

An excellent organisation tool – but only for the brave few

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Don't waste time reading this if yours is an organisation that deludes itself believing that long term profitable customers can be bought and that has no appetite for earning these by a targeted marketing effort rather than blind and expensive transient customer recruitment to fill the leaking bucket.

Equally, do something else for five minutes if yours is an organisation happily living in the fragile world of false assumption of loyalty – where repeat customers are mistaken as loyal, whereas most are fickle and will jump ship for a lower cost deal, and where proven loyal high value customers are taken for granted and left alone.

If you are still with me I will tell you about a wonderfully simple and powerful marketing tool with a clear and direct application for genuine organisation development. This can help only those few organisations honest enough to see painful realities as a start point in a difficult yet massively worthwhile journey that propels them way beyond the capability of lesser, bad news averse declining competitors.

The net promoter score has been around a while now, and has evolved from the excellent work of Fred Reichheld on really understanding customer loyalty. Unlike daft so called customer satisfaction surveys that ask umpteen and usually totally irrelevant, over comfortable questions this asks just one, often referred to as 'the ultimate question'. It is: "How likely are you to recommend (insert organisation, unit, product or service) to your friends and colleagues?".

That's it, just one extraordinary question, on a ten point scale – at one end 'not at all likely' the other 'extremely likely'.

Not much more complication to come, just that there are then three types of customer that completes this five second survey: Promoters, that are highly loyal and impressed, likely to provide positive word of mouth, and consequently cost free new business; Passives, who are regular 'though unenthused customers whose loyalty is very often over estimated, and who will defect if higher value is perceived elsewhere, and Detractors, who by differing degrees, are dissatisfied customers who at the extreme end are harming your business by delighting in deterring others from signing up.

The last bit in this simple 'though for most downright scary model is that on an 11 point scale Detractors are 0-6, Passives 7 and 8 and Promoters 9 and 10.

Based on years of research and testing, the net promoter score is simply the net figure produced by subtracting the percentage of Detractors from the Promoters.

Thus, disregarding the Passives, if you have 30% Promoters and 50% Detractors, your net promoter score is a not particularly impressive minus 20%.

Only real hardcore organisations know the value of 'bad news' that gives a true picture of what's really happening and that a net promoter score is a measureable benchmark to kickstart a genuine and trackable improvement programme.

No need to get too ambitious at first – survey one unit of an organisation; one ward of a hospital, or for instance one product or service of many.

No more commissioning of expensive, over elaborate, complex surveys when you need only ask one question – if you have the courage, and most don't.

The net promoter score has a well developed history amongst brave organisations that took the initial bruising reality check and have persisted with the tool to identify their genuine customer satisfaction profile. These organisations have explored why more customers are unhappy than they believed, and what it is that cause too few to value their experience enough to recommend others and score you top end.

I have spent too many hours in organisations bored to near death by smug Directors secure in their annual bonus campaign, showing me customer satisfaction data that suggests 80% percentage 'satisfaction'...that for instance without finance deals that 'lock in' customers would lead to less than 20% at best repurchase rates.

Too many organisations spend ridiculous sums buying growth by enticing by definition fickle price sensitive customers blind to the obvious reality that the competition can do the same instead of enhancing the customer experience of those who will reward you by creating new business by referral.

We who have the ambition to drive organisational performance need meaningful tools that are flexible and do not confuse with unnecessary complexity.

For me the net promoter score tool fits the bill.

If this short summary has created an interest I will be pleased to hear from you, either if you have a will to use this within organisation, or for an email of sources that will more thoroughly inform you about a tool I feel has serious potential in any organisation.

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