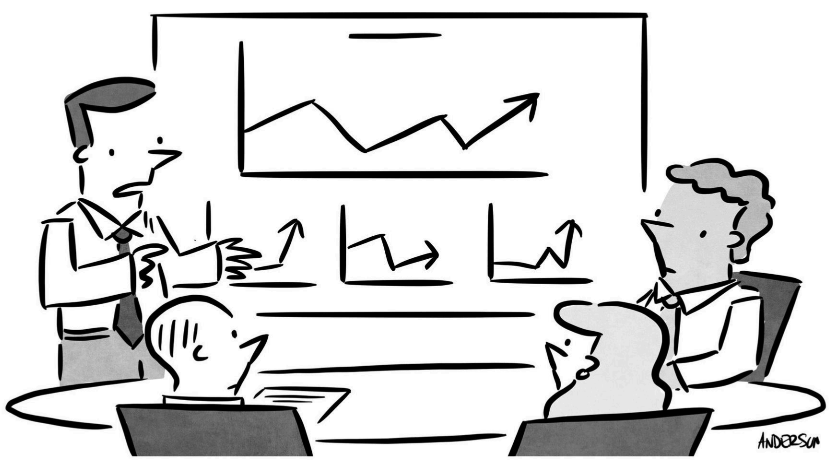
Product Purgatory: When they love it but I still don't buy

Magic wand · Today is the day



credit[1]

"Executives who like this sales graph also liked these."

When you pitch your product, most people will say nice things. "Oh, that sounds really great! I like it. But we're not buying right now. Maybe call back later?" Nobody wants to tell you your baby is ugly.

This creates a trap for new founders who are (rightly!) infatuated with their ideas. They yearn so desperately for validation—both professionally and personally—and therefore interpret these benign social lies as confirmation.

But sometimes the potential customer *really does* love it. They really do want to use it. And yet, they're still not buying. They tell you "call back in nine months, when we might be able to work on this." You have the distinct feeling they weren't just being nice—they were genuine. And yet, the purchase never happens.

This is product purgatory.

NOT EVEN WITH A MAGIC WAND

It's amazing how many products fail an even simpler test of desirability and viability. I call it the magic wand, and it works like this:

> I have a magic wand, and when I wave it, our product will be completely implemented in your company. Training has been accomplished. Integrations with other tools has been implemented. Process changes are done. Security requirements have been satisfied. And best of all, it is *completely free*, so there's no budget allocation. It's all done.
>
> The question is: Do you want me to wave this magic wand?

Amazingly, the answer is often: **"No."**

How could they say "No!?" If it delivers any value whatsoever, you might as well take it, right? But this exemplifies how much value you actually need to generate. There's friction in implementation, but there's friction and risk beyond that; the value must be *much larger* than even that.

A great example of this was an Austin-based startup 20 years ago. There were news stories where people were leaking internal documents from companies via email.* So this startup created a product: All corporate email would flow through their servers, where it would be scanned for sensitive materials. Questionable things could be returned to the sender or otherwise flagged.**

The reason they couldn't sell the product wasn't because people didn't care about leaking sensitive information. The news stories were real. It was that even if you could have it for free, there was just too much risk in some brand new startup being right in the middle of all your email. There's the obvious security issue of a startup which probably can be hacked, and with someone else's employees potentially having access to all your email. There's also bugs. If this new company has bugs—and doesn't all new software have bugs?—that would compromise email, which is catastrophic. So although there was *some* value, and a *real* problem, the value did not exceed the penalty of using the software, which was things like uptime and security.

In the real world, of course you do have the costs and disruption of implementation and training and integration, and people simply getting used to a new user interface and therefore being unproductive for a while. It's easy for we product inventors to see all the value we generate and not see the penalties that we incur. The customers, however, do see.

Furthermore, it's not good enough to just have value exceed penalty; the value needs to be much larger than penalty. After all, if the value is only slightly larger, it's just not worth engaging, it's not worth the money, it's not worth the risk. Change is difficult[4] and time is limited;[5] customers cannot spend their time on things that have only minor impact.

This challenge looms large for every new product, because you don't have a brand or track record. There's always the very real risk that you're likely to be out of business within two years, or that your product can't handle real-world use-cases. Even for free, those risks are not worth taking for many types of customer. I don't want to use "the newest code library" for anything except fun throw-away projects, because I don't want to have to rip and replace in a few years, and I want thousands of bugs to have already been found and eradicated.

It's surprisingly hard to pass the Magic Wand test, and this might be the answer to the original puzzle of why the customer appears to like it but does not buy.

But now let's go further and consider the product that really does pass the Magic Wand test, but still isn't bought.

What else is missing?

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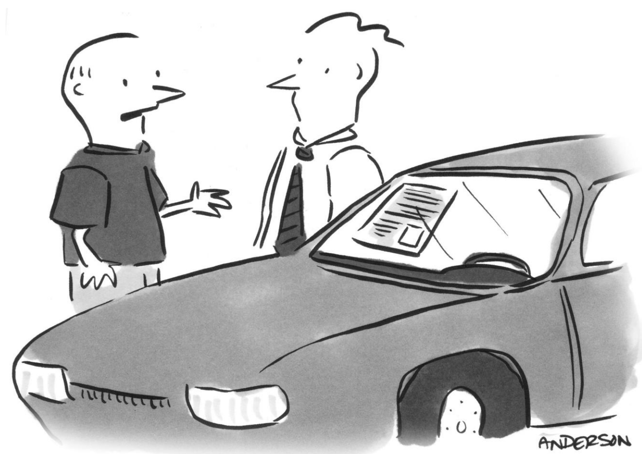
* This risk continues to the present day: In 2017 a Boeing employee accidentally emailed a spreadsheet[2] containing personal information (including social security numbers) of approximately 36,000 coworkers to his spouse. This breach resulted in Boeing offering two years of free credit monitoring to affected employees at an estimated cost of $7,000,000.

