

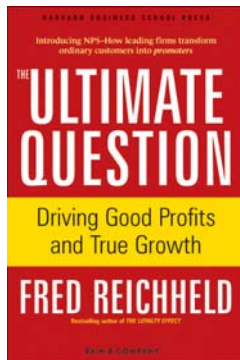


The New World of Net Promoter®

Colin Shaw
Founder & CEO
Beyond Philosophy

Ever since Jones and Sasser's seminal work we have known that satisfied customers defect. Yet why should this be the case? Our belief is that the root cause lies in the very word satisfaction itself. What does satisfaction really mean? It's quite simple; when you are satisfied it means you got what you expected. Nothing more, nothing less. But is satisfaction good enough? No! Not in today's ever changing environment where providing a service that is satisfactory does not make you stand out from the crowd. Indeed, the reality is we all know of a number of organisations that even if they reached satisfaction that would be an achievement on its own!

In my experience only at best will a satisfaction survey ask a couple of questions loosely connected to how a customer is feeling. Yet in research we have conducted over 50% of a Customer Experience is in fact about the emotions. Therefore, asking what are the emotions that you are trying to evoke and how you are measuring them is essential. If you are like most of the organisations we deal with you will struggle to answer these questions.



Therefore there must be a better way of measuring the full experience; physical and emotional, otherwise we are only looking at half the picture. Fortunately at this point we can refer to Fredrick Reichheld and his new book the "Ultimate question".

I have been fortunate to be on the same speaking circuit as Fred and have debated his findings with him. In his research, undertaken with Satmetrix, he discovered the "Ultimate question" organisations should ask customers. This is "What is your likelihood to recommend Company X to a friend or colleague?" It is a very simple question which everyone clearly understands. In addition he discusses the detractors, neutrals and promoters and provides a simple formula to calculate your "Net promoter score". When we undertook this analysis, for instance, we found clients whose scores ranged from -15 to plus 35.

We like this question for a number of reasons but primarily it looks at the complete experience, both physical and emotional. In addition it implies ownership. For instance, if you were to recommend someone you have some 'skin in the game'; you think before you recommend as if something goes wrong you feel a little responsible!

In our work with boards in Europe and the USA we are seeing more organisations 'seeing the light' and adopting this metric. Importantly, this gives everyone from the CEO down, a single number to monitor their progress against financial returns; research shows that those with an NPS of 40-75% will experience growth.

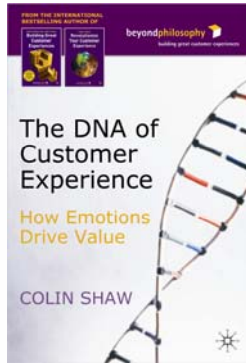
Having waxed lyrical about this, there is a 'but'. The most common question we are asked after implementation is how NPS gives me a great measure but what do I need to do to improve it? What are the specific actions I need to take?

In our view one of the key first steps is starting to look at the emotional side of the experience and define the emotions that you are trying to evoke and measure. Sounds easy? Of course it isn't. Imagine asking a customer "What emotions would you like us to evoke in you today?" They don't know.



They also do not necessarily consciously know the emotions they are feeling. This needs some work, to define and set in place a measurement that supports NPS. One of our clients had an interesting problem; “Our customer satisfaction scores are increasing and our NPS is going down. What does this mean?” came the cry of despair. Well it means you are measuring the wrong things. You are measuring “stuff”, not what the customer thinks is important and you are not measuring the emotional engagement. Little surprise then that satisfied customers defect.

Therefore whilst we think that NPS is good it needs supplementing to identify actionable items that you can change.



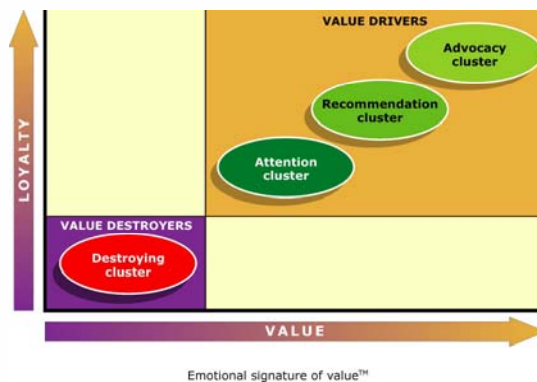
Enter our new book; The DNA of Customer Experience: How Emotions Drive Value. This was supported by 18 months of research under the guidance of Professor Chris Voss¹ of the London Business School, Professor Jane Raymond², one of the UK’s leading Consumer Psychologists and Dr. Jeremy Miles³ author of two books on advanced statistics to help us discover the links between the drivers and the destroyers of value.

In particular, we thank the London Business School for the guidance, advice and support of Professor Christopher Voss. He has challenged us, input his own ideas, thoughts and endorsed our methodology and discovery.

From this research, we have been studying in minute detail the connection between customer emotions and the effect on spend, loyalty and NPS. Interviewing over a thousand people on both sides of the Atlantic, we discovered that there are three clusters that drive value and one cluster that destroys value.

Whilst these clusters are statistically independent our experience shows there is a natural order to these clusters of emotions.

The Destroying cluster of emotions is the first place you need to focus on when looking to improve your Customer Experience. The Attention cluster of emotions has a proven link to increased customer spend. The Recommendation and Advocacy clusters of emotions are vital to having loyal customers.



We now know that evoking these clusters of emotions will improve your NPS. Therefore we are now able to answer the question; “What do I need to do to improve?” On top of this, it is now possible for you to see your organisation’s Emotional Signature™ so that you can understand what your emotional engagement looks like and tracked over time - a world first! So in summary, throw away the old measures. Look at the complete Customer Experience, consider adopting the ultimate question and change your measurement to include the emotional side of the Customer Experience via the Emotional Signature™. In doing this you will have a clear understanding of where you are and moreover what you need to do to improve.

¹ Prof, Chris Voss – London Business school

² Prof. Jane Raymond, Chair – Experimental Psychology Department, University of Wales – Bangor and visiting Harvard University Scholar

³ Dr. Jeremy Miles, formerly of York University, UK now of the Rand Corporation, USA