



LAUNCHING A NET PROMOTER PROGRAM

USING THE ULTIMATE QUESTION
TO DRIVE MEANINGFUL CHANGE



SECTION 1: BEFORE YOU BEGIN



IN THIS SECTION

- Discover why so many companies are turning to the Net Promoter score (NPS) and methodology to bring customer feedback into the heart of the business
- Learn about the key components you need to succeed with Net Promoter at your company
- Hear a cautionary tale about a company that launched a Net Promoter program without the needed components
- Get an overview of a two-tiered process your firm can implement to do Net Promoter right

NET PROMOTER: THE GOOD NEWS, AND THE BAD NEWS

Chances are good that you're familiar with the Net Promoter question:

"How likely is it that you would recommend our company to a colleague or friend?"

You've also likely heard about the wonderful things that a Net Promoter program can do for your business, perhaps through stories like these:

- A major telecom used a Net Promoter program to achieve record low churn and 32 consecutive quarters of sequential revenue growth
- Net Promoter helped an IT services firm hit 98% retention and grow a tribe of evangelists willing to help cross-sell and up-sell
- A franchise system using Net Promoter prompted 650 of its Promoters to share the love in the social sphere during a six-month period

THE GOOD NEWS

The good news is that the stories are true. A Net Promoter program can help you:

- Get the customer intelligence you need
- Identify and repair relationships with Detractors to reduce churn
- Turn "just satisfied" Passives into happy Promoters who boost loyalty and drive additional revenue for your business
- Turn Promoters into enthusiastic, passionate evangelists with high lifetime values who believe so strongly in what you do that they actively seek to bring in new business on your behalf

THE BAD NEWS

But there's another side to the story: Getting to results like those is a little more involved than just posing the ultimate question. The survey, though key, is but a single element in a successful Net Promoter program; the survey gets you on the road to Net Promoter success by giving you real customer intelligence.

However, if all you do is pose the question, then all you get is unprocessed data, to say nothing of customers flummoxed by why you burdened them with a survey in the first place. To signal to customers and employees alike that market feedback is what shapes your organizational priorities, you must take meaningful action on incoming feedback.

Sounds easy, but the path to action—the path to results—can quickly begin to feel like an obstacle course. This paper highlights the most common obstacles you'll face, obstacles that often derail even the most well intentioned Net Promoter efforts before they really get started. It also outlines a proven, best-practices-driven Net Promoter process that helps you dodge those obstacles when they arise in your program, and achieve the results you've been dreaming about:

- Reduced attrition
- Easier cross-sell
- Improved referenceability
- A competitive advantage as a leader in loyalty

FOR BEST RESULTS, ADD INFRASTRUCTURE AND PROCESS

The simplicity of using and understanding Net Promoter makes it easy to get started, but rushing headlong into surveying customers may get in the way of your company's successful adoption of the NPS discipline. It's happened many times before that someone within a company learns about the "one number you need to grow" and quickly sends out a survey to ask the Net Promoter question.

But then what? What do you do when you get back 100 or even 1,000 survey responses? You might respond to the loudest complaints and rescue a few would-be Detractors. You might ask a few happy customers who responded with a 9 or 10 to the recommend question if they'd be willing to participate in a success story.

However, those one-off efforts, while valuable in and of themselves, will not bring you the long-term, transformational results you want, the results that Net Promoter programs can deliver. In this section, we'll tell you about one of our customers that learned this lesson the hard way, and share several additional reasons why you should think about and plan for your Net Promoter program before it begins.

A CAUTIONARY TALE

You can avoid many of the pitfalls companies often encounter as they begin their customer feedback programs if you learn from their experiences, such as those of a leading global communication services provider. Because the company was operating in an increasingly commoditized market, management wanted to differentiate on the customer experience by driving the voice of the customer throughout the business.

Despite those bold goals, its initial Net Promoter efforts looked more like a project than a methodology or discipline. The firm started with two uncoordinated survey programs, one in the U.S. and another internationally, with two different groups designing the surveys. The lack of coordination led to different and misaligned survey objectives, inconsistent measures of happiness, and maybe 40 degrees of the 360-degree view management needed to create a culture of customer obsession.

