

Dear CEO,

I am writing to you to bring my personal experience to your attention. After a bad experience with your company a number of years ago, I decided to shop at your store again and after another very bad experience, I am again no longer a customer.

As a CEO, I feel that I owe it to you to bring this to your attention; I would always want my customers to give me feedback directly through the Net Promoter Score (NPS) system that we have at Cypress, the Customer Experience (CX) efforts we aim to achieve for, and the promise we make. I uphold our brand and drive the company to meet our brand promise. I read every verbatim given by a customer worldwide, unfiltered, and we as a company, respond to each of our customers who wish to be contacted. We will address their issue one-on-one if appropriate and make structural changes to ensure the issue does not repeat.

A bad business outcome is when we lose a customer, the ugly outcome is when we lose a customer and not know it, especially if we are bound to repeat the same mistake driving other customers away. This letter reflects my own personal journey as a consumer, which is the same as most people shopping at your store. My Executive Vice President of Worldwide Sales and Applications had a similar and negative journey less than a few months ago.

A decade ago, I shopped religiously at [your store]. A bad experience at the store, not different from the subject of this letter drove me to look at alternatives. Amazon came along, and the convenience of the shopping journey, and the emphasis on quality and predictability of delivery attracted me and a lot of other people to it. If I want my item in one day, I get it, if I want it in two, I will also get it. If the item is damaged or no longer required, I can return it. All hassle-free. I am still a brick-and-mortar shopper as well and directed my spend for larger items to Costco. All with no issues over the past decade, during which time I have furnished two households with the required large items (appliances, TVs, misc. electronics, etc.).

[Store name] is a well-known brand, and under your leadership, that brand has evolved to compete and represent technology and quality, both in stores and online.

From your own website, I read *[removed the corporate objective about customer experience]*

I am doing a complete remodel of my house in Austin. I chose to purchase all my appliances (~\$30K purchase) from the [store name], South Austin Store. I opted to purchase [brand] appliances for the quality they represent.

I will outline the stages of my journey, and ask you as a fellow consumer, what would your experience have been, and as a CEO, what changes would you make. I will however stress that every person I spoke to at [the store], both in the store and over the phone has been courteous, and tried to help, and for that, I am very appreciative.

- 1- I went to the store, made a list of all the appliances that I would need, and selected the model numbers, styles, options, etc. I took the packet home and sent it to my kitchen designer to start implementing the designs and ordering the custom cabinets.
- 2- A week later, on July 28, 2018, I went back to the store to place the order and to pay for the appliances. I was surprised that the price I had to pay for the same appliances was 13% more expensive than what I had been quoted a week earlier. The price difference was blamed on [appliance vendor]. Given my timeline and the time already spent, I decided to “bite the bullet” and place the order. The cabinets were already on order and any changes would mean a delay and another expense.
- 3- On August 31, I personally called and scheduled my delivery date for September 28, a month later, giving everyone enough time to ensure delivery. I received confirmation that all my items would be delivered on my selected date. I planned my schedule to be in town and be present for the delivery and installation. I accelerated my contractor’s work to ensure that the cabinet and granite work would be completed ahead of your delivery and appliance installation and so that everything would run smoothly for your crew.
- 4- During the next month, I was getting multiple messages and emails about changes in delivery dates, and split deliveries, and after each, I had to call and get clarifications, only to be assured that this was a system auto-scheduling, and that I would be getting all of my appliances on time. This back and forth was a complete waste of time. I expected a committed schedule and a delivery on that scheduled date.
- 5- On September 27, my designer called the store to see if she could pick up the cooktop, to allow the granite installer to trace it and make sure that the cut on a very expensive piece of granite would be perfect. The employee stated that they would not have it available for pick-up – never mentioning anything about a delay.
- 6- I flew into town from my business trip the evening of September 27, specifically for this appointment and before the planned delivery date. I took the time off to make sure that I was not being called into meetings or the office. On the morning of September 28, I received a message that my delivery had been pushed out to October 5. When I called the store, there was nothing they could do. It was a “warehouse mix-up issue”. At which point in a customer experience does a corporate operations problem become the customer’s problem? This was the largest single waste of my time and money of any of my house-related projects to date, including contractors and how unreliable they usually are; all have been on track based on the alignment I have had with them, and the financial consequences they will incur otherwise. I do not like to waste my time, or have

anyone else waste my time, which is valuable as I am sure yours is as well. If I were to put a dollar number on my time, outside of the frustration of this experience overall, at my 2017 run rate, my daily rate is [...].

