

## WHAT ARE YOUR CUSTOMERS TELLING YOU? – WHAT QUESTIONS ARE YOU ASKING THEM?

Recently, I was traveling for business and I noticed that I seemed to get surveys and questionnaires constantly - during my trip and subsequently via text and email. I usually don't bother to respond to surveys from large companies – those impersonal, automated, non-caring invasions of my email, text, or voicemail. I *do* tend to respond on those rare occasions that a small, local business cares to ask me what I think of my experience at their business. Perhaps I'm rare, (maybe it's an occupational hazard), I tend to notice what businesses do; I pay more attention to what they ***don't do!***

How many articles, ads, seminars, or workshops about customer service or increasing sales have you come across where the message encourages you to spend time and money to develop elaborate surveys to send to your customers to 'hear the voice of the customer'? Have you done it? What difference has it made in your business? Increased sales? Do you know...? What does it cost you?

There is a very powerful body of research done by the consulting firm, Bain & Company, over 10 years ago that attempted to find a *"simple, practical and actionable indicator of what customers were thinking and feeling about the companies they did business with."* They wanted to develop, *"a number that **reliably** linked these attitudes both to what customers actually did and to the growth of the company. We wanted, in short, to provide a basis for linking improvements in customer loyalty to business outcomes."* According to Bain.

Bain, along with their data partner Satmetrix Systems, tested questions with thousands of customers across multiple industries and found that the way customers responded to **one question consistently predicted behavior.**

The one question, the 'Ultimate Question' is: ***"How likely is it that you would recommend Company X [or Product X] to a friend or colleague?"***

Researchers found that the answers to this question consistently predicted:

- customer retention
- repeat purchases
- referrals and other indicators of customer loyalty
- profit and passion.

Just as importantly, **this question is quick, respectful, and easy for both customers AND employees.** The preferred way to set up your process is to use the common 0-10 rating scale with the scale where 10 = Extremely Likely and; 0 = Not at All Likely to recommend you to a friend. The responses tend to cluster into three groups:

- Promoters (9 or 10) – These are your loyal, enthusiastic fans.
- Passives (7 or 8) – They are reasonably satisfied but are not nearly as likely to remain loyal or refer their friends.
- Detractors (0-6) – Detractors are unhappy customers and account for upwards of 80% of negative word-of-mouth.

A very simple way to use this input is to calculate (and pay attention to) what Bain calls a 'Net Promoter score' which is easy to calculate.

Calculate the percentage of responders that were Promoters and subtract the percentage of responders that were Detractors: **Net Promoter score = % Promoters - % Detractors**

This single metric can serve as an easy, powerful customer scorecard for your business. The only follow-up question you need to learn to ask is...'Why?' Then LISTEN!!!

So, the new and improved way to understand what your customers think goes something like this:

***“Thank you for doing business with us, how likely is it that you would recommend ABC Company to your friends?”***

Then...ask the key open ended question: “Why?”

This is easy, inexpensive, respectful and a true gift to and from your customers. I encourage you to step back from your business for a moment and ask yourself how loyal, happy, satisfied etc. are your customers? How do you know? What are you doing to improve your customer loyalty and likelihood to promote your business?

If you want to learn more about the Net Promoter system I suggest you read the book: *“The Ultimate Question 2.0”* by Fred Reichheld.

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