Other challenges cropped up as well:

- Poorly positioned transactional surveys targeted users at the lowest levels of customers' IT organizations, which led to low response rates. Even worse, over surveying on touchpoints led to survey fatigue among customers, and a resulting shortage of relationship data
- Responses on surveys trickled in slowly from customers to internal audiences, with a noticeable lag in the movement of real-time information back to sales and services teams. It's not good when sales learns—two months after a survey—that users within a key account are ... were! ... are still? ... unhappy.
- The firm also lacked a post-survey follow-up process, which meant that although operational costs went up, as did information volume, the quantity of transformative ideas and actions did not.

In other words, the company collected data, but lacked a framework for deriving meaningful insight and driving action from that insight.. "The effort was haphazard throughout and impossible to manage," recalls the firm's senior vice president of sales, who also recounted that their initial Net Promoter Score was in the negative—at minus four percent.

Although the telecom recovered from its launch-phase stumbles..., its experience serves as a cautionary tale: Shaky Net Promoter beginnings can prematurely quash future efforts.

Although the telecom recovered from its launch-phase stumbles after partnering with Satmetrix, its experience serves as a cautionary tale: Shaky Net Promoter beginnings can prematurely quash future efforts—efforts that could lead to results like these, later experienced by the same firm:

- A 24% increase in Net Promoter score
- A 70% jump in the number of Promoters over two years
- A 25% decrease in the number of Detractors over the same period
- Seventy (70%) of Promoters reporting in an annual relationship survey that they had recommended the company during the year
- Fifty percent (50%) of CIO-level customers in one region participating in the feedback program
- Forty percent (40%) growth in the number of customers agreeing to act as references
- Five percent (5%) of revenue shifting from commodity to strategic services

MORE THAN A METRIC

This lesson holds true for firms of any size: If you think of Net Promoter simply as a project or metric, then you will treat it as a project or metric, asking the one question and watching the score, just as you would the puck in an NHL game. You will also likely neglect the processes and infrastructure required to achieve transformative results, which is problematic for several other reasons as well.

1. You damage already fragile relationships when unhappy customers send surveys into “the void”

If customers are Detractors or low-scoring Passives, then you may actually end up damaging already-fragile relationships by not responding. How many times have you submitted a survey into what seems like a black hole? You take the time to share your feedback, giving the company an opportunity to address your concerns and make things right, but they do not respond. It feels like a slap in the face, and adds to your conviction that you should end the relationship immediately. That’s no way to treat customers, especially if your goal is to stop them from defecting. To achieve your attrition goals, you must implement a process that immediately moves customer survey details to the people or teams best equipped to respond; you must also make those people and teams accountable to ensure that the needed response actually happens. This is true even if the best they can do in the short-term is to send a bulk email message 48 hours later that says, “We’ve heard you and are actively seeking solutions to the issues you reported. Please stand by for further updates.”

2. You leave money and opportunity on the table when happy customers keep it to themselves

On the other hand, if all you gain from your survey effort is knowledge that certain customers are Promoters—if you do not further engage with those Promoters to develop deeper relationships, open new dialogues, and boost referenceability—then you are leaving opportunity on the table. Customers who respond to the ultimate question with 9s and 10s might be passionate evangelists, ready, willing, and able to bring you new business—if only you gave them the chance. That’s why the same process that swiftly shuttles Detractor responses to the right people should also forward Promoter comments to those prepared to act.

3. You cannot change customer sentiment when you fail to aggregate, analyze, and disseminate feedback

If you treat Net Promoter as a “project” or a metric, then you may also fail to aggregate customer data to gain a big-picture view of the drivers of happiness and unhappiness at your company. If you fail to aggregate, then you cannot analyze. And if you cannot analyze, you can neither share, nor organizationally act on, what you have learned. Lack of aggregation, analysis, and disseminations further means that you cannot:

- See and understand trends over time to help you predict future behavior
- Organizationally replicate the actions and decisions responsible for happiness wins
- Organizationally weed out the undesirable actions and decisions that lead to unhappiness

The proof is in; the point is clear. To accomplish your goals—to stop customers from defecting, improve loyalty and referenceability, and drive the kind of strategic change that increases profitability and results in business growth—you need a process that enables you to:

- Track perceptions
- Diagnose the root causes of customer pain
- Expose new revenue opportunities
- Act on the insights you gain
- Bring about greater customer loyalty and love

You'll learn about such a process next.