- 7- From a customer experience, I was still a customer because I had to, and not because I wanted to, at that point.
- 8- I told the manager that I was not available for a delivery on October 5, given that I run a publicly traded company, and this was a busy phase of the quarter, as I am sure you can appreciate. I asked to reschedule for a date when my designer could also be present at the house, and we settled on October 9.
- 9- In the meantime, I once again rearranged my schedule for the week, and flew back into town on the evening of October 8. Second day off I was taking for [your store]. We also spoke with [customer representative] multiple times between September 28 and October 3 to ensure that we were still on schedule. And we were assured, again, that we were.
- 10-On October 8, I received a call from [your store] stating that my dishwasher (which had been promised to me on October 5) and the freezer panel would not be delivered on October 9, and that there was no delivery date scheduled. Both were originally scheduled to be delivered on October 5.
- 11-On the morning of October 9, I received notification that my freezer column and the vent for the cooktop would not be showing up on the new scheduled delivery date. Installation could not proceed as scheduled. Second day I had wasted for [your store], taking the tally of my time alone to [...] – this not counting for the granite installer who was on standby both installation days.
- 12-I will point out that the document from that morning delivery, stated on it that all items were scheduled for October 9.
- 13-The double oven, which was included in the delivery on that day, had a manufacturer's defect and had to be changed. I would normally categorize this as an "it happens", but with the circumstances surrounding my order, this was the last thing needed.
- 14-We are now on October 10, and the only item I have which is operating is the microwave. Not a house I would consider move-in ready, purely due to [your store's] unreliable scheduling and communication.
- 15-I have now received a reschedule for October 16. Given I have no choice in the matter, and the fact that I do need my appliances, I once again changed my schedule, and will now be here, once again, present, the night before, to make sure I am present for the delivery. Note that all appliances had been confirmed to be at the warehouse, even when I checked the night before I flew in.

16-The confirmation was sent the evening before, reminding me of all of the deliveries I was expecting in the morning. I called once again to confirm, given the two prior bad experiences. The delivery was scheduled between 8AM and 12PM.

17-It is now 12:30PM, on October 16, no appliances delivered. I called to check-in and was told that the delivery has been cancelled.

I would like to highlight to you directly what I communicated to the person over the phone. The first cancellation is potentially acceptable. The second cancellation is incompetence, but the third one is complete disrespect.

I decided not to wait for the order to be completed before writing this letter to you. I do not believe the rest of this journey, however positive it might turn out to be, will change my overall opinion.

I have taken the time to give you my reality: I am unable to move into my house due to a failed delivery from [your store] on multiple occasions. The change in scheduling on the day of the delivery, after confirmation, only tells me that there is no backorder, or lack of supply, or a scheduling error. It highlights a total disregard to customer satisfaction, and a lack of respect for your customers, especially me, who has called many times to ensure that I was aligned with your company and would have a smooth experience. I know issues happen, but this many and the way they were handled are not acceptable and should not be acceptable to you given your vision of the [store] brand. [your store] failed to acknowledge and proceeded to ship my paid-for items to someone else or didn't care enough to ensure that my order was treated with the same expectations that I had set with them.

I regret to say that in terms of NPS, I cannot be a promoter and shall be an extreme detractor for your brand moving forward.

I do expect an answer from you directly to my letter.

Best Regards,

Hassane El-Khoury

President and CEO, Cypress Semiconductor