** In another fascinating example, in 2008 Tesla faced a situation where confidential company information was being leaked to the press. Tesla implemented a clever method[3] to identify the leaker: Send a unique email to each employee, differing only in things like white space and punctuation, so that when the press reprinted that information using copy/paste, those details would identify the source.



"I like it, but I'm looking for more of a status symbol. Any way you can double the price?"

credit[6]

MOTIVATION & URGENCY: WHY IS TODAY THE DAY?

The sales call goes well. They're engaged, asking great questions. They explain how they would use this in real life, how they would integrate this into their processes, how it would save them time or save them money[7] or create new opportunities for them. They think the price is fair. They don't muse wistfully about competitors or say they like what they already use.

In short, your product clearly passes the magic wand test. It's not your imagination or desperation seeing interest where there is none. And yet… they still don't buy.

Because they're genuinely interested, they give you real excuses: "We can't implement this right now but call back in nine months." This excuse points to the answer.

At all times the person with buying power has one to three top-priority things on their plate. These are the things in their quarterly plan[8] that they have to accomplish, or there is a pressing emergency that they've dropped everything to deal with. They're working on those things right now, or they're next on the list.

Your thing is not one of those three priorities.

Maybe you're priority seven or ten. You're on the list—that's what's different between this case and failing the magic wand test where you're not even on the list.

They won't displace priorities numbers one, two, and three for you. Fair enough, you don't expect them to. And since you're not number four either, you're not coming up in the immediate future. This is why they're putting you off for nearly a year—by then, perhaps they've addressed the top-priority things of the moment, so they might have time for you.

This is product purgatory.

A good example of this in the current world of website development is "accessibility"—ensuring sites work well for people with diverse abilities and disabilities. This includes larger text, use of screen readers, semantic navigation, high contrast modes, and alt-tags for images.

Having an accessible website passes the magic wand test. At our company WP Engine, making both our website and user portal accessible generated appreciative messages from customers who chose us over competitors. This wasn't just the right thing to do—it resulted in sales.

However, the number of people needing these modifications are relatively few, and implementation requires ongoing work. The cold truth is that there are probably five other website changes that would drive more sales than adding accessibility. For nearly everyone, while it might be priority number eight, it's not number one.

"For nearly everyone" suggests a solution. When does accessibility become a major blocker for revenue? For example, most government contracts require it of their vendors. If a company has a strategic mandate to expand sales to governments, accessibility suddenly becomes a top-three priority because it enables that strategy. Those are the customers ready to buy.

For products in purgatory, the key question isn't whether customers see value, but whether they're ready to buy now. They're only ready when it's a top three priority, whether driven by emergencies, strategic decisions, or company culture (as in our case at WP Engine).

This helps identify the right market segments: Companies being sued over accessibility, those selling to audiences with accessibility requirements, or those integrating with major platforms like Walmart or Amazon that mandate accessibility.

In general, you solve purgatory by finding the right segment, then targeting all marketing, sales, and new product features to that ideal customer profile.[9] Some guiding questions:

For whom is this critical to their strategy, especially if it's directly tied to revenue?
(Examples: Regulatory compliance requirements, industry certifications, public declarations of strategy, entering a new market, buying another company, dealing with a competitive shift in their market, preparing for or just closing new fundraising (especially IPO), modernizing legacy systems, their customers demanding new requirements)

What kind of emergency would cause what kind of company to drop everything and have to buy something?
(Examples: Getting sued, executive turnover, a PR debacle, a bad analyst report, a competitor with a loud, large announcement, a significant employee leaving, a public security breach, regulatory investigation, market-share decline, supply-chain disruption, manufacturing defect, scaling issues)

What competitive pressures create urgency?
(Examples: new competitors entering their market, competitors gaining market share, competitors announcing major new features or initiatives, trade publications emphasizing things they lack, technology disruptions in their market, geographic and economic shifts)

What financial pressures create urgency?
(Examples: Budgets closing at a specific time of year, needing to "use up" budget, new fundraising creating new expectations together with new budget, new teams with new expectations, a change in profitability)

How would you find customers in this state?
(Examples: Announcements, CEOs and founders on podcasts, consistent customer complaints in reviews and social media, a shift in messaging, purchasing another company, changes in employment openings, trends in employee comments on Glassdoor, industry analyst reports, trends in trade publications, venture capital allocations, regulatory change notifications, recent leadership changes, adding new departments or teams)

There's no such thing as a product that is always valuable or always too risky or always a top priority. There are market segments where those things are true, and segments where they are not.

The answer might be bad news: What if there isn't a target segment, or it's too small, or it's too hard to find them, or they have a disqualification like no budget or being locked into another vendor. It might not be workable. But this is the critical question to escape purgatory.

Even if you think the universe of "perfect customers" is small, take heart: For every customers who is in the center of that bullseye, there are 100x more who will find it useful enough to buy anyway. The reason for this is not obvious; it is explained in this article.[9] It is scary to focus your laser on such a small surface area, but it actually works.

In any case you have no choice, if you want to start making sales.

Current version of this article:

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