THE PROCESS: MOVING FROM SURVEY DATA TO CUSTOMER LOVE

In its work building more than 1,000 customer feedback programs since its founding in 1997, Satmetrix developed and refined a process designed to bring you Net Promoter results. The process involves closing two loops: the operational loop and the strategic loop.

1. The operational loop runs from individual customers to the company and back again; in the halls at Satmetrix, you may hear it affectionately called the “little loop.”
2. The strategic loop runs from all customers in aggregate to management and then back to all customers again; you may have guessed that we call this loop the “big loop.”

THE OPERATIONAL CLOSED LOOP: FROM CUSTOMER TO COMPANY BACK TO CUSTOMER AGAIN

Operationally, or within the “little loop,” you route customer survey responses to the right people, who follow up with customers either in predetermined ways, or, if you trust your people, in ways that they deem most appropriate. Employees record their actions, as well as the outcomes of those actions. If your firm is using a manual system, then employees might record actions and outcomes in customer folders or within spreadsheets. A technology solution can automate much of the work of routing, tracking, and following up, making the process easier and more efficient for you.

THE STRATEGIC LOOP: FROM CUSTOMER FEEDBACK TO A TRANSFORMED CUSTOMER EXPERIENCE

Next, armed with a truckload of customer experience data, combine that data and information about customer-related actions and outcomes from across the company to gain any number of big-picture views, depending on what you’re aggregating and how you’re analyzing the information. Suppose, for instance, that you’re using Net Promoter in a call center environment. With the right set up, you can gain, and provide to others within your company, the following perspectives:



- Individual agent performance on various criteria (communication, empathy, knowledge, resolution) as compared to peers and goals
- Overall agent performance on those same criteria over time for team leaders
- Top drivers of call center happiness for call center managers
- Performance by key segment or support type for call center executives
- Net Promoter score distribution for top tier accounts for c-level executives
- Which top tier accounts may be at risk for c-level executives

The views and knowledge you gain from your Net Promoter program are limited only by your imagination—and perhaps by your technology. The figure that follows illustrates six views generated by Satmetrix' in-the-cloud software application.



Imagine the results you might experience with insight like this: Fewer defecting and more saved accounts, better loyalty-related investment decisions, happier customers, and more love and loyalty!

These larger views, particularly those related to overall performance and loyalty drivers, bring you into the larger, strategic loop. You need a process for moving through the strategic loop as well, a way to push aggregated and analyzed survey response and action-outcome data to the appropriate levels of management. This aggregated, analyzed, and distributed data, in turn, informs strategic decision-making, driving process and policy changes—and even business transformation—in response to customer feedback.

What are my customers telling me? What's the root cause of customer unhappiness over time?

Because it's likely that you're just beginning or preparing to begin your Net Promoter effort, the rest of this paper focuses on several key decision points you will encounter in the operational loop, which runs from customer to company and back to customer again.

As you will discover, the process that supports the operational loop will bring you quick wins as you immediately begin to recover Defectors and engage with Promoters.

Our focus is on survey follow-up, or the operational loop that runs from the customer who responds to a survey to your company and then back to the customer again.



