

## ***Which of Your Customers Are Promoting Your Business? How do You Know?***

Seems like social media is on virtually every business owner's mind and most marketing strategies incorporate some form of social media campaign which requires the business collect and use customer contact information. One aspect of these campaigns that is underutilized and not emphasized is gathering data about who your customers are and how they feel about your business. To the degree that businesses survey their customers they commonly ask too many questions – reducing the response rate – and/or the questions asked don't really enable the business to follow up or take action in any meaningful way.

I don't know about you, but I seem to get surveys and questionnaires coming across my voicemail or email constantly. I usually don't bother to respond to those from large companies – those impersonal, automated, non-caring invasions of my email 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. I may be rare, however, I tend to notice not only what businesses do; I pay more attention to what they *don't do!*

How many seminars or workshops about customer service or sales and marketing have you attended where the presenter 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? (as Dr. Phil would ask – 'how's that working for you?') So what do you do to grow sales and profits?

There is a very powerful body of research done by 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 just this ONE 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 businesses.

Okay, so how do you implement this strategy?

The preferred way to set up your process is to use the common 0-10 rating scale where 10 = Extremely Likely and; 0 = Not at All Likely to recommend you to a friend or family member. 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 (NPS)' which is easy to calculate. The most successful businesses using this technique measure and share their NPS will all team members and even tie performance incentives to the NPS.

Calculate the percentage of responders that were Promoters and subtract the percentage of responders that were Detractors:

$$\text{Net Promoter Score (NPS)} = \% \text{ Promoters} - \% \text{ Detractors}$$

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!!! No matter how busy your business is or what your product or service is YOU CAN DO THIS!

So, the new and improved way to understand what your customers think and feel about your business 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.

Once you have identified who your Net Promoters are you can implement (effectively and efficiently) your customer loyalty program – knowing who is likely to promote your business to others you can take advantage of their influence over others to grow your business at virtually no cost. It's kinda like knowing who is likely to vote for you and encouraging their friends to vote. We all have limited resources; why not use these simple tools to: improve your customer experience AND increase sales?

Let's work together on you strategies to grow your business sales and profit.

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