

February Marketing Innovators Luncheon Seminar

Customer Satisfaction 3.0: The Ultimate Metric

Moderated by Ed Russ, marketing consultant

Panelists: Chris Camerieri, director of global marketing, Aon;

Kathy Henrici, national director of client loyalty, Grant Thornton;

Tom Insprucker, global vice president of web programs, Schneider Electric

By Shakespeare Squared



In his book, *The Ultimate Question*, Fred Reichheld promotes the value of the Net Promoter Score (NPS), a loyalty metric based on customer feedback. The purpose of the metric is to hold companies and employees accountable for the way they treat customers, and when used effectively, Net Promoter can help drive profitable growth for businesses.

Calculating your Net Promoter Score is a relatively straightforward process. In fact, in order for a company to calculate its NPS, it need only ask customers one simple question: "How likely is it that you would recommend our company to a friend or colleague?" By responding on a scale of 1 to 10, customers are then put into one of three categories: promoter, passive or detractor.

Promoters are those who score a 9 or 10; they represent a company's brand enthusiasts who will keep buying and recommending the company to others. Detractors are those who score between 0 and 6; they are unsatisfied customers who can damage a brand through negative word of mouth. Finally, there are the passives. These customers score a 7 or 8; they are satisfied with a company's business but may still seek out alternative offerings from competitors. A company's NPS is the percentage of their detractors subtracted from the percentage of their promoters.

Aon, Grant Thornton and Schneider Electric are among the many companies who have come to embrace NPS as a customer satisfaction measurement program. Representatives from all three companies joined in a panel discussion on NPS at BMA's February luncheon. Moderating the panel was Ed Russ, retired CMO at Grant

Thornton and currently a marketing consultant for the company.

For Chris Camerieri, director of global marketing at Aon, finding out what customers have to say about his company is incredibly important. Today, NPS is directly tied to account planning and is the first step in the annual sales cycle.

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Similarly, for Kathy Henrici, national director of client loyalty at Grant Thornton, NPS has become an integral part of the relationship-building process. As a business-to-business company, “Our people are our product,” she said. Using NPS as its guide, Grant Thornton currently sends out a 40-question survey to nearly 8,500 clients a year to gain their feedback and measure their overall satisfaction with the company.

However, as these companies will tell you, just measuring your NPS is not enough. Companies must have systems in place to actually implement changes in customer interaction and improve profitable growth. One of the first steps in the NPS process is to make sure that the necessary data is in place.

As Camerieri pointed out, in order to get the most out of your NPS, “you need to

know who your customers are, what they’re buying, how much they’re buying and how long they’ve been customers.”

Another important part of the NPS process is getting the leadership on board. Henrici said that in order to invest in the data and achieve results, it is imperative to have the support of the company’s most influential members. She said only the leadership of a company can say, “We are doing this. We are taking this seriously. You are following up when we get client feedback, and we will invest in what we get out of this program.”

At Schneider Electric, NPS has become more than just a tool to measure customer satisfaction. Tom Insprucker, global vice president of Web programs at Schneider Electric, credits NPS with fostering greater employee engagement and a higher employee commitment to what the company stands for. Not only does Schneider Electric post its NPS on the company intranet for all employees to see, but the company’s compensation structure is also tied to NPS. “When employees see a change based on some systemic investment, it’s extraordinarily powerful,” he said.

In fact, Schneider Electric even has a specific NPS to measure employee satisfaction, known as the Employee Net Promoter Score, or ENPS. This, too, is posted on the company intranet for all employees to see. Insprucker said NPS has become part of the “language of the company” and that employees develop a greater sense of company loyalty when they can see that customer satisfaction truly is a primary focus.

A key aspect of ensuring an accurate NPS is to get the feedback of all of your clients—not just the ones who you know will give your company a high score. In some cases, companies may need to call their clients directly in order to get a response. As Henrici said, “People are willing to tell you something in a survey that they might not tell you face to face. Clients will tell you when they’re leaving, and they’ll give you every opportunity to make a change. If you ignore that feedback, they’ll go.”

In many cases, a company’s promoters are their most profitable clients. They have been with your company longer, they continue to buy more services and they refer your company to others. However, a company’s NPS should not be the sole indicator used to determine whether or not

it is doing well or poorly. Companies should consider the average NPS for their industry and determine their company’s own baseline and try to improve it.

Quoting former GE CEO Jack Welch, moderator Ed Russ reiterated the importance of measuring customer satisfaction, saying: “We have only two sources of competitive advantage: To learn more about our customers faster than our competitors and the ability to turn that learning into action faster than our competitors.”

Used effectively, NPS is an incredibly powerful tool that can help companies connect with their customers, foster stronger relationships and build their brands.

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