SECTION 2: USING THE OPERATIONAL LOOP TO RECOVER DETRACTORS AND MOBILIZE PROMOTERS



IN THIS SECTION

- Explore five key decision points you'll encounter while designing your operational loop
 - What happens to an incoming survey
 - Who owns the follow-up action
 - How follow-up owners respond to surveys
 - How quickly follow-up owners should respond
 - How follow-up owners record results
- Get insight as to how soon you can expect to see both short-term and long-term results from your Net Promoter program

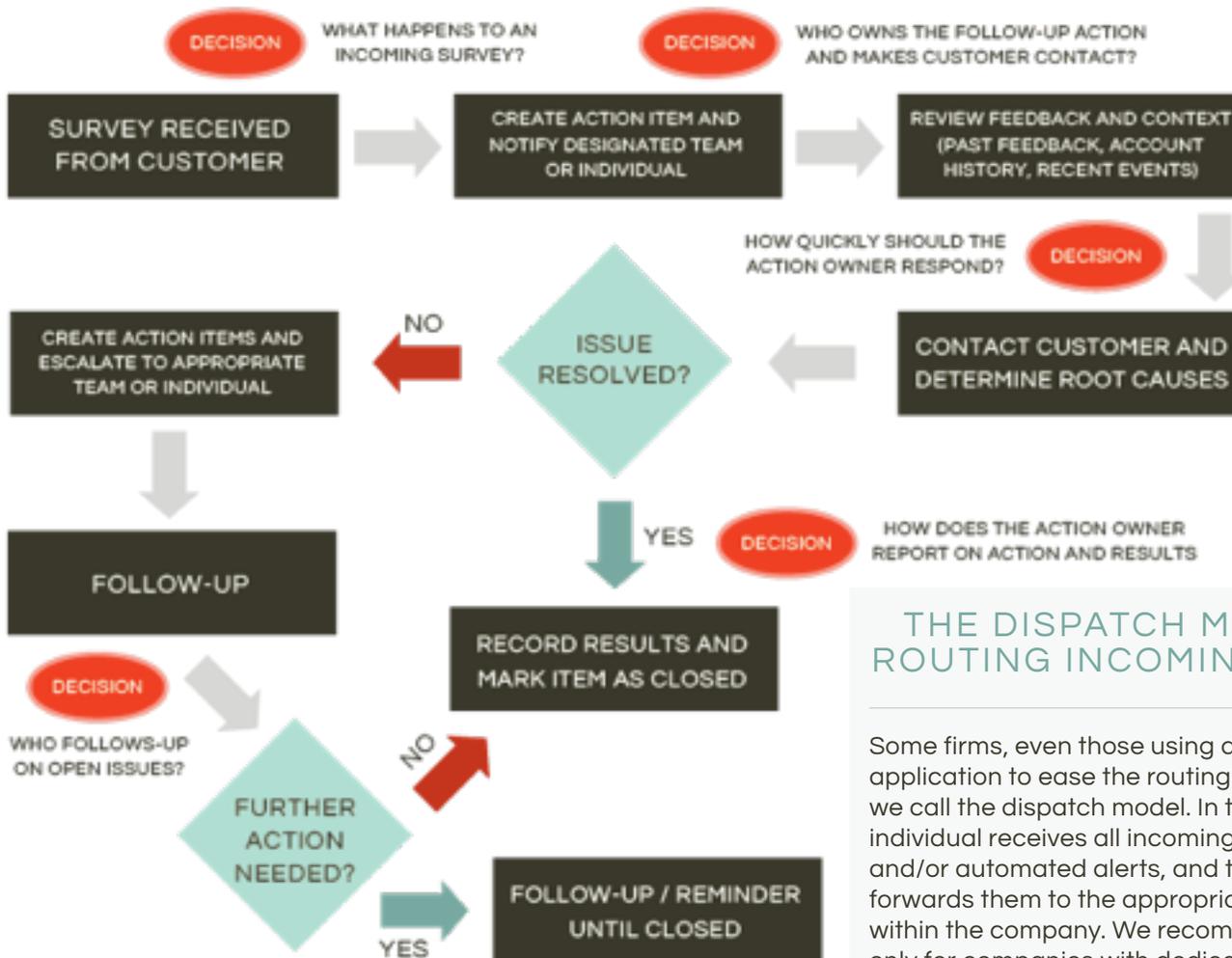
KEY DECISION POINTS OF THE OPERATIONAL LOOP DESIGN

In designing the process flow for the operational follow-up loop at your company, you will face several key decisions:

- What happens to an incoming survey?
- Who owns the follow-up action and makes customer contact?
- How quickly should the action owner respond?
- How does the action owner report on actions and results?
- Who follows up on open issues?

flowchart that follows illustrates how such an operational follow-up process might work for incoming Detractor survey responses, and where the critical decision points lie.

