

The Info You Need to Be IN THE KNOW

DIY Customer Retention: The Most Important Question to Ask Your Customers:

What do your customers really think of your products and services?



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When it comes to measuring and valuing customer loyalty, where do you start? What should you measure? What should you ask? How often should you survey? What if customers raise issues you can't address? Can you predict whether a customer is going to leave for a competitor?

Over the past 20 years, Net Promoter® Score (NPS) has become the de facto industry benchmark for customer satisfaction method among Fortune 1000 companies. Conducting an NPS survey is easy and can positively influence your customer retention efforts. First, secure an account with an online survey company. Many include NPS modules so the system is preconfigured for you. Such solutions as Qualtrics Experience Management™ Software and Survey Monkey® enable all businesses, large and small, to have access to the tools necessary to execute their own NPS programs easily and inexpensively.

THE ONE QUESTION YOU HAVE TO ASK

NPS is a simple survey tool that can be used to gauge customer loyalty. It consists of a single question: "How likely are you to recommend our company/product/service to a friend or colleague?" That's it. Customers click on a score between 0 and 10.

THE NPS SURVEY HELPS YOU IDENTIFY:

- Promoters (score of 9–10): Generally less price-sensitive and more likely

to spend on value-added products and services. When asked, they will advocate for your company among their peers.

- Passives (score of 7–8): Appreciate the value of your product or service, but may switch quickly when something doesn't perform as expected or if they discover a better deal.
- Detractors (score of 0–6): Actively campaign against your business. They are more sensitive to price, less likely to spend more with your business, and may be costly to retain. They typically share their negative opinion of your business via online reviews and one-on-one—with anyone who will listen . . . or read.

THE METRIC THAT MATTERS MOST

The NPS is an overall measure derived by taking the Promoters (%) minus Detractors (%); but that isn't where the real value is for businesses. It's the individual customer scores, which reveal your ratings on customer service. You learn how your customers feel about their relationship with you. And you can use the rating to deliver individualized responses, immediately. For example, Detractors are at-risk and need prompt attention.

SEVEN TIPS FOR GETTING THE MOST FROM YOUR SURVEY

1. **Prepare your customer data for the survey:** Make sure it's clean—with accurate names, email addresses, and phone numbers—so that the results are more quickly actionable by your staff.
2. **Train both your services and sales teams:** Be sure they know how to handle the responses as they come in. Let them know that follow-up is

a priority, and encourage them to share outcomes with their teams.

3. **Follow up quickly:** Nothing is more precious than honest feedback from a customer. So don't let too many days pass before you follow up with them. Establish a process for a quick response: Have the service team call, or visit all respondents within a few days of their input.
4. **Dig into the details:** The score is an aggregate of the perceived value the customer receives from you—products, services, and intangibles. To learn more about the customer's affinity for you, have the service reps ask additional questions, such as "What is the reason for your score?" and "Is there anything we can do to improve your rating?"
5. **Encourage promoters to share:** Ask if they'd post a recommendation on social media (theirs and yours), user groups, and/or online review sites. Then thank them for their review.
6. **Incorporate survey results internally:** Information gleaned can spur ideas for product development, and for increasing revenue and customer retention. Use the scores in quarterly business reviews and/or monthly all-hands meetings to focus discussion around areas for improvement.
7. **Survey often, but not too often:** The best practice approach is to survey every quarter. And after getting feedback from individual respondents, wait at least six months before asking again. **c**