ever-increasing power and complexity that's on offer.

But customer service from computer companies is often shoddy. Why? Because IT manufacturers have had it so good for so long they've forgotten how to care and

how to retain customers through good service. Now that they have to fight for every customer, maybe they'll care more.

Up against the wall

What else happens in a downturn? The worst of the suppliers go bust. This is also good for customers in the long run. Yes there is short-term pain if you are unlucky enough to have bought a PC from one of the weak suppliers that goes under. But natural selection in the business world works in favour of the buyer to an extent. Obviously, taken to its extreme a rationalisation of suppliers to the point where one or two survive in a duopoly is bad for buyers. But the PC business is a long way from that.

When times are good, any fool and his screwdriver can build PCs for two pence less than his competitors and flog them to the unwary. But these slipshod suppliers are the first to slip below the surface when business takes a dive. The suppliers with the resources to survive a downturn remain in business.

So with the extra-attentive services and certainly the surviving suppliers are strong, buying at the bottom of the market makes sense all round. ■

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