AN OPERATIONAL FOLLOW-UP PROCESS FOR HANDLING ISSUES RAISED BY UNHAPPY CUSTOMERS IN SURVEY RESPONSES



THE DISPATCH MODEL FOR ROUTING INCOMING SURVEYS

Some firms, even those using a Net Promoter application to ease the routing process, use what we call the dispatch model. In this model, one individual receives all incoming survey responses and/or automated alerts, and then manually forwards them to the appropriate individuals within the company. We recommend this model only for companies with dedicated routing personnel—people who can forward surveys on to the right people, fast.

DECISION: WHAT HAPPENS TO AN INCOMING SURVEY?

How you handle incoming surveys largely depends on the technology your company is using for its Net Promoter effort. If you're using an application specifically designed for Net Promoter, that is, software aligned with the Net Promoter methodology, you may be able to use business rules to automatically forward surveys to the right people or teams as soon as those surveys arrive. However, if your system is largely manual, which may be the case if you're using a survey tool, then you will likely have some level of manual triage on your hands when survey responses arrive.

FOR A LOW VOLUME OF TRANSACTIONAL SURVEYS

Triage may not be an issue if you're sending transactional surveys, say, after an online purchase or transaction, and if your firm's purchase or transaction volume is light. In such a case, you might prefer to assign one individual to receive responses and to determine which person or team is best able to own and handle follow-up actions. Several Satmetrix clients in the financial services industry use this approach; for instance, a branch manager receiving all survey responses from that branch's customers, and then forwarding individual surveys to the right personnel.

Unless the triage can happen quickly, within a few business hours, we do not recommend this approach. In our experience, we've found that it's much better if you can assign a specific person to each customer so that person can follow-up right away, adding that unforgettable "WOW" factor, and creating a valuable sense of customer delight.

FOR A HIGH VOLUME OF TRANSACTIONAL SURVEYS

In largely manual systems with heavy survey volume—for instance, if you operate multiple call centers and send transactional surveys after incoming call-center sessions—you may need to redesign your business processes or add staff. If survey volume is typically large but less frequently so, say, following twice-yearly relationship surveys to key decision makers, then temporary staff reassignments to handle the survey events may be enough.

Alternately, if you're using a Net Promoter application rather than a survey tool, then, you may be able to automate the routing by setting rules for what happens to incoming surveys. The key is to get survey responses into the right hands, right away. Whose hands are the right hands? Let's look at that decision point next.

WARNING: BEWARE OF SURVEY FATIGUE

Satmetrix customers across industries have reported declining survey response rates due to email and survey fatigue. If you're sending too many surveys, then you're part of the overall problem. Over-surveying is generally a sign that you haven't effectively segmented your customers, settled on a survey strategy, or prioritized your customer touchpoints.

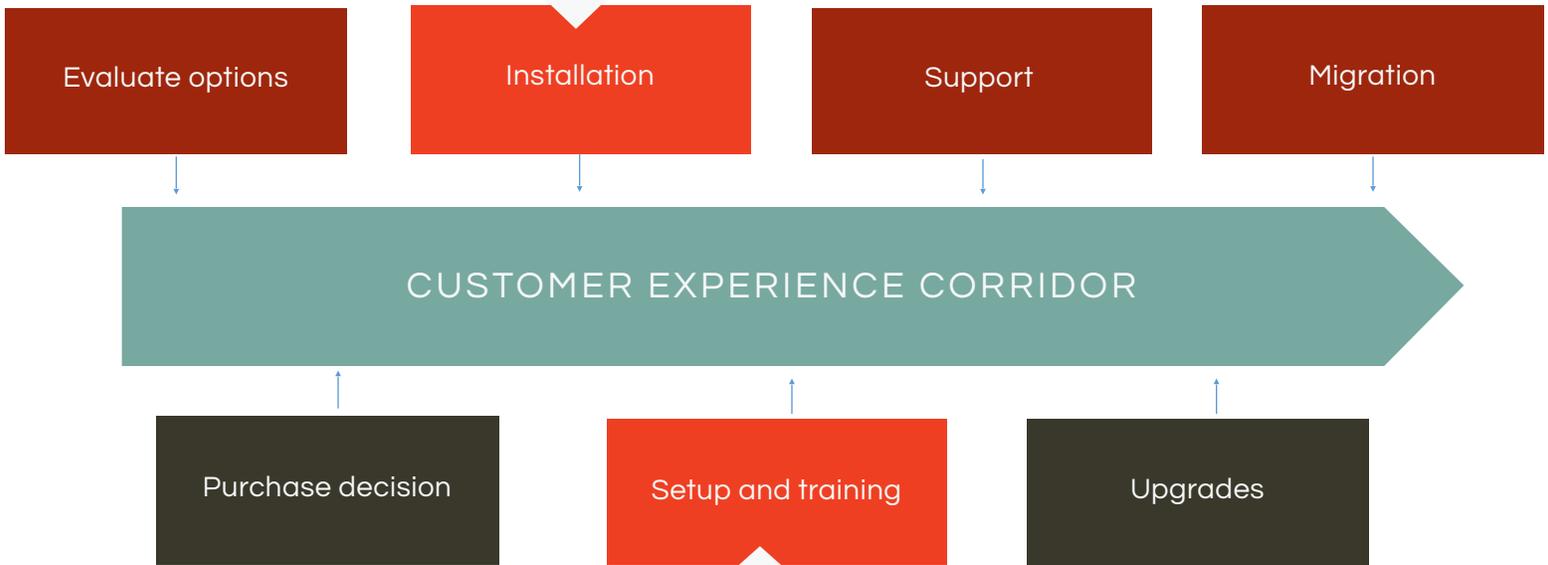
What's the best way to prevent fatigue? We recommend that you survey your customers no more than once every 90 days.

DECISION: WHO OWNS THE FOLLOW-UP ACTION?

Suppose you're in the software industry, requesting customer feedback at two touchpoints along the customer experience corridor – 1) a relationship survey at 30 days after installation, and 2) a transaction survey immediately after a training event. Who owns the follow-up action depends on what you're asking in the survey, and where along the corridor the survey lies, as is illustrated in the following figure.

FIRST SURVEY: 30 DAYS AFTER INSTALL

You might direct all incoming post-installation surveys from happy customers to the individuals responsible for the installation, whether consultants, sales representatives, or members of your technical team. You might also route feedback from unhappy customers at high-value accounts to executives.



SECOND SURVEY: IMMEDIATELY AFTER TRAINING

For this survey, you might direct results from happy and unhappy customers alike to the teams that performed the training.

Depending on the survey, you will designate other follow-up owners for different possible responses before the survey launches. As another example, suppose you work for an airline, and you're sending a transactional survey 24 hours post-flight. Your rules might look something like this:

- If a customer is a Detractor and scores the check-in time as unsatisfactory, send the survey here for follow-up.
- If the customer is a Detractor and scores the in-flight food as unsatisfactory, send the survey there.
- If the customer belongs to a high-value business account and is a Detractor, send the survey result here and there.
- If the customer is a Promoter, send the survey to marketing for possible engagement and mobilization.

Before launching, decide where and to whom you'll direct completed surveys.

DECISION: HOW DO FOLLOW-UP OWNERS RESPOND TO SURVEYS?

By the time a survey alert arrives in an action owner's inbox, he or she should know how to proceed. If lower-level staff or even external parties will be handling responses, then you may decide to prepare a standard set of possible response and escalation options. If senior staff will be responding, then they will probably want to handle incoming customer issues in ways that they see fit.

Another related factor to consider is whether to respond by email or phone.

- Some companies route all negative survey responses from high-revenue-generating customers to executives for direct and rapid **email intervention**, which precedes a phone call.
- Other firms declare that all severely Detractors first receive a **personal phone call from a senior executive**.
- If your technology solution provides mobile capabilities, then your team can receive customer alerts and contact customers at any time, no matter where they are.
- In either case, we recommend that action owners review contact or account history before following up. For instance, before calling a CEO-level respondent, the action owner should review account history and past survey results, plus follow-up from others in the account to be fully prepared.

DECISION: HOW QUICKLY SHOULD ACTION OWNERS RESPOND TO CUSTOMER SURVEY SUBMISSIONS?

A related decision is the longest time that customers should wait before the action owner replies. Generally, we recommend that you follow up with severe Detractors and key customers within 48 business hours. In fact, the unhappier the customer, and the higher-value the customer, the faster you should reply.

What happens when you send a bi-annual relationship survey, or a transactional survey following a special promotion, and receive a flood of responses? For such cases, determine how to prioritize their follow-up. Some companies prioritize based on the follow-up due date, whether 24 or 48 hours; others prioritize based on the Net Promoter score value given, on the value of the account, or on the influence level of the respondent.

Some companies prioritize responses based on the ratings of Detractors; if a customer responds with a 5 or 6 to the ultimate question, then you might feel that customer can wait a little while longer than can a customer who responds with a 0 through 4. Other companies segment based on the customer tier, responding to tier-one customers faster than to those in tier three.

Some companies declare that action owners must follow up with all Passives and Promoters within two weeks of the survey response. Others want account managers to begin follow-up within two business days.

The key is to make sure that follow up happens, and that it happens as quickly as possible.

“If you don’t ask the right questions, you don’t get the right answers. A question asked in the right way often points to its own answer. Asking questions is the ABC of diagnosis. Only the inquiring mind solves problems.”

– Edward Hodnett

GETTING TO ROOT CAUSES WITH THE “5 WHYS”

It's often difficult to drive to the root cause of customer issues. One technique that makes the job easier is the “5 Whys” – also known as the “Inquisitive Toddler” technique. Although you (or the questioner) may have to ask “Why?” more or fewer than five times, and you may have to ask different people involved in a transaction, asking will bring you closer to the core issues.

In this example, suppose that a customer rates a service person low on courtesy.

- Why did the customer rate the server low on courtesy? Because the server seemed abrupt.
- Why did the server seem abrupt? Because he wasn't nice when serving potatoes.
- Why did you feel he wasn't nice? Because he said he was serving instead of offering to serve.
- Why did the server not offer? The server did offer, but the offer didn't sound like a question.
- Why didn't the server's offer sound like a question? He's an immigrant. Whereas native English speakers raise their voices at the end of a sentence when offering food, non-native speakers do not.

DECISION: HOW WILL FOLLOW-UP OWNERS RECORD RESULTS?

Follow-up owners should drill down to and record the root causes of the dissatisfaction to determine how best to take action. If owners resolve the issues, then they should record the actions and close the items, either your relationship management software or Net Promoter application. If initial action owners cannot resolve issues—for instance, if the issues stem from transactions or relationships outside of their area of responsibility, they should reassign the alerts to the proper departments or escalate them to the next higher level individual or team as determined by you in advance. In either case, action owners who cannot close issues should let customers know what to expect next, whether it be contact from another department or an escalation to higher levels to address organizational or process issues.

The key is to record status and progress updates, open new action items when reassigning or escalating actions, and, if relevant, setting follow-ups to notify the customer when the issue is closed.

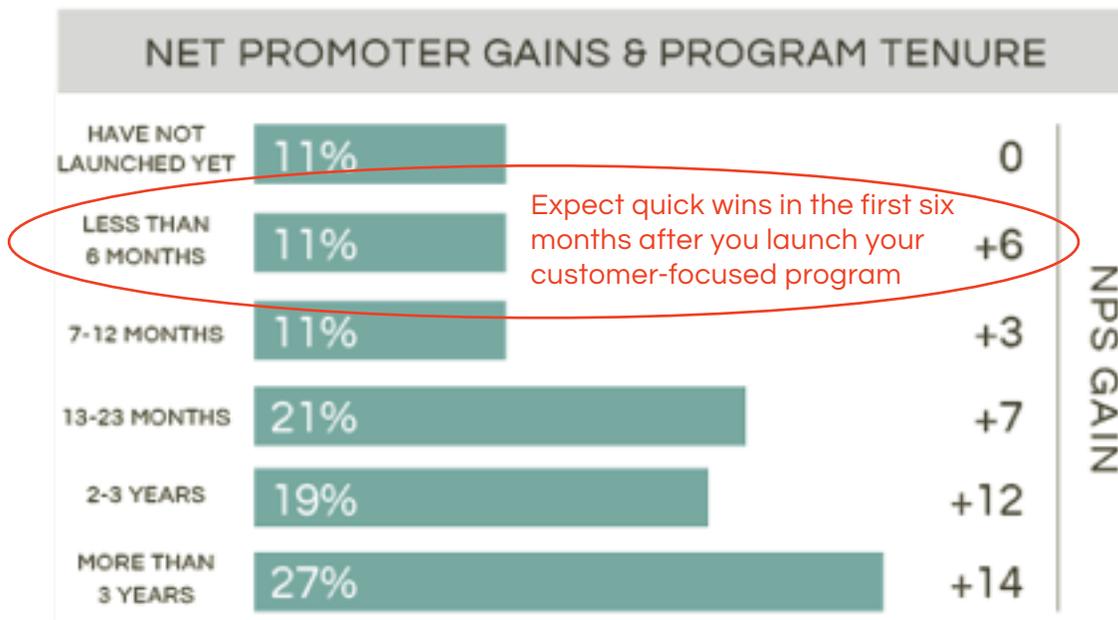
RIDING THE OPERATIONAL LOOP TO QUICK WINS

Expect fast results within the framework of the operational loop, which allows you to open immediate conversations with Promoters, Passives, and Detractors. For instance, expect:

- Fewer defecting customers as you learn who is at risk and take steps to resolve and recover
- Detractors and Passives becoming Promoters as you engage, surprising and delighting with your speedy follow-up
- Promoters becoming passionate evangelists willing to spread the love and speak to the world on your behalf as you open dialogues, continue to engage, and deliver consistent, ongoing experiences of customer delight

How fast is fast? Our recent Net Promoter 360 survey of 307 customer experience practitioners, 249 of whom submitted their corporate Net Promoter scores, reveals that you are most likely to experience “quick wins” within the first six months of establishing your Net Promoter program, as the following graphic illustrates.

Quick wins are established in the first 6 months. Whereas steadied gains take 2-3 years to be operationalized.



As you look over that data, also notice that the wins increase as time goes on, with the greatest NPS gains happening after the program has been in place for at least one year. However, to achieve such results, you also need to attend to the strategic part of the loop to aggregate, analyze, and address the root causes of happiness and unhappiness at the organizational level.

The NP360 data also illustrates how critical it is to start your Net Promoter program on the right foot. If you fail to launch with the right process in place, then your efforts may never truly get off the ground. And if your efforts never get off the ground, you will never experience the kind of NPS growth that companies with mature programs do.

THE NEXT STEP

Have questions about Net Promoter, or about the operational or strategic loops discussed in this paper? As the creators of the Net Promoter methodology with Fred Riechheld and Bain & Company, and having built more than 1,000 customer feedback programs since our founding in 1997, we at Satmetrix know more than a thing or two about what it takes to achieve Net Promoter success.

Before you launch, email us or give us a call. We'd love to talk to you about how we can help you avoid the common obstacles outlined in this paper, and implement a Net Promoter program that brings you the benefits you desire:

- Higher loyalty
- Higher NPS scores
- Better referenceability
- And a firm competitive advantage

Call 1.888.800.2313 or email info@satmetrix.com.

Give your Net Promoter program its best chance for success.



SATMETRIX®

ABOUT SATMETRIX

Satmetrix is the leading provider of cloud-based Net Promoter® Software for companies of all sizes. As developer of the industry-leading Net Promoter® methodology along with Bain & Company, its applications deliver increased customer loyalty, reduced attrition, improved referenceability, and a clear competitive advantage. With experience on more than 1,000 deployments in 40 languages, Satmetrix accelerates the success of customer experience efforts using Net Promoter. Email us at info@satmetrix.com or call one of the phone numbers listed.

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